

# Nippon Unipac Holding at a Glance

At a Glance

Core Competence

To Our Shareholders

Medium-Term Business Plan

Sustainable Growth

Financial Section

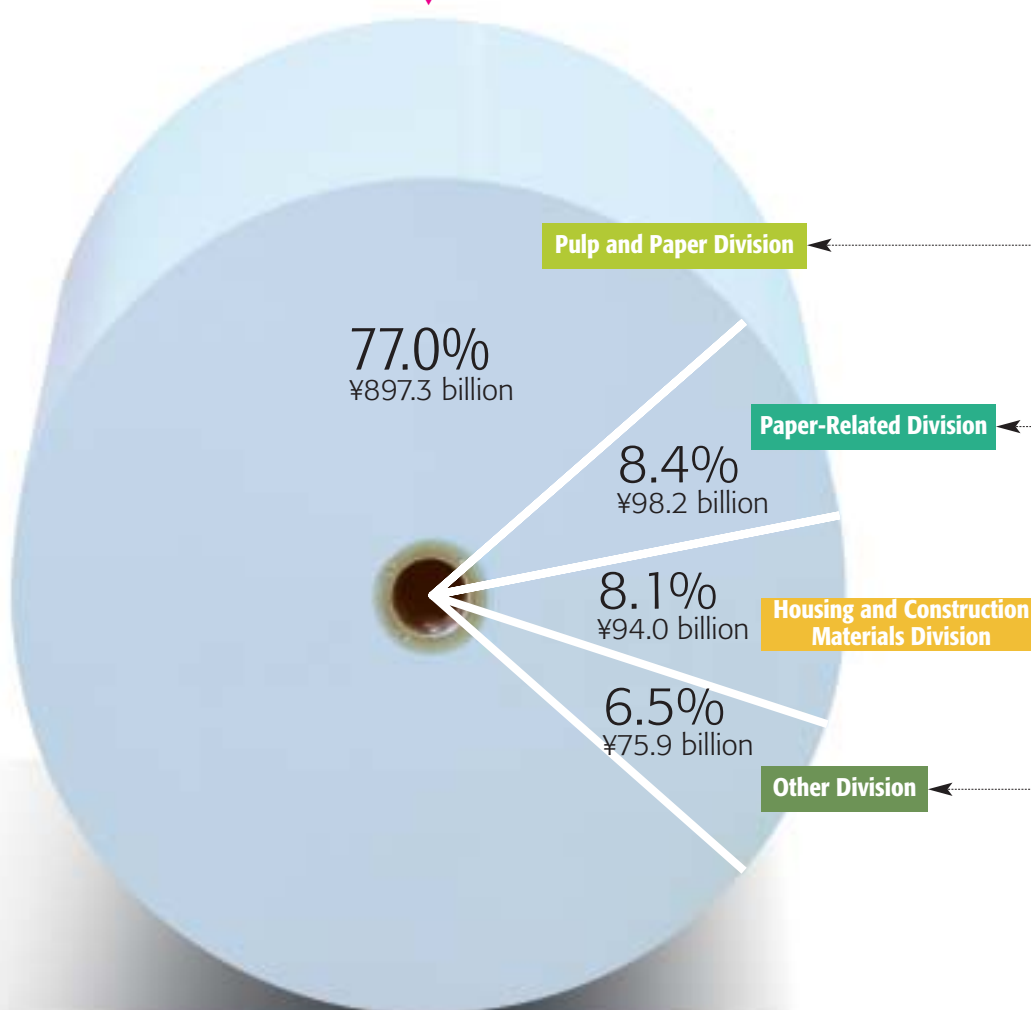
Basic Information

## Profile

Nippon Unipac Holding was formed on March 30, 2001 as a pure holding company of Nippon Paper Industries Co., Ltd. and Daishowa Paper Manufacturing Co., Ltd., to facilitate the companies' integration of their operations.

On April 1, 2003, the Nippon Unipac Holding Group introduced a new organizational structure under which the paper business and the paperboard business—the Group's two core operations—were consolidated and reorganized under Nippon Paper Industries Co., Ltd. and Nippon Daishowa Paperboard Co., Ltd., respectively. The Nippon Unipac Holding Group, with Nippon Paper Industries Co., Ltd., Nippon Daishowa Paperboard Co., Ltd., and their 175 subsidiary companies and 53 affiliated companies under its banner, engages mainly in the manufacture and sales of pulp and paper. Group companies also are engaged in paper-related businesses, housing and construction materials, logistics, bottling and sales of soft drinks and other beverages, and other operations.

**Composition of Sales  
of the Four Business Divisions**  
(Fiscal 2003)



Total Sales: ¥1,165.5 billion

**Business Structure**



## An Overview of the Four Divisions

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### PULP AND PAPER DIVISION

The division manufactures and sells paper, paperboard, household tissue, pulp, and related products.

#### Paper

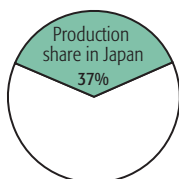
Paper is one of the Nippon Unipac Holding Group's core businesses. Leading our operations in this area is Nippon Paper Industries Co., Ltd., which was reorganized in April 2003 through the merger with Daishowa Paper Manufacturing Co., Ltd. and Nippon Paper Sales Co., Ltd. The division commands the largest share of the domestic market in three mainstay categories: newsprint, printing and publishing paper, and business communication paper.

##### ● Major product categories

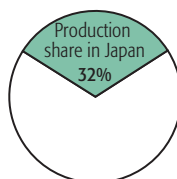
Newsprint, Printing and publication paper, Business communication paper



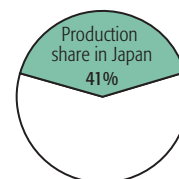
Newsprint



Printing and publication paper



Business communication paper



#### Paperboard

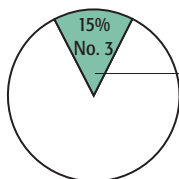
Nippon Unipac Holding designed the optimal production structure for its paperboard operations, and established Nippon Daishowa Paperboard Co., Ltd. in April 2003. The division produces SIKRA PAK®, which is known for its superior waterproofing, and core paper as well as products for general use such as containerboard and folding box board. The excellent performance and high quality of these products have helped the division earn the solid trust of its customers.

##### ● Major product categories

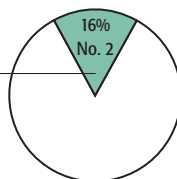
Containerboard, Folding box board, Core paper



Containerboard



Folding box board



SIKRA PAK®



Core paper

#### Household Tissue

The two largest and best-known brand names of household tissue, Kleenex® and Scottie®, are manufactured and sold by CRECIA Corporation. This company develops and manufactures a range of products outside the traditional scope of facial tissue and bathroom tissue, including Adult Care products and Professional products.

##### ● Major products

Facial tissue, Bathroom tissue, Paper towels, Wet tissue, Adult Care products, and Industrial-use wipes[\*1]



Kleenex  
Products

scottie

\* Please refer to the Glossary on pages 60 and 61 for details.

## PAPER-RELATED DIVISION

The division manufactures and sells chemical products and industrial processed paper.

### Chemical Products

Spearheaded by Nippon Paper Chemicals Co., Ltd., this division is working to develop wood-based chemicals so that wood components are fully utilized. Products in this category have earned significant shares in their markets. They find applications in a variety of products used by consumers everyday, including paint, ink, dispersing agents[\*2], flavor enhancers, animal feed, sweeteners, and pharmaceutical products.



#### ● Major products

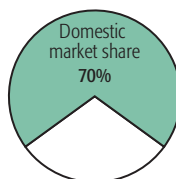
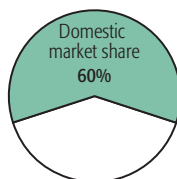
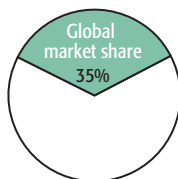
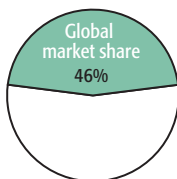
Dissolving pulp, Chlorinated and modified polyolefins (found in paint, ink, and adhesives), Lignin products (industrial dispersing agents, concrete admixture), Carboxymethyl cellulose, Powdered cellulose, Ribonucleic acid and yeast extract (flavor enhancers, animal feed), Stevia extract (sweetener), and Glycyrrhizin (sweeteners, and pharmaceutical products)

Products with high share:

Low chlorinated polyolefins[\*3] Ribonucleic acid

Dissolving pulp (DP)

Lignin products



### Industrial Processed Paper

NIPPON PAPER-PAK CO., LTD. leads the division's operations in this category. The company manufactures liquid-packaging cartons, such as the familiar one-liter milk cartons found in supermarkets, and other packages made primarily of paper. NIPPON PAPER-PAK CO., LTD. provides these cartons in a comprehensive deal that also includes filling machines and maintenance services. Applying expertise and accumulated technical know-how, the company has carved out a position as Japan's leading maker of liquid-packaging cartons and claims a market share of approximately 33%.

#### ● Major products and services

PURE-PAK®[\*4], NS-FUJI PAK[\*5], NS-SLIM Mini, Filling machines, and the Unifill system[\*6]



PURE-PAK®



NS-FUJI PAK

### Functional Materials

This category uses leading-edge film processing technology to produce hard-coated film[\*7] for liquid crystal displays and other functional films with special characteristics. The burgeoning popularity of cellular phones and laptop computers in recent years is driving up demand for products in this category.

#### ● Major products

Optical films for flat-panel display screens; Engineering products, Materials for the printing and platemaking industries



## HOUSING AND CONSTRUCTION MATERIALS DIVISION

Operations in this division center on the sales of logs and lumber, the purchase, manufacture and sales of construction materials, the civil engineering business, and tree-planting.

Nippon Paper Lumber Co., Ltd.—Japan's largest lumber distributor—operates a worldwide network that allows it to search overseas for lumber that is low in cost yet high in quality and to offer lumber products that meet a customer's specific needs. Daishowa Uniboard Co., Ltd. and PAL CO., LTD. aim at enhancing living and society by providing lumber construction materials that are environment-friendly and good for the human body.

In all its activities, the Group is committed to working in harmony with the natural environment, and toward that end it takes active part in tree-planting projects across the nation.

## OTHER DIVISION

Operations here include logistics, the bottling and selling of soft drinks and other beverages, among other businesses.

With a focus on maximizing profitability for the entire Group, efforts are concentrated in areas expected to yield the greatest synergistic effects. In the logistics business, for example, we are working to develop regional structures designed to minimize the Group's aggregate distribution costs.

\* Please refer to the Glossary on pages 60 and 61 for details.