

Note: This document is a translation of a part of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.



Consolidated Financial Results for the Three Months Ended June 30, 2022 [Japanese GAAP]

August 09, 2022

Company name: Japan Pulp & Paper Co., Ltd.
 Stock exchange listing: Tokyo
 Code number: 8032
 URL: <https://www.kamipa.co.jp/eng/>
 Representative: Akihiko Watanabe President
 Contact: Kenichiro Fujii Executive Officer, Finance & Administration Division
 Phone: 03(3534)8522
 Scheduled date of filing quarterly securities report: August 12, 2022
 Scheduled date of commencing dividend payments: -
 Availability of supplementary briefing material on quarterly financial results: No
 Schedule of quarterly financial results briefing session: No

(Amounts are rounded to the nearest million yen)

1. Consolidated Financial Results for the Three Months Ended June 30, 2022 (April 01, 2022 to June 30, 2022)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2022	125,751	23.0	4,044	31.5	4,479	33.3	13,888	114.2
June 30, 2021	102,230	-	3,075	60.6	3,360	61.4	6,484	516.4

(Note) Comprehensive income: Three months ended June 30, 2022: ¥ 14,900 million [102.2%]
 Three months ended June 30, 2021: ¥ 7,368 million [-%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2022	1,012.63	1,010.57
June 30, 2021	473.76	472.55

(Note) From the beginning of the year ending March 31, 2022, "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29) etc. have been adopted. Therefore, the rate of increase and decrease concerning sales compared to the previous year for Three months ended June 30, 2021 is not stated.

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
June 30, 2022	354,799	114,437	30.1
March 31, 2022	338,939	100,317	27.4

(Reference) Equity: As of June 30, 2022: ¥ 106,670 million
 As of March 31, 2022: ¥ 92,821 million

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, 2022	-	55.00	-	60.00	115.00
Fiscal year ending March 31, 2023	-				
Fiscal year ending March 31, 2023 (Forecast)		60.00	-	60.00	120.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023(April 01, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	13,500	(4.0)	14,000	(7.0)	19,500	69.6	1,423.12

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the three months ended June 30, 2022

(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, 2022: 15,021,551 shares

March 31, 2022: 15,021,551 shares

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

June 30, 2022: 1,302,615 shares

March 31, 2022: 1,319,240 shares

3) Average number of shares during the period:

Three months ended June 30, 2022: 13,714,662 shares

Three months ended June 30, 2021: 13,686,438 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.

Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2022	As of June 30,2022
Assets		
Current assets		
Cash and deposits	13,009	41,809
Notes and accounts receivable - trade	122,330	127,542
Inventories	45,360	47,011
Other	3,930	3,710
Allowance for doubtful accounts	(1,554)	(1,726)
Total current assets	183,075	218,346
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	45,594	33,614
Land	32,494	26,391
Other, net	31,286	31,940
Total property, plant and equipment	109,374	91,945
Intangible assets		
Goodwill	1,586	1,314
Other	2,043	2,033
Total intangible assets	3,629	3,347
Investments and other assets		
Investment securities	35,899	33,960
Retirement benefit asset	163	165
Other	8,990	9,352
Allowance for doubtful accounts	(2,272)	(2,392)
Total investments and other assets	42,781	41,085
Total non-current assets	155,784	136,377
Deferred assets	80	76
Total assets	338,939	354,799

(Million yen)

	As of March 31,2022	As of June 30,2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	96,010	97,082
Short-term borrowings	39,024	39,215
Current portion of long-term borrowings	5,076	5,095
Commercial papers	8,000	3,000
Current portion of bonds payable	11	11
Income taxes payable	2,032	9,503
Provisions	2,409	1,477
Other	11,973	14,304
Total current liabilities	164,535	169,688
Non-current liabilities		
Bonds payable	30,000	30,000
Long-term borrowings	28,559	27,654
Provisions	1,272	1,221
Retirement benefit liability	1,237	1,357
Other	13,020	10,441
Total non-current liabilities	74,088	70,673
Total liabilities	238,623	240,362
Net assets		
Shareholders' equity		
Share capital	16,649	16,649
Capital surplus	6,999	6,998
Retained earnings	65,484	78,539
Treasury shares	(5,003)	(4,939)
Total shareholders' equity	84,129	97,247
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,438	6,738
Deferred gains or losses on hedges	(39)	(43)
Foreign currency translation adjustment	1,279	2,712
Remeasurements of defined benefit plans	15	15
Total accumulated other comprehensive income	8,692	9,423
Share acquisition rights	83	76
Non-controlling interests	7,412	7,692
Total net assets	100,317	114,437
Total liabilities and net assets	338,939	354,799

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 30,2021	For the three months ended June 30,2022
Revenue	102,230	125,751
Cost of sales	85,374	105,847
Gross profit	16,856	19,904
Selling, general and administrative expenses	13,781	15,860
Operating profit	3,075	4,044
Non-operating income		
Interest income	84	137
Dividend income	328	410
Share of profit of entities accounted for using equity method	104	192
Other	267	146
Total non-operating income	782	885
Non-operating expenses		
Interest expenses	418	360
Other	80	90
Total non-operating expenses	497	450
Ordinary profit	3,360	4,479
Extraordinary income		
Gain on sale of non-current assets	419	16,770
Gain on sale of investment securities	-	21
Gain on revision of retirement benefit plan	5,969	-
Total extraordinary income	6,388	16,791
Extraordinary losses		
Loss on sale of shares of subsidiaries and associates	-	245
Loss on disposal of non-current assets	34	48
Loss on valuation of investment securities	-	10
Other	1	0
Total extraordinary losses	35	303
Profit before income taxes	9,713	20,966
Income taxes - current	906	8,938
Income taxes - deferred	2,138	(2,073)
Total income taxes	3,044	6,866
Profit	6,669	14,100
Profit attributable to non-controlling interests	185	212
Profit attributable to owners of parent	6,484	13,888

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

(Million yen)

	For the three months ended June 30,2021	For the three months ended June 30,2022
Profit	6,669	14,100
Other comprehensive income		
Valuation difference on available-for-sale securities	(620)	(547)
Deferred gains or losses on hedges	6	(4)
Foreign currency translation adjustment	1,580	1,506
Remeasurements of defined benefit plans, net of tax	(409)	1
Share of other comprehensive income of entities accounted for using equity method	142	(157)
Total other comprehensive income	699	799
Comprehensive income	7,368	14,900
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,079	14,619
Comprehensive income attributable to non-controlling interests	289	281

Information related to revenue, profit (loss), and disaggregation of revenue by reportable segment

1. Three-months period ended June 30, 2021 (consolidated)

(Million yen)

	Reportable Segments					Total	Adjustments	To Quarterly consolidated statements of income
	Japan Wholesaling	Non-Japan Wholesaling	Paper Manufacturing & Processing	Raw Materials & Environment	Real Estate Leasing			
Revenue								
Revenue to customers	42,565	43,104	10,432	4,823	—	100,924	—	100,924
Other revenue	—	—	—	—	1,306	1,306	—	1,306
Revenue to external customers	42,565	43,104	10,432	4,823	1,306	102,230	—	102,230
Intersegment revenue/transfers	1,963	264	1,126	1,529	28	4,909	(4,909)	—
Total	44,528	43,367	11,558	6,352	1,334	107,139	(4,909)	102,230
Segment income (loss)	959	561	1,287	415	427	3,649	(289)	3,360

(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, 2022 (consolidated)

(Million yen)

	Reportable Segments					Total	Adjustments	To Quarterly consolidated statements of income
	Japan Wholesaling	Non-Japan Wholesaling	Paper Manufacturing & Processing	Raw Materials & Environment	Real Estate Leasing			
Revenue								
Revenue to customers	44,358	62,639	11,121	6,385	—	124,503	—	124,503
Other revenue	—	—	—	—	1,248	1,248	—	1,248
Revenue to external customers	44,358	62,639	11,121	6,385	1,248	125,751	—	125,751
Intersegment revenue/transfers	1,772	111	943	1,333	24	4,183	(4,183)	—
Total	46,130	62,750	12,065	7,718	1,272	129,934	(4,183)	125,751
Segment income (loss)	1,143	2,297	990	530	217	5,178	(699)	4,479

(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.