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Consolidated Financial Results for the Six Months Ended June 30, 2025 [Japanese GAAP]



August 8, 2025

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Stock exchange listing: Tokyo Stock Exchange
Code number: 4221
URL: <https://www.okr-ind.co.jp/>
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Scheduled date of filing semi-annual securities report: August 8, 2025
Scheduled date of commencing dividend payments: September 2, 2025
Availability of supplementary explanatory materials on financial results: Available
Schedule of financial results briefing session: Scheduled

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

1. Consolidated Financial Results for the Six Months Ended June 30, 2025 (January 1, 2025 - June 30, 2025)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2025	43,551	10.5	3,527	51.9	3,493	29.2	2,552	5.5
June 30, 2024	39,400	0.2	2,322	(4.2)	2,704	(0.4)	2,418	5.0

(Note) Comprehensive income: Six months ended June 30, 2025: ¥1,671 million [(59.8)%]

Six months ended June 30, 2024: ¥4,161 million [21.7%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2025	222.91	—
June 30, 2024	199.94	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2025	102,156	61,312	60.0
As of December 31, 2024	103,014	62,075	60.2

(Reference) Equity: As of June 30, 2025: ¥61,281 million

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

2. Dividends

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

(Notes) 1. Revision to the forecast for dividends announced most recently: None

2. 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 (Forecast): Ordinary dividend of 87.00 yen and special dividend of 13.00 yen

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

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	Yen
Full year	85,000	4.7	5,300	16.1	5,600	9.6	4,400	0.9
								378.28

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

* Notes:

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

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

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

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

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

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

3) Changes in accounting estimates: None

4) Retrospective restatement: None

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

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

June 30, 2025: 12,414,870 shares

December 31, 2024: 12,414,870 shares

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

June 30, 2025: 1,118,213 shares

December 31, 2024: 783,185 shares

3) Average number of shares during the period:

Six months ended June 30, 2025: 11,450,633 shares

Six months ended June 30, 2024: 12,095,102 shares

* These semi-annual consolidated financial results are outside the scope of review 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 “Qualitative Information on Semi-annual Financial Results” on page 2 of the attachments.

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1. Qualitative Information on Semi-annual Financial Results

(1) Explanation of Operating Results

During the six months ended June 30, 2025, the Japanese economy remained stalled mainly due to low personal consumption resulting from rising prices especially in the rice price, despite continued inbound demand. Although there are expectations based largely on pay raises leading to an increase in real wages, the economic outlook remains uncertain as it is still difficult to foresee the future on account of such concerns as the growing tendency of consumers to economize, heightened tensions in the Middle East, and uncertainty over the global economy caused by policy trends in the U.S.

Under these circumstances, the Group posted net sales of 43,551 million yen (up 10.5% year on year) for the six months ended June 30, 2025, mainly due to an increase in orders received for 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 our efforts for productivity improvement and cost reduction resulted in operating profit of 3,527 million yen (up 51.9% year on year). Ordinary profit was 3,493 million yen (up 29.2% year on year) due in part to the effects of foreign exchange rates, and profit attributable to owners of parent was 2,552 million yen (up 5.5% year on year) mainly due to the recording of gains under extraordinary income following the transfer of non-current assets in the previous year.

Operating 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 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 26,413 million yen (up 4.1% year on year). Operating profit was 2,868 million yen (up 28.3% year on year) due to contributory factors including price revisions that the Company started working on in the previous year and cost reduction caused mainly by productivity improvement.

[New Materials]

Orders received for optical films used in high-end displays for large LCD televisions increased, resulting in net sales of 9,726 million yen (up 37.1% 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 1,339 million yen (up 105.5% year on year).

[Housing Materials]

The sales volume in the particleboards business one of the key businesses, remained robust as a result of stable operations and sales expansion efforts. In addition, sales in the lumber processing business remained strong, resulting in net sales of 6,517 million yen (up 7.8% year on year). Operating profit was 421 million yen (down 1.5% year on year) due to increasing costs including rising raw material costs, 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 894 million yen (up 0.3% year on year). Operating profit amounted to 236 million yen (down 2.0% year on year) due in part to an increase in development costs resulting from the updating of systems for dispensing pharmacies in the information processing system development business.

(2) Explanation of Financial Position

1) Assets, liabilities and net assets

Total assets at the end of the second quarter of the fiscal year under review decreased by 857 million yen compared to the end of the previous fiscal year, to 102,156 million yen, mainly due to decreases in trade receivables of 2,574 million yen and investment securities of 1,131 million yen, despite increases in property, plant and equipment of 1,507 million yen and inventories of 1,194 million yen.

On the other hand, liabilities decreased by 94 million yen compared to the end of the previous fiscal year, to 40,844 million yen, mainly due to decreases in income taxes payable of 863 million yen, accounts payable - other of 535 million yen, and borrowings of 219 million yen, despite increases in trade payables of 893 million yen and electronically recorded obligations - facilities of 609 million yen.

Net assets decreased by 763 million yen from the end of the previous fiscal year to 61,312 million yen, mainly due to decreases in treasury shares of 1,218 million yen resulting from purchase of treasury shares and valuation difference on available-for-sale securities of 843 million yen, despite an increase in retained earnings of 1,331 million yen.

As a result of the above, the equity ratio decreased by 0.2 percentage points from the end of the previous fiscal year to 60.0%.

2) 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 six-month period under review increased by 911 million yen compared to the end of the previous fiscal year to 9,860 million yen.

The status of each cash flow and their factors during the six-month period under review are as follows.

(Cash Flows from Operating Activities)

Net cash provided by operating activities amounted to 7,724 million yen (3,270 million yen provided in the same period of the previous fiscal year).

This was mainly due to cash inflows from profit before income taxes of 3,447 million yen, depreciation of 2,361 million yen, and a decrease in trade receivables of 2,563 million yen, and a cash outflow from income taxes paid of 1,428 million yen.

(Cash Flows from Investing Activities)

Net cash used in investing activities amounted to 4,126 million yen (5,885 million yen used in the same period of the previous fiscal year).

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 2,662 million yen (3,923 million yen provided in the same period of the previous fiscal year).

This was mainly due to cash outflows from purchase of treasury shares of 1,229 million yen and dividends paid of 1,215 million yen.

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

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

2. Semi-annual Consolidated Financial Statements and Principal Notes

(1) Semi-annual Consolidated Balance Sheets

(Million yen)

	As of December 31, 2024	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	8,949	9,860
Notes and accounts receivable - trade	21,968	19,729
Electronically recorded monetary claims - operating	9,182	8,846
Merchandise and finished goods	5,786	6,116
Work in process	1,357	1,364
Raw materials and supplies	5,280	6,096
Real estate for sale	282	322
Other	2,739	1,756
Total current assets	55,545	54,093
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	15,737	15,409
Machinery, equipment and vehicles, net	9,480	9,194
Land	5,760	5,763
Construction in progress	1,737	3,834
Other, net	562	584
Total property, plant and equipment	33,278	34,786
Intangible assets	1,420	1,727
Investments and other assets		
Investment securities	10,341	9,210
Long-term loans receivable	1,177	1,078
Deferred tax assets	94	96
Other	1,155	1,163
Total investments and other assets	12,769	11,548
Total non-current assets	47,469	48,063
Total assets	103,014	102,156

(Million yen)

	As of December 31, 2024	As of June 30, 2025
Liabilities		
Current liabilities		
Accounts payable – trade	18,873	19,866
Electronically recorded obligations - operating	2,087	1,987
Short-term borrowings	4,471	4,468
Current portion of long-term borrowings	389	389
Accounts payable - other	2,010	1,475
Income taxes payable	1,531	668
Electronically recorded obligations - facilities	1,378	1,987
Other	4,108	4,207
Total current liabilities	34,851	35,051
Non-current liabilities		
Long-term borrowings	1,259	1,042
Deferred tax liabilities	286	271
Retirement benefit liability	3,718	3,728
Other	823	750
Total non-current liabilities	6,086	5,792
Total liabilities	40,938	40,844
Net assets		
Shareholders' equity		
Share capital	8,619	8,619
Capital surplus	9,113	9,118
Retained earnings	40,759	42,090
Treasury shares	(1,824)	(3,043)
Total shareholders' equity	56,667	56,784
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,017	4,173
Foreign currency translation adjustment	269	236
Remeasurements of defined benefit plans	89	86
Total accumulated other comprehensive income	5,376	4,496
Non-controlling interests	31	31
Total net assets	62,075	61,312
Total liabilities and net assets	103,014	102,156

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statements of Income

Six Months Ended June 30

(Million yen)

	For the six months ended June 30, 2024	For the six months ended June 30, 2025
Net sales	39,400	43,551
Cost of sales	31,957	34,492
Gross profit	7,442	9,058
Selling, general and administrative expenses		
Sales commission	45	47
Transportation and storage costs	1,361	1,422
Salaries	1,092	1,164
Bonuses	295	385
Remuneration for directors (and other officers)	174	174
Retirement benefit expenses	69	67
Depreciation	115	114
Research and development expenses	703	733
Other	1,261	1,420
Total selling, general and administrative expenses	5,119	5,530
Operating profit	2,322	3,527
Non-operating income		
Interest income	18	41
Dividend income	178	154
Foreign exchange gains	174	—
Miscellaneous income	60	48
Total non-operating income	432	244
Non-operating expenses		
Interest expenses	12	27
Foreign exchange losses	—	130
Commission expenses	28	106
Miscellaneous losses	10	14
Total non-operating expenses	51	279
Ordinary profit	2,704	3,493
Extraordinary income		
Gain on sale of non-current assets	876	0
Total extraordinary income	876	0
Extraordinary losses		
Loss on sale and retirement of non-current assets	98	46
Plant relocation expense	130	—
Total extraordinary losses	229	46
Profit before income taxes	3,350	3,447
Income taxes – current	983	613
Income taxes - deferred	(53)	278
Total income taxes	930	892
Profit	2,420	2,554
Profit attributable to non-controlling interests	1	2
Profit attributable to owners of parent	2,418	2,552

Semi-annual Consolidated Statements of Comprehensive Income

Six Months Ended June 30

(Million yen)

	For the six months ended June 30, 2024	For the six months ended June 30, 2025
Profit	2,420	2,554
Other comprehensive income		
Valuation difference on available-for-sale securities	1,694	(843)
Foreign currency translation adjustment	43	(35)
Remeasurements of defined benefit plans, net of tax	2	(3)
Total other comprehensive income	1,740	(882)
Comprehensive income	4,161	1,671
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,156	1,671
Comprehensive income attributable to non-controlling interests	4	0

(3) Semi-annual Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended June 30, 2024	For the six months ended June 30, 2025
Cash flows from operating activities		
Profit before income taxes	3,350	3,447
Depreciation	2,585	2,361
Increase (decrease) in retirement benefit liability	(3)	9
Interest and dividend income	(197)	(196)
Interest expenses	12	27
Foreign exchange losses (gains)	(158)	127
Loss (gain) on sale and retirement of non-current assets	(812)	18
Decrease (increase) in trade receivables	(258)	2,563
Decrease (increase) in inventories	(788)	(1,204)
Increase (decrease) in trade payables	2,143	897
Other, net	(2,080)	933
Subtotal	3,792	8,985
Interest and dividends received	197	196
Interest paid	(11)	(28)
Income taxes paid	(708)	(1,428)
Net cash provided by (used in) operating activities	3,270	7,724
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,461)	(3,712)
Proceeds from sale of property, plant and equipment	1,119	0
Proceeds from governmental subsidy income	42	10
Purchase of investment securities	(6)	(6)
Loan advances to subsidiaries and associates	(351)	–
Proceeds from collection of loans receivable	109	0
Other, net	(336)	(418)
Net cash provided by (used in) investing activities	(5,885)	(4,126)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	3,699	–
Proceeds from long-term borrowings	1,950	–
Repayments of long-term borrowings	(398)	(216)
Repayments of lease liabilities	–	(0)
Purchase of treasury shares	(2)	(1,229)
Dividends paid	(1,324)	(1,215)
Net cash provided by (used in) financing activities	3,923	(2,662)
Effect of exchange rate change on cash and cash equivalents	78	(24)
Net increase (decrease) in cash and cash equivalents	1,387	911
Cash and cash equivalents at beginning of period	7,806	8,949
Cash and cash equivalents at end of period	9,194	9,860

(4) Notes to Semi-annual Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

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

The Company resolved, at its Board of Directors meeting held on June 21, 2024, to acquire treasury shares pursuant to the provisions of Article 156 of the Companies Act as applied mutatis mutandis under the provisions of Article 165, Paragraph 3 of the said Act., and reacquired its own 338,500 shares during the six months ended June 30, 2025. As a result, the amount of treasury shares increased by 1,227 million yen during the six months ended June 30, 2025 to 3,043 million yen at the end of the second quarter of the fiscal year under review.

(Segment information, etc.)

I For the six months ended June 30, 2024 (January 1, 2024 to June 30, 2024)

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

(Million yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in semi-annual consolidated statements of income (Note 3)
	Plastic Film	New Materials	Housing Materials	Total				
Net sales								
Net sales to outside customers	25,364	7,096	6,047	38,508	891	39,400	—	39,400
Inter-segment net sales or transfers	1	0	16	18	399	418	(418)	—
Total	25,366	7,096	6,063	38,526	1,291	39,818	(418)	39,400
Segment profit	2,236	651	428	3,316	241	3,557	(1,235)	2,322

- (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 1,235 million yen includes negative 6 million yen in eliminations of inter-segment transactions and negative 1,228 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 semi-annual consolidated statements of income.

II For the six months ended June 30, 2025 (January 1, 2025 to June 30, 2025)

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

(Million yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in semi-annual consolidated statements of income (Note 3)
	Plastic Film	New Materials	Housing Materials	Total				
Net sales								
Net sales to outside customers	26,413	9,726	6,517	42,657	894	43,551	—	43,551
Inter-segment net sales or transfers	3	—	59	62	417	480	(480)	—
Total	26,416	9,726	6,576	42,719	1,312	44,031	(480)	43,551
Segment profit	2,868	1,339	421	4,629	236	4,866	(1,338)	3,527

- (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 1,338 million yen includes negative 1 million yen in eliminations of inter-segment transactions and negative 1,337 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 semi-annual consolidated statements of income.