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.

August 7, 2026

To whom it may concern

Company name: Tokushu Tokai Paper Co., Ltd.
Name of representative: Takashi Kimura,
President and Chief Executive Officer
(Securities code: 3708; TSE Prime Market)
Contact: Kiyoshi Nakajima,
Executive Officer
and Senior General Manager
(Tel: +81-3-5219-1816)

Notice of Posting of Extraordinary Income from Merger of Subsidiary (Gain on Extinguishment of Tie-in Shares) in Non-consolidated Financial Statements

On April 1, 2026, Tokushu Tokai Paper Co., Ltd. (the "Company") completed an absorption merger with TT Trading Co., Ltd., which had been a wholly owned subsidiary of the Company. (Please refer to "Notice Concerning Absorption Merger of Wholly-Owned Subsidiary " announced on September 11, 2025.)
the Company hereby announces that as a result of this merger, the Company recorded an extraordinary income (gain on extinguishment of tie-in shares) in the non-consolidated financial statements for the first quarter of the fiscal year ended March 2027.

Ⅰ. Details of Extraordinary Income

At the effective date of the merger (April 1, 2026), the difference of 1,464 million yen between the net assets received from TT Trading, Inc. and the book value of shares of a subsidiary (consolidated shares) held by the Company was recorded as gain on extinguishment of tie-in shares in extraordinary income.

Ⅱ. Impact on Financial Results

As the gain on extinguishment of tie-in shares is eliminated in the consolidated financial results, there is no impact on the consolidated financial results for the fiscal year ended March 2027.

END