

December 27, 2017

Subsidiary Acquisition of the Steel Business Owned by Nakamura Kozai Co., Ltd.

Okaya & Co., Ltd. is pleased to announce that it has decided to acquire issued shares of the company newly established by Nakamura Kozai Co., Ltd. by splitting its steel business and executing a Share Transfer Agreement.

1. Overview of share acquisition

In order to strengthen our steel business, Okaya & Co., Ltd. is to acquire 97% of shares of the new company succeeding to assets, liabilities, contractual status, rights, and obligations owned by Nakamura Kozai Co., Ltd. with respect to its steel business.

The trade name “Nakamura Kozai Co., Ltd.” will be used by the new company; the current Nakamura Kozai Co., Ltd., after the split, is to change its company name and specialize in real estate leasing.

2. Outline of the new company

1. Trade name Nakamura Kozai Co., Ltd.
2. Location 2-8-10 Shinkawa, Chuo-ku, Tokyo
3. Representative Akio Nakamura
4. Capital JPY 40 million (Okaya & Co., Ltd.: 97%, Akio Nakamura: 3%)
5. Business purpose Sale / processing and sale of general steel materials
6. Number of employees 25 employees (plan)
7. Annual sales JPY 7.7 billion (current Nakamura Kozai Co., Ltd., fiscal year ending September 2017)

3. Outline of the current Nakamura Kozai Co., Ltd.

1. Trade name Nakamura Kozai Co., Ltd.
2. Location 2-8-10 Shinkawa, Chuo-ku, Tokyo
3. Representative Akio Nakamura
4. Capital JPY 40 million
5. Establishment 1923
6. Business purpose Sale / processing and sale of general steel materials, real estate leasing

4. Schedule

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| (1) Execution of Share Transfer Agreement | December 27, 2017 |
| (2) Company split and transfer of shares (scheduled) | March 1, 2018 |

5. Effects on our consolidated performance

The share acquisition above will have no effect on our consolidated performance for the fiscal year ending February 2018.