

## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2017 (unaudited)

Name of Company Listed: **Nippon Paper Industries Co., Ltd.**  
 Stock Exchange Listings: Tokyo  
 Code Number: 3863  
 URL: <http://www.nipponpapergroup.com/english/>  
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Planned date of Financial Report submission: February 13, 2018  
 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 Nine Months Ended December 2017 (April 1, 2017–December 31, 2017)

#### (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	%
Nine months ended December 31, 2017	782,602	7.7	11,598	-30.3	13,440	-37.6	7,686	-
Nine months ended December 31, 2016	726,735	-4.0	16,642	6.4	21,551	-2.3	-6,287	-

Note: Comprehensive income

Nine months ended December 2017	20,635 million yen	(- %)
Nine months ended December 2016	-5,866 million yen	(- %)

	Net income per share	Net income per share after adjusting for dilution
	Yen	Yen
Nine months ended December 31, 2017	66.41	–
Nine months ended December 31, 2016	-54.32	–

#### (2) Consolidated Financial Status

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2017	1,477,021	448,867	30.0
As of March 31, 2017	1,388,885	434,911	31.0

Reference: Shareholders' equity	As of December 31, 2017	443,185 million yen
	As of March 31, 2017	429,920 million yen

## 2. Dividend Status

	Dividends per share				
	1 <sup>st</sup> quarter end	2 <sup>nd</sup> quarter end	3 <sup>rd</sup> quarter end	End of fiscal year	Annual
Fiscal year ended March, 2017	Yen —	Yen 30.00	Yen —	Yen 30.00	Yen 60.00
Fiscal year ending March, 2018	—	30.00	—		
Fiscal year ending March, 2018 (Projection)				30.00	60.00

Note: Recent revisions to dividend projection /No

## 3. Projection of Consolidated Financial Results for the Fiscal Year Ending March 2018 (April 1, 2017–March 31, 2018)

(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
Full fiscal year	1,050,000	5.8	15,000	-36.9	18,000	-33.3	8,000	-4.8	69.12

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? /No

[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)? /Yes

(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, 2017 116,254,892 Shares

March 31, 2017 116,254,892 Shares

(ii) Number of treasury stock as of:

December 31, 2017 523,934 Shares

March 31, 2017 517,900 Shares

(iii) Average number of shares during the periods of:

Nine months ended December 31, 2017 115,734,330 Shares

Nine months ended December 31, 2016 115,744,273 Shares

\* The quarterly review for quarterly consolidated financial statements is exempt.

\*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.*

## 1. Supplementary Financial Results Presentation Materials for the Nine Months Ended December 31, 2017

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
<b>Assets</b>		
Current assets		
Cash and deposits	90,514	55,939
Notes and accounts receivable-trade	200,440	246,193
Merchandise and finished goods	83,357	82,569
Work in process	17,890	21,122
Raw materials and supplies	57,432	67,952
Other	37,169	57,152
Allowance for doubtful receivables	(600)	(313)
Total current assets	486,205	530,616
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	489,397	495,391
Accumulated depreciation	(358,767)	(360,419)
Buildings and structures, net	130,630	134,971
Machinery, equipment and vehicles	2,191,073	2,188,198
Accumulated depreciation	(1,909,252)	(1,908,147)
Machinery, equipment and vehicles, net	281,820	280,051
Land	219,360	218,532
Construction in progress	20,461	49,855
Other	74,644	74,039
Accumulated depreciation	(40,103)	(40,557)
Other, net	34,540	33,481
Total property, plant and equipment	686,813	716,892
Intangible assets	15,543	14,631
Investments and other assets		
Investments in securities	183,591	194,589
Other	17,285	20,853
Allowance for doubtful receivables	(553)	(562)
Total investments and other assets	200,323	214,881
Total noncurrent assets	902,680	946,404
<b>Total assets</b>	<b>1,388,885</b>	<b>1,477,021</b>

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
<b>Liabilities</b>		
Current liabilities		
Notes and account payable-trade	128,926	150,373
Short-term loans payable	262,391	303,805
Commercial papers	—	30,000
Current portion of bonds	10,000	—
Accrued income taxes	5,369	923
Other	87,806	92,314
Total current liabilities	494,493	577,417
Long-term liabilities		
Bonds payable	50,000	60,000
Long-term loans payable	354,353	334,186
Accrued environmental costs	381	358
Net defined benefit liability	24,371	21,430
Other	30,374	34,759
Total long-term liabilities	459,480	450,736
Total liabilities	953,974	1,028,153
Net assets		
Shareholders' equity		
Common stock	104,873	104,873
Capital surplus	216,531	216,531
Retained earnings	73,479	73,345
Treasury stock, at cost	(1,398)	(1,411)
Total shareholders' equity	393,486	393,338
Accumulated other comprehensive income		
Net unrealized holding gain on other securities	22,249	31,531
Net deferred gain on hedges	626	(34)
Translation adjustments	20,260	23,280
Remeasurements of defined benefit plans	(6,702)	(4,931)
Total accumulated other comprehensive income	36,434	49,846
Non-controlling interests	4,990	5,682
Total net assets	434,911	448,867
<b>Total liabilities and net assets</b>	<b>1,388,885</b>	<b>1,477,021</b>

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

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Net sales	726,735	782,602
Cost of sales	575,268	633,215
Gross profit	151,467	149,387
Selling, general and administrative expenses		
Freightage related expenses	45,458	50,157
Sales related expenses	42,138	40,155
Salaries and allowances	27,758	27,604
Other	19,469	19,871
Total selling, general and administrative expenses	134,824	137,788
Operating income	16,642	11,598
Other income		
Interest income	640	399
Dividend income	1,723	1,907
Equity in earnings of affiliates	4,924	5,429
Other	7,595	3,782
Total other income	14,883	11,519
Other expenses		
Interest expense	6,797	5,917
Other	3,176	3,759
Total other expenses	9,974	9,677
Ordinary income	21,551	13,440
Extraordinary income		
Gain on sales of investment securities	7,320	1,324
Gain on sales of non-current assets	1,207	920
Other	183	80
Total extraordinary income	8,711	2,325
Extraordinary loss		
Impairment loss	681	4,710
Loss on retirement of non-current assets	2,229	1,730
Loss on business withdrawal	23,755	—
Other	2,677	724
Total extraordinary loss	29,343	7,165
Income before income taxes and minority interests in consolidated subsidiaries	919	8,599
Income taxes—current	4,621	820
Income taxes—deferred	2,511	1,857
Total income taxes	7,133	2,677
Profit	(6,213)	5,922
Profit attributable to non-controlling interests	73	(1,763)
Profit attributable to owners of parent	(6,287)	7,686

- Consolidated Statements of Comprehensive Income -

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Income before minority interests	(6,213)	5,922
Other comprehensive income		
Net unrealized holding gain (loss) on other securities	778	9,116
Net deferred gain (loss) on hedges	2,958	367
Translation adjustments	(6,668)	2,019
Remeasurements of defined benefit plans, net of tax	873	1,691
Share of other comprehensive income of affiliates accounted for using the equity method	2,405	1,518
Total other comprehensive income	347	14,712
Comprehensive income	(5,866)	20,635
(Details)		
Comprehensive income attributable to owners of parent	(5,816)	22,302
Comprehensive income attributable to non-controlling	(49)	(1,667)

- Segment Information -

Nine months ended December 31, 2016

(Millions of yen)

	Reporting segment				Other (Note1)	Total	Consolidation Adjustment	Consolidated Statements of Operations (Note2)
	Pulp and Paper	Paper Related	Wood Products and Construction Related	Subtotal				
Net Sales								
Net Sales to external customers	602,759	67,444	42,600	712,804	13,930	726,735	—	726,735
Intersegment sales and transfers	3,113	2,478	46,440	52,032	33,319	85,352	(85,352)	—
Total	605,872	69,922	89,041	764,836	47,250	812,087	(85,352)	726,735
Segment Operating Income	7,555	3,956	3,213	14,726	1,915	16,642	—	16,642

Note1: The segment which is not included in reporting segments, such as logistics, leisure, and etc..

Note2: Total number of segment operating income is equal to the one of operating income on consolidated statements of operations.

Nine months ended December 31, 2017

(Millions of yen)

	Reporting segment				Other (Note1)	Total	Consolidation Adjustment	Consolidated Statements of Operations (Note2)
	Pulp and Paper	Paper Related	Wood Products and Construction Related	Subtotal				
Net Sales								
Net Sales to external customers	649,470	72,833	45,346	767,650	14,952	782,602	—	782,602
Intersegment sales and transfers	8,304	1,471	51,350	61,127	33,404	94,531	(94,531)	—
Total	657,775	74,305	96,697	828,778	48,356	877,134	(94,531)	782,602
Segment Operating Income	735	5,985	3,021	9,742	1,855	11,598	—	11,598

Note1: The segment which is not included in reporting segments, such as logistics, leisure, and etc..

Note2: Total number of segment operating income is equal to the one of operating income on consolidated statements of operations.