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**Financial Results for
the First Nine Months
of FY2025
(February 13, 2026)**

01

**FY2025 Financial Results
for the First Nine Months
& Full-year Forecasts**

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01

FY2025 Financial Results for the First Nine Months Full-year Forecasts

(1) FY2025 Financial Results for the First Nine Months

FY2025 Financial Results for the First Nine Months



- ◎ Net sales: Decreased due to a decline in production reflecting the impact of the earthquake(*1) and a decrease in demand for communication paper.
- ◎ Operating income: Decreased due to the impact of the earthquake (decline in operation capacity and intensity). Operating income from the functional materials business remained in line with the forecast(*2) excluding the impact of the earthquake.
- ◎ Profit attributable to owners of parent: An extraordinary loss of ¥0.4 billion was posted due to the impact of the earthquake (including shutdown costs and repair expenses).

(*1) Impact on Hachinohe Mill of the earthquake that occurred off the east coast of Aomori Prefecture on December 8. The same applies hereinafter.

(*2) "Forecast" refers to the forecast value as of November 13, 2025, when the financial results for the first half were reported. The same applies hereinafter.

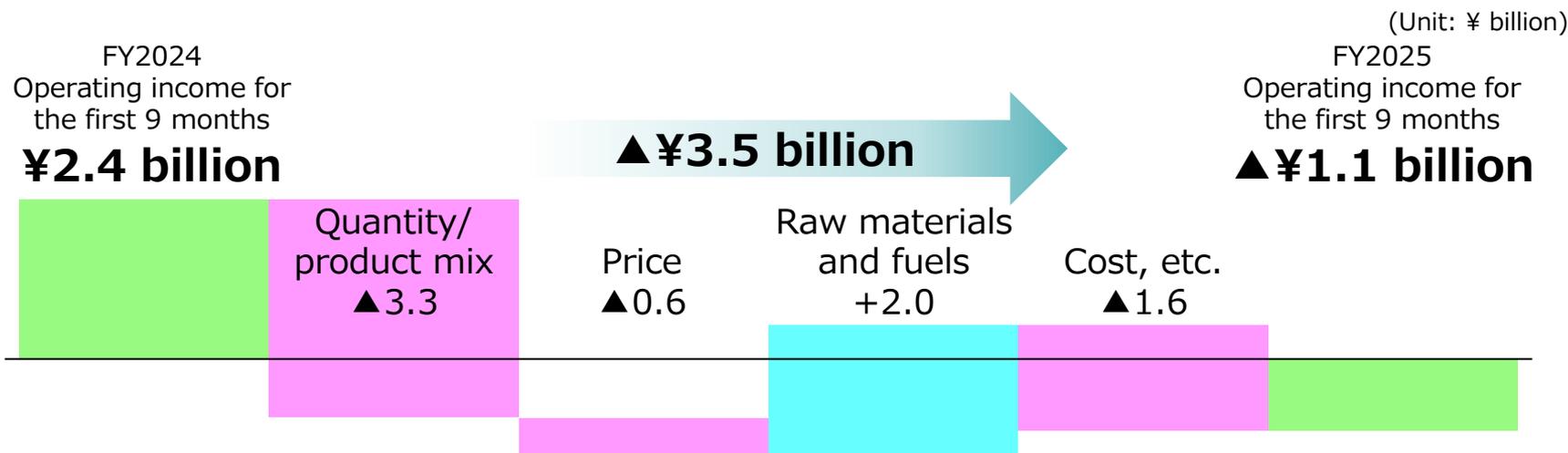
(Unit: ¥ billion)

	FY2025 first 9 months result (a)	FY2024 first 9 months result (b)	Change (a)-(b)	FY2025 first 9 months forecast (c)	Change (a)-(c)
Net sales	117.8	132.7	▲ 14.9	122.0	▲ 4.2
Functional Materials Business	58.8	69.6	▲ 10.8	62.0	▲ 3.2
(Domestic business only)	(35.5)	(41.0)	(▲ 5.5)	(38.0)	(▲ 2.5)
(Overseas business only)	(23.3)	(28.6)	(▲ 5.3)	(24.0)	(▲ 0.7)
Sustainable Fiber Materials Business	59.7	64.3	▲ 4.6	62.0	▲ 2.3
Operating income	▲ 1.1	2.4	▲ 3.5	1.0	▲ 2.1
Functional Materials Business	0.8	2.5	▲ 1.7	1.0	▲ 0.2
(Domestic business only)	(2.8)	(4.3)	(▲ 1.5)	(3.0)	(▲ 0.2)
(Overseas business only)	(▲ 2.0)	(▲ 1.8)	(▲ 0.2)	(▲ 2.0)	(0.0)
Sustainable Fiber Materials Business	▲ 1.9	0.0	▲ 1.9	0.0	▲ 1.9
Ordinary income	0.2	2.7	▲ 2.5	1.7	▲ 1.5
Profit attributable to owners of parent	▲ 2.0	2.4	▲ 4.4	▲ 0.1	▲ 1.9

FY2025 Consolidated Operating Income for the First Nine Months (YoY)



- Functional materials: Operating income decreased, despite an increase in sales of inkjet paper (higher demand in Europe), due to a decrease in sales of communication paper (lower demand). In Germany, operating income decreased, despite the onset of the effects of structural reforms, due to the persistently sluggish market of thermal paper in Europe.
- Sustainable Fiber Materials: Operating income decreased due to ▲¥1.0 billion attributed to measures to address aging of Hachinohe Mill (periodic repair made 2 times [while it is made once a year normally]) and ▲¥0.9 billion reflecting the impact of the earthquake.



[Preconditions (Cumulative total for the first 9 months of FY2024 --> Cumulative total for the first 9 months of FY2025)]
Forex: 151.70-->149.16 (JPY/USD), Coal: 137.9 --> 105.6 USD/t, Crude oil (Dubai): 79.3 --> 67.1 USD/bbl

		Quantity/product mix		Price		Raw materials and fuels		Cost, etc.		Total
Functional materials	Japan	▲1.2	Increase in inkjet paper, decrease in communication paper (carbonless paper, PPC) Operation capacity (impact of the earthquake), etc.	+0.6	Inkjet paper (forex), communication paper, building materials, etc.	+0.1		▲1.0	Intensity ▲0.4 (impact of the earthquake, etc.) Repair expenses ▲0.3, etc.	▲1.5
	Overseas	▲0.8	Germany (thermal paper)	▲1.3	Germany (thermal paper)	+0.5	Pulp +0.7, etc.	+1.4	Structural reforms in Germany, cost reduction, etc.	▲0.2
	Total	▲2.0		▲0.7		+0.6		+0.4		▲1.7
Sustainable fiber materials		▲1.3	Decrease of pulp Operation capacity (impact of the earthquake), etc.	+0.1		+1.4	Coal +1.0, etc.	▲2.1	Intensity ▲0.8 (impact of the earthquake, etc.), repair expenses ▲0.7, etc.	▲1.9
Other		0.0		0.0		0.0		+0.1		+0.1
Total		▲3.3		▲0.6		+2.0		▲1.6		▲3.5

FY2025 Consolidated Operating Income for the First Nine Months (vs. Forecast)



- Functional materials: Fell short in Japan due to the impact of the earthquake. Overseas, the result in Germany was as forecast.
- Sustainable Fiber Materials: Fell short due in part to the impact of the earthquake.

(Unit: ¥ billion)

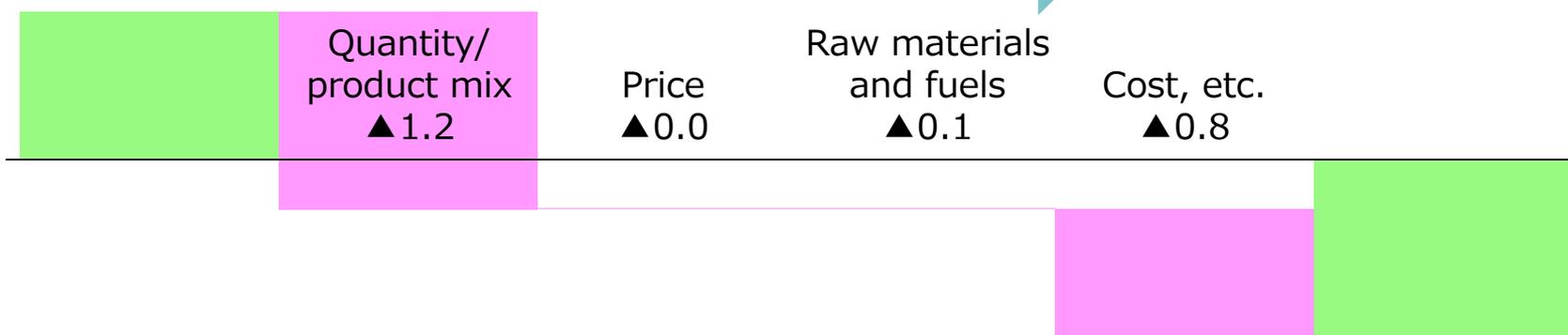
FY2025 operating income for the first 9 months (forecast)

FY2025 Operating income for the first 9 months

¥1.0 billion

▲ ¥2.1 billion

▲ ¥1.1 billion



		Quantity/product mix		Price		Raw materials and fuels		Cost, etc.		Total
Functional materials	Japan	▲0.2	Communication paper Operation capacity (impact of the earthquake), etc.	+0.1		0.0		▲0.1	Impact of the earthquake, etc.	▲0.2
	Overseas	▲0.1		▲0.1		+0.1		+0.1	Production consolidation in Germany, etc.	0.0
	Total	▲0.3		0.0		+0.1		0.0		▲0.2
Sustainable fiber materials		▲0.9	Impact of the earthquake, etc.	0.0		▲0.2		▲0.8	Impact of the earthquake, intensity, etc.	▲1.9
Other		0.0		0.0		0.0		0.0		0.0
Total		▲1.2		0.0		▲0.1		▲0.8		▲2.1

(2) Full-year Forecasts

FY2025 Full-year Consolidated Results Forecasts



- ◎ Net sales: Persistent impact of the earthquake and lower demand for thermal paper in Germany are factored in.
- ◎ Operating income: For functional materials, higher demand for inkjet paper and the effects of structural reforms in Germany, etc. are factored in. For Sustainable Fiber Materials, the impact of the earthquake etc. are factored in.
- ◎ Profit attributable to owners of parent: Sales of cross-holding shares are factored in.

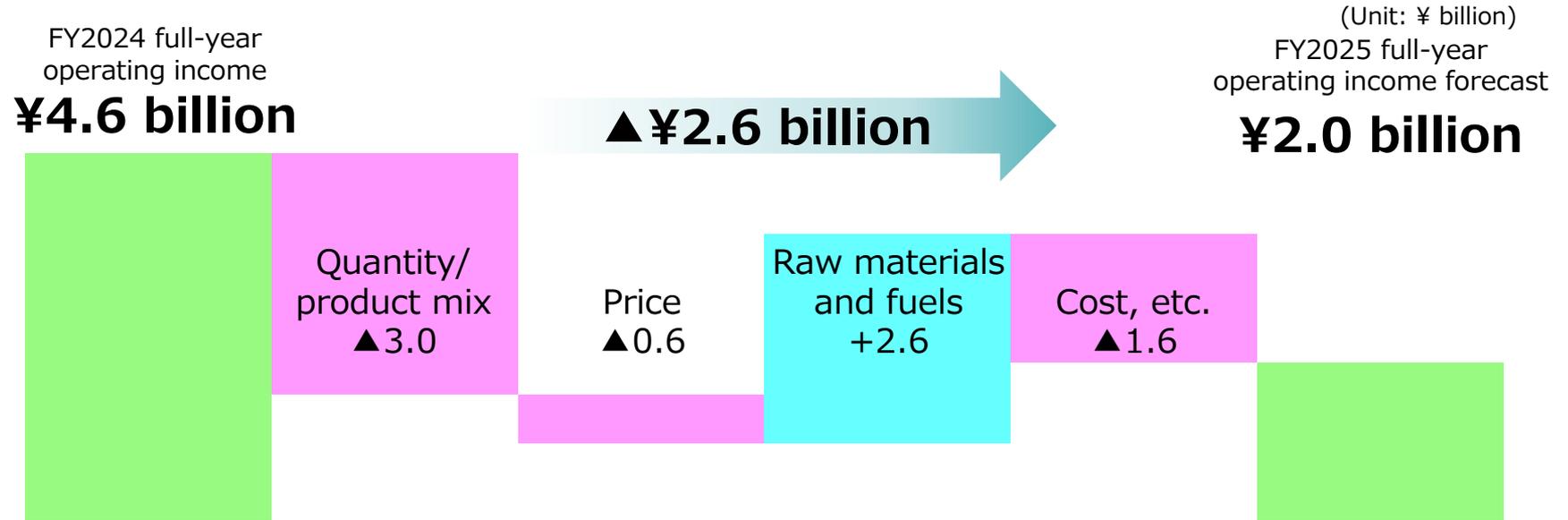
(Unit: ¥ billion)

	FY2025 (Full year) Latest forecast (a)	FY2024 full-year result (b)	Change (a)-(b)	FY2025 (Full year) Forecast (c)	Change (a)-(c)
Net sales	160.0	175.9	▲ 15.9	170.0	▲ 10.0
Functional Materials Business	79.0	88.2	▲ 9.2	85.0	▲ 6.0
(Domestic business only)	(50.0)	(50.8)	(▲ 0.8)	(52.0)	(▲ 2.0)
(Overseas business only)	(29.0)	(37.4)	(▲ 8.4)	(33.0)	(▲ 4.0)
Sustainable Fiber Materials Business	82.0	89.2	▲ 7.2	86.0	▲ 4.0
Operating income	2.0	4.6	▲ 2.6	5.0	▲ 3.0
Functional Materials Business	2.5	3.3	▲ 0.8	3.0	▲ 0.5
(Domestic business only)	(4.5)	(5.8)	(▲ 1.3)	(4.5)	(0.0)
(Overseas business only)	(▲ 2.0)	(▲ 2.5)	(0.5)	(▲ 1.5)	(▲ 0.5)
Sustainable Fiber Materials Business	▲ 0.5	1.3	▲ 1.8	2.0	▲ 2.5
Ordinary income	3.5	4.5	▲ 1.0	5.5	▲ 2.0
Profit attributable to owners of parent	1.5	4.3	▲ 2.8	3.5	▲ 2.0

FY2025 Full-year Consolidated Operating Income (YoY)



Income will increase in the fourth quarter due to onset of effects of structural reforms in Germany (profitability to be restored in the fourth quarter).



[Preconditions (4th quarter of FY2025 (Jan-Mar 2026))]
 Forex: 157 JPY/USD, Coal: 110 USD, Crude oil (Dubai): 70 USD/bbl

		Quantity/product mix	Price	Raw materials and fuels	Cost, etc.	Total
Functional materials	Japan	▲0.6 Increase of inkjet paper Decrease of communication paper (carbonless paper, PPC) Operation capacity (impact of the earthquake), etc.	+0.5 Inkjet paper (forex, etc.) Communication paper, building materials, etc.	▲0.2	▲1.0 Intensity (impact of the earthquake) Repair expenses, etc.	▲1.3
	Overseas	▲0.9 Decrease in Germany (thermal paper)	▲1.8 Germany (thermal paper)	+0.8 Pulp, etc.	+2.4 Structural reforms in Germany, etc.	+0.5
	Total	▲1.5	▲1.3	+0.6	+1.4	▲0.8
Sustainable fiber materials	▲1.5	+0.7 Operation capacity (impact of the earthquake), etc.	+2.0 Coal +1.3 Forex, etc.	▲3.0	▲1.8 Intensity (impact of the earthquake) Repair expenses, etc.	▲1.8
Other	0.0	0.0	0.0	0.0	0.0	0.0
Total	▲3.0	▲0.6	+2.6	▲1.6	▲2.6	

FY2025 Full-year Consolidated Operating Income (vs. Forecast)

- Functional materials: Operating income in Japan is expected to be in line with the forecast. Overseas, Germany is expected to continue facing a sluggish communication paper (thermal paper) market in Europe.
- Sustainable Fiber Materials:
The impact of the earthquake is expected to remain, and raw materials and energy are expected to be high.

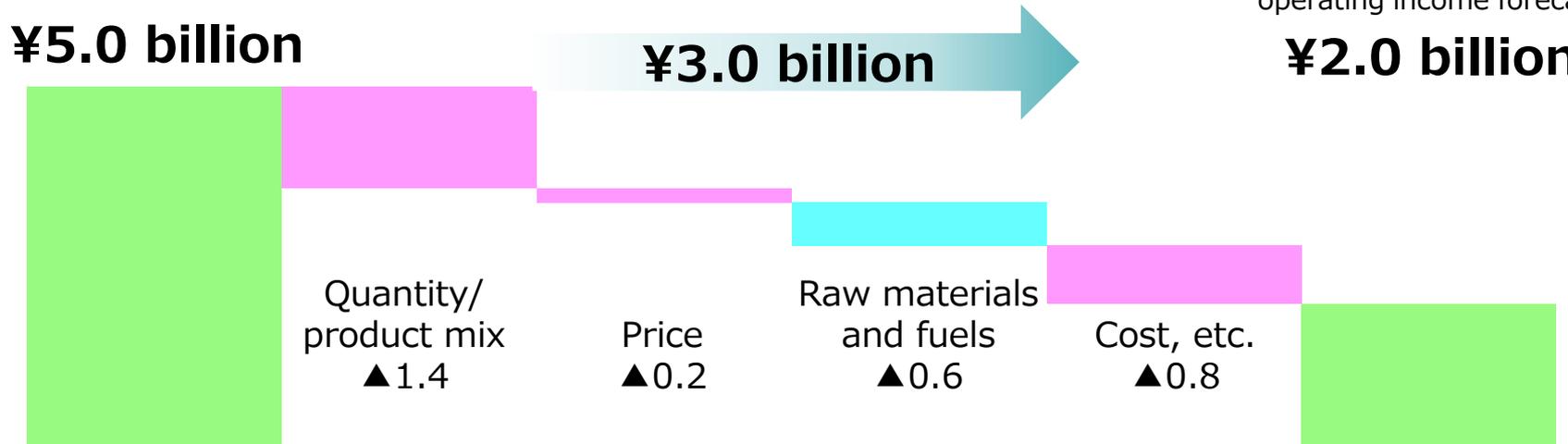
(Unit: ¥ billion)

FY2025 full-year
operating income forecast

¥5.0 billion

FY2025 full-year
operating income forecast

¥2.0 billion



		Quantity/product mix	Price		Raw materials and fuels		Cost, etc.		Total	
Functional materials	Japan	▲0.1	Communication paper, etc. Operation capacity (impact of the earthquake), etc.	+0.1		0.0	0.0	0.0	0.0	
	Overseas	▲0.6	Germany (thermal paper)	▲0.3	Germany (thermal paper)	+0.2	+0.2	Cost reduction in the German Business (Consolidation of production facilities)	▲0.5	
	Total	▲0.7		▲0.2		+0.2	+0.2		▲0.5	
Sustainable fiber materials		▲0.7	Operation capacity (impact of the earthquake), etc.	0.0		▲0.8	Chip	▲1.0	Impact of the earthquake (intensity), etc.	▲2.5
Other		0.0		0.0		0.0	0.0	0.0	0.0	
Total		▲1.4		▲0.2		▲0.6		▲0.8	▲3.0	

02

To Achieve Medium-Term Management Plan

(1) Division Strategies

Progress on Medium-term Management Plan

(Unit: ¥ billion)

FY2025 consolidated
operating income
(forecast)

¥2.0 billion

FY2027 consolidated
operating income
(Medium-term Management Plan)

¥20.0 billion

+¥18.0 billion

Temporary factors
for income decrease
in FY2025
+1.9

Onset of effects of
business structural
reforms
+2.6

Further profitability
improvement
+13.5
Functional materials
+10.5
Sustainable fiber
materials
+3.0

Functional
materials
15.0
Sustainable
fiber materials
5.0

	Functional Materials Business	Sustainable Fiber Materials Business	Total	Outline
Temporary factors for income decrease in FY2025	+0.2	+1.7	+1.9	Increase in periodic repair of Hachinohe Mill, and elimination of impact of the earthquake
Effects of business structural reforms	+1.8	+0.8	+2.6	Germany +1.6(Note) (fixed costs [labor cost, etc.], cost reduction [facility consolidation, etc.], etc.) Kitakami +0.8(Note) (cost reduction [facility consolidation, etc.], etc.) Fuji +0.2 (facility consolidation) (Note) Some effects began to be produced in FY2025. Additional effects to be produced from 2026 onward are described above.
Further profitability improvement	+10.5	+3.0	+13.5	See following pages for details of the initiatives.
Total	+12.5	+5.5	+18.0	

Business Strategy for Achieving Medium-term Management Plan

Achieve *SHINKA* by increasing added value and expanding globally

Functional Materials Business

Net sales (FY2027)

¥150.0 billion

Operating income (FY2027)

¥15.0 billion

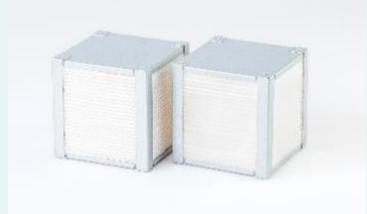
Increase market share in information and image media

	Progress as of FY2025 3Q	Initiatives for Medium-term Management Plan
<p>Enhance the quality superiority of thermal paper</p> 	<ul style="list-style-type: none"> ● General-purpose products (register roll, etc.) Fell short of the Medium-term Management Plan due to intensified competition in the market (YoY change in net sales: ▲5%) 	<ul style="list-style-type: none"> ● Increasing market share in general-purpose products by strengthening cost competitiveness ● Launching developed products An example is Water Thermal®, a product for use in logistics that is environmentally friendly with no liner or silicone.
<p>Strengthen global sales of inkjet paper</p> 	<ul style="list-style-type: none"> ● Expanded sales of products for the Middle East and Africa, markets that are being cultivated ● Medium-term Management Plan was exceeded mainly due to sales expansion of products for Europe. (YoY change in net sales: +15%) 	<ul style="list-style-type: none"> ● Expanding sales of inkjet paper worldwide Increasing market share by strengthening cost competitiveness ● Expanding sales of inkjet paper for industrial use by using overseas bases

Be a leader in functional materials

	Progress as of FY2025 3Q	Initiatives for Medium-term Management Plan
<p>Increase adoption of base materials for water treatment membranes</p> 	<ul style="list-style-type: none"> ● Fell short of the Medium-term Management Plan due in part to intensified competition in China and delays in sales expansion to Europe and the U.S. (YoY change in net sales: ▲10%) ● Increased market share by expanding new applications (+9% from the first half expected in the second half) ● Took steps to introduce products for Europe and the U.S. 	<ul style="list-style-type: none"> ● Providing high value-added products in China ● Launching full-scale sales to Europe and the U.S. ● Full-scale entry to the market of products for seawater desalination ● Increasing production and sales through capital investment
<p>Improve quality of separators for power storage devices</p> 	<ul style="list-style-type: none"> ● Expanded sales of separators for fast-charging LiBs ● High-performance products for EDLC(*1) and capacitor applications exceeded Medium-term Management Plan. (YoY change in net sales (Note 1): +9%) (Note 1) For EDLC and capacitor applications <p>(*1) Electrical double layer capacitor</p>	<ul style="list-style-type: none"> ● Increasing market share further in Japan and overseas by developing high-performance products for EDLC and capacitor applications ● Launching products into growth fields, including those for use in data centers and other information processing facilities ● Increasing production by making capital investments
<p>Expand sales of tape backing</p> 	<ul style="list-style-type: none"> ● The Japanese paper-type backing that we manufacture continued its strength from the previous fiscal year, exceeding Medium-term Management Plan. (Net sales: Equivalent to the FY2024 level (Note 2)) (Note 2) Net sales increased 22% YoY in FY2024. 	<ul style="list-style-type: none"> ● Expanding sales further by enhancing the product lineup ● Increasing production by making capital investments

Be a leader in functional materials

	Progress as of FY2025 3Q	Initiatives to achieve the Medium-term Management Plan
Expand sales of sustainable filter models 	<ul style="list-style-type: none"> Expanded sales of total enthalphy heat exchange elements (*2) to North America, a leading region in terms of energy conservation (Expected YoY change in sales of products for North America: +34%) Exceeding Medium-term Management Plan. (YoY change in net sales (Note 3): +11%) (Note 3) Overall total enthalphy heat exchange elements (*2) Devices mounted in energy-efficient ventilation systems that control room temperature and humidity 	<ul style="list-style-type: none"> MII, a U.S. subsidiary, will expand sales of total enthalphy heat exchange elements in North America. (Growth expected to be continued due to an increase in demand for the product as an environmentally friendly product)  <p>Total enthalphy heat exchange elements</p>
Other products	<ul style="list-style-type: none"> Responded to growing demand for products in the field of electronic materials, including heat resistant electrically insulated pressboards and dry film resist. 	<ul style="list-style-type: none"> Tapping into demand for heat resistant electrically insulated pressboards for power generation, a market that is expanding Tapping into demand for receiving orders for the mass production of resist products for difficult processes for high-performance electronic terminals (A 50% increase expected next fiscal year)

Strengthen the overseas production and sales structure

Progress as of FY2025 3Q	Initiatives for Medium-term Management Plan
<ul style="list-style-type: none"> Implemented structural reforms in Germany (restructuring and production consolidation) (Expected effect for FY2025: ¥1.6 billion) Fell short of the Medium-term Management Plan in Germany due to the worsening of the thermal paper market in Europe and delays in sales expansion of products for the U.S. 	<ul style="list-style-type: none"> Continuing structural reforms in Germany in response to market changes Starting to market domestic products in Germany

Business Strategy for Achieving Medium-term Management Plan

The sustainable fiber materials business achieves *SHINKA* by expanding sales of environmentally-friendly products and increasing productivity.

Net sales (FY2027)

¥100.0 billion

Operating income (FY2027)

¥5.0 billion

Reborn 60 Hachinohe Project

Progress in 3Q

Announced launch of the project

--> Actions to strengthen competitiveness and address aging of facilities



Initiatives to achieve Medium-term Management Plan

- Making capital investment of ¥25.0 billion (during the period up to FY2030) to **strengthen competitiveness** and **address aging**
- Production innovation:
 - Optimizing specific energy consumption by introducing a next-generation production management system (DX)
 - Streamlining the production process and saving manpower through replacement with the latest facilities
- Decarbonization:
 - Reducing CO₂ emissions by 40% (from the FY2013 level) by FY2030
- Well-being:
 - Improving workplace environment fundamentally (ensuring employee safety and comfort of work)
 - Redeveloping corporate housing and dormitories (catering to diversifying needs in the next generation)
 - Fostering a corporate culture that permits employees to work with high aspirations and pride

Business Strategy for Achieving Medium-term Management Plan

Expand applications for packaging materials and pulp made from 100% wood grown in Japan

	Progress as of FY2025 3Q	Initiatives to achieve Medium-term Management Plan
Expand sales of packaging paper to eliminate or reduce plastics	<ul style="list-style-type: none"> ● Production decreased, mainly due to the impact of the earthquake and facility trouble caused by aging. Export sales remained below the Medium-term Management Plan due in part to a decline in overseas markets. (YoY change in net sales of packaging paper: ▲6%) 	<ul style="list-style-type: none"> ● Stabilizing production by investing in radical measures to address aging and implementing repairs (--> Reborn 60 Hachinohe)
Expanding sales of pulp made from 100% wood grown in Japan from Kitakami Mill	<ul style="list-style-type: none"> ● Started sales of softwood pulp ● Established Wood & Chip Cooperative Association of Mitsubishi Paper Mills, which is aimed at collecting more chips produced in Japan ● Export sales did not grow and remained below Medium-term Management Plan due in part to a decline in overseas markets. 	<ul style="list-style-type: none"> ● Expanding (domestic and export) sales of softwood pulp ● Collecting more woodchips produced in Japan (Aiming to increase the ratio of chips produced in Japan to the total amount of collected chips to 35% by FY2027)
Other products	<ul style="list-style-type: none"> ● Sales of non-wood pulp(*3) progressed as planned. (*3)Pulp including straw pulp, abaca pulp, and cotton pulp manufactured at Toho Tokushu Pulp Co., Ltd., our subsidiary 	<ul style="list-style-type: none"> ● Expanding sales by developing applications(*4) for non-wood pulp, among other initiatives (*4)Currently, non-wood pulp has wide-ranging applications, including security paper, cover paper, electrolytic capacitors, and tea bags.

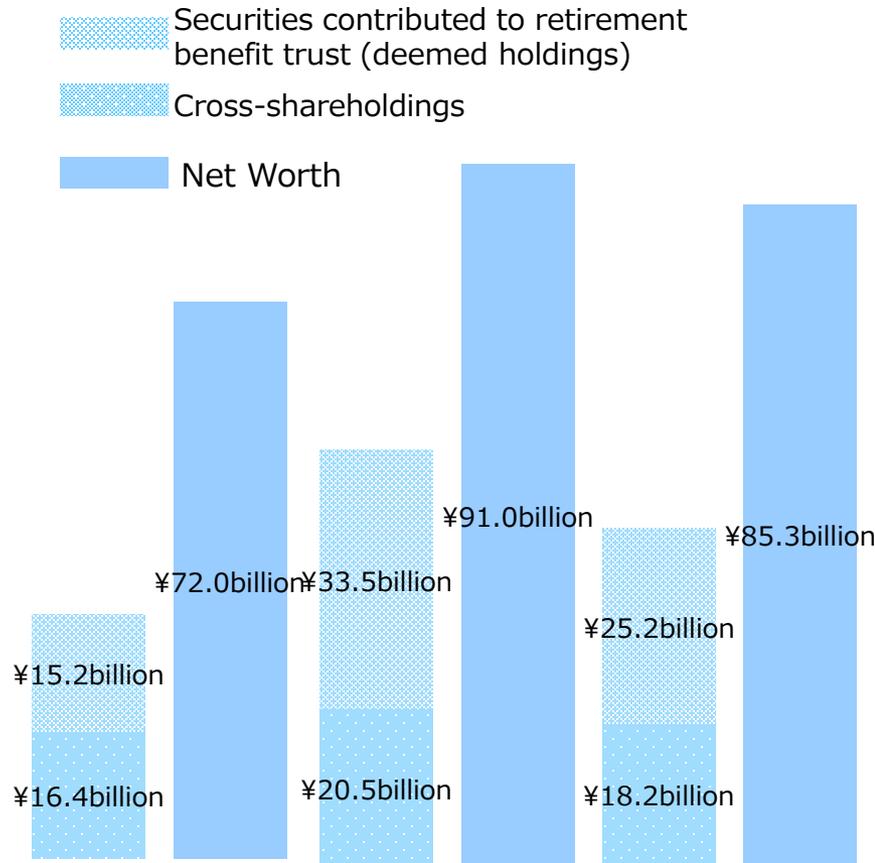
Integrate the operation of Hachinohe and Kitakami Mills

Progress as of FY2025 3Q	Initiatives to achieve Medium-term Management Plan
<ul style="list-style-type: none"> ● The shutdown of operations of the papermaking machine at Kitakami Mill and transfer to Hachinohe Mill progressed as planned. 	<ul style="list-style-type: none"> ● Improving efficiency further through the integration of operations ● Further consolidation of brands of products manufactured at Hachinohe Mill

(2) Financial Strategy

b. Initiatives to reduce shares held

(1) Initiatives taken in FY2023 and FY2024



➤ Reduction of shares held

Sold cross-holding shares in FY2023 and FY2024 (Sale price: ¥5.8 billion)

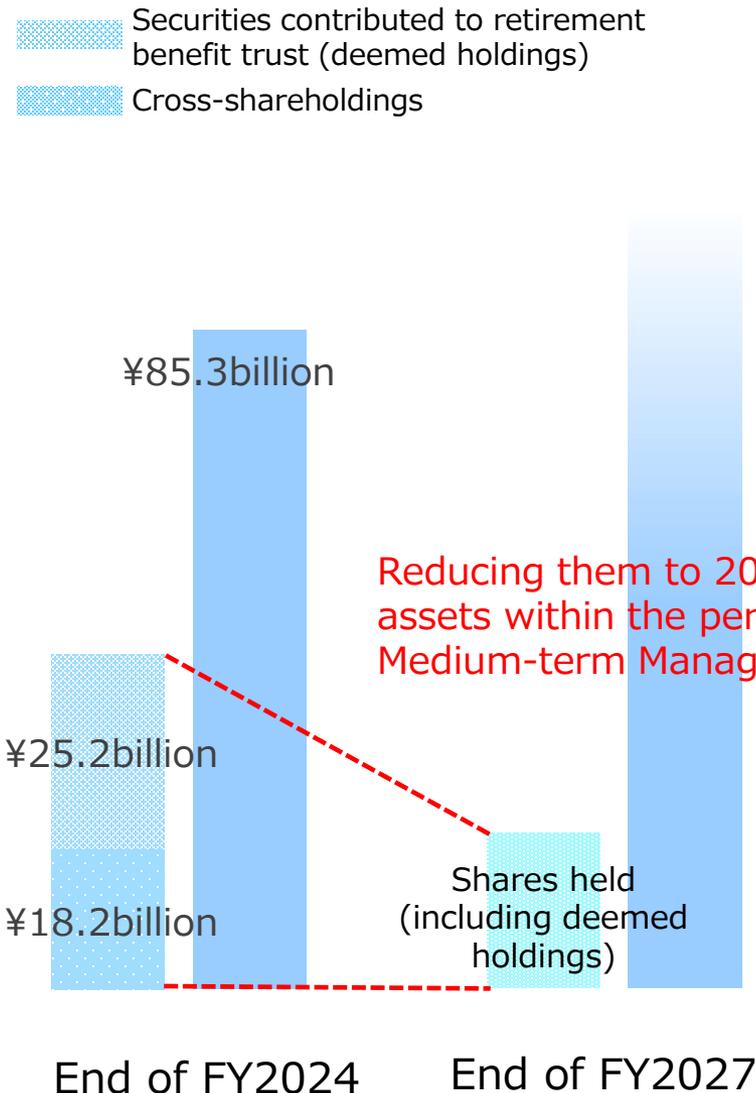
➤ Effective use of cash

- Improvement of financial position
- Management investments (capital investment, structural reforms in Germany, etc.)
- Shareholder return

Number of stocks	102	90	81
Holding ratio(*)	44%	59%	51%

(*) Ratio of shares held to net assets

(2) Initiatives for the future (FY2025 and onward)



➤ Reduction of shares held

- Reducing cross-shareholdings and securities contributed to the retirement benefit trust

➤ Effective use of cash

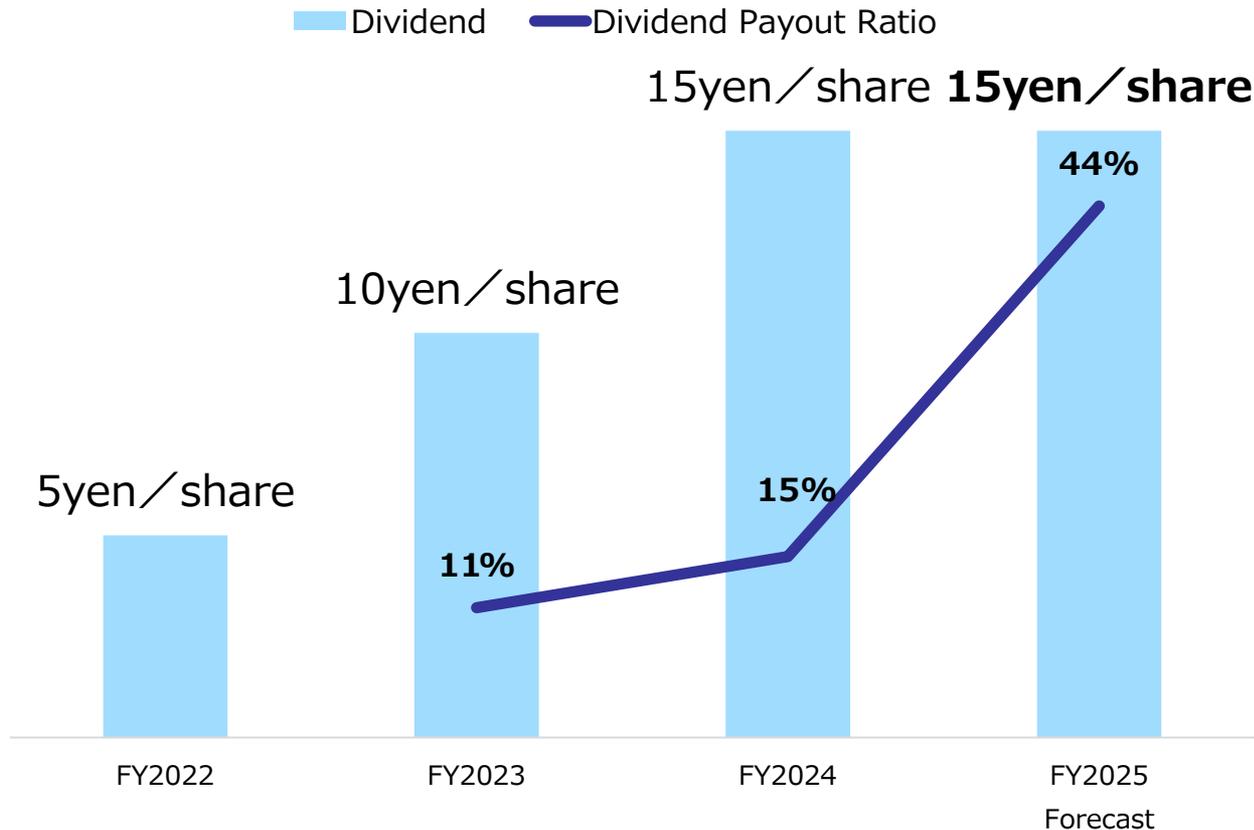
- Improvement of financial position
- Management investments for growth and profitability improvement (Investments for expanding functional materials and upgrading aging facilities)
- Shareholder return

➤ Disposal of idle assets

- Planning to dispose of real estate, machinery, and equipment

c. Dividend policy

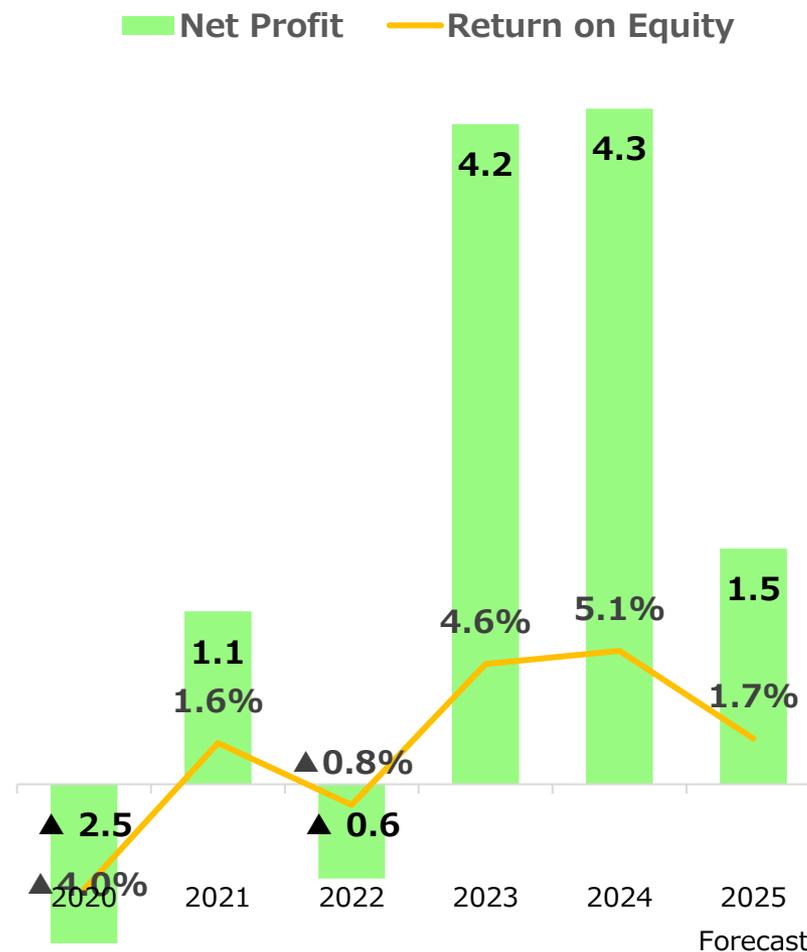
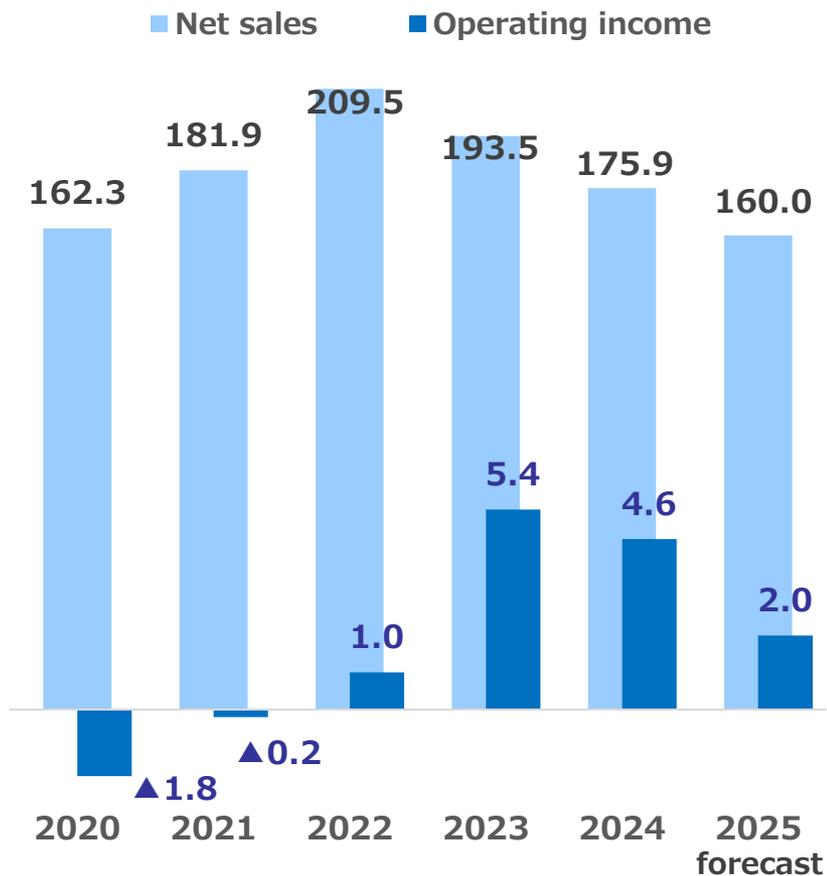
- Amount of dividend: Maintaining ¥15/share (value announced on May 13, 2025)



<Reference> Financial Data



(Unit: ¥ billion)

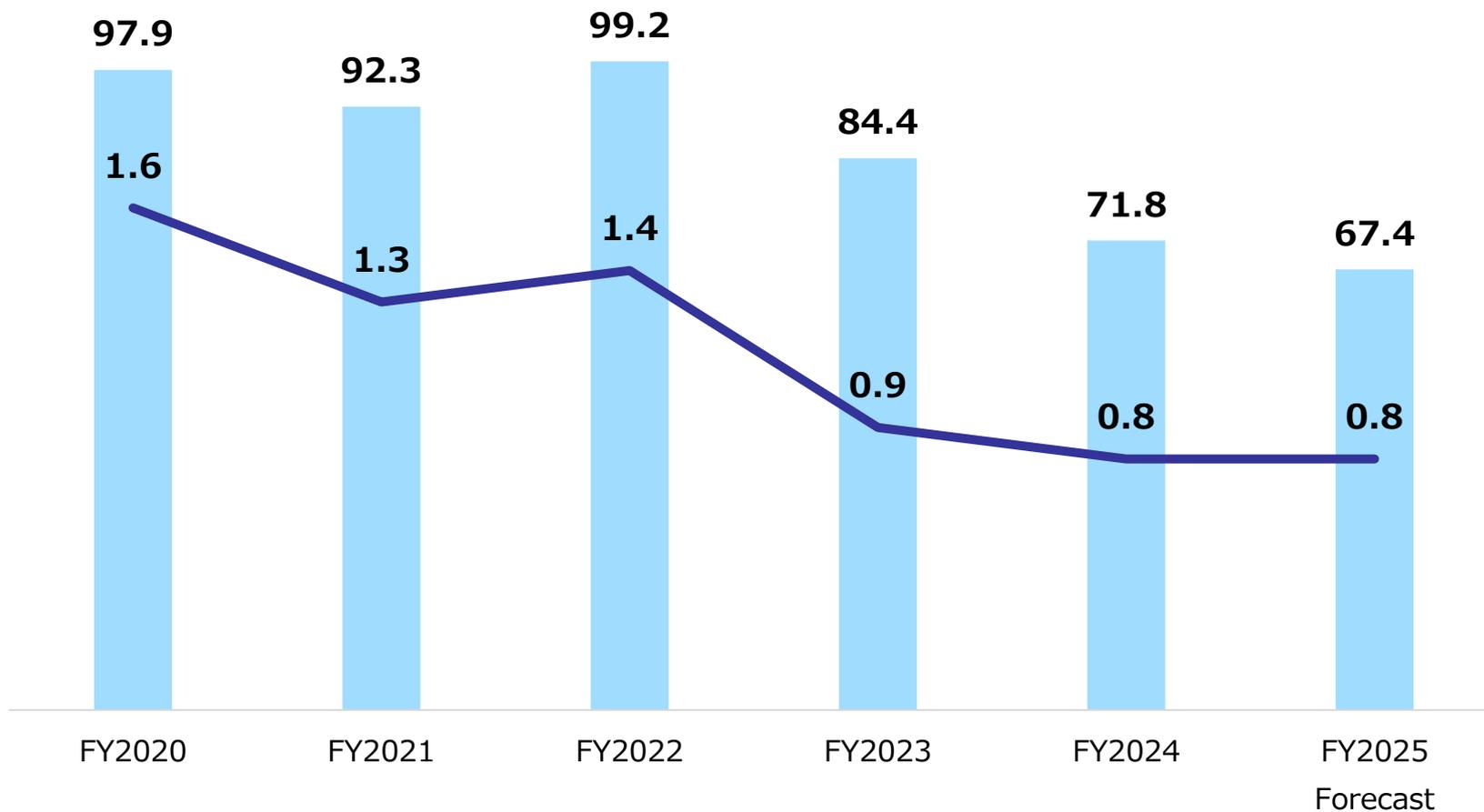


<Reference> Financial Data



(¥ billion)

Interest-bearing debt D/E Ratio



The statements of projected figures and earnings forecasts in this document are based on projections of future economic conditions and the information available at the time of its creation. Actual financial results and performance in the future may differ from these forecasts.