Changes in Disclosure on “Share Acquisition in Hokuetsu Paper Mills, Ltd. by our Subsidiary”

Nippon Paper Group, Inc. announces that the Company and its subsidiary Nippon Paper Industries Co., Ltd. have resolved at meetings of their boards of directors held today to sell the shares in Hokuetsu Kishu Paper Co., Ltd., held by Nippon Paper Industries. With these resolutions, information disclosed in “Completion of Share Acquisition in Hokuetsu Paper Mills, Ltd. by Our Subsidiary” announced on August 8, 2006 is changed. Details are as follows:

1. Change
   (Before change)
   (1) Number of shares held 18,675,597
      (Nippon Paper Industries Co., Ltd.: 18,367,000)
      (NP Trading Co., Ltd.: 308,597)
   (2) Ratio of number of shares held to number of shares outstanding: 8.72%

   (After change)
   (1) Number of shares held 308,597
      (NP Trading Co., Ltd.: 308,597)
   (2) Ratio of number of shares held to number of shares outstanding: 0.14%

2. Reasons for Change
   Following a share exchange between Hokuetsu Paper Mills, Ltd. and Kishu Paper Co., Ltd. on October 1, 2009, Nippon Paper Industries, Co., Ltd., a subsidiary of Nippon Paper Group, Inc., has reviewed the strategic business alliance which it concluded with Hokuetsu Paper Mills, Ltd. on December 1, 2006. As a result, Nippon Paper Industries has determined that the alliance between the companies is producing results and is maturing, and that Nippon Paper Industries will be able to preserve the effectiveness and continuity of the alliance without holding shares in Hokuetsu Kishu Paper. Sharing this judgment with Hokuetsu Kishu Paper, Nippon Paper Industries has consequently decided to change the number of shares that it holds, as described above.
   Considering potential effects of the sale of the shares on the market in a short period, Nippon Paper Industries has opted to sell the shares through a share purchase demand associated with the share exchange under Article 797 of the Companies Act.

3. Influence on Earnings
   An extraordinary gain of about ¥1 billion will be posted in association with the sale. The effect was included in the revised earnings forecast (please see “Notice of Revised Consolidated Earnings Forecast for FY2009”) released by the Company today.
   • Transaction price: ¥475 per share
   • Transaction date: October 30, 2009