

Translation

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Consolidated Financial Results for the Six Months of the Fiscal Year Ending December 31, 2025 (Under Japanese GAAP)

July 31, 2025

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 Stock exchange listings: Tokyo Stock Exchange
 Stock code: 5959
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 Scheduled date for submission of interim report: August 8, 2025
 Scheduled date of commencement of dividend payment: September 3, 2025
 Supplementary materials for financial summaries: None
 Financial results briefing: Yes

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Six Months of the Fiscal Year Ending December 31, 2025 (from January 01, 2025 to June 30, 2025)

(1) Consolidated operating results (cumulative)

(% represents the year-on-year change rate for the same quarter)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2025	33,069	3.9	2,273	28.4	2,443	26.3	1,752	30.8
June 30, 2024	31,813	(16.3)	1,770	(13.3)	1,934	(6.8)	1,339	-

(Note) Comprehensive income for the second quarter of the fiscal year ending December 31, 2025: 2,357 million yen ((1.3)%); for the second quarter of the fiscal year ending December 31, 2024: 2,388 million yen (—%)

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2025	38.16	-
June 30, 2024	28.99	-

(2) Consolidated financial positions

	Total assets	Net assets	Equity to total assets ratio
As of	Million yen	Million yen	%
June 30, 2025	87,577	60,429	69.0
December 31, 2024	86,993	59,541	68.4

(Reference) Owner's equity for the second quarter of the fiscal year ending December 31, 2025: 60,411 million yen; for the fiscal year ending of December 31, 2024: 59,523 million yen

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2024	-	15.00	-	20.00	35.00
Fiscal year ending December 31, 2025	-	20.00			
Fiscal year ending December 31, 2025 (Forecast)			-	21.00	41.00

(Note) 1. Presence of revisions from the most recently announced dividend forecast: None

2. Breakdown of dividend at the end of the second quarter of the fiscal year ending December 31, 2025 (forecast) :

Ordinary dividend: 15 yen; Special dividend: 5 yen

Breakdown of year-end dividends for the fiscal year ended December 31, 2025 (forecast):

Ordinary dividend: 16 yen; Special dividend: 5 yen

3. Consolidated Earnings Forecasts for the Fiscal Year Ending December 31, 2025 (from January 01, 2025 to December 31, 2025)

(% change represents the year-over-year change for the full year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Fiscal year ending December 31, 2025	72,500	6.9	4,700	12.0	4,800	8.5	3,120	-	67.46

(Note) Correction of financial forecast from the most recent financial forecast: None

* Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Applying of specific accounting of the interim consolidated financial statements: Yes

(Note) For details, please refer to page 8 of the attached materials, "Notes to particular accounts procedures to the preparation of interim consolidated financial statements".

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

(i) Changes in accounting policies due to revisions of accounting standards : Yes

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

(iii) Changes in accounting estimates : None

(iv) Retrospective restatement : None

(4) Number of issued and outstanding shares (common stock)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2025	49,290,632 shares
As of December 31, 2024	49,290,632 shares

(ii) Number of treasury shares at the end of the period

As of June 30, 2025	3,677,573 shares
As of December 31, 2024	3,040,747 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended June 30, 2025	45,911,603 shares
Six months ended June 30, 2024	46,198,654 shares

(Note) The "Number of treasury stock at the period end" includes the company's shares held by the "Stock Grant ESOP Trust Account" (261,255 shares for the 2Q of the fiscal year ending December 2025, 270,127 shares for the fiscal year ended December 2024). Additionally, the company's shares held by the "Stock Grant ESOP Trust Account" are included in the treasury stock deducted in the calculation of the "Average number of shares (interim period)" (266,435 shares for the 2Q of the fiscal year ending December 2025, 278,781 shares for the 2Q of the fiscal year ending December 2024).

* Review of the attached interim consolidated financial statements by certified public accountants or audit corporations: None

* Notes for using forecasted information and Others

(Cautionary Statement Regarding Forward-Looking Statements)

The forward-looking statements, including performance forecasts, contained in this document are based on information currently available to the company and certain assumptions deemed reasonable. They are not intended as a promise of achievement by the company. Actual performance may differ significantly due to various factors.

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1. Overview of Results of Operations, Etc.

(1) Overview of Results of Operations for the First Six Months Ended June 30, 2025

During the first half of the current fiscal year (January 1, 2025 to June 30, 2025), the Japanese economy showed signs of a gradual recovery on the strength of an improved employment and income environment resulting from wage hikes and the effects of government policy. Nonetheless, the outlook remained uncertain due to such factors as sluggish personal consumption caused by soaring prices and rising downside risks in the economy caused by trends in U.S. trade policy.

In the Japanese construction industry, where the Okabe Group's core customers operate, public investment was firm partly due to the effects of the supplementary budget, and the recovery of private investment showed a trend of recovery. However, the environment remained challenging chiefly due to soaring labor costs caused by a chronic shortage of construction workers and continued high steel material prices.

In this business environment, under OX-2026 (Okabe Transformation 2026), the medium-term management plan, the Group set customer-centric initiatives (prioritizing the development of a system to solve customers' problems and the implementation of initiatives to solve them), implementing human capital management and strengthening the foundation of management, and promoting digital transformation. With these three strategies as the cornerstones of our business strategy, we have been working toward the sustainable development of the company and the enhancement of its corporate value.

Operating results by business category of the Group are as follows.

(a) Construction-related products

In temporary building and formwork products and building materials, net sales decreased year on year due to the stagnant trend in the floor area of reinforced concrete construction projects despite the sales expansion of products related to the new formwork method with single pipe and the launch of rental services.

In civil engineering products, net sales increased year on year as a result of efforts to capture demand for landslide prevention products against the backdrop of the government's policy to strengthen the national land infrastructure.

Net sales of structural products increased from the same period of the previous year, despite a decrease in the floor area of steel-framed buildings, due to the start of sales of improved versions of the column base product (Select Base) for steel-framed buildings, the capture of demand for large properties, and the strengthening of sales for small and medium-sized properties.

In the building products and materials (overseas) business, net sales in the U.S. increased compared to the same period of the previous year, mainly due to infrastructure-related construction demand.

As a result, sales in the construction-related products segment increased 2.9% year on year, to 29,967 million yen, and operating profit increased 18.5% year on year, to 1,839 million yen.

(b) Other businesses

Net sales of industrial machinery products increased year on year as a result of efforts to expand sales of high value-added products such as custom-made products that meet customer needs.

Net sales of marine material products increased from the same period of the previous fiscal year due to orders for large floating fish reef products.

In automotive products, net sales remained at the same level as the same period of the previous year due to stable orders secured by strengthening sales to major customers, although the truck/trailer market remained unstable.

As a result, sales in the other businesses segment increased 15.9% year on year, to 3,101 million yen, and operating profit increased 98.6% year on year, to 433 million yen.

Consequently, consolidated net sales for the first six months under review increased 3.9% year on year, to 33,069 million yen, and consolidated operating profit expanded 28.4% year on year, to 2,273 million yen. Consolidated ordinary profit rose 26.3% year on year, to 2,443 million yen, and profit attributable to owners of parent grew 30.8% year on year, to 1,752 million yen.

(2) Overview of Financial Position for the First Six Months Ended June 31, 2025

(i) Assets

Current assets at the end of the first six months under review amounted to 48,834 million yen, an increase of 9 million yen from the previous fiscal year-end, due mainly to an increase in cash and deposits.

Non-current assets increased 576 million yen from the previous fiscal year-end to 38,724 million yen, primarily owing to an increase in buildings and structures.

As a result, total assets increased 584 million yen from the previous fiscal year-end, to 87,577 million yen.

(ii) Liabilities

Current liabilities decreased by 149 million yen from the previous fiscal year-end, to 18,179 million yen due to a decrease in electronically recorded obligations - operating.

Non-current liabilities decreased by 154 million yen from the previous fiscal year-end, to 8,968 million yen, largely due to a decrease in long-term borrowings.

As a result, total liabilities decreased 303 million yen from the previous fiscal year-end, to 27,148 million yen.

(iii) Net assets

Net assets increased 887 million yen from the previous fiscal year-end to 60,429 million yen. The shareholders' equity ratio was 69.0%, up 0.6 percentage points from the end of the previous fiscal year.

(For reference)

Net sales by business segments and product category (consolidated)

(Yen in millions, rounded down)

		Previous consolidated first six months (Jan. 1, 2024 – Jun. 30, 2024)		Consolidated first six months under review (Jan. 1, 2025 – Jun. 30, 2025)		Change (%)
		Amount	Proportion (%)	Amount	Proportion (%)	
Construction- related products business	Temporary building and formwork products	3,376	10.6	3,218	9.7	(4.7)
	Civil engineering products and materials	3,076	9.7	3,439	10.4	11.8
	Building structural products and materials	9,928	31.2	10,284	31.1	3.6
	Building materials	5,310	16.7	4,930	14.9	(7.2)
	Subtotal – Japan	21,690	68.2	21,872	66.1	0.8
	Building products and materials	7,446	23.4	8,095	24.5	8.7
	Subtotal – overseas	7,446	23.4	8,095	24.5	8.7
	Subtotal – segment	29,137	91.6	29,967	90.6	2.9
Other businesses (Note)		2,675	8.4	3,101	9.4	15.9
Total		31,813	100.0	33,069	100.0	3.9

(Note) Other businesses do not form part of the Company's core business, i.e. construction-related products. This segment includes, among others, the manufacture and sale of industrial machinery products, the manufacture and sale of marine materials, sale of bolts and screw nuts for trucks and trailers in the U.S., and the tenant leasing business.

(3) Explanation Regarding Forecast for Fiscal Year Ending December 31, 2025

No changes have been made to the full-year forecasts of consolidated financial results for the fiscal year ending December 31, 2025 that were announced on February 14, 2025.

2. Interim Consolidated Financial Statements and Main Notes

(1) Interim Consolidated Balance Sheet

(Millions of yen)

	As of December 31, 2024	As of June 30, 2025
Assets		
Current assets		
Cash and deposit	11,477	12,553
Notes and accounts receivable - trade, and contract assets	13,850	13,025
Electronically recorded monetary claims - operating	6,826	5,646
Merchandise and finished goods	10,768	11,651
Work in process	1,837	1,684
Raw materials and supplies	3,100	3,396
Others	996	910
Allowance for doubtful accounts	(32)	(33)
Total current asset	48,824	48,834
Non-current assets		
Property, plant, and equipment		
Buildings and structures, net	12,305	14,433
Machinery, equipment and vehicles, net	1,987	1,928
Land	5,425	5,373
Other (net)	2,840	1,246
Total property, plant and equipment, net	22,558	22,982
Intangible assets		
Goodwill	1,550	1,465
Other	378	783
Total intangible assets	1,929	2,248
Investment Other assets		
Investment securities	8,344	8,329
Other	5,470	5,314
Allowance for doubtful accounts	(154)	(149)
Total investment and other assets	13,660	13,493
Total non-current assets	38,148	38,724
Deferred assets		
Bond issuance costs	20	18
Total deferred assets	20	18
Total assets	86,993	87,577

(Millions of yen)

	As of December 31, 2024	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,781	4,378
Electronically recorded obligations - operating	6,579	6,111
Short-term borrowings	680	1,221
Income taxes payable	674	789
Other	6,613	5,678
Total current liabilities	18,329	18,179
Non-current liabilities		
Bonds payable	1,750	1,750
Long-term borrowings	3,700	3,568
Provision for share awards	185	195
Liabilities for retirement benefits	2,020	1,989
Asset retirement obligations	55	55
Other	1,410	1,410
Total non-current liabilities	9,122	8,968
Total liabilities	27,452	27,148
Net assets		
Shareholders' equity		
Share capital	6,911	6,911
Capital surplus	5,994	6,004
Retained earnings	42,419	43,241
Treasury shares	(2,225)	(2,774)
Total shareholders' equity	53,100	53,383
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,042	3,049
Foreign currency translation adjustment	3,442	4,035
Remeasurements of defined benefit plans	(62)	(56)
Total accumulated other comprehensive income	6,422	7,028
Non-controlling interests	18	17
Total net assets	59,541	60,429
Total liabilities and net assets	86,993	87,577

(2) Interim Consolidated Statement of Income and Interim Consolidated Statement of Comprehensive Income
(Interim Consolidated Statement of Income)

(Millions of yen)

	For the six months ended June 30, 2024	For the six months ended June 30, 2025
Revenue	31,813	33,069
Cost of sales	21,764	22,572
Gross profit	10,048	10,496
Selling, general and administrative expenses	8,278	8,222
Operating profit	1,770	2,273
Non-operating income		
Interest income	25	27
Dividend income	107	117
Income from scrap sales	65	45
Other	41	98
Total non-operating income	239	289
Non-operating expenses		
Interest expense	29	44
Loss on investments in investment partnerships	19	43
Other	26	30
Total non-operating expenses	75	118
Ordinary profit	1,934	2,443
Extraordinary income		
Gain on sale of non-current assets	16	3
Gain on sale of investment securities	30	167
Customs duty refunds from prior years	133	-
Total extraordinary income	180	170
Extraordinary losses		
Loss on disposal of non-current assets	4	9
Remittance fraud loss at overseas subsidiary	76	-
Litigation and related expenses	57	17
Other	-	3
Total extraordinary losses	138	29
Net income before income taxes	1,976	2,585
Income taxes - current	670	847
Income taxes - deferred	(33)	(14)
Total income taxes	636	832
Net income	1,339	1,752
Net income attributable to non-controlling interests	0	0
Profit attributable to owners of parent	1,339	1,752

(Interim Consolidated Statement of Comprehensive Income)

(Millions of yen)

	For the six months ended June 30, 2024	For the six months ended June 30, 2025
Net income	1,339	1,752
Other comprehensive income (loss), net of tax		
Valuation difference on available-for-sale securities	842	6
Foreign currency translation adjustment	201	591
Remeasurements of defined benefit plans, net of tax	4	6
Other comprehensive income, net of tax	1,048	604
Comprehensive income	2,388	2,357
Comprehensive income attributable to		
Interim comprehensive income attributable to owners of the parent	2,387	2,357
Comprehensive income attributable to non-controlling interests for the interim period	0	(0)

(3) Notes to Interim Consolidated Financial Statements

(Note to going concern assumptions)

Not applicable

(Note to significant changes in shareholders' equity)

(Purchase of treasury shares and disposal)

The Company repurchased 705,300 treasury shares based on the resolution of Board of Directors' meeting held on February 14, 2025. The Company disposed of 59,670 treasury shares as restricted stock compensation based on a resolution passed at the Board of Directors meeting held on March 28, 2025. As a result, treasury shares increased by 548 million yen during the current interim consolidated accounting period, including the purchase of odd-lot shares, and treasury shares amounted to 2,774 million yen at the end of the interim period under review.

(Notes to particular accounts procedures to the preparation of interim 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.

(Notes to changes in accounting policies)

(Application of the Accounting Standard for Current Income Taxes, etc.)

The Company has applied Accounting Standard for Current Income Taxes (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; hereinafter referred to as the "Revised Accounting Standard 2022") effective from beginning of the interim period of the current fiscal year.

The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso (2) of paragraph 65-2 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the "Revised Implementation Guidance 2022"). This change in accounting policies has no impact on the interim consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes, the 2022 Revised Implementation Guidance 2022 has been applied since the beginning of the interim period of the fiscal year under review. This change in accounting policies is applied retrospectively, and interim consolidated financial statements and consolidated financial statements for the previous year are after retrospective application. The change has no impact on the interim consolidated financial statements or consolidated financial statements for the previous fiscal year.

(Additional information)

(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 227 million yen for the previous consolidated fiscal year and 219 million yen for the first six months of the fiscal year under review. The number of treasury shares at the end of the term is 270,127 shares for the previous consolidated fiscal year and 261,255 shares for the first six months of the fiscal year under review.

(Effect of changes in corporate tax rates, etc.)

The Act on Partial Revision of the Income Tax Act, etc. (Act No. 13 of 2025) was introduced on March 31, 2025, and corporate tax rates, etc. will be raised for the consolidated fiscal years beginning on or after April 1, 2026. As a result, the effective statutory tax rate used to measure deferred tax assets and deferred tax liabilities will change from 30.6% used in the calculation of the previous fiscal year to 31.5% for temporary differences expected to be eliminated in or after the fiscal year beginning January 1, 2027.

The impact of this change in the tax rate is immaterial.

(Note to segment information)

[Segment information]

Segment information is omitted because the Group has only one segment, construction-related products.

(Note to significant events after the reporting period)

Not applicable