

With Employees

Promoting occupational safety and health and seeking a comfortable working environment, we endeavor to establish a good relationship between employees and the companies.

Employees are important partners in a company, and the two should seek mutual growth. We know that maintaining good relations between labor and management through productive dialogue and collaboration with each other will result in the development of both sides. The Core Group Companies will ensure a safe working environment and build a fair personnel and compensation system to assist all employees in achieving their potential.

Recognition of Current Situation

Japan currently suffers from a falling birthrate and an aging population. The Law for Measures to Support the Development of the Next Generation was enacted in April 2005 to counter the falling birthrate and support parents in balancing work and child rearing. The government is also promoting expansion of employment opportunities for the elderly. On the other hand, diversity in employment to accommodate individual life styles or values is also sought.

The Nippon Paper Group advocates "Having positive, forward-looking employees" as one of its Ideals for Our Group. Incorporating the social background and requirements, it is improving its working environment and systems so that every employee can work with pride and purpose without anxiety. Paper manufacturing, one of the core businesses of the Core Group Companies, is a typical process industry, and each production site involves heavy machinery and dangerous operations. Therefore, maintaining a safe working environment is a priority issue to ensure safety and prevent disasters.



Outline of FY 2004 and Policy

To guarantee that our human resources reach their potential, the Group appoints the right person for the right job and ensures discrimination-free employment, and fair appraisals and compensation. In addition, the Group devotes its energy to education and training to support employees' career development. Currently, employment of people with disabilities and promotion of women are not yet considered satisfactory; these are issues to be solved and will be positively addressed.

As for safety and disaster prevention, Nippon Paper Industries Co., Ltd. had no accidents involving injuries and illnesses that resulted in lost work time in 2004. However, a fatal accident occurred to an employee of a partner company in a mill. There are still things that need improvement. Nippon Paper Industries is committed to maintaining a zero accident policy and, with other operating companies, endeavors to prevent accidents and disasters.

Employment and Working Environment That Make the Most of a Diverse Range of Human Resources

Philosophy and Basic Policy on Human Rights, Employment and Labor

In order to gain high levels of trust from society and fulfill its responsibilities, the Nippon Paper Group places great importance on individual employees demonstrating high moral standards and strong motivation.

Thus in October 2004, the group established the Philosophy and Basic Policy on Human Rights, Employment and Labor. In addition to respecting human rights in every aspect of our business activities, we aim to develop a working environment that makes the most of a diverse range of human resources and to create a company overflowing with dreams and hope.

Employment and recruitment with respect for human Rights

The Nippon Paper Group ensures discrimination-free employment and recruitment based on the Philosophy and Basic Policy on Human Rights, Employment and Labor.

At the moment, each operating company individually maps out a recruitment plan and manages its human resources. The Group, however, will take the initiative in the comprehensive management of employees of operating companies for realization of diversified employment.

Employment of people with disabilities

The rate of employment of people with disabilities by Nippon Paper Industries Co., Ltd., the key operating company of the Group, remains at 1.33% (94 people) as of August 1, 2005, which is regrettably below the statutory rate (1.80%).

The paper manufacturing industry is a typical process industry, where production facilities operate on 24-hour schedules and employees work in a three shift system. Many employees must handle dangerous articles such as large, high-speed revolving bodies and chemicals or operate cranes and other machines that require a certain level of physical ability. Although we have endeavored to create a safe, comfortable working environment, there are still limitations on the employment of people with disabilities from a viewpoint of ensuring security.

However, the current rate of employment can never be overlooked. To improve the situation, Nippon Paper Industries established a Handicapped Staff Employment Promotion Group in the Personnel Department at headquarters, as well as sections in charge of personnel affairs in the mills, and started efforts to achieve the statutory rate at the earliest stage. Moreover, administrative sections have started an initiative to realize ideal working conditions for handicapped staff, including barrier-free facilities, to expand the range of opportunities for employment. We will further study and promote the policy to expand employment within the Group.

Philosophy and Basic Policy on Human Rights, Employment and Labor

(established on October 1, 2004)

Philosophy

Respecting fundamental human rights at all times and making the most of individuality and the capabilities of a diverse range of human resources, we aim to create a company overflowing with dreams and hope.

Basic Policy

1. Respect for human rights
We pledge to respect fundamental human rights and not to engage in any behavior that disregards such rights, including discrimination based on matters such as nationality, race, place of birth, sex, religion, medical condition or disabilities, sexual harassment and the abuse of power. We also pledge to manage personal information appropriately in order to prevent infringements of privacy.
2. Prohibition of forced and child labor
We pledge not to force any employees to carry out unreasonable work. We also pledge not to employ children aged under the minimum employment age stipulated in local laws and regulations.
3. Promotion of personnel training and skill development
We pledge to promote personnel training and skill development programs to help improve individual employees' abilities and skills through the establishment and maintenance of structure to make the most of the individuality and capabilities of a diverse range of human resources.

Employment opportunities for veteran employees

Nippon Paper Industries Co., Ltd. inaugurated a system in 1982, ahead of the industry, where union members choose a course at the age of 55. The system opened the way for employment until the age of 63 in phases. In 2001, the system was modified, and the Reemployment after Compulsory Retirement System was introduced to allow employees to choose to work until 65 at maximum. It makes the best use of the affluent experience and several decades of knowledge employees have cultivated through their duties.

Under the System, Nippon Paper Industries has 19 contract employees aged 60 or older (as of May 2005). The System also allows its affiliate companies to employ people over 60.

In addition, in June 2005, Nippon Paper Industries introduced an Early Transfer System aimed at increasing the competitiveness of such companies and modified the Reemployment after Compulsory Retirement System. The former system permanently transfers an employee aged 55 or older on loan to the company, and the modified Reemployment after Compulsory Retirement System basically obligates the affiliate to employ the transferred employee until 62, thus expanding employment opportunities for veteran employees.

The role of veteran employees, like passing down techniques to the next generation, is increasing every year. Nippon Paper Industries and other operating companies will further promote the employment of veterans.

Working environment with no discrimination or harassment

Participation in external seminars on human rights

The Core Group Companies provide educational opportunities to employees for the purpose of implementing appropriate personnel policies in consideration of human rights. Each operating company or division sends persons in charge of personnel affairs to the training courses or seminars hosted by administrative and other agencies. We will continue these activities.

Consultation for the concerns of employees

Nippon Paper Industries Co., Ltd. has a Sexual Harassment Consultation Service within the Personnel Dept. to respond to inquiries or reports from employees.

Operated by the Compliance Office, the Helpline System also allows any employee to make direct notification of sexual harassment or abuse of power issues. These systems guarantee the privacy of whistleblowers or those who seek consultations and protect them from potential retaliation after the notification or consultation.

In FY 2004, there were inquiries and reports from the Group's employees regarding promotion, rest/holidays, and working environment. Responsible divisions of each company were requested to respond appropriately, and the employees who made the inquiries or reports were notified of the measures to be implemented and consent to them.

Protection of employees' personal information

With the full implementation of the Personal Data Protection Law, Nippon Paper Group, Inc. and Nippon Paper Industries Co., Ltd. established the Basic Policy Concerning Privacy Protection and the Personal Information Handling Manual in April 2005, which were distributed to all executives and employees of the ten operating companies.* Hereafter, awareness of employees will be raised and education will be enhanced.

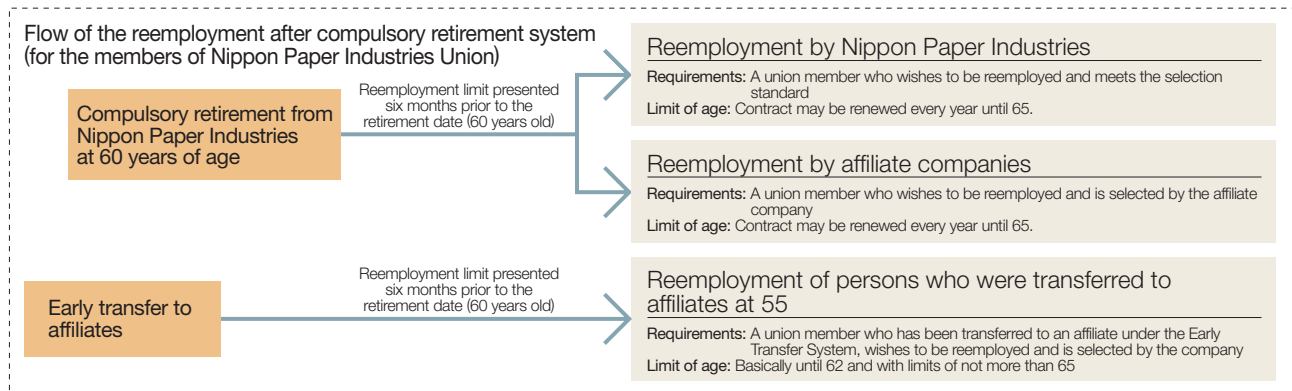
To ensure appropriate management and handling of personal data not only of customers but also of employees (employment management information), Nippon Paper Industries concludes confidentiality agreements with the persons in charge of personnel affairs, limits access to the personnel information system, enhances the security of the servers, and takes other security management measures.

* Ten operating companies: Seven core operating companies (Nippon Daishowa Paperboard Co., Ltd., CRECIA Corporation, NIPPON PAPER-PAK CO., LTD., Nippon Paper Chemicals Co., Ltd., Nippon Paper Lumber Co., Ltd., SAN-MIC SHOJI CO., LTD., Nippon Paper Development Co., Ltd.) plus SHIKOKU COCA-

COLA BOTTLING CO., LTD., Sakuragi Co., Ltd. and Asahikawa Grand Hotel Co., Ltd., which are businesses that handle personal information.



Personal Information Handling Manual



Employment and Working Environment That Make the Most of a Diverse Range of Human Resources

Educational and training systems that support capacity development

Promoting human resource cultivation and capability development

The Core Group Companies build and maintain the mechanism for human resource cultivation and development of capabilities that make full use of the personalities and abilities of diverse people to support skill improvement and the career development of individuals.

Enhancing and promoting selective education

In addition to human resource cultivation based on hierarchic group training or on-the-job training (OJT), a selective education system started in October 2004 where employees can select courses of their choice. The system offers a variety of courses, including correspondence courses that support the acquisition of language skills or certifications, as well as creativity and self-innovation seminars or other self-development seminars to support the self-development and voluntary career development of each individual employee. In FY 2005, the educational and

training systems will be further enhanced by increasing the number of programs.

Cultivating human resources with a global perspective

Nippon Paper Industries Co., Ltd. introduced an open-recruitment study abroad program to cultivate human resources with an international outlook who can tackle a task from a global perspective. It supports employees who have a variety of objectives and backgrounds, including acquisition of an MBA, dispatch of engineers to technical colleges, learning as research students, or language training in English and Chinese. In FY 2004, eleven employees chose to study abroad under the system.

In addition to Nippon Paper Industries, Nippon Paper Chemicals Co., Ltd. and NIPPON PAPER-PAK CO., LTD. have their own study abroad programs.



Time management program (Nippon Paper Industries)

Fostering leaders of the next generation

While the business environment is shifting dramatically, it has become more important to cultivate executive candidates with a clear-sighted conceptual capability and the power of execution at an early stage.

Nippon Paper Group introduced the training to cultivate future executives for its eight core operating companies.* This is an opportunity to systematically educate leaders of the next generation through the acquisition of basic knowledge required for management.

* Eight core operating companies mean the permanent members of the CSR Subcommittee Nippon Paper Industries Co., Ltd. Nippon Daishowa Paperboard Co., Ltd., CRECIA Corporation, Nippon Paper Chemicals Co., Ltd., NIPPON PAPER-PAK CO., LTD., Nippon Paper Lumber Co., Ltd., SAN-MIC SHOJI CO., LTD., and Nippon Paper Development Co., Ltd.

Providing life planning seminar

Nippon Paper Industries Co., Ltd. provides a Life Plan Seminar for employees in their 50s, where a variety of programs are offered, including explanations of company and public programs, as well as lectures on life planning, motivation development, and health care. The goal is to renew the employee's awareness of the current status of society, the company, and the family and provide support for planning their life after retirement. This will be offered to employees in their 30s and 40s.



Life Planning Seminar (Asahikawa Mill of Nippon Paper Industries)

Educational system of Nippon Paper Industries Co., Ltd. (hosted by headquarters)

Category	Regular employee	Chief	Management	
			Second grade	First grade
Selected	Assessment training in preparation for promotion to management	Overseas education and training	Training of young business leaders (outside training)	Training to cultivate future executives (in-house) ● Training to cultivate future executives (outside training)
Hierarchic	● Education for new recruits ● Employees in their second year	● Before promotion to chief	● New manager training	● First-grade manager training
Appointed		Appraiser training		Feedback training
Selective		Leadership		
		Creativity		
		Accounting		
		Self-innovation		
	Time management			
		Presentations (I and II)		
		Negotiations		
		Correspondence course		

* Number and contents of selective educational courses are always subject to change.

* In addition to the above table, each mill has its own training programs.

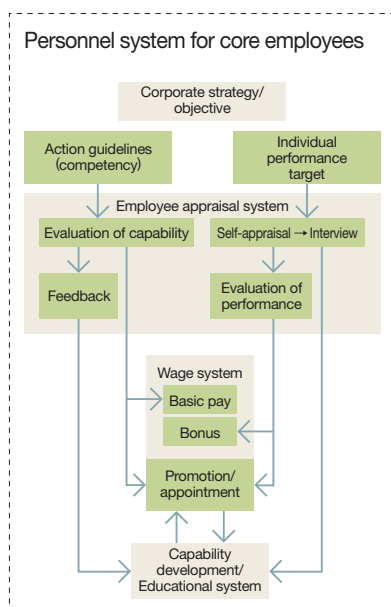
Personnel/Appraisal system that enhance employee morale

Fair appraisal system

To realize a working environment where employees can prove themselves and work pleasantly and with vigor, the company focuses on a personnel system that fairly evaluates the processes and results of the individual's accomplishments.

The appraisal system for management and core staff of the business leader course consists of the capability (job accomplishment process) appraisal based on competencies that are specifically described in the action guidelines and the performance (results) appraisal based on the target management system. Appraisal standards are open and clear, and the appraisal results are fed back to the employees to increase awareness of their own strengths and issues in exercising the duties to enhance motivation to develop their capabilities.

In the promotion screening, the personnel assessment system, which evaluates different aspects of the capabilities required after promotion from the objective viewpoint of an external evaluation organization, is introduced to further pursue fairness and transparency.



Service inventions

Nippon Paper Industries Co., Ltd. defines service invention as "an invention by an employee, which falls within the scope of service of the company by its nature and the process of which belongs to the business of the company the employee is or was engaged in at present or in the past." Company regulations stipulate that the right to apply for a patent shall be transferred to the company, and the inventor shall be officially commended and compensated.

Supporting diversity in working styles

In compliance with Law for Measures to Support the Development of the Next Generation*

Nippon Paper Industries Co., Ltd. established an action plan to respond to the Law for Measures to Support the Development of the Next Generation, enforced in April 2005.

Outline of the plan

Period: April 1, 2005 to March 31, 2010

Objectives:

1. Childcare leave
At least one person shall take leave during the defined period. Seventy percent of mothers shall take the leave.
2. Reduction of overtime working hours and promotion of use of annual leave
3. Expansion of exceptional measures for child raising
Study the expansion of the exceptional period from "until three years" to "until entering an elementary school"

* Law for Measures to Support the Development of the Next Generation: A law to promote comprehensive efforts to support parents in balancing work and child rearing to counter the falling birthrate (The amended law effective as of April 2005). The national and local governments are obligated to develop action plans, and businesses with 300 employees or more are obligated to cooperate with the establishment of the action plans.

Relationship between workers and employers based on mutual reliance

Nippon Paper Industries Co., Ltd. is a union shop, and all permanent employees, excluding managers, are members of the union. Under the common objective of creating a better company, management and the labor union have opportunities for sincere discussion, respecting each other's position, and endeavor to improve measures and the working environment.

In the regular central labor-management council meeting, diverse issues are discussed between management and the labor union, covering corporate management to work conditions and welfare systems. Other labor-management special committees are held to establish, improve, or abolish systems based on an agreement between the parties.



Central labor-management council meeting (Nippon Paper Industries)

Creating a Safe, Healthy Working Environment

Philosophy and Basic Policy on Safety and Health Measures

In October 2004, the Nippon Paper Group established the Philosophy and Basic Policy on Safety and Health Measures to share the commitment toward safety and risk prevention with all constituents of the Group and to standardize the initiatives, which have been established and conducted individually by each subordinated company under the same policy and develop them in a sustainable manner.

Under the Philosophy and Basic Policy, each subordinated company proactively tackles risk prevention and makes efforts to further improve the working environment.

System to promote occupational safety and health

Collaboration between labor and management for a safe working environment

The Core Group Companies established a Safety and Health Subcommittee under the CSR Committee to create a safe working environment in each company. Each operating company established a Safety and Health Committee in each mill or office, and the committee takes the initiative to ensure safety and health and prevent disasters. Within Nippon Paper Industries Co., Ltd., for example, the committee comprises the employees and management of each mill, where the agenda required for safety and health are thoroughly discussed, including priority management policies in terms of safety and health, as well as specific measures for implementation. By doing so, both employees and management comply with the two conditions defined in the labor agreement: the company shall implement the measures required for safety and health in the mills and offices and improve the working environment; and employees shall comply with the rules in terms of safety and health.

Philosophy and Basic Policy on Safety and Health Measures (established on October 1, 2004)

Philosophy

In addition to acknowledging that it is the company's duty to guarantee safety and health and striving to develop pleasant, improved working conditions, we pledge to work ceaselessly to prevent any and all accidents, minor or major.

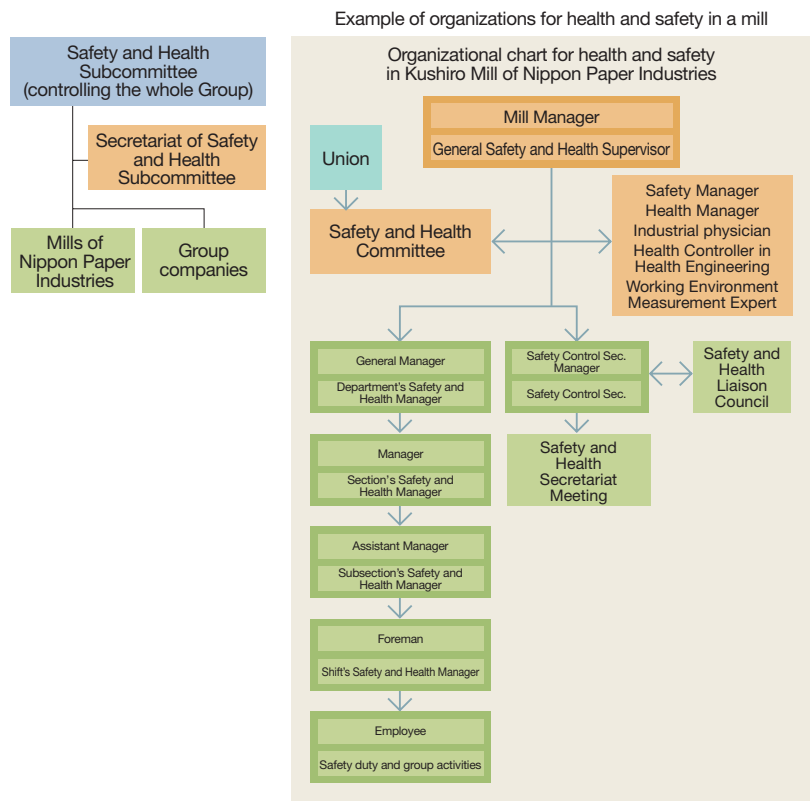
Basic Policy on Safety and Health

1. To respect the Industrial Safety and Health Law.
2. To establish self-imposed standards and step up daily management.
3. To set up a management structure and clearly define roles, responsibilities, and authority.
4. To strive to improve safety and health training.
5. To develop and maintain a safe, pleasant working environment.

Basic Policy on Safety and Risk Prevention

1. To respect laws and regulations pertaining to safety and risk prevention.
2. To establish self-imposed standards and step up daily management.
3. To set up a management structure that clearly defines roles, responsibilities, and authority.
4. To strive to improve safety and risk prevention education and training.
5. To work in cooperation with related government and local communities and share information.

Structure to promote occupational safety and health of the Nippon Paper Group



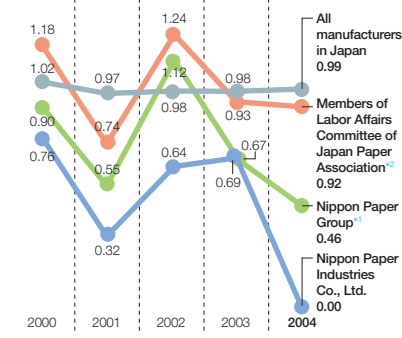
Safety and disaster prevention in the workplace

Frequency of occupational accidents

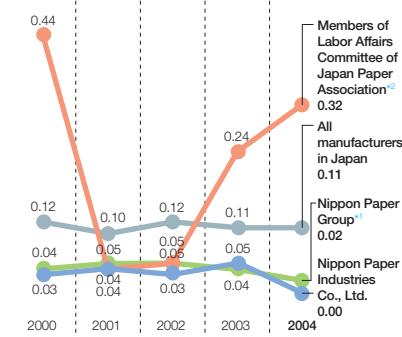
The Core Group Companies prevent occupational accidents in accordance with the Basic Policy on Safety and Health and the Basic Policy on Safety and Risk Prevention. However, we are not satisfied with the safety performance of the core operating companies based on the number of accidents involving injuries and illnesses resulting in lost work time.

As countermeasures, each operating company established priority policies and specific measures in terms of occupational safety and health to eradicate occupational accidents. As a plan for the whole Group, we are studying the construction of an occupational safety and health management system and the introduction of a risk assessment method. We are committed to increasing safety and realizing a comfortable working environment.

Frequency rate of occupational accident



Occupational accident severity rate



Report on fatal accidents in factories

In FY 2004, no fatal accidents occurred involving an employee of Nippon Paper Industries Co., Ltd. However, one subcontractor died at a mill of Nippon Paper Industries.

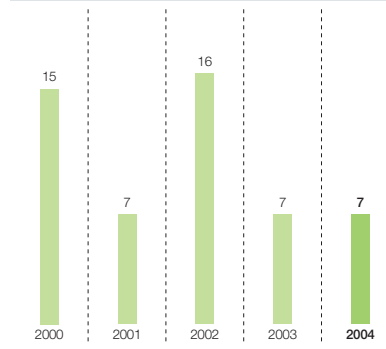
Summary of the accident

Date : June 10, 2004
 Place : Yufutsu Mill of Nippon Paper Industries
 Victim : A 57-year-old subcontractor employed for 21 years (Yufutsu Paper Processing Center Co., Ltd.)
 Work : Carrying base paper
 Accident: Caught between the rolls when carrying the rolled base paper.
 Cause : Noncompliance with safety and health work standards (crane operation rules) and improper operation of a hoisting crane.

Measures implemented

- As measures for improper operation;
1. Direction signs, safety signs, and off limit signs were added, and the hoist operator switch was modified.
 2. The communication system was enhanced by carrying transceivers.
 3. Operation standards were reviewed and enhanced.
 4. Comprehensive safety check was implemented throughout the company and safety awareness by all employees was enhanced.

Number of accidents involving injuries and illnesses resulting in lost work time

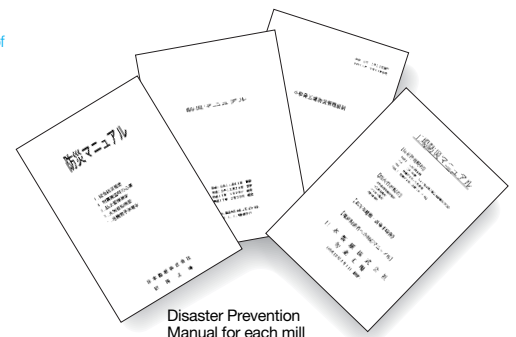


*1 Nippon Paper Group means mills of the following five companies; Nippon Paper Industries Co., Ltd., Nippon Daishowa Paperboard Co., Ltd., Nippon Paper Chemicals Co., Ltd., CRECIA Corporation, and NIPPON PAPER-PAK CO., LTD.

*2 Labor Affairs Committee of Japan Paper Association: Consisting of 37 pulp and paper manufacturers including Nippon Paper Industries Co., Ltd., and Nippon Daishowa Paperboard Co., Ltd. as of 2005.

Strengthening voluntary factory standards in terms of safety and disaster prevention

To ensure safety in the workplace and prevent occupational accidents while complying with laws, the Core Group Companies established voluntary standards for each mill and implemented regular safety inspections. To strengthen such efforts throughout the Group, the Factory Regulations and the Disaster Prevention Manual were prepared in FY 2004 after investigating the current circumstances in each mill to develop a model of voluntary standards. The regulations and the manual will be improved and rooted in all mills in FY 2005.



Creating a Safe, Healthy Working Environment

Management Structure
 Feature Story: Raw Material Procurement
 In the Market
 For the Global Environment
 With Employees
 In Society

Implement risk assessment techniques

Risk assessment means a new logical management technique to grasp and evaluate dangerous or hazardous conditions in each mill and factory and to promote continuous efforts to implement risk reduction measures.

Nippon Paper Industries Co., Ltd. developed a unified policy for the introduction of the technique, and education has been provided by lecturers dispatched from the Japan Industrial Safety and Health Association in all thirteen mills since FY 2004. In FY 2005, as a trial period, each mill will map out and implement a plan based on the risk management techniques, and from FY 2006, implementation of activities based on the technique are planned. Other operating companies are planning to promote the technique from FY 2005.

Safety education

To carry out their responsibilities safely, employees must acquire knowledge, skills, and techniques, as well as be able to put such capabilities into practice. For this reason, safety education is essential.

In the Core Group Companies, major operating companies take the initiative to improve the curriculum of safety education, such as factory seminars, and try to improve the knowledge, skills, and techniques of employees in partner companies as well as their own employees.



Safety Education Course (Iwanuma Mill of Nippon Paper Industries)

Disaster prevention education and training

For disaster prevention, if a natural disaster like an earthquake or a typhoon should occur, it is most important to minimize the damage and to expend all possible means to prevent a secondary disaster.

We want to establish a system that enables us to respond appropriately in each case by performing drills in anticipation of a wide variety of disasters. Joint training with the responsible public fire service is also conducted.

Furthermore, we will establish an organization for disaster prevention, build a risk management system, check and amend the disaster prevention manuals as required, improve disaster prevention equipment, and communicate techniques and skills helpful for disaster prevention. As part of our day-to-day operations, we will include a regular checkup of facilities and equipment, concentrate our efforts on early detection of any abnormality, and implement appropriate measures to address the abnormality. If any accident or disaster should occur, we will take prompt action and liaise or cooperate with the local community. We believe we will be able to respond appropriately during an accident



Fire drill (Nakoso Film Co., Ltd.)



Joint fire drill with public fire services (Kushiro Mill of Nippon Paper Industries)

or disaster and fulfill our corporate social responsibility by establishing such systems and providing thorough training.

Liaising with responsible administrative bodies and local community

Our corporate responsibility is to establish a liaison and to cooperate with the local community for disaster prevention. For this purpose, Nippon Paper Industries Co., Ltd. provides opportunities to share information, in terms of disaster prevention and safety, or to invite the local community on factory tours. We try to exchange information and establish a relationship of trust with local residents on such occasions.

Each mill of the group will establish such a liaison with the local community.

Awards

In 2004, the following mills of Nippon Paper Industries Co., Ltd. received awards for occupational safety and health. We are committed to further strengthening the system and creating a comfortable working environment that prevents accidents.

Safety awards

Company, mill, or works	Awards
Iwakuni Mill of CRECIA Corporation	Awarded by the chief of the Yamaguchi Labour Bureau for excellence in safety and health
Gotsu Works of Nippon Paper Chemicals Co., Ltd.	Awarded by the director-general of the Fire and Disaster Management Agency for excellence in hazardous substance handling in 2004 (An Award received in Tokyo in June 2004)



Awarded by the chief of the Yamaguchi Labour Bureau

Maintaining the health of employees

Consideration for hygiene and health

The Core Group Companies will realize a safe, comfortable working environment through compliance with laws and regulations regarding safety and health. For this purpose, each mill or office establishes a policy and a plan and makes a variety of efforts.

In one such effort for safety and health, the Safety Control Sec. and working environment measurement experts continuously measured the operational environment, including the volume of dust, standard control concentration of chlorine, volume of organic solvent used, noise level, temperature, humidity, and luminous intensity for computer operation.

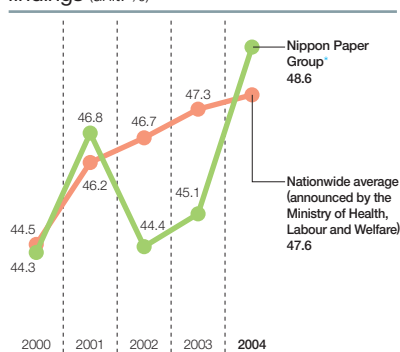
Our objective, in terms of employee health, is the prevention and early detection of disease. For example, during or after the regular annual health examination, a public health nurse will interview each employee under the supervision of an industrial physician and offer advice on the prevention of disease. In addition, industrial physicians regularly visit the workplaces. Based on the results and their advice, we will establish a good working environment considering hygiene and health.

In addition, the companies give extra consideration to the health of not only employees but also their families. An opportunity for a medical examination is

also offered to the spouses of employees.

We recognize that no special problem was observed in the results of the medical examinations in 2004. We will further continue the efforts in each mill or office.

Ratio of persons with abnormal findings (unit: %)



* Nippon Paper Group: Nippon Paper Group, Inc., Nippon Paper Industries Co., Ltd., Nippon Daishowa Paperboard Co., Ltd., Nippon Paper Chemicals Co., Ltd., CRECIA Corporation, NIPPON PAPER-PAK CO., LTD., Nippon Paper Lumber Co., Ltd., SAN-MIC SHOJI CO., LTD., and Nippon Paper Development Co., Ltd.

Ratio of persons with abnormal findings by type of inspection (unit: %)

	2004
Number of examinees	6,579
Number of persons with abnormal findings	3,199
Ratio of persons with abnormal findings by type of inspection	
Blood lipids	28.0%
Hepatic function	16.8%
Blood pressure	13.8%
Auditory capacity	10.7%
Electrocardiogram	7.2%
Blood sugar	6.3%
Urinalysis (protein)	4.7%
Anemia	3.1%
Urinalysis (sugar)	2.8%
Chest x-ray	2.6%
Ratio of Persons with Abnormal Findings	48.6%

Tackling mental health

In addition to physical health, mental health is a concern today. Protecting the employee's privacy, each subordinated company and the whole group aim to build a system that supports mental health. As an example, Nippon Paper Industries Co., Ltd. has independently sponsored lectures and seminars about mental health in each mill and office. In July 2003, the company introduced a mental health care system on the web, which is a mechanism to provide mental health checkups and counseling to all employees.

In addition, the company has conducted the Japan Mental Health Inventory (JMI) developed by the Japan Productivity Center for Socio-Economic Development since FY 2003.



Mental health website

Products containing asbestos and the opening of consultation contacts for inquiries from employees

Asbestos has become a major social issue in Japan. Nippon Paper Group, Inc. disclosed the products containing asbestos and provided consultations for inquiries from employees (and retired employees) on August 3, 2005.

Within the Group, it was ascertained that the following two mills of Nippon Paper Industries Co., Ltd. produced base paper for processing that contained asbestos.

Amid growing fears, consultations for inquiries from employees, retired employees and their families were provided at the headquarters and mills of Nippon Paper Industries and its consolidated subsidiaries.

Products:

Aspaar (content of white asbestos: 60% or above)
Minepaar (content of white asbestos: approx. 5%)

Produced by:

Nakoso Mill (Iwaki City, Fukushima) from November 1971 to December 1979
Fushiki Mill (Takaoka City, Toyama) from April 1973 to March 1987

For details, visit the URL below:

<http://www.np-g.com/whatsnew/whatsnew05080301.html> (Japanese only)