OKURA

SUSTAINABILITY REPORT 2024

夢がある。
技術がある。
未来ができる。

We have a dream.

We also have technologies to make that

dream into a reality.

Hoping to make people's lives more comfortable.

Hoping to create an innovative future.

To this end, we make sure that

every product we deliver to the world helps people,

even if they are not eye-catching.

Each product one by one.

Founding Spirit

Protect employees and serve society

Okura Industrial started its business in Takamatsu after World War II. When Kurashiki Aircraft Co., Ltd. Takamatsu Works was dissolved, Masaji Matsuda, then heading the Engineering Section, established the business to protect the livelihoods of his staff members and their families, as well as to provide necessary housing to people who lost their homes in the war. This founding spirit, "Protect employees and serve society", should not be forgotten even if the times change. We respect and take pride in the spirit.

Origin of Company Name

The company name comes from Kurabo Industries Ltd., at which our founder Masaji Matsuda worked for 10 years. He took "O" from "Ohara", the name of Kurabo Industries' president Soichiro Ohara and "Kura" from Kurabo Industries. As "O" means "large" in Japanese, he named his company Okura Industrial Co., Ltd. in the hope that it grows larger than Kurabo Industries.



Information Available on Our Website

Sustainability

https://www.okr-ind.co.jp/sustainability/ (Japanese only)



Main content

- Sustainability at Okura Industrial Group
- Environment
- Social
- Governance

IR information

https://www.okr-ind.co.jp/en/ir/



Main content

- A message from our president
- Performance Highlights
- Status of shares,etc.

Company information

https://www.okr-ind.co.jp/en/company/



Main content

- Company Philosophy
- Company Profile
- Divisions
- Locations

CONTENTS

Introduction: About Okura Industrial Group

03 History of Okura Industrial Group
05 Significance of Okura Industrial's Existence
07 Message from Our President
11 Overview
13 Okura Industrial Group in Numbers

We will show you the Group's history, as well as an overview of the Group.

Strategies of Okura Industrial Group

15 Medium- to Long-term Vision
19 Value Creation Process
21 Financial Strategy
23 Business Strategy

The head of each business division describes the Group's policies set out in the management vision "Next10(2030)" and "Medium-term Management Plan(2024)".

Fount of Okura Industrial Group's Value

31 Sustainability Initiatives
35 Basic Approach to Climate Change
39 Environmental Initiatives
43 Caerula™ Environmental Contribution Products
45 Promise to Customers
47 Promise to Employees
49 Safety and Health
51 Contribution to Society
53 Promise to Shareholders and Investors
55 Promise to Business Partners
57 Corporate Governance

This part describes specific sustainability activities the Group carries out in its business activities.

Company information

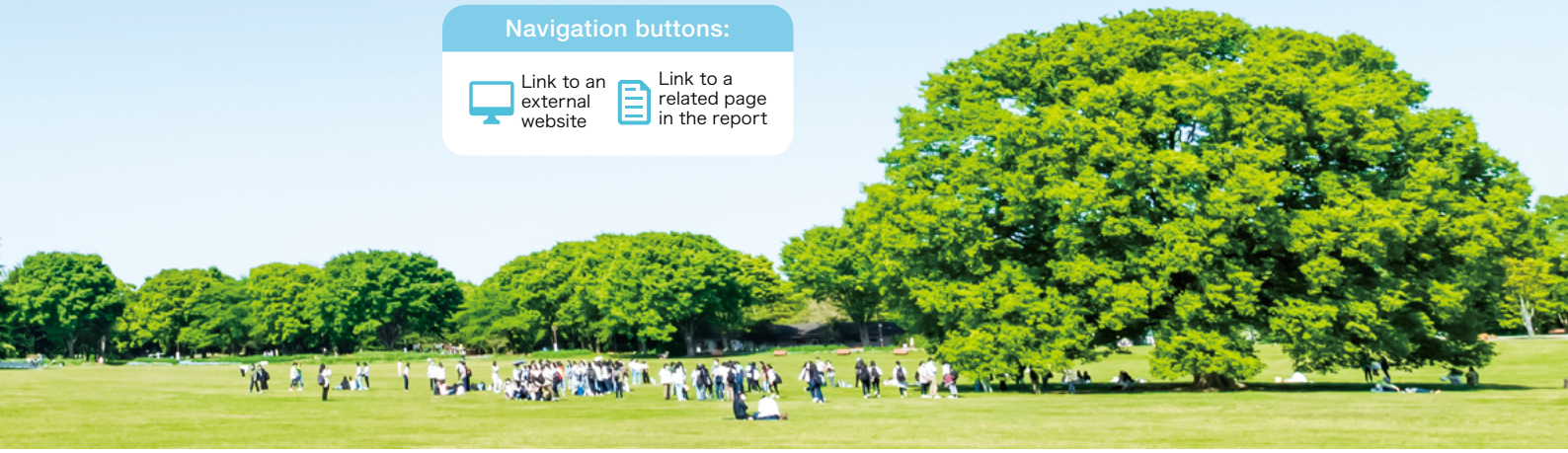
67 Financial and Non-Financial Summaries
69 Company Profile

This part contains basic information of the Group, including financial and non-financial information and the company profile.

Navigation buttons:

Link to an external website

Link to a related page in the report



Editorial Policy

In 2020, Okura Industrial Group identified materiality, which includes climate action, resource recycling measures, and other important issues in offering solutions through business, and launched initiatives to achieve sustainability management. In 2021, we started to issue the Sustainability Report.
This report mainly focuses on activities in 2023. The purpose of the report is to let our stakeholders know about a variety of initiatives and help them deepen the understanding of the Group's activities.

- **Period covered**
  January 2023 to December 2023. Some parts of the report include business performance outside this period.
- **Scope covered**
  The report covers Okura Industrial and its Group companies.
- **Referenced guidelines**
  IFRS Foundation's International Integrated Reporting Framework and Ministry of Economy, Trade and Industry's Guidance for Collaborative Value Creation

History of Okura Industrial Group

1947

▼

▼

2023

1947



Foundation of the Company

We started as Shikoku Housing Co., Ltd., established by the founder Masaji Matsuda to protect the livelihoods of his staff members and their families and to provide necessary housing to people who lost their homes in the war. Despite scarce resources in the immediate aftermath of the war, the company achieved significant growth, making every strenuous effort to procure lumber and later embarking on lumbering and comprehensive lumber businesses.

This spirit, "Protect employees and serve society", still constitutes our management philosophy.

1956



Entered the polyethylene film processing business

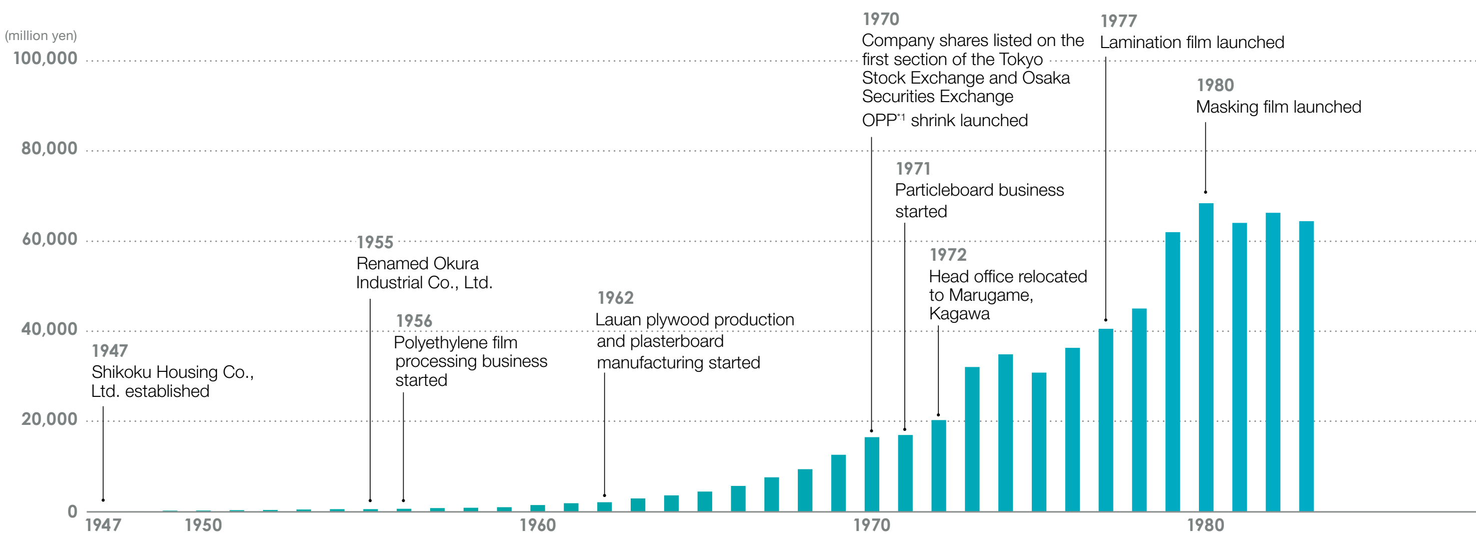
As polyethylene resin, developed in the United States, started to attract attention in Japan, Matsuda set his eyes on polyethylene resin as a quality packaging material. He set about expanding into the polyethylene film processing business in 1955 and launched the business in 1956. This became the forerunner of the Plastic Film Business today.

To focus on the polyethylene film processing business, we changed the company's name to Okura Industrial Co., Ltd. in 1955. In 1957, a new plant was constructed and new business locations were set up. We thus steadily built the foundation of the Company.

As polyethylene film processing was not widely known in Japan, operating the machines for the first time involved struggles. Meanwhile, being an early adopter in Japan made the name Okura Industrial widely known in the chemical industry.

1947 ▶ ▶ ▶ ▶ ▶ ▶ ▶ ▶ ▶ ▶ ▶ ▶

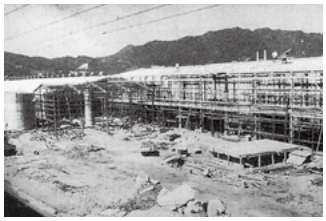
Net sales



*1 Biaxially oriented polypropylene

*2 Particleboard

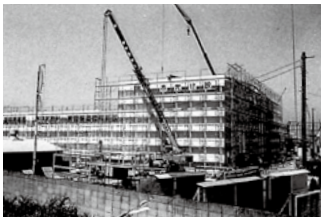
1971



Launch of the particle-board business

Matsuda had been concerned about the destruction of mountain forests caused by postwar overcutting. He thought of recycling scrap wood pieces as construction materials, and launched the particleboard business in 1971.
Our products had higher airtightness and quality than conventional products from other companies, and were highly regarded in Japan's home appliances industry. We developed products in a user-centric way. For example, we worked together with a home appliances manufacturer and successfully developed materials for high-quality stereo speakers.

1987



Establishment of the New Materials Division

In 1987, the year after we formulated our first medium-term management plan, the New Materials Division was established. The division mainly engaged in the manufacturing of high functional films, with the expectation that it can apply our film-forming and press technologies to the processing of new materials and develop products with high added value. In 1989, we started to manufacture retardation film, which is still one of the mainstay products of the New Materials Business. Despite being a new business, the film was highly regarded in the liquid crystal industry, which was then starting to grow, and gained a large market share.

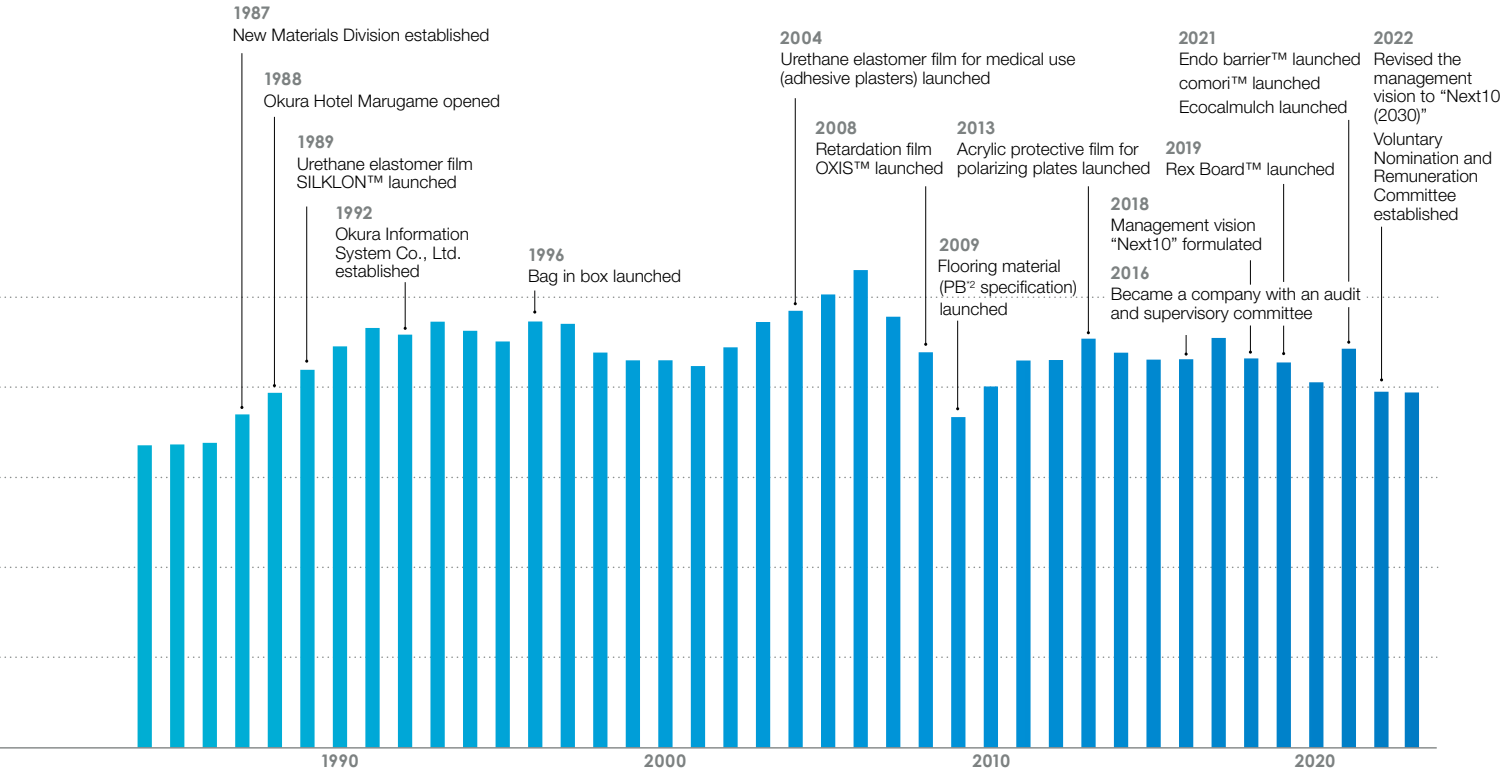
2018~



Launch of the new management vision

At Okura Industrial Group, we have developed three core businesses and created products that are highly relevant to people's lives. We formulated "Next10" in 2018, which is a management vision outlining where we would like to be in the next 10 years. We formulated the revised management vision "Next10(2030)" in 2022 and set focus fields, including "Living support", "Information electronics", "Functional materials for manufacturing processes", and "Environment & Energy". This means that we aim to increase customer value by offering high functionality, based on underlying technology, to be applied in growth areas in each field, as well as to create social and environmental value by contributing to the environment.
While we meet changing needs of the times, the spirit in our management philosophy, "Respect the Individual", "Contributing to the Society", and "Customers First", has not changed since the foundation of the Company. At Okura Industrial Group, our technology will continue to evolve to make peoples' lives comfortable.

2023





Kazunori Takahama

Representative Director, Chairperson

We will continue to contribute to local communities by providing employment and reducing environmental burden.

Okura Industrial was founded in Takamatsu City, Kagawa, in July 1947.
Ever since, it has pursued a wide range of initiatives through its businesses, aimed at coexistence with local communities.
We asked Representative Director, Chairperson Kazunori Takahama about Okura Industrial's aspirations and specific initiatives.

Making people want to come back to this city

The history of Okura Industrial began in July 1947, not long after the war, when Shikoku Housing Co., Ltd. was established in Takamatsu City. The founder, Masaji Matsuda, focused on the housing construction business, seeing it as an essential infrastructure in the process of post-war reconstruction. He established and guided the development of the business to protect the livelihoods of his staff members and their families, as well as to provide necessary housing to people who lost their homes in the war. The presence of employees engaged in manufacturing provided the foundation for this development. As the business grew, it employed more and more employees, directly leading to greater prosperity for the local community. This founding aspiration is also the origin of the Company's basic policy of "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".

Recently, however, it is becoming extremely difficult to secure human resources. In addition to the declining birth rate, the increasing number of high school graduates progressing to university has meant that more young people are leaving the local region. This is also a major reason for the difficulty in securing human resources. As well as raising the level of pay and making our company a fulfilling place to work, we need to solve this problem by making this city a more attractive place, so that young people will want to come back here to work.

Marugame has been ranked in first place in the Chugoku-Shikoku area and 19th place nationwide in the City Brand Ranking: Most Popular Cities to Live 2023 (NIKKEI BP Intelligence Group), evaluated by 22,000 businesspeople from across Japan. The city ranked highly for its gentle climate, few natural disasters, and ease of receiving nursing services. However, regardless of how comfortable a city is considered to live in, people will not want to return to it unless there is somewhere to work. To address this issue, The Marugame Chamber of Commerce and Industry has held "Marugame Kids' Week" since 2018 to create opportunities for adults and children to spend holidays together. The third Monday in October each year is designated "Marugame Children's Day", a holiday for kindergarten, elementary and junior high school students. Adults are encouraged to take annual paid leaves as part of

work style reform. By matching the holidays of adults and children, this initiative creates opportunities for them to spend time together.
Various events are held to coincide with this holiday. One of these events, “Waku-waku Experience-Kids Kingdom in Marugame”, hosted by “Marugame Nigiwai Project” of SHIKOKU-KE SUPPORTERS CLUB, which is managed by Imabari Shipbuilding Co., Ltd., SHIKOKU KASEI HOLDINGS CORPORATION and the Company, has been held every year since 2022. It enables children to experience work at local companies. In June 2024, the city hosted the “Marugame Grand Festival of Culture”. This multi-generational participatory event, which enabled interchange between high school students and other local participants of various ages, was proposed by a high school student in “Marugame Community Revitalization Plan Contest” held in 2023 by “Marugame Nigiwai Project”. By making people aware of the good companies located in their own hometown from a young age, when they are considering higher education or employment, and even more so by making their parents aware, we aim to encourage them to return to Marugame and to work here. In this way, we hope to do what we can to make Marugame a better place to live and contribute to the community.

Thoughts on the reduction of overall environmental burden

Okura Industrial Group has also been working to solve social issues through business. As the problem of marine plastic pollution becomes increasingly manifest, there have been increasingly vocal calls to move away from plastics. However, we believe that plastic, with its high functionality, will remain a necessary material for society into the future. Therefore, Okura Industrial Group, which is involved in plastic processing, is also actively engaging in curbing its usage and reducing environmental burden.
In the Plastic Film Business, we are working towards thinner films that retain the same functions. In recent years, we are also focusing on recycling initiatives. The agricultural mulch film that is used to cover the ridges in fields has to be recovered around twice each year. In the past, the recovered film was generally used as solid fuel or for thermal recycling, where it is burned and the heat energy is reused. However, China and Southeast Asia, which previously accepted recovered film, have banned the import of waste plastic, resulting in the accumulation of waste film inside Japan. Ecocalmulch, which was launched in 2021, is the first product to achieve the mechanical recycling of agricultural film by washing and pulverizing used agricultural film, converting it into pellets, and reusing it as the raw material for new mulch film. In addition to mechanical recycling, we are also pursuing research and development aimed at the commercialization of chemical recycling, where the Group’s products sold in the market are recovered and converted into the raw materials for naphtha and other chemicals, which can then be used to manufacture new products.
Meanwhile, plastics have become widely popular materials that are impossible to replace. ECOWRAP™ food packaging film, which is used for fresh meat and seafood sold at supermarkets, features excellent barrier properties and can be used to extend shelf life through modified atmosphere packaging. In this way, we are also engaged in initiatives that extend food freshness, leading to less waste and lower CO_2 emissions overall.

For the cyclical use of forestry resources

We engage in material recycling for the timber used in the Housing Materials Business, too. By using waste wood such as construction waste as the main raw material to manufacture our particle board products, we contribute to a recycling-oriented society by recycling materials to effectively use resources, while also helping to prevent global warming by curbing CO_2 emissions. Moreover, in view of the move in recent years to use Japan-grown timber and the expanding areas where wood is used, we have decided to enter the structural timber and laminated wood businesses through the cyclical use of forestry resources. Through these businesses, we will be able to contribute directly to decarbonization and carbon neutrality. We are making preparations to construct a new plant in the Harashimo Industrial Park in Takase-cho, Mitoyo City, together with the relocation of our precut plant, to manufacture structural timber using lumber produced in Kagawa and the Shikoku region. As cedar and Hinoki cypress trees get larger, their capacity to absorb CO_2 gradually diminishes. The volume of CO_2 absorbed can be increased by harvesting these larger trees to use as forestry resources and planting new ones. Additionally, replacing the older trees with new cedar and Hinoki cypress seedlings that produce less pollen will also help to mitigate hay fever, sometimes said to be the national affliction of Japan. By making maximum use of forestry resources from Kagawa and the Shikoku region, converting them to raw materials for structural timber, and reusing the recovered timber after these structures are demolished to manufacture particleboard, we aim for the cyclical use of forestry resources. We also believe that our preparations for the launch of this new business will enable us to contribute to promoting employment in the region.
In this way, we hope to continue to pass on the DNA of Okura Industrial Group, which has consistently contributed to the community and society through business.





Susumu Kanda

Representative Director,
President and Chief Operating Officer

We will lay the groundwork for future growth, leading into our next medium-term management plan.

At Okura Industrial Group, we will steadily implement our management vision “Next10(2030)”, which looks towards 2030. In this section, I will describe our initiatives in 2023, the middle year of “Medium-term Management Plan(2024) ”, and our strategy for the future.

Net sales and profit both increased in 2023, and we recorded our highest-ever profit level

Net sales increased by 2.1% year-on-year to 78,863 million yen and operating profit increased by 31.4% year-on-year to 4,956 million yen. We were able to boost our earning capacity by proceeding with the revision of low-profit products while also growing sales of high-value-added products such as optical products, as well as battery-related products, adhesives, and other functional materials. This enabled us to chart our course for 2024, the final year of our medium-term management plan.

The results by business division are as follows. In the Plastic Film Business, net sales decreased by 1.2% year-on-year to 51,005 million yen but operating profit increased by 19.2% year-on-year to 4,144 million yen. The volume of flexible packaging products for food, daily necessities, etc. sold in the Life and Package Business Unit declined due to budget-consciousness among consumers. The Process Materials Business Unit saw strong sales of battery tab tape for electric vehicles, but the sales volume of protective films for optical products and packaging films for semiconductor transportation decreased significantly due to a deterioration in semiconductor market conditions. Sales volume decreased in the Basic Materials Business Unit, but this was offset by the continued transfer of cost hikes onto product prices and growth in Environmental Contribution Products. The Agricultural Materials Business Unit struggled, with a decline in orders after the last-minute surge in demand seen before the product price increases in 2022. Despite an increase in raw materials prices, electricity rates, logistics and other costs, profit increased due to the continued transfer of cost hikes onto product prices and growth in sales of high-value-added products.

In the New Materials Business, net sales increased by 26.1% year-on-year to 13,691 million yen and operating profit increased by 38.1% year-on-year to 1,854 million yen. The Functional Materials Business Unit performed strongly due to an increase in the sale of thermoplastic polyurethane elastomer (TPU) film for automotive headrest applications and the adoption of substrate film for sealing materials. The Electronics Materials Business Unit struggled as demand cooled for medium and small panels, primarily for smartphones. In the Optical Materials Business Unit, demand for optical films for large liquid crystal displays (LCDs) grew substantially. Profit increased due to our efforts to improve yield and productivity.

In the Housing Materials Business, net sales decreased by 5.5% year-on-year to 12,612 million yen but operating profit increased by 4.5% year-on-year to 900 million yen. Our share of the particleboard market increased with the acquisition of new customers, in addition to existing customers. The environmental contribution concrete mold panels, comori™, struggled due to a slump in construction demand and the impact of a fall in the price of concrete panels. Sales of precut products were lackluster due to the impact of a decline in the number of new housing starts and a fall in the price of lumber. Profit increased as a result of stable production of particleboard and our focus on expanding sales of high-value-added engineered wood boards.

We recorded our highest-ever level of profit, up 13.9% to 4,315 million yen, boosted by gains on the sale of investment securities held by the Company.

We will strive to expand sales of high-value-added products through selection and focus in 2024

In 2024, the final year of our current medium-term management plan, which is the second stage of “Next10(2030)”, we will grow our sales of high-value-added products from among our existing products through selection and focus to boost earning capacity. This will enable us to lay the groundwork for further growth leading into our next medium-term management plan. In the Plastic Film Business, we will strive to expand sales and develop functional materials for manufacturing processes, as well as expand Caerula™ Environmental Contribution Products. In the New Materials Business, we will work to ensure the stable operation of our newly constructed wide optical film manufacturing plant. In the Housing Materials Business, we will aim to expand sales of engineered wood boards, the environmental contribution concrete mold panels, comori™, and Easy-to-install panels, as well as sales of precut materials to non-housing fields.

In overseas markets, we will grow our sales centered on wide optical film and products for electric vehicles. OKURA VIETNAM is scheduled to begin operation in January 2025. We will invest just under 2.0 billion yen in Phase 1 of this project, beginning with the production of automotive adhesives, primarily for electric vehicles. We will strive to develop markets in Europe and Southeast Asia, in addition to existing markets in China and South America. Looking ahead, we will also aim to expand the automotive and office automation equipment-related film processing businesses.

▶▶ Please refer to page 15 for details about the management vision “Next10(2030)”.

We are also focusing on investment in research and development to drive the next stage of growth

The Research & Development Center will focus on development in the areas of “Information electronics” (film for high-frequency substrates and advanced-function display materials), “Environment & Energy” (chemical recycling and energy-related components), and “Life science” (single-use bags and ingredients for healthcare and skincare materials).

Specifically, we have begun by considering the commercialization of chemical recycling, envisaging a scheme where recovered film would be returned to naphtha and supplied to petrochemical manufacturers. Once we can see a clear path to commercialization, we anticipate large-scale capital expenditures. We expect film for high-frequency substrates to experience a rise in demand for applications such as automatic driving systems and remote medical operations with the popularization of 5G and Sub-6, and we are working on the timing of investment in anticipation of the commercialization of this product. This is an area where we can leverage Okura Industrial’s underlying technologies, and we are developing materials for perovskite solar cells, which are considered a promising next-generation solar cell. In March 2023, to further promote this development, we made an equity investment in EneCoat Technologies Co., Ltd., a startup based in Kyoto University that develops and manufactures perovskite solar cells. We hope to launch commercial products in a few years.

We exceeded our plan for 10.0 billion yen of investments in 2023

In 2023, we made capital expenditures of 11.1 billion yen, exceeding the plan of 10.0 billion yen. These mainly included investing in a new manufacturing line for wide optical film in the New Materials Business. Demand for 2,500-mm-width film, especially, is increasing, so we constructed a new manufacturing line (G2 line) at our Chunan Plant, doubling production capacity. This new line commenced mass production in 2024. In the Plastic Film Business, we made investments including manufacturing equipment for seven-type/seven-layer film that contributes to longer food shelf life and mono-materialization for easy recycling, as well as manufacturing equipment for multi-layer film for agricultural use. In the Housing Materials Business, we made investments such as the relocation of the precut plant to Takase-cho, Mitoyo City. In the event of the anticipated Nankai Trough Mega Earthquake, we expect to be required to maintain the lumber processing and housing components supply function in the precut business. We therefore relocated it to the Harashimo Industrial Park in Takase-cho, which has a low risk of damage. The precut plant recommenced operation in February 2024.

In 2024, we plan capital expenditures totaling 6.1 billion yen. These primarily comprise equipment enhancements for battery components (TAB tape) production for electric vehicles to respond to higher capacity and increasing demand for automotive batteries, as well as digital transformation in the Plastic Film Business. We plan 650 million yen of capital expenditures in OKURA VIETNAM.

We will invest a total of 7.0 billion yen in the businesses related to lumber from the Shikoku region

In view of the move in recent years to use Japan-grown timber and the expanding areas where wood is used, we have decided to enter the structural timber and laminated wood businesses through the cyclical use of forestry resources. Through these businesses, we will be able to contribute directly to decarbonization and carbon neutrality. We are making preparations to construct a new plant in the Harashimo Industrial Park, together with the relocation of our precut plant, to manufacture structural timber using lumber produced in Kagawa and the Shikoku region.

On beginning these businesses, we have concluded agreements with the government of Kagawa Prefecture and Kagawa Forestry Cooperative Joint Association, as well as Nice Corporation and its subsidiary Woodfirst Co., Ltd. in Tokushima Prefecture. Under these agreements, it is planned that Kagawa Forestry Cooperative Joint Association will supply us with Hinoki cypress lamina (the boards that make up laminated wood products), while Nice Corporation will supply us with cedar and Hinoki cypress lamina. By constructing an integrated supply chain from the harvesting of source lumber to the manufacture and sale of laminated wood products, we aim to promote the cyclical use of forestry resources and carbon fixation. We plan to make it easier to supply these products as materials for non-residential high-rise buildings, which are expected to use an increasing proportion of wooden materials in the future.

We will contribute to the realization of a sustainable society through bold investment and the pursuit of new technologies

We recently released our Multi-stakeholder Policy, designed to build sustainable relationships of trust with our employees, shareholders, business partners, sales outlets, and all our other stakeholders.

We have identified “promoting management for decarbonization (climate action measures)” as one materiality of Okura Industrial Group, and set targets to reduce CO_2 emissions by 12% by 2024 compared with 2021 levels (equivalent to a 30% reduction from 2013 levels) and 37%

by 2030 compared with 2021 levels (equivalent to a 50% reduction from 2013 levels). CO_2 emissions for 2023 were 105,282 t-CO_2, achieving our target for 2024. Moreover, by increasing our Environmental Contribution Products, primarily products containing biomass resin and recycled materials, we are engaged in reducing CO_2 emissions throughout the supply chain.

In 2023, we began solar power generation at three sites with systems using the onsite power purchase agreement (PPA) model we have progressively introduced since 2022. These were followed by an additional two sites in February 2024. In 2025, we plan to introduce the onsite PPA model at one more site and the first offsite PPA model for Okura Industrial Group at one site. When all these systems come online, they will result in a reduction of 5,300 t-CO_2 in emissions per year.

We are also continuing to actively implement investment to bring about a reduction in CO_2 emissions, such as the transition from absorption-type refrigeration units that burn oil and gas to generate cold water indirectly to air-cooled units that use electrical energy and the installation of equipment that uses the waste heat generated by plants. Through initiatives such as these, we aim to go on to achieve our CO_2 emissions reduction target for 2030.

To realize carbon neutrality by 2050, innovations will be needed in areas such as reducing the CO_2 emissions from thermal power plants, improving hydrogen and ammonia infrastructure, and Carbon dioxide Capture, Utilization and Storage (CCUS) technology. At Okura Industrial Group, we will implement bold investments and pursue new technologies, hoping to contribute to the realization of a sustainable society.

In addition to contributing to the reduction of environmental burden, we are also working to create more people-friendly products. An example of this is garbage bags imprinted with braille, a universal design for people with impaired vision. The garbage bags were adopted by a local government in 2023. Looking ahead, we hope to actively develop more products like these.

We also plan training for women's advancement aimed at increasing the number of women aspiring to management positions

We believe that human resources development is the key issue as we strive to achieve our management vision "Next10(2030)". We built a new education system in 2022, and have progressively launched training programs. In 2023, we began offering education to enable employees in management positions to acquire "the ability to direct workplaces (organizations) from a medium- to long-term perspective, set issues for organizations, and make decisions on these issues", and "the basic knowledge to establish and evaluate targets as an evaluator". To develop human resources capable of promoting DX in their own organizations, we are also continuing to offer education on "DX utilization case studies and understanding mind stance" and education aimed at the acquisition of "skills that will lead to operational improvements and higher productivity". In 2024, we also plan training for women's advancement aimed at increasing the number of women aspiring to management positions. Okura Industrial Group plans to invest approximately 300 million yen in human capital in 2024.

The Group established the Working Group on Women's Issues in 2022 and has been working to create environments for promoting women' s advancement and raising awareness among female employees. One reason for the Group's focus on creating work-friendly workplaces for women in this way is to ensure organizational diversity, but that is not all. We are working from the management side to create work-friendly environments for women by aiming to increase the acquisition rate of annual paid leave and providing support for employees to build their career plans, as well as creating harassment-free workplaces. We believe that this will lead to the creation of work-friendly environments for all employees, regardless of gender, age, nationality, etc.

Our personnel evaluations focus not only on results but also evaluate the processes behind these results. We also evaluate managers in terms of whether they have a management perspective. All employees complete a target-setting sheet. Every six months, we provide feedback and follow-up for all employees based on an assessment of progress against these targets.

Through these initiatives, we will boost employee engagement and develop human resources able to work together to realize the vision for 2030 that we set forth in "Next10(2030)": "a solution partner that creates new value through underlying technology and is selected by customers".

We will invest in growth to achieve our aims for the business portfolio

We are embarking on a new project to formulate our next medium-term management plan, and we are currently refining our business strategy. To achieve our aims for the business portfolio, we will inject management resources into focus fields and aim to expand our earnings by investing in growth. We will also eye the possibility of M&A activities in fields with especially high growth potential.

At the same time, we will proceed with the reduction of investment securities, primarily cross-shareholdings, and the enhancement of shareholder returns, endeavor to improve capital efficiency, and engage in measures with an awareness of raising the PBR to 1.0 or above. In addition, we will strive to further raise the level of dividends, premised on stable dividend payments, and consider implementing share repurchases as appropriate, when we determine they are suitable. We will continue to actively engage in dialogue with shareholders and investors, increasing the opportunities for them to deepen their understanding of Okura Industrial Group's growth strategy. The status of progress on these measures will be verified each year by the Board of Directors and disclosed. We look forward to your continued support and guidance in the future.



Aiming to be a solution partner that creates new value through underlying technology and is selected by customers

Okura Industrial Group offers products and services that meet the needs of each customer. Our business segments consist of “Plastic Film”, “New Materials”, “Housing Materials” and “Other”. Since the foundation of the Company, we have always held the spirit of contributing to society through business.

Established

1947

Number of Group Companies

In Japan: 16

Overseas: 3

(as of December 31, 2023)

Number of Employees (Consolidated)

1,904

(as of December 31, 2023)

2023 Net Sales Breakdown by Business

Housing Materials Business

Net sales : 12.61 billion yen

Operating profit : 0.90 billion yen

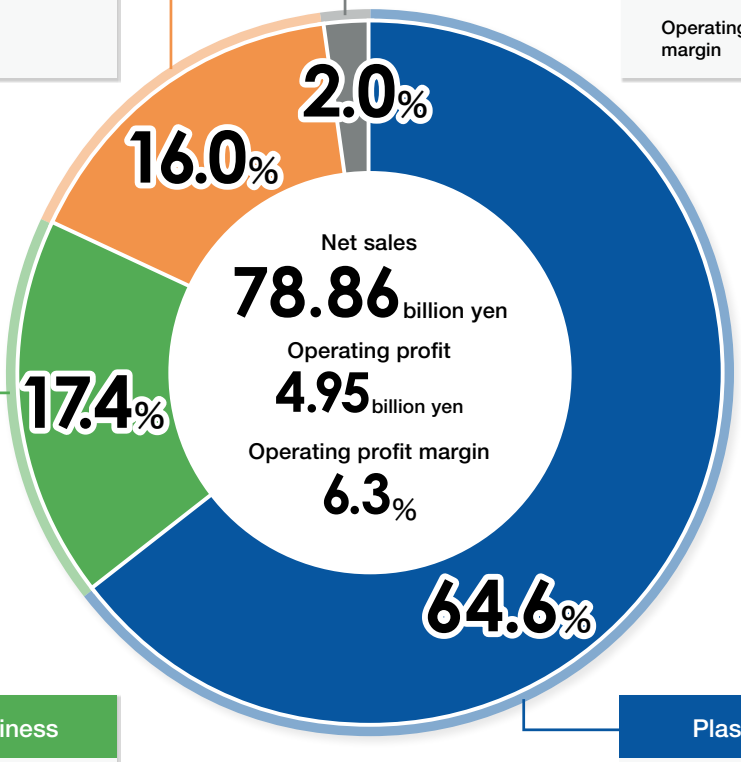
Operating profit margin : 7.1%

Other Businesses

Net sales : 1.55 billion yen

Operating profit : 0.45 billion yen

Operating profit margin : 29.4%



New Materials Business

Net sales : 13.69 billion yen

Operating profit : 1.85 billion yen

Operating profit margin : 13.5%

Plastic Film Business

Net sales : 51.00 billion yen

Operating profit : 4.14 billion yen

Operating profit margin : 8.1%

Plastic Film Business

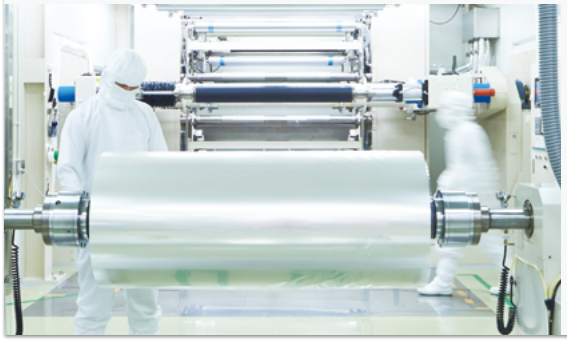
P.23



The Plastic Film Division offers plastic packaging film essential for people's daily lives. Our products are used in a diverse range of applications, from food and other packaging to industrial materials requiring sophisticated technology, and play a useful part in everyone's daily lives. We also offer an extensive lineup of Environmental Contribution Products that take full advantage of cutting-edge technology. We will continue to develop products that benefit society and push further ahead as a top manufacturer.

New Materials Business

P.25



The New Materials Division has a vision to "launch key parts to the world". Building on our long-standing film-forming technology, the division delivers high functional products to users around the world. Such products include optical films for smartphones and TVs and urethane elastomer films for automobile parts and medical use. We will continue to deliver our products to constantly evolving areas with high social needs, such as information electronics materials, automotive, and medical and welfare fields.

Housing Materials Business

P.27



The Housing Materials Division offers various materials for houses, furniture, and other products widely used in daily life. Our advanced technology, based on the decorating and processing techniques we have developed over time, is friendly to living space. We also offer safety and security for business space by providing materials.

Other Businesses

P.30



Hotel Business

Our hotel boasts a prime location, overlooking the Seto Inland Sea. It serves not only as a business and tourism hub but also as a place for gatherings in the local community.



Information Processing Business

We mainly engage in software development. We also operate and maintain ICT systems, as well as manufacture and sell package software.

Financial Highlights

Net sales



78.8 billion yen

+**2.1**% (compared to 2022)

Ordinary profit



5.4 billion yen

+**26.7**% (compared to 2022)

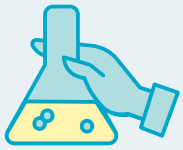
Capital expenditures



11.1 billion yen

+**101.8**% (compared to 2022)

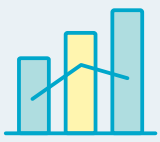
Research and development expenses



1.3 billion yen

+**10.3**% (compared to 2022)

ROE



7.4%

+**0.4** percentage points
(compared to 2022)

Dividends (per share)



110 yen

+**25** yen
(compared to 2022)

Non-Financial Highlights

CO_2 emissions (Scope 1 and 2)



105,282 t-CO_2

−14% (compared to 2021)

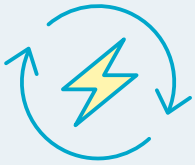
Percentage of net sales of products certified as Caerula™ in the living support category products



48%

+12 percentage points
(compared to 2022)

Electricity consumption from renewable energy



1,948 kWh

Ratio of female employees*



17.4%

+1.4 percentage points
(compared to 2022)

Employment rate of people with disabilities*



2.7%

+0.1 percentage points
(compared to 2022)

Number of employees using the childcare leave system*



17

+6 (+ 2 male, + 4 female)
(compared to 2022)

*On a non-consolidated basis

Management Vision Next10(2030)

We will create social and environmental value through our activities and helping both to improve customer value and address social issues.

Focus Fields

Businesses that allow people to live in safety and comfort
Food and agriculture, living spaces, livingware, healthcare, medicine

Businesses that reduce environmental and energy burden
Sustainable materials, volume reduction, recycling, energy-saving

Businesses related to telecommunications
High-speed communications, flexible devices, mobility

Next10(2030)

"Goal" toward next decade

A solution partner that creates new value through underlying technology and is selected by customers

A company that is trusted by society

A corporate group with technological advantages

75th Anniversary

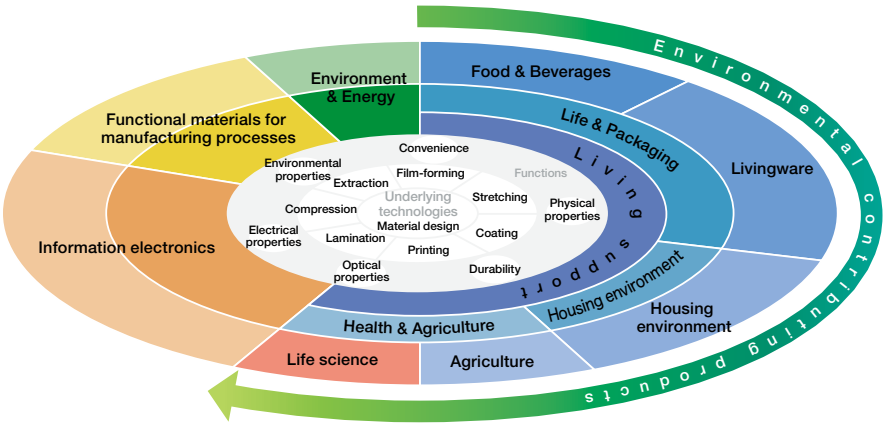
2018 2021 2022 2024 2025 2027 2028 2030

STAGE1 STAGE2 STAGE3 STAGE4

Establishment of platforms & strengthening of foundations | Expansion of business fields | Realization of the management vision

■Aims for Business Portfolio

We will build the business portfolio based on the focus fields of "Living support", "Information electronics", "Functional materials for manufacturing processes", and "Environment & Energy". We will aim to enhance value for customers by offering high functionality, based on our underlying technologies, as well as to create social and environmental value by contributing to the environment in the growth areas and applications in each field.



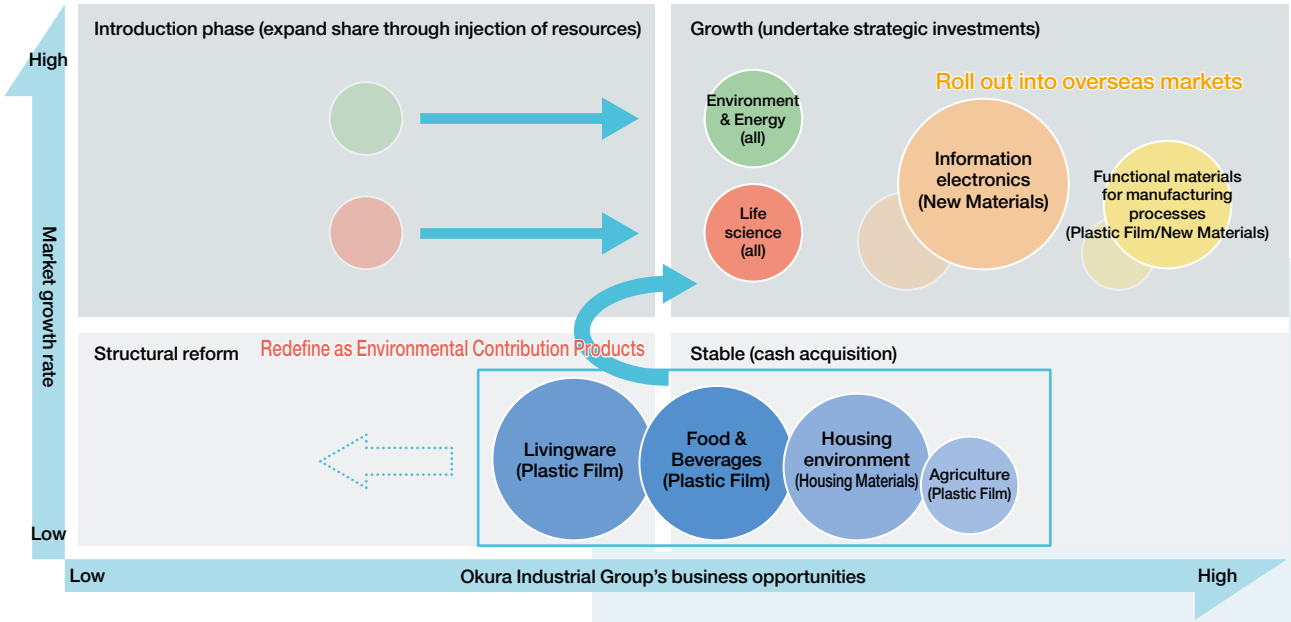
■Okura Industrial Group's Strengths in Focus Fields

Okura Industrial Group's strengths lie in our material design technologies and processing technologies. Combining those strengths with our strength in the form of our sales networks that access a wide range of industry customers through each business segment, we will catch up in growth areas and applications in our focus fields, with the aims of new product development and the creation of new businesses.

Field		Area	Plastic Film	New Materials	Housing Materials	Strengths
Living support	Businesses that allow people to live in safety and comfort	Life science / Food & Beverages / Housing environment / Livingware / Agriculture	●	●	●	Networks with customers in many and varied areas
Information electronics	Businesses related to telecommunications	Information electronics		●		Front runner among optical film processing manufacturers
Functional materials for manufacturing processes	Business that contributes to product manufacture with our products	Functional materials for manufacturing processes	●	●		Accumulation of product development capabilities and molding technology know-how
Environment & Energy	Businesses that reduce environmental and energy burden	Environment & Energy	●	●	●	System cooperation with end users, trading houses, and distributors

■ Deepening of Business Portfolio

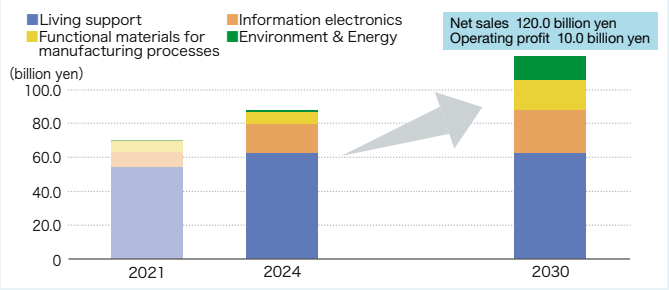
For the deepening of our business portfolio, we will focus our investment on the areas that we consider to be growth markets and areas, namely "Information electronics", "Functional materials for manufacturing processes", "Environment & Energy", and "Life science". In the living support category, which is one of our core businesses, we will aim for growth through investments aimed at the conversion to and expansion of environmentally conscious products, based on environmental contribution.



Management Indicators

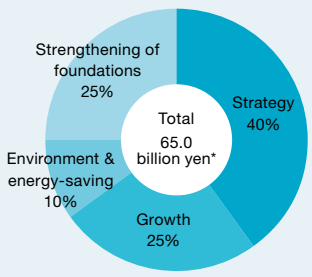
Net sales (by focus field)

The financial targets in our management indicators are to increase net sales from 71.2 billion yen in 2021 after application of the Accounting Standard for Revenue Recognition to 120.0 billion yen in 2030, with the aim of 10.0 billion yen in operating profit. In particular, we will strive for expansion related to the fields of Information electronics, Functional materials for manufacturing processes, and Environment & Energy.



*Net sales for 2021 after application of the Accounting Standard for Revenue Recognition: 71.2 billion yen

Proactive investment plan geared to deepening of business portfolio



Strategic investments (including M&A) 26.0 billion yen

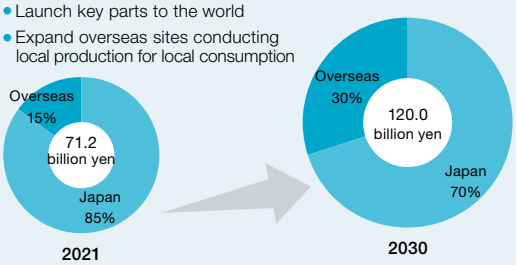
- Investments in development of advanced-function films
- Overseas/M&A investments
- Investments to strengthen management foundations (DX, human resources, etc.)

Environment & energy-saving investments 6.5 billion yen

*Cumulative amount of planned capital expenditures for 2022–2030

Expansion of overseas sales mainly in the fields of Information electronics and Functional materials for manufacturing processes

- Launch key parts to the world
- Expand overseas sites conducting local production for local consumption



*Net sales for 2021 after application of the Accounting Standard for Revenue Recognition: 71.2 billion yen

Medium-term Management Plan(2024)

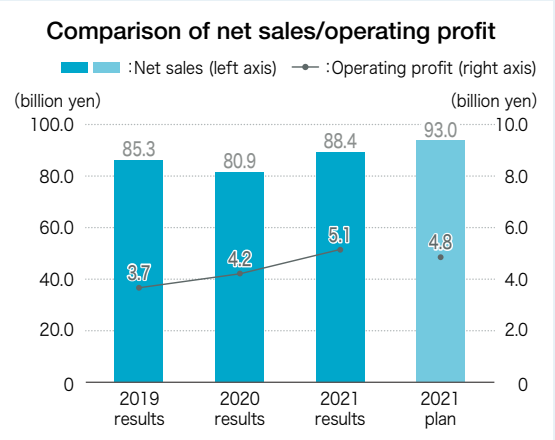
Review of Previous Medium-term Management Plan

Comparison of net sales, operating profit, etc.

	2021 plan	2021 results
Net sales	93.0 billion yen	88.4 billion yen
Operating profit	4.8 billion yen	5.1 billion yen
ROE	–	6.7%
Ordinary profit before depreciation and amortization	10.0 billion yen	10.0 billion yen

Difference from plan:
Drastic changes in external environment

- Impact of COVID-19
  - ⇒Sudden slowdown in economic conditions, lockdowns, supply chain disruptions
  - ⇒Supply constraints due to semiconductor shortages
- Downturn in demand due to move away from plastics



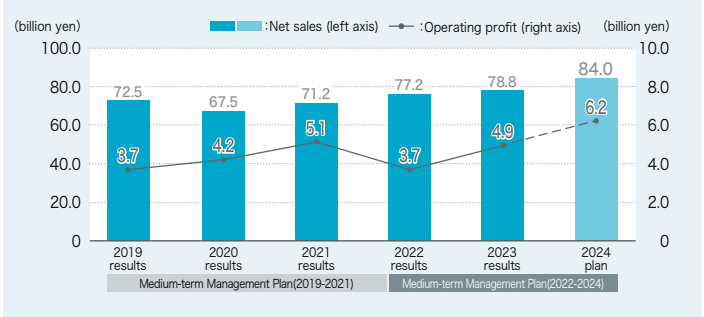
■Okura Industrial Group's Strengths in Focus Fields

We will enhance our material design technologies and processing technologies and, in our focus fields, invest management resources into areas and applications where growth is expected, with the aim of expansion. Net sales targets for 2024 in each field are 59.0 billion yen in Living support, 15.0 billion yen in Information electronics, 7.0 billion yen in Functional materials for manufacturing processes, and 1.2 billion yen in Environment & Energy.

Field		Area	Net sales (2024)
Living support	Businesses that allow people to live in safety and comfort	Life science / Food & Beverages / Housing environment / Livingware / Agriculture	59.0 billion yen
Information electronics	Businesses related to telecommunications	Information electronics	15.0 billion yen
Functional materials for manufacturing processes	Business that contributes to product manufacture with our products	Functional materials for manufacturing processes	7.0 billion yen
Environment & Energy	Businesses that reduce environmental and energy burden	Environment & Energy	1.2 billion yen

■ Net Sales and Operating Profit Plans

This graph shows net sales and operating results for 2019–2023 and our plan for 2024. We plan for net sales of 84.0 billion yen and operating profit of 6.2 billion yen in 2024, the third year of the current medium-term management plan.



*Net sales figures for 2019 to 2021 are after application of the Accounting Standard for Revenue Recognition.

■ Net Sales and Operating Profit by Business Segment

(Units: million yen, %)

Net sales	2021 results	2024 plan	Change (amount)	Change (percentage)	2023 results
Plastic Film Business	47,785	53,000	5,214	10.9	51,005
New Materials Business	11,813	15,500	3,686	31.2	13,691
Housing Materials Business	10,512	13,000	2,487	23.7	12,612
Other Businesses	1,158	2,500	1,341	115.9	1,553
Consolidated total	71,270	84,000	12,729	17.9	78,863

(Units: million yen, %)

Operating profit	2021 results	2024 plan	Profit margin	Change (amount)	Change (percentage)	2023 results
Plastic Film Business	4,267	5,000	9.4	732	17.2	4,144
New Materials Business	2,373	2,400	15.5	26	1.1	1,854
Housing Materials Business	591	800	6.2	208	35.4	900
Other Businesses	166	400	16.0	233	141.0	456
All companies	(2,276)	(2,400)	-	(123)	-	(2,399)
Consolidated total	5,123	6,200	7.4	1,076	21.0	4,956

*Net sales figures for 2021 are after application of the Accounting Standard for Revenue Recognition.
*Net sales and operating profit figures for 2021 are after changing Okura House Co., Ltd. and Okura Precut System Co., Ltd. from the Other Businesses segment to the Housing Materials Business segment.

Priority Measures

Plastic Film Business segment

- Develop and expand products that contribute to global environment
- Develop functional products that can contribute to society
- Strengthen downstream service functions needed for realization

New Materials Business segment

- Expand sales of optical films for large displays
- Expand business in automotive and high-end display areas
- Overseas expansion (open up new markets, establish sites)

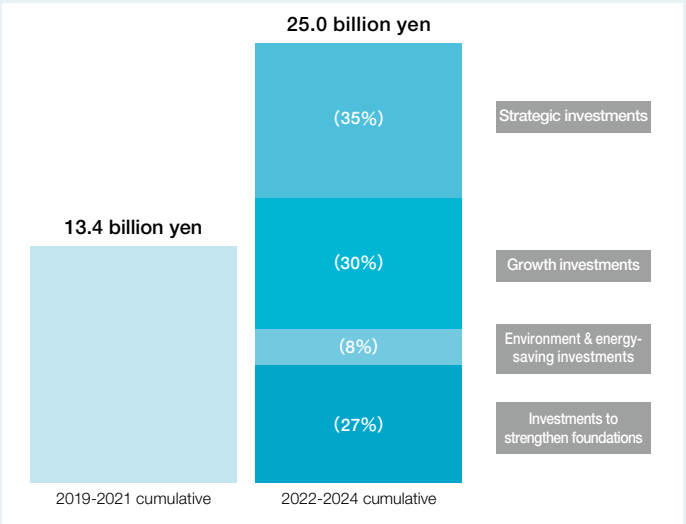
Housing Materials Business segment

- Increase net sales through full production and full sales of particleboard products
- Expand beyond particleboard products to products that will contribute to the reduction of environmental burden and to the SDGs
- Develop new substrates and new products oriented toward new business fields

Research & Development Center

Target areas: Environment & Energy
Information electronics
Life science

■Capital Expenditures, etc.



Strategic investments (including M&A)

- Construction of overseas manufacturing sites
- Introduction of advanced-function film manufacturing facilities
- Environmental business investments

Growth investments, environment & energy-saving investments

- Increase production capacity of optical films for large displays
- Expand manufacturing facilities for environmental contribution films
- Promote reduction of CO_2 emissions

Value Creation Process of Okura Industrial Group

With the underlying technologies it has cultivated over many years, Okura Industrial Group will provide products and services that can contribute to the enhancement of value for customers and to solutions to social issues, to create social, environmental, and economic value.

Social Issues

- Climate change
- Decarbonization
- Resources conservation and recycling
- Work style reform
- Diversity and respect for human rights
- Advancement of IoT and AI technologies
- Information security

Input

Financial capital

- Net assets ····· 60,869 million yen
- Equity ratio ····· 60.7%
- ROE ····· 7.4%

Intellectual capital

- Research and development expenses ····· 1,301 million yen
- Underlying technologies
  Film-forming/Stretching/Coating/Printing/Lamination/Compression/Extraction
- Number of patents and utility model rights owned ····· 177

Manufacturing capital

- Number of sites ····· Japan: 15, Overseas: 2
- Capital expenditures ····· 11,148 million yen
- Number of external certifications and accreditations ····· 15*

Human capital

- Number of employees ····· 1,904
- Ratio of female employees (non-consolidated) ····· 17.4%

Social capital

- Relationships of trust with stakeholders
- Customer satisfaction surveys

Natural capital

- Energy usage (converted to crude oil equivalent) ··· 51,768 kL
- Water usage (municipal and recycled water) ····· 459,465 m³

*Fiscal year ended December 31, 2023

Materiality P.32

- Promoting management for decarbonization (climate action measures)
- Further promoting resource recycling measures
- Creating and expanding Environmental Contribution Products
- Promoting CSR procurement
- Gaining a competitive advantage by promoting digital transformation (DX)
- Conducting research and development geared to creating innovation

Bases for Business Continuity (OKURA Business base) P.32

- Improving corporate reliability and transparency
- Thorough prevention of contamination
- Coexistence with local communities
- Developing working environment where employees are motivated to work

Mottos ×

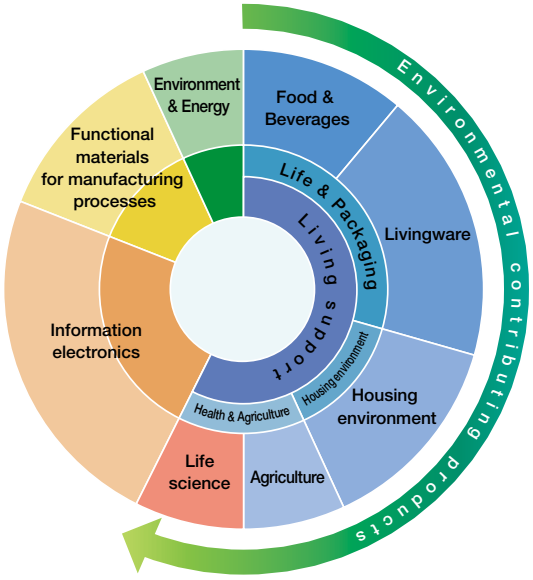
Management

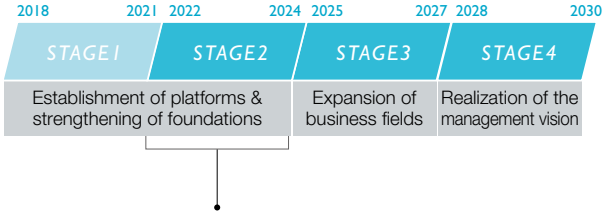
*ISO 9001 certifications: 5, ISO 14001 certification: 1, FSSC 22000 certification: 1, Flexible Packaging Hygiene Association accreditations: 3, ISCC PLUS certifications: 3, Japanese Industrial Standards (JIS) certification: 1, Japanese Agricultural Standards (JAS) certification: 1

Management Vision Next10(2030) P.15

A solution partner that creates new value through underlying technology and is selected by customers

- Aims for business portfolio





Medium-term Management Plan(2024) P.17

- Advancement of business portfolio

STAGE2

Basic policies

1. Qualitative improvement of existing businesses
   → Strengthening of earning capacity
2. Expansion of strategic and growth investments
3. Promotion of sustainability and ESG

Value Provided P.31



Social Value

- Contribute to business to solve regional issues and to revitalize regions
- Contribute to the realization of a sustainable society



Environmental Value

- Provision of solutions through Caerula™
- Realization of carbon neutrality

* Caerula™ is the name given to product categories accredited by the Group as Environmental Contribution Products.



Economic Value

- Continuation of stable dividends

[Management Indicators]

2024 plan
Net sales: 84,000 million yen
Operating profit: 6,200 million yen

2030 plan
Net sales: 120,000 million yen
Operating profit: 10,000 million yen

Okura Industrial Code of Ethics

Philosophy

We will focus on strengthening earning capacity and enhancing engagement with investors.



Yoshitomo Tanaka

Director, Executive Operating Officer;
Supervision of Corporate Center; and
Chairperson of Sustainability Committee

We will move ahead resolutely with the full operation of the wide optical film line and the structural reform of the Plastic Film Division, Okura Industrial Group

We had a slow start in 2022, the first year of "Medium-term Management Plan(2024)", due to the impact of the soaring price of naphtha, a raw ingredient used to make plastic. In 2023, however, we were able to recover to within reach of "Medium-term Management Plan(2024)" targets of 84.0 billion yen in net sales and 6.2 billion yen in operating profit, posting net sales of 78.86 billion yen and operating profit of 4.95 billion yen. For 2024, we forecast net sales of 82.0 billion yen and operating profit of 5.3 billion yen, but we are striving to surpass these forecasts. We would like to exceed the 7.4% ROE we reached in 2023, and hope to bring it as close as possible to our target of 8% or more.

We believe our key tasks for 2024 will be to boost our earning capacity by achieving the full operation of the new line (G2 line) for manufacturing wide (2,600 mm) optical film for large LCDs, in which we invested in 2023, and the structural reform of the Plastic Film Division. Through these efforts, we aim to realize the "establishment of platforms & strengthening of foundations", the concept of "Medium-term Management Plan(2024)". For the structural reform of the Plastic Film Division, we will pursue selection and focus in growth investment, implementing radical measures for unprofitable products and investing in new sources of revenue.

◆ Management Vision Next10(2030)

We will create social and environmental value through our activities and helping both to improve customer value and address social issues.

Focus Fields

- **Businesses that allow people to live in safety and comfort**
  Food and agriculture, living spaces, livingware, healthcare, medicine
- **Businesses that reduce environmental and energy burden**
  Sustainable materials, volume reduction, recycling, energy-saving
- **Businesses related to telecommunications**
  High-speed communications, flexible devices, mobility

Next10(2030)

"Goal" toward next decade

A solution partner that creates new value through underlying technology and is selected by customers

A company that is trusted by society

A corporate group with technological advantages

75th Anniversary

2018	2021	2022	2024	2025	2027	2028	2030
STAGE 1		STAGE2		STAGE3		STAGE4	
Establishment of platforms & strengthening of foundations				Expansion of business fields		Realization of the management vision	

▶▶Please refer to page 15 for details about the management vision "Next10(2030)".

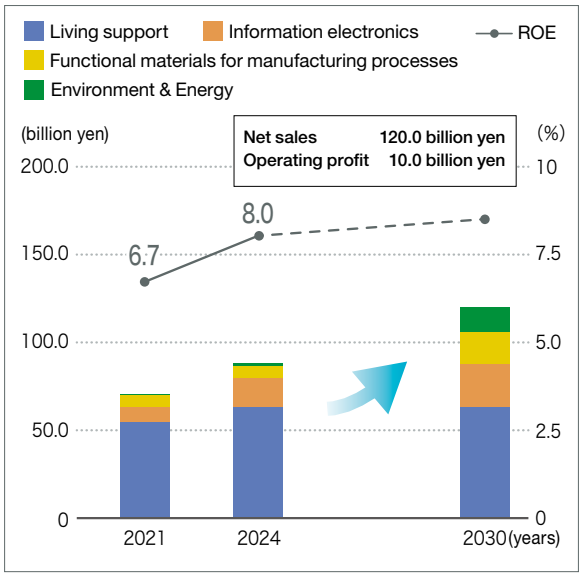
Towards the development of products and technologies that will form the core of our concept of “expansion of business fields” under “Medium-term Management Plan(2027)”

We have planned to invest 25.0 billion yen during the term of “Medium-term Management Plan(2024)”. In addition to our investments of 5.5 billion yen in 2022, 11.1 billion yen in 2023 and 6.1 billion yen in 2024, we will invest 0.65 billion yen in OKURA VIETNAM, almost achieving our investment plan. In 2023, we invested 6.0 billion yen to install new production equipment for wide optical films for large LCDs in the New Materials Business. In the Plastic Film Business, we made investments including inflation machine for seven-type/seven-layer film and manufacturing equipment for multi-layer film for agricultural use. We aim to put this equipment into operation as soon as possible. In the Housing Materials Business, we injected 1.7 billion yen into the relocation of the precut plant. Together with the 5.3 billion yen establishment of the laminated wood products plant beginning in 2024, we will build this into a new production site for the Housing Materials Business.

In 2024, the final year of “Medium-term Management Plan(2024)”, we plan to make growth-oriented and strategic investments such as the construction of part of this new laminated wood products plant in the Housing Materials Business, an upgrade to a film casting machine in the clean room for producing battery components in the Plastic Film Business, the reconstruction of the core system, and the construction of the plant in OKURA VIETNAM.

In addition, we must also step-up our capital expenditures aimed at the productization and commercialization of products currently under development at the Research & Development Center. The launch of new products with added value is vital to strengthen our earning capacity, and we will hasten to develop products and technologies that will form the core of our concept of “expansion of business fields” under “Medium-term Management Plan(2027)”.

◆ Net sales (by focus field)



*Net sales for 2021 after application of the Accounting Standard for Revenue Recognition: 71.2 billion yen

To achieve of PBR of 1.0 or above

In February, we announced “Action to Implement Management that is Conscious of Cost of Capital and Stock Price”. Okura Industrial’s share price has risen since the start of 2024 to a level exceeding 3,000 yen, but the PBR is still stagnating at between 0.6 and 0.7. PBR can be calculated as ROE × PER, and we believe that there are two main reasons why it still remains below 1.0. First, our ROE has not yet reached the target of 8% or more (it was 7.4% in 2023). Second, we have failed to sufficiently communicate our growth strategy and strengths to investors.

To address these issues, we will focus on strengthening earning capacity and enhancing engagement with investors. Shareholders expect the companies they invest in to achieve sustained growth, enable capital gains through rising share prices, and implement higher payout ratios. ROE represents profit ÷ equity, and measures how much profit can be earned and how much equity can be compressed. In other words, we are required to efficiently utilize the capital entrusted to us by shareholders to generate high profits.

Regarding profits, in 2024, the key points will be leveraging the growth investments we made in 2023 to boost profit and moving ahead resolutely with the structural reform of the Plastic Film Division, which will contribute to future profits. Regarding the compression of equity, we believe it is vital to compress, as far as possible, the capital retained for purposes such as cross-shareholdings, and utilize debt financing to fund growth investments. We must further sharpen our focus on return on investment. For renewal investments, too, we need to invest not only to replace aging and deteriorating equipment but also in a way that will significantly improve productivity. We also believe that it is crucial for us to steadily implement the growth strategy outlined in “Medium-term Management Plan(2024)” and communicate the results of this strategy even more proactively to investors.

Promoting active dialogue with shareholders and investors

For the purpose of raising Okura Industrial’s PBR to 1.0 or above, too, we are engaging even more proactively in dialogue with shareholders and investors. We are carefully explaining our growth strategy and views on sustainability in the hope of helping more people understand that Okura Industrial is a company that will continue to grow and that this growth will contribute to achieving a sustainable society.

We believe that we share common goals with shareholders from the perspective of increasing corporate value. At the risk of sounding conceited, we have consistently aspired to “launch key parts to the world”, and we have achieved this vision across a wide range of industrial fields, primarily optical-related products. In the domestic packaging field for food and various other products, as well as the agricultural field, we have established our status as the leading company in film. In the Housing Materials Business, too, the high quality of our products, primarily particleboard, has led to their use as materials for a wide range of housing equipment.

Looking ahead, we will move ahead to incorporate the social requirement for environmental contribution into our businesses and products. By contributing to the realization of a sustainable society, we hope to achieve continued growth.



Plastic Film Business

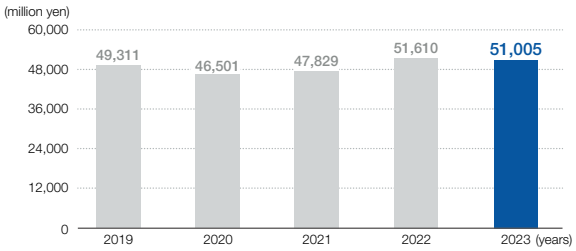
We will contribute to achieving the SDGs by providing and expanding solutions that contribute to the environment.

Director, Senior Executive Operating Officer;
Division President, Plastic Film Division
Eiji Fukuda

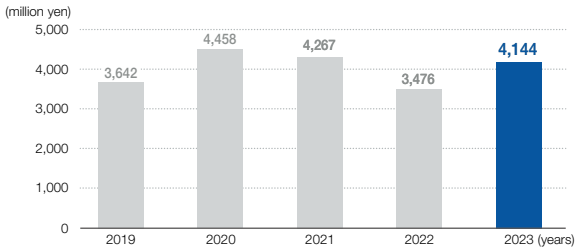
Business Performance

With inbound demand anticipated due to the relaxation of COVID-19 countermeasures by the Japanese government, as well as the depreciation of the yen, we engaged in activities to expand sales. However, the sales volume declined for packaging film for food and other applications, impacted by a slump in purchasing appetite among consumers due to successive price hikes for major daily necessities. Sales volumes were also sluggish for industrial-use process films for optical and semiconductor applications, which were affected by inventory adjustments due to a deterioration in market conditions. However, net sales decreased by only 1.2% year-on-year to 51,005 million yen, due to the progressive transfer of cost hikes, primarily increases in raw materials prices, to product prices. Operating profit increased by 19.2% year-on-year to 4,144 million yen, the result of productivity improvements and other efforts to reduce costs, in addition to the increase in product prices.

Net sales



Operating profit



Risks and Opportunities

Social Issues

- Environmental issues
  - ・Climate change
  - ・Microplastics
  - ・Reduction in plastics usage
  - ・Food loss
- Population issues
  - ・Population decline
  - ・Falling birthrates and aging populations
- Energy issues
  - ・Sharp rises in fossil fuel prices
  - ・Energy self-sufficiency rates
  - ・Economic efficiency
  - ・Environmental compatibility

Value Offered by Okura Industrial Group

- Reduction of CO_2 emissions through recycling technologies and eco friendly products
- Provision of functional materials for manufacturing processes using material design and multi-layering technologies (responding to advanced needs for mobility/EV-related components)
- Reduction of food loss through provision of advanced-function films
- Automation and labor-saving through film & system proposals

Toward Achievement of the Medium-term Management Plan

Review of the second year of the medium-term management plan

In 2023, the second year of the medium-term management plan, sales volumes declined compared to 2022, impacted by a pullback in spending on food and daily necessities in Japan and a deterioration overseas in market conditions for electronic materials and semiconductor-related applications. Although the prices of raw materials were higher than in 2022, we were able to boost profitability through measures such as transferring price hikes to selling prices, expanding sales of high-value-added products, reorganizing manufacturing equipment, and optimizing employee numbers. As a result, net sales fell far short of the target set for the second year of the medium-term management plan, but operating profit fell only slightly short of the plan.

Regarding the status of initiatives in focus areas under the medium-term management plan, in terms of “environmental products”, sales of recycled products did not proceed as planned, although biomass plastic products grew. In terms of “Functional materials for manufacturing processes”, we made progress on expanding sales of EV-related film and living space film, but film for electronic materials suffered from a downturn in market conditions. For “automation and labor-saving” and “expansion of business into new fields”, too, sales of focus products such as biodegradable and functional mulch film failed to grow and fell short of the plan.

Initiatives for the final year of the medium-term management plan

In 2024, the final year of the medium-term management plan, we will continue to focus management resources on the focus areas where we expect growth: “environmental products”, “automation and labor-saving”, and “functional materials for manufacturing processes”. Our priority themes will be (1) expansion of Caerula™ Environmental Contribution Products such as biomass plastic products, biodegradable plastic products, recycled products, and thin film products, and (2) expanding sales and development for functional materials applications such as Environment & Energy, Life science, and Information electronics. We will work to achieve our targets set for the final year of the medium-term management plan, with “Next10(2030)” in mind, through measures such as the use of PIR/PCR raw materials, the expansion of sales of automotive products utilizing our film-forming technology, and the launch of new items on the battery market, where growth is expected.

In the business environment, we anticipate the pullback in consumer spending in Japan to gradually ease, although the decline in demand for food and daily necessities in China is expected to continue. We also forecast a continuation of the recovery trend in automotive applications, as well as a recovery in demand for electronic materials and semiconductor-related applications, and we can see a path towards improvement in sales. Meanwhile, however, some products for electronics materials have experienced a deterioration in profit margins due to price competition with Chinese manufacturers, while others have seen a larger-than-anticipated decline in demand. We will therefore promote rationalization through measures such as the consolidation of equipment in an effort to improve profitability.

*PIR: Post-industrial recycling; PCR: Post-consumer recycling

Process for achieving the medium-term management plan

2022 results

- Expanded sales and reinforced production capabilities for Environmental Contribution Products that were pursued in the previous medium-term management plan (recycled sheets for building decorative materials, biomass shrink film, Ecocalmulch, etc.)
- Completed product price revisions due to sharp rises in raw materials prices
- Aggregation of production facilities

2023 results

- Commercialized mechanical recycling products
- Reinforced manufacturing facilities for refill pouches, environmentally friendly trash bags designated by municipality (recycled/biomass products), and expanded products made with recycled raw materials
- Established frameworks for film & system proposals and labor-saving equipment proposals

2024 goals (final year)

- Establishing a total recycling scheme and introducing mass balance system (CO_2 credits)
- Focusing on mobility/EV-related and semiconductor areas by functional materials for manufacturing processes
- Entering into and expanding new fields (batteries, medical, OEM business, online sales)

Topics

Acquired ISCC PLUS certification

We acquired certification under ISCC PLUS, an international certification system for sustainable products, at the Marugame No.4 Plant, Chunan Plant, and Business Development Department. ISCC is an international certification related to sustainability and carbon, and ISCC PLUS is a certification system for the management and security of biomass and recycled raw materials produced using the mass balance approach along the supply chain. We will continue to engage in developing environmentally friendly products to contribute to achieving a carbon-neutral society.

*ISCC: International Sustainability & Carbon Certification



ISCC International Sustainability & Carbon Certification



New Materials Business

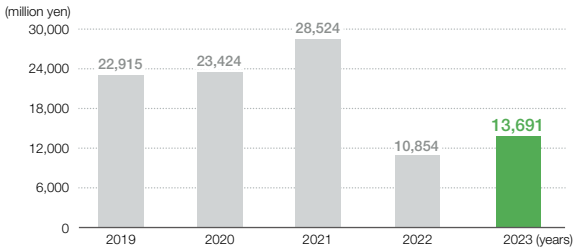
By supplying optical-function films and functional components that are essential to ICT devices, we will contribute to the development of the ICT industry and to the realization of a smart society.

Director, Senior Operating Officer;
Division President, New Materials Division
Tomoo Ueta

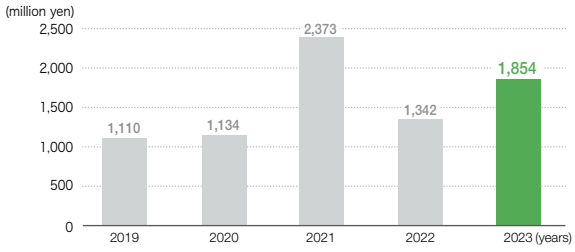
Business Performance

Net sales increased by 26.1% year-on-year to 13,691 million yen due to a strong performance from functional materials for automotive and other applications, in addition to an increase in orders received for optical film for large LCDs. Operating profit increased by 38.1% year-on-year to 1,854 million yen, the result of efforts to improve yield and boost productivity, as well as the increase in net sales.

Net sales



Operating profit



Risks and Opportunities

Social Issues

- Realization of a smart society through the development of the ICT industry
- Realization of a safe and secure mobility society
- Realization of an environmentally friendly society
- Realization of healthy and comfortable lifestyles

Value Offered by Okura Industrial Group

- Provision of optical-function film and functional components essential to ICT devices
- Provision of functional film and functional components compatible with the evolution of mobility
- Provision of functional films and medical products to support medical and nursing care settings

Toward Achievement of the Medium-term Management Plan

Review of the second year of the medium-term management plan

In 2023, the second year of the medium-term management plan, we worked on the completion of a new production line for optical film for large LCDs and obtaining customer accreditation, as well as initiatives such as expanding sales of mobility products and the establishment of overseas manufacturing sites.

The optical film market in 2023 saw an increase in shipments, mainly for LCD televisions, due to an earlier-than-anticipated recovery from the cyclical slump in demand from panel manufacturers in 2022 and vigorous capital expenditure by polarizing plate manufacturers in China. In the automotive market, the easing of semiconductor supply shortages led to an increase in car production.

Market conditions resulted in an increase in net sales of optical film for large LCDs, one of the New Materials Division's main products, compared to 2022. With the shift to large-screen LCD TVs, demand is forecast to continue to increase steadily for optical film for large LCDs, and we have built a new plant to enable the stable supply of wide acrylic film. This new plant, which began trial operation in October 2023, features an integrated hot-melt extrusion and vertical-horizontal stretching machine that can accommodate the product width of 2,600 mm needed to produce wide polarizing plates. We obtained customer accreditation for wide acrylic film in January 2024.

Regarding mobility products, we have progressively expanded sales of automotive exterior film (paint protection film), mainly in North America and Southeast Asia. Paint replacement film is a material that replaces automotive coating processes that repeatedly apply and dry paint. It has been gaining increasing attention in recent years for the purpose of reducing CO_2 emissions from automobile manufacture, and we have been working on its development. In addition, automotive display screens are expected to continue to become larger, and we will continue to develop automotive display components.

We have also begun mass-production of a new functional film product for ICT devices, which has been selected for use in AR (augmented reality) and VR (virtual reality) headsets.

In May 2023, we established OKURA VIETNAM CO., LTD. in Vietnam as part of our overseas expansion.

Initiatives for the final year of the medium-term management plan

In 2024, the final year of the medium-term management plan, we will work on achieving full-scale operation of the new production line for optical film for large LCDs, the expansion of the processing business for mobility products and the transfer of the adhesives business to overseas manufacturing sites.

The new production line for optical film for large LCDs, compatible with the shift to large-screen LCD TVs, began mass production in February 2024. We will provide a stable supply of wide acrylic film to meet the strong demand. Chinese manufacturers of polarizing plates have announced plans for further investment in wide polarizing plate manufacturing facilities, and we will consider how to pursue this trend towards greater width. We are looking to strengthen and expand our own business base further by expanding sales in the Chinese market.

At OKURA VIETNAM CO., LTD., we aim to commence the production of industrial adhesives in January 2025. The plant buildings were completed in July 2024, and we are progressively installing equipment and training local recruits. In the future, we plan to make this site a focus for Company-wide business expansion.

In the processing business for mobility products, we will provide products that can contribute to realizing a safer and more secure mobility society. This will include initiatives such as expanding sales of the existing paint protection film and automotive adhesive products and expanding into passenger displays.

We will also continue to work to expand the use of renewable energy for the realization of a sustainable society in 2024. In 2023, we installed solar panels on the New Materials Division's D Building and launched an initiative to use the electric power generated in the process of product manufacture. In February 2024, we began the operation of new solar panels installed on the New Materials Division's C Building. We are currently in the process of installing solar panels on the New Materials Division's G Building and H Building, located at the Chunan Plant, which we plan to bring online in spring 2025.

Process for achieving the medium-term management plan

2022 results

- Capital expenditure on a new production line for optical films for large LCDs
- Obtained manufacturer accreditation for new automotive products
- Considered concrete plans for overseas expansion
- Reviewed equipment and facilities for reduced carbon emissions and energy saving

2023 results

- Completed the new production line for optical films for large LCDs
- Began mass production of new products for ICT devices
- Established overseas manufacturing sites
- Expanded renewable energy (solar panels)

2024 goals (final year)

- Full-scale operation of the new production line for optical films for large LCDs
- Expanding processing business for mobility products
- Transfer adhesives business to overseas manufacturing sites
- Operating plants using renewable energy

Topics

Establishment of OKURA VIETNAM CO., LTD.

In the rapidly growing Asian market, we believe there are many potential customers for our products. We established this site to engage in production and sales activities, utilizing its geographical and transportation cost advantages. We plan to begin by producing industrial adhesives from January 2025 onward.



Illustration of the completed plant



Housing Materials Business

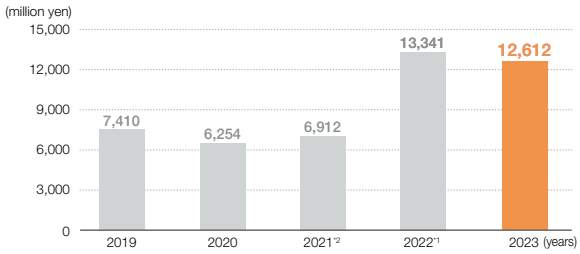
Through our material recycling and Environmental Contribution Products businesses that leverage our technologies in wooden panels and processing, we will contribute to a sustainable society and the SDGs.

Senior Operating Officer; Division President, Housing Materials Division
Seizo Kagawa

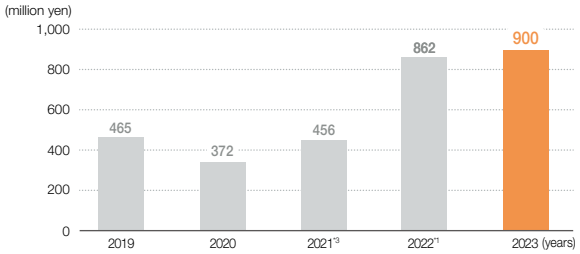
Business Performance

We maintained the sales volume for particleboard, our core business, by focusing on acquiring new customers and approaching existing customers. However, net sales decreased by 5.5% year-on-year to 12,612 million yen due to factors such as a substantial decline in sales volume in the lumber processing business. This business mainly targets the Shikoku region, which experienced a marked decline in new housing starts. Operating profit increased by 4.5% year-on-year to 900 million yen due in part to the continued stable production of particleboard, despite the ongoing rise in the cost of utilities.

Net sales



Operating profit



*1 From 2022, net sales and operating profit of Okura House Co., Ltd. and Okura Precut System Co., Ltd. are included in the Housing Materials Business segment, instead of the Other Businesses segment.
*2 The figure for net sales is 10,891 million yen after changing the net sales of Okura House Co., Ltd. and Okura Precut System Co., Ltd. from the Other Businesses segment to the Housing Materials Business segment.
*3 The figure for operating profit is 591 million yen after changing the operating profit of Okura House Co., Ltd. and Okura Precut System Co., Ltd. from the Other Businesses segment to the Housing Materials Business segment.

Risks and Opportunities

Social Issues

- Realization of a low-carbon society
- Realization of carbon neutrality
- Shortage of construction workers and long working hours due to declining birthrate and aging population

Value Offered by Okura Industrial Group

- Carbon storage from particleboard production is approximately 181kt-CO_2/year in 2023. We will store carbon for extended periods through material recycling.
- We will extend wooden housing materials business using Japanese conifers. We will promote the wood cycle and contribute to carbon fixation and the carbon cycle.
- In business fields that range from materials to home construction, we will provide easy-to-install materials and play a core role in the systematization of home construction.

Toward Achievement of the Medium-term Management Plan

Review of the second year of the medium-term management plan

In 2023, the second year of the medium-term management plan, demand shrank in the particleboard business field, with a slump in consumer appetite due to rising prices and the smaller houses, but we strove to expand market share and increase overseas exports in the housing equipment field, managing to secure sales volume. We were able to maintain stable manufacturing operations through production improvements, production optimization, and enhanced maintenance. With the aim of further strengthening our business structure, we worked to maximize added value by increasing the ratio of secondary processed products in our sales portfolio, achieving a certain level of results. Meanwhile, despite the conspicuously sharp rises in prices of raw materials and electricity rates, we succeeded in mitigating their impact by promoting cost reductions and active deployment of sales strategies.

In the environmental materials business field, we installed a dedicated laminating machine for the environmental contribution concrete mold panels, comori™ and established a mass production system. We engaged in active marketing activities focused on major construction firms and developers to raise market recognition. However, we continued to experience delays in construction periods, due partly to changes in specifications resulting from personnel shortages and soaring materials prices, and this affected sales.

In the housing components business field, our continued efforts to secure stable orders achieved a certain level of results, amid a decline in the number of new housing starts, especially for privately owned homes on the Shikoku region.

In the Housing Materials Business segment, we began the detailed planning of businesses such as the manufacture and sale of laminated wood products utilizing lumber from the Shikoku region, a domestically-produced lumber business that will contribute to a carbon-free society, taking advantage of the Group's strengths in vertical cooperation and collaboration with other companies. We will promote this plan as a business field that will contribute to the next medium-term management plan.

Initiatives for the final year of the medium-term management plan

In 2024, the final year of the medium-term management plan, while the market surrounding the Housing Materials Business faces challenges such as a decline in new housing starts, a shortage of construction workers due to the falling birthrate and aging population, and soaring raw materials prices, we will continue to develop optimal strategies in each business field.

In the particleboard business field, we will continue to focus on stable operations. At the same time, we will aim to boost added value by increasing the ratio of secondary processed products in our sales portfolio, consummating our efforts for the maximization of profit. We will adapt to the changing market through portfolio analysis, stronger maintenance of production lines, and DX to enhance efficiency.

In the environmental materials business field, we will further strengthen sales of comori™. We will strive to further increase market recognition through collaboration with partners, primarily major construction firms and developers, to strengthen SDGs initiatives in the construction business. To expand the use of domestically-produced lumber in public facilities, we will strengthen our cooperation with local governments by leveraging the comori™ concept, growing it into a core business.

In the housing components business field and the lumber processing business field, despite the impact of the shrinking market for wooden stand-alone houses, we will leverage efforts such as the provision of highly functional components and support for design and construction to strengthen the acquisition of sales to major builders in the Shikoku area.

The Housing Materials Business segment, will realize the material recycling of materials through the manufacture and sales of wooden panels, by making use of materials, processing, home construction, and subsequently dismantled materials. We will contribute to the realization of a carbon-free society, including carbon storage and the carbon cycle, and SDGs, through business.

Process for achieving the medium-term management plan

2022 results

- **Particleboard business field**
  Maximized added value ranging from chips to tertiary products
- **Environmental materials business field**
  Obtained recognition from major construction firms and expanded production capacity
- **Housing components business field**
  Secured orders for more houses and confirmed business feasibility
- **New business fields**
  Commercialization of wood plastics, business planning of domestically-produced lumbers

2023 results

- **Particleboard business field**
  Maximized efficiency and value for customers through DX
- **Environmental materials business field**
  Expanded usage results and recognition and gathered major construction firms' needs
- **Housing components business field**
  Expanded adoption in wooden non-housing buildings
- **New business fields**
  Prepared and pursued the launch of domestically-produced lumber business field, concluded the Agreement on Promoting the Use of Wood in Buildings, and concluded business alliance agreements with partner companies

2024 goals (final year)

- **Particleboard business field**
  Expanding sales of high-value-added processed products and floor base plate market strategy
- **Environmental materials business field**
  Utilizing our strengths in the SDGs to establish stable sales to major construction firms, developers and others
- **Housing components business field**
  Collaborating with nationwide panel manufacturers and expanding into other regions
- **New business fields**
  Starting new domestically-produced lumbers business field and planning and proposing new business

Topics

Launch of preparations for the JAS and laminated wooden products business using lumber from the Shikoku region (Harashimo Industrial Park Phase 2 construction)

We are in the process of planning a production site for the JAS and laminated wooden products inside the Harashimo Industrial Park in Takase-cho, Mitoyo City. Phase 1 construction, the relocation of Okura Precut System to the Harashimo Industrial Park, has been completed, and the plant recommenced operation in February 2024. We are currently engaged in Phase 2 construction of the laminated wood products plant, with completion planned for February 2025. Prior to this, in December 2023, we concluded the Agreement on Promoting the Use of Wood in Buildings for lumber produced in Kagawa with Kagawa Prefecture and Kagawa Forestry Cooperative Joint Association. We are currently building the supply chain for this business.


Illustration of the plant in the Harashimo Industrial Park


Signing of the Agreement on Promoting the Use of Wood in Buildings



Research & Development Center

We will create businesses and products that support the evolution of the world's technologies and contribute to richer and more convenient lifestyles.

Operating Officer; General Manager, Research & Development Center
Kazuma Onishi

Research and Development Policy

Mission of the Research & Development Center

The Research & Development Center continues to strive for new technological innovations based on the core technologies we have built up so far, with the following three missions:

To (1) create new businesses, (2) deepen material design and development of sustainable materials, and (3) deepen existing technologies and develop products with new underlying technologies.

When engaging in development, we believe it is crucial to accurately ascertain the issues society will face in the future, align our values with those of our customers, and develop the technologies needed to solve these issues. We see it as our mission to be selected as a solution partner that solves social issues.

Focus Areas

We perceive the following as the three focus areas of the Research & Development Center as we pursue research and development that will contribute to a sustainable society.

Environment & Energy



Recycled materials

Reduce environmental and energy burden and contribute to the realization of a sustainable society

- Mechanical recycling
- Chemical recycling
- EV materials
- Energy-related components

Information electronics



LCP film

Contribute to the development of the Information electronics area and support safe, comfortable lifestyles with innovative technologies

- Next-generation information and communication materials
- Advanced-function display materials

Life science



Single-use bags

Support people's healthy and enriched lives with safe and secure functional products

- Functional materials for medical care
- Components for cell culture processes
- Naturally derived ingredients

Topics

Contributing to SDGs through the use of untapped plant resources

At Okura Industrial, we have developed environmental contribution raw materials for healthcare and skincare that use a pressurized hot water extraction method to extract functional ingredients from resources that are not currently utilized effectively, such as pruned olive leaves and the residue produced by ginger processing companies.

Features of our pressurized hot water extraction method

(1) The use of water as a solvent enables the production of safe and secure extracts
(2) Greater water solubility enables the extraction of non-water-soluble ingredients
(3) Greater hydrolysis capability enables the conversion of polymers to substances with low molecular weight, which is expected to lead to more efficient absorption, including inside the body, and the extraction of different ingredients to previous extraction methods

Example of industry-government-university collaboration

The polyphenol-containing extract we produced has been adopted for use in HIMAWARI YELLOW PONZU. This food product was developed through industry-government-university collaboration with the local government of Manno, General Incorporated Association Sunflower Mannou, and National University Corporation Kagawa University.

As part of our involvement in the regional revitalization business, we engaged in utilizing the untapped resources of sunflowers with Manno and other local areas using sunflowers to promote regional revitalization. We determined that the residue from pressing sunflower seeds contains large amounts of polyphenol, and we considered the conditions needed for its highly efficient extraction from the residue using the pressurized hot water extraction method.

We will continue to contribute to the SDGs through the development of products utilizing untapped plant resources.





HIMAWARI YELLOW PONZU

Other Businesses

Hotel Business

Business overview

Okura Hotel Marugame has accommodations for up to 506 guests, as well as conference, banquet, and dining facilities. The hotel makes full use of its position facing onto the Seto Inland Sea. Guests are assured of a high-quality stay, from a panoramic bath embraced by a sense of openness with panoramic views of the Seto Inland Sea to gourmet cuisine featuring ingredients from Setouchi Area and Sanuki Area. It makes an excellent home base for a wide range of activities for the enjoyment of Marugame, an area that offers an abundance of attractions, including Marugame Castle, sport, art, and even soul food.



Royal Suite Room

Strategy

In 2023, we established a new Royal Suite where guests can overlook the Seto Ohashi Bridge from their guestroom windows and enjoy the time and space to unwind. The installation of automated payment machines and key cards enables guests to enjoy a smooth and stress-free check-in and check-out. The tourism field is expected to see even more vigorous demand in 2024, and we will endeavor to further boost guest satisfaction.



Green lounge

Information Processing Business

Business overview

Okura Information System mainly engages in software development. The company also operates and maintains ICT systems, as well as manufacture and sell package software. It leans in closely to customers to give shape to their needs and support its customers' management improvements through the use of ICT. The products and services created by Okura Information System are also supplied to distribution and healthcare industry segments, and are used by many customers.



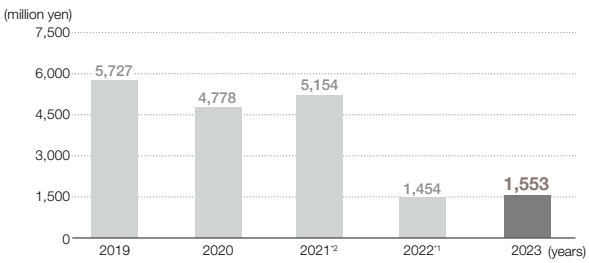
Strategy

The company will promote DX in a variety of fields. Centering on the construction of systems to support priority growth businesses in Okura Industrial Group, it will play a part in the improvement of productivity and strengthening of competitiveness of the Group by promoting the establishment of stable infrastructure and the improved efficiency and digitalization of operations. Further, in addition to expanding its sales channels and strengthening the foundation of its existing business targeting dispensing pharmacies, based on the image processing technology and AI technology the company has cultivated in this business, it will create high-quality, user-friendly products and services, with the aim of opening up new markets.

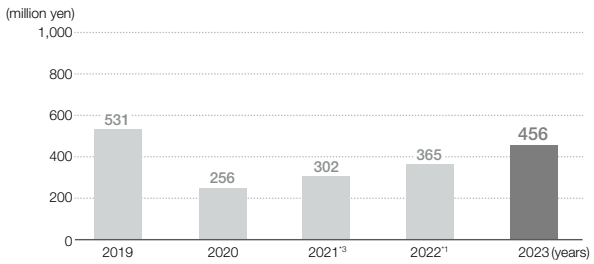


Business Performance

Net sales



Operating profit



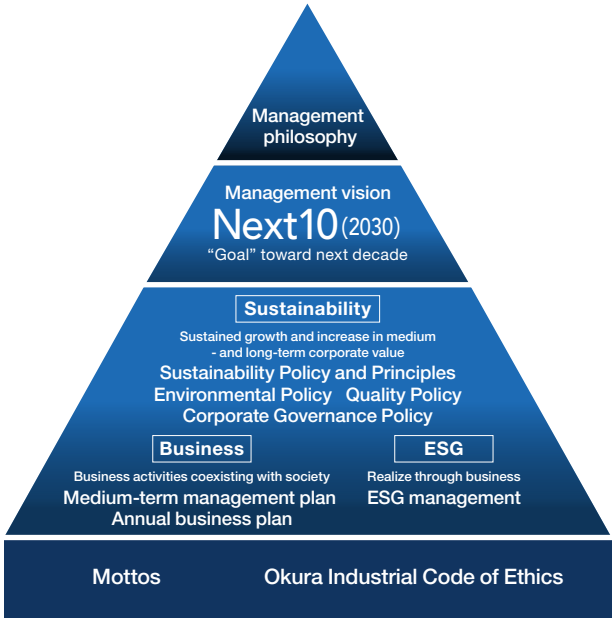
*1 From 2022, net sales and operating profit of Okura House Co., Ltd. and Okura Precut System Co., Ltd. are included in the Housing Materials Business segment, instead of the Other Businesses segment.
*2 The figure for net sales is 1,175 million yen after changing the net sales of Okura House Co., Ltd. and Okura Precut System Co., Ltd. from the Other Businesses segment to the Housing Materials Business segment.
*3 The figure for operating profit is 166 million yen after changing the operating profit of Okura House Co., Ltd. and Okura Precut System Co., Ltd. from the Other Businesses segment to the Housing Materials Business segment.



Sustainability Initiatives

Okura Industrial Group believes aiming to contribute to the creation of a society which can ensure sustainable development will lead to the Group's sustained growth and increase in medium- and long-term corporate value.
With the CSR Policy of "Continue to be a company that is trusted by society", we have conducted the business operation focusing on E (environment), S (social), and G (governance) in the changing social environment. Going forward, we will promote proactive activities in which management strategies center on sustainability, based on materiality, material issues for the provision of solutions through business which were identified in 2020, as well as bases for business continuity (OKURA Business base).

Philosophy System



Management Philosophy

Respect the Individual

We will respect the human rights of each individual and devote our efforts to creating a safe, comfortable, and lively workplace.

Contributing to the Society

We will contribute to a safe and comfortable life through our products and services, and actively engage in social contribution activities as a good corporate citizen.

Customers First

We will continue to provide products and services which our customers need in adapting to changes in the environment, and will grow our solution business with them.

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**
   Under our management philosophy, we will aim at sustained social development and an increase in medium- and long-term corporate value by conducting business operation focusing on ESG in the changing social environment.
2. **Conservation of the global environment**
   The Group will contribute to conservation of the global environment through business activities, taking into account climate changes and other global environment issues, and providing products and service toward realization of a carbon-free society.
3. **Compliance with laws and regulations, respect for human rights, and consideration of the labor environment**
   In all business activities, the Group will comply with laws, regulations, and social norms, respect human rights, value each worker with diversity including gender, internationality, career, and age, and promote human resource development, improvement of labor environment, and contribution to local communities and society.
4. **Information disclosure and dialogue**
   In relation to progress in initiatives for sustainability in its own business activities, the Group will proactively disclose information, and reflect social evaluation received through dialogue with stakeholders in management.

Mottos

Action guideline for supporting business activities

Improving everyday

Each of us is to remain conscious of the need for improvement, set their own goals, and work to develop their abilities.

Creativity and ingenuity

We will employ new viewpoints and ideas to improve, innovate, and develop products and services without preconceived notions.

Harmonious cooperation

We will each endeavor to communicate our goals and ideas to one another, value dialog, build trust, and resolve issues by considering total optimization.

Okura Industrial Code of Ethics

Continue to be a company that is trusted by society

Seven principles of action

1. To provide goods and services allowing people to live in safety and comfort and to earn the trust of users and consumers.
2. To realize the comfort and affluence for our employees, ensure a safe and comfortable working environment, and respect their personalities and individuality.
3. To engage in fair, transparent, and free competition; to maintain clean and normal relationships with government and public administration.
4. To proactively and honestly disclose corporate information and communicate with society at large in order to build good relationships with all stakeholders.
5. To resolutely oppose antisocial forces and groups that threaten the order and safety of civil society.
6. To voluntarily and proactively address environmental issues, recognizing that it is an essential condition for the existence and activities of a corporation.
7. To conduct our overseas activities in ways that respect the local culture and customs and contribute to the development of the local society.

Materiality of Okura Industrial Group

At Okura Industrial Group, we have identified our materiality as issues to be truly addressed by evaluating the degree to which corporate activities impact business and social issues, and prioritizing them.
We have also set four items as essential bases for Okura Industrial Group to continue doing business. By tackling these issues, we will seek to achieve sustained growth as a company.

Steps for Promoting Identification of Materiality

STEP0
Comprehension of relations of the Company's own activities, products, and services with SDGs
- Comprehend social value to be created by the Company's current initiatives
- Clarify SDGs to which the Company's activities, products, and services contribute

STEP1
Understanding about initiatives of competitors and consideration of the Company's future initiatives
- Consider issues to solve in environment, society, and corporation
- Compare initiatives of competitors and those of the Company to identify future initiatives (activities)

STEP2
Analysis of external environment of value chain and consideration on the Company's future initiatives
- Assume future social changes (future image) in terms of environment, society, and technology
- Identify what value the Company will create in the assumed future image and extract future initiatives (activities)

STEP3
Development of prospective materiality and activity themes
- Summarize the activities extracted in Step 1 and 2, and extract prospective activity themes and materiality

STEP4
Evaluation of importance of activity themes and identification of materiality
- Consider business value and social value for each activity theme
- Evaluate importance for each activity theme, and identify the Company's materiality (material issues)

Materiality

1 Promoting management for decarbonization (climate action measures)
KPI CO_2 emissions from the Company/logistics P.37,42
- Reduce CO_2 emissions from the Company (plants and offices)
- Increase efficiency in logistics (shipping) and reduce CO_2 emissions therefrom

2 Further promoting resource recycling measures
KPI Sales of products using waste plastics recovered from a market and recycled P.42
- Reduce waste from plants largely
- Reduce marine plastics
  Recover waste materials after use, and promote recycling

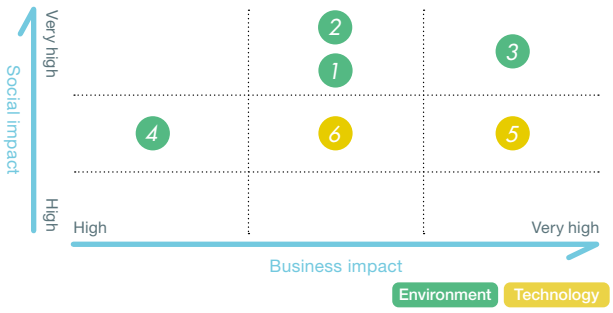
3 Creating and expanding Environmental Contribution Products
KPI Percentage of net sales of Environmental Contribution Products in the living support category P.43
- Develop a mechanism of creating Environmental Contribution Products and set medium- and long-term targets
- Develop and sell products with excellent functionality

4 Promoting CSR procurement
KPI Establishment of a sustainable procurement system and management of investigation results P.55
- Establish and operate a mechanism of raw material procurement conscious about human rights, etc.
- Establish and operate a mechanism of raw material procurement conscious about environment (green procurement)

5 Gaining a competitive advantage by promoting digital transformation (DX)
KPI Enhancement of quality inspection with IT/AI technologies P.46
- Improve productivity and reform operations by introducing new digital technologies
- Make sales activities and marketing more sophisticated
- Pursue higher quality and safer products

6 Conducting research and development geared to creating innovation
KPI Numbers of development themes and patent applications P.29
- Strengthen marketing leading to creation of new business
- Use open innovations proactively

Identification of materiality



Bases for Business Continuity (OKURA Business base)

Improving corporate reliability and transparency
KPI Numbers of compliance violations and administrative disciplinary actions P.59
- Disclose ESG information proactively
- Promote dialogue with stakeholders
- Develop internal control/compliance systems
- Identify risks and brush up business continuity plan (BCP)

Thorough prevention of contamination
KPI Number of violations of domestic laws and regulations P.42,56
- Manage hazardous chemical substances appropriately
- Reduce water use and manage water resources appropriately

OKURA Business base

Coexistence with local communities
KPI Numbers of social contribution activities and participants in them P.51
- Promote volunteer activities and regional environmental conservation activities
- Participate in businesses to solve regional issues or to revitalize a region
- Use regional resources proactively

Developing working environment where employees are motivated to work
KPI Ratios of female executives and female managers P.47
- Realize diversity management
- Increase productivity and realize a good work-life balance through work style reform
- Establish a personnel evaluation system that allows people to have a sense of job satisfaction and enhance a human resource development system
- Strengthen occupational safety and health

Environment | Social | Governance

Sustainability Promotion System

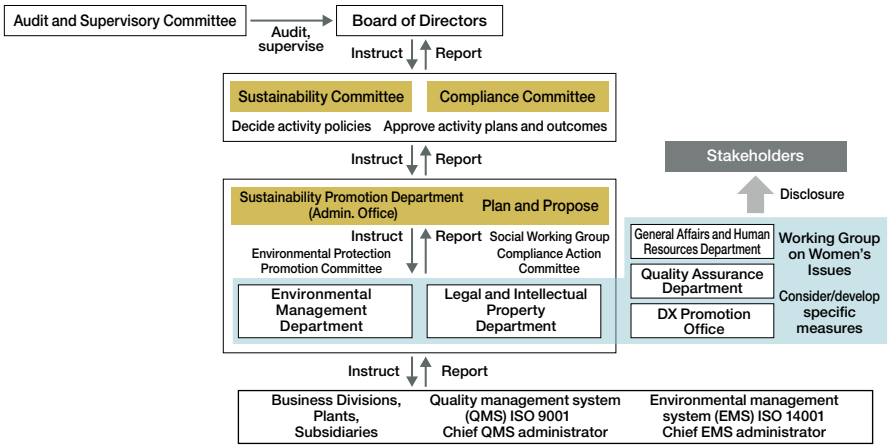
Okura Industrial Group regards solutions to sustainability-related issues for society and companies as business opportunities. The issues include addressing climate change and other problems affecting the global environment, respect for human rights, and fair and appropriate business activities for all stakeholders, including employees. Accordingly, in April 2021, the Group established the Sustainability Committee, into which the CSR Committee was modified, and the Sustainability Promotion Department as a section in charge of formulating a basic plan related to ESG activities to promote the initiatives. The Committee is chaired by the Director, Executive Operating Officer who is in charge of promoting sustainability and made up of Directors and Operating Officers. Among them, Outside Directors are included. Thereby, whether or not the Group's ESG activities are consistent with social trends is checked from an objective perspective to promote the activities. In 2023, the Committee met twice, shared materiality identified by the Group and medium- and long-term issues recognized in relation to bases for business continuity (OKURA Business base), and discussed and decided measures for solving those issues.

Further, the Compliance Committee has been established to manage compliance for the Group. It coordinates with the Compliance Action Committee, its working unit, which conducts activities to raise awareness and responds to whistleblowing disclosures. Under such systems, we proactively disclose information on situation of the initiatives to stakeholders, and push ahead with various activities, continuously improving them.

Number of meetings of the Sustainability Committee each year

2021	2022	2023
2 times	4 times (including 2 extraordinary meetings)	2 times

Sustainability promotion system



External Evaluation

Evaluation by CDP

In 2022, Okura Industrial received and responded to its first-ever request to participate in a climate change questionnaire from CDP, an international not-for-profit organization that provides environmental disclosure systems. In 2023, we responded to two questionnaires on climate change and water security, receiving the scores shown below.

2023 CDP scores

Category	Score
Climate Change	B
Water Security	B

Participation in Initiatives

Endorsing the GX League Basic Concept and participating in the GX League

The GX League was established as a forum for companies that aim for sustained growth by engaging in green transformation (GX) to work together with a like-minded group of companies, as well as organizations in the government and academic spheres.

Okura Industrial endorsed the GX League Basic Concept in January 2023 and joined the GX League in May 2023.

Joining the Japan Climate Initiative (JCI) and endorsing the JCI Message

The Japan Climate Initiative (JCI) is a network of Japanese companies, municipalities, NGOs and other organizations that endorse the JCI Declaration, "Joining the front line of the global push for decarbonization from Japan" and actively engage in climate change countermeasures. It aims to strengthen communication and exchange.

Okura Industrial joined the Japan Climate Initiative (JCI) and endorsed the JCI Message in April 2023.

Message



Miho Kondo
Operating Officer;
Manager, Sustainability Promotion Department, and Legal and Intellectual Property Department, and Environmental Management Department, Corporate Center

Aiming to increase corporate value, keeping in mind our coexistence with society

In promoting sustainability-oriented management, we believe it is vital to create new value together with all our stakeholders. To this end, we recently formulated our Multi-stakeholder Policy. Under this Policy, we aim to co-exist in harmony with all our stakeholders and appropriately allocate the earnings gained through our business activities.

Achieving our CO_2 emissions reduction target one year ahead of schedule

We have set a target to reduce CO_2 emissions by 12% of 2021 levels (equivalent to a 30% reduction from 2013 levels) by 2024, as part of our efforts for “promoting management for decarbonization (climate action measures)” one of the six material issues (materiality) of Okura Industrial Group. We achieved this target in 2023, one year ahead of schedule. We will continue to work towards carbon neutrality by installing equipment that is highly effective in reducing CO_2 emissions and pursuing initiatives throughout the supply chain. With regard to “further promoting resource recycling measures”, we are currently working with customers to consider schemes for the commercialization of chemical recycling, in addition to the mechanical recycling of film products. In relation to “creating and expanding Environmental Contribution Products”, we expect to achieve our target of expanding the percentage of net sales of Environmental Contribution Products to at least 50% of sales in the living support category by 2024.

Progress on other materiality

As part of “promoting CSR procurement”, we are engaged in establishing and operating a mechanism of raw material procurement conscious of human rights, the environment, etc. As part of “gaining a competitive advantage by promoting digital transformation (DX)”, we are improving productivity and reforming operations by introducing new digital technologies. As part of “conducting research and development geared to creating innovation”, we will formulate an intellectual property strategy for the Research & Development Center during 2024, based on what kind of value we want to provide to society in the next decade and what kind of resources are needed to provide that value.

Employees are key stakeholders

For Okura Industrial Group, our employees are our most familiar and important stakeholders. In view of factors such as rising prices, we implemented a base salary rise in 2023, and again in 2024. We revised the education system in 2022, and have launched new training programs. Moreover, starting in 2024, we have introduced a new personnel evaluation system to help employees deepen their understanding of factors such as the roles expected of them by the Company through interviews with their supervisors. Based on the philosophy of connecting that the growth of each employee will lead to the growth of the company, we are striving to develop work-friendly workplaces where employees are motivated to work. We expect that initiatives such as these will provide employees with opportunities to consider their own career design.

Basic Approach to Climate Change



Okura Industrial Group has defined sustainability materiality in response to social issues encapsulated by the SDGs and the requirements of stakeholders. This specifically refers to “promoting management for decarbonization (climate action measures)”, “further promoting resource recycling measures”, “creating and expanding Environmental Contribution Products”, “promoting CSR procurement”, “gaining a competitive advantage by promoting digital transformation (DX)”, and “conducting research and development geared to creating innovation”. By tackling these issues, the Group will seek to provide solutions to society and achieve sustained growth as a company.

Investors and other stakeholders are particularly concerned about the impact of climate change on companies. Okura Industrial Group, for its part, has analyzed the impact of climate change and begun to respond to it in line with the TCFD’s climate change information disclosure standards. The analysis has made clear that while the long-term financial impact of climate change risk is obvious, there are also, simultaneously, many opportunities.

Based on this analysis, the Group intends to work to reduce climate change risk and expand business opportunities, helping to bring about a more sustainable society.

Governance

Okura Industrial Group regards solutions to sustainability-related issues for society and companies as business opportunities. The issues include addressing climate change and other problems affecting the global environment, respect for human rights, and fair and appropriate business activities for all stakeholders, including employees. To promote initiatives for these issues, the Group established the Sustainability Committee, which is chaired by the Director, Executive Operating Officer who is in charge of promoting sustainability and made up of Directors and Operating Officers.

In addition, in April 2021, the Group established the Sustainability Promotion Department to formulate and promote basic plans on ESG activities that cut across the organization. Plans related to environmental protection developed and proposed by the Sustainability Promotion Department are deliberated on by the Environmental Protection Promotion Committee.

Under these systems, the Group actively discloses information on the status of initiatives to stakeholders, including climate action measures, the most important theme, and manages them through an environmental management system and other mechanisms while continually making improvements, with management reviews being conducted on the results.

Strategy

The Group developed two scenarios to clarify its climate change risks and opportunities. One is a 4°C scenario, which assumes that climate action measures do not make headway and the temperature continues to rise on the same trajectory and that physical risks and opportunities occur as a result of this. Based on this scenario, analysis was performed for acute and chronic risks. The other is a 2°C scenario that assumes various activities will be conducted to prevent warming and looks at risks and opportunities connected with the transition to a carbon-free society. Analysis in this scenario was conducted related to government policy and regulations, technology, markets, and reputation.
In conducting scenario analysis, value chains were identified and specific considerations made for each of Okura Industrial's main business divisions, the Plastic Film Division, the New Materials Division, and the Housing Materials Division. Then the financial impacts of key risks and opportunities were calculated and response measures were considered.

Summary of scenario analysis results

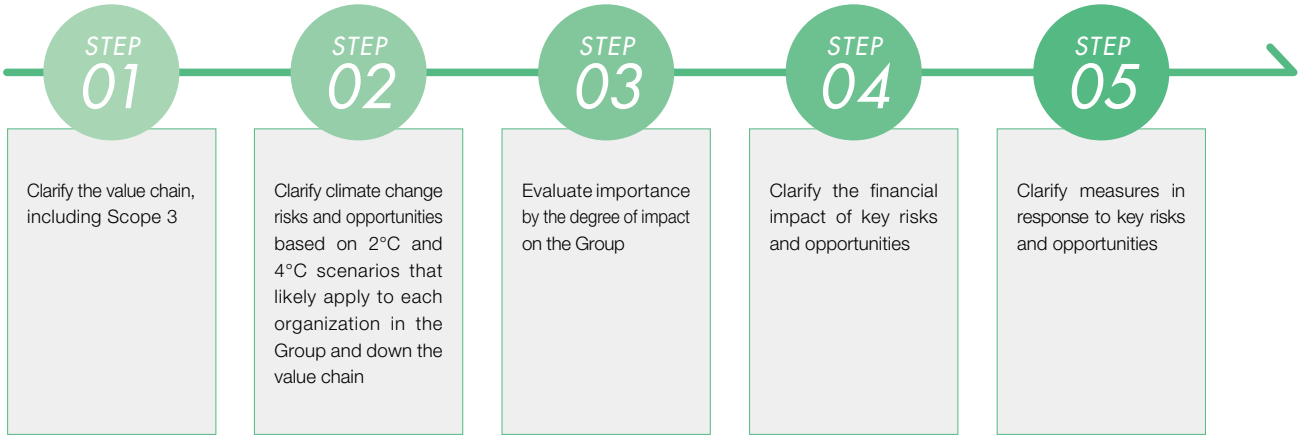
- An increase in direct costs to the Group from the introduction of a carbon tax and an increase in raw material costs from the tax being levied on suppliers are thought to be the main factors that will reduce earnings.
  Cost increase example: Using the figures in WEO 2023, IEA (NZE scenario) and the exchange rate as of January 31, 2024 (1 USD = 147.23 JPY) and estimating that cost increase from carbon tax, etc. is 20,612 yen/t-CO_2, the annual cost increase in 2030 will be roughly 1.6 billion yen if CO_2 emissions targets (Scope 1 and 2) are met, and roughly 2.2 billion yen if they remain at the same level as the present.

- At the same time, based on areas targeted for CO_2 reduction—films that use recycled raw and biomass materials, barrier films that help reduce food loss, peripheral components that contribute to vehicle electrification, and particleboard using construction waste—the increase in demand for carbon storage through cascade use of wood products and increased use of wood in buildings, for example, became clear as a business opportunity.

The Group will promote climate action measures integrated with management strategy while clarifying response measures for individual key risks and opportunities.

Risk Management

The process used by Okura Industrial Group to select and evaluate climate change risks and opportunities is conducted by each business division in the following steps. Management of risks and opportunities will be carried out under the system indicated in the "Governance" section.



Materiality

Indicators and Targets

Reduce CO_2 emissions

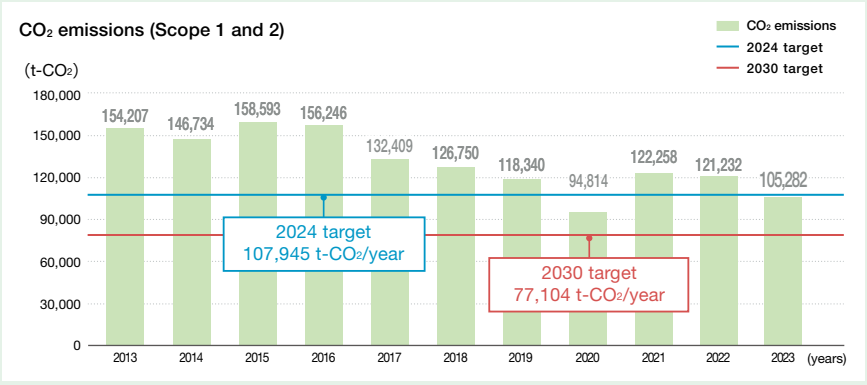
Okura Industrial Group has set a 2030 CO_2 emissions reduction target for Scope 1 and 2, and is working to reduce CO_2 emissions.

CO_2 emissions (Scope 1 and 2)

Business sites in Japan

Reduction targets 2024:12% reduction compared to 2021 (equivalent to a 30% reduction compared to 2013)
2030:37% reduction compared to 2021 (equivalent to a 50% reduction compared to 2013)

Our results for 2023 were a reduction of approximately 13% compared to 2022 or 14% compared to the base year, 2021 (32% compared to 2013). We will continue to promote initiatives to reduce CO_2 emissions, aiming to achieve our targets.



[Periods covered]
2013–2020: From April of each year to March of the following year
2021–2023: From January to December of each year

[Third-party verification]
2021–2023: Audited

[Emission factors]
2013–2020: Figures for Scope 2 emissions are calculated using the basic emission factor for each electricity supplier
2021–2023: Figures for Scope 2 emissions are calculated using the adjusted emission factor for each electricity supplier

[Covered entities]
Okura Industrial Co., Ltd., 11 consolidated subsidiaries, and 4 affiliate companies
Okura Hotel Takamatsu: Not included from 2015 to 2017; not included for 2019 and later due to sale

CO_2 emissions reduction target (Scope 1 and 2)

2030 (target)

Compared to 2021
37% reduction

(equivalent to a 50% reduction compared to 2013)

2021 (result)
122,258 t-CO_2/year

2030 (target)
77,104 t-CO_2/year

Business sites in Japan and overseas

The result for 2023 was 108,092 t-CO_2. We are endeavoring to calculate the CO_2 emissions from our business sites overseas more accurately.

*The following information relates to overseas sites only (see above for information on sites in Japan).
[Third-party verification] Audited
[Emissions factors] Figures for Scope 2 emissions are calculated using IDEA Ver.3.3
[Covered entities] Wuxi Okura Packing Material Co., Ltd.

CO_2 emissions (Scope 3)

Since 2022, the Group also calculates Scope 3 emissions (indirect emissions other than the above Scope 1 and 2 emissions in the supply chain from raw material procurement to product disposal). We revised the calculation method for CO_2 emissions in 2023.

The calculation has revealed large volumes of Category 1 emissions.
We will continue to improve the accuracy of calculations based on the results of the calculation for 2023. We aim to set a Scope 3 CO_2 emissions reduction target and formulate an action plan to work towards the reduction of CO_2 emissions throughout the supply chain.

CO_2 emissions (Scope 3)	
Category 1	568,903t-CO_2/year
Category 2	37,838t-CO_2/year
Category 3	17,814t-CO_2/year
Category 4	54,833t-CO_2/year
Category 5	2,517t-CO_2/year
Category 6	338t-CO_2/year
Category 7	1,177t-CO_2/year
Category 9	16,722t-CO_2/year
Category 11	3,177t-CO_2/year
Category 12	83,011t-CO_2/year
Category 13	12t-CO_2/year

Composition of Scope 3 emissions	
Category 1	72.3%
Category 2	4.8%
Category 3	2.3%
Category 4	7.0%
Category 5	0.3%
Category 6	0.0%
Category 7	0.1%
Category 9	2.1%
Category 11	0.4%
Category 12	10.6%
Category 13	0.0%

[Periods covered] From January to December 2023

Emissions subject to accounting, accounting method, and covered entities for CO_2 emissions (Scope 1, 2 and 3) in 2023

Category		Unit	Emissions subject to accounting	Accounting method	Covered entities*8
Scope1 Direct emissions from the use of fuel and industrial processes by the Company		t-CO_2	CO_2 emissions from burning kerosene, light oil, bunker A, gasoline, LPG, city gas, and the use of gasoline and distillate in vehicles	Annual amount of each type of energy purchased × unit calorific value × CO_2 emissions unit value The calorific value per unit and the CO_2 emissions unit value are based on the Mandatory Greenhouse Gas Accounting and Reporting System based on the Act on Promotion of Global Warming Countermeasures.	Okura Industrial Co., Ltd. Consolidated subsidiaries*1,7 Affiliate companies, etc.*2
Scope2 Indirect emissions from the use of electricity, heat and steam supplied by other companies		t-CO_2	Indirect CO_2 emissions from the use of electricity	Annual amount of electricity purchased × CO_2 emissions unit value for electricity The emissions unit values for each electricity supplier is used for the CO_2 emissions unit value Figures based on IDEA Ver.3.3 are used for overseas business sites	Okura Industrial Co., Ltd. Consolidated subsidiaries*1,7 Affiliate companies, etc.*2
Scope3	Category 1 Purchased goods and services	t-CO_2	CO_2 emissions from the manufacture, etc. of purchased raw materials, goods and services	Volume of major raw materials purchased × CO_2 emissions unit value + monetary amount of products and services purchased apart from major raw materials × CO_2 emissions unit value Figures are based on IDEA Ver.3.3 for the CO_2 emissions unit value used for the volume of major raw materials purchased and based on the Emissions Unit Values Database for Accounting of Greenhouse Gas Emissions, etc., by Organizations Throughout the Supply Chain (Ver.3.4) (Ministry of the Environment) for the CO_2 emissions unit value used for the products and services purchased apart from major raw materials	Okura Industrial Co., Ltd. Consolidated subsidiaries*1,7 Affiliate companies, etc.*4
	Category 2 Capital goods	t-CO_2	CO_2 emissions from the construction or manufacture of constructed or manufactured facilities, equipment, etc.	Capital expenditures on facilities, equipment, etc. × CO_2 emissions unit value CO_2 emissions unit values are based on the Emissions Unit Values Database for Accounting of Greenhouse Gas Emissions, etc., by Organizations Throughout the Supply Chain (Ver.3.4) (Ministry of the Environment) Where construction or manufacturing takes several years, emissions are recorded in the final year of construction or manufacture	Okura Industrial Co., Ltd. Consolidated subsidiaries*1,7 Affiliate companies, etc.*3
	Category 3 Fuel and energy related activities not included in Scope 1 or 2	t-CO_2	CO_2 emissions from upstream processes for the electricity and fuel we use	Annual amount of each type of energy and electricity purchased × CO_2 emissions unit value Figures based on IDEA Ver.3.3 are used for the CO_2 emissions unit value	Okura Industrial Co., Ltd. Consolidated subsidiaries*1,7 Affiliate companies, etc.*2
	Category 4 Transportation and delivery (upstream)	t-CO_2	CO_2 emissions from the upstream transportation (inbound and outbound logistics; e.g. of procured or sold products) we own	[Inbound] Transported ton-km (volume of purchased raw material × transported distance) × CO_2 emissions unit value [Outbound] Transported ton-km (volume of product shipments × transported distance) × CO_2 emissions unit value Figures based on IDEA Ver.3.3 are used for the CO_2 emissions unit value Figures reported by specified consignors based on the Act on Rationalizing Energy Use and Shifting to Non-fossil Energy (Ministry of Economy, Trade and Industry) are used for the volume of product shipments Transported distance, maximum truck load, and loading rate are calculated through established scenarios	[Inbound] Okura Industrial Co., Ltd. Consolidated subsidiaries*5 [Outbound] Okura Industrial Co., Ltd. Consolidated subsidiaries*5 Affiliate companies, etc.*4
	Category 5 Waste generated in operations	t-CO_2	CO_2 emissions from the transportation and processing of waste generated from our business activities (excluding general waste from business activities and valuables)	Weight by waste type × CO_2 emissions unit value by waste type CO_2 emissions unit values are based on the Emissions Unit Values Database for Accounting of Greenhouse Gas Emissions, etc., by Organizations Throughout the Supply Chain (Ver.3.4) (Ministry of the Environment)	Okura Industrial Co., Ltd. Consolidated subsidiaries*1 Affiliate companies, etc.*2
	Category 6 Business travel	t-CO_2	CO_2 emissions from fuel and electricity consumption from transportation used by employees for business travel	Number of employees × CO_2 emissions unit value CO_2 emissions unit values are based on the Emissions Unit Values Database for Accounting of Greenhouse Gas Emissions, etc., by Organizations Throughout the Supply Chain (Ver.3.4) (Ministry of the Environment)	Okura Industrial Co., Ltd. Consolidated subsidiaries*1,7 Affiliate companies, etc.*2
	Category 7 Employee commuting	t-CO_2	CO_2 emissions from fuel and electricity consumption from transportation used by employees for commuting to plants and business sites	Number of employees for each work format and class of city × Number of business days × CO_2 emissions unit value CO_2 emissions unit values are based on the Emissions Unit Values Database for Accounting of Greenhouse Gas Emissions, etc., by Organizations Throughout the Supply Chain (Ver.3.4) (Ministry of the Environment)	Okura Industrial Co., Ltd. Consolidated subsidiaries*1,7 Affiliate companies, etc.*2
	Category 8 Leased assets (upstream)	t-CO_2	(Not applicable) While some of our company cars and business locations fall under leased assets, their activities are included in Scope 1 and 2. This category is therefore not applicable.	———	———
	Category 9 Transportation and delivery (downstream)	t-CO_2	CO_2 emissions from the distribution of manufactured and sold products	Transported ton-km (volume of product shipments × transported distance) × CO_2 emissions unit value Figures based on IDEA Ver.3.3 are used for the CO_2 emissions unit value Figures reported by specified consignors based on the Act on Rationalizing Energy Use and Shifting to Non-fossil Energy (Ministry of Economy, Trade and Industry) are used for the volume of product shipments Transported distance, maximum truck load, and loading rate are calculated through established scenarios	Okura Industrial Co., Ltd. Consolidated subsidiaries*5 Affiliate companies, etc.*4
	Category 10 Processing of sold products	t-CO_2	(Not applicable) Our products are intermediate products and used for a variety of purposes as raw materials for manufacturing end products. In addition, our products account for a very small ratio in the end products. This category is therefore not applicable.	———	———
	Category 11 Use of sold products	t-CO_2	CO_2 emissions from the use of software sold by Okura Information System Co., Ltd. and electronic equipment attached to houses sold by Okura House Co., Ltd. (Calculated for products for which usage as a final product can be ascertained within Okura Industrial Group)	[Software] Estimated useful lifespan of the product × Number of units sold in the reporting period × Annual electricity consumption × CO_2 emissions unit value [Houses] Estimated useful lifespan of equipment attached to houses × Number of units sold in the reporting period × Annual consumption of each type of energy × CO_2 emissions unit value Figures based on IDEA Ver.3.3 are used for the CO_2 emissions unit value	Consolidated subsidiaries*6
	Category 12 End-of-life treatment of sold products	t-CO_2	CO_2 emissions from the disposal by users of the products we manufactured and sold	Volume of products shipped or sold × CO_2 emissions unit value Calculated based on the assumption that all shipped products will be disposed of CO_2 emissions unit values are based on the Emissions Unit Values Database for Accounting of Greenhouse Gas Emissions, etc., by Organizations Throughout the Supply Chain (Ver.3.4) (Ministry of the Environment)	Okura Industrial Co., Ltd. Consolidated subsidiaries*5 Affiliate companies, etc.*4
	Category 13 Leased assets (downstream)	t-CO_2	CO_2 emissions from the operation of assets owned by Okura Industrial as a leasing business and leased to others	Annual electricity consumption from leased assets × CO_2 emissions unit value The emissions unit values for each electricity supplier is used for the CO_2 emissions unit value	Okura Industrial Co., Ltd.
	Category 14 Franchises	t-CO_2	(Not applicable) We engage in the manufacturing and processing of plastic products, and no part of our business involves franchises. This category is therefore not applicable.	———	———
	Category 15 Investments	t-CO_2	(Not applicable) We engage in the manufacturing and processing of plastic products, and do not invest in third parties as a business. This category is therefore not applicable.	———	———

*1 KS Okura Co., Ltd., Kyushu Okura Co., Ltd., Saitama Okura Co., Ltd., Okura Products Co., Ltd., Okura Hotel Co., Ltd., Okura Precut System Co., Ltd., Okura Information System Co., Ltd., Okura House Co., Ltd., Union Gravure Co., Ltd., Okura Pack Kagawa Co., Ltd., Kanto Co., Ltd.

*2 Okura Sangyo Co., Ltd., O.L.S. Co., Ltd., Otomo Kasei Co., Ltd., Okura Health Insurance Association

*3 Otomo Kasei Co., Ltd., O.L.S. Co., Ltd.

*4 Otomo Kasei Co., Ltd.

*5 KS Okura Co., Ltd., Kyushu Okura Co., Ltd., Saitama Okura Co., Ltd., Okura Products Co., Ltd., Union Gravure Co., Ltd.

*6 Okura Information System Co., Ltd., Okura House Co., Ltd.

*7 Including the overseas consolidated subsidiary Wuxi Okura Packing Material Co., Ltd.

*8 See each item for details of the scope covered.

Environmental Initiatives

—Passing on the baton to the future by reducing our environmental burden—

Considering leading children to the future as our mission, we will strive to reduce the environmental burden in our business activities. For CO_2 emissions (Scope 1 and 2) that contribute to climate change, we will aim at a reduction of 37% by 2030 in comparison with the level in 2021 (equivalent to a reduction of 50% compared to 2013). Furthermore, we will promote the provision of products and services to achieve a carbon-free society, aiming for sustainable synergetic development with society.

Okura Industrial Group Environmental Policy

We will protect our irreplaceable global environment and promote business activities that contribute to the sustainable synergetic development of corporations and society.

Okura Industrial Group Environmental Conduct Policies

Environmental management

Okura Industrial Group aims to establish a corporate environmental management system and work to protect the environment with the full participation of our workers.

Reduction of environmental burden

We will endeavor to achieve resource and energy conservation, reduce and recycle waste, and prevent pollution, thereby contributing to achieving carbon neutrality by promoting climate action measures and protecting the ecosystem and biological diversity.

Environmental contribution

We are conscious of the environment in our planning and development and endeavor to provide products and services that further contribute to the environment.



Eco-culture

Through education and enlightenment, we will create a culture in which each employee recognizes the importance of the environment and voluntarily engages in environmental conservation activities.

Safety and Health

We regard safety as the core of our management and strive to create workplaces where each and every employee can work in good health and comfort, and to establish a security and disaster prevention system that minimizes the impact on the community and society in the event of a disaster.

Environmental communication

We will accurately and continuously disclose information related to the environment, respect the evaluations and opinions of each stakeholder, and apply them to our environmental conservation activities.

Compliance with Environmental Laws and Regulations

Okura Industrial Group operates the Environmental Management System (EMS) in conformity to ISO 14001:2015. The compliance with legal restraints (laws and regulations, and ordinances) is one of various requirements specified by this EMS.
The Group recognizes that the compliance with environmental legal restraints is an especially important point from a perspective of compliance. Accordingly, in order to achieve it at all business sites in the Group, we have established the following mechanisms.

Preparation of check sheet

As major environmental laws and regulations, we selected especially important 31 laws and regulations such as Air Pollution Control Act and Water Pollution Prevention Act. In order to confirm the status of compliance with each of them, we prepare a check sheet. Also, in relation to environmental ordinances provided for by prefectures and municipalities where the Group's business sites are located, each of the business sites prepares check sheets for relevant ordinances.
All business sites within the Group are required to confirm the status of compliance with laws and regulations, and ordinances through the check sheets twice a year.

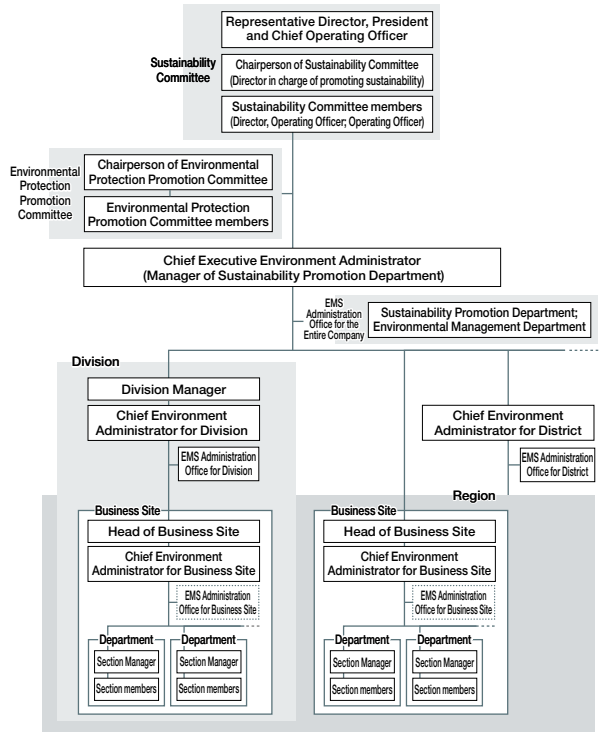
Implementation of measures to be checked mainly by the Corporate Center

In addition to the periodical confirmation by each business site, we conduct measures, mainly by the Corporate Center, to confirm the check sheets together with responsible personnel of the business site, and educate employees on environmental laws and regulations. Through these measures, they confirm the check sheets including explanations of the laws and regulations, thereby confirming compliance with laws and regulations while endeavoring to improve responsible personnel's capabilities. At the same time, we also conduct on-site checks at each business site to make sure that the storage of various fuels, waste storage areas, and facilities in the plants are managed in a manner that complies with laws and regulations.
More than a decade has passed since the operation of EMS started. Aiming at a more sophisticated system for compliance with legal restraints, we will further brush up these measures.

Environmental Management System

We appoint Chief Executive Environment Administrator responsible for management of EMS of Okura Industrial Group and Chief Environment Administrator for Division in each division to improve environmental performance.

Environmental management system



Environmental Education System

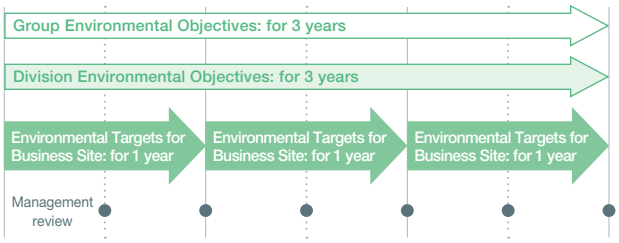
Okura Industrial Group has established Environmental Management Rules to operate EMS, clarified capabilities necessary for EMS operation, and systematically implemented education. Preparing programs which summarized basic contents related to SDGs and climate change, “SDGs training” and “Climate change and measures therefor”, we provide all employees with education using e-learning, etc. Additionally, for employees engaged in operations related to the environment (EMS-related parties), we provide e-learning on “Environmental legal restraints” to help them deepen their knowledge on environmental laws and regulations.

EMS capability list

Item	Required capabilities	Subject person
Okura Industrial Group Environmental Policy and Environmental Conduct Policies	Understand details stated in Okura Industrial Group Environmental Policy and Environmental Conduct Policies	All employees
Okura Industrial Group Environmental Objectives	Understand medium- and long-term goals stated in the Okura Industrial Group Environmental Objectives	All employees
Environmental Management Rules	Understand the Environmental Management Rules defining Okura Industrial Group’s EMS	EMS-related parties
Each type of EMS procedure manual	Understand each type of EMS procedure manual which is a subordinate document of the Environmental Management Rules	EMS-related parties
SDGs training	Understand basic contents of SDGs through e-learning	All employees
Climate change and measures therefor	Understand the latest issues related to climate change and countermeasures therefor through e-learning	All employees
Introductory environmental education	Understand EMS in general through e-learning	All employees
Environmental legal restraints	Understand the obligations, penalties, and other aspects of legal restrains in each field (air, water quality, etc.) through e-learning	EMS-related parties

Environmental Action Plan

In order to realize Okura Industrial Group Environmental Policy, the Group has set the Group Environmental Objectives every three years in time with a period of the medium-term management plan. Based on this, each division sets three-year environmental objectives, and each business site under divisions sets one-year environmental targets. In addition, action plans are formulated to achieve them. Progress in the plan is voluntarily managed by each business site, and its achievement is confirmed through a management review to be implemented semiannually.



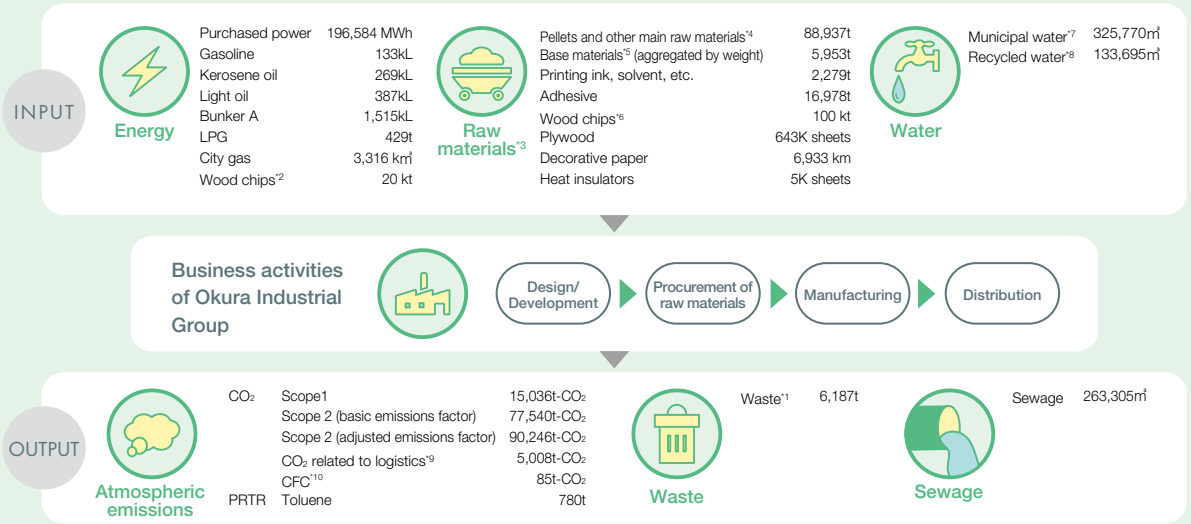
Acquisition of ISO 14001 certification

In 2010, the Environmental Management Department, the Marugame No. 4 Plant, the Marugame No. 5 Plant, the New Materials Division’s B Building, the Takuma Plant, the Okura Pack Kagawa No. 4 Branch Office and No. 5 Branch Office, and Otomo Kasei Co., Ltd. acquired ISO 14001, the international standards related to the environment management system.



*For more details, please see Okura Industrial’s website.

Material Flows of Okura Industrial Group (2023)*1



*1 Periods covered: January to December 2023
(CO_2 related to logistics, CFC, PRTR [Toluene], and waste: April 2023 to March 2024)
*2 Indicates the weight of wood chips fed into biomass boilers as fuel (rounded up for the purpose of aggregation).
*3 Indicates the volume of raw materials purchased (or used in some cases).
*4 Including masterbatch, additives, coating agent, etc.
*5 Films, etc.
*6 Indicates the weight of wood chips used as raw material for particleboards (rounded up for the purpose of aggregation).
*7 Including tap water and other water suitable for drinking, as well as potable groundwater.
*8 Water which is unsuitable for drinking but used for industrial purposes, such as well water and underground water
*9 Value calculated based on the Agency for Natural Resources and Energy's Handbook on the Revised Act on Rationalizing Energy Use (For Consignors).
*10 Value calculated based on the calculated amount of leaked fluorocarbons under the Fluorocarbon Emissions Control Act.

The data herein was calculated within the scope (Okura Industrial Group) set forth in the Environmental Management Rules (Environmental Management System).

Climate Change/Energy Conservation

Okura Industrial Group has worked on thorough energy saving activities, upgrading old facilities to highly efficient ones, introducing renewable energy, and reducing waste plastics to be simply burned, in order to decrease CO_2 emissions which have impacts on the global warming. The Group will also proceed with countermeasures for risks which were clarified in the scenario analysis for information disclosure in accordance with the TCFD recommendations.

Reducing CO_2 emissions through the renewal of gravure printing presses

The drying process of the gravure printing presses used to print designs and other patterns on film requires a substantial amount of heat and therefore consumes a large amount of energy. Effectively utilizing the heat energy produced from this drying process helps conserve energy. When we replaced the gravure printing presses at the Marugame No. 5 Plant, we installed a waste heat recovery system that contributes to reducing energy consumption by recovering and recycling the pure heat energy emitted after drying, excluding solvents. We also, introduced high-efficiency motors as the printing presses' drive and fan motors. Through these measures, we expect to reduce CO_2 emissions by approximately 100 t-CO_2 per year.

*The CO_2 emission factor (FY2022 emission factor (adjusted)) is calculated using 0.454 (kg-CO_2/kWh) for Shikoku Electric Power Co., INC.


Gravure printing presses at Marugame No. 5 Plant

Introducing renewable energy

As part of "promoting management for decarbonization (climate action measures)", Okura Industrial Group is pursuing the introduction of renewable energy. In July 2023, we began operation of photovoltaic power systems (PPA model) at the Package-manufacturing Plant in Kyushu Okura. This was followed in February 2024 by the board press line building and the former sports ground in the Takuma Plant and the New Materials Division's C Building. Annual CO_2 reductions are expected to be 479 t-CO_2 for Kyushu Okura, 1,198 t-CO_2 for the Takuma Plant, and 307 t-CO_2 for the New Materials Division's C Building. Including the plant in KS Okura's head office and the New Materials Division's D Building, whose photovoltaic power systems began operation in 2023, CO_2 reductions in 2023 were approximately 870 t-CO_2.
We also plan to install photovoltaic power systems in other plants and are working to achieve our environmental objectives.


Kyushu Okura (Package-manufacturing Plant)

*PPA model is an abbreviated name of "Power Purchase Agreement model". In this business model, an electric power provider (PPA provider) installs a photovoltaic power system on a roof or the premises of an electric power user (consumer) without charge, and the consumer purchases power generated thereby and pays a charge for use of the service to the PPA provider.
*CO_2 emission factor (FY2022 emission factor (adjusted)) is calculated using 0.475 (kg-CO_2/kWh) for Kyushu Electric Power Co., INC., 0.454 (kg-CO_2/kWh) for Shikoku Electric Power Co., INC., and 0.434 (kg-CO_2/kWh) for The Kansai Electric Power Co., INC.


Takuma Plant (board press line building)


Takuma Plant (former sports ground)


New Materials Division's C Building

Materiality

Initiatives in logistics Increase efficiency in logistics (shipping) and reduce CO_2 emissions therefrom

While not having a logistics/transportation division, Okura Industrial Group ships over 30 million ton-kilometers per year. Therefore, the Group falls under a specified consignor set forth in the Act on Rationalizing Energy Use. As a medium-term guideline, the Group targets the reduction of CO_2 emissions generated through logistics networks we use by increasing efficiency in logistics related to product shipments and waste transportation. Going forward, we will strive to reduce environmental burdens, taking measures such as close cooperation with logistics providers, decreasing non-constant shipping with an efficient shipping plan, collectively transporting products for destinations in the same direction, and reducing the use of charter services.

Materiality

Water Risks

In Kagawa that belongs to Seto Inland Sea climate, as there is a small amount of rainfall through a year, drought tends to occur frequently and for a long period. In addition, it has been required to enhance a crisis-management system in an emergency in preparation for the Nankai Trough Megathrust Earthquake, which is expected to occur within 30 years with a probability of 70 to 80%. As a medium-term guideline, Okura Industrial Group has decided to set a target of, by 2024, reducing the water consumption intensity 3% or more from 2021, by appropriately managing water resources.

3Rs (reduce, reuse, and recycle)

Okura Industrial Group works, through the supply chain, to reduce amounts of packaging materials and products that end up as waste. Also, aiming at zero plastic waste, we will promote in-house recycling of plastic loss generated within the Group.

Issues to address

- Reducing the amount of waste throughout the supply chain
  Striving and achieving success in making products thinner
  Recycling waste plastics by recovering and cleansing
- Expansion of in-house recycling system
  Recycling into secondary materials for internal use and transforming to solid fuel

Materiality

Reducing waste from plants largely

In order to reduce as many unused (simply burned or buried) waste plastics as possible, we have collected information on business operators engaged in recycling, and shared the information within the Company.
As a medium-term guideline, Okura Industrial Group has set a target of increasing the recycling rate of waste plastics to 80% or more by 2024. To achieve the target, we use a waste management system to calculate the recycling rate and manage progress.

Materiality

Reducing marine plastics
Recovering waste materials after use, and promoting recycling

Okura Industrial Group will put emphasis on development and commercialization of biodegradable films which are decomposed in natural environment, in order to reduce plastics which run out into the sea. A decomposition rate of the biodegradable film largely depends on an environment. In addition, depending on the resin used, some processes such as sealing may be difficult. To solve such issues, we will offer biodegradable films which meet customers' needs, using knowledge on resin blending and formulation of additives, etc., as well as manufacturing know-how that we have cultivated as a processor.
We will aim to solve marine plastic issues using the Group's technological abilities.

Topics

Received the Kagawa Decarbonization Initiative Excellence Award

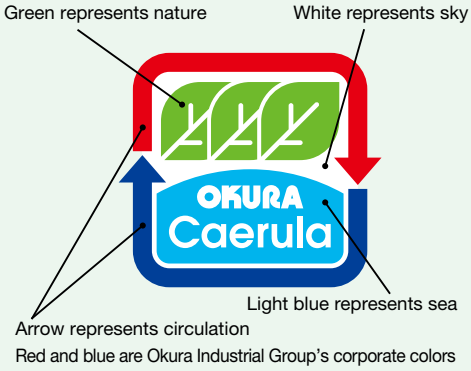
Kagawa Prefecture has set the target of achieving net zero greenhouse gas emissions from within the prefecture by 2050. To promote initiatives that will lead to the prefecture's decarbonization, the Kagawa Decarbonization Promotion Business Award Program awards enterprises within the prefecture that are implementing outstanding initiatives to reduce CO_2 emissions. Okura Industrial Group was recognized for its contribution to reducing CO_2 emissions by installing a waste heat recovery system and high-efficiency motors when it renewed the gravure printing presses at the Marugame No. 5 Plant, as well as its initiatives to introduce renewable energy by adopting a photovoltaic power generation system using the PPA model at the New Materials Division's D Building.



Caerula™ Environmental Contribution Products

To the sea To the sky To nature Circulate and connect towards a prosperous future

At Okura Industrial Group, we will protect our irreplaceable global environment and promote activities that contribute to the sustainable synergetic development of corporations and society.
We designate products that are recognized as making some contribution to the environment, such as products that contribute to reducing greenhouse gas emissions and waste, as "Caerula™" Environmental Contribution Products, and place a unique logo on them. We incorporate our aspiration to "give back to the Earth" in Caerula™ and aim to keep nature beautiful into the future.



Red and blue are Okura Industrial Group's corporate colors

Caerula™

- Caerula™ means "blue" in Latin. Blue is one of Okura Industrial Group's corporate colors, and also indicates the color of the Earth.
- Caerula™ also carries nuances that suggest giving back (circulation) to the Earth as Environmental Contribution Products.
- The number of leaves represents ranks. The more there are leaves, the higher the rank is (the more it contributes to the Earth's environment).

Framework of Environmental Contribution Products



1 Triple leaves

- Products certified for environmental labels (third-party certification)
- Products designed to contribute to reducing environmental burden when used by customers

2 Double leaves

- Products that meet either the standards for resource conservation and recycling, prevention of environmental pollution, or appropriate disposal of waste

3 Single leaf

- Products that while not designated as double or triple leaves products, clearly contribute to the environment
- Products that contribute to the environment through major secondary materials and waste countermeasures

The Nikkei ESG (November 2023 edition) featured our Caerula™ Environmental Contribution Products.

Biomass shrink film
(LAPLOR™ BIO, Power Shrink BIO)

Biomass Mark-certified products

Shrink films that contribute to conserving fossil resources through the use of biomass materials sourced from plants

Containing at least 25% biomass plastic manufactured from plants and other renewable organic resources, the film also features excellent packaging aptitude, heat sealing performance, and contraction stress.



Shounosuke

Mulch films that reduce environmental burden by contributing to the reduction of waste

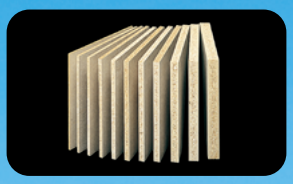
By cutting product thickness by 40%, we reduce waste while also contributing to more efficient mulch-changing work through longer film length.



Okura Board

This product effectively utilizes recycled materials such as those from construction waste materials.

Okura Board contributes to the prevention of global warming by curbing CO_2 emissions through cascade use of wood materials in which waste wood is recycled to a product.



Materiality

Introduction of products certified as Caerula™

Okura Industrial Group established a Caerula™ certification system in 2019, and has certified a variety of products based on our own certification criteria. The certification criteria include contribution to the SDGs, resource conservation and recycling, prevention of environmental pollution, appropriate disposal of waste, and products designed to be easily recyclable from perspectives of life cycle thinking, products with minimal use of substances with environmental burden that are essential for manufacturing, products that contribute to preventing viral infections in patients and healthcare workers, and products that feature universal design, making them easy for everyone to use.

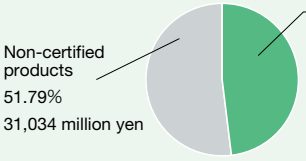
(As of December 31, 2023)

Criteria	Product name	Details of certification
Contribution to the SDGs Resource conservation and recycling Prevention of environmental pollution Appropriate disposal of waste Life cycle thinking	●Endo barrier™	●Ensuring a safe and secure examination environment
	●Garbage bags designated by municipalities	●Universal design
	●Kokage Mulch ●Kokage Mulch Deluxe ●Hoon Mulch BU ●Dan Dan Mulch ●Shusaku ●Silver SS ●Himushi ●Mushat	●Increase productivity
	●OK Bag ●Micron Pack ●Micron Pack Lite ●PBT (Polybutylene terephthalate) film ●Dicing film	●Restrictions on the use of chemical substances
	●ECOWRAP™ G/BSS-V2 ●Antimicrobial mulch ●MULTI-EXCEED™ ●Film for food containers ●OK Spout standard bag ●OK Inner ●OK Tainer ●Yusaku ●Garbage bags and packaging materials containing biomass raw materials ●CS Shrink ●Strong standard bag	●Reduction of environmental burden
	●Sunblock Eco ●Kankyou-kun ●Solventless acrylic adhesive YUMEN Series	●Reduction of emissions of substances with environmental burden
	●Shounosuke ●ECOWRAP™ SS ●Power Shrink ●Multihood	●Reduction of product resources
	●Easy-to-install panels	●Improved work efficiency
	●comori™ ●OKUWRAP™	●Reduction of solid waste
	●Okura Board ●Rex Board™ ●Lumber processed product (precut)	●Recyclable
	●OKURA Hose (film for duct hose) ●PP decorative film ●RUNDYFIVE HS type ●LAPLOR™ V301 ●LAPLOR™ V303 ●Bags containing recycled raw materials ●Agricultural mulch film	●Contains recycled materials
	●Ecocalmulch ●Garbage bags designated by municipalities ●Eco Smile waste bag	●Contains recycled materials ●Eco Mark
	●Bionature ●OKBIO™	●Eco Mark ●Biomass Mark
	●LAPLOR™ BIO ●Power Shrink BIO ●Power Fit	●Biomass Mark
	●Ecoloam KOKAGE ●Ecoloam FC	●Biodegradable Plastics Mark

Detailed information on these products is provided on Okura Industrial's website. Please refer to this information.

Status of certification of Caerula™ in the living support category products

Composition of net sales in 2023



Percentage of net sales of Environmental Contribution Products in the living support category

2023 (actual) 48.21% → 2024 (target) 50% → 2030 (target) 100%

*The living support category products are products that are closely related to housing and food, and support people's safe and comfortable lives.



Promise to Customers

Setting "Customers First" as one of the management philosophies, Okura Industrial Group will help customers solve issues through business activities in accordance with Okura Industrial Group Quality Policy.

Okura Industrial Group
Quality Policy

To provide customers with safe and secure products, we approach manufacturing from the viewpoint of 5M1E.

While complying with relevant laws and regulations, we faithfully keep promises to customers and provide safe products that benefit society.

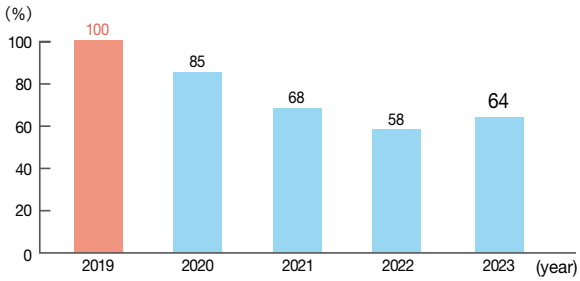
Each of our employees listens to customers' voices and continues to pursue customers' satisfaction with creativity and ingenuity.

We aim to grow together with customers and become their trusted partner.

Each of us continues to grow as individuals and takes on new challenges to exceed our customers' expectations.

Okura Industrial Group has pushed ahead with a continuous improvement of quality assurance and quality control systems so as to keep providing products and services with quality which we promised customers.
We are striving to further reduce the number of quality-related complaints with the following activities for the purpose of preventing the complaints and recurrence of them: horizontal development of improvement in production facilities; clarifying causes of occurrence and leakage using the system to respond to complaints and reviewing measures; implementation of the Company-wide quality patrol during Quality Month; and examination of design/development projects through design reviews.

Total occurrence rate of complaints for three business divisions (compared to 2019)



Acquisition of ISO 9001 certification

In Okura Industrial Group, each division has obtained ISO 9001:2015 certification, and been conducting continuous improvements to provide products and services with quality that we have promised customers.



*For more details, please see Okura Industrial's website.

Message —Voice of employees—



Shingo Yamamoto
Senior Staff,
Quality Assurance Section,
Plastic Film Division

Since I started working in quality assurance, I have gained a strong awareness of customer satisfaction. For example, customers may not be satisfied even if complaints are few. Conversely, in many cases, even if a customer has made a complaint, responding promptly to their requests and implementing solid measures to prevent recurrence can actually boost customer satisfaction. I will endeavor to always listen to the voices of our customers, not just when responding to complaints, and engage in my quality assurance work with an emphasis on speedy response.

Initiatives for Strengthening the Quality Control System

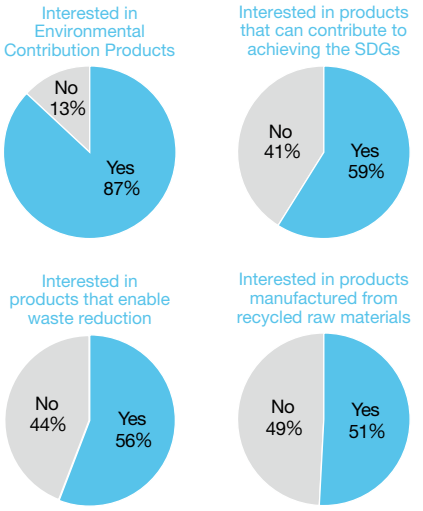
Okura Industrial Group implements a customer satisfaction survey once per year to obtain a range of opinions from customers. The survey includes such key topics as quality, services, and technological development. More detailed questions are determined after discussion between those concerned. As a result of analysis of the responses to the 2023 survey, we found that, as in the 2022 questionnaire, customers perceive items related to quality as the most important. We have been implementing improvement activities based on the results of the 2022 survey, but we believe our customers demand even greater improvement, and we will endeavor to further raise their level of satisfaction. Meanwhile, many customers made positive comments regarding our capacity to respond to customer requests, our stable supply capabilities, and our quality control system.

Customer interest in Environmental Contribution Products has become extremely high in recent years. In response to this trend, we have added items related to Environmental Contribution Products to the questionnaire since the 2022 survey to identify the product characteristics most in demand. Over half of our customers are interested in products that can contribute to achieving the SDGs, enable waste reduction, or are manufactured from recycled raw materials. Interest in products that enable the reduction of waste, in particular, has increased significantly from 39% in 2022 to 56% in 2023.

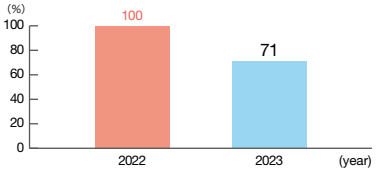
The results of the analysis of the survey are fed back to the relevant parties inside the Company, who then discuss the initiatives that should be undertaken in the future. In this way, we will actively engage in further improvement activities.

Okura Industrial Group has systematically worked to reduce such human errors as miscommunication, misunderstandings, and careless mistakes in various operations of production activities and in work in the production process, so as to reduce and prevent complaints from customers and quality-related troubles in the Company.

Since May 2022, using the Marugame No. 5 Plant as one model, we have conducted improvement activities to work on system modifications, maintenance of various business forms, and preparation of educational materials, and committed to nipping risk in the bud that triggers errors. Going forward, we will shift our activities from the follow-up phase to the “self-improvement at plant” phase. We will also confirm the effects of our improvement activities, focusing our attention on whether measures are being implemented on an ongoing basis.



Rate of complaints at the Marugame No. 5 Plant resulting from human errors (compared to 2022)



1. Analyze past complaints from customers caused by human errors at the plant
2. Analyze past quality-related troubles in the process caused by human errors at the plant
3. Prepare questions for a questionnaire based on 1 and 2, and implement a questionnaire survey for members of the plant
4. Analyze contents of answers of the questionnaire, and conduct a hearing for members of the plant to confirm details
5. Prepare a list of issues based on answers to the questionnaire and results of the hearing
6. Develop and implement improvement measures for each issue
7. Verify effects of each of the improvement measures
8. Prepare educational materials for reducing human errors through a series of the activities, and provide education for members of the plant
9. Summarize remaining issues, and incorporate them in continuous activities

Based on the results of our analysis of complaints that occurred in the past, we have selected a plant to be the target of the second part of our activities and begun similar activities. By making these activities more effective based on the knowledge and reflections gained from the activities since 2022, we will reduce complaints from customers and quality-related troubles in the process, which could occur in the Group.

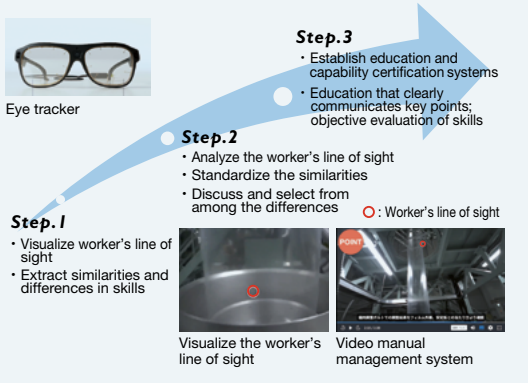
Materiality

Pursuing Higher Quality and Safer Products

Introduction of eye tracking and a specialized cloud-based system for creating and managing video manuals

At Okura Industrial Group, we have experienced problems including errors in equipment adjustment and settings, as well as inspection and checking oversights, all resulting from human error and the inadequate passing on of skills. Each time such a problem arises, we respond with re-education and the recertification of capabilities, but similar problems keep occurring. We believe this is because key points and techniques are not correctly communicated and understood or are difficult to share through our present education system. We have therefore introduced eye tracking technology capable of measuring the movement of workers’ line of sight in real time and visually presenting aspects such as their points of focus and the order they look at objects based on data obtained. This allows us to acquire worker-perspective information, which was previously impossible to ascertain, and clearly communicate the key points and pass on skills that have been difficult to put into words. Moreover, through the use of a specialized cloud-based system for the creation and management of video manuals, the video data captured by the eye tracker can be used to create easy-to-understand educational materials and clear evaluation criteria, enabling the standardization of operations and more efficient on-the-job training. This newly introduced cloud-based system can be used across a wide range of applications including the reduction of complaints resulting from human errors or the inadequate passing on of skills, as well as the passing on of the Group’s technologies.

Examples of the use of eye tracking and the specialized cloud-based system for creating and managing video manuals



Promise to Employees



Human Resources Development Policy

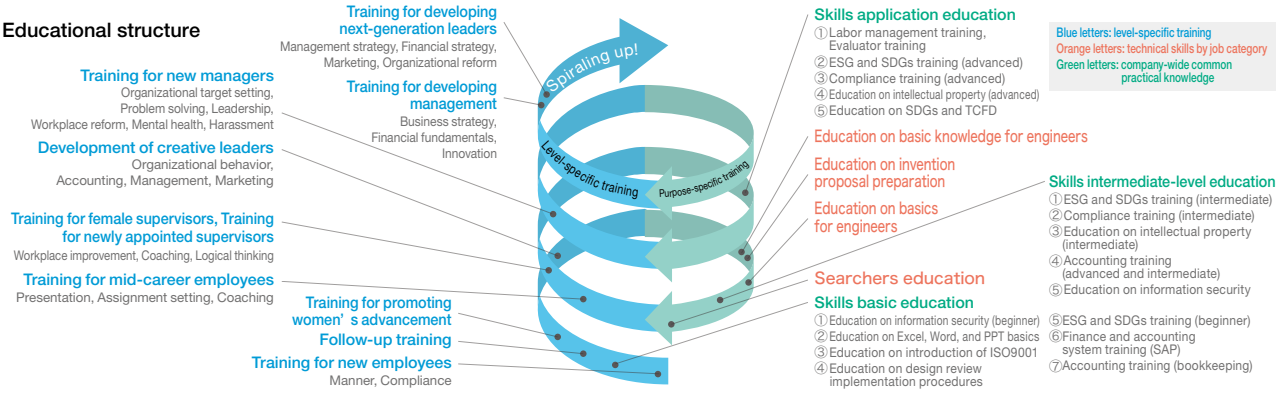
At Okura Industrial Group, we perceive human resources as capital. We will continue to invest in creating working environments that are robust in terms of education and development programs, personnel and evaluation systems, diversity, and employee engagement to develop and secure human resources who can bring our management strategy and growth strategy to life as we strive to realize the management vision “Next10(2030)”.
The Group boasts a large number of reliable and persistent personnel, and we will promote such initiatives as revising education and training programs, rebuilding personnel and evaluation systems, encouraging women’s advancement and recruiting diverse human resources, and practicing health and productivity management as we pursue innovative and enterprising leadership with the mission of creating value adapted to the changing business environment.

Human Resources System (Evaluation and Education Systems)

Okura Industrial Group has formulated the management vision “Next10(2030)” outlining where we want to be in the next decade. To realize this management vision, we foster a spirit of challenge and voluntary willingness to grow in employees’ various career development.
In the personnel and evaluation systems, the Company’s visions in the field of human resources are defined as “increasing innovation human resources”, “developing next-generation leaders responsible for promoting business management”, and “improving operational capabilities to increase efficiency and sophistication of existing operations”. We have rebuilt the system, classifying necessary human resources into types of human resources for job, leaders, and highly efficient operations. The new system was launched in January 2024.
As for human resources development, human resources required for each level are defined, and education and training systems are established and programs are provided in light of the definitions, leading to the improvement of employees’ engagement.

Company’s vision	Achieve “Next10(2030)” (further business growth)		
Vision in the field of human resources	An environment in which each and every employee can perceive “change” and “growth” positively, work on their own, and grow together with the Company		
	Innovation	Next generation development	Improvement of productivity
	Refine superior technological abilities, and secure human resources capable of promoting overseas/new business	Develop leaders who will be responsible for promoting business management	Create organizational culture that flexibly adapts to change and feels growth and job satisfaction
Types of human resources needed	①New value creation ⟨job-based personnel⟩	②Leader ⟨leader personnel⟩	③Highly efficient operation ⟨highly efficient operation personnel⟩

Educational structure



Securing Human Resources

Okura Industrial Group has been making various efforts to secure human resources, aiming to improve personnel ability for its sustained growth. To be more specific, we put emphasis on securing of excellent human resources of new graduates by enhancing internship activities and strengthening relationships with schools in Kagawa and neighboring prefectures. We also renew our website for recruitment and use staff agencies to work on year-round recruitment and securing of industry-ready core human resources. Furthermore, we support formation of a career plan, implementing follow-up interviews after joining the Company and follow-up training three years after joining it.

Data

*All figures on a non-consolidated basis
*Figures for new graduates are as of April 1 for each year. Other figures are as of December 31 for each year.

Number of internships conducted each year and number of participants

		2021	2022	2023
No. of times conducted per year		2 times	2 times	3 times
Participants	Technical job seekers	27	40	21
	Sales job seekers	31	22	12
	Staff job seekers	32	30	30

Number of new graduates (ratio of females) and mid-career recruits

	2021	2022	2023
New graduates	33	27	39
(Including females)	7	6	15
Ratio of females	21.2%	22.2%	38.5%
Mid-career recruits	21	19	23

Composition of employees, executives and managers, and ratio of females

	Males	Females	Total	Ratio of females
Employees	951	201	1,152	17.4%
Executives	417	52	469	11.1%
Managers	113	3	116	2.6%

*2023

Initiatives for Diversity

Okura Industrial Group has been promoting creation of a comfortable working environment where all employees can make the best use of their abilities at each of their workplaces. Especially in relation to women's participation, we will increase the composition ratio of female employees and the ratio of female executives, expanding their hiring and developing an educational system. In addition, in the employment of people with disabilities, we will improve the working environment to allow them to be active with peace in mind.

Work Style Reforms

Okura Industrial Group will push ahead with the development of a working environment where flexible ways of working can be selected, which is suitable for employee's life plan and life stages.
We will decrease workloads at sites with the promotion of DX and automation of plant equipment, promote a reduction in overtime work, and encourage employees to take annual paid leaves. We will also consider the introduction of various systems such as telecommuting and a flextime system which would lead to work style reforms.

Health and Productivity Management

Okura Industrial Group has been working to promote health and productivity management for the sake of employees' mental and physical health. To be more specific, we have conducted employees' health survey since 1996. In 2016 when the stress check system was mandated, survey items were renewed. Based on results of the survey, we have been working on the promotion of mental and physical health.

Declaration of health and productivity management

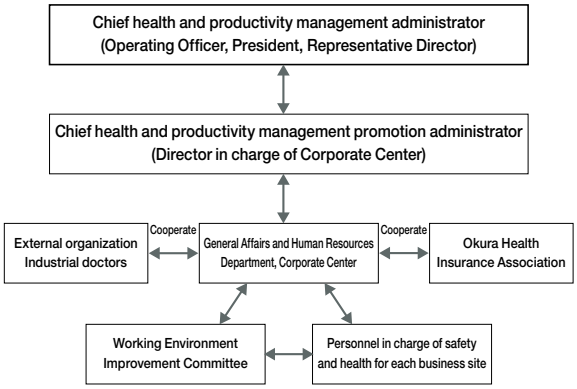
In accordance with the management philosophy "Respect the Individual", Okura Industrial Group believes health of each employee is important. The Group declares that it will strive to create a working environment where employees can work with mental and physical health, as well as motivation. Okura Industrial Group will push ahead with the development of a working environment where flexible ways of working can be selected, which is suitable for employee's life plan and life stages.

Major priority measures

Aiming at a workplace where employees can actively work with mental and physical health, Okura Industrial Group will address the following initiatives for promoting health.

① Promote the health management, including physical health and mental health, to allow employees to work without anxieties.
② Work to promote mental and physical health of employees in cooperation with the health insurance association.
③ Implement periodical health checkups, and keep the ratio of persons who took the checkup at 100%.
④ Make efforts for increasing the acquisition rate of annual paid leave.

Health and productivity management promotion system



Certification of the 2024 Health & Productivity Management Outstanding Organization

On March 11, 2024, Okura Industrial was certified as the 2024 Health & Productivity Management Outstanding Organization (the large enterprise category) which is promoted jointly by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi. The Certified Health & Productivity Management Outstanding Organizations Recognition Program is a program to recognize outstanding large enterprises and SMEs implementing health and productivity management, based on initiatives responding to regional health issues, as well as health promotion measures promoted by the Nippon Kenko Kaigi.

2024
健康経営優良法人
Health and productivity

Number of employees with disabilities and employment rate

	2021	2022	2023
Employees with disabilities	32	32	34
Employment rate	2.6%	2.6%	2.7%

Number of average annual paid leave days taken and acquisition rate

	2021	2022	2023
Average days acquired	9.8 days	11.1 days	11.1 days
Acquisition rate	53.6%	60.9%	59.0%

Number of employees using childcare/nursing care leave systems and short working hours system

	Males	Females	Total
Childcare leave system	8	9	17
Nursing care leave system	0	1	1
Short working hours system	0	16	16

*2023



Safety and Health

At Okura Industrial Group, we believe it is our social responsibility to create an environment where employees can work with a sense of security.
Under the basic philosophy of “make safety a primary concern” and “make safety the core of management”, we promote the creation of safe and comfortable workplaces.

『安全はすべてに優先する』
『安全は経営の根幹である』

Safety and Health Initiatives

Each year, we formulate and share a safety and health target for Okura Industrial Group based on a policy of management executives. The target is incorporated into safety and health activity plans and policies formulated by each manufacturing site.
Central Safety and Health Meetings are held every year in June and September, for the purpose of maintaining and the increasing safety and health level. Officers, presidents of Group companies, heads of manufacturing business sites, safety administrators, health administrators, and others attend the Meeting, in which initiatives related to safety and health and progress in relevant activities at each business site are reported and improvement case studies are shared in order to widely spread the initiatives. During the period of the National Occupational Safety Week (July 1 to 7), management executives themselves patrol the premises of manufacturing business sites for the purpose of confirming the safety of workplaces and increasing employees’ awareness of safety. They confirm and share issues, points to improve, and targets of each manufacturing business site in an effort to improve the level of safety and health.
The head of each manufacturing business site, safety administrators, and health administrators lead safety and health activities at each manufacturing business site. We undertake daily activities aimed at zero accidents, including risk prediction training (KYT), risk assessment, the implementation of tool box meeting, and the identification of issues of safety and health initiatives, among others. Furthermore, we promote a structure that enables the implementation of initiatives by managers of manufacturing business sites and staff engaged in manufacturing to learn knowledge necessary to instruct and educate foremen and employees, and to have high level of awareness of safety and a sense of responsibility as personnel in charge of safety and health management.

2023 Safety and Health Target

Thorough safety and health management focusing on 5M1E

Eliminate troubles through “awareness”, and accidents caused by “caught in and between”

Safety and Health Action Guideline

①Deepen communication and identify potentially dangerous action
②Strive to increase awareness of participation (engagement) and work to improve the working environment

Targets of Individual Efforts

①In the event of trouble, thoroughly follow procedures of “stop, call, wait”
②Increase awareness of danger to avoid any traffic accidents, keeping in mind to drive as predicting dangers
③Act responsibly and make efforts to prevent infections and their spread

Okura Safety Day

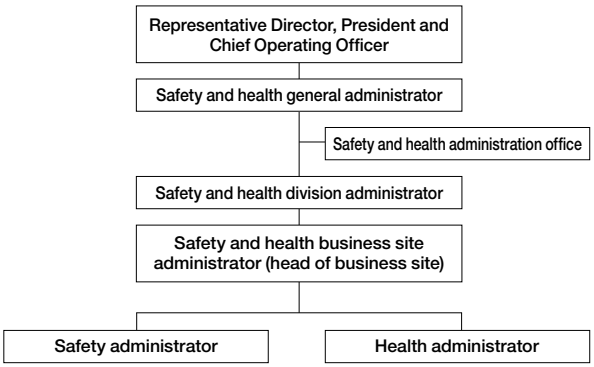
Okura Industrial Group has designated November 28, when a dust explosion occurred at the Takuma Plant, as “Okura Safety Day”, and the period from November 28 through December 4 as Safety Awareness Week. A safety convention is held each year at the Takuma Plant on Okura Safety Day, based on a strong determination to never forget our tragic past experience and the lessons learned, and to never repeat the same mistakes. Officers, presidents of Group companies, heads of manufacturing business sites, safety administrators, health administrators, and others attend the convention, and recognize once again that our basic philosophies, “make safety a primary concern” and “make safety the core of management” were established in the wake of the accident. In addition, all attendants implement a safety patrol in the Takuma Plant. Also, during Safety Awareness Week, a safety patrol and morning assembly are conducted at each manufacturing business site to raise safety awareness.



Occupational Safety and Health Activities

At Okura Industrial Group, the number of conventional accidents of “caught in and between” and “cutting and rubbing” accounted for the majority of accidents which occurred in the Group in 2023. In addition, two lost time accidents took place. To prevent such accidents, we are sharing information on the conditions in which accidents occurred and are implementing countermeasures across our organization. In particular, since the risk of accidents increases when troubles of manufacturing facilities occur, we also put emphasis on preventive maintenance activities so that troubles of manufacturing facilities do not occur.
At each manufacturing business site, foremen and others engage in safety patrols, risk assessments, and KYT activities for such purposes as identifying potential risks and educating and training employees to avoid unsafe situations and actions. They identify issues using reports of close calls and employee memos on issues noticed, implement countermeasures according to the degree of risk, and endeavor to prevent accidents before they occur. In addition, industrial doctors and others inspect workplaces on a regular basis, as we aim to improve the level of safety and health.

Safety and health management system



Traffic Safety Activities

Okura Industrial Group endeavors to boost awareness of safe driving by requiring all commuters to surely place a safe driving sticker on vehicles for commuting. We report the number of traffic accidents and stimulate awareness at the general morning assembly and the Central Safety and Health Meeting. In addition, at the Safety and Health Committee meetings held at each business site, we are working to share information on actual traffic accidents, raise safety awareness through traffic KYT, and spread safe driving based on risk prediction.
The amended Road Traffic Act, which took effect in April 2023, mandates efforts to wear a helmet when riding a bicycle. The Group requires employees to wear helmets when commuting to work on bicycles as part of our prioritization of employee safety.

Labor, Safety and Health Awards

Employees of Okura Industrial Group have received various awards as a result of their efforts to raise safety awareness and improve the working environment. These awards recognize our environmentally and socially responsible corporate activities. We will continue to strive for occupational safety and employee health, endeavoring to create safe and comfortable workplaces.

Labor, safety and health awards received

Received in:	Item	Business site
November 2021	Ministry of Health, Labor and Welfare’s awards for contributions to statistics	Chunan Plant
August 2022	Minister of Health, Labor and Welfare’s letters of appreciation (blood donation)	Marugame No. 5 Plant
September 2022	Letter of appreciation awarded by the chief of the Kagawa Prefectural Police Headquarters and the chairman of the Kagawa Prefecture Safe Driving Management Liaison Council	Corporate Center
November 2022	Higashimatsuyama Society of Commerce and Industry award for outstanding employees	Saitama Okura
July 2023	Honorable mention at the Kagawa Labor Bureau director’s awards	Marugame No. 4 Plant
July 2023	Japanese Red Cross Society Silver Merit Award (blood donation)	Marugame No. 5 Plant



Contribution to Society

Setting the management philosophy focusing on engagement with various social aspects, Okura Industrial Group is aiming at contribution to resolution of social issues through business and realization of our management vision.

Local Contribution Activities

As part of its efforts for social contribution through business, Okura Industrial Group actively strives to contribute in ways such as its participation in local culture programs and various events, and support for local art, culture, and sports promotion. As a company harmonizing with the local community, we will proactively conduct local contribution activities and regional environment conservation activities, deepen understanding about issues local communities face, and actively participate in activities which would lead to resolution of the issues, as well as local revitalization business.
We will build workplace culture where all employees make efforts to contribute to local communities, and aim to be a company, existence value of which in the region can be recognized by local residents.

Artistic and cultural activities

We support various artistic and cultural activities held in Kagawa such the Takamatsu International Piano Competition, as well as the Marugame Genichiro-Inokuma Museum of Contemporary Art, the Ohara Museum of Art, and Seto Philharmonic Orchestra.



Takamatsu International Piano Competition
©BANAZO



Marugame Genichiro-Inokuma Museum of Contemporary Art (Photograph: Yoshiro Masuda)

Sports promotion

In order to contribute to promotion of rich sports culture, we support various sports teams in Kagawa every year. Our support helps them to produce next-generation human resources in Kagawa.



©KAMATAMARE SANUKI



©KAGAWA OLIVE GUYNERS



©KAGAWA FIVE ARROWS







The 76th Kagawa Marugame International Half Marathon

Volunteer activities

As a part of local contribution activities, we participate in the “Pick Up Trash and You’ll Love the City” campaign in Marugame and conducts cleanup activities in neighboring areas of business sites. Many of our employees actively participate in local volunteer activities, such as cleaning photographs soiled by flood damage and the Marugame Castle Festival, a local festival held every May.



“Pick Up Trash and You’ll Love the City” campaign



Cleanup activities in the neighboring area of Takuma Plant



Photograph cleaning volunteer activities in Mabi

Internships

We accept students in Japan as well as from overseas in cooperation with Marugame City and Marugame International Exchange Association. During their internships, students engage in practical training and interact with employees. We implement programs that give them the impression that they are actually working.





Company briefings for children

We undertake initiatives such as making presentations at company briefings for junior high school students and holding events in Marugame to enable children to experience work, a project led by Imabari Shipbuilding Co., Ltd. SHIKOKU KASEI HOLDINGS CORPORATION and the Company, to encourage children to be interested in companies in Kagawa and to see working here as an option. We engage in teaching children that we provide our products from Kagawa to the world, such as where the Group's products are used in everyday life, encouraging them to gain an interest in manufacturing.



Local company public relations project (Marugame)



The 2nd Waku-waku Experience-Kids Kingdom in Marugame

Topics

Okura Industrial Co., Ltd. Special ZERO Garbage Quest in Doki River



We support the SDGs project "From Setouchi to the Future", organized by RSK Sanyo Broadcasting, which includes river cleaning and other events aimed at leaving Setouchi's beautiful nature for future generations. On October 29, 2023, we held the Okura Industrial Co., Ltd. Special ZERO Garbage Quest in Doki River event. Prior to this event, RSK Sanyo Broadcasting introduced Okura Industrial Group's efforts and the event itself in programs such as its 5 p.m. live news and SDGs special.

The event was attended by approximately 270 people, including participants from the general public and Group employees, who cleaned the riverbed of Doki River. The garbage bags used were the Group's Environmental Contribution Products Kankyou-kun and OKBIO™, and the garbage from the event was also disposed of in an environmentally friendly way.

Some of the items of garbage collected were too big to fit in the garbage bags, such as anti-animal nets used in farming and poles used to hang laundry. The participants were amazed by how much garbage was discarded out of normal sight, but engaged in the cleaning happily, enjoying the natural surroundings. All participants were presented with a cutlery set and the Group's product NIOGUARD™ as souvenirs of the event.

The garbage gathering social media service Pirika was used for the event, enabling the simple recording and communication of the results of participants' cleaning efforts and the visualization of who collected how much garbage, and where. We hope that participation in this event will create a circle of people committed to creating a clean city. At Okura Industrial Group, we will continue to strive even further in our local contribution and regional revitalization activities.

The SDGs special program is available for viewing on the official channel of RSK Sanyo Broadcasting.









Promise to Shareholders and Investors

Policy Concerning Constructive Dialogue with Shareholders

We will promote constructive dialogues with shareholders and investors that would contribute to sustained growth and an improvement in medium- and long-term corporate values.

① The Director in charge of the Corporate Center generally manages and coordinates the constructive dialogue with shareholders.
② We have designated the General Affairs and Human Resources Department as a contact for individual shareholders, and the Finance and Business Administration Department as a contact for institutional investors and other bodies. We strive to promote smooth and effective dialogues, for example, having a Representative Director or a Director respond to interviews, according to a purpose of a dialogue.
③ To assist in constructive dialogue with shareholders, the Manager of each department in the Corporate Center and each business division share information and coordinate organically in responding to shareholders.
④ We strive to ascertain the Company's shareholder composition at all times with the cooperation of the shareholder register agent.
⑤ The Company engages in various forms of dialogue, such as the regularly held financial results briefing sessions for institutional investors, personal dialogue, plant tours, and online meetings.
⑥ Directors and others who engaged in dialogue and other forms of contact with shareholders report shareholders' interests, opinions, concerns, and other information obtained through the dialogue to the Board of Directors, and the Directors share their details.
⑦ We manage corporate information in accordance with regulations on the prevention of insider trading and prevent the leak of insider information.

Financial results briefing session

Date	Participants from the Company	External participants	No. of participants
February 2023 August 2023	Representative Director, President and Chief Operating Officer Director, Executive Operating Officer, etc.	Institutional investors Analysts Financial institutions Media	87

Individual meetings

Date	Participants from the Company	No. of meetings	Total participation
From January to December 2023	Director, Executive Operating Officer Manager, Finance and Business Administration Department, etc.	38	61

[Key dialogue topics]

- Corporate and business strengths, product details, market share, competitors, profitability, seasonality, commercial distribution, market trends
- Initiatives to improve PBR (corporate value), dividend policy, efforts to reduce cross-shareholdings
- Progress on "Medium-term Management Plan(2024)" and "Next10(2030)", growth drivers, research and development
- Initiatives in non-financial fields (sustainability, human capital investment)
- Trends in raw materials prices, selling prices, and sales volumes



Financial results briefing session in February 2024 (delivered online)

Ensuring of Shareholders' Rights

Okura Industrial recognizes that all shareholders are equal according to the number of shares held. Accordingly, the Company takes appropriate measures to virtually ensure shareholders' rights, and provides the environment required to exercise such rights. To be more specific, procedures related to exercise of the shareholders' rights and responsible departments are specified in the internal rules. In addition, we have prepared our corporate website in English. In relation to information demanded by overseas investors, summary of financial results, materials for financial results briefing sessions, sustainability reports, and other materials are translated and disclosed in English.

IR Calendar

1st quarter			2nd quarter			3rd quarter			4th quarter		
Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
	Announcement of year-end financial results Financial results briefing session	Annual General Meeting of Shareholders Issuance of shareholder newsletters		Announcement of 1st quarter financial results			Announcement of 2nd quarter financial results 2nd quarter financial results briefing session	Issuance of interim shareholder newsletters		Announcement of 3rd quarter financial results	

Initiatives to Make General Meetings of Shareholders More Effective

Emphasizing the general meeting of shareholders as a place for constructive dialogue with shareholders, Okura Industrial takes the following measures to have in place an environment where shareholders can adequately exercise their rights.


The 104th Annual General Meeting of Shareholders

1. We hold the meeting, avoiding the date on which meetings of other companies concentrate.
2. In order to ensure enough time to consider proposals, we dispatch the notice of convocation before the statutory date to do so, and promptly disclose information included in the notice of convocation on TDnet and our website prior to the dispatch.
3. Apart from information required by laws and regulations, we disclose information deemed necessary for shareholders to exercise their rights at the general meeting of shareholders.
4. We endeavor to enhance matters contained in the notice of convocation (including business report and reference documents), and provide the notice of convocation, summary of financial results, timely disclosed information, shareholder newsletters, and other information by placing them on TDnet and our website.
5. We analyze trends in and results of exercise of voting rights for proposals made by the Company, and share them in the Board of Directors. In relation to a proposal against which a considerable number of shareholders voted at a general meeting of shareholders, the Board of Directors analyzes its cause, and directly or indirectly talk with shareholders in an appropriate way.
6. When institutional investors and others who hold shares in the name of a trust bank, etc. want to personally exercise voting rights, we will respond to such case upon consultation.
7. We strive to improve the environment by, for example, introducing a platform for exercising voting rights through electronic means to enable institutional investors and others to efficiently exercise voting rights.

Capital Management Policy

At Okura Industrial, we are strengthening our foundational businesses and pursuing active investments in growth fields in line with the management vision “Next10(2030)” outlining where we want to be in 2030. However, the PBR languishes far below the 1.0 level. In addition to our low ROE, which has not yet reached the target of 8% or more, we believe this is due to the fact that we have not gained the full understanding of shareholders and investors regarding our business strategy and growth strategy aimed at corporate growth.

Given this situation, we aim to achieve a PBR of 1.0 or above by solving each issue in our business strategy, financial strategy, and non-financial strategy with the intention of swiftly achieving an ROE of 8% or more. In terms of our business strategy, we will work towards the culmination of “Medium-term Management Plan(2024)”, which is in its final year, and the formulation of “Medium-term Management Plan(2027)”, aiming to strengthen our earning capacity.

In terms of financial strategy, we will endeavor to optimize the balance of our capital structure and engage in improving capital efficiency. Turning to shareholder returns, we regard it as one of our top priority management issues. Our basic policy is to pay stable dividends, comprehensively taking into account business performance and the reserves needed for future development, and we aim to maintain a dividend payout ratio of at least 30%. We will strive to further raise the level of dividends, premised on stable dividend payments, and consider implementing share repurchases in a timely manner when we determine they are appropriate.

In terms of non-financial strategy, we will promote sustainability and actively engage in dialogue with shareholders and investors. The status of progress on these efforts will be verified each year by the Board of Directors and disclosed so that the results can be incorporated into corporate management.

Shareholder Benefit Programs

Okura Industrial appreciates shareholders’ support, and thus, implements the shareholder benefit programs.

Based on the following criteria, the shareholder benefits are presented according to the number of shares held as of December 31 every year. The meal vouchers for Okura Hotel Marugame, which is one of the shareholder benefits we provide, has been changed to Okura Hotel Marugame value vouchers from the March 2024 issue, mainly for the greater convenience of shareholders.







Share unit	100 shares	
100 shares or over, less than 1,000 shares	QUO Card Okura Hotel Marugame value vouchers	1,000 yen × 1 1,000 yen × 2
1,000 shares or over, less than 2,000 shares	QUO Card Okura Hotel Marugame value vouchers	2,000 yen × 1 1,000 yen × 4
2,000 shares or over	QUO Card Okura Hotel Marugame value vouchers	3,000 yen × 1 1,000 yen × 6



Promise to Business Partners

At Okura Industrial Group, we aim to work on sustainable procurement and increase corporate value together with our suppliers.

Sustainable procurement is an initiative that takes into consideration not only compliance but also environmental issues, human rights, and issues such as poverty. The spread of efforts for sustainable procurement from the Group to suppliers and more will lead to sustainable development of the entire supply chain. To that end, we monitor whether there is any inappropriate acts related to human rights and environments in the supply chain (especially upstream), and work on building and operating a mechanism for dialogues.

Materiality

Establishing and Operating a Mechanism of Raw Material Procurement Conscious about Human Rights, etc.

Okura Industrial Group has established Okura Industrial Group Sustainable Procurement Policy as a policy to achieve a sustainable society throughout the supply chain. To achieve this Policy, we have established Okura Industrial Group Sustainable Procurement Guidelines. We request our suppliers to self-evaluate their performance regarding items such as respecting human rights, ensuring safety and health, ensuring quality and safety, and environmental conservation.

Okura Industrial Group Sustainable Procurement Policy

1. Respecting human rights

- Prohibition of forced labor
- Prohibition of child labor and consideration for young workers
- Consideration for working hours
- Payment of appropriate wages and allowances
- Prohibition of inhumane treatment
- Prohibition of discrimination
- Freedom of association and respect for the right to collective bargaining

2. Ensuring safety and health

- Ensuring occupational safety
- Preparation for emergencies
- Prevention of occupational accidents and occupational diseases
- Appropriate management of occupational health
- Consideration for physically onerous work
- Safety measures for machinery and equipment
- Facilities safety and health
- Communication on safety and health
- Employee health management

3. Ensuring quality and safety

- Ensuring product safety
- Quality control
- Provision of accurate information on products and services
- Establishment of management systems

4. Environmental conservation

- Environmental permits and reports
- Evaluation of the negative impact of business activities
- Promoting management for decarbonization
- Management and control of emissions into the atmosphere
- Appropriate water management
- Resource recycling and waste management
- Establishment of management systems
- Management of chemical substances at workplaces
- Management of chemical substances contained in products

5. Realization of fair trade

- Thorough compliance
- Preventing corruption
- Prohibition of inappropriate provision or receipt of profits
- Management of business partners and others
- Appropriate information disclosure
- Appropriate import/export management
- Respect for intellectual property
- Establishment of mechanisms to handle complaints
- Whistleblower protection
- Fair execution of business
- Responsible minerals survey

6. Stronger information security

- Defense against computer and network threats
- Protection of personal information
- Prevention of confidential data leaks

7. Business continuity planning initiatives

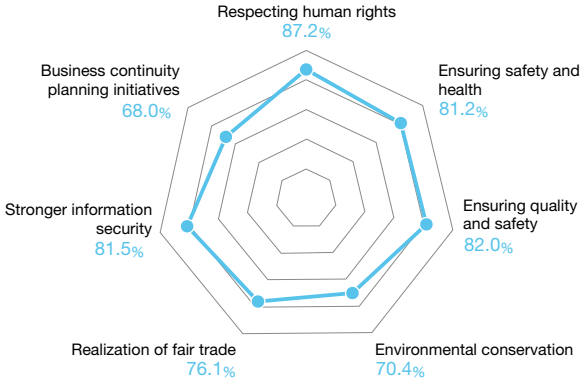
- Formulation and preparation of a business continuity plan

Sustainable Procurement Survey

In 2023, Okura Industrial Group created a sustainable procurement survey form and implemented a sustainable procurement survey of the suppliers subject to evaluation. We evaluated suppliers from which we purchased raw materials, secondary materials, etc., contractors to which we outsourced processing and temporary staffing agencies. Suppliers subject to the survey were selected based on a consideration of whether they (1) rank highly in terms of the amount of money expended on procurement, etc., (2) handle key materials, components, etc., and (3) handle materials, components, etc. for which substitute is difficult to obtain.

Results of the 2023 survey

Suppliers		No. of companies surveyed	No. of companies that responded	Response rate
Suppliers of raw materials, secondary materials, etc.	Plastic Film Division	9	7	78%
	New Materials Division	21	14	67%
	Housing Materials Division	9	5	56%
Outsourced processing and temporary staffing agencies		16	9	56%
Total		55	35	64%



The average score exceeded 80% for four of the seven items, revealing that our suppliers have established internal systems to promote sustainable initiatives. However, for “environmental conservation”, it appeared that suppliers tended to have insufficient targets set for the reduction of greenhouse gas emissions, or were not making progress on the introduction of renewable energy. Likewise, for “business continuity planning initiatives”, we found that while suppliers had been able to identify and evaluate risks that could disrupt business continuity, such as earthquakes, typhoons and other large-scale natural disasters, terrorism, riot, epidemics and accidents, many suppliers had not yet formulated business continuity plans (BCPs) or manuals for the prompt restoration of operations.

[Future initiatives]

The Group will implement another sustainable procurement survey in 2024, with a focus on questions relating to suppliers’ policies and training (education) on topics such as human rights, safety and health, product/service quality, and environment. We will request suppliers whose survey results are below a certain level to undertake improvements, thus endeavoring to eliminate risks in the supply chain.

Materiality

Establishing and Operating a Mechanism of Environment-Conscious Raw Material Procurement (Green Procurement)

In 2007, Okura Industrial Group established Okura Industrial Group Control Criteria for Chemical Substances (hereinafter referred to as the Group Criteria) to appropriately manage chemical substances. Presently, in order to increase the efficiency of information communication on chemical substances contained in products along the supply chain, we have established the Group Criteria based on legal restraints including chemSHERPA management substances specified by chemSHERPA*. We are investigating whether chemical substances regulated by the Group Criteria are contained in raw materials, etc. used by the Group. We have replaced the chemical substances search system that was designed and developed by a Group company. As part of the development of human resources capable of managing chemical substances, which is a policy of the Environmental Management Department included in “Medium-term Management Plan (2024)”, we will improve the educational environment using e-learning, improve abilities of chemical substances administrators and practitioners, and further boost the efficiency of chemical substances management.



*Information communication scheme on chemical substances contained in products, which is operated by Joint Article Management Promotion-consortium (JAMP)

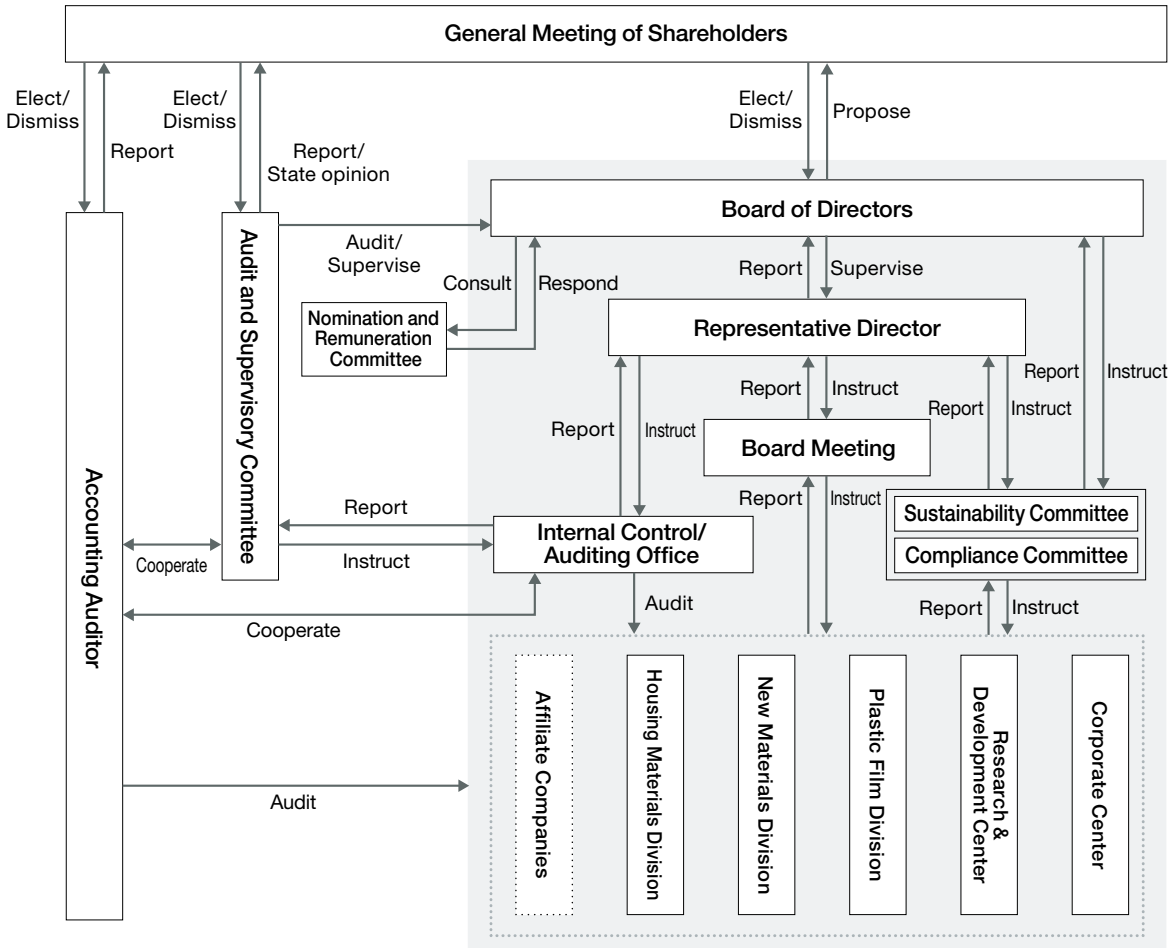


Corporate Governance

At Okura Industrial Group, we explore an effective corporate governance style that suits us and update the style as needed in response to ever-changing demands from society.

We 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. Under Okura Industrial's management philosophy of "Respect the Individual", "Contributing to the Society", and "Customers First", we will achieve sustained growth and an increase in medium- and long-term corporate value by conducting business operations focusing on ESG in the changing social environment. To this end, we will implement sound management practices as we hold dialogues with all our stakeholders.

Corporate Governance System



Meeting Bodies and Committees

Board of Directors

The Board of Directors formulates important corporate strategies and supervises the execution of those strategies, aiming for sustained growth and an increase in medium- and long-term corporate value. The Board also builds internal control and risk management systems. Six Inside Directors and five Outside Directors comprise the Board of Directors. The members are chosen to ensure that the Board possesses well-balanced experience, insight, and skills, while maintaining diversity as a whole. Outside Directors account for one-third or more of all members to ensure transparency and effectiveness of the Board of Directors.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee has been established as a body with which the Board of Directors consults. The purpose of the Committee is to strengthen the fairness, transparency, and objectivity of processes relating to the nomination, remuneration, etc. of Directors and Operating Officers, and to further enhance the governance system. The Committee is composed of the Representative Director, President and Chief Operating Officer and four Independent Outside Directors selected by the Board of Directors. It is chaired by an Independent Outside Director.

Audit and Supervisory Committee

By auditing and supervising the business execution of Directors, the Audit and Supervisory Committee helps achieve a sound and sustained corporate growth and an increase in medium- and long-term corporate value. The Committee consists of six members including five Outside Directors. Four Outside Directors meet the criteria for independence set by Tokyo Stock Exchange, Inc.

Board Meeting

The Board Meeting has been established for the purpose of ensuring the efficiency and soundness of business execution and management. It deliberates and decides on important management matters, apart from those that are submitted to meetings of the Board of Directors. It also undertakes a preliminary deliberation on important matters that require submission to the Board of Directors. The Board Meeting is composed of 11 Operating Officers and holds ordinary meetings once every month, in principle.

Number of meetings of each meeting body and committee held each year

	2021	2022	2023
Board of Directors	14 times	14 times	14 times
Nomination and Remuneration Committee		3 times	3 times
Audit and Supervisory Committee	13 times	13 times	12 times
Board Meeting	22 times	22 times	22 times

Remuneration for Directors

Remuneration for Okura Industrial's Directors (excluding Directors serving as Audit and Supervisory Committee Members and Outside Directors) consists of basic remuneration, performance-linked compensation, and stock compensation. The ratio between the three types of compensation is roughly 8:1:1. Basic remuneration is monetary compensation set in accordance with the position level. A fixed amount is paid every month. Performance-linked compensation is monetary compensation linked to performance. By linking remuneration for eligible Directors with corporate performance and the degree of contribution, we intend to increase motivation for better performance. Restricted stock compensation is shares with transfer restrictions allotted based on the amount specific to the position level. By having eligible Directors share the risks and benefits of share price fluctuations with shareholders, we aim to grow and increase corporate value in the medium- and long-term.
Directors and Outside Directors serving as Audit and Supervisory Committee Members are paid fixed remuneration only and are not eligible for the stock compensation plan. The remuneration system is designed in this way to ensure that their remuneration is not directly affected by corporate performance, thereby securing their independence from the Company's management. In addition, the appropriateness of the remuneration system and the amount of remuneration for each Director is discussed by the Nomination and Remuneration Committee.

Compliance

Compliance promotion system

Okura Industrial's founding spirit of "Protect employees and serve society" still lives on at the root of our compliance management, which is the improvement of our workplace environment and our fair and honest management. To Okura Industrial Group, compliance means not only complying with laws and regulations but also responding to expectations and requests from society. We strive to advance compliance in line with the trend of the times, so that we can continue to be a company that is trusted by society.

We have established the Compliance Committee, chaired by the Representative Director, President and Chief Operating Officer and composed of Directors, as a body responsible for promoting compliance. The Compliance Committee meets twice each year, in principle, and engages in activities such as deciding on important matters and recommending improvements to address violations. The Compliance Action Committee, composed of members from each business division, has been established under the Compliance Committee. It undertakes various tasks and works to spread compliance measures at workplaces based on the directions of the Compliance Committee.

The Okura Industrial Standards of Ethical Conduct and Compliance Program Regulations

We have established the Okura Industrial Standards of Ethical Conduct as standards of behavior to be shared by our Officers, employees, and all stakeholders, and the Compliance Program Regulations as rules to govern our compliance system and activities. Based on these written regulations, an administration office centered on the legal division formulates compliance promotion policies and measures and engages in raising awareness and fostering a culture of compliance.

Compliance training

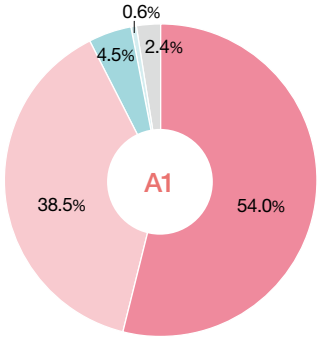
In addition to implementing compliance training for all employees every year, we also provide it as part of the introductory training for new employees. With the adoption of e-learning, we provide effective training using video and audio content. The 2023 training focused on the topic of human rights, providing an opportunity for employees to think about issues such as harassment and LGBT.

Compliance Awareness Survey

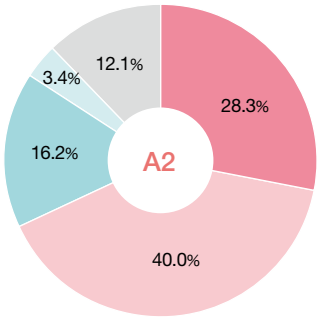
We regularly hold a compliance awareness survey to ascertain the results of our compliance activities and any potential risks. We conduct a corporate ethics and compliance risk assessment based on the results of the survey, enabling the more effective formulation of measures and activities.

< Survey results (extract) >

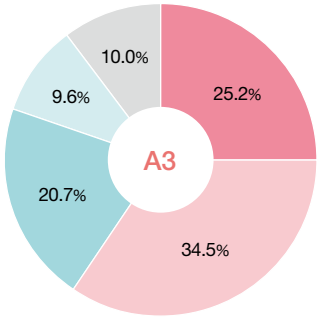
Q1 I endeavor to undertake my work with an awareness of compliance.



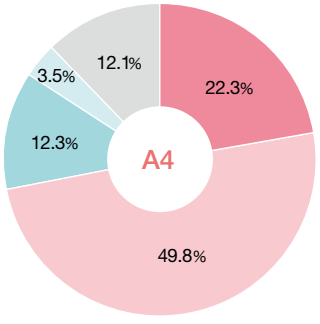
Q2 I take action to correct compliance violations around me.

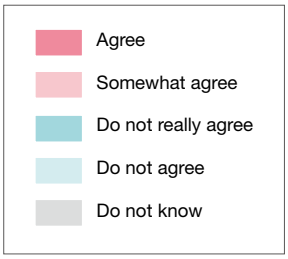


Q3 I would like to use the whistleblowing system in the event a compliance issue arises.



Q4 I have been able to make correct decisions thanks to internal education.





Whistleblowing Disclosure

Whistleblowing system

The Okura Industrial Group has introduced an whistleblowing system to prevent illegal acts and misconduct, as well as to enhance its self-purification function as an organization. Whistleblower hotlines have been established both inside and outside the Group, and the contact details of the hotlines have been publicized through posters, the distribution of cards, internal newsletters, and other forums. The hotlines accept reports 24 hours a day, 365 days a year. The whistleblowing system can be used not only by the Group's employees and Officers but also by their family members, business partners, and all other stakeholders. Whistleblowers are able to select to report using their real names or anonymously, as they wish. Based on the Compliance Program Regulations, report details are kept confidential and the interests of whistleblowers are protected.

Whistleblowing disclosure response systems

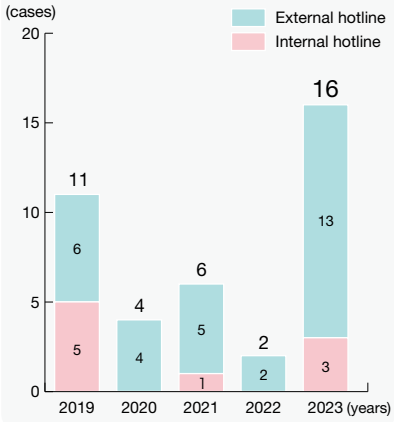
All whistleblowing disclosures are reported to the whistleblowing desk established in the legal division. After an initial investigation, the whistleblowing desk undertakes an investigation based on the directions of the officer responsible for compliance (including the Compliance Committee if the matter is considered especially important, such as cases where it will have a serious impact on the business of Okura Industrial Group, based on Article 3, Paragraph 4 of the Whistleblowing Regulations). The investigation process is reported as appropriate to the officer responsible for compliance and the Compliance Committee. If it is deemed that a compliance violation has occurred, corrective measures such as guidance and disciplinary action are taken against the violator. Whistleblowers who wish can receive feedback from the Company about the results of the investigation on and measures taken against the reported facts.

Flowchart

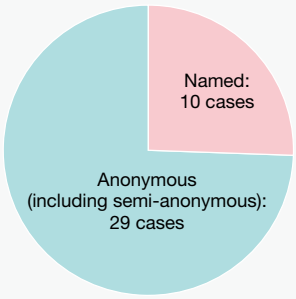
Report received	Reception and initial investigation	Notification of the report received	Investigation	Report of the result
Internal hotline External hotline	Whistleblowing desk	Officer responsible for compliance	Whistleblowing desk	Compliance Committee

Whistleblowing disclosure data for the past five years

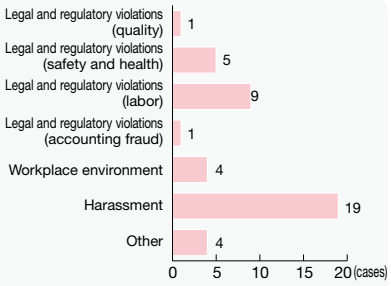
DATA 1 Breakdown by number of cases of whistleblowing disclosure and hotline used



DATA 2 Breakdown by named and anonymous whistleblowing disclosures



DATA 3 Content of whistleblowing disclosures



Figures above do not add up to the total number of cases of whistleblowing disclosure, as some cases relate to two or more types of content. The above classification is based on the claims made by whistleblowers, and does not necessarily mean that the relevant compliance violation was found to have occurred.

DATA 4 Number of days taken to handle cases

From the day when the report was received to completion

Average: 23.5 days

Shortest: 3 days ; Longest: 98 days

In general, the day when the report was received refers to the day when the person engaged in handling whistleblowing disclosures became aware of the content of the report. Completion refers to the day when the person engaged in handling whistleblowing disclosures reported to the Compliance Committee that the necessary investigation and measures had been completed.

DATA 5 Number of cases of feedback

13 cases

Feedback is provided, in principle, in cases where whistleblowers provide their real names. Feedback is also provided, upon the request of the whistleblower, for semi-anonymous reports.

DATA 6 Number of cases where a violation was found and corrective measures implemented

19 cases

In some cases, the facts were found to correspond completely to the whistleblower's claims while in others there was only partial correspondence. The data also includes cases such as those where there was no legal or regulatory violation but the subject of the report accepted the claims and a settlement was reached.

Intellectual Property

Basic approach

At Okura Industrial Group, we view the intellectual property gained as a result of our research and development as the source of our business competitiveness. In addition to proactively securing the intellectual property that supports our business, we strive to appropriately maintain and manage the intellectual property we acquire, aiming to contribute to enhancing our business development and business results and promote creative activities.
We comply with laws and regulations related to intellectual property and, as part of the design review undertaken when we develop products or change design, we complete a clearance search (infringement search) where we check that there is no infringement of other companies' intellectual property rights, so that our customers can use our products with a sense of security. We have measures in place to avoid and prevent any infringement of other companies' intellectual property rights.

Intellectual property strategy

Okura Industrial Group aims to implement an intellectual property strategy integrated with Group-wide management and business strategies. To this end, we are working together with the Research & Development Center, utilizing the management design sheet framework to plan our vision for the future of research and development in focus fields from a long-term perspective. We are implementing activities to formulate the intellectual property strategy needed to move towards this future vision. Through these activities, we aim to support business portfolio transformation from the standpoint of intellectual property, securing our competitive advantages and increasing corporate value.

Intellectual property education and human resources development

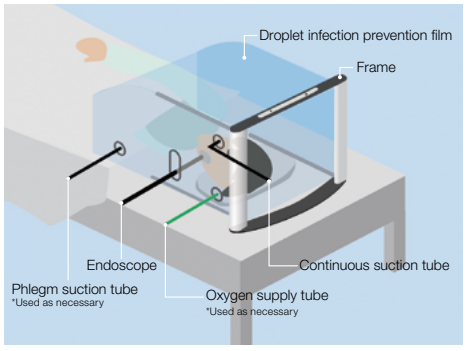
At Okura Industrial Group, we also conduct in-house education every year, in accordance with the type of work and positions, to help employees understand intellectual property rights and leverage such rights. Employees who engage in product development receive education on patent searches and workshop-style education on preparing invention proposals to enable them to propose the results of research and development as inventions. Employees who engage in naming or may use the copyrighted work of others receive e-learning on copyright and trademark rights. We have also introduced a searcher system to ensure we secure strategic intellectual property and establish intellectual property strategy. We will focus on developing human resources with specialized patent search skills and human resources able to perform Patent Landscape analysis.

Main content of education

- Introduction to patents
- Patent searches
- Invention proposal preparation
- Copyrights
- Trademarks
- Searchers education

The Shikoku Local Commendation for Invention in 2023

In the Shikoku Local Commendation for Invention in 2023 held by the Japan Institute of Invention and Innovation, prizes were awarded to Section Manager Takeshi Tachibana of the General Affairs and Human Resources Department, Corporate Center, Tatsuaki Shioiri of the Technical Support Department, the New Materials Division, Professor Haruo Oba of the Department of Engineering and Design, Kagawa University, Clinic Associate Professor Noriko Nishiyama of the Faculty of Medicine, Kagawa University and Professor Hideki Kobara of the Faculty of Medicine, Kagawa University, who created the design for "Head Covering Material for Medical Examination or Treatment (Design No. JP1700260S)".
This design concerns a droplet infection prevention film for the Endo barrier™ virus infection prevention system for endoscopy, which we developed in collaboration with Kagawa University.
Endo barrier™ uses the droplet infection prevention film and a specialized frame to form a semi-hermetic space and negative pressure, enabling users to minimize the spread of droplets. Such systems normally require sterilization after use by each patient, but the structure of Endo barrier™, with a side sealing component on the film, makes it possible to maintain the hygiene of the specialized frame without the need for sterilization between each patient.
Moreover, the universal design of the unit enables anybody to easily understand how to use it, with pictograms indicating the insertion points for medical devices. This has led to an excellent reception from healthcare workers and its adoption by many hospitals in Kagawa.



Endo barrier™ virus infection prevention system for endoscopy



Takeshi Tachibana (right)
Section Manager, General Affairs and Human Resources Department, Corporate Center

Tatsuaki Shioiri (left)
Technical Support Department, New Materials Division

Risk Management

Okura Industrial Group offers a variety of products and services to society. We thus bear quality, environmental, safety, and other types of risks. Functions in the head office share roles in analyzing each type of risk and strive to prevent and respond to them. Furthermore, our head office functions and major plants are in Kagawa. This makes it important to prepare for the Nankai Trough Mega Earthquake, which is expected to happen in the near future. Our BCP initiatives include decentralization of manufacturing sites, preparation of relevant regulations, and implementation of emergency drills. One of these initiatives was the relocation of Okura Precut System Co., Ltd. from Showa-cho, Marugame City to Harashimo Industrial Park in Takase-cho, Mitoyo City, aimed at avoiding the risk of damage due to flooding or other disasters.

Information Security

Information security initiatives

Okura Industrial Group is introducing IoT equipment to achieve goals such as promoting DX, on-site environmental measurement, and the visualization of product quality. While this increases convenience, it also leads to a constant increase in information security risk. The Group perceives information security risk as a matter that has a serious impact on business. We are engaged in information security management in accordance with the international standard ISO/IEC 27001, for which a Group company Okura Information System has been certified, and in light of recent trends in cyber-risks and relevant guidelines in Japan and overseas, to prevent issues such as business disruption due to system failure and the leakage of our confidential corporate data or information provided by our business partners and customers.
We also strive to increase security, not only for office information systems but also for control systems at plants, to maintain a stable and safe production system.

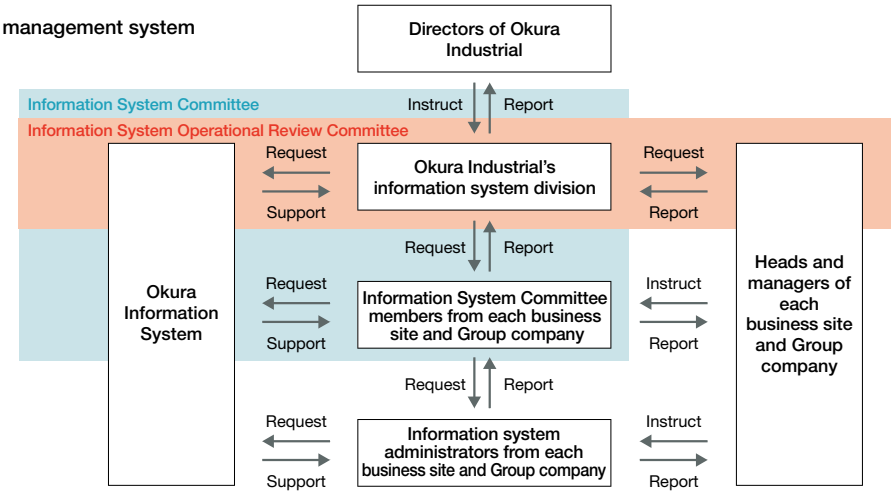
Acquisition of ISO/IEC 27001 certification (Okura Information System)



Information security management system

At Okura Industrial Group, Okura Industrial's information system division, which is responsible for formulating measures relating to information security, promotes initiatives under the guidance of the Directors of Okura Industrial.
This division established the Information System Operational Review Committee, which aims to maintain and improve information security, and the Information System Committee, which aims to share information with each business site and collect opinions, and acts as the administrative office for each committee.
More specifically, the Information System Operational Review Committee is composed of representatives from operational departments of each business division and center. In addition to information security, it deliberates on important ICT projects.
The Information System Committee is composed of members commissioned by each business site and Group company, as well as appointees from Okura Information System. The Information System Committee members support maintenance and improvement operations for information security through cooperation with heads and managers of each business site, the information system administrators responsible for the operation and maintenance of each system, and Okura Information System.

Information security management system



Human aspect

We have established an information security policy and provide e-learning to the subject person to ensure that our employees understand information security and handle information appropriately. In addition, we provide education designed to raise security consciousness, such as information security training for employees at the time of hire, as well as education on handling company-owned cell phones, training on protecting against targeted email attacks, and also share cases of latest malware attacks on the internal bulletin board to raise awareness. We also endeavor to increase the risk sensitivity of employees through measures such as ID management and regular password changes for key information systems and cloud-based systems, administration of the hardware used, and application checks of company-owned computers and cell phones.

Technical aspect

To prevent issues such as the leakage of confidential corporate data and personal information at Group companies and business disruption due to cyber attacks, we have implemented measures including malware countermeasures, the construction of firewalls, Internet communication checks, system access controls, the collection and monitoring of various logbook data, the diagnosis of vulnerabilities in our information system and measures to address these vulnerabilities.
We also strive to strengthen the security of the production site control systems that form the backbone of our corporate activities in the manufacturing industry. We respond and implement countermeasures based on the constantly changing status of cyber risks, to maintain the stability and safety of our production system.

Physical aspect

We have established security zones based on the level of administrative confidentiality. We prevent unauthorized access from inside and outside the Group through measures such as access controls for highly confidential security zones.
In addition, we have implemented robust security countermeasures for our major key information systems and network devices to mitigate the risk of business interruption.

Directors



Representative Director, Chairperson

Kazunori Takahama

Career summary

April	1975	Joined the Company
March	2003	Director
January	2006	Executive Director
March	2009	Representative Director, Senior Executive Director
January	2010	Representative Director, President
March	2018	Representative Director, Chairperson (to present)

Reason for election

Mr. Kazunori Takahama has served as Representative Director, President since 2010, and has served as Representative Director, Chairperson since 2018. He was judged to be able to continue to fulfill his responsibility as a Director based on his extensive experience and insight, and was re-elected to continue to serve in the position.

Attendance at Board of Directors meetings (2023) 14 out of 14 (100%)



Representative Director, President and Chief Operating Officer

Susumu Kanda

Career summary

April	1977	Joined the Company
April	2009	Operating Officer
March	2010	Director; Supervision of Production Group, Plastic Film Division; and Supervision of subsidiary companies; and Manager, Corporate Planning Department, Corporate Center
January	2013	Director; Division President, Plastic Film Division
March	2016	Executive Director; Division President, Plastic Film Division
March	2017	Representative Director, Executive Director; Division President, Plastic Film Division
March	2018	Representative Director, President
March	2020	Representative Director, President and Chief Operating Officer(to present)

Reason for election

Mr. Susumu Kanda had served as Representative Director, President since 2018, and has served as Representative Director, President and Chief Operating Officer since 2020. He was judged to be able to continue to fulfill his responsibility as a Director based on his extensive experience and insight, and was re-elected to continue to serve in the position.

Attendance at Board of Directors meetings (2023) 14 out of 14 (100%)
Attendance at Nomination and Remuneration Committee meetings (2023) 3 out of 3 (100%)



Director, Senior Executive Operating Officer; Division President, Plastic Film Division

Eiji Fukuda

Career summary

April	1993	Joined the Company
January	2007	Representative Director, President, Kyushu Okura Co., Ltd.
April	2009	Operating Officer; Representative Director, President, Kyushu Okura Co., Ltd.
February	2010	Operating Officer; Representative Director, President, Kansai Okura Co., Ltd.
July	2015	Operating Officer; Manager, Planning and Administration Group, Operation Support Department, Plastic Film Division
March	2017	Operating Officer; Manager, Planning and Administration Group, Plastic Film Division; and Manager, Production Management Group
March	2021	Director, Operating Officer; Manager, Accounting Department, Corporate Center
April	2021	Director, Operating Officer; Manager, Finance and Business Administration Department, Corporate Center
January	2023	Director, Operating Officer; Division President, Plastic Film Division
March	2023	Director, Executive Operating Officer; Division President, Plastic Film Division
March	2024	Director, Senior Executive Operating Officer; Division President, Plastic Film Division (to present)

Reason for election

Mr. Eiji Fukuda has served as a Director since 2021 after engaging in several managerial positions in administrative departments under the Plastic Film Division. He was judged to be able to continue to fulfill his responsibility as a Director based on his extensive experience and insight gained in the Plastic Film Division, and was re-elected to continue to serve in the position.

Attendance at Board of Directors meetings (2023) 14 out of 14 (100%)



Director, Executive Operating Officer; Supervision of Corporate Center; and Chairperson of Sustainability Committee

Yoshitomo Tanaka

Career summary

April	1977	Joined the Company
April	2009	Operating Officer; Representative Director, President, Kansai Okura Co., Ltd.
March	2010	Director; Manager, General Affairs Department, Corporate Center
March	2011	Director; Manager, General Affairs Department, Corporate Center; and Supervision of Environment Safety and Quality Assurance; and Supervision of subsidiary companies, Corporate Center
March	2017	Director; Supervision of Corporate Center; and Manager, General Affairs Department
March	2018	Executive Director; Supervision of Corporate Center; and Manager, General Affairs Department
January	2019	Executive Director; Supervision of Corporate Center; and Supervision of CSR/ESG
March	2020	Director, Executive Operating Officer; Supervision of Corporate Center; and Supervision of CSR/ESG
April	2021	Director, Executive Operating Officer; Supervision of General Affairs, Public Relations, Human Resources, Sustainability Promotion and DX Promotion of Corporate Center; and Chairperson of Sustainability Committee
January	2023	Director, Executive Operating Officer; Supervision of Corporate Center; and Manager, Finance and Business Administration Department; and Chairperson of Sustainability Committee
January	2024	Director, Executive Operating Officer; Supervision of Corporate Center; and Chairperson of Sustainability Committee (to present)

Reason for election

Mr. Yoshitomo Tanaka has served as a Director since 2010 after serving as Representative Director, President of the Company's subsidiary. He was judged to be able to continue to fulfill his responsibility as a Director based on his extensive experience and insight as a manager of administrative departments, and was re-elected to continue to serve in the position.

Attendance at Board of Directors meetings (2023) 14 out of 14 (100%)



Director, Senior Operating Officer; Division President, New Materials Division

Tomoo Ueta

Career summary

April	1985	Joined the Company
April	2007	Manager, Business Unit 2, New Materials Division
March	2009	Division President, New Materials Division
March	2010	Operating Officer; Division President, New Materials Division
March	2017	Director; Division President, New Materials Division
March	2020	Director, Operating Officer; Division President, New Materials Division
March	2024	Director, Senior Operating Officer; Division President, New Materials Division (to present)

Reason for election

Mr. Tomoo Ueta has years of experience in production departments under the New Materials Division, and has served as Division President since 2009 and as a Director since 2017. He was judged to be able to continue to fulfill his responsibility as a Director based on his extensive experience and insight gained in the New Materials Division, and was re-elected to continue to serve in the position.

Attendance at Board of Directors meetings (2023) 14 out of 14 (100%)



Independent Outside Director (Audit and Supervisory Committee Member)

Takashi Kitada

Career summary

March	1985	Registered as a Certified Public Accountant
April	1998	Joined Deloitte Touche Tohmatsu (currently, Deloitte Touche Tohmatsu LLC)
July	1999	Partner, Deloitte Touche Tohmatsu (currently, Deloitte Touche Tohmatsu LLC)
October	2014	Established KITADA Takashi CPA Office (to present)
March	2016	Director (Audit and Supervisory Committee Member), the Company (to present)
		Outside Director (Audit and Supervisory Committee Member), FINDEX Inc. (to present)

Reason for election

Although Mr. Takashi Kitada has no experience of being involved in the management of a company other than as an Outside Director, he has been judged to be well versed in auditing, accounting and other corporate practices as a Certified Public Accountant, and has a wide range of experience and insight, and that he will be able to appropriately perform his duties as an Outside Director. For these reasons, he was re-elected to continue to serve in the position. The role that he is expected to fulfill as an Outside Director is to provide advice from a perspective as an expert in auditing and accounting, and based on the knowledge gained from lengthy experience engaged in public accounting practices, to strengthen the checking function of the Company's management and corporate governance. He has served as an Outside Director serving as an Audit and Supervisory Committee Member for eight years, while also serving as Chairperson of the Nomination and Remuneration Committee.

Attendance at Board of Directors meetings (2023) 14 out of 14 (100%)
Attendance at Audit and Supervisory Committee meetings (2023) 12 out of 12 (100%)
Attendance at Nomination and Remuneration Committee meetings (2023) 3 out of 3 (100%)



Director, Full-time Audit and Supervisory Committee Member

Seiji Nagao

Career summary

April	1991	Joined the Company
March	2017	Manager, Accounting Department, Corporate Center
March	2021	Operating Officer; Manager, Internal Audit Office
April	2021	Operating Officer; Manager, Internal Control/ Audit Office
March	2022	Director (Full-time Audit and Supervisory Committee Member) (to present)

Reason for election

Mr. Seiji Nagao has served as a Director since 2022 after his engagement in several managerial positions in the Accounting Department. He was judged to be able to continue to fulfill his responsibility as a Director based on his extensive experience and insight gained in the Accounting Department and the Internal Audit Department, and was re-elected to continue to serve in the position.

Attendance at Board of Directors meetings (2023)	14 out of 14 (100%)
Attendance at Audit and Supervisory Committee meetings (2023)	12 out of 12 (100%)



Independent Outside Director (Audit and Supervisory Committee Member)

Toshio Baba

Career summary

April	1983	Registered as an Attorney
April	1983	Established Baba Law Office (to present)
March	2004	Auditor, the Company
March	2015	Director, the Company
July	2016	Director (Audit and Supervisory Committee Member), the Company (to present)

Reason for election

Although Mr. Toshio Baba has no experience of being involved in the management of a company other than as an Outside Director, he was re-elected as he was judged to be well versed in corporate legal affairs and compliance as an Attorney, and has sufficient insight into corporate management through his law practices, and therefore is able to appropriately perform his duties as an Outside Director. The role that he is expected to fulfill as an Outside Director is to provide advice from a perspective as a legal expert, and based on the knowledge gained from lengthy experience engaged in law practices, to strengthen the checking function of the Company's management and corporate governance. He has served as an Outside Director for nine years and as an Outside Director serving as an Audit and Supervisory Committee Member for eight years, while also serving as a Nomination and Remuneration Committee Member. In addition, he has in the past been an Auditor of the Company.

Attendance at Board of Directors meetings (2023)	14 out of 14 (100%)
Attendance at Audit and Supervisory Committee meetings (2023)	12 out of 12 (100%)
Attendance at Nomination and Remuneration Committee meetings (2023)	3 out of 3 (100%)



Independent Outside Director (Audit and Supervisory Committee Member)

Nae Iijima

Career summary

April	1994	Registered as an Attorney and joined Dojima Law Office
October	2001	Joined Kirkland & Ellis LLP, Washington, D.C. Office, the United States
January	2002	Registered as an Attorney in the state of New York, the United States
September	2002	Returned to Dojima Law Office (currently, Dojima LPC) (to present)
June	2003	Outside Auditor, Navitas CO., LTD. (currently, SiriusVision CO., LTD.)
April	2013	Affiliate Professor of Kyoto University Law School
June	2015	Outside Director, OSAKA Titanium technologies Co., Ltd. (to present)
June	2016	Outside Director (Audit and Supervisory Committee Member), Navitas CO., LTD. (currently, SiriusVision CO., LTD.)
April	2019	Vice Chair, Osaka Bar Association
March	2022	Director (Audit and Supervisory Committee Member), the Company (to present)

Reason for election

Although Ms. Nae Iijima has no experience of being involved in the management of a company other than as an Outside Director, she was re-elected as she was judged to be well versed in corporate law practices and compliance as an Attorney, and has sufficient insight into corporate management through her law practices, and therefore is able to appropriately perform her duties as an Outside Director. The role that she is expected to fulfill as an Outside Director is to provide advice from a perspective as a legal expert, and based on the knowledge gained from lengthy experience engaged in law practices, to strengthen the checking function of the Company's management and corporate governance. She has served as an Outside Director serving as an Audit and Supervisory Committee Member for two years, while also serving as a Nomination and Remuneration Committee Member.

Attendance at Board of Directors meetings (2023)	14 out of 14 (100%)
Attendance at Audit and Supervisory Committee meetings (2023)	12 out of 12 (100%)
Attendance at Nomination and Remuneration Committee meetings (2023)	3 out of 3 (100%)



Independent Outside Director (Audit and Supervisory Committee Member)

Yoichi Watanabe

Career summary

April	1996	Joined Takahashi Tax Accounting Office
December	1999	Registered as a Certified Public Tax Accountant
April	2003	Established Watanabe Yoichi Tax Accounting Office (currently, Bizbrain Tax Accountant Corporation)
July	2020	Vice Chairman, TKC National Federation (to present)
September	2020	Chairman, TKC Shikoku Local Association (to present)
March	2022	Director (Audit and Supervisory Committee Member), the Company (to present)
November	2022	Representative Partner, Bizbrain Tax Accountant Corporation (to present)

Reason for election

Mr. Yoichi Watanabe was judged to be able to appropriately perform his duties as an Outside Director as he is well versed in auditing, accounting, and other corporate practices as a certified public tax accountant and has a wide range of experience and insight, and was re-elected to continue to serve in the position. The role that he is expected to fulfill as an Outside Director is to provide advice from a perspective as a tax expert, and based on the knowledge gained from lengthy experience engaged in tax practices, to strengthen the checking function of the Company's management and corporate governance. He has served as an Outside Director serving as an Audit and Supervisory Committee Member for two years, while also serving as a Nomination and Remuneration Committee Member.

Attendance at Board of Directors meetings (2023)	14 out of 14 (100%)
Attendance at Audit and Supervisory Committee meetings (2023)	12 out of 12 (100%)
Attendance at Nomination and Remuneration Committee meetings (2023)	3 out of 3 (100%)

New



Outside Director (Audit and Supervisory Committee Member)

Shigenori Saito

Career summary

April	1995	Joined Sumitomo Chemical Co., Ltd. (currently, Sumitomo Chemical Company, Limited)
January	2024	General Manager, Corporate Planning Office, Sumitomo Chemical Company, Limited
March	2024	Director (Audit and Supervisory Committee Member), the Company (to present)
April	2024	Executive Officer, General Manager, Corporate Planning Office, Sumitomo Chemical Company, Limited (to present)

Reason for election

Mr. Shigenori Saito has worked for other companies for many years and has a wealth of business experience and knowledge. Therefore, he was judged to be able to appropriately perform his duties as an Outside Director, and was newly elected. The role that he is expected to fulfill as an Outside Director is to provide advice from a unique perspective nurtured in a different corporate culture, and based on his knowledge as a manager of the administrative division of a listed company, to strengthen the checking function of the Company's management and corporate governance.

*A Director serving as an Audit and Supervisory Committee Member Mr. Shigenori Saito was elected to serve in the position at the 104th Annual General Meeting of Shareholders held on March 22, 2024. Therefore, he did not attend any meetings of the Board of Directors or the Audit and Supervisory Committee held in 2023.

Skills Matrix

Okura Industrial Group has formulated Okura Industrial Group Corporate Governance Policy, which stipulates the roles and composition of the Board of Directors and the policy for nominating candidates for Directors.
The Board of Directors appoints Directors with a wealth of experience and exceptional expertise in the areas of “corporate management”, “business strategy and marketing”, “technology, production and development”, “finance and accounting”, “general affairs and public relations, human resources and labor affairs, legal affairs and intellectual property”, and “sustainability” in order to make important management decisions and to conduct proper management oversight. Directors and Outside Directors serving as Audit and Supervisory Committee Members are paid fixed remuneration only and are not eligible for the stock compensation plan. The remuneration system is designed in this way to ensure that their remuneration is not directly affected by corporate performance, thereby securing their independence from the Company’s management.

Category	Name	Gender	Position and Responsibilities in the Company, Qualifications		Areas of Expectation for the Director					
			Position	Responsibilities, Qualifications	Corporate Management	Business Strategy and Marketing	Technology, Production and Development	Finance and Accounting	General Affairs and Public Relations, Human Resources and Labor Affairs, Legal Affairs and Intellectual Property	Sustainability
Inside Directors	Kazunori Takahama	Male	Representative Director, Chairperson		○					
	Susumu Kanda	Male	Representative Director, President and Chief Operating Officer, Nomination and Remuneration Committee Member		○					
	Eiji Fukuda	Male	Director, Senior Executive Operating Officer	Division President, Plastic Film Division		○	○	○		○
	Yoshitomo Tanaka	Male	Director, Executive Operating Officer	Supervision of Corporate Center; and Chairperson of Sustainability Committee				○	○	○
	Tomoo Ueta	Male	Director, Senior Operating Officer	Division President, New Materials Division		○	○	○		○
	Seiji Nagao	Male	Director, Full-time Audit and Supervisory Committee Member					○	○	○
Outside Directors	Takashi Kitada	Male	Independent Outside Director, Audit and Supervisory Committee Member, Nomination and Remuneration Committee Member	Certified Public Accountant				○		○
	Toshio Baba	Male	Independent Outside Director, Audit and Supervisory Committee Member, Nomination and Remuneration Committee Member	Attorney					○	○
	Nae Iijima	Female	Independent Outside Director, Audit and Supervisory Committee Member, Nomination and Remuneration Committee Member	Attorney					○	○
	Yoichi Watanabe	Male	Independent Outside Director, Audit and Supervisory Committee Member, Nomination and Remuneration Committee Member	Certified Public Tax Accountant				○		○
	Shigenori Saito	Male	Outside Director, Audit and Supervisory Committee Member	Executive Officer, General Manager, Corporate Planning Office, Sumitomo Chemical Company, Limited		○				○

*The above table does not indicate all of the knowledge and experiences each Director possesses, but each Director is listed in terms of areas of particular expectation from the Company.

Effectiveness Evaluation of the Board of Directors

Every year, a third-party organization conducts a survey of the Directors, analyzes the results, and discusses the issues identified for the Directors at Board of Directors meetings to ensure that Okura Industrial maintains the effectiveness of its functions.
Self assessment and analysis were conducted as follows under the guidance of the outside organization.
All of the Directors, who compose the ordinary meetings of the Board of Directors, were surveyed in September 2023. To ensure anonymity, the Directors submitted their answers directly to the outside organization. Having received the outside organization’s report on the overall results of the survey, the Board analyzed, discussed, and assessed the results at the regular Board of Directors meeting held in December 2023.
The survey results showed that the Directors consider the Company’s Board of Directors appropriate in terms of composition, roles, and operation, mostly giving positive ratings to the Board’s function of monitoring the Company’s sustainability performance and other operations, as well as to Outside Directors’ performance and other points. Accordingly, we consider that the effectiveness of the Board of Directors as a whole is ensured.
Improvement was apparent regarding more detailed feedback to the Board regarding communications with shareholders and investors, which was identified as an issue in the 2022 survey, with feedback on the status of dialogue provided to the Board each time a dialogue was held. Regarding officer training, which was also identified as an issue, this training was held in December 2023, as planned.
Meanwhile, the Directors shared issues that need to be addressed for the Board to further improve its functions and have more active discussions.
Based on these effectiveness evaluation results, the Company’s Board of Directors will continue to engage in continuous improvement to further revitalize and enhance the work of the Board.

History of the Governance System

Implemented in:	Initiatives
February 2004	Formulated Okura Industrial Basic Management Conception 2004
April 2006	Established Internal Audit Office
April 2008	Established Compliance Committee Introduced an whistleblowing system
April 2009	Introduced an operating officer system
March 2015	Elected an Outside Director
March 2016	Transitioned to a company with an Audit and Supervisory Committee
August 2016	Formulated Okura Industrial Group Corporate Governance Policy
December 2016	Opened Okura Industrial Group Corporate Ethics Hotline

Implemented in:	Initiatives
January 2019	Established CSR Committee Established ESG Promotion Council
March 2020	Introduced a restricted stock remuneration plan
April 2021	Established Sustainability Committee (changed name from CSR Committee and enhanced the sustainability promotion system) Established Sustainability Promotion Department (changed name from ESG Promotion Council and enhanced the sustainability promotion system) Established Internal Control/Audit Office (changed name from Internal Audit Office and enhanced oversight functions)
March 2022	Increased the number of Outside Directors from 4 to 5
April 2022	Established a voluntary Nomination and Remuneration Committee
March 2024	Decreased the number of Directors (excluding Directors serving as Audit and Supervisory Committee Members) from 6 to 5

Message from our Outside Director

I was born in Okinoshima, Shimane, and spent my childhood together with many different animals in a rich natural environment, surrounded by the sea. I graduated university with a degree in agriculture, today, I am a Certified Public Tax Accountant with my own practice in front of the Marugame city hall.



Yoichi Watanabe
Independent Outside Director (Audit and Supervisory Committee Member)

Sustainability since childhood...

My family used to live a self-sufficient life in my childhood. We lived surrounded by nature's bounty, bartering goods with those who lived nearby. We grazed cattle, used the leftovers from our dinner table to feed pigs, drank goats' milk, and raised chickens. Even after moving to Honshu, we still burned wood to heat water for the bath, made charcoal ourselves, mowed the grass and watered the cattle ourselves until elementary school.
At university, I chose biomass (organic resource circulation) as my research theme and worked on using fungi (basidiomycetes) to purify waste liquid from factories, then reusing those fungi as livestock feed.
After I joined the workforce, I worked on the joint development of synthetic materials from natural ingredients at a trading company, and applied for two manufacturing patents.

My role as an Outside Director — accelerating digitalization and tax reform —

At present, digitalization is progressing at a rapid rate in the accounting and taxation industries. Paper-free operations have become the norm, and the shift to electronic accounting ledgers and receipt storage, etc. has become mandatory. The new consumption tax invoice system came into force in 2023, and those businesses affected are being forced to respond.
The 2024 tax reforms, in particular, features an additional tax credit rate for businesses certified under the "Kurumin" (support for balancing work and child rearing) and "Eruboshi" (promotion of female participation and advancement) certification systems, as part of tax measures to promote wage increases. Other reforms have also been adopted that can be applied to Okura Industrial, such as the exclusion of entertainment expenses from deductible losses and an innovation box regime (for intellectual property rights). I will endeavor to highlight the points we need to bear in mind in responding to these changes and reforms to the tax system, propose tax clauses we can apply and utilize in timely manner, and assist in internal controls and corporate development as a member of the Audit and Supervisory Committee.

Continuity and change

Okura Industrial is striving to achieve the management vision "Next10(2030)". As part of this process, we need to implement ESG activities for the future. At the same time, however, we must develop the ability to distinguish the difference between the temporary (things we can change) and the permanent (things we must not change); in other words, we must discern "continuity and change".
We will further support the provision of products and activities that respond to change while striving to coexist with society without altering the company's foundation, such as Okura Industrial's management philosophy of "Respect the Individual", "Contributing to the Society", and "Customers First". To achieve this, we need to create medium- and long-term corporate value. As an Outside Director, I hope to actively participate in this process, not only from the perspective of sustainability but also from financial and management perspectives.
I firmly believe that our activities utilizing ESG-oriented technologies will lead to a future where Okura Industrial is trusted by society. Let's all work together for the future of Okura Industrial!

Financial and Non-Financial Summaries

Financial data	Unit	2014	2015	2016
Net sales	(million yen)	87,539	85,996	86,079
Operating profit	(million yen)	2,100	2,354	4,710
Operating profit margin	(%)	2.3	2.7	5.4
Ordinary profit	(million yen)	1,963	2,326	4,655
Profit attributable to owners of parent	(million yen)	1,759	1,191	2,507
Net assets	(million yen)	37,957	38,739	40,414
Capital expenditures	(million yen)	4,560	2,447	3,066
Research and development expenses	(million yen)	1,126	1,050	948
Equity ratio	(%)	42.7	44.1	49.0
Return on equity (ROE)	(%)	4.7	3.1	6.3
Net debt	(million yen)	22,211	19,707	13,458
Per share (Reverse stock split was implemented in July 2018)				
Net assets	(yen)	636.25	649.46	677.75
Profit	(yen)	29.48	19.98	42.05
Dividends	(yen)	7.50	7.50	10.00

Non-financial data	Unit			
CO_2 emissions (Scope 1 and 2)[*1]	(t-CO_2)	146,734	158,593	156,246
CO_2 emissions (Scope 1 and 2, including overseas)[*2]	(t-CO_2)	-	-	-
CO_2 emissions (logistics)[*3]	(t-CO_2)	6,295	6,090	5,798
Energy usage (converted to crude oil equivalent)[*4]	(kL)	-	61,714	63,081
Waste emissions[*5]	(t)	5,387	7,475	7,249
Water usage (municipal water)[*6]	(m^3)	-	-	-
Number of employees	(persons)	1,931	1,930	1,980
Ratio of female employees (non-consolidated)	(%)	12.8	13.2	13.4
Number of Independent Outside Directors	(persons)	2	2	2
Average length of service (non-consolidated)	(years)	16.2	16.5	16.7
Number of lost-worktime accidents	(cases)	5	11	5

*1 [Periods covered] 2014–2020: From April of each year to March of the following year
2021–2023: From January to December of each year
[Third-party verification] 2021–2023: Audited

[Emission factors] 2014–2020: Figures for Scope 2 emissions are calculated using the basic emission factor for each electricity supplier
2021–2023: Figures for Scope 2 emissions are calculated using the adjusted emission factor for each electricity supplier
[Covered entities] Okura Industrial Co., Ltd., 11 consolidated subsidiaries, and 4 affiliate companies
Okura Hotel Takamatsu: Not included from 2015 to 2017; not included for 2019 and later due to sale

*2 The following information relates to overseas sites only (see *1 for information on sites in Japan)
[Periods covered] 2021–2023: From January to December of each year
[Third-party verification] 2021–2023: Audited

[Emission factors] 2021–2023: Figures for Scope 2 emissions are calculated using IDEA Ver. 3.3
[Covered entities] Wuxi Okura Packing Material Co., Ltd.

2017	2018	2019	2020	2021	2022	2023
90,812	86,260	85,364	80,958	88,420	77,260	78,863
5,789	4,254	3,719	4,286	5,123	3,771	4,956
6.3	4.9	4.3	5.2	5.8	4.9	6.3
5,891	4,366	3,894	4,509	5,531	4,275	5,417
2,720	2,442	2,899	2,865	3,417	3,788	4,315
44,039	43,834	46,441	49,094	52,524	55,591	60,869
5,561	5,846	5,051	3,698	4,673	5,524	11,148
944	1,029	1,060	949	1,047	1,179	1,301
50.3	51.8	55.6	59.4	61.1	61.6	60.7
6.4	5.6	6.4	6.0	6.7	7.0	7.4
10,157	9,043	8,321	5,631	3,312	2,376	1,903
738.79	3,677.39	3,896.47	4,115.91	4,401.20	4,655.71	5,031.25
45.64	204.92	243.35	240.41	286.49	317.45	359.29
13.00	55.00	55.00	60.00	70.00	85.00	110.00
132,409	126,750	118,340	94,814	122,258	121,232	105,282
-	-	-	-	126,193	125,005	108,092
5,634	5,369	5,049	5,033	5,392	5,590	5,008
62,997	62,537	61,836	57,993	59,318	60,285	51,768
7,749	7,220	8,245	6,667	7,262	6,653	6,187
-	-	445,336	347,442	353,972	341,868	325,770
2,027	2,053	2,025	2,005	1,966	1,935	1,904
13.8	13.9	14.8	15.3	16.0	16.0	17.4
2	2	3	3	4	4	4
16.5	16.4	15.7	16.1	16.2	16.5	16.6
7	6	4	1	5	1	2

*3 [Periods covered] 2014–2023: From April of each year to March of the following year
[Accounting method] Calculated based on the Agency for Natural Resources and Energy's Handbook on the Revised Act on Rationalizing Energy Use (For Consignors).
[Covered entities] Okura Industrial

*4 [Periods covered] 2015–2020: From April of each year to March of the following year
2021–2023: From January to December of each year
[Covered entities] Okura Industrial Co., Ltd., 11 consolidated subsidiaries, and 4 affiliate companies
Okura Hotel Takamatsu: Not included from 2015 to 2017; not included for 2019 and later due to sale

*5 [Periods covered] 2014–2021: From January to December of each year
2022–2023: From April of each year to March of the following year
[Covered entities] Okura Industrial Co., Ltd., 11 consolidated subsidiaries, and 4 affiliate companies

*6 [Periods covered] 2019–2021: From April of each year to March of the following year
2022–2023: From January to December of each year
[Third-party verification] 2021–2023: Audited
[Covered entities] Okura Industrial Co., Ltd., 11 consolidated subsidiaries, and 4 affiliate companies



Company Profile

Company Profile

Company name	Okura Industrial Co., Ltd.
Head office	1515 Nakazu-cho, Marugame, Kagawa 763-8508 Japan　Phone: +81-877-56-1111
Representatives	Representative Director, Chairperson　Kazunori Takahama Representative Director, President and Chief Operating Officer　Susumu Kanda
Established	July 11, 1947
Capital	8,619,616,071 yen (as of December 31, 2023)
Number of employees	1,904 (consolidated; as of December 31, 2023)
Businesses	Manufacture and sale of all types of polyethylene products and polypropylene products Manufacture and sale of optical functional films, etc. Manufacture and sale of particleboards, engineered wood boards, engineered plywood, and other products, lumber processing, and housing site development and sale of housing

Business Sites

Corporate Center		1515 Nakazu-cho, Marugame, Kagawa 763-8508 Japan	Phone: +81-877-56-1111
Research & Development Center		1515 Nakazu-cho, Marugame, Kagawa 763-8508 Japan	Phone: +81-877-56-1120
Plastic Film Division	Plastic Film Division	1515 Nakazu-cho, Marugame, Kagawa 763-8508 Japan	Phone: +81-877-56-1150
	Product Development Department	1515 Nakazu-cho, Marugame, Kagawa 763-8508 Japan	Phone: +81-877-56-1124
	Tokyo Branch Office	3-13-2 Higashiikebukuro, Toshima-ku, Tokyo 170-0013 Japan	Phone: +81-3-6912-5041
	Nagoya Branch Office	1-36 Namiuchi-cho, Kita-ku, Nagoya, Aichi 462-0041 Japan	Phone: +81-52-913-5191
	Osaka Branch Office	1-3-10 Nishihonmachi, Nishi-ku, Osaka 550-0005 Japan	Phone: +81-6-6532-3571
	Hiroshima Sales Office	6-8-45 Shoko Center, Nishi-ku, Hiroshima 733-0833 Japan	Phone: +81-82-277-7611
	Shikoku Sales Office	1515 Nakazu-cho, Marugame, Kagawa 763-8508 Japan	Phone: +81-877-56-1155
	Marugame No. 4 Plant	52 Horai-cho, Marugame, Kagawa 763-0062 Japan	Phone: +81-877-24-1717
	Marugame No. 5 Plant	23 Horai-cho, Marugame, Kagawa 763-0062 Japan	Phone: +81-877-25-5800
	Chunan Plant	773-6 Sabumi, Manno-cho, Nakatado-gun, Kagawa 769-0301 Japan	Phone: +81-877-75-6350
New Materials Division	New Materials Division	1515 Nakazu-cho, Marugame, Kagawa 763-8508 Japan	Phone: +81-877-56-1130
	B Building (in Marugame No. 4 Plant)	52 Horai-cho, Marugame, Kagawa 763-0062 Japan	Phone: +81-877-24-2159
	G Building, H Building, and North Building (in Chunan Plant)	773-6 Sabumi, Manno-cho, Nakatado-gun, Kagawa 769-0301 Japan	Phone: +81-877-58-8670
Housing Materials Division	Housing Materials Division	1515 Nakazu-cho, Marugame, Kagawa 763-8508 Japan	Phone: +81-877-56-1258
	Sales Department	1515 Nakazu-cho, Marugame, Kagawa 763-8508 Japan	Phone: +81-877-56-1255
	Takuma Plant	2102-4 Takuma, Takuma-cho, Mitoyo, Kagawa 769-1101 Japan	Phone: +81-875-83-2511

Group Companies

KS Okura Co., Ltd.　Kyushu Okura Co., Ltd.　Saitama Okura Co., Ltd.　Kanto Co., Ltd.　Okura Products Co., Ltd.
Okura Pack Kagawa Co., Ltd.　Union Gravure Co., Ltd.　Okura Precut System Co., Ltd.　Okura House Co., Ltd.
Okura Hotel Co., Ltd.　Okura Information System Co., Ltd.　Taiho Co., Ltd.　O.L.S. Co., Ltd.　Otomo Kasei Co., Ltd.　Okura Sangyo Co., Ltd.
Wuxi Okura Packing Material Co., Ltd.　Unicharm Packaging Material (Tianjin) Co., Ltd.　OKURA VIETNAM CO., LTD.　CHUSAN-Cable Vision Corporation

Stock Information

Status of shares (as of December 31, 2023)

Total number of shares authorized	28,021,600
Total number of shares issued	12,414,870
Number of shareholders	14,362

Directors (as of March 22, 2024)

Representative Director, Chairperson	Kazunori Takahama
Representative Director, President and Chief Operating Officer	Susumu Kanda
Director, Senior Executive Operating Officer	Eiji Fukuda
Director, Executive Operating Officer	Yoshitomo Tanaka
Director, Senior Operating Officer	Tomoo Ueta
Director (Audit and Supervisory Committee Member) *	Takashi Kitada
Director (Full-time Audit and Supervisory Committee Member)	Seiji Nagao
Director (Audit and Supervisory Committee Member) *	Toshio Baba
Director (Audit and Supervisory Committee Member) *	Nae Iijima
Director (Audit and Supervisory Committee Member) *	Yoichi Watanabe
Director (Audit and Supervisory Committee Member) *	Shigenori Saito

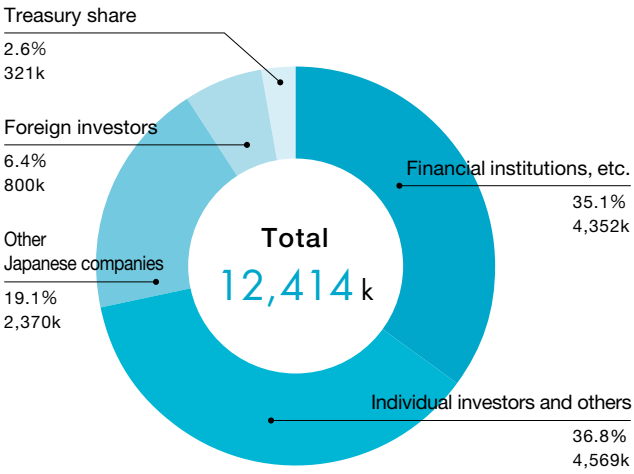
* Outside Directors

Ten major shareholders (as of December 31, 2023)

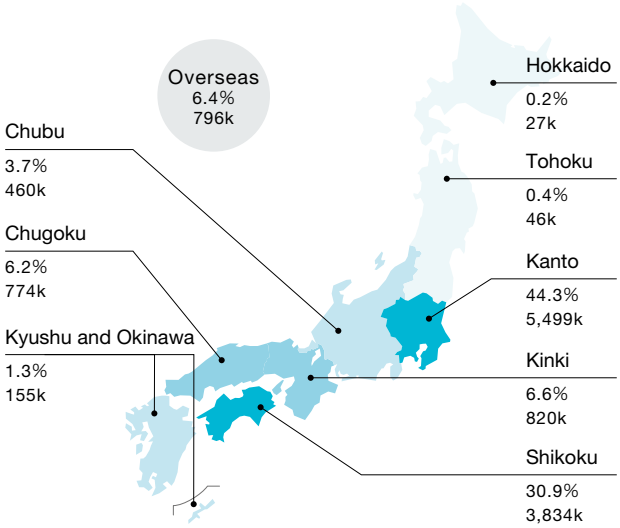
Shareholder's name	Number of shares held	Shareholding ratio
The Master Trust Bank of Japan, Ltd. (trust account)	883k	7.30%
Sumitomo Chemical Company, Limited	819k	6.77%
Okura Kyoeikai Business Association	599k	4.96%
The Chugoku Bank, Ltd.	582k	4.81%
Okura Industrial Employee Stock Ownership Association	420k	3.48%
The Hyakujushi Bank, Ltd.	384k	3.18%
Nippon Life Insurance Company	375k	3.10%
Sumitomo Forestry Co., Ltd.	315k	2.61%
Custody Bank of Japan, Ltd. (trust account)	289k	2.39%
Mitsui Sumitomo Insurance Company, Limited	271k	2.25%

* The Company holds 321,546 shares of treasury stock but is excluded from the list of major shareholders above.
The shareholding ratios are calculated excluding those shares of treasury stock.

Distribution of shareholders by category (as of December 31, 2023)



Distribution of shareholders by region (as of December 31, 2023)



(including 321k shares of treasury stock)

Basic Information for Shareholders

Fiscal year-end	December 31
Annual General Meeting of Shareholders	Held in March of every year
Record date	Record date for voting rights at Annual General Meetings of Shareholders: December 31 (Public notice will be given in advance when otherwise necessary.) Record date for distribution of surplus: December 31 for year-end dividends, June 30 for interim dividends if paid
Shareholder register agent	Sumitomo Mitsui Trust Bank, Limited 1-4-1, Marunouchi, Chiyoda-ku, Tokyo, Japan
Handling office of shareholder register agent	4-5-33, Kitahama, Chuo-ku, Osaka, Japan Stock Transfer Agency Business Planning Dept., Sumitomo Mitsui Trust Bank, Limited
Mailing address	2-8-4, Izumi, Suginami-ku, Tokyo 168-0063 Japan Stock Transfer Agency Business Planning Dept., Sumitomo Mitsui Trust Bank, Limited
For inquiries	Phone: 0120-782-031 (toll-free in Japan) Reception hours: 9:00 to 17:00 (excluding Saturday, Sunday, and national holidays) Brokerage services are available at the headquarters and branches of Sumitomo Mitsui Trust Bank, Limited.
Method of public notice	The Company will make public notices electronically on its corporate website (https://www.okr-ind.co.jp). If an accident or other unavoidable event occurs that prevents the Company from making a public notice electronically, the Company will make a notice on the newspaper The Nikkei.
Listed stock exchange	Prime Market, Tokyo Stock Exchange

OKURA INDUSTRIAL CO., LTD.

https://www.okr-ind.co.jp/



2024.10