

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

May 15, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 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
Inquiries: Ryo Koide, General Manager of Accounting & Budgeting Dept.
Telephone: +81-3-6665-1111
Scheduled date of annual general meeting of shareholders: June 26, 2026
Scheduled date to commence dividend payments: June 29, 2026
Scheduled date to file annual securities report: June 25, 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 fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2026	1,192,606	0.9	25,205	27.9	23,098	49.0	11,743	158.7
March 31, 2025	1,182,431	1.3	19,706	14.1	15,505	6.6	4,539	(80.0)

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥ 32,721 million [89.6%]
For the fiscal year ended March 31, 2025: ¥ 17,259 million [(79.0) %]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2026	101.69	-	2.4	1.3	2.1
March 31, 2025	39.33	-	1.0	0.9	1.7

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2026: ¥ 7,387 million
For the fiscal year ended March 31, 2025: ¥ 9,255 million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2026	1,738,479	540,507	29.2	4,409.63
March 31, 2025	1,703,308	510,435	28.3	4,175.77

Reference: Equity

As of March 31, 2026: ¥ 508,467 million
As of March 31, 2025: ¥ 482,026 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2026	74,986	(43,581)	(7,863)	207,411
March 31, 2025	72,790	(33,435)	(18,274)	185,941

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	-	0.00	-	10.00	10.00	1,158	25.4	0.2
Fiscal year ended March 31, 2026	-	5.00	-	10.00	15.00	1,738	14.8	0.3
Fiscal year ending March 31, 2027 (Forecast)	-	5.00	-	10.00	15.00		17.3	

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	25,000	(0.8)	18,000	(22.1)	10,000	(14.8)	86.72

* Notes

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - companies()
Excluded: - companies()

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2026	116,254,892 shares
As of March 31, 2025	116,254,892 shares

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

As of March 31, 2026	946,389 shares
As of March 31, 2025	820,718 shares

(iii) Average number of shares outstanding during the period

Fiscal Year ended March 31, 2026	115,474,803 shares
Fiscal Year ended March 31, 2025	115,419,024 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.

* Financial results reports are exempt from audit 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 fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

Operating results by business segment are as follows:

	(Millions of yen)	(Percentages indicate year-on-year changes.)
Paper and Paperboard:		
Consolidated net sales	557,863	(1.4)%
Consolidated operating profit (loss)	564	(93.2)%
Daily-life Products:		
Consolidated net sales	482,017	5.3%
Consolidated operating profit (loss)	7,172	The same period of previous year: (6,137)
Energy:		
Consolidated net sales	43,195	(10.6)%
Consolidated operating profit (loss)	3,332	(6.4)%
Wood Products and Construction Related:		
Consolidated net sales	76,530	(2.8)%
Consolidated operating profit (loss)	10,033	4.7%

Note: The numbers parenthesized represent minus figures.

Consolidated Financial Statements

Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	185,941	207,411
Notes and accounts receivable - trade	180,296	181,228
Merchandise and finished goods	120,634	119,966
Work in process	19,220	21,542
Raw materials and supplies	90,214	95,755
Other	42,452	40,221
Allowance for doubtful accounts	(455)	(1,056)
Total current assets	638,305	665,069
Non-current assets		
Property, plant and equipment		
Buildings and structures	570,102	574,323
Accumulated depreciation	(418,330)	(427,837)
Buildings and structures, net	151,771	146,486
Machinery, equipment and vehicles	2,220,332	2,254,128
Accumulated depreciation	(1,876,337)	(1,919,540)
Machinery, equipment and vehicles, net	343,994	334,588
Land	208,662	209,404
Mountain forests and afforestations	28,412	30,041
Construction in progress	25,593	42,321
Other	85,018	91,925
Accumulated depreciation	(59,471)	(65,849)
Other, net	25,547	26,075
Total property, plant and equipment	783,982	788,917
Intangible assets	13,210	11,647
Investments and other assets		
Investment securities	172,984	179,647
Retirement benefit asset	46,500	43,492
Deferred tax assets	11,711	9,878
Other	37,173	40,084
Allowance for doubtful accounts	(558)	(258)
Total investments and other assets	267,810	272,844
Total non-current assets	1,065,003	1,073,409
Total assets	1,703,308	1,738,479

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	142,222	135,711
Short-term borrowings	231,334	192,341
Current portion of bonds payable	10,000	30,000
Income taxes payable	2,843	5,319
Other	92,792	99,169
Total current liabilities	479,192	462,541
Non-current liabilities		
Bonds payable	55,000	25,000
Long-term borrowings	560,682	610,911
Lease liabilities	17,910	18,606
Deferred tax liabilities	55,863	60,570
Provision for environmental measures	8,099	5,905
Retirement benefit liability	8,995	7,921
Other	7,129	6,514
Total non-current liabilities	713,680	735,429
Total liabilities	1,192,873	1,197,971
Net assets		
Shareholders' equity		
Share capital	104,873	104,873
Capital surplus	216,393	216,393
Retained earnings	11,547	21,554
Treasury shares	(1,840)	(1,972)
Total shareholders' equity	330,974	340,848
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13,920	16,059
Deferred gains or losses on hedges	13,708	15,142
Foreign currency translation adjustment	90,410	102,866
Remeasurements of defined benefit plans	33,011	33,550
Total accumulated other comprehensive income	151,051	167,618
Non-controlling interests	28,409	32,040
Total net assets	510,435	540,507
Total liabilities and net assets	1,703,308	1,738,479

Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net sales	1,182,431	1,192,606
Cost of sales	991,368	993,594
Gross profit	191,062	199,012
Selling, general and administrative expenses		
Freight and incidental costs	81,113	81,542
Direct and indirect selling expenses	12,601	13,670
Salaries and allowances	44,462	46,005
Other	33,178	32,588
Total selling, general and administrative expenses	171,356	173,806
Operating profit	19,706	25,205
Non-operating income		
Interest income	1,367	1,615
Dividend income	1,790	1,929
Share of profit of entities accounted for using equity method	9,255	7,387
Foreign exchange gains	-	1,811
Other	3,637	3,942
Total non-operating income	16,050	16,685
Non-operating expenses		
Interest expenses	9,154	11,217
Foreign exchange losses	3,697	-
Other	7,399	7,574
Total non-operating expenses	20,251	18,792
Ordinary profit	15,505	23,098
Extraordinary income		
Gain on return of assets from retirement benefits trust	5,079	6,369
Gain on sale of investment securities	5,013	5,262
Insurance claim income	3,223	3,950
Other	5,912	2,050
Total extraordinary income	19,229	17,633
Extraordinary losses		
Loss on disaster	159	3,453
Loss on retirement of non-current assets	1,797	2,318
Loss on suspension of operations	-	2,021
Impairment losses	13,329	2,008
Other	6,760	6,469
Total extraordinary losses	22,046	16,271
Profit before income taxes	12,688	24,460
Income taxes - current	4,932	5,677
Income taxes - deferred	601	4,982
Total income taxes	5,533	10,660
Profit	7,154	13,800
Profit attributable to non-controlling interests	2,615	2,057
Profit attributable to owners of parent	4,539	11,743

Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit	7,154	13,800
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,862)	2,111
Deferred gains or losses on hedges	(177)	3,557
Foreign currency translation adjustment	7,926	10,821
Remeasurements of defined benefit plans, net of tax	4,854	(1,321)
Share of other comprehensive income of entities accounted for using equity method	364	3,751
Total other comprehensive income	10,104	18,920
Comprehensive income	17,259	32,721
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,991	28,310
Comprehensive income attributable to non-controlling interests	3,267	4,411

Consolidated Statement of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	12,688	24,460
Depreciation	66,642	63,213
Increase (decrease) in allowance for doubtful accounts	48	282
Increase (decrease) in retirement benefit liability	(75)	0
Increase (decrease) in provision for environmental measures	(1,493)	(2,293)
Interest and dividend income	(3,158)	(3,544)
Interest expenses	9,154	11,217
Share of loss (profit) of entities accounted for using equity method	(9,255)	(7,387)
Loss (gain) on sale of investment securities	(5,013)	(5,247)
Impairment losses	13,329	2,008
Loss on retirement of non-current assets	1,797	2,318
Loss (gain) on sale of non-current assets	(5,220)	(1,220)
Gain on return of assets from retirement benefits trust	(5,079)	(6,369)
Insurance claim income	(3,223)	(3,950)
Loss on disaster	159	3,453
Decrease (increase) in trade receivables	26,575	1,035
Decrease (increase) in inventories	5,800	(2,359)
Increase (decrease) in trade payables	(17,454)	(8,053)
Other, net	(9,341)	5,347
Subtotal	76,880	72,911
Interest and dividends received	6,892	7,761
Interest paid	(9,084)	(11,044)
Income taxes paid	(7,742)	(2,467)
Redemption of retirement benefits trust	10,000	10,000
Proceeds from insurance income	3,223	3,950
Payments associated with disaster loss	(159)	(3,453)
Other, net	(7,218)	(2,672)
Net cash provided by (used in) operating activities	72,790	74,986
Cash flows from investing activities		
Purchase of non-current assets	(51,072)	(54,287)
Proceeds from sale of non-current assets	8,446	1,434
Purchase of investment securities	(509)	(1,610)
Proceeds from sale of investment securities	7,890	10,106
Decrease (increase) in short-term loans receivable	(168)	168
Long-term loan advances	(147)	(539)
Proceeds from collection of long-term loans receivable	171	767
Other, net	1,953	380
Net cash provided by (used in) investing activities	(33,435)	(43,581)

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	7,864	6
Proceeds from long-term borrowings	87,400	116,233
Repayments of long-term borrowings	(90,165)	(105,091)
Redemption of bonds	(15,000)	(10,000)
Purchase of treasury shares	(6)	(286)
Dividends paid	(1,157)	(1,735)
Dividends paid to non-controlling interests	(1,835)	(870)
Repayments of finance lease liabilities	(5,372)	(6,265)
Other, net	(0)	146
Net cash provided by (used in) financing activities	(18,274)	(7,863)
Effect of exchange rate change on cash and cash equivalents	2	(2,071)
Net increase (decrease) in cash and cash equivalents	21,082	21,470
Cash and cash equivalents at beginning of period	164,858	185,941
Cash and cash equivalents at end of period	185,941	207,411