



February 14, 2018

Company name:	Okabe Co., Ltd.
Representative:	Makoto Hirowatari, President Code: 5959 (First Section of the Tokyo Stock Exchange)
Contact:	Yasushi Hosomichi, Director and Executive General Manager of Administrative Division (TEL: +81-3-3624-5119)

Notice Regarding Review of Performance Targets Under the Medium-Term Management Plan

Okabe Co., Ltd. ("the Company") announces that it has decided to review the performance targets in the medium-term management plan "NEXT100 – Exciting Future" which the Company announced on February 14, 2017. Details are as follows.

1. Reasons for revising the performance targets

The Company, which celebrated its centenary in 2017, has developed a medium-term management plan to achieve its vision for the next 100 years. It has been pursuing a number of initiatives to realize this vision and achieve the performance targets set out in the plan. Specifically, the Company has constructed the Okabe comprehensive experiments center and acquired FUJI BOLT Manufacturing Co., Ltd. and is advancing the expansion of logistics bases in the U.S. and elsewhere according to the plan. With respect to financial results in fiscal 2017, sales and profits increased in the construction-related products business due to strong sales of building structural products and civil engineering products as a result of an increase in customers using a cloud service that started as a tool for prompting sales of the One Side Ring, a building structural product, as well as demand for earthquake retrofitting in urban civil engineering. However, both net sales and profits fell short of the performance targets mainly due to a more moderate increase than initially expected in the floor area of construction and slow progress in the passing of rising steel prices onto product prices.

Also in the automotive products business, profits did not reach the initial target because of a decline in profits mainly due to rising raw material prices and higher expenses for machinery and equipment associated with their aging, although the segment secured an increase in sales and achieved net sales as initially targeted.

As a result of making a comprehensive judgment on the business environment surrounding the Company once again given the results mentioned above, the Company will revise the performance targets in fiscal 2018 and fiscal 2019 as shown on the next page.

2. Vision and strategy plan in the medium-term management plan

There is no major change in the strategy plan and initiatives in the medium-term management plan "NEXT100 - Exciting Future" (https://www.okabe.co.jp/english/ir/images/mid-term_2017.pdf).

The Company will lay the foundation for realizing the Group's vision by steadily implementing the initiatives stated in the medium-term management plan. The Company will also build a foundation able to achieve a corporate size with net sales of 100 billion yen and ordinary profit of 10 billion yen and an ROE of 10% in the future by actively promoting M&A, among other initiatives.

[Revised Targets]

(Million yen)

	FY2016 result	FY2017 result	Targets for FY2018	Targets for FY2019
Net sales	63,190	60,915	63,000	65,000
■ Construction-related products	47,711	50,403	52,100	54,000
<Japan>				
- Temporary building and formwork products	7,093	7,013	7,200	7,400
- Civil engineering products	5,553	6,073	6,300	6,500
- Building structural products	18,342	19,751	20,800	21,900
- Building materials	12,224	12,651	12,700	12,800
(Subtotal – Japan)	43,214	45,488	47,000	48,600
<Overseas>				
- Building materials	4,496	4,915	5,100	5,400
(Subtotal – overseas)	4,496	4,915	5,100	5,400
■ Automotive products	8,975	9,370	9,600	9,800
■ Hotel business	5,204	–	–	–
■ Diversification Business	1,299	1,142	1,300	1,200
Operating profit	5,527	4,844	5,300	5,800
■ Construction -related products	3,940	4,105	4,300	4,600
■ Automotive products	1,021	761	900	1,000
■ Hotel business	501	–	–	–
■ Diversification Business	63	(22)	100	200
Ordinary profit	5,780	5,068	5,400	5,900
Ordinary profit ratio	9.1%	8.3%	8.7%	9.2%
Profit	7,861	3,485	3,700	4,000
ROE	15.7%	6.5%	6.6%	6.8%

[Initiative Targets announced in February 14, 2017]

(Million yen)

	FY2016 result	Targets for FY2017	Targets for FY2018	Targets for FY2019
Net sales	63,190	62,000	67,500	72,000
■ Construction-related products	47,711	51,400	55,800	59,200
<Japan>				
- Temporary building and formwork products	7,093	7,600	8,000	8,300
- Civil engineering products	5,553	5,850	6,300	6,700
- Building structural products	18,342	20,500	22,800	24,000
- Building materials	12,224	12,950	13,500	14,200
(Subtotal – Japan)	43,214	46,900	50,600	53,200
<Overseas>				
- Building materials	4,496	4,500	5,200	6,000
(Subtotal – overseas)	4,496	4,500	5,200	6,000
■ Automotive products	8,975	9,000	9,700	10,600
■ Hotel business	5,204	–	–	–
■ Diversification Business	1,299	1,600	2,000	2,200
Operating profit	5,527	5,700	6,300	6,900
■ Construction -related products	3,940	4,450	4,800	5,300
■ Automotive products	1,021	1,080	1,300	1,350
■ Hotel business	501	–	–	–
■ Diversification Business	63	170	200	250
Ordinary profit	5,780	5,800	6,400	7,000
Ordinary profit ratio	9.1%	9.4%	9.5%	9.7%
Profit	7,861	3,640	4,000	4,400
ROE	15.7%	7.0%	7.5%	8.1%

(Note) The transfer of the Hotel business was completed in September 2016.