MITSUBISHI PAPER MILLS LIMITED

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Financial Results for the First Three Months of FY2026

(August 6, 2026)

Executive Summary

(1) FY2026 1Q Financial Results Overview

(Unit: ¥ billion)

	Results	YoY	Factors
Net sales	38.6	▲0.9	Domestic net sales were flat year on year while overseas net sales decreased.
Operating profit	0.4	+1.6	Domestic operating profit rose (mainly due to the growth of sales of functional materials and the changing of the timing of regular repairs at the Hachinohe Mill). Overseas operating profit also increased (chiefly because of the positive effects of the structural reforms in the German Business).
Profit	2.2	+3.5	Profit increased sharply, mainly due to gain on sale of investment securities.

(2) FY2026 Financial Results Forecasts

- There have been no changes to the FY2026 full-year forecasts announced on May 14.

(Unit: ¥ billion)

	First Half	Full Year
Net sales	85.0	175.0
Operating profit	1.0	6.0
Profit	2.5	6.5

(3) Sale of Cross-shareholdings and Shareholder Returns

- The cross-shareholdings to net assets ratio decreased to 16%.
- We aim to return a portion of our trust assets within FY2026.
- For FY2026, an annual dividend of ¥20 per share (comprising an interim dividend of ¥7 per share and a year-end dividend of ¥13 per share) is forecast.

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FY2026 1Q Consolidated Profit and Loss

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Net sales	Functional Materials: Domestic sales remained flat year on year, with a decline in inkjet printing paper sales (due to the adjustment of inventories for Europe) being offset by the growth of sales of functional materials (such as separators for energy storage devices) in growth fields. Overseas sales fell due to the decrease of the prices of German products (due to sluggish conditions in the European and other markets). Sustainable Fiber Materials: Sales increased after production increased at the Hachinohe Mill (following a change in the timing of regular repairs).
Operating profit	Functional Materials: Domestic operating profit stayed flat year on year, while overseas operating profit increased, resulting mainly from positive effect of structural reforms in Germany. Sustainable Fiber Materials: Operating profit increased, mainly due to the change in timing of regular repairs of the Hachinohe Mill.
Profit	Profit increased significantly, mainly because of improved operating profit and a gain on sale of investment securities.

(Unit: ¥ billion)

	FY2026 1Q Results (a)	FY2025 1Q Results (b)	Change (a)－(b)
Net sales	**38.6**	39.5	▲0.9
Functional Materials Business	**18.6**	19.6	▲1.0
(Domestic business only)	**(11.5)**	(11.5)	+0.0
(Overseas business only)	**(7.1)**	(8.1)	▲1.0
Sustainable Fiber Materials Business	**20.4**	20.1	+0.3
Operating profit	**0.4**	▲1.2	+1.6
Functional Materials Business	**0.8**	0.0	+0.8
(Domestic business only)	**(1.0)**	(0.8)	+0.2
(Overseas business only)	**(▲0.2)**	(▲0.8)	+0.6
Sustainable Fiber Materials Business	**▲0.4**	▲1.2	+0.8
Ordinary profit	**0.6**	▲1.1	+1.7
Profit before income taxes	**3.1**	▲1.2	+4.2
Profit	**2.2**	▲1.3	+3.5

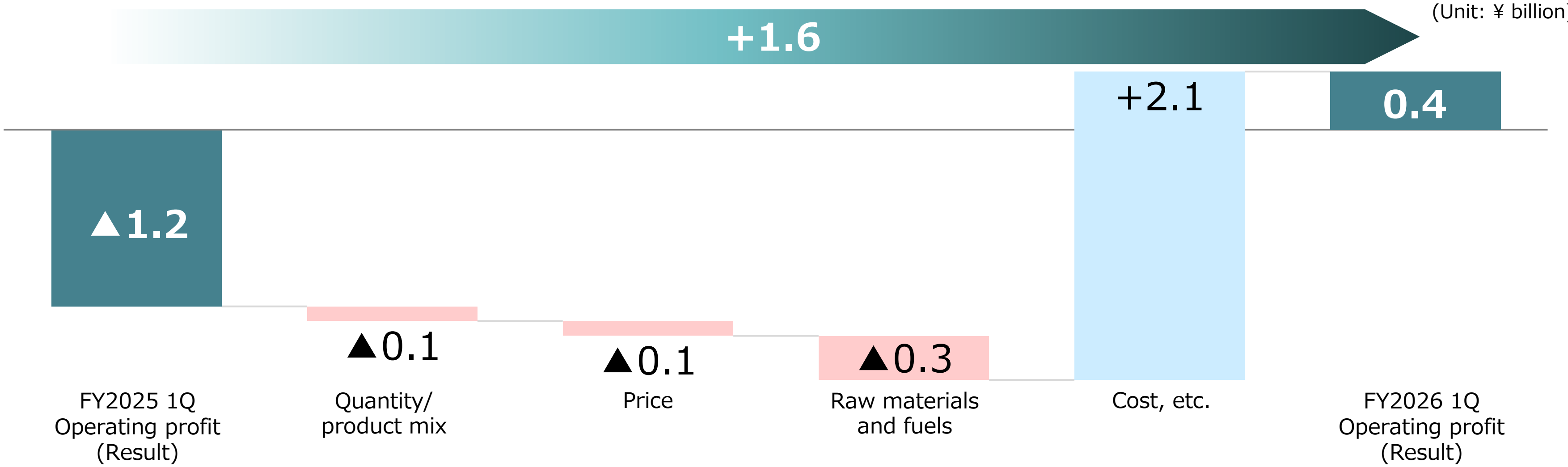
Extraordinary income of ¥2.6 billion was posted due to gain on sale of investment securities (as planned)

FY2026 1Q Consolidated Operating Profit (YoY)

Functional Materials Business	Domestic: Operating profit remained flat year on year as the rising prices of raw materials and fuels (due to the situation in the Middle East) were offset mainly by the growth of sales of functional materials (such as separators for energy storage devices) and price revisions. Overseas: Operating profit increased as a result of structural reforms while prices decreased because of sluggish market conditions in Germany.
Sustainable Fiber Materials Business	Operating profit climbed after the timing of regular repairs at the Hachinohe Mill was changed. It was also impacted by price revisions in the previous fiscal year.

The negative impact of the situation in the Middle East was ▲¥0.4 billion
(price revisions +¥0.2 billion, rising prices of raw materials and fuels ▲¥0.6 billion)

(Unit: ¥ billion)



[Preconditions (FY2025 1Q (Result) → FY2026 1Q (Result))]
Forex: 145 → 160 JPY/USD, Coal: 100 → 136 USD/MT, Crude oil (Dubai): 67 → 96 USD/BBL

		Quantity/product mix		Price		Raw materials and fuels		Cost, etc.		Total
Functional materials	Japan	▲0.1	Functional materials (separators for energy storage devices, etc.) +0.2, inkjet printing paper ▲0.3	+0.2	Price revisions	▲0.2	Impact from Middle East situation	+0.3	Change in the timing of regular repairs at the Hachinohe Mill (repair expenses), etc.	+0.2
	Overseas	+0.0		▲0.6	Market price decrease in Germany (thermal paper)	+0.3	Decrease in the prices of pulp, etc.	+0.9	Structural reforms in Germany, etc.	+0.6
	Total	▲0.1		▲0.4		+0.1		+1.2		+0.8
Sustainable fiber materials		+0.0		+0.3	Impact of price revisions in the previous fiscal year (printing paper segment)	▲0.4	Impact from Middle East situation (woodchips, coal and chemicals)	+0.9	Change in the timing of regular repairs at the Hachinohe Mill (repair expenses), etc.	+0.8
Other		+0.0		+0.0		+0.0		+0.0		+0.0
Total		▲0.1		**▲0.1**	Price revisions +0.2	▲0.3	Impact from Middle East situation ▲0.6	+2.1		+1.6

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Operating Results

2) Financial Results Forecast for FY2026

FY2026 Financial Results Forecasts Consolidated Profit and Loss

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FY2026 full-year forecasts are unchanged from those announced on May 14.
* Only the segment-by-segment breakdown of operating profit has been partially revised.
(Functional Materials Business (Overseas) +¥0.5 billion, Sustainable Fiber Materials Business: ▲¥0.5 billion)

(Unit: ¥ billion)

	FY2026 First Half Forecast	Change YoY	FY2026 Full-year Forecast	Change YoY
Net sales	**85.0**	+6.0	**175.0**	+17.5
Functional Materials Business	**40.0**	+0.3	**84.0**	+5.6
(Domestic business only)	**(24.0)**	(+0.6)	**(50.0)**	(+2.2)
(Overseas business only)	**(16.0)**	(▲0.3)	**(34.0)**	(+3.4)
Sustainable Fiber Materials Business	**45.0**	+5.1	**91.0**	+11.0
Operating profit	**1.0**	+0.9	**6.0**	+5.7
Functional Materials Business	**1.5**	+0.8	**5.0**	+2.6
(Domestic business only)	**(2.0)**	(▲0.1)	**(5.0)**	(+0.7)
(Overseas business only)	**(▲0.5)**	(+0.9)	**(0.0)**	(+1.9)
Sustainable Fiber Materials Business	**▲0.5**	+0.1	**1.0**	+3.1
Ordinary profit	**1.0**	+0.6	**6.0**	+4.3
Profit	**2.5**	+3.8	**6.5**	+4.6

FY2026 First Half Consolidated Operating Profit Forecast (YoY)

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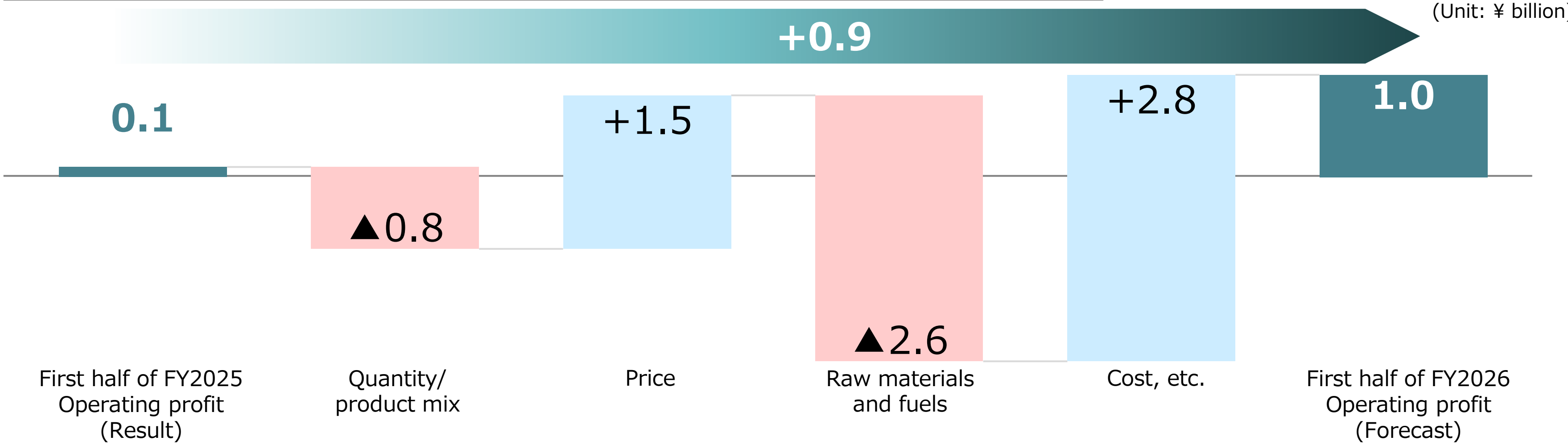
Functional Materials Business	Domestic: Operating profit will stay flat year on year, with the rising prices of raw materials and fuels (due to the situation in the Middle East) being offset mainly by the growth of sales of functional materials (such as separators for energy storage devices) and price revisions. Overseas: Operating profit is expected to rise year on year due to the positive effects of structural reforms while sales volume and prices decrease in Germany, where market conditions are stagnant.
Sustainable Fiber Materials Business	Operating profit will remain flat year on year, with the rising prices of raw materials and fuels (due to the situation in the Middle East) being offset mainly by price revisions and the change in the timing of regular repairs at the Hachinohe Mill.

The negative impact of the situation in the Middle East is expected to be ▲¥1.4 billion (price revisions +¥1.0 billion, rising prices of raw materials and fuels ▲¥2.4 billion)

(Unit: ¥ billion)



[Preconditions (First half of FY2025 (Result) → First half of FY2026 (Forecast))]
Forex: 147 → 160 JPY/USD, Coal: 105 → 135 USD/MT, Crude oil (Dubai): 69 → 100 USD/BBL

		Quantity/product mix		Price		Raw materials and fuels		Cost, etc.		Total
Functional materials	Japan	+0.0	Functional materials (separators for energy storage devices, etc.) +0.3, inkjet printing paper ▲0.3	+0.6	Price revisions +0.4, etc.	▲1.0	Impact from Middle East situation (chemicals, etc.) ▲0.4, etc.	+0.3	Change in the timing of regular repairs at the Hachinohe Mill (repair expenses), etc.	▲0.1
	Overseas	▲0.6	Germany (thermal paper)	▲0.5	Market price decrease in Germany (thermal paper)	+0.4	Impact from Middle East situation (gas) ▲0.3 Pulp +0.6, etc.	+1.6	Structural reforms in Germany, etc.	+0.9
	Total	▲0.6		+0.1		▲0.6		+1.9		+0.8
Sustainable fiber materials		▲0.2	Decrease in base paper production at Kitakami	+1.4	Price revisions +0.6, impact of price revisions in the previous fiscal year, etc.	▲2.0	Impact from Middle East situation (woodchips, coal, chemicals, etc.) ▲1.7	+0.9	Change in the timing of regular repairs at the Hachinohe Mill (repair expenses), etc.	+0.1
Other		+0.0		+0.0		+0.0		+0.0		+0.0
Total		▲0.8		+1.5	Price revisions +1.0	▲2.6	Impact from Middle East situation ▲2.4	+2.8		+0.9

FY2026 Full-Year Consolidated Operating Profit Forecast (YoY)

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Functional Materials Business

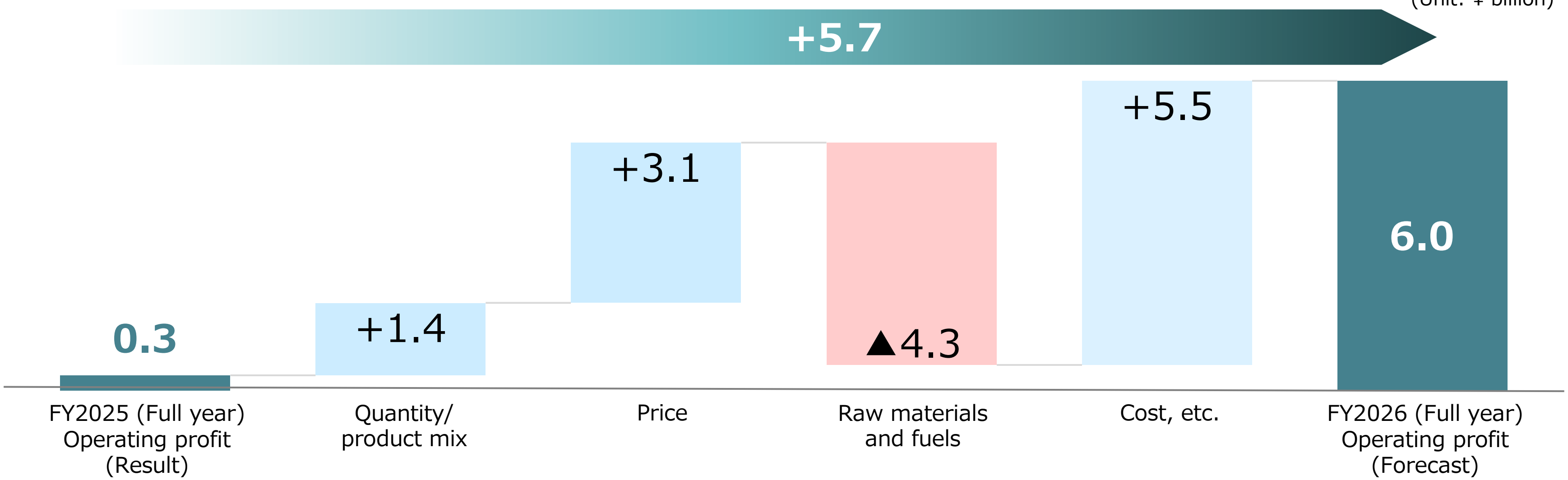
Domestic: Operating profit will increase following an increase in sales of functional materials (such as separators for energy storage devices) and the revision of product prices.
Overseas: Operating profit will increase due to the positive effects of structural reforms in Germany.

Sustainable Fiber Materials Business

Operating profit will increase as the rising prices of raw materials and fuels (due to the situation in the Middle East) are offset by price revisions.

The negative impact of the situation in the Middle East is expected to be ▲¥1.4 billion
(price revisions +¥3.0 billion, rising prices of raw materials and fuels ▲¥4.4 billion)

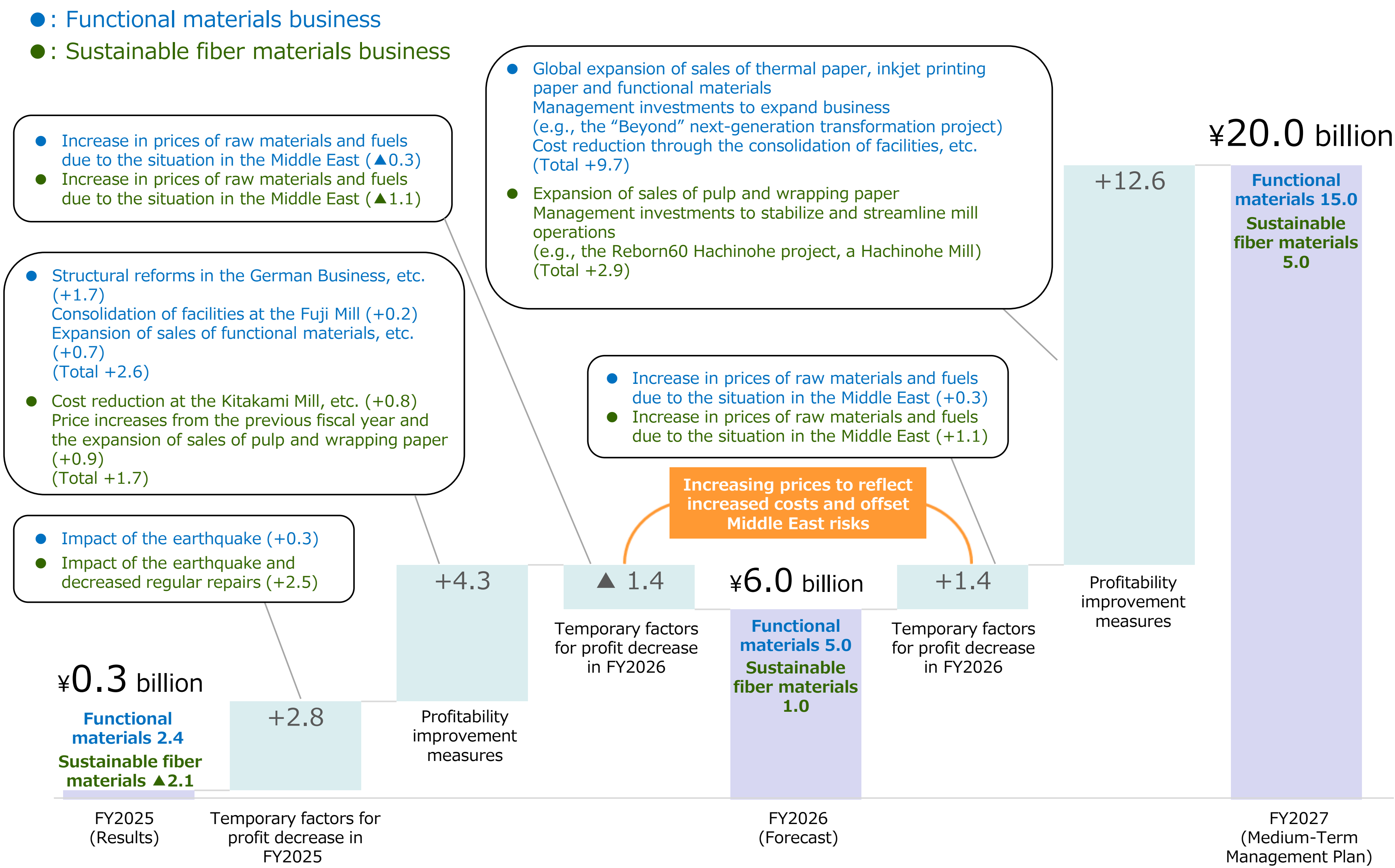
(Unit: ¥ billion)



[Preconditions (FY2025 Full year (Result) → FY2026 Full year (Forecast))]
Forex: 150 → 160 JPY/USD, Coal: 109 → 128 USD/MT, Crude oil (Dubai): 71 → 90 USD/BBL

		Quantity/product mix		Price		Raw materials and fuels		Cost, etc.		Total
Functional materials	Japan	+0.7	Functional materials (separators for energy storage devices, etc.)	+1.1	Price revisions +0.7, etc.	▲1.4	Impact from Middle East situation (chemicals, etc.) ▲0.7, etc.	+0.3		+0.7
	Overseas	+0.0		▲0.7	Market price decrease in Germany (thermal paper) ▲1.0, price revisions +0.3	+0.6	Impact from Middle East situation (gas) ▲0.6 Pulp +0.8, chemicals +0.2, etc.	+2.0	Structural reforms in Germany	+1.9
	Total	+0.7		+0.4		▲0.8		+2.3		+2.6
Sustainable fiber materials		+0.7	Growth of sales following the stabilization of operations at the Hachinohe Mill	+2.7	Price revisions +2.0, impact of price revisions in the previous fiscal year, etc.	▲3.5	Impact from Middle East situation (woodchips, coal, chemicals, etc.) ▲3.1, etc.	+3.2	Impact of the earthquake and decrease in regular repairs	+3.1
Other		+0.0		+0.0		+0.0		+0.0		+0.0
Total		+1.4		+3.1	Price revisions +3.0	▲4.3	Impact from Middle East situation ▲4.4	+5.5		+5.7

FY2026-2027 Operating Profit Roadmap



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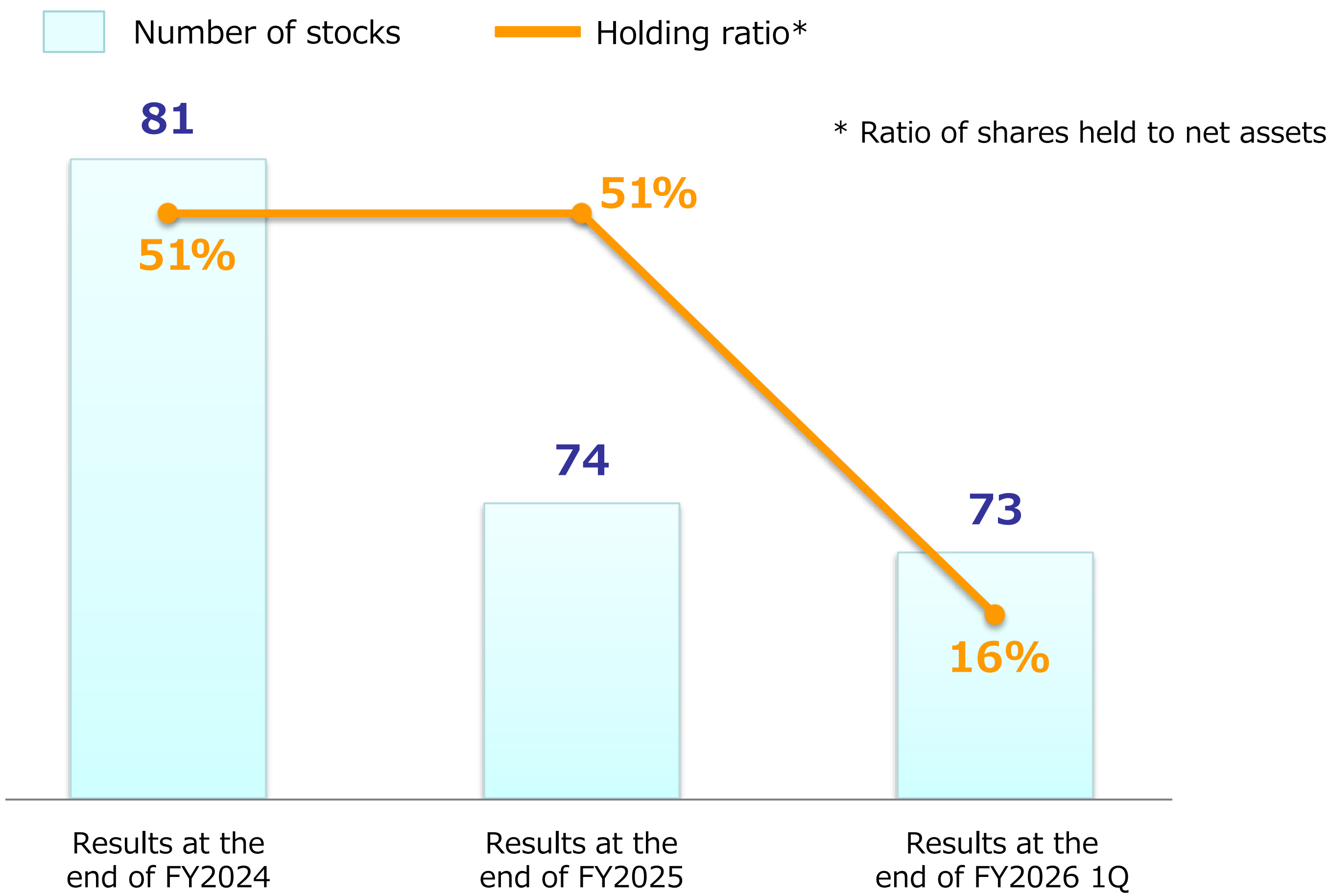
Progress in Financial Measures

Initiatives to Increase Corporate Value

Sale of Cross-Shareholdings

We have sold all the shares that have been contributed to the retirement benefit trust (deemed holdings) to reduce the cross-shareholdings to net assets ratio to 16%.
We will continue working to reduce it.



Return of a Portion of the Assets Contributed to the Retirement Benefit Trust

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Timeline for return

Sale of shares

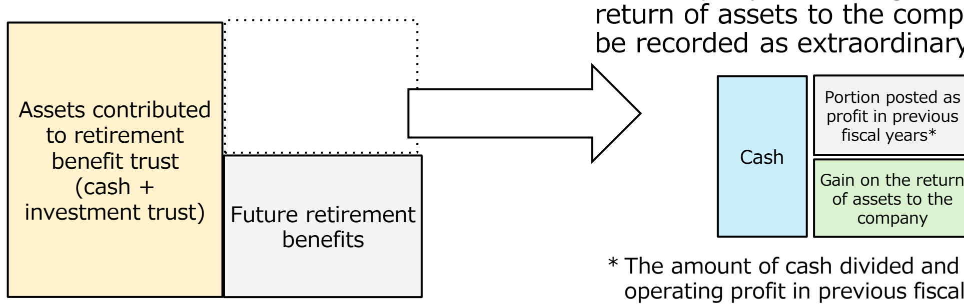
- The shares contributed to the retired benefit trust (deemed holdings) have already been sold.

Completed in May 2026

Determination of the amount of the trust assets to be returned (Under consideration)

- The return of a portion of the trust assets is being considered on the condition that the future retirement benefits for employees are preserved (The goal is to implement it within FY2026.).

Impact on profit and loss:
The trust assets will be transferred to the company, and the gain on the return of assets to the company will be recorded as extraordinary income.



* The amount of cash divided and posted as operating profit in previous fiscal years

Present

The goal is to implement it within FY2026

Effective use of the returned assets

- Cash proceeds due to the return will be effectively used to manage investments, repay borrowings, implement other measures and return profit to shareholders.

Uses of proceeds from the return

Management investments

- Capital investment to expand the Functional Materials Business (e.g., the “Beyond” next-generation transformation project)
- Investment in the stabilization and streamlining of mill operations (e.g., the Reborn60 Hachinohe project, a Hachinohe Mill remodeling plan)
- Initiatives for carbon neutrality, etc.
- Improvement in workplace environment, digital transformation, labor-saving, etc.

Repayment of borrowings, etc.

Keeping the D/E ratio at 0.7 or less

Shareholder return

For FY2026, an annual dividend of ¥20 per share (comprising an interim dividend of ¥7 per share and a year-end dividend of ¥13 per share) is forecast.

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Changes in Operating Profit by Segment

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(Unit: ¥ billion)

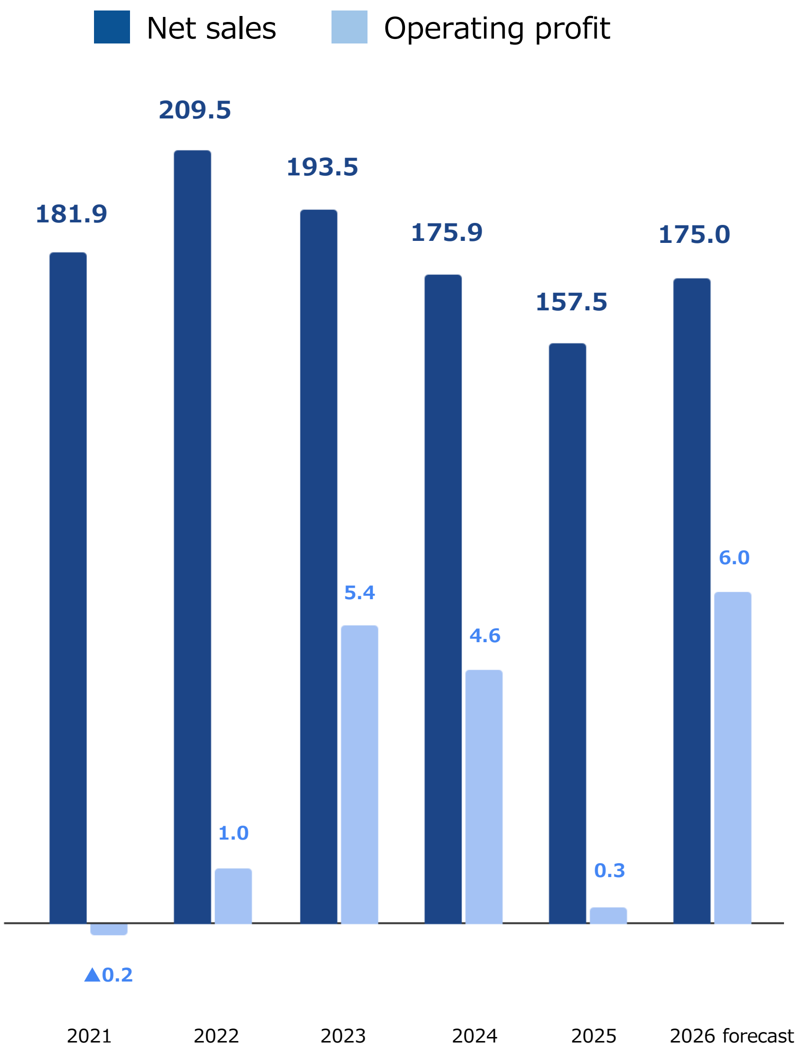
	FY2025			FY2026		
Business segment	**1Q**	**First Half**	**Full Year**	**1Q**	**First half forecast**	**Full-year forecast**
Functional Materials Business	0.0	0.7	2.4	0.8	1.5	5.0
(Domestic business only)	(0.8)	(2.1)	(4.3)	(1.0)	(2.0)	(5.0)
(Overseas business only)	(▲0.8)	(▲1.4)	(▲1.9)	(▲0.2)	(▲0.5)	(0.0)
Sustainable Fiber Materials Business	▲1.2	▲0.6	▲2.1	▲0.4	▲0.5	1.0
Total	**▲1.2**	**0.1**	**0.3**	**0.4**	**1.0**	**6.0**

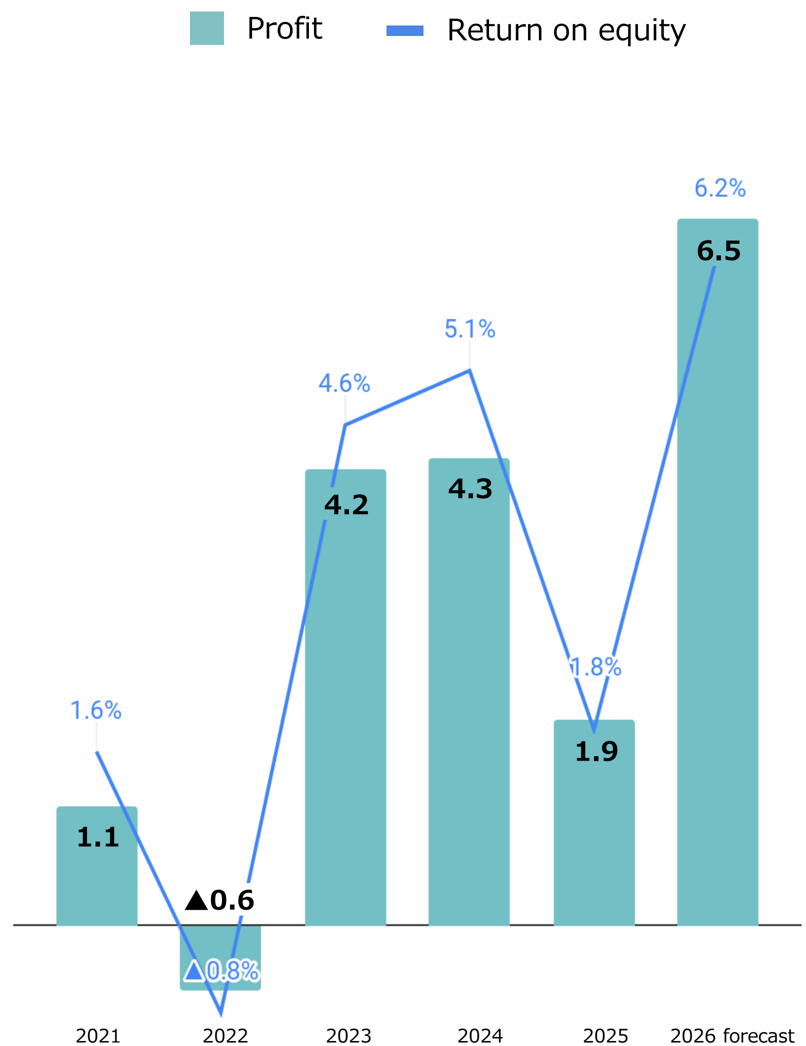
Reference

Financial Data

MITSUBISHI PAPER MILLS LIMITED

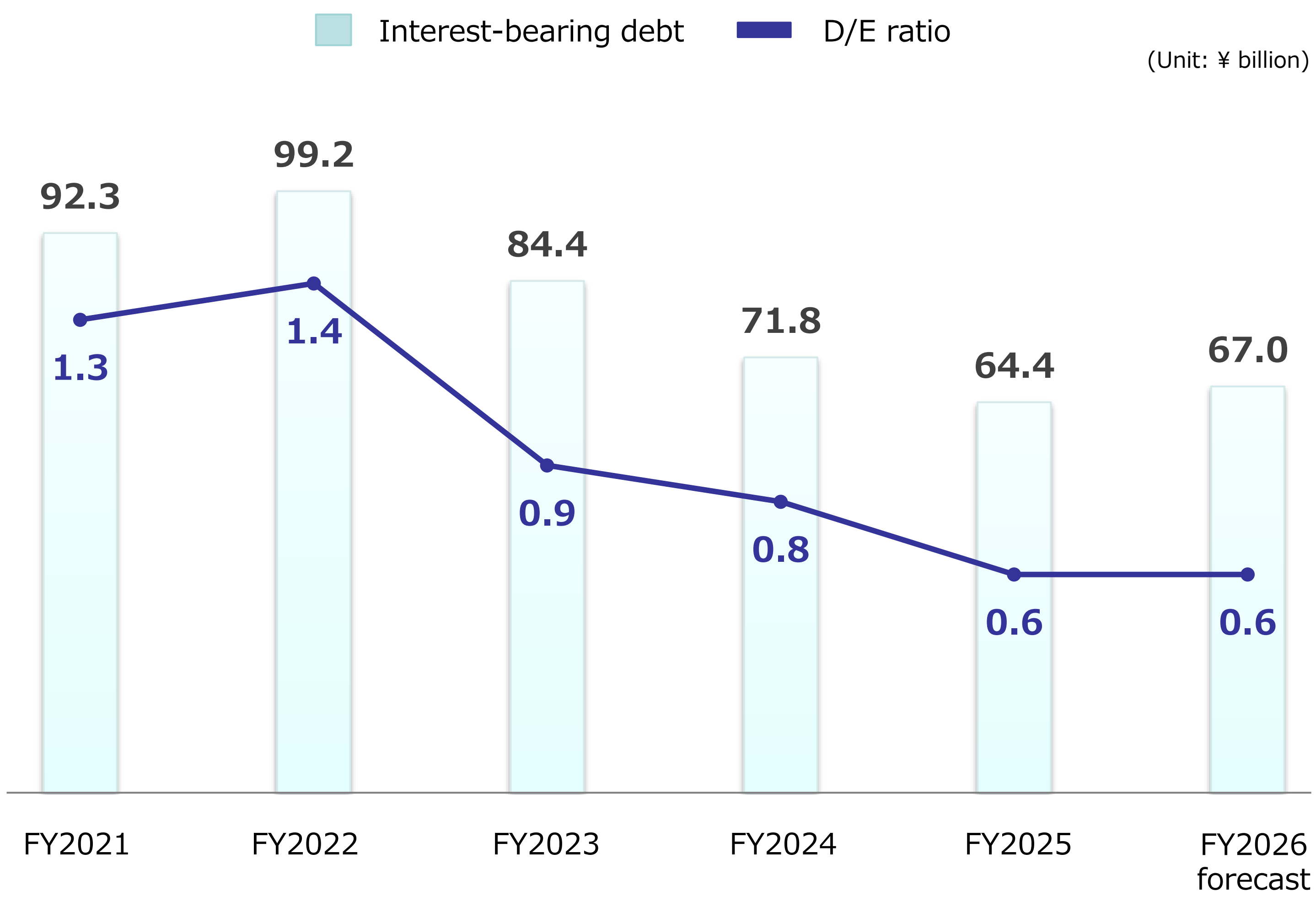
(Unit: ¥ billion)





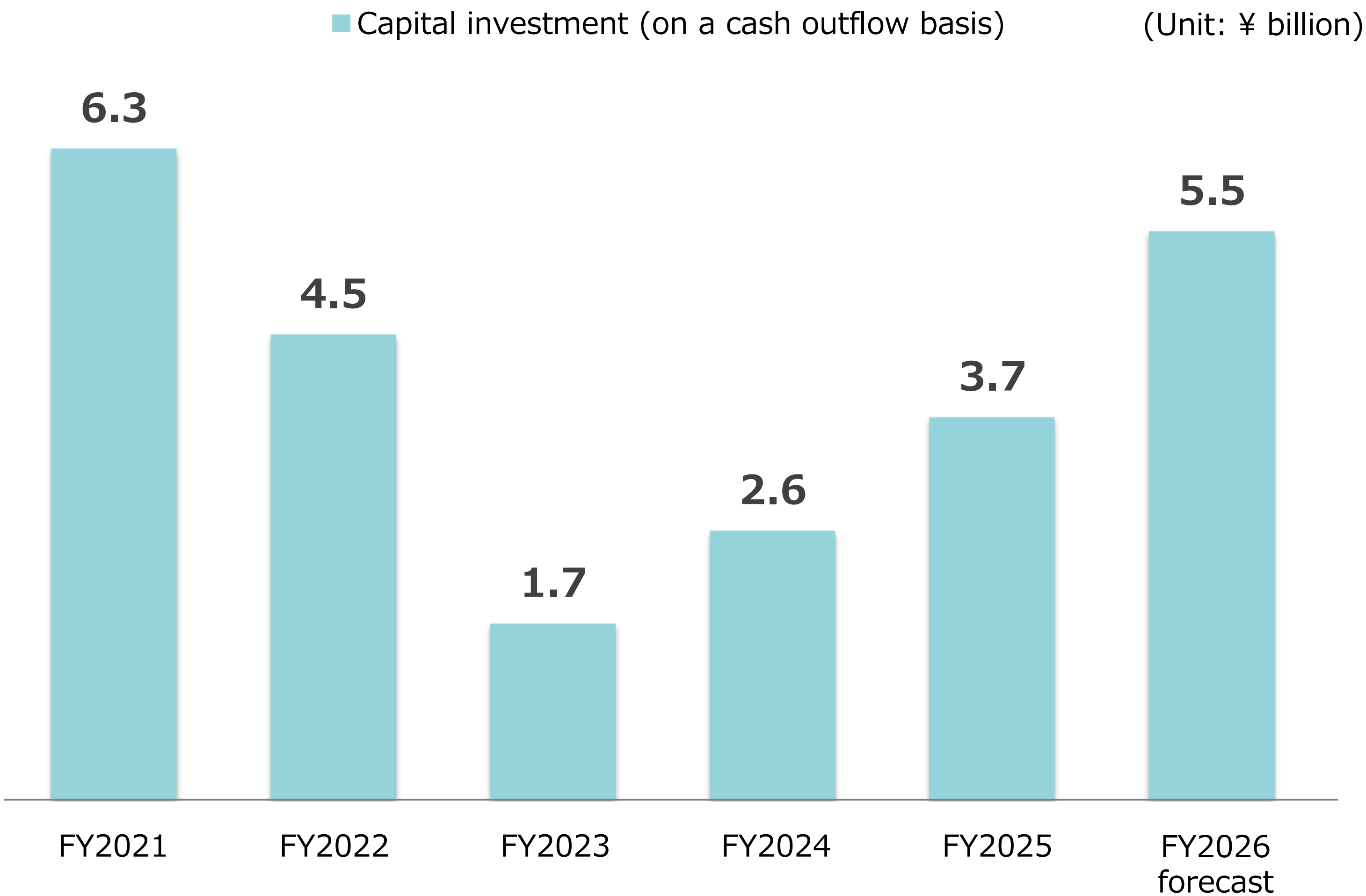
Reference

Financial Data



Reference

Changes in Capital Investments



Reference

Changes in Stock Price and Dividends

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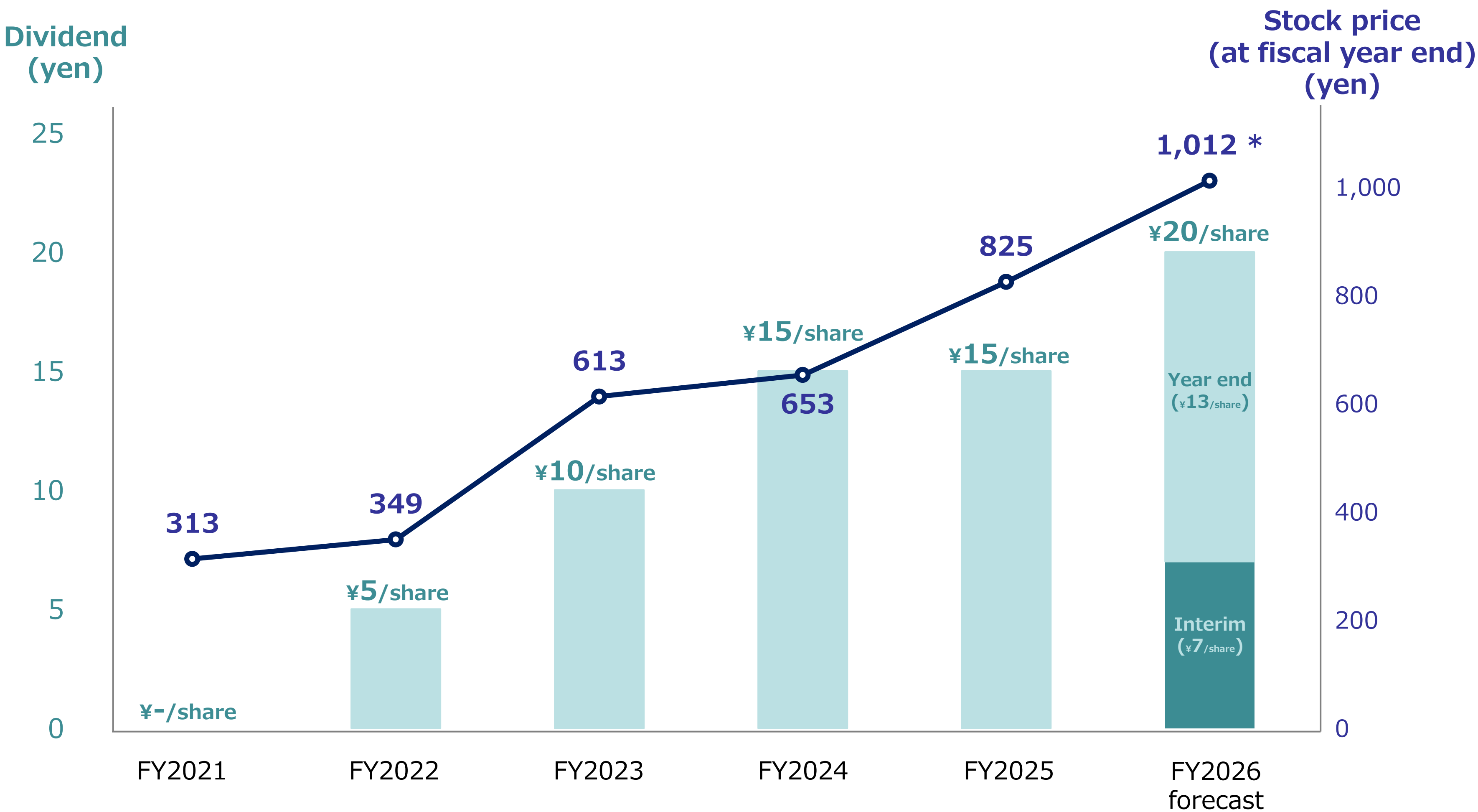

* Stock price as of June 30

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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.