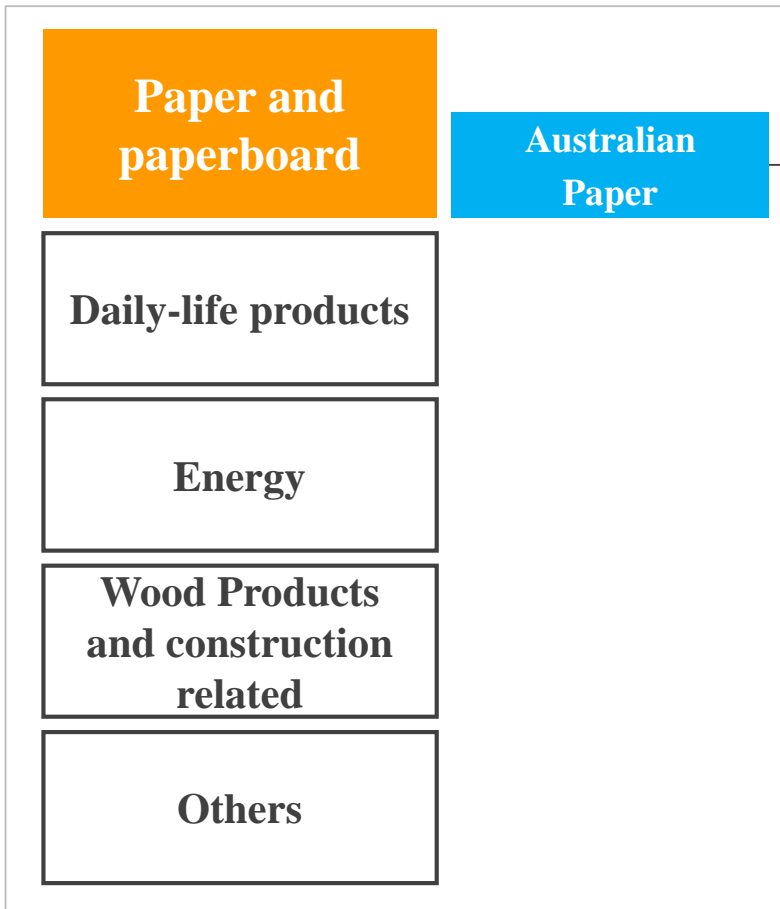


1ST QUARTER FY2021/3 FINANCIAL REVIEW

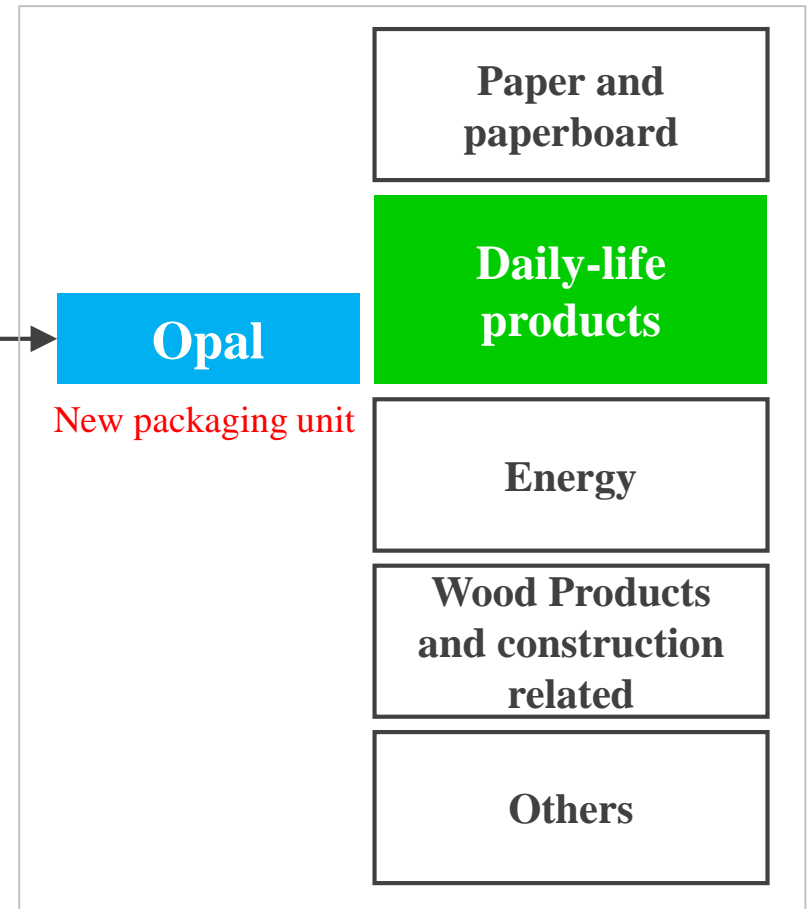
August 6, 2020

Change in segments

■ Before change



■ After change (from FY2020)



Orora's Paperboard and Packaging business in Australia and NZ

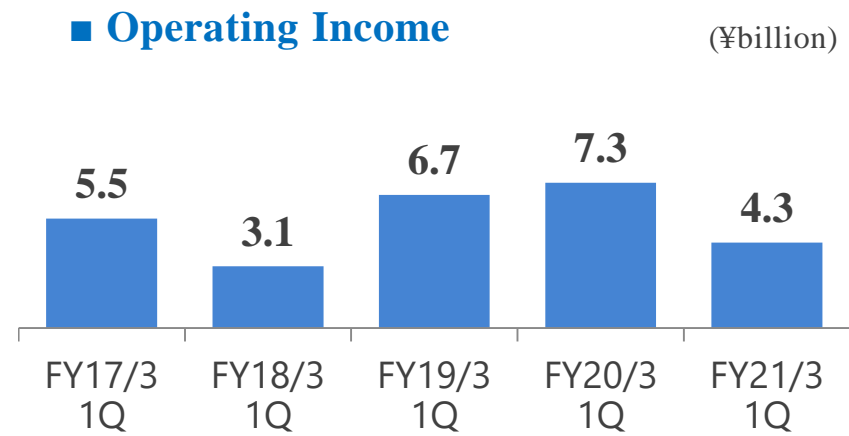
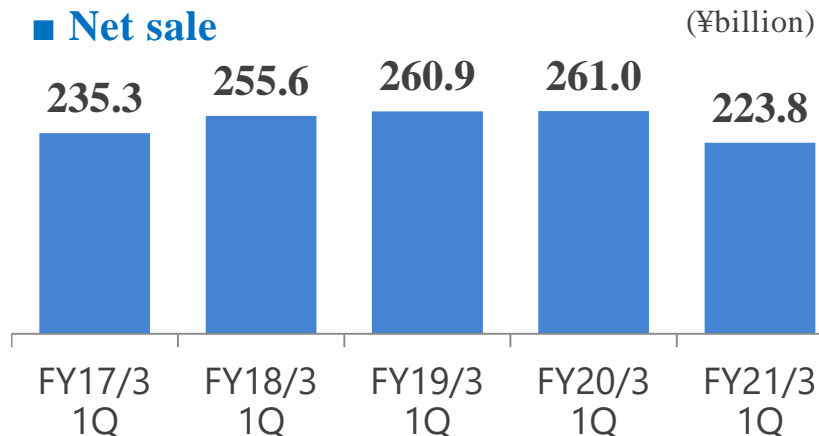
1st Quarter FY2021/3 Financial Results

Consolidated Statement

(¥billion)

	1Q FY2020/3 Results	1Q FY2021/3 Results	Amount	Variance (%)
Net sale	261.0	223.8	-37.2	-14.2%
Operating Income	7.3	4.3	-3.0	-41.8%
Ordinary income	7.1	-0.9	-8.0	-
Net income *	4.2	-3.8	-8.0	-

* Profit attributable to owners of parent



1st Quarter FY2021/3 Financial Results

Results by Segment

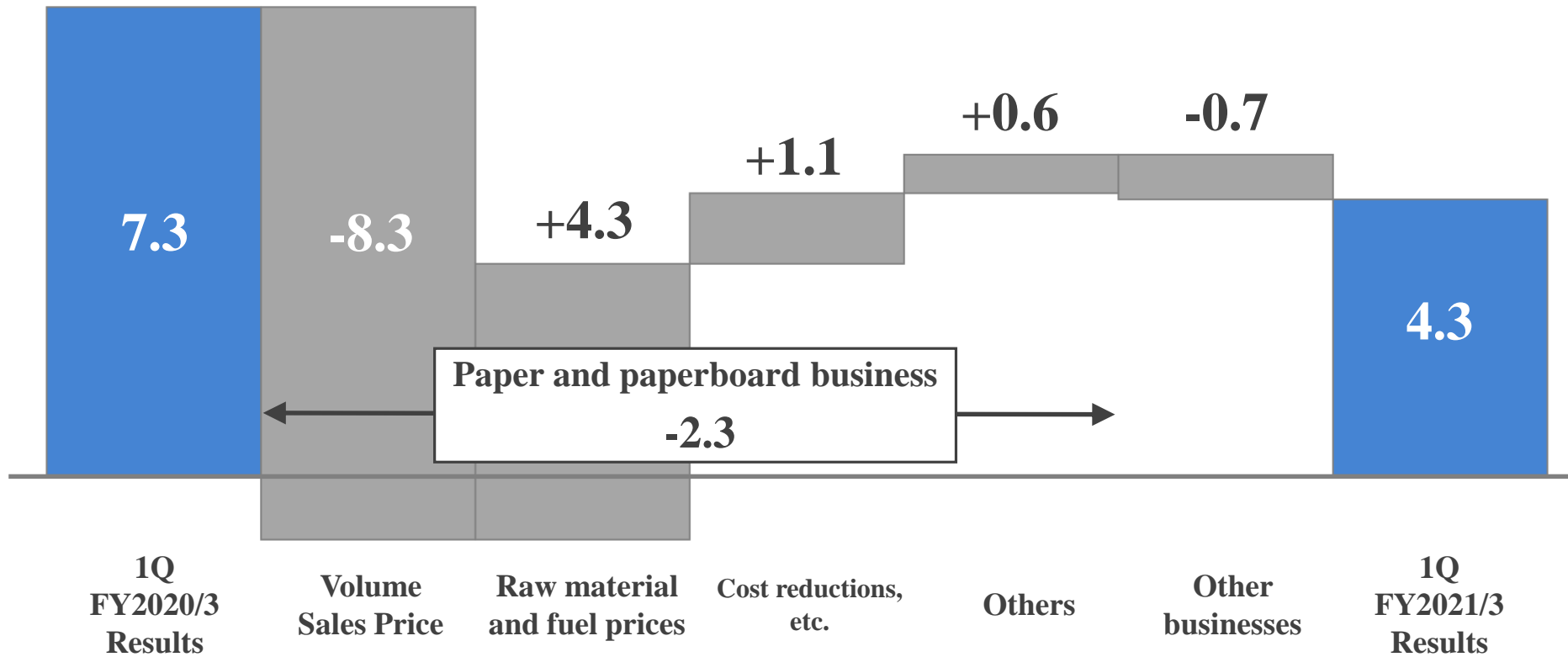
(¥billion)

	Net sale			Operating Income		
	1Q FY2020/3 Results	1Q FY2021/3 Results	variance	1Q FY2020/3 Results	1Q FY2021/3 Results	variance
Paper and paperboard	165.6	134.7	-30.9	1.2	-1.1	-2.3
Daily-life products	67.7	63.3	-4.4	3.8	3.0	-0.8
Energy	7.0	7.6	0.6	1.0	1.4	0.4
Wood products and construction-related	13.5	12.4	-1.1	0.9	1.1	0.2
Others	7.2	5.8	-1.4	0.4	-0.1	-0.5
Total	261.0	223.8	-37.2	7.3	4.3	-3.0

1st Quarter FY2021/3 Financial Results

Variance analysis for operating income

(¥billion)



1st Quarter FY2021/3 Financial Results

Impact of COVID-19

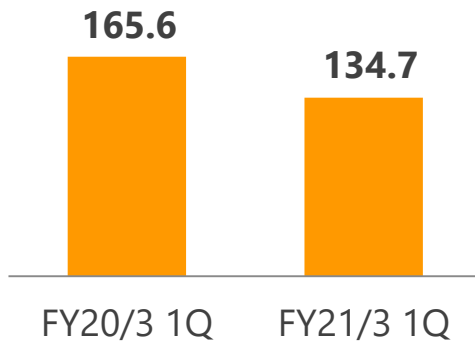
	Products	Situation in First Quarter
Paper and paper-board	Newsprint	<ul style="list-style-type: none"> Decline in pages due to cancellation of sporting events and etc
	Printing	<ul style="list-style-type: none"> Significant decline in leaflet demand for supermarkets and appliance stores decline in book sales due to suspension or shortening business hours of bookstores
	Information	<ul style="list-style-type: none"> Decrease in demand for PPC due to telework and business restriction
	Container-board	<ul style="list-style-type: none"> Increase in demand for processed foods and mail-order products Decrease in demand for inbound consumption and industrial products
	Overseas	<ul style="list-style-type: none"> No significant impact on Jujo Thermal and SNPs
Daily - Life	Package	<ul style="list-style-type: none"> Increase in demand for milk cartons for family use due to self-restraint of going out. Decrease in milk cartons for school meals due to temporary suspension
	Household tissue	<ul style="list-style-type: none"> Decrease in sales volume of tissue paper and toilet due to reaction of panic buying Increase in demand for hand towels and wet towels
	Healthcare	<ul style="list-style-type: none"> Sluggish demand for hotel supplies
	Chemical	<ul style="list-style-type: none"> Increase in sales volume of functional films due to solid demand for mobile devices Decline in demand for functional resins due to sluggish automobile production
	Overseas	<ul style="list-style-type: none"> No significant impact on Opal and NDP
Wood	Lumber	<ul style="list-style-type: none"> Decrease in new housing starts and decrease in sales volume of wood products

1st Quarter FY2021/3 Financial Results

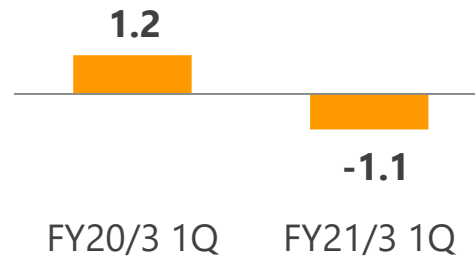
Paper and paperboard business

(¥billion)

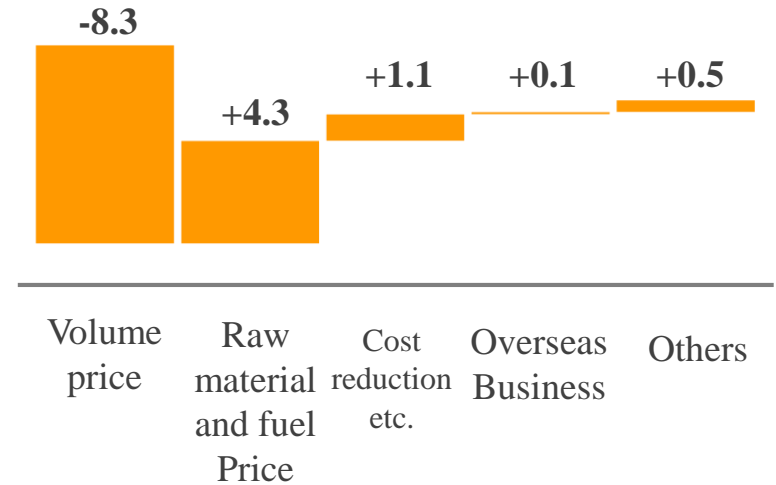
■ Net sale



■ Operating Income



■ Variance analysis for operating income



● Paper(Domestic)

- Sales volume significant declined due to decrease in circulation and pages of newspapers and sluggish advertising demand for printing paper.
- Export sales volume declined due to temporary economic blockage.

● Paperboard(Domestic)

- Sales volume declined due to decrease in demand for inbound consumption and industrial use even though increase for processed foods and mail- order delivery

● Overseas business

- Jujo Thermal and SNP recorded firm production and sales.

1st Quarter FY2021/3 Financial Results

Sales Volume(Paper & Paperboard)

	Apr '19 - Jun '19 FY2020/3	Apr '20 - Jun '20 FY2021/3	(^{'000 tonnes}) YOY
Newsprint	208	167	-19.6%
Printing paper	368	263	-28.4%
Business communication paper	126	103	-18.2%
Others	90	78	-13.2%
Domestic sales (paper)	792	612	-22.7%
Export (paper)	80	58	-27.1%
Paper total	873	671	-23.1%
Container board	413	398	-3.7%
Folding box board and others	87	73	-16.0%
Domestic sales (paperboard)	500	471	-5.8%
Export (paperboard)	36	39	10.2%
Paperboard total	536	510	-4.8%
Grand total (paper and paperboard)	1,409	1,181	-16.2%

* Sales Volume Total of Nippon Paper Industries Co., Ltd., Nippon Paper Papyrus Co., Ltd., Nippon Paper Creca Co., Ltd., and Shin Tokai Paper Co., Ltd. (excluding sanitary paper)

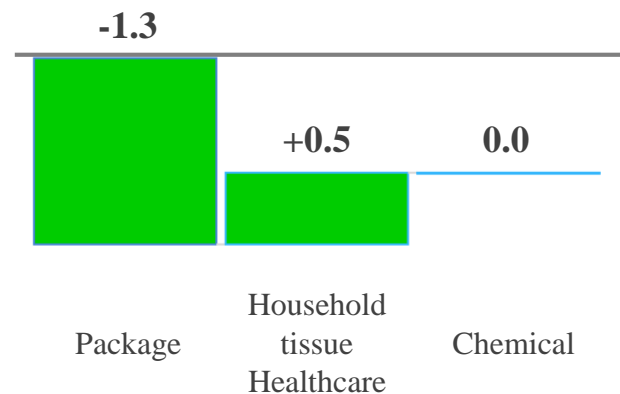
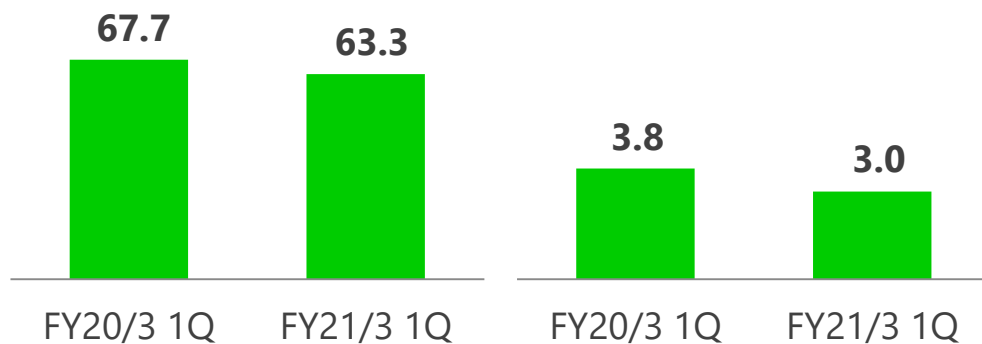
Daily-life products business

(¥billion)

■ Net sale

■ Operating Income

■ Variance analysis for operating income



● Package

- Domestic sales volume decreased due to temporary decrease in sales of milk cartons for school meal. Sales of filling machines increased year on year.
- Australian paper saw decrease both in sales and operating income as sluggish demand for export continues.

● Household tissue and Healthcare

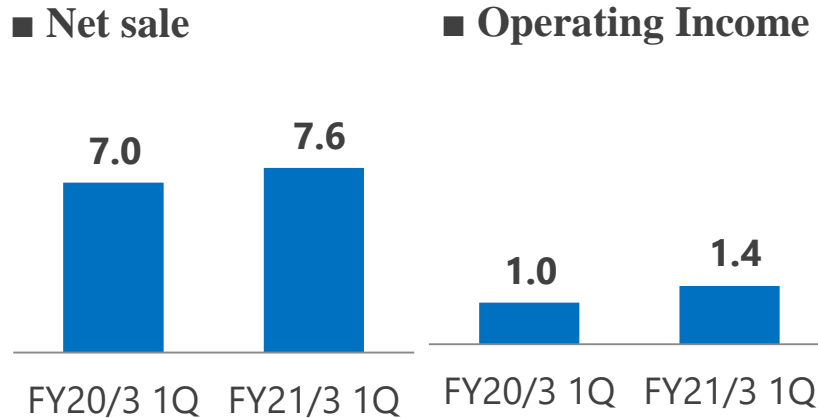
- Sales volume of tissue papers and toilet rolls declined due to reaction of panic buying.

● Chemical

- Sales volume of functional films saw increase due to steady demand for mobile devices for telework.
- Sales volume of dissolving pulp decreased due to sluggish demand in China.

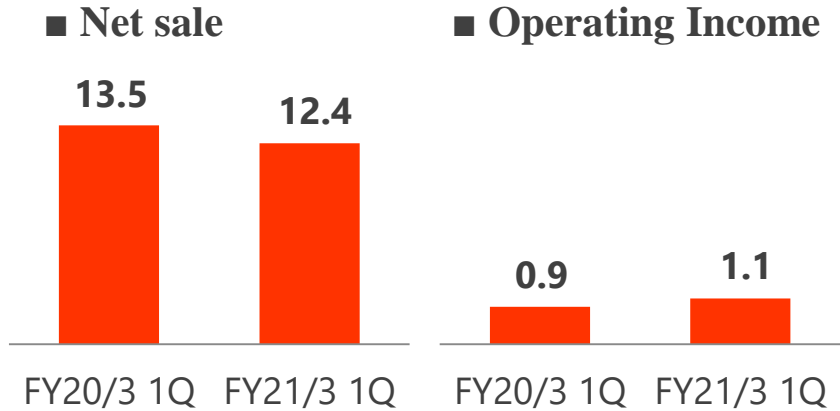
1st Quarter FY2021/3 Financial Results

Energy business



Wood products and construction related business

(¥billion)



● Energy

- Net sales increased due to an increase in the number of operating days of power generation facilities compared to the previous year.

● Wood products and construction related

- Sales volume of wood products declined as the new housing starts declined due to the impact of COVID-19.

Consolidated Statement

(¥billion)

	FY2020/3 Results	FY2021/3 Forecast	Amount	Variance (%)
Net sale	1,043.9	1,000.0	-43.9	-4.2%
Operating Income	35.0	20.0	-15.0	-42.9%
Ordinary income	30.5	12.0	-18.5	-60.7%
Net income *	14.2	3.0	-11.2	-78.9%

* Profit attributable to owners of parent

FY2021/3 Forecast

Results by Segment

(¥billion)

	Net sale			Operating Income		
	FY2020/3 Results	FY2021/3 Forecast	Variance	FY2020/3 Results	FY2021/3 Forecast	Variance
Paper and paperboard	646.7	560.0	-86.7	6.1	3.5	-2.6
Daily-life products	270.2	325.0	54.8	12.9	9.0	-3.9
Energy	33.0	33.0	0.0	6.8	7.0	0.2
Wood products and construction-related	61.6	52.0	-9.6	5.9	5.0	-0.9
Others	32.4	30.0	-2.4	3.3	-4.5	-7.8
Total	1,043.9	1,000.0	-43.9	35.0	20.0	-15.0

Major assumptions

■ Outlook for the Impact of COVID-19

Region	Projection
Japan	<ul style="list-style-type: none"> • Demand for newsprint and printing expected to recover moderately after 1Q. • Demand for tissue paper and toilet rolls expected to recover to the same level as previous year in second half of this fiscal year.
Australia	<ul style="list-style-type: none"> • In July, Melbourne's core area was again locked down. • Exports of fruits, vegetables and meat declined. Demand for PPC paper decreased.
United States	<ul style="list-style-type: none"> • The number of new infections increased with resumption of economic activities. • Demand for cup containerboard declined due to sluggish business activity in restaurant industry.

■ Annual decline in domestic sales volume (YoY)

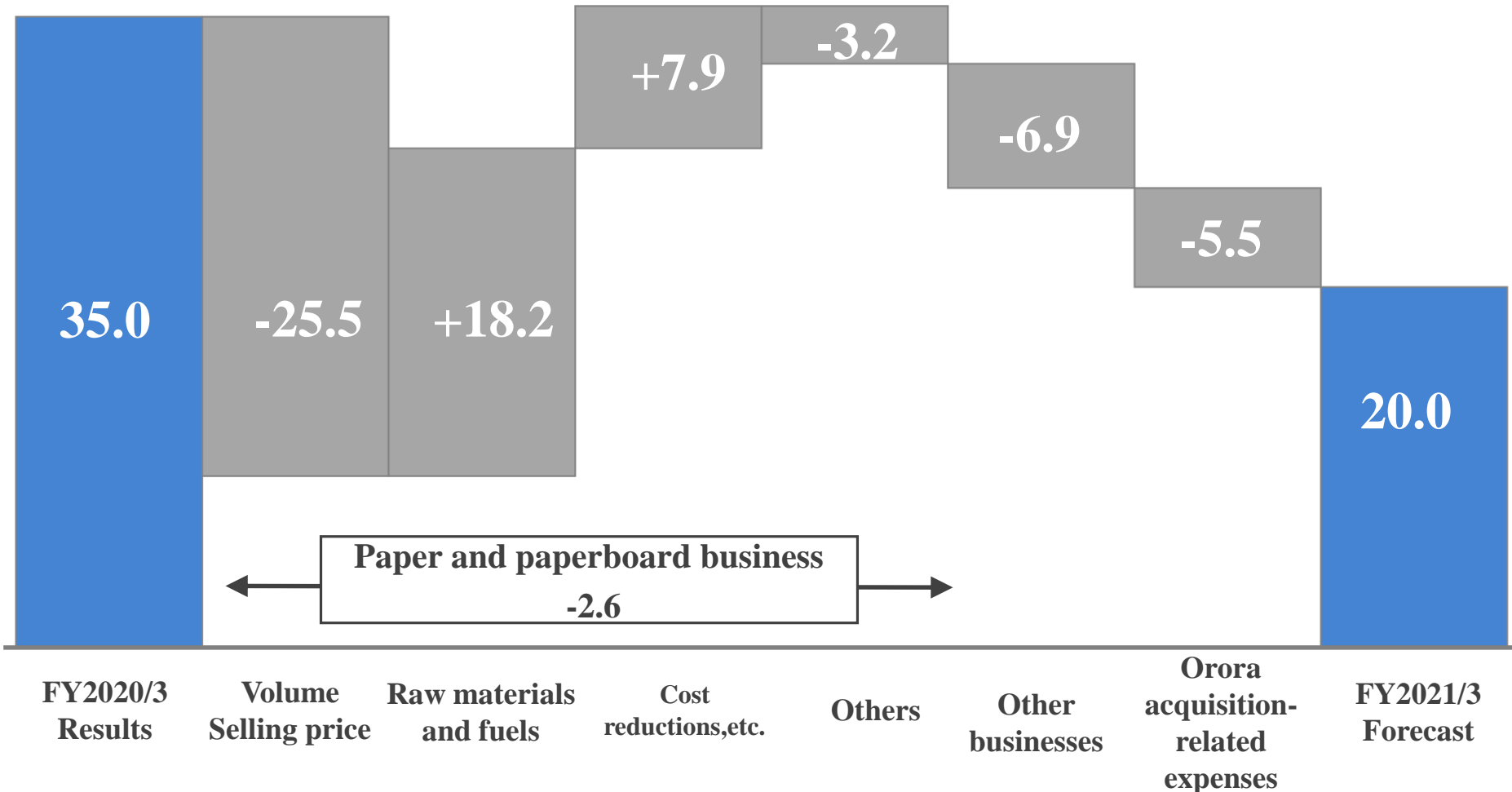
Newsprint	-14%	Printing	-19%
Information	-13%	Containerboard	-4%

■ Major raw material prices and FOREX are expected to fluctuate at current levels

FOREX(USD)	JPY 107/USD	Crude oil	USD 50/BL (Dubai)
Coal	USD 69/t (Australian coal benchmark price)		

Variance analysis for operating income

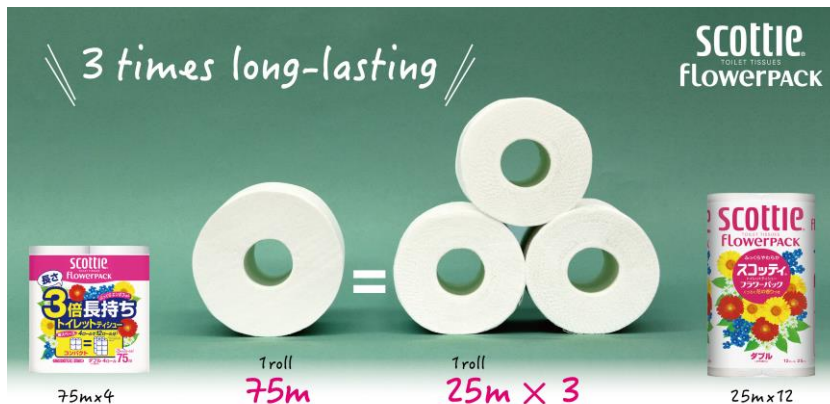
(¥billion)



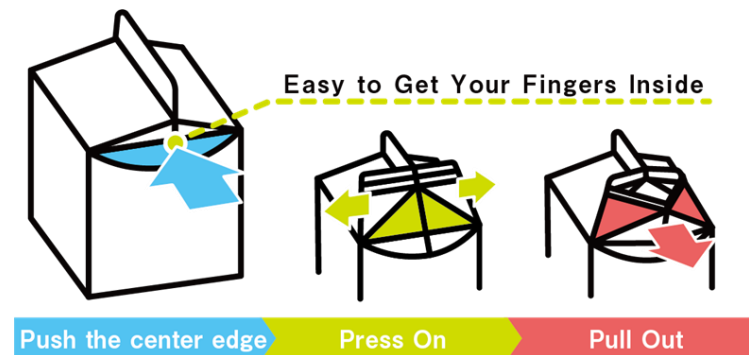
REFERENCE MATERIALS

Current Topics (June to July 2020)

- June
 1. Second paper machine starts operation in Crecia Kasuga for making long-length toilet rolls main product
 2. New material with Shield Plus® and biodegradable plastic developed
 3. “School POP” strawless paper carton for school milk launched
- July
 4. NPI selected for six ESG investment indices including four indices adopted by GPIF
 5. Shield Plus® adopted for cosmetic packaging
 6. Lamina® heat sealable paper commences sample distribution
 7. Try-Fu Co., Ltd. and Nippon Paper Crecia integrate sales function of paper towels business

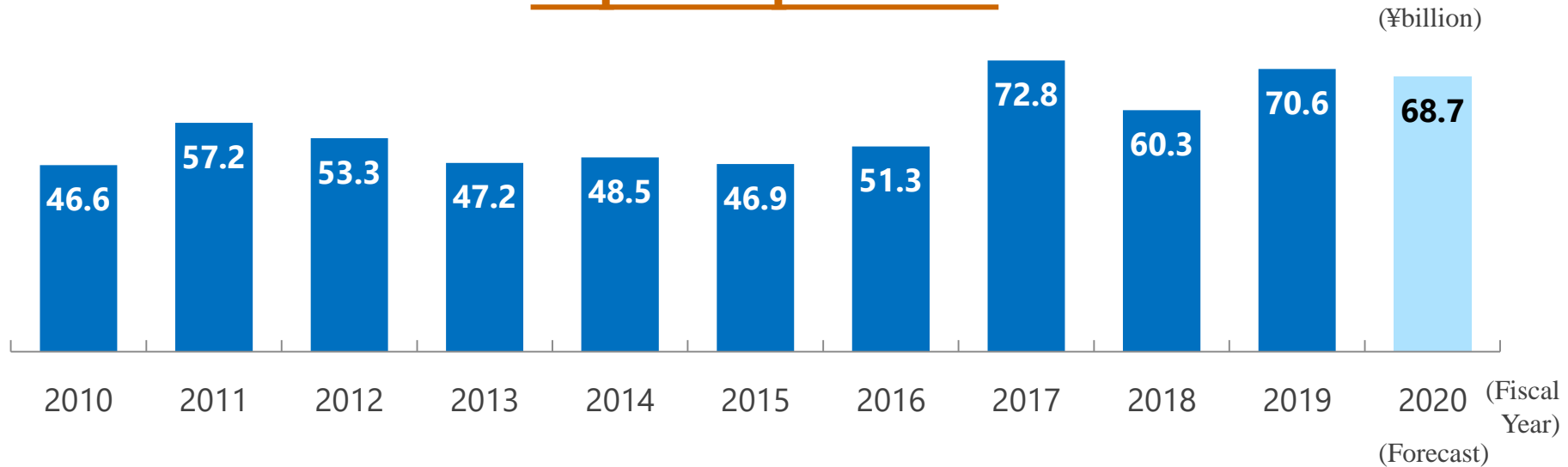


Long-length toilet roll

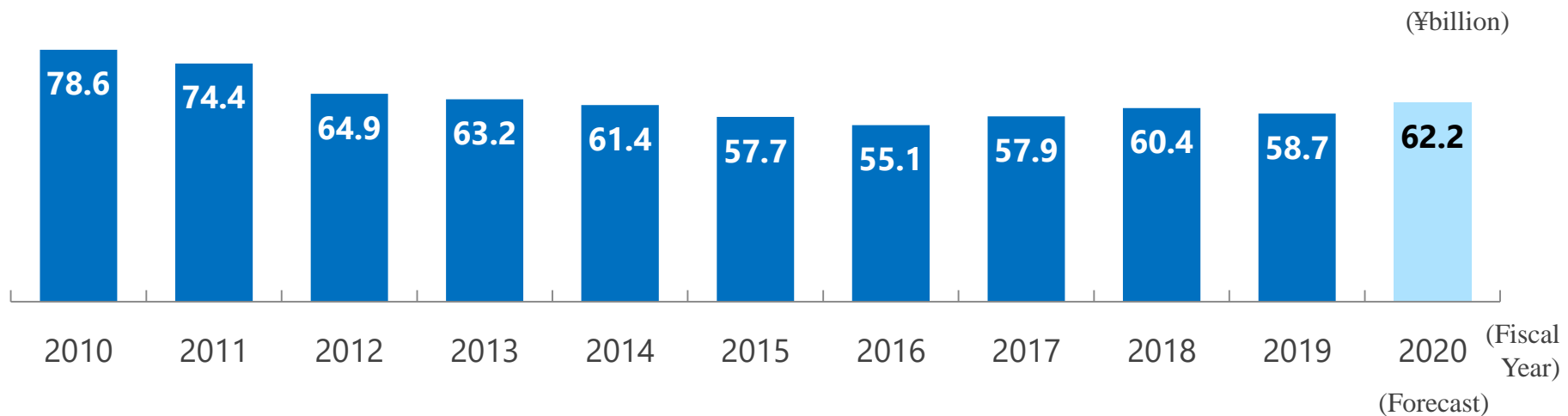


NP-PAK-mini School POP

Capital expenditure



Depreciation

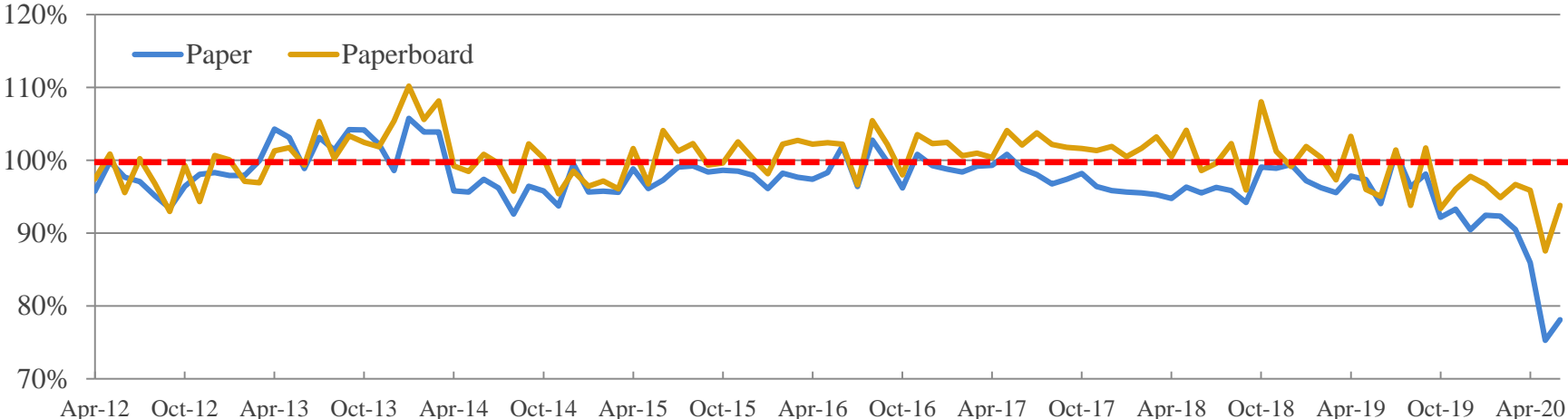


Domestic Demand and Export (Paper& Paperboard)

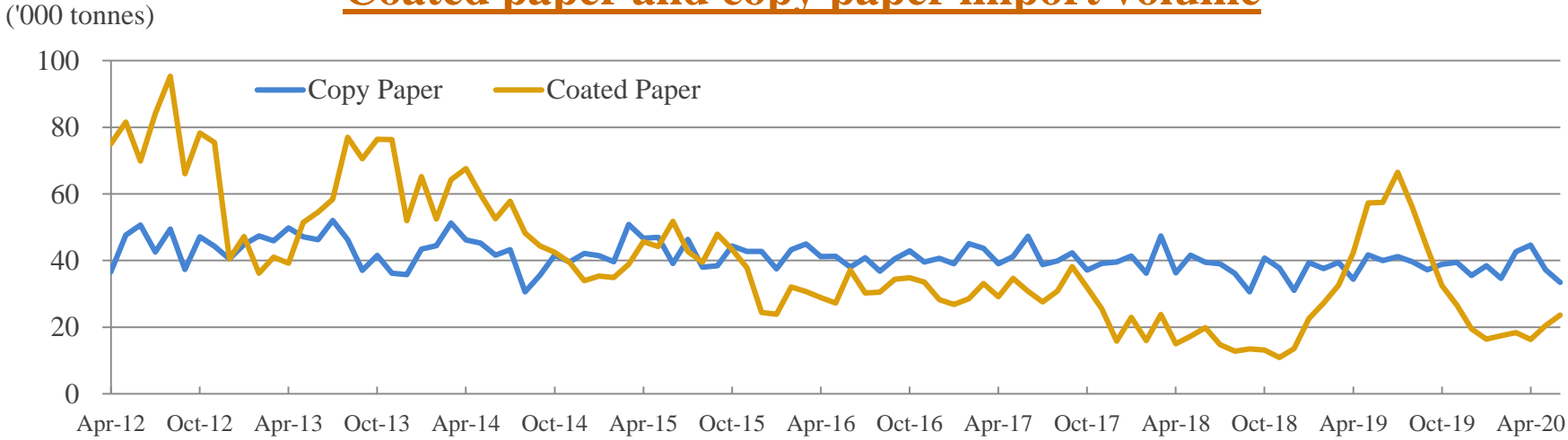
	April,2020 - June,2020								volume: '000 tonnes
	Domestic shipments(A)		Exports(B)		(A+B)		Imports		
	volume	YOY	volume	YOY	volume	YOY	volume	YOY	
Newsprint	488	-17.3%	0	—	488	-17.3%	1	67.5%	
Printing & business communication paper	1,222	-27.7%	99	-24.5%	1,321	-27.4%	185	-35.6%	
Coated paper *	602	-34.5%	73	-24.5%	675	-33.5%	60	-61.5%	
Uncoated paper	344	-21.5%	19	-26.9%	363	-21.8%	9	-34.6%	
Business communication paper	276	-16.9%	6	-15.6%	283	-16.9%	115	-0.6%	
Other papers	736	-7.2%	68	-12.6%	804	-7.7%	12	-7.3%	
Paper total	2,446	-20.4%	167	-20.0%	2,613	-20.4%	198	-34.3%	
Container board	2,162	-5.7%	159	80.7%	2,322	-2.5%	13	15.1%	
Folding box board and others	458	-14.8%	9	46.3%	468	-14.0%	67	-8.4%	
Paperboard total	2,620	-7.5%	169	78.3%	2,789	-4.7%	80	-5.3%	
Paper and paperboard total	5,067	-14.2%	336	10.7%	5,402	-13.0%	278	-27.9%	

※ "Bitoko-shi" paper is included in coated paper.

Domestic shipment of paper industry(YOY)

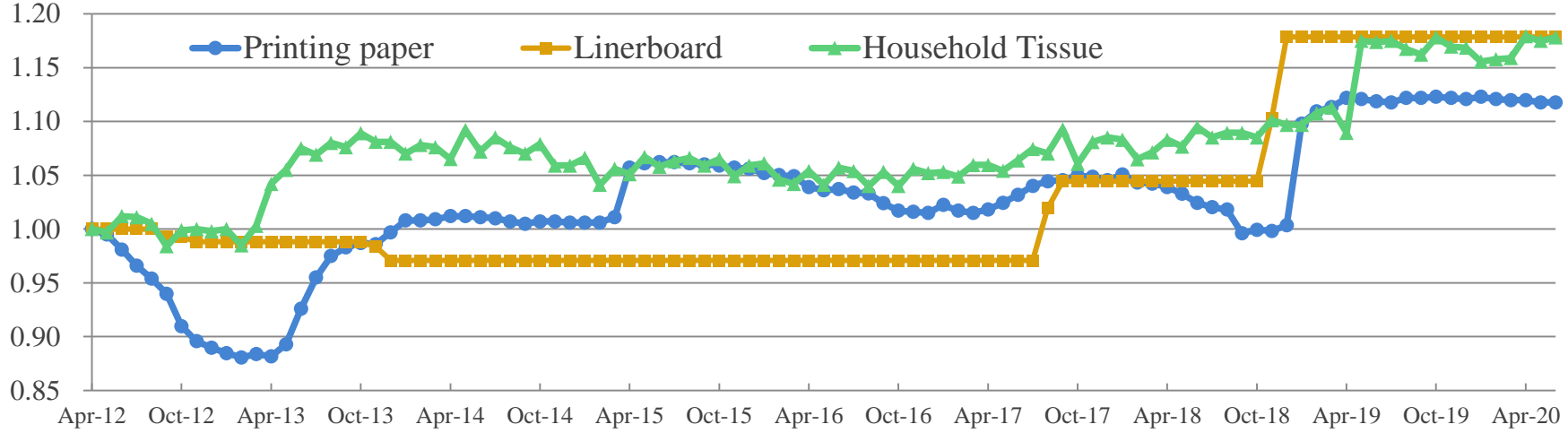


Coated paper and copy paper import volume

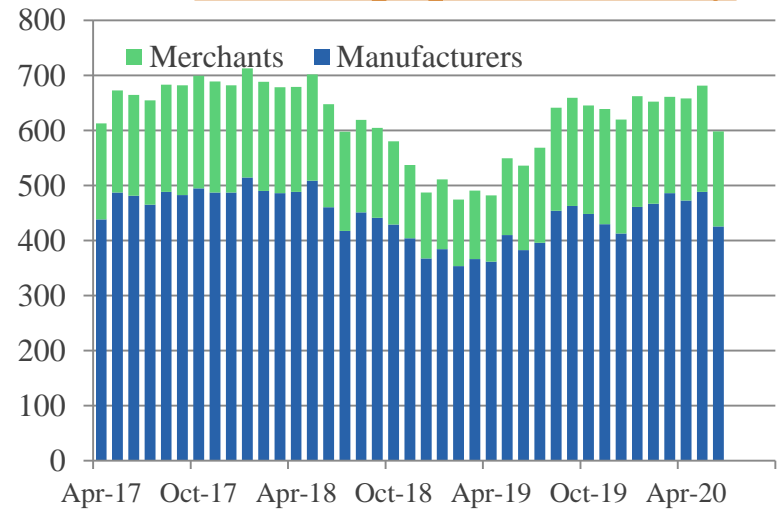


Price trends by products

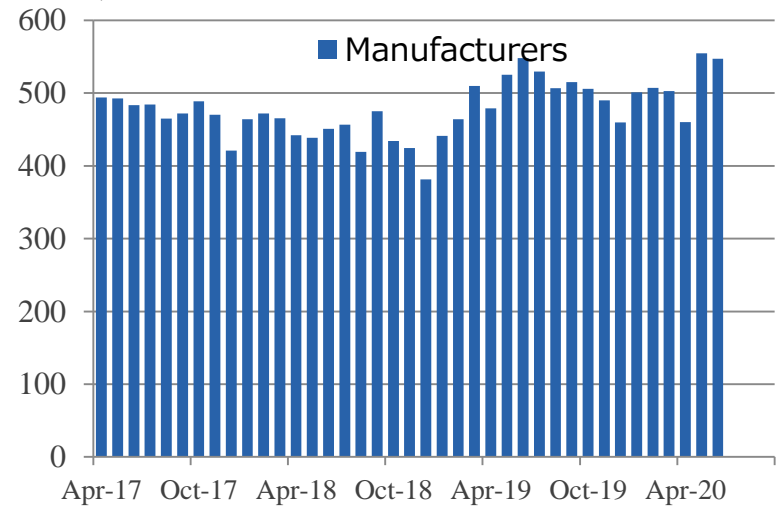
(As 1.0 in April, 2012)



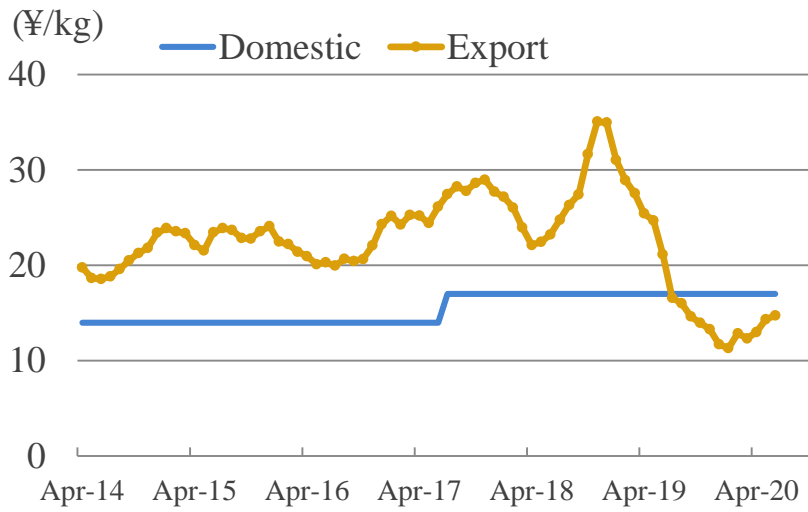
Coated paper inventory ('000 tonnes)



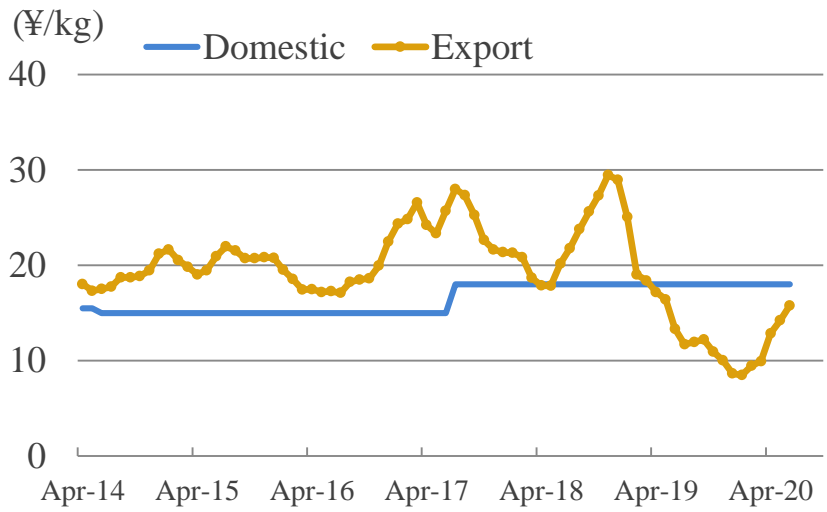
Containerboard inventory ('000 tonnes)



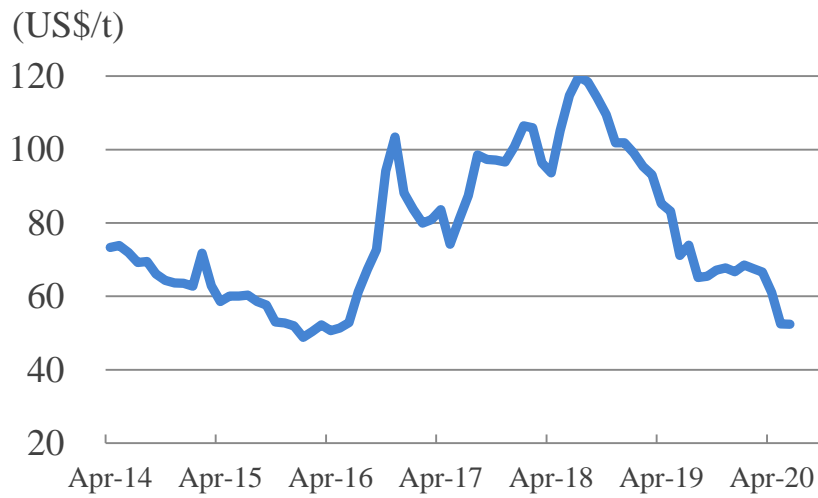
ONP



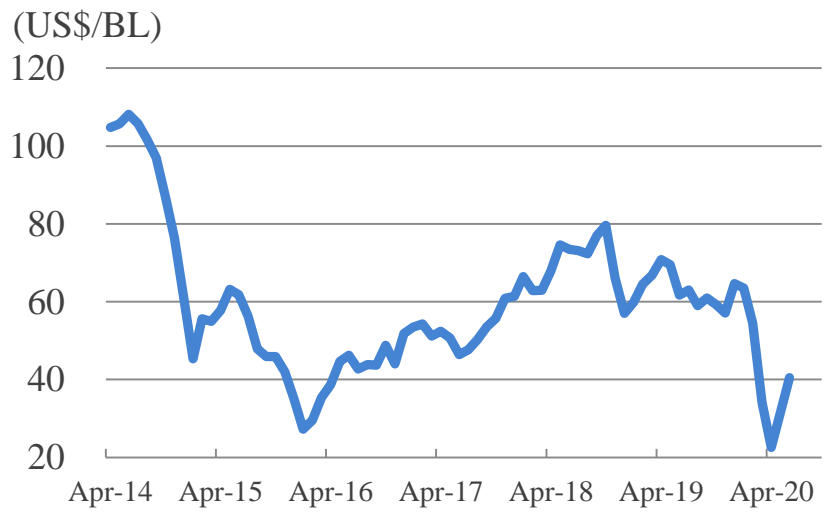
OCC



Coal



Crude oil



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

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