

Notice of Recording of non-operating income and reversal of deferred tax assets
 and Financial Results and Dividends for the Fiscal Year 2022 Ending March 2023.

Nippon Paper Industries Co., Ltd. (“the Company”) announces non-operating income (foreign exchange gains) was recorded and deferred tax assets were reversed during the first quarter of the fiscal year ended March 2023 (April 1, 2022 to June 30, 2022). In addition, we will announce the projection of financial results and dividends for the fiscal year ending March 31, 2023, which were stated as pending in the “Summary of Consolidated Financial Results for the Fiscal Year Ended March 2022 (unaudited)” released on May 13, 2022.

1. Recording of non-operating income (foreign exchange gain)

Due to exchange rate fluctuations, a foreign exchange gain of 3.344 billion yen was recorded as non-operating income.

This is mainly due to the revaluation of foreign currency-denominated loans at overseas subsidiaries, and this amount will fluctuate depending on future exchange rate conditions.

2. Reversal of deferred tax assets

After reviewing the recoverability of deferred tax assets based on future performance trends and other factors, a portion of deferred tax assets of ¥4.958 billion was reversed and the same amount was recorded as income taxes-deferred.

3. Projection of financial results

Projection of Consolidated Financial Results for Fiscal Year 2022(April 1, 2022 - March 31, 2023)

	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
Previous forecast (A)	—	—	—	—	—
Current Projection (B)	1,100,000	△20,000	△20,000	△25,000	△216.39
Increase/decrease (B – A)	—	—	—	—	—
Percentage increase/decrease (%)	—	—	—	—	—
Results for fiscal year 2021 ended March 2022	1,045,086	12,090	14,490	1,990	17.23

Consolidated earnings forecasts for the fiscal year ending March 2023 were undecided due to the fact that it was difficult to reasonably calculate the impact on the Group in light of the uncertainty regarding the trends in prices of coal and other raw materials and fuels. However, based on the actuals in the first quarter, we decided to publicize the forecasts based on information available at the time.

With drastic changes in the global situation, the prices of coal and other raw materials and fuels, as well as logistics expenses, remain high. In addition, the depreciation of the yen is spurring these developments. These unprecedented conditions are expected to continue until the end of the fiscal year under review. These unprecedented conditions are expected to continue until the end of the fiscal year under review. To achieve the goals of our Medium-Term Management Plan 2025, we will focus on accelerating efforts to reduce coal consumption, restructuring the paper business, and improving 「Opal」 profitability.

4. Projection of dividends

Projection of Dividends for Fiscal Year 2022(April 1, 2022 - March 31, 2023)

	Dividends per share				
	1 st quarter end	2 nd quarter end	3 rd quarter end	End of fiscal year	Annual
Previous forecast	Yen —	Yen —	Yen —	Yen —	Yen —
Current Projection	—	0.00	—	0.00	0.00
Results for fiscal year 2022 ending March 2023	—	—	—	—	—
Results for fiscal year 2021 ended March 2022	—	10.00	—	30.00	40.00

Our basic policy is to continue paying stable dividends to the greatest extent possible after comprehensively taking into account the Group's business performance and the enhancement of internal reserves. As for the dividend forecast for the fiscal year ending March 2023, the Company decided that the forecast for consolidated financial results was undecided. Based on the forecast for the fiscal year ending March 2023, it was determined that securing liquidity on hand and improving the financial foundation were the top priority, and the Company regrettably decided that it would not pay dividends. We would like to thank our shareholders for their deep apologies and thank you for your gradual understanding.

(Note) The earnings forecasts presented above are based on the information available as of the date when this release was issued.

Actual earnings performance in the future may differ from forecasts due to a variety of factors.