

Note: 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. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.



August 7, 2024

## Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2025 (Japanese GAAP)

Company Name: Chuetsu Pulp & Paper Co., Ltd. (the “Company”)  
 Code No./Stock Exchange: 3877/Tokyo  
 Representative: Ryoji Fukumoto, President & Chief Executive Officer  
 Contact: Yoshio Akinaga, General Manager, Administrative Division  
 URL: <https://www.chuetsu-pulp.co.jp/>  
 Telephone: 0766-26-2404 (Overseas: +81-766-26-2404)  
 Start of dividend payout: —  
 Supplementary briefs for quarterly financial results to be presented: None  
 Quarterly financial results briefing to be held: None

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

### 1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2025 (April 1 to June 30, 2024)

#### (1) Consolidated Business Results (Cumulative)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2024	26,404	0.8	446	(62.3)	882	(41.7)	515	(50.4)
June 30, 2023	26,197	8.1	1,185	7.3	1,513	(15.5)	1,040	(27.2)

(Note) Comprehensive income: Three months ended June 30, 2024: 1,267 million yen (4.9%)

Three months ended June 30, 2023: 1,208 million yen ( $\Delta$ 20.7%)

	Profit per share	Diluted profit per share
	Yen	Yen
Three months ended June 30, 2024	39.81	—
June 30, 2023	80.32	—

#### (2) Consolidated Financial Condition

	Total assets	Net assets	Shareholders' equity	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2024	125,784	56,480	44.9	4,361.84
March 31, 2024	128,923	55,601	43.1	4,293.67

(Reference) Shareholders' equity As of June 30, 2024: 56,484 million yen As of March 31, 2024: 55,601 million yen

### 2. Cash Dividends

	Dividend per share				
	End of 1Q	End of 2Q	End of 3Q	End of FY	Annual
Fiscal year ended March 31, 2024	—	30.00	—	30.00	60.00
Fiscal year ending March 31, 2025	—				
Fiscal year ending March 31, 2025 (Forecast)		30.00	—	30.00	60.00

(Note) Revisions to the most recently announced dividend forecast during the period: None

**3. Consolidated Financial Forecasts for the Year Ending March 2025 (from April 1, 2024 to March 31, 2025)**

(% = year-on-year change for each quarter and full-year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	54,000	2.9	2,300	(30.4)	2,400	(36.8)	1,600	(37.7)	123.56
Full year	112,000	3.9	4,600	(25.5)	4,900	(28.2)	3,200	(13.6)	247.11

(Note) Revisions to the most recently announced financial forecast during the period: None

**\*Notes****(1) Changes in important subsidiaries during the period**

(changes in specified subsidiaries resulting in changes in scope of consolidation) : None

New — (company name)

Excluded — (company name)

**(2) Application of special accounting methods for preparing quarterly consolidated financial statements : None****(3) Changes in accounting policies, changes in accounting estimates, and restatements**

- 1) Changes in accounting policies due to revision of accounting standards, etc. : Yes
- 2) Changes in accounting policies other than (1) : None
- 3) Changes in accounting estimates : None
- 4) Correction re-representation : None

**(4) Number of shares issued and outstanding (common stock)**

1) Number of shares outstanding at end of period (including treasury stock)	As of June 30, 2024	13,354,688 shares	As of March 31, 2024	13,354,688 shares
2) Number of own shares at end of period	As of June 30, 2024	405,041 shares	As of March 31, 2024	405,003 shares
3) Average number of shares during the period	Three months ended June 30, 2024	12,949,656 shares	Three months ended June 30, 2023	12,950,161 shares

\* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes

\* Explanation of appropriate use of financial forecasts and other special notes.

The above forecasts are based on information available as of the date of publication of this document and on certain assumptions that we consider reasonable and are therefore subject to a number of uncertainties. Actual results may differ from the above forecasts due to changes in various factor.

**Quarterly Consolidated Financial Statements and Important Notes****(1) Quarterly Consolidated Balance Sheet**

(Unit: Millions of yen)

	As of March 31, 2024	As of June 30, 2024
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	10,670	8,197
Notes and accounts receivable and contract assets	28,457	28,246
Merchandise and finished goods	10,064	8,455
Work in process	545	620
Raw materials and supplies	5,993	6,321
Other	2,209	2,479
Allowance for doubtful accounts	(2)	(3)
<b>Total current assets</b>	<b>57,939</b>	<b>54,317</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	52,917	52,956
Accumulated depreciation	(37,682)	(37,960)
<b>Buildings and structures, net</b>	<b>15,234</b>	<b>14,995</b>
Machinery, equipment and vehicles	244,359	245,984
Accumulated depreciation	(217,385)	(217,871)
<b>Machinery, equipment and vehicles, net</b>	<b>26,974</b>	<b>28,112</b>
Other	14,917	14,345
Accumulated depreciation	(2,973)	(3,022)
<b>Other, net</b>	<b>11,943</b>	<b>11,323</b>
<b>Total property, plant and equipment</b>	<b>54,152</b>	<b>54,431</b>
<b>Intangible assets</b>		
Other	274	246
<b>Total intangible assets</b>	<b>274</b>	<b>246</b>
<b>Investments and other assets</b>		
Investment securities	10,792	11,437
Other	5,750	5,333
Allowance for doubtful accounts	(44)	(44)
<b>Total investments and other assets</b>	<b>16,498</b>	<b>16,726</b>
<b>Total non-current assets</b>	<b>70,925</b>	<b>71,404</b>
Deferred assets	58	61
<b>Total assets</b>	<b>128,923</b>	<b>125,784</b>

(Unit: Millions of yen)

	As of March 31, 2024	As of June 30, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable trade	17,644	16,539
Short-term borrowings	24,774	24,781
Income taxes payable	1,137	117
Allowance for bonuses	560	203
Provision for loss on disaster	96	45
Provisions for removal cost of property, plant and equipment	87	85
Other	6,102	6,504
Total current liabilities	50,404	48,276
Non-current liabilities		
Long-term borrowings	16,862	15,356
Provisions for environmental measures	106	93
Provisions for loss on business of subsidiaries and affiliates	43	43
Retirement benefit liability	5,742	5,360
Other	161	171
Total non-current liabilities	22,917	21,026
Total liabilities	73,322	69,303
<b>Net assets</b>		
Shareholders equity		
Share capital	18,864	18,864
Capital surplus	16,253	16,253
Retained earnings	18,347	18,474
Treasury shares	(409)	(409)
Total shareholders equity	53,056	53,183
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,387	2,796
Foreign currency translation adjustment	189	242
Remeasurements of defined benefit plans	(31)	262
Total accumulated other comprehensive income	2,545	3,301
Non-controlling interests	(0)	(3)
Total net assets	55,601	56,480
Total liabilities and net assets	128,923	125,784

2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income  
 Quarterly Consolidated Statements of Income  
 For the Three -month Period

(Unit: Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	26,197	26,404
Cost of sales	22,192	23,063
Gross profit	4,005	3,341
Selling, general and administrative expenses		
Sales commissions	44	29
Transportation costs	1,450	1,585
Storage costs	400	395
Other	923	884
Total selling, general and administrative expenses	2,819	2,894
Operating profit	1,185	446
Non-operating income		
Interest income	14	13
Dividend income	92	99
Foreign exchange gains	242	298
Share of profit of entities accounted for using equity method	34	60
Other	26	39
Total non-operating income	411	512
Non-operating expenses		
Interest expenses	60	67
Other	22	8
Total non-operating expenses	83	76
Ordinary profit	1,513	882
Extraordinary income		
Gain on sale of non-current assets	0	0
Total extraordinary income	0	0
Extraordinary losses		
Loss on retirement of non-current assets	268	176
Special retirement benefits	8	—
Other	11	1
Total extraordinary losses	289	178
Profit before income taxes	1,225	704
Income taxes - current	79	31
Income taxes - deferred	110	160
Total income taxes	190	192
Profit	1,035	512
Loss attributable to non-controlling interests	(4)	(3)
Profit attributable to owners of parent	1,040	515

Quarterly Consolidated Statements of Comprehensive Income  
For the Three -month Period

(Unit: Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit	1,035	512
Other comprehensive income		
Valuation difference on available-for-sale securities	119	422
Remeasurements of defined benefit plans, net of tax	2	293
Share of other comprehensive income of entities accounted for using equity method	50	39
Total other comprehensive income	172	755
Comprehensive income	1,208	1,267
(Breakdown)		
Comprehensive income attributable to owners of parent	1,213	1,271
Comprehensive income attributable to non- controlling interests	(4)	(3)

## (Segment Information)

I Previous consolidated Three months ended (April 1, 2023 to June 30, 2023)

## 1. Information on net sales, profit or loss by reportable segment

(Unit: Millions of yen)

	Reportable Segment			Other (Note)	Total
	Paper and Pulp Manufacturing	Power Generation	Total		
Net sales					
Sales to external customers	23,467	1,752	25,219	978	26,197
Intersegment sales and transfers	—	—	—	2,955	2,955
Total	23,467	1,752	25,219	3,933	29,153
Segment profit	1,080	85	1,166	16	1,182

Note: "Others" is a business segment not included in the reportable segments and includes the nanoforest, paper products manufacturing, transportation, equipment design, construction and repair, raw materials, paper cutting, sorting and packaging.

## 2. Difference between the total amount of reported segments (profits and loss) and the amount recorded in the quarterly consolidated financial statements and the main details of such difference (matters related to difference adjustment)

(Unit: Millions of yen)

Profit (loss)	Amount
Total of reportable segments	1,166
Income in "Other" Segment	16
Elimination of intersegment transactions	8
Fixed asset adjustments	(5)
Other adjustments	(0)
Operating profit in consolidated financial statements (quarterly)	1,185

## II Current consolidated Three months ended (April 1, 2024 to June 30, 2024)

## 1. Information on net sales, profit or loss by reportable segment

(Unit: Millions of yen)

	Reportable Segment			Other (Note)	Total
	Paper and Pulp Manufacturing	Power Generation	Total		
Net sales					
Sales to external customers	24,226	1,287	25,514	890	26,404
Intersegment sales and transfers	—	—	—	3,123	3,123
Total	24,226	1,287	25,514	4,013	29,528
Segment profit	269	90	359	76	436

Note: "Others" is a business segment not included in the reportable segments and includes the nanoforest, paper products manufacturing, transportation, equipment design, construction and repair, raw materials, paper cutting, sorting and packaging.

## 2. Difference between the total amount of reported segments (profits and loss) and the amount recorded in the quarterly consolidated financial statements and the main details of such difference (matters related to difference adjustment)

(Unit: Millions of yen)

Profit (loss)	Amount
Total of reportable segments	359
Income in "Other" Segment	76
Elimination of intersegment transactions	10
Fixed asset adjustments	(1)
Other adjustments	1
Operating profit in consolidated financial statements (quarterly)	446