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For Immediate Release

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Notice Regarding Business Transferred to the Company's Consolidated Subsidiaries

Okabe Co., Ltd. ("the Company") hereby announces that it has decided today to execute (close) a business transfer agreement and proceed with the necessary arrangements on the transfer to the Group (hereinafter "the Business Acquisition") of a business pertaining mainly to the manufacture of building products and materials (hereinafter "the Subject Business") from Vimco Inc. (based in Pennsylvania, the United States; hereinafter "VIMCO"). Details are as follows.

In addition, as announced as a timely disclosure matter on October 6, 2021, in the Notice Regarding Establishment of Subsidiaries (Second-Tier Subsidiaries) in the United States, the Company has established a manufacturing company and a real estate management company (the two companies will be second-tier subsidiaries of the Company) under OCM, Inc. (based in Illinois, the United States; hereinafter "OCM"), a wholly owned consolidated subsidiary of the Company, which will take on operations after the Business Acquisition is made.

1. Reason for the Business Acquisition

VIMCO manufactures and sells a range of building products and materials, including concrete forms, in Pennsylvania, the United States.

The Group sells building products and materials through OCM, a company located in Chicago, Illinois, the United States. In particular, the U.S. company procures products that the Company handles in Japan and those that comply with local construction methods, domestically or internationally, and sells them in the United States nationwide. OCM has posted increases in revenue for 10 consecutive years following the establishment of its unique distribution channel locally in 2010. Its sales reached 6.7 billion yen in fiscal 2020 and have been growing faster than expected this year as well. VIMCO is one of the suppliers of OCM and the two companies have maintained a good business relationship for many years.

In the United States, the construction market has been growing steadily since 2011, and is expected to continue to expand, aided mainly by infrastructure investment. Based on these market assumptions, as described in the NEXT100-PHASE2.1 medium-term management plan, the Company planned to operate as a manufacturer, as it does in Japan, by including a production function in the procurement and sales

operations in which OCM is engaged. The Business Acquisition is the implementation of this plan. The Company expects that by doing so, it will be able to address demand with greater precision in the United States and also reduce the risk of supply chain disruptions that have been taking place recently. As a result of the Business Acquisition, annual sales of building products and materials in the U.S. are expected to rise to 12.8 billion yen (compared with 9.1 billion yen expected for the fiscal year ending December 31, 2021). Taking the Business Acquisition as the first step, the Company will continue to make strategic investments in the United States and will aim to be the number one concrete accessory manufacturer in the United States on a medium- to long-term basis. With this in mind, it will seek to increase sales of building products and materials in the United States to 30 billion yen per year.

2. Sales plan for the next three years

(Million yen)

	FY2020 result	FY2021 forecast	Targets for FY2022	Targets for FY2023	Targets for FY2024
OCM	6,755	9,100	9,650	10,140	10,640
Subject Business			4,100	4,310	4,520
Building products and materials total in the U.S.*	6,755	9,100	12,870	13,530	14,210

*1. The expected exchange rate is 111 yen for the dollar.

*2. Figures expected to be posted on a consolidated basis excluding intercompany transactions

3. Overview of the company transferring the business

(1) Corporate Name	Vimco Inc.	
(2) Head office	300 Hansen Access Road, King of Prussia, PA 19406 U.S.A	
(3) Name and title of representative	Victor J. Maggitti, Jr., President and Representative Director and Owner	
(4) Description of business	(i) Manufacture and sale of building products and materials (Subject Business) Manufacture and sale of primarily the following concrete products - Bar supports - Wire mesh - Dowel baskets Sales areas: all of the United States (ii) Sale of building products and materials (Not included in the Subject Business) Sales areas: Northwestern United States	
(5) Major shareholders and their shareholding ratios	Victor J. Maggitti, Jr. (Shareholding ratio: 100%)	
(6) Net assets and total assets	The Company has decided not to disclose information due to the intent of the other party.	
(7) Relationship between the listed company and the relevant company	Capital relationship	Not applicable.
	Human relationship	Not applicable.
	Business relationship	The subject company is a supplier of OCM.

4. Overview of the Business Acquisition

(1) Outline of the Subject Business	Business in general pertaining mainly to manufacturing operations included in the business of building products and materials conducted by VIMCO, the transferor of the Subject Business.
(2) Operating results of the Subject Business	The Company has decided not to disclose information due to the intent of the other party.
(3) Types of assets and liabilities subject to the Business Acquisition and the amounts thereof	Inventories, accounts payable and a set of machinery and equipment totaling approximately 21 million dollars. <u>(The amount of relevant assets will be finalized within a required period after the implementation date of the Business Acquisition.)</u> The Company will not inherit any liabilities whatsoever.
(4) Acquisition price and payment method	The Company has decided not to disclose the acquisition price and payment method due to agreement between the two parties.

* With respect to real estate necessary for the target business, the Company will conclude a separate real estate purchase agreement, which will be attached to the business transfer agreement, to ensure that the real estate is managed by a new subsidiary (“6. Real estate management company”) that will be wholly owned by OCN.

5. Establishment of a manufacturing company (a second-tier subsidiary of the Company)

(1) Corporate Name	OCM Manufacturing LLC
(2) Head office	Pennsylvania, the United States
(3) Name and title of representative	Andy Cramer, President and Representative Director (President and Representative Director of OCM)
(4) Description of business	Manufacture of building products and materials Manufacture of the following concrete products mainly - Bar supports - Wire mesh - Dowel baskets
(5) Share capital	US\$ 41,000,000
(6) Established (Starting date of operation)	September 14, 2021 (October 6, 2021)
(7) Major shareholders and their shareholding ratios	OCM (100%)

6. Establishment of a real estate management company (a second-tier subsidiary of the Company)

(1) Corporate Name	Okabe Real Estate Holding LLC
(2) Head office	Pennsylvania, the United States
(3) Name and title of representative	Akira Motoi, President and Representative Director
(4) Description of business	Management of the following commercial real estate transferred from VIMCO 250 Hansen Access Road, King of Prussia, PA 19406 U.S.A
(5) Share capital	US\$ 19,000,000
(6) Established (Starting date of operation)	September 14, 2021 (October 6, 2021)
(7) Major shareholders and their shareholding ratios	OCM (100%)

7. Schedule

- (1) Date of resolution by the Board of Directors: August 24, 2021
- (2) Date of the conclusion of a business transfer agreement: September 3, 2021
- (3) Implementation Date of the Business Acquisition: October 6, 2021

8. Overview of accounting treatment

The Business Acquisition falls into the category of acquisition in the Accounting Standard for Business Combination.

9. Future outlook

The impact of the Business Acquisition on the Company's full-year results for the fiscal year ending December 2021 is immaterial.