

(2) Consolidated Financial Status

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2014	1,483,090	428,539	28.6
As of March 31, 2014	1,480,894	426,584	28.6

Reference: Shareholders' equity As of June 30, 2014 424,777 million yen
As of March 31, 2013 422,881 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, 2014	—	10.00	—	30.00	40.00
Fiscal year ending March, 2015	—				
Fiscal year ending March, 2015 (Projection)		20.00	—	30.00	50.00

Note: Recent revisions to dividend projection /No

3. Projection of Consolidated Financial Results for the Fiscal Year Ending March 2015 (April 1, 2014–March 31, 2015)

(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
Six months ending September 30, 2014	535,000	2.2	16,000	53.7	15,000	37.4	18,000	95.2	155.48
Full fiscal year	1,100,000	1.7	40,000	40.2	35,000	24.2	26,000	14.2	224.58

Note: Recent revisions to consolidated financial results /No

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? /Yes
(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:	
June 30, 2014	116,254,892 Shares
March 31, 2014	116,254,892 Shares
(ii) Number of treasury stock as of:	
June 30, 2014	486,125 Shares
March 31, 2014	484,315 Shares
(iii) Average number of shares during the periods of:	
Three months ended June 30, 2014	115,769,637 Shares
Three months ended June 30, 2013	115,786,696 Shares

* Presentation of implementation status of quarterly review procedure

This “Summary of Consolidated Financial Results for the Three Months Ended June 30, 2014” 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/english/ir/library.html>

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

(Appendices)

1. Consolidated Operating Results for the Three Months Ended June 2014 (April 1, 2014–June 30, 2014)

Operating results by business segment are as follows:

Pulp and Paper:

Consolidated net sales	¥ 204,108 million	(up 0.8% year-on-year)
Consolidated operating income	¥ 4,623 million	(up 124.2% year-on-year)

Paper-Related:

Consolidated net sales	¥ 22,458 million	(down 4.4% year-on-year)
Consolidated operating income	¥ 1,169 million	(down 7.3% year-on-year)

Wood Products and Construction Related:

Consolidated net sales	¥ 13,866 million	(down 11.9% year-on-year)
Consolidated operating income	¥ 398 million	(down 35.6% year-on-year)

Other:

Consolidated net sales	¥ 14,780 million	(up 1.5% year-on-year)
Consolidated operating income	¥ 85 million	(up 37.5% year-on-year)

2. Supplementary Financial Results Presentation Materials for the Three Months Ended June 30, 2014

(1) Consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2014	As of June 30, 2014
Assets		
Current assets		
Cash and deposits	97,247	57,411
Notes and accounts receivable-trade	201,713	218,204
Merchandise and finished goods	81,465	88,897
Work in process	16,884	18,415
Raw materials and supplies	52,899	58,097
Other	55,468	61,940
Allowance for doubtful receivables	(261)	(461)
Total current assets	505,417	502,505
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	491,774	492,418
Accumulated depreciation	(348,323)	(350,534)
Buildings and structures, net	143,450	141,883
Machinery, equipment and vehicles	2,164,286	2,169,758
Accumulated depreciation	(1,849,355)	(1,859,955)
Machinery, equipment and vehicles, net	314,930	309,803
Land	223,863	223,954
Construction in progress	14,649	16,966
Other	90,940	91,206
Accumulated depreciation	(58,655)	(58,862)
Other, net	32,284	32,343
Total property, plant and equipment	729,179	724,951
Intangible assets	21,804	21,059
Investments and other assets		
Investments in securities	201,973	211,906
Other	23,701	23,666
Allowance for doubtful receivables	(1,182)	(1,000)
Total investments and other assets	224,493	234,572
Total noncurrent assets	975,477	980,584
Total assets	1,480,894	1,483,090

(Millions of yen)

	As of March 31, 2014	As of June 30, 2014
Liabilities		
Current liabilities		
Notes and account payable-trade	130,997	129,040
Short-term loans payable	292,326	290,350
Accrued income taxes	4,561	1,069
Other	81,348	80,718
Total current liabilities	509,234	501,179
Long-term liabilities		
Bonds payable	48,000	63,000
Long-term loans payable	432,719	426,552
Accrued environmental costs	783	708
Net defined benefit liability	37,650	35,320
Other	25,921	27,790
Total long-term liabilities	545,075	553,371
Total liabilities	1,054,309	1,054,550
Net assets		
Shareholders' equity		
Common stock	104,873	104,873
Capital surplus	217,105	217,105
Retained earnings	77,994	79,499
Treasury stock, at cost	(1,336)	(1,339)
Total shareholders' equity	398,636	400,137
Accumulated other comprehensive income		
Net unrealized holding gain on other securities	7,814	8,446
Net deferred gain on hedges	1,325	599
Translation adjustments	21,567	20,457
Remeasurements of defined benefit plans	(6,463)	(4,862)
Total accumulated other comprehensive income	24,244	24,640
Minority interests in consolidated subsidiaries	3,703	3,761
Total net assets	426,584	428,539
Total liabilities and net assets	1,480,894	1,483,090

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

	(Millions of yen)	
	Three month ended June 30, 2013	Three month ended June 30, 2014
Net sales	256,290	255,214
Cost of sales	201,760	199,306
Gross profit	54,530	55,908
Selling, general and administrative expenses		
Freightage related expenses	15,366	15,253
Sales related expenses	15,725	15,412
Salaries and allowances	11,142	10,803
Other	8,291	8,160
Total selling, general and administrative expenses	50,526	49,630
Operating income	4,004	6,277
Other income		
Interest income	92	84
Dividend income	1,127	978
Equity in earnings of affiliates	1,525	1,203
Other	2,502	1,021
Total other income	5,247	3,287
Other expenses		
Interest expense	2,902	2,679
Other	1,647	851
Total other expenses	4,549	3,531
Ordinary income	4,702	6,034
Extraordinary income		
Gain on sales of noncurrent assets	5,064	13
Other	20	11
Total extraordinary income	5,084	25
Extraordinary loss		
Loss on revaluation of investments in securities	12	349
Loss on retirement of noncurrent assets	221	231
Business restructuring expenses	234	-
Loss on changes in equity	188	-
Other	216	307
Total extraordinary loss	872	887
Income before income taxes and minority interests in consolidated subsidiaries	8,914	5,171
Income taxes—current	1,049	477
Income taxes—deferred	2,758	1,442
Total income taxes	3,807	1,920
Income before minority interests	5,107	3,250
Minority interests in consolidated subsidiaries	(34)	56
Net income	5,141	3,194

- Consolidated Statements of Comprehensive Income -

(Millions of yen)

	Three month ended June 30, 2013	Three month ended June 30, 2014
Income before minority interests	5,107	3,250
Other comprehensive income		
Net unrealized holding gain on other securities	1,237	589
Net deferred gain (loss) on hedges	(226)	(244)
Translation adjustments	7,386	298
Remeasurements of defined benefit plans	-	391
Share of other comprehensive income of affiliates accounted for using the equity method	5,499	(594)
Total other comprehensive income	13,897	439
Comprehensive income	19,004	3,690
(Details)		
Comprehensive income attributable to shareholders	18,819	3,589
Comprehensive income attributable to minority interests	184	101

(Significant Subsequent Events)

At the meeting of the Board of Directors of the Company held on August 6, 2014, the Company decided to transfer the following asset owned by the Company:

1. Reason for the Transfer

The Company will transfer the concerned asset for improving its asset efficiency and strengthening the financial position.

2. Summary of Asset to be Transferred

Asset details and address	Transfer value	Book value	Present state
Kichijoji-kitamachi, Musashino-shi, Tokyo Land measuring 3,801.64 square metre	3,910 million yen	303 million yen	Company-owned house for employees

3. Summary of Transferee

The Company does not disclose the identity of the transferee under an agreement with the transferee. There is no capital tie, personal relationship or business connection between the transferee and the Company that should be stated here.

4. Transfer Schedule

August 6, 2014: Resolution by the Board of Directors of the Company

August 8, 2014: Contract conclusion (planned date)

December 19, 2014: Property transfer (planned date)

5. Future Outlook

The Company expects the property transfer to produce a net gain on sales of about 3,500 million yen, excluding expenses, etc., in the fiscal year ending March 31, 2015.