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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
(TEL. +81-3-3624-5119)

Notice of Revisions to Consolidated Financial Results Forecast for the Fiscal Year Ended December 31, 2023

Okabe Co., Ltd. ("we" or the "Company") hereby announces that, in light of its recent business performance, it has revised its consolidated financial results forecast for the fiscal year ended December 31, 2023, announced on July 28, 2023. Details are as follows.

Details

1. Revision to the consolidated financial results forecast for the fiscal year ended 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
Previous forecast (A)	Million yen 79,300	Million yen 4,100	Million yen 4,200	Million yen 950	Yen 20.52
Revised forecast (B)	78,300	4,100	4,300	To be determined	To be determined
Change (B - A)	(1,000)	0	100	—	
Change (%)	(1.3)	0.0	2.4	—	
(Reference) Actual results for previous fiscal year (Fiscal year ended December 31, 2022)	76,854	5,271	5,471	3,848	81.30

2. Reason for the revision

Although net sales, operating profit and ordinary profit remained generally as expected, profit attributable to owners of parent is expected to be significantly lower than expected, given that an extraordinary loss of approximately 6 billion yen is expected to be recorded due to the transfer of consolidated subsidiaries related to the automobile products business as announced in the "Notice of Change in Consolidated Subsidiaries (Business Transfer and Share Transfer) in Association of Filing for Chapter 11 and Resulting Posting of Extraordinary Losses (Impairment Loss of Non-Current Assets)" and the "Notice of Recording of Extraordinary Losses (Impairment Losses of Goodwill)" released today and that an extraordinary loss (impairment loss of goodwill) of approximately 1.6 billion yen is expected to be recorded for OCM

Manufacturing LLC, which is engaged in the business of manufacturing building materials in the United States, because it has been determined that it will be difficult to achieve the plan for the initially assumed period. We are currently examining the details, including accounting methods, and will disclose them in a progress report or the summary of consolidated financial results as soon as they are finalized.

The specific impact on profit attributable to owners of parent is currently under close examination and has yet to be determined, but will be disclosed as soon as it is determined.

3. 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.

Although profit attributable to owners of parent is expected to be significantly lower than expected due to the recording of extraordinary losses, etc., steady business growth is expected going forward as business results are generally progressing as expected, excluding special factors such as extraordinary losses. Therefore, with respect to the year-end dividend forecast for the current fiscal year, we expect to maintain the initial forecast (12.50 yen per share) based on the basic policy above.

(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.