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MEMBERSHIP
May 15, 2025

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

Company Name: Chuetsu Pulp & Paper Co., Ltd.
 Stock exchange listing: First Section of the Tokyo Stock Exchange
 Stock Exchange Code: 3877
 Representative: Ryoji Fukumoto, President and Representative Director
 Contact: Yoshio Akinaga, Deputy General Manager of Business Administration Division and General Manager of Administration Department
 URL: <https://www.chuetsu-pulp.co.jp/>
 Telephone: 0766-26-2404 (Overseas: +81-766-26-2424)
 Ordinary general meeting of shareholders to be held: June 25, 2025
 Start of dividend payout: June 26, 2025
 Statutory annual report to be presented: June 26, 2025
 Supplementary briefs for financial results to be presented: Yes
 Financial results briefing to be held: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the Year Ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated Business Results

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	111,009	3.0	4,843	(21.5)	5,114	(25.0)	1,761	(52.4)
March 31, 2024	107,826	2.0	6,172	137.9	6,820	100.7	3,701	21.3

Note: Comprehensive income: Fiscal year ended March 31, 2025: 1,787 million yen (-62.3%)
 Fiscal year ended March 31, 2024: 4,745 million yen (20.2%)

	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
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	136.66	—	3.1	4.1	4.4
March 31, 2024	285.85	—	6.9	5.4	5.7

Note: Equity in earnings of affiliates Fiscal year ended March 31, 2025: 325 million yen
 Fiscal year ended March 31, 2024: 94 million yen

(2) Consolidated Financial Condition

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
Fiscal year ended	Millions of yen	Millions of yen	%	Yen
March 31, 2025	121,888	55,941	46.7	4,533.15
March 31, 2024	128,923	55,601	43.1	4,293.67

Note: Shareholders' equity As of March 31, 2025: 56,886 million yen
 As of March 31, 2024: 55,601 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
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	10,360	(6,013)	(6,012)	9,005
March 31, 2024	13,564	(7,905)	(3,102)	10,670

2. Cash Dividends

	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			
Fiscal year ended March 31, 2024	Yen —	Yen 30.00	Yen —	Yen 30.00	Yen 60.00	Millions of yen 777	% 21.0	% 1.4
March 31, 2025	—	35.00	—	35.00	70.00	892	51.2	1.6
Fiscal year ending March 31, 2026 (Forecast)	—	40.00	—	40.00	80.00		28.7	

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

(For figures shown in percentage, the full year ratios are compared to the previous fiscal year, and the quarterly ratios are compared to the same period of the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
2Q (cumulative)	55,000	(1.0)	1,900	(39.2)	2,100	(29.9)	1,400	(31.5)	111.56
Full year	112,000	0.9	4,900	1.2	5,200	1.7	3,500	98.7	278.91

*Notes

(1) Changes in important subsidiaries during the period:

(changes in specified subsidiaries resulting in changes in scope of consolidation):

No

New (company name) Excluded (company name)

(2) 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):

No

3) Changes in accounting estimates:

No

4) Correction re-representation:

No

(3) Number of shares issued and outstanding (common stock)

1) Number of shares outstanding at end of period
(including treasury stock)

Fiscal year ended March 31, 2025	13,354,688 shares	Fiscal year ended March 31, 2024	13,354,688 shares
Fiscal year ended March 31, 2025	805,627 shares	Fiscal year ended March 31, 2024	405,003 shares
Fiscal year ended March 31, 2025	12,887,802 shares	Fiscal year ended March 31, 2024	12,949,995 shares

2) Number of own shares at end of period

3) Average number of shares during the period

Reference: Summary of Non-Consolidated Financial Results

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

(1) Non-consolidated Business Results

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

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	105,518	3.1	4,156	(27.1)	4,148	(34.1)	1,068	(71.0)
March 31, 2024	102,360	2.2	5,704	151.8	6,297	119.1	3,686	40.7

	Profit per share		Diluted profit per share	
Fiscal year ended	Yen		Yen	
March 31, 2025	82.91		—	
March 31, 2024	284.64		—	

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
Fiscal year ended	Millions of yen	Millions of yen	%	Yen
March 31, 2025	114,390	47,674	41.7	3,799.05
March 31, 2024	117,605	47,650	40.5	3,679.66

Note: Shareholders' equity As of March 31, 2025: 47,674 million yen
 As of March 31, 2024: 47,650 million yen

2. Non-Consolidated Forecast for the Fiscal Year Ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

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

	Net sales		Operating profit		Ordinary profit		Profit		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
2Q (cumulative)	52,000	(1.8)	1,700	(39.4)	1,700	(32.4)	1,100	(33.9)	87.66
Full year	106,000	0.5	4,400	5.8	4,400	6.1	2,900	171.4	231.09

* Financial statements are not subject to audit by a certified public accountant or auditing firm

* Explanation of appropriate use of earnings 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.

3. Consolidated Financial Statements and Important Notes

(1) Consolidated Balance Sheet

(Unit: Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	10,670	9,005
Notes and accounts receivable – trade	28,457	26,090
Merchandise and finished goods	10,064	10,353
Work in process	545	654
Raw materials and supplies	5,993	6,179
Others	2,209	2,333
Allowance for doubtful accounts	(2)	(3)
Total current assets	57,939	54,612
Non-current assets		
Property, plant and equipment		
Buildings and structures	52,917	53,780
Accumulated depreciation	(37,682)	(38,753)
Buildings and structures, net	15,234	15,026
Machinery, equipment and vehicles	244,359	246,642
Accumulated depreciation	(217,385)	(219,929)
Machinery, equipment and vehicles, net	26,974	26,713
Land	7,600	7,601
Leased assets	217	266
Accumulated depreciation	(169)	(179)
Leased assets, net	47	86
Construction in progress	3,903	1,045
Others	3,195	3,347
Accumulated depreciation	(2,803)	(2,926)
Other, net	391	421
Total property, plant and equipment	54,152	50,894
Intangible assets		
Others	274	192
Total intangible assets	274	192
Investments and other assets		
Investment securities	10,792	11,651
Long-term loans receivable from subsidiaries and affiliates	3,150	2,520
Deferred tax assets	2,187	1,759
Others	412	314
Allowance for doubtful accounts	(44)	(58)
Total investments and other assets	16,498	16,188
Total non-current assets	70,925	67,275
Deferred assets	58	-
Total assets	128,923	121,888

(Unit: Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable – trade	17,644	16,928
Short-term borrowings	24,774	28,603
Lease obligations	26	32
Income taxes payable	1,137	569
Allowance for bonuses	560	572
Provision for loss on disaster	96	124
Provisions for removal cost of property, plant and equipment	87	-
Others	6,075	5,271
Total current liabilities	50,404	52,103
Non-current liabilities		
Long-term borrowings	16,862	8,494
Lease obligations	29	65
Provisions for environmental measures	106	80
Provisions for loss on business of subsidiaries and affiliates	43	43
Retirement benefit liability	5,742	5,057
Others	132	101
Total non-current liabilities	22,917	13,843
Total liabilities	73,322	65,946
Net assets		
Shareholders' equity		
Share capital	18,864	18,864
Capital surplus	16,253	16,253
Retained earnings	18,347	19,267
Treasury shares	(409)	(1,014)
Total shareholders' equity	53,056	53,370
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,387	2,687
Foreign currency translation adjustment	189	275
Remeasurements of defined benefit plans	(31)	552
Total accumulated other comprehensive income	2,545	3,515
Non-controlling interests	(0)	(945)
Total net assets	55,601	55,941
Total liabilities and net assets	128,923	121,888

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

Consolidated Statements of Income

(Unit: Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	107,826	111,009
Cost of sales	90,217	93,910
Gross profit	17,608	17,098
Selling, general and administrative expenses		
Sales commissions	123	129
Transportation costs	6,218	7,021
Storage costs	1,471	1,522
Officer's compensation or remuneration	227	244
Employees' salaries and benefits	1,353	1,336
Retirement benefit expenses	104	94
R&D expenses	195	137
Depreciation	161	179
Others	1,580	1,588
Total selling, general and administrative expenses	11,435	12,255
Operating profit	6,172	4,843
Non-operating income		
Interest income	58	56
Dividend income	170	214
Commission received	4	4
Equipment rent	18	24
Gain on sale of scrap	25	19
Foreign exchange gains	433	-
Share of profit of entities accounted for using equity method	94	325
Subsidy income	102	30
Others	53	54
Total non-operating income	963	729
Non-operating expenses		
Interest expenses	239	287
Commission paid	16	13
Foreign exchange losses	-	76
Others	58	79
Total non-operating expenses	314	457
Ordinary profit	6,820	5,114

(Unit: Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Extraordinary income		
Gain on sale of investment securities	12	0
Gain on sale of non-current assets	4	3
Total extraordinary income	17	3
Extraordinary losses		
Loss on retirement of non-current assets	557	367
Impairment losses	958	2,726
Special retirement benefits	8	-
Loss on valuation of investment securities	11	-
Loss on disaster	279	182
Others	-	1
Total extraordinary losses	1,816	3,278
Profit before income taxes and minority interests	5,022	1,840
Income taxes – current	1,076	992
Income taxes – deferred	263	31
Total income taxes	1,339	1,023
Profit	3,682	816
Profit (loss) attributable to non-controlling interests	(19)	(944)
Profit attributable to owners of parent	3,701	1,761

Consolidated Statements of Comprehensive Income

(Unit: Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	3,682	816
Other comprehensive income		
Valuation difference on available-for-sale securities	795	391
Remeasurements of defined benefit plans, net of tax	69	572
Share of other comprehensive income of entities accounted for using equity method	198	7
Total other comprehensive income	1,062	970
Comprehensive income	4,745	1,787
(Breakdown)		
Comprehensive income attributable to owners of parent	4,764	2,732
Comprehensive income attributable to non-controlling interests	(19)	(944)

(3) Consolidated Statements of Changes in Net Assets

Previous Consolidated Fiscal Year (April 1, 2023 to March 31, 2024)

(Unit: Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Net unrealized gains (losses) on available-for-sale securities, net of taxes	Foreign currency translation adjustments	Accumulated retirement benefits	Total accumulated other comprehensive income		
Balance at the beginning of period	18,864	16,253	15,422	(408)	50,132	1,505	120	(143)	1,482	18	51,633
Changes during the period											
Dividends from surplus			(777)		(777)						(777)
Profit attributable to owners of parent			3,701		3,701						3,701
Purchase of treasury stock				(0)	(0)						(0)
Net changes of items other than shareholders' equity						882	68	111	1,062	(19)	1,043
Total changes during the period	—	—	2,924	(0)	2,923	882	68	111	1,062	(19)	3,967
Balance at the end of period	18,864	16,253	18,347	(409)	53,056	2,387	189	(31)	2,545	(0)	55,601

Consolidated Fiscal Year Under Review (April 1, 2024 to March 31, 2025)

(Unit: Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Net unrealized gains (losses) on available-for-sale securities, net of taxes	Foreign currency translation adjustments	Accumulated retirement benefits	Total accumulated other comprehensive income		
Balance at the beginning of period	18,864	16,253	18,347	(409)	53,056	2,387	189	(31)	2,545	(0)	55,601
Changes during the period											
Dividends from surplus			(841)		(841)						(841)
Profit attributable to owners of parent			1,761		1,761						1,761
Purchase of treasury stock				(604)	(604)						(604)
Net changes of items other than shareholders' equity						299	86	584	970	(944)	25
Total changes during the period	—	—	919	(604)	314	299	86	584	970	(944)	340
Balance at the end of period	18,864	16,253	19,267	(1,014)	53,370	2,687	275	552	3,515	(945)	55,941

(4) Consolidated Statements of Cash Flows

(Unit: Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes and minority interests	5,022	1,840
Depreciation	5,926	6,165
Impairment losses	958	2,726
Increase (decrease) in allowance for doubtful accounts	(0)	13
Interest and dividend income	(229)	(270)
Interest expenses	239	287
Foreign exchange loss (gain)	(3)	0
Share of loss (gain) of entities accounted for using equity method	(94)	(325)
Loss on retirement of non-current assets	557	367
Loss (gain) on sale and disposal of property, plant and equipment, net	(4)	(3)
Decrease (increase) in trade receivables	(1,140)	2,367
Decrease (increase) in inventories	(505)	(582)
Decrease (increase) in other assets	(14)	(191)
Increase (decrease) in trade payables	2,096	(716)
Increase (decrease) in other liabilities	665	(174)
Increase (decrease) in consumption taxes payable or receivable	303	165
Loss (gain) on sale of investment securities	(12)	(0)
Loss (gain) on valuation of investment securities	11	-
Increase (decrease) in accrued bonuses	32	12
Increase (decrease) in provision for loss on disaster	96	27
Increase (decrease) in retirement benefit liability	150	161
Increase (decrease) in allowance for environmental measures	(20)	(26)
Increase (decrease) in provisions for loss on business of subsidiaries and affiliates	(3)	-
Others	8	(53)
Subtotal	14,040	11,791
Interest and dividends received	229	270
Interest paid	(237)	(292)
Income taxes paid	(467)	(1,409)
Net cash provided by (used in) operating activities	13,564	10,360
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(8,036)	(6,356)
Proceeds from sale of property, plant and equipment	5	3
Purchase of investment securities	(1)	(2)
Proceeds from sale of investment securities	27	0
Net decrease (increase) in short-term loans receivable	29	72
Long-term loans advances	(2)	(1)
Proceeds from collection of long-term loans receivable	630	630
Others	(557)	(359)
Net cash provided by (used in) investing activities	(7,905)	(6,013)

(Unit: Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	429	(1)
Proceeds from long-term borrowings	5,200	1,550
Repayments of long-term borrowings	(7,925)	(6,087)
Purchase of treasury shares	(0)	(604)
Dividends paid	(773)	(838)
Repayments of finance lease liabilities	(32)	(29)
Net cash provided by (used in) financing activities	(3,102)	(6,012)
Effect of exchange rate change on cash and cash equivalents	3	(0)
Net increase (decrease) in cash and cash equivalents	2,560	(1,665)
Cash and cash equivalents at beginning of period	8,110	10,670
Cash and cash equivalents at end of period	10,670	9,005

(Segment Information)

1. Overview of reportable segments

(1) Method of determining reportable segments

The Company's reportable segments are units constituting the Company for which separate financial information is available and which are subject to periodic review by the Board of Directors in order to determine the allocation of management resources and evaluate their performance.

The Group's principal businesses are paper and pulp manufacturing and power generation, and runs businesses that are auxiliary to those principal businesses. The Company and its consolidated subsidiaries are engaged in single or multiple business activities as independent management units in each of those business segments.

Therefore, the Group has two reportable segments: "Paper and Pulp Manufacturing Business" and "Power Generation Business."

(2) Type of products and services belonging to each reportable segment

The Paper and Pulp Manufacturing Business is mainly engaged in the manufacture and sale of paper products, base paper for paper products, and pulp, while the "Power Generation Business" is mainly engaged in the sale of electricity.

In addition, Others subsidize Paper and Pulp Manufacturing business and power generation business from various aspects including nanoforest business, manufacture of paper products, afforestation and greening business, purchase and sale of wood chips, transportation, design and construction (repair) of machinery and equipment, construction work, purchase, manufacture and sale of industrial chemicals, paper cutting and sorting and packaging, and insurance agency.

2. Method of calculating net sales, profit or loss, assets, and other items by reportable segment

The accounting method for reported business segments is generally the same as that described in "Important basic matters for Preparing Consolidated Financial Statements."

Profits of reportable segments are based on operating income. Intersegment sales and transfers are based on prevailing market prices.

3. Information on net sales, profit or loss and other items by reportable segment

Previous Consolidated Fiscal Year (April 1, 2023 to March 31, 2024)

(Unit: Millions of yen)

	Reportable Segment			Others (Note)	Total
	Paper and Pulp Manufacturing	Power Generation	Total		
Net sales					
Sales to external customers	96,826	7,039	103,866	3,959	107,826
Intersegment sales and transfers	—	—	—	13,077	13,077
Total	96,826	7,039	103,866	17,036	120,903
Segment profit	5,512	410	5,922	279	6,201

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, and sorting and packaging.

Consolidated Fiscal Year Under Review (April 1, 2024 to March 31, 2025)

(Unit: Millions of yen)

	Reportable Segment			Others (Note)	Total
	Paper and Pulp Manufacturing	Power Generation	Total		
Net sales					
Sales to external customers	101,407	5,622	107,029	3,979	111,009
Intersegment sales and transfers	—	—	—	13,071	13,071
Total	101,407	5,622	107,029	17,051	124,080
Segment profit	3,663	547	4,210	544	4,754

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, and sorting and packaging.

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

Previous Consolidated Fiscal Year (April 1, 2023 to March 31, 2024)

(Unit: Millions of yen)

Net sales	Amount
Total of reportable segments	103,866
Net sales in “Other” segment	17,036
Elimination of intersegment transactions	(13,077)
Net sales in consolidated financial statements	107,826

(Unit: Millions of yen)

Profit	Amount
Total of reportable segments	5,922
Income in “Other” Segment	279
Elimination of intersegment transactions	34
Other adjustments	(64)
Operating profit (loss) in consolidated financial statements	6,172

Consolidated Fiscal Year Under Review (April 1, 2024 to March 31, 2025)

(Unit: Millions of yen)

Net sales	Amount
Total of reportable segments	107,029
Net sales in “Other” segment	17,051
Elimination of intersegment transactions	(13,071)
Net sales in consolidated financial statements	111,009

(Unit: Millions of yen)

Profit	Amount
Total of reportable segments	4,210
Income in “Other” Segment	544
Elimination of intersegment transactions	37
Other adjustments	51
Operating profit in consolidated financial statements	4,843