



Consolidated Financial Results for the Six Months Ended June 30, 2025

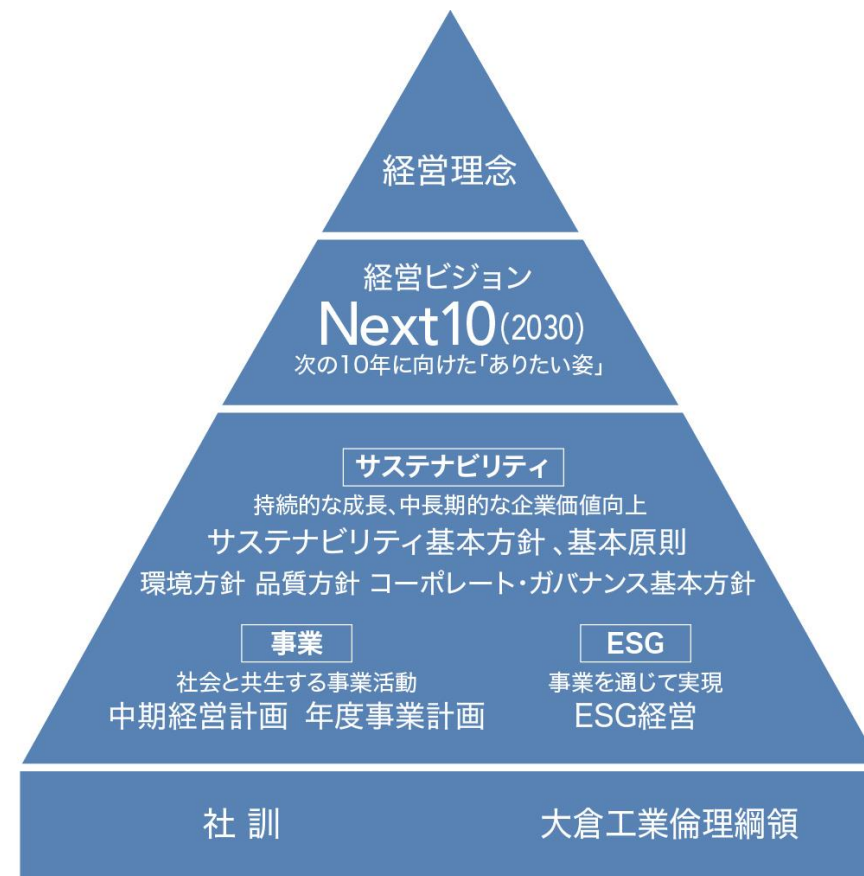
August 18, 2025

 **OKURA INDUSTRIAL CO., LTD.**

Code number: 4221

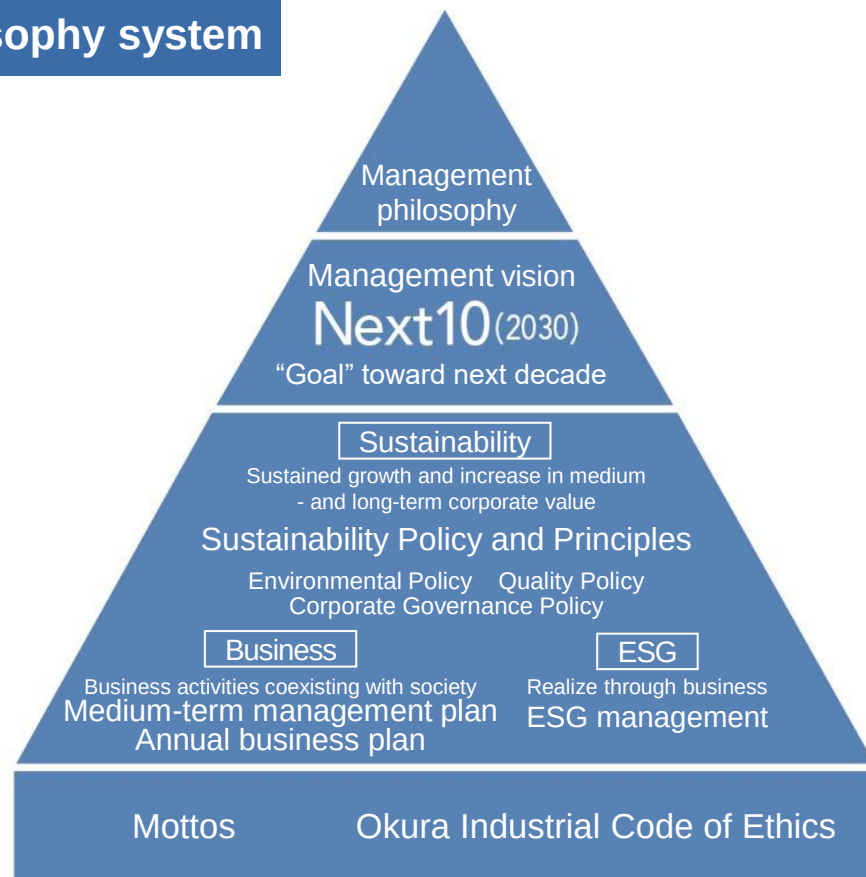
C O N T E N T S

1. Consolidated Financial Results for the 6-Month (Interim) Period
2. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2025 (FY2025)
3. Progress of Medium-term Management Plan (2027)
4. Reference Materials



Okura Industrial Group's Vision

Philosophy system



Sustainability Policy

Aim for corporate growth through business, keeping in mind our coexistence with society, so that we may continue to be a company that is trusted by society

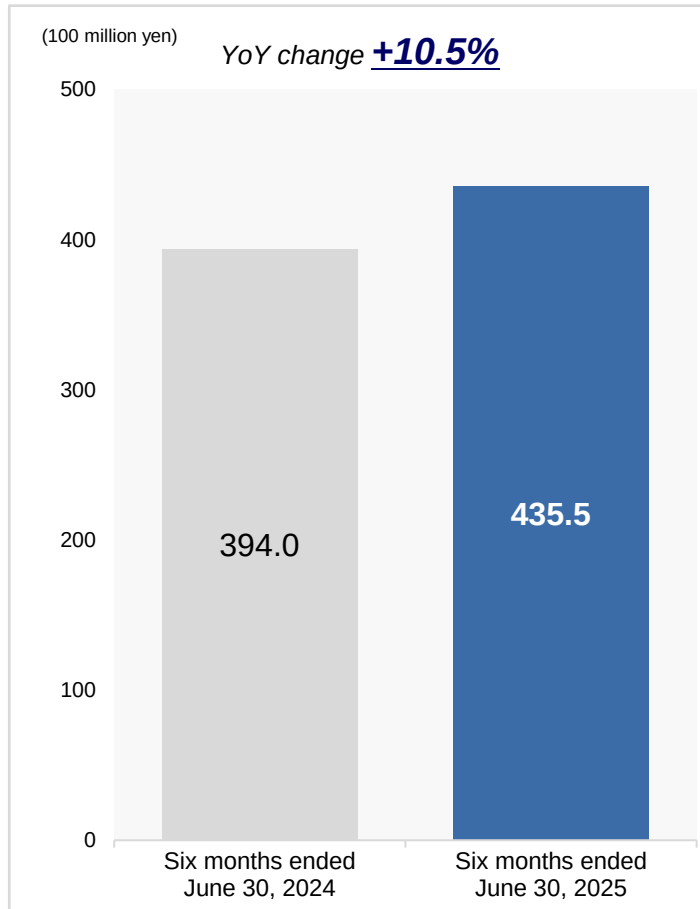
Sustainability Basic Principles

1. Balance between business and ESG
2. Conservation of the global environment
3. Compliance with laws and regulations, respect for human rights, and consideration of the labor environment
4. Information disclosure and dialogue

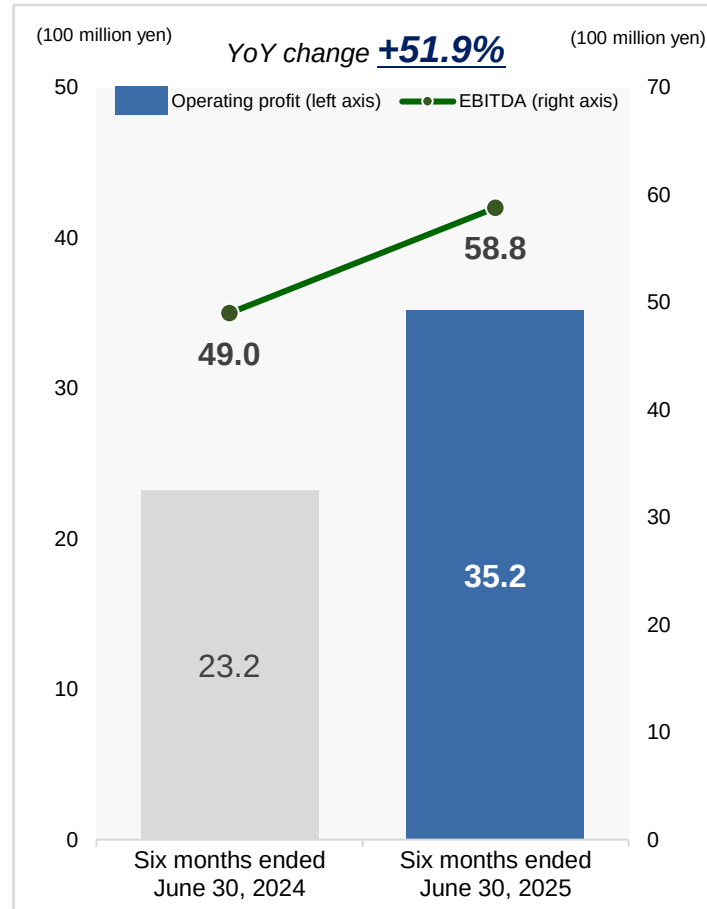
1. Consolidated Financial Results for the 6-Month (Interim) Period

Net Sales, Operating Profit, Ordinary Profit, Profit, Capital Expenditures, Etc. (Consolidated)

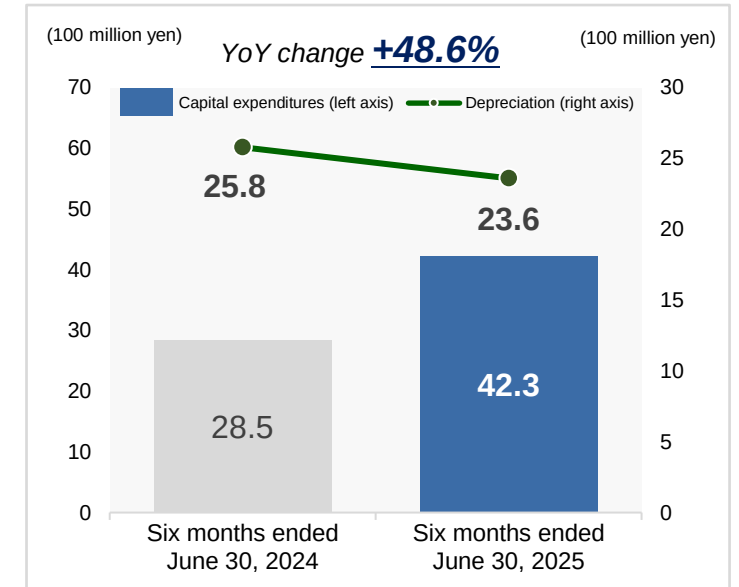
[Net Sales]



[Operating Profit]



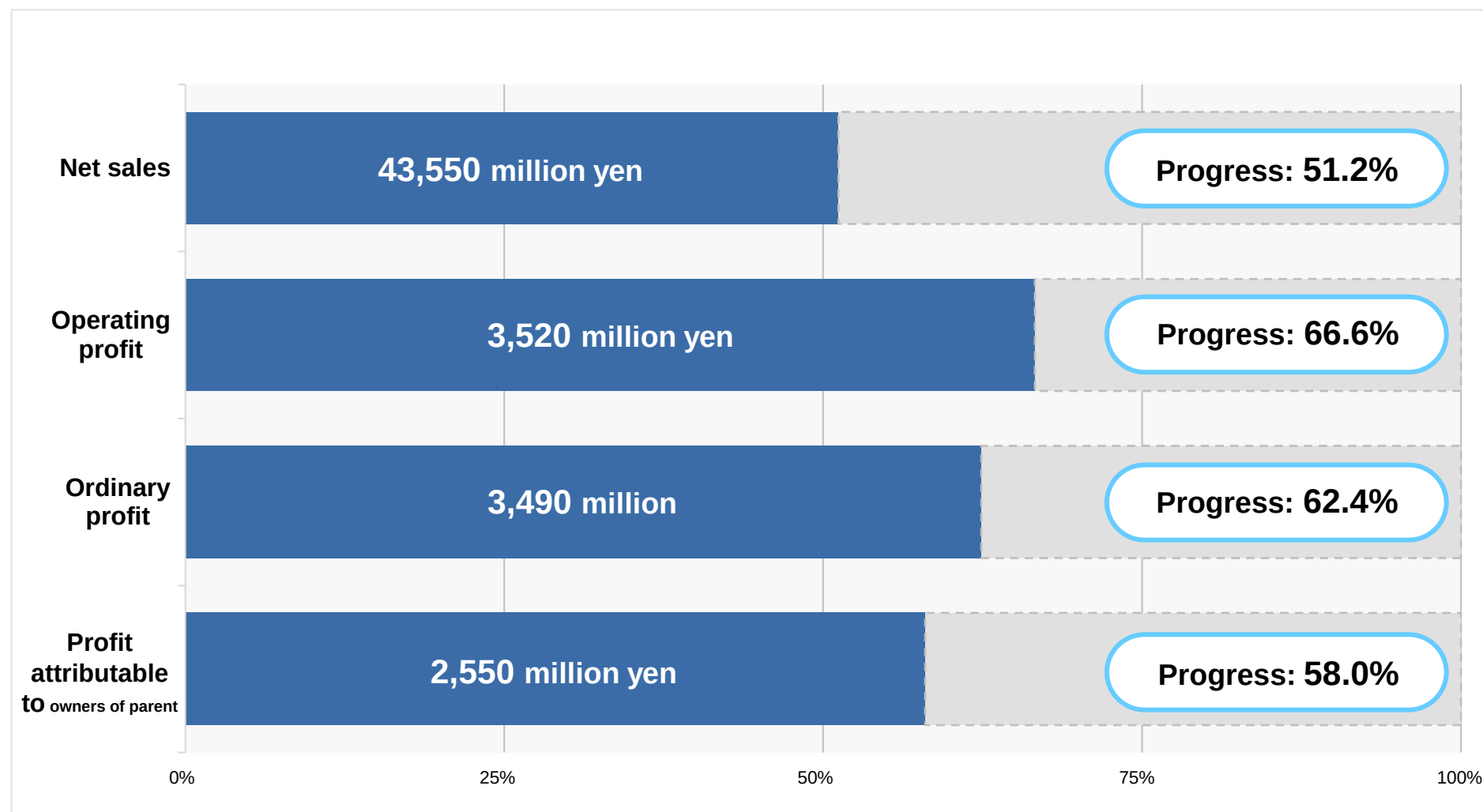
[Capital Expenditures]



(100 million yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025	YoY change
Ordinary profit	27.0	34.9	+29.2%
Profit attributable to owners of parent	24.1	25.5	+5.5%

Progress Vs. Full-Year Consolidated Financial Results Forecast



Consolidated financial results forecast for full 2025

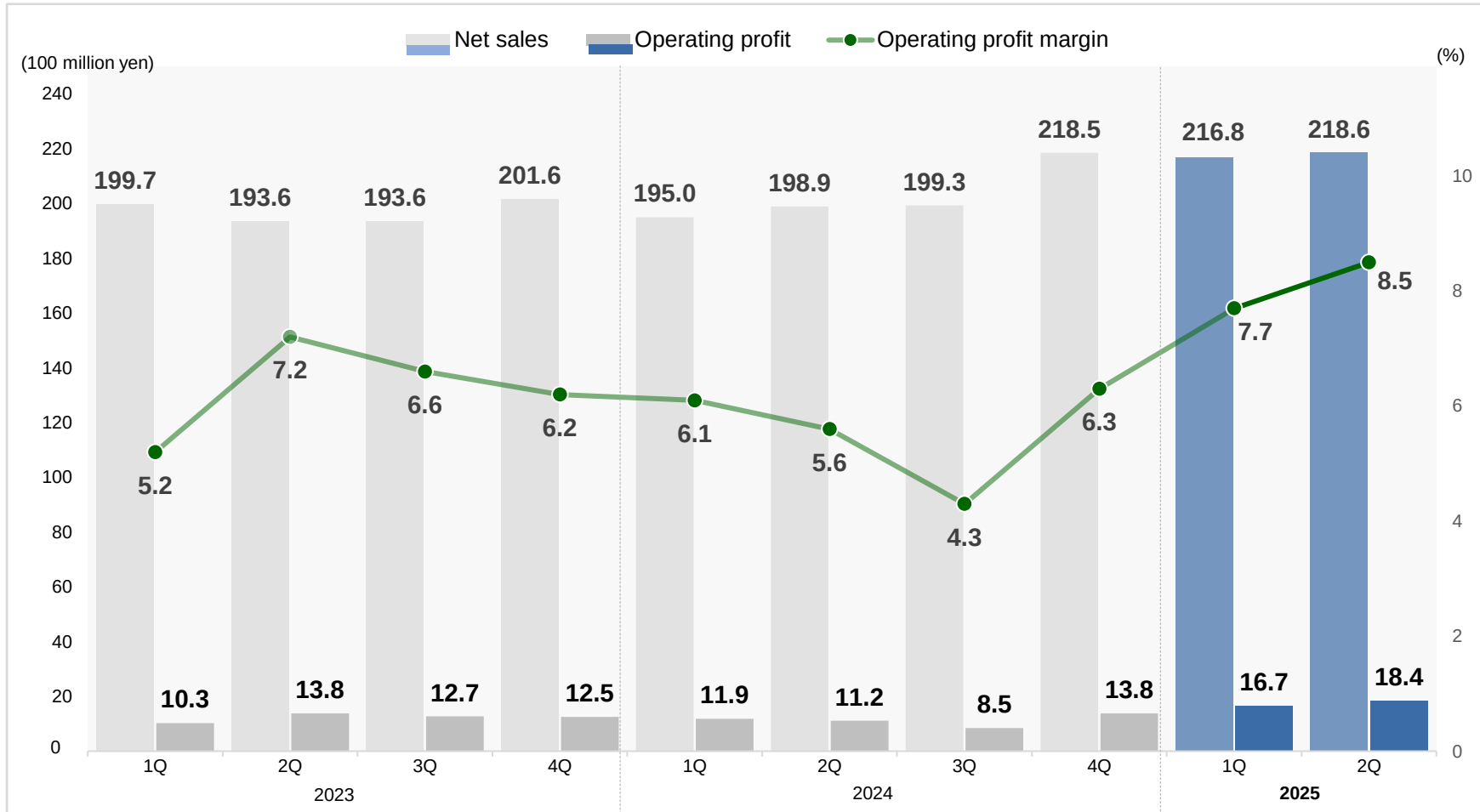
85,000 million yen

5,300 million yen

5,600 million yen

4,400 million yen

Historical Quarterly Net Sales, Operating Profit, and Operating Profit Margin (Consolidated)



Summary for the 6-month period ended June 30, 2025

1 Plastic Film

- Sales volume of packaging films decreased due to declining demand.
- Sales remained strong for environmental contributing products and industrial-use process films.
- Profit increased, supported by price revisions and cost reduction.

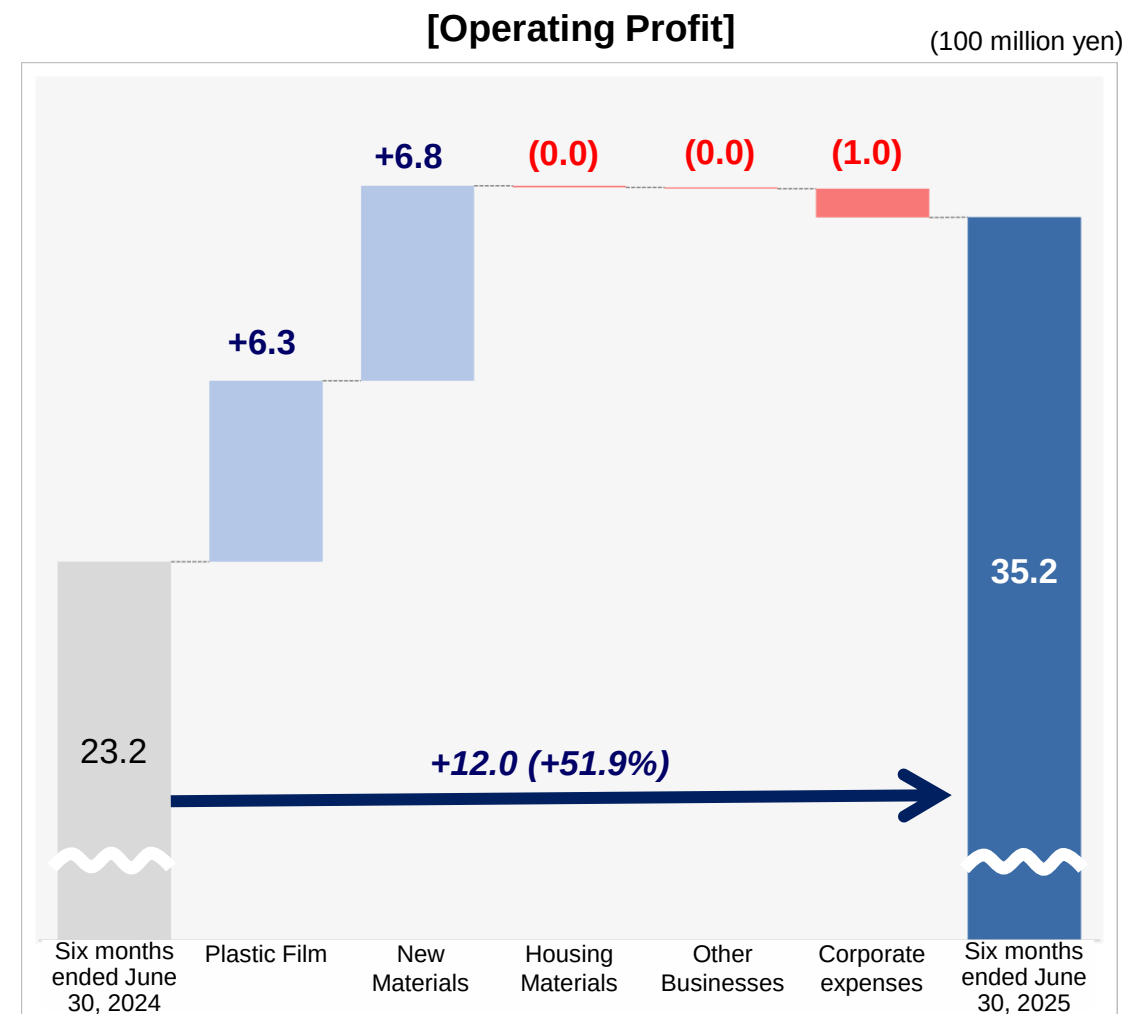
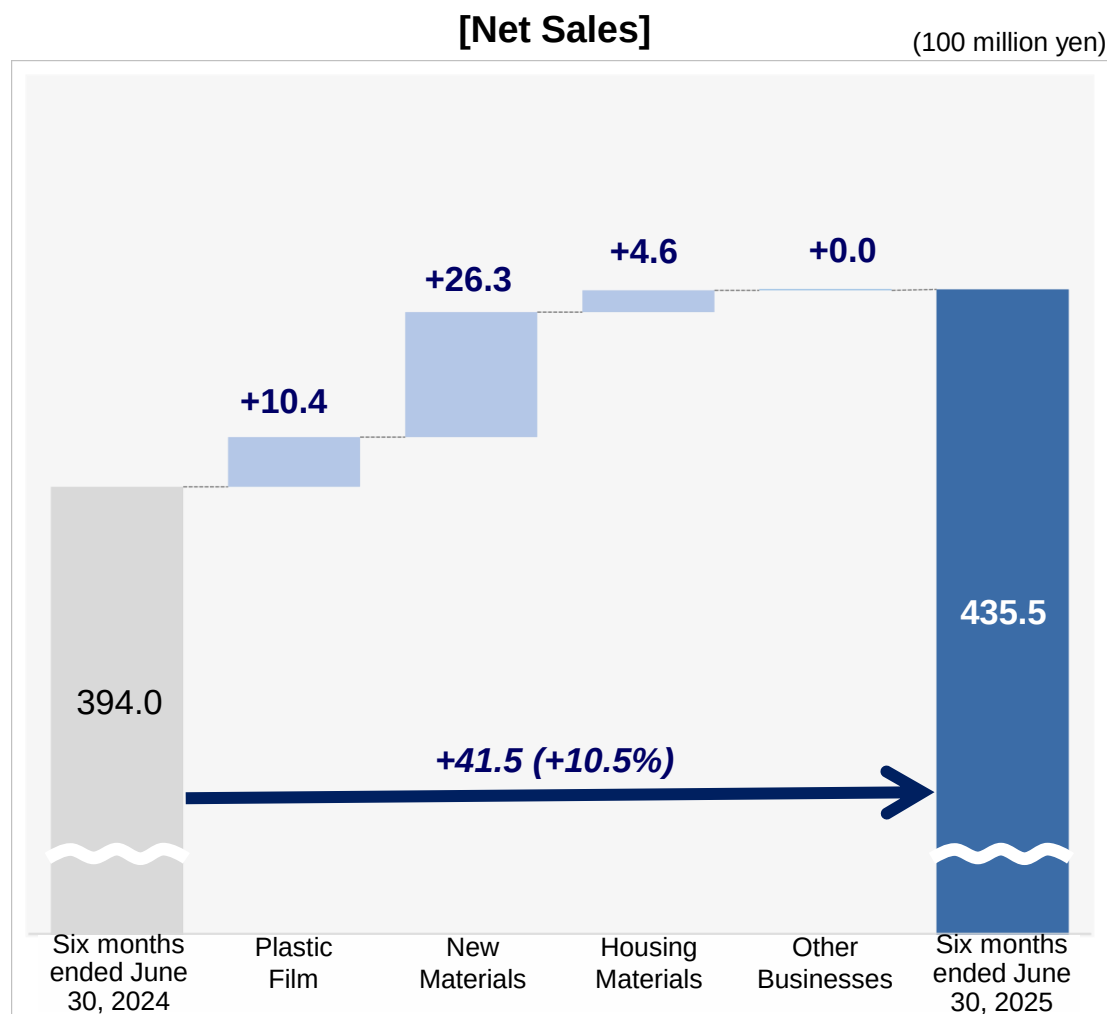
2 New Materials

- Orders received for optical films used in high-end displays for large LCD televisions increased.
- Profit increased as operations at the new plant (G2 Line) stabilized.

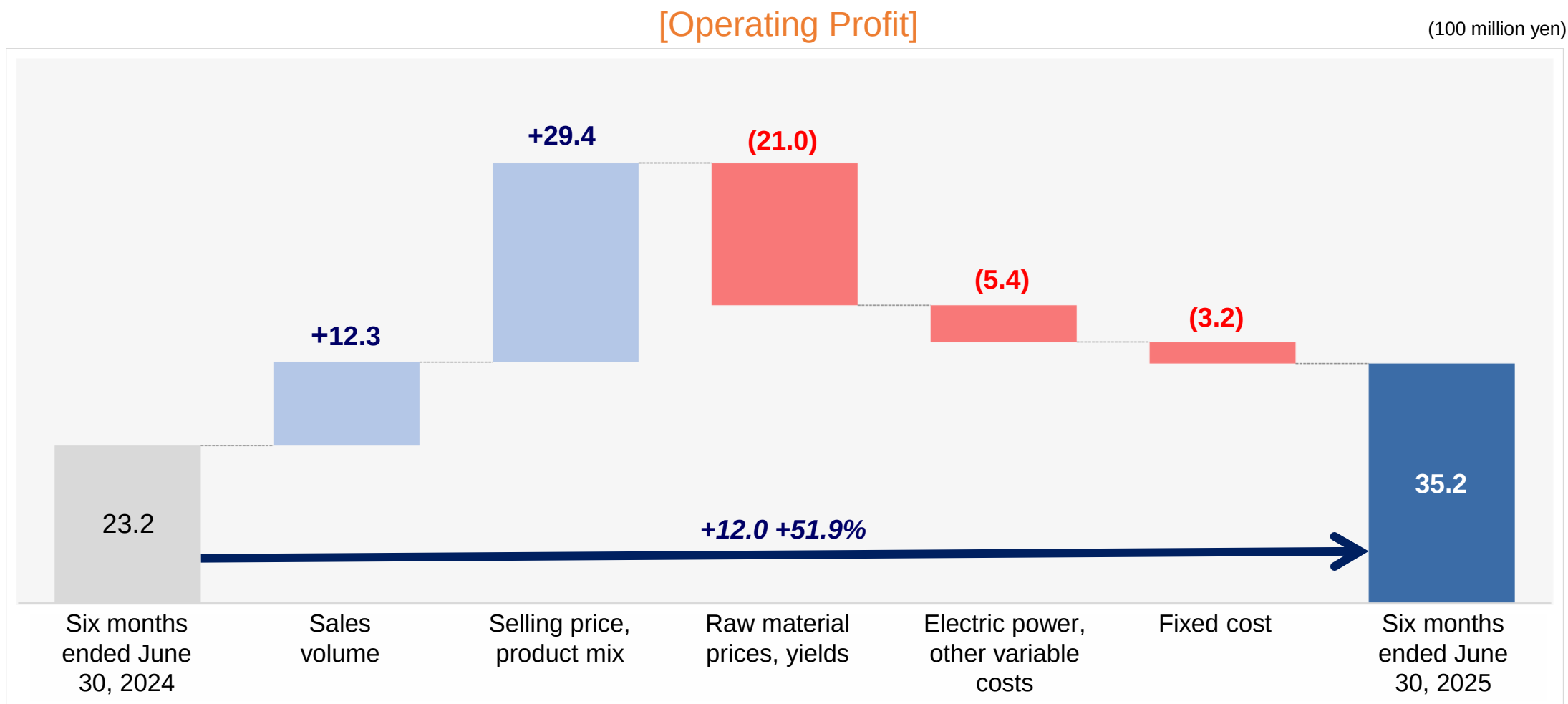
3 Housing Materials

- Sales of particle boards remained robust.
- Profit decreased as costs increased, including rising material costs.

Changes in Net Sales and Operating Profit by Division

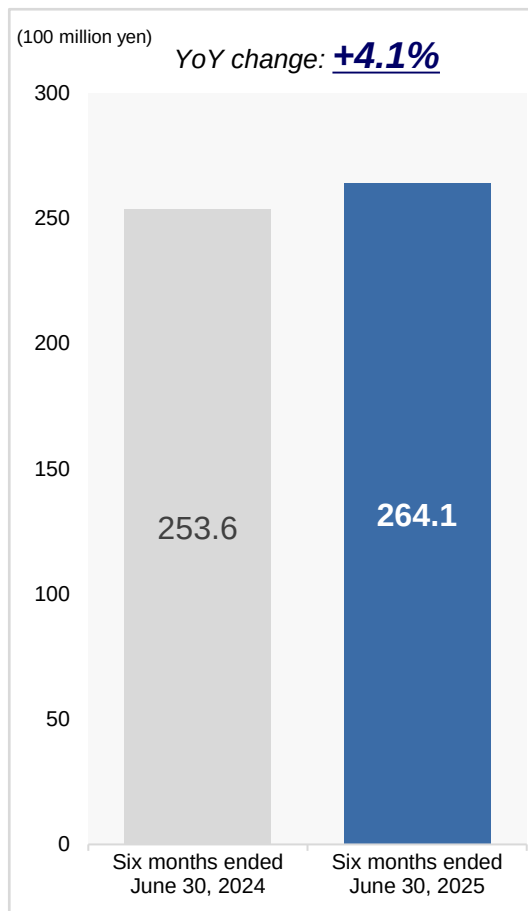


Increases/Decreases in Operating Profit (Consolidated)

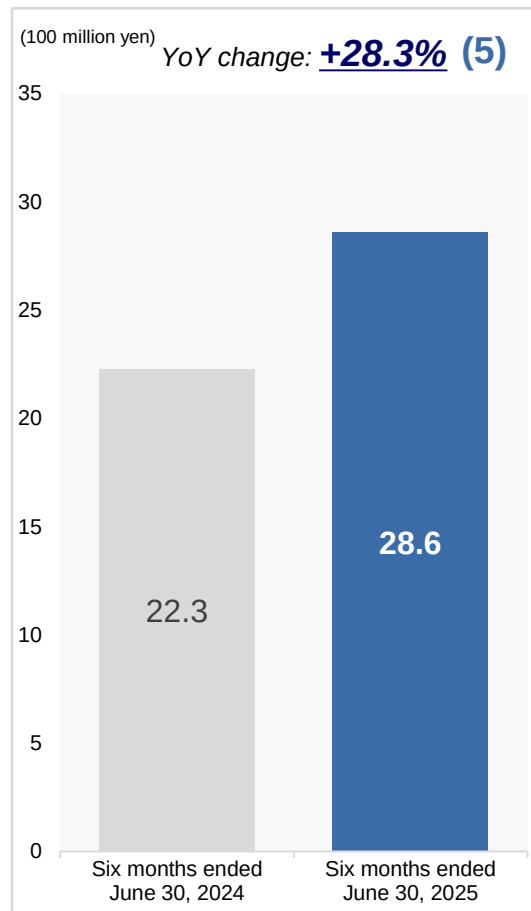


Plastic Film Division

[Net Sales]



[Operating Profit]



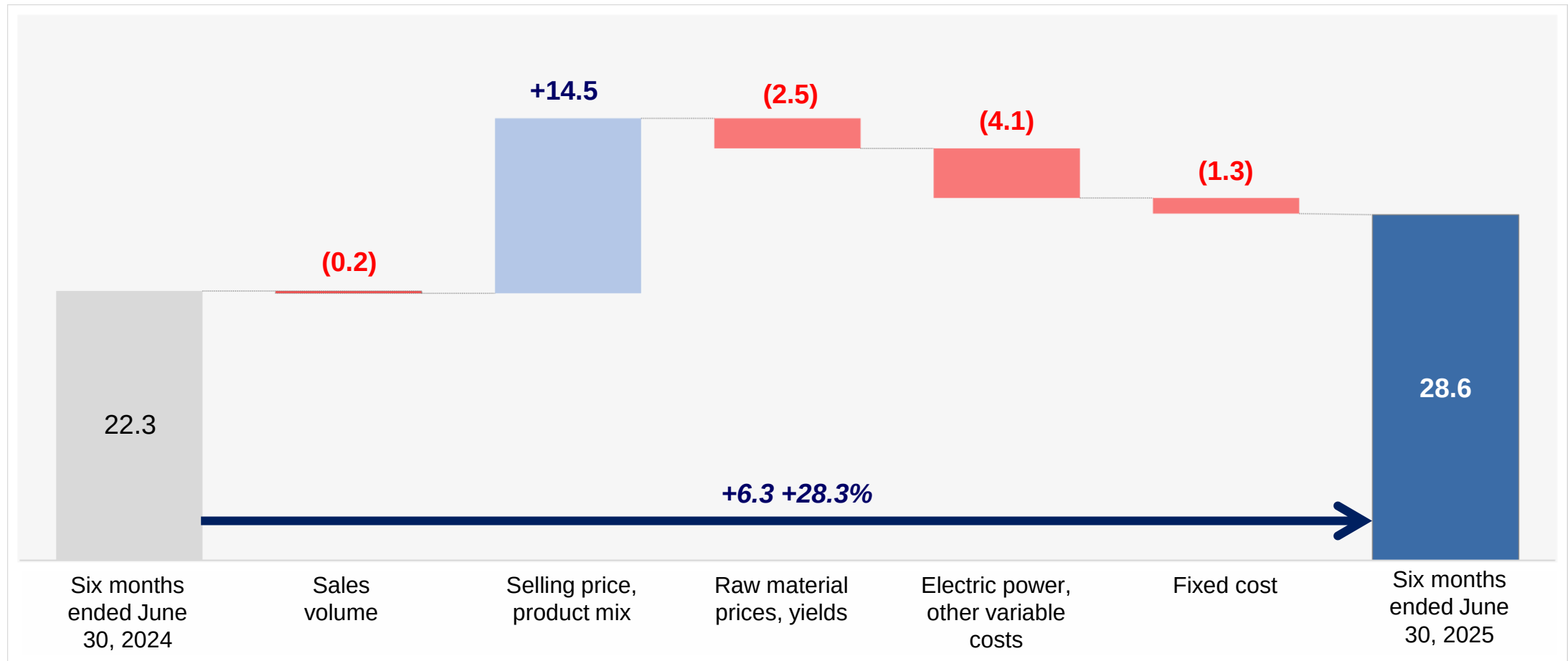
[Net Sales by Business Unit]	Six months ended June 30, 2025 (Million yen)	YoY change
Life and Package	9,345	(1) +6.0%
Shrink Film	5,061	+6.8%
Flexible Packaging Materials	3,249	+6.1%
Liquid Packs	1,034	+2.3%
Process Materials	3,357	(2) +7.1%
Basic Materials	10,013	(3) +1.5%
Agricultural Materials	3,108	(4) +5.5%
Other	587	(3.0%)
Total	26,413	+4.1%

- (1) Increasingly thriftier consumers amid rising prices led to some demand decreases, but refill pouches and instant noodle cups sold well.
- (2) Sales of industrial-use process films for optics usages remained solid.
- (3) Maintained the year-earlier level by offsetting demand decreases for existing products, including materials for sanitary products, through price transfer.
- (4) Sales volume is trending up as inventory adjustments by dealers, stemming from spot purchases by producers, ran their course.
- (5) Profit increased thanks to efforts to pass on price rises, which began in the previous year, and cost reduction achieved through productivity improvement.

Plastic Film Division

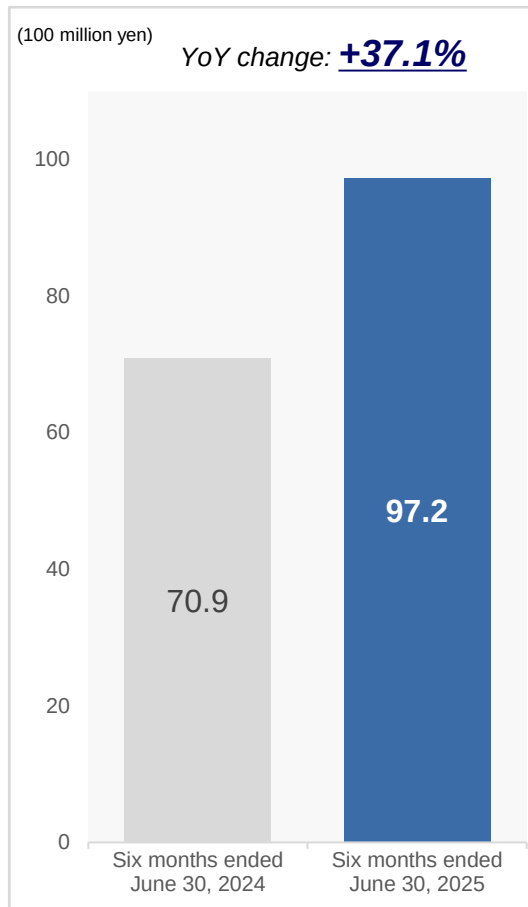
[Operating Profit]

(100 million yen)

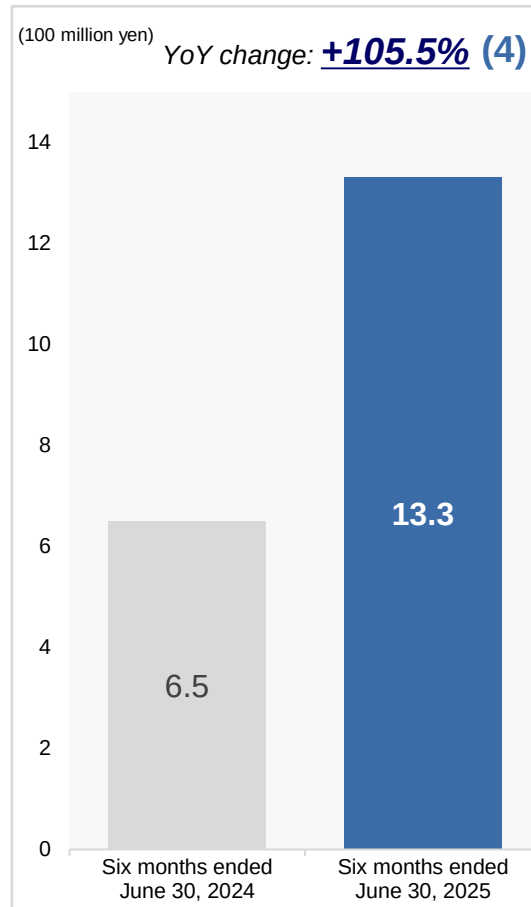


New Materials Division

[Net Sales]



[Operating Profit]

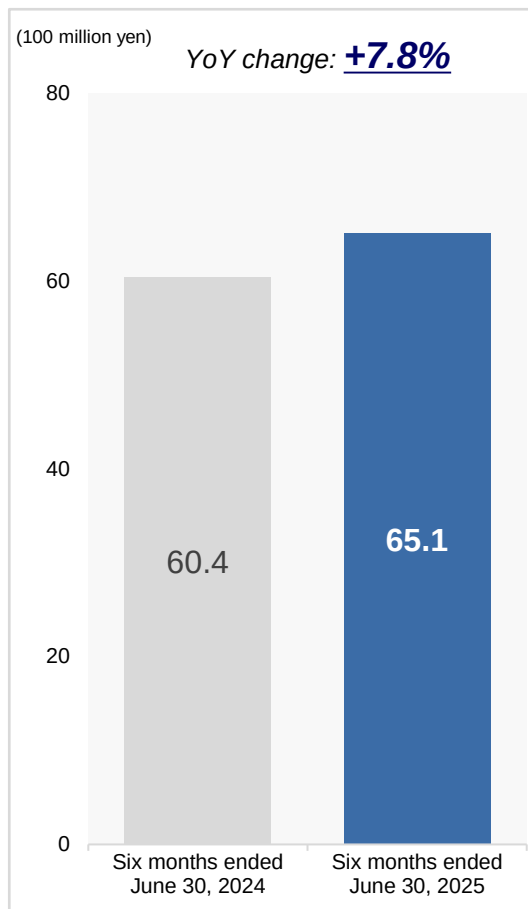


[Net Sales by Business Unit]	Six months ended June 30, 2025 (Million yen)	YoY change
Functional Materials	1,615	(1) +0.6%
Electronic Materials	1,282	(2) (3.1%)
Optical Materials	6,777	(3) +64.7%
Other Products	51	(3.2%)
Total	9,726	+37.1%

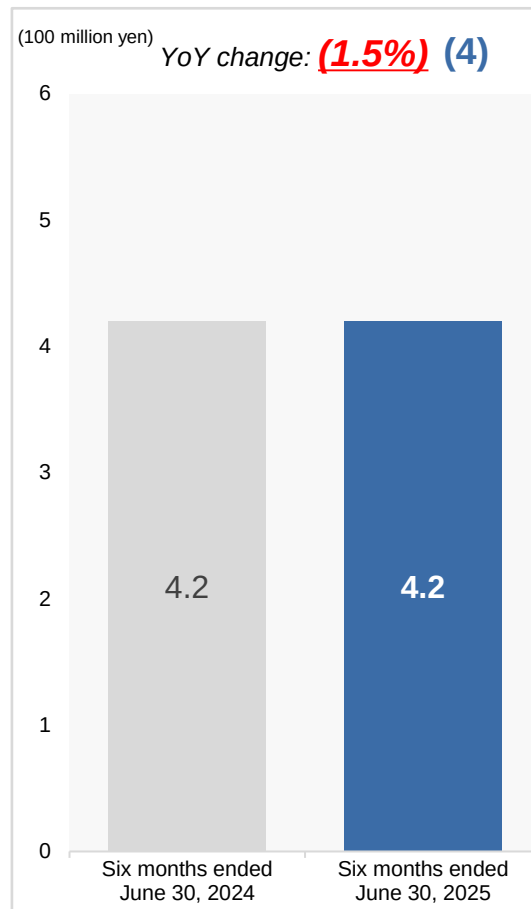
- (1) Functional material films for automobiles were sluggish, but sales volume of functional material films for office automation equipment increased.
- (2) Demand remained sluggish for projector-use polarizing plate processing.
- (3) Demand increased for optical films for large LCD panels, including both acrylic and COP films.
- (4) Profit increased thanks to stable operation of G2 Line, which went online last year.

Housing Materials Division

[Net Sales]



[Operating Profit]

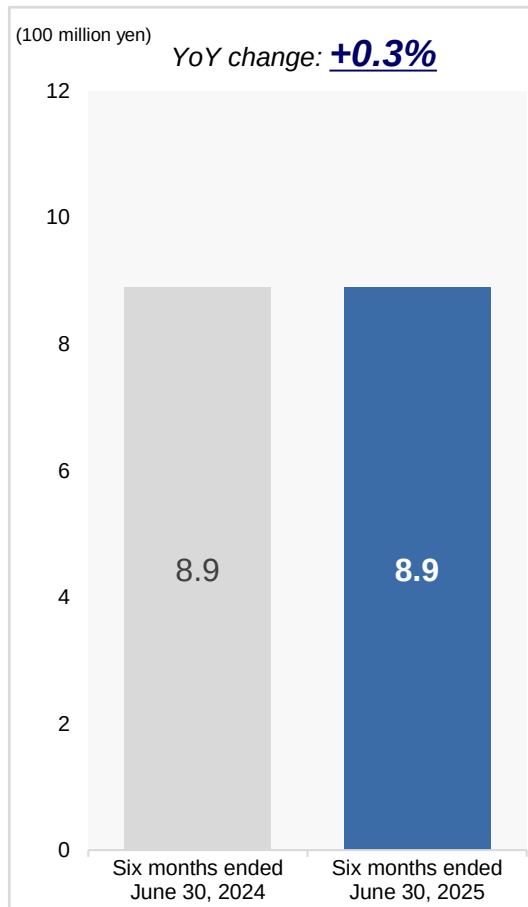


[Net Sales by Product Category]	Six months ended June 30, 2025 (Million yen)	YoY change
Particle Boards	4,192	(1) +6.5%
Environmental Materials	276	(22.9%)
Housing Materials	112	+43.9%
Housing Business	630	(2) (0.5%)
Pre-cutting Business	1,532	(3) +29.6%
Eliminations/Reclassification	(226)	—
Total	6,517	+7.8%

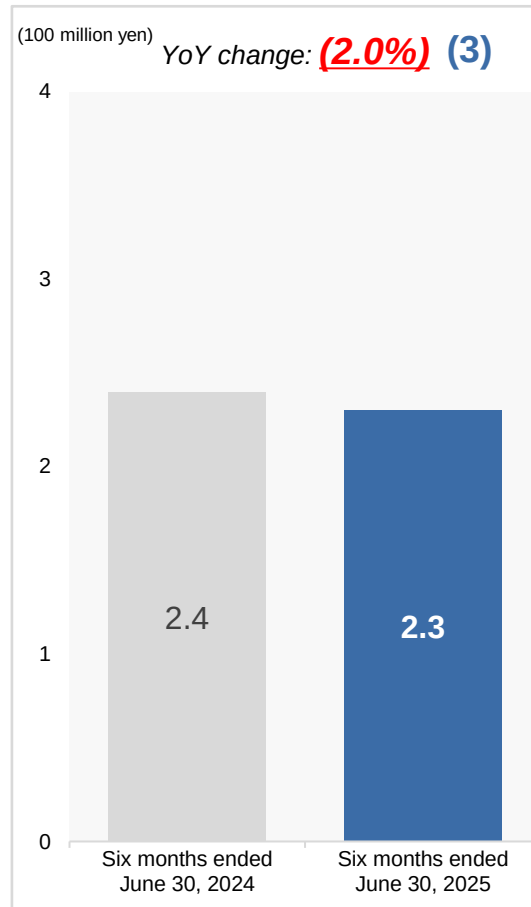
- (1) Remained solid thanks to stable production, sales expansion efforts, and higher unit selling prices resulting from a better product mix.
- (2) The market situation was not favorable due in part to decreasing new housing starts, but low-priced housing and renovation-related sales were strong.
- (3) Thanks to a low year-earlier level, attributed to the impact of plant relocation, and a solid performance of non-residential properties.
- (4) Net sales increased but profit decreased due to increased costs, including material costs.

Other Businesses

[Net Sales]



[Operating Profit]



[Net Sales by Business]	Six months ended June 30, 2025 (Million yen)	YoY change
Hotel	448	(1) +1.8%
Information Processing	782	(2) +1.7%
Real Estate Leasing	295	+5.9%
Eliminations/Reclassification	(632)	—
Total	894	+0.3%

(1) Hotel stays by inbound tourists, etc. increased.

(2) Sales of systems for dispensing pharmacies decreased, but sales to group companies increased.

(3) Operating profit decreased due to increased development expenses associated with updates of systems for dispensing pharmacies.

Consolidated Statements of Income

(100 million yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025	YoY change	Key components
Net sales	394.0	435.5	+41.5	
Operating profit	23.2	35.2	+12.0	
Non-operating income	4.3	2.4	(1.8)	
Non-operating expenses	0.5	2.7	+2.2	
Ordinary profit	27.0	34.9	+7.8	
Extraordinary income	8.7	0.0	(8.7)	[Previous FY] Gain on sale of non-current assets: 8.7
Extraordinary losses	2.2	0.4	(1.8)	[Previous FY] Plant relocation expense: 1.3
Profit before income taxes	33.5	34.4	+0.9	
Income taxes	9.3	8.9	(0.3)	
Profit attributable to owners of parent	24.1	25.5	+1.3	

Consolidated Balance Sheets

(100 million yen)

		As of December 31, 2024	As of June 30, 2025	Increases/ decreases	Key components
Assets	Current assets	555.4	540.9	(14.5)	[Non-current] Property, plant and equipment: +15.0 [Current] Inventories: +11.9
	Non-current assets	474.6	480.6	+5.9	[Current] Trade receivables: (25.7) [Non-current] Investment securities: (11.3)
	Total assets	1,030.1	1,021.5	(8.5)	
Liabilities	Current liabilities	348.5	350.5	+1.9	[Current] Trade payables: +8.9 [Current] Electronically recorded obligations - facilities: +6.0 [Current] Income taxes payable: (8.6)
	Non-current liabilities	60.8	57.9	(2.9)	[Current] Accounts payable - other: (5.3) [Current, Non-current] Borrowings: (2.1)
	Total liabilities	409.3	408.4	(0.9)	
Net assets	Total net assets	620.7	613.1	(7.6)	Retained earnings: +13.3 Treasury shares: (12.1) Valuation difference on available-for-sale securities: (8.4)
Equity ratio		60.2%	60.0%	(0.2P)	
Borrowings outstanding		61.2	59.0	(2.1)	

Consolidated Statements of Cash Flows

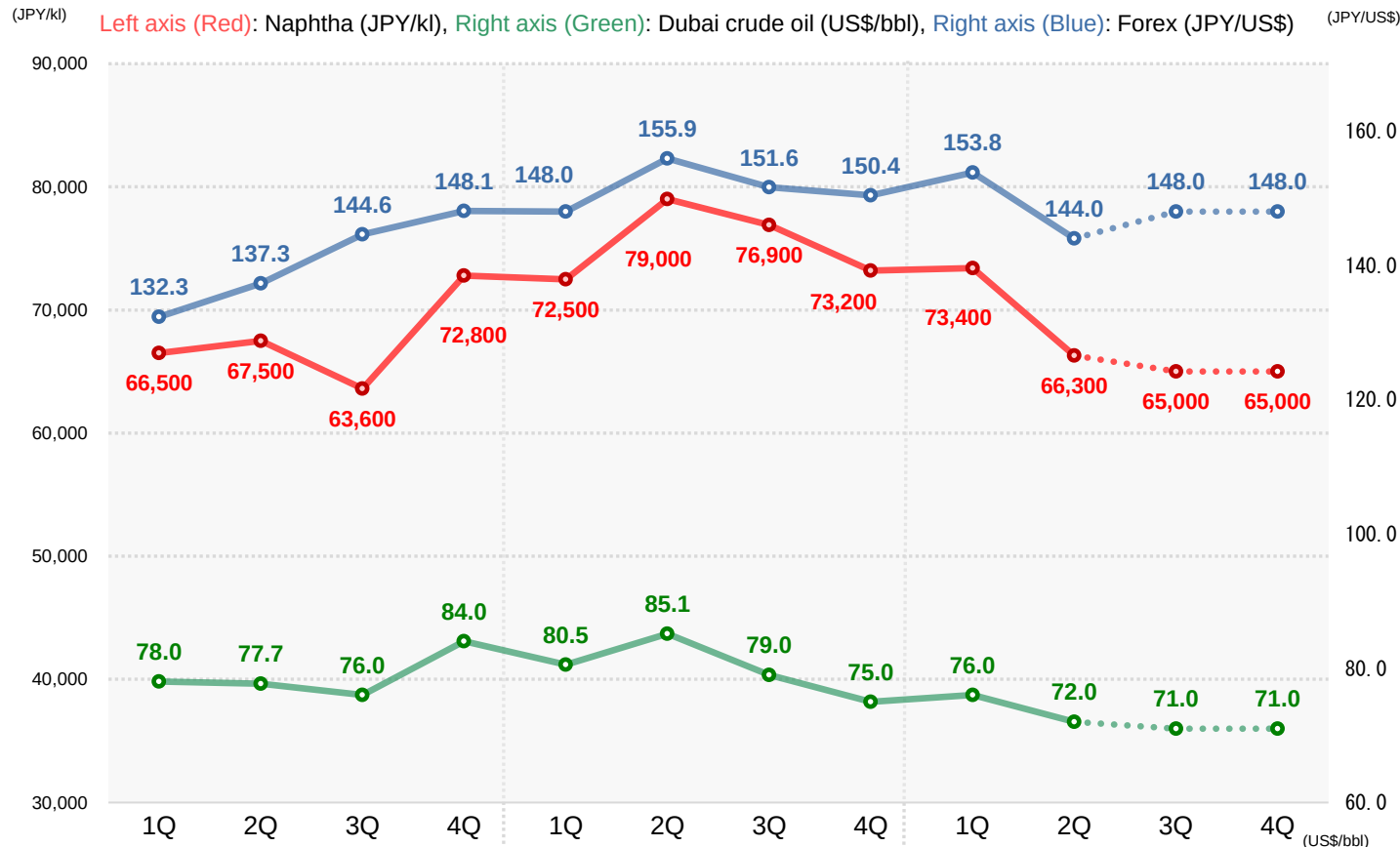
(100 million yen)

	Year ended December 31, 2024	Six months ended June 30, 2024	Six months ended June 30, 2025	Main factors of increases/decreases for the FY2025 interim term (vs. end-2024)
Cash and cash equivalents at beginning of period	78.0	78.0	89.4	
Cash flows from operating activities	58.3	32.7	77.2	Profit before income taxes: +34.4 Decrease in trade receivables: +25.6 Depreciation: +23.6 Income taxes paid: (14.2)
Cash flows from investment activities	(57.0)	(58.8)	(41.2)	Purchase of property, plant and equipment, such as plants and manufacturing equipment in the Housing Materials Division
Cash flows from financial activities	9.4	39.2	(26.6)	Purchase of treasury shares: (12.2) Dividends paid: (12.1)
Cash and cash equivalents at end of period	89.4	91.9	98.6	

2. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2025 (FY2025)

External Environment Forecasts and Market Trends

Domestic naphtha prices, Dubai crude oil prices and forex situation



Market trends

① Large display market

- Trend toward larger screens remains; area supply-demand increased about 5% YoY.
- Demand for polarizing plates increased about 4% YoY.

② Automotive market

- Outlook remains uncertain for automobile output due to the impact of U.S. tariffs.

③ Consumer spending

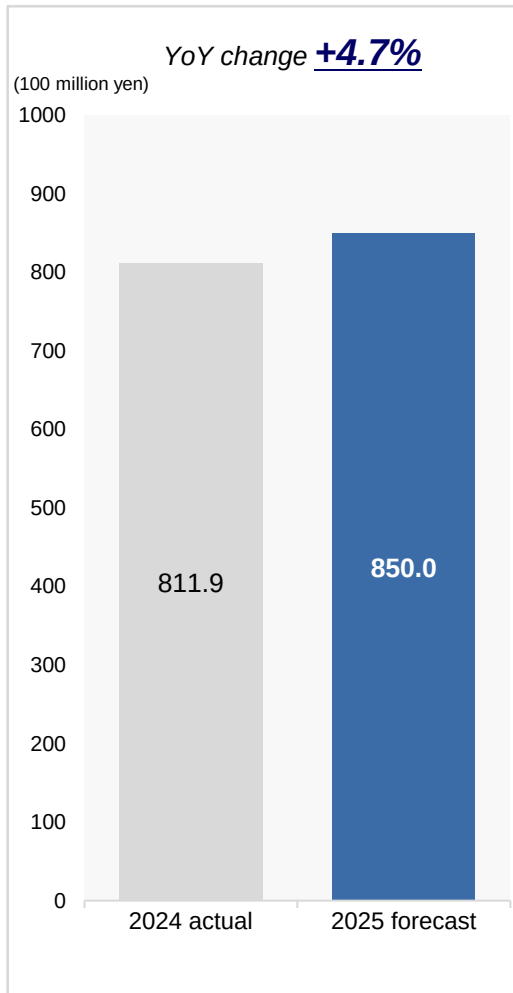
- Consumers remain thrifty although there are some signs of recovery.
- Inbound demand remains strong.

④ Home market

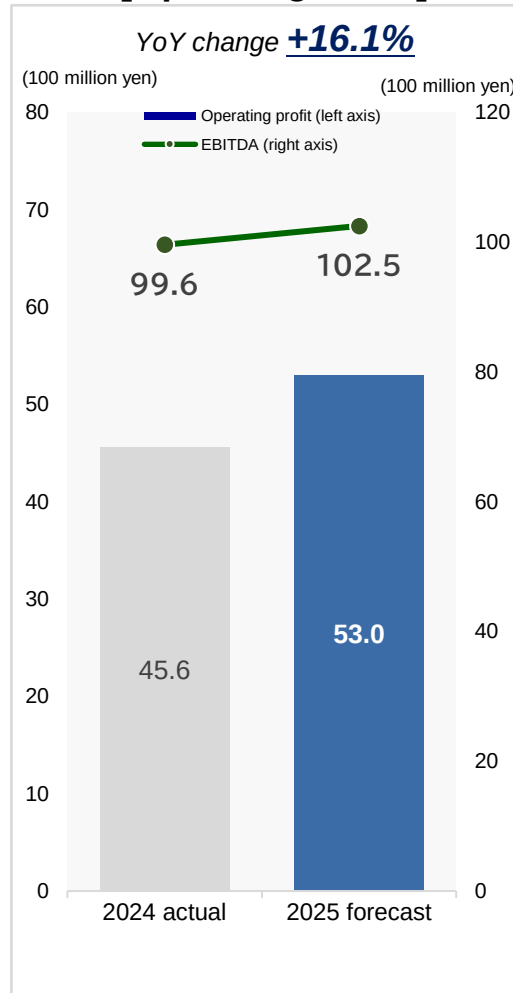
- New housing starts are expected to decrease YoY to about 730,000 due in part to restrained demand attributable to rising construction costs.
- Demand related to renovation and nonresidential segments remain at a sizable level.

Net Sales, Operating Profit, Ordinary Profit, Profit, and Capital Expenditures (Consolidated)

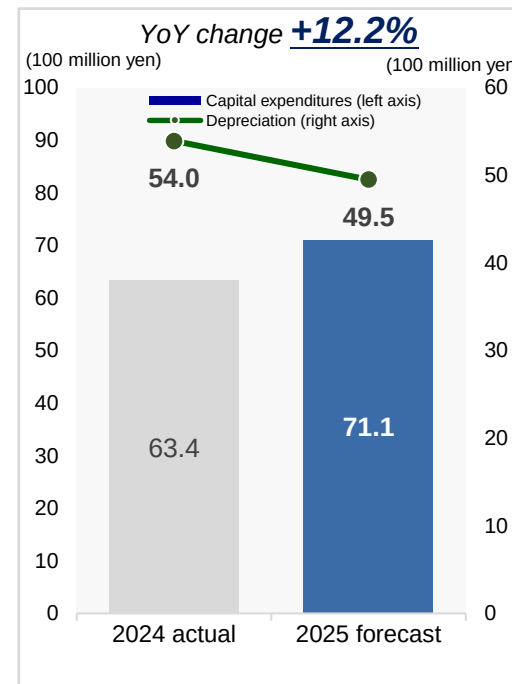
[Net sales]



[Operating Profit]



[Capital Expenditures]



Key capital expenditure projects

- Housing Materials Division**
 - Structural timber business using lumber sourced from the Shikoku region: **¥1,850 million**
- R&D Center**
 - Life & Healthcare-related business : **¥920 million**
- Plastic Film Division**
 - DX spending (Restructuring of enterprise system): **¥320 million**

	2024 actual	2025 forecast	YoY change
Ordinary profit	51.1	56.0	+9.6%
Profit attributable to owners of parent	43.5	44.0	+0.9%
Dividend per share	¥160	¥195	+¥35

Net Sales, Operating Profit, EBITDA, and Capital Expenditures by Business

Net Sales

(100 million yen)

	2024 actual	2025 forecast	YoY change	Six months ended June 30, 2025	Progress vs. full-year forecast
Plastic Film Division	518.6	540.0	+4.1%	264.1	48.9%
New Materials Division	146.1	160.0	+9.5%	97.2	60.8%
Housing Materials Division	128.5	130.0	+1.1%	65.1	50.1%
Other Businesses	18.6	20.0	+7.5%	8.9	44.7%
Total	811.9	850.0	+4.7%	435.5	51.2%

EBITDA

(100 million yen)

	2024 actual	2025 forecast	YoY change	Six months ended June 30, 2025	Progress vs. full-year forecast
Plastic Film Division	70.4	68.3	(3.0%)	39.4	57.7%
New Materials Division	29.5	33.3	+12.7%	21.2	63.7%
Housing Materials Division	13.6	14.8	+8.8%	5.9	39.8%
Other Businesses	7.7	7.3	(4.8%)	3.7	51.7%
Corporate Expenses	(21.7)	(21.3)	—	(11.4)	—
Total	99.6	102.5	+2.9%	58.8	57.4%

Operating Profit

(100 million yen)

	2024 actual	2025 forecast	YoY change	Six months ended June 30, 2025	Progress vs. full-year forecast
Plastic Film Division	44.5	47.0	+5.5%	28.6	61.0%
New Materials Division	12.4	17.0	+36.2%	13.3	78.8%
Housing Materials Division	9.4	10.0	+5.7%	4.2	42.2%
Other Businesses	4.9	5.1	+3.0%	2.3	46.4%
Corporate Expenses	(25.7)	(26.1)	—	(13.3)	—
Total	45.6	53.0	+16.1%	35.2	66.6%

Capital Expenditures

(100 million yen)

	2024 actual	2025 forecast	YoY change	Six months ended June 30, 2025	Progress vs. full-year forecast
Plastic Film Division	29.3	21.3	(27.3%)	6.9	32.8%
New Materials Division	9.6	9.2	(3.7%)	3.7	40.4%
Housing Materials Division	8.7	23.3	+168.2%	21.4	91.7%
Other Businesses	7.9	5.3	(32.0%)	4.2	78.7%
Corporate Expenses	7.8	11.7	+50.9%	5.9	50.8%
Total	63.4	71.1	+12.2%	42.3	59.5%

Progress of Priority Initiatives and 2H Financial Results Forecast

Plastic Film Division

Progress of Priority Initiatives

- Life and Package BU: Sales expansion of refill pouches targeting growing markets and new initiatives for functional pouches
⇒ Refill pouches have remained solid as we regularly received orders for new items.
- Process Materials BU: Sales expansion of optical protection films
⇒ Optical protection films have remained solid according to plans.

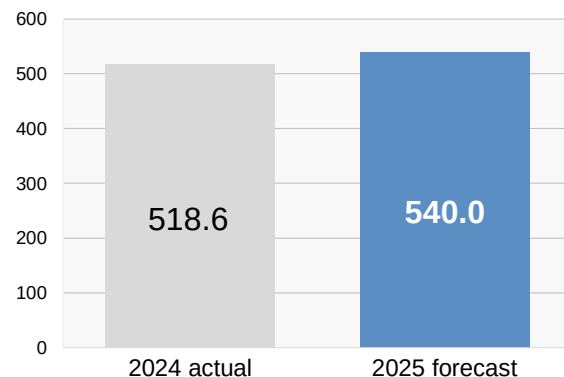
2H Financial Results Forecast

- We see expansion of environmental contributing products and optical protection films, but do not expect a recovery in sales volume of daily necessities, food, etc. as consumers are expected to remain thrifty.
- Profitability has been improving due to cost reductions achieved through price transfers and productivity improvements, but we anticipate the risk of rising raw material prices associated with the turmoil in the automotive market and global economic uncertainty.

Net Sales

+4.1%

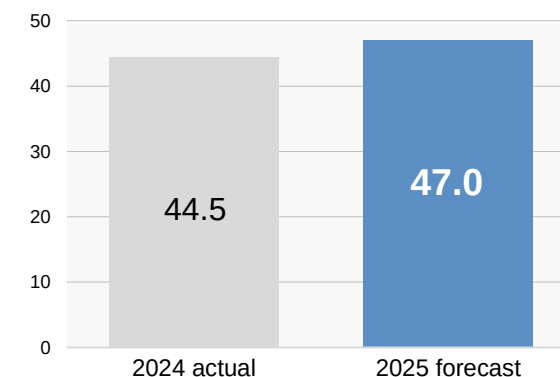
(100 million yen)



Operating Profit

+5.5%

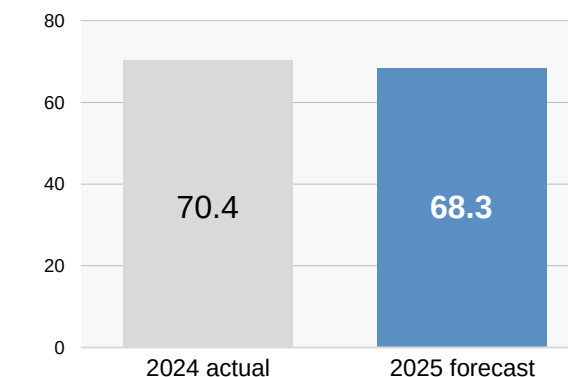
(100 million yen)



EBITDA

(3.0%)

(100 million yen)



Progress of Priority Initiatives and 2H Financial Results Forecast New Materials Division

Progress of Priority Initiatives

- Optical Materials BU: Establish stable operation of G2 Line and customer trust in our quality
⇒ **G2 Line is now in stable operation with all issues resolved.**

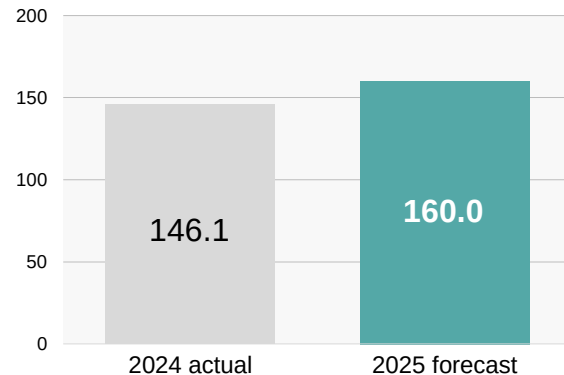
2H Financial Results Forecast

- Although medium- to long-term demand remains strong in the optical film market We anticipate increased production costs, accounting for inventory adjustments currently underway and prototyping and product grade changes.

Net Sales

+9.5%

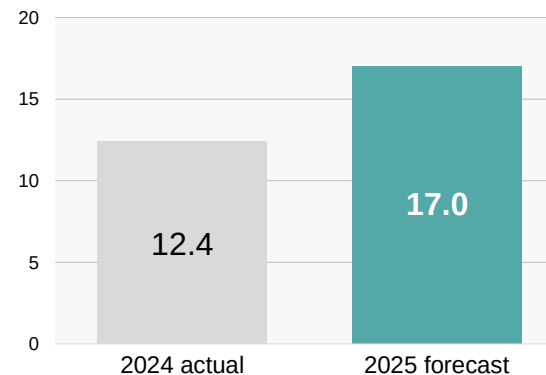
(100 million yen)



Operating Profit

+36.2%

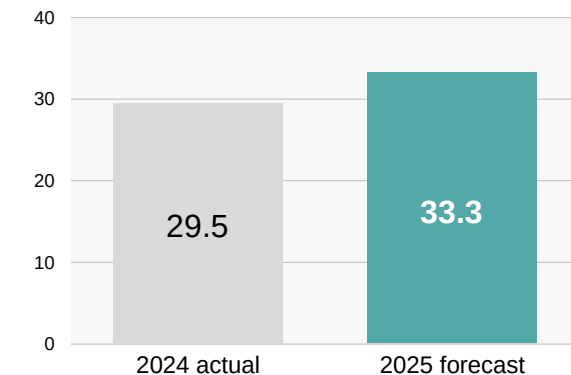
(100 million yen)



EBITDA

+12.7%

(100 million yen)



Progress of Priority Initiatives and 2H Financial Results Forecast Housing Materials Division

Progress of Priority Initiatives

- Wood Panel BU: Continuous improvement in particle board business and sales expansion of engineered wood boards business targeting mainly dining kitchen and bathroom uses
⇒ Despite a deteriorated market situation, the engineered wood boards business remained strong as it won orders by stabilizing production.
- Wooden Structure BU: Work on preparation to ensure launch of structural timber business. Enhance support functions for construction companies to address increased functionality of wooden homes
⇒ Structural timber business has been progressing according to plans for the goal of business launch in 2026.

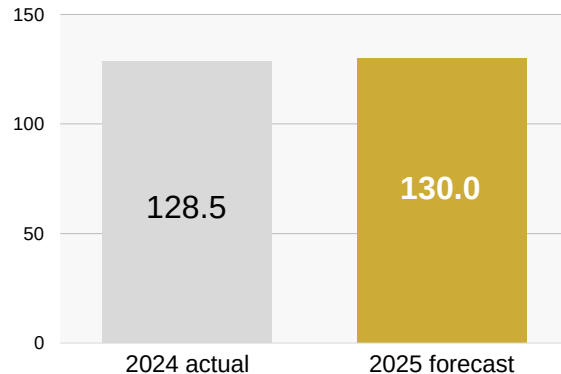
2H Financial Results Forecast

- Demand for residential properties remains sluggish, but we will work on sales expansion targeting nonresidential products.
- In view of rises in costs, including costs for raw materials, variable costs, etc., we will work to improve profitability by reviewing unprofitable products.

Net Sales

+1.1%

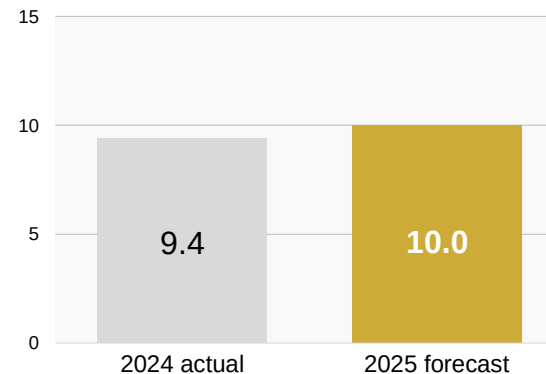
(100 million yen)



Operating Profit

+5.7%

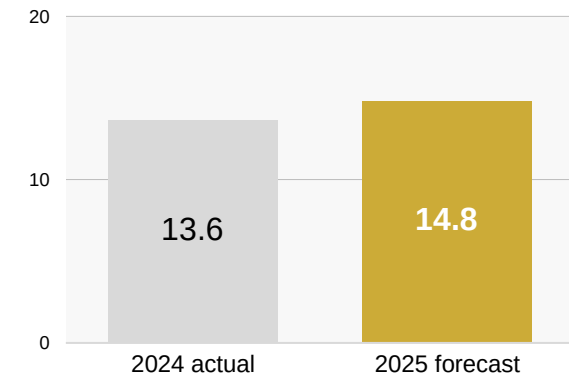
(100 million yen)



EBITDA

+8.8%

(100 million yen)



3. Progress of Medium-term Management Plan (2027)

Positioning of Medium-term Management Plan(2027)

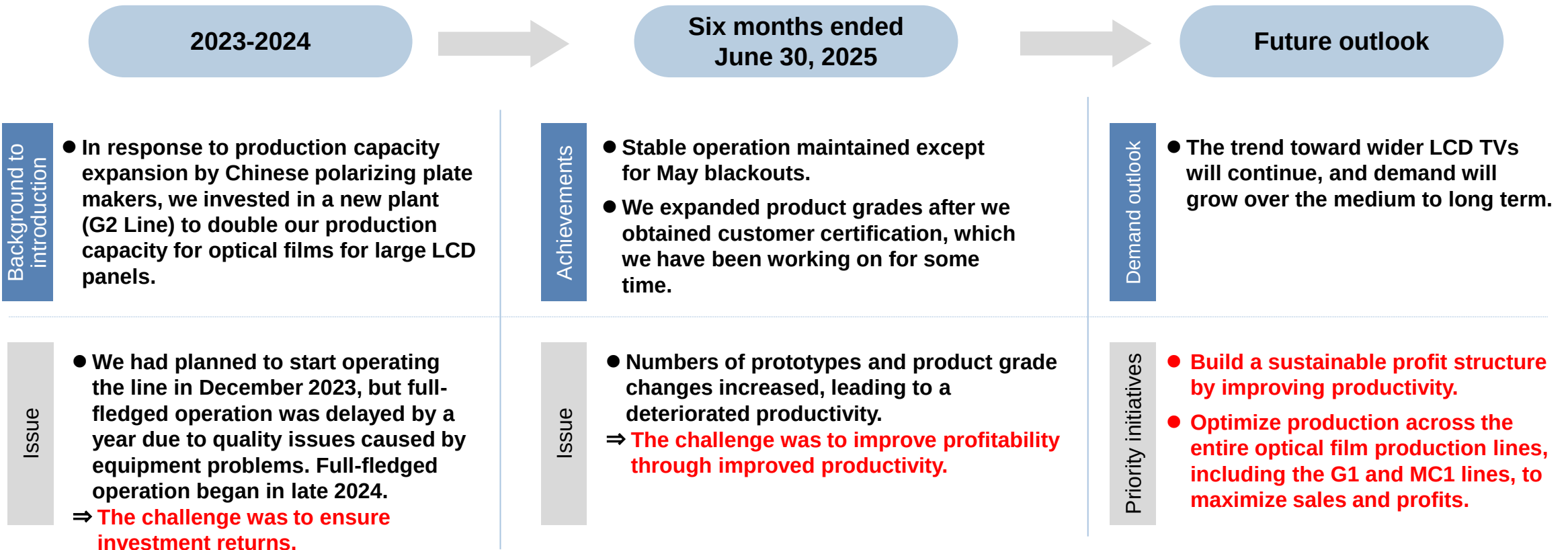


Business Strategy: Basic Policy ①:

Steady implementation of growth strategies

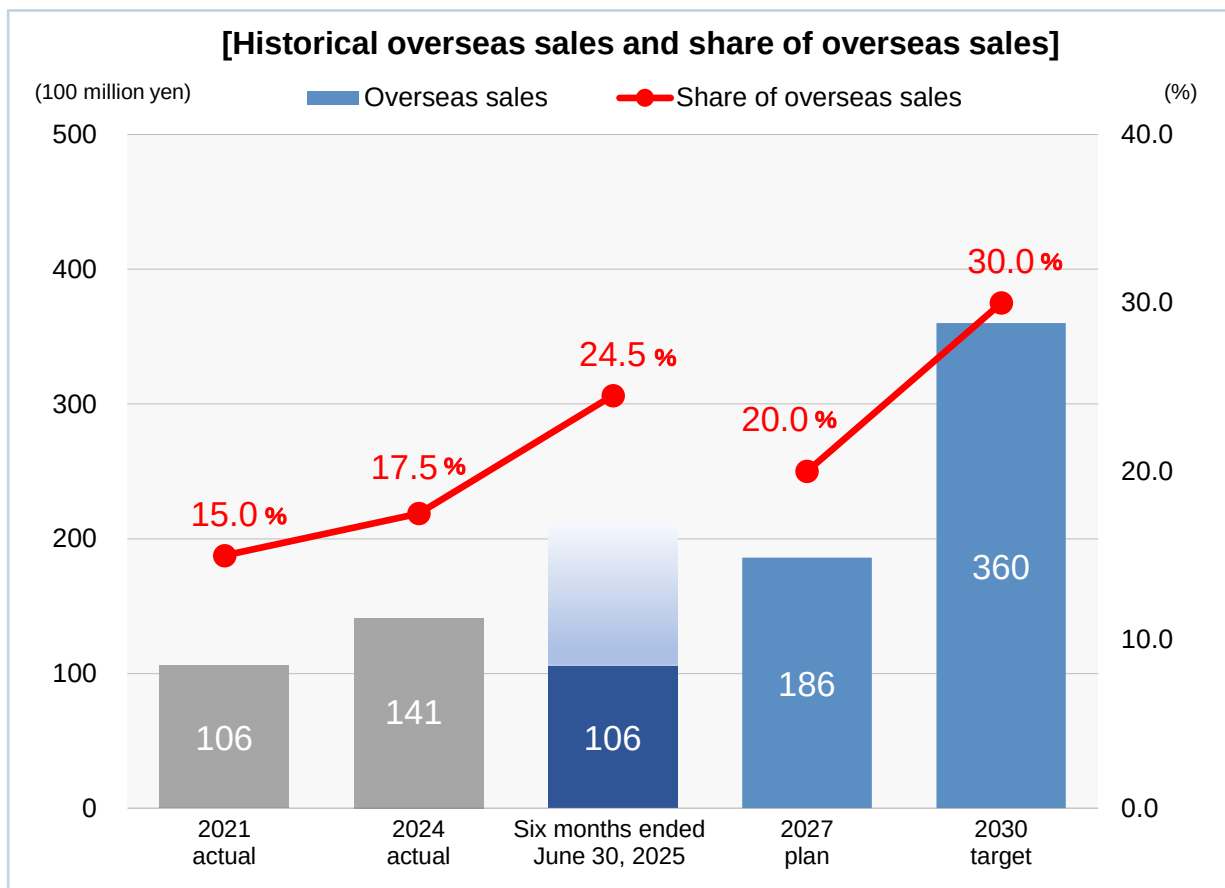
Steadily reap fruit of investment projects aimed at realizing Next10 (2030) goals and aggressively make investments in growth areas

[New Materials Division: Current status of G2 Line and Future Outlook]



Business Strategy: Basic Policy ②: Promote international business to expand business areas

Channel management resources to boost overseas sales mainly of Information Electronics and Functional Materials for Manufacturing Processes



Opening of Shanghai Office

Shanghai Office of New Materials Division opened on July 1, 2025.

- Gather information promptly and deepen relationships with customers in China in anticipation of further expansion of the display market in the country.
- Serve as a base for disseminating the latest information, not only collecting information, to create further value.

In preparation for business launch at Okura Vietnam

Slated to go into operation in 2026, a year after initially planned launch date.

- Currently, we are working to obtain a sales license for the local adhesive business and focusing efforts on marketing activities, aiming to increase the presence of the Vietnam office.
- Consider transferring labor-intensive operations, mainly in the International Business Promotion Department in the Plastic Film Division, from Japan.

Business Strategy: Basic Policy ③: Create new products by strengthening Research & Development functions

Accelerate the cycle of creating new product themes, developing products, and launching them and lead Okura's business

With the Research & Development Center leading, aim to improve people's lives by providing materials and technologies through four growth areas of **Information Electronics, Environment & Energy, Life & Healthcare, and Mobility**

Information Electronics

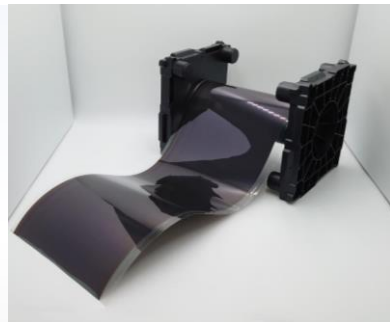


LCP films

Optical films
(coating/protection/other)

Touch sensor films

Environment & Energy



Perovskite solar cells

Composite materials

Monomaterials

Life & Healthcare



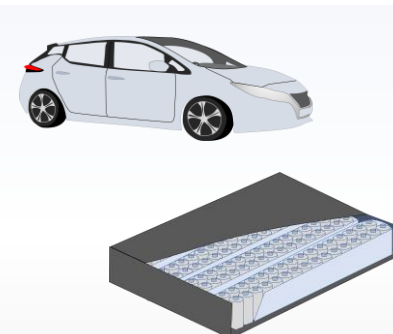
Single-use bags

Drapes for surgery-
assisting robots

Plant
extraction

Food wrapping
films

Mobility



Automotive headliner
materials

Paint replacement films

Adhesives for EVs

[Financial Strategy] Enhance Shareholder Returns

Dividend policy

- (1) We recognize shareholder returns as one of the most important management tasks and aim for continuous and stable dividend payout.
- (2) As part of measures to practice corporate management with awareness of cost of capital and share prices, we introduced DOE (dividend on equity ratio on consolidated basis) indicator, in addition to the dividend payout ratio indicator which we already use, to more clearly demonstrate our commitment to strengthening profit distribution.

Dividend target indicators

Stable profit distribution

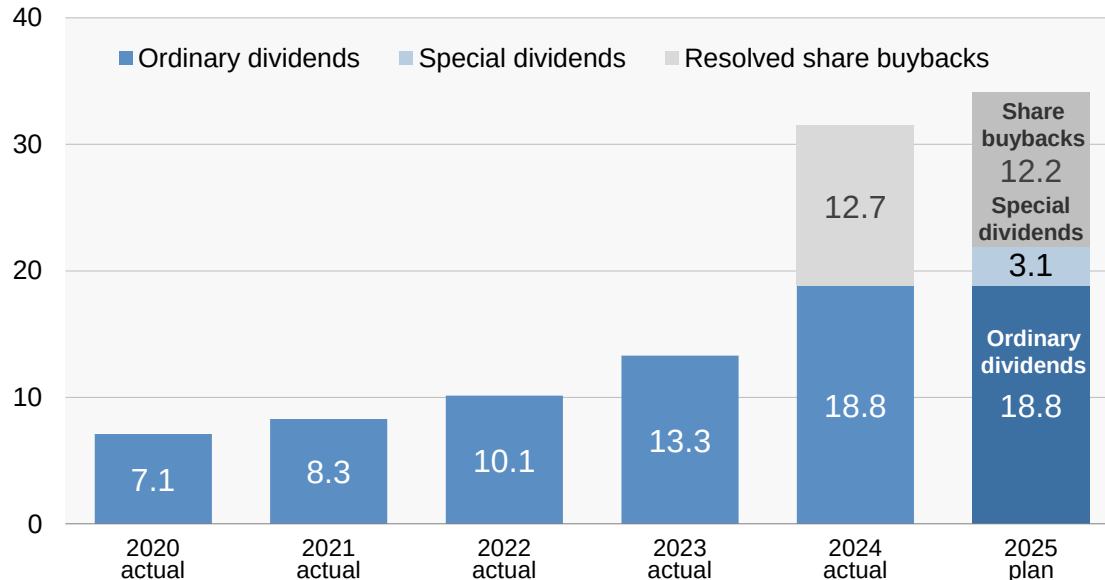
DOE: About 3.5% (ordinary dividend: 3.0%, special dividend: 0.5%)

Performance-linked profit distribution

Payout ratio: At least 30%

(100 million yen)

[Historical shareholder returns]



* The share buyback amount in a period between 2020 and 2023 was minimal and thus is not indicated.

Total shareholder returns in 2025: **¥3,420 million** (target)
⇒ payout ratio of 50.1% and total return ratio of 77.8%

- Dividend per share: **Annual ¥195**, up ¥35 YoY, planned (interim dividend: ¥95, year-end dividend: ¥100)
⇒ ordinary dividend: ¥170, special dividend: ¥25
- A total of ¥1,220 million worth of shares bought back in a period from January 2025 through June 2025 under a share buyback program (August 2024-June 2025)

[Nonfinancial Strategy] Promoting Use of Shikoku's Forest Resources / Release of Integrated Report

Promoting use of Shikoku's forest resources



- March 2025: Laminated wood factory building completed
- April 2025: A subsidiary that takes on factory operation services (Okura BM Works Co., Ltd.) established

⇒ On track to start operation in spring 2026

- Aim for integration of business and SDGs and regional revitalization by promoting the use of forest resources in Shikoku

Release of Integrated Report



- We changed our previous Sustainability Report to make it serve as a tool for communicating our Group's value creation initiatives and published it as an Integrated Report in June 2025.
- We aim to comprehensively describe our management strategies and ESG activities and communicate our contributions to the realization of a sustainable society and corporate value improvement in a concrete and highly transparent manner.



統合報告書2025
https://www.okr-ind.co.jp/wp/wp-content/uploads/OKURA_Integrated_Report_2025_Japanese.pdf



バックナンバー一覧
 統合報告書/サステナビリティレポート
<https://www.okr-ind.co.jp/sustainability/okura-report/>

Disclaimer

The earnings forecasts and other forward-looking statements herein were prepared using the information available to the Company at the time it prepared this document. Actual earnings results may differ from them depending on various factors in the future.

This document is intended only at providing information and is not intended to solicit buying or selling of any securities issued by the Company.



Consolidated Financial Results for the Six Months Ended June 30, 2025

END

August 18, 2025



OKURA INDUSTRIAL CO., LTD.

Code number: 4221