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November 6, 2026

Consolidated Financial Results for the Six Months Ended September 30, 2026 (Under Japanese GAAP)

Company name: Nippon Paper Industries Co., Ltd.
Listing: Tokyo Stock Exchange
Securities code: 3863
URL: https://www.nipponpapergroup.com/
Representative: Akira Sebe, President and Representative Director
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Telephone: +81-3-6665-1111
Scheduled date to file semi-annual securities report: November 12, 2026
Scheduled date to commence dividend payments: December 1, 2026
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes

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

1. Consolidated financial results for the six months ended September 30, 2026 (from April 1, 2026 to September 30, 2026)

(1) Consolidated operating results (cumulative) (Percentages indicate 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, 2026	632,319	7.3	715	(92.1)	636	(92.6)	5,266	597.6
September 30, 2025	589,217	0.8	9,006	338.0	8,547	377.5	754	-

Note: Comprehensive income For the six months ended September 30, 2026: ¥ 21,813 million [-%]
For the six months ended September 30, 2025: ¥ (10,411) million [-%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2026	45.67	-
September 30, 2025	6.54	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2026	1,772,562	554,844	29.5
March 31, 2026	1,738,479	540,507	29.2

Reference: Equity
As of September 30, 2026: ¥ 523,507 million
As of March 31, 2026: ¥ 508,467 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	-	5.00	-	10.00	15.00
Fiscal year ending March 31, 2027	-	5.00			
Fiscal year ending March 31, 2027 (Forecast)			-	10.00	15.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	1,220,000	2.3	(5,000)	-	(13,000)	-	(40,000)	-	(346.90)

Note: Revisions to the financial result forecast most recently announced: Yes

*** Notes**

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 2 companies(Diamond Trading Inc. and Nippon Paper Chemicals Europe Zrt.)

Excluded: - companies( )

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2026	116,254,892 shares
As of March 31, 2026	116,254,892 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2026	921,209 shares
As of March 31, 2026	946,389 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2026	115,318,703 shares
Six months ended September 30, 2025	115,474,939 shares

*We introduced the "Board Benefit Trust (BBT)", and have included our shares held by this trust in treasury stock, which is deducted from the calculation of the number of treasury shares at the end of the period and the average number of shares during the period.

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

1. Any statement in this document regarding future performance of the Company is based on the information available at the time of the announcement and certain assumptions judged to be reasonable. Actual performance may differ from forecasts due to a variety of factors.
2. The support documentation will be posted on the following website.
   https://www.nipponpapergroup.com/english/ir/library/

(Appendices)

1. Consolidated operating results for the six months ended September 30, 2026 (from April 1, 2026 to September 30, 2026)

Operating results by business segment are as follows:

Paper and Paperboard:	(Millions of yen)	(Percentages indicate year-on-year changes.)
Consolidated net sales	300,544	9.6%
Consolidated operating income (loss)	(936)	The same period of previous year: (1,508)
Daily-life Products:		
Consolidated net sales	257,315	7.6%
Consolidated operating income (loss)	(5,252)	The same period of previous year: 2,421
Energy:		
Consolidated net sales	21,130	(7.1) %
Consolidated operating income (loss)	1,155	(32.4) %
Wood Products and Construction Related:		
Consolidated net sales	37,629	(0.7) %
Consolidated operating income (loss)	4,108	(22.4) %

Note: The numbers parenthesized represent minus figures.

2. Consolidated financial result forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

With respect to the consolidated financial results forecast for the fiscal year ending March 31, 2027, as stated in the "Notice Regarding Revision of Financial Results Forecast" dated August 5, 2026, the Company had revised the forecast and left it undetermined because it was difficult to reasonably estimate the impact on the Group's results of the damage to the Company's Yatsushiro Mill and the tank collapse at the facility of NDP. As it is now possible to make a reasonable estimate, the Company has revised the forecast as set forth above, taking into account recent business trends and other factors.

For further details, please refer to the "Notice Regarding the Recording of Extraordinary Losses and Revision of the Financial Results Forecast" released today, November 6, 2026.

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	undetermined	undetermined	undetermined	undetermined	undetermined
Revised forecast (B)	1,220,000	(5,000)	(13,000)	(40,000)	(346.90)
Amount of increase/decrease (B-A)	-	-	-	-	-
Change (%)	-	-	-	-	-
(Reference) Consolidated financial results for the fiscal year ended March 31,2026	1,192,606	25,205	23,098	11,743	101.69

Note: The numbers parenthesized represent minus figures.

Regarding operating profit, NDP is expected to post an operating loss of approximately ¥21.0 billion, mainly due to the impact of the suspension of operations following the tank collapse at its facility. This is expected to be the primary factor behind the operating loss in the full-year consolidated forecast.

The forecast includes approximately ¥20.0 billion in losses resulting from the earthquake (the 2026 Kumamoto Earthquake), which can currently be reasonably estimated.

The forecast also includes approximately ¥11.0 billion in losses resulting from the disaster (the tank collapse at NDP's facility), which can currently be reasonably estimated. In addition, NDP is expected to record approximately ¥3.0 billion in insurance proceeds received to date for property damage as extraordinary income from the third quarter of the fiscal year ending March 31, 2027 onward; this amount is included in the forecast.

However, it is currently difficult to reasonably estimate the outcome of litigation and investigations by the relevant authorities relating to the accident at NDP, or any potential future impacts arising from them. Accordingly, these have not been included in the estimated extraordinary losses above. If it becomes possible to reasonably estimate the amount and it is determined that the impact on the Group's results will be material, the Company will make an announcement promptly.

The forecast also includes business restructuring expenses related to previously announced workforce reductions and the transfer of the Bag Manufacturing Business at Opal, an overseas consolidated subsidiary.

*This forecast is revised based on the information available at present. The actual results may change substantially due to various factors.

(Reference information)

1. Significant Subsequent Events

The Company decided on August 5, 2026 to transfer the Bag Manufacturing Business (the “Business”) of its consolidated subsidiary, Paper Australia Pty Ltd. (“Opal”) to Thomastown Bag Solutions Pty Ltd (the "Buyer"), an affiliate of The Magan Group, a U.S. family office exclusively focused on investing in corporate divestitures.

Note: A.C.N. 700 735 575 Pty Ltd changed its name to Thomastown Bag Solutions Pty Ltd on August 7, 2026.

(1) Overview of the Transferee

①Company name

Thomastown Bag Solutions Pty Ltd

②Overview of the Business

Manufacture and sale of heavy-duty paper sacks for food products (including milk powder and flour) and industrial applications (including cement), paper bags for sugar and other products, and retail paper bags

③Reasons for the Business Transfer

In the Medium-Term Management Plan 2030 announced on May 28, 2026, the Company identified “Balance Sheet Optimization,” “Decisive Execution of Structural Reform,” and “Profitability Improvement” as its core strategies and has been implementing initiatives to improve capital efficiency and achieve sustainable growth.

The reform of Opal is one of the key measures under “Decisive Execution of Structural Reform.” To achieve profitability at an early stage, Opal plans to concentrate its management resources on its integrated containerboard manufacturing and corrugated packaging converting business in Australia and New Zealand (the “Integrated Corrugated Packaging Business”).

In these circumstances, the Buyer proposed acquiring the Business, which is a non-core business, and Opal has now reached an agreement with the Buyer on the Business Transfer. Going forward, in line with the reform's core policy of business selection and concentration, Opal will continue to focus its management resources on the Integrated Corrugated Packaging Business.

The Company will continue to implement the measures set out in the Medium-Term Management Plan 2030, including the reform of Opal, to enhance the corporate value of the Group.

④Date of the Business Transfer

October 1, 2026

⑤Legal form

Business transfer where the consideration is limited to cash.

(2) Overview of the accounting treatment

①Amount of gain or loss on transfer

An extraordinary loss of approximately A$53 million is expected to be recorded in the third quarter of the fiscal year ending March 2027.

②Appropriate book values of assets and liabilities related to the transferred business.

Current assets	A$14 million
Non-current assets	A$30 million
Total assets	A$44 million
Current liabilities	A$2 million
Non-current liabilities	A$11 million
Total liabilities	A$14 million

Note: The amounts of assets and liabilities transferred are estimates at this time and may differ from the actual amounts.

③Accounting treatment

The investment related to the transferred bag manufacturing business is treated as having been liquidated, and the difference between the fair value of the consideration received and the amount equivalent to the shareholders’ equity attributable to the transferred business is expected to be recognized as a gain or loss on transfer.

(3) Applicable reporting segment

Daily-life Products segment

(4) Approximate amounts of revenue and loss related to the divested business recorded in the interim consolidated statement of income

Net sales	A$21 million
Operating loss	A$5 million

Consolidated Financial Statements

Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	207,411	245,267
Notes and accounts receivable - trade	181,228	209,851
Merchandise and finished goods	119,966	112,478
Work in process	21,542	24,388
Raw materials and supplies	95,755	97,308
Other	40,221	37,438
Allowance for doubtful accounts	(1,056)	(1,213)
Total current assets	665,069	725,519
Non-current assets		
Property, plant and equipment		
Buildings and structures	574,323	578,942
Accumulated depreciation	(427,837)	(433,993)
Buildings and structures, net	146,486	144,948
Machinery, equipment and vehicles	2,254,128	2,271,364
Accumulated depreciation	(1,919,540)	(1,940,061)
Machinery, equipment and vehicles, net	334,588	331,303
Land	209,404	211,641
Construction in progress	42,321	69,376
Other	121,966	134,592
Accumulated depreciation	(65,849)	(70,509)
Other, net	56,116	64,083
Total property, plant and equipment	788,917	821,353
Intangible assets	11,647	10,967
Investments and other assets		
Investment securities	179,647	126,577
Other	93,455	88,402
Allowance for doubtful accounts	(258)	(257)
Total investments and other assets	272,844	214,722
Total non-current assets	1,073,409	1,047,043
Total assets	1,738,479	1,772,562

(Millions of yen)

	As of March 31, 2026	As of September 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	135,711	155,579
Short-term borrowings	192,341	207,285
Current portion of bonds payable	30,000	10,000
Income taxes payable	5,319	15,619
Other	99,169	117,941
Total current liabilities	462,541	506,425
Non-current liabilities		
Bonds payable	25,000	15,000
Long-term borrowings	610,911	602,248
Provision for environmental measures	5,905	4,556
Retirement benefit liability	7,921	7,976
Other	85,691	81,511
Total non-current liabilities	735,429	711,292
Total liabilities	1,197,971	1,217,718
Net assets		
Shareholders' equity		
Share capital	104,873	104,873
Capital surplus	216,393	216,393
Retained earnings	21,554	19,558
Treasury shares	(1,972)	(1,925)
Total shareholders' equity	340,848	338,900
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	16,059	24,905
Deferred gains or losses on hedges	15,142	11,903
Foreign currency translation adjustment	102,866	117,987
Remeasurements of defined benefit plans	33,550	29,810
Total accumulated other comprehensive income	167,618	184,607
Non-controlling interests	32,040	31,337
Total net assets	540,507	554,844
Total liabilities and net assets	1,738,479	1,772,562

Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Millions of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Net sales	589,217	632,319
Cost of sales	493,146	539,405
Gross profit	96,071	92,913
Selling, general and administrative expenses		
Freight and incidental costs	40,533	42,202
Direct and indirect selling expenses	6,928	6,661
Salaries and allowances	22,983	24,868
Other	16,620	18,465
Total selling, general and administrative expenses	87,065	92,198
Operating profit	9,006	715
Non-operating income		
Interest income	673	1,050
Dividend income	1,206	1,282
Share of profit of entities accounted for using equity method	4,118	5,343
Other	2,536	1,972
Total non-operating income	8,534	9,648
Non-operating expenses		
Interest expenses	5,160	6,522
Other	3,833	3,205
Total non-operating expenses	8,993	9,727
Ordinary profit	8,547	636
Extraordinary income		
Gain on sale of investment securities	1,653	38,040
Insurance claim income	2,428	-
Other	232	1,333
Total extraordinary income	4,314	39,373
Extraordinary losses		
Earthquake losses	-	15,159
Business restructuring expenses	170	7,035
Loss on retirement of non-current assets	1,094	2,390
Loss on disaster	2,332	2,294
Loss on suspension of operations	1,974	-
Other	977	1,363
Total extraordinary losses	6,548	28,244
Profit before income taxes	6,312	11,765
Income taxes - current	3,591	13,910
Income taxes - deferred	620	(8,243)
Total income taxes	4,211	5,666
Profit	2,101	6,099
Profit attributable to non-controlling interests	1,346	832
Profit attributable to owners of parent	754	5,266

Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2025	For the six months ended September 30, 2026
Profit	2,101	6,099
Other comprehensive income		
Valuation difference on available-for-sale securities	3,049	8,928
Deferred gains or losses on hedges	(1,528)	(4,531)
Foreign currency translation adjustment	(11,304)	15,618
Remeasurements of defined benefit plans, net of tax	(1,407)	(1,395)
Share of other comprehensive income of entities accounted for using equity method	(1,321)	(2,905)
Total other comprehensive income	(12,512)	15,714
Comprehensive income	(10,411)	21,813
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(11,831)	22,254
Comprehensive income attributable to non-controlling interests	1,420	(441)