

November 8, 2017

Company name : Nippon Paper Industries Co., Ltd.
Representative : Fumio Manoshiro, President
(Stock code: 3863, First Section, TSE)

Notice of Difference between Forecast and Actual Consolidated Earnings for First Half Year, and Revision to Consolidated Earnings Forecast for Fiscal Year 2017 Ending March 2018

Nippon Paper Industries Co., Ltd. (the Company) announces a difference between the forecast that it announced on May 12, 2017 and the results that it announces today.

The Company also announces a revision to its consolidated earnings forecast for the fiscal 2017 (from April 1, 2017 to March 31, 2018) based on its recent performance.

1. Difference between Forecast and Actual Consolidated Earnings for First Half of Fiscal 2017
(from April 1, 2017 to September 30, 2017)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	520,000	10,000	10,000	5,000	43.20
Actual results (B)	513,882	5,096	6,801	5,105	44.12
Increase/decrease (B – A)	-6,117	-4,903	-3,198	105	—
Percentage increase/decrease (%)	-1.2	-49.0	-32.0	2.1	—
(Reference) Results for first half of fiscal 2016	475,069	10,488	13,493	-3,871	-33.44

2. Revision to Consolidated Earnings Forecasts for Fiscal 2017 (from April 1, 2017 to March 31, 2018)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	1,050,000	30,000	30,000	15,000	129.60
Revised forecast (B)	1,050,000	15,000	18,000	8,000	69.12
Increase/decrease (B – A)	—	-15,000	-12,000	-7,000	—
Percentage increase/decrease (%)	—	-50.0	-40.0	-46.7	—
(Reference) Results for fiscal 2016	992,428	23,764	26,994	8,399	72.57

3. Reasons for the Difference and the Revision

Operating income and ordinary income in the first half of fiscal 2017 fell below the previous forecast as the price of waste paper rose approximately 20% more than initial expectation and the price revision for printed paper delayed to the end of second quarter of the fiscal year.

Profit attributable to owners of parent was close to the previous forecast as loss attributable to non-controlling interests became bigger.

In regard to full-year consolidated financial results forecast, while expecting positive effects from the price revision of printing paper and paperboard, operating income, ordinary income and profit attributable to owners of parent are all expected to be lower than previous forecast to reflect the performance in the first half of fiscal 2017 and an assumption that the price of wasted paper would remain at a higher level.

(Note) The earnings forecasts presented above are based on the information available as of the date when this release was issued. Actual earnings performance in the future may differ from forecasts due to a variety of factors.