

Notice of Extraordinary Loss Recorded Due to the Great East Japan Earthquake and Revised Consolidated Earnings Forecast

Nippon Paper Group, Inc. is expected to record an extraordinary loss due to the Great East Japan Earthquake, which occurred on March 11, 2011, as shown below. As a consequence, the Company has revised its consolidated earnings forecast for the fiscal year ended March 2011, announced on April 25, 2011, as follows:

1. Extraordinary Loss Recorded due to the Great East Japan Earthquake

Nippon Paper Group is expected to record an extraordinary loss of about 63.0 billion yen for the fiscal year ended March 2011 due to the Great East Japan Earthquake. The extraordinary loss includes inventory valuation losses of about 12.0 billion yen, approximately 45.5 billion yen in costs required to repair fixed assets, a fixed cost for the period of suspension of operations, costs to complete restoration measures cost for mills, and other expenses.

2. Revisions to Consolidated Earnings Forecast for Fiscal 2010 (April 1, 2010 to March 31, 2011)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previous forecast (A)	Million yen 1,099,000	Million yen 35,000	Million yen 31,000	Million yen To be decided	Yen/hundredth of yen To be decided
Revised forecast (B)	1,099,000	35,000	31,000	-24,500	-211.56
Increase/decrease (B – A)	-	-	-	-	-
Percentage increase/decrease (%)	-	-	-	-	-
(Reference) Results for fiscal 2009	1,095,233	43,149	37,547	30,050	264.03

Reasons for Revision

The Group revised the consolidated earnings forecast for the fiscal year ended March 2011 as an extraordinary loss was recorded due to the Great East Japan Earthquake, as stated above.

(Note) The above forecast is made based on information currently available. Actual results may differ from projections due to a variety of factors.