

March 11, 2013

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 officer &
General Manager, Group Corporate Planning
Dept.

Announcement Regarding the Acquisition of Shares in Anabuki Construction Inc.

DAIKYO INCORPORATED (the "Company") hereby announces that in a meeting of the Board of Directors on March 11, 2013 resolved to acquire shares in Anabuki Construction Inc. As results, Anabuki Construction Inc. will become its subsidiary at date April 1 2013.

The details are as follows:

1. Reason for the Acquisition of Shares

Anabuki Construction Inc. carried out reconstruction effort according to reorganization plan approved Tokyo District Court on September 2010. Today the trustee petitioned the proceeding of completion of reorganization plan to Tokyo District Court

Anabuki Construction Inc. manages housing business in mainly suburban city area over the year. They supplied approximately 1,300 buildings (77,000 condominium units) as '*Surpass*' brand.

Anabuki Construction Inc. engages in a comprehensive range of housing-related services such as condominium management business (Anabuki Community Inc.) and real estate brokerage business (Anabuki Real Estate Center Inc.).

The Company has decided to acquire shares in Anabuki Construction Inc., making it a subsidiary in the belief that the acquisition will contribute to the growth of Daikyo Group.

< Expected synergies >

Daikyo Group expands the business in main three major metropolitan areas and Anabuki Construction Group expands the business in suburban city area. The Company expects the diversified business combining customer base.

According to stock business, Daikyo Group aims to expand, the addition of Anabuki Construction Inc. is expected to increase the number of condominium units managed by Daikyo Group to over 500,000 units (Daikyo Group: approximately 440,000 units, Anabuki Construction Group: approximately 68,000 units), and broaden the customer base for large-scale repair and maintenance work as well as resident services.

The Company also expected Anabuki Construction Group's sophisticated technological and contract work management based on expertise to leverage renovation and reform work. In addition, the Company aims at the benefit from synergies such as cost reductions by sharing networks of material procurement.

In the Real estate brokerage, the company believes that combining area portfolio of DAIKYO REALDO INCORPORATED its operation mainly in eastern Japan and Anabuki Construction Group (Anabuki Real Estate Center Inc.) its operations mainly in western Japan, will contribute to its expansion of real estate brokerage information network.

2. Outline of Anabuki Construction Inc.

(1) Company name	Anabuki Construction Inc.		
(2) Head office	1-11-22 Fujizukacho Takamatu-shi. Kagawa		
(3) Name and title of representative	Hiroshi Sasaki, Representative Director, President		
(4) Business description	Design and construction in construction work, planning and construction condominium and detached house, real estate brokerage		
(5) Capital Stock	¥2,500 million yen		
(6) Date of establishment	January 11, 1961		
(7) Principal shareholders and percentage	JLK LLC.:100%		
(8) Relationships with the Company	Capital relationship	There is no capital relationship to be stated between the Company and Anabuki Construction Inc. There is no significant capital relationship between persons associated with the Company or Company's affiliates, and persons associated with Anabuki Construction Inc. or Anabuki Construction Inc.'s affiliates.	
	Personal relationship	One executive officer and one employee of the Company serve as the one outside director and one executive officer of Anabuki Construction Inc. There is no significant personal relationship between persons associated with the Company or Company's affiliates, and persons associated with Anabuki Construction Inc. or Anabuki Construction Inc.'s affiliates.	
	Business relationship	There is no business relationship to be stated between the Company and Anabuki Corporation. There is no significant business relationship between persons associated with the Company or the Company's affiliates, and persons associated with Anabuki Construction Inc. or Anabuki Construction Inc.'s affiliates.	
(9) Financial results of past 3 years (Millions of yen excluding net assets per share, net income per share and dividend per share)			
Fiscal year end	September 2010 Dec. 12 2009- Sep. 30 2010	September 2011 Oct.1 2010- Sep.30 2011	September 2013 Oct 1 2011- Sep. 30 2012
Net assets	Δ35,252	Δ3,410	13,659
Assets	78,029	46,954	43,710
Net assets per share	Δ2,818.89	Δ34,103.08	136,596.53
Net sales	50,226	46,662	31,807
Operating income	19,404	14,430	6,518
Ordinary income	19,365	14,401	6,690
Net income	Δ13,444	26,815	17,079
Net income per share	Δ1,074.72	23,651.13	170,798.54
Dividend per share	0	0	0

3. Overviews of JLK LLC.

(1) Company name	JLK LLC.	
(2) Head office	2-6-5 Nihonbashi Chuo-ku Tokyo	
(3) Name and title of representative	Executive member General Incorporated Associations JSS Person who executes business Shingo Kaminaga	
(4) Business description	Real estate brokerage consulting, real estate management, trust beneficiary right/securities/ claim of holdings/management/sales etc.	
(5) Capital Stock	¥300,000	
(6) Date of establishment	March 2, 2010	
(7) Anonymous association and contributing ratio	Four Investment Limited Partnerships(J-Will Partners Co., Ltd. as unlimited liability partner):95.28% Daikyo Incorporated:4.72%	
(8) Relationships with the Company	Investment relationship	The Company invests to anonymous association 4.72%

		There is no significant investment relationship between persons associated with the Company or the Company's affiliates, and persons associated with JLK LLC. or JLK LLC.'s affiliates
	Personal relationship	There is no personal relationship to be stated between the Company and Anabuki Corporation. There is no significant personal relationship between persons associated with the Company or the Company's affiliates, and persons associated with JLK LLC. or JLC LLC.'s affiliates.
	Business relationship	There is no business relationship to be stated between the Company and Anabuki Corporation. There is no significant business relationship between persons associated with the Company or the Company's affiliates, and persons associated with JLK LLC. or JLK LLC.'s affiliates.
	Related party or not	JLK LLC. is not a related party of the Company. Neither person associated with JLK LLC. nor its affiliates are not related parties of the Company.

4. Number of Shares to be Acquired, Acquisition Price and State of Share Ownership before and after acquisition

(1) Number of Shares Held before the Share Transfer	None (Ownership percentage (voting right) : 0.0%)
(2) Number of shares to be acquired	100,000 shares (Ownership percentage (voting right) : 100.0%)
(3) acquisition price	¥30.7 billion
(4) Number of Shares Held After the Share Transfer	100,000 shares (Ownership percentage (voting right) : 100.0%)

5. Schedule

(1) Resolution at the Meeting of the Board of Directors	March 11, 2013
(2) Conclusion of share transfer agreement	March 11, 2013
(3) Date of acquisition of shares	April 1, 2013(planned)

6. Future Outlook

Anabuki Construction Inc. will become a consolidated subsidiary of the Company. There is no impact on earning during the fiscal year ending March 31, 2013The Company is examining the effects this will have on its consolidated future results. The Company will communicate any required disclosure promptly.

Disclaimer

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