

Summary of Consolidated Financial and Business Results for the Year Ended March 2021 (Japanese GAAP)

Company Name: **Oji Holdings Corporation** (Code No. 3861 Tokyo Stock Exchange)
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 General meeting of stockholders to be held: June 29, 2021 Start of dividend payout: June 7, 2021
 Statutory annual report to be presented: June 29, 2021

(All yen figures are rounded down to the nearest one million yen)

1. Results for the Year Ended March 31, 2021 (April 1, 2020 - March 31, 2021)

(Unaudited)

(1) Consolidated Business Results

(Figures shown in percentage are ratios compared to the same period of the previous year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2020	1,358,985	(9.9)	84,793	(20.1)	83,061	(18.0)	49,635	(14.7)
FY2019	1,507,607	(2.8)	106,125	(3.7)	101,289	(14.4)	58,181	11.9

Note: Comprehensive income FY2020 72,179 million yen FY2019 33,351 million yen

	Profit per share	Diluted profit per share	Ratio of profit to shareholders' equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
FY2020	50.13	50.09	6.9	4.3	6.2
FY2019	58.78	58.74	8.5	5.3	7.0

Note: Equity in earning of affiliates FY2020 142 million yen FY2019 2,889 million yen

(2) Consolidated Financial Condition

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2020	1,981,438	865,606	37.9	758.28
FY2019	1,885,280	831,657	36.7	699.12

Note: Shareholders' equity FY2020 750,981 million yen FY2019 692,135 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2020	127,107	(91,559)	19,932	135,669
FY2019	124,491	(64,801)	(58,148)	82,390

2. Cash Dividends

	Dividend per share					Total dividend (Annual) Millions of yen	Dividend payout ratio (Consolidated) %	Dividend on net assets (Consolidated) %
	End of 1Q	End of 2Q	End of 3Q	End of FY	Annual			
	Yen	Yen	Yen	Yen	Yen			
FY2019	-	7.00	-	7.00	14.00	13,881	23.8	2.0
FY2020	-	7.00	-	7.00	14.00	13,889	27.9	1.9
FY2021 (Forecast)	-	7.00	-	7.00	14.00		19.8	

3. Consolidated Financial Forecasts for the Year Ending March 2022 (April 1, 2021-March 31, 2022)

(Figures shown in percentage for the full year are ratios compared to the previous year,

Figures shown in percentage for the first half are ratios compared to the same period of the previous year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	700,000	7.3	50,000	70.6	50,000	126.3	30,000	191.6	30.29
Full year	1,450,000	6.7	120,000	41.5	120,000	44.5	70,000	41.0	70.68

4. Notes

- (1) Changes in important subsidiaries
(changes regarding specified subsidiaries accompanying changes in the scope of consolidation) : None
- (2) Changes in accounting methods compared with recent consolidated accounting periods
- (i) Changes due to accounting standard changes : None
 - (ii) Changes besides (i) : None
 - (iii) Accounting estimate change : None
 - (iv) Restatement : None
- (3) Outstanding balance of issued shares (common stock)
- (i) Outstanding balance of issued shares at the end of fiscal year (Including treasury shares)
FY2020 1,014,381,817 FY2019 1,014,381,817
 - (ii) Outstanding balance of treasury shares at the end of fiscal year
FY2020 24,002,558 FY2019 24,368,163
 - (iii) Weighted average number of shares during fiscal year
FY2020 990,221,801 FY2019 989,857,587

(Reference)

1. Results for the Year Ended March 31, 2021 (April 1, 2020 - March 31, 2021)

(1) Non-consolidated Business Results

(Figures shown in percentage are ratios compared to the previous year)

	Net sales		Operating income		Ordinary income		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2020	53,055	40.9	35,932	71.0	34,235	50.6	35,108	139.1
FY2019	37,665	21.5	21,017	41.1	22,738	60.6	14,682	37.5

	Profit per share	Diluted profit per share
	Yen	Yen
FY2020	35.45	35.43
FY2019	14.83	14.82

(2) Non-consolidated Financial Condition

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2020	1,092,092	392,130	35.9	395.65
FY2019	1,012,719	363,918	35.9	367.29

Note: Shareholders' equity FY2020 391,931 million yen FY2019 363,702 million yen

NOTICE

- This document is out of the scope of the audit procedures required by Financial Instruments and Exchange Act, and audit procedures for consolidated financial statement haven't been finished as of the date of publication.
- Forecasts released are based on expectations of future economic conditions as of the date of publication. The actual results may differ drastically from these forecasts due to various factors that may arise in the future.
- This document is an excerpt translation of the Japanese original and is only for reference purposes. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

1. Qualitative Information Concerning Business Performance and Financial Situation

(1) Qualitative Information Concerning Business Performance

Business Performance for the Year Ended March 31, 2021 (April 1, 2020 - March 31, 2021. "FY2020")

	Net Sales	Operating Profit	Ordinary Profit	Profit Attributable to Owners of Parent	Profit Per Share
	Billions of yen	Billions of yen	Billions of yen	Billions of yen	Yen
FY2020	1,359.0	84.8	83.1	49.6	50.13
FY2019	1,507.6	106.1	101.3	58.2	58.78
Increase (Decrease)	(148.6)	(21.3)	(18.2)	(8.5)	
Increase (Decrease)	(9.9%)	(20.1%)	(18.0%)	(14.7%)	

The Oji Group has set "Profitability Improvement of Domestic Business", "Expansion of Overseas Business" and "Promotion of Innovation" as the fundamental policies of its FY2019-2021 Medium-term Management Plan. Through "Contribution to a Sustainable Society", we aim to become a global corporate group which stably maintains consolidated operating profit of more than ¥100.0 billion.

Based on the fundamental policies, in the domestic business, we have focused on restructuring our production system to respond to the structural changes in demand, and worked to improve capital efficiency while concentrating management resources on promising businesses to strengthen our ability to generate cash flow. In regard to overseas business, we have organically expanded the existing operations by expanding the number of overseas operations as well as developing new businesses utilizing existing infrastructure. We have also worked to create synergies among our businesses as well as operations. In regard to promoting innovation, we have promoted the development and the early commercialization of new businesses and products that meet the needs of the environment and society, in order to actualize "Contribution to a Sustainable Society".

Consolidated net sales for FY2020 decreased by ¥148.6 billion to ¥1,359.0 billion (year-on-year decrease of 9.9%) due to a decline in demand, particularly for printing paper and communication paper, caused by the worldwide spread of the Coronavirus Disease 2019 (COVID-19) and the accompanying economic stagnation, as well as effects of weakening overseas pulp market. Overseas sales ratio decreased by 0.6 points from the previous year to 29.3%.

Consolidated operating profit decreased by ¥21.3 billion to ¥84.8 billion (year-on-year decrease of 20.1%) in both domestic and overseas businesses, despite our efforts to reduce cost and lower raw material and fuel prices. Ordinary profit decreased by ¥18.2 billion to ¥83.1 billion (year-on-year decrease of 18.0%), although foreign exchange gains were recorded in non-operating income. Profit before taxes decreased by ¥17.3 billion to ¥80.9 billion (year-on-year decrease of 17.6%), and profit attributable to owners of parent decreased by ¥8.5 billion to ¥49.6 billion (year-on-year decrease of 14.7%).

Overview of Business Performance for FY2020 by Segment

(I) Business Performance by Segment

(Unit: Billions of yen)

		Net Sales			Operating Profit(Loss)		
		FY2019	FY2020	Increase (Decrease)	FY2019	FY2020	Increase (Decrease)
Reporting Segment	Household & Industrial Materials	686.1	647.5	(5.6%)	40.9	38.1	(7.0%)
	Functional Materials	214.7	182.3	(15.1%)	15.4	11.5	(25.2%)
	Forest Resources & Environment Marketing	285.6	245.3	(14.1%)	28.8	16.7	(42.3%)
	Printing & Communications Media	292.7	244.0	(16.6%)	11.3	11.2	(1.5%)
	Total	1,478.9	1,319.1	(10.8%)	96.5	77.4	(19.8%)
Others		289.4	270.2	(6.6%)	9.0	6.8	(24.8%)
Total		1,768.3	1,589.3	(10.1%)	105.4	84.1	(20.2%)
Adjustment (*)		(260.7)	(230.3)		0.7	0.7	
Consolidated total		1,507.6	1,359.0	(9.9%)	106.1	84.8	(20.1%)

*Adjustment is mainly those concerning internal transactions.

(ii) Overview of Business Performance by Segment

The Oji Group's four reporting segments are: "Household and Industrial Materials", "Functional Materials", "Forest Resources and Environment Marketing", and "Printing and Communications Media". Each of the reporting segment consists of those that are recognized to be similar in terms of economic characteristics, manufacturing methods or processes of products, markets in which products are sold, and types of customers, among the constituent units of the Oji Group.

Business segments that are not included in the reporting segments are classified as "Others".

Major business lineup for the segments are as follows.

- Household and Industrial Materials:
Containerboard/corrugated containers, boxboard/folding cartons, packing paper/paper bags, household paper, disposable diapers, etc.
- Functional Materials:
Specialty paper, thermal paper, adhesive materials, film, etc.
- Forest Resources and Environment Marketing:
Pulp, energy, forest plantation/lumber processing, etc.
- Printing and Communications Media:
Newsprint, printing/publication/communication paper, etc.
- Others:
Real estate, engineering, trading business, logistics, etc.

○Household and Industrial Materials

In FY2020, net sales amounted to ¥647.5 billion (year-on-year decrease of 5.6%), and operating profit was ¥38.1 billion (year-on-year decrease of 7.0%).

Regarding domestic business, domestic sales volume of containerboard and corrugated containers decreased from the previous year due to the restriction on economic activity caused by the spread of COVID-19, whereas sales for processed food packaging and e-commerce industry performed steadily as a result of a trend of staying home. Export sales volume of containerboard increased from the previous year. As for boxboard, domestic sales volume decreased from the previous year due in part to a decrease in demand for souvenirs and gifts on account of the trends of staying home and refraining from holding events. As for packing paper, domestic sales volume decreased from the previous year as a demand for paper bags and heavy-duty paper sacks for industrial products declined due in part to the trend of staying home and the restriction on economic activity. As for disposable diapers for babies, domestic sales volume decreased, but export sales volume increased. As a result, overall sales volume remained static from the previous year. As for household paper which comprises tissue paper and toilet rolls, sales volume decreased from the previous year as sales for professional-use products declined due to the economic stagnation, while sales of kitchen towels increased as the use of disposable wipes has diversified due to a greater hygiene awareness accompanying the spread of COVID-19. As for processed goods, such as wet wipes and face masks, both sales volume and sales amount increased significantly from the previous year.

Regarding overseas business, in containerboard business, sales volume in Southeast Asia decreased from the previous year as lockdowns restricted our customer's production activities. In Oceania, sales volume decreased from the previous year as a result of a decrease in exports to Asian countries due to the economic stagnation caused by the spread of COVID-19. As for corrugated container business, in Southeast Asia, sales volume increased from the previous year mainly for hygiene products such as medical rubber gloves and for e-commerce use. In Oceania, sales volume increased from the previous year as sales for processed food packaging and e-commerce industry performed steadily both in New Zealand and Australia. As for disposable diapers for babies, sales volume increased significantly from the previous year, due to the introduction of the new packaging design of Doraemon and strong sales on EC sites in China, and our continual efforts for sales expansion to convenience stores in Indonesia, although sales volume decreased from the previous year in Malaysia, due to sluggish sales at retail stores as a result of implementation of stay-at-home order.

○Functional Materials

In FY2020, net sales amounted to ¥182.3 billion (year-on-year decrease of 15.1%), and operating profit was ¥11.5 billion (year-on-year decrease of 25.2%).

Regarding domestic business, as for specialty paper, sales volume for tickets and souvenirs decreased due to a decline in the number of tourists visiting Japan and decrease in events amid the continuing impact of COVID-19, although demand for some products, including films for condensers used in electric vehicles (electric vehicles, hybrid vehicles, plug-in hybrid vehicles and fuel cell vehicles) and paper for manufacturing electronic components for smartphones, have shown signs of recovery. As a result, overall sales volume decreased from the previous year. Sales volume of thermal paper decreased from the previous year as sales for POS decreased due in part to the trend of staying home.

Regarding overseas business, our sales of products were affected by implementation of stay-at-home order and the economic stagnation. As for thermal paper, sales volume decreased in North America, South America, Europe and Southeast Asia from the previous year due in part to a decrease in demand for POS and tickets.

○Forest Resources and Environment Marketing

In FY2020, net sales amounted to ¥245.3 billion (year-on-year decrease of 14.1%), and operating profit was ¥16.7 billion (year-on-year decrease of 42.3%).

Regarding domestic business, sales volume of pulp business decreased from the previous year mainly because of a decrease in the export volume of dissolving pulp to China due to the economic stagnation caused by the spread of COVID-19. Sales volume of energy business increased from the previous year since MPM Oji Eco-Energy Co., Ltd, a biomass power generation facility which started operation in September 2019, contributed to the increase throughout the period.

Regarding overseas business, sales volume of pulp business decreased from the previous year, due to a worldwide decrease in demand caused by the economic stagnation caused by the spread of COVID-19.

○Printing and Communications Media

In FY2020, net sales amounted to ¥244.0 billion (year-on-year decrease of 16.6%), and operating profit was ¥11.2 billion (year on-year decrease of 1.5%).

Regarding domestic business, sales volume of newsprint decreased from the previous year due to the reduced circulation and total pagination as a result of the economic stagnation caused by the spread of COVID-19. As for printing paper, sales volume decreased from the previous year due to the economic stagnation caused by the spread of COVID-19. In regard to those for publication use, sales volume decreased mainly due to reduced circulation and total number of pages of women's magazines, travel magazines, sports magazines, etc., though there was an increase in demand for comic books accompanying the release of hit series and the trend of staying home. In regard to those for commercial printing use, sales volume decreased due to a decline in demand for catalogs, posters, flyers, etc. as a result of the trend of refraining from attracting customers and holding events. As for communication paper, sales volume decreased from the previous year due to a decrease in demand in offices as a result of the spread of working from home.

Regarding overseas businesses, at Jiangsu Oji Paper Co., Ltd., sales volume of printing paper decreased from the previous year mainly as the demand for commercial printing, including advertising, decreased both in China and abroad because of the economic stagnation caused by the spread of COVID-19.

Forecast for the Year Ending March 31, 2022 (April 1, 2021 - March 31, 2022, "FY2021")

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Profit per share
	Billions of yen	Billions of yen	Billions of yen	Billions of yen	Yen
First Half of FY2021	700.0	50.0	50.0	30.0	30.29
First Half of FY2020	652.4	29.3	22.1	10.3	10.39
Increase (Decrease)	47.6	20.7	27.9	19.7	
Increase (Decrease)	7.3%	70.6%	126.3%	191.6%	
FY2021	1,450.0	120.0	120.0	70.0	70.68
FY2020	1,359.0	84.8	83.1	49.6	50.13
Increase (Decrease)	91.0	35.2	36.9	20.4	
Increase (Decrease)	6.7%	41.5%	44.5%	41.0%	

<FY2021 Forecast and Future Outlook >

FY2021 is the final year of the three-year medium-term management plan launched in FY2019. The global business environment is undergoing major changes due to the spread of COVID-19, and many opportunities and risks are expected to expand, including diversification of consumption structures, lifestyles, and working styles. Meanwhile, we will continue to steadily implement strategic measures to improve our corporate value in line with our three fundamental policies of “Profitability Improvement of Domestic Business”, “Expansion of Overseas Business”, and “Promotion of Innovation”. We will also promptly and appropriately implement business structure reforms in light of environmental changes caused by COVID-19.

The forecast for the next fiscal year is based on net sales of ¥1450.0 billion, operating income of ¥120.0 billion, ordinary income of ¥120.0 billion, and net income attributable to owners of parent of ¥70.0 billion, reflecting a moderate recovery in market conditions and rising pulp sales prices.

The assumed exchange rates for FY2021 forecast are as follows:

	Exchange rates	(Reference) Sensitivity for operating income
JPY/USD	110.0	Approx. ¥130 million with a fluctuation of USD by 1% (strong USD: -)
BRL/USD	5.20	Approx. ¥230 million with a fluctuation of USD by 1% (strong USD: +)
NZD/USD	1.40	Approx. ¥740 million with a fluctuation of USD by 1% (strong USD: +)

2. Outline of Business Performance and Financial Situation

Business Performance

Billions of yen

	FY2020		Forecasts for FY2021	
		Increase(Decrease)		Increase(Decrease)
Net Sales	1,359.0	(148.6)	1,450.0	91.0
Domestic	961.3	(96.0)		
Overseas	397.6	(52.7)		
ratio	29.3%	(0.6%)		
Operating Profit	84.8	(21.3)	120.0	35.2
Ordinary Profit	83.1	(18.2)	120.0	36.9
Profit attributable to owners of parent	49.6	(8.5)	70.0	20.4

Billions of yen

Depreciation	62.8	(0.6)	62.0	(0.8)
Capital expenditure	93.5	5.1	107.5	14.0

Average foreign exchange rate

	FY2020		Forecasts for FY2021	
		Increase(Decrease)		Increase(Decrease)
JPY / USD April to March	106.1	(2.7)	110.0	3.9
BRL / USD January to December	5.16	1.22	5.20	0.04
NZD / USD January to December	1.54	0.02	1.40	(0.14)
CNY / USD January to December	6.90	(0.01)	6.40	(0.50)

Financial situation

Billions of yen

	Mar 31,2021	
		Increase(Decrease)from Mar 31,2020
Total assets	1,981.4	96.2
Net assets	865.6	33.9
Interest bearing debts	647.7	66.0
Net debts	511.4	14.1

Consolidated Statements of Cash Flows

Billions of yen

	FY2020	
		Increase(Decrease)
Cash flows from operating activities	127.1	2.6
Cash flows from investing activities	(91.6)	(26.8)
Cash flows from financing activities	19.9	78.1

Number of employees

person

	Mar 31,2021	
		Increase(Decrease)from Mar 31,2020
Number of employees	36,034	(776)
Domestic	16,578	(409)
Overseas	19,456	(367)

Consolidated balance sheets

(Unit : Millions of yen)

	FY2019 Mar 31,2020	FY2020 Mar 31,2021
Assets		
Current assets		
Cash and deposits	73,943	130,529
Notes and accounts receivable - trade	301,682	297,718
Securities	10,381	5,725
Merchandise and finished goods	98,483	86,440
Work in process	23,467	19,273
Raw materials and supplies	94,946	89,090
Short-term loans receivable	3,749	4,324
Accounts receivable - other	20,232	19,608
Other	15,407	17,734
Allowance for doubtful accounts	(1,811)	(1,675)
Total current assets	<u>640,484</u>	<u>668,770</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures	670,400	685,779
Accumulated depreciation	(482,113)	(494,548)
Buildings and structures, net	<u>188,286</u>	<u>191,231</u>
Machinery, equipment and vehicles	2,376,088	2,389,121
Accumulated depreciation	(2,078,455)	(2,090,184)
Machinery, equipment and vehicles, net	<u>297,632</u>	<u>298,937</u>
Tools, furniture and fixtures	60,765	60,791
Accumulated depreciation	(55,205)	(55,099)
Tools, furniture and fixtures, net	<u>5,560</u>	<u>5,691</u>
Land	235,700	239,052
Forests	109,664	105,560
Standing Timber	85,858	85,584
Leased assets	50,587	55,844
Accumulated depreciation	(15,738)	(19,767)
Leased assets, net	<u>34,849</u>	<u>36,077</u>
Construction in progress	58,241	79,279
Total property, plant and equipment	<u>1,015,794</u>	<u>1,041,413</u>
Intangible assets		
Goodwill	4,672	3,122
Other	8,388	9,049
Total intangible assets	<u>13,060</u>	<u>12,171</u>
Investments and other assets		
Investment securities	150,831	163,961
Long-term loans receivable	7,558	6,933
Long-term prepaid expenses	3,998	3,692
Retirement benefit asset	32,019	60,993
Deferred tax assets	7,184	7,074
Other	15,258	17,379
Allowance for doubtful accounts	(910)	(952)
Total investments and other assets	<u>215,941</u>	<u>259,083</u>
Total non-current assets	<u>1,244,796</u>	<u>1,312,668</u>
Total assets	<u>1,885,280</u>	<u>1,981,438</u>

	(Unit : Millions of yen)	
	FY2019 Mar 31,2020	FY2020 Mar 31,2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	209,669	197,950
Short-term borrowings	172,027	129,963
Commercial papers	14,000	—
Current portion of bonds payable	20,000	—
Accounts payable - other	16,330	20,741
Accrued expenses	48,485	48,874
Income taxes payable	22,984	11,526
Other	29,479	32,657
Total current liabilities	<u>532,976</u>	<u>441,713</u>
Non-current liabilities		
Bonds payable	80,000	155,000
Long-term borrowings	295,647	362,718
Deferred tax liabilities	48,412	59,892
Deferred tax liabilities for land revaluation	7,803	7,739
Retirement benefit liability	54,213	54,010
Long-term deposits received	7,492	7,305
Other	27,078	27,450
Total non-current liabilities	<u>520,647</u>	<u>674,117</u>
Total liabilities	<u>1,053,623</u>	<u>1,115,831</u>
Net assets		
Shareholders' equity		
Share capital	103,880	103,880
Capital surplus	110,750	109,100
Retained earnings	457,568	493,224
Treasury shares	(13,577)	(13,400)
Total shareholders' equity	<u>658,623</u>	<u>692,805</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	21,004	31,654
Deferred gains or losses on hedges	(957)	2,721
Revaluation reserve for land	5,813	5,684
Foreign currency translation adjustment	2,390	(6,418)
Remeasurements of defined benefit plans	5,261	24,533
Total accumulated other comprehensive income	<u>33,512</u>	<u>58,176</u>
Share acquisition rights	216	199
Non-controlling interests	139,305	114,426
Total net assets	<u>831,657</u>	<u>865,606</u>
Total liabilities and net assets	<u>1,885,280</u>	<u>1,981,438</u>

Consolidated statements of income

(Unit : Millions of yen)

	FY2019	FY2020
	Apr '19 - Mar '20	Apr '20 - Mar '21
Net sales	1,507,607	1,358,985
Cost of sales	1,143,665	1,031,553
Gross profit	<u>363,942</u>	<u>327,431</u>
Selling, general and administrative expenses		
Freight and incidental costs	141,674	131,590
Storage costs	7,006	6,506
Employees' salaries	52,360	51,921
Retirement benefit expenses	1,214	853
Depreciation	5,582	6,343
Other	49,978	45,422
Total selling, general and administrative expenses	<u>257,816</u>	<u>242,638</u>
Operating profit	<u>106,125</u>	<u>84,793</u>
Non-operating income		
Interest income	2,172	1,121
Dividend income	3,146	3,170
Share of profit of entities accounted for using equity method	2,889	142
Foreign exchange gains	—	4,616
Insurance claim income	760	1,894
Other	5,335	3,630
Total non-operating income	<u>14,305</u>	<u>14,576</u>
Non-operating expenses		
Interest expenses	6,948	6,791
Loss on sublet of facilities	—	2,836
Foreign exchange losses	4,797	—
Other	7,396	6,680
Total non-operating expenses	<u>19,142</u>	<u>16,308</u>
Ordinary profit	<u>101,289</u>	<u>83,061</u>
Extraordinary income		
Insurance claim income	1,513	2,866
Gain on sale of businesses	—	906
Profit on subsidiary status change from equity method affiliate to consolidated subsidiary	—	808
Other	5,579	1,164
Total extraordinary income	<u>7,092</u>	<u>5,746</u>
Extraordinary losses		
Loss on disaster	2,583	2,065
Business restructuring expenses	2,758	1,977
Loss on retirement of non-current assets	1,910	1,459
Extra retirement payments	436	995
Other	2,554	1,425
Total extraordinary losses	<u>10,242</u>	<u>7,923</u>
Profit before income taxes	<u>98,138</u>	<u>80,883</u>
Income taxes - current	35,018	28,830
Income taxes - deferred	(1,380)	354
Total income taxes	<u>33,637</u>	<u>29,185</u>
Profit	<u>64,500</u>	<u>51,698</u>
Profit attributable to non-controlling interests	<u>6,319</u>	<u>2,062</u>
Profit attributable to owners of parent	<u>58,181</u>	<u>49,635</u>

Consolidated quarterly statements of comprehensive income

(Unit : Millions of yen)

	FY2019	FY2020
	Apr '19 - Mar '20	Apr '20 - Mar '21
Profit	64,500	51,698
Other comprehensive income		
Valuation difference on available-for-sale securities	(11,030)	9,305
Deferred gains or losses on hedges	(1,284)	3,633
Foreign currency translation adjustment	(11,565)	(12,937)
Remeasurements of defined benefit plans, net of tax	(5,000)	18,258
Share of other comprehensive income of entities accounted for using equity method	(2,268)	2,221
Total other comprehensive income	<u>(31,149)</u>	<u>20,481</u>
Comprehensive income	<u>33,351</u>	<u>72,179</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	28,020	74,429
Comprehensive income attributable to non-controlling interests	5,330	(2,249)

Consolidated Statements of Cash Flows

(Unit : Millions of yen)

	FY2019	FY2020
	Apr '19 - Mar '20	Apr '20 - Mar '21
Cash flows from operating activities		
Profit before income taxes	98,138	80,883
Depreciation	63,379	62,758
Amortization of goodwill	1,898	1,099
Depletion of standing timber	8,656	6,958
Increase (decrease) in allowance for doubtful accounts	(211)	(52)
Decrease (increase) in retirement benefit asset	(2,468)	(2,913)
Increase (decrease) in retirement benefit liability	1,750	760
Interest and dividend income	(5,319)	(4,292)
Interest expenses	6,948	6,791
Foreign exchange losses (gains)	2,475	(3,946)
Share of loss (profit) of entities accounted for using equity method	(2,889)	(142)
Loss on retirement of non-current assets	1,910	1,459
Business restructuring expenses	2,758	1,977
Loss (gain) on sale of businesses	—	(906)
Loss (profit) on subsidiary status change from equity method affiliate to consolidated subsidiary	—	(808)
Decrease (increase) in trade receivables	31,729	1,870
Decrease (increase) in inventories	(1,968)	20,163
Increase (decrease) in trade payables	(42,609)	(11,933)
Other, net	(10,176)	6,807
Subtotal	<u>154,002</u>	<u>166,535</u>
Interest and dividends received	6,231	5,397
Interest paid	(5,892)	(5,623)
Income taxes paid	(29,850)	(39,202)
Net cash provided by (used in) operating activities	<u>124,491</u>	<u>127,107</u>
Cash flows from investing activities		
Proceeds from sale and redemption of securities	2,730	—
Purchase of property, plant and equipment and intangible assets	(92,454)	(94,674)
Proceeds from sale of property, plant and equipment and intangible assets	594	854
Purchase of investment securities	(1,190)	(1,916)
Proceeds from sale and redemption of investment securities	25,543	1,163
Loan advances	(1,113)	(1,066)
Proceeds from collection of loans receivable	2,383	1,396
Other, net	(1,295)	2,682
Net cash provided by (used in) investing activities	<u>(64,801)</u>	<u>(91,559)</u>
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	17,715	(4,049)
Net increase (decrease) in commercial papers	11,000	(14,000)
Proceeds from long-term borrowings	4,203	71,279
Repayments of long-term borrowings	(80,650)	(43,250)
Proceeds from issuance of bonds	29,789	74,561
Redemption of bonds	(20,000)	(20,000)
Purchase of treasury shares of subsidiaries	—	(24,162)
Repayments of lease obligations	(4,770)	(4,786)
Dividends paid	(12,883)	(13,888)
Other, net	(2,552)	(1,770)
Net cash provided by (used in) financing activities	<u>(58,148)</u>	<u>19,932</u>
Effect of exchange rate change on cash and cash equivalents	<u>(1,737)</u>	<u>(2,169)</u>
Net increase (decrease) in cash and cash equivalents	<u>(196)</u>	<u>53,310</u>
Cash and cash equivalents at beginning of period	82,794	82,390
Increase in cash and cash equivalents resulting from merger	9	7
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(216)	(39)
Cash and cash equivalents at end of period	<u>82,390</u>	<u>135,669</u>