



August 6, 2013

Summary of Consolidated Financial Results for the Three Months Ended June 30, 2013

Name of Company Listed: **Nippon Paper Industries Co., Ltd.**
 Stock Exchange Listings: Tokyo
 Code Number: 3863
 URL: <http://www.nipponpapergroup.com/e/>
 Representative:
 Title of Representative Person: President
 Name of Representative Person: Yoshio Haga
 Person in Charge of Contact:
 Title of Contact Person: General Manager of Accounting & Budgeting Dept.
 Name of Contact Person: Toru Nozawa
 Telephone: +81-(0)3-6665-1111
 Planned date of Financial Report submission: August 13, 2013
 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 Three Months Ended June 2013 (April 1, 2013–June 30, 2013)

(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		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2013	256,290	–	4,004	–	4,702	–	5,141	–
Three months ended June 30, 2012	–	–	–	–	–	–	–	–

Note: Comprehensive income

Three months ended June 2013 19,004 million yen (–%)
 Three months ended June 2012 – million yen (–%)

	Net income per share	Net income per share after adjusting for dilution
	Yen	Yen
Three months ended June 30, 2013	44.41	–
Three months ended June 30, 2012	–	–

Note: Nippon Paper Industries Co., Ltd. (the Company) was listed on the stock exchange on April 1, 2013 after merging with Nippon Paper Group, Inc., its parent company, through an absorption-type merger. As a result, the Company only stated its actual results for the first quarter of the fiscal year ending March 2014.

(2) Consolidated Financial Status

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2013	1,495,105	411,969	27.2
As of June 30, 2012	—	—	—

Reference: Shareholders' equity As of June 30, 2013 407,297 million yen
As of March 31, 2013 — million yen

Note: The Company was listed on the stock exchange on April 1, 2013 after merging with Nippon Paper Group, Inc., its parent company, through an absorption-type merger. As a result, the Company only stated its actual results for the first quarter of the fiscal year ending March 2014.

2. Dividend Status

	Dividends per share				
	First quarter end	Second quarter end	Third quarter end	End of period	Annual
	Yen	Yen	Yen	Yen	Yen
Accounting period of fiscal year ended March, 2013 (Note2)	—	—	—	—	—
Accounting period of fiscal year ending March, 2014 (Note3)	—				
Accounting period of fiscal year ending March, 2014 (Projection)		10.00	—	30.00	40.00

Note1: Recent revisions to dividend estimates /No

Note2: The Company was listed on the stock exchange on April 1, 2013 after merging with Nippon Paper Group, Inc., its parent company, through an absorption-type merger. As a result, No records for the previous fiscal year have been stated.

Note3: Based on the record date of April 1, 2013, the Company paid dividends of ¥30 per share, the year-end dividend of Nippon Paper Group, Inc. for the fiscal year ended March 2013, to shareholders who were listed or recorded on the Company's shareholders' register as of April 1, 2013.

3. Projection of Consolidated Financial Results for the Fiscal Year Ending March 2014 (April 1, 2013–March 31, 2014)

(The percentages indicate the percentage increase or decrease compared to the same period of the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six Months Ending September 30, 2013	510,000	0.6	8,000	-37.2	5,500	-45.8	4,000	129.2	34.55
Full fiscal year	1,050,000	2.4	30,000	19.3	25,000	8.3	15,000	40.8	129.55

Note1: Recent revisions to consolidated financial results /No

Note2: On April 1, 2013, the Company merged with and absorbed its parent company, Nippon Paper Group Inc., and assumed the consolidated financial statements of Nippon Paper Group, Inc. Accordingly, the percentage increases/decreases as compared with the previous year and the same period of the previous fiscal year are determined by comparing the forecasts with the consolidated results of the operations of Nippon Paper Group, Inc. for the fiscal year ended March 2013.

4. Others

[1] Has the Company made any important changes in its subsidiaries (changes in specified subsidiaries as a result of 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? /Yes

[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)? /No

(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:
- | | |
|----------------|--------------------|
| June 30, 2013 | 116,254,892 Shares |
| March 31, 2013 | – Shares |
- (ii) Number of treasury stock as of:
- | | |
|----------------|----------------|
| June 30, 2013 | 469,591 Shares |
| March 31, 2013 | – Shares |
- (iii) Average number of shares during the periods of:
- | | |
|----------------------------------|--------------------|
| Three months ended June 30, 2013 | 115,786,696 Shares |
| Three months ended June 30, 2012 | – Shares |

Note: The Company was listed on the stock exchange on April 1, 2013 after merging with Nippon Paper Group, Inc., its parent company, through an absorption-type merger. As a result, the Company only stated its actual results for the first quarter of the fiscal year ending March 2014.

* Presentation of implementation status of quarterly review procedure

This “Summary of Consolidated Financial Results for the Three Months Ended June 30, 2013” is not subject to quarterly review procedures in accordance with the Financial Instruments and Exchange Law and, as of the date of publication of these quarterly consolidated financial results, the quarterly review procedures for the consolidated quarterly financial statements are currently in progress.

*Disclaimer regarding forward-looking statement and other remarks:

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.

*The support documentation will be posted on the following our website.

<http://www.nipponpapergroup.com/e/ir/presentation.html>

This document is an English-language translation of the Japanese-language original.

(Reference)

On April 1, 2013, the Company merged with and absorbed its parent company, Nippon Paper Group, Inc., and assumed the consolidated financial statements of Nippon Paper Group, Inc.

Accordingly, for reference, the Consolidated Financial Results for the first quarter of the Fiscal Year Ending March 2014, which show the comparison between the results of Nippon Paper Group, Inc. for the first quarter of the previous consolidated fiscal year and for the entire previous consolidated fiscal year and the Company's results for the first quarter of the fiscal year ending March 2014, are presented below. The Dividend Status, which shows the comparison with the results of Nippon Paper Group, Inc. for the previous consolidated fiscal year, is also presented below.

(Amounts indicated are displayed with amounts of less than one million yen rounded off.)

1. Consolidated Financial Results of Operations for the Three Months Ended June 2013 (April 1, 2013–June 30, 2013)**(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		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2013	256,290	1.9	4,004	-33.3	4,702	-8.8	5,141	—
Three months ended June 30, 2012	251,461	0.5	6,005	-15.5	5,158	-26.4	399	-75.0

Note: Comprehensive income

Three months ended June 2013 19,004 million yen (199.6%)

Three months ended June 2012 6,342 million yen (—%)

	Net income per share	Net income per share after adjusting for dilution
	Yen	Yen
Three months ended June 30, 2013	44.41	—
Three months ended June 30, 2012	3.45	—

(2) Consolidated Financial Status

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2013	1,495,105	411,969	27.2
As of March 31, 2013	1,497,729	396,460	26.2

Reference: Shareholders' equity As of June 30, 2013 407,297 million yen

As of March 31, 2013 392,707 million yen

2. Dividend Status

	Dividends per share				
	First quarter end	Second quarter end	Third quarter end	End of period	Annual
	Yen	Yen	Yen	Yen	Yen
Accounting period of fiscal year ended March, 2013 (Note1)	—	10.00	—	30.00	40.00
Accounting period of fiscal year ending March, 2014 (Note1)	—				
Accounting period of fiscal year ending March, 2014 (Projection)		10.00	—	30.00	40.00

Note: The dividends for the fiscal year ended March 2013 stated are those distributed by Nippon Paper Group, Inc. Meanwhile, the Company paid dividends of ¥30 per share, the year-end dividend of Nippon Paper Group, Inc., to shareholders who were listed or recorded on the Company's shareholders' register based on the record date of April 1, 2013. These dividends are recorded as year-end dividends for the fiscal year ended March 2013.

* Dividends whose record dates are dates other than the end of a quarter of the year

Date of right allotment	Dividends per share	Total
April 1, 2013	Yen 30.00	Yen 30.00

Note: The Company paid dividends of Nippon Paper Group, Inc. as the fiscal year ended March 2013 to shareholders who were listed or recorded on the Company's shareholders' register based on the record date of April 1, 2013.

(Appendices)

1. Consolidated Operating Results for the Three Months Ended June 2013 (April 1, 2013–June 30, 2013)

Operating results by business segment are as follows:

Pulp and Paper:

Consolidated net sales	¥ 202,505 million (up 1.1% year-on-year)
Consolidated operating income	¥ 2,062 million (down 49.1% year-on-year)

Paper-Related:

Consolidated net sales	¥ 23,494 million (down 0.0% year-on-year)
Consolidated operating income	¥ 1,261 million (down 25.3% year-on-year)

Wood Products and Construction Related:

Consolidated net sales	¥ 15,733 million (up 20.2% year-on-year)
Consolidated operating income	¥ 618 million (up 96.7% year-on-year)

Other:

Consolidated net sales	¥ 14,557 million (down 0.7% year-on-year)
Consolidated operating income	¥ 62 million (- % year-on-year)

2. Consolidated Balance Sheets

(Millions of yen)

As of June 30,
2013

Assets	
Current assets	
Cash and deposits	68,493
Notes and accounts receivable-trade	215,250
Merchandise and finished goods	84,465
Work in process	18,434
Raw materials and supplies	56,060
Other current assets	55,645
Allowance for doubtful receivables	(722)
Total current assets	497,628
Noncurrent assets	
Property, plant and equipment	
Buildings and structures	492,032
Accumulated depreciation	(344,186)
Buildings and structures, net	147,846
Machinery, equipment and vehicles	2,145,514
Accumulated depreciation	(1,822,289)
Machinery, equipment and vehicles, net	323,225
Land	225,923
Construction in progress	19,581
Other	92,444
Accumulated depreciation	(59,620)
Other, net	32,824
Total property, plant and equipment	749,400
Intangible assets	
Goodwill	16,029
Other	6,607
Total intangible assets	22,637
Investments and other assets	
Investments in securities	204,626
Other	21,799
Allowance for doubtful receivables	(987)
Total investments and other assets	225,439
Total noncurrent assets	997,477
Total assets	1,495,105

(Millions of yen)

As of June 30,
2013

Liabilities	
Current liabilities	
Notes and account payable-trade	139,764
Short-term loans payable	238,147
Accrued income taxes	1,628
Other	86,368
Total current liabilities	465,908
Long-term liabilities	
Bonds payable	48,000
Long-term loans payable	523,777
Accrued retirement benefits	28,966
Accrued environmental costs	493
Other	15,989
Total long-term liabilities	617,227
Total liabilities	1,083,135
Net assets	
Shareholders' equity	
Common stock	104,873
Capital surplus	217,105
Retained earnings	61,524
Treasury stock, at cost	(1,312)
Total shareholders' equity	382,190
Accumulated other comprehensive income	
Net unrealized holding gain on other securities	6,034
Net deferred gain on hedges	2,487
Translation adjustments	16,584
Total accumulated other comprehensive income	25,106
Minority interests in consolidated subsidiaries	4,672
Total net assets	411,969
Total liabilities and net assets	1,495,105

3. Consolidated Statements of Operations and Statements of Comprehensive Income
- Consolidated Statements of Operations -

	(Millions of yen)
	Three months ended June 30, 2013
Net sales	256,290
Cost of sales	201,760
Gross profit	54,530
Selling, general and administrative expenses	
Freightage related expenses	15,366
Sales related expenses	15,725
Salaries and allowances	11,142
Other	8,291
Total selling, general and administrative expenses	50,526
Operating income	4,004
Other income	
Interest income	92
Dividend income	1,127
Equity in earnings of affiliates	1,525
Subsidy	1,236
Other	1,266
Total other income	5,247
Other expenses	
Interest expense	2,902
Other	1,647
Total other expenses	4,549
Ordinary income	4,702
Extraordinary income	
Gain on sales of noncurrent assets	5,064
Other	20
Total extraordinary income	5,084
Extraordinary loss	
Business restructuring expenses	234
Loss on retirement of noncurrent assets	221
Loss on changes in equity	188
Other	228
Total extraordinary loss	872
Income before income taxes and minority interests in consolidated subsidiaries	8,914
Income taxes—current	1,049
Income taxes—deferred	2,758
Total income taxes	3,807
Income before minority interests	5,107
Minority interests in consolidated subsidiaries	(34)
Net income	5,141

- Consolidated Statements of Comprehensive Income -

	(Millions of yen)
	Three months ended June 30, 2013
Income before minority interests	5,107
Other comprehensive income	
Net unrealized holding gain (loss) on other securities	1,237
Net deferred gain (loss) on hedges	(226)
Translation adjustments	7,386
Share of other comprehensive income of affiliates accounted for using the equity method	5,499
Total other comprehensive income	13,897
Comprehensive income	19,004
(Details)	
Comprehensive income attributable to shareholders	18,819
Comprehensive income attributable to minority interests	184

Supplementary Financial Results Presentation Materials for the Three Months Ended June 30, 2013

The supplementary presentation materials show a comparison with the results of Nippon Paper Group, Inc. for the consolidated fiscal year ended March 2013 and the first quarter of the consolidated fiscal year ended March 2013, and the results of the Company for the first quarter of the consolidated fiscal year ended March 2014.

4. Consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2013	As of June 30, 2013
Assets		
Current assets		
Cash and deposits	110,911	68,493
Notes and accounts receivable-trade	198,916	215,250
Merchandise and finished goods	81,175	84,465
Work in process	17,739	18,434
Raw materials and supplies	50,388	56,060
Other current assets	48,853	55,645
Allowance for doubtful receivables	(650)	(722)
Total current assets	507,335	497,628
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	487,605	492,032
Accumulated depreciation	(341,162)	(344,186)
Buildings and structures, net	146,442	147,846
Machinery, equipment and vehicles	2,118,113	2,145,514
Accumulated depreciation	(1,794,789)	(1,822,289)
Machinery, equipment and vehicles, net	323,323	323,225
Land	225,729	225,923
Construction in progress	19,437	19,581
Other	92,161	92,444
Accumulated depreciation	(59,671)	(59,620)
Other, net	32,490	32,824
Total property, plant and equipment	747,423	749,400
Intangible assets		
Goodwill	15,955	16,029
Other	6,768	6,607
Total intangible assets	22,724	22,637
Investments and other assets		
Investments in securities	197,323	204,626
Other	23,915	21,799
Allowance for doubtful receivables	(992)	(987)
Total investments and other assets	220,246	225,439
Total noncurrent assets	990,393	997,477
Total assets	1,497,729	1,495,105

(Millions of yen)

	As of March 31, 2013	As of June 30, 2013
Liabilities		
Current liabilities		
Notes and account payable-trade	137,861	139,764
Short-term loans payable	248,235	238,147
Accrued income taxes	3,501	1,628
Other	86,989	86,368
Total current liabilities	476,588	465,908
Long-term liabilities		
Bonds payable	48,000	48,000
Long-term loans payable	531,992	523,777
Accrued retirement benefits	29,252	28,966
Accrued environmental costs	539	493
Other	14,895	15,989
Total long-term liabilities	624,680	617,227
Total liabilities	1,101,269	1,083,135
Net assets		
Shareholders' equity		
Common stock	55,730	104,873
Capital surplus	266,249	217,105
Retained earnings	60,705	61,524
Treasury stock, at cost	(1,308)	(1,312)
Total shareholders' equity	381,376	382,190
Accumulated other comprehensive income		
Net unrealized holding gain on other securities	4,708	6,034
Net deferred gain on hedges	1,810	2,487
Translation adjustments	4,811	16,584
Total accumulated other comprehensive income	11,330	25,106
Minority interests in consolidated subsidiaries	3,753	4,672
Total net assets	396,460	411,969
Total liabilities and net assets	1,497,729	1,495,105

5. Consolidated Statements of Operations and Statements of Comprehensive Income
- Consolidated Statements of Operations -

	(Millions of yen)	
	Three months ended June 30, 2012	Three months ended June 30, 2013
Net sales	251,461	256,290
Cost of sales	195,110	201,760
Gross profit	56,351	54,530
Selling, general and administrative expenses		
Freightage related expenses	14,468	15,366
Sales related expenses	15,582	15,725
Salaries and allowances	11,515	11,142
Other	8,779	8,291
Total selling, general and administrative expenses	50,345	50,526
Operating income	6,005	4,004
Other income		
Interest income	117	92
Dividend income	956	1,127
Equity in earnings of affiliates	1,042	1,525
Subsidy	300	1,236
Other	1,242	1,266
Total other income	3,658	5,247
Other expenses		
Interest expense	3,054	2,902
Other	1,450	1,647
Total other expenses	4,505	4,549
Ordinary income	5,158	4,702
Extraordinary income		
Gain on sales of noncurrent assets	12	5,064
Other	33	20
Total extraordinary income	45	5,084
Extraordinary loss		
Business restructuring expenses	218	234
Loss on retirement of noncurrent assets	208	221
Loss on changes in equity	—	188
Loss on seismic disaster	174	—
Other	3,047	228
Total extraordinary loss	3,649	872
Income before income taxes and minority interests in consolidated subsidiaries	1,555	8,914
Income taxes—current	1,155	1,049
Income taxes—deferred	80	2,758
Total income taxes	1,235	3,807
Income before minority interests	319	5,107
Minority interests in consolidated subsidiaries	(80)	(34)
Net income	399	5,141

- Consolidated Statements of Comprehensive Income -

(Millions of yen)

	Three months ended June 30, 2012	Three months ended June 30, 2013
Income before minority interests	319	5,107
Other comprehensive income		
Net unrealized holding gain (loss) on other securities	(1,088)	1,237
Net deferred gain (loss) on hedges	(527)	(226)
Translation adjustments	5,695	7,386
Share of other comprehensive income of affiliates accounted for using the equity method	1,943	5,499
Total other comprehensive income	6,023	13,897
Comprehensive income	6,342	19,004
(Details)		
Comprehensive income attributable to shareholders	6,270	18,819
Comprehensive income attributable to minority interests	71	184