

## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2019(unaudited)

Name of Company Listed:	Nippon Paper Industries Co., Ltd.
Stock Exchange Listings:	Tokyo
Code Number:	3863
URL:	<a href="https://www.nipponpapergroup.com/english/">https://www.nipponpapergroup.com/english/</a>
Representative:	Toru Nozawa, President
Person in Charge of Contact:	Hikomichi Matoba, General Manager of Accounting & Budgeting Dept. TEL +81-(0)3-6665-1111
Planned date of Financial Report submission:	February 13, 2020
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 2019 (April 1, 2019–December 31, 2019)

#### (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, 2019	784,243	-2.2	21,872	92.7	20,391	41.0	10,392	-
Nine months ended December 31, 2018	801,738	2.4	11,353	-2.1	14,466	7.6	-38,923	-

Note: Comprehensive income

Nine months ended December 2019	13,079 million yen	(- %)
Nine months ended December 2018	-44,842 million yen	(- %)

	Net income per share	Net income per share after adjusting for dilution
	Yen	Yen
Nine months ended December 31, 2019	89.82	-
Nine months ended December 31, 2018	-336.34	-

#### (2) Consolidated Financial Status

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2019	1,390,274	401,604	28.1
As of March 31, 2019	1,390,814	395,343	27.7

Reference: Shareholders' equity	As of December 31, 2019	391,343 million yen
	As of March 31, 2019	385,158 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, 2019	—	0.00	—	30.00	30.00
Fiscal year ending March, 2020	—	10.00	—		
Fiscal year ending March, 2020 (Projection)				30.00	40.00

Note: Recent revisions to dividend projection /No

## 3. Projection of Consolidated Financial Results for the Fiscal Year Ending March 2020 (April 1, 2019–March 31, 2020)

(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	1,070,000	0.1	30,000	52.9	28,000	17.1	13,000	-	112.40

Note: Recent revisions to 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 — (Company name:)

Eliminated 1 (Company name:) Daishowa North America Corporation

[2] Has the Company adopted a specific accounting method for preparation of quarterly consolidated financial statements? /No

[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, 2019 116,254,892 Shares

March 31, 2019 116,254,892 Shares

(ii) Number of treasury stock as of:

December 31, 2019 745,373 Shares

March 31, 2019 531,879 Shares

(iii) Average number of shares during the periods of:

Nine months ended December 31, 2019 115,705,911 Shares

Nine months ended December 31, 2018 115,727,261 Shares

\* The quarterly review for quarterly consolidated financial statements is exempt.

\*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.

<https://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 31, 2019 (April 1, 2019–December 31, 2019)**

Operating results by business segment are as follows:

Paper and Paperboard:

Consolidated net sales	¥536,278 million (down 3.5% year-on-year)
Consolidated operating income	¥ 3,536 million (¥-9,534 million for the same period of previous year)

Daily-life Products:

Consolidated net sales	¥ 156,842 million (up 2.6% year-on-year)
Consolidated operating income	¥ 8,047 million (down 13.4% year-on-year)

Energy

Consolidated net sales	¥ 23,619 million (down 11.9% year-on-year)
Consolidated operating income	¥ 4,402 million (down 25.6% year-on-year)

Wood Products and Construction Related:

Consolidated net sales	¥44,498 million (up 3.3% year-on-year)
Consolidated operating income	¥3,886 million (up 7.9% year-on-year)

**2. Revisions to Projections for Consolidated Financial Results for the Fiscal Year Ending March 2020 (April 1, 2019–March 31, 2020)**

The projection for the full-year consolidated financial results announced on November 6, 2019 has not been changed. When the projection is needed to be revised, we will immediately disclose the information on it.

### 3. Supplementary Financial Results Presentation Materials for the Nine Months Ended December 31, 2019

#### (1) Consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2019	As of December 31, 2019
<b>Assets</b>		
Current assets		
Cash and deposits	63,455	38,089
Notes and accounts receivable-trade	234,671	249,006
Merchandise and finished goods	87,025	89,603
Work in process	20,518	23,343
Raw materials and supplies	70,351	69,316
Other	39,933	42,125
Allowance for doubtful accounts	(550)	(529)
Total current assets	515,407	510,954
Non-current assets		
Property, plant and equipment		
Buildings and structures	504,094	504,221
Accumulated depreciation	(368,097)	(372,568)
Buildings and structures, net	135,997	131,653
Machinery, equipment and vehicles	2,217,462	2,210,727
Accumulated depreciation	(1,930,080)	(1,936,391)
Machinery, equipment and vehicles, net	287,382	274,336
Land	199,435	198,066
Construction in progress	22,096	40,363
Other	73,376	74,257
Accumulated depreciation	(40,674)	(41,306)
Other, net	32,701	32,951
Total property, plant and equipment	677,613	677,371
Intangible assets	11,137	9,480
Investments and other assets		
Investments in securities	159,198	167,440
Other	28,160	25,700
Allowance for doubtful accounts	(703)	(673)
Total investments and other assets	186,655	192,467
Total non-current assets	875,406	879,320
<b>Total assets</b>	<b>1,390,814</b>	<b>1,390,274</b>

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
<b>Liabilities</b>		
Current liabilities		
Notes and account payable-trade	145,132	143,695
Short-term loans payable	224,227	203,000
Current portion of bonds	10,000	15,000
Commercial papers	—	30,000
Income taxes payable	5,156	2,629
Other	93,349	94,683
Total current liabilities	477,866	489,010
Non-current liabilities		
Bonds payable	50,000	35,000
Long-term loans payable	401,474	395,416
Provision for environmental measures	14,780	14,605
Net defined benefit liability	13,776	13,402
Other	37,571	41,234
Total non-current liabilities	517,603	499,659
Total liabilities	995,470	988,669
Net assets		
Shareholders' equity		
Capital stock	104,873	104,873
Capital surplus	216,414	216,414
Retained earnings	35,265	41,027
Treasury shares	(1,427)	(1,836)
Total shareholders' equity	355,125	360,478
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	21,274	26,219
Deferred gains or losses on hedges	(2,283)	(2,223)
Foreign currency translation adjustment	15,419	11,012
Remeasurements of defined benefit plans	(4,377)	(4,143)
Total accumulated other comprehensive income	30,033	30,865
Non-controlling interests	10,184	10,260
Total net assets	395,343	401,604
<b>Total liabilities and net assets</b>	<b>1,390,814</b>	<b>1,390,274</b>

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

	(Millions of yen)	
	Nine months ended December 2018	Nine months ended December 2019
Net sales	801,738	784,243
Cost of sales	655,711	629,371
Gross profit	146,026	154,871
Selling, general and administrative expenses		
Freightage related expenses	49,749	49,578
Sales related expenses	37,690	36,292
Salaries and allowances	26,433	26,237
Other	20,800	20,891
Total selling, general and administrative expenses	134,673	132,999
Operating income	11,353	21,872
Non-operating income		
Interest income	242	350
Dividend income	1,984	1,645
Share of profit of entities accounted for using equity method	9,293	3,303
Other	2,713	2,678
Total non-operating income	14,234	7,977
Non-operating expenses		
Interest expense	5,524	4,866
Other	5,596	4,592
Total non-operating expenses	11,120	9,458
Ordinary income	14,466	20,391
Extraordinary income		
Gain on liquidation of subsidiaries	—	1,337
Gain on sales of non-current assets	839	652
Other	1,653	165
Total extraordinary income	2,493	2,154
Extraordinary loss		
Loss on impairment	13,801	1,847
Loss on retirement of non-current assets	1,708	1,561
Loss on revaluation of investment securities	365	1,345
Loss on reorganization of production structure	18,000	—
Provision for environmental measures	13,700	—
Other	7,382	1,713
Total extraordinary loss	54,959	6,468
Profit (loss) before income taxes	(37,999)	16,078
Income taxes—current	2,235	3,393
Income taxes—deferred	(2,945)	498
Total income taxes	(709)	3,891
Profit(loss)	(37,289)	12,186
Profit attributable to non-controlling interests	1,633	1,793
Profit(loss) attributable to owners of parent	(38,923)	10,392

- Consolidated Statements of Comprehensive Income -

	(Millions of yen)	
	Nine months ended December 2018	Nine months ended December 2019
Profit (loss)	(37,289)	12,186
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,148)	4,971
Deferred gains on hedges	1,580	845
Foreign currency translation adjustment	(3,562)	(5,081)
Remeasurements of defined benefit plans	(993)	101
Share of other comprehensive income of entities accounted for using equity method	(428)	55
Total other comprehensive income	(7,552)	892
Comprehensive income	(44,842)	13,079
(Details)		
Comprehensive income attributable to owners of parent	(46,961)	11,224
Comprehensive income attributable to non-controlling interests	2,118	1,854