Source: Document disclosed on January 25th, 2017 in accordance with the Tokyo Stock Exchange regulations

January 25th, 2017

NIKKISO CO., LTD.

Notice regarding Execution of the Joint Venture Agreement on UV-LED business (Establishment of Joint Venture Company)

Nikkiso Co., Ltd. ("NIKKISO") hereby announces the execution of Joint Venture Agreement ("JVA") on January 25th that NIKKISO, Nikkiso Giken Co., Ltd. ("GIKEN") (collectively "NKS"), the wholly owned subsidiary of NIKKISO, and Taiwan based Formosa Plastic Group ("FPG") continued investigation and discussion of the strategic business alliance in UV-LED business and establish joint venture company ("JVC") as a core of the alliance to manufacture and sell deep UV-LED products. NKS and FPG signed the Joint Venture Agreement ("JVA") today.

1. Outline of the JVC

(1) Company Name	Nikkiso Formosa Co., Ltd. (Scheduled)	
(2) Address of Headquarters	Touliu, Yunlin County, Taiwan, R.O.C. (Scheduled)	
(3) Title and Name of Representative	To be determined by the conclusion of Definitive Agreement	
(4) Business Description	Manufacturing and sale of deep UV-LED components, instrument and equipment which UV-LED component is used for	
(5) Capital	Taiwan dollars equivalent to 4 billion yen (at incorporation / finally, Taiwan dollars equivalent to 8 billion yen)	
(6) Date Established	July, 2017 (Scheduled)	
(7) Net assets	Taiwan dollars equivalent to 4 billion yen	
(8) Total assets	Taiwan dollars equivalent to 4 billion yen	
(9) Fiscal year-end	December 31	
(10) Shareholders and Percentage of Shares Held	Nikkiso Co., Ltd. 51% Formosa Plastic Group 49%	
(11) Relationship with Nikkiso	Capital relationship	To hold 51% interests of JVC (Scheduled)
	Personal relationship	To dispatch three board member from Nikkiso Co., Ltd. to JVC (Scheduled)
	Business relationship	Sale of i) deep UV-LED components manufactured by Nikkiso Co., Ltd. and ii) instrument and equipment which UV-LED component is used for, from Nikkiso Co., Ltd. to JVC (Scheduled)

2. Objectives of the strategic business alliance

Deep UV-LED is expected to be used for a variety of applications as a light source for water disinfection, air disinfection and deodorization, resin/ink curing, analytical and measurement instrument. Expansion in the deep UV-LED market is anticipated by capturing unmet needs of UV mercury lamp as well as substitution for the existing demands for UV mercury lamp.

Until now, NKS succeeded in development and mass production of the world's highest performance of deep UV-LEDs. NKS has also carried out application development of deep UV-LEDs, water disinfection module etc. JVC allows for more rapid expansion in the deep UV-LED market and provide the high performance and low price deep UV-LED by combining NKS's strengths of technology and FPG's manufacturing know-how in low cost production, based on FPG's experience in manufacturing of visible light LED components.

Furthermore, JVC will secure a firm footing in the field of deep UV-LED products by providing modules and systems close to existing businesses of both companies.

3. Schedule

(1) Date of resolution of the board of directors	December 18th, 2015
(2) Date of conclusion of MOU	February 22nd, 2016
(3) Date of conclusion of JVA	January 25th, 2017
(4) Date of start of business	July, 2017 (Scheduled)

4. Future outlook

Effect on the consolidated financial results of current fiscal year will be included in outlook of the consolidated financial results of current fiscal year, we will disclose it on February 14th, 2017.

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