

## Summary of Financial Status and Results of Operations for the First Quarter of the Fiscal Year Ending March 2005 (Consolidated)

Name of Company Listed: **Nippon Unipac Holding**                      Stock Exchange Listings:  
Tokyo, Osaka, and Nagoya, (First Sections)

Code Number: 3893

URL: <http://www.nipponunipac.com>

Representative:  
Title of Representative Person: President  
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### 1. Matters Related to Preparation of the Summary of Financial Status and Results of Operations for the Quarter

- ① Has the Company adopted a simplified accounting method? Yes  
The Company has adopted a simplified method for tax effect accounting and accounting for items such as corporation taxes.
- ② Has the Company made any changes in accounting method since the most recent consolidated fiscal year? No
- ③ Has the Company made any changes in scope of consolidation and application of the equity method? Yes  
Consolidated (New): 1 company (Eliminated): 4 companies Equity method: No change

### 2. Summary of Consolidated Financial Status and Results of Operations for the First Quarter of the Fiscal Year Ending March 2005 (April 1, 2004–June 30, 2004)

#### (1) Consolidated Business Results

(Amounts indicated are displayed with amounts of less than one million yen rounded off.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First quarter of fiscal year 2005	295,532	(-0.7)	15,925	(25.7)	15,308	(48.3)	10,273	(114.5)
First quarter of fiscal year 2004	297,619	( - )	12,670	( - )	10,324	( - )	4,790	( - )
(Reference) Fiscal year 2004	1,192,649		55,679		50,665		24,258	

	Net income per share	Net income per share after adjusting for dilution
	Yen	Yen
First quarter of fiscal year 2005	9,382.61	8,996.99
First quarter of fiscal year 2004	4,392.94	4,215.60
(Reference) Fiscal year 2004	22,025.22	21,132.64

Note: The percentages shown for net sales, operating income, ordinary income and net income indicate the percentage increase or decrease compared to the same period of the previous fiscal year.

## (2) Consolidated Financial Status

(Amounts indicated are displayed with amounts of less than one million yen rounded off.)

	Total Assets	Total Shareholders' Equity	Equity Ratio	Shareholders' Equity per Share
	Millions of yen	Millions of yen	%	Yen
First quarter of fiscal year 2005 (Reference)	1,635,584	436,229	26.7	398,401.49
Fiscal year 2004	1,637,366	429,621	26.2	392,140.80

Note: Because it began disclosing a summary of consolidated financial status from this quarter, the Company has omitted the figures of the same period of the previous fiscal year.

(Reference) Projection of Consolidated Results of Operations for the Fiscal Year Ending March 2005 (April 1, 2004–March 31, 2005)  
There are no changes to the projection released publicly on May 18, 2004 when the Group issued its Consolidated Results of Operations for the Fiscal Year Ended March 31, 2004.

	Net sales	Ordinary income	Net income
	Millions of yen	Millions of yen	Millions of yen
Interim accounting period	595,000	29,000	8,500
Full fiscal year	1,195,000	65,000	28,000

(Reference) Projected net income per share (full fiscal year) 25,571.97

Forecast performance is predicted based on the information available at the time of the announcement. Actual performance may differ from forecasts due to a variety of factors.

## **Summary of Business Results and Financial Status for the First Quarter of the Fiscal Year Ending March 2005 (Consolidated)**

### **Business Results (Consolidated)**

Consolidated business results for the first quarter under review (April 1, 2004–June 30, 2004) saw net sales decrease 0.7% from the same period of the previous fiscal year to 295,532 million yen. Operating income rose 25.7% year on year to 15,925 million yen, and ordinary income increased 48.3% from the previous year level to 15,308 million yen. Net income for the quarter increased 114.5% year on year to 10,273 million yen. A summary of the general circumstances regarding net sales and results of operations in individual business segments is provided below.

### **Results of Operations in Individual Business Segments**

#### **(1) Pulp and Paper Division**

Domestic sales volume for newsprint edged up slightly compared to the first quarter of the previous fiscal year. In addition to a positive trend in advertising placement, spot demand rose in conjunction with the Upper House elections. Domestic sales of printing paper also increased compared to the same period of the previous fiscal year. One factor was steady demand for mail-order catalogs and large store handbills, driven by sales related to digital consumer electronics and travel. Domestic sale prices declined somewhat compared with the first quarter of the previous fiscal year, as prices softened gradually after summer 2003 under the influence of increased imports and changes in the mix of products and customers. In the paperboard segment demand remained firm, but domestic sales volume eased downward compared to the same period of the previous fiscal year because of a focus on sales with an emphasis on price. Selling prices remained at the level established by the price revisions in October 2003. In the household tissue segment, the marketing battle intensified and both sales volume and prices drifted downward.

As a result, net sales decreased 2.3% compared to the same period of the prior fiscal year to 219,779 million yen, and operating income rose 15.5% to 11,903 million yen.

#### **(2) Paper-Related Division**

Sales of liquid-packaging cartons such as PURE-PAK<sup>®</sup> rose sharply compared with the same period of the previous fiscal year, due to strong sales of tea-based beverages and soft drinks boosted by good weather. In its corrugated sheet business, the division realized positive results from the synergy effects from the business restructuring. In chemical products, sales of chlorinated polyolefin for paints enjoyed steady growth.

As a result, net sales were 31,967 million yen, 2.7% higher than in the same period of the previous fiscal year, and operating income increased 60.0% year on year to 1,982 million yen.

#### **(3) Housing and Construction Materials Division**

In the Housing and Construction Materials Division, sales of construction materials were strong, against the backdrop of an increasing number of new housing starts. As a result, net sales rose by 11.7% year on year to 23,952 million yen and operating income grew by 177.9% from the level in the same period of the previous fiscal year to 589 million yen.

#### **(4) Other Division**

In the Group's other businesses, such as the soft drink and other beverages business and transportation, net sales were off 0.9% compared to the same period of the previous fiscal year to 19,832 million yen. Operating income grew 58.1% from the same period one year earlier, to 1,450 million yen.

### **Change in Financial Status (Consolidated)**

Total assets at the end of the first quarter of the fiscal year remained at the same level as at the end of the prior consolidated fiscal year, decreasing by 1,781 million yen to 1,635,584 million yen. Current assets increased by 24,517 million yen, and fixed assets declined by 26,267 million yen.

Total liabilities decreased by 8,837 million yen compared with the end of the previous consolidated fiscal year, to 1,176,305 million yen. The main reason was a 8,886 million yen decrease in long-term liabilities.

Shareholders' equity increased by 6,607 million yen to 436,229 million yen, and the equity ratio rose to 26.7% (0.5% points higher than at the end of the previous consolidated fiscal year).

**1. (Summary) Quarterly Consolidated Balance Sheets**

(Attached Materials)

(Millions of yen)

	First quarter of accounting period of fiscal year 2005		(Reference) Accounting period of fiscal year 2004	
	Amount	Composition ratio	Amount	Composition ratio
(Assets)		%		%
<b>I Current assets</b>	501,166	30.6	476,649	29.1
Cash and time deposits	15,565		21,848	
Notes and accounts receivable	278,524		260,798	
Inventories	134,814		134,616	
Other current assets	72,262		59,386	
<b>II Fixed assets</b>	1,134,304	69.4	1,160,572	70.9
Property, plant and equipment	871,275	53.3	900,013	55.0
Intangible fixed assets	44,910	2.8	44,459	2.7
Investments and other assets	218,118	13.3	216,100	13.2
<b>III Deferred assets</b>	113	0.0	144	0.0
<b>Total assets</b>	1,635,584	100.0	1,637,366	100.0
(Liabilities)				
<b>I Current liabilities</b>	726,467	44.4	726,418	44.4
Notes and accounts payable	132,962		131,541	
Short-term borrowings	325,977		359,828	
Bonds to be redeemed in one year or less	61,500		36,500	
Commercial paper	94,000		79,000	
Other current liabilities	112,026		119,548	
<b>II Long-term liabilities</b>	449,838	27.5	458,724	28.0
Corporate bonds	131,000		126,000	
Long-term debt	234,359		240,950	
Other long-term liabilities	84,479		91,773	
<b>Total liabilities</b>	1,176,305	71.9	1,185,143	72.4
(Minority interests in consolidated subsidiaries)				
Minority interests in consolidated subsidiaries	23,049	1.4	22,601	1.4
(Shareholders' equity)				
<b>I Common stock</b>	55,730	3.4	55,730	3.4
<b>II Capital surplus</b>	252,447	15.4	252,447	15.4
<b>III Earned surplus</b>	123,956	7.6	118,044	7.2
<b>IV Unrealized gains on other marketable securities</b>	16,603	1.0	15,427	0.9
<b>V Translation adjustments</b>	-6,938	-0.4	-6,525	-0.4
<b>VI Treasury stock</b>	-5,570	-0.3	-5,502	-0.3
<b>Total shareholders' equity</b>	436,229	26.7	429,621	26.2
<b>Total liabilities, minority interests and shareholders' equity</b>	1,635,584	100.0	1,637,366	100.0

**2. (Summary) Quarterly Consolidated Statements of Income**

(Millions of yen)

	First quarter of accounting period of fiscal year 2005 (April 1, 2004 to June 30, 2004)		First quarter of accounting period of fiscal year 2004 (April 1, 2003 to June 30, 2003)		Change Amount	(Reference) Accounting period of fiscal year 2004	
	Amount	Percentage	Amount	Percentage		Amount	Percentage
		%		%			%
I Net sales	295,532	100.0	297,619	100.0	-2,087	1,192,649	100.0
II Cost of sales	226,275	76.6	229,575	77.1	-3,300	919,602	77.1
Gross profit	69,257	23.4	68,043	22.9	1,213	273,047	22.9
III Selling, general and administrative expenses	53,331	18.0	55,373	18.6	-2,041	217,367	18.2
Operating income	15,925	5.4	12,670	4.3	3,254	55,679	4.7
IV Non-operating income	2,990	1.0	3,275	1.1	-284	12,193	1.0
V Non-operating expenses	3,607	1.2	5,621	1.9	-2,013	17,208	1.5
Ordinary income	15,308	5.2	10,324	3.5	4,983	50,665	4.2
VI Extraordinary gains	10,822	3.7	181	0.1	10,641	10,056	0.9
Gains on sales of property, plant and equipment	10,303		79		10,224	1,438	
Others	519		101		417	8,618	
VII Extraordinary losses	5,276	1.8	707	0.3	4,568	24,204	2.0
Losses on disposal of property, plant and equipment	1,155		475		680	5,137	
Losses on sales of investments in other securities	3,297		-		3,297	504	
Others	823		231		591	18,563	
Income before income taxes and minority interests	20,854	7.1	9,798	3.3	11,056	36,517	3.1
Corporate tax and others	9,984	3.4	4,585	1.5	5,399	10,898	0.9
Minority interests in earnings of consolidated subsidiaries	595	0.2	421	0.2	173	1,359	0.2
Net income	10,273	3.5	4,790	1.6	5,483	24,258	2.0

### 3. First Quarter Consolidated Statements of Retained Earnings

(Millions of yen)

	First quarter of accounting period of fiscal year 2005 (April 1, 2004 to June 30, 2004)	(Reference) Accounting period of fiscal year 2004 (April 1, 2003 to March 31, 2004)
	Amount	Amount
(Capital surplus)		
I Capital surplus at beginning of period	252,447	252,964
II Increase in capital surplus during period	0	-
Gain on disposal of treasury stock	0	-
III Decrease in capital surplus during period	-	517
Loss on disposal of treasury stock	-	517
IV Capital surplus at end of quarter (fiscal year)	252,447	252,447
(Earned surplus)		
I Earned surplus at beginning of period	118,044	112,668
II Increase in earned surplus during period	10,496	24,258
Net income for the quarter (fiscal year)	10,273	24,258
Increase due to merger with subsidiary company	178	-
Increase due to exclusion of certain subsidiaries in the consolidation	44	-
III Decrease in earned surplus during period	4,583	18,883
Cash dividends paid	4,381	13,094
Bonuses to directors and statutory auditors	202	198
Decrease due to inclusion of certain subsidiaries in the consolidation	-	5,575
Decrease due to exclusion of certain subsidiaries in the consolidation	-	15
IV Earned surplus at end of quarter (fiscal year)	123,956	118,044

#### 4. Segment Information

##### (1) Business segment information

The first quarter of accounting period of fiscal year 2005 (April 1, 2004 to June 30, 2004)

(Millions of yen)

	Pulp and Paper Division	Paper-Related Division	Housing and Construction Materials Division	Other Division	Total	Eliminations or corporate	Consolidated
I Sales							
(1) Sales to third parties	219,779	31,967	23,952	19,832	295,532	–	295,532
(2) Intergroup sales and transfers	3,085	3,223	10,616	9,272	26,199	(26,199)	–
Total sales	222,864	35,191	34,569	29,105	321,731	(26,199)	295,532
Operating expenses	210,961	33,209	33,980	27,654	305,806	(26,199)	279,607
Operating income	11,903	1,982	589	1,450	15,925	–	15,925

The first quarter of accounting period of fiscal year 2004 (April 1, 2003 to June 30, 2003)

(Millions of yen)

	Pulp and Paper Division	Paper-Related Division	Housing and Construction Materials Division	Other Division	Total	Eliminations or corporate	Consolidated
I Sales							
(1) Sales to third parties	225,023	31,138	21,446	20,011	297,619	–	297,619
(2) Intergroup sales and transfers	2,099	1,833	7,969	8,592	20,494	(20,494)	–
Total sales	227,123	32,971	29,415	28,604	318,114	(20,494)	297,619
Operating expenses	216,821	31,732	29,203	27,686	305,444	(20,494)	284,949
Operating income	10,302	1,239	212	917	12,670	–	12,670

(Reference) Accounting period of fiscal year 2004 (April 1, 2003 to March 31, 2004)

(Millions of yen)

	Pulp and Paper Division	Paper-Related Division	Housing and Construction Materials Division	Other Division	Total	Eliminations or corporate	Consolidated
I Sales							
(1) Sales to third parties	896,179	123,737	93,469	79,262	1,192,649	–	1,192,649
(2) Intergroup sales and transfers	12,189	10,913	38,043	37,102	98,249	(98,249)	–
Total sales	908,368	134,651	131,513	116,365	1,290,899	(98,249)	1,192,649
Operating expenses	865,353	129,663	128,881	111,320	1,235,219	(98,249)	1,136,970
Operating income	43,014	4,987	2,632	5,044	55,679	–	55,679

Notes: 1. Business classification methods

The Group classifies its business segments on the basis of manufacturing methods and similarity in products.

2. Major products by division

Pulp and Paper Division: Paper, paperboard, household tissue, pulp, raw materials for manufacturing paper

Paper-Related Division: Industrial processed paper, corrugated sheets, chemical products

Housing and Construction Materials Division: Logs and lumber, construction materials, civil engineering

Other Division: Beverages, transportation, leisure facilities, others