

Possible New Pacific Industrial Co., Ltd. Overseas Subsidiary

February 26, 2014

The Board of Directors of Pacific Industrial Co., Ltd., in a meeting on February 26, 2014, announced a resolution to begin exploring the possibility of establishing a new overseas subsidiary.

1. Background

Currently, our TPMS (Tire Pressure Monitoring System) products are being produced in Japan and the United States to serve our markets in the U.S. and Europe. However, the company believes it is in our best long-term interest to consider future business development in the Asian market, which continues to expand. Therefore, Pacific Industrial Co., Ltd. has begun a feasibility study to establish a new China subsidiary as part of our corporate business plan.

2. Initial Plans

- (1) Location: People's Republic of China Sinter East District
- (2) Operations: Production and sale of TPMS products
- (3) Target Date: May 2014
- (4) Investment Base: 100% Pacific Groups
- (5) Planned Investment: 87 million Yuan (approx. 1.4 billion Yen)
- (6) Others: Undecided

3. Next Steps

Future announcements by Pacific Industrial Co. Ltd. regarding this possible expansion will be made upon completion of the feasibility study and development of our business plan.