

March 19, 2026

Company name: Hokuetsu Corporation  
Name of representative: Sekio Kishimoto, President and CEO  
(Securities code: 3865, Prime Market,  
Tokyo Stock Exchange)  
Inquiries: Yoshiharu Togawa, Corporate Officer,  
Public Relations Office  
Tel: +81-3-3245-4500

## Notice Concerning Change in Affiliated Company Accounted for Under the Equity Method

Hokuetsu Corporation (hereinafter, the “Company”) announces that, as notified in the “Notice Concerning Tender for Purchase of Treasury Shares Through the Off-Auction Own Share Repurchase Trading System (ToSTNeT-3) at Affiliated Company Accounted for Under the Equity Method” dated March 18, 2026, the Company tendered 11,000,000 shares in the purchase of treasury shares (hereinafter, the “Purchase”) conducted by Daio Paper Corporation (an affiliated company of the Company accounted for under the equity method; hereinafter, “Daio Paper”) through the Off-Auction Own Share Repurchase Trading System (ToSTNeT-3), and the sale of all of such shares was completed today.

As a result, the Company announces that on March 24, 2026, the delivery date of the relevant sale, Daio Paper is expected to no longer qualify as an affiliated company of the Company accounted for under the equity method.

### 1. Reason and method of the change

As stated in the “(Progress of Disclosure) Notice Concerning the Deepening of the Strategic Business Alliance Agreement between Daio Paper Corporation and Hokuetsu Corporation” issued by the Company on March 18, 2026, the Company and Daio Paper have decided to establish a mutually equal capital relationship to further deepen the strategic business alliance between the two companies. As a part of this step, the Company decided to tender 11,000,000 shares out of the total 41,589,008 shares of Daio Paper stock held by the Company in the Purchase. This decision was undertaken upon discussions with Daio Paper, and with consideration of factors including the Company’s capital policy, various investments, and shareholder return measures, while also taking into account the potential impact on Daio Paper’s stock price.

### 2. Overview of the affiliated company accounted for under the equity method subject to the change (as of September 30, 2025)

(1) Name	Daio Paper Corporation
(2) Location	10-2, Fujimi 2-chome, Chiyoda-ku, Tokyo, Japan
(3) Name and designation of representative	Yorifusa Wakabayashi, Representative Director, President and Chief Executive Officer
(4) Business description	Manufacture and sale of paper and paperboard products and household paper products

(5)	Capital	53,884 million yen		
(6)	Established	May 5, 1943		
(7)	Major shareholders and shareholding ratio	Hokuetsu Corporation		24.8%
		The Master Trust Bank of Japan, Ltd. (Trust Account)		8.0%
		DAIO KAIUN CO., LTD.		6.7%
		The Iyo Bank, Ltd.		4.2%
		Custody Bank of Japan, Ltd. (Trust Account)		4.2%
		The Ehime Bank, Ltd.		4.1%
		Ehime Paper Manufacturing Co., Ltd.		3.2%
		Kami Shoji Co., Ltd.		2.8%
		Hyogo Paper Manufacturing Co., Ltd.		1.9%
Hyogo Pulp Co., Ltd.		1.6%		
(8)	Relationship between the listed company and Daio Paper	Capital relationship	Daio Paper's shareholding ratio in Hokuetsu Corporation's common stock as of September 30, 2025 is 1.35%.	
		Personnel relationship	Not applicable	
		Business relationship	Daio Paper purchases products from the Company. Daio Paper sells products to the Company.	
		Status of relationship with related parties	Hokuetsu Corporation is Daio Paper's other affiliated company.	
(9)	Consolidated operating results and consolidated financial positions for the last three years			
	Fiscal year ended	Fiscal year ended March 2023	Fiscal year ended March 2024	Fiscal year ended March 2025
	Consolidated net assets	244,670 million yen	260,086 million yen	249,713 million yen
	Consolidated total assets	923,531 million yen	939,745 million yen	886,066 million yen
	Consolidated net assets per share	1,414.73 yen	1,488.64 yen	1,422.46 yen
	Consolidated net sales	646,213 million yen	671,688 million yen	668,912 million yen
	Consolidated operating profit	-21,441 million yen	14,367 million yen	9,807 million yen
	Consolidated ordinary profit	-24,050 million yen	9,622 million yen	4,530 million yen
	Profit attributable to owners of parent	-34,705 million yen	4,472 million yen	-11,197 million yen
	Consolidated earnings per share	-209.01 yen	26.89 yen	-67.29 yen
	Dividend per share	16.00 yen	16.00 yen	14.00 yen

3. Number of shares and transfer amount of Daio Paper shares transferred

Number of shares: 11,000,000 shares

Amount: 12,331 million yen

4. Number of shares held and proportion of voting rights held relating to Daio Paper shares before and after the transfer

	Number of shares held	Proportion of voting rights held
Before transfer	41,589,008 shares	24.83%
After transfer	30,589,008 shares	19.70%

Notes

1. The ratio of voting rights held to total voting rights of all shareholders before the change was calculated based on the total number of voting rights, being 1,675,101 as of September 30, 2025.
2. The ratio of voting rights held to total voting rights of all shareholders after the change was calculated based on 1,552,701, being the number of voting rights listed in Note 1. above (1,675,101) less 122,400, which are the voting rights related to the shares subject to the treasury share acquisition dated March 19, 2026.
3. The ratio of voting rights held to total voting rights of all shareholders was rounded to the nearest hundredth.

5. Date of change

Delivery date of the Purchase: March 24, 2026 (scheduled)

6. Future outlook

In connection with the Purchase, the Company expects to record a loss on sales of shares in affiliated companies in its consolidated financial statements for the fiscal year ending March 31, 2026. Should any significant anticipated impact on the Company's consolidated financial results for the fiscal year ending March 31, 2026, arise in the future, the Company will promptly make the necessary disclosure.