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## Consolidated Financial Results for the Six Months Ended September 30, 2023 [Japanese GAAP]

November 8, 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: November 14, 2023

Scheduled date of commencing dividend payments: December 1, 2023

Availability of supplementary briefing material on quarterly financial results: Yes (available in Japanese only)

Schedule of quarterly financial results briefing session: Yes (for institutional investors and analysts / available in Japanese only)

(Amounts are rounded to the nearest million yen.)

### 1. Consolidated Financial Results for the Six Months Ended September 30, 2023 (April 1, 2023 to September 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	%
Six months ended September 30, 2023	271,375	1.9	8,867	(7.0)	8,909	(13.3)	5,324	(70.1)
September 30, 2022	266,324	28.0	9,537	51.0	10,273	54.2	17,830	110.9

(Note) Comprehensive income: Six months ended September 30, 2023: ¥ 12,106 million [ (39.0)%]  
Six months ended September 30, 2022: ¥ 19,849 million [ 121.8%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2023	388.13	387.34
September 30, 2022	1,299.88	1,297.24

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
September 30, 2023	385,317	139,377	33.5
March 31, 2023	385,129	128,295	30.7

(Reference) Equity: As of September 30, 2023: ¥ 129,085 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	-	65.00			
Fiscal year ending March 31, 2024 (Forecast)			-	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	%	
Full year	18,000	(11.2)	17,000	(19.9)	11,000	(56.7)	Yen 801.87

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

### \* Notes:

(1) Changes in significant subsidiaries during the six months ended September 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):

September 30, 2023: 15,021,551 shares

March 31, 2023: 15,021,551 shares

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

September 30, 2023: 1,304,338 shares

March 31, 2023: 1,303,560 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2023: 13,717,674 shares

Six months ended September 30, 2022: 13,716,673 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 September 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	31,141	18,892
Notes and accounts receivable - trade	139,528	146,271
Inventories	65,430	65,401
Other	5,759	7,499
Allowance for doubtful accounts	(1,830)	(2,331)
Total current assets	240,028	235,731
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	34,706	34,905
Land	28,870	29,043
Other, net	35,646	36,047
Total property, plant and equipment	99,222	99,995
Intangible assets		
Goodwill	3,197	3,506
Other	2,389	2,420
Total intangible assets	5,586	5,926
Investments and other assets		
Investment securities	32,893	36,934
Retirement benefit asset	181	182
Other	9,525	8,962
Allowance for doubtful accounts	(2,366)	(2,464)
Total investments and other assets	40,233	43,614
Total non-current assets	145,041	149,535
Deferred assets	61	51
Total assets	385,129	385,317

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	104,714	102,708
Short-term borrowings	48,400	44,880
Current portion of long-term borrowings	12,469	11,930
Income taxes payable	10,890	2,454
Provisions	2,788	2,632
Other	13,196	15,296
Total current liabilities	192,456	179,899
Non-current liabilities		
Bonds payable	30,000	30,000
Long-term borrowings	18,018	16,080
Provisions	721	751
Retirement benefit liability	1,511	1,772
Other	14,128	17,437
Total non-current liabilities	64,378	66,041
Total liabilities	256,834	245,940
Net assets		
Shareholders' equity		
Share capital	16,649	16,649
Capital surplus	6,988	7,142
Retained earnings	89,717	94,232
Treasury shares	(4,944)	(4,948)
Total shareholders' equity	108,410	113,076
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,947	10,048
Deferred gains or losses on hedges	(6)	(1)
Foreign currency translation adjustment	2,998	5,955
Remeasurements of defined benefit plans	7	8
Total accumulated other comprehensive income	9,946	16,009
Share acquisition rights	76	76
Non-controlling interests	9,864	10,216
Total net assets	128,295	139,377
Total liabilities and net assets	385,129	385,317

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

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Revenue	266,324	271,375
Cost of sales	224,205	227,743
Gross profit	42,119	43,633
Selling, general and administrative expenses	32,582	34,766
Operating profit	9,537	8,867
Non-operating income		
Interest income	280	430
Dividend income	487	623
Share of profit of entities accounted for using equity method	300	189
Other	529	479
Total non-operating income	1,597	1,722
Non-operating expenses		
Interest expenses	795	1,609
Other	66	71
Total non-operating expenses	861	1,681
Ordinary profit	10,273	8,909
Extraordinary income		
Gain on sale of non-current assets	16,855	604
Gain on sale of investment securities	278	34
Gain on extinguishment of tie-in shares	-	22
Other	-	3
Total extraordinary income	17,133	663
Extraordinary losses		
Loss on disposal of non-current assets	64	60
Loss on sale of shares of subsidiaries and associates	245	-
Loss on valuation of investment securities	10	-
Other	0	2
Total extraordinary losses	318	62
Profit before income taxes	27,087	9,509
Income taxes - current	11,431	3,095
Income taxes - deferred	(2,577)	507
Total income taxes	8,854	3,602
Profit	18,233	5,907
Profit attributable to non-controlling interests	403	583
Profit attributable to owners of parent	17,830	5,324

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

(Millions of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Profit	18,233	5,907
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,024)	3,085
Deferred gains or losses on hedges	12	5
Foreign currency translation adjustment	2,756	3,053
Remeasurements of defined benefit plans, net of tax	3	1
Share of other comprehensive income of entities accounted for using equity method	(132)	55
Total other comprehensive income	1,616	6,199
Comprehensive income	19,849	12,106
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	19,191	11,388
Comprehensive income attributable to non-controlling interests	658	718

(Segment information)

1. Six-months period ended September 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	88,415	139,514	22,621	13,548	—	264,098	—	264,098
Other revenue	—	—	—	—	2,226	2,226	—	2,226
Revenue to external customers	88,415	139,514	22,621	13,548	2,226	266,324	—	266,324
Intersegment revenue/transfers	3,484	244	2,014	2,850	48	8,639	(8,639)	—
Total	91,898	139,757	24,635	16,398	2,274	274,963	(8,639)	266,324
Segment income (loss)	2,424	6,116	1,917	1,070	606	12,133	(1,861)	10,273

(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 of (481) million yen that are not allocated to each relevant business segment.

2. Six-months period ended September 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	96,649	134,877	25,457	12,377	—	269,360	—	269,360
Other revenue	—	—	—	—	2,015	2,015	—	2,015
Revenue to external customers	96,649	134,877	25,457	12,377	2,015	271,375	—	271,375
Intersegment revenue/transfers	4,188	240	2,152	2,999	48	9,627	(9,627)	—
Total	100,836	135,117	27,609	15,377	2,063	281,002	(9,627)	271,375
Segment income (loss)	3,405	2,386	3,209	856	755	10,611	(1,702)	8,909

(Notes)

1. Segment income (loss) is adjusted with ordinary profit in the Quarterly Consolidated Statements of Income.
2. Adjustments in segment income (loss) include intersegment eliminations of (1,478) million yen and corporate expenses of (224) million yen that are not allocated to each relevant business segment.