

April 4, 2011  
Nippon Paper Group, Inc.

## Nippon Paper Group Restarts Operations at Nakoso Mill

We express our deepest sympathies to victims of the recent Tohoku-Pacific Ocean Earthquake. Our thoughts are with the victims of this disaster, and we hope for the rapid reconstruction of the devastated areas.

We are pleased to announce that Nippon Paper Industries Co., Ltd. (President: Yoshio Haga), our major subsidiary, is restarting certain equipment at Nakoso Mill (Iwaki, Fukushima), among the plants that ceased all operations in the wake of the earthquake. Details are as follows:

### 1. Restoration of Nakoso Mill

There were no casualties at Nakoso Mill, and the safety of all 210 employees has been confirmed.

The site of the mill was only slightly affected by the tsunami, and coating machines, the main equipment, have not suffered significant damage. However, a biomass boiler was damaged by the earthquake and stopped operating.

Before the restoration of the biomass boiler, the mill started to operate spare diesel generators and is restarting a coating machine dedicated to thermal paper on April 5 after trial operation. The mill will restart the remaining three coating machines one by one by mid-April.

The operation of the mill may be affected by difficulties procuring materials.

### 2. Status of two mills under complete closedown

Ishinomaki Mill, Nippon Paper Industries (Ishinomaki, Miyagi)

- The Mill remains in a state of complete closedown.
- Removal continues of dirt and rubble that were deposited on the mill grounds by the tsunami, as well as scattered materials.
- Although paper machines themselves suffered little damage, electronic equipment on the first floor was flooded. We are repairing and restoring the equipment.

Iwanuma Mill, Nippon Paper Industries (Iwanuma, Miyagi)

- The Mill remains in a state of complete closedown.
- Undamaged products are in the process of being shipped.
- We are striving to resume production quickly using paper machines that sustained only minor damage in the earthquake, once boiler operation is restarted.

### 3. Effect on performance

We are assessing the effect of the earthquake on the performance of the Company. Any material effects will be announced as soon as they are determined.