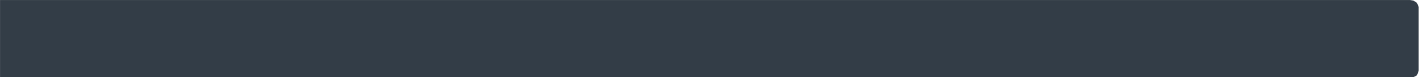




For Individual Investors Introduction to the Japan Pulp & Paper Group

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March 16, 2025

**Prime Market
Tokyo Stock Exchange
Securities Code: 8032**

Japan Pulp & Paper Co., Ltd.

Presenter Profile

Representative Director, President & CEO

Akihiko Watanabe (65 years old)

1982 Joined the Company

2009 Corporate Office

2010 Executive Officer

2015 Executive Vice President

2016 Director of the Board, Executive Vice President

2017 Representative Director, President

2023 Present position

**During that time,
he has had a wealth of experience in overseas business,
having been stationed in Germany from 1987 to 1993,
Hong Kong from 2002 to 2008, and the U.S. from 2013
to 2015.**



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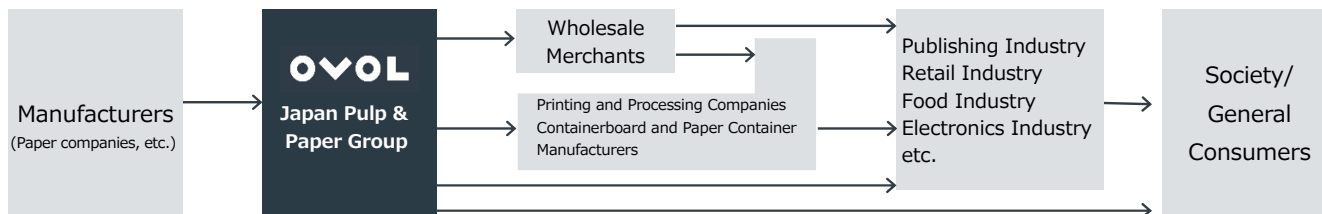


I Overview of the Group

Overview of the Company

A dominant presence in the industry and the leading share of paper distribution in Japan

Business Flow of Japan Wholesaling



Wholesale of Paper, Paperboard and Related Products

- The leading share in sales of paper and paperboard in Japan as a distributor for major domestic Japanese manufacturers
- Supply of a wide range of household and industrial goods and proposal of solutions, including for packaging materials, materials for electronic components, and environmentally friendly films

Logistics

- A network that achieves stable supplies of paper nationwide centered on the group and partner companies
- Planning and implementing rationalization and efficiency improvements that encompass shared storage and joint delivery

ICT System Development

- Sale and operation of business systems specifically for the paper industry, and development and sale of AI-driven services

▼
A leader in paper wholesaling system infrastructure, with a dominant industry share in the number of users of our systems for paper distributors and for paper logistics

Corporate Philosophy and Brand

Our Corporate Spirit

(Values that our group should prioritize)

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

Our Mission

(Our Group's Mission)

Carving a better future for society and the environment.

Our Principles

(Actions that our group employees should actively engage in)

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

Corporate Slogan

(Our Corporate Slogan)

Paper, and beyond



The meaning behind our Brand Logo

The two Os in the OVOL logo symbolize the global expansion of the Japan Pulp & Paper Group. The shape of the striking logo is not only reminiscent of a celestial orbit and ovals, but the repetition within the letter "O" represents a smooth and never-ending continuity, nature and familiarity, as well as the direction of the Japan Pulp and Paper Group in its global expansion, and these attributes are conveyed in a unique way that is both visual and almost aural. The letters of the logo include the word "VOL," which conveys an image of flying in languages of Latin origin such as French, and the four letters of "OVOL" represent both "the power to fly into the future" and the possibilities of a story's new beginning. The gray used as the brand color has a high affinity with other colors and is also a harmonizing color that enhances any surrounding colors. As gray is a blend of all colors, it represents the cooperative ability to bring out the best in, and bring together, others.

Overview of the Group 1

As of March 31, 2024

History and Foundations



Years Since Foundation

179 years

Number of Group Companies

127

Consecutive Years of Positive
Ordinary Profit Since Listing on the
Tokyo Stock Exchange in 1972

52 years

Consolidated Financial Results



Revenue

JPY 534.2 billion

Ordinary Profit

JPY 16.8 billion

The record high was
JPY 21.2 billion
in the fiscal year ending
March 2023.

Human Capital



Number of Consolidated Employees

4,157

Percentage of Employees
Working Outside of Japan

46.5%

Overview of the Group 2

As of March 31, 2024

Globalization



As one of the world's leading specialized trading companies in the paper industry, we have developed a global procurement and supply system.

Diversification

Number of companies

Japan Wholesaling	10	
Non-Japan Wholesaling	62 [62]*	
Paper Manufacturing & Processing	10 [1]	
Raw Materials & Environment	7 [3]	
Real Estate Leasing		

*The figures in [] indicate the number of companies outside Japan

Our Group's History : Growth Trajectory

Founding and Establishment of Our Business Foundations

1845-

- Founded as a traditional Japanese paper (washi) merchant
- The first in Japan to trade in domestically produced machine-made paper

Establishment of Japan Pulp & Paper, and Listing on the Stock Market

1970-

- Listed on the stock exchange in Japan
- Entry into the wastepaper recycling business

Diversification of Business Operations

2000-

- Entry into paper manufacturing business using wastepaper as a raw material

Promoting Globalization Through M&A

2010-

- Entry into the recycled household paper manufacturing business
- Expanded the Non-Japan Wholesaling segment
- Strengthened the power generation business using renewable energy

(JPY million)

25,000

20,000

15,000

10,000

5,000

0

During the period of Medium-term Business Plan 2023,
three companies in Japan and 12 companies outside
Japan became group companies

1845

Founded

1970

Japan Pulp & Paper Formed Through
a Merger with Fuji Yoshiten

1973

Listed on the First Section of the Tokyo Stock Exchange

Trend in Ordinary Profit

(Non-consolidated / Group consolidated)

- Non-consolidated (1969-1987)
- Group consolidated (1988-)

1970

1980

1990

2000

2010

2020(FY)

2008

Global Financial Crisis

2011

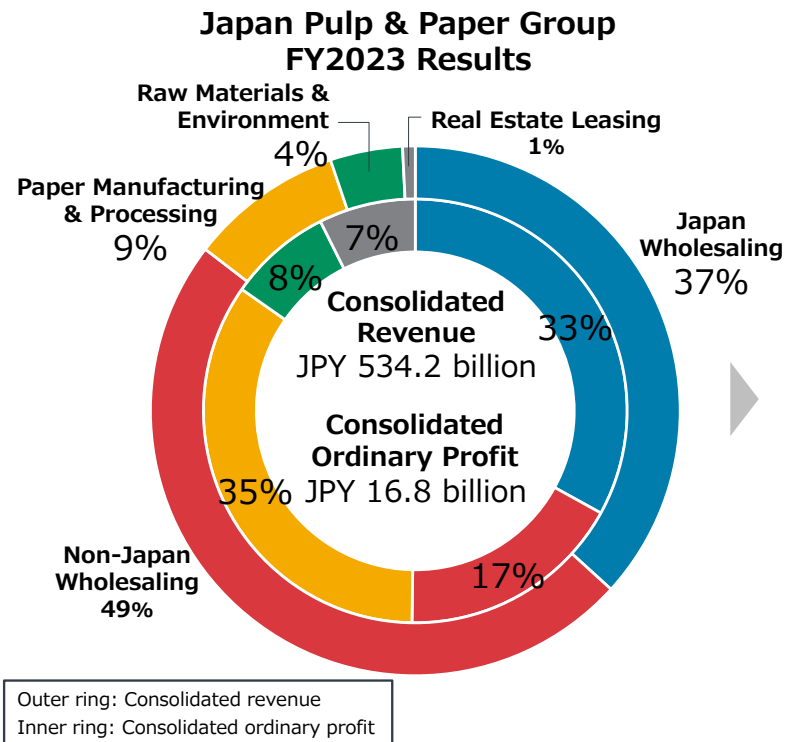
Great East Japan Earthquake

2020

COVID-19
Outbreak

FY2023
JPY 16.8
billion

Business Overview



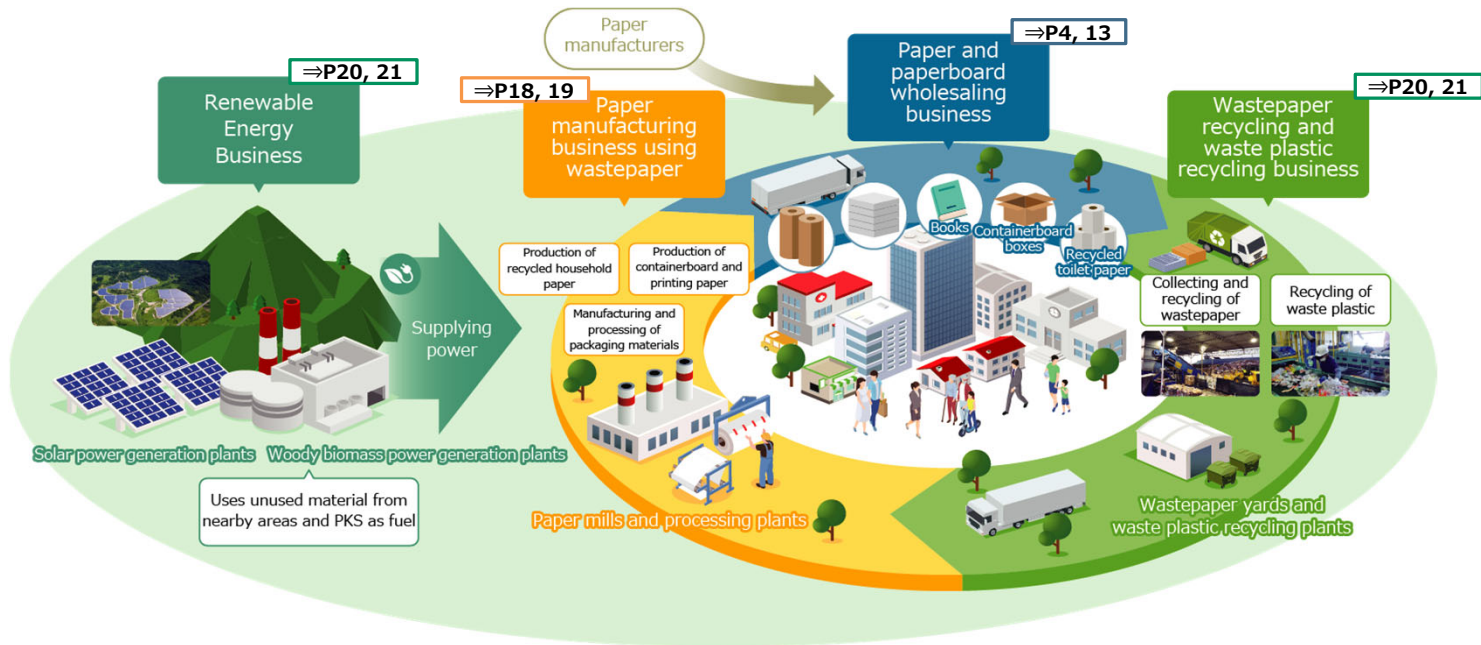
*Simple total of individual segments, excluding adjustment items

		Number of companies	
Japan Wholesaling	• Sale of paper, paperboard, and related products • Warehousing and transportation businesses • ICT system development • Sale of information equipment • Information service business, etc.	10	
Non-Japan Wholesaling	• Sale of paper, paperboard, and related products • Sign and display products, packaging, films, and related businesses.	62 [62]	
Paper Manufacturing & Processing	• Manufacturing of household paper, containerboard, and printing paper using recycled wastepaper as a raw material • Manufacturing of containerboard boxes and related products.	10 [1]	
Raw Materials & Environment	• Sale of raw materials such as wastepaper and pulp, as well as biomass fuel and related products • Comprehensive recycling business • Renewable energy power generation business, etc.	7 [3]	
Real Estate Leasing	• Leasing of real estate		

*The figures in [] indicate the number of companies outside Japan

The Group's Business in Japan

Diversifying around paper wholesaling and focusing on businesses that contribute to building a circular economy



Characteristics of the Group

No. 1 paper distributor in Japan

— **Unrivalled No. 1 in terms of history, results, and industry credibility**

As one of Japan's largest paper trading companies, we contribute toward realizing a stable business environment for paper distribution. We handle a huge variety of paper types. One of our strengths is our extensive lineup of products to suit all users, needs and applications. We can propose various patterns even for vague requests, and if there is no optimal product, we can plan and develop a new product that meets your needs.

Global company that aims to become the world's leading paper distribution group

— **We operate a paper wholesaling business rooted in each country and region-unparalleled globally**

After the Pacific War, the group re-entered markets outside of Japan in 1955, and has accelerated its expansion outside Japan since the 2000s. Currently, the group's paper and paperboard distribution network has expanded to more than 60 cities, covering major markets around the world. Currently, the group operates paper wholesaling businesses with inventory and delivery functions in the U.S., the U.K., Ireland, Germany, France, Australia, New Zealand, Hong Kong, Singapore, Malaysia and India, and has established a system to ensure the stable supply of products throughout each region. This has allowed us to extend our range of services beyond B to B business with factories, now including the delivery of products such as office paper, packaging, labels, and films to users. Recently, we have also been actively expanding our sign and display sales, including outdoor advertising, facility signage, and POP displays.

Developing a circular economy is the mission of a company that handles paper

— **We believe in the unlimited possibilities of paper and pursue "Paper, and beyond"**

We not only sell paper, an environmentally friendly and sustainable material, but also engage in circular business activities such as wastepaper collection and recycling. Starting with the Corelex Group, which boasts the leading share in Japan for recycled household paper, we have expanded into the paper manufacturing business, producing containerboard and printing paper using recycled recovered paper as a raw material. Furthermore, the group has diversified its business into recycling waste plastic and generating electricity using renewable energy sources such as solar power and wood biomass. We contribute to resource recycling and environmental impact reduction in various ways.



II Introduction to the Group's Business

Japan Wholesaling Segment Topics

Products Handled

Graphic paper for books, publications, catalogs, flyers, etc.



Containerboard and other packaging papers
Packaging materials, including containerboard and films



Functional materials and industrial materials necessary in the production process



Paper products for offices and households



Three Initiatives to Promote Awareness of the Value of Paper

At OVOL Bridges 2023, a forum for executives of paper merchants in Japan, we presented three initiatives to promote awareness of the value of paper. We plan to take concrete action on these initiatives.

Initiatives we are undertaking with paper wholesalers across the country:

- On-site classes nationwide
- Regular workshops
- Start of paper study group



Reduction of Environmental Impact When Transporting Paper

We were the first in the paper transport industry to introduce small electric trucks that eliminate exhaust emissions during transport, enabling zero-emissions.

The trucks are equipped with state-of-the-art technology to support safe driving.



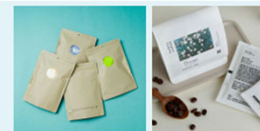
Environmentally Friendly Products

We propose and provide various environmentally friendly products according to the requests of customers to address environmental issues, including the reduction of CO₂ emissions and plastic use.



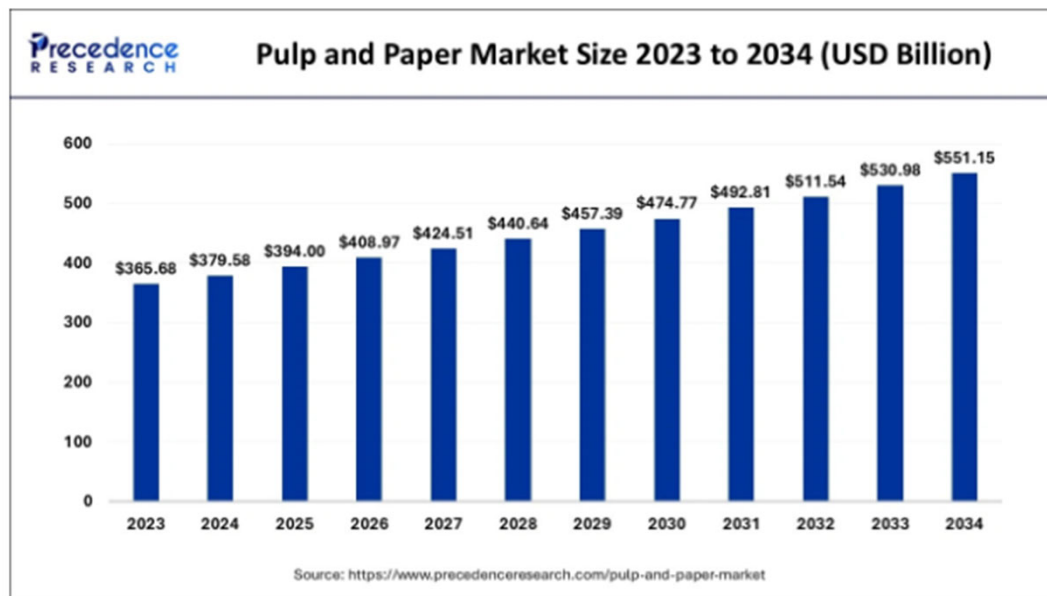
Paper & Green

We operate a website to sell environmentally friendly products and propose solutions.



Forecast for the Global Pulp and Paper Market Size

In Japan, there are concerns about a decline in paper demand due to the advancement of digitalization and a declining population, but the global paper and pulp market is forecast to continue to expand gradually.



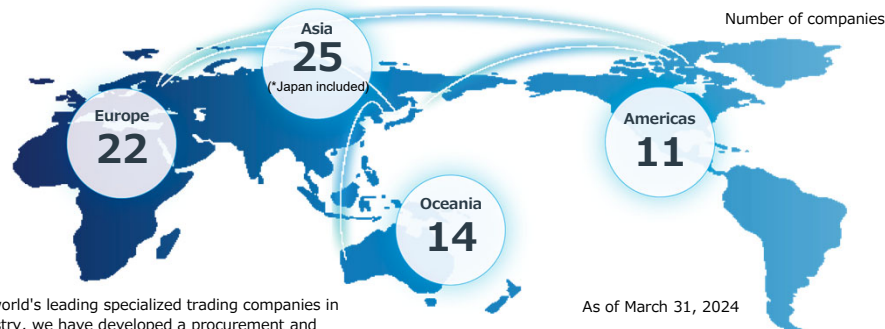
According to a survey by Precedence Research, the global pulp and paper market is estimated to be USD 379.58 billion in 2024 and is expected to grow at an average annual rate of +3.8% from 2024 to 2034, reaching approximately USD 551.15 billion in 2034.

Non-Japan Wholesaling: Business Overview

Global and cross-border business rooted in multiple countries and regions

Business Model of Non-Japan Wholesaling Business

We develop business that leverages the inventory and distribution functions of our operating bases by utilizing global supply sources.



As one of the world's leading specialized trading companies in the paper industry, we have developed a procurement and supply system that covers the entire world.

Notable Markets

Sign & display market

- Outdoor advertising, wrapping advertising on cars, etc.
- Facility signage
- POP displays
- Traffic signs



Items We Sell

- Printers
- Paper
- Ink and other supplies
- Technical services
- Film media

Packaging market

- Light packaging
- Flexible packaging
- Heavy packaging



Items We Sell

- Paper products such as shipping boxes and decorative boxes
- Molded pulp containers
- Flexible packaging film used in food, pharmaceuticals, etc.
- Cushioning material

Globalization Status of the Company

As one of the world's leading distribution companies in the paper industry, we have built a global procurement and supply system

Ratio of
Revenue
Outside of
Japan

52.4%

Trading Partner
Countries and
Regions
(including
Japan)

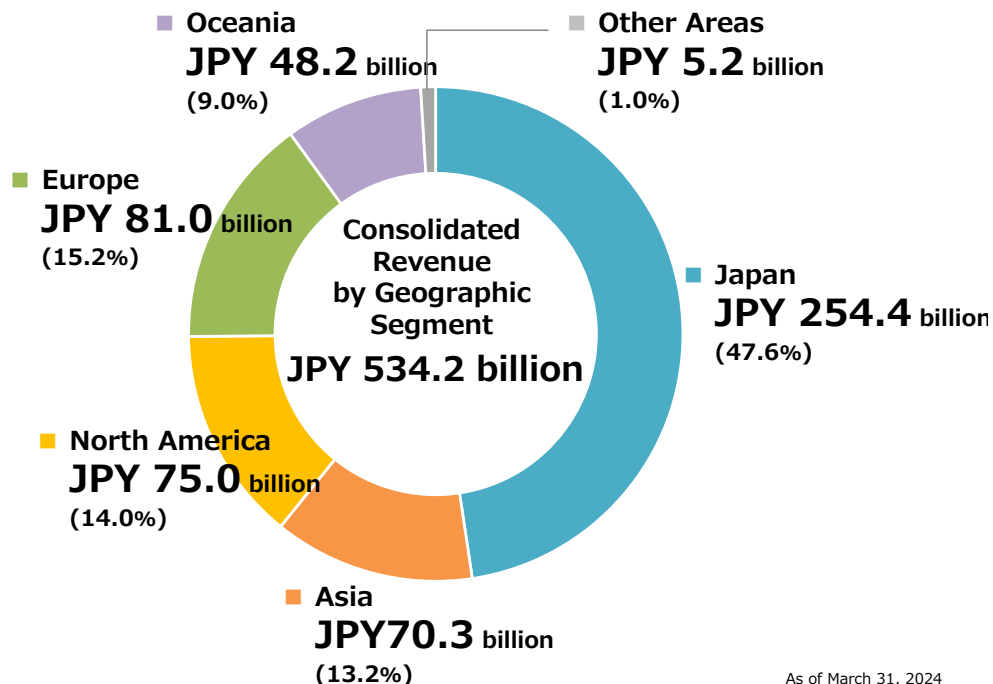
61

Countries and
Regions in
Which
We Do
Business

22

Percentage of
Employees
Working
Outside of
Japan

46.5%



As of March 31, 2024

Major Sites of the Non-Japan Wholesaling Segment

OVOL USA (Gould Paper)

- A leading paper distribution group in the U.S., with its head office in New York
- With sites mainly on the East Coast and in the South, the group also operates in the U.K. and France
- In 2023, the group acquired a French company that handles communication paper and industrial paper, strengthening its sales structure in Europe



Ball & Doggett Group

- This is one of Oceania's largest paper distribution groups, with its head office in Melbourne
- Operates as Ball & Doggett in Australia and BJ Ball in New Zealand
- Due to the low domestic production rate of paper and paperboard in both countries, they are highly dependent on imports, especially in the printing and communication paper sector, hence the group plays an important role as a paper distributor
- In addition, the group will expand the business domain by strengthening sales of sign & display products, flexible packaging, etc.



Premier Paper Group

- A leading paper distribution group in the U.K., with its head office in Birmingham
- Like the Oceania region, the U.K. relies heavily on imports for paper and paperboard, so paper distribution companies with inventory and logistics functions play an important role
- Expanding business areas such as strengthening handling of sign & display products and flexible packaging, and entering the packaging manufacturing and sales business
- Acquired an Irish company in 2022 to strengthen supply capabilities by utilizing our group's procurement base



Paper Manufacturing & Processing: Business Overview

Optimizes the group's raw material procurement, manufacturing, and sales supply chain

Corrugated Container Business

A comprehensive packaging supplier, from containerboard manufacturing to sheet and case processing

- Promotes the establishment of a comprehensive packaging supply structure by developing a paper manufacturing business that manufactures containerboard and a processing business that manufactures corrugated container products
- Pursues development of environmentally friendly products using recovered paper as a raw material
- Develops environmentally friendly businesses by utilizing renewable energy sources such as biomass power generation in manufacturing
- Continues investments for efficient production and ensuring safety



Recycled Household Paper Business

Contributes to the effective use of limited resources and the reduction of paper waste by recycling difficult-to-recycle wastepaper using superior recycling technology

- Manufactures household paper, including recycled toilet paper and recycled tissues
- Recycles wastepaper that is difficult for other companies to recycle by using superior wastepaper recycling and processing technology
- Boasts high domestic Japanese market share in recycled toilet paper owing to proprietary technology and product development strengths
- As toilet paper is not recyclable, it is important to use limited resources effectively.



Paper Manufacturing & Processing: Major Subsidiaries

* Bogus paper: Paper cushioning material for packaging that is made from recycled paper.

Containerboard business

Taiho Paper

Based in Gifu Prefecture, Taiho Paper manufactures containerboard using recovered paper as its main raw material. The company has established a production system that uses steam and electricity from biomass power generation, using 100% renewable energy for electricity used in the mill.



Eco Paper JP

In Aichi Prefecture, Eco Paper JP manufactures containerboard using recovered paper as a raw material, paper for publications, and bogus paper. The company is reducing CO2 emissions in various ways, including biomass power generation, effective use of steam, and the adoption of renewable energy sources electricity.



Showa Packaging Industry

In Gifu and Aichi prefectures, Showa Packaging Industry conducts business as a total packaging manufacturer of corrugated container sheets, boxes, paper containers, decorative corrugated containers, and more.



Misuzushigyo

In Osaka and Kanagawa prefectures, Misuzushigyo manufactures packaging materials such as corrugated container sheets and boxes. At its head office/Osaka factory, it has boosted production speed and improved printing precision with the introduction of state-of-the-art, high-speed machines.



Oriental Asahi JP

Oriental Asahi JP Carton Box supplies high-quality corrugated container boxes to Japanese companies in Indonesia, with multi-product, small-lot, and just-in-time production. The company has further improved production with the start of operations at a new factory in 2021.



Recycled household paper business

Corelex Group

With production bases in Shizuoka, Kanagawa and Hokkaido prefectures, the Corelex Group manufactures recycled toilet rolls and recycled tissues with its advanced recovered paper recycling and processing technology and its unique product development capabilities, including coreless toilet rolls. The group is reducing CO₂ emissions with aggressive energy-saving measures.

In addition, it contributes to local communities by providing stable supplies to affected areas in times of disaster, in cooperation with group companies and partner factories.



Toilet Trailer

When a disaster occurs, JP Household Supply sends the mobile toilet trailers it sells to affected areas through a mutual aid network with local governments and disaster relief organizations.



Raw Materials & Environment: Business Overview

Engages in initiatives to recycle and circulate resources to promote a circular economy

Recovered Paper Recycling Business

Promotes recycling of recovered paper for use as a raw material for paper manufacturing

- A quality-focused recovered paper recycling business that delivers stable supplies to paper manufacturers in Japan
- Establishing a recovered paper business network covering all of Japan, centered on Fukudasansho
- Promoting the recycling of recovered paper as a raw material for paper manufacturing with a global perspective from operating bases outside Japan in the U.S. and India
- Promoting a circular economy together with group paper manufacturing companies



Comprehensive Recycling Business

Recycles plastic waste, wastepaper, and wood-based waste

- Automated sorting by optical sorters, washing, and pelletization of plastic waste that is difficult to separate
- Manufacturing of solid fuels from composite plastics, which are difficult to separate into different materials
- Manufacturing of wood fuel from wood-based waste and logging residues



Renewable Energy Business

Provides stable supplies of clean and safe electric power

- Solar and woody biomass power generation business
- Collection and export of palm kernel shells (PKS) in Malaysia



Foundation for Environment-Related Businesses

Manufacturing bases using recovered paper as raw material

6

Renewable energy business sites*1

6

Recycling business sites*2

27

Our goals is to contribute to a sustainable society and the global environment by developing environment-related businesses, including recycling businesses such as recovered-paper recycling and power generation businesses using renewable energy.

*1: Three renewable energy generation sites and three PKS inventory sites *2: One comprehensive recycling business site and 26 recovered-paper yards

Raw Materials & Environment: Major Subsidiaries

Recovered Paper Recycling Business

Fukudasansho

- Leading recovered paper trading company in Japan
- Wastepaper recovery network centered on the Chubu region
- Extensive branch network to provide stable supplies of top-quality recovered paper resources



Eco-Port Kyushu

- Operates a comprehensive recycling business in Kumamoto Prefecture where it processes plastic containers, packaging, and confidential documents, and also manufactures RPF and wood pellets. It is one of Japan's leading facilities for material separation of plastic containers and packaging
- Plans are in place to build a second factory to handle the increase in plastic waste recycling volume associated with the New Plastic Law in Japan.



Renewable Energy Business

Eco Power JP

- Solar power generation plant located in Kushiro, Hokkaido, which has long hours of daylight in summer and a high percentage of sunny days.
- Power output: 20 MW



Noda Bio Power JP

- Operates a woody biomass power generation plant located in the village of Noda in Iwate Prefecture
- As a business contributing to the reconstruction of Noda, which was devastated by the March 2011 earthquake and tsunami, it is contributing to the area through employment and the recovery of nearby forestry
- Utilizes unused material from nearby forests, tree bark, PKS, etc., for fuel.



OVOL New Energy Sdn. Bhd.

- Operates a PKS collection and sales business in Malaysia.
- Owns stockyards in Port Klang, Malaysia's largest trading port, as well as two other locations. Collects and sorts palm kernel shells (PKS) from oil palm at oil mills and exports it to overseas markets. Also supplies PKS to Noda Biopower JP, our subsidiary that operates a woody biomass power plant.



*RPF: High-grade solid fuel made mainly from recovered paper and plastics, which are among the most difficult industrial wastes to recycle.

PKS: The palm kernel shells of oil palms, which are the byproduct of extracting palm oil.

Real Estate Leasing: Business Overview

Creates a stable revenue base by effectively utilizing our real estate holdings in prime locations in Tokyo, Osaka, Kyoto, and other major cities

Main Rental Properties

Name	Location	Number of Floors	Purposes	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



Cerulean Homes Kachidoki



Osaka JP Building



The Group's Growth Strategy

OVOL Vision 2030: Paper, and beyond



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.

[Key point] Rather than aiming to be the world's largest in terms of sales volume, we aim to become the most highly functional and trusted distribution group globally

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 recovered paper 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 the global environment.

[Key point] This reflects the group's commitment to realizing a circular economy

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.

[Key point] We will continue to create value that meets not only the expectations of the paper industry but also those of our various stakeholders

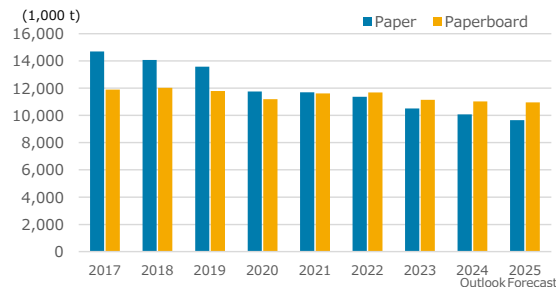
Quantitative target for FY2030 **Consolidated ordinary profit of JPY 25.0 billion**

Business Environment

Japan

- Japan's paper and paperboard market remains the world's third largest, after China and the U.S., with annual consumption of approximately 21 million tons.
- Demand for graphic paper continues to decrease due to structural issues, mainly digitalization and the declining birthrate.
- Demand for packaging paper is firm due to the spread of e-commerce and increased demand from visitors to Japan.
- Demand for switching to paper instead of plastic packaging is increasing

Paper and Paperboard Demand in Japan

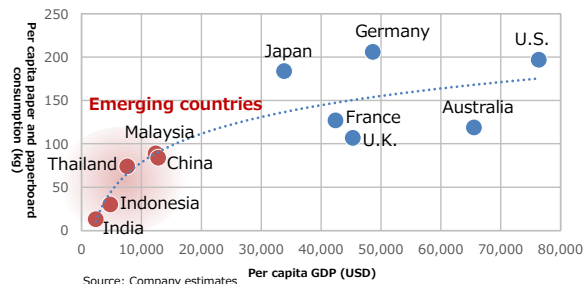


Source: Japan Paper Association: 2025 Paper and Paperboard Domestic Demand Forecast

Non-Japan

- Consumption in countries/regions where we have major operating bases was 60 million tons in the U.S., 17 million tons in Germany, 9 million tons in France, 7 million tons in the U.K., and 4 million tons in Oceania.
- In developed countries, demand for graphic paper continues to decline, but demand for packaging paper is strong
- Paper and paperboard demand is expected to increase with rising living standards due to population growth and economic development in emerging countries and changes in the industrial structure due to industrialization.

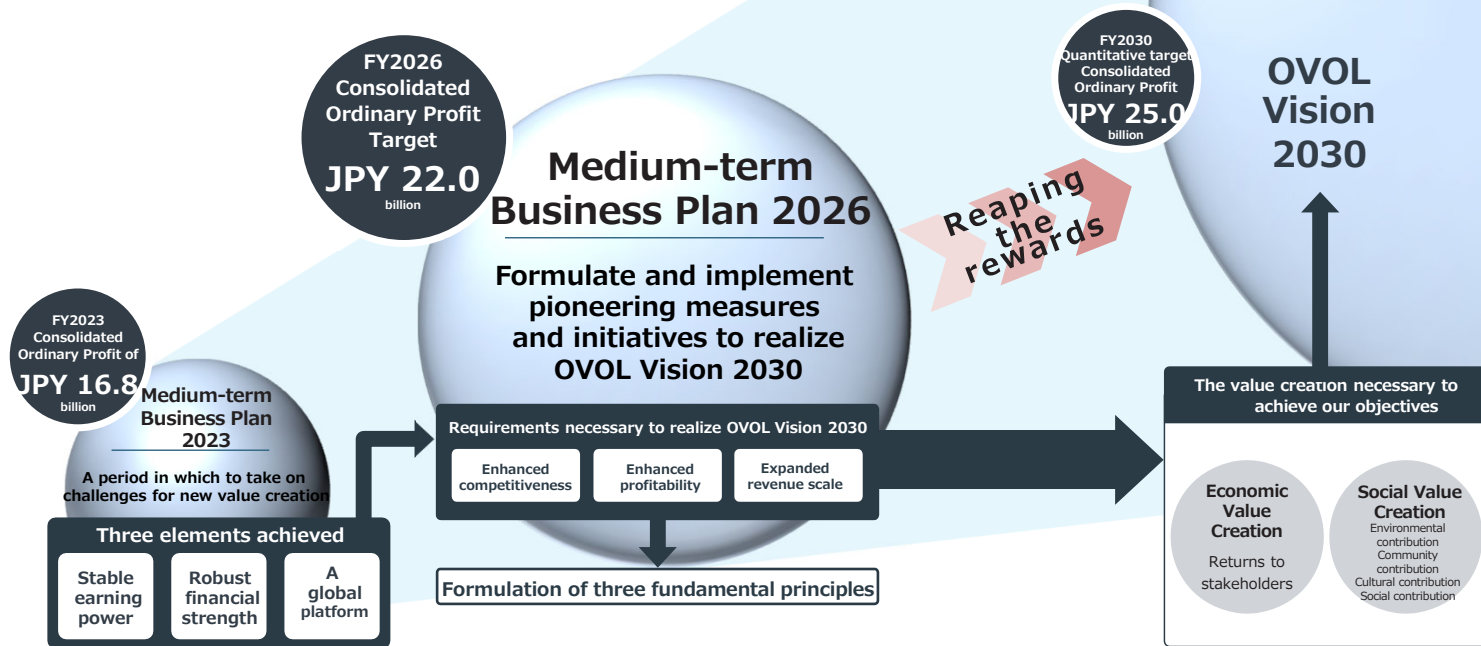
Per Capita Paper and Paperboard Consumption and GDP (2022)



Source: Company estimates

Positioning of OVOL Medium-term Business Plan 2026

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



Fundamental Principles of OVOL Medium-term Business Plan 2026

We are formulating and implementing measures based on three fundamental principles to realize the OVOL Vision 2030

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

Enhance value provided in terms of functions, added value, services, etc. Prevail through differentiation from other companies

Enhanced competitiveness

Improve productivity and work engagement

Enhanced profitability

Expand business through growth in existing areas and expansion into new areas

Expanded revenue scale

Execution of financial and capital strategies

Promotion of sustainable management

Economic Value Creation

Returns to stakeholders

Social Value Creation

Environmental contribution
Community contribution
Cultural contribution
Social contribution

Realization of
OVOL
Vision 2030

Main Results in the First Fiscal Year of the Medium-term Business Plan 2026

Promotion of strategic M&A in parallel with complementary M&A in peripheral areas

A total of six companies were added to the group in Germany, France and Portugal in FY2024

- With these companies joining the group, we have established a logistics network that covers the entire area of both Germany and France.
- Utilizing this logistics network, we will work to expand our wholesale business in continental Europe.

- ✓ Graphic paper
- ✓ Sale of sign & display related products
- ✓ Sale of packaging materials in Germany

• Germany: 3 companies

Sales: EUR 550 million (approximately JPY 89.2 billion)

Number of employees: Approximately 480

France: 2 companies

Sales: EUR 208 million (approximately JPY 33.7 billion)

Number of employees: Approximately 220

Portugal: 1 company

Shared services business in Germany and France

*EUR 1 = JPY 162, both figures are for the fiscal year ending December 2023

Japan Pulp & Paper Group Map of Sites in Europe

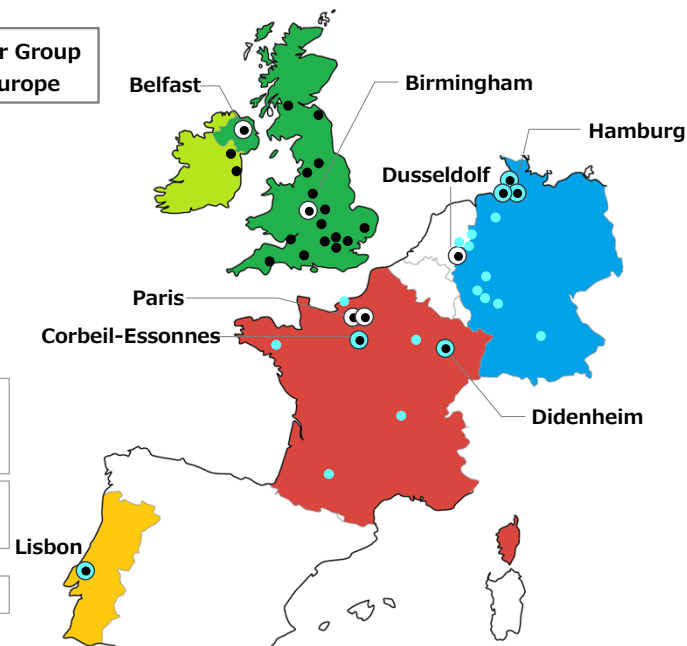
[Existing group companies ● ●]

[New group companies ● ●]

- OVOL Papier Deutschland GmbH
- OVOL ComPlott GmbH
- OVOL Packaging GmbH

- OVOL France, S.A.S
- OVOL Sign & Display S.A.S

- Inapa Shared Center, Lda.



Shareholder Return Policy

Deliver proactive shareholder returns to meet market expectations

Shareholder return policy during the 2026 medium-term period

Dividend

Pay a progressive dividend based on a consolidated payout ratio of 30% or more

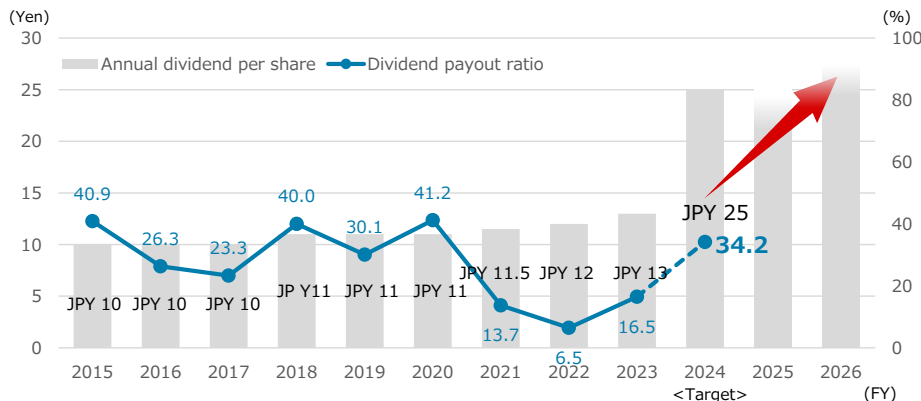
Stock buybacks

Dynamic and flexible

Shareholder benefits

All shareholders who hold 5 units (500 shares) or more and are recorded in our shareholder register as of March 31 will receive the following in Japan.

Annual dividend ratio and consolidated dividend payout



*Due to the 1:10 stock split carried out at the end of September 2024, dividend amounts in FY2024 and prior are shown after stock adjustment.



One-touch Coreless N Toilet Paper
(Single 130M×24 roll [Coreless] (Planned))

[Reference] Our Stock Price Trends (Past 10 Years, Monthly)



IV APPENDIX

Consolidated Financial Targets of OVOL Medium-term Business Plan 2026

- Achieve consolidated ordinary profit of JPY 22.0 billion surpassing the previous record high.
- Realize ROE of 8% or more, ROA of 5% or more, and ROIC of 7% or more through greater awareness of the cost of capital
- Maintain or improve "A" credit rating, secure funding capacity, and utilize financial leverage while keeping the net D/E ratio at 1.0x or less

Consolidated Financial Targets

	FY2020 Results	FY2021 Results	FY2022 Results	FY2023 Results	FY2026 Targets
Consolidated Ordinary Profit	JPY 8.9 billion	JPY 15.1 billion	JPY 21.2 billion	JPY 16.8 billion	JPY 22.0 billion
ROE* ¹ (Return on Equity)	4.5%	13.0%	24.0%	8.4%	8.0% or more
ROA* ² (Return on Assets)	2.7%	4.6%	5.9%	4.4%	5.0% or more
ROIC* ³ (Return on Invested Capital)	3.7%	5.7%	7.5%	6.2%	7.0% or more
Net D/E Ratio* ⁴	1.23x	1.06x	0.66x	0.59x	1.0x or less

Regarding the FY2026 target for the net D/E ratio: We set the ratio target at 1.0x or less to allow for flexibility in growth investments while maintaining financial soundness

*Exchange rate assumptions for FY2026: 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

Necessary Conditions for Realizing OVOL Vision 2030 and Our Business Strategies by Segment

	Expand business through growth in existing areas and expansion into new areas Expanded revenue scale	Enhance value provided in terms of functions, added value, services, etc. Prevail through differentiation from other companies Enhanced competitiveness	Improve productivity and work engagement Enhanced profitability
 Japan Wholesaling	Use M&As and alliances to expand business areas and strengthen the supply chain	Differentiate ourselves from competitors by promoting our capabilities and value Expand sales of household paper and high-performance/high-value-added products	3Cs (Change, Challenge, Create) Recruitment of employees
 Non-Japan Wholesaling	Continue to execute complementary M&As	Expand sales of high-value-added products Continue to invest in logistics infrastructure and information systems	Implement training programs Secure and develop human resources with expertise
 Paper Manufacturing & Processing	Expanding procurement and logistics network through alliances	Realization of operation and sales at full capacity in the containerboard business Improve brand strength and expand sales in the household paper business	Reduce CO ₂ emissions, conserve energy, and improve efficiency through DX utilization Develop and secure manufacturing management talent
 Raw Materials & Environment	Maximize existing businesses and enter new areas Expand business scale with new investments		Expand revenue through information sharing and mutual collaboration among group companies Develop and secure human resources who are knowledgeable about operations and facilities
 Real Estate Leasing	Formulate and implement plans for older properties		Optimize the real estate portfolio Properly manage and maximize the value of key properties

Sustainable Management Initiatives in Medium-term Business Plan 2026

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

- Analyze the future talent gap, and carry on recruiting, 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 human resources with expertise

Indicator	KPI (Japan Pulp & Paper Targets)
Percentage of eligible male employees taking childcare leave (includes the company's unique leave system)	100% (FY2023: 76.9%)
Employee engagement rating	BBB or higher (FY2023: B) ^{*1}
Training expenses	3 times or more (Compared with FY2023)
Percentage of leave taken	80% or more (FY2023: 79.0%)
Monthly overtime hours	10 hours or less (FY2023: 13 hours)
Ratio of females in career track hiring	30% or more (25.2% average over last five years) ^{*2}

^{*1}: The current B rating is the sixth of the eleven engagement rating levels. Our target is a BBB rating, which is two levels higher.

^{*2}: The ratio of female employees in career track positions at the company was 9.2% as of April 1, 2024. We have set the above target to increase the ratio of women in 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		Achieve carbon neutrality by 2050	
*Scope of targets: Scope 1 and 2 emissions for Japan Pulp & Paper and its consolidated subsidiaries			
Priority Measures	Pursue further improvement of production efficiency in Paper Manufacturing & Processing segment	Promote thorough energy savings	Switch to renewable energy

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 complaint handling mechanism

Strengthen the Environmental and Occupational Safety Compliance Systems

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

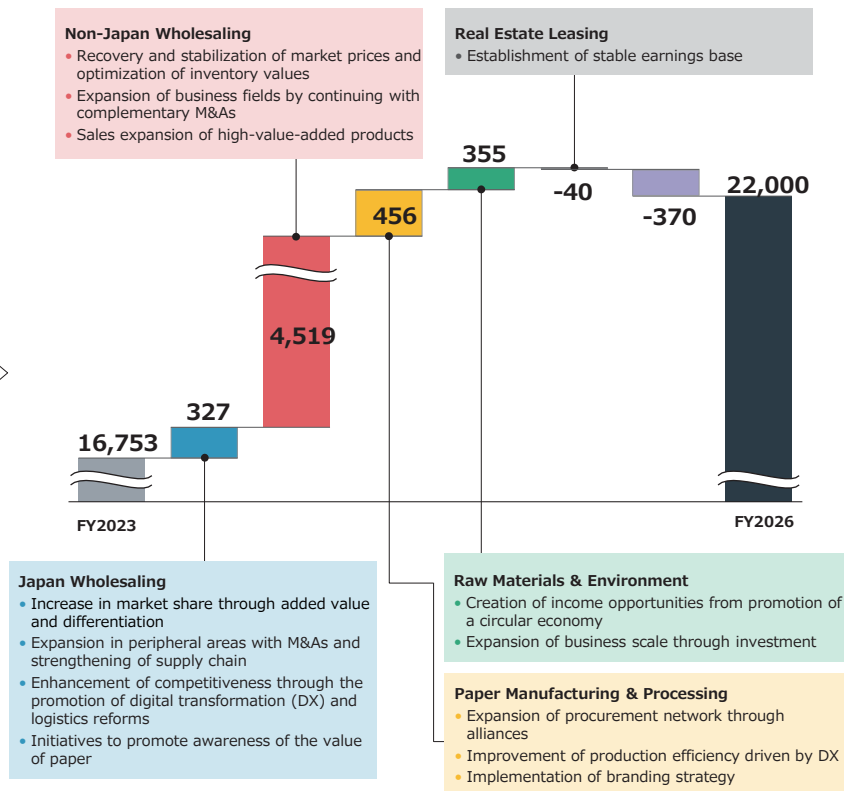
Strengthen Risk Management

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

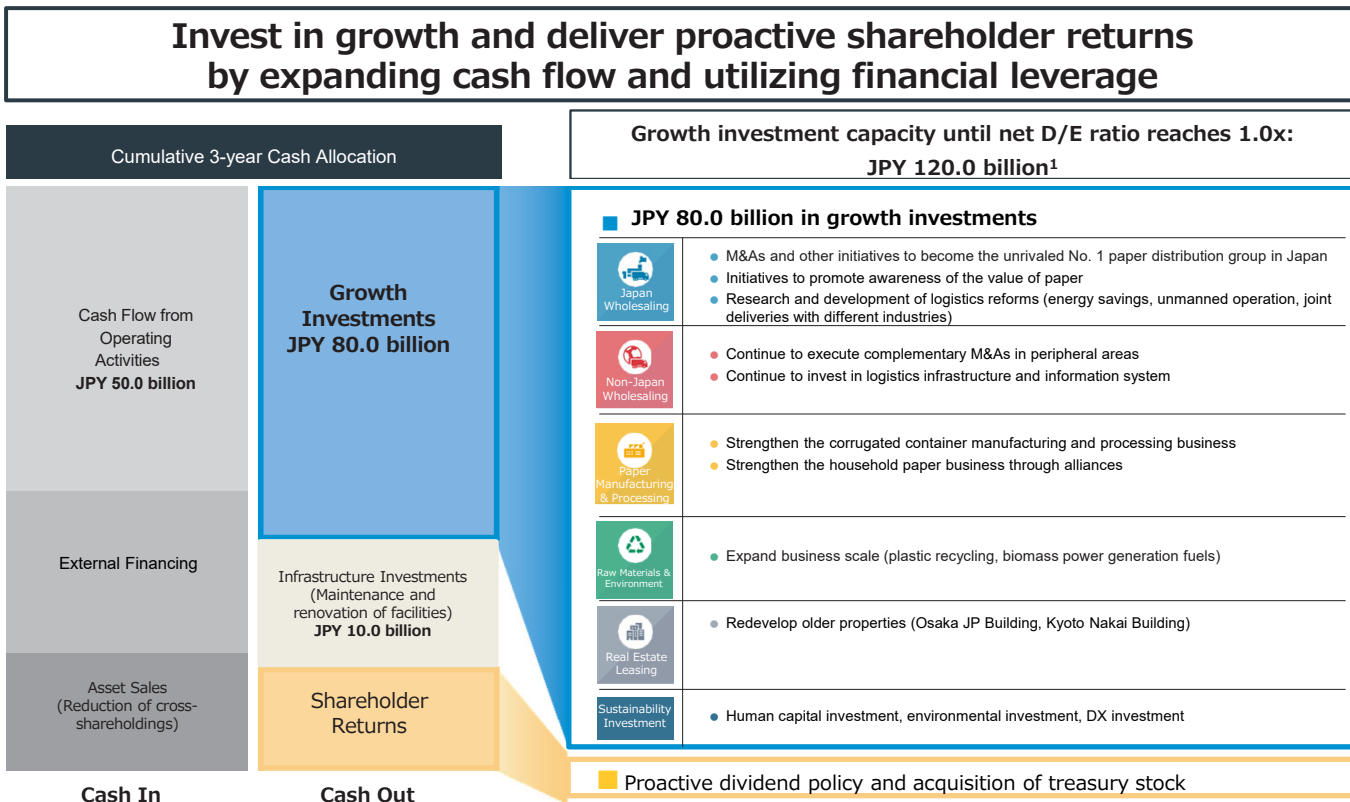
Causes of Increase/Reduction in Consolidated Ordinary Profit Target in OVOL Medium-term Business Plan 2026

FY2026 Consolidated Ordinary Profit Target		
JPY 22.0 billion		
(Millions of yen)		
	FY2023	FY2026 Targets
Japan Wholesaling	6,673	7,000
Non-Japan Wholesaling	3,481	8,000
Paper Manufacturing & Processing	7,044	7,500
Raw Materials & Environment	1,645	2,000
Real Estate Leasing	1,540	1,500
Adjustments	(3,630)	-4,000
Total	16,753	22,000

FY2026 Ordinary Profit Target Change Analysis (Compared with FY2023)



Financial and Capital Strategies: Cash Allocation



*1: 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



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