

[Q&A Session: Included] Japan Pulp & Paper accelerates DX, human capital investment, M&As, and shareholder returns in order to become a trustworthy and engaging group.

Kenichiro Fujii: Hello. I'm Kenichiro Fujii from the Finance & Administration Division of Japan Pulp & Paper Co., Ltd. We released our financial results for the first half of the fiscal year ending March 31, 2026 on November 6.

I will now walk you through the Financial Results Overview for the first half of FY2025 theFY2025 Financial Results Forecast, and an explanation of our dividend status following the attached presentation materials.

## Financial Highlights

### **I** H1 FY2025 Financial Results Overview

#### **Financial Highlights**

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- Revenue increased year on year due to the contribution of subsidiaries acquired outside of Japan through M&As in the previous fiscal year (103.1% compared to the previous fiscal year).
- Ordinary profit decreased year on year mainly due to the impact of ordinary losses incurred by subsidiaries outside of Japan acquired through M&As in the previous fiscal year in the Non-Japan Wholesaling segment and a deterioration in the performance of the woody biomass power generation business in the Raw Materials & Environment segment (45.4% compared to the previous fiscal year).
- Profit attributable to owners of parent decreased year on year mainly due to the decrease in ordinary profit and business restructuring expenses recorded by subsidiaries outside of Japan (16.1% compared to the previous fiscal year).

The Financial Results Overview for the first half of FY2025 shows that revenue increased year on year due to the contribution of subsidiaries acquired outside of Japan through M&As in the previous fiscal year.

Ordinary profit decreased year on year mainly due to the impact of ordinary losses incurred by subsidiaries outside of Japan acquired through M&As in the previous fiscal year in the Non-Japan Wholesaling segment and a deterioration in the performance of the woody biomass power generation business in the Raw Materials & Environment segment.

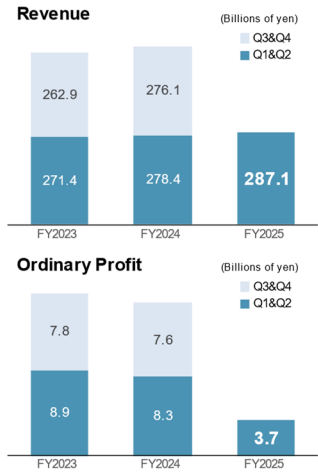
Profit attributable to owners of parent decreased year on year mainly due to the decrease in ordinary profit and business restructuring expenses recorded by subsidiaries outside of Japan.

# Consolidated Financial Results Overview

I H1 FY2025 Financial Results Overview

## Consolidated Financial Results Overview

	H1 FY2024	H1 FY2025	(Millions of yen) Year-on-Year Comparison
Revenue	278,419	287,131	103.1%
Gross Profit	45,939	49,346	107.4%
Operating Profit	8,185	4,327	52.9%
Ordinary Profit	8,250	3,748	45.4%
Profit Attributable to Owners of Parent	5,714	920	16.1%



The key figures for the financial results are as presented here.

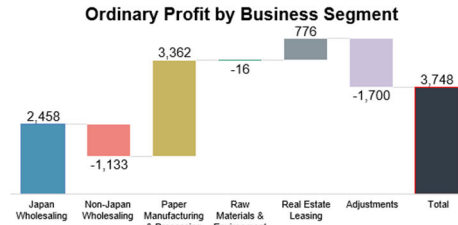
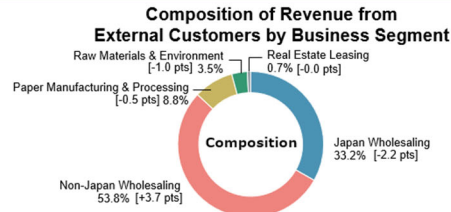
As you can see, operating profit also declined to around JPY 4.3 billion.

## Financial Results by Segment

I H1 FY2025 Financial Results Overview

### Financial Results by Segment

Consolidated ordinary profit declined significantly, adversely affected by ordinary losses in the Non-Japan Wholesaling and Raw Materials & Environment segments.



Note: Figures in [ ] indicate changes of the composition ratio from FY2024.

(Millions of yen)

	Revenue from External Customers			Ordinary Profit		
	H1 FY2024	H1 FY2025	Year-on-Year Comparison	H1 FY2024	H1 FY2025	Year-on-Year Comparison
Japan Wholesaling	98,577	95,293	96.7%	2,869	2,458	85.7%
Non-Japan Wholesaling	139,467	154,493	110.8%	1,920	-1,133	-
Paper Manufacturing & Processing	25,961	25,321	97.5%	3,283	3,362	102.4%
Raw Materials & Environment	12,331	9,953	80.7%	1,262	-16	-
Real Estate Leasing	2,084	2,072	99.4%	769	776	100.9%
Adjustments	-	-	-	-1,852	-1,700	-
Amount Recorded on Consolidated Statements of Income	278,419	287,131	103.1%	8,250	3,748	45.4%

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This slide provides the financial results by segment.

The following slides will provide an overview of each segment's performance.

## Japan Wholesaling: Overview 1

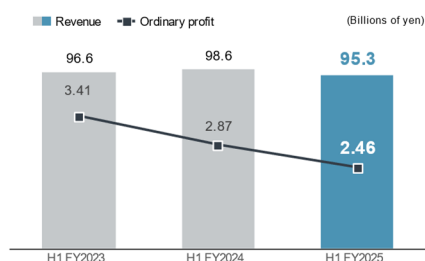
II H1 FY2025 Financial Results Overview by Segment

### Japan Wholesaling: Overview 1

**Revenue:** In the paper business, sales volume for publications and commercial printing continued to decline amid the progress of digitization. Meanwhile, paperboard and functional materials performed on par with the same period last year, resulting in revenue remaining flat year on year.

**Ordinary profit:** Decreased year on year mainly due to an increase in personnel expenses and other selling, general and administrative expenses.

Revenue/Ordinary Profit



#### Segment Overview

##### Paper:

Sales volume decreased year on year due to a decrease in the circulation of periodicals and catalogs caused by structural factors, such as the ongoing shift toward digitization.

##### Paperboard:

Sales of containerboard remained strong for beverages, but were sluggish for food and daily necessities and industrial products. Sales of box board remained steady for trading card applications. As a result, sales volume remained flat year on year.

Despite variations in demand by region and sector for functional materials, primarily in electronics and related applications, the securing of new business contributed to maintaining overall sales volume at a level comparable to the previous fiscal period.

First, in the Japan Wholesaling segment, revenue and profit both declined.

In the paper business, sales volume continued to decline due to a decrease in the circulation of periodicals and catalogs caused by structural factors, such as the ongoing shift toward digitization.

In the paperboard business, sales of containerboard remained strong for beverages, but were sluggish for food and daily necessities, and industrial products.

Sales of box board remained steady for trading card applications. As a result, paperboard sales volume remained flat year on year.

Despite variations in demand for functional materials, primarily in electronics and related applications, by region and sector, the securing of new customers contributed to maintaining overall sales volume at a level comparable to the previous fiscal period.

On the other hand, the decline in paper sales negatively impacted results, leading to a decrease in segment revenue overall.

Additionally, ordinary profit decreased due to an increase in personnel expenses and other selling, general and administrative expenses.



## Japan Wholesaling: Overview 2

### II H1 FY2025 Financial Results Overview by Segment

#### Japan Wholesaling: Overview 2

For H1 FY2025, demand in Japan\* was 96.3% for paper, 99.3% for paperboard, and 97.9% for paper and paperboard combined compared to the same period last year.

\* Domestic demand in Japan = shipments + imports (Japan Paper Association and Japan Paper Importers' Association)

#### Sales Volume and Revenue from Customers in Japan (Nonconsolidated)

	Sales Volume (10,000 tons)			
	H1 FY2024	H1 FY2025	Year -on-Year Change	Year -on-Year Comparison
Paper	42.9	<b>40.4</b>	-2.5	94.3%
Paperboard	39.2	<b>39.4</b>	+0.2	100.7%

	Revenue (Billions of yen)			
	H1 FY2024	H1 FY2025	Year -on-Year Change	Year -on-Year Comparison
Paper	63.73	<b>61.24</b>	-2.49	96.1%
Paperboard	17.69	<b>17.96</b>	+0.27	101.5%

The figures on this slide detail the sales volume and revenue trends for paper and paperboard on a non-consolidated basis, which account for over 80% of the revenue in the Japan Wholesaling segment.

Paper sales volume fell to 94.3% year on year, while paperboard sales volume edged up to 100.7%.

## Non-Japan Wholesaling: Overview 1

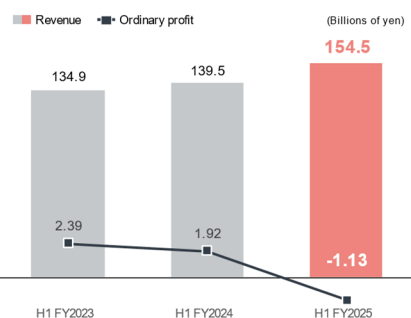
II H1 FY2025 Financial Results Overview by Segment

### Non-Japan Wholesaling: Overview 1

**Revenue:** Increased year on year thanks to the contribution of German and French subsidiaries acquired through M&As in the previous fiscal year as well as to our continued efforts in complementary M&As.

**Ordinary profit:** The segment posted ordinary losses due to deteriorated profitability resulting from intensified price competition in Europe and Oceania as well as to the longer-than-expected time taken to turn around German subsidiaries.

Revenue/Ordinary Profit



### Segment Overview

#### Status of Key Markets:

Demand for paper and paperboard remained on a declining trend in the United States, Europe, and Oceania mainly due to the ongoing shift toward digitization.

On the other hand, sales volume in the European business increased year on year as a result of making five companies in Germany and France new subsidiaries.

#### Exports from Japan:

Sales of paper and paperboard to China and other Asian countries declined year on year, resulting in year-year decreases in both sales volume and value.

Next, in the Non-Japan Wholesaling segment, even though revenue increased year on year, the segment posted an ordinary loss.

In the group's key markets outside of Japan, demand for paper and paperboard remained on a declining trend in the U.S., Europe, and Oceania mainly due to the ongoing shift toward digitization. On the other hand, the sales volume in the European business increased year on year as a result of making five companies in Germany and France new subsidiaries.

Exports from Japan decreased year on year in both volume and value, as paper and paperboard sales to China and other Asian markets declined.

Despite weak demand in key markets and sluggish exports from Japan, revenue increased, thanks to the contribution of German and French subsidiaries acquired through M&As in the previous fiscal year as well as to our continued efforts in complementary M&As.

However, the segment posted ordinary losses due to deteriorated profitability resulting from intensified price competition in Europe and Oceania as well as to the longer-than-expected time taken to turn around German subsidiaries.

## Non-Japan Wholesaling: Overview 2

II H1 FY2025 Financial Results Overview by Segment

### Non-Japan Wholesaling: Overview 2

In the group's key markets outside of Japan, demand for paper and paperboard in H1 FY2025 remained weak in Europe and Oceania. Meanwhile, such demand is currently sluggish in the U.S., reflecting a pullback after the inventory-building demand that occurred in the first quarter ahead of Trump's tariffs.

**Non-consolidated and Regional Revenue and Ordinary Profit (Within Segment)**

	Revenue (Billions of yen)			
	H1 FY2024	H1 FY2025	Year-on-Year Change	Year-on-Year Comparison
Non-consolidated	15.38	<b>11.67</b>	-3.71	75.9%
United States	56.59	<b>46.06</b>	-10.53	81.4%
Europe	30.48	<b>62.13</b>	+31.65	203.8%
Oceania	23.41	<b>22.98</b>	-0.44	98.1%
Asia	13.60	<b>11.66</b>	-1.95	85.7%

	Ordinary Profit (Billions of yen)			
	H1 FY2024	H1 FY2025	Year-on-Year Change	Year-on-Year Comparison
Non-consolidated	0.41	<b>0.27</b>	-0.14	66.1%
United States	0.98	<b>0.85</b>	-0.13	86.4%
Europe	0.01	<b>-1.98</b>	-1.99	—
Oceania	0.54	<b>-0.29</b>	-0.83	—
Asia	0.01	<b>0.00</b>	-0.01	3.3%

**Sales Volume by Region (Within Segment)**

(10,000 tons)	Sales Volume (10,000 tons)			
	H1 FY2024	H1 FY2025	Year-on-Year Change	Year-on-Year Comparison
United States	31.0	<b>28.5</b>	-2.6	91.7%
Europe	9.0	<b>23.6</b>	+14.6	262.6%
Oceania	7.4	<b>7.0</b>	-0.3	95.5%

Note: Sales volumes are simple totals of major subsidiaries.  
The aggregation method is not the same as in the table on the left.

The tables on the left compare year-on-year revenue and ordinary profit within the segment on a non-consolidated basis with regions outside of Japan.

The shaded box at the top outlines demand trends across the group's key markets outside of Japan. Despite these headwinds, revenue in Europe increased due to M&As, though non-consolidated and other regions saw a decline.

Nonetheless, our businesses both in and outside Japan experienced losses in revenue. As a result, ordinary profit declined across the board in all business regions, including Japan.

The table on the right details year-on-year sales volume comparisons for our key business regions: the U.S., Europe, and Oceania.

Please note that the sales volumes shown here represent the simple aggregate of our major subsidiaries. As indicated in the footnotes, this calculation method differs from that used for the revenue and ordinary profit figures in the left-hand tables.

As you can see, while sales volumes in Europe increased, volumes in the U.S. and Oceania declined.

## Paper Manufacturing & Processing: Overview 1

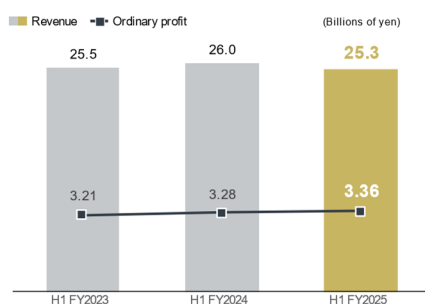
II H1 FY2025 Financial Results Overview by Segment

### Paper Manufacturing & Processing: Overview 1

**Revenue:** Despite strong sales of commercial toilet paper in the recycled household paper business, sluggish sales volume growth in the corrugated container business resulted in a year-on-year decrease.

**Ordinary profit:** Increased year on year due to a strong performance in the recycled household paper business, more than offsetting higher manufacturing costs, including labor, fuel, and subsidiary material costs.

Revenue/Ordinary Profit



Segment Overview

**Corrugated Container Business:**

Both sales volume and amount decreased year on year.

**Recycled Household Paper Business:**

Both sales volume and amount increased year on year.

**Ordinary Profit:**

Ordinary profit increased year on year due to an increase in profit in the recycled household paper business, despite higher manufacturing costs in both the corrugated container business and recycled household paper business.

The Paper Manufacturing & Processing segment saw a decrease in revenue and an increase in profit year on year.

The corrugated container business declined year on year in terms of both sales volume and value while conversely, the recycled household paper business increased in both metrics.

Strong sales in commercial toilet paper only partially offset the sluggish sales volume in the corrugated container business, resulting in an overall decrease in segment revenue.

Ordinary profit increased year on year due to an increase in profit in the recycled household paper business, despite higher manufacturing costs in both the corrugated container business and recycled household paper business.

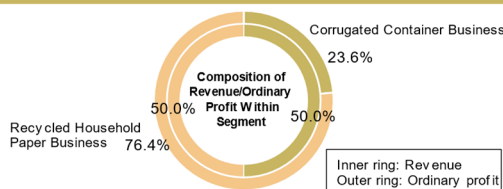
## Paper Manufacturing & Processing: Overview 2

### II H1 FY2025 Financial Results Overview by Segment

## Paper Manufacturing & Processing: Overview 2

Demand for household paper products (e.g., toilet paper) in Japan remained flat at 100.7% in H1 FY2025 compared to the same period last year.

Demand in Japan= shipments + imports (Nihon Katei#tougryoka[Japan Household Paper Manufacturers Association] and Ministry of Finance trade statistics)



Quantity by Business (Within segment)

	H1 FY2024	H1 FY2025	Year-on-Year Change	Year-on-Year Comparison
Containerboard Business Sales Volume (10,000 tons)	11.3	11.2	-0.1	99.4%
Containerboard Processing Business Sales Volume (10,000 m <sup>3</sup> )	7,935.7	8,000.9	+65.2	100.8%
Recycled Household Paper Business Production Volume (10,000 tons)	5.6	5.7	+0.1	101.7%

Note: Production volume is listed for recycled household paper only.  
Production and sales volumes are simple totals of major subsidiaries.

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Revenue/Ordinary Profit by Business (Within Segment)

	Revenue (Billions of yen)			
	H1 FY2024	H1 FY2025	Year-on-Year Change	Year-on-Year Comparison
Corrugated Container Business	13.87	12.67	-1.20	91.3%
Recycled Household Paper Business	12.09	12.65	+0.56	104.7%

	Ordinary Profit (Billions of yen)			
	H1 FY2024	H1 FY2025	Year-on-Year Change	Year-on-Year Comparison
Corrugated Container Business	0.94	0.79	-0.15	84.5%
Recycled Household Paper Business	2.35	2.57	+0.22	109.4%

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The table on the lower left of the slide shows the volume by business within the segment.

In the corrugated container business, sales volume in the containerboard business slightly decreased, while sales volume in the corrugated container processing business increased year on year.

Production volume for the recycled household paper business increased year on year, as shown in the same table.

Please refer to the tables on the right for a year-on-year comparison of the revenue and ordinary profit by business within the segment.

As shown, the corrugated container business posted a decline in both revenue and profit, while the recycled household paper business achieved growth in both metrics.

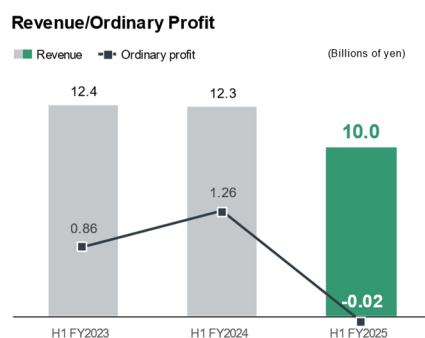
## Raw Materials & Environment: Overview 1

II H1 FY2025 Financial Results Overview by Segment

### Raw Materials & Environment: Overview 1

**Revenue:** Decreased year on year due to lower sales volume of recovered paper and other products.

**Ordinary profit:** Decreased year on year mainly due to deteriorated profitability in the fuel business for woody biomass power plants and the impairment of non-current assets at an equity-method associate.



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#### Segment Overview

##### Recovered Paper:

In Japan, sales volume decreased as the decline in demand for paper and paperboard has resulted in a reduction in the amount of recovered paper being generated, and three business sites in the Kanto area were transferred. In the U.S., sales volume decreased as a result of a decline in exports of old corrugated containers to Southeast Asia.

##### Pulp:

Sales volume decreased both inside and outside of Japan due to softening market conditions (volume and unit prices).

##### Comprehensive Recycling Business:

Sales remained flat year on year.

##### Renewable Energy Business:

Sales in solar power generation were consistent year on year. Profit decreased in the woody biomass power generation business as a result of the deteriorated performance.

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The Raw Materials & Environment segment saw a decrease in revenue and posted an ordinary loss.

First, in Japan, the sales volume of recovered paper decreased year on year as the decline in demand for paper and paperboard has resulted in a reduction in the amount of recovered paper being generated, and the transfer of ownership in three business sites in the Kanto area. In the U.S., sales volume decreased as a result of a decline in exports of old corrugated containers to Southeast Asia.

Pulp sales volumes also decreased both inside and outside of Japan due to softening market conditions.

Sales for the comprehensive recycling business in Kumamoto remained flat year on year.

In the renewable energy business, sales in the solar power generation business, which is being developed in Kushiro, Hokkaido and other areas, were consistent year on year, while the woody biomass power generation business struggled.

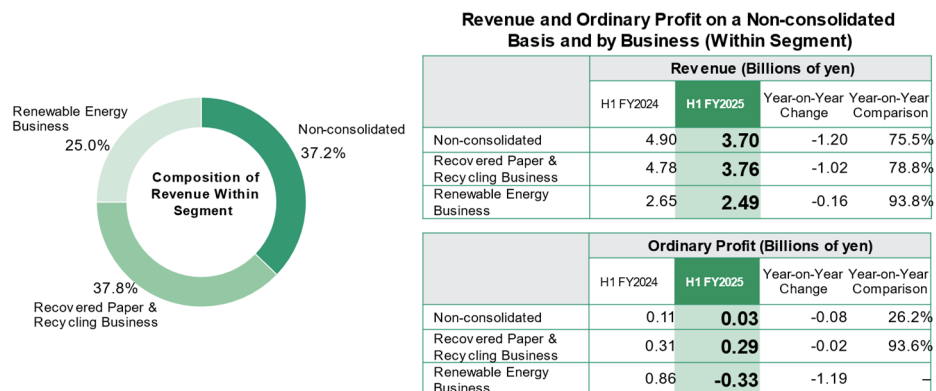
These business results led to a decline in segment revenue overall.

The segment posted an ordinary loss, mainly due to deteriorated profitability in the fuel business for woody biomass power plants and a loss on equity-method investments resulting from the impairment of fixed assets at equity-method affiliates.

## Raw Materials & Environment: Overview 2

II H1 FY2025 Financial Results Overview by Segment

### Raw Materials & Environment: Overview 2



The pie chart on the left-hand side shows the revenue composition by business for our company and its group affiliates.

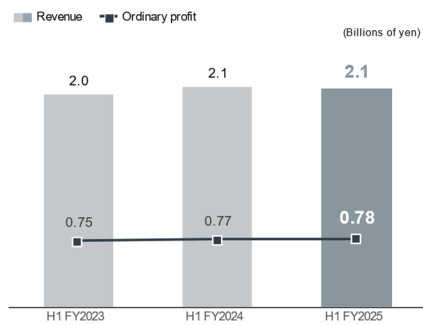
The tables on the right-hand side compare the respective revenue and ordinary profit amounts year on year.

## Real Estate Leasing: Overview

II H1 FY2025 Financial Results Overview by Segment

### Real Estate Leasing: Overview

#### Revenue/Ordinary Profit



#### Segment Overview

##### Revenue:

Slightly decreased year on year as a result of some tenants moving out of our properties.

##### Ordinary Profit:

Slightly increased year on year due to a decrease in repairs and maintenance and other expenses.

Finally, in the Real Estate Leasing segment, revenue declined slightly year on year as a result of certain tenants moving out of our properties. However, ordinary profit slightly increased year on year due to a decrease in repairs and maintenance and other expenses.

This concludes the overview of the financial results by segment for the first half of FY2025.

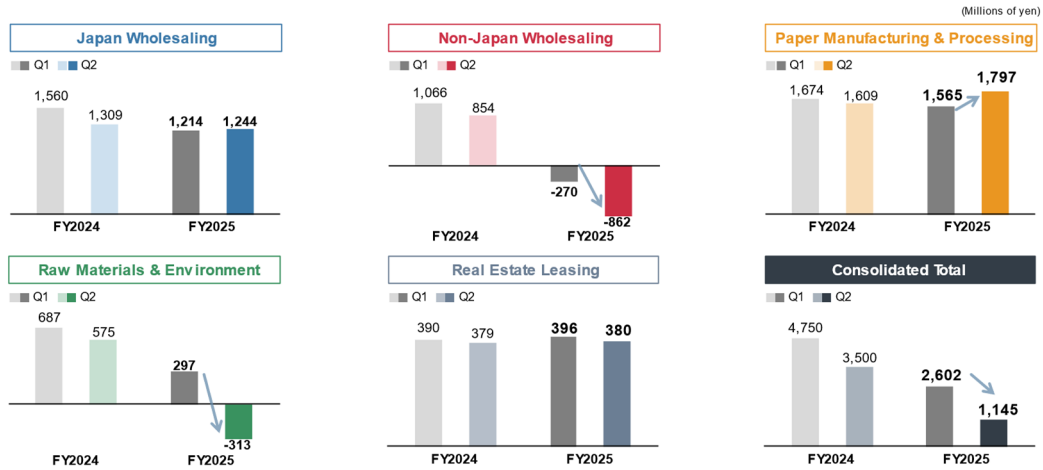


## Ordinary Profit Trends for Q1 and Q2 FY2025 and Year-on-Year Comparison

### II H1 FY2025 Financial Results Overview by Segment

#### Ordinary Profit Trends for Q1 and Q2 FY2025 and Year-on-Year Comparison

Ordinary profit: Q1 and Q2 (three -month) comparison and year-on-year comparison



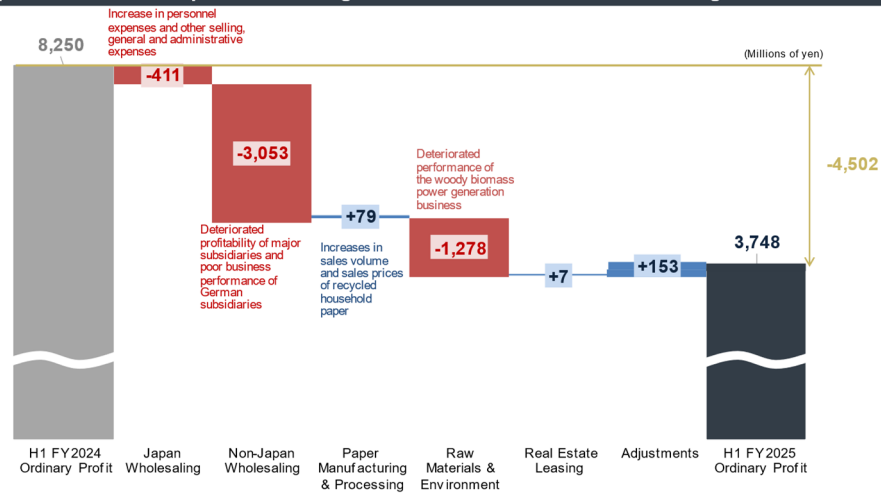
Next, this slide compares year on year quarterly ordinary profits by segment.

## Ordinary Profit: Analysis of Changes in Profit

II H1 FY2025 Financial Results Overview by Segment

### Ordinary Profit: Analysis of Changes in Profit

Ordinary profit decreased by JPY 4,502 million, 45.4% compared to the same period last year, affected by the decline in profits in the Non-Japan Wholesaling and Raw Materials & Environment segments.



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This chart analyzes the primary factors driving year on year changes in ordinary profits for the first half.

## Consolidated Financial Results Forecast

### III FY2025 Financial Results Forecast

#### Consolidated Financial Results Forecast

The forecasts for ordinary profit and profit attributable to owners of parent decreased by 32.3% and 76.5%, respectively, from the initial forecasts.

- Non-Japan wholesaling: It is likely to be difficult to turn around the performance of German subsidiaries, which joined the group in the previous fiscal year, within this fiscal year. We expect to record business restructuring expenses in Q3 or later.
- Raw Materials & Environment: Revenue from sales of fuel for woody biomass power plants fell short of the initial plan. We recorded a share of loss of entities accounted for using equity method resulting from the impairment of noncurrent assets in Q2.

(Millions of yen)

	FY2024 Results	FY2025 Initial Forecast (A)	FY2025 Revised Forecast (B)	Change (B) – (A)	Change (%)
Operating Profit	15,071	16,500	11,500	-5,000	-30.3%
Ordinary Profit	15,822	15,500	10,500	-5,000	-32.3%
Profit Attributable to Owners of Parent	7,569	8,500	2,000	-6,500	-76.5%

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With regard to the consolidated financial results forecast, we made a timely disclosure of the revisions in conjunction with the financial results announcement.

When we released our full-year consolidated financial results forecast for FY2025 on May 14, we projected an operating profit of JPY 16.5 billion, ordinary profit of JPY 15.5 billion, and profit attributable to owners of parent of JPY 8.5 billion.

As detailed in our disclosure, in the Non-Japan Wholesaling segment, we expect the recovery of our German subsidiaries—newly consolidated last year—to take longer than anticipated, making a full rebound within the current fiscal year unlikely. Additionally, we plan to record business restructuring expenses going forward.

In the Raw Materials & Environment segment, revenue from woody biomass power plants—strong in the previous fiscal year—fell short of our initial plan. In addition, we recorded a loss on equity-method investments resulting from the impairment of fixed assets at equity-method affiliates in Q2. These factors will reduce profit at all levels, leading us to revise our consolidated financial results forecast downward.

Under the revised forecast, operating profit is now projected at JPY 11.5 billion, representing a JPY 5.0 billion downward revision from the initial forecast and a decrease of around JPY 3.6 billion from the previous fiscal year's result. Similarly, ordinary profit is projected at JPY 10.5 billion, representing a JPY 5.0 billion downward revision and a decrease of around JPY 5.3 billion from the previous fiscal year's result. Profit attributable to owners of parent is projected at JPY 2.0 billion, representing a JPY 6.5 billion downward revision and a decrease of around JPY 5.6 billion from the previous fiscal year's result.

## Consolidated Ordinary Profit Forecast: Breakdown by Segment

III FY2025 Financial Results Forecast

### Consolidated Ordinary Profit Forecast: Breakdown by Segment

	FY2025 Initial Forecast (A)	FY2025 Revised Forecast (B)	Change (B) – (A)	Change (%)
Japan Wholesaling	5,800	5,500	-300	-5.2%
Non-Japan Wholesaling	3,900	-400	-4,300	—
Paper Manufacturing & Processing	6,800	6,900	+100	+1.5%
Raw Materials & Environment	1,800	800	-1,000	-55.6%
Real Estate Leasing	1,400	1,500	+100	+7.1%
Adjustments	-4,200	-3,800	+400	—
Total	15,500	10,500	-5,000	-32.3%

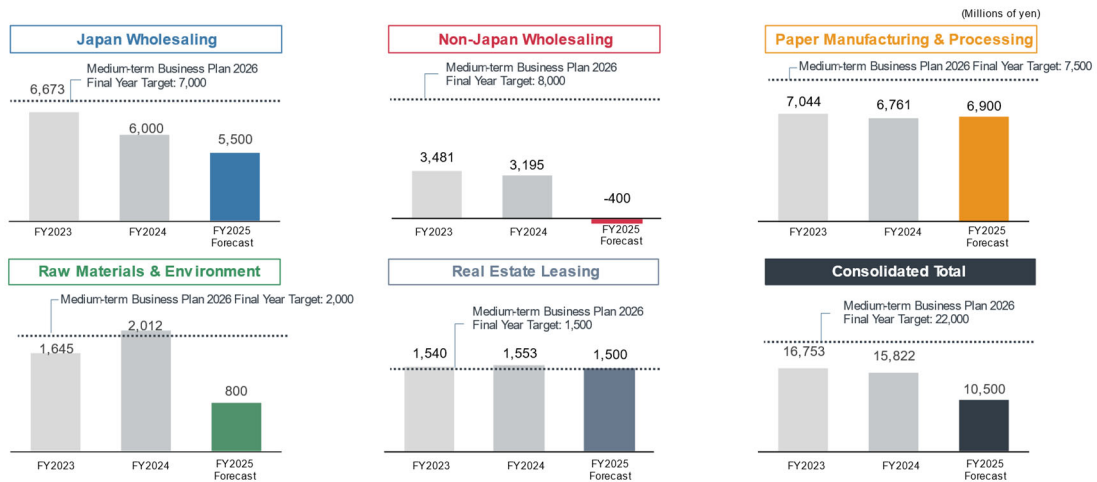
The ordinary profit revisions by segment are shown here.

We forecast an ordinary loss for the full year in the Non-Japan Wholesaling segment, and the Raw Materials & Environment segment is projected to fall short of its initial forecast by JPY 1.0 billion.

## FY2025 Ordinary Profit Trends by Segment (Revised Forecast)

III FY2025 Financial Results Forecast

### FY2025 Ordinary Profit Trends by Segment (Revised Forecast)



Considering the revised forecast, this slide compares segment-specific profits over the last three fiscal years.

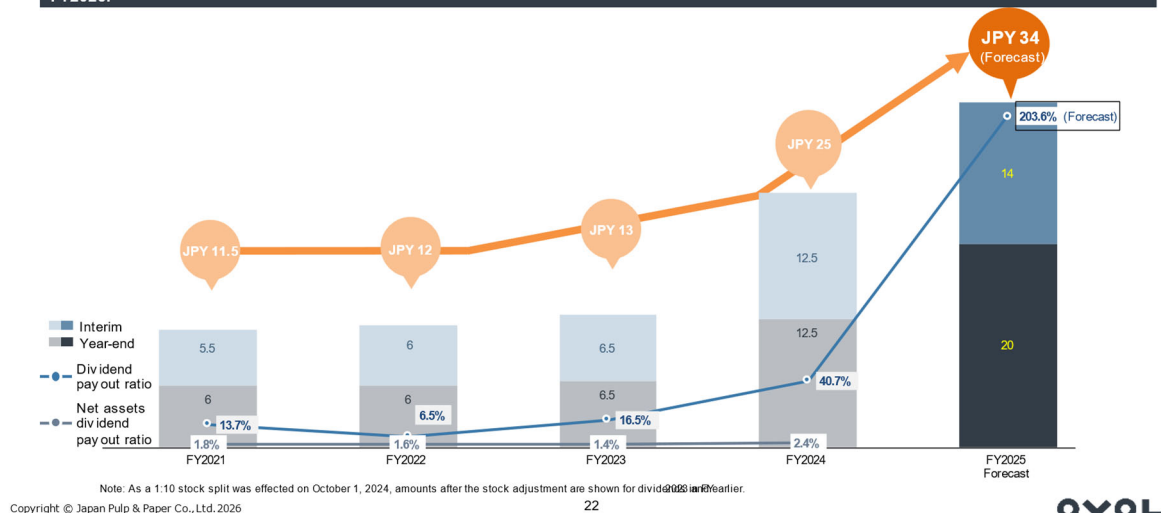
It also highlights our ordinary profit target for the final year of OVOL Medium-term Business Plan 2026.

## Dividends (Records and Forecasts)

### III FY2025 Financial Results Forecast

#### Dividends (Records and Forecasts)

Adopting consolidated dividend on equity (DOE) ratio effective from the year-end dividend for FY2025, the dividend forecast for FY2025 was revised to JPY 34 from JPY 28 per share.  
We are going to adopt a progressive dividend policy with consolidated payout ratio of 30% or more and consolidated DOE ratio of 3% or more until FY2026.



Moving on to dividends, as announced in the recent timely interim disclosure of the revisions to our dividends forecast, our core policy remains to provide stable and continuous returns while carefully considering the trends in consolidated financial results. Under OVOL Medium-term Business Plan 2026 initiated in FY2024, we previously adopted a progressive dividend policy with a consolidated payout ratio of 30% or more as an active shareholder return measure to meet market expectations. To enhance shareholder returns and reinforce our commitment to stability, we will now introduce a consolidated dividend on equity (DOE) as an additional key metric for the remainder of the plan.

With the introduction of this new metric, we will maintain a progressive dividend policy for the remainder of OVOL Medium-term Business Plan 2026, targeting an annual dividend per share that ensures both a consolidated payout ratio of 30% or more and a consolidated DOE of 3% or more.

Based on this policy, we will maintain the interim dividend at JPY 14 per share as initially projected. However, the year-end dividend forecast for FY2025 has been revised upward by JPY 6 to JPY 20, bringing the total annual dividend to JPY 34 per share.

This concludes our update on dividends.

Alongside our financial results, we also issued a timely disclosure regarding stock buybacks and the retirement of treasury shares. Our Representative Director, President & CEO, Akihiko Watanabe, will provide further details on this during his presentation shortly.

## Consolidated Balance Sheets as of September 30, 2025

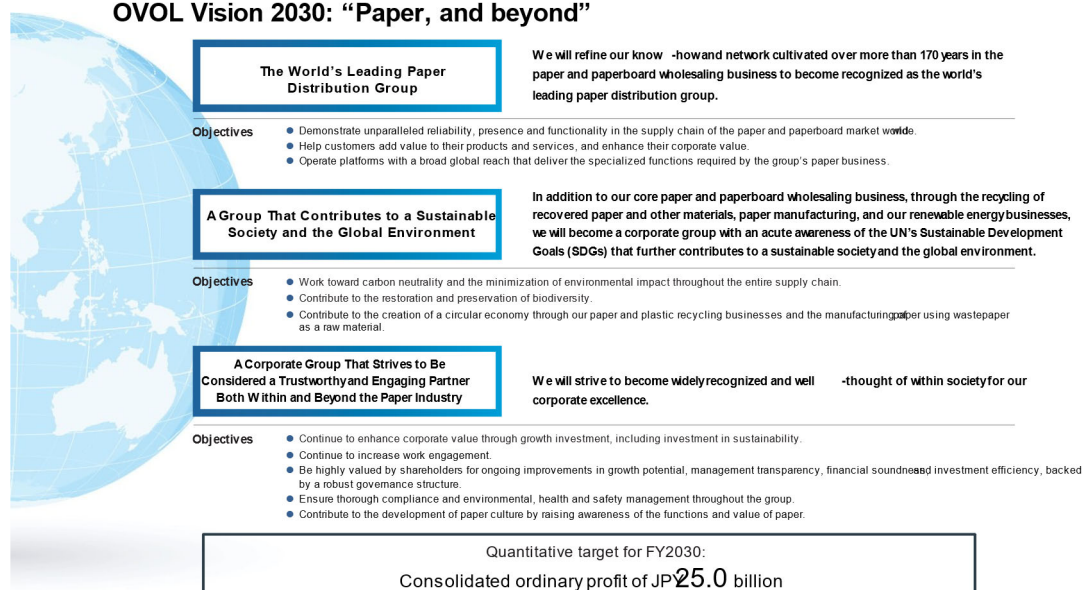
Assets			Liabilities and Net Assets		
	(Millions of yen)			(Millions of yen)	
	As of March 31, 2025	As of September 30, 2025		As of March 31, 2025	As of September 30, 2025
Current Assets	233,953	221,523	Current Liabilities	192,050	182,294
Non-current Assets	158,211	159,479	Non-current Liabilities	54,620	53,266
Other	70	64	Total Liabilities	246,670	235,560
Total Assets	392,234	381,065	Total Net Assets	145,565	145,505
			Total Liabilities and Net Assets	392,234	381,065
			Equity Ratio	34.2%	35.1%
			Net D/E Ratio	0.60x	0.54x

- Total assets decreased by JPY11,169 million mainly due to decreases in trade receivables and deposits, partially offset by an increase in investment securities primarily attributable to higher market values.
- Total liabilities decreased by JPY1,110 million mainly due to a decrease in interest-bearing debt.
- The outstanding interest-bearing debt totaled JPY 87,946 million, a decrease of JPY 11,092 million from the end of the previous fiscal year. ⇒ Net D/E ratio remained stable at 0.54x.
- Net assets decreased by JPY 59 million mainly due to a decrease in foreign currency translation adjustment and dividend payments, partially offset by the recording of profit attributable to owners of parent and an increase in valuation difference available-for-sale securities.

Finally, please refer to page 45 for the condensed consolidated balance sheets.

This concludes my presentation.

## OVOL Vision 2030: “Paper, and beyond”



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OVOL

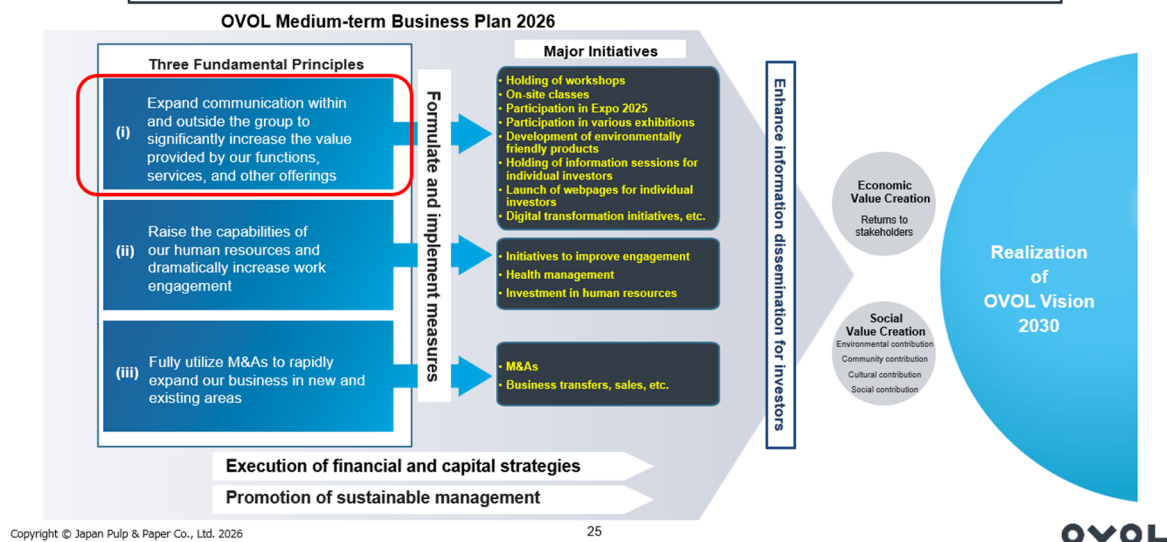
I am the Representative Director, President & CEO of Japan Pulp & Paper, Akihiko Watanabe. I will focus on the progress of OVOL Medium-term Business Plan 2026 and reaffirm our strategy to achieve OVOL Vision 2030.

First, I will briefly revisit OVOL Vision 2030, which lays out our primary strategic goals. We set a quantitative target of JPY 25.0 billion in consolidated ordinary profit, alongside three qualitative goals. We aim to build the business structure and scale that allow us to confidently position ourselves as the world's leading paper distribution group. Simultaneously, we intend to achieve corporate management that further contributes to a sustainable society and the global environment. By doing so, we plan to become a corporate group that strives to be considered a trustworthy and engaging partner both within and beyond the paper industry—one that every officer and employee affirms and takes pride in.



## Initiatives Based on Fundamental Principles of OVOL Medium-term Business Plan 2026

Aim to achieve OVOL Vision 2030 by formulating and implementing measures based on three fundamental principles



The ongoing OVOL Medium-Term Business Plan 2026 serves as a three-year period for putting in place new mechanisms and measures to realize OVOL Vision 2030. Under this plan, we set out three fundamental principles. I will now summarize the measures we have implemented under each of these principles over the past year and a half or so since April 2024.

## (i) Expand Communication and Increase Value Provided 1

### Workshops Exploring the Potential of Paper

At OVOL Bridges 2023 – The 2nd Paper Merchants Forum held in 2023, we announced that we would implement three initiatives to promote the value of paper: nationwide expansion of onsite classes, regular workshops, and the establishment of a paper study group aimed at spreading the value of paper. Following a series of workshops held in FY2024, in which, in addition to the Company's employees, a total of 75 paper wholesalers nationwide and their 99 employees participated, we held the "Imagining the Potential of Paper through Future-oriented Thinking and Collaboration – OVOL CREATIVE WORKSHOP SERIES Vol. 2," in which, in addition to the Company's employees, a total of 46 paper wholesalers and their 48 employees participated, in FY2025 to further cultivate human resources capable of coming up with challenging and exciting ideas across the paper distribution industry.

### Nationwide Expansion of Onsite Classes

In February 2025, we collaborated with Gakken Inc. to participate in the "ExcitingSDGs – Children's Future Operation" event organized by the Shinagawa Ward in Tokyo for elementary school students. Through the experience of making original notebooks and taking quizzes about paper and the environment, local children interacted with paper and learned about its positive global environmental impact. As part of the aforementioned initiatives to promote the value of paper, we have started offering onsite classes at elementary schools across the country in collaboration with paper wholesalers in the second half of FY2025.

### Participation in Expo 2025 Osaka, Kansai, Japan

We participated in the Future Life Experience presentation unit located in the Future Life Village (FLV) area of Expo 2025 Osaka, Kansai, Japan held from April to October 2025, and the pavilion welcomed approximately 4,800 visitors. The Future Life Experience pavilion addressed various questions and proposals regarding "future life" and "actions for the future" and was designed to foster dialogue among participants and visitors about future societal lifestyles and promote collaboration. At the pavilion, we introduced new possibilities of paper through exhibits and videos with the aim of providing visitors with new discoveries and impressions of paper. In addition, Corelex ShinEi collected and recycled paper waste generated at the Expo venue into toilet paper. The recycled toilet paper was used at a part of the venue to implement our initiative for resource circulation.

### Participation in Various Exhibitions Etc. (From April 2025 Onward)

- Pet industrial trade show "Interpets 2025" (April 2025)
- Printing exhibition "SOPTEC Tohoku 2025" (July 2025)
- Packaging industrial trade show "Okinawa Pack 2025" (September 2025)
- Coffee-related product exhibition "SCAJ 2025 World Specialty Coffee Conference and Exhibition" (September 2025)
- Packaging industrial trade show "JAPAN PACK 2025" (October 2025)
- Cross-industrial trade fair "Messe Nagoya 2025" (November 2025)

Under the first fundamental principle—increasing the value we provide by expanding communication—we announced three initiatives at the OVOL Bridges 2023 – The 2<sup>nd</sup> Paper Merchants Forum. Among them, the OVOL CREATIVE WORKSHOP SERIES—Imagining the Possibilities of Paper Through Future-oriented Thinking and Collaboration—attracted 99 participants from 75 paper merchants last year. This fiscal year, we raised the bar and held two workshops, attracting 48 younger professionals from 46 merchants nationwide.

We also advanced another initiative declared at the forum: on-site classes that give children the opportunity to learn about the positive cycle between paper and the global environment. Following a pilot session that will be held in February, the program will begin full-scale rollout in the second half of this fiscal year, with participation also open to our paper merchants.

In addition, we participated in Expo 2025 Osaka, Kansai, Japan, through booth exhibitions, stage presentations, and by taking part in a recycling initiative that converted paper waste into toilet paper. These activities enabled us to broadly showcase the capabilities, value, and environmental advantages of paper to a broad audience.

We are also intensifying our communication efforts through the development of environmentally friendly paper and other processed products, as well as through participation in various trade shows. By promoting the broader potential of paper beyond the industry's traditional boundaries, we are working to stimulate demand and dispel lingering negative perceptions about the paper industry.

## (i) Expand Communication and Increase Value Provided 2

### Kami Eco® Coffee Packaging Won Sustainable Product Award

At the SCAJ World Specialty Coffee Conference and Exhibition 2025 organized by the Specialty Coffee Association of Japan (SCAJ), Japan Pulp & Paper, a website operated by the Company to propose solutions that promote the use of paper, exhibited Kami Eco® Coffee Packaging, and Kami Air Design Window won the Sustainable Product Award. This product is a type of paper packaging made for coffee beans, from specialized paper that has excellent oxygen and water barrier properties. It is designed to reduce plastic waste by shifting from plastic to paper packaging without spoiling the flavor of coffee or tea leaves. The Japan Pulp & Paper Group will continue to promote the use of paper and the elimination of plastics in the packaging field, and develop sustainable business activities.

### Company Information Session for Individual Investors

Following the session held in March 2025, we will hold the next company information session for individual investors in February 2026 to further enhance our IR activities.

### Launch of Webpage for Individual Investors

We launched a new webpage for individual investors on our corporate website. The webpage is designed to act as a central hub for information sought by investors that they can access easily, such as representations of the group's business activities through graphic illustrations.

URL: <https://www.kamipa.co.jp/eng/ir/individual/>

### Digital Transformation Initiatives

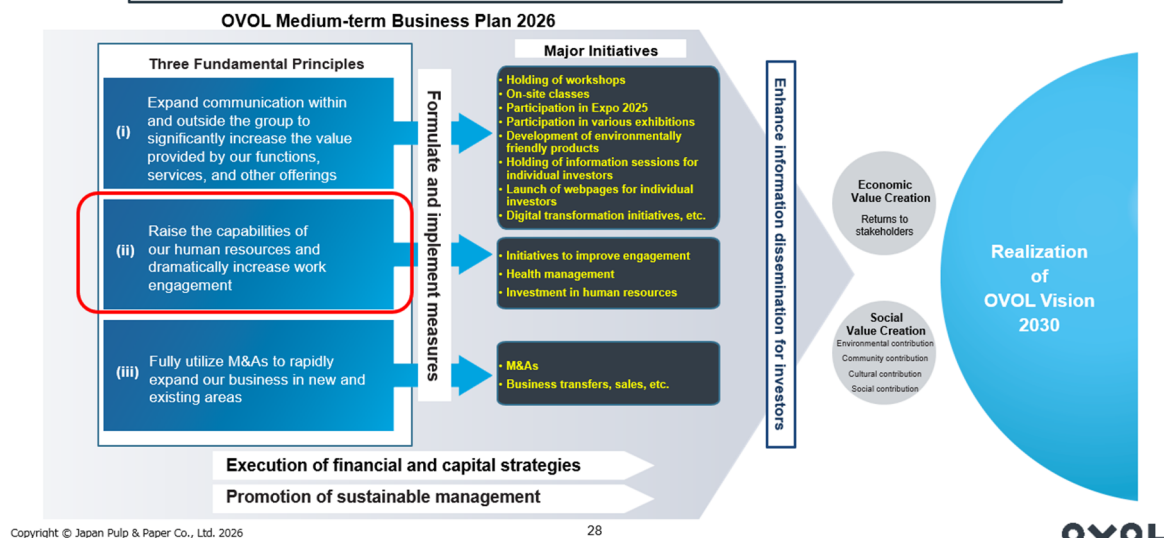
- Establishing and strengthening framework  
To strengthen our digital transformation (DX) framework, we set up the Corporate DX Division in April 2025 to promote DX and IT controls within the group.
- DX promotion
  - A business inventory survey was conducted for all company divisions to analyze business operations in terms of 'quantity,' 'skills,' and 'position' in FY2024. In FY2025, we have begun formulating a DX grand design based on the survey results to define the big picture for our DX and build specific strategies.
- Using AI to increase operational efficiency and sophisticate operations
  - Currently, our dedicated ChatGPT environment is used as a support tool for work task planning and document creation. We are preparing to develop a training program for executives and employees to help them use AI more effectively.
- IT controls and IT security implementation  
We have formulated the Japan Pulp & Paper Group IT Governance Policy and Information Security Policy as group policies. We began IT control audits for all group companies and completed audits of 14 companies in FY2024. Audits of 15 companies are planned for FY2025, with all audits expected to be completed by FY2026.  
Preparations are underway to establish a computer security incident response team (CSIRT), which will begin operations in FY25.

To expand our reach, we launched a series of company information sessions for individual investors in FY2024, with the next session scheduled for February 28, 2026. We also established a new dedicated webpage for individual investors to provide deeper insights into our business and strategy. Going forward, we will continue to strengthen our IR activities—not only by proactively sharing information, but also by incorporating investor and market feedback into our management practices.

Furthermore, as of this past April, the former DX Promotion Office has been elevated to the Corporate DX Division, accelerating the advancement of DX and IT controls within the group. Given Japan's shrinking domestic paper market and rising corporate costs, Promoting DX is one of the three key priorities I am emphasizing as we work toward OVOL Vision 2030. I will discuss this in more detail later when we revisit our strategic roadmap for achieving OVOL Vision 2030.

## Initiatives Based on Fundamental Principles of OVOL Medium-term Business Plan 2026

Aim to achieve OVOL Vision 2030 by formulating and implementing measures based on three fundamental principles



### (ii) Raising the Capabilities of Human Resources and Improving Work Engagement (Non-consolidated initiatives at Japan Pulp & Paper)

#### Initiatives to Improve Engagement

- The results of the engagement surveys conducted in December 2024 and June 2025 were both 'BBB', thus achieving the target set out in our Medium-term Business Plan two years ahead of schedule.
- To reinforce the 'nodal function' linking management and the situation on the ground, seminars were held for general managers of divisions, branch offices, and departments.
- To facilitate communication and information sharing between management and employees, we held 'Dialogues with Management' sessions between the president and managers and sessions for dialogue between headquarters and branch office employees, respectively.

#### Health Management and Productivity Initiatives

- We were recognized as a 2025 Outstanding Organization of KENKO Investment for Health.
- Paid leave by the hour was introduced.
- A walking rally was held for all executives and employees.
- The KENPOS health support website was introduced.

#### Investment in Human Resources

- We set a target to triple education and training expenses in FY2026 compared to FY2023. To this end, we introduced the Udeemy Business online video training service for all executives and employees.
- The ratio of female employees hired for career-track positions in FY2024 was 30.4% (key performance index [KPI]: 30%).
- We increased the number of new career-track graduates joining the Company in FY2025 by 1.6 times the FY2024 level.
- We continued operation of our overseas training program to develop human resources with practical overseas communication skills. In FY2024, a total of three employees were dispatched overseas: one to the U.S. and two to China.
- For the third consecutive year, base salaries were increased for all employees.
- We introduced a performance-based restricted stock incentive plan for the employee shareholding association.

#### Human Resource-related KPIs in Medium-term Business Plan 2026

[Key Performance Indicators (KPI)s]	[FY2024 Results]
• % of eligible male employees taking childcare leave: 100%	100% (achieved)
• Employee engagement rating: BBB or higher	BBB (achieved)
• Training expenses: Triple (compared with FY2023)	Doubled
• % of paid time off taken: 80% or more	79.7%
• Average monthly overtime hours: 10 hours or less	13h 20min
• % of female employees in career-track positions: 30% or more	30.4% (achieved)

Turning to the second fundamental principle—raising the capabilities of our human resources and improving work engagement—we have focused on reinforcing the coordinating role of our managers by conducting targeted seminars. In addition, we held approximately ten town hall-style dialogue sessions between myself and department managers, as well as between myself and non-managerial employees. These sessions helped deepen understanding of, and foster shared alignment and empathy regarding our vision, goals, and plans.

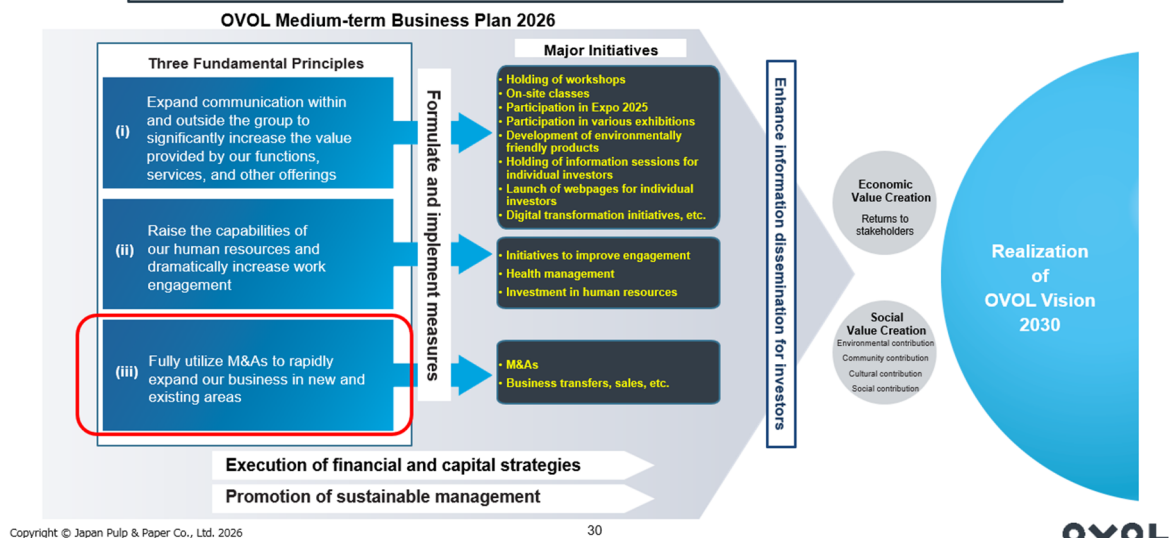
Our engagement survey scores from the December 2024 and June 2025 surveys have already surpassed our medium-term business plan's targets. As detailed on page 29, our KPIs for our KENKO Investment for Health initiatives and investment in human resources continue to progress steadily

toward the final targets of the plan.

We regard human capital, human resource capabilities, and work engagement as one of the three key pillars for achieving the OVOL Vision 2030, and we will make every effort to pursue ongoing improvement with determination.

## Initiatives Based on Fundamental Principles of OVOL Medium-term Business Plan 2026

Aim to achieve OVOL Vision 2030 by formulating and implementing measures based on three fundamental principles



### (iii) Revenue Scale Expansion Through Promotion of M&As and Alliances 1

One of the fundamental principles in OVOL Medium-term Business Plan 2026 is to fully utilize M&As to rapidly expand our business in new and existing areas. Our goal is to increase our revenue scale by growing in existing areas and expanding into new ones.

<b>Japan Wholesaling</b>	Aim to become the dominant, number one distribution group in Japan by expanding business through M&As and alliances.
<p>The two M&amp;As below were executed to strengthen our wholesale operations in Hyogo Prefecture, Japan.</p> <ul style="list-style-type: none"> <li>• <b>Seibunsha</b> Location: Kobe, Hyogo Prefecture Business contents: Manufacture and retail of paper products, wholesale and retail of bookbinding materials</li> <li>• <b>Nishimura Yoshi</b> Note: Japan Pulp &amp; Paper subsidiary, Koyosha, has taken over the business. Location: Kobe, Hyogo Prefecture Business contents: Paper and paperboard sales</li> </ul>	
<b>Paper Manufacturing &amp; Processing</b>	Expand procurement network through alliances to enhance brand strength and expand sales in the household paper business
<p>We will further expand our supply chain, which spans from raw materials to manufacturing and sales. At the same time, our work with the Corelex Group, a major recycled household paper manufacturer in Japan, will be organically leveraged to improve overall strength and corporate value, including the recycled household paper business.</p> <ul style="list-style-type: none"> <li>• <b>Masukoh Paper</b> Location: Fujinomiya, Shizuoka Prefecture, Japan Business contents: Manufacture of household paper products Note: Japan Pulp &amp; Paper acquired 20% of Masukoh Paper's issued shares.</li> </ul>	



### (iii) Revenue Scale Expansion Through Promotion of M&As and Alliances 2

Non-Japan Wholesaling	
<p><b>Investments (Complementary M&amp;As)</b></p> <p>Increase market share and expand the business domain in each market by continuing to execute complementary M&amp;As. Increase revenue by expanding sales of high value-added products such as signs and displays, flexible packaging materials, and industrial packaging.</p>	<p><b>Divestments (Transfers, sales, etc.)</b></p> <ul style="list-style-type: none"> <li><b>Recycled household paper manufacturing business:</b> JP CORELEX (Vietnam) (Southeast Asia) Sold for efficient use of management resources (December 2023)</li> </ul>
Executed in 2024	
<ul style="list-style-type: none"> <li><b>Flexible packaging business:</b> Caspak Products (Australia) Pacrite Industries (New Zealand)</li> <li><b>Sign &amp; display business:</b> CAS Technology (Singapore) Sign Essentials (Australia)</li> </ul>	<ul style="list-style-type: none"> <li><b>Recovered paper recycling business:</b> JRS Resources (North America) Suspended operations due to a decline in sales volume to containerboard manufacturers in China</li> <li><b>Nut harvesting machinery manufacturing business:</b> Weiss McNair (North America) Sold to liquidate an unprofitable non-core business</li> </ul>
Executed from January 2025 onward	
<ul style="list-style-type: none"> <li><b>Flexible packaging business:</b> Impak Films (Australia) Impak Films New Zealand (New Zealand) Impak Films US (North America)</li> <li><b>Sign &amp; display business:</b> Carter Consolidated (New Zealand)</li> </ul>	<ul style="list-style-type: none"> <li><b>Recovered paper recycling business:</b> OVOL Fiber Europe (Europe) Sold to liquidate an unprofitable business</li> </ul>

Under our third fundamental principle of expanding business and revenue scales through M&As and alliances, we are moving quickly in the Japan Wholesaling, Paper Manufacturing & Processing, and Non-Japan Wholesaling segments as outlined in the following slides. Please refer to slide 32 as I discuss the Non-Japan Wholesaling segment.

### (iii) Revenue Scale Expansion Through Promotion of M&As and Alliances 3

Investment (Strategic M&As)
<p><b>Germany: OVOL Papier Deutschland, OVOL Packaging, OVOL ComPlott</b> (Revenue for H1 FY2025: JPY 21.9 billion; ordinary losses: JPY 2.0 billion)</p> <ul style="list-style-type: none"> <li>Engaged in the sign &amp; display and packaging businesses, in addition to sales of paper and paperboard.</li> <li>Struggled more than expected to recover revenue due to customer attrition, declining demand, and falling prices.</li> <li>Aim to return to profitability in the next fiscal year or later by implementing business restructuring (scheduled to be implemented by the end of the year) and recovering revenue.</li> </ul> <p><b>France: OVOL France, OVOL Sign &amp; Display</b> (Revenue for H1 FY2025: JPY 13.1 billion; ordinary profit: JPY 0.2 billion)</p> <ul style="list-style-type: none"> <li>Engaged in the sign &amp; display business, in addition to sales of paper and paperboard.</li> <li>Have contributed to our consolidated financial results since joining the group. Expected to continue contributing to the group's business performance going forward.</li> </ul>
<p><b>We recognize that these M&amp;As were essential investments toward realizing OVOL Vision 2030 by:</b></p> <ul style="list-style-type: none"> <li>strengthening relationships with European paper manufacturers and expanding supply sources across the group</li> <li>generating synergies with the Premier Group, which operates in the U.K. and Ireland, specifically in the sign &amp; display business.</li> </ul>

Among these initiatives, what is attracting the most attention is clearly the paper wholesale businesses we acquired in Germany and France at the end of last year. In France, results are slightly below our initial plan, but the business has been profitable from the first year and local operations remain very stable. We will continue to drive top-line growth and reduce costs to further enhance revenue.

Germany, on the other hand, has been more difficult. The recovery of trust among suppliers and customers—lost during the six-month gap between the previous owner’s bankruptcy and our acquisition—is taking longer than anticipated. In addition, as you know, the German market for paper—especially demand for graphic paper, a core product in the wholesale business—has been declining even faster than in Japan. As a result, the operation is posting a substantial loss this fiscal year.

That said, we continue to reaffirm the attractiveness, competitiveness, and long-term potential of the German market, as well as the strategic importance of this investment for achieving OVOL Vision 2030. With a view to restoring profitability from the middle of FY2026 onward, we are pushing ahead with a second phase of large-scale structural reforms, following those initiated last year.

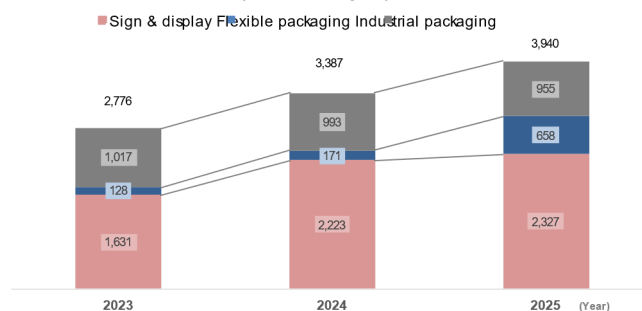


### (iii) Revenue Scale Expansion Through Promotion of M&As and Alliances 4

Our continued efforts in complementary M&As in our focused areas have steadily contributed to strengthening the structures of our business sites:

- Sign & display (Europe, Oceania, Asia): store signboards, floor maps, wrapping films, related equipment, etc.
- Flexible packaging (Europe, Oceania): Films for food packaging and other applications, and pouches and other containers
- Industrial packaging (Europe, Oceania): Outer containers for food and beverages, cushioning materials, etc.

Average Monthly Scale of Revenue by Focused Area  
(Millions of yen)



Note: The amount of revenue of each company was converted into Japanese yen using the exchange rate at the end of the Company's fiscal year. The figures for 2025 represent data from January to August.

Similar to what was said before about Germany, in most developed markets including Japan, demand for graphic paper and copy paper—the core products of paper wholesalers—has continued to decline. In response, we have been actively expanding into peripheral materials and adjacent business areas where we can fully leverage the capabilities of the paper merchants we have acquired in various countries to build our glocal capabilities. These capabilities include inventory management, logistics and delivery, e-commerce platforms, financial services, and marketing abilities. As previously disclosed, we refer to these initiatives as “complementary M&A.” To date, our focus has been on sign & display, industrial packaging, and flexible packaging and we are proceeding to acquire shares and assets across Oceania, Europe, Singapore, Malaysia, and other regions.

On slide 34, we show the average monthly revenue for these three focused business areas for FY2023, FY2024, and FY2025. When converted to annual figures by multiplying by 12, revenue expands from JPY 33.3 billion in FY2023 to JPY 47.3 billion in FY2025—an increase of JPY 14.0 billion.

Our expansion into these peripheral areas began mainly after our acquisition of Ball & Doggett Group in Oceania in FY2017. As a result, over the eight years since FY2017, we have increased group revenue in these areas by approximately JPY 47.0 billion.

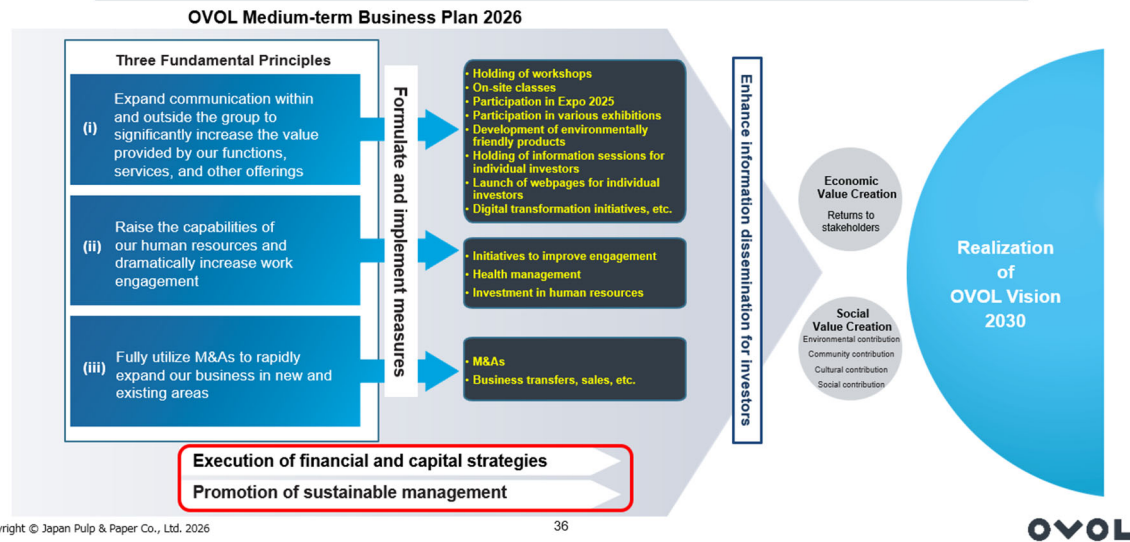
(Reference) Non-Japan Wholesaling: Major Subsidiaries with Inventory and Distribution Functions in Key Regions

<p><b>U.S.</b></p> <p><b>OVOL USA (Gould Paper)</b></p> <ul style="list-style-type: none"> <li>With its head office in New York, this is one of the leading paper distribution groups in the U.S.</li> <li>They hold bases primarily on the East Coast and in the South, as well as develop their business in other countries including the U.K. and France.</li> <li>In 2023, they acquired a company in France handling communication paper and industrial paper, strengthening their sales structure in Europe.</li> </ul> <p><b>OVOL USA</b></p>	<p><b>U.K. &amp; Ireland</b></p> <p><b>Premier Paper Group</b></p> <ul style="list-style-type: none"> <li>With its head office in Birmingham, it is the leading paper distribution group in the U.K.</li> <li>As the U.K. relies heavily on imports of paper and paperboard, distributors with inventory and distribution functions play an important role.</li> <li>They are expanding their business in ways such as strengthening their sign &amp; display-related items and flexible packaging offerings and entering package manufacturing and sales.</li> <li>In 2023 they acquired a company in Ireland, strengthening their sales system by utilizing the group's procurement infrastructure.</li> </ul> <p><b>premier GPMI wbc</b></p>
<p><b>Oceania</b></p> <p><b>Ball &amp; Doggett Group</b></p> <ul style="list-style-type: none"> <li>With its head office in Melbourne, they are one of the largest paper distribution groups in Oceania.</li> <li>They conduct business as Ball &amp; Doggett in Australia and BJ Ball in New Zealand.</li> <li>As both countries have low domestic production ratios for paper and paperboard, they play an important role as a paper distributor.</li> <li>They are also expanding their business into markets such as sign &amp; display-related items, and flexible packaging.</li> </ul> <p><b>Ball &amp; Doggett BJBall AARQUE GROUP MEMBER OF CHOICE</b></p>	<p><b>Germany</b></p> <p><b>OVOL Papier Deutschland</b></p> <p><b>OVOL ComPlott</b></p> <p><b>OVOL Packaging</b></p> <ul style="list-style-type: none"> <li>In 2024, we acquired the German operations of Inapa, a leading European paper distribution group and renamed them.</li> <li>They handle sales of graphic paper, packaging-related materials, and sign &amp; display-related items.</li> </ul> <p><b>OVOL OVOL ComPlott</b></p>
<p><b>Southeast Asia</b></p> <p><b>Japan Pulp &amp; Paper (M), OVOL Malaysia</b></p> <p><b>OVOL Singapore</b></p> <ul style="list-style-type: none"> <li>Leading paper distribution group in Malaysia and Singapore</li> <li>As both countries have low domestic production ratios for paper and paperboard, they play an important role as a paper distributor.</li> <li>Expanding business fields through the sign &amp; display-related items, processing of thermal transfer ribbons, etc.</li> </ul> <p><b>OVOL OVOL OVOL</b></p> <p><small>Japan Pulp &amp; Paper (M) Sdn. Bhd. OVOL Malaysia Sdn. Bhd. OVOL Singapore Pte Ltd</small></p>	<p><b>France</b></p> <p><b>OVOL France</b></p> <ul style="list-style-type: none"> <li>In 2024, we acquired the French operations of Inapa, a leading European paper distribution group and renamed them.</li> <li>They handle sales of graphic paper and sign &amp; display-related items in France (OVOL Sign &amp; Display) and operate a group shared services base in Portugal (OVOL Shared Center).</li> </ul> <p><b>OVOL</b></p>

Group companies that possess locally rooted merchant capabilities are listed on slide 35 (while not listed above, companies in Hong Kong and India are also included). Going forward, we will continue to actively pursue complementary M&A in adjacent materials and business areas where merchant capabilities can be effectively leveraged, alongside strategic M&A\*.

## Initiatives Based on Fundamental Principles of OVOL Medium-term Business Plan 2026

Aim to achieve OVOL Vision 2030 by formulating and implementing measures based on three fundamental principles

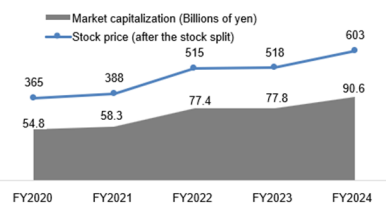


In addition to the three fundamental principles I just explained, OVOL Medium-Term Business Plan 2026 also highlights the execution of our financial and capital strategies and promotion of sustainable management as key focus areas. I will now review our progress in these areas.

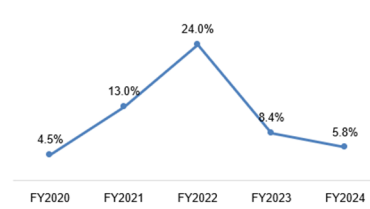
## Stock Price and Market Valuation Trends

While the stock price has increased steadily, our price-to-earnings ratio (PER) has been back on the recovery track since FY2022. We aim to improve our price book-value ratio (PBR) through the enhancement of return on equity (ROE) by making investments for growth and strengthening shareholder returns.

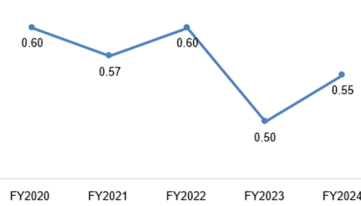
Stock Market and Market Capitalization Trends



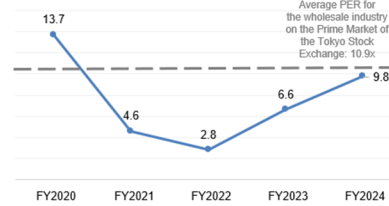
ROE Trends



PBR Trends

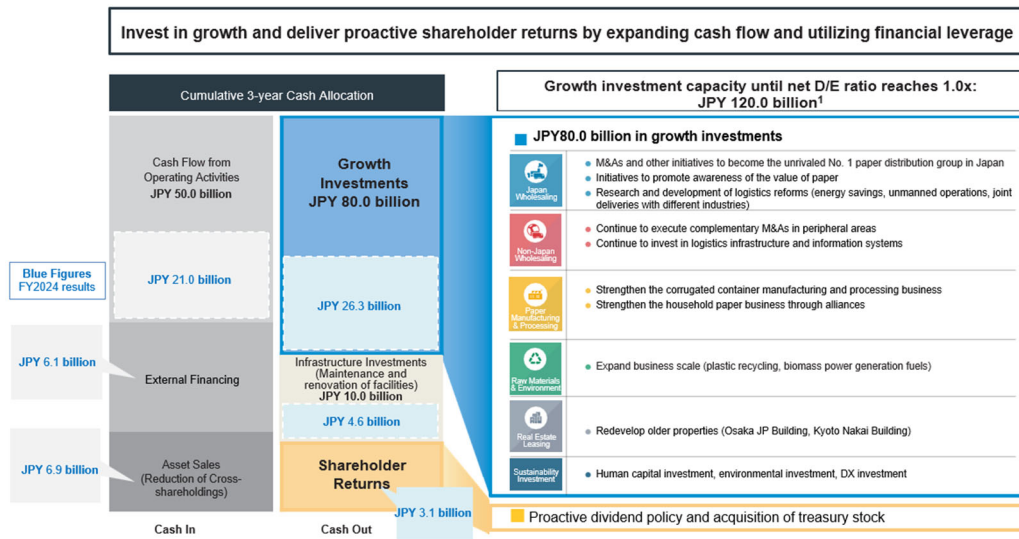


PER Trends



Slide 37 shows our recent stock price and PBR trends. To enhance profitability by promoting management with a greater focus on stock price and capital efficiency, we have established the cash allocation plan shown on page 38. As you can see, we are now accelerating both growth investments and aggressive shareholder returns to enhance our overall profitability.

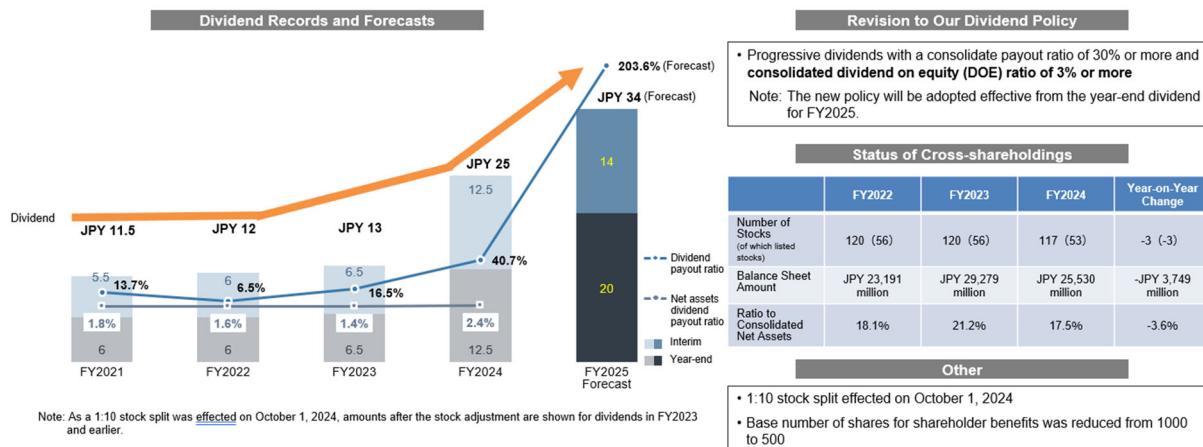
## Financial and Capital Strategies: Cash Allocation



For reference, the figures shown in blue in the cash allocation chart on the left represent the actual results for FY2024.

## Execution of Financial and Capital Strategies

Dividends increased four consecutive fiscal years through FY2024. Annual dividends are expected to further increase by adopting a DOE indicator until FY2026. Cross-shareholdings are being reduced.



First, regarding shareholder returns—specifically our dividend policy—we have raised dividends for four consecutive fiscal years through FY2024. As disclosed on November 6, 2025, in addition to our existing progressive dividend policy with a payout ratio of 30% or more, we also introduced a DOE metric. Starting from FY2025, we committed to a DOE of 3% or more for the remainder of the current Medium-Term Business Plan. Based on this policy, we also simultaneously announced an increased year-end dividend forecast for the current fiscal year.

Furthermore, we are continuing to divest our cross-shareholdings. During FY2024, we sold three stocks totaling approximately JPY 3.7 billion. As a result, the market value of our cross-shareholdings had declined to 17.5% of consolidated net assets as of the end of March 2025.

## Shareholder Returns (Stock Buyback)

We have implemented stock buybacks with agility and flexibility in accordance with our shareholder return policy set forth in OVOL Medium-term Business Plan 2026.  
We will also implement a treasury shares retirement.

### Overview of Stock Buyback

(1) Class of Shares Acquired	Common stock of the Company
(2) Total Number of Shares Acquired	8,384,900 shares
(3) Acquisition Costs	JPY 6,355,754,200 (JPY 758 per share)
(4) Date of Acquisition	November 7, 2025
(5) Method of Acquisition	Purchase through the off-action own share repurchase trading system (ToSTNeT-3) of the Tokyo Stock Exchange

### Overview of Treasury Shares Retirement

(1) Class of Shares to be Retired	Common stock of the Company
(2) Number of Shares to be Retired	30,000,000 shares (19.97% of the total number of shares issued prior to the retirement)
(3) Scheduled Date of Retirement	November 28, 2025

As a further measure of shareholder returns, we repurchased over 8 million of our own shares on November 7. On November 28, we retired a total of 30 million shares, representing 19.97% of the total number of shares issued. Moving forward, we will continue to execute agile and flexible stock buybacks and retirement based on the shareholder return policy outlined in the OVOL Medium-Term Business Plan 2026.

## Promotion of Sustainable Management

### Business and Human Rights

- Commenced human rights due diligence in the second half of FY2024 to identify important human rights issues for the group.
- Monitored the Company's major suppliers—those covering 80% of its total purchases—using a CSR procurement self-assessment form.
- Conducted training on business and human rights at group companies inside and outside of Japan (attended by a total of 1,719 executives and employees of the group).

### Climate Change

- Formulated the Japan Pulp & Paper Group Medium- and Long-Term Reduction Targets for Greenhouse Gas Emissions.
  - ◆ Medium-term target: Achieve a 50% reduction in greenhouse gas emissions from FY2019 levels by FY2030
  - ◆ Long-term target: Achieve carbon neutrality by 2050

#### Latest Initiatives

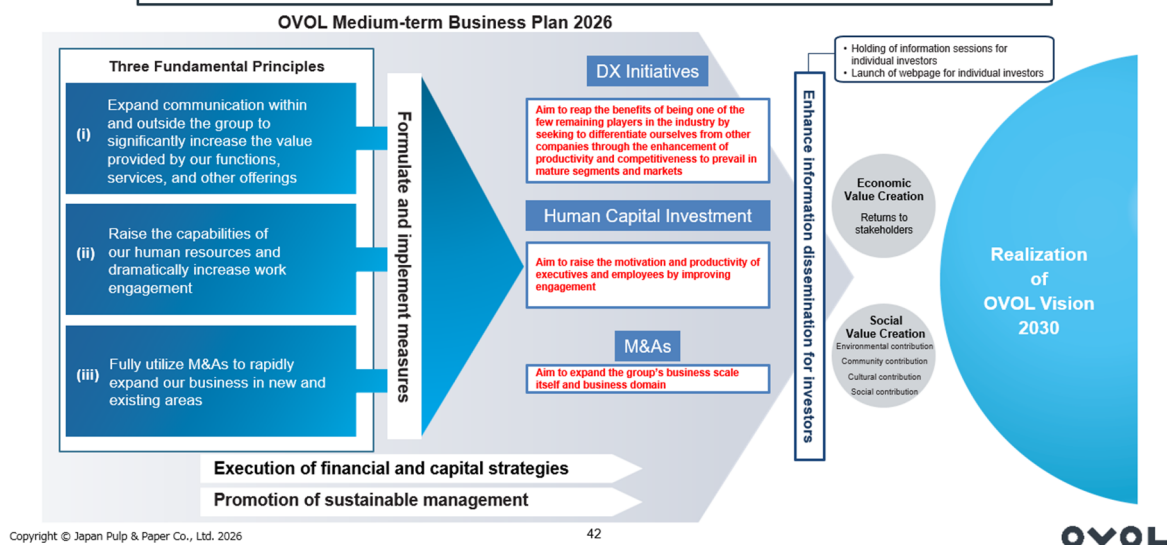
- Two group companies engaged in the corrugated board manufacturing business switched their electricity to renewable energy derived from hydroelectric power and upgraded their facilities to energy-saving facilities.
  - Japan Pulp & Paper fully offset Scope 2 emissions by purchasing the Non-fossil Certificate.
- ⇒ In FY2024, greenhouse gas emissions were reduced by about 41% across the group from FY2019 (base year) levels.

As can be seen on slide 41, we are actively promoting sustainable management initiatives, including those addressing business and human rights and climate change.



## Development of Mechanisms and Measures Prioritized to Realize OVOL VISION 2030

Aim to realize OVOL VISION 2030 by focusing our efforts on **promotion of DX, human capital investment, and M&As**



That concludes our update on the past year and a half of progress under OVOL Medium-term Business Plan 2026. However, as Mr. Fujii mentioned earlier, the current business environment and our financial results forecasts remain very challenging.

Even under these difficult conditions, we remain committed to the initiatives and new mechanisms required to achieve OVOL Vision 2030. We will stay focused and disciplined in executing this strategy. To that end, we are prioritizing three key themes mentioned before: promoting DX, strengthening employee engagement, and accelerating M&As.

With demand for our core products—paper and paperboard—continuing to weaken, and with costs such as labor, logistics, and energy rising across the board, simply trying to boost top line revenue through traditional approaches will not offset these escalating costs or deliver profit growth. We believe that in order to drive major operational streamlining, improve efficiency, reduce costs, and build overwhelming competitiveness and clear differentiation across procurement, sales, and logistics—rapid DX promotion is essential. This will also enable us to survive and capture survivor benefits in this mature market.

We will complete the grand design for our DX strategy before year-end. Under the strong leadership of top management, we will prioritize implementation and ensure that every officer and employee takes ownership of this transformation.

We view DX as a technology-driven and fundamentally human-centric transformation across operations, business models, and throughout our entire organization. Ultimately, a company's strength depends on its people. To ensure every officer and employee can embrace our principal objective of becoming a trustworthy and engaging corporate group as defined in OVOL Vision 2030, we are actively investing in human capital and other initiatives that are tied to strengthening engagement across the organization.

We will continue to pursue the expansion of both our business scale and revenue through strategic and complementary M&As, as well as alliances. Through these initiatives, we will build the foundation required to operate as the world's leading paper distribution group—an essential element of our vision of becoming a trustworthy and engaging corporate group.

That concludes my presentation. Thank you for your attention.

## Q&A Session: Timing of German Subsidiaries' Return to Profitability

Interviewer: Around 2020, we understand that your company successfully restructured its overseas wholesale operations in various countries, and we are eager to see how that experience will come into play.

In terms of the German subsidiaries you acquired, it was mentioned that profitability is expected to improve from the latter half of 2026 onward. In the Integrated Report, one of the conditions cited for what it means to be “world-leading” is that sales revenue from the German as well as French subsidiaries will recover around JPY 100 to 120 billion. What is the anticipated timing for such a recovery?

Watanabe: In terms of sales volumes and revenue, with the exception of the U.S. market, which has bottomed-out and is now stable, it is clear that real demand is declining, not only in France and Germany, but across all regions—in Oceania, across Europe, and in Asia, including Japan and China.

We are working hard to make effective use of the paper merchant capabilities that our overseas subsidiaries possess by supplementing them with complementary business fields and strategic products. However, from a revenue perspective, we recognize that it will be very challenging to compensate for the sales volume of so-called general-purpose paper products, like graphic paper, with sales of specialty products alone.

Concerning the German subsidiaries, given that market demand itself is declining overall, we think that our target of JPY 100 to 120 billion will inevitably need to be revised downward by 10-20%.

That being said, the general downward trend in sales volume, operating profit, and revenue is occurring across the market, in different regions including Japan, and also among our competitors. Consequently, we believe that the relative importance of Germany and France in terms of their contribution to sales volume, profits and revenue remains unchanged.

## Q&A Session: Business Restructuring of German Subsidiaries

Interviewer: Could you explain the specifics of the planned restructuring of the new German subsidiaries.

Watanabe: As of December 2024, when the group acquisition occurred, the contracts for 2025 were already locked in. Therefore, trying to reverse them and restructure in the middle of the fiscal year proved to be extremely difficult, if not impossible.

Because of this, recently we have focused on taking steps to raise top-line revenue for FY 2026 agreements.

Additionally, in the first six months or so following the integration of the subsidiaries into our group, we adopted a strategy involving a certain level of price competition in our sales activities in order to regain market share. However, given the rapid pace of market contraction, while our market share did indeed recover, this did not translate into profits.

As a result, starting in September, we made a shift in terms of our sales strategy toward profit-oriented sales, even at the expense of maintaining a certain level of volume and market share.

In terms of business restructuring, we plan to proceed mainly with partial changes in top leadership, workforce reshuffling, and a review and consolidation of inventory bases.