
FY2025/3 FINANCIAL REVIEW

May 15, 2025

FY2025/3 Financial Results

Consolidated Statement (¥billion)

	FY2024/3 Result	FY2025/3 Results	Y on Y changes	
			Amount	%
Net sales	1,167.3	1,182.4	15.1	1.3%
Operating income	17.3	19.7	2.4	14.1%
Ordinary income	14.6	15.5	0.9	6.6%
Net income *	22.7	4.5	-18.2	-80.0%

* Profit attributable to owners of parent

- Net sales increased YoY due to growth in sales of household paper&healthcare and chemicals.
- Operating income increased year-on-year due to strong performance in the Daily-Life Products Business (domestic) and Energy Business.
- Despite impairment losses related to assets scheduled for shutdown at the Shiraoi and Yatsushiro plants and Opal, net income exceeded the initial forecast due to the sale of cross-shareholdings and fixed assets.

Results by Segment

(¥billion)

	FY2024/3 Results	Net sales			Operating income		
		FY2025/3 Results	Y on Y changes	FY2024/3 Results	FY2025/3 Results	Y on Y changes	
Paper and Paperboard	570.2	565.9	-4.3	11.7	8.3	-3.4	
Daily-Life Products	436.8	457.9	21.1	-8.1	-6.1	2.0	
Energy	53.7	48.3	-5.4	1.6	3.6	2.0	
Wood Products and Construction Related	75.5	78.8	3.3	9.8	9.6	-0.2	
Others	31.1	31.5	0.4	2.3	4.3	2.0	
Total	1,167.3	1,182.4	15.1	17.3	19.7	2.4	
Domestic	913.4	913.9	0.5	30.4	31.6	1.2	
Overseas	253.9	268.5	14.6	-13.1	-11.9	1.2	

Factors for Changes

(¥billion)

			Paper and Paperboard Business		Daily-Life Products Business	
	Volume, Sales Price	4.9	-2.4	—	7.3	—
	Raw material and fuel prices	-7.8	-4.5	Wood Chips -3.2, Wastepaper -8.3, Pulp -0.5 Oil -0.5, Coal 10.5, LNG 0.0, Chemicals, etc. -2.5 (Price 2.6, FOREX -7.1)	-3.3	Pulp -1.2, Chemicals, etc. -2.1
	Cost reductions,etc.	-3.3	-1.6	Cost reductions 4.3, Labor costs -1.8, Logistics costs -4.1	-1.7	Cost reductions 0.5, Labor costs -0.8, Logistics costs -1.4
	Others	4.8	5.1	Overseas business 1.4,Depreciation 1.6, Retirement benefit expenses 4.0, Inventory value adjustment, etc. -1.9	-0.3	Overseas business 0.0, Depreciation -0.9 Inventory value adjustment, etc. 0.6
Total		-1.4	-3.4	Domestic business -4.8, Overseas business 1.4	2.0	Domestic business 2.0, Overseas business 0.0
Other businesses		3.8	Energy 2.0,Wood Products and Construction Related -0.2, Others 2.0			
Operating income		2.4				
Non-operating income		-1.5	Net financial revenue 1.9, Equity in net income of affiliates 3.8, Foreign exchange difference -6.4, Others -0.8			
Ordinary income		0.9				

Paper and Paperboard Business

(¥billion)

Net sales			Operating income		
FY2024/3 Results	FY2025/3 Results	Y on Y changes	FY2024/3 Results	FY2025/3 Results	Y on Y changes
570.2	565.9	-4.3	11.7	8.3	-3.4

- Domestic**
 - Domestic sales volume of paper and paperboard products decreased year on year due to sluggish demand.
 - Despite the stable price of coal and other fuels and the positive effect of cost improvements, profits decreased year on year due to increase in labor and logistics cost.
- Overseas**
 - Jujo Thermal (JTOy) saw its deficit shrink compared to the same period last year, despite the continued slump in demand for thermal paper in the European market.

FY2025/3 Financial Results

Daily-Life Products Business

(¥billion)

	Net sales			Operating income		
	FY2024/3 Results	FY2025/3 Results	Y on Y changes	FY2024/3 Results	FY2025/3 Results	Y on Y changes
Domestic	210.8	224.2	13.4	7.3	9.3	2.0
Overseas	226.0	233.7	7.7	-15.4	-15.4	0.0
Total	436.8	457.9	21.1	-8.1	-6.1	2.0

Package -0.2, Chemical 2.3,
Household paper and Healthcare -0.1

Opal 2.5, NDP -2.5, TSP 0.0

- Domestic
 - Sales volumes of functional coating resins, and toilet paper rolls increased.
 - Sales volumes of facial tissue and liquid packaging cartons decreased.
 - Net sales and operating income increased due to product price revisions.
- Overseas
 - Opal has improved its operating efficiency and reduced fixed costs, and both Maryvale Mill and the packaging business have seen profits improve each quarter, resulting in an increase in profits compared to the same period last year.
 - NDP saw a year-on-year decrease in profits due to the impact of cold wave and a long-term maintenance shutdown in the first half of the year. However, after the maintenance shutdown, the production system returned to normal in the second half and profits increased year-on-year.

Energy Business

(¥billion)

Net sales			Operating income		
FY2024/3 Results	FY2025/3 Results	Y on Y changes	FY2024/3 Results	FY2025/3 Results	Y on Y changes
53.7	48.3	-5.4	1.6	3.6	2.0

▪ Net sales decreased year on year due to a fall in electricity sales prices in line with a fall in coal prices.

Wood Products and Construction Related Business

(¥billion)

Net sales			Operating income		
FY2024/3 Results	FY2025/3 Results	Y on Y changes	FY2024/3 Results	FY2025/3 Results	Y on Y changes
75.5	78.8	3.3	9.8	9.6	-0.2

▪ Net sales increased due to factors such as an increase in the volume of fuel chips handled, despite a decrease in the number of new housing starts.

Consolidated Balance Sheets

	Mar.31, 2024	Mar.31, 2025	Variance
Total assets	1,731.2	1,703.3	-27.9
Cash and time deposit	164.8	185.9	21.1
Inventories	224.8	230.0	5.2
Other current assets	248.9	222.2	-26.7
Property, equipment, and intangible fixed asset	827.9	797.1	-30.8
Investment and other assets	264.7	267.8	3.1
Total liabilities	1,235.5	1,192.8	-42.7
Interests bearing liabilities	888.3	880.8	-7.5
Other liabilities	347.2	312.0	-35.2
Total net assets	495.6	510.4	14.8
Shareholder's equity	326.4	330.9	4.5
Total liabilities and net assets	1,731.2	1,703.3	-27.9
Net interest-bearing debt	723.5	694.9	-28.6
Adjusted Net D/E ratio * (times)	1.95	1.84	-0.11

* Adjusted Net D/E ratio= (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

(¥billion)

	FY2025/3 Results	FY2026/3 Forecast	Y on Y changes	
			Amount	%
Net sales	1,182.4	1,205.0	22.6	1.9%
Operating income	19.7	34.0	14.3	72.5%
Ordinary income	15.5	26.0	10.5	67.7%
Net income *	4.5	12.0	7.5	164.4%

* Profit attributable to owners of parent

- Increased sales and profits are expected compared to the same period last year due to increased sales volume and price adjustments in the Daily-Life Products Business (domestic) , and improved profitability in overseas businesses such as Opal and NDP.
- Opal expects to record an extraordinary loss due to the labor dispute and suspension of operations that occurred in the first quarter.

Results and Forecasts by Business Segment

	Net sales			Operating income		
	FY2025/3 Results	FY2026/3 Forecast	Y on Y Changes	FY2025/3 Results	FY2026/3 Forecast	Y on Y Changes
Paper and Paperboard	565.9	555.0	-10.9	8.3	5.0	-3.3
Daily-Life Products (Overseas)	457.9	500.0	42.1	-6.1 (-15.4)	15.0 (1.4)	21.1 (16.8)
Energy	48.3	45.0	-3.3	3.6	3.0	-0.6
Wood Products and Construction Related	78.8	75.0	-3.8	9.6	8.5	-1.1
Others	31.5	30.0	-1.5	4.3	2.5	-1.8
Total	1,182.4	1,205.0	22.6	19.7	34.0	14.3
Domestic	913.9	932.0	18.1	31.6	30.5	-1.1
Overseas	268.5	273.0	4.5	-11.9	3.5	15.4

1st Half :11.6
2nd Half :5.2

Major Assumptions

■ Annual change in domestic sales volume (YoY)

	1st Half	2nd Half	Full year
Newsprint	7%	2%	5%
Printing	1%	-5%	-2%
Business communication	-4%	-3%	-4%
Containerboard	-1%	0%	-1%

■ Daily-Life Products Business (Domestic)

- **Volume** :Crecia Miyagi Mill operates year-round.
Increase in sales volume of chemical products.
- **Sales Price** :Price adjustments for household paper and paper cartons.
- **Cost** :Rising raw material, labor, and logistics costs.

■ Major raw material prices and FOREX

	Full year
FOREX (USD)	JPY 152/USD
FOREX sensitivity	+0.65 billion yen/year due to 1 yen appreciation against USD
Coal	USD 130/t (Considering the impact of inventory conditions at the end of March 2025 and the risk of future price fluctuations)
Crude oil	USD 75/BL (Dubai)
Wastepaper	Considering current price trends

■ Daily-Life Products Business (Overseas)

- **Opal (Maryvale Mill)** :Increased production through stable operations and cost reductions through improved operational efficiency.
- **Opal (packaging business)** :Increase in volume due to capital investment effects
:Effect of streamlining through consolidation of bases, etc.
- **NDP** :Return to normal operations will lead to increased sales volume and reduced repair costs

Forecast for Changes (FY2026/3 Forecast vs FY2025/3 Results)

			Paper and Paperboard Business		Daily-Life Products Business	
	Volume, Sales Price	8.7	-0.3	–	9.0	–
	Raw material and fuel prices	-2.7	-1.2	Wood chips -2.4, Wastepaper -3.3, Pulp -0.1, Oil -1.5, Coal 8.0, LNG 0.5, Chemicals, etc. -2.4 (Price -1.0, FOREX -0.2)	-1.5	Wood chips -0.3, Chemicals, etc. -1.2
	Cost reductions,etc.	-1.1	-0.1	Cost reductions 3.0, Permanent machines' shutdown at the Shiraoi Mill and the Yatsushiro Mill 0.5 Labor costs -2.2, Logistics costs -1.4	-1.0	Cost reductions 1.1, Labor costs -1.5, Logistics costs -0.6
	Others	12.9	-1.7	Overseas business -0.5, Depreciation 0.5, Retirement benefit expenses -1.3, Others -0.4	14.6	Overseas business 16.8, Others -2.2
Total		17.8	-3.3	Domestic -2.8, Overseas -0.5	21.1	Domestic 4.3, Overseas 16.8
Other businesses		-3.5	Energy -0.6, Wood products and construction related -1.1, Others -1.8			
Operating income		14.3	Domestic: Package 0.9, Chemical 0.9, Household paper and Healthcare 2.5 Overseas: Opal 9.2, NDP 7.6, TSP 0.0			

REFERENCE MATERIALS

Key indicators

		FY2021/3	FY2022/3	FY2023/3	FY2024/3	FY2025/3
Net Sales	¥ billion	1,007.3	1,045.1	1,152.6	1,167.3	1,182.4
Operating Income (Loss)	¥ billion	19.2	12.1	-26.9	17.3	19.7
Operating Income Margin	%	1.9	1.2	-2.3	1.5	1.7
Profit (Loss) attributable to owners of parent	¥ billion	3.2	2.0	-50.4	22.7	4.5
EBITDA ^{*1}	¥ billion	86.9	81.5	42.8	84.8	90.7
ROE ^{*2}	%	0.8	0.5	-12.3	5.3	1.0
Net interest-bearing debt	¥ billion	759.1	761.3	780.1	723.5	694.9
Adjusted net D/E ratio ^{*3}	times	1.86	1.89	2.25	1.95	1.84
Earnings (Loss) per share	¥	27.67	17.23	-436.28	197.09	39.33
Dividends per share	¥	40	40	0	10	10
Number of employees	persons	16,156	16,129	15,959	15,557	15,145

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

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

*3: Adjusted Net D/E ratio= (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)

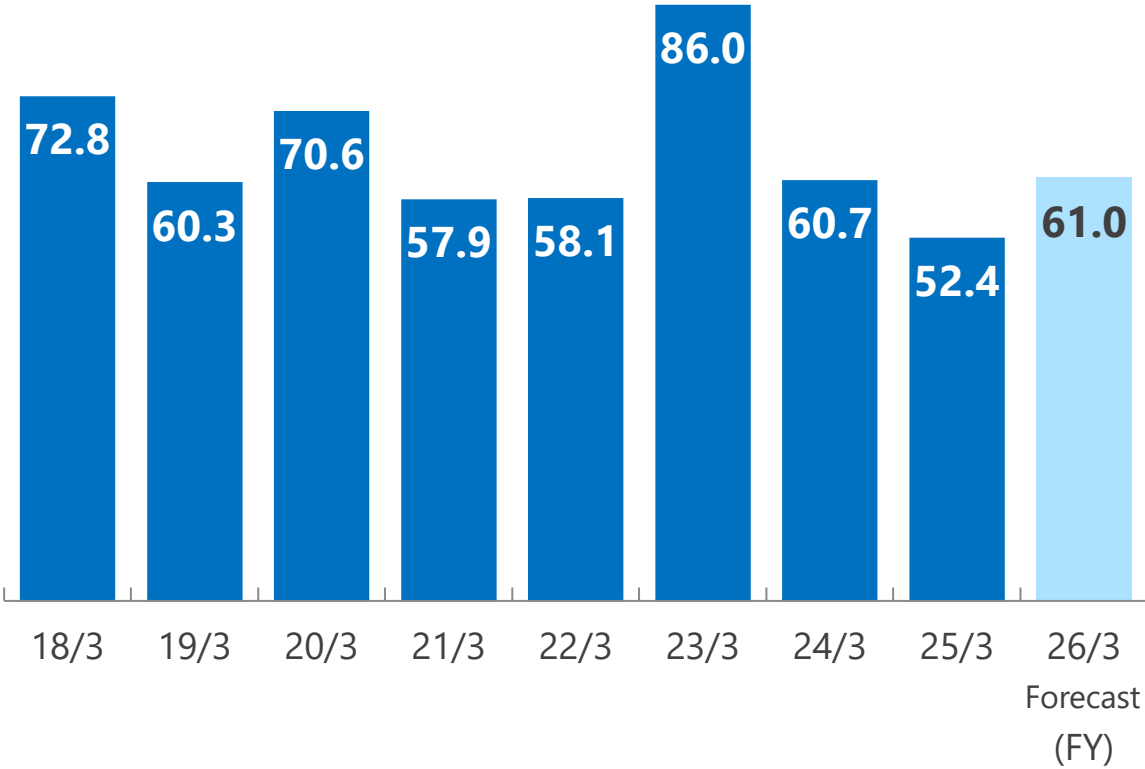
	FY2024/3	FY2025/3	against FY24/3
Newsprint	536	500	-6.7%
Printing paper	909	884	-2.7%
Business communication paper	378	361	-4.4%
Others	292	301	3.0%
Domestic sales (paper)	2,116	2,047	-3.2%
Export (paper)	189	201	5.9%
Paper total	2,305	2,248	-2.5%
Container board	1,528	1,499	-1.9%
Paperboard for paper container and others	320	312	-2.6%
Domestic sales (paperboard)	1,848	1,810	-2.0%
Export (paperboard)	115	116	0.8%
Paperboard total	1,963	1,926	-1.9%
Grand total (paper and paperboard)	4,268	4,174	-2.2%

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

Capital expenditure, Depreciation

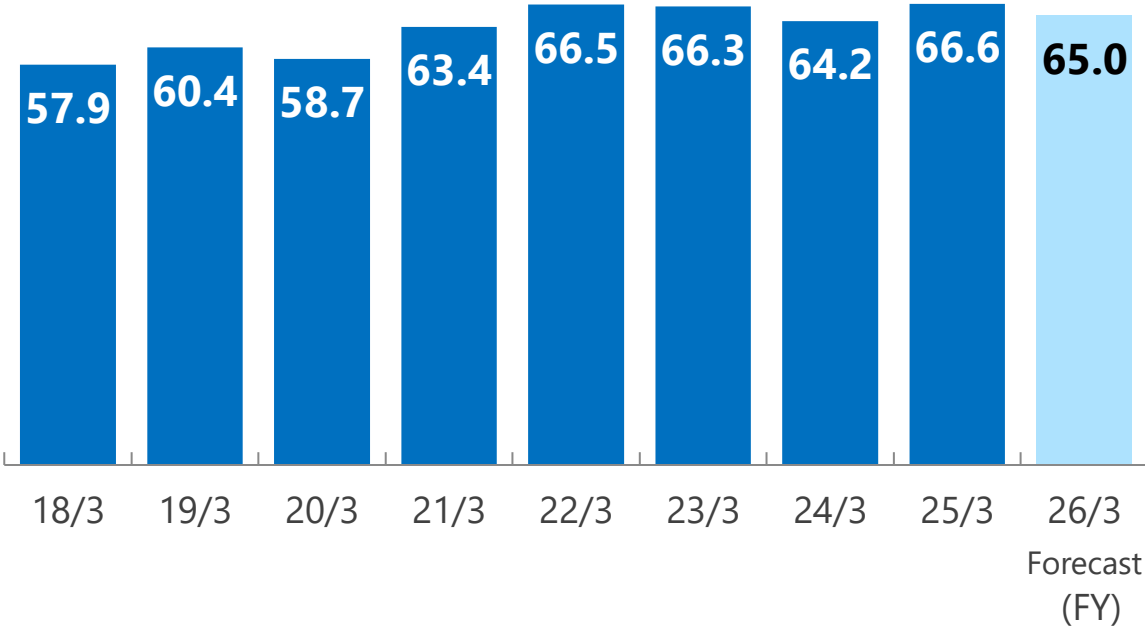
Capital expenditure *

(¥ billion)



Depreciation

(¥ billion)



* Including construction in progress



Net Sales Trends by Business Segment

	FY2025/3				FY2025/3		
	Q1	Q2	Q3	Q4	H1	H2	Full year
Paper and Paperboard	141.9	141.2	146.3	136.5	283.1	282.8	565.9
Daily-Life Products	108.3	116.4	118.4	114.8	224.7	233.2	457.9
Energy	11.5	13.3	10.7	12.8	24.8	23.5	48.3
Wood Products and Construction Related	18.4	19.3	18.0	23.1	37.7	41.1	78.8
Others	6.9	7.3	8.4	8.9	14.2	17.3	31.5
Total	287.0	297.5	301.8	296.1	584.5	597.9	1,182.4



Operating Income Trends by Business Segment

(¥billion)

	FY2025/3				FY2025/3		
	Q1	Q2	Q3	Q4	H1	H2	Full year
Paper and Paperboard	2.4	1.1	3.3	1.5	3.5	4.8	8.3
Daily-Life Products	-2.0	-7.1	2.2	0.8	-9.1	3.0	-6.1
Energy	0.5	1.2	0.3	1.6	1.7	1.9	3.6
Wood Products and Construction Related	2.2	1.8	2.1	3.5	4.0	5.6	9.6
Others	1.0	1.0	1.1	1.2	2.0	2.3	4.3
Total	4.1	-2.0	9.0	8.6	2.1	17.6	19.7

Consolidated Statements of Cash Flows



	FY2024/3	FY2025/3	Variance
Operating activities	90.2	72.7	-17.5
Investing activities	-22.0	-33.4	-11.4
Free cash flows	68.2	39.3	-28.9
Financing activities	-46.5	-18.2	28.3
Other	-1.1	0.0	1.1
Increase (decrease) in cash and cash equivalents	20.5	21.0	0.5
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	164.8	185.9	21.1
Depreciation	64.2	66.6	2.4
Capital expenditure	60.7	52.4	-8.3

Domestic Shipment and Import / Export Volume(Paper& Paperboard, FY2025/3 Results)

volume: '000 tonnes

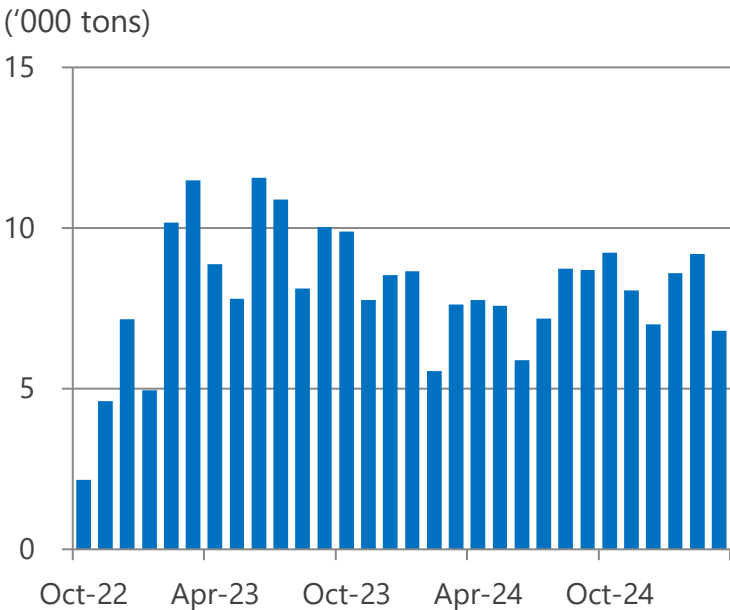
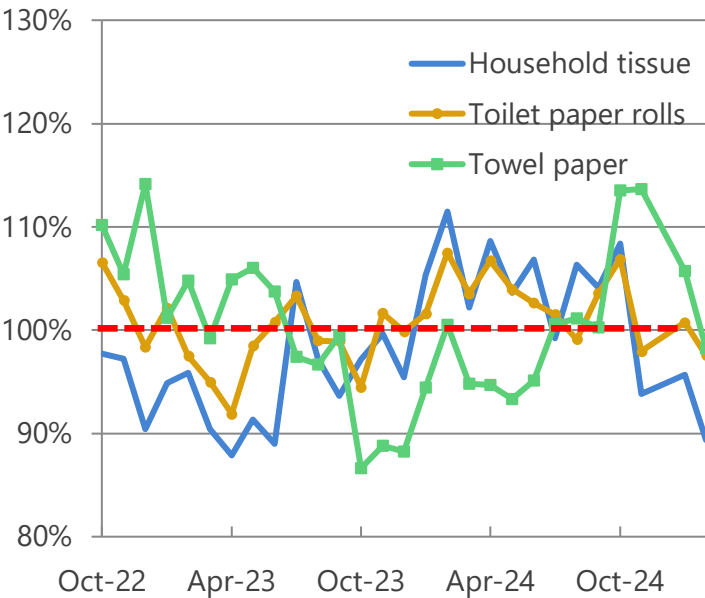
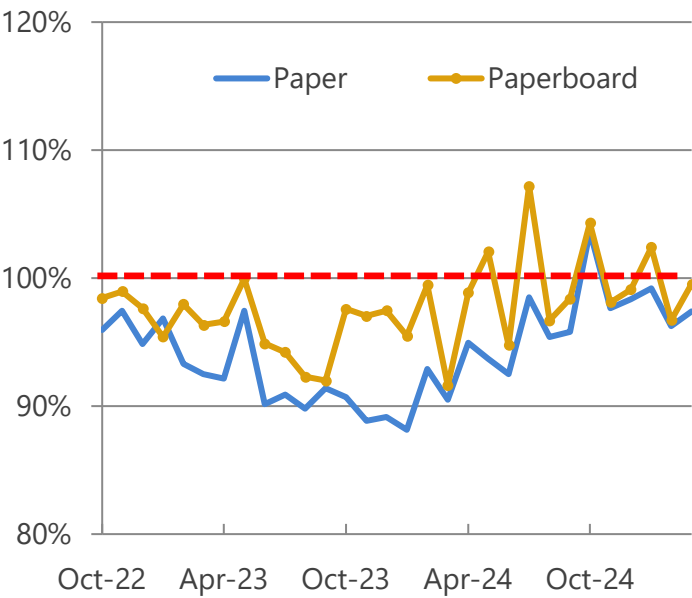
	Domestic shipments		Exports		Imports	
	volume	against FY24/3	volume	against FY24/3	volume	against FY24/3
Newsprint	1,494	-8.4%	0	—	0	-66.4%
Printing & business communication paper	4,681	-4.0%	604	20.9%	517	-0.2%
Coated paper *	2,464	-4.4%	443	17.8%	95	-10.0%
Uncoated paper	1,273	-1.1%	107	8.0%	11	12.5%
Business communication paper	944	-6.9%	54	120.4%	412	2.0%
Other papers	3,018	1.6%	269	12.8%	40	2.5%
Paper total	9,193	-3.0%	874	18.3%	558	-0.2%
Containerboard	8,645	-0.3%	772	-1.8%	23	-1.0%
Folding box board and others	2,012	1.2%	40	1.8%	220	6.7%
Paperboard total	10,657	0.0%	812	-1.6%	243	5.9%
Paper and paperboard total	19,849	-1.5%	1,686	7.8%	801	1.6%

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

Domestic shipment of paper industry (YOY)

Production of sanitary paper (YOY)

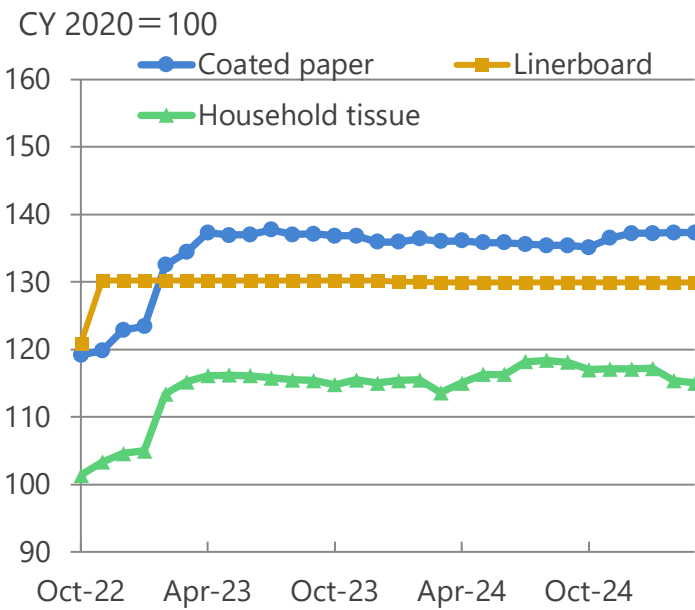
Imports of Coated Paper



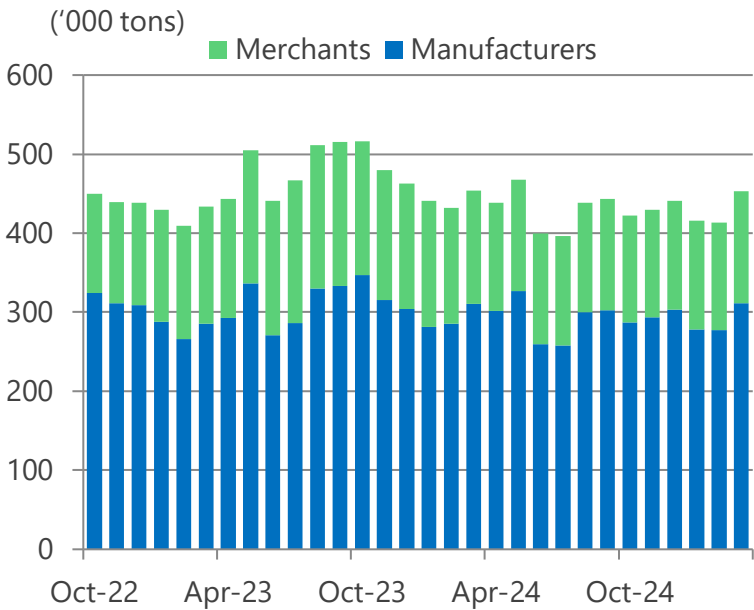
Source: Japan Paper Association, Current Survey of Production by the Ministry of Economy,
Trade Statistics of Japan

Reference (Domestic)

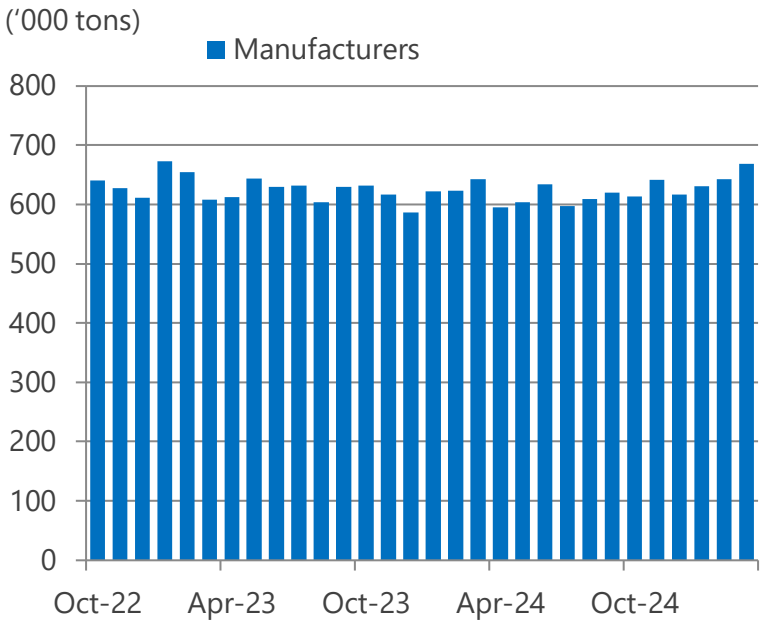
Price trends by products



Coated paper inventory



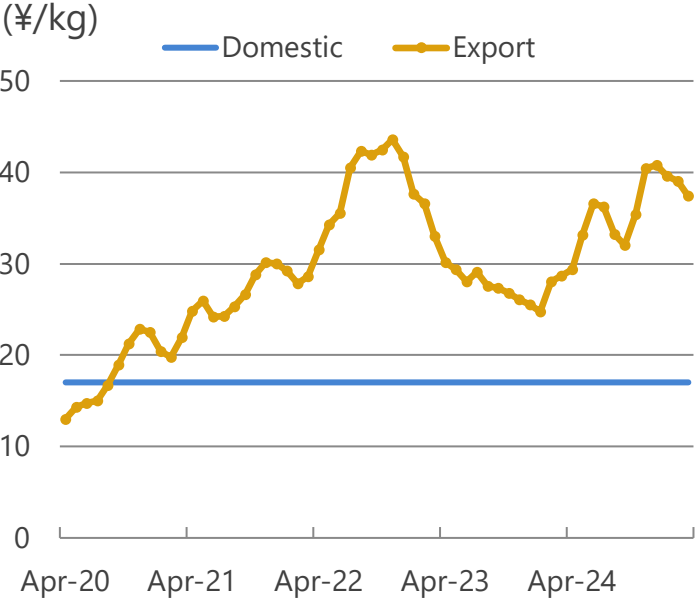
Containerboard inventory



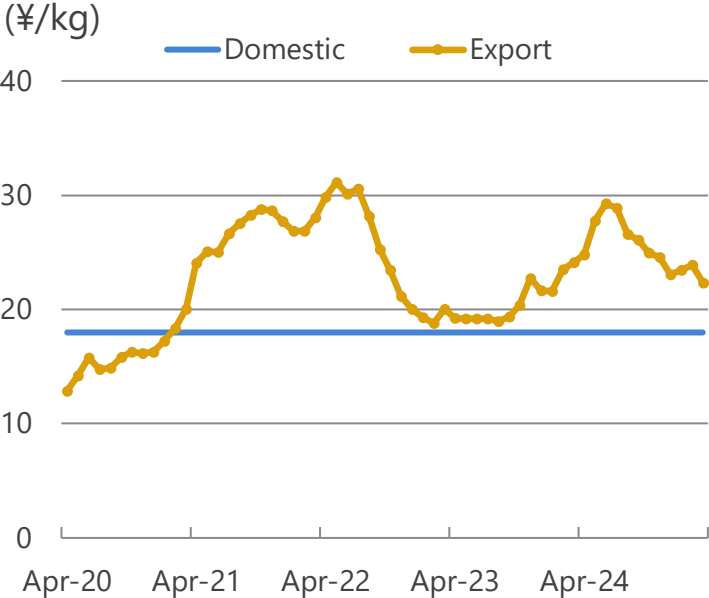
Source: Japan Paper Association, Bank of Japan(Corporate Goods Price Index)

Reference (Domestic, Global)

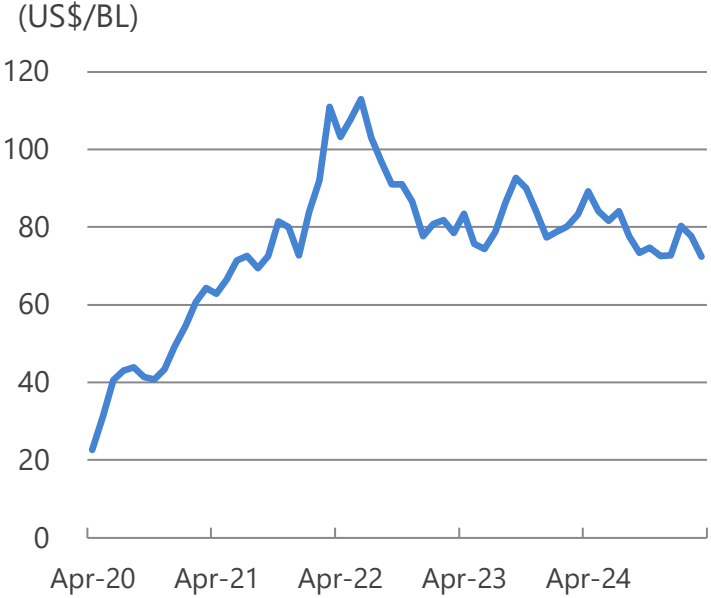
ONP



OCC



Crude oil



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

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