



**Tetsuji Horikawa**  
*President*



# Nippon Daishowa Paperboard Co., Ltd.

---

**Established:**

August 28, 1913

---

**Paid-in Capital:**

¥10,864 million

---

**URL:**

<http://www.nichidaiita.co.jp>

---

**Representative:**

President Tetsuji Horikawa

---

**Main Products (Applications):**

Linerboard and corrugating medium (*Corrugated board*)

White board (*Packages for confectionery, daily commodities, etc., publishing, catalogs*)

Other types of board (*Gypsum board base paper, paper core, etc.*)

Specialty paper (*plug wrap paper, teabag filter paper, etc.*)

---

**Sales in Fiscal 2004**

(including intergroup sales) totaled:

¥153.0 billion

---

>> **Operating Environment** There were two major changes in the operating environment for paperboard in fiscal 2004. The first change was an increase in the price of wastepaper, mainly due to higher production of paper in China, which pushed up export prices from Japan. Although conditions settled from the second half of the fiscal year, price trends for wastepaper warrant attention. The second change was a restoration of product prices. Each company in the industry, including Nippon Daishowa Paperboard put efforts to raise prices in order to maintain appropriate profit levels.

Paperboard is a material with low environmental impact, as it uses wastepaper as its main raw material. Paperboard will be in demand as long as products and distribution exist. Owing to the economic recovery, shipments of paperboard are on an uptrend, and with minor pressure from imports given the current price levels, we expect a stable operating environment to continue for some time.

>> **Company Strengths** Nippon Daishowa Paperboard's primary mills are located near the Kanto region, a major area of consumption, facilitating sales and procurement of wastepaper. Nippon Daishowa Paperboard has mills throughout Japan, making it easier to market products. The company maintains high capacity utilization in production, reflecting the closure of the Kameari Mill and the shutting down of facilities at Nippon Paper Industries' Shiraoi Mill.

>> **Performance in Fiscal 2004** Beginning operations under its new structure in fiscal 2004, Nippon Daishowa Paperboard got off to a good start as a result of efforts launched in October 2003 to steadily reduce costs and restore appropriate prices for such products as coated duplex board, linerboard and corrugating medium. Substantial cost reduction effects were realized from greater usage of wastepaper, improvement in distribution costs, lower energy costs from sludge boilers, and reductions in personnel. To reinforce the foundation of the downstream corrugated board business, we integrated eight corrugated board companies and launched Nichiita Package Industries Co., Ltd.

>> **Outlook** In fiscal 2005, we plan to continue taking measures to achieve profits over the targets in the business plan. Prioritizing sales at appropriate price levels, we are strengthening marketing by reviewing production and sales structures while upgrading operations after the merger. To further reduce costs, we are continuously making efforts to efficiently use facilities, reduce personnel and lower interest-bearing debt through selective investment. By securing earnings and strengthening the financial structure through these measures, we aim to satisfy the expectations of Nippon Paper Group shareholders in the future while building a robust corporate foundation.