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May 14, 2026

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



Company name: KATO WORKS CO.,LTD.

Listing: Tokyo Stock Exchange

Securities code: 6390

URL: <http://www.kato-works.co.jp>

Representative: Kimiyasu Kato, President and Representative Director

Inquiries: Hidetada Yanagihara, Executive Officer and General Manager, Finance Control Department

Telephone: +81-3-3458-1130

Scheduled date of annual general meeting of shareholders: June 26, 2026

Scheduled date to commence dividend payments: June 29, 2026

Scheduled date to file annual securities report: June 24, 2026

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 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.)

|                                  | Net sales       |       | Operating profit |        | Ordinary profit |        | Profit attributable to owners of parent |   |
|----------------------------------|-----------------|-------|------------------|--------|-----------------|--------|---|---|
|                                  | Millions of yen | %     | Millions of yen  | %      | Millions of yen | %      | Millions of yen                         | % |
| Fiscal year ended March 31, 2026 | 56,335          | 6.4   | (2,320)          | -      | (1,841)         | -      | 4,526                                   | - |
| March 31, 2025                   | 52,932          | (7.9) | 903              | (45.4) | 1,401           | (45.6) | (6,033)                                 | - |

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥ (587) million [ -%]  
For the fiscal year ended March 31, 2025: ¥ (6,030) million [ -%]

|                                  | Basic earnings per share | Diluted earnings per share | Rate of return on equity | Ordinary profit to total assets ratio | Operating profit to net sales ratio |
|----------------------------------|--------------------------|----------------------------|--------------------------|---------------------------------------|-------------------------------------|
| Fiscal year ended March 31, 2026 | Yen 398.71               | Yen -                      | % 10.4                   | % (1.9)                               | % (4.1)                             |
| March 31, 2025                   | (514.48)                 | -                          | (12.7)                   | 1.3                                   | 1.7                                 |

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

For the fiscal year ended March 31, 2026: ¥ 160 million

For the fiscal year ended March 31, 2025: ¥ 96 million

#### (2) Consolidated financial position

|                      | Total assets           | Net assets             | Equity-to-asset ratio | Net assets per share |
|----------------------|------------------------|------------------------|-----------------------|----------------------|
| As of March 31, 2026 | Millions of yen 92,365 | Millions of yen 42,467 | % 46.0                | Yen 3,796.58         |
| March 31, 2025       | 102,747                | 44,603                 | 43.4                  | 3,801.65             |

Reference: Equity

As of March 31, 2026: ¥ 42,467 million

As of March 31, 2025: ¥ 44,603 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 period |
|----------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
| Fiscal year ended March 31, 2026 | Millions of yen (260)                | Millions of yen 2,019                | Millions of yen (5,874)              | Millions of yen 11,068                     |
| March 31, 2025                   | (13,319)                             | (930)                                | 6,638                                | 14,763                                     |

## 2. Cash dividends

|  | 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             | -                          | 35.00              | -                 | 35.00           | 70.00 | 821                          | -                           | 1.7   |
| Fiscal year ended March 31, 2026             | -                          | 35.00              | -                 | 35.00           | 70.00 | 802                          | 17.6                        | 1.8   |
| Fiscal year ending March 31, 2027 (Forecast) | -                          | 35.00              | -                 | 35.00           | 70.00 |                              | -                           |   |

Note: Breakdown of the year-end dividend for the fiscal year ended March 31, 2026 :

|                        |       |
|------------------------|-------|
| Commemorative dividend | - yen |
| Special dividend       | - yen |

## 3. Consolidated financial result forecasts 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  | % | Millions of yen | % | Millions of yen                         | % | Yen                      |
| Full year | 61,000          | 8.3 | 600              | - | 120             | - | 0                                       | - | 0.00                     |

### \* Notes

- (1) Significant changes in the scope of consolidation during the period: Yes
- |                 |   |                                    |   |
|-----------------|---|------------------------------------|---|
| Newly included: | - | companies(                         | ) |
| Excluded:       | 1 | companies( KATO WORKS (CHINA) LTD. | ) |
- (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: Yes
  - (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 | 11,743,587 shares |
| As of March 31, 2025 | 11,743,587 shares |

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

|                      |                |
|----------------------|----------------|
| As of March 31, 2026 | 557,784 shares |
| As of March 31, 2025 | 10,935 shares  |

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

|                                  |                   |
|----------------------------------|-------------------|
| Fiscal Year ended March 31, 2026 | 11,352,761 shares |
| Fiscal Year ended March 31, 2025 | 11,726,578 shares |

Note: The number of shares of the Company held by the Employee Shareholding Association Support Trust ESOP included in the number of treasury shares at the end of the period is as follows.

(Fiscal Year Ended March 31, 2026: 388,200 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    | 51,899          | 11.2  | (2,231)          | -      | (1,487)         | -      | (6)             | - |
| March 31, 2025    | 46,653          | (8.9) | 621              | (69.3) | 1,660           | (60.0) | (463)           | - |

| Fiscal year ended | Basic earnings per share | Diluted earnings per share |
|-------------------|--------------------------|----------------------------|
|                   | Yen                      | Yen                        |
| March 31, 2026    | (0.60)                   | -                          |
| March 31, 2025    | (39.52)                  | -                          |

**(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 | 86,348          | 40,524          | 46.9                  | 3,622.86             |
| March 31, 2025 | 95,374          | 41,943          | 44.0                  | 3,574.96             |

Reference: Equity

As of March 31, 2026: ¥ 40,524 million

As of March 31, 2025: ¥ 41,943 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

# Consolidated Financial Statements and Primary Notes

## Consolidated Balance Sheet

(Millions of yen)

|   | As of March 31, 2025 | As of March 31, 2026 |
|---|----------------------|----------------------|
| <b>Assets</b>                                       |                      |                      |
| <b>Current assets</b>                               |                      |                      |
| Cash and deposits                                   | 14,763               | 11,068               |
| Notes receivable - trade                            | 2,105                | 854                  |
| Accounts receivable - trade                         | 14,731               | 16,478               |
| Electronically recorded monetary claims - operating | 1,146                | 2,135                |
| Merchandise and finished goods                      | 29,182               | 24,626               |
| Work in process                                     | 5,077                | 6,468                |
| Raw materials and supplies                          | 11,013               | 8,841                |
| Other   | 2,621                | 936                  |
| Allowance for doubtful accounts                     | (347)                | (362)                |
| Total current assets                                | 80,292               | 71,047               |
| <b>Non-current assets</b>                           |                      |                      |
| <b>Property, plant and equipment</b>                |                      |                      |
| Buildings and structures, net                       | 8,410                | 7,664                |
| Machinery, equipment and vehicles, net              | 1,596                | 1,682                |
| Land  | 5,170                | 5,170                |
| Leased assets, net                                  | 31                   | 23                   |
| Construction in progress                            | 178                  | 123                  |
| Other, net  | 889                  | 360                  |
| Total property, plant and equipment                 | 16,277               | 15,025               |
| Intangible assets                                   | 1,318                | 1,062                |
| <b>Investments and other assets</b>                 |                      |                      |
| Investment securities                               | 2,823                | 3,171                |
| Distressed receivables                              | 14,570               | 1,639                |
| Retirement benefit asset                            | 148                  | 284                  |
| Deferred tax assets                                 | 1,004                | 893                  |
| Other   | 879                  | 880                  |
| Allowance for doubtful accounts                     | (14,569)             | (1,639)              |
| Total investments and other assets                  | 4,858                | 5,230                |
| Total non-current assets                            | 22,454               | 21,318               |
| Total assets  | 102,747              | 92,365               |

(Millions of yen)

|   | As of March 31, 2025 | As of March 31, 2026 |
|---|----------------------|----------------------|
| <b>Liabilities</b>                                    |                      |                      |
| Current liabilities                                   |                      |                      |
| Notes and accounts payable - trade                    | 4,230                | 4,049                |
| Electronically recorded obligations - operating       | 6,306                | 2,387                |
| Lease liabilities                                     | 9                    | 21                   |
| Short-term borrowings                                 | 19,941               | 19,965               |
| Current portion of bonds payable                      | 524                  | 516                  |
| Current portion of long-term borrowings               | 6,005                | 6,482                |
| Income taxes payable                                  | -                    | 44                   |
| Provision for bonuses                                 | 653                  | 663                  |
| Provision for product warranties                      | 778                  | 1,042                |
| Other   | 2,182                | 1,296                |
| Total current liabilities                             | 40,630               | 36,469               |
| Non-current liabilities                               |                      |                      |
| Bonds payable   | 516                  | -                    |
| Long-term borrowings                                  | 16,792               | 13,220               |
| Retirement benefit liability                          | 40                   | 44                   |
| Lease liabilities                                     | 21                   | 2                    |
| Deferred tax liabilities                              | -                    | 17                   |
| Other   | 142                  | 142                  |
| Total non-current liabilities                         | 17,513               | 13,428               |
| Total liabilities                                     | 58,144               | 49,898               |
| <b>Net assets</b>                                     |                      |                      |
| Shareholders' equity                                  |                      |                      |
| Share capital   | 2,935                | 2,935                |
| Capital surplus                                       | 8,247                | 8,194                |
| Retained earnings                                     | 27,457               | 31,168               |
| Treasury shares                                       | (16)                 | (720)                |
| Total shareholders' equity                            | 38,624               | 41,578               |
| Accumulated other comprehensive income                |                      |                      |
| Valuation difference on available-for-sale securities | 230                  | 372                  |
| Foreign currency translation adjustment               | 5,623                | 426                  |
| Remeasurements of defined benefit plans               | 124                  | 90                   |
| Total accumulated other comprehensive income          | 5,978                | 889                  |
| Total net assets                                      | 44,603               | 42,467               |
| Total liabilities and net assets                      | 102,747              | 92,365               |

Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Millions of yen)

|   | For the fiscal year<br>ended March 31, 2025 | For the fiscal year<br>ended March 31, 2026 |
|---|---|---|
| Net sales   | 52,932                                      | 56,335                                      |
| Cost of sales   | 44,332                                      | 50,510                                      |
| Gross profit  | 8,599                                       | 5,824                                       |
| Selling, general and administrative expenses                  | 7,695                                       | 8,145                                       |
| Operating profit (loss)                                       | 903   | (2,320)                                     |
| Non-operating income  |   |   |
| Interest income   | 21  | 15  |
| Interest income on installment sale                           | 23  | 25  |
| Dividend income   | 15  | 17  |
| Share of profit of entities accounted for using equity method | 96  | 160   |
| Foreign exchange gains  | 18  | 620   |
| Rental income   | 509   | 526   |
| Reversal of allowance for doubtful accounts                   | 107   | 382   |
| Reversal of provision for product warranties                  | 68  | -   |
| Compensation income   | 464   | -   |
| Other   | 192   | 176   |
| Total non-operating income                                    | 1,517                                       | 1,925                                       |
| Non-operating expenses  |   |   |
| Rental expenses   | 436   | 449   |
| Interest expenses   | 490   | 670   |
| Commission expenses   | 77  | 61  |
| Other   | 16  | 265   |
| Total non-operating expenses                                  | 1,019                                       | 1,446                                       |
| Ordinary profit (loss)  | 1,401                                       | (1,841)                                     |
| Extraordinary income  |   |   |
| Gain on sale of non-current assets                            | 163   | -   |
| Gain on sale of shares of subsidiaries                        | -   | 7,224                                       |
| Total extraordinary income                                    | 163   | 7,224                                       |
| Extraordinary losses  |   |   |
| Impairment losses   | -   | 566   |
| Loss on retirement of non-current assets                      | 53  | -   |
| Loss on valuation of shares of subsidiaries and associates    | 6   | 3   |
| Loss on liquidation of subsidiaries                           | 7,103                                       | 113   |
| Total extraordinary losses                                    | 7,164                                       | 683   |
| Profit (loss) before income taxes                             | (5,598)                                     | 4,699                                       |
| Income taxes - current  | 142   | 44  |
| Income taxes - deferred                                       | 362   | 157   |
| Total income taxes  | 505   | 201   |
| Profit (loss)   | (6,103)                                     | 4,498                                       |
| Loss attributable to non-controlling interests                | (70)  | (28)  |
| Profit (loss) attributable to owners of parent                | (6,033)                                     | 4,526                                       |

Consolidated Statement of Comprehensive Income

(Millions of yen)

|  | For the fiscal year<br>ended March 31, 2025 | For the fiscal year<br>ended March 31, 2026 |
|--|---|---|
| Profit (loss)  | (6,103)                                     | 4,498                                       |
| Other comprehensive income   |   |   |
| Valuation difference on available-for-sale securities                                | 68  | 128   |
| Foreign currency translation adjustment  | (37)  | (5,193)                                     |
| Remeasurements of defined benefit plans, net of tax                                  | 38  | (34)  |
| Share of other comprehensive income of entities<br>accounted for using equity method | 4   | 13  |
| Total other comprehensive income   | 73  | (5,085)                                     |
| Comprehensive income   | (6,030)                                     | (587)                                       |
| Comprehensive income attributable to   |   |   |
| Comprehensive income attributable to owners of<br>parent                             | (6,032)                                     | (562)                                       |
| Comprehensive income attributable to non-controlling<br>interests                    | 1   | (24)  |

Consolidated Statement of Changes in Equity

For the fiscal year ended March 31, 2025

(Millions of yen)

|   | Shareholders' equity |                 |                   |                 |                            |
|---|----------------------|-----------------|-------------------|-----------------|----------------------------|
|   | Share capital        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period  | 2,935                | 7,109           | 34,431            | (39)            | 44,437                     |
| Changes during period   |                      |                 |                   |                 |                            |
| Dividends of surplus  |                      |                 | (937)             |                 | (937)                      |
| Profit (loss) attributable to owners of parent  |                      |                 | (6,033)           |                 | (6,033)                    |
| Purchase of treasury shares   |                      |                 |                   | (0)             | (0)                        |
| Disposal of treasury shares   |                      | (2)             |                   | 23              | 20                         |
| Transfer to retained earnings from other capital surplus                                  |                      | 2               | (2)               |                 | -                          |
| Change in ownership interest of parent due to transactions with non-controlling interests |                      | 1,138           | 0                 |                 | 1,138                      |
| Net changes in items other than shareholders' equity                                      |                      |                 |                   |                 |                            |
| Total changes during period   | -                    | 1,138           | (6,973)           | 23              | (5,812)                    |
| Balance at end of period  | 2,935                | 8,247           | 27,457            | (16)            | 38,624                     |

|   | Accumulated other comprehensive income                |   |   |  | Non-controlling interests | Total net assets |
|---|---|---|---|--|---------------------------|------------------|
|   | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |                           |                  |
| Balance at beginning of period  | 157   | 5,733                                   | 86                                      | 5,977  | 1,136                     | 51,551           |
| Changes during period   |   |   |   |  |                           |                  |
| Dividends of surplus  |   |   |   |  |                           | (937)            |
| Profit (loss) attributable to owners of parent  |   |   |   |  |                           | (6,033)          |
| Purchase of treasury shares   |   |   |   |  |                           | (0)              |
| Disposal of treasury shares   |   |   |   |  |                           | 20               |
| Transfer to retained earnings from other capital surplus                                  |   |   |   |  |                           | -                |
| Change in ownership interest of parent due to transactions with non-controlling interests |   |   |   |  |                           | 1,138            |
| Net changes in items other than shareholders' equity                                      | 72  | (109)                                   | 38                                      | 0  | (1,136)                   | (1,135)          |
| Total changes during period   | 72  | (109)                                   | 38                                      | 0  | (1,136)                   | (6,947)          |
| Balance at end of period  | 230   | 5,623                                   | 124                                     | 5,978  | -                         | 44,603           |

For the fiscal year ended March 31, 2026

(Millions of yen)

|   | Shareholders' equity |                 |                   |                 |                            |
|---|----------------------|-----------------|-------------------|-----------------|----------------------------|
|   | Share capital        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period  | 2,935                | 8,247           | 27,457            | (16)            | 38,624                     |
| Changes during period   |                      |                 |                   |                 |                            |
| Dividends of surplus  |                      |                 | (808)             |                 | (808)                      |
| Profit (loss) attributable to owners of parent  |                      |                 | 4,526             |                 | 4,526                      |
| Purchase of treasury shares   |                      |                 |                   | (1,336)         | (1,336)                    |
| Disposal of treasury shares   |                      | (28)            |                   | 631             | 602                        |
| Change in scope of consolidation  |                      |                 | (7)               |                 | (7)                        |
| Change in ownership interest of parent due to transactions with non-controlling interests |                      | (24)            |                   |                 | (24)                       |
| Net changes in items other than shareholders' equity                                      |                      |                 |                   |                 |                            |
| Total changes during period   | -                    | (53)            | 3,711             | (704)           | 2,953                      |
| Balance at end of period  | 2,935                | 8,194           | 31,168            | (720)           | 41,578                     |

|   | Accumulated other comprehensive income                |   |   |  | Non-controlling interests | Total net assets |
|---|---|---|---|--|---------------------------|------------------|
|   | Valuation difference on available-for-sale securities | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |                           |                  |
| Balance at beginning of period  | 230   | 5,623                                   | 124                                     | 5,978  | -                         | 44,603           |
| Changes during period   |   |   |   |  |                           |                  |
| Dividends of surplus  |   |   |   |  |                           | (808)            |
| Profit (loss) attributable to owners of parent  |   |   |   |  |                           | 4,526            |
| Purchase of treasury shares   |   |   |   |  |                           | (1,336)          |
| Disposal of treasury shares   |   |   |   |  |                           | 602              |
| Change in scope of consolidation  |   |   |   |  |                           | (7)              |
| Change in ownership interest of parent due to transactions with non-controlling interests |   |   |   |  |                           | (24)             |
| Net changes in items other than shareholders' equity                                      | 142   | (5,197)                                 | (34)                                    | (5,088)                                      | -                         | (5,088)          |
| Total changes during period   | 142   | (5,197)                                 | (34)                                    | (5,088)                                      | -                         | (2,135)          |
| Balance at end of period  | 372   | 426                                     | 90                                      | 889  | -                         | 42,467           |

## Consolidated Statement of Cash Flows

(Millions of yen)

|  | For the fiscal year<br>ended March 31, 2025 | For the fiscal year<br>ended March 31, 2026 |
|--|---|---|
| <b>Cash flows from operating activities</b>  |   |   |
| Profit (loss) before income taxes  | (5,598)                                     | 4,699                                       |
| Depreciation   | 1,351                                       | 1,750                                       |
| Impairment losses  | -   | 566   |
| Increase (decrease) in allowance for doubtful accounts                                     | (1,146)                                     | (557)                                       |
| Increase (decrease) in retirement benefit liability  | (225)                                       | (136)                                       |
| Interest and dividend income   | (37)  | (67)  |
| Rental income  | (509)                                       | (526)                                       |
| Compensation income  | (464)                                       | -   |
| Loss on liquidation of subsidiaries  | 7,103                                       | 113   |
| Interest expenses  | 490   | 670   |
| Rent expenses  | 363   | 380   |
| Foreign exchange losses (gains)  | (2)   | (282)                                       |
| Share of loss (profit) of entities accounted for using equity method                       | (96)  | (160)                                       |
| Increase (decrease) in unearned interest on installment sale                               | 15  | -   |
| Loss (gain) on sale of non-current assets  | (179)                                       | (41)  |
| Loss on retirement of non-current assets   | 55  | 27  |
| Decrease (increase) in trade receivables   | 8,317                                       | (1,200)                                     |
| Decrease (increase) in distressed receivables  | (4,496)                                     | 566   |
| Decrease (increase) in inventories   | (13,486)                                    | 5,363                                       |
| Increase (decrease) in trade payables  | (3,291)                                     | (4,449)                                     |
| Loss (gain) on sale of shares of subsidiaries  | -   | (7,224)                                     |
| Increase (decrease) in advances received   | (246)                                       | (249)                                       |
| Decrease (increase) in advance payments to suppliers                                       | 28  | (11)  |
| Increase (decrease) in accrued expenses  | (581)                                       | (264)                                       |
| Decrease (increase) in consumption taxes refund receivable                                 | (1,299)                                     | 1,801                                       |
| Increase (decrease) in accrued consumption taxes   | 13  | 282   |
| Loss on valuation of shares of subsidiaries and associates                                 | 6   | 3   |
| Other, net   | 989   | (809)                                       |
| Subtotal   | (12,924)                                    | 246   |
| Interest and dividends received  | 108   | 109   |
| Proceeds from compensation   | 464   | -   |
| Interest paid  | (483)                                       | (666)                                       |
| Income taxes paid  | (484)                                       | (41)  |
| Income taxes refund  | -   | 92  |
| Net cash provided by (used in) operating activities  | (13,319)                                    | (260)                                       |
| <b>Cash flows from investing activities</b>  |   |   |
| Proceeds from rental of investment property  | 512   | 523   |
| Payments from rental of real estate for investment   | (363)                                       | (380)                                       |
| Purchase of property, plant and equipment  | (812)                                       | (536)                                       |
| Proceeds from sale of property, plant and equipment  | 34  | 205   |
| Purchase of intangible assets  | (469)                                       | (395)                                       |
| Proceeds from withdrawal of time deposits  | 200   | -   |
| Purchase of shares of subsidiaries   | (209)                                       | -   |
| Proceeds from cancellation of insurance funds  | 179   | -   |
| Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation | -   | 2,717                                       |
| Other, net   | (1)   | (113)                                       |
| Net cash provided by (used in) investing activities  | (930)                                       | 2,019                                       |

(Millions of yen)

|  | For the fiscal year<br>ended March 31, 2025 | For the fiscal year<br>ended March 31, 2026 |
|--|---|---|
| <b>Cash flows from financing activities</b>  |   |   |
| Purchase of shares of subsidiaries not resulting in change in scope of consolidation | (0)   | -   |
| Net increase (decrease) in short-term borrowings                                     | 7,809                                       | (319)                                       |
| Proceeds from long-term borrowings   | 9,057                                       | 2,833                                       |
| Repayments of long-term borrowings   | (7,424)                                     | (5,968)                                     |
| Redemption of bonds  | (1,524)                                     | (524)                                       |
| Purchase of treasury shares  | (0)   | (802)                                       |
| Dividends paid   | (935)                                       | (806)                                       |
| Proceeds from sale of treasury shares  | -   | 40  |
| Repayments of installment payables   | (340)                                       | (319)                                       |
| Other, net   | (4)   | (7)   |
| Net cash provided by (used in) financing activities                                  | 6,638                                       | (5,874)                                     |
| Effect of exchange rate change on cash and cash equivalents                          | 8   | 420   |
| Net increase (decrease) in cash and cash equivalents                                 | (7,602)                                     | (3,695)                                     |
| Cash and cash equivalents at beginning of period                                     | 22,366                                      | 14,763                                      |
| Cash and cash equivalents at end of period   | 14,763                                      | 11,068                                      |