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May 14, 2024

## Summary of Consolidated Financial and Business Results for the Year Ended March 2024 (Japanese GAAP)

Company Name: Chuetsu Pulp & Paper Co., Ltd.  
 Stock exchange listing: First Section of the Tokyo Stock Exchange  
 Stock Exchange Code: 3877  
 Representative: Hisashi Uematsu, President and Representative Director  
 Contact: Yoshio Akinaga, General Manager, Administrative Division  
 URL: <https://www.chuetsu-pulp.co.jp/>  
 Telephone: 0766-26-2404 (Overseas: +81-766-26-2404)  
 Ordinary general meeting of shareholders to be held: June 26, 2024  
 Start of dividend payout: June 27, 2024  
 Statutory annual report to be presented: June 27, 2024  
 Supplementary briefs for financial results to be presented: Yes  
 Financial results briefing to be held: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the Year Ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

#### (1) Consolidated Business Results

(Figures shown in percentage are ratios compared to the same period of the previous fiscal year)

| Fiscal year ended | Net Sales       |      | Operating profit |       | Ordinary profit |       | Profit attributable to owners of parent |       |
|-------------------|-----------------|------|------------------|-------|-----------------|-------|---|-------|
|                   | Millions of yen | %    | Millions of yen  | %     | Millions of yen | %     | Millions of yen                         | %     |
| March 31, 2024    | 107,826         | 2.0  | 6,172            | 137.9 | 6,820           | 100.7 | 3,701                                   | 21.3  |
| March 31, 2023    | 105,668         | 17.3 | 2,594            | 10.3  | 3,397           | 10.4  | 3,050                                   | 140.5 |

Note: Comprehensive income: Fiscal year ended March 31, 2024: 4,745 million yen (20.2%)  
 Fiscal year ended March 31, 2023: 3,947 million yen (171.0%)

| Fiscal year ended | Profit per share | Diluted profit per share | Ratio of profit to shareholders' equity | Ratio of ordinary income to total assets | Ratio of operating income to net sales |
|-------------------|------------------|--------------------------|---|--|--|
|                   | Yen              | Yen                      | %                                       | %  | %                                      |
| March 31, 2024    | 285.85           | —                        | 6.9                                     | 5.4                                      | 5.7                                    |
| March 31, 2023    | 229.06           | —                        | 6.1                                     | 2.8                                      | 2.5                                    |

Note: Equity in earnings of affiliates Fiscal year ended March 31, 2024: 94 million yen  
 Fiscal year ended March 31, 2023: 262 million yen

#### (2) Consolidated Financial Condition

| Fiscal year ended | Total assets    | Net assets      | Shareholders' equity ratio | Net assets per share |
|-------------------|-----------------|-----------------|----------------------------|----------------------|
|                   | Millions of yen | Millions of yen | %                          | Yen                  |
| March 31, 2024    | 128,923         | 55,601          | 43.1                       | 4,293.67             |
| March 31, 2023    | 122,751         | 51,633          | 42.0                       | 3,985.64             |

Note: Shareholders' equity As of March 31, 2024: 55,601 million yen  
 As of March 31, 2023: 51,614 million yen

#### (3) Consolidated Cash Flows

| Fiscal year ended | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at the end of period |
|-------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
|                   | Millions of yen                      | Millions of yen                      | Millions of yen                      | Millions of yen                                |
| March 31, 2024    | 13,564                               | (7,905)                              | (3,102)                              | 10,670   |
| March 31, 2023    | 2,662                                | (5,124)                              | (4,795)                              | 8,110  |

## 2. Cash Dividends

|  | Dividend per share |           |           |           |        | Total dividend<br>(Annual) | Dividend<br>payout ratio<br>(Consolidated) | Dividend on<br>net assets<br>(Consolidated) |
|--|--------------------|-----------|-----------|-----------|--------|----------------------------|--|---|
|  | End of 1Q          | End of 2Q | End of 3Q | End of FY | Annual |                            |  |   |
| Fiscal year ended                                  | Yen                | Yen       | Yen       | Yen       | Yen    | Millions of yen            | %  | %   |
| March 31, 2023                                     | –                  | 20.00     | –         | 30.00     | 50.00  | 655                        | 21.8                                       | 1.3   |
| March 31, 2024                                     | –                  | 30.00     | –         | 30.00     | 60.00  | 777                        | 21.0                                       | 1.4   |
| Fiscal year ending<br>March 31, 2025<br>(Forecast) | –                  | 30.00     | –         | 30.00     | 60.00  |                            | 24.3                                       |   |

## 3. Consolidated Financial Forecasts for the Year Ending March 2025 (from April 1, 2024 to March 31, 2025)

(For figures shown in percentage, the full year ratios are compared to the previous fiscal year, and the quarterly ratios are compared to the same period of the previous fiscal year)

|                 | Net Sales       |     | Operating profit |        | Ordinary profit |        | Profit attributable to<br>owners of parent |        | Net profit<br>per share |
|-----------------|-----------------|-----|------------------|--------|-----------------|--------|--|--------|-------------------------|
|                 | Millions of yen | %   | Millions of yen  | %      | Millions of yen | %      | Millions of yen                            | %      | Yen                     |
| 2Q (cumulative) | 54,000          | 2.9 | 2,300            | (30.4) | 2,400           | (36.8) | 1,600                                      | (37.7) | 123.56                  |
| Full year       | 112,000         | 3.9 | 4,600            | (25.5) | 4,900           | (28.2) | 3,200                                      | (13.6) | 247.11                  |

### \*Notes

#### (1) Changes in important subsidiaries during the period

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New (company name) Excluded (company name)

#### (2) Changes in accounting policies, changes in accounting estimates, and restatements

- 1) Changes in Accounting Policies due to Revision of Accounting Standards, etc.: No  
2) Changes in accounting policies other than (1): No  
3) Changes in accounting estimates: No  
4) Correction re-representation: No

#### (3) Number of shares issued and outstanding (common stock)

|   |                                     |                   |                                     |                   |
|---|-------------------------------------|-------------------|-------------------------------------|-------------------|
| 1) Number of shares outstanding at end of period (including treasury stock) | Fiscal year ended<br>March 31, 2024 | 13,354,688 shares | Fiscal year ended<br>March 31, 2023 | 13,354,688 shares |
| 2) Number of own shares at end of period                                    | Fiscal year ended<br>March 31, 2024 | 405,003 shares    | Fiscal year ended<br>March 31, 2023 | 404,486 shares    |
| 3) Average number of shares during the period                               | Fiscal year ended<br>March 31, 2024 | 12,949,995 shares | Fiscal year ended<br>March 31, 2023 | 13,319,536 shares |

## Reference: Summary of Non-Consolidated Financial Results

### 1. Results for the Year Ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

#### (1) Non-consolidated Business Results

(Figures shown in percentage are ratios compared to the same period of the previous fiscal year)

| Fiscal year ended | Net Sales       |      | Operating profit |       | Ordinary profit |       | Profit          |       |
|-------------------|-----------------|------|------------------|-------|-----------------|-------|-----------------|-------|
|                   | Millions of yen | %    | Millions of yen  | %     | Millions of yen | %     | Millions of yen | %     |
| March 31, 2024    | 102,360         | 2.2  | 5,704            | 151.8 | 6,297           | 119.1 | 3,686           | 40.7  |
| March 31, 2023    | 100,166         | 18.5 | 2,265            | 16.6  | 2,874           | 17.2  | 2,619           | 206.7 |

| Fiscal year ended | Profit per share |  | Diluted profit per share |  |
|-------------------|------------------|--|--------------------------|--|
|                   | Yen              |  | Yen                      |  |
| March 31, 2024    | 284.64           |  | -                        |  |
| March 31, 2023    | 196.69           |  | -                        |  |

#### (2) Non-consolidated financial position

| Fiscal year ended | Total assets    | Net assets      | Shareholders' equity ratio | Net assets per share |
|-------------------|-----------------|-----------------|----------------------------|----------------------|
|                   | Millions of yen | Millions of yen | %                          | Yen                  |
| March 31, 2024    | 117,605         | 47,650          | 40.5                       | 3,679.66             |
| March 31, 2023    | 111,815         | 43,970          | 39.3                       | 3,395.36             |

Note: Shareholders' equity As of March 31, 2024: 47,650 million yen  
As of March 31, 2023: 43,970 million yen

### 2. Non-Consolidated Forecast for the Fiscal Year Ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(% = year-on-year change for each quarter and full-year)

|                 | Net Sales       |     | Operating profit |        | Ordinary profit |        | Profit          |        | Profit per share |
|-----------------|-----------------|-----|------------------|--------|-----------------|--------|-----------------|--------|------------------|
|                 | Millions of yen | %   | Millions of yen  | %      | Millions of yen | %      | Millions of yen | %      | Yen              |
| 2Q (cumulative) | 52,000          | 4.4 | 2,100            | (32.6) | 2,100           | (40.5) | 1,400           | (48.5) | 108.11           |
| Full year       | 107,000         | 4.5 | 4,200            | (26.4) | 4,200           | (33.3) | 2,600           | (29.5) | 200.78           |

\* Financial statements are not subject to audit by a certified public accountant or auditing firm

\* Explanation of appropriate use of earnings forecasts and other special notes

The above forecasts are based on information available as of the date of publication of this document and on certain assumptions that we consider reasonable and are therefore subject to a number of uncertainties. Actual results may differ from the above forecasts due to changes in various factor.

### 3. Consolidated Financial Statements and Important Notes

#### (1) Consolidated Balance Sheet

(Unit: Millions of yen)

|   | As of March 31, 2023 | As of March 31, 2024 |
|---|----------------------|----------------------|
| <b>Assets</b>   |                      |                      |
| Current assets  |                      |                      |
| Cash and deposits   | 8,110                | 10,670               |
| Notes and accounts receivable – trade                       | 27,317               | 28,457               |
| Merchandise and finished goods                              | 9,730                | 10,064               |
| Work in process   | 621                  | 545                  |
| Raw materials and supplies                                  | 5,746                | 5,993                |
| Others  | 2,419                | 2,209                |
| Allowance for doubtful accounts                             | (3)                  | (2)                  |
| Total current assets  | 53,943               | 57,939               |
| Non-current assets  |                      |                      |
| Property, plant and equipment                               |                      |                      |
| Buildings and structures                                    | 52,222               | 52,917               |
| Accumulated depreciation                                    | (36,626)             | (37,682)             |
| Buildings and structures, net                               | 15,595               | 15,234               |
| Machinery, equipment and vehicles                           | 239,073              | 244,359              |
| Accumulated depreciation                                    | (215,637)            | (217,385)            |
| Machinery, equipment and vehicles, net                      | 23,435               | 26,974               |
| Land  | 7,596                | 7,600                |
| Leased assets   | 211                  | 217                  |
| Accumulated depreciation                                    | (143)                | (169)                |
| Leased assets, net  | 68                   | 47                   |
| Construction in progress                                    | 4,984                | 3,903                |
| Others  | 3,165                | 3,195                |
| Accumulated depreciation                                    | (2,766)              | (2,803)              |
| Other, net  | 399                  | 391                  |
| Total property, plant and equipment                         | 52,080               | 54,152               |
| Intangible assets   |                      |                      |
| Others  | 291                  | 274                  |
| Total intangible assets                                     | 291                  | 274                  |
| Investments and other assets                                |                      |                      |
| Investment securities                                       | 9,449                | 10,792               |
| Long-term loans receivable from subsidiaries and affiliates | 3,780                | 3,150                |
| Deferred tax assets   | 2,761                | 2,187                |
| Others  | 449                  | 412                  |
| Allowance for doubtful accounts                             | (44)                 | (44)                 |
| Total investments and other assets                          | 16,397               | 16,498               |
| Total non-current assets                                    | 68,769               | 70,925               |
| Deferred assets   | 38                   | 58                   |
| Total assets  | 122,751              | 128,923              |

(Unit: Millions of yen)

|  | As of March 31, 2023 | As of March 31, 2024 |
|--|----------------------|----------------------|
| <b>Liabilities</b>   |                      |                      |
| Current liabilities  |                      |                      |
| Notes and accounts payable – trade                             | 15,548               | 17,644               |
| Short-term borrowings  | 26,175               | 24,774               |
| Lease obligations  | 29                   | 26                   |
| Income taxes payable   | 482                  | 1,137                |
| Allowance for bonuses  | 528                  | 560                  |
| Provision for loss on disaster                                 | -                    | 96                   |
| Provisions for removal cost of property, plant and equipment   | -                    | 87                   |
| Others   | 4,474                | 6,075                |
| Total current liabilities                                      | 47,239               | 50,404               |
| Non-current liabilities  |                      |                      |
| Long-term borrowings   | 17,757               | 16,862               |
| Lease obligations  | 52                   | 29                   |
| Provisions for removal cost of property, plant and equipment   | 37                   | -                    |
| Provisions for environmental measures                          | 127                  | 106                  |
| Provisions for loss on business of subsidiaries and affiliates | 47                   | 43                   |
| Retirement benefit liability                                   | 5,734                | 5,742                |
| Others   | 122                  | 132                  |
| Total non-current liabilities                                  | 23,878               | 22,917               |
| <b>Total liabilities</b>                                       | <b>71,118</b>        | <b>73,322</b>        |
| <b>Net assets</b>  |                      |                      |
| Shareholders' equity   |                      |                      |
| Share capital  | 18,864               | 18,864               |
| Capital surplus  | 16,253               | 16,253               |
| Retained earnings  | 15,422               | 18,347               |
| Treasury shares  | (408)                | (409)                |
| Total shareholders' equity                                     | 50,132               | 53,056               |
| Accumulated other comprehensive income                         |                      |                      |
| Valuation difference on available-for-sale securities          | 1,505                | 2,387                |
| Foreign currency translation adjustment                        | 120                  | 189                  |
| Remeasurements of defined benefit plans                        | (143)                | (31)                 |
| Total accumulated other comprehensive income                   | 1,482                | 2,545                |
| Non-controlling interests                                      | 18                   | (0)                  |
| <b>Total net assets</b>  | <b>51,633</b>        | <b>55,601</b>        |
| <b>Total liabilities and net assets</b>                        | <b>122,751</b>       | <b>128,923</b>       |

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

### Consolidated Statements of Income

(Unit: Millions of yen)

|   | Fiscal year ended<br>March 31, 2023 | Fiscal year ended<br>March 31, 2024 |
|---|-------------------------------------|-------------------------------------|
| Net sales   | 105,668                             | 107,826                             |
| Cost of sales   | 91,057                              | 90,217                              |
| Gross profit  | 14,611                              | 17,608                              |
| Selling, general and administrative expenses                  |                                     |                                     |
| Sales commissions   | 140                                 | 123                                 |
| Transportation costs  | 6,789                               | 6,218                               |
| Storage costs   | 1,519                               | 1,471                               |
| Officer's compensation or remuneration                        | 228                                 | 227                                 |
| Employees' salaries and benefits                              | 1,353                               | 1,353                               |
| Retirement benefit expenses                                   | 123                                 | 104                                 |
| R&D expenses  | 210                                 | 195                                 |
| Depreciation  | 162                                 | 161                                 |
| Others  | 1,489                               | 1,580                               |
| Total selling, general and administrative expenses            | 12,016                              | 11,435                              |
| Operating profit  | 2,594                               | 6,172                               |
| Non-operating income  |                                     |                                     |
| Interest income   | 66                                  | 58                                  |
| Dividend income   | 189                                 | 170                                 |
| Commission received   | 4                                   | 4                                   |
| Equipment rent  | 16                                  | 18                                  |
| Gain on sale of scrap   | 31                                  | 25                                  |
| Foreign exchange gains  | 508                                 | 433                                 |
| Gain on insurance claims                                      | 12                                  | -                                   |
| Share of profit of entities accounted for using equity method | 262                                 | 94                                  |
| Subsidy income  | -                                   | 102                                 |
| Others  | 55                                  | 53                                  |
| Total non-operating income                                    | 1,148                               | 963                                 |
| Non-operating expenses  |                                     |                                     |
| Interest expenses   | 248                                 | 239                                 |
| Commission paid   | 18                                  | 16                                  |
| Others  | 77                                  | 58                                  |
| Total non-operating expenses                                  | 344                                 | 314                                 |
| Ordinary profit   | 3,397                               | 6,820                               |

(Unit: Millions of yen)

|   | Fiscal year ended<br>March 31, 2023 | Fiscal year ended<br>March 31, 2024 |
|---|-------------------------------------|-------------------------------------|
| Extraordinary income                                    |                                     |                                     |
| Gain on sale of investment securities                   | -                                   | 12                                  |
| Gain on sale of non-current assets                      | 23                                  | 4                                   |
| Total extraordinary income                              | 23                                  | 17                                  |
| Extraordinary losses                                    |                                     |                                     |
| Loss on retirement of inventories                       | 50                                  | -                                   |
| Loss on retirement of non-current assets                | 32                                  | 557                                 |
| Impairment losses                                       | 139                                 | 958                                 |
| Business restructuring expenses                         | 36                                  | -                                   |
| Special retirement benefits                             | 43                                  | 8                                   |
| Loss on valuation of investment securities              | -                                   | 11                                  |
| Loss on disaster  | -                                   | 279                                 |
| Others  | 0                                   | -                                   |
| Total extraordinary losses                              | 301                                 | 1,816                               |
| Profit before income taxes and minority interests       | 3,119                               | 5,022                               |
| Income taxes – current                                  | 472                                 | 1,076                               |
| Income taxes – deferred                                 | (386)                               | 263                                 |
| Total income taxes                                      | 85                                  | 1,339                               |
| Profit  | 3,034                               | 3,682                               |
| Profit (loss) attributable to non-controlling interests | (16)                                | (19)                                |
| Profit attributable to owners of parent                 | 3,050                               | 3,701                               |

## Consolidated Statements of Comprehensive Income

(Unit: Millions of yen)

|  | Fiscal year ended<br>March 31, 2023 | Fiscal year ended<br>March 31, 2024 |
|--|-------------------------------------|-------------------------------------|
| Profit   | 3,034                               | 3,682                               |
| Other comprehensive income   |                                     |                                     |
| Valuation difference on available-for-sale securities                                | 692                                 | 795                                 |
| Remeasurements of defined benefit plans, net of tax                                  | 109                                 | 69                                  |
| Share of other comprehensive income of entities<br>accounted for using equity method | 112                                 | 198                                 |
| Total other comprehensive income   | 913                                 | 1,062                               |
| Comprehensive income   | 3,947                               | 4,745                               |
| (Breakdown)  |                                     |                                     |
| Comprehensive income attributable to owners of parent                                | 3,964                               | 4,764                               |
| Comprehensive income attributable to non-controlling<br>interests                    | (16)                                | (19)                                |



### (3) Consolidated Statements of Changes in Net Assets

Previous Consolidated Fiscal Year (April 1, 2022 to March 31, 2023)

(Unit: Millions of yen)

|  | Shareholders' equity |                 |                   |                 |                            | Accumulated other comprehensive income                                       |  |                                 |  | Non-controlling interests | Total net assets |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|--|--|---------------------------------|--|---------------------------|------------------|
|  | Share capital        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity | Net unrealized gains (losses) on available-for-sale securities, net of taxes | Foreign currency translation adjustments | Accumulated retirement benefits | Total accumulated other comprehensive income |                           |                  |
| Balance at the beginning of period                   | 18,864               | 16,253          | 12,905            | (7)             | 48,015                     | 799  | 31                                       | (262)                           | 568  | 35                        | 48,620           |
| Changes during the period                            |                      |                 |                   |                 |                            |  |  |                                 |  |                           |                  |
| Dividends from surplus                               |                      |                 | (534)             |                 | (534)                      |  |  |                                 |  |                           | (534)            |
| Profit attributable to owners of parent              |                      |                 | 3,050             |                 | 3,050                      |  |  |                                 |  |                           | 3,050            |
| Purchase of treasury stock                           |                      |                 |                   | (400)           | (400)                      |  |  |                                 |  |                           | (400)            |
| Net changes of items other than shareholders' equity |                      |                 |                   |                 |                            | 705  | 89                                       | 119                             | 913  | (16)                      | 897              |
| Total changes during the period                      | -                    | -               | 2,516             | (400)           | 2,116                      | 705  | 89                                       | 119                             | 913  | (16)                      | 3,013            |
| Balance at the end of period                         | 18,864               | 16,253          | 15,422            | (408)           | 50,132                     | 1,505  | 120                                      | (143)                           | 1,482  | 18                        | 51,633           |

## Consolidated Fiscal Year Under Review (April 1, 2023 to March 31, 2024)

(Unit: Millions of yen)

|  | Shareholders' equity |                 |                   |                 |                            | Accumulated other comprehensive income                                       |  |                                 |  | Non-controlling interests | Total net assets |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|--|--|---------------------------------|--|---------------------------|------------------|
|  | Share capital        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity | Net unrealized gains (losses) on available-for-sale securities, net of taxes | Foreign currency translation adjustments | Accumulated retirement benefits | Total accumulated other comprehensive income |                           |                  |
| Balance at the beginning of period                   | 18,864               | 16,253          | 15,422            | (408)           | 50,132                     | 1,505  | 120                                      | (143)                           | 1,482  | 18                        | 51,633           |
| Changes during the period                            |                      |                 |                   |                 |                            |  |  |                                 |  |                           |                  |
| Dividends from surplus                               |                      |                 | (777)             |                 | (777)                      |  |  |                                 |  |                           | (777)            |
| Profit attributable to owners of parent              |                      |                 | 3,701             |                 | 3,701                      |  |  |                                 |  |                           | 3,701            |
| Purchase of treasury stock                           |                      |                 |                   | (0)             | (0)                        |  |  |                                 |  |                           | (0)              |
| Net changes of items other than shareholders' equity |                      |                 |                   |                 |                            | 882  | 68                                       | 111                             | 1,062  | (19)                      | 1,043            |
| Total changes during the period                      | -                    | -               | 2,924             | (0)             | 2,923                      | 882  | 68                                       | 111                             | 1,062  | (19)                      | 3,967            |
| Balance at the end of period                         | 18,864               | 16,253          | 18,347            | (409)           | 53,056                     | 2,387  | 189                                      | (31)                            | 2,545  | (0)                       | 55,601           |

#### (4) Consolidated Statements of Cash Flows

(Unit: Millions of yen)

|   | Fiscal year ended<br>March 31, 2023 | Fiscal year ended<br>March 31, 2024 |
|---|-------------------------------------|-------------------------------------|
| <b>Cash flows from operating activities</b>   |                                     |                                     |
| Profit before income taxes and minority interests                                     | 3,119                               | 5,022                               |
| Depreciation  | 5,823                               | 5,926                               |
| Impairment losses   | 139                                 | 958                                 |
| Increase (decrease) in allowance for doubtful accounts                                | 0                                   | (0)                                 |
| Interest and dividend income  | (255)                               | (229)                               |
| Interest expenses   | 248                                 | 239                                 |
| Foreign exchange loss (gain)  | (506)                               | (3)                                 |
| Share of loss (gain) of entities accounted for using equity method                    | (262)                               | (94)                                |
| Loss on retirement of non-current assets  | 35                                  | 557                                 |
| Loss (gain) on sale and disposal of property, plant and equipment, net                | (23)                                | (4)                                 |
| Decrease (increase) in trade receivables  | (4,596)                             | (1,140)                             |
| Decrease (increase) in inventories  | (2,941)                             | (505)                               |
| Decrease (increase) in other assets   | 56                                  | (14)                                |
| Increase (decrease) in trade payables   | 2,568                               | 2,096                               |
| Increase (decrease) in other liabilities  | (181)                               | 665                                 |
| Increase (decrease) in consumption taxes payable or receivable                        | (133)                               | 303                                 |
| Loss (gain) on sale of investment securities  | 0                                   | (12)                                |
| Loss (gain) on valuation of investment securities                                     | -                                   | 11                                  |
| Increase (decrease) in accrued bonuses  | 15                                  | 32                                  |
| Increase (decrease) in provision for loss on disaster                                 | -                                   | 96                                  |
| Increase (decrease) in retirement benefit liability                                   | 325                                 | 150                                 |
| Increase (decrease) in provisions for fixed asset removal costs                       | (283)                               | -                                   |
| Increase (decrease) in allowance for environmental measures                           | (31)                                | (20)                                |
| Increase (decrease) in provisions for loss on business of subsidiaries and affiliates | (0)                                 | (3)                                 |
| Business restructuring expenses   | 36                                  | -                                   |
| Others  | (14)                                | 8                                   |
| Subtotal  | 3,138                               | 14,040                              |
| Interest and dividends received   | 256                                 | 229                                 |
| Interest paid   | (254)                               | (237)                               |
| Income taxes paid   | (476)                               | (467)                               |
| Net cash provided by (used in) operating activities                                   | 2,662                               | 13,564                              |
| <b>Net cash provided by (used in) investing activities</b>                            |                                     |                                     |
| Purchase of property, plant and equipment   | (5,979)                             | (8,036)                             |
| Proceeds from sale of property, plant and equipment                                   | 67                                  | 5                                   |
| Purchase of investment securities   | (3)                                 | (1)                                 |
| Proceeds from sale of investment securities   | 0                                   | 27                                  |
| Net decrease (increase) in short-term loans receivable                                | 222                                 | 29                                  |
| Long-term loans advances  | (0)                                 | (2)                                 |
| Proceeds from collection of long-term loans receivable                                | 630                                 | 630                                 |
| Others  | (61)                                | (557)                               |
| Net cash provided by (used in) investing activities                                   | (5,124)                             | (7,905)                             |

(Unit: Millions of yen)

|   | Fiscal year ended<br>March 31, 2023 | Fiscal year ended<br>March 31, 2024 |
|---|-------------------------------------|-------------------------------------|
| Cash flows from financing activities                        |                                     |                                     |
| Net increase (decrease) in short-term borrowings            | (2,499)                             | 429                                 |
| Proceeds from long-term borrowings                          | 5,200                               | 5,200                               |
| Repayments of long-term borrowings                          | (6,538)                             | (7,925)                             |
| Purchase of treasury shares                                 | (400)                               | (0)                                 |
| Dividends paid  | (532)                               | (773)                               |
| Repayments of finance lease liabilities                     | (24)                                | (32)                                |
| Net cash provided by (used in) financing activities         | (4,795)                             | (3,102)                             |
| Effect of exchange rate change on cash and cash equivalents | 506                                 | 3                                   |
| Net increase (decrease) in cash and cash equivalents        | (6,751)                             | 2,560                               |
| Cash and cash equivalents at beginning of period            | 14,861                              | 8,110                               |
| Cash and cash equivalents at end of period                  | 8,110                               | 10,670                              |

**(Segment Information)**

1. Overview of reportable segments

(1) Method of determining reportable segments

The Company's reportable segments are units constituting the Company for which separate financial information is available and which are subject to periodic review by the Board of Directors in order to determine the allocation of management resources and evaluate their performance.

The Group's principal businesses are paper and pulp manufacturing and power generation, and runs businesses that are auxiliary to those principal businesses. The Company and its consolidated subsidiaries are engaged in single or multiple business activities as independent management units in each of those business segments.

Therefore, the Group has two reportable segments: "Paper and Pulp Manufacturing Business" and "Power Generation Business."

(2) Type of products and services belonging to each reportable segment

The Paper and Pulp Manufacturing Business is mainly engaged in the manufacture and sale of paper products, base paper for paper products, and pulp, while the "Power Generation Business" is mainly engaged in the sale of electricity.

In addition, Others subsidize Paper and Pulp Manufacturing business and power generation business from various aspects including nanoforest business, manufacture of paper products, afforestation and greening business, purchase and sale of wood chips, transportation, design and construction (repair) of machinery and equipment, construction work, purchase, manufacture and sale of industrial chemicals, paper cutting and sorting and packaging, and insurance agency.

(3) Matters concerning changes in reportable segments, etc.

There are no applicable items.

2. Method of calculating net sales, profit or loss, assets, and other items by reportable segment

The accounting method for reported business segments is generally the same as that described in "Important basic matters for Preparing Consolidated Financial Statements."

Profits of reportable segments are based on operating income. Intersegment sales and transfers are based on prevailing market prices.

3. Information on net sales, profit or loss and other items by reportable segment  
 Previous consolidated fiscal year (April 1, 2022 to March 31, 2023)

(Unit: Millions of yen)

|                                  | Reportable Segment              |                     |         | Others<br>(Note) | Total   |
|----------------------------------|---------------------------------|---------------------|---------|------------------|---------|
|                                  | Paper and Pulp<br>Manufacturing | Power<br>Generation | Total   |                  |         |
| Net sales                        |                                 |                     |         |                  |         |
| Sales to external customers      | 93,754                          | 7,340               | 101,095 | 4,572            | 105,668 |
| Intersegment sales and transfers | 487                             | —                   | 487     | 11,977           | 12,464  |
| Total                            | 94,242                          | 7,340               | 101,583 | 16,549           | 118,132 |
| Segment profit                   | 1,547                           | 806                 | 2,354   | 112              | 2,467   |

Note: “Others” is a business segment not included in the reportable segments and includes the nanoforest, paper products manufacturing, transportation, equipment design, construction and repair, raw materials, paper cutting, and sorting and packaging.

Consolidated fiscal year under review (April 1, 2023 to March 31, 2024)

(Unit: Millions of yen)

|                                  | Reportable Segment              |                     |         | Others<br>(Note) | Total   |
|----------------------------------|---------------------------------|---------------------|---------|------------------|---------|
|                                  | Paper and Pulp<br>Manufacturing | Power<br>Generation | Total   |                  |         |
| Net sales                        |                                 |                     |         |                  |         |
| Sales to external customers      | 96,826                          | 7,039               | 103,866 | 3,959            | 107,826 |
| Intersegment sales and transfers | —                               | —                   | —       | 13,077           | 13,077  |
| Total                            | 96,826                          | 7,039               | 103,866 | 17,036           | 120,903 |
| Segment profit                   | 5,512                           | 410                 | 5,922   | 279              | 6,201   |

Note: “Others” is a business segment not included in the reportable segments and includes the nanoforest, paper products manufacturing, transportation, equipment design, construction and repair, raw materials, paper cutting, and sorting and packaging.

4. Difference between the total amount of reported segments and the amount recorded in the consolidated financial statements and the main details of such difference (matters related to difference adjustment)

Previous consolidated fiscal year (April 1, 2022 to March 31, 2023)

(Unit: Millions of yen)

| Net sales                                      | Amount   |
|--|----------|
| Total of reportable segments                   | 101,583  |
| Net sales in “Other” segment                   | 16,549   |
| Elimination of intersegment transactions       | (12,464) |
| Net sales in consolidated financial statements | 105,668  |

(Unit: Millions of yen)

| Profit (loss)  | Amount |
|--|--------|
| Total of reportable segments                                 | 2,354  |
| Income in “Other” Segment                                    | 112    |
| Elimination of intersegment transactions                     | 81     |
| Other adjustments  | 45     |
| Operating profit (loss) in consolidated financial statements | 2,594  |

Consolidated fiscal year under review (April 1, 2023 to March 31, 2024)

(Unit: Millions of yen)

| Net sales                                      | Amount   |
|--|----------|
| Total of reportable segments                   | 103,866  |
| Net sales in “Other” segment                   | 17,036   |
| Elimination of intersegment transactions       | (13,077) |
| Net sales in consolidated financial statements | 107,826  |

(Unit: Millions of yen)

| Profit (loss)  | Amount |
|--|--------|
| Total of reportable segments                                 | 5,922  |
| Income in “Other” Segment                                    | 279    |
| Elimination of intersegment transactions                     | 34     |
| Other adjustments  | (64)   |
| Operating profit (loss) in consolidated financial statements | 6,172  |