

February 27, 2014

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 Conversion of Preferred Stocks to Common Stocks and Cancellation of Treasury Stocks (Preferred Stocks)

DAIKYO INCORPORATED (the “Company”) hereby announces that today, from among the preferred stocks in the Company held by ORIX Corporation, ORIX has exercised its right of demand for acquisition of all the Class 2 preferred stocks, Class 4 preferred stocks, Class 7 preferred stocks, and Class 8 preferred stocks, and that those stocks have been converted to common stocks as described below.

In addition, the Company hereby gives notice that, under the provisions of Article 178 of the Companies Act, the Company has cancelled all of the aforementioned preferred stocks that it acquired through the conversion.

1. State of Conversion of Preferred Stocks to Common Stocks (as of February 27, 2014)

Security Name	Number of Shares Converted	Increase in Number of Common Stocks Due to Conversion
Class 2 preferred stock	11,250,000 shares	56,890,012 shares
Class 4 preferred stock	18,750,000 shares	94,816,687 shares
Class 7 preferred stock	25,000,000 shares	99,009,900 shares
Class 8 preferred stock	23,598,144 shares	147,488,400 shares
Total	78,598,144 shares	398,204,999 shares

Number of issued common stocks after the increase: 843,542,737 shares

*Conversion means issuing common stocks in exchange for acquiring preferred stocks that are shares with put option.

2. Cancellation of Treasury Stocks (Preferred Stocks)

(Cancellation date: February 27, 2014)

Security Name	Number of Shares Converted
Class 2 preferred stock	11,250,000 shares
Class 4 preferred stock	18,750,000 shares
Class 7 preferred stock	25,000,000 shares
Class 8 preferred stock	23,598,144 shares
Total	78,598,144 shares

(Reference)

Total Number of Shares Issued

Security Name	Before Cancellation	After Cancellation	Change
Common stock	445,337,738 shares	843,542,737 shares	398,204,999 shares
Class 1 preferred stock	10,000,000 shares	10,000,000 shares	—
Class 2 preferred stock	11,250,000 shares	0 shares	—
Class 4 preferred stock	18,750,000 shares	0 shares	—
Class 7 preferred stock	25,000,000 shares	0 shares	—
Class 8 preferred stock	23,598,144 shares	0 shares	—

Disclaimer

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