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## Consolidated Financial Results for the Nine Months Ended December 31, 2020 [Japanese GAAP]

February 04, 2021

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

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Scheduled date of filing quarterly securities report: February 12, 2021

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 Nine Months Ended December 31, 2020 (April 01, 2020 to December 31, 2020)

#### (1) Consolidated Operating Results (% indicates changes 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, 2020	345,141	(13.9)	6,978	(23.5)	7,102	(16.0)	2,861	(47.9)
December 31, 2019	401,077	(1.1)	9,123	2.7	8,452	(6.2)	5,491	10.1

(Note) Comprehensive income: Nine months ended December 31, 2020: ¥ 4,406 million [ (16.7)% ]  
 Nine months ended December 31, 2019: ¥ 5,287 million [ 161.7% ]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2020	209.25	208.60
December 31, 2019	394.80	393.08

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
December 31, 2020	327,934	84,679	23.9
March 31, 2020	341,939	87,246	23.5

(Reference) Equity: As of December 31, 2020: ¥ 78,487 million  
 As of March 31, 2020: ¥ 80,302 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, 2020	-	55.00	-	55.00	110.00
Fiscal year ending March 31, 2021	-	55.00	-		
Fiscal year ending March 31, 2021 (Forecast)				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: No

### \* Notes:

(1) Changes in significant subsidiaries during the nine months ended December 31, 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):

December 31, 2020: 15,021,551 shares

March 31, 2020: 15,021,551 shares

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

December 31, 2020: 1,349,046 shares

March 31, 2020: 1,371,182 shares

3) Average number of shares during the period:

Nine months ended December 31, 2020: 13,672,001 shares

Nine months ended December 31, 2019: 13,908,082 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 Financial Statements  
Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31,2020	As of December 31,2020
<b>Assets</b>		
Current assets		
Cash and deposits	7,627	11,947
Notes and accounts receivable - trade	127,748	119,653
Inventories	40,470	34,358
Other	3,858	3,743
Allowance for doubtful accounts	(1,243)	(1,168)
Total current assets	178,460	168,533
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	47,735	45,856
Land	33,075	32,465
Other, net	34,034	34,085
Total property, plant and equipment	114,844	112,405
Intangible assets		
Goodwill	6,705	5,198
Other	2,109	1,987
Total intangible assets	8,814	7,185
Investments and other assets		
Investment securities	31,771	33,103
Other	10,068	8,708
Allowance for doubtful accounts	(2,140)	(2,106)
Total investments and other assets	39,700	39,706
Total non-current assets	163,358	159,296
Deferred assets	120	105
Total assets	341,939	327,934

(Million yen)

	As of March 31,2020	As of December 31,2020
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	91,209	87,098
Short-term borrowings	39,430	40,037
Current portion of long-term borrowings	13,385	5,193
Commercial papers	10,000	14,500
Current portion of bonds payable	23	23
Income taxes payable	2,693	474
Provisions	2,791	1,376
Other	11,217	11,642
Total current liabilities	170,747	160,342
Non-current liabilities		
Bonds payable	30,034	30,023
Long-term borrowings	35,418	34,915
Provisions	1,099	1,142
Retirement benefit liability	6,146	6,092
Other	11,248	10,741
Total non-current liabilities	83,945	82,913
Total liabilities	254,693	243,255
Net assets		
Shareholders' equity		
Share capital	16,649	16,649
Capital surplus	10,452	7,280
Retained earnings	54,243	54,897
Treasury shares	(5,207)	(5,121)
Total shareholders' equity	76,138	73,705
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,217	6,335
Deferred gains or losses on hedges	1	1
Foreign currency translation adjustment	64	(567)
Remeasurements of defined benefit plans	(1,118)	(986)
Total accumulated other comprehensive income	4,164	4,783
Share acquisition rights	152	117
Non-controlling interests	6,792	6,075
Total net assets	87,246	84,679
Total liabilities and net assets	341,939	327,934

Quarterly Consolidated Statements of Income and Comprehensive Income  
Quarterly Consolidated Statements of Income (For the nine months)

(Million yen)

	For the nine months ended December 31,2019	For the nine months ended December 31,2020
Net sales	401,077	345,141
Cost of sales	349,366	298,372
Gross profit	51,711	46,769
Selling, general and administrative expenses	42,588	39,791
Operating profit	9,123	6,978
Non-operating income		
Interest income	124	203
Dividend income	613	616
Share of profit of entities accounted for using equity method	226	225
Other	500	637
Total non-operating income	1,462	1,682
Non-operating expenses		
Interest expenses	1,739	1,400
Other	394	157
Total non-operating expenses	2,133	1,558
Ordinary profit	8,452	7,102
Extraordinary income		
Gain on sales of investment securities	17	159
Gain on sales of non-current assets	282	90
Reversal of provision for waste disposal expenditure	953	-
Gain on bargain purchase	443	-
Gain on step acquisitions	83	-
Other	25	-
Total extraordinary income	1,803	249
Extraordinary losses		
Loss on extinguishment of tie-in shares	-	353
Business restructuring expenses	-	260
Compensation for claims	-	147
Waste disposal expenses	-	134
Loss on disposal of non-current assets	111	106
Provision for waste disposal expense	274	60
Loss on valuation of investment securities	6	-
Other	3	11
Total extraordinary losses	395	1,071
Profit before income taxes	9,860	6,279
Income taxes - current	2,998	2,267
Income taxes - deferred	109	166
Total income taxes	3,106	2,434
Profit	6,753	3,846
Profit attributable to non-controlling interests	1,263	985
Profit attributable to owners of parent	5,491	2,861

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

(Million yen)

	For the nine months ended December 31,2019	For the nine months ended December 31,2020
Profit	6,753	3,846
Other comprehensive income		
Valuation difference on available-for-sale securities	(532)	637
Deferred gains or losses on hedges	(2)	(0)
Foreign currency translation adjustment	(1,184)	(716)
Remeasurements of defined benefit plans, net of tax	233	132
Share of other comprehensive income of entities accounted for using equity method	20	507
Total other comprehensive income	(1,466)	560
Comprehensive income	5,287	4,406
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,975	3,480
Comprehensive income attributable to non-controlling interests	1,312	926

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

1. Nine-months period ended December 31, 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	221,014	134,194	19,521	22,428	3,920	401,077	—	401,077
Intersegment sales/transfers	6,422	639	20,835	5,340	95	33,331	(33,331)	—
Total	227,436	134,833	40,356	27,768	4,015	434,408	(33,331)	401,077
Segment income (loss)	3,955	72	5,372	88	1,224	10,710	(2,258)	8,452

(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. Nine-months period ended December 31, 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	186,218	117,741	16,689	20,586	3,907	345,141	—	345,141
Intersegment sales/transfers	4,813	759	18,003	4,538	75	28,189	(28,189)	—
Total	191,031	118,501	34,692	25,124	3,983	373,330	(28,189)	345,141
Segment income (loss)	2,446	25	3,995	708	1,179	8,353	(1,251)	7,102

(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.