

Translation

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Consolidated Financial Results for the Three Months of the Fiscal Year Ending December 31, 2026 (Under Japanese GAAP)

April 30, 2026

Company name:	OKABE CO., LTD.
Stock exchange listings:	Tokyo Stock Exchange
Stock code:	5959
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Scheduled date for dividend payment:	None
Supplementary materials for financial summaries:	None
Financial results briefing:	None

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

1. Consolidated Financial Results for the Three Months of the Fiscal Year Ending December 31, 2026 (from January 01, 2026 to March 31, 2026)

(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	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended								
March 31, 2026	16,436	2.7	528	(46.1)	579	(45.1)	534	(28.1)
March 31, 2025	15,997	2.1	981	22.6	1,055	23.6	743	28.5

(Note) Comprehensive income for the first quarter of the fiscal year ending December 2026: 1,541 million yen ((37.6%)); for the first quarter of the fiscal year ending December 2025: 2,470 million yen (768.7%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended		
March 31, 2026	11.78	-
March 31, 2025	16.12	-

(2) Consolidated financial positions

	Total assets	Net assets	Equity to total assets ratio
	Million yen	Million yen	%
As of			
March 31, 2026	85,124	61,802	72.6
December 31, 2025	85,030	61,906	72.8

(Reference) Owner's equity for the first quarter of the fiscal year ending December 31, 2026: 61,783 million yen; for the fiscal year ending December 31, 2025: 61,888 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, 2025	-	20.00	-	21.00	41.00
Fiscal year ending December 31, 2026	-				
Fiscal year ending December 31, 2026 (Forecast)		21.00	-	21.00	42.00

(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, 2026 (forecast) :

Ordinary dividend: 16 yen; Special dividend: 5 yen

Breakdown of year-end dividends for the fiscal year ended December 31, 2026 (forecast):

Ordinary dividend: 16 yen; Special dividend: 5 yen

3. Consolidated Earnings Forecasts for the Fiscal Year Ending December 31, 2026 (from January 01, 2026 to December 31, 2026)

(% 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
Second quarter (cumulative)	34,100	3.1	2,300	1.2	2,450	0.2	1,800	2.7	39.46
Fiscal year ending December 31, 2026	72,500	3.9	5,150	8.1	5,300	4.3	3,700	12.6	81.10

(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) Application of specific accounting of the consolidated quarterly financial statements: Yes

(Note) For details, please refer to page 8 of the attached materials, "Notes on accounting procedures specific to the preparation of quarterly 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 : None

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

(iii) Changes in accounting estimates : None

(iv) Retrospective restatement : None

(4) Number of shares issued (common stock)

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

As of March 31, 2026	47,290,632 shares
As of December 31, 2025	47,290,632 shares

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

As of March 31, 2026	2,351,057 shares
As of December 31, 2025	1,669,214 shares

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

Three months ended March 31, 2026	45,388,444 shares
Three months ended March 31, 2025	46,127,080 shares

(Note) The "Number of treasury stock at the period end" includes shares of the Company held by the Stock Granting ESOP Trust (250,719 shares for the first quarter of the fiscal year ending December 2026, 252,802 shares for the fiscal year ending December 2025). In addition, shares of the Company held by the Stock Granting ESOP Trust are included in treasury stock deducted in the calculation of the "Average number of shares (cumulative for the quarter)" (251,731 shares for the first quarter of the fiscal year ending December 2026, 268,462 shares for the first quarter of the fiscal year ending December 2025).

* Review of attached consolidated quarterly financial statements by a certified public accountant or an audit firm: None

* Notes regarding the appropriate use of forecasts and other special items

(Cautionary Statement Regarding Forward-Looking Statements)

Forward-looking statements such as earnings forecasts contained in this document are based on information currently available to the Company and certain assumptions that the Company deems reasonable, and are not intended as a guarantee of their achievement. Actual results 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 Three Months Ended March 31, 2026

During the first quarter of the current fiscal year (January 1, 2026 to March 31, 2026), the Japanese economy as a whole was on a gradual recovery track, with a pickup in consumer spending against a backdrop of improved employment and income conditions, as well as a gradual pickup in capital investment. On the other hand, the outlook remained uncertain due to factors such as continued price hikes, raw materials and energy price trends, U.S. trade policy trends, as well as heightened geopolitical risks stemming from the increasingly tense situation in the Middle East.

In the Japanese construction industry, where the Okabe Group's core customers operate, public investment remained firm and private capital investment also picked up moderately, but there were signs of stagnation in floor space, mainly for reinforced concrete. In addition, labor costs remained high due to a chronic shortage of construction workers and steel material prices remained high. The business environment remained challenging chiefly.

In this business environment, OX-2026 (Okabe Transformation 2026), the medium-term management plan, entered its final year. The plan outlines three business strategies: "customer-centric initiatives" (prioritizing the development of a system to solve customers' problems and the implementation of initiatives to solve them), "human capital management" and strengthening of the management foundation, and "DX" (Digital Transformation). The Group has been working to bring the plan to a successful conclusion with the aim of achieving sustainable growth and enhancing corporate value.

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

(a) Construction-related products

In the temporary building and formwork products and building materials business, sales of temporary building and formwork products remained sluggish amid a decline in the floor area of reinforced concrete construction projects, despite efforts to attract new customers. Meanwhile, net sales of building materials increased as a result of strong collaboration with distributors to capture demand.

In civil engineering products and materials, 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.

In structural products and materials, net sales of our mainstay products, column base products, decreased from the same period of the previous year due to intensified competition and sluggish sales for large properties, although sales for small and medium-sized properties increased.

In the building products and materials (overseas) business, net sales in the U.S. were strong compared to the same period of the previous year as a result of steady construction demand in the U.S. in anticipation of the expiration of the Infrastructure Investment and Jobs Act.

As a result, net sales of construction-related products increased 5.2% year on year, to 15,153 million yen. Operating profit, on the other hand, was 426 million yen (down 41.8% year on year), reflecting changes in the sales mix and an increase in SG&A expenses such as sales commissions and personnel costs.

(b) Other businesses

Net sales of industrial machinery products decreased from the same period of the previous fiscal year, mainly due to a reactionary decline in sales of high-value-added products such as custom-made products in the same period of the previous fiscal year, although sales of mainstay products remained strong.

In marine material products, net sales decreased from the same period of the previous fiscal year due to a reactionary decline from large-scale projects in the same period of the previous fiscal year and the postponement of public works projects, despite efforts to win orders for the installation of large floating fish reef products, etc.

Net sales of automotive products decreased from the same period of the previous year, mainly due to a decline in the truck/trailer market.

As a result, net sales in the other business decreased 19.3% year on year to 1,283 million yen. On the profit front, operating profit decreased 58.9% to 102 million yen due to the impact of lower sales and the absence of high value-added products and large projects in the same period of the previous fiscal year.

Consequently, consolidated net sales for the first three months of the fiscal year under review increased 2.7% year on year, to 16,436 million yen, and consolidated operating profit declined 46.1% year on year, to 528 million yen. Consolidated ordinary profit decreased 45.1% year on year, to 579 million yen, and profit attributable to owners of parent dropped 28.1% year on year, to 534 million yen.

(2) Overview of Financial Position for the First Three Months Ended March 31, 2026

(i) Assets

Current assets at the end of the first quarter of the fiscal year under review amounted to 46,391 million yen, a decrease of 385 million yen from the previous fiscal year-end, due mainly to a decrease in notes and accounts receivable - trade, and contract assets.

Mainly owing to an increase in other (software in progress), non-current assets increased by 480 million yen from the previous fiscal year-end, to 38,718 million yen.

As a result, total assets increased 93 million yen from the previous fiscal year-end, to 85,124 million yen.

(ii) Liabilities

Current liabilities at the end of the first quarter of the fiscal year amounted to 15,070 million yen, an increase of 322 million yen from the previous fiscal year-end, mainly due to an increase in notes and accounts payable - trade.

Non-current liabilities decreased by 124 million yen from the previous fiscal year-end, to 8,251 million yen, largely due to a decrease in long-term borrowings.

As a result, total liabilities increased 197 million yen from the previous fiscal year-end to 23,321 million yen.

(iii) Net assets

Net assets decreased 104 million yen from the previous fiscal year-end to 61,802 million yen. The shareholders' equity ratio was 72.6%, down 0.2 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 Three months (Jan. 1, 2025 – Mar. 31, 2025)		Consolidated first Three months under review (Jan. 1, 2026 – Mar. 31, 2026)		Change (%)
		Amount	Proportion (%)	Amount	Proportion (%)	
Construction -related products business	Temporary building and formwork products	1,562	9.8	1,378	8.4	(11.8)
	Civil engineering products and materials	1,803	11.3	1,854	11.3	2.8
	Building structural products and materials	4,827	30.2	4,549	27.7	(5.7)
	Building materials	2,391	14.9	2,549	15.5	6.6
	Subtotal – Japan	10,585	66.2	10,332	62.9	(2.4)
	Building products and materials	3,821	23.9	4,820	29.3	26.1
	Subtotal – overseas	3,821	23.9	4,820	29.3	26.1
Subtotal – segment	14,406	90.1	15,153	92.2	5.2	
Other businesses (Note)		1,590	9.9	1,283	7.8	(19.3)
Total		15,997	100.0	16,436	100.0	2.7

(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.

(3) Explanation Regarding Forecast for Fiscal Year Ending December 31, 2026

There are no changes to the consolidated results forecasts for the first half and the full year of the fiscal year ending December 31, 2026 that were announced on February 13, 2026.

2. Quarterly Consolidated Financial Statements and Key Notes
(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	Previous fiscal year (December 31, 2025)	For the three months ended (March 31, 2026)
Assets		
Current assets		
Cash and deposit	9,021	8,840
Notes and accounts receivable - trade, and contract assets	13,520	11,605
Electronically recorded monetary claims - operating	6,872	6,169
Merchandise and finished goods	11,387	12,811
Work in process	1,423	1,460
Raw materials and supplies	3,367	3,908
Other	1,214	1,620
Allowance for doubtful accounts	(31)	(24)
Total current asset	46,777	46,391
Non-current assets		
Property, plant, and equipment		
Buildings and structures, net	14,042	14,227
Machinery, equipment and vehicles, net	1,952	2,043
Land	5,287	5,376
Other (net)	1,091	1,097
Total property, plant and equipment, net	22,373	22,744
Intangible assets		
Goodwill	1,379	1,337
Other	1,332	1,556
Total intangible assets	2,712	2,893
Investment Other assets		
Investment securities	9,834	9,690
Other	3,442	3,522
Allowance for doubtful accounts	(125)	(132)
Total investment and other assets	13,151	13,080
Total non-current assets	38,238	38,718
Deferred assets		
Bond issuance costs	15	14
Total deferred assets	15	14
Total assets	85,030	85,124

(Millions of yen)

	Previous fiscal year (December 31, 2025)	For the three months ended (March 31, 2026)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,856	4,870
Electronically recorded obligations - operating	6,212	5,631
Short-term borrowings	1,124	532
Income taxes payable	151	348
Provision for bonuses	-	293
Other	3,401	3,393
Total current liabilities	14,747	15,070
Non-current liabilities		
Bonds payable	1,750	1,750
Long-term borrowings	3,352	3,244
Provision for share awards	205	212
Liabilities for retirement benefits	1,615	1,623
Asset retirement obligations	53	53
Other	1,400	1,369
Total non-current liabilities	8,376	8,251
Total liabilities	23,124	23,321
Net assets		
Shareholders' equity		
Share capital	6,911	6,911
Capital surplus	5,983	5,983
Retained earnings	42,382	41,954
Treasury shares	(1,271)	(1,954)
Total shareholders' equity	54,006	52,894
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,772	3,717
Foreign currency translation adjustment	3,937	5,001
Remeasurements of defined benefit plans	173	170
Total accumulated other comprehensive income	7,882	8,889
Non-controlling interests	18	18
Total net assets	61,906	61,802
Total liabilities and net assets	85,030	85,124

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income
(Quarterly Consolidated Statement of Income)
(First three-month period)

(Millions of yen)

	For the three months ended [previous period] From January 1, 2025 until March 31, 2025	For the three months ended From January 1, 2026 until March 31, 2026
Net sales	15,997	16,436
Cost of sales	10,989	11,688
Gross profit	5,008	4,748
Selling, general and administrative expenses	4,026	4,219
Operating profit	981	528
Non-operating income		
Interest income	7	7
Dividend income	40	45
Income from scrap sales	22	36
Other	75	23
Total non-operating income	146	113
Non-operating expenses		
Interest expense	20	16
Loss on investments in investment partnerships	43	25
Others	7	20
Total non-operating expenses	72	62
Ordinary profit	1,055	579
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on sale of investment securities	29	285
Total extraordinary income	29	285
Extraordinary losses		
Loss on disposal of non-current assets	0	3
Loss on store closings	-	4
Others	10	0
Total extraordinary losses	11	7
Net income before income taxes	1,073	856
Income taxes	330	322
Net income	743	534
Net income (loss) attributable to non-controlling interests	0	(0)
Profit attributable to owners of parent	743	534

(Quarterly Consolidated Statement of Comprehensive Income)
(First three-month period)

(Millions of yen)

	For the three months ended [previous period] From January 1, 2025 until March 31, 2025	For the three months ended From January 1, 2026 until March 31, 2026
Net income	743	534
Other comprehensive income (loss), net of tax		
Valuation difference on available-for-sale securities	(130)	(54)
Foreign currency translation adjustment	1,853	1,064
Remeasurements of defined benefit plans, net of tax	3	(2)
Other comprehensive income, net of tax	1,727	1,007
Comprehensive income	2,470	1,541
Comprehensive income attributable to		
Quarterly comprehensive income attributable to owners of the parent	2,470	1,541
Quarterly comprehensive income attributable to non-controlling interests	0	0

(3) Notes to Quarterly Consolidated Financial Statements

(Note to going concern assumptions)

Not applicable

(Note to significant changes in shareholders' equity)

(Acquisition of treasury stock)

The Company repurchased 683,900 treasury shares based on the resolution of Board of Directors' meeting held on February 13, 2026. As a result, treasury shares increased by 682 million yen during the first three months of the consolidated fiscal year under review, including the acquisition by purchase of odd-lot shares and a decrease in treasury shares due to the transfer of treasury shares to employees through the stock-granting ESOP trust system, an employee incentive plan, resulting in treasury shares of 1,954 million yen at the end of the first quarter.

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

(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 212 million yen for the previous consolidated fiscal year and 210 million yen for the first three months of the fiscal year under review. The number of treasury shares at the end of the term is 252,802 shares for the previous consolidated fiscal year and 250,719 shares for the first three months of the fiscal year under review.

(Notes to quarterly consolidated statement of cash flows)

The quarterly consolidated statement of cash flows for the first three months of the fiscal year under review has not been prepared. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the first three months ended March 31, 2026 are as follows.

	First three months ended March 31, 2025 (January 1, 2025 to March 31, 2025)	First three months ended March 31, 2026 (January 1, 2026 to March 31, 2026)
Depreciation	427 million yen	438 million yen
Amortization of goodwill	42 million yen	42 million yen

(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