

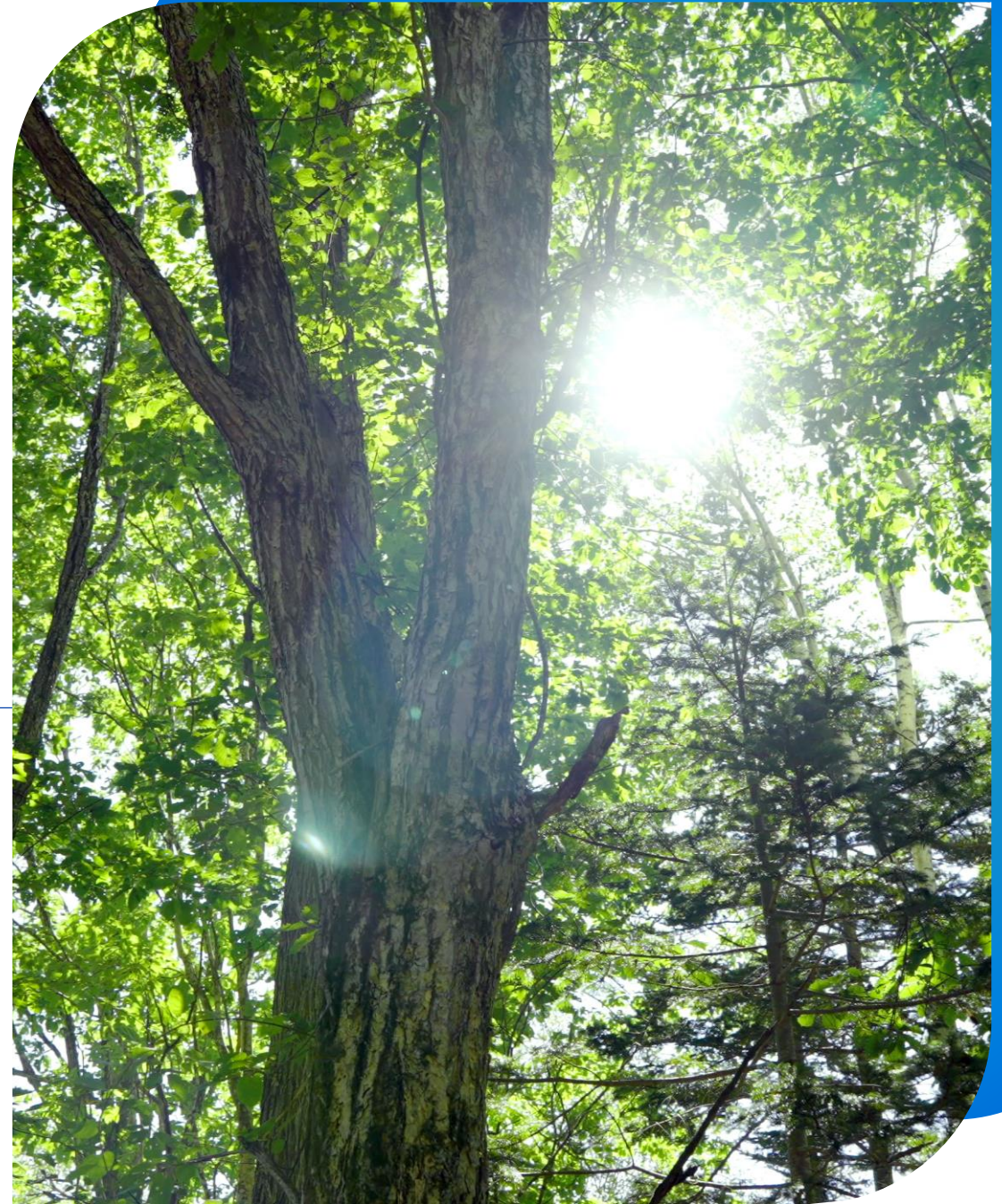


Summary of the Medium-Term Business Plan 2030

May 15, 2026

NIPPON PAPER INDUSTRIES CO.,LTD.

TSE 3863



1 Review of the Medium-Term Business Plan 2025

Progress toward Targets
Achievements and Challenges

2 Medium-Term Business Plan 2030 -Basic Strategy and Key Challenges-

Overview
Future Direction
Balance Sheet Optimization
 Cash Allocation
 Reduction of Cross-Shareholdings
 Financial Strategy for Improving Capital Efficiency



Review of **1 the Medium-Term** **Business Plan 2025**



Medium-Term Business Plan 2025 Progress toward Targets

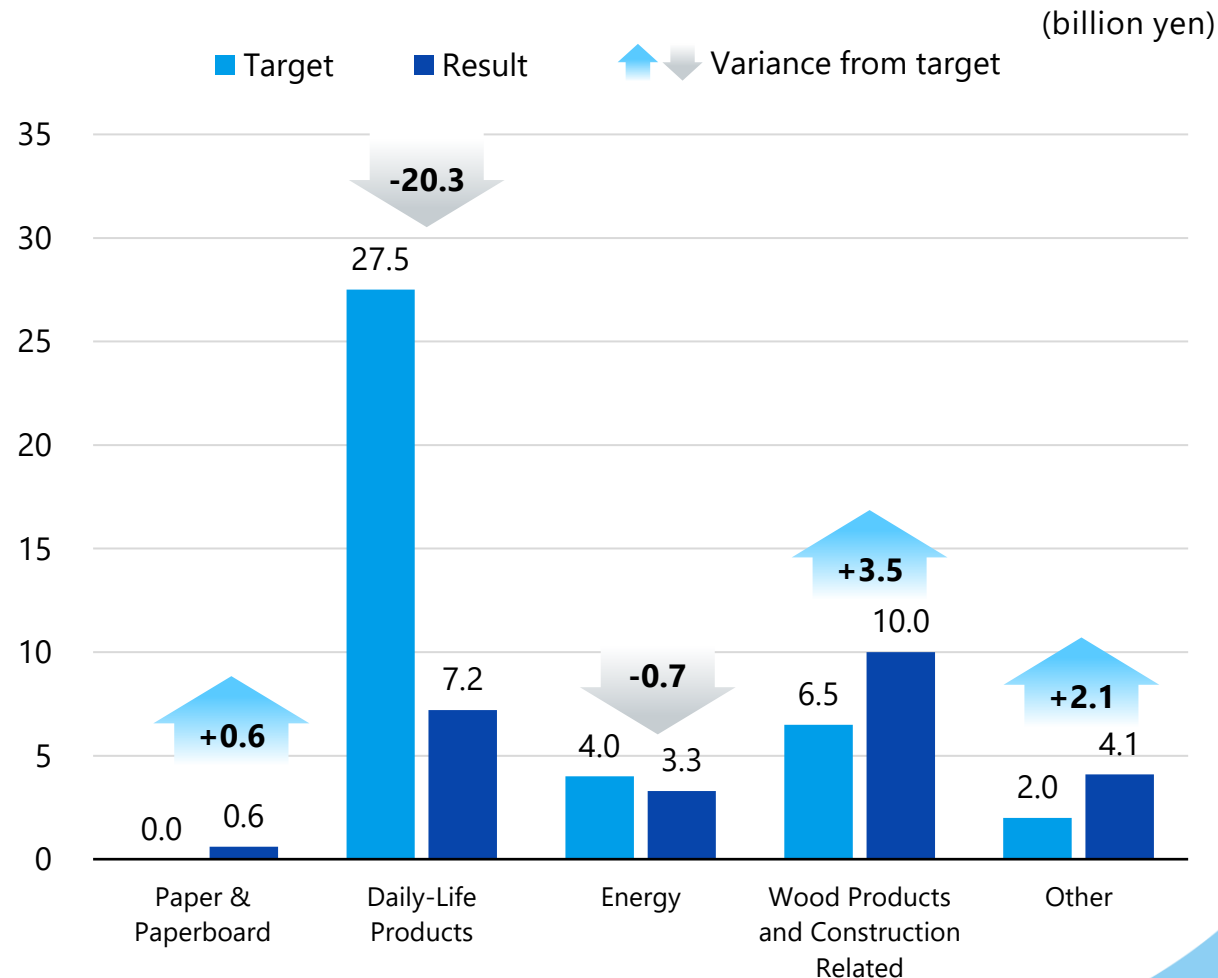
■ Targets and Results

(billion yen)

Item	MTBP 2025 Target*	FY 2026/3 Result
Sales	¥1,200 or more	1,192.6
Operating income	¥40 At an early stage	25.2
EBITDA	Steady ¥100	92.0
Net D/E ratio (based on shareholder's equity)	1.7 to 1.79 times	1.74 times
Net interest-bearing debt	¥710	675.2
ROE	5.0% or more	2.4%

*Some targets were revised in May 2023.

■ Operating Income by Segment (Targets vs. Results)



Medium-Term Business Plan 2025 Achievements and Challenges

- Despite progress in business structure transformation and enhancement of the foundation of existing businesses, improving profitability and capital efficiency remains a challenge.

Theme	Review	Achievements and Challenges
Accelerating business structure transformation	△	Daily-Life Products Business sales ratio expanded (FY2020: 32% → FY2025: 40%); overseas business profitability enhancement remains a challenge.
Strengthening the foundation of existing businesses	△	Domestic graphic paper capacity cut by 30%, maintained 90% operating rate; declining demand requires further action.
	△	Cost cuts and price revisions implemented against rising raw material, fuel, and fixed costs; stable operations remain a challenge.
Enhancing profitability	△	While domestic businesses largely achieved operating income targets, further enhancement of profitability is required.
	×	Operating profit from overseas operations fell short of targets due to the performance of companies such as Opal.
Improving capital efficiency	○	Asset sales, including fixed assets and cross-shareholdings, were executed at a pace exceeding plans.
	△	While targets of net D/E ratio in the 1.7x range and net interest-bearing debt below ¥710 billion were achieved, optimizing the capital structure remains an ongoing challenge.
	×	ROE remained at a low level due to a low OM and the incurrence of extraordinary losses associated with structural reforms.
Reducing GHG emissions	○	Progress is steady towards the FY2030 target of a 54% reduction, with FY2025 results at 43% (provisional).

Actions to be Taken under the Medium-Term Business Plan 2030

Balance Sheet Optimization

Decisive Structural Reforms

Profitability Improvement

Capital Efficiency Improvement



2 Medium-Term Business Plan 2030



Overview

Basic Strategy

Balance Sheet Optimization

- Strengthen and streamline the financial foundation.

Decisive Structural Reforms

- Reorganize low-profit businesses.
- Establish competitive advantage by leveraging resilience.

Profitability Improvement

- Expand growth businesses.
- Optimize invested capital efficiency.

Key Challenges

- Asset streamlining
- Reduction of interest-bearing debt

- Consolidation of graphic paper production sites
- Drastic reform of unprofitable businesses

- Expansion of Forest & Wood-Related Business
- Promotion of downstream strategy in Packaging Business
- Enhancement of Daily-Life Products Business profitability
- Expansion of new biomass material business

Capital Efficiency Improvement

Medium-Term
Business Plan 2030
Target

ROIC

4% or more

ROE

8% or more

Net D/E
ratio*

less than 1.0
times

Operating
Profit

¥60 B or more

Introduction of Capital Market Discipline and Proactive Dialogue

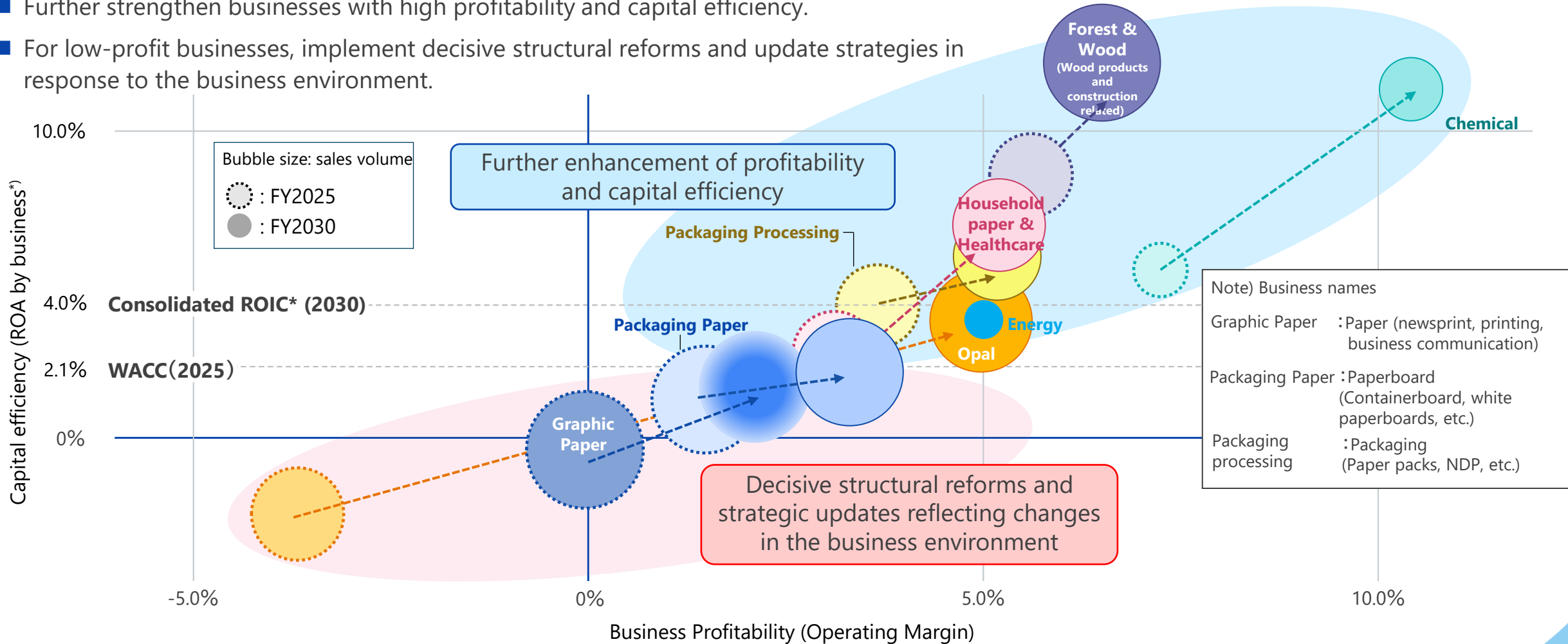
* Calculation of the net D/E ratio is based on equity starting from FY2026.

Net D/E ratio (equity basis) = (net interest-bearing debt - equity-type debt) / (equity + equity-type debt)

Equity-type debt : The amount of debt procured by hybrid loans that has been recognized as equity credit by rating agencies (50% of the financed amount)

Future Direction

- Further strengthen businesses with high profitability and capital efficiency.
- For low-profit businesses, implement decisive structural reforms and update strategies in response to the business environment.



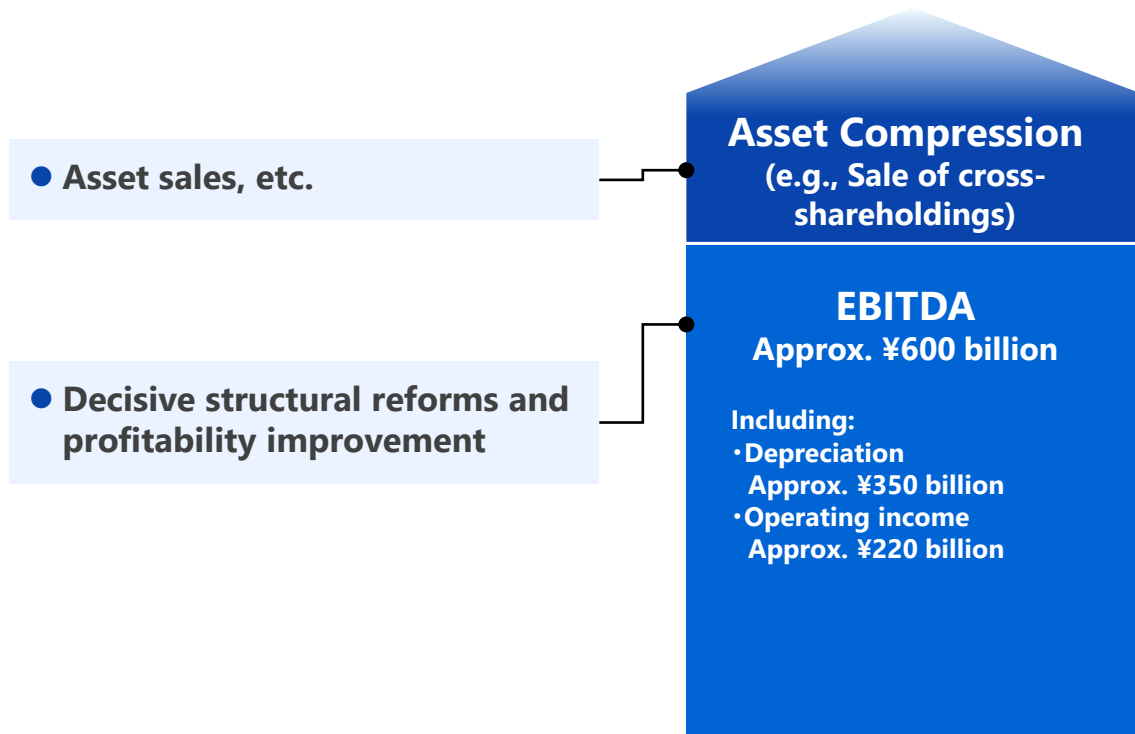
*ROA by business: NOPAT / Business assets

*Consolidated ROIC: NOPAT (operating income after tax + dividends received + equity in earnings of affiliates) / Invested capital (net interest-bearing debt + equity capital)

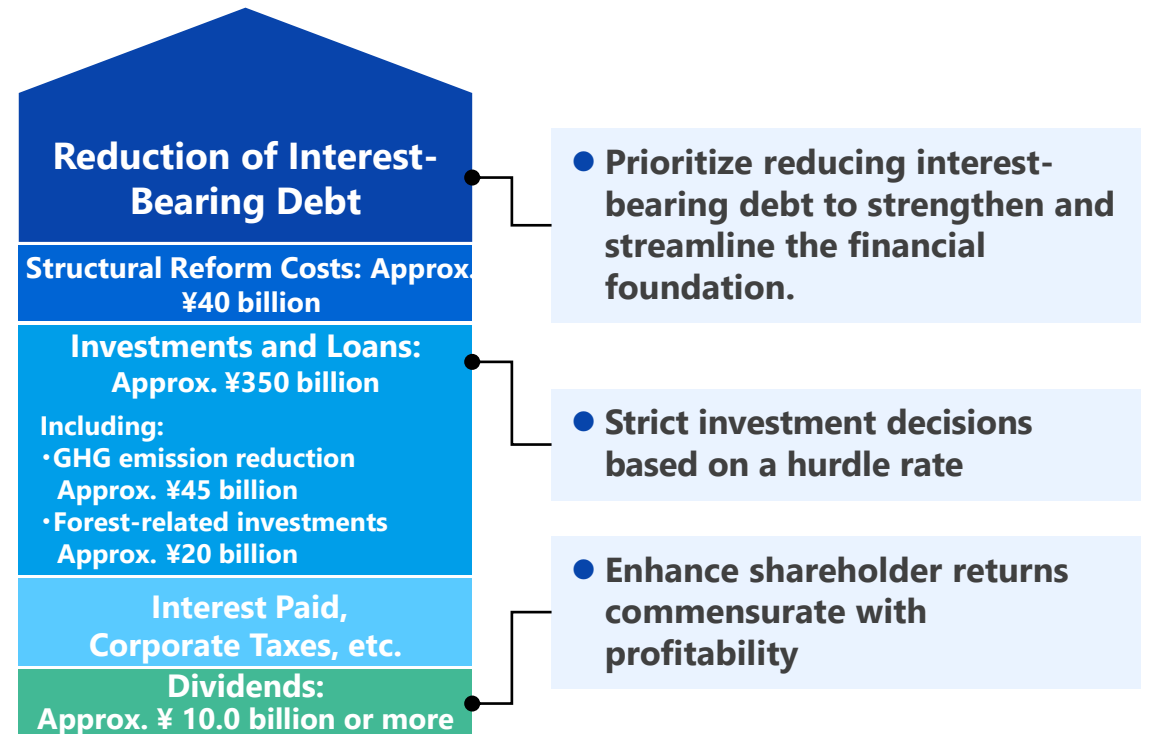
Balance Sheet Optimization | Cash Allocation

- Cash generation through the decisive execution of structural reforms, enhanced profitability, and asset sales.
- Prioritize reduction of interest-bearing debt to strengthen and streamline the financial foundation.

Cash Generation (2026-2030)



Cash Outflow (2026-2030)



Balance Sheet Optimization | Sale of Cross-Shareholdings

- The Board of Directors annually reviews the rationale for and benefits of the Company's cross-shareholdings.
- In 2025, the Company announced a policy of, in principle, fully eliminating cross-shareholdings and has accelerated efforts to reduce it.
- Following the early achievement of the previous reduction target, a new reduction target has been established.

Previous Reduction Target

Period : FY2025-2027
Amount : ¥15.0 billion

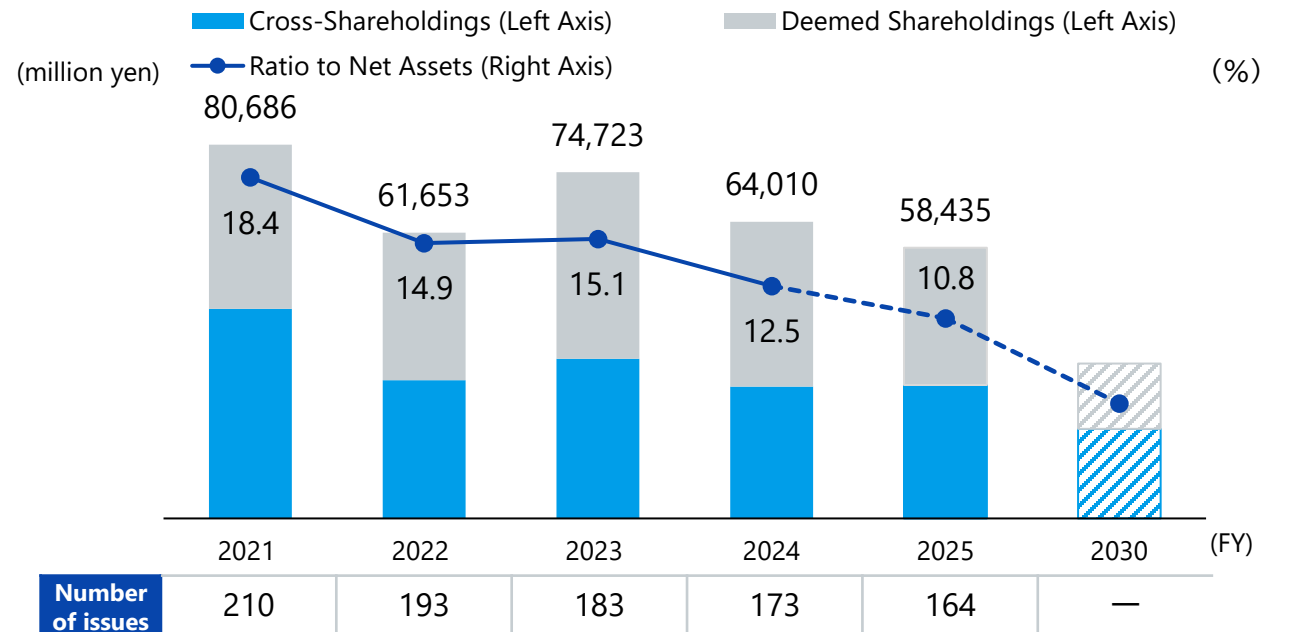
FY2025 Result: ¥16.1 billion

Achieved the previous reduction target

New Reduction Target

Period : FY2026-2030
Amount : ¥25.0 billion

Status of Cross-Shareholdings (Amount shown on B/S)

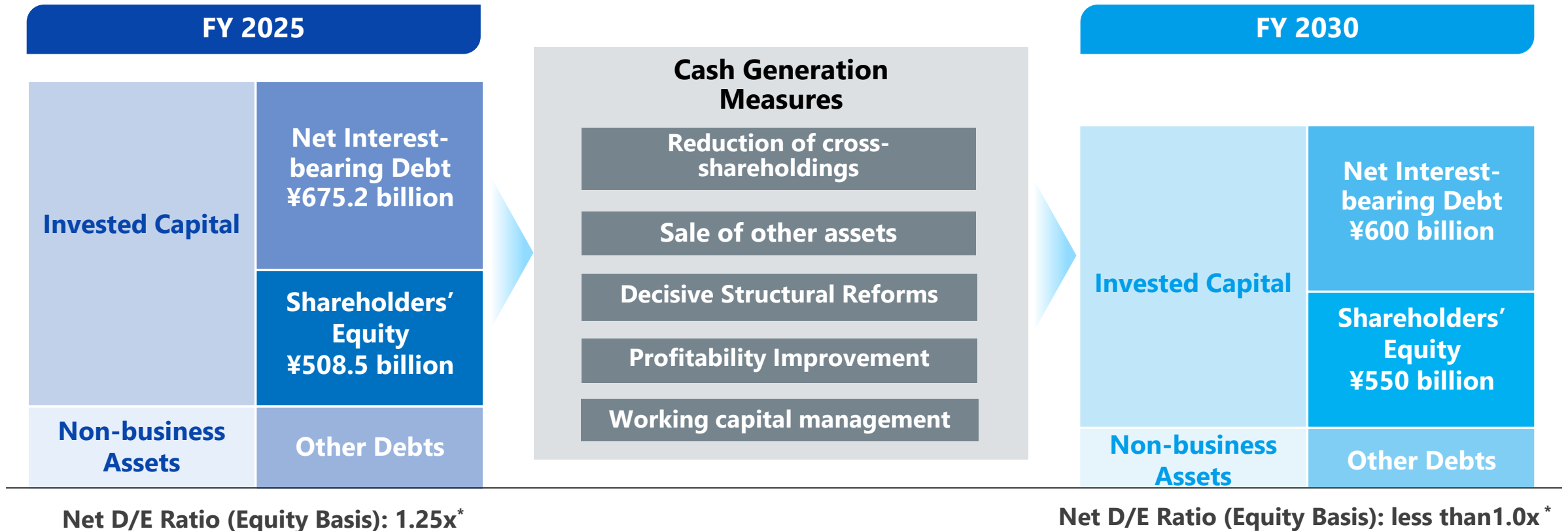


*FY2030 amount is estimated based on the book value as of March 31, 2026.

Balance Sheet Optimization | Financial Strategy to Improve Capital Efficiency

B/S Management Policy

- Ensure the execution of cash generation initiatives and target a net D/E ratio of 1.0x or lower.



*Net D/E ratio figures are calculated including debt with capital characteristics.

The NIPPON PAPER GROUP aims to contribute to better living and cultural progress everywhere it does business.

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