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August 8, 2025

Consolidated Financial Results for the Three Months Ended June 30, 2025 (Under Japanese GAAP)

Company name: Daio Paper Corporation
 Listing: Tokyo Stock Exchange
 Securities code: 3880
 URL: <https://www.daio-paper.co.jp>
 Representative: Yorifusa Wakabayashi, Representative Director, President and Chief Executive Officer
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 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated financial results for the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	158,233	(4.8)	2,098	6.8	144	(93.0)	335	-
June 30, 2024	166,263	2.6	1,965	(29.3)	2,051	(23.1)	(1,083)	-

Note: Comprehensive income For the three months ended June 30, 2025: ¥ (6,991 million) [- %]
 For the three months ended June 30, 2024: ¥ 4,738 million [(22.9%)]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2025	2.02	-
June 30, 2024	(6.51)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2025	853,210	241,897	26.8
March 31, 2025	886,066	249,713	26.7

Reference: Equity
 As of June 30, 2025: ¥228,771 million
 As of March 31, 2025: ¥236,720 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	7.00	-	7.00	14.00
Fiscal year ending March 31, 2026	-				
Fiscal year ending March 31, 2026 (Forecast)		7.00		7.00	14.00

Note : Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(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
First half	325,000	(2.6)	6,500	75.3	2,500	187.1	0	-	0.00
Full year	670,000	0.2	22,000	124.3	14,000	209.0	5,000	-	30.05

Note: Revisions to the forecast of consolidated financial results most recently announced: None

*** Notes**

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

Newly included: None

Excluded: 1 company (Elleair International Turkey Kişisel Bakım Ürünleri Üretim A.S.)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) 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

(4) Number of issued shares (common shares)

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

As of June 30, 2025	169,012,926 shares
As of March 31, 2025	169,012,926 shares

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

As of June 30, 2025	2,595,796 shares
As of March 31, 2025	2,596,936 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2025	166,416,657 shares
Three months ended June 30, 2024	166,371,822 shares

Note: Number of treasury shares includes shares owned by the stock-based incentive system that uses a trust delivery system.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

1. The earnings forecasts and other forward-looking statements herein are based on the information currently available to the Company and certain assumptions the Company considers reasonable. The actual results may differ significantly from these forecasts due to a wide range of factors.

2. The supplementary material on quarterly financial results will be posted on the Company's following website.

https://www.daio-paper.co.jp/en/ir/ir_news/

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	113,189	104,302
Notes and accounts receivable - trade, and contract assets	115,111	107,154
Inventories	112,787	116,193
Other	19,948	13,471
Allowance for doubtful accounts	(155)	(149)
Total current assets	360,882	340,972
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	95,775	94,319
Machinery, equipment and vehicles, net	178,596	168,999
Land	85,093	84,649
Other, net	49,243	49,693
Total property, plant and equipment	408,708	397,661
Intangible assets		
Goodwill	38,702	38,151
Other	29,856	28,912
Total intangible assets	68,559	67,064
Investments and other assets	47,879	47,423
Total non-current assets	525,147	512,149
Deferred assets	36	89
Total assets	886,066	853,210

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	79,929	76,516
Short-term borrowings	13,767	14,012
Current portion of bonds payable	15,000	15,000
Current portion of long-term borrowings	82,739	92,830
Provisions	9,452	3,578
Other	65,813	58,353
Total current liabilities	266,702	260,290
Non-current liabilities		
Bonds payable	20,000	35,000
Long-term borrowings	298,131	266,076
Retirement benefit liability	22,875	22,600
Provisions	1,697	1,721
Other	26,945	25,624
Total non-current liabilities	369,649	351,022
Total liabilities	636,352	611,313
Net assets		
Shareholders' equity		
Share capital	53,884	53,884
Capital surplus	55,112	55,112
Retained earnings	101,348	100,863
Treasury shares	(3,205)	(3,203)
Total shareholders' equity	207,139	206,657
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,696	4,703
Deferred gains or losses on hedges	78	(82)
Foreign currency translation adjustment	20,874	14,444
Remeasurements of defined benefit plans	2,931	3,048
Total accumulated other comprehensive income	29,580	22,113
Non-controlling interests	12,992	13,126
Total net assets	249,713	241,897
Total liabilities and net assets	886,066	853,210

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income

Quarterly Consolidated Statement of Income

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Net sales	166,263	158,233
Cost of sales	131,597	123,264
Gross profit	34,665	34,968
Selling, general and administrative expenses	32,700	32,870
Operating profit	1,965	2,098
Non-operating income		
Interest income	251	331
Dividend income	194	218
Share of profit of entities accounted for using equity method	58	196
Foreign exchange gains	1,050	—
Gain on the net monetary position	129	318
Other	1,035	500
Total non-operating income	2,719	1,564
Non-operating expenses		
Interest expenses	1,463	1,453
Foreign exchange losses	—	458
Loss on valuation of derivatives	121	837
Other	1,048	768
Total non-operating expenses	2,633	3,519
Ordinary profit	2,051	144
Extraordinary income		
Gain on sale of non-current assets	29	41
Gain on sale of investment securities	2	10
Insurance claim income	84	0
Reversal of provision for business restructuring	—	2,712
Other	78	—
Total extraordinary income	194	2,765
Extraordinary losses		
Loss on sale and retirement of non-current assets	115	62
Impairment losses	1	0
Loss on disaster	67	23
Loss on tax purpose reduction entry of non-current assets	75	—
Business restructuring expenses	—	911
Other	0	39
Total extraordinary losses	259	1,037
Profit before income taxes	1,986	1,872
Income taxes - current	988	475
Income taxes - deferred	1,462	952
Total income taxes	2,451	1,427
Profit (loss)	(464)	445
Profit attributable to non-controlling interests	619	109
Profit (loss) attributable to owners of parent	(1,083)	335

Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Profit (loss)	(464)	445
Other comprehensive income		
Valuation difference on available-for-sale securities	(315)	(822)
Deferred gains or losses on hedges	85	(170)
Foreign currency translation adjustment	5,467	(6,389)
Remeasurements of defined benefit plans, net of tax	(33)	117
Share of other comprehensive income of entities accounted for using equity method	(0)	(170)
Total other comprehensive income	5,203	(7,436)
Comprehensive income	4,738	(6,991)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,579	(7,131)
Comprehensive income attributable to non-controlling interests	1,159	139