

Summary of Consolidated Financial and Business Results for the Year Ended March 2025 (Japanese GAAP)

Company Name: **Oji Holdings Corporation** (Code No. 3861 Tokyo Stock Exchange)
 URL: <https://www.ojiholdings.co.jp/>
 Representative: Hiroyuki Isono, President & Chief Executive Officer
 Contact: Tadashi Oshima, Executive Officer
 Telephone: 03-3563-1111 +81-3-3563-1111(overseas)
 General meeting of stockholders to be held: June 27, 2025 Start of dividend payout: June 5, 2025
 Statutory annual report to be presented: June 26, 2025

(All yen figures are rounded down to the nearest one million yen)

1. Results for the Year Ended March 31, 2025 (April 1, 2024 - March 31, 2025)

(Unaudited)

(1) Consolidated Business Results

(Figures shown in percentage are ratios compared to the same period of the previous year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2024	1,849,264	9.0	67,686	(6.8)	68,568	(20.3)	46,171	(9.1)
FY2023	1,696,268	(0.6)	72,600	(14.4)	85,987	(9.5)	50,812	(10.0)
Note: Comprehensive income	FY2024	86,645 million yen	[(41.8)%]		FY2023	148,871 million yen	[27.1%]	

	Profit per share	Diluted profit per share	Ratio of profit to shareholders' equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
FY2024	47.34	47.33	4.3	2.7	3.7
FY2023	51.31	51.30	5.1	3.6	4.3

Note: Equity in earning of affiliates FY2024 4,503 million yen FY2023 4,708 million yen

(2) Consolidated Financial Condition

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2024	2,635,030	1,132,791	41.8	1,177.99
FY2023	2,442,482	1,095,597	43.7	1,083.13

Note: Shareholders' equity FY2024 1,101,755 million yen FY2023 1,066,449 million yen

(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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2024	94,420	(154,911)	60,969	65,508
FY2023	202,897	(118,003)	(84,899)	62,472

2. Dividend Conditions

	Dividend per share					Total dividend (Annual)	Dividend payout ratio (Consolidated)	Dividend on net assets (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of FY	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY2023	-	8.00	-	8.00	16.00	15,834	31.2	1.6
FY2024	-	12.00	-	12.00	24.00	23,081	50.7	2.2
FY2025(Forecast)	-	18.00	-	18.00	36.00		51.8	

3. Consolidated Forecasts for the Year Ending March 2026 (April 1, 2025-March 31, 2026)

(Figures shown in percentage for the full year are ratios compared to the previous year,

Figures shown in percentage for the first half are ratios compared to the same period of the previous year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	930,000	0.8	21,000	(43.6)	11,000	(72.1)	15,000	(38.1)	16.04
Full year	1,900,000	2.7	75,000	10.8	60,000	(12.5)	65,000	40.8	69.50

4. Notes

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

Newly included: 21 companies (Walki Holding Oy and its 20 affiliated companies)

(2) Changes in accounting methods compared with recent consolidated accounting periods

- | | |
|--|------|
| (i) Changes due to accounting standard changes : | Yes |
| (ii) Changes besides (i) : | None |
| (iii) Accounting estimate change : | None |
| (iv) Restatement : | None |

(Note) Please refer to "Consolidated Quarterly Financial Statements and Notes (Changes in accounting policies)" on page 11 of the attached document for more details.

(3) Outstanding balance of issued shares (common stock)

(i) Outstanding balance of issued shares at the end of fiscal year (including treasury shares)			
FY2024	1,014,381,817	FY2023	1,014,381,817
(ii) Outstanding balance of treasury shares at the end of fiscal year			
FY2024	79,098,942	FY2023	29,784,280
(iii) Weighted average number of shares during fiscal year			
FY2024	975,362,615	FY2023	990,218,224

(Reference)

1. Results for the Year Ended March 31, 2025 (April 1, 2024 - March 31, 2025)

(1) Non-consolidated Business Results

(Figures shown in percentage are ratios compared to the previous year)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2024	44,456	13.4	20,114	(5.3)	18,618	(17.8)	35,346	53.5
FY2023	39,220	(17.2)	21,237	(30.0)	22,638	(21.1)	23,020	(8.3)

	Profit per share	Diluted profit per share
	Yen	Yen
FY2024	36.23	36.22
FY2023	23.24	23.24

(2) Non-consolidated Financial Condition

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2024	1,334,158	423,463	31.7	452.59
FY2023	1,230,054	446,376	36.3	453.16

Note: Shareholders' equity FY2024 423,395 million yen FY2023 446,278 million yen

NOTICE

- This document is out of the scope of the audit procedures required by Financial Instruments and Exchange Act, and audit procedures for consolidated financial statement have not been finished as of the date of publication.
- The statements regarding future mentioned in this document are based on the information currently available and the premise deemed reasonable. The actual results may differ drastically from these forecasts due to various factors that may arise in the future.
- This document is an excerpt translation of the Japanese original and is only for reference purposes. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.
- Supplementary explanations on business results will be made available on the Company's website on Tuesday, May 13, 2025.

1. Qualitative Information Concerning Business Performance

Business Performance for the Year Ended March 31, 2025 (April 1, 2024 - March 31, 2025, "FY2024")

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Profit per share
	Billions of yen	Billions of yen	Billions of yen	Billions of yen	Yen
FY2024	1,849.3	67.7	68.6	46.2	47.34
FY2023	1,696.3	72.6	86.0	50.8	51.31
Increase (Decrease)	153.0	(4.9)	(17.4)	(4.6)	
Increase (Decrease)	9.0%	(6.8%)	(20.3%)	(9.1%)	

The Oji Group has set the basic policy of "Toward Further Growth and Evolution" as the Long-term Vision for 2030, and is promoting three pillars: "Initiatives for Environmental Issues -Sustainability-", "Initiatives for Profitability Improvement - Profitability-" and "Initiatives for Product Development -Green Innovation-".

As a milestone in this Long-term Vision for FY2030, we have been working on FY2022-2024 Medium-term Management Plan (management targets for FY2024: consolidated operating profit of more than ¥150 billion, profit attributable to owners of parent of more than ¥100 billion <maintaining ¥100 billion or more on a stable basis>, overseas sales ratio of 40%, Net debt-to-equity D/E ratio of 0.7 times).

In the current consolidated fiscal year, the final year of the Medium-term Management Plan, in April 2024, as part of "Initiatives for Profitability Improvement -Profitability-", we have completed acquisition of Walki Holding Oy (Head Office: Finland), a leading company with advanced technologies in material conversion especially for paper-based sustainable solutions. Regarding "Initiatives for Environmental Issues -Sustainability-", as part of the efforts to address the countermeasures against climate change in our Environmental Action Program 2030, we are expanding plantations and acquired 35,000 hectares of forest plantation in Uruguay in July 2024. We have also continued our efforts on environmental issues, such as promoting greenhouse gas reduction by increasing the usage of renewable energy and expanding net CO2 absorption by planting fast-growing trees. As part of "Initiatives for Product Development -Green Innovation-", in order to develop "new materials derived from wood" that can substitute for fuel derived from fossil and plastics, we have introduced one of the largest pilot facility in Japan to manufacture sugar solutions derived from wood at Oji Paper Yonago Mill and have started operations with a view to commercialization in the future. We also introduced a pilot facility to manufacture ethanol derived from wood in March 2025. We will develop and quickly commercialize new wood-derived products and materials such as sustainable materials and products, based on a range of core technologies we have cultivated through paper manufacturing and forestation. We will contribute to society as a company that "grows and manages the sustainable forest, develops and delivers the products from renewable forest and brings this world a brighter future filled with hope".

While working on the three pillars, we're also selling shares in subsidiaries and reviewing and withdrawing from low-profit businesses as part of transforming our business portfolio in response to changes in the business environment. We will enhance the value of our business by deepening the existing businesses through the establishment of an optimal production system, and expanding the highly-expected businesses including overseas packaging business and sustainable products.

Through these initiatives, consolidated net sales for FY2024 increased by ¥153.0 billion to ¥1,849.3 billion (year-on-year increase of 9.0%) mainly due to acquisition and consolidation of Walki Holding Oy, and the gradual recovery at Pan Pac Forest Products Ltd. in New Zealand, which had been shut down due to cyclone damage, and the resumption of all production lines from November 2024, etc.

Overseas sales ratio increased by 5.9 points from the previous year to 40.8%.

Consolidated operating profit decreased by ¥4.9 billion to ¥67.7 billion (year-on-year decrease of 6.8%) mainly due to cost increase such as distribution and personnel despite a rise in overseas pulp market and an increase in sales volume. For the Medium-term Management Plan, we have been working on price revision and review our business operations amid a challenging business environment such as cost increase of distribution, personnel, and raw material. However, we were unable to achieve the targets particularly in overseas businesses, and were further impacted by the cyclone damage at Pan Pac Forest Products Ltd. in New Zealand.

Ordinary profit decreased by ¥17.4 billion to ¥68.6 billion (year-on-year decrease of 20.3%) due to foreign exchange losses from revaluation of foreign currency-denominated receivables and payables and so on.

Profit before taxes increased by ¥6.8 billion to ¥84.4 billion (year-on-year increase of 8.7%) due to extraordinary gains of ¥26.2 billion on the sale of investment securities following the sale of strategic shareholdings and ¥8.5 billion on the return of assets from retirement benefits trust etc., despite a decrease in ordinary profit and the record of extraordinary losses including restructuring costs of ¥10.8 billion related to the restructure of its containerboard business in New Zealand, among other items. Profit attributable to owners of parent decreased by ¥4.6 billion to ¥46.2 billion (year-on-year decrease of 9.1%).

Overview of Business Performance for FY2024 by Segment

(I) Business Performance by Segment

(Unit: Billions of yen)

		Net sales			Operating profit (loss)		
		FY2023	FY2024	Increase (Decrease)	FY2023	FY2024	Increase (Decrease)
Reporting Segment	Household and Industrial Materials	798.7	832.7	4.3%	21.2	8.5	(60.1%)
	Functional Materials	227.5	236.4	3.9%	9.1	9.6	6.3%
	Forest Resources and Environment Marketing	359.6	392.3	9.1%	19.6	30.5	55.8%
	Printing and Communications Media	299.4	293.2	(2.1%)	16.8	8.6	(48.7%)
	Total	1,685.2	1,754.6	4.1%	66.7	57.2	(14.2%)
Others		316.1	422.8	33.8%	5.8	9.2	58.4%
Total		2,001.3	2,177.4	8.8%	72.5	66.4	(8.4%)
Adjustment (*)		(305.0)	(328.2)		0.1	1.3	
Consolidated total		1,696.3	1,849.3	9.0%	72.6	67.7	(6.8%)

*Adjustment is mainly those concerning internal transactions.

(II) Overview of Business Performance by Segment

The Oji Group's four reporting segments are: "Household and Industrial Materials", "Functional Materials", "Forest Resources and Environment Marketing", and "Printing and Communications Media". Each of the reporting segment consists of units that are recognized to be similar in terms of economic characteristics, manufacturing methods or processes of products, and markets in which products are sold or types of customers, among the constituent units of the Oji Group. Business segments that are not included in the reporting segments are classified as "Others".

Major business lineup for the segments are as follows.

- Household and Industrial Materials:

Containerboard/corrugated containers, boxboard/folding cartons, packing paper/paper bags, household paper, disposable diapers, etc.

- Functional Materials:

Specialty paper, thermal paper, adhesive materials, film, etc.

- Forest Resources and Environment Marketing:

Pulp, energy, forest plantation/lumber processing, etc.

- Printing and Communications Media:

Newsprint, printing/publication/communication paper, etc.

- Others:

Trading business, sustainable packaging, logistics, engineering, real estate, liquid packaging cartons, etc.

○Household and Industrial Materials

In FY2024, net sales amounted to ¥832.7 billion (year-on-year increase of 4.3%), and operating profit was ¥8.5 billion (year-on-year decrease of 60.1%).

Regarding domestic business, net sales increased from the previous year, due to the recovery in demand for boxboard and packaging paper. As for disposable diapers, net sales of those for babies decreased from the previous year due to the withdrawal from the domestic business in September 2024, while net sales of those for adults increased from the previous year due to an increase in sales volumes as a result of new customer acquisition.

Regarding overseas business, net sales of containerboard increased from the previous year due to foreign exchange impact, etc., and net sales of corrugated containers also increased due to the launch of the new corrugated container plant in Vietnam as part of our strategy to expand business further in Southeast Asia, etc.

○Functional Materials

In FY2024, net sales amounted to ¥236.4 billion (year-on-year increase of 3.9%), and operating profit was ¥9.6 billion (year-on-year increase of 6.3%).

Regarding domestic business, as for specialty paper, net sales increased from the previous year due to sales expansion of strategic products, such as heat-sealable paper for major online retailers and non-fluorine oil-resistant paper, the recovery in demand for semiconductor and price revision, etc. As for thermal paper, net sales increased from the previous year due to steady demand.

Regarding overseas business, net sales increased from the previous year due to the gradual recovery in demand in some areas.

○Forest Resources and Environment Marketing

In FY2024, net sales amounted to ¥392.3 billion (year-on-year increase of 9.1%), and operating profit was ¥30.5 billion (year-on-year increase of 55.8%).

Regarding domestic business, net sales decreased from the previous year due to a decrease in the amount of electricity sold in the energy business, despite the improvement of dissolving pulp market and yen's depreciation.

Regarding overseas business, net sales increased from the previous year due to the progress in the recovery at Pan Pac Forest Products Ltd. in New Zealand, which had been shut down due to cyclone damage.

○Printing and Communications Media

In FY2024, net sales amounted to ¥293.2 billion (year-on-year decrease of 2.1%), and operating profit was ¥8.6 billion (year-on-year decrease of 48.7%).

Regarding domestic business, net sales of newsprint, printing and communication paper decreased from the previous year as demand continued to decline.

Regarding overseas business, net sales at Jiangsu Oji Paper Co., Ltd., increased from the previous year due to an increase in production volume as a result of improved production efficiency.

Forecast for the Year Ending March 31, 2026 (April 1, 2025 - March 31, 2026, "FY2025")

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Profit per share
	Billions of yen	Billions of yen	Billions of yen	Billions of yen	Yen
First Half of FY2025	930.0	21.0	11.0	15.0	16.04
First Half of FY2024	922.9	37.2	39.4	24.2	24.61
Increase (Decrease)	7.1	(16.2)	(28.4)	(9.2)	
Increase (Decrease)	0.8%	(43.6%)	(72.1%)	(38.1%)	
FY2025	1,900.0	75.0	60.0	65.0	69.50
FY2024	1,849.3	67.7	68.6	46.2	47.34
Increase (Decrease)	50.7	7.3	(8.6)	18.8	
Increase (Decrease)	2.7%	10.8%	(12.5%)	40.8%	

Starting in FY2025, a new Medium-term Management Plan will be launched with FY2027 as the final year. The basic policy is to shift to BS management with an awareness of capital efficiency and to move into new business areas with potential growth, and we will promote initiatives such as improving capital efficiency and portfolio transformation. We will set strict investment criteria and evolve our business structure to be more profitable and capital efficient. In addition, we will streamline our asset base by reducing our shareholdings, etc. In November 2024, we announced that we would review our strategic shareholdings as well as retirement benefits trust shares that are overfunded for the retirement benefits of our group companies, and reduce them by a total of ¥70 billion by FY2027 (FY2024 reduction results strategic shareholdings: ¥28.9 billion, retirement benefit trust shares: ¥13.8 billion), and we plan to reduce more amount in the new Medium-term Plan. For improving capital efficiency, we will review the balance between equity capital and interest-bearing debt to enhance shareholder returns. The dividend payout ratio will be set at 50% from FY2025. As a further shareholder return, in December 2024, we announced that we would acquire ¥100 billion of treasury shares by the end of FY2026 (FY2024 acquisition amount: ¥29.3 billion), and we plan to increase this by ¥50 billion to ¥150 billion from FY2024 to FY2027.

Amid declining demand for printing paper and other products, we will accelerate our expansion into businesses and areas with potential growth. By utilizing the strengths of paper as a sustainable material derived from wood and highly recyclable, we will expand new products such as paper packaging, which can replace plastic packaging, to meet the demand of customers who want to be environmentally conscious. We will also promote our wood biomass business, producing new high value-added materials from wood, and commercialize many of these products in the future, developing them into new pillars of our business. At the same time, we will tighten our exit criteria for unprofitable businesses and achieve a shift to a healthy and robust business portfolio.

Through these efforts, we will achieve consolidated operating profit of ¥120 billion, profit attributable to owners of parent of ¥80 billion and ROE of 8% by FY2027.

Details of the next Medium-term Business Plan will be announced on 30 May 2025.

<FY2025 Forecast and Future Outlook >

The forecast for the next fiscal year is based on net sales of ¥1,900.0 billion, operating profit of ¥75.0 billion, ordinary profit of ¥60.0 billion, and net profit attributable to owners of parent of ¥65.0 billion

The assumed exchange rates for FY2025 forecast are as follows:

	Exchange rates	(Reference) Sensitivity for operating income (Annual)
JPY/USD	145.0	Approx. ¥0.63 billion with a fluctuation of USD by 1% (strong USD: -)
BRL/USD	5.90	Approx. ¥0.5 billion with a fluctuation of USD by 1% (strong USD: +)
NZD/USD	1.67	Approx. ¥0.89 billion with a fluctuation of USD by 1% (strong USD: +)

In order to evaluate more appropriately the performance of the reporting segments, from the first quarter of FY2025, the sustainable packaging business and liquid packaging cartons business, which are allocated to "Others," will be instead allocated to "Household and Industrial Materials" and HQ expenses, which are allocated to each segment, will no longer be allocated to each segment and will be included in "Others". For details on segment reclassification, please refer to the Summary of Financial Business Results announced on the Company's website today.

2. Outline of Business Performance and Financial Situation

Business Performance

(Unit: Billions of yen)

		FY2024		Forecasts for FY2025	
			Increase(Decrease) from FY2023		Increase(Decrease) from FY2024
Net sales		1,849.3	153.0	1,900.0	50.7
	Domestic	1,094.8	(9.3)		
	Overseas	754.5	162.3		
	Overseas sales ratio	40.8%	5.9%		
Operating profit		67.7	(4.9)	75.0	7.3
Ordinary profit		68.6	(17.4)	60.0	(8.6)
Profit attributable to owners of parent		46.2	(4.6)	65.0	18.8

(Unit: Billions of yen)

Depreciation	89.2	9.7	87.8	(1.4)
Capital expenditure	113.2	8.7	99.3	(13.9)

Average foreign exchange rate

		FY2024		Forecasts for FY2025	
			Changes from FY2023		Changes from FY2024
JPY/USD April to March		152.6	8.0	145.0	(7.6)
BRL/USD January to December		5.39	0.39	5.90	0.51
NZD/USD January to December		1.65	0.02	1.67	0.02
CNY/USD January to December		7.21	0.12	7.30	0.09
JPY/EUR January to December		164.1	12.1	165.0	0.9

Financial situation

(Unit: Billions of yen)

	Mar 31, 2025	
		Increase(Decrease) from Mar 31, 2024
Total assets	2,635.0	192.5
Net assets	1,132.8	37.2
Interest bearing debts	903.4	166.7
Net debts (Interest bearing debts - Cash and cash equivalents at end of period)	837.5	163.6

Statements of Cash Flows

(Unit: Billions of yen)

	FY2024	
		Increase(Decrease) from FY2023
Cash flows from operating activities	94.4	(108.5)
Cash flows from investing activities	(154.9)	(36.9)
Cash flows from financing activities	61.0	145.9

Number of employees

(Unit: person)

	Mar 31, 2025	
		Increase(Decrease) from Mar 31, 2024
Number of employees	39,136	814
Domestic	16,233	(50)
Overseas	22,903	864

3. Consolidated Financial Statements and Notes

(1) Consolidated balance sheets

(Unit : Millions of yen)

	FY2023 Mar 31,2024	FY2024 Mar 31,2025
Assets		
Current assets		
Cash and deposits	58,088	58,429
Notes receivable - trade	73,016	66,467
Accounts receivable - trade	296,058	305,317
Contract assets	1,833	3,126
Securities	4,772	7,434
Merchandise and finished goods	124,625	136,769
Work in process	24,637	26,247
Raw materials and supplies	136,181	152,609
Short-term loans receivable	4,277	4,589
Accounts receivable - other	25,481	25,967
Other	27,143	22,438
Allowance for doubtful accounts	(2,828)	(2,892)
Total current assets	773,287	806,504
Non-current assets		
Property, plant and equipment		
Buildings and structures	766,409	813,695
Accumulated depreciation	(543,962)	(568,962)
Buildings and structures, net	222,446	244,732
Machinery, equipment and vehicles	2,707,330	2,831,123
Accumulated depreciation	(2,278,379)	(2,363,506)
Machinery, equipment and vehicles, net	428,951	467,616
Tools, furniture and fixtures	66,273	69,410
Accumulated depreciation	(59,165)	(61,210)
Tools, furniture and fixtures, net	7,108	8,200
Land	246,198	242,886
Forests	143,154	179,333
Standing timber	120,719	153,696
Leased assets	84,014	97,403
Accumulated depreciation	(32,199)	(42,357)
Leased assets, net	51,814	55,046
Construction in progress	53,109	29,885
Total property, plant and equipment	1,273,504	1,381,399
Intangible assets		
Goodwill	18,081	58,303
Other	16,373	52,203
Total intangible assets	34,455	110,507
Investments and other assets		
Investment securities	217,870	197,835
Long-term loans receivable	3,837	3,108
Long-term prepaid expenses	2,662	2,522
Retirement benefit asset	96,250	86,939
Deferred tax assets	9,893	12,959
Other	32,559	35,045
Allowance for doubtful accounts	(1,838)	(1,790)
Total investments and other assets	361,235	336,619
Total non-current assets	1,669,195	1,828,526
Total assets	2,442,482	2,635,030

(Unit : Millions of yen)

	FY2023 Mar 31,2024	FY2024 Mar 31,2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	274,659	263,763
Short-term borrowings	216,476	236,227
Commercial papers	30,000	77,000
Current portion of bonds payable	10,000	30,000
Accounts payable - other	21,628	21,582
Accrued expenses	53,054	54,506
Income taxes payable	22,017	20,610
Other	40,346	35,127
Total current liabilities	<u>668,183</u>	<u>738,818</u>
Non-current liabilities		
Bonds payable	145,000	115,000
Long-term borrowings	335,240	445,161
Deferred tax liabilities	95,124	101,198
Deferred tax liabilities for land revaluation	7,730	7,818
Retirement benefit liability	54,394	51,146
Long-term deposits received	6,420	6,058
Other	34,789	37,037
Total non-current liabilities	<u>678,701</u>	<u>763,420</u>
Total liabilities	<u>1,346,884</u>	<u>1,502,238</u>
Net assets		
Shareholders' equity		
Share capital	103,880	103,880
Capital surplus	85,740	86,035
Retained earnings	645,337	671,980
Treasury shares	(16,575)	(45,836)
Total shareholders' equity	<u>818,383</u>	<u>816,060</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	64,656	52,782
Deferred gains or losses on hedges	1,524	(638)
Revaluation reserve for land	5,713	5,326
Foreign currency translation adjustment	124,922	186,875
Remeasurements of defined benefit plans	51,249	41,350
Total accumulated other comprehensive income	<u>248,066</u>	<u>285,695</u>
Share acquisition rights	97	68
Non-controlling interests	29,049	30,967
Total net assets	<u>1,095,597</u>	<u>1,132,791</u>
Total liabilities and net assets	<u>2,442,482</u>	<u>2,635,030</u>

(2) Consolidated statements of income and comprehensive income**Consolidated statements of income**

(Unit : Millions of yen)

	FY2023 Apr '23 - Mar '24	FY2024 Apr '24 - Mar '25
Net sales	1,696,268	1,849,264
Cost of sales	1,372,191	1,499,869
Gross profit	324,076	349,395
Selling, general and administrative expenses		
Freight and incidental costs	121,912	131,911
Storage costs	6,885	7,267
Employees' salaries	59,561	63,145
Retirement benefit expenses	812	(620)
Depreciation	6,176	10,544
Other	56,126	69,461
Total selling, general and administrative expenses	251,476	281,709
Operating profit	72,600	67,686
Non-operating income		
Interest income	3,041	2,352
Dividend income	3,895	4,134
Foreign exchange gains	14,570	—
Share of profit of entities accounted for using equity method	4,708	4,503
Insurance claim income	1,806	3,130
Gain on valuation of derivatives	—	3,077
Other	5,534	5,886
Total non-operating income	33,556	23,085
Non-operating expenses		
Interest expenses	6,770	8,564
Foreign exchange losses	—	4,839
Other	13,399	8,799
Total non-operating expenses	20,170	22,203
Ordinary profit	85,987	68,568
Extraordinary income		
Gain on sale of investment securities	1,467	26,178
Gain on return of assets from retirement benefits trust	222	8,469
Other	8,305	2,217
Total extraordinary income	9,995	36,865
Extraordinary losses		
Business restructuring expenses	1,027	10,847
Loss on disaster	10,763	3,881
Impairment losses	3,980	2,986
Loss on retirement of non-current assets	1,505	2,827
Other	1,106	530
Total extraordinary losses	18,383	21,074
Profit before income taxes	77,599	84,359
Income taxes - current	27,484	38,003
Income taxes - deferred	(2,202)	(1,584)
Total income taxes	25,282	36,419
Profit	52,317	47,940
Profit attributable to non-controlling interests	1,505	1,769
Profit attributable to owners of parent	50,812	46,171

Consolidated statements of comprehensive income

(Unit : Millions of yen)

	FY2023 Apr '23 - Mar '24	FY2024 Apr '24 - Mar '25
Profit	52,317	47,940
Other comprehensive income		
Valuation difference on available-for-sale securities	21,439	(12,017)
Deferred gains or losses on hedges	1,031	(2,204)
Revaluation reserve for land	—	(179)
Foreign currency translation adjustment	40,375	62,699
Remeasurements of defined benefit plans, net of tax	27,873	(7,319)
Share of other comprehensive income of entities accounted for using equity method	5,834	(2,273)
Total other comprehensive income	<u>96,553</u>	<u>38,705</u>
Comprehensive income	<u>148,871</u>	<u>86,645</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	146,492	84,021
Comprehensive income attributable to non-controlling interests	2,378	2,624

(3) Consolidated Statements of Cash Flows

(Unit : Millions of yen)

	FY2023 Apr '23 - Mar '24	FY2024 Apr '24 - Mar '25
Cash flows from operating activities		
Profit before income taxes	77,599	84,359
Depreciation	79,529	89,176
Impairment losses	3,980	2,986
Amortization of goodwill	2,253	5,082
Depletion of standing timber	11,520	12,293
Increase (decrease) in allowance for doubtful accounts	366	(227)
Decrease (increase) in retirement benefit asset	(3,073)	(6,323)
Increase (decrease) in retirement benefit liability	676	(2,121)
Interest and dividend income	(6,937)	(6,487)
Interest expenses	6,770	8,564
Foreign exchange losses (gains)	(11,366)	3,019
Share of loss (profit) of entities accounted for using equity method	(4,708)	(4,503)
Loss (gain) on sale of investment securities	(1,131)	(25,746)
Loss (gain) on return of assets from retirement benefits trust	(222)	(8,469)
Business restructuring expenses	1,027	10,847
Loss on retirement of non-current assets	1,505	2,827
Decrease (increase) in trade receivables	17,496	11,120
Decrease (increase) in inventories	8,705	(10,695)
Increase (decrease) in trade payables	16,827	(21,537)
Other, net	13,039	(13,516)
Subtotal	213,860	130,651
Interest and dividends received	8,178	7,701
Interest paid	(5,495)	(6,550)
Income taxes paid	(13,645)	(37,381)
Net cash provided by (used in) operating activities	202,897	94,420
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(115,019)	(143,934)
Proceeds from sale of property, plant and equipment and intangible assets	5,572	2,155
Purchase of investment securities	(2,161)	(5,720)
Proceeds from sale and redemption of investment securities	5,495	50,588
Loan advances	(637)	(440)
Proceeds from collection of loans receivable	1,087	917
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(12,671)	(58,711)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	—	1,210
Other, net	331	(977)
Net cash provided by (used in) investing activities	(118,003)	(154,911)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(11,762)	(21,905)
Net increase (decrease) in commercial papers	(56,000)	47,000
Proceeds from long-term borrowings	87,684	180,449
Repayments of long-term borrowings	(75,501)	(76,097)
Redemption of bonds	—	(10,000)
Repayments of lease liabilities	(7,287)	(8,714)
Purchase of treasury shares	(4,802)	(29,307)
Dividends paid	(15,887)	(19,727)
Other, net	(1,341)	(726)
Net cash provided by (used in) financing activities	(84,899)	60,969
Effect of exchange rate change on cash and cash equivalents	3,511	2,560
Net increase (decrease) in cash and cash equivalents	3,506	3,039
Cash and cash equivalents at beginning of period	56,837	62,472
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	2,341	—
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(212)	(4)
Cash and cash equivalents at end of period	62,472	65,508

(4)Notes to consolidated financial statements

(Notes related to going concern assumption)

No applicable items

(Changes in accounting policies)

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

“Accounting Standard for Current Income Taxes” (ASBJ Statement No.27, October 28, 2022. Hereinafter “Revised Accounting Standard 2022”) and related guidelines have been adopted from the beginning of the first quarter.

The classification of current income taxes (taxation on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso (2) of paragraph 65-2 of the “Implementation Guidance on Tax Effect Accounting” (ASBJ Guidance No.28, October 28, 2022. Hereinafter “Revised Implementation Guidance 2022”). This change in accounting policies has no impact on the consolidated financial statements.

For the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes, the Revised Implementation Guidance 2022 has been adopted from the beginning of the first quarter. This change in accounting policies was applied retrospectively. Hence, the consolidated financial statements for the prior fiscal year have been modified retrospectively. The effects of this adoption are immaterial on the consolidated financial statements for the prior fiscal year.

(Segment Information)

I.For the Year Ended March 31,2024 (April 1,2023 - March 31, 2024,"FY2023")

(Unit : Millions of yen)

1.Information on amounts of sales and profit or loss by reporting segment

	Reporting segments					Others (Note 1)	Total	Adjustments (Note 2)	Consolidated amount (Note 3)
	Household and Industrial Materials	Functional Materials	Forest Resources and Environmental Marketing	Printing and Communications Media	Total				
Net sales									
Sales to third parties	733,654	213,396	311,094	235,094	1,493,239	203,028	1,696,268	–	1,696,268
Inter-segment sales or transfers	65,053	14,122	48,458	64,285	191,920	113,062	304,983	(304,983)	–
Total sales	798,708	227,518	359,552	299,380	1,685,160	316,091	2,001,251	(304,983)	1,696,268
Segment profit	21,240	9,072	19,575	16,785	66,673	5,790	72,464	136	72,600

Notes

- 1."Others" is a business segment which is not included in the reporting segments, and included in this segment are trading business, logistics, engineering, real estate, liquid packaging carton and other businesses.
2. Adjustment for segment profit of ¥ 136 million primarily consists of adjustment relating to internal transactions.
3. Adjustment is made between segment profit and operating profit of the consolidated statement of income.

II.For the Year Ended March 31,2025 (April 1,2024 - March 31, 2025,"FY2024")

(Unit : Millions of yen)

1.Information on amounts of sales and profit or loss by reporting segment

	Reporting segments					Others (Note 1)	Total	Adjustments (Note 2)	Consolidated amount (Note 3)
	Household and Industrial Materials	Functional Materials	Forest Resources and Environmental Marketing	Printing and Communications Media	Total				
Net sales									
Sales to third parties	761,611	221,405	345,452	228,922	1,557,392	291,871	1,849,264	–	1,849,264
Inter-segment sales or transfers	71,114	14,970	46,893	64,273	197,251	130,932	328,184	(328,184)	–
Total sales	832,726	236,376	392,346	293,195	1,754,644	422,804	2,177,449	(328,184)	1,849,264
Segment profit	8,467	9,645	30,505	8,606	57,225	9,170	66,396	1,289	67,686

Notes

- 1."Others" is a business segment which is not included in the reporting segments, and included in this segment are trading business, sustainable packaging, logistics, engineering, real estate, liquid packaging carton and other businesses.
2. Adjustment for segment profit of ¥ 1,289 million primarily consists of adjustment relating to internal transactions.
3. Adjustment is made between segment profit and operating profit of the consolidated statement of income.