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November 13,2025

Summary of Consolidated Financial Results for the Second Quarter of the Year Ending March 2026 (unaudited)

Company name: **Mitsubishi Paper Mills Limited** (Code No.3864 Tokyo Stock Exchange)
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(Amounts of less than one million yen are rounded down.)

1. Results for the Second Quarter of the Year Ending March 31, 2026 (April 1, 2025 -September 30, 2025)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First Half of FY2025	79,023	(10.6)	58	(93.7)	362	(19.7)	(1,281)	-
First Half of FY2024	88,400	(8.6)	934	(53.2)	450	(87.2)	(232)	-

Note: Comprehensive income First Half of FY2025 ¥(1,845) million
First Half of FY2024 ¥(933) million

	Profit per share	Diluted profit per share
	Yen	Yen
First Half of FY2025	(29.22)	-
First Half of FY2024	(5.31)	-

(2) Consolidated Financial Condition

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
First Half of FY2025	202,617	82,711	40.8
Year ended March 2025	208,217	85,282	40.9

Note: Shareholders' equity First Half of FY2025 ¥82,683 million
FY2024 ¥85,256 million

2. Dividends

	Dividend per share				
	End of 1Q	End of 2Q	End of 3Q	End of FY	Annual
	Yen	Yen	Yen	Yen	Yen
FY2024	-	0.00	-	15.00	15.00
FY2025	-	0.00	-	-	-
FY2025(Forecast)	-	-	-	15.00	15.00

Note : Revision to the forecast for dividends announced most recently ... None

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

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	170,000	(3.4)	5,000	9.5	5,500	20.9	3,500	(19.4)	79.82

Note : Revision to the financial results forecast announced most recently ... Yes

4. Notes

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - (Company name);

Excluded: - (Company name);

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(4) Total number of issued shares (common shares)

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

First Half of FY2025 44,741,433 shares

FY2024 44,741,433 shares

2) Total number of treasury shares at the end of the period:

First Half of FY2025 932,404 shares

FY2024 911,368 shares

3) Average number of shares during the period:

First Half of FY2025 43,843,617 shares

First Half of FY2024 43,811,248 shares

Notes: The Company has adopted a BIP (Board Incentive Plan) trust, assuming the number of shares held by the trust are included in the number of treasury stock of “(4) Total number of issued shares (common shares)”.

* This quarterly financial results report is exempt from quarterly review by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on information currently acquired by the Company and certain assumptions assessed to be reasonable. Actual results may differ significantly from these forecasts due to a wide range of factors.

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1. Qualitative Information on Semi-annual Financial Results for the Period under Review

(1) Explanation of Operations Results

During the six months ended September 30, 2025, the Japanese economy experienced a gradual recovery, driven by improvements in personal income and the employment environment resulting from a rebound in corporate profits. At the same time, the economic outlook remained uncertain due to fluctuations in the forex market, rising prices, increasing personnel expenses, the prolonged materialization of geopolitical risks in various regions, and concerns about a potential economic slowdown caused by U.S. trade policy, among other factors.

Under these circumstances, the Group has begun implementing its new Medium-term Management Plan (fiscal year ending March 2026 to fiscal year ending March 2028). The basic policy of the plan is “130 years as a ‘SHINKA’ company  and ever evolving.” The following provides a basic policy of the Medium-term Management Plan and the Group’s initiatives to enhance its corporate value.

1) SHINKA (sophistication) of technologies and research to expand our array of distinctive functional and environmentally friendly products and accelerate productivity improvement

The Group is utilizing its technologies and research and development capabilities to enhance added value and drive sales through the global expansion of the functional materials business, which is a growth business. The Group is increasing its sales of environmentally friendly products and improving productivity in the sustainable fiber materials business. The Group is generating synergies between both businesses in the areas of marketing and technology to expand them.

In April 2025, the Core Technology Center was established to enhance research and development capabilities. The center will focus on developing sustainable fiber materials, as well as masking tape backing and medical-grade paper for sterilization. The center aims to strengthen core technologies.

The Group discontinued the operation of the N1 paper milling machine at the Kitakami Mill to increase profitability in the sustainable fiber materials business. The Group will continue to concentrate on high-efficiency production machinery to reduce fixed costs and improve production efficiency.

The Group aims to enhance profitability at its overseas subsidiaries. Mitsubishi HiTec Paper Europe GmbH, a consolidated subsidiary in Germany, has conducted to offer voluntary retirement. The Group will continue to advance structural reforms of its businesses to increase profitability.

2) SHINKA (evolution) in our contributions to the global environment

The Group is accelerating initiatives aimed at achieving carbon neutrality. This includes improving fossil fuel energy intensity and driving a green transformation. The Group is also contributing to creating a recycling-oriented society by utilizing forestry resources, increasing the recycling rate of plastic resources, expanding operations that help achieve the SDGs, and pursuing initiatives to address the climate change risks.

Murabi Company Forest has been designated as a “Nature Coexistence Site” under the new Act on the Promotion of Activities for Biodiversity Enhancement by the Ministry of the Environment, Ministry of Agriculture, Forestry and Fisheries, and Ministry of Land, Infrastructure, Transport and Tourism. The Company is committed to contributing to creating environmental value and a sustainable global environment in accordance with the Mitsubishi Paper Mills Environmental Charter. This commitment includes the maintenance and preservation of biodiversity.

3) SHINKA (internalization) of governance and human capital management

The Group is undergoing a governance transformation. This includes enhancing the quality management system, improving stakeholder engagement, meeting the higher standards required for companies listed on the Prime Market, and strengthening risk management practices. Additionally, the Group seeks to enhance its human capital and organizational capabilities by hiring and cultivating a diverse workforce while creating an environment for this. It is committed to fostering a corporate culture that emphasizes integrity, supporting employee growth and awareness, prioritizing safety, and driving digital transformation.

On May 14, the Company received and made public an investigation report from a special investigative committee that looked into improper quality management related to heat resistant electrically insulated pressboard products. These products were manufactured by Mitsubishi Paper Engineering Co., Ltd., a subsidiary of the Company, at the Shirakawa Production Facility. Management visited all production facilities and subsidiaries nationwide and held briefings to raise awareness of the importance of quality management and compliance again. To restore stakeholders’ confidence, the Company ensures that it implements measures to prevent recurrence

and makes significant efforts to improve operations.

Consolidated net sales amounted to 79,023 million yen (down 10.6% year on year) in the first six months under review.

On the profitability side, the Company recorded a consolidated operating profit of 58 million yen (down 93.7% year on year) and a consolidated ordinary profit of 362 million yen (down 19.7% year on year), primarily due to a decline in the sales volume of exported printing paper and pulp in domestic operations and communication paper in overseas operations, as well as trouble caused by aging equipment, despite a reduction in raw material and fuel costs. Profit attributable to owners of parent was 1,281 million yen (compared with a loss attributable to owners of parent of 232 million yen in the previous fiscal year).

Operating results by segment are as follows:

		(Million yen)					
		Net sales			Operating income (loss)		
		Six months ended September 30, 2024	Six months ended September 30, 2025	Change (%)	Six months ended September 30, 2024	Six months ended September 30, 2025	Change (%)
Reportable Segments	Functional materials	46,203	39,721	(14.0)	1,664	653	(60.7)
	Sustainable fiber materials	43,007	39,885	(7.3)	(652)	(563)	—
	Engineering	2,381	2,718	14.1	(3)	76	—
Total		91,591	82,324	(10.1)	1,008	166	(83.5)
Adjustment (Note)		(3,190)	(3,301)		(74)	(107)	
Total		88,400	79,023	(10.6)	934	58	(93.7)

(Note) Adjustment is mainly related to internal transactions.

From the second quarter of the current consolidated fiscal year onwards, the 'Engineering Business', which was previously included under 'Other', has been disclosed as a reportable segment due to its increased significance.

(Functional materials business)

In the communication paper-related product segment, the sales value of thermal paper increased year on year, driven by the growth of POS market share. Sales of carbonless paper and PPC paper were lower than the previous year in both volume and monetary terms. The sales value of rewriteable media increased from the previous year due to an increase in sales overseas.

In the imaging-related product segment, sales increased from the previous year in both volume and monetary terms as the Group captured demand for inkjet printing paper in Europe.

In the functional materials-related product segment, the sales value of glass fiber nonwoven fabric and decorative laminate base paper remained flat year on year, reflecting solid demand and price revisions. Sales of tape base paper remained solid, and sales value remained unchanged from the previous year. Sales of total heat exchanger elements increased, primarily in overseas markets. Sales value exceeded that of the previous year. The sales volume of water treatment base materials declined due to intensifying competition in the Chinese market. The sales value of separators for power storage devices decreased year on year due to changes in specifications for certain applications, which reflected customer requests.

In the Group's business in Germany, both volumes and sales amounts were lower than the year-ago level, reflecting sluggish economies in Germany and across Europe as well as intensified price competition, among other factors. To enhance earnings, a voluntary retirement program was introduced as part of restructuring efforts.

As a result, the functional materials business posted lower sales and profits.

In the communication paper-related product segment, the Group will continue to stabilize the production of thermal paper at the Takasago Mill and expand sales of thermal paper for applications in the POS market. In the PPC paper segment, the Group will enhance its production and sales systems to capture large amounts of demand from major mail-order businesses. To promote sales of environmentally friendly products, the Group aims to capture new demand for linerless thermal labels made from thermal paper. Additionally, the Group will focus on stabilizing earnings by expanding transactions of FSC forest-certified paper (PPC).

The Group aims to increase sales of imaging-related products to existing customers by enhancing the efficiency of the paper finishing system at Kyoto Mill. It will also focus on boosting sales of products designed for large posters, labels and industrial inkjet printing. The Group also plans to actively leverage its overseas business sites to boost sales in emerging countries in Asia and in Europe.

Functional materials-related products are classified as a product group in a growing sector. The Group will improve production facilities and development systems for these products and integrate them into the sales division to capture increased demand. The Group will introduce the water treatment base materials that it will develop to the market, aiming to capture new demand related to industrial applications and seawater desalination plant applications, which are growth markets. In the separators for power storage device segment, the Group will work to expand sales of auxiliary power applications and automotive electrical applications in the market for capacitors. In the tape base paper segment, the Group aims to boost sales in overseas markets, which are expected to grow. The Group will adapt flexibly to market needs. In the decorative laminate base paper segment, the Group aims to stabilize earnings by improving production efficiency at the Fuji Mill. The consolidation and elimination of brands is being considered. Additionally, the Group will focus on selling sustainable products, including total heat exchanger elements, and super heat-resistant glass fiber nonwoven fabric products, which are new offerings.

In the business in Germany, the Group aims to enhance its earnings base by implementing business restructuring initiatives, including a voluntary retirement program. In addition, the Group will focus on increasing sales outside of Europe and improve production efficiency to continually increase revenue in the long term.

(Sustainable fiber materials business)

In the printing paper segment, despite efforts to maintain product prices and promote replacement with products with higher market demand in Japan where demand generally continues to decline. However, the decrease in domestic demand was offset by an increase in exports. Consequently, sales remained flat from the previous fiscal year in both volume and monetary terms.

In the wrapping paper market, particularly for bleached kraft paper in Japan, sales volume increased. However, the sales value declined from the same period of the previous fiscal year due to a weaker yen and reduced exports resulting from downturns in Asian markets. Sales quantities of commercial pulp declined due to the adverse effects of the downturn of foreign markets, while product prices remained unchanged in Japan. Sales value also decreased compared to the previous year as the Group prioritized domestic sales over exports to enhance profitability.

Operations deteriorated due to problems caused by aging equipment at the Hachinohe and Kitakami Mills.

As a result, net sales decreased but income increased in the sustainable fiber materials business.

In the sustainable fiber materials business, the Group will offset the declining domestic demand for printing paper with exports, while maintaining sales volume by expanding wrapping paper and commercial pulp. The Group aims to improve profitability by improving production efficiency and reducing costs.

In the printing paper segment, the Group will promptly respond to supply and demand trends in Japan and overseas and optimize its production structure while maintaining its efforts to normalize inventory levels. Additionally, the Group will revise product prices. In wrapping paper, the Group plans to capture demand for reduced-or-zero plastic products, which is being driven by the growing awareness of the need for society to be sustainable, and the Group will seek to increase sales of distinctive products that meet customers' needs. Meanwhile, the Group aims to develop emerging markets in Asia that have significant growth potential. The Group will expand its supply system for pulp made exclusively from materials sourced in Japan, which is produced at the Kitakami Mill, and will focus on expanding sales of high value-added products to achieve the continued growth of business. At the Hachinohe and Kitakami Mills, the Group will renovate outdated equipment to ensure stable operations and strengthen the foundation of its business by integrating operations at the mills and sharing personnel to pursue production efficiency and the reduction of costs. In particular, at the Hachinohe Mill, the Group will be conducting intensive equipment inspections and repairs in November to ensure stable operations.

(Engineering business)

Net sales stood at 2,718 million yen (up 14.1% year on year), reflecting external construction orders received by construction subsidiaries. Operating profit came to 76 million yen (Operating loss of 3 million yen in the previous fiscal year).

(2) Explanation of Financial Position

Assets at the end of the first six months under review amounted to 202,617 million yen, down 5,599 million yen from the end of the previous consolidated fiscal year, mainly due to a decrease in accounts receivable – trade and depreciation.

Liabilities came to 119,906 million yen, down 3,028 million yen from the end of the previous fiscal year, chiefly attributable to decreases in interest-bearing debt, trade payables and income taxes payable.

Net assets came to 82,711 million yen, down 2,571 million yen from the end of the previous fiscal year, chiefly attributable to a decrease in retained earnings.

The equity ratio was 40.8%, down 0.1 percentage points from the end of the previous fiscal year.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

For full-year consolidated results forecasts, please refer to the “Notice of Differences between Financial Forecasts for the First Half and Actual Results and Notice Regarding Revisions to Financial Forecast for the Fiscal Year Ending March 31, 2026” announced today (November 13, 2025).

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Million yen)

	FY2024 Mar 31, 2025	First Half / FY2025 Sep 30, 2025
Assets		
Current assets		
Cash and deposits	6,239	8,163
Notes receivable - trade	7,948	4,023
Accounts receivable - trade	31,724	26,143
Merchandise and finished goods	21,737	22,668
Work in process	6,736	7,526
Raw materials and supplies	13,547	14,606
Other	3,618	2,985
Allowance for doubtful accounts	(40)	(47)
Total current assets	91,512	86,070
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	16,443	16,274
Machinery, equipment and vehicles, net	27,589	26,977
Land	20,420	20,563
Construction in progress	840	488
Other, net	1,391	1,402
Total property, plant and equipment	66,684	65,705
Intangible assets		
Other	1,338	1,082
Total intangible assets	1,338	1,082
Investments and other assets		
Investment securities	24,813	26,098
Retirement benefit asset	22,379	22,170
Other	1,557	1,544
Allowance for doubtful accounts	(69)	(54)
Total investments and other assets	48,681	49,758
Total non-current assets	116,704	116,546
Total assets	208,217	202,617

	(Million yen)	
	FY2024 Mar 31, 2025	First Half / FY2025 Sep 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	21,258	19,970
Electronically recorded obligations- operating	3,221	3,789
Short-term borrowings	42,014	41,649
Commercial papers	10,000	7,000
Income taxes payable	2,026	592
Other	10,361	11,719
Total current liabilities	88,882	84,721
Non-current liabilities		
Long-term borrowings	19,864	20,451
Provision for share awards	152	158
Provision for directors' retirement benefits	5	4
Retirement benefit liability	5,559	5,668
Asset retirement obligations	940	940
Other	7,529	7,962
Total non-current liabilities	34,052	35,185
Total liabilities	122,934	119,906
Net assets		
Shareholders' equity		
Share capital	36,561	36,561
Capital surplus	6,524	6,524
Retained earnings	21,233	19,282
Treasury shares	(405)	(458)
Total shareholders' equity	63,914	61,909
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,039	8,999
Foreign currency translation adjustment	1,100	795
Remeasurements of defined benefit plans	12,201	10,978
Total accumulated other comprehensive income	21,341	20,773
Non-controlling interests	26	28
Total net assets	85,282	82,711
Total liabilities and net assets	208,217	202,617

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Million yen)

	First Half / FY2024 Apr '24 - Sep '24	First Half / FY2025 Apr '25 - Sep '25
Net sales	88,400	79,023
Cost of sales	76,885	68,812
Gross profit	11,515	10,210
Selling, general and administrative expenses	10,580	10,151
Operating profit	934	58
Non-operating income		
Interest income	16	1
Dividend income	261	328
Share of profit of entities accounted for using equity method	139	145
Foreign exchange gains	—	206
Other	143	153
Total non-operating income	560	835
Non-operating expenses		
Interest expenses	485	345
Foreign exchange losses	455	—
Other	103	186
Total non-operating expenses	1,044	532
Ordinary profit	450	362
Extraordinary income		
Gain on disposal of non-current assets	68	1
Gain on termination of retirement benefit plan	50	—
Gain on liquidation of subsidiaries and associates	46	—
Gain on sale of investment securities	—	897
Total extraordinary income	165	899
Extraordinary losses		
Loss on disposal of non-current assets	79	103
Impairment losses	—	230
Business restructuring costs	60	1,589
Special investigation related costs	146	—
Other	18	—
Total extraordinary losses	304	1,923
Profit (loss) before income taxes	311	(661)
Income taxes	550	616
loss	(239)	(1,277)
Profit (loss) attributable to non-controlling interests	(6)	3
loss attributable to owners of parent	(232)	(1,281)

Consolidated Statements of Comprehensive Income

(Million yen)

	First Half / FY2024 Apr '24 - Sep '24	First Half / FY2025 Apr '25 - Sep '25
loss	(239)	(1,277)
Other comprehensive income		
Valuation difference on available-for-sale securities	12	958
Foreign currency translation adjustment	364	(303)
Remeasurements of defined benefit plans, net of tax	(1,077)	(1,223)
Share of other comprehensive income of entities accounted for using equity method	6	(0)
Total other comprehensive income	(694)	(567)
Comprehensive income	(933)	(1,845)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(926)	(1,849)
Comprehensive income attributable to non-controlling interests	(6)	4