

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



Consolidated Financial Results for the Three Months Ended June 30, 2024 [Japanese GAAP]

August 8, 2024

Company name: Japan Pulp & Paper Co., Ltd.
 Listing: Tokyo
 Securities code: 8032
 URL: <https://www.kamipa.co.jp/eng/>
 Representative: Akihiko Watanabe President & CEO
 Inquiries: Kenichiro Fujii Executive Officer, Finance & Administration Division
 URL <https://www.kamipa.co.jp/eng/contact/>
 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: None

(Yen amounts are rounded to the nearest million, unless otherwise noted.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2024 (April 1, 2024 to June 30, 2024)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	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, 2024	135,167	(0.5)	4,321	(7.2)	4,750	(5.9)	2,916	2.7
June 30, 2023	135,902	8.1	4,654	15.1	5,047	12.7	2,839	(79.6)

(Note) Comprehensive income: Three months ended June 30, 2024: ¥ 4,741 million [(3.5)%]
 Three months ended June 30, 2023: ¥ 4,914 million [(67.0)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2024	236.71	236.17
June 30, 2023	206.93	206.51

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
June 30, 2024	372,392	142,300	35.2
March 31, 2024	372,645	138,347	34.2

(Reference) Equity: As of June 30, 2024: ¥ 130,956 million
 As of March 31, 2024: ¥ 127,526 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, 2024	-	65.00	-	65.00	130.00
Fiscal year ending March 31, 2025	-				
Fiscal year ending March 31, 2025 (Forecast)		125.00	-	12.50	-

(Note) Revision to the forecast for dividends announced most recently: Yes

Because the Company is planning a stock split at a ratio of ten shares for every share of common stock with an effective date of October 1, 2024, dividend per share forecast for FYE Mar. 2025 take the impact of this stock split into account. If this stock split were not taken into account, the annual dividend per share forecast for FYE Mar. 2025 would be 250.00 yen.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025(April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	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	3.4	18,000	7.4	10,000	(3.4)	81.20

(Note) Revision to the financial results forecast announced most recently: None

The basic earnings per share in the consolidated earnings forecasts for FYE Mar. 2025 takes the impact of this stock split into account. If this stock split were not taken into account, basic earnings per share in the consolidated earnings forecasts for FYE Mar.2025 would be 812.04 yen.

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

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

1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

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

June 30, 2024: 15,021,551 shares

March 31, 2024: 15,021,551 shares

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

June 30, 2024: 2,702,275 shares

March 31, 2024: 2,706,866 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2024: 12,318,084 shares

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

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: Yes(voluntary)

* Proper use of earnings forecasts, and other special matters
(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.

Because the Company is planning a stock split at a ratio of ten shares for every share of common stock with an effective date of October 1, 2024, the basic earnings per share are calculated based on an average number of shares after the stock split.

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	17,806	16,291
Notes and accounts receivable - trade	143,449	144,536
Inventories	56,504	56,855
Other	7,216	7,855
Allowance for doubtful accounts	(2,012)	(2,066)
Total current assets	222,963	223,472
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	33,993	33,701
Land	29,002	29,081
Other, net	33,847	33,926
Total property, plant and equipment	96,842	96,708
Intangible assets		
Goodwill	3,783	4,002
Other	2,814	2,883
Total intangible assets	6,598	6,885
Investments and other assets		
Investment securities	39,949	39,016
Retirement benefit asset	194	193
Other	8,243	8,350
Allowance for doubtful accounts	(2,185)	(2,269)
Total investments and other assets	46,201	45,291
Total non-current assets	149,641	148,884
Deferred assets	41	36
Total assets	372,645	372,392

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	99,470	101,870
Short-term borrowings	36,395	34,697
Current portion of long-term borrowings	4,206	4,016
Commercial papers	8,000	5,500
Current portion of bonds payable	20,000	20,000
Income taxes payable	2,910	1,180
Provisions	2,539	1,623
Other	15,818	16,238
Total current liabilities	189,337	185,123
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term borrowings	14,357	13,964
Provisions	831	842
Retirement benefit liability	1,899	2,044
Other	17,873	18,119
Total non-current liabilities	44,960	44,969
Total liabilities	234,297	230,092
Net assets		
Shareholders' equity		
Share capital	16,649	16,649
Capital surplus	7,183	7,183
Retained earnings	98,398	100,498
Treasury shares	(11,671)	(11,652)
Total shareholders' equity	110,558	112,678
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,857	11,222
Deferred gains or losses on hedges	(10)	(3)
Foreign currency translation adjustment	5,136	7,075
Remeasurements of defined benefit plans	(15)	(16)
Total accumulated other comprehensive income	16,968	18,277
Share acquisition rights	76	76
Non-controlling interests	10,746	11,269
Total net assets	138,347	142,300
Total liabilities and net assets	372,645	372,392

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, 2023	For the three months ended June 30, 2024
Revenue	135,902	135,167
Cost of sales	114,601	112,709
Gross profit	21,301	22,458
Selling, general and administrative expenses	16,647	18,137
Operating profit	4,654	4,321
Non-operating income		
Interest income	218	202
Dividend income	560	558
Share of profit of entities accounted for using equity method	93	84
Other	329	336
Total non-operating income	1,199	1,180
Non-operating expenses		
Interest expenses	772	627
Other	34	124
Total non-operating expenses	806	751
Ordinary profit	5,047	4,750
Extraordinary income		
Gain on sale of non-current assets	15	233
Insurance claim income	-	155
Gain on sale of investment securities	34	1
Gain on extinguishment of tie-in shares	22	-
Total extraordinary income	70	389
Extraordinary losses		
Loss on disposal of non-current assets	27	68
Other	0	10
Total extraordinary losses	27	78
Profit before income taxes	5,091	5,061
Income taxes - current	1,157	1,402
Income taxes - deferred	814	332
Total income taxes	1,970	1,734
Profit	3,120	3,328
Profit attributable to non-controlling interests	282	412
Profit attributable to owners of parent	2,839	2,916

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

(Millions of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Profit	3,120	3,328
Other comprehensive income		
Valuation difference on available-for-sale securities	1,425	(727)
Deferred gains or losses on hedges	12	8
Foreign currency translation adjustment	301	2,040
Remeasurements of defined benefit plans, net of tax	0	(1)
Share of other comprehensive income of entities accounted for using equity method	57	93
Total other comprehensive income	1,793	1,413
Comprehensive income	4,914	4,741
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,649	4,225
Comprehensive income attributable to non-controlling interests	265	516

(Segment information)

1. 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 from contracts with customers	48,935	66,603	12,822	6,539	—	134,900	—	134,900
Other revenue	—	—	—	—	1,002	1,002	—	1,002
Revenue from 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 profits/(losses) of 506 million yen that are not allocated to each relevant business segment.

2. Three-months period ended June 30, 2024 (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 from contracts with customers	49,225	65,767	12,985	6,149	—	134,125	—	134,125
Other revenue	—	—	—	—	1,042	1,042	—	1,042
Revenue from external customers	49,225	65,767	12,985	6,149	1,042	135,167	—	135,167
Intersegment revenue/transfers	2,274	72	775	1,535	24	4,681	(4,681)	—
Total	51,499	65,839	13,760	7,684	1,066	139,848	(4,681)	135,167
Segment income (loss)	1,560	1,066	1,674	687	390	5,377	(627)	4,750

(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 (1,740) million yen and profits/(losses) of 1,113 million yen that are not allocated to each relevant business segment.