

# Summary of Consolidated Financial Results for the Six Months Ended September 30, 2021 (unaudited) (Based on Japanese GAAP)

November 12, 2021

Company name: Daio Paper Corporation  
 Stock exchange listing: Tokyo  
 Stock code: 3880 URL <https://www.daio-paper.co.jp>  
 Representative: President and Representative Director Chief Executive Officer Yorifusa Wakabayashi  
 Inquiries: Executive Officer and General Manager, Accounting Department Junichi Ikawa TEL 03-6856-7513  
 Scheduled date to file Quarterly Securities Report: November 12, 2021  
 Scheduled date to commence dividend payments: December 7, 2021  
 Availability of supplementary material on quarterly financial results: Yes  
 Schedule of quarterly financial results briefing session: Scheduled (for institutional investors and analysts)

(Amounts are rounded down to millions of yen)

## 1. Consolidated Financial Results for the Six Months Ended September 30, 2021 (April 1, 2021–September 30, 2021)

### (1) Consolidated Operating Results (cumulative)

(The percentages indicate the percentage increase or decrease compared to the same period of the previous fiscal year.)

	Net sales		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, 2021	296,873	13.5	19,235	36.1	17,688	44.4	11,456	22.4
Six months ended September 30, 2020	261,585	(2.6)	14,130	13.9	12,250	8.6	9,361	(13.4)

Note: Comprehensive income

Six months ended September 30, 2021		17,693	million yen	125.9%
Six months ended September 30, 2020		7,831	million yen	53.1%

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2021	69.02	—
September 30, 2020	61.14	56.20

Note: At the end of March 2021, the provisional accounting treatment for the business combination was finalized, and the figures for the second quarter of the year ending March 2021 reflect the confirmed contents

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2021	841,762	262,690	30.2
As of March 31, 2021	849,801	246,788	28.2

Reference: Equity	As of September 30, 2021	254,253	million yen
	As of March 31, 2021	239,232	million yen

## 2. Dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2021	—	7.00	—	10.00	17.00
Fiscal year ending March 31, 2022	—	10.00			
Fiscal year ending March 31, 2022(Forecast)			—	10.00	20.00

Note: Changes to latest dividends forecast: None

### 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022 (April 1, 2021–March 31, 2022)

(The percentages indicate the percentage increase or decrease compared to the same period of the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full fiscal year	600,000	6.6	38,000	3.1	35,000	1.5	21,000	(5.0)	126.50

Note: Changes to latest financial results forecasts: None

### 4. Notes

[1] Changes in significant subsidiaries during the six months ended September 30, 2021

(changes in specified subsidiaries resulting in the changes in scope of consolidation): No

New — (Company name: )

Eliminated — (Company name: )

[2] Application of special accounting methods for preparing quarterly consolidated financial statements: No

[3] Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

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

2) Changes in accounting policies due to other reasons: No

3) Changes in accounting estimates: No

4) Restatement of prior period financial statements: No

[4] Number of issued shares (common shares)

1) Number of issued shares at the end of the period (including treasury shares)

As of September 30, 2021 169,012,926 shares

As of March 31, 2021 169,012,926 shares

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

As of September 30, 2021 2,976,668 shares

As of March 31, 2021 3,072,460 shares

3) Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2021 165,986,780 shares

Six months ended September 30, 2020 153,122,767 shares

The Company introduced a stock-based incentive system that uses a trust delivery system, and the Company's shares held in the trust are recorded as treasury shares. And the Company introduced a "Trust-Type Employee Stock Ownership Plan (ESOP)" as an incentive plan by utilizing the Group's employee shareholding association, and the Company's shares held in the trust are recorded as treasury shares.

\*This report is not subject to quarterly review procedures by certified public accountants or audit corporations.

\*Regarding the appropriate use of financial results forecast and other notes

1. The earnings forecasts and other forward-looking statements herein are based on the information currently available to the Company and certain assumptions the Company considers reasonable. The actual results may differ significantly from these forecasts due to a wide range of factors.

2. The supplementary material on quarterly financial results will be posted on the Company's following website.  
[https://www.daio-paper.co.jp/en/ir/ir\\_news/](https://www.daio-paper.co.jp/en/ir/ir_news/)

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	130,643	93,107
Notes and accounts receivable - trade	100,019	—
Notes and accounts receivable - trade, and contract assets	—	99,978
Electronically recorded monetary claims - operating	8,005	8,001
Inventories	79,850	85,341
Other	10,383	11,274
Allowance for doubtful accounts	(537)	(561)
Total current assets	328,364	297,141
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	88,814	91,546
Machinery, equipment and vehicles, net	181,886	181,061
Land	82,146	82,766
Other, net	38,747	54,131
Total property, plant and equipment	391,594	409,506
Intangible assets		
Goodwill	55,902	55,275
Other	29,296	30,524
Total intangible assets	85,199	85,799
Investments and other assets	44,519	49,214
Total non-current assets	521,313	544,520
Deferred assets	122	100
<b>Total assets</b>	<b>849,801</b>	<b>841,762</b>

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	64,662	67,235
Commercial paper	—	3,000
Short-term borrowings	13,744	14,111
Current portion of bonds payable	15,000	15,000
Current portion of long-term borrowings	64,813	64,598
Income taxes payable	6,492	7,690
Provisions	5,955	5,903
Other	56,256	50,584
<b>Total current liabilities</b>	<b>226,925</b>	<b>228,123</b>
<b>Non-current liabilities</b>		
Bonds payable	45,000	45,000
Long-term borrowings	284,025	253,563
Retirement benefit liability	23,110	23,539
Provisions	269	330
Other	23,680	28,514
<b>Total non-current liabilities</b>	<b>376,086</b>	<b>350,948</b>
<b>Total liabilities</b>	<b>603,012</b>	<b>579,071</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	53,884	53,884
Capital surplus	55,901	55,901
Retained earnings	136,579	145,862
Treasury shares	(4,090)	(3,922)
<b>Total shareholders' equity</b>	<b>242,275</b>	<b>251,726</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	4,226	4,406
Deferred gains or losses on hedges	22	38
Foreign currency translation adjustment	(8,645)	(3,258)
Remeasurements of defined benefit plans	1,353	1,340
<b>Total accumulated other comprehensive income</b>	<b>(3,042)</b>	<b>2,527</b>
<b>Non-controlling interests</b>	<b>7,556</b>	<b>8,437</b>
<b>Total net assets</b>	<b>246,788</b>	<b>262,690</b>
<b>Total liabilities and net assets</b>	<b>849,801</b>	<b>841,762</b>

**Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**  
**Consolidated statements of income (cumulative)**

(Millions of yen)

	For the six months ended September 30, 2020	For the six months ended September 30, 2021
Net sales	261,585	296,873
Cost of sales	190,869	215,648
Gross profit	70,715	81,225
Selling, general and administrative expenses	56,584	61,989
Operating profit	14,130	19,235
Non-operating income		
Interest income	94	163
Dividend income	310	281
Share of profit of entities accounted for using equity method	44	44
Ship lease	500	196
Other	1,253	912
Total non-operating income	2,202	1,599
Non-operating expenses		
Interest expenses	2,004	2,063
Expenses for ship lease	833	330
Other	1,244	752
Total non-operating expenses	4,082	3,147
Ordinary profit	12,250	17,688
Extraordinary income		
Foreign exchange gains	2,088	—
Gain on sales of non-current assets	30	12
Insurance claim income	837	853
Other	70	234
Total extraordinary income	3,026	1,099
Extraordinary losses		
Loss on sales and retirement of non-current assets	827	403
Loss on valuation of investment securities	356	—
Impairment loss	1	8
Loss on disaster	122	100
Other	288	63
Total extraordinary losses	1,595	576
Profit before income taxes	13,681	18,211
Income taxes - current	4,351	5,808
Income taxes - deferred	408	966
Total income taxes	4,759	6,775
Profit	8,921	11,435
Profit attributable to non-controlling interests	(440)	(20)
Profit attributable to owners of parent	9,361	11,456

## Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	For the six months ended September 30, 2020	For the six months ended September 30, 2021
Profit	8,921	11,435
Other comprehensive income		
Valuation difference on available-for-sale securities	829	151
Deferred gains or losses on hedges	(15)	15
Foreign currency translation adjustment	(2,386)	6,075
Remeasurements of defined benefit plans, net of tax	446	(12)
Share of other comprehensive income of entities accounted for using equity method	36	28
Total other comprehensive income	(1,089)	6,257
Comprehensive income	7,831	17,693
Comprehensive income attributable to		
Owners of the parent	8,582	17,026
Non-controlling interests	(750)	667