

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



August 8, 2025

Company name: TOPPAN Holdings Inc.

Stock exchange listing: Tokyo Stock Exchange

Code number: 7911

URL: <https://www.holdings.toppa.com/en/>

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Scheduled date of commencing dividend payments: –

Availability of supplementary briefing material on quarterly financial results: Available

Schedule of quarterly 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 Three Months Ended June 30, 2025 (April 1, 2025 to June 30, 2025)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2025	397,561	(1.3)	13,541	20.1	15,002	(9.9)	9,370	(4.8)
June 30, 2024	402,851	–	11,273	–	16,656	–	9,840	–

(Note) Comprehensive income: Three months ended June 30, 2025: ¥2,045 million [(96.9)%]

Three months ended June 30, 2024: ¥66,849 million [–%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2025	32.41	–
June 30, 2024	31.48	–

	EBITDA		Non-GAAP operating profit		Non-GAAP profit attributable to owners of parent	
Three months ended	Million yen	%	Million yen	%	Million yen	%
June 30, 2025	32,269	2.6	16,189	15.3	9,352	16.8
June 30, 2024	31,456	–	14,040	–	8,006	–

(Note) EBITDA is a profit indicator that indicates the cash generating ability, obtained by adjusting operating profit for “depreciation of property, plant and equipment” and “amortization of goodwill and intangible assets.”

Non-GAAP operating profit is a profit indicator that indicates the ability to generate earnings from the core business, obtained by adjusting operating profit for one-time expenses or expenses with little relationship to the core business, such as “amortization of goodwill and intangible assets related to acquisitions,” “M&A-related expenses,” and “stock compensation-related expenses.”

Non-GAAP profit attributable to owners of parent is a profit indicator obtained by adjusting profit attributable to owners of parent for “amortization of goodwill and intangible assets related to acquisitions,” “M&A-related expenses,” “stock compensation-related expenses,” “restructuring-related expenses,” “gain or loss on sale of investment securities,” and other related tax expenses and non-controlling interests.

(Note) Figures for the three months ended June 30, 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
As of	Million yen	Million yen	%
June 30, 2025	2,442,068	1,400,716	52.0
March 31, 2025	2,515,087	1,418,608	51.4

(Reference) Equity: As of June 30, 2025: ¥1,269,982 million As of March 31, 2025: ¥1,293,555 million

(Note) Figures for the fiscal year ended March 31, 2025 have been retroactively adjusted due to changes in accounting policies, and those calculated retroactively are presented.

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	24.00	—	32.00	56.00
Fiscal year ending March 31, 2026	—				
Fiscal year ending March 31, 2026 (Forecast)		28.00	—	28.00	56.00

(Note) Revision to the forecast for dividends announced most recently: No

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	%	
Full year	1,880,000	9.3	92,000	8.2	97,000	8.3	65,000	(27.9)	Yen 230.40

(Note) Revision to the financial results forecast announced most recently: No

(Note) Changes from the previous corresponding period are presented by comparing the forecast figures with the figures for the previous corresponding period retroactively adjusted due to changes in accounting policies.

* Notes:

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

Newly included: 27 companies (TOPPAN Packaging USA Inc. and 26 other companies)

Excluded: —

(Note) For details, please refer to “Business Combinations, Etc.” on page 11.

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

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

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: Yes

3) Changes in accounting estimates: No

4) Retrospective restatement: No

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

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

June 30, 2025:	294,706,240 shares
March 31, 2025:	318,706,240 shares

2) Total number of treasury shares at the end of the period:

June 30, 2025:	7,738,628 shares
March 31, 2025:	29,413,723 shares

3) Average number of shares during the period:

Three months ended June 30, 2025:	289,111,034 shares
Three months ended June 30, 2024:	312,610,997 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 (three months) includes the Company's shares owned by the ESOP trust.

* Review of the attached quarterly consolidated financial statements by certified public accountants or audit firms: No

* 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.

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1. Overview of Operating Results, Etc.

Beginning from the first quarter of the fiscal year under review, the Company has changed the method of currency conversion into Japanese yen for income and expenses of foreign subsidiaries and affiliates from the method that applies the spot exchange rate on the financial closing date to the method that applies the average exchange rate during the period. Comparisons with the same period of the previous fiscal year are made using figures after retroactive application.

(1) Overview of Operating Results

During the three months under review (from April 1, 2025 to June 30, 2025), the business outlook remained uncertain given mounting geopolitical risks, such as a new tariff policy of the U.S., worldwide inflation and 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 three months ended June 30, 2025, net sales decreased by 1.3% from the same period of the previous fiscal year to ¥397.5 billion. Operating profit increased by 20.1% to ¥13.5 billion and ordinary profit decreased by 9.9% to ¥15.0 billion. Profit attributable to owners of parent decreased by 4.8% to ¥9.3 billion.

Trends by business segment during the three months ended June 30, 2025 are as follows.

Information & Communication

In the digital business, sales rose, reflecting growth in the security business mainly in Europe and Africa, in addition to a solid performance in the marketing DX business, which includes business transformation support tailored to the characteristics of customers’ industries. Moreover, with the aim of further expanding the security business, TOPPAN Holdings Inc. (the “Company”) agreed to acquire a company based in Thailand, which provides smart card solutions in Asia and throughout Africa.

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 and government sectors.

Sales in the secure media business increased owing to growth in data printing services, etc.

In the communication media business, sales decreased due to declines in publication and commercial printing. The consolidation of publishing and printing operations into TOPPAN Colorer Inc. was promoted with the aim of enhancing profitability. The Company is promoting further structural reforms including the integration of business form sites.

As a result, net sales in the Information & Communication segment increased by 2.3% from the same period of the previous fiscal year to ¥210.2 billion, and operating profit increased by 73.0% to ¥5.0 billion.

Living & Industry

In the packaging business, in addition to expansion of overseas sales of packaging and GL BARRIER transparent barrier films mainly for food applications, SX packaging sales in Japan utilizing GL BARRIER also increased, resulting in increased sales in this business as a whole. Moreover, amidst growing interest in environmentally friendly packaging materials as the Packaging and Packaging Waste Regulation (PPWR) came into effect in the EU in February 2025, the Company is strengthening the global supply system for SX packaging, including film manufacturing, which is upstream in the supply chain. In addition to the acquisition of the

thermoformed and flexible packaging business from Sonoco Products Company to reinforce the Group's customer base and manufacturing infrastructure in the Americas and the acquisition of Irplast S.p.A., an Italian manufacturer and seller of high-environmental-performance films, the Company opened a new plant for barrier films in the Czech Republic, which has started operation.

In the décor materials business, the Company expanded sales of decorative sheets for flooring 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.

As a result, net sales in the Living & Industry segment increased by 0.6% from the same period of the previous fiscal year to ¥136.2 billion, and operating profit increased by 33.7% to ¥9.3 billion.

Electronics

In the semiconductor business, photomasks were supported by strong demand in Asia and Europe for advanced products. Moreover, regarding FC-BGA substrates, which are high-density semiconductor packages, demand for game applications increased. However, overall sales for this business decreased, affected by a negative impact of exchange rates. In initiatives to further strengthen competitiveness, the Company is preparing for the startup of a production line at the Ishikawa Plant, which will serve as a new site for the technology development and mass production of products. To help advance technologies and create new business opportunities, the Company is participating in 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, sales decreased, affected by the transition of Giantplus Technology Co., Ltd., a subsidiary in Taiwan, to an equity-method affiliate as the Company sold a portion of the shares with a view to optimal allocation of management resources.

As a result, net sales for the Electronics segment decreased by 18.2% from the same period of the previous fiscal year to ¥56.6 billion, and operating profit decreased by 27.2% to ¥9.0 billion.

(2) Overview of Financial Position

Total assets as of the end of the first quarter of the fiscal year under review decreased by ¥73.0 billion from the end of the previous fiscal year to ¥2,442.0 billion. This is attributable mainly to a decrease of ¥399.8 billion in cash and deposits, despite increases of ¥181.5 billion in goodwill, ¥29.0 billion in machinery, equipment and vehicles, ¥19.5 billion in raw materials and supplies, ¥17.3 billion in other under investments and other assets, ¥15.0 billion in other under intangible assets, ¥13.4 billion in construction in progress, ¥11.4 billion in merchandise and finished goods, ¥11.3 billion in buildings and structures, and ¥10.9 billion in accounts receivable - other, which is included in other under current assets.

Liabilities decreased by ¥55.1 billion from the end of the previous fiscal year to ¥1,041.3 billion. This primarily reflects a decrease of ¥60.7 billion in income taxes payable.

Net assets decreased by ¥17.8 billion from the end of the previous fiscal year to ¥1,400.7 billion. This is attributable to decreases of ¥90.0 in treasury shares and ¥103.4 billion in retained earnings.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

No change has been made to the forecasts for financial results announced on May 14, 2025. The Company will appropriately disclose any change that occurs.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	768,989	369,167
Notes and accounts receivable - trade, and contract assets	439,703	431,072
Securities	9,600	7,096
Merchandise and finished goods	61,782	73,210
Work in process	31,707	40,124
Raw materials and supplies	47,138	66,685
Other	55,084	75,590
Allowance for doubtful accounts	(7,100)	(7,233)
Total current assets	1,406,905	1,055,713
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	195,516	206,843
Machinery, equipment and vehicles, net	173,413	202,508
Land	137,210	139,956
Construction in progress	83,210	96,704
Other, net	31,649	32,022
Total property, plant and equipment	620,999	678,035
Intangible assets		
Goodwill	22,363	203,895
Other	64,898	79,911
Total intangible assets	87,261	283,807
Investments and other assets		
Investment securities	310,633	317,888
Other	89,522	106,859
Allowance for doubtful accounts	(235)	(235)
Total investments and other assets	399,920	424,512
Total non-current assets	1,108,181	1,386,354
Total assets	2,515,087	2,442,068

(Million yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	178,688	165,886
Short-term borrowings	312,764	318,599
Current portion of long-term borrowings	27,160	20,222
Income taxes payable	71,222	10,428
Provision for bonuses	30,287	15,515
Other provisions	2,713	3,124
Other	200,046	192,190
Total current liabilities	822,884	725,967
Non-current liabilities		
Bonds payable	50,000	55,799
Long-term borrowings	77,672	82,056
Retirement benefit liability	52,625	53,751
Provision for share awards	4,623	5,404
Other provisions	12,058	11,150
Other	76,615	107,222
Total non-current liabilities	273,594	315,385
Total liabilities	1,096,479	1,041,352
Net assets		
Shareholders' equity		
Share capital	104,986	104,986
Capital surplus	119,984	120,000
Retained earnings	1,047,468	943,997
Treasury shares	(114,304)	(24,223)
Total shareholders' equity	1,158,135	1,144,760
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	73,145	80,354
Deferred gains or losses on hedges	(3,700)	(516)
Foreign currency translation adjustment	58,963	38,709
Remeasurements of defined benefit plans	7,011	6,675
Total accumulated other comprehensive income	135,419	125,222
Share acquisition rights	4	4
Non-controlling interests	125,049	130,729
Total net assets	1,418,608	1,400,716
Total liabilities and net assets	2,515,087	2,442,068

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Net sales	402,851	397,561
Cost of sales	310,390	302,258
Gross profit	92,461	95,302
Selling, general and administrative expenses		
Freight costs	6,783	7,124
Provision of allowance for doubtful accounts	3	283
Remuneration, salaries and allowances for directors (and other officers)	28,679	29,860
Provision for bonuses	3,768	3,767
Provision for bonuses for directors (and other officers)	131	135
Retirement benefit expenses	1,150	1,286
Provision for retirement benefits for directors (and other officers)	89	87
Travel expenses	1,502	1,589
Research and development expenses	4,667	4,537
Other	34,411	33,088
Total selling, general and administrative expenses	81,187	81,761
Operating profit	11,273	13,541
Non-operating income		
Interest income	1,667	1,259
Dividend income	2,158	1,735
Share of profit of entities accounted for using equity method	516	546
Foreign exchange gains	2,846	4,233
Other	1,034	1,158
Total non-operating income	8,223	8,933
Non-operating expenses		
Interest expenses	1,050	1,583
Loss on derivatives	221	3,723
Other	1,568	2,167
Total non-operating expenses	2,840	7,473
Ordinary profit	16,656	15,002

(Million yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Extraordinary income		
Gain on sale of non-current assets	217	74
Gain on valuation of investment securities	–	418
Gain on sale of investment securities	6,081	3,051
Reversal of special retirement expenses	5	23
Subsidy income	–	19
Gain on reversal of environmental expenses	–	4
Total extraordinary income	6,304	3,591
Extraordinary losses		
Loss on sale and retirement of non-current assets	396	374
Loss on tax purpose reduction entry of non-current assets	–	19
Loss on sale of investment securities	507	383
Loss on valuation of investment securities	151	59
Loss on liquidation of subsidiaries and associates	–	84
Extra retirement payments	134	22
Loss on sale of shares of subsidiaries and associates	–	0
Impairment losses	282	–
Total extraordinary losses	1,472	944
Profit before income taxes	21,488	17,648
Income taxes - current	7,915	2,722
Income taxes - deferred	1,151	1,198
Total income taxes	9,067	3,921
Profit	12,421	13,727
Profit attributable to non-controlling interests	2,580	4,357
Profit attributable to owners of parent	9,840	9,370

Quarterly Consolidated Statements of Comprehensive Income

Three Months Ended June 30

(Million yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Profit	12,421	13,727
Other comprehensive income		
Valuation difference on available-for-sale securities	28,476	7,135
Deferred gains or losses on hedges	14	3,183
Foreign currency translation adjustment	25,823	(20,436)
Remeasurements of defined benefit plans, net of tax	(161)	(313)
Share of other comprehensive income of entities accounted for using equity method	274	(1,251)
Total other comprehensive income	54,428	(11,682)
Comprehensive income	66,849	2,045
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	60,998	(827)
Comprehensive income attributable to non-controlling interests	5,850	2,873

(3) Notes to Quarterly 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 2,293,400 treasury shares in accordance with a resolution of the Board of Directors at its meeting held on May 14, 2025. This resulted in an increase of ¥8,525 million in treasury shares during the three months ended June 30, 2025.

(Cancellation of treasury shares)

The Company retired 24,000,000 treasury shares on May 26, 2025, in accordance with a resolution of the Board of Directors at its meeting held on May 14, 2025. As a result, retained earnings and treasury shares decreased by ¥98,656 million and ¥98,656 million, respectively, in the three months ended June 30, 2025.

The resulting capital surplus, retained earnings and treasury shares at the end of the first quarter of the fiscal year under review were ¥120,000 million, ¥943,997 million, and ¥24,223 million, respectively.

(Notes on Changes in Accounting Policies)

(Change in the method of currency conversion into Japanese yen for income and expenses of foreign subsidiaries and affiliates)

Income and expenses of foreign subsidiaries and affiliates were previously converted into Japanese yen using the spot exchange rate on the financial closing date. Taking into consideration the increasing significance of foreign subsidiaries and affiliates, and recent sharp fluctuations of currency exchange rates, the Company changed the method of currency conversion into Japanese yen to the one that applies the average exchange rate during the period in order to appropriately reflect the business results of foreign subsidiaries and affiliates in the consolidated financial statements from the beginning of the first quarter of the fiscal year under review.

This accounting policy change was applied retrospectively and the quarterly consolidated financial statements for the three months ended June 30, 2024 and the consolidated financial statements for the fiscal year ended March 31, 2024 were restated.

As a result, compared with the figures before the retrospective application, for the three months ended June 30, 2024, net sales, operating profit, ordinary profit, profit before income taxes, and profit attributable to owners of parent decreased by ¥1,419 million, ¥149 million, ¥155 million, ¥157 million, and ¥155 million, respectively. The effect on per share information is negligible.

Moreover, for the fiscal year ended March 31, 2024, the beginning balance of retained earnings decreased by ¥290 million and that of foreign currency translation adjustment increased by the same amount.

(Notes on Statements of Cash Flows)

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

(Million yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Depreciation	19,199	17,866

(Note) For depreciation for the three months ended June 30, 2024, the figure after retrospective application of the accounting policy change is presented.

(Notes on Segment Information, Etc.)

I. For the three months ended June 30, 2024

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

(Million yen)

	Reportable segment				Adjustment (Note)	Amount recorded in Quarterly Consolidated Statements of Income
	Information & Communication	Living & Industry	Electronics	Total		
Net sales						
Net sales to outside customers	202,292	133,347	67,212	402,851	—	402,851
Inter-segment net sales or transfers	3,310	2,095	1,964	7,370	(7,370)	—
Total	205,603	135,442	69,177	410,222	(7,370)	402,851
Segment profit (Operating profit)	2,917	6,970	12,404	22,293	(11,019)	11,273

(Note) The adjustment for segment profit includes corporate expenses in the amount of -¥11,157 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.

II. For the three months ended June 30, 2025

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

(Million yen)

	Reportable segment				Adjustment (Note)	Amount recorded in Quarterly Consolidated Statements of Income
	Information & Communication	Living & Industry	Electronics	Total		
Net sales						
Net sales to outside customers	206,641	134,347	56,572	397,561	—	397,561
Inter-segment net sales or transfers	3,613	1,871	41	5,526	(5,526)	—
Total	210,254	136,218	56,614	403,087	(5,526)	397,561
Segment profit (Operating profit)	5,049	9,322	9,035	23,407	(9,865)	13,541

(Note) The adjustment for segment profit includes corporate expenses in the amount of -¥9,912 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.

2. Change in reportable segment

(Change in the method of currency conversion into Japanese yen for income and expenses of foreign subsidiaries and affiliates)

As stated in the Notes on Changes in Accounting Policies, effective from the first quarter of the fiscal year under review, the Company changed the method of currency conversion into Japanese yen for income and expenses of foreign subsidiaries and affiliates from the method that applies the spot exchange rate on the financial closing date to the method that applies the average exchange rate during the period. For the segment information for the three months ended June 30,

2024, this accounting policy change was applied retrospectively and the segment information after the retrospective application is presented.

As a result, compared with the figures before the retrospective application, Net sales to outside customers for the three months ended June 30, 2024 decreased by ¥179 million, ¥602 million, and ¥637 million for the Information & Communication segment, the Living & Industry segment, and the Electronics segment, respectively. Segment profit (Operating profit) decreased by ¥12 million for the Information & Communication segment, and increased by ¥5 million and ¥24 million for the Living & Industry segment and the Electronics segment, respectively.

(Business Combinations, Etc.)

(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:
Name after acquisition:
Percentage shares of voting rights acquired:
Business descriptions: | Sonoco do Brasil Participações Ltda., and its four subsidiaries
TOPPAN Packaging do Brasil Ltda.
100.0%
Flexibles including lidding, complex laminations, cold sealing, pouching and special finishing |
| (ii) | Name of acquired company:
Name after acquisition:
Percentage shares of voting rights acquired:
Business descriptions: | Sonoco Flexible Packaging Canada Corporation
TOPPAN Packaging Canada Corporation
100.0%
Flexibles including lidding, complex laminations, cold sealing, pouching and special finishing |
| (iii) | Name of acquired company:
Name after acquisition:
Percentage shares of voting rights acquired:
Business descriptions: | Sonoco Flexible Packaging Co., Inc., and its three subsidiaries
TOPPAN Packaging USA Inc.
100.0%
Flexibles including lidding, complex laminations, cold sealing, pouching and special finishing |
| (iv) | Name of acquired company:
Name after acquisition:
Percentage shares of voting rights acquired:
Business descriptions: | Sonoco Graphics India Private Limited
TOPPAN Trident India Graphics Private Limited
91.0%
Design and creative production providing graphic design to food and retail packaging brands |
| (v) | Name of acquired company:
Name after acquisition:
Percentage shares of voting rights acquired:
Business descriptions: | Sonoco Plastics, Inc., and its eight subsidiaries
TOPPAN Thermoformed Packaging Inc.
100.0%
Thermoformed packaging including trays, food containers, clamshells, portion control cups and egg packs |
| (vi) | Name of acquired company:
Name after acquisition:
Percentage shares of voting rights acquired:
Business descriptions: | Sonoco TEQ Holdings Limited and its two subsidiaries
TOPPAN TEQ Holdings Limited
100.0%
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:	Thermoformed packaging 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 the 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. Reporting period during which the acquired companies’ operating results were consolidated into the Quarterly Consolidated Statements of Income

In preparing the Company’s Consolidated Financial Statements for the three months ended June 30, 2025, the Company consolidated only the acquired companies’ balance sheets. The Company’s Quarterly 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	1,842 million US dollars
Acquisition cost		1,842 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 ¥1,512 million

5. Method of funding and payment

The funds for the Acquisition were provided through bank borrowings and internal funds.

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

(1) Amount of goodwill recognized

¥181,702 million

* The amount of goodwill is the amount tentatively calculated because the allocation of the acquisition cost had not been completed as of the end of the first quarter of the fiscal year under review.

(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.

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

(Million yen)

Current assets	73,660
Non-current assets	69,805
Total assets	143,466
Current liabilities	33,743
Non-current liabilities	15,952
Total liabilities	49,695

(Notes on Significant Subsequent Events)

(Significant borrowings)

Based on the resolution of the Board of Directors at its meeting held on June 20, 2025, for the purpose of refinancing existing loans for the acquisition of businesses, the Company entered into a syndicated loan agreement with Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd. and Mizuho Bank, Ltd. as arrangers and executed borrowing from a syndicate of 43 financial institutions on July 28, 2025. The overview of the syndicated loan is as follows.

1. Loan amount

Total amount: ¥120,000 million

2. Interest rate

Base rate + Spread

3. Drawdown date

July 28, 2025

4. Due dates

July 30, 2029 (¥20,000 million)

July 28, 2031 (¥20,000 million)

July 28, 2033 (¥50,000 million)

July 28, 2034 (¥30,000 million)

5. Details of pledged assets or guarantees

Not applicable

6. Details of other important matters, if any

Not applicable