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(Securities Code: 1833; Tokyo Stock
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Notice Concerning the Recording of Non-Operating Income (Valuation Gains on Forward Exchange Contracts)

OKUMURA CORPORATION (the “Company”) hereby announces that it expects to recognize non-operating income (valuation gains on forward exchange contracts) in its consolidated financial results for the fiscal year ended March 31, 2026.

1. Recording of non-operating income (valuation gains on forward exchange contracts)

The gains and losses on mark-to-market valuation of the outstanding balance of the said forward exchange contracts as of the last day of each accounting period is as detailed in the table below. In the financial results for the fiscal year ended March 31, 2026, the Company expects to recognize ¥6,156 million under non-operating income in the consolidated statement of income.

(Millions of Yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026			
		First quarter	Second quarter	Third quarter	Fourth quarter
[Last day of each quarterly accounting period] Mark-to-market valuation gains (losses) of consolidated cumulative period	(701)	(1,878)	613	3,987	5,454
Mark-to-market valuation gains (losses) of consolidated accounting period		(1,878)	2,491	3,373	1,467
[Last day of previous consolidated fiscal year] Reversal treatment of mark-to- market valuation gains	-	701	701	701	701
Amount recorded in the consolidated statement of income	(701)	(1,176)	1,315	4,688	6,156

(Note) ISHIKARI BIO ENERGY GODO KAISHA, a consolidated subsidiary of the Company, has entered into long-term forward exchange contracts as a method to hedge the risk of foreign exchange rate fluctuations in fuel purchase transactions during the business period. Previously, the gains and losses on mark-to-market valuation of the outstanding balance of these forward exchange contracts as of the last day of each accounting period were subject to hedge accounting and recorded in “deferred gains or losses on hedges” in the consolidated balance sheet. However, on July 19, 2024, an explosion occurred in the power generation equipment at ISHIKARI BIO ENERGY GODO KAISHA and, as a result, the said subsidiary no longer met the requirements for hedge accounting. Therefore, the Company suspended the application of hedge accounting from the six months ended September 30, 2024 (the interim financial results).

As a result, gains and losses on mark-to-market valuation of the outstanding balance of these forward exchange contracts as of the last day of each accounting period of ISHIKARI BIO ENERGY GODO KAISHA have been recorded as “valuation gains and losses on forward exchange contracts” under non-operating income or non-operating expenses in the consolidated statement of income.

2. Impact on Financial Results

The Company has announced consolidated financial results forecasts for the fiscal year ended March 31, 2026, which reflect the valuation gains on forward exchange contracts described in 1. above.

Please refer to “Notice Concerning the Revision of Financial Results Forecasts and Dividend Forecasts” announced separately today, regarding the revised financial results forecast.

3. Impact on dividends

The Company has decided not to include the valuation gains on forward exchange contracts which are described in 1. above, in the calculation of our payout ratio, in accordance with the Company's shareholder return policy.

Shareholder Return Policy During the Medium-Term Business Plan (FY2025–2027)

Consolidated payout ratio*¹ of 70% or more (Dividend on equity (DOE)*² ratio of 2.0% or more, regardless of business performance)

*1: Consolidated payout ratio = Total annual dividends (interim + year-end) / profit attributable to owners of parent
[Excluding the impact of one-off special factors (valuation gains and losses on forward exchange contracts)]

*2: DOE = Total annual dividends (interim + year-end) / equity

For reasons other than described in 1. above, the Company has revised the dividend forecast. Please refer to “Notice Concerning the Revision of Financial Results Forecasts and Dividend Forecasts” announced separately today, regarding the revised dividend forecasts.