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Consolidated Financial Results for the Fiscal Year Ended December 31, 2025 [Japanese GAAP]



February 12, 2026

Company name: Okura Industrial Co., Ltd.

Stock exchange listing: Tokyo Stock Exchange

Code number: 4221

URL: <https://www.okr-ind.co.jp/>

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Scheduled date of general shareholders' meeting: March 24, 2026

Scheduled date of commencing dividend payments: March 25, 2026

Scheduled date of filing securities report: March 23, 2026

Availability of supplementary explanatory materials on annual financial results: Available

Schedule of annual financial results briefing session: Scheduled

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

1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2025 (January 1, 2025 - December 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
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
December 31, 2025	86,658	6,185	6,428	3,815
December 31, 2024	81,192	4,564	5,111	(12.5)

(Note) Comprehensive income: Fiscal year ended December 31, 2025: ¥4,568 million [2.4%]

Fiscal year ended December 31, 2024: ¥4,461 million [(25.5)%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
December 31, 2025	335.29	—	6.1	6.2	7.1
December 31, 2024	363.96	—	7.1	5.0	5.6

(Reference) Equity in earnings of affiliated companies:

Fiscal year ended December 31, 2025: ¥- million

Fiscal year ended December 31, 2024: ¥- million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2025	103,043	63,134	61.2	5,585.83
As of December 31, 2024	103,014	62,075	60.2	5,334.06

(Reference) Equity: As of December 31, 2025: ¥63,098 million

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

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended December 31, 2025	Million yen 9,904	Million yen (7,970)	Million yen (2,906)	Million yen 7,984
December 31, 2024	5,833	(5,708)	948	8,949

2. Dividends

	Annual dividends					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended December 31, 2024	Yen —	Yen 55.00	Yen —	Yen 105.00	Yen 160.00	Million yen 1,886	% 44.6	% 3.0
Fiscal year ended December 31, 2025	—	95.00	—	100.00	195.00	2,202	58.2	3.5
Fiscal year ending December 31, 2026 (Forecast)	—	110.00	—	110.00	220.00		57.8	

(Notes) Breakdown of 2nd quarter-end dividend for the fiscal year ending December 31, 2025: Ordinary dividend of 83.00 yen and special dividend of 12.00 yen

Breakdown of year-end dividend for the fiscal year ending December 31, 2025: Ordinary dividend of 85.00 yen and special dividend of 15.00 yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2026 (January 1, 2026 - December 31, 2026)

(% indicates changes from the previous corresponding period.)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share				
Full year	Million yen 98,000	% 13.1	Million yen 6,500	% 5.1	Million yen 6,700	% 4.2	Million yen 4,300	% 12.7	Yen 380.66

*** Notes:**

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 1 company (Company name) Okura BM Works Co., Ltd.

(2) 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

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

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

December 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:

December 31, 2025: 1,118,709 shares

December 31, 2024: 783,185 shares

3) Average number of shares during the period:

Fiscal year ended December 31, 2025:	11,379,468 shares
Fiscal year ended December 31, 2024:	11,978,973 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2025 (January 1, 2025 - December 31, 2025)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales	Operating profit	Ordinary profit	Profit
Fiscal year ended December 31, 2025	Million yen 57,505	Million yen 2,774	Million yen 5,668	Million yen 4,148
December 31, 2024	% 9.0	% 63.8	% 10.0	(%) (24.5)
	52,775	1,694	5,153	5,492
	3.7	(17.7)	71.4	91.8

	Basic earnings per share	Diluted earnings per share
Fiscal year ended December 31, 2025	Yen 364.58	Yen —
December 31, 2024	458.49	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of December 31, 2025	Million yen 99,813	Million yen 54,267	% 54.4	Yen 4,804.06
As of December 31, 2024	100,619	53,566	53.2	4,605.19

(Reference) Equity: As of December 31, 2025: ¥54,267 million

As of December 31, 2024: ¥53,566 million

* These consolidated financial results are outside the scope of audit by certified public accountants or an audit firm.

* 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 "Overview of Operating Results, etc." on page 2 of the attachments.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Period under Review

1) Consolidated operating results for the period under review

During the fiscal year ended December 31, 2025, the Japanese economy remained on a modest recovery trend mainly due to an improvement in the income situation and continued solid inbound demand, despite a decrease in personal consumption in response to rising prices. Although there are expectations particularly for the implementation of a comprehensive economic stimulus package including measures to combat price rises by the Japanese government, the economic outlook remains uncertain as it is still difficult to foresee the future on account of such concerns as a rise in long-term interest rates in response to expanding fiscal spending, an increase in benchmark policy rate by the Bank of Japan, labor shortages, and destabilized relations between Japan and China.

Under these circumstances, the Group posted net sales of 86,658 million yen (up 6.7% year on year) for the fiscal year under review, mainly due to strong sales of optical films used in high-end displays for large LCD televisions 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 the contribution from productivity improvement and cost reduction as well as the increase in net sales resulted in operating profit of 6,185 million yen (up 35.5% year on year) and ordinary profit of 6,428 million yen (up 25.8% year on year). Profit attributable to owners of parent was 3,815 million yen (down 12.5% year on year) mainly due to the recording of impairment losses in the Plastic Film Division.

Business results by segment are as follows.

[Plastic Film]

Sales volume of packaging films especially for food and daily necessities decreased due to a gradual decline in demand resulting from rising prices. Meanwhile, sales of environmental contributing products such as refill pouches, shrink films, and agricultural-use thin-film products remained robust on the back of a growing awareness of environmental conservation, and sales of industrial-use process films for optics usages remained strong. As a result, net sales amounted to 52,671 million yen (up 1.6% year on year). Operating profit was 5,524 million yen (up 24.0% year on year) due to contributory factors including selling price revisions and cost reduction caused mainly by productivity improvement.

[New Materials]

Sales of optical films used in high-end displays for large LCD televisions remained strong, resulting in net sales of 18,928 million yen (up 29.6% 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 2,481 million yen (up 98.9% year on year).

[Building Materials]

The sales volume in the particleboards business, one of the key businesses, was below the level of the previous year, despite efforts made to expand sales of base materials for laminate applications, as the number of new housing starts continued to decrease. Sales in the lumber processing business were above the level of the previous year since initiatives for sales channel expansion and easy-to-install panels made progress, resulting in net sales of 13,185 million yen (up 2.5% year on year). Meanwhile, operating profit was 564 million yen (down 40.4% year on year) due in part to the occurrence of valuation losses on some inventories, despite the increase in net sales.

[Other]

The number of hotel stays due to inbound demand increased in the hotel business, while the sales volume of systems for dispensing pharmacies decreased in the information processing system development business. As a result, overall net sales of other businesses were 1,872 million yen (up 0.6% year on year). Operating profit amounted to 474 million yen (down 4.1% 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) Non-consolidated business results for the period under review

Net sales for the fiscal year under review totaled 57,505 million yen (up 9.0% year on year). This was mainly due to strong sales of optical films used in high-end displays for large LCD televisions 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 the contribution from productivity improvement and cost reduction as well as the increase in net sales resulted in operating profit of 2,774 million yen (up 63.8% year on year) and ordinary profit of 5,668 million yen (up 10.0% year on year). Profit was 4,148 million yen (down 24.5% year on year) mainly due to the recording of impairment losses in the Plastic Film Division.

(2) Overview of Financial Position for the Period under Review

Assets, liabilities and net assets

Total assets at the end of the fiscal year under review increased by 28 million yen compared to the end of the previous fiscal year, to 103,043 million yen, mainly due to increases in property, plant and equipment of 1,645 million yen, intangible assets of 540 million yen, and retirement benefit asset of 385 million yen, despite decreases in trade receivables of 1,329 million yen and cash and deposits of 964 million yen.

On the other hand, liabilities decreased by 1,029 million yen compared to the end of the previous fiscal year, to 39,909 million yen, mainly due to decreases in trade payables of 1,990 million yen and income taxes payable of 630 million yen, despite increases in accounts payable - other of 619 million yen and borrowings of 613 million yen.

Net assets increased by 1,058 million yen from the end of the previous fiscal year to 63,134 million yen, mainly due to increases in retained earnings of 1,520 million yen and remeasurements of defined benefit plans of 670 million yen, despite a decrease in treasury shares of 1,221 million yen resulting from purchase of treasury shares.

As a result of the above, the equity ratio increased by 1.0 percentage points from the end of the previous fiscal year to 61.2%.

(3) Overview of Cash Flows for the Period under Review

Cash and cash equivalents (hereinafter referred to as "cash") on a consolidated basis at the end of the fiscal year under review decreased by 964 million yen compared to the end of the previous fiscal year to 7,984 million yen.

The status of each cash flow and their factors during the fiscal year under review are as follows.

(Cash Flows from Operating Activities)

Net cash provided by operating activities amounted to 9,904 million yen.

This was mainly due to cash inflows from profit before income taxes of 5,201 million yen and depreciation of 5,034 million yen.

(Cash Flows from Investing Activities)

Net cash used in investing activities amounted to 7,970 million yen.

This was mainly due to a cash outflow from the purchase of property, plant and equipment, such as manufacturing equipment.

(Cash Flows from Financing Activities)

Net cash used in financing activities amounted to 2,906 million yen.

This was mainly due to a cash inflow from an increase in borrowings of 611 million yen and cash outflows from dividends paid of 2,284 million yen and purchase of treasury shares of 1,231 million yen.

(4) Future Outlook

The Group's forecast for the next fiscal year is for net sales of 98.0 billion yen, up 13.1% year on year, mainly due to the prospect of robust sales of optical films used in high-end displays for large LCD televisions in the New Materials Division and the performance of FUJIKO Co., Ltd., which became a consolidated subsidiary in January 2026, will contribute. In terms of profit, we forecast operating profit of 6.5 billion yen (up 5.1% year on year), ordinary profit of 6.7 billion yen (up 4.2% year on year), and profit attributable to owners of parent of 4.3 billion yen (up 12.7% year on year) due to the increase in net sales.

(5) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years

Regarding dividends of surplus, the Company recognizes that the return of profits to shareholders is one of the most important management tasks. Taking comprehensive consideration of business performance and preparation for future business development, etc., the Company maintains a basic policy of paying a stable dividend. The Company aims to continue a dividend for every fiscal year with a consolidated dividend on equity (DOE) ratio of 3.0% or more (indicator of stable profit distribution) and a dividend payout ratio of 30% or more (indicator of performance-linked profit distribution). Under its medium-term management plan (2027), the Company will pay a special dividend equivalent to a DOE ratio of 0.5% to further improve capital efficiency and enhance shareholder returns.

Pursuant to the shareholder return policy, the Company will pay a year-end dividend of 100 yen per share for the fiscal year under review. As a result, combined with the interim dividend of 95 yen, the annual dividend for the fiscal year under review will be 195 yen per share.

Since the possibility of achieving targets in the medium-term management plan (2027) during the fiscal year ending December 31, 2026 has increased, the Company plans to further add a DOE ratio of 0.5% and pay a special dividend at a DOE ratio of 1.0% for a period of the medium-term management plan (2027) in and after 2026. Accordingly, a dividend at the level of 4.0% DOE ratio, which includes an ordinary dividend, will be distributed.

With regard to the forecast for dividends in the next fiscal year, the Company, pursuant to the above shareholder return policy, plans to provide dividends of 220 yen per share (interim: 110 yen; year-end: 110 yen).

2. Basic Policy on Selection of Accounting Standards

The Group's policy, for the time being, is to prepare consolidated financial statements under Japanese GAAP, taking into consideration the comparability of consolidated financial statements from period to period and from company to company.

With regard to the adoption of IFRS, the Group's policy is to respond appropriately in consideration of various domestic and international circumstances.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Million yen)

	As of December 31, 2024	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	8,949	7,984
Notes receivable - trade	1,797	901
Accounts receivable - trade	20,170	19,263
Electronically recorded monetary claims - operating	9,182	9,656
Merchandise and finished goods	5,786	5,947
Work in process	1,357	1,218
Raw materials and supplies	5,280	5,497
Real estate for sale	282	264
Other	2,739	1,931
Total current assets	<u>55,545</u>	<u>52,664</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	15,737	15,106
Machinery, equipment and vehicles, net	9,480	8,209
Land	5,760	5,763
Construction in progress	1,737	5,214
Other, net	562	629
Total property, plant and equipment	<u>33,278</u>	<u>34,924</u>
Intangible assets	1,420	1,960
Investments and other assets		
Investment securities	10,341	10,540
Long-term loans receivable	1,177	1,165
Retirement benefit asset	—	385
Deferred tax assets	94	83
Other	1,155	1,318
Total investments and other assets	<u>12,769</u>	<u>13,493</u>
Total non-current assets	<u>47,469</u>	<u>50,378</u>
Total assets	<u>103,014</u>	<u>103,043</u>

(Million yen)

	As of December 31, 2024	As of December 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	18,873	16,911
Electronically recorded obligations - operating	2,087	2,058
Short-term borrowings	4,471	5,474
Current portion of long-term borrowings	389	389
Accounts payable - other	2,010	2,630
Income taxes payable	1,531	900
Advances received	39	510
Electronically recorded obligations - facilities	1,378	1,302
Other	4,108	4,299
Total current liabilities	<u>34,851</u>	<u>34,478</u>
Non-current liabilities		
Long-term borrowings	1,259	869
Deferred tax liabilities	286	658
Retirement benefit liability	3,718	3,113
Other	823	789
Total non-current liabilities	<u>6,086</u>	<u>5,430</u>
Total liabilities	<u>40,938</u>	<u>39,909</u>
Net assets		
Shareholders' equity		
Share capital	8,619	8,619
Capital surplus	9,113	9,118
Retained earnings	40,759	42,280
Treasury shares	(1,824)	(3,046)
Total shareholders' equity	<u>56,667</u>	<u>56,972</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,017	5,080
Foreign currency translation adjustment	269	285
Remeasurements of defined benefit plans	89	760
Total accumulated other comprehensive income	<u>5,376</u>	<u>6,126</u>
Non-controlling interests	<u>31</u>	<u>35</u>
Total net assets	<u>62,075</u>	<u>63,134</u>
Total liabilities and net assets	<u>103,014</u>	<u>103,043</u>

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

	For the fiscal year ended December 31, 2024	For the fiscal year ended December 31, 2025
Net sales	81,192	86,658
Cost of sales	66,019	69,119
Gross profit	15,173	17,538
Selling, general and administrative expenses		
Sales commission	96	105
Transportation and storage costs	2,810	2,851
Salaries	2,219	2,370
Bonuses	630	790
Remuneration for directors (and other officers)	353	345
Retirement benefit expenses	139	135
Depreciation	238	241
Research and development expenses	1,481	1,591
Other	2,639	2,921
Total selling, general and administrative expenses	10,608	11,353
Operating profit	4,564	6,185
Non-operating income		
Interest income	55	92
Dividend income	344	303
Foreign exchange gains	145	—
Miscellaneous income	107	79
Total non-operating income	653	475
Non-operating expenses		
Interest expenses	31	58
Foreign exchange losses	—	15
Commission expenses	51	124
Miscellaneous losses	24	33
Total non-operating expenses	107	232
Ordinary profit	5,111	6,428
Extraordinary income		
Gain on sale of non-current assets	879	20
Gain on sale of investment securities	2,416	—
Total extraordinary income	3,295	20
Extraordinary losses		
Loss on sale and retirement of non-current assets	198	146
Impairment losses	2,077	1,098
Extra retirement payments	—	2
Plant relocation expense	130	—
Total extraordinary losses	2,406	1,246
Profit before income taxes	6,000	5,201
Income taxes - current	2,055	1,421
Income taxes - deferred	(418)	(38)
Total income taxes	1,636	1,383
Profit	4,364	3,818
Profit attributable to non-controlling interests	4	3
Profit attributable to owners of parent	4,359	3,815

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended December 31, 2024	For the fiscal year ended December 31, 2025
Profit	4,364	3,818
Other comprehensive income		
Valuation difference on available-for-sale securities	(1)	63
Foreign currency translation adjustment	35	16
Remeasurements of defined benefit plans, net of tax	62	670
Total other comprehensive income	97	750
Comprehensive income	4,461	4,568
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,454	4,564
Comprehensive income attributable to non-controlling interests	6	4

(3) Consolidated Statements of Changes in Equity

Fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,619	9,105	38,394	(557)	55,562
Changes during period					
Dividends of surplus			(1,995)		(1,995)
Profit attributable to owners of parent			4,359		4,359
Purchase of treasury shares				(1,276)	(1,276)
Disposal of treasury shares				9	9
Gain of treasury stock disposal		7			7
Net changes in items other than shareholders' equity					
Total changes during period	—	7	2,364	(1,267)	1,104
Balance at end of period	8,619	9,113	40,759	(1,824)	56,667

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	5,018	236	27	5,281	24	60,869
Changes during period						
Dividends of surplus						(1,995)
Profit attributable to owners of parent						4,359
Purchase of treasury shares						(1,276)
Disposal of treasury shares						9
Gain of treasury stock disposal						7
Net changes in items other than shareholders' equity	(1)	33	62	95	6	101
Total changes during period	(1)	33	62	95	6	1,206
Balance at end of period	5,017	269	89	5,376	31	62,075

Fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	8,619	9,113	40,759	(1,824)	56,667
Changes during period					
Dividends of surplus			(2,294)		(2,294)
Profit attributable to owners of parent			3,815		3,815
Purchase of treasury shares				(1,231)	(1,231)
Disposal of treasury shares				10	10
Gain of treasury stock disposal		5			5
Net changes in items other than shareholders' equity					
Total changes during period	—	5	1,520	(1,221)	304
Balance at end of period	8,619	9,118	42,280	(3,046)	56,972

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	5,017	269	89	5,376	31	62,075
Changes during period						
Dividends of surplus						(2,294)
Profit attributable to owners of parent						3,815
Purchase of treasury shares						(1,231)
Disposal of treasury shares						10
Gain of treasury stock disposal						5
Net changes in items other than shareholders' equity	63	15	670	749	4	753
Total changes during period	63	15	670	749	4	1,058
Balance at end of period	5,080	285	760	6,126	35	63,134

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended December 31, 2024	For the fiscal year ended December 31, 2025
Cash flows from operating activities		
Profit before income taxes	6,000	5,201
Impairment losses	2,077	1,098
Depreciation	5,404	5,034
Decrease (increase) in retirement benefit asset	—	(385)
Increase (decrease) in retirement benefit liability	10	376
Interest and dividend income	(400)	(395)
Interest expenses	31	58
Foreign exchange losses (gains)	(130)	2
Loss (gain) on sale of investment securities	(2,416)	—
Loss (gain) on sale and retirement of non-current assets	(769)	16
Decrease (increase) in trade receivables	(1,235)	1,334
Decrease (increase) in inventories	(919)	(216)
Increase (decrease) in trade payables	3,266	(1,992)
Other, net	(4,121)	1,467
Subtotal	6,797	11,599
Interest and dividends received	401	395
Interest paid	(31)	(59)
Income taxes paid	(1,334)	(2,031)
Net cash provided by (used in) operating activities	5,833	9,904
Cash flows from investing activities		
Purchase of property, plant and equipment	(9,073)	(7,132)
Proceeds from sale of property, plant and equipment	1,127	70
Proceeds from governmental subsidy income	346	10
Purchase of investment securities	(12)	(13)
Proceeds from sale of investment securities	3,377	—
Loan advances to subsidiaries and associates	(790)	—
Proceeds from collection of loans receivable	109	0
Payments for investments in capital	—	(153)
Other, net	(792)	(750)
Net cash provided by (used in) investing activities	(5,708)	(7,970)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,938	1,001
Proceeds from long-term borrowings	1,950	—
Repayments of long-term borrowings	(674)	(389)
Repayments of lease liabilities	(0)	(1)
Purchase of treasury shares	(1,276)	(1,231)
Dividends paid	(1,987)	(2,284)
Net cash provided by (used in) financing activities	948	(2,906)
Effect of exchange rate change on cash and cash equivalents	68	7
Net increase (decrease) in cash and cash equivalents	1,142	(964)
Cash and cash equivalents at beginning of period	7,806	8,949
Cash and cash equivalents at end of period	8,949	7,984

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Changes in presentation)

In the previous consolidated fiscal year, "Advances received" which were included in "Other" of "Current liabilities" are to be presented independently from the current consolidated fiscal year, as their financial significance has increased.

To reflect this change in presentation method, reclassification of the consolidated financial statements for the previous consolidated fiscal year is being performed.

As a result, in the consolidated balance sheet for the previous consolidated fiscal year, 4,108 million yen, which was presented in "Other" of "Current liabilities", has been reclassified as 39 million yen for "Advances received" and 4,069 million yen for "Other".

(Segment information, etc.)

[Segment information]

1. Overview of reportable segments

The Group's reportable segments are the constituent units of the Group for which separate financial information is available and which are subject to periodic review by the Board of Directors in order to determine the allocation of management resources and evaluate business performance.

The Group conducts its business activities according to the products and services it handles, and has three reportable segments: Plastic Film, New Materials, and Housing Materials businesses.

The Plastic Film segment produces and sells polyethylene film, polypropylene film, and other synthetic resin products; the New Materials segment produces and sells optical functional film and other LCD-related materials; and the Housing Materials segment produces and sells particleboard, processed boards, and other building materials.

2. Calculation method for the amount of net sales, profit or loss, assets, liabilities and other items by reportable segment

The accounting method for the reported business segments is the same as the accounting method used in the preparation of the consolidated financial statements.

Profit (loss) in reportable segments is based on operating profit (loss).

Inter-segment net sales are based on generally accepted transaction values.

3. Information for the amount of net sales, profit or loss, assets, liabilities and other items by reportable segment
 For the fiscal year ended December 31, 2024 (January 1, 2024 to December 31, 2024)

(Million yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in consolidated financial statements (Note 3)
	Plastic Film	New Materials	Building Materials	Total				
Net sales								
Net sales to outside customers	51,861	14,611	12,859	79,331	1,860	81,192	—	81,192
Inter-segment net sales or transfers	4	0	26	31	836	867	(867)	—
Total	51,865	14,611	12,885	79,362	2,696	82,059	(867)	81,192
Segment profit	4,455	1,247	945	6,648	494	7,143	(2,579)	4,564
Segment assets	45,003	24,486	11,966	81,456	3,051	84,507	18,506	103,014
Other items								
Depreciation	2,587	1,710	422	4,721	276	4,997	406	5,404
Increase in property, plant and equipment and intangible assets	2,933	963	871	4,768	790	5,559	789	6,348

(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 2,579 million yen includes negative 6 million yen in eliminations of inter-segment transactions and negative 2,572 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 consolidated statements of income.

For the fiscal year ended December 31, 2025 (January 1, 2025 to December 31, 2025)

(Million yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in consolidated financial statements (Note 3)
	Plastic Film	New Materials	Building Materials	Total				
Net sales								
Net sales to outside customers	52,671	18,928	13,185	84,785	1,872	86,658	—	86,658
Inter-segment net sales or transfers	6	—	112	118	853	972	(972)	—
Total	52,678	18,928	13,297	84,904	2,726	87,630	(972)	86,658
Segment profit	5,524	2,481	564	8,570	474	9,045	(2,859)	6,185
Segment assets	43,587	22,918	15,263	81,769	3,762	85,532	17,510	103,043
Other items								
Depreciation	2,236	1,608	351	4,196	290	4,486	547	5,034
Increase in property, plant and equipment and intangible assets	1,724	879	3,929	6,534	820	7,354	1,051	8,406

(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 2,859 million yen includes 17 million yen in eliminations of inter-segment transactions and negative 2,877 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 consolidated statements of income.

[Related information]

For the fiscal year ended December 31, 2024 (January 1, 2024 to December 31, 2024)

1 Information by products and services

This information has been omitted because the same information is disclosed in segment information.

2 Information by region

(1) Net sales

This information is omitted because net sales to external customers in Japan account for more than 90% of net sales in the consolidated statements of income.

(2) Property, plant and equipment

This information is omitted because the amount of property, plant and equipment located in Japan accounts for more than 90% of the property, plant and equipment on the consolidated balance sheets.

3 Information by principal customers

Information by principal customers is not shown because no outside customer accounts for 10% or more of net sales in the consolidated statements of income.

For the fiscal year ended December 31, 2025 (January 1, 2025 to December 31, 2025)

1 Information by products and services

This information has been omitted because the same information is disclosed in segment information.

2 Information by region

(1) Net sales

				(Million yen)
Japan	Asia	Other	Total	
77,371	9,273	12		86,658

(Note) Net sales are classified by country or region based on the location of customers.

(2) Property, plant and equipment

This information is omitted because the amount of property, plant and equipment located in Japan accounts for more than 90% of the property, plant and equipment on the consolidated balance sheets.

3 Information by principal customers

Information by principal customers is not shown because no outside customer accounts for 10% or more of net sales in the consolidated statements of income.

[Information on impairment loss on non-current assets by reportable segment]

For the fiscal year ended December 31, 2024 (January 1, 2024 to December 31, 2024)

	Reportable segment				Other (Note)	Corporate / Eliminations	Total
	Plastic Film	New Materials	Building Materials	Total			
Impairment loss	1,842	—	235	2,077	—	—	2,077

(Note) 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.

For the fiscal year ended December 31, 2025 (January 1, 2025 to December 31, 2025)

	Reportable segment				Other (Note)	Corporate / Eliminations	Total
	Plastic Film	New Materials	Building Materials	Total			
Impairment loss	1,098	—	—	1,098	—	—	1,098

(Note) 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.

[Information on amortization of goodwill and unamortized balance by reportable segment]

Not applicable.

[Information on gain on negative goodwill by reportable segment]

Not applicable.

(Per share information)

	For the fiscal year ended December 31, 2024	For the fiscal year ended December 31, 2025
Net assets per share	¥5,334.06	¥5,585.83
Basic earnings per share	¥363.96	¥335.29

(Notes) 1. Diluted earnings per share is not shown because there are no potential shares.

2. The basis for the calculation of net assets per share is as follows.

	As of December 31, 2024	As of December 31, 2025
Net assets	¥62,075 million	¥63,134 million
Deduction from net assets	¥31 million	¥35 million
[Non-controlling interests]	[¥31 million]	[¥35 million]
Net assets for common shareholders at end of fiscal year	¥62,044 million	¥63,098 million
Number of common shares used to calculate net assets per share	11,631 thousand shares	11,296 thousand shares

3. The basis for the calculation of basic earnings per share is as follows.

	For the fiscal year ended December 31, 2024	For the fiscal year ended December 31, 2025
Basic earnings per share		
Profit attributable to owners of parent	¥4,359 million	¥3,815 million
Amount not attributable to common shareholders	—	—
Profit attributable to owners of parent attributable to common shares	¥4,359 million	¥3,815 million
Average number of common shares outstanding during the fiscal year	11,978 thousand shares	11,379 thousand shares

(Significant subsequent events)

(Acquisition of shares of a subsidiary)

Okura Industrial Co., Ltd. (the “Company”) resolved at a meeting of the Board of Directors held on December 12, 2025, the Company is to acquire all shares of FUJIKO Co., Ltd. and make the company a consolidated subsidiary of the Company. In addition, it became a consolidated subsidiary as of January 16, 2026, following the acquisition of all its shares.

I. Overview of the business combination

(1) Name and business description of the acquiree

Name of the acquiree: FUJIKO Co., Ltd.

Business description : Packaging, Release liner production, Transfer printing,
Hydrophobic/oleophobic paper production

(2) Purposes of the acquisition

Under its management vision “Next10 (2030),” the Group aims to enhance its corporate value over the medium- to long-term by aspiring to become a solution partner that creates new value through core technologies and is selected by customers. To realize this vision, we have adopted the basic policy of “Deepening of Business Portfolio,” and are focusing our investments on the areas that we consider to be growth markets and areas, namely “Information Electronics,” “Functional Materials for Manufacturing Processes,” “Environment & Energy,” and “Life Science.”

FUJIKO Co., Ltd. has built strong relationships with its customers across a wide range of sectors, including automobile, information electronics, and semiconductors, based on their outstanding film processing expertise.

The Share Acquisition is to integrate the Company’s film manufacturing technology with FUJIKO’s processing technology and combine the development capabilities of both companies. The Company aims to establish a vertically integrated development and production system covering everything from film manufacturing to processing, and thereby further accelerating business expansion in the growing field of functional materials for manufacturing processes.

(3) Date of business combination

January 16, 2026

(4) Legal form of the business combination

Acquisition of shares in exchange for cash

(5) Post-combination entity name

No change

(6) Ratio of voting rights to be acquired

100%

(7) Primary basis for determining the acquirer

The fact that the Company acquires the shares in exchange for cash

II. Acquisition cost of the acquiree and its breakdown by type of consideration

Not disclosed at the request of the counterparty.

III. Details and amount of major acquisition-related expenses

Advisory fees and other costs : ¥155 million

IV. Amount of goodwill to be recognized, reason for recognition, method of amortization, and period of amortization

Not finalized at the moment.

V. Amounts of the assets to be acquired and liabilities to be assumed on the date of the business combination and their breakdown by major item

Not finalized at the moment.