Summary of Consolidated Financial Results for the Fiscal Year Ended March 2016 (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:	Tomoyasu Itakura
Telephone:	+81-(0)3-6665-1111
Planned date of Ordinary General Meeting of Shareholders:	June 29, 2016
Planned date of Financial Report submission:	June 29, 2016
Planned date of the commencement of dividend payments:	June 30, 2016
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 2016 (April 1, 2015–March 31, 2016)
(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 inco	ome	Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal Year ended March 2016	1,007,097	-4.3	22,623	-4.4	17,123	-26.2	2,424	-89.5
Fiscal Year ended March 2015	1,052,491	-2.7	23,656	-17.1	23,204	-17.7	23,183	1.8

Note: Comprehensive income Fiscal Year ended March 2016

Fiscal Year ended March 2015

-31,821 million yen (- %) 67,295 million yen (60.7 %)

	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 2016	20.95	-	0.5	1.2	2.2
Fiscal Year ended March 2015	200.27	-	5.1	1.6	2.2

Reference: Income from equity in earnings of affiliates

Fiscal Year ended March 2016 Fiscal Year ended March 2015 -7,500 million yen

4,583 million yen

Consolidated Financial Status (2)

	Total assets	Net assets	Equity ratio	Net assets per share	
	Millions of yen	Millions of yen	%	Yen	
As of March 31, 2016	1,390,918	424,685	30.3	3,645.87	
As of March 31, 2015	1,495,622	489,740	32.5	4,198.10	
Reference: Shareholders' equity As of March 31, 2016 422,000 million yen					

As of March 31, 2015

Reference: Shareholders' equity

485,968 million yen

(2) Consolidated Cash Flow

(2) Consolidated Cash 110w				
	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 2016	52,419	16,270	-39,168	112,510
Fiscal year ended March 2015	81,846	-42,483	-52,744	84,002

2. Dividend Status

	Dividends per share					A	D' ' I I	Ratio of
	1 st quarter end	2 nd quarter end	3 rd quarter end	End of fiscal year	Annual	Amount of total dividends (Annual)	Dividend payout (Consolidated)	dividends to net assets (Consolidated)
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 2015	_	20.00	-	30.00	50.00	5,797	25.0	1.3
Fiscal year ended March 2016	_	30.00	_	30.00	60.00	6,956	286.4	1.5
Fiscal year ending March 2017 (Projection)	_	30.00	_	30.00	60.00		38.6	

3. Projection of Consolidated Financial Results for the Fiscal Year Ending March 2017 (April 1, 2016–March 31, 2017)

(The percentages indicate the percentage increase or decrease compared to the same period of the previous fiscal year.)											
	Net sales Operating income Ordinary income		Operating income		Operating income		Operating income		Profit attribu owners of p		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen		
Six months ended September 30, 2016	490,000	-2.0	14,000	66.2	14,000	-13.6	5,000	-65.0	43.20		
Full fiscal year	1,000,000	-0.7	32,000	41.4	32,000	86.9	18,000	642.3	155.51		

Note: This projection does not include the impact of the Business Alliance with Tokushu Tokai Paper which was announced on April 25, 2016. The impact is now under review.

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, 2016 116,254,892 Shares 116,254,892 Shares March 31, 2015
 - (ii) Number of treasury stock as of:

March 31, 2016	507,381 Shares
March 31, 2015	495,664 Shares
(iii) Average number of shares during the	periods of:
Fiscal year ended March 2016	115,752,912 Shares
Fiscal year ended March 2015	115,764,843 Shares

* Presentation of implementation status of auditing procedure

This "Summary of Consolidated Financial Results for the Fiscal Year Ended March 2016" is not subject to auditing procedures in accordance with the Financial Instruments and Exchange Law and, as of the date of publication of this document, the auditing procedures for the consolidated financial statements are still 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/

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

(Appendices)

1. Consolidated Operating Results for the Fiscal Year Ended March 2016 (April 1, 2015–March 31, 2016)

Operating results by business segment are as follows:

Puln	and	Paper:
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	Consolidated net sales	¥ 827,560 million	(down 1.0% year-on-year)
	Consolidated operating income	¥ 13,840million	(down 7.9% year-on-year)
Paper-Related:			
	Consolidated net sales	¥ 88,912 million	(down 2.3% year-on-year)
	Consolidated operating income	¥ 2,661 million	(down 29.2% year-on-year)
Wood Products a	and Construction Related:		
	Consolidated net sales	¥ 62,155 million	(up 4.9% year-on-year)
	Consolidated operating income	¥ 3,639 million	(up 71.4% year-on-year)
Other:			
	Consolidated net sales	¥ 28,469 million	(down 57.3% year-on-year)
	Consolidated operating income	¥ 2,481 million	(down 9.8% year-on-year)

2. Supplementary Financial Results Presentation Materials for the Fiscal Year Ended March 2016

(1) Consolidated Balance Sheets

		(Millions of yen)
	As of March 31, 2015	As of March 31, 2016
ssets		
Current assets		
Cash and deposits	84,100	112,510
Notes and accounts receivable-trade	193,481	192,941
Merchandise and finished goods	86,898	79,529
Work in process	18,204	18,299
Raw materials and supplies	57,952	60,244
Deferred tax assets	12,650	9,324
Other	31,626	30,609
Allowance for doubtful receivables	(416)	(547)
Total current assets	484,498	502,912
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	492,409	485,784
Accumulated depreciation	(354,000)	(353,073)
Buildings and structures, net	138,409	132,711
Machinery, equipment and vehicles	2,176,031	2,161,323
Accumulated depreciation	(1,875,709)	(1,879,807)
Machinery, equipment and vehicles, net	300,322	281,515
Land	223,696	215,084
Mountain forests and plantations	20,951	20,046
Construction in progress	21,221	14,101
Other	69,309	45,051
Accumulated depreciation	(58,504)	(39,213)
Other, net	10,805	5,838
Total property, plant and equipment	715,406	669,298
Intangible assets	18,992	15,291
Investments and other assets		
Investments in securities	252,079	180,782
Net defined benefit asset	4,643	1,750
Deferred tax assets	8,928	10,730
Other	11,915	10,743
Allowance for doubtful receivables	(842)	(590)
Total investments and other assets	276,724	203,416
Total noncurrent assets	1,011,123	888,006
Total assets	1,495,622	1,390,918

	(Millions of yen)	
	As of March 31, 2015	As of March 31, 2016
Liabilities		
Current liabilities		
Notes and account payable-trade	127,856	113,354
Short-term loans payable	264,898	243,366
Current portion of bonds	—	13,000
Accrued income taxes	3,141	4,147
Other	79,936	76,043
Total current liabilities	475,832	449,912
Long-term liabilities		
Bonds payable	63,000	60,000
Long-term loans payable	401,799	385,725
Deffered tax liability	33,961	18,877
Accrued environmental costs	539	470
Net defined benefit liability	21,154	42,210
Other	9,594	9,036
Total long-term liabilities	530,049	516,320
Total liabilities	1,005,881	966,233
Net assets		
Shareholders' equity		
Common stock	104,873	104,873
Capital surplus	217,104	217,104
Retained earnings	97,172	82,215
Treasury stock, at cost	(1,356)	(1,378)
Total shareholders' equity	417,794	402,814
Accumulated other comprehensive income		
Net unrealized holding gain on other securities	24,345	18,974
Net deferred gain on hedges	2,314	(1,193)
Translation adjustments	37,108	15,088
Remeasurements of defined benefit plans	4,405	(13,683)
Total accumulated other comprehensive income	68,173	19,185
Non-controlling interests	3,771	2,685
Total net assets	489,740	424,685
Total liabilities and net assets	1,495,622	1,390,918

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

		(Millions of yen)	
	Fiscal year ended March 2015	Fiscal year ended March 2016	
Net sales	1,052,491	1,007,097	
Cost of sales	825,576	800,185	
Gross profit	226,915	206,912	
Selling, general and administrative expenses			
Freightage related expenses	62,796	60,913	
Sales related expenses	64,179	58,605	
Salaries and allowances	43,174	38,006	
Other	33,108	26,763	
Total selling, general and administrative expenses	203,259	184,289	
Operating income	23,656	22,623	
Other income			
Interest income	324	307	
Dividend income	1,761	2,472	
Foreign exchange gains	1,873	7,628	
Equity in earnings of affiliates	4,583	_	
Other	4,176	4,109	
Total other income	12,719	14,518	
Other expenses	,		
Interest expense	10,292	10,002	
Share of loss of entities accounted for using equity method		7,500	
Other	2,879	2,514	
Total other expenses	13,171	20,017	
Ordinary income	23,204	17,123	
Extraordinary income			
Gain on sales of investment securities	151	20,821	
Other	19,946	803	
Total extraordinary income	20,097	21,625	
Extraordinary loss		,	
Loss on sales of shares of subsidiaries	_	16,510	
Impairment loss	1,096	9,925	
Business restructuring expenses	1,438	3,701	
Loss on retirement of noncurrent assets	2,166	2,172	
Other	1,675	1,776	
Total extraordinary loss	6,375	34,086	
Income before income taxes and minority interests in consolidated subsidiaries	36,925	4,662	
Income taxes—current	4,207	5,048	
Income taxes—deferred	9,465	(2,486)	
Total income taxes	13,673	2,562	
Profit	23,252	2,302	
Profit attributable to non-controlling interests	68	(324)	
	00	(324)	

- Consolidated Statements of Comprehensive Income -

consolidated statements of comprehensive meane		(Millions of yen)
	Fiscal year ended March 2015	Fiscal year ended March 2016
Income before minority interests	23,252	2,100
Other comprehensive income		
Net unrealized holding gain (loss) on other securities	16,264	(5,376)
Net deferred gain (loss) on hedges	893	(1,880)
Translation adjustments	5,198	(4,679)
Remeasurements of defined benefit plans, net of tax	10,222	(17,114)
Share of other comprehensive income of affiliates accounted for using the equity method	11,464	(4,871)
Total other comprehensive income	44,042	(33,922)
Comprehensive income	67,295	(31,821)
(Details)		
Comprehensive income attributable to owners of parent	67,112	(31,283)
Comprehensive income attributable to non-controlling	182	(538)

(3) Consolidated Statements of Cash Flows

Fiscal year ended Match 2015 Fiscal year ended Match 2015 Operating Activities	(3) Consolidated Statements of Cash Flows		(Millions of yen)
Income (loss) before income taxes and minority interests in consolidated subsidiaries 36,925 4.6 Depreciation 61,374 57.6 Amortization of goodwill 2,352 2.0 Increase (decrease) in allowance for doubtil receivables 136 0 Increase (decrease) in accrued environmental costs (244) 0 Increase (decrease) in accrued environmental costs (244) 0 Interest and dividend income (2,086) (2,74) Interest expense 10,292 10,0 Share of (profit) loss of entities accounted for using equity method (4,583) 7.5 Foreign exchange losses (gains) 282 (7,11) Loss (gain) on sales of investment securities (151) (20.86) Loss (gain) on sales of investment securities 1,66 2.1 Impairment loss 1,096 9.5 Business retructuring expenses 1,438 3.7 Decrease (increase) in neyables (3,911) (11,66 Other (5,657) (4,00) Subtotal 95,211 63,1 Interest paid	-	•	Fiscal year ended
consolidated subsidiaries	Operating Activities		
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Loss on retirement of non-current assets 2,166 2,1 Impairment loss 1,096 9,5 Business restructuring expenses 1,438 3,7 Decrease (increase) in receivables 8,853 (2,4) Decrease (increase) in payables (3,911) (11,6) Other (5,657) (4,0) Subtotal 95,211 63,1) Interest and dividends received 4,808 5,7 Interest paid (10,624) (9,9) Payments for supplementary retirement benefits (1,262) (1,3) Income taxes paid (6,285) (5,2) Net cash provided by (used in) operating activities 81,846 52,4 Purchases of time deposits (100) 100 Purchases of noncurrent assets (19,346 1,1 Purchases of nonsales of noncurrent assets (12,972) (6,9) Proceeds from sales of nonserments ecurities	Loss (gain) on sales of investment securities	(151)	(20,821)
Impairment loss 1,096 9.5 Business restructuring expenses 1,438 3,7 Decrease (increase) in receivables 8,853 (2,4 Decrease (increase) in payables (10,443) (1,11) Increase (decrease) in payables (3,911) (11,66) Other (5,657) (4,00) Subtotal 95,211 63,1 Interest and dividends received 4,808 5,7 Interest paid (10,624) (9,90) Payments for supplementary retirement benefits (1,262) (1,3) Income taxes paid (6,285) (5,2 Net cash provided by (used in) operating activities 81,846 52,4 Purchases of noncurrent assets (10,0) Withdrawals of time deposits 100 Purchases of noncurrent assets 19,346 1,1 10,1 Proceeds from sales of noncurrent assets (12,972) (6,6) Proceeds from sales of investments in other securities 558 53,2 Proceeds from sales of investment securities -3,0 33,7 3,0 Proce	Loss (gain) on sales of shares of subsidiaries	—	16,510
Business restructuring expenses 1,438 3,7 Decrease (increase) in necelvables 8,853 (2,4) Decrease (increase) in inventories (10,443) (1,11) Increase (decrease) in payables (3,911) (11,60) Other (5,657) (4,00) Subtotal 95,211 63,11 Interest paid (10,624) (9,9) Payments for supplementary retirement benefits (12,62) (1,3) Income taxes paid (6,285) (5,2) Net cash provided by (used in) operating activities 81,846 52,4 Investing Activities (100) Withdrawals of time deposits (100) Purchases of noncurrent assets (12,972) (6,9) Proceeds from sales of noncurrent assets 19,346 1,1 Purchases of investments in other securities - 3,0 Proceeds from sales of instructure securities - 3,0 Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation - 10,1 Decrease (increase) in short-term loans receivable (275) (24 <td>Loss on retirement of non-current assets</td> <td>2,166</td> <td>2,172</td>	Loss on retirement of non-current assets	2,166	2,172
Decrease (increase) in receivables 8,853 (2,4) Decrease (increase) in inventories (10,443) (1,1) Increase (decrease) in payables (3,911) (11,6) Other (5,657) (4,0) Subtotal 95,211 63,1 Interest paid (10,624) (9,9) Payments for supplementary retirement benefits (1,262) (1,3) Income taxes paid (6,285) (5,2) Interest paid (100) (100) Withdrawals of time deposits 100 (100) Purchases of noncurrent assets (148,692) (44,5) Proceeds from sales of noncurrent assets (12,972) (6,9) Proceeds from sales of investments in other securities 558 53,2 Proceeds from sales of investment securities	Impairment loss	1,096	9,925
Decrease (increase) in receivables 8,853 (2,4) Decrease (increase) in inventories (10,443) (1,1) Increase (decrease) in payables (3,911) (11,6) Other (5,657) (4,0) Subtotal 95,211 63,1 Interest paid (10,624) (9,9) Payments for supplementary retirement benefits (1,262) (1,3) Income taxes paid (6,285) (5,2) Interest paid (100) (100) Withdrawals of time deposits 100 (100) Purchases of noncurrent assets (148,692) (44,5) Proceeds from sales of noncurrent assets (12,972) (6,9) Proceeds from sales of investments in other securities 558 53,2 Proceeds from sales of investment securities	Business restructuring expenses	1,438	3,701
Decrease (increase) in inventories (10,443) (1,11 Increase (decrease) in payables (3,911) (11,62 Other (5,657) (4,00) Subtotal 95,211 63,1 Interest and dividends received 4,808 5,7 Interest paid (10,624) (9,93) Payments for supplementary retirement benefits (10,624) (9,93) Income taxes paid (6,285) (5,22) Net cash provided by (used in) operating activities 81,846 52,4 Investing Activities (1000) Withdrawals of time deposits (1000) Withdrawals of time deposits 100 Purchases of noncurrent assets (48,692) (44,5 Proceeds from sales of noncurrent assets 19,346 1,1 Purchases of investments in other securities 55,8 53,2 Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	Decrease (increase) in receivables		(2,439)
Increase (decrease) in payables (3,911) (11,60) Other (5,657) (4,00) Subtotal 95,211 (63,11) Interest and dividends received 4,808 5,7.7 Interest paid (10,624) (9,92) Payments for supplementary retirement benefits (1,262) (1,3) Income taxes paid (6,285) (5,22) Net cash provided by (used in) operating activities 81,846 52,4 Investing Activities (100) 9 Purchases of time deposits (100) (100) Withdrawals of time deposits (100) (44,592) Proceads from sales of noncurrent assets 19,346 1,1 Purchases of nineetments in other securities 558 53,2 Proceeds from sales of noncurrent assets 19,346 1,1 Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation — 10,1 Decrease (increase) in short-term loans receivable (187) (2 Collection of long-term loans receivable (187) (2 Increase (decrease) in short-			(1,188)
Other (5,657) (4,00 Subtotal 95,211 63,1 Interest and dividends received 4,808 5,7 Interest paid (10,624) (9,94) Payments for supplementary retirement benefits (1,262) (1,3) Income taxes paid (6,285) (5,22) Net cash provided by (used in) operating activities 81,846 52,44 Investing Activities (100) 90 Purchases of noncurrent assets (100) (12,972) (6,93) Proceeds from sales of noncurrent assets 19,346 1,1 Purchases of noncurrent assets (12,972) (6,63) Proceeds from sales of noncurrent assets 19,346 1,1 Purchases of noncurrent assets 19,346 1,1 Purchases of noncurrent assets 19,346 1,1 Proceeds from sales of substidiaries resultities - 3,0 Proceeds from sales of substidiaries resulting in change in scope of consolidation - 10,1 Decrease (increase) in short-term loans receivable (275) (22 Payments of long-ter			(-)
Subtotal95,21163,1Interest paid(10,624)(9,9)Payments for supplementary retirement benefits(1,262)(1,3)Income taxes paid(6,285)(5,2)Net cash provided by (used in) operating activities81,84652,4Investing Activities(100)Withdrawals of time deposits(100)Purchases of noncurrent assets(100)(4,5)Proceeds from sales of noncurrent assets(12,972)(6,92)Proceeds from sales of noncurrent assets(12,972)(6,92)Proceeds from sales of noncurrent assets(12,972)(6,92)Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation			
Interest and dividends received4,8085,7Interest paid(10,624)(9,93)Payments for supplementary retirement benefits(1,262)(1,33)Income taxes paid(6,285)(5,22)Net cash provided by (used in) operating activities81,84652,4Investing Activities(100)Withdrawals of time deposits(100)Purchases of time deposits100(44,55)Purchases of noncurrent assets(13,972)(6,92)Proceeds from sales of noncurrent assets(12,972)(6,92)Proceeds from sales of investments in other securities55853,2Proceeds from sales of investments ecurities	-		
Interest paid(10,624)(9,90)Payments for supplementary retirement benefits(1,262)(1,33)Income taxes paid(6,285)(5,22)Net cash provided by (used in) operating activities81,84652,40Investing Activities(100)Purchases of time deposits(100)Purchases of noncurrent assets(48,692)(44,52)Proceeds from sales of noncurrent assets19,3461,1Purchases of investments in other securities55853,2Proceeds from sales of investments in other securities55853,2Proceeds from sales of subsidiaries resulting in change in scope of consolidation-10,1Decrease (increase) in short-term loans receivable(275)(22)Payments of long-term loans receivable(187)(0Collection of long-term loans receivable(106,116)(69,88)Proceeds from sales of investing activities(42,483)16,2Financing Activities(106,116)(69,88)1Net cash provided by (used in) investing activities(23)(10Proceeds from sisuance of bonds15,00010,0Proceeds from sisuance of bonds(106,116)(69,88)Proceeds from sles of itreasury stock(11Cash dividends paid(5,797)(6,93)Repayment to minority shareholders(83)(1,69)Repayment to minority shareholders(83)(1,69)Repayment to minority shareholders(83)(1,69)Repayment to minority shareholders		· · · · ·	
Payments for supplementary retirement benefits(1,262)(1,3)Income taxes paid(6,285)(5,2)Net cash provided by (used in) operating activities81,84652,4Investing Activities(100)Withdrawals of time deposits(100)Purchases of time deposits100Purchases of noncurrent assets19,3461,1Purchases of noncurrent assets19,3461,1Purchases of investments in other securities(12,972)(6,93)Proceeds from sales of investments in other securities-3,0Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation-10,1Decrease (increase) in short-term loans receivable(275)(21)Payments of long-term loans receivable(187)(0)Collection of long-term loans receivable(187)(6)Collection of long-term loans receivable(16,98)1Increase (decrease) in short-term loans payable9,714(8,81)Proceeds from issuance of bonds15,00010,0Purchases of treasury stock11Cash dividends paid(5,797)(6,98)Proceeds from sales of treasury stock11Proceeds from sales of solds15,00010,0Purchases of treasury stock11Proceeds from sales of treasury stock <t< td=""><td></td><td></td><td>5,799</td></t<>			5,799
Income taxes paid(6,285)(5,22)Net cash provided by (used in) operating activities81,84652,4Investing Activities81,84652,4Purchases of time deposits(100)Withdrawals of time deposits100Purchases of noncurrent assets(48,692)Proceeds from sales of noncurrent assets19,346Purchases of investments in other securities558Proceeds from sales of investment securities558Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation-Other(275)(22)Payments of long-term loans receivable(187)Other(598)1Net cash provided by (used in) investing activities(42,483)Increase (decrease) in short-term loans payable33,7Proceeds from long-term loans receivable(275)Other(598)Increase (decrease) in short-term loans payable9,714Increase (decrease) in short-term loans payable35,577Proceeds from long-term loans payable(6,9,8Proceeds from long-term loans payable(106,116)Genses of treasury stock(23)Querchases of treasury stock(23)Querchases of treasury stock(6,9,797)Repayment to minority shareholders(8,3)Proceeds from sales of treasury stock(23)Querchases of treasury stock(23)Querchases of treasury stock(23)Proceeds from sales of treasury stock(23)Querchases of treasury stock <td< td=""><td>-</td><td></td><td>(9,981)</td></td<>	-		(9,981)
Net cash provided by (used in) operating activities 81,846 52,4 Investing Activities (100) Purchases of time deposits (100) Withdrawals of time deposits 100 Purchases of noncurrent assets (48,692) (44,5 Proceeds from sales of noncurrent assets 19,346 1,1 Purchases of investments in other securities (12,972) (6,93 Proceeds from sales of investments in other securities - 3,0 Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation - 10,1 Decrease (increase) in short-term loans receivable (187) (2 Collection of long-term loans receivable (187) (2 Collection of long-term loans receivable (187) (2 Invertices (42,483) 16,2 Financing Activities (42,483) 16,2 Increase (decrease) in short-term loans payable 35,577 39,0 Proceeds from issuance of bonds 15,000 10,0 Proceeds from issuance of bonds 15,000 10,0 Proceeds from sales of treasury stock 1 (23) (7 Pr		,	(1,374)
Investing Activities (100) Withdrawals of time deposits (100) Withdrawals of time deposits 100 Purchases of noncurrent assets 19,346 Proceeds from sales of noncurrent assets 19,346 Purchases of investments in other securities 558 Proceeds from sales of investments in other securities - Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation - Decrease (increase) in short-term loans receivable (187) Collection of long-term loans receivable (187) Net cash provided by (used in) investing activities (42,483) Proceeds from isons payable 9,714 Proceeds from long-term loans payable 9,714 Proceeds from long-term loans payable (106,116) Proceeds from long-term loans payable (5,797) Repayment of long-term loans payable (5,797) Proceeds from sales of treasury stock 1 Cash dividends paid (5,797) Repayment to minority shareholders (13,146) Proceeds from sales of treasury stock 1 Cash dividends paid (5,797) Repayment to minority shareholders	Income taxes paid	(6,285)	(5,213)
Purchases of time deposits(100)Withdrawals of time deposits100Purchases of noncurrent assets100Purchases of noncurrent assets19,346Proceeds from sales of noncurrent assets19,346Purchases of investments in other securities558Sproceeds from sales of investment in other securities558Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation-Decrease (increase) in short-term loans receivable(275)Collection of long-term loans receivable(187)Other(598)Net cash provided by (used in) investing activities(42,483)Increase (decrease) in short-term loans payable9,714Proceeds from issuance of bonds15,000Purchases of treasury stock1Proceeds from sales of streasury stock1Proceeds from issuance of bonds(5,797)Repayment to minority shareholders(83)(1,015)(99)Net cash provided by (used in) financing activities(23)Chroceeds from issuance of bonds15,000Proceeds from sales of treasury stock1Cash dividends paid(5,797)Cash dividends paid(5,797)Repayment to minority shareholders(83)Unterse (decrease) in cash and cash equivalentsQuark dividends paid(5,744)Proceeds from sales of treasury stock1Cash dividends paid(5,744)Cash dividends paid(23,140)Effect of exchange rate changes on cash and cash equiv	Net cash provided by (used in) operating activities	81,846	52,419
Withdrawals of time deposits100Purchases of noncurrent assets(48,692)Proceeds from sales of noncurrent assets19,3461,1Purchases of investments in other securities(12,972)Proceeds from sales of investments in other securities55853,2Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation—Decrease (increase) in short-term loans receivable(275)Collection of long-term loans receivable(187)Collection of long-term loans receivable(187)Other(598)Increase (decrease) in short-term loans payable33,7Proceeds from issuance of bonds15,000Proceeds from issuance of bonds15,000Proceeds from sales of treasury stock1Proceeds from issuance of bonds15,000Proceeds from sales of treasury stock1Effeat clease from sales of treasury stock1Proceeds from sales of treasury stock1Effect of exchange rate changes on cash and cash equivalents(2,797)Repayment to minority shareholders(83)(1,697)(6,998)Repayment to minority shareholders(10,015)Cash dividends paid(5,797)Repayment to minority shareholders(23,3)Cash and cash equivalents233Proceeds from sales of treasury stock1Proceeds from sales of treasury stock1Proceeds from sales of treasury stock233Cash dividends paid(5,797)Repayment to minority sharehold	Investing Activities		
Purchases of noncurrent assets(48,692)(44,5Proceeds from sales of noncurrent assets19,3461,1Purchases of investments in other securities(12,972)(6,97Proceeds from sales of investments in other securities55853,2Proceeds from redemption of investment securities-3,0Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation-10,1Decrease (increase) in short-term loans receivable(275)(29Payments of long-term loans receivable(187)(1Collection of long-term loans receivable(598)1Net cash provided by (used in) investing activities(42,483)16,2Financing Activities(106,116)(69,8Proceeds from issuance of bonds15,00010,0Purchases of treasury stock(23)(1,60,116)Cash dividends paid(5,797)(6,99,8)Proceeds from issuance of bonds15,00010,0Purchases of treasury stock(23)(1,60,116)Cash dividends paid(5,797)(6,99,8)Repayment to minority shareholders(83)(1,60,116)Finance lease principal payments(1,015)(99,11,16)Net cash provided by (used in) financing activities(22,744)(39,11,60)Finance lease principal payments(1,015)(99,11,16)Repayment to minority shareholders(23,3)(1,60,116)Finance lease principal payments(23,146)(28,41,16)Finance lease provided by (used in) financing	Purchases of time deposits	(100)	(3)
Proceeds from sales of noncurrent assets19,3461,1Purchases of investments in other securities(12,972)(6,93Proceeds from sales of investments in other securities55853,2Proceeds from redemption of investment securities-3,0Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation-10,1Decrease (increase) in short-term loans receivable(275)(23Payments of long-term loans receivable(187)(4Collection of long-term loans receivable3373Other(598)1Net cash provided by (used in) investing activities(42,483)16,2Financing Activities9,714(8,8Proceeds from issuance of bonds10,6,116)(69,8Proceeds from issuance of bonds15,00010,0Purchases of treasury stock11Cash dividends paid(5,797)(6,98Proceeds from sales of treasury stock11Cash dividends paid(5,797)(6,98Finance lease principal payments(10,6,116)(69,88Proceeds from sales of treasury stock11Cash dividends paid(5,797)(6,93Repayment to minority shareholders(83)(1,66Finance lease principal payments(10,015)(94Repayment to minority shareholders(23)(10,015)Net cash provided by (used in) financing activities233(1,00Finance lease principal payments(10,015)(94	Withdrawals of time deposits	100	3
Purchases of investments in other securities(12,972)(6,92)Proceeds from sales of investments in other securities55853,2Proceeds from redemption of investment securities	Purchases of noncurrent assets	(48,692)	(44,511)
Purchases of investments in other securities(12,972)(6,92)Proceeds from sales of investments in other securities55853,2Proceeds from redemption of investment securities	Proceeds from sales of noncurrent assets	19,346	1,177
Proceeds from sales of investments in other securities55853,2Proceeds from redemption of investment securities3,0Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation10,1Decrease (increase) in short-term loans receivable(275)(22Payments of long-term loans receivable(187)(4Collection of long-term loans receivable(33733Other(598)1Net cash provided by (used in) investing activities(42,483)16,2Financing Activities9,714(8,85Proceeds from long-term loans payable35,57739,0Repayment of long-term loans payable35,57739,0Proceeds from issuance of bonds15,00010,0Purchases of treasury stock(23)(1,69,80)Proceeds from sales of treasury stock11Cash dividends paid(5,797)(6,99,80)Repayment to minority shareholders(83)(1,60,116)Finance lease principal payments(1,015)(99,10)Net cash provided by (used in) financing activities(52,744)(39,11)Effect of exchange rate changes on cash and cash equivalents233(1,00,116)Increase (decrease) in cash and cash equivalents(13,146)28,4Cash and cash equivalents at beginning of year97,14984,0	Purchases of investments in other securities		(6,933)
Proceeds from redemption of investment securities3.0Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation10,1Decrease (increase) in short-term loans receivable(275)(22Payments of long-term loans receivable(187)(4Collection of long-term loans receivable(187)(4Other(598)1Net cash provided by (used in) investing activities(42,483)16,2Financing Activities(42,483)16,2Proceeds from long-term loans payable9,714(8,82Proceeds from long-term loans payable35,57739,0Repayment of long-term loans payable(106,116)(69,84Proceeds from issuance of bonds15,00010,0Purchases of treasury stock(23)(21Proceeds from sales of treasury stock1(23)Proceeds from sales of treasury stock1(23)Cash dividends paid(5,797)(6,99)Repayment to minority shareholders(10,015)Pinance lease principal payments(10,015)Net cash provided by (used in) financing activities(52,744)Effect of exchange rate changes on cash and cash equivalents233Increase (decrease) in cash and cash equivalents(13,146)			53,296
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation—10,1Decrease (increase) in short-term loans receivable(275)(29Payments of long-term loans receivable(187)(9Collection of long-term loans receivable33733Other(598)1Net cash provided by (used in) investing activities(42,483)16,2Financing Activities9,714(8,85)Increase (decrease) in short-term loans payable9,714(8,85)Proceeds from long-term loans payable9,714(8,85)Proceeds from long-term loans payable(106,116)(69,8)Proceeds from long-term loans payable(106,116)(69,8)Proceeds from issuance of bonds15,00010,00Purchases of treasury stock1(23)(23)Proceeds from sales of treasury stock1(5,797)(6,99)Repayment to minority shareholders(83)(1,60)(1,60)Finance lease principal payments(1,015)(99)(99)Net cash provided by (used in) financing activities(52,744)(39,11)Effect of exchange rate changes on cash and cash equivalents233(1,00)Increase (decrease) in cash and cash equivalents(13,146)28,40Cash and cash equivalents at beginning of year97,14984,00			3,000
change in scope of consolidation–10,1Decrease (increase) in short-term loans receivable(275)(23Payments of long-term loans receivable(187)(9Collection of long-term loans receivable33733Other(598)1Net cash provided by (used in) investing activities(42,483)16,2Financing Activities(42,483)16,2Proceeds from long-term loans payable9,714(8,83)Proceeds from long-term loans payable35,57739,0Repayment of long-term loans payable(106,116)(69,8)Proceeds from issuance of bonds15,00010,0Purchases of treasury stock(23)(23)Proceeds from sales of treasury stock16,99Repayment to minority shareholders(8,3)(1,69)Repayment to minority shareholders(10,015)(99)Net cash provided by (used in) financing activities(52,744)(39,11)Effect of exchange rate changes on cash and cash equivalents233(1,00)Increase (decrease) in cash and cash equivalents233(1,02)Increase (decrease) in cash and cash equivalents233(1,04)Cash and cash equivalents at beginning of year97,14984,00	· ·		
Payments of long-term loans receivable(187)(4)Collection of long-term loans receivable33733Other(598)1Net cash provided by (used in) investing activities(42,483)16,2Financing Activities(42,483)16,2Increase (decrease) in short-term loans payable9,714(8,83)Proceeds from long-term loans payable35,57739,0Repayment of long-term loans payable(106,116)(69,8-Proceeds from issuance of bonds15,00010,0Purchases of treasury stock(23)(2Proceeds from sales of treasury stock1(5,797)Repayment to minority shareholders(83)(1,69,90)Finance lease principal payments(1,015)(99,91)Net cash provided by (used in) financing activities(52,744)(39,10)Effect of exchange rate changes on cash and cash equivalents233(1,00,10,0)Increase (decrease) in cash and cash equivalents233(1,00,10,0)Cash and cash equivalents at beginning of year97,14984,00	change in scope of consolidation	—	10,111
Collection of long-term loans receivable337337Other(598)1Net cash provided by (used in) investing activities(42,483)16,2Financing Activities(42,483)16,2Increase (decrease) in short-term loans payable9,714(8,83Proceeds from long-term loans payable35,57739,0Repayment of long-term loans payable(106,116)(69,8-Proceeds from issuance of bonds15,00010,0Purchases of treasury stock(23)(2Proceeds from sales of treasury stock11Cash dividends paid(5,797)(6,99Repayment to minority shareholders(83)(1,69Finance lease principal payments(1,015)(99Net cash provided by (used in) financing activities(52,744)(39,14Effect of exchange rate changes on cash and cash equivalents233(1,00Increase (decrease) in cash and cash equivalents(13,146)28,4Cash and cash equivalents at beginning of year97,14984,0	Decrease (increase) in short-term loans receivable	(275)	(250)
Other(598)1Net cash provided by (used in) investing activities(42,483)16,2Financing Activities(42,483)16,2Increase (decrease) in short-term loans payable9,714(8,83)Proceeds from long-term loans payable35,57739,0Repayment of long-term loans payable(106,116)(69,8-Proceeds from issuance of bonds15,00010,0Purchases of treasury stock(23)(23)Proceeds from sales of treasury stock1(69,9-Cash dividends paid(5,797)(6,99-Repayment to minority shareholders(83)(1,60-Finance lease principal payments(1,015)(99-Net cash provided by (used in) financing activities(52,744)(39,14)Effect of exchange rate changes on cash and cash equivalents233(1,0-Increase (decrease) in cash and cash equivalents(13,146)28,4Cash and cash equivalents at beginning of year97,14984,0	Payments of long-term loans receivable	(187)	(58)
Net cash provided by (used in) investing activities(42,483)16,2Financing Activities(42,483)16,2Increase (decrease) in short-term loans payable9,714(8,83)Proceeds from long-term loans payable35,57739,0Repayment of long-term loans payable(106,116)(69,8-Proceeds from issuance of bonds15,00010,0Purchases of treasury stock(23)(2Proceeds from sales of treasury stock1(5,797)Cash dividends paid(5,797)(6,99)Repayment to minority shareholders(10,115)(99)Net cash provided by (used in) financing activities(52,744)(39,10)Effect of exchange rate changes on cash and cash equivalents233(1,00)Increase (decrease) in cash and cash equivalents(13,146)28,4Cash and cash equivalents at beginning of year97,14984,0	Collection of long-term loans receivable	337	309
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Increase (decrease) in short-term loans payable9,714(8,83)Proceeds from long-term loans payable35,57739,0Repayment of long-term loans payable(106,116)(69,8)Proceeds from issuance of bonds15,00010,0Purchases of treasury stock(23)(2Proceeds from sales of treasury stock1(6,9)Cash dividends paid(5,797)(6,9)Repayment to minority shareholders(83)(1,60)Finance lease principal payments(1,015)(9)Net cash provided by (used in) financing activities(52,744)(39,10)Effect of exchange rate changes on cash and cash equivalents233(1,00)Increase (decrease) in cash and cash equivalents(13,146)28,4Cash and cash equivalents at beginning of year97,14984,0		(42,483)	16,270
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		97,149	
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(Significant Subsequent Events)

On October 7, 2015, the company executed a basic agreement (hereinafter, "the MOU") with Tokushu Tokai Paper Co., Ltd. (hereinafter, "Tokushu Tokai Paper") concerning their containerboard and sack & general purpose kraft paper sales business (hereinafter, "the Business"). This MOU covers the demerger of the manufacturing business at Shimada Mill of Tokushu Tokai Paper (hereinafter, "Shimada Mill") and the Company's investment in the New Manufacturing Company (defined later) (hereinafter, "the Investment") and the integration of their sales functions of the Business (hereafter, the transactions stated above are collectively referred to as "the Business Alliance").

Based on the MOU, the Board of Directors resolved on April 25, 2016 that the Company conduct the integration agreement (hereinafter, "the Integration Agreement"), which contains the terms and conditions of the Business Alliance, and the shareholders' agreements (hereinafter, "the Shareholders' Agreements"), which prescribe to jointly operate the New Manufacturing Company and the New Sales Company (defined later).

This Business Alliance is subject to the approval by the Japan Fair Trade Commission.

1. Background and objectives of the Business Alliance

The Japanese paper industry business environment remains challenging amid rising wastepaper prices and excessive production capacity.

Based on the recognition that cost and quality competition is set to increase further in the future, the Company and Tokushu Tokai Paper concluded the Integration Agreement on the Business Alliance based on the MOU to strengthen the cost and quality competitiveness of the Shimada Mill as well as establishing an efficient sales structure and improving service levels in the Business while having mutually equal spirit.

2. Scheme of the Business Alliance

① Process of the New Manufacturing Company Split and the Share Undertaking

(i) Tokushu Tokai Paper to establish a new company for the demerger of Shimada Mill

(ii) Tokushu Tokai Paper to conduct an absorption-type company split by which rights and obligations, including the manufacturing function of the Business of Tokushu Tokai Paper, that Tokushu Tokai Paper owns related to its business operated in Shimada Mill will be transferred to the New Manufacturing Company (the New Manufacturing Company Split).

(iii)The Company to undertake the shares in the New Manufacturing Company, amounting to 6,250 million Japanese yen (the Share Undertaking).

(iv)As a result of (ii) and (iii) above, the Company will hold 122,500 shares (35%), and Tokushu Tokai Paper will hold 227,500 shares (65%) in the New Manufacturing Company.

2 Process of the New Sales Company Split

(i) The Company to establish a new company for the integration of their sales functions of the Business.

(ii) The Company and Tokushu Tokai Paper to conduct an absorption-type company split respectively by which rights and obligations, that the Company and Tokushu Tokai Paper respectively own related to their sales functions of the Business, will be transferred to the New Sales Company (the New Sales Company Split).

(iii)As a result of (ii) above, the Company will hold 84,500 shares (65%), and Tokushu Tokai Paper will hold 45,500 shares (35%) in the New Sales Company Split.

(1)	Company name	Tokushu Tokai Paper Co., Ltd.
(2)	Location	4379 Mukaijima-cho, Shimada City,Shizuoka, Japan
(3)	Title and name of representative	Yuji Matsuda, President & Representative Director
(4)	Capital	11,485 million yen (as of December 31, 2015)
(5)	Business description	Manufacture, processing and sale of paper pulp, and management of subsidiaries, etc.

3. Overview of the counter party to the Business Alliance

4. Schedule of the Business Alliance

Conclusion of the MOU concerning the Business Alliance	7 October 2015
Resolution of the Board of Directors	25 April 2016
Conclusion of the Integration Agreement and the Shareholders' Agreements	25 April 2016
Conclusion of the New Manufacturing Company Split Agreement	By the end of May 2016 (tentative)
Tokushu Tokai Paper General Meeting of Shareholders (Note1)	24 June 2016 (tentative)
Conclusion of the New Sales Company Split Agreement	By the middle of August 2016 (tentative)
Conclusion of the Share Undertaking Agreement	August 2016 (tentative)
Completion of the transactions (Note2)	1 October 2016 (tentative)

(Note1) The Company and Tokushu Tokai Paper plan to conduct the New Sales Company Split without obtaining the approval of their shareholders meetings in accordance with the procedures for short from company splits under the provisions of Article 784, Paragraph 2

of the Companies Act., (Note2) Effective date of the New Manufacturing Company Split, the Share Undertaking and the New Sales Company Split

5. Future Outlook

The Company is currently examining the impact on its consolidated financial results.