

January 31, 2013

Commencement of Operation of a Pipe Joint Venture Company in China

Okaya & Co., Ltd. is pleased to announce that an automotive / industrial pipe manufacturing subsidiary formed with SHINNICHI KOGYO CORPORATION and Okaya group companies start operation on the 1st of March under the following representative officers.

The company aims to participate in the Chinese automotive industry expected to grow further in the future and satisfy needs from local users by supplying products made with SHINNICHI KOGYO's processing / manufacturing know-how.

1. Corporate name	ZheJiang OKAYA SHINNICHI Co., Ltd.
2. Location	1353 Xinqun Road, Pinghu Economic Development Zone, Zhejiang, People's Republic of China (About 80km to the southwest from Shanghai City)
3. Business purpose	Manufacture and sale of automotive / industrial pipes
4. Capital	Equivalent to JPY 300 million Okaya & Co., Ltd. 50% SHINNICHI KOGYO CORPORATION 40% Okaya (Shanghai) Co., Ltd. 5% OKAYA SHINNICHI CORPORATION OF AMERICA 5%
5. Start of sales	March 1, 2013
6. President (part time)	Yoshio Kinoshita (President of SHINNICHI KOGYO CORPORATION)
7. CEO (full time)	Shinichi Kurumiya (Okaya & Co., Ltd.)
8. Number of employees	20 employees
9. Annual Sales (plan)	JPY 240 million (fiscal year ending December 2014) JPY 400 million (fiscal year ending December 2015)

<For reference>

SHINNICHI KOGYO CORPORATION

- Location Toyokawa City, Aichi
- Business purpose Manufacture and sale of large-diameter, thin-wall (titanium, stainless steel, steel) pipes
- Capital JPY 71.2 million
- Establishment September 1970

Okaya (Shanghai) Co., Ltd.

- Location Shanghai City, People's Republic of China
- Business purpose Trading
- Capital US\$500,000 (100% owned by Okaya & Co., Ltd.)
- Establishment August 2000

OKAYA SHINNICHI CORPORATION OF AMERICA

- Location Charlotte, North-Carolina, USA
- Business purpose Manufacture and sale of automotive parts
- Capital US\$2,500,000
(Okaya & Co., Ltd.: 46%, Okaya (USA) Inc.: 14%, SHINNICHI KOGYO CORPORATION: 40%)
- Establishment February 1990