

[Translation]

[NOTICE: Please note that the following is a translation of the Japanese language original for convenience purposes only, and in the event of any discrepancy, the Japanese language original shall prevail.]

April 3, 2018

For immediate release

Company: Nisshinbo Holdings Inc.
Representative: Masaya Kawata, President
Securities Code: 3105
TSE (First Section); NSE (First Section); SSE; FSE

Notice Regarding Establishment of Subsidiary Related to Mobility Business

Nisshinbo Holdings Inc. announces the establishment of JRC Mobility Inc., a subsidiary focused on the mobility business.

1. Purpose for Establishing Subsidiary

Nisshinbo has adopted a policy of prioritizing the allocation of management resources to automotive and super smart society-related businesses in its long-term strategic plan and has launched into the advanced driving assistance system (ADAS) business.

The establishment of JRC Mobility Inc. will accelerate this growth strategy and aims to expand business areas from automotive to mobility. Combining the Group's wireless communication and electronic device technologies, Nisshinbo will develop business in autonomous driving, electric vehicles, and connected car domains.

At the same time, with the establishment of this subsidiary, the mobility field within the Communications Products and Network Division of Japan Radio Co., Ltd. will develop into an independent business, utilizing aforementioned division's business as the core so as to promptly and accurately respond to business domains where technological innovations are progressing rapidly. The establishment of JRC Mobility Inc. will facilitate rapid decision-making and create a flexible business structure, clarifying business results and management responsibilities. Nisshinbo will also promote stronger Group cooperation by applying technologies and distribution channels of mechatronics and chemical into electronics. Furthermore, in addition to automobiles, Nisshinbo will promote business targeting a wide range of customers in mobility industry, including agricultural and industrial machinery, drones and railway vehicles.

Overview of Subsidiary

Name: JRC Mobility Inc.
Location: 2-31-11, Ningyo-cho, Nihonbashi, Chuo-ku, Tokyo, Japan
Representative: Kinji Kato, Representative Director and President
(Executive Officer, Communications Products Division, Japan Radio Co., Ltd.)
Business: 1. Development of in-vehicle radar, ultrasound sensors, etc.
2. Development, manufacturing, and sales of communication equipment, sensors, etc. and services for mobility and traffic infrastructure
Established: April 3, 2018
Capital: 490 million yen
Major shareholder and ownership ratio: Nisshinbo Holdings Inc. 100.0%

2. Future Prospects

The establishment of this subsidiary is expected to have only a minor impact on the consolidated performance of Nisshinbo Holdings Inc. for the fiscal year ending March 31, 2019.