

December 27, 2016

**Commencement of Operation of Overseas Corporation,
Trading Company in China**

Okaya & Co., Ltd. is pleased to announce that Okaya (Beijing) Co., Ltd., our subsidiary company, has merged with Okaya (Tianjin) Co., Ltd. as announced on March 31, and will start operation on January 1, 2017.

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| 1. Corporate name | OKAYA (BEIJING) CO., LTD. |
| 2. Location | Jing Guang Centre, Room No. 305, Hu Jia Lou,
Chao Yang Qu, Beijing, China |
| 3. Business purpose | Trading |
| 4. Capital | USD 1.6 million |
| 5. Start of sales | January 1, 2017 |
| 6. President | Yoshikazu Matsui
(to concurrently serve as branch manager of Beijing Branch
and Dalian Branch) |
| 7. CEO | Kunihiro Yamamoto
(to concurrently serve as branch manager of Tianjin Branch
and head of Changchun Office) |
| 8. Number of employees | 45 employees (scheduled) |
| 9. Annual Sales | JPY 10,000 million (planned)
(fiscal year ending December 2017) |
| 10. Organization | Beijing Head Office
Beijing Branch, Tianjin Branch, Dalian Branch
and Changchun Office |

For reference:

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| 1. Outline of merger | |
| Surviving company: | Okaya (Beijing) Co., Ltd.
(subsidiary wholly owned by Okaya & Co., Ltd.)
President and CEO: Yoshikazu Matsui |
| Merged company: | Okaya (Tianjin) Co., Ltd.
(subsidiary wholly owned by Okaya & Co., Ltd.)
President and CEO: Kunihiro Yamamoto |
| Merger method: | Absorption-type merger |
| 2. Purpose of merger | To enhance the management foundation and strengthen sales capability. |