

August 8, 2006

To whom it may concern:

Name of Company Listed: Nippon Paper Group, Inc.
Code Number: 3893
Representative: Masatomo Nakamura, Representative Director and President

Press Release: Completion of the Share Acquisition in Hokuetsu Paper Mills, Ltd.
by our Subsidiary

Nippon Paper Industries Co., Ltd., a wholly-owned subsidiary of Nippon Paper Group, Inc., has completed the acquisition of shares in Hokuetsu Paper Mills, Ltd. (“Hokuetsu Paper”, Code Number 3865), and hereby informs you of the current shareholding of Hokuetsu Paper shares by Nippon Paper group and our intentions with regard to next steps.

1. Current Shareholding

i) Number of shares currently held	18,675,694 Shares
ii) Corresponding percentage of voting rights*	8.85 %
iii) Total acquisition cost	JPY 15,185,151,000

*(Percentage of total voting rights after the third-party new shares allotment to Mitsubishi Corporation on August 7, 2006)

The shareholding of 18,675,694 shares (equal to 8.85% of voting rights) by Nippon Paper group is, as announced in “Acquisition of Shares in Hokuetsu Paper Mills, Ltd. by our Subsidiary” dated August 3, 2006, within 10% of total voting rights, after the third-party new shares allotment by Hokuetsu Paper to Mitsubishi Corporation (“Mitsubishi”).

2. Intentions with regard to next steps

To this date, Nippon Paper group has not had any negotiations or discussions with Hokuetsu Paper and Mitsubishi about the establishment of a future relationship with Nippon Paper group. As a next step, we would like to propose to Hokuetsu Paper and Mitsubishi to enter into discussions about forming a moderate corporative relationship with Nippon Paper group.