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### Announcement of establishment of a subsidiary in Hubei Province, China

SIIX Corporation (the “Company”) hereby announces that a resolution was passed at the meeting of the Board of Directors held on October 28, 2016 to establish a manufacturing subsidiary in Xiaogan, Hubei Province, China that will carry out the mounting of electronic components and the assembly and processing of equipment and components.

#### 1. Objective of establishing the subsidiary

Because of strategic initiatives, the Company’s China business has been growing rapidly over the past several years. Hubei Province in China has maintained robust economic growth mainly in the automobile and high-tech industries, and has developed as an important traffic hub since the days of old. With manufacturers of finished vehicles from all over the world establishing a base in the province one after another in recent years, the region has been increasing in presence each year as a center of the automobile industry. Supported by abundant young labor and robust consumption, development in various industries is also expected in the future.

Under such economic circumstances, the Company intends to expand its business in Hubei Province, which is seeing outstanding economic growth, to acquire customers in the consumer electronics equipment and industrial equipment fields.

By doing so, the Company’s manufacturing operations in China will be carried out in three plants—the existing plants in southern China (Dongguan) and eastern China (Shanghai), and the new plant in central China (Hubei). In the future, we will strive to tackle the huge Chinese market by acquiring new customers and further increasing orders from existing customer companies under the cooperation of our sales company and the three plants, and establish our staunch Chinese business.

#### 2. Overview of the subsidiary to be established

(1) Company name	SIIX HUBEI Co., Ltd. (tentative)
(2) Location	Xiaogan, Hubei Province, China
(3) Representative	TBC
(4) Date of establishment	January 2017 (plan)
(5) Capital	50 million renminbi (approx. 800 million yen)
(6) Main business lines	Mounting of electronic components, assembly and processing of equipment and components

### 3. Overview of plant

(1) Size	Land area: 40,060 m <sup>2</sup> ; total floor area: 5,929 m <sup>2</sup>
(2) Investment	Approx. 2.0 billion yen
(3) Employees	Approx. 100 (at start of operation)

### 4. Schedule

October 28, 2016	Resolution of Board of Directors
January 2017	Establishment (plan)
March 2017	Start of operation (plan)

### 5. Future outlook

Since the subsidiary is expected to start operation in March 2017, we believe the impact on the consolidated business results for the current fiscal year will be negligible. We will promptly make announcement of any impact as it deems necessary in the future..