Consolidated Financial Results for the Three Months Ended June 30, 2026 (Based on Japanese GAAP)

August 7, 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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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 three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	14,092	(1.0)	527	(5.1)	652	(3.0)	445	(24.1)
June 30, 2025	14,235	1.0	555	479.9	672	154.4	587	288.6

(Note) Comprehensive income: Three months ended June 30, 2026: ¥772 million [93.3%]
Three months ended June 30, 2025: ¥399 million [86.5%]

	Earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	16.43	–
June 30, 2025	21.38	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
June 30, 2026	52,552	31,397	59.4
March 31, 2026	54,080	30,950	56.9

(Reference) Equity: As of June 30, 2026: ¥31,223 million
As of March 31, 2026: ¥30,785 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, 2026	–	10.00	–	12.00	22.00
Year ending March 31, 2027	–				
Year ending March 31, 2027 (Forecast)		10.00	–	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, 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

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

* **Notes**

(1) Significant changes in the scope of consolidation during the three months ended June 30, 2026: No

Newly included: - companies (Company name)
Excluded: - companies (Company name)

(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 June 30, 2026	28,794,294 shares	As of March 31, 2026	28,794,294 shares

Number of treasury shares at the end of the period

As of June 30, 2026	1,670,173 shares	As of March 31, 2026	1,670,173 shares

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2026	27,124,121 shares	Three months ended June 30, 2025	27,465,266 shares

* 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.

○ Accompanying Materials – Contents

1. Overview of Operating Results

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

During the first three months under review, the Japanese economy continued its gradual recovery, supported by steady capital investment, an improvement in the employment and income environment, and inbound tourism demand. On the other hand, uncertainty in the economic outlook continues due to the slowdown in the Chinese economy and trends in trade policy, the U.S. tariff policy, increased geopolitical risks primarily concerning Ukraine and the Middle East leading to fluctuations in resource prices, and rising import prices driven by the further weakening of the yen. Going forward, the economic outlook is likely to be determined by whether wage growth consistently exceeds inflation and leads to an expansion of personal consumption.

The business environment surrounding the Company group (the "Group") requires us to adapt to major changes in lifestyles and corporate activities. Under the purpose of "It's for SMILE," the Group is striving to enhance its 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 the streamlining and enhancement of sales activities leading to new orders, as a result of utilizing digital technologies in each business.

During the three months under review, we worked to reduce manufacturing costs through the consolidation of manufacturing operations at NAKABAYASHI FACTORY CO., LTD. In terms of order intake, although there was a decrease in sales and profits due to the reactionary effect of projects with a large surge in demand from the previous fiscal year, the Group continued to focus on selecting projects with an emphasis on profitability and profit margins. Furthermore, in product sales, we made efforts to absorb cost increases due to the weakening yen and other factors by developing new products and revising sales prices. As a result, net sales amounted to ¥14,092 million, operating profit was ¥527 million, ordinary profit was ¥652 million, and profit attributable to owners of parent was ¥445 million.

The Group's operating results for the three months under review are as follows.

Net sales	¥14,092 million	(Down 1.0% year on year)
Operating profit	¥527 million	(Down 5.1% year on year)
Ordinary profit	¥652 million	(Down 3.0% year on year)
Profit attributable to owners of parent	¥445 million	(Down 24.1% 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, we made efforts to acquire new orders through continuous proposal-based projects, shareholder benefit services (handling everything from application acceptance to product delivery), highly profitable web production-related projects, and expanded sales of scanning services.

In the area of pocket notebooks, envelopes, and general printed materials, overall net sales and profit decreased despite orders for highly creative products with a high gross margin as well as price revisions.

Seal-related and label-related products performed well due to increased sales of labels and improved profit margins resulting from productivity improvements.

In the library solutions, we undertake highly profitable designated management (library management) projects. While orders for binding-related business have decreased, we are seeing improved profit margins due to a revision of sales prices.

For graduation album-related products, profitability showed an improving trend as a result of the integration of manufacturing departments implemented in past fiscal years.

Consequently, net sales in this business amounted to ¥6,497 million (down 6.7% year on year), and operating profit amounted to ¥158 million (down 21.8% year on year).

(ii) Consumer Communications Business

In product sales, net sales remained strong due to factors such as an increase in large OEM orders, product introductions accompanying the opening of new large stores, and an increase in the number of new products listed on the web. Although net sales of existing staple products at home improvement stores decreased, sales of new products such as the “NAKAMERA Series” and the “Quick Lamy A3 Pro” laminator performed well, resulting in increased revenue. However, due to rising procurement costs, profits fell below the same period of the previous year.

In shredder sales, sales of new personal shredder models performed well. In addition to increased sales of large shredders, the revision of sales prices for consumables and the provision of maintenance services also remained strong.

Sales of e-commerce related products performed well, and profitability improved through more efficient site operations. In the office furniture field, net sales increased due to an improvement in the repeat rate and sales per customer, but profits decreased due to rising costs caused by high prices. The e-commerce development of own products expanded steadily.

In the stuffed toys business, 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 ¥7,242 million (up 4.1% year on year), and operating profit amounted to ¥367 million (down 15.6% year on year).

(iii) Energy Business

Wooden biomass power generation achieved stable operation and increased revenue and profits due to an increase in the procurement of woodchips. Solar power generation performed well.

Consequently, net sales in this business amounted to ¥337 million (up 13.2% year on year), while operating profit amounted to ¥25 million (operating loss of ¥25 million in the same period of the previous fiscal year).

(iv) Others

The Vegetable Plant Business and the Garlic Farm Business, etc. posted net sales of ¥14 million (down 29.4% year on year) and operating loss of ¥3 million (operating profit of ¥7 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 ¥1,801 million from the end of the previous fiscal year to ¥26,178 million. This was mainly due to decreases of ¥2,327 million in notes and accounts receivable - trade and ¥1,013 million in cash and deposits, despite an increase of ¥866 million in merchandise and finished goods.

Non-current assets increased by ¥273 million from the end of the previous fiscal year to ¥26,373 million. This was mainly due to a decrease of ¥134 million in machinery, equipment and vehicles despite an increase of ¥416 million in investment securities.

As a result, total assets as of June 30, 2026 decreased by ¥1,527 million from the end of the previous fiscal year to ¥52,552 million.

(Liabilities)

Current liabilities increased by ¥504 million from the end of the previous fiscal year to ¥13,770 million. This was mainly due to decreases of ¥494 million in accounts payable - other and ¥479 million in income taxes payable despite an increase of ¥1,623 million in short-term borrowings.

Non-current liabilities decreased by ¥2,479 million from the end of the previous fiscal year to ¥7,384 million. This was mainly due to a decrease of ¥2,689 million in long-term borrowings, despite an increase of ¥243 million in deferred tax liabilities.

As a result, total liabilities as of June 30, 2026 decreased by ¥1,974 million from the end of the previous fiscal year to ¥21,155 million.

(Net assets)

Total net assets increased by ¥446 million from the end of the previous fiscal year to ¥31,397 million. This was mainly due to increases of ¥282 million in valuation difference on available-for-sale securities and ¥120 million in retained earnings.

As a result, the equity ratio was 59.4%, up 2.5 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 8, 2026.

2. Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	6,796	5,782
Notes and accounts receivable - trade	9,423	7,096
Merchandise and finished goods	6,515	7,381
Work in process	1,121	1,537
Raw materials and supplies	1,816	2,090
Other	2,308	2,292
Allowance for doubtful accounts	(1)	(1)
Total current assets	27,980	26,178
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,275	6,190
Machinery, equipment and vehicles, net	3,313	3,179
Land	8,970	8,970
Construction in progress	29	36
Other, net	200	214
Total property, plant and equipment	18,790	18,590
Intangible assets		
Other	204	187
Total intangible assets	204	187
Investments and other assets		
Investment securities	3,756	4,172
Retirement benefit asset	2,364	2,382
Deferred tax assets	230	218
Other	762	829
Allowance for doubtful accounts	(9)	(8)
Total investments and other assets	7,104	7,594
Total non-current assets	26,100	26,373
Total assets	54,080	52,552

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,216	3,200
Short-term borrowings	4,250	5,874
Accounts payable - other	2,409	1,914
Accrued expenses	395	397
Income taxes payable	612	132
Provision for bonuses	669	400
Other	1,711	1,850
Total current liabilities	13,265	13,770
Non-current liabilities		
Long-term borrowings	6,362	3,673
Retirement benefit liability	2,522	2,513
Deferred tax liabilities	390	633
Other	587	563
Total non-current liabilities	9,863	7,384
Total liabilities	23,129	21,155
Net assets		
Shareholders’ equity		
Share capital	6,666	6,666
Capital surplus	8,944	8,944
Retained earnings	13,398	13,518
Treasury shares	(865)	(865)
Total shareholders’ equity	28,143	28,264
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,560	1,843
Deferred gains or losses on hedges	28	80
Foreign currency translation adjustment	62	75
Remeasurements of defined benefit plans	989	960
Total accumulated other comprehensive income	2,641	2,959
Non-controlling interests	165	174
Total net assets	30,950	31,397
Total liabilities and net assets	54,080	52,552

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

Quarterly Consolidated Statements of Income

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Net sales	14,235	14,092
Cost of sales	10,421	10,292
Gross profit	3,813	3,800
Selling, general and administrative expenses	3,258	3,273
Operating profit	555	527
Non-operating income		
Rental income	38	32
Dividend income	49	51
Insurance claim income	45	43
Other	38	37
Total non-operating income	172	165
Non-operating expenses		
Interest expenses	26	24
Miscellaneous expenses of assets for rent	9	10
Other	20	6
Total non-operating expenses	55	40
Ordinary profit	672	652
Extraordinary income		
Gain on sale of non-current assets	37	0
Gain on reversal of foreign currency translation	174	–
Total extraordinary income	211	0
Extraordinary losses		
Loss on disposal of non-current assets	0	1
Loss on sale of investment securities	0	–
Total extraordinary losses	0	1
Profit before income taxes	883	650
Income taxes - current	111	84
Income taxes - deferred	195	111
Total income taxes	307	196
Profit	576	454
Profit (loss) attributable to non-controlling interests	(10)	8
Profit attributable to owners of parent	587	445

Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Profit	576	454
Other comprehensive income		
Valuation difference on available-for-sale securities	63	282
Deferred gains or losses on hedges	(52)	51
Foreign currency translation adjustment	(183)	12
Remeasurements of defined benefit plans, net of tax	(4)	(29)
Total other comprehensive income	(176)	317
Comprehensive income	399	772
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	410	763
Comprehensive income attributable to non-controlling interests	(10)	8

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on Segment Information)

Three months ended June 30, 2025 (April 1, 2025 to June 30, 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	6,962	6,954	297	14,214	20	14,235	–	14,235
Inter-segment net sales or transfers	350	173	–	524	2	527	(527)	–
Total	7,313	7,128	297	14,739	23	14,762	(527)	14,235
Segment profit (loss)	202	435	(25)	613	7	620	(64)	555

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 (¥64 million) for segment profit (loss) includes inter-segment transaction eliminations of ¥30 million, an adjustment of ¥6 million for inventories, and company-wide expenses of (¥101 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

Not applicable.

Three months ended June 30, 2026 (April 1, 2026 to June 30, 2026)

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	6,497	7,242	337	14,077	14	14,092	–	14,092
Inter-segment net sales or transfers	363	95	–	459	2	461	(461)	–
Total	6,861	7,338	337	14,537	16	14,553	(461)	14,092
Segment profit (loss)	158	367	25	552	(3)	548	(21)	527

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 (¥21 million) for segment profit (loss) includes inter-segment transaction eliminations of ¥54 million, an adjustment of ¥0 million for inventories, and company-wide expenses of (¥77 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

Not applicable.

(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 three months under review are not prepared.

In addition, the amounts of depreciation (including amortization related to intangible assets) for the first three months of the current and previous fiscal years are as stated below.

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Depreciation	382	326