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November 6, 2025

Consolidated Financial Results for the Six Months Ended September 30, 2025 (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 to file semi-annual securities report: November 13, 2025
Scheduled date to commence dividend payments: December 1, 2025
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 six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2025	589,217	0.8	9,006	338.0	8,547	377.5	754	-
September 30, 2024	584,539	0.1	2,056	(57.6)	1,790	(69.0)	(12,353)	-

Note: Comprehensive income For the six months ended September 30, 2025: ¥ (10,411) million [-%]
For the six months ended September 30, 2024: ¥ 10,550 million [(55.9) %]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2025	6.54	-
September 30, 2024	(107.04)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2025	1,682,388	498,242	27.9
March 31, 2025	1,703,308	510,435	28.3

Reference: Equity

As of September 30, 2025: ¥ 469,187 million
As of March 31, 2025: ¥ 482,026 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	0.00	-	10.00	10.00
Fiscal year ending March 31, 2026	-	5.00			
Fiscal year ending March 31, 2026 (Forecast)			-	10.00	10.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2026 (from 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	1,200,000	1.5	30,000	52.2	24,000	54.8	10,000	120.3	86.63

Note: Revisions to the financial result forecast most recently announced: Yes

* Notes

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

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

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None

(3) 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

(4) Number of issued shares (common shares)

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

As of September 30, 2025	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 September 30, 2025	723,013 shares
As of March 31, 2025	820,718 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2025	115,474,939 shares
Six months ended September 30, 2024	115,410,067 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.

* Semi-annual financial results reports are exempt from review 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 six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

Operating results by business segment are as follows:

Paper and Paperboard:	(Millions of yen)	(Percentages indicate year-on-year changes.)
Consolidated net sales	274,169	(3.2)%
Consolidated operating profit (loss)	(1,508)	The same period of previous year: 3,542
Daily-life Products:		
Consolidated net sales	239,177	6.5%
Consolidated operating profit (loss)	2,421	The same period of previous year: (9,134)
Energy:		
Consolidated net sales	22,754	(8.2)%
Consolidated operating profit (loss)	1,710	2.7%
Wood Products and Construction Related:		
Consolidated net sales	37,899	0.7%
Consolidated operating profit (loss)	5,294	30.9%

Note: The numbers parenthesized represent minus figures.

2. Consolidated financial result forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

Consolidated financial result forecasts for the fiscal year ending March 31, 2026 has been revised as below.

Previous forecast was released on May 15, 2025.

	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
Previous forecast (A)	1,205,000	34,000	26,000	12,000	103.96
Revised forecast (B)	1,200,000	30,000	24,000	10,000	86.63
Amount of increase/decrease (B-A)	(5,000)	(4,000)	(2,000)	(2,000)	(17.33)
Change (%)	(0.4)	(11.8)	(7.7)	(16.7)	(16.7)
(Reference) Consolidated financial results for the fiscal year ended March 31, 2025	1,182,431	19,706	15,505	4,539	39.33

*This forecast is revised based on the information available at present. The actual results may change substantially due to various factors.

Consolidated Financial Statements

Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	185,941	162,480
Notes and accounts receivable - trade	180,296	195,405
Merchandise and finished goods	120,634	120,636
Work in process	19,220	21,659
Raw materials and supplies	90,214	95,253
Other	42,452	43,477
Allowance for doubtful accounts	(455)	(471)
Total current assets	638,305	638,440
Non-current assets		
Property, plant and equipment		
Buildings and structures	570,102	569,666
Accumulated depreciation	(418,330)	(422,340)
Buildings and structures, net	151,771	147,325
Machinery, equipment and vehicles	2,220,332	2,210,619
Accumulated depreciation	(1,876,337)	(1,882,247)
Machinery, equipment and vehicles, net	343,994	328,372
Land	208,662	206,981
Construction in progress	25,593	30,014
Other	113,430	113,318
Accumulated depreciation	(59,471)	(61,526)
Other, net	53,959	51,791
Total property, plant and equipment	783,982	764,484
Intangible assets	13,210	11,355
Investments and other assets		
Investment securities	172,984	174,815
Other	95,384	93,855
Allowance for doubtful accounts	(558)	(563)
Total investments and other assets	267,810	268,107
Total non-current assets	1,065,003	1,043,947
Total assets	1,703,308	1,682,388

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	142,222	137,894
Short-term borrowings	231,334	161,904
Current portion of bonds payable	10,000	30,000
Income taxes payable	2,843	3,418
Other	92,792	95,538
Total current liabilities	479,192	428,755
Non-current liabilities		
Bonds payable	55,000	25,000
Long-term borrowings	560,682	635,256
Provision for environmental measures	8,099	7,170
Retirement benefit liability	8,995	9,012
Other	80,903	78,952
Total non-current liabilities	713,680	755,390
Total liabilities	1,192,873	1,184,145
Net assets		
Shareholders' equity		
Share capital	104,873	104,873
Capital surplus	216,393	216,393
Retained earnings	11,547	11,145
Treasury shares	(1,840)	(1,690)
Total shareholders' equity	330,974	330,722
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13,920	16,978
Deferred gains or losses on hedges	13,708	12,030
Foreign currency translation adjustment	90,410	77,863
Remeasurements of defined benefit plans	33,011	31,593
Total accumulated other comprehensive income	151,051	138,465
Non-controlling interests	28,409	29,055
Total net assets	510,435	498,242
Total liabilities and net assets	1,703,308	1,682,388

Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Net sales	584,539	589,217
Cost of sales	497,883	493,146
Gross profit	86,655	96,071
Selling, general and administrative expenses		
Freight and incidental costs	39,893	40,533
Direct and indirect selling expenses	6,047	6,928
Salaries and allowances	22,297	22,983
Other	16,360	16,620
Total selling, general and administrative expenses	84,599	87,065
Operating profit	2,056	9,006
Non-operating income		
Interest income	621	673
Dividend income	1,218	1,206
Share of profit of entities accounted for using equity method	7,318	4,118
Foreign exchange gains	-	1,060
Other	1,276	1,476
Total non-operating income	10,435	8,534
Non-operating expenses		
Interest expenses	4,335	5,160
Foreign exchange losses	3,163	-
Other	3,202	3,833
Total non-operating expenses	10,701	8,993
Ordinary profit	1,790	8,547
Extraordinary income		
Insurance claim income	-	2,428
Gain on sale of investment securities	677	1,653
Other	263	232
Total extraordinary income	940	4,314
Extraordinary losses		
Loss on disaster	-	2,332
Loss on suspension of operations	-	1,974
Loss on retirement of non-current assets	809	1,094
Other	11,428	1,148
Total extraordinary losses	12,237	6,548
Profit (loss) before income taxes	(9,506)	6,312
Income taxes - current	2,022	3,591
Income taxes - deferred	(439)	620
Total income taxes	1,582	4,211
Profit (loss)	(11,089)	2,101
Profit attributable to non-controlling interests	1,264	1,346
Profit (loss) attributable to owners of parent	(12,353)	754

Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Profit (loss)	(11,089)	2,101
Other comprehensive income		
Valuation difference on available-for-sale securities	437	3,049
Deferred gains or losses on hedges	(2,870)	(1,528)
Foreign currency translation adjustment	26,457	(11,304)
Remeasurements of defined benefit plans, net of tax	(1,537)	(1,407)
Share of other comprehensive income of entities accounted for using equity method	(846)	(1,321)
Total other comprehensive income	21,639	(12,512)
Comprehensive income	10,550	(10,411)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,026	(11,831)
Comprehensive income attributable to non-controlling interests	523	1,420