



October 30, 2020

For Immediate Release

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**Notice of Simplified Absorption-Type Company Split and Simplified Merger  
Associated with Reorganization of Subsidiary, Fuji Bolt Manufacturing Co.,Ltd.,  
and Sub-subsidiary, Fuji-Kizai Co.,Ltd., of Okabe Co., Ltd.**

Okabe Co., Ltd. (“the Company”) passed a resolution at the meeting of its Board of Directors held today to transfer all shares of Fuji-Kizai Co.,Ltd. (“Fujikizai”) held by Fuji Bolt Manufacturing Co.,Ltd. (“Fuji Bolt”), a wholly owned consolidated subsidiary of the Company, to the Company through an absorption-type company split (“the Absorption-Type Company Split”) effective January 1, 2021 (plan). As a result, Fujikizai will be a wholly owned subsidiary of the Company. The Company also passed a resolution as detailed below to merge Fujikizai into the Company effective the same day (“the M&A”).

Because both the Absorption-Type Company Split and M&A are reorganized with the Company’s wholly owned subsidiaries, part of the details are omitted from the disclosed information.

I. Background and Purpose of the Absorption-Type Company Split and the M&A

Fujikizai is a construction management company and has engaged in construction such as seismic reinforcement. Because demand for seismic reinforcement construction is currently saturated, the Company has decided to implement the Absorption-Type Company Split and the M&A to raise management efficiency, establish a unified business structure, and focus on receiving construction orders for the Company’s products to maintain sustainable growth.

II. Description of the Absorption-Type Company Split

1. Overview of the Absorption-Type Company Split

(1) Schedule for the Absorption-Type Company Split

Date of resolution of the Board of Directors: October 30, 2020

Date of signing the agreement for the Absorption-Type Company Split:  
October 30, 2020

Scheduled date of implementation (effective date): January 1, 2021 (plan)

Note: The Absorption-Type Company Split is a simplified company split specified in paragraph (2), Article 796 of the Companies Act for the Company, which is the succeeding company, and a summary split specified in paragraph (2), Article 784 of the Companies Act for Fuji Bolt, which is the split company. Therefore, neither company will hold a general meeting of shareholders for the approval of the agreement for the absorption-type company split.

(2) Method of the Absorption-Type Company Split

It is an absorption-type company split (simplified) with Fuji Bolt as the split company and the Company as the succeeding company.

(3) Allotment associated with the Absorption-Type Company Split

The Absorption-Type Company Split is implemented between the Company and its wholly owned consolidated subsidiary, and there will be no allotment of shares or payment of cash or other financial considerations upon the completion of the Absorption-Type Company Split.

(4) Treatment of share acquisition rights and bonds with share acquisition rights associated with the Absorption-Type Company Split

Fuji Bolt does not issue share acquisition rights and bonds with share acquisition rights.

(5) Changes in capital due to the Absorption-Type Company Split

The Company does not have capital that should increase or decrease.

(6) Rights and obligations succeeded to by the succeeding company

The Company will take over all shares of Fujikizai held by Fuji Bolt.

(7) Prospect of fulfillment of obligations

The Company does not expect to have any problem in the fulfillment of its obligations in the Absorption-Type Company Split.

2. Overview of the parties to the Absorption-Type Company Split (as of December 31, 2019)

(1) Trade name	Okabe Co., Ltd. (succeeding company)	FUJI BOLT MANUFACTURING CO.,LTD. (split company)
(2) Date of establishment	February 1, 1944	March 6, 1952
(3) Head office location	2-8-2 Oshiage, Sumida-ku, Tokyo, Japan	2-8-2 Oshiage, Sumida-ku, Tokyo, Japan
(4) Representative	Makoto Hirowatari, Representative Director, President and Chief Executive Officer	Hirohide Kawase, Representative Director & President
(5) Capital	6,911 million yen	18 million yen

(6) Total number of shares outstanding	53,790,632	36,000
(7) Fiscal year end	December 31	December 31
(8) Large shareholder and shareholding ratio	Kobayashi Metals Limited 10.60% Mizuho Bank, Ltd. 4.98% MUFG Bank, Ltd. 4.33% Master Trust Bank of Japan, Ltd. (account in trust) 4.05% Nippon Life Insurance Company 2.78%	Okabe Co., Ltd. 100%
Note: 1. Okabe Co., Ltd. holds 3,865,030 shares of treasury stock and is excluded from the above large shareholders. 2. The shareholding ratio of Okabe Co., Ltd. has been calculated after excluding the treasury stock.		
(9) Financial position and operating results in the immediately preceding fiscal year	Fiscal Year Ended December 31, 2019 (Consolidated)	Fiscal Year Ended December 31, 2019 (Non-consolidated)
Net assets	57,869 million yen	(194 million yen)
Total assets	88,652 million yen	1,625 million yen
Net assets per share	1,161.31 yen	(5,406.28 yen)
Net sales	65,409 million yen	1,117 million yen
Operating profit	5,294 million yen	57 million yen
Ordinary profit	5,619 million yen	66 million yen
Profit	3,342 million yen	57 million yen
Profit per share	67.07 yen	1,595.62 yen
Note: The profit of Okabe Co., Ltd. is the profit attributable to owners of parent.		

### 3. Overview of the business unit transferred through the Absorption-Type Company Split

#### (1) Description of business to be transferred

The Absorption-Type Company Split will transfer all shares of Fujikizai, a wholly owned subsidiary, held by Fuji Bolt to the Company, but will not transfer any business unit.

#### (2) Items and amounts of assets and liabilities to be transferred (as of December 31, 2019)

Current assets	—	Current liabilities	—
Non-current assets	20 million yen	Non-current liabilities	—
Total assets	20 million yen	Total liabilities	—

### 4. Status of the Company after the Absorption-Type Company Split

The trade name, business, head office location, title and name of the representative, capital, and fiscal period will not be changed by the Absorption-Type Company Split.

## III. Description of the M&A

### 1. Overview of the M&A

#### (1) Schedule for the M&A

Date of resolution of the Board of Directors: October 30, 2020  
Date of signing the M&A agreement: October 30, 2020  
Scheduled date of implementation (effective date): January 1, 2021 (plan)

Note: The M&A is a simplified merger specified in paragraph (2), Article 796 of the Companies Act for the Company and a summary merger specified in paragraph (1), Article 784 of the Companies Act for Fujikizai. Therefore, neither company will hold a general meeting of shareholders for the approval of the agreement for the M&A.

(2) Method of the M&A

Fujikizai will be dissolved through the M&A, in which the Company is the surviving company and Fujikizai is the dissolving company.

(3) Allotment associated with the M&A

There will be no allotment of shares or payment of cash or other financial considerations upon the completion of the M&A.

(4) Treatment of share acquisition rights and bonds with share acquisition rights associated with the M&A

Fujikizai does not issue share acquisition rights and bonds with share acquisition rights.

2. Overview of the parties to the M&A (as of December 31, 2019)

(1) Trade name	FUJI-KIZAI CO.,LTD. (dissolving company)
(2) Date of establishment	February 2, 2005
(3) Head office location	2-8-2 Oshiage, Sumida-ku, Tokyo, Japan
(4) Representative	Hirohide Kawase, Representative Director & President
(5) Capital	20 million yen
(6) Total number of shares outstanding	400
(7) Fiscal year end	December 31
(8) Large shareholder and shareholding ratio	FUJI BOLT MANUFACTURING CO.,LTD. 100% (The parent company as of January 1, 2021, will be Okabe Co., Ltd., whose shareholding ratio will be 100%.)
(9) Financial position and operating results in the immediately preceding fiscal year	Fiscal Year Ended December 31, 2019 (Non-consolidated)
Net assets	150 million yen
Total assets	311 million yen
Net assets per share	376,458.83 yen
Net sales	741 million yen
Operating profit	29 million yen
Ordinary profit	29 million yen

Profit	19 million yen
Profit per share	48,793.66 yen

### 3. Status of the Company after the M&A

The trade name, business, head office location, title and name of the representative, capital, and fiscal period will not be changed by the M&A.

### IV.Outlook

The Absorption-Type Company Split and the M&A will have a negligible impact on the Company's consolidated financial results.

Reference: Conceptual diagram of the reorganization

