Translation

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

July 31, 2026

| | |
|---|---|
| Company name: | OKABE CO., LTD. |
| Stock exchange listings: | 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, Managing Executive Officer and Head of Administrative Division |
| TEL: | +81-3-3624-5119 |
| Scheduled date for submission of interim report: | August 7, 2026 |
| Scheduled date of commencement of dividend payment: | September 3, 2026 |
| 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, 2026 (from January 01, 2026 to June 30, 2026)**

**(1) Consolidated operating results (cumulative)**

(Percentages indicate YoY changes)

| | 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, 2026 | 34,557 | 4.5 | 1,806 | (20.5) | 1,983 | (18.8) | 1,485 | (15.2) |
| June 30, 2025 | 33,069 | 3.9 | 2,273 | 28.4 | 2,443 | 26.3 | 1,752 | 30.8 |

(Note) Comprehensive income for the Interim period of the fiscal year ending December 2026: 3,524 million yen (49.5%); Interim period of the fiscal year ending December 2025: 2,357 million yen ((1.3) %)

| | Basic earnings per share | Diluted earnings per share |
|---|---|---|
| Six months ended | Yen | Yen |
| June 30, 2026 | 33.05 | - |
| June 30, 2025 | 38.16 | - |

**(2) Consolidated financial positions**

| | Total assets | Net assets | Equity to total assets ratio |
|---|---|---|---|
| As of | Million yen | Million yen | % |
| June 30, 2026 | 87,745 | 63,021 | 71.8 |
| December 31, 2025 | 85,030 | 61,906 | 72.8 |

(Reference) Owner's equity Interim period of the fiscal year ending December 2026: 63,001 million yen; Fiscal year ended December 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 | - | 21.00 | | | |
| Fiscal year ending December 31, 2026 (Forecast) | | | - | 21.00 | 42.00 |

(Note) 1. Whether there has been any revision to the dividend forecast most recently announced: None
2. Fiscal year ending December 2026 Q2 Detail of dividend per share-fiscal year end:
Ordinary dividend: 16 yen; Special dividend: 5 yen
Fiscal year ending December 2026 (Forecast) Detail of dividend per share-fiscal year end:
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)**

(Percentages indicate YoY changes)

| | 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, 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 accounting treatment specific to the preparation of interim consolidated financial statements: Yes
(Note) For details, please refer to "Notes to particular accounts procedures to the preparation of interim consolidated financial statements" on page 8 of the attached materials.
(3) Changes in accounting policies, Changes in accounting estimates, Retrospective restatement
(i) Changes in accounting policies based on revisions of accounting standard :None
(ii) Changes in accounting policies other than (i) :None
(iii) Changes in accounting estimates :None
(iv) Retrospective restatement :None
(4) Number of issued shares (common stock)

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

| | |
|---|---|
| As of June 30, 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 June 30, 2026 | 3,172,935 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)

| | |
|---|---|
| Six months ended June 30, 2026 | 44,954,741 shares |
| Six months ended June 30, 2025 | 45,911,603 shares |

(Note) The number of treasury stock at the period end includes shares of the Company held by the Stock Granting ESOP Trust Account (248,047 shares for the interim period 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 Account are included in treasury stock deducted in the calculation of Average number of shares (interim period) (250,678 shares for the interim period of the fiscal year ending December 2026, 266,435 shares for the interim period of the fiscal year ending December 2025).

* Review by a certified public accountant or audit firm of the attached interim consolidated financial statements: None
* Notes regarding the appropriate use of Forecasts, and other special notes

(Cautionary Statement Regarding Forward-Looking Statements, etc.)

Forward-looking statements such as earnings forecasts contained in this document are based on information currently available to the Company and certain assumptions deemed reasonable, and are not intended as a promise by the Company to achieve them. Actual results, etc. may differ materially due to various factors.

○ Index for Supplementary Information

1. Overview of Results of Operations, Etc.

(1) Overview of Results of Operations for the First Six Months Ended June 30, 2026

During the first six months under review (January 1, 2026 to June 30, 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 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 construction industry—the Group's primary market—while public investment remained steady and private capital investment showed signs of recovery, delays in construction progress due to a chronic shortage of construction workers led to stagnation in the floor area of new projects, such as reinforced concrete structures. In addition, the environment remained challenging due to persistently high labor costs and steel prices that remained at elevated levels.

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, we focused on deepening relationships with existing customers and acquiring new ones, it was unable to fully offset the decline in demand, and net sales remained below the level of the same period of the previous fiscal year.

In civil engineering products and materials, net sales remained firm and were on par with the same period of the previous fiscal 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 fiscal year due to intensified competition and sluggish sales for large properties, although sales of the improved version of Select Base increased.

Net sales of building materials increased from the same period of the previous fiscal year as a result of strong collaboration with distributors to capture demand.

In the building products and materials (overseas) business, net sales in the U.S. were strong compared to the same period of the previous fiscal 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 6.4% year on year, to 31,897 million yen. Operating profit, on the other hand, was 1,633 million yen (down 11.2% 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

Sales of industrial machinery products decreased compared to the same period of the previous fiscal year, due to the impact of delays in large-scale projects and a decline following the high net sales of high-value-added products, such as custom-made items, in the same period of the previous year.

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-related products increased compared to the same period of the previous fiscal year, driven in part by strong demand from major customers.

As a result, net sales in the other business decreased 14.2% year on year to 2,659 million yen. Operating profit decreased 60.0% to 173 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 six months under review increased 4.5% year on year, to 34,557 million yen, and consolidated operating profit decreased 20.5% year on year, to 1,806 million yen. Consolidated ordinary profit decreased 18.8% year on year, to 1,983 million yen, and profit attributable to owners of parent decreased 15.2% year on year, to 1,485 million yen.

(2) Overview of Financial Position for the First Six Months Ended June 30, 2026

(i) Assets

Current assets at the end of the fiscal year amounted to 47,628 million yen, an increase of 851 million yen from the previous fiscal year-end, due mainly to an increase in merchandise and finished goods.

Non-current assets increased 1,865 million yen from the previous fiscal year-end, to 40,103 million yen, primarily owing to an increase in investment securities.

As a result, total assets increased 2,714 million yen from the previous fiscal year-end, to 87,745 million yen.

(ii) Liabilities

Current liabilities at the end of the first quarter of the fiscal year amounted to 16,255 million yen, an increase of 1,507 million yen from the previous fiscal year-end, mainly due to an increase in notes and accounts payable - trade.

Non-current liabilities increased by 92 million yen from the previous fiscal year-end, to 8,468 million yen owing to an increase in other (lease obligations).

As a result, total liabilities increased 1,599 million yen from the previous fiscal year-end to 24,723 million yen.

(iii) Net assets

Net assets increased 1,114 million yen from the previous fiscal year-end, to 63,021 million yen. The shareholders' equity ratio was 71.8%, down 1.0 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, 2025 –Jun. 30, 2025) | | Consolidated first six months under review (Jan. 1, 2026 – Jun. 30, 2026) | | Change (%) |
|---|---|---|---|---|---|---|
| | | Amount | Proportion (%) | Amount | Proportion (%) | |
| Construction-related products business | Temporary building and formwork products | 3,218 | 9.7 | 2,945 | 8.5 | (8.5) |
| | Civil engineering products and materials | 3,439 | 10.4 | 3,457 | 10.0 | 0.5 |
| | Building structural products and materials | 10,284 | 31.1 | 9,934 | 28.8 | (3.4) |
| | Building materials | 4,930 | 14.9 | 5,320 | 15.4 | 7.9 |
| | Subtotal – Japan | 21,872 | 66.1 | 21,657 | 62.7 | (1.0) |
| | Building products and materials | 8,095 | 24.5 | 10,239 | 29.6 | 26.5 |
| | Subtotal – overseas | 8,095 | 24.5 | 10,239 | 29.6 | 26.5 |
| | Subtotal – segment | 29,967 | 90.6 | 31,897 | 92.3 | 6.4 |
| Other businesses (Note) | | 3,101 | 9.4 | 2,659 | 7.7 | (14.2) |
| Total | | 33,069 | 100.0 | 34,557 | 100.0 | 4.5 |

(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 is no change to the figures in the consolidated Forecasts for the full year ending December 2026 from the Forecasts announced on February 13, 2026.

2. Interim Consolidated Financial Statements and Main Notes

(1) Interim Consolidated Balance Sheet

(Unit: Million yen)

| | Previous consolidated fiscal year (December 31, 2025) | Current interim consolidated accounting period (June 30, 2026) |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and deposit | 9,021 | 8,616 |
| Notes and accounts receivable - trade, and contract assets | 13,520 | 12,792 |
| Electronically recorded monetary claims - operating | 6,872 | 6,274 |
| Merchandise and finished goods | 11,387 | 13,058 |
| Work in process | 1,423 | 1,689 |
| Raw materials and supplies | 3,367 | 4,130 |
| Other | 1,214 | 1,092 |
| Allowance for doubtful accounts | (31) | (26) |
| Total current asset | 46,777 | 47,628 |
| Non-current assets | | |
| Property, plant, and equipment | | |
| Buildings and structures, net | 14,042 | 14,264 |
| Machinery, equipment and vehicles, net | 1,952 | 2,096 |
| Land | 5,287 | 5,402 |
| Other (net) | 1,091 | 1,456 |
| Total property, plant and equipment, net | 22,373 | 23,219 |
| Intangible assets | | |
| Goodwill | 1,379 | 1,294 |
| Other | 1,332 | 1,773 |
| Total intangible assets | 2,712 | 3,067 |
| Investments and other assets | | |
| Investment securities | 9,834 | 10,629 |
| Other | 3,442 | 3,319 |
| Allowance for doubtful accounts | (125) | (133) |
| Investments and Other assets total | 13,151 | 13,815 |
| Total non-current assets | 38,238 | 40,103 |
| Deferred assets | | |
| Bond issuance costs | 15 | 13 |
| Total deferred assets | 15 | 13 |
| Total assets | 85,030 | 87,745 |

(Unit: Million yen)

| | Previous consolidated fiscal year (December 31, 2025) | Current interim consolidated accounting period (June 30, 2026) |
|---|---|---|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 3,856 | 4,591 |
| Electronically recorded obligations - operating | 6,212 | 5,380 |
| Short-term borrowings | 1,124 | 1,723 |
| Income taxes payable | 151 | 731 |
| Other | 3,401 | 3,827 |
| Total current liabilities | 14,747 | 16,255 |
| Non-current liabilities | | |
| Bonds payable | 1,750 | 1,750 |
| Long-term borrowings | 3,352 | 3,136 |
| Provision for share awards | 205 | 219 |
| Liabilities for retirement benefits | 1,615 | 1,621 |
| Asset retirement obligations | 53 | 53 |
| Other | 1,400 | 1,689 |
| Total non-current liabilities | 8,376 | 8,468 |
| Total liabilities | 23,124 | 24,723 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 6,911 | 6,911 |
| Capital surplus | 5,983 | 5,990 |
| Retained earnings | 42,382 | 42,905 |
| Treasury shares | (1,271) | (2,725) |
| Total shareholders' equity | 54,006 | 53,081 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 3,772 | 4,297 |
| Foreign currency translation adjustment | 3,937 | 5,454 |
| Remeasurements of defined benefit plans | 173 | 167 |
| Total accumulated other comprehensive income | 7,882 | 9,919 |
| Non-controlling interests | 18 | 19 |
| Total net assets | 61,906 | 63,021 |
| Total liabilities and net assets | 85,030 | 87,745 |

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

(Interim Consolidated Statement of Income)

(Unit: Million yen)

| | Previous interim consolidated accounting period (From January 1, 2025 to June 30, 2025) | Current interim consolidated accounting period (From January 1, 2026) to June 30, 2026) |
|---|---|---|
| Revenue | 33,069 | 34,557 |
| Cost of sales | 22,572 | 24,065 |
| Gross profit | 10,496 | 10,491 |
| Selling, general and administrative expenses | 8,222 | 8,684 |
| Operating profit | 2,273 | 1,806 |
| Non-operating income | | |
| Interest income | 27 | 14 |
| Dividend income | 117 | 143 |
| Income from scrap sales | 45 | 71 |
| Other | 98 | 40 |
| Total non-operating income | 289 | 271 |
| Non-operating expenses | | |
| Interest expense | 44 | 36 |
| Loss on investments in investment partnerships | 43 | 25 |
| Other | 30 | 32 |
| Total non-operating expenses | 118 | 94 |
| Ordinary profit | 2,443 | 1,983 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 3 | 3 |
| Gain on sale of investment securities | 167 | 287 |
| Total extraordinary income | 170 | 291 |
| Extraordinary losses | | |
| Loss on disposal of non-current assets | 9 | 8 |
| Loss on store closings | - | 5 |
| Other | 20 | - |
| Total extraordinary losses | 29 | 14 |
| Net Income before income taxes | 2,585 | 2,259 |
| Income taxes | 832 | 774 |
| Net income | 1,752 | 1,485 |
| Net income attributable to non-controlling shareholders | 0 | 0 |
| Profit attributable to owners of parent | 1,752 | 1,485 |

(Interim consolidated Statement of Comprehensive Income)

(Unit: Million yen)

| | Previous interim consolidated accounting period (From January 1, 2025 to June 30, 2025) | Current interim consolidated accounting period (From January 1, 2026) to June 30, 2026) |
|---|---|---|
| Net income | 1,752 | 1,485 |
| Other comprehensive income (loss), net of tax | | |
| Valuation difference on available-for-sale securities | 6 | 525 |
| Foreign currency translation adjustment | 591 | 1,518 |
| Remeasurements of defined benefit plans, net of tax | 6 | (5) |
| Other comprehensive income, net of tax | 604 | 2,038 |
| Comprehensive income | 2,357 | 3,524 |
| Comprehensive income attributable to | | |
| Interim Comprehensive income attributable to owners of parent | 2,357 | 3,523 |
| Interim comprehensive income attributable to non-controlling shareholders | (0) | 1 |

(3) Notes to Interim Consolidated Financial Statements

(Note to going concern assumptions)

Not applicable

(Note to significant changes in shareholders' equity)

(Acquisition and disposal of treasury stock)

The Company repurchased 1,559,100 treasury shares based on the resolution of Board of Directors' meeting held on February 13, 2026. The Company disposed of 50,650 treasury shares as restricted stock compensation based on a resolution passed at the Board of Directors meeting held on March 27, 2026. As a result, treasury shares increased by 1,453 million yen during the current interim consolidated accounting period, including the purchase of odd-lot shares, and treasury shares amounted to 2,725 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.

(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 208 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 252,802 shares for the previous consolidated fiscal year and 248,047 shares for the first six months of the fiscal year under review.

(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)

(Receipt of tariff refunds, etc.)

U.S. customs authorities have approved a refund of tariffs related to materials imported in prior fiscal years by our U.S. consolidated subsidiary, and we have received a total of 6,124 thousand U.S. dollars (approximately 954 million yen) as the refund and related interest.

The impact of this matter is expected to be recognized in the following consolidated accounting period (the third quarter of the consolidated fiscal year).