

Opening of Okaya Kyushu Co., Ltd.

Okaya & Co., Ltd. has decided to transfer the current business of its Kyushu Branch Office to its operating subsidiary in order to establish a sales system that is more closely linked to the customers in the Kyushu region.

The capital of the subsidiary, Kyushu Okaya Kizai Co., Ltd. will be increased from Yen 20 million to Yen 310 million, and its company name will be changed to Okaya Kyushu Co., Ltd. The company will commence its operation in the beginning of March, 2008 after the above business transfer takes place. The company will construct an office/warehouse for rent and a plant for rent on its land in Kanda-machi, Miyako-gun, Fukuoka, and aims to expand its automobile related business, etc.

Outline of Okaya Kyushu Co., Ltd.

1. Address 4F, Dai-7 Myojo Building, 4-1-1, Tenjin, Chuo-ku, Fukuoka
2. Representative Shuji Ninomiya (President) (duties held in addition to Director & General Manager of Osaka Office)
3. Capital Yen 310 million
4. Business bases HO (Fukuoka), Kita-Kyushu Branch Office (Kanda-machi, Fukuoka),
Nagasaki Sales Office (Nagasaki-shi, Nagasaki)
5. Number of employees 31 employees (plan for fiscal year ending in February, 2011)
6. Sales plan Yen 15 billion (plan for fiscal year ending in February, 2011)

< For reference >

Outline of Kyushu Branch Office

- Address: 4F, Dai-7 Myojo Building, 4-1-1, Tenjin, Chuo-ku, Fukuoka
 Opened: April, 1946
 Representative: Takakazu Inagaki (Branch Manager)
 Number of employees : 25 employees (including the employees of Kyushu Okaya Kizai Co. Ltd.)
 Sales: Yen 9.5 million (actual for fiscal year ended in February, 2007)
 Iron & Steel 43%, Information & Electronics 13%, Industrial Machinery & Materials 21%, Living Related Products, etc. 23%

Outline of Kyushu Okaya Kizai Co., Ltd.

- Address: 5-6-24, Hakozaki-Futo, Higashi-ku, Fukuoka
 Establishment: April, 1992
 Representative: Michio Sakuma (President)
 Sales: Yen 200 million (actual for fiscal year ended in February, 2007)
 Business: Sales of piping materials, housing accommodation equipment, and machineries and equipment, etc.

Outline of new facilities in Kanda-machi

- Address: 1-2, Torigoe-cho, Kanda-machi, Miyako-gun, Fukuoka
 Total investment: Yen 500 million (schedule)
 Land area: 5,858 m²
 Office/warehouse for rent (2-storied):
 Floor area: 1,152m²
 Construction schedule: To be completed in March, 2008
 Rented to: Okaya Kyushu Co. Ltd. (Kita-Kyushu Branch Office) and several other companies
 Features: Considerations will be given to the environment and a solar power generation device will be installed on the roof.
 Plant for rent (partly 2-storied):
 Floor area: 612m²
 Construction schedule: To be completed in March, 2008
 Rented to: * Y.O. Mechanical Solutions Co., Ltd.

* The company will be established on April 1, 2008 (capital of Yen 10 million and 14% of which held by Okaya & Co., Ltd.) by a joint contribution of one of our business partners, Yamazaki Kogyo Co., Ltd. (business: manufacture/remodeling of machineries; address: 1-32, Torigoe-cho, Kanda-machi, Miyako-gun, Fukuoka)