

Utilizing Recyclable Resources

Wood Chips

The Nippon Unipac Holding Group seeks to procure materials that meet three key criteria: (1) stable supply, (2) quality and price-competitiveness, and (3) environment friendliness.

The Group has designated Australia, South Africa, and South America as its base regions for procuring hardwood chips.

As part of our efforts to improve supply stability, we are driving "Tree Farm Initiative." By the end of 2002, we had established 77,000 hectares of plantation, placing us well on the way toward our goal of more than 100,000 hectares by 2008.

In 2003, we began exporting wood chips from Volterra SA in Chile, adding to WA Plantation Resources (WAPRES) of Western Australia and Forest Resources (Forestco) of South Africa, from which exports of wood chips are already underway. We plan to export one million BDT[*21] from a 100,000-hectare plantation by 2008.

In light of our commitment to environmentally sound operations, for the purpose of ensuring sustainable procurement of wood chips, we are working to obtain Forest Certification [*22] for all of our domestic and overseas forests and afforestation areas by 2008. Also by 2008, we are working to ensure that 100% of the hardwood chips we procure comes from afforestation areas and certified forests.

Wastepaper

The Group enthusiastically recycles wastepaper, particularly in paper and paperboard. As one of the biggest consumers in Japan, we utilize 3.5 million tons of wastepaper each year.

Nippon Paper Industries Co., Ltd. is particularly aggressive in using recycled wastepaper in paper making, and the content of wastepaper in its newsprint now exceeds 70%.

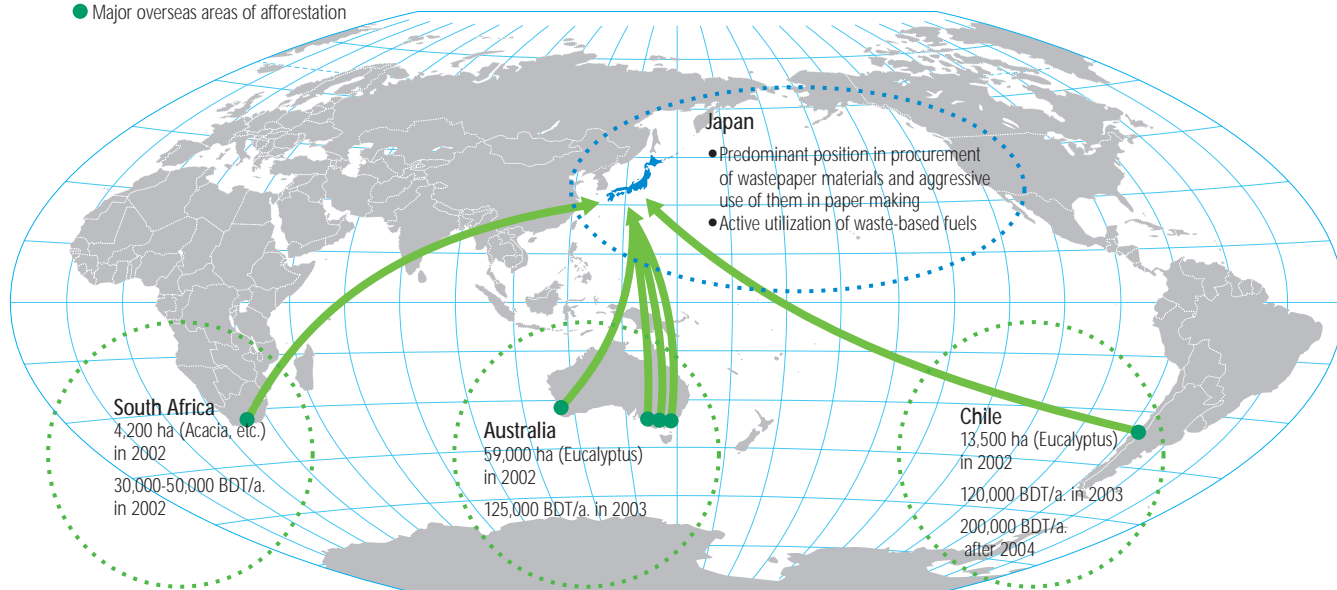
In the past, wastepaper from magazines, telephone directories, and woodfree paper with adhesives could be used only in manufacturing paperboard and household tissue. Technologies developed by our Group, however, now allow much wider use of these materials. In fact, these types of wastepaper now account for more than 10% of the wastepaper material we use in paper making. This greatly reduces costs and also improves supply stability.

Use of Non-Fossil Fuel

In fiscal 2003, around 35% of the Group's energy needs were met through non-fossil fuels, such as those derived from waste materials. (The percentage figure of 35% represents the equivalent in fuel oil.) We are committed to reducing both carbon dioxide emissions and waste generation. Accordingly, we are working to switch over from oil and coal to waste-derived fuels such as refuse paper and plastic fuel (RPF) [*23], wastewood chips and tire chips for fuel.

Stable Procurement of Internationally Competitive Raw Materials

● Major overseas areas of afforestation



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