Notice of Dissolution of Subsidiaries

Nippon Paper Group, Inc. announces that five subsidiaries have dissolved, as follows.

1. Dissolution of Shinyo Co., Ltd.

   (1) Corporate name: Shinyo Co., Ltd.
   (2) Head office location: 2-6-2 Shinko-cho, Iwakuni-shi, Yamaguchi Prefecture
   (3) Representative: Representative Director, Hisao Yasunaga
   (4) Line of business: Sale of lumber and building materials and real estate trading
   (5) Date of establishment: August 11, 1961
   (6) Amount of capital: 123 million yen
   (7) Total assets: 412 million yen (as of the end of February 2004)
   (8) Account end: March
   (9) Major shareholder: Nippon Paper Industries Co., Ltd. (100%)
   (10) Date of dissolution: March 1, 2004
   (11) Reason for dissolution: This company was engaged in the sale of lumber and building materials and real estate trading mainly in the Chugoku region. Its lumber and building materials business was integrated with Nippon Paper Group’s subsidiary Nippon Paper Lumber Co., Ltd. in October 2002. For the real estate business, recognizing the difficult business conditions, the company sold the properties it owned to dissolve.
   (12) Effect on profit and loss: The approximate loss of 500 million yen that arises from liquidation has already been recorded in the consolidated financial results for the fiscal year ended March 31, 2004 as an extraordinary loss.

2. Dissolution of Sanwa Insatsu Co., Ltd.

   (1) Corporate name: Sanwa Insatsu Co., Ltd.
   (2) Head office location: 14-1-34 Nagayama Ichijo, Asahikawa-shi, Hokkaido
   (3) Representative: Representative Director, Akira Sugita
   (4) Line of business: Printing
   (5) Date of establishment: September 21, 1984
   (6) Amount of capital: 50 million yen
   (7) Total assets: 776 million yen (as of the end of March 2004)
   (8) Account end: March
   (9) Major shareholder: Nippon Paper Industries Co., Ltd. (100%)
   (10) Date of dissolution: March 31, 2004
   (11) Reason for dissolution: Engaged in the printing business mainly in the Hokkaido area, the company decided to integrate its business into a local company, Chuo Offset Insatsu Co., Ltd., now operating under the corporate name of Mirai Printing Co., Ltd. to dissolve in light of the increasingly severe business conditions.
   (12) Effect on profit and loss: The approximate loss of 400 million yen that arises from liquidation has already been recorded in the consolidated financial results for the fiscal year ended March 31, 2004 as an extraordinary loss.
3. Dissolution of Daishowa International

(1) Corporate name: Daishowa International
(2) Head office location: 4-1-1 Imai, Fuji-shi, Shizuoka Prefecture
(3) Representative: Representative Director Nobuhiro Kato
(4) Line of business: Purchase and sale of pulp and raw materials for manufacturing pulp
(5) Date of establishment: November 15, 1987
(6) Amount of capital: 7,150 million yen
(7) Total assets: 1,589 million yen (as of February 25, 2004)
(8) Account end: March
(9) Major shareholder: Nippon Paper Industries Co., Ltd. (88.0%)
(10) Date of dissolution: February 25, 2004
(11) Reason for dissolution: This company discontinued its business involving the purchase and sale of pulp and raw materials for manufacturing pulp on September 30, 2001. Without any possibility of resuming the business envisioned, it decided to dissolve.
(12) Effect on profit and loss: The approximate loss of 36 million yen that arises from liquidation has already been recorded in the consolidated financial results for the fiscal year ended March 31, 2004 as an extraordinary loss.

4. Dissolution of San-Mic Chiyoda Corrugated Case Corporation

(1) Corporate name: San-Mic Chiyoda Corrugated Case Corporation
(2) Head office location: 1-23-1 Kanda-Suda machi, Chiyoda-ku, Tokyo
(3) Representative: Representative Director, Tetsu Nomura
(4) Line of business: Manufacture and sale of corrugated carton board
(5) Date of establishment: July 1, 1997
(6) Amount of capital: 310 million yen
(7) Total assets: 993 million yen (as of the end of March 2004)
(8) Account end: March
(9) Major shareholder: Nippon Daishowa Paperboard Co., Ltd. (100.0%)
(10) Date of dissolution: March 31, 2004
(11) Reason for dissolution: This company engaged in the corrugated carton board business primarily in the Kanto region. Because of poor business results in recent years, it decided to dissolve on the occasion of the reorganization of the corrugated carton board business in the Nippon Daishowa Paperboard Group.
(12) Effect on profit and loss: The approximate loss of 500 million yen that arises from liquidation has already been recorded in the consolidated financial results for the fiscal year ended March 31, 2004 and in the consolidated interim financial results for the fiscal year ended March 31, 2005 (six months ended September 30, 2004) as an extraordinary loss.
5. Dissolution of Chubu Corrugated Case Corporation

(1) Corporate name: Chubu Corrugated Case Corporation
(2) Head office location: 2-9-1 Miyuki-cho, Kasugai-shi, Aichi Prefecture
(3) Representative: Representative Director, Mutsuo Wakigi
(4) Line of business: Manufacture and sale of corrugated carton board
(5) Date of establishment: April 19, 1950
(6) Amount of capital: 200 million yen
(7) Total assets: 1,345 million yen (as of the end of March 2004)
(8) Account end: March
(9) Major shareholder:
   Nippon Daishowa Paperboard Co., Ltd. (94.4%)
   Nippon Paperboard Logistics Co., Ltd. (5.6%)
(10) Date of dissolution: March 31, 2004
(11) Reason for dissolution: This company operated a corrugated carton board business, mainly in the Chubu region. Because of poor business results in recent years, it decided to dissolve on the occasion of the reorganization of the corrugated carton board business in the Nippon Daishowa Paperboard Group.
(12) Effect on profit and loss: The approximate loss of 700 million yen that arises from liquidation has already been recorded in the consolidated financial results for the fiscal year ended March 31, 2004 and in the consolidated interim financial results for the fiscal year ended March 31, 2005 (six months ended September 30, 2004) as an extraordinary loss.