



October 17, 2024
Japan Pulp & Paper Co., Ltd.

Notice Regarding the Establishment Subsidiaries and Business Acquisitions in Germany

Japan Pulp & Paper Co., Ltd. (the “Company”) hereby announces that it has, by way of a written resolution of the Board of Directors dated October 10, 2024, resolved pursuant to Article 370 of the Companies Act and its Articles of Incorporation to establish two wholly owned subsidiaries in Germany and purchase the business activities of three companies including Inapa Deutschland GmbH which undertakes the wholesaling of paper and paperboard in Germany.

1. Reasons for Establishing Two Companies and the Business Acquisitions

To address changes in the business environment, the Company defined becoming “the world’s leading paper distribution group” as its vision for 2030 in its OVOL Vision 2030 long-term business strategy, and focused on acquiring paper merchants with a strong presence from around the world to join the group. Outside of Japan, the group currently operates 66 consolidated subsidiaries in 21 countries and regions, and continues to embrace challenges as one of the world’s leading paper distribution enterprises.

Furthermore, in OVOL Medium-term Business Plan 2026, which began in FY2024, the Non-Japan Wholesaling segment set its policy to “build a stable revenue structure and further diversify revenue sources”, with an eye to continuing its execution of complementary M&As in order to increase its share and expand business in each market. We will also increase earnings by expanding the sales of high-value-added materials such as sign & display products and flexible packaging materials.

The counterparties in this acquisition are the three German subsidiaries of Inapa–Investimentos, Participações e Gestão, S.A. (Headquartered in Portugal), the third largest paper distributor group in Europe. They respectively engage in the sales of graphic paper, packaging-related materials, and sign & display related products. As is the case in other advanced countries, the consumption of paper and paperboard in Germany is decreasing, although the country still consumes approximately 18 million tons per year, making it the fourth largest market globally behind China, the U.S. and Japan. The Japan Pulp & Paper Group’s Non-Japan Wholesaling segment’s business strategy is to enhance the management of paper merchants deeply rooted in local markets. We believe the acquisition of these three companies with their distribution network throughout Germany, will enhance the foothold of our paper merchanting operations across continental Europe while contributing to the increased sales of high-value-added materials in the European region as set out in the group’s OVOL Medium-term Business Plan 2026.

By strategically integrating the two new German subsidiaries, which were established to take over the acquired businesses, into the group’s global network with its existing businesses in Europe, including operations in the UK and France, the group aims to expand and develop its wholesale business in Germany, and further strengthen the profitability of its Non-Japan Wholesaling segment while pursuing group-wide synergies.

2. Overview of the New Companies

With these business acquisitions, the Company will establish two wholly owned subsidiaries, of which OVOL Papier Deutschland GmbH will assume the business of Inapa Deutschland GmbH, and OVOL C&P Deutschland GmbH will assume the businesses of Inapa Packaging GmbH and Inapa Complot GmbH.

[1] OVOL Papier Deutschland GmbH

(1)	Location	Frankfurt, Federal Republic of Germany	
(2)	Title and Name of Representative	Shigeyasu Yamada, Managing Director	
(3)	Business Outline	Sales of graphic paper	
(4)	Capital	EUR25,000 (JPY4 million) *EUR1 = JPY162	
(5)	Date Established	October 2024 (scheduled)	
(6)	Major Shareholder and its Shareholding Ratio	Japan Pulp & Paper Co., Ltd. 100%	
(7)	Relationship with the Company	Capital	100% owned subsidiary of the company
		Personnel	The directors of our subsidiary will also serve as directors of the company.
		Business	N.A.
		Status of related party	N.A.

[2] OVOL C&P Deutschland GmbH

(1)	Location	Frankfurt, Federal Republic of Germany	
(2)	Title and Name of Representative	Shigeyasu Yamada, Managing Director	
(3)	Business Outline	Sales of packaging-related materials and sign & display related products	
(4)	Capital	EUR25,000 (JPY4 million) *EUR1 = JPY162	
(5)	Date Established	October 2024 (scheduled)	
(6)	Major Shareholder and its Shareholding Ratio	Japan Pulp & Paper Co., Ltd. 100%	
(7)	Relationship with the Company	Capital	100% owned subsidiary of the company
		Personnel	The directors of our subsidiary will also serve as directors of the company.
		Business	N.A.
		Status of related party	N.A.

3. Outline of Counterparties

The counterparties to the acquisition are the three companies of Inapa Deutschland GmbH, Inapa Packaging GmbH, and Inapa Complot GmbH. As all three companies are currently undergoing insolvency proceedings the insolvency administrator will be the contracting party for the business acquisition agreement.

[1] Inapa Deutschland GmbH

(1)	Location	Hamburg, Federal Republic of Germany	
(2)	Title and Name of Representative	Insolvency administrator: Dr. Tjark Thies (CEO: Thomas Schimanowski)	
(3)	Business Outline	Sales of graphic paper	
(4)	Capital	EUR17.0 million (JPY2,754 million) *EUR1 = JPY162	
(5)	Date Established	January 1, 1988	
(6)	Net Assets	EUR20.3 million (JPY3,281 million)	
(7)	Total Assets	EUR118.8 million (JPY19,247 million)	
(8)	Major Shareholders and their Shareholding Ratios	Inapa Deutschland Holding GmbH 94.9% Inapa-Investimentos, Participações e Gestão, S.A. 5.1%	
(9)	Relationship with the Company	Capital	N.A.
		Personnel	N.A.
		Business	N.A.
		Status of related party	N.A.

[2] Inapa Packaging GmbH

(1)	Location	Hamburg, Federal Republic of Germany	
(2)	Title and Name of Representative	Insolvency administrator: Dr. Tjark Thies (CEO: Thomas Schimanowski)	
(3)	Business Outline	Sales of packaging related materials	
(4)	Capital	EUR25,000 (JPY4 million) *EUR1 = JPY162	
(5)	Date Established	May 17, 2006	
(6)	Net Assets	EUR25,000 (JPY4 million)	
(7)	Total Assets	EUR6.4 million (JPY1,030 million)	
(8)	Major Shareholder and its Shareholding Ratio	Inapa Deutschland GmbH 100.0%	
(9)	Relationship with the Company	Capital	N.A.
		Personnel	N.A.
		Business	N.A.
		Status of related party	N.A.

[3] Inapa Complott GmbH

(1)	Location	Mettmann, Federal Republic of Germany	
(2)	Title and Name of Representative	Insolvency administrator: Dr. Tjark Thies (CEO: Thomas Schimanowski)	
(3)	Business Outline	Sales of sign & display related products	
(4)	Capital	EUR53,000 (JPY9 million) *EUR1 = JPY162	
(5)	Date Established	July 2, 2008	
(6)	Net Assets	EUR53,000 (JPY9 million)	
(7)	Total Assets	EUR8.6 million (JPY1,391 million)	
(8)	Major Shareholder and its Shareholding Ratio	Inapa Deutschland GmbH 100.0%	
(9)	Relationship with the Company	Capital	N.A.
		Personnel	N.A.
		Capital	N.A.
		Status of related party	N.A.

4. Overview of Business Acquisition

(1)	Outline of Acquired Business	Sales of graphic paper, packaging-related materials and sign & display related products
(2)	Business Results for the Previous Fiscal Year	Revenue (fiscal year ended December 31, 2023) EUR550.4 million (approx. JPY89,165 million) *EUR1 = JPY162

* Revenue shows the total combined amount of Inapa Deutschland GmbH, Inapa Packaging GmbH and Inapa Complott GmbH.

* The ordinary profit, assets and liabilities in the latest fiscal year of the target business to be acquired and the acquisition amounts will not be disclosed due to confidentiality reasons with the counterparties. The acquisition amount is to be determined after conducting third-party due diligence and based on discussions with the administrator.

5. Schedule

(1)	Date of the Board of Directors Resolution	October 10, 2024
(2)	Signing Date	October 10, 2024
(3)	Closing Date	November 30, 2024 (scheduled)

6 Outline of Accounting Process

The accounting process in connection with the business acquisition will fall under the category of “Acquisition” as defined in the “Accounting Standard for Business Combination.” The acquisition price allocation and the amount of goodwill are now under review.

7. Future Outlook

The acquisition will have a minor impact on the consolidated results for the fiscal year ending March 31, 2025. We will make a timely announcement if any matter to be disclosed arises.

(Reference)

Consolidated financial results forecast (announced on May 10, 2024) and previous consolidated financial results

(Unit: millions of yen)

	Consolidated Operating Profit	Consolidated Ordinary Profit	Profit Attributable to Owners of Parent
Consolidated Financial Results Forecast (Fiscal year ending March 31, 2025)	18,000	18,000	10,000
Previous Consolidated Financial Results (Fiscal year ended March 31, 2024)	17,403	16,753	10,357

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