



October 23, 2024
Japan Pulp & Paper Co., Ltd.

Notice Regarding the Acquisition of Shares in Two French Paper Wholesale Companies and Conversion to Subsidiaries

Japan Pulp & Paper Co., Ltd. (the “company”) hereby announces that it has, by way of a written resolution passed at the Board of Directors meeting dated October 18, 2024 in accordance with Article 370 of the Companies Act and its Articles of Incorporation, resolved to acquire all of the issued shares of Inapa France SAS, a paper and paperboard wholesaler in France, and to make Inapa France and its wholly owned subsidiary, JJ LOOS SAS, wholly owned subsidiaries.

1. Reasons for acquiring shares

In its OVOL Vision 2030 long-term business strategy the company defined becoming “the world’s leading paper distribution group” as its vision for 2030, and in order to achieve this the company is focused on incorporating paper merchants with a strong presence in various regions around the world into its group. The Japan Pulp & Paper Group currently operates in 21 countries and regions with 66 consolidated subsidiaries outside of Japan and continues to embrace challenges as one of the world’s leading paper distribution enterprises.

In addition, in the Group’s OVOL Medium-term Business Plan 2026, which begins this year (FY2024), the company’s Non-Japan Wholesaling segment’s policy is to “build a stable revenue structure and further diversify revenue sources,” and in line with this, the company is working to increase market share and expand its business areas in each market by continuing to carry out complementary M&A at its major business bases, as well as to increase revenue by expanding sales of high-value-added materials such as sign and display products, packages, and flexible packaging.

As disclosed in the “Notice Regarding the Establishment of Subsidiaries and Business Acquisitions in Germany” dated October 17, 2024, we have signed an agreement to acquire the businesses of three German subsidiaries of Inapa-Investimentos, Participações e Gestão, SA (Headquartered in Portugal), the third largest paper distribution group in Europe. On this occasion we have decided to acquire shares in two French operations of the same paper distribution group. These two French companies are primarily engaged in the sale of graphic paper and sign and display related products in France. Although France’s paper and paperboard consumption, like that of other developed countries, is on a downward trend, it still ranks 10th in the world and third in Europe after Germany and Italy, at approximately 8.6 million tons per year. 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. Making subsidiaries of these two companies, which have distribution networks covering the entirety of France, together with our acquisition of the business activities of the three German companies 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 French companies together with the two new German subsidiaries, established to take over the acquired businesses mentioned above, into the group’s global network with its

existing businesses in Europe, including operations in the UK and Germany, the group aims to expand and develop its wholesale business in continental Europe, and further strengthen the profitability of its Non-Japan Wholesaling segment while pursuing group-wide synergies.

2. Overview of the newly transferring subsidiaries

1. Inapa France SAS

(1)	Name of Company	Inapa France SAS	
(2)	Location	French Republic	
(3)	Title and Name of Representative	Managing Director: Silva Chaby Rosa Afonso Nuno	
(4)	Business Outline	Sales of graphic paper	
(5)	Capital	EUR 143 million (JPY 23,237 million) *EUR 1 = JPY 162	
(6)	Date of Establishment	August 2, 1999	
(7)	Major Shareholder and its Shareholding Ratio	Inapa-Investimentos, Participações e Gestão, SA: 100%	
(8)	Relationship with the Company	Capital	Not applicable
		Personnel	Not applicable
		Business	Not applicable
(9)	The company's operating results and financial condition for the past three years		
Accounting Period		Fiscal Year Ending December 2021	Fiscal Year Ending December 2022
			Fiscal Year Ending December 2023
Net Assets		EUR 145 million (JPY 23,535 million)	EUR 161 million (JPY 26,149 million)
Total Assets		EUR 251 million (JPY 40,617 million)	EUR 239 million (JPY 38,699 million)
Net Assets Per Share		EUR 351 (JPY 56,862)	EUR 390 (JPY 63,180)
Revenue		EUR 185 million (JPY 29,951 million)	EUR 200 million (JPY 32,352 million)
Operating Profit		EUR 5 million (JPY 870 million)	EUR 21 million (JPY 3,340 million)
Ordinary Profit		EUR 4 million (JPY 650 million)	EUR 9 million (JPY 1,478 million)
Net Income		EUR 19 million (JPY 3,032 million)	EUR 8 million (JPY 1,311 million)
Net Income		EUR 4 million (JPY 624 million)	EUR 7 million (JPY 1,135 million)
Net Income Per Share		EUR 9 (JPY 1,458)	EUR 39 (JPY 6,318)
			EUR 17 (JPY 2,754)

2. JJ LOOS SAS

(1)	Name of Company	JJ LOOS SAS	
(2)	Location	French Republic	
(3)	Title and Name of Representative	Managing Director: Silva Chaby Rosa Afonso Nuno	
(4)	Business Outline	Sales of sign and display related products	
(5)	Capital	EUR 1 million (JPY 162 million) * EUR 1 = JPY 162	
(6)	Date of Establishment	May 22, 1964	
(7)	Major Shareholder and its Shareholding Ratio	Inapa France SAS: 100%	
(8)	Relationship with the Company	Capital	Not applicable
		Personnel	Not applicable
		Business	Not applicable
(9)	The company's operating results and financial condition for the past two years		
Accounting Period		Fiscal Year Ending December 2022	Fiscal Year Ending December 2023
Net Assets		EUR 2 million (JPY 297 million)	EUR 2 million (JPY 310 million)
Total Assets		EUR 4 million (JPY 608 million)	EUR 4 million (JPY 632 million)
Net Assets Per Share		EUR 361 (JPY 58,482)	EUR 376 (JPY 60,912)
Revenue		-	EUR 8 million (JPY 1,355 million)
Operating Profit		-	EUR 100,204 (JPY 16 million)
Ordinary Profit		-	EUR 94,582 (JPY 15 million)
Net Income		-	EUR 76,094 (JPY 12 million)
Net Income Per Share		-	EUR 15 (JPY 2,430)

*JJ LOOS SAS is a company that Inapa France SAS acquired in 2022, so items below sales will be listed from fiscal year 2023 onwards.

3. Overview of the company from which the shares will be acquired

(1)	Name of Company	Inapa–Investimentos, Participações e Gestão, SA	
(2)	Location	The Portuguese Republic	
(3)	Title and Name of Representative	Trustee: Mr. Bruno Costa Pereira (Chairman & CEO: Frederico João de Moser Lupi)	
(4)	Business Outline	Supervising overseas subsidiaries that sell graphic paper, packaging materials, and sign and display related products	
(5)	Capital	EUR 180 million (JPY 29,182 million) * EUR 1 = JPY 162	
(6)	Date of Establishment	1965	
(7)	Net Assets	EUR 167 million (JPY 26,998 million)	
(8)	Total Assets	EUR 617 million (JPY 99,873 million)	
(9)	Major Shareholders and their Shareholding Ratios	Parpublica Participacoes Publicas SGPS SA: 44.89% Nova Expressão: 10.85% Novo Banco 6.55% Banco Comercial Portugues SA: 4.70%	
(10)	Relationship with the Company	Capital	Not applicable
		Personnel	Not applicable
		Business	Not applicable
		Status of Related Party	Not applicable

4. Number of shares to be acquired, acquisition price and status of shares held before and after the acquisition

(1)	Number of Shares Held Before Transfer	0 shares (Number of voting rights: 0)
(2)	Number of Shares Acquired	413,958 shares (100% acquired)
(3)	Acquisition Price	Common stock of Inapa France SAS: EUR 25 million (JPY 4,050 million) Advisory fees, etc. (estimate): EUR 2 million (JPY 324 million) Total (estimate): EUR 27 million (JPY 4,374 million) *EUR 1 = JPY 162
(4)	Number of Shares Held After Transfer	413,958 shares (Voting rights ownership ratio: 100.0%)

5. Schedule

(1)	Date of Board of Directors Resolution	October 18, 2024
(2)	Contract Signing Date	October 18, 2024
(3)	Stock Transfer Execution Date	November 30, 2024 (planned)

6. Future outlook

The impact of this subsidiary acquisition on the consolidated financial results for the fiscal year ending March 2025 is expected to be immaterial. If any matters that need to be made public arise, we will notify you promptly.

(Reference)

Consolidated earnings forecast for the current fiscal year (announced on May 10, 2024) and consolidated results for the previous fiscal year.

(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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