

Consolidated Financial Results

for the Nine Months Ended December 31, 2025 [Japanese GAAP]

February 13, 2026

Company: **Hokuetsu Corporation**

Stock Exchange Listing: Tokyo

Stock Code: 3865

URL: <https://www.hokuetsucorp.com>

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Scheduled date of commencement of dividend payments: –

Supplementary documents for financial results: None

Results briefing: None

(Figures rounded down to the nearest million yen)

1. Consolidated Business Results for the Nine Months Ended December 31, 2025

(April 1, 2025 through December 31, 2025)

(1) Consolidated results of operations

(% change 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	%
Nine months ended December 31, 2025	212,708	(7.3)	5,363	(64.4)	8,376	(41.8)	6,450	(43.8)
Nine months ended December 31, 2024	229,513	1.9	15,080	38.5	14,389	11.7	11,480	57.7

(Note) Comprehensive income: Nine months ended December 31, 2025: 8,303 million yen [(2.0)%]

Nine months ended December 31, 2024: 8,477 million yen [(60.6)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2025	38.34	38.32
Nine months ended December 31, 2024	68.26	68.21

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2025	435,752	270,192	61.8
As of March 31, 2025	418,882	265,870	63.3

(Reference) Equity: As of December 31, 2025: 269,332 million yen

As of March 31, 2025: 265,052 million yen

2. Dividends

	Annual dividend per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2025	–	11.00	–	11.00	22.00
Year ending March 31, 2026	–	13.00	–		
Year ending March 31, 2026 (forecast)				13.00	26.00

(Note) Revisions to dividend forecasts published most recently: None

3. Forecast of Consolidated Financial Results for the Year Ending March 31, 2026

(April 1, 2025 through March 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
Full year	292,000	(4.5)	8,000	(59.4)	10,000	(46.7)	6,000	(61.4)	35.67

(Note) Revisions to business forecasts published most recently: 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, accounting estimates and restatement of prior period financial statements

(i) Changes in accounting policies due to amendment to accounting standards: None

(ii) Changes in accounting policies other than (i): None

(iii) Changes in accounting estimates: None

(iv) Restatement of prior period financial statements: None

(4) Shares outstanding (common stock)

(i) Number of shares outstanding at the end of the period (treasury stock included):

As of December 31, 2025	188,053,114 shares	As of March 31, 2025	188,053,114 shares
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(ii) Number of treasury stock at the end of the period:

As of December 31, 2025	19,819,554 shares	As of March 31, 2025	19,862,254 shares
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(iii) Average number of shares during period:

Nine months ended December 31, 2025	168,220,250 shares	Nine months ended December 31, 2024	168,171,108 shares
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*** Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: Yes (voluntary)**

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

(Caution regarding forward-looking statements)

The forward-looking statements such as forecasts of financial results contained in this material are based on information available to the Company at the time of the publication of this document and certain assumptions that the Company considers to be reasonable, and may differ materially from the actual results due to various factors. Refer to “1. Qualitative Information on Consolidated Operating Results for the Nine-Month Period; (3) Qualitative Information Concerning Consolidated Earnings Forecasts” on page 2 of the accompanying materials for matters related to results forecasts.

*** This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.**

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1. Qualitative Information on Consolidated Operating Results for the Nine-Month Period

(1) Qualitative Information Concerning Consolidated Operating Results

During the first nine months of the current fiscal year, net sales, operating profit, ordinary profit and profit attributable to owners of parent came to 212,708 million yen (down 7.3% year on year), 5,363 million yen (down 64.4% year on year), 8,376 million yen (down 41.8% year on year) and 6,450 million yen (down 43.8% year on year), respectively, partly reflecting a fall in pulp sales volume in overseas markets and reduced sales volume of paper and paperboard.

The performance of major segments is as follows:

(i) Pulp and paper business

In the pulp and paper business, both sales and profits decreased due to a decline in the sales volume of pulp in overseas markets and a decrease in the sales volume of paper and paperboard.

As a result, the results of the pulp and paper business were as follows.

Net sales	192,531 million yen (down 8.3% year on year)
Operating profit	4,009 million yen (down 71.2% year on year)

(ii) Packaging/Paper processing business

In the packaging/paper processing business, sales and profit increased mainly due to price revisions of liquid containers and increased sales volume of liquid containers.

As a result, the results of the packaging/paper processing business were as follows.

Net sales	13,409 million yen (up 5.2% year on year)
Operating profit	517 million yen (up 189.5% year on year)

(iii) Other businesses

In other businesses, including the wood material business, construction business, logistics business and used paper wholesale business, sales increased due to a rise in external orders, especially in the construction business. However, profit declined chiefly due to sharply rising logistics costs in the wood material business.

As a result, the results of other businesses were as follows.

Net sales	6,768 million yen (up 0.4% year on year)
Operating profit	624 million yen (down 15.8% year on year)

(2) Qualitative Information Concerning Consolidated Financial Position

Total assets increased 16,869 million yen from the end of the previous fiscal year, to 435,752 million yen. Significant factors included increases of 6,729 million yen in notes and accounts receivable - trade, and contract assets, 3,003 million yen in merchandise and finished goods, 4,068 million yen in property, plant and equipment and 7,855 million yen in investment securities, which were partially offset by a decrease in cash and deposits amounting to 9,575 million yen.

Total liabilities rose 12,546 million yen from the end of the previous fiscal year, to 165,559 million yen. This was primarily due to an increase in interest-bearing debt of 13,630 million yen.

Net assets rose 4,322 million yen from the end of the previous fiscal year, to 270,192 million yen. This chiefly reflected increases of 2,500 million yen in retained earnings due in part to profit attributable to owners of parent and 5,358 million yen in valuation difference on available-for-sale securities, which more than offset a decrease of 2,647 million yen in foreign currency translation adjustment.

(3) Qualitative Information Concerning Consolidated Earnings Forecasts

No change has been made to the full-year financial forecasts announced on October 28, 2025.

2. Quarterly Consolidated Financial Statements and Key Notes

(1) Quarterly Consolidated Balance Sheet

(Million yen)

	As of March 31, 2025	As of December 31, 2025
(Assets)		
Current assets		
Cash and deposits	27,644	18,069
Notes and accounts receivable - trade, and contract assets	67,694	74,424
Electronically recorded monetary claims - operating	9,381	11,207
Merchandise and finished goods	31,414	34,418
Work in process	3,320	2,869
Raw materials and supplies	34,716	36,600
Other	5,378	6,264
Allowance for doubtful accounts	(64)	(2)
Total current assets	179,486	183,851
Non-current assets		
Property, plant and equipment		
Buildings and structures	87,747	88,558
Accumulated depreciation	(58,718)	(59,930)
Buildings and structures, net	29,029	28,628
Machinery, vehicles, tools, furniture and fixtures	465,325	474,088
Accumulated depreciation	(399,709)	(402,599)
Machinery, vehicles, tools, furniture and fixtures, net	65,616	71,489
Other, net	27,342	25,938
Total property, plant and equipment	121,988	126,056
Intangible assets	3,232	3,397
Investments and other assets		
Investment securities	30,608	38,464
Shares of subsidiaries and associates	63,555	64,357
Other	20,217	19,662
Allowance for doubtful accounts	(205)	(38)
Total investments and other assets	114,175	122,446
Total non-current assets	239,396	251,900
Total assets	418,882	435,752

(Million yen)

	As of March 31, 2025	As of December 31, 2025
(Liabilities)		
Current liabilities		
Notes and accounts payable - trade	24,194	22,556
Electronically recorded obligations - operating	8,181	8,394
Short-term loans	27,170	12,942
Current portion of bonds payable	—	25,000
Income taxes payable	4,548	834
Provision	3,626	2,207
Other	14,283	18,000
Total current liabilities	82,005	89,935
Non-current liabilities		
Bonds payable	25,000	15,000
Long-term loans	35,198	48,354
Provision	1,779	1,763
Retirement benefit liability	3,467	3,426
Asset retirement obligations	2,243	2,198
Other	3,318	4,882
Total non-current liabilities	71,006	75,624
Total liabilities	153,012	165,559
Net assets		
Shareholders' equity		
Share capital	42,020	42,020
Capital surplus	44,957	44,964
Retained earnings	151,825	154,325
Treasury shares	(9,575)	(9,555)
Total shareholders' equity	229,228	231,756
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,741	15,100
Deferred gains or losses on hedges	59	30
Foreign currency translation adjustment	19,637	16,990
Remeasurements of defined benefit plans	6,385	5,454
Total accumulated other comprehensive income	35,824	37,576
Share acquisition rights	76	66
Non-controlling interests	741	793
Total net assets	265,870	270,192
Total liabilities and net assets	418,882	435,752

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

Quarterly Consolidated Statements of Income

(Nine-month period)

	(Million yen)	
	For the nine-month ended December 31, 2024	For the nine-month ended December 31, 2025
Net sales	229,513	212,708
Cost of sales	177,722	171,859
Gross profit	51,790	40,849
Selling, general and administrative expenses	36,710	35,486
Operating profit	15,080	5,363
Non-operating income		
Interest income	653	376
Dividends income	954	1,024
Share of profit of entities accounted for using equity method	–	2,205
Other	635	777
Total non-operating income	2,243	4,383
Non-operating expenses		
Interest expenses	566	578
Share of loss of entities accounted for using equity method	1,493	–
Other	873	790
Total non-operating expenses	2,933	1,369
Ordinary profit	14,389	8,376
Extraordinary income		
Gain on sales of non-current assets	7	23
Gain on sales of investment securities	3,223	1,330
Insurance claim income	–	17
Total extraordinary income	3,231	1,370
Extraordinary losses		
Loss on sales and retirement of non-current assets	1,049	1,354
Impairment loss	5	–
Loss on disaster	–	458
Total extraordinary losses	1,054	1,813
Profit before income taxes	16,566	7,933
Income taxes - current	4,518	963
Income taxes - deferred	466	407
Total income taxes	4,984	1,370
Profit	11,582	6,562
Profit attributable to non-controlling interests	102	112
Profit attributable to owners of parent	11,480	6,450

Quarterly Consolidated Statements of Comprehensive Income
(Nine-month period)

	(Million yen)	
	For the nine-month ended December 31, 2024	For the nine-month ended December 31, 2025
Profit	11,582	6,562
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,306)	4,706
Deferred gains or losses on hedges	178	(43)
Foreign currency translation adjustment	(808)	(1,144)
Remeasurements of defined benefit plans, net of tax	(912)	(878)
Share of other comprehensive income of entities accounted for using equity method	(256)	(899)
Total other comprehensive income	(3,104)	1,741
Comprehensive income	8,477	8,303
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,368	8,202
Comprehensive income attributable to non-controlling interests	108	101

(3) Notes to Quarterly Consolidated Financial Statements

(Going Concern Assumption)

Not applicable.

(Significant Changes in the Amount of Shareholders' Equity)

Not applicable.

(Notes to Statements of Cash Flows)

The Company did not prepare quarterly consolidated statements of cash flows for the nine months ended December 31, 2025. Depreciation (including amortization of intangible assets except for goodwill) and amortization of goodwill for the nine months ended December 31, 2025 are as follows:

(Million yen)

	For the nine -month ended December 31, 2024	For the nine -month ended December 31, 2025
Depreciation	9,841	10,237
Amortization of goodwill	126	127

(Segment Information)

I. For the nine-month ended December 31, 2024

Information on amounts of net sales and profit (loss) by reportable segment

(Million yen)

	Reportable segments			Other (Note 1)	Total	Adjustments (Note 2)	Amount in quarterly consolidated statement of income (Note 3)
	Pulp and paper business	Packaging/ Paper processing business	Total				
Net sales							
Sales to external customers	210,026	12,746	222,772	6,741	229,513	–	229,513
Intersegment sales or transfers	2,180	7	2,188	18,366	20,554	(20,554)	–
Total	212,207	12,753	224,960	25,107	250,068	(20,554)	229,513
Segment profit	13,908	178	14,087	742	14,829	250	15,080

(Notes) 1. “Other” includes business segments which are not included in the reportable segments, and includes wood material business, construction business, logistics business, and used paper wholesale business.

2. Adjustments of 250 million yen in segment profit mainly represent the elimination of intersegment transactions.

3. The segment profit has been adjusted to the operating profit stated in the quarterly consolidated statements of income.

II. For the nine-month ended December 31, 2025

Information on amounts of net sales and profit (loss) by reportable segment

(Million yen)

	Reportable segments			Other (Note 1)	Total	Adjustments (Note 2)	Amount in quarterly consolidated statement of income (Note 3)
	Pulp and paper business	Packaging/ Paper processing business	Total				
Net sales							
Sales to external customers	192,531	13,409	205,940	6,768	212,708	–	212,708
Intersegment sales or transfers	2,216	11	2,227	18,726	20,953	(20,953)	–
Total	194,747	13,420	208,168	25,494	233,662	(20,953)	212,708
Segment profit	4,009	517	4,527	624	5,151	211	5,363

(Notes) 1. “Other” includes business segments which are not included in the reportable segments, and includes wood material business, construction business, logistics business, and used paper wholesale business.

2. Adjustments of 211 million yen in segment profit mainly represent the elimination of intersegment transactions.

3. The segment profit has been adjusted to the operating profit stated in the quarterly consolidated statements of income.