

Summary of Consolidated Financial Results for the Three Months Ended June 30, 2015 (unaudited)

Name of Company Listed: **Nippon Paper Industries Co., Ltd.**
 Stock Exchange Listings: Tokyo
 Code Number: 3863
 URL: <http://www.nipponpapergroup.com/english/>
 Representative:
 Title of Representative Person: President
 Name of Representative Person: Fumio Manoshiro
 Person in Charge of Contact:
 Title of Contact Person: General Manager of Accounting & Budgeting Dept.
 Name of Contact Person: Tomoyasu Itakura
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 Planned date of Financial Report submission: August 13, 2015
 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)

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

1. Consolidated Financial Results of Operations for the Three Months Ended June 2015 (April 1, 2015–June 30, 2015)

(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		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2015	251,901	-1.3	4,304	-31.4	10,725	77.7	12,633	295.5
Three months ended June 30, 2014	255,214	-0.4	6,277	56.8	6,034	28.3	3,194	-37.9

Note: Comprehensive income

Three months ended June 2015 14,167 million yen (283.9 %)
 Three months ended June 2014 3,690 million yen (-80.6 %)

	Net income per share	Net income per share after adjusting for dilution
	Yen	Yen
Three months ended June 30, 2015	109.13	–
Three months ended June 30, 2014	27.59	–

(2) Consolidated Financial Status

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2015	1,497,160	476,216	31.5
As of March 31, 2015	1,495,622	489,740	32.5

Reference: Shareholders' equity As of June 30, 2015 471,204 million yen
As of March 31, 2015 485,968 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, 2015	—	20.00	—	30.00	50.00
Fiscal year ending March, 2016	—				
Fiscal year ending March, 2016 (Projection)		30.00	—	30.00	60.00

Note: Recent revisions to dividend projection /No

3. Projection of Consolidated Financial Results for the Fiscal Year Ending March 2016 (April 1, 2015–March 31, 2016)

(The percentages indicate the percentage increase or decrease compared to the same period of the previous fiscal 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
Six months ending September 30, 2015	520,000	0.8	12,000	-4.3	13,000	2.0	5,000	-76.4	43.19
Full fiscal year	1,060,000	0.7	32,000	35.3	30,000	29.3	15,000	-35.3	129.58

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 which results in 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, 2015	116,254,892 Shares
March 31, 2015	116,254,892 Shares
(ii) Number of treasury stock as of:	
June 30, 2015	497,944 Shares
March 31, 2015	495,664 Shares
(iii) Average number of shares during the periods of:	
Three months ended June 30, 2015	115,757,603 Shares
Three months ended June 30, 2014	115,769,637 Shares

* Presentation of implementation status of quarterly review procedure

This “Summary of Consolidated Financial Results for the Three Months Ended June 30, 2015” 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/>

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

(Appendices)

1. Consolidated Operating Results for the Three Months Ended June 2015 (April 1, 2015–June 30, 2015)

Operating results by business segment are as follows:

Pulp and Paper:

Consolidated net sales	¥ 201,971 million	(down 1.0% year-on-year)
Consolidated operating income	¥ 2,856 million	(down 38.2% year-on-year)

Paper-Related:

Consolidated net sales	¥ 22,110 million	(down 1.6% year-on-year)
Consolidated operating income	¥ 818 million	(down 30.0% year-on-year)

Wood Products and Construction Related:

Consolidated net sales	¥ 14,323 million	(up 3.3% year-on-year)
Consolidated operating income	¥ 586 million	(up 47.1% year-on-year)

Other:

Consolidated net sales	¥ 13,495 million	(down 8.7% year-on-year)
Consolidated operating income	¥ 43 million	(down 49.6% year-on-year)

2. Supplementary Financial Results Presentation Materials for the Three Months Ended June 30, 2015

(1) Consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2015	As of June 30, 2015
Assets		
Current assets		
Cash and deposits	84,100	122,146
Notes and accounts receivable-trade	193,481	209,338
Merchandise and finished goods	86,898	88,011
Work in process	18,204	20,196
Raw materials and supplies	57,952	60,426
Other	44,276	55,129
Allowance for doubtful receivables	(416)	(389)
Total current assets	484,498	554,860
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	492,409	483,009
Accumulated depreciation	(354,000)	(348,157)
Buildings and structures, net	138,409	134,852
Machinery, equipment and vehicles	2,176,031	2,163,069
Accumulated depreciation	(1,875,709)	(1,866,461)
Machinery, equipment and vehicles, net	300,322	296,608
Land	223,696	216,264
Construction in progress	21,221	21,349
Other	90,261	66,034
Accumulated depreciation	(58,504)	(38,914)
Other, net	31,757	27,120
Total property, plant and equipment	715,406	696,195
Intangible assets	18,992	17,233
Investments and other assets		
Investments in securities	252,079	204,749
Other	25,488	24,927
Allowance for doubtful receivables	(842)	(804)
Total investments and other assets	276,724	228,872
Total noncurrent assets	1,011,123	942,300
Total assets	1,495,622	1,497,160

(Millions of yen)

	As of March 31, 2015	As of June 30, 2015
Liabilities		
Current liabilities		
Notes and account payable-trade	127,856	116,837
Short-term loans payable	264,898	286,150
Accrued income taxes	3,141	905
Other	79,936	77,763
Total current liabilities	475,832	481,657
Long-term liabilities		
Bonds payable	63,000	73,000
Long-term loans payable	401,799	400,193
Accrued environmental costs	539	532
Net defined benefit liability	21,154	20,811
Other	43,556	44,749
Total long-term liabilities	530,049	539,287
Total liabilities	1,005,881	1,020,944
Net assets		
Shareholders' equity		
Common stock	104,873	104,873
Capital surplus	217,104	217,104
Retained earnings	97,172	95,897
Treasury stock, at cost	(1,356)	(1,359)
Total shareholders' equity	417,794	416,516
Accumulated other comprehensive income		
Net unrealized holding gain on other securities	24,345	26,752
Net deferred gain on hedges	2,314	1,695
Translation adjustments	37,108	21,529
Remeasurements of defined benefit plans	4,405	4,710
Total accumulated other comprehensive income	68,173	54,688
Non-controlling interests	3,771	5,012
Total net assets	489,740	476,216
Total liabilities and net assets	1,495,622	1,497,160

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

	(Millions of yen)	
	Three months ended June 2014	Three months ended June 2015
Net sales	255,214	251,901
Cost of sales	199,306	198,745
Gross profit	55,908	53,155
Selling, general and administrative expenses		
Freightage related expenses	15,253	15,132
Sales related expenses	15,412	15,255
Salaries and allowances	10,803	10,342
Other	8,160	8,120
Total selling, general and administrative expenses	49,630	48,851
Operating income	6,277	4,304
Other income		
Interest income	84	68
Dividend income	978	1,645
Foreign exchange gains	6	5,844
Equity in earnings of affiliates	1,203	1,274
Other	1,014	764
Total other income	3,287	9,597
Other expenses		
Interest expense	2,679	2,421
Other	851	755
Total other expenses	3,531	3,176
Ordinary income	6,034	10,725
Extraordinary income		
Gain on sales of investment securities	0	16,534
Other	25	398
Total extraordinary income	25	16,933
Extraordinary loss		
Loss on sales of shares of subsidiaries	—	16,163
Loss on retirement of non-current assets	231	246
Other	656	909
Total extraordinary loss	887	17,319
Income before income taxes and minority interests in consolidated subsidiaries	5,171	10,338
Income taxes—current	477	466
Income taxes—deferred	1,442	(2,610)
Total income taxes	1,920	(2,144)
Profit	3,250	12,483
Profit attributable to non-controlling interests	56	(149)
Profit attributable to owners of parent	3,194	12,633

- Consolidated Statements of Comprehensive Income -

(Millions of yen)

	Three months ended June 2014	Three months ended June 2015
Income before minority interests	3,250	12,483
Other comprehensive income		
Net unrealized holding gain (loss) on other securities	589	2,369
Net deferred gain (loss) on hedges	(244)	(123)
Translation adjustments	298	128
Remeasurements of defined benefit plans, net of tax	391	244
Share of other comprehensive income of affiliates accounted for using the equity method	(594)	(935)
Total other comprehensive income	439	1,683
Comprehensive income	3,690	14,167
(Details)		
Comprehensive income attributable to owners of parent	3,589	14,427
Comprehensive income attributable to non-controlling	101	(260)

(Significant Subsequent Events)

At the meeting of the Board of Directors of the Company held on August 5, 2015, the Company made the resolution in relation to domestic unsecured corporate bonds for subscription. The summary is as follows. President of the Company is authorized to decide necessary items within the scope described down below when the Company solicits persons who subscribe for the bonds.

- (1) Total amount of issue: maximum ¥30 billion (multiple issuances within this amount is allowed)
- (2) Interest rate: maximum 3.0% per annum
- (3) Maturity: from 3 years up to 15 years
- (4) Issue timing: From August 5, 2015 to 1 August, 2016
- (5) Method of redemption: bullet repayment
- (6) Application of funds: capital investment, repayment of loans payable, etc.