

## Summary of Consolidated Financial Results for the Fiscal Year Ended March 2015 (unaudited)

Name of Company Listed: **Nippon Paper Industries Co., Ltd.**  
 Stock Exchange Listings: Tokyo  
 Code Number: 3863  
 URL: <http://www.nipponpapergroup.com/english/>  
 Representative:  
     Title of Representative Person: President  
     Name of Representative Person: Fumio Manoshiro  
 Person in Charge of Contact:  
     Title of Contact Person: General Manager of Accounting & Budgeting Dept.  
     Name of Contact Person: Hirofumi Fujimori  
 Telephone: +81-(0)3-6665-1111  
 Planned date of Ordinary General Meeting of Shareholders: June 26, 2015  
 Planned date of Financial Report submission: June 26, 2015  
 Planned date of the commencement of dividend payments: June 29, 2015  
 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 Fiscal Year Ended March 2015 (April 1, 2014–March 31, 2015)

#### (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	%
Fiscal Year ended March 2015	1,052,491	-2.7	23,656	-17.1	23,204	-17.7	23,183	1.8
Fiscal Year ended March 2014	1,081,277	–	28,536	–	28,188	–	22,770	–

Note: Comprehensive income

Fiscal Year ended March 2015	67,295 million yen	(60.7 %)
Fiscal Year ended March 2014	41,864 million yen	(– %)

	Net income per share	Net income per share after adjusting for dilution	Return on equity	Ordinary income to gross capital	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal Year ended March 2015	200.27	–	5.1	1.6	2.2
Fiscal Year ended March 2014	196.67	–	5.6	1.9	2.6

Reference: Income from equity in earnings of affiliates

Fiscal Year ended March 2015	4,583 million yen
Fiscal Year ended March 2014	6,704 million yen

(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, 2015	1,495,622	489,740	32.5	4,198.10
As of March 31, 2014	1,480,894	426,584	28.6	3,652.76

Reference: Shareholders' equity As of March 31, 2015 485,968 million yen  
As of March 31, 2014 422,881 million yen

(2) 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 2015	81,846	-42,483	-52,744	84,002
Fiscal year ended March 2014	75,763	-24,861	-65,487	97,149

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 2014	—	10.00	—	30.00	40.00	4,638	20.3	1.1
Fiscal year ended March 2015	—	20.00	—	30.00	50.00	5,797	25.0	1.3
Fiscal year ending March 2016 (Projection)	—	30.00	—	30.00	60.00		46.3	

3. Projection of Consolidated Financial Results for the Fiscal Year Ending March 2016 (April 1, 2015–March 31, 2016)

(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 ended September 30, 2015	520,000	0.8	12,000	-4.3	13,000	2.0	5,000	-76.4	43.19
Full fiscal year	1,060,000	0.7	32,000	35.3	30,000	29.3	15,000	-35.3	129.58

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, 2015 116,254,892 Shares

March 31, 2014 116,254,892 Shares

(ii) Number of treasury stock as of:

March 31, 2015 495,664 Shares

March 31, 2014	484,315 Shares
(iii) Average number of shares during the periods of:	
Fiscal year ended March 2015	115,764,843 Shares
Fiscal year ended March 2014	115,779,680 Shares

\* Presentation of implementation status of auditing procedure

This “Summary of Consolidated Financial Results for the Fiscal Year Ended March 2014” is not subject to auditing procedures in accordance with the Financial Instruments and Exchange Law and, as of the date of publication of these consolidated financial results, the auditing procedures for the consolidated financial statements are currently in progress.

\*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.html>

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

**(Appendices)**

**1. Consolidated Operating Results for the Fiscal Year Ended March 2015 (April 1, 2014–March 31, 2015)**

Operating results by business segment are as follows:

Pulp and Paper:

Consolidated net sales	¥ 835,521 million	(down 1.5% year-on-year)
Consolidated operating income	¥ 15,022 million	(down 13.9% year-on-year)

Paper-Related:

Consolidated net sales	¥ 91,033 million	(down 2.1% year-on-year)
Consolidated operating income	¥ 3,760 million	(down 25.5% year-on-year)

Wood Products and Construction Related:

Consolidated net sales	¥ 59,242 million	(down 14.8% year-on-year)
Consolidated operating income	¥ 2,123 million	(down 11.7% year-on-year)

Other:

Consolidated net sales	¥ 66,694 million	(down 5.5% year-on-year)
Consolidated operating income	¥ 2,749 million	(down 24.6% year-on-year)

## 2. Supplementary Financial Results Presentation Materials for the Fiscal Year Ended March 2015

### (1) Consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2014	As of March 31, 2015
<b>Assets</b>		
Current assets		
Cash and deposits	97,247	84,100
Notes and accounts receivable-trade	201,713	193,481
Merchandise and finished goods	81,465	86,898
Work in process	16,884	18,204
Raw materials and supplies	52,899	57,952
Deferred tax assets	16,273	12,650
Other	39,194	31,626
Allowance for doubtful receivables	(261)	(416)
Total current assets	505,417	484,498
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	491,774	492,409
Accumulated depreciation	(348,323)	(354,000)
Buildings and structures, net	143,450	138,409
Machinery, equipment and vehicles	2,164,286	2,176,031
Accumulated depreciation	(1,849,355)	(1,875,709)
Machinery, equipment and vehicles, net	314,930	300,322
Land	223,863	223,696
Mountain forests and plantations	21,295	20,951
Construction in progress	14,649	21,221
Other	69,644	69,309
Accumulated depreciation	(58,655)	(58,504)
Other, net	10,989	10,805
Total property, plant and equipment	729,179	715,406
Intangible assets	21,804	18,992
Investments and other assets		
Investments in securities	201,973	252,079
Net defined benefit asset	1,562	4,643
Deferred tax assets	9,614	8,928
Other	12,524	11,915
Allowance for doubtful receivables	(1,182)	(842)
Total investments and other assets	224,493	276,724
Total noncurrent assets	975,477	1,011,123
<b>Total assets</b>	1,480,894	1,495,622

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
<b>Liabilities</b>		
Current liabilities		
Notes and account payable-trade	130,997	127,856
Short-term loans payable	292,326	264,898
Accrued income taxes	4,561	3,141
Other	81,348	79,936
<b>Total current liabilities</b>	<b>509,234</b>	<b>475,832</b>
Long-term liabilities		
Bonds payable	48,000	63,000
Long-term loans payable	432,719	401,799
Deferred tax liability	16,031	33,961
Accrued environmental costs	783	539
Net defined benefit liability	37,650	21,154
Other	9,889	9,594
<b>Total long-term liabilities</b>	<b>545,075</b>	<b>530,049</b>
<b>Total liabilities</b>	<b>1,054,309</b>	<b>1,005,881</b>
<b>Net assets</b>		
Shareholders' equity		
Common stock	104,873	104,873
Capital surplus	217,105	217,104
Retained earnings	77,994	97,172
Treasury stock, at cost	(1,336)	(1,356)
<b>Total shareholders' equity</b>	<b>398,636</b>	<b>417,794</b>
Accumulated other comprehensive income		
Net unrealized holding gain on other securities	7,814	24,345
Net deferred gain on hedges	1,325	2,314
Translation adjustments	21,567	37,108
Remeasurements of defined benefit plans	(6,463)	4,405
<b>Total accumulated other comprehensive income</b>	<b>24,244</b>	<b>68,173</b>
Minority interests in consolidated subsidiaries	3,703	3,771
<b>Total net assets</b>	<b>426,584</b>	<b>489,740</b>
<b>Total liabilities and net assets</b>	<b>1,480,894</b>	<b>1,495,622</b>

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

	(Millions of yen)	
	Fiscal year ended March 2014	Fiscal year ended March 2015
Net sales	1,081,277	1,052,491
Cost of sales	844,603	825,576
Gross profit	236,674	226,915
Selling, general and administrative expenses		
Freightage related expenses	63,418	62,796
Sales related expenses	66,085	64,179
Salaries and allowances	44,607	43,174
Other	34,025	33,108
Total selling, general and administrative expenses	208,137	203,259
Operating income	28,536	23,656
Other income		
Interest income	371	324
Dividend income	1,961	1,761
Equity in earnings of affiliates	6,704	4,583
Foreign exchange gains	947	1,873
Rent income	1,431	1,487
Other	3,720	2,688
Total other income	15,138	12,719
Other expenses		
Interest expense	11,259	10,292
Other	4,227	2,879
Total other expenses	15,486	13,171
Ordinary income	28,188	23,204
Extraordinary income		
Gain on sales of noncurrent assets	5,854	19,416
Other	3,664	680
Total extraordinary income	9,519	20,097
Extraordinary loss		
Loss on retirement of noncurrent assets	2,053	2,166
Business restructuring expenses	1,356	1,438
Impairment loss	1,352	1,096
Other	2,446	1,675
Total extraordinary loss	7,209	6,375
Income before income taxes and minority interests in consolidated subsidiaries	30,498	36,925
Income taxes—current	6,210	4,207
Income taxes—deferred	1,939	9,465
Total income taxes	8,150	13,673
Income before minority interests	22,348	23,252
Minority interests in consolidated subsidiaries	(422)	68
Net income	22,770	23,183

- Consolidated Statements of Comprehensive Income -

(Millions of yen)

	Fiscal year ended March 2014	Fiscal year ended March 2015
Income before minority interests	22,348	23,252
Other comprehensive income		
Net unrealized holding gain (loss) on other securities	2,960	16,264
Net deferred gain (loss) on hedges	(1,043)	893
Translation adjustments	6,007	5,198
Remeasurements of defined benefit plans, net of tax	-	10,222
Share of other comprehensive income of affiliates accounted for using the equity method	11,591	11,464
Total other comprehensive income	19,516	44,042
Comprehensive income	41,864	67,295
(Details)		
Comprehensive income attributable to shareholders	42,049	67,112
Comprehensive income attributable to minority interests	(184)	182



## (3) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 2014	Fiscal year ended March 2015
<b>Operating Activities</b>		
Income (loss) before income taxes and minority interests in consolidated subsidiaries	30,498	36,925
Depreciation	63,181	61,374
Amortization of goodwill	2,284	2,352
Increase (decrease) in allowance for doubtful receivables	(205)	136
Increase (decrease) in net defined benefit liability	(391)	(2,628)
Increase (decrease) in accrued environmental costs	244	(244)
Interest and dividend income	(2,333)	(2,086)
Interest expense	11,259	10,292
Equity in (earnings) losses of affiliates	(6,704)	(4,583)
Net loss (gain) on sales of noncurrent assets	(5,854)	(19,416)
Loss on retirement of noncurrent assets	2,053	2,166
Business restructuring expenses	1,356	1,438
Impairment loss	1,352	1,096
Decrease (increase) in receivables	(230)	8,853
Decrease (increase) in inventories	1,069	(10,443)
Increase (decrease) in payables	(9,499)	(3,911)
Other	153	13,891
Subtotal	88,233	95,211
Interest and dividends received	4,703	4,808
Interest paid	(11,771)	(10,624)
Payments for supplementary retirement benefits	(8)	(1,262)
Income taxes paid	(5,392)	(6,285)
Net cash provided by (used in) operating activities	75,763	81,846
<b>Investing Activities</b>		
Purchases of time deposits	(100)	(100)
Withdrawals of time deposits	100	100
Purchases of noncurrent assets	(51,414)	(48,692)
Proceeds from sales of noncurrent assets	7,218	19,346
Purchases of investments in other securities	(673)	(12,972)
Proceeds from sales of investments in other securities	15,214	558
Proceeds from redemption of investments in securities	2,500	-
Decrease (increase) in short-term loans receivable	(138)	(275)
Payments of long-term loans receivable	(126)	(187)
Collection of long-term loans receivable	305	337
Other	2,253	(598)
Net cash provided by (used in) investing activities	(24,861)	(42,483)
<b>Financing Activities</b>		
Increase (decrease) in short-term loans payable	4,817	9,714
Proceeds from long-term loans payable	4,061	35,577
Repayment of long-term loans payable	(68,531)	(106,116)
Proceeds from issuance of bonds	-	15,000
Purchases of treasury stock	(33)	(23)
Proceeds from sales of treasury stock	1	1
Cash dividends paid	(4,662)	(5,797)
Repayment to minority shareholders	(81)	(83)
Finance lease principal payments	(1,058)	(1,015)
Net cash provided by (used in) financing activities	(65,487)	(52,744)
Effect of exchange rate changes on cash and cash equivalents	768	233
Increase (decrease) in cash and cash equivalents	(13,816)	(13,146)
Cash and cash equivalents at beginning of year	110,813	97,149
Increase due to inclusion of certain subsidiaries in consolidation	152	-
Cash and cash equivalents at end of period	97,149	84,002