

Fiscal Year Ending March 2007
Brief Note on Interim Settlement of Accounts (Consolidated)
(News Flash)

Name of Company Listed: **Nippon Paper Group, Inc.**

Stock Exchange Listings: Tokyo, Osaka and Nagoya

Code Number: 3893

Location of Corporate Headquarters: Tokyo

URL: <http://www.np-g.com>

Representative:

Title of Representative Person: President

Name of Representative Person: Masatomo Nakamura

Person in Charge of Contact:

Title of Contact Person: Director, Member of the Board

Name of Contact Person: Yukuo Fukunaga

Telephone: +81-(0)3-3218-9300

Date on Which the Board of Directors' Meeting Was Held to Approve the Interim Settlement of Accounts: October 30, 2006

Whether U.S. Accounting Standards Are Adopted: No

1. Consolidated Results of Operations for the Interim Accounting Period of Fiscal Year Ending March 2007 (April 1, 2006 to September 30, 2006)

(Amounts indicated are displayed with amounts of less than one million yen rounded off.)

(1) Consolidated Business Results

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Interim accounting period of fiscal year ending March, 2007	581,141	(0.5)	19,738	(-35.6)	20,152	(-35.4)
Interim accounting period of fiscal year ended March, 2006	578,163	(-3.3)	30,640	(-10.9)	31,175	(-4.7)
Fiscal year ended March 31, 2006	1,152,166		48,391		49,403	

	Net income		Net income per share	Net income per share after adjusting for dilution
	Millions of yen	%	Yen	Yen
Interim accounting period of fiscal year ending March, 2007	6,894	(98.3)	6,478.29	—
Interim accounting period of fiscal year ended March, 2006	3,476	(-66.5)	3,190.50	3,073.59
Fiscal year ended March 31, 2006	17,192		15,760.27	15,123.82

Notes: 1. Investment income and loss accounted for by the equity method:

Interim accounting period of fiscal year ending March, 2007 1,121 million yen

Interim accounting period of fiscal year ended March, 2006 661 million yen

Accounting period of fiscal year ended March, 2006 1,696 million yen

2. Average number of shares (consolidated):

Interim accounting period of fiscal year ending March, 2007 1,064,199.84 shares

Interim accounting period of fiscal year ended March, 2006 1,089,581.01 shares

Accounting period of fiscal year ended March, 2006 1,077,253.61 shares

3. Changes in accounting method: Yes

4. Percentages for net sales, operating income, ordinary income and net income indicate the percentage increase/decrease compared with the interim accounting period of the previous fiscal year.

(2) Consolidated Financial Status

	Total assets	Net Assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Interim accounting period of fiscal year ending March, 2007	1,546,103	459,690	28.3	411,344.54
Interim accounting period of fiscal year ended March, 2006	1,508,502	436,942	29.0	409,526.80
Fiscal year ended March 31, 2006	1,492,427	440,316	29.5	413,525.41

Note: Number of issued and outstanding shares at the end of the accounting periods (consolidated):

Interim accounting period of fiscal year ending March, 2007	1,064,104.73 shares
Interim accounting period of fiscal year ended March, 2006	1,066,943.68 shares
Accounting period of fiscal year ended March, 2006	1,064,268.11 shares

(3) Consolidated Cash Flow

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Interim accounting period of fiscal year ending March, 2007	30,594	-51,598	23,607	17,011
Interim accounting period of fiscal year ended March, 2006	55,251	-19,295	-39,177	15,218
Fiscal year ended March 31, 2006	132,054	-40,398	-96,550	13,963

(4) Matters Relating to the Scope of Consolidation and Application of the Equity Method

Number of consolidated subsidiaries: 38 companies

Number of non-consolidated subsidiaries to which the equity method is applied: 0

Number of affiliated companies to which the equity method is applied: 6 companies

(5) Changes in the Scope of Consolidation and Application of the Equity Method

Consolidated (New): 0 (Eliminated): 3 companies

Equity method (New): 0 (Eliminated): 0

2. Projection of Consolidated Results of Operations for the Fiscal Year Ending March 2007 (April 1, 2006–March 31, 2007)

	Net sales	Ordinary income	Net income
	Millions of yen	Millions of yen	Millions of yen
Accounting period of fiscal year	1,200,000	51,000	21,000

(Reference) Projected net income per share (full fiscal year) 19,734.90 yen

Forecast performance is predicted based on the information available at the time of the announcement. Actual performance may differ from forecasts due to a variety of factors.

This document is an English-language translation of the Japanese-language original.