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Consolidated Financial Results for the Year Ended March 31, 2025 [Japanese GAAP]

May 9, 2025

Company name: HOKKAN HOLDINGS LIMITED

Listing: Tokyo Stock Exchange, Sapporo Securities Exchange

Securities code: 5902

URL: <https://hokkanholdings.co.jp/>

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Scheduled date of annual general meeting of shareholders: June 27, 2025

Scheduled date to commence dividend payments: June 6, 2025

Scheduled date to file annual securities report: June 30, 2025

Preparation of supplementary material on financial results: None

Holding of financial results briefing: Yes

President and Representative Director

Director and Managing Executive Officer

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(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, 2025	92,419	1.6	4,503	2.6	5,196	2.7	3,262	20.0
March 31, 2024	90,933	(2.9)	4,390	-	5,061	-	2,719	-

(Note) Comprehensive income: Fiscal year ended March 31, 2025: ¥ 2,267 million [(65.6) %]
Fiscal year ended March 31, 2024: ¥ 6,595 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
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2025	265.60	-	5.7	3.9	4.9
March 31, 2024	222.16	-	5.1	3.8	4.8

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2025: ¥ (44) million
Fiscal year ended March 31, 2024: ¥ 6 million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	132,323	62,225	43.4	4,671.09
March 31, 2024	134,050	60,870	41.8	4,575.56

(Reference) Equity: As of March 31, 2025: ¥ 57,489 million
As of March 31, 2024: ¥ 56,048 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 the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2025	12,500	(10,150)	(1,760)	13,272
March 31, 2024	7,359	(3,846)	(1,226)	12,800

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	-	23.00	-	55.00	78.00	984	35.1	1.8
March 31, 2025	-	23.00	-	70.00	93.00	1,181	35.0	2.0
Fiscal year ending March 31, 2026 (Forecast)	-	30.00	-	63.00	93.00		35.7	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(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
Six months ending September 30, 2025	52,000	8.5	4,600	3.6	4,700	1.8	3,100	(2.5)	252.35
Full year	99,000	7.1	4,700	4.4	4,800	(7.6)	3,200	(1.9)	260.49

* Notes:

(1) Significant changes in the scope of consolidation during the period:

None

Newly included: - (Company name:)
Excluded: - (Company name:)

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

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None

For details, please refer to “3. Consolidated Financial Statements and Principal Notes (5) Notes to Consolidated Financial Statements (Changes in Accounting Policy)” on page 14 of the attached document.

(3) Number of issued shares (common shares)

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

March 31, 2025: 13,469,387 shares
March 31, 2024: 13,469,387 shares

2) Number of treasury shares at the end of the period:

March 31, 2025: 1,161,868 shares
March 31, 2024: 1,219,913 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2025: 12,284,605 shares
Fiscal Year ended March 31, 2024: 12,239,148 shares

The number of treasury shares at the end of the fiscal year under review includes those held by trusts related to the stock compensation plans for directors and for employees, and the employee stock ownership plan (ESOP) in trust.

These shares are also included in the treasury shares subtracted in the calculation of the average number of shares during the fiscal year under review.

* 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

The forward-looking statements regarding future performance contained in this document are based on information available to the Company and certain assumptions that the Company deems reasonable as of the date of publication of this document. They are not intended to guarantee the achievement of such results. Actual results may differ significantly from these forecasts due to various factors.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

During the fiscal year under review, the Japanese economy continued its moderate recovery as the employment and income environment improved. The outlook remains uncertain, however, as concerns persist regarding the impact on personal consumption of downward consumer sentiment by ongoing consumer price hikes, in addition to continued high interest rates in Europe and the United States, the uncertain outlook for the Chinese economy, and the potential for global-scale economic slowdown owing to future policy developments in the United States.

In the soft drink industry, mineral water and tea-based beverages surpassed the previous year's figures. This was attributable to record high temperatures as well as special demand for disaster preparedness supplies. Coffee beverages and fruit juices, however, fell short of the previous year's figures as consumers apparently held back on purchases amidst the rise in prices of daily necessities. This resulted in a slight year-on-year decline in performance across the industry as a whole.

Looking at the canned food industry, canned marine products were down against the previous year owing to the extended shortage of mackerel and other seafood ingredients.

Under these circumstances, the Hokkan Group has been implementing medium- to long-term restructuring of its business based on medium-term management plan VENTURE-5 and actively promoting capital investment. As a result, the consolidated financial results of the Group for the fiscal year ended March 31, 2025 were as follows: net sales rose 1.6% year-on-year to ¥92,419 million, operating profit was up 2.6% to ¥4,503 million, ordinary profit increased 2.7% to ¥5,196 million, and profit attributable to owners of parent was up 20.0% to ¥3,262 million.

Operating results by segment are as follows.

Container Business

Metal Cans

With regard to empty aerosol cans, insect repellent products and air conditioner cleaners showed indications of recovery, but sales of the Group's mainstay insecticide products, as well as household paint products and automotive and industrial products, declined as market conditions worsened. Additionally, fuel canisters and other products performed sluggishly, impacted by consumer hesitation to purchase due to rising prices. As a result, while aerosol can sales volume was down year on year, price adjustments led to net sales remaining essentially unchanged.

Sales of empty cans for powdered milk were robust, underpinned by increased domestic consumption of powdered milk and inbound demand, but declined year on year as transactions with certain customers were terminated.

Regarding empty food cans, while agricultural product cans were basically unchanged, mainstay canned marine products were negatively impacted by the extended decline of mackerel, saury, and other marine resources, as well as consumer restraint amidst rising canned product pricing, resulting in a decrease compared with the previous fiscal year.

With regard to art cans, although sales of confectionery cans were stagnant due to a drop in sales volume resulting from product price increases, sales of spice cans for commercial use were strong as demand from the restaurant industry recovered, leading to growth against the previous fiscal year.

Plastic Containers

Sales of PET bottles for beverages were up against the previous fiscal year due to strong order intake for heat-resistant bottles made using recycled materials and the acquisition of new orders. A slowdown, however, caused by price increases for final products and production adjustments served to suppress sales of preforms. As a result, overall sales of PET bottles for beverages, including preforms, were down year on year.

Sales of PET bottles for food rose against the previous fiscal year owing to robust sales of large-capacity containers for squeeze bottles for soup base products and double-layered barrier PET bottles for soy sauce products.

With regard to other plastic containers and packaging, sales of general molded products for cosmetics and healthcare and for agricultural chemicals and gardening remained essentially unchanged from the previous fiscal year, while sales of plastic caps for powdered milk cans and food containers rose. In the bags-in-box bags, primarily sales of products for drinking water increased, while those for fruit juices were down. The result was overall sales of other plastic containers and packaging remaining essentially unchanged against the previous fiscal year.

As a result, total Container Business net sales were down 0.9% year on year to ¥31,359 million, and operating profit fell 34.8% to ¥1,091 million.

Filling Business

Can Products

Sluggish canned coffee sales and the discontinuation of a production line combined to suppress sales of normal cans. And sales of recap cans (bottle cans) were down, owing to higher prices at vending machines and certain contract manufacturers discontinuing the use of bottle cans. As a result, overall sales of canned products were down year on year.

PET Bottle Products

Although price increases for final products of large PET bottles did have an impact, factors such as disaster preparedness-related demand drove sales upward. Sales of small PET bottles remained strong due to extreme summer heat, resulting in an overall year-on-year rise in PET bottle product sales.

As a result, total Filling Business sales, including contract manufacturing of dairy and food products, increased 3.4% year on year to ¥39,442 million, and operating profit rose 21.2% to ¥3,523 million.

Global Business

In Indonesia, a lull in commodity prices and the effects of monetary policy contributed to the stabilization of inflation, and the economy remained strong. The country's food and beverage industry has maintained its growth trend, buoyed by favorable economic conditions and higher purchasing power. Though the pace of growth in the soft drink market is decelerating, we do anticipate further medium-term growth. Amidst these circumstances, Hokkan Deltapack Industri achieved a year-on-year improvement in performance, owing to the reinforcement of its production system through proactive capital investment and steady demand throughout the year. As orders from major customers declined, however, Hokkan Indonesia recorded a decrease against the previous fiscal year.

In Vietnam, increased exports were the primary factor in real GDP growth. Under these conditions, success of aggressive sales efforts and robust export performance enabled Nihon Canpack (Vietnam) Co., Ltd. to record year-on-year increases.

As a result, total Global Business sales increased 5.7% year on year to ¥17,979 million, and operating profit likewise rose, 1.0%, to ¥1,289 million.

Other Businesses

The Machinery Production Business experienced an increase in orders for machinery and molds related to automotive part production equipment renewal, resulting in a year-on-year rise in sales. With the transfer of the cosmetics manufacturing and sales business, however, overall sales in the Other Businesses decreased from the previous fiscal year.

As a result, net sales in Other Businesses, including contract-based in-factory transportation, were down 11.7% year on year to ¥3,638 million, while operating profit increased 78.0% to ¥656 million.

(2) Overview of Financial Position for the Fiscal Year under Review

Assets, Liabilities, and Net Assets

Current Assets

As of the end of the fiscal year under review, the balance of current assets was ¥51,675 million, a decrease of ¥3,839 million from the end of the previous fiscal year. This decrease was chiefly attributable to an increase of ¥573 million in cash and deposits to ¥13,374 million offset by a decrease of ¥4,337 million in trade and other receivables to ¥24,973 million.

Non-Current Assets

As of the end of the fiscal year under review, the balance of non-current assets was ¥80,648 million, an increase of ¥2,112 million from the end of the previous fiscal year. This increase owed primarily to a ¥1,333 million decrease in investment securities to ¥11,920 million, a drop of ¥512 million in goodwill to ¥1,273 million, and a decrease of ¥219 million in the leasehold rights included in other under intangible assets to ¥3,961 million. Other factors included a ¥3,630 million increase in property, plant and equipment to ¥59,290 million and a ¥496 million increase in retirement benefit asset to ¥1,163 million.

Current Liabilities

As of the end of the fiscal year under review, the balance of current liabilities was ¥33,772 million, a decrease of ¥4,054 million from the end of the previous fiscal year. The decrease was mainly attributable to a ¥1,466 million decrease in notes and accounts payable - trade to ¥14,858 million, a ¥870 million decrease in lease liabilities to ¥341 million, a ¥849 million drop in short-term borrowings to ¥11,110 million, and a decline in other under current liabilities, including a ¥495 million decrease in accounts payable - other to ¥3,013 million, and a ¥246 million decrease in accrued expenses to ¥1,389 million.

Non-Current Liabilities

As of the end of the fiscal year under review, the balance of non-current liabilities was ¥36,325 million, an increase of ¥972 million from the end of the previous fiscal year. The increase was chiefly due to a ¥969 million decrease in provision for business restructuring, a ¥1,132 million increase in long-term borrowings to ¥25,482 million, a ¥549 million increase in deferred tax liabilities to ¥822 million, and a ¥266 million increase in lease liabilities to ¥1,167 million.

Net Assets

As of the end of the fiscal year under review, balance of net assets was ¥62,225 million, an increase of ¥1,355 million from the end of the previous fiscal year. The primary factors behind the increase were the payment of dividends of ¥986 million, a ¥818 million decrease in the foreign currency translation adjustment to ¥1,257 million, and a ¥625 million decrease in the revaluation difference on available-for-sale securities to ¥5,032 million, despite the recognition of profit attributable to owners of parent of ¥3,262 million and a ¥476 million increase in the remeasurements of defined benefit plans to ¥1,031 million.

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash Flows

Regarding cash flow, operating activities resulted in an inflow of ¥12,500 million (an inflow of ¥7,359 million in the previous fiscal year), investing activities resulted in an outflow of ¥10,150 million (an outflow of ¥3,846 million in the previous fiscal year), and financing activities resulted in an outflow of ¥1,760 million (an outflow of ¥1,226 million in the previous fiscal year).

Cash flows from operating activities included an increase of ¥4,548 million in profit before income taxes (¥3,507 million in the previous fiscal year), a decrease of ¥6,178 million in depreciation (¥6,351 million in the previous fiscal year), an increase of ¥4,340 million in cash due to a decrease in trade receivables (decrease of ¥1,706 million in the previous fiscal year due to an increase in trade receivables), a decrease in cash due to a decrease in trade payables of ¥1,547 million (¥250 million in the previous fiscal year), and income taxes paid of ¥672 million (¥2,102 million in the previous fiscal year).

Cash flows from investing activities were driven primarily by ¥10,313 million in purchase of property, plant and equipment (¥4,170 million in the previous fiscal year).

Cash flows from financing activities include ¥15,819 million in repayments of long-term and short-term borrowings (¥17,347 million in the previous fiscal year), ¥16,261 million in proceeds from long-term and short-term borrowings (¥17,509 million in the previous fiscal year), ¥1,290 million in repayments of lease liabilities (¥774 million in the previous fiscal year), and ¥986 million in dividends paid by the reporting company (¥567 million in the previous fiscal year).

As a result, cash and cash equivalents increased by ¥471 million to ¥13,272 million as of the end of the fiscal year under review.

(4) Future Outlook

Unpredictability is expected to continue pervading the domestic economy, with continued price hikes contributing to consumer sentiment shifting toward defensive spending, and growing uncertainty surrounding the global economy, including the trade policies of the United States.

Under these circumstances, the Group's performance forecast for the fiscal year ending March 2026 is as follows: net sales of ¥99,000 million, operating profit of ¥4,700 million, ordinary profit of ¥4,800 million, and profit attributable to owners of parent of ¥3,200 million.

(5) Basic Policy on Distribution of Profit and Dividends for the Fiscal Year under Review and the Next Fiscal Year

Regarding dividends of surplus during the period of the medium-term management plan VENTURE-5—which encompasses the period from the fiscal year ended March 2023 to the fiscal year ending March 2027—our basic policy is to distribute dividends at a consolidated dividend payout ratio of at least 35%, and an annual dividend per share of at least ¥45.

Based on this policy, the year-end dividend for the fiscal year under review was set at the Board of Directors meeting held on May 9, 2025 at ¥70 per share, and when combined with the interim dividend of ¥23 per share, the annual dividend will be ¥93 per share.

Moreover, we plan to pay an interim dividend of ¥30 per share for the fiscal year ending March 2026. Based on the aforementioned basic policy and the consolidated earnings forecast for next fiscal year, we anticipate a year-end dividend of ¥63 per share and an annual dividend of ¥93 per share.

2. Basic Policy on Selection of Accounting Standards

The Group has decided to adopt Japanese GAAP standards for the time being, but will consider adopting International Financial Reporting Standards (IFRS) in light of developments in Japan and abroad.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	12,800	13,374
Notes and accounts receivable - trade, and contract assets	26,067	22,155
Electronically recorded monetary claims - operating	3,243	2,818
Merchandise and finished goods	3,696	4,202
Work in process	2,468	1,935
Raw materials and supplies	4,098	4,222
Other	3,152	2,978
Allowance for doubtful accounts	(12)	(11)
Total current assets	55,515	51,675
Non-current assets		
Property, plant and equipment		
Buildings and structures	69,132	62,709
Accumulated depreciation	(51,937)	(45,884)
Buildings and structures, net	17,194	16,824
Machinery, equipment and vehicles	132,297	115,470
Accumulated depreciation	(116,587)	(98,899)
Machinery, equipment and vehicles, net	15,710	16,570
Land	18,608	18,551
Leased assets	5,840	1,434
Accumulated depreciation	(4,782)	(728)
Leased assets, net	1,057	706
Construction in progress	1,950	5,546
Other	9,403	8,623
Accumulated depreciation	(8,265)	(7,533)
Other, net	1,138	1,090
Total property, plant and equipment	55,659	59,290
Intangible assets		
Goodwill	1,785	1,273
Other	5,060	4,896
Total intangible assets	6,846	6,169
Investments and other assets		
Investment securities	13,253	11,920
Deferred tax assets	42	79
Retirement benefit asset	667	1,163
Other	2,440	2,143
Allowance for doubtful accounts	(375)	(117)
Total investments and other assets	16,029	15,188
Total non-current assets	78,535	80,648
Total assets	134,050	132,323

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	16,324	14,858
Short-term borrowings	11,959	11,110
Lease liabilities	1,212	341
Income taxes payable	353	410
Provision for bonuses	938	945
Provision for decommissioning of inventories goods	153	189
Provision for special investigation expenses	19	-
Provision for business restructuring	-	118
Other	6,866	5,797
Total current liabilities	37,827	33,772
Non-current liabilities		
Bonds payable	5,000	5,000
Long-term borrowings	24,350	25,482
Lease liabilities	900	1,167
Provision for share awards for directors (and other officers)	193	170
Allowance for stock benefit for employee	88	135
Provision for business restructuring	969	-
Retirement benefit liability	3,173	3,158
Deferred tax liabilities	272	822
Other	404	387
Total non-current liabilities	35,353	36,325
Total liabilities	73,180	70,097
Net assets		
Shareholders' equity		
Share capital	11,086	11,086
Capital surplus	11,103	11,145
Retained earnings	27,426	29,703
Treasury shares	(1,857)	(1,768)
Total shareholders' equity	47,759	50,166
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,657	5,032
Deferred gains or losses on hedges	0	1
Foreign currency translation adjustment	2,076	1,257
Remeasurements of defined benefit plans	554	1,031
Total accumulated other comprehensive income	8,289	7,323
Non-controlling interests	4,822	4,736
Total net assets	60,870	62,225
Total liabilities and net assets	134,050	132,323

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	90,933	92,419
Cost of sales	70,271	71,147
Gross profit	20,661	21,272
Selling, general and administrative expenses	16,271	16,768
Operating profit	4,390	4,503
Non-operating income		
Interest income	175	129
Dividend income	253	296
Share of profit of entities accounted for using equity method	6	-
Rental income	101	119
Insurance claim income	266	292
Gain on sale of scraps	-	145
Other	379	341
Total non-operating income	1,183	1,325
Non-operating expenses		
Interest expenses	333	439
Share of loss of entities accounted for using equity method	-	44
Rental expenses	30	38
Condolence money	90	30
Other	58	80
Total non-operating expenses	512	632
Ordinary profit	5,061	5,196
Extraordinary income		
Gain on sale of non-current assets	70	48
Gain on sale of investment securities	0	325
Gain on sale of shares of subsidiaries and associates	78	0
Total extraordinary income	149	373
Extraordinary losses		
Loss on sale of non-current assets	0	12
Loss on retirement of non-current assets	228	345
Impairment losses	826	327
Loss on sale of investment securities	-	8
Provision of allowance for doubtful accounts	349	107
Provision of allowance for decommissioning of Inventories goods	153	189
Provision for special investigation expenses	19	-
Other	126	32
Total extraordinary losses	1,703	1,022
Profit before income taxes	3,507	4,548
Income taxes - current	580	578
Income taxes - deferred	(64)	485
Total income taxes	515	1,063
Profit	2,991	3,484
Profit attributable to non-controlling interests	272	221
Profit attributable to owners of parent	2,719	3,262

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit	2,991	3,484
Other comprehensive income		
Valuation difference on available-for-sale securities	1,639	(625)
Deferred gains or losses on hedges	0	1
Foreign currency translation adjustment	1,591	(1,116)
Remeasurements of defined benefit plans, net of tax	363	477
Share of other comprehensive income of entities accounted for using equity method	9	46
Total other comprehensive income	3,603	(1,216)
Comprehensive income	6,595	2,267
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,968	2,296
Comprehensive income attributable to non-controlling interests	627	(29)

(3) Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	11,086	11,085	25,267	(1,893)	45,546
Changes during period					
Dividends of surplus			(567)		(567)
Profit attributable to owners of parent			2,719		2,719
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				35	35
Capital increase of consolidated subsidiaries		17			17
Increase in retained earnings from exclusion of subsidiaries from consolidation			8		8
Net changes in items other than shareholders' equity					
Total changes during period	-	17	2,159	35	2,212
Balance at end of period	11,086	11,103	27,426	(1,857)	47,759

	Accumulated other comprehensive income					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	4,018	(0)	830	190	5,040	4,293	54,880
Changes during period							
Dividends of surplus							(567)
Profit attributable to owners of parent							2,719
Purchase of treasury shares							(0)
Disposal of treasury shares							35
Capital increase of consolidated subsidiaries							17
Increase in retained earnings from exclusion of subsidiaries from consolidation							8
Net changes in items other than shareholders' equity	1,639	0	1,245	363	3,248	528	3,777
Total changes during period	1,639	0	1,245	363	3,248	528	5,989
Balance at end of period	5,657	0	2,076	554	8,289	4,822	60,870

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	11,086	11,103	27,426	(1,857)	47,759
Changes during period					
Dividends of surplus			(986)		(986)
Profit attributable to owners of parent			3,262		3,262
Purchase of treasury shares				(126)	(126)
Disposal of treasury shares		0		215	215
Purchase of shares of consolidated subsidiaries		41			41
Net changes in items other than shareholders' equity					
Total changes during period	-	41	2,276	89	2,407
Balance at end of period	11,086	11,145	29,703	(1,768)	50,166

	Accumulated other comprehensive income					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	5,657	0	2,076	554	8,289	4,822	60,870
Changes during period							
Dividends of surplus							(986)
Profit attributable to owners of parent							3,262
Purchase of treasury shares							(126)
Disposal of treasury shares							215
Purchase of shares of consolidated subsidiaries							41
Net changes in items other than shareholders' equity	(625)	1	(818)	476	(965)	(85)	(1,051)
Total changes during period	(625)	1	(818)	476	(965)	(85)	1,355
Balance at end of period	5,032	1	1,257	1,031	7,323	4,736	62,225

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	3,507	4,548
Depreciation	6,351	6,178
Impairment losses	826	327
Amortization of goodwill	444	447
Increase (decrease) in allowance for doubtful accounts	343	(253)
Increase (decrease) in provision for bonuses	79	6
Increase (decrease) in provision for share awards for directors (and other officers)	37	(23)
Increase (decrease) in provision for employee stock ownership plan trust	44	47
Increase (decrease) in provision for decommissioning of inventories goods	153	36
Increase (decrease) in provision for special investigation fees	19	(19)
Increase (decrease) in retirement benefit liability	99	197
Decrease (increase) in retirement benefit asset	28	3
Interest and dividend income	(429)	(426)
Interest expenses	333	439
Share of loss (profit) of entities accounted for using equity method	(6)	44
Loss (gain) on sale of investment securities	(0)	(325)
Loss (gain) on sale of shares of subsidiaries and associates	(78)	(0)
Loss (gain) on sale and retirement of property, plant and equipment	158	309
Gain on sales of scraps	-	(145)
Decrease (increase) in trade receivables	(1,706)	4,340
Decrease (increase) in inventories	(904)	(306)
Decrease (increase) in other assets	277	(136)
Increase (decrease) in trade payables	(250)	(1,547)
Increase (decrease) in other liabilities	(16)	(540)
Increase (decrease) in accrued consumption taxes	699	(83)
Other, net	105	(275)
Subtotal	10,116	12,843
Interest and dividends received	454	426
Interest paid	(326)	(434)
Business restructuring expenses paid	(1,275)	(607)
Proceeds from sales of scrap	-	145
Income taxes paid	(2,102)	(672)
Income taxes refund	492	799
Net cash provided by (used in) operating activities	7,359	12,500

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from investing activities		
Payments into time deposits	-	(106)
Purchase of property, plant and equipment	(4,170)	(10,313)
Proceeds from sale of property, plant and equipment	148	57
Purchase of investment securities	(0)	(50)
Proceeds from sale of investment securities	17	878
Proceeds from sale of shares of subsidiaries and associates	-	3
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	946	-
Purchase of long-term prepaid expenses	(120)	(99)
Loan advances	(71)	-
Proceeds from collection of loans receivable	76	0
Other, net	(673)	(518)
Net cash provided by (used in) investing activities	(3,846)	(10,150)
Cash flows from financing activities		
Proceeds from short-term borrowings	4,278	3,970
Repayments of short-term borrowings	(5,129)	(3,424)
Proceeds from long-term borrowings	13,231	12,291
Repayments of long-term borrowings	(12,217)	(12,395)
Repayments of lease liabilities	(774)	(1,290)
Purchase of treasury shares	(0)	(126)
Proceeds from disposal of treasury shares	35	215
Dividends paid	(567)	(986)
Dividends paid to non-controlling interests	(81)	(9)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(5)
Net cash provided by (used in) financing activities	(1,226)	(1,760)
Effect of exchange rate change on cash and cash equivalents	353	(118)
Net increase (decrease) in cash and cash equivalents	2,639	471
Cash and cash equivalents at beginning of period	10,161	12,800
Cash and cash equivalents at end of period	12,800	13,272

(5) Notes to Consolidated Financial Statements
(Notes on Going Concern Assumption)
Not applicable.

(Changes in Accounting Policy)

(Application of Accounting Standard for Current Income Taxes)

We have applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter, “Revised Accounting Standard 2022”) and related standards from the beginning of the fiscal year ended March 31, 2025.

Regarding the amendments to the classification of income taxes (taxes on other comprehensive income), the transitional treatment set forth in the proviso of Paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment set forth in the proviso of Paragraph 65-2 (2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; hereinafter, “Revised Guidelines 2022”) shall apply. Note that the change in accounting policy has not impacted the consolidated financial statements for the fiscal year under review.

Additionally, with regard to revisions related to the treatment in consolidated financial statements of deferred tax gains or losses arising from the sale of shares in subsidiaries in transactions between consolidated companies, the Group has applied Revised Guidelines 2022 from the beginning of the fiscal year under review. This change in accounting policy has been applied retrospectively, and the consolidated financial statements for the previous fiscal year have been restated accordingly. This change in accounting policy, however, has not impacted the consolidated financial statements for the previous fiscal year.

(Segment Information)

1. Overview of Reportable Segments

The Group’s reportable segments are its constituent units for which separate financial information is available and which are subject to periodic review by management for the purpose of determining the allocation of resources and evaluating segment performance.

The Hokkan Group comprises three reportable segments: the Container Business, which handles the manufacture and sales of empty cans for various types of canned foods and plastic containers; the Filling Business, which is primarily responsible for contract-based beverage manufacturing; and the Global Business, which manufactures and sells beverage packaging and handles contract-based beverage manufacturing overseas.

2. Methods to Calculate Net Sales, Profit or Loss, Assets, Liabilities, and Other Items by Reportable Segment

The accounting methods applied to the reported business segments are methods compliant with the accounting policies adopted in preparation of the consolidated financial statements.

Reportable segment profit is based on operating profit. Inter-segment net sales and transfers are based on market prices.

3. Information on Net Sales, Profit or Loss, Assets, Liabilities, and Other Items by Reportable Segment
For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segment				Others (Note 1)	Total	Adjustments (Note 2)	Amount recorded in Consolidated Statement of Income (Note 3)
	Container Business	Filling Business	Global Business	Total				
Net sales								
Net sales to outside customers	31,650	38,158	17,004	86,813	4,120	90,933	-	90,933
Inter-segment net sales or transfers	1,781	-	-	1,781	3,174	4,956	-4,956	-
Total	33,432	38,158	17,004	88,594	7,295	95,889	-4,956	90,933
Segment profit	1,674	2,908	1,277	5,859	368	6,228	-1,838	4,390
Segment assets	34,480	55,097	25,751	115,329	4,549	119,879	14,171	134,050
Other items								
Depreciation	540	4,202	1,173	5,916	214	6,131	202	6,334
Amortization of goodwill	-	153	291	444	-	444	-	444
Impairment losses	80	758	-	839	-	839	-12	826
Increase in property, plant and equipment and intangible assets	2,288	1,020	1,774	5,084	181	5,265	-25	5,240

(Notes) 1. The Others category consists of business segments not included in the reportable segments, namely cosmetics manufacturing and sales business, machinery production business, and contract-based business such as in-factory transportation. As all shares in Cosme Science Co., Ltd., which operated cosmetics manufacturing and sales business under the Others category, were transferred on March 29, 2024, it was excluded from the scope of consolidation as of that date.

2. Adjustments are as follows.

(1) The segment profit adjustment of -¥1,838 million includes ¥330 million for elimination of inter-segment transactions and -¥2,168 million for corporate expenses not allocated to reportable segments. Corporate expenses mainly comprise general and administrative expenses of the presenter of these consolidated financial statements not attributable to reportable segments.

(2) The adjustment amount of segment assets of ¥14,171 million includes ¥79,207 million of corporate assets not allocated to reportable segments and -¥65,036 million for elimination of inter-segment transactions. Corporate assets consist primarily of long-term investment funds (investment securities) of the consolidated financial statements preparer not attributable to reportable segments.

(3) The adjustment amount for depreciation of ¥202 million includes an adjustment amount for unrealized gains of -¥28 million and corporate depreciation not allocated to reportable segments of ¥231 million. Corporate depreciation represents that of the consolidated financial statement presenter not attributable to reportable segments.

(4) The adjustment amount for impairment losses of -¥12 million includes an adjustment amount for unrealized gains of -¥12 million.

(5) The adjustment amount for the increase in property, plant and equipment and intangible assets of -¥25 million includes an adjustment amount for unrealized gains of -¥223 million, and an increase in property, plant and equipment and intangible assets of the entire company not allocated to reportable segments of ¥198 million. The increase in the company's property, plant and equipment and intangible assets represents the acquisition cost of property, plant and equipment and intangible assets of the consolidated financial statement presenter not attributable to reportable segments.

3. Segment profit is adjusted with operating profit in the consolidated statement of income.

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segment				Others (Note 1)	Total	Adjustments (Note 2)	Amount recorded in Consolidated Statement of Income (Note 3)
	Container Business	Filling Business	Global Business	Total				
Net sales								
Net sales to outside customers	31,359	39,442	17,979	88,780	3,638	92,419	-	92,419
Inter-segment net sales or transfers	2,056	-	-	2,056	3,974	6,031	-6,031	-
Total	33,416	39,442	17,979	90,837	7,613	98,451	-6,031	92,419
Segment profit	1,091	3,523	1,289	5,905	656	6,561	-2,058	4,503
Segment assets	35,196	50,279	26,594	112,069	4,124	116,194	16,128	132,323
Other items								
Depreciation	738	3,647	1,424	5,810	128	5,938	225	6,164
Amortization of goodwill	-	153	294	447	-	447	-	447
Impairment losses	321	1	43	366	-	366	-38	327
Increase in property, plant and equipment and intangible assets	2,769	1,686	6,171	10,628	297	10,925	36	10,961

(Notes) 1. The Others category consists of business segments not included in the reportable segments, namely machinery production business and contract-based business such as in-factory transportation.

2. Adjustments are as follows.

(1) The segment profit adjustment of -¥2,058 million includes ¥326 million for elimination of inter-segment transactions and -¥2,384 million for corporate expenses not allocated to reportable segments. Corporate expenses mainly comprise general and administrative expenses of the presenter of these consolidated financial statements not attributable to reportable segments.

(2) The adjustment amount of segment assets of ¥16,128 million includes ¥78,596 million of corporate assets not allocated to reportable segments and -¥62,468 million for elimination of inter-segment transactions. Corporate assets consist primarily of long-term investment funds (investment securities) of the consolidated financial statements preparer not attributable to reportable segments.

(3) The adjustment amount for depreciation of ¥225 million includes an adjustment amount for unrealized gains of -¥24 million and corporate depreciation not allocated to reportable segments of ¥249 million. Corporate depreciation represents that of the consolidated financial statement presenter not attributable to reportable segments.

(4) The adjustment amount for impairment losses of -¥38 million includes an adjustment amount for unrealized gains of -¥38 million.

(5) The adjustment amount for the increase in property, plant and equipment and intangible assets of ¥36 million includes an adjustment amount for unrealized gains of -¥173 million, and an increase in property, plant and equipment and intangible assets of the entire company not allocated to reportable segments of ¥209 million. The increase in the company's property, plant and equipment and intangible assets represents the acquisition cost of property, plant and equipment and intangible assets of the consolidated financial statement presenter not attributable to reportable segments.

3. Segment profit is adjusted with operating profit in the consolidated statement of income.

(Per Share Information)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net assets per share	¥4,575.56	¥4,671.09
Basic earnings per share	¥222.16	¥265.60

(Notes) 1. Diluted earnings per share are not stated because there are no latent shares.

2. The Company's shares held by trusts related to the stock compensation plan for officers, the stock compensation plan for employees, and the employee stock ownership plan (ESOP) in trust are included in treasury shares deducted in the calculation of the average number of shares outstanding during the period when calculating basic earnings per share (381 thousand shares in the previous fiscal year and 386 thousand shares in the fiscal year under review). Additionally, the shares held by trusts are included in treasury shares deducted from the total number of shares issued at the end of the period for the purpose of calculating net assets per share (370 thousand shares as of the end of the previous fiscal year and 394 thousand shares as of the end of the fiscal year under review).

3. The basis for calculating basic earnings per share is as follows.

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit attributable to owners of parent (Millions of yen)	2,719	3,262
Amount not attributable to common shareholders (Millions of yen)	-	-
Profit attributable to owners of parent relating to common shares (Millions of yen)	2,719	3,262
Average number of common shares outstanding during the period (in thousands)	12,239	12,284

4. The basis for calculating net assets per share is as follows.

	As of March 31, 2024	As of March 31, 2025
Total net assets (Millions of yen)	60,870	62,225
Amount deducted from total net assets (Millions of yen)	4,822	4,736
(Non-controlling interest (Millions of yen))	(4,822)	(4,736)
Net assets at the end of the period pertaining to common stock (Millions of yen)	56,048	57,489
Number of common shares at the end of the period used to calculate net assets per share (in thousands)	12,249	12,307

(Significant Subsequent Events)

Not applicable.