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Consolidated Financial Results for the Three Months Ended June 30, 2025 [Japanese GAAP]

August 8, 2025

Company name: HOKKAN HOLDINGS LIMITED

Listing: Tokyo Stock Exchange, Sapporo Securities Exchange

Securities code: 5902

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President and Representative Director

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Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: None

Holding of financial results briefing: None

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2025 (April 1, 2025 to June 30, 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	%
Three months ended June 30, 2025	23,493	(2.1)	2,280	(19.7)	2,377	(18.6)	1,829	(8.7)
June 30, 2024	24,007	5.7	2,841	57.9	2,919	42.9	2,004	75.2

(Note) Comprehensive income: Three months ended June 30, 2025: ¥ 1,280 million [(51.5) %]
Three months ended June 30, 2024: ¥ 2,638 million [(16.7) %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2025	148.62	-
June 30, 2024	163.57	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of June 30, 2025	134,826	62,616	43.0
March 31, 2025	132,323	62,225	43.4

(Reference) Equity: As of June 30, 2025: ¥ 58,012 million
As of March 31, 2025: ¥ 57,489 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2025	Yen -	Yen 23.00	Yen -	Yen 70.00	Yen 93.00
Fiscal year ending March 31, 2026	-				
Fiscal year ending March 31, 2026 (Forecast)		30.00	-	63.00	93.00

(Note) Revision to the forecast for dividends announced most recently: None

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

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

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

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

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

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

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

(4) Number of issued shares (common shares)

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

June 30, 2025: 13,469,387 shares
March 31, 2025: 13,469,387 shares

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

June 30, 2025: 1,155,803 shares
March 31, 2025: 1,161,868 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2025: 12,310,952 shares
Three months ended June 30, 2024: 12,251,591 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.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes(voluntary)

* 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 Period under Review

During the three months ended June 30, 2025, the Japanese economy continued its moderate recovery as the employment and income environment improved. The outlook remains uncertain, however, due to the impact on personal consumption of downward consumer sentiment by ongoing consumer price hikes and the effects of trade policies of the United States.

Under these circumstances, the financial results of the Group for the three months ended June 30, 2025 were as follows: net sales fell 2.1% year-on-year to ¥23,493 million, operating profit was down 19.7% to ¥2,280 million, ordinary profit decreased 18.6% to ¥2,377 million, and profit attributable to owners of parent declined 8.7% to ¥1,829 million.

Operating results by segment are as follows.

Container Business

Metal Cans

With regard to empty aerosol cans, orders for our mainstay insect repellent products remained stagnant, but orders for air conditioner cleaners and deodorants were robust, resulting in an increase in net sales against the corresponding period of the previous year.

Sales of empty cans for powdered milk were sluggish, but remained essentially unchanged from the corresponding period of the previous year due to the impact of price revisions.

Sales of empty food cans were sluggish for canned marine products owing to a decline in salmon, trout and other marine resources, but were essentially the same as the previous year's level because of the impact of price revisions.

With regard to art cans, sales surpassed those of the previous year owing to factors including strong orders for confectionery cans as demand for souvenirs for tourists recovered.

Plastic Containers

Orders for PET bottles for beverages and preforms continued to be weak because of factors including a slowdown in sales of final products caused by price increases, resulting in sales declining year-on-year.

Orders for PET bottles for food were sluggish as sales of soy sauce final products slowed, leading to a year-on-year decline in sales.

With regard to other plastic containers and packaging, sales surpassed those of the previous year as sales of products for cosmetics and healthcare, agricultural chemicals, and gardening rose. Sales of bags-in-box bags were also higher than those of the previous year.

As a result, total Container Business net sales were up 2.8% year-on-year to ¥7,913 million, and operating profit rose 18.3% to ¥535 million.

Filling Business

Can Products

With regard to canned products, order intake increased due to factors including higher sales to certain customers, resulting in results surpassing those of the previous year. For recap cans (bottle cans), orders were up due to factors including increased orders from certain customers as their purchasing systems changed, resulting in an increase in net sales.

PET Bottle Products

Sales of PET bottle products were down as demand for mineral water was sluggish, resulting in a year-on-year decrease in net sales.

As a result, total Filling Business sales, including contract manufacturing of dairy and food products, decreased 1.2% year-on-year to ¥11,041 million, and operating profit decreased 2.5% to ¥2,216 million.

Global Business

In Indonesia, while Hokkan Deltapack Industri saw higher orders for preforms, there was a decrease in orders for cups, its main product, resulting in a year-on-year decline in sales from the previous year. Moreover, Hokkan Indonesia's sales were down against the previous year as orders from major customers decreased.

In Vietnam, Nihon Canpack (Vietnam) Co., Ltd. recorded a year-on-year increase in sales on the strength of factors including increased orders for coffee beverages and energy drinks.

As a result, total Global Business sales fell 16.5% year-on-year to ¥3,640 million, and the business posted an operating loss of ¥94 million (compared with operating profit of ¥403 million in the same period of the previous year).

Other Businesses

The Machinery Production Business experienced an increase in orders for cooling equipment, resulting in a year-on-year rise in sales.

As a result, net sales in Other Businesses, including contract-based in-factory transportation, rose 15.9% year-on-year to ¥898 million, while operating profit decreased 23.7% to ¥150 million.

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

Total Assets

As of the end of the first quarter of the fiscal year under review, the balance of total assets was ¥134,826 million, an increase of ¥2,502 million from the end of the previous fiscal year. This increase was chiefly attributable to a ¥3,017 million increase in property, plant and equipment to ¥62,307 million, and a ¥2,597 million increase in trade and other receivables to ¥27,571 million, despite a ¥3,077 million decrease in cash and deposits to ¥10,296 million.

Total Liabilities

As of the end of the first quarter of the fiscal year under review, the balance of total liabilities was ¥72,209 million, an increase of ¥2,112 million from the end of the previous fiscal year. This was mainly attributable to a ¥1,266 million increase in accounts payable for facilities included in other under current liabilities to ¥1,855 million and a ¥1,188 million increase in notes and accounts payable - trade to ¥16,047 million, despite a ¥533 million decrease in provision for bonuses to ¥411 million.

Net Assets

As of the end of the first quarter of the fiscal year under review, the balance of net assets was ¥62,616 million, an increase of ¥390 million from the end of the previous fiscal year. The primary factor behind the increase was the recognition of profit attributable to owners of parent of ¥1,829 million, despite the payment of dividends of ¥889 million, a ¥376 million decrease in foreign currency translation adjustment to ¥880 million, a ¥132 million decrease in non-controlling interests to ¥4,604 million, and a ¥45 million decrease in valuation difference on available-for-sale securities to ¥4,987 million.

(3) Explanation of Forecast Information, Including Consolidated Performance Forecasts

The forecasts for consolidated financial results and dividends for the fiscal year ending March 31, 2026, announced on May 9, 2025, remain unchanged.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	13,374	10,296
Notes and accounts receivable - trade, and contract assets	22,155	23,439
Electronically recorded monetary claims - operating	2,818	4,131
Merchandise and finished goods	4,202	4,230
Work in process	1,935	1,836
Raw materials and supplies	4,222	3,971
Other	2,978	3,720
Allowance for doubtful accounts	(11)	(12)
Total current assets	51,675	51,614
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	16,824	18,285
Machinery, equipment and vehicles, net	16,570	16,116
Land	18,551	18,551
Leased assets, net	706	681
Construction in progress	5,546	7,609
Other, net	1,090	1,062
Total property, plant and equipment	59,290	62,307
Intangible assets		
Goodwill	1,273	1,140
Other	4,896	4,781
Total intangible assets	6,169	5,922
Investments and other assets		
Investment securities	11,920	11,742
Deferred tax assets	79	110
Retirement benefit asset	1,163	1,133
Other	2,143	2,108
Allowance for doubtful accounts	(117)	(112)
Total investments and other assets	15,188	14,982
Total non-current assets	80,648	83,212
Total assets	132,323	134,826

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,858	16,047
Short-term borrowings	11,110	11,229
Lease liabilities	341	339
Income taxes payable	410	445
Provision for bonuses	945	411
Provision for decommissioning of inventories goods	189	186
Provision for business restructuring	118	71
Other	5,797	7,281
Total current liabilities	33,772	36,012
Non-current liabilities		
Bonds payable	5,000	5,000
Long-term borrowings	25,482	24,894
Lease liabilities	1,167	1,127
Provision for share awards for directors (and other officers)	170	176
Allowance for stock benefit for employee	135	143
Retirement benefit liability	3,158	3,190
Deferred tax liabilities	822	1,248
Other	387	416
Total non-current liabilities	36,325	36,197
Total liabilities	70,097	72,209
Net assets		
Shareholders' equity		
Share capital	11,086	11,086
Capital surplus	11,145	11,145
Retained earnings	29,703	30,643
Treasury shares	(1,768)	(1,759)
Total shareholders' equity	50,166	51,115
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,032	4,987
Deferred gains or losses on hedges	1	-
Foreign currency translation adjustment	1,257	880
Remeasurements of defined benefit plans	1,031	1,028
Total accumulated other comprehensive income	7,323	6,896
Non-controlling interests	4,736	4,604
Total net assets	62,225	62,616
Total liabilities and net assets	132,323	134,826

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

For the three months ended June 30

(Millions of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Net sales	24,007	23,493
Cost of sales	16,891	16,900
Gross profit	7,116	6,593
Selling, general and administrative expenses	4,275	4,312
Operating profit	2,841	2,280
Non-operating income		
Interest income	42	15
Dividend income	115	153
Rental income	32	32
Other	44	70
Total non-operating income	235	271
Non-operating expenses		
Interest expenses	108	150
Share of loss of entities accounted for using equity method	24	7
Other	23	17
Total non-operating expenses	157	174
Ordinary profit	2,919	2,377
Extraordinary income		
Gain on sale of non-current assets	15	0
Gain on sale of investment securities	-	170
Total extraordinary income	15	170
Extraordinary losses		
Loss on retirement of non-current assets	67	4
Total extraordinary losses	67	4
Profit before income taxes	2,867	2,542
Income taxes - current	454	317
Income taxes - deferred	320	416
Total income taxes	775	734
Profit	2,091	1,808
Profit (loss) attributable to non-controlling interests	87	(21)
Profit attributable to owners of parent	2,004	1,829

Quarterly Consolidated Statement of Comprehensive Income
For the three months ended June 30

(Millions of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Profit	2,091	1,808
Other comprehensive income		
Valuation difference on available-for-sale securities	41	(45)
Deferred gains or losses on hedges	(0)	(1)
Foreign currency translation adjustment	487	(468)
Remeasurements of defined benefit plans, net of tax	2	(2)
Share of other comprehensive income of entities accounted for using equity method	14	(9)
Total other comprehensive income	546	(528)
Comprehensive income	2,638	1,280
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,447	1,403
Comprehensive income attributable to non-controlling interests	191	(123)

(3) Notes to Quarterly Consolidated Financial Statements
(Segment Information)

I. For the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

1. Information on net sales and profit or loss by reportable segment

(Millions of yen)

	Reportable segment				Others (Note 1)	Total	Adjustments (Note 2)	Amount recorded in Quarterly Consolidated Statement of Income (Note 3)
	Container Business	Filling Business	Global Business	Total				
Net sales								
Net sales to outside customers	7,696	11,172	4,362	23,232	775	24,007	-	24,007
Inter-segment net sales or transfers	664	-	-	664	785	1,450	-1,450	-
Total	8,361	11,172	4,362	23,896	1,560	25,457	-1,450	24,007
Segment profit	452	2,273	403	3,129	197	3,326	-485	2,841

(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. The segment profit adjustment of ¥(485) million includes ¥83 million for elimination of inter-segment transactions and ¥(569) million for corporate expenses not allocated to reportable segments. Corporate expenses mainly comprise general and administrative expenses of the holding company not attributable to reportable segments.

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

II. For the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

1. Information on net sales and operating profit or loss by reportable segment

(Millions of yen)

	Reportable segment				Others (Note 1)	Total	Adjustments (Note 2)	Amount recorded in Quarterly Consolidated Statement of Income (Note 3)
	Container Business	Filling Business	Global Business	Total				
Net sales								
Net sales to outside customers	7,913	11,041	3,640	22,595	898	23,493	-	23,493
Inter-segment net sales or transfers	572	-	-	572	997	1,570	-1,570	-
Total	8,486	11,041	3,640	23,167	1,896	25,064	-1,570	23,493
Segment profit or loss	535	2,216	-94	2,658	150	2,808	-528	2,280

(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. The segment profit (loss) adjustment of ¥(528) million includes ¥89 million for elimination of inter-segment transactions and ¥(618) million for corporate expenses not allocated to reportable segments. Corporate expenses mainly comprise general and administrative expenses of the holding company not attributable to reportable segments.

3. Segment profit (loss) is adjusted with operating profit in the quarterly consolidated statements of income.

(Notes in Case of Significant Changes in Shareholders' Equity)

Not applicable.

(Notes on Going Concern Assumption)

Not applicable.

(Notes on Quarterly Consolidated Statements of Cash Flows)

The Company has not prepared quarterly consolidated statements of cash flows for the three months ended June 30, 2025. Depreciation and amortization (including amortization of intangible assets excluding goodwill) and amortization of goodwill for the three months ended June 30, 2025 are as follows.

	Three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)	Three months ended June 30, 2025 (From April 1, 2025 to June 30, 2025)
Depreciation	¥1,490 million	¥1,512 million
Amortization of goodwill	¥112 million	¥105 million