TECHNOLOGY & TRUST

The Tokushu Tokai Paper Group

Results of Operations for the Fiscal Year Ended March 31, 2026 and the Seventh Medium-term Plan

May 20, 2026

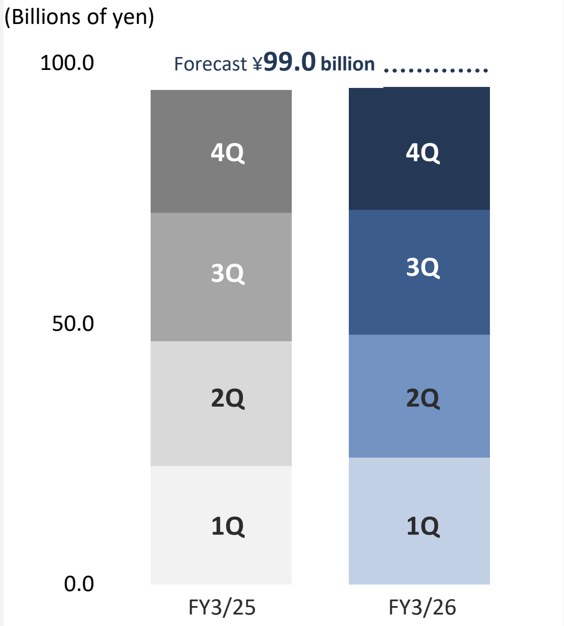
* Plans, actions and other statements in this presentation are based on management decisions using information that was available as of the date of this presentation. As these statements include numerous risk factors and other uncertainties, actual results of operations may differ from the information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

* Use the following URL concerning the Seventh Medium-term Plan for additional information about sections 03 to 05.
https://www.tt-paper.co.jp/app/files/uploads/2026/05/20260514_ir.pdf

Progress regarding the initial plan slowed down in the second half because of functional specialty paper weakness beginning in the 2Q and other reasons. Despite actions to offset this slower pace by raising sales of sanitary paper, which benefited from price revisions since early 2026, and using other measures, FY3/26 sales and earnings were below the forecasts.

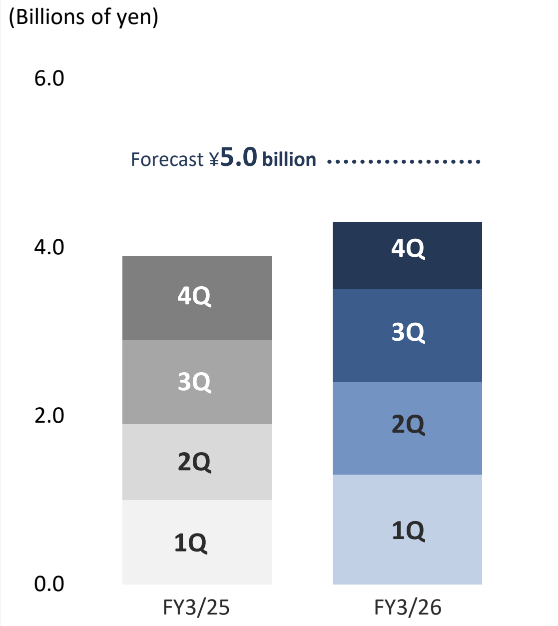
Net sales **95.4 billion yen** (Up **0.6**% YoY)

Forecast achievement rate **96.4%**



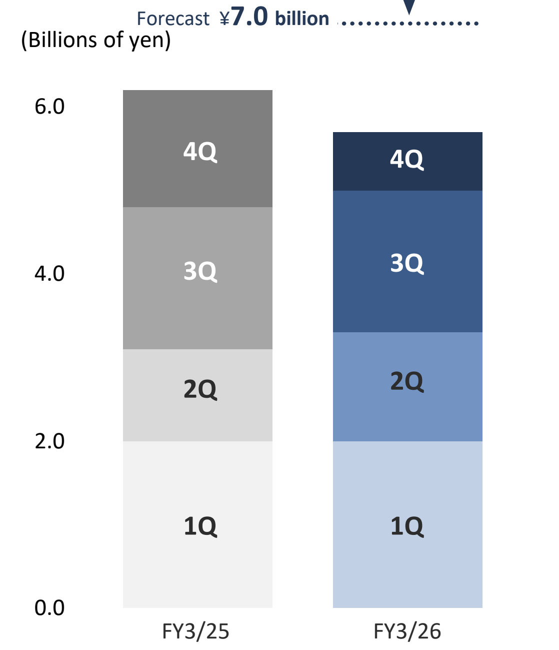
Operating income **4.3 billion yen** (Up **9.4**% YoY)

Forecast achievement rate **85.9%**



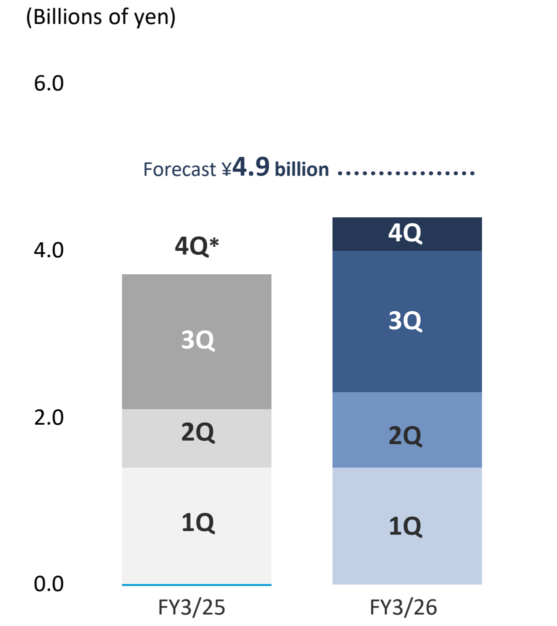
Ordinary income **5.7 billion yen** (Down **8.0**% YoY)

Forecast achievement rate **81.8%**



Profit **4.4 billion yen** (Up **21.1**% YoY)

Forecast achievement rate **89.1%**



* FY3/25 4Q profit is -1 because of an impairment loss for Fiblic production equipment and expenses for shutting down the Gifu Mill.

Consolidated Financial Highlights (2/2)

■ YoY change

(Millions of yen)	FY3/25 (results)	FY3/26 (results)	YoY	
Net sales	94,800	95,413	+613	+0.6%
Operating income	3,928	4,296	+368	+9.4%
Ordinary income	6,227	5,728	-499	-8.0%
Profit	3,607	4,368	+761	+21.1%
ROE	4.6%	5.4%	+0.8pt	—

■ Dividends[*3]

		FY3/25 (results)	FY3/26 (results[*1])	YoY
Dividend per share	(Yen)	40.00	53.67	+13.67
Interim dividend	(Yen)	20.00	21.67	+1.67
Year-end dividend	(Yen)	20.00	32.00	+12.00
Total dividends	(Millions of yen)	1,405	1,879	+474
Consolidated payout ratio	(%)	39.0	42.9	+3.9pt

- Sales and earnings increased. In the Household Products Business, performance benefited from the full fiscal year contribution of paper towel and toilet paper price revisions. There was also a contribution from a consolidated subsidiary[*2] in the Environment Related Business that joined the TTP Group in April 2024.
- Ordinary income decreased due to lower equity-method income.
- Profit increased as the FY3/25 profit was held down by an impairment loss for production equipment and expenses for shutting down the Gifu Mill. As a result, the ROE improved from 4.6% to 5.4%.
- Based on current results of operations, the balance sheet and all other considerations, TTP has raised the fiscal year-end dividend forecast from 20 yen to 32 yen per share.

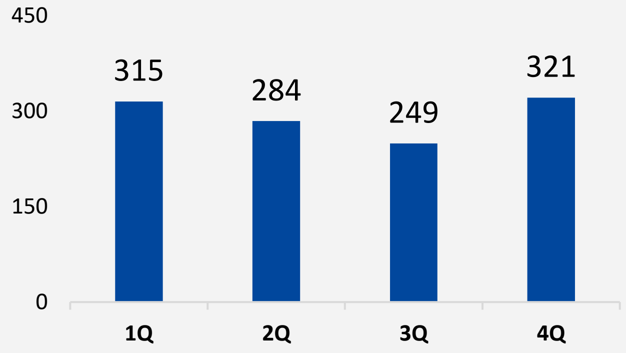
*1 A proposal for the FY3/26 year-end dividend will be submitted at the June 2026 shareholders meeting.
*2 Takafuji Co., Ltd. is included in FY3/25 consolidated sales and earnings for only nine months. Due to a change in its fiscal year, 14 months of this company's sales and earnings are included in FY3/26 results of operations.
*3 TTP conducted a three-for-one stock split effective on October 1, 2025. All figures, including FY3/25 results of operations, have been adjusted for the three-for-one stock split on October 1, 2025.

■ YoY change

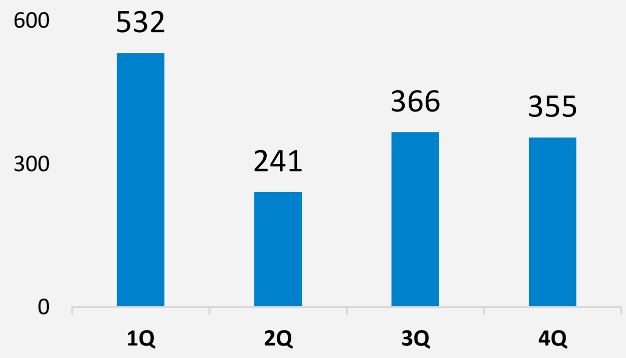
(Millions of yen)		FY3/25	FY3/26	YoY	
Industrial Materials Business*	Net sales	44,793	44,467	-326	-0.7%
	Operating income	1,089	1,169	+80	+7.4%
Specialty Materials Business	Net sales	21,467	20,288	-1,179	-5.5%
	Operating income	1,638	1,494	-144	-8.8%

■ FY3/26 Quarterly earnings

(Millions of yen) **Industrial Materials Business**



(Millions of yen) **Specialty Materials Business**



Industrial Materials Business

- The volume of cardboard for boxes and kraft paper sold to Nippon Tokai Industrial Paper Supply was less than in the previous fiscal year.
- Although sales of hydroelectric power were held down by a drought in the 4Q, operating income increased because FY3/25 earnings were reduced by a 1.5 month suspension of operations.

Specialty Materials Business

- Performance benefited from price revisions in October 2024. However, sales volumes decreased for specialty printing paper, a category where demand has been declining, and functional specialty paper, including some products with sales that decreased beginning in the 2Q. Lower sales volumes offset the contribution of higher prices, resulting in a decline in sales.
- Operating income was down because of lower sales and the higher cost of raw materials and an increase in fixed expenses.

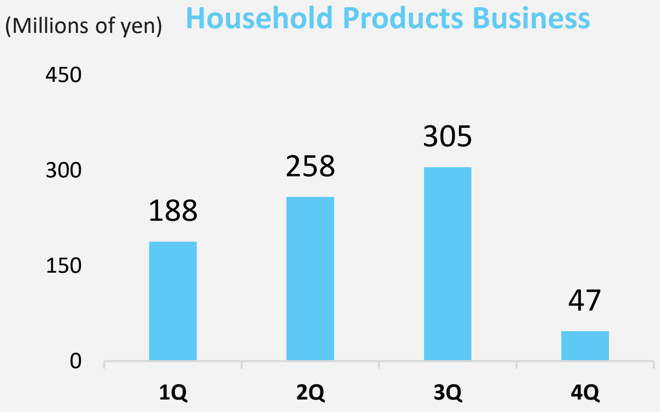
* Although industrial materials sales include cardboard for boxes and kraft paper, these product categories do not contribute to operating income because the equity-method is used for earnings in these categories.

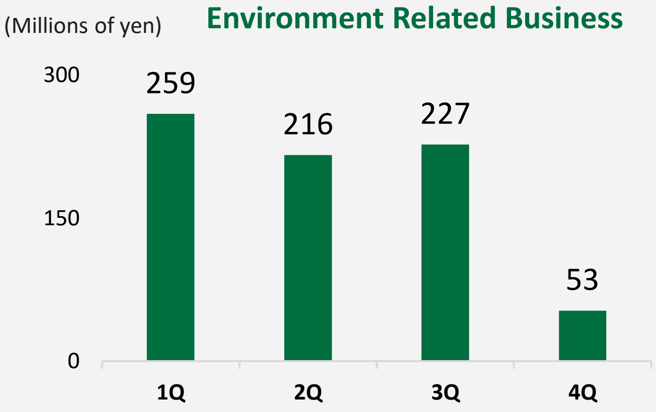
Segment Information (2/2)

■ YoY change

(Millions of yen)		FY3/25	FY3/26	YoY	
Household Products Business	Net sales	18,646	18,993	+347	+1.9%
	Operating income	532	798	+266	+49.8%
Environment Related Business	Net sales	16,783	18,089	+1,306	+7.8%
	Operating income	529	755	+226	+42.7%

■ FY3/26 Quarterly earnings





Household Products Business

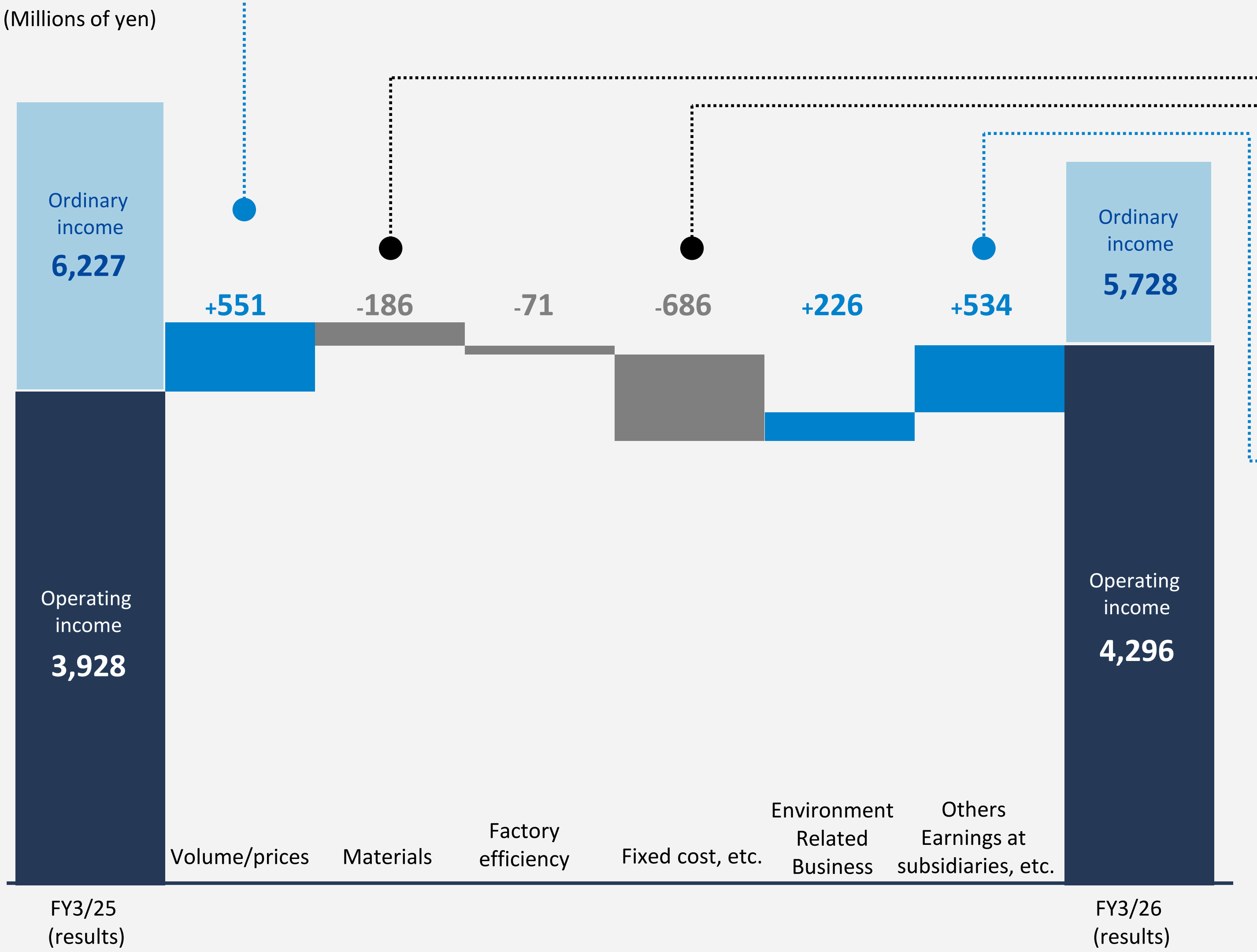
- The cost of producing toilet paper continued to increase because of rising prices of recycled paper and other raw materials. However, sales and earnings were higher because of revisions of product prices and steady demand for commercial-use products.
- Sales and earnings of paper towels and laminated products increased as price revisions more than offset the negative effects of higher expenses and a lower sales volume.

Environment Related Business

- In the Resource Reuse Business, there were contributions to earnings from the full fiscal year consolidation of a recycling company, an upturn following the impact of Takafuji acquisition due diligence expenses in FY3/25 and an improvement in the performance of recycling companies mainly because of a larger volume of construction waste materials.
- In the Practical-Use of Natural Environment Business, an increase in construction completions and firm sales of whisky contributed to results of operations.

Components of Change in Earnings

■ Components of YoY change in operating income and ordinary income



- Price revisions of household products and an increase in hydroelectric power sold following the low level of FY3/25
- Rising prices of raw materials in all paper segments mainly due to the higher cost of pulp in the Specialty Materials Business, recycled paper in the Industrial Materials Business, and recycled paper and raw materials in the Household Products Business
- Fixed expenses increased in all paper segments mainly because of higher personnel expenses associated with the effective use of human resources
- Additional fixed expenses included in inventories (expected to be reduced during FY3/27) resulting from higher inventories of some products to prepare for an update of specialty paper production equipment planned for 1H FY3/27.

Consolidated Balance Sheet

(Millions of yen)	FY3/25	FY3/26	YoY
Total assets	139,436	141,310	+1,874
Current assets	54,397	50,983	-3,414
Non-current assets	85,039	90,326	+5,287
Total liabilities	53,602	51,208	-2,394
Current liabilities	34,783	33,400	-1,383
Non-current liabilities	18,819	17,808	-1,011
Net assets	85,834	90,102	+4,268
Equity	78,545	83,298	+4,753
Reference: Equity ratio	56.3%	58.9%	+2.6pt
Total liabilities and net assets	139,436	141,310	+1,874

- The decrease in current assets is attributable primarily to reductions in cash and deposits to prepare for ROIC management for individual segments beginning in FY3/26.
- Non-current assets increased mainly because of a new factory at a plastics densified fuel production company and the Shin Tokai Paper Shimada Mill.
- Interest-bearing debt decreased about 2.5 billion yen partly because of the reduction in cash and deposits. The net debt/equity ratio was unchanged from one year earlier at 0.22.

Forecast lower operating income because of one-time items, but higher sales due to price revisions and increases in ordinary income and profit.
Forecast record-high total dividends due to the revision in the dividend policy.

■ YoY change

(Millions of yen)	FY3/26 (results)	FY3/27 (forecast)	YoY	
Net sales	95,413	100,000	+4,587	+4.8%
Operating income	4,296	3,200	-1,096	-25.5%
Ordinary income	5,728	5,800	+72	+1.2%
Profit	4,368	4,600	+232	+5.3%

■ Dividends[*3]

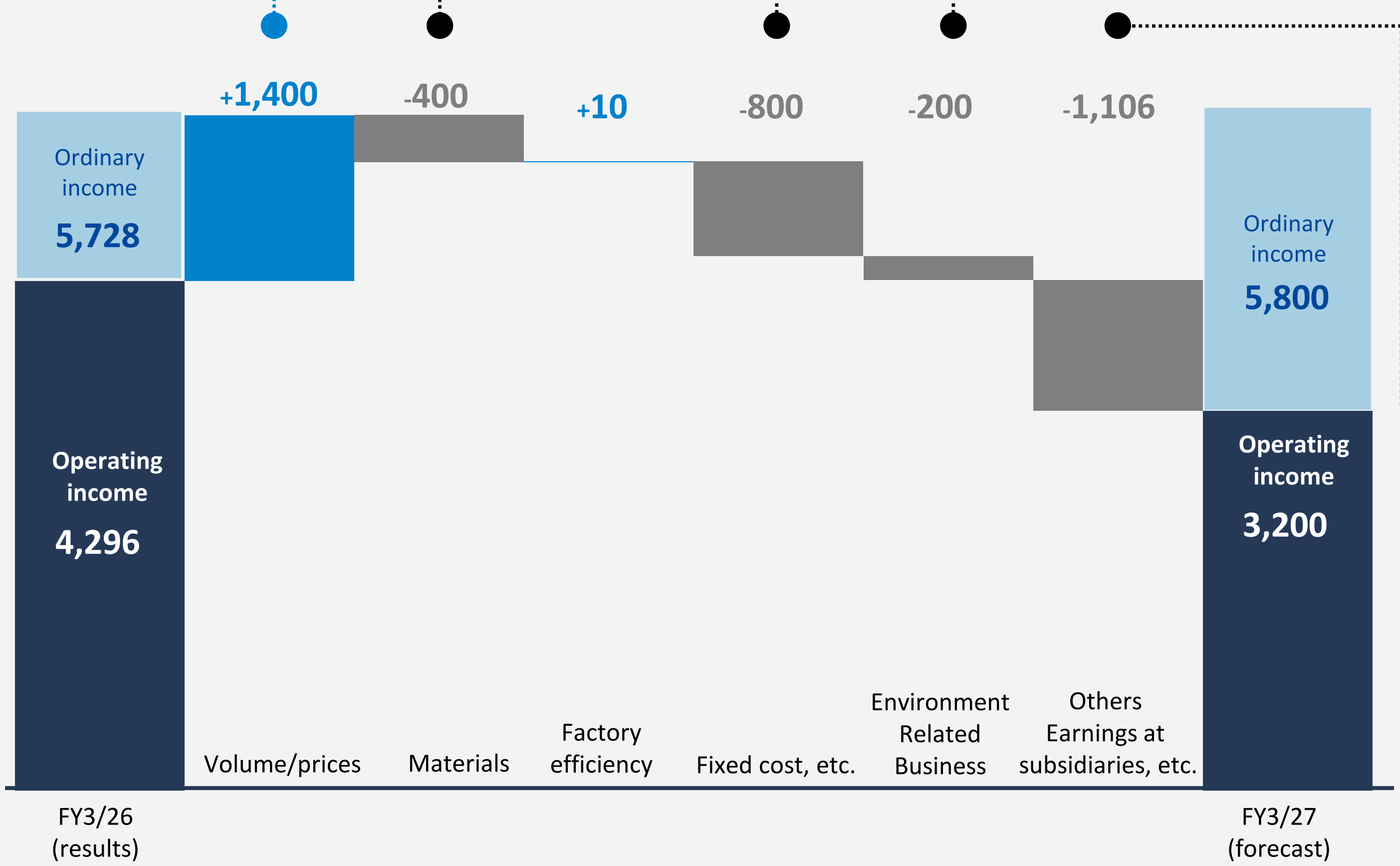
		FY3/26 (results*)	FY3/27 (forecast)	YoY
Dividend per share	(Yen)	53.67	94.00	+40.33
Interim dividend	(Yen)	21.67	47.00	+25.33
Year-end dividend	(Yen)	32.00	47.00	+15.00
Total dividends	(Millions of yen)	1,879	3,285	+1,406
Consolidated payout ratio	(%)	42.9	71.4	+28.5pt

* A proposal for the FY3/26 year-end dividend will be submitted at the 19th Annual General Meeting of Shareholders.

- Forecast record-high sales in all paper businesses as prices are revised to reflect the rising cost of raw materials.
- The following one-time items are expected to cause operating income to decline.
  - Payments involving fixed expenses caused by temporary additions to inventories in FY3/26 due to the suspension of operations of some production equipment for the updating of equipment in the Specialty Materials Business.
  - In the Resource Reuse Business, up-front expenses for measures for expansion to sell products in more market sectors.
- Concerns about the high cost of crude oil, instability of raw material supplies and higher logistics expenses caused by turmoil in the Middle East. Plan to cut costs and raise prices to reflect higher expenses while monitoring changes in the business climate.

  * An announcement will be made promptly if a significant revision to the forecasts is needed.
- Based on the dividend guideline of a 4.0% DOE, stable shareholder distributions will continue even though a large increase in earnings is not expected.

■ Components of YoY change in operating income and ordinary income*



- Price revisions in the Specialty Materials and Household Products businesses (all revisions started in April 2026)
- Recovery in the sales volume of functional specialty paper following the FY3/26 decline

- Rising cost of recycled paper, pulp and other raw materials in all paper segments

- Higher fixed expenses due to personnel expenses and other items in all paper segments
- Increase in maintenance expenses associated with the updating of equipment in the Specialty Materials Business

- Outsourcing expenses for new business development in the resource reuse category

- Payments involving fixed expenses due to temporary additions to inventories in FY3/26

- Expect higher ordinary income because of an increase in equity-method income

During the Sixth Medium-term Plan, the business portfolio was managed by determining the allocation of capital based on contributions to earnings and market growth potential. The objective was portfolio improvements for building a base for growth backed by both the paper and environment businesses

Primary strategy 01 Upgrade recycling | Accomplished as planned

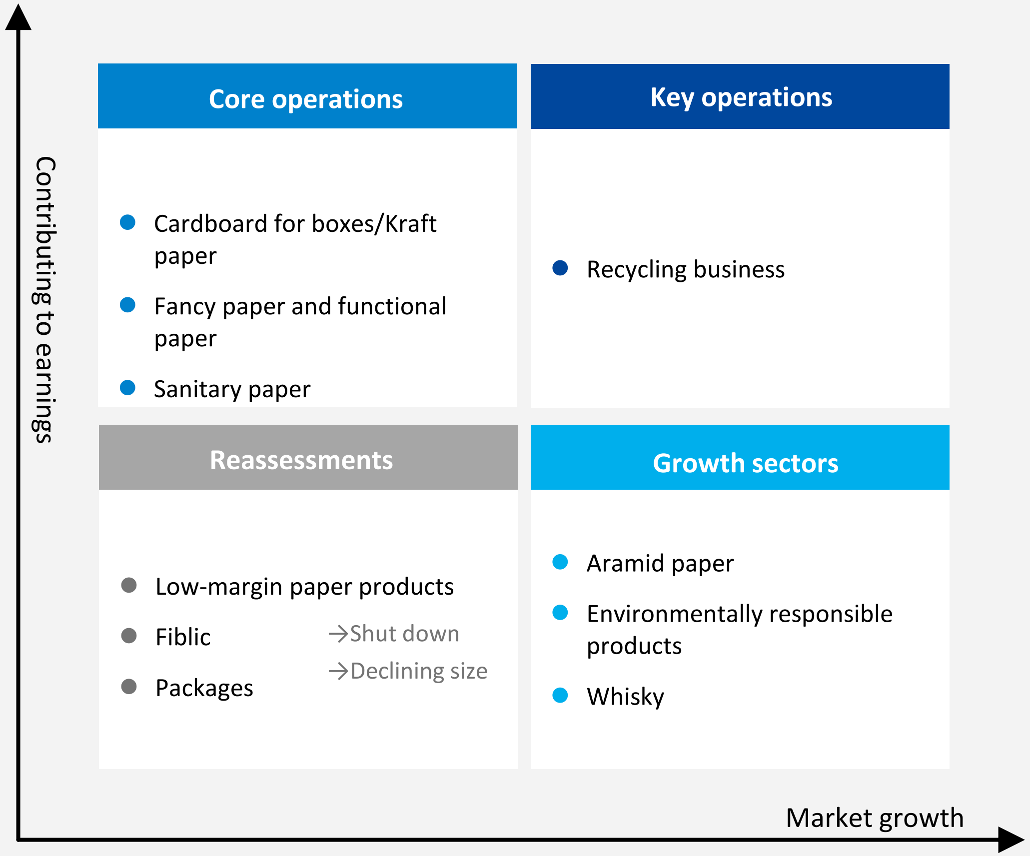
- Built a Tokyo-Nagoya material collection network for a reliable supply of discarded plastic for plastics densified fuel (RPF).
- Added a new sorting plant and relocated a production facility to establish a sound production framework for increasing output of RPF.
- Completed measures for resource reuse, including handling more types of recycled materials and adding equipment capable of precise sorting.

Primary strategy 02 Use TTP forests | Accomplished as planned

- Whisky Business became profitable in FY3/26 as planned due to the sale of three-year whisky.
- TTP was included in Green Destinations Top 100*1, received a Finance Minister Award, the highest of the EcoPro Awards*2, and received other recognition from numerous external sources involving activities in the Ikawa Forest.

Primary strategy 03 Product composition revisions and satellite creation | Some goals not achieved

- Although some products were eliminated and replaced with others, such as by purchasing a functional paper business, some goals were not achieved because of slower than planned sales growth of products in expanding market sectors.
- Shut down the Fiblic business*3 after evaluating prospects for growth. The package business was downsized. Continuing changes to approach methods, such as by using MyPUP*4.



*1 The Green Destinations Foundation selects the top 100 sustainable tourist destinations in the world based on commitments to responsible, forward-looking tourism.
*2 These awards are given by the Sustainable Management Promotion Organization (SuMPO) to recognize contributions to creating a sustainable society.
*3 Production and sale of a lithium-ion battery separator that uses cellulose nanofiber technology.
*4 A paper package production service started in March 2026 that allows customers to perform online every step from designs to the selection of package sizes, receipt of estimates and placements of orders.

Investments were completed mostly as planned. Of the planned investments for growth, approximately 8.8 billion yen was invested to add more companies to the TTP Group.
The plan is to raise the dividend per share for FY3/26 to 32 yen from 22 yen for the previous fiscal year. The basic policy is to pay a consistent dividend based on a total payout ratio of at least 30%. The total payout ratio was increased in three consecutive years and there were measures to improve the liquidity of TTP stock, including a three-for-one split to lower the price per share to a more suitable level.

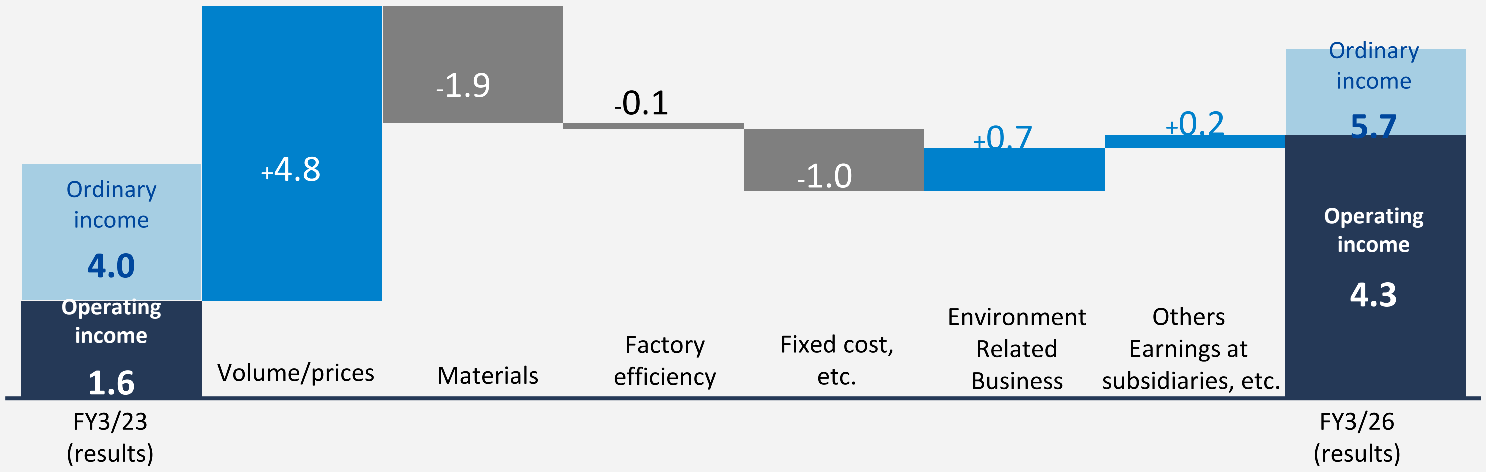
Investment plan and results				
(Billions of yen)		Plan	Result	Major investments
Environment Related Business	Resource Reuse	4.8	3.9	• Relocation of production facility to increase output of plastics densified fuel • New sorting line for expansion to handle more types of materials for recycling
	Practical-Use of Natural Environment Business	0.4	0.4	• Added a second aging building for whisky
Growth of the paper businesses	Special Materials	3.0	0	• New aramid paper[*1] finishing/thermal processing unit ➡Continue studies during the next medium-term plan for this investment
	Fiblic	0.5	0	• No actions because this business was terminated
Investments for growth to achieve long-term targets		―	8.8	• Investments in three group companies in the Environment Related Business
Stronger foundation for the current three paper businesses		12.8	13.1	• Capital expenditures for more efficient manufacturing • More efficient logistics

Shareholder distributions			
(Millions of yen)	FY3/24	FY3/25	FY3/26
Dividends	1,415	1,405	1,879
Stock repurchase	339	1	0
Total return ratio	38.2%	39.0%	42.9%

*1 Aramid paper sheets are used as a raw material for producing high-performance synthetic textiles for making insulation materials in transformers and motors.

Three consecutive years of operating income growth and two consecutive years of ordinary income growth to all-time highs. However, the final year targets were not accomplished due to slower than planned actions for growth and higher sales.

■ Sixth Medium-term Plan Components of Changes Vs. FY3/23 in Earnings and Results of Operations (Billions of yen)



	Fifth Medium-term Management Plan	Sixth Medium-term Plan			
	FY3/23	FY3/24	FY3/25	FY3/26	Goals
Operating income (Millions of yen)	1,640	2,296	3,928	**4,296**	5,000
Ordinary income (Millions of yen)	4,058	6,188	6,227	**5,728**	8,000
ROE (%)	5.7%	6.2%	4.6%	**5.4%**	7.0%

Growth/Higher sales

- Environment Related Business grew as planned while focusing on making recycling operations more advanced (+0.7)
- The Fiblic Business, which was planned for +0.3 vs. FY3/23, was terminated due to the lack of growth prospects. For aramid paper, also planned for +0.3, sales growth was pushed back to the next medium-term plan due to the long time needed for proposals to meet demands of users.

A more powerful foundation

- Price revisions in all paper businesses to reflect the yen's weakness and high cost of raw materials. This businesses performed well during the plan's first two years. In the final year, performance slowed down in part because of slow sales of products made using functional specialty paper.

- All profit targets were not reached because delays in measures for growth and higher sales could not be offset by other actions.
- Shareholder distributions were as planned and the ROE in the plan's final year was higher than one year earlier. However, the ROE was below 7% because earnings were less than planned.

■ Segment Earnings

	Fifth Medium-term Plan	Sixth Medium-term Plan			
(Millions of yen)	FY3/23 A	FY3/24	FY3/25	FY3/26 B	Difference (B-A)
Industrial Materials Business*	2,858	4,509	2,633	**2,013**	-845
Specialty Materials Business	615	495	1,638	**1,494**	+879
Household Products Business	-139	567	532	**798**	+937
Environment Related Business	84	122	529	**755**	+691

* Industrial Materials includes equity-method income Note 1

Summary

Businesses

- Earnings of the Environment Related Business, a major driver of growth, were as planned. (+691 million yen)
  - ➡ Current business size/domains alone are insufficient for more growth.
- In the core paper business, earnings improved in the Industrial Materials and Household Products businesses because prices were raised due to the higher cost of raw materials. (+971 million yen for the three paper businesses)
  - ➡ Need to reinforce position in mature markets and move faster to increase sales in growing market sectors

Capital/ Finance

- The ROE was below the estimated cost of capital of 9.0%. As a result, the PBR is still below one.
  - ➡ To receive a higher valuation from investors, TTP must explain why there is growth potential and increase shareholder distributions while using capital more efficiently.

Based on progress during this plan and remaining issues, the long-term revision was reexamined and the Seventh Medium-term Plan was determined.

Note 1: Equity-method income is the earnings of Nippon Paper Industries Co., Ltd. and Nippon Tokai Industrial Paper Supply Co., Ltd. (NTI), which handles all sales activities. TTP owns 35% of the equity of NTI .
NTI sells cardboard for boxes and kraft paper made by TTP Group companies Shin-Tokai Paper Co., Ltd. and Nippon Paper Industries Co., Ltd.

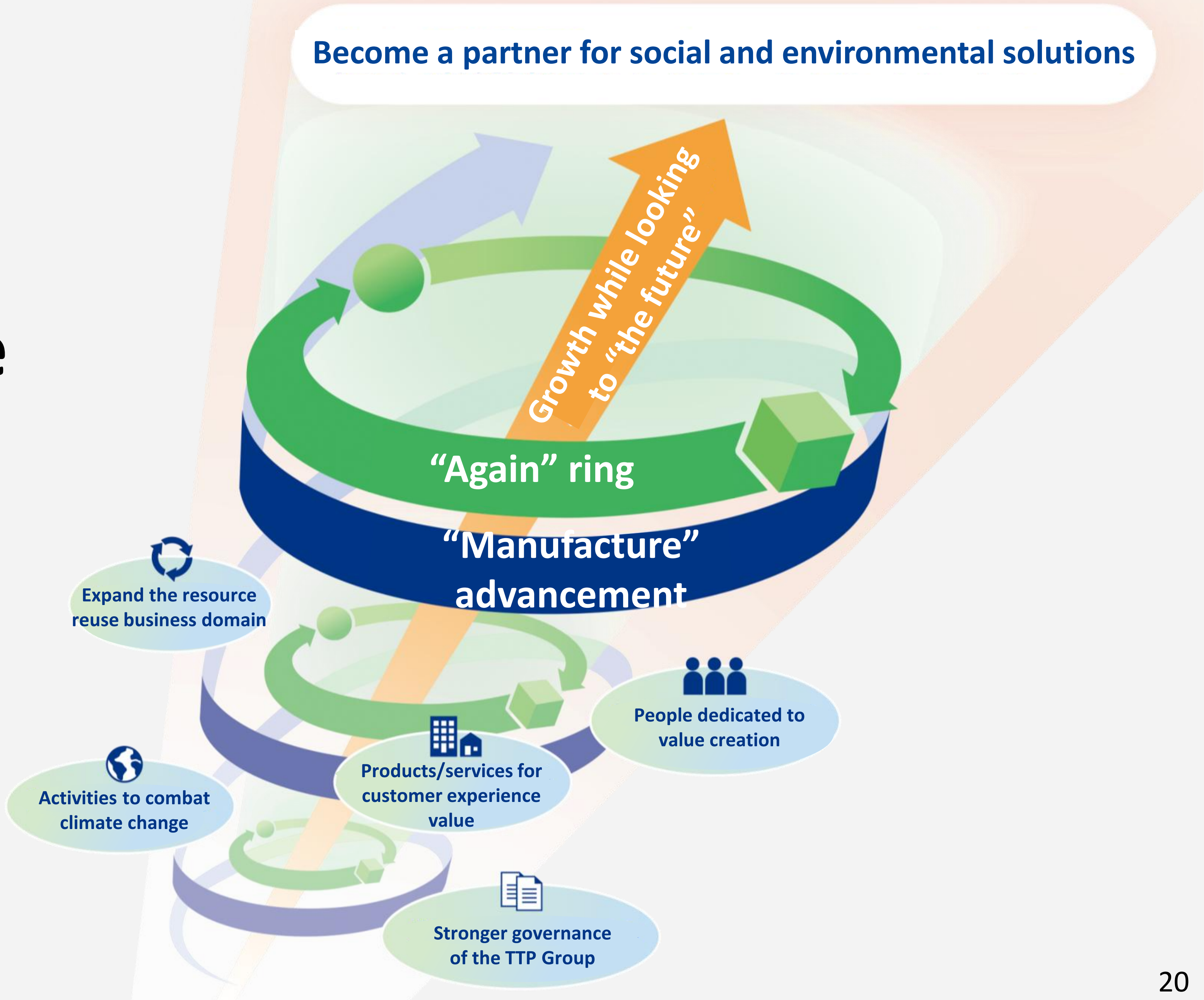
Tokus
Tokai

Our management philosophy is the guideline for all business activities. The philosophy carries on the spirit of TTP's founder and defines TTP as an organization that is constantly for higher goals. VISION 2035 embraces these elements to set forth a process for becoming the type of group that we envision in 2035.

Business Philosophy	**Unique paper maker with high uniqueness and originality**
Our Vision Corporate images target	**Use technologies and reliability to operate businesses like no others for progress with our customers**
VISION 2035 Long-term vision	**Manufacture, again. Looking to the future.**

Manufacture, again. Looking to the future

Manufacturing materials with specialty (tokushu) technologies, creating solutions for problems, building networks based on trust. We will constantly take "manufacturing" to a higher level as a corporate group that contributes to society and protecting the environment. In addition, we will enlarge the scope of "again" by recycling the Earth's finite resources and making effective use of their value. By using these activities, we are dedicated to creating new value with our customers as we grow while looking to the future.



Turn3 SCALE

The Ninth Medium-term Plan
(FY3/33-FY3/35)

As an essential part of a circular economy, TTP increase earnings of the entire group while using both the Paper Business and Environment Related Business as sources of growth.

Ordinary income	**13.0 billion yen**
ROE	**At least 9.0 %**

Turn2 GROW

The Eighth Medium-term Plan
(FY3/30-FY3/32)

Use the accomplishments of Turn 1 to take on the challenge of adding more market sectors while building a sound foundation for earnings capable of supporting consistent growth.

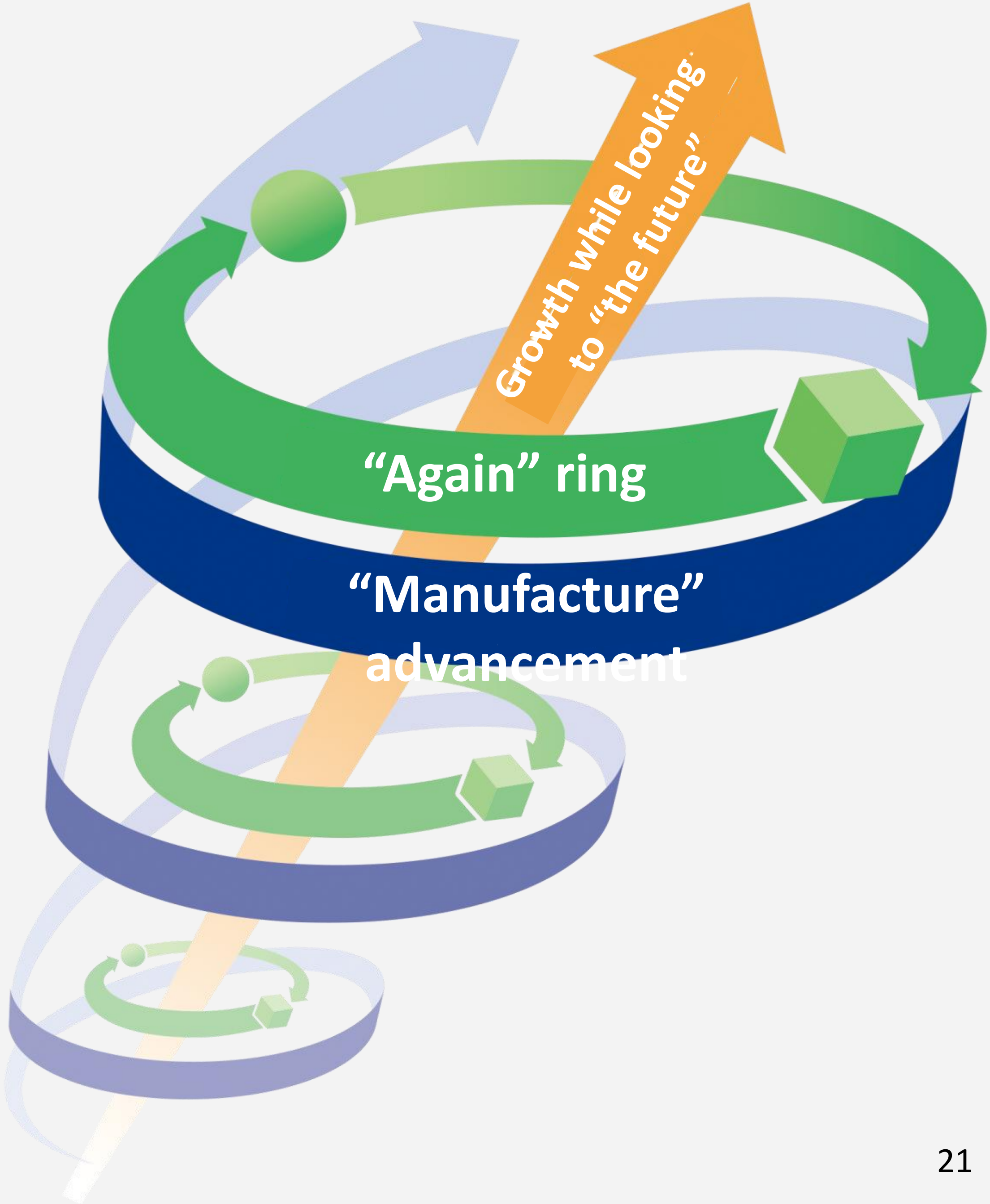
Ordinary income	**10.0 billion yen**
ROE	**At least 8.0 %**

Turn1 BUILD

The Seventh Medium-term Plan
(FY3/27-FY3/29)

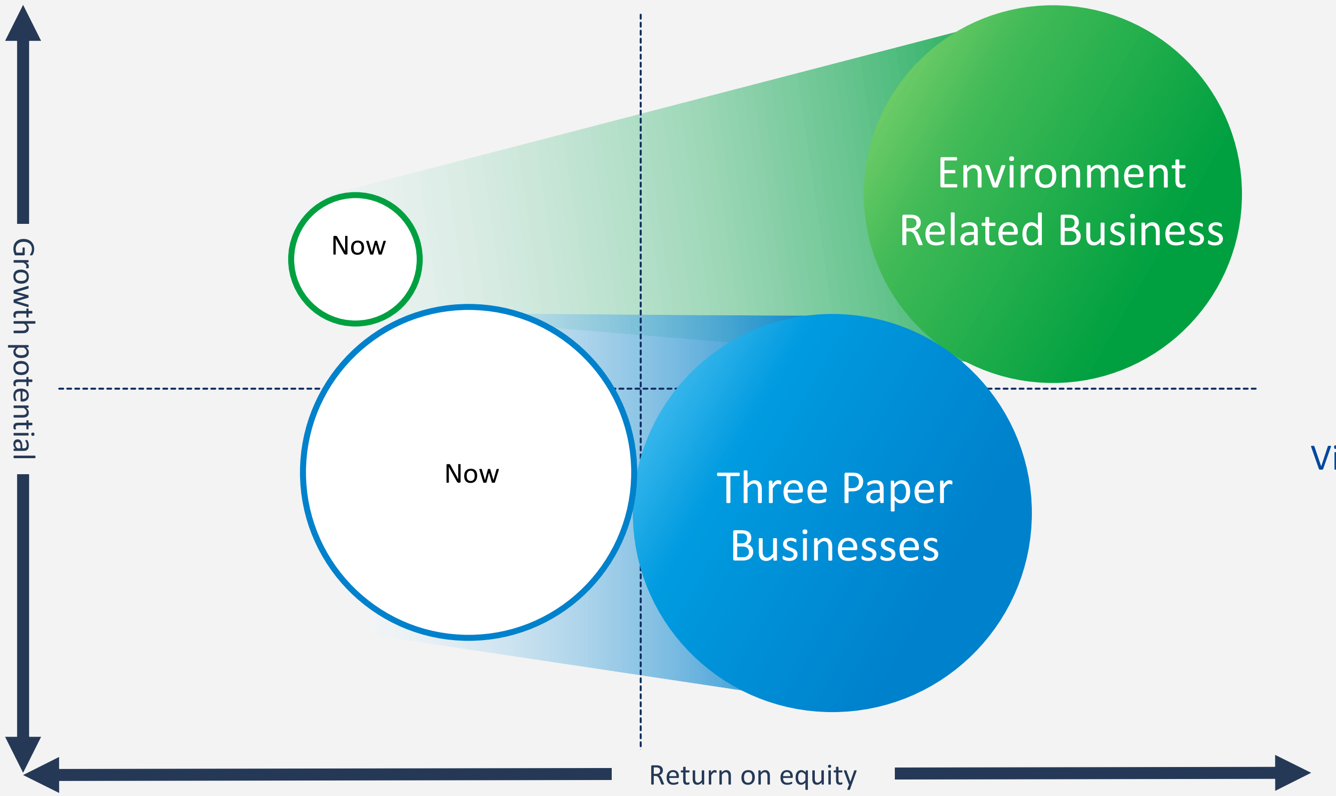
A period for establishing a sound base for earning medium to long-term returns. Large investments for growth, mainly involving the Resource Reuse Business.

Ordinary income	**8.0 billion yen**
ROE	**At least 7.0 %**



The goals are to make big investments for growth, primarily in the resource reuse business, and expand to new market sectors for a larger scale of business operations. At the same time, the composition of paper products will be adjusted to match changes in the business climate with the aim of reinforcing TTP's position in mature markets.

To become more profitable, start using the ROIC metric in all segments for business portfolio management with emphasis on using capital effectively.



Current areas where actions are needed

- Generate stable cash flows from paper products where demand is strong.
- Establish a sound base for the Environment Related Business as a core TTP business by increasing the number of group companies in this category.
- Actions are needed to retain a strong presence in shrinking markets and create businesses that can become new key profit centers.

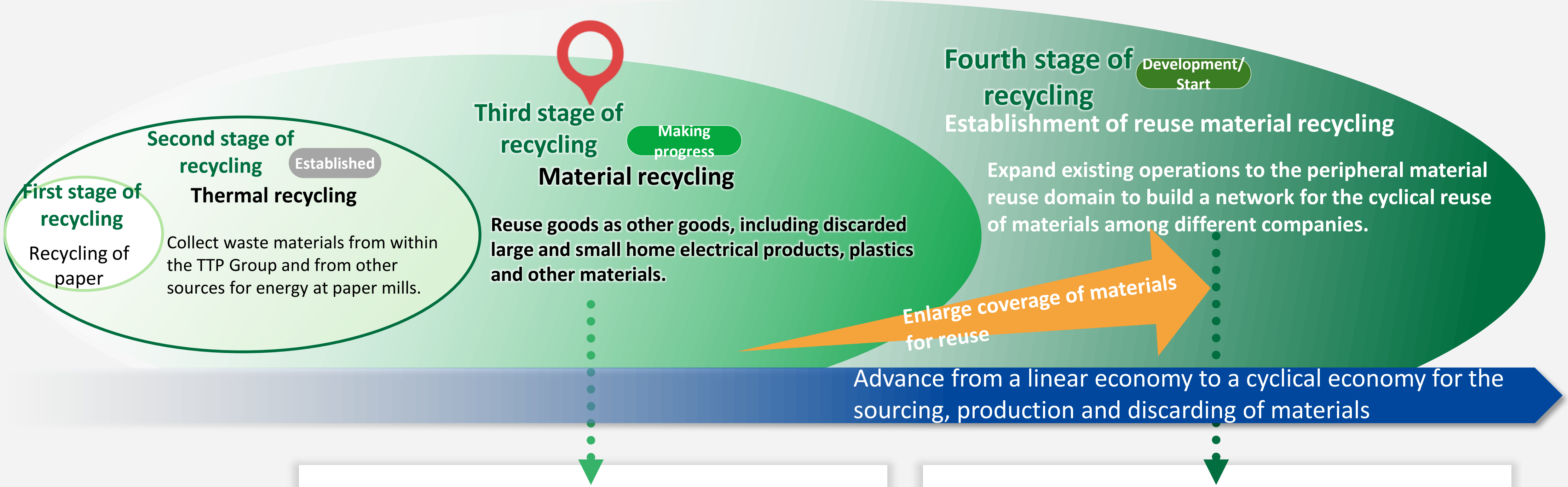
Vision for 2035

- Growth in business categories where TTP can use superiority involving insulation, heat resistant, electrical and other functional paper products while maintaining sound profitability in current paper markets
- Growth of the Environment Related Business, with several operations that are reliable sources of earnings, to the same size as the scale of the current paper businesses

* Size of circles corresponds to the amount of earnings.

Be a winner

- Structural growth of the resource reuse market due in part to national security problems involving some categories of materials
- Use the TTP Group's unmatched strength as a manufacturer with quality assurance, analytic technology and other skills that set group companies apart from companies that do no more than simply recycle materials.



- Reinforce the receipt of materials (input) and the sale of materials for reuse as resources (output)
- More ways for the reuse of materials to enlarge the types of materials supplied

Growth in the volume of materials handled

- More advanced reuse of materials by using quality assurance and other manufacturing skills
- Create management methods that can create more sources of materials and more paths for the reuse of materials

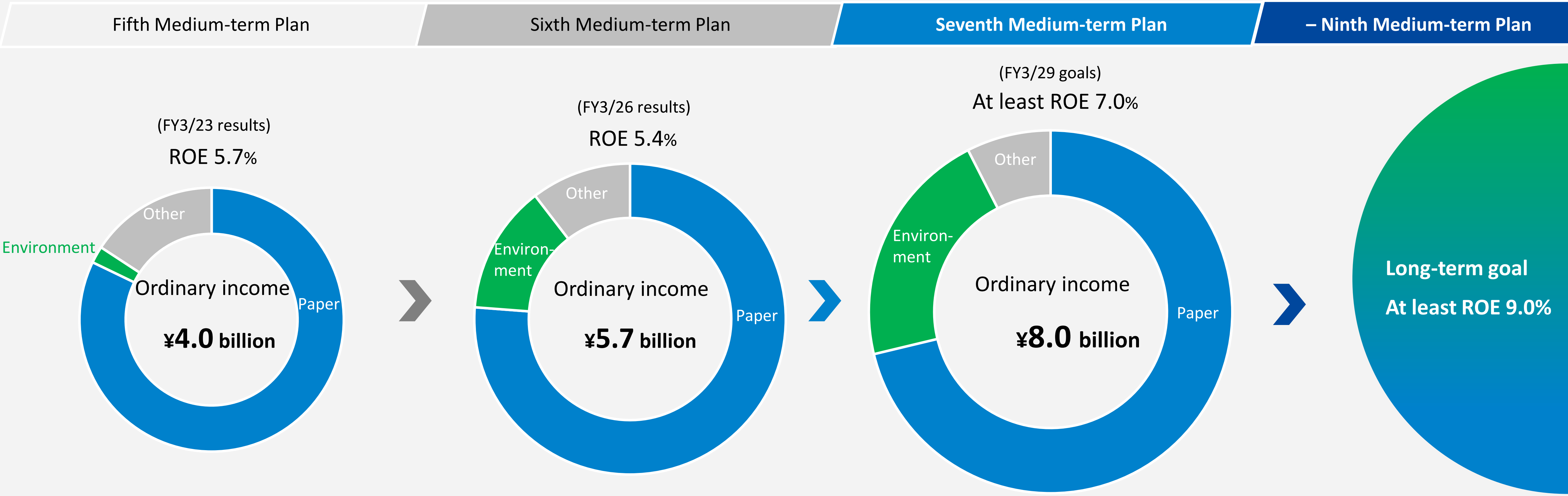
Increase value added by reusing resources

05 The Seventh Medium-term Plan

Goals

A sound base for generating returns by adding new long-term profit centers and stabilizing current businesses

The current medium-term plan is a period for building a sound base for higher profitability as the first step for achieving VISION 2035. Accomplishing this will require strategic investments for growth and establishing a powerful foundation. Targets for ordinary income* and the ROE have been established as milestones for raising profitability above the cost of equity. The goal is new sources of earnings by expanding to new business sectors and starting new businesses, mainly in the resource reuse business.



* Ordinary income is used because most of the earnings in the cardboard for boxes and kraft paper businesses, which are about 40% of consolidated sales, are equity-method income due to TTP's 35% ownership of Nippon Tokai Industrial Paper Supply Co., Ltd.

Key strategies for VISION 2035

Key strategy 01 Manufacture

Optimize manufacturing infrastructure and product-service composition

Examples of measures
- Consider joint operation for the cardboard for boxes business
- Establish aramid paper sales/production growth framework
- Start production/sale of sanitary paper incorporating recycled cardboard
- Strengthen the construction, civil engineering and greenery businesses

Key strategy 02 Reuse

Sound base for Environment Related Business and expansion to peripheral markets

Examples of measures
- Enter business categories peripheral to current businesses
- Increase RPF production at a new factory

Key strategy 03 The future

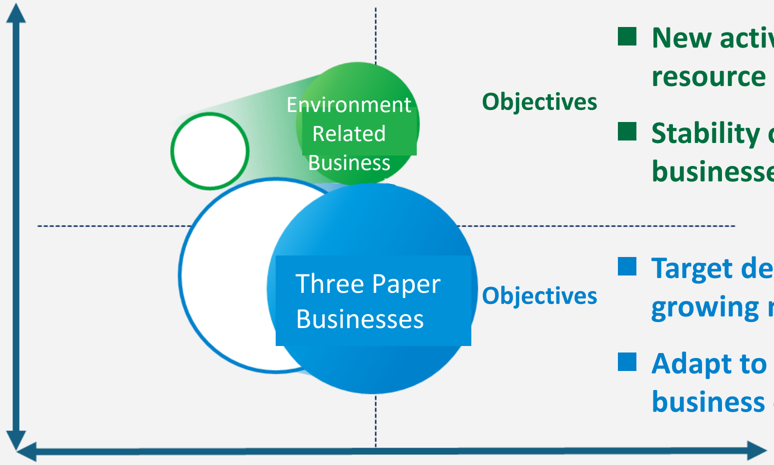
More advanced sustainability management to support growth

Examples of measures
- Smart factories
- More joint activities and whisky production at the Ikawa Forest
- Stronger governance for corporate value growth

Segment earnings plan and business portfolio

	Sixth Medium-term Plan	Seventh Medium-term Plan	
(Millions of yen)	FY3/26 results	FY3/29 goals	Change
Industrial Materials Business*	2,013	3,100	+54.0%
Specialty Materials Business	1,494	1,700	+13.8%
Household Products Business	798	900	+12.8%
Environment Related Business	755	1,700	+125.2%

* Industrial Materials includes equity-method income



- New activities in the resource reuse category
- Stability of current businesses

▶P25

- Target demand in growing markets
- Adapt to changes in the business climate

▶P21

Actions are needed in existing operations that generate cash for adapting to changes in market conditions, including the shrinking publication market and difficulty of procuring raw materials. Update product composition, improve manufacturing efficiency, use more sales methods and take other steps. While maintaining steady earnings, the goal is to create product categories that drive earnings growth by continuing to target growing market sectors with electrical materials and other products added during the current medium-term plan.

Investment ¥25.5 billion

Major initiatives

Market sectors where TTP's functional paper products have a competitive edge

Specialty Materials	Establish aramid paper sales/production growth framework and develop functional paper products

Upgrade manufacturing and sales capabilities

Specialty Materials	Accelerating development and sales expansion through integrated manufacturing and sales
Industrial Materials	Consider joint operation for the cardboard for boxes business
Industrial Materials	Smart factories
Household Products	Start production/sale of sanitary paper incorporating recycled cardboard
Household Products	The MyPUP package production service
Household Products	More products for retail sales

Growing categories: **Target the electrical materials and other markets with a scale of 2.5-3 trillion yen and an expected medium/long-term CAGR of 5%*. (More users x Higher retention rate)**

Current categories: **In mature/shrinking business categories, build a framework for operations that do not miss any opportunities for earnings.**

* Market scale and CAGR are estimates by our Group

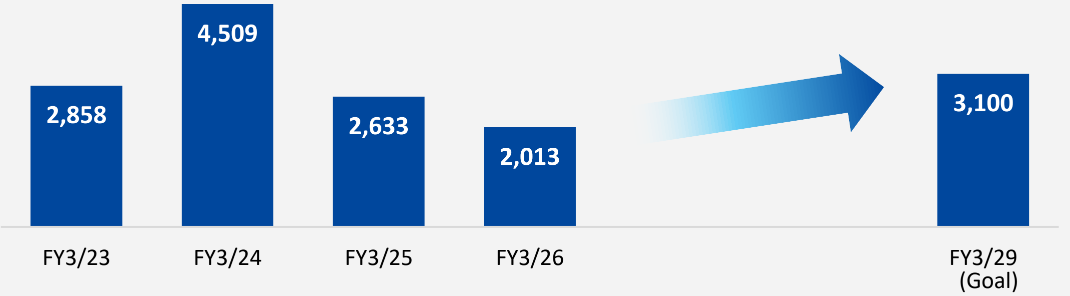
Main Businesses

- Manufacture and sales of cardboard for boxes, kraft paper
- Sale of electricity generated by hydroelectric power plant

Achieve delivery capable of increasing functions, such as water resistance/repellence, slip resistance, decorative properties and other characteristics, while improving customer satisfaction and lowering the environmental impact of products.

Segment profit

*Includes equity in earnings of affiliates



Goals/actions of the Seventh Medium-term Plan

Basic policy

Shift to a manufacturing infrastructure capable of stable earnings while adapting to business climate changes

Major initiatives (1)

Consider joint operation for the cardboard for boxes business

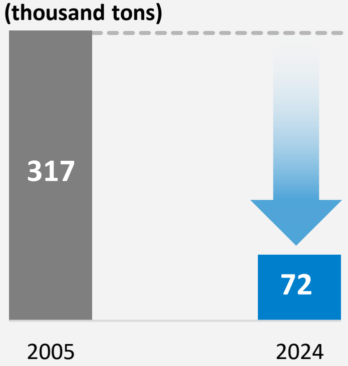
A memorandum has been signed by four manufacturers concerning the possibility of using joint operations to facilitate the mutual use of expertise and resources involving cardboard production, box assembly and sales.*

The four companies have established a Collaboration Committee with the objective of using many forms of cooperation to lower the environmental impact of this business.

Examinations

(1) Joint development of products/technologies (2) Cost reductions by using the resources of all four companies (3) Cooperation for marketing activities (4) Synergies created by cooperation involving other activities

Reference: Shimada Mill: CO_2 Emissions



Major initiatives (2)

Smart factories

In response to Japan's labor shortage, the Shimada Mill automated the normal operation of kraft pulp production, the paper machine winder, and part of finished product warehouse operations. Productivity and efficiency are expected to increase.

The Kamyr continuous digester used for pulp production

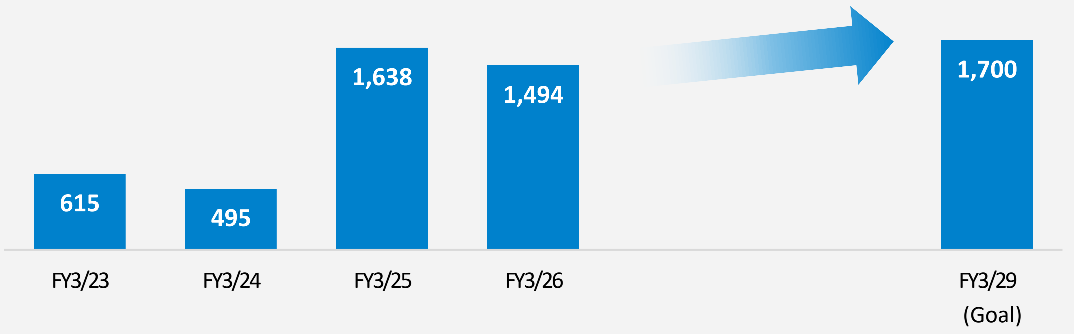
* Announced April 7, 2026 – The four companies are TTP, Nippon Paper Industries Co., Ltd., Nippon Tokai Industrial Paper Supply Co., Ltd., and TOMOKU CO.,LTD.

Main Businesses

- Manufacture and sales of specialty printing paper and special functional paper

TTP's technologies played a central role in the history of specialty paper production in Japan. With these technologies, TTP contributes to industry and culture by producing more than 100 variations of paper products including fancy paper, high-grade printing paper, functional paper and many more.

Segment profit



Goals/actions of the Seventh Medium-term Plan

Basic policy

Higher profitability in mature markets and sales growth in growing categories

Major initiatives (1)

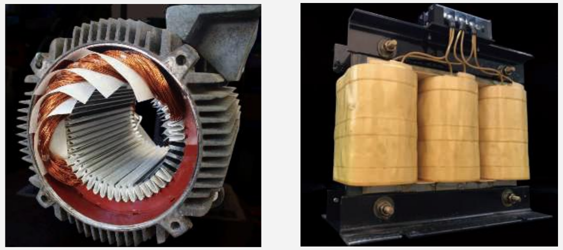
Accelerating development and sales expansion through integrated manufacturing and sales

The specialty materials business, including aramid paper and functional paper, fell short of the goal of the previous medium-term plan. To speed up sales growth in growing market sectors, TTP will merge with TT Trading, a member of the TTP Group, and establish at the headquarters of the specialty materials business a department specializing in the development of specialty paper.

Major initiatives (2)

Establish aramid paper sales/production growth framework and develop functional paper products

As one step for selling products in market categories with medium/long-term growth, TTP is developing products with specific functions such as electrical insulation and heat resistance. In addition, assuming expenditures for more output capacity that were pushed back from the previous medium-term plan, take actions for raising sales of aramid paper, which has been a goal for some time.



Examples of applications for aramid paper

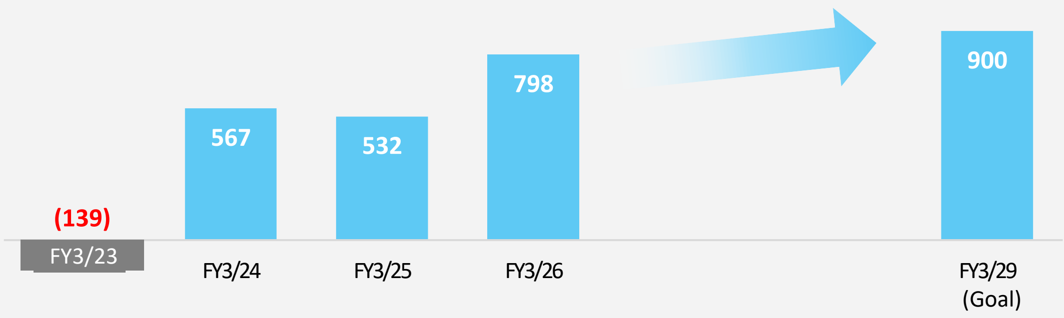
Main Businesses

- Manufacture and sale of toilet paper, paper towels and laminated products

This business maintains a reliable supply of high-quality paper products that are essential for many aspects of our lives. Examples include paper towels, paper wrapping for food products, paper wipers, toilet paper and many other products.

Segment profit

(Millions of yen)



Goals/actions of the Seventh Medium-term Plan

Basic policy

Use the TTP Group's procurement strengths to become more competitive in terms of cost and sales activities

Major initiatives (1)

Start production/sale of sanitary paper incorporating recycled cardboard

Discarded white paper comes mainly from printing paper, which is expected to become more difficult to procure. To replace white paper, TTP developed a version of toilet paper made with recycled cardboard for boxes, which can be procured by using a broader range of activities involving industrial paper production. Cardboard is also used in existing paper towel products and additional products were added to the lineup. TTP has succeeded at producing and selling sanitary paper that maintains high quality and an outstanding feeling when used even though the paper includes recycled cardboard for boxes.

Paper towels made with recycled cardboard for boxes

Major initiatives (2)

More products for retail sales

TTP wants to reinforce its position in the paper towel market even as new competitors and more imports are creating an excessive supply and intense price-based competition. To accomplish this, TTP plans to make the Towper brand more powerful by using TTP sales channels and adding highly innovative products.

Major initiatives (3)

The MyPUP package production service

MyPUP is fully integrated IT platform that enables companies to design and produce packages by using an entirely online process. The goal is more sales in the processed product category.

Add many new businesses with measures that include M&A and alliances while continuing to strengthen the base for the current resource reuse business, which includes plastics densified fuel, recycling large and small home electrical products, plastic made of recycled materials and other activities. The goals are earning some returns on investments and the medium/long-term growth of earnings.

Sixth Medium-term Plan → **Seventh Medium-term Plan** → **VISION 2035**

M&A investments
(FY3/24 to FY3/26)
¥8.8 billion*

M&A investments
(FY3/27 to FY3/29)
At least ¥19 billion

Sixth Medium-term Plan Accomplishments

Collect waste materials in more areas of Japan

Increase collections of discarded plastics for use as plastics densified fuel

More types of materials for recycling as resources

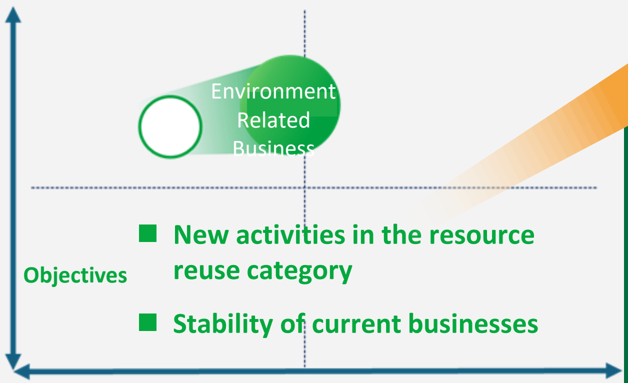
Expand operations beyond the thermal use of refuse to reuse as materials through direct reuse from one thing to another.

(New group companies involved with resource reuse)
April 2023 Toei Co., Ltd.
April 2024 Takafuji Co., Ltd.

Objective of Seventh Medium-term Plan

Synergies with current businesses and portfolio enlargement

Use business resources based on clearly defined priorities with the goals of adding more profit centers in market sectors with medium/long-term demand growth and in market sectors that are stable. In the seventh medium-term plan, earnings in relation to investments are only at the midpoint. Full-scale earnings are expected to begin during the eighth medium-term plan.

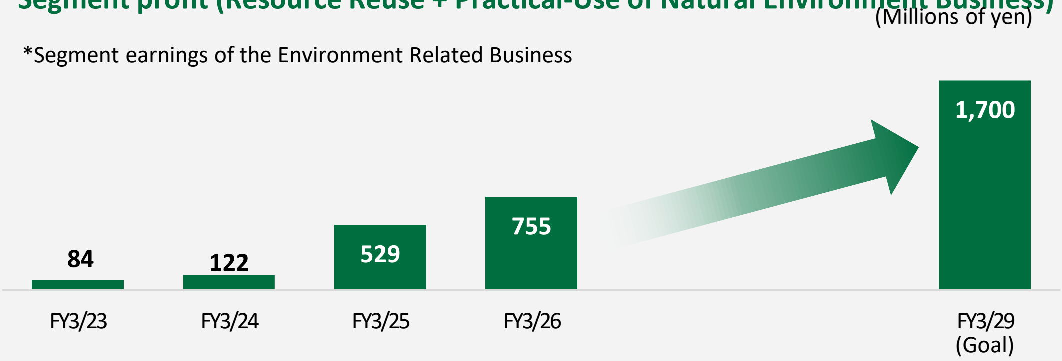


FY3/24: Segment profit ¥122 million
FY3/25: Segment profit ¥529 million
FY3/26: Segment profit ¥755 million
FY3/29: Segment profit (Goal) ¥1,700 million
VISION 2035: **Growth by making all sources of earnings stronger**

* Includes Fujieda Road, which was acquired in November 2025 by subsidiary Tokushu Tokai Forest Co., Ltd.

- This became a business segment in FY3/21 for the purpose of growth to make it another core business with the three paper businesses.
- There are two businesses in this segment. One is the Resource Reuse Business, which includes recycling and other activities. The other is the Practical-Use of Natural Environment Business, which includes activities at the Ikawa Forest and civil engineering.

Segment profit (Resource Reuse + Practical-Use of Natural Environment Business)



Resource Reuse Business

Main Businesses

- Waste material collection and intermediate processing
- Reuse of discarded home electrical products, waste plastics and other materials as resources
- Production and sale of plastics densified fuel and other activities

Use resource recycling technologies and other skills acquired in the paper business as the base for business operations for recycling resources, decarbonization and the proper processing of waste materials.

Group Companies

- REX Co., Ltd.
- Suruga Service Industry Co., Ltd.
- Toei Co., Ltd.
  - Hayato Co., Ltd. *1
- Takafuji Co., Ltd.

Practical-Use of Natural Environment Business

Main Businesses

- Civil engineering, mountain hut operation
- Forest management, whisky production

Use forest civil engineering technologies in the forestry business, the basis for the natural environment business, for construction, civil engineering and greenery businesses as well as for a broad range of other activities, such as whisky and tourism.

Group Companies

- Tokushu Tokai Forest Co., Ltd.
  - Fujieda Road Co., Ltd. *2
- JUZAN Co., Ltd.

*1 A wholly owned subsidiary of Toei Co., Ltd.
*2 A wholly owned subsidiary of Tokushu Tokai Forest Co., Ltd.

Goals/actions of the Seventh Medium-term Plan

Resource Reuse Business

Basic policy

Many drivers of growth by strengthening processing/manufacturing capabilities and using business alliances and the addition of new businesses

Major initiatives (1)

Enter business categories peripheral to current businesses

From a long-term perspective, the goal is the establishment of a closed loop for resource reuse by collecting end-of-life products, reusing them as resources and then for making the same products. In categories with expected synergies with home electrical product recycling and other existing businesses, start or finish preparations for many new businesses.

Major initiatives (2)

Increase RPF[*1] production at a new factory

Increase from two to three shifts in September 2026 and full-capacity production starting in 2027 with three shifts all year. Planned monthly output of 2,000 tons. TTP Group use of RPF will increase the Industrial Materials Business and the start of boiler 13 at the Shimada Mill. The goal is consistent output growth while maintaining the proper balance among refuse collection, production and sales volumes.

Natural Environment Business

Basic policy

Use Ikawa Forest natural resources and businesses to increase the TTP Group's corporate value

Major initiatives (1)

More joint activities and whisky production at the Ikawa Forest

Make the forest more attractive for tourism, raising the number of people involved with protecting natural resources. The whisky business, now in its sixth year, aims to add overseas sales channels while using the second Dessin Series[*2] to further raise brand value.

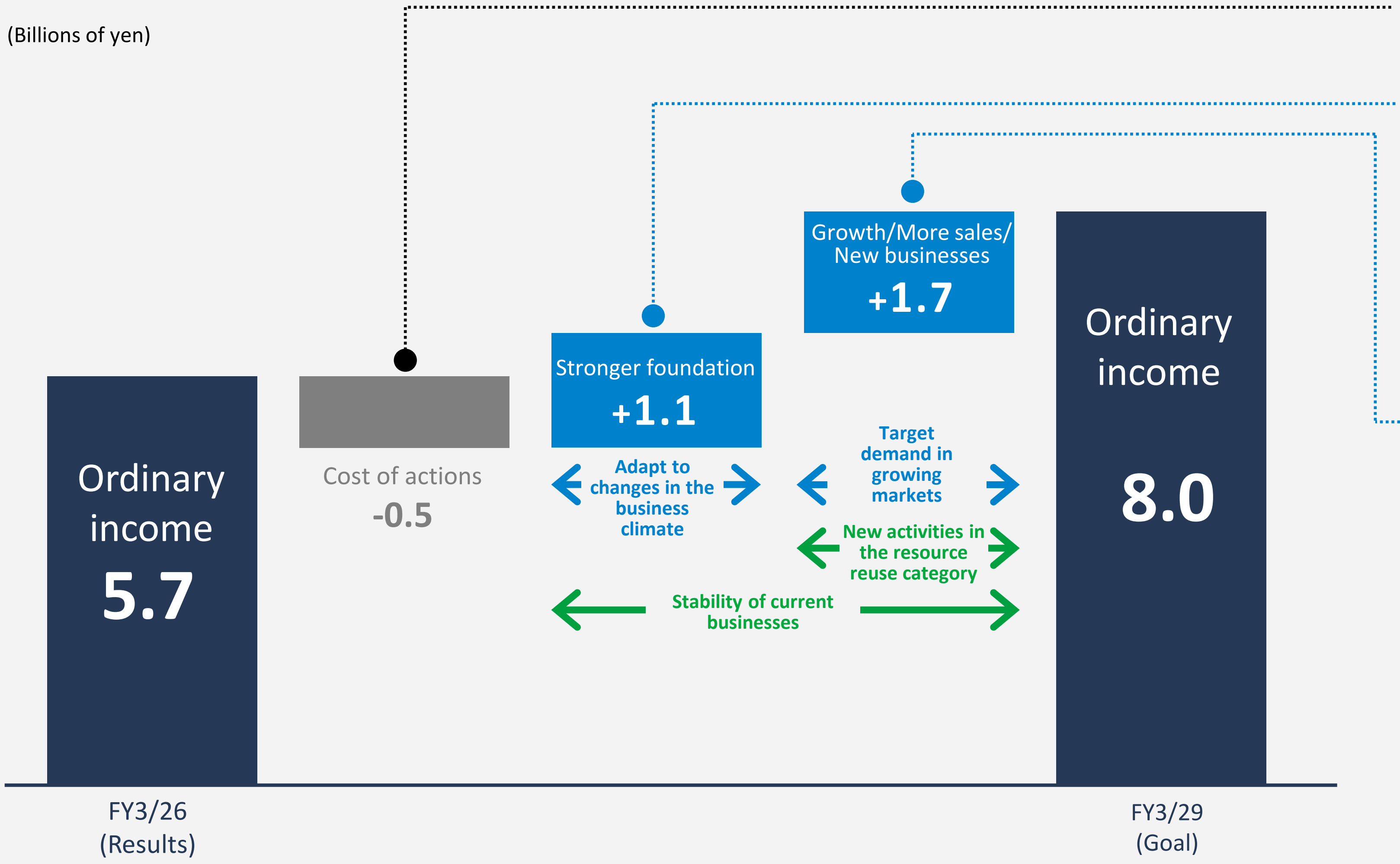
Major initiatives (2)

Strengthen the construction, civil engineering and greenery businesses

Use ICT to improve business processes and receive more private-sector construction orders. Benefit from synergies with Fujieda Road to become the second-largest greenery business in Shizuoka prefecture while building a base for consistent profitability of construction, civil engineering and greenery operations.

*1 Refuse derived paper and plastics densified fuel
*2 A three-year whisky process used until the regular 12-year whisky can be sold.

Based on the outlook for the paper market to become smaller (before reflecting the cost of actions), build a more powerful base for a counterattack in mature markets and target demand in growing market categories. The objective is earnings growth. In the resource reuse category, start new businesses to begin earning returns on investments. The target is ordinary income that is ¥2.3 billion higher than in the last year of the sixth plan.



- Declining use of paper as an information medium

- Higher earnings of cardboard for boxes/kraft paper operations
- Target demand in mature markets with specialty paper operations reflecting changes in the competitive landscape
- More sales of sanitary paper
- Higher output of plastics densified fuel (RPF)

- Increase sales of aramid paper
- Sell products in categories where TTP can use its superiority involving functional paper
- Use new resource reuse businesses to begin generating some earnings in this category

People are the most important business resource for reaching TTP's long-term targets. A powerful team capable of supporting the sustained growth of corporate value will be established by using a cycle in which the growth of people contributes directly to the growth of the company.

■ Key strategy based on VISION 2035

Initiatives to enable all group employees to achieve their full potential and work together as a unified team

The TTP Group is expected to grow as business portfolio revisions and innovations are implemented. Based on this outlook, the goals are making the group philosophy an integral part of operations, using personnel programs and assignments encompassing the entire group, and recruiting and training employees with specialized skills and the motivation to take on new challenges.

+

The TTP corporate culture

Good health, safety first, strict compliance, psychological safety

■ Seventh Medium-term Plan actions and examples of key strategies

Established a development division solely for specialty paper (April 2026) — Key strategy 01
➡ Faster measures for more sales in growing market sectors

Started an internal job application system — Key strategies 01,02
➡ Encourage people to shift to jobs in new categories and businesses

Establish DX Promotion Division (July 2026) — Key strategies 01, 03
➡ Higher productivity and efficiency at factories and other locations

Employee stock ownership plan* for all group employees (April 2026) — Key strategy 03
➡ Motivates people to increase corporate value from the standpoint of shareholders

Review of the TTP Group Code of Conduct — Key strategy 03
➡ Foster solidarity among group companies and their employees

Consistent growth of the company

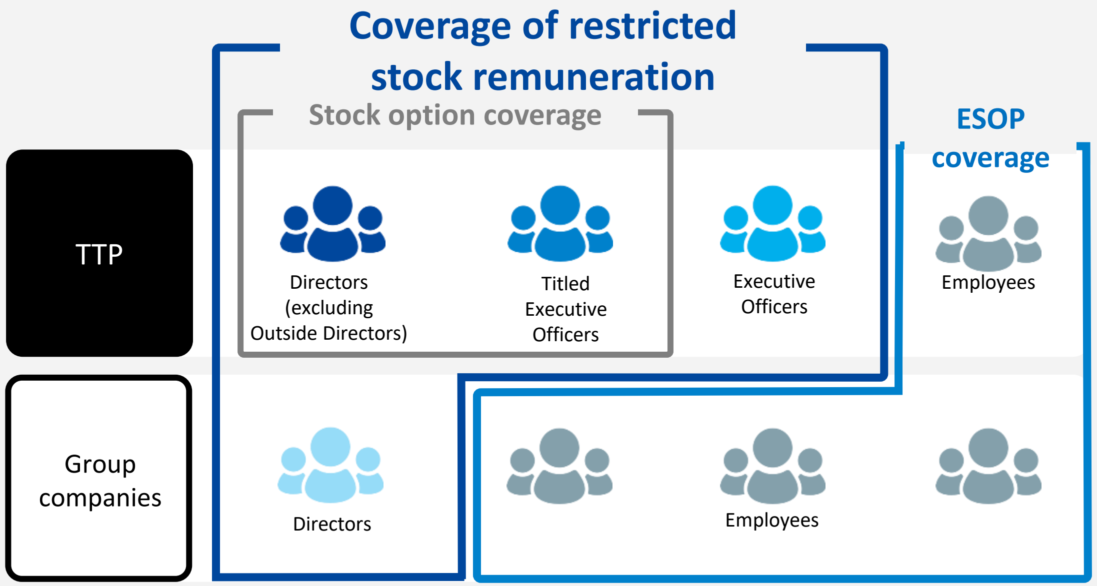
Activities of employees

* An incentive using the distribution of company stock to employees funded by contributions from the company

TTP has a restricted stock remuneration program[*1] for directors, executive officers and others as an incentive to contribute to medium/long-term corporate value growth and as a means of giving these people the same perspective and goals as those of other shareholders. In addition, more than half of the directors are independent, outside directors. This board composition reinforces the monitoring function of the directors and facilitates more thorough discussions of growth strategies and other subjects.

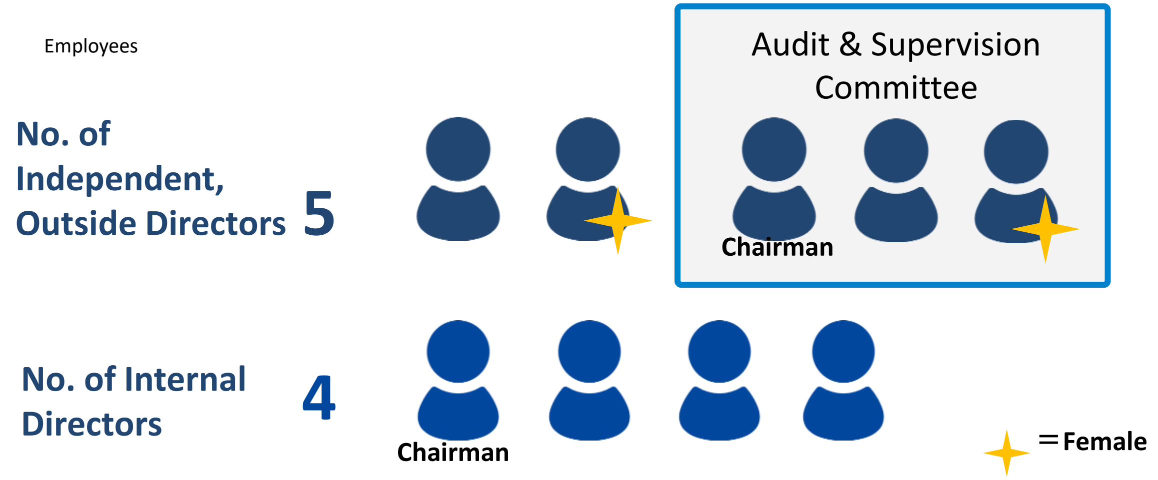
■ Same shareholder value perspective for corporate value growth

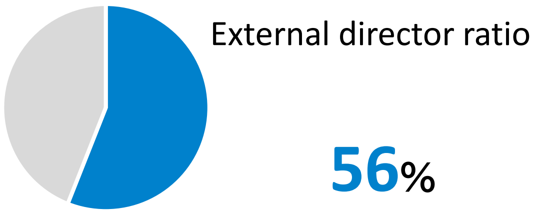
Distributing restricted stock gives executives and others at TTP the same exposure to the potential benefits and risks of holding stock as for other shareholders. Individuals are more motivated to increase shareholder value from the standpoint of shareholders. This restricted stock remuneration program is much broader than the previous stock option program[*2] was.

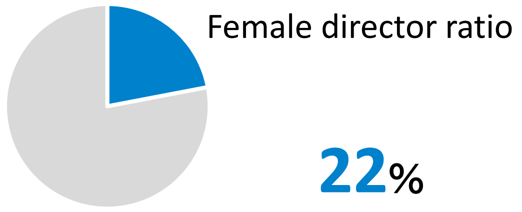


Composition of the Board of Directors

(Assuming that all director candidates are elected at the June 2026 shareholders meeting)







*1 Plan to submit the restricted stock remuneration program at the June 2026 shareholders meeting as a revision to remuneration for directors.
*2 The current stock option program will not be terminated. Individuals holding options can exercise the options when they leave TTP.

To increase the PBR, TTP will take actions concerning the ROE, which is currently below the 9.0% cost of capital, and the low PER that does not reflect the higher level of expectations for TTP's growth that investors should have.

Three actions for quickly raising the PBR to 1.0

PBR
0.67 times
(FY3/26 results)

ROE
5.4%
(FY3/26 results)

PER
12.8 times
(FY3/26 results)

Higher return (R)

Increase paper business earnings and continue making investments in growing market sectors. (P21 and P25)

Control the level of equity (E)

Increase shareholder distributions for the purpose of using equity more efficiently. (P33)

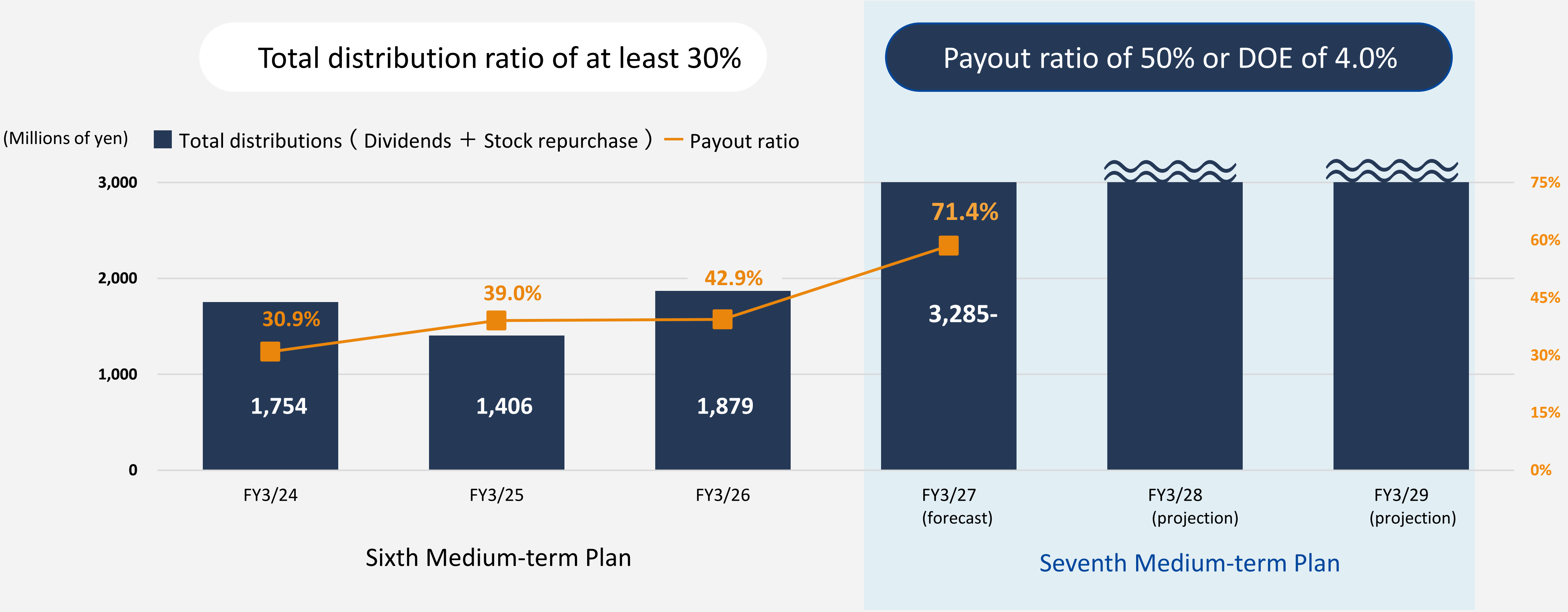
Increase investors' expectations (PER) about TTP

More IR and disclosure activities to increase investors' awareness and understanding of TTP and make TTP a more attractive investment (P35)

Targets for investments, such as specific resource reuse activities and goals and market sectors with significant growth potential, will be clearly defined. For expansion of the resource reuse business, a major driver of growth, TTP will consider making investments that exceed the initially planned level. There are also investments for a stronger foundation for business operations. As a result, there will also be a large share of long-term allocations of funds during this medium-term plan. Investment decisions will be based on the ROI, a quantitative standard, as well as qualitative standards such as expected synergies among different businesses.

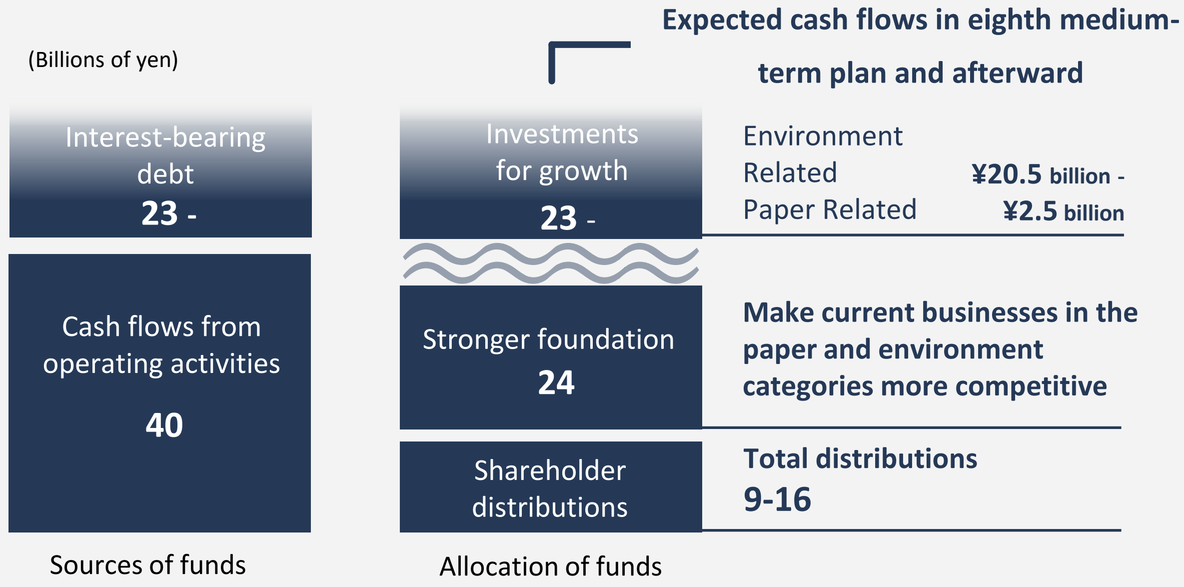
<table>
<tr><th></th><th colspan="3">Total +¥47 billon -</th></tr>
<tr><th></th><th colspan="2">Investments for growth</th><th>Stronger foundation</th></tr>
<tr><td>Activity</td><td>M&A and alliances
+¥19 billion -</td><td>New business growth, etc.
+¥4 billon</td><td>Make current businesses more competitive
+¥24 billion</td></tr>
<tr><td rowspan="3">Purposes/ Categories</td><td>• A broader range of resources with value
• Operations in categories with stable demand</td><td>• More production facilities for aramid paper and other products
• Strengthen logistics and other operations</td><td>• The new boiler no. 13 at the Shimada Mill
• Smart factories
• Upgrade pulverizers used in the Resource Reuse Business</td></tr>
<tr><td colspan="2">New businesses</td><td></td></tr>
<tr><td></td><td colspan="2">Growth of current businesses</td></tr>
<tr><td rowspan="2">Time line for returns</td><td colspan="3">Medium-term</td></tr>
<tr><td colspan="2">Long-term</td><td></td></tr>
</table>

While making large up-front investments for higher earnings in the future, TTP plans to make shareholder distributions during the seventh medium-term plan based on the policy of maintaining distributions that result in a dividend payout ratio of 50% or a DOE of 4.0%, whichever is higher. Distributions are also aimed at using equity more efficiently. In addition to making distributions that reflect earnings growth while paying a consistent dividend based on the amount of equity, TTP plans to repurchase stock in a flexible manner.

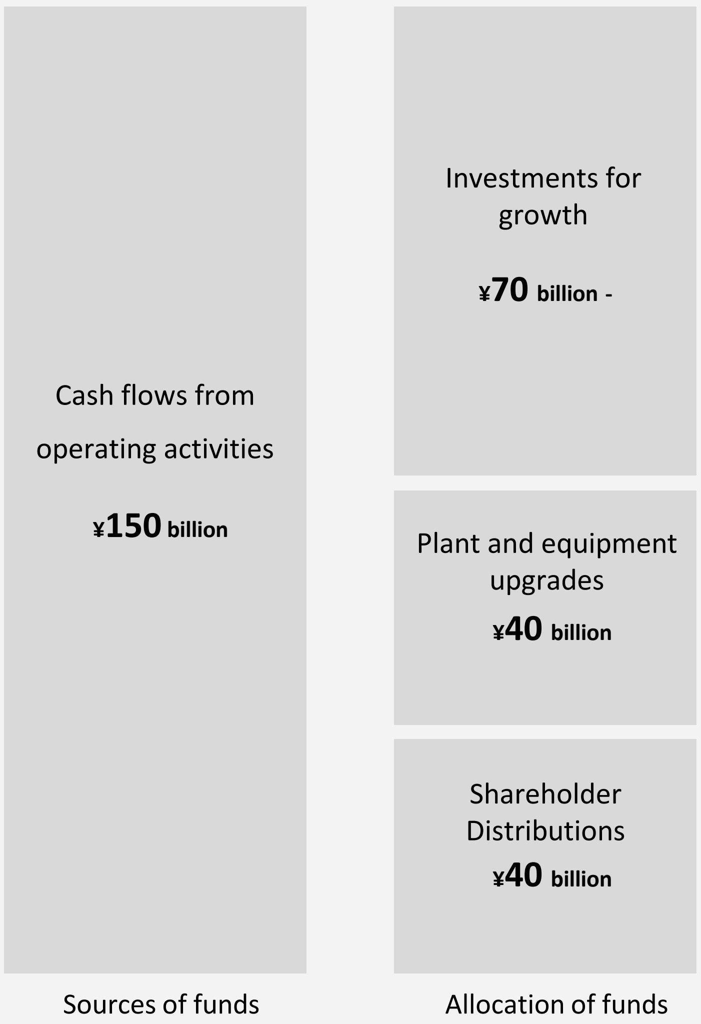


■ Three-year allocation plan (FY3/27 – FY3/29)

- During the seventh medium-term plan, there will be actions for building a stronger base for earnings in the paper business and up-front investments in businesses expected to generate cash flows in the future.
- Operating cash flows will be the primary source of funds for these activities and interest-bearing debt will be used for M&A and other investments for growth.
- In February 2025, TTP announced the intention of lowering the equity ratio to about 51% by 2031. Due to revisions to the investment period and amount of investments, TTP will speed up investments while aiming to lower the equity ratio to about 50% by the end of the seventh medium-term plan.
- The dividend policy during this medium-term plan uses the dividend payout ratio and DOE. In addition, appropriately timed stock repurchases are expected. TTP will continue its periodic examinations of cross-shareholdings to determine any holdings that should be sold.



Reference: Long-term allocation of funds (to FY3/36)



Manufacture, again.
Looking to the future

VISION 2035

TTP is dedicated to being an essential partner for achieving a circular society while using its strengths as a manufacturer and a recycler to transform changes in society into opportunities for growth.

Seventh Medium-term Plan

During the first three years of activities based on VISION 2035, the primary objective is to build a sound foundation for growth in the following years. There will be strategic investments for growth and a more powerful infrastructure. At the same time, there will be shareholder distributions from the standpoint of using equity more efficiently.

TOKUSHU TOKAI PAPER

TECHNOLOGY & TRUST

The Tokushu Tokai Paper Group