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Consolidated Financial Results for the Six Months Ended September 30, 2026 (Based on Japanese GAAP)

November 6, 2026

Company name: NAKABAYASHI CO., LTD.

Stock exchange listings: Tokyo

Stock code: 7987 URL: https://www.nakabayashi.co.jp/

Representative: President and Representative Director Kazuyoshi Nakabayashi

Inquiries: Director, Senior Executive Officer and General Manager of Administration Division Shunsuke Nagai TEL 06-6943-5555

Scheduled date to file Semi-annual Securities Report: November 9, 2026

Scheduled date to commence dividend payments: December 1, 2026

Preparation of supplementary material on financial results: No

Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2026 (from April 1, 2026 to September 30, 2026)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	28,289	0.3	933	(8.5)	1,096	(9.1)	905	295.2
September 30, 2025	28,216	(3.2)	1,019	127.6	1,206	106.1	229	(35.6)

(Note) Comprehensive income: Six months ended September 30, 2026: ¥1,412 million [–%]
Six months ended September 30, 2025: ¥(139) million [–%]

	Earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2026	33.38	–
September 30, 2025	8.34	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
September 30, 2026	53,267	32,046	59.8
March 31, 2026	54,080	30,950	56.9

(Reference) Equity: As of September 30, 2026: ¥31,867 million
As of March 31, 2026: ¥30,785 million

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2026	–	10.00	–	12.00	22.00
Year ending March 31, 2027	–	10.00			
Year ending March 31, 2027 (Forecast)			–	12.00	22.00

(Note) Revisions of dividend forecasts from recently announced figures: No

3. Forecast of consolidated financial results for the 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		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	66,000	7.1	3,300	14.8	3,650	13.4	1,950	0.8	71.86

(Note) Revisions of forecasts of financial results from recently announced figures: No

*** Notes**

(1) Significant changes in the scope of consolidation during the six months ended September 30, 2026: No
Newly included: - companies (Company name)
Excluded: - companies (Company name)

(2) Application of special accounting methods for preparing semi-annual consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations:	No
Changes in accounting policies due to other reasons:	No
Changes in accounting estimates:	No
Restatement of prior period financial statements:	No

(4) Number of issued shares (common shares)

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

As of September 30, 2026	28,794,294 shares	As of March 31, 2026	28,794,294 shares

Number of treasury shares at the end of the period

As of September 30, 2026	1,653,680 shares	As of March 31, 2026	1,670,173 shares

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2026	27,131,191 shares	Six months ended September 30, 2025	27,473,408 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an auditing firm.

* Explanation and other special notes concerning the appropriate use of business performance forecasts

(Cautionary Statement with Respect to Forward-Looking Statements)

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These statements do not purport that the Company pledges to realize such statements. For the assumptions underlying the earnings forecasts and cautions concerning the earnings forecasts, please refer to “1. Overview of Operating Results, (3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Information” on page 4 of the Accompanying Materials.

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1. Overview of Operating Results

(1) Overview of Operating Results for the Period under Review

During the six months under review, the Japanese economy continued its gradual recovery, supported by firm capital investment, an improvement in the employment and income environment, and inbound tourism demand at the same level as the same period of the previous fiscal year. On the other hand, uncertainty in the economic outlook continues due to trends in the Chinese economy, the U.S. tariff policy revisions, increased geopolitical risks primarily concerning Ukraine and the Middle East leading to fluctuations in resource prices, and rising import prices due to the yen remaining weaker than the same period of the previous fiscal year. Going forward, the economic outlook is likely to be determined by whether wage growth consistently exceeds inflation and leads to an expansion of personal consumption.

The business environment surrounding the Company group (the "Group") requires us to adapt to major changes in lifestyles and corporate activities. Under the purpose of "It's for SMILE," the Group is striving to enhance its corporate value by creating valuable products and services that are appropriate for an age of 100-year lifespans.

Under these circumstances, in May 2024 we formulated our fourth medium-term management plan (from April 1, 2024 to March 31, 2027), "Go on going." In this plan, based on the three basic policies of "reinforce earning capacity," "promote growth potential," and "improve shareholder value," we will work to achieve it mainly by promoting DX, creating product services that capture changing consumption trends, and optimizing the allocation of management resources. In regard to promoting DX, in particular, tangible results have begun to emerge, such as the streamlining and enhancement of sales activities leading to new orders, as a result of utilizing digital technologies in each business.

During the six months under review, we worked to reduce manufacturing costs through the consolidation of manufacturing operations at NAKABAYASHI FACTORY CO., LTD. In terms of order intake, although there was a decrease due to the reactionary effect of projects with a large surge in demand from the previous fiscal year, the Group continued to focus on selecting projects with an emphasis on profitability and profit margins. In product sales, we made efforts to absorb cost increases due to the weaker yen by developing new products and revising sales prices. As a result, net sales amounted to ¥28,289 million, operating profit was ¥933 million, and ordinary profit was ¥1,096 million. Furthermore, in order to streamline the business and further enhance corporate earnings, we reviewed our asset utilization to ensure efficient use and recorded ¥505 million of gain on sale of non-current assets (Fukuoka Distribution Center, Kashiwa Business Office, etc.) as extraordinary income and ¥ 231 million of loss on disposal of non-current assets as extraordinary losses.

As a result, profit attributable to owners of parent was ¥905 million.

The Group's operating results for the six months under review are as follows.

Net sales	¥28,289 million	(Up 0.3% year on year)
Operating profit	¥933 million	(Down 8.5% year on year)
Ordinary profit	¥1,096 million	(Down 9.1% year on year)
Profit attributable to owners of parent	¥905 million	(Up 295.2% year on year)

Operating results by segment are as follows.

(i) Business Process Solutions Business

In BPO services, while there was a decrease in the value of orders received due to intensified bidding competition, we made efforts to acquire new orders through continuous proposal-based projects, shareholder benefit services (handling everything from application acceptance to product delivery), municipality benefit BPO service, highly profitable web production-related projects, and expanded sales of scanning services. Despite these efforts, we experienced a decline in both revenue and profits due to a decrease resulted from the reactionary effect of the large-scale projects in the previous fiscal year.

In the area of pocket notebooks, envelopes, and general printed materials, profit slightly increased due to orders for highly creative products with a high gross margin as well as price revisions though overall net sales decreased.

Seal-related and label-related products performed well due to increased sales of labels and improved profit margins resulting from productivity improvements.

In the library solutions, we undertake highly profitable designated management (library management) projects. While orders for binding-related business have decreased, we are seeing improved profit margins due to a revision of sales prices. We also review specifications and work to reduce production costs by improving efficiency.

For graduation album-related products, profitability showed an improving trend due to the effects of the integration of manufacturing departments implemented in past fiscal years.

Consequently, net sales in this business amounted to ¥13,297 million (down 3.7% year on year), and operating profit amounted to ¥360 million (down 1.3% year on year).

(ii) Consumer Communications Business

In product sales, net sales remained strong due to factors such as an increase in large OEM orders, product introductions accompanying the opening of new large stores, and an increase in the number of new products listed on the web. Net sales of existing staple products at home improvement stores increased, and sales of new products such as the “NAKAMERA Series” and the “Quick Lamy A3 Pro” laminator performed well, resulting in increased revenue. On the other hand, due to rising procurement costs, profits fell below the same period of the previous year.

In shredder sales, sales of new personal shredder models performed well. Performance remained strong due to price revisions for consumables and maintenance services in addition to increased sales of large shredders.

Sales of e-commerce related products performed well, and profitability improved through more efficient site operations. In the office furniture field, net sales increased due to an improvement in the repeat rate and sales per customer, but profits decreased due to rising procurement costs and rent expenses. The e-commerce development of own products is expanding steadily.

In the stuffed toys business, we are promoting the expansion of sales channels to Europe, the U.S., Southeast Asia, and the Middle East, while also focusing on our existing markets in Hong Kong and China.

Consequently, net sales in this business amounted to ¥14,274 million (up 3.9% year on year), and operating profit amounted to ¥536 million (down 32.6% year on year).

(iii) Energy Business

Wooden biomass power generation achieved stable operation and increased revenue and profits due to an increase in the procurement of woodchips. Solar power generation performed well.

Consequently, net sales in this business amounted to ¥681 million (up 13.4% year on year) and operating profit amounted to ¥46 million (operating loss of ¥50 million in the same period of the previous fiscal year).

(iv) Others

The Vegetable Plant Business and the Garlic Farm Business, etc. posted net sales of ¥35 million (down 45.6% year on year) and operating profit of ¥1 million (down 93.4% year on year).

(2) Overview of Financial Position for the Period under Review

(Assets)

Current assets decreased by ¥954 million from the end of the previous fiscal year to ¥27,025 million. This was mainly due to a decrease of ¥2,422 million in notes and accounts receivable - trade despite increases of ¥717 million in merchandise and finished goods and ¥417 million in raw materials and supplies.

Non-current assets increased by ¥140 million from the end of the previous fiscal year to ¥26,241 million. This was mainly due to decreases of ¥452 million in land and ¥222 million in buildings and structures despite an increase of ¥813 million in investment securities.

As a result, total assets as of September 30, 2026 decreased by ¥813 million from the end of the previous fiscal year to ¥53,267 million.

(Liabilities)

Current liabilities increased by ¥1,126 million from the end of the previous fiscal year to ¥14,392 million. This was mainly due to decreases of ¥633 million in notes and accounts payable - trade and ¥524 million in accounts payable - other despite an increase of ¥2,166 million in short-term borrowings.

Non-current liabilities decreased by ¥3,036 million from the end of the previous fiscal year to ¥6,827 million. This was mainly due to a decrease of ¥3,299 million in long-term borrowings despite an increase of ¥348 million in deferred tax liabilities.

As a result, total liabilities as of September 30, 2026 decreased by ¥1,909 million from the end of the previous fiscal year to ¥21,220 million.

(Net assets)

Total net assets increased by ¥1,095 million from the end of the previous fiscal year to ¥32,046 million. This was mainly due to increases of ¥580 million in retained earnings and ¥553 million in valuation difference on available-for-sale securities.

As a result, the equity ratio as of September 30, 2026 was 59.8%, up 2.9 percentage points from the end of the previous fiscal year.

(3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Information

We have not changed our earnings forecasts since the announcement we made on May 8, 2026.

2. Semi-annual Consolidated Financial Statements and Major Notes

(1) Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	6,796	7,157
Notes and accounts receivable - trade	9,423	7,000
Merchandise and finished goods	6,515	7,233
Work in process	1,121	1,496
Raw materials and supplies	1,816	2,234
Other	2,308	1,904
Allowance for doubtful accounts	(1)	(1)
Total current assets	27,980	27,025
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,275	6,052
Machinery, equipment and vehicles, net	3,313	3,126
Land	8,970	8,518
Construction in progress	29	111
Other, net	200	229
Total property, plant and equipment	18,790	18,037
Intangible assets		
Other	204	170
Total intangible assets	204	170
Investments and other assets		
Investment securities	3,756	4,569
Retirement benefit asset	2,364	2,400
Deferred tax assets	230	260
Other	762	812
Allowance for doubtful accounts	(9)	(9)
Total investments and other assets	7,104	8,032
Total non-current assets	26,100	26,241
Total assets	54,080	53,267

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,216	2,583
Short-term borrowings	4,250	6,417
Accounts payable - other	2,409	1,885
Accrued expenses	395	399
Income taxes payable	612	442
Provision for bonuses	669	676
Other	1,711	1,988
Total current liabilities	13,265	14,392
Non-current liabilities		
Long-term borrowings	6,362	3,063
Retirement benefit liability	2,522	2,475
Deferred tax liabilities	390	739
Other	587	549
Total non-current liabilities	9,863	6,827
Total liabilities	23,129	21,220
Net assets		
Shareholders' equity		
Share capital	6,666	6,666
Capital surplus	8,944	8,945
Retained earnings	13,398	13,978
Treasury shares	(865)	(857)
Total shareholders' equity	28,143	28,733
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,560	2,113
Deferred gains or losses on hedges	28	3
Foreign currency translation adjustment	62	86
Remeasurements of defined benefit plans	989	931
Total accumulated other comprehensive income	2,641	3,134
Non-controlling interests	165	178
Total net assets	30,950	32,046
Total liabilities and net assets	54,080	53,267

(2) Semi-annual Consolidated Statements of Income and Semi-annual Consolidated Statements of Comprehensive Income

Semi-annual Consolidated Statements of Income

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Net sales	28,216	28,289
Cost of sales	20,644	20,845
Gross profit	7,572	7,444
Selling, general and administrative expenses	6,552	6,511
Operating profit	1,019	933
Non-operating income		
Rental income	73	66
Dividend income	52	56
Insurance claim income	64	60
Other	88	72
Total non-operating income	278	255
Non-operating expenses		
Interest expenses	50	49
Miscellaneous expenses of assets for rent	20	21
Other	21	21
Total non-operating expenses	92	92
Ordinary profit	1,206	1,096
Extraordinary income		
Gain on sale of non-current assets	37	505
Gain on reversal of foreign currency translation adjustment	174	–
Total extraordinary income	211	505
Extraordinary losses		
Loss on disposal of non-current assets	1	231
Impairment losses	1,229	–
Loss on sale of investment securities	0	–
Total extraordinary losses	1,230	231
Profit before income taxes	187	1,370
Income taxes - current	282	347
Income taxes - deferred	215	104
Total income taxes	497	451
Profit (loss)	(309)	918
Profit (loss) attributable to non-controlling interests	(538)	13
Profit attributable to owners of parent	229	905

Semi-annual Consolidated Statements of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2025	Six months ended September 30, 2026
Profit (loss)	(309)	918
Other comprehensive income		
Valuation difference on available-for-sale securities	313	553
Deferred gains or losses on hedges	59	(25)
Foreign currency translation adjustment	(192)	23
Remeasurements of defined benefit plans, net of tax	(11)	(58)
Total other comprehensive income	169	493
Comprehensive income	(139)	1,412
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	399	1,398
Comprehensive income attributable to non-controlling interests	(538)	13

(3) Notes to Semi-annual Consolidated Financial Statements

(Notes on Segment Information)

[Segment Information]

Six months ended September 30, 2025 (April 1, 2025 to September 30, 2025)

1. Information Concerning Monetary Amounts for Net Sales, and Profit or Loss by Reportable Segment

(Millions of yen)

	Reportable segment				Others (Note) 1	Total	Adjusted amount (Note) 2	Amount on semi-annual consolidated statements of income (Note) 3
	Business Process Solutions Business	Consumer Communications Business	Energy Business	Total				
Net sales								
Net sales to external customers	13,806	13,742	601	28,150	66	28,216	–	28,216
Inter-segment net sales or transfers	876	272	–	1,148	5	1,153	(1,153)	–
Total	14,682	14,015	601	29,298	71	29,369	(1,153)	28,216
Segment profit (loss)	365	795	(50)	1,110	22	1,133	(113)	1,019

Notes
1. The “Others” category is business segments not included in the reportable segments, including the Vegetable Plant Business and the Garlic Farm Business.
2. Adjusted amount of (¥113 million) for segment profit (loss) includes inter-segment transaction eliminations of ¥69 million, an adjustment of ¥9 million for inventories, and company-wide expenses of (¥192 million) that are not allocated to reportable segments. Company-wide expenses are primarily selling, general and administrative expenses that do not belong to reportable segments.
3. Segment profit (loss) is adjusted for operating profit on the semi-annual consolidated statements of income.

2. Impairment Losses on Non-current Assets or Goodwill, etc. by Reportable Segment

(Significant impairment losses related to non-current assets)

(Millions of yen)

	Reportable segment				Others	Company-wide/elimination	Total
	Business Process Solutions Business	Consumer Communications Business	Energy Business	Total			
Impairment losses	–	–	1,229	1,229	–	–	1,229

Six months ended September 30, 2026 (April 1, 2026 to September 30, 2026)

1. Information Concerning Monetary Amounts for Net Sales, and Profit or Loss by Reportable Segment

(Millions of yen)

	Reportable segment				Others (Note) 1	Total	Adjusted amount (Note) 2	Amount on semi-annual consolidated statements of income (Note) 3
	Business Process Solutions Business	Consumer Communications Business	Energy Business	Total				
Net sales								
Net sales to external customers	13,297	14,274	681	28,253	35	28,289	–	28,289
Inter-segment net sales or transfers	848	121	–	969	4	974	(974)	–
Total	14,145	14,395	681	29,223	40	29,264	(974)	28,289
Segment profit	360	536	46	943	1	945	(11)	933

Notes
1. The “Others” category is business segments not included in the reportable segments, including the Vegetable Plant Business and the Garlic Farm Business.
2. Adjusted amount of (¥11 million) for segment profit includes inter-segment transaction eliminations of ¥113 million, an adjustment of ¥8 million for inventories, and company-wide expenses of (¥134 million) that are not allocated to reportable segments. Company-wide expenses are primarily selling, general and administrative expenses that do not belong to reportable segments.
3. Segment profit is adjusted for operating profit on the semi-annual consolidated statements of income.

2. Impairment Losses on Non-current Assets or Goodwill, etc. by Reportable Segment

Not applicable.

(Notes on Significant Changes in the Amount of Shareholders' Equity)

Not applicable.

(Notes on the Going Concern Assumption)

Not applicable.

(Significant Subsequent Events)

(Purchase of treasury shares)

The Company has resolved, at a meeting of the Board of Directors held on November 6, 2026, the matters concerning the purchase of treasury shares pursuant to the provisions of Article 459, Paragraph 1 of the Companies Act and the provisions of Article 34 of the Company's Articles of Incorporation. The details are described below.

1. Reason for the purchase of treasury shares

   To strengthen shareholder returns and improve capital efficiency as part of the Company's capital policy.

2. Details of matters related to the purchase

   (1) Class of shares to be purchased
   Common shares of the Company

   (2) Total number of shares to be purchased
   1,000,000 shares (maximum)

   (3) Purchase period
   From November 9, 2026 to March 31, 2027

   (4) Total amount of purchase costs
   ¥600 million (maximum)

   (5) Method of purchase
   (i) Market purchase on the Tokyo Stock Exchange
   (ii) Market purchase through the off-auction own share repurchase trading system (ToSTNeT-3)