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## Consolidated Financial Results for the Year Ended March 31, 2026 (Based on Japanese GAAP)

May 8, 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  
Director, Senior Executive Officer and  
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Division

Scheduled date of ordinary general meeting of shareholders: June 26, 2026

Scheduled date to file Securities Report: June 25, 2026

Scheduled date to commence dividend payments: June 29, 2026

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, 2026 (from April 1, 2025 to March 31, 2026)

#### (1) Consolidated operating results

Percentages indicate year-on-year changes

Year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	61,598	(1.9)	2,875	60.9	3,219	45.4	1,934	(3.0)
March 31, 2025	62,767	2.8	1,787	286.4	2,214	120.6	1,995	127.6

(Note) Comprehensive income: Year ended March 31, 2026: ¥2,366 million [28.1%]  
Year ended March 31, 2025: ¥1,847 million [1.1%]

Year ended	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
March 31, 2026	70.75	–	6.5	5.8	4.7
March 31, 2025	72.66	–	7.1	3.9	2.8

(Reference) Equity in earnings of affiliates: Year ended March 31, 2026: ¥ – million  
Year ended March 31, 2025: ¥ – million

#### (2) Consolidated financial position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2026	54,080	30,950	56.9	1,134.98
March 31, 2025	56,584	29,377	50.8	1,045.62

(Reference) Equity: As of March 31, 2026: ¥30,785 million  
As of March 31, 2025: ¥28,718 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, 2026	3,243	257	(3,827)	6,795
March 31, 2025	2,791	(396)	(1,971)	7,131

### 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			
Year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2025	–	10.00	–	12.00	22.00	604	30.3	2.2
Year ended	–	10.00	–	12.00	22.00	600	31.1	2.0
March 31, 2026	–	10.00	–	12.00	22.00			
Year ending	–	10.00	–	12.00	22.00		30.6	
March 31, 2027 (Forecast)								

### 3. Forecast of consolidated financial results for the year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

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, 2026	29,000	2.8	1,300	27.5	1,400	16.0	700	205.4	25.81
Full year	66,000	7.1	3,300	14.8	3,650	13.4	1,950	0.8	71.89

\* **Notes**

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

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

(iii) Changes in accounting estimates: No

(iv) Restatement of prior period financial statements: No

(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, 2026	28,794,294 shares	As of March 31, 2025	28,794,294 shares
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(ii) Number of treasury shares at the end of the period

As of March 31, 2026	1,670,173 shares	As of March 31, 2025	1,329,004 shares
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(iii) Average number of shares during the period

Year ended March 31, 2026	27,339,922 shares	Year ended March 31, 2025	27,457,074 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, backed by an improvement in the employment and income environment, an increase in inbound tourism demand, and a pickup in capital investment. On the other hand, uncertainty in the economic outlook continues due to the changes in the trade and diplomatic environment with China, impact of the U.S. trade policy, geopolitical risks primarily concerning Ukraine and the Middle East, and rising import prices driven by higher resource prices and the weakness of the yen.

The environment surrounding the Company group (the “Group”) have required us to adapt 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 through 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.

During the fiscal year under review, the Group worked to revise sales prices, reduce manufacturing costs through the consolidation of manufacturing operations at NAKABAYASHI FACTORY CO., LTD., and in terms of order intake, continued to focus on profitability and profit margins as in the previous fiscal year, as well as efforts to reduce expenses, resulting in net sales of ¥61,598 million, operating profit of ¥2,875 million, and ordinary profit of ¥3,219 million. In addition, extraordinary income totaled ¥423 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. On the other hand, extraordinary losses totaled ¥1,451 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 ¥1,934 million.

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

Net sales	¥61,598 million	(Down 1.9% year on year)
Operating profit	¥2,875 million	(Up 60.9% year on year)
Ordinary profit	¥3,219 million	(Up 45.4% year on year)
Profit attributable to owners of parent	¥1,934 million	(Down 3.0% 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 stable new orders such as large projects and proposal-based projects, resulting in an overall increase in profit. In addition, our selection of orders 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 product development efforts mainly on medical applications, increased sales of labels for shipping companies, and improved profit margins resulting from price revisions, in-house production, and productivity improvements.

In the library solutions, sales and profits 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. On the other hand, while revenue from binding-related business declined, we were able to limit the drop in sales revenue through price revisions. We will review specifications and work to reduce production costs by improving efficiency in order to improve 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 ¥29,618 million (down 4.9% year on year), while operating profit amounted to ¥1,135 million (up 30.0% year on year).

#### (ii) Consumer Communications Business

In product sales, we revised pricing and refreshed our product lineup for photography-related items, stationery office supplies, and gadget peripheral goods, resulting in improved profit margins and increased profits. In addition, 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 the office furniture field, sales increased due to price revisions and deliveries to a large theme park. In addition, cost reductions resulting from a restructuring of our carriers also contributed to the significant increase in profits. 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 beginning to show results.

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

In the stuffed toys business, products for theme parks in Europe and the U.S. performed well. As part of our future strategy, we will actively participate in trade shows in Europe, the U.S., and China, while also working to expand our sales channels by increasing our sales staff in China and South Korea and strengthening our local support.

Consequently, net sales in the business amounted to ¥30,591 million (up 1.4% year on year), while operating profit amounted to ¥1,808 million (up 53.7% year on year).

#### (iii) Energy Business

Wooden biomass power generation has been operated while making adjustment of output in line with the stockpile situation of woodchips, which are used for fuel. Although we recorded impairment losses during the fiscal year under review, in light of the abovementioned circumstances, we will continue to take steps to ensure a stable supply of fuel chips and maintain stable operations. Solar power generation performed well.

Consequently, net sales in this business amounted to ¥1,284 million (down 6.7% year on year), while operating profit amounted to ¥8 million (operating loss of ¥17 million in the previous fiscal year).

#### (iv) Others

The Vegetable Plant Business and the Garlic Farm Business, etc. posted net sales of ¥104 million (up 1.5% year on year) and operating profit of ¥12 million (operating loss of ¥16 million in the previous fiscal year).

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

### [Assets]

Current assets decreased by ¥1,809 million from the end of the previous fiscal year to ¥27,980 million. This was mainly due to decreases of ¥942 million in cash and deposits, and ¥883 million in notes and accounts receivable - trade.

Non-current assets decreased by ¥694 million from the end of the previous fiscal year to ¥26,100 million. This was mainly due to decreases of ¥811 million in buildings and structures, and ¥784 million in machinery, equipment and vehicles, despite an increase of ¥711 million in retirement benefit asset.

As a result, total assets decreased by ¥2,504 million from the end of the previous fiscal year to ¥54,080 million.

[Liabilities]

Current liabilities decreased by ¥2,563 million from the end of the previous fiscal year to ¥13,265 million. This was mainly due to decreases of ¥1,083 million in notes and accounts payable - trade and ¥1,057 million in short-term borrowings.

Non-current liabilities decreased by ¥1,513 million from the end of the previous fiscal year to ¥9,863 million. This was mainly due to a decrease of ¥1,907 million in long-term borrowings, despite an increase of ¥340 million in deferred tax liabilities.

As a result, total liabilities decreased by ¥4,077 million from the end of the previous fiscal year to ¥23,129 million.

[Net assets]

Total net assets increased by ¥1,573 million from the end of the previous fiscal year to ¥30,950 million. This was mainly due to a decrease of ¥493 million in non-controlling interests, despite increases of ¥1,329 million in retained earnings and ¥517 million in remeasurements of defined benefit plans.

As a result, the equity ratio was 56.9%, up 6.1 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 ¥3,243 million (¥451 million provided in the previous fiscal year). Broken down, revenue includes profit before income taxes of ¥2,191 million and depreciation of ¥1,495 million, while expenditures include a decrease in trade payables of ¥1,384 million.

Net cash provided by investing activities amounted to ¥257 million (¥396 million used in the previous fiscal year). Broken down, revenue includes proceeds from withdrawal of time deposits of ¥560 million and proceeds from sale of investment securities of ¥256 million, while expenditures include purchase of property, plant and equipment of ¥573 million.

Net cash used in financing activities amounted to ¥3,827 million (an increase of ¥1,855 million in the previous fiscal year). Broken down, revenue includes proceeds from long-term borrowings of ¥1,700 million, while expenditures include repayments of long-term borrowings of ¥4,675 million and dividends paid of ¥602 million.

As a result, cash and cash equivalents at the end of fiscal year under review decreased by ¥336 million from the end of the previous fiscal year to ¥6,795 million.

### **(4) Future Outlook**

The Japanese economy is expected to shift away from its long-standing deflationary trend and experience sustained price increases (inflation). It is expected to continue to grow moderately, 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, 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.

In the third 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, 2027 includes net sales of ¥66,000 million (up 7.1% year on year), operating profit of ¥3,300 million (up 14.8% year on year), ordinary profit of ¥3,650 million (up 13.4% year on year), and profit attributable to owners of parent of ¥1,950 million (up 0.8% 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**

The 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, 2025	As of March 31, 2026
<b>Assets</b>		
Current assets		
Cash and deposits	7,739	6,796
Notes and accounts receivable - trade	10,306	9,423
Merchandise and finished goods	6,625	6,515
Work in process	993	1,121
Raw materials and supplies	1,853	1,816
Other	2,271	2,308
Allowance for doubtful accounts	(0)	(1)
Total current assets	29,789	27,980
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,086	6,275
Machinery, equipment and vehicles, net	4,098	3,313
Land	9,196	8,970
Construction in progress	138	29
Other, net	198	200
Total property, plant and equipment	20,719	18,790
Intangible assets		
Other	249	204
Total intangible assets	249	204
Investments and other assets		
Investment securities	3,081	3,756
Retirement benefit asset	1,653	2,364
Deferred tax assets	298	230
Other	800	762
Allowance for doubtful accounts	(6)	(9)
Total investments and other assets	5,826	7,104
Total non-current assets	26,795	26,100
Total assets	56,584	54,080

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	4,299	3,216
Short-term borrowings	5,308	4,250
Accounts payable - other	2,672	2,409
Accrued expenses	417	395
Income taxes payable	400	612
Provision for bonuses	669	669
Other	2,060	1,711
Total current liabilities	15,829	13,265
Non-current liabilities		
Long-term borrowings	8,270	6,362
Retirement benefit liability	2,784	2,522
Deferred tax liabilities	50	390
Other	272	587
Total non-current liabilities	11,377	9,863
Total liabilities	27,206	23,129
<b>Net assets</b>		
Shareholders' equity		
Share capital	6,666	6,666
Capital surplus	8,944	8,944
Retained earnings	12,068	13,398
Treasury shares	(676)	(865)
Total shareholders' equity	27,003	28,143
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,067	1,560
Deferred gains or losses on hedges	(44)	28
Foreign currency translation adjustment	219	62
Remeasurements of defined benefit plans	472	989
Total accumulated other comprehensive income	1,714	2,641
Non-controlling interests	659	165
Total net assets	29,377	30,950
Total liabilities and net assets	56,584	54,080

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

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	62,767	61,598
Cost of sales	47,130	45,345
Gross profit	15,637	16,252
Selling, general and administrative expenses		
Freight and packing costs	2,372	2,274
Advertising and promotion expenses	871	929
Remuneration for directors (and other officers)	310	307
Salaries, allowances and bonuses	5,312	5,002
Provision for bonuses	384	385
Retirement benefit expenses	147	175
Welfare expenses	1,067	985
Travel and transportation expenses	249	231
Communication expenses	249	249
Rent expenses	518	524
Provision of allowance for doubtful accounts	1	3
Depreciation	296	293
Other	2,068	2,014
Total selling, general and administrative expenses	13,849	13,376
Operating profit	1,787	2,875
Non-operating income		
Rental income	160	136
Dividend income	93	98
Insurance claim income	113	86
Other	248	193
Total non-operating income	615	515
Non-operating expenses		
Interest expenses	94	101
Miscellaneous expenses of assets for rent	39	41
Foreign exchange losses	29	-
Other	24	28
Total non-operating expenses	188	171
Ordinary profit	2,214	3,219

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Extraordinary income		
Gain on sale of non-current assets	159	42
Gain on sale of investment securities	–	205
Subsidy income	40	–
Gain on reversal of foreign currency translation adjustment	–	174
Total extraordinary income	200	423
Extraordinary losses		
Loss on disposal of non-current assets	10	4
Impairment losses	74	1,446
Loss on sale of investment securities	–	0
Loss on valuation of investment securities	4	–
Loss on valuation of shares of subsidiaries and associates	11	–
Total extraordinary losses	102	1,451
Profit before income taxes	2,312	2,191
Income taxes - current	560	785
Income taxes - deferred	(226)	(33)
Total income taxes	333	752
Profit	1,978	1,439
Loss attributable to non-controlling interests	(16)	(495)
Profit attributable to owners of parent	1,995	1,934

## Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	1,978	1,439
Other comprehensive income		
Valuation difference on available-for-sale securities	39	492
Deferred gains or losses on hedges	(100)	73
Foreign currency translation adjustment	70	(157)
Remeasurements of defined benefit plans, net of tax	(140)	518
Total other comprehensive income	(131)	927
Comprehensive income	1,847	2,366
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,865	2,860
Comprehensive income attributable to non-controlling interests	(17)	(493)

**(3) Consolidated Statements of Changes in Equity**

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

## Fiscal year ended March 31, 2026

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	6,666	8,944	12,068	(676)	27,003
Changes during period					
Dividends of surplus			(604)		(604)
Profit attributable to owners of parent			1,934		1,934
Purchase of treasury shares				(199)	(199)
Disposal of treasury shares		0		9	9
Net changes in items other than shareholders' equity					
Total changes during period	-	0	1,329	(189)	1,140
Balance at end of period	6,666	8,944	13,398	(865)	28,143

	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	1,067	(44)	219	472	1,714	659	29,377
Changes during period							
Dividends of surplus							(604)
Profit attributable to owners of parent							1,934
Purchase of treasury shares							(199)
Disposal of treasury shares							9
Net changes in items other than shareholders' equity	492	73	(157)	517	926	(493)	432
Total changes during period	492	73	(157)	517	926	(493)	1,573
Balance at end of period	1,560	28	62	989	2,641	165	30,950

**(4) Consolidated Statements of Cash Flows**

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
<b>Cash flows from operating activities</b>		
Profit before income taxes	2,312	2,191
Depreciation	1,600	1,495
Impairment losses	74	1,446
Amortization of goodwill	13	–
Increase (decrease) in allowance for doubtful accounts	(1)	2
Increase (decrease) in provision for bonuses	151	(0)
Increase (decrease) in retirement benefit liability	(285)	(197)
Loss (gain) on disposal of non-current assets	(148)	(38)
Loss (gain) on sale of investment securities	–	(205)
Loss (gain) on valuation of investment securities	4	–
Loss on valuation of shares of subsidiaries and associates	11	–
Gain on reversal of foreign currency translation adjustment	–	(174)
Interest and dividend income	(135)	(114)
Interest expenses	94	101
Subsidy income	(40)	–
Decrease (increase) in trade receivables	1,378	644
Decrease (increase) in inventories	(401)	25
Increase (decrease) in trade payables	(690)	(1,384)
Increase (decrease) in accrued consumption taxes	87	(54)
Other, net	(705)	49
Subtotal	3,322	3,787
Interest and dividends received	135	113
Interest paid	(92)	(101)
Income taxes paid	(574)	(556)
Net cash provided by (used in) operating activities	2,791	3,243
<b>Cash flows from investing activities</b>		
Payments into time deposits	(1,190)	(1)
Proceeds from withdrawal of time deposits	1,161	560
Purchase of property, plant and equipment	(845)	(573)
Proceeds from sale of property, plant and equipment	449	50
Purchase of intangible assets	(27)	(35)
Purchase of investment securities	(8)	(8)
Proceeds from sale of investment securities	–	256
Net decrease (increase) in short-term loans receivable	5	(18)
Long-term loan advances	(40)	–
Proceeds from collection of long-term loans receivable	55	15
Proceeds from sale of shares of subsidiaries	0	–
Subsidy income	40	–
Other, net	1	12
Net cash provided by (used in) investing activities	(396)	257

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(623)	10
Proceeds from long-term borrowings	4,700	1,700
Repayments of long-term borrowings	(5,420)	(4,675)
Purchase of treasury shares	(0)	(199)
Dividends paid	(602)	(602)
Other, net	(25)	(60)
Net cash provided by (used in) financing activities	(1,971)	(3,827)
Effect of exchange rate change on cash and cash equivalents	21	(9)
Net increase (decrease) in cash and cash equivalents	444	(336)
Cash and cash equivalents at beginning of period	6,687	7,131
Cash and cash equivalents at end of period	7,131	6,795

**(5) Notes to Consolidated Financial Statements**

**(Notes on the Going Concern Assumption)**

Not applicable.

**(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 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, 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.

Fiscal year under review (April 1, 2025 to March 31, 2026)

(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	29,618	30,591	1,284	61,494	104	61,598	–	61,598
Inter-segment net sales or transfers	1,836	635	–	2,471	12	2,484	(2,484)	–
Total	31,454	31,227	1,284	63,965	116	64,082	(2,484)	61,598
Segment profit (loss)	1,135	1,808	8	2,953	12	2,965	(90)	2,875
Segment assets	23,727	23,645	1,196	48,569	48	48,617	5,462	54,080
Other items								
Depreciation	848	337	164	1,351	1	1,352	143	1,495
Amortization of goodwill	–	–	–	–	–	–	–	–
Increased amount of property, plant and equipment and Intangible assets	752	211	38	1,003	0	1,003	6	1,010

- 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 (¥90 million) for segment profit (loss) includes inter-segment transaction eliminations of ¥174 million, an adjustment of (¥3 million) for inventories, and company-wide expenses of (¥261 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 ¥5,462 million for assets include inter-segment transaction eliminations of (¥2,632 million), company-wide assets of ¥8,102 million not allocated to reportable segments, and an adjustment of (¥7 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, 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

Fiscal year under review (April 1, 2025 to March 31, 2026)

(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	–	217	1,446

Note The amount listed under “Company-wide/elimination” represents impairment losses related to company-wide assets (idle assets) that are not attributable to any specific segment.

**(Notes on Per-Share information)**

(Yen)

	Previous fiscal year (April 1, 2024 to March 31, 2025)	Fiscal year under review (April 1, 2025 to March 31, 2026)
Net assets per share	1,045.62	1,134.98
Earnings per share	72.66	70.75

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, 2024 to March 31, 2025)	Fiscal year under review (April 1, 2025 to March 31, 2026)
Earnings per share		
Profit attributable to owners of parent (Millions of Yen)	1,995	1,934
Amount not attributable to common stock (Millions of Yen)	—	—
Profit attributable to owners of parent attributable to common shares (Millions of Yen)	1,995	1,934
Average number of shares of common stock outstanding during the period (Thousands of shares)	27,457	27,339

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

	Previous fiscal year (As of March 31, 2025)	Fiscal year under review (As of March 31, 2026)
Total Net assets (Millions of Yen)	29,377	30,950
Amount deducted from total Net assets (Millions of Yen)	659	165
[of the above, non-controlling interests] (Millions of Yen)	[659]	[165]
Net assets at the end of the fiscal year attributable to common shares (Millions of Yen)	28,718	30,785
Number of common shares at the end of the fiscal year used in calculation of net assets per share (Thousands of shares)	27,465	27,124

**(Significant Subsequent Events)**

Not applicable.