

## Consolidated Financial Results (Japanese Accounting Standards) for the First Three Months of the Fiscal Year Ending December 31, 2022

April 28, 2022

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 Stock code: 5959 URL: <http://www.okabe.co.jp/>  
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Scheduled date for filing of quarterly report: May 13, 2022  
 Scheduled date of commencement of dividend payment: –  
 Supplementary documents for quarterly results: None  
 Quarterly results briefing: None

(Figures are rounded down to the nearest one million yen.)

## 1. Consolidated Financial Results for the First Three Months Ended March 31, 2022 (January 1, 2022 – March 31, 2022)

## (1) Consolidated Results of Operations (Accumulated Total)

(Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended								
March 31, 2022	17,588	17.8	1,196	39.8	1,233	38.4	710	143.9
March 31, 2021	14,935	(2.3)	855	5.2	891	0.6	291	3.8

(Note) Comprehensive income: 1,137 million yen (340.7%) for the three months ended March 31, 2022  
 258 million yen (–%) for the three months ended March 31, 2021

	Profit per share (basic)		Profit per share (diluted)	
	Yen	Yen	Yen	Yen
Three months ended				
March 31, 2022	14.97	–	–	–
March 31, 2021	6.00	–	–	–

## (2) Consolidated Financial Position

	Total assets		Net assets		Equity ratio	
	Million yen	Million yen	Million yen	Million yen	%	%
As of						
March 31, 2022	93,672	60,520	60,520	64.6		
December 31, 2021	92,018	60,369	60,369	65.6		

(Reference) Shareholders' equity: As of March 31, 2022: 60,505 million yen  
 As of December 31, 2021: 60,354 million yen

## 2. Dividends

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
Year ended December 31, 2021	–	10.00	–	10.00	20.00
Year ending December 31, 2022	–				
Year ending December 31, 2022 (forecasts)		11.00	–	11.00	22.00

(Note) Revisions to dividend forecasts published most recently: None

## 3. Consolidated Forecasts for the Fiscal Year Ending December 31, 2022 (January 1, 2022 – December 31, 2022)

(Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	34,540	11.9	2,070	1.4	2,160	0.5	1,500	36.2	31.28
Full year	72,500	11.8	5,100	17.7	5,300	12.1	3,450	31.3	71.94

(Note) Revisions to financial forecasts published most recently: None

\* Notes

(1) Changes in important subsidiaries during the period

(changes of specific subsidiaries in accordance with changes in the scope of consolidation): None

(2) Application of particular accounts procedures to the preparation of quarterly consolidated financial statements: Yes

(Note) Please refer to "Application of particular accounts procedures to the preparation of quarterly consolidated financial statements" on page 8 for details.

(3) Changes in accounting policies, accounting estimates and restatement

(i) Changes in accounting policies caused by revision of accounting standards: Yes

(ii) Changes in accounting policies other than (i): None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of shares outstanding (common shares):

(i) Number of shares outstanding at end of period (including treasury shares)

As of March 31, 2022: 49,290,632 shares

As of December 31, 2021: 50,690,632 shares

(ii) Number of treasury shares at end of period

As of March 31, 2022: 2,035,847 shares

As of December 31, 2021: 2,737,124 shares

(iii) Average number of shares outstanding during the period

Three months ended March 31, 2022: 47,492,673 shares

Three months ended March 31, 2021: 48,535,704 shares

(Note) The number of treasury shares at the end of each period includes the shares of the Company held by the stock-granting ESOP trust (184,297 shares as of March 31, 2022, and 187,674 shares as of December 31, 2021). The shares of the Company held by the stock-granting ESOP trust are included in the treasury shares deducted in the calculation of the average number of shares outstanding during each period (three months) (185,184 shares for the three months ended March 31, 2022, and 195,598 shares for the three months ended March 31, 2021).

\* This financial summary is not subject to the statutory quarterly review by a certified public accountant or an audit corporation.

This financial summary is not subject to the statutory quarterly review by a certified public accountant or an audit corporation, and the review of the quarterly consolidated financial statements under the Financial Instruments and Exchange Act has not been completed at the time of the disclosure of this financial summary. Therefore, the figures of the financial statements may change.

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## 1. Qualitative Information Regarding Results of Operations for the First Three Months Ended March 31, 2022

### (1) Explanation Regarding Results of Operations

During the first three months of the fiscal year under review (January 1, 2022 to March 31, 2022), the future of the Japanese economy remained unpredictable. There was concern over economic stagnation due to uncertainty about the prolonged COVID-19 pandemic and the situation in Ukraine.

In the Japanese construction industry, where the Okabe Group's core customers operate, the environment remained difficult as rises in steel prices became obvious. There were signs of recovery in private investment, but public investment was in a weakening phase.

In this business environment, the Okabe Group strove to achieve the sustainable growth of the Company and enhance corporate value, focusing on SDG-based management, including decarbonization, use of digital transformation, and acceleration of globalization, which are initiatives set out in the medium-term management plan, NEXT100-PHASE2.1, of which the final year is the year ending December 31, 2024.

Results of operations by business segment are as follows:

#### (a) Construction-related products

In civil engineering products, sales of products used for the prevention of landslide disasters, among other products, were weak mainly as a result of a decline in disaster recovery projects.

Of building structural products, sales of the Base Pack, an earthquake-resistant product, were firm chiefly due to an increase in steel-framed building starts (floor area).

Sales of building products and materials (overseas) were firm on the back of a recovery from demand contraction due to the pandemic and a recovery in the housing market. Sales of construction materials rose significantly due to the expansion of the business as a result of the acquisition of a building products manufacturing business in the United States in October 2021.

As a result, sales in the construction-related products segment increased 17.1% year on year, to 14,206 million yen, and operating profit increased 42.3% year on year, to 1,074 million yen.

#### (b) Automotive products

Net sales increased 11.8% year on year, to 2,321 million yen, reflecting a year-on-year increase in sales of automotive battery terminal products on the back of a recovery in the U.S. economy and the booming aftermarket. An operating loss of 57 million yen was posted (compared with an operating profit of 31 million yen for the same period of the previous year) chiefly due to the posting of expenses related to environmental impact monitoring, which were posted in extraordinary losses until the first half of the previous year, in cost of sales and selling, general and administrative expenses.

#### (c) Other businesses

Mainly because of the delivery of large projects using floating reef products in the marine business, net sales came to 1,061 million yen (up 45.6% year on year), and operating profit came to 179 million yen, (up 161.0% year on year).

Consequently, consolidated net sales for the first three months under review increased 17.8% year on year, to 17,588 million yen, and consolidated operating profit expanded 39.8% year on year, to 1,196 million yen. Consolidated ordinary profit rose 38.4% year on year, to 1,233 million yen, and profit attributable to owners of parent grew 143.9% year on year, to 710 million yen.

(For reference)

Net sales by business segment and product category (consolidated)

(Yen in millions, rounded down)

		Previous consolidated first three months (Jan. 1, 2021 – Mar. 31, 2021)		Consolidated first three months under review (Jan. 1, 2022 – Mar. 31, 2022)		Change
		Amount	Proportion	Amount	Proportion	
Construction-related products	Temporary building and formwork products	1,579	10.6	1,575	9.0	(0.3)
	Civil engineering products	1,921	12.8	1,866	10.6	(2.8)
	Building structural products	4,135	27.7	4,374	24.9	5.8
	Building materials	2,899	19.4	2,833	16.1	(2.3)
	Subtotal – Japan	10,535	70.5	10,650	60.6	1.1
	Building products and materials (Note 2)	1,595	10.7	3,555	20.2	122.9
	Subtotal – overseas	1,595	10.7	3,555	20.2	122.9
	Subtotal – segment	12,130	81.2	14,206	80.8	17.1
Automotive products		2,075	13.9	2,321	13.2	11.8
Other businesses (Note 3)		728	4.9	1,061	6.0	45.6
Total		14,935	100.0	17,588	100.0	17.8

- (Notes)
1. For information about the main operations of each business segment, please refer to “Segment information” on page 10.
  2. In Building products and materials, OCM Manufacturing LLC, a consolidated subsidiary of the Company, started to manufacture building products in October 2021.
  3. Other businesses include those for diversification that do not form part of the Company’s core businesses, i.e., construction-related products and automotive products. This segment includes, among other things, the manufacture and sale of marine materials, the manufacture and sale of fishing sinkers in the United States, and the manufacture and sale of industrial machinery products.

(2) Explanation Regarding Forecast for Fiscal Year Ending December 31, 2022

There are no changes to the consolidated results forecasts for the first half and the full year of the fiscal year ending December 31, 2022 that were announced on February 10, 2022.

## 2. Quarterly Consolidated Financial Statements and Key Notes

### (1) Quarterly Consolidated Balance Sheet

(Million yen)

	Fiscal year ended December 31, 2021 (As of December 31, 2021)	First three months ended March 31, 2022 (As of March 31, 2022)
<b>ASSETS</b>		
Current assets		
Cash and deposits	23,575	19,111
Notes and accounts receivable - trade	21,396	-
Notes and accounts receivable - trade, and contract assets	-	20,207
Merchandise and finished goods	8,269	10,758
Work in process	1,809	2,082
Raw materials and supplies	2,356	2,488
Other	1,442	1,221
Allowance for doubtful accounts	(25)	(26)
<b>Total current assets</b>	<b>58,825</b>	<b>55,844</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,658	13,737
Machinery, equipment and vehicles, net	4,349	4,035
Land	4,269	4,363
Other, net	1,322	2,663
<b>Total property, plant and equipment</b>	<b>21,600</b>	<b>24,799</b>
Intangible assets		
Goodwill	2,089	3,689
Other	358	353
<b>Total intangible assets</b>	<b>2,448</b>	<b>4,042</b>
Investments and other assets		
Investment securities	7,387	7,192
Other	1,797	1,803
Allowance for doubtful accounts	(47)	(47)
<b>Total investments and other assets</b>	<b>9,138</b>	<b>8,948</b>
<b>Total non-current assets</b>	<b>33,187</b>	<b>37,789</b>
Deferred assets		
Bond issuance cost	5	38
<b>Total deferred assets</b>	<b>5</b>	<b>38</b>
<b>Total assets</b>	<b>92,018</b>	<b>93,672</b>

(Million yen)

	Fiscal year ended December 31, 2021 (As of December 31, 2021)	First three months ended March 31, 2022 (As of March 31, 2022)
<b>LIABILITIES</b>		
Current liabilities		
Notes and accounts payable - trade	5,181	5,701
Electronically recorded obligations - operating	8,924	8,823
Short-term borrowings	4,318	3,604
Income taxes payable	438	508
Provision for bonuses	–	251
Other	2,850	2,697
<b>Total current liabilities</b>	<b>21,712</b>	<b>21,587</b>
Non-current liabilities		
Bonds payable	1,000	2,750
Long-term borrowings	4,997	4,884
Provision for share awards	125	129
Retirement benefit liability	1,933	1,947
Asset retirement obligations	54	54
Other	1,825	1,797
<b>Total non-current liabilities</b>	<b>9,935</b>	<b>11,563</b>
<b>Total liabilities</b>	<b>31,648</b>	<b>33,151</b>
<b>NET ASSETS</b>		
Shareholders' equity		
Share capital	6,911	6,911
Capital surplus	5,983	5,983
Retained earnings	46,724	45,974
Treasury shares	(1,953)	(1,478)
<b>Total shareholders' equity</b>	<b>57,666</b>	<b>57,390</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,982	1,903
Foreign currency translation adjustment	698	1,204
Remeasurements of defined benefit plans	6	5
<b>Total accumulated other comprehensive income</b>	<b>2,688</b>	<b>3,114</b>
<b>Non-controlling interests</b>	<b>15</b>	<b>15</b>
<b>Total net assets</b>	<b>60,369</b>	<b>60,520</b>
<b>Total liabilities and net assets</b>	<b>92,018</b>	<b>93,672</b>

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income  
(Quarterly Consolidated Statement of Income)  
(First three-month period)

(Million yen)

	First three months ended March 31, 2021 (Jan. 1, 2021 – Mar. 31, 2021)	First three months ended March 31, 2022 (Jan. 1, 2022 – Mar. 31, 2022)
Net sales	14,935	17,588
Cost of sales	10,885	12,835
Gross profit	4,049	4,753
Selling, general and administrative expenses	3,193	3,556
Operating profit	855	1,196
Non-operating income		
Interest income	3	2
Dividend income	29	33
Proceeds from sale of scrap	18	28
Other	29	21
Total non-operating income	80	85
Non-operating expenses		
Interest expenses	26	24
Loss on investments in investment partnerships	11	15
Other	7	8
Total non-operating expenses	45	48
Ordinary profit	891	1,233
Extraordinary income		
Gain on sale of non-current assets	–	50
Total extraordinary income	–	50
Extraordinary losses		
Impairment losses	–	181
Environmental expenses	89	–
Loss on money transfer fraud at overseas subsidiaries	154	–
Other	25	4
Total extraordinary losses	269	185
Profit before income taxes	621	1,099
Income taxes - current	330	384
Income taxes - deferred	(1)	4
Total income taxes	329	388
Profit	292	710
Profit attributable to non-controlling interests	0	(0)
Profit attributable to owners of parent	291	710



(Quarterly Consolidated Statement of Comprehensive Income)  
(First three-month period)

(Million yen)

	First three months ended March 31, 2021 (Jan. 1, 2021 – Mar. 31, 2021)	First three months ended March 31, 2022 (Jan. 1, 2022 – Mar. 31, 2022)
Profit	292	710
Other comprehensive income		
Valuation difference on available-for-sale securities	162	(78)
Foreign currency translation adjustment	(199)	506
Remeasurements of defined benefit plans, net of tax	2	(0)
Total other comprehensive income	(34)	426
Comprehensive income	258	1,137
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	256	1,136
Comprehensive income attributable to non-controlling interests	1	0

(3) Notes to Quarterly Consolidated Financial Statements

(Note to going concern assumptions)

None

(Note to significant changes in shareholders' equity)

(i) Purchase of treasury shares

The Company repurchased 702,100 treasury shares based on the resolution of Board of Directors' meeting held on November 17, 2021. As a result, treasury shares increased 520 million yen in the first three months of the consolidated fiscal year under review.

(ii) Cancellation of treasury shares

On March 10, 2022, the Company cancelled 1,400,000 treasury shares based on the resolution of Board of Directors' meeting held on February 22, 2022. As a result, retained earnings and treasury shares decreased by 992 million yen respectively, in the first three months of the consolidated fiscal year under review.

(Application of particular accounts procedures to the preparation of quarterly consolidated financial statements)

(Calculation of tax expenses)

Taxes are calculated by multiplying profit before income taxes by a reasonable estimate of the effective tax rate after adjustments for tax-effect accounting for profit before income taxes in the current fiscal year.

(Changes in accounting policies)

(Adoption of the Accounting Standard for Revenue Recognition, etc.)

The Company started to apply the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020, hereinafter the "Revenue Recognition Accounting Standard"), etc. at the beginning of the first three months of the fiscal year under review. Accordingly, it recognized revenue in the amount expected to be received in exchange for promised goods and services at points where control over such goods or services is transferred to customers.

Major changes attributable to the application of the Revenue Recognition Accounting Standard, etc. are as follows.

(i) Construction

The Company applied the completed contract method to account for construction sales. From the fiscal year under review, the Company is applying the method of recognizing revenue in a certain period according to the fulfillment of performance obligations except for very short term contracts.

(ii) Consideration paid to customers, such as a rebate

The Company recorded a consideration paid to the customers, such as a rebate, in selling, general and administrative expenses. From the fiscal year under review, the Company is reducing it from the transaction price.

The Revenue Recognition Accounting Standard, etc. is applied according to the provisional measures stipulated in the proviso in Paragraph 84 of the standard. With respect to the application of a new accounting policy, it is applied to the balance of retained earnings at the beginning of the first three months of the fiscal year under review. This balance of retained earnings is obtained through calculation using the cumulative amount of the impact from retrospective application of the new accounting policy to periods prior to the beginning of the first three months, either by adding it to or deducting it from the retained earnings. However, applying the method stipulated in Paragraph 86 of the Revenue Recognition Accounting Standard, the Company does not retroactively apply the new accounting policy to the contracts almost all of whose revenue was recognized in compliance with the conventional method before the beginning of the first three months of the fiscal year under review. In addition, the Company accounts for all contract changes made prior to the beginning of the first three months of the fiscal year under review by applying the method prescribed in (1) of Paragraph 86 of the Revenue Recognition Accounting Standard based on the contract terms, after reflecting all contract changes, and added or subtracted their cumulative effect to or from retained earnings at the beginning of the first three months of the fiscal year under review. The effect of the application of this accounting standard on the quarterly consolidated financial statements is minor.

With the application of the Revenue Recognition Accounting Standard, etc., notes and accounts receivable - trade posted under current assets on the consolidated balance sheet of the previous fiscal year is included in notes and accounts receivable - trade and contract assets starting in the first three months of the fiscal

year under review. An amount that fell into contract liabilities of advances received included in other in current liabilities in the consolidated balance sheet in the previous fiscal year is stated as contract liabilities, which is included in other in current liabilities.

In accordance with the transitional treatment stipulated in Article 89-2 of the Revenue Recognition Accounting Standard, figures for the previous fiscal year have not been restated in accordance with the new methods of indication. Moreover, in accordance with the provisional treatment stipulated in Paragraph 28-15 of the Accounting Standard for Quarterly Financial Reporting (ASBJ Statement No. 12, March 31, 2020), information that decomposes revenue from contracts with customers for the first three months of the previous fiscal year is not stated.

(Application of Accounting Standard for Fair Value Measurement, etc.)

- Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019, hereinafter the “Fair Value Measurement Accounting Standard”)
- Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, July 4, 2019)
- Accounting Standard for Measurement of Inventories (ASBJ Statement No. 9, July 4, 2019)
- Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019, hereinafter the “Financial Instruments Accounting Standard”)
- Implementation Guidance on Disclosures about Fair Value of Financial Instruments (ASBJ Guidance No. 19, March 31, 2020)

The Company is applying these accounting standards and implementation guidelines from the beginning of the first three months of the fiscal year under review and will apply the new accounting policies set out in the Fair Value Measurement Accounting Standard and other standards under the transitional procedures set out in Paragraph 19 of the Fair Value Measurement Accounting Standard and Paragraph 44-2 of the Financial Instruments Accounting Standard. The effect of the application of this accounting standard on the quarterly consolidated financial statements is minor.

(Additional information)

(Accounting estimates associated with the COVID-19 pandemic)

There is no significant change in the assumptions for the accounting estimate on the impact of the COVID-19 pandemic stated in (Additional Information) in the annual securities report for the previous fiscal year.

(Transactions of Delivering the Company’s Own Stock to Employees, etc. through Trusts)

The Company has introduced the stock-granting ESOP trust system, a trust-type employee incentive plan under which the Company’s own shares are issued to its employees for the purpose of encouraging the motivation of the employees of the Company and the Okabe Group and enhancing the welfare program.

(i) Transaction overview

This program adopts the system called the stock-granting employee stock ownership plan (“ESOP Trust”). The ESOP Trust is an employee incentive plan inspired by the U.S. ESOP system, under which shares bought back by the ESOP Trust are issued to employees who have met the requirements prescribed in the Shares Issuance Regulations established in advance.

The “Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees etc. through Trusts (ASBJ Practical Issue Task Force (PITF) No. 30, March 26, 2015)” applies to the accounting treatment of this program.

(ii) Treasury shares remaining in the trust

The Company’s shares remaining in the trust are recorded at the book value (excluding all incidental expenses) in the section of net assets as treasury shares in the trust. The book value of the treasury shares is 168 million yen for the previous consolidated fiscal year and 165 million yen for the first three months of the fiscal year under review. The number of treasury shares at the end of the term is 187,674 shares for the previous consolidated fiscal year and 184,297 shares for the first three months of the fiscal year under review.

(Segment information)

[Segment information]

I. First three months ended March 31, 2021 (January 1, 2021 – March 31, 2021)

1. Net sales and profit (loss) for each reportable business segment

(Million yen)

	Reportable segments				Adjustment	Amounts in quarterly consolidated statements of income (Note)
	Construction-related products	Automotive products	Other businesses	Total		
Net sales						
Sales to external customers	12,130	2,075	728	14,935	–	14,935
Intersegment internal sales and transfers	–	–	–	–	–	–
Total	12,130	2,075	728	14,935	–	14,935
Segment profit	755	31	68	855	–	855

(Note) Segment profit matches the operating profit in the quarterly consolidated statements of income.

2. Non-current assets impairment losses, goodwill and other information for each reportable segment

None

II. First three months ended March 31, 2022 (January 1, 2022 – March 31, 2022)

1. Net sales and profit (loss) for each reportable segment and the breakdown of revenue

(Million yen)

	Reportable segments				Adjustment	Amounts in quarterly consolidated statements of income (Note)
	Construction-related products	Automotive products	Other businesses	Total		
Net sales						
Temporary building and formwork products	1,575	–	–	1,575	–	1,575
Civil engineering products	1,866	–	–	1,866	–	1,866
Building structural products	4,374	–	–	4,374	–	4,374
Building products and materials	6,389	–	–	6,389	–	6,389
Battery parts, etc.	–	1,834	–	1,834	–	1,834
Bolts and nuts, etc.	–	486	–	486	–	486
Other	–	–	1,061	1,061	–	1,061
Revenue from contracts with customers	14,206	2,321	1,061	17,588	–	17,588
Other revenue	–	–	–	–	–	–
Sales to external customers	14,206	2,321	1,061	17,588	–	17,588
Intersegment internal sales and transfers	–	–	–	–	–	–
Total	14,206	2,321	1,061	17,588	–	17,588
Segment profit (loss)	1,074	(57)	179	1,196	–	1,196

(Note) Segment profit (loss) matches the operating profit in the quarterly consolidated statements of income.

2. Non-current assets impairment losses, goodwill and other information for each reportable segment

(Significant impairment losses in non-current assets)

An impairment loss in non-current assets is posted in the automotive products segment. The impairment loss recorded in the first three months of the fiscal year under review was 181 million yen.

(Significant changes in the amount of goodwill)

OCM Manufacturing LLC, a consolidated subsidiary, acquired part of the business of Vimco Inc. in the first three months of the fiscal year under review, and as a result, goodwill of 14.830 million U.S. dollars was recorded in the construction-related products segment.

3. Matters concerning changes in reportable segments

As described in the “Change in accounting policies,” the Company has applied the Revenue Recognition Accounting Standard, etc. from the beginning of the first three months of the fiscal year under review and changed the accounting method for revenue recognition. Reflecting this change, it has modified the calculation method for reportable segments in the same manner. The impact of change on the reportable segments is minor and insignificant.

(Significant events after the reporting period)

(Establishment of subsidiary)

At a meeting of the Board of Directors held on April 28, 2022, the Company has decided to establish a new company in Indonesia.

(i) Purposes of establishment

One of the Company’s management strategies is the acceleration of globalization, and it is striving to develop business in the United States and the ASEAN region. To develop business in Indonesia, the Company builds a new company there.

(ii) Overview of the new company

Name	PT. Okabe Hardware Indonesia
Address	Special Capital Region of Jakarta, Indonesia
Name and title of representative	Representative Director and President Tomokazu Tarui
Description of business	Purchase and sale of construction materials, etc.
Capital	125.0 billion rupiah
Establishment	April 28, 2022
Major shareholders and their shareholding ratios	Okabe Co., Ltd. 99%, FUJI BOLT Manufacturing Co., Ltd. 1%

(iii) Impact on results

At present, the impact of the establishment of the subsidiary on the Company’s consolidated results is considered to be minor and insignificant. The Company will disclose any important events, including impairment losses, if they occur.