

April 12, 2017

Japan Pulp and Paper Company Limited

**Announcing Equity Participation Resulting in Subsidiary Acquisition of the Entity Formed  
by the Coming Merger of BJ Ball Group and Doggett in the Oceania Region**

Japan Pulp and Paper Company Limited (“JP”) at today’s Board of Directors meeting adopted a resolution formally approving acquisition of shares of PagePack (AU) Pty Ltd (“BJ Ball AU”), engaged in the import and wholesaling of paper, packaging and related products in Australia under the BJ Ball brand, and concluded a share transfer agreement under which BJ Ball AU will become a subsidiary of JP.

During the interval from today until the acquisition by JP of BJ Ball AU shares, BJ Ball AU will acquire as wholly owned subsidiaries PagePack (NZ) Limited (“BJ Ball NZ”; “BJ Ball Group” here refers to the BJ Ball AU and BJ Ball NZ Group companies as a whole), engaged in the same BJ Ball brand business in New Zealand, and K.W. Doggett & Co. Pty Ltd (“Doggett”), which imports and sells paper and paper products in Australia. A leading corporate group importing and selling paper and paper products in the broader Oceania region is expected to be formed as a result. When JP completes acquisition of BJ Ball AU as a subsidiary, the BJ Ball Group and Doggett Group companies will become JP subsidiaries. Note that this share acquisition is premised on the condition of receiving all necessary approvals from authorities in each of the countries.

**1. Purpose of the share acquisition**

JP has been working to transform its business structure in line with the changing business environment, with the emphasis on boosting the sectors of Non-Japan Wholesaling, Paper Manufacturing & Processing, Resources & Environment, and Real Estate Leasing in addition to the core business sector of Japan Wholesaling. Of these sectors, regarding Non-Japan Wholesaling, JP has in recent years sought to bring into the Group paper wholesalers with a strong presence in various regions of the world. In 2010, JP acquired Gould Paper Corporation, a major independent paper wholesaler in the US, along with its European wholesaling business. Then in 2012, JP invested in KCT Trading Private Limited with its sales network throughout India. By pursuing this strategy, JP has been strengthening its worldwide procurement and supply capability, expanding the scale of Non-Japan Wholesaling business as a whole, while making this business more profitable through fusion with the global network JP built up over many years together with other paper wholesale companies. Currently, the JP Group has 64 overseas branch offices in 22 countries, as it continues to take on new challenges as one of the world’s leading specialized trading companies in the paper and paperboard industry.

In Australia and New Zealand, home nations of the BJ Ball Group and Doggett expected to become JP subsidiaries, the domestic production rate in the paper and paperboard industry is very low, so that products in the printing and communication paper fields in particular are largely dependent on importing, a role that has historically been played mainly by paper wholesalers. In this market, the BJ Ball Group was founded in Australia back in 1918. Today, with six sites in Australia and five in New Zealand, it is engaged in wholesaling of paper along with packaging materials, ink, and other products, as a major player in the paper wholesaling industry in both Australia and New Zealand. In recent years it has also been working to expand its business areas and product fields through M&A and other means.

Doggett is a paper wholesaler founded in 1975. It has grown into a major player in the paper wholesaling industry in Australia, where it does business in four major metropolitan areas. Doggett has built up a product lineup closely matched to the wishes of its customers. It was quick to begin online sales and is known for excellent customer service, making it a leading company in this field.

JP has for some time recognized as an urgent issue the strengthening of its business base in Oceania markets, as part of the process of broadening its global network in order to expand the business scale and improve earning power of the Non-Japan Wholesaling sector. The BJ Ball Group and Doggett, meanwhile, faced with the prospect of weakening demand for printing and communication paper, its main products in the region, have been planning to merge their operations to promote management efficiency through expansion in scale, while at the same time looking to broaden their product lineup as part of a growth strategy, and to establish an improved stable supply structure on a global basis. As each of the three parties were considering solutions to their respective issues, the BJ Ball Group and Doggett turned their attention to use of the substantial JP global network, having maintained good relations with JP over the years. The three parties jointly began to conduct serious talks and studies on furthering their business interests.

Through these talks, the parties agreed to carry on their future business development based on the arrangement described here, by which the BJ Ball Group and Doggett would merge and then become part of the JP Group. This decision was based on the conviction that such an arrangement would help the parties strengthen their business base, and build a supply capability in the region for a wide range of paper and paperboard products, including printing and communication paper, as well as related products, and on the judgment that it would enable provision of further added value to customers.

Through this equity participation, JP will greatly raise its presence in the paper and packaging wholesale market in the Oceania region. At the same time, it will promote further strengthening and utilization of the JP Group global network, and enable greater synergy from supplying the many and varied products handled by JP to the entity resulting from the merger of the BJ Ball Group and Doggett.

In implementing this equity participation, the Board of Directors or Managing Partners of each of the related entities have resolved that after BJ Ball AU has acquired 100% of BJ Ball NZ and Doggett shares, JP will acquire 51% of BJ Ball AU shares.

In addition, as part of this equity participation, an agreement is expected to be concluded giving JP the option of making BJ Ball AU into a wholly owned subsidiary, through additional acquisition of BJ Ball AU shares, as early as two years and no later than three years from the date of this equity participation. The schedule, outline, and other specifics of the additional acquisition will be announced as soon as decided.

**(Company Profile)**
**① BJ Ball AU**

Name of Company	PagePack (AU) Pty Ltd
Location	221-251 Discovery Road, Dandenong South VIC 3175, Australia
Representative	Craig Brown, CEO
Main Business	Importation and wholesale of paper, packaging materials and ink
Capital	AUD38,979,000
Shareholders	PagePack Limited Partnership 100%
Annual Sales	AUD287,135,000 (Fiscal Year March 2016)

**② BJ Ball NZ**

Name of Company	PagePack (NZ) Limited
Location	121 Hugo Johnston Drive, Penrose, Auckland, 1061, NZ
Representative	Craig Brown, CEO
Main Business	Importation and wholesale of paper, packaging materials and ink
Capital	NZD25,200,000
Shareholders	PagePack Limited Partnership 100%
Annual Sales	NZD201,928,000 (Fiscal Year March 2016)

**③ Doggett**

Name of Company	K.W. Doggett & Co Pty Ltd
Location	67 Gower Street Preston Melbourne VIC 3072, Australia
Representative	Simon Doggett, Managing Director
Main Business	Importation and wholesale of paper and paper products
Capital	AUD2,150,000
Shareholders	K.W. Doggett Properties Pty Ltd 85% Ken Ardcowan Pty Ltd 15%
Annual Sales	AUD162,098,000 (Fiscal Year June 2016)

**(Overview of the Number of Shares to acquire, Acquisition Costs)**

Number of Shares to acquire	8,189,659,632 shares (Proportion of voting rights owned: 51.0%)
Acquisition Cost	AUD74,949,600

**(Schedule)**

The schedule shall be as indicated in the table below, with plans to execute a share transfer once approvals have been obtained from the relative authorities in each country.

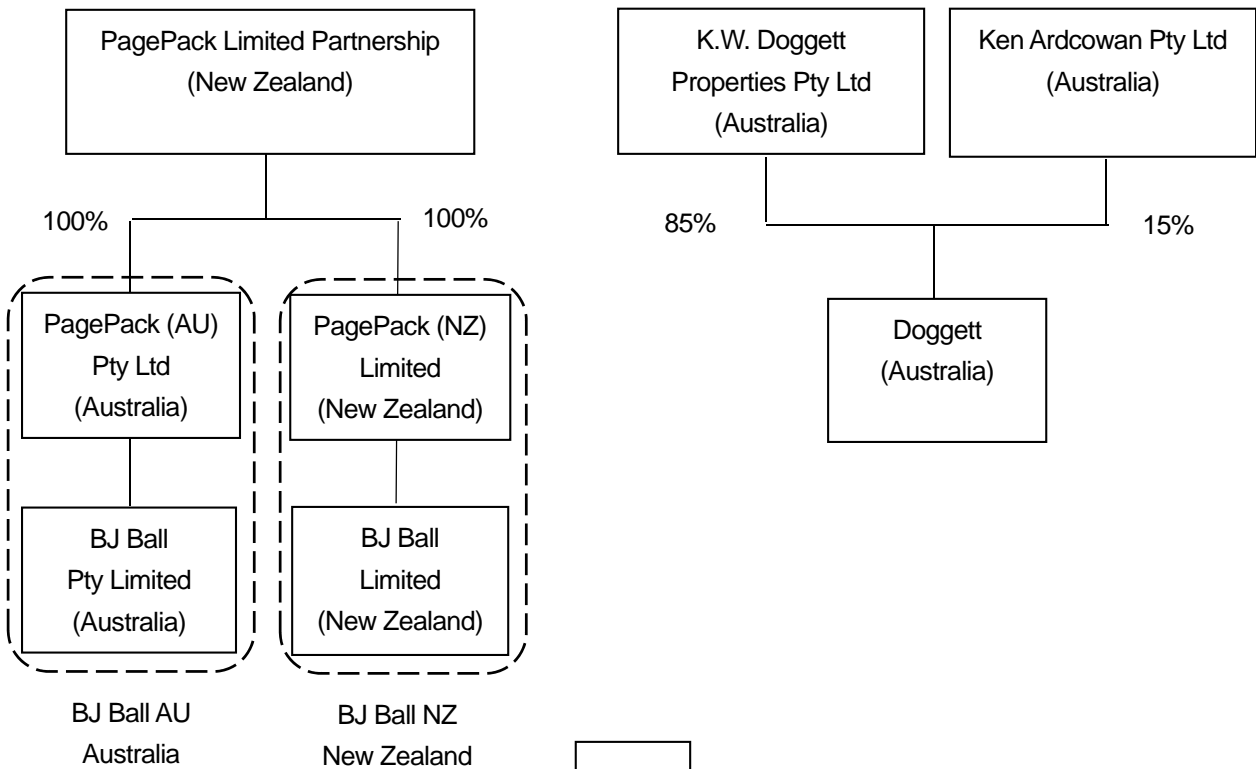
Date of Board of Directors Resolution	April 12, 2017
Date of Contract Signing	April 12, 2017
Date of Share Transfer	July 2017 (Tentative)

**(Enquiries)**

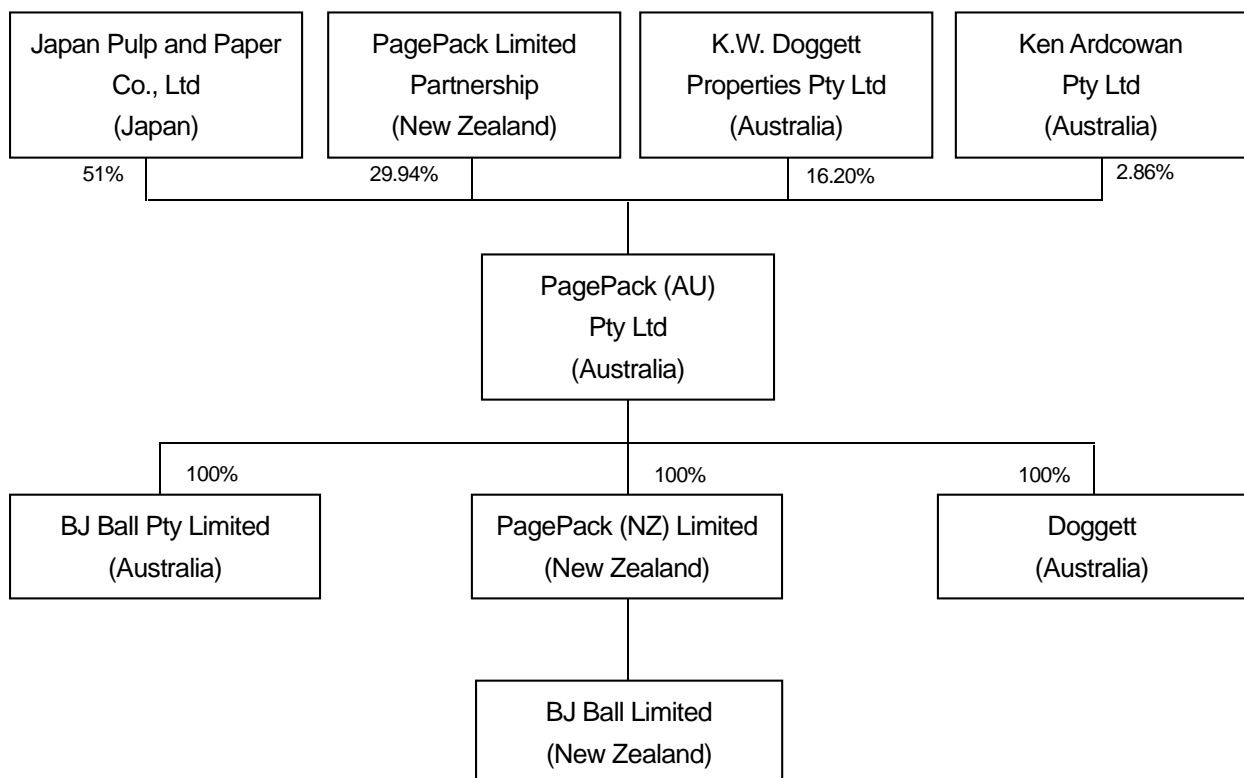
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**Investment Relationships of Parties Concerned with this Share Transfer**

Prior to Share Transfer



Post Share Transfer



### BJ Ball Group • Doggett Business Location



BJ Ball Brisbane



Doggett Melbourne