

**Consolidated Financial Results**  
**for the Year Ended March 31, 2026 [Japanese GAAP]**

May 15, 2026

Company: **Hokuetsu Corporation**  
Stock Code: 3865  
Representative: Sekio Kishimoto, Chairman and Group CEO  
Contact: Tomonari Maruyama, Corporate Officer, General Manager,  
Corporate Management Department

Stock Exchange Listing: Tokyo  
URL: <https://www.hokuetsucorp.com>

TEL: +81-3-3245-4500

Scheduled date of ordinary general meeting of shareholders: June 26, 2026  
Scheduled date of commencement of dividend payments: June 29, 2026  
Scheduled date of filing annual securities reports: June 25, 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 financial results for the year ended March 31, 2026 (April 1, 2025 through March 31, 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	%
Year ended March 31, 2026	287,736	(5.9)	7,539	(61.8)	11,271	(39.9)	7,299	(53.0)
Year ended March 31, 2025	305,718	2.9	19,727	29.2	18,759	5.6	15,529	85.1

(Note) Comprehensive income: Year ended March 31, 2026: 17,530 million yen [(0.8%)]  
Year ended March 31, 2025: 17,676 million yen [(41.6%)]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Year ended March 31, 2026	43.59	43.56	2.8	2.7	2.6
Year ended March 31, 2025	92.34	92.26	6.0	4.5	6.5

(Reference) Investment income by equity method: Year ended March 31, 2026: 2,233 million yen  
Year ended March 31, 2025: (2,703) million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2026	420,574	252,747	59.9	1,585.72
As of March 31, 2025	418,882	265,870	63.3	1,575.90

(Reference) Equity: As of March 31, 2026: 251,816 million yen  
As of March 31, 2025: 265,052 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 end of the year
	Million yen	Million yen	Million yen	Million yen
Year ended March 31, 2026	10,192	(3,279)	(6,254)	26,421
Year ended March 31, 2025	40,932	(18,816)	(19,121)	25,148

**2. Dividends**

	Annual dividend per share					Total dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividend to net assets (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ended March 31, 2025	–	11.00	–	11.00	22.00	3,712	23.8	1.4
Year ended March 31, 2026	–	13.00	–	13.00	26.00	4,268	59.6	1.6
Year ending March 31, 2027 (forecast)	–	13.00	–	13.00	26.00		82.6	

**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
2Q (Accumulated)	150,000	7.3	(1,000)	–	(1,000)	–	(1,000)	–	(6.30)
Full year	305,000	6.0	3,000	(60.2)	4,000	(64.5)	5,000	(31.5)	31.49

**\* Notes**

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

Newly added: – Excluded: 1 company (Company name: Daio Paper Corporation)

(Note) For details, please refer to “3. Consolidated Financial Statements and Major Notes (5) Notes to Consolidated Financial Statements (Changes in Scope of Equity Method Accounting)” on page 13.

(2) 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

(3) Shares outstanding (common stock)

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

As of March 31, 2026 163,053,114 shares As of March 31, 2025 188,053,114 shares

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

As of March 31, 2026 4,251,151 shares As of March 31, 2025 19,862,254 shares

(iii) Average number of shares during the year:

For the year ended March 31, 2026 167,454,050 shares For the year ended March 31, 2025 168,175,699 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 fiscal year and the average number of shares during the fiscal year.

(Reference) Overview of non-consolidated financial results

**1. Non-consolidated financial results for the year ended March 31, 2026 (April 1, 2025 through March 31, 2026)**

(1) Non-consolidated results of operations (% change from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended March 31, 2026	192,335	(3.6)	5,874	(28.5)	12,327	(0.2)	14,097	21.6
Year ended March 31, 2025	199,616	2.7	8,219	(21.4)	12,348	(14.7)	11,596	217.4

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Year ended March 31, 2026	83.90	83.83
Year ended March 31, 2025	68.72	68.66

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2026	303,702	157,361	51.8	990.39
As of March 31, 2025	278,848	148,375	53.2	878.70

(Reference) Equity: As of March 31, 2026: 157,288 million yen  
As of March 31, 2025: 148,299 million yen

**\* The summary of financial results is exempt from audits conducted by certified public accountants 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. For assumptions of business forecasts and a note about the use of business forecasts, please refer to page 4 “1. Summary of Operating Results (4) Future outlook.”

**\* This document is an excerpt translation of the original in Japanese and is for reference purposes only. In case of any discrepancy between this document and the original in Japanese, the latter shall take precedence.**

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## 1. Summary of Operating Results

### (1) Summary of operating results during the year

(Operating results during the year)

The consolidated financial results for the fiscal year ended March 31, 2026, showed a decrease in both sales and profit due to the softening of the global pulp market and a decrease in sales volume caused by the continued decline in domestic demand for paper in Japan and the softening of export market conditions. The Group's consolidated financial results for the fiscal year under review were as follows:

Net sales	287,736 million yen	(down 5.9% year on year)
Operating profit	7,539 million yen	(down 61.8% year on year)
Ordinary profit	11,271 million yen	(down 39.9% year on year)
Profit attributable to owners of parent	7,299 million yen	(down 53.0% year on year)

The performance of major segments is as follows:

#### (i) Pulp and paper business

(Million yen)

	Previous year	Current year	Difference
Net sales	280,243	261,384	(18,858)
Operating profit	18,251	5,963	(12,287)

In the pulp and paper business, both sales and profits declined due to a decrease in sales volume of paper and pulp.

In the paper category, domestic sales volume of coated paper and other products decreased due to the continuing decline in demand, while export sales also declined on lower sales volume and slumping sales prices.

Sales of paperboard also exceeded the level achieved in the previous fiscal year due to price revisions. By grade, sales of specialty white paperboard decreased due to a decline in sales volume caused by sluggish demand, despite price revisions. Sales of high-grade white paperboard increased thanks to strong demand for trading card applications, higher sales volume on the back of orders for new projects, and price revisions. Sales of coated white chipboards increased due to sales expansion efforts and price revisions, although sales volume for food and confectionery applications decreased due to sluggish demand. Sales volume of containerboard base paper increased with the sales expansion of highly profitable thin reinforced core and other products, resulting in higher revenue.

In the functional paper field, sales volume of chip carrier tape base paper for electronic component transportation increased due to continued growth in demand related to automobiles and AI, while sales volume of specialty paper and information paper increased mainly due to higher sales volume of tack-related and other processed base paper for export sales.

Pulp sales decreased due to lower pulp prices and sales volume in overseas markets.

#### (ii) Packaging/Paper processing business

(Million yen)

	Previous year	Current year	Difference
Net sales	16,655	17,437	781
Operating profit	228	558	329

In the packaging/paper processing business, sales and profit increased mainly due to price revisions of liquid containers and increased sales volume of liquid containers.

## (iii) Other businesses

(Million yen)

	Previous year	Current year	Difference
Net sales	8,818	8,914	95
Operating profit	856	647	(209)

In other businesses, including the wood material business, 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 chiefly due to cost increases in the logistics business.

## (2) Summary of financial conditions during the fiscal year

(Million yen)

	End of previous year	End of current year	Change
Total assets	418,882	420,574	1,691
Net assets	265,870	252,747	(13,122)
Equity ratio	63.3%	59.9%	(3.4%)
Net assets per share	1,575.90 yen	1,585.72 yen	9.82 yen
Interest-bearing debt at year-end	88,972	97,350	8,377

Total assets increased 1,691 million yen from the end of the previous fiscal year, to 420,574 million yen. This was mainly due to increases of 2,478 million yen in cash and deposits, 2,118 million yen in electronically recorded monetary claims - operating, 2,533 million yen in merchandise and finished goods, 3,860 million yen in raw materials and supplies, 6,183 million yen in property, plant and equipment, 38,058 million yen in investment securities, and 7,643 million yen in retirement benefit assets, while notes and accounts receivable - trade, and contract assets decreased by 3,198 million yen and 59,971 million yen decreased in shares of subsidiaries and associates.

Total liabilities rose 14,814 million yen from the end of the previous fiscal year, to 167,827 million yen. This was mainly due to increases of 8,377 million yen in interest-bearing debt and 6,529 million yen in deferred tax liabilities.

Net assets fell 13,122 million yen from the end of the previous year, to 252,747 million yen. This was mainly due to increases of 9,477 million yen in valuation difference on available-for-sale securities, and 3,595 million yen in remeasurements of defined benefit plans, and decreases of 6,512 million yen in treasury shares and 29,032 million yen in retained earnings as a result of the exclusion of equity-method affiliates from the equity method and transfer to capital surplus.

## (3) Summary of cash flow during the fiscal year

(Million yen)

	Previous year	Fiscal year under review	Change
Cash flows from operating activities	40,932	10,192	(30,739)
Cash flows from investing activities	(18,816)	(3,279)	15,536
Cash flows from financing activities	(19,121)	(6,254)	12,866
Translation (loss) gain on cash and cash equivalents	14	614	600
Net increase (decrease) in cash and cash equivalents	3,008	1,272	(1,735)
Cash and cash equivalents at beginning of period	22,140	25,148	3,008
Cash and cash equivalents at end of the year	25,148	26,421	1,272

Cash and cash equivalents as of the end of current year increased 1,272 million yen year on year, to 26,421 million yen.

(Cash flow from operating activities)

Net cash provided by operating activities was 10,192 million yen (down 75.1% year on year.)

The main cash inflows were 11,525 million yen of profit before income taxes, 13,833 million yen of depreciation, 1,842 million yen of decrease in trade receivables, 2,833 million yen of interest and dividends received. Main cash outflows were an increase in retirement benefit assets of 7,635 million yen, an increase in inventories of 5,406 million yen, and income taxes paid of 6,013 million yen.

(Cash flow from investing activities)

Net cash used in investing activities was 3,279 million yen (outflow of 18,816 million yen in the previous year).

Major outflows were payments into time deposits 2,381 million yen, purchase of investment securities 2,984 million yen and purchase of property, plant and equipment 16,690 million yen. Major inflows were proceeds from sale of investment securities of 7,387 million yen and proceeds from sale of shares of subsidiaries and associates of 12,331 million yen.

(Cash flow from financing activities)

Net cash used in financing activities was 6,254 million yen (outflow of 19,121 million yen in the previous year).

Major cash inflows were proceeds from long-term loans of 18,205 million yen and proceeds from issuance of bonds of 15,000 million yen, while major cash outflows were a decrease in short-term borrowings of 7,202 million yen, repayments of long-term borrowings 17,599 million yen, dividends paid 4,051 million yen, and purchase of treasury shares 10,986 million yen.

#### (4) Future outlook

Forecast on financial results for the next fiscal year

Although the Japanese economy is expected to recover gradually due to improvements in the employment and income environment and the effects of various policies, the outlook remains uncertain, as tensions in the Middle East, fluctuations in financial and capital markets, and uncertainties surrounding U.S. trade policy have increased the risk of an economic downturn.

Under these circumstances, the paper pulp industry is expected to continue to face a difficult business environment given the ongoing decline in domestic paper demand and soaring raw material and logistics costs.

While the Group expects to continue driving measures to strengthen export sales and projects that the recovery of pulp sales prices and increased sales will support its business performance, various cost increases are expected, including a sharp rise in raw material and fuel prices, mainly due to the tense situation in the Middle East.

Based on this business environment and taking into account various factors that can be assumed at this point in time, the forecast for the next fiscal year is as follows.

	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
<b>Year ending March 31, 2027 (forecast)</b>	<b>305,000</b>	<b>3,000</b>	<b>4,000</b>	<b>5,000</b>	<b>31.49</b>
Year ended March 31, 2026 (actual)	287,736	7,539	11,271	7,299	43.59
% change from the previous corresponding period	6.0%	(60.2%)	(64.5%)	(31.5%)	

The above forecast was prepared based on information available to the Company as of the date of release of these materials. As the external environment remains highly fluid, actual results may differ from the forecast due to various factors going forward.

## 2. Our Basic Philosophy on the Selection of Accounting Standards

Taking into account the period comparability of consolidated financial statements, the Group currently prepares consolidated financial statements based on Japanese GAAP. With respect to the International Financial Reporting Standards (IFRSs) the Company will address the issue appropriately with consideration to the various circumstances in Japan and overseas.

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheet

(Million yen)

	As of March 31, 2025	As of March 31, 2026
<b>(Assets)</b>		
<b>Current assets</b>		
Cash and deposits	27,644	30,123
Notes and accounts receivable - trade, and contract assets	67,694	64,496
Electronically recorded monetary claims - operating	9,381	11,500
Merchandise and finished goods	31,414	33,947
Work in process	3,320	3,448
Raw materials and supplies	34,716	38,576
Other	5,378	7,240
Allowance for doubtful accounts	(64)	(2)
<b>Total current assets</b>	<b>179,486</b>	<b>189,330</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	87,747	89,753
Accumulated depreciation	(58,718)	(60,592)
Buildings and structures, net	29,029	29,161
Machinery, equipment and vehicles	457,172	469,348
Accumulated depreciation	(393,475)	(398,784)
Machinery, equipment and vehicles, net	63,696	70,563
Tools, furniture and fixtures	8,152	8,879
Accumulated depreciation	(6,233)	(6,599)
Tools, furniture and fixtures, net	1,919	2,279
Land	17,789	18,103
Leased assets	193	241
Accumulated depreciation	(155)	(166)
Leased assets, net	38	74
Right-of-use assets	2,388	2,501
Accumulated depreciation	(1,075)	(1,336)
Right-of-use assets, net	1,312	1,165
Construction in progress	5,781	4,419
Forestland	2,420	2,403
<b>Total property, plant and equipment</b>	<b>121,988</b>	<b>128,172</b>
<b>Intangible assets</b>	<b>3,232</b>	<b>3,604</b>
<b>Investments and other assets</b>		
Investment securities	30,608	68,667
Shares of subsidiaries and associates	63,555	3,583
Long-term loans	202	171
Asset for retirement benefits	12,152	19,796
Deferred tax assets	1,557	952
Other	6,305	6,332
Allowance for doubtful accounts	(205)	(36)
<b>Total investments and other assets</b>	<b>114,175</b>	<b>99,466</b>
<b>Total non-current assets</b>	<b>239,396</b>	<b>231,243</b>
<b>Total assets</b>	<b>418,882</b>	<b>420,574</b>

(Million yen)

	As of March 31, 2025	As of March 31, 2026
(Liabilities)		
Current liabilities		
Notes and accounts payable - trade	24,194	23,046
Electronically recorded obligations - operating	8,181	7,533
Short-term loans	27,170	7,984
Current portion of bonds payable	–	25,000
Lease obligations	357	354
Income taxes payable	4,548	3,932
Accrued consumption taxes	187	594
Contract liabilities	320	266
Provision for bonuses	3,143	2,767
Provision for directors' bonuses	72	71
Provision for environmental measures	46	24
Provision for loss on disaster	98	386
Provision for reforestation	265	231
Notes payable - facilities	1,659	3,480
Other	11,758	13,015
Total current liabilities	82,005	88,691
Non-current liabilities		
Bonds payable	25,000	15,000
Long-term loans	35,198	47,896
Lease obligations	1,246	1,114
Deferred tax liabilities	1,820	8,349
Provision for environmental measures	1,379	428
Provision for reforestation	400	430
Retirement benefit liability	3,467	3,222
Asset retirement obligations	2,243	2,277
Other	251	415
Total non-current liabilities	71,006	79,135
Total liabilities	153,012	167,827
Net assets		
Shareholders' equity		
Share capital	42,020	42,020
Capital surplus	44,957	45,188
Retained earnings	151,825	122,792
Treasury shares	(9,575)	(3,062)
Total shareholders' equity	229,228	206,939
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,741	19,218
Deferred gains or losses on hedges	59	–
Foreign currency translation adjustment	19,637	15,676
Remeasurements of defined benefit plans	6,385	9,981
Total accumulated other comprehensive income	35,824	44,876
Share acquisition rights	76	73
Non-controlling interests	741	858
Total net assets	265,870	252,747
Total liabilities and net assets	418,882	420,574

## (2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

## Consolidated Statements of Income

(Million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	305,718	287,736
Cost of sales	236,920	231,277
Gross profit	68,798	56,458
Selling, general and administrative expenses	49,070	48,919
Operating profit	19,727	7,539
Non-operating income		
Interest income	826	435
Dividends income	983	1,761
Share of profit of entities accounted for using equity method	–	2,233
Foreign exchange gains	628	–
Reversal of provision for environmental measures	–	932
Other	793	983
Total non-operating income	3,232	6,345
Non-operating expenses		
Interest expenses	766	865
Share of loss of entities accounted for using equity method	2,703	–
Taxes and dues	–	413
Restoration costs	216	320
Other	514	1,014
Total non-operating expenses	4,201	2,613
Ordinary profit	18,759	11,271
Extraordinary income		
Gain on sales of non-current assets	34	50
Gain on sales of investment securities	4,108	4,173
Subsidy income	1	–
Insurance claim income	183	229
Total extraordinary income	4,327	4,453
Extraordinary losses		
Loss on sales and retirement of non-current assets	1,371	1,760
Impairment loss	175	202
Loss on disaster	–	539
Loss on tax purpose reduction entry of non-current assets	1	1
Loss on sale of shares of subsidiaries and associates	–	1,695
Total extraordinary losses	1,548	4,200
Profit before income taxes	21,538	11,525
Income taxes - current	5,617	3,726
Income taxes - deferred	244	345
Total income taxes	5,862	4,071
Profit	15,676	7,453
Profit attributable to non-controlling interests	147	154
Profit attributable to owners of parent	15,529	7,299

## Consolidated Statements of Comprehensive Income

(Million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	15,676	7,453
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,385)	4,926
Deferred gains or losses on hedges	51	(41)
Foreign currency translation adjustment	1,802	3,395
Remeasurements of defined benefit plans, net of tax	(238)	4,321
Share of other comprehensive income of entities accounted for using equity method	1,770	(2,525)
Total other comprehensive income	2,000	10,076
Comprehensive income:	17,676	17,530
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	17,506	17,363
Comprehensive income attributable to non-controlling interests	170	166

## (3) Consolidated Statement of changes in equity

For the year ended March 31, 2025

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	42,020	44,953	140,480	(9,593)	217,861
Cumulative effects of changes in accounting policies			1		1
Adjustment for superinflation of equity method affiliates			(822)		(822)
Balance at beginning of period reflecting changes in accounting policies and superinflation adjustments	42,020	44,953	139,659	(9,593)	217,040
Changes during period					
Dividends of surplus			(3,363)		(3,363)
Profit attributable to owners of parent			15,529		15,529
Disposal of treasury shares		4		20	24
Purchase of treasury shares				(2)	(2)
Net changes in items other than shareholders' equity					
Total changes during period	-	4	12,165	17	12,187
Balance at end of period	42,020	44,957	151,825	(9,575)	229,228

	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	11,152	(21)	16,390	6,326	33,847	78	676	252,464
Cumulative effects of changes in accounting policies	(1)				(1)			-
Adjustment for superinflation of equity method affiliates								(822)
Balance at beginning of period reflecting changes in accounting policies and superinflation adjustments	11,151	(21)	16,390	6,326	33,846	78	676	251,642
Changes during period								
Dividends of surplus								(3,363)
Profit attributable to owners of parent								15,529
Disposal of treasury shares								24
Purchase of treasury shares								(2)
Net changes in items other than shareholders' equity	(1,410)	81	3,246	59	1,977	(1)	64	2,040
Total changes during period	(1,410)	81	3,246	59	1,977	(1)	64	14,227
Balance at end of period	9,741	59	19,637	6,385	35,824	76	741	265,870

For the year ended March 31, 2026

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	42,020	44,957	151,825	(9,575)	229,228
Adjustment for hyperinflation of equity method affiliates			87		87
Balance at beginning of period reflecting changes in accounting policies and hyperinflation adjustments	42,020	44,957	151,913	(9,575)	229,315
Changes during period					
Dividends of surplus			(4,037)		(4,037)
Profit attributable to owners of parent			7,299		7,299
Disposal of treasury shares		221		511	733
Purchase of treasury shares				(10,281)	(10,281)
Cancellation of treasury shares		(16,767)		16,767	-
Transfer from retained earnings to capital surplus		16,540	(16,540)		-
Purchase of treasury shares by stocks benefit trust				(704)	(704)
Increase/decrease due to exclusion of companies accounted for using equity method from the scope of equity method		236	(15,842)	220	(15,385)
Net changes in items other than shareholders' equity					
Total changes during period	-	230	(29,120)	6,512	(22,376)
Balance at end of period	42,020	45,188	122,792	(3,062)	206,939

	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	9,741	59	19,637	6,385	35,824	76	741	265,870
Adjustment for hyperinflation of equity method affiliates								87
Balance at beginning of period reflecting changes in accounting policies and hyperinflation adjustments	9,741	59	19,637	6,385	35,824	76	741	265,958
Changes during period								
Dividends of surplus								(4,037)
Profit attributable to owners of parent								7,299
Disposal of treasury shares								733
Purchase of treasury shares								(10,281)
Cancellation of treasury shares								-
Transfer from retained earnings to capital surplus								-
Purchase of treasury shares by stocks benefit trust								(704)
Increase/decrease due to exclusion of companies accounted for using equity method from the scope of equity method								(15,385)
Net changes in items other than shareholders' equity	9,477	(59)	(3,960)	3,595	9,052	(3)	116	9,166
Total changes during period	9,477	(59)	(3,960)	3,595	9,052	(3)	116	(13,210)
Balance at end of period	19,218	-	15,676	9,981	44,876	73	858	252,747

## (4) Consolidated Statement of Cash Flows

(Million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	21,538	11,525
Depreciation	13,142	13,833
Impairment loss	175	202
Amortization of goodwill	167	173
Insurance claim income	(183)	(229)
Decrease (increase) in retirement benefit asset	388	(7,635)
Interest and dividend income	(1,810)	(2,196)
Interest expenses	766	865
Share of loss (profit) of entities accounted for using equity method	2,703	(2,233)
Loss (gain) on sale of investment securities	(4,108)	(4,173)
Loss (gain) on sale of shares of subsidiaries and associates	–	1,695
Loss on tax purpose reduction entry of non-current assets	1	1
Net loss (gain) on sales and retirement of non-current assets	1,336	1,710
Decrease (increase) in trade receivables	9,108	1,842
Decrease (increase) in inventories	(1,766)	(5,406)
Decrease (increase) in consumption taxes refund receivable	(602)	723
Increase (decrease) in notes and accounts payable - trade	1,788	(2,004)
Increase (decrease) in accrued consumption taxes	(1,198)	402
Increase (decrease) in allowance for doubtful accounts	(16)	(231)
Other	(1,807)	5,002
Subtotal	39,624	13,867
Interest and dividend income received	2,487	2,833
Interest paid	(772)	(724)
Income taxes paid	(590)	(6,013)
Proceeds from insurance income	183	229
Net cash provided by (used in) operating activities	40,932	10,192
Cash flows from investing activities		
Payments into time deposits	(2,481)	(2,381)
Payments for purchases of investment securities	(3,571)	(2,984)
Proceeds from sales of investment securities	7,145	7,387
Payments for purchases of property, plant and equipment	(17,653)	(16,690)
Payments for retirement of property, plant and equipment	(1,180)	(1,570)
Proceeds from sales of property, plant and equipment	43	72
Proceeds from sale of shares of subsidiaries and associates	–	12,331
Payments of loans receivable	(4)	(11)
Collection of loans receivable	70	42
Other	(1,184)	524
Net cash provided by (used in) investing activities	(18,816)	(3,279)

(Million yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term loans	633	(7,202)
Net increase (decrease) in commercial papers	(7,000)	–
Proceeds from long-term loans	8,000	18,205
Repayments of long-term loans	(16,990)	(17,599)
Proceeds from issuance of bonds	–	15,000
Dividends paid	(3,373)	(4,051)
Dividends paid to non-controlling interests	(105)	(49)
Purchase of treasury shares	(2)	(10,986)
Other	(283)	428
Net cash provided by (used in) financing activities	(19,121)	(6,254)
Translation (loss) gain on cash and cash equivalents	14	614
Net increase (decrease) in cash and cash equivalents	3,008	1,272
Cash and cash equivalents at beginning of period	22,140	25,148
Cash and cash equivalents at end of the year	25,148	26,421

## (5) Notes to Consolidated Financial Statements

### (Notes to Going Concern Assumption)

Not applicable.

### (Changes in presentation methods)

#### (Consolidated Statements of Income)

Restoration expenses, which were included in other in non-operating expenses in the previous fiscal year, is stated as a separate item in the fiscal year under review due to an increase in their importance. In addition, rental expenses that were shown separately in the previous fiscal year are included in other under non-operating expenses in the fiscal year under review, because it has become insignificant. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been amended.

As a result, 646 million yen presented as other in non-operating expenses and 84 million yen presented as rental expenses in the consolidated statement of income for the previous fiscal year have been reclassified as restoration expenses of 216 million yen and other of 514 million yen.

#### (Notes to consolidated statements of cash flows)

Purchase of treasury shares, which was included in other of cash flows from financing activities in the previous fiscal year, is presented separately in the fiscal year under review because its significance has increased. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been amended.

As a result, (285) million yen presented in other of cash flows from financing activities in the consolidated statements of cash flows in the previous fiscal year has been reclassified into purchase of treasury shares of (2) million yen and other of (283) million yen.

### (Changes in the scope of application of the equity method)

In the consolidated fiscal year under review, Daio Paper Corporation, which had been an equity-method affiliate of the Company, tendered its own shares through the Tokyo Stock Exchange's Off-Auction Own Share Repurchase Trading System (ToSTNeT-3), and transferred a part of its holdings, and was excluded from the scope of equity method application because its influence has decreased.

### (Segment Information)

#### 1. Overview of reportable segments

The Company's reportable segments are subject to periodic review by the Board of Directors to determine the allocation of management resources and evaluate their performance.

The Company evaluates the performance of the Company and each of its consolidated subsidiaries, which are the units that make up its business segments. The Company has two reportable segments, Pulp and paper business and Packaging/paper processing business, which are based on the economic characteristics of each business segment and similarities in the manufacturing methods and sales markets of the products.

The Pulp and paper business segment manufactures and sells paper and pulp products. The Packaging/Paper processing business segment is engaged in the manufacture and sale of paper containers and liquid containers, as well as the manufacture, processing, and sale of processed paper products.

2. Information on Amounts of Sales, Profit or Loss, Assets, and Other Items by Reportable Segment

For the year ended March 31, 2025

(Million yen)

	Reportable segments			Other (Note 1)	Total	Adjustments (Note 2)	Amounts recorded in consolidated financial statements (Note 3)
	Pulp and paper business	Packaging/ Paper processing business	Total				
Net sales							
Sales to external customers	280,243	16,655	296,899	8,818	305,718	–	305,718
Intersegment sales or transfers	2,819	11	2,831	24,289	27,120	(27,120)	–
Total	283,063	16,666	299,730	33,108	332,838	(27,120)	305,718
Segment profit	18,251	228	18,480	856	19,337	390	19,727
Segment assets	397,432	16,708	414,140	18,610	432,751	(13,868)	418,882
Other items							
Depreciation	12,476	526	13,002	516	13,519	(377)	13,142
Impairment loss	175	–	175	0	175	–	175
Investment for affiliates accounted for by the equity method	61,870	–	61,870	–	61,870	–	61,870
Increase in property, plant and equipment and intangible assets	17,424	1,624	19,049	665	19,714	(358)	19,356

- (Notes) 1. “Other” includes business segments which are not included in the reportable segments, and includes wood material business, construction business, logistics business, and used paper wholesale business.  
2. Adjustments of 390 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 consolidated statements of income.

For the year ended March 31, 2026

(Million yen)

	Reportable segments			Other (Note 1)	Total	Adjustments (Note 2)	Amounts recorded in consolidated financial statements (Note 3)
	Pulp and paper business	Packaging/ Paper processing business	Total				
Net sales							
Sales to external customers	261,384	17,437	278,822	8,914	287,736	–	287,736
Intersegment sales or transfers	2,943	14	2,958	25,119	28,078	(28,078)	–
Total	264,328	17,452	281,780	34,034	315,815	(28,078)	287,736
Segment profit	5,963	558	6,522	647	7,169	370	7,539
Segment assets	397,096	16,599	413,696	20,514	434,210	(13,635)	420,574
Other items							
Depreciation	13,042	616	13,658	565	14,223	(390)	13,833
Impairment loss	202	–	202	0	202	–	202
Investment for affiliates accounted for by the equity method (Note 4)	1,899	–	1,899	–	1,899	–	1,899
Increase in property, plant and equipment and intangible assets	18,742	391	19,133	754	19,887	(421)	19,465

- (Notes) 1. “Other” includes business segments which are not included in the reportable segments, and includes wood material business, construction business, logistics business, and used paper wholesale business.  
2. Adjustments of 370 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 consolidated statements of income.  
4. In the consolidated fiscal year under review, Daio Paper Corporation, which had been an equity-method affiliate of the Company, tendered its own shares through the Tokyo Stock Exchange’s Off-Auction Own Share Repurchase Trading System (ToSTNeT-3), and transferred a part of its holdings, and was excluded from the scope of equity method application because its influence has decreased.

## (Per Share Information)

	For the year ended March 31, 2025	For the year ended March 31, 2026
Net assets per share	1,575.90 yen	1,585.72 yen
Basic earnings per share	92.34 yen	43.59 yen
Diluted earnings per share	92.26 yen	43.56 yen

(Notes) 1. Earnings per share and diluted earnings per share are calculated based on the following factors.

	For the year ended March 31, 2025	For the year ended March 31, 2026
Basic earnings per share		
Profit attributable to owners of parent (million yen)	15,529	7,299
Amount not attributable to common shareholders (million yen)	—	—
Profit attributable to owners of parent relating to common stock (million yen)	15,529	7,299
Average number of shares of common shares outstanding during each fiscal year (thousand shares)	168,175	167,454
Diluted earnings per share		
Profit attributable to owners of parent (million yen)	—	—
Increase in the number of common shares (thousand shares)	143	126
(portion of the above which are share acquisition rights (thousand shares))	(143)	(126)
Summary of potentially dilutive shares not included in the calculation of diluted net income per share due to their anti-dilutive effect	—	—

2. The grounds for the calculation of net assets per share are as follows.

	As of March 31, 2025	As of March 31, 2026
Total net assets (million yen)	265,870	252,747
Amount deducted from total net assets	817	931
(Subscription rights to shares included (million yen))	(76)	(73)
(Non-controlling interests) (million yen)	(741)	(858)
Net assets at end of year available for common stock	265,052	251,816
Number of shares of common stock at end of year used for calculating net assets per share (thousand shares)	168,190	158,801

3. The Company has introduced a stock benefit trust (employee stock ownership plan) from the fiscal year ended March 31, 2026, and the shares of the Company remaining in the trust, which are recorded as treasury shares in shareholders' equity, are included in treasury shares, which are deducted from the total number of shares issued and outstanding at the end of the period for the calculation of net assets per share (731 thousand shares for the fiscal year under review).

In the calculation of earnings per share and diluted earnings per share, they are included in treasury shares deducted from the average number of shares during the period (56 thousand shares in the fiscal year under review).

## (Significant Subsequent Events)

Not applicable.