

MANAGEMENT BRIEFING

May 15, 2020



NIPPON PAPER INDUSTRIES
SHAPING THE FUTURE WITH TREES 

Progress of The Sixth MTBP

Operating income by Segment

(¥billion)

	FY2018/3 Results	FY2019/3 Results	FY2020/3 Results
Paper and paperboard	-6.3	-8.1	6.5
Daily-life products	12.0	11.6	12.6
Energy	4.1	7.9	6.8
Wood products and construction related	4.5	4.9	5.9
Others	3.3	3.3	3.2
Total	17.6	19.6	35.0

Results and Progress in FY2020/3

(Achieved more than planned ◎, achieved ○, not achieved △)

**Paper and paperboard
(Domestic)**



Realized and maintained revised prices, completed reorganization of production structure by shutdown of papermaking machines. The business progressed as planned other than cost reduction.

**Paper and paperboard
(Overseas)**



Australian Paper struggled in unfavorable export environment. Jujo Thermal also struggled with influx of low-priced products.

Package (Domestic)



Realized steady sales of filling machines.

Package (Overseas)



Struggled with decline of sales volume to China caused by trade conflicts between the U.S. and China and decrease of production output caused by manufacturing troubles.

**Household tissue and
Healthcare**



Realized sales volume increase by operating Crecia-Kasuga No.1 papermaking machine and realized price increase as well.

Chemical



Struggled with sluggish sales of dissolving pulp and CMC although sales of functional films was steady.

Energy



Realized stable operation at the Ishinomaki Energy Center.

**Wood products and
construction related**



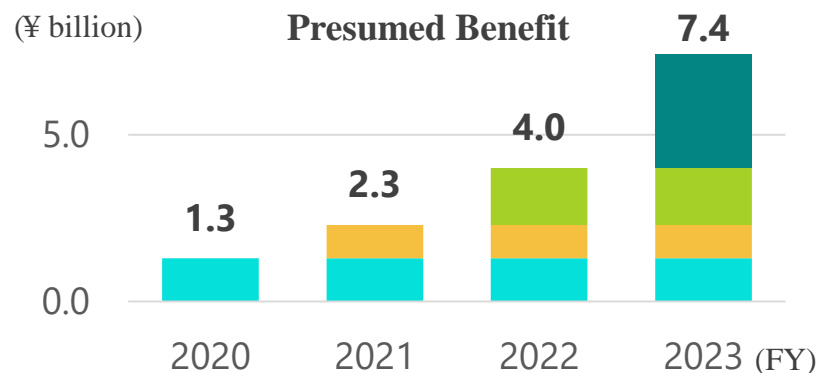
Though new housing starts decreased domestically, sales of wood chip for fuel-use was steady. In Overseas, sales of AMCEL to Europe was solid.

Progress of The Sixth MTBP

Key Capital expenditure

Benefits are expected from fiscal 2020.

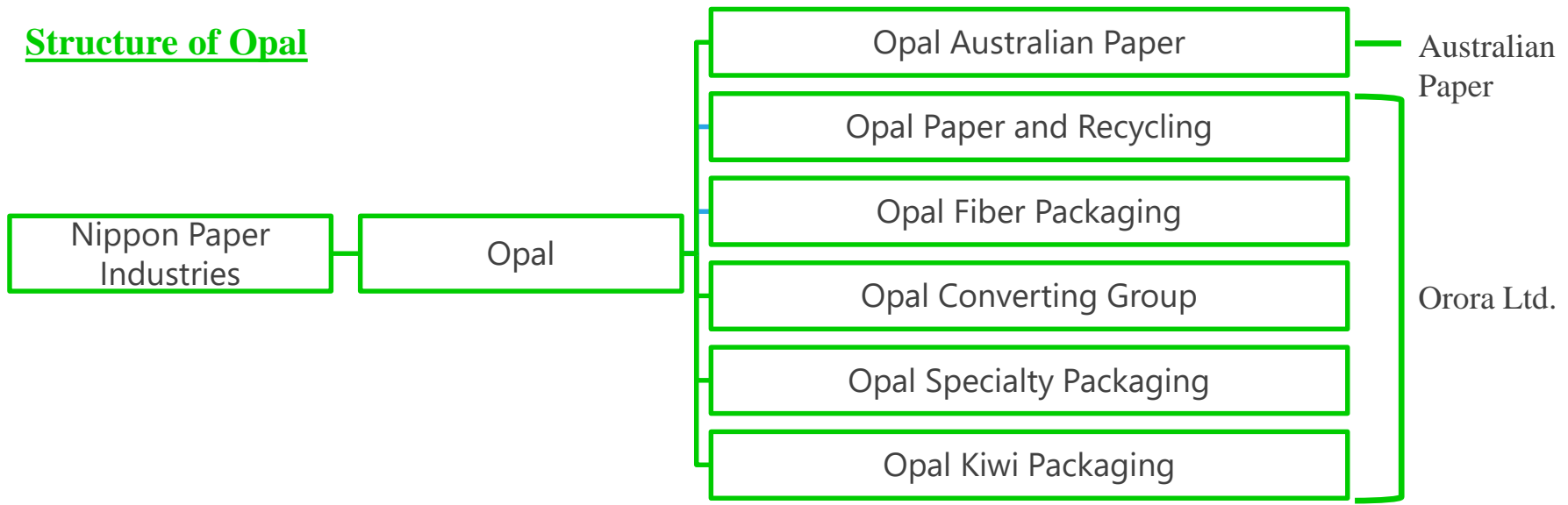
	Investment	JPY billion	Completion date
Package	Dry pulp machine, etc.(Nippon Dynawave packaging, USA)	14.4	Fiscal 2020
Household tissue and Healthcare	Expansion of Healthcare Products capacity (Crecia, Kyoto)	2.0	Completed
	Nonwoven manufacturing facility (Fuji)	4.6	Completed
	Crecia-Kasuga's second paper machine (Fuji)	8.0	Fiscal 2020
Chemical	1 st Expansion of capacity of SUPERCHLON (Iwakuni)	1.7	Completed
	2 nd Expansion of capacity of SUPERCHLON (Iwakuni)	2.4	Fiscal 2021
	Renovation of CMC-manufacturing plant (Gotsu)	4.7	Fiscal 2020
Energy	Biomass mono-firing power generation plant (Yufutu)	34.1	Fiscal 2022



Building an Integrated Structure with Australian Paper

Various business units under the umbrella of Opal

Structure of Opal



Paperboard machine (Botany Plant)



Cardboard converting Plant

Preventive measures

- Establish countermeasure headquarters
- Facilitate to make a shift to teleworking at head office and branches as much as possible.
- Maintain operation while taking drastic measures to avoid 3Cs at production sites.
- Secure liquidity on hand through flexible financing

Assumed trends in society after COVID-19

Changes in society, working styles, environmental awareness

Communication

- Further shifting from Paper to IT

Packaging

- higher demand for lighter and high barrier materials due to increased mail order and home delivery

Sanitation

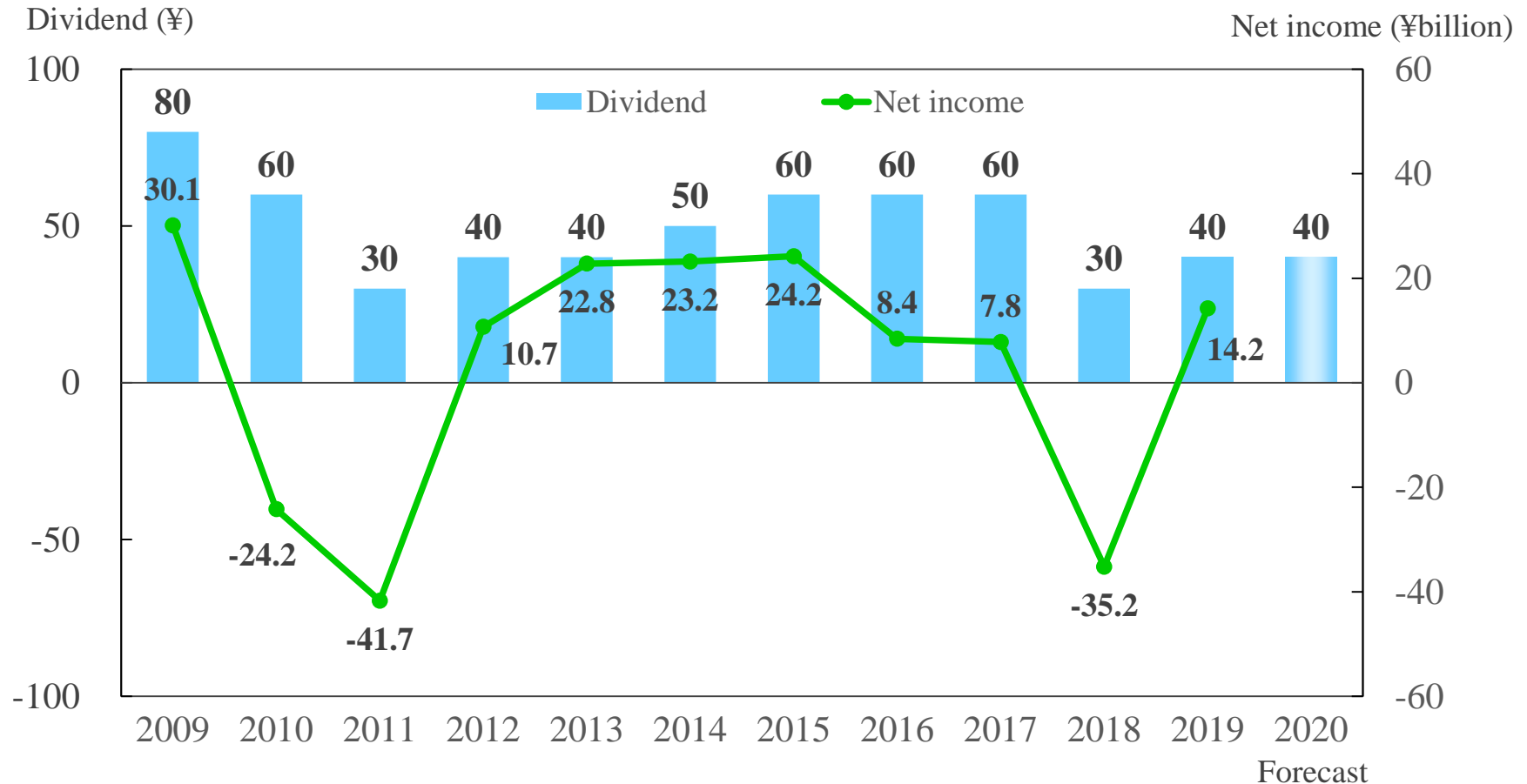
- Increased demand for versatile sanitary papers due to heightened hygiene awareness



We identify changes in demand and work hard to make the most of our products and expertise

REFERENCE MATERIALS

Dividend Policy

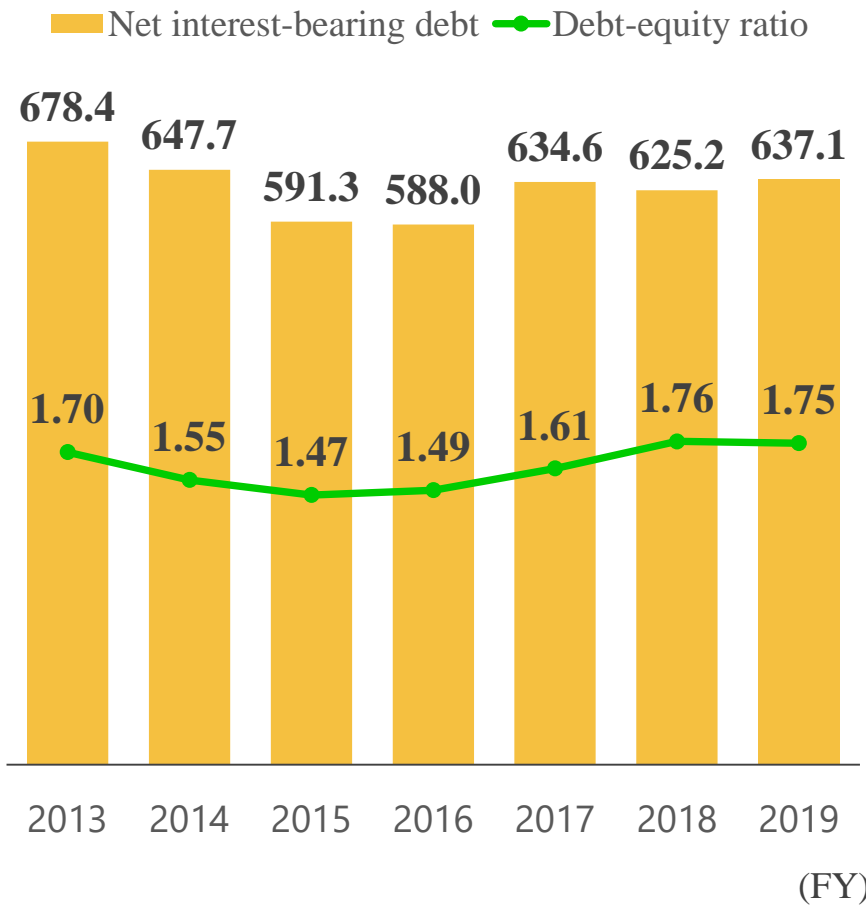


◆ Dividend Policy

Our basic dividend distribution policy is to continue to distribute a constant dividend by ensuring the sound operation of the Group as a whole and the future improvement in equity value for our shareholders. This will be accomplished by constantly reviewing overall business results and maintaining sufficient reserves.

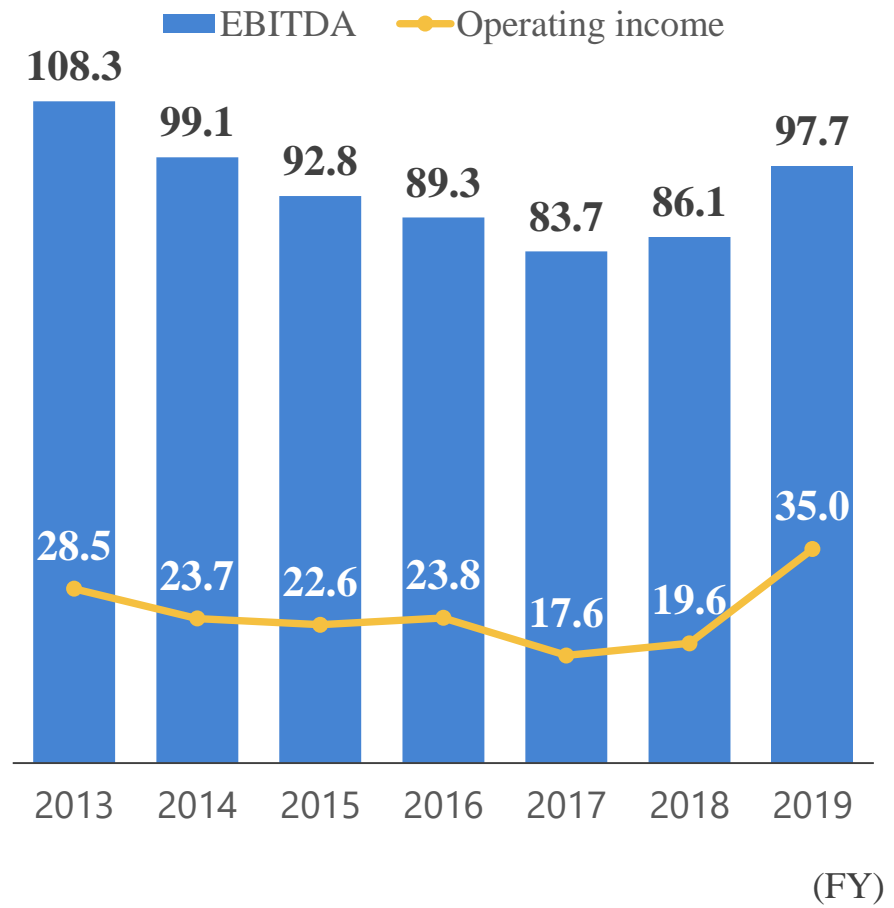
Net interest-bearing debt

(¥billion)



EBITDA

(¥billion)



* EBITDA = Operating income + Depreciation + Interest income + Dividends received + Amortization of goodwill

The Nippon Paper Group aims to contribute to better living and cultural progress everywhere it does business.

<Disclaimer>

Any statements in this presentation document, other than those of historical fact, are forward-looking statements about the future performance of Nippon Paper Industries Co., Ltd., and its Group companies. These statements are based on management's assumptions and beliefs in light of information currently available and involve risks and uncertainties. Actual results may differ materially from these forecasts.

NIPPON PAPER INDUSTRIES CO.,LTD.