

March 30, 2012

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: Konosuke Miyakawa, Executive & General
Manager, Group Corporate Planning Dept.

Announcement Regarding the Acquisition of Shares in Grand Amenity, Ltd.

DAIKYO INCORPORATED (the “Company”) hereby announces that it has passed a resolution to acquire shares in Grand Amenity, Ltd. (Head office: Naka-ku, Hiroshima; President: Kiyokazu Urabe; “Grand Amenity”) from Tomorrow-ONE Investment LPS (“Tomorrow-ONE”) and HIROSHIMA SHINAI REAL ESTATE Inc. (Head office: Naka-ku, Hiroshima; President: Yoshiro Wakimoto; “HIROSHIMA SHINAI REAL ESTATE”), thereby making Grand Amenity a consolidated subsidiary of the Company, and that as of today, a share transfer agreement has been concluded between the Company’s consolidated subsidiary DAIKYO ASTAGE INCORPORATED, Tomorrow-ONE and HIROSHIMA SHINAI REAL ESTATE.

1. Reason for the Acquisition of Shares

The Daikyo Group aims to expand its stock business, which includes the real estate management segment, its mainstay business. Having acquired ORIX Facilities Corporation and J-COMS Incorporated (now JAPAN LIVING COMMUNITY INC.) as subsidiaries in 2009, the Daikyo Group has made various efforts to strengthen the profitability and stable earnings base of such business.

Grand Amenity manages approximately 28,000 condominium units (as of the end of December 2011) centering on the city of Hiroshima and in regions throughout Japan. The company’s operations focus mainly on condominium management, as well as building and rental condominium management. The addition of Grand Amenity is expected to increase the number of condominium units managed by the Daikyo Group to over 430,000 units, and broaden the customer base for large-scale repair and maintenance work as well as resident services. The acquisition will also expand business opportunities as both parties utilize each other’s expertise and benefit from synergies such as cost reductions by sharing networks of business partners. For these reasons, the Company decided to acquire Grand Amenity as a subsidiary.

2. Outline of Company to be Acquired as a Subsidiary

- (1) Company name: Grand Amenity, Ltd.
- (2) Representative: Kiyokazu Urabe, Representative Director
- (3) Head office: 4-1 Kamihachobori, Naka-ku, Hiroshima, Hiroshima
- (4) Date of establishment: October 2008
- (5) Business description: Condominium management;
building and rental condominium management
- (6) Fiscal year-end: March 31
- (7) Number of employees: 578, including 415 caretakers
(as of the end of February 2012)
- (8) Main offices: Head office (Naka-ku, Hiroshima), branches in Tokyo, Nagoya,
Osaka, Sendai and Fukuoka
- (9) Capital stock: ¥50 million
- (10) Total issued shares: 2,000 shares
- (11) Shareholder composition: Tomorrow-ONE Investment LPS: 85% (1,700 shares)
HIROSHIMA SHINAI REAL ESTATE Inc.: 15% (300 shares)

3. Parties Selling the Shares

- (1) Partnership name: Tomorrow-ONE Investment LPS
Main office: 3-1 Kanayamacho, Naka-ku, Hiroshima, Hiroshima
- (2) Company name: HIROSHIMA SHINAI REAL ESTATE Inc.
Representative: Yoshiro Wakimoto, Representative Director
Head office: 8-20 Kokutajimachi 1-chome, Naka-ku, Hiroshima, Hiroshima
Description of main businesses: Office building, condominium and parking lot rental business;
real estate brokerage business; other businesses

4. Number of Shares Acquired, Shareholdings before/after the Acquisition

- (1) Number of shares held before the acquisition: 0 shares (ownership: 0%)
(2) Number of shares acquired: 1,960 shares
(3) Number of shares held after the acquisition: 1,960 shares (ownership: 98%)
Note: The Company will acquire 1,700 shares from Tomorrow-ONE and 260 shares from
HIROSHIMA SHINAI REAL ESTATE.

5. Schedule

- Date of share transfer agreement: March 30, 2012
Date of acquisition of shares (planned): April 11, 2012

6. Outlook

The Company plans to make Grand Amenity a consolidated subsidiary from the first quarter of the fiscal year ending March 31, 2013, with minimal impact on earnings during the fiscal year ending March 31, 2012.

Disclaimer

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