

## Summary of Consolidated Financial Results for the Fiscal Year Ended March 2022(unaudited)

Name of Company Listed:	<b>Nippon Paper Industries Co., Ltd.</b>
Stock Exchange Listings:	Tokyo
Code Number:	3863
URL:	<a href="https://www.nipponpapergroup.com/english/">https://www.nipponpapergroup.com/english/</a>
Representative:	Toru Nozawa, President
Person in Charge of Contact:	Hikomichi Matoba, General Manager of Accounting & Budgeting Dept. TEL +81-(0)3-6665-1111
Planned date of Ordinary General Meeting of Shareholders:	June 29, 2022
Planned date of Financial Report submission:	June 29, 2022
Planned date of the commencement of dividend payments:	June 30, 2022
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 or the Fiscal Year Ended March 2022 (April 1, 2021–March 31, 2022)

#### (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	%
Fiscal Year ended March 2022	1,045,086	3.7	12,090	-37.1	14,490	18.0	1,990	-37.7
Fiscal Year ended March 2021	1,007,339	-3.5	19,233	-45.1	12,276	-59.8	3,196	-77.5

Note: Comprehensive income

Fiscal Year ended March 2022 22,104 million yen (-51.5 %)

Fiscal Year ended March 2021 45,534 million yen (- %)

	Net income per share	Net income per share after adjusting for dilution	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal Year ended March 2022	17.23	–	0.5	0.9	1.2
Fiscal Year ended March 2021	27.67	–	0.8	0.8	1.9

Reference: Equity in earnings of affiliates

Fiscal Year ended March 2022 8,618 million yen

Fiscal Year ended March 2021 4,728 million yen

Note: Nippon paper has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. effective from the beginning of the current consolidated fiscal year. The figures for the fiscal year ending March 31, 2022 are after the application of the relevant accounting standards.

#### (2) Consolidated Financial Status

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	1,639,286	438,604	26.0	3,695.31
As of March 31, 2021	1,547,326	424,721	26.7	3,570.15

Reference: Shareholders' equity As of March 31, 2022 426,931 million yen

As of March 31, 2021 412,368 million yen

Note: Nippon paper has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. effective from the beginning of the current consolidated fiscal year. The figures for the fiscal year ending March 31, 2022 are after the application of the relevant accounting standards.

## (3) Consolidated Cash Flow

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 2022	72,378	-61,247	54,314	136,216
Fiscal year ended March 2021	84,197	-182,945	113,696	69,698

## 2. Dividend Status

	Dividends per share					Amount of total dividends (Annual)	Dividend payout (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1 <sup>st</sup> quarter end	2 <sup>nd</sup> quarter end	3 <sup>rd</sup> quarter end	End of fiscal year	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 2021	—	10.00	—	30.00	40.00	4,635	144.5	1.2
Fiscal year ended March 2022	—	10.00	—	30.00	40.00	4,635	232.1	1.1
Fiscal year ending March 2023 (Projection)	—	—	—	—	—		—	

Note: The dividend forecast for the fiscal year ending March 2023 is undecided at this time.

## 3. Projection of Consolidated Financial Results for the Fiscal Year Ending March 2023 (April 1, 2022–March 31, 2023)

The forecast for FY2023/3 is not determined yet because it is extremely difficult to reasonably predict the impact on Nippon paper group at this time because the future prices of raw material and fuel including coal are unclear amidst growing uncertainty in the global economy. Nippon paper will announce the forecast as soon as a reasonable forecast can be made.

## 4. Others

[1] Has the Company made any important changes in its subsidiaries (changes in specified subsidiaries which result in changes in the scope of consolidation)? / No

New — (Company name:)  
Eliminated — (Company name:)

[2] 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

[3] Number of issued and outstanding shares (common stock)

(i) Number of issued and outstanding shares (including treasury stock) as of:

March 31, 2022 116,254,892 Shares  
March 31, 2021 116,254,892 Shares

(ii) Number of treasury stock as of:

March 31, 2022 721,288 Shares  
March 31, 2021 750,237 Shares

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

Fiscal year ended March 2022 115,525,868 Shares  
Fiscal year ended March 2021 115,508,022 Shares

\*We introduced the "Board Benefit Trust (BBT)", and have included our shares held by this trust in treasury stock, which is deducted from the calculation of the number of treasury shares at the end of the period and the average number of shares during the period.

\* This "Summary of Consolidated Financial Results" is not subject to auditing.

\*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.  
2. The support documentation will be posted on the following our website.  
<https://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 Fiscal Year Ended March 2022 (April 1, 2021–March 31, 2022)

Operating results by business segment are as follows:

#### Paper and Paperboard:

Consolidated net sales	¥ 532,097 million	(down 6.4% year-on-year)
Consolidated operating income	¥ -5,575 million	(The result for the same period of previous year was ¥ 2,482 million)

#### Daily-life Products

Consolidated net sales	¥ 386,465 million	(up 21.6% year-on-year)
Consolidated operating income	¥ 4,770 million	(down 39.6% year-on-year)

#### Energy

Consolidated net sales	¥ 31,813 million	(down 4.8% year-on-year)
Consolidated operating income	¥ 1,586 million	(down 76.9% year-on-year)

#### Wood Products and Construction Related:

Consolidated net sales	¥ 64,518 million	(up 7.7% year-on-year)
Consolidated operating income	¥ 7,613 million	(up 17.1% year-on-year)

## (Reference information)

### 1. Changes in accounting policies

(Application of Accounting Standard for Revenue Recognition, etc.)

“Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020. Hereinafter “Revenue Recognition Standard”) and related guidelines have been adopted from the beginning of the current consolidated fiscal year. In line with this adoption, revenue is recognized at the time of the transfer of controls for promised goods or services to customers in the amount that reflects the consideration to which they expect to be entitled in exchange for those goods or services.

As a main change of the adoption of the new accounting standard, the compensation paid to some customers was previously recorded in selling, general and administrative expenses, but it has been changed to a method of reducing it from net sales. In addition, for certain transactions that qualify as an agent, the entire amount received as compensation from the customers was previously recognized as revenue, but now only the difference between the amount received from the customers and the amount paid to the supplier is recognized as revenue. In adopting the Revenue Recognition Standard, in accordance with the transitional treatment set forth in the proviso of Article 84 of the Revenue Recognition Standard, the cumulative effect of retrospective application of the standards prior to the beginning of the current consolidated fiscal year was added to or subtracted from retained earnings at the beginning of the current consolidated fiscal year. The new accounting policy was applied from the beginning balance of the current.

As a result, for the period of the current consolidated fiscal year, net sales decreased by ¥68,923 million, cost of sales decreased by ¥39,040 million, selling, general and administrative expenses decreased by ¥29,855 million. Operating income, ordinary income, and profit before income taxes respectively decreased by ¥28 million.

In the consolidated statement of cash flows for the current fiscal year, income before income taxes and minority interests decreased by ¥28 million.

In the statements of changes in consolidated shareholders' equity, the cumulative effect is reflected on net assets at the beginning of the current consolidated fiscal year. As a result, the beginning balance of retained earnings decreased by ¥4 million.

In accordance with the transitional treatment written in Article 89-3 of the Revenue Recognition Standard, the Company has not broken down revenue from contracts with customers for the previous consolidated fiscal year.

### 2. Application of Accounting Standard for Fair Value Measurement, etc.

“Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019. Hereinafter “Fair Value Measurement Standard”) and other standards have been adopted from the beginning of the current consolidated fiscal year, and in accordance with the transitional treatment set forth in Article 19 of Fair Value Measurement Standard and Article 44-2 of “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019), Nippon paper will continue to apply new accounting policies prescribed by Fair Value Measurement Standard and other standards into the future. There are no impacts from these changes in the Consolidated Financial Statements.

# 1. Supplementary Financial Results Presentation Materials for the Fiscal Year Ended March 2022

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	69,733	136,845
Notes and accounts receivable-trade	251,210	245,205
Merchandise and finished goods	84,596	93,938
Work in process	18,241	18,206
Raw materials and supplies	70,840	78,639
Other	39,993	45,911
Allowance for doubtful accounts	(851)	(813)
Total current assets	533,764	617,934
Non-current assets		
Property, plant and equipment		
Buildings and structures	535,112	541,086
Accumulated depreciation	(382,445)	(392,091)
Buildings and structures, net	152,666	148,994
Machinery, equipment and vehicles	2,325,630	2,356,608
Accumulated depreciation	(1,988,826)	(2,023,476)
Machinery, equipment and vehicles, net	336,803	333,131
Land	207,556	208,719
Mountain forests and plantations	24,183	24,650
Construction in progress	35,275	34,694
Other	72,154	76,546
Accumulated depreciation	(46,628)	(51,747)
Other, net	25,526	24,798
Total property, plant and equipment	782,012	774,989
Intangible assets	24,710	23,278
Investments and other assets		
Investments in securities	161,375	180,356
Net defined benefit asset	19,206	19,954
Deferred tax assets	7,134	7,425
Other	19,699	15,921
Allowance for doubtful accounts	(577)	(572)
Total investments and other assets	206,839	223,085
Total non-current assets	1,013,562	1,021,352
<b>Total assets</b>	<b>1,547,326</b>	<b>1,639,286</b>

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and account payable-trade	125,115	141,435
Short-term loans payable	199,009	185,703
Commercial papers	—	45,000
Income taxes payable	3,799	2,182
Other	98,762	94,813
Total current liabilities	426,687	469,135
Non-current liabilities		
Bonds payable	35,000	50,000
Long-term loans payable	574,846	597,259
Deferred tax liabilities	32,898	34,945
Provision for environmental measures	14,223	12,535
Net defined benefit liability	12,790	12,495
Other	26,159	24,310
Total non-current liabilities	695,918	731,546
Total liabilities	1,122,605	1,200,682
Net assets		
Shareholders' equity		
Capital stock	104,873	104,873
Capital surplus	216,417	216,416
Retained earnings	42,672	38,365
Treasury shares	(1,839)	(1,776)
Total shareholders' equity	362,124	357,879
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	23,407	18,227
Deferred gains or losses on hedges	140	5,810
Foreign currency translation adjustment	22,160	37,054
Remeasurements of defined benefit plans	4,536	7,959
Total accumulated other comprehensive income	50,244	69,052
Non-controlling interests	12,352	11,672
Total net assets	424,721	438,604
<b>Total liabilities and net assets</b>	<b>1,547,326</b>	<b>1,639,286</b>

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

	(Millions of yen)	
	Fiscal Year ended March 2021	Fiscal Year ended March 2022
Net sales	1,007,339	1,045,086
Cost of sales	803,686	872,011
Gross profit	203,653	173,074
Selling, general and administrative expenses		
Freightage related expenses	65,180	75,320
Sales related expenses	42,960	11,401
Salaries and allowances	41,115	45,348
Other	35,163	28,913
Total selling, general and administrative expenses	184,419	160,984
Operating income	19,233	12,090
Non-operating income		
Interest income	258	208
Dividend income	1,754	1,683
Share of profit of entities accounted for using equity method	4,728	8,618
Other	3,557	4,573
Total non-operating income	10,299	15,083
Non-operating expenses		
Interest expense	7,374	7,352
Expenses of preparing for business	2,094	1,663
Exchange loss	3,513	—
Other	4,274	3,667
Total non-operating expenses	17,256	12,683
Ordinary income	12,276	14,490
Extraordinary income		
Gain on sales of investment securities	14,547	6,640
Compensation income	1,899	—
Other	407	374
Total extraordinary income	16,855	7,015
Extraordinary loss		
Loss on disaster	3,495	4,253
Loss on fixed asset retirement	2,568	2,902
Loss on business withdrawal	—	2,424
Impairment loss	8,584	1,476
Loss on reduction of non-current assets	1,738	7
Other	2,086	2,644
Total extraordinary loss	18,474	13,709
Profit before income taxes	10,657	7,797
Income taxes-current	5,223	3,489
Income taxes-deferred	(717)	1,056
Total income taxes	4,505	4,545
Profit	6,151	3,251
Profit attributable to non-controlling interests	2,954	1,260
Profit attributable to owners of parent	3,196	1,990

- Consolidated Statements of Comprehensive Income -

	(Millions of yen)	
	Fiscal Year ended March 2021	Fiscal Year ended March 2022
Profit	6,151	3,251
Other comprehensive income		
Valuation difference on available-for-sale securities	6,294	(4,678)
Deferred gains or losses on hedges	8,487	4,066
Foreign currency translation adjustment	9,106	14,966
Remeasurements of defined benefit plans	16,363	3,187
Share of other comprehensive income of entities accounted for using equity method	(867)	1,311
Total other comprehensive income	39,383	18,853
Comprehensive income	45,534	22,104
(Details)		
Comprehensive income attributable to owners of parent	42,506	20,798
Comprehensive income attributable to non-controlling interests	3,028	1,305

## (3) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal Year ended March 2021	Fiscal Year ended March 2022
<b>Operating Activities</b>		
Profit before income taxes	10,657	7,797
Depreciation	63,357	66,549
Amortization of goodwill	2,338	1,016
Increase (decrease) in allowance for doubtful accounts	(51)	(62)
Increase (decrease) in net defined benefit liability	84	3,386
Increase (decrease) in provision for environmental measures	(777)	(1,742)
Interest and dividend income	(2,012)	(1,892)
Interest expense	7,374	7,352
Share of loss(gain) of entities accounted for using equity method	(4,728)	(8,618)
Loss (gain) on sales of investment securities	(14,547)	(6,640)
Impairment loss	8,584	1,476
Loss on retirement of non-current assets	2,568	2,902
Loss on reduction of non-current assets	1,738	7
Loss on disaster	3,495	4,253
Loss on business withdrawal	—	2,424
Compensation income	(1,899)	—
Decrease (increase) in notes and accounts receivable - trade	(5,295)	8,079
Decrease (increase) in inventories	17,626	(13,346)
Increase (decrease) in notes and accounts payable - trade	(2,133)	15,088
Other	7,519	(2,087)
Subtotal	93,899	85,944
Interest and dividend income received	4,221	4,089
Interest expenses paid	(7,531)	(7,370)
Income taxes (paid) refund	(7,949)	(4,156)
Payments for loss on disaster	(342)	(3,879)
Payments for loss on business withdrawal	—	(2,073)
Extra retirement payments	—	(176)
Proceeds from compensation	1,899	—
Net cash provided by (used in) operating activities	84,197	72,378
<b>Investing Activities</b>		
Purchases of noncurrent assets	(61,475)	(59,683)
Proceeds from sales of noncurrent assets	649	804
Purchase of investment securities	(135)	(16,191)
Proceeds from sales of investments securities	18,119	7,685
Payments for transfer of business	(131,141)	—
Decrease (increase) in short-term loans receivable	(47)	457
Payments of long-term loans receivable	(209)	(398)
Collection of long-term loans receivable	184	150
Other	(8,890)	5,927
Net cash provided by (used in) investing activities	(182,945)	(61,247)



(Millions of yen)

	Fiscal Year ended March 2021	Fiscal Year ended March 2022
<b>Financing Activities</b>		
Net increase (decrease) in short-term loans payable	10,140	3,500
Proceeds from long-term loans payable	191,372	62,598
Repayment of long-term loans payable	(63,559)	(60,305)
Proceeds from issuance of bonds	—	15,000
Redemption of bonds	(15,000)	—
Increase (decrease) in commercial papers	—	45,000
Purchase of treasury shares	(8)	(7)
Cash dividends paid	(4,621)	(4,632)
Dividends paid to non-controlling interests	(2,196)	(1,987)
Repayments of finance lease obligations	(2,417)	(4,255)
Other	(14)	(595)
Net cash provided by (used in) financing activities	113,696	54,314
Effect of exchange rate changes on cash and cash equivalents	1,821	1,071
Net increase (decrease) in cash and cash equivalents	16,769	66,517
Cash and cash equivalents at beginning of period	52,846	69,698
Increase in cash and cash equivalents from newly consolidated subsidiary	82	—
Cash and cash equivalents at end of period	69,698	136,216