



Presentation

Financial Results for FY2025

May 29, 2026

OKAMOTO INDUSTRIES, INC.



Agenda

- 1 : Overview of FY2025 Results**
- 2 : Segment Highlights**
- 3 : Shareholder Returns**
- 4 : Capital Allocation**
- 5 : Issues to be addressed**
- 6 : Financial Forecast for the FY 2026**
- 7 : Q&A Session**

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Financial Results Highlights

Consolidated Financial Results for the Fiscal Year Ended March 2026 (Full Year)

- Revenue: ¥108 billion ($\Delta 1.0\%$ YoY)
- Operating Profit: ¥6.2 billion ($\Delta 28.2\%$ YoY)
- Ordinary Profit: ¥8.5 billion ($\Delta 12.0\%$ YoY)
- Net Income: ¥4.9 billion ($\Delta 27.3\%$ YoY)

Variance Between Forecast and Actual Results for the Fiscal Year Ended March 2026 (Full Year)

- Revenue: -¥1.0 billion ($\Delta 0.9\%$)
- Operating Profit: +¥0.5 billion (+8.7%)
- Ordinary Profit: +¥1.5 billion (+21.4%)
- Net Income: +¥0.6 billion (+13.9%)



Financial Results Highlights

- Automotive interior materials recorded solid performance in Japan; however, in North America, sales and profits declined due to reduced production of adopted vehicle models and the cancellation of mass-production launches for new vehicle models.
- Condoms recorded declines in sales and profits due to a decrease in inbound demand in Japan and the economic slowdown in China in overseas markets.
- Profits decreased due to soaring prices of flame retardants (antimony), mainly affecting automotive interior materials.



Financial Results Highlights

- Implementation of Share Repurchase

A total of 256,792 shares were repurchased for ¥1.3 billion (equivalent to 1.5% of the total number of issued shares).

- Sale of Investment Securities

- ① Sold one of the 34 listed shares held by the Company.
- ② Sold one listed share held by a subsidiary.

- Improved efficiency in raw material procurement, production, and inventory management through the introduction of a new core system.

- Growth investments, including the completion of the new Okayama Plant and the introduction of labor-saving equipment at certain factories.

Financial Results and Business Summary



	FY2024 (Million yen)	FY2025 (Million yen)	Change	%
Net sales	109,107	108,040	△1,066	△1.0
Cost of sales	85,193	86,256	1,062	1.2
Gross profit	23,913	21,784	△2,129	△8.9
Selling, general and administrative expenses	15,212	15,536	324	2.1
Operating profit	8,701	6,248	△2,453	△28.2
Non-operating income and expenses	1,063	2,346	1,284	120.7
Ordinary income	9,764	8,595	△1,169	△12.0

○Selling, general and administrative expenses ⇒ Primarily due to a ¥226 million decrease in freight and packing expenses, and increases of ¥567 million in depreciation.

○Non-operating income ⇒ “Dividend income” increased by ¥231 million and “Foreign exchange gains” increased by ¥322 million.

○Non-operating expenses ⇒ “Foreign exchange loss” decreased by ¥436 million, and “tender offer related expenses” decreased by ¥148 million.

Financial Results and Business Summary



	FY2024 (Million yen)	FY2025 (Million yen)	Change	%
Extraordinary income and loss	△43	△1,594	△1,551	3578.9
Profit before income taxes	9,721	7,001	△2,720	△28.0
Tax expenses	3,016	2,140	△876	△29.0
Profit attributable to owners of parent	6,674	4,855	△1,820	△27.3
Average Exchange Rate (USD)	152.89 yen	150.13 yen	△2.76 yen	△1.8

○Extraordinary income ⇒ “Gain on sales of investment securities” decreased by ¥1,142 million.

○Extraordinary loss ⇒ “Impairment loss” increased by ¥591 million, and “Loss on sales of investment securities” decreased by ¥189 million.

○Tax expenses ⇒ “Total income taxes” decreased by ¥875 million.

Year-on-Year Changes

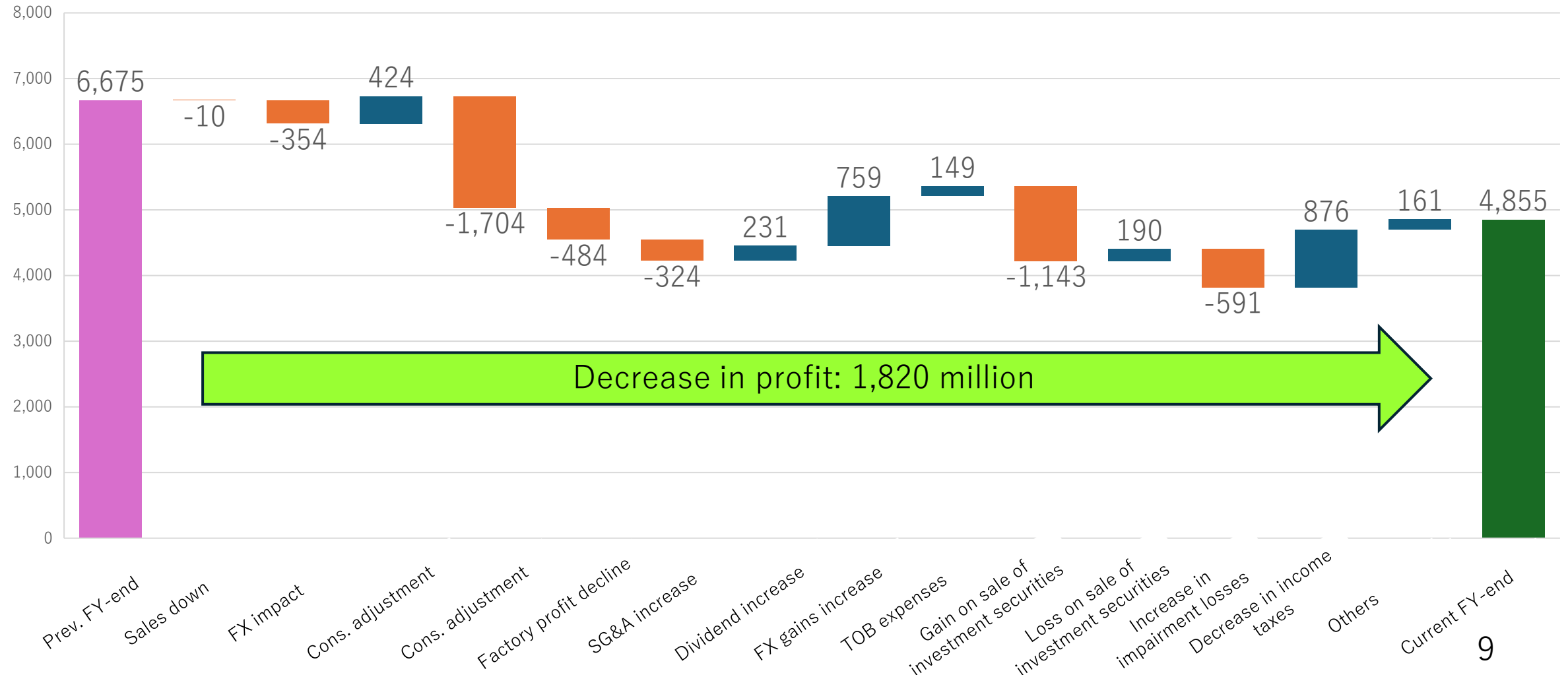


Analysis of Changes in Net Income

Year-on-Year Change in Net Income: Breakdown of ¥1,820 Million Decrease

Amount: Million Yen

■ Increase ■ Decrease ■ Total



Consolidated Balance Sheets Summary



(Million yen)

	As of March 31, 2025	As of March 31, 2026	Change
<Assets>			
Total current assets	89,348	81,918	△7,430
Property, plant and equipment	21,818	25,048	3,229
Intangible assets	2,569	2,265	△304
Investments and other assets	32,397	54,935	22,538
Total non-current assets	56,785	82,249	25,463
Total assets	146,134	164,167	18,033

○Current assets ⇒ “Cash and deposits” decreased by ¥7,065 million, “Notes receivable-trade” decreased by ¥786 million, “Electronically recorded monetary claims-operating” increased by ¥388 million, “Accounts receivable” increased by ¥655 million, and “inventory” decreased by ¥545 million.

○Non-current assets ⇒ “Tangible fixed assets” increased by ¥3,229 million, “Investment securities” increased by ¥23,447 million (mainly due to a rise in stock prices), and “Long-term time deposits” decreased 10 by ¥800 million.

Consolidated Balance Sheets Summary



(Million yen)

	As of March 31, 2025	As of March 31, 2026	Change
<Liabilities>			
Total current liabilities	36,945	33,672	△3,272
Non-current liabilities	14,724	19,863	5,138
Total liabilities	51,669	53,536	1,866

○Current liabilities⇒Notes and accounts payable-trade decreased by ¥2,373 million, Electronically recorded obligations-operating decreased by ¥684 million, Short-term borrowings increased by ¥794 million, Accrued corporate taxes decreased by ¥608 million, and other liabilities decreased by ¥416 million.

○Non-current liabilities⇒Long-term borrowings decreased by ¥914 million, Deferred tax liabilities increased by ¥6,803 million, Net defined benefit liability decreased by ¥681 million.

Consolidated Balance Sheets Summary



(Million yen)

	As of March 31, 2025	As of March 31, 2026	Change
<Net assets >			
Shareholders' equity	70,519	72,055	1,536
Accumulated other comprehensive income	23,837	38,458	14,621
Non-controlling interests	107	117	10
Total net assets	94,464	110,631	16,166
Total liabilities and net assets	146,134	164,167	18,034
Equity ratio	64.6%	67.3%	2.7%

○Total accumulated other comprehensive income
 ⇒“Valuation difference on available-for-sale securities” increased by ¥14,019 million, and “Foreign currency translation adjustment” increased by ¥434 million.

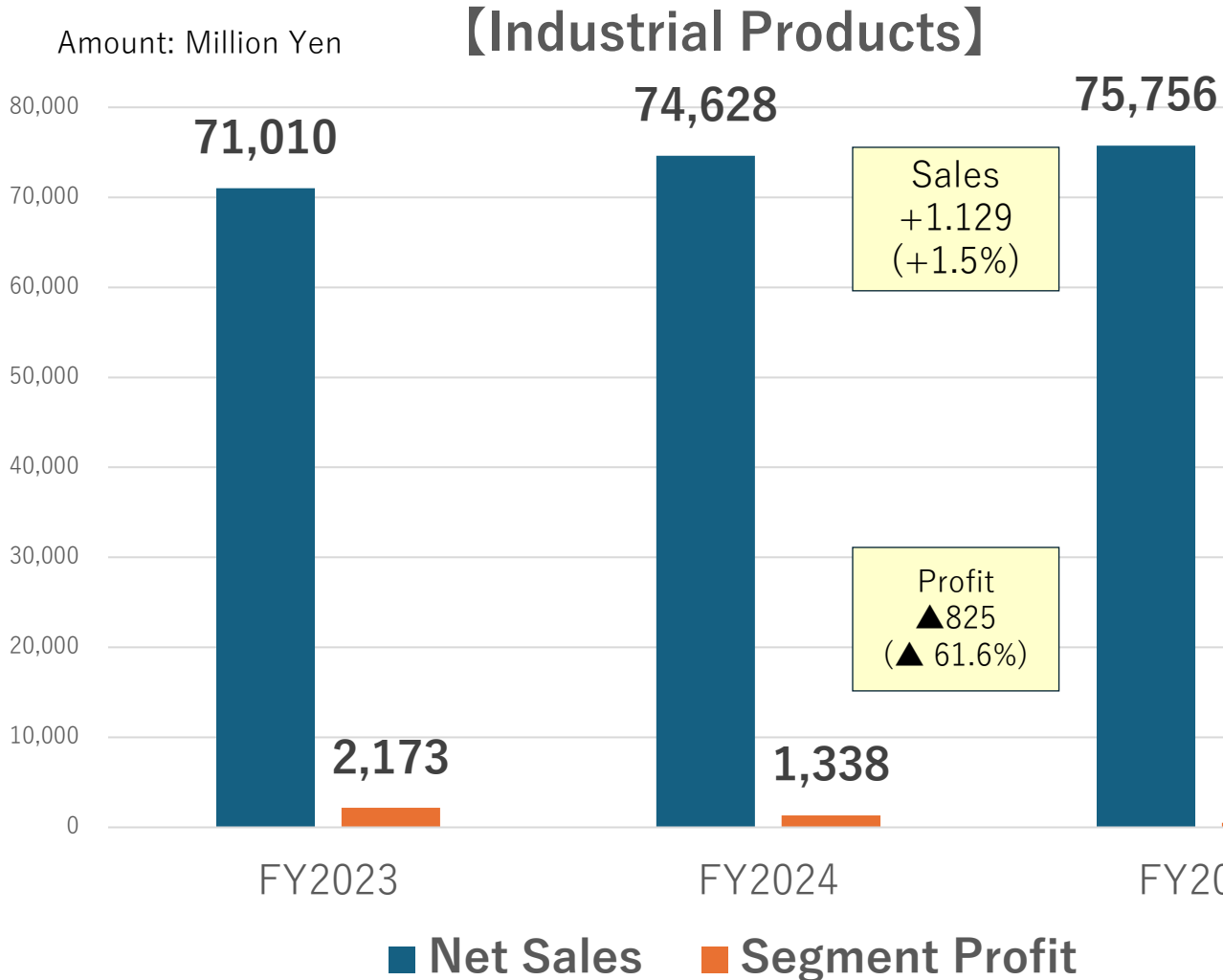
financial indicators

	FY2024 Q4	FY2025 Q4
EPS(Earnings Per Share)	383.35 yen	282.84 yen
PBR(Price Book-value Ratio)	0.9x	0.9x
ROE(Return On Equity)	7.3%	4.7%
ROA (Return On Assets)	6.7%	5.5%
Equity ratio	64.6%	67.3%
PER(Price Earnings Ratio)	13.2x	21.0x
(Reference)		
Okamoto-Closing Stock Price at Fiscal Year-End	5,060 yen	5,930 yen
Nikkei 225 – Fiscal Year-End Closing Price	35,617 yen	51,064 yen

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Trends in Segment (Business) Sales and Profit



■ Net Sales

- YoY +¥1,129 million
- YoY +1.5%

⇒ Although sales of automotive interior materials declined, net sales increased mainly due to higher sales of general-purpose films, construction films, multilayer films, agricultural films, food packaging materials, and adhesive tapes.

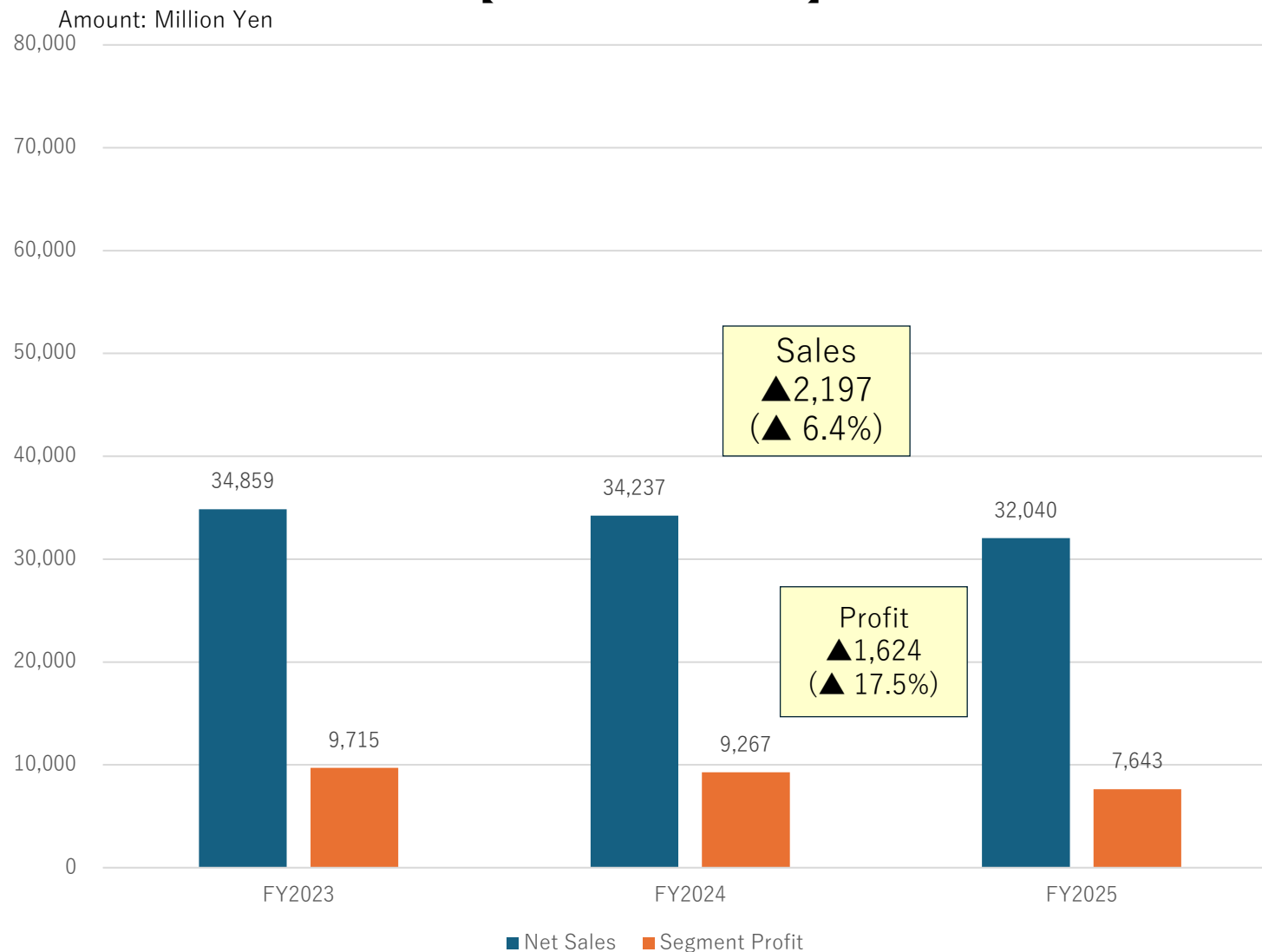
■ Segment Profit (Loss)

- YoY -¥825 million
- YoY -61.6%

⇒ Despite profit contributions from business segments with increased sales, profits declined significantly due to higher raw material costs, particularly the sharp rise in flame retardant prices.

Sales and Profit Trends by Business Segment

【Consumer Products】



■ Net Sales

- YoY -¥2,197 million
- YoY -6.4%

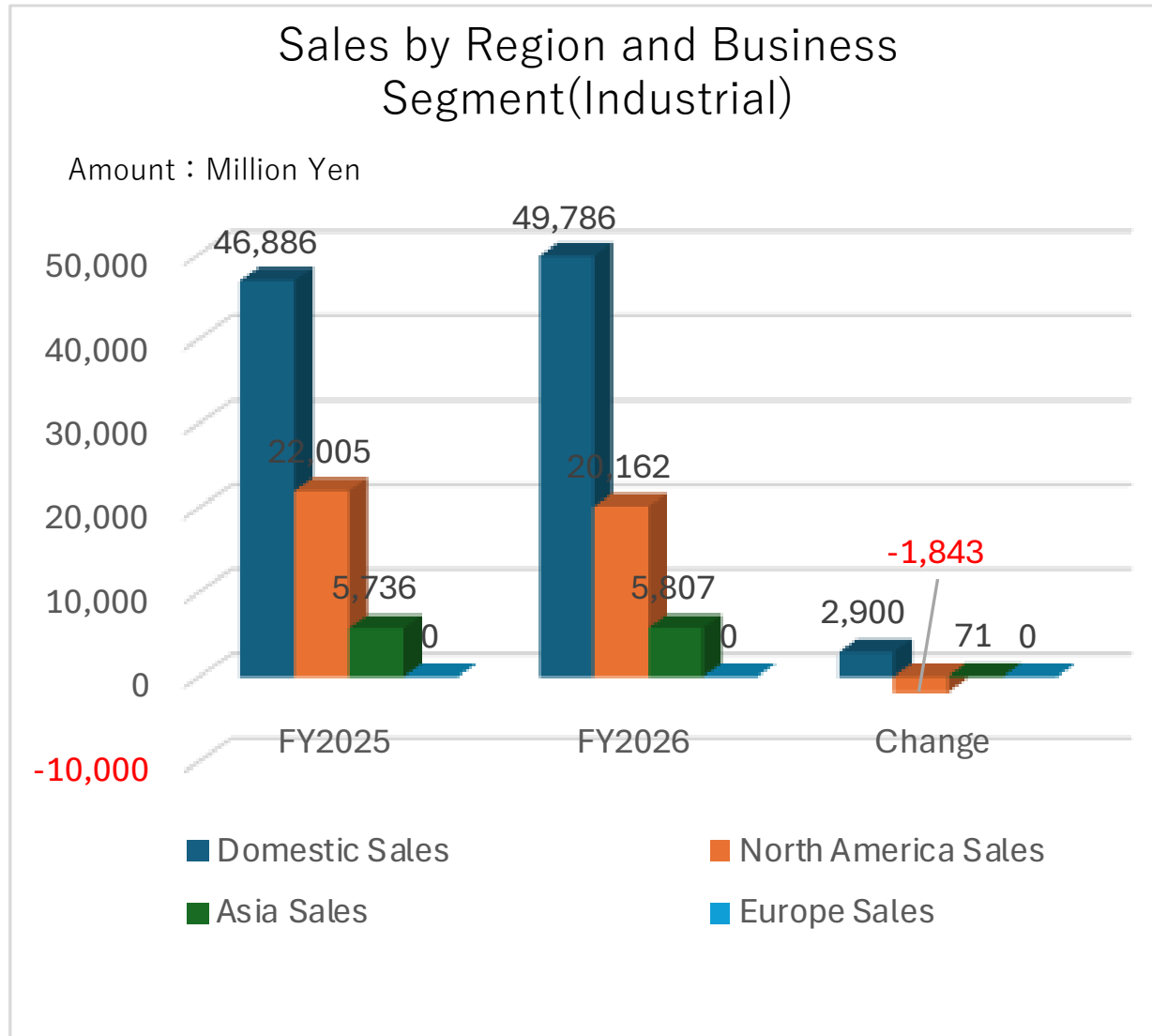
⇒ Domestic condom sales declined due to reduced inbound tourism, while overseas condom sales decreased, mainly impacted by the economic slowdown in China.

■ Segment Profit (Loss)

- YoY -¥1,624 million
- YoY -17.5%

⇒ Profit declined due to lower condom sales in Japan and China.

Sales by Region and Business Segment



Domestic Sales (YoY +6.2%)

- ◆ Increase driven by growth in high value-added agricultural materials
- ◆ Domestic orders for automotive interior materials increased
- ◆ Orders for films increased due to capturing competitors' customers/products
- ◆ Wallpaper sales decreased due to the continued decline in housing starts
- ◆ Abrasive cloth/paper products decreased due to lower demand from semiconductors and OA equipment components

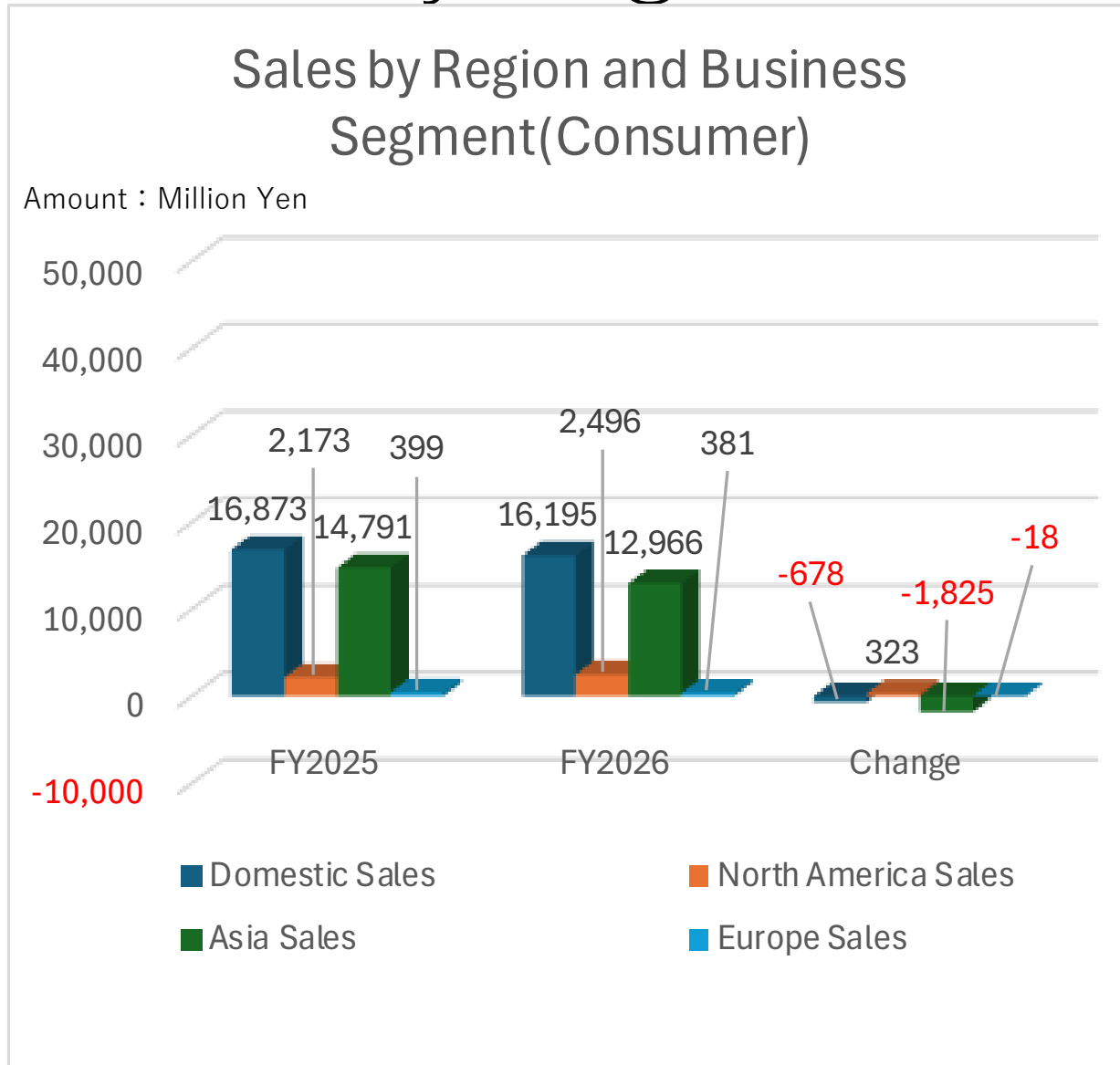
North America Sales (YoY -8.4%)

- ◆ Automotive interior materials decreased due to North American production cuts and cancellation of new model launches

Asia Sales (YoY +1.2%)

- ◆ Automotive interior materials were affected by production cuts of Japanese automakers in China, but models adopting our products saw temporary growth.

Sales by Region and Business Segment



Domestic Sales (YoY -4.0%)

- ◆ Condom sales decreased due to reduced inbound demand
- ◆ Dehumidifier sales decreased as the rainy season ended early
- ◆ Hand warmers increased thanks to new business deals

North America Sales (YoY+14.9%)

- ◆ Condom sales remained steady and increased

Asia Sales (YoY-12.3%)

- ◆ Condom sales decreased due to the economic slowdown in China

Euro Sales (YoY-4.5%)

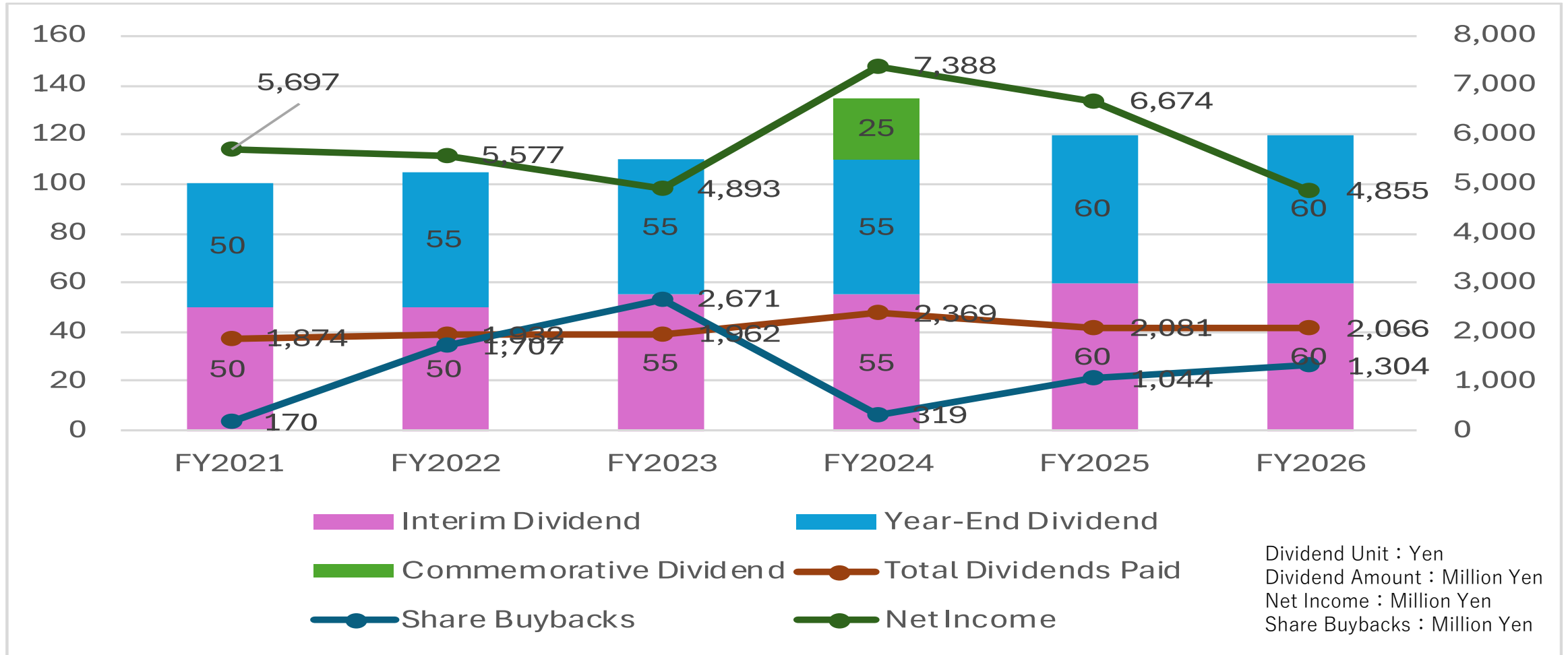
- ◆ Condom sales decreased due to lower demand

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Shareholder Return Trends

Gradual increase excluding commemorative dividends (cumulative dividends)



Payout Ratio	32.9%	34.8%	40.6%	32.1%	31.3%	42.4%
Total Payout Ratio	35.9%	65.3%	94.7%	36.4%	46.8%	69.1%

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Capital Allocation

Cash In
Operating Cash Flow
Investing Cash Flow
Financing Cash Flow



Cash Outflow(Million Yen)	FY2027 (Forecast)	FY2026 (Actual)
Dividend Payment	2,051	2,051
Share Buybacks	※ 982	1,304
Growth Investments (Capital Expenditures)	4,991	7,467
Total	8,024	10,823

※Outstanding Amount as of April 30, 2026 under the Share Buyback Resolution Approved at the Board Meeting on November 7, 2025 (190,000 shares / ¥1.0 billion)

Breakdown of Capital Expenditures	Forecast	Actual
the Company	3,920	6,122
Subsidiaries	1,071	1,345
Total	4,991	7,467

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Business Environment

Concerns over stable procurement of raw materials and increased risks due to the situation in the Middle East. Higher resource prices and rising inflation have deteriorated market conditions and exert downward pressure on demand. Global uncertainty persists due to China's economic slowdown and rising geopolitical risks. The domestic economy is on a moderate recovery trend, although demand remains lackluster.

Key Challenges to Address (Excerpt)

Policies and Countermeasures

Optimization of the Business Foundation Centered on Stable Supply	Building a structure that prioritizes stable product supply to customers even amid global uncertainty.
Strengthening Capabilities to Manage Procurement Risks	Strengthening relationships with existing suppliers and securing new procurement sources to ensure stable raw material supply.
Production and Operational Reforms through Technology Utilization	Improving Efficiency through Digitalization, Automation, and AI Technologies”
Initiatives for Environmental Sustainability and Resource Circulation	Strengthening initiatives in environmentally conscious product development, recycling utilization, decarbonization, and waste reduction
Growth Strategy and Strengthening of the Management Foundation	Maximizing Corporate Value through Strategic Investment in Growth Areas and Enhanced Governance and Risk Management.

Outlook

Continued Capital Investment in Domestic and Overseas Plants

Start of Operations at the New Okayama Plant and Warehouse (within FY2026)

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Earnings Forecast

Amount : Million Yen	FY2027 Full-Year Forecast	FY2026 Full-Year Results	Increase/Decrease	Rate of Increase/Decrease
Net Sales	114,000	108,040	5,959	5.5%
Operating Income	6,000	6,248	△ 248	△4.0%
Ordinary Income	7,600	8,595	△ 995	△11.6%
Profit Attributable to Owners of Parent	4,800	4,855	△ 55	△1.1%
Earnings per Share (EPS)	279.62	282.84	△3.22	

【Assumptions for Calculation】

Assumed Exchange Rate : USD/JPY=150

【Items Not Reflected in the Earnings Forecast】

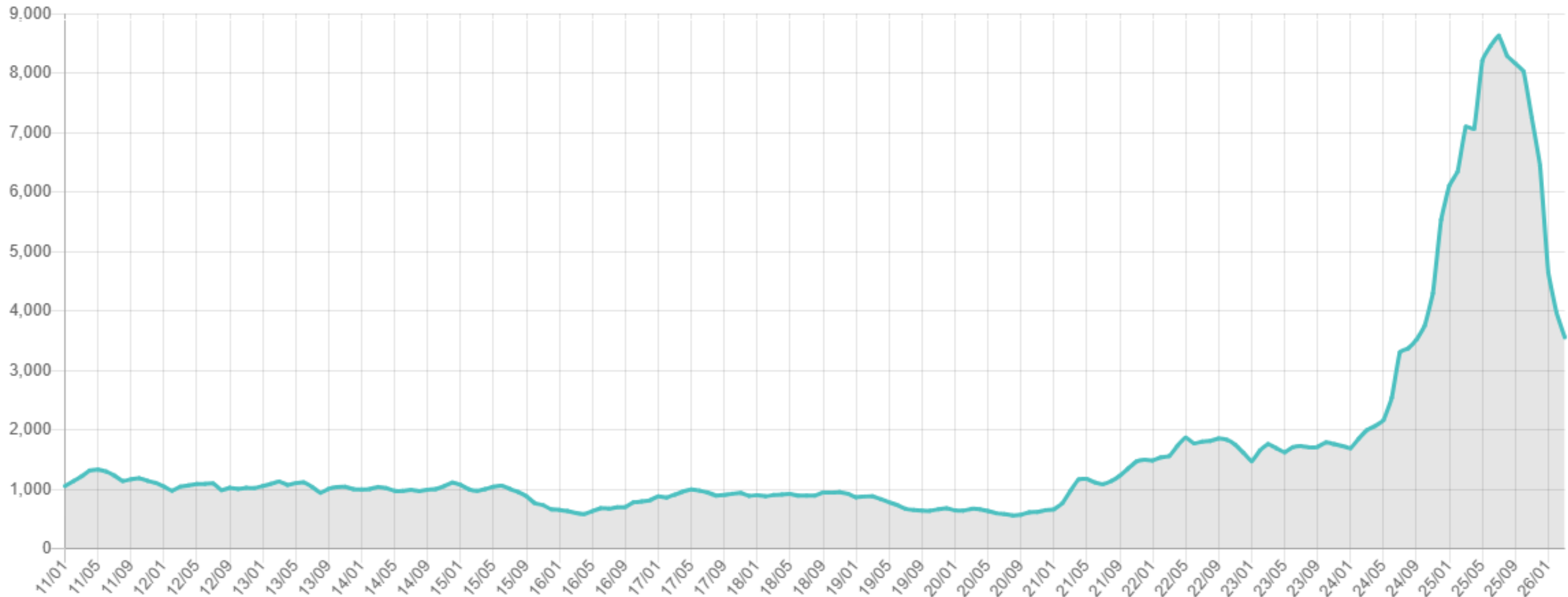
Further Increases in Raw Material Prices Due to the Deteriorating Situation in the Middle East”

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Q&A Session

(For Reference) Antimony Import CIF Price Trends



Source: Prepared by the Company based on trade statistics published by the Ministry of Finance.

Import CIF price = "Price indicator at the time of import."

Thank you very much
for your attention.