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May 9, 2025

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)



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 Listing: Tokyo Stock Exchange
 Securities code: 7994
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 Scheduled date of annual general meeting of shareholders: June 25, 2025
 Scheduled date to commence dividend payments: June 26, 2025
 Scheduled date to file annual securities report: June 24, 2025
 Preparation of supplementary material on financial results: Prepared
 Holding of financial results briefing: Scheduled (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Operating Results for the Fiscal Year Ended March 31, 2025 (From April 1, 2024 to March 31, 2025)

(1) Operating Results

(Percentages indicate year-over-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|-------------------|-----------------|-----|------------------|-------|-----------------|------|---|------|
| Fiscal year ended | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| March 31, 2025 | 314,527 | 5.4 | 23,935 | (0.4) | 26,459 | 0.9 | 22,045 | 8.7 |
| March 31, 2024 | 298,295 | 7.7 | 24,036 | 38.4 | 26,227 | 38.6 | 20,280 | 27.5 |

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥21,193 million [(27.7)%]
 For the fiscal year ended March 31, 2024: ¥29,298 million [74.8%]

| | Basic earnings per share | Diluted earnings per share | Return on equity | Return on assets | Ratio of operating profit to net sales |
|-------------------|--------------------------|----------------------------|------------------|------------------|--|
| Fiscal year ended | Yen | Yen | % | % | % |
| March 31, 2025 | 232.93 | — | 12.3 | 9.3 | 7.6 |
| March 31, 2024 | 214.27 | — | 12.6 | 9.8 | 8.1 |

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2025: ¥1,399 million
 For the fiscal year ended March 31, 2024: ¥510 million

(2) Financial Positions

| | Total assets | Net assets | Equity ratio | Net assets per share |
|----------------|-----------------|-----------------|--------------|----------------------|
| As of | Millions of yen | Millions of yen | % | Yen |
| March 31, 2025 | 289,144 | 186,795 | 64.0 | 1,956.33 |
| March 31, 2024 | 282,118 | 174,795 | 61.1 | 1,821.10 |

Reference: Total equity
 As of March 31, 2025: ¥185,143 million
 As of March 31, 2024: ¥172,355 million

(3) 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 | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| March 31, 2025 | 983 | (14,270) | (209) | 25,410 |
| March 31, 2024 | 21,351 | (12,248) | (8,200) | 38,215 |

2. Dividend

| | Annual dividends per share | | | | | Total cash dividends (Total) | Payout ratio (Consolidated) | Ratio of dividends to net assets (Consolidated) |
|--|----------------------------|-----------------------|----------------------|--------------------|--------|------------------------------------|--------------------------------|--|
| | First quarter-end | Second quarter-end | Third quarter-end | Fiscal year-end | Total | | | |
| | Yen | Yen | Yen | Yen | Yen | Millions of yen | % | % |
| Fiscal year ended March 31, 2024 | — | 43.00 | — | 43.00 | 86.00 | 8,156 | 40.1 | 5.0 |
| Fiscal year ended March 31, 2025 | — | 45.00 | — | 49.00 | 94.00 | 8,914 | 40.4 | 4.9 |
| Fiscal year ending March 31, 2026 (Forecast) | — | 52.00 | — | 52.00 | 104.00 | | 43.2 | |

Note: Breakdowns of dividends for the fiscal year ending March 31, 2026

| | | | | |
|---------------------|-------------------|--------|------------------------|-------|
| Second quarter-end: | Ordinary dividend | ¥48.50 | Commemorative dividend | ¥3.50 |
| Fiscal year-end: | Ordinary dividend | ¥48.50 | Commemorative dividend | ¥3.50 |

3. Forecast of Consolidated Performance for the Fiscal Year Ending March 31, 2026 (From April 1, 2025 to March 31, 2026)

(Percentages indicate year-over-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Basic earnings per share |
|------------|-----------------|-----|------------------|------|-----------------|------|--|-------|-----------------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| First half | 152,000 | 4.4 | 8,500 | 26.0 | 9,300 | 13.9 | 7,300 | (8.4) | 77.14 |
| Full year | 330,000 | 4.9 | 27,000 | 12.8 | 29,500 | 11.5 | 22,800 | 3.4 | 240.92 |

* **Notes**

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

Newly included: –

Excluded: –

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury stock)

| | |
|----------------|--------------------|
| March 31, 2025 | 100,621,021 shares |
| March 31, 2024 | 100,621,021 shares |

(ii) Number of treasury stock at the end of the period

| | |
|----------------|------------------|
| March 31, 2025 | 5,983,190 shares |
| March 31, 2024 | 5,977,449 shares |

(iii) Average number of shares outstanding during the period

| | |
|----------------------------------|-------------------|
| Fiscal year ended March 31, 2025 | 94,640,892 shares |
| Fiscal year ended March 31, 2024 | 94,646,420 shares |

Reference: Non-Consolidated Operating Results

1. Non-Consolidated Operating Results for the Fiscal Year Ended March 31, 2025 (From April 1, 2024 to March 31, 2025)

(1) Operating Results

(Percentages indicate year-over-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit | |
|-------------------|-----------------|-----|------------------|------|-----------------|------|-----------------|------|
| Fiscal year ended | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| March 31, 2025 | 279,122 | 5.6 | 23,735 | 6.0 | 25,596 | 4.6 | 21,538 | 10.6 |
| March 31, 2024 | 264,407 | 8.6 | 22,398 | 41.8 | 24,466 | 41.7 | 19,467 | 27.3 |

| | Basic earnings per share | Diluted earnings per share |
|-------------------|--------------------------|----------------------------|
| Fiscal year ended | Yen | Yen |
| March 31, 2025 | 227.12 | — |
| March 31, 2024 | 205.28 | — |

(2) Financial Positions

| | Total assets | Net assets | Equity ratio | Net assets per share |
|----------------|-----------------|-----------------|--------------|----------------------|
| As of | Millions of yen | Millions of yen | % | Yen |
| March 31, 2025 | 259,973 | 168,693 | 64.9 | 1,778.79 |
| March 31, 2024 | 255,200 | 158,513 | 62.1 | 1,671.43 |

Reference: Total equity

March 31, 2025: ¥168,693 million

March 31, 2024: ¥158,513 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts and other special matters

The performance forecasts and other forward-looking statements contained herein are based on the information available to the Company at the time, and contain certain assumptions that the Company considers to be reasonable. They are subject to diverse factors that may cause actual results of operations and other items to differ significantly from the statements and forecasts. For a description of the assumptions underlying the performance forecasts and the points to note when using the performance forecasts in this document, etc., please refer to (4) Future Outlook in 1. Overview of Operating Results, etc. on page 5 of the Attachments to this Financial Results summary.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

1) Overall results

| Category | Net sales (Millions of yen) | Operating profit (Millions of yen) | Ordinary profit (Millions of yen) | Profit attributable to owners of parent (Millions of yen) | Basic earnings per share (Yen) | ROE (%) |
|--|-----------------------------------|---|--|--|--------------------------------------|------------|
| Fiscal year ended March 31, 2025 | 314,527 | 23,935 | 26,459 | 22,045 | 232.93 | 12.3 |
| Fiscal year ended March 31, 2024 | 298,295 | 24,036 | 26,227 | 20,280 | 214.27 | 12.6 |

At the Okamura Group (the “Group”), our mission is to “Contribute to society by creating environments where people can thrive with rich ideas and reliable quality.” Under this mission, we aim to realize a society in which all people can work and live with vitality and smiles in line with our purpose of “Realizing a society where people can thrive.”

During the fiscal year ended March 31, 2025 (the fiscal year under review), the outlook for Japanese domestic economy remained clouded due to several factors, including geopolitical risk surrounding the situations in Ukraine and the Middle East, the prolonged slowdown of the Chinese economy, rising financing costs resulting from the transition toward a normalized interest rate environment, soaring materials and parts prices, increasing logistics costs caused by the so-called “2024 problem,” and changes in interest and exchange rates due to global monetary tightening.

Under these conditions, the Group worked to promote cost reduction and price pass-on initiatives while focusing on creating new demand in response to major changes in society and the market, such as the decline in the working population.

During the fiscal year under review, the Group implemented a wage increase of 7.3%, which is higher than in the previous fiscal year. The Group will leverage this in securing excellent human resources and promoting employee engagement improvement, in addition to responding to rising prices, and thereby work to enhance its corporate value.

As a result, for the fiscal year under review, the Group recorded net sales of 314,527 million yen (up 5.4% year-over-year), operating profit of 23,935 million yen (down 0.4% year-over-year), ordinary profit of 26,459 million yen (up 0.9% year-over-year), and profit attributable to owners of parent of 22,045 million yen (up 8.7% year-over-year). The highest figures were recorded for net sales, ordinary profit, and profit.

Return on equity (ROE) was 12.3% (down 0.3 percentage points year-over-year), return on assets (ROA) was 9.3% (down 0.5 percentage points year-over-year), and the ratio of operating profit to net sales was 7.6% (down 0.5 percentage points year-over-year).

2) Results in each segment

Management's assessment of the status of operating results in each segment and its analysis and discussion are presented below.

| Segment name | Net sales (Millions of yen) | | | Segment profit (Millions of yen) | | |
|------------------------------------|--|--|--------|--|--|--------|
| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 | Change | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 | Change |
| Office Furniture business | 161,692 | 167,397 | 5,704 | 17,691 | 17,367 | (323) |
| Store Displays business | 111,682 | 118,305 | 6,623 | 5,173 | 4,792 | (380) |
| Material Handling Systems business | 18,387 | 22,599 | 4,211 | 918 | 1,619 | 700 |
| Others | 6,532 | 6,224 | (307) | 253 | 156 | (97) |
| Total | 298,295 | 314,527 | 16,231 | 24,036 | 23,935 | (100) |

Note: The totals for segment profit correspond to operating profit on the consolidated statements of income.

Office Furniture business

In the Office Furniture business, interest in creating “The Office You Want To Go To”, which contributes to solving management issues such as securing human resources and revitalizing communication, has been growing across the country, and the demand for such offices remains strong. Under these conditions, we have created new demand by leveraging the results of our research into future working styles and our product development capabilities that anticipate changes in the times, which are our strengths, as well as our proposal capabilities based on insight we have gained from our extensive delivery record, and thereby aimed to boost net sales and operating profit. Although net sales reached a record high, operating profit declined compared to the previous fiscal year due to rising SG&A expenses, including labor and logistics costs, as well as 1,426 million yen in amortization of goodwill from previous periods, primarily resulting from the acquisition of additional shares in the consolidated subsidiary DB&B Holdings Pte. Ltd.

As a result, segment net sales amounted to 167,397 million yen (up 3.5% year-over-year) and segment profit was 17,367 million yen (down 1.8% year-over-year).

Store Displays business

In the Store Displays business, demand for new store openings and store renovations remained steady against the backdrop of competition among businesses that handle food, the recovery of inbound demand, and increased inquiries for labor-saving products driven by in-store labor shortages. Under these conditions, we worked to capture demand generated through proposals that leveraged our comprehensive strengths by expanding our total support framework for store creation, which includes services such as store design and construction management, in addition to our extensive product lineup featuring display fixtures, refrigerated showcases, and other products. Meanwhile, amid rising prices for materials and parts, the Company has focused on reducing production and logistics costs and passing on costs to customers. Although net sales reached a record high, operating profit declined due to increased SG&A expenses, including labor costs.

As a result, segment net sales amounted to 118,305 million yen (up 5.9% year-over-year) and segment profit was 4,792 million yen (down 7.4% year-over-year).

Material Handling Systems business

In the Material Handling Systems business, demand for automated warehousing equipment remained at a high level, mainly for large-scale logistics facilities, against the backdrop of the need for personnel and labor savings. Meanwhile, procurement difficulties and soaring prices of materials and parts continued due to disruptions in global supply chains. Under these conditions, orders received increased steadily due to the Company's proactive proposal activities, leveraging the strength of its superior products, which led to several large projects being recorded as sales during the fiscal year under review. In addition, the Company made efforts to improve profitability by reducing production and logistics costs and passing on costs to customers. These efforts resulted in record-high net sales and a significant increase in operating profit.

As a result, segment net sales amounted to 22,599 million yen (up 22.9% year-over-year) and segment profit was 1,619 million yen (up 76.3% year-over-year).

(2) Overview of Financial Position for the Fiscal Year under Review

| | March 31, 2024 (Millions of yen) | March 31, 2025 (Millions of yen) |
|----------------------------|-------------------------------------|-------------------------------------|
| Total assets | 282,118 | 289,144 |
| Net assets | 174,795 | 186,795 |
| Equity ratio (%) | 61.1 | 64.0 |
| Net assets per share (Yen) | 1,821.10 | 1,956.33 |

The financial position as of March 31, 2025 (the end of the fiscal year under review) was as follows.

Total assets amounted to 289,144 million yen, an increase of 7,026 million yen from the end of the previous fiscal year. Current assets decreased by 5,371 million yen, mainly due to a decrease in cash and deposits, despite an increase in notes and accounts receivable – trade, and contract assets. Non-current assets increased by 12,398 million yen, mainly due to increases in property, plant and equipment, including buildings and structures, and goodwill, despite a decrease in investment securities.

Liabilities stood at 102,349 million yen, a decrease of 4,973 million yen from the end of the previous fiscal year, mainly due to a decrease in electronically recorded obligations – operating, despite an increase in long-term borrowings.

Net assets amounted to 186,795 million yen, an increase of 11,999 million yen from the end of the previous fiscal year, mainly due to an increase in retained earnings despite a decrease in valuation difference on available-for-sale securities.

As a result, the equity ratio increased by 2.9 percentage points from the end of the previous fiscal year to 64.0%. Net assets per share increased from 1,821.10 yen at the end of the previous fiscal year to 1,956.33 yen.

(3) Overview of Cash Flows for the Fiscal Year under Review

| Category | Fiscal year ended March 31, 2024 (Millions of yen) | Fiscal year ended March 31, 2025 (Millions of yen) |
|--|--|--|
| Cash flows from operating activities | 21,351 | 983 |
| Cash flows from investing activities | (12,248) | (14,270) |
| Cash flows from financing activities | (8,200) | (209) |
| Cash and cash equivalents at end of period | 38,215 | 25,410 |
| Balance of borrowings and bonds payable at end of period | 20,862 | 35,839 |

Cash flows for the fiscal year under review were as follows.

Net cash provided by operating activities was 983 million yen (compared to 21,351 million yen provided in the previous fiscal year). This was mainly a result of profit before income taxes of 30,479 million yen and depreciation of 6,789 million yen, despite a decrease in trade payables of 13,841 million yen, income taxes paid of 9,704 million yen, an increase in accounts receivable – trade, and contract assets of 6,429 million yen, and gain on sale of investment securities of 4,050 million yen.

Net cash used in investing activities was 14,270 million yen (compared to 12,248 million yen used in the previous fiscal year). This was mainly a result of purchase of property, plant and equipment of 16,458 million yen and purchase of intangible assets of 2,367 million yen, despite proceeds from sale and redemption of investment securities of 4,545 million yen.

Net cash used in financing activities was 209 million yen (compared to 8,200 million yen used in the previous fiscal year). This was mainly a result of dividends paid of 8,337 million yen and purchase of shares of subsidiaries not resulting in change in scope of consolidation of 6,068 million yen, despite proceeds from long-term borrowings of 15,200 million yen.

As a result, cash and cash equivalents at the end of the fiscal year under review amounted to 25,410 million yen, a decrease of 12,805 million yen year-over-year.

The balance of borrowings and bonds payable at the end of the fiscal year under review amounted to 35,839 million yen, an increase of 14,977 million yen from the end of the previous fiscal year.

(4) Future Outlook

The outlook for the Japanese economy is highly uncertain due to factors such as geopolitical risk surrounding the situations in Ukraine and the Middle East, the prolonged slowdown of the Chinese economy, and concerns over the impact of trade policies in the U.S. In addition, rising financing costs resulting from the normalization of the interest rate environment, soaring materials and parts prices, and continued wage increases are expected. As a result, addressing the inflationary economy has become a key management issue.

In this business environment, we aim to create new demand by capturing major social and market changes, such as the transition to new office spaces that promote innovation, labor shortages in the distribution industry, and the growing need to address sustainability.

The full-year financial results forecast is for consolidated net sales of 330,000 million yen, consolidated operating profit of 27,000 million yen, consolidated ordinary profit of 29,500 million yen, and profit attributable to owners of parent of 22,800 million yen.

Status of each business

In the mainstay Office Furniture business, following the COVID-19 pandemic, there has been a renewed market-wide awareness of the importance of communication, coupled with the growing adoption of flexible working styles that are not bound by time or location. As a result, demand for open office spaces that foster active communication is increasing. Moreover, as a solution to the growing challenge of securing human resources in the Japanese market, opportunities for office relocation and renovation are expanding, and the demand for creating “The Office You Want To Go To” is expected to remain strong.

Under these conditions, we will leverage our proposal capabilities based on insights we have gained from the research results into future working styles, one of our strengths, and our extensive delivery record, as well as our product development capabilities that anticipate changes in the times. Through these efforts, we aim to create new demand, thereby boosting net sales and operating profit.

In the Store Displays business, strong demand is expected to continue for personnel and labor savings amid personnel shortages at stores, as well as for the creation of employee-friendly work environments, regardless of region or business category. In addition, addressing social issues in the retail industry, such as environmental considerations, is becoming increasingly important in our proposals.

Under these conditions, we aim to expand net sales and operating profit by working closely with our customers and co-creating solutions to address various social issues faced by retailers, such as reducing environmental impact and food waste. We will achieve this by leveraging our strengths, which include our extensive lineup of display fixtures, refrigerated showcases, and other products, as well as our integrated service functions from proposals to after-sales service, and our design, research, and development framework for store creation.

In the Material Handling Systems business, demand is expected to remain strong for personnel and labor savings due to a shortage of workers at logistics facilities, as well as for reducing logistics costs through high-density storage and high-efficiency transportation within warehouses.

Under these conditions, as a line builder of logistics systems, we aim to expand the scale of our business and secure profits by enhancing our integrated system from consulting services to solve business issues to maintenance services. In addition, we will engage in the research and development of differentiated products using advanced technologies.

We will enhance productivity and efficiency by strengthening our production and supply systems to establish a smart factory that can flexibly respond to changing demand. We will promote supply chain reforms aimed at improving inventory turnover through unified efforts across our sales, production, and logistics divisions. Through effective capital investment and continuous improvement activities, we will aim to boost productivity, rebuild a company-wide quality management system, and achieve both operational efficiency and stable supply. Furthermore, we will strive to enhance our competitiveness by building on our foundation of creating a safe and healthy workplace, implementing company-wide human resource development, and improving employee engagement, and accelerating efforts to improve operational efficiency through digital technology.

[Consolidated net sales by segment]

| | Fiscal year ended March 31, 2025 | Fiscal year ending March 31, 2026 (forecast) |
|------------------------------------|-------------------------------------|--|
| Office Furniture business | 167.3 billion yen | 182.0 billion yen |
| Store Displays business | 118.3 billion yen | 121.5 billion yen |
| Material Handling Systems business | 22.5 billion yen | 20.0 billion yen |
| Others | 6.2 billion yen | 6.5 billion yen |
| Total | 314.5 billion yen | 330.0 billion yen |

[Consolidated operating profit by segment]

| | Fiscal year ended March 31, 2025 | Fiscal year ending March 31, 2026 (forecast) |
|------------------------------------|-------------------------------------|--|
| Office Furniture business | 17.3 billion yen | 19.0 billion yen |
| Store Displays business | 4.7 billion yen | 6.0 billion yen |
| Material Handling Systems business | 1.6 billion yen | 1.3 billion yen |
| Others | 0.1 billion yen | 0.7 billion yen |
| Total | 23.9 billion yen | 27.0 billion yen |

2. Management Policy

(1) Basic policy on Management of the Company

At the Okamura Group (the “Group”), our mission is to “Contribute to society by creating environments where people can thrive with rich ideas and reliable quality.” Under this mission, we aim to realize a society in which all people can work and live with vitality and smiles in line with our purpose of “Realizing a society where people can thrive.”

In 1945, Okamura Seisakusho (Okamura) was founded jointly by engineers who embraced its founding purpose, each providing funds, expertise, and labor. The spirit of the founding members took hold as our corporate culture guided by our Basic Policy, a corporate philosophy composed of Innovative Creation, Cooperation, Being Cost Conscious, Saving for Future, and Social Responsibility. Under the motto of “Quality Pays for Itself,” we have been working to provide society with high-quality products and services that precisely address our customers’ needs. This endeavor has become Okamura’s corporate DNA and passed down to the Okamura Group’s present management and business activities.

Okamura Way, our corporate philosophy, comprises Okamura’s Mission (our management approach), the Okamura Declaration (what we want to be), and Okamura Basics (the values we hold dear). At the core of all of these is our perspective “Where people can thrive.”

In today’s changing value system, one in which sustainability is becoming ever more important, the vitality of every individual will lead to solutions to social issues. Based on this belief and our sense of corporate purpose, we at the Okamura Group aim to contribute to the realization of a society in which all people can work and live with vitality and smiles. Our activities and initiatives linked to Okamura Way are presented on our corporate website: <https://live.okamura.co.jp/> (in Japanese).

We will strive to create new demand and strengthen our management base to respond to change while working to resolve social issues through our businesses.

(2) Corporate Management Strategies for the Medium and Long Term

We have formulated the Midterm Management Plan 2025, spanning the three years from the fiscal year ended March 31, 2024 to the fiscal year ending March 31, 2026. Additionally, we revised upward our financial targets on May 9, 2025, in light of our recent business performance and business environment.

1) Aims of Midterm Management Plan 2025

- Creating new demand
Grasping the flow of the times, accelerate the transformation to a demand-creating company by refining our ability to make proposals and products
- Strengthening our management foundation to respond to change
 - Human resource development and improving employee engagement: Support career development, promote human resource development and employee engagement improvement
 - Accelerating the digital transformation: Accelerate the Digital Transformation in management, business, and work and promote DX human resources development
 - Enhancement of high-mix, variable-volume production system: Maintain and strengthen competitive advantage by utilizing a transformative production system that responds to environmental changes
 - Development of overseas business rooted in the local market: Development of local production for local consumption business through M&A and partnerships and joint ventures with leading local partners
- Initiatives to address social issues through business
Continuous initiatives to address social issues and steady progress of long-term global environmental initiatives toward realizing carbon neutrality by 2050

- 2) Financial targets for the fiscal year ending March 31, 2026 (figures in parentheses are before revisions)
- Net sales: 330.0 billion yen or more (Initial target: 325.0 billion yen or more)
 - Operating profit: 27.0 billion yen (Initial target: 27.0 billion yen)
 - Operating profit ratio: 8.0 %
 - ROE: 10.0 %

3) Basic policy on investment and shareholder returns

- Investment for growth
We have set aside up to 50.0 billion yen for strategic investment and will implement investments with a good balance between maintaining and enhancing the strengths of existing businesses and developing new markets and businesses
- Shareholder returns
We will maintain a stable dividend payout ratio of at least 40%, raising it from the level of the previous Midterm Management Plan
We will flexibly implement the purchase of treasury shares based on factors such as the status of investment and the external environment

(3) Basic Policy on the Distribution of Profits and Dividends for the Fiscal Year under Review and the Next Fiscal Year

The Group considers an adequate return of profits to shareholders to be one of its most important management priorities. We intend to distribute an appropriate share of profits in accordance with its business performance and will endeavor to maintain a stable dividend payout while taking into consideration its financial position, future business developments, and retained earnings.

Under the Midterm Management Plan 2025, we will maintain stable dividends of at least 40% of profit after tax, raising the dividend payout ratio from the level of the previous Midterm Management Plan.

Based on policies such as this, as well as a consideration of the business results for the fiscal year ended March 31, 2025, we plan to pay the year-end dividends equivalent to 49 yen per share for the fiscal year ended March 31, 2025. As a result, including the interim dividends of 45 yen per share, the annual dividends will be 94 yen per share. We forecast annual dividends of 104 yen per share for the fiscal year ending March 31, 2026.

For details, please refer to the “Notice Regarding Dividends (Dividend Increase) and Dividend Forecast for the Fiscal Year Ending March 31, 2026,” released today.

3. Basic Policy on Selection of Accounting Standards

The Group prepares consolidated financial statements using Japanese GAAP at present, based on a consideration of the comparability of consolidated financial statements over time and comparability with other entities.

The Group intends to appropriately address the application of the IFRS upon consideration of internal and external circumstances.

4. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Millions of yen)

| | As of March 31, 2024 | As of March 31, 2025 |
|--|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 39,173 | 26,245 |
| Notes and accounts receivable - trade, and contract assets | 81,433 | 87,862 |
| Merchandise and finished goods | 8,603 | 8,469 |
| Work in process | 6,492 | 6,982 |
| Raw materials and supplies | 6,252 | 6,761 |
| Other | 3,209 | 3,538 |
| Allowance for doubtful accounts | (173) | (241) |
| Total current assets | 144,990 | 139,618 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 23,234 | 29,483 |
| Machinery, equipment and vehicles, net | 16,545 | 17,380 |
| Land | 30,381 | 34,602 |
| Construction in progress | 3,210 | 1,333 |
| Other, net | 3,395 | 4,056 |
| Total property, plant and equipment | *1, *3 76,766 | *1, *3 86,856 |
| Intangible assets | | |
| Goodwill | 2,528 | 5,975 |
| Other | 3,381 | 4,908 |
| Total intangible assets | 5,910 | 10,883 |
| Investments and other assets | | |
| Investment securities | *2 47,027 | *2 43,971 |
| Retirement benefit asset | 1,191 | 1,213 |
| Leasehold deposits | 4,820 | 5,401 |
| Deferred tax assets | 366 | 421 |
| Other | 1,068 | 801 |
| Allowance for doubtful accounts | (24) | (24) |
| Total investments and other assets | 54,450 | 51,785 |
| Total non-current assets | 137,127 | 149,525 |
| Total assets | 282,118 | 289,144 |

(Millions of yen)

| | As of March 31, 2024 | As of March 31, 2025 |
|---|----------------------|----------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 29,611 | 28,230 |
| Electronically recorded obligations-operating | 13,260 | — |
| Short-term borrowings | *3, *4 6,192 | *3, *4 6,171 |
| Current portion of long-term borrowings | 201 | 1,852 |
| Current portion of bonds payable | 5,000 | — |
| Income taxes payable | 6,747 | 4,527 |
| Accrued consumption taxes | 1,694 | 1,566 |
| Contract liabilities | 1,761 | 1,795 |
| Provision for bonuses | 6,235 | 4,440 |
| Other | 5,587 | 5,139 |
| Total current liabilities | 76,291 | 53,723 |
| Non-current liabilities | | |
| Bonds payable | 5,000 | 10,000 |
| Long-term borrowings | *3 4,468 | *3 17,816 |
| Retirement benefit liability | 14,312 | 13,041 |
| Deferred tax liabilities | 3,256 | 3,418 |
| Other | 3,993 | 4,349 |
| Total non-current liabilities | 31,030 | 48,625 |
| Total liabilities | 107,322 | 102,349 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 18,670 | 18,670 |
| Capital surplus | 16,770 | 16,770 |
| Retained earnings | 125,234 | 138,933 |
| Treasury shares | (7,722) | (7,734) |
| Total shareholders' equity | 152,952 | 166,640 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 16,903 | 13,864 |
| Foreign currency translation adjustment | 1,696 | 2,907 |
| Remeasurements of defined benefit plans | 802 | 1,731 |
| Total accumulated other comprehensive income | 19,402 | 18,502 |
| Non-controlling interests | 2,440 | 1,652 |
| Total net assets | 174,795 | 186,795 |
| Total liabilities and net assets | 282,118 | 289,144 |

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Millions of yen)

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|---|-------------------------------------|-------------------------------------|
| Net sales | 298,295 | 314,527 |
| Cost of sales | *1 198,522 | *1 208,997 |
| Gross profit | 99,772 | 105,529 |
| Selling, general and administrative expenses | | |
| Selling expenses | 2,357 | 2,518 |
| Packing and transportation costs | 10,547 | 11,230 |
| Salaries and allowances | 25,675 | 27,688 |
| Provision for bonuses | 4,349 | 3,101 |
| Retirement benefit expenses | 1,025 | 1,176 |
| Depreciation | 2,348 | 2,316 |
| Rent expenses | 8,889 | 8,673 |
| Other | 20,542 | 24,889 |
| Total selling, general and administrative expenses | *1 75,735 | *1 81,593 |
| Operating profit | 24,036 | 23,935 |
| Non-operating income | | |
| Interest income | 76 | 90 |
| Dividend income | 932 | 971 |
| Share of profit of entities accounted for using equity method | 510 | 1,399 |
| Foreign exchange gains | 182 | 14 |
| Other | 1,012 | 845 |
| Total non-operating income | 2,714 | 3,321 |
| Non-operating expenses | | |
| Interest expenses | 153 | 303 |
| Loss on sale and retirement of non-current assets | 171 | 173 |
| Other | 198 | 320 |
| Total non-operating expenses | 523 | 797 |
| Ordinary profit | 26,227 | 26,459 |
| Extraordinary income | | |
| Gain on sale of investment securities | 3,836 | 4,051 |
| Total extraordinary income | 3,836 | 4,051 |
| Extraordinary losses | | |
| Impairment losses | *2 35 | *2 14 |
| Loss on sale of investment securities | 19 | 1 |
| Loss on valuation of investment securities | 451 | 15 |
| Total extraordinary losses | 506 | 31 |
| Profit before income taxes | 29,557 | 30,479 |
| Income taxes - current | 9,747 | 7,553 |
| Income taxes - deferred | (817) | 844 |
| Total income taxes | 8,929 | 8,398 |
| Profit | 20,628 | 22,081 |
| Profit attributable to non-controlling interests | 348 | 36 |
| Profit attributable to owners of parent | 20,280 | 22,045 |

Consolidated Statements of Comprehensive Income

(Millions of yen)

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|--|-------------------------------------|-------------------------------------|
| Profit | 20,628 | 22,081 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 6,657 | (3,047) |
| Foreign currency translation adjustment | 1,176 | 1,069 |
| Remeasurements of defined benefit plans, net of tax | 636 | 928 |
| Share of other comprehensive income of entities accounted for using equity method | 199 | 160 |
| Total other comprehensive income | 8,669 | (888) |
| Comprehensive income | 29,298 | 21,193 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 28,817 | 21,145 |
| Comprehensive income attributable to non-controlling interests | 480 | 47 |

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2024

(Millions of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share Capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 18,670 | 16,770 | 112,162 | (7,711) | 139,891 |
| Changes during period | | | | | |
| Dividends of surplus | | | (7,207) | | (7,207) |
| Profit attributable to owners of parent | | | 20,280 | | 20,280 |
| Purchase of treasury shares | | | | (10) | (10) |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | – | – | 13,072 | (10) | 13,061 |
| Balance at end of period | 18,670 | 16,770 | 125,234 | (7,722) | 152,952 |

| | 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 | 10,135 | 563 | 165 | 10,864 | 1,946 | 152,702 |
| Changes during period | | | | | | |
| Dividends of surplus | | | | | | (7,207) |
| Profit attributable to owners of parent | | | | | | 20,280 |
| Purchase of treasury shares | | | | | | (10) |
| Net changes in items other than shareholders' equity | 6,768 | 1,132 | 636 | 8,537 | 493 | 9,031 |
| Total changes during period | 6,768 | 1,132 | 636 | 8,537 | 493 | 22,093 |
| Balance at end of period | 16,903 | 1,696 | 802 | 19,402 | 2,440 | 174,795 |

Fiscal year ended March 31, 2025

(Millions of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 18,670 | 16,770 | 125,234 | (7,722) | 152,952 |
| Changes during period | | | | | |
| Dividends of surplus | | | (8,345) | | (8,345) |
| Profit attributable to owners of parent | | | 22,045 | | 22,045 |
| Purchase of treasury shares | | | | (11) | (11) |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | – | – | 13,699 | (11) | 13,687 |
| Balance at end of period | 18,670 | 16,770 | 138,933 | (7,734) | 166,640 |

| | 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 | 16,903 | 1,696 | 802 | 19,402 | 2,440 | 174,795 |
| Changes during period | | | | | | |
| Dividends of surplus | | | | | | (8,345) |
| Profit attributable to owners of parent | | | | | | 22,045 |
| Purchase of treasury shares | | | | | | (11) |
| Net changes in items other than shareholders' equity | (3,039) | 1,210 | 928 | (899) | (787) | (1,687) |
| Total changes during period | (3,039) | 1,210 | 928 | (899) | (787) | 11,999 |
| Balance at end of period | 13,864 | 2,907 | 1,731 | 18,502 | 1,652 | 186,795 |

(4) Consolidated Statements of Cash Flows

(Millions of yen)

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|---|-------------------------------------|-------------------------------------|
| Cash flows from operating activities | | |
| Profit before income taxes | 29,557 | 30,479 |
| Depreciation | 6,532 | 6,789 |
| Impairment losses | 35 | 14 |
| Loss (gain) on sales and retirement of non-current assets | 167 | 160 |
| Share of loss (profit) of entities accounted for using equity method | (510) | (1,399) |
| Increase (decrease) in allowance for doubtful accounts | 13 | 68 |
| Increase (decrease) in provision for bonuses | 1,988 | (1,794) |
| Increase (decrease) in retirement benefit liability | (218) | 8 |
| Interest and dividend income | (1,008) | (1,061) |
| Interest expenses | 153 | 303 |
| Loss (gain) on sales of investment securities | (3,817) | (4,050) |
| Loss (gain) on valuation of investment securities | 451 | 15 |
| Decrease (increase) in accounts receivable - trade, and contract assets | (7,861) | (6,429) |
| Decrease (increase) in inventories | (184) | (866) |
| Increase (decrease) in trade payables | 2,213 | (13,841) |
| Increase (decrease) in contract liabilities | (1,772) | 33 |
| Increase (decrease) in accrued consumption taxes | 451 | (121) |
| Other, net | 2,401 | 1,417 |
| Subtotal | 28,591 | 9,726 |
| Interest and dividends received | 1,130 | 1,244 |
| Interest paid | (152) | (284) |
| Income taxes paid | (8,217) | (9,704) |
| Net cash provided by (used in) operating activities | 21,351 | 983 |
| Cash flows from investing activities | | |
| Payments into time deposits | (1,164) | (794) |
| Proceeds from withdrawal of time deposits | 1,821 | 944 |
| Purchase of property, plant and equipment | (15,768) | (16,458) |
| Proceeds from sales of property, plant and equipment | 263 | 434 |
| Purchase of intangible assets | (1,290) | (2,367) |
| Purchase of investment securities | (1,471) | (207) |
| Proceeds from sales and redemption of investment securities | 4,947 | 4,545 |
| Other, net | 414 | (367) |
| Net cash provided by (used in) investing activities | (12,248) | (14,270) |

(Millions of yen)

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|---|-------------------------------------|-------------------------------------|
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | (165) | (53) |
| Proceeds from long-term borrowings | 1,020 | 15,200 |
| Repayment of long-term borrowings | (1,194) | (201) |
| Proceeds from issuance of bonds | – | 5,000 |
| Redemption of bonds | – | (5,000) |
| Purchase of treasury shares | (1) | (1) |
| Dividends paid | (7,194) | (8,337) |
| Purchase of shares of subsidiaries not resulting in change in scope of consolidation | – | (6,068) |
| Proceeds from share issuance to non-controlling shareholders | 33 | – |
| Other, net | (697) | (747) |
| Net cash provided by (used in) financing activities | (8,200) | (209) |
| Effect of exchange rate change on cash and cash equivalents | 313 | 691 |
| Net increase (decrease) in cash and cash equivalents | 1,216 | (12,805) |
| Cash and cash equivalents at beginning of period | 36,999 | 38,215 |
| Cash and cash equivalents at end of period | 38,215 | 25,410 |

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Important matters that form a basis for the preparation of the consolidated financial statements)

1. Scope of consolidation

(1) Consolidated subsidiaries

Number of consolidated subsidiaries: 32

Names of major subsidiaries:

Kansai Okamura Corporation, NS Okamura Corporation, Sanyo Okamura Corporation, Okamura Support and Service Corporation, Okamura (China) Co., Ltd., FujiSeiko Co., Ltd., SEC Co., Ltd., Hangzhou Okamura Transmission Co., Ltd., Siam Okamura International Co., Ltd., DB&B Holdings Pte. Ltd.

(2) Unconsolidated subsidiaries

Number of unconsolidated subsidiaries: 1

Reason for exclusion from the scope of consolidation

The unconsolidated subsidiary is a small company and the total amounts of its assets, net sales, profit (the proportion attributable to the Company's equity interest) and retained earnings (the proportion attributable to the Company's equity interest) do not materially affect the Company's consolidated financial statements.

2. Scope of application of the equity method

(1) Unconsolidated subsidiaries accounted for using the equity method

Number of unconsolidated subsidiaries accounted for using the equity method: 1

(2) Affiliates accounted for using the equity method

Number of affiliates accounted for using the equity method: 9

Names of major affiliates accounted for using the equity method:

Siam Okamura Steel Co., Ltd., Seiwa Business Co., Ltd.

(3) Unconsolidated subsidiaries not accounted for using the equity method

Not applicable.

(4) Affiliates not accounted for using the equity method

Not applicable.

(5) For equity method affiliates with an annual accounts closing date that differs from the Company's consolidated closing date, the Company uses financial statements for each affiliate's fiscal year or financial statements based on provisional closing.

3. Annual accounts closing of consolidated subsidiaries and related matters

The annual accounts closing date for the Company's 19 overseas consolidated subsidiaries is December 31. As this is within three months of the Company's consolidated closing date, the Company prepares its consolidated financial statements based on the financial statements for each subsidiary's fiscal year. The necessary consolidation adjustments are made to material transactions that occur between each subsidiary's annual accounts closing date and the Company's consolidated closing date.

(Consolidated balance sheets)

*1: The accumulated depreciation on property, plant and equipment is as follows:

| | Previous fiscal year (Ended March 31, 2024) | Fiscal year under review (Ended March 31, 2025) |
|--------------------------|--|--|
| Accumulated depreciation | 114,221 million yen | 117,564 million yen |

*2: Items related to unconsolidated subsidiaries and affiliates are as follows.

| | Previous fiscal year (Ended March 31, 2024) | Fiscal year under review (Ended March 31, 2025) |
|--------------------------------|--|--|
| Investment securities (shares) | 6,318 million yen | 7,703 million yen |

*3: Pledged assets and secured obligations

Pledged assets and secured obligations are as follows:

Pledged assets

| | Previous fiscal year (Ended March 31, 2024) | Fiscal year under review (Ended March 31, 2025) |
|--------------------------|--|--|
| Buildings and structures | 1,768 million yen | 1,678 million yen |
| Land | 7,732 | 7,732 |
| Total | 9,501 million yen | 9,411 million yen |

Of which, assets pledged as security for plant foundation:

| | Previous fiscal year (Ended March 31, 2024) | Fiscal year under review (Ended March 31, 2025) |
|--------------------------|--|--|
| Buildings and structures | 214 million yen | 213 million yen |
| Land | 282 | 282 |
| Total | 496 million yen | 496 million yen |

Secured obligations

| | Previous fiscal year (Ended March 31, 2024) | Fiscal year under review (Ended March 31, 2025) |
|-----------------------|--|--|
| Short-term borrowings | 1,600 million yen | 1,600 million yen |
| Long-term borrowings | 500 | 600 |
| Total | 2,100 million yen | 2,200 million yen |

Of which, obligations corresponding to security pledged for plant foundation:

| | Previous fiscal year (Ended March 31, 2024) | Fiscal year under review (Ended March 31, 2025) |
|-----------------------|--|--|
| Short-term borrowings | 200 million yen | 200 million yen |

*4: The Company has entered into a specified commitment line agreement with the main financial institutions with which it transacts.

| | Previous fiscal year (Ended March 31, 2024) | Fiscal year under review (Ended March 31, 2025) |
|---|--|--|
| Total amount of specified commitment line agreement | 20,000 million yen | 20,000 million yen |
| Outstanding amount borrowed | — | — |
| Difference | 20,000 million yen | 20,000 million yen |

(Consolidated statements of income)

*1: The total amounts of research and development expenses included in selling, general and administrative expenses and manufacturing costs are as follows:

| | Previous fiscal year (From April 1, 2023 to March 31, 2024) | Fiscal year under review (From April 1, 2024 to March 31, 2025) |
|-----------------------------------|---|---|
| Research and development expenses | 1,494 million yen | 1,426 million yen |

*2: Impairment losses

The Group recorded impairment losses for the following asset groups:

Previous fiscal year (From April 1, 2023 to March 31, 2024)

| Purpose | Location | Type |
|---------------------|---------------------------------------|---|
| Business-use assets | Shanghai, People's Republic of China | Other property, plant and equipment, etc. |
| Business-use assets | Hong Kong, People's Republic of China | Other property, plant and equipment. |
| Business-use assets | Jakarta, Indonesia | Other property, plant, and equipment. |

The Group groups business-use assets according to the classifications used for management accounting.

In the case of business-use assets for which cash flows from operating activities are consistently negative and the Group does not expect to recover the full carrying value, the carrying value is reduced to its recoverable value.

These include 4 million yen in buildings and structures and 30 million yen in other property, plant and equipment.

The recoverable amount is measured using value-in-use, which is calculated to be zero.

Fiscal year under review (From April 1, 2024 to March 31, 2025)

| Purpose | Location | Type |
|---------------------|--------------------------------------|---|
| Business-use assets | Shanghai, People's Republic of China | Other property, plant and equipment, etc. |
| Business-use assets | Jakarta, Indonesia | Other property, plant and equipment. |

The Group groups business-use assets according to the classifications used for management accounting.

In the case of business-use assets for which cash flows from operating activities are consistently negative and the Group does not expect to recover the full carrying value, the carrying value is reduced to its recoverable value.

These include 3 million yen in buildings and structures and 11 million yen in other property, plant and equipment.

The recoverable amount is measured using value-in-use, which is calculated to be zero.

(Consolidated statements of changes in equity)

Previous fiscal year

(From April 1, 2023 to March 31, 2024)

1. Shares issued

| Type of shares | Beginning of the fiscal year | Increase | Decrease | End of the fiscal year |
|----------------|------------------------------|----------|----------|------------------------|
| Common shares | 100,621,021 | — | — | 100,621,021 |

2. Treasury shares

| Type of shares | Beginning of the fiscal year | Increase | Decrease | End of the fiscal year |
|----------------|------------------------------|----------|----------|------------------------|
| Common shares | 2,883,895 | 5,376 | — | 5,977,449 |

Outline of reasons for the change:

The reasons for the increase in shares are as follows:

| | |
|---|--------------|
| Increase due to the purchase of fractional shares | 856 shares |
| Treasury shares (shares of the Company) purchased by equity method affiliates and attributable to the Company | 4,520 shares |

3. Share acquisition rights

Not applicable.

4. Dividends

(1) Dividends paid

| Resolution | Class of shares | Total amount of dividends (Millions of yen) | Dividends per share (Yen) | Record date | Effective date |
|--|-----------------|--|------------------------------|--------------------|------------------|
| Annual General Meeting of Shareholders held on June 27, 2023 | Common shares | 3,129 | 33.00 | March 31, 2023 | June 28, 2023 |
| Meeting of the Board of Directors held on November 2, 2023 | Common shares | 4,078 | 43.00 | September 30, 2023 | December 8, 2023 |

(2) Dividends for which the record date falls in the fiscal year under review and the effective date falls in the next fiscal year

| Resolution | Class of shares | Source of dividends | Total amount of dividends (Millions of yen) | Dividends per share (Yen) | Record date | Effective date |
|--|-----------------|---------------------|--|------------------------------|----------------|----------------|
| Annual General Meeting of Shareholders held on June 25, 2024 | Common shares | Retained earnings | 4,077 | 43.00 | March 31, 2024 | June 26, 2024 |

Fiscal year under review

(From April 1, 2024 to March 31, 2025)

1. Shares issued

| Class of shares | Beginning of the fiscal year | Increase | Decrease | End of the fiscal year |
|-----------------|------------------------------|----------|----------|------------------------|
| Common shares | 100,621,021 | — | — | 100,621,021 |

2. Treasury shares

| Type of shares | Beginning of the fiscal year | Increase | Decrease | End of the fiscal year |
|----------------|------------------------------|----------|----------|------------------------|
| Common shares | 5,977,449 | 5,740 | — | 5,983,189 |

Outline of reasons for the change:

The reasons for the increase in shares are as follows:

| | |
|---|--------------|
| Increase due to the purchase of fractional shares | 762 shares |
| Treasury shares (shares of the Company) purchased by equity method affiliates and attributable to the Company | 4,978 shares |

3. Share acquisition rights
Not applicable.

4. Dividends

(1) Dividends paid

| Resolution | Type of shares | Total amount of dividends (Millions of yen) | Dividends per share (Yen) | Record date | Effective date |
|--|----------------|--|------------------------------|--------------------|-------------------|
| Annual General Meeting of Shareholders held on June 25, 2024 | Common shares | 4,077 | 43.00 | March 31, 2024 | June 26, 2024 |
| Meeting of the Board of Directors held on October 18, 2024 | Common shares | 4,267 | 45.00 | September 30, 2024 | December 10, 2024 |

(2) Dividends for which the record date falls in the fiscal year under review and the effective date falls in the next fiscal year

| Resolution | Type of shares | Source of dividends | Total amount of dividends (Millions of yen) | Dividends per share (Yen) | Record date | Effective date |
|--|----------------|---------------------|--|------------------------------|----------------|----------------|
| Annual General Meeting of Shareholders held on June 25, 2025 | Common shares | Retained earnings | 4,646 | 49.00 | March 31, 2025 | June 26, 2025 |

(Consolidated statements of cash flows)

*1: Relationship between the closing balance of cash and cash equivalents and the accounts presented on the consolidated balance sheet

| | Previous fiscal year (From April 1, 2023 to March 31, 2024) | Fiscal year under review (From April 1, 2024 to March 31, 2025) |
|---|---|---|
| Cash and deposits account | 39,173 million yen | 26,245 million yen |
| Time deposits for which the deposit period exceeds three months | (957) | (834) |
| Cash and cash equivalents, etc. | 38,215 million yen | 25,410 million yen |

(Segment information, etc.)

[Segment information]

1. Overview of reportable segments

The Group's reportable segments comprise constituent units for which separate financial information is available and which are subject to regular review by the Board of Directors for the purpose of determining the allocation of management resources and evaluating business performance.

The Group engages in business activities by formulating comprehensive strategies for the products and services it handles based on manufacturing and sales systems for each product and service.

The Group is therefore composed of segments delineated by product and service, based on its manufacturing and sales systems. It comprises three businesses: the Office Furniture business, the Store Displays business, and the Material Handling Systems business.

The Office Furniture business manufactures and sells products such as office furniture, furniture for public facilities, security systems, and healthcare products. The Store Displays business manufactures and sells products such as display fixtures, refrigerated showcases, and store counters. The Material Handling Systems business manufactures and sells storage shelves for factories and warehouses and logistics automation equipment and devices.

2. Methods used to calculate net sales, profit and loss, assets, liabilities, and other items for each reportable segment

The accounting methods used for each reportable business segment are the same as presented in "Important matters that form a basis for the preparation of the consolidated financial statements."

3. Information concerning net sales, profit and loss, assets, liabilities, and other items for each reportable segment
Previous fiscal year
(From April 1, 2023 to March 31, 2024)

(Millions of yen)

| | Reportable segment | | | | Others (Note 1) | Total | Adjustments (Note 2) | Amount shown in the Consolidated Financial Statements (Note 3) |
|---|---------------------------------|-------------------------------|---|---------|--------------------|---------|-------------------------|---|
| | Office Furniture business | Store Displays business | Material Handling Systems business | Total | | | | |
| Net sales | | | | | | | | |
| Net sales to external customers | 161,692 | 111,682 | 18,387 | 291,763 | 6,532 | 298,295 | — | 298,295 |
| Internal net sales or transfers between segments | — | — | — | — | — | — | — | — |
| Total | 161,692 | 111,682 | 18,387 | 291,763 | 6,532 | 298,295 | — | 298,295 |
| Segment profit | 17,691 | 5,173 | 918 | 23,782 | 253 | 24,036 | — | 24,036 |
| Segment assets | 134,557 | 59,628 | 7,246 | 201,433 | 11,060 | 212,494 | 69,623 | 282,118 |
| Other items | | | | | | | | |
| Depreciation | 4,383 | 1,441 | 191 | 6,016 | 503 | 6,520 | — | 6,520 |
| Increase in property, plant and equipment and intangible assets | 10,168 | 6,972 | 170 | 17,310 | 270 | 17,581 | — | 17,581 |

- Notes:
1. The “Others” category includes business segments such as the Powertrain business that are not included in any other reportable segment.
 2. Adjustments of 69,623 million yen for segment assets include corporate assets that are not allocated to any reportable segment. Corporate assets mainly comprise cash, deposits, and investment securities that do not belong to any reportable segment.
 3. The totals for segment profit correspond to operating profit on the consolidated statements of income.

Fiscal year under review
(From April 1, 2024 to March 31, 2025)

(Millions of yen)

| | Reportable segment | | | | Others (Note 1) | Total | Adjustments (Note 2) | Amount shown in the Consolidated Financial Statements (Note 3) |
|---|---------------------------------|-------------------------------|---|---------|--------------------|---------|-------------------------|---|
| | Office Furniture business | Store Displays business | Material Handling Systems business | Total | | | | |
| Net sales | | | | | | | | |
| Net sales to external customers | 167,397 | 118,305 | 22,599 | 308,302 | 6,224 | 314,527 | — | 314,527 |
| Internal net sales or transfers between segments | — | — | — | — | — | — | — | — |
| Total | 167,397 | 118,305 | 22,599 | 308,302 | 6,224 | 314,527 | — | 314,527 |
| Segment profit | 17,367 | 4,792 | 1,619 | 23,779 | 156 | 23,935 | — | 23,935 |
| Segment assets | 136,615 | 68,858 | 8,365 | 213,839 | 11,277 | 225,116 | 64,028 | 289,144 |
| Other items | | | | | | | | |
| Depreciation | 4,404 | 1,652 | 199 | 6,256 | 505 | 6,762 | — | 6,762 |
| Increase in property, plant and equipment and intangible assets | 5,101 | 8,279 | 424 | 13,806 | 801 | 14,607 | 4,221 | 18,828 |

Notes: 1. The “Others” category includes business segments such as the Powertrain business that are not included in any other reportable segment.
2. Adjustments of 64,028 million yen for segment assets include corporate assets that are not allocated to any reportable segment, including the amount of increase. Corporate assets mainly comprise cash, deposits, and investment securities that do not belong to any reportable segment.
3. The totals for segment profit correspond to operating profit on the consolidated statements of income.

[Related information]

1. Information by product/service

Information is omitted as there are no individual products or services within net sales to external customers that account for 10% or more of net sales on the consolidated statements of income.

2. Information by region

(1) Net sales

Information is omitted as net sales to external customers within Japan account for more than 90% of net sales on the consolidated statements of income.

(2) Property, plant and equipment

Information is omitted as the amount of property, plant and equipment located within Japan accounts for more than 90% of property, plant and equipment on the consolidated balance sheet.

3. Information by major customer

Information is omitted as there are no individual customers within net sales to external customers that account for 10% or more of net sales on the consolidated statements of income.

[Information concerning impairment losses on non-current assets for each reportable segment]

Previous fiscal year

(From April 1, 2023 to March 31, 2024)

(Millions of yen)

| | Reportable segment | | | | Others | Total | Adjustments | Amount shown on the consolidated statements of income |
|-------------------|---------------------------|-------------------------|------------------------------------|-------|--------|-------|-------------|---|
| | Office Furniture business | Store Displays business | Material Handling Systems business | Total | | | | |
| Impairment losses | 27 | 1 | 6 | 35 | — | 35 | — | 35 |

Fiscal year under review

(From April 1, 2024 to March 31, 2025)

(Millions of yen)

| | Reportable segment | | | | Others | Total | Adjustments | Amount shown on the consolidated statements of income |
|-------------------|---------------------------|-------------------------|------------------------------------|-------|--------|-------|-------------|---|
| | Office Furniture business | Store Displays business | Material Handling Systems business | Total | | | | |
| Impairment losses | 13 | 0 | 0 | 14 | — | 14 | — | 14 |

[Information concerning the amortization and remaining balance of goodwill for each reportable segment]

Previous fiscal year

(From April 1, 2023 to March 31, 2024)

(Millions of yen)

| | Reportable segment | | | | Others | Corporate/eliminations | Total |
|-----------------|---------------------------|-------------------------|------------------------------------|-------|--------|------------------------|-------|
| | Office Furniture business | Store Displays business | Material Handling Systems business | Total | | | |
| Amortization | 326 | — | — | 326 | — | — | 326 |
| Closing balance | 2,528 | — | — | 2,528 | — | — | 2,528 |

Fiscal year under review

(From April 1, 2024 to March 31, 2025)

(Millions of yen)

| | Reportable segment | | | | Others | Corporate/eliminations | Total |
|-----------------|---------------------------|-------------------------|------------------------------------|-------|--------|------------------------|-------|
| | Office Furniture business | Store Displays business | Material Handling Systems business | Total | | | |
| Amortization | 2,040 | — | — | 2,040 | — | — | 2,040 |
| Closing balance | 5,975 | — | — | 5,975 | — | — | 5,975 |

[Information concerning gain on bargain purchase for each reportable segment]
Not applicable.

(Per share information)

| | Previous fiscal year (From April 1, 2023 to March 31, 2024) | Fiscal year under review (From April 1, 2024 to March 31, 2025) |
|--------------------------|---|---|
| Net assets per share | 1,821.10 yen | 1,956.33 yen |
| Basic earnings per share | 214.27 yen | 232.93 yen |

Notes: 1. Diluted earnings per share are omitted as there are no dilutive shares.
2. Basis for the calculation of basic earnings per share

| | Previous fiscal year (From April 1, 2023 to March 31, 2024) | Fiscal year under review (From April 1, 2024 to March 31, 2025) |
|---|---|---|
| Profit attributable to owners of parent (Millions of yen) | 20,280 | 22,045 |
| Amount not attributable to common shareholders (Millions of yen) | — | — |
| Profit attributable to owners of parent relating to common shares (Millions of yen) | 20,280 | 22,045 |
| Average number of common shares outstanding during the period (Thousand shares) | 94,646 | 94,640 |

(Significant subsequent events)

(Business combination by acquisition)

At a meeting held on March 24, 2025, the Board of Directors of the Company resolved to acquire 100% of the issued shares of Boss Design Limited (headquartered in the United Kingdom), making it a wholly owned subsidiary. In accordance with this resolution, the share acquisition was completed on April 1, 2025.

(1) Outline of the business combination

(i) Name of the acquired company and its business description

Name of the acquired company: Boss Design Limited (hereinafter “BDL”)

Business description: Manufacturing and sales of loose furniture and acoustic products

(ii) Main reasons for the business combination

In its Midterm Management Plan, the Okamura Group identified the “development of overseas business rooted in the local market” as its basic policy and is making efforts to develop the local production for local consumption business through M&A and partnerships and joint ventures with leading local business partners. BDL is a manufacturer and distributor of contract furniture, with a focus on loose furniture and acoustic products. BDL’s strengths lie in its advanced upholstery and woodworking techniques, as well as its design-oriented products and ability to fulfill customized orders. BDL also has a solid business foundation in the European and U.S. markets, with a blue-chip customer base consisting mainly of global and major local companies.

With regard to its overseas business, the Company will expand its product lineup by incorporating BDL’s strength in loose furniture in addition to the Company’s core product, task seating. By mutually leveraging BDL’s business base in the U.K., European, and U.S. markets and the Company’s presence in Japan and other Asian markets, the Company will promote product sales expansion and new market development, aiming to further expand its overseas business.

(iii) Date of the business combination

April 1, 2025

(iv) Legal form of the business combination

Share acquisition

(v) Name of the company after combination

No change

(vi) Ratio of voting rights acquired

100%

(vii) Main reason for determining the acquiring company

The reason is that the Company acquired the shares in exchange for cash consideration.

(2) Acquisition cost of the acquired company and breakdown by type of consideration

| | | |
|-------------------------------|------|-------------------|
| Consideration for acquisition | Cash | 7,685 million yen |
| Acquisition cost | | 7,685 million yen |

(3) Description and amount of major acquisition-related expenses

Advisory fees and commissions: 358 million yen

(4) Amount of goodwill incurred, reason for its recognition, amortization method, and amortization period

Not confirmed at this time

(5) Amounts of assets acquired and liabilities assumed on the business combination date, and a major breakdown

Not confirmed at this time

(6) Details of the conditional acquisition consideration as stipulated in the business combination agreement, and the accounting policy for periods following the fiscal year under review

(i) Details of acquisition consideration

Additional conditional acquisition consideration will be paid to the acquired company based on its performance during a specified period (until the fiscal year ending March 31, 2028).

(ii) Future accounting policies

In the event of a change in the acquisition consideration, the acquisition cost will be adjusted as though it had been incurred at the time of acquisition, and the amount of goodwill and its amortization will be adjusted accordingly.

(Absorption-type merger with consolidated subsidiary)

The Company completed an absorption-type merger (a simplified, short-form merger) effective April 1, 2025, in accordance with the merger agreement dated February 17, 2025.

(1) Summary of the merger

(i) Name of the constituent enterprise and its business description

Name of the constituent enterprise: Kansai Okamura Corporation

Business description: Manufacturing and sales of steel furniture, general metal products, and certain wooden products

(ii) Date of the merger

April 1, 2025

(iii) Legal form of the merger

Absorption-type merger with the Company as the surviving entity and Kansai Okamura Corporation as the dissolved entity

(iv) Name of the company after the merger

Okamura Corporation

(v) Other matters related to the transaction

The Company aims to enhance a sense of unity among the Okamura Group by integrating with Kansai Okamura Corporation, thereby accelerating the optimization of integrated supply chain performance throughout production, sales, and logistics, strengthening human development through human resource exchanges and education, and boosting the business competitiveness and management efficiency of the Okamura Group.

(2) Outline of the accounting treatment applied

In accordance with the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, issued on January 16, 2019) and the “Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, issued on January 16, 2019), the Company has accounted for the transaction as a business combination under common control.

5. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Millions of yen)

| | As of March 31, 2024 | As of March 31, 2025 |
|---|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 23,609 | 9,536 |
| Notes receivable - trade | 13,598 | 13,308 |
| Accounts receivable - trade | 52,683 | 55,618 |
| Contract assets | 8,388 | 10,990 |
| Merchandise and finished goods | 8,003 | 7,973 |
| Work in process | 5,800 | 6,178 |
| Raw materials and supplies | 4,486 | 4,764 |
| Prepaid expenses | 678 | 924 |
| Other | 2,148 | 2,283 |
| Allowance for doubtful accounts | (7) | (8) |
| Total current assets | 119,388 | 111,569 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings | 20,556 | 26,491 |
| Structures | 898 | 1,242 |
| Machinery and equipment | 13,125 | 14,085 |
| Vehicles | 72 | 99 |
| Tools, furniture and fixtures | 2,647 | 3,007 |
| Land | 27,827 | 32,048 |
| Construction in progress | 3,107 | 1,315 |
| Total property, plant and equipment | 68,234 | 78,289 |
| Intangible assets | | |
| Patent right | 3 | 3 |
| Leasehold interests in land | 560 | 560 |
| Software | 2,823 | 4,325 |
| Other | 95 | 92 |
| Total intangible assets | 3,483 | 4,981 |
| Investments and other assets | | |
| Investment securities | 40,404 | 36,041 |
| Shares of subsidiaries and associates | 16,531 | 21,878 |
| Long-term loans receivable from subsidiaries and associates | 550 | 330 |
| Distressed receivables | 16 | 16 |
| Prepaid pension costs | 1,191 | 1,213 |
| Leasehold deposits | 4,531 | 5,107 |
| Other | 911 | 649 |
| Allowance for doubtful accounts | (42) | (104) |
| Total investments and other assets | 64,094 | 65,132 |
| Total non-current assets | 135,811 | 148,404 |
| Total assets | 255,200 | 259,973 |

(Millions of yen)

| | As of March 31, 2024 | As of March 31, 2025 |
|---|----------------------|----------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes payable - trade | 3,231 | — |
| Electronically recorded obligations - operating | 13,260 | — |
| Accounts payable - trade | 21,781 | 22,669 |
| Short-term borrowings | 5,200 | 5,200 |
| Current portion of long-term borrowings | 200 | 1,850 |
| Current portion of bonds payable | 5,000 | — |
| Lease liabilities | 101 | 97 |
| Accounts payable - other | 508 | 443 |
| Accrued expenses | 3,264 | 2,941 |
| Income taxes payable | 6,153 | 3,972 |
| Accrued consumption taxes | 1,429 | 1,269 |
| Contract liabilities | 1,511 | 1,431 |
| Deposits received | 373 | 357 |
| Provision for bonuses | 5,214 | 3,450 |
| Total current liabilities | 67,230 | 43,684 |
| Non-current liabilities | | |
| Bonds payable | 5,000 | 10,000 |
| Long-term borrowings | 4,450 | 17,800 |
| Lease liabilities | 226 | 257 |
| Provision for retirement benefits | 13,655 | 13,613 |
| Long-term deposits received | 3,148 | 3,178 |
| Deferred tax liabilities | 2,729 | 2,495 |
| Other | 247 | 250 |
| Total non-current liabilities | 29,456 | 47,595 |
| Total liabilities | 96,686 | 91,280 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 18,670 | 18,670 |
| Capital surplus | | |
| Legal capital surplus | 16,759 | 16,759 |
| Total capital surplus | 16,759 | 16,759 |
| Retained earnings | | |
| Legal retained earnings | 1,874 | 1,874 |
| Other retained earnings | | |
| Reserve for tax purpose reduction entry | 4,283 | 4,986 |
| Special account reserve | 52 | 86 |
| General reserve | 4,180 | 4,180 |
| Retained earnings brought forward | 103,778 | 116,234 |
| Total retained earnings | 114,168 | 127,361 |
| Treasury shares | (7,599) | (7,601) |
| Total shareholders' equity | 141,998 | 155,190 |
| Valuation and translation adjustments | | |
| Valuation difference on available-for-sale securities | 16,515 | 13,502 |
| Total valuation and translation adjustments | 16,515 | 13,502 |
| Total net assets | 158,513 | 168,693 |
| Total liabilities and net assets | 255,200 | 259,973 |

(2) Non-Consolidated Statements of Income

(Millions of yen)

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|--|-------------------------------------|-------------------------------------|
| Net sales | 264,407 | 279,122 |
| Cost of sales | 174,917 | 184,873 |
| Gross profit | 89,490 | 94,248 |
| Selling, general and administrative expenses | 67,092 | 70,513 |
| Operating profit | 22,398 | 23,735 |
| Non-operating income | | |
| Interest income | 30 | 18 |
| Dividend income | 1,415 | 1,631 |
| Foreign exchange gains | 138 | 9 |
| Other | 980 | 900 |
| Total non-operating income | 2,565 | 2,560 |
| Non-operating expenses | | |
| Interest expenses | 97 | 187 |
| Interest expenses on bonds | 28 | 59 |
| Loss on sale and retirement of non-current assets | 151 | 168 |
| Other | 219 | 283 |
| Total non-operating expenses | 497 | 699 |
| Ordinary profit | 24,466 | 25,596 |
| Extraordinary income | | |
| Gain on sale of investment securities | 3,771 | 4,016 |
| Gain on liquidation of subsidiaries | — | 92 |
| Total extraordinary income | 3,771 | 4,109 |
| Extraordinary losses | | |
| Loss on sale of investment securities | 19 | 1 |
| Loss on valuation of investment securities | 451 | 13 |
| Loss on valuation of shares of subsidiaries and associates | 143 | 736 |
| Total extraordinary losses | 614 | 751 |
| Profit before income taxes | 27,622 | 28,954 |
| Income taxes - current | 8,871 | 6,575 |
| Income taxes - deferred | (716) | 840 |
| Total income taxes | 8,155 | 7,415 |
| Profit | 19,467 | 21,538 |

(3) Non-Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2024

(Millions of yen)

| | Shareholders' equity | | | | | | | | |
|--|----------------------|-----------------------|-----------------------|-------------------------|---|-------------------------|-----------------|-----------------------------------|-------------------------|
| | Share capital | Capital surplus | | Retained earnings | | | | | |
| | | Legal capital surplus | Total capital surplus | Legal retained earnings | Other retained earnings | | | | Total retained earnings |
| | | | | | Reserve for tax purpose reduction entry | Special account reserve | General reserve | Retained earnings brought forward | |
| Balance at beginning of period | 18,670 | 16,759 | 16,759 | 1,874 | 4,319 | 52 | 4,180 | 91,482 | 101,908 |
| Changes during period | | | | | | | | | |
| Dividends of surplus | | | | | | | | (7,207) | (7,207) |
| Reversal of reserve for tax purpose reduction entry | | | | | (36) | | | 36 | — |
| Profit | | | | | | | | 19,467 | 19,467 |
| Purchase of treasury shares | | | | | | | | | |
| Net changes in items other than shareholders' equity | | | | | | | | | |
| Total changes during period | — | — | — | — | (36) | — | — | 12,296 | 12,260 |
| Balance at end of period | 18,670 | 16,759 | 16,759 | 1,874 | 4,283 | 52 | 4,180 | 103,778 | 114,168 |

| | Shareholders' equity | | Valuation and translation adjustments | | Total net assets |
|--|----------------------|----------------------------|---|---|------------------|
| | Treasury shares | Total shareholders' equity | Valuation difference on available-for-sale securities | Total valuation and translation adjustments | |
| Balance at beginning of period | (7,598) | 129,740 | 9,856 | 9,856 | 139,596 |
| Changes during period | | | | | |
| Dividends of surplus | | (7,207) | | | (7,207) |
| Reversal of reserve for tax purpose reduction entry | | — | | | — |
| Profit | | 19,467 | | | 19,467 |
| Purchase of treasury shares | (1) | (1) | | | (1) |
| Net changes in items other than shareholders' equity | | | 6,658 | 6,658 | 6,658 |
| Total changes during period | (1) | 12,258 | 6,658 | 6,658 | 18,917 |
| Balance at end of period | (7,599) | 141,998 | 16,515 | 16,515 | 158,513 |

Fiscal year ended March 31, 2025

(Millions of yen)

| | Shareholders' equity | | | | | | | | |
|--|----------------------|---------------------------------|---------------------------------|-------------------------------|--|-------------------------------|--------------------|--|-------------------------------|
| | Share capit al | Capital surplus | | Retained earnings | | | | | |
| | | Legal capital surplu s | Total capital surplu s | Legal retained earnings | Other retained earnings | | | | Total retained earnings |
| | | | | | Reserve for tax purpose reduction entry | Special account reserve | General reserve | Retained earnings brought forward | |
| Balance at beginning of period | 18,670 | 16,759 | 16,759 | 1,874 | 4,283 | 52 | 4,180 | 103,778 | 114,168 |
| Changes during period | | | | | | | | | |
| Dividends of surplus | | | | | | | | (8,345) | (8,345) |
| Reversal of reserve for tax purpose reduction entry | | | | | (36) | | | 36 | — |
| Provision of reserve for tax purpose reduction entry | | | | | 739 | | | (739) | — |
| Special account reserve | | | | | | 34 | | (34) | — |
| Profit | | | | | | | | 21,538 | 21,538 |
| Purchase of treasury shares | | | | | | | | | |
| Net changes in items other than shareholders' equity | | | | | | | | | |
| Total changes during period | — | — | — | — | 703 | 34 | — | 12,455 | 13,193 |
| Balance at end of period | 18,670 | 16,759 | 16,759 | 1,874 | 4,986 | 86 | 4,180 | 116,234 | 127,361 |

| | Shareholders' equity | | Valuation and translation adjustments | | Total net assets |
|--|----------------------|----------------------------|---|---|------------------|
| | Treasury shares | Total shareholders' equity | Valuation difference on available-for-sale securities | Total valuation and translation adjustments | |
| Balance at beginning of period | (7,599) | 141,998 | 16,515 | 16,515 | 158,513 |
| Changes during period | | | | | |
| Dividends of surplus | | (8,345) | | | (8,345) |
| Reversal of reserve for tax purpose reduction entry | | — | | | — |
| Provision of reserve for tax purpose reduction entry | | — | | | — |
| Special account reserve | | — | | | — |
| Profit | | 21,538 | | | 21,538 |
| Purchase of treasury shares | (1) | (1) | | | (1) |
| Net changes in items other than shareholders' equity | | | (3,012) | (3,012) | (3,012) |
| Total changes during period | (1) | 13,191 | (3,012) | (3,012) | 10,179 |
| Balance at end of period | (7,601) | 155,190 | 13,502 | 13,502 | 168,693 |