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## Consolidated Financial Results for the Year Ended March 31, 2025 [Japanese GAAP]

May 15, 2025

Company name: Nippon Paper Industries Co., Ltd.

Listing: Tokyo Stock Exchange

Securities code: 3863

URL: <https://www.nipponpapergroup.com/>

Representative: Toru Nozawa

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Scheduled date of annual general meeting of shareholders: June 27, 2025

Scheduled date to commence dividend payments: June 30, 2025

Scheduled date to file annual securities report: June 26, 2025

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

President and Representative Director

General Manager of Accounting & Budgeting Dept.

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

#### (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, 2025	1,182,431	1.3	19,706	14.1	15,505	6.6	4,539	(80.0)
March 31, 2024	1,167,314	1.3	17,266	-	14,550	-	22,747	-

(Note) Comprehensive income: Fiscal year ended March 31, 2025: ¥ 17,259 million [ (79.0) %]  
Fiscal year ended March 31, 2024: ¥ 82,102 million [ - %]

	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, 2025	39.33	-	1.0	0.9	1.7
March 31, 2024	197.09	-	5.3	0.9	1.5

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2025: ¥ 9,255 million  
Fiscal year ended March 31, 2024: ¥ 5,494 million

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	1,703,308	510,435	28.3	4,175.77
March 31, 2024	1,731,245	495,648	27.1	4,062.19

(Reference) Equity: As of March 31, 2025: ¥ 482,026 million  
As of March 31, 2024: ¥ 468,788 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 the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2025	72,790	(33,435)	(18,274)	185,941
March 31, 2024	90,283	(22,031)	(46,566)	164,858

## 2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	-	0.00	-	10.00	10.00	1,158	5.1	0.3
March 31, 2025	-	0.00	-	10.00	10.00	1,158	25.4	0.2
Fiscal year ending March 31, 2026 (Forecast)	-	5.00	-	10.00	15.00		14.4	

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(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	1,205,000	1.9	34,000	72.5	26,000	67.7	12,000	164.4	103.96

\* Notes:

(1) Significant changes in the scope of consolidation during the period:

None

Newly included: - (Company name: )  
Excluded: - (Company name: )

(2) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(3) Number of issued shares (common shares)

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

March 31, 2025: 116,254,892 shares

March 31, 2024: 116,254,892 shares

2) Number of treasury shares at the end of the period:

March 31, 2025: 820,718 shares

March 31, 2024: 851,948 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2025: 115,419,024 shares

Fiscal Year ended March 31, 2024: 115,415,096 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 2025 (April 1, 2024–March 31, 2025)**

Operating results by business segment are as follows:

Paper and Paperboard:	(Millions of yen)	(Percentages indicate year-on-year changes.)
Consolidated net sales	565,911	(0.7)%
Consolidated operating income (loss)	8,268	(29.2)%
Daily-life Products:		
Consolidated net sales	457,880	4.8%
Consolidated operating income (loss)	(6,137)	The result for the previous fiscal year: (8,062)
Energy:		
Consolidated net sales	48,295	(10.1)%
Consolidated operating income (loss)	3,559	122.6%
Wood Products and Construction Related:		
Consolidated net sales	78,760	4.3%
Consolidated operating income	9,582	(2.2)%

Note: The numbers parenthesized represent minus figures.

**(Reference information)****1. Changes in accounting policies**

(Application of Accounting Standard for Current Income Taxes, etc.)

The Company has applied Accounting Standard for Current Income Taxes (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; hereinafter referred to as the “Revised Accounting Standard 2022”) effective from the beginning of this consolidated fiscal year under review.

The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso (2) of paragraph 65-2 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the “Revised Implementation Guidance 2022”). The new accounting policies are applied from that beginning of the current fiscal year. The cumulative effect of retrospective application of new accounting policies prior to the beginning of the current fiscal year is added to or subtracted from retained earnings at the beginning of the current fiscal year. The corresponding amounts are added to or subtracted from the appropriate category of capital surplus or accumulated other comprehensive income. As a result, retained earnings at the beginning of the current fiscal year increased by 702 million yen and unrealized gains on available-for-sale securities decreased by the same amount.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes, the Revised Implementation Guidance 2022 has been adopted from the beginning of this consolidated fiscal year. This change in accounting policies is applied retrospectively, and consolidated financial statements for the previous year are after retrospective application. This change in accounting policies has no impact on the consolidated financial statements for the previous fiscal year.

# Consolidated Financial Statements

## Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	164,858	185,941
Notes and accounts receivable - trade	204,990	180,296
Merchandise and finished goods	116,454	120,634
Work in process	21,684	19,220
Raw materials and supplies	86,672	90,214
Other	44,394	42,452
Allowance for doubtful accounts	(442)	(455)
Total current assets	638,613	638,305
Non-current assets		
Property, plant and equipment		
Buildings and structures	560,032	570,102
Accumulated depreciation	(410,248)	(418,330)
Buildings and structures, net	149,784	151,771
Machinery, equipment and vehicles	2,240,355	2,220,332
Accumulated depreciation	(1,901,796)	(1,876,337)
Machinery, equipment and vehicles, net	338,558	343,994
Land	212,843	208,662
Mountain forests and afforestations	29,461	28,412
Construction in progress	47,799	25,593
Other	84,278	85,018
Accumulated depreciation	(57,394)	(59,471)
Other, net	26,884	25,547
Total property, plant and equipment	805,331	783,982
Intangible assets	22,599	13,210
Investments and other assets		
Investment securities	174,726	172,984
Retirement benefit asset	41,087	46,500
Deferred tax assets	10,844	11,711
Other	38,568	37,173
Allowance for doubtful accounts	(525)	(558)
Total investments and other assets	264,701	267,810
Total non-current assets	1,092,632	1,065,003
<b>Total assets</b>	<b>1,731,245</b>	<b>1,703,308</b>

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	157,815	142,222
Short-term borrowings	207,176	231,334
Current portion of bonds payable	15,000	10,000
Income taxes payable	7,246	2,843
Other	107,530	92,792
Total current liabilities	494,769	479,192
Non-current liabilities		
Bonds payable	65,000	55,000
Long-term borrowings	577,083	560,682
Lease liabilities	18,651	17,910
Deferred tax liabilities	52,745	55,863
Provision for environmental measures	9,567	8,099
Retirement benefit liability	10,984	8,995
Other	6,795	7,129
Total non-current liabilities	740,827	713,680
Total liabilities	1,235,597	1,192,873
<b>Net assets</b>		
Shareholders' equity		
Share capital	104,873	104,873
Capital surplus	216,416	216,393
Retained earnings	7,102	11,547
Treasury shares	(1,904)	(1,840)
Total shareholders' equity	326,487	330,974
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	17,541	13,920
Deferred gains or losses on hedges	16,989	13,708
Foreign currency translation adjustment	79,535	90,410
Remeasurements of defined benefit plans	28,234	33,011
Total accumulated other comprehensive income	142,301	151,051
Non-controlling interests	26,859	28,409
Total net assets	495,648	510,435
Total liabilities and net assets	1,731,245	1,703,308

# Consolidated Statements of Income and Comprehensive Income

## Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	1,167,314	1,182,431
Cost of sales	985,917	991,368
Gross profit	181,396	191,062
Selling, general and administrative expenses		
Freight and incidental costs	75,892	81,113
Direct and indirect selling expenses	11,661	12,601
Salaries and allowances	45,602	44,462
Other	30,973	33,178
Total selling, general and administrative expenses	164,130	171,356
Operating profit	17,266	19,706
Non-operating income		
Interest income	681	1,367
Dividend income	1,620	1,790
Share of profit of entities accounted for using equity method	5,494	9,255
Foreign exchange gains	2,700	-
Other	4,755	3,637
Total non-operating income	15,252	16,050
Non-operating expenses		
Interest expenses	10,246	9,154
Foreign exchange losses	-	3,697
Other	7,721	7,399
Total non-operating expenses	17,968	20,251
Ordinary profit	14,550	15,505
Extraordinary income		
Gain on sale of non-current assets	26,637	5,220
Gain on return of assets from retirement benefits trust	-	5,079
Gain on sale of investment securities	5,222	5,013
Insurance claim income	-	3,223
Other	550	692
Total extraordinary income	32,411	19,229
Extraordinary losses		
Impairment losses	41	13,329
Australian business structure improvement expenses	804	5,935
Loss on retirement of non-current assets	1,843	1,797
Other	13,075	984
Total extraordinary losses	15,765	22,046
Profit before income taxes	31,196	12,688
Income taxes - current	7,452	4,932
Income taxes - deferred	(3,289)	601
Total income taxes	4,162	5,533
Profit	27,033	7,154
Profit attributable to non-controlling interests	4,286	2,615
Profit attributable to owners of parent	22,747	4,539

# Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit	27,033	7,154
Other comprehensive income		
Valuation difference on available-for-sale securities	5,862	(2,862)
Deferred gains or losses on hedges	8,941	(177)
Foreign currency translation adjustment	17,625	7,926
Remeasurements of defined benefit plans, net of tax	19,150	4,854
Share of other comprehensive income of entities accounted for using equity method	3,489	364
Total other comprehensive income	55,068	10,104
Comprehensive income	82,102	17,259
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	74,054	13,991
Comprehensive income attributable to non-controlling interests	8,047	3,267



## Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	31,196	12,688
Depreciation	64,184	66,642
Amortization of goodwill	1,075	1,152
Increase (decrease) in allowance for doubtful accounts	(397)	48
Increase (decrease) in retirement benefit liability	1,327	(75)
Increase (decrease) in provision for environmental measures	(1,481)	(1,493)
Interest and dividend income	(2,301)	(3,158)
Interest expenses	10,246	9,154
Share of loss (profit) of entities accounted for using equity method	(5,494)	(9,255)
Loss (gain) on sale of investment securities	(5,211)	(5,013)
Impairment losses	41	13,329
Loss on retirement of non-current assets	1,843	1,797
Loss (gain) on sale of non-current assets	(26,637)	(5,220)
Gain on return of assets from retirement benefits trust	-	(5,079)
Insurance claim income	-	(3,223)
Australian business structure improvement expenses	804	5,935
Decrease (increase) in trade receivables	(12,950)	26,575
Decrease (increase) in inventories	22,937	5,800
Increase (decrease) in trade payables	1,263	(17,454)
Other, net	17,090	(16,429)
Subtotal	97,538	76,720
Interest and dividends received	6,567	6,892
Interest paid	(10,207)	(9,084)
Income taxes paid	(2,809)	(7,742)
Redemption of retirement benefits trust	-	10,000
Proceeds from insurance income	-	3,223
Payment of Australian business structure improvement expenses	(804)	(7,218)
Net cash provided by (used in) operating activities	90,283	72,790
Cash flows from investing activities		
Purchase of non-current assets	(61,664)	(51,072)
Proceeds from sale of non-current assets	27,481	8,446
Purchase of investment securities	(534)	(509)
Proceeds from sale of investment securities	10,881	7,890
Decrease (increase) in short-term loans receivable	499	(168)
Long-term loan advances	(111)	(147)
Proceeds from collection of long-term loans receivable	153	171
Other, net	1,263	1,953
Net cash provided by (used in) investing activities	(22,031)	(33,435)

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(30,655)	7,864
Proceeds from long-term borrowings	58,849	87,400
Repayments of long-term borrowings	(67,067)	(90,165)
Proceeds from issuance of bonds	30,000	-
Redemption of bonds	-	(15,000)
Increase (decrease) in commercial papers	(30,000)	-
Purchase of treasury shares	(206)	(6)
Dividends paid	-	(1,157)
Dividends paid to non-controlling interests	(1,499)	(1,835)
Repayments of finance lease liabilities	(5,133)	(5,372)
Other, net	(854)	(0)
Net cash provided by (used in) financing activities	(46,566)	(18,274)
Effect of exchange rate change on cash and cash equivalents	(1,172)	2
Net increase (decrease) in cash and cash equivalents	20,512	21,082
Cash and cash equivalents at beginning of period	144,346	164,858
Cash and cash equivalents at end of period	164,858	185,941