May 22, 2020

To Whom It May Concern

Company Name: Nikko Co., Ltd.
Representative: Masaru Tsuji, Representative Director and President
(Stock Code: 6306, First Section of Tokyo Stock Exchange)
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Notice Regarding Establishment of Subsidiary Overseas

The Company's Board of Directors resolved at a meeting on May 22, 2020, to establish a subsidiary in the Kingdom of Thailand.
Overview of the plan is as follows.

1. Purpose of establishment of a new company

The Company, as part of its ASEAN strategy, based on the medium- and long-term management plan, established Nikko Asia (Thailand) Co., Ltd. in February 2020 for sales and maintenance service of asphalt plants so as to provide stable and speedy maintenance, supply parts, and ensure close communications with customers. Subsequently, the Company will establish an independent manufacturing company in Thailand for local production to reduce costs and lead time to respond more to its customer needs and, together with the Shanghai factory in China, boost competitiveness across Asia.

2. Company overview

(1) Date to be established	June 25, 2020 (provisional)
(2) Name	Nikko Nil Khosol Co., Ltd. (provisional)
(3) Representative	Yosuke Yamamoto, President and Representative Director
(4) Capital stock	THB120 million (about 400 million yen)
(5) Location	Pinthong Industrial Park Phase 4, Chonburi Province, Kingdom of Thailand

(6) Business	Manufacture and sale of asphalt plants and industrial machinery
(7) Ownership ratio	Wholly owned by Nikko Co., Ltd.

3. Factory overview

(1) Site area	40,542 m^2
(2) Factory area	4,536 m^2
(3) Investment	Approx. THB350 million (approx. 1.2 billion yen)
(4) Production capacity	Thirty asphalt plants a year and 900 tons of industrial machinery
(5) Start of construction work (provisional)	August 2020
(6) Start of operation (provisional)	October 2021



Rendering of the exterior of Nikko Nil Khosol Co., Ltd. (provisional name)

4. Future outlook

The impact of the establishment of the subsidiary on the Company's consolidated business performance forecast is expected to be negligible and it does not affect the outlook of the consolidated business performance.