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May 13, 2026

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

Company name: Japan Pulp & Paper Co., Ltd.

Listing: Tokyo Stock Exchange

Securities code: 8032

URL: <https://www.kamipa.co.jp/eng/>

Representative: Akihiko Watanabe

Representative Director, President & CEO

Inquiries: Kenichiro Fujii

Senior Vice President, General Manager, Finance & Administration Division

URL: <https://www.kamipa.co.jp/eng/contact/>

Scheduled date of annual general meeting of shareholders: June 25, 2026

Scheduled date to commence dividend payments: June 26, 2026

Scheduled date to file annual securities report: June 22, 2026

Preparation of supplementary material on financial results: Yes (available in Japanese only)

Holding of financial results briefing: Yes (for institutional investors and analysts / available in Japanese only)

(Yen amounts are rounded to the nearest million, 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.)

	Revenue		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	606,779	9.4	10,848	(28.0)	10,887	(31.2)	4,720	(37.6)
March 31, 2025	554,524	3.8	15,071	(13.4)	15,822	(5.6)	7,569	(26.9)

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥ 8,342 million [ (24.8)%]  
For the fiscal year ended March 31, 2025: ¥ 11,087 million [ (41.0)%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to revenue ratio
Fiscal year ended March 31, 2026	Yen 39.50	Yen 39.41	% 3.6	% 2.8	% 1.8
March 31, 2025	61.44	61.30	5.8	4.1	2.7

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

For the fiscal year ended March 31, 2026: ¥ 249 million

For the fiscal year ended March 31, 2025: ¥ 346 million

The Company conducted a stock split at a ratio of ten shares for every share of common stock on October 1, 2024. Basic earnings per share and diluted earnings per share have been calculated under the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of March 31, 2026	Millions of yen 394,704	Millions of yen 140,907	% 32.6	Yen 1,145.05
March 31, 2025	392,234	145,565	34.2	1,087.70

Reference: Equity

As of March 31, 2026: ¥ 128,853 million

As of March 31, 2025: ¥ 133,994 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	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	24,554	(1,178)	(16,793)	25,280
March 31, 2025	21,010	(11,217)	(9,335)	19,027

### 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	-	125.00	-	12.50	-	3,136	40.7	2.4
Fiscal year ended March 31, 2026	-	14.00	-	20.00	34.00	4,053	86.1	3.0
Fiscal year ending March 31, 2027 (Forecast)	-	18.00	-	18.00	36.00		49.5	

The Company conducted a stock split at a ratio of ten shares for every share of common stock on October 1, 2024. For the dividend per share for the 2nd quarter of the fiscal year ended March 31, 2025, the actual dividend amount before the stock split is shown. For the total annual dividends per share for the fiscal year ended March 31, 2025, “-” is shown. Taking into account the stock split, the annual dividends per share for the fiscal year ended March 31, 2025 would be 25.00 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.)

	Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	15,500	42.9	15,000	37.8	8,000	69.5	72.70

#### \* Notes

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

Newly included: None

Excluded: 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	120,215,510 shares
As of March 31, 2025	150,215,510 shares

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

As of March 31, 2026	7,684,947 shares
As of March 31, 2025	27,025,297 shares

(iii) Average number of shares outstanding during the period

Fiscal Year ended March 31, 2026	119,479,033 shares
Fiscal Year ended March 31, 2025	123,188,355 shares

\* The Company conducted a stock split at a ratio of ten shares for every share of common stock on October 1, 2024. Average number of shares outstanding during the period have been calculated under the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

**[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.)

	Revenue		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2026	229,204	(4.3)	2,102	(17.0)	6,666	(13.0)	1,160	(82.7)
March 31, 2025	239,611	3.5	2,534	(25.3)	7,665	11.6	6,707	32.8

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended		
March 31, 2026	9.69	9.67
March 31, 2025	54.35	54.22

\*The Company conducted a stock split at a ratio of ten shares for every share of common stock on October 1, 2024. Basic earnings per share and diluted earnings per share have been calculated under the assumption that the stock split was conducted at the beginning of the previous fiscal year.

**(2) Non-consolidated financial position**

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
March 31, 2026	225,178	78,258	34.7	693.36
March 31, 2025	241,629	89,693	37.1	726.13

Reference: Equity

As of March 31, 2026:	¥	78,182	million
As of March 31, 2025:	¥	89,617	million

\* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

\* Proper use of earnings forecasts, and other special matters

(Note Concerning Forward-Looking Statements)

The forecasts and other forward-looking statements in this report are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company. Actual business and other results may significantly differ from these forecasts due to various factors.

# 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>		
Current assets		
Cash and deposits	19,577	25,825
Notes and accounts receivable - trade	140,640	139,007
Inventories	64,708	68,596
Other	10,612	8,415
Allowance for doubtful accounts	(1,584)	(1,348)
Total current assets	233,953	240,495
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	32,591	31,166
Machinery, equipment and vehicles, net	19,989	18,733
Tools, furniture and fixtures, net	1,545	1,609
Land	34,224	35,480
Leased assets, net	255	237
Right of use assets, net	11,644	10,303
Construction in progress	306	436
Total property, plant and equipment	100,554	97,963
Intangible assets		
Goodwill	6,641	6,208
Other	4,725	4,699
Total intangible assets	11,365	10,907
Investments and other assets		
Investment securities	37,017	35,368
Deferred tax assets	4,315	4,923
Retirement benefit asset	204	240
Other	7,102	7,152
Allowance for doubtful accounts	(2,346)	(2,403)
Total investments and other assets	46,292	45,281
Total non-current assets	158,211	154,151
Deferred assets	70	58
Total assets	392,234	394,704

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	99,114	99,815
Short-term borrowings	47,572	44,986
Current portion of long-term borrowings	3,985	3,150
Commercial papers	15,500	25,000
Lease liabilities	3,105	3,511
Income taxes payable	2,590	2,732
Provision for bonuses	2,509	2,546
Provision for bonuses for directors (and other officers)	261	159
Provision for business restructuring	-	1,617
Other	17,413	18,844
<b>Total current liabilities</b>	<b>192,050</b>	<b>202,360</b>
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term borrowings	11,980	8,959
Lease liabilities	10,497	8,970
Deferred tax liabilities	4,755	5,694
Provision for retirement benefits for directors (and other officers)	322	330
Provision for share awards for directors (and other officers)	612	720
Provision for employee stock ownership plan trust	-	96
Retirement benefit liability	2,550	2,647
Other	3,904	4,022
<b>Total non-current liabilities</b>	<b>54,620</b>	<b>51,437</b>
<b>Total liabilities</b>	<b>246,670</b>	<b>253,797</b>
Net assets		
Shareholders' equity		
Share capital	16,649	16,649
Capital surplus	6,321	5,891
Retained earnings	103,583	89,939
Treasury shares	(11,653)	(5,061)
<b>Total shareholders' equity</b>	<b>114,900</b>	<b>107,418</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,186	10,704
Deferred gains or losses on hedges	3	(49)
Foreign currency translation adjustment	8,890	10,793
Remeasurements of defined benefit plans	15	(13)
<b>Total accumulated other comprehensive income</b>	<b>19,094</b>	<b>21,436</b>
Share acquisition rights	76	76
Non-controlling interests	11,495	11,978
<b>Total net assets</b>	<b>145,565</b>	<b>140,907</b>
<b>Total liabilities and net assets</b>	<b>392,234</b>	<b>394,704</b>

Consolidated Statements of Income and Comprehensive Income  
Consolidated Statement of Income

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Revenue	554,524	606,779
Cost of sales	463,058	501,337
Gross profit	91,466	105,442
Selling, general and administrative expenses	76,394	94,594
Operating profit	15,071	10,848
Non-operating income		
Interest income	916	950
Dividend income	1,158	1,364
Share of profit of entities accounted for using equity method	346	249
Other	1,372	1,162
Total non-operating income	3,792	3,725
Non-operating expenses		
Interest expenses	2,810	3,023
Other	230	664
Total non-operating expenses	3,041	3,686
Ordinary profit	15,822	10,887
Extraordinary income		
Gain on sale of investment securities	1,033	4,696
Insurance claim income	170	505
Gain on sale of non-current assets	691	256
Gain on sale of businesses	281	-
Gain on sale of golf club membership	170	-
Other	52	-
Total extraordinary income	2,396	5,456
Extraordinary losses		
Business restructuring expenses	-	2,464
Impairment losses	2,053	1,776
Litigation settlement	-	505
Loss on disposal of non-current assets	466	181
Loss on valuation of shares of subsidiaries and associates	-	74
Loss on valuation of investment securities	96	0
Loss on sale of businesses	798	-
Loss on sale of investment securities	475	-
Other	106	2
Total extraordinary losses	3,994	5,002
Profit before income taxes	14,225	11,341
Income taxes - current	5,927	5,498
Income taxes - deferred	(413)	(134)
Total income taxes	5,514	5,364
Profit	8,710	5,977
Profit attributable to non-controlling interests	1,142	1,257
Profit attributable to owners of parent	7,569	4,720

Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit	8,710	5,977
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,687)	(75)
Deferred gains or losses on hedges	13	(51)
Foreign currency translation adjustment	3,994	1,901
Remeasurements of defined benefit plans, net of tax	39	(36)
Share of other comprehensive income of entities accounted for using equity method	18	626
Total other comprehensive income	2,376	2,365
Comprehensive income	11,087	8,342
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,695	7,061
Comprehensive income attributable to non-controlling interests	1,392	1,280

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	16,649	7,183	98,398	(11,671)	110,558
Changes during period					
Dividends of surplus			(2,384)		(2,384)
Profit attributable to owners of parent			7,569		7,569
Purchase of treasury shares				(3)	(3)
Disposal of treasury shares		0		21	21
Purchase of shares of consolidated subsidiaries		(862)			(862)
Net changes in items other than shareholders' equity					
Total changes during period	-	(862)	5,185	18	4,342
Balance at end of period	16,649	6,321	103,583	(11,653)	114,900

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	11,857	(10)	5,136	(15)	16,968	76	10,746	138,347
Changes during period								
Dividends of surplus								(2,384)
Profit attributable to owners of parent								7,569
Purchase of treasury shares								(3)
Disposal of treasury shares								21
Purchase of shares of consolidated subsidiaries								(862)
Net changes in items other than shareholders' equity	(1,671)	13	3,753	31	2,126	-	750	2,876
Total changes during period	(1,671)	13	3,753	31	2,126	-	750	7,217
Balance at end of period	10,186	3	8,890	15	19,094	76	11,495	145,565

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	16,649	6,321	103,583	(11,653)	114,900
Changes during period					
Dividends of surplus			(3,326)		(3,326)
Profit attributable to owners of parent			4,720		4,720
Purchase of treasury shares				(8,920)	(8,920)
Disposal of treasury shares		14		39	53
Cancellation of treasury shares		(15,474)		15,474	-
Purchase of shares of consolidated subsidiaries		(9)			(9)
Transfer from retained earnings to capital surplus		15,038	(15,038)		-
Net changes in items other than shareholders' equity					
Total changes during period	-	(430)	(13,644)	6,593	(7,482)
Balance at end of period	16,649	5,891	89,939	(5,061)	107,418

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	10,186	3	8,890	15	19,094	76	11,495	145,565
Changes during period								
Dividends of surplus								(3,326)
Profit attributable to owners of parent								4,720
Purchase of treasury shares								(8,920)
Disposal of treasury shares								53
Cancellation of treasury shares								-
Purchase of shares of consolidated subsidiaries								(9)
Transfer from retained earnings to capital surplus								-
Net changes in items other than shareholders' equity	518	(51)	1,904	(29)	2,342	-	482	2,824
Total changes during period	518	(51)	1,904	(29)	2,342	-	482	(4,658)
Balance at end of period	10,704	(49)	10,793	(13)	21,436	76	11,978	140,907

## Consolidated Statement of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
<b>Cash flows from operating activities</b>		
Profit before income taxes	14,225	11,341
Depreciation	8,730	10,186
Amortization of goodwill	953	1,251
Impairment losses	2,053	1,776
Increase (decrease) in retirement benefit liability	207	(11)
Increase (decrease) in allowance for doubtful accounts	(640)	(262)
Increase (decrease) in provision for bonuses	242	37
Increase (decrease) in other provisions	74	43
Increase (decrease) in provision for business restructuring	-	1,617
Interest and dividend income	(2,074)	(2,314)
Interest expenses	2,810	3,023
Insurance claim income	(170)	-
Share of loss (profit) of entities accounted for using equity method	(346)	(249)
Loss (gain) on sale of property, plant and equipment	(690)	(256)
Loss (gain) on valuation of investment securities	96	74
Loss (gain) on sale of investment securities	(558)	(4,697)
Loss (gain) on sale of businesses	517	-
Loss on retirement of property, plant and equipment	464	181
Decrease (increase) in trade receivables	9,474	6,016
Decrease (increase) in inventories	(3,341)	(1,747)
Increase (decrease) in trade payables	(3,766)	(289)
Decrease (increase) in other current assets	355	1,748
Increase (decrease) in other current liabilities	454	1,172
Other, net	(843)	1,654
Subtotal	28,227	30,295
Interest and dividends received	2,134	2,332
Interest paid	(2,627)	(2,874)
Income taxes refund (paid)	(6,725)	(5,199)
Net cash provided by (used in) operating activities	21,010	24,554
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(3,730)	(5,657)
Proceeds from sale of property, plant and equipment	548	262
Purchase of intangible assets	(857)	(557)
Purchase of investment securities	(1,006)	(173)
Proceeds from sale of investment securities	2,207	8,344
Long-term loan advances	(3)	(11)
Proceeds from collection of long-term loans receivable	28	40
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(4,310)	(634)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	76	-
Payments for acquisition of businesses	(7,743)	(2,719)
Proceeds from sale of businesses	3,230	-
Other, net	343	(73)
Net cash provided by (used in) investing activities	(11,217)	(1,178)

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	7,353	(5,755)
Increase (decrease) in commercial papers	7,500	9,500
Proceeds from long-term borrowings	358	250
Repayments of long-term borrowings	(8,246)	(4,461)
Proceeds from issuance of bonds	10,000	-
Redemption of bonds	(20,000)	-
Purchase of treasury shares	(3)	(8,920)
Proceeds from sale of treasury shares	5	-
Dividends paid	(2,384)	(3,326)
Dividends paid to non-controlling interests	(467)	(751)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(1,064)	(105)
Other, net	(2,388)	(3,225)
Net cash provided by (used in) financing activities	(9,335)	(16,793)
Effect of exchange rate change on cash and cash equivalents	1,182	(330)
Net increase (decrease) in cash and cash equivalents	1,640	6,253
Cash and cash equivalents at beginning of period	17,387	19,027
Cash and cash equivalents at end of period	19,027	25,280

## (Segment information)

Information related to revenue, income (loss), assets, and other items by reportable segment and information on breakdown of revenue

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

(Millions of yen)

	Reportable Segments					Total	Adjustments (Note 2)	To consolidated financial statements
	Japan Wholesaling	Non-Japan Wholesaling	Paper Manufacturing & Processing	Raw Materials & Environment	Real Estate Leasing			
Revenue								
Revenue from contracts with customers	200,627	275,488	51,597	22,650	-	550,363	-	550,363
Other revenue	-	-	-	-	4,161	4,161	-	4,161
Revenue from external customers	200,627	275,488	51,597	22,650	4,161	554,524	-	554,524
Intersegment revenue/transfers	9,058	651	4,263	6,410	93	20,475	(20,475)	-
Total	209,685	276,139	55,860	29,060	4,254	574,998	(20,475)	554,524
Segment income (loss)	6,000	3,195	6,761	2,012	1,553	19,521	(3,698)	15,822
Segment assets	116,402	139,046	61,430	32,894	21,579	371,351	20,883	392,234
Other								
Depreciation and amortization	131	2,479	3,177	1,564	1,069	8,421	309	8,730
Amortization of goodwill	-	953	-	-	-	953	-	953
Interest income	5	826	50	28	0	910	6	916
Interest expenses	556	2,097	199	241	572	3,666	(856)	2,810
Equity in earnings (losses) of affiliated companies	233	12	98	2	-	346	-	346
Increase in property, plant, and equipment and intangible fixed assets	234	1,143	1,899	604	254	4,133	454	4,587

## (Notes)

- Segment income (loss) is adjusted with ordinary profit in the Consolidated Statements of Income.
- (1) Adjustments in segment income (loss) include the elimination of intersegment transactions of ¥(3,886) million and expenses of administrative divisions of ¥188 million that are not allocated to any of the reportable segments. Expenses of administrative divisions are mainly general and administration expenses, non-operating income, and non-operating expenses that are not attributable to any of the reportable segments, on a net basis.  
(2) Adjustments in segment assets include the elimination of intersegment transactions of ¥(35,353) million and assets of administrative divisions of ¥56,237 million that are not allocated to any of the reportable segments. Assets of administrative divisions are mainly the Company's surplus funds (cash and deposits) and long-term investments funds (investment securities) that are not attributable to any of the reportable segments.  
(3) Adjustments in interest expenses mainly represent the difference between interest expenses of administrative divisions and interest expenses of the reportable segments owed to administrative divisions.

Consolidated fiscal year under review (April 1, 2025 to March 31, 2026)

(Millions of yen)

	Reportable Segments					Total	Adjustments (Note 2)	To consolidated financial statements
	Japan Wholesaling	Non-Japan Wholesaling	Paper Manufacturing & Processing	Raw Materials & Environment	Real Estate Leasing			
Revenue								
Revenue from contracts with customers	193,118	338,078	51,409	20,044	-	602,649	-	602,649
Other revenue	-	-	-	-	4,130	4,130	-	4,130
Revenue from external customers	193,118	338,078	51,409	20,044	4,130	606,779	-	606,779
Intersegment revenue/transfers	9,280	670	5,369	6,429	91	21,839	(21,839)	-
Total	202,398	338,748	56,778	26,473	4,221	628,618	(21,839)	606,779
Segment income (loss)	5,698	(549)	7,260	561	1,511	14,482	(3,595)	10,887
Segment assets	117,098	146,438	60,909	30,851	20,627	375,923	18,781	394,704
Other								
Depreciation and amortization	181	4,144	2,914	1,558	1,073	9,869	317	10,186
Amortization of goodwill	-	1,251	-	-	-	1,251	-	1,251
Interest income	8	807	111	19	0	945	5	950
Interest expenses	600	2,091	240	232	541	3,703	(681)	3,023
Equity in earnings (losses) of affiliated companies	556	4	131	(441)	-	249	-	249
Increase in property, plant, and equipment and intangible fixed assets	233	1,333	2,461	1,603	380	6,011	203	6,214

(Notes)

- Segment income (loss) is adjusted with ordinary profit in the Consolidated Statements of Income.
- (1) Adjustments in segment income (loss) include the elimination of intersegment transactions amounting to ¥(3,386) million and administrative divisions expenses of ¥(209) million that are not allocated to any of the reportable segments. Administrative divisions expenses are mainly general and administration expenses, non-operating income, and non-operating expenses that are not attributable to any of the reportable segments, on a net basis.  
(2) Adjustments in segment assets include the elimination of intersegment transactions amounting to ¥(18,898) million and administrative divisions assets of ¥ 37,678 million that are not allocated to any of the reportable segments. Administrative divisions assets mainly consist of surplus funds (cash and deposits) and long-term investment funds (investment securities), etc., held by the Company that are not attributable to any of the reportable segments.  
(3) Adjustments in interest expenses mainly represent the difference between interest expenses of the administrative division and interest expenses charged by the administrative division to the reportable segments.