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Consolidated Financial Results for the Three Months Ended June 30, 2023 [Japanese GAAP]

August 7, 2023

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 & CEO

Contact: Kenichiro Fujii Executive Officer, Finance & Administration Division

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Scheduled date of filing quarterly securities report: August 10, 2023

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, 2023 (April 1, 2023 to June 30, 2023)

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

	Revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2023	135,902	8.1	4,654	15.1	5,047	12.7	2,839	(79.6)
June 30, 2022	125,751	23.0	4,044	31.5	4,479	33.3	13,888	114.2

(Note) Comprehensive income: Three months ended June 30, 2023: ¥ 4,914 million [(67.0)%]
Three months ended June 30, 2022: ¥ 14,900 million [102.2%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2023	206.93	206.51
June 30, 2022	1,012.63	1,010.57

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
June 30, 2023	378,019	132,170	32.4
March 31, 2023	385,129	128,295	30.7

(Reference) Equity: As of June 30, 2023: ¥ 122,349 million
As of March 31, 2023: ¥ 118,356 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, 2023	-	60.00	-	60.00	120.00
Fiscal year ending March 31, 2024	-				
Fiscal year ending March 31, 2024 (Forecast)		65.00	-	65.00	130.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024(April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	18,000	(11.2)	17,000	(19.9)	11,000	(56.7)	801.87

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

* Notes:

(1) Changes in significant subsidiaries during the three months ended June 30, 2023
(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, 2023: 15,021,551 shares

March 31, 2023: 15,021,551 shares

2) Number of treasury shares at the end of the period:

June 30, 2023: 1,303,757 shares

March 31, 2023: 1,303,560 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2023: 13,717,850 shares

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

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	31,141	24,017
Notes and accounts receivable - trade	139,528	138,115
Inventories	65,430	64,922
Other	5,759	7,023
Allowance for doubtful accounts	(1,830)	(2,078)
Total current assets	240,028	231,998
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	34,706	34,575
Land	28,870	29,337
Other, net	35,646	35,764
Total property, plant and equipment	99,222	99,675
Intangible assets		
Goodwill	3,197	3,451
Other	2,389	2,383
Total intangible assets	5,586	5,834
Investments and other assets		
Investment securities	32,893	34,185
Retirement benefit asset	181	182
Other	9,525	8,496
Allowance for doubtful accounts	(2,366)	(2,407)
Total investments and other assets	40,233	40,456
Total non-current assets	145,041	145,965
Deferred assets	61	56
Total assets	385,129	378,019

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	104,714	103,767
Short-term borrowings	48,400	45,294
Current portion of long-term borrowings	12,469	12,360
Income taxes payable	10,890	1,266
Provisions	2,788	1,620
Other	13,196	16,168
Total current liabilities	192,456	180,477
Non-current liabilities		
Bonds payable	30,000	30,000
Long-term borrowings	18,018	16,879
Provisions	721	715
Retirement benefit liability	1,511	1,986
Other	14,128	15,792
Total non-current liabilities	64,378	65,373
Total liabilities	256,834	245,849
Net assets		
Shareholders' equity		
Share capital	16,649	16,649
Capital surplus	6,988	7,142
Retained earnings	89,717	91,747
Treasury shares	(4,944)	(4,945)
Total shareholders' equity	108,410	110,593
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,947	8,417
Deferred gains or losses on hedges	(6)	5
Foreign currency translation adjustment	2,998	3,326
Remeasurements of defined benefit plans	7	7
Total accumulated other comprehensive income	9,946	11,756
Share acquisition rights	76	76
Non-controlling interests	9,864	9,745
Total net assets	128,295	132,170
Total liabilities and net assets	385,129	378,019

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

(Millions of yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Revenue	125,751	135,902
Cost of sales	105,847	114,601
Gross profit	19,904	21,301
Selling, general and administrative expenses	15,860	16,647
Operating profit	4,044	4,654
Non-operating income		
Interest income	137	218
Dividend income	410	560
Share of profit of entities accounted for using equity method	192	93
Other	146	329
Total non-operating income	885	1,199
Non-operating expenses		
Interest expenses	360	772
Other	90	34
Total non-operating expenses	450	806
Ordinary profit	4,479	5,047
Extraordinary income		
Gain on sale of investment securities	21	34
Gain on extinguishment of tie-in shares	-	22
Gain on sale of non-current assets	16,770	15
Total extraordinary income	16,791	70
Extraordinary losses		
Loss on disposal of non-current assets	48	27
Loss on sale of shares of subsidiaries and associates	245	-
Loss on valuation of investment securities	10	-
Other	0	0
Total extraordinary losses	303	27
Profit before income taxes	20,966	5,091
Income taxes - current	8,938	1,157
Income taxes - deferred	(2,073)	814
Total income taxes	6,866	1,970
Profit	14,100	3,120
Profit attributable to non-controlling interests	212	282
Profit attributable to owners of parent	13,888	2,839

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

(Millions of yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Profit	14,100	3,120
Other comprehensive income		
Valuation difference on available-for-sale securities	(547)	1,425
Deferred gains or losses on hedges	(4)	12
Foreign currency translation adjustment	1,506	301
Remeasurements of defined benefit plans, net of tax	1	0
Share of other comprehensive income of entities accounted for using equity method	(157)	57
Total other comprehensive income	799	1,793
Comprehensive income	14,900	4,914
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	14,619	4,649
Comprehensive income attributable to non-controlling interests	281	265

(Segment information)

1. Three-months period ended June 30, 2022 (consolidated)

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

(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.

2. Three-months period ended June 30, 2023 (consolidated)

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

(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	48,935	66,603	12,822	6,539	—	134,900	—	134,900
Other revenue	—	—	—	—	1,002	1,002	—	1,002
Revenue to external customers	48,935	66,603	12,822	6,539	1,002	135,902	—	135,902
Intersegment revenue/transfers	2,113	53	969	1,553	24	4,712	(4,712)	—
Total	51,048	66,656	13,791	8,092	1,026	140,614	(4,712)	135,902
Segment income (loss)	1,720	1,474	1,476	535	380	5,586	(538)	5,047

(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.