Consolidated Financial Results for the Six Months Ended September 30, 2026 [Japanese GAAP]

November 13, 2026

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Scheduled date of filing semi-annual report: November 13, 2026
Scheduled date of commencement of dividend payments: December 2, 2026
Supplementary documents for financial results: Yes
Results briefing: Yes (for institutional investors and analysts)

(Figures rounded down to the nearest million yen)

1. Consolidated Business Results for the Six Months Ended September 30, 2026 (April 1, 2026 through September 30, 2026)

(1) Consolidated results of operations (% change 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	%
Six months ended September 30, 2026	147,564	5.6	(1,442)	–	(405)	–	654	(72.5)
Six months ended September 30, 2025	139,787	(6.4)	2,019	(77.6)	3,006	(66.7)	2,375	(62.2)

(Note) Comprehensive income: Six months ended September 30, 2026: 155 million yen [(54.2)%]
Six months ended September 30, 2025: 338 million yen [(97.5)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2026	4.12	4.11
Six months ended September 30, 2025	14.12	14.11

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2026	431,056	250,820	58.0
As of March 31, 2026	420,574	252,747	59.9

(Reference) Equity: As of September 30, 2026: 249,901 million yen
As of March 31, 2026: 251,816 million yen

2. Dividends

	Annual dividend per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2026	–	13.00	–	13.00	26.00
Year ending March 31, 2027	–	13.00			
Year ending March 31, 2027 (forecast)			–	13.00	26.00

(Note) Revisions to dividend forecasts published most recently: None

3. Forecast of Consolidated Financial Results for the Year Ending March 31, 2027 (April 1, 2026 through March 31, 2027)

(% change 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	305,000	6.0	3,000	(60.2)	4,000	(64.5)	5,000	(31.5)	31.49

(Note) Revisions to business forecasts published most recently: None

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of the consolidated semi-annual financial statements: None

(3) Changes in accounting policies, accounting estimates and restatement of prior period financial statements

(i) Changes in accounting policies due to amendment to accounting standards: None
(ii) Changes in accounting policies other than (i): None
(iii) Changes in accounting estimates: None
(iv) Restatement of prior period financial statements: None

(4) Shares outstanding (common stock)

(i) Number of shares outstanding at the end of the period (treasury stock included):

As of September 30, 2026	163,053,114 shares	As of March 31, 2026	163,053,114 shares

(ii) Number of treasury stock at the end of the period:

As of September 30, 2026	4,165,178 shares	As of March 31, 2026	4,251,151 shares

(iii) Average number of shares during period:

Six months ended September 30, 2026	158,846,349 shares	Six months ended September 30, 2025	168,214,508 shares

(Note) The Company has introduced a stock benefit trust (employee stock ownership plan) from the fiscal year ended March 31, 2026, and the Company shares held by the trust are included in the number of treasury shares deducted from the calculation of the number of treasury shares at the end of the period and the average number of shares during the period.

*** Consolidated Semi-annual Financial Results are exempted from review performed by a certified public accountant or an audit corporation.**

*** Explanation regarding appropriate use of business forecasts and other special instructions**

(Caution regarding forward-looking statements)

The forward-looking statements such as forecasts of financial results contained in this material are based on information available to the Company at the time of the publication of this document and certain assumptions that the Company considers to be reasonable, and may differ materially from the actual results due to various factors. Refer to “1. Qualitative Information on Consolidated Operating Results for the First Half; (3) Qualitative Information Concerning Consolidated Earnings Forecasts” on page 3 of the accompanying materials for matters related to results forecasts.

*** This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.**

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1. Qualitative Information on Consolidated Operating Results for the First Half

(1) Qualitative Information Concerning Consolidated Operating Results

For the first six months of the fiscal year under review, net sales totaled 147,564 million yen (up 5.6% year on year), due to factors such as price revisions and foreign exchange rate fluctuations. In terms of profits, due to soaring raw material and fuel prices resulting from the escalating tensions in the Middle East and a decline in pulp prices at overseas subsidiaries, the Company recorded an operating loss of 1,442 million yen (compared to an operating profit of 2,019 million yen in the same period of the previous fiscal year), ordinary loss of 405 million yen (compared to an ordinary profit of 3,006 million yen in the same period of the previous fiscal year), and profit attributable to owners of parent of 654 million yen (down 72.5% year on year).

The performance of major segments is as follows:

The Group changed the reportable segments for the first six months of the fiscal year and thereafter, and comparison and analysis for the first six months of the previous fiscal year were made based on new segments.

(i) Pulp and paper business

In the pulp and paper business, sales increased due to price revisions and foreign exchange rate fluctuations; however, profits declined due to soaring raw material and fuel prices resulting from the escalating tensions in the Middle East, as well as a decline in pulp prices at overseas subsidiaries.

As a result, the results of the pulp and paper business were as follows.

Net sales	133,213 million yen (up 5.5% year on year)
Operating loss	(2,079) million yen (compared to operating profit of 1,144 million yen a year ago)

(ii) Packaging/Paper processing business

In the packaging/paper processing business, sales increased due to factors such as higher sales volumes of processed paper; however, profits declined due to factors such as soaring logistics costs.

As a result, the results of the packaging/paper processing business were as follows.

Net sales	9,181 million yen (up 3.9% year on year)
Operating profit	191 million yen (down 18.0% year on year)

(iii) Wood material business

In the wood material business, sales increased due to strong sales of fuel chips for biomass boilers; however, profits declined due to factors such as soaring raw material and fuel prices.

As a result, the results of the wood material business were as follows.

Net sales	2,584 million yen (up 6.1% year on year)
Operating profit	181 million yen (down 10.3% year on year)

(iv) Other businesses

In other businesses, including the construction business, logistics business and used paper wholesale business, sales increased due to a rise in external orders, especially in the construction business. However, profit declined primarily due to cost increases in the logistics business.

As a result, the results of other businesses were as follows.

Net sales	2,584 million yen (up 15.0% year on year)
Operating profit	144 million yen (down 54.8% year on year)

(2) Qualitative Information Concerning Consolidated Financial Position

Total assets increased 10,481 million yen from the end of the previous fiscal year, to 431,056 million yen. This was primarily due to increases of 7,712 million yen in cash and deposits, 3,295 million yen in merchandise and finished goods, property, plant and equipment of 2,832 million yen, and investment securities of 1,842 million yen, while electronically recorded monetary claims - operating decreased by 1,449 million yen and raw materials and supplies decreased by 3,357 million yen.

Total liabilities rose 12,408 million yen from the end of the previous fiscal year, to 180,235 million yen. This was primarily due to an increase in interest-bearing debt of 15,435 million yen, which more than offset a decrease in income taxes payable of 3,196 million yen.

Net assets fell 1,926 million yen from the end of the previous fiscal year, to 250,820 million yen. This was primarily due to decreases of 1,420 million yen in the retained earnings and 1,028 million yen in remeasurements of defined benefit plans.

(3) Qualitative Information Concerning Consolidated Earnings Forecasts

No change has been made to the full-year financial forecasts announced on May 15, 2026.

2. Semi-annual Consolidated Financial Statements and Key Notes

(1) Semi-annual Consolidated Balance Sheet

(Million yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	30,123	37,835
Notes and accounts receivable - trade, and contract assets	64,496	63,734
Electronically recorded monetary claims - operating	11,500	10,050
Merchandise and finished goods	33,947	37,243
Work in process	3,448	3,692
Raw materials and supplies	38,576	35,219
Other	7,240	6,292
Allowance for doubtful accounts	(2)	(2)
Total current assets	189,330	194,067
Non-current assets		
Property, plant and equipment		
Buildings and structures	89,753	90,258
Accumulated depreciation	(60,592)	(61,575)
Buildings and structures, net	29,161	28,682
Machinery, vehicles, tools, furniture and fixtures	478,227	482,376
Accumulated depreciation	(405,384)	(409,264)
Machinery, vehicles, tools, furniture and fixtures, net	72,843	73,111
Other, net	26,166	29,210
Total property, plant and equipment	128,172	131,004
Intangible assets	3,604	3,557
Investments and other assets		
Investment securities	72,251	74,093
Other	27,251	28,368
Allowance for doubtful accounts	(36)	(36)
Total investments and other assets	99,466	102,425
Total non-current assets	231,243	236,988
Total assets	420,574	431,056

(Million yen)

	As of March 31, 2026	As of September 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	23,046	21,379
Electronically recorded obligations - operating	7,533	8,217
Short-term borrowings	7,984	10,560
Current portion of bonds payable	25,000	10,000
Income taxes payable	3,932	736
Provision	3,481	3,339
Other	17,712	17,151
Total current liabilities	88,691	71,385
Non-current liabilities		
Bonds payable	15,000	40,000
Long-term borrowings	47,896	51,923
Provisions	859	970
Retirement benefit liability	3,222	3,300
Asset retirement obligations	2,277	2,317
Other	9,879	10,339
Total non-current liabilities	79,135	108,850
Total liabilities	167,827	180,235
Net assets		
Shareholders' equity		
Share capital	42,020	42,020
Capital surplus	45,188	45,189
Retained earnings	122,792	121,372
Treasury shares	(3,062)	(2,981)
Total shareholders' equity	206,939	205,601
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19,218	19,545
Deferred gains or losses on hedges	–	(10)
Foreign currency translation adjustment	15,676	15,812
Remeasurements of defined benefit plans	9,981	8,953
Total accumulated other comprehensive income	44,876	44,299
Share acquisition rights	73	81
Non-controlling interests	858	837
Total net assets	252,747	250,820
Total liabilities and net assets	420,574	431,056

(2) Semi-annual Consolidated Statements of Income and Semi-annual Consolidated Statements of Comprehensive Income

Semi-annual Consolidated Statements of Income

(Million yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Net sales	139,787	147,564
Cost of sales	114,388	124,182
Gross profit	25,399	23,382
Selling, general and administrative expenses	23,380	24,824
Operating profit (loss)	2,019	(1,442)
Non-operating income		
Interest income	286	138
Dividend income	613	950
Share of profit of entities accounted for using equity method	1,096	–
Other	318	1,007
Total non-operating income	2,315	2,096
Non-operating expenses		
Interest expenses	379	742
Foreign exchange losses	611	–
Other	337	317
Total non-operating expenses	1,328	1,059
Ordinary profit (loss)	3,006	(405)
Extraordinary income		
Gain on sale of non-current assets	12	46
Gain on sale of investment securities	1,025	693
Gain on forgiveness of lease obligations	–	1,137
Total extraordinary income	1,037	1,876
Extraordinary losses		
Loss on sale and retirement of non-current assets	693	853
Loss on disaster	174	149
Total extraordinary losses	867	1,003
Profit before income taxes	3,175	468
Income taxes - current	497	(376)
Income taxes - deferred	236	135
Total income taxes	734	(240)
Profit	2,441	709
Profit attributable to non-controlling interests	66	55
Profit attributable to owners of parent	2,375	654

Semi-annual Consolidated Statements of Comprehensive Income

(Million yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Profit	2,441	709
Other comprehensive income		
Valuation difference on available-for-sale securities	2,242	305
Deferred gains or losses on hedges	(54)	(10)
Foreign currency translation adjustment	(2,113)	158
Remeasurements of defined benefit plans, net of tax	(586)	(1,028)
Share of other comprehensive income of entities accounted for using equity method	(1,591)	20
Total other comprehensive income	(2,102)	(554)
Comprehensive income	338	155
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	293	76
Comprehensive income attributable to non-controlling interests	45	78

(3) Semi-annual Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Cash flows from operating activities		
Profit before income taxes	3,175	468
Depreciation	6,747	7,240
Amortization of goodwill	83	94
Increase (decrease) in retirement benefit liability	(38)	78
Interest and dividend income	(900)	(1,089)
Interest expenses	379	742
Share of loss (profit) of entities accounted for using equity method	(1,096)	11
Loss (gain) on sale of investment securities	(1,025)	(693)
Loss (gain) on sale and retirement of non-current assets	681	806
Gain on forgiveness of lease obligations	–	(1,137)
Decrease (increase) in trade receivables	5,633	2,240
Decrease (increase) in inventories	(2,766)	(179)
Increase (decrease) in trade payables	(4,677)	(1,088)
Increase (decrease) in accrued consumption taxes	138	(249)
Other, net	1,140	(551)
Subtotal	7,476	6,694
Interest and dividends received	1,242	1,090
Interest paid	(358)	(590)
Income taxes refund (paid)	(4,820)	(1,663)
Net cash provided by (used in) operating activities	3,539	5,531
Cash flows from investing activities		
Payments into time deposits	(2,285)	(3,321)
Proceeds from withdrawal of time deposits	1,482	3,707
Purchase of investment securities	(501)	(1,852)
Proceeds from sale of investment securities	2,645	925
Purchase of property, plant and equipment	(7,946)	(10,178)
Proceeds from sale of property, plant and equipment	12	54
Loan advances	(7)	(3)
Proceeds from collection of loans receivable	34	118
Other, net	(931)	(1,395)
Net cash provided by (used in) investing activities	(7,497)	(11,945)

(Million yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(9,456)	(24)
Net increase (decrease) in commercial papers	13,000	–
Proceeds from long-term borrowings	9,500	10,000
Repayments of long-term borrowings	(12,322)	(3,370)
Proceeds from issuance of bonds	–	25,000
Redemption of bonds	–	(15,000)
Dividends paid	(1,858)	(2,069)
Dividends paid to non-controlling interests	(49)	(99)
Other, net	(33)	22
Net cash provided by (used in) financing activities	(1,220)	14,458
Effect of exchange rate change on cash and cash equivalents	(695)	31
Net increase (decrease) in cash and cash equivalents	(5,873)	8,076
Cash and cash equivalents at beginning of period	25,148	26,421
Cash and cash equivalents at end of period	19,275	34,497

(4) Notes to Semi-annual Consolidated Financial Statements

(Going Concern Assumption)

Not applicable.

(Significant Changes in the Amount of Shareholders' Equity)

Not applicable.

(Segment Information)

I. For the six months ended September 30, 2025

Information on amounts of net sales and profit (loss) by reportable segment

(Million yen)

	Reportable segments				Other (Note 1)	Total	Adjustments (Note 2)	Amounts recorded in semi-annual consolidated statements of income (Note 3)
	Pulp and paper business	Packaging/ Paper processing business	Wood material business	Total				
Net sales								
Sales to external customers	126,264	8,840	2,436	137,540	2,246	139,787	–	139,787
Intersegment sales or transfers	1,468	6	1,007	2,482	11,562	14,044	(14,044)	–
Total	127,732	8,846	3,443	140,023	13,809	153,832	(14,044)	139,787
Segment profit	1,144	233	202	1,579	318	1,898	120	2,019

(Notes) 1. "Other" includes business segments which are not included in the reportable segments, and includes construction business, logistics business, and used paper wholesale business.
2. Adjustments of 120 million yen in segment profit mainly represent the elimination of intersegment transactions.
3. The segment profit has been adjusted to the operating profit stated in the semi-annual consolidated statements of income.

II. For the six months ended September 30, 2026

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

(Million yen)

	Reportable segments				Other (Note 1)	Total	Adjustments (Note 2)	Amounts recorded in semi-annual consolidated statements of income (Note 3)
	Pulp and paper business	Packaging/ Paper processing business	Wood material business	Total				
Net sales								
Sales to external customers	133,213	9,181	2,584	144,979	2,584	147,564	–	147,564
Intersegment sales or transfers	1,384	8	1,012	2,404	12,002	14,407	(14,407)	–
Total	134,598	9,189	3,596	147,384	14,587	161,971	(14,407)	147,564
Segment profit (loss)	(2,079)	191	181	(1,706)	144	(1,562)	120	(1,442)

(Notes) 1. "Other" includes business segments which are not included in the reportable segments, and includes construction business, logistics business, and used paper wholesale business.
2. Adjustments of 120 million yen in segment profit mainly represent the elimination of intersegment transactions.
3. The segment profit (loss) has been adjusted to the operating loss stated in the semi-annual consolidated statement of income.

2. Matters concerning the change in reportable segments, etc.

Due to its increased significance, the wood material business is disclosed as a reportable segment starting from the first six months of the current fiscal year. It was previously included under Other.

The segment information for the first six months of the previous fiscal year reflects the change based on the new composition of reportable segments.