SEIKOH GIKEN Co., Ltd.

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<u>To acquire the additional shares of DATA-PIXEL SAS (France), DATA-PIXEL SAS</u> <u>to become a consolidated subsidiary company of SEIKOH GIKEN Co., Ltd.</u>

Seikoh Giken Co., Ltd. (hereinafter "Seikoh Giken") announces that Seikoh Giken acquired the additional shares of DATA-PIXEL SAS (hereinafter "DATA-PIXEL") owned by PLAN C SAS, and Data Pixel becomes a consolidated subsidiary company of Seikoh Giken on April 3, 2017.

1. Purpose for the additional shares acquisition

DATA-PIXEL was established in 2001, it has focused on developing and manufacturing measurement and inspection equipment for optical communication components. The DAISI (Digital Automated Interferometer for Surface Inspection) series entered the market in 2004 and established the superiority in terms of price and performance. Since then, additional products have further completed the company portfolio including the Koncentrik, DScope and 3DScope systems, Blink (real-time automated visual inspection software) and so on. In consequence, DATA-PIXEL has supplied more than 1,600 total systems to more than 30 countries worldwide. At present, DATA PIXEL has secured a share of world-class market in interferometer for optical communication components.

Seikoh Giken acquired the shares of 49% of DATA-PIXEL in August 1, 2012. Since then, DATA-PIXEL has been managed as equity method affiliate company in Seikoh Giken.

To acquire the additional shares of 48% of DATA-PIXEL in April 3 2017, Seikoh Giken has the total 97% shares of DATA-PIXEL, DATA-PIXEL becomes a consolidated subsidiary company of SEIKOH GIKEN.

By this Additional Share Acquisition, Seikoh Giken will further deepen relationship in the field of product development and manufacturing. In addition, Seikoh Giken aims effective

use of management resources owned by both companies such as technology, know-how, human networks, human resources, production facilities and intelligence, and increase corporate value of both companies over long-term period as well as further improve the sustainability of Data-Pixel products and service to its customers.

2. Overview of DATA-PIXEL

(As of December 31, 2016)

| (1) Company Name | DATA-PIXEL SAS | |
|---------------------------|---|--|
| (2) Head Office | Annecy, France | |
| (3) Representative | Loic Cherel | |
| (4) Principal Business | Development, Manufacturing and Sales of | |
| | 3D interferometry equipment, | |
| | Eccentricity measurement equipment, | |
| | Ferrule end-face inspection equipment | |
| (5) Capital | € 151,200 | |
| (6) Shareholder | PLAN C SAS (France) 51%, | |
| | SEIKOH GIKEN Co., Ltd 49% | |
| (7) Year of Establishment | 2001 | |

3. Ownership of DATA-PIXEL

| (1) Number of shares held prior to the transaction | 2,058 shares | |
|--|-----------------------|-------------------|
| (2) Number of shares held | 4,074 shares | |
| after the transaction | | |
| (3) Shareholder composition | PLAN C SAS | 126 shares, 3% |
| after transaction | SEIKOH GIKEN Co., Ltd | 4,074 shares, 97% |

4. Completion date of transaction

April 3, 2017

5. Future outlook

Impact on performance due to the transaction of a consolidated subsidiary company is immaterial, there is no change in earnings forecast for the year ended March 31, 2017. It will announce the forecast of the year ended March 31, 2018 on May 12, 2018.