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February 13, 2026

**Consolidated Financial Results
for the Nine Months Ended December 31, 2025
(Under Japanese GAAP)**

Company name:	Daio Paper Corporation	
Listing:	Tokyo Stock Exchange	
Securities code:	3880	
URL:	https://www.daio-paper.co.jp	
Representative:	Yorifusa Wakabayashi, Representative Director, President and Chief Executive Officer	
Inquiries:	Taishi Chono, General Manager, Accounting Department	
Telephone:	+81-3-6856-7500	
Scheduled date to commence dividend payments:	-	
Preparation of supplementary material on financial results:	Yes	
Holding of financial results briefing:	Yes (for institutional investors and analysts)	

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the nine months ended December 31, 2025

(from April 1, 2025 to December 31, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2025	493,063	(1.8)	18,092	165.4	16,026	273.6	8,820	-
December 31, 2024	502,290	(0.3)	6,816	(38.6)	4,290	(34.7)	(6,281)	-

Note: Comprehensive income For the nine months ended December 31, 2025: ¥ 6,268 million [- %]
For the nine months ended December 31, 2024: ¥ (7,357 million) [- %]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2025	53.00	-
December 31, 2024	(37.75)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2025	865,951	254,022	27.6
March 31, 2025	886,066	249,713	26.7

Reference: Equity
As of December 31, 2025: ¥ 239,404 million
As of March 31, 2025: ¥ 236,720 million

2. Cash dividends

	Annual dividends per share					Yen
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total	
Fiscal year ended March 31, 2025	Yen -	Yen 7.00	Yen -	Yen 7.00		14.00
Fiscal year ending March 31, 2026	-	7.00	-			
Fiscal year ending March 31, 2026 (Forecast)				7.00		14.00

Note: Revisions to the forecast of cash dividends most recently announced: None

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

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	670,000	0.2	22,000	124.3	14,000	209.0	5,000	-	30.04

Note: Revisions to the forecast of consolidated financial results most recently announced: None

* **Notes**

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: None

Excluded: 1 company (Elleair International Turkey Kişisel Bakım Ürünleri Üretim A.S.)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements:
None

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

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of December 31, 2025	169,012,926 shares
As of March 31, 2025	169,012,926 shares

(ii) Number of treasury shares at the end of the period

As of December 31, 2025	2,566,807 shares
As of March 31, 2025	2,596,936 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2025	166,431,213 shares
Nine months ended December 31, 2024	166,391,923 shares

Note: Number of treasury shares includes shares owned by the stock-based incentive system that uses a trust delivery system.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

1. The earnings forecasts and other forward-looking statements herein are based on the information currently available to the Company and certain assumptions the Company considers reasonable. The actual results may differ significantly from these forecasts due to a wide range of factors.

2. The supplementary material on quarterly financial results will be posted on the Company's following website.

https://www.daio-paper.co.jp/en/ir/ir_news/

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	113,189	113,095
Notes and accounts receivable - trade, and contract assets	115,111	128,861
Inventories	112,787	114,870
Other	19,948	13,000
Allowance for doubtful accounts	(155)	(160)
Total current assets	<u>360,882</u>	<u>369,668</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	95,775	94,446
Machinery, equipment and vehicles, net	178,596	178,754
Land	85,093	84,731
Other, net	49,243	29,024
Total property, plant and equipment	<u>408,708</u>	<u>386,956</u>
Intangible assets		
Goodwill	38,702	37,694
Other	29,856	27,456
Total intangible assets	<u>68,559</u>	<u>65,150</u>
Investments and other assets	47,879	44,108
Total non-current assets	<u>525,147</u>	<u>496,215</u>
Deferred assets	36	67
Total assets	886,066	865,951

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	79,929	80,109
Short-term borrowings	13,767	16,733
Current portion of bonds payable	15,000	15,000
Current portion of long-term borrowings	82,739	82,345
Provisions	9,452	3,671
Other	65,813	51,326
Total current liabilities	266,702	249,187
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term borrowings	298,131	292,168
Retirement benefit liability	22,875	22,937
Provisions	1,697	1,616
Other	26,945	26,020
Total non-current liabilities	369,649	362,741
Total liabilities	636,352	611,929
Net assets		
Shareholders' equity		
Share capital	53,884	53,884
Capital surplus	55,112	55,112
Retained earnings	101,348	108,175
Treasury shares	(3,205)	(3,148)
Total shareholders' equity	207,139	214,024
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,696	7,738
Deferred gains or losses on hedges	78	135
Foreign currency translation adjustment	20,874	14,789
Remeasurements of defined benefit plans	2,931	2,717
Total accumulated other comprehensive income	29,580	25,380
Non-controlling interests	12,992	14,618
Total net assets	249,713	254,022
Total liabilities and net assets	886,066	865,951

Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income

Quarterly Consolidated Statement of Income

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Net sales	502,290	493,063
Cost of sales	395,570	375,567
Gross profit	106,720	117,496
Selling, general and administrative expenses	99,904	99,404
Operating profit	6,816	18,092
Non-operating income		
Interest income	730	1,215
Dividend income	414	485
Share of profit of entities accounted for using equity method	123	272
Foreign exchange gains	—	3,107
Gain on valuation of derivatives	752	—
Other	2,814	2,397
Total non-operating income	4,834	7,479
Non-operating expenses		
Interest expenses	4,237	4,678
Loss on valuation of derivatives	—	2,145
Other	3,122	2,721
Total non-operating expenses	7,360	9,545
Ordinary profit	4,290	16,026
Extraordinary income		
Gain on sale of non-current assets	862	57
Gain on sale of investment securities	1,530	334
Insurance claim income	613	6,441
Reversal of provision for business restructuring	—	2,712
Other	160	—
Total extraordinary income	3,167	9,546
Extraordinary losses		
Loss on sale and retirement of non-current assets	620	392
Impairment losses	2,325	166
Loss on disaster	205	53
Loss on tax purpose reduction entry of non-current assets	146	4,368
Business restructuring expenses	—	1,898
Other	337	72
Total extraordinary losses	3,635	6,953
Profit before income taxes	3,822	18,619
Income taxes - current	3,529	3,577
Income taxes - deferred	5,257	5,242
Total income taxes	8,787	8,820
Profit (loss)	(4,965)	9,799
Profit attributable to non-controlling interests	1,316	978
Profit (loss) attributable to owners of parent	(6,281)	8,820

Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Profit (loss)	(4,965)	9,799
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,074)	2,158
Deferred gains or losses on hedges	664	(60)
Foreign currency translation adjustment	(1,718)	(5,295)
Remeasurements of defined benefit plans, net of tax	(241)	(216)
Share of other comprehensive income of entities accounted for using equity method	(21)	(117)
Total other comprehensive income	<u>(2,392)</u>	<u>(3,530)</u>
Comprehensive income	<u>(7,357)</u>	<u>6,268</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(7,742)	4,620
Comprehensive income attributable to non-controlling interests	385	1,648