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Consolidated Financial Results for the Year Ended March 31, 2025 (Based on Japanese GAAP)

May 9, 2025

Company name: NAKABAYASHI CO., LTD.

Stock exchange listings: Tokyo

Stock code: 7987 URL: <https://www.nakabayashi.co.jp/>

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Division

Scheduled date of ordinary general meeting of shareholders: June 27, 2025

Scheduled date to file Securities Report: June 27, 2025

Scheduled date to commence dividend payments: June 30, 2025

Preparation of supplementary material on financial results: No

Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	62,767	2.8	1,787	286.4	2,214	120.6	1,995	127.6
March 31, 2024	61,043	(0.9)	462	1.4	1,003	6.9	876	—

(Note) Comprehensive income: Year ended March 31, 2025: ¥1,847 million [1.1%]
Year ended March 31, 2024: ¥1,827 million [—%]

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
Year ended	Yen	Yen	%	%	%
March 31, 2025	72.66	—	7.1	3.9	2.8
March 31, 2024	31.96	—	3.3	1.7	0.8

(Reference) Equity in earnings of affiliates: Year ended March 31, 2025: ¥— million
Year ended March 31, 2024: ¥— million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	56,584	29,377	50.8	1,045.62
March 31, 2024	57,965	28,119	47.3	1,000.15

(Reference) Equity: As of March 31, 2025: ¥28,718 million
As of March 31, 2024: ¥27,440 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	2,791	(396)	(1,971)	7,131
March 31, 2024	1,328	(1,129)	(1,419)	6,687

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2024	—	10.00	—	12.00	22.00	603	68.8	2.2
Year ended March 31, 2025	—	10.00	—	12.00	22.00	604	30.3	2.2
Year ending March 31, 2026 (Forecast)	—	10.00	—	12.00	22.00		33.6	

3. Forecast of consolidated financial results for the year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2025	29,500	1.2	500	11.6	640	9.3	320	(10.1)	11.65
Full year	63,500	1.2	2,540	42.1	3,175	43.4	1,800	(9.8)	65.54

* **Notes**

(1) Significant changes in the scope of consolidation during the period: No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: No

(iii) Changes in accounting estimates: No

(iv) Restatement of prior period financial statements: No

(Note) For details, please refer to “3. Consolidated Financial Statements and Major Notes, (5) Notes to Consolidated Financial Statements, (Notes on Changes in Accounting Policies)” on page 16 of the Accompanying Materials.

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2025	28,794,294 shares	As of March 31, 2024	28,794,294 shares
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(ii) Number of treasury shares at the end of the period

As of March 31, 2025	1,329,004 shares	As of March 31, 2024	1,357,711 shares
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(iii) Average number of shares during the period

Year ended March 31, 2025	27,457,074 shares	Year ended March 31, 2024	27,427,425 shares
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* This financial results report is not subject to the audit by a certificated public accountant or an auditing firm.

* Explanation and other special notes concerning the appropriate use of business performance forecasts

(Cautionary Statement with Respect to Forward-Looking Statements)

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These statements do not purport that the Company pledges to realize such statements. For the assumptions underlying the earnings forecasts and cautions concerning the earnings forecasts, please refer to “1. Overview of Operating Results, (4) Future Outlook” on page 4 of the Accompanying Materials.

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1. Overview of Operating Results

(1) Overview of Operating Results for the Fiscal Year under Review

In the fiscal year under review, the Japanese economy showed a gradual recovery trend with the normalization of socio-economic activities against a backdrop of improved employment and income conditions and increased demand from inbound tourism. At the same time, the external environment remained uncertain due to concerns over the future of Chinese economy, the impact of U.S. policy trends, heightened geopolitical risks of the Middle East region, fluctuations in raw material and energy prices, and unstable movements in financial and capital markets.

The circumstances surrounding the Company group (the “Group”) have necessitated a response to major changes in lifestyles and corporate activities, and under our purpose of “It’s for SMILE,” we are striving to enhance our corporate value by creating valuable products and services that are appropriate for an age of 100-year lifespans.

Under these circumstances, in May 2024 we formulated our fourth medium-term management plan (from April 1, 2024 to March 31, 2027), “Go on going.” In this plan, based on the three basic policies of “reinforce earning capacity,” “promote growth potential,” and “improve shareholder value,” we will work to achieve it mainly by promoting DX, creating product services that capture changing consumption trends, and optimizing the allocation of management resources. In regard to promoting DX, in particular, tangible synergy effects have begun to emerge, such as new orders being received as a result of integrating digital technologies into the existing businesses in each segment.

In addition, the Consumer Communications Business and the Office Appliances Business have been integrated from the fiscal year under review, in order to quickly respond to new lifestyles. Accordingly, reportable segments have been reorganized into the four segments of Business Process Solutions Business, Consumer Communications Business, Energy Business, and Others.

During the fiscal year under review, the Group worked to revise sales prices, reduce manufacturing costs, and review unprofitable businesses among other measures, resulting in net sales of ¥62,767 million, operating profit of ¥1,787 million, and ordinary profit of ¥2,214 million. As a result, profit attributable to owners of parent was ¥1,995 million.

The Group’s operating results for the fiscal year under review are as follows.

Net sales	¥62,767 million	(Up 2.8% year on year)
Operating profit	¥1,787 million	(Up 286.4% year on year)
Ordinary profit	¥2,214 million	(Up 120.6% year on year)
Profit attributable to owners of parent	¥1,995 million	(Up 127.6% year on year)

Operating results by segment are as follows.

(i) Business Process Solutions Business

In BPO services, profit increased year on year due to the selection of unprofitable projects, in-house system development, and orders for testing-related BPO. We will continuously work to strengthen profitability through comprehensive proposals.

On the other hand, although sales of pocket notebooks, envelopes and general printed materials declined year on year due to the impact of the shift away from paper, profit was the same level year on year due to the effect of price revisions.

For paper container-related products, orders for environmentally friendly multi-tiered food boxes such as “JIYUBACO” and paper packaging such as “asueco” are expanding.

Seal-related and label-related products continued to perform well due to the contribution of orders for products with a high unit price, such as goods for the entertainment industry.

In the library solutions, sales remained at the same level as the previous fiscal year in the binding-related business as a result of price revisions despite a decrease in the number of books ordered. In addition, profitability improved due to the steady increase in secured orders for highly specialized projects, such as

outsourcing of library management and support services for moving bookshelves in conjunction with large-scale renovations of facilities.

For graduation album-related products, rationalization was achieved through the integration of manufacturing departments, leading to an improvement in profitability. Going forward, we will seek to expand synergies among the group companies in sales activities.

Consequently, net sales in this business amounted to ¥31,133 million (down 0.2% year on year), while operating profit amounted to ¥873 million (up 55.8% year on year).

(ii) Consumer Communications Business

Sales of products remained strong due to orders from large OEMs, product price revisions, and the synergy effects resulting from the absorption-type mergers with Miyoshi Co., Ltd. (effective January 1, 2024), Revex Co., Ltd. (effective January 1, 2024) and LEAMAN CO., Ltd. (effective March 31, 2024).

In addition, both sales and profits of certificate folders increased due to the success of measures to promote early orders aimed at production leveling. The introduction of calendars for commercial use is progressing, and we will continue to strive for expanding orders.

Sales of shredders continue to face difficult conditions due to a cycle of replacement demand and the shift away from paper. In this environment, we revised prices and focused on expanding sales of devices that crush materials other than paper, including crushers for media such as hard disk drives and solid state drives and universal crushers capable of processing plastics, clothing, etc. This led to an improvement in profitability. In addition, we will further reinforce our earning capacity by expanding maintenance services for large shredders.

Both the sales and profits of e-commerce related products continued to grow. In the office furniture field, sales continued to perform well, partly reflecting the effect of measures to promote repeat sales. In addition, the e-commerce operated by the Company, which offers our own products and online-only products, continued to grow steadily.

In our Meguri-ing business tourist numbers increased amid a backdrop of growing interest in experiential and time-driven consumption, as a result of measures for inbound tourism and travel support, among others. As a result, sales of Goshuin-cho and Gojoin-cho stamp books continued to grow, and demand for stuffed toys for theme parks and souvenir stores also expanded.

In the stuffed toys business overall, orders from large OEM also grew, and going forward, we will actively develop our presence in overseas markets. Consequently, net sales in the business amounted to ¥30,155 million (up 6.5% year on year), while operating profit amounted to ¥1,177 million (up 389.4% year on year).

(iii) Energy Business

Wooden biomass power generation has been operated after adjustment of output in consideration of the woodchip stockpile situation. Solar power generation performed well. Consequently, net sales in this business amounted to ¥1,376 million (down 6.4% year on year), while operating loss amounted to ¥17 million (operating profit of ¥34 million in the previous fiscal year).

(iv) Others

The Vegetable Plant Business and the Garlic Farm Business, etc. posted net sales of ¥102 million (up 48.5% year on year) and operating loss of ¥16 million (operating loss of ¥44 million in the previous fiscal year).

(2) Overview of Financial Position for the Fiscal Year under Review

[Assets]

Current assets decreased by ¥283 million from the end of the previous fiscal year to ¥29,789 million. This was mainly due to a decrease of ¥799 million in notes and accounts receivable - trade, despite an increase of ¥524 million in cash and deposits.

Non-current assets decreased by ¥1,097 million from the end of the previous fiscal year to ¥26,795 million. This was mainly due to decreases of ¥504 million in machinery, equipment and vehicles, ¥376 million in buildings and structures, and ¥298 million in land.

As a result, total assets decreased by ¥1,381 million from the end of the previous fiscal year to ¥56,584 million.

[Liabilities]

Current liabilities decreased by ¥1,838 million from the end of the previous fiscal year to ¥15,829 million. This was mainly due to decreases of ¥939 million in short-term borrowings, ¥332 million in notes and accounts payable - trade, and ¥289 million in accounts payable - other.

Non-current liabilities decreased by ¥801 million from the end of the previous fiscal year to ¥11,377 million. This was mainly due to decreases of ¥403 million in long-term borrowings and ¥200 million in deferred tax liabilities.

As a result, total liabilities decreased by ¥2,639 million from the end of the previous fiscal year to ¥27,206 million.

[Net assets]

Total net assets increased by ¥1,258 million from the end of the previous fiscal year to ¥29,377 million. This was mainly due to a decrease of ¥138 million in remeasurements of defined benefit plans, despite an increase of ¥1,391 million in retained earnings.

As a result, the equity ratio was 50.8%, up 3.5 percentage points from the end of the previous fiscal year.

(3) Overview of Cash Flow for the Fiscal Year under Review

Net cash provided by operating activities amounted to ¥2,791 million (¥1,462 million provided in the previous fiscal year). Broken down, revenue includes profit before income taxes of ¥2,312 million and depreciation of ¥1,600 million, while expenditures include a decrease in trade payables of ¥690 million and an increase in inventories of ¥401 million.

Net cash used in investing activities amounted to ¥396 million (a decrease of ¥732 million from the previous fiscal year). Broken down, revenue includes proceeds from withdrawal of time deposits of ¥1,161 million, while expenditures include payments into time deposits of ¥1,190 million and purchase of property, plant and equipment of ¥845 million.

Net cash used in financing activities amounted to ¥1,971 million (an increase of ¥552 million in the previous fiscal year). Broken down, revenue includes proceeds from long-term borrowings of ¥4,700 million, while expenditures include repayments of long-term borrowings of ¥5,420 million and a net decrease in short-term borrowings of ¥623 million.

As a result, cash and cash equivalents at the end of fiscal year under review increased by ¥444 million from the end of the previous fiscal year to ¥7,131 million.

(4) Future Outlook

Japan's economy is expected to continue to grow at a steady pace, despite a temporary slowdown in personal consumption as a result of high prices, due to an improvement in real wages resulting from progress in wage increases, a pickup in domestic demand, an increase in inbound demand, and a continued expansionary trend in capital investment by companies.

At the same time, there are downside risks such as supply constraints due to labor shortages, deterioration in the trade environment due to changes in U.S. policy, and rising tensions in international affairs, and the outlook remains uncertain.

Under these circumstances, under our purpose of "It's for SMILE," the Group is working to solve social issues and create a new future by deepening the five priority areas set forth in our mission and vision, "Life-related industry," and developing new areas.

Currently in the second year of our fourth medium-term management plan, "Go on going" (from April 1, 2024 to March 31, 2027), we are steadily implementing various measures to reinforce earning capacity, promote growth potential, and improve shareholder value.

The consolidated earnings forecast for the fiscal year ending March 31, 2026 includes net sales of ¥63,500 million (up 1.2% year on year), operating profit of ¥2,540 million (up 42.1% year on year), ordinary profit of ¥3,175 million (up 43.4% year on year), and profit attributable to owners of parent of ¥1,800 million (down 9.8% year on year).

We will continue to reform our business structure and review unprofitable businesses to achieve our goals by integrating existing businesses and digital to increase added value.

2. Basic Concept Regarding Selection of Accounting Standards

Our group intends to prepare consolidated financial statements under Japanese GAAP for the foreseeable future, considering the comparability of consolidated financial statements between periods and between companies.

Regarding the application of IFRS, our policy is to respond appropriately, taking domestic and international conditions into consideration.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	7,214	7,739
Notes and accounts receivable - trade	11,106	10,306
Merchandise and finished goods	6,355	6,625
Work in process	917	993
Raw materials and supplies	1,784	1,853
Other	2,695	2,271
Allowance for doubtful accounts	(0)	(0)
Total current assets	30,073	29,789
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,463	7,086
Machinery, equipment and vehicles, net	4,603	4,098
Land	9,494	9,196
Construction in progress	33	138
Other, net	155	198
Total property, plant and equipment	21,750	20,719
Intangible assets		
Goodwill	13	—
Other	278	249
Total intangible assets	292	249
Investments and other assets		
Investment securities	3,010	3,081
Retirement benefit asset	1,754	1,653
Deferred tax assets	226	298
Other	867	800
Allowance for doubtful accounts	(8)	(6)
Total investments and other assets	5,850	5,826
Total non-current assets	27,892	26,795
Total assets	57,965	56,584

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,632	4,299
Short-term borrowings	6,248	5,308
Accounts payable - other	2,962	2,672
Accrued expenses	429	417
Income taxes payable	458	400
Provision for bonuses	517	669
Other	2,418	2,060
Total current liabilities	17,667	15,829
Non-current liabilities		
Long-term borrowings	8,674	8,270
Retirement benefit liability	2,972	2,784
Deferred tax liabilities	250	50
Other	280	272
Total non-current liabilities	12,178	11,377
Total liabilities	29,846	27,206
Net assets		
Shareholders' equity		
Share capital	6,666	6,666
Capital surplus	8,943	8,944
Retained earnings	10,677	12,068
Treasury shares	(691)	(676)
Total shareholders' equity	25,595	27,003
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,028	1,067
Deferred gains or losses on hedges	56	(44)
Foreign currency translation adjustment	149	219
Remeasurements of defined benefit plans	610	472
Total accumulated other comprehensive income	1,844	1,714
Non-controlling interests	678	659
Total net assets	28,119	29,377
Total liabilities and net assets	57,965	56,584

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	61,043	62,767
Cost of sales	46,327	47,130
Gross profit	14,715	15,637
Selling, general and administrative expenses		
Freight and packing costs	2,463	2,372
Advertising and promotion expenses	922	871
Remuneration for directors (and other officers)	332	310
Salaries, allowances and bonuses	5,423	5,312
Provision for bonuses	297	384
Retirement benefit expenses	200	147
Welfare expenses	1,073	1,067
Travel and transportation expenses	238	249
Communication expenses	248	249
Rent expenses	586	518
Provision of allowance for doubtful accounts	—	1
Depreciation	296	296
Other	2,168	2,068
Total selling, general and administrative expenses	14,252	13,849
Operating profit	462	1,787
Non-operating income		
Rental income	173	160
Dividend income	87	93
Insurance claim income	170	113
Other	273	248
Total non-operating income	705	615
Non-operating expenses		
Interest expenses	85	94
Miscellaneous expenses of assets for rent	42	39
Foreign exchange losses	—	29
Other	35	24
Total non-operating expenses	164	188
Ordinary profit	1,003	2,214

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Extraordinary income		
Gain on sale of non-current assets	247	159
Gain on sale of investment securities	478	—
Subsidy income	—	40
Total extraordinary income	725	200
Extraordinary losses		
Loss on disposal of non-current assets	18	10
Impairment losses	144	74
Loss on sale of investment securities	3	—
Loss on valuation of investment securities	—	4
Loss on valuation of shares of subsidiaries and associates	—	11
Total extraordinary losses	166	102
Profit before income taxes	1,562	2,312
Income taxes - current	624	560
Income taxes - deferred	59	(226)
Total income taxes	684	333
Profit	878	1,978
Profit (loss) attributable to non-controlling interests	1	(16)
Profit attributable to owners of parent	876	1,995

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	878	1,978
Other comprehensive income		
Valuation difference on available-for-sale securities	180	39
Deferred gains or losses on hedges	46	(100)
Foreign currency translation adjustment	32	70
Remeasurements of defined benefit plans, net of tax	689	(140)
Total other comprehensive income	949	(131)
Comprehensive income	1,827	1,847
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,824	1,865
Comprehensive income attributable to non-controlling interests	3	(17)

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,666	8,943	10,404	(706)	25,307
Changes during period					
Dividends of surplus			(603)		(603)
Profit attributable to owners of parent			876		876
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(0)		16	15
Net changes in items other than shareholders' equity					
Total changes during period	—	(0)	273	15	288
Balance at end of period	6,666	8,943	10,677	(691)	25,595

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	847	9	116	(76)	897	677	26,881
Changes during period							
Dividends of surplus							(603)
Profit attributable to owners of parent							876
Purchase of treasury shares							(0)
Disposal of treasury shares							15
Net changes in items other than shareholders' equity	180	46	32	687	947	1	949
Total changes during period	180	46	32	687	947	1	1,238
Balance at end of period	1,028	56	149	610	1,844	678	28,119

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,666	8,943	10,677	(691)	25,595
Changes during period					
Dividends of surplus			(603)		(603)
Profit attributable to owners of parent			1,995		1,995
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		1		15	16
Net changes in items other than shareholders' equity					
Total changes during period	—	1	1,391	14	1,407
Balance at end of period	6,666	8,944	12,068	(676)	27,003

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,028	56	149	610	1,844	678	28,119
Changes during period							
Dividends of surplus							(603)
Profit attributable to owners of parent							1,995
Purchase of treasury shares							(0)
Disposal of treasury shares							16
Net changes in items other than shareholders' equity	39	(100)	70	(138)	(129)	(19)	(149)
Total changes during period	39	(100)	70	(138)	(129)	(19)	1,258
Balance at end of period	1,067	(44)	219	472	1,714	659	29,377

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	1,562	2,312
Depreciation	1,680	1,600
Impairment losses	144	74
Amortization of goodwill	94	13
Increase (decrease) in allowance for doubtful accounts	(1)	(1)
Increase (decrease) in provision for bonuses	(52)	151
Increase (decrease) in retirement benefit liability	(173)	(285)
Loss (gain) on disposal of non-current assets	(228)	(148)
Loss (gain) on sale of investment securities	(474)	—
Loss (gain) on valuation of investment securities	—	4
Loss on valuation of shares of subsidiaries and associates	—	11
Interest and dividend income	(100)	(135)
Interest expenses	85	94
Subsidy income	—	(40)
Decrease (increase) in trade receivables	(959)	1,378
Decrease (increase) in inventories	(110)	(401)
Increase (decrease) in trade payables	(69)	(690)
Increase (decrease) in accrued consumption taxes	97	87
Other, net	261	(705)
Subtotal	1,756	3,322
Interest and dividends received	99	135
Interest paid	(82)	(92)
Income taxes paid	(443)	(574)
Net cash provided by (used in) operating activities	1,328	2,791
Cash flows from investing activities		
Payments into time deposits	(925)	(1,190)
Proceeds from withdrawal of time deposits	409	1,161
Purchase of property, plant and equipment	(1,669)	(845)
Proceeds from sale of property, plant and equipment	629	449
Purchase of intangible assets	(110)	(27)
Purchase of investment securities	(6)	(8)
Proceeds from sale of investment securities	564	—
Net decrease (increase) in short-term loans receivable	(23)	5
Long-term loan advances	—	(40)
Proceeds from collection of long-term loans receivable	15	55
Proceeds from sale of shares of subsidiaries	—	0
Subsidy income	—	40
Other, net	(12)	1
Net cash provided by (used in) investing activities	(1,129)	(396)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(509)	(623)
Proceeds from long-term borrowings	4,890	4,700
Repayments of long-term borrowings	(5,143)	(5,420)
Purchase of treasury shares	(0)	(0)
Dividends paid	(601)	(602)
Other, net	(53)	(25)
Net cash provided by (used in) financing activities	(1,419)	(1,971)
Effect of exchange rate change on cash and cash equivalents	36	21
Net increase (decrease) in cash and cash equivalents	(1,183)	444
Cash and cash equivalents at beginning of period	7,870	6,687
Cash and cash equivalents at end of period	6,687	7,131

(5) Notes to Consolidated Financial Statements

(Notes on the Going Concern Assumption)

Not applicable.

(Notes on Changes in Accounting Policies)

Application of the “Accounting Standard for Current Income Taxes” and other relevant ASBJ regulations

The Company has applied the “Accounting Standard for Current Income Taxes” (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the “Revised Accounting Standard of 2022”) and other relevant ASBJ regulations from the beginning of the fiscal year under review.

Revisions regarding the classification of income taxes (taxation on other comprehensive income) are in accordance with the transitional treatment stipulated in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and the transitional treatment prescribed in the proviso of paragraph 65-2 (2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; the “Revised Application Guidance of 2022”).

This change in accounting policies has no impact on the consolidated financial statements.

In addition, the Company has applied the Revised Application Guidance of 2022 related to the revision of the treatment in consolidated financial statements of the deferral for tax purposes of gains or losses on sale of investments in subsidiaries among consolidated companies from the beginning of the fiscal year under review. This change in accounting policies has been applied retrospectively, and the consolidated financial statements for the previous fiscal year have been prepared on a retrospective basis. This change in accounting policies did not have an impact on the consolidated financial statements for the previous fiscal year.

(Notes on Segment Information)

1. Overview of Reportable Segments

The reportable segments of the Company are those constituent units of the Company for which separate financial information can be obtained and which are subject to periodic review by the Board of Directors for the purpose of making decisions on the allocation of management resources and evaluating performance.

The Consumer Communications Business and the Office Appliances Business have been integrated from the fiscal year under review, in order to quickly respond to new lifestyles. Accordingly, reportable segments have been changed to the four categories of Business Process Solutions Business, Consumer Communications Business, Energy Business, and Others.

Segment information for the previous fiscal year is disclosed based on the reporting segment classification after the change.

The Company has established in-house companies and consolidated subsidiaries specific to its products and services. Each in-house company and consolidated subsidiary establishes comprehensive domestic and overseas strategies and engages in business activities for the products and services it handles.

Accordingly, the Company is composed of segments separated by products and services and based on its in-house companies and consolidated subsidiaries. Its three reportable segments are the Business Process Solutions Business, Consumer Communications Business, and Energy Business.

The Business Process Solutions Business engages in printing, data printing, binding, and other BPO services; library solutions; data printing services; the manufacture and sale of pocket notebooks, etc.; and staffing services. The Consumer Communications Business engages in the manufacture and sale of products including notebooks, albums, files, storage and organization products, gadget peripheral goods, printer paper, child seats, shredders, binding equipment, electronic medical record wagons, drip stands, etc.; sale of office furniture, wooden furniture, etc.; and recycling of used paper. The Energy Business engages in wooden biomass power generation and solar power generation.

2. Methods of Calculating Net Sales, Profit or Loss, Assets, Liabilities, and Other Items by Reportable Segment

Inter-segment revenues and transfers for reported business segments are based on prevailing market prices and other factors.

3. Information Concerning Monetary Amounts for Net Sales, Profit or Loss, Assets, Liabilities, and Other Items by Reportable Segment

Previous fiscal year (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segment				Others (Note) 1	Total	Adjusted amount (Notes) 2, 3	Amount on consolidated financial statements (Note) 4
	Business Process Solutions Business	Consumer Communications Business	Energy Business	Total				
Net sales								
Net sales to external customers	31,188	28,314	1,471	60,974	69	61,043	—	61,043
Inter-segment net sales or transfers	1,624	372	—	1,997	19	2,016	(2,016)	—
Total	32,813	28,686	1,471	62,971	88	63,059	(2,016)	61,043
Segment profit (loss)	560	240	34	835	(44)	791	(328)	462
Segment assets	27,420	24,709	2,789	54,918	73	54,992	2,973	57,965
Other items								
Depreciation	928	346	254	1,529	1	1,531	149	1,680
Amortization of goodwill	15	78	—	94	—	94	—	94
Increased amount of property, plant and equipment and Intangible assets	1,446	253	39	1,739	1	1,741	14	1,755

- Notes
1. The “Others” category is business segments not included in the reportable segments, including the Vegetable Plant Business and the Garlic Farm Business.
 2. Adjusted amount of (¥328 million) for segment profit (loss) includes inter-segment transaction eliminations of ¥135 million, an adjustment of ¥0 million for inventories, and company-wide expenses of (¥464 million) that are not allocated to reportable segments. Company-wide expenses are primarily selling, general and administrative expenses that do not belong to reportable segments.
 3. Adjusted amount of ¥2,973 million for assets include inter-segment transaction eliminations of (¥3,154 million), company-wide assets of ¥6,132 million not allocated to reportable segments, and an adjustment of (¥3 million) for inventories. Company-wide assets are primarily surplus operating funds (cash and short-term loans receivable), long-term investment funds (investment securities), assets related to administrative departments, and other assets that do not belong to reportable segments.
 4. Segment profit or loss is adjusted for operating profit on consolidated statements of income.

Fiscal year under review (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segment				Others (Note) 1	Total	Adjusted amount (Notes) 2, 3	Amount on consolidated financial statements (Note) 4
	Business Process Solutions Business	Consumer Communications Business	Energy Business	Total				
Net sales								
Net sales to external customers	31,133	30,155	1,376	62,665	102	62,767	—	62,767
Inter-segment net sales or transfers	1,870	503	—	2,373	14	2,388	(2,388)	—
Total	33,004	30,658	1,376	65,039	117	65,156	(2,388)	62,767
Segment profit (loss)	873	1,177	(17)	2,033	(16)	2,016	(229)	1,787
Segment assets	25,749	25,030	2,494	53,274	46	53,321	3,263	56,584
Other items								
Depreciation	879	314	255	1,449	2	1,452	148	1,600
Amortization of goodwill	3	9	—	13	—	13	—	13
Increased amount of property, plant and equipment and Intangible assets	757	183	0	941	0	941	4	945

- Notes
1. The “Others” category is business segments not included in the reportable segments, including the Vegetable Plant Business and the Garlic Farm Business.
 2. Adjusted amount of (¥229 million) for segment profit (loss) includes inter-segment transaction eliminations of ¥122 million, an adjustment of (¥0 million) for inventories, and company-wide expenses of (¥351 million) that are not allocated to reportable segments. Company-wide expenses are primarily selling, general and administrative expenses that do not belong to reportable segments.
 3. Adjusted amount of ¥3,263 million for segment assets include inter-segment transaction eliminations of (¥2,949 million), company-wide assets of ¥6,216 million not allocated to reportable segments, and an adjustment of (¥4 million) for inventories. Company-wide assets are primarily surplus operating funds (cash and short-term loans receivable), long-term investment funds (investment securities), assets related to administrative departments, and other assets that do not belong to reportable segments.
 4. Segment profit or loss is adjusted for operating profit on consolidated statements of income.

4. Impairment Losses on Non-current Assets by Reportable Segment

Previous fiscal year (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segment				Others	Company- wide/elimination	Total
	Business Process Solutions Business	Consumer Communications Business	Energy Business	Total			
Impairment losses	50	—	—	50	—	93	144

- Note
1. The amount in “Company-wide/elimination” represents the impairment losses on the Company’s recreation facilities.

Fiscal year under review (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segment				Others	Company- wide/elimination	Total
	Business Process Solutions Business	Consumer Communications Business	Energy Business	Total			
Impairment losses	—	74	—	74	—	—	74

(Notes on Per-Share information)

(Yen)

	Previous fiscal year (April 1, 2023 to March 31, 2024)	Fiscal year under review (April 1, 2024 to March 31, 2025)
Net assets per share	1,000.15	1,045.62
Earnings per share	31.96	72.66

Notes 1. As there were no dilutive shares, potentially diluted earnings per share is not stated.

2. The basis for calculation of earnings per share is as follows.

	Previous fiscal year (April 1, 2023 to March 31, 2024)	Fiscal year under review (April 1, 2024 to March 31, 2025)
Earnings per share		
Profit attributable to owners of parent (Millions of Yen)	876	1,995
Amount not attributable to common stock (Millions of Yen)	—	—
Profit attributable to owners of parent attributable to common shares (Millions of Yen)	876	1,995
Average number of shares of common stock outstanding during the period (Thousands of shares)	27,427	27,457

3. The basis for calculation of net assets per share is as follows.

	Previous fiscal year (As of March 31, 2024)	Fiscal year under review (As of March 31, 2025)
Total Net assets (Millions of Yen)	28,119	29,377
Amount deducted from total Net assets (Millions of Yen)	678	659
[of the above, non-controlling interests] (Millions of Yen)	[678]	[659]
Net assets at the end of the fiscal year attributable to common shares (Millions of Yen)	27,440	28,718
Number of common shares at the end of the fiscal year used in calculation of net assets per share (Thousands of shares)	27,436	27,465

(Significant Subsequent Events)

Not applicable.

4. Others

Not applicable.