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Consolidated Financial Results for the Nine Months Ended September 30, 2025 [Japanese GAAP]



October 30, 2025

Company name: Okura Industrial Co., Ltd.
Stock exchange listing: Tokyo Stock Exchange
Code number: 4221
URL: <https://www.okr-ind.co.jp/>
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Scheduled date of commencing dividend payments: –
Availability of supplementary explanatory materials on financial results: Not available
Schedule of financial results briefing session: Not scheduled

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

1. Consolidated Financial Results for the Nine Months Ended September 30, 2025 (January 1, 2025 - September 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	
Nine months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2025	64,233	8.2	4,685	47.3	4,784	37.7	3,482	(0.8)
September 30, 2024	59,339	1.1	3,181	(13.9)	3,473	(15.4)	3,510	6.3

(Note) Comprehensive income: Nine months ended September 30, 2025: ¥3,633 million [(40.4)%]

Nine months ended September 30, 2024: ¥6,100 million [29.6%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
September 30, 2025	305.40	—
September 30, 2024	291.05	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2025	100,930	62,199	61.6
As of December 31, 2024	103,014	62,075	60.2

(Reference) Equity: As of September 30, 2025: ¥62,165 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 quarterly consolidated financial statements: None

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

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

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

3) Changes in accounting estimates: None

4) Retrospective restatement: None

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

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

September 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:

September 30, 2025: 1,118,363 shares

December 31, 2024: 783,185 shares

3) Average number of shares during the period:

Nine months ended September 30, 2025: 11,404,423 shares

Nine months ended September 30, 2024: 12,061,181 shares

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

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

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

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

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

During the nine months ended September 30, 2025, the Japanese economy remained generally flat mainly due to labor shortages and rising prices, despite solid inbound demand continuing from the six months ended June 30, 2025. Although there are expectations for improvements in the employment and income situation and various government policies, the economic outlook remains uncertain as it is still difficult to foresee the future on account of such concerns as a slowdown in consumer confidence resulting from continued rising prices and trends in the U.S. administration's tariff policy.

Under these circumstances, the Group posted net sales of 64,233 million yen (up 8.2% year on year) for the nine months ended September 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 4,685 million yen (up 47.3% year on year) and ordinary profit of 4,784 million yen (up 37.7% year on year). Profit attributable to owners of parent was 3,482 million yen (down 0.8% year on year) mainly due to the recording of gains under extraordinary income in the previous year following the transfer of non-current assets and sale of investment securities.

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 such as refill pouches 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 39,287 million yen (up 2.6% year on year). Operating profit was 4,259 million yen (up 32.8% year on year) due to contributory factors including selling price revisions and cost reduction caused mainly by productivity improvement.

[New Materials]

Net sales were 13,787 million yen (up 32.7% year on year) due to brisk orders received for optical films used in high-end displays for large LCD televisions for the six months ended June 30, 2025, although the sector entered a phase of inventory adjustments during the nine months ended September 30, 2025. 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 1,737 million yen (up 109.6% year on year).

[Housing Materials]

The sales volume in the particleboards business, one of the key businesses, remained at the same level as in the previous year as a result of sales expansion efforts, despite the severe market environment represented by the decreased number of housing starts. In addition, sales in the lumber processing business remained strong. This and other factors resulted in net sales of 9,789 million yen (up 5.3% year on year). Meanwhile, operating profit was 390 million yen (down 41.1% year on year) due in part to the occurrence of valuation losses on some inventories, despite the increase in net sales.

[Other]

The number of hotel stays due to inbound demand increased in the hotel business, while the sales volume of systems for dispensing pharmacies decreased in the information processing system development business. As a result, overall net sales of other businesses were 1,368 million yen (up 0.4% year on year). Operating profit amounted to 357 million yen (down 4.3% year on year) due in part to an increase in development costs resulting from the updating of systems for dispensing pharmacies in the information processing system development business.

(2) Explanation of Financial Position

Total assets at the end of the third quarter of the fiscal year under review decreased by 2,084 million yen compared to the end of the previous fiscal year, to 100,930 million yen, mainly due to decreases in trade receivables of 3,678 million yen and cash and deposits of 1,146 million yen, despite increases in inventories of 1,794 million yen and property, plant and equipment of 1,200 million yen.

On the other hand, liabilities decreased by 2,208 million yen compared to the end of the previous fiscal year, to 38,730 million yen, mainly due to decreases in trade payables of 971 million yen, income taxes payable of 897 million yen, and accounts payable - other of 732 million yen.

Net assets increased by 124 million yen from the end of the previous fiscal year to 62,199 million yen, mainly due to increases in retained earnings of 1,188 million yen and valuation difference on available-for-sale securities of 170 million yen, despite a decrease in treasury shares of 1,219 million yen resulting from purchase of treasury shares.

As a result of the above, the equity ratio increased by 1.4 percentage points from the end of the previous fiscal year to 61.6%.

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

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

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of December 31, 2024	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	8,949	7,802
Notes and accounts receivable - trade	21,968	19,352
Electronically recorded monetary claims - operating	9,182	8,119
Merchandise and finished goods	5,786	7,221
Work in process	1,357	1,438
Raw materials and supplies	5,280	5,560
Real estate for sale	282	280
Other	2,739	1,753
Total current assets	55,545	51,528
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	15,737	15,362
Machinery, equipment and vehicles, net	9,480	9,347
Land	5,760	5,764
Construction in progress	1,737	3,412
Other, net	562	591
Total property, plant and equipment	33,278	34,479
Intangible assets	1,420	1,825
Investments and other assets		
Investment securities	10,341	10,694
Long-term loans receivable	1,177	1,108
Deferred tax assets	94	129
Other	1,155	1,164
Total investments and other assets	12,769	13,097
Total non-current assets	47,469	49,401
Total assets	103,014	100,930

(Million yen)

	As of December 31, 2024	As of September 30, 2025
Liabilities		
Current liabilities		
Accounts payable – trade	18,873	17,978
Electronically recorded obligations - operating	2,087	2,010
Short-term borrowings	4,471	4,470
Current portion of long-term borrowings	389	389
Accounts payable - other	2,010	1,278
Income taxes payable	1,531	633
Electronically recorded obligations - facilities	1,378	1,326
Provision for bonuses	–	604
Other	4,108	4,046
Total current liabilities	34,851	32,740
Non-current liabilities		
Long-term borrowings	1,259	945
Deferred tax liabilities	286	540
Retirement benefit liability	3,718	3,724
Other	823	780
Total non-current liabilities	6,086	5,990
Total liabilities	40,938	38,730
Net assets		
Shareholders' equity		
Share capital	8,619	8,619
Capital surplus	9,113	9,118
Retained earnings	40,759	41,947
Treasury shares	(1,824)	(3,044)
Total shareholders' equity	56,667	56,641
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,017	5,187
Foreign currency translation adjustment	269	251
Remeasurements of defined benefit plans	89	84
Total accumulated other comprehensive income	5,376	5,524
Non-controlling interests	31	34
Total net assets	62,075	62,199
Total liabilities and net assets	103,014	100,930

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Nine Months Ended September 30

(Million yen)

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2025
Net sales	59,339	64,233
Cost of sales	48,364	51,202
Gross profit	10,975	13,030
Selling, general and administrative expenses		
Sales commission	69	76
Transportation and storage costs	2,068	2,112
Salaries	1,654	1,767
Bonuses	295	385
Provision for bonuses	172	192
Remuneration for directors (and other officers)	263	259
Retirement benefit expenses	105	101
Depreciation	175	174
Research and development expenses	1,082	1,156
Other	1,905	2,117
Total selling, general and administrative expenses	7,793	8,345
Operating profit	3,181	4,685
Non-operating income		
Interest income	36	71
Dividend income	267	248
Miscellaneous income	73	57
Total non-operating income	377	377
Non-operating expenses		
Interest expenses	20	43
Foreign exchange losses	3	91
Commission expenses	45	120
Miscellaneous losses	14	22
Total non-operating expenses	85	278
Ordinary profit	3,473	4,784
Extraordinary income		
Gain on sale of non-current assets	879	0
Gain on sale of investment securities	793	–
Total extraordinary income	1,672	0
Extraordinary losses		
Loss on sale and retirement of non-current assets	117	61
Plant relocation expense	130	–
Total extraordinary losses	248	61
Profit before income taxes	4,898	4,723
Income taxes – current	1,767	1,186
Income taxes - deferred	(382)	50
Total income taxes	1,385	1,236
Profit	3,513	3,486
Profit attributable to non-controlling interests	2	3
Profit attributable to owners of parent	3,510	3,482

Quarterly Consolidated Statements of Comprehensive Income

Nine Months Ended September 30

(Million yen)

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2025
Profit	3,513	3,486
Other comprehensive income		
Valuation difference on available-for-sale securities	2,572	170
Foreign currency translation adjustment	10	(19)
Remeasurements of defined benefit plans, net of tax	3	(5)
Total other comprehensive income	2,586	146
Comprehensive income	6,100	3,633
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,096	3,630
Comprehensive income attributable to non-controlling interests	3	2

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

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

The Company resolved, at its Board of Directors meeting held on June 21, 2024, to acquire treasury shares pursuant to the provisions of Article 156 of the Companies Act as applied mutatis mutandis under the provisions of Article 165, Paragraph 3 of the said Act., and reacquired its own 338,500 shares during the nine months ended September 30, 2025. As a result, the amount of treasury shares increased by 1,227 million yen during the nine months ended September 30, 2025 to 3,044 million yen at the end of the third quarter of the fiscal year under review.

(Segment information, etc.)

I For the nine months ended September 30, 2024 (January 1, 2024 to September 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 quarterly consolidated statements of income (Note 3)
	Plastic Film	New Materials	Housing Materials	Total				
Net sales								
Net sales to outside customers	38,291	10,388	9,297	57,977	1,362	59,339	—	59,339
Inter-segment net sales or transfers	2	0	19	22	595	618	(618)	—
Total	38,293	10,388	9,317	58,000	1,958	59,958	(618)	59,339
Segment profit	3,208	828	662	4,698	373	5,072	(1,890)	3,181

- (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 1,890 million yen includes negative 6 million yen in eliminations of inter-segment transactions and negative 1,884 million yen in corporate expenses that are not allocated to each reportable segment. Corporate expenses mainly consist of general and administrative expenses that do not belong to any reportable segment.
3. Segment profit is adjusted with operating profit in the quarterly consolidated statements of income.

II For the nine months ended September 30, 2025 (January 1, 2025 to September 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 quarterly consolidated statements of income (Note 3)
	Plastic Film	New Materials	Housing Materials	Total				
Net sales								
Net sales to outside customers	39,287	13,787	9,789	62,865	1,368	64,233	–	64,233
Inter-segment net sales or transfers	4	–	94	99	627	726	(726)	–
Total	39,292	13,787	9,883	62,964	1,995	64,959	(726)	64,233
Segment profit	4,259	1,737	390	6,387	357	6,744	(2,059)	4,685

- (Notes) 1. The “Other” category is a business segment that is not included in the reportable segments and includes the hotel business, information processing system development business, and real estate leasing business.
2. The segment profit adjustment of negative 2,059 million yen includes 12 million yen in eliminations of inter-segment transactions and negative 2,071 million yen in corporate expenses that are not allocated to each reportable segment. Corporate expenses mainly consist of general and administrative expenses that do not belong to any reportable segment.
3. Segment profit is adjusted with operating profit in the quarterly consolidated statements of income.

(Notes to statements of cash flows)

Quarterly consolidated statements of cash flows for the nine months ended September 30, 2025 have not been prepared. Depreciation (including amortization related to intangible assets) for the nine months ended September 30, 2024 and 2025 is as follows:

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2025
Depreciation	¥3,984 million	¥3,676 million