

July 13, 2011

To whom it may concern:

Company name: DAIKYO INCORPORATED  
Representative: Akira Yamaguchi,  
Representative Executive Officer, President  
Securities code: 8840  
Listing: First Section, Tokyo Stock Exchange  
Contact: Hidetake Takahashi, Executive Officer

### Announcement Regarding Terms for Disposal of Treasury Stock

DAIKYO INCORPORATED (the “Company”) today announced that the following items have been decided with regard to the offering of treasury stock shares for disposal. The treasury stock shares will be disposed of as the physical payment of a portion of a claim on the Company for retirement benefits held by a Director who retired on June 23, 2011 (the “Retired Director”). The entire equivalent amount of the assets acquired via the disposal of treasury stock will be used for general corporate purposes.

#### Details of Disposal of Treasury Stock

1. Type of Shares: Common shares of the Company
2. Number of Shares: 15,800 shares
3. Disposal Price: 147 yen per share

The disposal price is the higher of the average closing price (rounded up to the nearest yen) of the Company’s common shares on the Tokyo Stock Exchange for each trading day beginning with the 45th trading day prior to the date of setting terms for the disposal of treasury stock (the “Reference Date”) and ending on the 30th trading day from the beginning date, and the closing price on the Reference Date.

4. Purpose of payment of non-cash assets, and details and price of those assets:

The treasury stock shares to be disposed of represent the physical payment of a non-cash asset (a portion of the Retired Director’s claim on the Company for retirement benefits, face amount of 2,322,600 yen).

5. Date for exchange of assets to be provided and shares to be disposed: August 3, 2011

#### Further Details

1. Schedule:

Wednesday, July 13, 2011: Date of setting terms for disposal of treasury stock

Thursday, July 14, 2011: Notification of terms for disposal of treasury stock

Tuesday, August 2, 2011: Application date

Wednesday, August 3, 2011: Payment date

2. Reason for Disposal (use of funds):

The Retired Director will purchase the Company’s treasury stock shares as the physical payment of a portion of the Retired Director’s claim on the Company for retirement benefits. All of the funds acquired upon the disposal of this portion of treasury stock will be used for general corporate purposes.

3. Number of Treasury Stock after Disposal: 3,373,194 shares

The number of treasury stock does not reflect changes associated with purchases of less than one unit and the exercise after July 1, 2011.

#### Disclaimer

This document was prepared in English for conveniences purpose only. The original Japanese document shall take precedence in the event of any discrepancies arising from the translations or interpretations contained in this document.