

## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 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 Financial Report submission: February 13, 2017  
 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 Nine Months Ended December 2016 (April 1, 2016–December 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 income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2016	726,735	-4.0	16,642	6.4	21,551	-2.3	-6,287	-
Nine months ended December 31, 2015	756,946	-3.9	15,646	-18.8	22,050	10.9	14,211	-48.3

Note: Comprehensive income

Nine months ended December 2016	-5,866 million yen	(-%)
Nine months ended December 2015	4,185 million yen	(-91.1 %)

	Net income per share	Net income per share after adjusting for dilution
	Yen	Yen
Nine months ended December 31, 2016	-54.32	–
Nine months ended December 31, 2015	122.77	–

(2) Consolidated Financial Status

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2016	1,394,144	403,253	28.5
As of March 31, 2016	1,390,918	424,685	30.3

Reference: Shareholders' equity As of December 31, 2016 397,640 million yen  
As of March 31, 2016 422,000 million yen

2. Dividend Status

	Dividends per share				
	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
Fiscal year ended March, 2016	—	30.00	—	30.00	60.00
Fiscal year ending March, 2017	—	30.00	—		
Fiscal year ending March, 2017 (Projection)	—	—	—	30.00	60.00

Note: Recent revisions to dividend projection /No

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		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full fiscal year	990,000	-1.7	28,000	23.8	28,000	63.5	1,000	-58.8	8.64

Note: Recent revisions to the projection of the consolidated financial results /No

4. Others

[1] Has the Company made any important changes in its subsidiaries (changes in specified subsidiaries which results in changes in the scope of consolidation)? /Yes

New One Company (Company name: ) Nippon Dynawave Packaging Co.

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? /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

- [4] Number of issued and outstanding shares (common stock)
- (i) Number of issued and outstanding shares (including treasury stock) as of:
- |                   |                    |
|-------------------|--------------------|
| December 31, 2016 | 116,254,892 Shares |
| March 31, 2016    | 116,254,892 Shares |
- (ii) Number of treasury stock as of:
- |                   |                |
|-------------------|----------------|
| December 31, 2016 | 514,729 Shares |
| March 31, 2016    | 507,381 Shares |
- (iii) Average number of shares during the periods of:
- |                                     |                    |
|-------------------------------------|--------------------|
| Nine months ended December 31, 2016 | 115,744,273 Shares |
| Nine months ended December 31, 2015 | 115,766,456 Shares |

\* Presentation of implementation status of quarterly review procedure

This “Summary of Consolidated Financial Results for the Nine Months Ended December, 2016” 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:

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 Nine Months Ended December 2016 (April 1, 2016–December 31, 2016)**

Operating results by business segment are as follows:

Pulp and Paper:

Consolidated net sales	¥602,759 million	(down 3.0% year-on-year)
Consolidated operating income	¥ 7,555 million	(down 21.7% year-on-year)

Paper-Related:

Consolidated net sales	¥ 67,444 million	(down 0.3% year-on-year)
Consolidated operating income	¥ 3,956 million	(up 87.4% year-on-year)

Wood Products and Construction Related:

Consolidated net sales	¥ 42,600 million	(down 5.3% year-on-year)
Consolidated operating income	¥ 3,213 million	(up 34.4% year-on-year)

Other:

Consolidated net sales	¥ 13,930 million	(down 39.4% year-on-year)
Consolidated operating income	¥ 1,915 million	(up 28.6% year-on-year)

## 2. Supplementary Financial Results Presentation Materials for the Nine Months Ended December 31, 2015

### (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2016	As of Dec 31, 2016
<b>Assets</b>		
Current assets		
Cash and deposits	112,510	44,233
Notes and accounts receivable-trade	192,941	245,213
Merchandise and finished goods	79,529	78,593
Work in process	18,299	24,278
Raw materials and supplies	60,244	58,814
Other	39,934	48,206
Allowance for doubtful receivables	(547)	(656)
Total current assets	502,912	498,682
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	485,784	494,911
Accumulated depreciation	(353,073)	(364,519)
Buildings and structures, net	132,711	130,391
Machinery, equipment and vehicles	2,161,323	2,233,425
Accumulated depreciation	(1,879,807)	(1,953,834)
Machinery, equipment and vehicles, net	281,515	279,591
Land	215,084	217,809
Construction in progress	14,101	17,795
Other	65,098	74,535
Accumulated depreciation	(39,213)	(41,265)
Other, net	25,884	33,270
Total property, plant and equipment	669,298	678,859
Intangible assets		
Goodwill	9,747	14,754
Other	5,543	5,075
Total Intangible assets	15,291	19,830
Investments and other assets		
Investments in securities	180,782	177,019
Other	23,223	20,331
Allowance for doubtful receivables	(590)	(579)
Total investments and other assets	203,416	196,771
Total noncurrent assets	888,006	895,461
<b>Total assets</b>	<b>1,390,918</b>	<b>1,394,144</b>

(Millions of yen)

	As of March 31, 2016	As of Dec 31, 2016
<b>Liabilities</b>		
Current liabilities		
Notes and account payable-trade	113,354	139,225
Short-term loans payable	243,366	257,669
Current portion of bonds	13,000	23,000
Accrued income taxes	4,147	3,786
Other	76,043	113,239
Total current liabilities	449,912	536,920
Long-term liabilities		
Bonds payable	60,000	50,000
Long-term loans payable	385,725	336,778
Accrued environmental costs	470	397
Net defined benefit liability	42,210	39,891
Other	27,913	26,902
Total long-term liabilities	516,320	453,969
<b>Total liabilities</b>	966,233	990,890
<b>Net assets</b>		
Shareholders' equity		
Common stock	104,873	104,873
Capital surplus	217,104	216,531
Retained earnings	82,215	58,792
Treasury stock, at cost	(1,378)	(1,392)
Total shareholders' equity	402,814	378,805
Accumulated other comprehensive income		
Net unrealized holding gain on other securities	18,974	19,873
Net deferred gain on hedges	(1,193)	1,884
Translation adjustments	15,088	9,745
Remeasurements of defined benefit plans	(13,683)	(12,667)
Total accumulated other comprehensive income	19,185	18,835
Non-controlling interests	2,685	5,613
<b>Total net assets</b>	424,685	403,253
<b>Total liabilities and net assets</b>	1,390,918	1,394,144

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

	(Millions of yen)	
	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Net sales	756,946	726,735
Cost of sales	601,722	575,268
Gross profit	155,223	151,467
Selling, general and administrative expenses		
Freightage related expenses	46,055	45,458
Sales related expenses	44,075	42,138
Salaries and allowances	28,962	27,758
Other	20,483	19,469
Total selling, general and administrative expenses	139,576	134,824
Operating income	15,646	16,642
Other income		
Interest income	249	640
Dividend income	2,244	1,723
Equity in earnings of affiliates	2,593	4,924
Foreign exchange gains	8,158	4,324
Other	2,756	3,271
Total other income	16,002	14,883
Other expenses		
Interest expense	7,518	6,797
Other	2,079	3,176
Total other expenses	9,598	9,974
Ordinary income	22,050	21,551
Extraordinary income		
Gain on sales of investment securities	16,879	7,320
Gain on sales of non-current assets	167	1,207
Other	473	183
Total extraordinary income	17,520	8,711
Extraordinary loss		
Loss on business withdrawal	—	23,755
Loss on retirement of non-current assets	1,300	2,229
Loss on sales of shares of subsidiaries	16,496	—
Other	6,302	3,358
Total extraordinary loss	24,100	29,343
Income before income taxes and minority interests in consolidated subsidiaries	15,470	919
Income taxes—current	2,623	4,621
Income taxes—deferred	(1,182)	2,511
Total income taxes	1,440	7,133
Profit	14,029	(6,213)
Profit attributable to non-controlling interests	(181)	73
Profit attributable to owners of parent	14,211	(6,287)

- Consolidated Statements of Comprehensive Income -

(Millions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Income before minority interests	14,029	(6,213)
Other comprehensive income		
Net unrealized holding gain (loss) on other securities	898	778
Net deferred gain (loss) on hedges	(916)	2,958
Translation adjustments	(6,851)	(6,668)
Remeasurements of defined benefit plans, net of tax	497	873
Share of other comprehensive income of affiliates accounted for using the equity method	(3,472)	2,405
Total other comprehensive income	(9,844)	347
Comprehensive income	4,185	(5,866)
(Details)		
Comprehensive income attributable to owners of parent	4,593	(5,816)
Comprehensive income attributable to non-controlling	(408)	(49)