



February 5, 2014

Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2013

Name of Company Listed: **Nippon Paper Industries Co., Ltd.**
 Stock Exchange Listings: Tokyo
 Code Number: 3863
 URL: <http://www.nipponpapergroup.com/e/>
 Representative:
 Title of Representative Person: President
 Name of Representative Person: Yoshio Haga
 Person in Charge of Contact:
 Title of Contact Person: General Manager of Accounting & Budgeting Dept.
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 Planned date of Financial Report submission: February 13, 2014
 Planned date of the commencement of dividend payments: –
 Availability of support documentation: Yes
 Holding of financial result briefing: Yes (for institutional investors and investment analysts)

On April 1, 2013, Nippon Paper Industries Co. Ltd. (the Company) merged with and absorbed its parent company, Nippon Paper Group, Inc., and assumed the consolidated financial statements of Nippon Paper Group, Inc.

Accordingly, for reference, the Consolidated Financial Results of Operations for the Nine Months Ended December 2013, which show the comparison between the results of Nippon Paper Group, Inc. for the nine months of, and as of the end of, the previous consolidated fiscal year and the Company's results for the same period of the fiscal year ending March 2014, are presented below. The Dividend Status, which shows the comparison with the results of Nippon Paper Group, Inc. for the previous consolidated fiscal year, is also presented below.

(Amounts indicated are displayed with amounts of less than one million yen rounded off.)

1. Consolidated Financial Results of Operations for the Nine Months Ended December 2013 (April 1, 2013–December 31, 2013)

(1) Consolidated Results of Operations

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

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2013	801,886	4.0	17,913	2.3	18,746	33.1	14,995	101.2
Nine months ended December 31, 2012	770,986	-1.1	17,515	-28.8	14,088	–	7,453	–

Note: Comprehensive income

Nine months ended December 2013	29,881 million yen	(181.3 %)
Nine months ended December 2012	10,622 million yen	(– %)

	Net income per share	Net income per share after adjusting for dilution
	Yen	Yen
Nine months ended December 31, 2013	129.51	–
Nine months ended December 31, 2012	64.37	–

(2) Consolidated Financial Status

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2013	1,501,202	421,634	27.8
As of March 31, 2013	1,497,729	396,460	26.2

Reference: Shareholders' equity As of December 31, 2013 417,384 million yen
As of March 31, 2013 392,707 million yen

2. Dividend Status

	Dividends per share				
	1 st quarter end	2 nd quarter end	3 rd quarter end	End of fiscal year	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March, 2013 (Note)	—	10.00	—	30.00	40.00
Fiscal year ending March, 2014 (Note)	—	10.00			
Fiscal year ending March, 2014 (Projection)			—	30.00	40.00

Note: The dividends for the fiscal year ended March 2013 stated are those of Nippon Paper Group, Inc. The Company paid dividends of ¥30 per share, as the year-end dividend of Nippon Paper Group, Inc., to shareholders who were listed or recorded on the Company's shareholders' register based on the record date of April 1, 2013. These dividends are stated as year-end dividends for the fiscal year ended March 2013.

* Dividends whose record dates are dates other than the end of a quarter of the year

Date of right allotment	Dividends per share	Total
	Yen	Yen
April 1, 2013	30.00	30.00

Note: The Company paid dividends of Nippon Paper Group, Inc. as the fiscal year ended March 2013 to shareholders who were listed or recorded on the Company's shareholders' register based on the record date of April 1, 2013.

3. Projection of Consolidated Financial Results for the Fiscal Year Ending March 2014 (April 1, 2013–March 31, 2014)

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full fiscal year	1,070,000	4.4	30,000	19.3	25,000	8.3	15,000	40.8	129.55
(Fiscal year ended March 2013)	1,025,078	-1.7	25,145	-31.2	23,081	281.1	10,652	-	92.00

Note1: Recent revisions to consolidated financial results /No

Note2: The percentage increases/decreases as compared with the previous year and the same period of the previous fiscal year are determined by comparing the forecasts with the consolidated results of the operations of Nippon Paper Group, Inc. for the fiscal year ended March 2013.

4. Others

[1] Has the Company made any important changes in its subsidiaries (changes in specified subsidiaries as a result of changes in the scope of consolidation)? /No

New — (Company name:)

Eliminated — (Company name:)

[2] Has the Company adopted a specific accounting method for preparation of quarterly consolidated financial statements? /Yes

[3] Changes in Accounting principles, changes in accounting estimates, or restatements

(i) Has the Company made any changes in accounting principles following the revision of the Accounting Standard and others? /No

(ii) Has the Company made any changes in accounting principles other than those described in (i)? /No

(iii) Has the Company made any changes in accounting estimates? /No

(iv) Has the Company made any restatements? /No

- [4] Number of issued and outstanding shares (common stock)
- (i) Number of issued and outstanding shares (including treasury stock) as of:

December 31, 2013	116,254,892 Shares
March 31, 2013	116,254,892 Shares
 - (ii) Number of treasury stock as of:

December 31, 2013	481,393 Shares
March 31, 2013	466,507 Shares
 - (iii) Average number of shares during the periods of:

Nine months ended December 31, 2013	115,782,371 Shares
Nine months ended December 31, 2012	115,791,595 Shares

Note: The Company was listed on the stock exchange on April 1, 2013 after merging with Nippon Paper Group, Inc., its parent company, through an absorption-type merger. The above numbers of shares of the previous fiscal year are those of Nippon Paper Group, Inc.

* Presentation of implementation status of quarterly review procedure

This “Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2013” is not subject to quarterly review procedures in accordance with the Financial Instruments and Exchange Law and, as of the date of publication of these quarterly consolidated financial results, the quarterly review procedures for the consolidated quarterly financial statements are currently in progress.

*Disclaimer regarding forward-looking statement and other remarks:

1. Any statement in this document regarding future performance of the Company is based on the information available at the time of the announcement and certain assumptions judged to be reasonable. Actual performance may differ from forecasts due to a variety of factors.
2. The support documentation will be posted on the following our website.
<http://www.nipponpapergroup.com/e/ir/presentation.html>

This document is an English-language translation of the Japanese-language original.

(Appendices)

1. Consolidated Operating Results for the Nine Months Ended December 2013 (April 1, 2013–December 31, 2013)

Operating results by business segment are as follows:

Pulp and Paper:

Consolidated net sales	¥ 628,907 million	(up 4.2% year-on-year)
Consolidated operating income	¥ 9,842 million	(up 18.4% year-on-year)

Paper-Related:

Consolidated net sales	¥ 70,181 million	(down 2.4% year-on-year)
Consolidated operating income	¥ 4,032 million	(down 25.3% year-on-year)

Wood Products and Construction Related:

Consolidated net sales	¥ 49,746 million	(up 12.5% year-on-year)
Consolidated operating income	¥ 1,773 million	(down 1.9% year-on-year)

Other:

Consolidated net sales	¥ 53,050 million	(up 3.0% year-on-year)
Consolidated operating income	¥ 2,265 million	(up 13.6% year-on-year)

2. Supplementary Financial Results Presentation Materials for the Nine Months Ended December 31, 2013

The supplementary presentation materials show a comparison with the results of Nippon Paper Group, Inc. for the end of the consolidated fiscal year ended March 2013 and the third quarter of the consolidated fiscal year ended March 2013, and the results of the Company for the third quarter of the consolidated fiscal year ended March 2014.

(1) Consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2013	As of December 31, 2013
Assets		
Current assets		
Cash and deposits	110,911	84,101
Notes and accounts receivable-trade	198,916	226,061
Merchandise and finished goods	81,175	82,769
Work in process	17,739	18,518
Raw materials and supplies	50,388	57,268
Other	48,853	54,671
Allowance for doubtful receivables	(650)	(377)
Total current assets	507,335	523,013
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	487,605	491,912
Accumulated depreciation	(341,162)	(347,128)
Buildings and structures, net	146,442	144,783
Machinery, equipment and vehicles	2,118,113	2,146,784
Accumulated depreciation	(1,794,789)	(1,834,263)
Machinery, equipment and vehicles, net	323,323	312,521
Land	225,729	224,131
Construction in progress	19,437	21,173
Other	92,161	91,866
Accumulated depreciation	(59,671)	(59,194)
Other, net	32,490	32,672
Total property, plant and equipment	747,423	735,281
Intangible assets		
Goodwill	15,955	14,766
Other	6,768	7,488
Total intangible assets	22,724	22,254
Investments and other assets		
Investments in securities	197,323	202,280
Other	23,915	19,615
Allowance for doubtful receivables	(992)	(1,244)
Total investments and other assets	220,246	220,652
Total noncurrent assets	990,393	978,188
Total assets	1,497,729	1,501,202

(Millions of yen)

	As of March 31, 2013	As of December 31, 2013
Liabilities		
Current liabilities		
Notes and account payable-trade	137,861	144,192
Short-term loans payable	248,235	272,043
Accrued income taxes	3,501	3,125
Other	86,989	90,180
Total current liabilities	476,588	509,541
Long-term liabilities		
Bonds payable	48,000	48,000
Long-term loans payable	531,992	472,251
Accrued retirement benefits	29,252	29,410
Accrued environmental costs	539	442
Other	14,895	19,921
Total long-term liabilities	624,680	570,025
Total liabilities	1,101,269	1,079,567
Net assets		
Shareholders' equity		
Common stock	55,730	104,873
Capital surplus	266,249	217,105
Retained earnings	60,705	70,219
Treasury stock, at cost	(1,308)	(1,331)
Total shareholders' equity	381,376	390,866
Accumulated other comprehensive income		
Net unrealized holding gain on other securities	4,708	9,525
Net deferred gain on hedges	1,810	2,372
Translation adjustments	4,811	14,619
Total accumulated other comprehensive income	11,330	26,517
Minority interests in consolidated subsidiaries	3,753	4,249
Total net assets	396,460	421,634
Total liabilities and net assets	1,497,729	1,501,202

(2) Consolidated Statements of Operations and Statements of Comprehensive Income
- Consolidated Statements of Operations -

	(Millions of yen)	
	Nine months ended December 31, 2012	Nine months ended December 31, 2013
Net sales	770,986	801,886
Cost of sales	599,970	628,017
Gross profit	171,016	173,869
Selling, general and administrative expenses		
Freightage related expenses	44,323	47,441
Sales related expenses	49,264	49,517
Salaries and allowances	33,938	33,412
Other	25,974	25,583
Total selling, general and administrative expenses	153,501	155,955
Operating income	17,515	17,913
Other income		
Interest income	334	253
Dividend income	1,727	1,848
Equity in earnings of affiliates	4,074	5,471
Other	3,570	5,260
Total other income	9,706	12,833
Other expenses		
Interest expense	9,087	8,555
Other	4,045	3,445
Total other expenses	13,132	12,000
Ordinary income	14,088	18,746
Extraordinary income		
Gain on sales of noncurrent assets	244	5,810
Gain on sales of investments in securities	466	3,070
Other	728	106
Total extraordinary income	1,439	8,986
Extraordinary loss		
Loss on retirement of noncurrent assets	1,181	855
Provision of allowance for loss on dissolved welfare pension fund	-	665
Business restructuring expenses	1,447	544
Other	2,244	1,105
Total extraordinary loss	4,873	3,170
Income before income taxes and minority interests in consolidated subsidiaries	10,654	24,562
Income taxes—current	3,735	4,741
Income taxes—deferred	(560)	5,170
Total income taxes	3,175	9,911
Income before minority interests	7,479	14,651
Minority interests in consolidated subsidiaries	25	(344)
Net income	7,453	14,995

- Consolidated Statements of Comprehensive Income -

(Millions of yen)

	Nine months ended December 31, 2012	Nine months ended December 31, 2013
Income before minority interests	7,479	14,651
Other comprehensive income		
Net unrealized holding gain (loss) on other securities	(1,585)	4,658
Net deferred gain (loss) on hedges	462	(355)
Translation adjustments	2,224	3,442
Share of other comprehensive income of affiliates accounted for using the equity method	2,041	7,483
Total other comprehensive income	3,143	15,229
Comprehensive income	10,622	29,881
(Details)		
Comprehensive income attributable to shareholders	10,551	30,084
Comprehensive income attributable to minority interests	70	(202)