

February 6, 2019

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

Notice of Extraordinary Loss and Revisions to Projections for Consolidated Financial Results for the Fiscal Year Ending March 2019(April 1, 2018 – March 31, 2019)

Nippon Paper Industries Co., Ltd. (the Company) announces extraordinary losses in the third quarter of the fiscal year ending March 31, 2019 as follows.

In addition, projection for consolidated financial results for the fiscal year ending March 31, 2019 (from April 1, 2018 to March 31, 2019) have been revised as follows based on its recent performance.

1. Extraordinary Loss

(1) Provision for environmental measures

With regard to "Nippon Paper Industries Announces Handling of PCB Waste" announced on January 25, 2019, the Company posted a total of 13.7 billion yen for PCB Waste Disposal Expenses.

(2) Impairment loss

Based on the Accounting Standard for Impairment of Fixed Assets, there were signs of impairment in fixed assets in the newsprint business. As a result of examining the collectability, the book value was devalued to its recoverable value and an impairment loss of 12.6 billion yen was recorded.

2. Revisions to Projections for Consolidated Financial Results for the Fiscal Year Ending March 2019
(April 1, 2018-March 31, 2019)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previously announced projection (A)	1,080,000	20,000	23,000	-8,000	-69.13
Revised projection (B)	1,080,000	18,000	21,000	-40,000	-345.64
Change (B – A)	—	-2,000	-2,000	-32,000	—
Rate of change (%)	—	-10.0	-8.7	—	—
(Reference) Fiscal Year Ended March 2018	1,046,499	17,613	18,649	7,847	67.80

3. Reasons for the Revisions

Taking into account the performance trends up to the third quarter of the fiscal year ending March 31, 2019, the Company expects operating income and ordinary income to fall below the previous forecast.

In addition, profit attributable to owner of the parent is expected to be lower than the previous forecast as a result of recording the provision for environmental measures and impairment loss as extraordinary loss as described in "1."

(Note) The projections presented above are based on the information available at the time of announcement. Actual results may differ from the projection due to variety of reasons.