

March 29, 2017

Company name : Nippon Paper Industries Co., Ltd.
 Representative : Fumio Manoshiro, President
 (Stock code: 3863, First Section, TSE)

Nippon Paper Industries Announces Fixed Asset Transfer and Recording of Extraordinary Income

Nippon Paper Industries Co., Ltd. (the Company) announces that at the meeting of the Board of Directors held on March 29, 2017, the Company decided to transfer the following fixed assets.

1. Reason for the Transfer

The Company is restructuring the production system of liquid packaging carton business and will cease production at Soka Paper-Pak Co., Ltd. (Soka-shi, Saitama, hereinafter Soka Paper-Pak) at the end of July 2017. The Company has now decided to transfer the land and building used by Soka Paper-Pak to ensure the effective use of management resources. Soka Paper-Pak plans to continue operating until the end of July 2017 regardless of the transfer.

2. Summary of Assets to be Transferred

Asset details and address	Transfer value	Book value
Land: 26,036.29 m ² and building (5-758 Matsue, Soka-shi, Saitama)	6,530 million yen	366 million yen

3. Summary of the Transferee

(1) Name	Daiwa House Industry Co., Ltd.	
(2) Location	3-3-5 Umeda, Kita-ku, Osaka	
(3) Title and name of representative	Naotake Ohno, President and Representative Director	
(4) Operations	General construction business	
(5) Capital	161,699 million yen (as of December 31, 2016)	
(6) Establishment date	March 4, 1947	
(7) Net asset	1,248,011 million yen (as of December 31, 2016)	
(8) Total asset	3,452,571 million yen (as of December 31, 2016)	
(9) Major shareholders and shareholding ratios	The Master Trust Bank of Japan, Ltd. (Trust Account) 5.92% Japan Trustee Services Bank, Ltd. (Trust Account) 5.42% (as of September 30, 2016)	
(10) Relationship between the Company and Daiwa House Industry	Capital relationships	No
	Personnel Relationships	No
	Transaction relationships	No
	Status of related party	No

4. Transfer Schedule

(1) Resolution by the Board of Directors of the Company	March 29, 2017
(2) Contract conclusion	March 30, 2017
(3) Property transfer	March 30, 2017

5. Future Outlook

The Company expects the property transfer to produce a net gain on sales of about 5,800 million yen, excluding expenses, etc., and will record it as extraordinary income in the fiscal year ending March 31, 2017.

The projection of consolidated financial results for the fiscal year ending March 31, 2017 is undergoing scrutiny, and where revisions need to be made to the projection, the Company will disclose the information as soon as possible.