

Daido Metal Co., Ltd.
 Seigo Hanji
 Chairman and Chief Executive Officer

(For inquiry)
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 Division
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**Memorandum of Understanding on partial transfer of shares of NPR of Europe GmbH
 from Nippon Piston Ring Co., Ltd. to Daido Metal Co., Ltd.**

Daido Metal Co., Ltd. (hereinafter “we”) signed a Memorandum of Understanding (hereinafter “MOU) today with Nippon Piston Ring Co., Ltd. (hereinafter “NPR”), regarding the partial transfer of NPR of Europe GmbH (hereinafter “NOE”) equity shares from NPR to us. NOE is a 100% subsidiary of NPR, and situated in Germany.

Under this MOU, NPR and we will start a discussion towards possible partial share transfer in the future.

1. Background and objective

Daido and NPR are working together from the past in European market, with NOE selling Daido’s Engine bearings and other products to European car makers and Engine makers.

We believe that the tighter co-operation with NPR will contribute to both companies by strengthening the market presence in Europe, our business foundation and corporate value, and thus we decided to go forward with the discussion for the future partial share transfer.

We will make further announcement, once we agree with the percentage of shares to be transferred.

2. Overview of NPR of Europe GmbH

(1) Name	NPR of Europe GmbH
(2) Address	Siemensstr.56, 70825 Korntal-Münchingen, F.R.Germany
(3) Representative	Hironobu SEKIYA, Managing Director, President
(4) Business	Sales of automotive parts
(5) Share Capital	EURO 2,500,000 ^(*1)
(6) Founded	2 December, 1999
(7) Shareholder	Nippon Piston Ring Co., Ltd. 100%

*1 (Exchange rate at the close of 21 December, 2017 - 134.54 EUR/JPY)

3. About Nippon Piston Ring Co., Ltd.

(1) Name	Nippon Piston Ring Co., Ltd.
(2) Address	5-12-10, Honmachi-Higashi, Chuo-ku, Saitama City, Saitama, JAPAN
(3) Representative	Akira YAMAMOTO, President
(4) Business	Production and sale of automobile engine parts, marine engine parts and the other parts.
(5) Share Capital	JPY 9,839 million
(6) Founded	20 December, 1934
(7) Sales (Consolidated)	JPY 52,121 million (2017/3)

4. Impact on current period's financial result

Percentage of shares to be discussed is still under discussion. We will make further announcements if and when we know that there is an impact on our financial result.