

June 29, 2012

Establishment of a processing subsidiary for specialty steels

Okaya & Co., Ltd. is pleased to announce that it has resolved to establish a subsidiary steel processing company for specialty steels in Dalian, China. Taking advantage of production / processing know-how held by Okaya Special Steel Center Co., Ltd., an Okaya Group company, we aim to satisfy needs from local users by supplying processed parts and basic materials for the machining tool and construction machinery industries.

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| 1. Name | Okaya Specialty Steel Center (Dalian) Co., Ltd. |
| 2. Location | Dalian City, Liaoning Province, People's Republic of China |
| 3. Operations | Sales of steels, production and sales of cut steel products, sales of processed steel products |
| 4. Capital | 80 million yen
Okaya Special Steel Center Co., Ltd.: 70 million yen
Okaya & Co., Ltd.: 10 million yen |
| 5. Commencement of operation | Jan. 2013 (scheduled) |
| 6. Representative | Shinsaku Murakami (president of Okaya Special Steel Center Co., Ltd.) |
| 7. Employees | 7 (plan) |
| 8. Sales plan | Dec. 2013 period: 90 million yen
Dec. 2014 period: 200 million yen
Dec. 2015 period: 260 million yen |