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

May 15, 2026

Company name: Tsuzuki Denki Co., Ltd. Listing Stock Exchange: Tokyo  
 Stock code: 8157 URL: <https://www.tsuzuki.co.jp/>  
 Representative (title): Katsuyuki Yoshida, Representative Director, President and CEO  
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Scheduled date of general shareholders' meeting: June 26, 2026  
 Scheduled date for dividend payment: June 5, 2026  
 Scheduled date for filing consolidated financial statements: June 19, 2026  
 Preparation of supplemental explanatory materials: Yes  
 Results briefing to be held: Yes (for institutional investors and analysts)

### 1. Consolidated financial results for the fiscal year ended March 31, 2026 (April 1, 2025, to March 31, 2026)

#### (1) Consolidated operating results

Millions of yen (rounded down), % figures are year-on-year change

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
Year ended March 31, 2026	103,728	5.6%	8,178	26.2%	8,320	26.1%	6,472	35.9%
Year ended March 31, 2025	98,263	(21.3%)	6,481	0.6%	6,596	1.7%	4,764	(13.0%)

Note: Comprehensive income was 6,134 million yen (10.1%) in year ended March 31, 2026; 5,569 million yen (-19.2%) in year ended March 31, 2025.

	Earnings per share (yen)	Diluted earnings per share (yen)	Ratio of profit to shareholders' equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
Year ended March 31, 2026	355.94	—	14.0%	9.9%	7.9%
Year ended March 31, 2025	263.32	—	11.3%	8.2%	6.6%

Reference: Equity in earnings affiliates in year ended March 31, 2026, nil; in year ended March 31, 2025, nil.

(2) Consolidated financial position

	Total assets (millions of yen)	Net assets (millions of yen)	Shareholders' equity ratio	Net assets per share (yen)
Year ended March 31, 2026	87,630	48,837	55.1%	2,652.76
Year ended March 31, 2025	80,063	44,629	55.2%	2,436.05

Reference: Shareholders' equity in year ended March 31, 2026, 48,315 million yen; in year ended March 31, 2025, 44,155 million yen.

(3) Consolidated cash flows

	Millions of yen			
	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
Year ended March 31, 2026	6,322	1,711	(3,269)	43,467
Year ended March 31, 2025	3,407	(792)	(2,595)	38,703

2. Dividends

	Dividends per share for the fiscal year (yen)					Total annual dividend payment (millions of yen)	Dividend payout ratio (consoli- dated)	Ratio of dividend payout to net assets
	End of first quarter	End of second quarter	End of third quarter	Year- end	Total			
Year ended March 31, 2025	—	45.00	—	54.00	99.00	1,858	37.6%	4.2%
Year ended March 31, 2026	—	50.00	—	76.00	126.00	2,365	35.4%	5.0%
Year ending March 31, 2027 (Forecast)	—	95.00	—	95.00	190.00		60.2%	

Note: The dividend payout ratio for the fiscal year under review was 35.4%. For details of the expected dividend for the year ended March 31, 2026 please refer to attachment page9“(5) Dividend policy and dividends for the year under review and coming year“

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

	Net sales (millions of yen)		Operating income (millions of yen)		Ordinary income (millions of yen)		Profit attributable to owners of parent (millions of yen)		Earnings per share (yen)
		% figures are year-on-year change		% figures are year-on-year change		% figures are year-on-year change		% figures are year-on-year change	
Full year	107,000	3.2%	8,700	6.4%	8,700	4.6%	5,750	(11.2%)	315.70

Note: The Company manages earnings on an annual basis, so does not disclose first-half earnings forecasts.

\*Notes

(1) Significant changes in the scope of consolidation during the fiscal year: None

Newly added \_\_\_ companies (names)

No longer consolidated \_\_\_ company (name)

(2) Changes in accounting policies, changes in accounting estimates, and restatements

1. Changes in accounting policies due to changes in accounting standards: None

2. Changes in accounting policies not due to changes in accounting standards: None

3. Changes in accounting estimates: None

4. Restatements: None

(3) Number of shares outstanding (common stock)

1. Number of shares outstanding at year end (including treasury stock)	Year ended March 31, 2026	18,977,894	Year ended March 31, 2025	18,977,894
2. Number of shares at year end (treasury stock)	Year ended March 31, 2026	764,497	Year ended March 31, 2025	851,891
3. Average number of shares over the period	Year ended March 31, 2026	18,184,824	Year ended March 31, 2025	18,093,836

Note: The number of treasury shares includes those held in the Directors' Compensation Board Incentive Plan (BIP) trust account (294,222 in year ended March 2026; 356,831 in year ended March 2025) and Stock-grant ESOP trust account (266,388 in year ended March 2026; 291,427 in year ended March 2025).

\*The financial information in this report is not subject to audit by certified public accountants or auditing firms.

\*Appropriate use of earnings forecast and other special notes.

(Note on forward-looking statements)

The earnings forecasts and other forward-looking statements contained in this document are based on information currently available to the Company, and certain assumptions it considers reasonable, but are not intended to be a promise that the Company will achieve. Actual results may vary materially from forecasts due to a variety of factors.

(How to obtain supplementary explanatory materials for financial results and results briefing materials.)

The Company plans to hold a results briefing for institutional investors and analysts on Monday, May 18, 2026. The briefing materials will be attached to the "Notice Regarding Formulation of the Medium-Term Management Plan "Trust & Challenge 2029" and Upward Revision of the Long-Term Vision," announced on May 15, 2026, will be posted on the Company's website.

(Attachment)

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## 1. Overview of results

### (1) Earnings

During the fiscal year ended March 31, 2026, the Japanese economy continued its gradual recovery, supported by improvements in employment and income conditions. However, the outlook remained uncertain due to concerns about the impact on the domestic economy of factors such as ongoing inflation, US trade policy, the situation in the Middle East, and volatility in financial and capital markets.

In the information and communications services industry to which the Group belongs, the market continued to expand, underpinned by sustained high levels of capital investment. This investment appetite was driven by the acceleration of digital transformation (DX), advances in generative AI technology, and the need to address social challenges including productivity improvements to offset labor shortages and heightened security risks.

In this environment, the Group has set Growth Navigator (an organization that navigates growth and creates value together with stakeholders) as its long-term vision through fiscal year ending March 31, 2033, with the aim of remaining a company consistently chosen by customers as a partner that leads their growth. To realize this vision, the Group had been implementing its three-year medium-term management plan, "Transformation 2026." The plan centers on enhancing earnings capabilities by shifting resources to growth areas, while also pursuing integrated initiatives such as capital cost-conscious management and strengthening human capital, with the aim of further increasing corporate value. During the fiscal year under review, key actions undertaken in connection with this medium-term management plan included the conclusion of an AI partnership with IBM Japan, Ltd. and strengthening the functionality of our cloud-based real-time fleet tracking and delivery management platform "TCloud for SCM," among other initiatives.

In the fiscal year under review, which marked the final year of the medium-term management plan, net sales rose 5.6% year on year to 103,728 million yen, operating income rose 26.2% to 8,178 million yen, ordinary income rose 26.1% to 8,320 million yen, and profit attributable to owners of parent rose 35.9% to 6,472 million yen. The Group thus achieved both higher sales and significantly higher profits, with operating income and ordinary income reaching record highs for the fourth consecutive fiscal year and profit attributable to owners of parent reaching a record high for the first time in two years.

Segment information has been omitted, as the Group operates under a single-segment business structure.

Results by business model were as follows

\*Note regarding quarterly earnings for the Group

Many of the Group's customers have business years from April through March of the following year. Further, fulfillment obligations for many transactions are judged to be satisfied at a certain point, so the Group's sales and profit tend to be concentrated in September and March, the halfway and endpoints of the fiscal year.

## Results by business model

Equipment: Net sales increased 7.6% year on year to 43,378 million yen, driven by expanded server and storage installations primarily for manufacturing and government-agency customers. Orders rose sharply by 24.3% year on year to 49,891 million yen, reflecting the acquisition of large-scale equipment installation projects for government agencies and financial institutions.

Development and construction: Net sales rose significantly by 13.6% year on year to 17,391 million yen, driven by network construction projects associated with office relocations and growth in system development projects for a wide range of customers, particularly in the service and transportation sectors. Orders increased 4.8% year on year to 17,055 million yen, partly due to the acquisition of multiple large-scale network construction projects.

Service: Net sales advanced steadily by 0.8% year on year to 42,957 million yen, supported by the expansion of recurring-revenue businesses such as cloud solutions. Although orders for our key focus areas, including DX services for logistics operations and managed services, grew, total orders declined 1.7% year on year to 43,437 million yen due to the absence of large contract opportunities acquired in the previous fiscal year.

### Net sales (millions of yen)

		Year ended March 2025	Year ended March 2026		
			Versus previous year		
	Equipment	40,320	43,378	3,058	107.6 %
	Development and construction	15,310	17,391	2,080	113.6 %
	Service	42,632	42,957	325	100.8 %
Total		98,263	103,728	5,464	105.6 %

### Orders (millions of yen)

		Year ended March 2025	Year ended March 2026		
			Versus previous year		
	Equipment	40,143	49,891	9,748	124.3 %
	Development and construction	16,277	17,055	777	104.8 %
	Service	44,194	43,437	(756)	98.3 %
Total		100,615	110,384	9,768	109.7 %

### Order backlog (millions of yen)

		Year ended March 2025	Year ended March 2026		
			Versus previous year		
	Equipment	10,391	16,904	6,512	162.7 %
	Development and construction	4,451	4,115	(336)	92.4 %
	Service	5,404	5,883	479	108.9 %
Total		20,246	26,902	6,655	132.9 %

## (2) Financial position

At the end of the fiscal year under review, total assets amounted to 87,630 million yen, up 7,567 million yen from the end of the previous fiscal year. The primary factors behind this increase were a rise of 4,753 million yen in cash and deposits, an increase of 2,963 million yen in accounts receivable, and an increase of 1,657 million yen in inventories. The principal factor offsetting this increase was a decline of 2,155 million yen following the sale of part of our investment securities in line with the Company's policy on cross-shareholdings.

Total liabilities stood at 38,792 million yen, up 3,358 million yen from the end of the previous fiscal year. The primary factors behind this increase were a rise of 2,280 million yen in notes and accounts payable - trade and an increase of 1,976 million yen in income taxes payable. The principal factor offsetting this increase was a decline of 856 million yen due to the repayment of short-term borrowings to financial institutions.

Net assets amounted to 48,837 million yen, up 4,208 million yen from the end of the previous fiscal year, and the shareholders' equity ratio stood at 55.1% (compared with 55.2% at the end of the previous fiscal year). This increase was primarily due to the recognition of 6,472 million yen in profit attributable to owners of parent. Offsetting this increase was a decrease in retained earnings due to dividend payments totaling 1,952 million yen.

## (3) Cash flows

In the fiscal year under review, net cash provided by operating activities was 6,322 million yen, net cash provided by investing activities was 1,711 million yen, and net cash used in financing activities was 3,269 million yen.

As a result, cash and cash equivalents amounted to 43,467 million yen, up 4,763 million yen from the end of the previous fiscal year. Changes in cash flows and the main factors behind them are described below.

### (Cash flows from operating activities)

Net cash provided by operating activities came to 6,322 million yen (up 85.5% from 3,407 million yen in the previous fiscal year). This result was supported by 9,391 million yen in profit before income taxes, while the main outflow was a 2,992 million yen increase in trade receivables.

### (Cash flows from investing activities)

Net cash provided by investing activities came to 1,711 million yen (compared to 792 million yen in net cash used in investing activities in the previous fiscal year). The primary inflow was 2,975 million yen in proceeds from the sale of investment securities, while the main outflow was 1,048 million yen used for the purchase of intangible assets.

### (Cash flows from financing activities)

Net cash used in financing activities came to 3,269 million yen (up 26.0% from 2,595 million yen in the previous fiscal year). The main outflows were 1,952 million yen in dividend payments and a net decrease of 856 million yen in short-term borrowings.

**Reference: Cash flow related indicators**

Year ended March	2023	2024	2025	2026
Shareholders' equity ratio (%)	42.0	49.8	55.2	55.1
Market value based shareholders' equity ratio (%)	33.7	51.9	51.2	72.0
Interest bearing debt to cash flow ratio (years)	2.6	2.1	2.8	1.3
Interest coverage ratio (x)	37.2	54.5	38.6	53.7

Notes: Shareholders' equity ratio = Shareholders' equity/total assets

Market value based shareholders' equity ratio = Market capitalization/total assets

Interest bearing debt to cash flow ratio (years) = Interest bearing debt/cash flow

Interest coverage ratio = Cash flow/interest paid

\*All calculations are based on consolidated financial data.

\*Market capitalization = fiscal year-end closing share price x number of shares outstanding at fiscal year-end (excluding treasury shares and company shares held in Directors' Compensation BIP trust account and Stock-grant ESOP trust account).

\*Cash flow used in calculations is cash flow from operating activities.

\*Interest bearing debt includes all liabilities on the consolidated balance sheets that incur interest.

**(4) Outlook**

Going forward, the Japanese economy is expected to continue its gradual recovery, supported by improvements in employment and income conditions. However, the outlook is expected to remain uncertain due to concerns over factors including the surge in resource prices and supply constraints stemming from the situation in the Middle East as well as the impact of US trade policy.

In the information and communications services industry to which the Group belongs, while the impact of memory supply constraints and price hikes is a concern, we anticipate corporate investment in ICT will remain strong, driven by the accelerating digital transformation (DX) at companies and the rapid penetration of generative AI into society.

Against this backdrop, as the second stage of its long-term vision toward the fiscal year ending March 31, 2033 — the 100th anniversary of its founding — the Group will pursue its three-year medium-term management plan, "Trust & Challenge 2029." (For details of the medium-term management plan "Trust & Challenge 2029," please refer to the "Notice Regarding the Formulation of the New Medium-Term Management Plan" announced on May 15, 2026.)

For the fiscal year ending March 31, 2027 — the first year of the new medium-term management plan — the Group forecasts consolidated net sales of 107,000 million yen (up 3.2% year on year), operating income of 8,700 million yen (up 6.4% year on year), ordinary income of 8,700 million yen (up 4.6% year on year), and profit attributable to owners of parent of 5,750 million yen (down 11.2% year on year). For both operating income and ordinary income, the Group aims to achieve record highs for the fifth consecutive fiscal year. The decline expected in profit attributable to owners of parent primarily reflects the absence of the boost previously provided by extraordinary income from the sale of investment securities recognized in the fiscal year ended March 31, 2026.

Should any matters requiring disclosure arise as circumstances change, we will promptly disclose them.

#### (5) Dividend policy and dividends for the year under review and coming year

The Company considers returning profits to shareholders to be a key management priority. Our basic policy is to continuously distribute profits twice a year in the form of interim and year-end dividends based on consolidated business performance, and to enhance corporate and shareholder value through the effective utilization of retained earnings.

Under the medium-term management plan "Transformation 2026," which covered the period from the fiscal year ended March 31, 2024 to the fiscal year ended March 31, 2026, the Company set a dividend policy of "a target consolidated payout ratio of 40% with a minimum DOE (consolidated dividend on equity) of 3.5%," as part of a financial strategy mindful of the cost of capital, with the aim of fortifying shareholder returns.

Based on this dividend policy and the finalization of business performance for the fiscal year under review, the year-end dividend was set at 76 yen per share — an increase of 5 yen from the 71 yen per share announced on January 30, 2026 — bringing the annual dividend to 126 yen per share when combined with the interim dividend of 50 yen per share. As disclosed, the dividend payout ratio for the fiscal year under review was 35.4%; this is because dividends are calculated based on profit from business activities, which excludes extraordinary gains and losses from profit.

Under the new medium-term management plan, "Trust & Challenge 2029," which covers the period from the fiscal year ending March 31, 2027 to the fiscal year ending March 31, 2029, strengthening shareholder returns has been positioned as a key initiative. The Company has accordingly revised its dividend policy, raising the target consolidated payout ratio to 60% and lifting the minimum DOE level to 6.0%. Based on this revised dividend policy, the Company plans an interim dividend per share of 95 yen and a year-end dividend per share of 95 yen, for an annual dividend of 190 yen per share for the fiscal year ending March 31, 2027.

## **2. Approach to selection of accounting standards**

The Group uses Japanese generally accepted accounting principles (JGAAP) to facilitate comparisons with other Japanese companies in our sector.

### 3.Consolidated financial statements and notes

#### (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
<b>Assets</b>		
Current assets		
Cash and deposits	38,713	43,467
Notes receivable - trade	138	9
accounts receivable	20,443	23,406
Electronically recorded monetary claims - operating	459	778
contract Assets	900	739
Inventories	2,601	4,259
Other	1,810	1,575
Allowance for doubtful accounts	(3)	(3)
<b>Total current assets</b>	<b>65,063</b>	<b>74,232</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,606	1,654
Accumulated depreciation	(767)	(843)
Buildings and structures, net	838	810
Machinery, equipment and vehicles	7	2
Accumulated depreciation	(6)	(0)
Machinery, equipment and vehicles, net	1	1
Land	215	215
Leased assets	1,787	1,075
Accumulated depreciation	(1,310)	(725)
Leased assets, net	477	349
Construction in progress	22	25
Other	1,324	1,488
Accumulated depreciation	(905)	(1,076)
Other, net	419	412
<b>Total property, plant and equipment</b>	<b>1,974</b>	<b>1,814</b>
Intangible assets		
Leased assets	291	121
Other	2,249	1,884
<b>Intangible assets total amount</b>	<b>2,541</b>	<b>2,005</b>
Investments and other assets		
Investment securities	4,538	2,383
Long-term loans receivable	15	14
Retirement benefit asset	2,556	3,347
Deferred tax assets	2,667	3,154
Other	744	714
Allowance for doubtful accounts	(38)	(37)
<b>Total Investments and other assets</b>	<b>10,483</b>	<b>9,577</b>
<b>Total non-current assets</b>	<b>14,999</b>	<b>13,398</b>
<b>Total assets</b>	<b>80,063</b>	<b>87,630</b>

	As of March 31, 2025	As of March 31, 2026
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	11,560	13,840
contract Liabilities	2,227	2,193
Short-term borrowings	4,607	3,751
Current portion of long-term borrowings	4,103	-
Lease liabilities	467	238
Income taxes payable	648	2,624
Provision for bonuses	2,105	2,809
Allowance for loss on orders received	157	117
Other	3,331	3,611
Total current liabilities	29,209	29,186
Non-current liabilities		
Long-term borrowings	-	4,100
Lease liabilities	370	305
Retirement benefit liability	4,498	3,859
Long-term accounts payable - other	504	444
Provision for share awards	595	585
Other	254	310
Total non-current liabilities	6,224	9,605
Total Liabilities	35,433	38,792
Net assets		
Shareholders' equity		
Share capital	9,812	9,812
Capital surplus	2,581	2,581
Retained earnings	31,901	36,421
Treasury shares	(985)	(867)
Total Shareholders' equity	43,309	47,948
Accumulated Other comprehensive income		
Valuation difference on available-for-sale securities	2,289	1,159
Remeasurements of defined benefit plans	(1,443)	(791)
Total accumulated Other comprehensive income	846	367
Non-controlling interests	473	522
Total Net assets	44,629	48,837
Total Liabilities and net assets	80,063	87,630

(2) Consolidated statements of income and comprehensive income  
(Consolidated statement of income)

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	98,263	103,728
Cost of sales	75,598	78,762
Gross profit	22,665	24,965
Selling, general and administrative expenses	16,183	16,787
Operating income	6,481	8,178
Non-operating income		
Interest income	20	76
Dividend income	103	118
Insurance claim income	84	6
Dividend income of insurance	0	-
Foreign exchange gains	0	-
Other	85	67
Total Non-operating income	294	269
Non-operating expenses		
Interest expenses	88	117
Corporate funeral costs	17	-
Loss on cancellation of lease contracts	39	-
Foreign exchange losses	-	1
Other	34	7
Total non-operating expenses	180	126
Ordinary income	6,596	8,320
Extraordinary income		
Gain on sale of investment securities	213	2,419
Litigation-related income	62	-
Total extraordinary income	275	2,419
Extraordinary losses		
Loss on retirement of non-current assets	23	25
Loss on restructuring of system	-	956
Impairment losses	-	367
Loss on sale of golf club membership	-	0
Total Extraordinary losses	23	1,349
Profit before income taxes	6,848	9,391
Income taxes - current	1,481	3,084
Income taxes - deferred	471	(306)
Total Income taxes	1,953	2,778
Profit	4,895	6,612
Profit attributable to non-controlling interests	130	140
Profit attributable to owners of parent	4,764	6,472

(Consolidated statement of comprehensive income)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	4,895	6,612
Other comprehensive income		
Valuation difference on available-for-sale securities	344	(1,129)
Adjustment for retirement benefits	330	651
Total Other comprehensive income	674	(478)
Comprehensive income	5,569	6,134
(Breakdown)		
Comprehensive income attributable to owners of the parent	5,439	5,994
Comprehensive income attributable to noncontrolling interests	130	140

(3) Consolidated statement of changes in net assets  
 Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Shareholders' equity
Balance at beginning of fiscal year	9,812	2,756	29,705	(2,043)	40,230
Changes during the year					
Dividend from surplus			(1,821)		(1,821)
Profit attributable to owners of parent			4,764		4,764
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock				136	136
Cancellation of treasury stock		(174)	(747)	922	—
Net changes of items other than shareholders' equity					
Total changes during the year	—	(174)	2,196	1,058	3,079
Balance at end of year	9,812	2,581	31,901	(985)	43,309

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available for sale securities	Remeasurements of defined benefit plans	Other comprehensive income		
Balance at beginning of fiscal year	1,944	(1,773)	171	462	40,864
Changes during year					
Dividend of surplus					(1,821)
Profit attributable to owners of parent					4,764
Purchase of treasury stock					(0)
Disposal of treasury stock					136
Cancellation of treasury stock					—
Net changes of items other than shareholders' equity	344	330	674	10	685
Total changes during year	344	330	674	10	3,764
Balance at end of year	2,289	(1,443)	846	473	44,629

Fiscal year ended March 31, 2026

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Shareholders' equity
Balance at beginning of fiscal year	9,812	2,581	31,901	(985)	43,309
Changes during the year					
Dividend from surplus			(1,952)		(1,952)
Profit attributable to owners of parent			6,472		6,472
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock				119	119
Cancellation of treasury stock					—
Net changes of items other than shareholders' equity					
Total changes during the year	—	—	4,520	118	4,638
Balance at end of year	9,812	2,581	36,421	(867)	47,948

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available for sale securities	Remeasurements of defined benefit plans	Other comprehensive income		
Balance at beginning of fiscal year	2,289	(1,443)	846	473	44,629
Changes during year					
Dividend of surplus					(1,952)
Profit attributable to owners of parent					6,472
Purchase of treasury stock					(0)
Disposal of treasury stock					119
Cancellation of treasury stock					—
Net changes of items other than shareholders' equity	(1,129)	651	(478)	48	(430)
Total changes during year	(1,129)	651	(478)	48	4,208
Balance at end of year	1,159	(791)	367	522	48,837

## (4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
<b>Cash flows from operating activities</b>		
Profit before income taxes	6,848	9,391
Depreciation	1,349	1,251
Amortization of goodwill	-	367
Increase (decrease) in allowance for doubtful accounts	0	(0)
Increase (decrease) in provision for bonuses	(310)	703
Increase (decrease) in provision for loss on orders received	157	(40)
Increase decrease in net defined benefit liability and asset	(1,230)	(480)
Increase (decrease) in provision for share awards	(21)	(10)
Interest and dividend income	(124)	(195)
Interest expenses	88	117
Loss (gain) on sale of shares of subsidiaries and associates	(213)	(2,419)
Loss on retirement of non-current assets	23	25
Loss on termination of retirement benefit system	-	956
Other non-operating expenses (income)	(78)	(65)
Decrease (increase) in trade receivables	(361)	(2,992)
Decrease (increase) in inventories	1,047	(1,657)
Decrease (increase) in other assets	172	127
Increase (decrease) in trade payables	(73)	2,280
Increase (decrease) in accrued consumption taxes	(998)	291
Increase (decrease) in long-term accounts payable - other	(31)	(59)
Increase (decrease) in other liabilities	(616)	(237)
Subtotal	5,628	7,353
Interest and dividends received	124	195
Interest paid	(88)	(117)
Other, net	78	65
Income taxes paid	(2,358)	(1,270)
Income taxes refund	22	96
Net cash provided by (used in) operating activities	3,407	6,322

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
<b>Cash flows from investing activities</b>		
Proceeds from withdrawal of time deposits	2	10
Purchase of property, plant and equipment	(277)	(255)
Proceeds from sale of property, plant and equipment	33	-
Purchase of intangible assets	(1,026)	(1,048)
Proceeds from sale of intangible assets	14	16
Purchase of investment securities	(11)	(11)
Proceeds from sale of investment securities	314	2,975
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	-	(2)
Proceeds from collection of loans receivable	5	2
Other, net	153	23
Net cash provided by (used in) investing activities	(792)	1,711
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(140)	(856)
Proceeds from long-term borrowings	-	4,100
Repayments of long-term borrowings	(8)	(4,103)
Repayments of lease liabilities	(642)	(484)
Purchase of treasury shares	(0)	(0)
Proceeds from disposal of treasury shares	136	119
Dividends paid	(1,821)	(1,952)
Dividends paid to non-controlling interests	(119)	(91)
Net cash provided by (used in) financing activities	(2,595)	(3,269)
Effect of exchange rate change on cash and cash equivalents	-	-
Net increase (decrease) in cash and cash equivalents	19	4,763
Cash and cash equivalents at beginning of period	38,684	38,703
Cash and cash equivalents at end of period	38,703	43,467

(5) Notes to consolidated financial statements  
(Notes on premise of going concern)  
Not applicable.

(Additional information)

Stock-grant schemes for directors, executive officers, and employees (Directors' Compensation BIP trust and Stock-grant ESOP trust)

The Company has established a Directors' Compensation Board Incentive Plan (BIP) trust for directors and executive officers (excluding outside directors and nonresidents of Japan, "directors and others" below). The purpose is to improve the Company's medium to long-term earnings and corporate value, and raise awareness of shareholder-oriented management.

It has also enhanced employee benefits with the establishment of a stock-grant ESOP trust for employees. The purpose is to improve the Company's medium- to long-term corporate value by raising awareness of improvements in earnings and share price appreciation.

(1) Overview of transactions

The Directors' Compensation BIP trust is a stock-based remuneration plan. The trust uses remuneration of directors and others contributed by the Company as funds to acquire the Company's shares and provides directors and others with the shares and cash equivalent to the shares' conversion value.

The Stock-grant ESOP trust is an incentive plan. The trust acquires the Company's shares and delivers them to employees who fulfil certain conditions in accordance with the stock-grant rules.

(2) Company shares owned by the trusts

The Company's shares in the trusts are recorded as treasury stock under net assets at the trusts' book value (excluding incidental expenses). The book value of treasury stock and number of shares held by the Directors' Compensation BIP trust were 533 million yen and 356,831 respectively in the previous fiscal year and 439 million yen and 294,222 in the year under review. The book value of treasury stock and number of shares held by the Stock-grant ESOP trust were 295 million yen and 291,427 respectively in the previous fiscal year and 270 million yen and 266,388 in the year under review.

(Segment and other information)

Segment information has been omitted, as the Group operates under a single-segment business structure.

(Per share information)

Fiscal year ended March 2025		Fiscal year ended March 2026	
Net assets per share (yen)	2,436.05	Net assets per share (yen)	2,652.76
Basic earnings per share (yen)	263.32	Basic earnings per share (yen)	355.94
Note: Diluted earnings per share is not stated because there are no dilutive shares.		Note: Diluted earnings per share is not stated because there are no dilutive shares.	

Notes:

1. Treasury shares held in Directors' Compensation BIP trust account, and Stock-grant ESOP trust account are deducted from the total number of shares outstanding at the end of the year for calculating net assets per share. (BIP trust account for directors' remuneration: 356,831 shares in the previous consolidated fiscal year, 294,222 shares in the current consolidated fiscal year; ESOP trust account for stock award: 291,427 shares in the previous consolidated fiscal year, 266,388 shares in the current consolidated fiscal year).

Treasury shares held in Directors' Compensation BIP trust account, and Stock-grant ESOP trust account are deducted in the calculation of average number of shares outstanding during the year for calculating basic earnings per share (Directors' Compensation BIP trust account: 373,652 shares in the previous fiscal year, 313,516 shares in the current fiscal year; Stock Grant ESOP trust account: 306,976 shares in the previous fiscal year, 275,755 shares in the current fiscal year)

2. The basis for calculation of basic earnings per share is as follows:

	Fiscal year ended March 2025	Fiscal year ended March 2026
Profit attributable to owners of parent (millions of yen)	4,764	6,472
Amounts not attributable to ordinary shareholders (millions of yen)	—	—
Profit attributable to owners of parent (millions of yen) related to common stock	4,764	6,472
Average number of shares (thousands)	18,093	18,184

(Major subsequent events)

Not applicable.