



23 June 2023

Company name Nippon Paper Industries Co., Ltd

Name of representative Toru Nozawa,

President and Representative Director

**Notice of Extraordinary Loss regarding Withdrawal from White Pulp and Paper (Graphic Paper)
Business at Opal,
a Consolidated Overseas Subsidiary of the Company (Update on disclosed matter)**

Regarding 'Notice of Withdrawal from White Pulp and Paper (Graphic Paper) Business at Opal, a Consolidated Overseas Subsidiary of the Company' (hereinafter referred to as "Notice of Withdrawal from the Business") disclosed on 14 February 2023, we hereby announce the posting and expected occurrence of extraordinary losses related to the withdrawal from the business.

1. Progress of Recording and Expected Occurrence of Extraordinary Losses

As disclosed in Notice of Withdrawal from the Business, on February 14, 2023, Paper Australia Pty Ltd (hereinafter referred to as "Opal"), a consolidated subsidiary of the Company, decided to withdraw from the graphic paper business (resulting in permanent suspension of some manufacturing facilities at the Maryvale Mill) due to sudden and unexpected suspension of supply from VicForests (VF), a Victorian state-owned forestry business.

Based on the progress of withdrawal from the business, the Company expects to recognize approximately 4.9 billion yen as an extraordinary loss related to withdrawal from the business, including redundancy payments for personnel rationalization, in the first quarter of FY2024/3.

In addition, the Company expects to record in FY2024/3 an impairment loss of approximately 1.2 billion yen on fixed assets due to a recent decision to shut the M2 paper machine at the MV Mill from around late August 2023 in relation to unexpected suspension of supply from VF.

The rest of the estimated loss related to business withdrawal, including personnel rationalization, is under scrutiny.

2. Other important item

The impact of the above extraordinary loss on the consolidated earnings forecast for FY2024/3 has already been factored in and the earnings forecast will remain unchanged.