



Announcement of Incorporation of Joint Venture in Philippines

We are very pleased to announce that we have incorporated a Joint Venture Company in the Philippines, JP Systems Asia, Inc. (JPSAI) together with KYC Machine Industry Co., Ltd. (KYC) and Equipment Engineers, Inc. (EE), a subsidiary of a major construction company EEI Corporation (EEI) in the Philippines. The Joint Venture was incorporated on December 2016 and started the scaffolding rental operations from April 2017.

Purpose of Incorporation

The Philippines, with the second largest population among ASEAN countries has a remarkably growing economy with an average of 6% annual GDP growth. Currently, EEI is into the business of construction of high-rise, power plants, infrastructure projects of airports, railroads, expressways / highways and plays a crucial role in the construction market of Philippines. To backbone this growth and our partner companies, we purvey our expertise on rental know-how.

We acknowledge the Philippines as an important market among ASEAN countries and aim to strengthen our relation through scaffolding business in the region with our Joint Venture Company established with our partners EE and KYC, a leading scaffolding and machine manufacturer in Japan.

Overview of Joint Venture Company

Company Name: JP SYSTEMS ASIA, INC. (JPSAI)
 Address: 12 Manggahan St. Barangay Bagumbayan, Quezon City, Metro Manila, Philippines
 Representative: Garizaldy F. Cruz
 Capital: Philippines Peso 50 Million
 Capital Ratio: EE 60% KYC 20% Sansin 20%
 Business: Rental and Sales of Scaffolding

Overview of EE

Company Name: EQUIPMENT ENGINEERS, INC.
 Address: 12 Manggahan St. Barangay Bagumbayan, Quezon City, Metro Manila, Philippines
 Representative: Roberto Jose L. Castillo
 Capital: Philippines Peso 375 Million

Overview of KYC

Company Name: KYC MACHINE INDUSTRY CO., LTD.
 Address: 7F EDGE HONMACHI Building, 2-3-12 Minamihonmachi, Chuo-ku, Osaka
 Representative: Masatoshi Naokawa
 Capital: Japanese Yen 500 Million

[Contact regarding this announcement]

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