



NEWS RELEASE

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Error in Employee Trade

TOKYO, January 5, 2006 - On January 4 at 10:46 a.m., an employee at Nikko Citigroup Limited mistakenly placed an order to buy 2,000 shares of Nippon Paper Group from his personal trading account although the employee really intended to buy just 2 shares. Nikko Citigroup executed the order as received at the Tokyo Stock Exchange.

Because it was likely that the order has affected the share price and we have become aware of certain shortcomings in our approval and execution process for employee trades, we have consulted with the TSE and publicly disclosed the error. We deeply regret any problems this error has caused.

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