

January 30, 2006
Nippon Paper Group, Inc.

Assignment of Fixed Asset by a Subsidiary (Nippon Paper Industries Co., Ltd.)

Nippon Paper Group, Inc. announces that Nippon Paper Industries Co., Ltd., one of its consolidated subsidiaries, has resolved to assign a fixed asset. The details of the assignment are described in the attached sheet.

The impact of the assignment on the consolidated profit and loss of Nippon Paper Group, Inc. is as follows:

Impact on consolidated profit and loss of Nippon Paper Group, Inc.

An extraordinary gain of approximately 12.0 billion yen (an assigned value of 13,001 million yen) arising from the assignment has already been incorporated into the projected consolidated results for fiscal year ending March 2006 as part of the brief note to the interim settlement of accounts published on October 31, 2005.

January 30, 2006
Nippon Paper Industries Co., Ltd.

Assignment of Fixed Assets

Nippon Paper Industries Co., Ltd. (President: Masatomo Nakamura) is pleased to announce that it has resolved to assign a fixed asset, as follows:

1. Reason for assignment

The land in question is a vacant site of Miyakojima Mill of Nippon Paper Industries Co., Ltd., which was closed at the end of March 2000. Approximately half the site has already been sold, and we have decided to assign the remaining land. The details of the assignment are described below.

2. Nature and location of assets to be assigned

Land 43,102 m²

Location 2-21-1 Zengenji-cho, Miyakojima-ku, Osaka City, Osaka

3. Amount of assignment

13,001 million yen

4. Profile of the assignee company

(i) Name HASEKO Corporation

(ii) Representative Takashi Iwao, President and Chief Executive Officer

(iii) Location 2-32-1, Shiba, Minato-ku, Tokyo

(iv) Relationship with Nippon Paper Industries Co., Ltd.

There is no capital or human relationship between Nippon Paper Industries Co., Ltd. and HASEKO Corporation.

5. Schedule of assignment

January 27, 2006 Resolution of the Board of Directors of Nippon Paper Industries Co., Ltd.

January 30, 2006 Resolution of the Board of Directors of the parent company

January 31, 2006 Conclusion of agreement (planned)

March 31, 2006 Delivery of property (planned)