

Fiscal Year Ending March 2008
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

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

Planned date of submission of interim financial reports: December 21, 2007

Planned date of the commencement of dividend payments: December 3, 2007

1. Consolidated Results of Operations for the Interim Accounting Period of Fiscal Year Ending March 2008 (April 1, 2007 to September 30, 2007)

(1) Consolidated Business Results

(Percentages indicate the percentage increase/decrease compared with the same period of the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Interim accounting period of fiscal year ending March, 2008	597,388	(2.8)	14,355	(-27.3)	13,863	(-31.2)	4,606	(-33.2)
Interim accounting period of fiscal year ended March, 2007	581,141	(0.5)	19,738	(-35.6)	20,152	(-35.4)	6,894	(98.3)
Accounting period of fiscal year ended March, 2007	1,175,264	—	44,655	—	47,088	—	22,952	—

	Net income per share	Net income per share after adjusting for dilution
	Yen	Yen
Interim accounting period of fiscal year ending March, 2008	4,289.84	—
Interim accounting period of fiscal year ended March, 2007	6,478.29	—
Accounting period of fiscal year ended March, 2007	21,570.23	—

Reference: Investment income and loss accounted for by the equity method:

Interim accounting period of fiscal year ending March, 2008	1,102 million yen
Interim accounting period of fiscal year ended March, 2007	1,121 million yen
Accounting period of fiscal year ended March, 2007	2,540 million yen

(2) Consolidated Financial Status

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Interim accounting period of fiscal year ending March, 2008	1,608,835	493,319	29.2	425,307.46
Interim Accounting period of fiscal year ended March, 2007	1,546,103	459,690	28.3	411,344.54
Accounting period of fiscal year ended March, 2007	1,565,978	470,521	28.6	421,626.81

Reference: Shareholders' equity

Interim accounting period of fiscal year ending March, 2008 469,658 million yen

Interim accounting period of fiscal year ended March, 2007 437,713 million yen

Accounting period of fiscal year ended March, 2007 448,564 million yen

(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
	Million yen	Million yen	Million yen	Million yen
Interim accounting period of fiscal year ending March, 2008	32,503	-38,239	8,488	20,883
Interim Accounting period of fiscal year ended March, 2007	30,594	-51,598	23,607	17,011
Accounting period of fiscal year ended March, 2007	75,359	-107,028	32,945	15,859

2. Dividend Status

	Dividends per share		
	First Half	Second Half	Annual
	Yen	Yen	Yen
Accounting period of fiscal year ended March, 2007	4,000.00	4,000.00	8,000.00
Interim accounting period of fiscal year ending March, 2008	4,000.00	—	8,000.00
Accounting period of fiscal year ending March, 2008 (Projection)	—	4,000.00	

3. Projection of Consolidated Results of Operations for the Fiscal Year Ending March 2008 (April 1, 2007 to March 31, 2008)

(Percentages indicate the percentage increase/decrease compared with the same period of the previous fiscal year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	yen
Full fiscal year	1,220,000	(3.8)	30,000	(-32.8)	30,000	(-36.3)	5,000	(-78.2)	4,591.41

4. Others

(1) Has the Company made any important changes in its subsidiaries (changes in specified subsidiaries as a result of changes in the scope of consolidation)? No

(2) Changes in accounting principles, procedures, or methods concerning the preparation of interim consolidated financial statements (Changes that are presented as changes in important items that are used as basic materials for the preparation of interim consolidated financial statements)

(i) Has the Company made any changes following the revision of the Accounting Standard and others? Yes

(ii) Has the Company made any changes other than those described in (i)? No

(3) Number of issued and outstanding shares (common stock)

(i) Number of issued and outstanding shares at the end of the accounting periods (including treasury stock)

Interim accounting period of fiscal year ending March, 2008 1,105,235.63 shares

Interim accounting period of fiscal year ended March, 2007 1,105,235.63 shares

Accounting period of fiscal year ended March, 2007 1,105,235.63 shares

(ii) Number of treasury stock at the end of the accounting periods

Interim accounting period of fiscal year ending March, 2008 955.88 shares

Interim accounting period of fiscal year ended March, 2007 41,130.90 shares

Accounting period of fiscal year ended March, 2007 41,345.16 shares

(Reference) Outline of Non-Consolidated Results of Operations

1. Non-Consolidated Results of Operations for the Interim Accounting Period of Fiscal Year Ending March 2008 (April 1, 2007 to September 30, 2007)

(1) Non-Consolidated Business Results

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Interim accounting period of fiscal year ending March, 2008	6,752	(19.9)	5,734	(15.2)	5,668	(14.9)	5,235	(11.7)
Interim accounting period of fiscal year ended March, 2007	5,632	(1.7)	4,978	(-1.6)	4,933	(-2.0)	4,687	(-1.3)
Accounting period of fiscal year ended March, 2007	10,936	—	9,495	—	9,379	—	8,807	—

	Net income per share
	Yen
Interim accounting period of fiscal year ending March, 2008	4,873.14
Interim accounting period of fiscal year ended March, 2007	4,403.49
Accounting period of fiscal year ended March, 2007	8,273.91

(2) Non-Consolidated Financial Status

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Interim accounting period of fiscal year ending March, 2008	586,141	420,114	71.7	380,311.93
Interim accounting period of fiscal year ended March, 2007	616,636	403,433	65.4	378,994.58
Accounting period of fiscal year ended March, 2007	619,140	402,987	65.1	378,651.92

Reference: Shareholders' equity

Interim accounting period of fiscal year ending March, 2008 420,114 million yen

Interim accounting period of fiscal year ended March, 2007 403,433 million yen

Accounting period of fiscal year ended March, 2007 402,987 million yen

* Explanation about appropriate use of business projections and other special remarks

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

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