Consolidated Financial Results
for the Three Months Ended June 30, 2026 [Japanese GAAP]

August 7, 2026

Company:	**Hokuetsu Corporation**		Stock Exchange Listing: Tokyo
Stock Code:	3865		URL: https://www.hokuetsucorp.com
Representative:	Sekio Kishimoto, Chairman and Group CEO		
Contact:	Tomonari Maruyama, Corporate Officer, General Manager, Corporate Management Department		TEL: +81-3-3245-4500

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 Three Months Ended June 30, 2026 (April 1, 2026 through June 30, 2026)

(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	%
Three months ended June 30, 2026	72,557	0.3	687	(78.9)	1,695	(52.9)	1,634	(25.3)
Three months ended June 30, 2025	72,354	(2.5)	3,261	6.7	3,603	(8.5)	2,186	(7.5)

(Note) Comprehensive income: Three months ended June 30, 2026: 10 million yen [–%]
Three months ended June 30, 2025: (2,549) million yen [–%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2026	10.29	10.28
Three months ended June 30, 2025	13.00	12.99

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2026	415,924	250,747	60.1
As of March 31, 2026	420,574	252,747	59.9

(Reference) Equity: As of June 30, 2026: 249,774 million yen
As of March 31, 2026: 251,816 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, 2026	–	13.00	–	13.00	26.00
Year ending March 31, 2027	–				
Year ending March 31, 2027 (forecast)		13.00	–	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, 2027 (April 1, 2026 through March 31, 2027)

(% 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 quarter (cumulative)	150,000	7.3	(1,000)	–	(1,000)	–	(1,000)	–	(6.30)
Full year	305,000	6.0	3,000	(60.2)	4,000	(64.5)	5,000	(31.5)	31.49

(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 June 30, 2026	163,053,114 shares	As of March 31, 2026	163,053,114 shares

(ii) Number of treasury stock at the end of the period:

As of June 30, 2026	4,191,569 shares	As of March 31, 2026	4,251,151 shares

(iii) Average number of shares during period:

Three months ended June 30, 2026	158,822,422 shares	Three months ended June 30, 2025	168,203,597 shares

(Note) The Company has introduced a stock benefit trust (employee stock ownership plan) from the fiscal year ended March 31, 2026, and the Company shares held by the trust are included in the number of treasury shares deducted from the calculation of the number of treasury stock at the end of the period and the average number of shares during the period.

* 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 Three-Month Period; (3) Qualitative Information Concerning Consolidated Earnings Forecasts” on page 3 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.**

○ Accompanying Materials – Contents

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

(1) Qualitative Information Concerning Consolidated Operating Results

For the first three months of the current fiscal year, net sales totaled 72,557 million yen (up 0.3% year on year), driven by factors such as an increase in sales volume of processed paper in the packaging/paper processing business. In terms of profits, due to factors such as soaring raw material and fuel prices resulting from the escalating tensions in the Middle East and a decline in pulp prices at overseas subsidiaries, operating profit was 687 million yen (down 78.9% year on year), with ordinary profit of 1,695 million yen (down 52.9% year on year), and profit attributable to owners of parent of 1,634 million yen (down 25.3% year on year).

The performance of major segments is as follows:
The Group changed the reportable segments starting from the first three months of the current fiscal year, and comparison and analysis for the first three months of the previous fiscal year were made based on new segments.

(i) Pulp and paper business

In the pulp and paper business, sales and profits declined chiefly due to soaring raw material and fuel prices resulting from the escalating tensions in the Middle East, as well as a decline in pulp prices at overseas subsidiaries.

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

Net sales	65,558 million yen (down 0.3% year on year)
Operating profit	449 million yen (down 84.6% year on year)

(ii) Packaging/Paper processing business

In the packaging/paper processing business, sales increased due to factors such as higher sales volumes of processed paper; however, profits declined due to factors such as soaring logistics costs.

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

Net sales	4,452 million yen (up 3.5% year on year)
Operating profit	37 million yen (down 36.5% year on year)

(iii) Wood material business

In the wood material business, both sales and profit increased due to strong sales of fuel chips for biomass boilers.

As a result, the results of the wood material business were as follows.

Net sales	1,325 million yen (up 4.4% year on year)
Operating profit	88 million yen (up 0.9% year on year)

(iv) Other businesses

In other businesses, including the 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 cost increases in the logistics business.

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

Net sales	1,221 million yen (up 22.5% year on year)
Operating profit	96 million yen (down 28.9% year on year)

(2) Qualitative Information Concerning Consolidated Financial Position

Total assets decreased 4,650 million yen from the end of the previous fiscal year, to 415,924 million yen. This was primarily due to decreases of 5,069 million yen in cash and deposits, 2,129 million yen in notes and accounts receivable - trade, and contract assets, and 1,316 million yen in investment securities although merchandise and finished goods and property, plant and equipment increased by 2,097 million yen and 1,253 million yen, respectively.

Total liabilities decreased 2,650 million yen from the end of the previous fiscal year, to 165,176 million yen. This was primarily due to decreases of 3,951 million yen in notes and accounts payable - trade, 3,674 million yen in income taxes payable, 1,281 million yen in provision, and 1,761 million yen in notes payable - facilities, which are included in other current liabilities, while interest-bearing debt increased by 8,327 million yen.

Net assets fell 1,999 million yen from the end of the previous fiscal year, to 250,747 million yen. This was primarily due to decreases of 1,462 million yen in the valuation difference on available-for-sale securities and 513 million yen in remeasurements of defined benefit plans.

(3) Qualitative Information Concerning Consolidated Earnings Forecasts

No change has been made to the full-year financial forecasts announced on May 15, 2026.

2. Quarterly Consolidated Financial Statements and Key Notes

(1) Quarterly Consolidated Balance Sheet

(Million yen)

	As of March 31, 2026	As of June 30, 2026
(Assets)		
Current assets		
Cash and deposits	30,123	25,053
Notes and accounts receivable - trade, and contract assets	64,496	62,367
Electronically recorded monetary claims - operating	11,500	11,310
Merchandise and finished goods	33,947	36,044
Work in process	3,448	3,074
Raw materials and supplies	38,576	38,754
Other	7,240	7,842
Allowance for doubtful accounts	(2)	(2)
Total current assets	189,330	184,444
Non-current assets		
Property, plant and equipment		
Buildings and structures	89,753	89,926
Accumulated depreciation	(60,592)	(61,107)
Buildings and structures, net	29,161	28,819
Machinery, vehicles, tools, furniture and fixtures	478,227	479,776
Accumulated depreciation	(405,384)	(407,868)
Machinery, vehicles, tools, furniture and fixtures, net	72,843	71,907
Other, net	26,166	28,698
Total property, plant and equipment	128,172	129,425
Intangible assets	3,604	3,538
Investments and other assets		
Investment securities	72,251	70,934
Other	27,251	27,617
Allowance for doubtful accounts	(36)	(36)
Total investments and other assets	99,466	98,516
Total non-current assets	231,243	231,479
Total assets	420,574	415,924

(Million yen)

	As of March 31, 2026	As of June 30, 2026
(Liabilities)		
Current liabilities		
Notes and accounts payable - trade	23,046	19,095
Electronically recorded obligations - operating	7,533	8,265
Short-term loans	7,984	11,671
Current portion of bonds payable	25,000	25,000
Income taxes payable	3,932	258
Provision	3,481	2,207
Other	17,712	15,386
Total current liabilities	88,691	81,885
Non-current liabilities		
Bonds payable	15,000	15,000
Long-term loans	47,896	53,674
Provision	859	851
Retirement benefit liability	3,222	3,272
Asset retirement obligations	2,277	2,286
Other	9,879	8,206
Total non-current liabilities	79,135	83,291
Total liabilities	167,827	165,176
Net assets		
Shareholders’ equity		
Share capital	42,020	42,020
Capital surplus	45,188	45,188
Retained earnings	122,792	122,352
Treasury shares	(3,062)	(3,005)
Total shareholders’ equity	206,939	206,556
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19,218	17,756
Deferred gains or losses on hedges	–	12
Foreign currency translation adjustment	15,676	15,981
Remeasurements of defined benefit plans	9,981	9,467
Total accumulated other comprehensive income	44,876	43,217
Share acquisition rights	73	79
Non-controlling interests	858	893
Total net assets	252,747	250,747
Total liabilities and net assets	420,574	415,924

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

Quarterly Consolidated Statements of Income

(First three-month period)

(Million yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Net sales	72,354	72,557
Cost of sales	56,841	59,765
Gross profit	15,513	12,792
Selling, general and administrative expenses	12,252	12,104
Operating profit	3,261	687
Non-operating income		
Interest income	138	48
Dividends income	556	838
Share of profit of entities accounted for using equity method	84	–
Other	107	593
Total non-operating income	887	1,480
Non-operating expenses		
Interest expenses	195	319
Foreign exchange losses	212	–
Other	137	153
Total non-operating expenses	545	472
Ordinary profit	3,603	1,695
Extraordinary income		
Gain on sales of non-current assets	10	3
Gain on forgiveness of lease obligations	–	1,133
Total extraordinary income	10	1,136
Extraordinary losses		
Loss on sales and retirement of non-current assets	311	328
Loss on valuation of investment securities	–	721
Total extraordinary losses	311	1,050
Profit before income taxes	3,303	1,781
Income taxes - current	741	78
Income taxes - deferred	344	44
Total income taxes	1,085	123
Profit	2,217	1,658
Profit attributable to non-controlling interests	30	24
Profit attributable to owners of parent	2,186	1,634

Quarterly Consolidated Statements of Comprehensive Income

(First three-month period)

(Million yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Profit	2,217	1,658
Other comprehensive income		
Valuation difference on available-for-sale securities	529	(1,505)
Deferred gains or losses on hedges	10	12
Foreign currency translation adjustment	(3,223)	316
Remeasurements of defined benefit plans, net of tax	(296)	(513)
Share of other comprehensive income of entities accounted for using equity method	(1,786)	42
Total other comprehensive income	(4,766)	(1,647)
Comprehensive income	(2,549)	10
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(2,564)	(25)
Comprehensive income attributable to non-controlling interests	15	35

(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 three months ended June 30, 2026. Depreciation (including amortization of intangible assets except for goodwill) and amortization of goodwill for the first three months under review are as follows:

(Million yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Depreciation	3,335	3,599
Amortization of goodwill	41	47

(Segment Information)

I. For the three months ended June 30, 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 statements of income (Note 3)
	Pulp and paper business	Packaging/ Paper processing business	Wood material business	Total				
Net sales								
Sales to external customers	65,785	4,302	1,268	71,357	997	72,354	–	72,354
Intersegment sales or transfers	721	3	415	1,140	5,858	6,999	(6,999)	–
Total	66,507	4,306	1,684	72,497	6,856	79,354	(6,999)	72,354
Segment profit	2,915	58	87	3,062	135	3,197	63	3,261

(Notes) 1. "Other" includes business segments which are not included in the reportable segments, and includes construction business, logistics business, and used paper wholesale business.
2. Adjustments of 63 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 three months ended June 30, 2026

1. 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 statements of income (Note 3)
	Pulp and paper business	Packaging/ Paper processing business	Wood material business	Total				
Net sales								
Sales to external customers	65,558	4,452	1,325	71,335	1,221	72,557	–	72,557
Intersegment sales or transfers	710	3	451	1,165	5,817	6,982	(6,982)	–
Total	66,269	4,455	1,776	72,501	7,038	79,540	(6,982)	72,557
Segment profit	449	37	88	574	96	671	16	687

(Notes) 1. "Other" includes business segments which are not included in the reportable segments, and includes construction business, logistics business, and used paper wholesale business.
2. Adjustments of 16 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.

2. Matters concerning the change in reportable segments, etc.

Due to its increased significance, the wood material business is disclosed as a reportable segment starting from the first three months of the current fiscal year. It was previously included under Other.

The segment information for the first three months of the previous fiscal year reflects the change based on the new composition of reportable segments.

(Significant Subsequent Events)

(Issuance of bonds)

Pursuant to a resolution adopted at the Board of Directors meeting held on March 26, 2026, the Company issued 25,000 million yen in its 31st Series of Unsecured Corporate Bonds on July 24, 2026.

31st Series of Unsecured Corporate Bonds of Hokuetsu Corporation (with a clause providing for pari passu treatment among bonds)

(1) Total amount issued	25,000 million yen
(2) Interest rate	An annual rate of 2.093％
(3) Issue price	100 yen per 100-yen face value
(4) Method of redemption	Redeemed in a lump-sum at maturity
(5) Maturity date	July 24, 2029 (3-year bond)
(6) Use of proceeds	Redemption of corporate bonds