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December 1, 2025

Company name:	Okamoto Industries, Inc.
Name of representative:	Kunihiko Okamoto, Representative Director and President (Securities code: 5122; Prime Market)
Inquiries:	Yuji Tanaka, Managing Director Member of the Board (Telephone: +81-3-3817-4121)

Q&A and Presentation Materials for the Financial Results Briefing for Q2 FY2025

The following is a summary of the Q&A session at the financial results briefing for the Q2 FY2025, held on Friday, November 28, 2025.
Presenters: Yuji Tanaka, Managing Director Member of the Board ; Hisao Hosoya, Executive Officer
* Please note that the contents of this document are not a verbatim transcript of the session. Some parts have been edited or supplemented for clarity.

Q. There was mention of inventory adjustments at certain customers for condoms. Please provide more detail.
A. We maintain close communication with our customers. Some customers indicated that it has been difficult to assess the balance between their domestic and overseas sales, and as a result, shipments from our company temporarily decreased. We view this as a one-off event.

Q. Please describe the recent demand trends for gloves and your outlook going forward.
A. After the COVID-19 pandemic, there was a significant inflow of low-priced products into the market, which created a challenging environment for us. However, such inflows have recently stabilized. The glove market is diverse, with varying customer needs and market dynamics. We will continue addressing each market segment in line with its characteristics. In particular, we are focusing on sales to semiconductor factories, where demand remains strong.

Q. Regarding the surge in raw material prices, do you view this as temporary or persistent? Also, are you able to reflect the increase in your product prices?
A. The impact is especially significant for antimony. Due to China’s rare earth regulations, prices have surged fivefold during 2024–2025, and are now nearly ten times higher than in the 2010s. We are working to ensure a stable supply by increasing procurement from Asian regions outside China, although this inevitably results in higher costs. Our main countermeasures to the price surge are as follows:

1. For transactions with existing mechanisms that allow for appropriate price pass-through, we are moving forward with the necessary adjustments, although the process may take more than a year. Given the sharp price increase, we are negotiating for interim compensation before the usual adjustment period.
2. For transactions without price-pass-through arrangements, we are negotiating to ensure shared responsibility for achieving fair pricing, while maintaining our commitment to supply.
3. We are advancing R&D aimed at achieving equivalent performance without the use of antimony. We have already begun proposing such alternatives to manufacturers, and some have accepted them. Others are more cautious, as they need to verify long-term quality stability.

Presentation

Financial Results for Q2 FY2025

November 28, 2025

OKAMOTO INDUSTRIES, INC.

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Agenda

1 ：Overview of FY2025 2Q Results
2 ：Segment Highlights
3 ：Outlook
4 ：Shareholder Returns
5 ：Q&A Session

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1 ：Overview of FY2025 2Q Results
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Financial Results Highlights

Consolidated Results for the Six Months (FY2025 2Q Cumulative)

・Revenue: ¥52.8 billion (△2.9% YoY)
・Operating Profit: ¥2.5 billion (△49.1% YoY)
・Ordinary Profit: ¥3.3 billion (△32.5% YoY)
・Net Income: ¥1.9 billion (△34.8% YoY)

Variance Between Forecast and Actual Results (FY2025 2Q Cumulative)

・Revenue: +¥0.8 billion (+1.7%)
・Operating Profit: +¥0.5 billion (+25.2%)
・Ordinary Profit: +¥1.0 billion (+47.1%)
・Net Income: +¥0.8 billion (+76.7%)

Financial Results Highlights

・The Film Business as a whole (including agricultural materials) remained generally solid compared with the previous year.

・The appreciation of the yen had a negative impact, equivalent to approximately ¥8 per U.S. dollar compared with the previous fiscal year.

・Sales declined both domestically and internationally in automotive materials and condoms.

・Continued surge in raw material prices (especially antimony used as a flame retardant) and a slowdown in the Chinese economy.

Financial Results Highlights

・Share Repurchases

Completed Program

Shares acquired: 280,000 shares
Total acquisition cost: ¥1.4 billion
Equivalent to 1.6% of the total number of shares outstanding

New Program (announced on November 7, 2025)

Maximum number of shares to be repurchased: 190,000 shares
Maximum acquisition amount: ¥1.0 billion
Equivalent to 1.1% of the total number of shares outstanding

Financial Results and Business Summary

	FY2024 Q2 (Million yen)	FY2025 Q2 (Million yen)	Change	%	Variance from the Interim Earnings Forecast	%
Net sales	54,489	52,899	△1,590	△2.9	+899	+1.7
Cost of sales	42,068	42,755	687	1.6	-	-
Gross profit	12,421	10,144	△2,277	△18.3	-	-
Selling, general and administrative expenses	7,502	7,640	138	1.9	-	-
Operating profit	4,919	2,503	△2,416	△49.1	+503	+25.2
Non-operating income and expenses	95	881	785	819.0	-	-
Ordinary income	5,015	3,384	△1,630	△32.5	+1,084	+47.1

〇Selling, general and administrative expenses⇒Primarily due to a ¥198 million decrease in freight and packing expenses, and increases of ¥25 million in advertising expenses and ¥250 million in depreciation.
〇Non-operating income⇒"Dividend income" increased by ¥107 million.
〇Non-operating expenses⇒"Foreign exchange loss" decreased by ¥555 million, and "tender offer related expenses" decreased by ¥122 million.

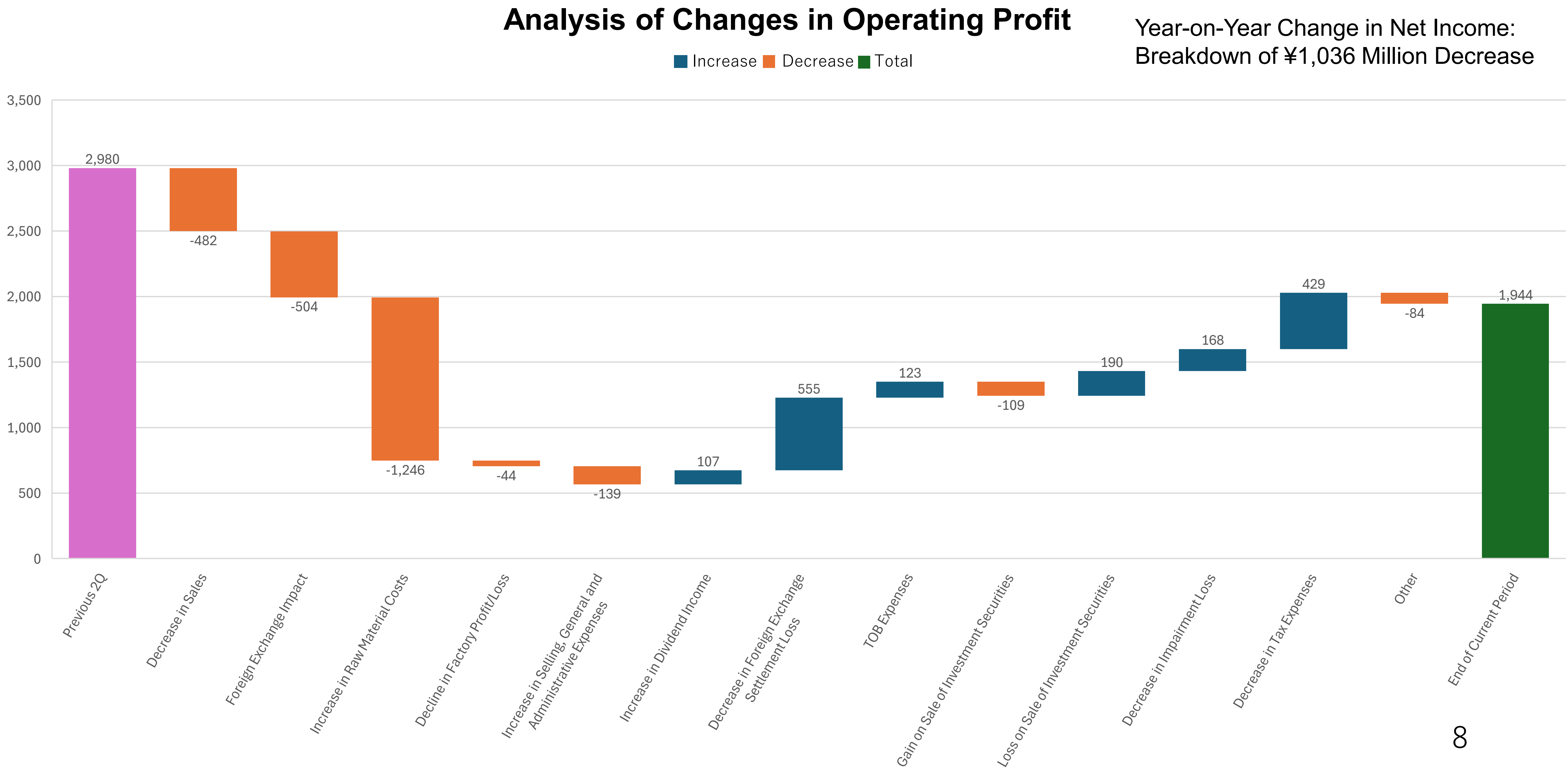
Financial Results and Business Summary

	FY2024 Q2 (Million yen)	FY2025 Q2 (Million yen)	Change	%
Extraordinary income and loss	△646	△444	202	△31.2
Profit before income taxes	4,368	2,939	△1,428	△32.7
Tax expenses	1,410	981	△428	△30.4
Profit attributable to owners of parent	2,980	1,943	△1,036	△34.8
Average Exchange Rate (USD)	154.07 yen	146.09 yen	△8.0 yen	△5.2

〇Extraordinary income⇒"Gain on sales of investment securities" decreased by ¥109 million.
〇Extraordinary loss⇒"Impairment loss" decreased by ¥168 million, and "Loss on sales of investment securities" decreased by ¥189 million.
〇Tax expenses⇒"Total income taxes" decreased by ¥429 million (due to a decrease in Okamoto's taxable income).

Year-on-Year Changes

Year-on-Year Change in Net Income:
Breakdown of ¥1,036 Million Decrease



Consolidated Balance Sheets Summary

(Million yen)

	As of March 31, 2025	As of September 30, 2025	Change
<Assets>			
Total current assets	89,348	83,592	△5,756
Property, plant and equipment	21,818	21,802	△16
Intangible assets	2,569	2,421	△147
Investments and other assets	32,397	43,335	10,937
Total non-current assets	56,785	67,559	10,773
Total assets	146,134	151,151	5,017

○Current assets⇒"Cash and deposits" decreased by ¥4,249 million,"Notes receivable-trade" decreased by ¥350 million, "Electronically recorded monetary claims-operating" decreased by ¥115 million, "inventory" decreased by ¥292 million, and "Other" decreased by ¥737 million.
○Non-current assets⇒"Investment securities" increased by ¥11,807 million (mainly due to a rise in stock prices), and "Long-term time deposits" decreased by ¥800 million.

Consolidated Balance Sheets Summary

(Million yen)

	As of March 31, 2025	As of September 30, 2025	Change
<Liabilities>			
Total current liabilities	36,945	34,632	△2,312
Non-current liabilities	14,724	17,722	2,998
Total liabilities	51,669	52,355	685

〇Current liabilities⇒Notes and accounts payable-trade decreased by ¥1,784 million, Electronically recorded obligations-operating increased by ¥702 million, accrued corporate taxes decreased by ¥1,144 million, and other liabilities decreased by ¥44 million.
〇Non-current liabilities⇒Deferred tax liabilities increased by ¥3,083 million.

Consolidated Balance Sheets Summary

(Million yen)

	As of March 31, 2025	As of September 30, 2025	Change
<Net assets>			
Shareholders' equity	70,519	70,188	△331
Accumulated other comprehensive income	23,837	28,506	4,669
Non-controlling interests	107	101	△6
Total net assets	94,464	98,796	4,332
Total liabilities and net assets	146,134	151,151	5,017
Equity ratio	64.6%	65.3%	0.7%

〇Total accumulated other comprehensive income
⇒"Valuation difference on available-for-sale securities" increased by ¥6,223 million, and "Foreign currency translation adjustment" decreased by ¥1,476 million.

financial indicators

	FY2024 Q4	FY2025 Q2
EPS(Earnings Per Share)	３８３．３５yen	１１２．８３yen
PBR(Price Book-value Ratio)	０．９×	０．９×
ROE(Return On Equity)	７．３％	※　４．０％
ROA（Return On Assets)	６．７％	※　４．６％
PER(Price Earnings Ratio)	１３．２×	※　２２．５×
（Reference)		
Okamoto-Closing Stock Price at Fiscal Year-End	５，０６０yen	５，０５０yen
Nikkei 225 – Fiscal Year-End Closing Price	３５，６１７yen	４４，９３２yen

※Converted to an annual rate

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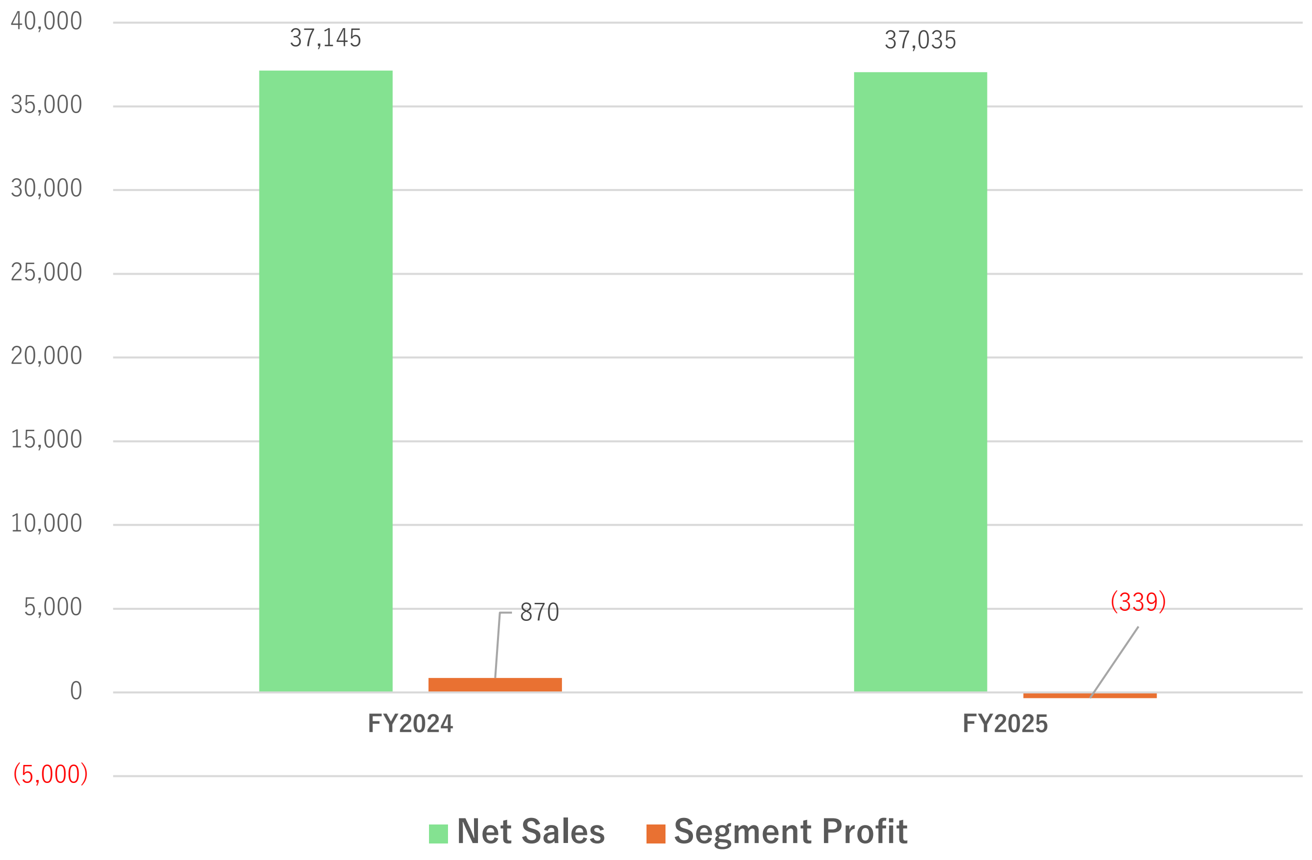
Trends in Segment (Business) Sales and Profit

Amount: Million Yen

【Industrial Products】



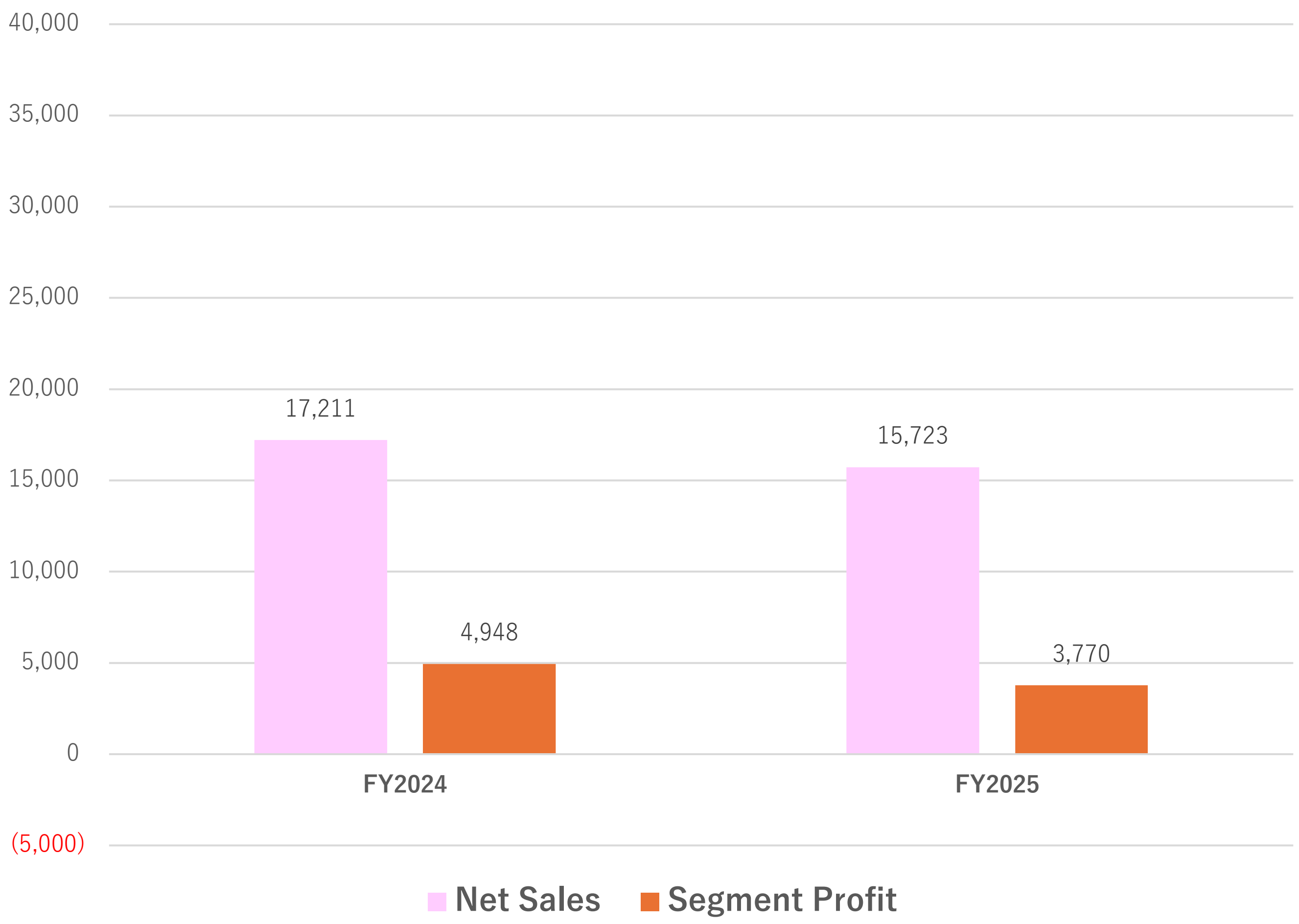
■Net Sales (down 0.3% YoY)
⇒Automotive interior materials: Decrease due to yen appreciation (vs. previous year) and weaker demand in the North American market.
⇒Wrap products: Increase driven by new customer acquisitions.

■Segment Profit (Loss)
(Previous year: ¥870 million profit)
⇒Automotive interior materials: Decrease mainly due to higher raw material costs. (antimony)
⇒Wallpaper: Increase due to price revisions.

Trends in Segment (Business) Sales and Profit

Amount: Million Yen

【Consumer Products】



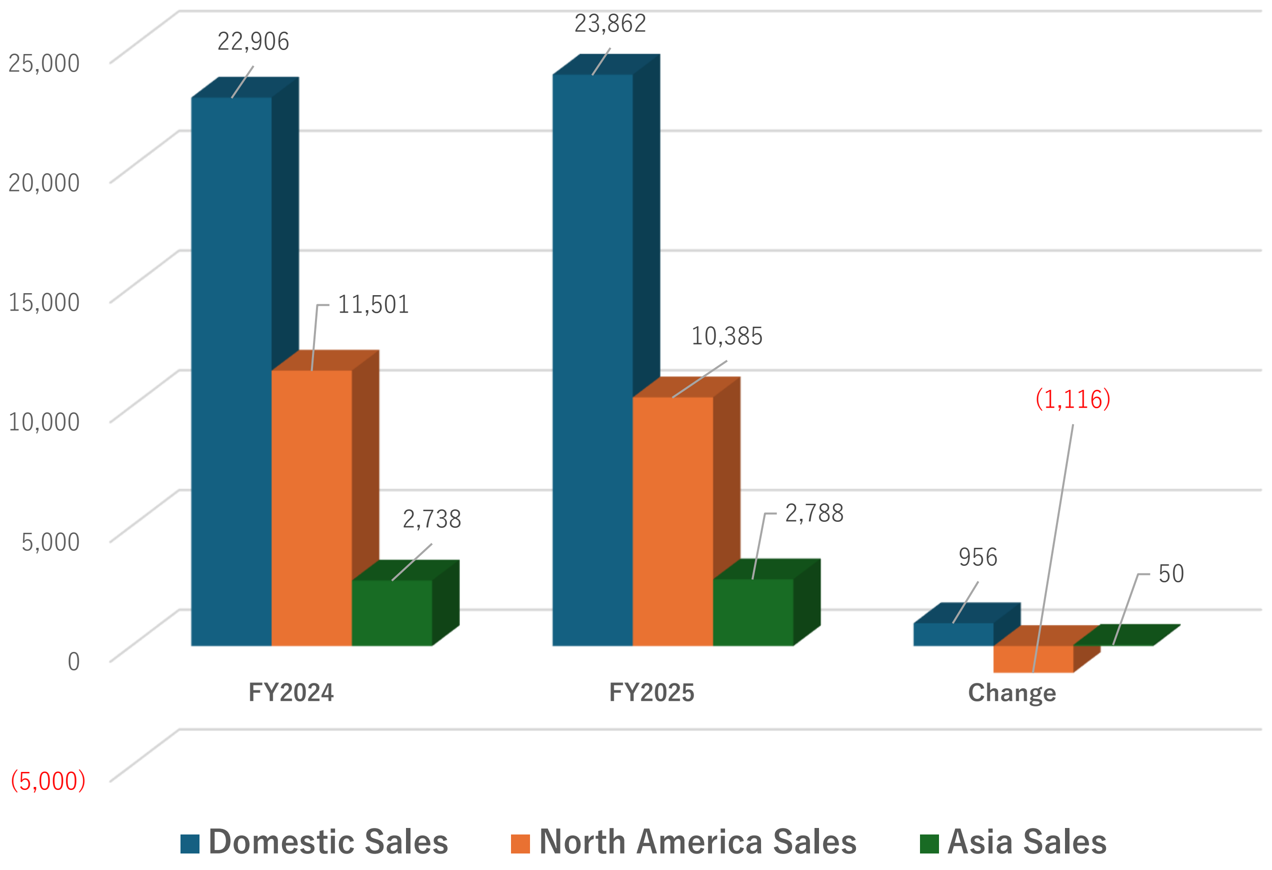
■Net Sales (down 8.6% YoY)
⇒Condoms: Decrease due to yen appreciation (vs. previous year) and weaker demand in the Chinese market.

■Segment Profit (down 23.8% YoY)
⇒Decrease due to the above factors and higher selling expenses.

Sales by Business Segment and Region

Amount: Million Yen

【Industrial Products】



Domestic Sales (up 4.2% YoY)

◆Increase mainly due to pre-demand ahead of price revisions in agricultural materials.

◆ Decrease in wallpaper sales due to a slowdown in housing starts.

◆ Abrasive cloth and paper performed steadily; OA (office automation) related products declined.

North America Sales (down 9.7% YoY)

◆Automotive interior materials declined due to delays in model changes.

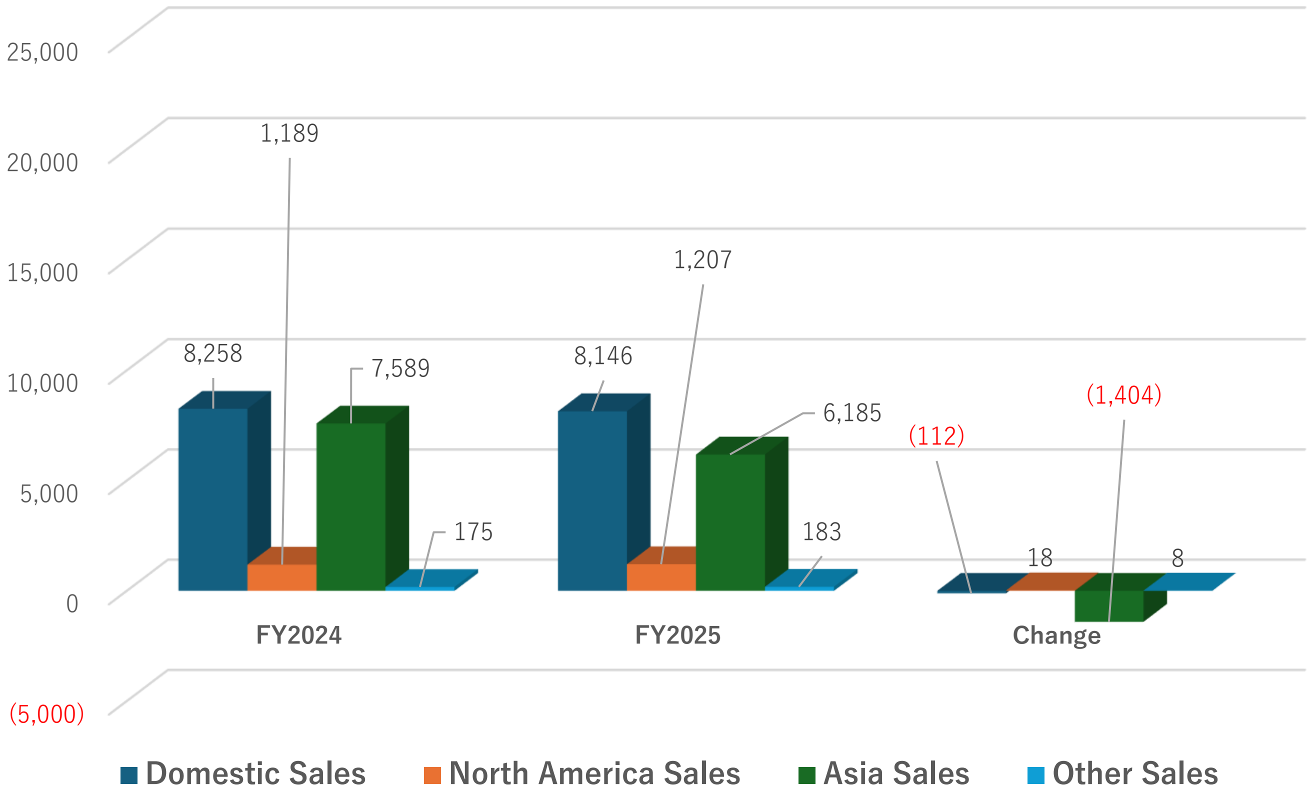
Asia Sales (up 1.8% YoY)

◆Automotive interior materials were slightly up for our adopted models, despite production cuts at Japanese automakers in China.

Sales by Business Segment and Region

Amount: Million Yen

【Consumer Products】



Domestic Sales (down 1.4% YoY)

◆Condoms decreased due to inventory adjustments by distributors.

◆ Dehumidifiers declined due to lower rainfall.

North America Sales (up 1.5% YoY)

◆Condoms showed slight growth.

Asia Sales (down 18.5% YoY)

◆Condoms declined due to the economic slowdown in China.

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Earnings Forecast

(Million yen)

	Fiscal Year-End Earnings Forecast	Previous Fiscal Year (Consolidated)	Change	Change(%)
Net Sales	109,000	109,107	△107	△0.1
Operating Income	5,700	8,701	△3,001	△34.5
Ordinary Income	7,000	9,764	△2,764	△28.3
Profit attributable to owners of parent	4,300	6,674	△2,374	△35.6

※ No revision from the previously announced earnings forecast

Taking into account persistently high raw material prices, the slowdown of the Chinese economy, the impact of U.S. tariff policies, and continued uncertainty in foreign exchange rates.

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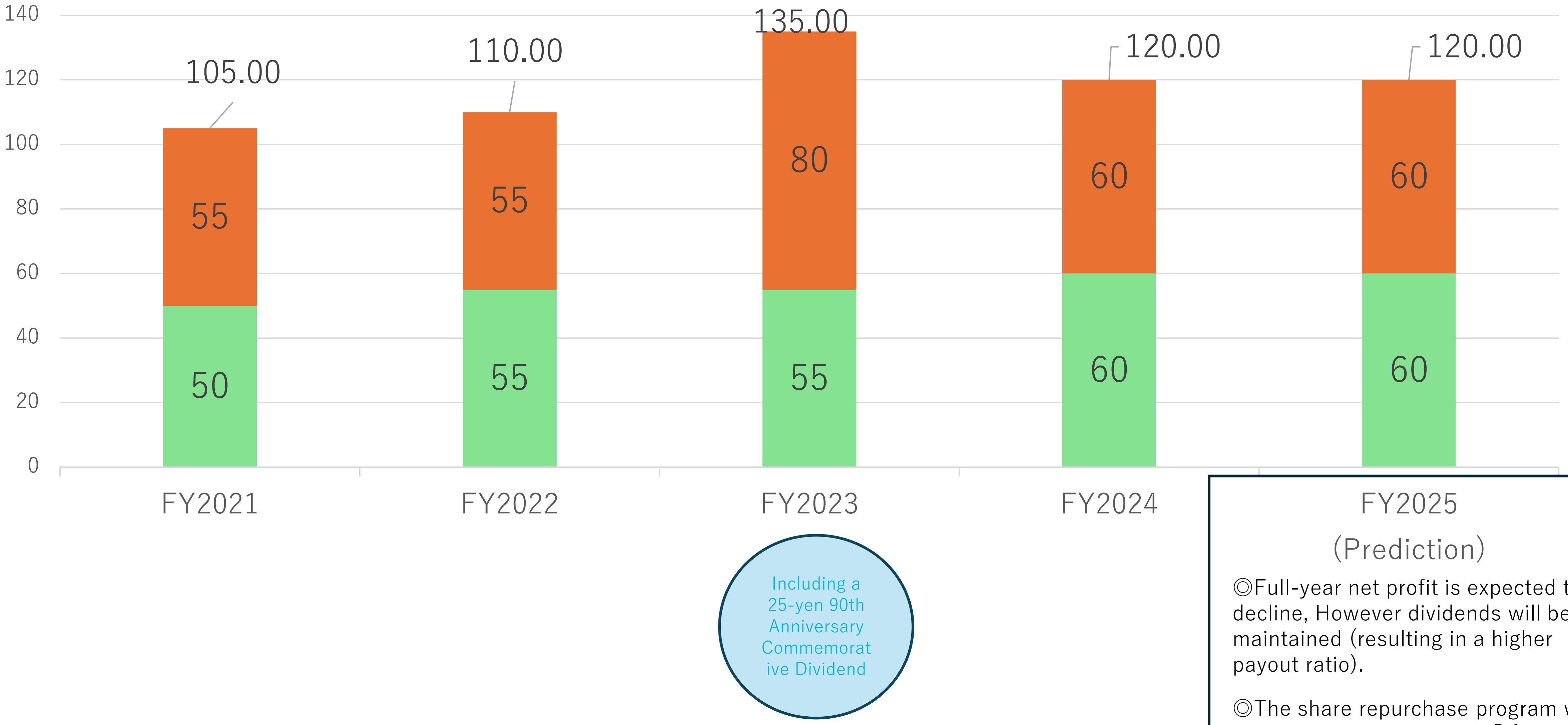
	FY2024	FY2025 (Prediction)	Change
Dividends	120yen	120yen	0yen



◎Full-year net profit is expected to decline, However dividends will be maintained (resulting in a higher payout ratio).

◎The share repurchase program will remain in place.

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Q&A Session

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(Reference) CIF Price Trends for Antimony Imports

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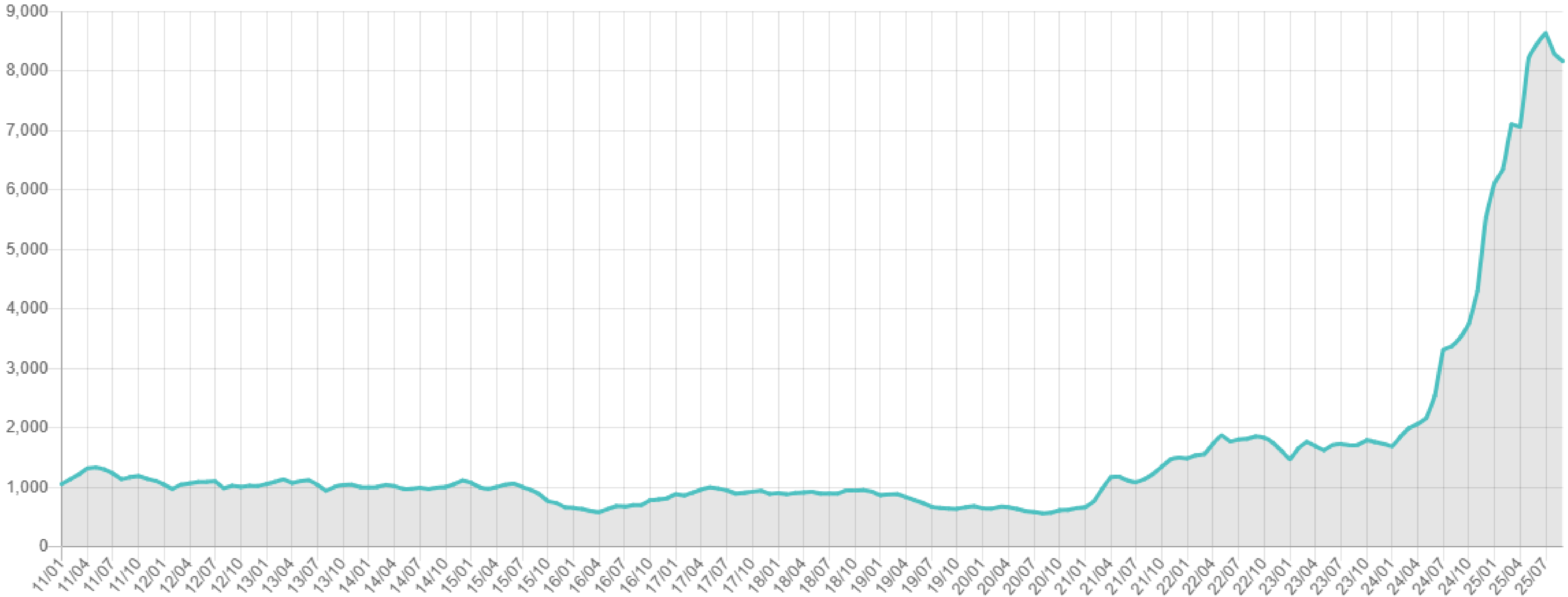

Source: Chematels Market Information(https://chematels.com/market/antimony)