



July 28, 2023

For Immediate Release

Company name: Okabe Co., Ltd.  
 Representative: Hirohide Kawase, Representative Director,  
 President and Chief Executive Officer  
 (Securities Code: 5959, TSE Prime Market)  
 Contact: Yasushi Hosomichi, Director and  
 Senior Managing Executive Officer  
 in charge of Administrative Division and  
 International Division  
 (TEL. +81-3-3624-5119)

**Notice on Recording of Extraordinary Losses, Difference between Consolidated Financial Results Forecast and Results for the First Six Months of Fiscal Year Ending December 31, 2023 and Revision of Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2023**

Okabe Co., Ltd. (the "Company") announces that it has recorded extraordinary losses for the first six months of the fiscal year ending December 31, 2023 and that this has resulted in the differences below between the consolidated financial results forecast for the first six months of the fiscal year ending December 31, 2023, which was announced on February 10, 2023, and the actual results published today.

The Company also announces that it has revised its consolidated financial results forecast for the fiscal year ending December 31, 2023, which was announced on June 22, 2023. Details are as follows.

1. Posting of extraordinary losses

Regarding "3. Possibility of impairment losses in battery terminal business in the United States and future policy" in the Notice of Revisions to Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2023 announced on June 22, 2023, all or a part of the non-current assets of the battery terminal business in the United States became subject to impairment after the profitability of the business deteriorated severely and extraordinary losses are now likely to arise. While the Company had announced that the amount of the impairment losses was being calculated, the Company recently completed the calculation for the non-current assets subject for the impairment losses and the amount. Accordingly, the Company recorded impairment losses of 1,805 million yen as extraordinary losses. The impaired non-current assets include non-current assets related to the battery terminal business in the United States and some of the non-currents are for other businesses.

2. Differences between the consolidated financial results forecast for the first six months of the fiscal year ending December 31, 2023 and the actual results  
 (January 1, 2023 to June 30, 2023)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Profit per share
Previous forecast (A)	Million yen 38,800	Million yen 2,570	Million yen 2,610	Million yen 1,770	Yen 37.79
Actual results (B)	38,021	2,042	2,074	-116	-2.50
Change (B - A)	-778	-527	-535	-1,886	

Change (%)	-2.0	-20.5	-20.5	—	
(Reference) Actual results for previous fiscal year (Six months ended June 30, 2022)	36,267	2,446	2,555	2,137	45.07

### 3. Reasons for the differences

While net sales were mostly in line with expectations chiefly in the construction-related products business in Japan, operating profit and ordinary profit were poorer than initially forecast. This was due mainly to a decline in profit following a failure to meet construction-related products sales targets in the United States, increases in personnel expenses, packing and transportation costs and the like, and a drop in gross profit margin following a fall in the factory operation ratio in the business of manufacturing and selling battery terminal products, among the automotive products in the United States. In addition, profit attributable to owners of parent was far below the initial forecast due to the posting of extraordinary losses as mentioned in 1 above.

### 4. Revisions to consolidated financial results forecast for the fiscal year ending December 31, 2023

(January 1, 2023 to December 31, 2023)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Profit per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	79,300	4,100	4,200	2,320	50.12
Revised forecast (B)	79,300	4,100	4,200	950	20.52
Change (B - A)	0	0	0	-1,370	
Change (%)	0.0	0.0	0.0	-59.1	
(Reference) Actual results for previous fiscal year (Fiscal year ended December 31, 2022)	76,854	5,271	5,471	3,848	81.30

### 5. Reason for the revision

The net sales, operating profit and ordinary profit forecasts have not been changed from the consolidated financial results forecast for the fiscal year ending December 31, 2023 announced on June 22, 2023. At the same time, profit attributable to owners of parent is now expected to fall far below the initial forecast due to the posting of extraordinary losses mentioned in 1 above.

### 6. Payment of interim dividend and the year-end dividend forecast

The Company's basic policy is to maintain stable dividends, a payout ratio of 30% or more, to enhance the return of profits to shareholders. The dividend is also linked to consolidated business results and comprehensively reflects the need to bolster internal reserves to strengthen the Company's financial position and fund future business operations, among other needs.

Under the above basic policy, the Company will pay an interim dividend of 12.50 yen per share for the current fiscal year as initially forecast in consideration of its financial results for the first six months concerned and other factors, although profit attributable to owners of parent is far lower than forecast due mainly to the posting of extraordinary losses.

The Company maintains its initial forecast for the year-end dividend for the current fiscal year unchanged at 12.50 yen

per share. The full-year dividend, the total of the interim and year-end dividends, is expected to be 25 yen per share.

7. Withdrawal of the profit target for fiscal year 2024 in the Medium-Term Management Plan NEXT100 - PHASE 2.1

The Company recognizes the battery terminal business in the United States as an unprofitable business from a business portfolio perspective and intends to implement radical measures going forward. For this reason, the Company has withdrawn the profit target for fiscal year 2024 set in the Medium-Term Management Plan NEXT100 - PHASE 2.1 for the time being.

The Company will review its business portfolio and study measures to address the price book-value ratio (PBR) below 1. The Company is planning to formulate a new medium-term management plan with fiscal year 2024 as the initial fiscal year in February 2024.

(Note) Forward-looking statements in this document, including forecasts, are based on information available at the time of disclosure and on certain assumptions deemed reasonable by the Company. Actual results may differ materially from forward-looking statements due to a number of factors.