

Fiscal Year Ended March 2007
Brief Note on Settlement of Accounts (Consolidated)
(News Flash)

Name of Company Listed: **Nippon Paper Group, Inc.**

Stock Exchange Listings: Tokyo, Osaka and Nagoya

Code Number: 3893

URL: <http://www.np-g.com>

Representative:

Title of Representative Person: President

Name of Representative Person: Masatomo Nakamura

Person in Charge of Contact:

Title of Contact Person: Director, Member of the Board

Name of Contact Person: Yukuo Fukunaga

Telephone: +81-(0)3-3218-9300

Planned date of the general meeting of shareholders: June 28, 2007

Planned date of the commencement of dividend payments: June 29, 2007

Planned date of submission of financial reports: June 29, 2007

(Amounts indicated are displayed with amounts of less than one million yen rounded off.)

1. Consolidated Results of Operations for the Accounting Period of Fiscal Year Ended March 2007 (April 1, 2006 to March 31, 2007)**(1) Consolidated Business Results**

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Accounting period of fiscal year ended March, 2007	1,175,264	(2.0)	44,655	(-7.7)	47,088	(-4.7)	22,952	(33.5)
Accounting period of fiscal year ended March, 2006	1,152,166	(-2.3)	48,391	(-25.8)	49,403	(-21.3)	17,192	(-29.4)

	Net income per share	Net income per share after adjusting for dilution	Return on equity	Ordinary margin on gross capital	Ordinary margin on net sales
	Yen	Yen	%	%	%
Accounting period of fiscal year ended March, 2007	21,570.23	—	5.2	3.1	3.8
Accounting period of fiscal year ended March, 2006	15,760.27	15,123.82	3.9	3.3	4.2

Reference: Investment income and loss accounted for by the equity method:

Accounting period of fiscal year ended March, 2007	2,540 million yen
Accounting period of fiscal year ended March, 2006	1,696 million yen

(2) Consolidated Financial Status

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Accounting period of fiscal year ended March, 2007	1,565,978	470,521	28.6	421,626.81
Accounting period of fiscal year ended March, 2006	1,492,427	440,316	29.5	413,525.41

Reference: Shareholders' equity

Accounting period of fiscal year ended March, 2007	448,564 million yen
Accounting period of fiscal year ended March, 2006	—

(3) Consolidated Cash Flow

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Accounting period of fiscal year ended March, 2007	75,359	-107,028	32,945	15,859
Interim accounting period of fiscal year ended March, 2006	132,054	-40,398	-96,550	13,963

2. Dividend Status

	Dividends per share			Amount of total dividends (Annual)	Dividend payout (Consolidated)	Ratio of dividends to net assets
	First Half	Second Half	Annual			
	Yen	Yen	Yen	Million yen	%	%
Accounting period of fiscal year ended March, 2006	4,000.00	4,000.00	8,000.00	8,527	50.8	2.0
Accounting period of fiscal year ended March, 2007	4,000.00	4,000.00	8,000.00	8,515	37.1	1.9
Accounting period of fiscal year ending March, 2008 (Projection)	4,000.00	4,000.00	8,000.00	—	85.1	—

3. Projection of Consolidated Results of Operations for the Fiscal Year Ending March 2008 (April 1, 2007–March 31, 2008)

(Percentages indicate the percentage increase/decrease compared with the same period of the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	yen
Interim accounting period	600,000	3.2	12,000	-39.2	12,000	-40.5	2,000	-71.0	1,879.89
Full fiscal year	1,210,000	3.0	30,000	-32.8	29,000	-38.4	10,000	-56.4	9,399.46

4. Others

(1) Has the Company made any important changes in its subsidiaries (changes in specified subsidiaries as a result of changes in the scope of consolidation)? No

(2) Changes in accounting principles, procedures, or methods concerning the preparation of consolidated financial statements (Changes that are presented as changes in important items that are used as basic materials for the preparation of consolidated financial statements)

(i) Has the Company made any changes following the revision of the Accounting Standard and others? Yes

(ii) Has the Company made any changes other than those described in (i)? No

(3) Number of issued and outstanding shares (common stock)

(i) Number of issued and outstanding shares at the end of the accounting periods (including treasury stock)

Accounting period of fiscal year ended March, 2007 1,105,235.63 shares

Accounting period of fiscal year ended March, 2006 1,105,235.63 shares

(ii) Number of treasury stock at the end of the accounting periods

Accounting period of fiscal year ended March, 2007 41,345.16 shares

Accounting period of fiscal year ended March, 2006 40,967.52 shares

(Reference) Outline of Non-Consolidated Results of Operations

1. Non-Consolidated Results of Operations for the Accounting Period of Fiscal Year Ended March 2007 (April 1, 2006 to March 31, 2007)

(1) Non-Consolidated Business Results

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Accounting period of fiscal year ended March, 2007	10,936	(3.8)	9,495	(0.8)	9,379	(0.5)	8,807	(-1.4)
Accounting period of fiscal year ended March, 2006	10,534	(-7.3)	9,415	(-7.0)	9,329	(-6.2)	8,929	(0.8)

	Net income per share	Net income per share after adjusting for dilution
	Yen	Yen
Accounting period of fiscal year ended March, 2007	8,273.91	—
Accounting period of fiscal year ended March, 2006	8,241.96	7,926.71

(2) Non-Consolidated Financial Status

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Accounting period of fiscal year ended March, 2007	619,140	402,987	65.1	378,651.92
Accounting period of fiscal year ended March, 2006	626,293	403,125	64.4	378,602.09

Reference: Shareholders' equity

Accounting period of fiscal year ended March, 2007	402,987 million yen
Accounting period of fiscal year ended March, 2006	—

* Explanation about appropriate use of business projections and other special remarks

Projected performance is predicted based on the information available at the time of the announcement. Actual performance may differ from projections due to a variety of factors.

This document is an English-language translation of the Japanese-language original.