

# Section 1

## Our Value Creation Story

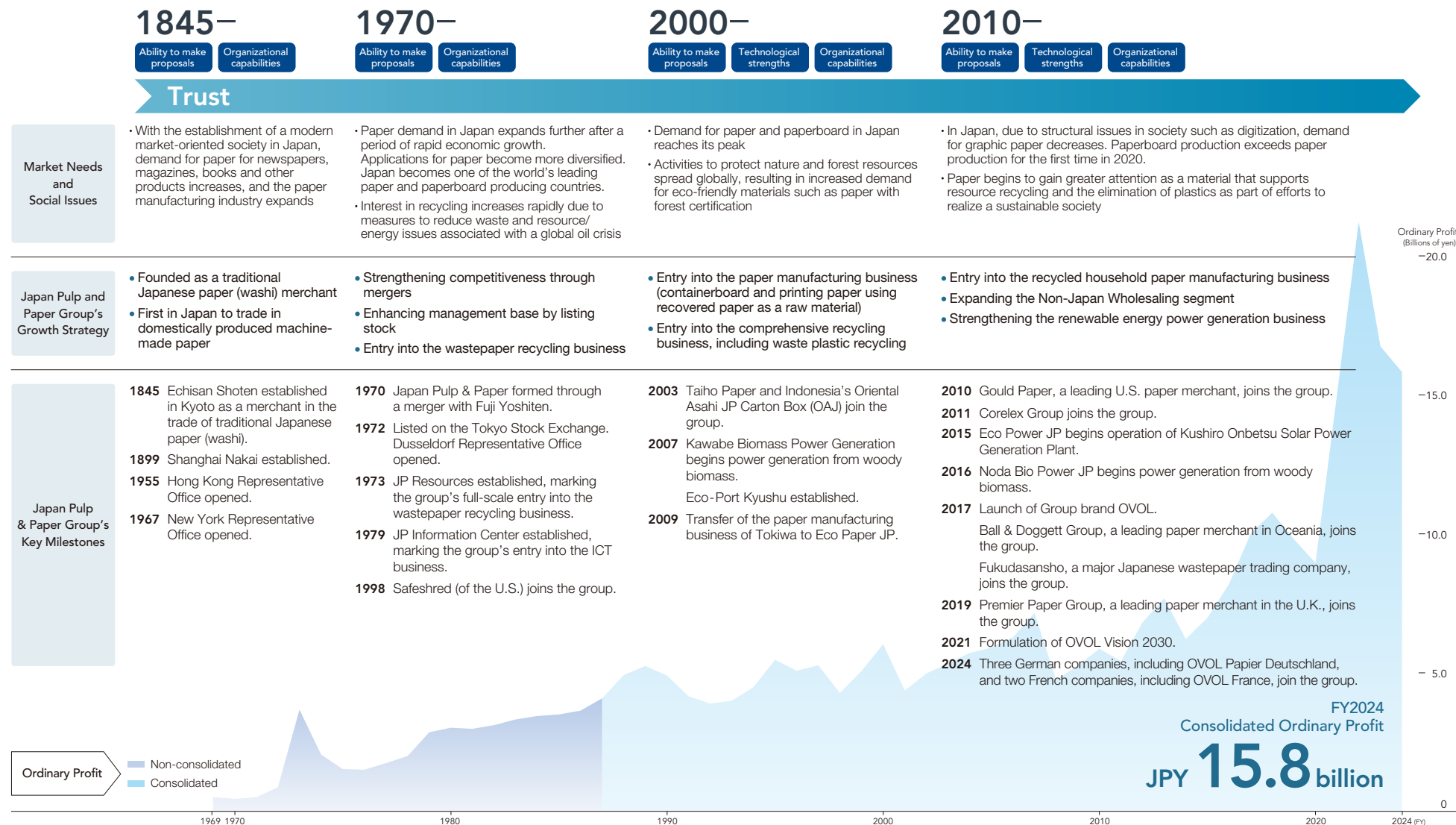
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# Our History of Value Creation

The origins of Japan Pulp & Paper can be traced back to 1845, when the traditional Japanese paper (washi) merchant Echisan Shoten was founded in Kyoto. Since then, we have continued to create value while constantly grasping the changes of the times and society and transforming our business. We will contribute to the sustainable development of society by identifying the areas in which we can best leverage the three strengths (ability to make proposals, technological strengths, and organizational capabilities) we have built based on trust, drawing up management strategies, taking on challenges, and mobilizing the collective strength of the group.



# Value Creation Process

The Japan Pulp & Paper Group aims to realize OVOL Vision 2030 through a value creation process that involves envisioning the external environment from 2030 to 2050 and backcasting from this long-term perspective. Continuing to implement this process will enable us to realize our goal of becoming a sustainable corporate group.

## Social and Business Issues

- Depletion of forest resources and loss of biodiversity
- Population decline in developed countries and population growth in emerging countries
- Geopolitical risks
- Growing environmental awareness
- Increasing awareness of health and hygiene
- Increasing demand for sustainability initiatives and more comprehensive disclosure regulations
- Diversification of the functions, value, and uses of paper
- Progress of digitalization

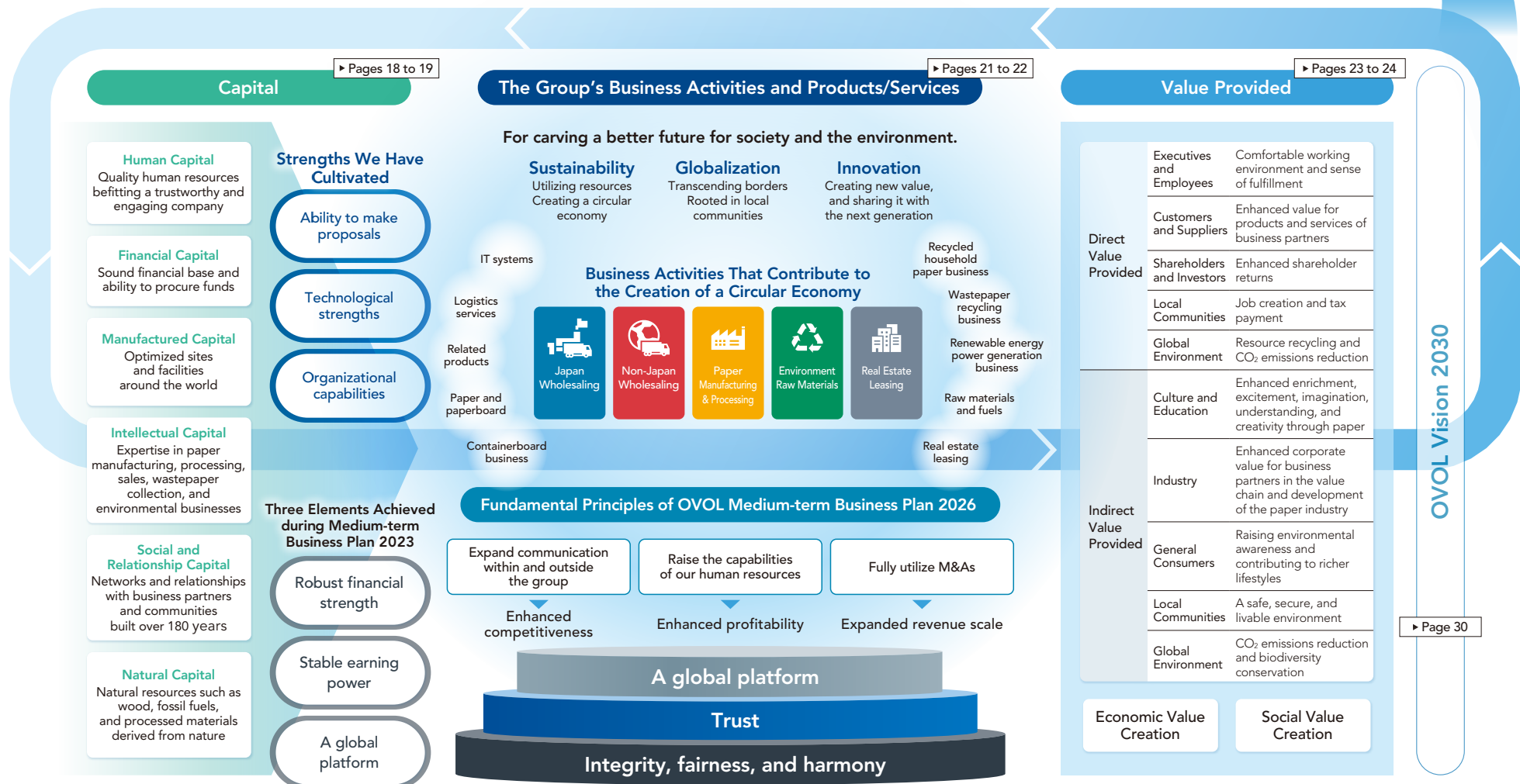
## Material Issues ▶ Pages 67 to 69

Environment	• Climate Change	• Biodiversity	• Resource Recycling	• Environmental Impact
Society	• Supply Chain	• Local Communities	• Digitalization	
Employees	• Work Environment	• Diversity and Inclusion		
Governance	• Corporate Governance	• Compliance	• Stakeholder Engagement	

## Our Mission

Carving a better future for society and the environment

Sustainable Corporate Group



## Strengthening Capital and Value Provided Based on Material Issues

The group has identified 12 material issues in the four themes of Environment, Society, Employees, and Governance as “internal and external factors that have a significant impact on achieving sustainable business activities that realize both economic and social value.” Based on these, we are working to maximize the strengthening of each form of capital to create the unique value provided by the group.

### Relationship Between Material Issues and Capital

Material Issues	 Human Capital	 Financial Capital	 Manufactured Capital	 Intellectual Capital	 Social and Relationship Capital	 Natural Capital
 <b>Environment</b> <ul style="list-style-type: none"> <li>Climate Change</li> <li>Biodiversity</li> <li>Resource Recycling</li> <li>Environmental Impact</li> </ul>	● Through environmental education and training, we enhance executives' and employees' environmental awareness and ability to take action.	● By investing in decarbonization and resource circulation, we realize sustainable management.	● We install energy-saving and recycling facilities to reduce environmental impact.	● Through the disclosure of climate-related risks, acquisition of certification, and expertise in resource management, we enhance our environmental response capabilities.		● Through improvements to the environmental literacy of executives and employees, we help to promote the sustainable use of natural resources and the conservation of biodiversity.
 <b>Society</b> <ul style="list-style-type: none"> <li>Supply Chain</li> <li>Local Communities</li> <li>Digitalization</li> </ul>	● By respecting human rights and improving workplace safety, we establish a foundation for secure and safe working environments.	● We allocate funds with an emphasis on social impact, including community contributions and job creation.		● We advance methods for identifying and managing human rights and labor risks in the supply chain, and promote digitalization.		● Through collaboration with local communities and partner companies, we build sustainable, coexisting relationships.
 <b>Employees</b> <ul style="list-style-type: none"> <li>Work Environment</li> <li>Diversity and Inclusion</li> </ul>	● By respecting diversity, fostering talent, and giving due consideration to health and safety, we realize a rewarding workplace.	● We strategically invest in education systems and workstyle reforms to support executives and employees growth.		● Through career support and the development of structured human resource management methods, we promote effective strategic human resource management.		
 <b>Governance</b> <ul style="list-style-type: none"> <li>Corporate Governance</li> <li>Compliance</li> <li>Stakeholder Engagement</li> </ul>	● Through education that instills ethics and awareness of legal compliance, we foster a trusted corporate culture.	● We invest in strengthening risk management systems and internal controls to secure sustainable corporate value.			● By practicing integrity in management and accountability, we maintain and enhance trust-based relationships with stakeholders.	

### Value Provided

Direct Value Provided	Executives and Employees	Comfortable working environment and sense of fulfillment
	Customers and Suppliers	Enhanced value for products and services of business partners
	Shareholders and Investors	Enhanced shareholder returns
	Local Communities	Job creation and tax payment
	Global Environment	Resource recycling and CO <sub>2</sub> emissions reduction
Indirect Value Provided	Culture and Education	Enhanced enrichment, excitement, imagination, understanding, and creativity through paper
	Industry	Enhanced corporate value for business partners in the value chain and development of the paper industry
	General Consumers	Raising environmental awareness and contributing to richer lifestyles
	Local Communities	A safe, secure, and livable environment
	Global Environment	CO <sub>2</sub> emissions reduction and biodiversity conservation
Economic Value Creation		Social Value Creation

## Capital (Inputs)

Capital

Business Activities and  
Products/Services

Value Provided

The Japan Pulp & Paper Group invests each of its forms of management capital in the value creation process to support ongoing business activities and increase corporate value. The group is committed to sustainable business management that realizes both economic and social value and reinvests in the value creation process to strengthen and increase each form of management capital.

### Current Capital of the Japan Pulp & Paper Group

### Elements to be Acquired or Strengthened Going Forward



#### Human Capital

- Quality **human resources** and status as an **industry-leading company**
- Number of consolidated employees: **4,831**
- Percentage of employees working outside of Japan: **54.4%**
- Percentage of female employees (consolidated): **26.9%**
- Average length of service of parent company employees: **20.4** years
- Positioning human capital as our most important form of management capital and promoting initiatives toward achieving our vision of becoming “a corporate group that strives to be considered a trustworthy and engaging partner both within and beyond the paper industry.”
- Striving to secure a workforce that is substantial in both quality and quantity, while fostering a culture that leverages diverse personalities and ideas.
- Creating an environment where employees can work healthily and vibrantly.

- Quality human resources befitting a trustworthy and engaging company
- Highly skilled professionals (Environment, global operations, new businesses, M&As, management consulting, DX, and logistics)
- A workforce with high work engagement



#### Financial Capital

- **Sound** financial base and ability to procure funds
- Net assets: JPY **145.6** billion
- Interest-bearing debt: JPY **99.0** billion
- Net D/E ratio: **0.60x**
- Free cash flow: JPY **9.8** billion
- Issuer credit rating: **A**
- Securing stable earnings from a well-balanced business portfolio and high-quality receivables based on relationships of trust built over the years, while maintaining a sound financial position through strict financial discipline and highly efficient operations.
- Reinvesting generated cash into new value creation for sustained corporate value enhancement.

- Optimized allocation of resources with a focus on capital efficiency



#### Manufactured Capital

- **Glocal** distribution sites
- Manufacturing sites with **unique technologies: 6**
- Recycling business sites: **24**
- Renewable energy-related business sites: **6**
- Rental properties: **12**
- Aiming to become the world’s leading paper distribution group by leveraging glocal logistics sites to provide high-quality, locally rooted services.
- Strengthening wastepaper collection/ recycling, and using wastepaper for manufacturing and processing to help build a circular economy.
- Promoting renewable energy power generation to contribute to a sustainable society.

- Digitally optimized, highly efficient logistics facilities
- Environmentally friendly production equipment
- Global packaging processing sites
- Robust geographical platform

## Capital (Inputs)

Capital

Business Activities and  
Products/Services

Value Provided

## Current Capital of the Japan Pulp &amp; Paper Group

Elements to be Acquired  
or Strengthened Going Forward**Intellectual  
Capital**

- **Expertise** in paper manufacturing, processing, sales, wastepaper collection, and environmental businesses
- **Expertise** and **ability to make proposals** in the paper business
- **IT systems for paper distribution**

- Making use of our extensive knowledge and experience across paper, paper-related materials, printing/processing, and the entire paper supply chain, allowing us to establish intellectual capital unique to the paper industry.
- Utilizing difficult-to-recycle wastepaper as raw material for paper manufacturing through Corelex Group's proprietary technologies, thereby, contributing to a circular economy.
- We boast the overwhelming top share in the industry for the number of companies adopting our paper wholesale and logistics systems, which serve as the dominant system infrastructure for the paper distribution industry.

- Knowledge of the supply chain including processes related to packaging
- Data analysis and business optimization systems

**Social and  
Relationship  
Capital**

- **Networks and relationships of trust** with business partners built over **180 years**
- **Good relationships with communities** near business sites

- Leveraging our unique social and relational capital, developed from the trust established with business partners over our 180-year history and capitalizing on the market recognition and business opportunities this foundation generates.
- Responding appropriately to changes in the business environment going forward, such as declining paper demand due to digitization, while working to balance economic and social value. Also, further improving our linkages with stakeholders to enhance our social and relationship capital.

- Strengthening collaboration with stakeholders

**Natural  
Capital**

- **Wood, water, raw materials derived from fossil fuels, fossil fuels, woody biomass, and solar power**

- Acknowledging the importance of natural capital, including wood, water, fossil-derived raw materials, and fossil fuels, to the group's businesses, and positioning it as an important form of management capital.
- Contributing to building a circular economy through the recycling of wastepaper and waste plastics, as well as the generation of renewable energy from woody biomass and solar power.
- Further enhancing our expertise and technologies in the environmental field, aiming to utilize natural capital more efficiently, reduce environmental impact, preserve the global environment, and create economic value.

- Enhancing procurement capabilities in response to a decline in the availability of wastepaper



## Three Strengths

Capital

Business Activities and  
Products/Services

Value Provided



Human Capital



Financial Capital



Manufactured Capital



Intellectual Capital



Social and Relationship Capital



Natural Capital

### Ability to make proposals utilizing our expertise and network

- The business activities of our group are founded on the trust we receive from our stakeholders.
- One of the most important strengths in responding to this trust is our ability to make proposals that leverage our expertise and network.
- Throughout our 180 years of involvement in the paper business, our group has built unwavering confidence and solid strengths in “paper and related materials,” “printing and processing,” and the “paper supply chain.”
- By leveraging our global network and strong partnerships with partner companies, we demonstrate an ability to make proposals that enable us to coordinate the entire process, from development through delivery, in line with customer needs.

From these foundations, we will continue to create new value for paper and expand its possibilities.

#### The Japan Pulp & Paper Group's Ability to Make Proposals

##### Wholesaling

Our ability to make proposals involves coordinating everything from selecting the optimum product to meet the needs of society to development and delivery by making use of our technological strengths to realize appropriate processing.

##### Manufacturing

Our ability to make proposals contributes to developing products that meet the new demands of society using our technological strengths.

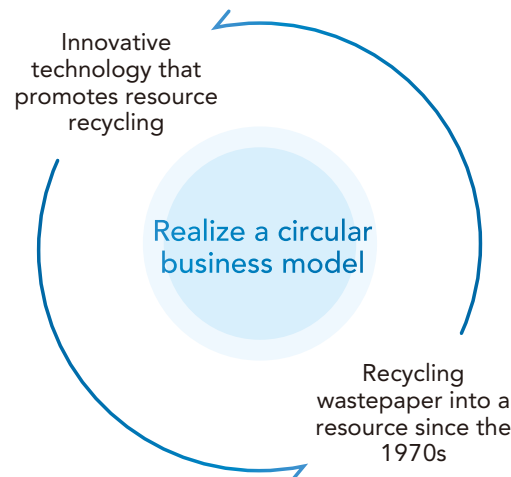
##### Environment

Our ability to make proposals to promote resource recycling is based on the organizational capabilities of the group.

### Technological strengths for realizing a circular business model

- The group possesses advanced technological strengths centered on wastepaper recycling technologies – a significant advantage in realizing a circular business model.
- We are actively engaged in manufacturing recycled household paper made from wastepaper that is difficult to recycle, while also focusing on further technological innovation.

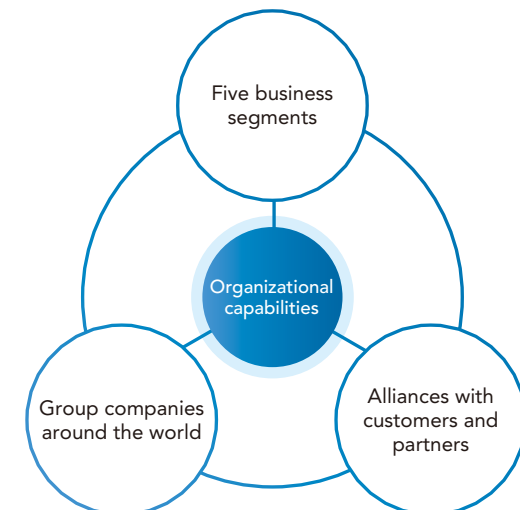
Through these initiatives, we promote the establishment of new recycling systems and contribute to the formation of a circular economy.



### Organizational capabilities for creating new value

- The company and its group of more than 100 companies in Japan and overseas engage in a wide range of businesses across five segments centered on paper, each possessing distinct functions and strengths.
- The group views its diverse businesses as vertical threads and its globally developed regions as horizontal threads. By weaving these threads together organically, we form assets unique to the group and establish alliances with customers and partners that put them to good use.

The power to create new value through the combination of these assets is the very essence of the group's organizational capabilities.



▶ See “Value Creation Examples” on pages 25–28 | for examples of initiatives that leverage the group's unique strengths to create value.

## The Group's Business Activities and Products / Services

For 180 years, the group has conducted its daily operations with the awareness and pride of being a leading company in paper distribution, steadily building trust one step at a time. On the foundation of that trust, we have established businesses unique to the Japan Pulp & Paper Group. Our Corporate Philosophy identifies integrity, fairness, and harmony as our Corporate Spirit. With the stance that our business begins and ends with our Corporate Philosophy, the trust placed in us by our stakeholders is today the group's greatest asset and the very source of its distinctive strengths.

Currently, to further enhance our greatest asset, "trust," the group is pursuing value creation under Our Mission of "Carving a better future for society and the environment." We are focusing on the following three directions:

<b>Sustainability</b>	Utilizing resources Creating a circular economy
<b>Globalization</b>	Transcending borders Rooted in local communities
<b>Innovation</b>	Creating new value, and sharing it with the next generation

Going forward, the group will continue to evolve its business activities to achieve both economic and social value.

Capital

Business Activities and Products/Services

Value Provided

### Carving a better future for society and the environment.

#### Sustainability

Utilizing resources  
Creating a circular economy

#### Globalization

Transcending borders  
Rooted in local communities

#### Innovation

Creating new value,  
and sharing it with the next generation



### Fundamental Principles of OVOL Medium-term Business Plan 2026

Expand communication  
within and outside  
the group

Enhanced  
competitiveness

Raise the capabilities  
of our human resources

Enhanced profitability

Fully utilize M&As

Expanded revenue scale

A global platform

Trust

Integrity, fairness, and harmony



# Carving a Better Future for Society and the Global Environment

Capital

Business Activities and Products/Services

Value Provided

## Sustainability

Utilizing resources  
Creating a circular economy

Initiatives in sustainable paper products, resource circulation, and renewable energy

### ▶ Wastepaper recycling

Full-scale development in Japan since 1973, with expansion into the U.S. and India. Established an efficient collection network with sites inside and outside of Japan.

### ▶ Comprehensive recycling

In addition to plastic waste, we work to efficiently recycle wastepaper and waste wood through the combined use of thermal and material recycling.

### ▶ Renewable energy

Promoting solar power generation and woody biomass power generation businesses to ensure a stable supply of clean and safe electricity. Contributing to the use of renewable energy and the realization of a sustainable society.

## Globalization

Transcending borders  
Rooted in local communities

Initiatives to combine global expansion and local presence

### ▶ Business development in 22 countries and regions

Promoting transactions at each business site that respect local cultures and business practices.

### ▶ Optimization and strengthening of local management

Offices in each country that manage supply chains and serve customers appropriately.

### ▶ Product development based on local needs

Developing and providing products and services optimized for each site by accurately comprehending diverse customer needs and market characteristics in each country and region.

## Innovation

Creating new value

Creating new value, and sharing it with the next generation

### ▶ Promoting the value of paper

Raising awareness of the environmental capability and cultural value of paper. Carrying out donation activities for educational institutions, such as sponsoring and participating in events.

### ▶ Proposals for paperization

Supporting CO<sub>2</sub> reduction and sustainability strategies by proposing the introduction of paper products for use as packaging and containers.



## Value Provided to Stakeholders







Capital

Business Activities and  
Products/Services

Value Provided

The Japan Pulp & Paper Group provides direct and indirect value to its stakeholders through a business model based on trust. Going forward, the group will continue to engage in sustainable business activities that realize both economic and social value.

### Direct Value Provided







The Value We Currently Create		Examples of Initiatives	The Value We Aim to Create in the Future
 <b>Executives and Employees</b>	<ul style="list-style-type: none"> <li>Stable, long-term employment opportunities</li> <li>Growth opportunities through education and on-the-job training</li> <li>Well-being</li> <li>Performance-based restricted stock incentive plan</li> </ul>	<ul style="list-style-type: none"> <li>Improve engagement by instilling the group's Corporate Philosophy</li> <li>Extend retirement age</li> <li>Promote dialogue between management and employees</li> <li>Create an environment where executives and employees can work comfortably and make the most of their abilities</li> </ul>	<ul style="list-style-type: none"> <li>Further improve the value we provide</li> </ul>
 <b>Customers</b>	<ul style="list-style-type: none"> <li>Improve the value of customers' products by proposing new products and services such as material mix coordination</li> <li>Create new business models</li> <li>Stably procure paper and paperboard</li> <li>Reduce financial burden and improve creditworthiness by providing trading company finance</li> <li>Acquire new business opportunities for customers by creating demand through educational activities for consumers and society to reaffirm the value of paper</li> </ul>	<ul style="list-style-type: none"> <li>Provide an extensive lineup of products to suit all users, needs, and applications</li> <li>Supply of products at the right price, volume, and time</li> <li>Global paper and paperboard distribution network</li> <li>Provide products with low environmental impact that resolve societal issues</li> <li>Propose new business models for collaboration</li> <li>Recycle the paper and plastic used in packaging</li> <li>Sponsor campaigns related to paper books and hold and participate in events to reaffirm the value of paper</li> </ul>	<ul style="list-style-type: none"> <li>Support customers in improving corporate value, ensuring business continuity, expanding business, and resolving labor shortages</li> <li>Support customers in developing talent through workshops</li> <li>Provide logistics functions to industries other than the paper industry</li> </ul>
 <b>Suppliers</b>	<ul style="list-style-type: none"> <li>Consigning sales to the group results in:               <ul style="list-style-type: none"> <li>Reliable sales</li> <li>Sales opportunity expansion</li> </ul> </li> <li>Optimized production and reduction of inventory risk</li> <li>Product development by providing information about market needs</li> <li>Creation of business opportunities</li> <li>Stable procurement of wastepaper raw materials</li> </ul>	<ul style="list-style-type: none"> <li>Revitalize related industries by improving the value of paper through the implementation of educational activities</li> <li>Create sales opportunities</li> <li>Enhance wastepaper supply network</li> </ul>	<ul style="list-style-type: none"> <li>Develop new low-carbon products</li> <li>Support suppliers in improving corporate value, ensuring business continuity, expanding business, and resolving labor shortages</li> </ul>
 <b>Shareholders and Investors</b>	<ul style="list-style-type: none"> <li>Payment of dividends</li> <li>Stock price increases through expanded earnings and stronger IR activities</li> </ul>	<ul style="list-style-type: none"> <li>Realize OVOL Vision 2030 and implement OVOL Medium-term Business Plan 2026</li> <li>Promote sustainable management and disclose information in response to requests related to ESG</li> <li>Progressive dividends with a consolidated payout ratio of 30% or more</li> <li>Dynamic and flexible stock buybacks</li> </ul>	<ul style="list-style-type: none"> <li>Enhance shareholder returns through sustainable growth</li> </ul>
 <b>Local Communities</b>	<ul style="list-style-type: none"> <li>Job creation</li> <li>Tax payment</li> <li>Reduce waste by recycling wastepaper</li> <li>Disaster relief support</li> </ul>	<ul style="list-style-type: none"> <li>Realize OVOL Vision 2030 and implement OVOL Medium-term Business Plan 2026</li> <li>Expand resource collection in cooperation with local governments</li> <li>Conclude disaster prevention agreements with local governments and establish human resource development funds</li> </ul>	<ul style="list-style-type: none"> <li>Help improve sanitary conditions</li> </ul>
 <b>Global Environment</b>	<ul style="list-style-type: none"> <li>Resource recycling by reusing wastepaper and waste plastic</li> <li>Promoting the reduction of CO<sub>2</sub> emissions through the use of renewable energy</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen the recycling business for wastepaper and waste plastic</li> <li>Manufacture printing paper, containerboard, and household paper using wastepaper as a raw material</li> <li>Manufacture recycled pulp and recycled plastic materials</li> </ul>	<ul style="list-style-type: none"> <li>Further improve the value we provide</li> </ul>

Capital

Business Activities and  
Products/Services

Value Provided

## Indirect Value Provided

The Value We Currently Create		Examples of Initiatives	The Value We Aim to Create in the Future
 <b>Culture</b>	<ul style="list-style-type: none"> <li>Enhanced enrichment of life through understanding of the true value of paper</li> </ul>	<ul style="list-style-type: none"> <li>Sponsor campaigns related to paper books as part of educational activities to increase awareness of the functions and value of paper, its new possibilities, and other benefits</li> <li>Redefine paper as an environmentally conscious material and communicate its multifaceted value through hands-on exhibitions</li> </ul>	<ul style="list-style-type: none"> <li>Foster excitement in consumers through the experience of using paper</li> </ul>
 <b>Education</b>	<ul style="list-style-type: none"> <li>Paper as a useful educational tool</li> </ul>	<ul style="list-style-type: none"> <li>Hold and participate in events that reaffirm the value of paper as part of educational activities to increase awareness such as through reading, writing, and learning about paper</li> </ul>	<ul style="list-style-type: none"> <li>Promote activities to increase awareness of the value of paper through on-site classes at elementary and junior high schools</li> </ul>
 <b>Industry</b>	<ul style="list-style-type: none"> <li>Ensure stable procurement of paper and paperboard products for a wide-range of industries beyond those of our customers</li> <li>Revitalization of the industry through use of paper-based packaging that is easy to recycle and has lower environmental impact</li> <li>Contribution to environmental conservation efforts in the supply chain through promotion of recycling</li> <li>Improve business foundation and the standing of the pulp and paper industry and business partners through educational activities to reaffirm the value of paper</li> </ul>	<ul style="list-style-type: none"> <li>Ensure stable supply of daily necessities such as printing and graphic paper, household paper, and containerboard</li> <li>Recycle wastepaper and waste plastic</li> <li>Sponsor campaigns related to paper books and hold events that reaffirm the value of paper</li> </ul>	<ul style="list-style-type: none"> <li>Enhance the corporate value of customers and business partners</li> <li>Foster excitement in consumers through the experience of using paper</li> </ul>
 <b>General Consumers</b>	<ul style="list-style-type: none"> <li>Opportunities to participate in a circular economy</li> <li>Stable purchase of daily necessities that are environmentally friendly</li> <li>Enrichment of daily life through paper and paperboard products</li> </ul>	<ul style="list-style-type: none"> <li>Support resource recycling in homes and communities through the recycling of wastepaper and waste plastic</li> <li>Provide opportunities for tours of recycled paper manufacturing mills and recycling facilities to promote understanding of paper, which is an environmentally friendly and sustainable material, as well as resource recycling</li> <li>Provide opportunities to purchase environmentally friendly products at reasonable prices</li> </ul>	<ul style="list-style-type: none"> <li>Improve consumer environmental literacy about paper through paper study groups</li> </ul>
 <b>Local Communities</b>	<ul style="list-style-type: none"> <li>Revitalization of local economies and environmental conservation</li> <li>Reduce burden on incineration facilities by recycling wastepaper</li> <li>Enhance the value of resource recycling initiatives through educational activities to reaffirm the need to recycle</li> </ul>	<ul style="list-style-type: none"> <li>Establish recycling systems in local communities in cooperation with local governments</li> <li>Promote understanding of resource recycling by providing opportunities for tours of recycled paper manufacturing mills and recycling facilities</li> <li>Volunteer and donation activities</li> </ul>	<ul style="list-style-type: none"> <li>Further improve the value we provide</li> </ul>
 <b>Global Environment</b>	<ul style="list-style-type: none"> <li>Lower CO<sub>2</sub> emissions by reducing waste through recycling</li> <li>Promote the sustainable use of forest resources through the use of wastepaper materials</li> <li>Conserve biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>Contribute to the environment through the group's supply chain, from the collection of wastepaper to the commercialization of products</li> <li>Reduce CO<sub>2</sub> emissions through efficient logistics and shortening of delivery distances resulting from optimized inventory locations</li> </ul>	<ul style="list-style-type: none"> <li>Further improve the value we provide</li> </ul>

**Sustainability**Utilizing resources  
Creating a circular economy**Globalization**Transcending borders  
Rooted in local communities**Innovation**Sharing with the next generation  
Creating new valueValue Creation  
Example

## 1

# From Expo 2025 Osaka, Kansai, Japan to the World — Recommunicating the Value and Possibilities of Paper

**Strengths Demonstrated****Ability to  
Make Proposals**

- Presented the concept of "Paper = Sustainable" to dispel misconceptions concerning paper and its environmental impact.
- Designed workshops where people of all ages and from diverse countries could engage with and enjoy paper.

**Technological  
Strengths**

- Constructed everything from booth fixtures to uniforms using paper materials.
- Recycled exhibits materials and used paper plates into toilet paper.

**Organizational  
Capabilities**

- Promoted the initiative as a company-wide project led primarily by young employees.
- Advanced collaboration through broad partnerships.

**Capital Inputs****Human  
Capital**

Employees across generations and divisions came together for the project.

**Financial  
Capital**

Executed investments that contribute to improving the value of paper and our brand.

**Manufactured  
Capital**

Production facilities equipped with papermaking, processing, and recycling technologies that used wastepaper as a raw material.

**Intellectual  
Capital**

Knowledge and expertise related to paper and awareness-raising

**Social and  
Relationship  
Capital**

Cooperation and Collaboration with multiple external partners

**Natural  
Capital**

Used paper for all exhibition materials and ensured circulation through recycling.

**Value Provided by Our Expo 2025 Osaka, Kansai, Japan Exhibition**

Our group participated in Expo 2025 Osaka, Kansai, Japan (Expo 2025), through both the Best Practices program and the Future Life Experience (FLE) presentation unit. At FLE, we conducted booth exhibits and workshops, under the theme "Future Living: The Great Potential and Value Creation of Paper," where we showcased paper's affinity with the environment, and its value and potential as a communication tool.

**Direct Value**

- Dispelled misconceptions surrounding the use of paper and its impact on the environment.
- Raised awareness of the role of paper in learning and daily life, and encouraged future demand by promoting paper as a preferred material choice.

**Economic Value**

- Redefined paper and paper products as a "preferred material."
- Enhanced brand recognition of our group through visitors' social media sharing

**Social Value**

- Dispelled misconceptions concerning paper and its environmental impact.
- Experimented with how we communicate the diverse value of paper (play, learning, communication).
- Contributed to a circular society by reducing waste and promoting recycling in tandem.



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Ability to Make Proposals

Implementing Experiential Solutions At Our Expo 2025 Exhibition

At the FLE exhibition at Expo 2025, we created a booth constructed entirely from paper materials to embody a circular society, while also conveying the environmental friendliness of paper through paper yarn uniforms and parent-child workshops. In particular, workshops such as our original notebook making workshop, and limited events like the ones that featured corrugated boxboard helmets and paper time capsules, and our paper instrument experience, proved extremely popular, and were shared widely on social media, demonstrating the strong potential of paper products. Stage presentations were structured as quizzes plus performances, and dispelled misconceptions surrounding paper and its environmental impact. We also distributed notebooks and paper pens to 200 visitors, and earned high praise from the Japan Association for the 2025 World Exposition.

Capital Input Utilized

 Human Capital

New ideas and teamwork generated through collaboration across different divisions and generations

Technological Strengths

Recycling Everything From Exhibition Booths to Difficult-To-Recycle Paper to Embody a Circular Society

Our group company, Corelex Shin-Ei Co., Ltd., supported the Future Society Showcase Project at Expo 2025, providing a system that collected wastepaper generated at the venue, recycled it into toilet paper, and supplied it back to the Future Life Zone. Also, the materials from our FLE exhibition booth were reprocessed by Corelex Shin-Ei Co., Ltd. and were then used as toilet paper in the west area of the Expo 2025 site. Looking ahead, there are concerns that the growth of high-performance paper as an alternative to plastic will increase the volume of difficult-to-recycle paper. Through recycling difficult-to-recycle paper in this way, our group is helping to reduce incinerated waste, thereby promoting decarbonization and resource circulation.

Capital Inputs Utilized

 Intellectual Capital

Extracted only paper fibers from difficult-to-recycle paper using proprietary foreign substance removal technology.

 Natural Capital

Sustainable use of materials that contribute to a circular society

Organizational Capabilities

Unlocking the Potential of Paper Through Nationwide Teamwork and Partnerships

This project began as an initiative led by the Kansai Branch and developed into a company-wide project involving employees across different generations and divisions, mainly younger members, from all over Japan. Collaboration among divisions that normally have little interaction created opportunities to strengthen employee initiative and communication skills. In particular, by actively cooperating in areas such as workshop management, stage performances, and visitor support, we regard the initiative as contributing to company-wide talent development and training. We also collaborated with a wide range of external partner companies. Furthermore, as TEAM KAMIITO, we applied together with ITOI LSR Co., Ltd. for the project “Creating a Future Wearing Paper Yarn Products.” The project was selected as a Best Practice, thereby promoting new value and possibilities for paper internationally.

Capital Inputs Utilized

 Human Capital

Initiative and dynamism of employees, mainly young members, who participated from all over Japan

 Social and Relationship Capital

Collaboration with diverse partner companies such as Misuzushigyo Co., Ltd., KYOWA Corrugated Cardboard Co., Ltd., Crown Package Co., Ltd., Yamaha Corporation, and Yamada Paper Tube Co., Ltd.

## Innovation

Sharing with the next generation  
Creating new value

Please also visit the OVOL Insight and  
News Release sections of our website.  
<https://www.kamipa.co.jp/eng/insight/>



### Value Creation Example

# 2

## Generating New Demand for Paper by Providing Unique Paperization Solutions

### Strengths Demonstrated

#### Ability to Make Proposals

- Solution proposals focused on paperization, paperization aimed at reducing and eliminating plastic
- Hypothesis-driven sales conducted closely with customers
- Active dissemination of information

#### Organizational Capabilities

- Diverse capacities from being a group of companies that develop a broad range of businesses centered on paper

### Capital Inputs



#### Human Capital

Innovation-focused personnel



#### Financial Capital

Improved capital efficiency through cross-group initiatives



#### Manufactured Capital

Production facilities equipped with papermaking, processing, and recycling technologies that use wastepaper as a raw material.



#### Intellectual Capital

Culture of sharing specialized knowledge and know-how



#### Social and Relationship Capital

Partnership networks and trust-based relationships



#### Natural Capital

Utilization of sustainable raw materials

### Value Provided by Our Paperization Solutions

Through our proposals for paperization products that balance environmental conservation efforts with functionality, our group is contributing to solving societal issues while driving business growth.

#### Direct Value

- Discovering and redefining the potential of paper to expand its areas of application.
  - Enhancing product value through new ideas and proposals.
  - Developing new markets through collaboration both within and beyond the group.
  - Providing high-value-added products that combine environmental considerations with design appeal.
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- Recognition for environmental awareness, design, and practicality, with the Kami-Air Design Window receiving the Minister of Economy, Trade and Industry Award, one of the JAPAN STAR Awards (equivalent to the highest honor) at the Japan Packaging Contest.
  - Launching eco-friendly paper packaging under the original brand "Kami Eco®," and helping customers to showcase their environmental consciousness.

#### Economic Value

- Enhancing value and strengthening profitability by adding brand value to paperization products.
- Driving new product and technology developments and market creation through collaboration inside and outside the group.

#### Social Value

- Reducing environmental impact by reducing and eliminating plastic use.








### Ability to Make Proposals

## Implementing Hypothesis-Driven “Paperization” Solutions

Our Paperization Business Group has deliberately included the word “paperization” in its name to clearly emphasize the new value of paper we are working to create both within and outside the company. This simple yet powerful name embodies not only the idea of reducing or eliminating plastic and addressing environmental issues, but also the belief that switching to paper can increase the value of packaging, improve logistics efficiency, and enhance design appeal. To realize such high-value-added proposals, we established a “business development” operational style, in which we formulate hypotheses on-site, implement them, and quickly refine them based on customer feedback. With flexible thinking and swift action, we are creating new applications and generating value that goes beyond conventional notions of paper.

Capital Inputs Utilized	 <b>Human Capital</b>	Employees of group companies with extensive work-site experience and high levels of expertise
	 <b>Intellectual Capital</b>	A corporate culture that shares know-how both inside and outside the company and creates new value through mutual learning
	 <b>Social and Relationship Capital</b>	Networks built on trust

### Organizational Capabilities

## Further Unlocking the Possibilities of Paper Through Collaboration

Creating value that transcends conventional perceptions of paper requires close collaboration among group companies and effective utilization of diverse forms of capital. A symbol of this is the Kami Eco® Apparel Pack (photo far right), which brings together our unique creativity and proposal capabilities. The Kami Eco® Apparel Pack uses Ecopia, a recycled paper made entirely from containerboard waste and produced by group company Eco Paper JP Co., Ltd. While Ecopia has traditionally been used as cushioning for e-commerce packaging, we have harnessed its characteristics to plan and propose the Kami Eco® Apparel Pack as a solution that simultaneously reduces environmental impact and enhances brand value. Specific proposal activities included identifying potential customers through our service site Paper & Green, as well as actively creating opportunities to engage with clients and end users, such as participating in exhibitions and giving presentations at seminars. As a result, we received high praise from the distribution and apparel industries, achieving trademark registration and series development for Kami Eco®, and thereby opening new markets for us as a high-value-added product. Going forward, the group will continue to advance unique paperization solutions and expand partnerships based on shared commitment and collaboration, which will serve as the driving force for creating our next businesses.



Part of the Kami Eco® Series

Capital Inputs Utilized	 <b>Human Capital</b>	Employees of group companies who possess flexible thinking, sound judgment, and the ability to act quickly
	 <b>Manufactured Capital</b>	Production facilities equipped with papermaking, processing, and recycling technologies that bring environmental impact reduction ideas to life
	 <b>Intellectual Capital</b>	Expertise in material development and technology utilization. Repeated prototyping of processed products and investment in material development
	 <b>Social and Relationship Capital</b>	Cross-industry partnerships both inside and outside the company, linking raw material suppliers, processors, distributors, and even designers