

# Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 [Japanese GAAP]



May 15, 2024

Company name: KYODO PRINTING CO., LTD.  
 Stock exchange listing: Tokyo Stock Exchange  
 Code number: 7914  
 URL: <https://www.kyodoprinting.com/>  
 Representative: Yoshiaki Fujimori, President  
 Contact: Reiko Yamada, General Manager of Corporate Communication Division  
 Phone: +81-3-3817-2525  
 Scheduled date of annual shareholders' meeting: June 27, 2024  
 Scheduled date of commencing dividend payments: June 28, 2024  
 Scheduled date of filing annual securities report: June 27, 2024  
 Availability of supplementary briefing material on financial results: Available  
 Schedule of financial results briefing session: Scheduled (for institutional investors and securities analysts)

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

## 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended								
March 31, 2024	96,992	3.9	1,577	103.4	2,083	61.6	1,495	19.4
March 31, 2023	93,363	5.6	775	2.5	1,289	(0.7)	1,253	83.2

(Note) Comprehensive income: Fiscal year ended March 31, 2024: ¥7,314 million [-%]

Fiscal year ended March 31, 2023: ¥(1,748) million [-%]

	Basic net income per share	Diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended					
March 31, 2024	199.24	—	2.5	1.6	1.6
March 31, 2023	159.35	—	2.1	1.0	0.8

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

Fiscal year ended March 31, 2024: ¥- million

Fiscal year ended March 31, 2023: ¥(38) million

## (2) Consolidated Financial Position

	Total assets	Total equity	Equity ratio	Total equity per share
	Million yen	Million yen	%	Yen
As of March 31, 2024	131,815	63,120	47.9	8,662.59
As of March 31, 2023	123,471	57,720	46.7	7,575.80

(Reference) Equity: As of March 31, 2024: ¥63,082 million

As of March 31, 2023: ¥57,690 million

**(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, 2024	3,107	(2,908)	266	10,944
March 31, 2023	23,413	(4,420)	(17,359)	10,500

**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, 2023	–	50.00	–	50.00	100.00	808	62.8	1.3
Fiscal year ended March 31, 2024	–	50.00	–	50.00	100.00	772	50.2	1.2
Fiscal year ending March 31, 2025 (Forecast)	–	55.00	–	80.00	135.00		30.2	

**3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)**

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Basic net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	49,000	7.1	500	43.5	800	15.2	350	4.2	48.06
Full year	104,000	7.2	3,100	96.5	3,600	72.8	3,250	117.2	446.30

**\* Notes:**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): No

Newly added: – (Name of subsidiary): –, Excluded: – (Name of subsidiary): –

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

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

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

3) Changes in accounting estimates: No

4) Retrospective restatement: No

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

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

March 31, 2024: 8,370,000 shares

March 31, 2023: 8,370,000 shares

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

March 31, 2024: 1,087,831 shares

March 31, 2023: 754,966 shares

3) Average number of shares during the period:

Fiscal year ended March 31, 2024: 7,508,491 shares

Fiscal year ended March 31, 2023: 7,865,238 shares

(Reference) Overview of Non-consolidated Financial Results

**1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)**

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

Fiscal year ended	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2024	86,473	5.0	(773)	–	2,168	36.0	753	34.4
March 31, 2023	82,317	4.8	(863)	–	1,594	4.5	560	(48.7)

Fiscal year ended	Basic net income per share	Diluted net income per share
	Yen	Yen
March 31, 2024	100.40	–
March 31, 2023	71.26	–

(2) Non-consolidated Financial Position

	Total assets	Total equity	Equity ratio	Total equity per share
	Million yen	Million yen	%	Yen
As of March 31, 2024	121,625	53,975	44.4	7,412.06
As of March 31, 2023	115,246	49,647	43.1	6,515.89

(Reference) Equity: As of March 31, 2024: ¥53,975 million

As of March 31, 2023: ¥49,647 million

\* 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.

# 1. Consolidated Financial Statements and Primary Notes

## (1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2023	As of March 31, 2024
<b>Assets</b>		
Current assets		
Cash and cash equivalents	10,557	11,003
Notes receivable - trade	5,568	*1 6,330
Accounts receivable - trade	21,328	22,290
Securities	-	7
Merchandise and finished products	3,436	3,249
Work in process	2,850	2,816
Raw materials and supplies	1,244	1,560
Other	939	843
Allowance for doubtful accounts	(11)	(27)
Total current assets	45,912	48,074
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	28,940	27,811
Machinery and vehicles, net	12,769	11,377
Furniture and fixtures, net	1,537	1,597
Land	14,864	14,901
Lease assets, net	1,148	1,040
Construction in progress	450	1,238
Total property, plant and equipment	*2 59,710	*2 57,966
Intangible assets		
Goodwill	380	140
Software	964	1,136
Other	206	246
Total intangible assets	1,550	1,522
Investments and other assets		
Investment securities	*3 12,802	*3 20,549
Asset for retirement benefits	2,056	2,324
Deferred tax assets	310	332
Other	1,132	1,050
Allowance for doubtful accounts	(5)	(4)
Total investments and other assets	16,297	24,252
Total non-current assets	77,558	83,741
Total assets	123,471	131,815

(Million yen)

	As of March 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
Current liabilities		
Trade notes and accounts payable	17,627	*1 15,345
Short-term debt	112	135
Current portion of bonds payable	3,000	–
Current portion of long-term debt	*4 2,405	*4 2,437
Lease obligations	383	372
Income taxes payable	237	283
Accrued bonuses	1,283	953
Accrued bonuses for directors	44	59
Provision for environmental measures	102	–
Provision for loss on Anti-Monopoly Act	838	–
Other	7,764	*1 8,917
Total current liabilities	33,800	28,504
Long-term liabilities		
Bonds	–	5,000
Long-term debt	*4 6,182	*4 6,789
Lease obligations	914	773
Deferred tax liabilities	1,078	3,981
Provision for share-based remuneration for directors	15	22
Liability for retirement benefits	6,473	6,554
Asset retirement obligations	8	8
Long-term advances received	17,066	16,833
Other	211	226
Total long-term liabilities	31,951	40,190
Total liabilities	65,751	68,695
<b>Equity</b>		
Shareholders' equity		
Common stock	4,510	4,510
Capital surplus	1,688	1,687
Retained earnings	47,881	48,592
Treasury stock	(2,160)	(3,289)
Total shareholders' equity	51,919	51,500
Accumulated other comprehensive income		
Unrealized gain on available-for-sale securities	5,881	11,381
Foreign currency translation adjustments	196	356
Remeasurement of defined benefit plans	(307)	(156)
Total accumulated other comprehensive income	5,770	11,581
Non-controlling interests	30	38
Total equity	57,720	63,120
Total liabilities and equity	123,471	131,815

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

(Million yen)

	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2024	
Net sales		93,363		96,992
Cost of sales	*1	76,077	*1	77,823
Gross profit		17,286		19,168
Selling, general and administrative expenses				
Delivery expenses		3,234		3,332
Travel and communication expenses		255		280
Provision of allowance for doubtful accounts		(43)		14
Salaries and allowances		6,520		6,988
Provision for employees' bonuses		530		417
Provision for directors' bonuses		43		59
Provision for share-based remuneration for directors		–		9
Retirement benefit expenses		423		517
Employee benefits		1,536		1,638
Depreciation		988		979
Other		3,022		3,351
Total selling, general and administrative expenses	*1	16,510	*1	17,591
Operating income		775		1,577
Non-operating income				
Interest income		3		2
Dividend income		288		303
Gain on sales of goods		34		35
Rent income on facilities		73		68
Dividend income of insurance		179		155
Foreign exchange gains		4		23
Other		255		207
Total non-operating income		839		796
Non-operating expenses				
Interest expenses		144		145
Rent expenses on facilities		42		34
Share of loss of entities accounted for using equity method		38		–
Bond issuance costs		1		31
Other		98		78
Total non-operating expenses		326		290
Ordinary income		1,289		2,083
Extraordinary income				
Gain on sales of non-current assets	*2	53	*2	12
Gain on sales of investment securities		1,910		384
Gain on revision of retirement benefit plan		376		–
Reversal of provision for environmental measures		–		12
Other		8		–
Total extraordinary income		2,349		409
Extraordinary losses				
Loss on sales and retirement of non-current assets	*3	246	*3	116
Loss on valuation of investment securities		–		100
Impairment loss	*4	326	*4	32
Loss on Anti-Monopoly Act	*5	838		–
Head office relocation expenses		204		–
Other		20		10
Total extraordinary losses		1,636		258
Income before income taxes		2,001		2,233
Income taxes - current		470		353
Income taxes - deferred		284		378

Total income taxes	755	731
Net income	1,246	1,501
Net income (loss) attributable to non-controlling interests	(6)	5
Net income attributable to owners of parent	1,253	1,495



## Consolidated Statements of Comprehensive Income

(Million yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net income	1,246	1,501
Other comprehensive income (loss)		
Unrealized gain (loss) on available-for-sale securities	(2,675)	5,520
Foreign currency translation adjustments	196	161
Remeasurement of defined benefit plans	(519)	151
Share of other comprehensive income in associate accounted for using the equity method	3	(20)
Total other comprehensive income (loss)	* (2,994)	* 5,813
Comprehensive income	(1,748)	7,314
Total comprehensive income (loss) attributable to:		
Owners of parent	(1,741)	7,307
Non-controlling interests	(6)	7

(3) Consolidated Statements of Changes in Equity  
Fiscal Year Ended March 31, 2023

(Million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
BALANCE, APRIL 1, 2022	4,510	1,645	47,454	(1,216)	52,393
Changes during period					
Dividends of surplus			(825)		(825)
Net income attributable to owners of parent			1,253		1,253
Purchase of treasury stock				(1,000)	(1,000)
Disposal of treasury stock				56	56
Change in ownership interest of parent due to transactions with non-controlling interests		42			42
Net change in the item other than those in shareholders' equity					
Total changes during period	–	42	427	(944)	(473)
BALANCE, MARCH 31, 2023	4,510	1,688	47,881	(2,160)	51,919

	Accumulated other comprehensive income				Non-controlling interests	Total equity
	Unrealized gain (loss) on available-for-sale securities	Foreign currency translation adjustments	Remeasurement of defined benefit plans	Total accumulated other comprehensive income		
BALANCE, APRIL 1, 2022	8,553	0	211	8,765	118	61,277
Changes during period						
Dividends of surplus						(825)
Net income attributable to owners of parent						1,253
Purchase of treasury stock						(1,000)
Disposal of treasury stock						56
Change in ownership interest of parent due to transactions with non-controlling interests						42
Net change in the item other than those in shareholders' equity	(2,671)	195	(518)	(2,995)	(88)	(3,083)
Total changes during period	(2,671)	195	(518)	(2,995)	(88)	(3,557)
BALANCE, MARCH 31, 2023	5,881	196	(307)	5,770	30	57,720

Fiscal Year Ended March 31, 2024

(Million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
BALANCE, APRIL 1, 2023	4,510	1,688	47,881	(2,160)	51,919
Changes during period					
Dividends of surplus			(790)		(790)
Net income attributable to owners of parent			1,495		1,495
Purchase of treasury stock				(1,199)	(1,199)
Disposal of treasury stock				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 those in shareholders' equity					
Total changes during period	–	(0)	710	(1,129)	(418)
BALANCE, MARCH 31, 2024	4,510	1,687	48,592	(3,289)	51,500

	Accumulated other comprehensive income				Non-controlling interests	Total equity
	Unrealized gain (loss) on available-for-sale securities	Foreign currency translation adjustments	Remeasurement of defined benefit plans	Total accumulated other comprehensive income		
BALANCE, APRIL 1, 2023	5,881	196	(307)	5,770	30	57,720
Changes during period						
Dividends of surplus						(790)
Net income attributable to owners of parent						1,495
Purchase of treasury stock						(1,199)
Disposal of treasury stock						48
Change in ownership interest of parent due to transactions with non-controlling interests						(0)
Changes in scope of equity method						27
Net change in the item other than those in 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, MARCH 31, 2024	11,381	356	(156)	11,581	38	63,120

## (4) Consolidated Statements of Cash Flows

(Million yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
<b>Operating activities:</b>		
Income before income taxes	2,001	2,233
Depreciation and amortization	5,732	5,615
Amortization of goodwill	409	240
Impairment loss	326	32
Increase (decrease) in liability for retirement benefits	(355)	27
Increase (decrease) in allowance for doubtful accounts	(49)	15
Increase (decrease) in accrued bonuses	120	(330)
Increase (decrease) in accrued bonuses for directors	(9)	15
Increase (decrease) in provision for loss on Anti-Monopoly Act	436	(838)
Increase (decrease) in provision for dismantling of non-current assets	(545)	—
Increase (decrease) in provision for environmental measures	(297)	(102)
Interest and dividend income	(291)	(305)
Interest expenses	144	145
Share of (profit) loss of entities accounted for using equity method	38	—
(Gain) loss on valuation of investment securities	—	100
(Gain) loss on sales of investment securities	(1,910)	(384)
(Gain) loss on sales and retirement of non-current assets	192	104
(Increase) decrease in trade receivables	(538)	(1,692)
(Increase) decrease in inventories	(543)	(70)
Increase (decrease) in trade payables	2,009	(2,305)
Increase (decrease) in accrued consumption tax	1,093	(602)
(Increase) decrease in claims provable in bankruptcy, claims provable in rehabilitation	(0)	(1)
Increase (decrease) in long-term advances received	17,066	(232)
Other	(915)	1,608
Subtotal	24,115	3,271
Interest and dividends received	291	305
Interest paid	(147)	(150)
Income taxes - paid	(846)	(318)
Net cash provided by operating activities	23,413	3,107
<b>Investing activities:</b>		
Purchases of property, plant and equipment and intangible assets	(7,053)	(3,361)
Proceeds from sales of property, plant and equipment and intangible assets	55	30
Purchases of investment securities	(20)	(137)
Proceeds from sales of investment securities	2,619	624
Collection of loans receivable	0	—
Other	(23)	(63)
Net cash used in investing activities	(4,420)	(2,908)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Financing activities:		
Net increase (decrease) in short-term debt	(6,727)	14
Proceeds from long-term debt	1,161	3,099
Repayments of long-term debt	(9,450)	(2,465)
Proceeds from issuance of bonds	–	4,987
Redemption of bonds	–	(3,000)
Dividends paid	(825)	(790)
Dividends paid to non-controlling interests	(16)	–
Purchase of treasury stock	(1,000)	(1,199)
Proceeds from disposal of treasury stock	56	48
Other	(556)	(427)
Net cash used in financing activities	(17,359)	266
Foreign currency translation adjustments on cash and cash equivalents	(23)	(21)
Net increase (decrease) in cash and cash equivalents	1,609	443
Cash and cash equivalents, beginning of period	8,890	10,500
Cash and cash equivalents, end of period	* 10,500	* 10,944

## (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

Number of consolidated subsidiaries: 17

Names of major subsidiaries:

Kyodo Printing Marketing Solutions Co., Ltd.

Digital Catapult Inc.

Kyodo Printing Nishinohon Co., Ltd.

Kyodo Logistics Co., Ltd.

### 2. Application of equity method

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

There is no relevant information.

Please note that Kyodo seihon Co., Ltd. has been removed from the scope of companies accounted for by the equity method for the current fiscal year following the sale by the Company of shares in Kyodo seihon Co., Ltd.

#### (2) COSMO SCANNER Co., Ltd., an associated company which is not accounted for by the equity method has been excluded from the scope of the equity method because its impact on the consolidated financial statements has been immaterial in terms of net income or loss (amounts corresponding to equity) and retained earnings (amounts corresponding to equity) in the year ended March 31, 2024 and due to its 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. Accrued bonuses  
Recorded at the expected amount to be paid in the fiscal year under review to prepare for bonus payments to employees
  - c. Accrued bonuses for directors  
Recorded at the expected amount to be paid in the fiscal year under review to prepare for bonus payments to directors
  - d. Provision for environmental measures  
Recorded at the estimated amount required for implementing environmental measures in the future
  - e. Provision for loss on Anti-Monopoly Act  
Recorded at the necessary amount based on estimations of the potential losses that may be incurred in the future in order to provide for any losses related to the Anti-Monopoly Act.
  - f. Provision for share-based remuneration for directors  
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
- (4) Accounting method for retirement benefits
- a. Attribution method of expected retirement benefits  
In the calculation of the retirement benefit obligations, the expected benefit is attributed to periods up to the end of the fiscal year under review on a benefit formula basis.
  - b. Amortization of actuarial gains and losses and past service costs  
Past service cost is amortized on a straight-line basis over a specified number of years (8 years) within the average remaining service period of employees at the time when the cost is recognized. Actuarial gains and losses are amortized on a straight-line basis over a specified number of years (8 years) within the average remaining service period of employees from the consolidated fiscal year following the respective consolidated fiscal year in which the gains or losses are recognized.
  - c. Adoption of a simplified method at small-sized subsidiaries  
Certain subsidiaries adopt a simplified method for the calculation of liability and expenses for retirement benefits, using the method that regards payable amount assuming voluntary retirement of all employees at the end of the fiscal year and the most recent actuarial obligation of pension plan finance calculation as projected benefit obligations.
- (5) Significant revenue and expense recording standards
- Our primary businesses are manufacturing and sales from our "Information communication," "Information security," and "Living and industrial materials" divisions. With regard to sales from these divisions, we are obliged to deliver merchandise or finished products in accordance with the sales contracts in place with a customer. In terms of revenue, it is determined that said obligation is fulfilled at the point said merchandise or finished products are delivered and the customer assumes control over said merchandise or finished products, with the revenue recognized at the point of delivery. However, in the case of domestic sales (within Japan), in which the period from the point of shipment until the customer assumes control over the said merchandise or finished products is standard, the revenue is recognized at that point of shipment of the said merchandise or finished products.
- (6) Method of significant hedge accounting
- a. Method of hedge accounting  
Deferred hedge accounting is used. The allocation method is used to hedge foreign exchange fluctuation risks when the requirements for the allocation method are met. Foreign currency forward contracts used for intercompany transactions as hedged items are measured at fair value and valuation differences are recognized as gains or losses for the fiscal year under review.
  - b. Hedging instruments and hedged items  
Hedging instruments: foreign currency forward contracts  
Hedged items: monetary receivables and payables denominated in foreign currencies
  - c. Hedging policies  
Foreign currency forward contracts are used to hedge fluctuation risks in foreign currency exchange rates of transactions denominated in foreign currencies pursuant to the Group's internal policies, etc. Hedged

items are identified on an individual basis.

d. Method of assessing hedge effectiveness

In principle, for foreign currency forward contracts used by the Company, the value and maturity of the hedged items are matched with the contracted amount denominated in foreign currencies and the corresponding maturity, pursuant to internal policies. Accordingly, an assessment of hedge effectiveness at the end of the year is omitted since there is a complete correlation with subsequent fluctuations in foreign currency exchange rates.

(7) Amortization method and amortization period of goodwill

Goodwill is amortized over a five-year period during which the influence of the goodwill shall apply on a straight-line basis.

(8) Scope of cash and cash equivalents in the consolidated statements of cash flows

Cash and cash equivalents include cash on hand, demand deposits and short-term investments which are liquid and easily convertible into cash, and are exposed to insignificant risk of changes in value and mature within three months of the date of acquisition.

(Additional information)

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

(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, 2023 was ¥161 million and 55,000 shares. The carrying amount and the number of shares of such treasury stock as of March 31, 2024 was ¥159 million and 55,000 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 fulfill 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, 2023 was ¥417 million and 150,000 shares. The carrying amount and the number of shares of such treasury stock as of March 31, 2024 was ¥417 million and 150,000 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, 2023 was ¥224 million and 80,000 shares. The carrying amount and the number of shares of such treasury stock as of March 31, 2024 was ¥177 million and 63,000 shares.

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

Long-term debt as of March 31, 2023 was ¥229 million.

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

(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, 2023	Fiscal Year Ended March 31, 2024
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, 2023	As of March 31, 2024
Accumulated depreciation of property, plant and equipment	76,999	80,311

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

(Million yen)

	As of March 31, 2023	As of March 31, 2024
Investment securities (shares)	14	8

\*4 Financial covenants

Fiscal year ended March 31, 2023

Of debts as of the end of the fiscal year ended March 31, 2023, syndicated term loan agreements (debt balance of ¥7,200 million as of March 31, 2023) 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, 2023, 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, 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.

## 5 Contingent liabilities

- (1) On November 13, 2023 (service date: December 1, 2023), a lawsuit was brought against the Company by the Japan Pension Service regarding claims for damages. The details of the lawsuit are as follows:

- 1) Cause of lawsuit and circumstances leading to the filing of said lawsuit

On March 3, 2022, the Company received a cease and desist order and payment order for a surcharge from the Japan Fair Trade Commission regarding the specific data printing service. In response to this, the Company received a claim for damages from the plaintiff, Japan Pension Service, based on an outsourcing contract with the same. Although the Company paid the principal of such damages, an objection pertaining to the interpretation of the contract with regard to damages for delays was made, which was then conveyed by the Company to the relevant authorities, upon which the plaintiff filed a lawsuit.

- 2) Overview of party filing lawsuit

- a) Name: Japan Pension Service
- b) Address: 3-5-24, Takaido-nishi, Suginami-ku, Tokyo
- c) Name and position of representative: Toichiro Mizushima, President

- 3) Details of lawsuit

- a) Description: Claim for damages
- b) Amount of damages claimed: 156 million yen (breakdown: 142 million yen in damages for delays and 14 million yen in attorney's fees)

- 4) Future outlook

The Company believes that it has no obligation to pay the said damages for delays and has determined that, at this stage, these claims will have no impact on the Company's financial results. The Company will assert its position during the lawsuit proceedings.

- (2) At the end of the current fiscal year under review, two of the Company's Indonesian consolidated subsidiaries, PT. Arisu Graphic Prima and PT. Arisu Indonesia (hereinafter, collectively "Consolidated Subsidiaries") received a notice for correction from the Indonesian tax authorities regarding the tax returns for the period December 2017 through December 2020. The total amount claimed by the tax authorities in 119,198 million IDR (Indonesian Rupiah; equivalent to 1,144 million yen using the exchange rate as of the end of the current consolidated accounting period, including additional tax, etc.). A provisional total amount of 17,170 million IDR (164 million yen) has been paid. As the Company and the Consolidated Subsidiaries do not accept the content of the findings by the Indonesian tax authorities, an objection has been raised and an appeal is underway in the relevant courts.

The principal details of the above are as follows:

PT. Arisu Indonesia

(Fiscal year ended December 31, 2017)

December 12, 2022: Received a correction notice from the tax authorities for 8,603 million IDR (82 million yen) relating to sales and transaction prices.

March 9, 2023: Provisional payment of 3,823 million IDR (36 million yen) made; objection raised by Company and PT. Arisu Indonesia.  
 January 3, 2024: Received notice that the objection had been dismissed, but that the correction amount had been reduced to 7,615 million IDR (73 million yen).  
 March 25, 2024: Appeal to relevant courts filed.

(Fiscal year ended December 31, 2019)

August 26, 2021: Received a correction notice from the tax authorities for 8,397 million IDR (80 million yen) relating to sales and transaction prices.  
 November 18, 2021: Provisional payment of 8,301 million IDR (79 million yen) made; objection raised by Company and PT. Arisu Indonesia.  
 August 24, 2022: Received notice that the objection had been dismissed.  
 November 20, 2022: Appeal to relevant courts filed.

(Fiscal year ended December 31, 2020)

June 21, 2022: Received a correction notice from the tax authorities for 72,712 million IDR (698 million yen) relating to sales and transaction prices and transactions arising from non-business operations.  
 September 16, 2022: Provisional payment of 718 million IDR (6 million yen) made; objection raised by Company and PT. Arisu Indonesia.  
 June 27, 2023: Received notice that the objection had been dismissed.  
 September 26, 2023: Appeal to relevant courts filed.

(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, 2023	Fiscal year ended March 31, 2024
Research and development costs	1,065	1,068

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

(Million yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Machinery and vehicles	53	12

\*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, 2023	Fiscal year ended March 31, 2024
Machinery and vehicles	0	—
Other facilities	—	0
Total	0	0

## Loss on retirement of non-current assets

(Million yen)

Fiscal year ended March 31, 2023    Fiscal year ended March 31, 2024

Buildings and structures	157	17
Machinery and vehicles	41	76
Other facilities	29	4
Software	18	17
Total	246	116

## \*4 Impairment loss

Fiscal year ended March 31, 2023

The Group recorded impairment losses on the following asset groups.

Segment	Location	Use	Type	Amount (Million yen)
Living and industrial materials	Dong Nai Province, Socialist Republic of Vietnam	Laminated tube production equipment	Buildings and structures	79
			Machinery and vehicles	123
			Furniture and fixtures	2
			Lease assets	3
			Construction in progress	1
			Investments and other assets (Other)	41
Living and industrial materials	Moriya-shi, Ibaraki	Tissue product production equipment	Lease assets	68
Information communication	Bunkyo-ku, Tokyo	Electronic books	Intangible assets (Other)	6

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 could no longer be expected. The amount of the reduction was recorded as an impairment loss of ¥326 million under extraordinary losses. The recoverable amount is measured by net realizable value or value in use, and is calculated based on the real estate appraisal value by a real estate appraiser for land and buildings, and by discounting the estimated future cash flows at 2.82% for other assets.

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.

#### \*5 Loss on Anti-Monopoly Act

Fiscal year ended March 31, 2023

The Company received a claim for damages from Japan Pension Service on March 2, 2023, based on the outsourcing contract with Japan Pension Service for the preparation of forms for Japan Pension Service, for which the Company received a cease and desist order and payment order for a surcharge from the Japan Fair Trade Commission in accordance with the Anti-Monopoly Act in connection with bidding. The Board of Directors resolved on April 28, 2023 to pay the principal portion of the amount claimed for damages. As a result, the Company recorded an extraordinary loss of 838 million yen as a result of this resolution.

(Notes to Consolidated Statements of Comprehensive Income)

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

(Million yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Unrealized gain (loss) on available-for-sale securities		
Gain (loss) arising during the year	(1,958)	8,331
Reclassification adjustments to profit or loss	(1,910)	(377)
Amount before income tax effect	(3,869)	7,953
Income tax effect	1,193	(2,433)
Unrealized gain (loss) on available-for-sale securities	(2,675)	5,520
Foreign currency translation adjustments		
Gain (loss) arising during the year	196	161
Remeasurement of defined benefit plans		
Gain (loss) arising during the year	(30)	153
Reclassification adjustments to profit or loss	(698)	63
Amount before income tax effect	(729)	216
Income tax effect	210	(65)
Remeasurement of defined benefit plans	(519)	151
Share of other comprehensive income in associate accounted for using the equity method		
Gain (loss) arising during the year	3	(20)
Total other comprehensive income (loss)	(2,994)	5,813

(Notes to Consolidated Statements of Changes in Equity)

Fiscal year ended March 31, 2023

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

(Shares)

	Number of shares as of April 1, 2022	Increase during period	Decrease during period	Number of shares as of March 31, 2023
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)	423,973	351,093	20,100	754,966
Total	423,973	351,093	20,100	754,966

(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 (306,600 shares as of April 1, 2022, 286,500 shares as of March 31, 2023).
2. Increase in treasury stock of 351,093 shares resulted from an increase of 93 shares due to the purchase of less than one trading unit and an increase of 351,000 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, 2022.
3. Decrease in treasury stock of 20,100 shares resulted from a decrease of 1,000 shares due to the delivery of such to one director, one Audit & Supervisory Board member, and three executive officers as compensation for the execution of their duties, and a decrease of 19,100 shares due to the sale of Company's common stock owned by BBT (Employee Shareholding Association Disposal Type).

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, 2022 Annual Shareholders' Meeting	Common stock	412	50	March 31, 2022	June 30, 2022
November 8, 2022 Board of Directors	Common stock	412	50	September 30, 2022	December 8, 2022

(Notes)

1. The total amount of cash dividends approved at the Company's shareholders' meeting held on June 29, 2022 includes dividends of ¥15 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, 2022 includes dividends of ¥14 million on the Company's common stock owned by Custody Bank of Japan, Ltd. (Trust account E) as a trust property of BBT, J-ESOP, and Employee Shareholding Association Disposal Type.



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

(Resolution)	Class of shares	Total cash dividends (Million yen)	Dividend resource	Dividend per share (Yen)	Record date	Effective date
June 29, 2023 Annual Shareholders' Meeting	Common stock	395	Retained earnings	50	March 31, 2023	June 30, 2023

(Note)

The total amount of cash dividends 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.

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 354,500 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, 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 three executive officers 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 from the sale of shares of an associate company.

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.

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 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.

(Notes to Consolidated Statements of Cash Flows)

1\* Relationship between cash and cash equivalents as of March 31, 2023 and 2024 and account items listed in the Consolidated Balance Sheets is as follows.

(Million yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash and time deposits	10,557	11,003
Time deposits exceeding three months to maturity	(56)	(58)
Cash and cash equivalents	10,500	10,944

2. Significant noncash transactions

Assets and liabilities under finance leases newly recognized for the years ended March 31, 2023 and 2024 are as follows.

(Million yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Lease assets	270	232
Lease obligations	288	269

(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, 2023 (from April 1, 2022 to March 31, 2023)

(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	35,134	25,943	30,076	91,153	1,762	92,916	—	92,916
Other revenue	—	—	—	—	447	447	—	447
Sales to external customers	35,134	25,943	30,076	91,153	2,209	93,363	—	93,363
Intersegment sales or transfers	1,245	777	302	2,326	5,714	8,040	(8,040)	—
Total	36,379	26,721	30,379	93,479	7,923	101,403	(8,040)	93,363
Segment profit (loss)	(197)	758	172	733	293	1,026	(251)	775
Segment assets	26,879	21,771	36,411	85,062	10,186	95,249	28,222	123,471
Other (Note) 4:								
Depreciation and amortization	841	1,372	2,260	4,474	264	4,738	993	5,732
Amortization of goodwill	128	—	281	409	—	409	—	409
Increase in property, plant and equipment and intangible assets	994	1,152	957	3,104	107	3,212	745	3,958

(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, 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 or 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.

[Related information]

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

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, 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.

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

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Million yen)

	Information Communication	Information Security	Living and Industrial Materials	Other	Reconciliations	Total
Impairment loss	6	—	320	—	—	326

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

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

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Million yen)

	Information Communication	Information Security	Living and Industrial Materials	Other	Reconciliations	Total
Amortization of goodwill	128	—	281	—	—	409
Unamortized balance of goodwill	—	—	380	—	—	380

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

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

There is no relevant information.



(Per share information)

(Yen)

	Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)
Total equity per share	7,575.80	8,662.59
Basic net income per share	159.35	199.24

(Notes)

- 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 (55,800 shares for year ended March 31, 2023, 55,300 shares for year ended March 31, 2024).  
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 (56,108 shares for year ended March 31, 2023, 55,454 shares for year ended March 31, 2024).
- 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 (150,000 shares for year ended March 31, 2023, 150,000 shares for year ended March 31, 2024).  
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 (150,000 shares for year ended March 31, 2023, 150,000 shares for year ended March 31, 2024).
- 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 (80,700 shares for year ended March 31, 2023, 63,900 shares for year ended March 31, 2024).  
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 (89,977 shares for year ended March 31, 2023, 72,062 shares for year ended March 31, 2024).
- Diluted net income per share for the year ended March 31, 2024 is not presented since potentially dilutive shares did not exist as of March 31, 2024.
- The basis for the calculation of basic net income per share is as follows.

	Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)
Basic net income per share		
Net income attributable to owners of parent (Million yen)	1,253	1,495
Amount not attributable to common shareholders (Million yen)	—	—
Net income attributable to owners of parent related to common stock (Million yen)	1,253	1,495
Average number of shares during the period (Thousand shares)	7,865	7,508

(Significant subsequent events)

There is no relevant information.

## 5. Other

(Changes in officers)

Refer to “Notice Regarding Changes in Officers” announced on February 28, 2024 and “Notice Regarding Changes in Audit & Supervisory Board Members” announced on May 15, 2024.