

# Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2021 (unaudited) (Based on Japanese GAAP)

February 10, 2022

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: February 10, 2022  
 Scheduled date to commence dividend payments: —  
 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 Nine Months Ended December 31, 2021 (April 1, 2021–December 31, 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	%
Nine months ended December 31, 2021	447,528	8.5	27,636	6.8	25,973	9.9	17,015	1.8
December 31, 2020	412,478	2.2	25,873	26.8	23,638	22.5	16,717	9.1

Note: Comprehensive income

Nine months ended December 31, 2021	20,425	million yen	75.9%
Nine months ended December 31, 2020	11,614	million yen	13.8%

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2021	102.51	—
December 31, 2020	106.32	100.75

Note: At the end of March 2021, the provisional accounting treatment for the business combination was finalized, and the figures for the third 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 December 31, 2021	849,586	264,235	30.1
As of March 31, 2021	849,801	246,788	28.2

Reference: Equity	As of December 31, 2021	255,301	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)	126.51

Note: Changes to latest financial results forecasts: None

### 4. Notes

[1] Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 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 December 31, 2021 2,987,593 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)

Nine months ended December 31, 2021 165,991,710 shares

Nine months ended December 31, 2020 157,226,118 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 December 31, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	130,643	82,594
Notes and accounts receivable - trade	100,019	—
Notes and accounts receivable - trade, and contract assets	—	111,971
Electronically recorded monetary claims - operating	8,005	9,963
Inventories	79,850	88,085
Other	10,383	11,881
Allowance for doubtful accounts	(537)	(513)
Total current assets	328,364	303,982
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	88,814	96,399
Machinery, equipment and vehicles, net	181,886	192,596
Land	82,146	82,727
Other, net	38,747	41,990
Total property, plant and equipment	391,594	413,714
Intangible assets		
Goodwill	55,902	52,756
Other	29,296	30,275
Total intangible assets	85,199	83,032
Investments and other assets	44,519	48,703
Total non-current assets	521,313	545,449
Deferred assets	122	154
Total assets	849,801	849,586

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	64,662	75,212
Commercial paper	—	8,000
Short-term borrowings	13,744	13,715
Current portion of bonds payable	15,000	30,000
Current portion of long-term borrowings	64,813	64,497
Income taxes payable	6,492	4,094
Provisions	5,955	3,305
Other	56,256	50,522
<b>Total current liabilities</b>	<b>226,925</b>	<b>249,349</b>
<b>Non-current liabilities</b>		
Bonds payable	45,000	45,000
Long-term borrowings	284,025	239,635
Retirement benefit liability	23,110	23,702
Provisions	269	393
Other	23,680	27,271
<b>Total non-current liabilities</b>	<b>376,086</b>	<b>336,002</b>
<b>Total liabilities</b>	<b>603,012</b>	<b>585,351</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	149,745
Treasury shares	(4,090)	(3,942)
<b>Total shareholders' equity</b>	<b>242,275</b>	<b>255,589</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	4,226	4,111
Deferred gains or losses on hedges	22	44
Foreign currency translation adjustment	(8,645)	(5,733)
Remeasurements of defined benefit plans	1,353	1,290
<b>Total accumulated other comprehensive income</b>	<b>(3,042)</b>	<b>(287)</b>
<b>Non-controlling interests</b>	<b>7,556</b>	<b>8,933</b>
<b>Total net assets</b>	<b>246,788</b>	<b>264,235</b>
<b>Total liabilities and net assets</b>	<b>849,801</b>	<b>849,586</b>

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

### Consolidated statements of income (cumulative)

(Millions of yen)

	For the nine months ended December 31, 2020	For the nine months ended December 31, 2021
Net sales	412,478	447,528
Cost of sales	298,511	328,995
Gross profit	113,966	118,532
Selling, general and administrative expenses	88,092	90,896
Operating profit	25,873	27,636
Non-operating income		
Interest income	150	253
Dividend income	501	479
Share of profit of entities accounted for using equity method	102	85
Ship lease	602	330
Other	1,687	1,901
Total non-operating income	3,044	3,052
Non-operating expenses		
Interest expenses	3,000	3,032
Expenses for ship lease	1,056	378
Other	1,223	1,305
Total non-operating expenses	5,279	4,715
Ordinary profit	23,638	25,973
Extraordinary income		
Foreign exchange gains	2,088	—
Gain on sales of non-current assets	41	46
Gain on sales of investment securities	437	290
Insurance claim income	853	1,974
Other	178	58
Total extraordinary income	3,598	2,369
Extraordinary losses		
Loss on sales and retirement of non-current assets	1,260	625
Impairment loss	38	8
Loss on disaster	297	282
Adjustment of payment	—	884
Other	790	147
Total extraordinary losses	2,386	1,948
Profit before income taxes	24,850	26,394
Income taxes - current	7,428	8,104
Refund of income taxes	—	(702)
Income taxes - deferred	1,139	1,659
Total income taxes	8,567	9,061
Profit	16,282	17,332
Profit attributable to non-controlling interests	(434)	316
Profit attributable to owners of parent	16,717	17,015

## Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	For the nine months ended December 31, 2020	For the nine months ended December 31, 2021
Profit	16,282	17,332
Other comprehensive income		
Valuation difference on available-for-sale securities	146	(129)
Deferred gains or losses on hedges	(45)	21
Foreign currency translation adjustment	(5,206)	3,250
Remeasurements of defined benefit plans, net of tax	427	(63)
Share of other comprehensive income of entities accounted for using equity method	10	14
Total other comprehensive income	(4,667)	3,092
Comprehensive income	11,614	20,425
Comprehensive income attributable to		
Owners of the parent	12,632	19,770
Non-controlling interests	(1,017)	654