

Translation

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

April 30, 2025

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Stock exchange listings: Tokyo Stock Exchange
Stock code: 5959
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Scheduled date for dividend payment: -
Supplementary materials for financial summaries: -
Financial results briefing: -

(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, 2025 (from January 01, 2025 to March 31, 2025)

(1) Consolidated operating results (cumulative) (% represents the year-on-year change rate for the same quarter)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Three months ended								
March 31, 2025	15,997	2.1	981	22.6	1,055	23.6	743	28.5
March 31, 2024	15,671	(16.1)	801	(17.3)	854	(11.3)	578	8.5

(Note) Comprehensive income for the first quarter of the fiscal year ending December 2025: 2,470 million yen (768.7%); for the first quarter of the fiscal year ending December 2024: 284 million yen (-%)

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
March 31, 2025	16.12	—
March 31, 2024	12.54	—

(2) Consolidated financial positions

	Total assets	Net assets	Equity to total assets ratio
As of	million yen	million yen	%
March 31, 2025	87,342	60,766	69.6
December 31, 2024	86,993	59,541	68.4

(Reference) Owner's equity for the first quarter of the fiscal year ending December 2025: 60,747 million yen; for the fiscal year ending December 2024: 59,523 million yen

2. Cash dividends

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

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

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

Ordinary dividend: 15 yen; Special dividend: 5 yen

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

Ordinary dividend: 16 yen; Special dividend: 5 yen

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

(% change represents the year-over-year change for the full year and the change from the same quarter of the previous year for the quarterly period)

	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)	34,600	8.8	1,950	10.1	2,000	3.4	1,350	0.8	29.19
Fiscal year ending December 31, 2025	72,500	6.9	4,700	12.0	4,800	8.5	3,120	—	67.46

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

* Notes

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

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

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

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

(i) Changes in accounting policies based on revisions of accounting standard : Yes

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

(iii) Changes in accounting estimates : None

(iv) Retrospective restatement : None

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

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

As of March 31, 2025	49,290,632 shares
As of December 31, 2024	49,290,632 shares

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

As of March 31, 2025	3,410,558 shares
As of December 31, 2024	3,040,747 shares

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

Three months ended March 31, 2025	46,127,080 shares
Three months ended March 31, 2024	46,164,963 shares

(Note) The "Number of treasury stock at the period end" includes the company's shares held by the "Stock Grant ESOP Trust Account" (266,798 shares for the 1Q of the fiscal year ending December 2025, 270,127 shares for the fiscal year ending December 2024). Additionally, the company's shares held by the "Stock Grant ESOP Trust Account" are included in the treasury stock deducted in the calculation of the "Average number of shares (quarterly period-YTD)" (268,462 shares for the 1Q of the fiscal year ending December 2025, 280,539 shares for the 1Q of the fiscal year ending December 2024).

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

※ Notes for using forecasted information and Others

(Cautionary Statement Regarding Forward-Looking Statements)

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

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1. Overview of Results of Operations, Etc.

(1) Overview of Results of Operations for the First Three Months Ended March 31, 2025

During the first quarter of the current fiscal year (January 1, 2025 to March 31, 2025), the Japanese economy maintained a moderate recovery trend, driven by an improved employment and income environment attributable to wage hikes and an increase in inbound business. However, the outlook remained uncertain given factors such as sluggish personal consumption caused by soaring prices and unstable international conditions. In the Japanese construction industry, where the Okabe Group's core customers operate, public investment was firm, and the recovery of private investment showed a trend of recovery. However, the environment remained challenging chiefly due to soaring labor costs caused by a chronic shortage of construction workers and continued high steel material prices.

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

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

(a) Construction-related products

In temporary building and formwork products and building materials, net sales decreased year on year due to a decline in the floor area of reinforced concrete construction projects, despite efforts to expand sales of products related to the new formwork method with single pipe.

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.

Net sales of structural products and materials increased from the same period of the previous fiscal year, mainly due to strong sales of various products that contribute to labor saving for steel-framed buildings, capturing demand for large buildings such as logistics warehouses, despite the impact of a decrease in the number of small and medium-sized buildings.

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, mainly due to infrastructure-related construction demand.

As a result, sales in the construction-related products segment increased 1.3% year on year, to 14,406 million yen, and operating profit increased 14.0% year on year, to 733 million yen.

(b) Other businesses

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

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

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, sales in the other segment increased 10.0% year on year, to 1,590 million yen, and operating profit increased 57.6% year on year, to 248 million yen.

Consequently, consolidated net sales for the first three months under review increased 2.1% year on year, to 15,997 million yen, and consolidated operating profit expanded 22.6% year on year, to 981 million yen. Consolidated ordinary profit rose 23.6% year on year, to 1,055 million yen, and profit attributable to owners of parent grew 28.5% year on year, to 743 million yen.

(2) Overview of Financial Position for the First Three Months Ended March 31, 2025

(i) Assets

Current assets at the end of the first quarter of the fiscal year under review amounted to 47,908 million yen, a decrease of 916 million yen from the previous fiscal year-end, due mainly to a decrease in notes and accounts receivable - trade, and contract assets.

Non-current assets increased 1,266 million yen from the previous fiscal year-end to 39,414 million yen, primarily owing to an increase in buildings and structures.

As a result, total assets increased 349 million yen from the previous fiscal year-end, to 87,342 million yen.

(ii) Liabilities

Current liabilities decreased 731 million yen from the end of the previous fiscal year to 17,597 million yen, mainly due to decreases in electronically recorded obligations - operating and other (accounts payable - other).

Non-current liabilities decreased by 144 million yen from the previous fiscal year-end, to 8,977 million yen, largely due to a decrease in long-term borrowings.

As a result, total liabilities decreased 876 million yen from the previous fiscal year-end to 26,575 million yen.

(iii) Net assets

Net assets increased 1,225 million yen from the previous fiscal year-end, to 60,766 million yen. The shareholders' equity ratio was 69.6%, up 1.2 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, 2024 – Mar. 31, 2024)		Consolidated first three months under review (Jan. 1, 2025 – Mar. 31, 2025)		Change (%)
		Amount	Proportion (%)	Amount	Proportion (%)	
Construction-related products business	Temporary building and formwork products	1,684	10.8	1,562	9.8	(7.3)
	Civil engineering products and materials	1,618	10.3	1,803	11.3	11.4
	Building structural products and materials	4,692	29.9	4,827	30.2	2.9
	Building materials	2,632	16.8	2,391	14.9	(9.1)
	Subtotal – Japan	10,627	67.8	10,585	66.2	(0.4)
	Building products and materials	3,597	23.0	3,821	23.9	6.2
	Subtotal – overseas	3,597	23.0	3,821	23.9	6.2
Subtotal – segment		14,225	90.8	14,406	90.1	1.3
Other businesses (Note)		1,446	9.2	1,590	9.9	10.0
Total		15,671	100.0	15,997	100.0	2.1

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

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

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

2. Quarterly Consolidated Financial Statements and Key Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	11,477	12,112
Notes and accounts receivable - trade, and contract assets	13,850	12,129
Electronically recorded monetary claims - operating	6,826	5,529
Merchandise and finished goods	10,768	11,685
Work in process	1,837	1,747
Raw materials and supplies	3,100	3,278
Others	996	1,462
Allowance for doubtful accounts	(32)	(35)
Total current assets	48,824	47,908
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	12,305	15,018
Machinery, equipment and vehicles, net	1,987	2,050
Land	5,425	5,516
Others	2,840	1,253
Total property, plant and equipment	22,558	23,839
Intangible assets		
Goodwill	1,550	1,507
Others	378	538
Total intangible assets	1,929	2,045
Investments and Others assets		
Investment securities	8,344	8,133
Others	5,470	5,553
Allowance for doubtful accounts	(154)	(158)
Total Investments and Other Assets	13,660	13,529
Total non-current assets	38,148	39,414
Deferred assets		
Bond issuance costs	20	19
Total deferred assets	20	19
Total Assets	86,993	87,342

(Millions of yen)

	As of December 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,781	3,970
Electronically recorded obligations - operating	6,579	6,050
Short-term borrowings	680	1,075
Income taxes payable	674	362
Provision for bonuses	—	291
Others	6,613	5,847
Total current liabilities	18,329	17,597
Non-current liabilities		
Bonds payable	1,750	1,750
Long-term borrowings	3,700	3,600
Provision for share awards	185	191
Retirement benefit liability	2,020	1,991
Asset retirement obligations	55	55
Others	1,410	1,389
Total non-current liabilities	9,122	8,977
Total Liabilities	27,452	26,575
Net assets		
Shareholders' equity		
Share capital	6,911	6,911
Capital surplus	5,994	5,994
Retained earnings	42,419	42,233
Treasury shares	(2,225)	(2,541)
Total shareholders' equity	53,100	52,598
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,042	2,912
Foreign currency translation adjustment	3,442	5,296
Remeasurements of defined benefit plans	(62)	(59)
Total accumulated other comprehensive income	6,422	8,149
Non-controlling interests	18	19
Total net assets	59,541	60,766
Total liabilities and net assets	86,993	87,342

(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 March 31, 2024	For the three months ended March 31, 2025
Net sales	15,671	15,997
Cost of sales	10,850	10,989
Gross profit	4,821	5,008
Selling, general and administrative expenses	4,019	4,026
Operating profit	801	981
Non-operating income		
Interest income	15	7
Dividend income	32	40
Scrap sales revenue	33	22
Others	19	75
Non-operating income Total	99	146
Non-operating expenses		
Interest expenses	16	20
Loss on investments in investment partnerships	19	43
Others	10	7
Non-operating expenses Total	46	72
Ordinary profit	854	1,055
Extraordinary income		
Gain on sale of non-current assets	31	0
Gain on sale of investment securities	30	29
Others	2	—
Extraordinary income Total	64	29
Extraordinary losses		
Remittance fraud loss at overseas subsidiary	76	—
Litigation-related expenses	16	10
Others	0	0
Extraordinary losses Total	93	11
Net income before income taxes and adjustments	824	1,073
Income taxes - current	278	345
Income taxes - deferred	(33)	(15)
Income taxes Total	245	330
Net income	579	743
Net income attributable to non-controlling interests	0	0
Profit attributable to owners of parent	578	743

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

(Millions of yen)

	For the three months ended March 31, 2024	For the three months ended March 31, 2025
Net income	579	743
Comprehensive income of Others		
Valuation difference on available-for-sale securities	717	(130)
Foreign currency translation adjustment	(1,014)	1,853
Remeasurements of defined benefit plans, net of tax	2	3
Total comprehensive income of Others	(294)	1,727
Quarterly Comprehensive Income	284	2,470
(Breakdown)		
Quarterly comprehensive income attributable to owners of the parent	284	2,470
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 373,100 treasury shares based on the resolution of Board of Directors' meeting held on February 14, 2025. As a result, treasury shares increased 318 million yen in the first three months of the consolidated fiscal year under review.

(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.

(Notes to changes in accounting policies)

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

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

The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso (2) of paragraph 65-2 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the "Revised Implementation Guidance 2022"). This change in accounting policies has no impact on the quarterly 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 first three months of the fiscal year under review. This change in accounting policies is applied retrospectively, and quarterly consolidated financial statements and consolidated financial statements for the previous year are after retrospective application. This change in accounting policies has no impact on the quarterly consolidated financial statements for the same quarter of the previous fiscal year and 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.

(i) Transaction overview

This program adopts the system called the stock-granting employee stock ownership plan ("ESOP Trust").

The ESOP Trust is an employee incentive plan inspired by the U.S. ESOP system, under which shares bought back by the ESOP Trust are issued to employees who have met the requirements prescribed in the Shares Issuance Regulations established in advance.

The "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts (ASBJ Practical Issue Task Force (PITF) No. 30, March 26, 2015)" applies to the accounting treatment of this program.

(ii) Treasury shares remaining in the trust

The Company's shares remaining in the trust are recorded at the book value (excluding all incidental expenses) in the section of net assets as treasury shares in the trust. The book value of the treasury shares is 227 million yen for the previous consolidated fiscal year and 224 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 270,127 shares for the previous consolidated fiscal year and 266,798 shares for the first three months of the fiscal year under review.

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

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

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

(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, 2025 are as follows.

	First three months ended March 31, 2024 (January 1, 2024 to March 31, 2024)	First three months ended March 31, 2025 (January 1, 2025 to March 31, 2025)
Depreciation	488 million yen	427 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