

Directors and Audit & Supervisory Board Members (As of June 27, 2025)

Directors



Number of Company Shares Held
40,667 shares

Brief History

1959 Born
1981 Joined Jujo Paper Co., Ltd.
2014 Appointed Director, NPI
2019 Appointed President and Representative Director, NPI
2025 Appointed Chairman and Representative Director, NPI (current position)

Toru Nozawa
Chairman and Representative Director

Responsibilities and Important Concurrent Positions
Chairman, Japan Paper Association



Number of Company Shares Held
14,443 shares

Brief History

1963 Born
1988 Joined Sanyo-Kokusaku Pulp Co., Ltd.
2023 Appointed Director, NPI
2025 Appointed Executive Vice President and Representative Director, NPI (current position)

Mitsuhiro Sugino
Executive Vice President and Representative Director

Responsibilities and Important Concurrent Positions
Executive Vice President and Executive Officer, Assistant to President



Number of Company Shares Held
16,568 shares

Brief History

1960 Born
1990 Joined Jujo Paper Co., Ltd.
2023 Appointed Director, NPI (current position)

Atsumi Yasunaga
Director

Responsibilities and Important Concurrent Positions
President and Representative Director, Nippon Paper Creca Co., Ltd.



Number of Company Shares Held
1,000 shares

Brief History

1950 Born
1975 Studied abroad at Harvard Business School in the U.S. (acquired MBA)
1987 Energy Conservation Minister of International Energy Agency (IEA) (resided in France)
1996 Deputy Director-General for the Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry)
2001 Ambassador Extraordinary and Plenipotentiary to the United Arab Emirates
2013 Director, Executive Vice President of Nippon Light Metal Co., Ltd. (until 2015)
2015 Senior Director, Japan Association for Chemical Innovation (until 2019)
2016 Outside Director, Eagle Industry Co., Ltd. (until 2023)
2016 Outside Director, NOK CORPORATION
2016 Appointed Outside Director, NPI (current position)
2024 Outside Director (Audit & Supervisory Committee Member), Chair, Nomination and Remuneration Advisory Committee, NOK CORPORATION (current position)

Makoto Fujioka
Outside Director

Important Concurrent Positions
Outside Director (Audit & Supervisory Committee Member), Chair, Nomination and Remuneration Advisory Committee, NOK CORPORATION



Number of Company Shares Held
13,489 shares

Brief History

1965 Born
1988 Joined Jujo Paper Co., Ltd.
2025 Appointed President and Representative Director, NPI (current position)

Akira Sebe
President and Representative Director

Responsibilities and Important Concurrent Positions
President and Chief Executive Officer



Number of Company Shares Held
13,847 shares

Brief History

1962 Born
1986 Joined Sanyo-Kokusaku Pulp Co., Ltd.
2025 Appointed Executive Vice President and Representative Director, NPI (current position)

Yasuhito Murakami
Executive Vice President and Representative Director

Responsibilities and Important Concurrent Positions
Executive Vice President and Executive Officer, Assistant to President
President and Representative Director, Nippon Tokai Industrial Paper Supply Co., Ltd.
Director, Opal



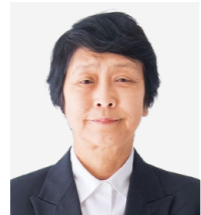
Number of Company Shares Held
4,057 shares

Brief History

1966 Born
1991 Joined Jujo Paper Co., Ltd.
2025 Appointed Director, NPI (current position)

Keiko Watanabe
Director

Responsibilities and Important Concurrent Positions
Executive Officer, General Manager of Sustainability Transformation Div.



Number of Company Shares Held
0 shares

Brief History

1952 Born
1997 Partner, KPMG LLP New York Office
2002 Partner, KPMG Peat Marwick Tax Corporation (currently KPMG Tax Corporation) (until 2014)
2008 Auditor, International Christian University
2015 Outside Audit & Supervisory Board Member, Kobayashi Pharmaceutical Co., Ltd. (current position)
2016 Outside Auditor & Supervisory Board Member, IHI Corporation (until 2020)
2016 Appointed Outside Audit & Supervisory Board Member, NPI (until 2019)
2019 Appointed Outside Director, NPI (current position)
2022 Outside Director, Ajinomoto Co., Inc. (current position)
2022 Outside Director (Audit & Supervisory Committee Member), KOEI CHEMICAL COMPANY, LIMITED (current position)

Yoko Hatta
Outside Director

Important Concurrent Positions
Outside Audit & Supervisory Board Member, Kobayashi Pharmaceutical Co., Ltd.
Outside Director, Ajinomoto Co., Inc.
Outside Director (Audit & Supervisory Committee Member), KOEI CHEMICAL COMPANY, LIMITED



Number of Company Shares Held
0 shares

Brief History

1954 Born
2014 Representative Director and Executive Vice President, TOKYO GAS CO., LTD. (until 2017)
2017 Chairman and Director, Tokyo Gas Engineering Solutions Corporation (until 2020)
2020 Appointed Outside Director, NPI (current position)
2022 Outside Director, ISE CHEMICALS CORPORATION (current position)
2022 Outside Director, Chiyoda Corporation (current position)

Yutaka Kunigo
Outside Director

Important Concurrent Positions
Outside Director, ISE CHEMICALS CORPORATION
Outside Director, Chiyoda Corporation

"Independent Officers": Nippon Paper Industries designates all outside directors who meet the requirements as independent officers. When appointing candidates for outside director or outside Audit & Supervisory Board Member, the Company judges their independence by taking into consideration whether they satisfy the independence criteria provided by the Tokyo Stock Exchange and the requirements for independence provided by laws and regulations (having not served as director, employee, etc. of the Company and its subsidiaries in the past), in addition to considering the existence of any conflicts of interest with general shareholders.

The "Number of Company Shares Held" is as of March 31, 2025, and includes shares held by Nippon Paper Industries executive shareholding association.

Audit & Supervisory Board Members



Number of Company Shares Held
13,105 shares

Brief History

1964 Born
1988 Joined Jujo Paper Co., Ltd.
2021 Appointed Director, NPI
2025 Appointed Senior Audit & Supervisory Board Member, NPI (current position)

Tomoyasu Itakura
Senior Audit & Supervisory Board Member

Important Concurrent Positions
Audit & Supervisory Board Member, Nippon Paper Creca Co., Ltd.



Number of Company Shares Held
18,125 shares

Brief History

1962 Born
1984 Joined Jujo Paper Co., Ltd.
2021 Appointed Audit & Supervisory Board Member, NPI (current position)

Tomoyoshi Nishimoto
Audit & Supervisory Board Member

Important Concurrent Positions
Audit & Supervisory Board Member, NP Trading Co., Ltd.



Number of Company Shares Held
0 shares

Brief History

1951 Born
1976 Assistant Judge, Tokyo District Court
2006 Judge, Tokyo High Court
2007 Chief Judge, Niigata District Court
2009 Presiding Judge, Tokyo High Court
2015 Chief Judge, Yokohama District Court
2016 Registered as attorney at law (Tokyo Bar Association)
2016 Visiting Attorney, Mori Hamada & Matsumoto (current position)
2020 Appointed Outside Audit & Supervisory Board Member, NPI (current position)

Takafumi Okuda
Outside Audit & Supervisory Board Member

Important Concurrent Positions
Visiting Attorney, Foreign Law Joint Enterprise, Mori Hamada & Matsumoto



Number of Company Shares Held
0 shares

Brief History

1962 Born
2005 Director, BUSICOM Co., Ltd. (currently OAG BUSICOM Co., Ltd.)
2008 Outside Audit & Supervisory Board Member, Duskin Co., Ltd. (until 2016)
2010 Representative Director and President, GEN Co., Ltd. (current position)
2017 Outside Audit & Supervisory Board Member, MISUMI Group Inc. (current position)
2019 Appointed Outside Audit & Supervisory Board Member, NPI (current position)
2020 Outside Director, OPTEX GROUP CO., LTD. (until 2023)
2022 Outside Director (Audit & Supervisory Board Member), MEIKO NETWORK JAPAN CO., LTD. (current position)

Nanako Aono
Outside Audit & Supervisory Board Member

Important Concurrent Positions
Representative Director and President, GEN Co., Ltd.
Outside Audit & Supervisory Board Member, MISUMI Group Inc.
Outside Director (Audit & Supervisory Board Member), MEIKO NETWORK JAPAN CO., LTD.

Corporate Governance

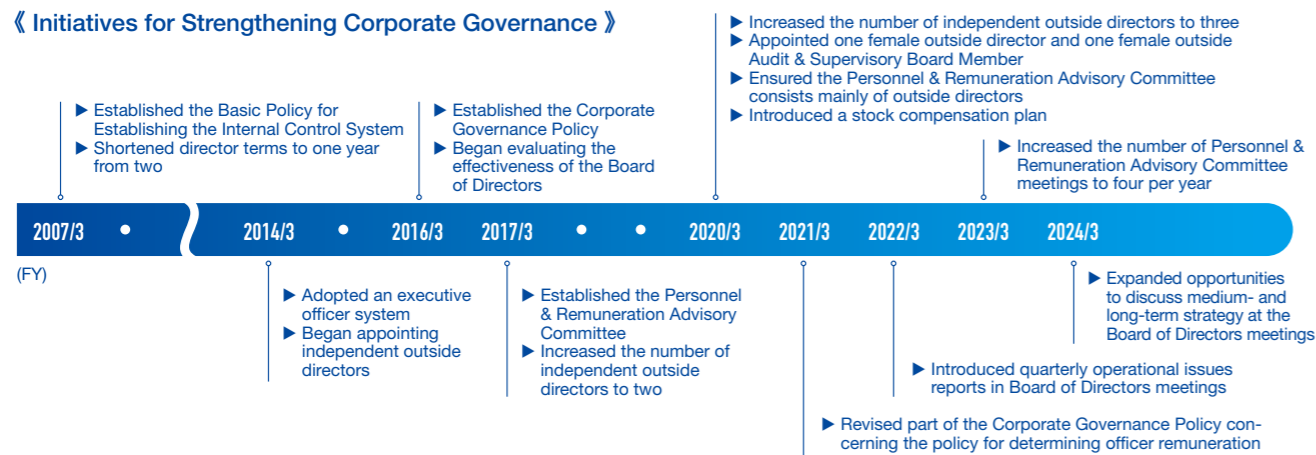
Basic Stance

Nippon Paper Industries strives to strengthen corporate governance based on the Group Mission to achieve sustainable growth and improve medium- to long-term corporate value.

The Company's highest management issue is to further enhance management transparency to stakeholders including shareholders and to realize fair management. The

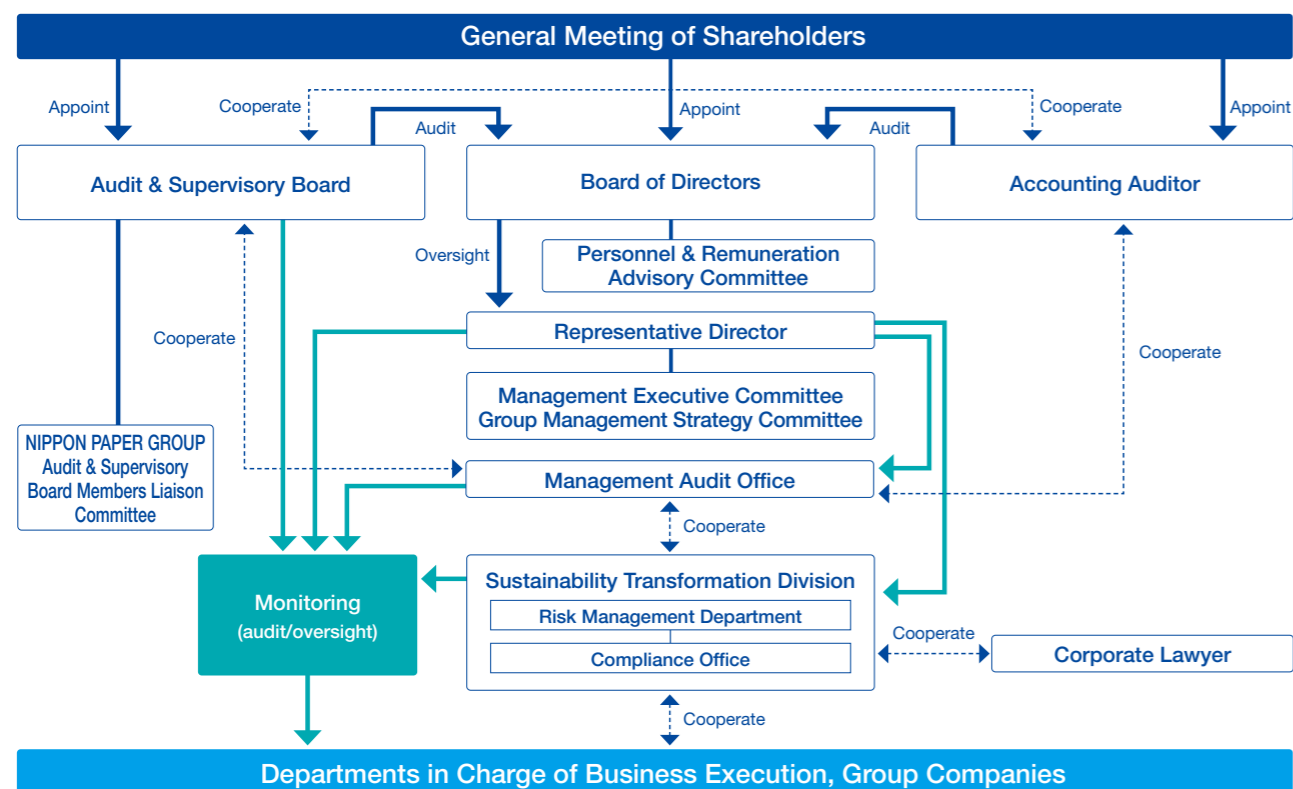
Company has adopted an executive officer system and is working to strengthen the oversight function of its Board of Directors to ensure the separation of business execution and management oversight. As the command center of NIPPON PAPER GROUP, the Company is implementing growth strategies, monitoring businesses under its control, and promoting risk management and compliance.

Initiatives for Strengthening Corporate Governance



Corporate Governance Structure

Corporate Governance Structure (As of July 1, 2025)

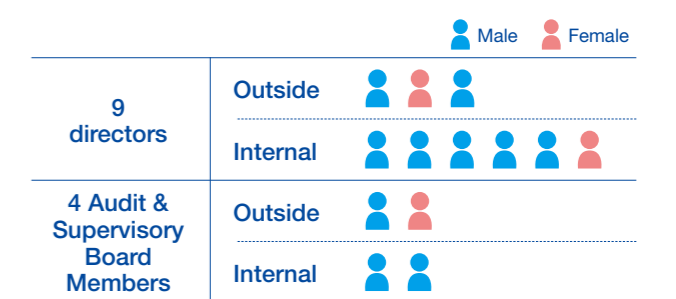


* The Company has adopted a Company with Audit & Supervisory Board system of corporate governance.
* Ernst & Young ShinNihon LLC has been appointed as the Company's accounting auditor.

Board of Directors

The Board of Directors shall bear the supervisory function of management as a whole, ensuring fairness and transparency of management. The Board of Directors shall make the most appropriate decisions for the Company through deliberations, etc. on the execution of important business issues that are to be decided under laws and regulations by the Board of Directors. The Board of Directors shall also supervise the status of the execution of duties by the Representative Director and corporate officers. The Chairman of the Company serves as the Chairman of the Board of Directors, and is committed to exercising and strengthening the supervisory functions of the Board of Directors.

Composition of the Board of Directors (As of June 27, 2025)



Skill Matrix of Directors

The skills that the Company expects each director to demonstrate are listed below. Each skill is designated in light of the 2030VISION's basic policy and its importance (materiality) for management to achieve the Group Mission.

Position	Name	Skills								
		Corporate Management	ESG/ Sustainability	Finance/ Accounting	Human Resources/ Labor	Risk Management/ Governance	Technology/ Research & Development	Sales	Purchase/ Procurement	Inter-nationality
Chairman and Representative Director	Toru Nozawa	○	○	○		○				
President and Representative Director	Akira Sebe	○			○				○	○
Executive Vice President and Representative Director	Mitsuhiro Sugino	○					○	○		○
Executive Vice President and Representative Director	Yasuhiro Murakami	○			○		○			○
Director	Atsumi Yasunaga	○			○		○			
Director	Keiko Watanabe		○			○	○			
Outside Director	Makoto Fujioka	○	○				○			
Outside Director	Yoko Hatta			○		○				○
Outside Director	Yutaka Kunigo	○	○						○	

The above list does not represent all the knowledge and experience held by each director.

Management Executive Committee

The Management Executive Committee usually meets once a week to assist in the execution of the president's duties. Committee membership is basically composed of the president, vice president, and general managers. Meetings held once a month are also attended by outside officers and general managers of the Company's mills in order to share information on monthly financial results.

Committee membership participants are the Company's management, including outside officers, and presidents of major companies of the Group.

Management Audit Office

The Management Audit Office is directly under the president's control. The office conducts internal audits of the Company and each Group company, as well as comprehensive evaluations of the maintenance and operation of the internal control system for financial reporting. It also facilitates coordination between audits by the Audit & Supervisory Board Members and audits by internal auditors.

Audit & Supervisory Board Members and Audit & Supervisory Board

Audit & Supervisory Board Members conduct strict monitoring of the execution of business by directors. They also meticulously audit whether all company operations are conducted legally and appropriately by conducting on-site audits of the Company's divisions, business sites, and Group companies. The Audit & Supervisory Board consists of four Audit & Supervisory Board Members and strives to deepen mutual understanding with the representative directors and to strengthen cooperation with auditors of each Group company.

Board of Directors Meetings Held (FY2025/3)

Number of Board of Directors meetings held: 13
Average rate of attendance by directors: 99.1% (outside directors: 100.0%)
Average rate of attendance by Audit & Supervisory Board Members: 100.0% (outside Audit & Supervisory Board Members: 100.0%)

Audit & Supervisory Board Meetings Held (FY2025/3)

Number of Audit & Supervisory Board meetings held: 14
Average rate of attendance by Audit & Supervisory Board Members: 100.0% (outside Audit & Supervisory Board Members: 100.0%)

Group Management Strategy Committee

The Group Management Strategy Committee meets as necessary to deliberate on management strategies by business segment and other important matters related to the Group.

Personnel & Remuneration Advisory Committee

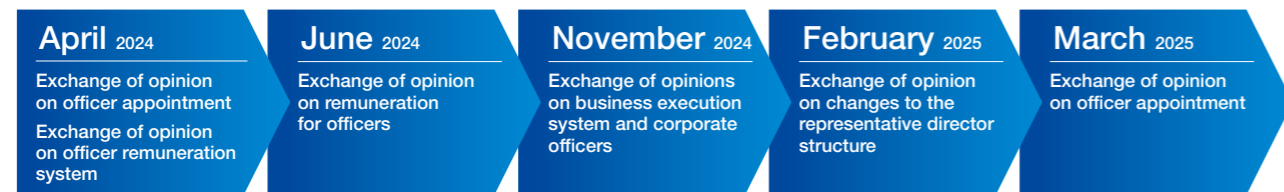
The Company has the Personnel & Remuneration Advisory Committee in place as an advisory body to the Board of Directors. The committee is composed of three independent outside directors, the President and Representative Director, and the General Manager of the Personnel & General Affairs Division. The Company's President and Representative Director serves as the committee chair and receives appropriate input and advice from independent outside directors. In principle, the committee chair serves as the chairperson of committee meetings. However, when there are topics on the agenda that particularly require independence and objectivity to be secured, an independent outside director will serve as the chairperson.

The Personnel & Remuneration Advisory Committee

receives inquiries from the Board of Directors on various matters. These matters include the selection process, qualifications, and reasons for nomination of director and Audit & Supervisory Board Member candidates, the criteria for determining the independence of outside officers, and the remuneration system for officers. The committee responds to those inquiries by reviewing the appropriateness and other aspects of those matters while obtaining proper involvement and advice from independent outside directors and considering its assessment of the Company's business performance and other factors. The Board of Directors makes decisions, after receiving the committee's reports, on matters such as the nomination of candidates for director and Audit & Supervisory Board Member and the remuneration of directors.

Meeting of the Personnel & Remuneration Advisory Committee (FY2025/3)

· Number of meetings held: 6; Average rate of attendance of outside directors: 100%



[Successor to the President]

Candidates for successor to the president are developed by placing them in successively important roles such as executives and directors.

The president seeks to gain the confidence of the Personnel & Remuneration Advisory Committee, which has been established as an advisory body to the Board of Directors, by explaining medium- to long-term management issues and exchanging thoughts and ideas with committee members. In addition, the Personnel & Remuneration Advisory Committee deepens its discussions regarding the qualities the president

should possess and the duties the president should carry out in light of future management issues.

The Personnel & Remuneration Advisory Committee discusses officer-related personnel matters, such as the appointment and dismissal of the president, and reports to the Board of Directors. The Board of Directors, upon receiving the report, will carefully review its contents, deliberate, and decide on the candidates. Through this process, the Board of Directors supervises the formulation and implementation of succession plans.

Policy on Determination of Remuneration, etc. for Directors and Audit & Supervisory Board Members

The standard amount of monthly remuneration for internal directors shall be decided according to his/her responsibilities within the Company. Of that amount, 70% shall be fixed and the remaining 30% shall be paid after adjustment based on the Company's performance in relation to the Medium-Term Business Plan, in principle. The standard amount is determined using objective survey data from outside sources and giving consideration to factors including the Company's performance, scale of business, and managerial circumstances. Performance indices are established to effectively function as motivation to achieve performance targets and are reevaluated as needed in response to changes in circumstances.

In addition, the Company has introduced the Board Benefit Trust (BBT) as a stock compensation plan for internal directors. The objective of the BBT is to increase directors' motivation to contribute to improving the Company's medium- to long-term performance and increasing its corporate value. Monthly remuneration for outside directors and outside Audit & Supervisory Board Members shall be fixed.

In July 2024, the Company added achievement against non-financial indicators to performance standards for internal directors.

Total Amount of Remuneration, etc. for Directors and Audit & Supervisory Board Members* (FY2025/3)

	Number of Executives	Total Amount of Remuneration, etc. by Type			Total Amount
		Fixed Remuneration	Performance-based Remuneration	Stock Remuneration	
Directors	9	¥306 million	¥89 million	¥26 million	¥422 million
(Outside directors)	(3)	(¥43 million)	(—)	(—)	(¥43 million)
Audit & Supervisory Board Members	4	¥62 million	—	—	¥62 million
(Outside Audit & Supervisory Board Members)	(2)	(¥15 million)	(—)	(—)	(¥15 million)

* Figures are rounded down to the nearest million yen.

Remuneration for Internal Directors

	Fixed Remuneration	Performance-based Remuneration	Stock Remuneration
Method	Cash payment		Points granted
Payment allowance	Up to ¥700 million per year		Up to 25,000 points per year (1 point = 1 share)
Payment period	Monthly (no bonuses or retirement benefits)		Director resignation (cumulative points converted to shares)
Calculation method	Standard amount determined according to responsibilities, 70% of which is paid as fixed remuneration	Standard amount determined according to responsibilities, 30% of which is paid after adjustment based on the Company's performance in relation to the Medium-Term Business Plan, in principle	Points granted according to their respective responsibilities
Performance standards	—	[Financial indicators] 70%: Consolidated results (net sales, operating income) 30%: Non-consolidated results (net sales, operating income) [Non-financial indicators] ① Progress toward achieving the GHG emissions reduction target under the 2030VISION ② Progress toward achieving employee engagement targets	—
Other	Fixed amounts contributed to the Company's executive shareholding association		—

Assessment of Board Effectiveness

Once a year since FY2016/3, as an assessment of board effectiveness, the secretariat of the Board of Directors conducts a survey of the directors and Audit & Supervisory Board Members regarding management of the Board of Directors and the discussions held at its meetings. An

external organization provides advice on self-assessments and analysis of results gathered from the survey. In addition, survey responses are submitted to the external organization to ensure anonymity.

Effective Improvement Initiatives for FY2025/3

Tasks Set in FY2024/3	Results of Efforts in FY2025/3
Evaluate the current status to gauge progress, and discuss the long-term direction for each of the themes of the Group's initiatives in order to achieve the 2030VISION by enhancing the Group's business model called "Three Circulations."	Based on discussions at Board of Directors meetings, the Company disclosed "Action to Implement Management That is Conscious of the Cost of Capital and Stock Price" on June 28, 2024. Disclosure overview: <ul style="list-style-type: none"> ① Analysis of current situation ② Policies for improving PBR ③ Initiatives to Improve PBR Why PBR remains low Analysis of factors targeting PBR increase (Logic tree) Improvement of profitability Appropriate capital allocation and improved balance sheet Advance growth strategies and bolster dialogue
	Since the second quarter, the Company considered goal achievement scenarios, KPIs, and hurdle rates for each business segment and priority issue, led by the Corporate Planning Division. At meetings of the Group Management Strategy Committee and the Board of Directors held from October to November 2024, upon explaining the results of such consideration, discussions were held on long-term direction and initiatives, etc., for each business segment.

Results of Evaluation Conducted in FY2025/3

Items	Main Opinions Identified in the Questionnaire
Board discussions	By outside officers attending meetings of the monthly Management Executive Committee and the Group Management Strategy Committee, and Chief Officers submitting reports on a quarterly basis, information is provided in a timely manner, leading to constructive discussions at the Board of Directors meetings. Other than Board of Directors meetings, there are numerous opportunities for the President and outside directors to exchange opinions and discuss issues with the executive side. Therefore, Board of Directors meetings are able to conduct focused questioning and discussions. The Company feels that discussions are being held that meet the needs of stakeholders.
Support system	The Group Management Strategy Committee is fulfilling its complementary role of providing information, leading to lively discussions at Board of Directors meetings. The Company feels that it is able to provide very detailed information, including issues and responses, through the participation of outside officers in reports and discussions at meetings of the Group Management Strategy Committee and monthly Management Executive Committee, aside from the Board of Directors meetings. The Company feels that it is a wonderful initiative that outside officers can attend executive meetings and ask questions and express their opinions. Certain discussions can be held with the executive team prior to the Board of Directors resolution. Each General Manager not only reports on progress toward achieving the medium-term business plan at the monthly Management Executive Committee meeting, but also constantly focuses on achieving the medium-term business plan while performing their duties.

Tasks for FY2026/3: FY2026/3 will be the final year of the Medium-Term Business Plan 2025, and the year in which the next medium-term business plan will be formulated. The Board of Directors will utilize the Group Management Strategy Committee attended by all Directors and Audit & Supervisory Board Members as a forum for discussion, overseeing efforts to achieve the Medium-Term Business Plan 2025, and holding thorough discussions on the formulation of the next medium-term business plan.

Cross-shareholdings

[Policy on Holding and Reducing Cross-shareholdings]

The Company owns stocks that it deems strategically necessary, comprehensively taking into account the importance of such holdings in terms of business strategy, relationships with business partners, and other such considerations, from the medium-to-long-term viewpoint of enhancing corporate value.

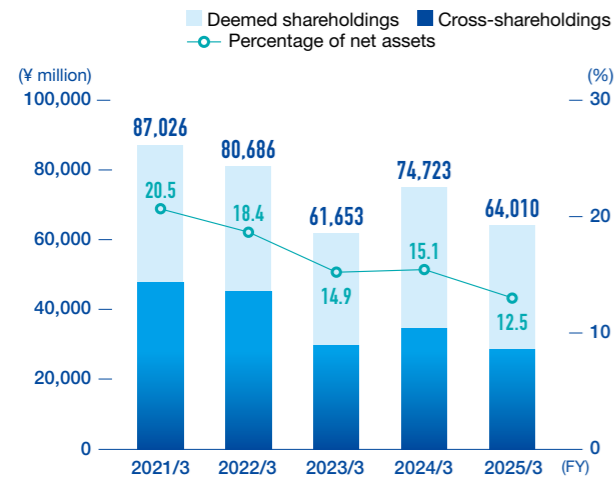
The Board of Directors annually reviews each cross-shareholding, evaluating the medium- to long-term economic rationale and the benefits of maintaining and reinforcing comprehensive relationships with business partners.

The Company sells stocks deemed as lacking sufficient rationale for holding, taking into account profit and loss implications. It accordingly sold approximately ¥30.0 billion worth of such holdings between FY2024/3 and FY2025/3.

The Company has been taking steps to reduce its cross-shareholdings, having announced its goal of “total abolition, in principle for cross-shareholdings” in May 2025. It will allocate the funds acquired by reducing its cross-shareholdings to investments aimed at sustainable growth, with a focus on growth investments and environmental investments.

The Company regards its efforts to reduce its cross-shareholdings based on this policy as important measures toward achieving sustainable growth. As such, it will persist with initiatives taken to reduce its cross-shareholdings, while accordingly disclosing information on progress achieved to such ends.

[Balance Sheet Amounts of Deemed Shareholdings and Cross-shareholdings]



Number of stocks | 212 | 210 | 193 | 183 | 173

Figures for number of stocks and their balance sheet amounts represent the combined total of cross-shareholdings and deemed shareholdings. The percentage of net assets is also calculated based on the combined total of cross-shareholdings and deemed shareholdings.

The Company has been progressively reducing the number of these stocks and their holding value. The increase in the amount recorded in the balance sheet in FY2024/3 was attributable to the mark-to-market valuation of listed shares.

[Standards for Exercising Voting Rights]

The Company shall appropriately exercise the voting rights associated with cross-shareholdings by analyzing the content of each proposal and determining whether or not each proposal will increase the corporate value of both the Company and the investee company.

The Company shall not vote in favor of any proposals that would impair the corporate value of the Company and the investee company.

[Reduction Target]

Scope	Listed shares held as cross-shareholdings (including deemed shareholdings contributed to retirement benefit trust)
Period	From FY2026/3 to end of FY2028/3
Reduction target	¥15.0 billion (based on sales value)
Use of proceeds	Investments aimed at sustainable growth with a focus on growth investments and environmental investments

Compliance

Basic Stance

Based on “NIPPON PAPER GROUP Standards of Business Conduct,” the Group has positioned its compliance as “Compliance goes beyond laws and regulations to include decency, common sense, customs, and other rules, and ‘social norms’ that are expected by society in general, and we are called upon to respond to the expectations and trust of society.” The Group continually carries out activities that raise employees’ awareness of compliance.

The Compliance Office strives to enhance collaboration on compliance with the compliance managers of Group companies in the Group CSR Liaison Meetings. The operational status of the internal whistleblower system is reported to the Board of Directors, as well as to the Audit & Supervisory Board Members and the Management Executive Committee on a quarterly basis.

Revision of Standards of Business Conduct and Code of Conduct

In October 2024, the Company revised the former “Action Charter” and “Codes of Conduct.”

Previously, the Action Charter was shared across the entire Group and the respective companies of the Group would prepare their own codes of conduct. However, the Company has revised the Action Charter and the Codes

of Conduct, while making the Code of Conduct applicable across the entire Group. In so doing, the Company aims to achieve greater public trust and enhance its overall corporate brand value by ensuring that all Group employees embrace the same values and act according to consistent standards.

Compliance Activities

The Group strategically carries out compliance training. Regarding anti-corruption, the Group provides training to ensure there are no inappropriate relationships with local governments or civil servants where it conducts business in Japan and overseas, or there is no transfer of inappropriate economic gains to or from customers, business partners, or others. If there are any cases of suspected misconduct, corrective actions are taken to deal with the situation.

The Company has established the NIPPON PAPER GROUP Helpline as an internal whistleblower system that allows users to directly report and consult on any conduct

that violates laws and regulations regarding human rights, corruption, environment and other areas, as well as corporate ethics. The Company periodically notifies eligible users about the helpline. Opinions and other reports from third parties not covered by the helpline are accepted through the Contact Us webpage of the Group’s website. Since FY2024/3, the Company has started training for general employees in addition to providing continuous training to managers and supervisors in an effort to enhance the prevention of harassment, which is frequently reported.

Occupational Health and Safety

Basic Stance

In order to instill pride in employees, it is necessary to ensure the health and safety of employees at each of the Group’s locations and to maintain sound management. NIPPON PAPER GROUP has formulated its Philosophy and Basic Policy on Safety and Disaster Prevention, while also constructing a system for promoting occupational health and safety, under which all employees and members of management are united. It accordingly maintains the health of employees, realizes a comfortable and friendly working environment and helps to prevent disasters.

NIPPON PAPER GROUP Safety and Disaster Prevention Committee, which is chaired by the General Manager of the Technical & Engineering Division, supervises the Group’s occupational health and safety and disaster prevention activities and reports on these to the Risk Management Committee. The Group has established a communication system between the mills and the head office as well as the divisions within the head office in the case of a disaster. The Group has also established and operates a system to report necessary information to NIPPON PAPER GROUP Safety and Disaster Prevention Committee and top management.

Initiatives for Preventing Work-related Accidents

Guided by its mission of ensuring that nobody is injured within the premises of its mills, the Group works closely with labor unions and partner companies to prevent work-related accidents. Top management conveys this mission to employees through lectures during the new-year period, visits to mills, in-house newsletters, and other means.

Moreover, the Group implements its own system (NPSS*) for continuously pursuing occupational health and safety management activities at the organizational level. By

doing so, the Group strives to improve health and safety levels through the prevention of occupational accidents, promotion of workers’ health, and creation of comfortable work environments.

Additionally, in 2020, the Company established the Medium-term Safety Activity Plan (2020–2025) as part of efforts to construct a foundation for preventing work-related accidents.

* Nippon Paper Occupational Safety and Health Management System

Message from Outside Directors

Steadily Building Up Targeted Earnings and Developing a Compelling Corporate Growth Story

MAKOTO FUJIOKA

Engaged broadly in industrial policy at the Ministry of International Trade and Industry (currently the Ministry of Economy, Trade and Industry), and later became involved in corporate management as Executive Vice President of Nippon Light Metal Co., Ltd. Has extensive overseas experience, including service as Ambassador Extraordinary and Plenipotentiary to the United Arab Emirates.



A Shift in Mindset Takes Hold across the Company, with Expectations of Achieving ¥40.0 Billion in Operating Income

In FY2025/3, both net sales and operating income surpassed the levels of the previous fiscal year. Although unresolved issues remain in the overseas business, the domestic business has steadily achieved operating income of over ¥30.0 billion following on from FY2024/3, confirming that it remains on track with the Medium-Term Business Plan 2025. I view this as the result of ceaseless Company-wide efforts, including price revisions, cost reductions, and reorganization of its production systems, in response to the operating loss recorded in FY2023/3, and the result of progress sustained without pause even after the crisis was overcome. I also believe that a key factor behind this accomplishment was the transformation of sales divisions into a profit center within the Paper and Paperboard Business.

The current fiscal year is the final fiscal year of the Medium-Term Business Plan 2025. I would strongly like the Company to achieve the final-year target of ¥40.0 billion or more in operating income. As an outside director, I will pay close attention to the Company's progress toward achieving this target.

I believe steady strides are also being made toward acceleration of business structure transformation, which is its basic strategy. With regard to reorganization of production systems, the management team has taken proactive steps based on demand forecasts, enabling the Paper and Paperboard Business to maintain high capacity utilization rates. The domestic Daily-Life Products Business is also expanding largely as expected. Therefore, I expect the Group to maintain this momentum and continue to implement initiatives that contribute to further enhancing corporate value under the next medium-term business plan, which is currently being formulated.

Striving to Enhance Corporate Value through Businesses That Help to Solve Social Issues

The Company has strengths in technologies and human resources that enable the diverse utilization of sustainable wood resources, as well as in the integration of business chains originating from forests. Leveraging these strengths, I believe that the Company can provide a variety of solutions that help address major social issues, such as decarbonization and the circular economy. Meanwhile, I recognize the need to

collaborate with partners in other industries to accelerate both the social implementation of new products and growth in their demand. For example, in the Morisora Project, an initiative exploring the manufacture of bioethanol from domestic wood, the Company has established a joint venture with its partners with the goal of achieving commercial production.

I have high expectations that these developments will not only contribute to business and network expansion, but also help to solve social issues, ultimately leading to enhanced corporate value. Going forward, I believe that by constantly seeking opportunities from the perspective of solutions to social issues, we can generate new opportunities for value creation through the sophisticated use of the Company's resources.

As indicated by the Company's stock price and PBR, the capital markets still hold a critical view of the Company. I recognize that implementing management that is conscious of cost of capital and stock price remains a key priority. The Board of Directors has engaged in a series of discussions on improving PBR. Naturally, strengthening the Company's earnings power and capital efficiency is essential to improving PBR, but it is also crucial to gain the market's trust in the Company's growth potential. In the next long-term vision and medium-term business plan, I believe that the Company must develop a compelling growth story grounded in its strengths and communicate it clearly.

Deepening Substantive Discussions in Board of Directors Meetings and Supporting the New Management Team

I believe that the Board of Directors is, at its core, a forum for strategic discussions aimed at enhancing corporate value over the medium- to long-term. In Board of Directors meetings, I strive to deepen discussions from the perspective of the Company's future direction, potential risks, and other such considerations. The Company's Board of Directors functions as a place for constructive discussion, where the opinions of members including outside directors are heard in earnest and reflected in management. I believe that this demonstrates the Board of Directors' high level of effectiveness. As an outside director, I intend to continue supporting the new management team in its proactive efforts to advance structural reforms.

A Diverse Organization Will Also Be Crucial to Improved Recognition by the Capital Markets

YOKO HATTA

Served as a tax advisor to Japanese companies in the U.S. for more than 10 years, and post-retirement has been contributing to corporate management as an Audit & Supervisory Board Member and director with a unique outside perspective.



Steady Progress in Management That Is Conscious of Cost of Capital and Stock Price

As shareholders and investors have shown growing interest in the promotion of management that is conscious of cost of capital and stock price, the Company has held a series of discussions in Board of Directors meetings. Although it took time for an awareness of capital-efficiency-focused business management to take root internally, we began trial implementation of ROIC management by company and ROA management by business from FY2026/3. I view this achievement as steady progress toward meeting shareholder and investor expectations. As an outside director who has consistently conveyed the importance of these initiatives within the Company, I feel that I have been able to fulfill my responsibilities to a certain extent.

To improve the stock price, I believe it is essential to more actively promote our initiatives to contribute to a sustainable society and raise expectations for the Company. I also expect the Company's executive team to further strengthen thoughtful dialogue with the capital markets.

Signs of a Recovery at Opal, Expediting Efforts to Return to Profitability

In the overseas business, the top priority is to return Opal to profitability as early as possible. In FY2025/3, losses narrowed with each successive quarter, and signs of earnings recovery began to emerge. However, the business remains in the red, and further earnings improvement is necessary. At the Maryvale Mill, efforts are underway to accelerate earnings improvement, including stabilizing operations, reducing costs, and improving the sales mix of paper. In the Packaging Business, Opal will focus on expanding its market share by making full use of the new corrugated box plant and upgraded facilities, while also strengthening its sales structure. As an outside director, I will closely monitor the progress of these initiatives.

Under the direct leadership of then-President Nozawa, the Group came together to provide ongoing support to Opal. As a result, I feel that we are finally beginning to establish a solid foundation as an integrated production base for competitive packaging. Although demand in Australia is currently somewhat stagnant, we now have a clear path to profitability. Therefore, I expect that, by steadily implementing earnings improvement measures, the Group will deliver solid results from a medium- and long-term perspective.

Spurring the Creation of New Value through an Organization Where Diverse Human Resources Flourish

As an outside director, I have consistently communicated the importance of Diversity, Equity & Inclusion (DE&I) within the Company. This is about more than simply increasing the number of women. The longer a company's history, the more it tends to cling to established ways of thinking and become a highly homogeneous organization. To take on the challenge of expanding into new business domains beyond the Paper Business and to generate innovation that transcends existing boundaries, it is essential to have human resources with diverse values and perspectives. In particular, when expanding business overseas, fostering an organizational culture that embraces diversity is a prerequisite for understanding local markets and achieving success.

A woman has been appointed as an internal director for the first time in the Company's history. To continuously nurture future female senior management candidates, it is vital to have career role models for women and to design systems that prevent career gaps. I expect the executive team to implement such measures at the earliest opportunity.

Furthermore, the Company faces a major business risk in securing and retaining human resources. In particular, at sites with 24-hour operations, Japan's aging population with fewer children has made recruitment increasingly difficult each year. In addition, the early turnover of younger employees has become a concern. To improve employee engagement, the Company conducted coaching skills training at its mills in FY2025/3, which yielded positive results. Therefore, efforts are now underway across the Company to encourage vigorous workplace communication.

I believe it is extremely important to create a workplace environment in which each employee can work with pride and positivity. This includes systems that help personnel engage in diverse work styles, such as those involving childcare and caregiving, and ensuring that work processes are not overly reliant on specific individuals. Such efforts are essential to successfully completing our business structure transformation.

It is people, without question, who enable companies to create value, and promoting DE&I will spur new value creation and lead to stronger external recognition. Under the new management structure, I remain committed to helping build an organization where diverse human resources can flourish, just as I have until now.

Increasing the Value of Forests for the Future Under a New Management Structure

YUTAKA KUNIGO

Handled procurement, production, and sales of gas and electricity at his former company and has knowledge and experience in all aspects related to energy. Currently serves as an outside director for three manufacturing companies, including Nippon Paper Industries.



Striving to Enhance the Value of Forests from a Long-term Perspective

The Company owns forests in Japan and overseas, and generates public value through CO₂ absorption, ecosystem conservation, and preservation of water resources. Currently, however, it is not yet at the stage where it can clearly demonstrate how this value is directly reflected in its earnings. Looking ahead from a long-term perspective, I believe the social importance of domestic forests that produce sustainable wood resources will certainly increase in Japan, both in response to market needs for low-environmental-impact products and services, and as a means of addressing resource depletion risks. In addition, I recognize that wood resources will also increase in importance overseas from the perspective of ensuring the stable procurement of wood resources.

Anticipating this future, it is important to promote the elite tree seedling production business and to improve forest productivity by applying technologies developed through overseas plantation business. Through these initiatives, I expect the Group to enhance its environmental value over the medium- to long-term, while also contributing to the growth of Forest and Wood-related Business and the creation of new business opportunities.

In a sustainable society, the value of forests will increase, but there are also risks, such as those associated with emissions trading schemes. To reduce such risk, the Company will actively utilize decarbonization support through GX Economic Transition Bonds, which are one example of a decarbonization policy package alongside emissions trading schemes, and will accelerate the reduction of greenhouse gases (GHGs). Furthermore, the introduction of such schemes is expected to energize the carbon credit market in Japan. We intend to closely monitor this area, including forest absorption credits, as a new business opportunity.

A Changing Mindset toward Investment Decisions and Strengths in Immediate Responses at the Frontlines

Given my background in the manufacturing industry, I focus particularly on frontline operations in Board of Directors meetings and always take a cautious approach in evaluating the appropriateness of capital investments from the perspectives of profitability and risk. For example, the new black liquor recovery boiler planned for the Company's Ishinomaki Mill is an environmental investment that aims to achieve both

environmental contribution and corporate growth through the effect of reducing GHG emissions together with the shutdown of the existing coal boiler, and by supplying society with biomass products that generate fewer GHG emissions during production. When introducing this project, I requested scenario analyses that considered various risks and asked the executive team to conduct a thorough study of these matters together with profitability. We held multiple discussions on the findings. I believe that deepening such discussions around investment projects and enhancing their feasibility are important roles of an outside director. I also feel that by repeatedly conveying this perspective, the executive team has become more mindful of these considerations.

Moreover, based on my own experience, I highly commend the Company's speed and cohesiveness in its operations, an approach that reflects lessons learned from past incidents, as demonstrated by the immediate establishment of response teams when operational issues arise at its mills. Meanwhile, as securing human resources at the mills becomes an increasingly significant challenge, I strongly encourage the executive team to seriously consider how this strength can be maintained going forward.

Fulfilling My Obligations as an Outside Director with an Eye on the Next Stage

During the six-year period when Chairman Nozawa served as president, management faced an extremely challenging environment due to the impact of the COVID-19 pandemic, Russia's invasion of Ukraine, and the surge in raw material and fuel prices. The management structure concentrated the response to those and various other issues in one person, the president. In contrast, under the new management structure, by sharing responsibilities among the representative directors, I believe that the Company can achieve both management efficiency and rapid decision-making.

President Sebe is well versed in the field of raw materials procurement, including wood. I expect that he will clearly develop the Group's growth story, which will be driven by businesses rooted in forests, in the next long-term vision and medium-term business plan.

As an outside director, I will provide effective oversight and actively offer advice to ensure that the new management team takes appropriate action on current issues and transitions smoothly to the next medium-term business plan.

Communication with Stakeholders

The Company places emphasis on communication with stakeholders, including shareholders and investors, with the aim of achieving sustainable growth and improving corporate value. As part of these efforts, a small meeting between outside directors and institutional investors was held on March 12, 2025.

Directors Fujioka, Hatta, and Kunigo attended the meeting, which was joined by a total of 10 institutional investors both online and in person. This meeting has been held

regularly since 2021, making this the fifth session. During the meeting, participants exchanged opinions on the efforts of the outside directors to enhance corporate value and on the Company's governance structure, based on questions from the institutional investors.

This section presents a selection of questions and answers related to the governance structure, drawn from those raised during the meeting.

Q1 Does the Board of Directors adequately fulfill its governance function?

A The Company's Board of Directors provides an environment in which outside directors are free to express their opinions, and the executive team accepts their input in earnest. We believe that such substantive, rather than merely formal, discussions are clear evidence that governance is functioning effectively. When submitting proposals to the Board of Directors, thorough discussions are held in advance, and problems such as risks and issues are identified. These discussions are repeated as needed until satisfactory countermeasures are presented. Ultimately, the proposals are submitted to the Board of Directors for consideration and resolution. For important matters, outside directors are briefed in advance of the resolution by the Board of Directors and actively offer their opinions from the early stages. We believe that this level of engagement is essential to ensuring effective governance.

Q2 What is the ratio and composition of outside directors, and how are you expediting deliberations and decision-making?

A The Company currently has three outside directors, each of whom offers opinions from a unique perspective. As outside directors, we also actively monitor developments such as changes in industry pricing trends, and strive to fulfill their roles by taking early, proactive measures in response. To expedite deliberations by the Board of Directors, efforts are made to maintain a sense of urgency while bringing forward necessary considerations and exchanges of opinions. For example, the executive team begins providing explanations to outside directors more than two weeks before Board of Directors meetings. Furthermore, in important decision-making processes such as investment decisions, speed is emphasized while ensuring that reviews and judgments are made from an objective viewpoint.

Q3 Can you please describe the support system for outside directors?

A Outside directors receive robust support. In addition to participating in Board of Directors meetings, we are given opportunities to attend key meetings, such as the Group Management Strategy Committee and the Management Executive Committee, as observers, and to receive prior briefings. Moreover, two-way communication is fostered with the executive team on important matters, with input from outside directors sought from the initial stages of review and discussion. Given this structure, an environment has been put in place to enable outside directors to fully carry out their roles.

Q4 Do you have any requests for the management team from your standpoint as outside directors?

A While the forest resources owned by the Company and its environmental investment initiatives may be taken for granted internally, we believe that, from an outside perspective, they have not been adequately communicated to external stakeholders. The Company should proactively communicate its outlook for CO₂ emissions reductions and the credibility of its plans. Furthermore, in addressing the management issue of the Company's PBR falling below one, it is essential not only to pursue higher ROE, but also to improve PER. In other words, the Company must present a compelling growth story that earns stronger market recognition. In the next medium-term management plan to be formulated, we strongly hope that the Company will develop and clearly articulate a concrete vision for its future.



Scenes from the small meeting (held on March 12, 2025)

Risk Management

Basic Stance

NIPPON PAPER GROUP conducts risk management during normal operation, and in the event of emergencies, with the aim of preventing managerial risks from manifesting and minimizing the impact of those that do occur. All possibilities that may result in a physical or financial loss or a loss of credit or disadvantage to the Group are considered risks to the Group.

Basic Policies

- ① Prioritizing human life and safety
- ② Continuing business

Under the aforementioned policies, the Group will follow and comply with the guidance and recommendations of national and regional governments.

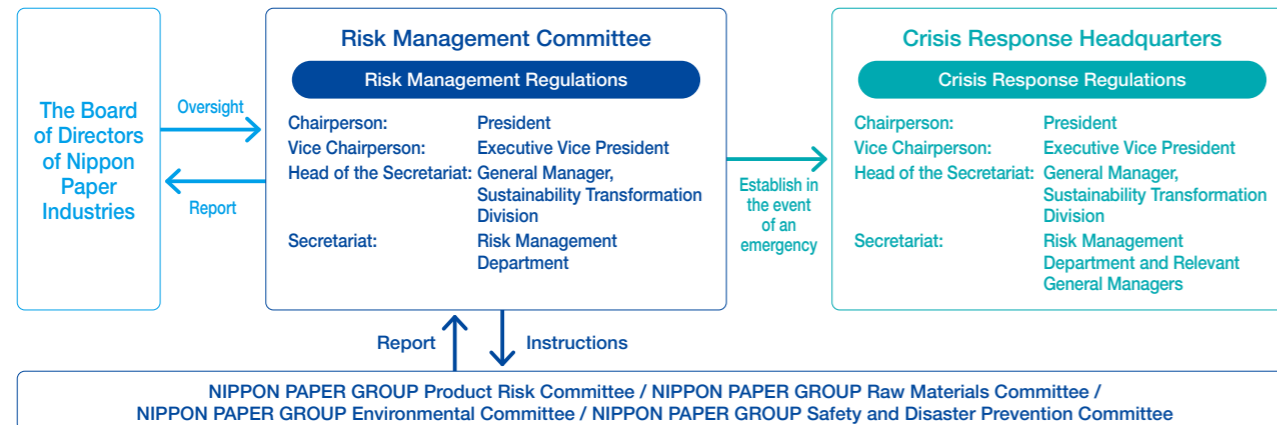
Promotion Structure

Nippon Paper Industries has established its Risk Management Committee, which is chaired by the President and Representative Director under the supervision of the Board of Directors, and meetings are held at least once a year. In normal operations, the committee regularly identifies and evaluates the Group's risks, deliberates on measures to reduce these risks and responds if they materialize, and reports them to the Board of Directors.

In addition, the respective risks relating to product safety, raw materials procurement, environment, and safety

and disaster prevention are examined and discussed in committees chaired by the general managers of the relevant divisions in the Company. They are then reported to the Company's Board of Directors via the Risk Management Committee.

In an emergency, a Crisis Response Headquarters will be launched. It swiftly carries out initial responses and its business continuity plans (BCPs) in emergencies depending on risks such as earthquakes, typhoons, infectious diseases, and others.



Risk Management Activities

[Maintaining the BCPs]

To address major natural disasters that have become more frequent in recent years, the Group continues to maintain BCPs based on the business continuity management (BCM) framework it worked to develop in FY2021/3. In the Company's head office, the BCPs drawn up by each department are made known within the Company. In addition, the Company has stockpiled food and daily necessities and has added equipment that will be needed when the Crisis Response Headquarters is set up, and has also selected important operations. The Company's mills are working to revise existing BCPs around the assumed disaster scenarios of earthquakes, tsunamis, typhoons, floods and volcanic eruptions. Moreover, 30 Group companies have established crisis response regulations. Going forward, the Group will strive to establish and enhance its BCPs.

[Enhancement of Crisis Management]

At the Company's head office, under the framework of the BCM, training is conducted involving the smooth establishment of the Crisis Response Headquarters. The purpose of this training is to improve the Company's crisis management capabilities during the initial response in the event of a crisis. In FY2025/3, the Company conducted a drill under the assumption of the Tokyo Inland Earthquake, in which some of the Company's head office functions were moved to the Iwakuni Mill and a Crisis Response Headquarters was established.

[Risk Identification]

In FY2025/3, the Risk Management Committee conducted a risk survey of the Company (head office and mills), domestic consolidated subsidiaries, three non-consolidated subsidiaries and three overseas consolidated subsidiaries. In addition to

identifying risks, the committee also confirmed risks that materialized in FY2025/3 and risks that will increase in importance in the future. Based on the results, the relevant departments and the Risk Management Committee have discussed and identified the business risks of the Group as follows.

《 Major Business Risks for NIPPON PAPER GROUP (FY2025/3) 》

	Summary	Main Risk Mitigation Measures
Major risks associated with management strategies	Risks in securing human resources	▶ Proactive hiring and development of human resources with diverse backgrounds ▶ Development of a work environment that supports flexible work styles ▶ Automation and labor-saving at operational sites
	Risks associated with delays in the improvement of Opal's earnings	▶ Optimization of the production system and stabilizing the operations of the Maryvale Mill ▶ Increasing production capacity and boosting productivity through capital investment in the Packaging Business
	Risks associated with climate change	▶ Reduction of GHG emissions by energy savings and increasing the proportion of renewable and waste energy ▶ Utilization of J-Credits scheme ▶ Promotion of elite trees
	Risks associated with a decline in demand for graphic paper	▶ Bolster competitiveness through the restructuring of the graphic paper production system ▶ Maintain and expand sales quantities by developing and expanding the lineup of environmentally-friendly products ▶ Expand exports by developing products for overseas and strengthening the sales supply system
	Risks associated with a delay in the expansion of the Biomass Material Business	▶ Application development, commercialization and sales expansion of biomass material products ▶ Promotion of open innovation ▶ Aggressive intellectual property strategy
	Risks associated with supply chain management	▶ Procurement from multiple regions and multiple sources ▶ Review of inventory levels ▶ Expansion of flexibility and procurement network by strengthening horizontal cooperation within NIPPON PAPER GROUP ▶ Joint marine shipping with other companies ▶ Introduction of a truck arrival booking system
	Risks associated with natural disasters and infectious diseases	▶ Establishment of the Crisis Response Headquarters ▶ Maintaining BCPs ▶ Conducting regular training based on disaster scenarios ▶ Thorough measures to prevent outbreaks of infectious diseases
Main risks associated with the business environment and business activities	Risks associated with production facilities	▶ Planned measures against deterioration with aging ▶ Preventive maintenance
	Risks associated with compliance	▶ Regular education and training ▶ Compliance awareness survey
	Risks associated with the health and safety of workers	▶ Operation of the Occupational Safety and Health Management System
	Risks based on product liability	▶ Supervision by the Group Product Risk Committee ▶ Utilization of product liability insurance
	Risks associated with environmental laws and regulations	▶ Dissemination of and compliance with environmental laws and regulations
	Risks associated with information systems	▶ Construction and operation of systems in preparation for cyber-attacks ▶ Strengthening the personal information management system
	Risks associated with intellectual property disputes	▶ Protecting intellectual property rights ▶ Internal education

Product Safety

Basic Stance

NIPPON PAPER GROUP has made "Delight our customers" (by accurately responding to their needs) one of the requirements of its Vision to realize the Group Mission. Supplying products needed by society with assured safety and quality is a critical issue that a manufacturing company should address as a matter of course. The Group ensures safety and quality based on the Philosophy and Basic Policy on Product Safety, and strives for the stable supply of diverse products that support people's lives and

culture while earning the public's trust.

The NIPPON PAPER GROUP Product Risk Committee, chaired by the General Manager of the Sustainability Transformation Division, manages activities related to the Group's product safety and reports on these activities to the Board of Directors through the Risk Management Committee. The Group complies with laws, regulations, etc. in Japan and overseas, and strives to ensure product safety using management methods appropriate to each business or product.

Product Safety Activities

The Group has been working to build its risk management structure with the aim of bolstering product safety management. In FY2022/3, the Group established minimum standards common to all Group companies for product safety and quality assurance, in FY2023/3 major Group companies formulated and began implementing product risk

management regulations based on the minimum standards. Nippon Paper Industries revised its guidelines for manufacturing food-contact paper and paperboard to align with the Positive List System for Food Product Utensils, Containers, and Packaging in FY2025/3, prior to the revision of the industry's voluntary standards.

Respect for Human Rights

Basic Stance

In 2022, NIPPON PAPER GROUP established the NIPPON PAPER GROUP Human Rights Policy (hereinafter, "Human Rights Policy") through a resolution by the Board of Directors of Nippon Paper Industries by revising the existing Philosophy and Basic Policy on Human Rights, Employment and Labor (established in 2004). The new policy was created as a means of carrying out more effective activities to respect

human rights in an effort to realize the Group Mission. The Human Rights Policy was established in accordance with global standards such as the United Nations Guiding Principles on Business and Human Rights.

In accordance with the Human Rights Policy, the Group will reinforce respect for human rights across the entire value chain.

《 Policies and Participation in International Initiatives on Human Rights 》



Promotion Structure and Remedy

The Group has established the Risk Management Committee, supervised by the Board of Directors of the Company and headed by the President and Representative Director, which meets once a year or more. Human rights-related risks within the Group are addressed through the risk management promotion structure (→ P.64).

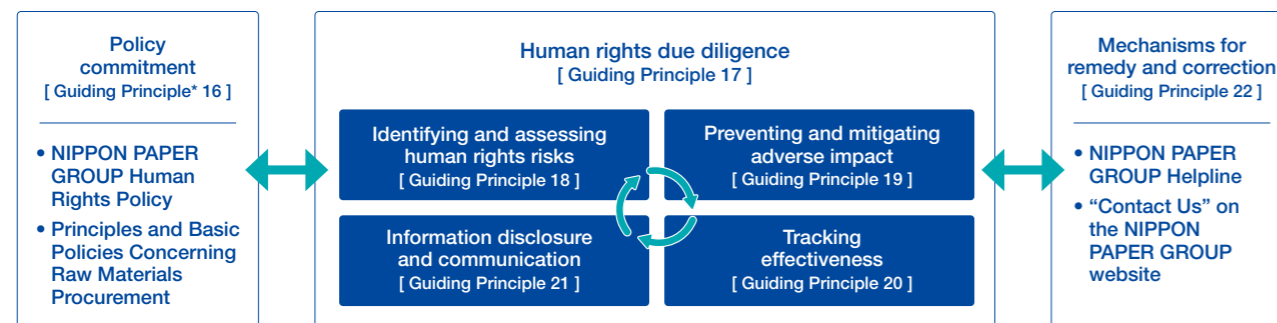
In addition to the NIPPON PAPER GROUP Helpline system, which the Company set up as an internal whistleblower system, the Group accepts inquiries regarding concerns about any possible violation of human rights through the Group's corporate website (<https://www.nipponpapergroup.com/english/inquire>).

Human Rights Due Diligence

The Company launched its Human Rights Working Group in 2021, thereby introducing human rights due diligence. Meanwhile, it has constructed a human rights due diligence system based on corporate responsibility to protect human rights required by the United Nations Guiding Principles on Business and Human Rights. In 2022, based on its Human Rights Policy, the Company conducted an evaluation of human rights risks with a comprehensive view of value

chains related to the Paper and Paperboard Business, the Paper-Pak Business, and the Chemical Business, and identified high-priority human rights risks that must be addressed. The Company continues to address issues that have been identified and will regularly evaluate its human rights risks while working to expand the scope of such evaluations going forward.

《 Overview of Human Rights Due Diligence (Nippon Paper Industries) 》



* The United Nations Guiding Principles on Business and Human Rights

[Process for Identifying Human Rights Risks and High-priority Issues]

- ① Created a list of human rights risks according to each stakeholder in the value chain based on global standards*.
* United Nations Environment Programme Finance Initiative (UNEP FI) Human Rights Guidance Tool, etc.
- ② Scored human rights risks on the human rights risk list with a focus on the degree of negative impact on human rights, likelihood of occurrence, and relationship and distance from the Company, and identified high-priority risks that must be addressed.

[Preventing and Mitigating Adverse Impact]

Confirmation of Consideration for Human Rights at Overseas Wood Chip Suppliers

The Company revised the Principles and Basic Policies Concerning Raw Materials Procurement (hereinafter, "the Procurement Policies") in 2022 to enhance initiatives for respecting human rights throughout the entire supply chain. Based on the Procurement Policies, the Company has employees in charge of procurement or locally stationed personnel visit overseas wood chip suppliers to conduct interviews covering matters such as health, hygiene, safety, disaster preparedness, working conditions, and local environmental concerns from the perspective of consideration for human rights. In FY2025/3, the Company carried out inspections in Vietnam, and confirmed that there were no problems.

《 Inspection in Vietnam 》



(Left) Clean break area equipped with air conditioning
(Right) Fire extinguisher in chip yard and warning to prevent contamination

Human Rights Surveys at Contractors of Mills in Japan

The Company regularly sends surveys to contractors of mills in Japan and has them conduct a self-check, mainly to confirm compliance with labor and safety laws and regulations. Survey results are shared with the human resource managers of each mill. In addition, starting from FY2020/3, the Company conducts follow-up surveys. The Company revised survey content based on human rights risk evaluation results in FY2023/3, and accordingly conducted a survey using the revised version in FY2024/3. In FY2025/3, the Company received survey responses from a total of 82 contractors of 15 sites in Japan.

Confirmation of Human Rights Issues Associated with Non-wood-based Raw Materials Suppliers

In FY2023/3, the Company formulated an action plan for the procurement of all raw materials based on the Procurement Policies. The Company extended the scope of its confirmation of human rights issues pursuant to the action plan, thereby surveying not only suppliers of wood chips, pulp and other wood-based materials as was previously the case, but also critical suppliers of all raw materials for paper and paperboard products, as well as paper cartons, chemicals, household paper, healthcare, and specialty paper, and the surveys are administered successively from FY2025/3 onward.

Relationships with External Organizations and Institutions

Exchanges of Opinions with Amnesty International Japan

The Company holds a meeting to exchange opinions with Amnesty International Japan every year. In FY2025/3, opinions were exchanged on matters that included human rights-related training for Group employees, human rights issues surveys of contractors in Japan, and the expansion of the scope of human rights issues checks through raw material supplier surveys.

Participation in the Global Compact Network Japan's Human Rights Due Diligence Subcommittee

The Company participates in the Global Compact Network Japan's Human Rights Due Diligence Subcommittee, where information is gathered and opinions are exchanged concerning the latest trends in human rights and initiatives by each company.

Education and Training

The Group conducts education and training related to human rights within the Group. In FY2025/3, such education and training included training with the objective of better preventing harassment, as well as training on basics of business and human rights provided to employees of the

Group pursuant to the Human Rights Policy. In addition, the Group held lectures on the theme of human rights, thereby working to raise awareness among Group employees and workers at contractors at domestic mills.

Nature Conservation

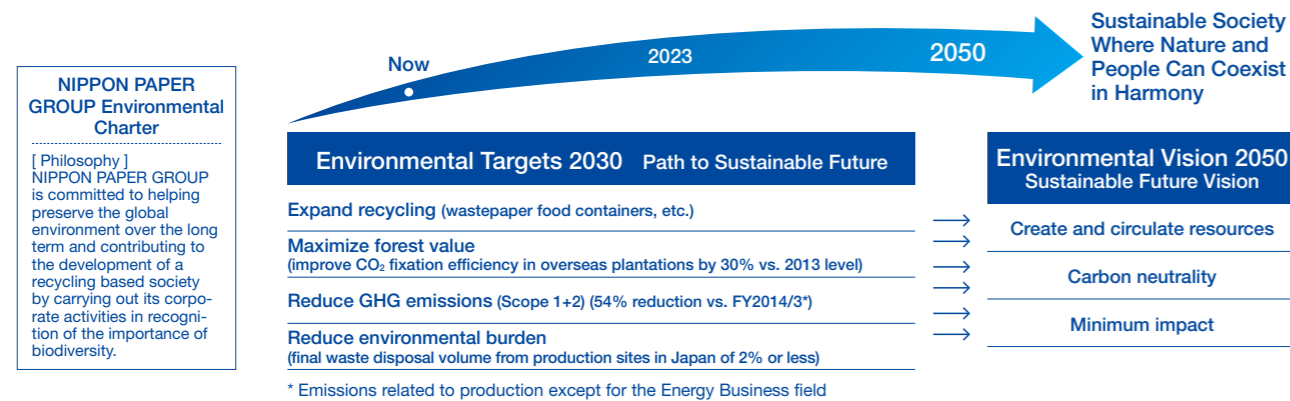
1 Environmental Management

NIPPON PAPER GROUP ESG Databook 2025

[NIPPON PAPER GROUP Environmental Vision 2050, NIPPON PAPER GROUP Environmental Targets 2030]

The Group established the NIPPON PAPER GROUP Environmental Charter, and practices environmental management that contributes to the formation of a sustainable, circulation-oriented society by working from a long-term perspective to reduce its environmental impact, promote the circular use of

resources, preserve biodiversity, and respond to climate change. The Group has established its ideal state in 2050, and is making a full Group-wide effort on the NIPPON PAPER GROUP Environmental Targets 2030, which were formulated using a backcasting process.



[Governance for Environmental Management Promotion]

The Group has established the NIPPON PAPER GROUP Environmental Committee, chaired by the General Manager of the Nippon Paper Industries' Technical & Engineering Division, who is also the Representative Director of the Company. The committee deliberates important matters concerning

environmental management such as managing and evaluating the appropriate implementation of the NIPPON PAPER GROUP Environmental Targets 2030, and reports to the Board of Directors of Nippon Paper Industries through the Risk Management Committee (→ P.64).

2 Response to Climate Change

NIPPON PAPER GROUP ESG Databook 2025

Climate change is a social issue the world is confronting and the NIPPON PAPER GROUP's basic policy under the 2030VISION is to "respond to the rapidly changing social landscape including greenhouse gas (GHG) emissions reduction and environmental issues" as the Group moves forward on measures to mitigate and adapt to climate change, centering on reducing GHG emissions.

Based on the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, the Group is

conducting multiple scenario analyses assuming a rise in temperature, setting indicators and targets, and working on countermeasures to reduce risks and seize opportunities that leverage its strengths. The Board of Directors of Nippon Paper Industries engages in oversight of business execution, enlisting reports it receives on outcomes of analyses and on activities from the Risk Management Committee and from each of the executive officers in charge of GHG emissions reduction and promotion of environmental management.

Information Disclosure Related to Climate Change

《 Risks and Opportunities as of 2030 (Some excerpts are shown below) 》

Type of Risk			Phenomena with Impact on Financial Plans	Financial Impact	
				1.5°C Scenario	4°C Scenario
Transition risk	Regulatory	Introduction of carbon pricing, etc.	• Rising carbon prices	High*	Low*
			• Increasing capital investment expenses for fuel conversion and energy saving	High	Low
Physical risk	Acute	Increase of catastrophic disasters	• Stoppage in the delivery of supplies and products as logistics networks are cut off	Medium-High	High
	Chronic		• Production stoppage due to damage at production sites		
		Rising temperatures and change of rainfall patterns, etc.	• Increased price of forest resources and other plant-based materials due to frequent forest fires and a decline in plant growth	Medium	High

* Carbon price impact - Low: Less than ¥10.0 billion; Medium: ¥10.0 billion or more but less than ¥50.0 billion; High: ¥50.0 billion or more (qualitative evaluation except for carbon price). Carbon pricing adopts IEA's Net Zero Emissions scenario.

Type of Opportunity	Phenomena with Impact on Financial Plans	The Group's Strengths	Market Growth	
			1.5°C Scenario	4°C Scenario
Introduction of carbon pricing, etc.	• Storage batteries will spread, and demand for raw materials for storage batteries will increase	• CMC technologies and production facilities • CNF technologies and production facilities	Significant expansion	Expansion
	• Demand for cellulose nanofiber (CNF) will increase due to the need to reduce the weight of automobiles, etc.			
	• Demand for forest absorption credits will increase	• Company-owned forests in Japan • Elite tree seedling business • Forest management, breeding and propagation technologies	Significant expansion	Stable
Changes in market needs	• Demand for chemical raw materials using wood-derived CO ₂ will increase	• Biomass-derived CO ₂ supply infrastructure (recovery boilers) • Chemical CO ₂ fixation and utilization technology	Significant expansion	Stable
	• Demand for biomass materials and lignin products will increase as the need for paperizing increases due to decarbonization	• Woody biomass material development technologies • Technologies to extract and utilize lignin • Technology for recycling unused wastepaper	Significant expansion	Expansion
	• Demand for domestic wood will increase • Demand for elite tree seedlings will increase due to increased reforestation area in Japan	• Company-owned forests in Japan • Domestic wood procurement network • Forest management, breeding and propagation technologies	Expansion	Significant expansion
	• Demand for sustainable aviation fuel will increase	• Technology for producing bioethanol from wood resources • Multiple kraft pulp manufacturing facilities	Expansion	Expansion

[Reduce GHG Emissions]

Reducing GHG emissions is a pressing matter for the Group in response to climate change issues as the paper pulp industry is an energy-intensive industry and is highly vulnerable to transition risks associated with the introduction of carbon pricing, energy policies and other such factors. The Group is working to reduce GHG emissions through fuel conversion, energy saving, and reorganization of production systems. Meanwhile, since these initiatives are progressing steadily, the reduction scenario of the 2030VISION was brought forward in May 2023 and the FY2031/3 target was revised to a 54% reduction in GHG emissions (Scope 1+2) compared to FY2014/3*. Going forward, the Group will continue to reduce transition risk by further accelerating its decarbonization measures in areas such as fuel conversion and energy saving, and also by reorganizing the Paper Business production system in an integrated manner.

* Emissions related to production except for the Energy Business field

《 FY2025/3 GHG Emissions by Scope Category 》

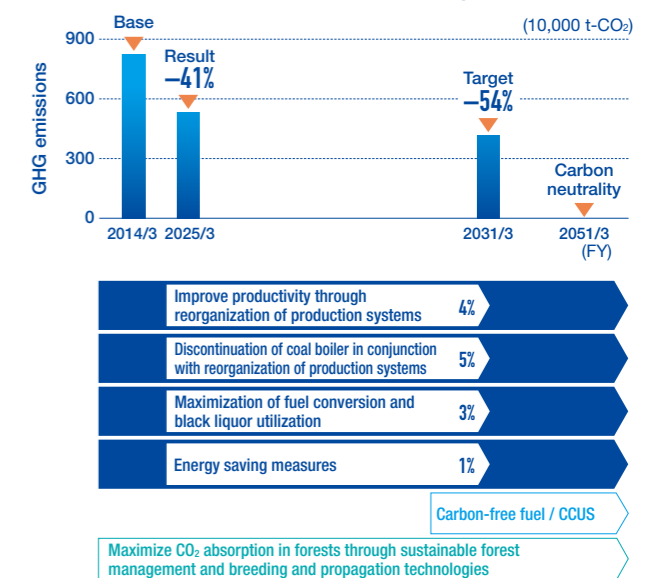
Scope 1+2*	5.04 million t-CO ₂	Scope 3	5.78 million t-CO ₂
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* Emissions related to production except for the Energy Business field

[Fuel Conversion Initiatives]

Since the latter half of FY2022/3, the Company's earnings have been substantially affected by rising prices of raw materials and fuel worldwide, and surging prices of coal in particular. The Group is working to maximize production efficiency by

《 Plan for Shift to Carbon Neutrality 》



《 Initiatives to Reduce Coal Consumption 》

Initiatives	Issues	Countermeasures
• Fuel conversion (switch to biomass, waste and purchased electricity)	→ Address change in operating methods accompanying fuel conversion, facility modifications	→ Utilize accumulated boiler technology know-how
• Coal boiler power limitation, utilized schedule of maintenance outages	→ Stable procurement of fuels other than coal	→ Utilize the Group's internal procurement network and maximize use of black liquor

—Nippon Paper Industries Ishinomaki Mill

Project to Bolster the Competitiveness of Biomass Products by Significantly Reducing GHG Emissions

At the Ishinomaki Mill, a fuel conversion project is underway to significantly reduce GHG emissions by installing a high-efficiency black liquor recovery boiler and discontinuing one coal boiler. This project has been approved for funding by the Ministry of Economy, Trade and Industry's "Energy and Manufacturing Process Conversion Support Program for industries in hard-to-abate sectors." This will ensure that transition risks related to climate change are reduced, while at the same time providing society with biomass materials with low GHG emissions during the production process, along with their environmental value, thereby working on the "creation of green markets" and aiming to simultaneously achieve carbon neutrality and economic growth (GX).

Overview of Capital Investment Plan

[Location] Nippon Paper Industries Co., Ltd. Ishinomaki Mill
 [Investment size] ¥55.0 billion (of this, the government subsidy limit: ¥18.3 billion)*1
 [Investment description] High-efficiency black liquor recovery boiler: evaporation capacity 390 t/h
 Steam turbine/power generator: power generation capacity 56 MW
 [Start of operation] Q4, FY2029/3
 [GHG emissions reductions**] 500,000 t-CO₂e (10% of the Company's emissions**3)

*1 At time of adoption
 **2 Including reductions from the discontinuation of the existing coal boiler
 **3 Emissions related to production except for the Energy Business field

[Energy Saving Initiatives]

Energy saving is an incredibly important measure in energy-intensive industries. The Group has been working on energy saving measures from the perspectives of both facilities and operational management. This has involved setting a target for achieving improvement in total energy consumption per unit of production by at least one percent relative to the previous year, and creating a database of energy-saving renovations.

[Participation in the GX League]

The Company takes part in activities of the GX League, which serves as a forum for facilitating cooperation of a coalition of companies with government and academia in taking on challenges of green transformation (GX), through its participation in efforts involving rule formation and a voluntary green transformation emissions trading system (GX-ETS*). As a result of proactively implementing GHG reduction measures, the Company has made progress in reducing GHG emissions by 39% in FY2024/3. The Company will continue to consider and implement various measures to achieve its targets.

Furthermore, by providing society with materials and products that have a low environmental impact through GHG emissions reductions, the Company will actively contribute to the "creation of green markets," which is one of the GX League's activities.



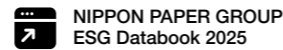
Moreover, the Group's paper mills have also been addressing the issue of water conservation in seeking to save energy, given that such facilities incur energy loss associated with their large volume of water use in production processes for the sake of maintaining quality. The Group consistently takes on the challenges of introducing new technologies with the simultaneous aims of saving water and energy, while also maintaining quality.

《 GX-ETS Reduction Targets (vs. FY2014/3) and Actual Results 》

	Target		Actual Results
	2026/3	2031/3	2024/3
Scope 1+2	37%	52%	39%

* Nippon Paper Industries participated on a non-consolidated basis

3 Reduction of Environmental Burden



[Water Resources Management]

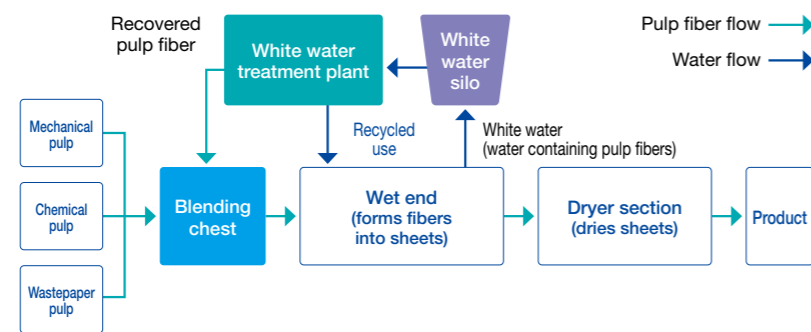
The Group works to reduce the amount of water used and to reduce water pollutants in order to continually use water resources. Although the Group began analyzing water-related risk from FY2024/3, it has determined that such risk is low at

— Water Conservation through Circulation of White Water

The Group's paper mills collect water containing fine pulp fibers generated in the wet end of the paper-making process, called white water. The recovered white water is separated into pulp fibers and water in a treatment plant, after which the pulp fiber

is returned to the blending chest, while the water is circulated back to the wet end for reuse, thereby reducing the amount of water used. Water conservation not only reduces water consumption, but also leads to energy savings as a side effect.

《 White Water Circulation Flow Diagram 》



— Water Risk Evaluation

Due to the nature of its business, the Group is highly dependent on water resources, making sustainable water resource management essential. Therefore, the Group accurately assesses the situation with water stress at its domestic and overseas production sites and non-production sites, and actively implements measures to reduce risk.

During the fiscal year, the Group assessed water risk (Baseline Water Stress: 5-point scale) at a total of 89 sites, including

42 domestic sites (27 production sites, 15 non-production sites) and 47 overseas sites (33 production sites, 14 non-production sites) using the Water Risk Atlas in the World Resources Institute's (WRI) Aqueduct 4.0. The Group then determined the risk level of each site. Based on the results of these assessments, the Group will work to improve water usage efficiency and implement targeted measures at high-risk sites, striving to ensure sustainable business activities.



(1) Domestic

The majority of domestic sites are in the "Low to Medium" or "Medium to High" risk category, with no sites facing extreme water risks such as "High" or "Extremely High," as the risk

(2) Overseas

At overseas sites, the risk distribution is wide, ranging from "Low" to "Extremely High" due to differences in regional characteristics and locational conditions. In Oceania in particular, some sites were found to have "High" or "Extremely High" water risks. This is due to Oceania's unique dry climate, regional differences in precipitation amounts, and the distribution of water resources. The Group is enhancing its water resource management in accordance with local conditions.

Meanwhile, production sites outside of Oceania are rated

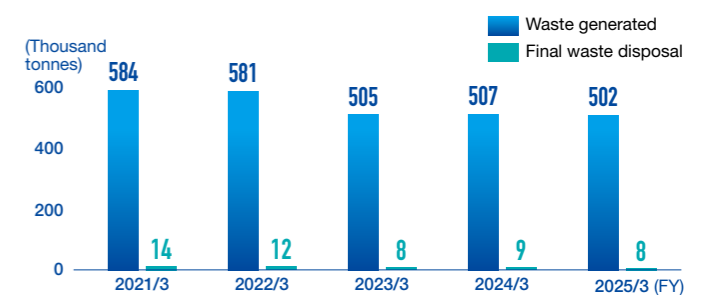
distribution remains stable overall. As for production sites, 44% are in the "Medium to High" risk category, so the Group will continue to monitor and promote water-saving measures.

"Low" or "Low to Medium" risk, and continue to operate in stable water resource environments. While some non-production sites are rated "Extremely High," these are sites where administrative functions are performed, such as branch offices, and there is not a direct impact on production activities. Overseas sites are also actively working to reduce water intake and discharge, achieving a water consumption rate of less than 2%, which is a higher level of water usage efficiency than in Japan.

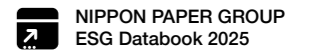
[Waste Reduction]

Having established a target of keeping its final disposal volume of industrial waste from production sites in Japan to 2% or less by FY2031/3, the Group has been working to review production processes and promote the effective use of boiler ash for civil engineering materials and other purposes. The Group not only reduces waste within the Group, but also contributes to reducing waste generated in the regions by accepting regional waste as fuel.

《 Waste Generated and Final Waste Disposal 》



4 Promoting the Circular Use of Resources



The Group operates recycling facilities for food and beverage paper containers from which high-quality, high-white pulp can be produced, and promotes its use as raw material for paper-making in a wide range of fields, including paper, paperboard, and household paper. By expanding recycling activities for difficult-to-treat wastepaper such as used paper cups and peeled-off release paper, the Group as a whole utilized 11,908

tonnes of unused, difficult-to-treat wastepaper in FY2025/3. Going forward, the Group will continue to contribute to the creation of a sustainable, circulation-oriented society through resource circulation, such as the establishment of a sorted collection recycling system, horizontal recycling, and upcycling, while also aiming to build new styles of business.

— Recycling of Printed Wastepaper with The Shin Nihonkai Shimbun

In March 2025, the Company signed a joint declaration on "Forest Resource Development and Circulation in the New Era" with Tottori Prefecture and related associations. This declaration aims to shift to the sustainable circular use of forest resources within Tottori Prefecture, and it plans to work with partners in the prefecture to promote various initiatives regarding sustainable forest management, advanced use of wood resources, and wastepaper recycling.

As part of this effort, the Company has begun working with The Shin Nihonkai Shimbun Co., Ltd. to create closed loop recycling for printing wastepaper generated during the newspaper printing process. The Company is also together considering creating closed loop recycling for waste newspaper collected from readers.



March 2025 signing of the joint declaration in Tottori Prefecture (published in the Nihonkai Shimbun on March 27, 2025)

— Paper Cup Recycling through Three-Company Collaboration with Japan Airlines and TOKAN KOGYO

Since December 2022, the Company has been lending its cooperation to an initiative for recycling paper cups and other such items together with Japan Airlines Co., Ltd. (hereinafter, "JAL"). Under the initiative, JAL Group appropriately sorts and collects paper cups and other such items used during its in-flight services for applicable domestic flights, and the Group establishes unique routes for transporting, collecting, and packing such items.

At first, the initiative was limited to recycling these items into containerboard and other such materials. In June 2024, however, it was expanded to achieve Japan's first horizontal recycling*1 of paper cups back into paper cups*2 enlisting a three-company partnership also with paper cup manufacturer TOKAN KOGYO CO., LTD.



Recycled paper cups (image provided by JAL)

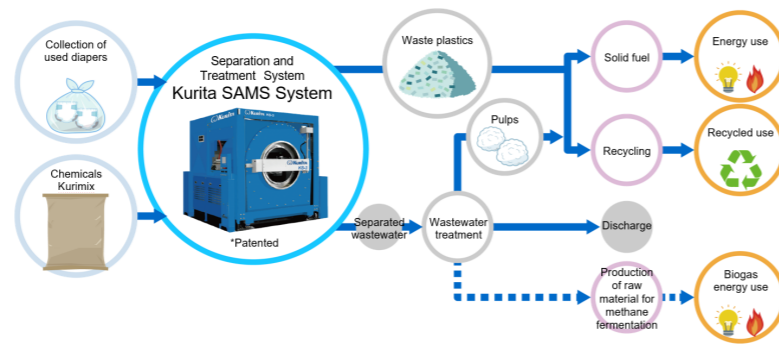
*1 According to the Company's research

*2 This involves using recycled paper including used paper cups among other raw materials.

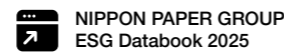
—Joint Development of Eco-friendly Paper Diapers with Kurita Water Industries

Most of the used paper diapers in Japan are incinerated in general or industrial waste treatment plants. With the aging of society and other factors, the volume of used paper diapers is expected to continue to increase, leading to a growing need to recycle them. Nippon Paper Crecia is collaborating with Kurita Water Industries Ltd. (“Kurita Water Industries”) to develop environmentally-friendly paper diapers. In this development project, Nippon Paper Crecia is sharing information on paper diaper products and on the separation and processing of waste using the Kurita SAMS System, and the two companies are deliberating product specifications for paper diapers that will improve the quality of the separately treated plastics and pulp materials. Through this development project, the aim is to further support a sustainable society by contributing to the creation of a circulation-oriented society and the realization of a carbon neutral society.

《 Recycling Process Using the Kurita SAMS System 》



5 Preservation of Biodiversity



The Group’s business activities greatly depend on the natural world, which nurtures biodiversity, and at the same time those activities affect the natural world in many ways. That is why the Group has established its Basic Policy on the Preservation of

Biodiversity and has been working to achieve harmony between biodiversity and its business activities by continuously using wood resources, which are a main raw material, and plentiful water resources, and by reducing its environmental impact.

[Preservation of Biodiversity in Forest Management]

Forests possess public interest functions such as CO₂ absorption and fixation, ecosystem maintenance, water resource preservation and disaster prevention. The Group aims to procure sustainable wood resources while also maintaining and

improving the public interest functions by working to preserve biodiversity in cooperation with various stakeholders in its own forests in Japan and overseas.

[Information Disclosure Based on the Taskforce on Nature-related Financial Disclosures (TNFD)]

The Group procures raw materials and fuel such as coal and wood chips and pulp from sources in Japan and overseas, and also uses numerous water resources in its manufacturing processes. With respect to the dependence and impact

on natural capital and biodiversity in both direct operations (manufacturing) and upstream supply (procurement), the Group conducts analyses and evaluations using the LEAP approach*1.

• Governance

The Group has established a governance structure for contending with natural capital and biodiversity similarly to the way it addresses climate change issues.

• Strategy

Dependence and Impact (LEAP Approach: L)

Using ENCORE*2 to perform analysis, the Group became aware as follows with respect to items that are extremely dependent on ecosystem services and have a very large impact on natural capital.

《 Dependencies on Ecosystem Services 》

	Ecosystem Services	Dependencies
Supply	Fibers and other materials	Materials derived from plants and animals, etc.
	Groundwater	Groundwater
	Surface water	Surface and above-ground water
Adjustment	Climate control	Long-term storage of CO ₂ in soils and oceans, and regulation of temperature, humidity, and wind speed using vegetation
	Flood and storm protection	Protection from floods and storms using vegetation
	Mass stabilization and erosion control	Stabilization of coastlines and sand dunes, etc., and prevention of erosion using vegetation

《 Impacts on Natural Capital 》

	Impacts	Specific Factors
Inputs	Water use	Examples include volume of groundwater consumed, volume of surface water consumed, etc.
	Terrestrial ecosystem use	Examples include area of agriculture by type, area of forest plantation by type, etc.

None of the categories are classified as being subject to very high emissions

*1 The LEAP approach is a process proposed by the TNFD for systematically evaluating nature-related risks and opportunities based on scientific evidence. A key distinctive aspect of the approach is its four sequential steps of: 1) Locate your interface with nature, 2) Evaluate your dependencies and impacts on nature, 3) Assess your nature-related risks and opportunities, 4) Prepare to respond to nature-related risks and opportunities and to report on your material nature-related issues.

*2 The Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE) analysis tool makes it possible to ascertain the level of impact and dependency on the nature.

Identification of Priority Regions (LEAP Approach: E)

To identify priority regions, the Group used the WWF Biodiversity Risk Filter to assess 35 items related to biodiversity impacts in its sourcing locations (Tier 1). Priority regions are defined as material areas that are highly dependent on and have a significant impact on nature, and are considered important to its business, and were identified taking into consideration the results of the WWF assessment and regions with large procurement volumes. As a result of this analysis, the Group found that Tier 1 chip suppliers in South Africa and Vietnam and a Brazilian plantation company were priority regions. Therefore, the Group expanded the scope of its analysis to Tier 3 for South Africa and Vietnam.

Risks and Opportunities (LEAP Approach: A)

Based on the results of its nature dependency and impact assessment, the Group identified nature-related risks and opportunities that need to be addressed.

《 Risks in Priority Locations 》

Category	Risks	NIPPON PAPER GROUP's Initiatives
Physical	Lower timber productivity due to extreme weather and forest fires	<ul style="list-style-type: none"> Utilize fire insurance and enhance monitoring systems Strive to level forest age composition ratios to create diverse forests that are resistant to natural disasters
	Lower timber productivity in the event of water pollution or water shortages	<ul style="list-style-type: none"> Conserve water sources in company-owned forests including forest reserves such as water source retention forests through forest systems management and reforestation
	Reduced tree growth due to ecosystem degradation	<ul style="list-style-type: none"> For planted forests and secondary forests, strive to level out forest age composition ratios to rejuvenate forests and increase forest biodiversity Deepen Company users' understanding of the diverse functions of forests, promote conservation and restoration activities in company-owned forests, and strive to maintain sustainable forest ecosystems
Policy	Lower timber productivity due to limitations on land that can be used for plantations as a result of the expansion of protected areas	<ul style="list-style-type: none"> Perform zoning of environmental forests and economic forests Reduce the pressure put on developing precious forests that should be preserved by increasing forest productivity When forests, even economic forests, are confirmed to be habitats for rare wildlife, collaborate with NPOs, etc., to protect and conserve species while continuing timber production

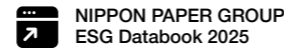
《 Opportunities 》

Category	Opportunity	NIPPON PAPER GROUP's Initiatives
Markets	Increase in economic value of the diverse functions of forests (CO ₂ , biodiversity, soil, nutrition, water source retention)	<ul style="list-style-type: none"> Implement projects that will create J-Credits equivalent to 200,000 t-CO₂ in company-owned forests in Japan As part of natural capital accounting, participate in ISFC and take part in the establishment of a system for quantifying forest value to increase the value of company-owned forests in Japan and overseas plantations
	Increase in inquiries regarding wood resources	<ul style="list-style-type: none"> In forests with solid development histories, utilize high quality species and elite trees to increase forest productivity, thereby supplying sustainable wood resources
	Development of business through technologies for improving forest productivity	<ul style="list-style-type: none"> Expand the elite tree seedling business in Japan and establish a 10-million-unit production system by FY2031/3 (forest industry demand for seedlings is predicted to reach 100 million units by 2030) Overseas, supply technologies for performing early selection of high quality varieties and plantation technologies to existing plantation operators, connecting them with the Company's overseas procurement activities
Products	Increase in sales of environmentally-friendly products made from wood resources	<ul style="list-style-type: none"> Meet rising demand for paper and biomass-derived products driven by moves away from plastic and the growth of sustainable consumption. Develop and expand sales of environmentally-friendly products to capture new markets and increase brand value. At the same time, expand the Biomass Material Business through biomass power generation, biochemicals, cellulose nanofiber, SAF (sustainable aviation fuel), and the like
	Increase in environmental value by utilizing forest certification systems to procure sustainable raw materials and by managing the supply chain	<ul style="list-style-type: none"> Build an in-house Due Diligence System (DDS), including supplier questionnaires, engagement, local confirmation, etc. Perform reliable supply chain management and procure sustainable woody material
	Increase in number of inquiries regarding domestic timber and products derived from it as a result of rising environmental awareness and the uncertain international situation	<ul style="list-style-type: none"> Reinforce and expand the Group's domestic material supply chain by leveraging the strength of Nippon Paper Lumber, a Group company, which possesses one of Japan's largest domestic timber distribution networks (approximately 4 million m³ per year) Perform stable paper raw material procurement (approximately 36% of paper raw material used by the Group is procured in Japan, which is higher than the industry average of 26%, based on actual figures for FY2025/3)

Indicators and Targets (LEAP Approach: P)

The Group's global core disclosure indicators based on TNFD Recommendations v1.0 are disclosed in the NIPPON PAPER GROUP ESG Databook 2025 (P.55).

Procurement



Basic Stance

NIPPON PAPER GROUP is working to build a sustainable raw materials procurement system that earns the trust of a broad range of stakeholders through its supply chain management with consideration for the environment and society. In September 2022, the Group revised the Principles and Basic Policies Concerning Raw Materials Procurement

(hereinafter, "Procurement Policies") to allow it to more effectively address issues such as respect for human rights and climate change. The Group is striving to enhance its raw materials procurement by conducting procurement activities in accordance with the Procurement Policies and promoting dialogues with stakeholders.

Promotion Structure

The NIPPON PAPER GROUP Raw Materials Committee, chaired by the General Manager of the Raw Materials and Purchasing Division at Nippon Paper Industries, discusses key issues related to raw materials procurement for the

entire Group, and reports on these issues to the Board of Directors through the Risk Management Committee (→ P.64).

Procurement of Wood Resources

The Group maximizes the use of renewable wood resources through its diverse technologies and know-how. As the use of wood resources is indispensable to the Group, it has constructed a system to continually procure resources generated from sustainable forest management. The Group newly established the Wood Resources Procurement Guidelines under the Procurement Policies revised in September 2022, and is further strengthening its

procurement system for sustainable forest resources.

Key Points in the Group's Procurement of Wood Resources

- Sourcing from sustainable forests (sustainability)
- Clearly identifying the origin of wood (traceability)
- Maintaining full accountability (accountability)

Management of Suppliers

Raw material for paper, which is the Group's main product, consists of wood resources such as wood chips and wastepaper. In addition to ensuring the legality of woody material supplies, the Company has formulated an action plan to carry out procurement of wood resources that takes into consideration human rights, labor, local communities, and the protection of biodiversity, and has implemented this plan since 2007.

third-party verification, utilizing annual forest certification audits and the due diligence system for legal certification stipulated in the Clean Wood Act.

Beginning in FY2024/3, these practices were expanded to include critical suppliers of raw materials in general in the Paper and Paperboard Business, and the Company is preparing to implement an action plan at the same level as that for woody materials. The Company will continue working to strengthen its supply chain management in order to continue to be trusted by customers and other stakeholders going forward.

Contents Used to Survey Suppliers through a Questionnaire (Excerpt)

- Basic information on forests from which materials were sourced (type of tree, compliance with laws and regulations related to forests, etc.)
- Status of obtaining forest certifications
- Establishment of policies and systems regarding human rights and labor
- Implementation of biodiversity efforts
- Coexistence with local communities

Number of Action Plans Implemented for Procurement of Wood Resources (Nippon Paper Industries, FY2025/3)

Domestic wood resources	304 wood chip suppliers, 5 pulp suppliers (implemented for all suppliers, compliance verified at all suppliers)
Overseas wood resources	26 wood chip suppliers, 14 pulp suppliers, 9 woody fuel suppliers (implemented for all suppliers, compliance verified at all suppliers)

Stakeholder Engagement

NIPPON PAPER GROUP aims to expand its business and enhance its corporate value, building on the strong relationships with stakeholders it has developed over its 150-year history. Through active communication, it seeks to exchange views, deepen collaboration, and strengthen partnerships with its stakeholders to achieve sustainable growth.

Initiatives to Strengthen Relationships with Major Stakeholders and Value Created (Outcomes)

	Stakeholder Expectations	Initiatives to Strengthen Relationships with Stakeholders	Key Management Capitals	Outcomes
Customers	<ul style="list-style-type: none"> ▶ Supply safe, high-quality products and services ▶ Provide products that help solve environmental and social issues ▶ Establish systems for listening to customer feedback, etc. 	<ul style="list-style-type: none"> ▶ Participation in trade shows ▶ Dialogue through sales activities ▶ Public relations activities ▶ Establish contact points for inquiries, etc. 	Financial Capital Intellectual Capital Human Capital	< Value enjoyed by NIPPON PAPER GROUP > <ul style="list-style-type: none"> ▶ Further development of the market for replacing plastic with paper ▶ Feedback reflected in product safety risk management, etc. < Value provided to customers > <ul style="list-style-type: none"> ▶ Improved brand image of the Group ▶ Promotion of resource circulation, etc.
Business Partners	<ul style="list-style-type: none"> ▶ Fair transactions ▶ Mutual growth through innovation co-creation ▶ Establishment and maintenance of sustainable supply chains, etc. 	<ul style="list-style-type: none"> ▶ Regular, constructive dialogue ▶ Collaborative research, joint development ▶ Supplier surveys, etc. 	Financial Capital Natural Capital Intellectual Capital Manufactured Capital	< Value enjoyed by NIPPON PAPER GROUP > <ul style="list-style-type: none"> ▶ Sales expansion of biomass products ▶ Stabilization of procurement of raw materials and cost reduction, etc. < Value provided to business partners > <ul style="list-style-type: none"> ▶ New business opportunities ▶ Sustainable and fair business environment that ensures peace of mind, etc.
Employees	<ul style="list-style-type: none"> ▶ Better job satisfaction ▶ Providing opportunities to develop and demonstrate skills ▶ Respect for diversity ▶ Ensuring occupational health and safety, etc. 	<ul style="list-style-type: none"> ▶ Development of personnel systems and working environments that enable diverse work styles ▶ Personnel request surveys/interviews ▶ Employee engagement survey ▶ Labor-management conferences ▶ Internal whistleblower system, etc. 	Human Capital Intellectual Capital Manufactured Capital	< Value enjoyed by NIPPON PAPER GROUP > <ul style="list-style-type: none"> ▶ Improved employee engagement ▶ Accumulation and transfer of technologies and know-how, etc. < Value provided to employees > <ul style="list-style-type: none"> ▶ Increased opportunities for personal growth ▶ Maintaining safe and secure work environment, etc.
Local Communities and Governments	<ul style="list-style-type: none"> ▶ Initiatives to solve environmental and social issues ▶ Coexistence with local communities ▶ Job creation ▶ Coordination with public policy ▶ Compliance with laws and regulations, etc. 	<ul style="list-style-type: none"> ▶ Regular, constructive dialogue ▶ Local community coexistence activities and social contribution activities ▶ Employment briefings ▶ Participation in initiatives by industry, government and academia, etc. 	Natural Capital Human Capital Intellectual Capital Manufactured Capital	< Value enjoyed by NIPPON PAPER GROUP > <ul style="list-style-type: none"> ▶ Recruitment of long-term, reliable human resources ▶ Feedback reflected in legal affairs risk management, etc. < Value provided to local communities and governments > <ul style="list-style-type: none"> ▶ Mitigate climate change ▶ Display the functions of forests to enhance public interest ▶ Revitalization of local industry, etc.
Shareholders and Investors	<ul style="list-style-type: none"> ▶ Increase in corporate value ▶ Appropriate return of profits ▶ Appropriate disclosure, etc. 	<ul style="list-style-type: none"> ▶ Annual general meeting ▶ Operating results briefings ▶ Presentation of forest resources value ▶ Annual securities reports ▶ Meetings with individual investors, etc. 	Financial Capital	< Value enjoyed by NIPPON PAPER GROUP > <ul style="list-style-type: none"> ▶ Increased trust in capital markets ▶ Improved credit ratings, etc. < Value provided to shareholders and investors > <ul style="list-style-type: none"> ▶ Continuation of stable dividends