

December 12, 2022

**Notice of Business Acquisition and Establishment of a New Company
by Our Consolidated Subsidiary in the U.S.**

At a meeting of the Board of Directors held today, OKADA AIYON CORPORATION resolved that our U.S. subsidiary, Okada America, Inc. (headquartered in Oregon, U.S.A), will enter into business acquisition agreements with Thoesen Tractor&Equipment Co., Inc. (Illinois, U.S.A), Chicago Machinery Co. (Illinois, U.S.A), and Thoesen Tractor of Indiana, Inc. (Indiana, U.S.A)

We also announce that we will merge the three companies and establish a new company named Okada Midwest, Inc (Illinois, U.S.A, a wholly-owned subsidiary of Okada America, Inc.) as a transferee company.

*Okada America, Inc. is a wholly-owned subsidiary of our company

Although this matter does not fall under the timely disclosure standards, we disclose the information for reference. Therefore, some items and details required for timely disclosure are omitted.

1. Reason for acquisition of business

Our Group's core business is the manufacture and sale of demolition attachments used in building demolition, infrastructure development, resource recycling, etc. We also handle forestry machinery, and large-scale environmental machineries such as wood crushers, and cable cranes. In addition, we are aggressively expanding our overseas business in Europe, Asia, and other regions, particularly in North America, meeting overseas market demand for demolition attachments.

In particular, overseas business is expected to grow steadily due to firm global demand for demolition and infrastructure-related products, and there is considerable potential for market development. Our long-term plan named "VISION30", starting from April 2021 targets overseas sales of 9 billion yen (3.6 billion yen in FY3/22) and an overseas sales ratio of 30.0% (18.0% in FY3/22).

Three Thoesen Tractor & Equipment Co., Inc (hereinafter referred to as "TT&E"), Chicago Machinery Co ("CM"), and Thoesen Tractor of Indiana, Inc ("TT&I") are headquartered in Chicago, Illinois, Midwest, U.S.A. TT&E mainly sells and leases construction machinery for demolition, scrap, and resource recycling. CM is responsible for the sales, repair, and leasing of hydraulic excavators. TT&I is also a group of companies to which employees operated in Indiana belong.

As for our business in North America, our sales subsidiary Okada America, Inc (Okada America) has three bases and sells construction machinery attachments for construction machinery dealers and leasing companies. Since our sales in North America account for approximately 60% of total overseas sales, this region is the most important market for us. To further develop this market, we have determined that the business acquisition is expected to have integration effects from the following points.

(1) Strengthening the repair service system in North America

One of our strengths is the in-house repair service system, as we have a repair shop at each of our sales offices in Japan. However, we have not yet established such a full-scale repair service system overseas. We believe the acquisition will lead to a strengthening of our repair service system in North America, since the TT&E Group focuses on repair service operations.

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(2) Capturing end-user market shares centered on the Chicago region

The area centered in Chicago, Illinois in the Midwestern United States is a fertile market for the development of aging infrastructure and demand for demolition, scrap, and recycling, but Okada America's market development rate has been low. We believe that capturing the TT&E Group's end-user market shares in this region through this acquisition will be highly beneficial to Okada America.

(3) Synergies created by reinforcing the strengths of both TT&E and Okada America

The TT&E group did not have a dedicated sales staff and mainly waited for orders from repair services. By becoming a subsidiary of Okada America, TT&E Group expects to further develop and deepen its user base by strengthening its sales force. In addition, Okada America can expect to strengthen sales of crushers, grinders, and other equipment that require more advanced repair techniques, by having a repair service unit under the group. In this way, we believe that both companies will be able to reinforce their respective strengths and generate synergies for the future.

2. Outline of the counterparty to the business acquisition

(1) Thoesen Tractor&Equipment Co.,Inc.

| | | |
|--|--|-----------------|
| (1) Name | Thoesen Tractor&Equipment Co.,Inc. | |
| (2) Location | 3142 E.Lincoln Hwy Lynwood,IL 60411-7728,US | |
| (3) Title/Name of Representative | President : Joseph Thoesen | |
| (4) Business Content | Sales, repair, and leasing of construction machinery | |
| (5) Capital | 20,000 USD (2 million yen) | |
| (6) Establishment | 1969 | |
| (7) Net assets | 3,595 thousand USD (503 million yen) | |
| (8) Total assets | 8,727 thousand USD (1,221 million yen) | |
| (9) Major shareholders and share holding ratio | Joseph Thoesen: 100.0% | |
| (10) Fiscal year end | December | |
| (11) Relationship with the Company | Capital relationship | None applicable |
| | Personal relationship | None applicable |
| | Business relationship | None applicable |
| | Related party relationship | None applicable |

*Converted in 1USD=140 JPY

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(2) Chicago Machinery Co.

| | | | |
|------|--|--|-----------------|
| (1) | Name | Chicago Machinery Co. | |
| (2) | Location | 3142 E.Lincoln Hwy Lynwood,IL 60411-7728,US | |
| (3) | Title/Name of Representative | President: Joseph Thoesen | |
| (4) | Business Content | Sales, repair, and leasing of construction machinery | |
| (5) | Capital | 1,000 USD (0.1 million yen) | |
| (6) | Establishment | 1969 | |
| (7) | Net assets | 73 thousand USD (10 million yen) | |
| (8) | Total assets | 3,341 thousand USD (467 million yen) | |
| (9) | Major shareholders and share holding ratio | Joseph Thoesen: 100.0% | |
| (10) | Fiscal year end | December | |
| (11) | Relationship with the Company | Capital relationship | None applicable |
| | | Personal relationship | None applicable |
| | | Business relationship | None applicable |
| | | Related party relationship | None applicable |

*Converted in 1USD=140 JPY

(3) Thoesen Tractor of Indiana, Inc.

| | | | |
|------|--|--|-----------------|
| (1) | Name | Thoesen Tractor of Indiana, Inc. | |
| (2) | Location | 3142 E.Lincoln Hwy Lynwood,IL 60411-7728,US | |
| (3) | Title/Name of Representative | President: Joseph Thoesen | |
| (4) | Business Content | Sales, repair, and leasing of construction machinery | |
| (5) | Capital | 1,000 USD (0.1 million yen) | |
| (6) | Establishment | 1969 | |
| (7) | Net assets | 72 thousand USD (10 million yen) | |
| (8) | Total assets | 74 thousand USD (10 million yen) | |
| (9) | Major shareholders and share holding ratio | Joseph Thoesen: 100.0% | |
| (10) | Fiscal year end | December | |
| (11) | Relationship with the Company | Capital relationship | None applicable |
| | | Personal relationship | None applicable |
| | | Business relationship | None applicable |
| | | Related party relationship | None applicable |

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3. Outline of the business to be acquired

(1) Content of the business to be acquired

Mainly sales, repair, and leasing of construction machinery (same for all three companies)

(2) Sales and ordinary income of the business to be acquired for the most recent year

| | Thoesen Tractor&Equipment Co.,Inc. | Chicago Machinery Co. | Thoesen Tractor of Indiana,Inc. |
|-----------------|--|---|--------------------------------------|
| Fiscal year end | FY12/21 | FY12/21 | FY12/21 |
| Net sales | 10,979 thousand USD (1,537 million yen) | 2,910 thousand USD (407 million yen) | 590 thousand USD (82 million yen) |
| Ordinary income | 1,221 thousand USD (170 million yen) | -332 thousand USD (-46 million yen) | 62 thousand USD (8 million yen) |

*Converted in 1USD=140 JPY

4. Items of transferred assets and liabilities

The total assets and total liabilities excluding cash and bank loans. The amount is currently under scrutiny, so the detailed amount has not been determined yet.

5. Acquisition price and settlement method

*The acquisition price is calculated by adding up the shares of the three companies, so the total value of the three companies is shown as an approximate estimate.

| | |
|-------------------|---|
| Acquisition price | 12,500 thousand USD (1,750 million yen) |
| Settlement method | Bank transfer |

*Converted in 1USD=140 JPY

6. Schedule

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|--|-----------------------------|
| (1) Date of resolution of Board of Directors | December 9, 2022 |
| (2) Date of conclusion of the business acquisition agreement | December 12, 2022 (planned) |
| (3) Closing date (date of acquisition of business) | December 21, 2022 (planned) |

7. Outline of the new company to be established

| | |
|--------------------------------------|---|
| (1) Name | Okada Midwest,Inc. |
| (2) Location | 3142 E.Lincoln Hwy Lynwood,IL 60411-7728,US |
| (3) Title/Name of Representative | President : Koji Sugimoto |
| (4) Capital | 22,000 thousand USD (3 million yen) |
| (5) Establishment | December 21, 2022 (planned) |
| (6) Investors and shareholding ratio | Okada America,Inc. (100%) |

*Converted in 1USD=140 JPY

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8. Future Outlook

The impact of this business acquisition on the current fiscal year's business performance will be disclosed promptly after the completion of the acquisition procedures and after a careful examination of the impact amount, etc., if such disclosure becomes necessary.