



January 25, 2024

For Immediate Release

Company name: Okabe Co., Ltd.
Representative: Hirohide Kawase, Representative Director,
President and Chief Executive Officer
(Securities Code: 5959, TSE Prime Market)
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Notice of Recording of Extraordinary Losses (Impairment Losses of Goodwill)

Okabe Co., Ltd. ("we" or the "Company") announces that it expects to record extraordinary losses (impairment losses of goodwill) in its consolidated financial results for the fiscal year ended December 31, 2023. Details are as follows.

Details

1. Posting of extraordinary losses

For OCM Manufacturing LLC (headquartered in Pennsylvania, the United States, The Company's investment ratio: 100%*, Business: manufacturing business of building materials), a consolidated subsidiary of the Company, we had posted goodwill on the premise of excessive earnings power at the time of acquisition. However, as a result of reviewing the business plan of the subsidiary, we now expect to record extraordinary losses (impairment losses of goodwill) of approximately 1.6 billion yen as we have determined that it will be difficult to achieve the profits we had originally anticipated. We are currently examining the details, including accounting methods, and will disclose them in a progress report or the summary of consolidated financial results as soon as they are finalized.

Although we have determined that it will be difficult for the subsidiary on a non-consolidated basis to achieve the plan during the initially expected period, we will continue to aim for the growth of the construction-related products business operated by the subsidiary group in the United States by responded to the infrastructure demand, etc. expected in the United States over the long term.

* Indirectly owned by Okabe

2. Effect on Business Results

In view of the expected posting of the extraordinary losses mentioned above, we revised the financial results forecast for the fiscal year ended December 31, 2023. For details, please refer to "Notice of Revisions to Consolidated Financial Results Forecast for the Fiscal Year Ended December 31, 2023" announced today.