

Summary of Consolidated Financial Results for the Three Months Ended June 30, 2025 (unaudited) (Based on Japanese GAAP)

August 8, 2025

Company name: Tokushu Tokai Paper Co., Ltd.
 Stock exchange listings: Tokyo
 Code number: 3708 URL <https://www.tt-paper.co.jp>
 Representative: President and Chief Executive Officer Takashi Kimura
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 Dividend payment date: —
 Availability of support documentation: No
 Holding of financial result briefing: No

(All yen figures are rounded down to the nearest one million yen)

1. Consolidated Financial Results for the Three Months Ended June 30, 2025 (April 1, 2025 – June 30, 2025)

(1) Consolidated Operating Results

(% represents the change from the same period in the previous fiscal year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
Three Months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	24,284	7.0	1,325	26.3	1,985	0.7	1,370	(2.7)
June 30, 2024	22,702	10.4	1,049	350.0	1,971	41.4	1,408	12.2

Note: Comprehensive income

Three Months ended June 30, 2025	1,931 million yen	6.0%
Three Months ended June 30, 2024	1,822 million yen	1.8%

	Basic earnings per share	Diluted earnings per share
Three Months ended	Yen	Yen
June 30, 2025	117.96	117.51
June 30, 2024	119.38	118.93

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2025	137,664	85,757	57.5
As of March 31, 2025	139,436	85,834	56.3

Reference: Equity	As of June 30, 2025	79,125 million yen
	As of March 31, 2025	78,545 million yen

2. Dividends

	Annual Dividends per share				
	1 st quarter end	2 nd quarter end	3 rd quarter end	End of fiscal year	Total
Fiscal year ended	Yen	Yen	Yen	Yen	Yen
March 31, 2025	—	60.00	—	60.00	120.00
March 31, 2026	—				
Fiscal year ending March 31, 2026 (Forecast)		65.00	—	22.00	—

Note: Revision to dividend forecasts published most recently: Yes

The Company plans to conduct a stock split effective October 1, 2025, at a ratio of 3 shares for 1 common share.

Accordingly, the year-end dividend per share for the fiscal year ending March 31, 2026 (forecast) is stated taking into account the planned stock split, and the total annual dividend per share for the fiscal year is shown as “—”.

Without taking into account the stock split, the year-end dividend per share for the fiscal year ending March 31, 2026 (forecast) would be 131.00yen.

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

(% represents the change from the same period in the previous fiscal year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full fiscal year	99,000	4.4	5,000	27.3	7,000	12.4	4,900	35.8	139.25

Note: Revision to financial forecasts published most recently: No

The basic earnings per share in the consolidated earnings forecasts for the fiscal year ending March 31, 2026 are stated taking into account the stock split. Without taking into account the stock split, the basic earnings per share in the consolidated earnings forecasts for the fiscal year ending March 31, 2026 would be 417.74 yen.

4. Others

[1] Significant changes in the scope of consolidation during the period: No

New —

Eliminated —

[2] Changes in accounting principles, changes in accounting estimates and restatements

- | | |
|--|----|
| 1) Changes in accounting policies due to the revision of accounting standards: | No |
| 2) Changes in accounting policies other than 1) above: | No |
| 3) Changes in accounting estimates: | No |
| 4) Retrospective restatements: | No |

[3] Number of issued shares (common shares)

- | | |
|--|-------------------|
| (i) Number of issued shares (including treasury shares) as of: | |
| June 30, 2025 | 13,000,000 shares |
| March 31, 2025 | 13,000,000 shares |
| (ii) Number of treasury shares as of: | |
| June 30, 2025 | 1,383,785 shares |
| March 31, 2025 | 1,383,637 shares |
| (iii) Average number of shares during the period: | |
| Three months ended June 30, 2025 | 11,616,289 shares |
| Three months ended June 30, 2024 | 11,795,374 shares |

*Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: No

*Explanations pertaining to appropriate use of information concerning future forecasts

The operating results forecasts and certain other statements contained in this document are forward-looking statements, which are rationally determined based on information available to the company at the time the results were announced. Actual performance may differ substantially from these projections due to fluctuations in the economy or a variety of other known and unknown factor.

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of Yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	11,381	8,902
Notes and accounts receivable - trade, and contract assets	26,714	27,409
Merchandise and finished goods	5,527	6,141
Work in process	1,888	2,035
Raw materials and supplies	7,461	7,350
Other	1,448	1,207
Allowance for doubtful accounts	(24)	(26)
Total current assets	54,397	53,020
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	16,380	16,426
Machinery, equipment and vehicles, net	27,293	27,080
Land	12,928	12,928
Other, net	7,843	7,429
Total property, plant and equipment	64,445	63,863
Intangible assets		
Goodwill	3,398	3,285
Other	355	385
Total intangible assets	3,754	3,670
Investments and other assets		
Investment securities	14,006	14,364
Retirement benefit asset	585	590
Deferred tax assets	670	621
Other	1,703	1,659
Allowance for doubtful accounts	(126)	(126)
Total investments and other assets	16,839	17,109
Total non-current assets	85,039	84,643
Total assets	139,436	137,664

(Millions of Yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	9,388	9,801
Short-term loans payable	8,976	10,121
Current portion of long-term loans payable	5,539	5,432
Current portion of bonds	110	95
Income taxes payable	1,346	305
Provision for bonuses	559	358
Provision for business restructuring	385	373
Other	8,477	7,594
Total current liabilities	34,783	34,081
Non-current liabilities		
Bonds payable	195	177
Long-term loans payable	14,351	12,924
Deferred tax liabilities	454	896
Provision for directors' retirement benefits	99	103
Provision for environmental measures	47	47
Provision for loss on business of subsidiaries and associates	28	28
Retirement benefit liability	995	1,023
Asset retirement obligations	606	606
Other	2,040	2,017
Total non-current liabilities	18,819	17,824
Total liabilities	53,602	51,906
Net assets		
Shareholders' equity		
Capital stock	11,485	11,485
Capital surplus	4,487	3,870
Retained earnings	64,213	64,886
Treasury shares	(4,723)	(4,724)
Total shareholders' equity	75,462	75,518
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,343	2,878
Deferred gains or losses on hedges	0	(0)
Remeasurements of defined benefit plans	739	728
Total accumulated other comprehensive income	3,082	3,606
Share acquisition rights	138	135
Non-controlling interests	7,150	6,497
Total net assets	85,834	85,757
Total liabilities and net assets	139,436	137,664

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income

Quarterly Consolidated Statements of Income

(Millions of Yen)

	Three Months ended June 30, 2024	Three Months ended June 30, 2025
Net sales	22,702	24,284
Cost of sales	19,560	20,717
Gross profit	3,142	3,566
Selling, general and administrative expenses	2,093	2,241
Operating income	1,049	1,325
Non-operating income		
Interest income	1	1
Dividend income	136	190
Rent income	32	32
Insurance income	68	5
Share of profit of entities accounted for using equity method	601	369
Other	135	145
Total non-operating income	976	745
Non-operating expenses		
Interest expenses	41	67
Other	12	18
Total non-operating expenses	54	86
Ordinary income	1,971	1,985
Extraordinary income		
Gain on sales of non-current assets	4	21
Gain on sales of investment securities	1	—
Total extraordinary income	5	21
Extraordinary losses		
Loss on sales of non-current assets	2	0
Loss on retirement of non-current assets	16	104
Business restructuring expenses	24	—
Total extraordinary losses	42	104
Profit before income taxes	1,934	1,901
Income taxes - current	251	223
Income taxes - deferred	211	269
Total income taxes	462	493
Profit	1,472	1,408
Profit (loss) attributable to non-controlling interests	64	38
Profit attributable to owners of parent	1,408	1,370

Quarterly Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Three Months ended June 30, 2024	Three Months ended June 30, 2025
Profit	1,472	1,408
Other comprehensive income		
Valuation difference on available-for-sale securities	347	532
Deferred gains or losses on hedges	1	(0)
Remeasurements of defined benefit plans	(2)	(10)
Share of other comprehensive income of entities accounted for using equity method	3	2
Total other comprehensive income	349	523
Comprehensive income	1,822	1,931
Comprehensive income attributable to		
Owners of parent	1,757	1,893
Non-controlling interests	64	37

Segment Information

Information on Net Sales, Profit/Loss of Each Reportable Segment

Three Months ended June 30, 2024

(Millions of yen)

	Industrial Material	Special Material	Household Products	Environment Related	Total	Adjustment (Note 1)	Consolidated (Note 2)
Net sales							
Sales to outside	10,151	5,116	4,483	2,951	22,702	—	22,702
Intersegment sales and transfers	635	138	36	837	1,647	(1,647)	—
Total	10,787	5,254	4,520	3,788	24,350	(1,647)	22,702
Segment profit or loss	221	520	150	109	1,001	48	1,049

Three Months ended June 30, 2025

(Millions of yen)

	Industrial Material	Special Material	Household Products	Environment Related	Total	Adjustment (Note 1)	Consolidated (Note 2)
Net sales							
Sales to outside	10,688	5,315	4,663	3,617	24,284	—	24,284
Intersegment sales and transfers	632	98	42	810	1,584	(1,584)	—
Total	11,320	5,413	4,706	4,428	25,869	(1,584)	24,284
Segment profit or loss	315	532	188	259	1,295	29	1,325

Notes:

1. “Adjustment” is due to intersegment elimination, etc.
2. Segment profit total was adjusted to be consistent with the operating income recorded on the Consolidated Statements of Income.