

## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2024

[Japanese Standards] (Consolidated)

November 8, 2024

Company name: OKAMOTO INDUSTRIES, INC.  
 Stock exchange listing: Tokyo  
 Stock code: 5122 URL <https://www.okamoto-inc.jp/>  
 Representative: Kunihiko Okamoto, President  
 Inquiries: Hisao Hosoya, Executive Officer (Accounting Dept.)  
 Scheduled date to file Securities Report: November 13, 2024  
 Scheduled date to commence dividend payments: December 2, 2024  
 Supplemental material on quarterly results: No  
 Presentation on quarterly results: Yes

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the six months ended September 30, 2024

(from April 1, 2024 to September 30, 2024)

#### (1) Consolidated operating results(cumulative)

(% represents changes over the same period in the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2024	54,489	6.9	4,919	3.2	5,015	△ 16.5	2,980	△ 34.9
Six months ended September 30, 2023	50,959	9.8	4,767	53.6	6,006	51.0	4,578	81.9
(Note) Comprehensive income:	Six months ended September 30, 2024 :		3,425 million yen		△ 62.6 %			
	Six months ended September 30, 2023 :		9,169 million yen		78.2 %			

	Net income per share		Diluted net income per share	
	yen		yen	
Six months ended September 30, 2024	170.70		-	
Six months ended September 30, 2023	260.22		-	

#### (2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of September 30, 2024	145,226		92,467		61.6	
As of March 31, 2024	143,858		91,581		61.6	
(Reference) Own capital:	As of September 30, 2024 :		89,501 million yen			
	As of March 31, 2024 :		88,660 million yen			

### 2. Dividends

	Cash dividends per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total
	yen	yen	yen	yen	yen
FY Ended March 31, 2024	-	55.00	-	80.00	135.00
FY Ended March 31, 2025	-	60.00	-	-	-
FY Ended March 31, 2025 (forecast)	-	-	-	60.00	120.00

(Note) Revision of the latest dividend forecast announced: No

### 3. Forecasts of consolidated financial results for the year ending March 31, 2025

(from April 1, 2024 to March 31, 2025)

(% represents changes over the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Profit attributable to		Net income
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Full year	111,000	4.6	9,250	△ 7.9	10,400	△ 14.0	6,700	△ 9.3	381.19

(Note) Revision of the latest consolidated results forecast announced: No

\*Notes

(1) Changes in status of significant subsidiaries during the six months ended September 30, 2024  
(changes in status of specified subsidiaries accompanying changes in consolidated) Yes  
Newly consolidated subsidiaries: 1 Subsidiaries excluded: —  
Okamoto Manufacturing Wuhan Co.,Ltd.

(2) Application of accounting methods for preparing quarterly consolidated financial statements: No

(3) Changes in accounting principles, changes in accounting estimates, and retrospective restatements  
① Changes in accounting principles due to revisions to accounting standards: Yes  
② Changes other than ①: No  
③ Changes in accounting estimates: No  
④ Retrospective restatements: No

(4) Number of outstanding shares(common stock)

- ① Number of outstanding shares at period-end(including treasury stock)  
② Number of treasury stocks at period-end  
③ Average number of shares during the period(cumulative total for quarterly period)

①	Six months ended September 30, 2024	17,899,367	FY Ended March 31, 2024	18,099,367
②	Six months ended September 30, 2024	535,907	FY Ended March 31, 2024	557,186
③	Six months ended September 30, 2024	17,460,630	Six months ended September 30, 2023	17,594,223

\*The current quarterly financial results are not subject to quarterly review procedures by certified public accountant or by auditing firm.

\*Explanation relating to the appropriate use of forecasts of business results and other items of note.

The forecasts included in this document are based on the currently available information and certain assumptions that we believe reasonable.  
Actual results, etc. may differ from projections due to a variety of reasons.

**Consolidated Quarterly Financial Statements and Notes**  
**Consolidated Quarterly Balance Sheets**

(millions of yen)

	As of March 31, 2024	As of September 30, 2024
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	39,872	40,337
Notes receivable-trade	1,683	1,418
Accounts receivable-trade	18,498	18,752
Electronically recorded monetary claims-operating	8,118	7,807
Merchandise and finished goods	8,984	11,000
Work in process	2,552	2,670
Raw materials and supplies	3,960	4,351
Other	1,864	3,813
Allowance for doubtful accounts	△ 46	△ 57
Total current assets	85,487	90,094
<b>Non-current assets</b>		
Property, plant and equipment	20,588	21,929
Intangible assets	1,901	2,363
<b>Investments and other assets</b>		
Long-term time deposits	1,000	500
Investment securities	33,187	29,679
Long-term loans receivable	992	-
Deferred tax assets	183	183
Other	518	475
Allowance for doubtful accounts	-	△ 0
Total investments and other assets	35,881	30,838
Total non-current assets	58,371	55,131
Total assets	143,858	145,226

(millions of yen)

	As of March 31, 2024	As of September 30, 2024
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	24,954	26,165
Electronically recorded obligations-operating	2,295	2,664
Short-term loans payable	2,212	2,324
Income taxes payable	1,452	1,174
Provision for bonuses	1,057	1,130
Other	5,004	4,586
<b>Total current liabilities</b>	<b>36,976</b>	<b>38,045</b>
<b>Non-current liabilities</b>		
Long-term loans payable	1,138	1,026
Deferred tax liabilities	6,120	5,588
Net defined benefit liability	7,320	7,370
Other	721	728
<b>Total non-current liabilities</b>	<b>15,301</b>	<b>14,712</b>
<b>Total liabilities</b>	<b>52,277</b>	<b>52,758</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	13,047	13,047
Capital surplus	567	567
Retained earnings	55,612	56,202
Treasury stock	△ 2,437	△ 2,511
<b>Total shareholders' equity</b>	<b>66,790</b>	<b>67,306</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	18,030	16,414
Deferred gains or losses on hedges	△ 0	1
Foreign currency translation adjustment	3,780	5,730
Remeasurements of defined benefit plans	59	47
<b>Total accumulated other comprehensive income</b>	<b>21,869</b>	<b>22,194</b>
<b>Non-controlling interests</b>	<b>2,921</b>	<b>2,966</b>
<b>Total net assets</b>	<b>91,581</b>	<b>92,467</b>
<b>Total liabilities and net assets</b>	<b>143,858</b>	<b>145,226</b>

**Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income**  
**Consolidated Quarterly Statements of Income**  
**Six months ended September 30, 2024**

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	50,959	54,489
Cost of sales	39,264	42,068
Gross profit	11,694	12,421
Selling, general and administrative expenses		
Freightage and packing expenses	1,613	1,829
Other selling expenses	1,275	1,498
Salaries and bonuses	1,666	1,706
Provision for bonuses	374	380
Retirement benefit expenses	61	61
Other general and administrative expenses	1,935	2,026
Total selling, general and administrative expenses	6,926	7,502
Operating profit	4,767	4,919
Non-operating income		
Interest income	29	37
Dividends income	499	570
Real estate rent	270	327
Foreign exchange gains	491	-
Other income	74	108
Total non-operating income	1,366	1,043
Non-operating expenses		
Interest expenses	17	14
Rent expenses on real estates	56	67
Equity in losses of affiliates	1	3
Foreign exchange losses	-	633
Tender offer related expenses	-	122
Other expenses	53	105
Total non-operating expenses	128	947
Ordinary income	6,006	5,015
Extraordinary income		
Gain on sales of noncurrent assets	-	0
Gain on sales of investment securities	11	-
Total extraordinary gain	11	0
Extraordinary loss		
Loss on retirement of noncurrent assets	2	19
Impairment loss	148	620
Other loss	7	7
Total extraordinary loss	158	647
Profit before income taxes	5,858	4,368
Income taxes-current	1,117	1,254
Income taxes-deferred	106	156
Total income taxes	1,224	1,410
Net income	4,633	2,958
Profit attributable to non-controlling interests	55	△ 22
Profit attributable to owners of parent	4,578	2,980

**Consolidated Quarterly Statements of Comprehensive Income**  
**Six months ended September 30, 2024**

(Millions of yen)

	Six months ended	
	September 30, 2023	September 30, 2024
Net income	4,633	2,958
Other comprehensive income		
Valuation difference on available-for-sale securities	3,167	△ 1,550
Deferred gains or losses on hedges	5	4
Foreign currency translation adjustment	1,355	2,025
Remeasurements of defined benefit plans, net of tax	1	△ 11
Share of other comprehensive income of associates accounted for using equity method	5	-
Total accumulated other comprehensive income	4,535	467
Comprehensive income	9,169	3,425
(comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	9,088	3,368
Comprehensive income attributable to non-controlling interests	80	57

**Information about net sales, profit or loss, assets, liabilities and other items by reportable segment**

Six months ended September 30, 2023

(Millions of yen)

	Reportable segment			(*)Other	Total	(**)Adjustment	(***)Amount recorded on the consolidated quarterly statements
	Industrial Products	Household Products	Total				
Net sales							
Japan	23,878	8,828	32,706	142	32,849	–	32,849
North America	8,429	1,176	9,668	–	9,668	–	9,668
Asia	1,825	6,269	8,094	–	8,094	–	8,094
Others	0	345	345	–	345	–	345
Revenue from Contracts with Customers	34,196	16,619	50,816	142	50,959	–	50,959
Other income	–	–	–	–	–	–	–
Sales to external customers	34,196	16,619	50,816	142	50,959	–	50,959
Intersegment sales or transfers	61	264	326	1,562	1,888	△ 1,888	–
Total	34,258	16,884	51,142	1,705	52,848	△ 1,888	50,959
Segment profit (loss)	825	4,820	5,645	198	5,843	△ 1,075	4,767

\* The Other category is the business segment that is not included in the reportable segments, and include the group logistics business.

\*\* Adjustment is as follows:

(1) The adjustment to segment profit represents 21 million yen in intersegment eliminations and company-wide expenses negative 1,097 million yen. The company-wide expenses mainly include general and administrative expenses that are not attributable to the reported segments.

\*\*\* Segment profit is coordinated with the operating income in the consolidated statements.

※ In the Industrial Products business and the Household Products business segment, impairment loss on fixed assets was recorded at 148 million yen. The impairment loss was recorded at 120 million yen in the Industrial Products business and 28 million yen in the Household Products business for the second quarter of the fiscal year ended March 31, 2024.

Six months ended September 30, 2024

(Millions of yen)

	Reportable segment			(*)Other	Total	(**)Adjustment	(***)Amount recorded on the consolidated quarterly statements
	Industrial Products	Household Products	Total				
Net sales							
Japan	22,906	8,258	31,164	131	31,296	–	31,296
North America	11,501	1,189	12,690	–	12,690	–	12,690
Asia	2,738	7,589	10,327	–	10,327	–	10,327
Others	–	175	175	–	175	–	175
Revenue from Contracts with Customers	37,145	17,211	54,357	131	54,489	–	54,489
Other income	–	–	–	–	–	–	–
Sales to external customers	37,145	17,211	54,357	131	54,489	–	54,489
Intersegment sales or transfers	56	293	349	1,674	2,023	△ 2,023	–
Total	37,201	17,505	54,707	1,805	56,512	△ 2,023	54,489
Segment profit (loss)	870	4,948	5,818	248	6,066	△ 1,147	4,919

\* The Other category is the business segment that is not included in the reportable segments, and include the group logistics business.

\*\* Adjustment is as follows:

(1) The adjustment to segment profit represents 22 million yen in intersegment eliminations and company-wide expenses negative 1,169 million yen. The company-wide expenses mainly include general and administrative expenses that are not attributable to the reported segments.

\*\*\* Segment profit is coordinated with the operating income in the consolidated statements.

※ In the Industrial Products business segment, impairment loss on fixed assets was recorded at 620 million yen.



(Significant subsequent events)

(Additional acquisition of shares of RIKEN CORUNDUM CO., LTD.)

The Company conducted a tender offer under the Financial Instruments and Exchange Act for the common stock of RIKEN CORUNDUM CO., LTD., a consolidated subsidiary of the Company, and as of October 1, 2024, the Company owned 91.65% of the stock of RIKEN CORUNDUM CO., LTD. In addition, on October 3, 2024, in accordance with Article 179, Paragraph 1 of the Companies Act, we filed a request with the non-controlling shareholders of RIKEN CORUNDUM CO., LTD. to sell all of their shares (8.35%) to us, and the Board of Directors of RIKEN CORUNDUM CO., LTD. approved this request on the same day.

Subsequently, on November 7, 2024, the request to sell the shares became effective, and the Company acquired all of the shares of RIKEN CORUNDUM CO., LTD., making RIKEN CORUNDUM CO., LTD. a wholly owned subsidiary of the Company.

## 1. Outline of the Transaction

### (1) Name of the combined entity and its business

Name of the combined entity: RIKEN CORUNDUM CO., LTD.

Business description: Manufacture and sale of various types of abrasive cloth and paper, abrasive materials, polishing supplies, office automation equipment parts, and personal use products, as well as real estate management and leasing

### (2) Main reason for business combination

The objective of this merger is to achieve the following effects: personnel collaboration and sharing of technical knowledge for the purpose of integrating technologies, as well as creation of new sales opportunities and strengthening of sales/marketing capabilities through mutual introduction of customers; utilization of the group's management resources for global expansion; efficient utilization of management resources, including review of production bases; cost reduction through reformation of group awareness; and reduction of cost burden of maintaining listing (on the Tokyo Stock Exchange).

### (3) Date of business combination

Additional acquisition through tender offer: October 1, 2024

Additional acquisition by demand for sale: November 7, 2024

### (4) Legal form of business combination

Acquisition of shares from non-controlling shareholders to make the company a wholly owned subsidiary

### (5) Name of company after combination

No change

### (6) Percentage of voting rights acquired

① Percentage of voting rights held prior to the tender offer: 52.00

② Percentage of voting rights additionally acquired through the tender offer: 39.65

③ Percentage of voting rights additionally acquired through a demand for sale: 8.35

④ Percentage of voting rights after the additional acquisitions: 100.00

## 2. Matters related to acquisition of additional shares of subsidiary

### (1) Acquisition cost of the acquired company and breakdown by type of consideration

Total acquisition cost of shares through tender offer and demand for sale of shares (cash and deposits) 2,207 million yen

### (2) Funding for payment

All payment will be made by the Company's own funds.

### (3) Details and amount of major acquisition-related expenses

Not determined at this time.

## 3. Matters related to changes in the Company's interest in transactions with non-controlling shareholders

### (1) Main reasons for changes in capital surplus

Acquisition of additional shares of subsidiary

### (2) Amount of capital surplus changed due to transactions with non-controlling shareholders

Not determined at this time.