

Consolidated Financial Results for the Nine Months Ended December 31, 2025 [Japanese GAAP]



February 13, 2026

Company name: TOPPAN Holdings Inc.

Stock exchange listing: Tokyo Stock Exchange

Code number: 7911

URL: <https://www.holdings.toppan.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 Nine Months Ended December 31, 2025 (April 1, 2025 to December 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	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended								
December 31, 2025	1,322,805	5.2	44,811	(15.1)	52,736	(10.6)	58,125	(19.6)
December 31, 2024	1,257,972	–	52,771	–	58,969	–	72,298	–

(Note) Comprehensive income: Nine months ended December 31, 2025: ¥76,661 million [(30.2%)]

Nine months ended December 31, 2024: ¥109,828 million [–%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2025	202.99	–
December 31, 2024	236.64	–

	EBITDA		Non-GAAP operating profit		Non-GAAP profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%
Nine months ended						
December 31, 2025	111,571	(2.1)	65,663	7.9	52,518	37.9
December 31, 2024	114,017	–	60,862	–	38,093	–

(Note) EBITDA is a profit indicator that indicates 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 nine months ended December 31, 2024 have been retrospectively adjusted due to changes in accounting policies, and those calculated retrospectively 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	%
December 31, 2025	2,455,545	1,385,703	53.5
March 31, 2025	2,515,087	1,418,608	51.4

(Reference) Equity: As of December 31, 2025: ¥1,314,141 million As of March 31, 2025: ¥1,293,555 million

(Note) Figures for the fiscal year ended March 31, 2025 have been retrospectively adjusted due to changes in accounting policies, and those calculated retrospectively 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	—	28.00	—		
Fiscal year ending March 31, 2026 (Forecast)				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	%	Yen
Full year	1,790,000	4.1	70,000	(17.7)	81,000	(9.6)	70,000	(22.3)	248.12

(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 retrospectively 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: 14 companies (Tekscend Photomask Corp. and 13 other companies)

(Note) For details, please refer to “Business Combinations, Etc.” on page 13.

(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):

December 31, 2025:	294,706,240 shares
March 31, 2025:	318,706,240 shares

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

December 31, 2025:	12,004,680 shares
March 31, 2025:	29,413,723 shares

3) Average number of shares during the period:

Nine months ended December 31, 2025:	286,349,477 shares
Nine months ended December 31, 2024:	305,516,010 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 (nine 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.

Effective from the beginning of 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 associates 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 retrospective application.

(1) Overview of Operating Results

During the nine months under review (from April 1, 2025 to December 31, 2025), the business outlook remained uncertain given mounting geopolitical risks, persistent inflation worldwide 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 nine months ended December 31, 2025, net sales increased by 5.2% from the same period of the previous fiscal year to ¥1,322.8 billion. Operating profit decreased by 15.1% to ¥44.8 billion and ordinary profit decreased by 10.6% to ¥52.7 billion. Profit attributable to owners of parent decreased by 19.6% to ¥58.1 billion.

Trends by business segment during the nine months ended December 31, 2025 are as follows.

Information & Communication

In the digital business, sales rose, reflecting the positive impact of the acquisition of HID’s Citizen Identity Solutions (CID) business and the acquisition of dzcard Group, an entity based in Thailand that provides smart card solutions in Asia and throughout Africa, as well as expansion of government identity solutions in the security business, in addition to increased sales in the marketing DX business, which includes business transformation support tailored to the characteristics of customers’ industries.

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. Publication printing operations were consolidated into TOPPAN Colorer Inc., resulting in enhanced profitability of the business. 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 2.0% from the same period of the previous fiscal year to ¥663.8 billion, and operating profit increased by 21.5% to ¥24.9 billion.

Living & Industry

In the packaging business, 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. Overseas sales increased, reflecting the impact of the acquisition of the thermoformed and flexible packaging business from Sonoco Products Company and the acquisition of Irplast S.p.A., a seller of high-environmental-performance films, in addition to expansion of sales of packaging for food and other applications and mono-material GL BARRIER transparent barrier films. In Japan, sales of SX packaging employing films manufactured using recycled materials increased, resulting in increased sales in this business as a whole.

In the décor materials business, overseas, the Company expanded sales of decorative sheets for flooring in Europe and North America and cultivated markets in emerging countries, while in Japan, the Company expanded sales of environmentally friendly decorative sheets and the expace brand for spatial design, resulting in increased sales in this business as a whole.

As a result, net sales in the Living & Industry segment increased by 27.1% from the same period of the previous fiscal year to ¥525.5 billion, and operating profit increased by 0.5% to ¥25.2 billion.

Electronics

In the semiconductor business, regarding FC-BGA substrates, which are high-density semiconductor packages, demand for telecommunications applications increased. However, overall sales for this business decreased, partly due to the transition of Tekscend Photomask Corp. to an equity-method associate. Meanwhile, in initiatives to further strengthen competitiveness, the Company is preparing for the startup of a pilot production line for advanced semiconductor packaging at the Ishikawa Plant, which is a new site for technology development and mass production. Furthermore, to help advance technologies and create new business opportunities, the Company is participating in US-JOINT, a U.S.-Japan consortium, and is promoting the creation of a platform for the evaluation of advanced semiconductor packaging and the development of cutting-edge technologies in the United States.

In the display-related business, sales decreased, affected by the transition of Giantplus Technology Co., Ltd. to an equity-method associate with a view to optimal allocation of management resources.

As a result, net sales for the Electronics segment decreased by 28.7% from the same period of the previous fiscal year to ¥150.7 billion, and operating profit decreased by 36.0% to ¥26.7 billion.

(2) Overview of Financial Position

Total assets as of the end of the third quarter of the fiscal year under review decreased by ¥59.5 billion from the end of the previous fiscal year to ¥2,455.5 billion. This is attributable mainly to a decrease of ¥395.5 billion in cash and deposits, despite increases of ¥178.7 billion in goodwill, ¥62.4 billion in investment securities, ¥20.2 billion in other under intangible assets, ¥18.7 billion in raw materials and supplies, ¥17.7 billion in income taxes refund receivable, which is included in other under current assets, ¥16.9 billion in merchandise and finished goods, and ¥10.0 billion in notes and accounts receivable - trade, and contract assets.

Liabilities decreased by ¥26.6 billion from the end of the previous fiscal year to ¥1,069.8 billion. This primarily reflects decreases of ¥158.3 billion in short-term borrowings and ¥63.8 billion in income taxes payable despite increases of ¥113.6 billion in long-term borrowings and ¥80.0 billion in bonds payable.

Net assets decreased by ¥32.9 billion from the end of the previous fiscal year to ¥1,385.7 billion. This is attributable to decreases of ¥63.3 billion in retained earnings and ¥53.4 billion in non-controlling interests despite a decrease of ¥73.0 billion in treasury shares and an increase of ¥8.0 billion in foreign currency translation adjustment.

(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 November 13, 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 December 31, 2025
Assets		
Current assets		
Cash and deposits	768,989	373,452
Notes and accounts receivable - trade, and contract assets	439,703	449,718
Securities	9,600	2,500
Merchandise and finished goods	61,782	78,706
Work in process	31,707	40,164
Raw materials and supplies	47,138	65,936
Other	55,084	83,688
Allowance for doubtful accounts	(7,100)	(7,578)
Total current assets	1,406,905	1,086,588
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	195,516	200,968
Machinery, equipment and vehicles, net	173,413	164,751
Land	137,210	133,981
Construction in progress	83,210	82,074
Other, net	31,649	36,745
Total property, plant and equipment	620,999	618,521
Intangible assets		
Goodwill	22,363	201,065
Other	64,898	85,168
Total intangible assets	87,261	286,234
Investments and other assets		
Investment securities	310,633	373,065
Other	89,522	91,369
Allowance for doubtful accounts	(235)	(233)
Total investments and other assets	399,920	464,201
Total non-current assets	1,108,181	1,368,956
Total assets	2,515,087	2,455,545

(Million yen)

	As of March 31, 2025	As of December 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	178,688	177,168
Short-term borrowings	312,764	154,460
Current portion of long-term borrowings	27,160	17,682
Income taxes payable	71,222	7,325
Provision for bonuses	30,287	17,795
Other provisions	2,713	8,912
Other	200,046	194,084
Total current liabilities	822,884	577,429
Non-current liabilities		
Bonds payable	50,000	130,000
Long-term borrowings	77,672	191,281
Retirement benefit liability	52,625	51,323
Provision for share awards	4,623	6,944
Other provisions	12,058	6,924
Other	76,615	105,938
Total non-current liabilities	273,594	492,412
Total liabilities	1,096,479	1,069,841
Net assets		
Shareholders' equity		
Share capital	104,986	104,986
Capital surplus	119,984	119,211
Retained earnings	1,047,468	984,109
Treasury shares	(114,304)	(41,253)
Total shareholders' equity	1,158,135	1,167,053
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	73,145	73,811
Deferred gains or losses on hedges	(3,700)	(719)
Foreign currency translation adjustment	58,963	67,033
Remeasurements of defined benefit plans	7,011	6,962
Total accumulated other comprehensive income	135,419	147,087
Share acquisition rights	4	—
Non-controlling interests	125,049	71,561
Total net assets	1,418,608	1,385,703
Total liabilities and net assets	2,515,087	2,455,545

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income
Nine Months Ended December 31

(Million yen)

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Net sales	1,257,972	1,322,805
Cost of sales	961,852	1,011,600
Gross profit	296,119	311,205
Selling, general and administrative expenses		
Freight costs	21,258	22,049
Provision of allowance for doubtful accounts	(99)	607
Remuneration, salaries and allowances for directors (and other officers)	91,822	95,166
Provision for bonuses	7,646	8,286
Provision for bonuses for directors (and other officers)	294	436
Retirement benefit expenses	3,551	3,576
Provision for retirement benefits for directors (and other officers)	236	241
Travel expenses	4,758	5,336
Research and development expenses	14,545	14,089
Other	99,332	116,602
Total selling, general and administrative expenses	243,347	266,394
Operating profit	52,771	44,811
Non-operating income		
Interest income	5,251	4,740
Dividend income	4,003	3,449
Share of profit of entities accounted for using equity method	1,145	4,235
Foreign exchange gains	2,340	7,719
Other	2,968	3,354
Total non-operating income	15,708	23,499
Non-operating expenses		
Interest expenses	3,853	6,180
Loss on valuation of derivatives	–	2,163
Other	5,657	7,229
Total non-operating expenses	9,510	15,574
Ordinary profit	58,969	52,736

(Million yen)

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Extraordinary income		
Gain on sale of non-current assets	2,832	484
Gain on valuation of investment securities	–	484
Gain on sale of investment securities	67,887	34,278
Gain on change in equity	–	5,303
Insurance claim income	139	62
Subsidy income	281	34
Reversal of special retirement expenses	5	34
Gain on reversal of environmental expenses	–	6
Gain on sale of shares of subsidiaries and associates	1,367	–
Gain on step acquisitions	31	–
Total extraordinary income	72,546	40,687
Extraordinary losses		
Loss on sale and retirement of non-current assets	2,497	1,451
Loss on tax purpose reduction entry of non-current assets	254	33
Loss on sale of investment securities	519	517
Loss on valuation of investment securities	847	207
Extra retirement payments	272	1,112
Impairment losses	5,142	689
Estimated loss on liquidation of subsidiaries and associates	–	126
Loss on liquidation of subsidiaries and associates	12	88
Provision of allowance for loss on sales of shares of subsidiaries and associates	–	60
Loss on sale of shares of subsidiaries and associates	90	26
Loss on disaster	232	–
Loss on change in equity	5	–
Total extraordinary losses	9,874	4,314
Profit before income taxes	121,641	89,108
Income taxes - current	34,008	19,795
Income taxes - deferred	5,479	5,751
Total income taxes	39,487	25,547
Profit	82,153	63,560
Profit attributable to non-controlling interests	9,855	5,434
Profit attributable to owners of parent	72,298	58,125

Quarterly Consolidated Statements of Comprehensive Income

Nine Months Ended December 31

(Million yen)

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Profit	82,153	63,560
Other comprehensive income		
Valuation difference on available-for-sale securities	19,579	255
Deferred gains or losses on hedges	0	2,980
Foreign currency translation adjustment	8,874	4,226
Remeasurements of defined benefit plans, net of tax	(702)	14
Share of other comprehensive income of entities accounted for using equity method	(77)	5,623
Total other comprehensive income	27,674	13,100
Comprehensive income	109,828	76,661
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	98,694	69,793
Comprehensive income attributable to non-controlling interests	11,133	6,867

(3) Notes to the 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 6,731,100 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 ¥25,890 million in treasury shares during the nine months ended December 31, 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 nine months ended December 31, 2025.

The resulting capital surplus, retained earnings and treasury shares at the end of the third quarter of the fiscal year under review were ¥119,211 million, ¥984,109 million, and ¥41,253 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 associates)

Income and expenses of foreign subsidiaries and associates 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 associates, 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 associates 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 nine months ended December 31, 2024 and the consolidated financial statements for the fiscal year ended March 31, 2025 were restated.

As a result, compared with the figures before the retrospective application, for the nine months ended December 31, 2024, net sales, operating profit, ordinary profit, profit before income taxes, and profit attributable to owners of parent decreased by ¥687 million, ¥680 million, ¥728 million, ¥721 million, and ¥568 million, respectively. The effect on per share information is negligible.

Moreover, for the fiscal year ended March 31, 2025, the beginning balance of retained earnings decreased by ¥290 million and that of foreign currency translation adjustment increased by the same amount.

(Application of accounting treatment under International Financial Reporting Standards for equity-method associate)

As described in “Business Combinations, Etc.” Tekscend Photomask Corp. (“TPC”), which was a consolidated subsidiary of the Company, was listed on the Tokyo Stock Exchange Prime Market on October 16, 2025. Consequently, the Company’s voting rights in TPC fell below 50%, resulting in the loss of a controlling interest. Therefore, effective from the beginning of the third quarter of the fiscal year under review, TPC transitioned from a consolidated subsidiary to an equity-method associate.

In preparing consolidated financial statements and quarterly consolidated financial statements, TPC previously prepared its financial statements in accordance with Japanese GAAP, while its overseas subsidiaries prepared their financial statements in accordance with U.S. GAAP and International Financial Reporting Standards (IFRS). However, following its listing, TPC now discloses its consolidated financial statements and quarterly consolidated financial statements prepared in accordance with IFRS. Accordingly, from the beginning of the third quarter of the fiscal year under review, the Company has prepared its quarterly consolidated financial statements based on TPC’s quarterly consolidated financial statements in accordance with IFRS.

The effect of this change in accounting policy is negligible, and therefore, no retrospective application has been implemented.

(Notes on Statements of Cash Flows)

The Company did not prepare quarterly consolidated statements of cash flows for the nine months ended December 31, 2025. Depreciation (including amortization of intangible assets excluding goodwill) and amortization of goodwill for the nine months are as follows.

	(Million yen)	
	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Depreciation	58,497	57,341
Amortization of goodwill	2,747	9,418

(Note) For depreciation and amortization of goodwill for the nine months ended December 31, 2024, the figure after retrospective application of the accounting policy change is presented.

(Notes on Segment Information, Etc.)

I. For the nine months ended December 31, 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	639,255	407,598	211,118	1,257,972	–	1,257,972
Inter-segment net sales or transfers	11,803	5,863	285	17,953	(17,953)	–
Total	651,059	413,462	211,404	1,275,926	(17,953)	1,257,972
Segment profit (Operating profit)	20,567	25,162	41,788	87,518	(34,747)	52,771

(Note) The adjustment for segment profit includes corporate expenses in the amount of -¥34,733 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 nine months ended December 31, 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	652,422	519,960	150,422	1,322,805	–	1,322,805
Inter-segment net sales or transfers	11,423	5,574	283	17,282	(17,282)	–
Total	663,846	525,535	150,706	1,340,088	(17,282)	1,322,805
Segment profit (Operating profit)	24,993	25,278	26,736	77,008	(32,197)	44,811

(Note) The adjustment for segment profit includes corporate expenses in the amount of -¥31,887 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 associates)

As stated in the Notes on Changes in Accounting Policies, effective from the beginning of 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 associates 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 nine months ended December 31, 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 nine months ended December 31, 2024 increased by ¥2,133 million for the Information & Communication segment, and decreased by ¥802 million and ¥2,017 million for the Living & Industry segment and the Electronics segment, respectively. Segment profit (Operating profit) increased by ¥480 million for the Information & Communication segment, and decreased by ¥58 million and ¥544 million for the Living & Industry segment and the Electronics segment, respectively.

3. Information Regarding Assets for Each Reportable Segment

During the first quarter of the fiscal year under review, TOPPAN Packaging USA Inc. and 26 other companies were included in the scope of consolidation due to the acquisition of shares and businesses. As a result, compared to the end of the previous fiscal year, the amount of assets in the Living & Industry segment increased by ¥143,466 million. The amount of the increase resulting from these acquisitions represents the value of assets recognized as of the business combination date.

During the third quarter of the fiscal year under review, Tekscend Photomask Corp., which was a consolidated subsidiary, became an equity-method associate following the issuance of new shares through public offering. As a result, compared to the end of the previous fiscal year, the amount of assets in the Electronics segment decreased by ¥186,011 million.

4. Information Regarding Impairment Loss of Non-Current Assets or Goodwill, Etc. for Each Reportable Segment (Significant changes in the amount of goodwill)

In the Living & Industry segment, the shares and businesses of TOPPAN Packaging USA Inc. and 26 other companies were acquired during the first quarter of the fiscal year under review. As a result, goodwill increased by ¥181,702 million. It should be noted that the amount of goodwill is a provisional figure, as the allocation of the acquisition cost had not been finalized as of the end of the third quarter of the fiscal year under review.

(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 acquired, names after acquisition, percentage shares of voting rights acquired, and business descriptions

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|-------|---|---|
| (i) | Name of acquired company: | Sonoco do Brasil Participações Ltda., and its four subsidiaries |
| | Name after acquisition: | TOPPAN Packaging do Brasil Ltda. |
| | Percentage share of voting rights acquired: | 100.0% |
| | Business description: | 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 share of voting rights acquired: | 100.0% |
| | Business description: | 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 share of voting rights acquired: | 100.0% |
| | Business description: | 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 share of voting rights acquired: | 91.0% |
| | Business description: | 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 share of voting rights acquired: | 100.0% |
| | Business description: | 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 share of voting rights acquired: | 100.0% |
| | Business description: | 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 share of voting rights acquired: | 100.0% |
| | Business description: | 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 Statement of Income for the nine months ended December 31, 2025

From April 1, 2025 to September 30, 2025

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 ¥6,111 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

TOPPAN Packaging Americas Holdings Inc. (Flexible Packaging Business): ¥111,899 million

TOPPAN Thermoformed Packaging Holdings Inc. (Thermoformed Packaging Business): ¥69,802 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 third 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

TOPPAN Packaging Americas Holdings Inc. (Flexible Packaging Business):

The straight-line method over a 13-year period

TOPPAN Thermoformed Packaging Holdings Inc. (Thermoformed Packaging Business):

The straight-line method over a 16-year period

* The amortization period has not yet been finalized because the adjustment to the acquisition price is still under detailed review as of the end of the third quarter of the fiscal year under review.

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	<u>69,805</u>
Total assets	<u>143,466</u>
Current liabilities	33,743
Non-current liabilities	<u>15,952</u>
Total liabilities	<u>49,695</u>

(Transition of consolidated subsidiary to equity-method associate following public offering of new shares)

Tekscend Photomask Corp. (“TPC”) (securities code: 429A), which was a consolidated subsidiary of the Company, was listed on the Tokyo Stock Exchange Prime Market on October 16, 2025. Consequently, due to the issuance of shares offered in connection with this listing, sales of shares in Japan and overseas underwritten by the underwriters, and the sale of shares through an over-allotment option, the percentage of voting rights of TPC held by the Company fell below 50% and the Company no longer has a controlling interest in TPC. Therefore, TPC has transitioned from a consolidated subsidiary of the Company to an equity-method associate.

1. Overview of business divestiture

(1) Name of successor company

Omitted due to public offering.

(2) Name of divested company and description of its business

Tekscend Photomask Corp. (Manufacture and sale of photomasks for semiconductors)

(3) Date of business divestiture

October 16, 2025 (Deemed date of business divestiture: October 1, 2025)

(4) Reason for the business divestiture

Since commencing its photomask business in 1961 as one of the Company’s divisions, TPC has leveraged its advanced technological capabilities to expand its manufacturing bases from Japan to Europe, the Americas and Asia, supporting the growth of the semiconductor industry through its spin-off and subsequent development. In recent years, the global semiconductor market has expanded rapidly due to technological advancements like AI and 5G, accelerating digital innovation across various end markets. Photomasks are essential components in the lithography process of semiconductor manufacturing. As the semiconductor market grows, the photomask market is also entering a new phase. To achieve continuous business expansion and growth, it is essential to accurately grasp changes in the market environment and customer needs, enabling even more rapid and flexible R&D investment and capital investment than before. The stock listing aims to enable TPC to continue swiftly executing investments that capture market needs and achieve further growth and enhanced competitiveness as an independent corporate entity. The Company expects that enhancing TPC’s corporate value will ultimately contribute to enhancing the corporate value of the TOPPAN Group.

(5) Matters concerning the outline of other transactions, including legal form

As a result of TPC’s issuance of new shares through public offering, the Company no longer has a controlling interest in TPC. Therefore, TPC has been reclassified from a consolidated subsidiary to an equity-method associate.

2. Overview of accounting treatment implemented

(1) Amount of gain or loss on transfer

Gain on change in equity: ¥5,303 million

(2) Fair book values of assets and liabilities related to the divested company and their breakdown

	(Million yen)
Current assets	67,874
Non-current assets	118,136
Total assets	<u>186,011</u>
Current liabilities	39,573
Non-current liabilities	14,893
Total liabilities	<u>54,467</u>

(3) Accounting treatment

Accounting treatment has been implemented in accordance with the “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013) and the “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, January 16, 2019). Accordingly, the difference of ¥5,303 million arising between the Company’s equity interest prior to the issuance of new shares through public offering and the Company’s equity interest after the issuance has been recognized as a gain on change in equity under extraordinary income.

3. Reportable segment in which TPC was included

Electronics

4. Estimated amounts of profit/loss related to the divested business recorded in the Quarterly Consolidated Statement of Income for the nine months ended December 31, 2025

	(Million yen)
Net sales	61,110
Operating profit	13,230

(Notes on Additional Information)

(Merger of consolidated subsidiaries)

At its meeting held on March 13, 2025, the Company's Board of Directors resolved to implement an absorption-type merger effective as of April 1, 2026 (planned), with TOPPAN Inc. as the surviving company and TOPPAN Edge Inc. and TOPPAN Digital Inc. as the absorbed companies. On September 25, 2025, these wholly owned subsidiaries of the Company concluded an absorption-type merger agreement concerning the said absorption-type merger.

1. Purpose of the absorption-type merger

The purpose is to create synergies across the entire Group and accelerate the enhancement of the Group's competitive edge, with a particular emphasis on the Information & Communication segment, by integrating management resources and customer bases of the three companies, thereby driving further growth of the Group.

2. Structuring of the absorption-type merger

TOPPAN Inc., as the surviving company, will absorb TOPPAN Edge Inc. and TOPPAN Digital Inc., as the absorbed companies.

3. Share allotment in the absorption-type merger

Being a merger among the Company's wholly owned subsidiaries, there will be no issuance of new shares or distribution of monies.

4. Effective date of the absorption-type merger

April 1, 2026 (planned)

5. Status of assets and liabilities transferred in the absorption-type merger

TOPPAN Edge Inc.

Assets		Liabilities	
Item	Book value (Million yen)	Item	Book value (Million yen)
Current assets	113,255	Current liabilities	43,632
Non-current assets	139,209	Non-current liabilities	2,341
Total	252,465	Total	45,974

TOPPAN Digital Inc.

Assets		Liabilities	
Item	Book value (Million yen)	Item	Book value (Million yen)
Current assets	6,251	Current liabilities	8,785
Non-current assets	6,271	Non-current liabilities	1,389
Total	12,522	Total	10,174

(Note) The above amounts are calculated based on the balance sheets as of March 31, 2025. The actual amounts of assets and liabilities to be transferred will reflect any increases or decreases occurring up to the effective date of the absorption-type merger.

6. Overview of the companies involved in the absorption-type merger

	Surviving company	Absorbed company	Absorbed company
Trade name	TOPPAN Inc.	TOPPAN Edge Inc.	TOPPAN Digital Inc.
Registered office location	1-5-1 Taito, Taito-ku, Tokyo, Japan	1-7-3 Higashi-Shinbashi Minato-ku, Tokyo, Japan	1-5-1 Taito, Taito-ku, Tokyo, Japan
Representative	Satoshi Oya President & Representative Director	Masanori Saito President & Representative Director	Kazunori Sakai President & Representative Director
Business	Information & Communication, Living & Industry, and Electronics	Information Solutions, Hybrid BPO, Communication Media, and Security Products	Formulation of DX business strategy for the TOPPAN Group, creation and promotion of DX projects, research and development on DX, provision of IT infrastructure
Capital	¥500 million	¥500 million	¥500 million
Fiscal year end	March 31	March 31	March 31