

Consolidated Financial Results for the Three Months Ended March 31, 2025 [Japanese GAAP]



April 30, 2025

Company name: Okura Industrial Co., Ltd.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 4221
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 Scheduled date of commencing dividend payments: -
 Availability of supplementary explanatory materials on financial results: Not available
 Schedule of financial results briefing session: Not scheduled

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Three Months Ended March 31, 2025 (January 1, 2025 - March 31, 2025)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2025	21,686	11.2	1,678	39.9	1,682	23.2	1,251	46.1
March 31, 2024	19,504	(2.3)	1,199	15.5	1,365	16.9	856	3.7

(Note) Comprehensive income: Three months ended March 31, 2025: ¥509 million [(75.3)%]

Three months ended March 31, 2024: ¥2,063 million [49.0%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
March 31, 2025	108.52	—
March 31, 2024	70.84	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of March 31, 2025	101,633	60,759	59.8
As of December 31, 2024	103,014	62,075	60.2

(Reference) Equity: As of March 31, 2025: ¥60,728 million

As of December 31, 2024: ¥62,044 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2024	—	55.00	—	105.00	160.00
Fiscal year ending December 31, 2025	—				
Fiscal year ending December 31, 2025 (Forecast)		95.00	—	100.00	195.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2025 (January 1, 2025 - December 31, 2025)

(% indicates changes from the previous corresponding 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
Full year	85,000	4.7	5,300	16.1	5,600	9.6	4,400	378.28

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

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

(2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(4) Total number of issued shares (common shares)

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

March 31, 2025: 12,414,870 shares

December 31, 2024: 12,414,870 shares

2) Total number of treasury shares at the end of the period:

March 31, 2025: 966,736 shares

December 31, 2024: 783,185 shares

3) Average number of shares during the period:

Three months ended March 31, 2025: 11,533,417 shares

Three months ended March 31, 2024: 12,093,087 shares

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: None

* Explanation of the proper use of financial results forecast and other notes

Forward-looking statements such as financial results forecast in this document are based on information currently available and certain assumptions that Company regards as reasonable. Actual results may significantly differ from such estimates due to various factors.

For details on the earnings forecasts of the Company, please see “Qualitative Information on Quarterly Financial Results” on page 2 of the attachments.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

During the three months ended March 31, 2025, the Japanese economy remained generally flat mainly due to sluggish personal consumption in response to rising prices, despite growth of the tourism industry resulting from inbound demand. Although there are expectations based largely on pay raises leading to a recovery in personal consumption, the economic outlook remains uncertain as it is still difficult to foresee the future on account of such concerns as the growing tendency of consumers to economize, sustained high fuel prices, and uncertainty over the global economy caused by the U.S.'s raising of tariffs.

Under these circumstances, the Group posted net sales of 21,686 million yen (up 11.2% year on year) for the three months ended March 31, 2025, mainly due to an increase in orders received for optical films for large LCD panels in the New Materials Division.

In terms of profit, operations at new plants, which began last year, in the New Materials Division have become stabilized. This and other factors including our efforts for productivity improvement and cost reduction resulted in operating profit of 1,678 million yen (up 39.9% year on year) and ordinary profit of 1,682 million yen (up 23.2% year on year). Profit attributable to owners of parent was 1,251 million yen (up 46.1% year on year).

Operating results by segment are as follows.

[Plastic Film]

Sales of environmental contributing products remained robust on the back of a growing awareness of environmental conservation, despite a decline in sales volume of packaging films especially for food and daily necessities due to rising prices. Sales of industrial-use process films for optics and semiconductor usages remained strong in response to a recovery in the market, and the sales volume of agricultural-use multi-films increased due to the accomplishment of inventory adjustments. As a result, net sales amounted to 13,346 million yen (up 4.6% year on year). Operating profit was 1,493 million yen (up 20.6% year on year) due to contributory factors including price revisions that the Company started working on in the previous year and cost reduction caused mainly by productivity improvement.

[New Materials]

Orders received for optical films for large LCD panels increased, resulting in net sales of 4,611 million yen (up 40.9% year on year). Operations at new plants, which began last year, have become stabilized. This and other factors including the increase in net sales resulted in operating profit of 497 million yen (up 97.7% year on year).

[Housing Materials]

The sales volume of particleboards, one of the key products of this business segment, remained robust as a result of stable operations and sales expansion efforts. In addition, sales in the lumber processing business remained strong, resulting in net sales of 3,301 million yen (up 8.7% year on year). Operating profit was 245 million yen (up 16.5% year on year) due to the increase in net sales.

[Other]

The number of banquets decreased in the hotel business, while sales of systems for dispensing pharmacies remained robust in the information processing system development business. As a result, overall net sales of other businesses were 428 million yen (down 0.1% year on year). Operating profit amounted to 108 million yen (down 9.8% year on year) due in part to an increase in development costs resulting from the updating of systems for dispensing pharmacies in the information processing system development business.

(2) Explanation of Financial Position

Total assets at the end of the first quarter of the fiscal year under review decreased by 1,380 million yen compared to the end of the previous fiscal year, to 101,633 million yen, mainly due to decreases in trade receivables of 2,262 million yen and investment securities of 947 million yen, despite an increase in cash and deposits of 1,943 million yen.

On the other hand, liabilities decreased by 64 million yen compared to the end of the previous fiscal year, to 40,874 million yen, mainly due to a decrease in income taxes payable of 1,139 million yen, despite an increase in electronically recorded obligations - facilities of 1,099 million yen.

Net assets decreased by 1,316 million yen from the end of the previous fiscal year to 60,759 million yen, mainly due to decreases in valuation difference on available-for-sale securities of 715 million yen and treasury shares of 604 million yen resulting from purchase of treasury shares.

As a result of the above, the equity ratio decreased by 0.5 percentage points from the end of the previous fiscal year to 59.8%.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

There have been no changes to the consolidated financial results forecast announced on February 14, 2025.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of December 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	8,949	10,892
Notes and accounts receivable - trade	21,968	20,520
Electronically recorded monetary claims - operating	9,182	8,367
Merchandise and finished goods	5,786	5,506
Work in process	1,357	1,346
Raw materials and supplies	5,280	5,708
Real estate for sale	282	301
Other	2,739	2,176
Total current assets	55,545	54,819
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	15,737	15,594
Machinery, equipment and vehicles, net	9,480	9,384
Land	5,760	5,760
Construction in progress	1,737	2,125
Other, net	562	545
Total property, plant and equipment	33,278	33,410
Intangible assets	1,420	1,616
Investments and other assets		
Investment securities	10,341	9,394
Long-term loans receivable	1,177	1,113
Deferred tax assets	94	125
Other	1,155	1,154
Total investments and other assets	12,769	11,787
Total non-current assets	47,469	46,814
Total assets	103,014	101,633

(Million yen)

	As of December 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable – trade	18,873	19,078
Electronically recorded obligations - operating	2,087	2,077
Short-term borrowings	4,471	4,469
Current portion of long-term borrowings	389	389
Accounts payable - other	2,010	1,916
Income taxes payable	1,531	391
Electronically recorded obligations - facilities	1,378	2,477
Provision for bonuses	–	564
Other	4,108	3,802
Total current liabilities	34,851	35,168
Non-current liabilities		
Long-term borrowings	1,259	1,140
Deferred tax liabilities	286	108
Retirement benefit liability	3,718	3,704
Other	823	752
Total non-current liabilities	6,086	5,706
Total liabilities	40,938	40,874
Net assets		
Shareholders' equity		
Share capital	8,619	8,619
Capital surplus	9,113	9,113
Retained earnings	40,759	40,789
Treasury shares	(1,824)	(2,428)
Total shareholders' equity	56,667	56,093
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,017	4,301
Foreign currency translation adjustment	269	245
Remeasurements of defined benefit plans	89	88
Total accumulated other comprehensive income	5,376	4,634
Non-controlling interests	31	31
Total net assets	62,075	60,759
Total liabilities and net assets	103,014	101,633

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Three Months Ended March 31

(Million yen)

	For the three months ended March 31, 2024	For the three months ended March 31, 2025
Net sales	19,504	21,686
Cost of sales	15,763	17,290
Gross profit	3,741	4,396
Selling, general and administrative expenses		
Sales commission	22	21
Transportation and storage costs	662	716
Salaries	531	567
Provision for bonuses	163	179
Remuneration for directors (and other officers)	84	89
Retirement benefit expenses	35	34
Depreciation	57	56
Research and development expenses	351	349
Other	632	703
Total selling, general and administrative expenses	2,541	2,718
Operating profit	1,199	1,678
Non-operating income		
Interest income	7	22
Dividend income	80	100
Foreign exchange gains	83	—
Miscellaneous income	26	23
Total non-operating income	198	146
Non-operating expenses		
Interest expenses	4	12
Foreign exchange losses	—	88
Commission expenses	22	34
Miscellaneous losses	5	7
Total non-operating expenses	32	142
Ordinary profit	1,365	1,682
Extraordinary income		
Gain on sale of non-current assets	0	0
Total extraordinary income	0	0
Extraordinary losses		
Loss on sale and retirement of non-current assets	75	31
Plant relocation expense	130	—
Total extraordinary losses	206	31
Profit before income taxes	1,160	1,651
Income taxes – current	497	371
Income taxes - deferred	(194)	27
Total income taxes	302	398
Profit	857	1,252
Profit attributable to non-controlling interests	0	1
Profit attributable to owners of parent	856	1,251

Quarterly Consolidated Statements of Comprehensive Income

Three Months Ended March 31

(Million yen)

	For the three months ended March 31, 2024	For the three months ended March 31, 2025
Profit	857	1,252
Other comprehensive income		
Valuation difference on available-for-sale securities	1,185	(715)
Foreign currency translation adjustment	18	(26)
Remeasurements of defined benefit plans, net of tax	1	(1)
Total other comprehensive income	1,205	(743)
Comprehensive income	2,063	509
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,061	509
Comprehensive income attributable to non-controlling interests	1	(0)

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in the case of significant changes in shareholders' equity)

The Company resolved, at its Board of Directors meeting held on June 21, 2024, to acquire treasury shares pursuant to the provisions of Article 156 of the Companies Act as applied mutatis mutandis under the provisions of Article 165, Paragraph 3 of the said Act., and reacquired its own 183,400 shares during the three months ended March 31, 2025. As a result, the amount of treasury shares increased by 603 million yen during the three months ended March 31, 2025 to 2,428 million yen at the end of the first quarter of the fiscal year under review.

(Segment information, etc.)

I For the three months ended March 31, 2024 (January 1, 2024 to March 31, 2024)

Information on the amount of net sales and profit or loss by reportable segment

(Million yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in quarterly consolidated statements of income (Note 3)
	Plastic Film	New Materials	Housing Materials	Total				
Net sales								
Net sales to outside customers	12,765	3,272	3,037	19,075	428	19,504	—	19,504
Inter-segment net sales or transfers	0	—	8	9	200	210	(210)	—
Total	12,765	3,272	3,046	19,085	629	19,714	(210)	19,504
Segment profit	1,238	251	210	1,700	120	1,820	(621)	1,199

- (Notes) 1. The “Other” category is a business segment that is not included in the reportable segments and includes the hotel business, information processing system development business, and real estate leasing business.
2. The segment profit adjustment of negative 621 million yen includes negative 0 million yen in eliminations of inter-segment transactions and negative 620 million yen in corporate expenses that are not allocated to each reportable segment. Corporate expenses mainly consist of general and administrative expenses that do not belong to any reportable segment.
3. Segment profit is adjusted with operating profit in the quarterly consolidated statements of income.

II For the three months ended March 31, 2025 (January 1, 2025 to March 31, 2025)

Information on the amount of net sales and profit or loss by reportable segment

(Million yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in quarterly consolidated statements of income (Note 3)
	Plastic Film	New Materials	Housing Materials	Total				
Net sales								
Net sales to outside customers	13,346	4,611	3,301	21,258	428	21,686	–	21,686
Inter-segment net sales or transfers	1	–	0	2	195	197	(197)	–
Total	13,347	4,611	3,301	21,260	623	21,884	(197)	21,686
Segment profit	1,493	497	245	2,235	108	2,344	(666)	1,678

- (Notes) 1. The “Other” category is a business segment that is not included in the reportable segments and includes the hotel business, information processing system development business, and real estate leasing business.
2. The segment profit adjustment of negative 666 million yen includes negative 0 million yen in eliminations of inter-segment transactions and negative 665 million yen in corporate expenses that are not allocated to each reportable segment. Corporate expenses mainly consist of general and administrative expenses that do not belong to any reportable segment.
3. Segment profit is adjusted with operating profit in the quarterly consolidated statements of income.

(Notes to statements of cash flows)

Quarterly consolidated statements of cash flows for the three months ended March 31, 2025 have not been prepared. Depreciation (including amortization related to intangible assets) for the three months ended March 31, 2024 and 2025 is as follows:

	For the three months ended March 31, 2024	For the three months ended March 31, 2025
Depreciation	¥1,232 million	¥1,156 million