

April 26, 2010

Nihon Inter Electronics Corporation

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(Stock Code: 6974 on TSE First Section)

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**Application for and Acceptance of Business Revitalization Procedures
and Outline of Proposed Business Revitalization Plan**

In accordance with the mid-term management plan covering from April 2007 to March 2010, we have focused management resources on applications that are expected to grow strongly in future and strived to enhance our corporate value in the following three markets: the market of IT and digital appliances, the market of electrical components or related equipments for automobile, and the market of industrial equipment and clean energy. However, it is likely that we have no choice but to register current net loss in a substantial amount for three consecutive terms due to the difficulties in recouping our strategic investment and in restructuring our business so as to address globalization, in addition to the simultaneous global recession then occurred leading us to a significant decrease in our sales.

Under this increasingly severe business environment, we have decided to apply for commencement of consensual business revitalization alternative dispute resolution procedures as prescribed in the Act on Special Measures for Industrial Revitalization (the “Business Revitalization Procedures”) in order to perform a drastic revision of the business structure as well as to improve profit structure and financial standing with the goal of revitalizing our business.

As of April 26, 2010, we officially applied for the Business Revitalization Proceeding to and were accepted by the Japanese Association of Turnaround Professionals (the “JATP”, a trade association certified by the Minister of Justice as a professional on alternative dispute resolution and a trade association certified by the Minister of Economy, Trade and Industry as a professional of business revitalization procedures). On this same day, we sent a “Notice of Suspension (including Suspension against Repayment of Principal)” to our financial institution creditors under the name of Nihon Inter Electronics Corporation and JATP.

The Business Revitalization Procedures is to be proceeded mainly with our financial institution creditors, etc., and thus will not affect customers that have business relations with us and/or our subsidiaries.

While continuing our production and business activities as before, we will formulate a proposed business revitalization plan, discussing with all of our financial institution creditors and in accordance with

the investigation, instruction or advice from JATP from a fair and neutral position. The outline of our current proposed business revitalization plan is hereto attached.

We are now more committed and dedicated than ever to devote every effort to become a respectable company. We deeply appreciate kind understanding of the shareholders and financial institution creditors.

The anticipated time schedule for the Business Revitalization Procedures is as follows:

- May 10, 2010 — The 1st Creditors Meeting (explanation of the outline of the proposed business revitalization plan and confirmation on the suspension of repayments)
- May 25, 2010 — The 2nd Creditors Meeting (discussion on the proposed business revitalization plan)
- June 22, 2010 — The 3rd Creditors Meeting (resolution on the proposed business revitalization plan)

Outline of Business Revitalization Plan

1. Outline of Business Structure

We will start to dramatically overhaul our business structure specifically in business areas of consumer products, industrial products, and merchandizing activities, eyeing the possibility of spinning off these areas into separate companies respectively under the new system.

- (1) As for the area of consumer products, we will convert to a new business model based on eight inch factories, focusing on outsourcing.
 - (i) We will dramatically overhaul the manufacturing structure.
 - (ii) We will pursue expanding our sales in Chinese regions, utilizing foundries and manufacturers specialized in post process.
 - (iii) We will enhance our sales system in Chinese regions.
- (2) As for the area of industrial products, we will make enhancement by concentrating resources thereinto and by pursuing cooperation.
 - (i) We will expand our sales of and upgrade the lines of modules in the environment conscious market and new energy market.
 - (ii) We will pursue developing and manufacturing modules fabricated by molding process.
 - (iii) We will enhance our sales system in Chinese regions.
- (3) As for the area of merchandizing activities, we will improve our earning capacity, focusing on solution business. In addition, we will concurrently start to restructure our operations, eyeing the possibility of spinning off these areas into separate companies.

2. Financial Support in the Business Revitalization Procedures

In the Business Revitalization Procedures, concurrently with the efforts to increase our earning capacity and damaged equity capital by means of reorganizing the business structure as mentioned above in paragraph 1, we will ask our financial institution creditors for financial support, including canceling their loans partly in exchange for acquiring equity in our company (the “debt-for equity swap”) for purposes of reducing excessive interest-bearing debt which is a major financial issue in this Business Revitalization Procedures. We are not expecting to make any offer for debt-forgiveness.

3. Responsibility of Management and Shareholders

(1) Responsibility of Management

Mr. Ishii Masao, the current representative director and president of our company, will resign from office once the Business Revitalization Plan is approved. We will make report at an appropriate time as for the new management structure including the commitment of other directors, after taking into consideration the opinions of shareholders and financial institution creditors as well as the intention of turnaround professional.

(2) Responsibility of Shareholders

We are expecting to increase our capital by allocating new shares to overseas investors or entrepreneurs, etc., in which case the value of current shareholders may be diluted. Your understanding is greatly appreciated. We are not expecting to make any offer to our current shareholders for capital reduction at this moment.

In addition, we are planning, in principal, to maintain our shares to be listed, with in mind the results of our efforts to enhance the feasibility of capital increase and to secure means of investment recovery through asking our financial institution creditors for canceling their loans partly in exchange for acquiring equity in our company (the “debt-for equity swap”).

4. Management Plan with Numerical Targets; Financial Plan; and Repayment Plan of Outstanding Debt, etc. in Business Revitalization Procedures

As for our management plan setting numerical targets, etc. shall be formulated through negotiation with our financial institution creditors in this Business Revitalization Procedures. We will inform you of the contents thereof once they are fixed.

5. Future Prospects

Though we are supposing to record restructuring expenses associated with this Business Revitalization Procedures as extraordinary loss, the actual results of our business performance for the whole financial year (the expectations of which had been published on November 9, 2009) have not yet been finalized. We will inform you thereof immediately once finalized.

The financial reports for the business year ending in March (regarding the business year from April 1, 2009 through March 31, 2010) are to be disclosed on May 11, 2010.

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