



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

May 14, 2025

Company name: Japan Pulp & Paper Co., Ltd.

Listing: Tokyo Stock Exchange

Securities code: 8032

URL: <https://www.kamipa.co.jp/eng/>

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

Scheduled date to commence dividend payments: June 30, 2025

Scheduled date to file annual securities report: June 27, 2025

Preparation of supplementary material on financial results: Yes (available in Japanese only)

Holding of financial results briefing: Yes (for institutional investors and analysts / available in Japanese only)

(Yen amounts are rounded to the nearest million, unless otherwise noted.)

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

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2025	554,524	3.8	15,071	(13.4)	15,822	(5.6)	7,569	(26.9)
March 31, 2024	534,230	(2.0)	17,403	(14.1)	16,753	(21.1)	10,357	(59.2)

(Note) Comprehensive income: Fiscal year ended March 31, 2025: ¥ 11,087 million [(41.0)%]

Fiscal year ended March 31, 2024: ¥ 18,795 million [(33.6)%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to revenue ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2025	61.44	61.30	5.8	4.1	2.7
March 31, 2024	78.86	78.69	8.4	4.4	3.3

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2025: ¥ 346 million

Fiscal year ended March 31, 2024: ¥ 329 million

The Company conducted a stock split at a ratio of ten shares for every share of common stock on October 1, 2024. Basic earnings per share and diluted earnings per share have been calculated under the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	392,234	145,565	34.2	1,087.70
March 31, 2024	372,645	138,347	34.2	1,035.56

(Reference) Equity: As of March 31, 2025: ¥ 133,994 million

As of March 31, 2024: ¥ 127,526 million

The Company conducted a stock split at a ratio of ten shares for every share of common stock on October 1, 2024. Net assets per share have been calculated under the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	21,010	(11,217)	(9,335)	19,027
March 31, 2024	20,891	(2,917)	(31,678)	17,387

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	-	65.00	-	65.00	130.00	1,718	16.5	1.4
March 31, 2025	-	125.00	-	12.50	-	3,136	40.7	2.4
Fiscal year ending								
March 31, 2026 (Forecast)	-	14.00	-	14.00	28.00		40.6	

The Company conducted a stock split at a ratio of ten shares for every share of common stock on October 1, 2024. The year-end dividend per share for the fiscal year ended March 2025 took the impact of the stock split into account, and for the total annual dividends per share, “-” is shown. Without taking into account the stock split, the year-end dividend per share and the annual dividends per share for the fiscal year ended March 2025 would be 125.00 yen and 250.00 yen, respectively.

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

(Percentages indicate year-on-year changes.)

	Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	16,500	9.5	15,500	(2.0)	8,500	12.3	69.00

* Notes:

- (1) Significant changes in the scope of consolidation during the period: Yes
- Newly included: 5 (Company name: OVOL France, S.A.S. and its subsidiary, OVOL Papier Deutschland GmbH and two other companies)
- Excluded: -

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

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

(3) Number of issued shares (common shares)

- 1) Total number of issued shares at the end of the period (including treasury shares):
- March 31, 2025: 150,215,510 shares
- March 31, 2024: 150,215,510 shares
- 2) Number of treasury shares at the end of the period:
- March 31, 2025: 27,025,297 shares
- March 31, 2024: 27,068,657 shares
- 3) Average number of shares outstanding during the period:
- Fiscal Year ended March 31, 2025: 123,188,355 shares
- Fiscal Year ended March 31, 2024: 131,331,379 shares

* The Company conducted a stock split at a ratio of ten shares for every share of common stock on October 1, 2024. Total number of issued shares at the end of the period, number of treasury shares at the end of the period, and average number of shares outstanding during the period have been calculated under the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

(Reference) Overview of Non-consolidated Financial Results

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

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Ordinary profit		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	239,611	3.5	2,534	(25.3)	7,665	11.6	6,707	32.8
March 31, 2024	231,421	2.6	3,393	32.8	6,869	23.0	5,052	(68.7)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	54.35	54.22
March 31, 2024	38.40	38.32

The Company conducted a stock split at a ratio of ten shares for every share of common stock on October 1, 2024. Basic earnings per share and diluted earnings per share have been calculated under the assumption that the stock split was conducted at the beginning of the previous fiscal year.

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	241,629	89,693	37.1	726.13
March 31, 2024	235,566	86,825	36.8	703.14

(Reference) Equity: As of March 31, 2025: ¥ 89,617 million
As of March 31, 2024: ¥ 86,749 million

The Company conducted a stock split at a ratio of ten shares for every share of common stock on October 1, 2024. Net assets per share have been calculated under the assumption that the stock split was conducted at the beginning of the previous fiscal year.

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

(Note Concerning Forward-Looking Statements)

The forecasts and other forward-looking statements in this report are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company. Actual business and other results may significantly differ from these forecasts due to various factors. For the assumptions underlying the financial results forecast, precautions in using the forecast, and other matters, please see “1. Overview of Operating Results, etc.” on page 2 of the attachments.

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1. Overview of Operating Results, etc.

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

The consolidated operating results of the Japan Pulp & Paper Group for the fiscal year ended March 31, 2025 were revenue of ¥554,524 million (up 3.8% year on year), operating profit of ¥15,071 million (down 13.4% year on year), and ordinary profit of ¥15,822 million (down 5.6% year on year). Profit attributable to owners of parent was ¥7,569 million, down 26.9% from the previous fiscal year, mainly due to the recording of impairment losses on property, plant and equipment and goodwill at consolidated subsidiaries in the Paper Manufacturing & Processing segment and in the Non-Japan Wholesaling segment, respectively.

Operating results by segment for the fiscal year ended March 31, 2025 are as follows.

Japan Wholesaling

Paper sales volume decreased year on year due to a continued drop in the circulation of regular magazines, a decrease in the number of issues and number of copies of catalogs and other printed materials, a reduction in book sizes, and other factors, in addition to a decline in demand due to structural factors such as the progress of digitalization. In terms of paperboard, demand for use in containerboard for agricultural products was sluggish due to unfavorable weather conditions, and the recovery in demand for use in industrial products was also slow. However, demand for use in beverage packaging remained steady. For box board, demand for use in pharmaceuticals, cosmetics, and other products was robust thanks to a recovery in inbound tourists and other factors. In addition, demand for use in trading cards featuring anime characters and other designs has grown. As a result, the sales volume of all paperboards combined increased year on year.

Demand for functional materials, mainly related to electronics, saw the recovery trend continue, leading to increased sales.

As a result of the foregoing, sales volume remained at the same level year on year, and revenue came to ¥200,627 million, up 2.2% year on year.

Ordinary profit was ¥6,000 million, down 10.1% year on year, mainly due to increases in personnel expenses and logistics costs.

Non-Japan Wholesaling

In our major markets of the US, the UK, and Australia, the downward trend in demand for paper and paperboard caused in part by the progress of digitalization continued. However, revenue increased due to the completion of inventory adjustments in the US in the previous fiscal year and the addition of sales related to mergers and acquisitions in Germany and France, which were implemented during the consolidated fiscal year under review, starting from the fourth quarter.

In terms of exports from Japan, the sales volume and sales value of paper increased year on year, thanks to the increased sales of paper for Korea and Southeast Asia, despite a decrease in sales of paperboard to China.

In addition to the results aforesaid, foreign exchange translation effects contributed to an increase in revenue to ¥275,488 million, up 5.9% year on year.

Ordinary profit was ¥3,195 million, down 8.2% year on year, mainly due to the decline in sales prices arising from intensifying competition amid sluggish demand in major markets and the increases in personnel expenses and inflation-driven logistics costs, in addition to the recording of expenses related to mergers and acquisitions in Germany and France.

Paper Manufacturing & Processing

In the containerboard business, the sales volume and sales unit price remained at the same level year on year. However, prices of fuels, electricity, and auxiliary materials, as well as labor costs, continued to rise, leading to an increase in manufacturing costs. In the recycled household paper business, the sales volume remained at the same level year on year, but cost reduction effects and an increase in sales unit prices were achieved.

As a result, revenue came to ¥51,597 million, up 3.1% year on year. Ordinary profit was ¥6,761 million, down 4.0% year on year, mainly due to an increase in freight costs as well as manufacturing costs.

Raw Materials & Environment

In the wastepaper recycling business, the volume of wastepaper generated continued to decline both in Japan and the US due to a decline in demand for paper and paperboard. In addition, the transfer of three business sites in the suburbs of Tokyo and the closure of two operating bases in the US caused a decline in sales.

Pulp sales for both manufacturers inside and outside of Japan declined. Meanwhile, sales of fuel for woody biomass power generation plants saw a significant increase in handling volume following the opening of a second yard in Malaysia in the previous fiscal year, along with a rise in sales prices. Sales in the comprehensive recycling business and solar power generation business were at the same level year on year.

As a result of the foregoing, revenue came to ¥22,650 million, down 4.2% year on year. Ordinary profit was ¥2,012 million, up 22.3% year on year, driven by the fuel sales business for woody biomass power generation plants.

Real Estate Leasing

Major rental properties continued to maintain high occupancy rates. As a result, revenue came to ¥4,161 million, up 2.1% year on year, and ordinary profit was ¥1,553 million, up 0.8% year on year.

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

Total assets at the end of the fiscal year under review increased by ¥19,590 million from the end of the previous fiscal year to ¥392,234 million. Major contributing factors were increases mainly in inventories and land due to the consolidation of OVOL France, S.A.S. and its subsidiary as the Company's consolidated subsidiaries, as well as acquisitions of businesses by the Company's consolidated subsidiaries, OVOL Papier Deutschland GmbH and other companies.

Total liabilities increased by ¥12,372 million from the end of the previous fiscal year to ¥246,670 million. A major contributing factor was an increase in interest-bearing debt, mainly due to the consolidation of OVOL France, S.A.S., OVOL Papier Deutschland GmbH, and other companies as new consolidated subsidiaries.

Net assets increased by ¥7,217 million from the end of the previous fiscal year to ¥145,565 million. Major contributing factors were mainly due to the recording of profit attributable to owners of parent and an increase in foreign currency translation adjustment.

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

Cash and cash equivalents at the end of the fiscal year under review amounted to ¥19,027 million, an increase of ¥1,640 million from the end of the previous fiscal year.

The status of cash flows for the fiscal year under review are as follows.

(Cash flows from operating activities)

Net cash from operating activities was a net cash inflow of ¥21,010 million (a net cash inflow of ¥20,891 million in the previous fiscal year). This was mainly due to the recording of profit before income taxes and a decrease in trade receivables.

(Cash flows from investing activities)

Net cash from investing activities was a net cash outflow of ¥11,217 million (a net cash outflow of ¥2,917 million in the previous fiscal year). This was mainly due to acquisitions of businesses and the purchases of shares of subsidiaries resulting in change in scope of consolidation in Germany, France, Australia, and others.

(Cash flows from financing activities)

Net cash from financing activities was a net cash outflow of ¥9,335 million (a net cash outflow of ¥31,678 million in the previous fiscal year). This was mainly due to repayments of redemption of bonds, long-term borrowings, and dividends paid.

(4) Future Outlook

The consolidated financial results forecast for the fiscal year ending March 31, 2026 are operating profit of ¥16,500 million (up 9.5% year on year), ordinary profit of ¥15,500 million (down 2.0% year on year), and profit attributable to owners of parent of ¥8,500 million (up 12.3% year on year).

The forecast for ordinary profit by segment (segment profit) is as follows:

Segment profit (Ordinary profit)			(Millions of yen)	
	FYE Mar. 2025	FYE Mar. 2026 (forecast)	Difference	Difference (%)
Japan Wholesaling	6,000	5,800	(200)	(3.3)
Non-Japan Wholesaling	3,195	3,900	705	22.1
Paper Manufacturing & Processing	6,761	6,800	39	0.6
Raw Materials & Environment	2,012	1,800	(212)	(10.5)
Real Estate Leasing	1,553	1,400	(153)	(9.8)
Adjustments	(3,698)	(4,200)	(502)	-
Total	15,822	15,500	(322)	(2.0)

Japan Wholesaling

The demand for paper is expected to continue to decline due to factors such as a declining population, the growing trend towards fewer children, and the acceleration of digitalization. Meanwhile, regarding paperboard, we expect the improvement in consumer sentiment due to a wage increase and inbound demand to remain strong. Although we expect a decrease in ordinary profit due to an increase in personnel and other expenses, we plan to increase our market share by improving our agency functions and supply chain.

Non-Japan Wholesaling

The markets in developed countries outside Japan show trends of declining demand. However, we expect the expansion of our market share and higher sales of high-value-added products through mergers and acquisitions implemented by the fiscal year ended March 31, 2025. In addition, we will continue to implement complementary mergers and acquisitions in the future. Based on the above-mentioned forecasts, we expect an increase in ordinary profit.

Paper Manufacturing & Processing

Regarding the Paper Manufacturing & Processing business, we expect that sales volume in the containerboard business will increase while that in the recycled household paper business will remain at the same level compared to the fiscal year ended March 31, 2025. Although manufacturing costs such as fuel costs and labor costs are expected to increase, we will continue to reduce the manufacturing costs by streamlining and improving the efficiency of our manufacturing processes and expect ordinary profit to remain at the same level as in the fiscal year ended March 31, 2025.

Raw Materials & Environment

In the wastepaper recycling business, we expect the volume of wastepaper generated to continue to decrease due to the decline in demand for paper and paperboard. Therefore, we are working to develop new supply sources and secure sufficient quantities. In the solar power generation business and the comprehensive recycling business, stable revenue is expected. In the fuel sales business for woody biomass power generation plants, we expect an increase in sales volume but a decrease in sales unit price. Based on the above-mentioned forecasts, we expect a decline in ordinary profit.

Real Estate Leasing

We anticipate a decrease in rental income due to the relocation of some tenants and an increase in expenses such as management fees and utility costs due to rising prices. Based on the above-mentioned forecasts, we expect a decline in ordinary profit. Against the backdrop of growing demand for office space, we are working to secure full occupancy and renew leases in line with rising rent prices.

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

The Company recognizes the return of profit to shareholders as one of its important management policies, strives to stabilize and strengthen its management foundation over the long term, and aims to enhance its corporate value.

Regarding dividends, the Company's basic policy is to pay stable and sustained dividends, considering the trends in our consolidated financial results as well. Its policy on dividends of surplus is to make payments twice a year, as an interim dividend and a year-end dividend.

In Medium-term Business Plan 2026, which started in the fiscal year ended March 31, 2025, the Company established the policy of "progressive dividend with the consolidated payout ratio not less than 30%" as a proactive return of profit to shareholders to meet market expectations. The dividend planned for the fiscal year under review and the next fiscal year are as follows.

- Dividends for the fiscal year under review

The year-end dividend for the fiscal year ended March 31, 2025 is planned to be ¥12.50 per share. Please note that the Company conducted a stock split at a ratio of ten shares for every share of common stock on October 1, 2024. Combined with the interim dividend already paid, the annual dividend per share after the stock split will be ¥25 per share, representing an effective increase of ¥12 from the result of the previous

fiscal year.

- Dividends for the next fiscal year

Dividends for the fiscal year ending March 31, 2026 are planned to increase by ¥3 from the fiscal year under review to ¥28 per share (interim dividend of ¥14).

The Company stipulates in its Articles of Incorporation that the matters set forth in each item under Article 459, Paragraph 1 of the Companies Act, such as dividends of surplus, may be determined by a resolution of the Board of Directors, except as otherwise provided in laws and regulations.

Internal reserves will be utilized to improve financial results in the future, with the aim of strengthening the Company's financial structure as well as in preparation for future demand for funds to enhance its competitiveness and functions from the medium- to long-term perspective.

(6) Policy on Cross-shareholdings, etc.

The Company's policy and status regarding cross-shareholdings are as follows:

(Policy on cross-shareholdings)

The company acquires and holds shares in companies it deems necessary in order to build, maintain, and strengthen business and cooperative relationships. Each year, the Board of Directors reviews the appropriateness of each individual stock held based on a quantitative assessment of whether the earnings from transactions and dividends exceed cost of capital, as well as a qualitative assessment of the medium-to-long-term business relationship with the company in question. If a company's holdings are determined to be no longer necessary, they are sold to reduce our holdings.

In exercising voting rights for cross-shareholdings, the company examines proposals from the perspective of whether they will lead to medium-to-long-term improvement in the corporate value of the company in question and whether they are likely to damage our corporate value. A decision for or against the proposal is then made.

(Status of cross-shareholdings)

	As of March 31, 2024	As of March 31, 2025
Number of shares [Of which, listed shares]	120 [56]	117 [53]
Amount recorded on the balance sheet	¥29,279 million	¥25,530 million
Percentage of consolidated net assets	21.2%	17.5%

2. Basic Policy on Selection of Accounting Standards

The Group will maintain the policy of preparing its consolidated financial statements under the Japanese GAAP for the time being, taking into consideration of the comparability of consolidated financial statements across periods and among companies.

With regard to the adoption of the International Financial Reporting Standards, the Group's policy is to take appropriate measures in consideration of the situation inside and outside of Japan.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	17,806	19,577
Notes and accounts receivable - trade	143,449	140,640
Inventories	56,504	64,708
Other	7,216	10,612
Allowance for doubtful accounts	(2,012)	(1,584)
Total current assets	222,963	233,953
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	33,993	32,591
Machinery, equipment and vehicles, net	22,887	19,989
Tools, furniture and fixtures, net	1,293	1,545
Land	29,002	34,224
Leased assets, net	228	255
Right of use assets, net	9,222	11,644
Construction in progress	218	306
Total property, plant and equipment	96,842	100,554
Intangible assets		
Goodwill	3,783	6,641
Other	2,814	4,725
Total intangible assets	6,598	11,365
Investments and other assets		
Investment securities	39,949	37,017
Deferred tax assets	2,795	4,315
Retirement benefit asset	194	204
Other	5,449	7,102
Allowance for doubtful accounts	(2,185)	(2,346)
Total investments and other assets	46,201	46,292
Total non-current assets	149,641	158,211
Deferred assets	41	70
Total assets	372,645	392,234

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	99,470	99,114
Short-term borrowings	36,395	47,572
Current portion of long-term borrowings	4,206	3,985
Commercial papers	8,000	15,500
Current portion of bonds payable	20,000	-
Lease liabilities	2,276	3,105
Income taxes payable	2,910	2,590
Provision for bonuses	2,267	2,509
Provision for bonuses for directors (and other officers)	272	261
Other	13,542	17,413
Total current liabilities	189,337	192,050
Non-current liabilities		
Bonds payable	10,000	20,000
Long-term borrowings	14,357	11,980
Lease liabilities	8,681	10,497
Deferred tax liabilities	5,512	4,755
Provision for retirement benefits for directors (and other officers)	298	322
Provision for share awards for directors (and other officers)	533	612
Retirement benefit liability	1,899	2,550
Other	3,680	3,904
Total non-current liabilities	44,960	54,620
Total liabilities	234,297	246,670
Net assets		
Shareholders' equity		
Share capital	16,649	16,649
Capital surplus	7,183	6,321
Retained earnings	98,398	103,583
Treasury shares	(11,671)	(11,653)
Total shareholders' equity	110,558	114,900
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,857	10,186
Deferred gains or losses on hedges	(10)	3
Foreign currency translation adjustment	5,136	8,890
Remeasurements of defined benefit plans	(15)	15
Total accumulated other comprehensive income	16,968	19,094
Share acquisition rights	76	76
Non-controlling interests	10,746	11,495
Total net assets	138,347	145,565
Total liabilities and net assets	372,645	392,234

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Revenue	534,230	554,524
Cost of sales	446,824	463,058
Gross profit	87,406	91,466
Selling, general and administrative expenses	70,003	76,394
Operating profit	17,403	15,071
Non-operating income		
Interest income	810	916
Dividend income	1,059	1,158
Share of profit of entities accounted for using equity method	329	346
Other	683	1,372
Total non-operating income	2,881	3,792
Non-operating expenses		
Interest expenses	3,120	2,810
Other	411	230
Total non-operating expenses	3,532	3,041
Ordinary profit	16,753	15,822
Extraordinary income		
Gain on sale of investment securities	164	1,033
Gain on sale of non-current assets	617	691
Gain on sale of businesses	-	281
Insurance claim income	242	170
Gain on sale of golf club membership	3	170
Gain on liquidation of subsidiaries	270	-
Gain on extinguishment of tie-in shares	22	-
Other	0	52
Total extraordinary income	1,317	2,396
Extraordinary losses		
Impairment losses	190	2,053
Loss on sale of businesses	-	798
Loss on sale of investment securities	-	475
Loss on disposal of non-current assets	124	466
Loss on valuation of investment securities	-	96
Waste disposal expenses	37	-
Other	5	106
Total extraordinary losses	356	3,994
Profit before income taxes	17,714	14,225
Income taxes - current	5,341	5,927
Income taxes - deferred	627	(413)
Total income taxes	5,968	5,514
Profit	11,746	8,710
Profit attributable to non-controlling interests	1,389	1,142
Profit attributable to owners of parent	10,357	7,569

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit	11,746	8,710
Other comprehensive income		
Valuation difference on available-for-sale securities	4,874	(1,687)
Deferred gains or losses on hedges	(4)	13
Foreign currency translation adjustment	2,104	3,994
Remeasurements of defined benefit plans, net of tax	(28)	39
Share of other comprehensive income of entities accounted for using equity method	103	18
Total other comprehensive income	7,048	2,376
Comprehensive income	18,795	11,087
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	17,379	9,695
Comprehensive income attributable to non-controlling interests	1,416	1,392

(3) Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	16,649	6,988	89,717	(4,944)	108,410
Changes during period					
Dividends of surplus			(1,736)		(1,736)
Profit attributable to owners of parent			10,357		10,357
Purchase of treasury shares				(6,989)	(6,989)
Disposal of treasury shares		41		262	302
Change in scope of consolidation			35		35
Increase by merger		1	24		25
Purchase of shares of consolidated subsidiaries		154			154
Net changes in items other than shareholders' equity					
Total changes during period	-	195	8,680	(6,728)	2,148
Balance at end of period	16,649	7,183	98,398	(11,671)	110,558

	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	6,947	(6)	2,998	7	9,946	76	9,864	128,295
Changes during period								
Dividends of surplus								(1,736)
Profit attributable to owners of parent								10,357
Purchase of treasury shares								(6,989)
Disposal of treasury shares								302
Change in scope of consolidation								35
Increase by merger								25
Purchase of shares of consolidated subsidiaries								154
Net changes in items other than shareholders' equity	4,910	(4)	2,138	(22)	7,022	-	882	7,904
Total changes during period	4,910	(4)	2,138	(22)	7,022	-	882	10,052
Balance at end of period	11,857	(10)	5,136	(15)	16,968	76	10,746	138,347

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	16,649	7,183	98,398	(11,671)	110,558
Changes during period					
Dividends of surplus			(2,384)		(2,384)
Profit attributable to owners of parent			7,569		7,569
Purchase of treasury shares				(3)	(3)
Disposal of treasury shares		0		21	21
Purchase of shares of consolidated subsidiaries		(862)			(862)
Net changes in items other than shareholders' equity					
Total changes during period	-	(862)	5,185	18	4,342
Balance at end of period	16,649	6,321	103,583	(11,653)	114,900

	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	11,857	(10)	5,136	(15)	16,968	76	10,746	138,347
Changes during period								
Dividends of surplus								(2,384)
Profit attributable to owners of parent								7,569
Purchase of treasury shares								(3)
Disposal of treasury shares								21
Purchase of shares of consolidated subsidiaries								(862)
Net changes in items other than shareholders' equity	(1,671)	13	3,753	31	2,126	-	750	2,876
Total changes during period	(1,671)	13	3,753	31	2,126	-	750	7,217
Balance at end of period	10,186	3	8,890	15	19,094	76	11,495	145,565

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	17,714	14,225
Depreciation	8,859	8,730
Amortization of goodwill	1,177	953
Impairment losses	190	2,053
Increase (decrease) in retirement benefit liability	279	207
Increase (decrease) in allowance for doubtful accounts	(397)	(640)
Increase (decrease) in provision for bonuses	(6)	242
Increase (decrease) in provision for waste disposal expense	(168)	-
Increase (decrease) in other provisions	32	74
Interest and dividend income	(1,869)	(2,074)
Interest expenses	3,120	2,810
Insurance claim income	(242)	(170)
Share of loss (profit) of entities accounted for using equity method	(329)	(346)
Loss (gain) on sale of property, plant and equipment	(604)	(690)
Loss (gain) on valuation of investment securities	-	96
Loss (gain) on sale of investment securities	(163)	(558)
Loss (gain) on sale of businesses	-	517
Gain on liquidation of subsidiaries	(270)	-
Loss on retirement of property, plant and equipment	124	464
Loss (gain) on extinguishment of tie-in shares	(22)	-
Decrease (increase) in trade receivables	1,565	9,474
Decrease (increase) in inventories	12,950	(3,341)
Increase (decrease) in trade payables	(8,246)	(3,766)
Decrease (increase) in other current assets	314	355
Increase (decrease) in other current liabilities	(696)	454
Other, net	2,201	(843)
Subtotal	35,512	28,227
Interest and dividends received	1,877	2,134
Interest paid	(3,109)	(2,627)
Income taxes refund (paid)	(13,389)	(6,725)
Net cash provided by (used in) operating activities	20,891	21,010
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,673)	(3,730)
Proceeds from sale of property, plant and equipment	1,241	548
Purchase of intangible assets	(593)	(857)
Purchase of investment securities	(665)	(1,006)
Proceeds from sale of investment securities	1,073	2,207
Long-term loan advances	(2)	(3)
Proceeds from collection of long-term loans receivable	1,564	28
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,327)	(4,310)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	172	76
Payments for acquisition of businesses	(211)	(7,743)
Proceeds from sale of businesses	-	3,230
Other, net	(496)	343
Net cash provided by (used in) investing activities	(2,917)	(11,217)

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(16,223)	7,353
Increase (decrease) in commercial papers	8,000	7,500
Proceeds from long-term borrowings	255	358
Repayments of long-term borrowings	(12,745)	(8,246)
Proceeds from issuance of bonds	-	10,000
Redemption of bonds	-	(20,000)
Purchase of treasury shares	(6,989)	(3)
Proceeds from sale of treasury shares	302	5
Dividends paid	(1,736)	(2,384)
Dividends paid to non-controlling interests	(326)	(467)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(53)	(1,064)
Other, net	(2,164)	(2,388)
Net cash provided by (used in) financing activities	(31,678)	(9,335)
Effect of exchange rate change on cash and cash equivalents	474	1,182
Net increase (decrease) in cash and cash equivalents	(13,231)	1,640
Cash and cash equivalents at beginning of period	30,550	17,387
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	68	-
Cash and cash equivalents at end of period	17,387	19,027

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Changes in accounting policies)

(Application of the Accounting Standard for Current Income Taxes and other standards)

The Company has applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter “Accounting Standard Revised in 2022”) and other standards from the beginning of the fiscal year under review.

With regard to the revision to classification to record income taxes (taxation on other comprehensive income), the Company has conformed to the transitional treatment provided for in the proviso to Paragraph 20-3 of the Accounting Standard Revised in 2022 and the transitional treatment provided for in the proviso to Paragraph 65-2 (2) of “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; hereinafter “Guidance Revised in 2022.” The changes in accounting policies have no impact on consolidated financial statements.

With regard to the revision associated with the review of treatment in consolidated financial statements, in the case that a loss or gain on the sale of shares in a subsidiary, etc. among consolidated companies is deferred for tax purposes, the Guidance Revised in 2022 has been applied from the beginning of the fiscal year under review. The changes in accounting policies have been retrospectively applied, and consolidated financial statements for the previous fiscal year reflect the retrospective application. The changes in accounting policies have no impact on consolidated financial statements for the previous fiscal year.

(Segment information, etc.)

(Segment information)

1. Overview of reportable segments

The Company's reportable segments are business segments that are consolidated into organizational units of the Group for which separate financial information is available and which are regularly reviewed by the Board of Directors to determine the allocation of management resources and evaluate performance.

With respect to the Company, the Company determines the allocation of management resources and evaluates performance by each division and accounting unit based on its details of business and location in Japan, and with respect to consolidated subsidiaries, mainly on a company by company basis. Accordingly, the Company recognizes these divisions, accounting units, and companies as business segments. Considering the similarity of their economic characteristics and other factors of these business segments, the Company consolidates the business segments according to their details of businesses, and identifies five reportable segments: "Japan Wholesaling," "Non-Japan Wholesaling," "Paper Manufacturing & Processing," "Raw Materials & Environment," and "Real Estate Leasing."

Main businesses of each reportable segment are as follows:

Reportable segments	Main businesses
Japan Wholesaling	Sales of paper, paperboard, and related products in Japan
	Warehousing and transportation businesses, etc.
	Sales of information equipment, etc., and the information services business
Non-Japan Wholesaling	Sales of paper, paperboard, and related products, etc. outside of Japan
Paper Manufacturing & Processing	Paper manufacturing, and processing of paper, paperboard, and related products, etc.
Raw Materials & Environment	Sales of wastepaper and raw materials such as pulp
	Comprehensive recycling business, and the power generation business with renewable energy, etc.
Real Estate Leasing	Real estate leasing

2. Calculation of revenue, income (loss), assets, and other items by reportable segment

The accounting method for the reportable segments is in accordance with the accounting practices and standards applied in preparing the Consolidated Financial Statements.

Segment income (loss) is calculated based on ordinary profit (loss).

Intersegment revenue is calculated based on prevailing market prices.

3. Information related to revenue, income (loss), assets, and other items by reportable segment and information on breakdown of revenue

Consolidated previous fiscal year (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable Segments					Total	Adjustments (Note 2)	To consolidated financial statements
	Japan Wholesaling	Non-Japan Wholesaling	Paper Manufacturing & Processing	Raw Materials & Environment	Real Estate Leasing			
Revenue								
Revenue from contracts with customers	196,359	260,104	50,051	23,641	-	530,155	-	530,155
Other revenue	-	-	-	-	4,075	4,075	-	4,075
Revenue from external customers	196,359	260,104	50,051	23,641	4,075	534,230	-	534,230
Intersegment revenue/transfers	8,335	491	6,104	5,972	95	20,998	(20,998)	-
Total	204,695	260,595	56,155	29,613	4,170	555,228	(20,998)	534,230
Segment income (loss)	6,673	3,481	7,044	1,645	1,540	20,382	(3,630)	16,753
Segment assets	122,425	103,502	65,318	35,951	22,540	349,737	22,908	372,645
Other								
Depreciation and amortization	136	2,194	3,518	1,655	1,046	8,549	310	8,859
Amortization of goodwill	-	1,177	-	-	-	1,177	-	1,177
Interest income	5	745	37	12	-	799	11	810
Interest expenses	550	2,252	391	250	583	4,025	(905)	3,120
Equity in earnings (losses) of affiliated companies	214	(0)	89	26	-	329	-	329
Increase in property, plant, and equipment and intangible fixed assets	185	818	1,805	561	655	4,023	242	4,265

(Notes)

1. Segment income (loss) is adjusted with ordinary profit in the Consolidated Statements of Income.
2. (1) Adjustments in segment income (loss) include the elimination of intersegment transactions of ¥(2,473) million and expenses of administrative divisions of ¥(1,156) million that are not allocated any of the reportable segments. Expenses of administrative divisions are mainly general and administration expenses, non-operating income, and non-operating expenses that are not attributable to any of the reportable segments, on a net basis.
(2) Adjustments in segment assets include the elimination of intersegment transactions of ¥(30,974) million and assets of administrative divisions of ¥53,882 million that are not allocated to any of the reportable segments. Assets of administrative divisions are mainly the Company's surplus funds (cash and deposits) and long-term investments funds (investment securities) that are not attributable to any of the reportable segments.
(3) Adjustments in interest expenses mainly represent the difference between interest expenses of administrative divisions and interest expenses of the reportable segments owed to administrative divisions.

Consolidated fiscal year under review (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable Segments					Total	Adjustments (Note 2)	To consolidated financial statements
	Japan Wholesaling	Non-Japan Wholesaling	Paper Manufacturing & Processing	Raw Materials & Environment	Real Estate Leasing			
Revenue								
Revenue from contracts with customers	200,627	275,488	51,597	22,650	-	550,363	-	550,363
Other revenue	-	-	-	-	4,161	4,161	-	4,161
Revenue from external customers	200,627	275,488	51,597	22,650	4,161	554,524	-	554,524
Intersegment revenue/transfers	9,058	651	4,263	6,410	93	20,475	(20,475)	-
Total	209,685	276,139	55,860	29,060	4,254	574,998	(20,475)	554,524
Segment income (loss)	6,000	3,195	6,761	2,012	1,553	19,521	(3,698)	15,822
Segment assets	116,402	139,046	61,430	32,894	21,579	371,351	20,883	392,234
Other								
Depreciation and amortization	131	2,479	3,177	1,564	1,069	8,421	309	8,730
Amortization of goodwill	-	953	-	-	-	953	-	953
Interest income	5	826	50	28	0	910	6	916
Interest expenses	556	2,097	199	241	572	3,666	(856)	2,810
Equity in earnings (losses) of affiliated companies	233	12	98	2	-	346	-	346
Increase in property, plant, and equipment and intangible fixed assets	234	1,143	1,899	604	254	4,133	454	4,587

(Notes)

1. Segment income (loss) is adjusted with ordinary profit in the Consolidated Statements of Income.
2. (1) Adjustments in segment income (loss) include the elimination of intersegment transactions of ¥(3,886) million and expenses of administrative divisions of ¥188 million that are not allocated to any of the reportable segments. Expenses of administrative divisions are mainly general and administration expenses, non-operating income, and non-operating expenses that are not attributable to any of the reportable segments, on a net basis.
(2) Adjustments in segment assets include the elimination of intersegment transactions of ¥(35,353) million and assets of administrative divisions of ¥56,237 million that are not allocated to any of the reportable segments. Assets of administrative divisions are mainly the Company's surplus funds (cash and deposits) and long-term investments funds (investment securities) that are not attributable to any of the reportable segments.
- (3) Adjustments in interest expenses mainly represent the difference between interest expenses of administrative divisions and interest expenses of the reportable segments owed to administrative divisions.

(Information on impairment loss on non-current assets by reportable segment)

For the fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable Segments					Total	Adjustments	To consolidated financial statements
	Japan Wholesaling	Non-Japan Wholesaling	Paper Manufacturing & Processing	Raw Materials & Environment	Real Estate Leasing			
Balance at end of period	-	-	5	185	-	190	-	190

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

(Millions of yen)

	Reportable Segments					Total	Adjustments	To consolidated financial statements
	Japan Wholesaling	Non-Japan Wholesaling	Paper Manufacturing & Processing	Raw Materials & Environment	Real Estate Leasing			
Balance at end of period	-	387	1,666	-	-	2,053	-	2,053

(Information on amortization and unamortized balance of goodwill by reportable segment)

For the fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable Segments					Total	Adjustments	To consolidated financial statements
	Japan Wholesaling	Non-Japan Wholesaling	Paper Manufacturing & Processing	Raw Materials & Environment	Real Estate Leasing			
Balance at end of period	-	3,783	-	-	-	3,783	-	3,783

(Note)

Amortization of goodwill is omitted because the similar information is disclosed in segment information.

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

(Millions of yen)

	Reportable Segments					Total	Adjustments	To consolidated financial statements
	Japan Wholesaling	Non-Japan Wholesaling	Paper Manufacturing & Processing	Raw Materials & Environment	Real Estate Leasing			
Balance at end of period	-	6,641	-	-	-	6,641	-	6,641

(Notes)

1. Amortization of goodwill is omitted because the similar information is disclosed in segment information.
2. During the third quarter of the fiscal year ended March 31, 2025, the Company recognized goodwill in the Non-Japan Wholesaling segment as a result of the consolidation of OVOL France, S.A.S. and its subsidiary as consolidated subsidiaries. The resulting increase in goodwill was ¥1,022 million. The amount of goodwill was subject to provisional accounting treatment as of the end of the third quarter of the fiscal year ended March 31, 2025, as the allocation of the acquisition cost had not been completed. However, it has been finalized as of the end of the fiscal year under review.
3. During the fourth quarter of the fiscal year ended March 31, 2025, the Company recognized goodwill in the Non-Japan Wholesaling segment as a result of the business acquisition executed by OVOL Papier Deutschland GmbH. The resulting increase in goodwill was ¥1,178 million. Please note that the allocation of the acquisition cost has not been completed, and therefore, the amount of goodwill was subject to provisional accounting treatment as of the end of the fiscal year under review.

(Information on gain on bargain purchase by reportable segment)

For the fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

Not applicable.

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

Not applicable.

(Per share information)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net assets per share	1,035.56 yen	1,087.70 yen
Basic earnings per share	78.86 yen	61.44 yen
Diluted earnings per share	78.69 yen	61.30 yen

(Notes) 1. The Company conducted a stock split at a ratio of ten shares for every share of common stock on October 1, 2024. Net assets per share, basic earnings per share, and diluted earnings per share have been calculated under the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

2. For the purpose of calculating basic earnings per share, the number of the remaining shares of the Company in the Board Benefit Trust, which are reported as treasury shares under shareholder's equity, is included in the number of treasury shares to be deducted in the calculation of the average number of shares outstanding during the period, and for the purpose of calculating net assets per share, is included in the number of treasury shares to be deducted from the total number of issued shares at the end of the period.

For the purpose of calculating basic earnings per share, the average number during the period of such treasury shares deducted was 1,582 thousand shares and 2,038 thousand shares in the fiscal years ended March 31, 2024 and 2025, respectively, and for the purpose of calculating net assets per share, the number of shares at the end of the period of such treasury shares deducted was 2,083 thousand shares and 2,035 thousand shares as of March 31, 2024 and 2025, respectively.

3. Basis for calculation of net assets per share is as follows.

	As of March 31, 2024	As of March 31, 2025
Total net assets (millions of yen)	138,347	145,565
Amount deducted from total net assets (millions of yen)	10,821	11,571
[Of which share acquisition rights (millions of yen)]	[76]	[76]
[Of which, non-controlling interests (millions of yen)]	[10,746]	[11,495]
Net assets related to common shares at the end of the period (millions of yen)	127,526	133,994
Number of common shares issued (thousand shares)	150,215	150,215
Number of treasury shares of common shares (thousand shares)	27,068	27,025
Number of common shares used for the calculation of net assets per share at the end of the period (thousand shares)	123,146	123,190

4. Basis for calculation of basic earnings per share and diluted earnings per share is as follows.

	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 (millions of yen)	10,357	7,569
Amount not attributable to common shareholders (millions of yen)	-	-
Profit attributable to owners of parent relating to common shares (millions of yen)	10,357	7,569
Average number of common shares outstanding during the period (thousand shares)	131,331	123,188
Diluted earnings per share		
Adjustment of profit attributable to owners of parent (millions of yen)	-	-
Increase in the number of common shares (thousand shares)	279	279
[Of which, share acquisition rights (thousand shares)]	[279]	[279]
Overview of potential shares not included to calculate diluted earnings per share as there was no dilutive effect.	—	—

(Significant subsequent events)

Not applicable.