

Financial Results for the Three Months Ended June 30, 2025

Q&A Summary

- Q1 :** What was the extent of the negative impact caused by the recovery boiler trouble at the Yatsushiro Mill in Q1? Please also tell us about the current situation of its recovery.
- A1 :** It caused a negative impact of ¥800 million on Q1 operating income. Restoration work is proceeding according as planned.
- Q2 :** Operating income of NDP increased by ¥2.1 billion year-on-year in Q1, showing a significant recovery. Is this in line with the initial plan? Will this level of profit continue in Q2 and beyond?
- A2 :** NDP was affected by a cold wave in Q1 last fiscal year, but there was no such impact this year, and operations remained stable. Although profits will decline in Q2 due to maintenance shutdown, we expect to maintain current profit levels thereafter.
- Q3 :** Q1 went relatively well with operating income of ¥5.5 billion and Opal's earnings showing improvement. I would like to inquire as to how the company evaluates this performance. Is it progressing as expected in the initial plan?
- A3 :** We believe that progress in Q1 was largely as expected. Paper exports fell short of our sales volume target due to poor market conditions in Asia, but otherwise we believe that progress was as expected.
- Q4 :** Opal experienced a strike due to a labor dispute in Q1. Has there been its impact on operation in Q2 and beyond?
- A4 :** From Q2, there has been no impact from labor disputes and things are basically proceeding according to the initial plan.
- Q5 :** I think the price increase for containerboards will take effect in H2. What extent has this been factored into the plan for the current fiscal year?
- A5 :** The forecast of operating income ¥34 billion announced in May does not take into account the effect of the price increase for containerboards.
- Q6 :** As for exports of printing paper and containerboards, you explained that the Asian market is softening at the moment. Please tell us your outlook for the future.
- A6 :** We anticipate that the current export market conditions will prevail. Taking into account order trends and exchange rate forecasts, we will endeavor to maintain the sales scale.

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