

February 7, 2014

Investment in New Hot Forming and Hot Rolling Company in China

Our group will invest in a new company for hot forming and hot rolling, which is to be established in China by Kotani Corporation (located in Kasai City in Hyogo Prefecture, Japan).

Our aim is to expand business in the car parts market in China, which is expected to show continued growth in the future.

1. Name	Kotani (Zhangjiagang) Precision Forging Co., Ltd.	
2. Location	Zhangjiagang, Jiangsu, People's Republic of China	
3. Business purpose	Manufacture of car parts and manufacture of bearing parts	
4. Capital	Amount equivalent to 1.5 billion Japanese yen	
	Kotani Corporation	86.0%
	Okaya & Co., Ltd.	7.0%
	Okaya (Shanghai) Co., Ltd.	3.5%
	OKAYA (Guangzhou) Co., Ltd.	3.5%
5. Establishment	January 2014	
6. Begins operation	March 2016 (scheduled)	
7. President	Hisamichi Inoue (Director of Kotani Corporation)	
8. President and CEO	Kenji Ohno (Director of Kotani Corporation)	
9. Employees	24 (scheduled for 2016)	
10. Sales plan	FY 2016:	JPY 300 million
	FY 2017:	JPY 1.7 billion
	FY 2018:	JPY 3 billion

<For reference>

Kotani Corporation

- Location Kasai City, Hyogo Prefecture
- Representative Masahiro Kotani, President
- Business purpose Manufacture and processing of closed and open die forgings such as mission gear blanks and bearing races for cars
- Capital JPY 300 million
- Establishment June 1974