

November 5, 2020

Company name : Nippon Paper Industries Co.,Ltd.

Representative :Toru Nozawa, President

(Stock code :3863, First Section,TSE)

### **Notice on Recording of Extraordinary Income**

Nippon Paper Industries Co., Ltd. (hereinafter “the Company”, headquartered in Chiyoda-ku, Tokyo) hereby announces that it recorded extraordinary income for the first six months of the fiscal year ending March 31, 2021 (April 1, 2020 – September 30, 2020) and expects to post extraordinary income for the fiscal year ending March 31, 2021, reflecting the planned transfer of investment securities.

#### 1. Recording of extraordinary income

##### (1) Recording of gain on sale of investment securities (extraordinary income)

To improve asset efficiency, the Company has sold part of the investment securities held by the Company and its subsidiaries and has recorded gain on sale of investment securities as described below.

(i) Stocks sold

7 stocks (listed and unlisted securities)

(ii) Period of sales

From April 1, 2020 to September 30, 2020

(iii) Gain on sale of investment securities

5.8 billion yen (of which 5.0 billion yen was recorded as extraordinary income in the first six month of the fiscal year ending March 31, 2021)

##### (2) Prospect of posting gain on sale of investment securities (extraordinary income)

The Company and its subsidiaries decided today to conclude a share repurchase agreement under which the Company and its subsidiaries will transfer all shares held in Japan Brazil Paper and Pulp Resources Development Co., Ltd.

The share transfer is planned to be implemented upon completion of the prescribed procedures, including an extraordinary meeting of shareholders of Japan Brazil Paper and Pulp Resources Development Co., Ltd., and upon satisfaction of certain terms and conditions.

(i) Investment securities to be transferred by the Company and its subsidiaries

All shares held by the Company and its subsidiaries in Japan Brazil Paper and Pulp Resources Development Co., Ltd.

(ii) Gain on sale of investment securities

8.5 billion yen

(iii) Transferee

Japan Brazil Paper and Pulp Resources Development Co., Ltd.

## 2. Outlook for the future

The business forecast for the consolidated fiscal year ending March 31, 2021 remains unchanged from the forecast released on August 6, 2020. If it becomes necessary to revise the business forecast, the Company will make immediate disclosure.