Paper, and beyond

Ever since its founding in 1845, Japan Pulp & Paper Co., Ltd. has grown while meeting the needs of society as a paper trading company that has played an essential role in industrial and cultural development. Today, along with its mainstay Japan Wholesaling business, the Company has expanded into the Non-Japan Wholesaling, Paper Manufacturing & Processing, Resources & Environment, and Real Estate Leasing businesses. By generating Group synergy, the Japan Pulp & Paper Group aims to maximize its overall corporate value.

Paper is always around us in our daily lives. And beyond it lie infinite possibilities. The Group is seeking to generate new value by working to solve the issues facing society while pursuing the infinite possibilities of paper. We remain committed to earning the trust of all stakeholders as we work toward our mission of creating a better future for society and the environment.

Corporate Philosophy

Our Corporate Spirit
Nurture people through integrity, foster trust through fairness, support society through harmony.

Our Mission
Carving a better future for society and the environment.

Our Principles
- Change: Change ourselves as society changes.
- Challenge: Challenge new fields with conviction and ambitious spirit.
- Create: Create fresh global value through diversity.

Corporate Slogan
“Paper, and beyond”
The two Os in the OVOL logo symbolize the global expansion of the Japan Pulp & Paper Group. The shape of the striking logo is not only reminiscent of a celestial orbit and ovals, but the repetition within the letter O represents a smooth and never ending continuity, nature and familiarity, as well as the direction of the Japan Pulp & Paper Group in its global expansion, and these are conveyed in a unique way that is both visual and almost aural. The letters of the logo include the word “VOL,” which conveys an image of flying in languages with a Latin origin such as French, and the four letters of “OVOL” represent both “the power to fly into the future” and the possibilities of a story’s new beginning.
We pursue the infinite possibilities of paper.
We pursue the infinite possibilities of paper.

Our Vision for the Future

- Creating a circular economy through the paper-related business and the renewable energy power generation business
- Pursuing the benefits and appeal of paper to realize better living
- Harnessing AI and IoT to improve productivity in the paper distribution industry
- Becoming well-known and respected in global markets
- Becoming a company that all employees are proud of
- Enhance profitability and work on solutions to environment-related issues
- Ensure sustainability in the domestic paper industry
- Improve brand recognition and standing around the world
- Streamline operations for a leaner corporate structure
- Strengthen governance and compliance in line with Group expansion
- Harnessing AI and IoT to improve productivity in the paper distribution industry

Issues to Address

Demand for paper is forecast to continue growing in emerging markets in both the graphic and the packaging sectors. In Japan and other developed countries, a return to paper, thanks to a reassessment of its unique benefits and appeal, can be expected in the graphic sector in reaction to excesses in the trend toward going electronic and paperless. Particular key points for encouraging this return are the development of new value in paper and the creation of applications and products that are highly convenient and environmentally friendly. To achieve this, it is also essential to promote automation and greater efficiency in paper distribution, and to provide customers with appropriate and speedy services.

We take pride in the various resources we have cultivated in the 170 years since our foundation and a 120-year history of doing business overseas, and will continue to pursue the possibilities of paper.
We have continually expanded our expertise in the paper business.
1845
Echisan Shoten established in Kyoto as a merchant in the trade of traditional Japanese washi paper.

1876
First in Japan to trade in machine-made paper.

1899
Shanghai Nakai established.

1955
Hong Kong Representative Office opened (now Japan Pulp & Paper (H.K.)).

1967
New York Representative Office opened.

1970
Japan Pulp & Paper formed through a merger with Fuji Yoshiten Company.

1972
Dusseldorf Representative Office opened (now Japan Pulp & Paper GmbH).

1979
JP Information Center established, marking the Group’s entry into the ICT business.

1981
Mikunishiko joins the Group.

1981
Beijing Representative Office opened (now Japan Pulp & Paper (Shanghai) – Beijing Branch Office).

1981
Mikunishiko joins the Group.

1981
Beijing Representative Office opened (now Japan Pulp & Paper (Shanghai) – Beijing Branch Office).

1981
Beijing Representative Office opened (now Japan Pulp & Paper (Shanghai) – Beijing Branch Office).

1981
Beijing Representative Office opened (now Japan Pulp & Paper (Shanghai) – Beijing Branch Office).

1998
Safeshred (of the U.S.) joins the Group, marking the Group’s full-scale entry into the wastepaper recycling business outside Japan.

1998
Safeshred (of the U.S.) joins the Group, marking the Group’s full-scale entry into the wastepaper recycling business outside Japan.

2004
Kawabe Biomass Power Generation established, begins power generation from renewable energy sources.

2007
Eco-Port Kyushu established, expanding the Group’s recycling business to waste plastic and other materials.

2010
Gould Paper, a leading U.S. paper merchant, joins the Group, expanding the Group’s business activities in the U.S. and Europe.

2012
KCT Trading, an Indian paper merchant, joins the Group, expanding the Group’s business activities in India.

2013
Eco Power JP (established 2013) begins operation of the Kushiro solar power generation plant.

2014
Corelex Group joins the Group.

2015
Corelex Group begins operation of a new mill for recycled household paper in Shizuoka.

2016
Arise Innovation established, commencing the Group’s full-scale participation in the AI business.
Invested in JasmineSoft, strengthening the Group’s ICT business.

2016
Noda Bio Power JP (established 2014) begins power generation from woody biomass.

2016
Fukudasansho, a major Japanese wastepaper trading company, joins the Group.

2017
Ball & Doggett Group joins the Group, strengthening the Group’s business platform in Oceania.

2018
Southeast Asia paper merchants Spicers Paper (Singapore) (now OVOL Singapore) and Spicers Paper (Malaysia) (now OVOL Malaysia) join the Group.

2018
OVOL New Energy established, begins collection, sales and export of PKS in Malaysia.
OVOL Fibre Solution India established, strengthening the wastepaper recycling business in India.

2019
Premier Paper Group, a leading paper merchant in the U.K., joins the Group, expanding the Group’s wholesaling business in the U.K.
With new value, we help to solve social issues and build a circular economy.
Expanding the possibilities of paper and the value we provide to address social issues and customer needs.

The Value We Create
Harnessing the possibilities of paper to contribute to better living and business and realize a circular economy.

- **Japan Wholesaling**
  Providing multifaceted solutions by drawing on expertise cultivated in our wide-ranging paper businesses

- **Non-Japan Wholesaling**
  Harnessing a world-class network to stay closely attuned to and be able to respond to regional needs

- **Paper Manufacturing & Processing**
  Providing eco-friendly household papers, containerboard, printing papers and packaging materials

- **Real Estate Leasing**
  Effectively utilizing properties by providing offices, multi-dwelling residences, hotels and other buildings

- **Resources & Environment**
  Resource recycling business encompassing wastepaper recycling and the development of renewable energy power generation services
Performance
(As of March 31, 2019)

Consolidated Ordinary Profit
¥10.7 billion
We have enhanced our already diversified individual businesses and created synergies between segments, which led to record ordinary profit.

Ratio of Group to Parent Company Employees
5.5:1
As our businesses and workforce become more diversified, we are enhancing cohesion within the Group under the OVOL brand and accelerating our growth strategy.

Net Sales among Japanese Pulp and Paper Trading Companies
No. 1
As Japan’s industry leader, the Japan Pulp & Paper Group is using its unique business frameworks to venture into new fields globally.

Ratio of Sales Outside of Japan
38%
In the paper and paperboard industry, we have built a global procurement and supply network as one of the world’s leading paper trading companies, and will continue to expand and strengthen our global network.
Group Companies 112

Our paper-focused business encompasses everything from the supply of raw materials to the manufacturing, processing and sale of paper and related products, and wastepaper collection and recycling. We are focusing on realizing a circular economy and strengthening our global network.

Power Generation Facilities 6 locations

To provide a stable supply of clean and safe electric power, we operate six power generation facilities – three using woody biomass and three using solar power. These businesses also benefit nearby communities in ways such as promoting local job creation.

Highlights

Strengthening Our Business Base through M&A

With operating bases in 110 locations in 21 countries (as of August 1, 2019), the Japan Pulp & Paper Group has built one of the world’s largest paper and paperboard distribution networks. We are using this network to increase earning power in our Non-Japan Wholesaling segment, while developing businesses that are rooted in local communities. In July 2018, Western-BRW Paper, a subsidiary of Japan Pulp & Paper’s North American consolidated subsidiary Gould Paper, acquired the business assets of a janitorial and sanitation (JanSan) business.* Western-BRW Paper, a wholesale paper merchant based in Texas, supplies copy paper and a wide range of other products to government offices and educational institutions. Entering the JanSan business will facilitate efforts to expand its product offerings and enhance the functions of its core paper wholesaling business.

In September 2018, Spicers Paper (Singapore) (now OVOL Singapore) and Spicers Paper (Malaysia) (now OVOL Malaysia), which are paper and paperboard distributors in Southeast Asia, became wholly owned subsidiaries of Japan Pulp & Paper. Solid growth in demand is expected for paper and paperboard in Singapore and Malaysia, and the addition of these companies to the Group will greatly boost our presence in the paper distribution industry. We will continue to strengthen and leverage our global network.

In addition, in July 2019 the Company made a capital participation in Radms Paper (Radms) of the U.K. In doing so, Radms’ core operating company, Premier Paper Group (Premier), became a Japan Pulp & Paper Group company. Premier, which is predominantly involved in the import and wholesale of paper and packaging materials, has 18 facilities in the U.K. and uses its comprehensive low-cost operations as a competitive advantage. A strategic linkage between Premier and the Japan Pulp & Paper Group’s global network will contribute to the expansion and development of the Company’s wholesale business in the U.K.

* JanSan business: A business that provides cleaning services, sales of related products (toilet paper, tissues, paper towels, trash cans, cleaning equipment, detergents, etc.), repairs, training and other services.

Premier Paper
Soaring Ahead with New Value for the Future

Japan Pulp & Paper Co., Ltd. was founded in Kyoto in 1845 as a merchant of Japanese washi paper. Over time, the Company has developed into a diversified, global business centered on paper that continues to achieve steady growth despite the trend toward going paperless.

Going forward, we consider it important that we realize the “power to fly into the future” that our Group brand OVOL represents, and exercise leadership over the industry as a whole. We will continue to take up further challenges, such as the addition of new capabilities, the likes of which have never been seen in our company or any existing paper distribution companies, and provide our stakeholders with new value that lies in “paper, and beyond.”

Overview of the Medium-term Business Plan 2019

Basic Direction

Further enhance individual business segments and ensure stable profit

Invigorate our already diversified individual business segments to help establish a stable profit platform for the Japan Pulp & Paper Group

Operational Strategy by Business Segment

<table>
<thead>
<tr>
<th>Business Segment</th>
<th>Operational Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan Wholesaling</td>
<td>Expand sales share, increase sales of functional materials and enhance ICT operations</td>
</tr>
<tr>
<td>Non-Japan Wholesaling</td>
<td>Establish an operational framework to help drive our quest to become the world’s leading paper distribution company</td>
</tr>
<tr>
<td>Paper Manufacturing &amp; Processing</td>
<td>Boost competitiveness by strengthening all supply-chain processes from raw materials procurement through manufacturing and sales</td>
</tr>
<tr>
<td>Resources &amp; Environment</td>
<td>Strengthen the resource business and stabilize energy generation operations</td>
</tr>
<tr>
<td>Real Estate Leasing</td>
<td>Efficient operation of current real-estate holdings and pursuit of new projects</td>
</tr>
</tbody>
</table>
Projected Attainment of the Medium-term Business Plan Target

Addressing the Task of Reviewing Unprofitable Businesses

Our fiscal 2018 results showed an increase in sales from fiscal 2017 and record-high levels of consolidated operating profit and ordinary profit. We are projecting that we will be able to attain the final target of 13 billion yen in consolidated ordinary profit posted in the Group Medium-term Business Plan 2019 – Paper, and beyond. Meanwhile, issues have surfaced that are making it difficult to ensure earnings in certain businesses. To reach the final target, I see an urgent need for further acceleration of efforts to resolve these issues. I must also note that, although domestic prices for paper and paperboard were revised in January 2019, a rise in distribution costs and other factors have also made reform of our price structure in the Japan Wholesaling business a priority. At our OVOL Bridges 2018 forum in November 2018, we managed to deepen communication with paper wholesalers, who we consider our assets. While having our wholesalers share our intentions and with a view to preserving the profitability of the paper business, we will endeavor to provide our customers with even more added value and try to heighten their degree of satisfaction with our services.

I would like to take this opportunity to offer my heartfelt apologies for the inconvenience and concern that was caused to our stakeholders by the improper disposal of industrial waste by one of our subsidiaries. We are determined to reinforce the organizational setup and tighten compliance throughout our entire Group to see that this sort of impropriety never happens again.

Heightening the Added Value of Paper as an Environment-friendly Material through Expert Planning and Proposal Capabilities

Adding Value from a Global Perspective

I predict that the decrease in demand for paper resulting from the trend of going electronic and paperless will eventually stop, and that we will instead see a new appreciation of paper’s exceptional features. As such, I believe we must not only work to expand the scale of our sales, but also increase the stability of our earnings. To this end, we must redouble our efforts to instill paper with new added value while further refining our planning and proposal capabilities.

As paper is a recyclable material, we are also strengthening the wastepaper recycling business and putting our efforts into the development of our environmental business. Outside Japan, we are promoting the go-localization of our activities, aspiring to become the “world’s leading paper distribution company,” and setting about the construction of both a global network and local distribution systems.

In this way, we are determined to make a positive contribution to the building of a sustainable society through the development of multifaceted business by the Group, and will do our utmost to create a prosperous future for all of our stakeholders.

Akihiko Watanabe
Representative Director, President

Consolidated Ordinary Profit Target

(billions of yen)

<table>
<thead>
<tr>
<th>Year</th>
<th>FY2014</th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019 (Target)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>6.2</td>
<td>7.0</td>
<td>8.2</td>
<td>10.0</td>
<td>10.8</td>
<td>13.0</td>
</tr>
<tr>
<td>(Billions of yen)</td>
<td>Record high ordinary profit in FY2018</td>
<td>Group ordinary profit target for FY2019</td>
<td>¥13.0 billion (ROE 8%)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Our Businesses

Main Products & Services

<table>
<thead>
<tr>
<th>Japan Wholesaling</th>
<th>ICT System Development</th>
<th>Non-Japan Wholesaling</th>
</tr>
</thead>
</table>

Newsprint & Printing Papers
- [Image of newsprint & printing papers]

Digital & Communication Papers
- [Image of digital & communication papers]

Containerboard & Paperboard Products
- [Image of containerboard & paperboard products]

Packaging Papers
- [Image of packaging papers]

Plastics & Chemical Products
- [Image of plastics & chemical products]

Industrial Papers & Electronics-Related Materials
- [Image of industrial papers & electronics-related materials]
The Japan Pulp & Paper Group has been actively diversifying its businesses, which now encompass five segments. In addition to Japan Wholesaling, its mainstay business, the Group’s operations include Non-Japan Wholesaling, which leverages the Group’s world-class paper and paperboard distribution network; Paper Manufacturing & Processing, which entails the paper manufacturing business, the manufacturing of packaging materials, and paper and film processing; Resources & Environment, which is working to create a circular economy; and Real Estate Leasing utilizing the Group’s real estate assets.
Based on the expertise it has accumulated since its establishment, the Japan Pulp & Paper Group sells paper, paperboard and related products as a distribution agent for manufacturers. While we propose and supply various materials and household and industrial goods with a wide range of applications, we also conduct proposals and sales of more specialized functional materials, such as eco-friendly films.

In addition, we are mobilizing the Group’s collective capabilities to diversify our businesses. One example is our entry into the development and sale of ICT systems and AI services for the paper industry.

### Net Sales/Ordinary Profit
(Billions of yen)

<table>
<thead>
<tr>
<th></th>
<th>'17/3</th>
<th>'18/3</th>
<th>'19/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>290.8</td>
<td>292.4</td>
<td>290.7</td>
</tr>
<tr>
<td>Ordinary Profit</td>
<td>5.19</td>
<td>5.41</td>
<td>4.90</td>
</tr>
</tbody>
</table>

### Highlights of Fiscal Year Ended March 2019

**Net Sales**
Price adjustments contributed to sales, but did not fully offset the drop in sales volume as demand for paper continued to decline and supplies tightened due to natural disasters and other factors. Sales decreased 0.6% as a result.

**Ordinary Profit**
Ordinary profit decreased 9.4% due to the decline in sales volume, a drop in electronics-related sales, provisions for doubtful accounts at a subsidiary, and an increase in depreciation expenses.

---

**Business Flow**

Manufacturing Companies → Japan Pulp & Paper Group → Wholesale Companies → Printing & Processing Companies → Containerboard & Paper Container Companies →

- Publishing Companies
- Retail Industry
- Food Industry
- Electronics Industry
- End Users

→ Society/Consumers

---

**ICT system development**
We develop and sell business support system packages for sales agents, wholesalers and distributors in the paper industry.

**Nationwide distribution network for storage, shipping and processing**
Using information systems, we provide a stable supply of products to fit the diverse needs of customers.
Our first foray into the global arena dates back to 1899. Since then we have continued to do business in a number of countries and regions with differing cultures and business customs. We have firmly established ourselves in each region and are building on our know-how as we continue to expand our business activities throughout the world. We currently have paper distribution operations with storage and shipping functions in the U.S., the U.K., Oceania, India, Hong Kong, Singapore and Malaysia, and have established systems to enable the stable supply of products throughout each region. We have also extended our range of services beyond merely supplying printing and paper processing companies, to now include the delivery of products such as photo copying papers directly to consumers. A “glocal” entity such as ours, with its expanding global paper wholesaling business and a strong local presence in each region is unparalleled anywhere in the world. We will create synergies on a global scale as we work to become the world’s leading paper distribution company.

### Highlights of Fiscal Year Ended March 2019

**Net Sales**
Sales increased 10.5%, largely because the full-year results of the Ball & Doggett Group, which became a consolidated subsidiary in the second quarter of the previous fiscal year, were reflected in the results. An increase in exports also contributed to sales.

**Ordinary Profit**
Ordinary profit increased 68.9%, because the full-year results of the Ball & Doggett Group were reflected in the profits, which more than offset poor results at some subsidiaries in the U.S.

### Gould Paper
Gould Paper, a leading U.S. paper merchant, joined the Group in 2010, expanding the Group’s business activities in the U.S. and Europe.

### Ball & Doggett Group
In 2017, Ball & Doggett Group joined the Japan Pulp & Paper Group, strengthening the Group’s business platform in Oceania.
The Japan Pulp & Paper Group is developing its paper manufacturing business using recovered wastepaper as furnish for household paper, containerboard and printing paper. In our recycled household paper business, we are building a stable global supply structure centered on the Corelex Group, which holds the top market share in Japan. In the processing business, the Japan Pulp & Paper Group is focusing on investment in production facilities for containerboard manufacturing, and on building a processing structure capable of meeting diverse needs.

Throughout this segment, we are optimizing the supply chain from raw material procurement to manufacturing and sales, and are cutting costs to further strengthen our competitiveness.

In this segment, the Japan Pulp & Paper Group is focused on the wastepaper recycling business in Japan and other countries, the comprehensive recycling business, which aims to efficiently recycle plastic and other waste, and the power generation business, which includes solar and woody biomass power. In the wastepaper recycling business in 2017, we further enhanced our nationwide wastepaper recovery network and bolstered procurement and supply with the acquisition of Fukudasansho. We also expanded our network outside Japan with the establishment of OVOL Fibre Solution India, which began business operations in 2018.

In addition, we established OVOL New Energy in Malaysia to strengthen our biomass fuel business. This company collects palm kernel shells (PKS), a fuel source for woody biomass power generation plants, and exports them to Japan. It will supply PKS to woody biomass power generation plants within the Japan Pulp & Paper Group as well as to outside companies.

Net Sales/Ordinary Profit
(Billions of yen)

<table>
<thead>
<tr>
<th></th>
<th>'17/3</th>
<th>'18/3</th>
<th>'19/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>22.2</td>
<td>23.3</td>
<td>24.5</td>
</tr>
<tr>
<td>Ordinary Profit</td>
<td>2.49</td>
<td>3.43</td>
<td>4.32</td>
</tr>
</tbody>
</table>

Highlights of Fiscal Year Ended March 2019

Net Sales
Sales increased 5.1% as sales volume increased in the recycled household paper business, paperboard manufacturing business and overseas containerboard processing business.

Ordinary Profit
Ordinary profit increased 25.9%, reflecting the effects of containerboard price adjustments implemented in November 2018.

Net Sales
Although sales improved temporarily because of a rise in year-end demand for wastepaper for China, sales decreased 8.0% due to the effect of restrictions on waste imports in China.

Ordinary Profit
Ordinary profit decreased 28.4% due to the effect of restrictions on waste imports in China.
Real Estate Leasing

Using Our Real Estate Assets Based on Local Needs

In our real estate leasing business, we lease our properties in areas including Tokyo, Osaka and Kyoto for use as offices, multi-dwelling residences and hotels. In June 2018, construction was completed on the OVOL Nihonbashi Building, which is one of the projects in the second phase of the Nihonbashi Revitalization Plan. Furthermore, the OVOL Kyoto Ekimae Building was completed in March 2019. This building opened as the Richmond Hotel Premier Kyoto Ekimae in May, and will meet diverse needs of customers, from foreign tourists visiting Japan to businesspersons.

The Japan Pulp & Paper Group will continue to make effective use of its real estate assets as a source of stable income while contributing to new urban development.

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**Net Sales/Ordinary Profit**

<table>
<thead>
<tr>
<th></th>
<th>'17/3</th>
<th>'18/3</th>
<th>'19/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>2.9</td>
<td>2.8</td>
<td>3.5</td>
</tr>
<tr>
<td>Ordinary Profit</td>
<td>0.57</td>
<td>0.60</td>
<td>0.43</td>
</tr>
</tbody>
</table>

**Highlights of Fiscal Year Ended March 2019**

**Net Sales**

Sales increased 24.2% owing to continued high occupancy rates at existing tenant buildings, and the start of operation of the OVOL Nihonbashi Building (completed in June 2018), a complex that consists of offices, a hotel and commercial outlets.

**Ordinary Profit**

Ordinary profit decreased 28.3% as depreciation expenses, property management fees and other expenses of the OVOL Nihonbashi Building outweighed the rental income from office tenants that was generated as tenants gradually moved in.
The Japan Pulp & Paper Group is helping to realize a circular economy through its business activities as part of its mission to carve a better future for society and the environment.

In the resource cycle, the business of recycling wastepaper, which is increasing in importance as a raw material used for papermaking, and the paper manufacturing business, which uses wastepaper as a raw material, are interrelated. In terms of the energy cycle, we are developing renewable energy power generation businesses.
Realizing a Circular Economy

- Use of resources
  - Use in offices and homes, etc.

- Solar power generation
- Woody biomass power generation
- Use of unused materials and PKS as fuel
- Effective utilization of resources
- Renewable energy power generation business
- Supplying power
- Energy cycle
- Recycling of wastepaper
- Recycling of waste plastic
- Power generation from renewable energy
Japan Network
(As of August 1, 2019)

Japan Pulp & Paper Co., Ltd.

Head Office (Tokyo)
Kansai Branch
Kansai Branch, Kyoto Sales Department
Chubu Branch
Kyushu Branch
Kitanihon Branch, Tohoku Sales Department
Kitanihon Branch, Hokkaido Sales Department

JP Household Supply Co., Ltd. (Tokyo)
- West Japan Sales Department
Kurashi Net JP Co., Ltd. (Tokyo)
Kyoto Kami Shoji Co., Ltd. (Kyoto)
- Shiga Branch
- Kishin Distribution Center
Koyosha Co., Ltd. (Osaka)
- Kobe Branch
Gokura Co., Ltd. (Ehime)
- Tokyo Branch
- Osaka Branch
- Plant and Distribution Center
Cosmo Paper Trading Co., Ltd. (Tokyo)
- Nagoya Branch
- Osaka Branch
Honshu Electrical Materials Sales Co., Ltd. (Osaka)
- Nagoya Office
Tokyo Sangyo Yoshi Co., Ltd. (Tokyo)
- Kohoku Warehouse
Maruni Chikiriya Co., Ltd. (Nagano)
- Matsumoto Branch
- Nagano Branch
- Maebashi Branch
Akazawa Paper Co., Ltd. (Iwate)
- Sendai Branch
Yoshimoto Yoshiten Co., Ltd. (Tokyo)
- Atsugi Branch

Wholesaling

JP Loginet Co., Ltd. (Tokyo)
- JCL Ariake Distribution Center
- JCL Itabashi Distribution Center
- Itabashi Distribution Center
- Iwatsuki Distribution Center
- Keihinjima Distribution Center
JP Transport Service Co., Ltd. (Tokyo)
- Itabashi Center/Wako Depot
Sapporo Kami Ryutsu Center Co., Ltd. (Hokkaido)
Hakozaki Kami Ryutsu Center Co., Ltd. (Fukuoka)
Nanko Paper Center Co., Ltd. (Osaka)
Itabashi Paper Distribution Center Co., Ltd. (Tokyo)
Osaka Kami Kyodo Soko Co., Ltd. (Osaka)
Seihoku Paper Depot Co., Ltd. (Tokyo)
- Tokorozawa Distribution Center
Itabashi Kyoudo Sagyo Co., Ltd. (Tokyo)

Logistics

Note: Group companies are listed in bold. Place names shown in parentheses indicate locations of head offices.
Fukudasansho Co., Ltd.
(Aichi)
- Kofu Branch
- Hamamatsu Branch
- Toyohashi Branch
- Okazaki Branch
- Toyota Branch
- Anjo Branch
- Handa Branch
- Meinan Branch
- Fukufune Branch
- Meiho Branch
- Fujimae Branch
- Kasugai Branch
- Komaki Branch
- Ichinomiya Branch
- Gifu Branch
- Hashima Branch
- Kawanagae Branch
- Yokkaichi Branch
- Oyama Branch
- Yoshio Branch
- Higashimurayama Branch
- Inuyama Branch
- Nankai Branch
- Hinata Branch
- Ogori Branch

Koyazawa Co., Ltd.
(Nagano)
- Yanagihara Plant

Hokkai Shigyo Co., Ltd.
(Hokkaido)

JP Corelex Holdings Co., Ltd.
(Shizuoka)

Corelex San-Ei Co., Ltd.
(Shizuoka)
- Tokyo Office
- Tokyo Mill

Corelex Shin-Ei Co., Ltd.
(Shizuoka)
- Tokyo Office

Corelex Doh-Ei Co., Ltd.
(Hokkaido)
- Fuji Mill
- Sapporo Office
- Tokyo Office

Eco Paper JP Co., Ltd.
(Aichi)
- Tokyo Office

Taiho Paper Co., Ltd.
(Gifu)

Kawabe Biomass Power Generation Co., Ltd.
(Gifu)

Showa Packaging Industry Co., Ltd.
(Gifu)
- Tsushima Plant
- Nakatsugawa Branch Plant

Nakatsugawa Packaging Industrial Co., Ltd.
(Aichi)
- Kakegawa Plant
- Kameyama Office
- Nakatsugawa Office
- Nakatsugawa Plant
- Kantou Office

Mikunishiko Co., Ltd.
(Osaka)
- Osaka Branch
- Kyushu Plant/Kyushu Branch
- Tokyo Branch

Sanpei Kogyo Co., Ltd.
(Osaka)
- Yao Plant

Eco-Port Kyushu Co., Ltd.
(Kumamoto)

Eco Power JP Co., Ltd.
(Hokkaido)

Noda Bio Power JP Co., Ltd.
(Iwate)

Noda Bio Fuel JP Co., Ltd.
(Iwate)

Matsue Biomass Power Co., Ltd.
(Shimane)

Sun Energy Hirono Co., Ltd.
(Iwate)

JP Corelex San-Ei Co., Ltd.
(Shizuoka)

Corelex San-Ei Co., Ltd.
(Shizuoka)
- Tokyo Office
- Tokyo Mill

Corelex Shin-Ei Co., Ltd.
(Shizuoka)
- Tokyo Office

Corelex Doh-Ei Co., Ltd.
(Hokkaido)
- Fuji Mill
- Sapporo Office
- Tokyo Office

Eco Paper JP Co., Ltd.
(Aichi)
- Tokyo Office

Taiho Paper Co., Ltd.
(Gifu)

Kawabe Biomass Power Generation Co., Ltd.
(Gifu)

Showa Packaging Industry Co., Ltd.
(Gifu)
- Tsushima Plant
- Nakatsugawa Branch Plant

Nakatsugawa Packaging Industrial Co., Ltd.
(Aichi)
- Kakegawa Plant
- Kameyama Office
- Nakatsugawa Office
- Nakatsugawa Plant
- Kantou Office

Mikunishiko Co., Ltd.
(Osaka)
- Osaka Branch
- Kyushu Plant/Kyushu Branch
- Tokyo Branch

Sanpei Kogyo Co., Ltd.
(Osaka)
- Yao Plant

Eco-Port Kyushu Co., Ltd.
(Kumamoto)

Eco Power JP Co., Ltd.
(Hokkaido)

Noda Bio Power JP Co., Ltd.
(Iwate)

Noda Bio Fuel JP Co., Ltd.
(Iwate)

Matsue Biomass Power Co., Ltd.
(Shimane)

Sun Energy Hirono Co., Ltd.
(Iwate)
# Global Network
(As of August 1, 2019)

## North America

**U.S.A./Los Angeles**
- Japan Pulp & Paper (U.S.A.) Corp.
- Safeshred Co., Inc.
- JRS Resources, Inc.

**U.S.A./New York**
- Gould Paper Corporation
- Price & Pierce International Inc.

**U.S.A./New Jersey**
- Gould Paper Corporation – Metro Division

**U.S.A./Boston**
- Gould Paper Corporation – Publishing & Catalog Division

**U.S.A./Dallas**
- Western-BRW Paper Co., Inc.
- Western-BRW Paper Co., Inc. – Baxter Clean Care
- Western-BRW Paper Co., Inc. – High Point

**U.S.A./Longview**
- Western-BRW Paper Co., Inc. – Baxter Clean Care

**U.S.A./Tyler**
- Western-BRW Paper Co., Inc. – Baxter Clean Care

**U.S.A./Houston**
- Bosworth Papers, Inc.
- Western-BRW Paper Co., Inc. – High Point

**U.S.A./Austin**
- Bosworth Papers, Inc. – Austin

**U.S.A./Miami**
- Gould Paper South, LLC
- Weiss McNair, LLC

**U.S.A./Phoenix**
- JRS Resources, Inc. – Phoenix

## Central and South America

**Mexico/Mexico City**
- Talico, S.A. de C.V.

**Mexico/Guadalajara**
- Talico, S.A. de C.V. – Guadalajara Branch Office

**Mexico/Monterrey**
- Talico, S.A. de C.V. – Monterrey Branch Office

## Europe

**Germany/Dusseldorf**
- Japan Pulp & Paper GmbH

**U.K./London**
- Gould International UK Limited
- Gould Publication Papers UK Limited
- Gould Paper Sales UK Limited
- Harlech PPM Limited

**U.K./Birmingham**
- Premier Paper Group Limited

**U.K./Castle Donington**
- Premier Paper Group Limited

**U.K./East Midlands**
- Premier Paper Group Limited

**U.K./Bury St Edmunds**
- Premier Paper Group Limited

**U.K./Northampton**
- Premier Paper Group Limited

**U.K./Manchester**
- Premier Paper Group Limited

**U.K./Glasgow**
- Premier Paper Group Limited
- Price & Pierce Oy – Tissue Representative Office

**U.K./Liverpool**
- Premier Paper Group Limited

**U.K./Leeds**
- Premier Paper Group Limited

**U.K./Washington**
- Premier Paper Group Limited

**U.K./Bristol**
- Premier Paper Group Limited

**U.K./Newton Abbot**
- Premier Paper Group Limited

**U.K./Cheltenham**
- Premier Paper Group Limited

**U.K./Southampton**
- Premier Paper Group Limited

**U.K./Langley**
- Premier Paper Group Limited

**U.K./Dartford**
- Premier Paper Group Limited

**France/Paris**
- Gould Papiers France

**Finland/Helsinki**
- Price & Pierce Oy

**Netherlands/Amsterdam**
- Price & Pierce Fiber – a Division of Price & Pierce Oy

**Russia/Moscow**
- Japan Pulp & Paper GmbH – Moscow Representative Office
- Price & Pierce (Russia) Representative Office
Consolidated Financial Highlights

Net Sales (Millions of yen)

Ordinary Profit (Millions of yen)

Profit Attributable to Owners of Parent (Millions of yen)

Composition of Sales to Customers by Business Segment (Millions of yen)

Sales by Product Segment (Millions of yen)

Sales by Geographic Segment (Millions of yen)

Note: Segments are based on the location of customers.
<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales (Millions of yen/Millions of U.S. dollars)</td>
<td>¥541,901</td>
<td>¥530,162</td>
<td>¥506,651</td>
<td>¥490,672</td>
<td>¥521,526</td>
<td>¥535,495</td>
</tr>
<tr>
<td>Operating profit (Millions of yen/Millions of U.S. dollars)</td>
<td>¥7,716</td>
<td>¥6,344</td>
<td>¥6,339</td>
<td>¥8,276</td>
<td>¥10,125</td>
<td>¥10,805</td>
</tr>
<tr>
<td>Ordinary profit (Millions of yen/Millions of U.S. dollars)</td>
<td>¥7,666</td>
<td>¥6,206</td>
<td>¥6,966</td>
<td>¥8,189</td>
<td>¥9,998</td>
<td>¥10,753</td>
</tr>
<tr>
<td>Profit attributable to owners of parent (Millions of yen/Millions of U.S. dollars)</td>
<td>¥837</td>
<td>¥3,033</td>
<td>¥3,278</td>
<td>¥5,358</td>
<td>¥6,204</td>
<td>¥3,871</td>
</tr>
<tr>
<td>Comprehensive income (Millions of yen/Millions of U.S. dollars)</td>
<td>¥6,000</td>
<td>¥8,876</td>
<td>¥1,539</td>
<td>¥6,809</td>
<td>¥11,379</td>
<td>¥1,847</td>
</tr>
<tr>
<td>Net assets (Millions of yen)</td>
<td>¥74,439</td>
<td>¥82,121</td>
<td>¥76,181</td>
<td>¥80,784</td>
<td>¥94,735</td>
<td>¥94,745</td>
</tr>
<tr>
<td>Total assets (Millions of yen)</td>
<td>¥292,407</td>
<td>¥309,656</td>
<td>¥296,970</td>
<td>¥287,863</td>
<td>¥337,323</td>
<td>¥349,656</td>
</tr>
<tr>
<td>Net assets per share (Yen)</td>
<td>¥496.09</td>
<td>¥540.57</td>
<td>¥520.30</td>
<td>¥559.06</td>
<td>¥6,170.79</td>
<td>¥6,143.16</td>
</tr>
<tr>
<td>Basic earnings per share (Yen)</td>
<td>¥5.82</td>
<td>¥21.11</td>
<td>¥23.57</td>
<td>¥39.27</td>
<td>¥429.20</td>
<td>¥274.69</td>
</tr>
<tr>
<td>Diluted earnings per share (Yen)</td>
<td>¥5.80</td>
<td>¥20.99</td>
<td>¥23.43</td>
<td>¥39.00</td>
<td>¥426.83</td>
<td>¥273.12</td>
</tr>
<tr>
<td>Cash dividends per share (Yen)</td>
<td>¥10</td>
<td>¥10</td>
<td>¥10</td>
<td>¥10</td>
<td>—</td>
<td>¥110</td>
</tr>
<tr>
<td>Payout ratio (%)</td>
<td>171.7</td>
<td>47.4</td>
<td>42.4</td>
<td>25.5</td>
<td>23.3</td>
<td>40.0</td>
</tr>
<tr>
<td>Capital adequacy ratio (%)</td>
<td>24.4</td>
<td>25.1</td>
<td>24.2</td>
<td>26.4</td>
<td>25.8</td>
<td>24.8</td>
</tr>
<tr>
<td>Return on equity (ROE) (%)</td>
<td>1.2</td>
<td>4.1</td>
<td>4.4</td>
<td>7.2</td>
<td>7.6</td>
<td>4.5</td>
</tr>
<tr>
<td>Price/Earnings ratio (PER) (Times)</td>
<td>60.1</td>
<td>15.4</td>
<td>13.7</td>
<td>9.4</td>
<td>10.0</td>
<td>15.1</td>
</tr>
<tr>
<td>Cash flows from operating activities (Millions of yen)</td>
<td>¥7,559</td>
<td>¥7,545</td>
<td>¥12,929</td>
<td>¥16,282</td>
<td>¥8,698</td>
<td>¥13,660</td>
</tr>
<tr>
<td>Cash flows from investing activities (Millions of yen)</td>
<td>¥(10,762)</td>
<td>¥(18,517)</td>
<td>¥(7,817)</td>
<td>¥367</td>
<td>¥(13,283)</td>
<td>¥(14,355)</td>
</tr>
<tr>
<td>Cash flows from financing activities (Millions of yen)</td>
<td>¥2,707</td>
<td>¥11,004</td>
<td>¥(5,448)</td>
<td>¥(15,641)</td>
<td>¥4,361</td>
<td>¥1,735</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of period (Millions of yen)</td>
<td>¥4,863</td>
<td>¥5,569</td>
<td>¥5,328</td>
<td>¥6,157</td>
<td>¥6,837</td>
<td>¥7,788</td>
</tr>
<tr>
<td>Number of employees</td>
<td>3,146</td>
<td>3,164</td>
<td>3,110</td>
<td>3,099</td>
<td>3,692</td>
<td>3,893</td>
</tr>
</tbody>
</table>

Notes:
1. This financial information is presented based on generally accepted accounting principles in Japan.
2. Consumption tax has not been included in net sales.
3. Results for the fiscal year ended March 31, 2017 and prior fiscal years have been amended and restated to correct for inadequate accounting treatment by a non-consolidated subsidiary, and to correct for other immaterial differences not retrospectively amended (as disclosed in Japanese news release dated February 3, 2016 and elsewhere).
4. Profit attributable to owners of parent for the fiscal year ended March 31, 2014 was ¥837 million after the recording of an extraordinary loss of ¥3,139 million due to the occurrence of uncollectible or overdue receivables in both China and Europe.
5. Effective October 1, 2017, the Company conducted a consolidation of shares in which 10 shares of common shares were consolidated into one share. For the fiscal year ended March 31, 2018, the interim dividend per share of ¥5 would have been ¥50 after factoring in the consolidation of shares, and the year-end dividend per share was ¥50. The annual dividend per share would therefore have been ¥100 after factoring in the aforementioned consolidation.
6. Figures for the fiscal year ended March 31, 2018 have been reclassified to conform with “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28).
7. Net assets per share, basic earnings per share and diluted earnings per share for the fiscal year ended March 31, 2018 have been calculated under the assumption that the consolidation of shares described in Note 5 was conducted at the beginning of the fiscal year.
8. All U.S. dollar amounts are presented solely for the readers’ convenience and are converted at the exchange rate (TTM) of 110.99 yen to the dollar as of March 31, 2019.
Interactive Community Event
In September 2018, Group company Corelex Shin-Ei held a paper-themed, interactive community event beside the Fuji River in Fuji City. This event, in which visitors bring used paper cartons and other paper items, is organized annually to deepen relationships with local residents. In 2018, it set records for the number of visitors (approximately 8,000) and the amount of recyclables collected (more than 20 tons).
Additionally, the event featured information on disaster prevention, a quiz about recycled paper, and a variety of other activities associated with paper. These activities helped to raise awareness about environmental issues and recycling.

Milk Cartons as a Raw Material for Recycled Household Paper
Milk cartons have potential as an important raw material for paper manufacturing. Since October 2017, Group employees and management at the Head Office building have been collecting milk cartons and aluminum-lined paper packs used at the office and by their families. Cartons collected by employees are made into tissues by the Corelex Group and distributed as novelty goods. As of June 2019, employees have collected the equivalent of 46,000 milk cartons weighing 1,480 kilograms in total.
Environment

Our mission in the Japan Pulp & Paper Group is to carve a better future for society and the environment. Accordingly, we work to reduce the burden on the environment and actively undertake various environmental programs based on our recognition that protecting the Earth’s environment is a fundamental principle of corporate management.

For more detailed information, please refer to the Japan Pulp & Paper website. www.kamipa.co.jp/eng/activity/

Contributing to the Environment through Our Business Activities

The Japan Pulp & Paper Group is helping to create a circular economy through businesses such as its recovered paper recycling business and its renewable energy power generation business. Based on our mission of carving a better future for society and the environment, we are committed to meeting the needs of society by working on solutions to environment-related issues.

Promoting the Recycling of Wastepaper

We believe that recycling wastepaper and using it as a raw material for paper manufacturing promotes the effective use of forest resources. Through the recycling of used paper, the Japan Pulp & Paper Group is contributing to the creation of a circular economy. The Japan Pulp & Paper Group fully entered the recovered paper recycling business in 1973, and today has a recovered paper collection network that spans all of Japan. Drawing on our experience and expertise from that business, we have expanded our recycling operations to include the U.S., Europe and India. By taking a global perspective, our system for reusing recovered paper, an increasingly important raw material for paper manufacturing, provides stable supplies of recycled household paper, containerboard and printing paper.

Reuse of Waste Plastic

In addition to the recycling of recovered paper, the Japan Pulp & Paper Group reuses waste plastic through its comprehensive recycling business. Plastic discarded by businesses and communities is collected and sorted for either material recycling and use as a raw material, or thermal recycling and use as a solid fuel. Through this combination of material and thermal recycling, we have achieved more efficient recycling, and are promoting effective use of recycled resources and reduced use of fossil fuels, a limited resource.

Product Development to Reduce Environmental Impact

The Japan Pulp & Paper Group is working to reduce the environmental impact of its businesses by developing products that contribute to creating a circular economy. In September 2018, we developed a paper cup that uses BioPBS™, a plant-based, biodegradable plastic. When buried, BioPBS™ is naturally broken down into water and carbon dioxide by microorganisms in the soil. During development, we focused on its environmentally friendly qualities and high water and heat resistance that make it ideal for use in the lamination of paper cups. We will look to develop applications in laminated products other than paper cups, and also plan to expand this business outside Japan.

Supplying Power from Renewable Energy

Since the Great East Japan Earthquake, Japanese societal demand for electric power from energy sources that are safer and have less impact on the environment has increased. The Japan Pulp & Paper Group’s power generation business uses renewable solar and woody biomass energy, which can be procured domestically, as alternatives to fossil fuel energy, which is sourced almost entirely through imports. The Group operates a woody biomass power plant in Iwate Prefecture and supplies solar power in cooperation with local governments in Hokkaido, Iwate and Miyagi prefectures.
Employees

Our employees are our greatest resource. They are the foundation of the Japan Pulp & Paper Group’s business competitiveness, and will be the driving force for achieving sustained growth in the future. Accordingly, we have taken steps to create working environments and systems that enable all employees to thrive.

For more detailed information, please refer to the Japan Pulp & Paper website.  www.kamipa.co.jp/eng/activity/

Personnel System and Utilization of Human Resources

Enhancing the Personnel System

Japan Pulp & Paper has adopted a personnel system centered on the “Role Responsibility System” and is working to vitalize human resources by developing and utilizing its employees. The Role Responsibility System focuses on organizational management, as well as on the promotion and recruitment of highly skilled and motivated persons for job types that contribute to business results through the development of new businesses and utilization of expertise. Under our personnel evaluation system, we set lofty goals and medium- and long-term goals based on new ideas, and emphasize the process of attaining those goals in evaluating performance.

In terms of education and training systems aimed at developing human resources, we created a program aimed at raising the skills of each and every individual and vitalizing people and organizations based on the concepts of “developing human resources able to fulfill their roles and responsibilities” and “developing personnel with self-initiative who are able to respond to times of change.”

 Utilizing Diverse Human Resources

Japan Pulp & Paper aims to create workplaces in which everyone can work to his or her full potential irrespective of gender, age or other factors. Based on the Act on Promotion of Women’s Participation and Advancement in the Workplace, we have set goals such as increasing the percentage and retention rate of female employees, and are taking various measures to achieve these goals. We also utilize senior human resources through a continuing employment system for people over 60 years of age based on the revised Act on Stabilization of Employment of Elderly Persons. In addition, we actively employ persons with disabilities.

Japan Pulp & Paper seeks to create new value by ensuring that each employee maximizes his or her potential, and continues to emphasize the value of diversity.

Training System

<table>
<thead>
<tr>
<th>New employees</th>
<th>Mid-career employees</th>
<th>Managers</th>
</tr>
</thead>
<tbody>
<tr>
<td>New recruit mentor program</td>
<td>OJT (on-the-job training)</td>
<td>Management-specific training</td>
</tr>
<tr>
<td>New recruit training</td>
<td>Rank-based core training program</td>
<td></td>
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<tr>
<td>Logistics system training</td>
<td>Selectable training courses</td>
<td></td>
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<tr>
<td>Follow-up training</td>
<td>• Skills improvement courses</td>
<td></td>
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<tr>
<td></td>
<td>• Management knowledge courses</td>
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</tr>
<tr>
<td></td>
<td>Overseas training system</td>
<td></td>
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<tr>
<td></td>
<td>Self-development support system</td>
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</tr>
</tbody>
</table>

Comfortable Workplace Environments

Promoting Work-Life Balance Measures

Japan Pulp & Paper offers work styles that enable a good work-life balance and seeks to create workplaces and systems in which each employee can work with peace of mind and to the best of his or her ability.

In addition, the Company has formulated an action plan and is taking concrete steps on what can be done now regarding issues such as eliminating excessive overtime and encouraging employees to take paid leave, both of which are important in achieving work-life balance. We are also working to establish systems that enable flexible work styles such as systems for extending the period of shortened working hours, working in shifts or area-limited employment arrangements.

Creating Safe and Secure Workplaces

Japan Pulp & Paper is promoting initiatives in conjunction with industrial physicians, full-time nurses and health administrators in order to ensure a work environment in which employees can work with peace of mind.

We are also taking steps to ensure we are prepared for an emergency, including the introduction of a system to confirm the safety of employees and their families in the event of a major earthquake or disaster. In addition, we stockpile and monitor emergency-use food and bedding.
Corporate Governance

For more detailed information concerning corporate governance, please refer to the Corporate Governance Report submitted to the Tokyo Stock Exchange. (Japanese language only)  
www.kamipe.co.jp/company/governance/

Basic Stance

The Japan Pulp & Paper Group has established its Corporate Philosophy, which consists of "Our Corporate Spirit" (the values we cherish), "Our Mission," and "Our Principles," which states the principles that the Group’s management and employees practice. The Group conducts Group-wide business activities based on the slogan, "Paper, and beyond." In addition, we formulated the Japan Pulp & Paper Group Charter of Corporate Behavior. The charter sets out guidelines for behavior, including complying with laws and regulations, promoting free, fair and transparent business activities, and ensuring the trust of stakeholders.

In line with our Corporate Philosophy and the Group Charter of Corporate Behavior, our basic philosophy of corporate governance is to fulfill our accountability, build good relationships with shareholders and investors, customers, business partners, local communities and all other stakeholders, and practice efficient, fair and transparent management to ensure the Group's sustainable growth and increase corporate value over the medium to long term.

Overview of Corporate Governance Structure

Japan Pulp & Paper aims to maintain and improve management efficiency based on a Board of Directors consisting of directors who have thorough knowledge of the Group's businesses. Additionally, the Company has introduced an executive officer system for the purpose of clarifying duties and responsibilities and increasing flexibility in the execution of operations to respond to rapid changes in the business environment.

Japan Pulp & Paper, as a company with an Audit & Supervisory Board, assures enhanced monitoring and supervising functions and the transparency of decision-making by ensuring the adequate monitoring of management by the Audit & Supervisory Board members that include outside members.

To further enhance management supervisory functions, starting June 2017 the Company reduced the number of directors and increased the number of outside directors by one, establishing a six-member Board of Directors (including two outside directors). The two outside directors are both registered with the Tokyo Stock Exchange as independent directors, and provide appropriate input and recommendations from an objective standpoint. As key members of the Nomination Advisory Committee and Compensation Advisory Committee, they also participate in the nomination of candidates and in the process of determining director compensation to ensure objectivity and transparency.

Establishment of an Internal Control System

At the meeting of the Board of Directors on May 19, 2006, Japan Pulp & Paper set the Basic Policies Concerning the Establishment of an Internal Control System and revised these policies at the meeting of the Board of Directors on April 24, 2015.

We believe that establishing an effective internal control structure for reducing risk in business activities and assuring proper and efficient business operations is a crucial management issue. Based on this thinking, the Company enhances and implements its internal control system while continually monitoring the state of progress of this system with the aim of further raising corporate value.

Collaboration among Audit & Supervisory Board Members, Accounting Auditor, the Internal Auditing Departments and Others

Audit & Supervisory Board members receive reports concerning the auditing plan and auditing results from the Accounting Auditor and the Internal Audit Office and utilize these reports in the auditor's audit. Additionally, Audit & Supervisory Board members convey their auditing plan and audit results to the Accounting Auditor and the Internal Audit Office and mutually confirm the basic policies, priority issues, relevant departments, individual themes, timing, scope and structure of the audit and use this information to improve its effectiveness.

The Accounting Auditor explains the general outline of its audit and quarterly review plan to the Audit & Supervisory Board members and provides an overview of its conclusion or opinion of each quarterly audit or the quarterly review. Moreover, in such cases, outside directors and the Internal Audit Office also attend and exchange information and facilitate communications and adequate collaboration. The Internal Audit Office shares relevant information regarding departments that undergo operational audits with the Accounting Auditor. In addition, a liaison meeting attended by the Audit & Supervisory Board members, the Accounting Auditor and the Internal Audit Office is held regularly to provide information support.

Management Control Structure (As of June 26, 2019)

[Diagram showing the corporate governance structure, including the roles of the Audit & Supervisory Board, Board of Directors, President, Accounting Auditor, and various committees and departments.]

Audit & Supervisory Board members / Audit & Supervisory Board outside members

Accounting Auditor

Board of Directors

Nomination Advisory Committee

Outside Directors

Compensation Advisory Committee

Outside Directors

President

CFO, COO, Executive Officers

Risk Management Committee

Companywide CSR Committee

[Execution of Operations] Department General Managers, Branch Managers and Subsidiary Presidents

Cooperation

Cooperation

Audit

Cooperation

Audit
Directors of the Board, Audit & Supervisory Board Members and Executive Officers (As of June 26, 2019)

Directors of the Board

Representative Director, President
Akihiko Watanabe
1982 Joined Japan Pulp & Paper Co., Ltd.
2009 Corporate Officer
Deputy General Manager, Global Business Division
2010 Executive Officer
General Manager, Sales Promotion Division
2012 Executive Officer
General Manager, International Business Division
2013 Executive Officer
President, Japan Pulp & Paper (U.S.A.) Corp.
2015 Executive Vice President
President, Japan Pulp & Paper (U.S.A.) Corp.
2016 Executive Vice President, General Business
2017 Representative Director, President

Representative Director
Chihiro Katsuta*
1982 Joined Japan Pulp & Paper Co., Ltd.
2009 Corporate Officer
Deputy General Manager, Finance & Administration Division
2010 Executive Officer
General Manager, Management Planning Division
2014 Executive Vice President
General Manager, Chubu Branch
2016 Director of the Board
2017 Director of the Board, Senior Executive Vice President and CFO
2019 Representative Director, Senior Executive Vice President and CFO

Director of the Board
Tomoyuki Miyazaki*
1977 Joined Japan Pulp & Paper Co., Ltd.
2010 Executive Officer
General Manager, Kyushu Branch
2013 Executive Vice President
General Manager, Newsprint & Publication Paper Sales Division
2015 Director of the Board, Executive Vice President, Paper Sales & Marketing
2016 Director of the Board, Senior Executive Vice President
2017 Director of the Board, Senior Executive Vice President and COO
2018 Director of the Board, Senior Executive Vice President and COO, Raw Materials & Environment

Representative Director
Chihiro Katsuta*
1982 Joined Japan Pulp & Paper Co., Ltd.
2009 Corporate Officer
Deputy General Manager, Finance & Administration Division
2010 Executive Officer
General Manager, Management Planning Division
2014 Executive Vice President
General Manager, Chubu Branch
2016 Director of the Board
2017 Director of the Board, Senior Executive Vice President and CFO
2019 Representative Director, Senior Executive Vice President and CFO

Director of the Board
Tomoyuki Miyazaki*
1977 Joined Japan Pulp & Paper Co., Ltd.
2010 Executive Officer
General Manager, Kyushu Branch
2013 Executive Vice President
General Manager, Newsprint & Publication Paper Sales Division
2015 Director of the Board, Executive Vice President, Paper Sales & Marketing
2016 Director of the Board, Senior Executive Vice President
2017 Director of the Board, Senior Executive Vice President and COO
2018 Director of the Board, Senior Executive Vice President and COO, Raw Materials & Environment

Director of the Board
Kazuhiko Sakurai*
1982 Joined Japan Pulp & Paper Co., Ltd.
2011 Executive Officer
General Manager, Hokkaido Branch
2013 Executive Officer
General Manager, Kitanihon Branch
2015 Director of the Board, Executive Vice President, Paperboard & Household Paper
2016 Director of the Board
2017 Senior Executive Vice President, Paperboard & Household Paper
2019 Director of the Board

Director of the Board
Itaru Masuda**
1974 Joined Mitsu Trust and Banking Company, Limited
1999 Director, Mitsu Trust and Banking Company, Limited
2000 Executive Officer, Chuo Mitsu Trust and Banking Company, Limited
2002 Managing Executive Officer, Chuo Mitsu Trust and Banking Company, Limited
2004 Managing Director, Sumitomo Mitsu Trust Holdings, Inc.
2006 Senior Managing Executive Officer, Chuo Mitsu Trust and Banking Company, Limited
2010 Director and Deputy President, Chuo Mitsu Trust and Banking Company, Limited
2012 Corporate Advisor, Sumitomo Mitsu Trust Bank, Limited
Outside Director, Three F Co., Ltd. (current)
Outside Audit & Supervisory Board Member, Keisei Electric Railway Co., Ltd.
2016 Outside Corporate Auditor, Japan Steel Works, Ltd. (current)
2017 Outside Director, Fujitio Co., Ltd. (current)
Outside Director of the Board, Japan Pulp & Paper Co., Ltd. (current)

Director of the Board
Sumiko Takeuchi**
1994 Joined Tokyo Electric Power Company, Incorporated
2012 Director and Senior Fellow, International Environment and Economy Institute (current)
Director, Forestock Association
2014 Assistant Project Leader, The 21st Century Public Policy Institute (current)
2016 Visiting Professor, University of Tsukuba (current)
External Advisor, Accenture Japan Ltd. (current)
Joint Representative, Matrix Associates LLP (current)
2018 Visiting Professor, Kansai University (current)
External Advisor, McKinsey & Company (current)
Joint Founder and Representative Director, U3Innovations LLC (current)
2019 Outside Director of the Board, Japan Pulp & Paper Co., Ltd. (current)

* Director of the Board also serving as an Executive Officer
** Outside Director as provided for in Article 2-15 of the Companies Act. Designated as Independent Director as specified by the Tokyo Stock Exchange and other exchanges in Japan.
Audit & Supervisory Board Members

Satoshi Sakai
- 1980: Joined Japan Pulp & Paper Co., Ltd.
- 2009: Corporate Officer, General Manager, Global Business Division
- 2010: Executive Officer, President, Japan Pulp & Paper (U.S.A.) Corp.
- 2013: Executive Officer, General Manager, Accounting Division
- 2015: Senior Executive Officer, General Manager, Finance & Administration Division
- 2016: Full-time Audit & Supervisory Board Member

Katsunori Kitamura
- 1984: Appointed as judge
- 1989: Seconded to Ministry of Posts and Telecommunications (name at the time)
- 1991: Returned to position as judge
- 1996: Retired from position as judge
- 2012: Outside Audit & Supervisory Board Member, Kataoka & Co., Ltd. (current)
- 2015: Outside Audit & Supervisory Board Member, Japan Pulp & Paper Co., Ltd. (current)

Naofumi Higuchi
- 1997: Joined Chuo Audit Corporation (name at the time)
- 2001: Registered as Certified Public Accountant
- 2007: Joined Mizuho Securities Co., Ltd.
- 2009: Began working at the Japanese Institute of Certified Public Accountants
- 2012: Associate Professor, Tohoku University Accounting School
- 2013: Joined Grant Thornton Taiyo ASG LLC
- 2016: Representative Director, Yamabiko Accounting LLC (current)
- 2018: Professor, Tohoku University Accounting School (current)

Executive Officers

Senior Executive Vice Presidents
- Chihiro Katsuta: CFO
- Tomoyuki Miyazaki: COO, Raw Materials & Environment
- Kazuhiko Sakurai: Paperboard & Household Paper
- Tokuhichi Dazai: Global Business, ICT & Specialties

Executive Vice Presidents
- Tetsuo Izawa: Paper Sales & Marketing, General Manager, Paper Merchant Sales Division
- Toru Teshima: General Manager, Kansai Branch

Senior Vice Presidents
- Mitsutoshi Imamura: Global Business, ICT & Specialties
- Akio Ando: Raw Materials & Environment
- Yasushi Takei: General Manager, Corporate Planning Division
- Hiroshi Ebihara: General Manager, Purchasing Division
- Makoto Shimada: General Manager, Printer & End User Sales Division
- Susumu Tanaami: General Manager, Chubu Branch
- Fumio Watanabe: President, JP Information Center Co., Ltd.
- Kagetaka Matsuura: President, JP Loginet Co., Ltd.

Executive Officers
- Kenichiro Fuji: General Manager, Finance & Administration Division
- Koji Ukeguchi: General Manager, Newsprint & Publication Paper Sales Division
- Kozo Nishio: General Manager, Industrial Materials Sales Division
- Hiroshi Kashima: General Manager, International Sales Division
- Seiichi Suganuma: General Manager, Functional Materials & Communication Paper Sales Division
- Makoto Shirotani: General Manager, Raw Materials & Environmental Business Division
- Nobuyuki Matsuura: Deputy General Manager, Kansai Branch
- Ryoichi Nagato: General Manager, Kyushu Branch
- Toshihiko Kitayama: General Manager, Kitanihon Branch
- Shinichiro Yamamoto: Vice President, Eco Paper JP Co., Ltd.
- Hiroyuki Ito: Vice President, JP Corelex Holdings Co., Ltd.
- Takahiro Miyata: Director, Ball & Doggett Group Pty Ltd.
Organizational Structure [Japan Pulp & Paper Non-Consolidated]
(As of June 26, 2019)

Board of Directors

Audit & Supervisory Board

President

CFO

Senior Executive Vice President Administration & Planning

COO

Executive Vice President Paper Sales & Marketing

Senior Executive Vice President Paperboard

Senior Executive Vice President Global Business

Senior Executive Vice President ICT & Specialties

Executive Vice President Raw Materials & Environment

Senior Executive Vice President Household Paper

Finance & Administration Division

General Affairs Dept.
Risk Management Dept.
Finance Dept.
Accounting Dept.
Affiliate Administration Dept.

Corporate Planning Division

Management Planning Dept.
Personnel Dept.
Real Estate Dept.

Purchasing Division

Purchasing Dept.
Product Compliance Office

Newsprint & Publication Paper Sales Division

Publication Paper Sales Dept. I
Publication Paper Sales Dept. II

Paper Merchant Sales Division

Paper Merchant Sales Dept.

Printer & End User Sales Division

End User Sales Dept.
Printing Paper Sales Dept.

Industrial Materials Sales Division

Industrial Paper Sales Dept.
Direct Sales Dept.

International Sales Division

International Business Planning & Promotion Dept.
International Sales Dept.
Sustainable Solutions Group

Functional Materials & Communication Paper Sales Division

Specialty Paper Sales Dept.
Functional Materials Dept. I
Functional Materials Dept. II
Communication Paper Sales Dept.
Business Solution Group

Raw Materials & Environmental Business Division

Recovered Paper Business Dept.
Environment & Resources Dept.

Kansai Branch

Business Administration Dept.
Purchasing Dept.
Paper Merchant Sales Dept.
Kyoto Sales Dept.
Printing & Communication Media Dept.
Functional Materials Dept.
Industrial Materials Sales Dept.

Chubu Branch

General Administration Dept.
Purchasing Dept.
Paper Merchant Sales Dept.
Direct Sales Dept.
Industrial Materials Sales Dept.

Kyushu Branch

Business Administration Dept.
Sales Dept. I
Sales Dept. II

Kitanihon Branch

Tohoku Sales Dept.
Hokkaido Sales Dept.
Corporate Data
(As of March 31, 2019)

**Corporate Name**  
Japan Pulp & Paper Co., Ltd.

**Head Office**  
Forefront Tower, 3-12-1 Kachidoki, Chuo-Ku, Tokyo 104-8656 Japan  
Tel: +81-3-3534-8522  Fax: +81-3-5548-4287  
International Sales Department  
Tel: +81-3-3548-4245  Fax: +81-3-5548-4337

**Representative**  
Akihiko Watanabe, President

**Foundation**  
1845

**Date of Establishment**  
December 15, 1916

**Capital**  
¥16,648.92 million

**Fiscal Year-End**  
March 31

**Number of Employees**  
Consolidated: 3,893  
Non-consolidated: 714

**Major Activities**  
Import and export, sale, distribution and manufacturing of paper, paperboard, pulp and paper-related products; real estate leasing; generation, purchase, sale and provision of electricity

**Domestic Bases**  
Kansai Branch; Kansai Branch, Kyoto Sales Dept.; Chubu Branch; Kyushu Branch; Kitanihon Branch, Tohoku Sales Dept.; Kitanihon Branch, Hokkaido Sales Dept.

**Consolidated Subsidiaries**  
69

**Associated Companies (Equity-Method)**  
9

**Main Banks**  
Mizuho Bank, Ltd.; Sumitomo Mitsui Banking Corporation; MUFG Bank, Ltd.; Sumitomo Mitsui Trust Bank, Limited; The Norinchukin Bank; The Shizuoka Bank, Ltd.

**Stock Information**  
Stock Listing (Common Stock)  
Tokyo Stock Exchange, First Section (Code 8032)

**Number of Shares**  
29,560,300

**Common Shares Issued & Outstanding**  
15,021,551

**Number of Shareholders**  
10,902

**Major Shareholders**  
Oji Holdings Corporation; Retirement Benefit Account re-entrusted by Mizuho Trust and Banking Co., Ltd.; Trust & Custody Services Bank, Ltd. as trustee for Nippon Paper Industries Co., Ltd.; Japan Trustee Services Bank, Ltd. (Trust Account); The Master Trust Bank of Japan, Ltd. (Trust Account); Hokutetsu Corporation; JP Employee Shareholding Association; Chuetsu Pulp & Paper Co., Ltd.; Mizuho Bank, Ltd.; Japan Trustee Services Bank, Ltd. (Trust Account 5)

**Composition of Shareholders**

![Visualization of shareholdings]

Note: Ratios are rounded off to one decimal place.
Paper, and beyond

O V O L

Japan Pulp & Paper Co., Ltd.
Forefront Tower, 3-12-1 Kachidoki, Chuo-Ku, Tokyo 104-8656 Japan
www.kamipa.co.jp/eng/