

October 23, 2017

For Immediate Release

Rikei Corporation
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Notice of Acquisition of Shares in AeroPartners Incorporated (Subsidiary Acquisition)

Rikei Corporation hereby announces that at the meeting held on October 23, 2017, the Board of Directors passed a resolution to acquire all the shares of AeroPartners Incorporated and consolidate it as a subsidiary.

1. Reasons for Acquisition of Shares

Rikei Corporation and its subsidiaries (the "Group") are aiming to become customized solution vendors in the IT and electronics industries, providing cutting-edge products based on advanced technologies in the current era of digital networks.

This year, we are celebrating the 60th anniversary of our business focusing on system solutions, network solutions, and electronic components and equipment. Based on the medium-term management plan for the fiscal year ending March 31, 2017 through the fiscal year ending March 31, 2019, we are planning to strengthen the current three key segments and promote ties among the segments to ensure stable profits and advance into new markets, and develop a model of advantageous business in the market in an effort to expand our businesses.

AeroPartners Incorporated was founded in 1992 as Tomen Aerospace Corporation, a subsidiary of what was then Tomen Corporation, by separating off part of its spacecraft division. Subsequently, in 2002, Tomen Aerospace became independent through a management buyout from what was then Tomen Corporation. Based on its wealth of experience and expertise in selling aircraft such as Learjet planes and helicopters and aircraft components that the company had developed since it was part of Tomen Corporation, AeroPartners Incorporated now supplies, maintains, and repairs aircraft components, engine parts, electronics, and other aircraft products, serving the Ministry of Defense as its major customer.

Rikei Corporation has long supplied products to the Ministry of Defense, primarily in its

electronic component and equipment business, and it has concluded that having AeroPartners in the Group will help strengthen its business foundation and increase its overall corporate value. Rikei therefore decided to acquire shares in AeroPartners to make it its subsidiary.

2. Outline of the company to be acquired (AeroPartners Incorporated)

(1) Corporate name	AeroPartners Incorporated		
(2) Head office	18-3 Nihonbashi Koamicho, Chuo-ku, Tokyo		
(3) President	Daigo Kanai		
(4) Outline of business	Sale and leasing of aircraft and aircraft parts and customer support		
(5) Capital	80 million yen		
(6) Date of foundation	July 1, 1992		
(7) Major shareholders and shareholding ratio	Four individual shareholders: 100%		
(8) Relationship between the listed company and the relevant company	Capital relationship	Not applicable	
	Human relationship	Not applicable	
	Business relationship	Not applicable	
(9) Consolidated business results and consolidated financial position of the relevant company over the last three years			
Fiscal Term	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Net assets	163 million yen	199 million yen	210 million yen
Total assets	973 million yen	1,001 million yen	380 million yen
Net assets per share	8,166.50 yen	9,987.80 yen	11,707.00 yen
Net sales	3,729 million yen	2,481 million yen	2,537 million yen
Operating profit	28 million yen	94 million yen	42 million yen
Ordinary profit	25 million yen	91 million yen	42 million yen
Profit attributable to owners of parent	6 million yen	39 million yen	27 million yen
Earnings per share	325.55 yen	1,971.30 yen	1,501.72 yen
Dividend per share	150 yen	600 yen	750 yen

* Details of the major shareholders and their shareholding ratios are not disclosed at the request of AeroPartners Incorporated.

3. Outline of the individuals whose shares are purchased

(1) Name	Mr. Daigo Kanai and 3 other individual shareholders
(2) Address	Shinjuku-ku, Tokyo (1 person) Arakawa-ku Tokyo (1 person) Nagoya-city, Aichi (2 persons)
(3) Relationship between the listed company and the relevant individuals	Mr. Daigo Kanai will continue to be the President. There is no noteworthy capital relationship, human relationship, or business relationship between the Company and other relevant individuals (including their close relatives and companies, etc. and their subsidiaries, of which the relevant individuals or their close relatives own a majority). There is no noteworthy capital relationship, human relationship, or business relationship between affiliated parties or companies of the Company and affiliated parties or companies of the relevant individuals.

4. Number and value of shares acquired and status of share ownership prior to and subsequent to share acquisition

(1) Number of shares held before acquisition	0 shares (Number of voting rights: 0) (Percentage of voting rights held: 0%)
(2) Number of shares to be acquired	18,000 shares (Number of voting rights: 18,000)
(3) Number of shares held after acquisition	18,000 shares (Number of voting rights: 18,000) (Percentage of voting rights held: 100%)

* The acquisition price is not disclosed at the request of the relevant individuals.

The acquisition price has been determined after taking into consideration the valuation report based on financial due diligence performed by a certified public accountant and legal due diligence performed by an attorney.

5. Schedule

(1) Date of resolution of the Board of Directors	October 23, 2017
(2) Date of signing the contract	October 23, 2017
(3) Date of share transfer	October 31, 2017 (planned)