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Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 [Japanese GAAP]



May 15, 2026

Company name: KYODO PRINTING CO., LTD.

Stock exchange listing: Tokyo Stock Exchange

Code number: 7914

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Scheduled date of annual shareholders' meeting: June 25, 2026

Scheduled date of commencing dividend payments: June 26, 2026

Scheduled date of filing annual securities report: June 19, 2026

Availability of supplementary briefing material on financial results: Available

Schedule of financial results briefing session: Scheduled (for institutional investors and securities analysts)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (April 1, 2025 to March 31, 2026)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
March 31, 2026	98,205	(1.8)	2,134	(8.4)	2,727	(0.7)	3,960	19.6
March 31, 2025	99,977	3.1	2,331	47.8	2,746	31.8	3,310	121.3

(Note) Comprehensive income: Fiscal year ended March 31, 2026: ¥4,995 million [223.3%]

Fiscal year ended March 31, 2025: ¥1,544 million [(78.9)%]

	Basic net income per share	Diluted net income per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended					
March 31, 2026	141.15	—	6.2	2.2	2.2
March 31, 2025	115.00	—	5.3	2.1	2.3

(Reference) Share of (profit) loss of entities accounted for using equity method:

Fiscal year ended March 31, 2026: ¥- million

Fiscal year ended March 31, 2025: ¥- million

(Note) The Company conducted a 4-for-1 stock split of common stock as of April 1, 2025. “Basic net income per share” is calculated as if the stock split was conducted at the beginning of the previous financial year.

(2) Consolidated Financial Position

	Total assets	Total equity	Equity ratio	Total equity per share
	Million yen	Million yen	%	Yen
As of March 31, 2026	123,801	65,261	52.7	2,359.63
As of March 31, 2025	126,168	62,913	49.8	2,233.66

(Reference) Equity: As of March 31, 2026: ¥65,234 million

As of March 31, 2025: ¥62,892 million

(Note) The Company conducted a 4-for-1 stock split of common stock as of April 1, 2025. “Total equity per share” is calculated as if the stock split was conducted at the beginning of the previous financial year.

(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 the year
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2026	6,589	(1,121)	(5,360)	12,366
March 31, 2025	6,744	(902)	(4,637)	12,184

2. Dividends

	Annual dividends					Total dividends (annual)	Payout ratio (consolidated)	Dividends to total equity (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2025	–	55.00	–	85.00	140.00	1,035	30.4	1.6
Fiscal year ended March 31, 2026	–	38.00	–	40.00	78.00	2,251	55.3	3.4
Fiscal year ending March 31, 2027 (Forecast)	–	40.00	–	40.00	80.00		52.7	

(Note) The Company conducted a 4-for-1 stock split of common stock as of April 1, 2025. Dividends for the fiscal year ended March 31, 2025 are actual dividends declared before the stock split. Dividends for the fiscal year ended March 31, 2026 and the fiscal year ending March 31, 2027 (Forecast) reflect figures after the stock split.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2027 (April 1, 2026 to March 31, 2027)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	49,000	2.9	850	38.9	1,100	9.6	1,700	25.8	61.49
Full year	101,000	2.8	2,500	17.1	2,950	8.2	4,200	6.0	151.92

*** Notes:**

(1) Significant changes in the scope of consolidation during the period: Yes

Newly added: 1 (Name of subsidiary): Kodama Tales Inc.

Excluded: – (Name of subsidiary): –

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(3) Total number of issued shares (common stock)

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

March 31, 2026: 30,000,000 shares

March 31, 2025: 33,480,000 shares

2) Total number of treasury shares at the end of the period:

March 31, 2026: 2,353,718 shares

March 31, 2025: 5,323,152 shares

3) Average number of shares during the period:

Fiscal year ended March 31, 2026: 28,058,781 shares

Fiscal year ended March 31, 2025: 28,790,458 shares

(Note) The Company conducted a 4-for-1 stock split of common stock as of April 1, 2025. For this reason, “Total number of issued shares at the end of the period,” “Total number of treasury shares at the end of the period” and “Average number of shares during the period” are calculated as if the stock split was conducted at the beginning of the previous financial year. Treasury shares deducted in calculating the total number of treasury shares at the end of the period and the average number of shares during the period include the Company’s shares held by Custody Bank of Japan, Ltd. (Trust account E) as a trust property of the “Board Benefit Trust (BBT-RS, J-ESOP, and Employee Shareholding Association Disposal Type).” The Company also cancelled its treasury shares as of December 10, 2025. As a result, the total number of issued shares at the end of the period (including the number of treasury shares) and the total number of treasury shares at the end of the period decreased by 3,480,000 shares.

(Reference) Overview of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (April 1, 2025 to March 31, 2026)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
March 31, 2026	88,214	(1.8)	707	33.9	2,790	(10.1)	4,105	(8.7)
March 31, 2025	89,815	3.9	528	–	3,102	43.1	4,497	496.6

	Basic net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended		
March 31, 2026	146.34	–
March 31, 2025	156.21	–

(Note) The Company conducted a 4-for-1 stock split of common stock as of April 1, 2025. For this reason, “Basic net income per share” is calculated as if the stock split was conducted at the beginning of the previous financial year.

(2) Non-consolidated Financial Position

	Total assets	Total equity	Equity ratio	Total equity per share
	Million yen	Million yen	%	Yen
As of March 31, 2026	116,038	56,772	48.9	2,053.52
As of March 31, 2025	116,779	54,702	46.8	1,942.76

(Reference) Equity: As of March 31, 2026: ¥56,772 million

As of March 31, 2025: ¥54,702 million

(Note) The Company conducted a 4-for-1 stock split of common stock as of April 1, 2025. For this reason, “Total equity per share” is calculated as if the stock split was conducted at the beginning of the previous financial year.

* These financial results are outside the scope of audits by certified public accountants or audit firms.

* Explanation of the proper use of financial results forecast and other notes

The financial results forecast and certain other statements regarding the future in this document are based on the information currently available to the Company and certain assumptions considered to be rational by the Company and they do not constitute a guarantee that the Company will achieve the forecast or other forward-looking statements. The actual results may differ substantially from the forecast for various reasons. For assumptions used in forecasting financial results and precautions regarding the use of the financial results forecast, please refer to “1. Summary of Financial Results for the Fiscal Year Ended March 31, 2026, (1) Summary of Operating Results, (ii) Future Outlook” on page 3 of the Attachments.

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1. Summary of Financial Results for the Fiscal Year Ended March 31, 2026

(1) Summary of Operating Results

(i) Operating Results

In the fiscal year ended March 31, 2026, the Japanese economy was on a gradual recovery track, supported mainly by a pickup in employment and income conditions, despite the impact of U.S. trade policies in some areas. On the other hand, the environment surrounding business is becoming increasingly complex and diverse due to factors such as changes brought about by the rapid development of generative AI technology, and the need to address social issues including human rights and global environmental problems. Furthermore, the outlook for the economy requires attention due to concerns that the developments in the current Middle East situation and rising prices could weigh on corporate earnings and personal consumption.

Under these circumstances, the Group is improving the profitability of existing businesses and steadily developing promising businesses to achieve the goal of the three-year medium-term management plan announced in May 2025 starting from fiscal 2025.

In information-related businesses, we are intensifying our efforts to shift the focus of our operations from printing to non-printing services centered on information processing, and we are focusing on developing and providing high-quality services, including various projects leveraging intellectual property (IP), educational programs for corporations, and health management support services.

In the Living and Industrial Materials business, for food and daily necessities, we are providing packaging materials that have high functionality and design properties and also reduce the environmental burden. In addition, we are striving to develop new markets for industrial packaging materials, etc., while focusing on expanding sales in growing markets, particularly in Southeast Asia.

As a result of the above, in the fiscal year ended March 31, 2026, net sales amounted to ¥98,205 million (down 1.8% year on year), operating profit was ¥2,134 million (down 8.4% year on year), ordinary profit was ¥2,727 million (down 0.7% year on year). In addition, profit attributable to owners of parent was ¥3,960 million (up 19.6% year on year), due to the recording of ¥3,404 million in gain on sale of investment securities under extraordinary income.

Results by segment are as follows.

Net sales by segment

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	YoY Change
Information Communication	34,658	32,344	(6.7)%
Information Security	30,755	30,478	(0.9)%
Living and Industrial Materials	32,331	33,170	2.6%
Other	2,231	2,211	(0.9)%
Total	99,977	98,205	(1.8)%

Information Communication

In the publishing and printing business, results were down compared with the previous fiscal year. This is due to the fact that sales of books such as paperbacks and picture books declined, while sales of comics remained strong, and that we have strengthened order management for magazines by withdrawing from unprofitable projects to improve profitability. In general commercial printing, although IR field, including the production of integrated reports, and the in-store sales promotion field, including the production of store fixtures and events, showed growth, catalogs and information magazines declined significantly, resulting in a decrease compared with the previous fiscal year. Meanwhile, in Contents-related business, our core area of focus, performance exceeded that of the previous fiscal year thanks to enhanced support for the development of educational programs for corporations and strengthened sales promotion efforts for digital comics.

As a result of the above, overall net sales for the segment amounted to ¥32,344 million (down 6.7% year on year) and operating loss was ¥222 million (an operating loss of ¥176 million in the previous fiscal year).

Information Security

In business forms, the healthcare field, which focuses on corporate health and productivity management support services, and information service BPO for financial institutions, such as account opening apps that enable contactless procedures, continued to perform well. However, data printing for government agencies declined and overall performance resulted in a decrease compared with the previous fiscal year. In securities and smart cards, sales fell below the level of the previous year, as performance in smart cards for transport purposes declined, despite an increase in transport tickets.

As a result of the above, overall segment net sales amounted to ¥30,478 million (down 0.9% year on year) and operating profit was ¥1,128 million (down 42.3% year on year).

Living and Industrial Materials

Sales of tubes increased in toothpaste applications and in cosmetics applications, including UV and hair care products, and blow tubes and blow bottles for seasonings also remained steady, resulting in financial performance that exceeded the previous fiscal year. In flexible packaging, sales exceeded those of the previous fiscal year, driven by growth in film packaging for instant noodles and heat packs, as well as increased demand for lid materials. Sales of paper containers surpassed those of the previous fiscal year, as orders increased following the strengthening of our production capacity for wrap cartons. Sales of industrial materials performed well overall, despite a decline in orders for pharmaceutical products.

As a result of the above, overall segment net sales amounted to ¥33,170 million (up 2.6% year on year) and operating profit was ¥1,521 million (up 25.7% year on year).

Other

This segment consists of businesses such as real estate and logistics. Net sales were ¥2,211 million (down 0.9% year on year) and operating profit was ¥270 million (up 67.1% year on year).

(ii) Future Outlook

The business environment surrounding the Group remains uncertain, as there are concerns that rising prices and supply chain disruptions caused by geopolitical risks could lead to a deterioration in corporate profitability and a decline in personal consumption. In addition, the industry is facing increasing challenges due to the decline of print media resulting from the advancement of digitalization and the diversification of consumer needs.

Under these circumstances, the Group has established the long-term vision “NexTOMOWEL 2034.” Through the transformation of our business portfolio, we aim to grow the Living and Industrial Material business to achieve a 1:1 revenue ratio with information-related businesses, and we are targeting a 1.5-fold increase in net sales (compared to fiscal 2024) and operating profit of ¥12 billion by fiscal 2034. In our medium-term management plan starting from fiscal year 2025, which we view as the first step toward these goals, we will implement various measures to strengthen the foundations of our existing businesses and lay the groundwork for future growth.

In information-related businesses, we will intensify our efforts to shift the focus of our operations from printing to non-printing services, with an emphasis on information processing. In the promising Contents-related business, we will focus on initiatives such as event planning and merchandise sales leveraging intellectual property (IP), the production and sale of original digital comics, and the development of educational programs for corporations. Regarding information service BPO, we will strive to provide high-quality services and enhance our market presence. At the same time, we will reorganize the publishing and printing operations within our group to promote further streamlining and establish a more flexible operational structure. By doing so, we will shift our production model from mass production to high-value-added services and aim to improve profitability.

In the Living and Industrial Materials business, we are working to expand sales of flexible packaging, including our flagship products such as laminated tubes and top seal materials, by developing new markets and creating environmentally friendly packaging materials. Additionally, regarding the industrial packaging, which is one of our

promising businesses, we are focusing our expansion efforts on the packaging and logistics materials fields. Furthermore, with the aim of expanding our business in overseas markets, particularly in Southeast Asia, we will continue to pursue initiatives that include potential partnerships.

Regarding the financial results forecast for the fiscal year ending March 31, 2027, we expect net sales of ¥101,000 million (up 2.8% year-on-year), operating profit of ¥2,500 million (up 17.1% year-on-year), ordinary profit of ¥2,950 million (up 8.2% year-on-year), and profit attributable to owners of parent of ¥4,200 million (up 6.0% year-on-year).

Please note that we have not included in this financial results forecast the potential impact on our Group's performance resulting from risks related to the procurement of materials and rising prices due to the recent instability in the Middle East, as it is currently difficult to make a reasonable estimate of such impacts. Should any events occur in the future that we determine will have a material impact on our performance, we will disclose them promptly.

(2) Summary of Financial Position

(i) Status of Assets, Liabilities, and Net Assets

Total assets amounted to ¥123,801 million (¥126,168 million at the end of the previous fiscal year), a decrease of ¥2,367 million. This was mainly due to a decrease of ¥1,285 million in accounts receivable. Liabilities amounted to ¥58,540 million (¥63,255 million at the end of the previous fiscal year), a decrease of ¥4,715 million. This was mainly attributable to decreases of ¥1,303 million in trade payables and ¥2,446 million in long-term borrowings. Net assets amounted to ¥65,261 million (¥62,913 million at the end of the previous fiscal year), an increase of ¥2,347 million. This was mainly due to the posting of ¥3,960 million in profit attributable to owners of parent and an increase of ¥587 million in valuation difference on available-for-sale securities, as well as dividends paid of ¥1,728 million and purchase of treasury shares of ¥958 million.

(ii) Status of Cash Flows

Cash and cash equivalents (hereinafter referred to as "cash") at the end of the fiscal year ended March 31, 2026 increased by ¥182 million from the end of the previous fiscal year, to ¥12,366 million.

Cash flows from operating activities

Net cash provided by operating activities during the fiscal year ended March 31, 2026 amounted to ¥6,589 million (a year-on-year decrease of ¥154 million). This was mainly due to such factors as posting of ¥5,814 million in profit before income taxes and ¥5,795 million in depreciation, decreases of ¥1,262 million in accounts receivable and ¥1,287 million in trade payables as well as income taxes paid of ¥1,721 million.

Cash flows from investing activities

Net cash used in investing activities during the fiscal year ended March 31, 2026 amounted to ¥1,121 million (a year-on-year increase of ¥219 million). This was mainly due to an outflow of ¥4,928 million for purchase of property, plant and equipment and intangible assets and ¥4,082 million in proceeds from sale of investment securities.

Cash flows from financing activities

Net cash used in financing activities during the fiscal year ended March 31, 2026 amounted to ¥5,360 million (a year-on-year increase of ¥722 million). This was mainly on account of outflows of ¥2,590 million in repayments of long-term borrowings, ¥958 million in purchase of treasury shares, and ¥1,728 million in dividends paid.

(Reference) Trends in Cash Flow Indicators

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Equity ratio (%)	46.7	47.9	49.8	52.7
Equity ratio on a market value basis (%)	17.0	19.1	23.0	35.5
Ratio of interest-bearing liabilities to cash flow (years)	0.6	5.0	1.9	1.6
Interest coverage ratio (times)	158.8	20.6	36.4	38.2

* Equity ratio: equity ÷ total assets

Equity ratio on a market value basis: market capitalization ÷ total assets

Ratio of interest-bearing liabilities to cash flows: interest-bearing liabilities ÷ Cash flows

Interest coverage ratio: cash flows ÷ interest payments

1. All indicators are calculated using financial values on a consolidated basis.

2. Market capitalization is calculated by multiplying the closing share price at the end of the fiscal year by the number of issued shares (after deducting treasury shares) at the end of the fiscal year.

3. Cash flows use cash flows from operating activities on the Consolidated Statements of Cash Flows. Interest-bearing liabilities cover all liabilities recorded on the Consolidated Balance Sheets for which the Company pays interest. Interest payments use the interest paid on the Consolidated Statement of Cash Flows.

(3) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Year

In accordance with the Company's Articles of Incorporation, dividends of surplus, excluding interim dividends determined by a resolution of the Board of Directors, are decided by a resolution at the General Meeting of Shareholders.

Regarding profit distribution, our policy is to maintain a sound financial base necessary for sustainable business operations while striving to provide stable and continuous returns to our shareholders.

With regard to dividends, we aim for a dividend on equity ratio (DOE) of 3.5% in order to enhance corporate value and ensure stable returns to shareholders.

To strengthen our business foundation, we will expand investments in technology development, human resources, and DX to generate sustainable profits, while also proactively engaging in growth investments, such as business alliances and M&As to drive profit expansion.

(Reference)

Dividend on equity ratio (DOE) = Dividend per share ÷ ((Equity per share at the end of the previous period + Equity per share at the end of the current period) ÷ 2)

* In calculating equity per share, treasury shares deducted from the total number of shares at the end of the period do not include the Company's shares held by Custody Bank of Japan, Ltd. (Trust account E) as a trust property of the "Board Benefit Trust (BBT-RS, J-ESOP, and Employee Shareholding Association Disposal Type)."

(i) Dividends in the fiscal year ended March 31, 2026

Regarding the year-end dividend, we plan to increase it by 2 yen compared to the initial forecast, setting it at 40 yen per share. The total annual dividend, combined with the interim dividend of 38 yen per share already paid, will amount to 78 yen, resulting in a DOE of 3.5%.

In addition, during the fiscal year ended March 31, 2026, in order to enhance shareholder returns by executing agile capital policies in line with the business environment and improving capital efficiency, we purchased 600,000 shares of treasury stock for ¥958 million through a resolution of the Board of Directors. As a result, the total shareholder return ratio reached 81.1%.

(ii) Dividends in the fiscal year ending March 31, 2027

For the fiscal year ending March 31, 2027, we forecast an annual dividend of 80 yen per share (comprising an interim dividend of 40 yen and a year-end dividend of 40 yen).

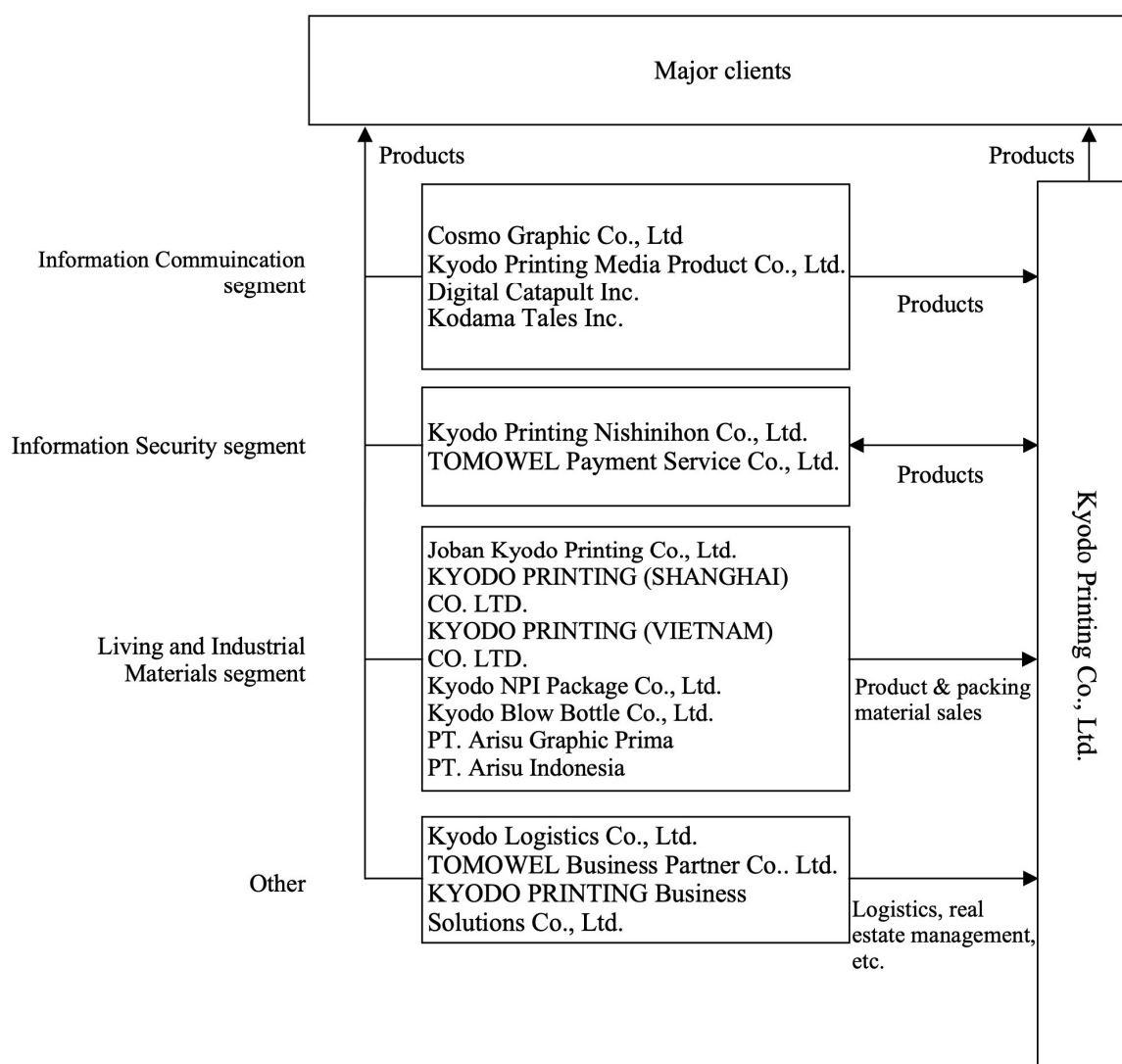
2. Status of the Corporate Group

The Kyodo Printing Group comprises the Company, 16 subsidiaries and 1 associated company, and it engages primarily in prepress, printing, bookbinding, and related ancillary business.

The Group's main business contents are as follows.

Segment	Main business contents
Information Communication	Planning and production of weekly, monthly, and quarterly magazines, paperbacks, collected works, textbooks, posters, calendars, advertising and promotional materials, and decorative displays, electronic books, etc.
Information Security	Various business forms, securities, various cards, data printing, BPO, payment solutions, etc.
Living and Industrial Materials	Paper containers, flexible packaging, various tubes, blow bottles, metal printing, building material printing, electronic device components, high-performance materials, etc.
Other	Logistics business, real estate management business, etc.

An organizational chart of the Group's main businesses is as follows.



Note: For the fiscal year ended March 31, 2026, Kodama Tales Inc., a wholly owned subsidiary of Digital Catapult Inc., was included in the scope of consolidation.

3. Basic Policy on the Selection of Accounting Standards

The Group prepares its consolidated financial statements in accordance with Japanese GAAP, taking into consideration comparability of consolidated financial statements between periods and between companies.

The Group intends to respond appropriately to the adoption of the International Financial Reporting Standards (IFRS) considering circumstances in Japan and overseas.

4. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	12,254	12,438
Notes receivable - trade	5,583	5,438
Accounts receivable - trade	21,344	20,203
Merchandise and finished goods	3,524	3,598
Work in process	2,822	2,880
Raw materials and supplies	1,636	1,875
Other	642	692
Allowance for doubtful accounts	(27)	(14)
Total current assets	47,780	47,113
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	26,256	24,683
Machinery, equipment and vehicles, net	11,714	10,871
Tools, furniture and fixtures, net	1,550	1,498
Land	14,928	14,841
Lease assets, net	1,025	1,208
Construction in progress	493	414
Total property, plant and equipment	*1 55,968	*1 53,518
Intangible assets		
Software	1,221	1,216
Other	309	310
Total intangible assets	1,530	1,527
Investments and other assets		
Investment securities	*2 17,501	*2 17,652
Retirement benefit asset	2,387	2,705
Deferred tax assets	364	409
Other	641	880
Allowance for doubtful accounts	(5)	(5)
Total investments and other assets	20,889	21,642
Total non-current assets	78,388	76,687
Total assets	126,168	123,801

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,764	10,461
Short-term borrowings	156	251
Current portion of bonds payable	—	5,000
Current portion of long-term borrowings	*3 2,434	*3 3,088
Lease liabilities	351	433
Income taxes payable	1,256	1,291
Provision for bonuses	968	966
Provision for bonuses for directors (and other officers)	95	100
Other	9,234	8,079
Total current liabilities	26,262	29,672
Non-current liabilities		
Bonds payable	5,000	—
Long-term borrowings	4,309	1,208
Lease liabilities	765	872
Deferred tax liabilities	3,423	4,033
Provision for share awards for directors (and other officers)	28	16
Retirement benefits liability	6,564	5,986
Asset retirement obligations	9	2
Long-term advances received	16,600	16,368
Provision for products compensation	40	39
Other	249	341
Total non-current liabilities	36,992	28,867
Total liabilities	63,255	58,540
Net assets		
Shareholders' equity		
Share capital	4,510	4,510
Capital surplus	1,687	1,687
Retained earnings	51,110	50,461
Treasury shares	(4,248)	(2,286)
Total shareholders' equity	53,059	54,372
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,355	9,942
Foreign currency translation adjustments	550	416
Remeasurement of defined benefit plans	(73)	503
Total accumulated other comprehensive income	9,833	10,862
Non-controlling interests	20	26
Total net assets	62,913	65,261
Total liabilities and net assets	126,168	123,801

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	99,977	98,205
Cost of sales	*1 79,844	*1 77,310
Gross profit	20,132	20,894
Selling, general and administrative expenses		
Shipment expenses	3,216	3,297
Travel, transportation and communication expenses	294	335
Provision of allowance for doubtful accounts	3	(11)
Salaries and allowances	7,141	7,481
Provision for bonuses	431	426
Provision for bonuses for directors (and other officers)	95	99
Provision for share awards for directors (and other officers)	9	8
Retirement benefit expenses	559	493
Welfare benefits	1,688	1,943
Depreciation	1,027	1,054
Other	3,333	3,630
Total selling, general and administrative expenses	*1 17,801	*1 18,759
Operating profit	2,331	2,134
Non-operating income		
Interest income	7	8
Dividend income	321	398
Gain on sales of goods	37	32
Rental income from facilities	69	69
Dividend income of insurance	150	177
Foreign exchange gains	—	12
Other	235	241
Total non-operating income	823	940
Non-operating expenses		
Interest expenses	184	174
Rental expenses on facilities	33	32
Compensation expenses	41	34
Foreign exchange losses	23	—
Other	125	105
Total non-operating expenses	408	347
Ordinary profit	2,746	2,727

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Extraordinary income		
Gain on sales of non-current assets	*2 2	*2 31
Gain on sales of investment securities	2,821	3,404
Other	17	0
Total extraordinary income	2,842	3,435
Extraordinary losses		
Loss on disposal of non-current assets	*3 162	*3 111
Loss on sale of investment securities	4	9
Loss on valuation of investment securities	110	49
Impairment losses	*4 146	*4 126
Provision for product compensation	40	—
Loss on litigation	*5 142	—
Factory reorganization cost	*6 285	*6 16
Other	68	34
Total extraordinary losses	960	348
Profit before income taxes	4,628	5,814
Income taxes - current	1,256	1,826
Income taxes - deferred	81	22
Total income taxes	1,338	1,849
Profit	3,289	3,965
Profit (loss) attributable to non-controlling interests	(21)	5
Profit attributable to owners of parent	3,310	3,960

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	3,289	3,965
Other comprehensive income		
Valuation difference on available-for -sale securities	(2,025)	587
Foreign currency translation adjustment	195	(135)
Remeasurements of defined benefit plans, net of tax	85	577
Total other comprehensive income	* (1,744)	* 1,029
Comprehensive income	1,544	4,995
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,562	4,989
Comprehensive income attributable to non-controlling interests	(17)	5

(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	4,510	1,687	48,592	(3,289)	51,500
Changes during period					
Dividends of surplus			(792)		(792)
Profit attributable to owners of parent			3,310		3,310
Purchase of treasury shares				(1,000)	(1,000)
Disposal of treasury shares				41	41
Net changes in items other than shareholders' equity					
Total changes during period	-	-	2,518	(959)	1,558
Balance at end of period	4,510	1,687	51,110	(4,248)	53,059

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurement of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	11,381	356	(156)	11,581	38	63,120
Changes during period						
Dividends of surplus						(792)
Profit attributable to owners of parent						3,310
Purchase of treasury shares						(1,000)
Disposal of treasury shares						41
Net changes in items other than shareholders' equity	(2,025)	194	83	(1,748)	(17)	(1,765)
Total changes during period	(2,025)	194	83	(1,748)	(17)	(207)
Balance at end of period	9,355	550	(73)	9,833	20	62,913

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	4,510	1,687	51,110	(4,248)	53,059
Changes during period					
Dividends of surplus			(1,728)		(1,728)
Profit attributable to owners of parent			3,960		3,960
Purchase of treasury shares				(958)	(958)
Disposal of treasury shares				62	62
Cancellation of treasury shares			(2,857)	2,857	—
Change in ownership interest of parent due to transactions with non-controlling interests		(0)			(0)
Change in scope of consolidation			(23)		(23)
Net changes in items other than shareholders' equity					
Total changes during period	—	(0)	(648)	1,962	1,313
Balance at end of period	4,510	1,687	50,461	(2,286)	54,372

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurement of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	9,355	550	(73)	9,833	20	62,913
Changes during period						
Dividends of surplus						(1,728)
Profit attributable to owners of parent						3,960
Purchase of treasury shares						(958)
Disposal of treasury shares						62
Cancellation of treasury shares						—
Change in ownership interest of parent due to transactions with non-controlling interests						(0)
Change in scope of consolidation						(23)
Net changes in items other than shareholders' equity	587	(134)	576	1,029	5	1,034
Total changes during period	587	(134)	576	1,029	5	2,347
Balance at end of period	9,942	416	503	10,862	26	65,261

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	4,628	5,814
Depreciation	5,913	5,795
Amortization of goodwill	140	—
Impairment losses	146	126
Increase (decrease) in net defined benefits asset and liability	50	(50)
Increase (decrease) in allowance for doubtful accounts	(0)	(11)
Increase (decrease) in provision for bonuses	14	(1)
Increase (decrease) in provision for bonuses for directors (and other officers)	36	4
Increase (decrease) in provision for products defect compensation	40	—
Interest and dividend income	(329)	(407)
Interest expenses	184	174
Loss (gain) on valuation of investment securities	110	49
Loss (gain) on sales of investment securities	(2,816)	(3,394)
Loss (gain) on sales and retirement of non-current assets	159	79
Decrease (increase) in trade receivables	1,730	1,262
Decrease (increase) in inventories	(333)	(388)
Increase (decrease) in trade payables	(3,600)	(1,287)
Increase (decrease) in accrued consumption taxes	(113)	(105)
Decrease (increase) in distressed receivables	2	(1)
Other, net	842	415
Subtotal	6,804	8,077
Interest and dividends received	329	406
Interest paid	(185)	(172)
Income taxes paid	(204)	(1,721)
Net cash provided by (used in) operating activities	6,744	6,589
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(4,117)	(4,928)
Proceeds from sales of property, plant and equipment and intangible assets	12	249
Purchase of investment securities	(108)	(65)
Proceeds from sales of investment securities	3,150	4,082
Loan advances	(104)	(0)
Proceeds from collection of loans receivable	0	0
Other, net	264	(461)
Net cash provided by (used in) investing activities	(902)	(1,121)

(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	13	7
Proceeds from long-term borrowings	—	238
Repayments of long-term borrowings	(2,490)	(2,590)
Dividends paid	(792)	(1,728)
Purchase of treasury shares	(1,000)	(958)
Proceeds from disposal of treasury shares	41	62
Other, net	(408)	(390)
Net cash provided by (used in) financing activities	(4,637)	(5,360)
Effect of exchange rate change on cash and cash equivalents	35	(24)
Net increase (decrease) in cash and cash equivalents	1,240	83
Cash and cash equivalents at beginning of period	10,944	12,184
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	—	99
Cash and cash equivalents at end of period	* 12,184	* 12,366

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

There is no relevant information.

(Significant matters forming the basis for presenting consolidated financial statements)

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 16

(2) Names of major subsidiaries:

Kyodo Logistics Co., Ltd.

Kyodo Printing Nishinohon Co., Ltd.

Digital Catapult Inc.

2. Application of equity method

(1) Number of associated companies accounted for by the equity method

There is no relevant information.

(2) Associated companies not accounted for by the equity method

COSMO SCANNER Co., Ltd., associated company which is not accounted for by the equity method has been excluded from the scope of the equity method because its impact on the consolidated financial statements has been immaterial in terms of net income or loss (amounts corresponding to equity) and retained earnings (amounts corresponding to equity) in the year ended March 31, 2026 and due to its overall lack of significance.

3. Fiscal year-end of consolidated subsidiaries

Of consolidated subsidiaries, the fiscal closing date of Kodama Tales Inc., KYODOPRINTING (SHANGHAI) CO. LTD., KYODO PRINTING (VIETNAM) CO. LTD., PT. Arisu Graphic Prima, and PT. Arisu Indonesia is December 31.

The financial statements of the subsidiaries as of December 31 are used in preparing the consolidated financial statements, with adjustments made as necessary to account for significant transactions occurring during the period from their fiscal year-end to the consolidated closing date.

4. Accounting policies

(1) Valuation standards and methods for significant assets

a. Securities

Available-for-sale securities

- Those other than stocks without a market price:

Stated at market value (unrealized gains or losses on valuation are booked directly in total equity, and the cost of securities sold is determined by the moving-average method)

- Stocks, etc. without a market price:

Mainly stated at cost, determined by the moving-average method

b. Inventories

Finished products and work in process are stated at cost, principally determined by the specific identification method (the balance sheet value is calculated using the inventory write-down method based on decreased profitability)

Raw materials and supplies are stated at cost, principally determined by the first-in, first-out method (the balance sheet value is calculated using the inventory write-down method based on decreased profitability)

(2) Depreciation and amortization methods for significant depreciable assets

a. Property, plant and equipment (except for lease assets)

Computed by the straight-line method. The ranges of useful lives are as follows:

Buildings and structures: 31 to 50 years

Machinery and vehicles: 4 to 10 years

b. Intangible assets (except for lease assets)

Amortized by the straight-line method. Software for internal use is amortized over its internal useful life (5 years).

c. Lease assets

- Leased assets under finance lease transactions in which ownership is transferred

- Depreciated in the same method as the depreciation of non-current assets owned by the Group
- Leased assets under finance lease transactions that do not transfer ownership
 - Depreciated over the lease term on a straight-line method assuming the residual value is zero (guaranteed residual value if there is such an agreement)

(3) Recording standards for significant provisions

- a. Allowance for doubtful accounts
 - Recorded at estimated uncollectible amounts based on the Group's past credit loss experience for normal receivables and based on an individual evaluation of collectability for doubtful receivables and claims provable in bankruptcy/claims provable in rehabilitation, in order to provide for losses due to uncollectible accounts
- b. Provision for bonuses
 - Recorded at the expected amount to be paid in the fiscal year under review to prepare for bonus payments to employees
- c. Provision for bonuses for directors (and other officers)
 - Recorded at the expected amount to be paid in the fiscal year under review to prepare for bonus payments to directors
- d. Provision for share awards for directors (and other officers)
 - Recorded at the estimated amount of obligations for share-based remuneration at the consolidated year-end to provide for the payment of the Company's stock to directors, etc. based on the Rules for Payment of Share-based Remuneration for Directors
- e. Provision for product compensation
 - Recorded at the expected amount to be paid in the future to cover potential compensation costs related to product quality.

(4) Accounting method for retirement benefits

- a. Attribution method of expected retirement benefits
 - In the calculation of the retirement benefit obligations, the expected benefit is attributed to periods up to the end of the fiscal year under review on a benefit formula basis.
- b. Amortization of actuarial gains and losses and past service costs
 - Past service cost is amortized on a straight-line basis over a specified number of years (8 years) within the average remaining service period of employees at the time when the cost is recognized. Actuarial gains and losses are amortized on a straight-line basis over a specified number of years (8 years) within the average remaining service period of employees from the consolidated fiscal year following the respective consolidated fiscal year in which the gains or losses are recognized.
- c. Adoption of a simplified method at small-sized subsidiaries
 - Certain subsidiaries adopt a simplified method for the calculation of liability and expenses for retirement benefits, using the method that regards payable amount assuming voluntary retirement of all employees at the end of the fiscal year and the most recent actuarial obligation of pension plan finance calculation as projected benefit obligations.

(5) Significant revenue and expense recording standards

Our primary businesses are manufacturing and sales from our "Information communication," "Information security," and "Living and industrial materials" divisions. With regard to sales from these divisions, we are obliged to deliver merchandise or finished products in accordance with the sales contracts in place with a customer. In terms of revenue, it is determined that said obligation is fulfilled at the point said merchandise or finished products are delivered and the customer assumes control over said merchandise or finished products, with the revenue recognized at the point of delivery. However, in the case of domestic sales (within Japan), in which the period from the point of shipment until the customer assumes control over the said merchandise or finished products is standard, the revenue is recognized at that point of shipment of the said merchandise or finished products.

(6) Method of significant hedge accounting

- a. Method of hedge accounting
Deferred hedge accounting is used. The allocation method is used to hedge foreign exchange fluctuation risks when the requirements for the allocation method are met. Foreign currency forward contracts used for intercompany transactions as hedged items are measured at fair value and valuation differences are recognized as gains or losses for the fiscal year under review.
 - b. Hedging instruments and hedged items
Hedging instruments: foreign currency forward contracts
Hedged items: monetary receivables and payables denominated in foreign currencies
 - c. Hedging policies
Foreign currency forward contracts are used to hedge fluctuation risks in foreign currency exchange rates of transactions denominated in foreign currencies pursuant to the Group's internal policies, etc. Hedged items are identified on an individual basis.
 - d. Method of assessing hedge effectiveness
In principle, for foreign currency forward contracts used by the Company, the value and maturity of the hedged items are matched with the contracted amount denominated in foreign currencies and the corresponding maturity, pursuant to internal policies. Accordingly, an assessment of hedge effectiveness at the end of the year is omitted since there is a complete correlation with subsequent fluctuations in foreign currency exchange rates.
- (7) Amortization method and amortization period of goodwill
Goodwill is amortized over a five-year period during which the influence of the goodwill shall apply on a straight-line basis.
 - (8) Scope of cash and cash equivalents in the consolidated statements of cash flows
Cash and cash equivalents include cash on hand, demand deposits and short-term investments which are liquid and easily convertible into cash, and are exposed to insignificant risk of changes in value and mature within three months of the date of acquisition.

(Significant accounting estimates)

Accounting estimates are calculated at reasonable amounts based on information available at the time of preparing the consolidated financial statements.

Of the amounts recorded in the consolidated financial statements for the fiscal year under review that are based on accounting estimates, the items that pose a risk of having a significant impact on the consolidated financial statements for the following fiscal year are as follows.

(Impairment of non-current assets)

- (1) Amounts recorded in the consolidated financial statements for the fiscal year ended March 31, 2026

(Million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Property, plant and equipment	55,968	53,518
Intangible assets	1,530	1,527
Impairment losses	146	126

- (2) Information on the contents of significant accounting estimates for identified items

- (i) Calculation method

The Group groups its assets for business use mainly based on management accounting categories in which income and expenditure are continuously monitored, taking into account the relevance of manufacturing processes, etc., while assets to be disposed of and idle assets are grouped by individual property units. For asset groups where signs of impairment are identified and it is determined that impairment should be recognized, the carrying amount was reduced to the recoverable amount, and the resulting decrease was recorded as an impairment loss.

The recoverable amount is calculated as the higher of the value in use, net realizable value or the fair value less costs to sell. Value in use is calculated as the present value of future cash flow discounted at a rate

estimated based on the Company's weighted average cost of capital. Net realizable value or fair value less costs to sell is calculated by deducting estimated disposal costs from an amount reasonably determined based on an appraised value, a specific valuation, or an indicator deemed to appropriately reflect market prices.

(ii) Key assumptions

The future cash flows used to determine whether an impairment loss should be recognized and to calculate the asset's value in use are estimated based on future business plans approved by management. The key assumptions underlying these estimates include trends in sales and the reflection of cost increases in contract prices, and are based on forecasts that take into account market trends, recent performance, and historical trends.

(iii) Impact on the consolidated financial statements for the following fiscal year

If key assumptions change and actual performance significantly falls below the initial business plan, this may impact on the consolidated financial statements for the following fiscal year.

(Additional information)

(Transactions of delivering the Company's own stock to employees etc. through trusts)

Regarding the Company's treasury stock, the Company conducted a 4-for-1 stock split of common stock as of April 1, 2025. Accordingly, the number of shares of treasury stock has been calculated on the assumption that this stock split had been conducted at the beginning of the previous fiscal year.

(1) Board Benefit Trust (BBT-RS)

In accordance with the resolution of the 138th Annual Shareholders' Meeting held on June 28, 2018, the Company introduced a Board Benefit Trust (BBT), as a new performance-linked stock compensation plan for directors and executive officers of the Company and directors with executive positions at certain subsidiaries of the Company (hereinafter, referred to as "Directors, etc.").

Pursuant to a resolution adopted at the 145th Annual Shareholders' Meeting held on June 25, 2025, the Company has revised certain aspects of the BBT system to establish the "Board Benefit Trust-Restricted Stock (BBT-RS)" (hereinafter referred to as the "System"), which imposes transfer restrictions on shares granted to Directors, etc. until their retirement.

(i) Overview of the transaction

The System is a performance-linked stock compensation plan under which the Company's stocks are acquired through a trust funded by money contributed by the Company, and the Company's stocks and money equivalent to the market value of the Company stocks are paid to Directors, etc., based on their performance and other factors, through the trust in accordance with the Rules for Payment of Share-based Remuneration for Directors established by the Company and some of its subsidiaries. In principle, the time when Directors, etc. receive the Company's stock is at a fixed time each year, and the time when Directors, etc. receive a cash payment equivalent to the market value of such shares is at the time of their retirement from the positions of Directors, etc.

(ii) The remaining balance of the Company's own stock in the trust

The Company records the balance of the Company's stock remaining in the trust as treasury stock in the net assets section at the carrying amount (excluding the amount of ancillary expenses) in the trust. The carrying amount and the number of shares of such treasury stock as of March 31, 2025 was ¥157 million and 218,000 shares. The carrying amount and the number of shares of such treasury stock as of March 31, 2026 was ¥138 million and 191,000 shares.

(iii) Carrying amount of debt recorded using application of the gross method

There is no relevant information.

(2) Board Benefit Trust (J-ESOP)

In accordance with the resolution of the Board of Directors held on February 18, 2022, the Company introduced a Board Benefit Trust (J-ESOP) (hereinafter, referred to as the "System") on March 10, 2022 that will establish

a closer link between the Company stock price and performance and the treatment of employees and that will result in economic effects being shared across all our shareholders, with the aim of increasing employee motivation and morale to improve the Company stock price and business performance.

(i) Overview of the transaction

A mechanism for distributing Company stocks to Company employees that fulfil set criteria in accordance with the Rules on Stock Distribution formulated at the point of introduction of the System.

In order to acquire stocks that will be distributed in the future, the Company shall entrust money to the Custody Bank of Japan, Ltd. (Trust account E) as a trust property of the Board Benefit Trust (J-ESOP), and said trust bank shall acquire Company stock using this entrusted money.

(ii) The remaining balance of the Company's own stock in the trust

The Company records the balance of the Company's stock remaining in the trust as treasury stock in the net assets section at the carrying amount (excluding the amount of ancillary expenses) in the trust. The carrying amount and the number of shares of such treasury stock as of March 31, 2025 was ¥417 million and 600,000 shares. The carrying amount and the number of shares of such treasury stock as of March 31, 2026 was ¥417 million and 600,000 shares.

(iii) Carrying amount of debt recorded using application of the gross method

There is no relevant information.

(3) Board Benefit Trust (Employee Shareholding Association Disposal Type)

In order to increase employee benefits and to provide incentives for improving the Company's corporate value, the Company introduced a Board Benefit Trust (Employee Shareholding Association Disposal Type) (hereinafter, referred to as the "System") on March 10, 2022 in accordance with the resolution of the Board of Directors held on February 18, 2022.

(i) Overview of the transaction

In introducing the System, the Company has concluded a Board Benefit Trust (Employee Shareholding Association Disposal Type) Agreement (hereinafter, referred to as the "Trust Agreement") with the Company as the trustor and Mizuho Trust & Banking Co., Ltd. as the trustee (hereinafter, referred to as the "Trustee") (hereinafter, the trust established in accordance with the Trust Agreement shall be referred to as the "Trust"). Further, the Trustee has concluded an agreement with the Custody Bank of Japan, Ltd. to re-entrust the management of trust properties such as securities with the Custody Bank of Japan as the Re trustee.

The Trust shall acquire beforehand in one batch a number of the Company's common stock equivalent to the amount the Shareholding Association is expected to purchase over the next five years, after which, it shall share the Company's common stock at the point the Shareholding Association makes its stock purchases. If, through the sale of the Company's common stock to the Shareholding Association via the Trust, an amount equivalent to gain on the sale of stock accumulates in the Trust's trust property by the end of the trust, such money will be distributed as residual property to members of the Shareholding Association (employees) who meet the Trustee eligibility criteria.

Further, to provide a guarantee for the loan for the Trust to acquire the Company's common stock, if there is a remaining balance on the loan equivalent to a loss on the sale of stocks by the end of the trust due to factors including a decline in the Company's stock price, the Company shall repay said remaining balance in accordance with the contract of guarantee.

(ii) The remaining balance of the Company's own stock in the trust

The Company records the balance of the Company's stock remaining in the trust as treasury stock in the net assets section at the carrying amount (excluding the amount of ancillary expenses) in the trust. The carrying amount and the number of shares of such treasury stock as of March 31, 2025 was ¥138 million and 198,000 shares. The carrying amount and the number of shares of such treasury stock as of March 31, 2026 was ¥94 million and 136,000 shares.

(iii) Carrying amount of debt recorded using application of the gross method

Long-term debt as of March 31, 2025 was ¥123 million.

Long-term debt as of March 31, 2026 was ¥36 million.

(Notes to Consolidated Balance Sheets)

*1 Accumulated depreciation of property, plant and equipment is as follows.

(Million yen)

	As of March 31, 2025	As of March 31, 2026
Accumulated depreciation of property, plant and equipment	81,772	83,061

*2 Investments in non-consolidated subsidiaries and associated companies are as follows.

(Million yen)

	As of March 31, 2025	As of March 31, 2026
Investment securities (shares)	36	8

*3 Financial covenants

Fiscal year ended March 31, 2025

Of debts as of the end of the fiscal year ended March 31, 2025, syndicated term loan agreements (debt balance of ¥2,400 million as of March 31, 2025) concluded on April 20, 2018 are subject to certain financial covenants. The financial covenants are as detailed below. However, if any of these covenants are violated, it may be demanded that said debt is repaid in one batch.

As of March 31, 2025, none of the financial covenants below have been violated.

- (1) In and after the fiscal year ended March 31, 2018, the amount of total equity recorded in the consolidated balance sheets as of the last day of each fiscal year and as of the last day of the second quarter of each fiscal year shall be maintained at either 70% of the total equity recorded in the consolidated balance sheet of September 30, 2017 or 70% of the total equity recorded in the consolidated balance sheet as of the end of the immediately preceding accounting period or the last day of the second quarter, whichever amount is higher.
- (2) For the three consecutive periods in which the first accounting period is the accounting period in and after the March 31, 2018 accounting period, the ordinary income and loss shown in the consolidated statements of income in the accounting periods for each fiscal year must not be at a loss for three consecutive periods.

Fiscal year ended March 31, 2026

There is no relevant information.

4 Pledged assets and collateral-related liabilities

(1) Pledged assets

There is no relevant information.

(2) Collateral-related liabilities

There is no relevant information.

Our consolidated subsidiary, TOMOWEL Payment Service Co., Ltd., has deposited ¥100 million in cash as an issuance guarantee under the Payment Services Act.

Furthermore, regarding this issuance guarantee, in addition to the assets deposited as described above, we have entered into an issuance guarantee security agreement (contract amount: ¥1,680 million) with a financial institution under the Payment Services Act.

(Notes to Consolidated Statements of Income)

*1 Research and development costs included in general and administrative expenses and manufacturing costs are as follows.

(Million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Research and development costs	1,052	1,073

*2 Components of gain on sales of non-current assets are as follows.

(Million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Machinery and vehicles	2	10
Other facilities	0	0
Land	—	21
Total	2	31

*3 Components of loss on sales and retirement of non-current assets are as follows.

Loss on sales of non-current assets

(Million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Machinery and vehicles	15	—
Other facilities	1	—
Total	17	—

Loss on retirement of non-current assets

(Million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Buildings and structures	47	36
Machinery and vehicles	73	63
Other facilities	9	7
Software	14	4
Total	144	111

*4 Impairment loss

Fiscal year ended March 31, 2025

The Group recorded impairment losses on the following asset groups.

Segment	Location	Use	Type	Amount (Million yen)
Information communication	Tomakomai-shi, Hokkaido	Prepress (DTP), digital printing, service production facility	Buildings and structures	99
			Machinery and equipment	0
			Furniture and fixtures	5
			Lease assets	17
			Software	2
	Bunkyo-ku, Tokyo	Electronic books	Intangible assets (Other)	19

The Group groups its assets for business use mainly based on management accounting categories in which income and expenditure are continuously monitored, taking into account the relevance of manufacturing processes, etc., while assets to be disposed of and idle assets are grouped by individual property units.

The carrying amount of the above assets was reduced to the recoverable amount because the initially expected earnings can no longer be expected. The amount of the reduction was recorded as an impairment loss of ¥146 million under extraordinary losses. With regard to buildings and structures, as they are scheduled for sale, the recoverable amount is measured by net realizable value, which is calculated based on the appraisal value of real estate. With regard to intangible assets (other), the recoverable amount is measured by value in use; however, as the future cash flow of such is negative, it is evaluated as having a value of zero.

Fiscal year ended March 31, 2026

The Group recorded impairment losses on the following asset groups.

Segment	Location	Use	Type	Amount (Million yen)
Information communication	Bunkyo-ku, Tokyo	Electronic books	Intangible assets (Other)	9
Information security	Bunkyo-ku, Tokyo	Payment solutions	Furniture and fixtures	0
			Software	88
			Software in progress	13
			Long-term prepaid expenses	14

The Group groups its assets for business use mainly based on management accounting categories in which income and expenditure are continuously monitored, taking into account the relevance of manufacturing processes, etc., while assets to be disposed of and idle assets are grouped by individual property units.

In the Information Communications Division, since the initially expected earnings can no longer be expected, the carrying amount was reduced to the recoverable amount. The amount of the reduction was recorded as an impairment loss of ¥9 million under extraordinary losses. The recoverable amount of the assets is measured by value in use and is evaluated as having a value of zero because the future cash flow of such can no longer be expected.

In the Information Security Division, following a reassessment of their recoverability due to a decline in the profitability of the relevant business, the carrying amount was reduced to the recoverable amount because the initially expected earnings can no longer be expected. The amount of the reduction was recorded as an impairment loss of ¥116 million under extraordinary losses. The recoverable amount of the assets is measured by value in use and is evaluated as having a value of zero because the future cash flow of such can no longer be expected.

*5 Loss on litigation

Fiscal year ended March 31, 2025

Claims for damages relating to the business of the preparation of forms, etc. were filed against the Company by the Japan Pension Service in association with the cease and desist order and a payment order for a surcharge received by the Company from the Japan Fair Trade Commission based on the Anti-Monopoly Act. Of these claims, litigation concerning late charges due to delayed payment withheld due to an objection to the interpretation of the contract was filed by the Japan Pension Service on November 13, 2023 (date of service of the bill of complaint: December 1, 2023). Nevertheless, a settlement was reached on July 17, 2024 as a result of consultation, under which the Company would pay ¥142 million to the Japan Pension Service. Therefore, the above amount is recorded as an extraordinary loss.

*6 Factory reorganization cost

Fiscal year ended March 31, 2025

This cost was incurred in association with the closure of the Tomakomai plant of our consolidated subsidiary, Cosmo Graphic Co., Ltd., and mainly consists of the related payment of retirement benefits.

Fiscal year ended March 31, 2026

This cost was incurred in association with the closure of the Tomakomai plant of our consolidated subsidiary, Cosmo Graphic Co., Ltd.

(Notes to Consolidated Statements of Comprehensive Income)

* Reclassification adjustments to profit or loss, income taxes, and tax effect related to other comprehensive income

(Million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Unrealized gain (loss) on available-for-sale securities		
Gain (loss) arising during the year	109	4,259
Reclassification adjustments to profit or loss	(2,816)	(3,394)
Amount before income taxes and income tax effect	(2,707)	865
Income taxes and income tax effect	681	(278)
Unrealized gain (loss) on available-for-sale securities	(2,025)	587
Foreign currency translation adjustments		
Gain (loss) arising during the year	195	(135)
Remeasurement of defined benefit plans		
Gain (loss) arising during the year	(25)	783
Reclassification adjustments to profit or loss	142	61
Amount before income taxes and income tax effect	116	844
Income taxes and income tax effect	(30)	(266)
Remeasurement of defined benefit plans	85	577
Total other comprehensive income (loss)	(1,744)	1,029

(Notes to Consolidated Statements of Changes in Equity)

Fiscal year ended March 31, 2025

1. Class and total number of issued shares and class and total number of treasury stock

(Shares)

	Number of shares as of April 1, 2024	Increase during period	Decrease during period	Number of shares as of March 31, 2025
Issued shares				
Common stock	8,370,000	—	—	8,370,000
Total	8,370,000	—	—	8,370,000
Treasury stock				
Common stock (Notes 1, 2 and 3)	1,087,831	257,782	14,825	1,330,788
Total	1,087,831	257,782	14,825	1,330,788

(Notes)

- The Company's shares held by Board Benefit Trust (BBT), J-ESOP, and Employee Shareholding Association Disposal Type were included in the number of treasury stock of common stock (269,200 shares as of April 1, 2024, 254,375 shares as of March 31, 2025).
- Increase in treasury stock of 257,782 shares resulted from an increase of 282 shares due to the purchase of less than one trading unit and an increase of 257,500 shares due to the purchase of treasury stock (market purchase on the Tokyo Stock Exchange) based on a resolution of the Board of Directors held on November 8, 2024.
- Decrease in treasury stock of 14,825 shares resulted from a decrease of 600 shares due to the delivery of such to two executive officers and one director of a subsidiary as compensation for the execution of their duties, a decrease of 14,225 shares due to the sale of Company's common stock owned by BBT (Employee Shareholding Association Disposal Type).
- Although the Company conducted a 4-for-1 stock split of common stock as of April 1, 2025, the figures above are based on the number of shares prior to the stock split.

2. Subscription rights to shares and treasury subscription rights to shares

There is no relevant information.

3. Dividends

(1) Dividends paid

(Resolution)	Class of shares	Total cash dividends (Million yen)	Dividend per share (Yen)	Record date	Effective date
June 27, 2024 Annual Shareholders' Meeting	Common stock	377	50	March 31, 2024	June 28, 2024
November 8, 2024 Board of Directors	Common stock	415	55	September 30, 2024	December 9, 2024

(Notes)

- The total amount of cash dividends approved at the Company's shareholders' meeting held on June 27, 2024 includes dividends of ¥13 million on the Company's common stock owned by Custody Bank of Japan, Ltd. (Trust account E) as a trust property of BBT, J-ESOP, and Employee Shareholding Association Disposal Type.

- The total amount of cash dividends approved at the Board of Directors held on November 8, 2024 includes dividends of ¥14 million on the Company's common stock owned by Custody Bank of Japan, Ltd. (Trust account E) as a trust property of BBT, J-ESOP, and Employee Shareholding Association Disposal Type.

(2) Dividends for which the record date falls in the consolidated fiscal year under review, but the effective date falls in the following consolidated fiscal year.

(Resolution)	Class of shares	Total cash dividends (Million yen)	Dividend resource	Dividend per share (Yen)	Record date	Effective date
June 25, 2025 Annual Shareholders' Meeting	Common stock	619	Retained earnings	85	March 31, 2025	June 26, 2025

(Notes)

- The total amount of cash dividends includes dividends of ¥21 million on the Company's common stock owned by Custody Bank of Japan, Ltd. (Trust account E) as a trust property of BBT, J-ESOP, and Employee Shareholding Association Disposal Type.
- Although the Company conducted a 4-for-1 stock split of common stock as of April 1, 2025, the dividend with March 31, 2025 as the record date is stated based on the number of shares prior to the stock split.

Fiscal year ended March 31, 2026

1. Class and total number of issued shares and class and total number of treasury stock

	Number of shares as of April 1, 2025	Increase during period	Decrease during period	Number of shares as of March 31, 2026
Issued shares				
Common stock	33,480,000	—	3,480,000	30,000,000
Total	33,480,000	—	3,480,000	30,000,000
Treasury stock				
Common stock (Notes 1, 2, and 3)	5,323,152	600,056	3,569,490	2,353,718
Total	5,323,152	600,056	3,569,490	2,353,718

(Notes)

- The Company's shares held by Board Benefit Trust-Restricted Stock (BBT-RS), J-ESOP, and Employee Shareholding Association Disposal Type were included in the number of treasury stock of common stock (1,017,500 shares as of April 1, 2025, 928,010 shares as of March 31, 2026).
- Increase in treasury stock of 600,056 shares resulted from an increase of 56 shares due to the purchase of less than one trading unit and an increase of 600,000 shares due to the purchase of treasury stock (market purchase on the Tokyo Stock Exchange) based on a resolution of the Board of Directors held on November 26, 2025.
- Decrease in treasury stock of 3,569,490 shares resulted from a decrease of 27,390 shares due to the delivery of such to four directors, 12 executive officers and two directors of a subsidiary as compensation for the execution of their duties and a decrease of 62,100 shares due to the sale of Company's common stock owned by BBT (Employee Shareholding Association Disposal Type) and a decrease of 3,480,000 shares due to the cancellation of treasury stock.
- The Company conducted a 4-for-1 stock split of common stock as of April 1, 2025.

2. Subscription rights to shares and treasury subscription rights to shares

There is no relevant information.

3. Dividends

(1) Dividends paid

(Resolution)	Class of shares	Total cash dividends (Million yen)	Dividend per share (Yen)	Record date	Effective date
June 25, 2025 Annual Shareholders' Meeting	Common stock	619	85	March 31, 2025	June 26, 2025
November 10, 2025 Board of Directors	Common stock	1,108	38	September 30, 2025	December 9, 2025

(Notes)

1. The total amount of cash dividends approved at the Company's shareholders' meeting held on June 25, 2025 includes dividends of ¥21 million on the Company's common stock owned by Custody Bank of Japan, Ltd. (Trust account E) as a trust property of BBT, J-ESOP, and Employee Shareholding Association Disposal Type.
2. Although the Company conducted a 4-for-1 stock split of common stock as of April 1, 2025, the dividend with March 31, 2025 as the record date is stated based on the number of shares prior to the stock split.
3. The total amount of cash dividends approved at the Board of Directors held on November 10, 2025 includes dividends of ¥36 million on the Company's common stock owned by Custody Bank of Japan, Ltd. (Trust account E) as a trust property of BBT-RS, J-ESOP, and Employee Shareholding Association Disposal Type.

(2) Dividends for which the record date falls in the consolidated fiscal year under review, but the effective date falls in the following consolidated fiscal year.

We plan to submit the following items for consideration at the Company's Annual Shareholders' Meeting to be held on June 25, 2026.

(Resolution)	Class of shares	Total cash dividends (Million yen)	Dividend resource	Dividend per share (Yen)	Record date	Effective date
June 25, 2026 Annual Shareholders' Meeting	Common stock	1,142	Retained earnings	40	March 31, 2026	June 26, 2026

(Note) The total amount of cash dividends includes dividends of ¥37 million on the Company's common stock owned by Custody Bank of Japan, Ltd. (Trust account E) as a trust property of BBT-RS, J-ESOP, and Employee Shareholding Association Disposal Type.

(Notes to Consolidated Statements of Cash Flows)

1* Relationship between cash and cash equivalents as of March 31, 2025 and 2026 and account items listed in the Consolidated Balance Sheets is as follows.

	(Million yen)	
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash and time deposits	12,254	12,438
Time deposits exceeding three months to maturity	(69)	(71)
Cash and cash equivalents	12,184	12,366

2. Significant noncash transactions

Assets and liabilities under finance leases newly recognized for the years ended March 31, 2025 and 2026 are as follows.

	(Million yen)	
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Lease assets	345	524
Lease obligations	374	581

(Segment information)

1. Description of reportable segments

The Group consists of various divisions classified by products and services. Each division designs its comprehensive strategy for the products and services and operates its business. For those divisions, separate financial information is available and regular evaluation by the Board of Directors is being performed in order to decide how to allocate resources and to assess performance.

As reportable segments, those divisions which cover similar products and services are integrated into three reportable segments; that is “Information communication,” “Information security” and “Living and industrial materials.”

“Information communication” mainly covers periodicals, books, general commercial printing and related services. “Information security” mainly covers business forms, securities printing, cards and related services. “Living and industrial materials” mainly covers paper containers, flexible packaging, tubes, blow bottle, metal printing, and construction materials.

2. Methods of measurement for the amounts of sales, profit (loss), assets, liabilities and other items for each reportable segment

The accounting methods of each reportable segment are generally consistent with those disclosed in “Significant matters forming the basis for presenting consolidated financial statements,” except for the valuation standards for inventories.

Inventories are valued at the value before inventory write-down based on decreased profitability.

Segment profits correspond to operating income.

Intersegment revenues and transfers are based on prices which are set taking into account market prices and manufacturing costs.

3. Information about sales, profit (loss), assets, liabilities and other items, and revenue breakdown for each reportable segment
Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Million yen)

	Reportable segment				Other (Note) 1	Total	Reconciliations (Note) 2	Consolidated Financial Statements (Note) 3
	Information Communication	Information Security	Living and Industrial Materials	Total				
Sales:								
Revenue from contracts with customers	34,658	30,755	32,331	97,745	1,734	99,479	—	99,479
Other revenue	—	—	—	—	497	497	—	497
Sales to external customers	34,658	30,755	32,331	97,745	2,231	99,977	—	99,977
Intersegment sales to transfers	941	636	376	1,954	5,199	7,153	(7,153)	—
Total	35,600	31,391	32,707	99,700	7,431	107,131	(7,153)	99,977
Segment profit (loss)	(176)	1,954	1,211	2,988	161	3,150	(819)	2,331
Segment assets	22,050	25,045	34,697	81,793	8,820	90,614	35,554	126,168
Other (Note) 4:								
Depreciation and amortization	898	1,497	2,296	4,692	266	4,959	954	5,913
Amortization of goodwill	—	—	140	140	—	140	—	140
Increase in property, plant and equipment and intangible assets	567	1,694	1,554	3,817	169	3,986	237	4,223

(Notes)

1. “Other” refers to business segments not included in the reportable segment, which mainly includes logistics business, insurance business and real estate management business.
2. “Reconciliations” for “Segment profit (loss)” refer to corporate expenses and primarily consist of general and administrative expenses and research and development costs that are not attributable to any reportable segments. “Reconciliations” for “Segment assets” refer to corporate assets and primarily consist of financial assets (cash and deposit and investment securities) and assets for control functions. “Reconciliations” for “Depreciation and amortization” as well as “Increase in property, plant and equipment and intangible assets” are those for corporate assets.
3. “Segment profit (loss)” is adjusted to the operating income stated in the consolidated statements of income.
4. “Increase in property, plant and equipment and intangible assets” includes long-term prepaid expenses and “Depreciation and amortization” includes amortization of long-term prepaid expenses.

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Million yen)

	Reportable segment				Other (Note) 1	Total	Reconciliations (Note) 2	Consolidated Financial Statements (Note) 3
	Information Communication	Information Security	Living and Industrial Materials	Total				
Sales:								
Revenue from contracts with customers	32,344	30,478	33,170	95,993	1,713	97,707	—	97,707
Other revenue	—	—	—	—	497	497	—	497
Sales to external customers	32,344	30,478	33,170	95,993	2,211	98,205	—	98,205
Intersegment sales or transfers	1,005	598	314	1,919	5,468	7,387	(7,387)	—
Total	33,349	31,077	33,485	97,912	7,680	105,592	(7,387)	98,205
Segment profit (loss)	(222)	1,128	1,521	2,427	270	2,698	(563)	2,134
Segment assets	20,980	24,950	34,913	80,844	8,530	89,374	34,427	123,801
Other (Note) 4:								
Depreciation and amortization	897	1,549	2,190	4,637	240	4,878	917	5,795
Increase in property, plant and equipment and intangible assets	422	1,495	1,570	3,488	206	3,694	222	3,916

(Notes)

1. “Other” refers to business segments not included in the reportable segment, which mainly includes logistics business, insurance business and real estate management business.
2. “Reconciliations” for “Segment profit (loss)” refer to corporate expenses and primarily consist of general and administrative expenses and research and development costs that are not attributable to any reportable segments. “Reconciliations” for “Segment assets” refer to corporate assets and primarily consist of financial assets (cash and deposit and investment securities) and assets for control functions. “Reconciliations” for “Depreciation and amortization” as well as “Increase in property, plant and equipment and intangible assets” are those for corporate assets.
3. “Segment profit (loss)” is adjusted to the operating income stated in the consolidated statements of income.
4. “Increase in property, plant and equipment and intangible assets” includes long-term prepaid expenses and “Depreciation and amortization” includes amortization of long-term prepaid expenses.

[Related information]

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

1. Information by product and service
Information by product and service has been omitted because it is identical to segment classification.
2. Information by geographical area
 - (1) Sales
Sales information by geographical area has been omitted because sales in Japan accounted for more than 90% of the consolidated net sales of the Group.
 - (2) Property, plant and equipment
Information about property, plant and equipment by geographical area has been omitted because property, plant and equipment in Japan accounted for more than 90% of the consolidated property, plant and equipment of the Group.

3. Information by major customer

Information by major customer has been omitted because no single customer accounts for more than 10% of the consolidated net sales of the Group.

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

1. Information by product and service

Information by product and service has been omitted because it is identical to segment classification.

2. Information by geographical area

(1) Sales

Sales information by geographical area has been omitted because sales in Japan accounted for more than 90% of the consolidated net sales of the Group.

(2) Property, plant and equipment

Information about property, plant and equipment by geographical area has been omitted because property, plant and equipment in Japan accounted for more than 90% of the consolidated property, plant and equipment of the Group.

3. Information by major customer

Information by major customer has been omitted because no single customer accounts for more than 10% of the consolidated net sales of the Group.

[Information about impairment loss on non-current assets for each reportable segment]

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Million yen)

	Information Communication	Information Security	Living and Industrial Materials	Other	Reconciliations	Total
Impairment loss	146	—	—	—	—	146

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Million yen)

	Information Communication	Information Security	Living and Industrial Materials	Other	Reconciliations	Total
Impairment loss	9	116	—	—	—	126

[Information about amortization and unamortized balance of goodwill for each reportable segment]
 Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Million yen)

	Information Communication	Information Security	Living and Industrial Materials	Other	Reconciliations	Total
Amortization of goodwill	—	—	140	—	—	140
Unamortized balance of goodwill	—	—	—	—	—	—

Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

There is no relevant information.

[Information about gain on bargain purchase for each reportable segment]

There is no relevant information.

(Per share information)

(Yen)

	Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)	Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)
Total equity per share	2,233.66	2,359.63
Basic net income per share	115.00	141.15

(Notes)

- The Company conducted a 4-for-1 stock split of common stock as of April 1, 2025. Total equity per share and basic net income per share have been calculated on the assumption that the stock split had been carried out at the beginning of the previous fiscal year.
- The Company's shares owned by Custody Bank of Japan, Ltd. (Trust account E) as a trust property of Board Benefit Trust (BBT-RS) are included in treasury stock which is deducted from the total number of issued shares at the end of the period to calculate total equity per share (218,800 shares for year ended March 31, 2025, 191,410 shares for year ended March 31, 2026).
The Company's shares owned by Custody Bank of Japan, Ltd. (Trust account E) as a trust property of Board Benefit Trust (BBT-RS) are included in treasury stock which is deducted in calculating the average number of shares during the period to calculate basic net income per share (219,538 shares for year ended March 31, 2025, 203,575 shares for year ended March 31, 2026).
- The Company's shares owned by Custody Bank of Japan, Ltd. (Trust account E) as a trust property of Board Benefit Trust (J-ESOP) are included in treasury stock which is deducted from the total number of issued shares at the end of the period to calculate total equity per share (600,000 shares for year ended March 31, 2025, 600,000 shares for year ended March 31, 2026).
The Company's shares owned by Custody Bank of Japan, Ltd. (Trust account E) as a trust property of Board Benefit Trust (J-ESOP) are included in treasury stock which is deducted in calculating the average number of shares during the period to calculate basic net income per share (600,000 shares for year ended March 31, 2025, 600,000 shares for year ended March 31, 2026).
- The Company's shares owned by Custody Bank of Japan, Ltd. (Trust account E) as a trust property of Board Benefit Trust (Employee Shareholding Association Disposal Type) are included in treasury stock which is deducted from the total number of issued shares at the end of the period to calculate total equity per share (198,700 shares for year ended March 31, 2025, 136,600 shares for year ended March 31, 2026).
The Company's shares owned by Custody Bank of Japan, Ltd. (Trust account E) as a trust property of Board Benefit Trust (Employee Shareholding Association Disposal Type) are included in treasury stock which is deducted in calculating the average number of shares during the period to calculate basic net income per share (226,669 shares for year ended March 31, 2025, 167,485 shares for year ended March 31, 2026).
- Diluted net income per share for the year ended March 31, 2026 is not presented since potentially dilutive shares did not exist as of March 31, 2026.

6. The basis for the calculation of basic net income per share is as follows.

	Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)	Fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)
Basic net income per share		
Net income attributable to owners of parent (Million yen)	3,310	3,960
Amount not attributable to common shareholders (Million yen)	—	—
Net income attributable to owners of parent related to common stock (Million yen)	3,310	3,960
Average number of shares during the period (Thousand shares)	28,790	28,058

(Significant subsequent events)

There is no relevant information.

5. Other

(Changes in officers)

Refer to “Notice Regarding Change of Representative Director and Officers” announced on February 25, 2026 and “Notice Regarding Changes in Company Auditors” published on May 15, 2026.