

# Results of Operations for the First Half of the Fiscal Year Ending March 31, 2026

**Tokushu Tokai Paper Co., Ltd.**  
(TSE Prime, 3708)

November 26, 2025

Note: This document has been translated from the Japanese original for reference purposes only.  
In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

# Finan

Financial Information

# Infor

## Sales, operating and ordinary income and profit all increased

- Paper Business sales and earnings were higher mainly because of a larger sales volume, a contribution from prices, and more growth of the Environment Related Business.
- Net sales and ordinary income reached 2Q record high.

(Millions of yen)	1H FY3/25	1H FY3/26	YoY	
Net sales	46,572	47,910	+1,338	+2.9%
Operating income	1,873	2,359	+486	+25.9%
Ordinary income	3,059	3,327	+268	+8.8%
Profit attributable to owners of parent	2,096	2,307	+211	+10.1%

(Millions of yen)		1H FY3/25	1H FY3/26		YoY
Industrial Materials Business	Net sales	22,144	22,750	+606	+2.7%
	Operating income	356	599	+243	+68.3%
Specialty Materials Business	Net sales	10,597	9,974	-623	-5.9%
	Operating income	884	773	-111	-12.5%

## Industrial Materials Business

- Sales increased mainly due to higher prices of cardboard for boxes and kraft paper sold to NTI (Nihon Tokai Industrial Paper Supply), the result of the consistently high prices of raw materials.
- Earnings were higher than one year earlier, when an equipment problem stopped hydroelectric generation for 1.5 months, as sales of electricity were steady.

## Specialty Materials Business

- The sales decrease was the result of full first-half contribution to sales of October 2024 price revisions and the lower sales volume of TTP products caused by slow sales of the products of a company that buys TTP functional specialty paper.
- Sales and earnings decreased partly because of higher personnel expenses.

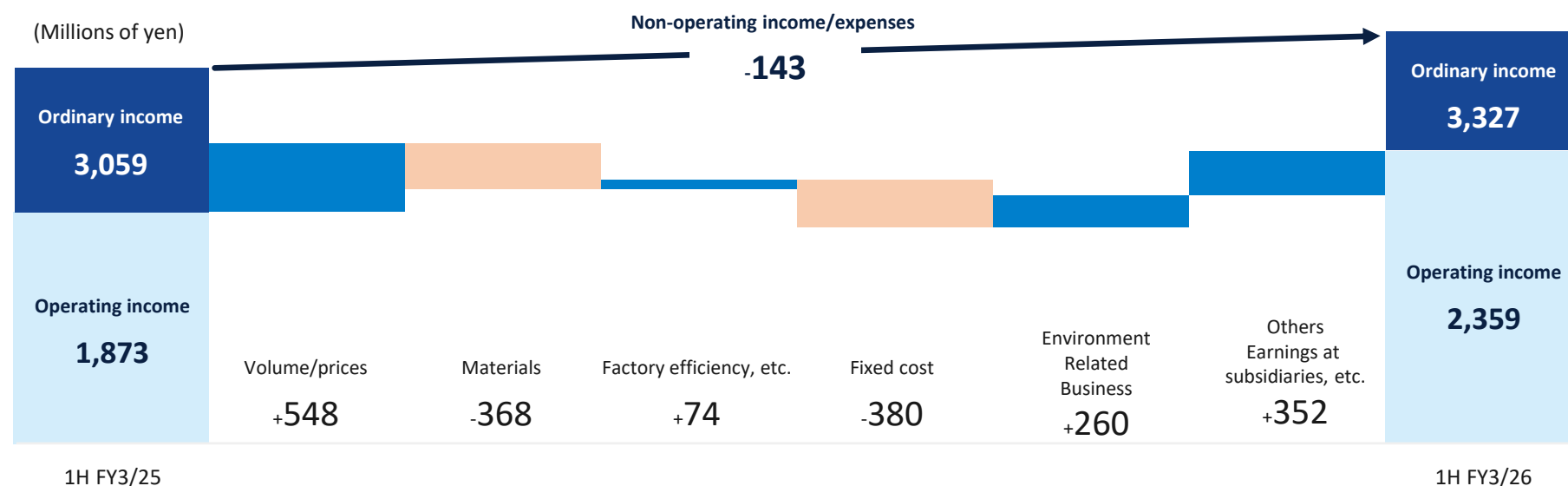
(Millions of yen)		1H FY3/25	1H FY3/26	YoY	
Household Products Business	Net sales	9,283	9,645	+362	+3.9%
	Operating income	339	446	+107	+31.7%
Environment Related Business	Net sales	8,084	8,848	+764	+9.5%
	Operating income	215	475	+260	+121.0%

## Household Products Business

- Sales and earnings increased because of the full first half contribution of price revisions of toilet paper and paper towels and a relatively high sales volume.

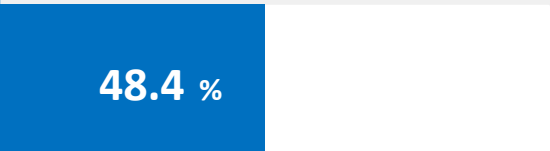
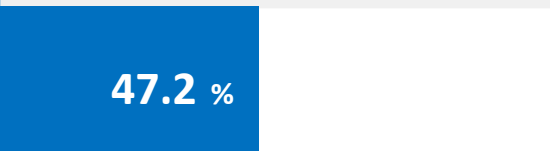
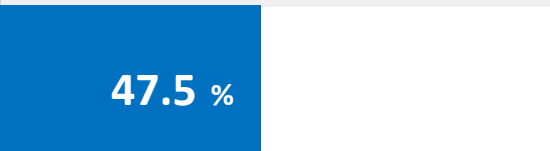
## Environment Related Business

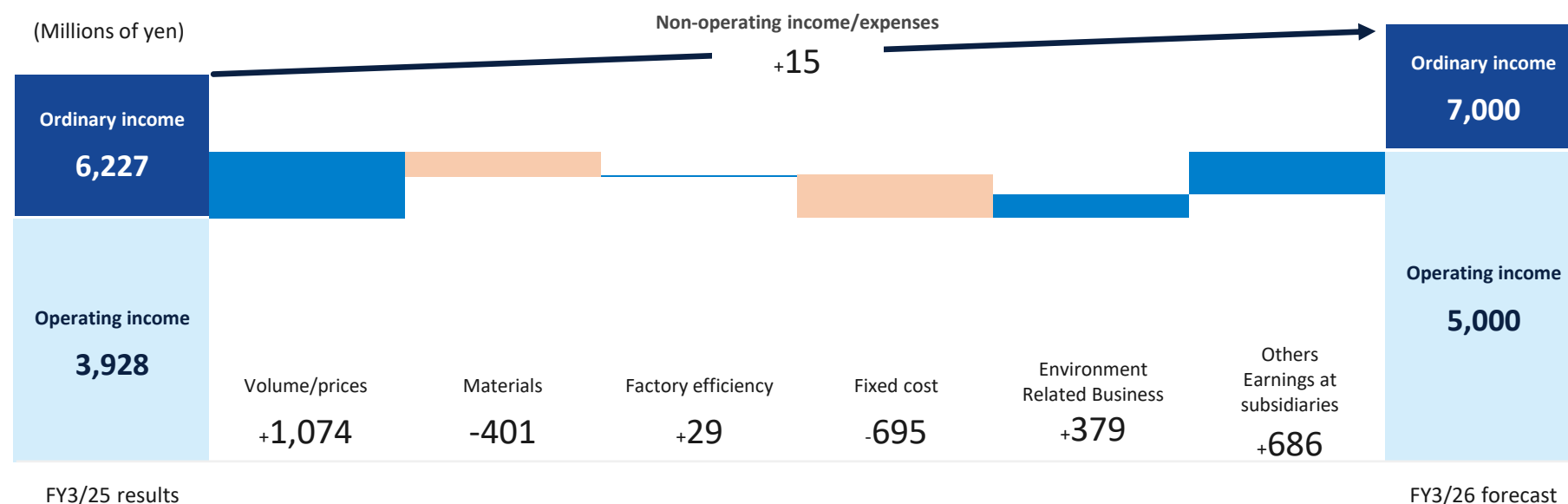
- Sales and earnings increased. The performance of a group company that collects waste materials recovered and there was a full first-half contribution of a recycling affiliated company that became a consolidated subsidiary in FY3/25 (for 9 months). Civil engineering orders increased. Also, one-time due diligence expenses held down earnings one year earlier.



- Volume/prices +548 because of price revisions of household products and a rebound in the volume of hydroelectric power plant electricity sales.
- Materials -368 because of the consistently high prices of raw materials in the Paper Business.

- Fixed cost -380 mainly because of higher personnel expenses resulting from the efficient use of human resources. Environment Related Business was +260 due to continued growth.
- The main reason for +352 for others is an increase in inventories of some products ahead of the scheduled inspection in FY3/27 of specialty materials production equipment. As a result, there was a higher fixed cost associated with these inventories.

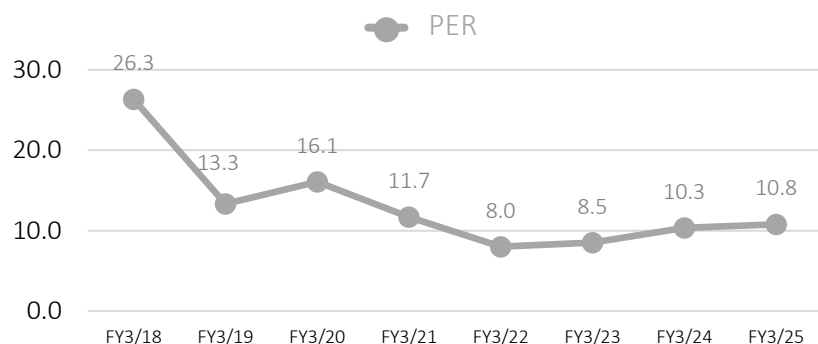
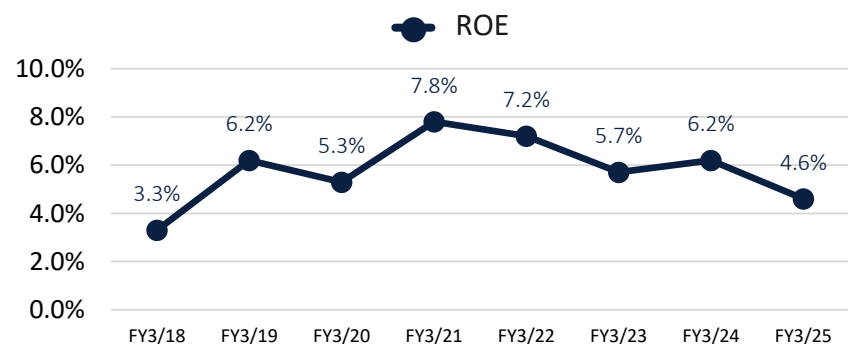
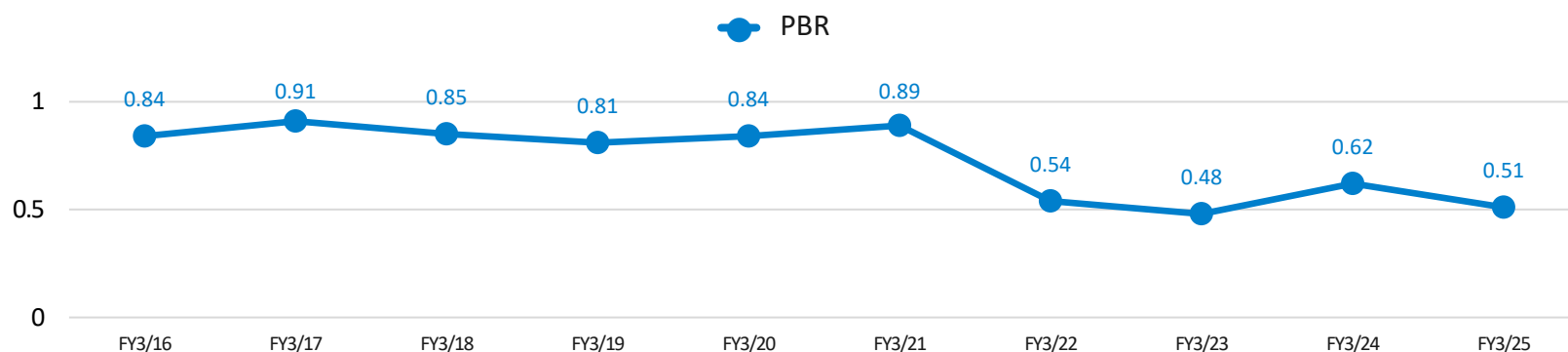
1H results	Progress ratio	Forecasts announced in May 2025
<b>Net sales</b>  <b>47,910</b> million yen	 <b>48.4 %</b>	<b>99,000</b> million yen
<b>Operating income</b>  <b>2,359</b> million yen	 <b>47.2 %</b>	<b>5,000</b> million yen
<b>Ordinary income</b>  <b>3,327</b> million yen	 <b>47.5 %</b>	<b>7,000</b> million yen



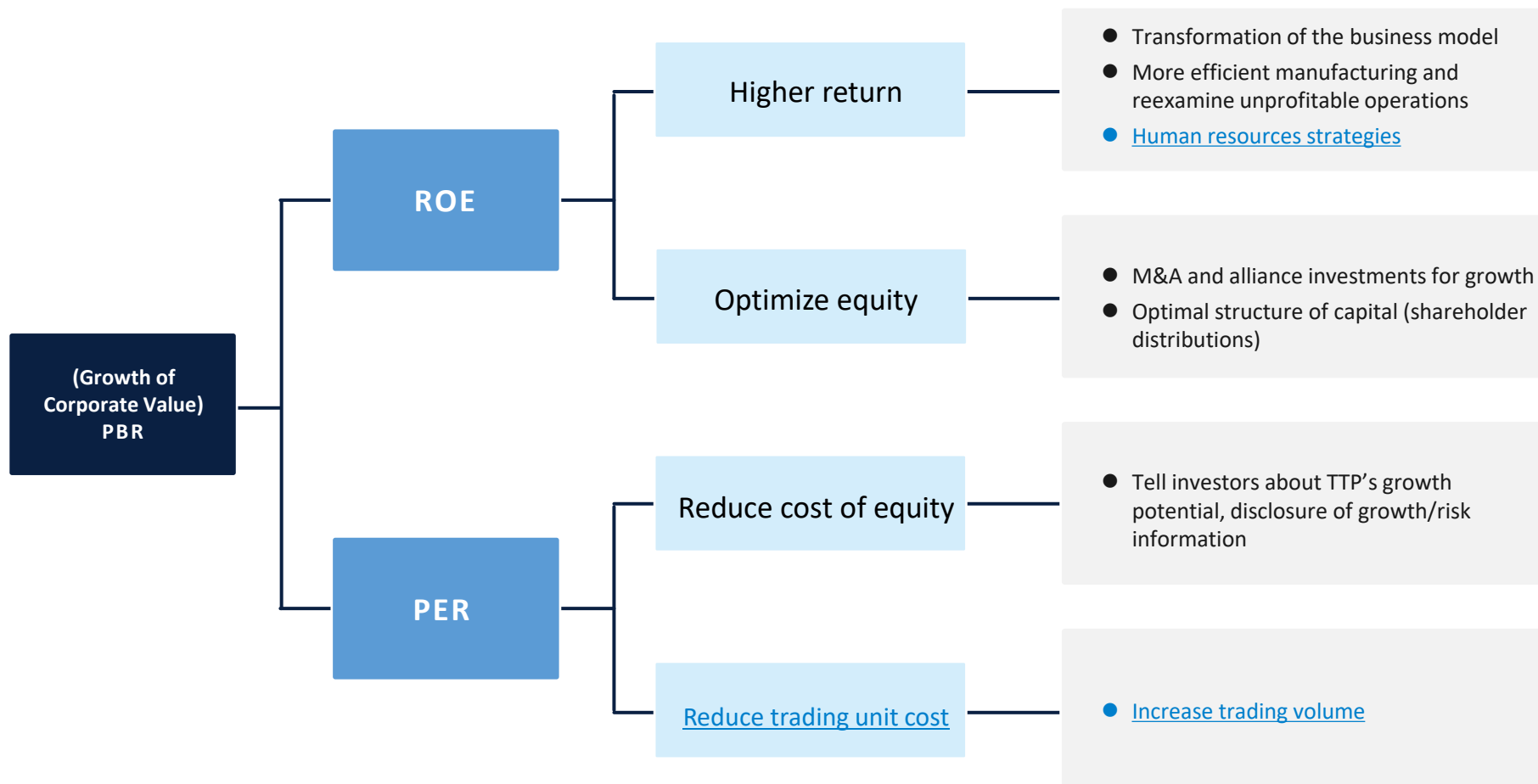
- Volume/prices +1,074. The sales volume of functional specialty paper is unlikely to recover to the high level of FY3/25. However, benefits of price revisions are increasing and forecast a higher sales volume of household products.
- Materials -401 and fixed cost -695 because of the outlook for higher expenses for raw materials, personnel and other items.
- Environment Related Business +379 because of the outlook for growth to continue.
- Others is mainly the result of fixed cost associated with inventories of specialty materials, which were increased and remain high.



## Actions are needed to raise the PBR, which is still below one

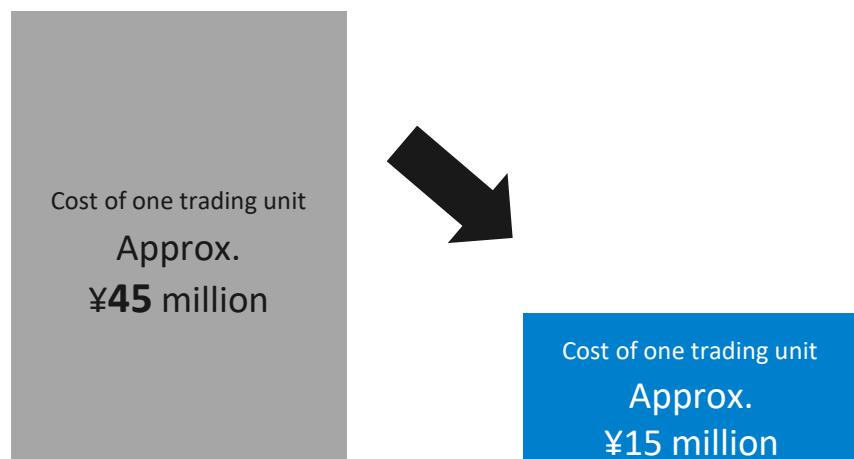


## Actions for a higher ROE and stock price



## Three-for-one stock split

(October 1, 2025)



\*Trading unit is based on a recent stock price.

## Stock split makes TTP accessible to more investors and raises liquidity

- The high cost of one TTP trading unit prevented many individual investors from becoming shareholders. This 3-for-1 stock split made TTP stock accessible to more investors.
- The post-split trading unit is used for shares required for the shareholder benefit program. No changes in the holding period and gifts.
- Currently studying possible revisions to shareholder distributions, including the benefit program, as part of actions involving capital in the next medium-term plan that is to be announced in May 2026.

## Information meeting for individual investors to attract shareholders in new categories for TTP

- TTP is holding information meetings for individual investors while continuing the usual investor relations activities for fund managers and other institutional investors.
- The goal is to provide information about TTP to an even broader range of investors, which is expected to raise awareness of TTP mainly among people who did not know about the TTP Group.

特種東海製紙株式会社  
個人投資家様向け会社説明会



特種東海製紙株式会社  
個人投資家様向け会社説明

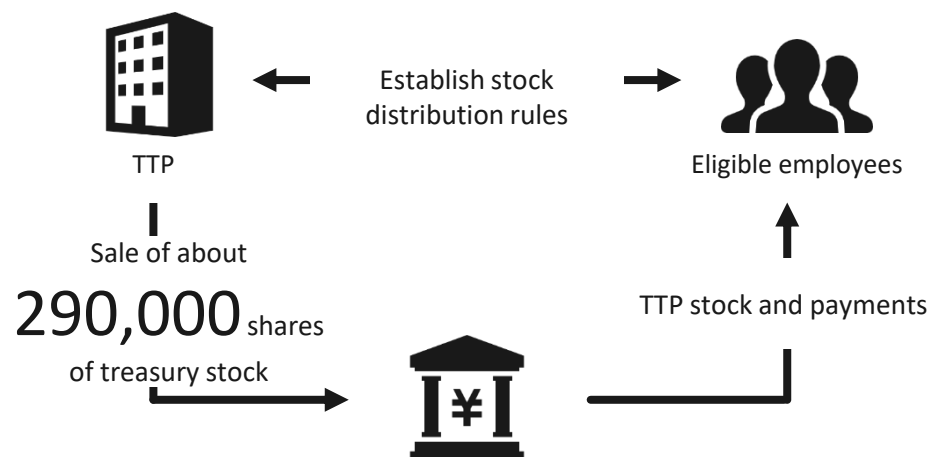
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## Employee Stock Ownership Plan Trust

(Flowchart)

**Stock remuneration gives employees the same perspective as shareholders for corporate value growth**

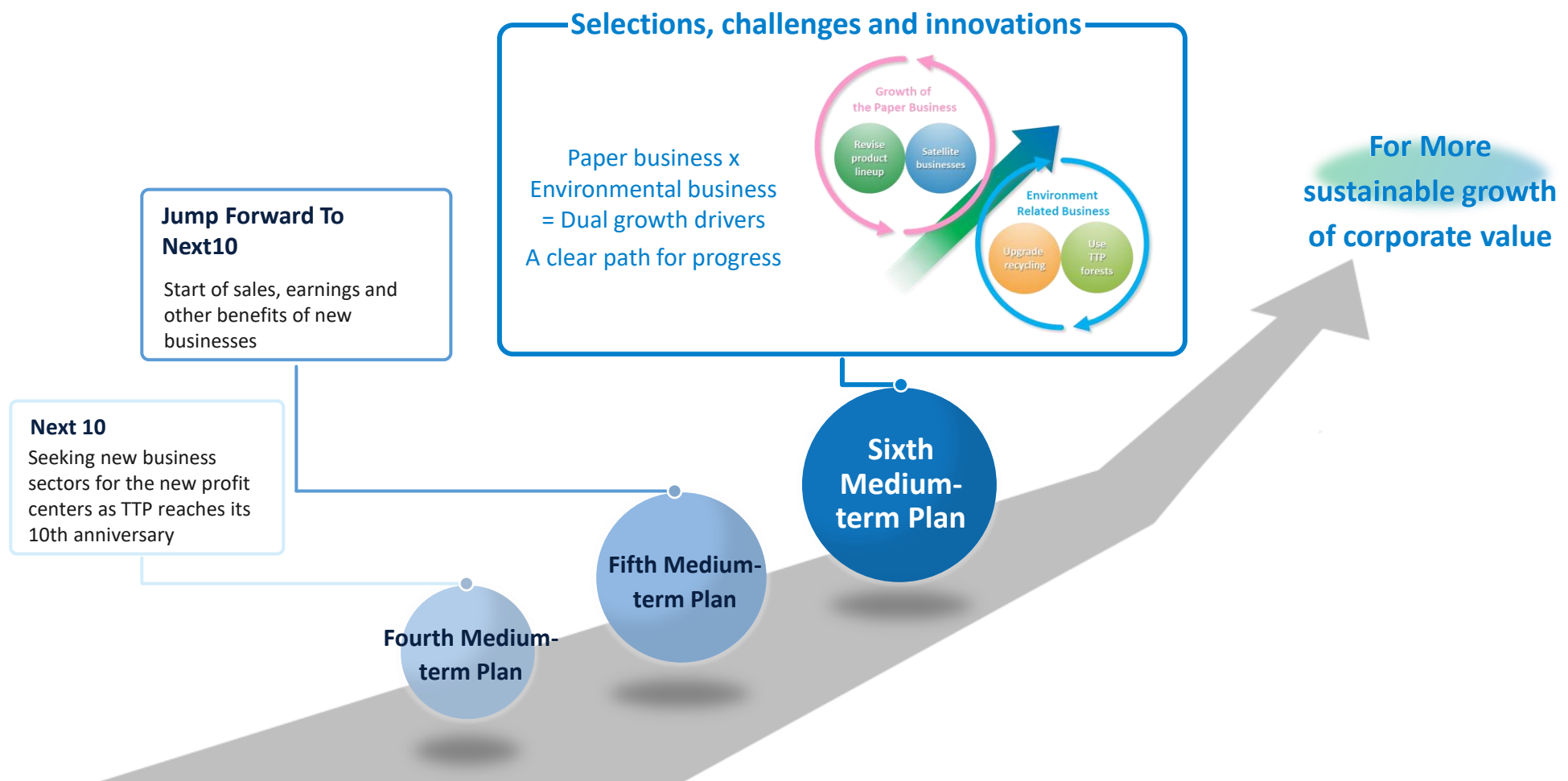
- People are the most important resource of the TTP Group. This is why TTP started a stock remuneration program using treasury stock for the purposes of increasing engagement with employees and the retention of employees.
- As shareholders, employees receive economic benefits when the stock price increases, which raises their motivation to contribute to raising the price of TTP stock.
- The employee stock remuneration program will increase motivation and give people an even stronger sense of solidarity as members of the TTP Group.

# Grow

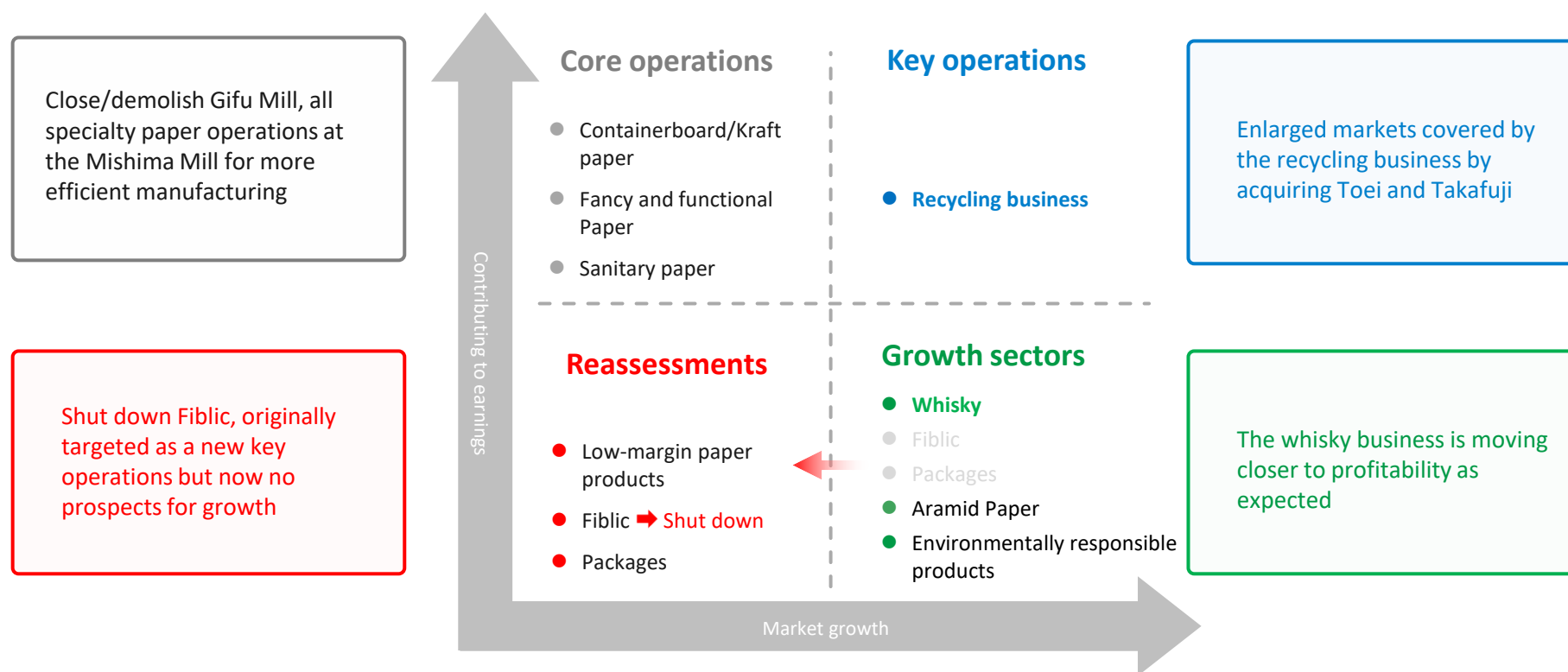
Business Strategies

# Strate

## Business portfolio initiatives to reflect the changing market for paper

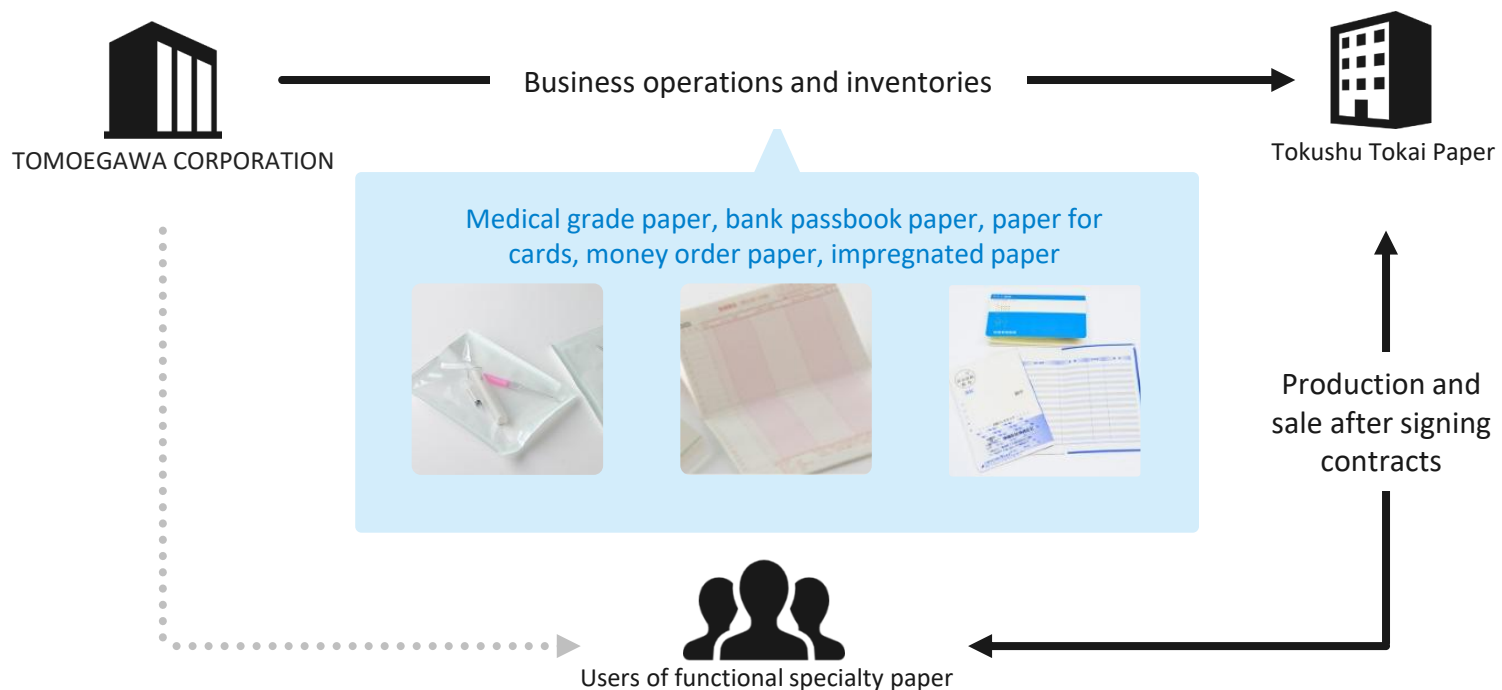


## Priority on resource allocation for earnings and market growth



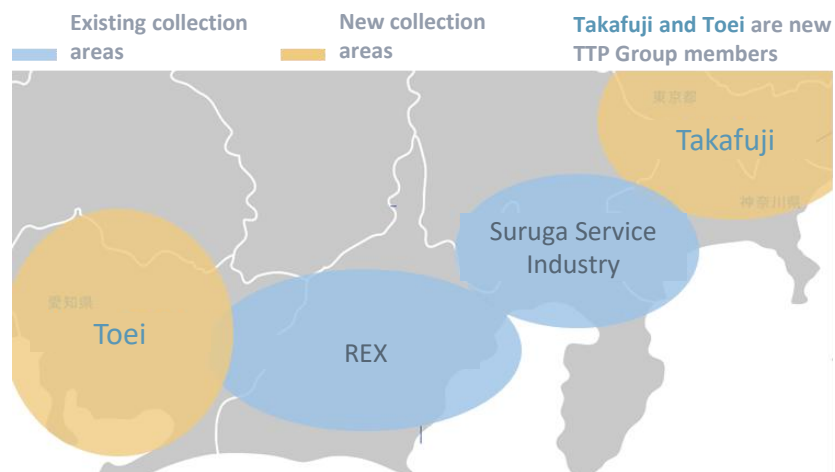


## Purchase of functional specialty paper operations as part of product lineup revisions



- TTP purchased the functional specialty paper operations and inventories of Tomoegawa Corporation, which is currently restructuring its operations.
- Discussions will be held individually with the customers of this business regarding the transfer of ownership.

## More regions and types of materials as the TTP Group adds recycling companies



### A material collection network spanning Tokyo-Shizuoka-Aichi

- Provides a reliable supply of discarded plastic, which TTP uses as a raw material for fuel made of recycled materials.
- The sharing of know-how, vehicles and other resources among TTP Group recycling companies is making the collection of waste materials more efficient.

### Progress with reusing resources, mainly at Toei

- Reuse of plastics from discarded washing machines, refrigerators and other home appliances, recovery of metals by using “urban mining” consisting of phones and other small electric consumer products.



Perspective drawing of REX Makinohara Mill

## An infrastructure for higher output of plastics densified fuel (RPF)

- The REX Kanaya Mill started operating in 2003 in Shizuoka prefecture for the internal production of fuel made from waste materials for use by TTP. This operation has been relocated to Makinohara, central Shizuoka. Production at the new REX Makinohara Mill is to begin in December 2025.
- The new mill is expected to use three shifts (previously two shifts) to operate 24 hours. When the mill reaches full capacity, output of RPF is planned to be about 20% higher than at the REX Kanaya Mill.

## Start of a plastic high-purity sorting line in February 2025



Toei Plastic Recycling Mill

The recycling business has been recycling plastic from discarded home appliances for many years. Demand is increasing in Japan for the reuse of plastic in end-of-life automobiles, toys and other consumer products.



To meet this demand, this business is adding processing lines for the recycling of materials that the business could not handle in prior years.



The goals are collecting more types of materials and adding new buyers of recycled materials that can be reused.



## Profitability as planned as sales of three-year whisky begin



Second aging building at Ikawa Distillery

### Sixth Medium-term Plan Accomplishments

- Added a second aging building in July 2024 due to whisky production as planned, raising capacity to about 3,500 barrels.
- Started sales in November 2024 of whisky aged for three years. Forecast profitability starting in FY3/26.

More  
activities

The Dessin Series, which uses label designs based on the flora and fauna of the Minami Alps, will be sold twice every year until regular model 12-year whisky is sold. At the same time, branding activities for the Ikawa Distillery will continue.

## Awards for the Preservation and Responsible Use of the Ikawa Forest



### First Green Destination Top 100 Selection for a private-sector company in Japan

- Every year, the Green Destinations Foundation selects the top 100 sustainable tourist destinations in the world based on commitments to responsible, forward-looking tourism.
- The Ikawa Forest received this international recognition because of the combination of forest preservation, carbon credit innovation and whisky production activities.

### Finance Minister Award of the Eighth EcoPro Awards

- These awards are given by the Sustainable Management Promotion Organization (SuMPO) to recognize contributions to creating a sustainable society.
- The Ikawa Forest was recognized because of its coexistence with nature while taking on the challenge of producing whisky that incorporates the richness of nature.





\* Plans, actions and other statements in this presentation are based on management decisions using information that was available as of the date of this presentation.  
As these statements include numerous risk factors and other uncertainties, actual results of operations may differ from the information in this presentation.