

Company Name: Nippon Paper Industries Co., Ltd.
 Representative: Toru Nozawa, President
 Stock Code 3863, Prime Market of TSE

Nippon Paper Announces to Record Extraordinary Income and to Revise the Projection of the Consolidated Financial Results

Nippon Paper Industries Co., Ltd. (Tokyo: 3863; President: Toru Nozawa; the “Company”) announces to record an extraordinary income due to gain on sales of investment securities in the consolidated cumulative third quarter for FY2023/3(April 1, 2022-December 31, 2022). And the Company announces to revise the projection of the consolidated financial results for FY2023/3(April 1, 2022 – March 31, 2023) based on its recent performance and other factors. Previous forecast was released on August 5, 2022.

1. Recording Gain on Sales of Investment Securities as an Extraordinary Income

The Company and its consolidated subsidiaries sold a part of their investment securities, and the Company recorded 12.1 billion yen of gain on sales as an extraordinary income. Out of the gain, 9.8 billion yen has been recorded in the consolidated third quarter for FY2023/3.

2. Projection of Consolidated Financial Results for FY2023/3

(April 1, 2022 – March 31, 2023)

	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
Previous Forecast (A)	1,100,000	-20,000	-20,000	-25,000	-216.39
Revised Forecast (B)	1,150,000	-24,000	-23,000	-48,000	-415.46
Variance (B-A)	50,000	-4,000	-3,000	-23,000	–
Variance (%)	4.5	-20.0	-15.0	-92.0	–
(Reference) Consolidated Financial Results for FY2022/3	1,045,086	12,090	14,490	1,990	17.23

The Company predicts higher net sales than its previous forecast due to higher net sales of Daily-Life Products Business, price revisions of products and other factors.

In contrast, current manufacturing costs are higher than the Company’s projection due to increased prices of raw material, fuel and a dramatic progress of weaker yen in the cumulative third quarter for FY2023/3. And price revisions for some products delayed from the original plan. Therefore, operating loss and ordinary loss might increase from previous projection. The Company continues price revision and cost reduction such as coal reduction.

In addition, impairment losses of non-current assets and others records approximately 20.0 billion yen in the fourth quarter for FY2023/3. Profit attributable to owners of parent also revised downward. Detail of the impairment losses explained in other announcement of today, “Notice of Withdrawal from White Pulp and Paper (Graphic Paper) Business at Opal, a Consolidated Overseas Subsidiary of the Company.”

* This projection is revised based on the information available at present. Accordingly, the result may change substantially due to various factors.