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Consolidated Financial Results for the Nine Months Ended December 31, 2025 (Based on Japanese GAAP)

February 6, 2026

Company name: NAKABAYASHI CO., LTD.

Stock exchange listings: Tokyo

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

Representative: President and Representative Director Kazuyoshi Nakabayashi

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Division

Scheduled date to commence dividend payments: –

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 nine months ended December 31, 2025 (from April 1, 2025 to December 31, 2025)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
December 31, 2025	44,397	(3.6)	1,645	78.4	1,931	63.4	881	10.0
December 31, 2024	46,035	3.8	921	–	1,181	–	801	385.9

(Note) Comprehensive income: Nine months ended December 31, 2025: ¥683 million [(16.4)%]
Nine months ended December 31, 2024: ¥817 million [339.0%]

	Earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2025	32.18	–
December 31, 2024	29.20	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
December 31, 2025	54,873	29,267	53.1
March 31, 2025	56,584	29,377	50.8

(Reference) Equity: As of December 31, 2025: ¥29,118 million
As of March 31, 2025: ¥28,718 million

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2025	–	10.00	–	12.00	22.00
Year ending March 31, 2026	–	10.00	–		
Year ending March 31, 2026 (Forecast)				12.00	22.00

(Note) Revisions of dividend forecasts from recently announced figures: No

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
Full year	63,500	1.2	2,540	42.1	3,175	43.4	1,800	(9.8)	65.84

(Note) Revisions of forecasts of financial results from recently announced figures: No

* **Notes**

(1) Significant changes in the scope of consolidation during the nine months ended December 31, 2025: Yes

Newly included: - companies (Company name)

Excluded: 1 company (NB Nakabayashi Co., Ltd.)

(Note) NB Nakabayashi Co., Ltd., a consolidated subsidiary, was liquidated as of June 3, 2025, and has therefore been excluded from the scope of consolidation.

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

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

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of December 31, 2025	28,794,294 shares	As of March 31, 2025	28,794,294 shares
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Number of treasury shares at the end of the period

As of December 31, 2025	1,670,087 shares	As of March 31, 2025	1,329,004 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2025	27,404,657 shares	Nine months ended December 31, 2024	27,454,582 shares
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* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an auditing firm: No

* 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, (3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Information” on page 4 of the Accompanying Materials.

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1. Overview of Operating Results

(1) Overview of Operating Results for the Period under Review

During the first nine months under review, the Japanese economy showed a gradual recovery trend, backed by an improvement in the employment and income environment and steady capital investment. Although demand for inbound travel to Japan remained generally firm, the degree of recovery by country and region varied, and trends in East Asia, including China, were particularly susceptible to changes in the trade and diplomatic environment and other factors. On the other hand, uncertainty in the economic outlook continues due to the impact of the U.S. trade policy, rising geopolitical risks primarily concerning Ukraine and the Middle East, logistics disruptions, and the effects of resource prices and exchange rate fluctuations.

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.

Net sales of the Group for the nine months under review amounted to ¥44,397 million. Continuing on with initiatives from the previous fiscal year, we sought to win orders based on profitability and profit margins. Our efforts in cost-cutting and the effect of price revisions also contributed to operating profit of ¥1,645 million and ordinary profit of ¥1,931 million. Extraordinary income totaled ¥422 million, which includes ¥205 million of gain on sale of investment securities and ¥174 million of gain on reversal of foreign currency translation adjustment due to the completion of liquidation of NB Nakabayashi Co., Ltd. Extraordinary losses totaled ¥1,233 million, which includes ¥1,229 million of impairment losses on non-current assets related to wooden biomass power generation.

As a result, profit attributable to owners of parent was ¥881 million.

The Group’s operating results for the nine months under review are as follows.

Net sales	¥44,397 million	(Down 3.6% year on year)
Operating profit	¥1,645 million	(Up 78.4% year on year)
Ordinary profit	¥1,931 million	(Up 63.4% year on year)
Profit attributable to owners of parent	¥881 million	(Up 10.0% year on year)

Operating results by segment are as follows.

(i) Business Process Solutions Business

In BPO services, although there was a decrease in the value of orders received due to intensified bidding competition, this was offset by large projects and stable new contracts, resulting in an overall increase in profit. In addition, our selection of projects based on profitability and the shift to in-house system development were successful, contributing to improved profitability.

In the area of pocket notebooks, envelopes, and general printed materials, in addition to price revisions for pocket notebooks, new orders for highly creative products with a high gross margin linked with DX and an increase in orders for paper multi-tiered food boxes made of environmentally friendly packaging materials led to an increase in profit.

Seal-related and label-related products continued to perform well due to increased sales of labels, mainly for medical applications, and improved profit margins resulting from price revisions, in-house production, and productivity improvements.

In the library solutions, sales and profits increased and the business performed steadily due to an increase in outsourcing of library management and securing orders for highly specialized projects, such as support for moving bookshelves in conjunction with renovations of facilities. In the binding business, we will review binding specifications and work to reduce production costs by improving efficiency in order to expand the profit margin.

For graduation album-related products, the cost ratio improved as a result of the integration of manufacturing departments implemented in the previous fiscal year.

Consequently, net sales in this business amounted to ¥21,766 million (down 5.9% year on year), and operating profit amounted to ¥520 million (up 7.1% year on year).

(ii) Consumer Communications Business

In product sales, while the surge in demand for security and disaster prevention goods have normalized, sales remained steady due to an increase in large OEM orders for child safety seats and other products, and sales leveraging price competitiveness in the EC channel. In gadget peripheral goods, the profit margin improved due to price revisions and renewals.

In the office furniture field, sales increased due to price revisions and deliveries to a large theme park, and profits also increased significantly by reducing transportation costs through reviewing the composition of carriers. In addition, measures have been implemented to acquire new customers and improve the repeat rate and sales per customer through optimization of advertising expenses. These measures are gradually beginning to produce results.

Profitability of e-commerce related products improved through more efficient site operations. The e-commerce development of Nakabayashi's own products is also growing steadily.

In the stuffed toys business, products for theme parks in Europe and the U.S. performed well, and we are promoting the expansion of sales channels to Europe, the U.S., Southeast Asia, and the Middle East, while also focusing on our existing markets in Hong Kong and China.

Consequently, net sales in this business amounted to ¥21,571 million (down 0.7% year on year), and operating profit amounted to ¥1,207 million (up 81.6% year on year).

(iii) Energy Business

Wooden biomass power generation has been operated while making adjustment of output in line with the woodchip stockpile situation. Solar power generation performed well.

Consequently, net sales in this business amounted to ¥969 million (down 12.1% year on year), and operating profit amounted to ¥12 million (down 41.6% year on year).

(iv) Others

The Vegetable Plant Business and the Garlic Farm Business, etc. posted net sales of ¥90 million (up 16.4% year on year) and operating profit of ¥21 million (operating loss of ¥9 million in the same period of the previous fiscal year).

(2) Overview of Financial Position for the Period under Review

(Assets)

Current assets decreased by ¥647 million from the end of the previous fiscal year to ¥29,142 million. This was mainly due to decreases of ¥1,493 million in cash and deposits and ¥909 million in notes and accounts receivable - trade, despite increases of ¥1,172 million in merchandise and finished goods, and ¥356 million in work in process.

Non-current assets decreased by ¥1,063 million from the end of the previous fiscal year to ¥25,731 million. This was mainly due to decreases of ¥655 million in machinery, equipment and vehicles and ¥621 million in buildings and structures.

As a result, total assets as of December 31, 2025 decreased by ¥1,710 million from the end of the previous fiscal year to ¥54,873 million.

(Liabilities)

Current liabilities decreased by ¥891 million from the end of the previous fiscal year to ¥14,938 million. This was mainly due to decreases of ¥692 million in short-term borrowings and ¥440 million in notes and accounts payable - trade.

Non-current liabilities decreased by ¥709 million from the end of the previous fiscal year to ¥10,668 million. This was mainly due to a decrease of ¥1,318 million in long-term borrowings.

As a result, total liabilities as of December 31, 2025 decreased by ¥1,600 million from the end of the previous fiscal year to ¥25,606 million.

(Net assets)

Total net assets decreased by ¥110 million from the end of the previous fiscal year to ¥29,267 million. This was mainly due to a decrease of ¥510 million in non-controlling interests, despite an increase of ¥398 million in valuation difference on available-for-sale securities.

As a result, the equity ratio as of December 31, 2025 was 53.1%, up 2.3 percentage points from the end of the previous fiscal year.

(3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Information

We have not changed our earnings forecasts since the announcement we made on May 9, 2025.

2. Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	7,739	6,245
Notes and accounts receivable - trade	10,306	9,397
Merchandise and finished goods	6,625	7,798
Work in process	993	1,349
Raw materials and supplies	1,853	1,894
Other	2,271	2,457
Allowance for doubtful accounts	(0)	(1)
Total current assets	29,789	29,142
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,086	6,465
Machinery, equipment and vehicles, net	4,098	3,442
Land	9,196	9,082
Construction in progress	138	45
Other, net	198	190
Total property, plant and equipment	20,719	19,227
Intangible assets		
Other	249	215
Total intangible assets	249	215
Investments and other assets		
Investment securities	3,081	3,617
Retirement benefit asset	1,653	1,707
Deferred tax assets	298	201
Other	800	770
Allowance for doubtful accounts	(6)	(8)
Total investments and other assets	5,826	6,288
Total non-current assets	26,795	25,731
Total assets	56,584	54,873

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,299	3,859
Short-term borrowings	5,308	4,616
Accounts payable - other	2,672	2,684
Accrued expenses	417	416
Income taxes payable	400	207
Provision for bonuses	669	372
Other	2,060	2,780
Total current liabilities	15,829	14,938
Non-current liabilities		
Long-term borrowings	8,270	6,952
Retirement benefit liability	2,784	2,679
Deferred tax liabilities	50	432
Other	272	604
Total non-current liabilities	11,377	10,668
Total liabilities	27,206	25,606
Net assets		
Shareholders' equity		
Share capital	6,666	6,666
Capital surplus	8,944	8,944
Retained earnings	12,068	12,346
Treasury shares	(676)	(865)
Total shareholders' equity	27,003	27,091
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,067	1,465
Deferred gains or losses on hedges	(44)	65
Foreign currency translation adjustment	219	39
Remeasurements of defined benefit plans	472	455
Total accumulated other comprehensive income	1,714	2,026
Non-controlling interests	659	149
Total net assets	29,377	29,267
Total liabilities and net assets	56,584	54,873

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

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Net sales	46,035	44,397
Cost of sales	34,712	32,808
Gross profit	11,322	11,588
Selling, general and administrative expenses	10,401	9,943
Operating profit	921	1,645
Non-operating income		
Rental income	122	105
Dividend income	92	97
Insurance claim income	82	74
Other	149	140
Total non-operating income	447	417
Non-operating expenses		
Interest expenses	68	75
Miscellaneous expenses of assets for rent	30	30
Provision of allowance for doubtful accounts	40	0
Other	48	25
Total non-operating expenses	187	131
Ordinary profit	1,181	1,931
Extraordinary income		
Gain on sale of non-current assets	126	42
Gain on sale of investment securities	-	205
Gain on reversal of foreign currency translation adjustment	-	174
Total extraordinary income	126	422
Extraordinary losses		
Loss on disposal of non-current assets	2	4
Impairment losses	74	1,229
Loss on sale of investment securities	-	0
Loss on valuation of investment securities	4	-
Loss on valuation of shares of subsidiaries and associates	11	-
Provision for loss on business of subsidiaries and associates	14	-
Total extraordinary losses	107	1,233
Profit before income taxes	1,200	1,119
Income taxes - current	388	421
Income taxes - deferred	11	325
Total income taxes	400	747
Profit	799	371
Loss attributable to non-controlling interests	(1)	(509)
Profit attributable to owners of parent	801	881

Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Profit	799	371
Other comprehensive income		
Valuation difference on available-for-sale securities	19	398
Deferred gains or losses on hedges	18	109
Foreign currency translation adjustment	19	(180)
Remeasurements of defined benefit plans, net of tax	(38)	(16)
Total other comprehensive income	18	311
Comprehensive income	817	683
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	819	1,193
Comprehensive income attributable to non-controlling interests	(1)	(510)

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on Segment Information)

Nine months ended December 31, 2024 (April 1, 2024 to December 31, 2024)

1. Information Concerning Monetary Amounts for Net Sales, and Profit or Loss by Reportable Segment

(Millions of yen)

	Reportable segment				Others (Note) 1	Total	Adjusted amount (Note) 2	Amount on quarterly consolidated statements of income (Note) 3
	Business Process Solutions Business	Consumer Communications Business	Energy Business	Total				
Net sales								
Net sales to external customers	23,131	21,723	1,102	45,957	77	46,035	–	46,035
Inter-segment net sales or transfers	1,424	296	–	1,721	9	1,731	(1,731)	–
Total	24,556	22,020	1,102	47,679	87	47,766	(1,731)	46,035
Segment profit (loss)	485	664	21	1,172	(9)	1,163	(241)	921

- 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 (¥241 million) for segment profit (loss) includes inter-segment transaction eliminations of ¥87 million, an adjustment of ¥3 million for inventories, and company-wide expenses of (¥332 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. Segment profit (loss) is adjusted for operating profit on the quarterly consolidated statements of income.

2. Impairment Losses on Non-current Assets or Goodwill, etc. by Reportable Segment

(Significant impairment losses related to non-current assets)

(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

Nine months ended December 31, 2025 (April 1, 2025 to December 31, 2025)

1. Information Concerning Monetary Amounts for Net Sales, and Profit or Loss by Reportable Segment

(Millions of yen)

	Reportable segment				Others (Note) 1	Total	Adjusted amount (Note) 2	Amount on quarterly consolidated statements of income (Note) 3
	Business Process Solutions Business	Consumer Communications Business	Energy Business	Total				
Net sales								
Net sales to external customers	21,766	21,571	969	44,307	90	44,397	–	44,397
Inter-segment net sales or transfers	1,247	400	–	1,647	9	1,656	(1,656)	–
Total	23,013	21,971	969	45,954	99	46,053	(1,656)	44,397
Segment profit (loss)	520	1,207	12	1,740	21	1,761	(116)	1,645

- 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 (¥116 million) for segment profit (loss) includes inter-segment transaction eliminations of ¥113 million, an adjustment of (¥0 million) for inventories, and company-wide expenses of (¥229 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. Segment profit (loss) is adjusted for operating profit on the quarterly consolidated statements of income.

2. Impairment Losses on Non-current Assets or Goodwill, etc. by Reportable Segment

(Significant impairment losses related to non-current assets)

(Millions of yen)

	Reportable segment				Others	Company- wide/elimination	Total
	Business Process Solutions Business	Consumer Communications Business	Energy Business	Total			
Impairment losses	–	–	1,229	1,229	–	–	1,229

(Notes on Significant Changes in the Amount of Shareholders’ Equity)

Not applicable.

(Notes on the Going Concern Assumption)

Not applicable.

(Notes on Quarterly Consolidated Statements of Cash Flows)

Quarterly consolidated statements of cash flows for the nine months under review are not prepared.

Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the nine months ended December 31, 2024 and 2025 are as follows.

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Depreciation	1,189	1,133
Amortization of goodwill	13	–