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August 20, 2026

To: All concerned parties

Company Name:	Nippon Paper Industries Co., Ltd. (Stock Code: 3863, Prime, TSE)
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Notice Concerning Sale of Shares

Nippon Paper Industries Co., Ltd. (the "Company") hereby announces that, at a meeting of the Board of Directors held today, it resolved to sell common shares of LINTEC Corporation ("LINTEC") held by the Company by way of a secondary offering (the "Secondary Offering"), and that it expects to record extraordinary income, as set forth below.

For details of the Secondary Offering, please refer to the "Notice Concerning Secondary Offering of Shares and Change in Other Associated Company, Major Shareholder, and Largest Shareholder That Is a Major Shareholder" announced by LINTEC today.

In its "Medium-term Business Plan 2030," announced on May 28, 2026, the Company set forth "Balance Sheet Optimization," "Decisive Execution of Structural Reforms," and "Profitability Improvement" as its three basic strategies, and it has been advancing initiatives aimed at improving capital efficiency and achieving sustainable growth.

In addition to strengthening its ability to generate funds through decisive execution of structural reforms and steady implementation of profitability improvement, the Company will also conduct asset sales and, using the funds generated through these initiatives, will give top priority to reducing interest-bearing debt and seek to improve the soundness and efficiency of its financial base.

The sale of shares through the Secondary Offering will significantly contribute to improving capital efficiency through balance sheet optimization. The Company will continue to implement the various measures set forth in Medium-term Business Plan 2030 and steadily enhance the corporate value of the Company Group.

Details

1. Secondary Offering

In order to realize "Balance Sheet Optimization," as set forth in its Medium-term Business Plan 2030, the Company has been reviewing its business portfolio and the assets it holds from the perspective of capital efficiency. As part of that review, the Company also considered the treatment of the LINTEC shares held by the Company. In addition, the Company has engaged in repeated discussions with LINTEC regarding the optimal capital relationship between the two companies from the perspective of enhancing their respective medium- to long-term corporate value. As a result of such review and discussions, the Company determined that selling LINTEC shares held by the Company through the Secondary Offering would contribute to improving the Company's capital efficiency as well as enhancing the medium- to long-term corporate value of both companies. Accordingly, the Company decided to sell all of the approximately 20 million LINTEC shares (excluding shares constituting less than one trading unit) held by the Company through the Secondary Offering.

In addition, the Company has agreed with a designated underwriter that is the lead manager for the Secondary Offering (the "Designated Underwriter"), that, during the period beginning on any day from Tuesday, September 1, 2026 to Thursday, September 3, 2026 (the "Pricing Date") and ending on the 180th day from the settlement date for the Secondary Offering (the date five business days after the Pricing Date), it will not, without the prior written consent of the Designated Underwriter, sell or otherwise dispose of LINTEC shares (excluding, however, the Secondary Offering and similar transactions).

2. Future Outlook

As stated in LINTEC's "Notice Concerning the Determination of Matters Relating to the Repurchase of Own Shares (Repurchase of Own Shares under Articles of Incorporation Pursuant to Article 459, paragraph (1) of the Companies Act)" announced today, LINTEC has determined, pursuant to a resolution of its Board of Directors dated today, the matters concerning a repurchase of its own shares through the off-auction own share repurchase trading system (ToSTNeT-3) of Tokyo Stock Exchange, Inc., with the total repurchase price capped at JPY 30 billion and the total number of shares to be repurchased capped at 6,910,000 shares, and with the repurchase period being from August 24, 2026 (Monday) to August 26, 2026 (Wednesday). If LINTEC hereafter decides, based on that resolution, to repurchase its own shares, the Company may sell part of the LINTEC shares held by it in response to that repurchase. In that case, the number of shares to be sold by the Company through the Secondary Offering may decrease.

The sale price from the Company to underwriters in the Secondary Offering is scheduled to be determined on the Pricing Date. Accordingly, the Company expects to record a gain on the sale of shares of an associated company in its non-consolidated financial results and a gain on the sale of investment securities in its consolidated financial results, respectively, for the fiscal year ending March 2027. The gain on sale relating to the shares subject to the right to additionally acquire LINTEC shares to be granted by the Company to the Designated Underwriter in connection with a secondary offering by way of over-allotment is expected to be recorded after exercise of that right has been determined. The impact of the Secondary Offering on the Company's business results will be promptly announced as necessary once the gain on the sale has been determined.

In connection with the Secondary Offering, LINTEC will cease to be an equity-method affiliate of the Company. In addition, although Mr. Takanori Sano, Executive Officer of the Company concurrently serves as an Outside Director of LINTEC, he is scheduled to resign as a Director of LINTEC upon completion of the Secondary Offering.

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