

4th October, 2010

To whom it may concern

Company Name: Nifco Inc.
Head Office: 184-1 Maioka-cho, Totsuka-ku,
Yokohama, Kanagawa Pref., Japan
Comp. Code no. 7988 (1st Board TSE)
Rep. Director: Masaru Onodera, President
Akira Nakamura,
Contact Person: General Manager, Corporate
Administration Division
(tel 03-5476-4850)

Notice concerning the establishment of a new subsidiary

Nifco would like to announce the establishment of a new subsidiary company as described below.

Notes

1. Purpose

The Company established a subsidiary in Shanghai in 1996, and now operates in 7 locations in China, including Hong Kong. These companies have business dealings mainly with the Japanese and Korean automakers established there.

This new company, established in the city of Ezhou in Hubei Province, will manufacture components and supply the Chinese domestic automakers that are located in inland China; for the Nifco Group, this eighth Chinese company will be the first one which has been established in inland China.

2. Outline of the new company

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| (1) Company name (tentative): | Nifco (Hubei) Co. Ltd. |
| (2) Representative: | Toshihiko Terashima, General Manager |
| (3) Location: | Baoye Industrial Park, ChuangYe Avenue,
Gedian Economic and Technical Development Zone
Ezhou City, Hubei Province,
The Peoples' Republic of China |
| (4) Establishment (planned): | December, 2010 |
| (5) Lines of Business: | Manufacture and sale of plastic components |
| (6) Fiscal period end: | December |
| (7) No. of Employees: | 110 (at the end of 2011) |
| (8) Amount of capital: | US\$7.0 million (circa ¥600 million) |
| (9) Shareholder: | 100% Nifco (Hong Kong) Ltd.
(Nifco (Hong Kong) Ltd. is 100% owned by Nifco Inc.) |

3. Effect on the Company's business

The effect of the establishment of this new company on the Company's business for the year ending March, 2011 will be small.

【For questions related to this announcement, please contact the following】

Nifco Inc., Overseas Planning Department, Mr. Watanabe at telephone no. 03-5476-4850