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November 13, 2025

Summary of Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2026 (Japanese GAAP)

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Scheduled date of filing of quarterly report: November 14, 2025
Start of dividend payout: December 1, 2025
Supplementary briefs for quarterly financial results to be presented: Yes
Quarterly financial results briefing to be held: Yes

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

1. Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2026 (April 1 to September 30, 2025)

(1) Consolidated Business Results (Cumulative)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2025	53,052	(4.5)	1,355	(56.6)	1,554	(48.1)	982	(52.0)
September 30, 2024	55,572	5.9	3,126	(5.4)	2,997	(21.0)	2,044	(20.4)

(Note) Comprehensive income: Six months ended September 30, 2025: 1,674 million yen ($\triangle$ 35.3%)

Six months ended September 30, 2024: 2,587 million yen ($\triangle$ 17.3%)

	Profit per share	Diluted profit per share
	Yen	Yen
Six months ended September 30, 2025	78.23	—
September 30, 2024	157.88	—

(2) Consolidated Financial Condition

	Total assets	Net assets	Shareholders' equity	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
September 30, 2025	117,878	57,204	49.3	4,628.89
March 31, 2025	121,888	55,941	46.7	4,533.15

(Reference) Shareholders' equity As of September 30, 2025: 58,164 million yen As of March 31, 2025: 56,886 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, 2025	Yen —	Yen 35.00	Yen —	Yen 35.00	Yen 70.00
Fiscal year ending March 31, 2026	—	40.00			
Fiscal year ending March 31, 2026 (Forecast)			—	40.00	80.00

(Note) Revisions to the most recently announced dividend forecast during the period: No

3. Consolidated Financial Forecasts for the Year Ending March 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 attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	110,000	(0.9)	3,700	(23.6)	4,100	(19.8)	2,700	53.3	215.08

(Note) Revisions to the most recently announced financial forecast during the period: Yes

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. : None

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 September 30, 2025	13,354,688 shares	As of March 31, 2025	13,354,688 shares
2) Number of own shares at end of period	As of September 30, 2025	789,148 shares	As of March 31, 2025	805,627 shares
3) Average number of shares during the period	Six months ended September 30, 2025	12,553,739 shares	Six months ended September 30, 2024	12,949,494 shares

* Quarterly financial results are not subject to audit by a certified public accountant or auditing firm.

* 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.

Semi-annual Consolidated Financial Statements and Important Notes**(1) Semi-annual Consolidated Balance Sheet**

(Unit: Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	9,005	4,076
Notes and accounts receivable and contract assets	26,090	24,927
Merchandise and finished goods	10,353	11,096
Work in process	654	684
Raw materials and supplies	6,179	7,147
Other	2,333	2,282
Allowance for doubtful accounts	(3)	(2)
Total current assets	54,612	50,211
Non-current assets		
Property, plant and equipment		
Buildings and structures	53,780	53,913
Accumulated depreciation	(38,753)	(39,313)
Buildings and structures, net	15,026	14,600
Machinery, equipment and vehicles	246,642	248,845
Accumulated depreciation	(219,929)	(221,505)
Machinery, equipment and vehicles, net	26,713	27,339
Other	12,261	11,936
Accumulated depreciation	(3,106)	(3,161)
Other, net	9,154	8,774
Total property, plant and equipment	50,894	50,714
Intangible assets		
Other	192	213
Total intangible assets	192	213
Investments and other assets		
Investment securities	11,651	12,956
Other	4,595	3,840
Allowance for doubtful accounts	(58)	(58)
Total investments and other assets	16,188	16,738
Total non-current assets	67,275	67,667
Total assets	121,888	117,878

(Unit: Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable trade	16,928	14,863
Short-term borrowings	28,603	27,493
Income taxes payable	569	472
Allowance for bonuses	572	577
Provision for loss on disaster	124	12
Other	5,304	5,103
Total current liabilities	52,103	48,523
Non-current liabilities		
Long-term borrowings	8,494	6,780
Provisions for environmental measures	80	49
Provisions for loss on business of subsidiaries and affiliates	43	37
Retirement benefit liability	5,057	5,118
Other	166	165
Total non-current liabilities	13,843	12,151
Total liabilities	65,946	60,674
Net assets		
Shareholders equity		
Share capital	18,864	18,864
Capital surplus	16,253	16,260
Retained earnings	19,267	19,810
Treasury shares	(1,014)	(993)
Total shareholders equity	53,370	53,941
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,687	3,552
Foreign currency translation adjustment	275	130
Remeasurements of defined benefit plans	552	540
Total accumulated other comprehensive income	3,515	4,223
Non-controlling interests	(945)	(960)
Total net assets	55,941	57,204
Total liabilities and net assets	121,888	117,878

2) Semi-annual Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income
Semi-annual Consolidated Statements of Income
For the Six -month Period

(Unit: Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	55,572	53,052
Cost of sales	46,342	45,679
Gross profit	9,230	7,372
Selling, general and administrative expenses		
Sales commissions	58	54
Transportation costs	3,500	3,401
Storage costs	757	798
Other	1,787	1,762
Total selling, general and administrative expenses	6,104	6,017
Operating profit	3,126	1,355
Non-operating income		
Interest income	27	29
Dividend income	101	124
Foreign exchange gains	—	12
Share of profit of entities accounted for using equity method	182	152
Other	81	84
Total non-operating income	393	402
Non-operating expenses		
Interest expenses	138	167
Foreign exchange losses	341	—
Other	42	36
Total non-operating expenses	521	204
Ordinary profit	2,997	1,554
Extraordinary income		
Gain on sale of non-current assets	1	3
Total extraordinary income	1	3
Extraordinary losses		
Loss on retirement of non-current assets	179	110
Impairment losses	—	18
Other	1	—
Total extraordinary losses	181	128
Profit before income taxes	2,818	1,429
Income taxes - current	671	404
Income taxes - deferred	112	57
Total income taxes	783	462
Profit	2,034	966
Loss attributable to non-controlling interests	(10)	(15)
Profit attributable to owners of parent	2,044	982

Semi-annual Consolidated Statements of Comprehensive Income
For the Six -month Period

(Unit: Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit	2,034	966
Other comprehensive income		
Valuation difference on available-for-sale securities	225	804
Remeasurements of defined benefit plans, net of tax	291	(11)
Share of other comprehensive income of entities accounted for using equity method	36	(85)
Total other comprehensive income	553	707
Comprehensive income	2,587	1,674
(Breakdown)		
Comprehensive income attributable to owners of parent	2,597	1,689
Comprehensive income attributable to non- controlling interests	(10)	(15)

3) Semi-annual Consolidated Statements of Cash Flows

(Unit: Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	2,818	1,429
Depreciation	3,062	3,084
Impairment losses	—	18
Increase (decrease) in allowance for doubtful accounts	14	(0)
Interest and dividend income	(129)	(153)
Interest expenses	138	167
Foreign exchange gain/loss	111	(20)
Share of loss (profit) of entities accounted for using equity method	(182)	(152)
Loss on retirement of non-current assets	179	110
Loss (gain) on sale and disposal of property, plant and equipment, net	(1)	(3)
Decrease (increase) in trade receivables	1,211	1,162
Decrease (increase) in inventories	200	(1,740)
Decrease (increase) in other assets	(76)	(40)
Increase (decrease) in trade payables	(2,720)	(2,063)
Increase (decrease) in other liabilities	(470)	(308)
Increase (decrease) in consumption taxes payable or receivable	(103)	(440)
Increase (decrease) in accrued bonuses	3	4
Increase (decrease) in provision for loss on disaster	(72)	(112)
Increase (decrease) in retirement benefit liability	88	42
Other, net	65	(9)
Subtotal	4,135	973
Interest and dividends received	129	152
Interest paid	(144)	(150)
Income taxes paid	(937)	(552)
Net cash provided by (used in) operating activities	3,183	422
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,659)	(2,270)
Proceeds from sale of property, plant and equipment	1	3
Purchase of investment securities	(0)	(61)
Net decrease (increase) in short-term loans receivable	(55)	83
Proceeds from collection of long-term loans receivable	315	315
Other, net	(171)	(164)
Net cash provided by (used in) investing activities	(3,570)	(2,094)

(Unit: Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(0)	(0)
Repayments of long-term borrowings	(3,110)	(2,824)
Purchase of treasury shares	(0)	(0)
Dividends paid	(387)	(436)
Repayments of finance lease liabilities	(12)	(16)
Net cash provided by (used in) financing activities	(3,511)	(3,277)
Effect of exchange rate change on cash and cash equivalents	(111)	20
Net increase (decrease) in cash and cash equivalents	(4,009)	(4,928)
Cash and cash equivalents at beginning of period	10,670	9,005
Cash and cash equivalents at end of period	6,661	4,076

(Segment Information)

I Previous consolidated Six months ended (April 1, 2024 to September 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	50,941	2,805	53,747	1,825	55,572
Intersegment sales and transfers	—	—	—	6,561	6,561
Total	50,941	2,805	53,747	8,387	62,134
Segment profit	2,555	314	2,869	235	3,104

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	Amount
Total of reportable segments	2,869
Income in “Other” Segment	235
Elimination of intersegment transactions	18
Fixed asset adjustments	5
Other adjustments	(2)
Operating profit in consolidated financial statements (quarterly)	3,126

II Current consolidated Six months ended (April 1, 2025 to September 30, 2025)

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	48,196	2,803	51,000	2,052	53,052
Intersegment sales and transfers	—	—	—	6,710	6,710
Total	48,196	2,803	51,000	8,762	59,763
Segment profit	879	250	1,130	202	1,332

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	Amount
Total of reportable segments	1,130
Income in “Other” Segment	202
Elimination of intersegment transactions	20
Fixed asset adjustments	7
Other adjustments	(5)
Operating profit in consolidated financial statements (quarterly)	1,355