

NEWS

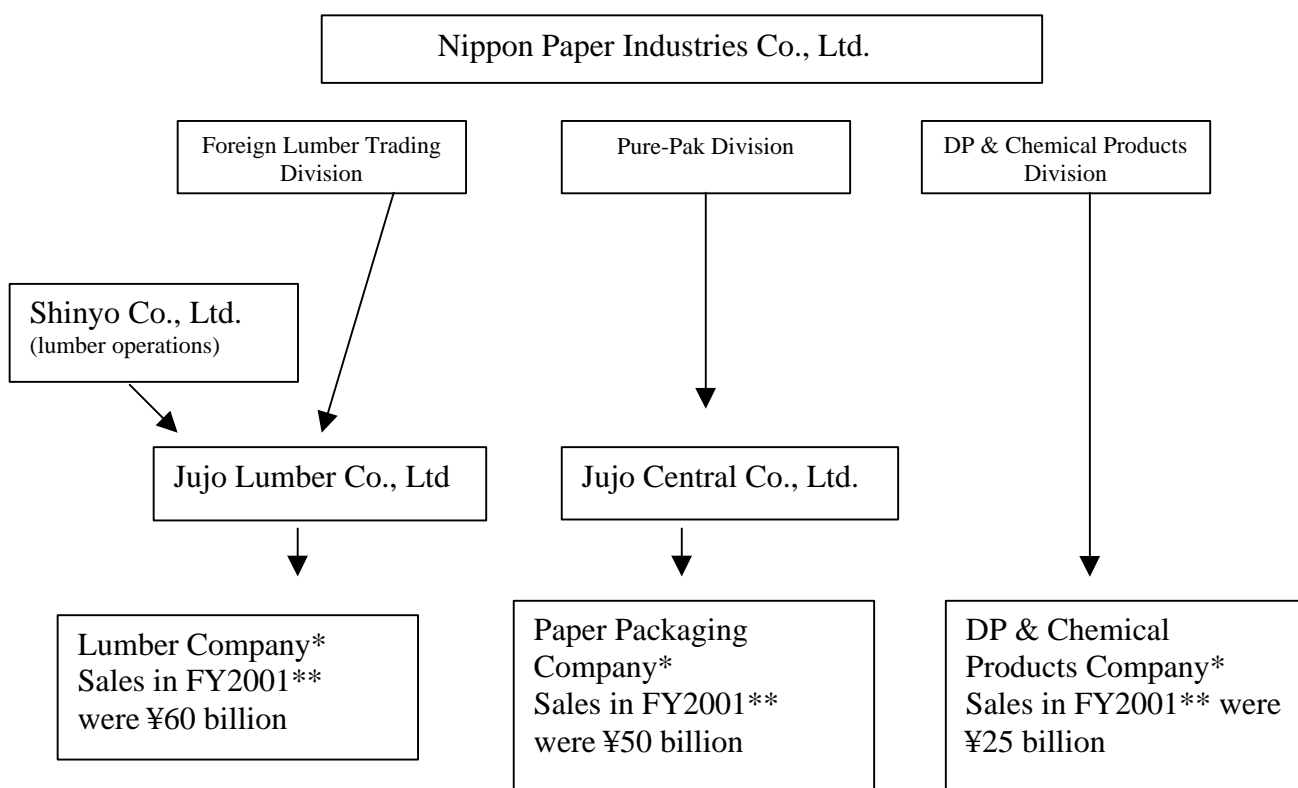
November 1st, 2001

Nippon Paper Industries Splits Off Its Diversified Divisions and Establishes Three New Subsidiaries

Tokyo, November 1, 2001 – Nippon Paper Industries Co., Ltd., Japan's leading paper and pulp manufacturing firm and member of the Nippon Unipac Holding Group, today announced that it will split off three of its diversified divisions in October 2002 and set up three new subsidiaries. Separating from Nippon Paper Industries and becoming independent companies are the Foreign Lumber Trading Division, which will form a company for the marketing and trading of lumber and lumber products; the Pure-Pak Division, which will be an independent producer and marketer of liquid containers and other paper packaging; and DP & Chemical Products Division, which will become a manufacturer and marketer of dissolving pulp and chemical products, including high polymers, chlorinated polypropylene products, sweeteners, CMC (carboxymethyl cellulose), cellulose powder, and fermented products (ribonucleic acid, yeast).

In another significant move, the lumber operations of two of Nippon Paper Industries' subsidiaries, Jujo Lumber Co., Ltd., and Shinyo Co., Ltd., will be integrated into the new company formed by the Foreign Lumber Trading Division. In addition, the paper packaging sales forces at Jujo Central Co., Ltd., another Nippon Paper Industries' subsidiary, will join the new firm to be created from the Pure-Pak Division.

The split off of these three divisions are part of ongoing efforts coming out of the new management plans that have been adopted at Nippon Paper Industries since the beginning of this fiscal year that endeavor to speed up the implementation of management strategies to improve efficiency and profitability at each company. Under the new plans, not only will the new independent subsidiaries be expected to contribute to the overall profit of the Nippon Unipac Holding Group, but they will be asked to play pivotal roles in the Group. They each will be expected further develop their respective specialized operations, provide improved service, and respond quickly to customers' needs.



*The new companies to be formed have not yet been named.

**Sales in fiscal 2001 (April 2000–March 2001) are calculated to combine non-consolidated sales in each business segment (lumber, packaging, and chemical) with the corresponding sales of Jujo Lumber, Jujo Central, and Shinyo.

Jujo Lumber Co., Ltd., specializes in lumber trading and had net sales of ¥38.8 billion in fiscal year ended March 31, 2001. Jujo Central Co., Ltd., produces and sells paper containers and packaging products and had net sales of ¥38.9 billion in fiscal 2001.

Shinyo Co., Ltd., has lumber business and housing operations, and its net sales amounted to ¥10.6 billion in fiscal 2001.