

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 [Japanese GAAP]



May 15, 2025

Company name: KYODO PRINTING CO., LTD.

Stock exchange listing: Tokyo Stock Exchange

Code number: 7914

URL: <https://www.kyodoprinting.com/>

Representative: Teruomi Ohashi, President

Contact: Reiko Yamada, General Manager of Corporate Communication Division

Phone: +81-3-3817-2525

Scheduled date of annual shareholders' meeting: June 25, 2025

Scheduled date of commencing dividend payments: June 26, 2025

Scheduled date of filing annual securities report: June 20, 2025

Availability of supplementary briefing material on financial results: Available

Schedule of financial results briefing session: Scheduled (for institutional investors, individual 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, 2025 (April 1, 2024 to March 31, 2025)

(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, 2025	99,977	3.1	2,331	47.8	2,746	31.8	3,310	121.3
March 31, 2024	96,992	3.9	1,577	103.4	2,083	61.6	1,495	19.4

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

Fiscal year ended March 31, 2024: ¥7,314 million [-%]

	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, 2025	115.00	—	5.3	2.1	2.3
March 31, 2024	49.81	—	2.5	1.6	1.6

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

Fiscal year ended March 31, 2025: ¥- million

Fiscal year ended March 31, 2024: ¥- 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, 2025	126,168	62,913	49.8	2,233.66
As of March 31, 2024	131,815	63,120	47.9	2,165.65

(Reference) Equity: As of March 31, 2025: ¥62,892 million

As of March 31, 2024: ¥63,082 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, 2025	6,744	(902)	(4,637)	12,184
March 31, 2024	3,107	(2,908)	266	10,944

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, 2024	—	50.00	—	50.00	100.00	772	50.2	1.2
Fiscal year ended March 31, 2025	—	55.00	—	85.00	140.00	1,035	30.4	1.6
Fiscal year ending March 31, 2026 (Forecast)	—	38.00	—	38.00	76.00		55.6	

(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, 2024 and 2025 are actual dividends declared before the stock split. The forecast dividends for the fiscal year ending March 31, 2026 are presented, reflecting the impact of the stock split.

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

(% 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	49,500	2.7	700	12.3	1,000	8.9	1,100	26.4	39.07
Full year	103,500	3.5	2,800	20.1	3,250	18.3	3,850	16.3	136.73

(Note) The Company conducted a 4-for-1 stock split of common stock as of April 1, 2025. “Basic net income per share” in the consolidated financial results forecast for the fiscal year ending March 31, 2026 reflects the impact of the stock split.

*** Notes:**

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

Newly added: — (Name of subsidiary): —

Excluded: 2 (Name of subsidiary): Kyodo Printing Marketing Solutions Co., Ltd., Kyodo Ftech Co., Ltd.

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

1) Changes in accounting policies due to the revision of accounting standards: Yes

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

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(Note) For details, please see “4. Consolidated Financial Statements and Primary Notes (5) Notes to Consolidated Financial Statements (Notes regarding changes in accounting policies)” on page 19 of the attached documents.

(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, 2025: 33,480,000 shares

March 31, 2024: 33,480,000 shares

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

March 31, 2025: 5,323,152 shares

March 31, 2024: 4,351,324 shares

3) Average number of shares during the period:

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

Fiscal year ended March 31, 2024: 30,033,963 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, J-ESOP, and Employee Shareholding Association Disposal Type).”

(Reference) Overview of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

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

	Net sales		Operating profit		Ordinary profit		Net income	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2025	89,815	3.9	528	—	3,102	43.1	4,497	496.6
March 31, 2024	86,473	5.0	(773)	—	2,168	36.0	753	34.4

	Basic net income per share	Diluted net income per share
Fiscal year ended	Yen	Yen
March 31, 2025	156.21	—
March 31, 2024	25.10	—

(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, 2025	116,779	54,702	46.8	1,942.76
As of March 31, 2024	121,625	53,975	44.4	1,853.02

(Reference) Equity: As of March 31, 2025: ¥54,702 million

As of March 31, 2024: ¥53,975 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, 2025, (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, 2025

(1) Summary of Operating Results

(i) Operating Results

In the fiscal year ended March 31, 2025, the Japanese economy continued to recover gradually amid improvements in employment and income conditions, despite some signs of stagnation in certain areas. However, the outlook for the economy requires a greater level of attention as to the effects of such factors as fluctuations in financial and capital markets, in addition to concern over downside risks due to the impact of U.S. trade policies.

Under these circumstances, the Group has promoted various measures based on the Medium-term Management Policy of “Taking on the challenge of future-driven change to create a prosperous society and new value.”

In information-related businesses, to “leverage the strengths cultivated in the printing business and realize the creation of new value,” we expanded our licensing business by holding special exhibitions that capitalized on our relationships with copyright holders. Additionally, leveraging the Group's high-security environment, we have worked to secure business opportunities by proposing products and services that support the digital transformation of operations. We have also continued to maintain and enhance the stable supply of tickets and IC cards to address the ongoing strong passenger traffic. To improve production efficiency, we have consolidated group companies and centralized manufacturing facilities.

In the Living and Industrial Materials business, to establish our position as a package solution vendor, we worked to expand our product lineup by developing products that contribute to both improved convenience and reduced plastic use, and we focused on expanding sales of high-value-added products. In response to rising raw material costs, we pushed for price adjustments.

As a result of the above, in the fiscal year ended March 31, 2025, net sales amounted to ¥99,977 million (up 3.1% year on year), operating profit was ¥2,331 million (up 47.8% year on year), ordinary profit was ¥2,746 million (up 31.8% year on year). In addition, profit attributable to owners of parent was ¥3,310 million (up 121.3% year on year), due to the recording of ¥2,821 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, 2024	Fiscal year ended March 31, 2025	YoY Change
Information Communication	34,714	34,658	(0.2)%
Information Security	28,697	30,755	7.2%
Living and Industrial Materials	31,464	32,331	2.8%
Other	2,116	2,231	5.5%
Total	96,992	99,977	3.1%

Information Communication

In the publishing and printing business, sales of periodicals were on par with the previous fiscal year, with favorable sales of magazines and an increase in supplementary materials. However, sales of books were sluggish due to declines in sales of comics and paperbacks, and overall sales decreased. In general commercial printing, although web catalogs and other digital production, as well as catalogs and informational magazines, performed strongly, overall sales remained on par with the previous fiscal year due to a decline in large-scale orders for in-store sales promotional products.

As a result of the above, overall net sales for the segment amounted to ¥34,658 million (down 0.2% year on year) and operating loss was ¥176 million (an operating loss of ¥286 million in the previous fiscal year).

Information Security

In business forms, BPO for financial institutions were sluggish. However, sales of data printing for government agencies increased, outperforming the previous fiscal year. In securities and smart cards, continued strong passenger traffic, including inbound demand, led to an increase in sales of transport tickets and steady performance of smart cards for transport purposes, both exceeding the previous fiscal year.

As a result of the above, overall segment net sales amounted to ¥30,755 million (up 7.2% year on year) and operating profit was ¥1,954 million (up 45.1% year on year).

Living and Industrial Materials

Sales in the segment surpassed those of the previous fiscal year owing to increased sales of tissues cartons, despite a decrease in sales of wrap cartons. Flexible packaging performed well in food products such as instant noodles, and liquid packaging such as refill pouches for daily necessities also performed well, exceeding the previous fiscal year. Tubes decreased in toothpaste applications, but increased in cosmetics applications due to strong demand for hair care products, remaining at the same level as the previous fiscal year. Orders for blow tubes for seasonings were strong, and sales of blow bottles were also steady, both exceeding those of the previous fiscal year. Sales of highly functional films surpassed those of the previous fiscal year, as orders for pharmaceutical products increased.

As a result of the above, overall segment net sales amounted to ¥32,331 million (up 2.8% year on year) and operating profit was ¥1,211 million (up 6.4% year on year).

Other

Net sales in the Other segment were ¥2,231 million (up 5.5% year on year) and operating profit was ¥161 million (down 20.3% year on year).

(ii) Future Outlook

Regarding the business environment surrounding the Group, we continue to face concerns over risks in terms of profitability due mainly to the impact of continually rising prices on personal consumption, amid growing uncertainty regarding the domestic economic outlook, primarily due to U.S. trade policies.

Amid these circumstances, the Group has reviewed our values, materiality, and other factors and rebuilt our management philosophy system, based on the recognition that clarifying our growth strategy is essential to meet the demands of society and the market, and the expectations of our stakeholders. Under our new management philosophy of “Generating New Value Through Creativity and Passion, Creating a Future for All,” we have formulated a long-term strategy and a new three-year medium-term management plan starting from fiscal year 2025, and have begun initiatives accordingly.

In information-related businesses, we will enhance profitability by further advancing cost reduction and production reform in traditional media, such as paper, while accelerating the transition toward “information services” that create, manage, and process information to add value. In the contents-related business leveraging intellectual property (IP), we aim to capture revenue opportunities through event development and the expansion of corporate education and training contents. In addition, we will enter the American manga publishing market, working toward global business expansion mainly through Kodama Tales Inc, a U.S Company established by our subsidiary Digital Catapult Inc. in May 2024. Furthermore, in traditional BPO centered on data printing, we will shift our focus toward information service-oriented BPO for areas such as healthcare and finance, leveraging our robust security infrastructure and accumulated expertise to increase profitability.

In the Living and Industrial Materials business, we are working to expand the sales scale of packaging materials for food and daily necessities, such as lid materials, laminated tubes, and functional packaging, while improving profit margins through efficiency investments and ongoing price adjustments. At the same time, we are focusing on developing three businesses with the potential for higher growth and higher profit margins: “overseas packaging,” “functional materials,” and “industrial packaging.” Through proactive investments in business diversification and technology development with business collaboration in mind, we are working to accelerate the development and sales promotion of high value-added products and achieve early monetization.

Regarding the financial results forecast for the fiscal year ending March 31, 2026, we expect net sales of ¥103,500 million (up 3.5% year-on-year), operating profit of ¥2,800 million (up 20.1% year-on-year), ordinary profit of ¥3,250 million (up 18.3%), and profit attributable to owners of parent of ¥3,850 million (up 16.3%).

(2) Summary of Financial Position

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

Total assets amounted to ¥126,168 million (¥131,815 million at the end of the previous fiscal year), a decrease of ¥5,646 million. This was mainly due to decreases of ¥3,048 million in investment securities and ¥1,693 million in accounts receivable. Liabilities amounted to ¥63,255 million (¥68,695 million at the end of the previous fiscal year), a decrease of ¥5,439 million. This was mainly attributable to decreases of ¥3,580 million in notes and accounts payable - trade and ¥2,461 million in borrowings. Net assets amounted to ¥62,913 million (¥63,120 million at the end of the previous fiscal year), a decrease of ¥207 million. This was mainly on account of ¥3,310 million in profit attributable to owners of parent, a decrease of ¥2,025 million in valuation difference on available-for-sale securities, dividends paid of ¥792 million, and purchase of treasury shares of ¥1,000 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, 2025 increased by ¥1,240 million from the end of the previous fiscal year, to ¥12,184 million.

Cash flows from operating activities

Net cash provided by operating activities during the fiscal year ended March 31, 2025 amounted to ¥6,744 million (a year-on-year increase of ¥3,107 million). This was mainly due to the posting of ¥4,628 million in profit before income taxes, ¥5,913 million in depreciation, a decrease in trade payables of ¥3,600 million, and a decrease in trade receivables of ¥1,730 million.

Cash flows from investing activities

Net cash used in investing activities during the fiscal year ended March 31, 2025 amounted to ¥902 million (a year-on-year decrease of ¥2,006 million). This was mainly due to an outflow of ¥4,117 million for purchase of property, plant and equipment and intangible assets and ¥3,150 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, 2025 amounted to ¥4,637 million (net cash provided of ¥266 million in the previous fiscal year). This was mainly on account of an increase in short-term borrowings of ¥13 million, while there were outflows of ¥2,490 million in repayments of long-term borrowings, ¥1,000 million in purchase of treasury shares, and dividends paid of ¥792 million.

(Reference) Trends in Cash Flow Indicators

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Equity ratio (%)	47.4	46.7	47.9	49.8
Equity ratio on a market value basis (%)	17.0	17.0	19.1	23.0
Ratio of interest-bearing liabilities to cash flow (years)	5.2	0.6	5.0	1.9
Interest coverage ratio (times)	27.4	158.8	20.6	36.4

* Equity ratio: $\text{equity} \div \text{total assets}$

Equity ratio on a market value basis: $\text{market capitalization} \div \text{total assets}$

Ratio of interest-bearing liabilities to cash flows: $\text{interest-bearing liabilities} \div \text{Cash flows}$

Interest coverage ratio: $\text{cash flows} \div \text{interest payments}$

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. Traditionally, dividends have been determined based on consolidated financial results, payout ratio, and perspectives such as the dividend on equity ratio (DOE). However, beginning in the fiscal year ending March 31, 2026, the first year of our new medium-term management plan, we prioritize the further enhancement of corporate value and maintenance of stable long-term dividends, setting a DOE target of 3.5% as a guideline for dividends.

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. The DOE target will be reviewed periodically to align with medium- to long-term improvements in our profit levels.

(i) Dividends in the fiscal year ended March 31, 2025

Regarding the year-end dividend, we plan to increase it by 5 yen compared to the initial forecast, setting it at 85 yen per share. The total annual dividend, combined with the interim dividend of 55 yen per share (before the stock split) already paid, will amount to 140 yen, resulting in a dividend payout ratio of 30.4%.

In addition, during the fiscal year ended March 31, 2025, in order to enhance shareholder returns by executing agile capital policies in line with the business environment and improving capital efficiency, we purchased 257,500 shares of treasury stock for ¥999 million through a resolution of the Board of Directors. As a result, the total shareholder return ratio reached 61.5%.

(ii) Dividends in the fiscal year ending March 31, 2026

For the fiscal year ending March 31, 2026, following the stock split effective April 1, 2025 (at a ratio of four shares for each share), we forecast an annual dividend of 76 yen per share (comprising an interim dividend of 38 yen and a year-end dividend of 38 yen). If the stock split is not taken into consideration, the annual dividend would amount to 304 yen per share.

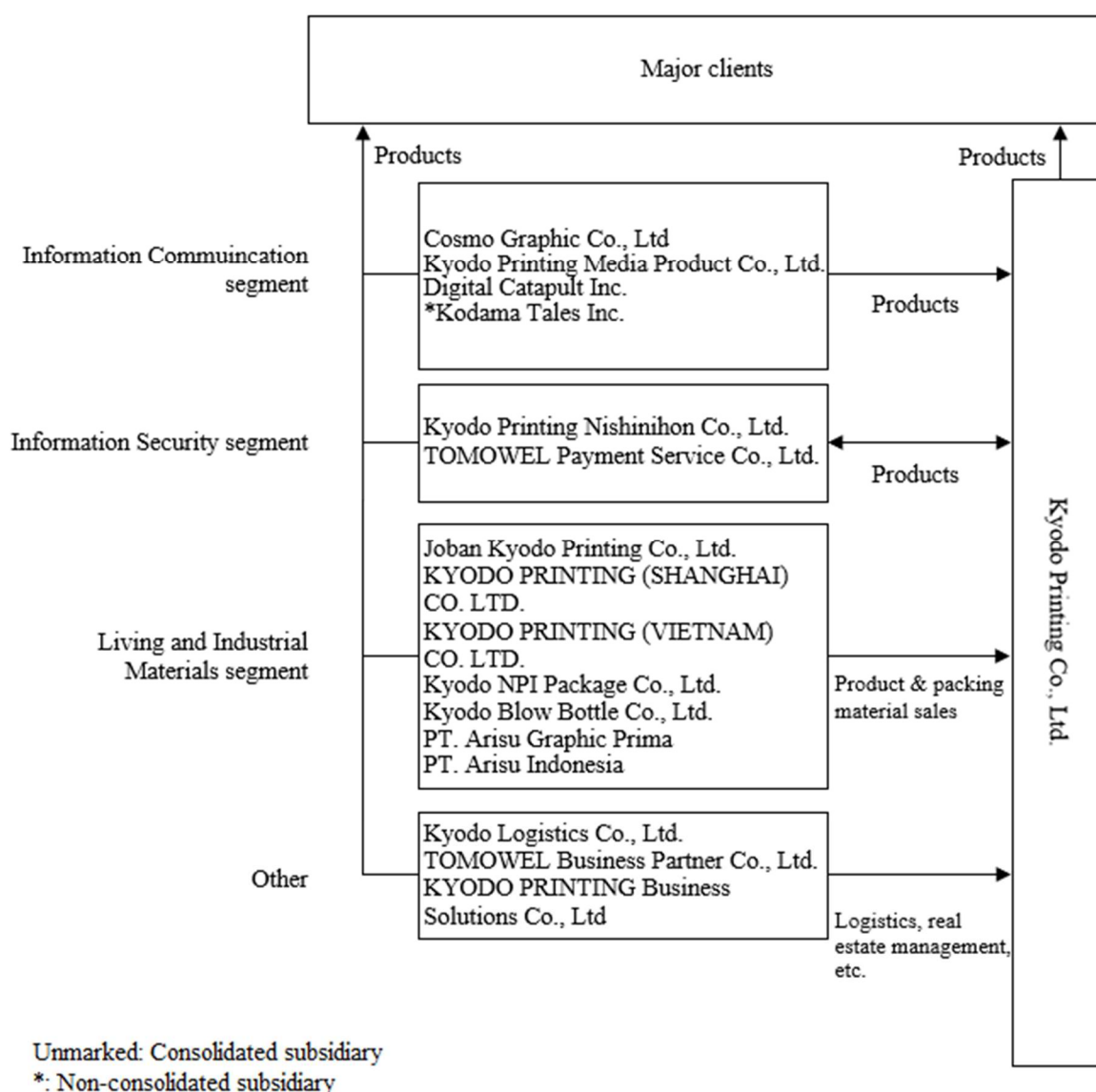
2. Status of the Corporate Group

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.



- Notes: 1. During the fiscal year ended March 31, 2025, Kyodo Printing Marketing Solutions Co., Ltd. was absorbed through a merger, with Kyodo Printing Co., Ltd. as the surviving company and Kyodo Printing Marketing Solutions Co., Ltd. as the dissolved company.
2. During the fiscal year ended March 31, 2025, Kyodo Ftech Co., Ltd. was absorbed through a merger, with Kyodo Printing Nishinihon Co., Ltd. as the surviving company and Kyodo Ftech Co., Ltd. as the dissolved company.
3. During the current fiscal year, we established Kodama Tales Inc., a U.S. subsidiary. However, shortly after its establishment, the total assets, net sales, net income (loss) for the period (attributable to equity interest), and retained earnings (attributable to equity interest) of the subsidiary did not have a material impact on the consolidated financial statements. Therefore, it is classified as a non-consolidated subsidiary.

3. Basic Policy on 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, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	11,003	12,254
Notes receivable - trade *1	6,330	5,583
Accounts receivable - trade	22,290	21,344
Securities	7	—
Merchandise and finished products	3,249	3,524
Work in process	2,816	2,822
Raw materials and supplies	1,560	1,636
Other	843	642
Allowance for doubtful accounts	(27)	(27)
Total current assets	48,074	47,780
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	27,811	26,256
Machinery, equipment and vehicles, net	11,377	11,714
Tools, furniture and fixtures, net	1,597	1,550
Land	14,901	14,928
Lease assets, net	1,040	1,025
Construction in progress	1,238	493
Total property, plant and equipment *2	57,966	55,968
Intangible assets		
Goodwill	140	—
Software	1,136	1,221
Other	246	309
Total intangible assets	1,522	1,530
Investments and other assets		
Investment securities *3	20,549	17,501
Retirement benefit asset	2,324	2,387
Deferred tax assets	332	364
Other	1,050	641
Allowance for doubtful accounts	(4)	(5)
Total investments and other assets	24,252	20,889
Total non-current assets	83,741	78,388
Total assets	131,815	126,168

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	*1 15,345	11,764
Short-term borrowings	135	156
Current portion of long-term borrowings	*4 2,437	*4 2,434
Lease liabilities	372	351
Income taxes payable	283	1,256
Provision for bonuses	953	968
Provision for bonuses for directors (and other officers)	59	95
Other	*1 8,917	9,234
Total current liabilities	28,504	26,262
Non-current liabilities		
Bonds payable	5,000	5,000
Long-term borrowings	*4 6,789	*4 4,309
Lease liabilities	773	765
Deferred tax liabilities	3,981	3,423
Provision for share awards for directors (and other officers)	22	28
Retirement benefits liability	6,554	6,564
Asset retirement obligations	8	9
Long-term advances received	16,833	16,600
Provision for products compensation	—	40
Other	226	249
Total non-current liabilities	40,190	36,992
Total liabilities	68,695	63,255
Net assets		
Shareholders' equity		
Share capital	4,510	4,510
Capital surplus	1,687	1,687
Retained earnings	48,592	51,110
Treasury shares	(3,289)	(4,248)
Total shareholders' equity	51,500	53,059
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,381	9,355
Foreign currency translation adjustments	356	550
Remeasurement of defined benefit plans	(156)	(73)
Total accumulated other comprehensive income	11,581	9,833
Non-controlling interests	38	20
Total net assets	63,120	62,913
Total liabilities and net assets	131,815	126,168

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	96,992	99,977
Cost of sales	*1 77,823	*1 79,844
Gross profit	19,168	20,132
Selling, general and administrative expenses		
Shipment expenses	3,332	3,216
Travel, transportation and communication expenses	280	294
Provision of allowance for doubtful accounts	14	3
Salaries and allowances	6,988	7,141
Provision for bonuses	417	431
Provision for bonuses for directors (and other officers)	59	95
Provision for share awards for directors (and other officers)	9	9
Retirement benefit expenses	517	559
Welfare benefits	1,638	1,688
Depreciation	979	1,027
Other	3,351	3,333
Total selling, general and administrative expenses	*1 17,591	*1 17,801
Operating profit	1,577	2,331
Non-operating income		
Interest income	2	7
Dividend income	303	321
Gain on sales of goods	35	37
Rental income from facilities	68	69
Dividend income of insurance	155	150
Foreign exchange gains	23	—
Other	207	235
Total non-operating income	796	823
Non-operating expenses		
Interest expenses	145	184
Rental expenses on facilities	34	33
Bond issuance costs	31	—
Compensation expenses	—	41
Foreign exchange losses	—	23
Other	78	125
Total non-operating expenses	290	408
Ordinary profit	2,083	2,746

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Extraordinary income		
Gain on sales of non-current assets	*2 12	*2 2
Gain on sales of investment securities	384	2,821
Reversal of provision for environmental measures	12	—
Other	—	17
Total extraordinary income	409	2,842
Extraordinary losses		
Loss on disposal of non-current assets	*3 116	*3 162
Loss on sale of investment securities	0	4
Loss on valuation of investment securities	100	110
Impairment losses	*4 32	*4 146
Provision for product compensation	—	40
Loss on litigation	—	*5 142
Factory reorganization cost	—	*6 285
Other	10	68
Total extraordinary losses	258	960
Profit before income taxes	2,233	4,628
Income taxes - current	353	1,256
Income taxes - deferred	378	81
Total income taxes	731	1,338
Profit	1,501	3,289
Profit (loss) attributable to non-controlling interests	5	(21)
Profit attributable to owners of parent	1,495	3,310

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	1,501	3,289
Other comprehensive income		
Valuation difference on available-for -sale securities	5,520	(2,025)
Foreign currency translation adjustment	161	195
Remeasurements of defined benefit plans, net of tax	151	85
Share of other comprehensive income of entities accounted for using equity method	(20)	—
Total other comprehensive income	* 5,813	* (1,744)
Comprehensive income	7,314	1,544
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,307	1,562
Comprehensive income attributable to non-controlling interests	7	(17)

(3) Consolidated Statements of Changes in Equity

Fiscal Year Ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' Equity
Balance at beginning of period	4,510	1,688	47,881	(2,160)	51,919
Changes during period					
Dividends of surplus			(790)		(790)
Profit attributable to owners of parent			1,495		1,495
Purchase of treasury shares				(1,199)	(1,199)
Disposal of treasury shares				48	48
Change in ownership interest of parent due to transactions with non-controlling interests		(0)			(0)
Changes in scope of equity method			5	22	27
Net change in the item other than in shareholders' equity					
Total changes during period	—	(0)	710	(1,129)	(418)
Balance at end of period	4,510	1,687	48,592	(3,289)	51,500

	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	5,881	196	(307)	5,770	30	57,720
Changes during period						
Dividends of surplus						(790)
Profit attributable to owners of parent						1,495
Purchase of treasury shares						(1,199)
Disposal of treasury shares						48
Change in ownership interest of parent due to transactions with non-controlling interests						(0)
Changes in scope of equity method						27
Net changes in items other than shareholders' equity	5,500	160	150	5,811	7	5,819
Total changes during period	5,500	160	150	5,811	7	5,400
Balance at end of period	11,381	356	(156)	11,581	38	63,120

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 change in the item other than those in 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 stock						(1,000)
Disposal of treasury stock						41
Net change in the item other than those in 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

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	2,233	4,628
Depreciation	5,615	5,913
Amortization of goodwill	240	140
Impairment losses	32	146
Increase (decrease) in net defined benefits asset and liability	27	50
Increase (decrease) in allowance for doubtful accounts	15	(0)
Increase (decrease) in provision for bonuses	(330)	14
Increase (decrease) in provision for bonuses for directors (and other officers)	15	36
Increase (decrease) in provision for loss on Anti-Monopoly Act	(838)	—
Increase (decrease) in provision for environmental measures	(102)	—
Increase (decrease) in provision for products defect compensation	—	40
Interest and dividend income	(305)	(329)
Interest expenses	145	184
Loss (gain) on valuation of investment securities	100	110
Loss (gain) on sales of investment securities	(384)	(2,816)
Loss (gain) on sales and retirement of non-current assets	104	159
Decrease (increase) in trade receivables	(1,692)	1,730
Decrease (increase) in inventories	(70)	(333)
Increase (decrease) in trade payables	(2,305)	(3,600)
Increase (decrease) in accrued consumption taxes	(602)	(113)
Decrease (increase) in distressed receivables	(1)	2
Other, net	1,375	842
Subtotal	3,271	6,804
Interest and dividends received	305	329
Interest paid	(150)	(185)
Income taxes paid	(318)	(204)
Net cash provided by (used in) operating activities	3,107	6,744
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(3,361)	(4,117)
Proceeds from sales of property, plant and equipment and intangible assets	30	12
Purchase of investment securities	(137)	(108)
Proceeds from sales of investment securities	624	3,150
Loan advances	—	(104)
Proceeds from collection of loans receivable	—	0
Other, net	(63)	264
Net cash provided by (used in) investing activities	(2,908)	(902)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	14	13
Proceeds from long-term borrowings	3,099	—
Repayments of long-term borrowings	(2,465)	(2,490)
Proceeds from issuance of bonds	4,987	—
Redemption of bonds	(3,000)	—
Dividends paid	(790)	(792)
Purchase of treasury shares	(1,199)	(1,000)
Proceeds from disposal of treasury shares	48	41
Other, net	(427)	(408)
Net cash provided by (used in) financing activities	266	(4,637)
Effect of exchange rate change on cash and cash equivalents	(21)	35
Net increase (decrease) in cash and cash equivalents	443	1,240
Cash and cash equivalents at beginning of period	10,500	10,944
Cash and cash equivalents at end of period	* 10,944	* 12,184

(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: 15

(2) Names of major subsidiaries:

Kyodo Logistics Co., Ltd.

Kyodo Printing Nishinohon Co., Ltd.

Digital Catapult Inc.

In the fiscal year ended March 31, 2025, Kyodo Printing Marketing Solutions Co., Ltd., which was included in the consolidation scope in the previous fiscal year, was excluded from the consolidation scope due to a merger with Kyodo Printing Co., Ltd. as of April 1, 2024, and Kyodo Ftech Co., Ltd. was excluded from the consolidation scope due to a merger with Kyodo Printing Nishinohon Co., Ltd., a consolidated subsidiary, as of October 1, 2024.

(3) Name of the non-consolidated subsidiary: Kodama Tales Inc.

Reason for exclusion from the consolidation scope

The non-consolidated subsidiary was established recently and its total assets, net sales, net income or loss (amounts corresponding to equity), and retained earnings (amount corresponding to equity) have no significant impact on the consolidated financial statements, so it has been excluded from the scope of consolidation.

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., and Kodama Tales Inc., associated companies which are not accounted for by the equity method have been excluded from the scope of the equity method because their 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, 2025 and due to their overall lack of significance.

3. Fiscal year-end of consolidated subsidiaries

Of consolidated subsidiaries, the fiscal closing date of 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 an eight-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.

(Notes regarding changes in accounting policies)

(Application of Accounting Standard for Current Income Taxes, etc.)

The Company has applied the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the “2022 Revised Accounting Standard”) and other standards from the beginning of the fiscal year under review.

Regarding the revision to the classification of income taxes, etc. (taxation on other comprehensive income), the Company has applied the transitional treatment stipulated in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standard and the transitional treatment stipulated in the proviso to Paragraph 65-2 (2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the “2022 Revised Guidance”). This change in accounting policy has no impact on the consolidated financial statements.

In addition, regarding the amendment related to the revision of the treatment in consolidated financial statements of deferral for tax purposes of gain or loss on the sale of shares of subsidiaries, etc. between consolidated companies,

the Company has applied the 2022 Revised Guidance from the beginning of the fiscal year under review. These changes in accounting policies have been applied retrospectively, including the annual consolidated financial statements for the previous fiscal year, which have been adjusted retrospectively. The changes in accounting policies have no effect on the annual consolidated financial statements for the previous fiscal year.

(Additional information)

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

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

(1) Board Benefit Trust (BBT)

In accordance with the resolution of the 138th Annual Shareholders' Meeting held on June 28, 2018, the Company introduced a Board Benefit Trust (BBT) (hereinafter, referred to as the "System"), 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.").

(i) Overview of the transaction

The System is a stock-based 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, etc. 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, 2024 was ¥159 million and 221,000 shares. The carrying amount and the number of shares of such treasury stock as of March 31, 2025 was ¥157 million and 218,000 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, 2024 was ¥417 million and 600,000 shares. The carrying amount and the number of shares of such treasury stock as of March 31, 2025 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 Retrustee.

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, 2024 was ¥177 million and 255,000 shares. The carrying amount and the number of shares of such treasury stock as of March 31, 2025 was ¥138 million and 198,000 shares.

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

Long-term debt as of March 31, 2024 was ¥175 million.

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

(Elimination of contingent liabilities)

Two of the Company's Indonesian consolidated subsidiaries, PT. Arisu Graphic Prima and PT. Arisu Indonesia received a notice for correction from the Indonesian tax authorities regarding the tax returns for the period December 2017 through December 2020. The Company contested the notice by raising an objection and filing a lawsuit with the relevant courts, and with regard to the major litigation, the majority of the claims made by the consolidated subsidiaries have been upheld, and the case has been concluded.

(Notes to Consolidated Balance Sheets)***1 Notes maturing at the end of the consolidated fiscal year**

The accounting policy for notes that will mature at the end of the consolidated fiscal year is for the notes to be settled on the clearance date. However, as the last day of the current consolidated fiscal year falls on a bank holiday, those notes that are to mature at the end of the next consolidated fiscal year are included in the year-end balance of the consolidated fiscal year.

(Million yen)

	Fiscal Year Ended March 31, 2024	Fiscal Year Ended March 31, 2025
Notes receivable - trade	79	—
Notes payable - trade	37	—
Notes payable - equipment	0	—

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

(Million yen)

	As of March 31, 2024	As of March 31, 2025
Accumulated depreciation of property, plant and equipment	80,311	81,772

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

(Million yen)

	As of March 31, 2024	As of March 31, 2025
Investment securities (shares)	8	36

4 Financial covenants*Fiscal year ended March 31, 2024**

Of debts as of the end of the fiscal year ended March 31, 2024, syndicated term loan agreements (debt balance of ¥4,800 million as of March 31, 2024) 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, 2024, 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, 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.

(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, 2024	Fiscal year ended March 31, 2025
Research and development costs	1,068	1,052

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

	(Million yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Machinery and vehicles	12	2
Other facilities	—	0
Total	12	2

*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, 2024	Fiscal year ended March 31, 2025
Machinery and vehicles	—	15
Other facilities	0	1
Total	0	17

Loss on retirement of non-current assets

	(Million yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Buildings and structures	17	47
Machinery and vehicles	76	73
Other facilities	4	9
Software	17	14
Total	116	144

*4 Impairment loss

Fiscal year ended March 31, 2024

The Group recorded impairment losses on the following asset groups.

Segment	Location	Use	Type	Amount (Million yen)
Other	Wako-shi, Saitama	Logistics warehouse	Buildings and structures	29
Information communication	Bunkyo-ku, Tokyo	Electronic books	Intangible assets (Other)	2

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 ¥32 million under extraordinary losses. With regard to buildings and structures, the recoverable amount is measured by net realizable value. Since it is difficult to convert the buildings and structures to other uses or to sell them, the memo value is used as the net realizable amount. With regard to intangible assets (other), the recoverable amount is measured by value in use; however, as the future cashflow of such is negative, it is evaluated as having a value of zero.

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, their book value has been devalued to the appraised value based on a real estate valuation. With regard to intangible assets (other), the

recoverable amount is measured by value in use; however, as the future cashflow of such is negative, it is evaluated as having a value of zero.

***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.

(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, 2024	Fiscal year ended March 31, 2025
Unrealized gain (loss) on available-for-sale securities		
Gain (loss) arising during the year	8,331	109
Reclassification adjustments to profit or loss	(377)	(2,816)
Amount before income taxes and income tax effect	7,953	(2,707)
Income taxes and income tax effect	(2,433)	681
Unrealized gain (loss) on available-for-sale securities	5,520	(2,025)
Foreign currency translation adjustments		
Gain (loss) arising during the year	161	195
Remeasurement of defined benefit plans		
Gain (loss) arising during the year	153	(25)
Reclassification adjustments to profit or loss	63	142
Amount before income taxes and income tax effect	216	116
Income taxes and income tax effect	(65)	(30)
Remeasurement of defined benefit plans	151	85
Share of other comprehensive income in associate accounted for using the equity method		
Gain (loss) arising during the year	(20)	—
Total other comprehensive income (loss)	5,813	(1,744)

(Notes to Consolidated Statements of Changes in Equity)

Fiscal year ended March 31, 2024

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

(Shares)

	Number of shares as of April 1, 2023	Increase during period	Decrease during period	Number of shares as of March 31, 2024
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)	754,966	354,565	21,700	1,087,831
Total	754,966	354,565	21,700	1,087,831

(Notes)

1. 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 (286,500 shares as of April 1, 2023, 269,200 shares as of March 31, 2024).
2. Increase in treasury stock of 354,565 shares resulted from an increase of 65 shares due to the purchase of less than one trading unit and an increase of 354,000 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 8, 2023.
3. Decrease in treasury stock of 21,700 shares resulted from a decrease of 500 shares due to the delivery of such to one director, and one executive officer as compensation for the execution of their duties, a decrease of 16,800 shares due to the sale of Company's common stock owned by BBT (Employee Shareholding Association Disposal Type), and a decrease of 4,400 shares due to the sale of an associated company's stock.

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 29, 2023 Annual Shareholders' Meeting	Common stock	395	50	March 31, 2023	June 30, 2023
November 8, 2023 Board of Directors	Common stock	395	50	September 30, 2023	December 8, 2023

(Notes)

1. The total amount of cash dividends approved at the Company's shareholders' meeting held on June 29, 2023 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. The total amount of cash dividends approved at the Board of Directors held on November 8, 2023 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.

(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 27, 2024 Annual Shareholders' Meeting	Common stock	377	Retained earnings	50	March 31, 2024	June 28, 2024

(Note)

The total amount of cash dividends 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.

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 and 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 performed a stock split at a ratio of four shares for each share 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)

1. 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.
2. 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.

A resolution is scheduled as follows.

(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)

1. 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.
2. Although the Company performed a stock split at a ratio of four shares for each share 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.

(Notes to Consolidated Statements of Cash Flows)

1* Relationship between cash and cash equivalents as of March 31, 2024 and 2025 and account items listed in the Consolidated Balance Sheets is as follows.

	(Million yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash and time deposits	11,003	12,254
Time deposits exceeding three months to maturity	(58)	(69)
Cash and cash equivalents	10,944	12,184

2. Significant noncash transactions

Assets and liabilities under finance leases newly recognized for the years ended March 31, 2024 and 2025 are as follows.

	(Million yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Lease assets	232	345
Lease obligations	269	374

(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, 2024 (from April 1, 2023 to March 31, 2024)

(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	34,714	28,697	31,464	94,876	1,618	96,494	—	96,494
Other revenue	—	—	—	—	497	497	—	497
Sales to external customers	34,714	28,697	31,464	94,876	2,116	96,992	—	96,992
Intersegment sales to transfers	1,152	663	446	2,262	5,426	7,688	(7,688)	—
Total	35,866	29,361	31,910	97,138	7,542	104,681	(7,688)	96,992
Segment profit (loss)	(286)	1,347	1,138	2,198	203	2,401	(824)	1,577
Segment assets	26,305	24,112	36,153	86,570	9,296	95,866	35,949	131,815
Other (Note) 4:								
Depreciation and amortization	880	1,317	2,212	4,410	261	4,672	943	5,615
Amortization of goodwill	—	—	240	240	—	240	—	240
Increase in property, plant and equipment and intangible assets	507	2,004	808	3,319	177	3,496	570	4,067

(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, 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 or 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.

[Related information]

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

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, 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.

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

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Million yen)						
	Information Communication	Information Security	Living and Industrial Materials	Other	Reconciliations	Total
Impairment loss	2	—	—	29	—	32

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

[Information about amortization and unamortized balance of goodwill for each reportable segment]

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Million yen)

	Information Communication	Information Security	Living and Industrial Materials	Other	Reconciliations	Total
Amortization of goodwill	—	—	240	—	—	240
Unamortized balance of goodwill	—	—	140	—	—	140

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	—	—	—	—	—	—

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

There is no relevant information.

(Per share information)

(Yen)

	Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)
Total equity per share	2,165.65	2,233.66
Basic net income per share	49.81	115.00

(Notes)

- As of April 1, 2025, the Company performed a stock split at a ratio of four shares for each share of common stock. 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) 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 (221,200 shares for year ended March 31, 2024, 218,800 shares for year ended March 31, 2025).
The Company's shares owned by Custody Bank of Japan, Ltd. (Trust account E) as a trust property of Board Benefit Trust (BBT) 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 (221,815 shares for year ended March 31, 2024, 219,538 shares for year ended March 31, 2025).
- 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, 2024, 600,000 shares for year ended March 31, 2025).
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, 2024, 600,000 shares for year ended March 31, 2025).
- 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 (255,600 shares for year ended March 31, 2024, 198,700 shares for year ended March 31, 2025).
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 (288,246 shares for year ended March 31, 2024, 226,669 shares for year ended March 31, 2025).
- Diluted net income per share for the year ended March 31, 2025 is not presented since potentially dilutive shares did not exist as of March 31, 2025.

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

	Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)	Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)
Basic net income per share		
Net income attributable to owners of parent (Million yen)	1,495	3,310
Amount not attributable to common shareholders (Million yen)	—	—
Net income attributable to owners of parent related to common stock (Million yen)	1,495	3,310
Average number of shares during the period (Thousand shares)	30,033	28,790

(Significant subsequent events)

(Stock split and partial amendment to Articles of Incorporation accompanying stock split)

At a meeting of the Board of Directors held on February 7, 2025, the Company resolved to perform a stock split and a partial amendment to its Articles of Incorporation accompanying this stock split.

1. Stock split

(1) Purpose of stock split

By performing a stock split and lowering the amount per investment unit, we aim to improve the liquidity of the Company's stock and further expand our investor base.

(2) Overview of stock split

1) Method of stock split

With March 31, 2025 as the record date, we performed a split of the common stock held by the shareholders listed or recorded in the final shareholder register as of that same date using a ratio of 4:1.

2) Increased number of shares due to stock split

Total number of issued shares before stock split	8,370,000 shares
Increase in number of shares due to the stock split	25,110,000 shares
Total number of issued shares after stock split	33,480,000 shares
Total number of authorized shares after stock split	133,920,000 shares

3) Schedule of stock split

Date of announcement of record date:	Friday, March 14, 2025
Record date:	Monday, March 31, 2025
Effective date:	Tuesday, April 1, 2025

(3) Impact on per share information

The impact of the stock split is stated in "Per share information."

(4) Other

1) Changes in amount of share capital

There will be no changes in the amount of the Company's share capital as a result of this stock split.

2) Year-end dividend for fiscal year ended March 31, 2025

The stock split has an effective date of April 1, 2025. Therefore, the year-end dividend for the fiscal year ended March 31, 2025 will be paid based on the number of shares held before the stock split, with a record date of March 31, 2025.

2. Partial amendment to Articles of Incorporation

(1) Reason for amendments

On April 1, 2025, upon performing the aforementioned stock split, the Company changed the total number of authorized shares under Article 6 of the Company's Articles of Incorporation based on that stipulated in Article 184, Paragraph 2 of the Companies Act.

(2) Details of amendments (Amended parts are underlined.)

Current Articles of Incorporation	Articles of Incorporation Post Amendment
(Total Number of Authorized Shares) Article 6 The total number of shares authorized by the Company is <u>36,080,000 shares</u> .	(Total Number of Authorized Shares) Article 6 The total number of shares authorized by the Company is <u>133,920,000 shares</u> .

(3) Schedule

Effective date of amendment to Articles of Incorporation: Tuesday, April 1, 2025

5. Other

(Changes in officers)

Refer to “Notice Regarding Changes in Officers” announced on February 26, 2025.