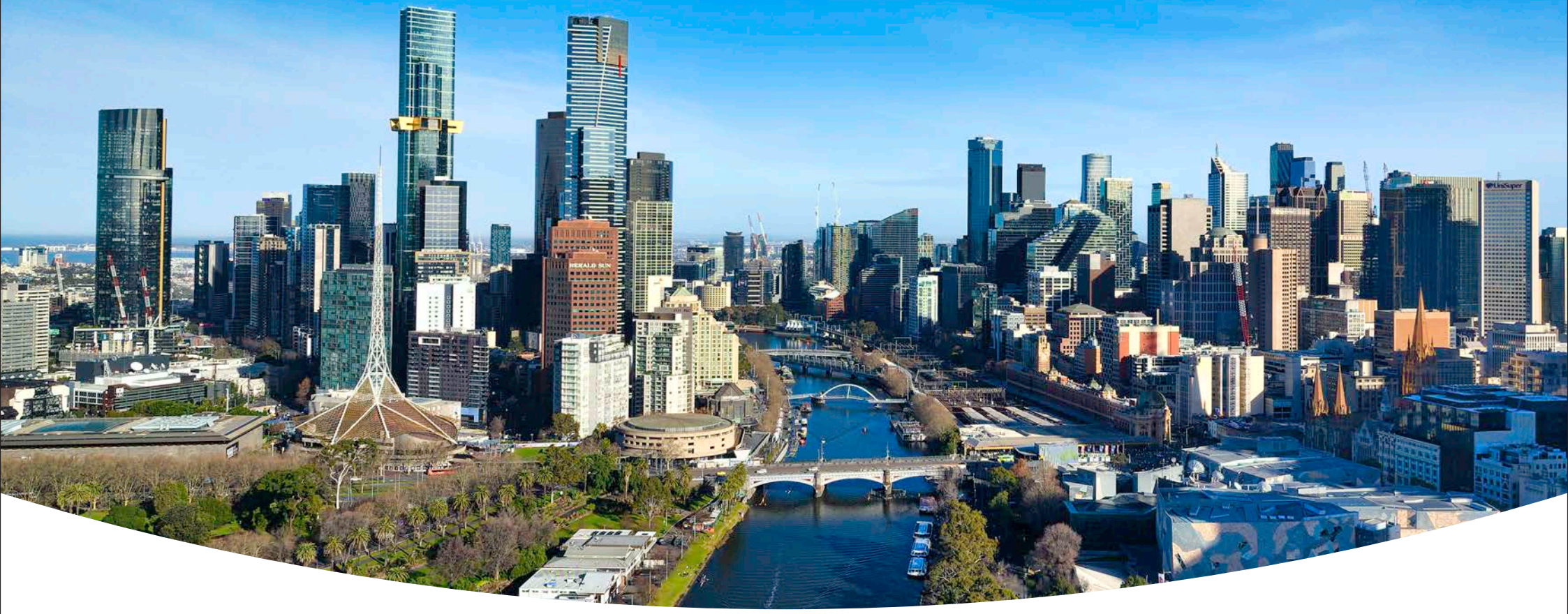
OVOL



Japan Pulp & Paper Group

Integrated Report 2026

Corporate Philosophy

Paper is always around us in our daily lives. And beyond it lie infinite possibilities. The group is seeking to generate new value by working to solve the issues facing society while pursuing the infinite possibilities of paper. We remain committed to earning the trust of all stakeholders as we work toward Our Mission of “carving a better future for society and the environment.”

Our Corporate Spirit

Nurture people through integrity,
foster trust through fairness,
support society through harmony.

Our Mission

Carving a better future for
society and the environment.

Our Principles

Change	Change ourselves as society changes.
Challenge	Challenge new fields with conviction and ambitious spirit.
Create	Create fresh global value through diversity.

Corporate Slogan

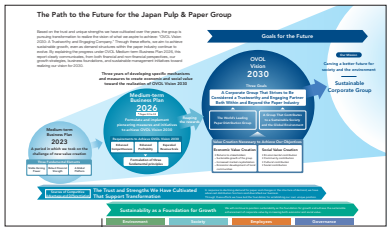
Paper, and beyond

Our Brand

The world is facing a variety of social issues, including climate change, resource recycling, and human rights, and companies are expected to create sustainable value by helping resolve them. At the Japan Pulp & Paper Group, we are promoting sustainable management that increases both economic and social value, and aim to be a corporate group that grows together with society. To achieve this, under the OVOL group brand, we seek to share value with stakeholders while strengthening cohesion across the diverse businesses and human resources that comprise our group, and promote value creation by leveraging our collective strengths. The OVOL brand embodies the group’s globally expanding business operations through the letter “O” and its aspiration to soar into the future through “VOL.” With this brand serving as the foundation of shared values that connects our diverse businesses and human resources, we are creating group synergies and accelerating our growth strategies while contributing to the realization of our long-term vision and the development of a sustainable society through value creation that starts from “the new power of paper.”

Please see the website
for details.

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Scope

Period: April 1, 2025 to March 31, 2026
Note: Includes some activities after March 31, 2026.
Organizations: Japan Pulp & Paper Co., Ltd. and Japan Pulp & Paper Group Companies
Date of next issue: September 2027

Reference Guidelines

Environment Social Governance
Guidance for Collaborative Value Creation

- IFRS Foundation, International Integrated Reporting Framework
- Ministry of Economy, Trade and Industry, Guidance for Collaborative Value Creation

Forward-Looking Statements

This report includes projections, forecasts and other forward-looking statements made by the company at the time the report was produced, based on information then available to the company. Such statements are subject to certain risks and uncertainties, and are not a guarantee of future performance. Readers are cautioned that actual results may differ significantly from any projections or forecasts presented herein.

The Path to the Future for the Japan Pulp & Paper Group

Based on the trust and unique strengths we have cultivated over the years, the group is pursuing transformation to realize the vision of what we aspire to achieve: "OVOL Vision 2030: A Trustworthy and Engaging Company." Through these efforts, we aim to achieve sustainable growth, even as demand structures within the paper industry continue to evolve. By explaining the progress under OVOL Medium-term Business Plan 2026, this report clearly communicates, from both financial and non-financial perspectives, our growth strategies, business foundations, and sustainable management initiatives toward realizing our vision for 2030.

Three years of developing specific mechanisms and measures to create economic and social value toward the realization of OVOL Vision 2030

Goals for the Future

Our Mission

Carving a better future for society and the environment

Sustainable Corporate Group

OVOL Vision 2030

Three Goals

A Corporate Group That Strives to Be Considered a Trustworthy and Engaging Partner Both Within and Beyond the Paper Industry

- The World's Leading Paper Distribution Group
- A Group That Contributes to a Sustainable Society and the Global Environment

Value Creation Necessary to Achieve Our Objectives

Economic Value Creation
- Returns to stakeholders
  - Sustainable growth of the group
  - Increased market capitalization
  - Economic development of local communities

Social Value Creation
- Environmental contribution
- Community contribution
- Cultural contribution
- Social contribution

Medium-term Business Plan 2026

▸ Pages 32 to 34

Formulate and implement pioneering measures and initiatives to achieve OVOL Vision 2030

Requirements to Achieve OVOL Vision 2030

Enhanced Competitiveness	Enhanced Profitability	Expanded Revenue Scale

Formulation of three fundamental principles

Reaping the rewards

Medium-term Business Plan 2023

A period in which we took on the challenge of new value creation

Three Fundamental Elements

Stable Earning Power	Robust Financial Strength	A Global Platform

Sources of Competitive Advantage and Differentiation

The Trust and Strengths We Have Cultivated That Support Transformation

In response to declining demand for paper and changes in the structure of demand, we have advanced distribution functions and diversified our business.
Through these efforts we have laid the foundation for establishing our own unique position.

Sustainability as a Foundation for Growth

We will continue to position sustainability as the foundation for growth and achieve the sustainable enhancement of corporate value by increasing both economic and social value.

Material Issues

Environment
- Climate Change
- Resource Recycling
- Biodiversity
- Environmental Impact

Society
- Supply Chain
- Digitalization
- Local Communities

Employees
- Work Environment
- Diversity and Inclusion

Governance
- Corporate Governance
- Compliance
- Stakeholder Engagement

Key Points of the 2026 Report

Three Strengths

Details on ▸ page 20

1

The Ability to Make Proposals Pursuing the Possibilities of Paper

Leveraging our advanced expertise in paper to maximize its functions and value, and create new demand

2

Technological Strengths Creating Business Opportunities in a Circular Economy

Using our unique technologies for recycling difficult-to-recycle wastepaper to address social issues and create new business opportunities

3

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

Organically connecting our diverse business formats and globally expanding businesses to create a broad range of new value through alliances with customers and partners

×

Business Activities for Carving a Better Future for Society and the Global Environment

Details on ▸ pages 21 and 22

Sustainability

Utilizing resources
Creating a circular economy

Globalization

Transcending borders
Rooted in local communities

Innovation

Creating new value



×

Building the Mechanisms and Measures to Make OVOL Vision 2030 a Reality

1

Improve Work Engagement among Executives and Employees Responsible for Realizing OVOL Vision 2030

Increasing empathy and a sense of ownership to further harness the capabilities of executives and employees as a driving force for growth

Details on ▸ page 72

2

M&A to Expand the Growth Foundation for Becoming the World's Leading Paper Distribution Group

Continuing complementary M&As while expanding our business foundation through strategic M&As

Details on ▸ page 33

3

Expanding Beyond Defensive DX and Incorporating Offensive DX to Remain Competitive

Accelerating DX that enhances competitiveness, including strengthening sales capabilities, rather than merely improving operational efficiency

Details on ▸ pages 53 to 55

Japan Pulp & Paper Group in Numbers (As of March 31, 2026)

History and Foundation

Since our foundation in 1845, we have expanded the possibilities of paper and the value we provide by diversifying our business with paper wholesaling as our mainstay.

Years Since Foundation
181

Years Continuously Profitable*
54
Ordinary profit since listing on the Tokyo Stock Exchange in 1972
*Ordinary profit

Group Companies
132

Consolidated Results

The group is strategically advancing the diversification of its business portfolio and continuously working to strengthen the competitiveness of each segment. Through these initiatives, we will generate synergies with existing businesses with the aim of achieving sustainable growth for the group as a whole and establishing a stable earnings base.

Revenue
JPY 606.8 billion

Ordinary Profit
JPY 10.9 billion

Profit Attributable to Owners of Parent
JPY 4.7 billion

ROE
3.6%

Payout Ratio
86.1%

Sound Finances

We have maintained financial soundness with stable earnings and appropriate management of interest-bearing debt, and have received an A/Stable rating and outlook from credit rating agencies.

Net D/E Ratio
0.60x

Issuer Credit Ratings

Rating and Investment Information, Inc. (R&I)	A
Japan Credit Rating Agency, Ltd. (JCR)	A

Human Capital

We are enhancing cohesion and utilizing diverse human resources within the group under the OVOL brand as well as accelerating our growth strategy.

Number of Consolidated Employees
4,705

Percentage of Female Employees (Consolidated)
27.0%

Average Years of Service (Parent Company Employees)
20.5

Communicating the Value of Paper

Details on ▸ page 25

We widely communicate the value and appeal of paper to society through three activities: on-site classes, workshops, and the paper study group.

Workshops (FY2025)

Number of Companies Participating: 46 Number of Participants: 48

On-Site Classes and Events (FY2025)

Number of Children Participating: Over 200

Environment-related Businesses

Through the group's environmental businesses, which include wastepaper recycling and renewable energy generation, as well as manufacturing operations that use recovered paper as a raw material, we are committed to contributing to the realization of a sustainable society and the preservation of the global environment.

Raw Materials & Environment Segment Revenue

JPY 20.0 billion

Recycling Business Sites

24

Wastepaper yards: 23
Comprehensive recycling business sites: 1

Renewable Energy-related Business Sites

7

Renewable energy power plants: 3
Palm kernel shell storage sites: 4

Manufacturing Sites Using Wastepaper as a Raw Material

6

Global

As one of the world's leading paper distributors, we have built a global procurement and supply system.

Overseas Sales Revenue Ratio

58.4%

Sales Countries and Regions (Including Japan)

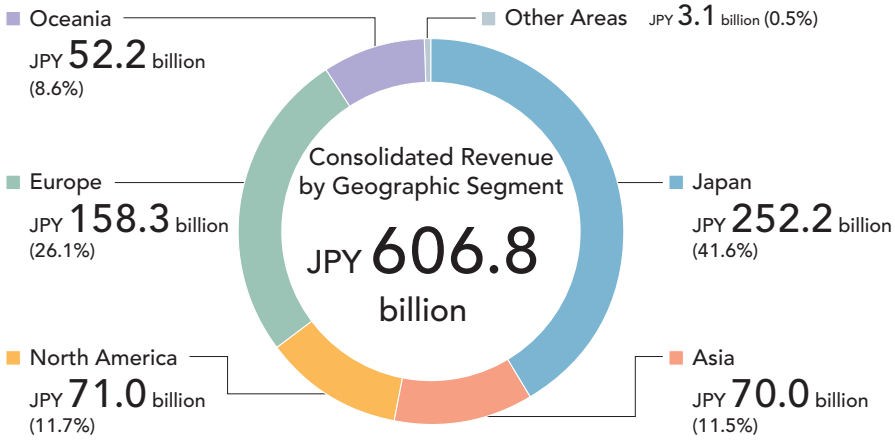
106

Countries and Regions with Business Sites

22

Percentage of Employees Working Outside of Japan

53.5%



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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

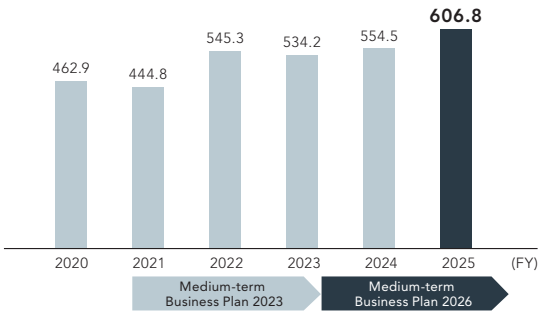
Since fiscal 2024, the group has been promoting OVOL Medium-term Business Plan 2026. We have positioned this plan as a three-year period for building mechanisms and measures that will allow us to achieve OVOL Vision 2030, with a target of JPY 22.0 billion in consolidated ordinary profit for the final 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.

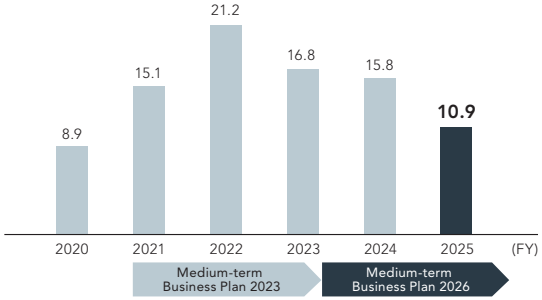
Fiscal 2026 is the final year of OVOL Medium-term Business Plan 2026, and we expect a significant increase in profit, driven by improved performance in Non-Japan Wholesaling. However, in addition to demand and selling prices continuing to remain below our initial assumptions in markets outside of Japan, 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

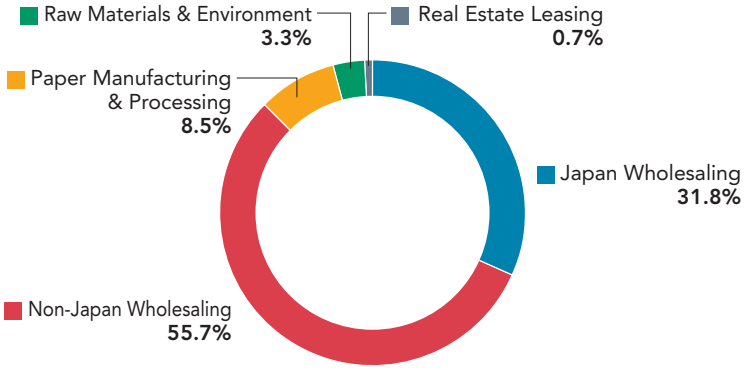
Revenue (Billions of yen)*1, 2



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

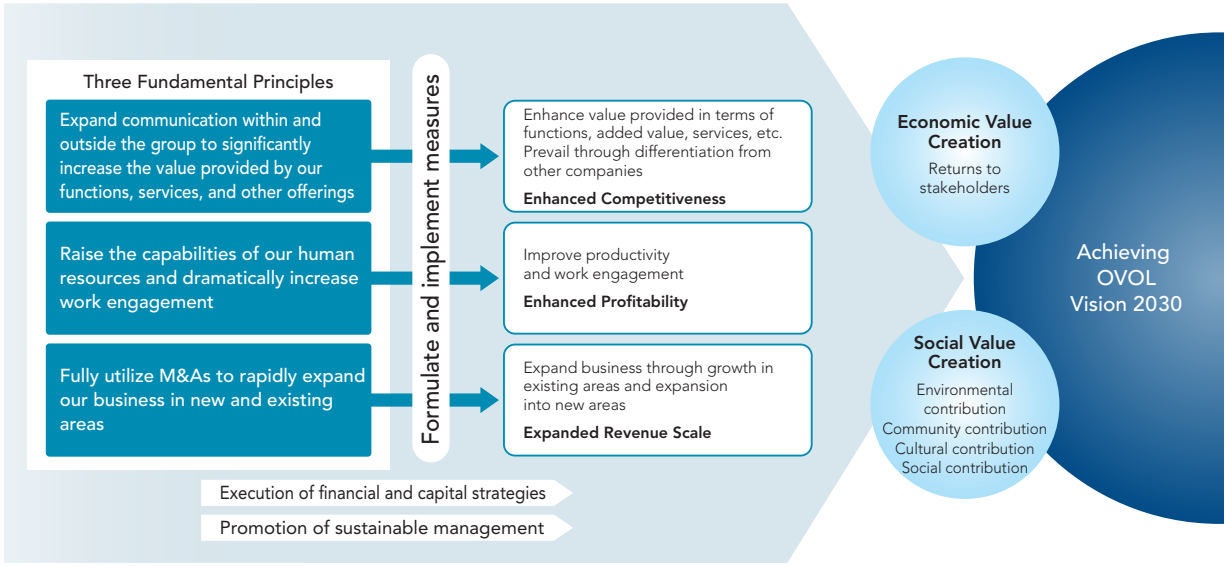
With the acquisition of leading paper merchants in France and Germany in November 2024, we made significant progress in terms of building a global business platform. Likening the path to achieving OVOL Vision 2030 with climbing a mountain, from a qualitative perspective, we believe that we are nearing 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

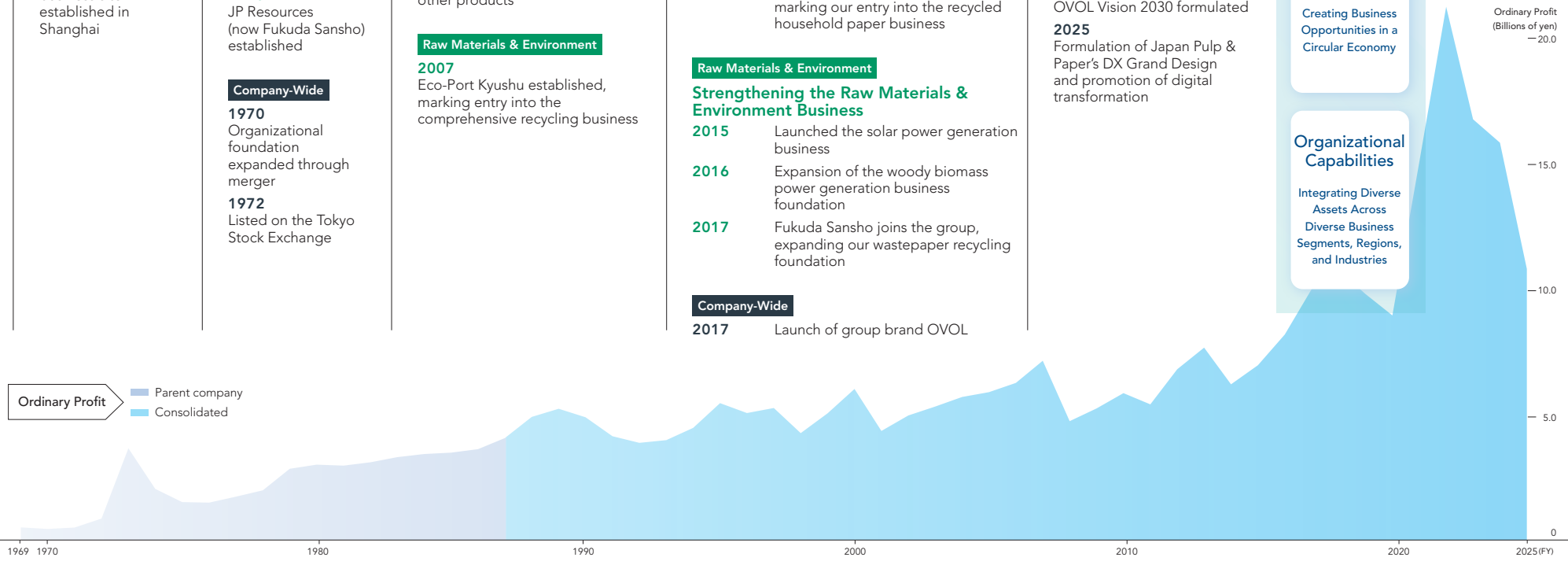
▸ Page 20

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

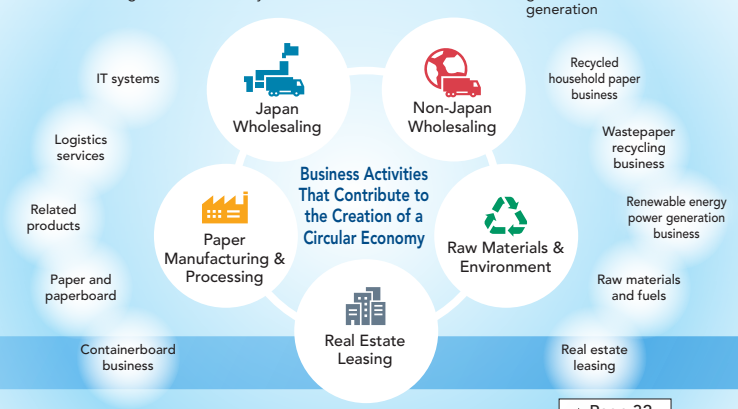
- Robust financial strength
- Stable earning power
- A global platform

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

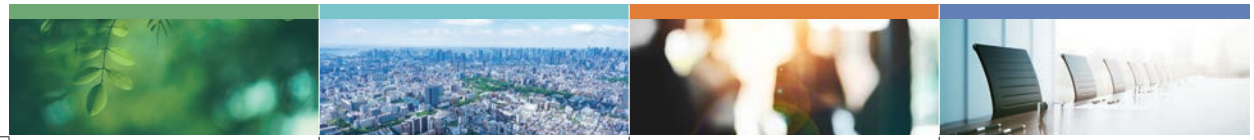
OVOL Vision 2030

▸ Page 30

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

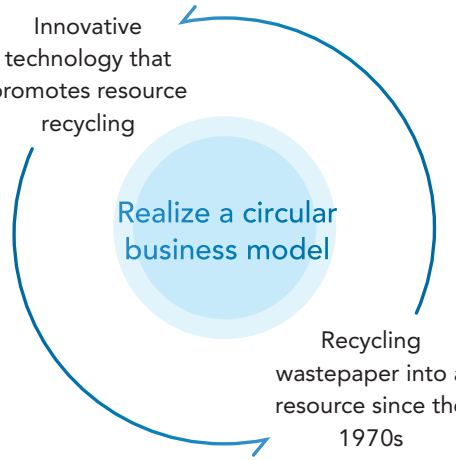
Our ability to make proposals to promote resource recycling is based on the organizational capabilities of the group.

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

Section 2 Strategies and Strengths

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Explanation of Business Strategies—Progress of OVOL Vision 2030 and OVOL Medium-term Business Plan 2026

OVOL Vision 2030: "Paper, and beyond"

We are working toward realizing the three key goals set forth in OVOL Vision 2030, and aim to achieve consolidated ordinary profit of JPY 25.0 billion.

The World's Leading Paper Distribution Group

We will refine our know-how and network cultivated over more than 170 years in the paper and paperboard wholesaling business to become recognized as the world's leading paper distribution group.

Objectives

- Demonstrate unparalleled reliability, presence and functionality in the supply chain of the paper and paperboard market worldwide.
- Help customers add value to their products and services, and enhance their corporate value.
- Operate platforms with a broad global reach that deliver the specialized functions required by the group's paper business.

A Group That Contributes to a Sustainable Society and the Global Environment

In addition to our core paper and paperboard wholesaling business, through the recycling of wastepaper and other materials, paper manufacturing, and our renewable energy businesses, we will become a corporate group with an acute awareness of the UN's Sustainable Development Goals (SDGs) that further contributes to a sustainable society and global environment.

Objectives

- Work toward carbon neutrality and the minimization of environmental impact throughout the entire supply chain.
- Contribute to the restoration and preservation of biodiversity.
- Contribute to the creation of a circular economy through our paper and plastic recycling businesses and the manufacturing of paper using wastepaper as a raw material.

A Corporate Group That Strives to Be Considered a Trustworthy and Engaging Partner Both Within and Beyond the Paper Industry

We will strive to become widely recognized and well thought of within society for our corporate excellence.

Objectives

- Continue to enhance corporate value through growth investment, including investment in sustainability.
- Continue to increase work engagement.
- Be highly valued by shareholders for ongoing improvements in growth potential, management transparency, financial soundness, and investment efficiency, backed by a robust governance structure.
- Ensure thorough compliance and environmental, health and safety management throughout the group.
- Contribute to the development of paper culture by raising awareness of the functions and value of paper.

Quantitative target for FY2030

Consolidated ordinary profit of JPY 25.0 billion

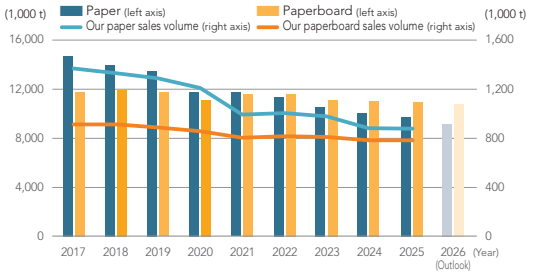
Explanation of Business Strategies—Progress of OVOL Vision 2030 and OVOL Medium-term Business Plan 2026

Business Environment

Japan

- Japan's annual consumption of paper and paperboard remains at approximately 20 million metric tons, ranking third in the world after China and the United States.
- Demand for graphic paper continues to decrease due to structural issues, mainly digitization and the declining population.
- Demand for packaging paper remains firm due to the spread of e-commerce and demand from visitors to Japan.
- Demand for paper-based alternatives to plastic packaging is increasing.

Paper and Paperboard Demand in Japan



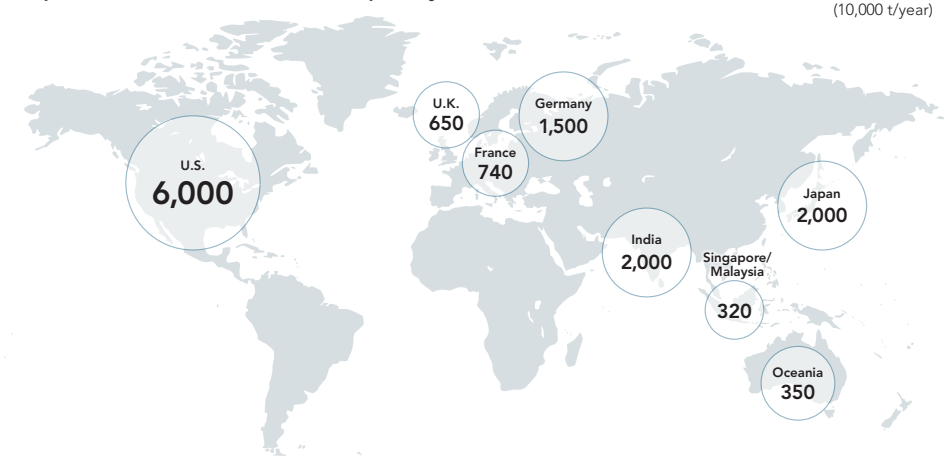
* Source: Japan Paper Association: 2026 Paper and Paperboard Domestic Demand Forecast

Outside Japan

- In developed countries, demand for graphic paper continues to decline, but demand for packaging paper remains strong.
- In emerging countries, paper and paperboard demand is expected to increase with rising living standards due to population growth and economic development, as well as changes in industrial structure due to industrialization.

Paper Demand Volume in the Group's Key Markets

(10,000 t/year)



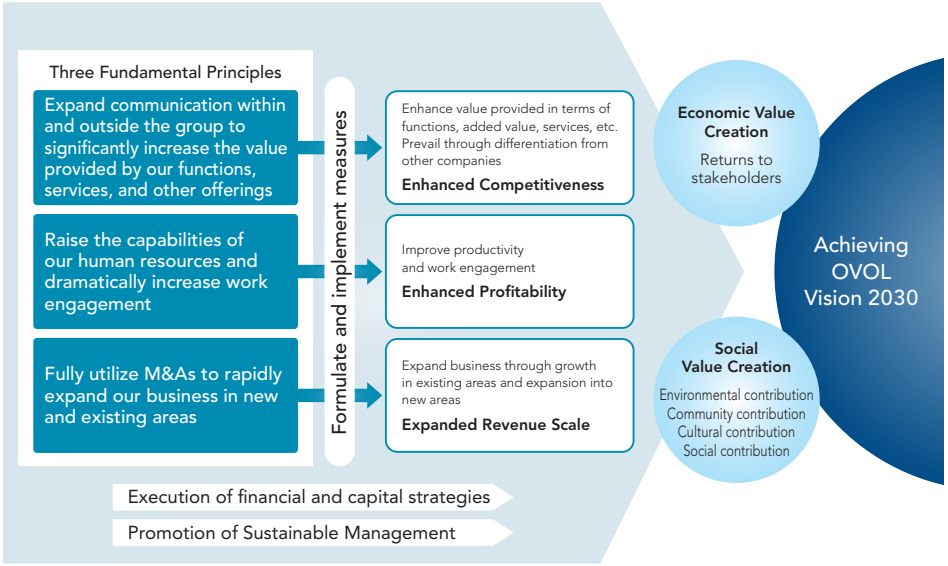
The group systematically assesses changes in the business environment from both risk and opportunity perspectives and translates them into sustainable growth. By accurately identifying diverse factors related to the environment, society, human resources, and governance, and by achieving both the minimization of impacts and the creation of new value, we will strengthen competitiveness and enhance corporate value.

	Risk Factors	Opportunities
Environment	• Growing impact on forest resources as climate change advances • Stricter environmental regulations related to logistics and manufacturing processes	• Growing demand for paper-based alternatives to plastic • Increase in demand for products and services that contribute to reducing CO_2 emissions
Society	• Rising societal demands for stable supply and responsible procurement • Increasing expectations for environmental impact reduction and economic and social contributions to local communities • Structural decrease in paper demand due to progress of digitization	• Greater sophistication of the supply structure through sustainable supply chain development • Creation of demand by proposing new value for paper in a digital society
Employees	• Increasing importance of working environment including providing stable employment and skill development opportunities • Increasing need to improve labor productivity and employee engagement	• Realization of high engagement and improved productivity through effective human capital management • Empowerment of diverse human resources and organizational strengthening through a deepened commitment to diversity and inclusion
Governance	• Growing demands for a transparent and effective management structure • Growing societal expectations regarding compliance risks • Increasingly sophisticated expectations and demands from stakeholders	• Enhancement of corporate value through the practice of fair and honest governance • Enhancement of corporate value through the transformation of compliance into a source of competitiveness • More sophisticated management that reflects stakeholder perspectives

Overview of the OVOL Medium-term Business Plan 2026

Fundamental Principles of OVOL Medium-term Business Plan 2026

We have positioned OVOL Medium-term Business Plan 2026 as a three-year period to develop specific mechanisms and measures to create economic value and social value toward the realization of OVOL Vision 2030. We are formulating and implementing measures based on the following three fundamental principles.



Consolidated Financial Targets

* For financial and capital strategies, ▸ please refer to page 35

- New record high for consolidated ordinary profit of JPY 22.0 billion
- Realize ROE of 8.0% or more, ROA of 5.0% or more, and ROIC of 7.0% or more through greater awareness of the cost of capital
- Maintain or improve "A" credit rating, secure funding capability, and utilize financial leverage while keeping the net D/E ratio at 1.0x or less

	FY2023 Results	FY2024 Results	FY2025 Results	FY2026 Quantitative Target
Consolidated Ordinary Profit	JPY 16.8 billion	JPY 15.8 billion	JPY 10.9 billion	JPY 22.0 billion
Return on Equity (ROE)*1	8.4%	5.8%	3.6%	8.0% or more
Return on Assets (ROA)*2	4.4%	4.1%	2.8%	5.0% or more
Return on Invested Capital (ROIC)*3	6.2%	5.7%	4.2%	7.0% or more
Net D/E Ratio*4	0.59x	0.60x	0.60x	1.0x or less

Regarding the fiscal 2026 target for the net D/E ratio:
The net D/E ratio improved to the 0.6x level largely due to income from the sale of fixed assets in fiscal 2022, and financial soundness improved substantially. We set the ratio target at 1.0x or less to allow for flexibility in growth investments while still maintaining financial soundness.

* Exchange rate assumptions for fiscal 2026: JPY 141.83 to USD 1, JPY 180.68 to GBP 1, JPY 96.94 to AUD 1 (as of December 31, 2023)
*1 Profit attributable to owners of parent ÷ Equity (average of beginning and ending balances) *2 Ordinary profit ÷ Total assets (average of beginning and ending balances) *3 NOPAT (Net ordinary profit after tax [before interest expense]) ÷ Invested capital (Interest-bearing debt + Equity [average of beginning and ending balances]) *4 (Interest-bearing debt – Cash and deposits) ÷ Equity

Policies by Segment and Ordinary Profit Targets

		FY2025 Results	FY2026 Forecast	FY2026 Quantitative Target
Japan Wholesaling	Maximize earnings by leveraging the group's collective strengths	JPY 5.7 billion	JPY 6.0 billion	JPY 7.0 billion
Non-Japan Wholesaling	Build a stable revenue structure and further diversify revenue sources	JPY (0.5) billion	JPY 4.2 billion	JPY 8.0 billion
Paper Manufacturing & Processing	Advance efforts to conserve the global environment and build a stable revenue base	JPY 7.3 billion	JPY 7.8 billion	JPY 7.5 billion
Raw Materials & Environment	Contribute to a sustainable society and the future of the Earth through a circular business model	JPY 0.6 billion	JPY 1.5 billion	JPY 2.0 billion
Real Estate Leasing	Continue to earn stable income from real estate holdings and optimize the real estate portfolio	JPY 1.5 billion	JPY 1.3 billion	JPY 1.5 billion
Adjustments		JPY (3.6) billion	JPY (5.8) billion	JPY (4.0) billion
Total		JPY 10.9 billion	JPY 15.0 billion	JPY 22.0 billion

OVOL Medium-term Business Plan 2026
https://www.kamipa.co.jp/wp/wp-content/themes/jp-2017/assets/img/company/pdf/20240603_eng.pdf

* For details on initiatives by segment, ▸ please refer to pages 43 to 51

Explanation of Business Strategies—Progress of OVOL Vision 2030 and OVOL Medium-term Business Plan 2026

Progress of OVOL Medium-term Business Plan 2026

Three Fundamental Principles

- Expand communication within and outside the group to significantly increase the value provided by our functions, services, and other offerings
- Raise the capabilities of our human resources and dramatically increase work engagement
- Fully utilize M&As to rapidly expand our business in new and existing areas

Formulate and implement measures

Expansion of Communication and Enhancement of the Value Provided

• Nationwide on-site classes	In collaboration with Gakken Inc., we promote on-site classes that convey the characteristics and value of paper to elementary school students. In fiscal 2025, we held multiple classes and events, with cumulative participation exceeding 200 people. Going forward, we will expand co-creation with external partners and pursue continuous nationwide rollout.
• Held workshops	In fiscal 2025, 48 people from 46 paper merchants nationwide participated in workshops, where they considered ideas and action plans to communicate the appeal of paper and promote its use. We will continue holding these workshops in fiscal 2026 as well, and strengthen initiatives to expand new possibilities for paper through co-creation with professionals who support the paper distribution industry.
• Study group activities promoting the value of paper	To disseminate the value of paper, we promote study group activities under a two-team structure: The "Value of Paper" team and the "Paper and the Global Environment" team. Through the group's activities we compile insights aimed at dispelling social perceptions regarding the appeal, history, and environmental aspects of paper, and strengthen internal and external communication by distributing research results to business partners through the Forum Letter, publishing them on the website, and presenting them at events.
• Participation in Expo 2025 Osaka, Kansai, Japan	We participated in the Future Life Experience at Expo 2025 Osaka, Kansai, Japan, held from April to October 2025, during which approximately 4,800 people visited our booth, where we introduced new possibilities of paper through exhibits and videos. We also realized a resource-circulation initiative in which paper waste at the venue was collected, recycled, and then used as toilet paper in certain parts of the venue.
• Development of environmentally friendly products	The Kami Eco® Craft+α received the highest JAPAN STAR Award, the Minister of Economy, Trade and Industry Award, at the Japan Packaging Contest 2026. For other awards, ▸ see page 52 Highlights
• Held company briefings for individual investors and established a web page for individual investors	
• DX initiatives and other measures	In order to create new competitive advantages and sustainably enhance corporate value, we formulated a DX grand design and are promoting it from both offensive and defensive perspectives. Details on ▸ page 53 Digital Transformation (DX) at Japan Pulp & Paper

Enhancement of Human Resources and Work Engagement (initiatives at the company level)

• Engagement initiatives	・In the surveys conducted in June and December 2025, we achieved a BBB score, meeting the targets of the Medium-term Business Plan. ・To strengthen the "coordination function" between management and employees on the ground, seminars were held for general managers, branch managers, and division managers. ・As opportunities for communication between management and employees, discussion sessions were held between the president and managers, as well as between the president and employees, at the head office and at each branch office.
• Health and productivity management initiatives	・Certified as one of the "2026 Outstanding Organizations of KENKO Investment for Health." ・Introduced a system for hourly paid leave. ・Held a walking rally for all executives and employees. ・Introduced the health support site "KENPOS," the work–caregiving balance support service platform "Wakaru Kaigo Biz," and the online obstetrics/gynecology and pediatrics service "Kids Public."
• Investment in human capital	・Aim to triple education and training expenses by fiscal 2026 compared to fiscal 2023; Introduced the online video training service "Udemy Business" for all executives and employees. ・Ratio of female employees among new hires for career-track positions in fiscal 2025: 19.4% (KPI: 30%). ・Continued operation of the Overseas Training Program aimed at developing personnel with practical communication skills abroad (fiscal 2025: 3 to China). ・Across-the-board base salary increases for four consecutive years. ・Introduction of a performance-based restricted stock incentive plan for the Employee Shareholding Association.

Expansion of Business Scale Through Promotion of M&As and Alliances

Details on ▸ page 43 Japan Wholesaling ▸ page 45 Non-Japan Wholesaling ▸ page 47 Paper Manufacturing & Processing

• Pursuing strategic M&As, complementary M&As, business transfers/disposals	・In Japan, promoting the integration of leading paper merchants into our group and advancing partnerships in the Paper Manufacturing & Processing field. ・Overseas, executing strategic M&A of meaningful scale, while also continuing complementary M&A in peripheral fields such as sign & display, flexible packaging materials, and industrial packaging materials; Expanding our product offerings and customer bases in each market, and pursuing the diversification of revenue sources and the expansion of global business scale.

Head Office Relocation Project

As part of growth investments and human capital investments toward realizing OVOL Vision 2030, it has been decided that the Head Office will relocate from Kachidoki, Tokyo to Yaesu in the second half of fiscal 2026. The relocation aims to strengthen relationships within the group and with business partners by improving accessibility and is being positioned as an important measure to enhance corporate value.

Progress of OVOL Medium-term Business Plan 2026

Sustainable Management Initiatives

Under OVOL Medium-term Business Plan 2026, we are steadily promoting various measures based on the following five key priorities: expanding human capital investment, initiatives toward achieving carbon neutrality, responding to business and human rights, strengthening compliance systems related to environmental and occupational safety, and strengthening risk management.

Strengthening Human Capital

Strengthen human capital, our greatest form of management capital, and foster a corporate culture in which diverse human resources can make the most of their individual qualities and continue to take on challenges

For details, ▸ see page 72

- Analyze the future talent gap, and carry out recruitment, development, and placement with a dynamic portfolio
- Increase employee engagement to energize our workforce and organization, and raise productivity
- Raise the skill level of employees and enhance training to develop specialized human resources

KPI		FY2025 Results
Percentage of eligible male employees taking childcare leave	100%	**100% (achieved)**
Employee engagement rating	BBB or higher	**BBB (achieved)**
Training expenses compared to FY2023	3x or more	**2x**
Percentage of paid leave taken	80% or more	**82.8% (achieved)**
Average monthly overtime hours	10 hrs. or less	**12 hrs. 46 min.**
Ratio of female employees among new hires for career-track positions	30% or more	**19.4%**

* The ratio of female employees in career-track positions at the company was 11.7% as of April 1, 2026. We have set the above target to increase the ratio of female employees among new hires for career-track positions.

Toward Achieving Carbon Neutrality

Japan Pulp & Paper Group Medium- and Long-term Reduction Targets for Greenhouse Gas Emissions

Medium-term Target	Long-term Target
Achieve a 50% reduction from FY2019 levels by FY2030 * Scope of targets: Scope 1 and 2 emissions for Japan Pulp & Paper and its consolidated subsidiaries	Achieve carbon neutrality by 2050

Fiscal 2025 Initiative Results

- Promoted visualization of Group-wide GHG emissions (Scope 1 and 2) through the introduction of a cloud-based GHG calculation system.
- Fostered greater awareness of decarbonization across the group through the sharing of the latest trends regarding decarbonization and our progress toward GHG emissions reduction targets at the OVOL Environment & Safety Meetings.
- Enhanced the reliability of calculated emissions data by conducting third-party verification of Scope 1 and 2 emissions of consolidated group companies and Scope 3 emissions on a non-consolidated basis.
- Scope 1 and 2 emissions in fiscal 2025 reduced by approximately 41% compared with the base year of fiscal 2019.

Response to Business and Human Rights

1. Fostering and instilling a culture of respect for human rights
2. Implementation of human rights due diligence and identification and improvement of risks
3. Implementation of a grievance mechanism

Fiscal 2025 Initiative Results

- Formulated a group-wide human rights due diligence plan through FY2030
- Implemented monitoring using CSR procurement self-assessment questionnaires, covering major suppliers accounting for 85% of total procurement
- Conducted training and comprehension confirmation tests regarding the group's human rights issues (1,881 executives and employees of the company and group companies in Japan participated)

Strengthening Environmental and Occupational Safety Compliance Systems

1. Establishment and operation of a three-tier supervisory system (group companies in Japan, the Environment & Safety Promotion Office, and external organizations)
2. Enhancement of awareness of the environment and occupational safety among group executives and employees through activities of OVOL Environment & Safety Meetings

Fiscal 2025 Initiative Results

- In cooperation with external experts, confirmed and followed up on improvements in the environmental and occupational safety compliance status of each group company
- On-site assessments conducted at three locations at Level 2 and five locations at Level 3
- Continued tracking, analysis, and sharing of occupational accident information at Group companies to promote accident prevention and recurrence prevention

Strengthening Risk Management

1. Use of risk assessment to identify risks that could impact business activities and formulate/implement countermeasures
2. Revision of the business continuity plan (BCP)
3. Enhancement of initiatives to ensure compliance

Fiscal 2025 Initiative Results

- Revised the business continuity plan (BCP)
- Created posters for compliance awareness and conducted internal training; created an Antimonopoly Act handbook and distributed it to executives and employees of group companies in Japan

Financial and Capital Strategy



We will steadily restore profitability and improve capital efficiency, aiming to sustainably enhance corporate value toward 2030 and beyond through disciplined growth investments.

Chihiro Katsuta
Representative Director
Senior Executive Vice President, CFO
Business Head - Raw Materials & Environment

Review of Fiscal 2025

* Second Year of OVOL Medium-term Business Plan 2026

Consolidated results for fiscal 2025 were operating profit of JPY 10.8 billion (down 28.0% year on year), ordinary profit of JPY 10.9 billion (down 31.2% year on year), and profit attributable to owners of parent of JPY 4.7 billion (down 37.6% year on year). Profit at every level declined compared to the previous period for the second consecutive fiscal year, making for very challenging results. Overall, we recognize that the year was characterized by upfront investments and growth-related expenses, with the anticipated results not materializing as quickly as expected. At the same time, it served to clearly identify the key issues that require further action and management attention.

On the other hand, when viewed by business segment, some areas made steady progress in improving profitability.

Consolidated ordinary profit of JPY 10.9 billion represents a 29.8% decrease from the initial forecast of JPY 15.5 billion. The main factors behind this decrease were deterioration in performance in the Non-Japan Wholesaling and the Raw Materials & Environment segments. In the Non-Japan Wholesaling segment, in addition to the delayed recovery of performance at our German subsidiaries, profitability also deteriorated due to intensified price competition in the key markets of Europe and Oceania, resulting in a segment ordinary loss of JPY 0.5 billion versus the initial forecast of ordinary profit of JPY 3.9 billion. We had expected profit contributions from the German subsidiaries beginning in the latter half of fiscal 2025 onward; however, their performance recovery is behind initial assumptions due to the impact from factors such as declining demand in Germany and customer attrition that exceeded expectations. In the Raw Materials & Environment segment, ordinary profit remained at JPY 0.6 billion, down 68.8% from the initial forecast of JPY 1.8 billion, primarily due to lower-than-planned sales volumes and sales prices for fuel used in woody biomass power generation, as well as equity-method investment losses resulting from impairment of fixed assets at equity-method affiliates.

On the other hand, all other segments progressed generally in line with plan. In the Japan Wholesaling segment, amid continued increases in labor costs and logistics costs, we absorbed the impact of rising costs through ongoing price revisions and finished at a level largely as expected. In the Paper Manufacturing & Processing segment, although there were cost increases, including labor costs, logistics costs, fuel costs, electricity costs, and auxiliary material costs, ongoing price revisions, mainly in the recycled household paper business, gained traction, resulting in performance exceeding the initial forecast. The Real Estate Leasing segment maintained stable earnings and continues to contribute to the performance of the group.

In addition, in fiscal 2025, we recorded an extraordinary loss of JPY 2.5 billion as business restructuring costs, including headcount reductions at group companies outside of Japan such as the German subsidiaries, and an extraordinary loss of JPY 1.8 billion in goodwill impairment losses reflecting the expected delay in realizing the profit contribution initially anticipated from the German subsidiaries. On the other hand, through the sale of investment securities accompanying the reduction of cross-shareholdings, we recorded gains on sale of JPY 4.7 billion as extraordinary income.

Status of Capital Efficiency

Capital efficiency indicators for fiscal 2025 declined for the second consecutive year, with ROE at 3.6% (down 2.2 points year on year), ROA at 2.8% (down 1.3 points year on year), and ROIC at 4.2% (down 1.5 points year on year).

In addition to significant losses at the German subsidiaries that joined the group through M&A in fiscal 2024, the main factors for this were the recording of ordinary losses in the Non-Japan Wholesaling segment amid declining demand in key markets outside Japan, as well as the recording of business restructuring costs and goodwill impairment losses at subsidiaries outside Japan. As a result, ordinary profit and profit attributable to owners of parent, which form the basis of the above indicators, declined.

Due to the decline in ordinary profit, NOPAT decreased, and ROIC declined year on year. In addition, asset growth

associated with ongoing complementary M&As outpaced earnings contributions, and the timing of those contributions was pushed back, reducing asset efficiency and resulting in a year-on-year decline in ROA. The decline in profitability and asset efficiency could not be fully offset by the reduction in equity through share repurchases, resulting in a decline in ROE year on year.

Segment ROIC for fiscal 2025, estimated based on invested capital on the operating side, is shown in the table below.

Looking at the principal year-on-year changes in ROIC by segment compared with fiscal 2024, ROIC in the Japan Wholesaling segment improved by 0.4 percentage points year on year because, although NOPAT declined year on year, this was more than offset by the reduction in invested capital resulting from the sale of cross-shareholdings related to the segment. In the Paper Manufacturing & Processing segment, ROIC improved by 1.1 percentage points due to an increase in NOPAT, as higher Japanese domestic demand for household paper was coupled with higher selling prices. Meanwhile, ROIC in the Non-Japan Wholesaling segment fell significantly year on year to 1.0% due to the deterioration in performance described above, resulting in a significant downward impact on overall ROIC.

Changes in ROIC by Segment

	FY2024	FY2025	Change (percentage points)
Japan Wholesaling	8.1%	8.5%	+0.4
Non-Japan Wholesaling	3.9%	1.0%	-2.9
Paper Manufacturing & Processing	9.7%	10.8%	+1.1
Raw Materials & Environment	5.7%	2.1%	-3.6
Real Estate Leasing	6.7%	6.7%	0.0
Consolidated Total	5.7%	4.2% (medium-term target: 7.0% or more)	-1.5

Outlook for Fiscal 2026

* Final Year of OVOL Medium-term Business Plan 2026

For fiscal 2026, the final year of OVOL Medium-term Business Plan 2026, we expect consolidated operating profit of JPY 15.5 billion (up 42.9% year on year), consolidated ordinary profit of JPY 15.0 billion (up 37.8% year on year), and profit attributable to owners of parent of JPY 8.0 billion (up 69.5% year on year).

Looking at ordinary profit by segment: in the Japan Wholesaling segment, while demand contraction for graphic paper is expected to continue, demand for packaging paper is expected to remain steady. Amid expectations of continued increases in logistics costs and labor costs, we aim to expand market share by differentiating ourselves from competitors. We also expect the price increases implemented in the previous fiscal year to enable the expansion of our revenue scale, and we forecast ordinary profit of JPY 6.0 billion (up 5.3% year on year).

In the Non-Japan Wholesaling segment, while demand for graphic paper is expected to continue contracting in key markets, we recognize that the recovery of earnings in the segment is critical to realizing profit growth and improved capital efficiency for the group as a whole, and we are therefore working to strengthen profitability. In particular, with respect to our German subsidiaries, which recorded significant losses in the previous fiscal year, we are implementing decisive business structure improvements in order to fundamentally turn their operations around, and will achieve stable profitability on a monthly basis within the fiscal year. In addition, the complementary M&As we have pursued in each region will begin to bear fruit, enabling further expansion of sales of high-value-added products. Through these measures, we aim to restore earnings and forecast a shift in ordinary profit to JPY 4.2 billion, representing a turnaround from a loss in the previous fiscal year.

In the Paper Manufacturing & Processing segment, although increases in manufacturing costs are expected to remain a concern, due to the effects of price increases and ongoing initiatives to improve production efficiency, we forecast ordinary profit of JPY 7.8 billion (up 7.4% year on year).

In the Raw Materials & Environment segment, we expect the solar power generation business and the comprehensive recycling business to remain strong. In the recovered paper business, although the decline in wastepaper generation is expected to continue, we are pursuing the development of new suppliers, backed by the group's overall capabilities, and expect handling volume to increase. In the fuel sales business for biomass power generation plants, we expect handling volume to increase due to the commencement of operations at a third yard in Malaysia. As a result, we forecast ordinary profit of JPY 1.5 billion (up 167.4% year on year).

In the Real Estate Leasing segment, while we expect stable rental income and upward rent revisions at contract renewals, we forecast ordinary profit of JPY 1.3 billion (down 14.0% year on year) due to the increase in the segment's apparent interest burden, resulting from an upward revision of the internally allocated interest rate.

Under OVOL Vision 2030, the group has set a quantitative target of achieving consolidated ordinary profit of JPY 25.0 billion in fiscal 2030. OVOL Medium-term Business Plan 2026 is positioned as the time to build mechanisms and measures to achieve OVOL Vision 2030. In light of the increasingly challenging business environment and the anticipated one-time costs associated with the relocation of our head office, achieving the final-year target of consolidated ordinary profit of JPY 22.0 billion under Medium-term Business Plan 2026 is expected to be difficult. However, in order to put the realization of OVOL Vision 2030 firmly within reach, we will accelerate our various initiatives and execute proactive growth investments.

Financial and Capital Strategy

Basic Approach to Financial and Capital Strategy

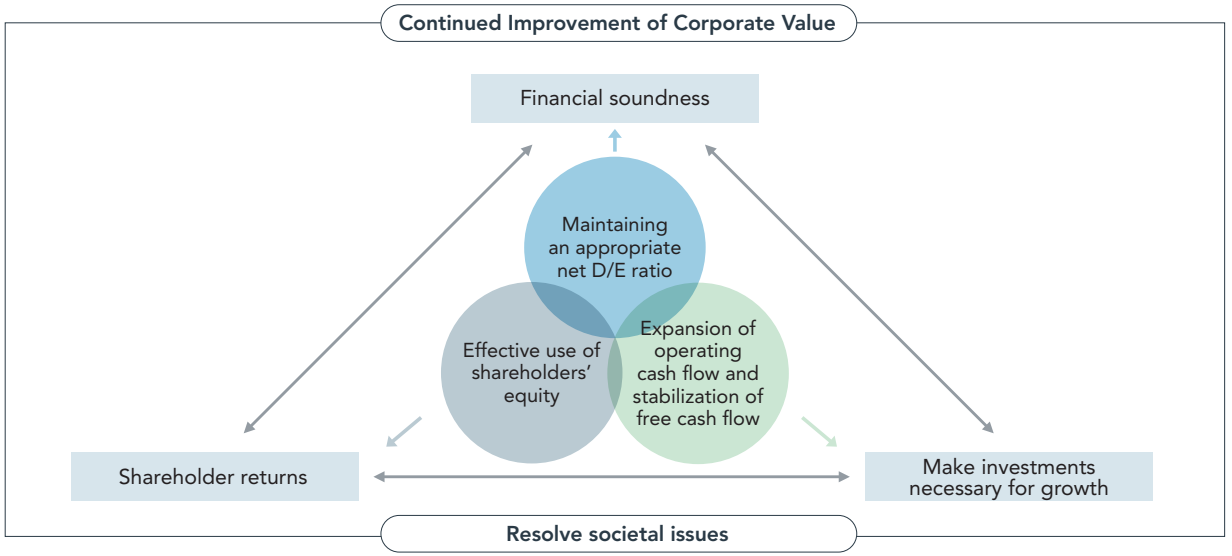
The group's financial strategy is based on the following three basic policies: maintaining financial soundness through proper management of interest-bearing debt, making aggressive growth investments, and providing proactive and stable shareholder returns. Under these policies, as part of OVOL Medium-term Business Plan 2026 we have focused on making growth investments and delivering proactive shareholder returns by expanding cash flow and utilizing financial leverage. Although achieving most of the final year (fiscal 2026) targets of consolidated ordinary profit of JPY 22.0 billion, ROE of 8% or more, ROA of 5% or more, ROIC of 7% or more, and net D/E ratio of 1.0× or less is currently challenging, by placing greater emphasis on the cost of capital and optimizing the allocation of management resources, the group will further enhance profitability and capital efficiency while continuing to execute proactive growth investments as concrete measures to build the framework necessary to achieve OVOL Vision 2030.

Maintaining Financial Soundness

At the end of fiscal 2025, the net D/E ratio was 0.6x, maintaining the financial target of "1.0x or lower" set in OVOL Medium-term Business Plan 2026. In addition, the equity ratio was 32.6%, and has remained above 30% in recent years. Going forward, we will continue to advance capital policies such as share repurchases in an agile manner, while conducting operations with due consideration for both financial soundness and capital flexibility.

Working capital requirements as of the end of fiscal 2025 amounted to JPY 107.8 billion, an increase of JPY 1.6 billion from the previous fiscal year, but remained at a stable level overall. Cash flow from operating activities increased by JPY 3.6 billion from the previous year to JPY 24.6 billion, and net interest-bearing debt decreased by JPY 3.2 billion from the previous fiscal year to JPY 76.8 billion. We recognize that, even as the group's business scale has expanded through M&A, we have been able to appropriately maintain financial soundness, with approximately 25% of working capital covered by equity.

In line with the policies set forth in OVOL Medium-term Business Plan 2026, and as a means of reflecting the proactive growth investments promoted by the group, we recognize that cash management will become increasingly important going forward. This will include increases in working capital requirements accompanying sales growth at companies and businesses acquired through M&A, as well as working capital requirements arising from further growth investments. In fiscal 2025, with the aim of strengthening the group's overall financial position and enhancing flexibility in financing, we carried out capital increases at consolidated companies outside Japan, thereby strengthening the management foundations of each subsidiary. Going forward, we will properly manage the group's cash flow while executing proactive growth investments. At the same time, we will optimize the allocation of management resources, enhance profitability and capital efficiency, increase operating cash flow, and maintain and improve financial soundness.



With respect to the group's financing methods, we select from a range of available options, taking into comprehensive consideration market conditions and other relevant factors at the time of financing before implementation. As a rule, working capital required for each business activity is procured through short-term borrowings from financial institutions or by issuing commercial paper, while funds for growth investments and capital expenditures are procured through equity, long-term borrowings from financial institutions, or the issuance of straight corporate bonds. We will continue striving to maintain a stable financing base and deploy agile capital policies. At present, financing conditions are tightening both in and outside of Japan, and the financing environment is undergoing change. As we continue to monitor these financial trends, the group will work to contain financing costs and ensure stability. At the same time, we will continue to accurately assess market conditions and develop flexible financing and capital policies in response.

As for the issuer credit rating on straight corporate bonds, we have maintained our "Single A (Stable)" issuer ratings since they were upgraded by two credit rating agencies in February 2022. While maintaining a sound financial position, we will continue working to enhance our earning power through growth investments and aim for further improvements in our credit rating.

Optimal Resource Allocation

In order to achieve sustainable growth and maximize capital efficiency, we place great importance on the optimal allocation of management resources from a company-wide perspective. With respect to our business portfolio, we review each segment, comprehensively assessing future earnings contributions, business synergies, the cost of capital, and other factors, and execute measures such as the reorganization and sale of unprofitable and non-core businesses. In fiscal 2025, we sold our European wastepaper recycling business, which was under the Raw Materials & Environment segment.

With respect to investment securities, including cross-shareholdings, we annually assess the rationale for holding such investments as well as their capital efficiency, and proceed with their sale as necessary. Since the introduction of the Corporate Governance Code, the group has sold a cumulative total of 63 stocks amounting to approximately JPY 21.9 billion as of March 2026. Funds obtained from such sales have been redirected to growth investments, reflecting the group's ongoing commitment to asset efficiency. When making investment decisions, in addition to ensuring that returns exceed the cost of capital, we comprehensively evaluate synergy effects with our existing businesses as well as with our long-term business strategy. Through this approach, we ensure disciplined capital allocation that leads to enhancing corporate value over the medium to long term.

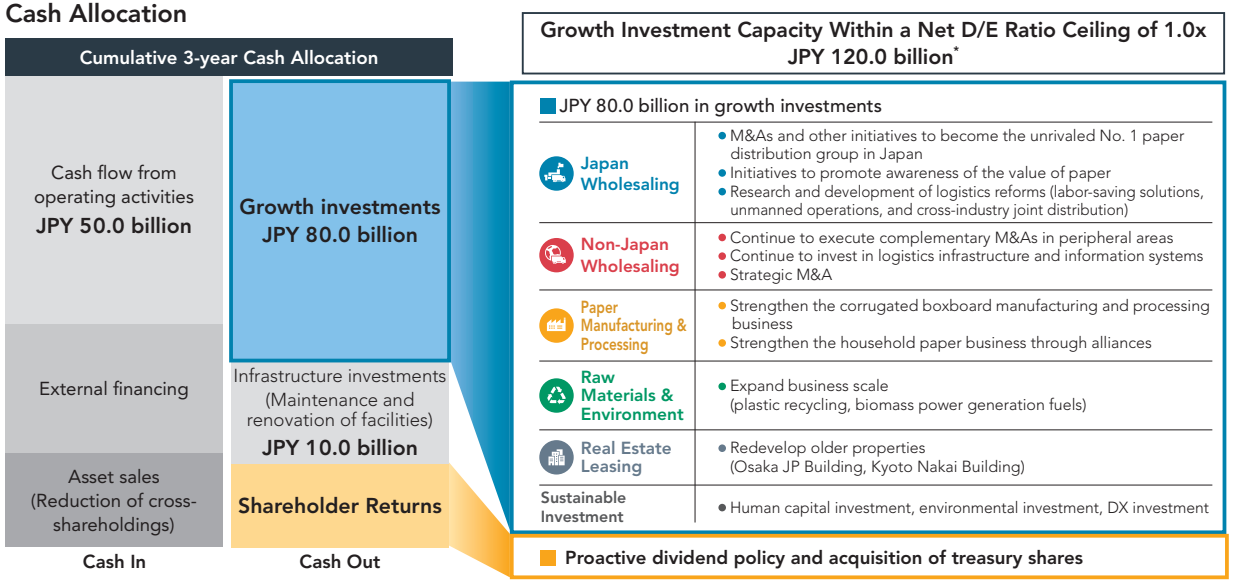
In addition, with respect to real estate, we carefully select our portfolio from the perspectives of both profitability and risk characteristics to secure stable earnings, while at the same time reviewing asset utilization to enhance capital efficiency. Certain properties we hold have experienced significant increases in market value amid strong real estate market conditions, and we are moving forward with the consideration of their sale from the standpoint of enhancing capital efficiency. Going forward, we aim to pursue sustainable growth and maximize capital efficiency while disciplining investment decision-making through improved asset efficiency, careful evaluation of profitability, and optimal capital allocation.

Cash Allocation

Regarding cash allocation over the three years of OVOL Medium-term Business Plan 2026, in addition to JPY 50.0 billion in cash flow from operating activities, cash inflows generated through external financing and asset sales are to be strategically allocated to a range of diverse capital needs, including JPY 80.0 billion in growth investments, JPY 10.0 billion in base investments, and proactive shareholder returns. In addition to this cash allocation policy, there has been no change to our view that the group can execute growth investments of up to JPY 120.0 billion by utilizing financial leverage until the upper limit of the net D/E ratio of 1.0×.

Cumulative cash allocation results for the two-year period from fiscal 2024 to fiscal 2025 totaled JPY 64.6 billion in cash inflows, comprising JPY 45.6 billion in cash flow from operating activities, JPY 2.4 billion in external financing, and

Cash Allocation



* The group will respond with agility to growth investment opportunities such as M&As, utilizing financial leverage up to a net D/E ratio of 1.0x.

Cumulative Results for FY2024–FY2025

Cash In		Cash Out	
Cash flow from operating activities	JPY 45.6 billion	Growth investments	JPY 30.9 billion
External financing	JPY 2.4 billion	Infrastructure investments	JPY 9.7 billion
Asset sales, etc.	JPY 16.6 billion	Shareholder returns	JPY 16.1 billion
		Internal reserves	JPY 7.9 billion
Total	**JPY 64.6 billion**	**Total**	**JPY 64.6 billion**

Overview of Recent Major Investments

Japan Wholesaling | Non-Japan Wholesaling | Paper Manufacturing & Processing | Raw Materials & Environment | Real Estate Leasing

Medium-term Business Plan Period (FY)	Amount	Major Investments
2017–2019	JPY 41.6 billion	M&As in the Non-Japan Wholesaling segment Upgrading facilities at a containerboard manufacturing plant Construction of a corrugated boxboard manufacturing plant outside of Japan Redevelopment of real estate holdings
2020	JPY 7.3 billion	M&As in the Non-Japan Wholesaling segment Upgrading facilities at a containerboard manufacturing plant
2021–2023	JPY 21.9 billion	M&As in the Non-Japan Wholesaling segment Corrugated boxboard manufacturing plants M&As and upgrades to facilities
2024–	JPY 40.7 billion	Japan Wholesaling capital and business alliances M&As in the Non-Japan Wholesaling segment Paper Manufacturing & Processing capital and business alliances Acquisition of plant land for Raw Materials & Environment comprehensive recycling business

JPY 16.6 billion from asset sales and other sources. Meanwhile, cash outflows allocated JPY 30.9 billion to growth investments, JPY 9.7 billion to infrastructure investments, JPY 16.1 billion to shareholder returns, and JPY 7.9 billion retained internally. The breakdown of growth investments by segment is approximately JPY 0.5 billion in the Japan Wholesaling segment, approximately JPY 29.0 billion in the Non-Japan Wholesaling segment, and approximately JPY 1.5 billion in the Paper Manufacturing & Processing and the Raw Materials & Environment segments. In addition, the breakdown of shareholder returns comprised JPY 7.2 billion in dividends and JPY 8.9 billion in share repurchases.

Looking specifically at fiscal 2025, cash inflows consisted of JPY 24.6 billion in cash flow from operating activities against the backdrop of stable business operations, and JPY 8.1 billion from significant progress in asset sales, particularly sales of cross-shareholdings. For cash outflows, while growth investment results remained modest in scale at JPY 4.6 billion, we executed a total of seven complementary M&A transactions in the Non-Japan Wholesaling segment, while in the Raw Materials & Environment segment, we acquired land for a domestic recycling plant in Japan to expand our integrated recycling business and acquired a new fuel yard for the biomass power generation business. In other segments as well, we are continually exploring investments as well as capital and business alliances that will enable us to outlast the competition, and we are steadily executing investments toward future growth. Meanwhile, shareholder returns increased significantly from the previous year, reaching JPY 13.0 billion, driven by the revision of our dividend policy and the proactive implementation of share repurchases (consisting of JPY 4.1 billion in dividends and JPY 8.9 billion in share repurchases). As a result, fiscal 2025 was a year in which we maintained solid cash-generating capacity and executed carefully selected growth investments across each segment while expanding shareholder returns.

Of the JPY 80.0 billion growth investment framework under OVOL Medium-term Business Plan 2026, approximately JPY 30.0 billion has been invested over the first two years. As a result, the group continues to retain sufficient financial capacity to undertake large-scale investments.

In fiscal 2026 as well, we will steadily proceed with executing growth investments and strengthening our business foundation in line with the strategies of each segment. In the Japan Wholesaling segment, as part of an investment strategy for outlasting the competition, we made Aoi Fukuhara a subsidiary in April 2026 and are advancing initiatives to further strengthen distributor and trading functions and differentiate ourselves from competitors. In the Non-Japan Wholesaling segment, we will continue focusing on strengthening the earnings base of our existing businesses, primarily through complementary M&As, and aim to further enhance competitiveness. In the Paper Manufacturing & Processing segment, centered on the household paper business and the corrugated boxboard processing business, we will proceed with systematically identifying growth opportunities and pursuing new investments. In the Raw Materials & Environment segment, while advancing the reorganization of unprofitable businesses, we are proceeding with preparations for capital expenditure aimed at expanding existing businesses with strong growth potential.

With respect to the Real Estate Leasing segment, we are evaluating potential sales from the perspective of improving capital efficiency, and our policy is to make optimal asset management decisions based on future market trends and capital management considerations.

Improvement of Corporate Value

Under OVOL Medium-term Business Plan 2026, we have set a target of achieving a PBR above 1.0×, and since the previous fiscal year we have been working to enhance corporate value through six key initiatives. In fiscal 2025, these initiatives made steady progress and delivered measurable improvements in market evaluation. Specifically, these initiatives focused on (1) improving competitiveness and profitability, (2) expanding the market by promoting awareness of the value of paper, (3) strengthening IR activities and communicating our growth strategy, (4) management with an awareness of the cost of capital and asset efficiency improvement, (5) reducing cross-shareholdings, and (6) promoting proactive shareholder returns, and we have advanced these in an integrated manner. As a result, the share price rose to around the PBR 1.0x level, and the PER also rose to approximately 15x on a forecast basis for the current fiscal year, and we believe stable profitability and expectations for future growth are being increasingly priced into the share price. In particular, we believe that our initiatives strengthening IR activities, reducing cross-shareholdings, and pursuing proactive shareholder returns were well-received by the market and have contributed to the appreciation of our share price.

With respect to strengthening IR activities, we have worked to enhance dialogue with a broad range of investors with the aim of reducing the cost of capital, improving share liquidity, and expanding our investor base. In fiscal 2024, we held our first briefing for individual investors, and we continued to hold these sessions in fiscal 2025. Through various initiatives, including publishing briefing videos and establishing a dedicated webpage for individual investors, we have also worked to improve access to information. As a result, the number of individual shareholders doubled from 11,408 before the start of OVOL Medium-term Business Plan 2026 to 22,198 as of March 31, 2026.

With respect to reducing strategically held shares, in fiscal 2025 we sold nine different stocks, including unwinding approximately half of our cross-shareholdings with Oji Holdings, which had been a major shareholder. Each year, the Board of Directors determines whether to continue holding each stock after quantitatively and qualitatively examining its strategic rationale and capital efficiency. As a result, the ratio to consolidated net assets as of March 31, 2026, decreased to 15.8%. Going forward, through ongoing dialogue and verification of individual holdings, we will further accelerate initiatives to reduce cross-shareholdings.

In terms of shareholder returns as well, we incorporated feedback received from investors through our IR activities and insights gained from ongoing dialogue, leading to revisions in our dividend policy and the proactive implementation of share repurchases. We believe these initiatives led to a more stable shareholder base through an increase in individual investors, improved share liquidity, and ultimately contributed to enhanced corporate value.

At the same time, strengthening our efforts to improve ROE is essential to maintaining a PBR above 1.0×. Accordingly, going forward we will work more proactively on improving productivity and operational efficiency through DX promotion and digital transformation, expanding both internal and external communication, and enhancing the value we provide to business partners. Furthermore, in addition to cross-shareholdings, we will also focus on liquidating real estate assets and work to revise capital allocation and strengthen capital efficiency. In particular, with respect to improving earnings from fiscal 2026 onward, we recognize that the rebuilding and performance recovery of the German subsidiaries, which recorded significant losses in the previous

Reduction in Cross-shareholdings

FY		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Number of stocks sold*		7	21	13	6	3	5	6	7	5	9	**9**	63
Proceeds	(Billions of yen)	1.9	5.2	0.2	0.9	0.0	0.4	1.1	0.8	0.9	2.2	**8.2**	21.9
Gains/Losses	(Billions of yen)	0.9	1.8	0.1	0.3	0.0	0.2	0.4	0.4	0.1	0.6	**4.6**	9.5
Ratio of holdings to consolidated net assets	(%)	33.2	28.8	28.6	25.7	24.0	27.1	23.8	18.1	21.2	17.5	**15.8**	

* As some shares were sold over multiple years, totals by year and overall may not align.

fiscal year, is an urgent priority. Through such measures as recovering sales volume, reviewing unprofitable transactions, and reducing fixed costs through business structure reforms, we aim to strengthen their earnings base and maximize returns. With regard to promoting DX, based on the DX Grand Design formulated in January 2026, we are proceeding together as one company with initiatives that include maximizing human resource potential, strengthening sales capabilities, deepening and accelerating decision-making through data-driven management, transforming organizational and employee mindsets, and contributing to the industry. Going forward, through strengthening communication and creating new growth opportunities, we aim to further enhance corporate value. We will also work on investment decisions and capital allocation with an awareness of the cost of capital, while also pursuing organizational reform and the effective utilization of human capital, and will steadily promote further enhancement of ROE and corporate value.

Shareholder Returns and Dialogue with Investors

Shareholder Returns

In fiscal 2025, we steadily implemented specific measures in relation to shareholder returns aimed at achieving OVOL Medium-term Business Plan 2026.

With respect to the dividend policy, we have taken seriously the views we received over time from institutional investors through our IR activities, including calls for highly stable dividends, a long-term approach to shareholder returns, and management with a strong awareness of the cost of capital, and reviewed our dividend policy accordingly. In order to realize more stable and sustainable shareholder returns, we revised our dividend policy for the remaining period of the OVOL Medium-term Business Plan 2026 (the fiscal years ending March 2026 and March 2027) by incorporating consolidated dividend on equity (DOE) as an additional benchmark. Under the revised policy, the previous policy of maintaining progressive dividends targeting a consolidated payout ratio of at least 30% has been changed, with respect to annual dividends per share, to a policy of progressive dividends, with a consolidated payout ratio of at least 30% and DOE of at least 3%. Following this policy change, the year-end dividend for fiscal 2025 was increased from JPY 14 to JPY 20 per share. Together with the interim dividend of JPY 14 already paid, the annual dividend amounted to JPY 34, representing an increase of JPY 9 from the previous fiscal year. In addition, for fiscal 2026, we plan a further dividend increase of JPY 2, for an annual dividend of JPY 36, consisting of an interim dividend of JPY 18 and a year-end dividend of JPY 18.

As for share repurchases, we responded with agility from the perspectives of improving capital efficiency and enhancing shareholder value. In November 2025, we acquired 8,384,900 shares at a total acquisition cost of JPY 6.4 billion. As this further increased the ratio of treasury shares as a percentage of the total shares issued, which already stood at 18% as of the end of fiscal 2024, we canceled 30,000,000 treasury shares in the same month. In addition, in February 2026, we resolved to acquire treasury shares with an upper limit of 5,000,000 shares or an acquisition cost of JPY 5.5 billion, and conducted market purchases. The acquisition was completed with the purchase on June 1, with a total of 4,945,700 shares acquired for JPY 5.5 billion.

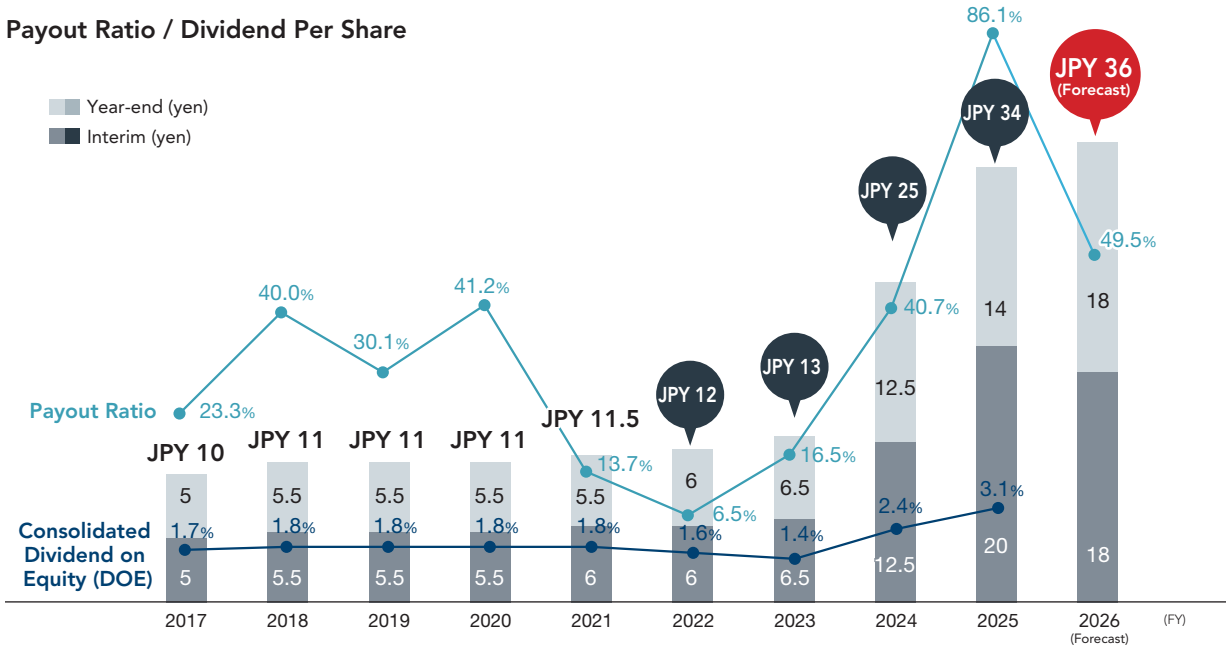
For fiscal 2025, the consolidated payout ratio was 86.1% (40.7% in the previous fiscal year), DOE was 3.1% (2.4% in the previous fiscal year), and the consolidated total payout

Financial and Capital Strategy

ratio was 274.9% (41.4% in the previous fiscal year). These figures are the result of enhancing shareholder return initiatives, despite a decline in profit attributable to owners of parent compared with the previous fiscal year.

We believe that the execution of these proactive shareholder return measures contributed to improving PBR. Going forward, we will continue to provide stable and consistent shareholder returns while maintaining an appropriate balance with investments for sustainable growth, thereby enhancing corporate value.

Payout Ratio / Dividend Per Share



* Figures for fiscal 2023 and earlier have been adjusted to reflect the share consolidation at a ratio of ten shares into one share effective October 1, 2017, and the share split at a ratio of one share into ten shares effective October 1, 2024.

Dialogue with Investors

Japan Pulp & Paper is focusing on enhancing sustainable growth and medium- to long-term corporate value through constructive dialogue with shareholders and investors. The Public & Investor Relations Office works closely with the General Affairs, Management Planning, and Finance departments on this, and valuable feedback and requests received through these dialogues are reported to the Board of Directors as appropriate. In our dialogues with shareholders and investors, we actively utilize the integrated report and other disclosure materials to clearly communicate our management strategies, financial position, and initiatives related to corporate governance and sustainability, among other information.

For institutional investors, in addition to the biannual financial results briefings, we hold individual meetings upon request. Furthermore, we have taken the feedback received through IR activities seriously, including calls for management with an awareness of the cost of capital, and have reflected this feedback in our dividend and capital policies.

For individual investors as well, we consider it essential to clearly explain Japan Pulp & Paper's growth strategy and initiatives to enhance corporate value and to deepen their understanding, and have therefore continued to strengthen our IR activities. In March 2025, we held our first in-person briefing session for individual investors, at which the president gave a presentation. This was followed by a second briefing in February 2026, and in March 2026 we participated in an online company briefing. Furthermore, through initiatives such as publishing briefing videos and launching a dedicated webpage for individual investors, we are working to create an environment where information about Japan Pulp & Paper is more accessible to a wider audience. We also listen closely to feedback from individual investors and incorporate it in our management practices. For example, in response to a request made at the previous year's General Meeting of Shareholders to avoid holding the meeting on the peak date for annual shareholder meetings, we scheduled this year's meeting on a different date.

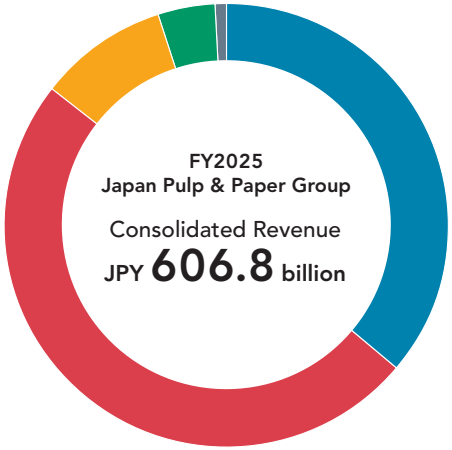
The aim in strengthening IR activities and dialogue is to build a two-way relationship with a broad range of investors, thereby leading to enhanced reputation and credibility in the capital markets, improved share liquidity, the expansion of our investor base, and an appropriate valuation of our corporate value. In fact, we recognize that shareholder return measures and strengthened IR activities contributed to a rise in our share price and the achievement of a PBR above 1.0×, and have linked the results of dialogue initiatives to enhancing corporate value. By continuing to build on this dialogue with shareholders and investors, we will further strengthen the trust of capital market participants and support an appropriate valuation of Japan Pulp & Paper's shares.

Business Overview

The Japan Pulp & Paper Group creates new value by organically linking its sales and manufacturing of paper, paperboard, and household paper with its Japan and non-Japan wholesaling segments, recycling business, renewable-energy-related business, sign & display business, and packaging business.

By combining the procurement capabilities, logistics functions, manufacturing and processing capabilities, and recycling functions of group companies with our extensive global network, we have established a circular value chain spanning raw material procurement, product supply, and the collection and recycling of used products.

Leveraging these cross-business synergies as a driving force for growth, we create both environmental and economic value. At the same time, with "the new power of paper" as a starting point, we will also enhance resource circulation and create new value, thereby contributing to a sustainable society while enhancing corporate value.



Consolidated Subsidiaries	Associated Companies (Equity-Method)
92	6

FY2025 Results by Segment	Main Businesses
[ ]: Composition	
Japan Wholesaling Revenue JPY 193.1 billion [31.8%] Ordinary Profit JPY 5.7 billion	• Paper, paperboard, and related products sales business • Warehousing and transportation businesses • Information service business etc.
Non-Japan Wholesaling Revenue JPY 338.1 billion [55.7%] Ordinary Profit JPY (0.5) billion	• Paper, paperboard, and related products sales business • Sign & display-related business • Packaging-related business etc.
Paper Manufacturing & Processing Revenue JPY 51.4 billion [8.5%] Ordinary Profit JPY 7.3 billion	• Recycled household paper manufacturing business • Containerboard manufacturing business • Printing and communication paper manufacturing business • Containerboard boxes and related products manufacturing business etc.
Raw Materials & Environment Revenue JPY 20.0 billion [3.3%] Ordinary Profit JPY 0.6 billion	• Resource recycling business • Wastepaper, pulp, and other raw materials supply business • Biomass fuel supply business • Comprehensive recycling business • Renewable energy power generation business etc.
Real Estate Leasing Revenue JPY 4.1 billion [0.7%] Ordinary Profit JPY 1.5 billion	• Real estate leasing business



Business Segments

Japan Wholesaling

Number of Consolidated Subsidiaries: 10

Major Group Companies

- JP Household Supply Co., Ltd.
- Gokura Co., Ltd.
- Cosmo Paper Trading Co., Ltd.
- JP Loginet Co., Ltd.
- OVOL ICT Solutions Co., Ltd., etc.



A Dominant Presence in the Industry and the Leading Share of Paper Distribution in Japan

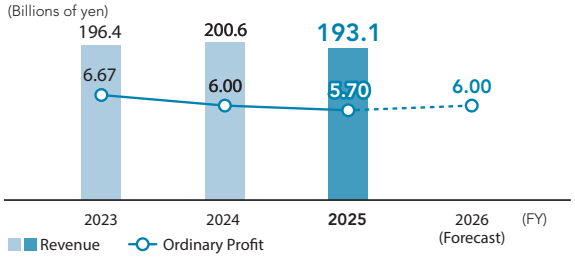
Based on the expertise and trust accumulated over more than 180 years since our founding, we have established Japan's top domestic share in paper and paperboard sales as a distributor for paper manufacturers.
In addition to paper and paperboard, we have expanded the product categories we handle to include high value-added materials, including chemical products such as films, packaging products, and functional materials for electronics-related applications, and currently provide solutions in response to diversifying customer needs.
We also leverage a nationwide logistics network and IT systems specialized for the paper industry to efficiently connect procurement, logistics, and sales, thereby building a sophisticated and stable supply system. As a core function supporting the group's businesses in Japan, we also contribute to creating synergies across a broad range of businesses.



Current Status of Japan Wholesaling Segment

Strengths	• Relationships of trust built with business partners through more than 180 years of business activities • Human resource foundation supporting our position as a leading company in our industry • Ability to make proposals based on advanced specialized knowledge and know-how in the paper business • Distribution network supporting a stable nationwide supply • IT systems specialized for the paper industry
Opportunities	• Creation of new demand by communicating the value and appeal of paper • Expanding demand for products and services that contribute to reducing environmental impact • Changes in demand structure accompanying the transition to a sustainable society
Risks	• Structural decline in demand for paper • Changes in the market environment due to rising raw material and distribution costs • Changes in consumer behavior and customer needs

Revenue/Ordinary Profit



Fiscal 2025 Segment Overview

Revenue	Decreased year on year due to a decrease in paper sales volume caused by shrinking demand, even while paperboard sales volume remained consistent year on year, and sales prices for paper and paperboard remained consistent.
Ordinary Profit	Decreased year on year due to a decline in gross profit and an increase in personnel expenses and logistics costs.

Paper	Sales volume decreased year on year due to a decrease in the circulation and format size of periodicals and catalogs, as well as a decline in demand caused by structural factors such as the ongoing shift toward digitization. Under a marketing policy that prioritizes profit over volume, we pursued price optimization with a focus on profitability, which temporarily drove down our market share.
Paper-board	Sales of containerboard remained consistent year on year backed by demand from inbound tourists, despite the sluggish performance of containerboard for industrial products. Sales of boxboard remained steady for trading card applications as well as pharmaceutical and cosmetic products. As a result, overall sales volume of paperboard remained consistent year on year.
Functional materials	Despite variations in demand for functional materials by region and sector, new orders kept sales volume at a level comparable to the previous fiscal year.

Japan Sales Volume and Revenue (Non-consolidated)

		FY2024	FY2025	Change from the Previous Period	Comparison with the Previous Period
Sales volume (10,000 metric tons)	Paper	87.7	81.0	(6.6)	92.4%
	Paperboard	79.5	80.1	+0.6	100.7%
Revenue (Billions of yen)	Paper	130.21	122.60	(7.62)	94.2%
	Paperboard	35.80	37.04	+1.24	103.5%

* For fiscal 2025, domestic demand* comparison with the previous period: Paper 96.1%, Paperboard 99.1%. Paper and Paperboard total was 97.7%.

* Domestic demand = Manufacturers' domestic shipments + Imports (Source: Japan Paper Association / Japan Paper Importers' Association)

Segment Policy Under OVOL Medium-term Business Plan 2026

Maximize Earnings by Leveraging the Group's Collective Strengths

FY2026 Quantitative Target Segment Ordinary Profit
JPY 7.0 billion

Ordinary Profit Results for FY2025
JPY 5.7 billion

• Differentiate ourselves from competitors and succeed by promoting our capabilities and value throughout the supply chain	➡ Invest in the digital transformation (DX) of the paper industry; invest in logistics reforms and promote awareness of the value of paper
• Expand sales of household paper and high-performance/high-value-added products	➡ Strengthen relationships with suppliers
• Carry out M&As to become the unrivaled No. 1 paper distribution group in Japan	➡ Use M&As and alliances to expand business areas and strengthen the supply chain
• Enhance organizational capabilities and ability to make proposals by promoting human capital investment	➡ Develop human resources well-versed in the 3Cs (Change, Challenge, Create) so that we can propose and implement new functions and services
• Improve productivity and profitability through DX initiatives	➡ Promote both "defensive DX" and "offensive DX"

Enhanced Competitiveness | **Enhanced Profitability** | **Expanded Revenue Scale**

Progress of OVOL Medium-term Business Plan 2026

Promotion of M&As	• Following the 2025 acquisitions of Seibunsha (Hyogo Prefecture) and Nishimura Yoshi, whose business was succeeded by Koyosha (Osaka), Aoi Fukuhara (Hiroshima Prefecture) joined the group in April 2026, further strengthening our sales network in western Japan.
Strengthening alliances	• With the cooperation of customer printing companies, we launched a scheduled shuttle service jointly with two other companies in the industry, with the three companies sharing deliveries. By consolidating transportation volumes and utilizing trailers, we achieved improved loading rates and eliminated waiting times, thereby promoting logistics efficiency and reductions in CO_2 emissions.
Three initiatives to promote awareness of the value of paper	• Please see page 25 for initiatives regarding the nationwide expansion of on-site classes, regular workshops, and the paper study group's activities aimed at spreading the value of paper.
Expansion of sales of household paper and high-performance/high-value-added products	• "Kami Eco® Display Packaging," which enables printing product information and designs on both the inside and outside of packages, received the Packaging Paper & Shopping Bag award at the Japan Packaging Competition 2026. The packaging can display the FSC® certification mark, the Plastic Smart mark, and Recyclability Rank B labeling, and it is also compatible with recycling as recovered paper. • Kami Eco® Craft+α received the Minister of Economy, Trade and Industry Award/JAPAN STAR Award at the Japan Packaging Contest 2026. While retaining the natural texture unique to paper, this highly durable material withstands machine washing and supports a wide range of processing methods, including sewing, printing, and wrinkle processing, enabling both brand expression and sophisticated design.
Promotion of DX	• In January 2026, Japan Pulp & Paper formulated its DX Grand Design, clarifying the six strategies that leverage its strengths, including maximizing human resource potential through AI and strengthening sales capabilities. • Based on the DX Certification Program established by the Ministry of Economy, Trade and Industry, we were certified as a DX-Certified Business as of May 1, 2026.

Group Companies

OVOL ICT Solutions Co., Ltd.

Head Office: Tokyo

Business: Development and sale of systems for paper merchants, integrated logistics systems, and other IT solutions

Realizing Competitive Advantage by Combining Paper Distribution Industry Expertise and IT



Hiroshi Kondo
Representative Director and President

As a member of the Japan Pulp & Paper Group, OVOL ICT Solutions makes the development and operation of ICT systems that support paper and paperboard distribution operations its core business and is responsible for building the digital foundation for the group as a whole. With our strengths in proposing and developing systems in line with the actual operations of Japan Pulp & Paper and companies in Japan's paper distribution industry, we have deep expertise and an extensive track record regarding business processes unique to the paper distribution industry, including order processing, inventory, and logistics management.

In the paper and paperboard market in Japan, demand for digitalization is growing in response to labor shortages and the need for greater operational efficiency. At the same time, the IT environment is undergoing significant transformation, driven by developments such as the adoption of AI, migration to the cloud, and enhanced cybersecurity. We view these changes as growth opportunities and support customers' DX promotion through solutions that integrate IT expertise with a deep understanding of the industry.

The source of our competitive advantage lies in our deep understanding of the paper distribution industry cultivated over many years, our strong collaboration with the Japan Pulp & Paper Group, and a customer network that extends throughout the industry. Our ability to develop proposals that address customers' challenges on the ground is a distinctive strength that sets us apart from other IT vendors.

As we enter the final year of the current medium-term business plan, we will further improve QCD (quality, cost, and delivery) and promote the sophistication of development and operations utilizing AI. In this way, as an ICT partner that supports the growth of group companies and our customers, we will contribute to sustainable growth and the realization of OVOL Vision 2030.

Business Segments

Non-Japan Wholesaling

Number of Consolidated Subsidiaries: 66

Major Group Companies

- Gould Paper Corporation
- Premier Paper Group Limited
- OVOL Papier Deutschland GmbH
- OVOL France, S.A.S.
- Ball & Doggett Group Pty Ltd, etc.



Global, Local and Cross Border Business Rooted in Many Countries and Regions as One of the World's Leading Paper Distribution Companies

Leveraging our know-how of business conducted outside Japan, which we have cultivated since our expansion into Shanghai in 1899, we have developed a global paper distribution business equipped with inventory and delivery functions. Through locally rooted supply structures tailored to the market characteristics and customer needs of each region, we ensure stable product supply around the world. In addition to graphic paper, we are expanding our business areas into high value-added materials such as sign & display, flexible packaging materials, and industrial packaging, thereby promoting the strengthening of our earnings base.
Furthermore, we continue to strengthen our global supply capabilities and competitiveness by enhancing procurement functions and expanding our sourcing network through collaboration with group companies.

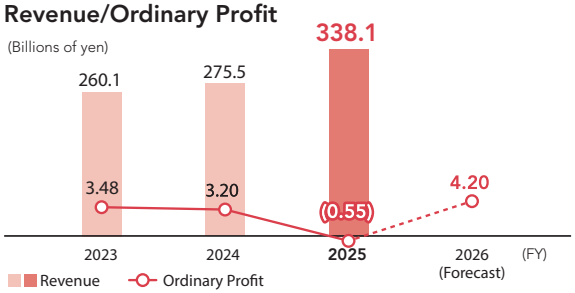


As of March 31, 2026

Current Status of Non-Japan Wholesaling Segment

Strengths	• Strong relationships of trust built with business partners outside Japan over more than 120 years • Global procurement and supply system supported by 76 group companies in Japan and 21 countries and regions outside Japan • Customer responsiveness that leverages locally based inventory, processing, and delivery capabilities • Ability to make proposals based on procurement, supply, and information capabilities that leverage our global network
Opportunities	• Growing demand for high value-added products such as sign & display, flexible packaging materials, and industrial packaging • Growing demand for products and services that contribute to resource circulation and decarbonization • Sustained growth in Asian markets • Increased demand to establish sustainable supply chains
Risks	• Decline in paper demand due to structural issues such as the digitization of information media • Changes in the business environment due to supply-demand imbalances and market fluctuations • Intensifying competition with Chinese and South Korean manufacturers in European and U.S. markets • Impact of geopolitical risks and exchange rate fluctuations on market conditions

Revenue/Ordinary Profit



Fiscal 2025 Segment Overview

Revenue	Increased year on year due to the effects of the strategic M&As implemented in France and Germany in the previous fiscal year, as well as complementary M&As in Oceania.
Ordinary Profit	Recorded an ordinary loss due to such factors as the delayed recovery in performance at the German subsidiaries, lower selling prices resulting from intensified sales competition in key markets, and foreign exchange losses.

Status of Key Markets	Demand for paper and paperboard in the U.S. slightly declined on a full-year basis in FY2025, reflecting a pullback after remaining steady in the first half due to the inventory-loaded demand that occurred ahead of tariffs. Demand continued to trend downward in Europe and Oceania.
Exports From Japan	Sales of paper and paperboard to China and other Asian countries declined year on year due to lower market prices.

Sales Volume by Business Within the Segment

(Unit: 10,000 metric tons)	FY2024	FY2025	Change from the Previous Period	Comparison with the Previous Period
U.S.	62.8	56.2	(6.6)	89.4%
Europe	17.4	43.1	+25.7	247.7%
Oceania	14.4	13.9	(0.5)	96.8%

Note: Sales volumes are simple totals of major subsidiaries.

Segment Policy Under OVOL Medium-term Business Plan 2026

Build a Stable Revenue Structure and Further Diversify Revenue Sources

FY2026 Quantitative Target Segment Ordinary Profit
JPY 8.0 billion

Ordinary Profit Results for FY2025
JPY (0.5) billion

• Continue to invest in logistics infrastructure and information systems in the graphic paper market.	
• Expand sales of high-value-added products such as sign & display-related items, packaging, flexible packaging, and environmentally friendly products.	➡ Expand revenue scale and engage in cross-selling.
• Continue to execute complementary M&As in peripheral business areas.	➡ Combine existing merchant functions with the value chains of peripheral products to diversify revenue sources and expand capabilities.
• Improve organizational strength and productivity by promoting investment in human capital.	➡ Implement training programs, secure/develop human resources with specialist knowledge.

Enhanced Competitiveness | **Enhanced Profitability** | **Expanded Revenue Scale**

Progress of OVOL Medium-term Business Plan 2026

Although the M&As in Germany are taking longer to contribute to earnings due to changes in the business environment, we are committed to pursuing strategic M&As as a key initiative for realizing OVOL Vision 2030.
Sales of adjacent materials acquired through complementary M&As in Europe and Oceania are expanding steadily, further strengthening our business foundation.

Investment (Strategic M&As)

Current status of deals implemented in 2024

Germany: OVOL Papier Deutschland, OVOL Packaging, OVOL ComPlott
- Although the recovery of sales revenue has struggled more than expected due to impacts such as customer attrition, decreased demand, and price declines, the loss is expected to narrow in the current fiscal year due to business structure reforms and a recovery in sales revenue.

France: OVOL France
- In addition to paper and paperboard sales, the company engages in sign & display-related businesses.
- Has contributed to consolidated results since joining the group. We expect it to continue contributing to performance in the current fiscal year as well.

Portugal: OVOL Shared Center (Non-consolidated)
- Provides shared services business within the European group. We expect it to further generate synergies going forward, through initiatives such as supporting ERP implementation at certain group companies.

Investment (Complementary M&As)

- Continued execution of complementary M&As to expand our business domains and increase our share in each market
- Increased earnings through expanded sales of high value-added products and strengthened logistics functions

Deals implemented in 2024

Sign & Display Business
- CAS Technology (Singapore)
- Sign Essentials (Australia)

Flexible Packaging Materials Business
- Caspak Products (Australia)
- Pacrite Industries (New Zealand)

Deals implemented in 2025

Flexible Packaging Materials Business
- Impak Films (Australia)
- Impak Films New Zealand (New Zealand)
- Impak Films US (U.S.)

Sign & Display Business
- Carter Consolidated (New Zealand)

Deals implemented in 2026

Development of logistics software / contract sales of systems / contract transportation services: January
- Shippers Resource Center (U.S.)

Sign & Display Business: March
- PPB (U.K.)

Packaging Business: April
- Transpack (U.K.)

Divestment (Transfers and Disposals, etc.)

Deals implemented in 2024

Wastepaper Recycling Business
- JRS Resources (U.S.)

Business suspended due to decreased sales volume to Chinese containerboard manufacturers.

Nut Harvesting Machinery Manufacturing Business
- Weiss McNair (U.S.)

Sold as part of the restructuring of non-core, unprofitable businesses.

Deals implemented in 2025

Wastepaper Recycling Business
- OVOL Fiber Europe (Netherlands)

Sold as part of the restructuring of unprofitable businesses.

Group Companies

Premier Paper Group Limited

Head Office: U.K./Birmingham
Business: Paper wholesaling business

Driving Sustainable Growth Through Market Diversification and Operational Excellence



Michael Beever
CEO

Premier Paper Group (“PPG”) is a leading distributor of paper, board, packaging and sign and display materials across the UK and Ireland. Leveraging an extensive sales and distribution network, the group combines national scale with local presence to deliver comprehensive market coverage and a differentiated customer proposition.

PPG operates in a market that continues to diversify beyond traditional print, with growing demand for applications across packaging and sign and display. Customers are increasingly seeking technical expertise, broader product portfolios and enriched services that support expansion into adjacent markets. PPG continues to commit strategic investments into both categories, strengthening product depth through close manufacturer partnerships, holistic innovation and complementary M&A activity.

Central to PPG’s offer is an integrated supply network spanning a dedicated vehicle fleet, including purpose-built vehicles for sign and display materials, conversion services and next-day delivery. The recent acquisitions of PPB and Transpack have further strengthened this foundation, building on the group’s existing presence in the sign and display and packaging markets.

Looking ahead, PPG will accelerate market penetration by realising synergies across these newly acquired businesses, further enhancing the value it delivers to customers. By responding proactively to evolving market needs, the group remains committed to achieving sustainable, profitable growth and increasing corporate value.

Business Segments

Paper Manufacturing & Processing

Number of Consolidated Subsidiaries: 10
(of which 1 is outside Japan)

Main Businesses

- Recycled household paper business
- Containerboard business

Major Group Companies

- Corelex Group
- Eco Paper JP Co., Ltd.
- Taiho Paper Co., Ltd.
- Showa Packaging Industry Co., Ltd.
- Misuzushigyo Co., Ltd., etc.



Optimizing the Group's Supply Chain (Raw Material Procurement → Manufacturing → Sales)

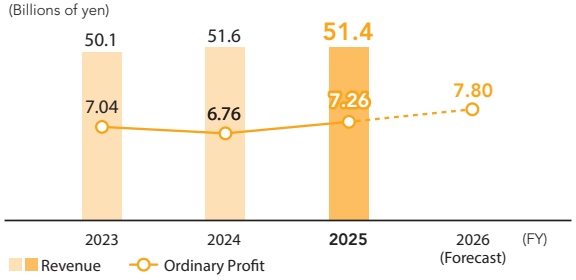
Through the manufacture of recycled household paper products, containerboard, corrugated packaging, and other products made from recovered paper, we contribute to the effective utilization of resources and the realization of a circular economy.
In the recycled household paper business, the Corelex Group, which holds a significant share of Japan's recycled toilet paper market, plays a central role in establishing a stable supply system for high-quality products, leveraging its unique technological and product development capabilities as key strengths.
In the containerboard business, we operate our paper manufacturing business, which produces containerboard, and our processing business, which manufactures corrugated packaging and other products, in an integrated manner, providing comprehensive packaging solutions tailored to customer needs.
In addition, by optimizing the supply chain within the group, from raw material procurement through to manufacturing and sales, we achieve both improved production efficiency and reduced CO_2 emissions. Furthermore, through collaboration with the recycling business, we promote the advancement of resource circulation, thereby enhancing environmental value and competitiveness.



Current Status of Paper Manufacturing & Processing Segment

Strengths	• An integrated group supply chain encompassing everything from wastepaper recycling to the manufacture and wholesale of household paper and containerboard. • Employing difficult-to-recycle wastepaper processing technology from the Corelex Group We have established proprietary technology for removing contaminants from recovered paper that is difficult to recycle and converting the recovered paper into new paper products. This technology enables both cost-effective and stable raw material procurement, giving us a competitive advantage.
Opportunities	• Increased demand for wastepaper processing and recycling amid growing environmental awareness • Growing demand for products that serve as plastic alternatives and contribute to resource circulation • Expanding market opportunities accompanying the transition to a decarbonized society
Risks	• Decrease in the availability of wastepaper and market fluctuations due to decline in paper demand • Rising manufacturing costs due to sharp price increases in raw materials and fuel

Revenue/Ordinary Profit



Fiscal 2025 Segment Overview

Revenue	In the containerboard & corrugated boxboard business, sales volume remained consistent year on year in the containerboard business and slightly increased year on year in the processing business. While sales prices remain consistent for both businesses, revenue declined year on year. On the other hand, the recycled household paper business saw a year-on-year increase in revenue, mainly due to the impact of ongoing price revisions, keeping the segment overall in line with the previous period.
Ordinary Profit	Increased year on year due to higher unit sales prices in the recycled household paper business, despite higher manufacturing costs, including labor, fuel, and auxiliary material costs.

Containerboard & Corrugated Boxboard Business	Sales volume remained consistent year on year in the containerboard business and slightly increased year on year in the processing business. Sales prices remained consistent year on year for both businesses.
Recycled Household Paper Business	Sales amount increased year on year mainly due to the penetration of ongoing price revisions.

Sales Volume by Business Within the Segment

	FY2024	FY2025	Change from the Previous Period	Comparison with the Previous Period
Containerboard business sales volume (10,000 metric tons)	22.7	**22.7**	0.0	99.9%
Corrugated boxboard processing business sales volume (10,000 m^2)	16,195	**16,516**	+320.5	102.0%
Recycled household paper business production volume (10,000 metric tons)	11.3	**11.3**	0.0	100.1%

In fiscal 2025, demand for corrugated containers in Japan was 99.7% year on year, while demand for household paper products, such as toilet paper, in Japan increased slightly to 102.2% year on year.
Demand for corrugated containers in Japan = consumption (input to the next process) + shipments (Japan Corrugated Case Association)
Demand for household paper products in Japan = shipments + imports (Nihon Kateishi Kougyokai [Japan Household Paper Manufacturers Association] and Ministry of Finance trade statistics)

Segment Policy Under OVOL Medium-term Business Plan 2026

Proactive Efforts to Conserve the Global Environment and Build a Stable Revenue Base

FY2026 Quantitative Target Segment Ordinary Profit
JPY 7.5 billion

Ordinary Profit Results for FY2025
JPY 7.3 billion

• Realize operation and sales at full capacity in the containerboard business	➡ Expand revenue scale and establish a procurement and facility management system that enables operation at full capacity
• Improve brand strength and expand sales in the recycled household paper business	➡ Reinforce procurement network through alliances, implement a branding strategy (advertising, events, etc.), and develop new products
• Reduce CO_2 emissions, conserve energy, and improve efficiency through DX utilization	➡ Introduce equipment with less environmental impact and reform business operations with DX
• Secure talent for business continuity with human capital investment	➡ Develop and secure management personnel in the manufacturing segment with knowledge of manufacturing

Enhanced Competitiveness | **Enhanced Profitability** | **Expanded Revenue Scale**

Progress of OVOL Medium-term Business Plan 2026

Expansion of revenue scale through promotion of M&As and alliances	• In 2025, with the aim of improving brand strength and expanding sales in the household paper business, as well as expanding our procurement network through alliances, we acquired 20% of the issued shares of Masukoh Paper (Shizuoka).
Improvement of production efficiency driven by DX	• Introduced a distributed control system (DCS) at Corelex San-Ei's Tokyo Mill for remotely controlling manufacturing processes in each department within the factory and automating manufacturing processes to improve production efficiency.
Implementation of branding strategy	• At Expo 2025 Osaka, Kansai, Japan, Corelex Shin-Ei collected paper waste generated within the venue and used it to manufacture toilet paper. By using the recycled toilet paper in part of the venue, we realized our resource circulation initiative.

Group Companies

Taiho Paper Co., Ltd.

Head Office: Gifu
Business: Production and sales of containerboard

Evolving Containerboard Manufacturing for the Decarbonization Era



Kenichi Kudo
Representative Director and President

Taiho Paper contributes to the realization of a circular economy through the manufacture of containerboard (corrugating medium and inner linerboard) using 100% recovered paper as a raw material. Our greatest strength lies in our production system that has an extremely low environmental impact. We utilize steam and electricity generated by a woody biomass boiler operated by our subsidiary, Kawabe Biomass Power Generation, together with electricity generated from hydropower, enabling us to operate our production processes using almost 100% renewable energy.

As a result, in fiscal 2024, our overall greenhouse gas emission intensity was reduced by 96.8% compared to fiscal 2021, achieving one of the highest levels of environmental performance in Japan's paper manufacturing industry. As the importance of decarbonizing operations grows, our products offer significant added value by helping customers reduce their Scope 3 emissions and carbon footprints (CFPs).

We expect that future expansion of emissions trading schemes and progress on emissions disclosure across entire supply chains will drive growing demand for low-carbon products. We will leverage this environmental advantage as a competitive strength and enhance our ability to visualize and communicate the environmental value of our products. Through these initiatives, we aim to create new demand and improve profitability, leading to sustainable profit growth and the realization of OVOL Vision 2030.

Business Segments

Raw Materials & Environment

Number of Consolidated Subsidiaries: 6
(of which 2 are outside Japan)

Main Businesses

- Wastepaper recycling business
- Comprehensive recycling business
- Renewable energy business

Major Group Companies

- Fukuda Sansho Inc.
- Eco-Port Kyushu Co., Ltd.
- Noda Bio Power JP Co., Ltd.
- OVOL New Energy Sdn. Bhd., etc.



Initiatives to Regenerate and Recycle Resources to Promote a Circular Economy

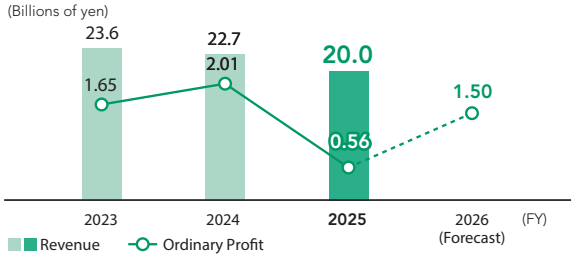
We have been working on the recycling of wastepaper since the 1970s and have contributed to the creation of a circular economy for many years. Currently, with Fukuda Sansho serving as the core operating company, we have established a wastepaper collection network and built a business foundation that supports the paper manufacturing industry and resource circulation through the stable supply of raw materials to paper manufacturers in Japan.
In addition, building on this foundation, we have expanded our business areas into waste plastics recycling and renewable energy power generation businesses, promoting the advancement of resource circulation and the creation of new value. Furthermore, by developing businesses encompassing collection, recycling, and energy utilization, we are contributing to the realization of a circular economy and the transition to a decarbonized society while strengthening our sustainable business foundation.



Current Status of Raw Materials & Environment Segment

Strengths	• Stable supply system for high-quality recovered paper used as a raw material by domestic Japanese paper manufacturers • Comprehensive recycling business utilizing wastepaper, plastic waste, and wood-based waste • Integrated business foundation spanning everything from the supply of woody biomass fuel through power generation • Development of the pulp business in collaboration with our original paper business
Opportunities	• Growing societal demand for resource circulation and decarbonization
Risks	• Change in the procurement environment due to a decrease in wastepaper generation • Rising prices for woody biomass fuel and raw materials • Supply-demand fluctuations in resource and energy markets

Revenue/Ordinary Profit



Fiscal 2025 Segment Overview

Revenue	Decreased year on year, significantly impacted by lower sales volume of recovered paper, as well as lower unit sales prices and sales volume of woody biomass fuel.
Ordinary Profit	Decreased year on year due to deteriorated profitability in the woody biomass generation business and the recognition of losses associated with the impairment of non-current assets at an equity-method affiliate.

Recovered Paper	Sales amount decreased year on year due to lower volume of wastepaper generation resulting from decreased demand for paper and paperboard, the transfer of three business sites in Japan, and a decline in the wastepaper export business in the U.S.
Pulp	Sales amount decreased year on year both inside and outside of Japan.
Comprehensive Recycling Business	Sales value increased year on year due to an increased processing volume.
Renewable Energy Business	Sales amounts in the solar and woody biomass power generation businesses remained consistent year on year. Profitability improved in the second half of the fiscal year for woody biomass fuel, but both sales volume and amount declined on a full-year basis compared with the previous fiscal year.

Revenue by Business within the Segment (Non-consolidated)

(Unit: Billions of yen)	FY2024	FY2025	Change from the Previous Period	Comparison with the Previous Period
Japan Pulp & Paper	8.85	7.60	(1.24)	86.0%
Wastepaper Recycling Business	8.79	7.66	(1.13)	87.1%
Renewable Energy Business	5.01	4.78	(0.23)	95.4%

Segment Policy Under OVOL Medium-term Business Plan 2026

Contribute to a Sustainable Society and the Future of the Earth Through a Circular Business Model

FY2026 Quantitative Target Segment Ordinary Profit
JPY 2.0 billion

Ordinary Profit Results for FY2025
JPY 0.6 billion

• Maximize existing businesses and enter new areas by strengthening cooperation with business partners.	➡ Develop new products in the fuel business and cultivate new suppliers and customers in the pulp business.
• Expand business scale with new investments.	➡ Plan the construction of a second factory at Eco-Port Kyushu and consider a third yard for the PKS business.
• Expand revenue through information sharing and mutual collaboration among group companies.	➡ Revenue opportunities and realization of group synergy
• Secure talent with diverse expertise through human capital investment.	➡ Develop and secure human resources at each operating company who are knowledgeable about operations and facilities.

Enhanced Competitiveness | **Enhanced Profitability** | **Expanded Revenue Scale**

Progress of OVOL Medium-term Business Plan 2026

Creation of income opportunities from promotion of a circular economy	• Building a circular supply chain within the group that connects wastepaper collection and recycling with paper manufacturing and product supply. Enhancing the stability and competitiveness of raw material procurement through more sophisticated resource circulation and promote the creation of new earnings opportunities.
Expansion of business scale through investment	• Promoting investment in the fields of resource circulation and renewable energy, including plastic recycling and biomass power generation fuel, in order to expand the business portfolio and strengthen the earnings base. • Established a third yard for the PKS business in Malaysia, which commenced operations in July 2026.

Group Companies

Fukuda Sansho Inc.

Fukuda Sansho Inc.

Head Office: Aichi

Business: Comprehensive paper recycling services, including wastepaper collection and confidential document disposal; recycled resin recycling

Driving Resource Circulation through the Wastepaper Recycling Business



Seiji Fujisawa
Representative Director and President

Since its founding in 1936, Fukuda Sansho has been contributing to the realization of a circular economy through its wastepaper recycling business for around 90 years. With a network spanning 20 sites nationwide and its expertise in collection, sorting, and supply cultivated over many years as strengths, we help drive the Japan Pulp & Paper Group's wastepaper recycling business.

In recent years, while the importance of waste reduction and resource circulation has increased both in Japan and across the globe, demand for paper and paperboard has been changing due to factors such as ongoing digitization, resulting in a declining supply of recovered paper. Despite these conditions, by maintaining and strengthening our resource collection structure and providing a stable supply of high-quality recovered paper to paper manufacturers both in Japan and throughout the world, we fulfill an important role in supporting a circular economy.

Our competitive advantage lies in our nationwide collection network centered on the Tokai region of Japan, a customer base built over many years, and operations that have been made highly efficient. By optimizing the entire process from collection and sorting through to supply in an integrated manner, we achieve high productivity and a stable supply.

In addition, interest in closed-loop recycling, in which used paper is circulated back into the same products, has been growing in recent years. By strengthening collaboration with group companies and providing high value-added circular solutions, we will help customers address their environmental challenges and contribute to sustainable growth, thereby contributing to the realization of OVOL Vision 2030.

Business Segments

Real Estate Leasing



Utilization of Community-Based Real Estate

By effectively utilizing real estate in prime locations in Tokyo, Osaka, Kyoto, and other areas that had been acquired and held as bases for our original paper wholesale business, we have developed a real estate leasing business encompassing office buildings, rental housing, and hotels.
We have established a stable earnings base by promoting the development and operation of properties tailored to regional characteristics and market needs, while maximizing the value of the assets we hold.
In addition, through effective utilization of real estate, we enhance the value of the group's assets and create a stable cash flow, functioning as a business foundation that supports the sustainable growth of the group as a whole.

Main Rental Properties

Name	Location	Number of Floors	Use	Completed
Nihombashi Nichigin-Dori Building	Tokyo	8 floors above ground	Offices, shops	September 2014
OVOL Nihonbashi Building	Tokyo	15 floors above ground and 3 below	Offices, hotel, shops	June 2018
OVOL Kyoto Ekimae Building	Kyoto	10 floors above ground and 1 rooftop facility	Hotel	March 2019
Cerulean Homes Kachidoki	Tokyo	26 floors above ground and 1 below	Apartments, shops	March 2001
Osaka JP Building	Osaka	8 floors above ground and 2 below	Offices, shops	October 1972

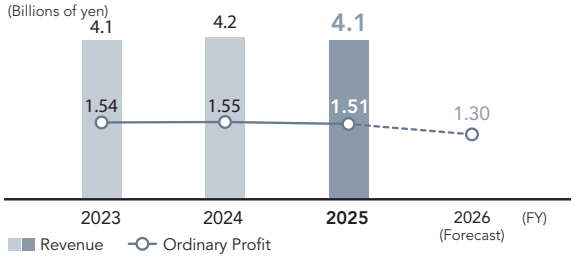

Nihombashi Nichigin-Dori Building


OVOL Nihonbashi Building


OVOL Kyoto Ekimae Building

Strengths	• Business operations utilizing real estate assets in prime locations in major urban areas, including Tokyo, Osaka, and Kyoto • Provision of office space for rent to meet the diverse needs of companies
Opportunities	• Improvement in economic trends and real estate market conditions
Risks	• Fluctuations due to economic trends and real estate market conditions • Decrease in office demand and in rent levels due to changes in work styles • Major repairs of aged buildings

Revenue/Ordinary Profit



Fiscal 2025 Segment Overview

Revenue	Decreased year on year due to the departure of certain tenants.
Ordinary Profit	Decreased year on year due to an increase in property management and other expenses.

Segment Policy Under OVOL Medium-term Business Plan 2026

Continue to Earn Stable Income from Real Estate Holdings and Optimize Our Real Estate Portfolio

FY2026 Quantitative Target Segment Ordinary Profit
JPY 1.5 billion

FY2025 Results Ordinary Profit
JPY 1.5 billion

- Properly manage and maximize the value of key properties.
- Formulate and implement redevelopment plans for older properties.
- Optimize the real estate portfolio through selection and concentration.

Highlights

Highlight 1

Driving Sustainability in the UK Paper Distribution Industry Through PPG's Initiatives

Carbon Capture® is an innovative environmental contribution program developed by Premier Paper Group (hereinafter "PPG"), a major U.K. paper, paperboard, and packaging materials company that is a consolidated subsidiary of Japan Pulp & Paper. Under this program, greenhouse gas (hereinafter "GHG") emissions generated during the manufacturing and distribution of paper products are offset through donations to the U.K. forest conservation charity Woodland Trust. Donations are made based on customers' paper purchase volumes and are used directly to support tree planting and woodland restoration activities. Under the UK Woodland Carbon Code, a UK government-endorsed scheme, these efforts ensure measurable, long-term GHG emission reductions. Through this program, customers can accurately measure and effectively offset the GHG emissions associated with the manufacture and distribution of the products from PPG that they purchase, making environmental impact reduction both visible and actionable.

Since its launch in 2011, more than 600 companies have participated, steadily building a strong track record. By the end of 2025, total donations surpassed GBP 2.37 million, enabling the planting of approximately 570,000 trees, which are expected to absorb an estimated 132,000 metric tons of GHG over their growth cycle. Going forward, PPG plans to promote the digitalization of the program by automating related processes and developing a dedicated portal site, with the aim of enhancing convenience and transparency.

In addition to the Carbon Capture® initiative, PPG is working to enhance its overall business operations, including human rights and sustainable procurement, through the ESG assessment process of EcoVadis, an internationally recognized rating agency, with the aim of building long-term trust. PPG also plans to further reduce its own GHG emissions by introducing solar power generation systems at key sites and installing EV charging infrastructure.

The Japan Pulp & Paper Group promotes group-wide initiatives such as calculating GHG emissions, human rights education, and sustainable procurement through its cross-group OVOL Sustainability Promotion Meetings and OVOL Environment & Safety Meetings, as well as by sharing and communicating achievements and expertise. PPG's initiatives are also introduced and shared across the group under this framework, serving as a leading example of successfully integrating business activities and sustainability.

Highlight 2

Generating New Demand for Paper by Offering Unique Paperization Solutions

As the global trend toward reducing and eliminating plastic accelerates, reassessing the materials used in packaging, logistics, and everyday products has become an urgent issue for many companies. In response to these challenges, Japan Pulp & Paper's Paperization Business Group proposes solutions for reducing and eliminating plastics by switching to paper-based materials. For customers whose needs have yet to take concrete shape, such as those wondering where to begin when it comes to switching to paper, or how to balance environmental considerations with cost and functionality, the Paperization Business Group leverages our company's expertise and networks cultivated over many years as a paper trading company to provide proposals specializing in paperization. As a result, we have established a unique position that differentiates us from other companies.

In addition to disseminating information through the service site Paper & Green, the Paperization Business Group works to expand opportunities to connect with prospective customers by exhibiting at trade shows across diverse fields such as food, apparel, logistics, and agriculture. Furthermore, it is strengthening collaboration with partners inside and outside of the company, including manufacturers, processors, and companies in other industries, and jointly developing solutions to challenges that are difficult to solve independently.

Going forward, the Paperization Business Group intends to take on new challenges in agricultural materials and industrial packaging, as well as business areas utilizing new functional paper materials, thereby using paperization as an opportunity for new value creation and to further expand the possibilities of paper.

At the same time, challenges remain, including improving paper performance and processing technologies and optimizing costs. To address these issues, the Paperization Business Group will further deepen cooperation with material development and processing partners and work on enhancing paperization solutions that achieve both reduced environmental impact as well as business sustainability.

Value creation through paperization proposals	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.

Awards Received

2024	Kami Eco® Kami-Air	Highest JAPAN STAR award, the Minister of Economy, Trade and Industry Award, at the 2024 Japan Packaging Contest
2025	Kami Eco® Kami-Air	AsiaStar Contest 2024 Eco Package Category AsiaStar Award
	Kami Eco® Coffee Pack	NEW PRODUCTS AWARD, Sustainable Product Award
2026	Kami Eco® Display Packaging	Packaging Paper & Shopping Bag Award at the 65th Japan Packaging Competition in 2026
	Kami Eco® Craft+α	Highest JAPAN STAR award, the Minister of Economy, Trade and Industry Award, at the 2026 Japan Packaging Contest



Kami Eco® Coffee Pack



Kami Eco® Craft+α

Notable Products

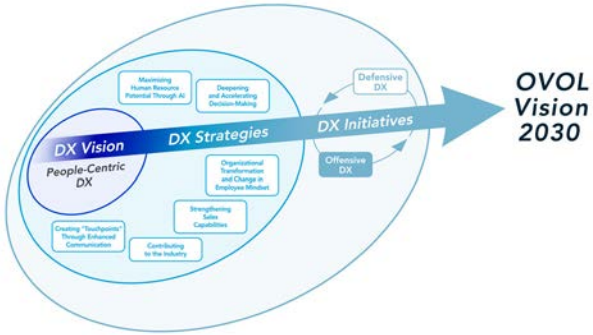
Kami Eco® Craft+α	While retaining the natural texture unique to paper, this highly durable material withstands machine washing and supports a wide range of processing methods, including sewing, printing, and wrinkle processing, enabling brand expression that also achieves sophisticated design.
Kami Eco® Coffee Pack	A barrier coating applied to the paper surface provides barrier properties comparable to packaging that uses aluminum-metallized film, enabling paperization and reduced plastic use.
Advantage StretchWrap	This is shrink-wrapping paper that serves as an alternative to plastic stretch film and is used for applications such as cargo packaging. It has high stretchability and strength, enabling packaging of irregular shapes and reducing the occurrence of tearing due to vibrations during transportation.

Paper & Green: Creating the Future with Paper
https://www.paperandgreen.com/

Digital Transformation (DX) at Japan Pulp & Paper

Formulating Our DX Grand Design

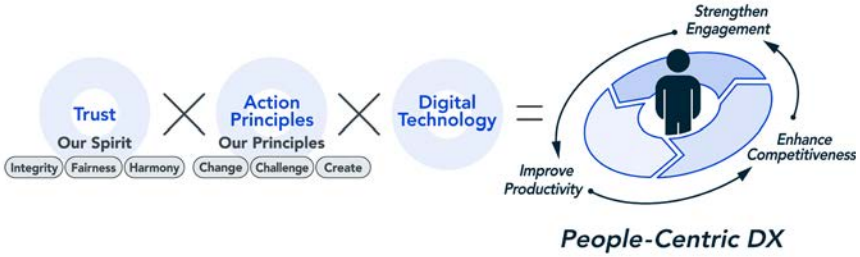
DX Grand Design Overview



Japan Pulp & Paper has positioned DX as one of its key approaches for realizing OVOL Vision 2030. In order to clarify the direction of DX and establish a roadmap for the future, as well as share and advance this information among all executives and employees, we formulated the “DX Grand Design” in January 2026. The DX Grand Design was formulated by assessing our current situation through interviews with management and a company-wide business process review survey, as well as by incorporating insights from external experts, in order to analyze our strengths and challenges. This design translates priority issues that the group should address at each company into concrete strategies, transcending the boundaries of sales and administrative divisions. It consists of three layers: DX Vision, DX Strategies, and DX Initiatives. The DX Grand Design serves as a guideline for promoting business transformation and operational reform through the use of digital technologies toward achieving the quantitative targets set forth in OVOL Vision 2030 and realizing the three future aspirations pursued by the group, which will enable us to rebuild corporate competitiveness. Going forward, our DX Grand Design will support the group's sustainable growth and new value creation.

DX Vision

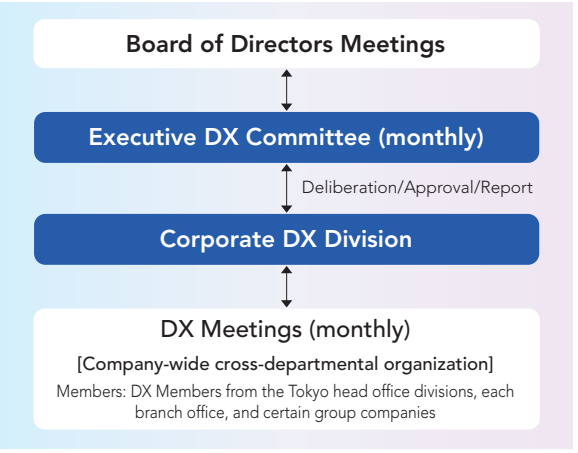
At the heart of the DX Grand Design promoted by Japan Pulp & Paper is the concept of “people-centric DX.” Our group’s executives and employees have consistently developed our business operations based on the trust cultivated by Our Corporate Spirit and by putting Our Principles into practice. Therefore, the DX we envision goes beyond simple digitalization and efficiency improvements, aiming instead to utilize digital technology in order to maximize the potential of our people and translate that potential into new value creation. By combining digital technologies with processes in which our people take the initiative, we will enhance competitiveness in ways that extend beyond productivity improvements alone. In addition, through operational reform and business transformation, we will foster the growth and greater engagement of each executive and employee while further strengthening our connections with all stakeholders, including customers, business partners, and local communities. By creating a virtuous cycle of improved productivity, enhanced competitiveness, and strengthened engagement, and by establishing an environment in which our people can thrive, we will achieve sustainable growth for the group.



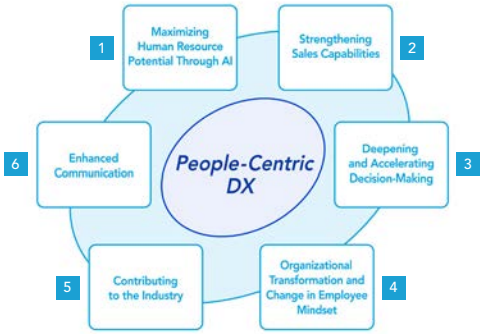
Promotion Framework

Japan Pulp & Paper regards the promotion of DX as an important management priority and has established a company-wide framework to advance initiatives across organizational boundaries. In April 2026, the Corporate DX Division was increased from 13 to 20 members, further strengthening our DX promotion framework. The Corporate DX Division consists of two core functions working in tandem: “DX Promotion,” which promotes the use of advanced digital technologies and data and supports transformation in both sales and administrative operations, and “IT Operations Management,” which is responsible for the operation of IT systems and digital tools, strengthening information security, and establishing governance frameworks. In addition, we established the Executive DX Committee, chaired by the president, in order to enable prompt and appropriate decision-making on important matters related to DX. We also established the DX Meetings, a cross-company organization that promotes initiatives from a company-wide optimization perspective and works to motivate every executive and employee to take ownership of DX and exercise initiative.

Going forward, led by the Corporate DX Division, we will further strengthen collaboration between each business division and accelerate business transformation and operational reform through the use of digital technologies and data, thereby enhancing corporate value.



DX Strategies



In order to realize OVOL Vision 2030, we formulated six DX strategies that leverage Japan Pulp & Paper's strengths, guided by our DX Vision of "people-centric DX" as our fundamental value.

1 Maximizing Human Resource Potential Through AI Utilization

We actively promote the use of AI, enabling us to focus on what only humans can do. This approach draws out the maximum potential of our greatest strength: our people.

2 Strengthening Sales Capabilities

In order to strengthen sales capabilities, we drive innovation in sales and logistics. By actively applying digital technologies, we build a robust support structure that enhances our ability to serve customers and advance the sophistication of our supply chain.

3 Deepening and Accelerating Data-Driven Decision-Making

We promote the integration of internal and external databases, using the insights gained from analyzing the visualized data to deepen and accelerate decision-making in both management and business operations.

4 Supporting DX Through Organizational Transformation and Change in Employee Mindset

By supporting the use of advanced technologies such as AI and providing DX-related educational and training opportunities, we develop human resources with digital knowledge and build a framework that enables the autonomous promotion of DX, thereby driving our organization's transformation to bring out the maximum potential of its people.

5 Contributing to the Industry

As a leading company in the paper distribution industry, we provide functions as a platform provider that support the entire industry and contribute to its development. To achieve this, we are further strengthening digital governance while fulfilling our social responsibilities.

6 Creating "Touchpoints" Through Enhanced Communication

By streamlining operations through the leveraging of digital technologies, we create an environment in which executives and employees can use the time saved to focus on higher-value-added activities, such as developing new customers and strengthening communication with stakeholders.

Securing Digital Talent

In the digital field, securing personnel with advanced expertise is essential. When establishing the DX Division in fiscal 2025, we hired specialized personnel through mid-career recruitment and also welcomed personnel from IT-related group companies. In addition, beyond recruiting specialists, we have begun to explore the design of a system in which contributions to DX promotion are reflected in performance evaluations.

The self-sustaining DX promotion that we aim for requires not only securing specialized talent but also improving the digital literacy of executives and employees. Following similar efforts in 2025, we plan to hold another seminar for all executives and employees this fiscal year featuring an external lecturer. We are also providing learning opportunities that respond to needs on the ground, including access to the online training service "Udemy Business."

Performance Indicators

In order to realize the three future aspirations set out in OVOL Vision 2030 and achieve consolidated ordinary profit of JPY 25.0 billion, the group is advancing business transformation and operational reform through the use of digital technologies. Under the DX Grand Design, we are translating our DX strategy into specific policies, while at the same time developing performance indicators to objectively assess the progress and outcomes of each initiative. One example focuses on the proportion of routine administrative tasks within the operational structure, identified through the workload survey conducted in fiscal 2024. We aim to reduce the proportion of these tasks by eight percentage points by fiscal 2026 and 15 percentage points by fiscal 2030. This initiative goes beyond merely improving operational efficiency. By reallocating the time freed up through the reduction of routine administrative tasks to higher-value-added operations such as decision-making, proposal development, and innovation, we aim to transform our operations into people-centric, value creating business processes. In doing so, we will create an environment in which each executive and employee can devote more time to the work that truly matters, thereby achieving both improved productivity and enhanced competitiveness.

Looking ahead, through advancing the digitalization and visualization of data from the group's diverse business activities, we will establish new indicators in order to measure not only operational efficiency but also contributions to enhanced corporate value and business growth. Sharing these performance indicators across the group will foster a common understanding of the objectives of DX and what we aspire to achieve while also enabling us to steadily implement initiatives with clearly defined targets.

Obtaining DX Certification

In recognition of our comprehensive efforts to establish a framework and implement initiatives to sustainably promote DX, including the formulation of the DX Grand Design, Japan Pulp & Paper was certified as a "DX Certified Business" on May 1, 2026, under the DX Certification Program established by the Ministry of Economy, Trade and Industry. The DX Certification Program evaluates whether companies have established the frameworks and systems necessary to advance DX toward the realization of their management vision. Certification is valid for two years.

Going forward, through the use of digital technologies and data, we will accelerate business transformation and operational reform with the aim of enhancing corporate competitiveness and realizing sustainable corporate value creation.

Digital Transformation Certification

Digital Transformation (DX) at Japan Pulp & Paper

DX Measures

To steadily promote the six DX strategies, we have established multiple initiatives linked to each strategy. Because these measures are closely related to our management strategy, we are refraining from uniformly disclosing them at this time. However, we position them as important initiatives toward realizing OVOL Vision 2030. We have organized each initiative based on two perspectives——"offensive DX" and "defensive DX"—and have formulated an execution roadmap through fiscal 2030. With respect to progress, we provide monthly reporting to the Executive DX Committee chaired by the president, enabling prompt decision-making as necessary and leading to the steady advancement of each initiative. We believe that defensive DX supports offensive DX and leads to new value creation. As we continue to pursue both more advanced business processes and value creation, we will also steadily implement initiatives based on our plan, and going forward, we will disclose these initiatives in a timely manner as appropriate.

Initiatives-1

Building mechanisms for lasting transformation

As an initiative that underpins our entire DX strategy, we are developing mechanisms to redesign communication infrastructure and enhance data utilization, starting at Japan Pulp & Paper. We believe that DX cannot be achieved simply by introducing systems and tools. Rather, it is essential for each executive and employee to positively embrace change and take initiative in using these resources. We are therefore also working to foster understanding of and engagement with our DX initiatives through posters, leaflets, and other communication tools. The redesigned communication infrastructure is scheduled for implementation during fiscal 2026. Through this infrastructure, we will strengthen connections between people, both within and beyond our company, and create an environment in which knowledge and information are more organically linked. We are also expanding the use of generative AI in the form of a dedicated ChatGPT environment for Japan Pulp & Paper, which was introduced in fiscal 2024 as one of the means of accelerating new value creation. The number of users increased from 299 in the previous fiscal year to 534*, and an analysis of usage patterns confirms that tangible results have been achieved.

Furthermore, during fiscal 2026, we plan to deploy advanced AI tools, including AI agents, to all executives and employees. By structuring and enhancing the knowledge, expertise, and ideas accumulated on the ground and promoting their use in business operations and decision-making, we aim to maximize the potential of our people and transform our business processes, leading to greater value for our customers. In addition, in order to promote the use of AI in a manner that balances safety and security with productivity, we will establish an AI governance framework and build a foundation for its sustainable use.

The outcomes of DX can only be maximized when all executives and employees take personal ownership of DX and exercise initiative. Accordingly, in March 2026, we held a DX Grand Design briefing at which the president personally presented the objectives of DX and what we aspire to achieve directly to all executives and employees. We have also been conducting face-to-face opinion exchanges between the Corporate DX Division and individual business divisions, providing opportunities to share their particular challenges and expectations. A strong commitment from management, along with a framework in which our business divisions and the Corporate DX Division work together as one to advance DX, is a key feature of our approach to DX, and serves as a driving force for integrating lasting transformation throughout the organization.

*As of June 1, 2026

Initiatives-2

Strengthening security and governance that support DX

In order to promote DX while ensuring the safety and continuity of business operations, Japan Pulp & Paper is working to strengthen IT security measures and advance IT governance and AI governance.

Specifically, we take a systematic approach to organizing our IT security measures with reference to the principles of the Cybersecurity Framework 2.0 published by the U.S. National Institute of Standards and Technology (NIST). We then prioritize these measures based on risk and importance and implement them in stages. In particular, we regard responding to external threats such as cyberattacks as a key priority and are developing a framework to minimize the impact of incidents as well as enable rapid recovery. In addition, with the aim of strengthening security across the entire supply chain, we have begun preparations in response to the SCS Evaluation System promoted by the Ministry of Economy, Trade and Industry and the National Cybersecurity Office. Once the system is launched, we aim to promptly obtain a three-star rating and then progress to four stars as we work to continuously enhance our security level. Furthermore, both Japan Pulp & Paper and OVOL ICT Solutions participate in the Nippon CSIRT Association under the Japan Pulp & Paper Group banner. As part of our ongoing cybersecurity efforts, we conduct education and awareness activities for executives and employees and maintain a framework that enables us to respond promptly and appropriately in the event of an incident.

Going forward, while maintaining security measures in accordance with the business characteristics of each company, we will advance the development of common group-wide standards and operating frameworks to further strengthen the group's IT governance. Strengthening IT security measures and IT governance cannot be achieved through one-time initiatives. Therefore, while responding to an evolving risk environment, the group will make continuous improvements with the aim of building a business foundation that earns the confidence of all stakeholders.

VOICE

Becoming a Company Where People Thrive and Deliver New Value



Fumiteru Kase
General Manager, Corporate DX Division

Our approach to DX at Japan Pulp & Paper is a people-centric transformation of our company that leverages digital technologies to further enhance the capabilities of our people. Using day-to-day challenges and opportunities for improvement identified by individual executives and employees on the ground as a starting point, we will address these issues from a company-wide perspective rather than limiting solutions to optimization within individual divisions.

Recent technological innovations, such as game-changing AI agents capable of reshaping the very rules of society, have the potential to drive not only operational transformation but also a broader transformation of the organization itself. At the same time, the safe and secure use of such advanced technologies requires further strengthening of cybersecurity measures against external threats, as well as IT controls, making this an urgent priority. We are steadily advancing these initiatives, which underpin the continuity of our business. Only with a solid foundation can we take on the challenge of new value creation.

DX will generate its full potential when every executive and employee takes personal ownership of it. We will ensure that the president's strong leadership and management's commitment are translated into transformation on the ground, enabling our people to devote the time freed up through these efforts to higher-value-added activities such as decision-making, proposing solutions, and creating new value. We aim to become a company where our people can thrive to an even greater extent and deliver new value to our customers and the industry.

Section 3

Foundation for Sustainable Growth

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Sustainable Management

Approach to Promoting Sustainability

Japan Pulp & Paper is expanding its business from its origin as a wholesaler of paper, which is itself based on a sustainable resource that helps to reduce environmental impact. We position our responses to growing demands from society for sustainability as material management issues that not only reduce risks but also lead to new profit opportunities. With this in mind, we are strengthening our sustainable management system throughout the entire group.

In OVOL Medium-term Business Plan 2026, launched in fiscal 2024, we identified key priorities for strengthening sustainable management and are implementing various measures to address them. These include expanding human capital investment, reducing GHG emissions over the medium to long term, responding to business and human rights, strengthening environmental and occupational safety compliance systems, and strengthening risk management.

Japan Pulp & Paper was selected to be a constituent stock of the FTSE JPX Blossom Japan Index (from July 2026) and the FTSE JPX Blossom Japan Sector Relative Index (from July 2025), both leading stock indices for ESG investments provided by FTSE Russell. These indices have been adopted as some of the benchmarks for ESG passive management by the Government Pension Investment Fund (GPIF), and they are widely used as key decision-making indices for investors both in and outside of Japan. We believe we were chosen for these because of our track record of measures that we have steadily taken over the years in response to environmental, social, and governance (ESG) issues, which have won high acclaim from outside observers.

Going forward, we will continue to position sustainability as the foundation for growth, and we will strive to realize a sustainable society and enhance corporate value by further strengthening our sustainability initiatives and proactively disclosing information.

FTSE JPX Blossom Japan Index

FTSE JPX Blossom Japan Sector Relative Index

*For details on the FTSE JPX Blossom Japan Index and the FTSE JPX Blossom Japan Sector Relative Index, see the following website.
https://www.lseg.com/en/ftse-russell/indices/blossom-japan#t-ftse-jpx-blossomjapan-sector-relative-index

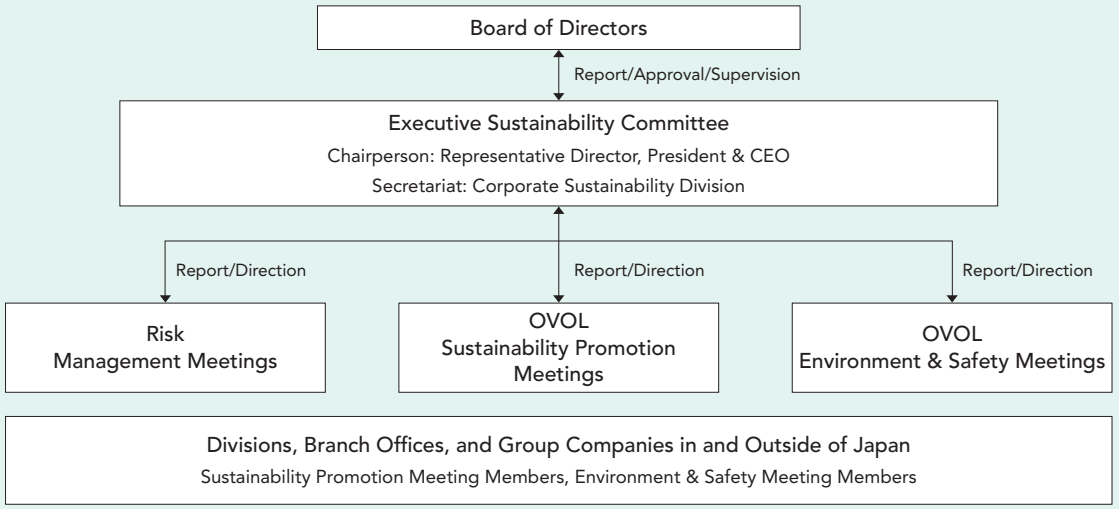
Japan Pulp & Paper Group Sustainability Policy
https://www.kamipa.co.jp/eng/sustainability/management/sustainability-policy/

Sustainability Promotion Framework

We define “sustainability” as business activities that realize both economic and social value, and have established the Executive Sustainability Committee to promote sustainability-related initiatives. Chaired by the Representative Director - President & CEO, this committee is in charge of formulating sustainability-related policies and strategies, resolving ESG-related issues*, and managing the achievement of the group’s goals. In addition to the Risk Management Meetings, we have established the OVOL Sustainability Promotion Meetings and the OVOL Environment & Safety Meetings, whose membership spans the entire group, as subordinate organizations under this committee. The Corporate Sustainability Division, which is responsible for implementing policies related to sustainability throughout the entire group, serves as the secretariat for the OVOL Sustainability Promotion Meetings and the OVOL Environment & Safety Meetings, and it is working to steadily implement and deepen group-wide sustainability policies.

*ESG-related issues refer to a wide range of environmental (E), social (S), and governance (G) issues such as the following:
Environmental (E): Issues related to climate change, resource depletion, waste, pollution, deforestation, etc.
Social (S): Issues related to human rights, modern slavery, child labor, working conditions, employee relations, etc.
Governance (G): Issues related to bribery and corruption, executive pay, Board diversity, political lobbying and donations, tax strategies, etc.

Sustainability and Governance Structure



Executive Sustainability Committee and Various Meetings

Organization	Chairperson	Members	Number of Meetings Held*	Objective/Role
Executive Sustainability Committee	Representative Director, President & CEO	Members: Full-time directors and business heads (Observers: Full-time Audit & Supervisory Board member)	10	This committee is in charge of formulating sustainability-related policies and strategies, resolving ESG-related issues, and managing the achievement of the group's goals. It serves as the command center for group-wide sustainability initiatives.
Risk Management Meetings	General Manager, Finance & Administration Division	Vice chairperson: General Manager, Corporate Planning Division Members: Appointed from the Internal Audit Office, Corporate Sustainability Division, Finance & Administration Division, Corporate Planning Division, Corporate DX Division, and International Business Division (Observers: CFO, full-time Audit & Supervisory Board member, business head of Administration, Planning & Sustainability, and CIO)	8	Based on the Basic Rules on Risk Management, the meetings identify, analyze, evaluate, and prioritize risks; formulate measures to address specific risks; and work to reduce risks.
OVOL Sustainability Promotion Meetings	General Manager, Corporate Sustainability Division	Vice chairperson: General Manager, Finance & Administration Division and General Manager, Corporate Planning Division Members: Appointed from divisions, branch offices, and group companies in and outside of Japan (Observers: Business head of Administration, Planning & Sustainability)	2	Members work to strengthen and promote group-wide sustainability initiatives. Members promote sustainability initiatives within each department and group company, including addressing human rights issues, legal compliance, social contribution activities, and implementing measures to achieve social value through business activities. They also serve as liaisons with the head office in the event of a disaster or other emergency.
OVOL Environment & Safety Meetings	General Manager, Corporate Sustainability Division	Vice chairperson: General Manager, Finance & Administration Division and General Manager, Corporate Planning Division Members: Appointed from divisions, branch offices, and group companies in and outside of Japan (Observers: Business head of Administration, Planning & Sustainability)	3	Members work to strengthen and promote initiatives for environmental and occupational safety throughout the group. They also promote environmental and occupational safety compliance and environmental measures and the reduction of greenhouse gas emissions.

* Number of meetings held in fiscal 2025

Executive Sustainability Committee Activities

The Executive Sustainability Committee reviews progress on the annual action plans for compliance, risk management, and sustainability each quarter. By directing that measures be revised or supplemented as necessary, the committee is enhancing the effectiveness of the PDCA cycle. In fiscal 2025, the committee designated greenhouse gas emissions reduction targets and action plans at consolidated group companies in Japan as key agenda items. It deliberated on the consistency of their reduction roadmaps, focusing primarily on Scope 1 and 2 emissions, as well as specific initiatives such as introducing renewable energy and upgrading equipment. The committee also assesses the progress and operation of the three-tier environmental and occupational safety compliance management systems at group companies in Japan and is strengthening the monitoring framework to identify and correct serious risks at an early stage. The committee has also discussed the group's overall human rights due diligence plan and measures for addressing human rights issues, taking into account international guidelines, industry trends, and stakeholders' expectations. Based on the results, it then established the direction of a framework for assessing human rights risks and implementing corrective measures across the entire supply chain. In addition, the committee regularly reviews the company's rating from ESG rating agencies and the underlying expectations of stakeholders, including institutional investors. By reflecting these expectations in improvements to its sustainability initiatives and disclosures, the company strives to sustainably enhance corporate value and maintain society's trust.

Review of Material Issues

The group identified its material issues in fiscal 2022 and has used them as guiding principles for its sustainable management. In light of subsequent changes in the business environment and growing stakeholder expectations and demands, the group began reviewing its material issues in fiscal 2025 and aims to disclose the results in fiscal 2027.

In this review, the group aims to incorporate the double materiality perspective more comprehensively and reassess its sustainability issues from two perspectives: the group's impact on society and the environment, and the financial risks and opportunities that social and environmental issues present to the group. Through this process, it aims to identify material issues for the group as a whole with greater clarity and specificity.

This will enable the group to clearly align its material issues with the next medium-term business plan and further strengthen the foundation for sustainable management that realizes both economic and social value. By clarifying the sustainability themes that should be addressed as priorities across the group, we will also establish a stronger foundation that will enable us to respond appropriately while closely monitoring moves to formalize sustainability disclosure requirements in and outside of Japan.

Material Issues

The group has identified four themes (the environment, society, employees, and governance) and 12 material issues and classified them as "internal and external factors that have a significant impact on achieving sustainable business activities that realize both economic and social value." We have formulated a new action plan to achieve our goals and are working to promote sustainability.

Themes	Material Issues	Reasons for Identification	Goals	Action Plan	Main Initiatives, Results, and Progress in fiscal 2025	Scope
Environment	Climate Change	• The depletion of forest resources, which are raw materials for paper, due to climate change will have a major impact on the group's business. • Physical risks resulting from global warming, transition risks due to stricter regulations, and the possibility of increased financial burdens associated with responding to these risks. • It is our responsibility to minimize climate change impact by reducing greenhouse gas emissions throughout our group and the entire supply chain.	• Achieve carbon neutrality.	• Respond to climate change (Promotion of energy saving and use of renewable energy) • Expand sales of environmentally friendly products that contribute to plastic reduction and elimination and increase the use of paper	• Reduced Scope 1 and 2 greenhouse gas emissions (reduction of 40.9% compared with fiscal 2019); Target: Reduce emissions by 50% by fiscal 2030 (compared with fiscal 2019)	• Consolidated
					• Greenhouse gas emissions (Scope 3): 9.490 million t-CO_2	• Consolidated
					• Utilization rate of renewable energy: 53.5%	• Consolidated
					• Introduction of Zeroboard, a greenhouse gas emissions visualization tool	• Consolidated
					• Promotion of proposals to eliminate and reduce plastic use through Paper & Green, and launch of five new products under the Kami Eco® paper packaging brand	• Parent company
					• Proposals to replace plastic trays for frozen foods with paper alternatives and sales of paper trays	• Parent company
	Biodiversity	• Increased efforts to conserve biodiversity may lead to stricter regulations and higher costs in the procurement of raw materials used in the production of paper. • It is essential to sell paper made from trees that come from properly managed forests, so as to have minimal impact on animal life and the natural environment.	• Promote nature-positive initiatives for sustainable forest resources.	• Gain understanding of dependence on, impact, risks, and opportunities related to nature (TNFD initiatives)	• Number of group companies with Forest Certifications: 50 companies with FSC®-CoC certification and 24 companies with PEFC-CoC certification	• Consolidated
					• Sales coverage rate of FSC® and PEFC Forest-certified products: 37.1% *Excluding revenue from the Real Estate Leasing segment	• Consolidated
	Resource Recycling	• It is essential to promote initiatives to realize a circular economy, including through the wastepaper recycling, recycled paper manufacturing, and comprehensive recycling businesses. • It is essential to reduce waste and protect forest resources throughout society. • It is essential to provide environmentally friendly products.	• Realize a circular economy by recycling waste in society.	• Promote wastepaper usage • Expand comprehensive recycling businesses • Enhance resource recycling networks • Promote recycling of industrial waste generated within the group	• Volume of wastepaper used: 392,000 t	• Group paper manufacturing companies
					• Recycling rate of industrial waste: 84.3%	• Consolidated companies in Japan
					• Expansion of the resource recycling networks through the addition of Masukoh Paper to the group	• Consolidated companies in Japan
					• Corelex Shin-Ei participated in the Future Society Showcase Project Green Expo: Recycling of Hard-to-Recycle Wastepaper at Expo 2025 Osaka, Kansai, Japan	• Consolidated companies in Japan
	Environmental Impact	• It is essential to respond to stricter environmental regulations related to logistics and factory operations. • It is our corporate responsibility to manage water intake/discharge and exhaust gas, as well as reduce waste.	• Implement specific zero emissions measures. • Minimize environmental impact throughout our supply chain.	• Ensure compliance with environmental and occupational safety regulations • Reduce impact on the environment • Efficient and reduced use of resources	• Implementation of environmental and occupational safety audits at group companies in Japan: 8 out of 36 companies at 11 locations	• Consolidated companies in Japan
					• Number of administrative penalties related to violations of environmental laws and regulations: 0	• Consolidated companies in Japan
					• Number of companies with ISO 14001 certification: 10 companies in Japan and 2 companies outside of Japan	• Consolidated
Society	Supply Chain	• It is essential to ensure sustainability throughout the group and the entire supply chain in order to maintain the stable supply of paper and other products. We will accomplish this by strengthening sustainable supply chains.	• Achieve a high-level balance between ensuring a stable supply of raw materials and products and responsible procurement.	• Establish and implement a supplier monitoring system for human rights and environmental risk management • Establish a grievance mechanism for addressing human rights violations	• Implementation of risk assessments for human rights, the environment, and other areas through questionnaires targeting major business partners (Surveyed: Main business partners accounting for the top 85% of parent company suppliers by value)	• Parent company
	Local Communities	• It is essential to reduce the environmental impact on local communities and to achieve coexistence and co-prosperity through economic and social contributions.	• Create new value through coexistence and co-prosperity with local communities.	• Create opportunities for interaction with local communities through paper-related initiatives	• Costs associated with social contribution activities, including community donations: JPY 55.5 million	• Consolidated
					• Implementation of paper on-site classes and workshops for elementary and junior high school students: 5 events with a total of 362 participants	• Parent company
	Digitalization	• Declining demand for paper due to the progress of digitization will have a significant impact on the group's business. • It is essential to improve productivity and the effective use of energy by promoting digital transformation (DX).	• Create new demand for paper by proposing the value and enhancing the role of paper in a digital society. • Leverage digital technology as a new business strength.	• Promote the value and advantages of paper in a digital society • Invest in the promotion of DX within the paper industry • Business reform through DX • Improve DX literacy	• Promotion of the value of paper through the OVOL CREATIVE WORKSHOP SERIES of workshops for paper merchants across Japan	• Consolidated companies in Japan
					• Communication of the value and appeal of paper through the activities of the Paper Study Group	• Parent company
					• Exhibition theme at the Future Life Experience of Expo 2025 Osaka, Kansai, Japan: "Future Living: The Great Potential and Value Creation of Paper"	• Parent company
					• Formulation of a DX Grand Design, which serves as the basic policy for promoting DX, and establishment of the DX Meetings, a cross-functional organization encompassing all divisions (April 2026)	• Parent company
					• Number of users of generative AI (Japan Pulp & Paper's exclusive version of ChatGPT): 578	• Parent company
					• Number of employees with IT certification (including seconded employees): 41 with IT Passport and 77 with MOS	• Parent company

For details on SDGs to which the group contributes, see the website.
https://www.kamipa.co.jp/eng/sustainability/management/material-issues/

Themes	Material Issues	Reasons for Identification	Goals	Action Plan	Main Initiatives, Results, and Progress in fiscal 2025	Scope
Employees	Work Environment	• It is essential to provide stable employment, opportunities to develop skills, fair evaluations and equitable treatment, and to create a comfortable working environment. • It is essential to strengthen our human capital by improving labor productivity and employee engagement.	• Achieve zero workplace accidents in safe, secure, and healthy working environments. • Create innovation ahead of the times in a work environment that offers new challenges and excitement through personal growth. • Achieve well-being through a high level of engagement.	• Promote health management • Enhance human resource development and create a more comfortable work environment • Strengthen environmental and occupational safety compliance systems	• Average monthly overtime hours: 12 hrs. 46 min. Target: 10 hours or less of overtime per month on average in fiscal 2026	• Parent company
					• Training expenses: JPY 69 million Target: At least three times the level of fiscal 2023 in fiscal 2026	• Parent company
					• Employee engagement survey: "BBB/BBB" rating Target: "BBB" or higher in fiscal 2026	• Parent company
					• Percentage of paid time off taken: 82.8% Target: 80% or more by fiscal 2026	• Parent company
					• Lost time injury frequency rate: 0.00	• Parent company
					• Conducted health and productivity management seminars for executives and employees	• Parent company
	Diversity and Inclusion	• By properly addressing diversity and inclusion, we will be able to promote the active participation of diverse human resources, strengthen our corporate competitiveness by adopting diverse values and ideas, revitalize our corporate culture, and improve employee engagement.	• Create a corporate culture where all executives and employees, regardless of gender, nationality, experience, or other factors, acknowledge and respect each other's diversity. In this culture, diverse talent and ideas can flourish, contributing to the strength and competitiveness of the group.	• Build a diverse and vibrant organization	• Percentage of female managers: 2.0% Target: 10% or higher by fiscal 2030	• Parent company
					• Ratio of female employees among new hires for career-track positions: 24.7% (average of the last five years) Target: 30% or higher by fiscal 2026	• Parent company
					• Percentage of eligible male employees taking childcare leave (includes the company's unique leave system): 100% Target: 100% by fiscal 2026	• Parent company
Governance	Corporate Governance	• It is essential to build a transparent and effective management system from the perspective of sustainable and medium-to-long-term improvement of corporate value.	• Achieve sustainable and medium-to-long-term improvement of corporate value through honest and fair governance.	• Conduct risk assessments • Strengthen IT security systems within the group • Revise the business continuity plan (BCP)	• Started work on measures to deal with high-priority topics based on the results of risk assessments conducted in fiscal 2023 and 2024	• Consolidated
					• Conducted a group IT control audit for 15 group companies Target: Holding audits every 3 years at 47 group companies both in and outside of Japan	• Consolidated
					• Strengthened the group's ability to respond to IT incidents through CSIRT activities	• Consolidated
					• Conducted training for standard-type phishing email attacks: 2 times	• Parent company
					• Comprehensive revision of the initial response section of the BCP Manual (tentative name), covering wind and flood damage and infectious diseases, and preparation of the business continuity section	• Parent company
	Compliance	• Our corporate value may be significantly impaired in the event of compliance-related issues.	• Ensure all executives and employees conduct business activities with a strong sense of ethics and responsibility.	• Enhance compliance systems	• Completion rate of compliance confirmation tests: 99.6% (annual average) Target: 100% by fiscal 2026	• Consolidated companies in Japan
					• Number of internal reports: 16	• Consolidated companies in Japan
					• Number of serious compliance violations: 0	• Consolidated
					• Distribution of an Antimonopoly Act handbook to executives and employees and implementation of Antimonopoly Act seminars	• Parent company
					• Holding of in-house consultation sessions regarding the Act on Ensuring Proper Transactions	• Parent company
	Stakeholder Engagement	• It is our responsibility as a company to understand the expectations and demands that society has for the group. We will accomplish this through dialogue with stakeholders and by reflecting feedback in management operations.	• Reflect the expectations and requests of stakeholders in management by engaging in dialogue.	• Strengthen dialogue and engagement with stakeholders • Actively disclose financial and nonfinancial information • Participate in initiatives and organizations aimed at solving social and environmental issues	• Number of meetings with institutional investors: 14	Other
					• Participation in various Global Compact Network Japan (GCNJ) subcommittees	• Parent company
					• Participation in the "Program for Developing In-house Specialists to Promote Respect for International Human Rights and Labor Standards," jointly organized by GCNJ and the ILO	• Parent company
					• Participation in GCNJ's AKK (an acronym of the Japanese for "association for thinking about the management of tomorrow"), a program for young executives (executive officer level)	• Parent company

For details on SDGs to which the group contributes, see the website.
https://www.kamipa.co.jp/eng/sustainability/management/material-issues/

Identification Process for Material Issues

STEP 1

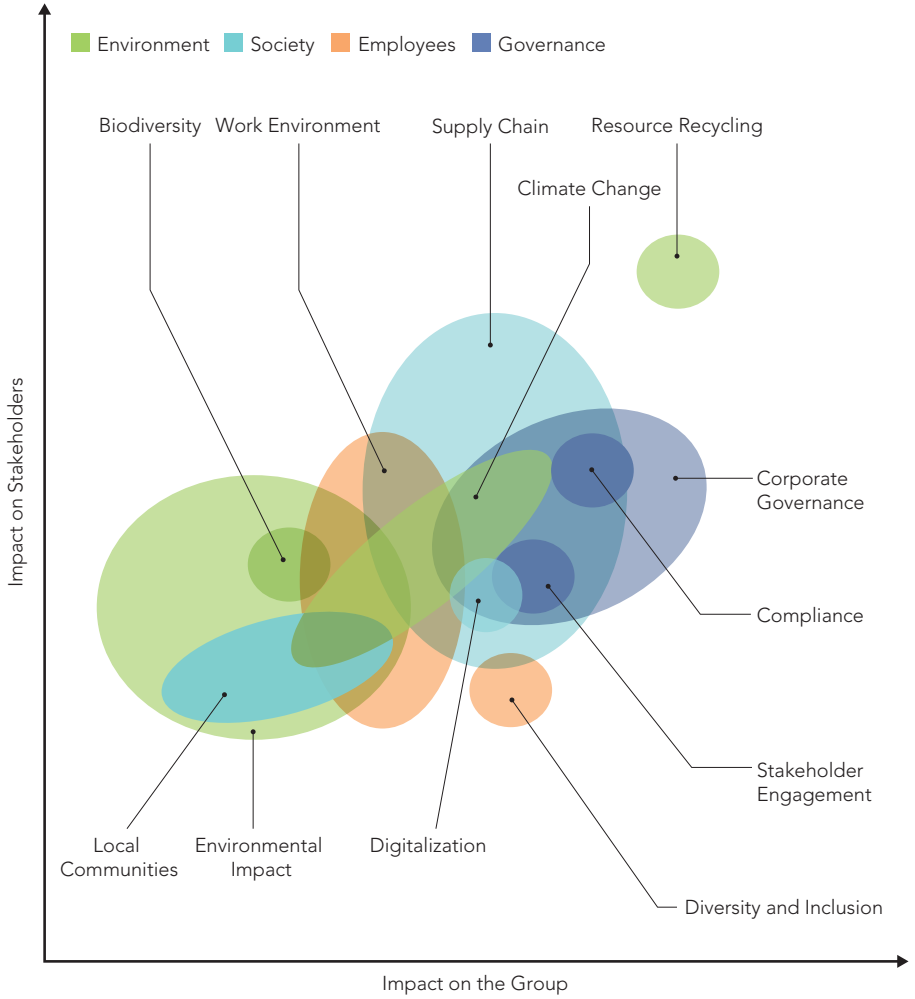
Based on the evaluation items of major ESG ratings agencies and industry-specific material issues provided by the U.S. Sustainability Accounting Standards Board (SASB), we determined "ESG-related issues such as environmental and social issues that have a significant impact on the group's sustainability and ability to create value" and looked at ways the group impacts stakeholders in the value chain. We then analyzed the degree of importance and identified possible material issues from the perspective of "priority items related to the group and its businesses that have a high level of impact on the environment and society."

STEP 2

After narrowing down the possible material issues uncovered in Step 1 from the standpoints of their importance and frequency, external experts, executives, and employees performed another evaluation from the perspectives of "ESG-related issues such as environmental and social issues that have a significant impact on the group's sustainability and ability to create value," and "priority items related to the group and its businesses that have a high level of impact on the environment and society."

STEP 3

Based on the evaluation conducted in Step 2, and in order to realize sustainable business activities for the group, management held discussions 12 times to identify material issues based on the Charter of Corporate Behavior and Medium-term Business Plan 2023. As a result, we identified four themes and 12 material issues as internal and external factors that have a significant impact on achieving sustainable business activities that realize both economic and social value. After approval by the Executive Sustainability Committee, a resolution on material issues was passed by the Board of Directors.



Environment

Approach to the Environment

Since its founding, the Japan Pulp & Paper Group has recognized its responsibility, as a company handling paper, a renewable resource, to pass on the planet's limited resources to future generations. We have therefore regarded contributing to environmental conservation through our business activities as one of our fundamental principles.

In the 1970s, when global environmental issues began to be recognized as a worldwide challenge against the backdrop of industrialization and population growth, we made a full-scale entry into the wastepaper recycling business based on the recognition that expanding the use of wastepaper as a recycled resource was essential to ensuring both a stable supply of paper and the conservation of forest resources. This history has shaped the group's current mission of "carving a better future for society and the environment."

To fulfill this mission, the group has identified climate change, biodiversity, resource recycling, and environmental impact as material environmental issues and is promoting environmental initiatives that are integrated with its business strategy. In particular, in response to climate change, we have established the Japan Pulp & Paper Group Medium- and Long-term Reduction Targets for Greenhouse Gas Emissions and are aiming to achieve carbon neutrality by 2050. Focusing primarily on our Paper Manufacturing & Processing segment, which accounts for a relatively large share of our greenhouse gas emissions, we are working to improve production efficiency, transition to renewable energy, and promote thorough energy savings, while also reducing environmental impact across the entire supply chain and enhancing information disclosure.

Japan Pulp & Paper Group Environmental Policy
https://www.kamipa.co.jp/eng/sustainability/environment/environmental-policy/

Environmental Management System

Through the activities of the OVOL Environment & Safety Meetings, whose membership spans the entire group, we share our Environmental Policy, areas of focus, greenhouse gas emissions reduction targets, and environmental conservation activities at each group company, working together as a group to reduce environmental impact and preserve the global environment. We also continuously follow up on the initiatives of each group company to enhance the effectiveness of our environmental management. With regard to ISO 14001, Japan Pulp & Paper and 13 group companies have obtained certification and are committed to maintaining and continually improving their environmental management systems.

Environment-Related Education and Training

The group believes that, in practicing sustainable management, it is important for every executive and employee to treat environmental issues as their own responsibility and take initiative in addressing them.

To this end, we provide ongoing environment-related education and training to enhance the understanding and practical capabilities of executives and employees. In addition to ISO education and training at our companies with ISO 14001 certification, we share information on revisions to environmental and occupational health and safety laws and regulations, as well as sustainability trends in and outside Japan, through the OVOL Environment & Safety Meetings and OVOL Sustainability Promotion Meetings. We also support personnel at each business site in obtaining the latest information necessary for their operations by distributing a monthly report summarizing legal revisions and holding study sessions on environmental legislation. Furthermore, in response to requests from business partners, we organize seminars and lectures on topics such as carbon neutrality, environmental policy, and industry trends, and work to raise environmental awareness outside the group. Going forward, we will continue to review and enhance the content of our environment-related education and training programs and link them with our ISO 14001-based management system to develop human resources capable of reducing environmental risks while creating business opportunities.

Environment-Related Education and Training for Japan Pulp & Paper Group (FY2025)

			Timing and Number of Sessions	Total Attendance
Group	OVOL Environment & Safety Meetings: National General Meeting*		FY2025: 3	262
	OVOL Sustainability Promotion Meetings: National General Meeting		FY2025: 2	166
	Transmission of monthly report email containing law revision information		12 per year (continuously since FY2022)	
	Study sessions, plant tours, and opinion-exchange meetings on recycling and resource circulation		FY2025: 8	140
	In-house study sessions on environmental legislation (Waste Management and Public Cleansing Act)		FY2025: 2	15
Parent company	ISO training	• General environmental education and division-specific environmental education	FY2025: 1	764
		• New employee training	FY2025: 1	26
		• Mid-career employee training	FY2025: 1	9
External	External lectures on environmental policy and industry trends		FY2025: 1	48

* National General Meeting in Japan only

Environment

Climate Change

We recognize that climate change can have a significant impact on our business activities and financial performance through the depletion of forest resources, increased physical risks resulting from extreme weather, and rising carbon costs, among other factors, and position it as one of our key management issues. In our Paper Manufacturing & Processing segment, which accounts for a relatively large share of our greenhouse gas emissions, we are reducing energy consumption through more efficient production processes and facility upgrades, while also systematically promoting the transition to renewable energy sources, including hydroelectric power. In addition, on the logistics side, we are working to reduce energy consumption and greenhouse gas emissions by improving transportation efficiency and promoting joint deliveries, among other initiatives. On a non-consolidated basis, Japan Pulp & Paper offsets Scope 2 emissions using Non-Fossil Certificates for purchased electricity.

Through these initiatives, we reduced our fiscal 2025 Scope 1 and Scope 2 emissions by approximately 41% compared with fiscal 2019 levels. Based on the Japan Pulp & Paper Group Medium- and Long-term Reduction Targets for Greenhouse Gas Emissions established in May 2024, we aim to achieve a 50% reduction from fiscal 2019 levels by fiscal 2030 and carbon neutrality by 2050. Going forward, in addition to improving energy efficiency and expanding the use of renewable energy, we will continue working to reduce emissions across the supply chain and adapt to climate-change risks.

Japan Pulp & Paper Group Medium- and Long-term Reduction Targets for Greenhouse Gas Emissions

Medium-term Target	Long-term Target
Achieve a 50% reduction from FY2019 levels by FY2030	Achieve carbon neutrality by 2050

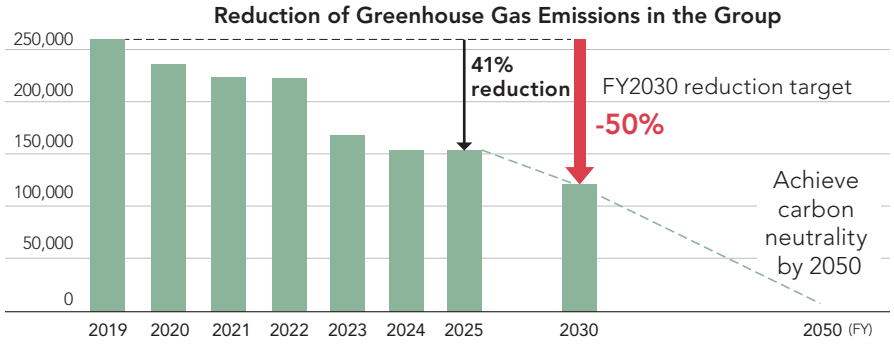
* Scope of targets: Scope 1 and 2 emissions for Japan Pulp & Paper and its consolidated subsidiaries

Key Initiatives

1. Pursue further production efficiency in the Paper Manufacturing & Processing segment
2. Promote thorough energy savings
3. Switch to renewable energy

* We are also currently calculating and determining Scope 3 emissions for the whole group, and plan to reduce emissions in the future

Greenhouse Gas Emissions ($t\text{-}CO_2$)
(Scope 1 and 2)



Disclosure Based on TCFD Recommendations

The group recognizes responding to climate change as an important issue for the group as a whole. In June 2021, we endorsed the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and joined the TCFD Consortium. Although the TCFD completed its work in 2023 and the international framework for climate-related disclosure has since been superseded by IFRS S2 Climate-related Disclosures and other standards issued by the International Sustainability Standards Board (ISSB), the group continues to disclose information in accordance with the framework set out in the TCFD recommendations. Specifically, we analyze transition risks, physical risks, and business opportunities in four business areas: Paper and Paperboard Wholesaling, Paper Manufacturing & Processing, Raw Materials & Environment, and Real Estate Leasing. We also disclose information in accordance with the four pillars recommended by the TCFD: Governance, Strategy, Risk Management, and Metrics and Targets. Going forward, we will continue working to improve data accuracy, including Scope 3 data, and enhance the content of our disclosures to facilitate constructive dialogue with stakeholders, including investors.

1 Governance

We established the Executive Sustainability Committee to promote more proactive sustainable business management and to oversee the group's response to ESG issues, which include climate change. Under the supervision of the Board of Directors, the Executive Sustainability Committee is responsible for formulating the group's climate change policy, medium- and long-term targets, and key initiatives, as well as managing their progress. It is also responsible for analyzing the group's risks and opportunities and studying countermeasures in line with the TCFD recommendations. The Executive Sustainability Committee is chaired by the representative director-president & CEO, who has ultimate responsibility for management decisions related to climate change. Matters discussed by the committee and their progress are regularly reported to the Board of Directors, and important matters are resolved by the Board. Through this governance structure, we integrate climate change response into our management strategy and promote company-wide initiatives.

2 Strategies (Risks, Opportunities, and Responses)

Referring to scenarios presented by the Intergovernmental Panel on Climate Change (IPCC), the International Energy Agency (IEA), and other organizations, the group uses two scenarios, one in which the global temperature increase is limited to 1.5°C or 2.0°C and another in which it exceeds 4°C, in order to identify climate-related risks and opportunities and assess their financial impacts in the four business areas of Paper and Paperboard Wholesaling, Paper Manufacturing & Processing, Raw Materials & Environment, and Real Estate Leasing. We expect transition risks to include increased energy costs resulting from stronger carbon taxes and emissions regulations, as well as reputational risks associated with delays in responding to the transition to a low-carbon society. In response, we are promoting the setting of greenhouse gas emissions targets, thorough energy conservation, transitioning to renewable energy, and the use of Non-Fossil Certificates. At the same time, we view the growing demand for products such as forest-certified paper and recycled paper, the increased demand for paper products driven by the shift away from plastics, and the increased demand for functional materials related to electronic components associated with the advance of electrification as business opportunities, and we are expanding our products and services accordingly.

The results of these analyses are incorporated into our medium- to long-term business strategies and investment plans and are utilized to enhance business resilience.

* See ▸page 57 for details on the sustainability and governance structure.

Risks and Opportunities

Category			Impact on the Group	Scale of Impact	Countermeasures
Risks	Transition	Policies and Regulations	Significant increase in operating costs in the paper manufacturing business due to increased carbon taxes	Large	• Set medium-to-long-term targets for reducing greenhouse gas emissions • Promote further energy conservation initiatives • Consider switching to renewable energy and purchasing certificates such as green certificates and introducing measures such as corporate PPA and internal carbon pricing schemes. • Promote electrification of freight vehicles, etc.
		Reputation	Decline in corporate value and loss of stakeholder confidence due to delays in response to climate change, resulting in lower sales revenues, impact on financing ability, and decline in brand value	Moderate	• Set medium-to-long-term targets for reducing greenhouse gas emissions • Promote further energy conservation initiatives • Promote appropriate information disclosure
	Physical	Acute	Extensive damage to sites, facilities, inventories, real estate, etc., due to wind and flood damage	Moderate	• Conduct hazard surveys and implement flood prevention measures • Conduct disaster preparedness drills and establish a Business Continuity Management (BCM) system in preparation for disasters
			Suspension of business due to disruptions in the supply chain caused by wind and flood damage, and resulting decline in sales revenues	Moderate	• Request suppliers to establish BCM systems and prepare Business Continuity Plans (BCPs) to mitigate wind and flood damage • Ensure stable procurement by diversifying raw material suppliers and transportation methods
		Chronic	Impact of storm surge and other flood damage on coastal sites due to rise in sea levels	Moderate	• Conduct hazard surveys and implement flood prevention measures • Conduct disaster preparedness drills and establish a BCM system in preparation for disasters
Opportunities	Market		Contribution to business performance from increased demand for functional materials related to electronic components associated with the advance of electrification	Moderate	• Monitor demand trends for functional materials related to electronic components, develop products, and ensure supply volumes in accordance with conditions
			Contribution to business performance from increased demand for products such as paper with FSC® and PEFC Forest Certification and recycled paper	Moderate	• Monitor demand trends, develop products, and ensure supply volumes in accordance with conditions
			Contribution to business performance from increased demand for paper products due to move away from plastics	Moderate	• Monitor laws and regulations as well as demand trends, develop products, and ensure supply volumes in accordance with conditions

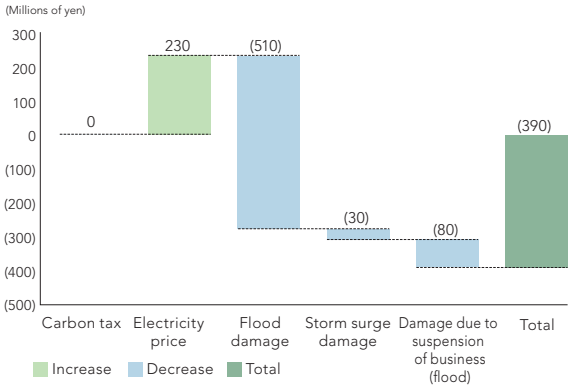
* Scale of Impact is categorized as "Large" if the event in question poses a risk to the survival of the business and "Moderate" if a major change in the business strategy is required.
* Scale of Impact (Large, Moderate) was compiled based on "Applying Enterprise Risk Management to Environmental, Social and Governance-related Risks," COSO & WBCSD.

Environment

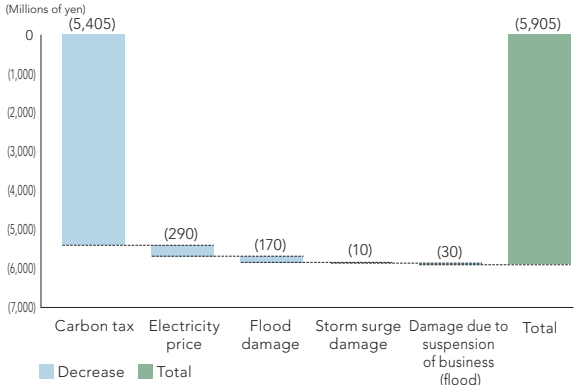
Financial Impact Analysis

Based on the TCFD framework, the group analyzes the financial impacts of carbon taxes, fluctuations in electricity prices, and physical risks from climate change-related events such as floods and storm surges, across multiple scenarios. The analysis indicates that while carbon taxes on the group's greenhouse gas emissions, particularly those from our paper manufacturing business, are expected to have a significant impact, this burden can be reduced to some extent by lowering emissions through energy conservation and the adoption of renewable energy. In addition, we estimate damages from floods and storm surges, as well as losses resulting from business interruptions at major sites in Japan under both the 1.5°C (2°C) and 4°C scenarios. We use the results to determine priorities for disaster prevention and mitigation investments and to develop BCM systems.

Financial Impact (Risk) Under the 4°C Scenario (2050)



Financial Impact (Risk) Under the 1.5°C (2°C) Scenario (2050)



Parameters Used for Financial Impact Analysis

https://www.kamipa.co.jp/eng/sustainability/environment/climate-change/

Analysis Results*1

Item	Risks	Analysis Content	Financial Impact (2050)	
			4°C Scenario	1.5°C (2°C) Scenario
Carbon tax	Transition Risk	Impact of carbon tax introduction	—	JPY (5,405) million*2
Electricity price	Transition Risk	Impact of electricity price changes	JPY 230 million	JPY (290) million
Flood damage	Physical Risk	Annual average flood damage	JPY (510) million	JPY (170) million
Storm surge damage	Physical Risk	Annual average storm surge damage	JPY (30) million	JPY (10) million
Damage due to suspension of business (flood)	Physical Risk	Annual average damage due to suspension of business (flood)	JPY (80) million	JPY (30) million

*1 Analysis of Japan Pulp & Paper Co., Ltd. and consolidated subsidiaries in Japan
*2 Analysis based on greenhouse gas emissions in 2024

3 Risk Management

Climate-related risks and opportunities are managed on an annual basis under the leadership of the Executive Sustainability Committee. The committee identifies climate-related risks and opportunities for the group as a whole, assesses their significance, formulates response plans, manages their progress, and reports the results to the Board of Directors. The Board approves the content of reports or issues instructions for improvement, monitoring results to ensure that appropriate risk management is being implemented.

Climate change-related matters deliberated by the Executive Sustainability Committee are coordinated with the Risk Management Meetings, the OVOL Sustainability Promotion Meetings, and the OVOL Environment & Safety Meetings, and are reflected in specific measures at operational sites and in the BCP.

4 Metrics and Targets

In response to climate change, we have set the Japan Pulp & Paper Group Medium- and Long-term Reduction Targets for Greenhouse Gas Emissions, aiming to achieve a 50% reduction in Scope 1 and Scope 2 emissions from fiscal 2019 levels by fiscal 2030, and to achieve carbon neutrality by 2050. To achieve these targets, we are fundamentally improving production efficiency in the Paper Manufacturing & Processing segment, upgrading facilities, thoroughly promoting energy savings, transitioning purchased electricity to renewable energy, and utilizing Non-Fossil Certificates. Through these initiatives, the group's Scope 1 and Scope 2 emissions in fiscal 2025 were reduced by approximately 41% compared with fiscal 2019 levels, representing steady progress toward its interim target.

In addition, all consolidated group companies have established greenhouse gas emissions reduction targets and action plans, which are managed in an integrated manner together with each company's individual initiatives. These metrics and performance results are disclosed in the integrated report and on the company's website, and we are also working to improve the reliability of our data

through third-party assurance.

Going forward, we will further advance our consideration of specific initiatives, including the development of a climate transition plan. We will also identify potential emissions reduction across the entire supply chain and support the transition to a decarbonized society by collaborating with our business partners.

Japan Pulp & Paper GmbH
Awarded Platinum Medal in EcoVadis Sustainability Assessment

Japan Pulp & Paper GmbH, one of our group companies in Germany, was awarded a platinum medal in a 2025 sustainability assessment by EcoVadis. EcoVadis is a globally recognized organization that assesses corporate ESG (environmental, social, and governance) initiatives across four areas: Environment, Labor and Human Rights, Ethics, and Sustainable Procurement.

Japan Pulp & Paper GmbH was first awarded the bronze medal in 2022. While strengthening its sustainability-related initiatives the company received the silver medal in 2023 and the gold medal in 2024, with this year's platinum medal putting it in the top 1% of companies assessed. Going forward, the Japan Pulp & Paper Group will continue to advance sustainability initiatives with the aim of conducting sustainable business activities and achieving both economic and social value.

Building a Regional Decarbonization and Resource Circulation Model Through the Group's Paper Manufacturing Subsidiaries

The group is promoting the development of a regional decarbonization and resource circulation model centered on Taiho Paper and Eco Paper JP, both manufacturers of containerboard, in collaboration with local communities.

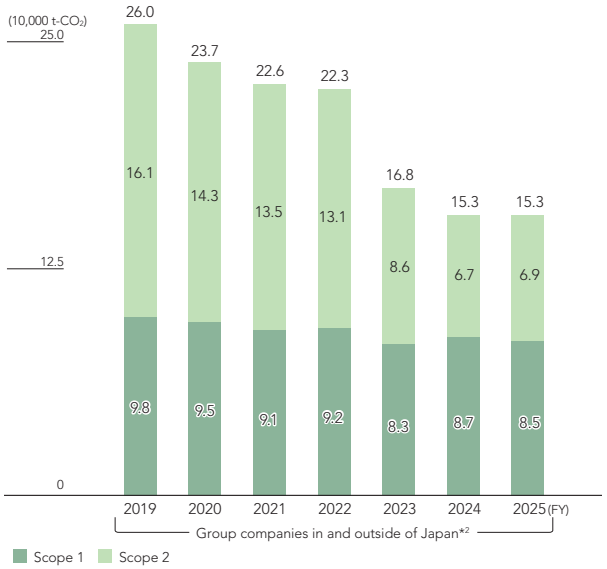
At Taiho Paper, in addition to introducing a woody biomass boiler, the company transitioned to "Gifu Seiryu Green Denki," hydroelectric power supplied in Gifu Prefecture. As a result, the comprehensive greenhouse gas emissions intensity from its business activities in fiscal 2024 was reduced by 96.8% compared with fiscal 2021. These initiatives have been recognized through its certification as a "Gifu Decarbonization Outstanding Business Operator."

Meanwhile, Eco Paper JP uses surplus steam from the waste incineration facility operated by the Eastern Owari Sanitation Association in its paper-drying process, thereby reducing both fossil fuel consumption and CO_2 emissions. This initiative has been recognized as a pioneering example of effectively utilizing regional resources while reducing environmental impact and received the New Energy Foundation Chairperson's Award (Regional Symbiosis category) at the New Energy Awards.

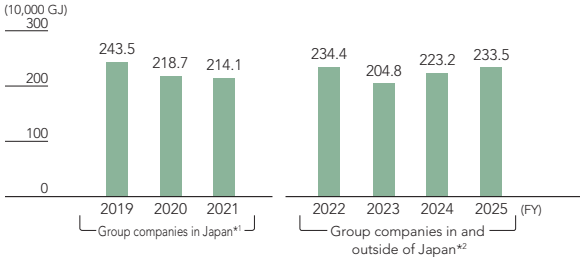
Both initiatives combine the manufacture of containerboard from recovered paper with the effective use of renewable energy. They represent leading examples of the Japan Pulp & Paper Group's sustainability management, which contributes to the realization of a decarbonized society and a circular economy through collaboration with local communities.

Climate Change-Related Data

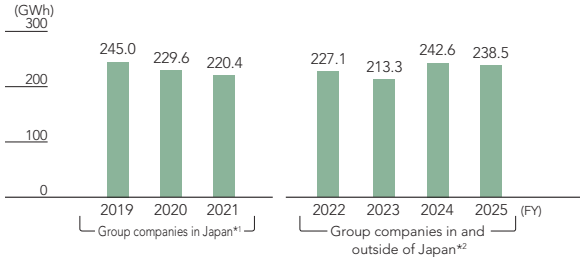
Greenhouse Gas Emissions*3, 4, 5, 6



Energy Consumption

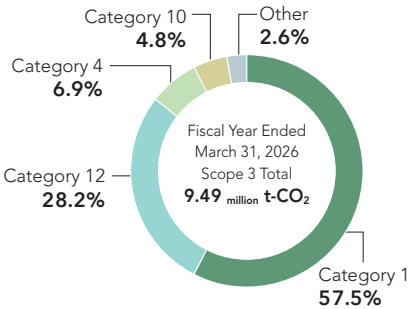


Electricity Consumption



*1 Japan Pulp & Paper and consolidated subsidiaries in Japan *2 Japan Pulp & Paper and consolidated subsidiaries in and outside of Japan *3 Figures for subsidiaries outside of Japan for fiscal 2019 to 2021 are estimated based on 2022 emissions. *4 Calculated in accordance with the standards of the GHG Protocol. The coefficients used for calculations are based on Japan's Act on Promotion of Global Warming Countermeasures. *5 Scope 1 and 2 GHG emissions have been recalculated retroactively to fiscal 2019 due to business acquisitions, etc. *6 Third-party verification of Scope 1 and 2 GHG emissions for fiscal 2024 and of Scope 3 emissions for fiscal 2024 (parent company) has been conducted by the Japan Management Association GHG Certification Center.

Scope 3 Breakdown (Consolidated)



	Item	Fiscal Year Ended March 31, 2024 (1,000 t-CO₂)	Fiscal Year Ended March 31, 2025 (1,000 t-CO₂)	Fiscal Year Ended March 31, 2026 (1,000 t-CO₂)
Category 1	Purchased goods and services	7,564	7,734	5,550
Category 2	Capital goods	14	13	8
Category 3	Fuel- and energy-related activities	24	37	37
Category 4	Upstream transportation and distribution	790	520	661
Category 5	Waste generated in operations	0	0	0
Category 6	Business travel	0	0	0
Category 7	Employee commuting	2	2	2
Category 8	Upstream leased assets	0	0	0
Category 9	Downstream transportation and distribution	14	11	12
Category 10	Processing of sold products	422	425	459
Category 11	Use of sold products	1	57	16
Category 12	End-of-life treatment of sold products	479	2,378	2,721
Category 13	Downstream leased assets	20	20	22
Category 14	Franchises	0	0	0
Category 15	Investments	0	0	0
Scope 3 Total		**9,331**	**11,198**	**9,490**

Calculation standard : Ministry of the Environment's "Corporate Value Chain (Scope 3) Accounting and Reporting Standard" and "GHG Protocol: Technical Guidance for Calculating Scope 3 Emissions"

Excluded categories : There are no relevant activities for categories 8, 14, and 15.

Toward Disclosure in Line with the TCFD Framework

The group positions information disclosure in line with the TCFD framework as an important foundation for bringing its climate change initiatives into dialogue with capital markets. In accordance with the four pillars of the TCFD recommendations—Governance, Strategy, Risk Management, and Metrics and Targets—we systematically organize and disclose information in our integrated report and on our corporate website. Specifically, we provide integrated disclosure of the Board of Directors' oversight framework; the roles and processes of the Executive Sustainability Committee and other bodies; the identification of climate-related risks and opportunities and their incorporation into our business strategy; and our greenhouse gas emissions, together with reduction targets and our progress towards those targets. Furthermore, by disclosing, to the extent possible, both qualitative and quantitative information on the assumptions and key findings of analyses across multiple temperature scenarios, as well as assessments of the impacts of carbon costs and physical risks, we strive to clearly communicate our group's resilience.

We are also continuing to enhance our disclosures based on the TCFD framework through our ongoing responses to the CDP Climate Change Questionnaire. CDP requires detailed disclosure regarding calculation methodologies and management processes for greenhouse gas emissions (Scopes 1, 2, and 3), emissions-reduction targets and performance results, climate-related risks and opportunities and their financial impacts, and internal evaluation methodologies, including carbon pricing. From among the information compiled for CDP, we select information that is useful for fostering dialogue with stakeholders, including investors and business partners, and incorporate it into this report.
Moreover, by periodically reviewing the scope of data covered and calculation methodologies alongside our CDP responses, we strive to improve the consistency, completeness, and comparability of our climate-related data, including greenhouse gas emissions. Going forward, we will also consider expanding the scope of third-party verification to further enhance the transparency and reliability of our disclosures.

Biodiversity

The group recognizes biodiversity conservation as one of its key environmental issues, based on the understanding that its businesses, centered on the sale of paper and paperboard, depend heavily on the benefits provided by forests and ecosystems.

The group's Environmental Policy establishes the protection of the environment as one of its principles. By expanding the procurement of raw materials from properly managed forests and expanding our lineup of forest-certified paper and recycled paper products, we are working to reduce the risks of forest degradation and illegal logging while maintaining natural capital.

Japan Pulp & Paper and its group companies in and outside of Japan have obtained CoC certification under FSC® and PEFC, among other organizations, and strive to ensure traceability throughout the supply chain. In addition, while requesting suppliers to procure materials with due consideration for environmental and social issues, the group provides information reflecting certification schemes and related policy developments in Japan and around the world, thereby supporting customers' responsible procurement and adoption of environmentally friendly products. In addition, as part of its preparations for disclosure aligned with the Taskforce on Nature-related Financial Disclosures (TNFD) framework, the group applied in August 2026 to join the TNFD Forum, an international initiative established to develop a framework for corporate nature-related risk management and disclosure, and has begun analysis using the LEAP approach in order to make disclosures aligned with the four pillars of the TNFD (governance, strategy, risk and impact management, and metrics and targets) starting from the current fiscal year. We plan to publish disclosures aligned with the four pillars from 2027 onward. Because nature-related issues are location-specific, it is important to analyze and assess where the businesses in each of the group's segments interact with nature and ecosystems and what activities they conduct in relation to them. As an initial step, we are evaluating the interfaces with nature and the status of operations in ecologically sensitive areas, including throughout the supply chain, for the group's core businesses of Japan Wholesaling and Non-Japan Wholesaling, along with Paper Manufacturing & Processing, Raw Materials & Environment, and Real Estate Leasing, to identify businesses that should be prioritized for action from a natural capital risk perspective and are preparing to disclose the results.

Status of Forest Certification

The forest certification system is a mechanism through which independent third-party organizations certify responsibly managed forests and forest-based products. Japan Pulp & Paper has obtained FSC® and PEFC CoC certifications and contributes to promoting sustainable forest management by providing forest-certified paper and certified pulp.

Forest Certifications Acquired by Japan Pulp & Paper

Certification	FSC® Forest Certification CoC Certification (acquired in October 2002) FSC®-C007042 PEFC Forest Certification CoC Certification (acquired in October 2007) PEFC/31-31-71
Scope	For both FSC® and PEFC, the scope is: 1) Purchase, cutting, and sale of managed forest certified paper 2) Purchase and sale of managed forest certified pulp

Forest Certifications Acquired by the Group

(As of July 2026)

	Japan	Outside Japan
FSC® CoC Certification	13 companies	37 companies
PEFC CoC Certification	3 companies	21 companies

Resource Recycling

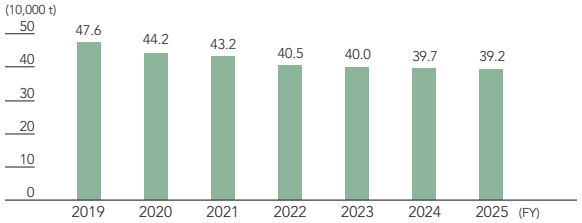
The efficient and reduced use of resources is part of our Environmental Policy, and we designated resource

recycling as a material issue. We are contributing to the creation of a resource-recycling society by working to reduce waste and conserve forest resources through our wastepaper recycling business, waste plastic recycling business, and paper manufacturing business that uses recovered paper as a raw material.

* See ▸page 49 for initiative examples.

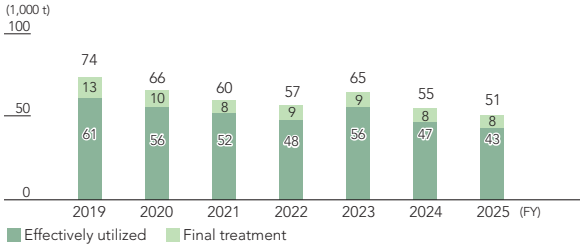
Wastepaper Usage

(Consolidated paper manufacturing subsidiaries in Japan)



Industrial Waste Generated

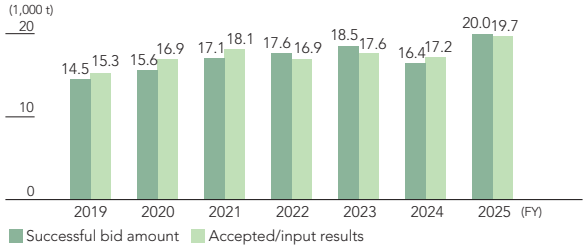
(Parent company and consolidated subsidiaries in Japan)



* Final treatment refers to controlled waste delivered to landfill facilities, mainly the ashes and other waste generated at power plants.

Recycling Results at Eco-Port Kyushu

(Plastic containers and packaging)



Environmental Impact

In our Environmental Policy, we have set forth the goals of compliance with relevant laws and regulations, reducing environmental impact, and efficient and reduced use of resources. In addition, we have identified environmental impact as a material issue that significantly affects our business and are promoting systematic initiatives across the company to address this.

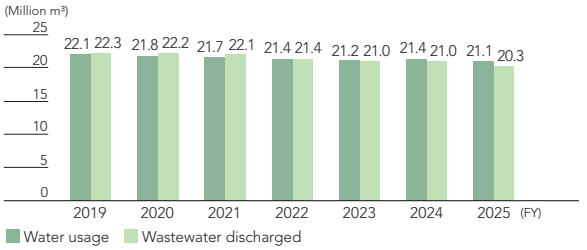
Specifically, we strive to ensure compliance with environmental laws and regulations in each country and region in which we operate, and work to reduce environmental impact throughout our business activities, including by lowering greenhouse gas emissions, reducing and properly disposing of waste, promoting recycling, and using energy and water resources efficiently.

In addition to the sale and delivery of products such as paper, paperboard, and household paper, we have a supply chain extending from the collection of wastepaper to the manufacture of containerboard and recycled household paper, and we are strengthening initiatives addressing resource and energy conservation and the reduction of environmental impact at each stage of our operations. In particular, each company in the paper manufacturing business has established internal wastewater standards that are more stringent than local wastewater regulations, and strives to protect water quality through continuous wastewater monitoring and facility improvements.

Going forward, we will pursue continuous improvement through quantitative assessments of environmental impact and more sophisticated target management, while promoting environmental value creation throughout the supply chain.

Water Usage and Wastewater Discharge

(Five consolidated paper manufacturing subsidiaries in Japan)



* The paper manufacturing business uses a large amount of water in the manufacturing process, but we are making efforts to reduce the amount of water input by reusing it within the manufacturing process.

Compliance with Environmental Laws and Regulations

We position compliance with environmental laws and regulations as a fundamental prerequisite for our business activities and have therefore established a group-wide compliance system. In the event of a violation of environmental and occupational safety laws and regulations or the occurrence of an accident, the issue is promptly reported to the department in charge of company management, and the Environment & Safety Promotion Office monitors the situation and follows the matter through to root cause analysis and the formulation and implementation of measures to prevent recurrence.

For group companies in Japan, in addition to each company's autonomous management system, the Environment & Safety Promotion Office conducts documentation and onsite checks, while external experts also conduct onsite inspections. This three-tier review system is used to verify legal compliance and risk factors. We also conduct self-assessments, including desktop audits, at business sites outside Japan to verify compliance with the laws and regulations of each country and region. Going forward, we will continue to accurately monitor amendments to laws and new regulatory developments, and further strengthen environmental compliance by incorporating them into our internal regulations and employee education programs.

In fiscal 2025, there were no incidents of legal violations, or penalties or fines imposed, related to environmental and occupational safety across all the worksites of the group.

Society

Approach to Social Issues

The Japan Pulp & Paper Group, as part of its efforts to realize a sustainable society, is committed to respecting human rights and considering the environment throughout the entire supply chain. This includes not only within the group but also with business partners and other companies. We also promote sustainable management by contributing to local communities.

Respect for Human Rights

Approach to Respect for Human Rights

The group has many business sites, partners, suppliers, contractors, customers, and end users in Japan and around the world, and conducts business through its supply chain based on relationships with diverse stakeholders representing a wide range of racial, national, and cultural backgrounds.

Furthermore, as the group is mainly involved in the paper business, which uses wood as a raw material, we understand that wood requires particular consideration due to its impacts on human rights and the environment throughout every stage of production and processing. Therefore, recognizing the importance of initiatives to ensure respect for human rights that encompass the supply chain, we formulated the Japan Pulp & Paper Group Human Rights Policy to clarify the group's thinking toward human rights. Under OVOL Medium-term Business Plan 2026, we are (1) Fostering and instilling a culture of respect for human rights, (2) Implementing human rights due diligence, and identifying and addressing risks, and (3) Implementing a grievance mechanism, as a response to the United Nations Guiding Principles on Business and Human Rights.

Japan Pulp & Paper Group Human Rights Policy

https://www.kamipa.co.jp/eng/sustainability/society/human-rights-policy/

Promotion Framework

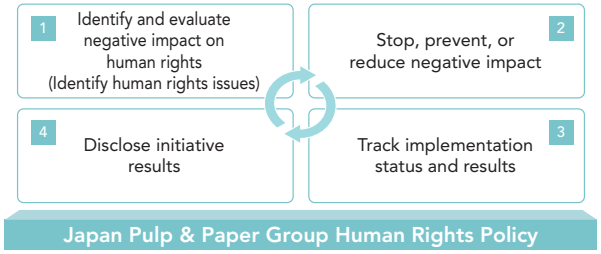
Management and employees on the ground come together to address human rights issues via the sustainability and governance structure and fulfill the company's responsibilities to respect human rights globally. The Sustainability Promotion Office studies proposals for responding to human rights issues and proposes specific policies, such as conducting human rights training and human rights due diligence in cooperation with the relevant departments. The details are discussed at the Executive Sustainability Committee, which formulates basic policies and strategies related to respect for human rights across the entire group and promotes and monitors initiatives. Matters decided by the committee are expanded to each group site and implemented via the OVOL Sustainability Promotion Meetings. The progress of each policy is reported regularly to the Executive Sustainability Committee. A structure has also been established where key matters related to respect for human rights are monitored and supervised by the Board of Directors.

* See ▸page 57 for details on the sustainability and governance structure.

Implementation of Human Rights Due Diligence

The group began conducting human rights due diligence based on the Japan Pulp & Paper Group Human Rights Policy in fiscal 2024. In fiscal 2025, it identified the human rights issues of greatest importance to the group and continued investigating the implementation of a grievance mechanism.

Flow of Human Rights Due Diligence



Initiatives to Enhance Respect for Human Rights

In January 2023, the group signed the United Nations Global Compact, an initiative that advocates for 10 principles in the four areas of human rights, labor, the environment, and anti-corruption. The group is also undertaking various initiatives to promote respect for human rights, including identifying and assessing negative human rights impacts through human rights due diligence. In fiscal 2025, it implemented the initiatives described below. Going forward, we will promote policies to address the identified human rights issues and monitor their progress at the Executive Sustainability Committee. We will also disclose information about the processes and results of each policy as appropriate. Through these activities, we will fulfill our responsibility to respect human rights throughout the group's business activities.

1	**Fostering and instilling a culture of respect for human rights**	• "Business and Human Rights" Conducted training and comprehension confirmation tests regarding the group's human rights issues (In fiscal 2025, 1,881 executives and employees of Japan Pulp & Paper and its group companies in Japan participated. Training for executives and employees outside Japan was conducted in fiscal 2026, with 385 participants.)
2	**Implementation of human rights due diligence and identification and improvement of risks**	• Formulated an overall plan through 2030 regarding human rights due diligence for the group
3	**Implementation of a grievance mechanism**	• Continuing to investigate the establishment of a dedicated human rights grievance channel based on a review of grievance mechanism implementation at each group company

Identification Process for Human Rights Issues at the Group

STEP 1	Identify the expected human rights issues associated with the group, based on the United Nations Guiding Principles on Business and Human Rights, and with reference to the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, the ILO's International Labor Standards, Japan's "Guidelines on Respecting Human Rights in Responsible Supply Chains" and similar policy documents.
STEP 2	Evaluate the human rights issues by referring to the following information* • Results of surveys targeting Japan Pulp & Paper and group companies Main survey contents: ⇨ Human rights issues expected to arise within the group ⇨ Impact on human rights of vulnerable stakeholders, such as indigenous peoples or children ⇨ Status of initiatives to address human rights issues at Japan Pulp & Paper departments and group companies, etc. • Results of desktop audits related to human rights issues conducted by external experts (statements by NGOs and others, cases revealed at other companies, etc.) • Status of measures to address human rights issues identified in the company's risk assessment results • Results of responses to Self-Assessment Questionnaire for CSR Procurement for suppliers, etc.
STEP 3	Exchange opinions with external experts
STEP 4	After discussions at the Executive Sustainability Committee, identify the Group Human Rights Issues and report them to the Board of Directors

* Evaluate from the perspectives of "severity" and "likelihood of occurrence."

Group Human Rights Issues and Initiatives

Human Rights Issues	Main Impacted Rights Holders				Initiatives
	Group Executives and Employees	Suppliers/ Business Partners	Customers/ End Users	Local Residents	
1. Occupational health and safety	●	●			Strengthening the occupational health and safety system and management (see page 76)
2. Crisis management	●				Strengthening risk management (BCP revisions) (see page 96)
3. Discrimination	●	●	●		Promoting diversity and inclusion initiatives (see page 76)
4. Harassment	●	●			
5. Modern slavery, child labor		●			Strengthening supply chain management (see page 70)
6. Impact on environment from procurement		●		●	
7. Impact on communities from business activities				●	
8. Violation of portrait rights, copyrights, etc.	●	●	●	●	Implementing training for executives and employees
9. Information leakage	●	●	●		Strengthening response to digitalization and information security initiatives (see page 53)
10. Implementation of grievance mechanism	●	●	●	●	Establishing a whistleblower system (see page 95)

Supply Chain

Procurement

The group is strengthening its relationships of trust with suppliers to ensure a stable supply of raw materials and products. In addition, we share the Japan Pulp & Paper Group's Approach to Sustainable Procurement with suppliers and are promoting responsible procurement by considering social and environmental supply chain risks when procuring raw materials and products.

The Japan Pulp & Paper Group's Approach to Sustainable Procurement

https://www.kamipa.co.jp/eng/sustainability/society/sustainable-procurement/

Supply Chain Management

To ensure that Approach to Sustainable Procurement initiatives are being implemented properly in the supply chain, we check the status of these initiatives at our business partners using the Self-Assessment Questionnaire for CSR Procurement. When improvements are required at a partner company, we will communicate closely with the company and support it in making improvements.

Results up to fiscal 2025

Surveyed:	Main business partners in top 85% of parent company suppliers by value Valid response rate: 100%
Main surveyed items:	Corporate governance, human rights, labor, environment, fair corporate activities, information security, supply chain, local communities

Society

Local Communities

As we expand our business activities, we recognize that it is essential for us to reduce the environmental impact on communities and to achieve coexistence and mutual prosperity through social and economic contributions. As such, we have identified “Local Communities” as one of our material issues. We sponsor events in collaboration with local governments and work to promote understanding of resource recycling.

Initiative Example 1

Collaborative Project Promoting Local Greening and Environmental Conservation – OVOL Singapore’s OneMillionTrees Community Initiative –

OVOL Singapore, a distributor of paper, paperboard, and packaging materials, as well as visual communication materials and hardware, in Singapore, is actively promoting environmental conservation in collaboration with the local community through its participation in the OneMillionTrees Movement, an urban greening initiative led by Singapore’s National Parks Board (NParks).

As part of its commitment to sustainability, the company has contributed a cumulative SGD 45,000 to the Garden City Fund’s Plant-A-Tree programme, which supports environmental conservation projects. Financed through a portion of the company’s sales, these donations have been used to support tree-planting initiatives in parks and green corridors across Singapore.

In addition, between 2022 and 2025, OVOL Singapore partnered with NParks to plan and organize three tree-planting events. To date, 168 participants, including employees, customers, and suppliers, have taken part, helping to expand environmental stewardship beyond industry boundaries.

Through these activities, participants have gained a deeper understanding of the important role trees play in mitigating urban heat, preserving biodiversity, and improving air quality. The initiative has also highlighted the importance of collaboration among diverse stakeholders in addressing environmental issues.

The program not only helps foster awareness toward the realization of a sustainable society, but also helps build stronger relationships between OVOL Singapore and local communities.



Planting trees at East Coast Park in Singapore

Initiative Example 2

Initiative to Create Opportunities for Community Interaction and Learning Through Paper

In March 2026, the group exhibited at KOBE BOOK FAIR & MARKET 2026, organized by the City of Kobe, creating opportunities for community learning and interaction through paper. The event attracted approximately 7,000 visitors, more than 1,000 of whom stopped by the group’s booth.

The exhibition area introduced the book production process, from selecting paper for a book through bookbinding. Displays of apparel made with washi paper yarn, toilet paper and tissue paper made from recovered paper, and a mobile toilet trailer designed for use during disasters gave visitors a firsthand sense of paper’s diverse potential and the group’s initiatives in resource circulation and disaster preparedness.

The hands-on area featured a quiz about paper, picture-card storytelling, and a workshop where participants made notebooks using paper they had selected themselves, attracting many families with children. At the talk event titled “What Is the Functional Beauty Inherent in Printed Books and Bookstores?” company employees also took the stage, giving participants an opportunity to rediscover the appeal of printed books and bookstores.



Digitalization

Building and Strengthening Systems

In April 2025, the company established the Corporate DX Division, followed by the DX Meetings in July of the same year, creating a structure responsible for promoting digital transformation (DX) and maintaining IT controls. In January 2026, the company announced its DX Grand Design and in the following April established the Executive DX Committee, with the division transforming from an organization focused on planning and promotion into one that leads transformation itself. These initiatives have strengthened the integration of management, business operations, and information technology and enhanced our DX governance structure. As a result, the company received DX Certification from the Ministry of Economy, Trade and Industry in May 2026. The company will continue using digital technologies to transform its businesses and reform its operations, with the aim of sustainably enhancing corporate value.

* See ▸pages 53 to 55 for details.

Employees

Approach to Human Resources



Shigeyuki Sasaki
Executive Officer, General Manager
Corporate Planning Division

The group regards its people as its most important management resource. We believe that our people are the source of our competitiveness and the driving force behind our sustainable growth over the long term. We aspire to be a collective of people who embody the 3Cs (change, challenge, and create): employees who understand their individual roles, fully apply their capabilities, exercise creativity in pursuing new business opportunities, and take the initiative to drive their own growth and development toward self-fulfillment. Under OVOL Medium-term Business Plan 2026, which is now in its final fiscal year, we are strengthening human capital as we strive to become a trustworthy and engaging partner as envisioned in OVOL Vision 2030. Although some of the company's human resource-related KPIs have yet to be met, initiatives toward achieving our targets are making steady progress. During the current medium-term business plan period, we will seek to realize our long-term vision by taking the organizational model the group aspires to as a foundation and linking measures based on the three fundamental principles below with our various human resource strategies.

Fundamental Principles of OVOL Medium-term Business Plan 2026

Expand communication within and outside the group to significantly increase the value provided by our functions, services, and other offerings
(Enhanced competitiveness)

Raise the capabilities of our human resources and dramatically increase work engagement
(Enhanced profitability)

Fully utilize M&As to rapidly expand our business in new and existing areas
(Expanded revenue scale)

×

People who put change, challenge, and create into practice

An organization where employees with diverse talents can make the most of their individual strengths and continue taking on challenges

Human Resource-Related KPIs in OVOL Medium-term Business Plan 2026 (Non-consolidated)

Indicator	KPI		FY2025 Results	
Percentage of eligible male employees taking childcare leave	100%	(FY2023: 76.9%)	100%	✓ Achieved
Employee engagement rating	BBB or higher	(FY2023 rating: B)*1	BBB	✓ Achieved
Training expenses	3x or more	(compared to FY2023)	2x more than in FY2023	
Percentage of paid leave taken	80% or more	(FY2023: 79.0%)	82.8%	✓ Achieved
Average monthly overtime hours	10 hrs. or less	(FY2023: 13 hrs.)	12 hrs. 46 min.	
Ratio of female employees among new hires for career-track positions	30% or more	(Average over the last five years: 24.7%)*2	19.4%	

*1 The B rating is the sixth of the eleven engagement rating levels. The BBB target rating is two levels higher.
*2 The ratio of female employees in career-track positions at the company was 11.7% as of April 1, 2026. We have set the above target to increase the ratio of female employees in career-track positions.

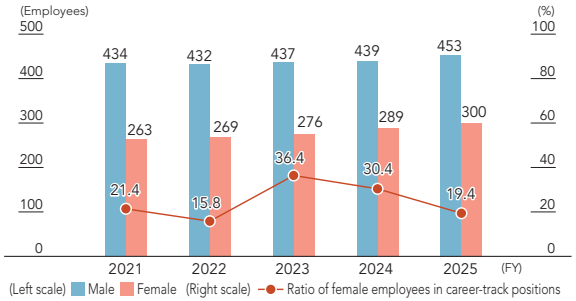
Employees

Work Environment

Recruitment of Employees

Our hiring of employees is based on Our Corporate Spirit of integrity, fairness, and harmony, a belief that has been nurtured since our founding over 180 years ago. We are committed to hiring people who can actively practice the 3Cs: “Change (Change ourselves as society changes); Challenge (Challenge new fields with conviction and ambitious spirit); and Create (Create fresh global value through diversity).” In recent years, we have strengthened our human resource portfolio, for example by hiring more mid-career recruits, with the aim of capturing talent with the diverse experiences and skills that we need to expand the business areas of the group. “Diversity and inclusion” is a material issue for the group, and one of our initiatives under this theme is for Japan Pulp & Paper to raise its percentage of female managers to 10% or more by fiscal 2030. To achieve this target, in OVOL Medium-term Business Plan 2026, we have set a goal of increasing the ratio of female employees among new hires for career-track positions to 30% or more. Going forward, we will proactively leverage diverse recruitment channels, including headhunting and rehiring former employees, in order to further enhance our human resource recruitment.

Number of Employees by Gender, and Ratio of Female Employees Among New Hires for Career-Track Positions
(Non-consolidated)



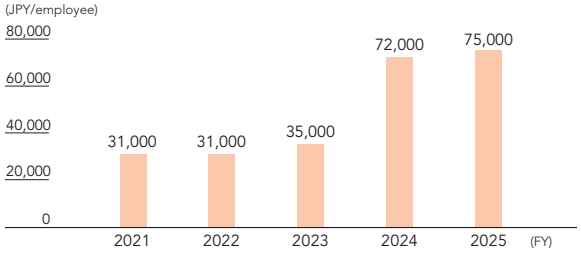
Human Resource Development

The group is active in five businesses: Japan Wholesaling, Non-Japan Wholesaling, Paper Manufacturing & Processing, Raw Materials & Environment, and Real Estate Leasing. As we seek to expand our business areas going forward, the development of human resources with diverse experiences and skills has become an urgent task. To do this, OVOL Medium-term Business Plan 2026 has set out the goals of raising the skill level of employees and enhancing training to develop human resources with expertise. For example, we actively use business schools as a part of our selectable training courses, with the aim of developing manager-level human resources. We have also introduced training programs conducted outside of Japan to develop global talent with an international perspective that is capable of practical communication with counterparts from around the world. Another initiative is to proactively second our employees to group companies, business partners, and external organizations that are important to our business strategies, thereby enabling them to acquire a wide range of knowledge and strengthen their specialist skills through practical experience based on the group’s business strategies. Going forward, we will strengthen our human resource development by further enhancing our lineup of open-application training courses that are useful for advancing the group’s business strategies, while also making proactive use of the Udemy Business online training service to support self-directed learning. Furthermore, human resource data about the experiences and skills that employees acquire through these initiatives is centrally managed and visualized in a talent management system. We use this data to compile a dynamic portfolio, and for strategic human resource placement that takes each employee’s uniqueness into account.

Human Resource-Related KPIs in OVOL Medium-term Business Plan 2026 (Non-consolidated)

Training expenses compared to FY2023: 3x or more

Cost of Training/Education per Employee (Non-consolidated)



Human Resource Development at Japan Pulp & Paper

Rank-based training	Newly appointed general managers: External management training	
	Employees promoted to different grades: Training to understand expected roles	
	Mid-career employees: Coaching and logical thinking training	
	First three years after joining the company: Group training (annually)	
Selectable Training Courses	In-house group training	
	External dispatch training	
Other Systems	Self-development support system	
	Training programs conducted outside of Japan (language study abroad and practical training)	
	New recruit mentor program	

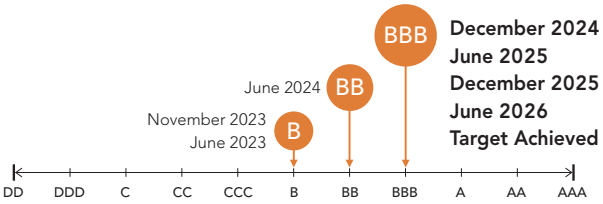
Goal Management and Personnel Evaluation System

In business, goal management is essential for performance management. When combined with a personnel evaluation system, it promotes organizational motivation and individual skill development, and is an important factor in making personnel decisions. The personnel evaluation system at Japan Pulp & Paper is comprised of Grade Standard Evaluation and Challenge Evaluation components. The system is used as a tool for employee development to maximize performance. In both setting goals and conducting evaluations, we emphasize clear communication between evaluators and those being evaluated to ensure fair evaluation of achievements and actions and increase transparency through feedback. Through this, we aim to enhance employees' receptiveness and motivation.

Evaluation Criteria		Key Points
Grade Standard Evaluation		Expected standards for each grade are uniformly set as "Grade Standards," and the degree of performance and execution is evaluated.
Challenge Evaluation	Performance Evaluation	Evaluates the achievement of quantitative performance goals for the employee's organization.
	Process Evaluation	The company establishes high-priority goals that need to be challenged in order to achieve performance goals, as well as medium-to-long-term initiatives to create new value, and evaluates the progress made in those areas. ・Emphasizes the ability to respond to difficulties and change ・Requires the goals to be truly challenging

Engagement

The company recognizes that improving engagement through the promotion of human capital management is a critical issue for achieving our long-term vision. Since fiscal 2023, we have been conducting employee engagement surveys twice a year. By using feedback from survey results to identify and address organizational challenges, we aim to further increase the job satisfaction of employees, foster an organizational culture in which employees can play a more active role and take on the challenge of developing new ideas that create added value, and improve productivity.



* The engagement survey creates an Engagement Rating through the Motivation Cloud service offered by Link and Motivation Inc.

Challenges Identified and Initiatives Based on Survey Results

Challenges

· Communicating and embedding the group's growth strategy
· Developing employees through personnel rotation

Initiatives

· Holding discussion sessions between the president and employees
· Reviewing the operating standards for development-focused transfers (rotation rules)

Holding Discussion Sessions Between the President and Employees

As part of our initiatives to promote communication about the group's growth strategy, we hold discussion sessions between the president and employees several times a year at the head office and each branch. These sessions provide opportunities for management to communicate and share information, strengthening the communication channel between management and employees on the ground. Through two-way communication in which the president directly explains to employees the thinking behind OVOL Vision 2030 and the strategies of OVOL Medium-term Business Plan 2026, we are further deepening each employee's understanding of our long-term vision.

Participation in Discussion Session with the President

Ririko Terada
Publishing Section V
Publishing Department II
Newsprint & Publication Paper Sales Division



During the discussion session, I heard directly from the president about the company's long-term vision and future strategies. This gave me a clear picture of the position the company aims to establish, even as the environment surrounding the publishing industry undergoes major changes. What particularly stayed with me was his message that, as Japan's domestic demand for paper declines, we have reached a stage where we must firmly capture the benefits available to the remaining industry players. He also emphasized that doing so requires us to move beyond conventional methods, cast a wide net for information, and use it to generate fresh ideas in our sales activities. As a member of the Newsprint & Publication Paper Sales Division, I gained a clear sense that our efforts are directly linked to realizing the company's long-term vision and maintaining and strengthening its earnings base. The meeting reinforced my determination to take greater ownership of my day-to-day proposal activities.

Employees

Revision of Developmental Job Rotation Guidelines (Rotation Policy)

The company has established operational guidelines for developmental job rotations to systematically give employees experience in multiple roles through personnel transfers, with the aims of developing their capabilities and enhancing their skills, developing people from a long-term perspective, revitalizing the organization, and facilitating optimal workforce allocation. In recent years, however, employees have tended to remain in their assigned departments for longer periods, which has also become one factor contributing to lower employee engagement. Accordingly, in April 2026, we revised the developmental guidelines for job rotation transfers. Under the revised standards, employees must, in principle, gain experience in at least three departments with different functions before reaching the assistant manager level. This will lay the groundwork for supporting employees' career development and cultivating a core group of mid-level employees with the diverse experience and skills needed to adapt to future changes in the business. At the same time, we will encourage interaction among employees across the company and strengthen our organizational capabilities.

Changes to the Rotation Policy for Career-track Positions



Ayako Watanabe
Paper Merchant Section
Paper Merchant Department
Kansai Branch

I joined the company in April 2021 and was initially assigned to the Purchasing Department of the Kansai Branch, where I spent four years working in purchasing. In my fifth year with the company, I was transferred within the branch and am now in the Paper Merchant Department of the Kansai Branch, which is part of the sales organization. By my fourth year with the company, I had developed a deeper understanding of purchasing and was beginning to find the work rewarding, so I felt that being transferred after exactly four years was a little early. However, I believe that gaining experience in a department with substantially different responsibilities while still young has been valuable in broadening my perspective and experience. I also believe that the new system's policy limiting assignments to an employee's initial department to five years provides a good opportunity for career development. Clearly setting out the rotation guidelines should also enable younger employees to form a concrete picture of how their careers can develop with the company. Going forward, I hope to leverage the experience I have gained in both purchasing and sales to help enhance value for our business partners and the company.

Health Management

We view human resources as our most important form of management capital and support each executive and employee in taking the initiative to improve their health and increase their vitality.

Health Management Promotion Framework

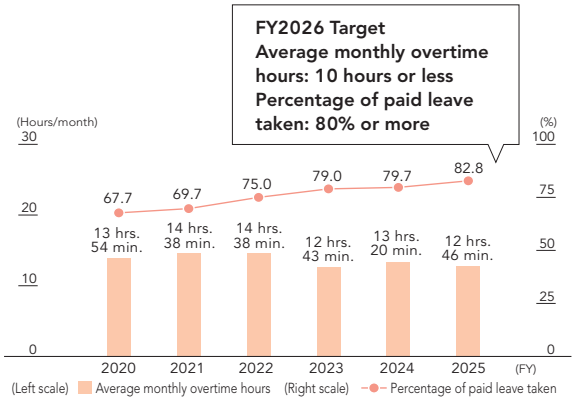


Our Health Management Strategy

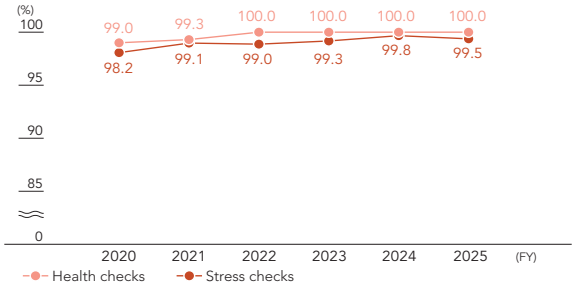
Japan Pulp & Paper's health management strategy involves implementing health policies based on four main themes: (1) Improving health literacy, (2) Strengthening measures to prevent cancer and lifestyle diseases, (3) Strengthening measures for mental health, and (4) Achieving a work-life balance. Recently, we introduced the KENPOS health improvement self-care service for all executives and employees to improve health literacy. This is used to raise awareness of health issues across the company, promote the well-being of employees, and improve the workplace environment. As part of strengthening our measures against cancer and lifestyle diseases, our target for employees receiving health checks is 100%, and we have maintained a 100% rate since fiscal 2022. We also centrally manage health check results on a computer system and implement effective health policies based on this health check data to further strengthen the health management of executives and employees. To strengthen support for mental health, we have set a goal of getting 100% of employees to receive stress checks and provide line management care training for managers as part of our health education efforts. In addition, we have introduced various systems to achieve a better work-life balance, including work from home, staggered work hours, and the ability to take annual paid leave in hourly units. As part of OVOL Medium-term Business Plan 2026, we aim to reduce average monthly overtime to 10 hours or less and increase the paid leave usage rate to 80% or more, supporting a better work-life balance.

2026
健康経営優良法人
KENKO Investment for Health
大規模法人部門

Average Monthly Overtime Hours and Percentage of Paid Leave Taken (Parent company)



Percentage of Employees Receiving Health Checks and Percentage of Employees Receiving Stress Checks (Parent company)

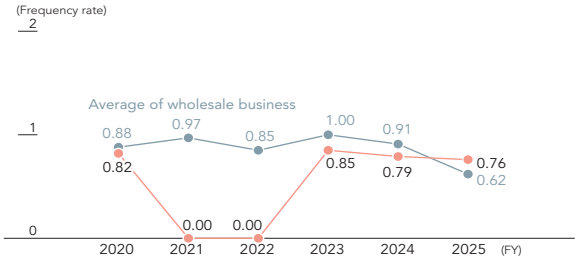


Occupational Health and Safety

Based on the Occupational Health and Safety Policy, the Japan Pulp & Paper Group is aiming to eradicate workplace accidents, hazards, and occupational illnesses. To do this, the Personnel Department and the Environment & Safety Promotion Office are taking the lead in implementing initiatives at each group company through the OVOL Environment & Safety Meetings. As part of our occupational health and safety management framework, we continue to conduct risk assessments and hazard prediction activities at each site and collect and share near-miss information. The head office's Environment & Safety Promotion Office also systematically reviews the systems, records, and workplaces of group companies in Japan, combining these reviews with onsite inspections by external experts as necessary to provide effective audits and support for improvement.

In response to increasingly extreme heat and severe natural disasters caused by climate change, we are also focusing on measures to prevent heatstroke and on strengthening systems for confirming employees' safety during disasters and ensuring business continuity. No fatal accidents occurred within the group in fiscal 2025, which we believe indicates that our safety management system is delivering results. We will continue to improve occupational health and safety as our highest priority by implementing measures to prevent workplace accidents and providing comfortable workplaces.

Occupational Accident Frequency Rate (Non-consolidated)



Japan Pulp & Paper Group Occupational Health and Safety Policy
https://www.kamipa.co.jp/eng/sustainability/employees/health-and-safety-policy/

Introduction of Stock-based Compensation for Employees

In fiscal 2025, we introduced a performance-based restricted stock incentive plan for the Employee Shareholding Association. In addition to helping our employees accumulate assets, the purpose of this plan is to further strengthen the commitment of employees to improve corporate results by incentivizing them to continuously raise corporate value.

Diversity and Inclusion

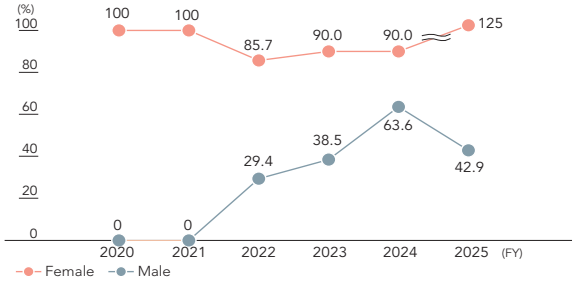
For the group to continually raise its corporate value, it is essential that every executive and employee, using their diverse experiences, skills, and values, works to create new value by maximizing their individuality and capabilities. We have also identified "diversity and inclusion (D&I)" as one of our material issues. Although we extended the retirement age to 65 in 2021, we do not treat employees differently based on age and we have not set a fixed retirement age system for each position. In order to achieve D&I, the entire group will focus on fostering a comfortable workplace culture, raising awareness about, and establishing systems that respect diverse attributes, values, and working styles, including ethnicity, religion, faith, gender, sexual orientation/gender identity, nationality, age, place of origin, educational background, and physical or mental disability.

Promotion of Female Participation and Advancement in the Workplace

In order to realize a work environment in which all employees can create their own work-life balance, fully

demonstrate their abilities, and continue to work regardless of gender, the company has created the Action Plan for Promoting Female Participation and Advancement in the Workplace. We are implementing various measures with the goals of increasing the ratio of female employees, supporting continued employment and career advancement, reducing long working hours, and improving paid leave utilization rates. We are also working to expand support systems for balancing work and family life. In addition to increasing our childcare support, we have extended the period for which the shorter working hour system can be applied, introduced a shift work system that can be used for childcare, and established systems for hourly paid leave and limiting work locations. In 2024, we received "Kurumin Certification" from the Japanese government for our childcare support activities, following our previous certification in 2021. Also, as part of our efforts to further promote the advancement of women in the workplace, in OVOL Medium-term Business Plan 2026 we set the target for eligible male employees taking childcare leave (including the company's unique leave system) at 100% (we achieved 100% in fiscal 2025).

Percentage of Childcare Leave Taken (Parent company)

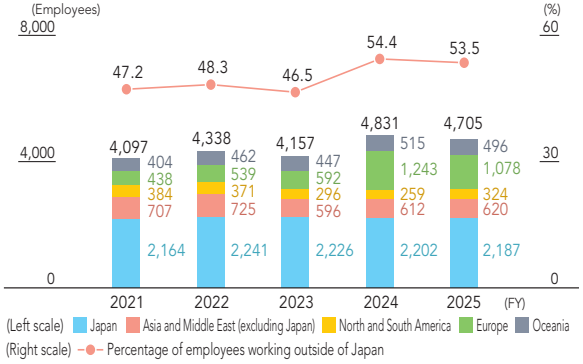


* The target for eligible male employees taking childcare leave, including the company's unique leave system, is 100% for fiscal 2026.

Global Human Resources

The group aims to be an organization in which diverse human resources can play an active role regardless of race or nationality. Currently, regions outside Japan account for 50% or more of the group's revenue, and at least half of our employees are non-Japanese. To secure and nurture human resources who can work globally, we are committed to creating a work environment where employees of different nationalities, religions, and lifestyles can cooperate and demonstrate their individuality, experience, skills, and other abilities.

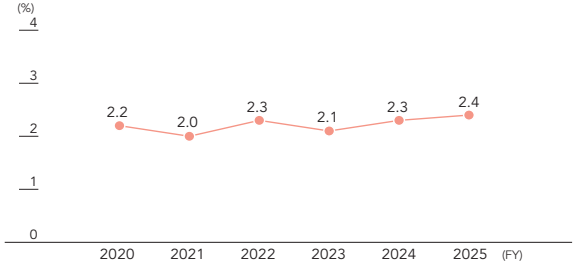
Number of Employees by Region and Percentage of Employees Working Outside of Japan (Consolidated)



Employment of People with Disabilities

We are committed to facilitating the employment of people with disabilities. When hiring people with disabilities, securing an appropriate employment opportunity that takes their specific circumstances into consideration is something we take very seriously. We make decisions about work locations and duties after talking with each employee about the nature of their disability and their areas of expertise. We will continue to expand the employment opportunities for people with disabilities, and promote initiatives that enable them to make the most of their skills.

Percentage of Employees with Disabilities (Parent company)



Promoting Understanding of LGBT Issues

In order to maintain a work environment where people from different backgrounds can respect each other and make the most of their abilities, we are moving forward with initiatives to promote proper understanding, awareness, and unbiased treatment of LGBT employees and other sexual minority groups through internal measures such as posting information on intranet bulletin boards and conducting harassment prevention training. In our Charter of Corporate Behavior and the Code of Conduct for Executives and Employees, the group clearly states that it will not engage in any conduct that infringes on human rights, such as discriminatory behavior related to sexual orientation or gender identity.

Governance

Management Team (As of June 25, 2026)



1 **Akihiko Watanabe**
Representative Director
President & CEO

2 **Chihiro Katsuta**
Representative Director

3 **Kazuhiko Sakurai**
Director

4 **Sumiko Takeuchi**
Outside Director

5 **Yoko Suzuki**
Outside Director

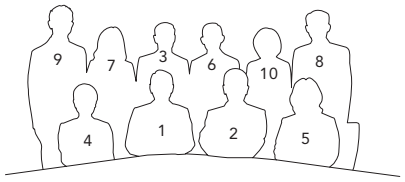
6 **Hiroshi Takahashi**
Outside Director

7 **Rie Uesaka**
Audit & Supervisory Board Member (full-time)

8 **Naofumi Higuchi**
Outside Audit & Supervisory Board Member

9 **Mitsutaka Hondo**
Outside Audit & Supervisory Board Member

10 **Miyuki Fukushima**
Outside Audit & Supervisory Board Member



Governance

Management Team

Directors

Akihiko Watanabe*
Representative Director, President & CEO

April 1982 Joined the Company
June 2016 Director of the Board, Executive Vice President
April 2017 Representative Director, President
April 2023 Representative Director, President & CEO (present position)

Chihiro Katsuta*
Representative Director

April 1982 Joined the Company
June 2016 Director of the Board, Executive Vice President
April 2017 Director of the Board, Senior Executive Vice President
June 2019 Representative Director, Senior Executive Vice President (present position)

Kazuhiko Sakurai*
Director

April 1982 Joined the Company
June 2015 Director of the Board, Executive Vice President
June 2019 Director of the Board, Senior Executive Vice President (present position)

Sumiko Takeuchi Independent
Outside Director

June 2019 Outside Director (present position)

Significant Concurrent Positions
Director and Senior Fellow of International Environment and Economy Institute
Co-representative of U3Innovations LLC
Specially Appointed Professor at Tohoku University
Outside Director of GRID INC.
Outside Director and Audit and Supervisory Committee Member of NIPPON STEEL CORPORATION
Outside Director of Idemitsu Kosan Co., Ltd.

Yoko Suzuki Independent
Outside Director

June 2022 Outside Director (present position)

Significant Concurrent Positions
Partner of Suzuki Sogo Law Office
Outside Director and Member of the Audit Committee of Bridgestone Corporation
External Audit & Supervisory Board Member of MARUI GROUP CO., LTD.

Hiroshi Takahashi Independent
Outside Director

June 2023 Outside Director (present position)

Significant Concurrent Positions
Director of J-group Medical Corporation

* Director of the Board also serving as an Executive Officer

Independent Outside directors and outside auditors registered as independent officers as stipulated by the Tokyo Stock Exchange.

Audit & Supervisory Board Members

Rie Uesaka
Full-time Audit & Supervisory Board Member

April 1986 Joined the Company
June 2020 Full-time Audit & Supervisory Board Member (present position)

Naofumi Higuchi Independent
Outside Audit & Supervisory Board Member

June 2016 Outside Audit & Supervisory Board Member (present position)

Significant Concurrent Positions
Representative of Higuchi Certified Public Accountant Office
Professor of Tohoku University Accounting School
Outside Director and Audit and Supervisory Committee Member of Nippon Aqua Co., Ltd.
Audit & Supervisory Board Member of JMA Consultants Inc.
Outside Audit & Supervisory Board Member of FunPep Co., Ltd.

Mitsutaka Hondo
Outside Audit & Supervisory Board Member

June 2023 Outside Audit & Supervisory Board Member (present position)

Significant Concurrent Positions
Attorney at Marunouchi Law Office

Miyuki Fukushima Independent
Outside Audit & Supervisory Board Member

June 2023 Outside Audit & Supervisory Board Member (present position)

Significant Concurrent Positions
Representing Partner of FLAIR Accounting Firm
Representative Director and President of MiD POINT Corporation

Executive Officers

President & CEO

Akihiko Watanabe

Senior Executive Vice President

Chihiro Katsuta
CFO and Business Head – Raw Materials & Environment
Kazuhiko Sakurai
Business Head – Paperboard, Household Paper

Executive Vice Presidents

Yasushi Takei
Head – Administration, Planning & Sustainability
Fumio Watanabe
CIO
Nobuyuki Matsuura
Business Head – Paper Sales & Marketing, Logistics
Mitsutoshi Imamura
Business Head – Global Business, Specialties
Makoto Shirotani
General Manager, Kansai Branch

Senior Vice Presidents

Susumu Tanaami
Deputy Business Head – Paperboard
General Manager, Industrial Materials Sales Division
Yutaka Endo
Deputy Business Head – Raw Materials & Environment, General Manager, Raw Materials & Environmental Business Division
Masaaki Sato
Deputy Business Head – Global Business, General Manager, International Business Division
Hiroyuki Ito
Deputy Business Head – Household Paper, Vice President, JP Corelex Holdings Co., Ltd.
Kenichiro Fujii
General Manager, Finance & Administration Division
Hisaaki Matsuoka
General Manager, Purchasing Division
Kagetaka Matsuura
General Manager, Paper Merchant & Printer Sales Division
Seiichi Suganuma
General Manager, Functional Materials Sales Division
Koji Ukeguchi
General Manager, Chubu Branch
Hiroshi Kashima
Chief Representative of Europe

Executive Officers

Shinsuke Yamamoto
General Manager
Corporate Sustainability Division
Shigeyuki Sasaki
General Manager
Corporate Planning Division
Fumiteru Kase
General Manager, Corporate DX Division
Akito Fujishima
General Manager, Newsprint & Publication Paper Sales Division
Shuichi Takeoka
General Manager, Kyushu Branch
Toshihiko Kitayama
General Manager, Kitanihon Branch
Satoshi Ishii
Deputy General Manager
Functional Materials Sales Division
Satoshi Wada
Deputy General Manager, Kansai Branch
Takeyuki Matsuura
President, JP Household Supply Co., Ltd.
Kozo Nishio
President, Misuzushigyo Co., Ltd.
Hideo Ogi
Senior Executive Director
Eco-Port Kyushu Co., Ltd.
Koichi Okuda
President, Japan Pulp & Paper (U.S.A.) Corp.
Takahiro Miyata
Managing Director
Ball & Doggett Group Pty Ltd

Governance

Roundtable Discussion Among the Outside Directors

Supporting our pursuit of becoming a trustworthy and engaging corporate group through effective dialogue-based governance

Current State of Corporate Governance: Evaluation and Challenges

Takeuchi My longstanding impression that the company has a very robust governance structure remains unchanged. At the same time, the business environment surrounding the paper industry is constantly changing. Over the past year, the Board of Directors, including the outside directors, has repeatedly discussed how to align the diversification and M&A strategies pursued for sustainable growth with the appropriate form of corporate governance.

Suzuki I believe that one of the company's greatest governance strengths is its well-balanced combination of "offense" and "defense." While advancing the "offensive" aspect of its M&A strategy, the Board of Directors is also firmly addressing the "defensive" aspect, particularly compliance.



Sumiko Takeuchi
Outside Director

Sumiko Takeuchi joined Tokyo Electric Power Company (TEPCO) in 1994, and has been a Director and Senior Fellow of the International Environment and Economy Institute since 2012. She holds a PhD in Engineering from the Graduate School of Engineering at the University of Tokyo, and became a Specially Appointed Professor at Tohoku University in 2020. She serves as Co-Representative of U3Innovations LLC and Outside Director and Audit and Supervisory Committee Member of NIPPON STEEL CORPORATION. She has been serving as an outside director of Japan Pulp & Paper since 2019.



Yoko Suzuki
Outside Director

Registered as an attorney in 1998, Yoko Suzuki became a partner at Suzuki Sogo Law Office in 2002. After serving in positions including Outside Audit & Supervisory Board Member of Seven & i Holdings Co., Ltd., she currently serves as Outside Director and Member of the Audit Committee of Bridgestone Corporation and External Audit & Supervisory Board Member of MARUI GROUP CO., LTD. She has been serving as an outside director of Japan Pulp & Paper since 2022.



Hiroshi Takahashi
Outside Director

After joining Mitsui Trust and Banking Company, Limited (currently Sumitomo Mitsui Trust Bank, Limited) in 1985, Hiroshi Takahashi has held numerous senior positions, including Managing Executive Officer of Sumitomo Mitsui Trust Bank, Limited, Representative Director and Vice President of Japan Trustee Services Bank, Ltd., and Director and Senior Managing Executive Officer of Custody Bank of Japan, Ltd. He currently serves as Director of J-group Medical Corporation, and has been serving as an outside director of Japan Pulp & Paper since 2023.

Governance

Roundtable Discussion Among the Outside Directors

Takahashi I believe the robust governance structure you have both described is supported by the high quality of the company's Board of Directors' operations. One recent development I would particularly emphasize is the progress made in information sharing, which is essential to transparent and fair management. Timely and appropriate information is now shared with Board members, ensuring transparency in management. For example, the minutes of Executive Management Committee meetings, including the identity of speakers and the details of discussions, are now shared during preliminary briefings for outside directors. This allows us to understand not only the substance of agenda items but also their background and the process through which they were considered, enabling more substantive and constructive discussions at Board meetings. These initiatives have enhanced management transparency and enabled outside directors to provide more effective oversight and advice. I consider them important improvements that have increased the effectiveness of governance. By making discussions at the Executive Management Committee and other meetings held before Board meetings visible in this way, outside directors can fully understand the background and essence of agenda items without having to attend those meetings individually as observers. As a result, the Board is able to engage in deeper and more constructive discussions based on information that is comprehensive in both quality and quantity.

The company also takes the evaluation of Board effectiveness seriously. Over the past year, the improvements we proposed have been steadily reflected in Board operations and practices. For example, in addition to reviewing matters submitted for deliberation and reporting, operational improvements are being made to better document and share Board discussions and decision-making processes. I believe these initiatives are strengthening the Board's oversight capabilities. I also believe that steady progress is being made because the president listens sincerely to a wide range of opinions and is open-minded in accepting them.



Suzuki As Mr. Takahashi noted, the company has made steady progress in increasing the transparency of operations on the Board of Directors and enhancing information sharing, and I believe the results can be seen in the Board's improved effectiveness. I also believe that clearly documenting the comments made by outside directors and other attendees in the minutes is highly effective in building a shared understanding of the opinions and concerns raised at Board meetings and improving the quality of discussions.

Last year, as part of its efforts to improve Board effectiveness, the company conducted a survey examining the appropriateness of submission criteria and agenda setting for matters presented to the Board over the preceding year, and made improvements based on the results. For my part, I proposed reviewing both the monetary thresholds for investment opportunities and the scope of personnel matters requiring Board deliberation. I also recommended that matters of major strategic importance, such as relocating the head office, should be discussed by the Board even when they do not meet the formal criteria for Board approval.

I greatly value the company's continuous review of what the Board should discuss and the fact that recommendations from outside directors are reflected in actual operational improvements. As an outside director, I will continue to proactively recommend improvements and issues for discussion so that the Board can make more effective decisions and exercise stronger oversight.

Takeuchi Looking back over the past year, I believe the area in which corporate governance has advanced most significantly is group governance, including governance of subsidiaries outside Japan. The M&As undertaken in Europe as opportunities for significant growth have not necessarily progressed smoothly, partly due to deteriorating market conditions. However, the local executive assigned to the acquired companies has briefed the Board of Directors directly on the situation. The opportunity to hear and discuss firsthand where the problems lie within local management and how they will be addressed has enabled more precise monitoring. I regard this as important progress toward more sophisticated group governance. I believe the company should continue building on such carefully tailored initiatives to further strengthen and enhance group governance.

Suzuki As an outside director, I have continued emphasizing the need for regular progress reports and stronger monitoring by the Board of Directors when it comes to the European businesses, which continue to face difficulties. These

recommendations are now steadily being put into practice. Given the challenging performance, detailed reports are now provided to the Board on structural reform policies and specific measures, along with explanations of contingency scenarios should the improvement measures fail to proceed as planned. I view this positively. This enables highly effective monitoring that goes beyond simply understanding the current situation. Moreover, similar initiatives have been extended to group subsidiaries in Japan, which I feel is raising the operational effectiveness of the group's governance.

Takahashi Another concrete initiative to strengthen group governance was the global meeting held in March 2026, which brought together senior management from the group's paper merchant subsidiaries outside of Japan, and which outside directors also attended online. Initiatives such as these have steadily raised the standard of the company's group governance founded on information sharing over the past several years. At the same time, I believe there are still areas requiring attention as the company works to make group governance even more sophisticated. Particularly when it comes to decisions concerning the business expansion outside Japan, there are times when the emphasis on taking the offensive and an eagerness to move forward take precedence compared with business expansion in Japan. The company still has financial capacity for future growth investments, and I expect it to continue actively pursuing M&A transactions involving businesses outside Japan. When doing so, the Board of Directors must exercise even stronger oversight and checks, carefully assess the balance between risk and return, and ensure disciplined decision-making.

Suzuki Not every M&A transaction will proceed exactly as initially anticipated. It is true that the more recently acquired European business, particularly its German subsidiaries, are facing greater difficulties than expected. Nevertheless, M&A remains essential to realizing our goal of becoming "the world's leading paper distribution group," under OVOL Vision 2030. The Board of Directors must continue discussing the company's future M&A strategy in line with the policies and specific measures set out in OVOL Medium-term Business Plan 2026 while appropriately monitoring the progress of individual M&As.

Takeuchi Just as global governance has become more sophisticated, steady progress has also been made in IT governance, which was identified as an area requiring attention since last year. This fiscal year, outside directors were given an opportunity to speak directly with members of the Corporate DX Division. I focused on confirming whether management fully recognizes IT governance as an important issue and whether the necessary management resources, including personnel and funding, are being allocated appropriately. Although challenges remain, including developing and securing specialized talent, I was able to confirm that IT governance is positioned as an important company-wide issue and is being strengthened systematically.

Suzuki IT governance provides the foundation for DX, which is indispensable to the company's strategy for remaining competitive in the face of structural changes in paper demand. It is therefore an extremely important management issue. The Board of Directors is already actively discussing the development of IT governance and cybersecurity systems required to support the promotion of DX.

Takahashi With the elevation of the organization overseeing DX to division status and the formulation of the DX Grand Design, a framework for advancing DX has been established and the company is now finally moving into the implementation stage. In particular, as the use of generative AI becomes even more widespread in business operations, establishing AI governance is an urgent priority. While AI can be a powerful means of accelerating DX, the company must also appropriately address the risk of outputs that do not align with its intentions. In order to continue conducting business smoothly in an environment where people and AI coexist, it is essential to establish rules defining who should be granted what authority and how such authority should be governed and controlled. Within IT governance, the company must also continually strengthen its cybersecurity and resilience against large-scale disasters.

Recommendations for Enhancing Corporate Value over the Medium to Long Term

Takahashi The company has set out three aspirations in OVOL Vision 2030. Of these, I regard being "a corporate group that strives to be considered a trustworthy and engaging partner both within and beyond the paper industry" as the ultimate goal. This does not simply mean moving the company's business domains beyond paper. It expresses the company's determination to transcend industry boundaries and become an outstanding enterprise. To become a trustworthy and engaging corporate group, I believe the time has come to begin discussions that look beyond OVOL Vision 2030, covering not only the next medium-term business plan beginning in fiscal 2027 but also fundamental questions about what the company should be.

Takeuchi As Mr. Takahashi noted, the company has set out a vision of becoming a trustworthy and engaging corporate

Governance

Roundtable Discussion Among the Outside Directors



group. Generally, improvements in financial indicators such as capital efficiency and PBR are important to achieving excellence in corporate management. However, making the improvement of these KPIs an end in itself will not lead to genuine value creation. The company should continually pursue the question of what kind of value it wants to provide to its stakeholders. I believe that consistently doing so is what will create genuine corporate value. I intend to continue sharing this perspective with the Board of Directors.

Regarding the human capital initiatives that will underpin our being a trustworthy and engaging corporate group, the president's remarks and discussions at Board meetings have convinced me that the company places human capital at the heart of its management approach, which I view very positively. At Board meetings, management engages in ongoing and active discussions including how to ensure the well-being of every employee, how to create an environment where individuals can make full use of their talents, and what KPIs should be used to measure these outcomes.

Suzuki With respect to human capital, I believe it is important not only to address fundamental issues such as increasing the visibility of individual capabilities and skills and enhancing human resource systems, but also to advance initiatives aligned with the company's management strategy. For example, I believe there is room for deeper discussions concerning how to recruit and develop the human resources needed for key medium-term business plan initiatives, such as promoting the value of paper, expanding businesses outside Japan, and advancing DX, as well as how to improve the employee engagement that supports the company's growth. Because employee engagement is difficult to quantify, the company should periodically review whether its current targets and KPIs remain appropriate and revise them as necessary.

Takahashi From a human capital perspective, one of the most important challenges is how to secure and develop highly specialized professionals capable of leading the company's DX initiatives. Additionally, as DX progresses and the division of responsibilities between AI and people becomes more defined, for example, human resources management will likely continue shifting from a membership-based model toward a more job-based model. Developing human resources systems suited to an era in which IT and AI are fundamental will also be an important human capital issue in achieving sustainable value creation.

Suzuki Alongside human capital, as part of the financial strategy that provides a foundation for sustainable corporate value creation, each year there are growing expectations for management to place greater emphasis on capital efficiency. Based on discussions at the Board of Directors, the company has been steadily reducing its cross-shareholdings and has also made it clear that it will review its real estate holdings, including asset sales. I recognize that the Board consistently shares a strong commitment to improving capital efficiency.

Takeuchi As communicated at financial results briefings and elsewhere, the company is steadily transitioning toward management that emphasizes capital efficiency, including improving PBR through higher ROE. Measures such as share repurchases and the sale of cross-shareholdings and real estate are also raised for discussion as appropriate. The question is no longer whether these measures should be implemented, but rather when and at what pace.

Takahashi Looking at the indicators used to assess the company in capital markets, under the previous medium-term business plan covering fiscal 2021 through fiscal 2023, ROE, which indicates the ability to generate earnings, reached a reasonably solid level of 8% to 24%. However, PER, which reflects growth expectations, remained low at 2x to 6x due to sluggishness in the Japanese equity market and industry characteristics. Consequently, PBR remained in the range of 0.5x and 0.6x.

Since the start of the current medium-term business plan (fiscal 2024-2026) began, ROE has remained sluggish at 3% to 5%, reflecting the structural reforms in businesses outside Japan and the concentrated recognition of goodwill impairment losses. PER, meanwhile, has remained high at 15x to 28x, supported by the revitalization of Japan's equity market, the company's rapid succession of capital-efficiency and shareholder-return measures, including a progressive dividend policy, the introduction of DOE, stock splits, share repurchases, and the sale of cross-shareholdings, as well as expectations for growth through proactive M&A, primarily outside Japan. As a result, PBR has finally improved to around 1.0x. For fiscal 2026, I expect ROE to

recover to the 6% range, PER to reach 16x, which is roughly in line with the wholesale industry average, and PBR to reach approximately 1.1x. Based on a theoretical share price calculation, multiplying earnings per share by an appropriate PER of 12x to 15x yields a share-price range of JPY 1,260 to JPY 1,535. Compared with the current share price of JPY 1,200, I believe the shares remain somewhat undervalued. At the same time, further enhancing corporate value will require additional efforts to improve the market's assessment of the company by expanding shareholder returns and advancing growth investments, such as M&A, even further. The company also needs a more defensive approach to its businesses outside Japan. How to determine the balance between growth and risk management is an issue that should be examined more deeply in the next medium-term business plan.

Suzuki I feel that the role expected of outside directors in contributing to greater corporate value is expanding each year. One area I consider particularly important is the monitoring of growth investments. In a highly uncertain business environment, the company must respond promptly when conditions change the assumptions underlying an investment after it has been made. Even a profitable business may eventually reach a point where withdrawal needs to be considered. In such cases, I recommend that the Board of Directors conduct rigorous ex ante and ex post reviews of the causes and the appropriateness of management's decisions. I feel that oversight by outside directors of growth investments is becoming increasingly important.

Takahashi When monitoring investments, it is important to perform ongoing gap analyses comparing current performance with the level of profit anticipated when each investment was made. Reports of this kind were recently presented to the Board of Directors for certain M&A transactions, but I have always believed that this should be established as a standard practice applicable to all investments. The president shares this view, and the company has begun to provide a comprehensive overview of the progress of its M&A transactions. Furthermore, when evaluating investments, it is essential not to attribute outcomes solely to external factors, but to rigorously review and reflect on the soundness of the judgements made at the time of investment. I have continued to raise this point at Board meetings.

Takeuchi There is no question that reflection and learning from past decisions are important. However, it is equally important not to let reflection become an end in itself. What matters is deriving insights that will increase the likelihood of success next time. From this perspective, I have recommended that the Board of Directors focus on how such lessons can be applied going forward. I also recognize that a key role of outside directors is to bring an external perspective into these discussions. I therefore share my own insights gained from policy discussions at bodies such as the Council for Japan's Growth Strategy, in which I participate, as well as from global energy trends. Drawing on my expertise in the energy sector, I have also been raising BCP-related concerns related to risks such as fluctuations in energy and material prices resulting from developments in the Middle East.

Takahashi Along with monitoring growth investments, I am also paying close attention to the progress of initiatives relating to material issues, which underpin sustainable growth. The Board of Directors receives reports on revisions to the company's material issues as needed, but continued monitoring as to whether the resulting action plans have filtered throughout entire organization, whether every employee takes personal ownership of them, and how their results are reflected in work engagement scores, is needed. I regard the increasing frequency of Board discussions on material issues as a highly positive trend.

Nomination and Compensation Advisory Committee

Takahashi Over the past year, significant progress has been made in the sharing of personnel information, which I had hoped to see as a member of the Nomination and Compensation Advisory Committee. Potential executive candidates are now more visible, and more comprehensive information is available on each candidate, with the ability to identify candidates meeting specific criteria quickly. Going forward, I would like to see further refinement and enhancement of the information available, not only with respect to immediate successor candidates but also the future generation of potential successors. I believe this will enable more substantive and effective discussions regarding succession planning.

Suzuki I share Mr. Takahashi's view that information sharing related to nominations has improved significantly. In particular, I highly value the progress made on the greater visibility of management talent, including the next generation of leaders. Going forward, it will be important to build on this foundation and deepen discussions regarding the systematic development and deployment of management talent.

Takeuchi In addition to the improvements in personnel information, I see great value in the expanded opportunities for direct communication with the people responsible for individual businesses, including businesses outside Japan and DX. As a member of the Nomination and Compensation Advisory

Governance

Roundtable Discussion Among the Outside Directors

Committee, gaining a detailed understanding not only of personnel but also of the realities of individual businesses and workplaces on the ground has significantly improved the quality of our discussions.

Regarding executive appointments, I believe there is still room to further increase the diversity of candidates in terms of age and career background. I look forward to further refining the succession plan, which has a direct bearing on the company's future. The current approach focuses primarily on evaluating individual candidates, but it is also important to view management as a single team and lay more emphasis on the combination and balance of experience and skills across that team.

Takahashi I have also consistently emphasized the need to review the executive compensation system, which should occur alongside discussions on nominations. Under the previous system, the KPI for performance-linked remuneration was limited to consolidated ordinary profit and was determined according to position, and as a result, the performance of individual divisions was not adequately reflected.

The remuneration system is now steadily being revised to align it more closely to medium- and long-term enhancement in corporate value. Improvements include introducing stock-based remuneration and the establishment of mechanisms that incorporate the achievement of human capital-related KPIs into compensation. A special remuneration program linked to performance contributions has also been introduced for executive officers. The next challenge will be the full-scale development of a remuneration system that reflects performance by business division.

Takeuchi I also support linking remuneration to business division performance. Although the newly introduced special remuneration is paid to individuals, it is underpinned by the achievements of the divisions for which they are responsible. Clearly communicating this within the company should help employees on the ground understand and accept the system while improving motivation for all executives and employees. I have shared this view with the Board of Directors.

Closing Thoughts

Takeuchi In a rapidly changing business environment, it is important to not only share clear aspirations for the future, but also to steadily implement the measures needed to achieve that vision based on realistic timelines and to remain flexible enough to make course corrections when necessary. For example, with respect to long-term aspirations such as carbon neutrality, focusing too heavily on ambitious targets without sufficient consideration of the time required to achieve them may inadvertently distort initiatives that are more immediate and pressing. I would like to continue discussing with management how best to bridge the gap between long-term visions and practical, achievable actions.

Suzuki People are the source of corporate value, making greater employee engagement and workforce diversity extremely important management priorities. The company must further develop systems that enable employees to remain highly motivated and demonstrate their abilities, including appropriate remuneration and evaluation systems. It is also important to create an environment in which everyone can thrive regardless of gender or age. From the perspective of ensuring diversity, I intend to actively encourage efforts within the company to further empower women.

Takahashi The company operates not only in the paper and pulp business but also across diverse fields such as the environment, energy, and real estate. Clarifying its business portfolio strategy is therefore a key theme related to unlocking future growth. Taking the characteristics of each business into account, I want to contribute to discussions on the optimal business portfolio and organizational structure for the company's future stage of growth, including options such as a corporate name change or a transition to a holding company structure.

Turning to the company's core paper and pulp business, while the term "paperless" describes replacing paper with digital alternatives, recently there is growing recognition that paper and digital media can coexist, in addition to the emergence of the concept of "paperization." How to replace plastic with paper is therefore an enduring issue that the company must address as part of its mission.

I hope the group will enhance its corporate value over the medium to long term by building on the trust it has cultivated since its founding and by remaining committed to the values of integrity, fairness, and harmony while responding flexibly to change and demonstrating the strengths unique to the group.



Governance

Approach to Governance

The Japan Pulp & Paper Group recognizes that further promoting corporate governance and strengthening compliance and risk management are critical to the sustainable improvement of corporate value. As such, governance is one of the themes we identified for our material issues.

Corporate Governance

Overview (As of June 25, 2026)

Number of Directors	Number of Audit & Supervisory Board members	Number and ratio of independent officers	Number and ratio of female executives	Organizational structure	Number of meetings of the Board of Directors*	Number of meetings of the Audit & Supervisory Board*	Number of meetings of the Nomination and Compensation Advisory Committee*
6 (3 outside directors)	**4** (3 outside Audit & Supervisory Board members)	**5 (50%)** (3 outside directors) (2 outside Audit & Supervisory Board members)	**4 (40%)** (2 outside directors) (1 full-time Audit & Supervisory Board member) (1 outside Audit & Supervisory Board member)	**Company with an Audit & Supervisory Board**	**17**	**14**	**2**

* Results in fiscal 2025

Basic Stance

The Japan Pulp & Paper Group has established its Corporate Philosophy, which consists of Our Corporate Spirit (the values we cherish), Our Mission, and Our Principles, which states the principles that the group's executives and employees adhere to. The group conducts business activities based on the slogan "Paper, and beyond." We have also established a Charter of Corporate Behavior. We are committed to complying with all laws and regulations, promoting fair and appropriate transactions and responsible procurement, and achieving coexistence and co-prosperity with stakeholders.

In line with its Corporate Philosophy and Charter of Corporate Behavior, the Japan Pulp & Paper Group's basic approach to corporate governance is to fulfill its accountability, build good relationships with shareholders and investors, employees, customers, business partners, communities, and all other stakeholders, and to practice efficient, fair, and transparent management to ensure the group's sustainable growth and increase corporate value over the medium to long term.

The group will continue to further enhance and strengthen corporate governance.

Initiatives to Strengthen Governance

2010
- Introduction of an executive officer system (Reduction in the number of directors)

2011
- Abolition of retirement benefits for officers
- Revision of the officer compensation system

2014
- Appointment of one independent outside director

2015
- Established a voluntary Nomination and Compensation Committee (Currently the Nomination and Compensation Advisory Committee)

2016
- Began evaluation of the effectiveness of the Board of Directors

2017
- Introduction of stock-based compensation plan using a trust

2019
- Increased the number of independent outside directors to two (First female director appointed)
- Revision of standards for agenda items at Board of Directors meetings

2022
- Established of Executive Sustainability Committee
- Disclosure of skills matrix of directors and Audit & Supervisory Board members
- Increased the number of independent outside directors to three
- Moved to the Prime Market

2023
- Increased the number of outside Audit & Supervisory Board members to three

2025
- Revised the procedural rules for the Board of Directors
- Narrowed down matters for resolution and streamlined reporting items

2026
- Increase in the ratio of independent outside directors to 50%
- Introduction of a monetary compensation system for officers for the purpose of acquiring the company's shares

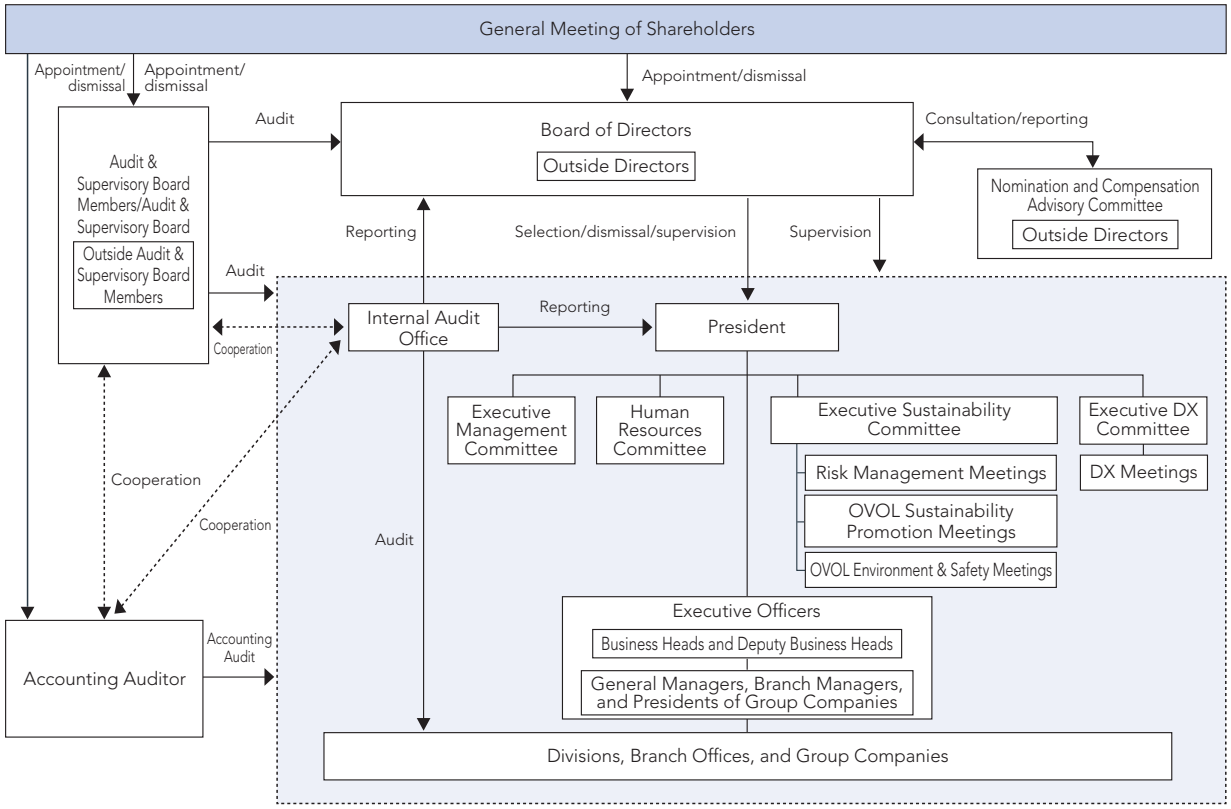
Governance

Overview of Corporate Governance Structure

Japan Pulp & Paper aims to maintain and improve management efficiency based on a Board of Directors consisting of directors who have thorough knowledge of the group's businesses or possess a high level of expertise. Additionally, the company has introduced an executive officer system for the purpose of clarifying duties and responsibilities and increasing flexibility in the execution of operations to respond to rapid changes in the business environment.

In addition, outside directors participate in the process of nominating and setting the compensation for directors and Audit & Supervisory Board members and provide appropriate supervision and recommendations from an objective standpoint. Japan Pulp & Paper, as a company with an Audit & Supervisory Board, achieves enhanced monitoring and supervisory functions and transparency in decision-making by ensuring the adequate monitoring of management by the Audit & Supervisory Board, which includes outside members.

Corporate Governance Structure



Board of Directors

The Board of Directors meets regularly once a month and whenever necessary, in accordance with the law, the Articles of Incorporation, and the procedural rules for the Board of Directors. It makes decisions on matters stipulated by law and the Articles of Incorporation, as well as on important matters pertaining to the General Meeting of Shareholders; key organizations and personnel; issues involving the company's stock; business plans; major investments; and the internal control system. The board also supervises the execution of duties of individual directors.

Composition	6 directors, including 3 outside directors
Number of meetings held	17 (fiscal 2025)
Chairperson	Representative director, president

Main agenda items for fiscal 2025

A monetary compensation system for officers for the purpose of acquiring the company's shares, acquisition and cancellation of treasury shares, changes to the dividend policy (introduction of the DOE indicator), matters concerning cross-shareholdings, and M&As in and outside of Japan, among other issues.

Audit & Supervisory Board Members/ Audit & Supervisory Board

The Audit & Supervisory Board meets regularly once a month and whenever necessary, in accordance with the law, the Articles of Incorporation and the rules of the Audit & Supervisory Board. It conducts audits of Board of Directors' proposals and the directors' execution of their duties. It also holds liaison meetings with the representative directors once a month to exchange opinions on matters including issues the group should address, improving the auditing system of Audit & Supervisory Board members, and material issues regarding auditing.

Composition	1 full-time Audit & Supervisory Board member and 3 outside Audit & Supervisory Board members
Number of meetings held	14 (fiscal 2025)

Nomination and Compensation Advisory Committee

The Nomination and Compensation Advisory Committee was established to discuss and report on the appointment and compensation of directors and Audit & Supervisory Board members. The committee meets at least once a year and whenever necessary.

Composition	Representative director, president (chairperson), 3 independent outside directors
Number of meetings held	2 (fiscal 2025)

Main agenda items for fiscal 2025

- Proposal for nomination of director candidates
- Approach to future nomination of officers
- Deliberation on base monthly compensation for directors by position
- Deliberation on base amount of bonuses by position and performance-linked system
- Deliberation on base amount of stock-based compensation by position
- Deliberation on the introduction of a monetary compensation system for the purpose of acquiring the company's shares

Executive Management Committee

Based on committee rules, the Executive Management Committee meets regularly twice a month and whenever necessary to discuss significant matters concerning the group's management and business execution, and to formulate management policies and business plans.

Composition	Representative director, president (chairperson); full-time directors; Tokyo-based business heads and deputy business heads; (observer) full-time Audit & Supervisory Board member
Number of meetings held	24 (fiscal 2025)

Human Resources Committee

Based on committee rules, the Human Resources Committee meets regularly once a month and whenever necessary in order to determine important personnel measures necessary for the strategic business development of the group, and to optimize the allocation of human resources in the group.

Composition	Representative director, president (chairperson); the CFO (vice chairperson); Tokyo-based business heads and deputy business heads; branch general managers of the Kansai Branch and Chubu Branch
Number of meetings held	12 (fiscal 2025)

Executive Sustainability Committee

Based on committee rules, the Executive Sustainability Committee meets regularly once a quarter and whenever necessary, and is in charge of formulating sustainability-related policies and strategies, resolving ESG-related issues, and managing the achievement of the group's goals, serving as the command center for group-wide sustainability initiatives.

Progress updates and action plans are reported regularly to the Board of Directors, and specific initiatives related to each issue are entrusted to subordinate organizations, such as the Risk Management Meetings, the OVOL Sustainability Promotion Meetings, and the OVOL Environment & Safety Meetings.

Composition	Representative director, president (chairperson); full-time directors; business heads and deputy business heads; (observer) full-time Audit & Supervisory Board member
Number of meetings held	10 (fiscal 2025)

Executive DX Committee

The Executive DX Committee was established on April 1, 2026, to assist the president in deliberating important matters concerning the company's DX strategy and formulating related policies and plans. In accordance with the rules of the Executive DX Committee, the committee meets regularly once a month and whenever necessary.

Composition	Representative director, president (chairperson); full-time directors; business heads and Tokyo-based deputy business heads; (observer) full-time Audit & Supervisory Board member

Executive Officers

The company has appointed a total of 31 executive officers, including three who also serve as directors as of June 25, 2026. Executive officers who serve concurrently as directors, or who are responsible as business heads or deputy business heads, oversee group business as a whole, and assist the president with each major management objective to support the achievement of common group targets. Other executive officers focus on strengthening their respective roles and improving results as general managers, branch managers, or presidents of group companies.

Governance

Approach to the Diversity of the Board of Directors

To ensure diversity (regardless of gender, nationality, race, or age) in management, reflect diverse management values, adapt to changes in the business environment, maximize corporate value, and achieve balance in terms of knowledge, experience, and ability, the company appoints individuals of outstanding character and insight from both inside and outside the company for Board of Director positions. This includes persons with extensive knowledge and experience in each business field of the group, expertise in corporate planning and administration, experience in management positions at other companies, and specialized knowledge of sustainability issues.

Skills Matrix of Directors and Audit & Supervisory Board Members

The major areas of expertise and experience of directors and Audit & Supervisory Board members are as follows.

As of June 25, 2026

Name	Position	Independent Officer	Nomination and Compensation Advisory Committee	Number of Years in Office	Major Areas of Expertise and Experience							
					Industry Insight	Corporate Management	Sales	Global	Finance and Accounting	Legal Affairs and Compliance	Human Resource Management	Sustainability
Akihiko Watanabe	Representative Director, President & CEO		○ Chair-person	10	●	●	●	●		●	●	
Chihiro Katsuta	Representative Director, Senior Executive Vice President			10	●	●	●		●	●	●	
Kazuhiko Sakurai	Director, Senior Executive Vice President			9	●	●	●				●	
Sumiko Takeuchi	Director (outside)	○	○	7		●		●				●
Yoko Suzuki	Director (outside)	○	○	4						●	●	●
Hiroshi Takahashi	Director (outside)	○	○	3		●	●		●		●	●
Rie Uesaka	Audit & Supervisory Board Member (full-time)			6	●	●		●	●			
Naofumi Higuchi	Audit & Supervisory Board Member (outside)	○		10				●	●	●		
Mitsutaka Hondo	Audit & Supervisory Board Member (outside)			3						●	●	
Miyuki Fukushima	Audit & Supervisory Board Member (outside)	○		3		●			●			

Note: The table above does not indicate all of the skills and experience possessed by individual directors and Audit & Supervisory Board members.

■ Reasons for Selection of Skills and Evaluation Criteria

Based on our management plan and various policies, we have established the following eight items as skills criteria.

Item	Reason for Selection	Evaluation Criteria
Industry Insight	• Appropriate decision making and supervision of important business operations as part of a leading paper distribution company	• Directors who are promoted to the position from within the company • Experience in management at other companies in related industries • Experience as a director of an industry association
Corporate Management	• Effective development of sustainable growth strategies, and execution and supervision of operations amid major changes in the business environment • Ability to utilize management experience at other companies as an outside officer	• Experience as a director of Japan Pulp & Paper, business head, or deputy business head • Experience as a president of a subsidiary • (Outside officers) Experience as a representative director, president or vice president, etc., at other companies • Experience as an entrepreneur
Sales	• Possessing extensive knowledge and experience in sales, as our main business is wholesaling and distribution	• Experience in management of departments related to sales, marketing, and procurement
Global	• Possessing extensive knowledge and experience in management outside of Japan and understanding of such business environments in order to achieve global growth and expand our Non-Japan Wholesaling segment	• Experience in management of departments related to business outside of Japan • Experience as an officer of a subsidiary outside of Japan • Experience as a member of an international organization • Experience as a participant in international conferences
Finance and Accounting	• Possessing extensive knowledge and experience in the fields of finance and accounting in order to formulate a financial strategy that ensures accurate financial reporting, builds a sound financial base, promotes M&A, and maintains stable dividends	• Management experience related to financial management, fund procurement, loans, and accounting • Possessing relevant knowledge and experience, certified public accountants, tax accountants, etc.
Legal Affairs and Compliance	• Possessing extensive knowledge and experience in the fields of governance, risk management, and compliance, in order to further enhance governance and compliance, which are the foundations for ensuring sustainable growth in corporate value	• Management experience related to risk management and compliance departments • Experience as a member of a third-party committee • Possessing relevant knowledge and experience, lawyers, etc.
Human Resource Management	• Possessing extensive knowledge and experience in the fields of human resource development and management in order to further strengthen human capital, which is our most important form of management capital	• Experience as a chairperson of a human resource committee, or in the management of a human resource department
Sustainability	• Possessing extensive knowledge and experience in the fields of sustainability, ESG, and the SDGs in order to respond to sustainability issues, as they are material management issues that not only reduce risks but also lead to new profit opportunities	• Experience in management of a department related to sustainability, ESG, the SDGs, renewable energy, etc. • Experience as a member of advisory bodies and various organizations on sustainability, ESG, and the SDGs • Consultants, people with relevant knowledge and experience, and examiners

Standards for the Selection of Directors and Audit & Supervisory Board Members

The Nomination and Compensation Advisory Committee, which is comprised mainly of outside directors, nominates candidates for director and Audit & Supervisory Board member positions from among those who we expect will make significant contributions to the company and are considered indispensable for its development. Candidates should also display outstanding character and insight. A resolution on their nomination is then made by the Board of Directors. The board also obtains the prior consent of Audit & Supervisory Board members with respect to candidates for Audit & Supervisory Board member positions.

For independent officer candidates, the company selects individuals who can provide advice on the company's business from an objective viewpoint and professional perspective. Candidates are selected in accordance with the independence standards set by the Tokyo Stock Exchange.

When dismissing directors or Audit & Supervisory Board members, the Nomination and Compensation Advisory Committee deliberates on their competency. A resolution on their dismissal is made by the Board of Directors and then submitted for approval at the General Meeting of Shareholders.

Governance

Reasons for Electing Outside Directors and Outside Audit & Supervisory Board Members

	Name	Independent Officer	Reason for Appointment	Attendance at Meetings in the Fiscal Year Ended March 31, 2026	
				Board of Directors	Audit & Supervisory Board
Outside Directors	Sumiko Takeuchi	○	Sumiko Takeuchi was involved for many years in nature and environmental conservation at her previous company. Since retiring from that post, she has been engaged in research in the fields of the environment and energy at an NPO, universities, and other organizations, and has conducted wide-ranging research and advocacy activities in the fields of the environment and energy. She has also served in a large number of public roles, including as a government delegate. The company elected her as an outside director to supervise and provide advice on the overall management of the group, and to contribute to strengthening corporate governance from an objective, professional standpoint, using her highly specialized knowledge and abundant experience as stated above. **Significant concurrent positions:** Director and Senior Fellow of International Environment and Economy Institute; Co-representative of U3Innovations LLC; Specially Appointed Professor at Tohoku University; Outside Director of GRID INC.; Outside Director and Audit and Supervisory Committee Member of NIPPON STEEL CORPORATION; Outside Director of Idemitsu Kosan Co., Ltd.	17/17 (100%)	—
Outside Directors	Yoko Suzuki	○	Yoko Suzuki possesses abundant knowledge in corporate legal affairs, having served as an outside director and Audit & Supervisory Board member at several companies, and as a director and auditor at several corporations, in addition to her advanced professional knowledge as a lawyer. The company elected her as an outside director to supervise and provide advice on the overall management of the group, and to contribute to strengthening corporate governance from an objective, professional standpoint, using her highly specialized knowledge and abundant experience as stated above. **Significant concurrent positions:** Partner of Suzuki Sogo Law Office; Outside Director and Member of the Audit Committee of Bridgestone Corporation; External Audit & Supervisory Board Member of MARUI GROUP CO., LTD.	17/17 (100%)	—
Outside Directors	Hiroshi Takahashi	○	Hiroshi Takahashi has a wealth of experience in corporate management, having worked in a variety of operations at financial institutions for many years and served as an executive officer and director. The company elected him as an outside director so he can utilize his experience and deep insight to supervise and provide advice on the overall management of the group, and to contribute to strengthening the corporate governance system from an objective and professional standpoint. **Significant concurrent positions:** Director of J-group Medical Corporation	17/17 (100%)	—
Outside Audit & Supervisory Board Members	Naofumi Higuchi	○	Naofumi Higuchi has experience in auditing many companies as a certified public accountant. He has a wealth of knowledge related to finance and accounting and is well-versed in corporate accounting. Currently, in addition to operating his own certified public accounting office, he is serving as a professor at Tohoku University Accounting School. He has also served as an outside Audit & Supervisory Board member of the company since 2016 and has sufficient knowledge of the group's business operations to fulfill his responsibilities, including providing recommendations and advice to the Board of Directors and business execution divisions based on his extensive experience, broad insight, and professional perspective. **Significant concurrent positions:** Representative of Higuchi Certified Public Accountant Office; Professor of Tohoku University Accounting School; Outside Director and Audit and Supervisory Committee Member of Nippon Aqua Co., Ltd.; Audit & Supervisory Board Member of JMA Consultants Inc.; Outside Audit & Supervisory Board Member of FunPep Co., Ltd.	17/17 (100%)	14/14 (100%)
Outside Audit & Supervisory Board Members	Mitsutaka Hondo	—	Mitsutaka Hondo has extensive practical experience as an attorney-at-law, deep insight into legal and compliance matters as well as specialized knowledge and abundant experience. He is also well-versed in corporate legal affairs. The company elected him as an outside Audit & Supervisory Board member because it believes he can carry out his duties as an auditor appropriately by giving his objective opinions and suggestions at Board of Directors and Audit & Supervisory Board meetings and contribute to strengthening the company's audit function and governance structure. **Significant concurrent positions:** Attorney at Marunouchi Law Office	17/17 (100%)	14/14 (100%)
Outside Audit & Supervisory Board Members	Miyuki Fukushima	○	After leaving her previous company, Miyuki Fukushima has been involved in taxation and accounting for many companies as a certified tax accountant and currently represents a tax accounting firm. The company elected her as an outside Audit & Supervisory Board member so she can utilize her high level of expertise and broad experience in taxation and accounting in audits and contribute to strengthening the group's audit functions and the governance system. **Significant concurrent positions:** Representing Partner of FLAIR Accounting Firm; Representative Director and President of MiD POINT Corporation	16/17 (94%)	14/14 (100%)

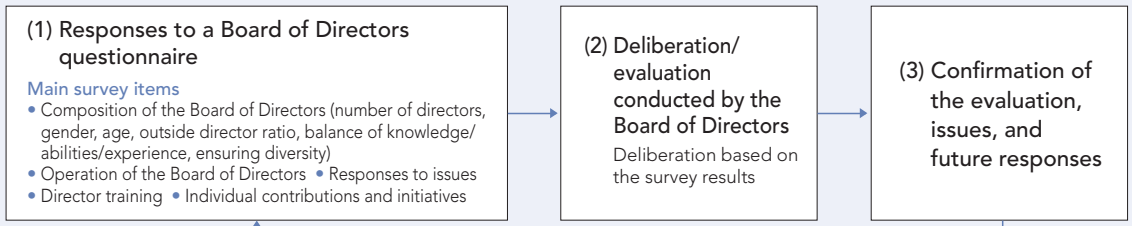
Evaluation of the Effectiveness of the Board of Directors

Every year, the Board of Directors conducts a questionnaire survey on the effectiveness of the Board, targeting all members of the Board of Directors and the Audit & Supervisory Board. Based on the results, the Board evaluates its effectiveness. The fiscal 2025 questionnaire indicated that the composition of the Board was reported to be generally well balanced, with 55% outside officers and 36% female officers, ensuring diversity in both structure and skills. In addition, with respect to the content of deliberations, compared to the previous fiscal year, deliberations had become further enhanced regarding the verification of investment outcomes, details of dialogue with investors, group governance, compliance-related matters, and other issues. With regard to operations as well, sufficient opportunities were ensured to interview persons directly charged with practical operations, enabling open, constructive, and active discussions and exchanges of views. Based on these results, the Board of Directors determined that the effectiveness of the Board continues to be ensured.

On the other hand, the following were identified as future issues for the Board: (1) promotion of the DX strategy including the use of AI, (2) strengthening post-acquisition monitoring of entities outside of Japan, (3) strengthening human capital, and (4) creating opportunities for exchanges of opinions outside the Board regarding material issues, sustainability, and other related issues.

The Board of Directors will continue to implement necessary improvements based on these results and strive to further enhance its effectiveness.

Method for conducting the Board effectiveness evaluation



FY2024

Issues Identified

(1) Verification of investment effects, corporate governance structures, group governance, internal control and risk management, human capital

(2) Further streamlining meeting resolutions, simplifying reporting items

(3) Creating opportunities to discuss important issues (such as those related to sustainability) beyond the meeting agenda

FY2025

Initiatives

(1) • Introduced quarterly progress reports on M&As to the Board of Directors by the business head in charge
• Contributed to the evaluation of investment effectiveness, group governance, and internal control and risk management

(2) • Discussed the matters targeted for streamlining
• Narrowed down matters for resolution and streamlined reporting items, ultimately resulting in the revision of the procedural rules for the Board of Directors
• Reviewed the method of recording matters in the minutes

(3) • Created a new category of "matters for deliberation" at Board of Directors meetings, separate from "matters for resolution" and "reporting items," thereby providing a forum for discussion

Summary of Evaluation Results

<Composition and skills of officers>

The composition is generally well balanced, and diversity is also ensured.

<Deliberations>

Compared with the previous year, deliberations on topics such as the evaluation of investment effectiveness, the substance of dialogue with investors, group governance, and compliance were further enhanced.

<Operations>

Sufficient opportunities are provided to hear from the personnel directly responsible for relevant operations, and open, lively, and constructive discussions and exchanges of opinions take place.

Issues Identified

(1) Promotion of the DX strategy including the use of AI

(2) Strengthening post-acquisition monitoring of entities outside of Japan

(3) Strengthening human capital

(4) Creating opportunities for exchanges of opinions outside the Board of Directors regarding material issues, sustainability, and other topics

FY2026

Direction of Initiatives

(1) • Formulate the DX Grand Design to accelerate DX, create new competitive advantages, and continuously enhance corporate value
• Contribute to realizing OVOL Vision 2030 through the three components of the DX Vision, DX Strategies, and DX Initiatives

(2) • Continue quarterly progress reports by the responsible business head to the Board of Directors

(3) • Enhance engagement
• Promote health management
• Invest in human resources

(4) • Create a forum for deliberation at Board of Directors meetings while considering ways to provide further opportunities for discussion

Director and Audit & Supervisory Board Member Training

Through its General Affairs Department and Internal Audit Office, the company provides information and access to the knowledge necessary for directors and Audit & Supervisory Board members to fulfill their oversight and auditing duties. In addition, outside directors and outside Audit & Supervisory Board members are provided with explanations of the company's business environment and other information concerning their roles when they are appointed. In this way, we work to enhance their understanding of the required roles and responsibilities. We also offer them opportunities to deepen their knowledge after appointment through initiatives such as facility tours. In fiscal 2025, board members visited the power plant of Noda Bio Power JP, a group company that operates a woody biomass power generation business, as well as the storage yard for PKS (palm kernel shells) at Kuji Port in August.

Officer Compensation

1 Basic Policy

Compensation for the company's directors consists of four types: base compensation paid according to the director's role and responsibilities; performance-based bonuses as a short-term incentive; stock-based compensation, which raises directors' awareness of contributing to medium-to-long-term corporate value enhancement and clarifies the linkage of that value with the company's stock price; and monetary compensation for the purpose of acquiring the company's shares linked to performance conditions and human resource KPIs. The company's basic policy is to set each director's compensation at an appropriate level, taking the director's duties into consideration. Regarding the compensation ratio by compensation type, there are no major differences based on position, but higher-ranking directors have a higher ratio of performance-based and other types of compensation.

With respect to outside directors, in light of their duties, no bonuses or stock-based compensation will be paid, and monetary compensation for the purpose of acquiring the company's shares shall be a fixed amount.

2 Overview of Officer Compensation System

Base Compensation

The base compensation for the company's directors is a fixed monthly salary according to the director's position. The standard amount for each position is set based on a comprehensive review that includes referring to information such as officer compensation surveys conducted by external research organizations, comparing the amount with data from other companies of similar size in the same industry and business category, and taking the level of employee compensation into consideration.

Bonuses

Bonuses for the company's directors (excluding outside directors) are performance-based compensation that reflects consolidated business performance and are linked with the medium-term business plan. The amount of payment is calculated by multiplying the standard bonus of each position by the ratio of consolidated ordinary profit for the fiscal year to consolidated ordinary profit for the reference year (the fiscal year ending March in the year preceding the start of the current medium-term business plan) and is paid at a fixed time every year.

Monetary Compensation for the Purpose of Acquiring the Company's Shares

Only when the full-year consolidated ordinary profit forecast announced in the financial results summary each May (in the final year of the medium-term business plan, the consolidated ordinary profit for the final year of the medium-term business plan set as a target at the time the medium-term business plan was formulated) is achieved, an amount determined by taking into account the degree of achievement of KPI targets relating to human resources, in addition to a certain amount set by position (for outside directors, a fixed amount regardless of performance), will be paid by adding it to monthly compensation from July through June of the following year, and eligible persons shall contribute the same amount to the Officer Shareholding Association. In addition, with respect to monetary compensation for the purpose of acquiring the company's shares paid to directors (excluding outside directors), in the event that certain events occur, such as a material accounting error or fraudulent conduct, by resolution of the Board of Directors, the company may reduce or withhold unpaid amounts (malus) and request return of amounts already paid (clawback).

Stock-Based Compensation

The company has introduced a stock-based compensation plan using a Board Benefit Trust (BBT) plan. As stock-based compensation for directors (excluding outside directors), the company contributes up to JPY 270 million (over three fiscal years) as funds for stock acquisition in accordance with the company's stock-granting regulations, and grants a total of up to 30,000 points (1 point = 10 shares) per fiscal year, with the number of points determined in accordance with the position of each director. In principle, directors shall receive the company's shares upon their retirement from office.

3 Process for Determining Officer Compensation

The company has established a Nomination and Compensation Advisory Committee comprised mainly of outside directors.

The Nomination and Compensation Advisory Committee deliberates on the compensation of directors, and the Board of Directors makes a resolution based on compensation limits approved at the General Meeting of Shareholders. The allocation of base compensation and bonuses for each individual is determined by the representative director-president, based on a delegation resolution of the Board of Directors.

④ Compensation (Fiscal 2025)

Compensation System

Officer Category	Aggregate Compensation (Millions of yen)	Total Compensation by Type (Millions of yen)			Number of Officers Eligible
		Monetary Compensation		Non-Monetary Compensation	
		Base Compensation	Performance-Based Bonuses	Stock-Based Compensation	
Directors (Excluding Outside Directors)	237	119	72	46	4
Audit & Supervisory Board Members (Excluding Outside Audit & Supervisory Board Members)	24	24	—	—	1
Outside Officers	76	76	—	—	6

Note: As of the end of fiscal 2025, 7 directors (including 3 outside directors) and 4 Audit & Supervisory Board members (including 3 outside Audit & Supervisory Board members) are eligible.

Approach to Cross-Shareholdings

The company acquires and holds shares in companies it deems necessary in order to build, or maintain and strengthen, business and cooperative relationships. Each year, the Board of Directors reviews the appropriateness of each individual stock held based on a quantitative assessment of whether the earnings from transactions and dividends exceed the company's cost of capital, as well as a qualitative assessment of the medium-to-long-term business relationship with the company in question. If the rationale behind the company's holdings no longer applies, they are sold to reduce our holdings.

In exercising voting rights for cross-shareholdings, the company examines the details of the proposals from the perspective of whether they will contribute to medium-to-long-term improvement in the corporate value of the company in question and whether they are likely to damage our corporate value, and then a decision for or against is made.

Status of Cross-Shareholdings

	As of March 31, 2024	As of March 31, 2025	As of March 31, 2026	Change from the Previous Year
Number of Stocks (of which, listed stocks)	120 (56)	117 (53)	111 (48)	-6
Amount Recorded on the Balance Sheet (Millions of yen)	29,279	25,530	22,228	-3,302
Percentage of Consolidated Net Assets (%)	21.20	17.50	15.80	-1.70 points

Group Governance

With regard to business management of group companies, prior approval of the parent company is required for important decisions in accordance with the Rules on the Management of Affiliates, while respecting the independence of group companies. Particularly important matters as defined in the rules require approval by the Board of Directors. In addition, each group company reports its business conditions and financial results to the department in charge of group company management on a regular basis. Reports are also made in a timely manner to the parent company in the event of disasters, accidents, misconduct, or other events, including environmental and occupational safety issues. In addition, for significant overseas acquisitions, the executive in charge reports progress to the Board of Directors quarterly.

To ensure proper group governance, the Internal Audit Office supports the group's internal control promotion system, while conducting periodic audits of group companies and providing guidance on areas for improvement. In addition to receiving reports such as those described above on a regular basis, Audit & Supervisory Board members verify the business reports of group companies and exchange information and opinions at subsidiary auditor liaison meetings. In particular, for matters related to companies that have newly joined the group and group companies of high importance, Audit & Supervisory Board members directly engage in dialogue with the management team and managers and personnel in administration divisions through onsite audits and inspections or via an online format.

Through these activities, the group will further improve the effectiveness of group governance.

Compliance

Approach to Compliance

The group recognizes compliance as one of the most important aspects of promoting sustainable management and has identified it as a material issue. Furthermore, our Charter of Corporate Behavior and Code of Conduct for Executives and Employees mandate strict adherence to laws and regulations based on our Corporate Philosophy. In addition to legal compliance, the group also promotes adherence to the Charter of Corporate Behavior, various regulations, societal rules, customs, and other social norms through education provided to executives and employees. To ensure thorough implementation, we promote compliance within each organization through the OVOL Sustainability Promotion Meetings, under the direction of the Executive Sustainability Committee.

Charter of Corporate Behavior and Code of Conduct for Executives and Employees

The Japan Pulp & Paper Group's Charter of Corporate Behavior is a guide for ensuring that all executives and employees recognize the values we have cultivated over the years and constantly embody them. It is also part of our efforts to further promote more proactive sustainable management. The Code of Conduct for Executives and Employees defines the values and actions that should be pursued by executives and employees of the group in their daily business activities. We will ensure that all executives and employees are fully aware of these charters, norms, and policies, and work to foster a stronger understanding of compliance.

Japan Pulp & Paper Group Charter of Corporate Behavior
https://www.kamipa.co.jp/eng/company/charter/

Japan Pulp & Paper Group Code of Conduct for Executives and Employees
https://www.kamipa.co.jp/eng/company/code/

Free, Fair, and Transparent Business Activities

The Japan Pulp & Paper Group's Code of Conduct for Executives and Employees states that we comply with the competition laws of each country and region we serve, work to prevent violations, and that we will establish internal systems to correct violations should they occur. We also prohibit bribery and any other acts that may be suspected of offering benefits that may be deemed as being for illicit gain; forbid the giving and receiving of gifts, entertainment, and other economic benefits beyond the scope of social etiquette; and require employees to refrain from any involvement in illicit business transactions and money laundering. In line with this code, the group has established the Antimonopoly Law Compliance Policy and Anti-Corruption Policy to set clear standards of conduct. We also declare our commitment to building internal frameworks that include regular education and training for executives and employees, as well as periodic audits.

Japan Pulp & Paper Group Antimonopoly Law Compliance Policy
https://www.kamipa.co.jp/eng/sustainability/governance/antimonopoly-policy/

Japan Pulp & Paper Group Anti-Corruption Policy
https://www.kamipa.co.jp/eng/sustainability/governance/anti-corruption-policy/

Taxation Compliance

The Japan Pulp & Paper Group's Taxation Policy states its commitment to contributing to economic and social development and the interests of all stakeholders by paying appropriate taxes in accordance with the relevant laws and regulations of all countries and regions where it operates. The policy also clarifies our basic approach to tax compliance.

For important tax-related issues, the group receives advice from external experts and consults with tax authorities in advance, as necessary, in order to minimize tax risks.

Japan Pulp & Paper Group Taxation Policy
https://www.kamipa.co.jp/eng/sustainability/governance/taxation-policy/

Initiatives to Ensure Compliance

The group conducts annual educational programs such as rank- and theme-based compliance training and e-learning. In addition, the group publishes the Compliance Magazine on the company's internal bulletin board twice a month, presents the Compliance Letter in the group's magazine four times a year, and creates compliance awareness posters. Our goal is to regularly disseminate information to executives and employees to raise awareness of compliance and ensure they have the knowledge and information necessary to put it into practice.

Compliance Awareness Activities	Target	Frequency of Meetings in Fiscal 2025	Number of Participants and Participation Rate
Rank-Based Compliance Training	New employees, new managers, and seconded employees of Japan Pulp & Paper	3 times	76 participants
E-Learning Tests	Executives and employees of Japan Pulp & Paper and group companies in Japan	2 times	Average participation rate: 99.6%

Whistleblower System

Some companies within the group have established dedicated external contact points for whistleblowing on violations of laws and regulations, internal irregularities, and acts in violation of corporate ethics by executives and employees, in accordance with the Corporate Ethics Helpline Operating Regulations. These contact points are

available 24/7 and reports can be made anonymously to guarantee whistleblower protection. In addition, the Internal Audit Office regularly monitors the operational status of the whistleblower system as part of its internal control activities.

In fiscal 2025, we received reports from whistleblowers regarding 16 different cases, and a large number of the reports involved harassment in the workplace. To address the issues raised in reports, we appropriately set the scope of information sharing and, depending on the content, consult with legal counsel. We then respond earnestly to the reports and work toward resolving any issues.

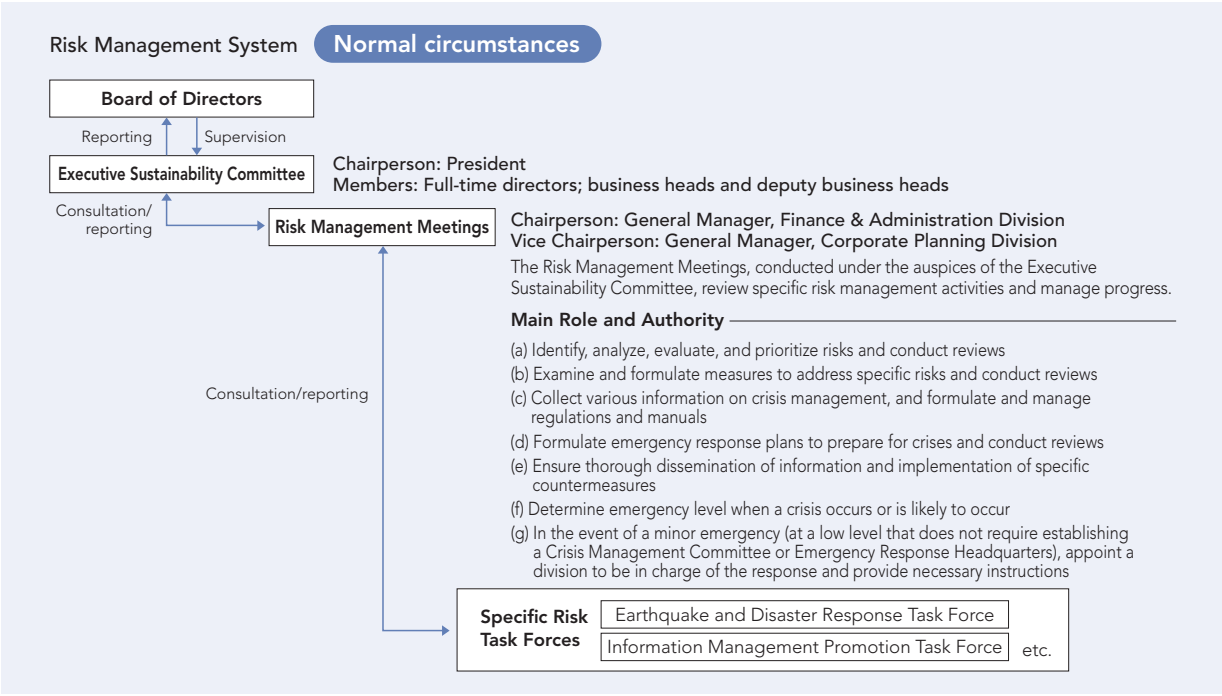
Risk Management

Approach to Risk Management

To ensure business continuity and maintain a stable management base, we have positioned risk management as a management priority and are promoting relevant initiatives. The risks companies face are becoming increasingly diverse and complex. If any of these serious risks materialize, not only could the group's management resources be damaged, but there may be harmful consequences for business continuity. This could include damage to the relationships of trust built with customers and business partners, as well as loss of social credibility. To respond to these risks, we have established a system to identify the possibility and potential impact of the occurrence of such risks and to ensure the implementation of measures to prevent the manifestation of such risks. We have also put measures in place to deal with such risks in the event that they do materialize.

Risk Management System

Members of the Executive Sustainability Committee discuss and approve annual activity plans related to risk management and confirm the progress of these plans on a quarterly basis. In addition, the committee reports annually to the Board of Directors, which supervises these activities. The Risk Management Meetings, under the auspices of the Executive Sustainability Committee, are chaired by the general manager of the Finance & Administration Division, and members identify, analyze, evaluate, and prioritize risks as well as formulate measures to address specific risks.



Identification of Risks

We conduct risk assessments for the company and all group companies inside Japan and throughout the global network with the aim of identifying risks that are important from both a group-wide and medium-to-long-term perspective, as well as in terms of enhancing future risk countermeasures. In our risk assessments, we have established approximately 130 evaluation items to comprehensively identify various risks. We assess risk based on two axes (impact and likelihood of occurrence) and consider the level of measures in place at the time of the assessment in order to identify priority issues.

Governance

Business Risks

The principal risks that the group recognizes as potentially having a significant impact on investor judgment are as follows.

Risks			Segment impacted					
Classification	Subclassification	Details	Common	Japan Wholesaling	Non-Japan Wholesaling	Paper Manufacturing & Processing	Raw Materials & Environment	Real Estate Leasing
Particularly significant risks	Natural disaster risks		●					
	Safety risks outside of Japan		●					
	Risk of equipment fires, explosions, and accidents		●					
	Human resource-related risks		●					
	Risks related to IT and information security		●					
Significant risks	Risks related to business environment	Risks related to a decrease in demand for main products handled, market conditions, and macroeconomic fluctuations		●	●	●	●	
		Impact of real estate market conditions						●
		Risks of policy changes at supplier manufacturers		●	●			
		Risks related to decline in paper distributor function		●	●			
		Country risks			●	●	●	
	Business risks	Credit risks of business partners	●					
		Risks related to logistics		●	●	●	●	
	Financial risks	Risks related to new business investments		●	●	●	●	
		Impairment risk for stocks of subsidiaries and affiliates and impairment risk of goodwill		●	●	●	●	
		Impairment risk of property, plant, and equipment	●					
		Risks related to financing	●					
		Risks related to foreign exchange rate fluctuations		●	●	●	●	
		Risks of fluctuation in value of investment securities held	●					
		Risks related to recoverability of deferred tax assets	●					
	Legal risks	Legal and regulatory restrictions	●					
		Risks related to litigation	●					
	Human rights risks	Risks related to human rights issues*	●					
	Climate change risks	Risks related to climate change	●					

* **Response to risks related to human rights issues:** The group is responding to business and human rights issues as part of its sustainable management initiatives. Through the human rights due diligence process initiated in fiscal 2024, which includes investigations into adverse human rights impacts within and outside the group, we identified key human rights issues in fiscal 2025. We are sequentially implementing training and comprehension tests on those human rights issues for group executives and employees in and outside of Japan. In addition, we continue to conduct assessments of human rights violation risks for our major suppliers. For more details on our initiatives to address human rights issues, see ▸page 70

For details, see the Annual Securities Report (available in Japanese only).

https://www.kamipa.co.jp/wp/wp-content/themes/jp-2017/assets/img/ir/pdf/securities/164_2025_04.pdf

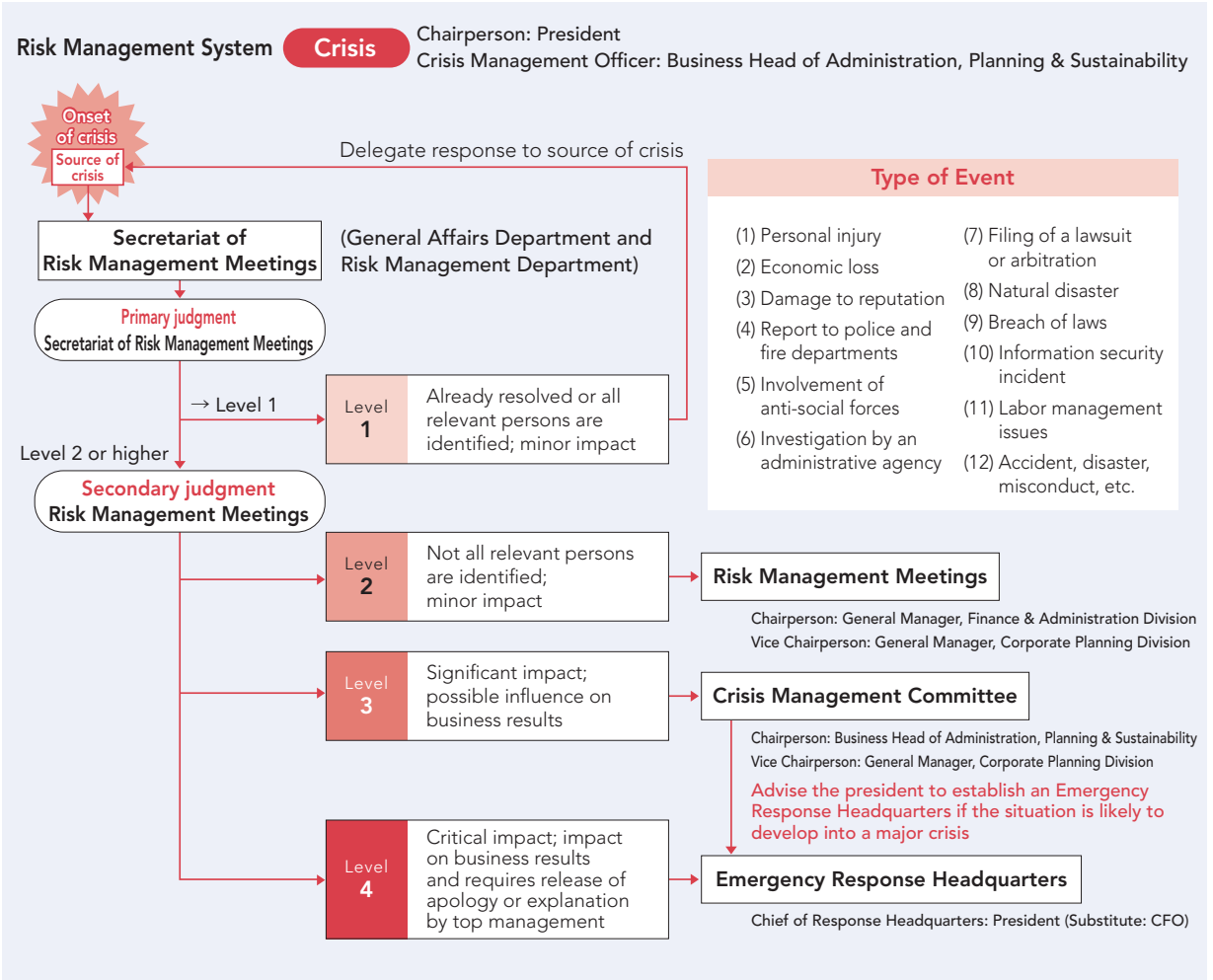
Promotion of IT Controls and IT Security

In January 2025, we established our IT Governance Policy and Information Security Policy as group policies and began IT control audits. In fiscal 2024, 14 companies completed their audits, and 15 companies completed theirs in fiscal 2025. The audits are scheduled for completion at all group companies during fiscal 2026. Furthermore, with a view to enhancing cybersecurity, in April 2025 we established a CSIRT* and commenced operation of an incident response framework.

* CSIRT (Computer Security Incident Response Team) is a dedicated team that responds when an incident occurs.

Crisis Response Structure

In the event that a risk with a significant negative impact on the group's management or business materializes, a Crisis Management Committee, with ultimate responsibility held by the president and chaired by the business head of Administration, Planning & Sustainability, will be established. The committee will be tasked with rapidly and appropriately dealing with the emergency situation, minimizing or preventing damage, restoring normalcy, and putting countermeasures in place.



Governance

Messages from Outside Audit & Supervisory Board Members

Investment Decisions and Monitoring That Lead to Future Earning Power



Naofumi Higuchi
Outside Audit & Supervisory Board Member

As an Outside Audit & Supervisory Board member, I would like to say a few words to our shareholders, investors, employees, business partners, and other stakeholders.

Although these have been ongoing issues for some time, the matters requiring the greatest attention include managing business and financial risks at subsidiaries outside of Japan as the group expands globally, as well as the challenging environment accompanying the maturation of the domestic Japanese market. At present, I believe that these matters are generally being addressed appropriately, and as an Audit & Supervisory Board member, I intend first to review reports on the status of group-wide risk management through opinion exchanges with the Board of Directors and representative directors, as well as assess the establishment and operation of a global governance structure that includes subsidiaries.

I also believe it is important to continue conducting comprehensive and periodic on-site audits of subsidiaries in and outside of Japan, and to coordinate with the accounting auditor and other relevant parties, as we have done in the past. Rather than simply tracking numerical results, I am closely monitoring whether systems are functioning effectively to identify the status of governance-related issues and early signs of risks specific to each group company. Specifically, it is important that the so-called “three lines of defense” function properly, and I will review the methods used to manage affiliated companies and the actual operation of internal controls, including internal audits and whistleblowing systems. In this regard, I will also gather information and conduct monitoring, as appropriate, through the administrative divisions, which constitute the second of the three lines of defense, and the internal audit division, which constitutes the third.

For the group to further enhance its corporate value, it must, put simply, continue to generate net profit. To achieve this, I believe it is important to produce results from its investments in subsidiaries and improve capital efficiency. Recently, we have seen a certain degree of progress in management that is conscious of the cost of capital, including share buybacks, but this must not end as a one-off return to shareholders. I would also like to support further enhancement of the monitoring of investments, including how investments in people, assets, and businesses both in and outside of Japan will contribute to the company’s earning power over the medium term and how they will bring us closer to our management target of JPY 25.0 billion in ordinary profit by fiscal 2030.

The company is currently in the process of evolving beyond the framework of a traditional specialized trading company into one that creates value globally while maintaining a strong foundation in Japan. As an Outside Audit & Supervisory Board member, I will continue to provide oversight from an independent perspective so that Japan Pulp & Paper can embrace change and steadily enhance its corporate value over the medium- to long-term through greater transparency in management. I hope you will continue to have high expectations for us into the future.

Maintaining Legal Compliance While Responding to the Changing Times



Mitsutaka Hondo
Outside Audit & Supervisory Board Member

I place particular importance on proper compliance with laws and regulations, as well as proper information disclosure. As digital technologies, including AI, continue to advance and reshape the business environment at an unprecedented pace, the importance of these responsibilities is only increasing. Changes in society and technology occur more rapidly than the development of legal systems and often precede it. For that reason, when undertaking new businesses or transactions, it is essential to thoroughly verify not only their business necessity but also their alignment with laws and regulations, internal rules, and societal expectations. In particular, AI, which is rapidly expanding beyond the traditional DX framework, not only presents business opportunities but also entails a wide range of risks in areas such as information management, authority management, transparency in decision-making processes, and legal and ethical compliance. I am closely monitoring this as an important audit issue. In light of the speed and scope of the impact of these changes in society and technology, I intend to objectively audit whether controls are functioning effectively.

I believe that the company’s current corporate governance has no significant problems and is functioning appropriately overall; however, as a company listed on the Prime Market of the Tokyo Stock Exchange, we are expected not merely to establish a formal framework, but to further improve our effectiveness in a manner that fulfills our accountability to a wide range of stakeholders,

including shareholders, business partners, and employees, contributing to the enhancement of corporate value over the medium- to long-term. Accordingly, I will continue to examine whether the Board of Directors is provided with the information necessary for important management decisions in a timely and sufficient manner, whether the knowledge of outside executives based on their independence and expertise is being substantively utilized, and whether conflicts of interest and related-party transactions are being appropriately managed. In addition, risks related to the Antimonopoly Act, labor laws, and responses to harassment are longstanding important issues, as decisions made on the ground can directly lead to significant legal risks for the company as a whole. In light of these legal and compliance-related risks, I believe it is important to continuously review matters such as price adjustments, changes in transaction terms, and shifts in societal expectations and values regarding harassment, while ensuring that risk awareness is instilled throughout the company and takes root at the ground level.

The company is exploring new possibilities for paper while pursuing growth opportunities by expanding its business domains into areas beyond paper. To support these business developments, as an Outside Audit and Supervisory Board member, I will confirm the executive side's responses to risks by attending Board of Directors meetings, reviewing internal approval requests, coordinating with the internal audit division and accounting auditor, and conducting on-site audits, and will provide checks and recommendations as necessary. Furthermore, by leveraging my professional expertise as a legal practitioner and maintaining an objective perspective, I will audit and verify whether new business developments are conducted legally and appropriately, and whether risk management, internal controls, and information disclosure are operated effectively, thereby supporting the sustainable enhancement of corporate value.

Supporting Disciplined Management Through Audits That Emphasize the Worksite



Miyuki Fukushima
Outside Audit & Supervisory Board Member

I intend to position myself at the intersection of front-line operations and management and conduct audits that capture the actual conditions on the ground, rather than relying solely on figures and documentation. Based on my expertise in finance and taxation, I strive to ensure the consistency of information that underpins management decisions and the appropriateness of disclosures, while taking the actual conditions at worksites into account.

At present, I recognize the effectiveness of group governance as a particular and growing area of importance. While respecting the autonomy of each operating base, I place importance on dialogue with worksites to maintain common values and standards of control across the group. And through on-site audits of group companies in and outside of Japan, I have seen firsthand the ongoing efforts each company is making while responding to changes in its business environment.

At the same time, there are differences in the maturity of governance and internal controls across the group, and I recognize that some subsidiaries in Japan have room for improvement in areas such as the standardization of accounting systems and business processes and instilling greater compliance awareness. In contrast, some recently acquired subsidiaries outside of Japan have relatively advanced internal control frameworks and systems in place. In light of these circumstances, I believe it is necessary to build a common governance foundation across the entire group, regardless of size or region. Toward this end, I will work to strengthen the group-wide governance structure by enhancing coordination among the Audit & Supervisory Board members, the Internal Audit Division and the independent auditor.

In addition, I am paying close attention to initiatives that link sustainability with management strategy, including the expansion of the company's environmental businesses and investments in human capital. Regarding said human capital, I highly value the company's corporate culture that enables diverse talent to thrive. At the same time, regarding the development and promotion of female employees, I expect the company to track progress against specific indicators and link results to enhanced corporate value.

At Board of Directors meetings, management and outside officers exchange views freely and openly and engage in constructive discussions, and I feel that the Board's effectiveness is steadily improving. Going forward, with respect to business investments undertaken in anticipation of structural changes in the Japanese paper market, particularly M&As undertaken outside of Japan, which are important for our growth strategy and at the same time require appropriate risk management, I will continue to monitor whether appropriate reviews of these investments are being conducted. This includes assessing the progress of PMI, post-acquisition business performance and earnings contributions, and improvements in capital efficiency. Additionally, I believe it is important to deepen the discussions at Board of Directors meetings on themes such as DX, human capital management, sustainability initiatives, and the processes for responding to external requirements and expectations. In a rapidly changing market environment, the sustainable enhancement of corporate value will require the company to not only review its business portfolio but also strike a careful balance between growth investments and capital efficiency. As an Outside Audit and Supervisory Board member, I will support the steady implementation of disciplined management that verifies the appropriateness of investment decisions, including M&As, and continuously examines their results to ensure the optimal allocation of management resources.

Governance

Stakeholder Engagement

Stakeholder Engagement

Basic Approach to Communication with Stakeholders

The group believes that constructive dialogue with stakeholders is essential to sustainably enhancing corporate value.

Through such dialogue, we seek to accurately understand stakeholders' expectations and their requests for the group and reflect the feedback and input we receive in our management and business activities. At the same time, we will work to enhance transparency through timely and appropriate disclosure of information and further deepen relationships of trust with our stakeholders.

Main Topics for Dialogues with Shareholders and Investors

- Trends in paper demand in markets in and outside Japan and the company's growth strategy
- Status of the losses at the German subsidiaries and their future outlook
- Purpose of M&A for our growth strategy
- Shareholder returns and acquisition of treasury shares
- Reduction of cross-shareholdings
- Real estate and the Real Estate Leasing business

Type of Stakeholder	Description of Communication	Main Communication Activities and Methods
All Stakeholders	We engage in accurate information disclosure and active dialogue to help us accurately understand the expectations and demands of society and allow us to build relationships of trust. We provide and collect information relating to sustainability, including environmental protection and human rights.	1. Dissemination of information through our website 2. Response to inquiries submitted via our website 3. Issuance of the integrated report 4. Participation in exhibitions and events 5. Promotional and advertising activities
Executives and Employees	We work to ensure that all executives and employees are fully aware of our Corporate Philosophy and have an understanding of management policy through messages from the president. We promote dialogue to build an environment where executives and employees with diverse values can work comfortably and make the most of their abilities.	6. Dissemination of information through the intranet 7. Communication of information through the issuance of the group magazine 8. Issuance of the Compliance Letter 9. Issuance of the OVOL Sustainability News newsletter 10. Issuance of the OVOL Bridges Express disclosure summary 11. HR appraisal/self-evaluation system 12. Employee engagement surveys 13. Dialogue sessions between management and employees 14. Conducting training and seminars 15. Establishment of internal and external consultation desks
Business Partners and Consumers	We proactively release information and engage in dialogue to help us accurately identify the needs and issues of business partners and consumers, and contribute to solving them.	16. Communication through business activities 17. Dissemination of information through our service sites 18. Responses to inquiries via service sites 19. Responsible procurement activities and obtaining certifications 20. Holding environment-related study sessions for business partners 21. Responses to CSR assessments by business partners 22. Holding of workshops 23. Issuance of Forum Letters communicating the value of paper
Shareholders and Investors	We work to provide timely and accurate information to improve management transparency and deepen understanding of the group's business, with the aim of earning a fair market valuation through continued growth and enhanced corporate value.	24. General Meeting of Shareholders 25. Holding financial results briefings for analysts and institutional investors 26. Holding company presentations for individual investors 27. Individual meetings with analysts and institutional investors 28. Dissemination of information for institutional and individual investors through our website 29. Issuance of securities reports 30. Issuance of shareholder newsletter 31. Timely disclosures to the Tokyo Stock Exchange 32. Responses to surveys by ESG rating agencies
Local Communities	We aim to contribute to the local communities where our business facilities are located as a good corporate citizen, and to achieve harmonious coexistence with them through collaboration with local governments.	33. Organizing community engagement events with local community residents at our business facilities 34. Signing agreements with local governments on disaster prevention cooperation and support for disaster prevention and mitigation 35. Social contribution and volunteer activities 36. Conducting on-site classes
NPOs and NGOs	Through dialogue with NPOs and NGOs, we work to understand the responses to social and environmental issues expected of our group and to reflect them in our business activities.	37. Collaboration with NPOs and NGOs through our business 38. Sponsorship and participation in events, etc.
Government Agencies, Local Governments, and Industry Associations	We abide by the laws and regulations of all the countries where we operate and fulfill our responsibilities as a corporate citizen. We cooperate appropriately with local governments and relevant organizations in the areas where our business facilities are located and work to contribute to local communities.	39. Appropriate communication with relevant government authorities and local governments 40. Activities through industry associations

Section 4 Data

Consolidated Financial Highlights **103**

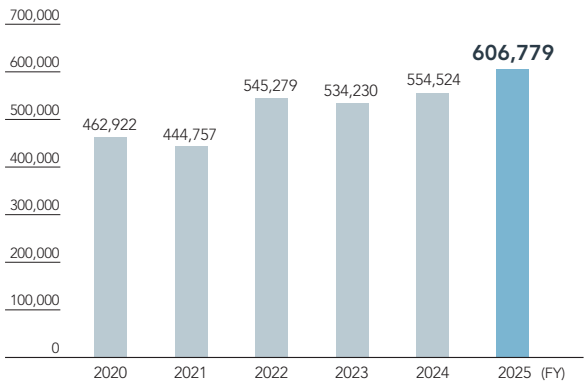
Group Companies (Japan) **105**

Group Companies (Non-Japan) **106**

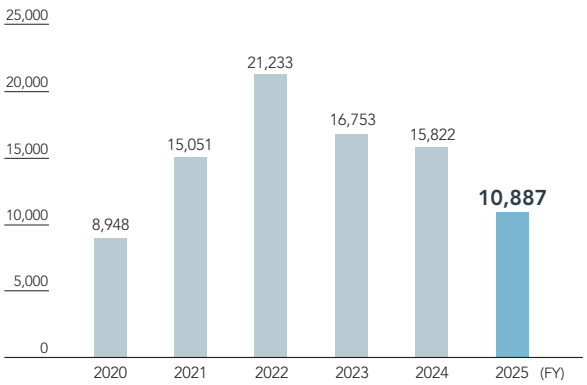
Stock Information/Corporate Data **107**

Consolidated Financial Highlights

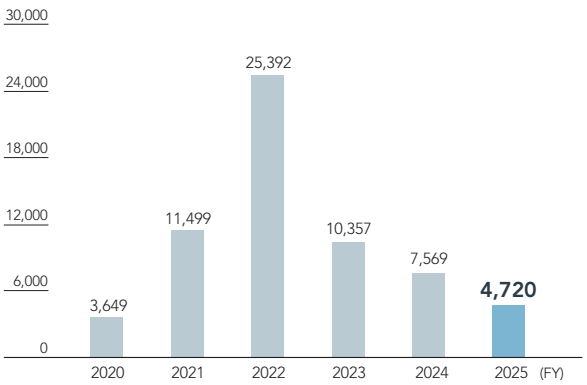
Revenue (Millions of yen)



Ordinary Profit (Millions of yen)

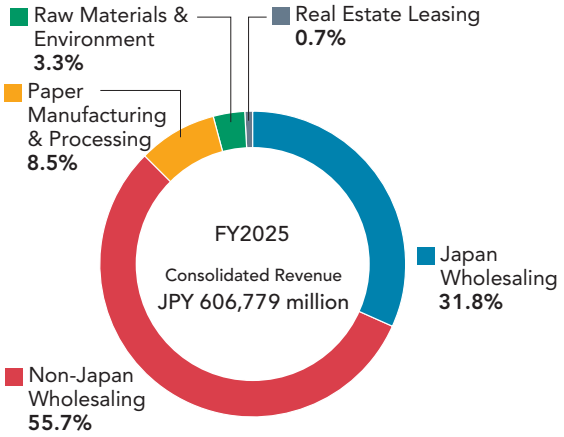


Profit Attributable to Owners of Parent (Millions of yen)

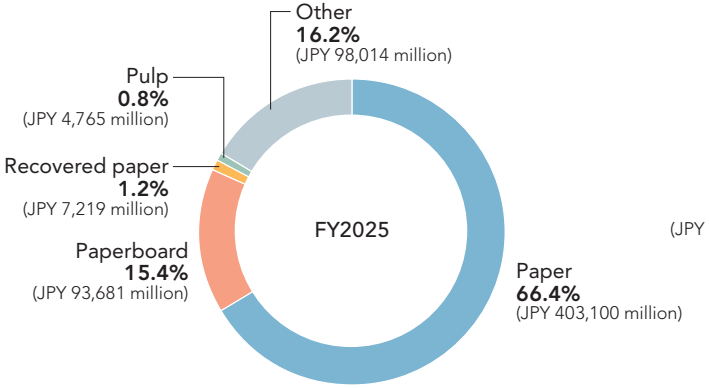


Note: From the fiscal year ended March 31, 2022, "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29) has been adopted. Accordingly, "Net sales" has been reclassified as "Revenue."

Revenue from External Customers by Business Segment

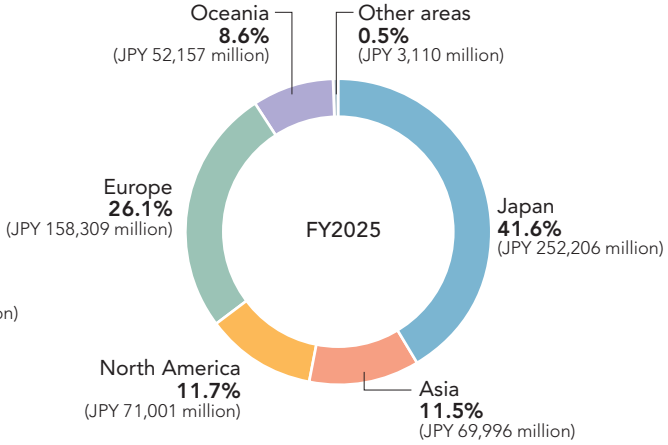


Revenue by Product Segment



Revenue by Geographic Segment

Note: Segments are based on the location of customers.



Note: The above figures are rounded to the first decimal place.

	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Revenue[2] (Millions of yen/Millions of U.S. dollars[5])	¥462,922	¥444,757	¥545,279	¥534,230	¥554,524	¥606,779 $3,795
Operating profit (Millions of yen/Millions of U.S. dollars)	¥8,896	¥14,064	¥20,264	¥17,403	¥15,071	¥10,848 $68
Ordinary profit (Millions of yen/Millions of U.S. dollars)	¥8,948	¥15,051	¥21,233	¥16,753	¥15,822	¥10,887 $68
Profit attributable to owners of parent (Millions of yen/Millions of U.S. dollars)	¥3,649	¥11,499	¥25,392	¥10,357	¥7,569	¥4,720 $30
Comprehensive income (Millions of yen/Millions of U.S. dollars)	¥9,627	¥12,506	¥28,287	¥18,795	¥11,087	¥8,342 $52
Net assets (Millions of yen)	¥89,872	¥100,317	¥128,295	¥138,347	¥145,565	¥140,907
Total assets (Millions of yen)	¥321,986	¥338,939	¥385,129	¥372,645	¥392,234	¥394,704
Net interest-bearing debt (Millions of yen)	¥102,471	¥97,939	¥78,336	¥75,571	¥80,011	¥76,815
Net assets per share (Yen)[3]	¥610.38	¥677.41	¥862.78	¥1,035.56	¥1,087.70 [*4]	¥1,145.05
Basic earnings per share (Yen)[3]	¥26.69	¥83.95	¥185.10	¥78.86	¥61.44 [*4]	¥39.50
Diluted earnings per share (Yen)[3]	¥26.61	¥83.76	¥184.73	¥78.69	¥61.30 [*4]	¥39.41
Dividend per share (Yen)[3]	¥11.00	¥11.50	¥12.00	¥13.00	¥25.00 [*4]	¥34.00
Payout ratio (%)	41.2	13.7	6.5	16.5	40.7	86.1
Capital adequacy ratio (%)	25.9	27.4	30.7	34.2	34.2	32.6
Rate of return on equity (ROE) (%)	4.5	13.0	24.0	8.4	5.8	3.6
Net D/E ratio (Times)	1.23	1.06	0.66	0.59	0.60	0.60
Price/Earnings ratio (PER) (Times)	13.7	4.6	2.8	6.6	9.8	26.2
Cash flows from operating activities (Millions of yen)	¥28,382	¥14,007	¥304	¥20,891	¥21,010	¥24,554
Cash flows from investing activities (Millions of yen)	¥(4,440)	¥(4,078)	¥23,673	¥(2,917)	¥(11,217)	¥(1,178)
Cash flows from financing activities (Millions of yen)	¥(19,899)	¥(9,833)	¥(10,086)	¥(31,678)	¥(9,335)	¥(16,793)
Free cash flow (Millions of yen)	¥23,942	¥9,929	¥23,977	¥17,973	¥9,793	¥23,376
Cash and cash equivalents at end of period (Millions of yen)	¥11,587	¥12,731	¥30,550	¥17,387	¥19,027	¥25,280
Number of employees	4,042	4,097	4,338	4,157	4,831	4,705

1. This financial information is presented based on generally accepted accounting principles in Japan.
2. From the fiscal year ended March 31, 2022, "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29) has been adopted. Accordingly, "Net sales" has been reclassified as "Revenue."
3. Because a 1:10 stock split occurred on October 1, 2024, adjusted stock figures are shown for fiscal 2023 and earlier.
4. Calculations are based on the assumption that the stock split described in Note 3 was conducted at the beginning of the fiscal year.
5. All U.S. dollar amounts are presented solely for the readers' convenience and are converted at the exchange rate (TTM) of JPY 159.88 to USD 1 as of March 31, 2026.

Group Companies (Japan)

● Japan Pulp & Paper Co., Ltd. (Representative Office) ● Wholesaling ● Logistics/ICT
● Paper Manufacturing & Processing ● Raw Materials & Environment

Japan Pulp & Paper Co., Ltd.

Head Office
● Tokyo

Wholesaling

JP Household Supply Co., Ltd.
● Tokyo

Kurashi Net JP Co., Ltd.
● Tokyo

Kyoto Kami Shoji Co., Ltd.
● Kyoto

Koyosha Co., Ltd.
● Osaka

Seibunsha Co., Ltd.
● Hyogo

Gokura Co., Ltd.
● Ehime

Cosmo Paper Trading Co., Ltd.
● Tokyo

Fuchikami Co., Ltd.
● Kagoshima

Narumi-Kamiten Co.
● Aomori

Tokyo Sangyo Yoshi Co., Ltd.
● Tokyo

Maruni Chikiriya Co., Ltd.
● Nagano

Akazawa Paper Co., Ltd.
● Iwate

Yoshimoto Yoshiten Co., Ltd.
● Tokyo

Aoi Fukuhara Co., Ltd.
● Hiroshima

Logistics/ICT

JP Loginet Co., Ltd.
● Tokyo

JP Transport Service Co., Ltd.
● Tokyo

Sapporo Paper Distribution Center Co., Ltd.
● Hokkaido

Nanko Paper Center Co., Ltd.
● Osaka

Itabashi Paper Distribution Center Co., Ltd.
● Tokyo

Osaka Kami Kyodo Soko Inc.
● Osaka

Seihoku Paper Depot Co., Ltd.
● Tokyo

Itabashi Kyodo Sagyo Co., Ltd.
● Tokyo

OVOL ICT Solutions Co., Ltd.
● Tokyo

Paper Manufacturing & Processing

JP Corelex Holdings Co., Ltd.
● Shizuoka

Corelex San-Ei Co., Ltd.
● Shizuoka

Corelex Shin-Ei Co., Ltd.
● Shizuoka

Corelex Doh-Ei Co., Ltd.
● Hokkaido

Masukoh Paper Co., Ltd
● Shizuoka

Eco Paper JP Co., Ltd.
● Aichi

Taiho Paper Co., Ltd.
● Gifu

Kawabe Biomass Power Generation Co., Ltd.
● Gifu

Showa Packaging Industry Co., Ltd.
● Gifu

Misuzushigyo Co., Ltd.
● Osaka

Misuzuunyu Co., Ltd.
● Osaka

Osaka Paperware Mfg. Co., Ltd.
● Osaka

Nabiace Co., Ltd.
● Aichi

Mikunishiko Co., Ltd.
● Osaka

Sanpei Kogyo Co., Ltd.
● Osaka

Raw Materials & Environment

Fukuda Sansho Inc.
● Aichi

Repasys Co., Ltd.
● Fukuoka

Hokkai Shigyo Co., Ltd.
● Hokkaido

JP Hokkai Co., Ltd.
● Hokkaido

JH Recycle Co., Ltd.
● Miyagi

Eco-Port Kyushu Co., Ltd.
● Kumamoto

Eco Power JP Co., Ltd.
● Hokkaido

Noda Bio Power JP Co., Ltd.
● Iwate

Matsue Biomass Power Co., Ltd.
● Shimane

Sun Energy Hirono Co., Ltd.
● Iwate

(Non-Japan)

North and Central America

Japan Pulp & Paper (U.S.A.) Corp.
- U.S./Los Angeles

Gould Paper Corporation (OVOL USA)
- U.S./New York

Shippers Resource Center, Inc.
- U.S./Burnsville

Price & Pierce International Inc.
- U.S./New York

Western-BRW Paper Co., Inc.
- U.S./Dallas

Ball & Doggett (USA) Inc.
- U.S./Atlanta

Talico, S.A. de C.V.
- Mexico/Mexico City

South Asia, Middle East

KCT Trading Private Limited
- India/Kolkata

OVOL Fibre Solution India Private Limited
- India/Kolkata

Middle East Office
- UAE/Dubai

South East Asia

Japan Pulp & Paper (Thailand) Co., Ltd.
- Thailand/Bangkok

Hanoi Representative Office
- Vietnam/Hanoi

Ho Chi Minh Representative Office
- Vietnam/Ho Chi Minh

Japan Pulp & Paper (M) Sdn. Bhd.
- Malaysia/Kuala Lumpur

JP Asian Electronics Materials (M) Sdn. Bhd.
- Malaysia/Kuala Lumpur

OVOL Malaysia Sdn. Bhd.
- Malaysia/Kuala Lumpur

Mutiara Paper (M) Sdn. Bhd.
- Malaysia/Kuala Lumpur

Compedo Media Sdn. Bhd.
- Malaysia/Kuala Lumpur

Fine Paper Takeo (M) Sdn. Bhd.
- Malaysia/Kuala Lumpur

OVOL New Energy Sdn. Bhd.
- Malaysia/Kuala Lumpur

OVOL Singapore Pte. Ltd.
- Singapore

Transam Industries Pte. Ltd.
- Singapore

Manila Representative Office
- Philippines/Manila

Jakarta Representative Office
- Indonesia/Jakarta

PT Oriental Asahi JP Carton Box
- Indonesia/Jakarta

East Asia

Japan Pulp & Paper Co., (H.K.) Ltd.
- China/Hong Kong

Tai Tak Paper Co., Ltd.
- China/Hong Kong

Tai Tak Paper (Shenzhen) Co., Ltd.
- China/Shenzhen

Wotai Paper (Shenzhen) Co., Ltd.
- China/Shenzhen

Japan Pulp & Paper (Shanghai) Co., Ltd.
- China/Shanghai

JPTS Electronics Materials (Shanghai) Co., Ltd.
- China/Shanghai

Japan Pulp & Paper (Taiwan) Co., Ltd.
- Taiwan/Taipei

Japan Pulp & Paper (Korea) Co., Ltd.
- South Korea/Seoul

Europe

Japan Pulp & Paper GmbH
- Germany/Dusseldorf

OVOL Papier Deutschland GmbH
- Germany/Hamburg

OVOL Packaging GmbH
- Germany/Hamburg

OVOL ComPlott GmbH
- Germany/Hamburg

Gould International UK Limited
- U.K./London

Premier Paper Group Limited
- U.K./Birmingham

Graphic And Paper Merchants Northern Ireland Limited
- U.K./Belfast

PPB Ltd.
- U.K./Leeds

Transpack Limited
- U.K./Southampton

Graphic And Paper Merchants Ireland Limited
- Ireland/Dublin

Gould Papiers France
- France/Neuilly-sur-Seine

EFP-Chavassieu
- France/Neuilly-sur-Seine

OVOL France, S.A.S.
- France/Corbeil-Essonnes

OVOL Shared Center, Unipessoal Lda.
- Portugal/Lisbon

Oceania

Japan Pulp & Paper (Australia) Pty Ltd
- Australia/Sydney

Ball & Doggett Group Pty Ltd
- Australia/Melbourne

Ball & Doggett Pty Ltd
- Australia/Melbourne

BJ Ball Limited
- New Zealand/Auckland

Aarque Group Limited
- New Zealand/Auckland

Stock Information/Corporate Data (As of March 31, 2026)

Stock Information

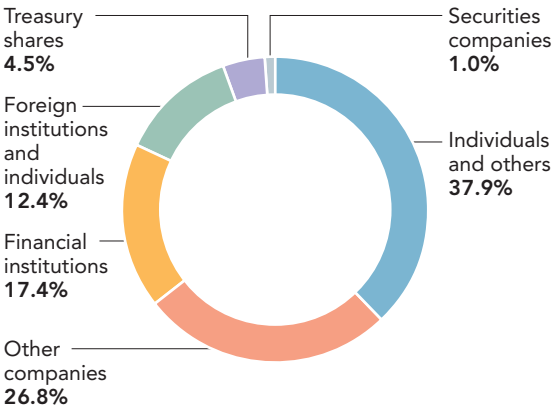
Stock Listing:	Prime Market Tokyo Stock Exchange (Code: 8032)
Total Number of Authorized Shares:	295,603,000
Total Number of Shares Issued:	120,215,510
Number of Shareholders:	22,839

Information on Major Shareholders

Shareholder	Shares held (Million shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	12.447	10.8
Oji Holdings Corporation	8.363	7.2
Custody Bank of Japan, Ltd. (Trust Account)	4.823	4.2
Japan Pulp and Paper Company Limited Shareholding Association	4.578	3.9
JP Employee Shareholding Association	3.721	3.2
Aya Nomura	3.294	2.8
Hokuetsu Corporation	3.101	2.7
Chuetsu Pulp & Paper Co., Ltd.	2.584	2.2
Kakimoto Shoji Co., Ltd.	1.530	1.3
DFA International Small Cap Value Portfolio	1.523	1.3
Total	45.968	40.0

Notes: 1. The number of shares held in connection with trust business and included in the above figures is as follows.
The Master Trust Bank of Japan, Ltd. (Trust Account): 12.447 million shares
Custody Bank of Japan, Ltd. (Trust Account): 4.823 million shares
2. Japan Pulp & Paper Co., Ltd. holds 5.424 million shares of treasury stock, which are excluded from the above list of major shareholders.
3. Oji Holdings Corporation, which had been the largest major shareholder as of the end of the previous fiscal year, ceased to qualify as the largest major shareholder as of the end of the current fiscal year. In addition, in connection with this change in its largest major shareholder, the company submitted an extraordinary report dated November 7, 2025.
4. Of the shares held by Custody Bank of Japan, Ltd. (Trust Account), 2.035 million are the trust property of the Board Benefit Trust for executives of Japan Pulp & Paper Co., Ltd. These shares are included in treasury shares in the consolidated and non-consolidated financial statements.

Composition of Shareholders

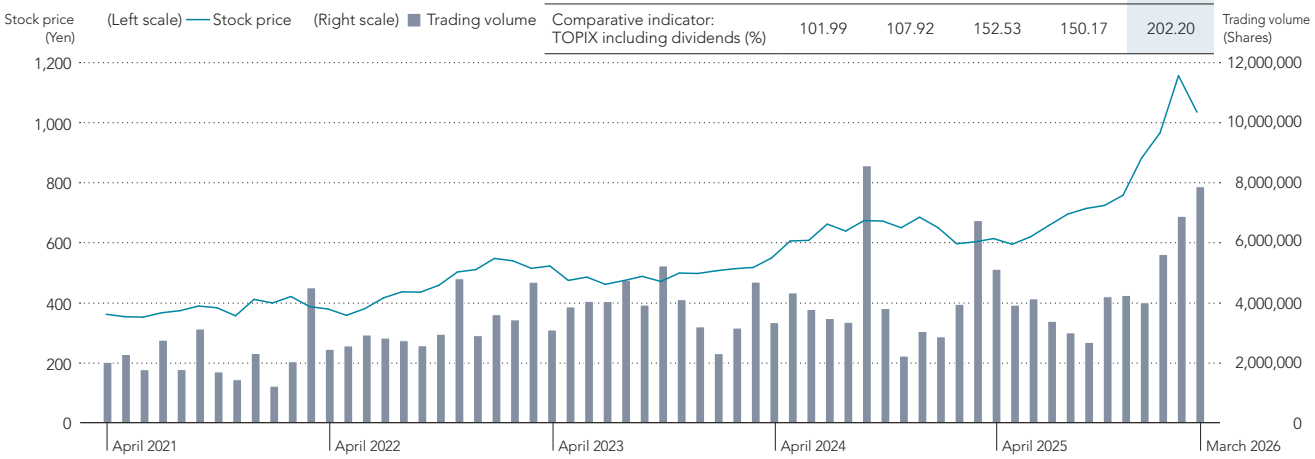


Note: The above figures are rounded to the first decimal place.

Stock Price and Trading Volume

Total Shareholder Return

FY	2021	2022	2023	2024	2025
Total shareholder return (%)	109.45	147.53	151.92	182.05	309.45
Comparative indicator: TOPIX including dividends (%)	101.99	107.92	152.53	150.17	202.20



Note: Because a 1:10 stock split occurred on October 1, 2024, adjusted stock figures are shown for fiscal 2023 and earlier.

Corporate Data

Corporate Name	Japan Pulp & Paper Co., Ltd.
Head Office	Forefront Tower, 3-12-1 Kachidoki, Chuo-ku, Tokyo 104-8656 Japan (Planned relocation in February 2027) Tel: +81-3-3534-8522 (Main)
Branch Offices / Sales Divisions in Japan	Osaka, Kyoto, Nagoya, Fukuoka, Sendai, Sapporo
Representative	Akihiko Watanabe Representative Director, President & CEO
Foundation	1845
Date of Establishment	December 15, 1916
Capital	JPY 16,648.92 million
Fiscal Year-End	March 31
Number of Employees	Non-consolidated: 753 Consolidated: 4,705
Major Activities	Japan Pulp & Paper Co., Ltd. and its group companies are involved in the sale and manufacture of paper, paperboard, raw materials for paper manufacturing, paper products, household paper, fuels, and related products; logistics services; waste recycling; power generation and the supply and sale of electricity; IT system development; and real estate leasing, among other activities.
Consolidated Subsidiaries	92
Associated Companies (Equity-Method)	6
Main Banks	Mizuho Bank, Ltd.; Sumitomo Mitsui Banking Corporation; MUFG Bank, Ltd.; The Norinchukin Bank; The Shizuoka Bank, Ltd.; Sumitomo Mitsui Trust Bank, Limited

Company Website

Homepage

https://www.kamipa.co.jp/eng/



Investor Relations

https://www.kamipa.co.jp/eng/ir/

Sustainability

https://www.kamipa.co.jp/eng/sustainability/

Editorial Note for the Integrated Report

This report has been enhanced to provide a deeper understanding of the Japan Pulp & Paper Group, reflecting feedback received through dialogue with stakeholders and other channels. In the Message from the President, we provide more detailed and concrete explanations of initiatives to realize OVOL Vision 2030 and promote sustainable management, as well as our approach to shareholder returns. Furthermore, through case studies on areas of particular focus, such as communicating the capabilities and value of paper and promoting DX, we introduce the group's initiatives from multiple perspectives. Additional information not included in this report is available in detail on our website, and we encourage you to review it as well.
We will continue striving to enhance our disclosure of information and deepen dialogue, and sincerely ask for your continued support.

Cover photo:
Melbourne, Australia
(Location of the group's Ball & Doggett Group head office)



Paper, and beyond

OVOL

Japan Pulp & Paper Co.,Ltd.

Forefront Tower, 3-12-1 Kachidoki, Chuo-ku, Tokyo 104-8656 Japan
www.kamipa.co.jp/eng/