

October 30, 2017

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: Koichi Hinago, General Manager, Group  
Corporate Planning Dept.

**Notice Concerning Acquisition of Own Shares in Conjunction with Treatment of Fractional Shares  
Resulting from Share Consolidation  
(Acquisition of Treasury Stock Pursuant to the Companies Act, Article 235, Paragraph 2,  
and Article 234, Paragraphs 4 and 5)**

DAIKYO INCORPORATED (“the Company”) hereby announces that a decision was reached to treat fractions of less than one share resulting from share consolidation pursuant to the provisions of Article 235, Paragraph 2 and Article 234, Paragraphs 4 and 5 of the Companies Act. Details are as follows.

1. Overview of Acquisition

Based on resolutions passed at the 93rd Ordinary General Meeting of Shareholders and the Class Meeting of Common Shareholders (both held on June 22, 2017), along with the Class Meeting of Class-One Preferred Shareholders (held on June 19, 2017), the company consolidated shares (at a ratio of ten shares to one) with an effective date of October 1, 2017.

The company has decided to acquire fractional shares of less than one share resulting from the share consolidation as treasury shares, pursuant to the provisions of Article 235, Paragraph 2 and Article 234, Paragraphs 4 and 5 of the Companies Act.

2. Details of Acquisition

- (1) Type of stock to be acquired                      Common stock of the Company
- (2) Total Number of stock to be acquired              1,070 shares
- (3) Total amount of cash delivery in exchange of the acquisition

The amount shall be obtained by multiplying the total number of stocks to be acquired in (2) above by the closing price of the Company’s common shares on the Tokyo Stock Exchange on the date of acquisition in (4) below (October 30, 2017).

If there is no trade on the abovementioned date, the amount shall be obtained by multiplying the number of shares to be acquired in (2) above by the trade price on the date when the first subsequent trade is made through the Tokyo Stock Exchange

(4) Date of acquisition

October 30, 2017

If there is no trade on the date above, the date of acquisition shall be the date when the first subsequent trade is made on the Tokyo Stock Exchange.