Notice of Recognition of Extraordinary Losses

Nippon Paper Group, Inc. (“the Company”) announces it has decided to record extraordinary losses for the fourth quarter of the fiscal year ended March 2012. Details are as follows:

1. Recognition of extraordinary losses
   (1) Business restructuring expenses
       In response to the severe business climate, the Company Group decided to move forward with a drastic structural switch including the shutdown of production facilities. Accordingly, the Company has decided to record an extraordinary loss of 5,874 million yen, including an asset impairment loss on fixed assets and special retirement allowances, etc., for the fourth quarter of the fiscal year ended March 2012.
       As a result, the business restructuring expenses for the fiscal year ended March 2012 amounted to 29,201 million yen.

   (2) Extraordinary loss due to the Great East Japan Earthquake
       The Company has decided to record an extraordinary loss of 7,542 million yen, including a fixed cost for the period of suspension of operations at the mills damaged by the Great East Japan Earthquake and the cost of restoration of fixed assets to their original state, for the fourth quarter of the fiscal year ended March 2012.
       As a result, for the fiscal year ended March 2012, the extraordinary loss due to the Great East Japan Earthquake amounted to 19,329 million yen.

2. Effect on consolidated financial results
   The above extraordinary losses are reflected in the Fiscal Year Ended March 2012 Brief Note on Settlement of Accounts (Consolidated), which was announced today.