

July 26, 2007

Establishment of Okaya Hokkaido Co., Ltd.

Okaya & Co., Ltd. has decided to separate its Hokkaido Branch from its Tokyo Headquarters, and to establish Okaya Hokkaido Co., Ltd.

The new company will commence its business operation in September, 2007 as a sales company closely inked to the customers in Hokkaido region, and plans to expand its sales of machine tools, industrial machineries, cutting tools, electronic devices, steel products, etc.

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| 1. Name | Okaya Hokkaido Co., Ltd. |
| 2. Address | 266-7, Yufutsu, Tomakomai, Hokkaido |
| 3. Capital | Yen 50 million |
| 4. Shareholder | 100% held by Okaya & Co., Ltd. |
| 5. Establishment | September 3, 2007 (schedule) |
| 6. Representative | President, Kazuteru Uchida (currently Office Manager of Hokkaido Branch Office) |
| 7. Number of employees | 10 employees |
| 8. Sales plan | Yen 3 billion (fiscal year ending February, 2009) |

<For reference: Our Group companies in Hokkaido>

Okaya Eco-Assort Corp.

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| Address: | 265-27, Yufutsu, Tomakomai, Hokkaido |
| Establishment: | November, 1972 |
| Representative: | Takaaki Onishi (President) |
| Capital: | Yen 98 million (50% held by Okaya & Co., Ltd.) |
| Annual sales: | Yen 2.6 billion (fiscal year ended February, 2007) |
| Business: | Processing and sales of steel scraps and non-ferrous metal scraps, and other businesses |

Okaya Iwai Hokkaido Co., Ltd.

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| Address: | 266-7, Yufutsu, Tomakomai, Hokkaido |
| Establishment: | March, 2007 |
| Representative: | Tatsuichi Iwai (President) |
| Capital: | Yen 20 million (65% held by Okaya & Co., Ltd.) |
| Annual sales: | Yen 200 million (planned for fiscal year ending February, 2008) |
| Business: | Design and manufacturing/remodeling/maintenance of machineries and equipment, and other businesses |