

VISION

Nippon Paper Group will strive to become a world-class company through our diverse business activities.

Ideals for Our group

1. Achieving superior, stable profits for our shareholders
2. Winning the trust of our customers
3. Having positive, forward-looking employees
4. Preserving corporate ethics

Vision

Nippon Paper Group will strive to become a world-class company through its diverse business activities and has formulated the four ideals on the left for fulfilling its vision.

Corporate Governance

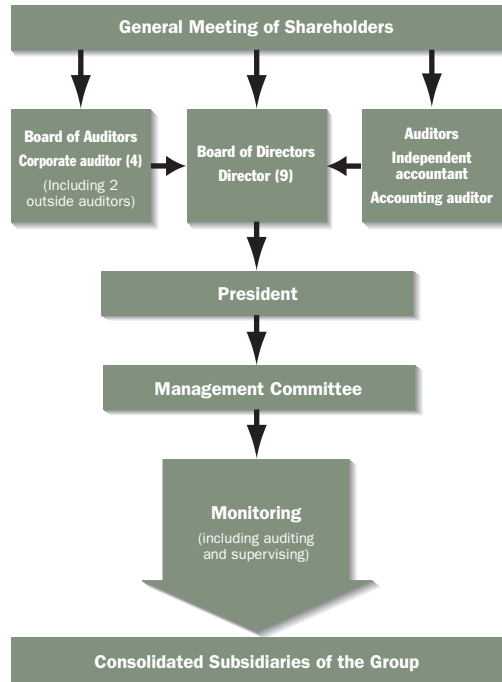
Nippon Paper Group, Inc. considers fair management as an important issue for increasing transparency of management for shareholders. As a pure holding company, Nippon Paper Group, Inc. is underpinned by the basic concept of corporate governance, which separates management and business execution, promotes growth strategies for each Group company to enhance shareholder value, monitors and audits Group companies as the control center for Group management, and fulfills its disclosure responsibilities to shareholders. We aim to thoroughly instill compliance by monitoring and auditing each Group company.

Corporate Governance Structure

Nippon Paper Group has clearly defined the organization and roles within it, separating Group governance and business execution at each Group company. In enforcing governance, we take a minimal approach to influencing the business execution of Group companies, and in principle promote freedom, independence and self-responsibility at Group companies.

The Board of Directors determines matters pertaining to the basic policies, rules and articles of incorporation for Nippon Paper Group, Inc. and Group management, as well as other important management-related matters. At the same time, the Board of Directors is positioned as the institution for monitoring business execution. Under the Board of Directors, the Management Committee, comprised of all directors and auditors including the chairman, deliberates on important matters related to the business execution of Group companies, including basic policies and strategies related to the management of Nippon Paper Group, Inc. and Group companies. The Management Committee also makes efforts to thoroughly instill compliance. The Board of Directors comprises nine directors.

For auditing functions, Nippon Paper Group, Inc., has in place corporate auditors as well as a board of auditors composed of corporate auditors in line with statutory regulations related to commercial law. Auditors participate in important meetings such as the Management Committee and the Board of Directors to closely observe the business execution activities of directors, and monitor the legality and appropriateness of companywide operations. Auditors comprise two corporate auditors and two outside auditors. The Auditors Information Network is set up for auditors from each Group company to periodically deliberate and share information on auditing principles and methods as well as to strengthen ties among members.



CSR Promotion Structure

We established the CSR Committee on October 1, 2003 to promote corporate social responsibility (CSR). The CSR Committee is chaired by the vice president who is the director in charge of CSR, and the CSR Office is under the direct control of the president to support committee activities. Nippon Paper Group, Inc. promotes unified efforts at management to fulfill its comprehensive social responsibilities from the perspective of economic activities, environmental efforts and social fairness.

Compliance

Under the CSR Committee, the Corporate Ethics Subcommittee prepared for the formulation of the Group's Action Charter and Codes of Conduct. On April 1, 2004, the committee formulated the Action Charter as a basis for fulfilling our corporate social responsibility, and the Codes of Conduct based on the Action Charter. We are working to reinforce the Group's compliance structure to enforce the strict observance of social norms and ethics.

Action Charter

1. We shall pursue a sustainable growth for the future to contribute to society through our business activities.
2. We shall abide by the letter and the spirit of laws and regulations, and comply with the highest ethical standards and social codes of conduct, both in Japan and abroad.
3. We shall conduct our business in a fair, transparent and liberal manner.
4. We shall win the trust of customers through the development and provision of socially useful and safe products and services.
5. We shall disclose corporate information positively and fairly to all stakeholders of the Group.
6. We shall actively address environmental issues, and shall endeavor to conserve and enhance the environmental state of our planet.
7. We shall maintain consistency between the corporate development and the personal contentment of individual employees, and create a company filled with dream and hope.

Helpline

We set up a helpline on April 1, 2004, as a way for Group employees, temporary staff and contract employees to confer or report on compliance issues. In addition to an internal office, we also have an external office for reaching attorneys and independent third-party institutions. The Compliance Office in the General Affairs Department of Nippon Paper Industries Co., Ltd. is in charge of administrating the helpline system, and works to quickly resolve issues brought up by employees while protecting their privacy and carefully managing information.

Nippon Paper Group's CSR Promotion Structure

