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For Immediate Release

Company name: Okabe Co., Ltd.
Representative: Hirohide Kawase, Representative Director,
President and Chief Executive Officer
(Securities Code: 5959, TSE Prime Market)
Contact: Yasushi Hosomichi, Director and
Senior Managing Executive Officer
in charge of Administrative Division and
International Division
(TEL. +81-3-3624-5119)

Notice of Establishment of a Subsidiary in Jakarta (Progress Report, Business Overview, etc.)

As announced in last April, Okabe Co., Ltd. (the “Company”) has established a new subsidiary in Jakarta called PT. Okabe Hardware Indonesia, in which the Company holds a 99% stake. An overview of the new business in Jakarta is as follows:

1. Background and purpose of the business development

One of the Company’s management strategies is to accelerate global expansion, and it is striving to develop business in the United States and the ASEAN region. To develop its business in Indonesia, which is seeing remarkable growth in population and GDP even among ASEAN countries, and where as a consequence purchasing power is increasing, the Company has established PT. Okabe Hardware Indonesia, in which it holds a 99% stake. The Company has now decided to start a new business at a large store in South Tangerang city near Jakarta to sell construction materials to construction companies and clients. Through this business, the Company aims to provide a space where Indonesian construction companies and clients can conveniently and comfortably purchase high-quality materials from a wide range of merchandise based on the Company’s supportive proposals.

2. Outline of business

(1) Description of business

i. Description of business

A store to sell construction materials will be opened. To meet the particular demands of construction companies and clients, the Company will offer an extensive product lineup of high quality construction materials (sanitary equipment, tiles, paints, power tools, etc.) in cooperation with local suppliers in Indonesia and suppliers in other countries.

ii. Store concept (the new brand and store images are shown in the exhibit)

The Company plans to establish a new brand called OKABE GALLERY to showcase the business concept and to feature an extensive lineup of large construction materials for construction companies and housing renovation materials for sole proprietors. People visiting the store will be able to see and feel the actual merchandise in the experience-based showroom. The store will also cooperate with local architectural design and renovation companies, with these companies entering as tenants in the

store building. Accordingly, clients will be able to request design as well as new construction and renovation in addition to purchasing construction materials, all in one stop.

iii. Other sales channels

The Company is also planning to visit construction sites for marketing and sales, at which it excels, in addition to sales in the store. Going forward, the Company will run multiple stores and explore a future possible operation of online sales with the use of information technologies.

(2) Overview of the store

(1) Store name	OKABE GALLERY
(2) Location	South Tangerang city, Indonesia (Jalur Sutera No.32 Pakualam kec. Serpong Utara Kota Tangerang Selatan. Banten 15320)
(3) Area	Approx. 5,600 m ²
(4) Categories of products handled	Sanitary equipment Tiles Paints Power tools Other construction materials
(5) Store layout	F1: Tenant leasing spaces F2: The company's own store space and showroom

(3) Overview of the subsidiary

(1) Trade name	PT. Okabe Hardware Indonesia
(2) Head office	South Tangerang city, Indonesia
(3) Name and title of representative	Representative Director and President Tomokazu Tarui
(4) Business description	Purchase and sale of construction materials, etc.
(5) Capital	390 billion rupiah
(6) Date of establishment	April 28, 2022
(7) Major shareholders and their shareholding ratios	Okabe Co., Ltd. 99%, FUJI BOLT Manufacturing Co., Ltd. 1%
(8) Relationships between the listed company and the relevant company	Capital relationship: The Company holds a 99% stake. Personnel relationship: Some employees of the Company have been sent to the subsidiary. Business relationship: Not applicable at present

(4) Start date of the business

May 2023 (planned)

3. Future outlook

At present, the impact of this matter 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. It aims to achieve profitability in FY2025, and subsequently, around 3 billion yen in net sales and around 0.3 billion yen in operating profit in FY2028.

<Exhibit> New brand and store images

1. New brand logo:



2. External appearance of the store: Intended to have a sophisticated design with a modern Japanese taste

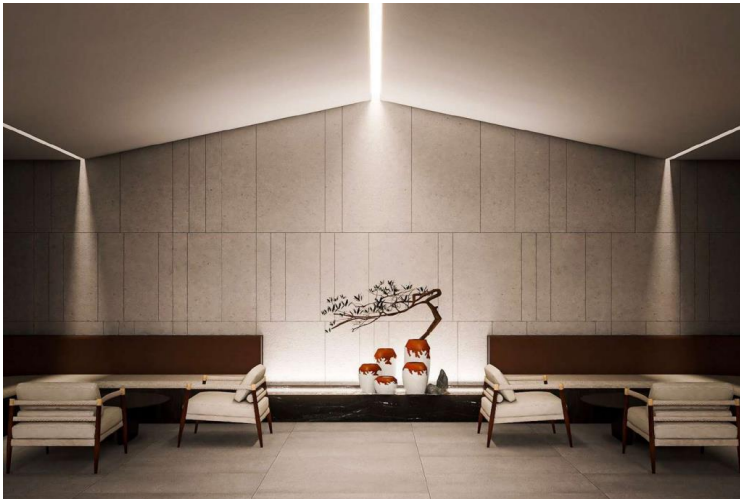


Front angle



Side angle

3. Customer lounge:



Meeting space for clients and constructors

