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May 14, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)



Company name: Chuetsu Pulp & Paper Co., Ltd.

Listing: Tokyo Stock Exchange

Securities code: 3877

URL: <https://www.chuetsu-pulp.co.jp/>

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President and Representative Director

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Scheduled date of annual general meeting of shareholders: June 26, 2026

Scheduled date to commence dividend payments: June 29, 2026

Scheduled date to file annual securities report: June 25, 2026

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes

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

1. Consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2026	110,386	(0.6)	2,741	(43.4)	3,375	(34.0)	2,440	38.6
March 31, 2025	111,009	3.0	4,843	(21.5)	5,114	(25.0)	1,761	(52.4)

Note: Comprehensive income For the fiscal year ended March 31, 2026: ¥ 4,925 million [175.6%]
For the fiscal year ended March 31, 2025: ¥ 1,787 million [(62.3)%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2026	194.34	-	4.2	2.8	2.5
March 31, 2025	136.66	-	3.1	4.1	4.4

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2026: ¥ 314 million
For the fiscal year ended March 31, 2025: ¥ 325 million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	119,086	59,952	50.3	4,771.22
March 31, 2025	121,888	55,941	46.7	4,533.15

Reference: Equity

As of March 31, 2026: ¥ 59,952 million
As of March 31, 2025: ¥ 56,886 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	4,671	(4,003)	(4,792)	4,882
March 31, 2025	10,360	(6,013)	(6,012)	9,005

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	-	35.00	-	35.00	70.00	892	51.2	1.6
Fiscal year ended March 31, 2026	-	40.00	-	50.00	90.00	1,130	46.3	1.9
Fiscal year ending March 31, 2027 (Forecast)	-	60.00	-	60.00	120.00		94.2	

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2026	55,000	3.7	700	(48.4)	900	(42.1)	500	(49.1)	39.81
Full year	114,000	3.3	2,300	(16.1)	2,700	(20.0)	1,600	(34.4)	127.40

* Notes

(1) Significant changes in the scope of consolidation during the period:

None

Newly included: - companies()
 Excluded: - companies()

(2) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2026	13,354,688 shares
As of March 31, 2025	13,354,688 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2026	789,320 shares
As of March 31, 2025	805,627 shares

(iii) Average number of shares outstanding during the period

Fiscal Year ended March 31, 2026	12,559,137 shares
Fiscal Year ended March 31, 2025	12,887,802 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2026	104,757	(0.7)	2,191	(47.3)	2,572	(38.0)	1,980	85.4
March 31, 2025	105,518	3.1	4,156	(27.1)	4,148	(34.1)	1,068	(71.0)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended		
March 31, 2026	157.73	-
March 31, 2025	82.91	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
March 31, 2026	112,258	50,853	45.3	4,047.15
March 31, 2025	114,390	47,674	41.7	3,799.05

Reference: Equity

As of March 31, 2026:	¥	50,853 million
As of March 31, 2025:	¥	47,674 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

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.

Consolidated Financial Statements and Primary Notes

Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	9,005	4,882
Notes and accounts receivable - trade, and contract assets	26,090	27,290
Merchandise and finished goods	10,353	9,435
Work in process	654	629
Raw materials and supplies	6,179	7,391
Other	2,333	1,960
Allowance for doubtful accounts	(3)	(2)
Total current assets	54,612	51,586
Non-current assets		
Property, plant and equipment		
Buildings and structures	53,780	54,000
Accumulated depreciation	(38,753)	(39,839)
Buildings and structures, net	15,026	14,160
Machinery, equipment and vehicles	246,642	249,606
Accumulated depreciation	(219,929)	(223,078)
Machinery, equipment and vehicles, net	26,713	26,527
Land	7,601	7,602
Leased assets	266	246
Accumulated depreciation	(179)	(177)
Leased assets, net	86	68
Construction in progress	1,045	489
Other	3,347	3,458
Accumulated depreciation	(2,926)	(3,041)
Other, net	421	416
Total property, plant and equipment	50,894	49,265
Intangible assets		
Other	192	223
Total intangible assets	192	223
Investments and other assets		
Investment securities	11,651	15,287
Long-term loans receivable from subsidiaries and associates	2,520	1,890
Deferred tax assets	1,759	603
Other	314	278
Allowance for doubtful accounts	(58)	(48)
Total investments and other assets	16,188	18,011
Total non-current assets	67,275	67,500
Total assets	121,888	119,086

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	16,928	14,678
Short-term borrowings	28,603	21,865
Lease liabilities	32	29
Income taxes payable	569	544
Provision for bonuses	572	557
Provision for loss on disaster	124	34
Other	5,271	4,958
Total current liabilities	52,103	42,668
Non-current liabilities		
Long-term borrowings	8,494	11,411
Lease liabilities	65	47
Provision for environmental measures	80	33
Provision for loss on business of subsidiaries and associates	43	21
Retirement benefit liability	5,057	4,840
Other	101	110
Total non-current liabilities	13,843	16,465
Total liabilities	65,946	59,134
Net assets		
Shareholders' equity		
Share capital	18,864	18,864
Capital surplus	16,253	15,350
Retained earnings	19,267	20,766
Treasury shares	(1,014)	(993)
Total shareholders' equity	53,370	53,987
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,687	4,958
Foreign currency translation adjustment	275	281
Remeasurements of defined benefit plans	552	724
Total accumulated other comprehensive income	3,515	5,964
Non-controlling interests	(945)	-
Total net assets	55,941	59,952
Total liabilities and net assets	121,888	119,086

Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net sales	111,009	110,386
Cost of sales	93,910	95,436
Gross profit	17,098	14,950
Selling, general and administrative expenses		
Sales commission	129	116
Transportation costs	7,021	6,988
Storage costs	1,522	1,587
Remuneration for directors (and other officers)	244	268
Salaries and allowances	1,336	1,358
Retirement benefit expenses	94	90
Research and development expenses	137	104
Depreciation	179	207
Other	1,588	1,485
Total selling, general and administrative expenses	12,255	12,208
Operating profit	4,843	2,741
Non-operating income		
Interest income	56	53
Dividend income	214	250
Commission income	4	4
Rental income from facilities	24	36
Gain on sale of scraps	19	18
Foreign exchange gains	-	331
Share of profit of entities accounted for using equity method	325	314
Subsidy income	30	53
Other	54	55
Total non-operating income	729	1,117
Non-operating expenses		
Interest expenses	287	354
Commission expenses	13	12
Foreign exchange losses	76	-
Other	79	116
Total non-operating expenses	457	483
Ordinary profit	5,114	3,375

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Extraordinary income		
Gain on sale of investment securities	0	5
Gain on sale of non-current assets	3	5
Gain on forgiveness of debts	-	163
Other	-	9
Total extraordinary income	3	184
Extraordinary losses		
Loss on retirement of non-current assets	367	167
Impairment losses	2,726	38
Loss on disaster	182	44
Other	1	-
Total extraordinary losses	3,278	251
Profit before income taxes	1,840	3,309
Income taxes - current	992	762
Income taxes - deferred	31	69
Total income taxes	1,023	832
Profit	816	2,476
Profit (loss) attributable to non-controlling interests	(944)	35
Profit attributable to owners of parent	1,761	2,440

Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit	816	2,476
Other comprehensive income		
Valuation difference on available-for-sale securities	391	2,150
Remeasurements of defined benefit plans, net of tax	572	213
Share of other comprehensive income of entities accounted for using equity method	7	86
Total other comprehensive income	970	2,449
Comprehensive income	1,787	4,925
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,732	4,889
Comprehensive income attributable to non-controlling interests	(944)	35

Consolidated Statement of Changes in Equity

For the fiscal year ended March 31, 2025

(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	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	18,864	16,253	18,347	(409)	53,056	2,387	189	(31)	2,545	(0)	55,601
Changes during period											
Dividends of surplus			(841)		(841)						(841)
Profit attributable to owners of parent			1,761		1,761						1,761
Purchase of treasury shares				(604)	(604)						(604)
Disposal of treasury shares					-						-
Change in ownership interest of parent due to transactions with non-controlling interests					-						-
Net changes in items other than shareholders' equity					-	299	86	584	970	(944)	25
Total changes during period	-	-	919	(604)	314	299	86	584	970	(944)	340
Balance at end of period	18,864	16,253	19,267	(1,014)	53,370	2,687	275	552	3,515	(945)	55,941

For the fiscal year ended March 31, 2026

(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	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	18,864	16,253	19,267	(1,014)	53,370	2,687	275	552	3,515	(945)	55,941
Changes during period											
Dividends of surplus			(941)		(941)						(941)
Profit attributable to owners of parent			2,440		2,440						2,440
Purchase of treasury shares				(0)	(0)						(0)
Disposal of treasury shares		6		20	27						27
Change in ownership interest of parent due to transactions with non-controlling interests		(909)			(909)					909	-

(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	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Net changes in items other than shareholders' equity					-	2,270	5	171	2,448	35	2,484
Total changes during period	-	(902)	1,498	20	616	2,270	5	171	2,448	945	4,010
Balance at end of period	18,864	15,350	20,766	(993)	53,987	4,958	281	724	5,964	-	59,952

Consolidated Statement of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	1,840	3,309
Depreciation	6,165	6,147
Impairment losses	2,726	38
Increase (decrease) in allowance for doubtful accounts	13	(9)
Interest and dividend income	(270)	(304)
Interest expenses	287	354
Foreign exchange losses (gains)	0	(1)
Share of loss (profit) of entities accounted for using equity method	(325)	(314)
Loss on retirement of non-current assets	367	167
Loss (gain) on sale of non-current assets	(3)	(5)
Decrease (increase) in trade receivables	2,367	(1,200)
Decrease (increase) in inventories	(582)	(268)
Decrease (increase) in other assets	(191)	(58)
Increase (decrease) in trade payables	(716)	(2,251)
Increase (decrease) in other liabilities	(174)	52
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	165	(63)
Loss (gain) on sale of investment securities	(0)	(5)
Increase (decrease) in provision for bonuses	12	(14)
Increase (decrease) in provision for loss on disaster	27	(89)
Increase (decrease) in retirement benefit liability	161	53
Increase (decrease) in provision for environmental measures	(26)	(46)
Increase (decrease) in provision for loss on business of subsidiaries and associates	-	(22)
Other, net	(53)	83
Subtotal	11,791	5,549
Interest and dividends received	270	299
Interest paid	(292)	(309)
Income taxes paid	(1,409)	(867)
Net cash provided by (used in) operating activities	10,360	4,671
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,356)	(4,645)
Proceeds from sale of property, plant and equipment	3	5
Purchase of investment securities	(2)	(100)
Proceeds from sale of investment securities	0	10
Net decrease (increase) in short-term loans receivable	72	441
Long-term loan advances	(1)	(1)
Proceeds from collection of long-term loans receivable	630	630
Other, net	(359)	(342)
Net cash provided by (used in) investing activities	(6,013)	(4,003)

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1)	(501)
Proceeds from long-term borrowings	1,550	8,300
Repayments of long-term borrowings	(6,087)	(11,619)
Purchase of treasury shares	(604)	(0)
Dividends paid	(838)	(937)
Repayments of finance lease liabilities	(29)	(33)
Net cash provided by (used in) financing activities	(6,012)	(4,792)
Effect of exchange rate change on cash and cash equivalents	(0)	1
Net increase (decrease) in cash and cash equivalents	(1,665)	(4,123)
Cash and cash equivalents at beginning of period	10,670	9,005
Cash and cash equivalents at end of period	9,005	4,882

(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.

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, 2024 to March 31, 2025)

(Unit: Millions of yen)

	Reportable Segment			Others (Note)	Total
	Paper and Pulp Manufacturing	Power Generation	Total		
Net sales					
Sales to external customers	101,407	5,622	107,029	3,979	111,009
Intersegment sales and transfers	–	–	–	13,071	13,071
Total	101,407	5,622	107,029	17,051	124,080
Segment profit	3,663	547	4,210	544	4,754

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, 2025 to March 31, 2026)

(Unit: Millions of yen)

	Reportable Segment			Others (Note)	Total
	Paper and Pulp Manufacturing	Power Generation	Total		
Net sales					
Sales to external customers	100,504	5,660	106,164	4,221	110,386
Intersegment sales and transfers	–	–	–	13,320	13,320
Total	100,504	5,660	106,164	17,542	123,707
Segment profit	1,692	509	2,202	491	2,693

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, 2024 to March 31, 2025)

(Unit: Millions of yen)

Net sales	Amount
Total of reportable segments	107,029
Net sales in “Other” segment	17,051
Elimination of intersegment transactions	(13,071)
Net sales in consolidated financial statements	111,009

(Unit: Millions of yen)

Profit	Amount
Total of reportable segments	4,210
Income in “Other” Segment	544
Elimination of intersegment transactions	37
Other adjustments	51
Operating profit in consolidated financial statements	4,843

Consolidated Fiscal Year Under Review (April 1, 2025 to March 31, 2026)

(Unit: Millions of yen)

Net sales	Amount
Total of reportable segments	106,164
Net sales in “Other” segment	17,542
Elimination of intersegment transactions	(13,320)
Net sales in consolidated financial statements	110,386

(Unit: Millions of yen)

Profit	Amount
Total of reportable segments	2,202
Income in “Other” Segment	491
Elimination of intersegment transactions	39
Other adjustments	8
Operating profit in consolidated financial statements	2,741