

March 15, 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 &
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Dept.

Announcement Regarding the Conclusion of Share Exchanges as Consolidated Subsidiary

DAIKYO INCORPORATED (the “Company”) announces that ORIX Facilities Corporation (“OFC”), as a consolidated subsidiary of the Company, and APEX WAKO CO., LTD (“APEX WAKO”) have resolved at their Shareholders' meeting held today to effect a share exchange with OFC as the wholly-owning parent company and APEX WAKO as the wholly-owned subsidiary.

OFC and APEX WAKO have concluded a share exchange agreement with the effective date as of March 29, 2013 (planned). The details are as follows:

1. Purpose of Share Exchange

Daikyo Group aims to expand its “stock business”, which includes the real estate management segment, its mainstay business. Having acquired Grand Amenity., Ltd. as subsidiaries on April, 2012, merging DAIKYO ASTATE INCORPORATED and JAPAN LIVING COMMUNITY, INC. (April 1, 2013(planned)) and having Anabuki Construction Inc. (Date of acquisition of shares: April 1, 2013(planned)), Daikyo Group has made various efforts to strengthen the profitability and stable earnings base of real estate management business.

OFC, as a consolidated subsidiary of the Company, operates building management such as office and entertainment facilities as well as real estate management. On the other hand, APEX WAKO's operations focus mainly on electrical equipment work, instrumentation work, air-conditioning & plumbing work in a number of efficient qualified employees for electrical equipment work. The Company decided to acquire APEX WAKO as a subsidiary to expand business opportunities as both companies utilize each other's benefit from synergies.

<Expected synergies>

The Company expects APEX WAKO's sophisticated technological and mechanical work based on expertise to improve the profitability of contract work and leverage various contract works including electrical equipment work in condominium and building under managed by the Daikyo Group throughout Japan.

Moreover, the Company aims to increase the number of contract orders for solar power generation and electrical accumulator equipment regarding of energy conservation and disaster-related work.

2. Outline of Share Exchange

(1). Schedule of Share Exchange

Execution of the Agreement	February 15, 2013 (OFC,APEX WAKO)
Resolution at Shareholders' meeting	March 15, 2013 (OFC,APEX WAKO)
Effective date of the Share Exchange	March 29, 2013 (Planned)

(2). Details of Allotment upon Share Exchange

OFC (wholly-owning parent company) acquires share in exchange for total issued share of APEX WAKO (wholly-owned subsidiary) at effective date(March 29, 2013).

3. Outline of Companies to Share Exchange (As of March 31, 2013)

(1) Company name	ORIX Facilities Corporation (Wholly-owning parent company upon share exchange)	APEX WAKO CO., LTD. (Wholly-owned subsidiary upon share exchange)
(2) Head office	Capital branch: 99 Gobou-omiyacho Omiyatori	1-12-11 Uchikanda Chiyoda-ku Tokyo

	bukkouji sagaru Shimogyo-ku Kyoto Kyoto Tokyo head office: Yoyogi Daikyo Building 5-25-5 Sendagaya Shibuya-ku Tokyo			
(3) Name and title of representative	Tsutomu Matsuzaki Representative Director, President	Susumu Terabayashi Representative Director, President		
(4) Business description	Total building management, real estate management, construction etc.	Electrical equipment work, instrumentation work, air-conditioning & plumbing work, local area network (LAN) system construction, equipment diagnosis etc.		
(5) Capital stock	¥857 million	¥300 million		
(6) Date of establishment	February 12, 1970	January 31, 1951		
(7) Total issued shares	2,782,800	4,562,000		
(8) Fiscal year end	March 31	March 31		
(9) Number of employees	898 (As of April 1, 2012)	147 (As of March 31, 2012)		
(10) Main suppliers	public office, educational facilities, general customer	Marui Company, Limited, Nippon Paper Industries Co., Ltd., DIC Corporation		
(11) Main financing banks	The Bank of Kyoto, Ltd.	Sumitomo Mitsui Banking Corporation, FUKUSHIMA-BANK, The Bank of Tokyo-Mitsubishi UFJ, Ltd.		
(12) Principal shareholders and percentage	DAIKYO INCORPORATED	100.0%	Takumi Takahata	18.75%
			APEX WAKO Employees Shareholding Association	15.17%
			Tokyo Small and Medium Business Investment & Consultation CO., LTD.	10.96%
(13) Financial results (Millions of yen)				
Fiscal year end	March 2012		March 2012	
Net assets	5,014		1,909	
Assets	12,466		4,376	
Net sales	28,170		5,268	
Operating income	1,393		226	
Ordinary income	1,475		245	
Net income	846		190	

4. Number of Shares to be Acquired 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	3,877,199 shares
(3) Number of Shares Held After the Share Transfer	3,877,199 shares (Ownership percentage (voting right) : 100.0%)

5. Future Outlook

The Company plans to make APEX WAKO a consolidated subsidiary from fourth quarter of the fiscal year ending March 31, 2013, with minimal impact on earnings.

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.