

April 23, 2002

Nippon Paper Industries Co., Ltd.
Daishowa Paper Manufacturing Co., Ltd.
Nippon Paper Sales Co., Ltd.

Merger of Three Paper Business Companies

We are pleased to announce that Nippon Paper Industries Co., Ltd. and Daishowa Paper Manufacturing Co., Ltd. as well as Nippon Paper Sales Co., Ltd., a paper sales company jointly established by such two companies, all belonging to the Nippon Unipac Holding Group, agreed to merge effective April 1, 2003.

In March last year, Nippon Paper Industries Co., Ltd. and Daishowa Paper Manufacturing Co., Ltd. established a holding company “Nippon Unipac Holding” and became its wholly-owned subsidiaries. While maintaining independence and autonomy of both companies, Nippon Paper Industries Co., Ltd. and Daishowa Paper Manufacturing Co., Ltd. have pursued integrated operations of paper businesses. Fiscal 2002, the first business year following the integration, however, witnessed an extremely adverse business environment due to a stagnant economy at home. Nevertheless, we have achieved integration effects beyond initial expectations, thereby making significant contributions to strengthening the foundation for expansion of the Group.

We have, however, reached a consensus that full integration of business operations would be ideal for accelerated and effective realization of integration effects in a business environment expected to become increasingly challenging, and decided to merge the three companies.

We are committed to making every effort necessary for bringing the new company to a smooth start in an endeavor for its growing into a truly leading global group worthy of trust afforded by our long-standing customers as well as all parties concerned. We cordially ask for your continued support and guidance.

For further information, please contact:

Nippon Paper Industries Co., Ltd.

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Nippon Paper Sales Co., Ltd.

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Outline of Merger

I. Basic Terms

1. Date of Merger April 1, 2003
2. Surviving Company Nippon Paper Industries Co., Ltd.
3. Name of the New Company Nippon Paper Industries Co., Ltd.
4. Appointment of Officers Takahiko Miyoshi (current President of Nippon Paper Industries Co., Ltd. and Nippon Paper Sales Co., Ltd.) will assume the office of President of the new company. Appointment of other officers will be determined separately.
5. Treatment of Employees The employees of Daishowa Paper Manufacturing Co., Ltd. and Nippon Paper Sales Co., Ltd. will be taken over by the new company subject to the same salary and wage levels in effect at the time of merger, and the years of service of employees at pre-merger companies will be basically aggregated with the years of service at the new company.
6. Integration Promotion Organization
In order to accelerate the completion of merger-related affairs and the achievement of merger purposes, the Synergy Effects Promoting Committee will be dissolved to form the Merger Committee.

II. Overview of New Company

1. Registered Address of Headquarters
1-4-1, Oji, Kita-ku, Tokyo
2. Total Sales Approximately 680 billion yen
3. Capital Stock To be determined
4. Number of Employees Approximately 7,000
5. Production Volume Approximately 5,900,000 tons (calendar 2001 historical production volume, including production by Group companies)

. Overview of Merging Companies

As of September 30, 2001

Company Name	Nippon Paper Industries Co., Ltd.	Daishowa Paper Manufacturing Co., Ltd.
Date of Incorporation	August 1949	September 1938
Registered Address of Headquarters	1-4-1, Oji, Kita-ku, Tokyo	4-1-1, Imai, Fuji-shi, Shizuoka Prefecture
Representative	Takahiko Miyoshi, President	Koshiro Kitaoka, President
Capital Stock	104.9 billion yen	31.8 billion yen
Number of Shares Issued	948,745,000	219,788,000
Shareholders' Equity	329,315 million yen	72,559 million yen
Total Assets	844,265 million yen	545,921 million yen
Fiscal Year	Year ending March 31	Year ending March 31
Number of Employees	5,048	3,023
Major Shareholder (%)	Nippon Unipac Holding (100%)	Nippon Unipac Holding (100%)
Main Banks	The Industrial Bank of Japan, Ltd.* Sumitomo Mitsui Banking Corporation	The Industrial Bank of Japan, Ltd.*

*Effective April 1, 2002, The Industrial Bank of Japan, Ltd. became Mizuho Corporate Bank.

As of September 30, 2001

Company Name	Nippon Paper Sales Co., Ltd.
Date of Incorporation	April 2001
Registered Address of Headquarters	1-12-1, Yurakucho, Chiyoda-ku, Tokyo
Representative	Takahiko Miyoshi, President
Capital Stock	300 million yen
Number of Shares Issued	6,200,000
Shareholders' Equity	137 million yen
Total Assets	145,165 million yen
Fiscal Year	Year ending March 31
Number of Employees	473
Major Shareholders (%)	Nippon Paper Industries Co., Ltd. (70%) Daishowa Paper Manufacturing Co., Ltd. (30%)

