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

May 14, 2025

Company name: TOPPAN Holdings Inc. Stock exchange listing: Tokyo Stock Exchange
Code number: 7911 URL: https://www.holdings.toppan.com/ja/
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Scheduled date of Annual General Meeting of Shareholders: June 27, 2025
Scheduled date of commencing dividend payments: June 30, 2025
Scheduled date of filing annual securities report: June 26, 2025
Availability of supplementary briefing material on annual financial results: Available
Schedule of annual financial results briefing session: Scheduled (for securities analysts and institutional investors)

(Amounts of less than one million yen are rounded down.)

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

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2025	1,717,960	2.4	84,086	13.1	88,582	7.4	89,348	20.4
March 31, 2024	1,678,249	—	74,349	—	82,500	—	74,198	—

(Note) Comprehensive income: Fiscal year ended March 31, 2025: ¥1,718 million [(99.0) %]
Fiscal year ended March 31, 2024: ¥172,528 million [- %]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets	Operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	295.98	—	6.6	3.6	4.9
March 31, 2024	230.96	—	5.4	3.5	4.4

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2025: ¥2,073 million
Fiscal year ended March 31, 2024: ¥2,522 million

(Notes) Figures for the fiscal year ended March 31, 2024 have been retroactively adjusted due to changes in accounting policies, and those calculated retroactively are presented. Accordingly, changes from the previous corresponding period are not presented.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2025	2,515,087	1,418,608	51.4	4,471.44
March 31, 2024	2,432,506	1,567,041	58.2	4,516.15

(Reference) Equity: As of March 31, 2025: ¥1,293,555 million As of March 31, 2024: ¥1,416,515 million

(Notes) Figures for the fiscal year ended March 31, 2024 have been retroactively adjusted due to changes in accounting policies, and those calculated retroactively are presented.

(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	Million yen	Million yen	Million yen	Million yen
March 31, 2025	64,796	47,017	120,332	753,125
March 31, 2024	157,127	(8,278)	(85,672)	522,818

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	Million yen	%	%
March 31, 2025	—	24.00	—	24.00	48.00	15,374	20.8	1.1
March 31, 2024	—	24.00	—	32.00	56.00	16,678	18.9	1.2
Fiscal year ending March 31, 2026 (Forecast)	—	28.00	—	28.00	56.00		24.3	

(Note) Dividends to net assets (consolidated) for the fiscal year ended March 31, 2024 have been retroactively adjusted due to changes in accounting policies, and those calculated retroactively are presented.

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

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	1,880,000	9.4	92,000	9.4	97,000	9.5	65,000	(27.3)	230.40

*** Notes:**

(1) Significant changes in the scope of consolidation during the period: No

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

1) Changes in accounting policies due to the revision of accounting standards: Yes
2) Changes in accounting policies other than 1) above: Yes
3) Changes in accounting estimates: No
4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):
March 31, 2025: 318,706,240 shares
March 31, 2024: 328,706,240 shares

2) Total number of treasury shares at the end of the period:
March 31, 2025: 29,413,723 shares
March 31, 2024: 15,050,742 shares

3) Average number of shares during the period:
Fiscal year ended March 31, 2025: 301,870,021 shares
Fiscal year ended March 31, 2024: 321,259,670 shares

(Note) The number of treasury shares subtracted for calculating the total number of treasury shares at the end of the period and the average number of shares during the period includes the Company's shares owned by the ESOP trust.

(Reference) Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2025	69,998	(82.3)	12,011	301.4	12,623	(55.2)	67,886	10.3
March 31, 2024	394,468	－	2,992	－	28,166	－	61,520	－

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	223.50	－
March 31, 2024	191.37	－

(Notes) Figures for the fiscal year ended March 31, 2024 have been retroactively adjusted due to changes in accounting policies, and those calculated retroactively are presented. Accordingly, changes from the previous corresponding period are not presented.

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2025	1,590,820	934,587	58.7	3,210.52
March 31, 2024	1,324,380	1,041,868	78.7	3,301.61

(Reference) Equity: As of March 31, 2025: ¥934,587 million As of March 31, 2024: ¥1,041,868 million

(Notes) Figures for the fiscal year ended March 31, 2024 have been retroactively adjusted due to changes in accounting policies, and those calculated retroactively are presented.

* These consolidated financial results are outside the scope of audit by certified public accountants or audit firms.

* Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on certain assumptions relating to economic situations and market trends deemed reasonable as of the date of publication of this document. Actual results may differ significantly from these forecasts due to a wide range of factors.

For matters regarding the financial results forecast, please refer to “Future Outlook” on page 6.

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1. Explanation of Business Results, etc.

Beginning from the consolidated fiscal year under review, the Company has changed its accounting policy for the treatment of fixed asset compression. Comparisons with the previous consolidated fiscal year are made using figures after retroactive application.

(1) Explanation of Business Results

(Profit margin) (Millions of yen)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended March 31, 2025		1,717,960	*(4.9%)*	84,086	*(5.2%)*	88,582	*(5.2%)*	89,348
Fiscal year ended March 31, 2024		1,678,249	*(4.4%)*	74,349	*(4.9%)*	82,500	*(4.4%)*	74,198
Year-on-year change (% and amount)	2.4%	39,711	13.1%	9,736	7.4%	6,082	20.4%	15,150

(Profit margin) (Millions of yen)

		Information & Communication		Living & Industry		Electronics		Adjustment	Consolidated
Fiscal year ended March 31, 2025	Net sales		929,373		548,076		279,984	(39,473)	1,717,960
	Operating profit	*(4.9%)*	45,658	*(6.1%)*	33,329	*(18.6%)*	52,073	(46,976)	84,086
Fiscal year ended March 31, 2024	Net sales		900,009		537,445		266,559	(25,765)	1,678,249
	Operating profit	*(5.1%)*	45,698	*(5.1%)*	27,424	*(18.6%)*	49,644	(48,418)	74,349
Year-on-year Change (% and amount)	Net sales	3.3%	29,363	2.0%	10,630	5.0%	13,424	(13,708)	39,711
	Operating profit	(0.1%)	(39)	21.5%	5,905	4.9%	2,429	1,442	9,736

During the fiscal year under review (from April 1, 2024 to March 31, 2025), the business outlook remained uncertain given mounting geopolitical risks. worldwide inflation and significant foreign exchange fluctuations. Meanwhile, public awareness of sustainability increased, and advances in digital technologies including artificial intelligence (AI) and Internet of Things (IoT) technologies led to growth in the semiconductor market. Factors including those mentioned above are expected to further increase market opportunities.

Amid this environment, under the key concept of “Digital & Sustainable Transformation,” the Group is developing its operations worldwide mainly through digital transformation (DX), which uses digital technologies as a starting point to transform society and the business of customers and the TOPPAN Group, and sustainable transformation (SX), which aims for management focused on sustainability together with the resolution of social issues through business.

As a result, for the fiscal year ended March 31, 2025, net sales increased by 2.4% from the previous year to ¥1,717.9 billion. Operating profit increased by 13.1% to ¥84.0 billion. Ordinary profit increased by 7.4% to ¥88.5 billion. Profit attributable to owners of parent was up 20.4% to ¥89.3 billion.

Trends by business segment during the fiscal year ended March 31, 2025 are as follows.

Information & Communication

In the digital business, sales rose, reflecting a solid performance in the marketing DX business, which includes business transformation support tailored to the characteristics of customers' industries, in addition to growth in the security business, which includes payment services, and the global security business, focused mainly on South America. With the aim of continuously expanding the global security business, TOPPAN Holdings Inc. (the "Company") acquired a large government ID solution company based in northern Europe for acquiring its citizen identity solutions business, which has a solid customer base and solution planning capabilities.

In the business process outsourcing (BPO) business, sales declined in the absence of one-time projects handled in the previous fiscal year, despite the acquisition of new projects, particularly in the financial, government, and public infrastructure sectors.

Sales in the secure media business increased year on year owing to growth in data printing services and smart-card-related services.

In the communication media business, sales decreased due to declines in publication and commercial printing, despite growth in sales promotion. With the aim of enhancing profitability, the Company is promoting structural reforms including the integration of business form sites and the consolidation of publishing and printing operations into TOPPAN Colorer Inc., formerly Tosho Printing Co., Ltd.

As a result, net sales in the Information & Communication segment increased by 3.3% from the previous year to ¥929.3 billion, and operating profit decreased by 0.1% to ¥45.6 billion.

Living & Industry

In the packaging business, overseas sales increased, reflecting improvement in the balance between supply and demand in India, in addition to expansion of sales of packaging and barrier films mainly for food applications in Europe, North America and Asia. In Japan, although a review of the order structure aimed at improving profitability of folding carton products resulted in a decline, sales increased owing to the expansion of SX packaging sales amidst growing awareness of global environmental preservation. Moreover, to further expand its overseas packaging business, the Company has acquired the thermoformed and flexibles packaging business from Sonoco Products Company, a leading U.S. packaging firm, in April 2025 to reinforce the Group's customer base and manufacturing infrastructure in the Americas. The Company has further acquired an Italian manufacturer and seller of high-environmental-performance film. And it is strengthening its SMARTS™ sustainable brand based on SX packaging. Additionally, by utilizing proprietary recycled polyethylene film, the Company has adopted a stand up pouch with a recycled material content of approximately 30%—the first in Japan for toiletries.

In the décor materials business, overseas sales were impacted by sustained high mortgage rates in Europe and the United States and by the Chinese economic slowdown. However, the Company expanded sales of decorative sheets for furniture and cultivated markets in emerging countries. In Japan, the Company expanded sales of environmentally friendly decorative sheets and the expace brand for spatial design, resulting in overall sales growth for this business. In addition, the Company worked to expand sales of transparent decorative film that enables both decoration of display screens and vivid video displays, with a view to creating new businesses.

As a result, net sales in the Living & Industry segment increased by 2.0% from the previous year to ¥548.0 billion, and operating income increased by 21.5% to ¥33.3 billion.

Electronics

In the semiconductor business, market conditions for FC-BGA substrates, which are high-density semiconductor packages, are being recovered, primarily for AI applications. Moreover, photomasks were supported by strong demand in Asia and Europe for advanced products, leading to higher sales for the business overall. In initiatives to further strengthen competitiveness, the Company established the Advanced Semiconductor Packaging Development Center, and also opened the Ishikawa Plant as a site for the technology development and mass production of products on July 1, 2024. To help advance technologies and create new business opportunities, the Company has joined US-JOINT, a U.S.-Japan consortium for creating a platform for the evaluation of next-generation semiconductor packages and the development of implementation technologies in the United States.

In the display-related business, the market has been weak recently, and demand for TFT-LCD panels, particularly for industrial equipment applications, decreased, while sales of anti-reflection films increased as the Company captured demand for high-value-added products for smartphones and TVs, leading to overall sales for this business remained unchanged year on year. Moreover, the Company has resolved to sell all of its shares in Giantplus Technology Co., Ltd., a subsidiary in Taiwan for manufacturing and selling TFT-LCD panels, with a view to optimal allocation of management resources. In January 2025, the subsidiary became an equity-method affiliate after the sale of a portion of the shares.

As a result, net sales for the Electronics segment increased by 5.0% year on year to ¥279.9 billion, and operating income increased by 4.9%, to ¥52.0 billion.

(2) Explanation of Financial Position

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Change
Total assets	2,432,506	2,515,087	82,581
Liabilities	865,465	1,096,479	231,013
Net assets	1,567,041	1,418,608	(148,432)

Total assets as of the end of the fiscal year under review increased by ¥82.5 billion from the end of the previous fiscal year, to ¥2,515.0 billion. This is attributable mainly to an increase by ¥279.0 billion in cash and deposits, despite decreases of ¥139.9 billion in investment securities and ¥58.4 billion in securities.

Liabilities increased by ¥231.0 billion from the end of the previous fiscal year, to ¥1,096.4 billion. This primarily reflects an increase of ¥293.7 billion in short-term borrowings.

Net assets decreased by ¥148.4 billion from the end of the previous fiscal year to ¥1,418.6 billion. This is attributable to decreased of ¥97.6 billion in valuation difference on available-for-sale securities, increased of ¥68.0 in treasury shares.

(3) Explanation of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Change
Cash flow from operating activities	157,127	64,796	(92,331)
Cash flow from investing activities	(8,278)	47,017	55,295
Cash flow from financing activities	(85,672)	120,332	206,005
Effect of exchange rate change on cash and cash equivalents	12,033	(1,839)	(13,872)
Net increase (decrease) in cash and cash equivalents	75,210	230,307	155,096
Cash and cash equivalents at end of period	522,818	753,125	230,307

Cash and cash equivalents as of the end of the fiscal year increased by ¥230.3 billion from the end of the previous fiscal year to ¥753.1 billion. The status of each cash flow for the fiscal year under review is as follows.

Net cash provided by operating activities was ¥64.7 billion, after adjusting for non-cash items such as depreciation, and changes in operating receivables and payables, based on the operating profit before income taxes of ¥184.1 billion.

Net cash provided by investing activities totaled ¥47.0 billion, as expenditures for capital investments were offset by gains from the sale and redemption of investment securities.

Net cash provided by financing activities came to ¥120.3 billion, owing to the repurchase of treasury stock were offset by proceeds from short-term borrowings.

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Equity ratio (%)	59.2	58.2	51.4
Equity ratio based on market value (%)	38.9	50.0	46.6
Period of debt repayment (years)	2.1	1.3	7.2
Interest coverage ratio	24.8	29.4	12.2

(Notes) Equity ratio: Shareholders' equity / Total assets

Equity ratio based on fair value: Market capitalization / Total assets

Years of debt redemption: Interest-bearing debt / Cash flows from operating activities

Interest coverage ratio: Cash flows from operating activities / Interest payment

* Each indicator is calculated based on consolidated financial data.

* Market capitalization is the closing stock price at the end of the fiscal year multiplied by the number of shares outstanding (treasury shares and the Company's shares owned by the ESOP trust are not included) at the end of the fiscal year.

* Operating cash flow is cash flows from operating activities in the consolidated statements of cash flows.

* Interest-bearing debt is all liabilities posted in the consolidated balance sheets for which interest is paid.

* Interest payment is interest paid posted in the consolidated statements of cash flows.

* Figures for the fiscal year ended March 31, 2024 have been retroactively adjusted due to changes in accounting policies, and those calculated retroactively are presented. The figures post-restatement are as presented above.

(4) Future Outlook

Regarding the business environment in the fiscal year ending March 31, 2026, as heightened geopolitical risks are increasing uncertainty, the Company must continue to closely monitor the effect of rising raw material prices and fluctuations in exchange rates. Meanwhile, in addition to a growing awareness of sustainability against the backdrop of social issues including climate change and food loss, the Company anticipates further expansion of market opportunities on the back of advances in digital technologies such as AI and IoT, and the accompanying semiconductor market growth.

In this environment, the Group will work to further raise performance under the key concept of "Digital & Sustainable Transformation." To maximize synergies between the companies in the holding company system, the Group will promote cross-selling and enhance cost efficiency. And, with the objective of executing a strategy that integrates management resources and customer bases, and accelerating the creation of synergies and the enhancement of competitiveness, the Company has resolved to merge TOPPAN Inc., TOPPAN Edge Inc., and TOPPAN Digital Inc. —wholly owned subsidiaries of the Company—in April 2026.

Information & Communication

In the digital business, the Group will focus on expanding secure businesses such as marketing DX that support the growth of the businesses of its corporate clients and global-scale government-affiliated ID, payment, and IoT domains.

In the BPO business, the Group offers hybrid BPO services that leverage business process design capabilities to streamline the business processes of corporate clients through business process re-engineering (BPR) in the finance and government sectors, where labor shortages, the diversification of services, and digitalization are accelerating.

In the secure media business, the Group will augment its earning power by boosting production efficiency in data printing services and IC cards.

In the communication media business, the Group will strengthen its earnings base by optimizing its production structure through measures such as the further consolidation of additional facilities in response to the shrinking paper media market.

Living & Industry

In the packaging business, the Group will leverage its global network of manufacturing sites—including those acquired from Sonoco Products Company in the Americas—to advance the vertical integration of the supply chain from film manufacturing to converting. This will enable the Group to augment its supply structure for SX packaging, with the GL BARRIER range as the core products. It will also promote the environmentally friendly production methods and the development of mono-materials technologies.

In the décor materials field, the Group will promote sales of high value-added products, including eco-friendly products, in the global market, while aiming to grow its spatial design business in Japan.

Electronics

It is anticipated that the semiconductor market will grow in the medium to long term. In the business of FC-BGA substrates, which are high-density semiconductor packages, the Group will further expand business by expanding supply capabilities and enhancing R&D, in addition to increasing orders for high-end products such as those for AI. With regard to photomasks, the Group will further bolster its competitive power through capital investment and research and development in growth domains and collaboration between facilities.

In the display business, the Group forecasts gradual market growth, and as such will focus on high value-added products such as anti-reflection films for IT and automotive applications. With regard to TFT-LCD panels, the Group will augment profitability by developing solution businesses including circuits and interfaces, chiefly for industrial equipment.

(5) Basic Policy on Profit Distribution and Dividends for the Period Under Review and the Next Period

For expeditious profit distribution to shareholders, the Company determines dividends of surplus by resolution of the Board of Directors under the Articles of Incorporation.

The Company's policy on distributing profit to shareholders is to pay consistent dividends in comprehensive consideration of the consolidated results in the fiscal year, the payout ratio, cash on hand, retained earnings, investment plans, and other factors. In addition, the Company flexibly acquires treasury stock to maintain a consolidated total payout ratio of 30% or more.

Under this policy, the Company plans an increase in the year-end dividend for the fiscal year under review of ¥8 per share from the initial forecast, to ¥32 per share. As a result, the annual dividend will be ¥56 per share. When the acquisition of treasury stock is taken into account, the consolidated total payout ratio for the fiscal year under review will be 133.6%.

In addition, on May 14, 2025, the Company announced its plan to acquire treasury stock worth a maximum of ¥30.0 billion from May 15, 2025 to May 14, 2026.

In accordance with its basic policy, the Company plans to pay a dividend of ¥56 per share for the next fiscal year.

2. Basic Considerations Regarding the Selection of Accounting Standards

The Company prepares consolidated financial statements under Japanese GAAP, considering the comparability of consolidated financial statements between different fiscal years and comparability between different companies. The Company is making preparations to adopt International Financial Reporting Standards (IFRS). The Company will determine the appropriate timing for the adoption of IFRS, considering the situations in Japan and overseas.

2. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	489,939	768,989
Notes and accounts receivable - trade, and contract assets	441,810	439,703
Securities	68,089	9,600
Merchandise and finished goods	65,423	61,782
Work in process	35,120	31,707
Raw materials and supplies	47,759	47,138
Other	54,741	55,084
Allowance for doubtful accounts	(6,241)	(7,100)
Total current assets	1,196,642	1,406,905
Non-current assets		
Property, plant and equipment		
Buildings and structures	612,924	589,029
Accumulated depreciation	(400,467)	(393,513)
Buildings and structures, net	212,456	195,516
Machinery, equipment and vehicles	904,749	867,894
Accumulated depreciation	(722,957)	(694,481)
Machinery, equipment and vehicles, net	181,792	173,413
Land	158,673	137,210
Construction in progress	42,222	83,210
Other	112,089	116,795
Accumulated depreciation	(84,099)	(85,146)
Other, net	27,990	31,649
Total property, plant and equipment	623,134	620,999
Intangible assets		
Goodwill	23,942	22,363
Other	67,154	64,898
Total intangible assets	91,096	87,261
Investments and other assets		
Investment securities	450,595	310,633
Long-term loans receivable	1,444	7,765
Long-term loans receivable from employees	114	158
Deferred tax assets	38,113	43,180
Retirement benefit asset	6,364	11,301
Other	25,309	27,116
Allowance for doubtful accounts	(307)	(235)
Total investments and other assets	521,633	399,920
Total non-current assets	1,235,864	1,108,181
Total assets	2,432,506	2,515,087

(Million yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	146,724	131,553
Electronically recorded obligations - operating	59,038	47,135
Short-term borrowings	19,041	312,764
Current portion of bonds payable	30	—
Current portion of long-term borrowings	36,417	27,160
Income taxes payable	26,729	71,222
Provision for bonuses	27,926	30,287
Provision for bonuses for directors (and other officers)	620	699
Other provisions	570	2,014
Other	227,129	200,046
Total current liabilities	544,227	822,884
Non-current liabilities		
Bonds payable	50,000	50,000
Long-term borrowings	102,967	77,672
Deferred tax liabilities	79,142	36,494
Provision for retirement benefits for directors (and other officers)	1,766	1,522
Retirement benefit liability	51,433	52,625
Provision for share awards	1,563	4,623
Other provisions	2,678	10,535
Other	31,685	40,120
Total non-current liabilities	321,237	273,594
Total liabilities	865,465	1,096,479
Net assets		
Shareholders' equity		
Share capital	104,986	104,986
Capital surplus	121,069	119,984
Retained earnings	1,004,868	1,046,962
Treasury shares	(46,207)	(114,304)
Total shareholders' equity	1,184,716	1,157,629
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	170,812	73,145
Deferred gains or losses on hedges	(42)	(3,700)
Foreign currency translation adjustment	55,733	59,469
Remeasurements of defined benefit plans	5,296	7,011
Total accumulated other comprehensive income	231,799	135,925
Share acquisition rights	2	4
Non-controlling interests	150,523	125,049
Total net assets	1,567,041	1,418,608
Total liabilities and net assets	2,432,506	2,515,087

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	1,678,249	1,717,960
Cost of sales	1,290,843	1,304,916
Gross profit	387,406	413,044
Selling, general and administrative expenses		
Freight costs	27,247	28,689
Provision of allowance for doubtful accounts	732	171
Remuneration for directors (and other officers), salaries and allowances	108,219	117,712
Provision for bonuses	13,266	15,249
Provision for bonuses for directors (and other officers)	453	490
Retirement benefit expenses	5,347	4,781
Provision for retirement benefits for directors (and other officers)	290	303
Travel expenses	5,660	6,414
Research and development expenses	21,706	20,528
Other	130,133	134,614
Total selling, general and administrative expenses	313,056	328,958
Operating profit	74,349	84,086
Non-operating income		
Interest income	4,445	7,535
Dividend income	5,682	4,212
Share of profit of entities accounted for using equity method	2,522	2,073
Foreign exchange gains	6,852	3,188
Other	3,724	5,450
Total non-operating income	23,227	22,460
Non-operating expenses		
Interest expenses	5,228	5,376
Dismantlement expenses	2,833	4,261
Other	7,015	8,326
Total non-operating expenses	15,076	17,964
Ordinary profit	82,500	88,582

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Extraordinary income		
Gain on sale of non-current assets	2,685	2,740
Gain on sale of investment securities	74,104	173,340
Gain on valuation of investment securities	—	43
Gain on sale of shares of subsidiaries and associates	—	1,383
Subsidy income	375	6,211
Insurance claim income	—	116
Gain on step acquisitions	442	32
Gain on reversal of extra retirement payments	27	5
Gain on reversal of environmental expenses	244	—
Total extraordinary income	77,879	183,874
Extraordinary losses		
Loss on sale and retirement of non-current assets	1,992	3,076
Loss on sale of investment securities	502	520
Loss on valuation of investment securities	2,211	1,938
Loss on sales of shares of subsidiaries and associates	—	320
Loss on liquidation of subsidiaries and associates	13	208
Impairment losses	23,444	67,118
Environmental expenses	—	7,029
Loss on tax purpose reduction entry of non-current assets	345	5,526
Extra retirement payments	6,132	874
Provision of allowance for investment loss	—	873
Business structure reform expenses	—	592
Loss on disaster	64	237
Loss on change in equity	—	5
Total extraordinary losses	34,706	88,322
Profit before income taxes	125,673	184,134
Income taxes - current	49,710	92,110
Income taxes - deferred	(11,875)	(7,472)
Total income taxes	37,834	84,638
Profit	87,838	99,495
Profit attributable to non-controlling interests	13,639	10,147
Profit attributable to owners of parent	74,198	89,348

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit	87,838	99,495
Other comprehensive income		
Valuation difference on available-for-sale securities	51,395	(97,466)
Deferred gains or losses on hedges	(192)	(3,657)
Foreign currency translation adjustment	29,021	2,207
Remeasurements of defined benefit plans, net of tax	3,874	1,908
Share of other comprehensive income of entities accounted for using equity method	590	(769)
Total other comprehensive income	84,689	(97,777)
Comprehensive income	172,528	1,718
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	151,266	(6,524)
Comprehensive income attributable to non-controlling interests	21,261	8,243

(3) Consolidated Statements of Changes in Net Assets

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	104,986	120,774	987,986	(43,360)	1,170,386
Cumulative effects of changes in accounting policies			(64)		(64)
Cumulative effects of hyperinflation					—
Restated balance	104,986	120,774	987,921	(43,360)	1,170,321
Changes during period					
Dividends of surplus			(15,621)		(15,621)
Profit attributable to owners of parent			74,198		74,198
Purchase of treasury shares				(44,902)	(44,902)
Disposal of treasury shares		10		86	96
Cancellation of treasury shares		(41,969)		41,969	—
Transfer from retained earnings to capital surplus		41,939	(41,939)		—
Change in ownership interest of parent due to transactions with non-controlling interests		314	(2)		312
Change in scope of consolidation			123		123
Changes in liabilities for written put options over non-controlling interests			187		187
Increase in retained earnings related to hyperinflation adjustment					—
Net changes in items other than shareholders' equity					
Total changes during period	—	295	16,946	(2,847)	14,394
Balance at end of period	104,986	121,069	1,004,868	(46,207)	1,184,716

	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	119,451	149	33,707	1,422	154,730	1	127,051	1,452,169
Cumulative effects of changes in accounting policies							(5)	(69)
Cumulative effects of hyperinflation								—
Restated balance	119,451	149	33,707	1,422	154,730	1	127,045	1,452,099
Changes during period								
Dividends of surplus								(15,621)
Profit attributable to owners of parent								74,198
Purchase of treasury shares								(44,902)
Disposal of treasury shares								96
Cancellation of treasury shares								—
Transfer from retained earnings to capital surplus								—
Change in ownership interest of parent due to transactions with non-controlling interests								312
Change in scope of consolidation								123
Changes in liabilities for written put options over non-controlling interests								187
Increase in retained earnings related to hyperinflation adjustment								—
Net changes in items other than shareholders' equity	51,360	(192)	22,026	3,873	77,068	0	23,477	100,547
Total changes during period	51,360	(192)	22,026	3,873	77,068	0	23,477	114,941
Balance at end of period	170,812	(42)	55,733	5,296	231,799	2	150,523	1,567,041

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	104,986	121,069	1,004,868	(46,207)	1,184,716
Cumulative effects of changes in accounting policies					—
Cumulative effects of hyperinflation			868		868
Restated balance	104,986	121,069	1,005,736	(46,207)	1,185,584
Changes during period					
Dividends of surplus			(14,830)		(14,830)
Profit attributable to owners of parent			89,348		89,348
Purchase of treasury shares				(102,653)	(102,653)
Disposal of treasury shares		14		280	295
Cancellation of treasury shares		(34,276)		34,276	—
Transfer from retained earnings to capital surplus		34,261	(34,261)		—
Change in ownership interest of parent due to transactions with non-controlling interests		(1,084)			(1,084)
Change in scope of consolidation			(11)		(11)
Changes in liabilities for written put options over non-controlling interests			535		535
Increase in retained earnings related to hyperinflation adjustment			444		444
Net changes in items other than shareholders' equity					
Total changes during period	—	(1,084)	41,225	(68,096)	(27,954)
Balance at end of period	104,986	119,984	1,046,962	(114,304)	1,157,629

	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	170,812	(42)	55,733	5,296	231,799	2	150,523	1,567,041
Cumulative effects of changes in accounting policies								—
Cumulative effects of hyperinflation								868
Restated balance	170,812	(42)	55,733	5,296	231,799	2	150,523	1,567,909
Changes during period								
Dividends of surplus								(14,830)
Profit attributable to owners of parent								89,348
Purchase of treasury shares								(102,653)
Disposal of treasury shares								295
Cancellation of treasury shares								—
Transfer from retained earnings to capital surplus								—
Change in ownership interest of parent due to transactions with non-controlling interests								(1,084)
Change in scope of consolidation								(11)
Changes in liabilities for written put options over non-controlling interests								535
Increase in retained earnings related to hyperinflation adjustment								444
Net changes in items other than shareholders' equity	(97,666)	(3,657)	3,735	1,715	(95,873)	1	(25,474)	(121,345)
Total changes during period	(97,666)	(3,657)	3,735	1,715	(95,873)	1	(25,474)	(149,300)
Balance at end of period	73,145	(3,700)	59,469	7,011	135,925	4	125,049	1,418,608

(4) Consolidated Statement of Cash Flows

(Million 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	125,673	184,134
Depreciation	83,049	77,800
Impairment losses	23,444	67,118
Amortization of goodwill	3,827	3,698
Increase (decrease) in retirement benefit liability	2,213	1,343
Decrease (increase) in retirement benefit asset	(1,410)	(2,091)
Increase (decrease) in allowance for doubtful accounts	(27)	(225)
Interest and dividend income	(10,127)	(11,748)
Interest expenses	5,228	5,376
Share of loss (profit) of entities accounted for using equity method	(2,522)	(2,073)
Loss (gain) on sale of investment securities	(73,601)	(172,820)
Loss (gain) on valuation of investment securities	2,211	1,894
Loss (gain) on sale and retirement of non-current assets	(693)	335
Loss on tax purpose reduction entry of non-current assets	345	5,526
Subsidy income	(375)	(6,211)
Loss (gain) on sale of shares of subsidiaries and associates	—	(1,062)
Gain on step acquisitions	(442)	(32)
Environmental expenses	—	7,029
Decrease (increase) in trade receivables and contract assets	(5,322)	2,787
Decrease (increase) in inventories	(1,072)	3,862
Increase (decrease) in trade payables	(47,377)	(21,650)
Decrease/increase in consumption taxes receivable/payable	589	(2,460)
Increase (decrease) in deposits received	61,426	(56,165)
Increase (decrease) in contract liabilities	8,088	13,383
Increase (decrease) in leasehold and guarantee deposits received	15,224	2,934
Other	(3,886)	8,138
Subtotal	184,463	108,822
Interest and dividends received	10,437	11,892
Interest paid	(5,341)	(5,292)
Income taxes refund (paid)	(32,431)	(50,626)
Net cash provided by (used in) operating activities	157,127	64,796

(Million 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	(13,706)	(21,321)
Proceeds from withdrawal of time deposits	36,493	18,661
Purchase of securities	(6,000)	—
Proceeds from sale of securities	7,299	12,037
Purchase of property, plant and equipment	(81,776)	(123,128)
Proceeds from sale of property, plant and equipment	3,545	10,586
Purchase of intangible assets	(20,128)	(20,605)
Purchase of investment securities	(5,739)	(3,870)
Proceeds from sale and redemption of investment securities	100,714	201,597
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(5,424)	(15,194)
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	—	(6,411)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	—	1,483
Purchase of shares of subsidiaries and associates	(7,440)	(2,406)
Purchase of shares of unconsolidated subsidiaries	(1,758)	(666)
Payments for acquisition of businesses	(1,341)	—
Short-term loan advances	(7,561)	(266)
Long-term loan advances	(539)	(7,771)
Subsidies received	375	6,211
Other	(5,290)	(1,916)
Net cash provided by (used in) investing activities	(8,278)	47,017
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(10,205)	291,894
Proceeds from long-term borrowings	2,704	5,572
Repayments of long-term borrowings	(15,544)	(40,613)
Purchase of treasury shares	(44,902)	(102,653)
Purchase of treasury shares of consolidated subsidiaries	—	(9,379)
Dividends paid	(15,621)	(14,918)
Dividends paid to non-controlling interests	(691)	(705)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(1,245)	(592)
Proceeds from share issuance to non-controlling shareholders	4,500	—
Other	(4,665)	(8,270)
Net cash provided by (used in) financing activities	(85,672)	120,332
Effect of exchange rate change on cash and cash equivalents	12,033	(1,839)
Net increase (decrease) in cash and cash equivalents	75,210	230,307
Cash and cash equivalents at beginning of period	447,607	522,818
Cash and cash equivalents at end of period	522,818	753,125

(5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

There is no relevant information.

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

(Purchase of treasury shares)

The Company acquired 24,486,700 shares of treasury stock in accordance with resolutions of the Board of Directors at its meetings held on May 12, 2023 and May 13, 2024. This resulted in an increase of ¥102,622 million in treasury stock during the fiscal year under review.

(Cancellation of treasury shares)

The Company retired 10,000,000 shares of treasury stock on May 24, 2024, in accordance with a resolution of the Board of Directors at its meeting held on May 13, 2024. As a result, retained earnings and treasury shares decreased by ¥34,276 million and ¥34,276 million respectively, in the fiscal year under review.

The resulting capital surplus, retained earnings and treasury shares at the end of the fiscal year under review were ¥119,984 million, ¥1,046,962 million, and ¥114,304 million, respectively.

(Notes on Changes in Accounting Policies)

(Application of the Accounting Standard for Current Income Taxes, etc.)

The Company has applied the Accounting Standard for Current Income Taxes (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022), Accounting Standard for Presentation of Comprehensive Income (ASBJ Statement No. 25, October 28, 2022), and Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022) from the beginning of the current consolidated fiscal year. This application has no impact on the Consolidated Financial Statements.

(Application of Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules, etc.)

The Company has applied the Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules (ASBJ Practical Solution No. 46, March 22, 2024) from the beginning of the current consolidated fiscal year. The reasonable amount of income taxes related to the global minimum tax rules is estimated and charged to income based on information available at the time the financial statements are prepared. The impact of this change in accounting policy on the consolidated financial statements is immaterial.

(Changes in accounting for tax purpose reduction entry of non-current assets)

Before April 1, 2024, national subsidies were accounted for as reserves appropriated from retained earnings. Effective April 1, 2024, the Group adopted the direct reduction method, where the subsidy amount is deducted directly from the cost of the acquired assets.

As the importance of national subsidies has increased in recent years, mainly due to an increase in subsidies provided by the national and local governments to strengthen supply chains, the Company and some of its consolidated subsidiaries have been using these subsidies to increase their production capacity. In the fiscal year ended March 31, 2025, subsidy inflows to its consolidated subsidiaries prompted the Company to reexamine its accounting treatment for these subsidies. The Company concluded that employing the direct reduction method—coupled with straight-line depreciation over the assets' estimated useful lives—results in operating performance disclosures that not only are more appropriate but also more accurately reflect the Group's actual capital investments than does the previous practice of immediately recognizing the subsidy as income.

This accounting policy change was applied retrospectively, and the consolidated financial statements for the year ended March 31, 2024, were restated.

The effects of this accounting policy change were as follows: (1) Consolidated Balance Sheet as of March 31, 2024 – buildings and structures, net, decreased by ¥79 million, machinery, equipment and vehicles, net, decreased by ¥295 million, land decreased by ¥5 million, other intangible assets decreased by ¥0 million, deferred tax liabilities decreased by ¥114 million, retained earnings decreased by ¥261 million, and non-controlling interests decreased by ¥5 million. (2) Consolidated Statements of Income for the year ended March 31, 2024 – operating profit increased by ¥62 million, and ordinary profit decreased by ¥312 million, profit before income taxes decreased by ¥283 million, and profit attributable to owners of parent decreased by ¥197 million. Prior to April 1, 2024, subsidy income was included in other non-operating income. However, for the fiscal year ended March 31, 2025, it is reported separately as extraordinary income, reflecting the change in accounting policy. (3) Consolidated Statements of Cash Flows for the year ended March 31, 2024 – loss on tax purpose reduction entry of non-current assets increased by ¥345 million, profit before income taxes decreased by ¥293 million, and depreciation decreased by ¥62 million. Prior to April 1, 2024, subsidy income was included in Cash flows from operating activities However, for the fiscal year ended March 31, 2025, it is included in cash flows from investing activities as Subsidies received, reflecting the change in accounting policy.

In addition, for the fiscal year ended March 31, 2024, the cumulative effect of the retrospective accounting policy change was recognized in the beginning balance of net assets, resulting in a ¥64 million decrease in retained earnings and a ¥5 million decrease in non-controlling interests as of April 1, 2023.

The effects of this accounting policy change on segment and per share information are disclosed in the relevant notes to the Consolidated Financial Statements.

(Notes on Changes in Method of Presentation)

(Consolidated Statements of Cash Flows)

Increase (decrease) in contract liabilities, which was included in “other” in cash flows from operating activities in the previous fiscal year, are presented as separate items in the fiscal year under review because they have become more important in financial terms. To reflect this change in presentation, accounts in the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, ¥4,202 million presented in “other” of cash flows from operating activities in the consolidated statements of cash flows in the previous fiscal year has been reclassified into increase (decrease) in contract liabilities of ¥8,088 million, and “other” of -¥3,886 million.

Long-term loan advances, which was included in “other” in cash flows from investing activities in the previous fiscal year, are presented as separate items in the fiscal year under review because they have become more important in financial terms. To reflect this change in presentation, accounts in the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, -¥5,829 million presented in “other” of cash flows from investing activities in the consolidated statements of cash flows in the previous fiscal year has been reclassified into long-term loan advances of -¥539 million, and “other” of -¥5,290 million.

(Notes on Consolidated Statements of Income)

* Impairment loss

For the fiscal year ended March 31, 2024

The Group, as a general rule, groups operating assets by major product category and idle assets on an individual asset basis. In calculating recoverable amounts, as a general rule, the Group uses the net realizable value for idle assets and the value in use or the net realizable value for other assets. The discount rate used for calculating the value in use is from 7.0% to 11.5%. The net realizable values are market values after deducting estimated disposal expenses. The calculation of market values uses observable market transactions, appraisal value, or other reasonably calculated values.

As a result, in the period under review, the book values of the following asset groups were reduced primarily to the recoverable amounts, and the amount of the reduction, ¥23,444 million, was recorded as impairment loss under extraordinary losses.

Location		Use	Category
Georgia, USA	*1	Flexible packaging plant	Machinery and equipment, etc.
Texas, USA	*2	Semiconductor-related manufacturing equipment	Machinery and equipment
Taito Ward, Tokyo	*3	Assets for digital business	Software, etc.
Hiki County, Saitama Prefecture	*4	Contract filling plant	Land, etc.
Nordrhein-Westfalen, Germany	*5	Décor materials manufacturing equipment	Machinery and equipment
Bunkyo Ward, Tokyo	*6	Assets for digital business	Goodwill, etc.
Fukushima City, Fukushima Prefecture, etc.	*7	Label manufacturing plants	Buildings, etc.
Kobe City, Hyogo Prefecture	*8	Contract filling plant	Machinery and equipment, etc.

*1. The loss on the flexible packaging plant in Georgia, USA, was due to an expected decline in profitability associated with the deterioration of the business environment in the US market. The recoverable amount of this asset group is measured at net realizable value.

*2. The loss on the semiconductor-related manufacturing equipment in Texas, USA, was due to an expected decline in profitability associated with low productivity. The recoverable amount of this asset group is measured at net realizable value.

*3. The loss on the assets for the digital business in Taito Ward, Tokyo, was due to the time spent on expanding services being longer than expected, which resulted in an expected inability to recoup the investment in the short term. The recoverable amount of this asset group is measured at value in use, and its book value has been reduced to memorandum value.

*4. The loss on the contract filling plant in Hiki County, Saitama Prefecture, was due to a decision to withdraw from the business, leading to an expected inability to recover the loss. The recoverable amount of this asset group is measured at the value in use.

*5. The loss on the décor materials manufacturing equipment in Nordrhein-Westfalen, Germany, was due to an expected decline in profitability associated with the deterioration of the business environment in the European market. The recoverable amount of this asset group is measured at value in use, and its book value has been reduced to memorandum value.

*6. The impairment loss on the assets for digital business in Bunkyo Ward, Tokyo, was recognized due to a delay in the expansion of services and the time spent on the establishment of systems, including system development and operation, being longer than expected, which lead to an expected inability to recover the loss in the short term. The recoverable amount of this asset group is measured at value in use, and its book value has been reduced to memorandum value.

*7. The loss on the label manufacturing plants in Fukushima City, Fukushima Prefecture, etc., was due to an expected decline in profitability associated with the deterioration of the business environment. The recoverable amount of this asset group is measured at net realizable value.

*8. The loss on the contract filling plant in Kobe City, Hyogo Prefecture was due to an expected decline in profitability associated with the deterioration of the business environment. The recoverable amount of this asset group is measured at value in use, and its book value has been reduced to memorandum value.

The breakdown of the impairment loss is ¥5,839 million for flexible packaging plants, ¥3,718 million for assets for digital business, ¥2,986 million for contract filling plants, ¥2,740 million for semiconductor-related manufacturing equipment, ¥1,571 million for décor materials manufacturing equipment, ¥1,408 million for label manufacturing plants, ¥4,937 million for other operating assets, and ¥241 million for idle assets. The breakdown by asset category is ¥9,683 million for machinery, equipment and vehicles, ¥5,834 million for other intangible assets, ¥4,444 million for buildings and structures, ¥1,572 million for goodwill, ¥1,249 million for land, ¥399 million for other property, plant and equipment, ¥176 million for construction in progress, and ¥83 million for "other" in investments and other assets.

For the fiscal year ended March 31, 2025

The Group, as a general rule, groups operating assets by major product category and idle assets on an individual asset basis. In calculating recoverable amounts, as a general rule, the Group uses the net realizable value for idle assets and the value in use or the net realizable value for other assets. The discount rate used for calculating the value in use is from 2.2% to 15.5%. The net realizable values are market values after deducting estimated disposal expenses. The calculation of market values uses observable market transactions, appraisal value, or other reasonably calculated values.

As a result, in the period under review, the book values of the following asset groups were reduced primarily to the recoverable amounts, and the amount of the reduction, ¥67,118 million, was recorded as impairment loss under extraordinary losses.

Location	Use	Category
Nordrhein-Westfalen, Germany, etc. *1	Assets for décor materials business	Goodwill, etc.
Kawaguchi City, Saitama, etc. *2	Facilities related to information-related printing business	Buildings, etc.
Fukuroi City, Shizuoka Prefecture *3	Plant for secure media business	Buildings, etc.
Minato Ward, Tokyo *4	Assets for secure solutions business	Software, etc.
Aisai City, Aichi Prefecture *5	Plant for secure media business	Buildings, etc.
Itabashi Ward, Tokyo *6	Idle assets	Buildings, etc.
Taito Ward, Tokyo *7	Assets for frontier business	Software, etc.

*1. The loss on the assets for décor materials business in Nordrhein-Westfalen, Germany, etc., was due to INTERPRINT GmbH, which is a consolidated subsidiary of the Company. The decline in stay-at-home demand following the COVID-19 pandemic, weakened housing and furniture demand due to persistently high mortgage rates in Western markets—triggered by Russia's invasion of Ukraine—and China's economic slowdown, along with rising raw material costs and personnel expenses driven by inflation, have significantly impacted the subsidiary's profitability. Consequently, the realization of excess earnings power anticipated at the time of the subsidiary's acquisition is delayed, leading to the recognition of an impairment loss. The breakdown of the impairment loss is ¥11,353 million for machinery, equipment and vehicles, ¥5,197 million for buildings and structures, ¥4,624 million for other intangible assets, ¥3,814 million for goodwill, and ¥979 million for other property, ¥138 million for construction in progress, plant and equipment. The recoverable amount of this asset group is measured at value in use.

*2. The loss on the facilities related to information-related printing business in Kawaguchi City, Saitama, etc. was due to a decline in profitability. This decline was driven by a contraction in the printing industry market, which, in turn, has created a more challenging business environment for information-related printing operations. The recoverable amount of this asset group is measured at value in use, and its book value has been reduced to memorandum value.

*3. The loss on the plant for secure media business in Fukuroi City, Shizuoka Prefecture, was due to a decline in profitability associated with the deterioration of the business environment. The recoverable amount of this asset group is measured at net realizable value.

*4. The loss on the assets for secure solutions business in Minato Ward, Tokyo, was recognized because it became difficult to pursue the initial plan and execute the planned development. The recoverable amount of this asset group is measured at value in use, and its book value has been reduced to memorandum value.

*5. The loss on the plant for secure media business in Aisai City, Aichi Prefecture, was due to a decline in profitability associated with the deterioration of the business environment. The recoverable amount of this asset group is measured at value in use, and its book value has been reduced to memorandum value.

*6. The loss on the idle assets in Itabashi Ward, Tokyo, was recognized due to the decision to withdraw from the relevant business, which entails demolishing the building and clearing the land, leading to reduced profitability. The recoverable amount of this asset group is measured at value in use.

*7. The loss on the assets for frontier business in Taito Ward, Tokyo, was due to the time spent on expanding services being longer than expected, which resulted in an expected inability to recoup the investment in the short term. The recoverable amount of this asset group is measured at value in use, and its book value has been reduced to memorandum value.

The breakdown of the impairment loss is ¥26,108 million for assets for décor materials business, ¥21,734 million for Facilities related to information-related printing business, ¥5,161 million for plants for secure media business, ¥4,366 million for idle assets, ¥1,256 million for assets for frontier business, ¥1,202 million for assets for secure solutions business, and ¥7,289 million for other operating assets. The breakdown by asset category is ¥27,224 million for buildings and structures, ¥20,488 million for machinery, equipment and vehicles, ¥11,126 million for other intangible assets, ¥4,282 million for goodwill, ¥1,616 million for land, ¥1,541 million for other property, plant and equipment, ¥696 million for construction in progress, and ¥141 million for "other" in investments and other assets.

(Notes on Segment Information, etc)

a. Segment information

1. Description of reportable segments

(1) Method of determining reportable segments

Reportable segments of the Group are determined as segments whose separate financial information is accessible from among the constituent units of the Group and are regularly used by management to determine the allocation of management resources and to evaluate performance.

(2) Type of products and services belonging to each reportable segment

The reportable segments of the Group consist of three segments, “Information & Communication,” “Living & Industry,” and “Electronics,” based mainly on product and service characteristics.

Major products and services relating to each segment are as follows:

“Information & communication”

Securities-related documents, passbooks, cards, business forms, catalogues and other commercial printing, magazines, books and other publication printing, and business process outsourcing (BPO)

“Living & Industry”

Flexible packaging, folding cartons and other packaging products, plastic molded products, ink, transparent barrier film, decorative paper/film, wallpaper and other decorative material

“Electronics”

Color filters for LCDs, TFT-LCDs, anti-reflection films, photomasks, and semiconductor packaging products

2. Method of measurement for the amounts of net sales and profit (loss) for each reportable segment

The accounting methods used for reporting business segments are the same as the accounting principles and procedures used to prepare the consolidated financial statements. Reporting segment profit figures are based on operating profit. Inter-segment sales and transfers are mainly based on market prices.

(Change in accounting for tax purpose reduction entry of non-current assets)

As described in the Notes on Changes in Accounting Policies, national subsidies were accounted for as reserves appropriated from retained earnings. Effective April 1, 2024, the Group adopted the direct reduction method, where the subsidy amount is deducted directly from the cost of the acquired assets.

This accounting policy change was applied retrospectively, and the segment information for the year ended March 31, 2024, were restated.

Consequently, compared with the figures before the retrospective application, segment profit (operating profit) for the previous consolidated fiscal year increased by ¥2 million in the Information & Communication segment, ¥3 million in the Living & Industry segment, and ¥57 million in the Electronics segment.

3. Information on net sales and profit (loss) by reportable segment

For the fiscal year ended March 31, 2024

(Million yen)

	Reportable segment				Adjustment (Note)	Amount recorded in Consolidated Financial Statements
	Information & Communication	Living & Industry	Electronics	Total		
Net sales						
Net sales to outside customers	882,620	529,443	266,185	1,678,249	–	1,678,249
Inter-segment net sales or transfers	17,389	8,002	373	25,765	(25,765)	–
Total	900,009	537,445	266,559	1,704,014	(25,765)	1,678,249
Segment income (Operating profit)	45,698	27,424	49,644	122,767	(48,418)	74,349

(Note) The adjustment for segment profit includes corporate expenses in the amount of -¥49,149 million not allocated to the reportable segments. The relevant corporate expenses are mainly costs relating to the Company's head office sections and basic research sections.

For the fiscal year ended March 31, 2025

(Million yen)

	Reportable segment				Adjustment (Note)	Amount recorded in Consolidated Financial Statements
	Information & Communication	Living & Industry	Electronics	Total		
Net sales						
Net sales to outside customers	898,405	539,982	279,573	1,717,960	–	1,717,960
Inter-segment net sales or transfers	30,968	8,094	410	39,473	(39,473)	–
Total	929,373	548,076	279,984	1,757,434	(39,473)	1,717,960
Segment income (Operating profit)	45,658	33,329	52,073	131,062	(46,976)	84,086

(Note) The adjustment for segment profit includes corporate expenses in the amount of -¥47,041 million not allocated to the reportable segments. The relevant corporate expenses are mainly costs relating to the Company's head office sections and basic research sections.

b. Related information

For the fiscal year ended March 31, 2024

1. Information by product and service

This is omitted, as similar information is disclosed in Segment Information.

2. Information by geographical area

(1) Net sales

(Million yen)

Japan	Asia	Other	Total
1,089,066	292,544	296,638	1,678,249

(Note) Net sales are classified by country or area based on the locations of customers.

For the fiscal year ended March 31, 2025

1. Information by product and service

This is omitted, as similar information is disclosed in Segment Information.

2. Information by geographical area

(1) Net sales

(Million yen)

Japan	Asia	Other	Total
1,089,809	312,454	315,696	1,717,960

(Note) Net sales are classified by country or area based on the locations of customers.

c. Information concerning impairment loss on non-current assets by reportable segment

For the fiscal year ended March 31, 2024

(Million yen)

	Information & Communication	Living & Industry	Electronics	Adjustment	Total
Impairment loss	7,512	13,190	2,740	–	23,444

For the fiscal year ended March 31, 2025

(Million yen)

	Information & Communication	Living & Industry	Electronics	Adjustment	Total
Impairment loss	36,652	26,930	1,973	1,562	67,118

d. Information concerning amortization and unamortized balance of goodwill by reportable segment
For the fiscal year ended March 31, 2024

(Million yen)

	Information & Communication	Living & Industry	Electronics	Adjustment	Total
(Goodwill)					
Amortization during the period	2,403	1,332	91	–	3,827
Balance at the end of period	11,440	11,789	713	–	23,942

For the fiscal year ended March 31, 2025

(Million yen)

	Information & Communication	Living & Industry	Electronics	Adjustment	Total
(Goodwill)					
Amortization during the period	2,221	1,356	120	–	3,698
Balance at the end of period	15,384	6,677	302	–	22,363

(Business Combinations, etc)

(Business Combination through Share Acquisition)

The Company's Board of Directors adopted a resolution to acquire shares of five companies in the HID Global Group (CID Business) ("HID CID"), which operates a government ID solutions business, and to reorganize them into subsidiaries at the meeting held on October 4, 2024. The Company concluded a share transaction agreement on October 9, 2024 through TOPPAN Security Group Limited, established by the Company and a consolidated subsidiary, TOPPAN Next Pte., Ltd., for the purpose of accepting these companies' shares. On January 31, 2025, the share acquisition took place.

In association with this transaction, the Company also agreed that a new U.S.-based subsidiary set up by TOPPAN Security Group Limited would take over part of the assets.

1. Overview of the business combination

(1) Name of the acquired companies and their business

Names of the acquired companies: HID Global CID SAS and four other companies and their five subsidiaries

Business: Government ID solutions business

(2) Main reasons for the business combination

The Company has been working to expand the government ID business in collaboration with overseas group companies. In recent years, the Company has accelerated business expansion into Global South region including Africa with future growth potential.

To quickly expand its global security business and to establish a structure that opens the way to offer solutions matched with issues in the markets, the Company will combine HID CID's solid sales and customer bases in the global market and the capabilities to plan and develop solutions with the TOPPAN Group's technological capabilities in the security business that it has long operated for the global market. The Group will step up its consulting capabilities, including direct points of contact with different national governments. It will functionally and efficiently combine its wide range of solutions, from security product development capabilities to provision of digital ID products, with both parties' manufacturing and development bases, aiming to construct a comprehensive ID solution business structure that will help resolve social issues in the global market.

(3) Date of the business combination

January 31, 2025

(4) Legal form of the business combination

Cash acquisition of shares

(5) Name of the entities after the business combination

TOPPAN Security SAS and four other companies and their five subsidiaries

(6) Percentage share of voting rights acquired

100.0%

(7) Primary rationale and background for determining the acquirer for accounting purposes

The rationale for determining the acquirer for accounting purposes is that consolidated subsidiary TOPPAN Security Group Limited acquired all outstanding shares of the acquired companies in exchange for cash consideration.

2. Reporting period during which the acquired companies' operating results were consolidated into the Consolidated Financial Statements

In preparing the Company's Consolidated Financial Statements as of March 31, 2025, the Company consolidated only the acquired companies' balance sheets and excluded their statements of income. The Consolidated Statements of Income do not reflect the acquired companies' operating results.

3. Costs of the acquisition of acquired companies and breakdown by type of consideration

Consideration for acquisition	Cash	132 million US dollars
Acquisition cost		132 million US dollars

* The acquisition cost has not yet been finalized because the adjustment to the acquisition price, as specified in the agreement, is still under detailed review.

4. Nature and amount of material acquisition-related costs

Advisory and other expenses ¥665 million

5. Amount, reasons for recognition, method and period of amortization of goodwill recognized

(1) Amount of goodwill recognized

¥4,912 million

(2) Reasons for recognition

Goodwill was recognized on the basis of the anticipated excess earnings power generated by planned business development efforts.

(3) Method and period of amortization

Goodwill will be amortized on a straight-line basis over the period during which the Company expects to realize returns on this investment.

6. Breakdown of amounts recognized for assets acquired and liabilities assumed as of the business combination date

	(Million yen)
Current assets	13,974
Non-current assets	6,871
Total assets	20,845
Current liabilities	6,969
Non-current liabilities	1,659
Total liabilities	8,628

7. Breakdown of amounts allocated to intangible assets (excluding goodwill) and their overall and category-specific amortization period

	(Million yen)
Category	Amounts
Customer-related intangible assets	2,640
Software	1,497
Total	4,138

* The amortization period is under calculation.

8. Allocation of acquisition cost

As of the fiscal year-end, the fair values of the acquired assets and assumed liabilities were still under evaluation, and the allocation of the acquisition cost had not yet been finalized. Accordingly, provisional amounts were recognized in the Consolidated Financial Statements based on the reasonable information available as of the fiscal year-end.

(Share Transfer Involving a Change in a Consolidated Subsidiary)

The Company resolved at a meeting of the Board of Directors held on January 16, 2025 to transfer all the shares it holds in its consolidated subsidiary Giantplus Technology Co., Ltd. ("Giantplus"), which is also a specified subsidiary company of the Company. Following the share transfer, Giantplus will be removed from the scope of consolidation of the Company. The share transfer will be conducted in two stages. The first stage was completed on January 20, 2025, at which point Giantplus was classified as an associate and is now accounted for under the equity method. The second stage is scheduled for late August 2025.

1. Overview of the share transfer

(1) Name of the entity receiving the shares

Ju Yi Investment Ltd

(2) Overview of the subsidiary subject to change, its business and its transactions with the Company

Name:	Giantplus Technology Co., Ltd.
Business:	Manufacture and sale of liquid crystal panels and liquid crystal modules
Transactions:	TOPPAN Inc., a subsidiary of the Company, purchases liquid crystal panels from Giantplus.

(3) Main reasons for share transfer

This share transfer aims to optimize allocation of management resources across the entire TOPPAN Group and to strengthen the foundation for the creation of new businesses.

(4) Timing of transfer

1st stage:	January 20, 2025
2nd stage:	Late August, 2025 (plan)

(5) Other matters including legal form

Share transfer in exchange for cash-only consideration

2. Numbers of shares transferred and numbers of shares owned after transfer

(1) Number of shares to be transferred

1st stage:	81,500,000 shares
2nd stage:	152,981,757 shares

(2) Equity ratios after transfer

1st stage:	34.6%
2nd stage:	–

3. Overview of accounting treatment

(1) Amount of gain (loss) on transfer

Loss on sale of shares of subsidiaries and associates: ¥239 million

(2) Fair book value and major components of assets and liabilities of the transferred subsidiary

	(Million yen)
Current assets	27,068
Non-current assets	28,148
Total assets	55,216
Current liabilities	14,376
Non-current liabilities	2,294
Total liabilities	16,670

(3) Accounting treatment

The difference between the consolidated book value of the shares transferred in the first stage and their transfer price was recognized as Loss on sale of shares of subsidiaries and associates under Extraordinary Losses. The difference between the consolidated book value of the shares transferred in the second stage and their transfer price was recognized as Provision of allowance for investment loss ¥873 million under extraordinary losses.

4. Reportable segment including the transferred subsidiary

Electronics business fields

5. Revenue and profit/loss for the transferred subsidiary which are recognized in the Consolidated Statements of Income for the year ended March 31, 2025

	(Million yen)
Net sales	43,453
Operating losses	341

(Matters Concerning Revenue Recognition)

Information on the breakdown of revenue from contracts with customers

For the fiscal year ended March 31, 2024

(Million yen)

	Reportable segment			Total
	Information & Communication	Living & Industry	Electronics	
Japan	740,152	297,100	51,276	1,088,529
Asia	51,878	100,729	139,936	292,544
Other	90,052	131,613	74,972	296,638
Revenue from contracts with customers	882,083	529,443	266,185	1,677,712
Other revenue	536	–	–	536
Net sales to outside customers	882,620	529,443	266,185	1,678,249

For the fiscal year ended March 31, 2025

(Million yen)

	Reportable segment			Total
	Information & Communication	Living & Industry	Electronics	
Japan	735,073	299,178	54,645	1,088,897
Asia	56,179	106,811	149,462	312,454
Other	106,239	133,992	75,464	315,696
Revenue from contracts with customers	897,493	539,982	279,573	1,717,048
Other revenue	912	–	–	912
Net sales to outside customers	898,405	539,982	279,573	1,717,960

(Notes on Per Share Information)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net assets per share	¥4,516.15	¥4,471.44
Basic earnings per share	¥230.96	¥295.98

(Notes)
1. The basis for the calculation of basic earnings per share is as shown below.
2. Diluted earnings per share are not stated because there is no potential share dilution.
3. The number of shares of the Company owned by the ESOP trust is included in the number of treasury shares excluded from the total number of issued shares at the end of the period used to calculate net assets per share. The number of shares of the Company owned by the ESOP trust is also included in the number of treasury shares excluded from the calculation of the average number of shares during the period used to calculate basic earnings per share.
   The number of treasury shares at the end of the period excluded from the calculation of net assets per share was 1,885 thousand shares. The average number of treasury shares during the period excluded from the calculation of basic earnings per share was 1,885 thousand shares.
4. As described in "Notes on Changes in Accounting Policies," the accounting policy change for national subsidies effective April 1, 2024, was applied retrospectively, and the consolidated financial statements for the year ended March 31, 2024, were restated. Consequently, net assets per share for the year decreased by ¥0.83 and basic earnings per share for the year decreased by ¥0.61.

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Basic earnings per share		
Profit attributable to owners of parent (Million yen)	74,198	89,348
Amount not attributable to common shareholders (Million yen)	–	–
Profit attributable to owners of parent relating to common shares (Million yen)	74,198	89,348
Average number of shares of common shares outstanding during each fiscal year (Thousand shares)	321,259	301,870

(Notes on Additional Information)
(Merger of consolidated subsidiaries)

At its board meeting on March 13, 2025, the Company's Board of Directors approved a resolution to merge its three wholly-owned subsidiaries—TOPPAN Inc. ("TOPPAN"), TOPPAN Edge Inc. ("TOPPAN Edge"), and TOPPAN Digital Inc. ("TOPPAN Digital").

1. Overview of the transaction
(1) Name of subsidiaries to be merged and their business

(Surviving company)

Name:	TOPPAN Inc.
Business:	Information & Communication, Living & Industry, Electronics, etc.

(Absorbed company)

Name:	TOPPAN Edge Inc.
Business:	Information solutions, hybrid BPO, communication media, and security products

(Absorbed company)

Name:	TOPPAN Digital Inc.
Business:	Developing DX business strategies for the entire Toppan Group, Creating and promoting new DX businesses, DX-related research & development, Providing IT infrastructure

(2) Date of the business combination
April 1, 2026 (plan)

(3) Legal form of the business combination
An absorption-type merger in which TOPPAN is the surviving company and TOPPAN Edge and TOPPAN Digital are the absorbed companies.

(4) Name of the entity after the business combination
TOPPAN Inc.

(5) Other matters
This merger aims to consolidate the Group's management resources and customer base, generate group-wide synergies, and enhance competitiveness across its information and other business segments, ultimately driving further Group growth.

2. Overview of accounting treatment
The transaction will be processed as a transaction under common control in accordance with the Accounting Standard for Business Combinations (ASBJ Statement No. 21, January 16, 2019) and the Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10, January 16, 2019).

(Notes on Significant Subsequent Events)

(Business combination through share acquisition)

On December 18, 2024 (U.S. time), the Company concluded an agreement with Sonoco Products Company (“Sonoco”), an operator of consumer packaging business and industrial paper packaging business mainly in the United States, on the acquisition of shares of certain Sonoco subsidiaries and a business transfer (collectively the “Acquisition”) for the purpose of acquiring the thermoformed and flexible packaging business (the “TFP business”) from Sonoco. The Acquisition was completed as of April 1, 2025.

1. Overview of the Acquisition

(1) Names of companies to be acquired, names after acquisition, percentage shares of voting rights acquired, and business descriptions

(i)	Name of acquired company:	Sonoco do Brasil Participações Ltda., and its four subsidiaries
	Name after acquisition:	TOPPAN Packaging do Brazil Ltda.
	Percentage shares of voting rights acquired:	100.0%
	Business descriptions:	Flexibles including lidding, complex laminations, cold sealing, pouching and special finishing
(ii)	Name of acquired company:	Sonoco Flexible Packaging Canada Corporation
	Name after acquisition:	TOPPAN Packaging Canada Corporation
	Percentage shares of voting rights acquired:	100.0%
	Business descriptions:	Flexibles including lidding, complex laminations, cold sealing, pouching and special finishing
(iii)	Name of acquired company:	Sonoco Flexible Packaging Co., Inc., and its three subsidiaries
	Name after acquisition:	TOPPAN Packaging USA Inc.
	Percentage shares of voting rights acquired:	100.0%
	Business descriptions:	Flexibles including lidding, complex laminations, cold sealing, pouching and special finishing
(iv)	Name of acquired company:	Sonoco Graphics India Private Limited
	Name after acquisition:	Toppan Trident India Graphics Private Limited
	Percentage shares of voting rights acquired:	91.0%
	Business descriptions:	Design and creative production providing graphic design to food and retail packaging brands
(v)	Name of acquired company:	Sonoco Plastics, Inc., and its eight subsidiaries
	Name after acquisition:	TOPPAN Thermoformed Packaging Inc.
	Percentage shares of voting rights acquired:	100.0%
	Business descriptions:	Thermoformed packaging including trays, food containers, clamshells, portion control cups and egg packs
(vi)	Name of acquired company:	Sonoco TEQ Holdings Limited and its two subsidiaries
	Name after acquisition:	TOPPAN TEQ Holdings Limited
	Percentage shares of voting rights acquired:	100.0%
	Business descriptions:	Thermoformed packaging including trays, food containers, clamshells, portion control cups and egg packs
(vii)	Name of acquired company:	Tegrant Alloyd Brands, Inc., and its three subsidiaries
	Name after acquisition:	Tegrant Alloyd Brands, Inc.
	Percentage shares of voting rights acquired:	100.0%
	Business descriptions:	Thermoforming (Alloyed) specializing in blister packaging and heat seal packaging

(2) Reasons for the business combination

Defining Digital & Sustainable Transformation ("DX" and "SX") as the key concept of its Medium Term Plan, the Company aims to be a leader in providing solutions to social issues worldwide through DX and SX. In the current Medium Term Plan (fiscal year ended March 2024 to fiscal year ending March 2026) the DX business, the SX and overseas Living & Industry business, and the semiconductor-related business are positioned as growth businesses as the Company pursues transformation of its business portfolio.

In response to heightened global consciousness of environmental conservation in recent years, customers including global blue-chip brands in the overseas Living & Industry business expect the Company to take action focused on the environment, particularly in the growing area of flexible packaging. As part of its global strategy for eco-friendly and sustainable packaging, the Company aims to enhance its technological edge and cost competitiveness by establishing robust global supply chain capabilities. These include film extrusion, barrier processing, and packaging manufacturing in markets across the globe. This approach is designed to strengthen local production and promote local consumption in every region worldwide.

To maintain its growth in the future, the Company examined the creation of opportunities for expanding business in the Americas, which has a large addressable market. The Company decided to acquire the TFP business from Sonoco, a world-leading packaging manufacturer based in the United States that operates worldwide.

Through this acquisition, the Company will leverage TFP's robust customer and manufacturing bases centered on the North and South America markets to bolster sustainable packaging operations globally and expand the business by responding to the sustainability needs of CPG clients globally.

(3) Date of the business combination

April 1, 2025

(4) Legal form of the business combination

Acquisition of shares and transfer of business for cash consideration

(5) Primary rationale and background for determining the acquirer for accounting purposes

The primary rationale for determining the acquirer for accounting purposes is that the consolidated subsidiaries, TOPPAN Packaging Americas Holdings Inc. and TOPPAN Thermoformed Packaging Holdings Inc. acquired the shares and business of the acquired companies in exchange for cash consideration.

2. Costs of the acquisition of acquired companies and breakdown by type of consideration

Consideration for acquisition	Cash	1,822 million US dollars
Acquisition cost		1,822 million US dollars

* The acquisition cost has not yet been finalized because the adjustment to the acquisition price, as specified in the agreement, is still under detailed review.

3. Nature and amount of material acquisition-related costs

Advisory and other expenses ¥1,512 million

4. Method of funding and payment

The funds for this acquisition of shares, etc. were provided through bank borrowings and internal funds.

(Purchase of treasury shares)

At the Board meeting held on May 14, 2025, the Company resolved to acquire its own shares in accordance with the provisions of the Articles of Incorporation pursuant to the provisions of Article 459, Paragraph 1 of the Companies Act.

1. The reasons for acquiring treasury stock

The Company will acquire its own shares for the purpose of enhancing shareholder returns and improving capital efficiency.

2. Details of matters concerning the acquisition

(1)	Class of shares to be acquired:	Common stock of the Company
(2)	Total number of shares to be acquired:	11,000,000 shares (maximum) (3.75% of total shares outstanding [excluding treasury stock])
(3)	Total acquisition price of shares:	¥300 billion (maximum)
(4)	Acquisition period:	From May 15, 2025 to May 14, 2026
(5)	Acquisition method:	Market purchase on the Tokyo Stock Exchange

(Cancellation of treasury shares)

At the Board meeting held on May 14, 2025, the Company resolved to cancel its own shares in accordance with the provisions of Article 178 of the Companies Act.

Details of matters concerning the cancellation

(1)	Class of shares to be cancelled:	Common stock of the Company
(2)	Total number of shares to be cancelled:	24,000,000 shares (7.53% of total number of outstanding shares before the cancellation)
(3)	Planned date of cancellation:	May 26, 2025
(4)	Total number of outstanding shares after the cancellation:	294,706,240 shares