August 6, 2026

Consolidated Financial Results for the Three Months Ended June 30, 2026 (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, 2026 (from April 1, 2026 to June 30, 2026)

(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, 2026	161,160	1.8	1,495	(28.7)	1,247	763.5	(463)	-
June 30, 2025	158,233	(4.8)	2,098	6.8	144	(93.0)	335	-

Note: Comprehensive income For the three months ended June 30, 2026: ¥ 4,405 million [- %]
For the three months ended June 30, 2025: ¥ (6,991 million) [- %]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	(3.01)	-
June 30, 2025	2.02	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2026	856,617	246,088	26.7
March 31, 2026	853,930	242,757	26.6

Reference: Equity
As of June 30, 2026: ¥228,756 million
As of March 31, 2026: ¥226,909 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, 2026	-	7.00	-	7.00	14.00
Fiscal year ending March 31, 2027	-				
Fiscal year ending March 31, 2027 (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, 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
First half	327,500	2.5	4,500	(47.4)	2,500	(59.2)	5,000	14.0	32.42
Full year	680,000	2.0	24,000	(0.1)	17,000	(20.3)	12,000	35.0	77.81

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: None

(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, 2026	169,012,926 shares
As of March 31, 2026	169,012,926 shares

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

As of June 30, 2026	14,789,503 shares
As of March 31, 2026	14,796,266 shares

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

Three months ended June 30, 2026	154,220,547 shares
Three months ended June 30, 2025	166,416,657 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, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	96,026	105,509
Notes and accounts receivable - trade, and contract assets	117,478	107,010
Inventories	111,106	114,897
Other	10,480	11,047
Allowance for doubtful accounts	(197)	(190)
Total current assets	334,894	338,274
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	93,589	93,227
Machinery, equipment and vehicles, net	176,702	173,767
Land	85,115	85,399
Other, net	29,863	30,788
Total property, plant and equipment	385,271	383,182
Intangible assets		
Goodwill	37,075	37,608
Other	26,856	26,397
Total intangible assets	63,931	64,005
Investments and other assets	69,774	71,106
Total non-current assets	518,977	518,293
Deferred assets	58	49
Total assets	853,930	856,617

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	70,765	70,717
Short-term borrowings	23,928	16,717
Current portion of bonds payable	15,000	15,000
Current portion of long-term borrowings	84,358	86,366
Provisions	8,099	3,844
Other	69,280	78,066
Total current liabilities	271,431	270,712
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term borrowings	268,658	266,803
Provisions	1,669	1,793
Retirement benefit liability	22,570	22,720
Other	26,842	28,499
Total non-current liabilities	339,741	339,816
Total liabilities	611,172	610,529
Net assets		
Shareholders' equity		
Share capital	53,884	53,884
Capital surplus	55,112	55,112
Retained earnings	108,241	106,689
Treasury shares	(16,849)	(16,836)
Total shareholders' equity	200,389	198,850
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,548	5,929
Deferred gains or losses on hedges	(22)	(71)
Foreign currency translation adjustment	17,725	20,957
Remeasurements of defined benefit plans	3,268	3,090
Total accumulated other comprehensive income	26,520	29,906
Non-controlling interests	15,848	17,332
Total net assets	242,757	246,088
Total liabilities and net assets	853,930	856,617

(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, 2025	Three months ended June 30, 2026
Net sales	158,233	161,160
Cost of sales	123,264	125,634
Gross profit	34,968	35,526
Selling, general and administrative expenses	32,870	34,030
Operating profit	2,098	1,495
Non-operating income		
Interest income	331	532
Dividend income	218	584
Share of profit of entities accounted for using equity method	196	61
Foreign exchange gains	—	981
Gain on the net monetary position	318	—
Other	500	1,113
Total non-operating income	1,564	3,274
Non-operating expenses		
Interest expenses	1,453	1,712
Foreign exchange losses	458	—
Loss on valuation of derivatives	837	1,213
Other	768	596
Total non-operating expenses	3,519	3,522
Ordinary profit	144	1,247
Extraordinary income		
Gain on sale of non-current assets	41	8
Gain on sale of investment securities	10	—
Insurance claim income	0	8
Reversal of provision for business restructuring	2,712	—
Reversal of provision for losses on transfer of subsidiaries and associates	—	103
Total extraordinary income	2,765	120
Extraordinary losses		
Loss on sale and retirement of non-current assets	62	46
Impairment losses	0	10
Loss on disaster	23	353
Business restructuring expenses	911	—
Other	39	2
Total extraordinary losses	1,037	413
Profit before income taxes	1,872	954
Income taxes - current	475	1,032
Income taxes - deferred	952	(103)
Total income taxes	1,427	928
Profit	445	25
Profit attributable to non-controlling interests	109	489
Profit (loss) attributable to owners of parent	335	(463)

Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Profit	445	25
Other comprehensive income		
Valuation difference on available-for-sale securities	(822)	316
Deferred gains or losses on hedges	(170)	(95)
Foreign currency translation adjustment	(6,389)	4,275
Remeasurements of defined benefit plans, net of tax	117	(179)
Share of other comprehensive income of entities accounted for using equity method	(170)	63
Total other comprehensive income	(7,436)	4,379
Comprehensive income	(6,991)	4,405
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(7,131)	2,921
Comprehensive income attributable to non-controlling interests	139	1,484