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November 14, 2025

Consolidated Financial Results for the Six Months Ended September 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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 Telephone: +81-3-6856-7500
 Scheduled date to file semi-annual securities report: November 14, 2025
 Scheduled date to commence dividend payments: December 2, 2025
 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 six months ended September 30, 2025 (from April 1, 2025 to September 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	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2025	319,358	(4.3)	8,559	130.8	6,134	604.5	4,385	-
September 30, 2024	333,650	0.7	3,708	(50.1)	870	(83.9)	(3,467)	-

Note: Comprehensive income For the six months ended September 30, 2025: ¥ (2,005 million) [- %]
 For the six months ended September 30, 2024: ¥ 8,573 million [(36.2) %]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2025	26.35	-
September 30, 2024	(20.84)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2025	875,760	246,915	26.7
March 31, 2025	886,066	249,713	26.7

Reference: Equity
 As of September 30, 2025: ¥ 233,537 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	-	7.00			
Fiscal year ending March 31, 2026 (Forecast)			-	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
Full year	670,000	0.2	22,000	124.3	14,000	209.0	5,000	-	30.04

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 semi-annual 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 September 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 September 30, 2025	2,569,730 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)

Six months ended September 30, 2025	166,424,450 shares
Six months ended September 30, 2024	166,383,048 shares

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

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* 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/

Semi-annual Consolidated Financial Statements and Primary Notes

Semi-annual Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	113,189	127,070
Notes and accounts receivable - trade, and contract assets	115,111	108,372
Inventories	112,787	116,709
Other	19,948	23,227
Allowance for doubtful accounts	(155)	(132)
Total current assets	360,882	375,247
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	95,775	94,743
Machinery, equipment and vehicles, net	178,596	181,036
Land	85,093	84,438
Other, net	49,243	28,672
Total property, plant and equipment	408,708	388,891
Intangible assets		
Goodwill	38,702	37,596
Other	29,856	27,962
Total intangible assets	68,559	65,558
Investments and other assets	47,879	45,985
Total non-current assets	525,147	500,435
Deferred assets	36	77
Total assets	886,066	875,760

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	79,929	71,608
Short-term borrowings	13,767	16,832
Current portion of bonds payable	15,000	15,000
Current portion of long-term borrowings	82,739	80,287
Provisions	9,452	5,885
Other	65,813	50,742
Total current liabilities	266,702	240,356
Non-current liabilities		
Bonds payable	20,000	35,000
Long-term borrowings	298,131	302,989
Retirement benefit liability	22,875	22,788
Provisions	1,697	1,492
Other	26,945	26,218
Total non-current liabilities	369,649	388,488
Total liabilities	636,352	628,844
Net assets		
Shareholders' equity		
Share capital	53,884	53,884
Capital surplus	55,112	55,112
Retained earnings	101,348	104,913
Treasury shares	(3,205)	(3,153)
Total shareholders' equity	207,139	210,756
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,696	6,883
Deferred gains or losses on hedges	78	(0)
Foreign currency translation adjustment	20,874	13,013
Remeasurements of defined benefit plans	2,931	2,883
Total accumulated other comprehensive income	29,580	22,780
Non-controlling interests	12,992	13,378
Total net assets	249,713	246,915
Total liabilities and net assets	886,066	875,760

Semi-annual Consolidated Statement of Income and Semi-annual Consolidated Statement of Comprehensive Income

Semi-annual Consolidated Statement of Income

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	333,650	319,358
Cost of sales	263,203	245,316
Gross profit	70,447	74,041
Selling, general and administrative expenses	66,738	65,481
Operating profit	3,708	8,559
Non-operating income		
Interest income	511	721
Dividend income	261	287
Share of profit of entities accounted for using equity method	80	229
Foreign exchange gains	—	975
Gain on valuation of derivatives	866	—
Other	2,237	1,376
Total non-operating income	3,957	3,590
Non-operating expenses		
Interest expenses	2,938	2,976
Foreign exchange losses	2,206	—
Loss on valuation of derivatives	—	1,536
Other	1,650	1,502
Total non-operating expenses	6,795	6,015
Ordinary profit	870	6,134
Extraordinary income		
Gain on sale of non-current assets	48	45
Gain on sale of investment securities	1,530	295
Insurance claim income	229	6,393
Reversal of provision for business restructuring	—	2,712
Other	79	—
Total extraordinary income	1,887	9,447
Extraordinary losses		
Loss on sale and retirement of non-current assets	281	267
Impairment losses	277	149
Loss on disaster	172	44
Loss on tax purpose reduction entry of non-current assets	75	4,368
Business restructuring expenses	—	1,714
Other	0	57
Total extraordinary losses	807	6,602
Profit before income taxes	1,950	8,978
Income taxes - current	2,075	1,404
Income taxes - deferred	2,132	2,841
Total income taxes	4,208	4,246
Profit (loss)	(2,258)	4,732
Profit attributable to non-controlling interests	1,209	346
Profit (loss) attributable to owners of parent	(3,467)	4,385

Semi-annual Consolidated Statement of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit (loss)	(2,258)	4,732
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,414)	1,331
Deferred gains or losses on hedges	245	(169)
Foreign currency translation adjustment	12,161	(7,706)
Remeasurements of defined benefit plans, net of tax	(152)	(48)
Share of other comprehensive income of entities accounted for using equity method	(8)	(144)
Total other comprehensive income	10,831	(6,738)
Comprehensive income	8,573	(2,005)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,008	(2,414)
Comprehensive income attributable to non-controlling interests	1,565	408