Section 1

Our Value Creation Story

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Message from the President



Steadily Advancing the Development of Mechanisms and Measures with an Eye Toward OVOL Vision 2030

Akihiko Watanabe
Representative Director, President & CEO

Progress of OVOL Medium-term Business Plan 2026

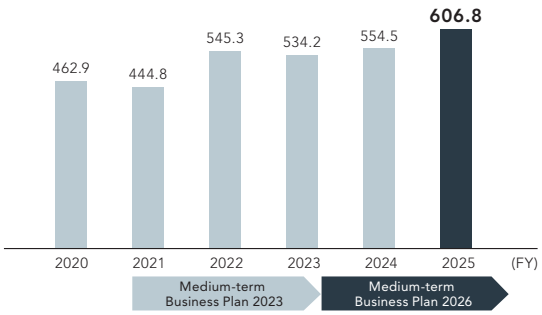
Since fiscal 2024, the group has been promoting OVOL Medium-term Business Plan 2026. We have positioned this plan as a three-year period for building mechanisms and measures that will allow us to achieve OVOL Vision 2030, with a target of JPY 22.0 billion in consolidated ordinary profit for the final year. Over the past two years, we have steadily advanced initiatives by group companies in each of our business segments, including Non-Japan Wholesaling, Paper Manufacturing & Processing, and Raw Materials & Environment. At the same time, we have been working to build a foundation for medium- to long-term growth by pursuing measures such as promoting sustainable management, strengthening financial and capital strategies, and investing in human capital. Still, at Japan Pulp & Paper, we also recognize that progress in developing new mechanisms and measures that go beyond conventional approaches has been slower than expected. For this reason, at the General Meeting of All Executives in May 2026, I issued instructions to further accelerate the pace of change and take our initiatives a step further.

In terms of business performance, profit decreased substantially at all profit levels in fiscal 2025. Looking at performance by business, results were generally challenging, except for the household paper business in the Paper Manufacturing & Processing segment. In the Non-Japan Wholesaling segment in particular, the significant losses recorded at our German subsidiaries acquired in November 2024 were a major factor weighing on consolidated results.

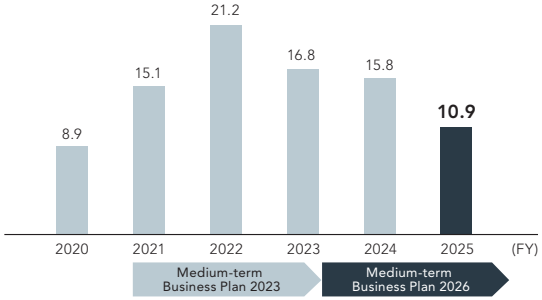
Fiscal 2026 is the final year of OVOL Medium-term Business Plan 2026, and we expect a significant increase in profit, driven by improved performance in Non-Japan Wholesaling. However, in addition to demand and selling prices continuing to remain below our initial assumptions in markets outside of Japan, we will also incur expenses associated with the relocation of our head office. Consolidated ordinary profit is therefore expected to remain at around JPY 15.0 billion. As a result, achieving the targets of OVOL Medium-term Business Plan 2026 has become extremely challenging. Despite these circumstances, the group positions DX, human capital investment and improved engagement, and M&A as three important growth drivers and will continue to build on and accelerate the initiatives we have undertaken thus far. In particular, we are promoting DX as one of our most important management issues, driven by a strong sense of urgency and an understanding that delays in such initiatives could directly undermine our competitiveness. Regarding M&A, we will accurately identify promising opportunities and execute acquisitions swiftly.

While the current business environment is seeing price revisions being implemented in response to rising costs both in and outside of Japan due to the situation

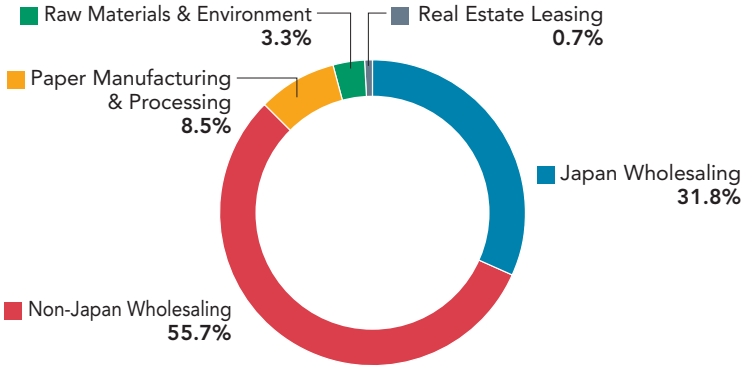
Revenue (Billions of yen)*1, 2



Ordinary Profit (Billions of yen)*2



Revenue from External Customers by Business Segment (FY2025)



*1 From the fiscal year ended March 31, 2022, Accounting Standard for Revenue Recognition (ASBJ Statement No. 29) has been adopted. Accordingly, "Net sales" is now presented as "Revenue." Revenue for the fiscal year ended March 31, 2022 decreased compared with the previous fiscal year. Net sales calculated according to the former accounting standard, however, would have increased by JPY 58.8 billion, or 112.7% year on year, to JPY 521.7 billion. *2 Due to the impact of the COVID-19 pandemic, Medium-term Business Plan 2023 was launched in fiscal 2021 (the year ended March 31, 2022). *3 The above figures are rounded to one decimal place.

in the Middle East, we believe the direct impact on the group's businesses remains limited. On the other hand, we recognize that the greatest risk is that the situation in the Middle East triggers a slowdown in the global economy, leading to a decline in paper demand, and we are closely monitoring future developments.

We began formulating the next medium-term business plan in the summer of 2026 to better ensure our realization of OVOL Vision 2030. Our underlying thinking remains unchanged. By steadily advancing the development of mechanisms and measures that support sustainable growth, we will further enhance corporate value.

Achieving OVOL Vision 2030

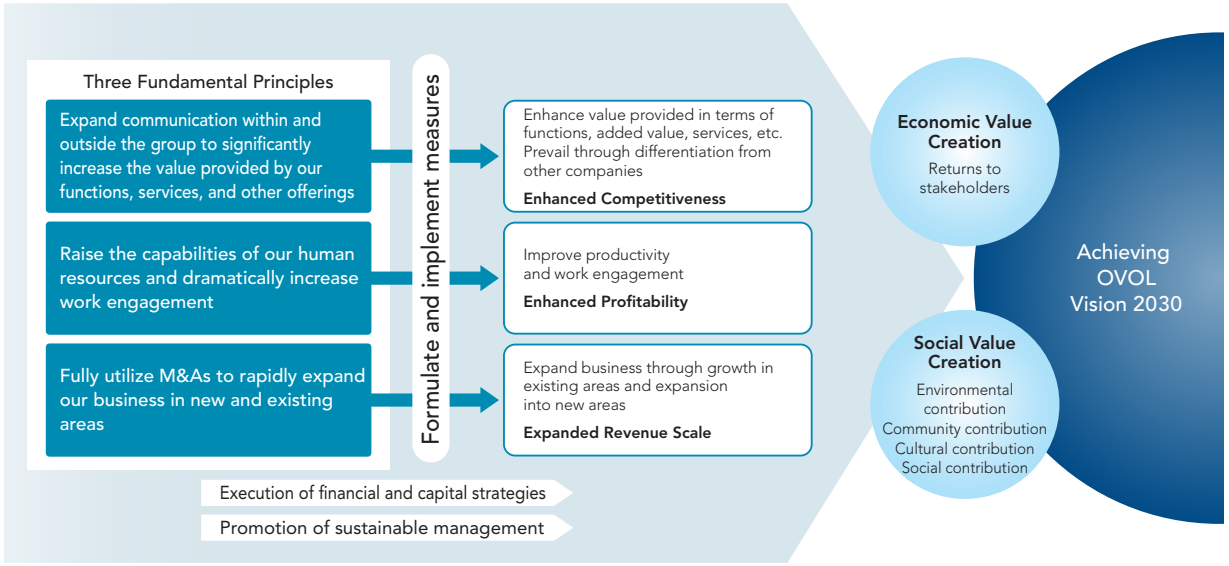
With the acquisition of leading paper merchants in France and Germany in November 2024, we made significant progress in terms of building a global business platform. Likening the path to achieving OVOL Vision 2030 with climbing a mountain, from a qualitative perspective, we believe that we are nearing the summit (level 8/10). From a quantitative perspective however, we recognize that we have fallen back to about halfway down the mountain (level 5/10), as profit levels temporarily declined due to the sluggishness in the UK and Oceania businesses and the poor performance of the acquired German subsidiaries. By pursuing additional structural reforms at the German subsidiaries along with efforts to implement appropriate pricing measures for graphic paper primarily in the European market, from a quantitative perspective, we aim to recover to over halfway back up the mountain (level 6/10) in fiscal 2026 and to raise this quantitative progress to nearing the summit again (level 8/10), in line with our qualitative progress in fiscal 2027. Furthermore, in addition to the complementary M&As we have continuously carried out to date, it will be necessary to undertake at least one large-scale strategic M&A transaction that will significantly accelerate growth in order to reach our goal from our position just below the summit (level 8/10).

Achieving OVOL Vision 2030 will, however, require not only expanding the scale of our businesses but also strengthening the management foundation that supports them.

For this reason, the group positions the three areas of offensive and defensive DX, human capital investment and engagement, and M&A as important growth drivers for achieving its long-term vision and is focusing its efforts on them.

We regard the first area, offensive and defensive DX, as a critical management issue that will determine the company's future. The foundation for promoting DX throughout the company is steadily being put in place, including establishing a DX promotion structure and formulating the DX Grand Design. Going forward, we will put these initiatives into practice and accelerate the generation of results by building on a series of small successes. Our first step will be to advance defensive DX, which aims to improve operational efficiency and reduce costs while allocating the time freed by these efforts to strengthening communication both across the group and with external stakeholders, thereby leading to top-line growth. Offensive DX, on the other hand, will

OVOL Medium-term Business Plan 2026



take more time to produce results, but it is nevertheless an important initiative for establishing a competitive advantage in the future. In addition to enhancing differentiation and strengthening competitiveness, we aim to use it as a tool to improve employee motivation and engagement, further sharpen our sales capabilities, and build mechanisms that reinforce our points of contact with customers. At the General Meeting of All Executives in May 2026, one of our sales divisions shared an example of its implementation of a proprietary DX tool. Although the tool is still under development, its concept and direction align with the company's goals. We are greatly encouraged by this rising trend of employees on the ground taking the initiative, identifying issues on their own, and seeking to solve them through the use of DX.

Corporate management is taking the lead in advancing various measures in the second area of human capital investment and engagement, which includes our personnel system, and progress is outpacing the targets set in OVOL Medium-term Business Plan 2026. We are also strengthening information sharing with employees by pursuing initiatives such as holding discussion sessions with the president, providing opportunities to view global meetings with our group's non-Japan wholesaling companies online, and holding meetings between divisional and branch general managers. These initiatives are helping to build a shared awareness of the issues facing each business and a shared commitment to achieving OVOL Vision 2030, while also fostering a sense of ownership among employees and motivating their career development. The discussion sessions with the president were launched in the fall of 2024 in response to engagement survey findings identifying issues with middle management's coordination function between management and employees on the ground. Initially, we focused on strengthening information dissemination to ensure that management policies permeated the organization. However, we realized that one-way communication alone made it difficult to gain employees' understanding and empathy. Based on that experience, we came to believe that we needed opportunities for face-to-face, two-way discussions rather than one-way communication. As we continued to hold these discussion sessions, participants made comments such as "For the first time, I actually understood the intent of the long-term vision." I myself came to realize that management's thinking and the company's direction were not being communicated as fully as I had imagined. That is precisely why, based on the recognition that communicating a message does not necessarily mean it has been understood, we are continuing to hold two-way discussions, including Q&A sessions, in a variety of forums. I feel that interest among many employees is increasing as a result and that the number of employees who think for themselves and act with a sense of ownership is steadily growing.



Dialogue sessions between the president and employees

The third growth driver is M&A. To achieve our long-term vision of becoming the world's leading paper distribution group, it is essential that we execute strategic M&As of a certain scale in addition to the complementary M&As we have accumulated to date, and we are currently evaluating specific opportunities.

In terms of growth investments, we have set out an investment plan totaling approximately JPY 80.0 billion over three years, but actual investment in fiscal 2024 and 2025 amounted to only JPY 30.9 billion. We intend to actively pursue strategic M&As, primarily outside Japan, to expand our earnings scale and further extend our business areas.

Transitioning to a Business Model Built to Outlast the Competition

In the Non-Japan Wholesaling segment, changes in the business environment have led to a relative decline in the importance of trading functions in paper distribution. Under these circumstances, we believe that developing merchant businesses rooted in each market is essential for establishing a presence and capturing global demand. As demand in the graphic paper market continues to decline, particularly in developed countries, the consolidation of merchants and the exit of weaker players are also accelerating. The group views these changes in the business environment as an opportunity to strengthen our competitive position and aims to capture the benefits of industry consolidation by securing a top-three position in each market. We are also expanding our business areas into peripheral products that can utilize merchant functions such as inventory, distribution,

e-commerce, and finance, thereby diversifying our earnings base. In addition to strategic M&As, we are continuously pursuing complementary M&As in areas such as sign & display, flexible packaging, and industrial packaging, and we are working to establish our position as a leading merchant in major markets, build a global network, and generate further synergies in order to achieve this.

The most pressing issue currently facing the Non-Japan Wholesaling segment is the turnaround of the German subsidiaries acquired through a strategic M&A. As the first phase of their large-scale structural reforms, the companies significantly consolidated their logistics bases. However, these efforts have yet to yield sufficient results, partly due to rising costs stemming from the situation in the Middle East. Although there are no major issues on the procurement side, the subsidiaries have yet to fully regain customers who previously shifted to competitors. Demand for graphic paper in Germany, Europe's largest market, is also declining faster than initially anticipated, so we have determined that further structural reforms are necessary. We are currently increasing the number of personnel dispatched from Japan Pulp & Paper's Tokyo head office and proceeding with a detailed analysis and the formulation of a turnaround plan. Meanwhile, signs of improved profitability are emerging, driven by higher selling prices amid the situation in the Middle East. Although the pace of performance recovery is below the initial plan, we expect the subsidiaries to achieve monthly profitability within the fiscal year. The French subsidiary, meanwhile, has consistently recorded profits since its acquisition and is performing steadily. The subsidiaries in both France and Germany operate sign & display businesses, while one of the subsidiaries in Germany also engages in the packaging business. As in other markets, we plan to use complementary M&As going forward to shift toward an earnings structure in which peripheral products can offset the declining demand for graphic paper. However, our capacity to invest in peripheral product areas is currently limited, so we are prioritizing the turnaround of the core business for the time being. After achieving early performance recovery and stabilizing the business foundation, we will pursue business-area expansion through complementary M&As and steadily advance our global strategy.

As for the Japan Wholesaling segment, its business structure is highly influenced by the sales policies of paper manufacturers. In fiscal 2025, our market share declined significantly due to our implementation of price revisions ahead of competitors in coordination with our major supplier manufacturers. Rising costs such as personnel and logistics expenses further resulted in a decline in profit. In fiscal 2026, however, as manufacturers other than our major suppliers have moved ahead with price revisions, we will seize this opportunity to improve distribution margins and recover market share. In the Japanese market, demand continues to decline while costs rise, making industry restructuring unavoidable. In this environment, our basic strategy is to capture the benefits of consolidation by remaining a leading player. While we believe that the manufacturer-distributor model unique to the Japanese market will remain in place, distribution margins are likely to continue to face downward pressure. Our goal is to secure sustainable competitiveness in this environment while further strengthening relationships and collaboration with strategically important paper merchant partners. To achieve this, we are advancing horizontal and vertical integration and developing initiatives, primarily in western Japan, to enhance merchant functions similar to those outside of Japan. We must also look further downstream in the supply chain. Looking at the printing industry as an example, we expect the exit of small- and medium-sized companies and their consolidation toward larger companies to continue, leading to a concentration of paper demand. As transactions with large companies are expected to become concentrated among paper mill agent distributors handling large volumes, we will enhance our competitiveness by simultaneously expanding our scale as a distributor and strengthening our merchant functions.

As the "expansion of communication and enhancement of the value provided" is one of the fundamental principles of OVOL Medium-term Business Plan 2026, one specific initiative we are pursuing is to reaffirm the value and capabilities of paper and pass them on to the next generation. Although these measures will not directly lead to short-term profits, we believe they are important initiatives that will help stimulate paper demand over the medium- to long-term. We will work to enhance the overall presence of the paper manufacturing and distribution industries by indirectly contributing to the development of diverse industries that use paper, including publishing, packaging, education, and e-commerce, while broadening understanding of the value of paper. By also promoting an appreciation of the environmental value of paper, we hope to foster environmental awareness across society and help accelerate efforts toward decarbonization and biodiversity conservation.

The on-site classes we conduct to convey the

benefits and enjoyment of paper to children were developed into a package in the second half of 2025 that can be provided to paper merchants, establishing a structure that enables a nationwide rollout. In addition to increasing the number of classes we conduct ourselves, we hope to increase the number of paper merchants participating in this activity going forward, and several companies have already expressed their intention to participate. These activities will allow us to broaden public understanding of the functions and environmental performance of paper while also strengthening our relationships with merchants. Although it will take some time for these initiatives to contribute to earnings, we hope to cultivate them into a unique company strength and a key differentiating factor that will help us outlast the competition over the long term.

Promoting Sustainable Management

Sustainability initiatives are being advanced throughout the group under the strong leadership of the Corporate Sustainability Division and the Personnel Department, with progress toward achieving the quantitative targets set out in OVOL Medium-term Business Plan 2026 proceeding smoothly.

We are also making steady progress toward our medium-term GHG emissions* reduction target for fiscal 2030. While the measures implemented to date have delivered some results, the scope for further improvement through existing initiatives is gradually becoming more limited. Further-reaching measures will be necessary to achieve our long-term target of carbon neutrality by 2050, and implementing these measures will require large-scale investment. Therefore, we will steadily advance our initiatives, first by enhancing corporate value through the realization of OVOL Vision 2030 while also looking ahead to the realization of a sustainable corporate group.

In order to strengthen human capital under our corporate slogan “Paper, and beyond,” we position the development of human resources capable of supporting the expansion of business areas centered on paper as an important management issue. Maximizing the potential of our current employees will allow us to develop the human resources needed to enact our growth strategy, and we are working to enhance our human resource capabilities, with on-the-job training as a core component. We will also further enhance our human resource capabilities through measures such as sharing and expanding knowledge through job rotations within the group, enhancing external training programs, and incorporating external expertise through mid-career recruitment. In addition, we hope that expanded communication will encourage new insights and increase each employee’s motivation for their career development. As part of these efforts, we are advancing initiatives such as discussion sessions with the president and providing opportunities to watch global meetings, which are attended by the company’s management, non-Japan wholesaling group companies, and executives of the International Business Division. At the meeting held in March 2026, participants discussed policies and initiatives to achieve OVOL Vision 2030. We have established a system that allows interested employees to view these meetings online, enabling them to gain a broad understanding of developments across the group and management’s thinking.

We want employees to recognize that the opportunities available to them to excel extend beyond their divisions across the entire group, and to use this as a catalyst to think proactively about their career development. Through these initiatives, we will strengthen vertical and horizontal information sharing and communication across the organization and more accurately identify customer and market needs, leading to greater value creation as an organization. Human resource development measures for personnel outside Japan, including job rotations, are also making steady progress, and the number of personnel capable of playing active roles in markets outside of Japan is steadily increasing. Compared with earlier periods, I feel that human resource development is beginning to function more systematically across the organization.

As a measure of the positive results of enhancing human resource capabilities and work engagement, we have already achieved the BBB score target set out in OVOL Medium-term Business Plan 2026, as measured by our regularly conducted engagement survey. However, this is merely a milestone rather than the ultimate goal. We are aiming for further improvement and, beginning with the fiscal 2026 survey, we will conduct multifaceted analyses by category such as department, rank, and job type, in order to identify issues in greater detail and continuously implement highly effective measures to address them. The activities mentioned earlier that promote the value of paper are contributing not only to more active internal communication and stronger collaboration between divisions, but also to enhancing our presence within the industry and creating social value, and as a result, are also leading to improved engagement.

The relocation of our head office, scheduled for

* Scope 1 and 2 emissions for Japan Pulp & Paper and its consolidated subsidiaries

February 2027, is another important initiative. The new office environment will improve the quality and frequency of communication both within and outside the company, invigorating information sharing and collaboration and thereby contributing to the advancement of sales strategies and improvements in operational productivity. From the perspective of our recruitment capabilities, we also expect it to be an important factor in enhancing the company's attractiveness and appeal.

In terms of corporate governance, for the past three years we have set aside time for free discussion at the beginning or end of Board of Directors' meetings, during which information is proactively shared, including negative information. Outside Directors and Outside Audit & Supervisory Board Members provide frank and constructive opinions on concerns and key issues, contributing to the enhancement of sound management. The active discussions held at the Board of Directors' meetings are focused on growth strategies and growth investments, post-acquisition business monitoring, risk management, IT controls, and governance of acquired companies. On issues that may be difficult for internal officers to address in depth, outside officers provide rigorous advice and opinions informed by a strong sense of urgency. Their input serves as an important guide for management decision-making.

Strengthening Shareholder Returns and Dialogue with Individual Investors

Over the past year, the company's share price has risen, and PBR is currently hovering at around 1.0x. However, I am not personally satisfied with this level. Even after taking into account the unrealized gains embedded in our real estate holdings, I believe our corporate value merits a PBR above 1.0x. PER has also risen to a level broadly in line with the industry average and is currently hovering at around 15x. However, I believe there remains further room for improvement in the market's assessment of our corporate value if we can more clearly demonstrate the progress and results of strategic M&A initiatives, including those undertaken outside of Japan, and deepen the market's understanding of the company's future vision. We are also reducing our cross-shareholdings, and as part of this effort, we aim to expand our base of stable shareholders by encouraging more individual investors to become long-term supporters of the company and hold our shares over the long term. To this end, we are strengthening shareholder returns through enhanced dividends and the acquisition and cancellation of treasury shares, while also clearly communicating the company's strengths and growth strategies through measures aimed at individual investors such as holding briefings and launching a dedicated webpage.

A Message to Shareholders, Investors, and Other Stakeholders

In OVOL Vision 2030, we have set out three goals: to be the world's leading paper distribution group, a group that contributes to a sustainable society and the global environment, and a corporate group that strives to be considered a trustworthy and engaging partner both within and beyond the paper industry. In Japan, we will establish an overwhelming competitive advantage as a paper distribution company by securing the benefits of industry consolidation, while outside of Japan, we will expand the scale of our businesses by continuing to undertake complementary M&As and implementing strategic M&A initiatives. By continuing to address sustainability with sincerity, we will endeavor to become a trustworthy and engaging company that transcends the boundaries of the paper industry and work to enhance engagement with all stakeholders, including executives and employees. In order to make OVOL Vision 2030 a reality, we will steadily implement the initiatives outlined in OVOL Medium-term Business Plan 2026 and continue our efforts to achieve sustainable growth in corporate value. We therefore ask for the continued understanding and support of all our stakeholders, including shareholders and investors.



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.

1845–

Japan Wholesaling

1845
Founded as a traditional Japanese paper (washi) merchant

1876
First in Japan to trade in domestically produced machine-made paper

Non-Japan Wholesaling

1899
First overseas business site established in Shanghai

1970–

Japan Wholesaling

1979
IT systems developer JP Information Center (now OVOL ICT Solutions) established

Raw Materials & Environment

Expansion into the wastepaper recycling business and development of circular businesses

1973
JP Resources (now Fukuda Sansho) established

Company-Wide

1970
Organizational foundation expanded through merger

1972
Listed on the Tokyo Stock Exchange

2000–

Paper Manufacturing & Processing

2003
Taiho Paper and Oriental Asahi JP Carton Box join the group, establishing a foundation for the containerboard manufacturing business

2007
Taiho Paper (Kawabe Biomass Power Generation) commences operation of a woody biomass plant

2009
Eco Paper JP acquires a paper manufacturing business and strengthens the manufacturing business for containerboard and other products

Raw Materials & Environment

2007
Eco-Port Kyushu established, marking entry into the comprehensive recycling business

2010–

Non-Japan Wholesaling

Expansion of the Non-Japan Wholesaling segment

2010 Gould Paper joins the group, expanding our business foundation in North America

2017 Ball & Doggett Group joins the group, expanding our business in Oceania

2019 Premier Paper Group joins the group, establishing a business foundation in the UK

Paper Manufacturing & Processing

2011 Corelex Group joins the group, marking our entry into the recycled household paper business

Raw Materials & Environment

Strengthening the Raw Materials & Environment Business

2015 Launched the solar power generation business

2016 Expansion of the woody biomass power generation business foundation

2017 Fukuda Sansho joins the group, expanding our wastepaper recycling foundation

Company-Wide

2017 Launch of group brand OVOL

2020–

Japan Wholesaling

2023
OVOL Bridges 2023 held, launching the on-site classes, workshops, and paper study group projects

Non-Japan Wholesaling

2024
Five European companies join the group, expanding our paper distribution network in Europe

Company-Wide

2021
OVOL Vision 2030 formulated

2025
Formulation of Japan Pulp & Paper's DX Grand Design and promotion of digital transformation

Three Strengths

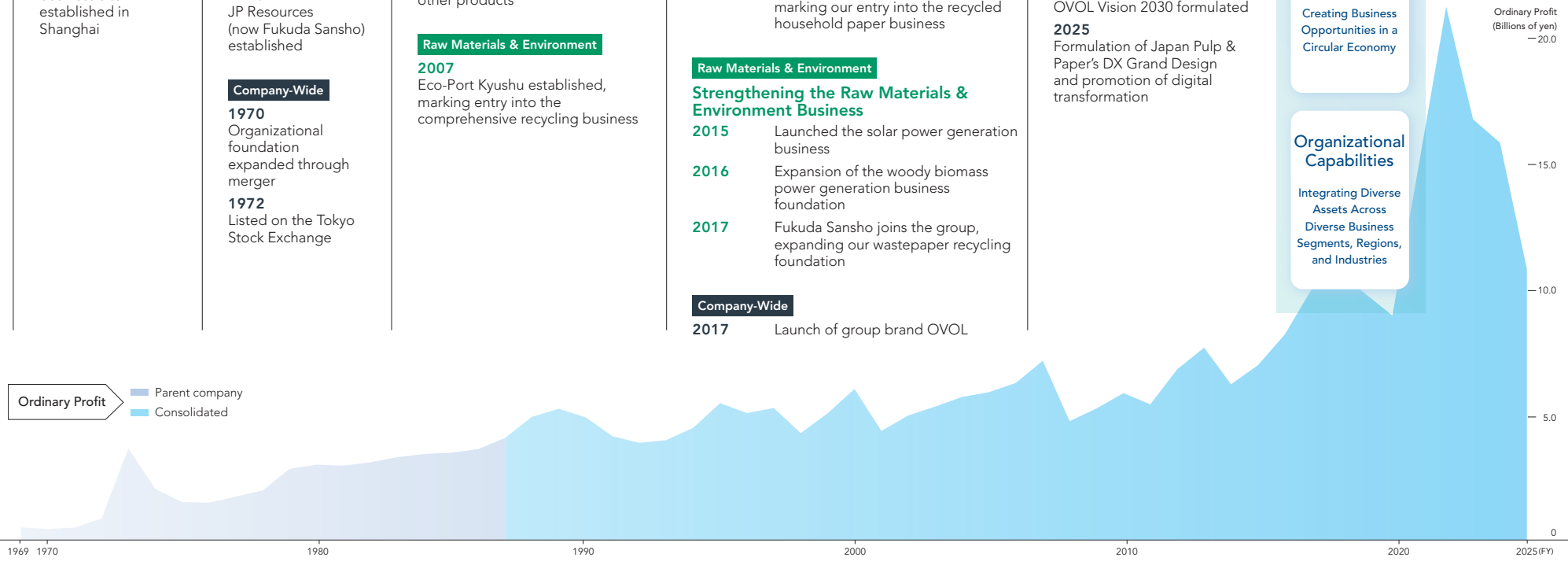
▸ Page 20

The Ability to Make Proposals
Pursuing the Possibilities of Paper

Technological Strengths
Creating Business Opportunities in a Circular Economy

Organizational Capabilities
Integrating Diverse Assets Across Diverse Business Segments, Regions, and Industries

FY2025
Consolidated Ordinary Profit
JPY 10.9 billion



Value Creation Process

The Japan Pulp & Paper Group has established a value creation process that involves envisioning the external environment from 2030 to 2050 and backcasting from this long-term perspective.
By continuing to implement this value creation process, we will realize OVOL Vision 2030 and achieve our goal of becoming a sustainable corporate group.

Our Mission
Carving a better future for society and the environment.
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
- Growing demands for companies to strengthen sustainability initiatives and the establishment of legal requirements for ESG disclosure
- Diversification of the functions, value, and uses of paper
- Progress of digitalization

Material Issues ▸ Pages 59 to 61

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

Capital ▸ Pages 18 to 19

Human Capital
Quality human resources befitting an industry-leading company

Financial Capital
Sound financial base and ability to procure funds

Manufactured Capital
Optimized sites and facilities around the world

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

Social and Relationship Capital
Networks and relationships with business partners and communities built over more than 180 years

Natural Capital
Natural resources such as wood, as well as fossil fuels, and processed materials derived from nature

Strengths We Have Cultivated ▸ Page 20

- Ability to make proposals
- Technological strengths
- Organizational capabilities

Three Elements Achieved During Medium-term Business Plan 2023

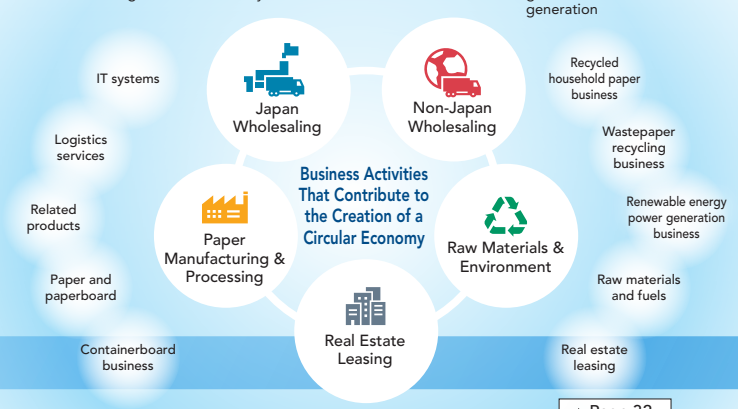
- Robust financial strength
- Stable earning power
- A global platform

The Group's Business Activities and Products / Services ▸ Pages 21 to 22

Sustainability
Utilizing resources
Creating a circular economy

Globalization
Transcending borders
Rooted in local communities

Innovation
Creating new value
Sharing it with the next generation



Fundamental Principles of OVOL Medium-term Business Plan 2026 ▸ Page 32

Expand communication within and outside the group	Raise the capabilities of our human resources	Fully utilize M&As
↓	↓	↓
Enhanced competitiveness	Enhanced profitability	Expanded revenue scale

A global platform
Trust
Integrity, fairness, and harmony

Value Provided ▸ Pages 23 to 24

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_2 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_2 emissions reduction and biodiversity conservation

Economic Value Creation
Social Value Creation

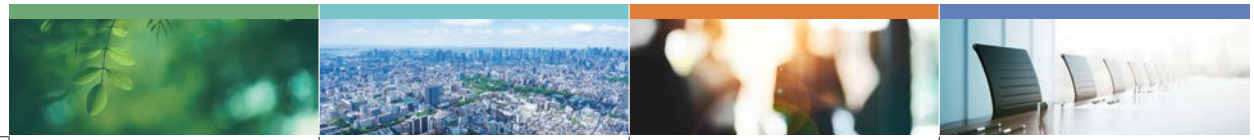
OVOL Vision 2030

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Initiatives Addressing Material Issues and Value Provided

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.” By addressing material issues through the use of each of our forms of capital, we are creating the group’s unique value while also strengthening those forms of capital.

Relationship Between Material Issues and Capital



Material Issues / Capital	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
Human Capital	Develop human resources capable of taking independent action on environmental issues such as climate change and resource recycling, thereby achieving a reduction in environmental impact and the creation of environmental value.	Promote responsible procurement in collaboration with business partners and partner companies by drawing on the expertise of specialists in human rights, safety, and environmental stewardship, thereby creating social value throughout the supply chain.	Foster improved employee engagement through respect for diversity, human resource development, and consideration for health and safety.	Enhance organizational responsiveness to corporate risks by fostering a corporate culture based on ethical awareness and a strong commitment to compliance with laws and regulations.
Financial Capital	Achieve both the reduction of environmental risks and the creation of business opportunities through proactive investment.	Advance coexistence and shared prosperity with society through investments that focus on generating social value, including employment opportunities, collaboration with local communities, and cultural support.	Build a foundation for human resource development as a source of long-term corporate value through strategic investment in strengthening occupational health and safety and in a work environment where diverse human resources can grow and play active roles.	Invest in strengthening risk management systems and internal controls to secure sustainable corporate value.
Manufactured Capital	Realize unique resource recycling by utilizing facilities capable of handling difficult-to-recycle wastepaper and comprehensive recycling facilities to recycle a diverse range of waste.	Develop social infrastructure that supports the safety and security of employees and local communities through plant operations featuring improved facility safety and disaster response capabilities.	Promote employee skill development and the creation of a comfortable workplace by establishing an equipment environment that achieves both safety and productivity, thereby enhancing human capital value.	Strengthen governance that supports safe and secure plant facilities through the establishment of internal standards relating to occupational safety, quality control, and environmental laws and regulations, and thorough compliance with those standards.
Intellectual Capital	Enhance differentiated environmental capabilities through the strategic integration of risk and opportunity analysis for environmental issues, centered on the expertise cultivated through environmental certification and resource recycling businesses.	Systematize expertise in activities promoting the value of paper in a digital society and promote cultural support for local and educational communities.	Through career support and the development of structured human resource management methods, we promote effective strategic human resource management.	Promote the establishment of a highly effective governance system through the accumulation and sharing of knowledge and expertise related to risk management and compliance.
Social and Relationship Capital	Co-create environmental value by promoting resource recycling schemes and paperization solutions originating from dialogue with local communities and partner companies.	Promote respect for human rights and responsible procurement through collaboration with business partners, local communities, and government agencies, contributing to the establishment of a sustainable supply chain.	Foster human resource development and enhanced employee engagement by promoting project collaboration with local communities and revitalizing exchanges both internally and externally.	Maintain and strengthen relationships of trust with stakeholders by reflecting the expectations and requests of shareholders, investors, business partners, and local communities in corporate governance.
Natural Capital	Achieve the sustainable use of resources and biodiversity conservation by visualizing dependencies and impacts on natural capital and implementing response measures.	Realize both the conservation of natural capital and the revitalization of local communities by expanding circular schemes that utilize unused resources and waste within local communities.	Develop human resources capable of proactively addressing environmental issues through educational and awareness-raising activities that deepen understanding of natural capital.	Build a management foundation resilient to environmental risks by deepening understanding of dependencies on and risks to natural capital and linking this understanding to corporate governance.

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_2 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_2 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 the forms of management capital that it has accumulated over the years into the value creation process to support ongoing business activities and further 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** befitting an **industry-leading company** • Number of consolidated employees: **4,705** • Percentage of employees working outside of Japan: **53.5**% • Percentage of female employees (consolidated): **27.0**% • Average years of service of parent company employees: **20.5** 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 **140.9** billion • Interest-bearing debt: JPY **102.1** billion • Net D/E ratio: **0.60**x • Free cash flow: JPY **23.4** 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: **7** • 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 business and using wastepaper for manufacturing and processing to contribute to building 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 & 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 the proprietary technologies of Corelex Group, a recycled household paper manufacturer, thereby contributing to a circular economy. • Boasting 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 more than **180 years** • **Good relationships with communities** near business sites	• Leveraging our unique social and relationship capital, developed from the trust established with business partners over our more than 180-year history, and capitalizing on the recognition across the supply chain and business opportunities this foundation generates. • Striving to maintain and strengthen good relationships with communities near our business sites in and outside of Japan as social and relationship capital essential to enhancing corporate value. • Enhancing social and relationship capital by widely communicating the functions and value of paper, creating both economic and social value, and deepening engagement and collaboration with stakeholders.	• Strengthening collaboration with stakeholders
Natural Capital	• **Wood, water, fossil fuel-derived raw materials, fossil fuels, woody biomass, and solar power**	• Acknowledging the importance of natural capital, including wood, water, fossil-fuel-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

The Ability to Make Proposals

Pursuing the Possibilities of Paper

- The business activities of our group are founded on the trust we receive from our stakeholders.
- One of the key strengths that enables us to respond to this trust is our ability to identify changes in customers and society, uncover latent challenges, and develop proposals that address them.
- Drawing on expertise in paper and related materials, printing and processing, and supply chains that we have cultivated over more than 180 years, we plan and design solutions as well as new products and services tailored to customers' needs and challenges.
- By combining our technological strengths and organizational capabilities and coordinating everything from development through delivery, we turn our proposals into tangible value.

From these foundations, we 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 development to delivery by making use of the optimum products to meet customer needs and our technological strengths to realize the most appropriate processing solution.

Manufacturing

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

Environment

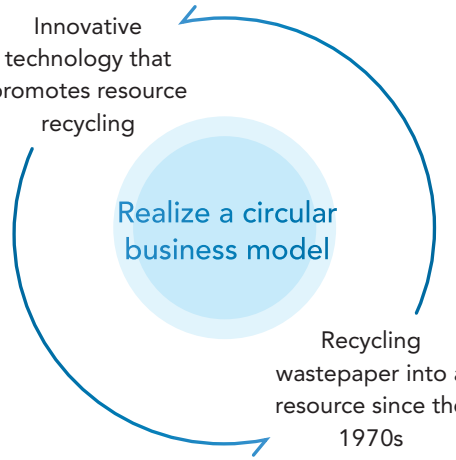
Our ability to make proposals to promote resource recycling is based on the organizational capabilities of the group.

Technological Strengths

Creating Business Opportunities in a Circular Economy

- The group possesses advanced technological strengths centered on wastepaper recycling technologies – a significant advantage in realizing a circular business model.
- We manufacture recycled household paper using our proprietary technologies that enable us to utilize wastepaper that is difficult to recycle as a raw material, while also pursuing technological innovation to further improve production efficiency.

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



Organizational Capabilities

Integrating Diverse Assets Across Business Segments, Regions, and Industries

- Japan Pulp & Paper and its group of more than 130 companies in Japan and throughout the world engage in a wide range of businesses across five segments centered on paper, each possessing its own functions and strengths in areas such as product development, manufacturing and processing, procurement, logistics, and sales.
- The group views its diverse businesses as vertical threads and its globally developed regions as horizontal threads. In response to issues, we bring together the necessary functions, human resources, and networks across departments and regions.
- By organically combining the assets of group companies and partner companies, we develop proposals that could not be realized by a single company or division alone, thereby enhancing the value provided to customers.

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.

Carving a Better Future for Society and the Global Environment

Capital → **Business Activities and Products/Services** → Value Provided

The group is promoting OVOL Medium-term Business Plan 2026 to realize its long-term vision. Under this plan, we are accelerating our growth strategy based on the fundamental principles of expanding communication, raising the capabilities of our human resources, and fully utilizing M&As. We operate five core business segments: Japan Wholesaling, Non-Japan Wholesaling, Paper Manufacturing & Processing, Raw Materials & Environment, and Real Estate Leasing. By linking these segments and promoting Sustainability, Globalization, and Innovation, we aim to build a sustainable society and enhance corporate value.

Sustainability

Utilizing resources
Creating a circular economy

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

▸ **Wastepaper recycling**	In the wastepaper recycling business, with Fukuda Sansho at its core, we have established an efficient collection network and a group-wide resource recycling system through the production of recycled household paper by the Corelex Group and the production of containerboard by Eco Paper JP and Taiho Paper. By consistently handling everything from wastepaper collection to the supply of recycled products, we contribute to the realization of a sustainable society and the promotion of resource recycling.
▸ **Comprehensive recycling**	At Eco-Port Kyushu, 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**	We promote solar power generation at Eco-Power JP and woody biomass power generation businesses at Noda Bio Power JP and other locations to ensure a stable supply of clean and safe electricity. We contribute 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**	Developing diverse local and cross-border businesses based on our global network as one of the world's leading paper distribution companies.
▸ **Optimization and strengthening of local management**	At business sites in each country and region, we seek to establish and operate optimal supply chains while advancing customer service that takes local cultures and business practices into account.
▸ **Product development based on local needs**	We accurately identify the market characteristics and customer needs in each country and region, and promote the development and delivery of products and services optimized for each site.

Innovation

Creating new value

Creating new value
Sharing it with the next generation

▸ **Promoting the value of paper**	To communicate the value and appeal of paper to the next generation, we promote collaborative research with external experts, work to spread and deepen understanding of paper culture through on-site classes at elementary schools and participation in various events, and conduct activities that widely communicate the presence and possibilities of paper to society.
▸ **Proposals for paperization**	We support business partners in their CO_2 reduction and sustainability strategies by proposing paper product solutions, including those on our Paper & Green service website, for packaging, containers, and other applications.

The Group's Business Activities



Value Provided to Stakeholders

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
Executives and Employees	• Stable, long-term employment opportunities • Growth opportunities through education and on-the-job training • Well-being	• Improve engagement by instilling the group's Corporate Philosophy • Extend retirement age • Promote dialogue between management and employees • Create an environment where executives and employees can work comfortably and make the most of their abilities	• Further improve the value we provide
Customers	• Improve the value of customers' products by proposing new products and services such as material mix coordination • Create new business models • Stably procure paper and paperboard • Reduce financial burden and improve creditworthiness by providing trading company finance • Acquire new business opportunities for customers by creating demand through educational activities for consumers and society to reaffirm the value of paper	• Provide an extensive lineup of products to suit all users, needs, and applications • Supply of products at the right price, volume, and time • Global paper and paperboard distribution network • Provide products with low environmental impact that resolve societal issues • Propose new business models for collaboration • Recycle the paper and plastic used in packaging • Hold and participate in events that reaffirm the value of paper and sponsor campaigns related to paper books	• Support customers in improving corporate value, ensuring business continuity, expanding business, and resolving labor shortages • Support customers in developing talent through workshops • Provide logistics functions to industries other than the paper industry
Suppliers	• Consigning sales to the group results in: - A sense of security and reliability - Sales opportunity expansion - Optimized production and reduction of inventory risk - Product development by providing information about market needs - Creation of business opportunities • Stable procurement of wastepaper raw materials	• Revitalize related industries by improving the value of paper through the implementation of educational activities • Create sales opportunities • Enhance wastepaper supply network	• Develop new low-carbon products • Support suppliers in improving corporate value, ensuring business continuity, expanding business, and resolving labor shortages
Shareholders and Investors	• Payment of dividends • Stock price increases through expanded earnings and stronger IR activities	• Realize OVOL Vision 2030 and implement OVOL Medium-term Business Plan 2026 • Promote sustainable management and disclose information in response to requests related to ESG • Progressive dividends with a consolidated payout ratio of 30% and a consolidated dividend on equity ratio of 3% or more • Dynamic and flexible stock buybacks • Strengthen IR activities for individual investors	• Enhance shareholder returns through sustainable growth
Local Communities	• Job creation • Tax payment • Reduce waste by recycling wastepaper • Disaster relief support	• Realize OVOL Vision 2030 and implement OVOL Medium-term Business Plan 2026 • Expand resource collection in cooperation with local governments • Conclude disaster prevention agreements with local governments and establish human resource development funds • Promote activities to increase awareness of the environmental performance of paper through on-site classes at elementary schools and other locations	• Help improve sanitary conditions
Global Environment	• Resource recycling by reusing wastepaper and waste plastic • Promoting the reduction of CO_2 emissions through the use of renewable energy	• Strengthen the recycling business for wastepaper and waste plastic • Manufacture printing paper, containerboard, and household paper using wastepaper as a raw material • Manufacture recycled pulp and recycled plastic materials	• Further improve the value we provide

Indirect Value Provided

The Value We Currently Create		Examples of Initiatives	The Value We Aim to Create in the Future
Culture	• Enhanced enrichment of life through understanding of the true value of paper	• Disseminate research findings with the cooperation of external experts as part of educational activities to increase awareness of the functions and value of paper, its new possibilities, and other benefits • Sponsor campaigns related to paper books • Redefine paper as an environmentally conscious material and communicate its multifaceted value through hands-on exhibitions	• Foster excitement in consumers through the experience of using paper
Education	• Paper as a useful educational tool	• Promote activities to increase awareness of the value of paper through on-site classes at elementary schools and other locations • Hold and participate in events to reaffirm the value of paper	• Further improve the value we provide
Industry	• Ensure stable procurement of paper and paperboard products for a wide range of industries beyond those of our customers • Revitalization of the industry through use of paper-based packaging that is easy to recycle and has lower environmental impact • Contribute to environmental conservation efforts in the supply chain through promotion of recycling • Improve business foundation and the standing of the pulp and paper industry and business partners through educational activities to reaffirm the value of paper	• Ensure stable supply of daily necessities such as printing and graphic paper, household paper, and containerboard • Recycle wastepaper and waste plastic • Sponsor campaigns related to paper books and hold events that reaffirm the value of paper • Fulfill our responsibility to society by addressing business and human rights	• Enhance the corporate value of customers and business partners • Foster excitement in consumers through the experience of using paper
General Consumers	• Opportunities to participate in a circular economy • Stable purchase of daily necessities that are environmentally friendly • Enrichment of daily life through paper and paperboard products	• Support resource recycling in homes and communities through the recycling of wastepaper and waste plastic • Provide opportunities to tour recycled paper manufacturing mills and recycling facilities to promote understanding of paper materials made from renewable resources and linked to appropriate forest management and recycling systems, as well as resource recycling • Provide opportunities to purchase environmentally friendly products at reasonable prices	• Improve consumer environmental literacy about paper through the paper study group
Local Communities	• Revitalization of local economies and environmental conservation • Reduce burden on incineration facilities by recycling wastepaper • Enhance the value of resource recycling initiatives through educational activities to reaffirm the need to recycle	• Establish recycling systems in local communities in cooperation with local governments • Promote understanding of resource recycling by providing opportunities for tours of recycled paper manufacturing mills and recycling facilities • Volunteer and donation activities	• Further improve the value we provide
Global Environment	• Lower CO_2 emissions by reducing waste through recycling • Promote the sustainable use of forest resources through the use of wastepaper materials • Conserve biodiversity	• Contribute to the environment through the group's supply chain, from the collection of wastepaper to the commercialization of products • Reduce CO_2 emissions through efficient logistics and shortening of delivery distances resulting from optimized inventory locations	• Further improve the value we provide

Value Creation Example 1

Communicating the Value and Appeal of Paper to the Next Generation

—Creating New Demand through Exploration and Communication

As the social environment changes significantly with the progress of digitalization, we believe that communicating the value and appeal of paper to society once again and passing them on to the next generation will contribute to the sustainable development of the paper industry. To achieve this, we focus on three activities, namely on-site classes, workshops, and the paper study group, through which we communicate the cultural and environmental value of paper and its role in daily life and society to a wide range of generations. Through these initiatives, we aim to broaden understanding of and empathy for paper while creating new demand and revitalizing the market.

Communicating the Value of Paper to Elementary School Students through On-Site Classes

In collaboration with Gakken Inc., paper merchants, and other partners, we are promoting the “On-site Classes Project” for elementary schools throughout Japan. In addition to the characteristics and appeal of paper, this project explains, in an easy-to-understand manner, paper’s relationship to forests and how recycling works, providing children with opportunities to learn about paper. In fiscal 2025, we developed a lesson package and established an operating framework, with more than 200 participants taking part in these classes, including at an event hosted by a paper merchant in Kanazawa City and at a public elementary school in Tokyo. After the classes, we received a great deal of positive feedback from school personnel and parents, which gave us confidence in our efforts to communicate the appeal and environmental value of paper to the next generation. In fiscal 2026, as we work to further enhance the program content and operating methods, we will establish a framework that can be rolled out throughout Japan in collaboration with paper merchants, thereby creating demand for paper and enhancing its social value.



Holding Workshops to Consider the Future of the Paper Business

Following on from fiscal 2024, in fiscal 2025, 48 participants from 46 companies across Japan took part in lively discussions focused on the future of the paper industry.

In fiscal 2024, these discussions encouraged free thinking concerning new possibilities for paper, while in fiscal 2025, we took the discussion a step further by setting the theme of “creating mechanisms that enable users to discover the appeal of paper and want to use it more.” Participants considered highly feasible plans, including storyboards and income and expenditure plans, incorporating not only the perspective of the paper distribution industry but also that of users who actually use paper. As a result, 12 ideas were generated that could lead to new demand for paper and revitalize local economies.

Through these co-creation activities, we will continue to promote the development of human resources who will shape the future of the paper distribution industry and the formation of new networks, while also creating new market opportunities and strengthening our sustainable business foundation.



Visualizing and Communicating the Appeal and Environmental Value of Paper through the Paper Study Group

The paper study group is continuing its activities to systematically organize and visualize information regarding the multifaceted value of paper and widely communicate the results to society. The Value of Paper team is conducting research into the appeal and historical value of paper books, while also incorporating academic perspectives through collaboration with Professor Shibata of Gunma University and his laboratory. Meanwhile, the Paper and the Global Environment team has also been investigating the relationship between paper and the environment from multiple perspectives to dispel the one-sided stereotype that “paper is bad for the environment.” These findings are distributed as Forum Letters to business partners, including paper merchants, and are also communicated through our website, press releases, event lectures, and other channels.

We believe it is important to communicate the value of paper to society not merely as the value of a material, but as a comprehensive value that also encompasses cultural and environmental values. Going forward, we will continue to engage in dialogue with external experts and business partners and deepen our research activities, thereby promoting understanding of paper and creating new demand.



Value Creation Flow

Capital Input Utilized

Human Capital

- Human resources with specialized knowledge of paper
- Human resources capable of planning and making proposals from the perspective of users, including consumers
- Human resources capable of cross-departmental collaboration

Intellectual Capital

- Knowledge of the history, culture, and uses of paper
- Research findings on the environmental value of paper
- Market information accumulated over many years

Social and Relationship Capital

- Networks with customers, local organizations, and educational institutions such as universities

Initiatives

- In addition to collaboration with Gakken Inc., employees of paper merchants and sports clubs participate as instructors and staff for the on-site classes.
- Workshops are held regularly for paper merchants throughout Japan to consider the future of the paper business together.
- The paper study group continuously disseminates information aimed at promoting the appeal and value of paper by redefining the value that paper creates for people's lives and society from a perspective grounded in everyday life.
  In addition, through collaboration with Gunma University and other institutions, a project framework has been established that covers everything from academic research to dissemination.

Ability to Make Proposals

Redefining the potential of paper and creating new demand

Leveraging the strengths we have cultivated

At the paper study group, in addition to leveraging employees' knowledge of paper materials and applications and their connections with paper wholesalers and users, discussions are conducted from the perspective of the value that paper creates in people's lives and society rather than simply how to sell paper.
Furthermore, by disseminating research findings through Forum Letters, on-site classes, and events, we demonstrate our ability to create new demand for paper and expand the market.

Organizational Capabilities

Connecting diverse knowledge and people to pioneer the future of paper through co-creation

Leveraging the strengths we have cultivated

In addition to members from across the company, we involve a diverse range of internal and external partners, including university researchers, publishers, employees, and local sports clubs, to build a co-creation framework that transcends departmental and industry boundaries.

Direct Value Provided

For customers and business partners

- Enhancing the value of paper products
- Proposing new applications and markets
- Creating sales opportunities that lead to differentiation

For consumers

- Promoting understanding of the appeal of paper
- Creating opportunities to engage with paper culture
- Enhancing understanding of the environmental value of paper

Economic Value Provided

- Stimulating demand by renewing awareness of the functions and value of paper
- Creating business opportunities by deepening relationships with business partners
- Building a platform for generating ideas that create new applications and markets for paper

Social Value Provided

- Passing on paper culture to future generations
- Passing down value to future generations
- Promoting understanding of the environmental value of paper

Value Creation Example 2

More Than Just Selling Materials

—Creating a Plastic-Free Market through Global Procurement Capabilities and the Ability to Make Proposals

By handling molded-pulp containers made from bagasse, the residue left after juice is extracted from sugarcane, the group is capturing new growth opportunities as demand for plastic alternatives rises.
The value we provide goes beyond simply selling materials. By handling everything from developing suppliers outside Japan and quality control to supplying domestic Japanese customers and developing new applications, we are working to create a new market for environmentally friendly containers.

Containers that combine reduced plastic use with convenience

In the food container market, as social demands to reduce environmental impact increase, food manufacturers will require a high level of functionality in terms of quality, safety, and ease of use.

Bagasse molded-pulp containers are upcycled products that make effective use of bagasse, an agricultural waste product. In addition to being water resistant, heat resistant, and suitable for frozen storage and microwave heating, they can also be formed into deep shapes and given built-in partitions that are difficult to achieve with paper containers, and their use is expanding in applications such as frozen food containers.



Value that only Japan Pulp & Paper can deliver

Rather than selling bagasse pulp itself as a material, we have established a system to procure processed containers from outside Japan and supply them after ensuring they meet Japanese quality standards and customer needs.

In the food container field, high safety and quality standards are required, and a stable supply is essential. Through ongoing visits to local factories, the establishment of inspection systems, and the use of third-party inspection agencies, we are working to improve quality and have now achieved stable supply.

Our strength lies in comprehensively coordinating materials, products, quality, and supply networks to transform environmentally friendly materials from outside Japan into products suitable for the Japanese market and create new demand.

Expanding the market and contributing to a circular economy

Going forward, in addition to frozen foods, we will expand into food service fields with high labor-saving needs, such as meal delivery services, contactless (drop-off) meal delivery services, and meals for elderly care. Through direct transactions with food manufacturers, we will uncover new needs and promote the replacement of existing plastic containers, thereby expanding our earnings base in the environmentally friendly product field.

Furthermore, we are considering cultivating new suppliers, developing molded-pulp containers that are produced in Japan, and building a circular business model that includes the collection and recycling of used containers.

Through the widespread adoption of environmentally friendly materials, we aim to create new revenue opportunities while promoting resource recycling and reducing plastic use, thereby achieving both economic and social value.

Please see the website for details.

Value Creation Flow

Capital Input Utilized

Human Capital

- Product planning capabilities
- Application development capabilities
- Human resources capable of global collaboration

Intellectual Capital

- Technical knowledge of bagasse molded-pulp products
- Quality control expertise
- Knowledge of the food container market

Social and Relationship Capital

- Network of suppliers outside of Japan
- Business relationships with Japanese container manufacturers
- Direct relationships with food manufacturers

Initiatives

Supplier development
Building a procurement network, primarily in China

→

Quality control
Improving quality through onsite audits and establishment of inspection systems

→

Development of new applications and sales channels
Developing new markets, primarily in frozen foods

→

Expansion into new fields
Expanding into meal delivery services, meals for elderly care, and the foodservice market

Ability to Make Proposals

Developing new fields through upcycled containers

Leveraging the strengths we have cultivated

Developing suppliers outside of Japan, managing quality, and selling to domestic Japanese container manufacturers in an integrated manner; combining our global procurement network and customer base to create a new distribution channel for the import and sale of finished containers, demonstrating our ability to make proposals that lead to market expansion.

Organizational Capabilities

Connecting diverse knowledge and people to expand supply to a broad range of food service businesses

Leveraging the strengths we have cultivated

Bringing together diverse stakeholders, including suppliers from outside Japan, container manufacturers in Japan, and food manufacturers, to advance quality, supply, and sales channel development in an integrated manner; leveraging our global procurement network and customer base in Japan to address diverse needs while expanding the range of customers we supply.

Direct Value Provided

For food manufacturers and container manufacturers

Ensure a stable supply of bagasse molded-pulp containers with water- and oil-resistant properties, enhancing the value of products such as frozen foods.

For consumers

Promoting the replacement of plastic containers and contributing to resource recycling and reductions in environmental impact by choosing products made from bagasse, an agricultural waste product.

Economic Value Provided

- Generating earnings from paper-based products
- Developing new markets and customers
- Expanding into new business areas

Social Value Provided

- Reducing plastic use
- Utilizing agricultural waste effectively
- Promoting resource recycling