

May 8, 2026

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

Company name: MARUWA CO., LTD.
 Listing: Tokyo Stock Exchange / Nagoya Stock Exchange
 Securities code: 5344
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 Representative: Toshiro Kambe, Representative Director and President
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 Scheduled date of annual general meeting of shareholders: June 19, 2026
 Scheduled date to commence dividend payments: June 22, 2026
 Scheduled date to file annual securities report: June 12, 2026
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

Rounded down to the nearest million yen

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

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	74,476	3.7	24,976	(7.2)	26,321	(2.6)	18,163	(5.6)
March 31, 2025	71,849	16.7	26,914	35.9	27,033	28.0	19,242	26.5

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥20,550 million [4.4%]
 For the fiscal year ended March 31, 2025: ¥19,677 million [23.0%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
March 31, 2026	1,472.03	-	13.2	17.3	33.5
March 31, 2025	1,559.45	-	16.2	20.4	37.5

(2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2026	162,691	147,262	90.5	11,933.87
March 31, 2025	142,285	127,854	89.9	10,361.04

Reference: Equity
 As of March 31, 2026: ¥147,262 million
 As of March 31, 2025: ¥127,854 million

(3) Consolidated cash flows

Fiscal year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	16,933	(21,757)	(1,216)	66,986
March 31, 2025	25,351	(7,682)	(1,512)	71,568

2. Cash dividends

Fiscal year ended	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	-	47.00	-	47.00	94.00	1,159	6.0	1.0
Fiscal year ended March 31, 2026	-	51.00	-	51.00	102.00	1,258	6.9	0.9
Fiscal year ending March 31, 2027 (Forecast)		55.00		55.00	110.00		-	

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

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Yen	%	Yen	%	Yen
Six months ending September 30, 2026	39,400	19.0	13,500	24.5	-	-	-	-	-
Fiscal year ending March 31, 2027	84,100	12.9	29,700	18.9	-	-	-	-	-

Note: We do not disclose specific forecasts for profits below ordinary income because they are expected to fluctuate mainly due to foreign exchange factors and are difficult to forecast at this time.

* **Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None
- (3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2026	12,372,000 shares
As of March 31, 2025	12,372,000 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2026	32,114 shares
As of March 31, 2025	32,112 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2026	12,338,999 shares
Fiscal year ended March 31, 2025	12,339,106 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	56,138	3.4	20,901	(6.6)	24,956	8.8	18,192	10.0
March 31, 2025	54,290	18.2	22,371	36.7	22,935	17.8	16,544	13.1

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2026	1,474.40	-
March 31, 2025	1,340.85	-

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2026	139,821	127,441	91.1	10,327.58
March 31, 2025	122,238	110,376	90.3	8,944.73

Reference: Equity

As of March 31, 2026: ¥127,441 million

As of March 31, 2025: ¥110,376 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

(Cautions on forward-looking statements, etc.)

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information available to the Company and on certain assumptions deemed to be reasonable. Actual financial results may differ from the results anticipated in the statements due to various factors.

Overview of Operating Results, etc.

(1) Business Results

During the fiscal year ended March 31, 2026, concerns over geopolitical risks persisted due to developments in the Middle East and Ukraine, as well as heightened attention to monetary policies in various countries and tariff policies involving the United States and other countries. In the high-tech market, rapid technological advancements and active investments were observed across a wide range of fields related to generative AI.

In our business, working within this business environment, market conditions in the automotive-related business softened, and in the semiconductor-related business, the recovery in general-purpose memory that had been expected in the second half was shifted. Meanwhile, demand related to next-generation high-speed communications remained at a high level throughout the fiscal year, and from the fourth quarter, a significant increase in production commenced due to the full-scale launch of a successor model.

As a result, consolidated net sales for the fiscal year ended March 31, 2026 increased 3.7% from the previous fiscal year to 74,476 million yen. Operating profit decreased by 7.2% from the previous fiscal year to 24,976 million yen, ordinary profit was decreased by 2.6% from the previous fiscal year to 26,321 million yen, and profit attributable to owners of parent decreased by 5.6% from the previous fiscal year to 18,163 million yen.

In addition, at the end of the fiscal year, there had been a delay in the recovery of general-purpose memory and a temporary decline in yield during the ramp-up of certain new products, and both issues have now been resolved.

In the fourth quarter, a significant increase in production commenced due to the launch of a next-generation high-speed communication-related successor model, resulting in record-high quarterly sales and profits.

Looking ahead, while the global economic environment is expected to remain uncertain due to geopolitical risks such as the situation in the Middle East, we will continue to steadily focus on strengthening our business foundation toward the achievement of our medium-term plan targeting net sales of 100 billion yen in the fiscal year ending March 31, 2029.

Sales and profits by segment are as follows.

(Ceramic Components Business)

In the automotive-related business, market conditions softened, and in the semiconductor-related business, the recovery in general-purpose memory that had been expected in the second half was delayed. Meanwhile, demand related to next-generation high-speed communications remained at a high level throughout the fiscal year, and from the fourth quarter, a significant increase in production commenced due to the full-scale launch of a successor model.

As a result, consolidated net sales for the fiscal year ended March 31, 2026 increased 2.1% from the previous fiscal year to 63,797 million yen, and segment profit decreased by 9.3% from the previous fiscal year to 24,573 million yen.

(Lighting Equipment Business)

This segment performed strongly, supported by increasing demand for LED lighting driven by the government's target of fully transitioning from fluorescent lighting to LED lighting by 2030, as well as growing demand for office renovation projects. Sales of high value-added lighting for offices and LED lighting installation projects for public facilities remained strong. In addition, high-end lighting for the luxury new condominium market also performed robustly.

As a result, consolidated net sales for the first nine months of the fiscal year ending March 31, 2026 increased 14.1% from the same period of last year to 10,679 million yen, and segment profit increased 49.0% from the previous fiscal year to 2,141 million yen.

(2) Financial Conditions

(Assets)

Current assets at the fiscal year ended March 31, 2026, totaled 103,175 million yen, an increase of 2,885 million yen from the end of the previous fiscal year. This was mainly due to an increase in raw materials and supplies. Fixed assets totaled 59,515 million yen, up 17,520 million yen from the end of the previous fiscal year. This was due to an increase in construction in progress.

As a result, total assets amounted to 162,691 million yen, up 20,405 million yen from the end of the previous fiscal year.

(Liabilities)

Current liabilities at the end of the fiscal year ending March 31, 2026, amounted to 14,856 million yen, up 923 million yen from the end of the previous fiscal year. This was mainly due to an increase in accounts payable. Fixed liabilities came to 571 million yen, up 73 million yen from the end of the previous fiscal year. This was mainly due to an increase in deferred tax liabilities.

As a result, total liabilities amounted to 15,428 million yen, up 997 million yen from the end of the previous fiscal year.

(Net Assets)

Total net assets were 147,262 million yen at the fiscal year ended March 31, 2026, up 19,408 million yen from the end of the previous fiscal year. This was due to profit attributable to owners of parent company of 18,163 million yen.

As a result, the equity ratio was 90.5% (89.9% at the end of the previous fiscal year).

(3) Overview of Cash Flows

Cash and cash equivalents at the end of the current consolidated fiscal year decreased by 4,581 million yen from the end of the previous fiscal year, totaling 66,986 million yen.

The cash flow status for the fiscal year is as follows.

Net cash provided by operating activities amounted to 16,933 million yen, a decrease of 8,418 million yen from the previous fiscal year.

Net cash used in investing activities amounted to 21,757 million yen, an increase of 14,074 million yen from the previous fiscal year.

Net cash used in financing activities amounted to 1,216 million yen, a decrease of 296 million yen from the previous fiscal year.

(4) Future Outlook

In the outlook for the fiscal year ending March 31, 2027, the global economic environment is expected to remain uncertain due to geopolitical risks such as the situation in the Middle East, and therefore we have set our guidance conservatively, taking these risks into account.

Current outlook by segment is as follows.

In the tele communication-related business, demand for a successor model related to next-generation high-speed communications is expected to grow further. To respond to the significant increase in demand, we will strengthen our production capacity through the commencement of operations at a new building at the Seto Plant.

In the automotive-related business, amid moderating growth in the new energy vehicle market, we aim to achieve growth by further expanding our market share through differentiated products. At the same time, to further enhance profitability, we will strengthen our earnings by introducing AI and robotics.

In the semiconductor-related business, demand for general-purpose memory is expected to expand in earnest from the second half of the fiscal year. To meet robust demand, we will enhance our production capacity through the start of operations at two new buildings at the Miharu Plant.

In the industrial equipment-related business, demand related to power modules is expected to remain firm, while demand for new products in the medical field is expected to increase.

In the lighting equipment-related business is expected to perform strongly, supported by increasing LED demand driven by the government's target of fully transitioning from fluorescent lighting to LED lighting by 2030. Both public and high-end lighting are expected to show solid performance.

As we expect to continue achieving record-high performance, the dividend for the fiscal year ending March 31, 2027, is scheduled to be increased by 8 yen, the same as in the previous fiscal year, resulting in a planned dividend of 110 yen per share.

The foreign exchange rate is based on the assumption of 153 yen to the U.S. dollar.

Consolidated Earnings Forecast for the Second Quarter (Cumulative) of the Fiscal Year Ending March 2027 (Unit: Million Yen)

	Results (FY2025)	Forecast (FY2026)	Year on year (%)
Net Sales	33,115	39,400	19.0
Operating Profit	10,843	13,500	24.5

Consolidated Earnings Forecast for the Full Fiscal Year Ending March 2027 (Unit: Million Yen)

	Results (FY2025)	Forecast (FY2026)	Year on year (%)
Net Sales	74,476	84,100	12.9
Operating Profit	24,976	29,700	18.9

The above earnings forecasts are based on information available as of the date of this announcement. If revisions become necessary due to various factors in the future, such changes will be disclosed promptly.

Consolidated balance sheet

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	71,793	67,185
Notes receivable - trade	139	47
Accounts receivable - trade	12,420	13,624
Electronically recorded monetary claims - operating	1,319	1,505
Merchandise and finished goods	2,645	2,309
Work in process	3,803	5,354
Raw materials and supplies	5,398	8,631
Other	2,832	4,525
Allowance for doubtful accounts	(62)	(8)
Total current assets	100,290	103,175
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	14,996	19,634
Machinery, equipment and vehicles, net	13,039	14,722
Land	5,047	5,750
Construction in progress	5,474	16,351
Other, net	798	819
Total property, plant and equipment	39,356	57,277
Intangible assets		
Other	444	438
Total intangible assets	444	438
Investments and other assets		
Investment securities	482	110
Deferred tax assets	639	621
Investment property, net	920	907
Other	152	160
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	2,194	1,799
Total non-current assets	41,995	59,515
Total assets	142,285	162,691

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,965	4,254
Electronically recorded obligations - operating	840	697
Income taxes payable	4,929	3,942
Provision for bonuses	1,191	1,170
Provision for bonuses for directors (and other officers)	149	133
Other	3,856	4,659
Total current liabilities	13,933	14,856
Non-current liabilities		
Deferred tax liabilities	131	213
Other	366	358
Total non-current liabilities	498	571
Total liabilities	14,431	15,428
Net assets		
Shareholders' equity		
Share capital	8,646	8,646
Capital surplus	12,103	12,170
Retained earnings	105,705	122,660
Treasury shares	(198)	(198)
Total shareholders' equity	126,257	143,279
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	39	53
Foreign currency translation adjustment	1,556	3,930
Total accumulated other comprehensive income	1,596	3,983
Total net assets	127,854	147,262
Total liabilities and net assets	142,285	162,691

Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	71,849	74,476
Cost of sales	32,377	35,318
Gross profit	39,472	39,158
Selling, general and administrative expenses	12,558	14,182
Operating profit	26,914	24,976
Non-operating income		
Interest income	331	616
Rental income	126	112
Foreign exchange gains	-	561
Other	110	178
Total non-operating income	567	1,468
Non-operating expenses		
Interest expenses	0	0
Foreign exchange losses	382	-
Rent expenses on real estate for investments	53	57
Loss on extinguishment of share-based payment expenses	1	41
Other	10	23
Total non-operating expenses	448	122
Ordinary profit	27,033	26,321
Extraordinary income		
Gain on sale of non-current assets	0	1
Gain on sale of investment securities	-	147
Subsidy income	2,592	42
Total extraordinary income	2,592	191
Extraordinary losses		
Loss on sale and retirement of non-current assets	105	37
Loss on tax purpose reduction entry of non-current assets	2,360	42
Other	-	14
Total extraordinary losses	2,466	93
Profit before income taxes	27,159	26,418
Income taxes - current	8,069	8,220
Income taxes - deferred	(152)	34
Total income taxes	7,917	8,255
Profit	19,242	18,163
Profit attributable to owners of parent	19,242	18,163

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	19,242	18,163
Other comprehensive income		
Valuation difference on available-for-sale securities	(131)	13
Foreign currency translation adjustment	567	2,373
Total other comprehensive income	435	2,386
Comprehensive income	19,677	20,550
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	19,677	20,550

Consolidated statement of changes in equity

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income			Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	8,646	12,031	87,573	(210)	108,042	171	989	1,161	109,203
Changes during period									
Dividends of surplus			(1,110)		(1,110)				(1,110)
Profit attributable to owners of parent			19,242		19,242				19,242
Purchase of treasury shares				(1)	(1)				(1)
Disposal of treasury shares		72		13	85				85
Net changes in items other than shareholders' equity						(131)	567	435	435
Total changes during period	-	72	18,131	11	18,215	(131)	567	435	18,650
Balance at end of period	8,646	12,103	105,705	(198)	126,257	39	1,556	1,596	127,854

Consolidated statement of changes in equity

Fiscal year ended March 31, 2026

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income			Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	8,646	12,103	105,705	(198)	126,257	39	1,556	1,596	127,854
Changes during period									
Dividends of surplus			(1,209)		(1,209)				(1,209)
Profit attributable to owners of parent			18,163		18,163				18,163
Purchase of treasury shares				(6)	(6)				(6)
Disposal of treasury shares		66		7	74				74
Net changes in items other than shareholders' equity						13	2,373	2,386	2,386
Total changes during period	-	66	16,954	0	17,021	13	2,373	2,386	19,408
Balance at end of period	8,646	12,170	122,660	(198)	143,279	53	3,930	3,983	147,262

Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	27,159	26,418
Depreciation	4,690	5,334
Increase (decrease) in allowance for doubtful accounts	(71)	(76)
Loss (gain) on sale of investment securities	-	(147)
Loss (gain) on sale and retirement of non-current assets	105	35
Loss on tax purpose reduction entry of non-current assets	2,360	42
Interest and dividend income	(340)	(627)
Interest expenses	0	0
Subsidy income	(2,592)	(42)
Decrease (increase) in trade receivables	2,248	(1,043)
Decrease (increase) in inventories	(2,001)	(4,257)
Increase (decrease) in trade payables	(944)	1,261
Other, net	409	(1,355)
Subtotal	31,023	25,542
Interest and dividends received	340	627
Interest paid	(0)	(0)
Income taxes refund (paid)	(6,011)	(9,235)
Net cash provided by (used in) operating activities	25,351	16,933
Cash flows from investing activities		
Net decrease (increase) in time deposits	-	48
Purchase of property, plant and equipment	(9,912)	(22,474)
Payments for retirement of property, plant and equipment	(74)	-
Purchase of intangible assets	(185)	(50)
Purchase of investment securities	(219)	(42)
Proceeds from sale of investment securities	-	580
Subsidies received	2,692	142
Other, net	16	38
Net cash provided by (used in) investing activities	(7,682)	(21,757)
Cash flows from financing activities		
Repayments of long-term borrowings	(400)	-
Purchase of treasury shares	(1)	(6)
Dividends paid	(1,110)	(1,209)
Net cash provided by (used in) financing activities	(1,512)	(1,216)
Effect of exchange rate change on cash and cash equivalents	398	1,458
Net increase (decrease) in cash and cash equivalents	16,554	(4,581)
Cash and cash equivalents at beginning of period	55,013	71,568
Cash and cash equivalents at end of period	71,568	66,986

(Notes on segment information, etc.)

Segment Information

1. Overview of Reporting Segments

The Company's reporting segments are those of the Company's constituent units for which segregated financial information is available and is subject to periodic review by the Board of Directors in order to determine the allocation of management resources and evaluate performance.

The Company establishes business divisions for each product and service at its headquarters, and each business division formulates a comprehensive strategy for the products and services it handles in Japan and overseas and develops business activities.

Accordingly, the Company is comprised of product and service segments based on the Business Unit, with two reporting segments: the Ceramic Components Business and the Lighting Equipment Business.

The Ceramic Components segment manufactures and sells electronic components, ceramic substrates, and products related to semiconductor manufacturing equipment. The Lighting Equipment Business manufactures and sells lighting equipment that uses LEDs in addition to conventional lighting equipment.

2. Method of calculating the amount of sales, profits or losses, assets and other items for each reporting segment

The method of accounting for the reported business segments is the accounting method adopted in the preparation of consolidated financial statements.

It is the same as the method of.

Profit in the reporting segment is a figure based on operating income. Internal sales and transfers between segments are based on prevailing market prices.

3. Information on the amount of sales, profits or losses, assets and other items for each reporting segment

The previous fiscal year (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segments			Adjustment amount (Note) 1	Amount recorded in consolidated financial statements (Note)2
	Ceramic components	Lighting equipment	Total		
Sales					
Revenues from external customers	62,487	9,362	71,849	-	71,849
Transactions with other segments	7	37	45	(45)	-
Total	62,494	9,400	71,895	(45)	71,849
Segment Profit	27,086	1,437	28,524	(1,609)	26,914
Segment Assets	130,554	9,044	139,598	2,687	142,285
Other items					
Depreciation	4,461	96	4,557	132	4,690
Increase in property, plant and equipment and intangible assets	8,854	427	9,282	369	9,652

Note: 1. Segment profit adjustment of (1,609) million yen includes 53 million yen of inter-segment elimination and (1,663) million yen of company-wide expenses not allocated to each reporting segment. Corporate expenses are selling, general and administrative expenses that are not attributable to the reporting segment.

2. Segment profit is adjusted to operating income in the consolidated statements of income.

3. Adjusted segment assets of ¥2,687 million are company-wide assets that have not been allocated to each reporting segment. These include the parent company's surplus funds under management (time deposits, etc.), investment securities, etc., and assets related to the management department.

4. The 132 million yen adjustment for depreciation and amortization is mainly depreciation and amortization of company-wide assets that have not been allocated to each reporting segment.

5. Adjustment for the increase in property, plant and equipment and intangible assets of 369 million yen is an increase in company-wide assets that are not primarily allocated to each reporting segment.

The current fiscal year (April 1, 2025 to March 31, 2026)

(Millions of yen)

	Reportable segments			Adjustment amount (Note) 1	Amount recorded in consolidated financial statements (Note)2
	Ceramic components	Lighting equipment	Total		
Sales					
Revenues from external customers	63,797	10,679	74,476	-	74,476
Transactions with other segments	9	7	17	(17)	-
Total	63,806	10,687	74,493	(17)	74,476
Segment Profit	24,573	2,141	26,714	(1,738)	24,976
Segment Assets	149,102	10,244	159,346	3,344	162,691
Other items					
Depreciation	4,989	146	5,135	198	5,334
Increase in property, plant and equipment and intangible assets	20,948	522	21,470	1,236	22,707

Note: 1. Segment profit adjustment of (1,738) million yen includes 90 million yen of inter-segment transaction elimination and (1,828) million yen of company-wide expenses not allocated to each reporting segment. Corporate expenses are selling, general and administrative expenses that are not attributable to the reporting segment.

2. Segment profit is adjusted to operating income in the consolidated statements of income.

3. Adjusted segment assets of ¥3,344 million are company-wide assets that have not been allocated to each reporting segment. These include the parent company's surplus funds under management (time deposits, etc.), investment securities, etc., and assets related to the management department.

4. The 198 million yen adjustment for depreciation and amortization is mainly depreciation and amortization of company-wide assets that have not been allocated to each reporting segment.

5. The adjustment for the increase in property, plant and equipment and intangible assets of 1,236 million yen is an increase in company-wide assets that are not primarily allocated to each reporting segment.

Other Matters

(1) Basic Policy on Profit Distribution and Dividends

1. Basic Policy on Profit Distribution

Our basic policy on profit distribution is to place importance on maintaining stable and continuous dividend payments to shareholders, while also enhancing flexible capital investment in new growth areas, maintaining and strengthening research and development, and promoting initiatives related to ESG and the SDGs.

2. Dividend of Surplus for FY2025

The year-end dividend for the fiscal year ended March 31, 2026 is scheduled to be 51 yen per share. Accordingly, the annual dividend, including the interim dividend, will be 102 yen per share.

3. Dividend of Surplus for FY2026

With respect to profit distribution for the fiscal year ended March, 2027, amid a once-in-a-century period of transformation, we will prioritize enhancing corporate value through agile initiatives focused on ESG and the SDGs, as well as proactive research and development with a long-term perspective. Regarding shareholder returns, we have decided to increase the annual dividend by 8 yen, and plans to pay an annual dividend of 110 yen per share, consisting of an interim dividend of 55 yen per share and a year-end dividend of 55 yen per share.