

MOVE UP

Stronger

Higher

Faster



NIPPON PAPER LUMBER CO.,LTD.

- **Date Established:** September 10, 1970
- **Capital:** ¥440 million
- **URL:** <http://www.np-l.co.jp/>
- **President:** Shin-ichiro Matsumura
- **Sales (fiscal 2004 forecast):** ¥77 billion
- **Main Product Lines and Services:**

▶ Lumber Division

Imported logs (softwood and hardwood), Lumber products, Glued lumber[*16], Plywood



▶ Paper Raw Material Division

Pulpwood, wood chips, wastepaper

▶ Other Divisions

Insulation materials (cellulose fiber)

● Company Strengths:

The Company took on an expanded form in October 2002, when the Group's three lumber-related companies became integrated as one. This made us the largest company in our industry. Since that time, supported by the trusted name and reputation of the Nippon Unipac Holding Group, we have worked hard to maintain our position atop the market at a time when the industry is experiencing a slowdown.

We have the combined purchasing power to buy directly from overseas. Yet at the same time, we have a local presence all over Japan that helps us truly understand the needs of end customers in the areas we cover.

The Company handles a huge variety of lumber-related products. We purchase from more than 2,000 suppliers and serve more than 2,500 corporate customers. With wide product lines that range from softwood and hardwood logs to wood chips and finished lumber products, we can meet virtually any customer need.

The First Medium-Term Business Plan of NIPPON PAPER LUMBER CO., LTD.

■ Targets for Fiscal 2006

Ordinary income: ¥1.5 billion

Ordinary margin on sales: 2 %

1.5%

of the Group's total ordinary income



■ Basic Policy

To improve profitability by having the flexibility and adaptability to take advantage, in a timely manner, of the synergy effects of our business integration.

■ Action Plan

- Strengthen sales, making optimal use of our expanded customer base through the business integration.
- Expand sales of lumber products and building materials, focusing on major cities with potential for high demand.
- Explore new wood sources overseas and import products from them.
- Expand the resource-recycling business (civilculture, sales of chips from scrapped materials, wastepaper, and insulation material).



Installation of Insulation materials

Factors such as declining demand for wood and changes in the distribution system have brought harsh conditions to the wood products distribution industry. The climate remains bleak. To cope with these circumstances, the Company and its 160 experts continue to develop new business ideas and, making full use of our extensive supplier network and nationwide sales bases, to offer a comprehensive range of products to meet diverse customers' needs.

The company aims to be a "all around" trading company of lumber with high profitability and adaptability to changing business conditions, by making good use of wood product professionals and its expanded business base.

Shinichiro Matsumura

Shin-ichiro Matsumura
President, Nippon Paper Lumber Co., Ltd.



At a Glance

Core Competence

To Our Shareholders

Medium-Term Business Plan

Sustainable Growth

Financial Section

Basic Information

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