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Member of Financial Accounting Standards Foundation (FASF)

Summary of Consolidated Financial Results (Japanese Accounting Standards) for the Year Ended December 31, 2025

February 13, 2026

Company name: Okabe Co., Ltd.

Stock exchange listing: Prime Market of the Tokyo Stock Exchange

Stock code: 5959

URL: <https://www.okabe.co.jp/>

Representative: Hirohide Kawase, Representative Director, President and Chief Executive Officer

Contact: Hisanori Ekawa, Director, Operating Officer and Executive General Manager of Administrative Division

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Scheduled date of Annual General Meeting of Shareholders:

March 27, 2026

Scheduled date of commencement of dividend payment:

March 11, 2026

Scheduled date of filing of Annual Securities Report:

March 26, 2026

Supplementary documents for financial results:

None

Financial results briefing:

Yes

(Figures are rounded down to the nearest one million yen.)

1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2025 (January 1, 2025 – December 31, 2025)

(1) Consolidated Results of Operations

(Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended								
December 31, 2025	69,758	2.9	4,762	13.5	5,081	14.9	3,285	–
December 31, 2024	67,806	(13.2)	4,194	2.7	4,422	2.8	(874)	–

(Note) Comprehensive income:

4,744 million yen (–%) for the year ended December 31, 2025

(1,309) million yen (–%) for the year ended December 31, 2024

	Profit per share	Profit per share (diluted)	Return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Year ended					
December 31, 2025	71.78	–	5.4	5.9	6.8
December 31, 2024	(18.91)	–	(1.4)	5.0	6.2

(Reference) Equity in earnings (losses) of affiliates:

Year ended December 31, 2025: – million yen

Year ended December 31, 2024: – million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2025	85,030	61,906	72.8	1,356.57
As of December 31, 2024	86,993	59,541	68.4	1,286.99

(Reference) Shareholders' equity:

As of December 31, 2025: 61,888 million yen

As of December 31, 2024: 59,523 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Year ended				
December 31, 2025	2,420	(2,575)	(2,773)	8,463
December 31, 2024	3,729	(2,423)	(2,413)	11,364

2. Dividends

	Dividend per share					Total dividend (annual)	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual			
Year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
December 31, 2024	–	15.00	–	20.00	35.00	1,628	–	2.7
December 31, 2025	–	20.00	–	21.00	41.00	1,880	57.1	3.1
Year ending								
December 31, 2026 (Forecasts)	–	21.00	–	21.00	42.00		51.8	

(Notes) 1. Revisions to dividend forecasts published most recently: None

2. The year-end dividend per share for the year ended December 31, 2025 and the figures and indicators related to it are forecasts. When the figures are determined by resolution of the Board of Directors, the Company will disclose them promptly.

3. Breakdown of dividend at the end of the second quarter of the fiscal year ending December 31, 2026 (forecast) Ordinary dividend: 16 yen
Special dividend: 5 yen
Breakdown of year-end dividends for the fiscal year ending December 31, 2026 (forecast): Ordinary dividend: 16 yen; Special dividend: 5 yen

3. Consolidated Forecasts for the Fiscal Year Ending December 31, 2026 (January 1, 2026 – December 31, 2026)

(Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	34,100	3.1	2,300	1.2	2,450	0.2	1,800	2.7	39.46
Full year	72,500	3.9	5,150	8.1	5,300	4.3	3,700	12.6	81.10

* Notes

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

(2) Changes in accounting policies, accounting estimates and restatement

(i) Changes in accounting policies caused by revision of accounting standards:	Yes
(ii) Changes in accounting policies other than (i):	None
(iii) Changes in accounting estimates:	None
(iv) Restatement:	None

(3) Number of shares outstanding (common shares):

(i) Number of shares outstanding at end of period (including treasury shares)

As of December 31, 2025: 47,290,632 shares

As of December 31, 2024: 49,290,632 shares

(ii) Number of treasury shares at end of period

As of December 31, 2025: 1,669,214 shares

As of December 31, 2024: 3,040,747 shares

(iii) Average number of shares outstanding during the period

Year ended December 31, 2025: 45,775,471 shares

Year ended December 31, 2024: 46,221,122 shares

(Note) The number of treasury shares at the end of each period includes the shares of the Company held by the stock-granting ESOP trust (252,802 shares as of December 31, 2025, and 270,127 shares as of December 31, 2024). The shares of the Company held by the stock-granting ESOP trust are included in the treasury shares deducted in the calculation of the average number of shares outstanding during each period (262,364 shares for the year ended December 31, 2025, and 275,963 shares for the year ended December 31, 2024).

(Reference) Summary of Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for the Fiscal Year Ended December 31, 2025 (January 1, 2025 – December 31, 2025)

(1) Non-Consolidated Results of Operations

(Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended								
December 31, 2025	45,069	(1.0)	2,754	(11.4)	3,078	(9.9)	2,231	–
December 31, 2024	45,526	(3.7)	3,110	(16.6)	3,414	(18.3)	(1,625)	–

	Profit per share	Profit per share (diluted)
	Yen	Yen
Year ended		
December 31, 2025	48.74	–
December 31, 2024	(35.16)	–

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2025	72,599	52,923	72.9	1,160.06
As of December 31, 2024	76,077	52,396	68.9	1,132.90

(Reference) Shareholders' equity: As of December 31, 2025: 52,923 million yen
As of December 31, 2024: 52,396 million yen

* Summaries of consolidated financial results are not subject to audit by certified public accountants or audit corporations.

* Explanations and other special notes concerning the appropriate use of business performance forecasts

(Notes regarding forward-looking statements)

The forward-looking statements in these materials, including financial prospects included in this report, are based on information available to the Company when this report was prepared and assumptions that the management considers reasonable, which do not guarantee the achievement of such projected results. Actual results may differ significantly from these statements for a number of reasons.

○ Index for Supplementary Information

1. Overview of Results of Operations, Etc.	2
(1) Overview of Results of Operations for the Fiscal Year under Review (January 1, 2025 to December 31, 2025)	2
(2) Overview of Financial Position for the Fiscal Year under Review	3
(3) Overview of Cash Flows for the Fiscal Year under Review	4
(4) Future Outlook	4
(5) Basic Policy for Dividends and Dividends for the Fiscal Year under Review and the Next Fiscal Year	5
2. Corporate Group	6
3. Basic Approach to Selection of Accounting Standards	7
4. Consolidated Financial Statements and Key Notes	8
(1) Consolidated Balance Sheets	8
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	10
(Consolidated statements of income)	10
(Consolidated statements of comprehensive income)	11
(3) Consolidated Statements of Changes in Equity	12
(4) Consolidated Statement of Cash Flows	14
(5) Notes for Consolidated Financial Statements	16
(Note to going concern assumptions)	16
(Note to significant changes in shareholders' equity)	16
(Note to changes in accounting policies)	16
(Additional information)	16
(Note to segment information)	17
(Per-share information)	19
(Significant events after the reporting period)	19

1. Overview of Results of Operations, Etc.

(1) Overview of Results of Operations for the Fiscal Year under Review (January 1, 2025 to December 31, 2025)

During the consolidated fiscal year under review, the Japanese economy was on a gradual recovery path due to improved employment and income conditions resulting from wage hikes and the effects of various policies. This offset downward pressure on the economy associated with sluggish personal consumption caused by rising prices and increased risks of an economic downturn caused by trends in U.S. trade policies.

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 private investment was gradually recovering. However, the environment remained challenging chiefly due to delays in the commencement of construction 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.

[Construction-related products]

Looking at domestic sales of construction-related products by product, sales of temporary building and formwork products were sluggish due to a decline in the floor area of reinforced concrete buildings and construction delays caused by a shortage of construction workers and soaring construction costs, despite efforts to expand sales of products related to the new formwork method with single pipe and rental services, and various campaigns to increase sales volume. As a result, sales decreased 8.7% year on year.

Civil engineering products and materials increased 7.2% from the previous consolidated fiscal year as a result of efforts to capture demand for landslide prevention products against the backdrop of the government's land resiliency policy and the contribution of orders received for disaster restoration support projects.

Net sales of structural products and materials increased 1.6% from the previous year, despite a decrease in the floor area of steel-framed buildings, thanks to the start of sales of improved versions of 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.

Overseas sales of construction-related products increased 12.2% from the previous consolidated fiscal year as a result of strong sales of main products in the U.S. due to the completion of a new warehouse and the strengthening of an immediate delivery system, in addition to tapping into infrastructure-related construction demand.

As a result, sales in the construction-related products segment increased 2.6% year on year, to 63,079 million yen, and operating profit rose 8.7% year on year, to 3,747 million yen.

[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.

In marine material products, sales of large floating fish reef products remained strong through the first half of the fiscal year, but sales slowed somewhat toward the end of the fiscal year compared to last year, when large projects were in progress. Consequently, net sales decreased from the previous year.

Sales of automotive products increased compared with the previous year, despite the truck/trailer market facing uncertain prospects, due to price responses based on the impact of tariffs and stepped up sales efforts to major customers.

Accordingly, sales in the other segment increased 5.7% year on year, to 6,679 million yen, and operating profit rose 36.0% year on year, to 1,015 million yen.

As a result, consolidated net sales for the fiscal year under review increased 2.9% year on year, to 69,758 million yen, and consolidated operating profit grew 13.5% year on year, to 4,762 million yen. Consolidated ordinary profit rose 14.9% year on year, to 5,081 million yen, and profit attributable to owners of parent was 3,285 million yen (loss attributable to owners of parent of 874 million yen in the previous year).

(For reference) Net sales by business segments and product category (consolidated)

(Yen in millions, rounded down)

		Previous fiscal year (Jan. 1, 2024 – Dec. 31, 2024)		Fiscal year under review (Jan. 1, 2025 – Dec. 31, 2025)		Change (%)
		Amount	Proportion (%)	Amount	Proportion (%)	
Construction-related products	Temporary building and formwork products	7,057	10.4	6,441	9.2	(8.7)
	Civil engineering products and materials	6,892	10.2	7,387	10.6	7.2
	Building structural products and materials	20,207	29.8	20,534	29.5	1.6
	Building materials	11,011	16.2	10,412	14.9	(5.4)
	Subtotal – Japan	45,167	66.6	44,776	64.2	(0.9)
	Building products and materials	16,318	24.1	18,302	26.2	12.2
	Subtotal – overseas	16,318	24.1	18,302	26.2	12.2
Subtotal – segment		61,485	90.7	63,079	90.4	2.6
Other businesses (Note)		6,321	9.3	6,679	9.6	5.7
Total		67,806	100.0	69,758	100.0	2.9

(Note) Other businesses is a business that does not belong to our core business of construction-related products, and is engaged in manufacturing and sales of industrial machinery products, manufacturing and sales of marine material products, sales of bolts and nuts for automobiles.

PT. Okabe Hardware Indonesia was engaged in tenant leasing business, but has decided to discontinue the tenant leasing business and is proceeding with the liquidation of this business following the closure of the store on December 21, 2025.

(2) Overview of Financial Position for the Fiscal Year under Review

[Assets]

Current assets at the end of the fiscal year under review amounted to 46,777 million yen, a decrease of 2,047 million yen from the previous fiscal year-end, due mainly to a decrease in cash and deposits.

Non-current assets increased 89 million yen from the previous fiscal year-end, to 38,238 million yen, primarily owing to an increase in investment securities.

As a result, total assets decreased 1,962 million yen from the previous fiscal year-end, to 85,030 million yen.

[Liabilities]

Current liabilities decreased by 3,581 million yen from the previous fiscal year-end, to 14,747 million yen due to a decrease in other (accounts payable - other).

Non-current liabilities decreased by 746 million yen from the previous fiscal year-end, to 8,376 million yen, largely due to a decrease in retirement benefit liability.

As a result, total liabilities decreased 4,328 million yen from the previous fiscal year-end, to 23,124 million yen.

[Net assets]

Net assets increased 2,365 million yen from the previous fiscal year-end, to 61,906 million yen. The shareholders' equity ratio was 72.8%, up 4.4 percentage points from the end of the previous fiscal year.

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents at the end of the fiscal year totaled 8,463 million yen, a decrease of 2,900 million yen from the end of the previous fiscal year.

The following is a summary of cash flows and major factors for the fiscal year under review.

[Cash flows from operating activities]

Net cash provided by operating activities during the fiscal year came to 2,420 million yen (compared with net cash provided by operating activities of 3,729 million yen in the previous fiscal year). The major factor was an increase in settlement paid.

[Cash flows from investing activities]

Net cash used in investing activities during the fiscal year was 2,575 million yen (compared with net cash used in investing activities of 2,423 million yen in the previous fiscal year). This was largely due to increases of payments into time deposits and purchase of intangible assets.

[Cash flows from financing activities]

Net cash used in financing activities during the fiscal year was 2,773 million yen (compared with net cash used in financing activities of 2,413 million yen in the previous fiscal year). The main factors were an increase in purchase of treasury shares and an increase in dividends paid.

(4) Future Outlook

As for the Japanese economy going forward, public investment is expected to remain firm against the backdrop of measures to strengthen the national land structure and address aging issues, and private capital investment is expected to continue to pick up due to improved corporate earnings and demand for labor-saving investments. On the other hand, the ongoing shortage of construction workers and persistently high steel prices require continued vigilance, and the business environment is expected to remain unpredictable.

In this business environment, the Okabe Group will make a comprehensive finalizing of its medium-term management plan OX-2026 (okabe Transformation 2026) and aim to make a leap to the next stage of growth. Under OX-2026, the Group is working toward the sustainable development of the company and the enhancement of corporate value by setting forth three business strategies: customer-centric (developing a system and implementing initiatives to solve customer issues with the highest priority), practicing human capital management and strengthening the management base, and further promoting DX.

In Japan, the Group will strengthen proposals for high value-added products and solutions that contribute to improved productivity of construction sites and decarbonization, and accelerate expansion into new business areas, such as maintenance business to address aging social infrastructure, to create new profit opportunities. Overseas, while further strengthening global governance, the Group will maximize the use of its enhanced production and logistics bases in North America to further expand the scale of our business by supplying products in a flexible manner in response to customer needs.

The Group aims to strengthen its earnings base and sustainably increase corporate value through strategic investments for growth, to improve ROE, and to quickly achieve a P/B ratio of more than 1x by improving capital efficiency and strengthening shareholder returns. In particular, in the fiscal year ending December 31, 2026, the Group will strive to achieve its must-achieve target of 6% ROE, and using this as a passing point, it will accelerate its efforts to continuously improve ROE over the medium to long term.

Consolidated results for the fiscal year ending December 31, 2026 are projected as follows.

(Yen in millions, rounded down)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
Fiscal year ended December 31, 2025 (Actual)	69,758	4,762	5,081	3,285
Fiscal year ending December 31, 2026 (Forecasts)	72,500	5,150	5,300	3,700
Change (%)	3.9%	8.1%	4.3%	12.6%

(5) Basic Policy for Dividends and Dividends for the Fiscal Year under Review and the Next Fiscal Year

The Company considers shareholder returns to be a crucial aspect of management and acknowledges the significance of capital efficiency. In principle, it intends to distribute its profit based on its business performance while maintaining its financial soundness. In addition, based on its basic policy, it seeks to consistently increase dividends over the medium to long term by achieving sustainable growth.

The Company aims for a dividend payout ratio of at least 40% and a dividend on equity (DOE) ratio of at least 3% for each fiscal year.

In addition, the Company will implement a special dividend and purchase of treasury shares based on a comprehensive judgment, taking into consideration the level of the stock price, the need to implement a flexible capital policy, and the impact on its financial position, in order to improve ROE and achieve a P/B ratio of over 1x by optimizing its capital structure in conjunction with strengthening earning power.

The Company's basic policy for dividends of surplus is to pay both an interim dividend and a year-end dividend each year.

Based on this basic policy, the Company plans to pay a year-end dividend of 21 yen per share (ordinary dividend of 16 yen and special dividend of 5 yen) for the fiscal year under review, as initially forecast. Since the Company has already paid an interim dividend of 20 yen per share (ordinary dividend of 15 yen and special dividend of 5 yen), the annual dividend for the fiscal year under review is expected to be 41 yen per share (ordinary dividend of 31 yen and special dividend of 10 yen), with a payout ratio of 57.1% and DOE of 3.1%.

For the next fiscal year, the Company plans to increase the ordinary dividend by 1 yen to 32 yen per share and add a special dividend of 10 yen per share, for an annual dividend of 42 yen per share (interim dividend of 21 yen per share and year-end dividend of 21 yen per share), a payout ratio of 51.8% and a dividend on equity (DOE) ratio of 3.1%.

In the next fiscal year and beyond, we will consider paying special dividends in a flexible manner in order to improve ROE and achieve a P/B ratio of over 1x as soon as possible.

2. Corporate Group

The Okabe Group (Okabe Co., Ltd. and its associated companies) consists of Okabe Co., Ltd. (“the Company”), 11 subsidiaries (10 of which are consolidated) and 4 affiliated companies. These companies are engaged primarily in the manufacture and sale of construction materials and equipment. The Group is also focusing on expanding operations in other business fields.

The positioning of the Company and its key associated companies and their relationship with the business are as follows.

[Construction-related products]

(Temporary building and formwork products)

The Company develops associated construction methods and develops, manufactures and sells products used with these methods. Subsidiary OMM Co., Ltd. manufactures temporary building and formwork products ordered by the Company. Fukuoka Form Tie Co., Ltd. purchases temporary building and formwork products mainly from the Company and sells them in Kyushu.

(Civil engineering products and materials)

The Company develops associated construction methods and develops, manufactures and sells products used with these methods. The Company also purchases and sells materials from other companies.

(Building structural products and materials)

The Company develops associated construction methods and develops, manufactures and sells products used with these methods. The Company also purchases and sells materials from other companies. FUJI BOLT Manufacturing Co., Ltd. is engaged in the development, manufacture and marketing of building structural products, and the Company sells products sourced from FUJI BOLT Manufacturing Co., Ltd. PT Fujibolt Indonesia, which is a local manufacturing subsidiary of FUJI BOLT Manufacturing Co., Ltd. in Indonesia, is engaged in the manufacture of building structural products, and FUJI BOLT Manufacturing Co., Ltd. purchases products from PT Fujibolt Indonesia and processes and sells them within the country.

(Building materials)

The Company uses its sales network to sell building materials that are purchased from other companies.

(Building products and materials (overseas))

U.S.

In addition, OCM, Inc. purchases products sold by the Company in Japan and products compatible with local construction methods in and outside the U.S. and sells them mainly in the U.S. OCM Manufacturing LLC is a manufacturing subsidiary of OCM, Inc. Okabe Real Estate Holdings LLC manages commercial real estate, which is necessary for the building materials manufacturing business.

Indonesia

PT. Okabe Hardware Indonesia purchases building materials from other companies and sells them for use on construction sites. PT. Okabe Retail Indonesia had purchased building materials products from other companies and sold them through its stores, but based on a resolution of the Company’s Board of Directors meeting held on October 6, 2025, it closed its stores and discontinued this business as of December 21, 2025. PT. FUJIBOLT INDONESIA primarily manufactures and sells building products and materials in Indonesia.

[Other businesses]

KAWAHARA MFG. CO., LTD. manufactures and sells industrial machinery products.

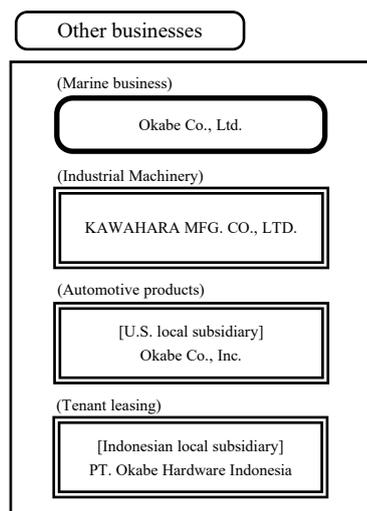
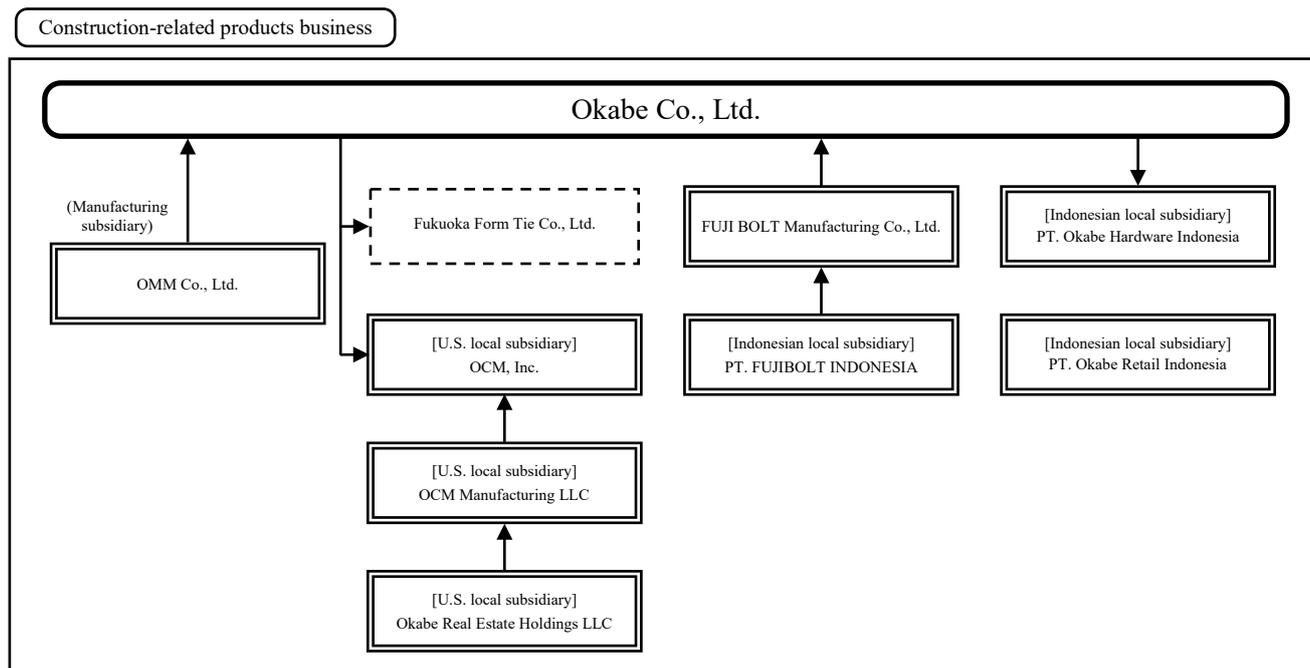
The Company’s marine business involves the development, manufacture and sale of marine materials.

U.S subsidiary Okabe Co., Inc. is engaged mainly in the design and sale of automotive bolts and screw nuts in the U.S.

PT. Okabe Hardware Indonesia, which is mainly engaged in the purchase and sale of building products and materials, was engaged in tenant leasing as a non-construction related products business, but has decided to discontinue the tenant leasing business following the closure of a store and is proceeding with the liquidation of this business.

[Business Flow Diagram]

The following diagram summarizes the business operations listed above.



← Products (including real estate leasing) and OEM



- (Notes)
1. PT. Okabe Retail Indonesia purchased building materials products from other companies and sold them through its stores, but closed its stores and discontinued this business as of December 21, 2025.
 2. PT. Okabe Hardware Indonesia, which is mainly engaged in the purchase and sale of building products and materials, had been engaged in tenant leasing as a non-construction related products business. However, the Company has decided to discontinue the tenant leasing business, which belongs to other businesses, due to the closure of the store and is proceeding with the liquidation of the business.

3. Basic Approach to Selection of Accounting Standards

The Okabe Group’s policy is to prepare its consolidated financial statements based on Japanese Accounting Standards for the present time, taking the comparability of the consolidated financial statements between terms and between companies into consideration. The Group plans to examine application of the International Financial Reporting Standards (IFRS) in the future, based on consideration of a number of factors in Japan and overseas.

4. Consolidated Financial Statements and Key Notes

(1) Consolidated Balance Sheets

(Million yen)

	Previous fiscal year (As of December 31, 2024)	Fiscal year under review (As of December 31, 2025)
ASSETS		
Current assets		
Cash and deposits	11,477	9,021
Notes and accounts receivable - trade, and contract assets	13,850	13,520
Electronically recorded monetary claims - operating	6,826	6,872
Merchandise and finished goods	10,768	11,387
Work in process	1,837	1,423
Raw materials and supplies	3,100	3,367
Other	996	1,214
Allowance for doubtful accounts	(32)	(31)
Total current assets	48,824	46,777
Non-current assets		
Property, plant and equipment		
Buildings and structures	20,733	22,978
Accumulated depreciation	(8,428)	(8,936)
Buildings and structures, net	12,305	14,042
Machinery, equipment and vehicles	11,910	12,329
Accumulated depreciation	(9,923)	(10,377)
Machinery, equipment and vehicles, net	1,987	1,952
Land	5,425	5,287
Leased assets	1,340	1,143
Accumulated depreciation	(696)	(607)
Leased assets, net	643	535
Construction in progress	1,752	156
Other	2,120	2,131
Accumulated depreciation	(1,675)	(1,731)
Other, net	444	400
Total property, plant and equipment	22,558	22,373
Intangible assets		
Goodwill	1,550	1,379
Other	378	1,332
Total intangible assets	1,929	2,712
Investments and other assets		
Investment securities	8,344	9,834
Deferred tax assets	3,299	1,788
Other	2,171	1,653
Allowance for doubtful accounts	(154)	(125)
Total investments and other assets	13,660	13,151
Total non-current assets	38,148	38,238
Deferred assets		
Bond issuance cost	20	15
Total deferred assets	20	15
Total assets	86,993	85,030

(Million yen)

	Previous fiscal year (As of December 31, 2024)	Fiscal year under review (As of December 31, 2025)
LIABILITIES		
Current liabilities		
Notes and accounts payable - trade	3,781	3,856
Electronically recorded obligations - operating	6,579	6,212
Short-term borrowings	680	1,124
Income taxes payable	674	151
Other	6,613	3,401
Total current liabilities	18,329	14,747
Non-current liabilities		
Bonds payable	1,750	1,750
Long-term borrowings	3,700	3,352
Deferred tax liabilities	149	253
Provision for share awards	185	205
Retirement benefit liability	2,020	1,615
Asset retirement obligations	55	53
Other	1,261	1,147
Total non-current liabilities	9,122	8,376
Total liabilities	27,452	23,124
NET ASSETS		
Shareholders' equity		
Share capital	6,911	6,911
Capital surplus	5,994	5,983
Retained earnings	42,419	42,382
Treasury shares	(2,225)	(1,271)
Total shareholders' equity	53,100	54,006
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,042	3,772
Foreign currency translation adjustment	3,442	3,937
Remeasurements of defined benefit plans	(62)	173
Total accumulated other comprehensive income	6,422	7,882
Non-controlling interests	18	18
Total net assets	59,541	61,906
Total liabilities and net assets	86,993	85,030

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Consolidated statements of income)

(Million yen)

	Previous fiscal year (from January 1, 2024 to December 31, 2024)	Fiscal year under review (from January 1, 2025 to December 31, 2025)
Net sales	67,806	69,758
Cost of sales	46,646	48,044
Gross profit	21,160	21,714
Selling, general and administrative expenses	16,966	16,951
Operating profit	4,194	4,762
Non-operating income		
Interest income	46	45
Dividend income	222	243
Proceeds from sale of scrap	115	90
Other	104	186
Total non-operating income	488	565
Non-operating expenses		
Interest expenses	57	98
Provision of allowance for doubtful accounts	113	–
Loss on investments in investment partnerships	43	51
Loss on cancellation of insurance policies	1	38
Other	44	58
Total non-operating expenses	260	246
Ordinary profit	4,422	5,081
Extraordinary income		
Gain on sale of non-current assets	37	39
Gain on sale of investment securities	30	276
Refund of tariffs for past fiscal years	167	–
Other	–	–
Total extraordinary income	235	316
Extraordinary losses		
Loss on disposal of non-current assets	6	93
Loss on valuation of investment securities	3,332	–
Settlement payments	2,283	–
Litigation expenses	172	42
Loss on store closings	–	279
Other	123	2
Total extraordinary losses	5,918	418
Profit (loss) before income taxes	(1,260)	4,979
Income taxes - current	1,584	571
Income taxes - deferred	(1,971)	1,121
Total income taxes	(386)	1,693
Profit (loss)	(873)	3,286
Profit attributable to non-controlling interests	0	0
Profit (loss) attributable to owners of parent	(874)	3,285

(Consolidated statements of comprehensive income)

(Million yen)

	Previous fiscal year (from January 1, 2024 to December 31, 2024)	Fiscal year under review (from January 1, 2025 to December 31, 2025)
Profit (loss)	(873)	3,286
Other comprehensive income		
Valuation difference on available-for-sale securities	390	729
Foreign currency translation adjustment	(845)	493
Remeasurements of defined benefit plans, net of tax	19	236
Total other comprehensive income	(435)	1,458
Comprehensive income	(1,309)	4,744
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,309)	4,745
Comprehensive income attributable to non-controlling interests	0	(0)

(3) Consolidated Statements of Changes in Equity

Previous fiscal year (from January 1, 2024 to December 31, 2024)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,911	5,990	44,571	(2,289)	55,184
Changes during period					
Dividends of surplus			(1,278)		(1,278)
Loss attributable to owners of parent			(874)		(874)
Purchase of treasury shares					–
Disposal of treasury shares		4		64	68
Cancellation of treasury shares					–
Other					–
Net changes in items other than shareholders' equity					–
Total changes during period	–	4	(2,152)	64	(2,084)
Balance at end of period	6,911	5,994	42,419	(2,225)	53,100

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,652	4,288	(82)	6,857	18	62,060
Changes during period						
Dividends of surplus				–		(1,278)
Loss attributable to owners of parent				–		(874)
Purchase of treasury shares				–		–
Disposal of treasury shares				–		68
Cancellation of treasury shares				–		–
Other				–		–
Net changes in items other than shareholders' equity	390	(845)	19	(435)	0	(434)
Total changes during period	390	(845)	19	(435)	0	(2,519)
Balance at end of period	3,042	3,442	(62)	6,422	18	59,541

Fiscal year under review (from January 1, 2025 to December 31, 2025)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,911	5,994	42,419	(2,225)	53,100
Changes during period					
Dividends of surplus			(1,847)		(1,847)
Profit attributable to owners of parent			3,285		3,285
Purchase of treasury shares				(600)	(600)
Disposal of treasury shares		9		58	67
Cancellation of treasury shares		(20)	(1,474)	1,495	–
Other			0		0
Net changes in items other than shareholders' equity					–
Total changes during period	–	(11)	(36)	953	905
Balance at end of period	6,911	5,983	42,382	(1,271)	54,006

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	3,042	3,442	(62)	6,422	18	59,541
Changes during period						
Dividends of surplus				–		(1,847)
Profit attributable to owners of parent				–		3,285
Purchase of treasury shares				–		(600)
Disposal of treasury shares				–		67
Cancellation of treasury shares				–		–
Other				–		0
Net changes in items other than shareholders' equity	729	494	236	1,459	(0)	1,459
Total changes during period	729	494	236	1,459	(0)	2,365
Balance at end of period	3,772	3,937	173	7,882	18	61,906

(4) Consolidated Statement of Cash Flows

(Million yen)

	Previous fiscal year (from January 1, 2024 to December 31, 2024)	Fiscal year under review (from January 1, 2025 to December 31, 2025)
Cash flows from operating activities		
Profit (loss) before income taxes	(1,260)	4,979
Depreciation	1,961	1,741
Loss on store closings	–	279
Amortization of goodwill	170	170
Increase (decrease) in allowance for doubtful accounts	122	(25)
Increase (decrease) in retirement benefit liability	(8)	(60)
Interest and dividend income	(268)	(288)
Interest expenses	52	98
Loss on retirement of non-current assets	1	62
Loss (gain) on valuation of investment securities	3,332	–
Loss (gain) on investments in investment partnerships	43	47
Loss (gain) on sales of investment securities	(30)	(276)
Loss (gain) on cancellation of insurance contract	1	38
Loss on money transfer fraud at overseas subsidiaries	77	–
Refund of tariffs for past fiscal years	(167)	–
Litigation expenses	172	42
Settlement payments	2,283	–
Decrease (increase) in trade receivables	790	375
Decrease (increase) in other current assets	257	(44)
Decrease (increase) in inventories	(254)	(405)
Increase (decrease) in trade payables	(3,215)	(201)
Increase (decrease) in other current liabilities	1,232	(448)
Increase (decrease) in other non-current liabilities	(32)	(18)
Decrease (increase) in consumption taxes refund receivable	(24)	(9)
Increase (decrease) in accrued consumption taxes	8	(53)
Other	(47)	0
Subtotal	5,199	6,004
Income taxes paid	(1,374)	(1,271)
Payments for loss on money transfer fraud at overseas subsidiaries	(77)	–
Litigation and other related expenses paid	(165)	(49)
Refund of tariffs for past fiscal years	167	–
Settlement paid	(20)	(2,263)
Net cash provided by (used in) operating activities	3,729	2,420
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,866)	(1,796)
Proceeds from sales of property, plant and equipment	316	110
Purchase of intangible assets	(146)	(1,058)
Purchase of investment securities	(101)	(618)
Proceeds from sale of investment securities	198	473
Payments into time deposits	(114)	(1,042)
Proceeds from withdrawal of time deposits	142	593
Purchase of insurance funds	(228)	(533)
Proceeds from maturity of insurance funds	121	975
Interest and dividends received	267	285
Other	(12)	36
Net cash provided by (used in) investing activities	(2,423)	(2,575)

(Million yen)

	Previous fiscal year (from January 1, 2024 to December 31, 2024)	Fiscal year under review (from January 1, 2025 to December 31, 2025)
Cash flows from financing activities		
Proceeds from short-term borrowings	5,697	14,333
Repayments of short-term borrowings	(6,008)	(13,892)
Proceeds from long-term borrowings	–	100
Repayments of long-term borrowings	(472)	(449)
Purchase of treasury shares	–	(600)
Dividends paid	(1,277)	(1,846)
Interest paid	(52)	(98)
Repayments of lease obligations	(300)	(319)
Net cash provided by (used in) financing activities	(2,413)	(2,773)
Effect of exchange rate change on cash and cash equivalents	(68)	26
Net increase (decrease) in cash and cash equivalents	(1,175)	(2,900)
Cash and cash equivalents at beginning of period	12,539	11,364
Cash and cash equivalents at end of period	11,364	8,463

(5) Notes for Consolidated Financial Statements

(Note to going concern assumptions)

Not applicable

(Note to significant changes in shareholders' equity)

(Purchase of treasury shares and disposal)

Regarding changes in treasury shares during the fiscal year under review, the Company repurchased 705,300 treasury shares based on a resolution of the Board of Directors meeting held on February 14, 2025, and disposed of 59,670 treasury shares as restricted stock compensation based on a resolution of the Board of Directors meeting held on March 28, 2025. The Company then cancelled 2,000,000 treasury shares based on a resolution adopted at the Board of Directors meeting held on November 21, 2025.

As a result, treasury shares decreased by 953 million yen during the consolidated fiscal year under review, including the acquisition of odd-lot shares by purchase and the decrease in treasury shares due to the transfer of treasury shares to employees through the Stock Grant ESOP Trust, an employee incentive plan, resulting in a decrease in treasury stock of 1,271 million yen at the end of the consolidated fiscal year.

(Note 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 fiscal year under review.

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 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 fiscal year under review. This change in accounting policy is applied retrospectively, and consolidated financial statements for the previous year are after retrospective application. This change in accounting policies has no impact on the 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.

(1) 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.

(2) 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 outstanding was 227 million yen at the end of the previous consolidated fiscal year and 212 million yen at the end of the consolidated fiscal year under review. The number of treasury shares outstanding was 270,127 shares at the end of the previous consolidated fiscal year and 252,802 shares at the end of the consolidated 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]

Previous fiscal year (from January 1, 2024 to December 31, 2024)

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

Fiscal year under review (from January 1, 2025 to December 31, 2025)

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

[Related information]

Previous fiscal year (from January 1, 2024 to December 31, 2024)

1. Information by products and services

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

2. Information by geographical areas

(1) Net sales

(Million yen)

Japan	North America	Other	Total
48,903	18,358	545	67,806

(Note) Net sales are based on the locations of customers and categorized in accordance with countries or regions.

The North America includes 18,285 million yen in the United States.

(2) Property, plant and equipment

(Million yen)

Japan	North America	Southeast Asia	Total
12,689	7,533	2,336	22,558

(Note) The amount of North America is wholly from the U.S.

The amount of Southeast Asia is entirely from Indonesia.

3. Information on a major customer

The information is omitted because net sales to major customers are less than 10% of consolidated net sales.

Fiscal year under review (from January 1, 2025 to December 31, 2025)

1. Information by products and services

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

2. Information by geographical areas

(1) Net sales

(Million yen)			
Japan	North America	Other	Total
48,693	20,448	616	69,758

(Note) Net sales are based on the locations of customers and categorized in accordance with countries or regions.

The North America includes 20,323 million yen in the United States.

(2) Property, plant and equipment

(Million yen)			
Japan	North America	Southeast Asia	Total
12,120	8,091	2,161	22,373

(Note) The amount of North America is wholly from the U.S.

The amount of Southeast Asia is entirely from Indonesia.

3. Information on a major customer

The information is omitted because net sales to major customers are less than 10% of consolidated net sales.

[Segment information for impairment of non-current assets]

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

[Information on amortization of goodwill and unamortized balance by reportable segment]

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

[Information on gain on bargain purchase by reportable segment]

Not applicable

(Per-share information)

(Yen)

	Previous fiscal year (from January 1, 2024 to December 31, 2024)	Fiscal year under review (from January 1, 2025 to December 31, 2025)
Net assets per share	1,286.99	1,356.57
Profit (loss) per share (basic)	(18.91)	71.78

- (Notes) 1. Diluted profit per share at the end of the previous consolidated fiscal year is not stated because a loss per share is recorded and there is no dilutive share. The diluted earnings per share for the fiscal year under review is not stated because there are no residual shares.
2. The Company's own shares that remain in the stock-granting ESOP trust and are recorded as treasury shares in shareholders' equity are included in treasury shares that will be deducted in the calculation of the number of shares outstanding at the end of period to calculate net assets per share (270,127 shares for the previous consolidated fiscal year; 252,802 shares for the consolidated fiscal year under review).
3. The Company's own shares that remain in the stock-granting ESOP trust and are recorded as treasury shares in shareholders' equity are included in treasury shares that will be deducted in the calculation of the average number of shares outstanding during the period to calculate profit (loss) per share (275,963 shares for the previous consolidated fiscal year; 262,364 shares for the consolidated fiscal year under review).
4. The basis for calculation of profit (loss) per share is as stated below.

Item	Previous fiscal year (from January 1, 2024 to December 31, 2024)	Fiscal year under review (from January 1, 2025 to December 31, 2025)
Profit (loss) per share (basic)		
Profit (loss) attributable to owners of parent (million yen)	(874)	3,285
Amount not attributable to common shareholders (million yen)	–	–
Profit (loss) attributable to owners of parent pertaining to common stock (million yen)	(874)	3,285
Average number of shares of common stock outstanding during the period (shares)	46,221,122	45,775,471

(Significant events after the reporting period)

Not applicable