

**Nippon Paper Group Announces Joint Venture With SCG Paper for Machine Glazed Paper**

Nippon Paper Industries Co., Ltd. (President: Yoshio Haga; “Nippon Paper Industries”) and NP Trading Co., Ltd. (President: Kyoichi Fujikawa; “NP Trading”) have concluded a joint venture agreement with SCG Paper Public Company Limited (President: Roongrote Rangsiyopash; “SCG Paper”) in accordance with the following for the production and sale of machine glazed paper in Thailand.

1. Background to Establishment of Joint Venture Company

Nippon Paper Group, Inc. (President: Yoshio Haga; “Nippon Paper Group”) and SCG Paper have investigated ways in which they could collaborate to develop their business. The companies have now agreed to establish in Thailand a joint venture company with a 55% equity investment from Nippon Paper Group in the industrial paper sector, displaying their strengths in growing market.

The joint venture company plans to install a new paper machine which features annual production capacity of 43,000 tons on the existing SCG Paper production site. The start-up is scheduled for the first quarter of 2014.

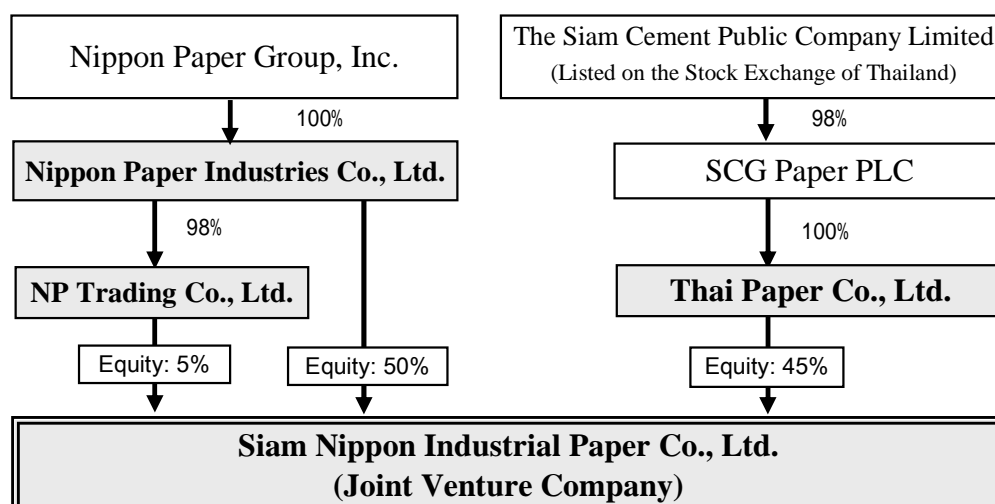
Economic growth in the emerging markets of Asia has brought more demand for high-end industrial paper. SCG’s existing infrastructure and utilities and Nippon Paper Group’s technological and sales capabilities can be utilized to sell to Southeast Asia and neighboring countries industrial paper that is cost-competitive and has a quality advantage.

Nippon Paper Group also takes this opportunity to explore further business development in Southeast Asia.

2. Outline of Joint Venture Company

Name of Company	:	Siam Nippon Industrial Paper Co., Ltd.
Representative	:	Tongchai Soha
Head Office	:	Banpong, Ratchaburi Province, Thailand
Date of Establishment	:	June - July, 2012 (Official approvals will be obtained following the formal conclusion of the joint venture agreement)
Description of Business	:	Manufacture and Sale of Machine Glazed Paper 1) Total Investment : 2,200 million THB (approx. 5.5 billion yen) 2) Main Application of : Food and Medical Wrapping, Image Transfer Paper on Textile, Furniture Covering, etc.
Capital	:	1,100 million THB Capital Contribution : Nippon Paper Group 55% (Nippon Paper Industries 50%, NP Trading 5%) Thai Paper Co., Ltd. 45%

### 3. Diagram of equity investment



### 4. Outline of Company

#### Nippon Paper Group, Inc.

Representative	:	Mr. Yoshio Haga
Head Office	:	1-2-2 Hitotsubashi, Chiyoda-ku, Tokyo Japan
Date Established	:	March 2001
Description of Business	:	Holding company
Capital	:	55,730 million yen
Main Shareholders:		Japan Trustee Services Bank, Ltd. (Trust Account) 10.46%
		The Master Trust Bank of Japan, Ltd. (Trust Account) 6.23%
		Nippon Life Insurance Company 2.99%

#### Nippon Paper Industries Co., Ltd.

Representative	:	Mr. Yoshio Haga
Head Office	:	Oji 1-4-1, Kita-ku, Tokyo Japan
Date Established	:	August 1949
Description of Business	:	Newsprint, printing paper, business communication paper, industrial paper and other papers, and manufacture and sale of pulp
Capital	:	104,873 million yen
Main Shareholders:		Nippon Paper Group, Inc. 100%

#### NP Trading Co., Ltd.

Representative	:	Mr. Kyoichi Fujikawa
Head Office	:	1-2-2 Hitotsubashi, Chiyoda-ku, Tokyo Japan
Date Established	:	July 1979
Description of Business	:	Wholesale of pulp and paper
Capital	:	1,000 million yen
Main Shareholders:		Nippon Paper Industries Co., Ltd. 98.28%

#### The Siam Cement Public Company Limited

Representative	:	Mr. Kan Trakulhoon	
Head Office	:	1 Siam Cement Road, Bangsue, Bangkok 10800 Thailand	
Date Established	:	1913	
Description of Business	:	Holding company	
Registered Capital	:	1,600 million THB	
Main Shareholders:		The Crown Property Bureau	30.00%
		Thai Nvdr Co., Ltd.	10.93%
		Chase Nominees Limited	3.93%

#### SCG Paper Public Company Limited

Representative	:	Mr. Roongrote Rangsiyopash	
Head Office	:	1 Siam Cement Road, Bangsue, Bangkok 10800 Thailand	
Date Established	:	March 1994	
Description of Business	:	Holding company for manufacturers of paper, packaging, and pulp	
Registered Capital	:	1,563 million THB	
Main Shareholders:		The Siam Cement Public Company Limited	98.42%

#### Thai Paper Co., Ltd.

Representative	:	Mr. Phaskorn Buranawit	
Head Office	:	1 Siam Cement Road, Bangsue, Bangkok 10800 Thailand	
Date Established	:	June 1983	
Description of Business	:	Manufacture of printing paper and business communication paper	
Registered Capital	:	1,200 million THB	
Main Shareholders:		SCG Paper Public Company Limited.	100%