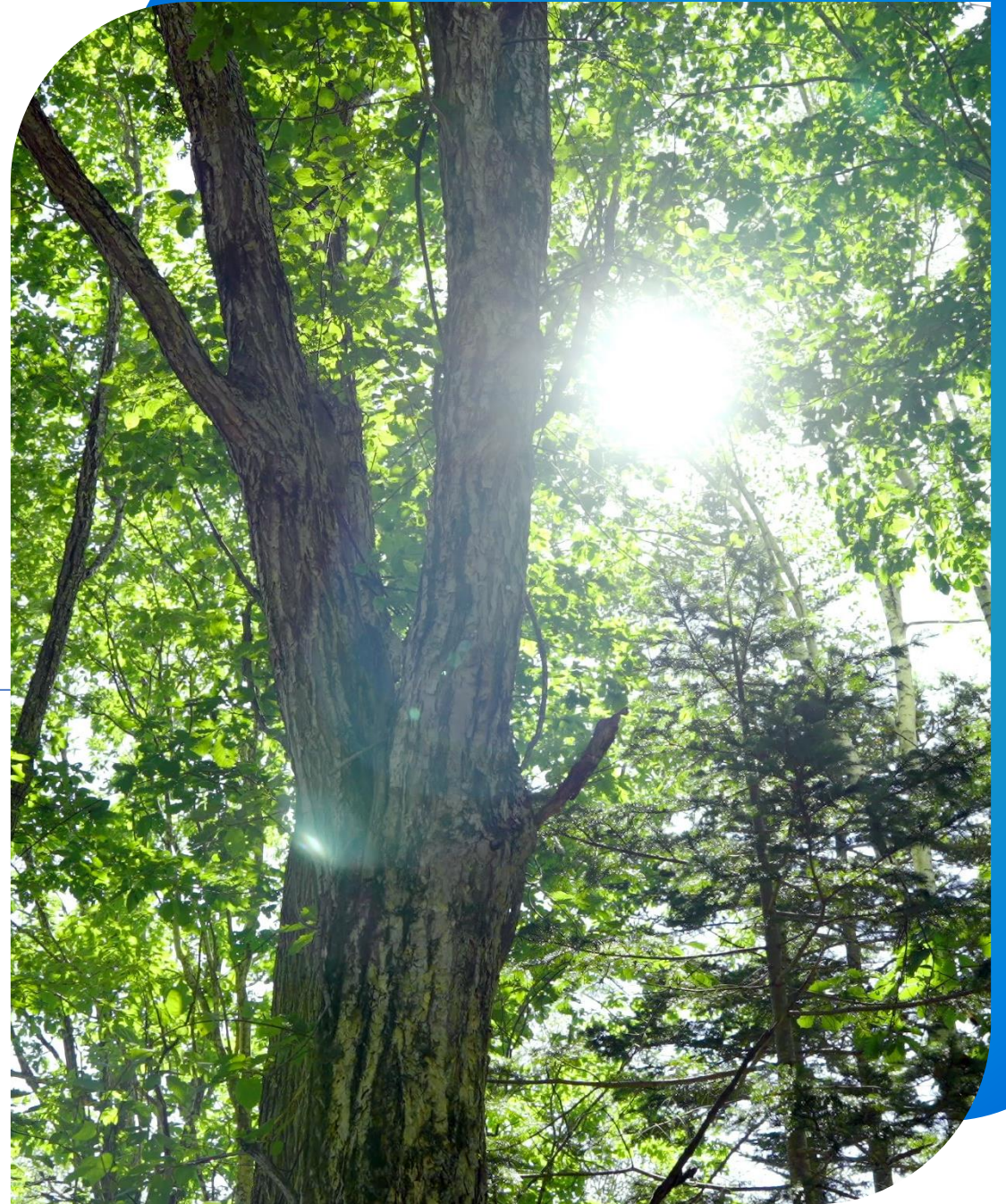




# FY2026/3 FINANCIAL REVIEW

May 15, 2026



# Executive Summary

## Key Points of FY2026/3 Results

- Net sales increased Y on Y due to higher sales volume in the Daily-Life Products Business, driven by the realization of investment effects.
- Operating income increased due to improved profitability in the Overseas Business.

## FY2027/3 Forecast

- Due to the uncertainty in the Middle East, sustained high raw material & fuel prices, and corresponding price revisions have been incorporated into the earnings forecast. A ¥7 billion of negative impact is anticipated.

## Medium-Term Business Plan 2030 Summary

- Improve capital efficiency through steady execution of three basic policies.
- The goal is to achieve both enhanced capital efficiency and sustainable growth, thereby increasing PBR.

\* Equity basis

		(¥billion)
Net sales		Operating income
1,192.6		25.2
〔Y on Y changes: <b>+0.9%</b> 〕		〔Y on Y changes: <b>+27.9%</b> 〕

		(¥billion)
Net sales		Operating income
1,220.0		25.0
〔Y on Y changes: <b>+2.3%</b> 〕		〔Y on Y changes: <b>-0.8%</b> 〕

Basic policy	B/S Optimization	Decisive Structural Reforms	Profitability Improvement
Target	ROIC 4% or more	ROE 8% or more	
	Net D/E ratio* less than 1.0 x	Operating income	¥60 B or more

# Consolidated Statement

- Net sales increased YoY as growth in the Daily-Life Products Business offset a decline in the Paper and Paperboard Business.
- Operating income increased YoY due to improved profitability at Opal and the return to normal operations at NDP following major maintenance in the previous year.
- Extraordinary income includes gains on sales of investment securities, such as cross-shareholdings.

(¥billion)

	FY2025/3 Results	FY2026/3 Results	Y on Y changes	
			Amount	%
<b>Net sales</b>	1,182.4	<b>1192.6</b>	10.2	0.9%
<b>Operating income</b>	19.7	<b>25.2</b>	5.5	27.9%
<b>Ordinary income</b>	15.5	<b>23.1</b>	7.6	49.0%
<b>Net income *</b>	4.5	<b>11.7</b>	7.2	158.7%

\* Profit attributable to owners of parent



## Results by Business Segment

■ The Daily-Life Products Business saw a significant profit increase, mainly driven by overseas operations.

(¥billion)

	Net sales			Operating income		
	FY2025/3 Results	FY2026/3 Results	Y on Y changes	FY2025/3 Results	FY2026/3 Results	Y on Y changes
Paper and Paperboard	565.9	<b>557.9</b>	-8.0	8.3	<b>0.6</b>	-7.7
Daily-Life Products	457.9	<b>482.0</b>	24.1	-6.1	<b>7.2</b>	13.3
Energy	48.3	<b>43.2</b>	-5.1	3.6	<b>3.3</b>	-0.3
Wood Products and Construction Related	78.8	<b>76.5</b>	-2.3	9.6	<b>10.0</b>	0.4
Other	31.5	<b>33.0</b>	1.5	4.3	<b>4.1</b>	-0.2
Total	1,182.4	<b>1,192.6</b>	10.2	19.7	<b>25.2</b>	5.5
Domestic	913.9	<b>918.7</b>	4.8	31.6	<b>28.7</b>	-2.9
Overseas	268.5	<b>273.9</b>	5.4	-11.9	<b>-3.5</b>	8.4

# Factors for Changes

(¥billion)

		Paper and Paperboard Business	Daily-Life Products Business
Volume, Sales Price	5.1	0.0 —	5.1 —
Raw material and fuel prices	3.2	1.2 Wood Chips -1.6, Wastepaper -1.9, Pulp 0.2, Oil -0.4, Coal 5.0, LNG 0.6, Chemicals, etc. -0.7 (Price 0.6, FOREX 0.6)	2.0 Wood Chips -0.1, Pulp 0.6, Coal 0.2, Chemicals, etc. 1.3
Cost reductions, etc.	-5.9	-4.1 Cost reductions -1.0, Permanent machines' shutdown at the Shiraoi Mill and the Yatsushiro Mill 0.5, Labor costs -1.7, Logistics costs -1.9	-1.8 Cost reductions 0.1, Labor costs -0.9, Logistics costs -1.0
Others	3.2	-4.8 Overseas business -0.7, Depreciation 0.7, Retirement benefit expenses -1.4, Repair costs -1.2, Inventory value adjustment, etc. -2.2	8.0 Overseas business 9.1, (Opal 4.6, NDP 4.5, TSP 0.0), Depreciation 0.4, Inventory value adjustment, etc. -1.5
Total	5.6	-7.7 Domestic business -7.0, Overseas business -0.7	13.3 Domestic business 4.2, Overseas business 9.1
Other businesses	-0.1	Energy -0.3, Wood Products and Construction Related 0.4, Others -0.2	
Operating income	5.5		

## Paper and Paperboard Business

### Domestic

- Net sales decreased YoY due to weaker export market conditions for paper and sluggish domestic demand for paperboard.
- Profits decreased YoY due to higher labor and logistics costs, despite stable coal and other fuel prices.

### Overseas

- JTOy's profits decreased YoY due to continued weak demand for thermal paper in the European market.

Net sales		
FY2025/3 Results	FY2026/3 Results	Y on Y changes
565.9	<b>557.9</b>	-8.0

(¥billion)

Operating income		
FY2025/3 Results	FY2026/3 Results	Y on Y changes
8.3	<b>0.6</b>	-7.7

# Daily-Life Products Business

## Domestic

- Sales volume increased due to expanded investment benefits in household paper.
- Despite higher labor and logistics costs, performance remained solid due to price adjustments.

## Overseas

- Opal reduced losses due to cost improvements at the Maryvale Mill, including better unit costs and operational efficiency.
- NDP improved significantly due to higher sales volume as the impact of major maintenance in the previous year was eliminated.

(¥billion)

	Net sales			Operating income		
	FY2025/3 Results	FY2026/3 Results	Y on Y changes	FY2025/3 Results	FY2026/3 Results	Y on Y changes
Domestic	224.2	<b>238.5</b>	14.3	9.3	<b>13.5</b>	4.2
Overseas	233.7	<b>243.5</b>	9.8	-15.4	<b>-6.3</b>	9.1
Total	457.9	<b>482.0</b>	24.1	-6.1	<b>7.2</b>	13.3

### Operating income (domestic)

<b>Y on Y changes:</b>	<b>4.2</b>
Packaging processing	1.4
Chemical	0.7
Household paper & Healthcare	2.1

### Operating income (overseas)

<b>Y on Y changes:</b>	<b>9.1</b>	
Opal	4.6	●
NDP	4.5	●
TSP	0.0	
Volume & price	0.1	
Raw material & fuel	-1.9	
Cost reduction	4.2	
Goodwill	1.2	
Other	1.0	
Volume & price	3.9	
Raw material & fuel	-1.3	
Fixed costs	0.8	
Other	1.1	

## Energy Business / Wood Products and Construction Related Business

### Energy Business

- Sales and profits decreased YoY due to lower electricity sales prices.

(¥billion)

Net sales			Operating income		
FY2025/3 Results	FY2026/3 Results	Y on Y changes	FY2025/3 Results	FY2026/3 Results	Y on Y changes
48.3	43.2	-5.1	3.6	3.3	-0.3

### Wood Products and Construction Related Business

- Profits increased due to higher domestic demand for biomass fuel.

(¥billion)

Net sales			Operating income		
FY2025/3 Results	FY2026/3 Results	Y on Y changes	FY2025/3 Results	FY2026/3 Results	Y on Y changes
78.8	76.5	-2.3	9.6	10.0	0.4



# Consolidated Balance Sheets

- Inventories, as well as tangible and intangible fixed assets, increased due to factors including foreign exchange effects.
- Achieved the Medium-Term Business Plan 2025 targets of net interest-bearing debt of ¥710.0 billion or less and a net D/E ratio in the 1.7x range.

(¥billion)

	Mar.31, 2025	Mar.31, 2026	Variance
<b>Total assets</b>	1,703.3	1,738.4	35.1
Cash and time deposit	185.9	207.4	21.5
Inventories	230.0	237.2	7.2
Other current assets	222.2	220.3	-1.9
Property, equipment, and intangible fixed asset	797.1	800.5	3.4
Investment and other assets	267.8	272.8	5.0
<b>Total liabilities</b>	1,192.8	1,197.9	5.1
Interests bearing liabilities	880.8	882.5	1.7
Other liabilities	312.0	315.4	3.4
<b>Total net assets</b>	510.4	540.5	30.1
Shareholder's equity	330.9	340.8	9.9
<b>Total liabilities and net assets</b>	1,703.3	1,738.4	35.1
<b>Net interest-bearing debt</b>	694.9	675.2	-19.7
<b>Adjusted Net D/E ratio * (times) (Equity basis)</b>	1.84	1.74	-0.10

\* Adjusted Net D/E ratio( Equity basis) = (Net interest-bearing debt - Equity-type debt)/(Shareholders' 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)

# Consolidated Statement

- The FY2027/3 Consolidated Statement forecast is shown in the right table.
- The price revisions implemented for various products in fiscal year 2025 will contribute fully throughout the year.
- The continuing uncertainty in the Middle East is assumed to impact earnings throughout the fiscal year. While further price revisions for various products are anticipated in response to sustained high raw material and fuel prices, a ¥7 billion decrease in profit is factored in.

\* Profit attributable to owners of parent

(¥billion)

	FY2026/3 Results	FY2027/3 Forecast	Y on Y changes	
			Amount	%
<b>Net sales</b>	1,192.6	<b>1,220.0</b>	27.4	2.3%
<b>Operating income</b>	25.2	<b>25.0</b>	-0.2	-0.8%
<b>Ordinary income</b>	23.1	<b>18.0</b>	-5.1	-22.1%
<b>Net income *</b>	11.7	<b>10.0</b>	-1.7	-14.8%

# Results and Forecasts by Business Segment

(¥billion)

	Net sales			Operating income		
	FY2026/3 Results	FY2027/3 Forecast	Y on Y Changes	FY2026/3 Results	FY2027/3 Forecast	Y on Y Changes
Paper and Paperboard	557.9	<b>564.0</b>	6.1	0.6	<b>5.5</b>	4.9
Daily-Life Products (Overseas)	482.0	<b>500.0</b>	18.0	7.2 (-6.3)	<b>8.0</b> <b>(-6.0)</b>	0.8 (0.3)
Energy	43.2	<b>40.0</b>	-3.2	3.3	<b>1.0</b>	-2.3
Wood Products and Construction Related	76.5	<b>83.0</b>	6.5	10.0	<b>7.5</b>	-2.5
Others	33.0	<b>33.0</b>	0.0	4.1	<b>3.0</b>	-1.1
Total	1,192.6	<b>1,220.0</b>	27.4	25.2	<b>25.0</b>	-0.2
Domestic	918.7	<b>936.0</b>	17.3	28.7	<b>29.5</b>	0.8
Overseas	273.9	<b>284.0</b>	10.1	-3.5	<b>-4.5</b>	-1.0

## Major Assumptions

### ■ Major raw material prices and FOREX

	Full year
<b>FOREX (USD)</b>	JPY 160/USD
<b>FOREX sensitivity</b>	+0.55 billion yen/year due to 1 yen appreciation against USD
<b>Coal</b>	USD 130/t (Australian coal)
<b>Crude oil</b>	USD 100/BL (Dubai)
<b>Wastepaper</b>	Considering current price trends

# Factors for Changes

				(¥billion)
		Paper and Paperboard Business		Daily-Life Products Business
Volume, Sales price	37.8	25.8	—	12.0 —
Raw material and fuel prices	-29.1	-21.0	Wood chips -9.5, Wastepaper 0.7, Pulp -0.4, Oil -1.7, Coal -3.2, LNG -1.6, Chemicals, etc. -5.3 (Price -15.4, FOREX -5.6)	-8.1 Wood chips -0.1, Pulp -0.3, Coal -0.1, LNG -1.6, Chemicals, etc. -6.0
Cost reductions, etc.	-1.6	-0.5	Cost reductions 3.3, Permanent machines' shutdown at the Shiraoi Mill and the Yatsushiro Mill 0.7, Labor costs -2.1, Logistics costs -2.4	-1.1 Cost reductions 0.6, Labor costs -1.2, Logistics costs -0.5
Others	-1.4	0.6	Overseas business 1.2, Depreciation 0.4, Retirement benefit expenses 0.2, Inventory value adjustment, etc. -1.2	-2.0 Overseas business 0.3, Inventory value adjustment, etc. -2.3
Total	5.7	4.9	Domestic 3.7, Overseas 1.2	0.8 Domestic 0.5, Overseas 0.3
Other businesses	-5.9	Energy -2.3, Wood products and construction related -2.5, Others -1.1		
Operating income	-0.2			

Packaging processing -1.9, Chemical 1.0, Household paper & Healthcare 1.4

Opal 2.1, NDP -1.1, TSP 0.1, NPCE\*-0.8





# Reference Materials

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# Key indicators

	FY	2021	2022	2023	2024	2025
<b>Net Sales</b>	¥ billion	1,045.1	1,152.6	1,167.3	1,182.4	1,192.6
<b>Operating Income (Loss)</b>	¥ billion	12.1	-26.9	17.3	19.7	25.2
<b>Operating Income Margin</b>	%	1.2	-2.3	1.5	1.7	2.1
<b>Profit (Loss) attributable to owners of parent</b>	¥ billion	2.0	-50.4	22.7	4.5	11.7
<b>EBITDA *1</b>	¥ billion	81.5	42.8	84.8	90.7	92.0
<b>ROE*2</b>	%	0.5	-12.3	5.3	1.0	2.4
<b>Net interest-bearing debt</b>	¥ billion	761.3	780.1	723.5	694.9	675.2
<b>Adjusted net D/E ratio (Equity basis) *3</b>	Times	1.89	2.25	1.95	1.84	1.74
<b>Earnings (Loss) per share</b>	¥	17.23	-436.28	197.09	39.33	101.69
<b>Dividends per share</b>	¥	40	0	10	10	15
<b>Number of employees</b>	Persons	16,129	15,959	15,557	15,145	15,042

\*1: EBITDA=Operating income + Depreciation + Dividend income + Interest income + Amortization of goodwill

\*2: ROE=Profit (loss) attributable to owners of parent / [Average of balances at the beginning and end of fiscal year (Shareholders' equity + Accumulated other comprehensive income)] × 100

\*3: Adjusted Net D/E ratio(Equity basis)= (Net interest-bearing debt - Equity-type debt)/(Shareholders' 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)

## Sales Volume (Paper & Paperboard) \*

volume: '000 tonnes

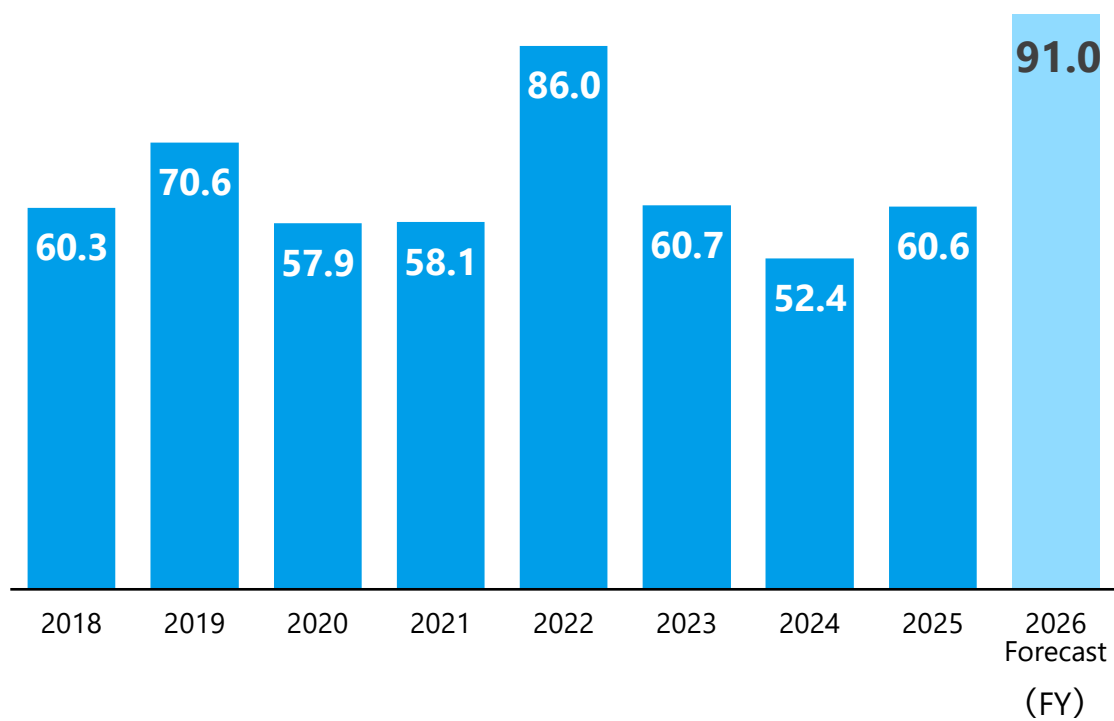
	FY2025/3	FY2026/3	Against FY25/3
Newsprint	500	524	4.8%
Printing paper	884	884	-0.1%
Business communication paper	361	349	-3.4%
Others	301	308	2.3%
Domestic sales (paper)	2,047	2,065	0.9%
Export (paper)	201	161	-19.8%
Paper total	2,248	2,226	-1.0%
Container board	1,499	1,490	-0.6%
Paperboard for paper container and othe	312	304	-2.5%
Domestic sales (paperboard)	1,810	1,794	-0.9%
Export (paperboard)	116	120	3.3%
Paperboard total	1,926	1,914	-0.7%
Grand total (paper and paperboard)	4,174	4,139	-0.8%

\* Sales Volume Total of Nippon Paper Industries Co., Ltd., Nippon Paper Papyrus Co., Ltd., Nippon Paper Crete Co., Ltd., and Shin Tokai Paper Co., Ltd. (excluding sanitary paper)

# Capital expenditure, Depreciation

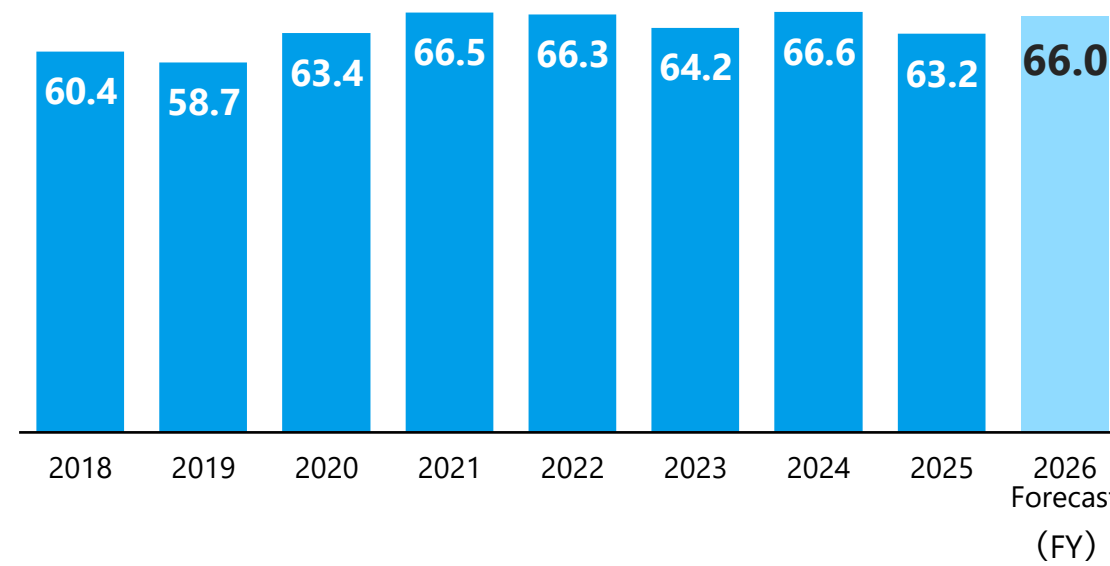
## Capital expenditure\*

(¥billion)



## Depreciation

(¥billion)



\* Including construction in progress.

# Net Sales Trends by Business Segment

(¥billion)

	FY2026/3				FY2026/3		
	Q1	Q2	Q3	Q4	H1	H2	Full year
<b>Paper and Paperboard</b>	138.2	136.0	144.5	139.2	274.2	283.7	557.9
<b>Daily-Life Products</b>	116.7	122.5	121.2	121.6	239.2	242.8	482.0
<b>Energy</b>	10.6	12.2	8.6	11.8	22.8	20.4	43.2
<b>Wood Products and Construction Related</b>	19.6	18.3	17.8	20.8	37.9	38.6	76.5
<b>Others</b>	7.5	7.6	8.2	9.7	15.1	17.9	33.0
<b>Total</b>	292.6	296.6	300.3	303.1	589.2	603.4	1,192.6



# Operating Income Trends by Business Segment

(¥billion)

	FY2026/3				FY2026/3		
	Q1	Q2	Q3	Q4	H1	H2	Full year
<b>Paper and Paperboard</b>	-0.9	-0.6	1.3	0.8	-1.5	2.1	0.6
<b>Daily-Life Products</b>	3.0	-0.6	1.8	3.0	2.4	4.8	7.2
<b>Energy</b>	0.6	1.1	0.1	1.5	1.7	1.6	3.3
<b>Wood Products and Construction Related</b>	3.0	2.3	1.6	3.1	5.3	4.7	10.0
<b>Others</b>	-0.2	1.3	1.2	1.8	1.1	3.0	4.1
<b>Total</b>	5.5	3.5	6.0	10.2	9.0	16.2	25.2

# Consolidated Statements of Cash Flows

(¥billion)

	FY2025/3	FY2026/3	Variance
Operating activities	72.7	74.9	2.2
Investing activities	-33.4	-43.5	-10.1
Free cash flows	39.3	31.4	-7.9
Financing activities	-18.2	-7.8	10.4
Other	0.0	-2.0	-2.0
Increase (decrease) in cash and cash equivalents	21.0	21.4	0.4
Increase in cash and cash equivalents from newly consolidated subsidiary	0.0	0.0	0.0
Cash and cash equivalent at the end of period	185.9	207.4	21.5
Depreciation	66.6	63.2	-3.4
Capital expenditure	52.4	60.6	8.2

## Reference (Domestic)

### Domestic Shipment and Import / Export Volume(Paper& Paperboard, FY2026/3 Results)

volume: '000 tonnes

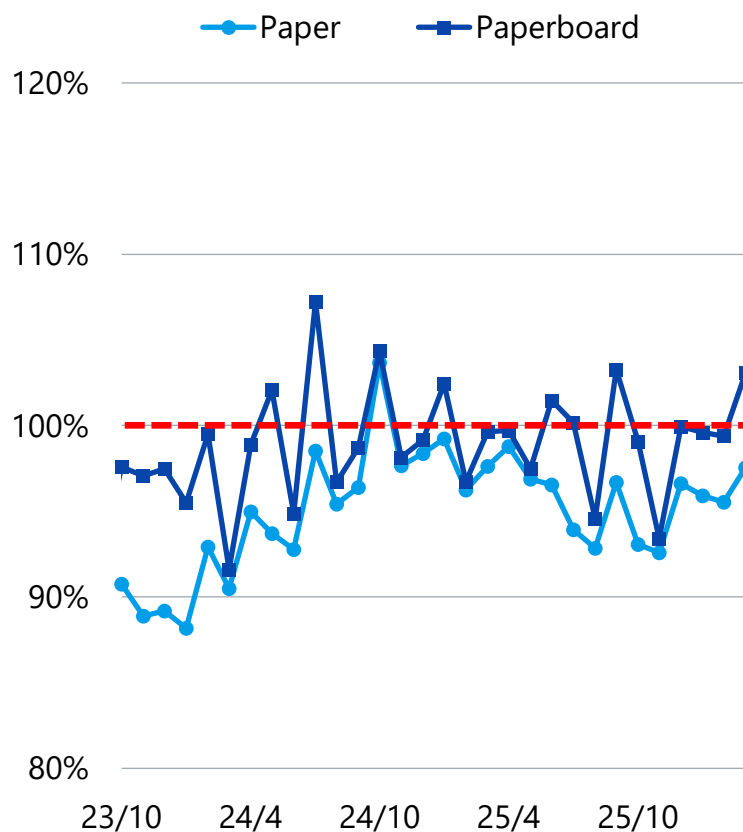
	Domestic shipments		Exports		Imports	
	volume	against FY25/3	volume	against FY25/3	volume	against FY25/3
Newsprint	1,365	-8.7%	0	—	0	-66.3%
Printing & business communication paper	4,412	-5.7%	521	-13.8%	538	3.7%
Coated paper *	2,317	-6.0%	388	-12.5%	106	1.1%
Uncoated paper	1,202	-5.6%	88	-17.5%	12	26.7%
Business communication paper	893	-5.4%	45	-16.8%	419	3.9%
Other papers	3,013	-0.2%	249	-7.4%	43	8.8%
Paper total	8,790	-4.4%	770	-11.8%	581	3.9%
Containerboard	8,589	-0.6%	820	6.2%	26	9.7%
Folding box board and others	1,990	-1.1%	36	-11.1%	195	-5.2%
Paperboard total	10,580	-0.7%	856	5.4%	221	-3.7%
Paper and paperboard total	19,370	-2.4%	1,626	-3.5%	802	1.7%

\* "Bitoko-shi" paper is included in coated paper.

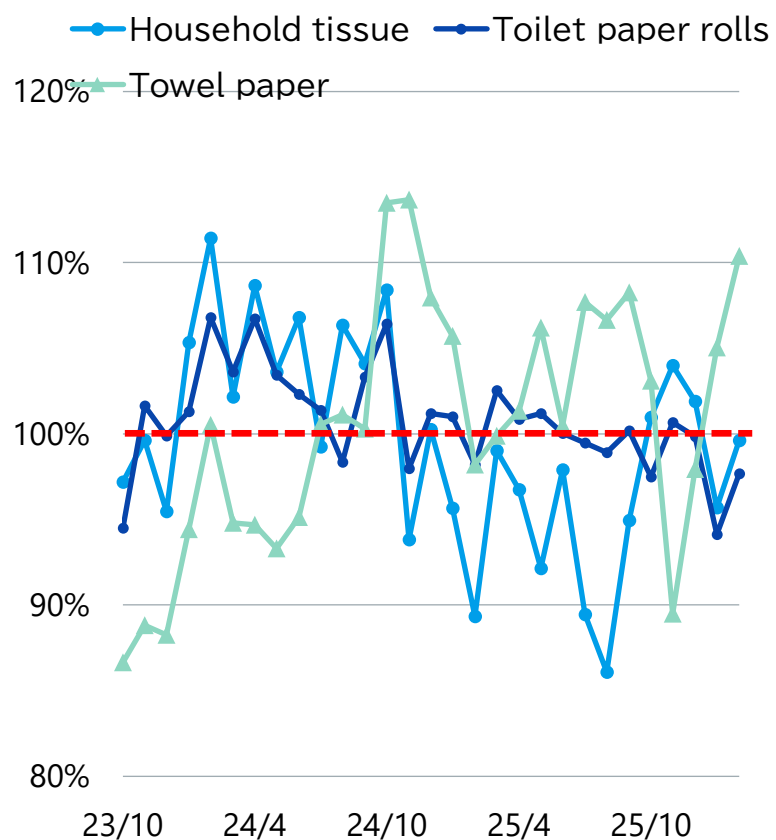
Source: Japan Paper Association, Current Survey of Production by the Ministry of Economy, Trade Statistics of Japan

## Reference (Domestic)

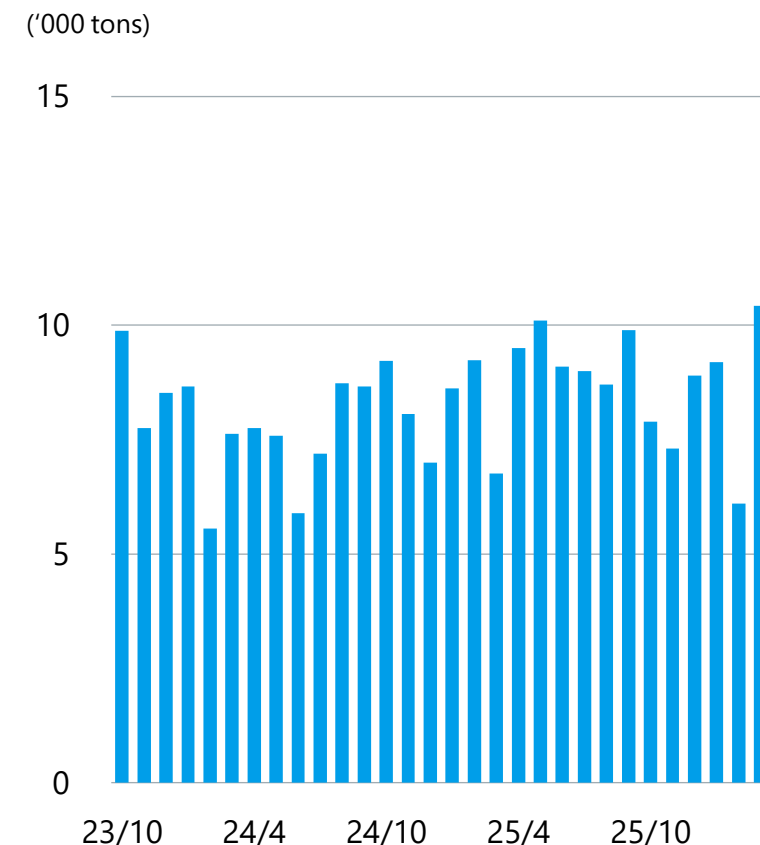
**Domestic shipment of paper industry (YOY)**



**Production of sanitary paper (YOY)**



**Imports of Coated Paper**

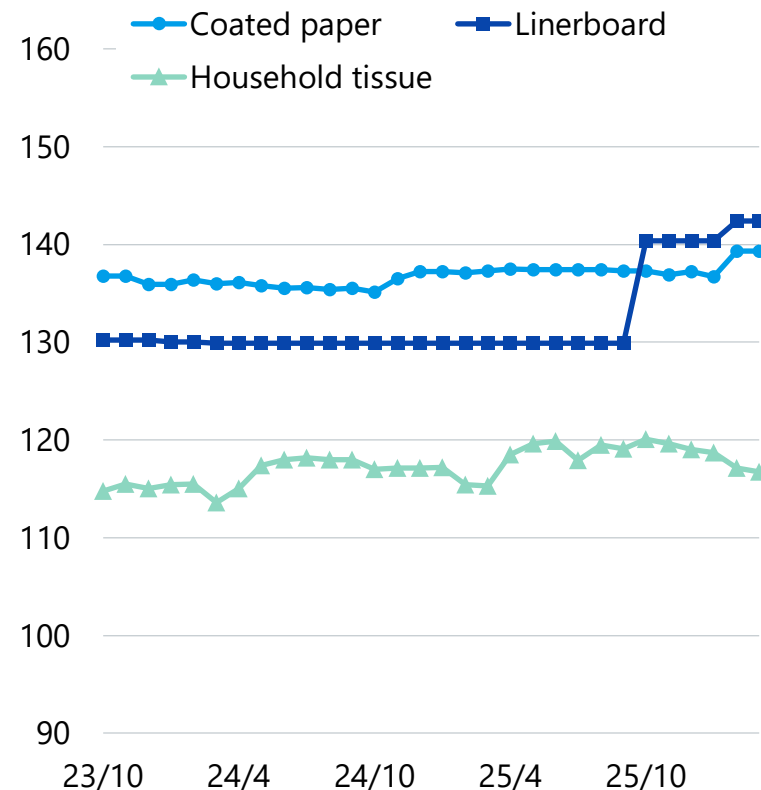


Source: Japan Paper Association, Current Survey of Production by the Ministry of Economy, Trade Statistics of Japan

## Reference (Domestic)

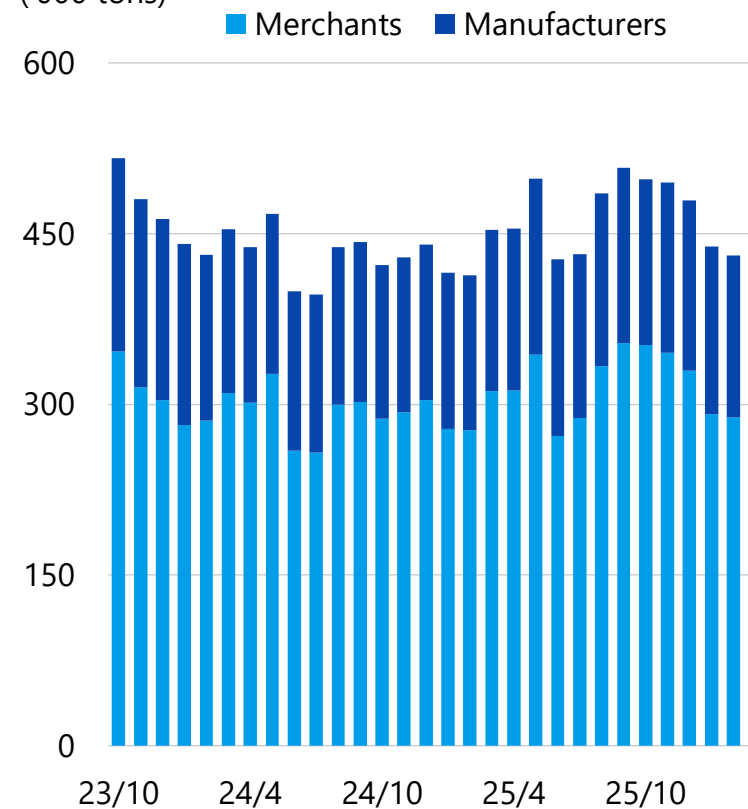
### Price trends by products

(CY2020 = 100)



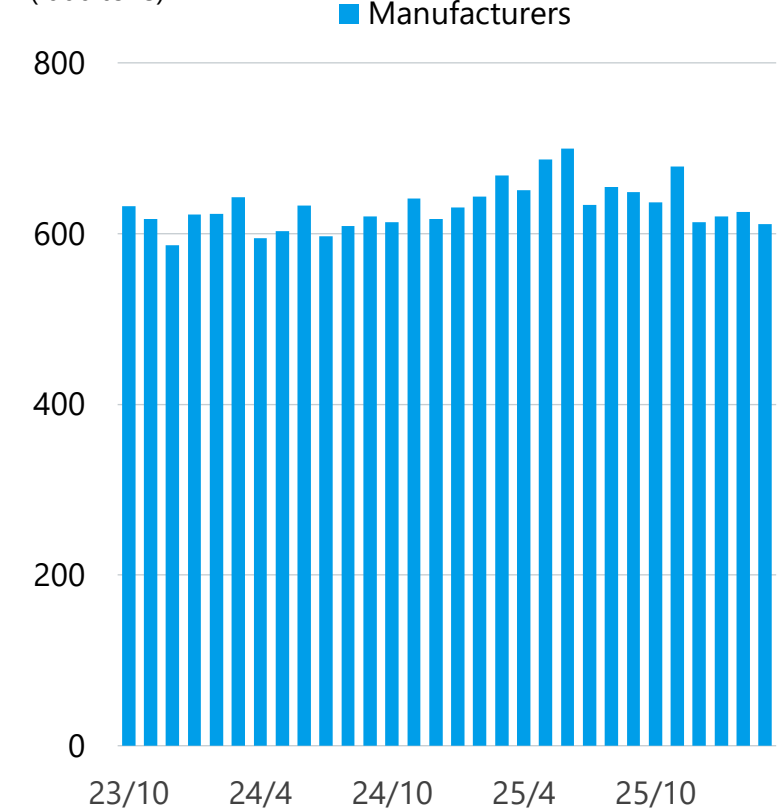
### Coated paper inventory

('000 tons)



### Containerboard inventory

('000 tons)



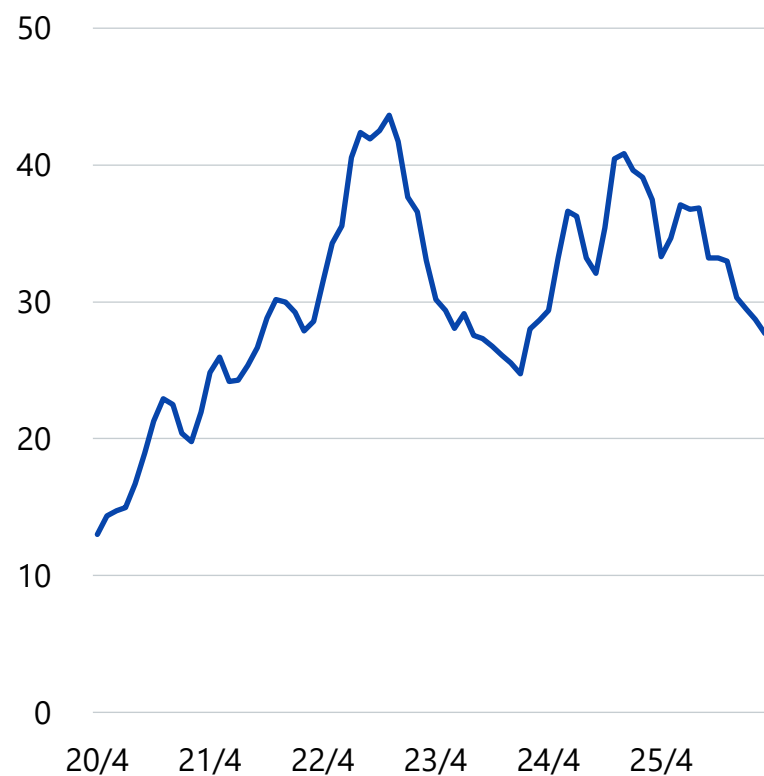
Source: Japan Paper Association, Bank of Japan(Corporate Goods Price Index)



# Reference

## ONP(Export)

(¥/kg)



## OCC (Export)

(¥/kg)



## Crude oil

(US\$/BL)



Source: Wastepaper Revitalization Promotion Centre, Trade Statistics of Japan, Nihon Keizai Shimbun

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## **〈Disclaimer〉**

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