

June 1, 2015

Company name: Nippon Paper Industries Co., Ltd.

Representative: Fumio Manoshiro, President

(Stock code: 3863, First Section TSE)

ANNOUNCEMENT CONCERNING TRANSFER OF SHARES IN LEE & MAN PAPER MANUFACTURING LIMITED

Nippon Paper Industries Co., Ltd. (“the Company” ; President: Fumio Manoshiro) announces that it resolved at a meeting of the Board of Directors on June 1, 2015 to transfer the shares that the Company holds in Lee & Man Paper Manufacturing Limited (“L&M”).

1. Reason for the transfer of shares

As announced in the press release “ANNOUNCEMENT CONCERNING TERMINATION OF BUSINESS COLLABORATION AGREEMENT WITH AND TRANSFER OF SHARES IN LEE & MAN PAPER MANUFACTURING LIMITED” on April 24, 2015, upon the termination of the Business Collaboration Agreement, we have transferred a portion of our L&M shares to the founding family of L&M. We have received a request from the founding family of L&M of their wish to additionally increase their stake in L&M, and have accepted this offer, transferring a portion of our L&M shares.

As announced in the press release on April 24, 2015, L&M will remain to be our “Best partner” regarding the paper and pulp businesses in China, and we have agreed to continue our mutual relationship as a close partner.

2. Outline of the share transfer

As the Chairman and CEO of L&M, the founding family of L&M, have expressed their intention to acquire the Company’s L&M shares, we have entered into a Stock Purchase Agreement to transfer 200,000,000 shares (4.30%) for HK\$800 million, which represent a portion of the Company’s L&M shares held as of June 1, 2015.

3. Details of L&M

(As at May 29, 2015)

(1)	N a m e	Lee & Man Paper Manufacturing Limited
(2)	L o c a t i o n	(Registered Office) Cricket Square Hutchins Drive P.O.Box 2681 Grand Cayman KY1-1111 Cayman Island (Principal Office) 5th Floor, Liven House 61-63 King Yip Street Kwun Tong Kowloon Hong Kong
(3)	T i t l e a n d n a m e o f c o r p o r a t e r e p r e s e n t a t i v e	Lee Man Bun (CEO)
(4)	B u s i n e s s	Manufacture and sales of linerboards
(5)	C a p i t a l	HK\$117.402 million
(6)	D a t e o f i n c o r p o r a t i o n	May 21, 2003

(7)	Major shareholders and their holding ratios	Gold Best Holdings Ltd.	54.55%	
		Nippon Paper Industries Co., Ltd.	8.62%	
		Lee Man Chun Raymond	5.81%	
		Lee Man Bun	2.52%	
(8)	Relationship with the listed company	Capital relationship	The Company holds 401,015,679 shares of L&M, which is 8.62% of the number of shares outstanding	
		Personnel relationship	None	
		Trading relationship	None	
		Status regarding related parties	None	
(9)	Financial condition and business performance in the past 3 years (HK\$ million, except per share data, HK Cents for Consolidated net income per share)			
	Fiscal year	December, 2012	December, 2013	December, 2014
	Net assets	14,598	16,346	17,477
	Total assets	27,609	31,195	34,737
	Net assets per share	3.11	3.48	3.73
	Consolidated sales	11,424	16,970	17,099
	Consolidated net income	1,321	1,948	1,904
	Consolidated net income per share (Basic)	28.17	41.51	40.69
	Dividend per share	0.100	0.146	0.143

4. Schedule

(1)	Resolution at the meeting of the Board of Directors	June 1, 2015
(2)	Contract date of the share transfer agreement	June 1, 2015
(3)	Execution of share transfer	June 12, 2015
(4)	Completion of payment	June 12, 2015

5. Future Prospects

Upon the transfer of shares, approximately ¥4.1 billion of non-operating profit will be recorded for the first quarter of the fiscal year ending March 31, 2016. The total non-operating profit, together with the non-operating profit from the transfer of shares on April 24, 2015 will be approximately ¥10.6 billion. The Company will, if necessary, update and disclose its earnings forecast for the first six months and for the full-year of the fiscal year ending March 31, 2016, as soon as it becomes available.