



April 26, 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 an Outflow of Funds from a Subsidiary and Recording of Extraordinary Losses**

Okabe Co., Ltd. (the “Company”) announces that one of its subsidiaries followed false instructions from a malicious third party, which led to a loss of funds.

As a result, the Company announces that it expects to record extraordinary losses in its consolidated financial results for the first three months of the fiscal year ending December 31, 2024. Details are as follows.

We sincerely apologize to all shareholders and other stakeholders for any inconvenience and concern that we may have caused.

### Details

#### 1. Overview of the loss of funds

From November to December 2023, a US-based subsidiary of the Company received e-mails from a malicious third party disguised as an entity associated with a business partner. The e-mails instructed us to change the payment recipient. The subsidiary sent 519,000 US dollars to the malicious third party.

(Overview of the subsidiary of the Company)

Name: OCM Manufacturing LLC

Address: Pennsylvania, the United States

Name and title of representative: Andy Cramer, President and Director

Business: Manufacture of building products and materials

Share capital: 41 million U.S. dollars

#### 2. Responses of the Company and the subsidiary

After sending the funds, the Company and the subsidiary discovered that the instructions may have been fraudulent. We determined that it was likely that we had been the victim of a crime. We immediately formed an internal team, confirmed the facts, consulted with local investigative authorities, reported our loss, examined the causes and formulated preventive measures.

3. Similar incident that occurred in 2020

A subsidiary of the Company, Okabe Co., Inc. based in the US state of Illinois, was involved in a similar case in November 2020. The Company posted an extraordinary loss of 154 million yen due to a money transfer fraud in the fiscal year ended December 31, 2021. We took preventive measures, but we became a victim of a similar fraud again. We deeply regret having been involved in two fraud cases in about three years. We have revised the preventive measures and are implementing these updated measures.

4. Effect on business results

The Company will post a loss from a money transfer fraud at an overseas subsidiary of 76 million yen in extraordinary losses in the consolidated statement of income for the first three months of the fiscal year ending December 31, 2024.