

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2020	-	55.00	-	55.00	110.00
Fiscal year ending March 31, 2021	-				
Fiscal year ending March 31, 2021 (Forecast)		55.00	-	55.00	110.00

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2021 (April 01, 2020 to March 31, 2021)

(% indicates changes 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	438,000	(18.1)	7,200	(34.1)	7,200	(26.5)	3,000	(40.6)	219.45

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Changes in significant subsidiaries during the three months ended June 30, 2020
(changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

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

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

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

June 30, 2020: 15,021,551 shares

March 31, 2020: 15,021,551 shares

2) Total number of treasury shares at the end of the period:

June 30, 2020: 1,348,474 shares

March 31, 2020: 1,371,182 shares

3) Average number of shares during the period:

Three months ended June 30, 2020: 13,670,638 shares

Three months ended June 30, 2019: 14,107,129 shares

*This report is not subject to quarterly reviews by certified public accountants or auditing firms.

* Explanation of the proper use of financial results forecast and other notes.

(Note Concerning Forward-Looking Statements)

The forecasts and other forward-looking statements in this report are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company. Actual business and other results may significantly differ from these forecasts due to various factors.

*** Reason for Announcement of the Consolidated Financial Results Forecast**

The Company had not previously announced its consolidated financial forecast for the fiscal year ending March 31, 2021, which had remained undecided due to the high uncertainty concerning the impact of the COVID-19 pandemic to the Group and the difficulty in ascertaining a reasonably accurate forecast. However, the Company hereby announces the above consolidated financial forecast prepared based on the consolidated financial results for the three months ended June 30, 2020 and information available at the time of this announcement.

Due to the influence of the COVID-19 pandemic on economic activities, demand for paper and paperboard have been declining significantly. The Company assumes that the Group's business activities will continue to be influenced by the COVID-19 pandemic, but gradually improve toward the end of the fiscal year ending March 31, 2021.

Note: The above forecast was prepared based on information available at the time of this announcement. Actual results may differ due to a variety of factors.

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2020	As of June 30,2020
Assets		
Current assets		
Cash and deposits	7,627	9,150
Notes and accounts receivable - trade	127,748	115,307
Inventories	40,470	36,952
Other	3,858	7,629
Allowance for doubtful accounts	(1,243)	(1,197)
Total current assets	178,460	167,841
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	47,735	46,980
Land	33,075	32,754
Other, net	34,034	32,734
Total property, plant and equipment	114,844	112,468
Intangible assets		
Goodwill	6,705	5,805
Other	2,109	2,028
Total intangible assets	8,814	7,833
Investments and other assets		
Investment securities	31,771	31,687
Other	10,068	9,534
Allowance for doubtful accounts	(2,140)	(2,100)
Total investments and other assets	39,700	39,121
Total non-current assets	163,358	159,423
Deferred assets	120	115
Total assets	341,939	327,379

(Million yen)

	As of March 31,2020	As of June 30,2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	91,209	81,454
Short-term borrowings	39,430	46,823
Current portion of long-term borrowings	13,385	5,343
Commercial papers	10,000	13,000
Current portion of bonds payable	23	23
Income taxes payable	2,693	613
Provisions	2,791	1,495
Other	11,217	11,133
Total current liabilities	170,747	159,883
Non-current liabilities		
Bonds payable	30,034	30,034
Long-term borrowings	35,418	34,811
Provisions	1,099	1,082
Retirement benefit liability	6,146	6,116
Other	11,248	10,099
Total non-current liabilities	83,945	82,142
Total liabilities	254,693	242,024
Net assets		
Shareholders' equity		
Share capital	16,649	16,649
Capital surplus	10,452	10,439
Retained earnings	54,243	54,099
Treasury shares	(5,207)	(5,117)
Total shareholders' equity	76,138	76,070
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,217	5,011
Deferred gains or losses on hedges	1	1
Foreign currency translation adjustment	64	(1,685)
Remeasurements of defined benefit plans	(1,118)	(1,074)
Total accumulated other comprehensive income	4,164	2,252
Share acquisition rights	152	117
Non-controlling interests	6,792	6,915
Total net assets	87,246	85,354
Total liabilities and net assets	341,939	327,379

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Million yen)

	For the three months ended June 30,2019	For the three months ended June 30,2020
Net sales	133,918	118,042
Cost of sales	117,384	102,299
Gross profit	16,534	15,742
Selling, general and administrative expenses	13,822	13,828
Operating profit	2,712	1,914
Non-operating income		
Interest income	18	88
Dividend income	340	352
Share of profit of entities accounted for using equity method	84	72
Other	118	241
Total non-operating income	559	753
Non-operating expenses		
Interest expenses	561	516
Other	116	69
Total non-operating expenses	677	585
Ordinary profit	2,594	2,082
Extraordinary income		
Gain on sales of non-current assets	237	5
Gain on bargain purchase	442	-
Gain on step acquisitions	83	-
Gain on sales of investment securities	7	-
Other	18	-
Total extraordinary income	787	5
Extraordinary losses		
Loss on disposal of non-current assets	34	14
Loss on sales of investment securities	-	5
Loss on valuation of investment securities	6	-
Other	3	3
Total extraordinary losses	44	22
Profit before income taxes	3,337	2,065
Income taxes - current	823	558
Income taxes - deferred	263	236
Total income taxes	1,086	794
Profit	2,251	1,270
Profit attributable to non-controlling interests	186	218
Profit attributable to owners of parent	2,065	1,052

Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Million yen)

	For the three months ended June 30,2019	For the three months ended June 30,2020
Profit	2,251	1,270
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,582)	(223)
Deferred gains or losses on hedges	(4)	(0)
Foreign currency translation adjustment	436	(1,576)
Remeasurements of defined benefit plans, net of tax	77	44
Share of other comprehensive income of entities accounted for using equity method	(50)	37
Total other comprehensive income	(1,122)	(1,718)
Comprehensive income	1,129	(448)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	871	(860)
Comprehensive income attributable to non-controlling interests	258	412

Information related to net sales, profit (loss) by reportable segment.

1. Three-months period ended June 30, 2019 (consolidated)

(Million yen)

	Reportable Segments					Total	Adjustments	To Quarterly consolidated statements of income
	Japan Wholesaling	Non-Japan Wholesaling	Paper Manufacturing & Processing	Resources & Environment	Real Estate Leasing			
Net sales								
Sales to external customers	72,576	45,532	6,392	8,111	1,307	133,918	—	133,918
Intersegment sales/transfers	2,402	148	6,661	1,907	31	11,149	(11,149)	—
Total	74,978	45,680	13,052	10,018	1,339	145,067	(11,149)	133,918
Segment income (loss)	1,246	(70)	1,443	55	416	3,090	(496)	2,594

(Notes)

1. Segment income (loss) is adjusted with ordinary profit in the Quarterly Consolidated Statements of Income.
2. Adjustments in segment income (loss) include corporate expenses that are not allocated to each relevant business segment.

2. Three-months period ended June 30, 2020 (consolidated)

(Million yen)

	Reportable Segments					Total	Adjustments	To Quarterly consolidated statements of income
	Japan Wholesaling	Non-Japan Wholesaling	Paper Manufacturing & Processing	Resources & Environment	Real Estate Leasing			
Net sales								
Sales to external customers	59,509	44,652	5,838	6,737	1,306	118,042	—	118,042
Intersegment sales/transfers	1,688	338	5,910	1,538	28	9,502	(9,502)	—
Total	61,197	44,989	11,749	8,276	1,334	127,544	(9,502)	118,042
Segment income (loss)	618	238	1,165	47	396	2,464	(382)	2,082

(Notes)

1. Segment income (loss) is adjusted with ordinary profit in the Quarterly Consolidated Statements of Income.
2. Adjustments in segment income (loss) include corporate expenses that are not allocated to each relevant business segment.