

April 27, 2016

Establishment of a Casting Manufacturing Company in China

Okaya & Co., Ltd. has decided to establish a manufacturing and sales company for automotive press mold castings jointly with KOGI CORPORATION in Nantong, Jiangsu Province, China and is pleased to announce as follows.

1. Reason for the Establishment

Okaya & Co., Ltd. and KOGI CORPORATION established Tianjin Rainbow Hills Cast Iron Co., Ltd. in Tianjin, China in 2004 and have been manufacturing and selling automotive press mold castings since then. Now, the local demand is so large that the current production capacity of the company has been surpassed by the demand.

Also, since the explosion accident in Tianjin in August 2015, we have been reviewing the arrangement of our production system in case of emergency.

This time, to enhance the production capacity, to arrange a production system that can withstand an emergency, and to enhance the sales power around Shanghai and expand sales in the districts of Guangzhou and Chongqing, we established the new company in Nantong, Jiangsu Province.

2. Summary of Nantong Rainbow Hills Cast Iron Co., Ltd. (Temporary Name)

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|--------------------------|---|
| 1. Corporate name | Nantong Rainbow Hills Cast Iron Co., Ltd. (Temporary Name) |
| 2. Location | Nantong, Jiangsu Province, People's Republic of China |
| 3. Establishment | May 2016 (scheduled) |
| 4. Capital | US\$ 15 million (approximately JPY 1.65 billion)
[Ratios of contribution]
KOGI CORPORATION: 51%, Okaya & Co., Ltd.: 49% |
| 5. Representative | To be decided |
| 6. Business purpose | Manufacturing and sales of automotive press mold castings |
| 7. Business commencement | June 2017 (scheduled) |
| 8. Summary of the plant | Land: 35,700 m ² ; Building: 8,500 m ² |
| 9. Number of employees | 80 employees (plan as of 2017) |
| 10. Sales volume | JPY 3 billion under the plan for December 2020 |
| 11. Account closing date | December 31 |

3. Future Foresight

The effect of this matter on the Company's sales results for the current fiscal year is minute.

<For reference>

KOGI CORPORATION

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|--------------------|---|
| - Representative | Kazuyuki Hotta |
| - Location | 4-1 Kanbee-cho, Otsu-ku, Himeji City, Hyogo Japan |
| - Establishment | June 1940 |
| - Capital | JPY 2,002 million |
| - Business purpose | Casting and roll related business, business of machinery, new materials and environmental equipment |

Tianjin Rainbow Hills Cast Iron Co., Ltd.

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| - President | Fumihiko Yoshida (executive managing director and head of Toyota Headquarters of Okaya & Co., Ltd.) |
| - CEO | Tomohiro Matsumoto (Director and head of the Overseas Business Room of KOGI CORPORATION) |
| - Establishment | January 2004 |
| - Capital | US\$ 8 million
[Ratios of contribution]
KOGI CORPORATION: 51%, Okaya & Co., Ltd.: 49% |
| - Business purpose | Manufacturing and sales of automotive press mold castings |