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May 14, 2026

## Summary of Consolidated Financial Results for the Fiscal year Ended March 31, 2026 (unaudited)

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 General meeting of stockholders to be held: June 26, 2026 Start of dividend payout: June 8, 2026  
 Statutory annual report to be presented: June 25, 2026

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

### 1. Consolidated Financial Results for the Fiscal year Ended March 31, 2026

(April 1, 2025 to March 31, 2026)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2025	157,455	(10.5)	264	(94.2)	1,720	(62.2)	1,900	(56.2)
FY2024	175,942	(9.1)	4,567	(15.6)	4,548	(35.9)	4,343	4.2

Note: Comprehensive income FY2025 ¥18,629 million FY2024 ¥(5,235) million

	Profit per share	Diluted profit per share	Ratio of profit to shareholders' equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
FY2025	43.37	-	2.0	0.8	0.2
FY2024	99.13	-	4.9	2.1	2.6

Note: Equity in earning of affiliates FY2025 ¥663 million FY2024 ¥706 million

(2) Consolidated Financial Condition

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2025	222,776	103,185	46.3	2,354.68
FY2024	208,217	85,282	40.9	1,945.16

Note: Shareholders' equity FY2025 ¥103,154 million FY2024 ¥85,256 million

(3) Consolidated Cash Flow

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
FY2025	5,223	1,601	(8,303)	4,895
FY2024	4,854	4,797	(13,402)	6,239

### 2. Dividends

	Dividend per share					Total dividend (Annual) Million yen	Dividend payout ratio (Consolidated) %	Dividend on net assets (Consolidated) %
	End of 1Q	End of 2Q	End of 3Q	End of FY	Annual			
	Yen	Yen	Yen	Yen	Yen			
FY2024	-	0.00	-	15.00	15.00	669	15.1	0.7
FY2025	-	0.00	-	15.00	15.00	669	34.6	0.7
FY2026(Forecast)	-	7.00	-	13.00	20.00	-	-	-

Note : Revision to the forecast for dividends announced most recently ... None

### 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2027

(April 1, 2026 to March 31, 2027)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	85,000	7.6	1,000	-	1,000	176.1	2,500	-	57.04
Full year	175,000	11.1	6,000	-	6,000	248.8	6,500	242.0	148.31

#### 4. Notes

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

Newly included: - (Company name);

Excluded: - (Company name);

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

1) Changes in accounting policies due to the revision of accounting standards: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

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

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

FY2025 44,741,433 shares

FY2024 44,741,433 shares

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

FY2025 933,254 shares

FY2024 911,368 shares

3) Average number of shares during the period:

FY2025 43,827,351 shares

FY2024 43,820,052 shares

Notes: The Company has adopted a BIP (Board Incentive Plan) trust, assuming the number of shares held by the trust are included in the number of treasury stock of “(3) Total number of issued shares (common shares)”.

#### (Reference)

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

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

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2025	101,604	(4.5)	244	(95.2)	5,296	(34.9)	(314)	-
FY2024	106,347	3.1	5,098	3.8	8,139	8.0	9,364	-

	Profit per share	Diluted profit per share
	Yen	Yen
FY2025	(7.18)	-
FY2024	213.64	-

(2) Non-consolidated Financial Condition

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2025	153,833	56,367	36.6	1,286.35
FY2024	157,275	57,845	36.8	1,319.43

Note: Shareholders' equity FY2025 ¥56,367 million FY2024 ¥57,845 million

\* This financial results report is exempt from being audited by certified public accountants or an audit firm.

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

The earnings forecasts and other forward-looking statements herein are based on information currently acquired by the Company and certain assumptions assessed to be reasonable. Actual results may differ significantly from these forecasts due to a wide range of factors.


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## 1. Overview of Operating Results, etc.

### (1) Overview of Operating Results

During the consolidated fiscal year ended March 31, 2026, the Japanese economy as a whole experienced a gradual recovery, driven by improvements in corporate profits as well as employment and income conditions. At the same time, the prices of raw materials and fuels have been affected by rising prices, the fluctuation of interest and exchange rates, U.S. trade policy, and ongoing geopolitical risks, such as the situation in the Middle East. As a result, the economic outlook remains uncertain.

Under these circumstances, the Group has begun implementing its new Medium-term Management Plan (fiscal year ended March 2026 to fiscal year ending March 2028). The basic policy of the plan is “130 years as a ‘SHINKA’ company  and ever evolving.” The following provides a basic policy of the Medium-term Management Plan and the Group’s initiatives to enhance its corporate value.

#### 1) SHINKA (sophistication) of technologies and research to expand our array of distinctive functional and environmentally friendly products and accelerate productivity improvement

The Group is utilizing its technologies and research and development capabilities to enhance added value and drive sales through the global expansion of the functional materials business, which is a growth business. The Group is increasing its sales of environmentally friendly products and improving productivity in the sustainable fiber materials business. The Group is generating synergies between both businesses in the areas of marketing and technology to expand them. The Company has begun renovating the Advanced Technology Center (previously known as the Kyoto R&D Center) to strengthen its innovation base and enhance its research and development capabilities.

In its functional materials business, the Group aims to boost sales and improve profitability, and to establish itself as a leader in functional materials, which include base materials for water treatment membrane support substrates, separators for energy storage devices, tape base paper, and filters. The Group is taking steps to achieve these goals, including focusing investments on growth areas and enhancing production efficiency at the Takasago, Kyoto, and Fuji Mills. The Group discontinued the operation of a paper milling machine and a converting machine at the Fuji Mill due to brand integration and equipment consolidation. Meanwhile, at our core Takasago Mill, we have fully launched the "Beyond" next-generation transformation project, aiming to evolve into a global core plant that leverages its unique technological capabilities. Mitsubishi HiTec Paper Europe GmbH, a consolidated subsidiary in Germany, offered a voluntary retirement program to enhance production efficiency. The Group will continue to advance these structural reforms of its businesses to increase profitability.

In the sustainable fiber materials business, the Group ceased the operation of the N1 paper milling machine at the Kitakami Mill and focuses on high-efficiency production machinery to reduce fixed costs, improve production efficiency, and enhance profitability. The Hachinohe Mill is carefully considering the project and then putting it into action step by step.

#### 2) SHINKA (evolution) in our contributions to the global environment

The Group is accelerating initiatives aimed at achieving carbon neutrality. This includes improving fossil fuel energy intensity and driving a green transformation. The Group is also contributing to creating a recycling-oriented society by utilizing forestry resources, increasing the recycling rate of plastic resources, expanding operations that help achieve the SDGs, and pursuing initiatives to address the climate change risks.

Murabi Company Forest has been designated a Nature Symbiosis Site under the new Act on the Promotion of Activities for Biodiversity Enhancement by the Ministry of the Environment, Ministry of Agriculture, Forestry and Fisheries, and Ministry of Land, Infrastructure, Transport and Tourism. Household paper brand nacre has won a 2026 Social Products Award. This product is made entirely from domestic wood pulp certified by the Forest Stewardship Council (FSC). It has been acclaimed for its environmental friendliness and local sourcing of raw materials. The Company is committed to contributing to creating environmental value and a sustainable global environment in accordance with the Mitsubishi Paper Mills Environmental Charter. This commitment includes the maintenance and preservation of biodiversity.

### 3) SHINKA (internalization) of governance and human capital management

The Group is undergoing a governance transformation and seeks to enhance its human capital and organizational capabilities.

After reflecting on the improper quality management of heat-resistant electrically insulated pressboard products, management has been visiting production facilities and subsidiaries to conduct briefings to increase awareness of the importance of quality management and compliance. On November 28, 2025, the Company announced that its system was accessed without authorization. The Company collaborated with external experts to investigate the incident and promptly implement measures to prevent any further damage. This incident has not impacted the Company's business operations. To strengthen information security, the Company will implement additional measures to prevent future incidents.

The Company has begun relocating certain head office functions (the Planning and Management Division) to the premises of the Kyoto Mill. The Kyoto Mill will be an innovation hub where research and development, production, planning, and management functions are integrated. It will play a central role in advancing future reforms.

To enhance capital efficiency and improve governance, the Company will reduce its cross-shareholdings to 20% or less of net assets during the Medium-term Management Plan period, in accordance with the Corporate Governance Code. To show its appreciation for the ongoing support of its shareholders and to encourage them to hold the Company's stock over the medium to long term, the Company has launched a shareholder benefit program (providing gifts of the Company's household paper products). The Company will continue to work to enhance corporate value and provide appropriate returns to shareholders.

As a result, consolidated net sales for the fiscal year were 157,455 million yen (down 10.5% year on year).

On the profitability side, the Company recorded a consolidated operating profit of 264 million yen (compared to 4,567 million yen in the previous fiscal year) and a consolidated ordinary profit of 1,720 million yen (compared to 4,548 million yen). These results are primarily attributable to lower raw materials and energy costs, as well as cost reductions in the German business. These positive factors were partially offset by losses from the earthquake that struck off the east coast of Aomori Prefecture on December 8, 2025, an increase in large regular repairs at the Hachinohe Mill, issues arising from the aging of equipment, and a decrease in sales volumes in Germany. Profit attributable to owners of parent was 1,900 million yen (compared to 4,343 million yen in the previous fiscal year), supported by gains from the sale of policy-held shares and other factors, despite the recording of restructuring costs for the German business.

Operating results by segment are as follows:

Due to its increased significance, the Engineering Business is disclosed as a reportable segment starting from the second quarter of the current consolidated fiscal year. It was previously included under Other.

(Million yen)

		Net sales			Operating profit (loss)		
		Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Change (%)	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Change (%)
Reportable Segments	Functional materials	88,179	78,449	(11.0)	3,340	2,370	(29.0)
	Sustainable fiber materials	89,238	80,030	(10.3)	1,347	(2,113)	—
	Engineering	4,451	5,212	17.1	73	166	127.6
	Total	181,869	163,692	(10.0)	4,761	423	(91.1)
Total		181,869	163,692	(10.0)	4,761	423	(91.1)
Adjustment (Note)		(5,926)	(6,236)		(194)	(159)	
Total		175,942	157,455	(10.5)	4,567	264	(94.2)

(Note) Adjustment is mainly related to internal transactions.

(Functional materials business)

In domestic operations, the sales value of thermal paper in the communication paper-related product segment remained flat from the previous year. Sales of carbonless paper and copy paper were lower than the previous year in both volume and monetary terms. The sales value of rewritable media declined from the previous year due to a decrease in domestic demand, even though demand in China recovered.

In the imaging-related product segment, sales value increased from the previous year as the Group captured demand in Europe and demand for sublimation transfer paper in the United States. Additionally, domestic demand was solid.

In the functional materials-related product segment, sales value remained flat from the previous year. The sales value of total heat exchanger elements increased from the previous year, driven by strong sales of products designed for use in North American condominiums.

Sales of water treatment membrane support substrate declined from the previous fiscal year due to intensifying competition in the Chinese market, resulting in lower sales volumes.

The sales value of separators for condensers, which the Group is actively promoting, increased year on year as the Group captured overseas demand. However, the overall sales value of separators for energy storage devices decreased due to changes in specifications for certain applications, resulting in a temporary drop in demand.

In the Group's business in Germany, monthly profits have turned positive in the fourth quarter due to the impact of business restructuring initiatives. However, both the volume of sales and sales amounts were lower than they were a year ago, primarily due to the ongoing sluggish economy and intensified price competition.

As a result, the functional materials business posted lower sales and profits.

In domestic operations, the Group will continue to stabilize the production of thermal paper at the Takasago Mill and expand sales of thermal paper for applications in the POS market in the communication paper-related product segment. In the copy paper segment, the Group will continue to strengthen its production and sales systems to capture large amounts of demand from major mail-order businesses. To promote sales of environmentally friendly products, the Group aims to capture new demand for linerless thermal labels made from thermal paper. Additionally, the Group will focus on stabilizing earnings by expanding transactions of FSC® forest-certified paper (copy paper).

In the imaging-related product segment, the Group aims to improve the efficiency of the paper finishing system at the Kyoto Mill and reduce costs to enhance profitability, striving to maintain and strengthen our competitiveness. The Group plans to connect its overseas and domestic business sites to enhance sales in emerging countries in Asia and in Europe and Africa. Additionally, the Group aims to increase exports of products designed for large posters and labels, industrial inkjet printing, and items that utilize sublimation transfer technology to the United States.

Functional materials-related products are classified within a growing sector. The Group will consistently act to capture demand for these products. It will enhance production facilities and development systems and integrate them into its sales divisions. The Group will actively leverage its overseas business locations to introduce the water treatment membrane support substrate it will develop to the market, aiming to tap into new demand related to industrial applications and seawater desalination plant applications, which are growth markets. In the separators for energy storage device segment, the Group will focus on expanding sales by capturing the strong demand for auxiliary power applications, automotive electrical applications, and applications for data centers and other information processing facilities. In the tape base paper segment, the Group aims to boost sales in overseas markets, which are expected to grow. The Group will adapt flexibly to market needs. In the decorative laminate base paper segment, the Group is working to stabilize earnings by improving production efficiency at the Fuji Mill. The consolidation and elimination of brands is being considered. Additionally, the Group will focus on selling sustainable products, including total heat exchanger elements, and super heat-resistant glass fiber nonwoven fabric products, which are new offerings.

In the business in Germany, the Group will focus on increasing sales outside of Europe by strengthening sales capabilities and optimizing production efficiency, which includes brand integration, to improve profitability. The Group will increase sales of domestic products using business sites in the United States and Germany. Furthermore, by utilizing our overseas bases in the U.S. and Germany, we will expand sales of domestically manufactured functional material-related products, primarily focusing on items such as water

treatment membrane substrates and tape base paper.

Moreover, the Company has officially launched the Takasago Mill's next-generation transformation project, "Beyond," which was announced on May 12, 2026. Centered around the execution of a proactive 10 billion yen investment strategy, this project will drive our Growth Strategy, Production Efficiency Improvements, and Organizational Foundation Strengthening. Through these efforts, the Company will accelerate the facility's evolution into a "global core plant" that disseminates unique advanced technologies to the world, thereby enhancing corporate value and further contributing to a sustainable society.

(Sustainable fiber materials business)

In the printing paper segment, the Group revised its prices and substituted existing products with products with higher market demand in Japan where demand generally continues to decline. Additionally, the Group sought to offset the decrease in domestic demand by increasing exports. However, sales declined from the previous fiscal year in both volume and monetary terms.

In the wrapping paper market, the Group focused on increasing sales of bleached kraft paper, especially in Japan, while revising prices. Consequently, both sales volume and value exceeded the previous year.

The Group started exporting softwood pulp. However, both exports and domestic sales of commercial pulp decreased due to falling prices in foreign markets. As a result, both sales volume and value declined compared to the previous year.

The earthquake that struck off the east coast of Aomori Prefecture on December 8, 2025 did not cause any injuries to people related to the Group or any significant damage to the Group's property or the environment. However, the earthquake caused equipment issues at the Hachinohe Mill, which resulted in a decrease in production.

As a result, the sustainable fiber materials business posted lower sales and profits.

In the sustainable fiber materials business, the Group will offset the declining domestic demand for printing paper with exports, while maintaining sales volume by expanding wrapping paper and commercial pulp. The Group aims to improve profitability by improving production efficiency and reducing costs.

The Group will maintain printing paper prices after revisions in the fiscal year under review, while optimizing production systems and inventory levels based on demand trends.

In wrapping paper, the Group plans to capture demand for reduced-or-zero plastic products, which is being driven by the growing awareness of the need for society to be sustainable, and the Group will seek to increase sales of distinctive products that meet customers' needs. Meanwhile, the Group aims to develop emerging markets in Asia that have significant growth potential.

The Group will expand its supply system for pulp made exclusively from materials sourced in Japan, which is produced at the Kitakami Mill, and will focus on expanding sales of high value-added products to achieve the continued growth of business.

The Group discontinued the operation of paper machine No. 1 at the Kitakami Mill and is concentrating on high-efficiency production equipment at the Hachinohe Mill. It will work on integrating the operations of both mills to improve production efficiency and reduce costs.

The Group is promoting the Reborn60 Hachinohe project, a Hachinohe Mill remodeling plan. The Group plans to transform the Hachinohe Mill into a next generation sustainable facility by 2027, when the mill will celebrate its 60th anniversary. Through this project, we will invest 25 billion yen by fiscal year 2030 to achieve "production innovation," "decarbonization," and "well-being," and transform the Hachinohe Mill, which will celebrate its 60th anniversary of operation in 2027, into a "next-generation sustainable factory" and a "world-leading competitive paper material production base."

(Engineering business)

Net sales stood at 5,212 million yen (up 17.1% compared to the previous fiscal year), reflecting external construction orders received by construction subsidiaries. Operating profit came to 166 million yen (Operating profit of 73 million yen in the previous fiscal year).

## (2) Overview of Financial Position

Assets at the end of the consolidated fiscal year under review amounted to 222,776 million yen, up 14,558 million yen from the end of the previous consolidated fiscal year, primarily due to an increase in retirement benefit assets, which was a result of rising stock prices.

Total liabilities came to 119,590 million yen, down 3,344 million yen from the end of the previous fiscal year, chiefly attributable to decreases in commercial papers and notes and accounts payable - trade.

Net assets increased 17,903 million yen from the end of the previous fiscal year, to 103,185 million yen, mainly due to the posting of an increase in remeasurements of defined benefit plans.

The equity ratio was 46.3%, up 5.4 percentage points from the end of the previous fiscal year.

## (3) Overview of Cash Flows

Cash and cash equivalents at the end of the fiscal year totaled 4,895 million yen, a decrease of 1,344 million yen from the end of the previous fiscal year.

(Cash flows from operating activities)

Cash generated from operating activities amounted to 5,223 million yen, an increase of 368 million yen year on year. Major inflows were a 7,735 million yen decrease in trade receivables and depreciation of 5,521 million yen, while major outflows were a 4,196 million yen decrease in trade payables and a 3,095 million yen increase in retirement benefit assets.

(Cash flow from investing activities)

Cash generated from investing activities amounted to 1,601 million yen, a decrease of 3,196 million yen year on year. A major inflow was proceeds from the sale of investment securities of 5,431 million yen. A major outflow was the purchase of property, plant and equipment and intangible assets totaling 3,688 million yen.

(Cash flows from financing activities)

Cash used in financing activities totaled 8,303 million yen, a decrease of 5,098 million year on year. This was mainly due to repayments of commercial paper.

## (4) Future Outlook

The consolidated results forecasts for the fiscal year ending March 31, 2027 are net sales of 175,000 million yen, operating profit of 6,000 million yen, ordinary profit of 6,000 million yen, and profit attributable to owners of parent of 6,500 million yen.

The consolidated results forecasts above are based on assumed exchange rates of 160 yen to the U.S. dollar and 185 yen to the euro.

The forecasts are based on the information currently available to the Company and include risks and uncertainties. Please note that actual results may be different due to various factors such as subsequent changes in the business environment.

## (5) Basic Policy for Dividends and Dividends for the Fiscal Year under Review and the Next Fiscal Year

The Company's basic policy regarding dividends of surplus and the like is to regard the distribution of profits to shareholders as a key management issue and maintain stable dividends while comprehensively considering business performance in each business year and internal reserves necessary to prepare for future management initiatives.

The Company plans to pay a year-end dividend of 15 yen per share for the fiscal year under review.

For the next fiscal year, the Company plans to pay an annual dividend of 20 yen per share under the above basic policy. The interim dividend will be 5 yen per share, and the year-end dividend will be 15 yen.

## 2. Basic Policy for the Selection of Accounting Standards

Taking into account the comparability of consolidated financial statements between periods and companies, the Group intends to prepare consolidated financial statements in accordance with Japanese standards in the foreseeable future.

The Group's policy is to take appropriate actions in consideration of future trends regarding the adoption of IFRS by other domestic companies.

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

	(Million yen)	
	FY2024	FY2025
	Mar 31, 2025	Mar 31, 2026
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	6,239	4,895
Notes receivable - trade	7,948	6,157
Accounts receivable - trade	31,724	26,127
Merchandise and finished goods	21,737	20,680
Work in process	6,736	7,965
Raw materials and supplies	13,547	14,167
Other	3,618	2,017
Allowance for doubtful accounts	(40)	(49)
<b>Total current assets</b>	91,512	81,961
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	16,443	15,860
Machinery, equipment and vehicles, net	27,589	26,549
Land	20,420	20,829
Leased assets, net	405	335
Construction in progress	840	1,095
Other, net	985	998
<b>Total property, plant and equipment</b>	66,684	65,668
<b>Intangible assets</b>		
Other	1,338	882
<b>Total intangible assets</b>	1,338	882
<b>Investments and other assets</b>		
Investment securities	24,813	24,397
Long-term loans receivable	3	1
Net defined benefit asset	22,379	48,401
Deferred tax assets	724	724
Other	830	794
Allowance for doubtful accounts	(69)	(54)
<b>Total investments and other assets</b>	48,681	74,263
<b>Total non-current assets</b>	116,704	140,814
<b>Total assets</b>	208,217	222,776

	(Million yen)	
	FY2024	FY2025
	Mar 31, 2025	Mar 31, 2026
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	21,258	17,596
Electronically recorded obligations- operating	3,221	2,906
Short-term borrowings	42,014	42,009
Commercial paper	10,000	3,000
Lease obligations	229	161
Accrued expenses	6,619	7,392
Provision for shareholder benefit program	—	16
Provision for loss on disaster	—	12
Income taxes payable	2,026	4,538
Contract liabilities	308	506
Other	3,204	4,146
<b>Total current liabilities</b>	<b>88,882</b>	<b>82,286</b>
<b>Non-current liabilities</b>		
Long-term borrowings	19,864	19,558
Lease obligations	227	192
Deferred tax liabilities	6,039	9,818
Provision for share awards	152	178
Provision for directors' retirement benefits	5	4
Net defined benefit liability	5,559	5,332
Asset retirement obligations	940	940
Other	1,262	1,277
<b>Total non-current liabilities</b>	<b>34,052</b>	<b>37,303</b>
<b>Total liabilities</b>	<b>122,934</b>	<b>119,590</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	36,561	36,561
Capital surplus	6,524	6,524
Retained earnings	21,233	22,464
Treasury shares	(405)	(458)
<b>Total shareholders' equity</b>	<b>63,914</b>	<b>65,091</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	8,039	8,228
Foreign currency translation adjustment	1,100	1,311
Remeasurements of defined benefit plans	12,201	28,523
<b>Total accumulated other comprehensive income</b>	<b>21,341</b>	<b>38,062</b>
<b>Non-controlling interests</b>	<b>26</b>	<b>31</b>
<b>Total net assets</b>	<b>85,282</b>	<b>103,185</b>
<b>Total liabilities and net assets</b>	<b>208,217</b>	<b>222,776</b>

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

## Consolidated Statements of Income

(Million yen)

	FY2024	FY2025
	Apr '24 - Mar '25	Apr '25 - Mar '26
Net sales	175,942	157,455
Cost of sales	150,779	137,211
Gross profit	25,162	20,244
Selling, general and administrative expenses	20,595	19,980
Operating profit	4,567	264
Non-operating income		
Interest income	22	14
Dividend income	502	576
Share of profit of entities accounted for using equity method	706	663
Foreign exchange gains	—	913
Other	364	382
Total non-operating income	1,595	2,551
Non-operating expenses		
Interest expenses	1,019	731
Foreign exchange losses	49	—
Notes regarding loss on disaster	237	—
Other	307	364
Total non-operating expenses	1,614	1,095
Ordinary profit	4,548	1,720
Extraordinary income		
Gain on disposal of non-current assets	4,032	3
Gain on sales of investment securities	1,834	4,125
Other	119	—
Total extraordinary income	5,985	4,128
Extraordinary losses		
Loss on disposal of non-current assets	155	285
Impairment losses	1,660	266
Loss on disaster	—	752
Business restructuring costs	59	1,719
Expenses related to special investigation	201	—
Other	253	—
Total extraordinary losses	2,330	3,023
Profit before income taxes	8,203	2,825
Income taxes	3,854	917
Profit	4,348	1,907
Profit attributable to non-controlling interests	5	7
Profit attributable to owners of parent	4,343	1,900

Consolidated Statements of Comprehensive Income

	(Million yen)	
	FY2024	FY2025
	Apr '24 - Mar '25	Apr '25 - Mar '26
Profit	4,348	1,907
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	(1,357)	181
Foreign currency translation adjustment	334	211
Remeasurements of defined benefit plans, net of tax	(8,561)	16,321
Share of other comprehensive income of entities accounted for using equity method	1	6
Total other comprehensive income	(9,584)	16,721
<b>Comprehensive income</b>	(5,235)	18,629
<b>Comprehensive income attributable to</b>		
Comprehensive income attributable to owners of parent	(5,240)	18,621
Comprehensive income attributable to non-controlling interests	5	7

## (3) Consolidated Statements of Cash Flow

	(Million yen)	
	FY2024	FY2025
	Apr '24 - Mar '25	Apr '25 - Mar '26
<b>Cash flows from operating activities</b>		
Profit before income taxes	8,203	2,825
Depreciation	6,382	5,521
Impairment loss	1,660	266
Decrease (increase) in retirement benefit asset	(4,045)	(3,095)
Increase (decrease) in retirement benefit liability	(362)	(136)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(30)	(1)
Increase (decrease) in provision for share awards	37	25
Interest and dividend income	(524)	(590)
Share of loss (profit) of entities accounted for using equity method	(706)	(663)
Foreign exchange losses (gains)	151	(527)
Interest expenses	1,019	731
Loss (gain) on sales of investment securities	(1,827)	(4,125)
Loss (gain) on disposal of non-current assets	(3,876)	281
Decrease (increase) in trade receivables	8,869	7,735
Decrease (increase) in inventories	353	(92)
Increase (decrease) in trade payables	(5,319)	(4,196)
Other, net	(3,077)	3,059
Subtotal	6,908	7,016
Interest and dividends received	526	665
Interest paid	(1,115)	(719)
Income taxes refund (paid)	(1,464)	(1,739)
Net cash provided by (used in) operating activities	4,854	5,223
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(2,628)	(3,688)
Proceeds from sales of property, plant and equipment and intangible assets	4,440	4
Purchase of investment securities	(14)	(15)
Proceeds from sale of investment securities	2,574	5,431
Loan advances	(5)	(0)
Proceeds from collection of loans receivable	316	1
Proceeds from liquidation of subsidiaries and associate	46	—
Payments into time deposits	—	(724)
Proceeds from withdrawal of time deposits	—	724
Other, net	68	(130)
Net cash provided by (used in) investing activities	4,797	1,601

(Million yen)

	FY2024 Apr '24 - Mar '25	FY2025 Apr '25 - Mar '26
<b>Cash flows from financing activities</b>		
Net increase (decrease) in commercial papers	10,000	(7,000)
Net increase (decrease) in short-term borrowings	(11,385)	125
Proceeds from long-term borrowings	5,850	8,300
Repayments of long-term borrowings	(17,171)	(8,736)
Repayments of lease obligations	(246)	(265)
Purchase of treasury shares	(0)	(85)
Proceeds from sale of treasury shares	—	31
Dividends paid	(446)	(669)
Dividends paid to non-controlling interests	(1)	(2)
Net cash provided by (used in) financing activities	(13,402)	(8,303)
Effect of exchange rate change on cash and cash equivalents	(20)	134
Net increase (decrease) in cash and cash equivalents	(3,769)	(1,344)
Cash and cash equivalents at beginning of period	10,009	6,239
Cash and cash equivalents at end of period	6,239	4,895