

# FY2005 1<sup>st</sup> Quarter Financial Review

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August 3, 2004

Nippon Unipac Holding

## **FY2005 1Q Review** (Apr. 1, 2004 ~ Jun. 30, 2004)

- (1) Industry overview**
- (2) Topics of the Group**
- (3) Consolidated results**
- (4) Consolidated forecast of P/L**

(Apr. 1, 2004 ~ Mar. 31, 2005)

# (1) Industry overview ① Domestic shipment



Industry

FY2005 1Q Domestic shipment

	Shipment (1,000t)	% change from FY2004 Q1
Newsprint	842	3.3%
Uncoated printing paper	649	0.3%
Coated printing paper*	1,481	2.4%
Business communication paper	400	- 4.3%
Other papers (Packaging paper, sanitary paper, and paper for miscellaneous uses)	984	- 0.3%
Paper total	4,356	1.0%
Paperboard total	2,964	0.3%
Paper & Paperboard total	7,320	0.7%

※BITOKO is included in coated printing paper. Source: Japan Paper Association (Temporary figures for June results)

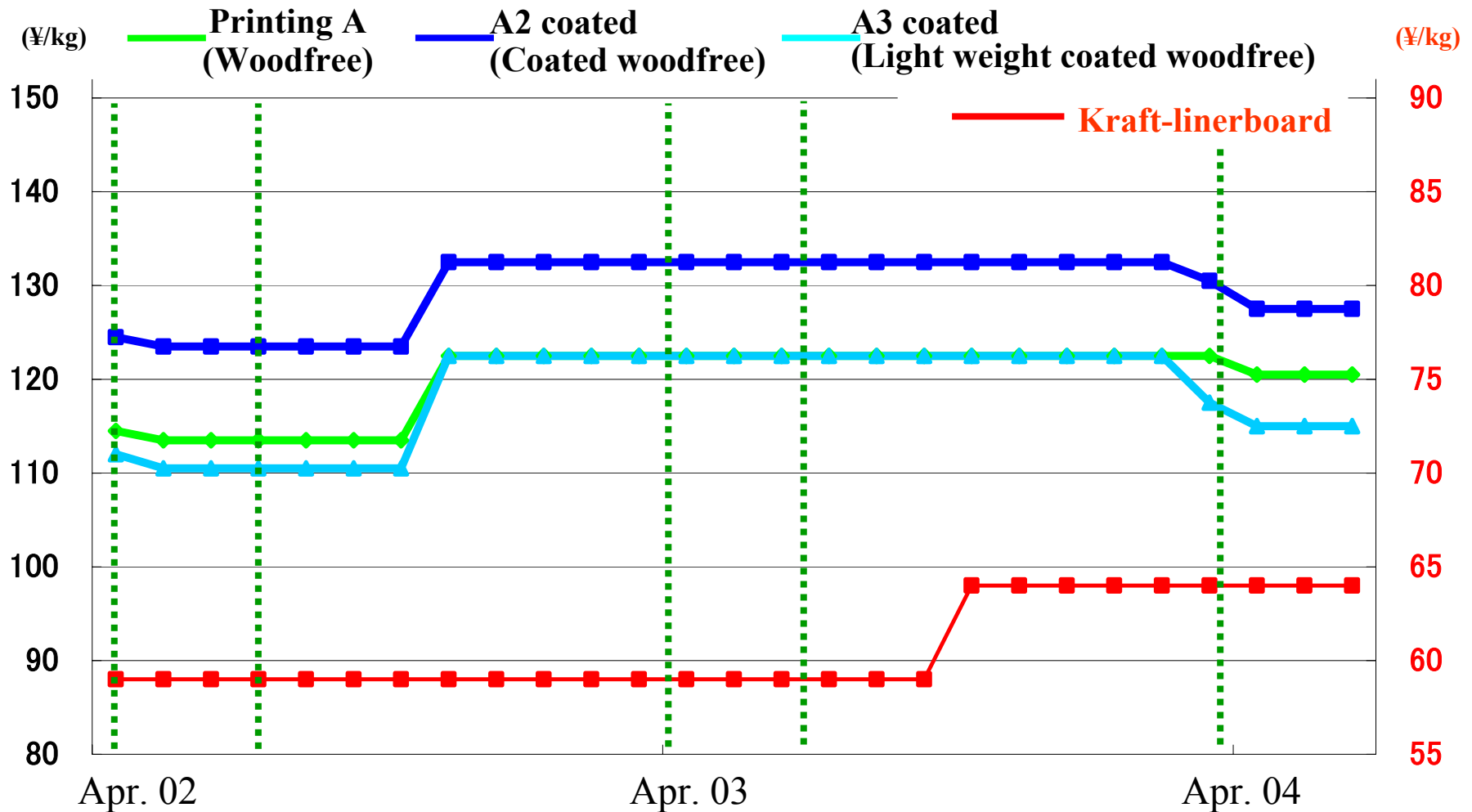
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● (1) Industry overview ② Sales price trend



Industry

Trend in Paper and Paperboard prices  
(April 2002 — June 2004)



Source: Nihon Keizai Shimbun Inc.

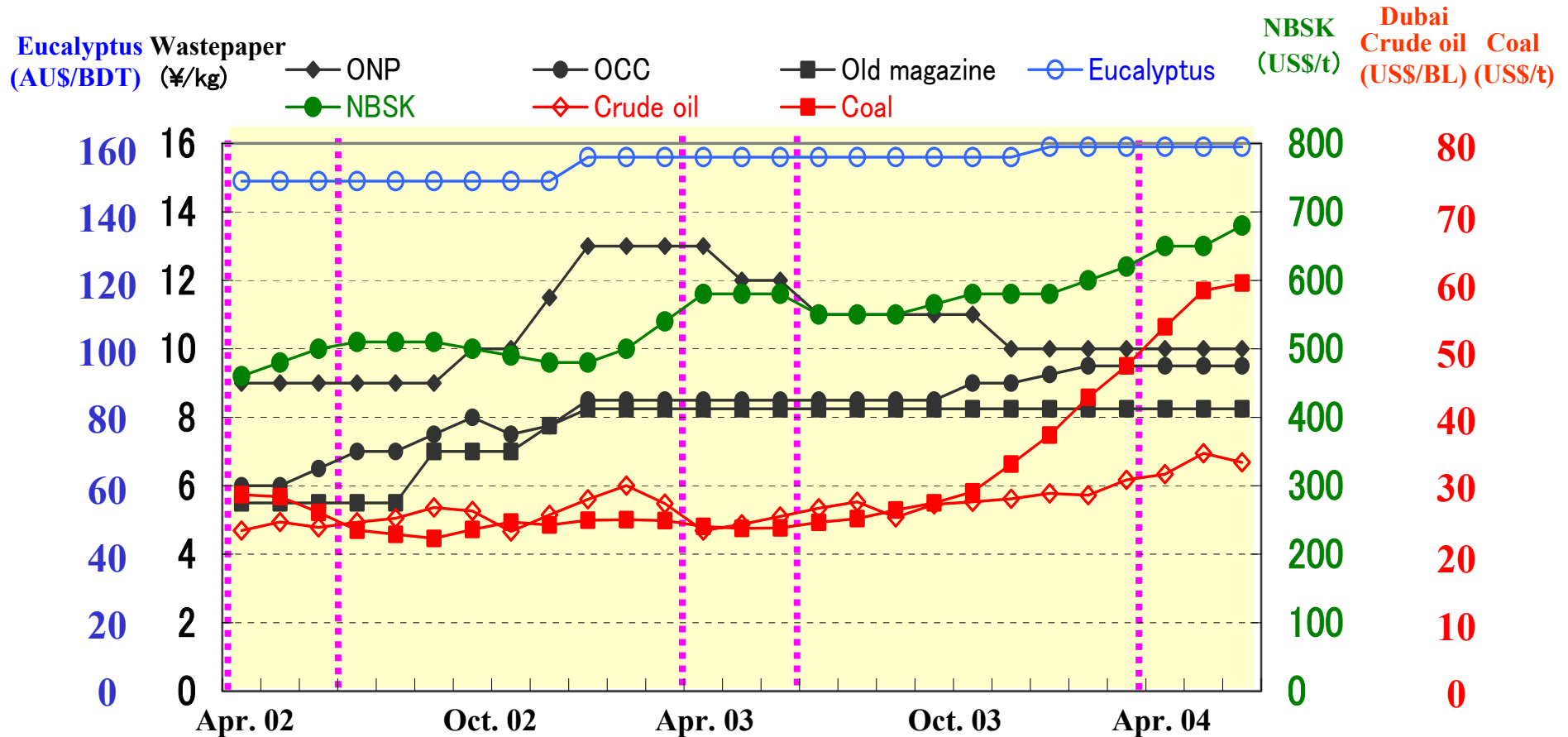
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(1) Industry overview (3) Trend in materials prices



Industry

Trend in fuels and raw materials prices  
(April 2002— June 2004)



Source: Paper Recycling Promotion Center, *Pulp&Paper Week*,  
Crude oil= Platts, Coal=Barlow Jonker Index

## ● (2) Topics of the Group

### Topics of the FY2005 1Q

- Apr. 2004 : Transferred shares in OTAKE. PAPER MFG CO., LTD. to MISHIMA PAPER CO., LTD..
- : Transferred former Miyakojima mill vacant lot.
  - : Reorganized trading department, and established SAN-MIC SHOJI CO., LTD..
- May : Announced “Reinforcing the First Medium-Term Business Plan”.
- June : Started commissioned manufacturing of CCP from Fuji Photo Film Co., Ltd..
- : Released OPER<sup>®</sup>MDP, water-resistant paper compatible with color laser printers.
  - : Established Nippon Paper Industries Chengde Co., Ltd..
  - : Established Nippon Paper Industries Trading (Shanghai) Co., Ltd..

Company	Location	Project	Invested amount (¥ billion)	Operation start
Nippon Paper Industries	Nakoso	Production facilities for commissioned CCP (Transferred coater machine)	2.4	Jun. 04

● (3) Consolidated results ① Outline



Consolidated P/L

(¥ billion)	FY2004 1Q	FY2005 1Q	Difference
<Net sales>	297.6	295.5	- 2.1
<Operating income>	12.7	15.9	3.2
<Ordinary income>	10.3	15.3	5.0
<Net income>	4.8	10.3	5.5

## ● (3) Consolidated results ② Sales volume by product

(Thousand tons)	FY2004 1Q	FY2005 1Q	% Change
Newsprint	331	334	0.8%
Uncoated paper	194	187	- 3.9%
Coated paper	448	463	3.4%
Business communication paper	171	168	- 1.8%
Packaging paper and others	164	170	3.1%
<b>Total domestic sales</b>	<b>1,309</b>	<b>1,322</b>	<b>0.9%</b>
Export (including newsprint)	112	118	4.6%
<b>Total (paper)</b>	<b>1,422</b>	<b>1,439</b>	<b>1.2%</b>
Container board	357	351	- 1.6%
Folding box board and others	102	102	- 0.3%
<b>Total domestic sales</b>	<b>459</b>	<b>453</b>	<b>- 1.3%</b>
Export	10	9	- 11.0%
<b>Total (paperboard)</b>	<b>469</b>	<b>462</b>	<b>- 1.5%</b>
<b>Grand total (paper and paperboard)</b>	<b>1,891</b>	<b>1,901</b>	<b>0.5%</b>



## (3) Consolidated results ③ Segment information



(¥ billion)

	Sales		Operating income		Comments
	FY2004	FY2005	FY2004	FY2005	
<b>Pulp and Paper Div.</b>	<b>225.0</b>	<b>219.8</b>	<b>10.3</b>	<b>11.9</b>	Paper: Reinforced cost reduction pushed up the profit while sales price softened Paperboard: Price recovery last autumn contributed to the profit improvement Household tissue: Weak sales price/volume
<b>Paper-related Div.</b> (cartons, chemical products)	<b>31.1</b>	<b>32.0</b>	<b>1.2</b>	<b>2.0</b>	Good weather boosted carton shipment. Chlorinated polyolefins sales increased.
<b>Housing and Construction Materials Div.</b>	<b>21.4</b>	<b>24.0</b>	<b>0.2</b>	<b>0.6</b>	Strong sales of construction materials driven by steady home construction.
<b>Other Div.</b> (beverages, transport)	<b>20.0</b>	<b>19.8</b>	<b>0.9</b>	<b>1.5</b>	Soft drinks sold well.
<b>Total</b>	<b>297.6</b>	<b>295.5</b>	<b>12.7</b>	<b>15.9</b>	

## ● (4) Consolidated forecast of P/L

The figures of FY2005 estimation are unchanged from the figures announced on May 18.

(¥ billion)	1st Half of FY2005 Est.	FY2005 Est.	(Reference) FY2004
< Net sales >	595.0	1,195.0	1,192.6
< Operating income >	32.0	70.0	55.7
< Ordinary income >	29.0	65.0	50.7
< Net income >	8.5	28.0	24.3

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## Disclaimer Regarding Forward-Looking Statements

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Any statements in this presentation document, other than those of historical fact, are forward-looking statements about the future performance of Nippon Unipac Holding and its group companies, which are based on management's assumptions and beliefs in light of information currently available, and involve risks and uncertainties. Actual results may differ materially from these forecasts.

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