

Business Results for the First Quarter of the Year Ending December 31, 2026 [Japan GAAP] (Consolidated)

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 Results briefing: None

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(Rounded down to million yen)

1. Consolidated business results for the first quarter of the year ending December 31, 2026 (January 1, 2026 through March 31, 2026)

(1) Consolidated operational results (cumulative) (% change from same quarter of previous year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First quarter of year ending December 31, 2026	24,038	4.7	1,262	(1.1)	1,281	(3.0)	864	(13.1)
First quarter of year ended December 31, 2025	22,951	1.1	1,277	(20.9)	1,320	(21.0)	994	(32.8)

Note: Comprehensive income First quarter of year ending December 31, 2026: 1,019 million yen (59.6%)
 First quarter of year ended December 31, 2025: 638 million yen (down 66.0%)

	Quarterly basic earnings per share	Quarterly diluted earnings per share
	Yen	Yen
First quarter of year ending December 31, 2026	15.54	15.54
First quarter of year ended December 31, 2025	17.64	17.63

Note: On July 1, 2025, the Company executed a share split at a ratio of three shares per share of common stock. Calculations of quarterly basic earnings per share and quarterly diluted earnings per share are based on the assumption that this share split took place at the start of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
First quarter of year ending December 31, 2026	96,445	76,803	79.6
Year ended December 31, 2025	104,212	76,997	73.9

Reference: Owner's equity: First quarter of year ending December 31, 2026: 76,785 million yen
 Year ended December 31, 2025: 76,978 million yen

2. Dividends

	Dividend per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended December 31, 2025	–	58.00	–	22.00	–
Year ending December 31, 2026	–				
Year ending December 31, 2026 (forecast)		17.00	–	25.00	42.00

Note: Revision from most recently announced dividends forecast: None

Note: On July 1, 2025, the Company executed a share split at a ratio of three shares per share of common stock. The dividend per share at the end of the second quarter of the fiscal year ended December 31, 2025, is shown in its actual amount prior to this stock split; total annual dividends are presented as "–." If they were to reflect the stock split, dividend per share at the end of the second quarter of the fiscal year ended December 31, 2025 would be 19.33 yen, and total annual dividends per share for the fiscal year ended December 31, 2025, would be 41.33 yen.

**3. Forecast of consolidated results for the year ending December 31, 2026
(January 1, 2026 through December 31, 2026)**

(% change from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Second half (accumulated)	49,000	3.4	3,000	4.8	3,100	2.0	2,200	(9.4)	39.58
Full year	106,000	2.8	7,500	4.1	7,700	2.2	5,300	(12.0)	95.35

Note: Revision from most recently announced forecast of results: None

***Notes**

- (1) Material changes in scope of consolidation during this quarterly cumulative period: None
- (2) Application of special account processing in preparation of quarterly financial statements: None
- (3) Changes in accounting policies, accounting estimates, and retrospective restatement
 - 1) Changes in accounting policies based on revisions of the accounting standard: None
 - 2) Changes in accounting policies other than ones based on revisions of the accounting standard: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None

(4) Number of issued and outstanding shares (common stock)

1) Number of issued and outstanding shares at the end of fiscal year (including treasury shares)	1Q, year ending December 31, 2026	59,700,000 shares	Year ended December 31, 2025	59,700,000 shares
2) Number of treasury shares at the end of fiscal year	1Q, year ending December 31, 2026	4,097,151 shares	Year ended December 31, 2025	4,115,930 shares
3) Average number of shares (quarterly cumulative)	1Q, year ending December 31, 2026	55,602,849 shares	1Q, year ended December 31, 2025	56,353,964 shares

Note: On July 1, 2025, the Company executed a share split at a ratio of three shares per share of common stock. The calculation of the average number of shares during the period is based on the assumption that this stock split occurred at the start of the previous fiscal year.

*** Review of the attached Quarterly Consolidated Financial Statements by a certified public accountant or auditing firm: None**

*** Explanation regarding appropriate use of business forecasts and other special instructions**

Forward-looking statements regarding future performance are based on assumptions regarding various factors affecting business performance and information available to the Company's management as of the date the materials were prepared. Actual results may differ significantly from forecasts.

Also see "1. Overview of Operational Results: (3) Explanation Regarding Consolidated Business Forecasts and Other Forward-Looking Statements" on p. 3 of the Attachments concerning forward-looking statements.

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1. Overview of Operational Results

(1) Quarterly Operational Results

In the first quarter of the consolidated fiscal year under review, Japan's economy maintained a course of gentle recovery. Wages rose at roughly the same pace as in the previous year, while the government continued to address inflationary pressures through fiscal policies. The decline in goods consumption slowed due to easing inflation, among other factors, and service consumption, centered on entertainment, exhibited steady trend, driving a modest increase in personal consumption. Nevertheless, uncertainty and concerns about inflation in connection with conditions in the Middle East posed serious downside risks to consumer confidence.

In the United States, despite the marked slowing in the pace of overall economic growth, chiefly due to high interest rates and uncertainty over the future, which dampened both consumer purchases of costly goods and large-scale corporate investments, the labor market remained robust, provided underlying economic support.

While the Chinese economy achieved growth beyond market expectations due to government policy support and favorable performance in high-tech fields, the severe stagnation in the real estate market persisted, consumer consumption remained weak, and domestic demand fell short of full recovery.

Under these conditions, under the slogan of its Medium-Term Management Plan, "Solidifying the Groundwork to Realize Our Purpose," the Group is targeting net sales of 120,000 million yen and operating profit of 10,000 million yen during the period ending December 2030. The Group will strive to build the business and management foundations needed to achieve sustainable growth. The entire Group has operated as one team to boost business results through efforts such as developing new markets and establishing quality control systems. It has also made aggressive investments in physical and human capital. During the first quarter of the consolidated fiscal year under review, net sales grew by 4.7% year on year to 24,038 million yen; operating profit decreased by 1.1% to 1,262 million yen; ordinary profit decreased by 3.0% to 1,281 million yen; and profit attributable to owners of parent fell by 13.1% to 864 million yen.

The business performance for each segment is given below.

(Paper Products)

In the first quarter, the paper products segment accounted for 73.0% of consolidated sales. Sales of paper bags, which accounted for 30.1% of consolidated sales, grew 1.4% year on year to 7,228 million yen, driven by growing sales to overseas markets and strong domestic market sales.

Sales of paper cartons, which accounted for 25.6% of consolidated sales, grew by 1.5% to 6,162 million yen. Contributing factors included strong sales to the souvenir market, chiefly in cartons for food products, as well as strong sales of cartons for takeout/delivery food products and packages for the e-commerce market.

Robust sales of takeout food containers, packages for e-commerce, and corrugated boxes for shipping drove sales of corrugated boxes, which accounted for 15.9% of consolidated sales, up 17.9% to 3,810 million yen.

Printing sales, which accounted for 1.4% of consolidated sales, fell by 25.1% to 347 million yen due to a change in the business segment of NIKKO PRINT CORPORATION, which was the subject of an absorption-type merger.

Overall, sales in this segment grew 3.9% to 17,548 million yen. Operating profit fell by 7.1% to 1,166 million yen.

(Film Packaging)

The film packaging segment accounted for 12.5% of consolidated sales during the first quarter under review. Segment sales were down 6.3% year on year to 2,992 million yen. Sales of diverse film packaging for food products grew, while sales of sanitary product packages fell. Operating profit in this segment was down 22.1% to 115 million yen.

(Other Businesses)

Other businesses accounted for 14.5% of consolidated sales in the first quarter under review. Strong sales of tote bags for events contributed to a year-on-year increase of 22.0% in segment sales to 3,497 million yen. Operating profit grew by 54.1% to 258 million yen.

(2) Quarterly Financial Position

Assets totaled 96,445 million yen at the end of the first quarter under review, down 7,766 million yen from the end of 2025. Major contributing factors included declines of 6,522 million yen in notes and accounts receivable-trade and 1,706 million yen in cash and deposits.

Liabilities fell by 7,573 million yen to 19,641 million yen from the end of 2025. Primary factors were declines of 2,997 million yen in notes and accounts payable-trade and 2,693 million yen in electronically recorded obligations-operating.

Net assets declined by 193 million yen to 76,803 million yen from the end of 2025. Key factors were a decrease of 373 million yen in retained earnings, despite increases of 120 million yen in foreign currency translation adjustment and 50 million yen in valuation difference on available-for-sale securities .

(3) Explanation Regarding Consolidated Business Forecasts and Other Forward-Looking Statements

Consolidated business forecasts remain unchanged from the information announced on February 13, 2026.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

(Million yen)

	Previous fiscal year (as of December 31, 2025)	First quarter of current fiscal year (as of March 31, 2026)
Assets		
Current assets		
Cash and deposits	24,061	22,355
Notes and accounts receivable-trade	24,809	18,286
Securities	2,000	1,500
Merchandise and finished goods	7,271	7,387
Work in process	1,139	1,528
Raw materials and supplies	1,033	1,190
Other	1,384	1,526
Allowance for doubtful accounts	(32)	(27)
Total current assets	61,667	53,746
Non-current assets		
Property, plant, and equipment		
Buildings and structures, net	8,338	8,300
Machinery, equipment, and vehicles, net	9,786	9,480
Tools, furniture and fixtures, net	329	335
Land	11,238	11,446
Construction in progress	659	727
Total property, plant and equipment	30,352	30,290
Intangible assets	4,310	4,464
Investments and other assets		
Investment securities	6,114	6,202
Net defined benefit asset	1,017	1,015
Deferred tax assets	123	106
Other	679	678
Allowance for doubtful accounts	(52)	(59)
Total investments and other assets	7,881	7,943
Total non-current assets	42,544	42,699
Total assets	104,212	96,445

(Million yen)

	Previous fiscal year (as of December 31, 2025)	First quarter of current fiscal year (as of March 31, 2026)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	13,593	10,595
Electronically recorded obligations-operating	6,014	3,321
Current portion of long-term loans payable	128	128
Income taxes payable	1,510	538
Provision for bonuses	309	797
Provision for bonuses for directors (and other officers)	50	17
Other	4,313	3,063
Total current liabilities	25,920	18,463
Non-current liabilities		
Long-term loans payable	334	297
Retirement benefit liability	306	305
Deferred tax liabilities	623	544
Other	30	30
Total non-current liabilities	1,294	1,178
Total liabilities	27,214	19,641
Net assets		
Shareholders' equity		
Capital stock	2,553	2,553
Capital surplus	3,164	3,168
Retained earnings	72,954	72,580
Treasury shares	(4,485)	(4,464)
Total shareholders' equity	74,186	73,838
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,624	1,675
Deferred gains or losses on hedges	–	(0)
Foreign currency translation adjustment	625	746
Remeasurements of defined benefit plans	541	525
Total accumulated other comprehensive income	2,791	2,947
Share acquisition rights	18	18
Total net assets	76,997	76,803
Total liabilities and net assets	104,212	96,445

(2) Quarterly Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Quarterly Consolidated Statement of Income

Cumulative period through first quarter

(Million yen)

	Cumulative period through first quarter of previous fiscal year (from January 1, 2025 to March 31, 2025)	Cumulative period through first quarter of current fiscal year (from January 1, 2026 to March 31, 2026)
Net sales	22,951	24,038
Cost of sales	17,251	18,233
Gross profit	5,699	5,805
Selling, general and administrative expenses		
Freightage and packing expenses	941	980
Salaries and allowances	1,002	1,077
Directors' compensation	125	124
Provision of allowance for doubtful accounts	17	(3)
Provision for bonuses	282	234
Provision for directors' bonuses	13	12
Retirement benefit expenses	54	48
Depreciation	192	187
Rent expenses	770	869
Other	1,021	1,009
Total selling, general and administrative expenses	4,422	4,542
Operating profit	1,277	1,262
Non-operating income		
Interest income	37	25
Dividend income	12	12
Rent income	10	10
Other	8	11
Total non-operating income	68	59
Non-operating expenses		
Interest expenses	0	1
Cost of lease revenue	1	1
Foreign exchange gains or losses	22	28
Other	0	9
Total non-operating expenses	25	41
Ordinary profit	1,320	1,281
Extraordinary income		
Gain on sales of investment securities	94	—
Gain on sales of non-current assets	0	—
Total extraordinary income	94	—
Extraordinary losses		
Loss on sales of non-current assets	0	0
Loss on retirement of non-current assets	0	5
Total extraordinary losses	0	5
Profit before income taxes	1,414	1,275
Income taxes-current	564	499
Income taxes-deferred	(143)	(87)
Total income taxes	420	411
Profit	994	864
Profit attributable to owners of parent	994	864

Quarterly Consolidated Statement of Comprehensive Income

Cumulative period through first quarter

(Million yen)

	Cumulative period through first quarter of previous fiscal year (from January 1, 2025 to March 31, 2025)	Cumulative period through first quarter of current fiscal year (from January 1, 2026 to March 31, 2026)
Profit	994	864
Other comprehensive income		
Valuation difference on available-for-sale securities	(139)	50
Deferred gains or losses on hedges	(4)	(0)
Foreign currency translation adjustment	(203)	120
Remeasurements of defined benefit plans, net of tax	(8)	(15)
Total other comprehensive income	(355)	155
Comprehensive income	638	1,019
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	638	1,019

(3) Notes to Quarterly Consolidated Financial Statements

(Segment and Other Information)

Segment overview

I First quarter of previous consolidated fiscal year (from January 1 through March 31, 2025)

1. Information on amounts of sales and profit/loss and breakdown of revenues by segment

(Million yen)

	Reportable segment			Other businesses (Note 1)	Total	Adjustment (Note 2)	Amount posted in the Quarterly Consolidated Statement of Income (Note 3)
	Paper Products	Film Packaging	Subtotal				
Net sales							
Paper bags	7,126	–	7,126	–	7,126	–	7,126
Folding paper cartons	6,069	–	6,069	–	6,069	–	6,069
Corrugated boxes	3,232	–	3,232	–	3,232	–	3,232
Printing	463	–	463	–	463	–	463
Film packaging	–	3,192	3,192	–	3,192	–	3,192
Other	–	–	–	2,865	2,865	–	2,865
Revenues from contracts with customers	16,892	3,192	20,085	2,865	22,951	–	22,951
Other revenues	–	–	–	–	–	–	–
Sales to external customers	16,892	3,192	20,085	2,865	22,951	–	22,951
Intersegment sales and transfers	–	–	–	–	–	–	–
Total	16,892	3,192	20,085	2,865	22,951	–	22,951
Segment profit	1,255	148	1,403	168	1,571	(294)	1,277

- Notes:
1. “Other businesses” includes supplies and other goods.
 2. The -294 million yen adjustment to segment profit includes the elimination of 44 million yen in intersegment transactions not allocated to reportable segments and corporate expenses of -250 million yen. Corporate expenses primarily involve the parent company’s Administrative Department.
 3. Segment profit is adjusted for consistency with the operating profit stated in the quarterly consolidated statement of income.

II First quarter of current consolidated fiscal year (from January 1 through March 31, 2026)

1. Information on amounts of sales and profit/loss and breakdown of revenues by segment

(Million yen)

	Reportable segment			Other businesses (Note 1)	Total	Adjustment (Note 2)	Amount posted in the Quarterly Consolidated Statement of Income (Note 3)
	Paper Products	Film Packaging	Subtotal				
Net sales							
Paper bags	7,228	–	7,228	–	7,228	–	7,228
Folding paper cartons	6,162	–	6,162	–	6,162	–	6,162
Corrugated boxes	3,810	–	3,810	–	3,810	–	3,810
Printing	347	–	347	–	347	–	347
Film packaging	–	2,992	2,992	–	2,992	–	2,992
Other	–	–	–	3,497	3,497	–	3,497
Revenues from contracts with customers	17,548	2,992	20,541	3,497	24,038	–	24,038
Other revenues	–	–	–	–	–	–	–
Sales to external customers	17,548	2,992	20,541	3,497	24,038	–	24,038
Intersegment sales and transfers	–	–	–	–	–	–	–
Total	17,548	2,992	20,541	3,497	24,038	–	24,038
Segment profit	1,166	115	1,281	258	1,540	(277)	1,262

- Notes:
1. “Other businesses” includes supplies and other goods.
 2. The -277 million yen adjustment to segment profit includes the elimination of 10 million yen in intersegment transactions not allocated to reportable segments and corporate expenses of -267 million yen. Corporate expenses primarily involve the parent company’s Administrative Department.
 3. Segment profit is adjusted for consistency with the operating profit stated in the quarterly consolidated statement of income.

(Significant Changes in Shareholders’ Equity)

Not applicable

(Going Concern Assumption)

Not applicable

(Quarterly Consolidated Statement of Cash Flows)

No Quarterly Consolidated Statement of Cash Flows was prepared for the first quarter of the consolidated fiscal year under review. Depreciation (including depreciation on non-current assets) in the first quarter of the consolidated fiscal year under review is shown below.

	Cumulative period through first quarter of previous fiscal year (from January 1 through March 31, 2025)	Cumulative period through first quarter of current fiscal year (from January 1 through March 31, 2026)
Depreciation	687 million	695 million
Amortization of goodwill	– million	4 million