

Event Summary

[Company Name]	Nippon Paper Industries Co., Ltd.	
[Company ID]	3863-QCODE	
[Event Language]	JPN	
[Event Type]	Medium-term Management Plan Announcement	
[Event Name]	Announcement of Medium-Term Business Plan 2030	
[Fiscal Period]		
[Date]	May 28, 2026	
[Time]	15:00 – 16:34 (Total: 94 minutes, Presentation: 39 minutes, Q&A: 55 minutes)	
[Venue]	Webcast	
[Number of Speakers]	3	
	Akira Sebe	President and Representative Director CEO
	Takanori Sano	Executive Officer, General Manager of Corporate Planning Division, in Charge of Subsidiaries and Affiliated Companies
	Takashi Yamaguchi	General Manager, Corporate Planning Department

Key Messages

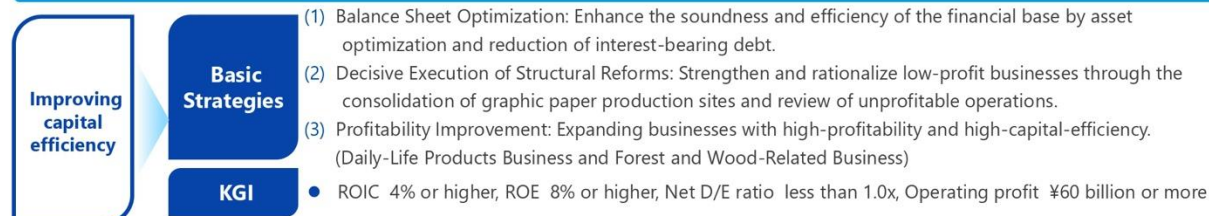
Review of the Medium-Term Business Plan 2025

- Domestic operations remained on track with the plan since FY2023. However, the overseas business performance has been sluggish, and the overall revenue target was not achieved.
- While the business structure transformation and strengthening of existing business foundations yielded certain results, challenges remain in profitability and capital efficiency.

Vision for 2035

- A corporate group that maximizes the potential of forest resources to pursue corporate value enhancement and the creation of a sustainable society

Medium-Term Business Plan 2030



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Sebe: Once again, everyone, I am Sebe, President. From here, I will explain the Nippon Paper Group's Medium-Term Business Plan 2030, which we announced today. First, I will briefly discuss the overview, and then the corporate planning division will explain the details.

This is a summary of the content we would like to convey today.

First, as a review and summary of the five years of the Medium-Term Business Plan 2025, domestic operations generally remained on track with the medium-term business plan from FY2023, overcoming the impacts of COVID-19 and soaring raw material and fuel prices. However, due to sluggish overseas business performance, particularly in Opal, the overall revenue target was not achieved.

While the business structure transformation and strengthening of existing business foundations yielded certain results, profitability and capital efficiency, including ROE, remained at low levels, and we recognize that this resulted in significant remaining challenges.

Amid this situation, as will be explained later, we have set our vision for the next 10 years through 2035 as becoming a corporate group that maximizes the potential of forest resources to pursue corporate value enhancement and the creation of a sustainable society. Based on the challenges of the Medium-Term Business Plan 2025, under the Medium-Term Business Plan 2030, which starts this fiscal year, we will set capital efficiency improvement as the theme and promote this through three basic strategies.

The first is balance sheet optimization, through which we will enhance the soundness and efficiency of the financial base by asset optimization and reduction of interest-bearing debt. The second is the decisive execution of structural reforms. We will consolidate graphic paper production sites and review unprofitable businesses and proceed with strengthening or rationalizing low-profit businesses. The third is profitability improvement. We will position the Daily-Life Products Business and forest and wood-related business, which have high profitability and high capital efficiency, as key focus businesses and expand them, thereby improving overall profitability.

As KGI for advancing these basic strategies, we have set an ROIC of 4% or higher, an ROE of 8% or higher, a D/E ratio of 1x or less, and an operating profit of JPY60 billion or more.

With a strong determination to improve capital efficiency, we aim to achieve each of these targets, and we appreciate your support.

From here, the corporate planning division will explain the details.

Medium-Term Business Plan 2025 Progress toward Targets

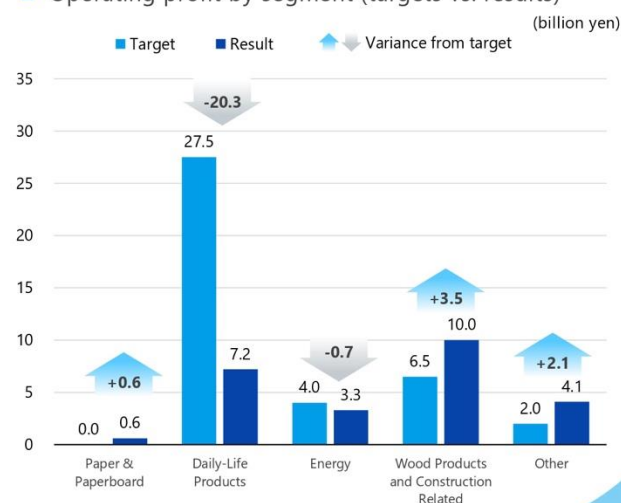
Targets and Results

Item	Medium-Term Business Plan 2025 Target*	FY 2026/3 Result
Sales	1,200 or more	1,192.6
Operating profit	40 At an early stage	25.2
EBITDA	Steady 100	92.0
Net D/E ratio (based on shareholder's equity)	1.7 to 1.79 x	1.74 x
Net interest-bearing debt	710	675.2
ROE	5.0% or higher	2.4%

*Some targets were revised in May 2023.

(billion yen)

Operating profit by segment (targets vs. results)



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Sano: Now, I, Sano, will explain, starting with a review of the Medium-Term Business Plan 2025.

This is a review of the Medium-Term Business Plan 2025. I would also like to explain the Medium-Term Business Plan 2030.

At the financial results briefing on May 15, we discussed the outline of the Medium-Term Business Plan 2030, so please note that I will touch on this content only briefly.

This table shows the targets of the Medium-Term Business Plan 2025 and the 2025 results. Although the net D/E ratio and net interest-bearing debt achieved their targets, operating profit and EBITDA fell short. As shown in the graph of operating profit results by segment, operating profit in the Daily-Life Products Business showed a large gap due to sluggish profitability in overseas businesses, including Opal.

Medium-Term Business Plan 2025 Operating Profit by Segment and Financial Indicators Trends

(billion yen)

	FY2021	FY 2022	FY 2023	FY 2024	FY 2025
Paper and Paperboard	-5.6	-29.2	11.7	8.3	0.6
Daily-Life Products	4.8	-7.8	-8.1	-6.1	7.2
Energy	1.6	-1.7	1.6	3.6	3.3
Wood Products and Construction-Related	7.6	8.9	9.8	9.6	10.0
Other	3.7	2.9	2.3	4.3	4.1
Domestic	11.1	-24.1	30.4	31.6	28.7
Overseas	1.0	-2.8	-13.1	-11.9	-3.5
Total	12.1	-26.9	17.3	19.7	25.2
ROE (%)	0.5	-12.3	5.3	1.0	2.4
Net D/E Ratio (times) (Based on shareholders' equity)	1.89	2.25	1.95	1.84	1.74
ROIC (%)	1.6	-0.8	1.6	2.1	2.3

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This shows the trend in operating profit by segment under the Medium-Term Business Plan 2025.

In the first half of the Medium-Term Business Plan 2025, we faced major changes in the external environment. Operating profit became significantly negative due to the major impact of changes in lifestyles triggered by the spread of COVID-19 in 2020 and the sharp rise in coal prices triggered by Russia's invasion of Ukraine in 2022.

In FY2023, we updated the medium-term business plan. For domestic operations, operating profit remained on a trajectory in line with the plan through initiatives such as price revisions and various measures.

Meanwhile, for overseas operations, although operating profit was recorded in FY2021, losses continued from FY2022 through FY2025. As a result, we were unable to achieve the operating profit target of JPY40 billion.

Medium-Term Business Plan 2025 Achievements and Challenges

- While the business structure transformation and strengthening of existing business foundations yielded certain results, challenges remain in profitability and capital efficiency.

Theme	Review	Achievements and Challenges
Acceleration of business structure transformation	△	Daily-Life Products Business sales ratio expanded (FY2020: 32% → FY2025: 40%); overseas business profitability enhancement remains a challenge.
Strengthening the foundation of existing businesses	△	Domestic graphic paper capacity cut by 30%, maintained 90% operating rate; demand decline requires further action.
	△	Cost reductions and price revisions implemented against rising raw material, fuel, and fixed costs; stable operations remain a challenge.
Enhancing profitability	△	While domestic businesses largely achieved operating profit targets, further enhancement of profitability is required.
	×	Operating profit from overseas operations fell short of targets due to the low performance of companies such as Opal.
Improving capital efficiency	○	Asset sales, including fixed assets and cross-shareholdings, were executed at a pace exceeding plans.
	△	While targets of Net D/E ratio in the 1.7x range and net interest-bearing debt below ¥710 billion were achieved, optimizing the capital structure remains an ongoing challenge.
	×	ROE remained at a low level due to a low OPM and the incurrence of extraordinary losses associated with structural reforms.
Reducing GHG emissions	○	Progress is steady towards the FY2030 target of a 54% reduction, with FY2025 results at 43% (provisional).

Actions to be taken under the Medium-Term Business Plan 2030

Balance Sheet Optimization

Decisive Execution of Structural Reforms

Profitability Improvement

Capital Efficiency Improvement

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Here, we show the achievements and challenges of the Medium-Term Business Plan 2025.

Under the Medium-Term Business Plan 2025, we have executed initiatives centered on the themes shown here. We have evaluated the achievements and challenges using circles, triangles, and x's. In particular, we recognize that the profitability of overseas businesses and sluggish ROE are major challenges.

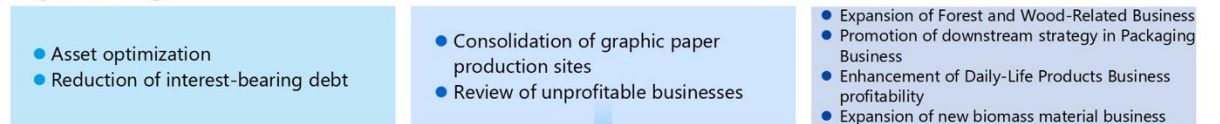
Under the Medium-Term Business Plan 2030, based on these achievements and challenges from the Medium-Term Business Plan 2025 and dialogue with market investors, we will proceed with balance sheet optimization, decisive execution of structural reforms, and profitability improvement, and work to improve capital efficiency.

Overview

Basic Strategies



Key Challenges



Introduction of capital market discipline and proactive dialogue

* Calculation of the Net D/E ratio is based on equity starting from FY2026.
 Net D/E ratio (equity basis) = (net interest-bearing debt - equity-type debt) / (equity + equity-type debt)
 Equity-type debt: The amount of debt procured by hybrid loans that has been recognized as equity credit by rating agencies (50% of the financed amount)

From here, I will explain the Medium-Term Business Plan 2030.

First, this is the overview of the Medium-Term Business Plan 2030. The basic strategies are the three strategies that I have been discussing: balance sheet optimization, decisive execution of structural reforms, and profitability improvement.

In addition to steadily executing these basic strategies and the key challenges within them, we will realize capital efficiency improvement through the introduction of capital market discipline and proactive dialogue. Under the Medium-Term Business Plan 2030, we plan to achieve an ROIC of 4% or higher, an ROE of 8% or higher, a net D/E ratio of 1x or less, and an operating profit of JPY60 billion or more. In this way, by achieving both capital efficiency improvement and sustainable growth, we will work to enhance corporate value.

Financial Targets (KGI)

	Item	FY2025 Actual	Medium-Term Business Plan 2030 Target
Capital Efficiency	ROIC	2.3%	4% or higher
	ROE	2.4%	8% or higher
Financial Soundness	Net D/E ratio (Equity basis)*	1.20x	1.0x or less
	(Reference) Net D/E ratio (Shareholders' equity basis)*	1.74x	1.3x or less
Business Growth	Sales ratio of Wood Products and Construction-Related Business and Daily-Life Products Business	46.8%	55.0%
Profitability	Operating profit	¥25.2 billion	¥60 billion or more
	Operating margin	2.1%	5% or higher
Cash Generation Capacity	EBITDA	¥92 billion	¥140 billion or more

- Target ROE of 8% or higher with balance sheet optimization and profitability improvement.
- Reduce interest-bearing debt and aim for a Net D/E ratio of 1.0x or less.
- Grow the Forest and Wood-Related Business* as well as the Daily-Life Products Business to increase the overall operating margin.

* Refers to businesses related to forestry, timber, and building materials among the Wood Products and Construction-Related Business.

* Net D/E Ratio (Starting FY2026, KGI is calculated on an equity basis)
 Equity basis: (Net interest-bearing debt – Equity-like debt) / (Equity + Equity-like debt)
 Shareholders' equity basis: (Net interest-bearing debt – Equity-like debt) / (Shareholders' equity + Equity-classified debt)
 Equity-like debt: The portion of debt raised through hybrid loans that has been recognized as equity-like by rating agencies (50% of the amount raised)

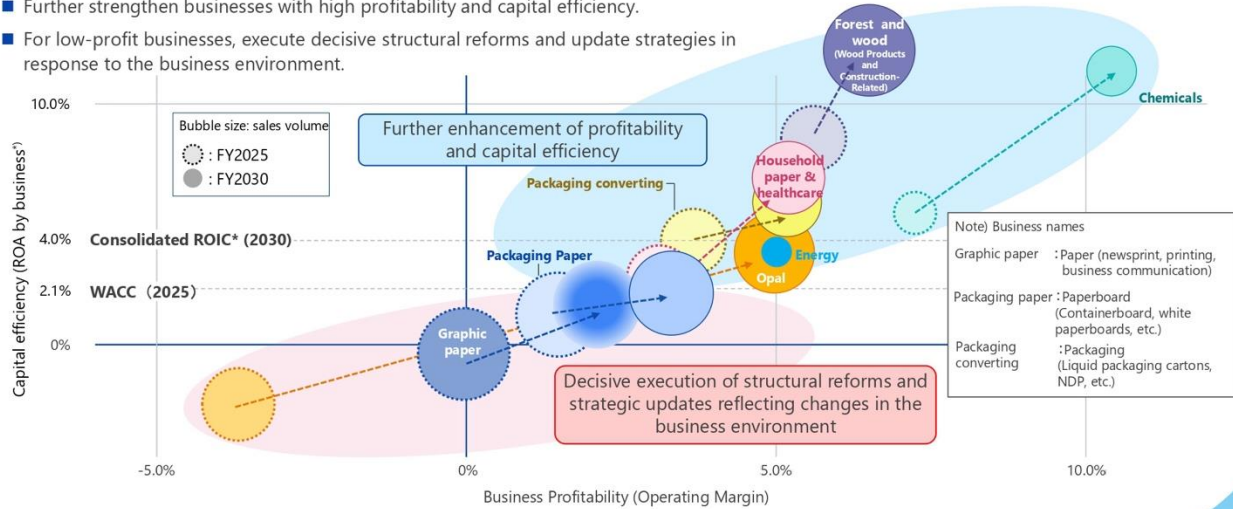
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These are the financial targets, the KGI, for the Medium-Term Business Plan 2030.

As explained on the slide on page nine, by firmly addressing the key challenges under each of the three basic strategies of the medium-term business plan, balance sheet optimization, decisive execution of structural reforms, and profitability improvement, we would like to steadily achieve these financial targets, including, as I have mentioned repeatedly, ROE of 8% or higher, a net D/E ratio of 1x or less, and improvement in the overall operating margin.

Future Direction

- Further strengthen businesses with high profitability and capital efficiency.
- For low-profit businesses, execute decisive structural reforms and update strategies in response to the business environment.



*ROA by business: NOPAT / Business assets

*Consolidated ROIC: NOPAT (operating profit after tax + dividends received + equity in earnings of affiliates) / Invested capital (net interest-bearing debt + equity capital)

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This shows the future direction by business for FY2030. It shows the positioning of each business, broken down further from these segments. In the graph, the vertical axis is ROA by business, the horizontal axis is operating margin, and the size of each circle represents sales.

The business group enclosed by the large light-blue circle currently has high ROA by business and is trending above WACC, so we would like to further improve profitability and capital efficiency and strengthen these businesses going forward.

The business group enclosed by the large pink circle currently has low ROA by business and operating margin, so we would like to strengthen its resilience through the decisive execution of structural reforms and proceed with additional measures to improve capital efficiency while taking into account changes in the business environment.

We aim to achieve this type of business structure in FY2030.

Operating Profit Targets by Segment

		(billion yen)				Key Initiatives
		FY2025 Actual		Medium-Term Business Plan 2030 Targets		
		Operating profit	Operating Margin*	Operating profit	Operating Margin*	
Wood Products and Construction-Related		10.0	5.8%	15.0	6%	<ul style="list-style-type: none"> Expand the domestic and overseas wood distribution business. Increase profitability in the plantation business and expand operations utilizing the breeding and propagation technologies.
Daily-Life Products	Packaging Converting	7.2	4.3%	30.0 or more	5%	<ul style="list-style-type: none"> Grow the business in Japan and overseas through collaboration with business partners. Increase revenue through accelerated global expansion and the development of new markets. Focus on the integrated packaging business. (base paper + converting) Rationalize low-profit businesses
	Household Paper & Healthcare		3.7%		5%	
	Chemicals		8.5%		10%	
	Opal		-4.8%		5%	
Paper and Paperboard		0.6		10.0		<ul style="list-style-type: none"> Optimize the production systems and maintain capacity utilization rates in anticipation of demand decline. Expand the packaging business by promoting collaboration between paper and converting operations.
Energy		3.3		2.0		<ul style="list-style-type: none"> Strengthen business and organizational capabilities with a focus on efficiency, and optimize the organization.
Other (Logistics, etc.)		4.1		3.0		
Total		25.2		60.0 or more		

* Operating margins are shown on a simple aggregate basis (before consolidation adjustments).

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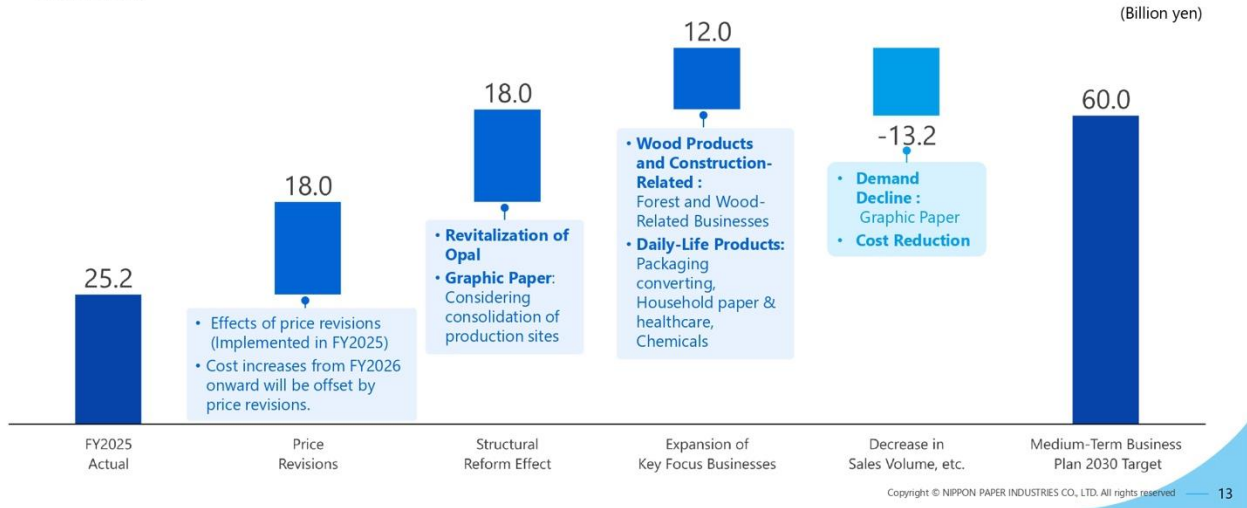
This shows the operating profit targets by segment.

As targets for FY2030, we have set JPY15 billion for the Wood Products and Construction-Related Business, JPY30 billion or more for the Daily-Life Products Business, JPY10 billion for the Paper and Paperboard Business, and JPY5 billion for the Energy Business and other businesses.

The key initiatives under the medium-term business plan for each segment are listed on the right. By reliably executing these initiatives, we aim to achieve the operating profit targets.

Breakdown of Changes by Initiative

- Aim for ¥60 billion in operating profit through execution of decisive structural reforms and expansion of key focus businesses.

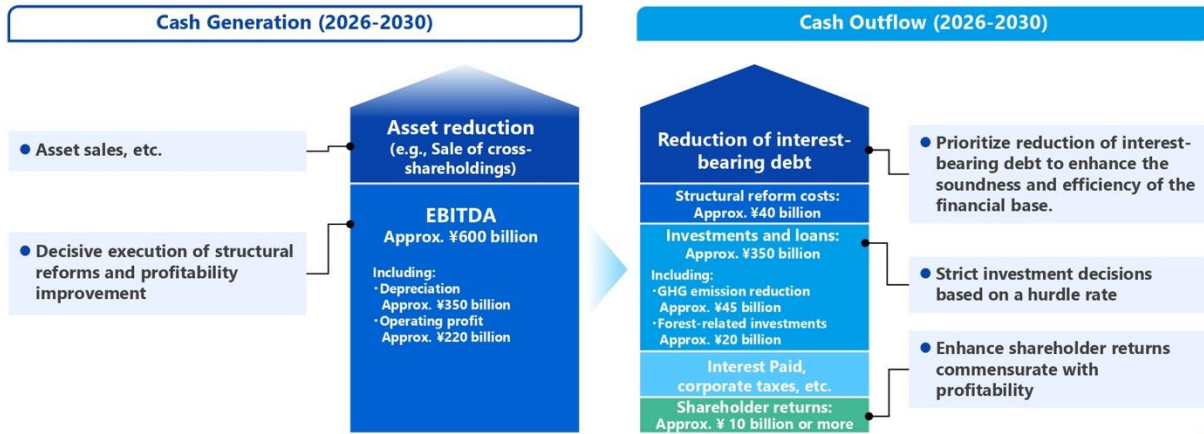


This graph shows the breakdown of changes by initiative toward the operating profit target of JPY60 billion in FY2030.

While we expect profit to decrease by approximately JPY13 billion due to demand decline in graphic paper and other areas, we aim to increase profit by JPY18 billion through the effects of price revisions implemented in FY2025 contributing throughout the year from FY2026 onward, by JPY18 billion through the effects of structural reforms, including the fundamental reform of Opal and consolidation of graphic paper production sites, and by JPY12 billion through expansion of key focus businesses such as Forest and Wood-related business, Packaging converting, Household paper and healthcare, and Chemicals. Through these initiatives, we would like to increase operating profit in FY2030 to JPY60 billion.

(1) Balance Sheet Optimization | Cash Allocation

- Cash generation through decisive execution of structural reforms, profitability improvement, and asset sales, etc.
- Prioritize reduction of interest-bearing debt to enhance the soundness and efficiency of the financial base.



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First is cash allocation under balance sheet optimization. This shows cumulative figures for the five years from FY2026 to FY2030.

For cash allocation, we will prioritize the reduction of interest-bearing debt using funds generated through the decisive execution of structural reforms, profitability improvement, asset sales, and other measures.

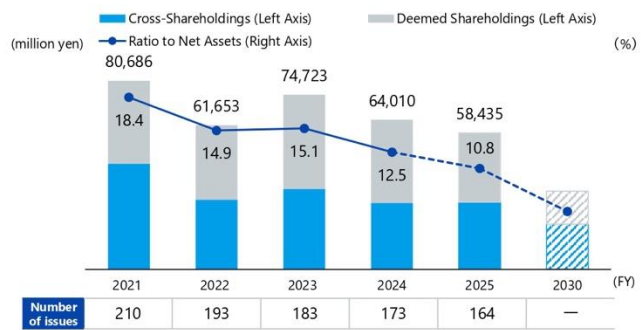
Under the Medium-Term Business Plan 2030, we will firmly enhance the soundness and efficiency of the financial base, and by advancing structural reforms, including the fundamental reform of unprofitable businesses and the rationalization of low-profit businesses, we will aim to enhance corporate value.

(1) Balance Sheet Optimization | Reduction of Cross-Shareholdings

- The Board of Directors annually reviews the rationale for and benefits of the Company's cross-shareholdings.
- In 2025, the Company announced a policy of, in principle, fully eliminating cross-shareholdings and has accelerated efforts to reduce it.
- Following the early achievement of the previous reduction target, a new reduction target has been set.



Status of Cross-Shareholdings (Amount shown on B/S)



*FY2030 amount is estimated based on the book value as of March 31, 2026.

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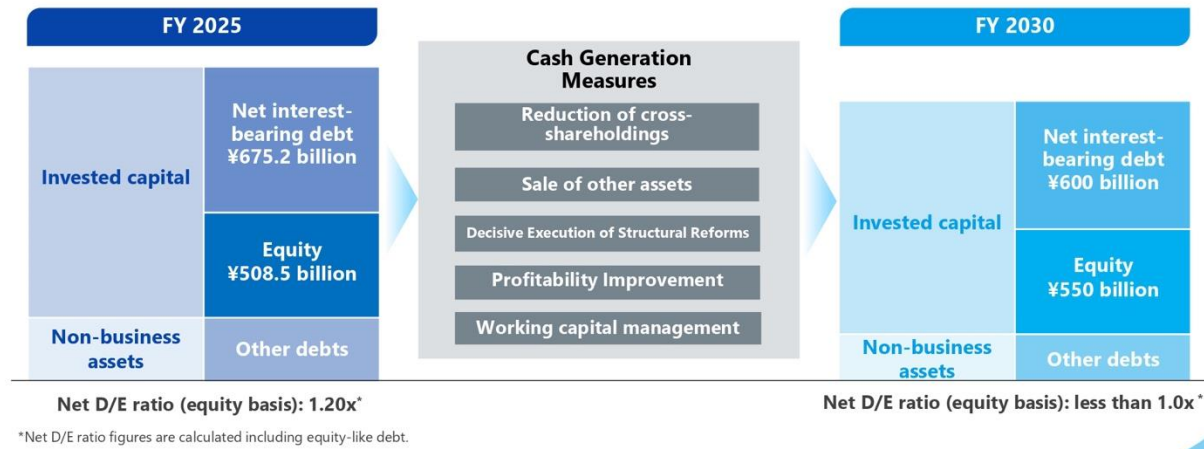
This shows the reduction of cross-shareholdings within cash generation.

We had set a reduction target of JPY15 billion over the three years from FY2025 to FY2027. However, the FY2025 result was JPY16.1 billion, meaning that we have already achieved the target. Accordingly, we have newly set a reduction target of JPY25 billion from FY2026 to FY2030. In principle, we will fully eliminate cross-shareholdings, but first, we have set a reduction target of JPY25 billion.

(1) Balance Sheet Optimization | Financial Strategy to Improve Capital Efficiency

B/S Management Policy

- Ensure the execution of cash generation initiatives and target a Net D/E ratio of 1.0x or lower.



Page 17 shows the financial strategy to improve capital efficiency.

For the balance sheet management policy, we have set a policy of ensuring the execution of cash generation initiatives and targeting a net D/E ratio of 1x or less.

This figure provides an image of the balance sheets at the end of FY2025 and at the end of FY2030. We have set interest-bearing debt to decline from JPY675.2 billion to JPY600 billion, and equity to increase from JPY508.5 billion to JPY550 billion.

Next, Yamaguchi of the corporate planning department will explain the decisive execution of structural reforms.

(2) Decisive Execution of Structural Reforms | Consolidation of Graphic Paper Production Sites

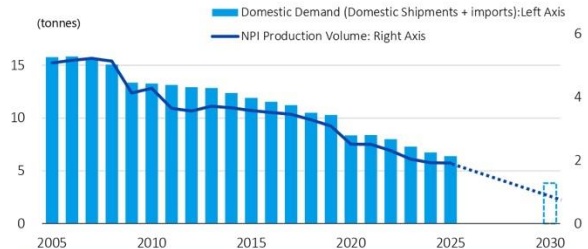
Basic Policy

- ▶ Strengthen the Graphic Paper Business and improve profit margins.
- ▶ Optimize production systems in anticipation of demand decline and maintain capacity utilization rate.

Key Strategic Points

- **Timely reduction of production capacity in anticipation of declining demand**
 - Domestic demand is expected to decline by more than 30% over the five years through FY2030.
- **Consideration of production site consolidation**
 - Consider early consolidation into Ishinomaki, Iwanuma, and Iwakuni Mill.
 - Establish a supply system sourced from core, competitive mills in Eastern and Western Japan.
 - Other mills will maximize resources and drive transformation of business structure.
 - Maintain a capacity utilization rate of 90% or higher
- **Strengthening of competitiveness through GHG reduction**
 - Reduce emissions by 65% by FY2040 (compared to FY2013)

■ Reduction of production capacity to maintain operating rates in anticipation of demand decline



- Ishinomaki**
 - Main hub in Eastern Japan which also covers household paper and new businesses
 - Transition to a low-GHG factory through installation of a new recovery boiler
- Iwanuma**
 - The largest newsprint supply hub in Japan
- Iwakuni**
 - A highly cost-competitive mill in Western Japan
 - Low-GHG mill

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Yamaguchi: I am Yamaguchi of the corporate planning department. I will explain the decisive execution of structural reforms, which is the second basic strategy. This covers the consolidation of graphic paper production sites and the review of unprofitable businesses.

First is the consolidation of graphic paper production sites.

To strengthen the graphic paper business and improve profitability, we will maintain capacity utilization rates by optimizing the production system in anticipation of a future decline in demand.

As key strategic points, as shown in the graph on the right, we expect the decline in demand for graphic paper to continue going forward. We will face this directly, proceed with reducing production capacity, and maintain capacity utilization rates of 90% or higher.

Regarding production sites, we will consider consolidation into Ishinomaki, Iwanuma, and Iwakuni. Meanwhile, other mills will drive the transformation of the business structure by maximizing the use of resources at each site.

Regarding GHG emissions as well, as I will explain later, we will proceed with measures such as the recovery boiler at Ishinomaki, shutdown of coal boilers, and fuel conversion, reducing emissions by 65% compared to FY2013 by FY2040 and securing a competitive advantage over other companies.

(2) Decisive Execution of Structural Reforms | Revitalization of Opal

Basic Policy

Strategic Direction: Sharpening Business Focus

- ▶ Prioritize resources toward the Integrated packaging business (brown paper and corrugated packaging) as our primary growth engine.
- ▶ Expedite the EBITDA turnaround at the Maryvale Mill.
- ▶ Rationalize businesses with limited profit potential.

Rapidly Achieve Positive Operating Profit

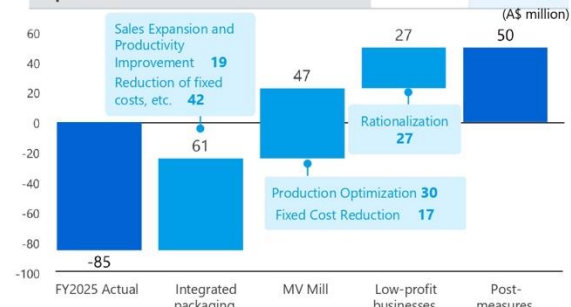
Immediate Measures to Achieve Positive Operating Profit

- Strengthen Profitability in the Integrated Corrugated Packaging Business
 - ➔ Sales expansion, strategic pricing, and enhanced operational competitiveness
- Deliver positive EBITDA at the Maryvale Mill
 - ➔ Execute further intensive production optimization and structural fixed-cost reduction
- Rationalize businesses with limited profit potential:
 - ➔ Rigorous portfolio assessment across selected businesses
- Optimize workforce structures and reduce overhead costs
 - ➔ Organizational restructuring initiatives*
- Improve procurement and logistics efficiency
 - ➔ Drive centralization and end-to-end optimization

FY2025 Actual: -A\$85 million ➔ **Post-measures: A\$50 million**

*Decided and launched in March 2026

Operating profit (A\$ million)	FY2025	Post-measures
Integrated Packaging Business (brown paper and corrugated packaging)	4	65
Maryvale Mill	- 67	- 20
Other Processing Operations (Other than corrugated boxes)	- 22	5
Opal Total	- 85	50



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Next is the revitalization of Opal.

At Opal, which has multiple businesses, we will sharpen the business focus. Specifically, as a business, we will concentrate management resources on the integrated corrugated packaging business, which was profitable in FY2025, and enhance profitability.

Meanwhile, for the Maryvale Mill, which still has a large loss, we will promptly turn EBITDA positive through further optimization of the production system and reduction of fixed costs. We will also proceed with the rationalization of other low-profit businesses and quickly turn Opal’s operating profit positive.

Some measures have already been launched, and by reliably executing these measures, we will first raise operating profit to AUD50 million.

(2) Decisive Execution of Structural Reforms | Revitalization of Opal

Profitability in the Integrated Corrugated Packaging Business

- ▶ Outpacing market growth in the Australian corrugated packaging market
- ▶ Enhancing operational competitiveness through productivity gains and cost reductions

■ Initiatives to Expand Sales

- Expansion of high-value, differentiated products leveraging the integrated brown paper and corrugated packaging platform
- Providing high service levels through disciplined delivery management
- Capturing growing demand for paper-based alternatives to plastic

■ Initiatives to Strengthen Competitiveness

- Fully realizing the benefits of the new Wodonga plant and recent asset investments
- Ongoing organizational and workforce optimization, and procurement and logistics efficiency improvements



Corrugated Base Paper Machine (Botany Mill B9)

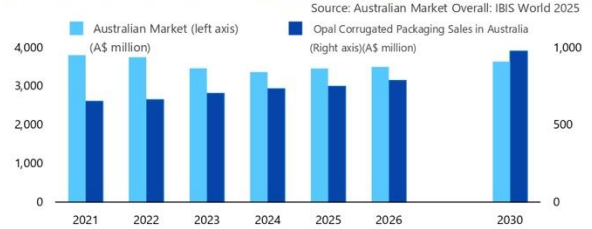


Wodonga Corrugated Box Plant (Operational since 2023)
*Image courtesy of Wodonga City Council.

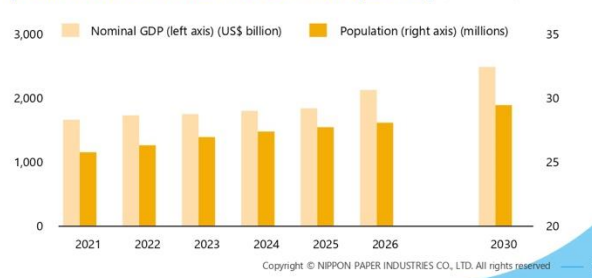


Growing Demand for Paper Punnet

[Trends in the Australian Corrugated Packaging Market and Opal Sales]



[Trends in Australia's Nominal GDP and Population] (IMF Forecast)



As I mentioned on the previous page, we will work to improve profitability in Opal’s integrated corrugated packaging business.

In the Australian market, where population and GDP are growing, we expect demand for corrugated packaging to continue increasing. Accordingly, by strengthening competitiveness through productivity improvement and cost reductions, we will expand sales beyond natural growth.

On the sales side, in addition to developing and expanding sales of high-value-added and differentiated products by leveraging Opal’s strength, which is its integrated structure from base paper to converting, we will leverage our service advantages, including delivery management, and steadily capture growing demand for paper-based alternatives to plastic in Australia.

Meanwhile, in terms of competitiveness, we will further increase productivity in the converting business by fully realizing the effects of the installation of new converting equipment and renewal work implemented under the previous medium-term business plan. In addition, by fundamentally reviewing the organization and workforce structure, including procurement and logistics, we will improve efficiency as a company.

(3) Profitability Improvement | Expansion of Forest and Wood-Related Business with the Green Strategy



From here, I will explain profitability improvement as the third basic strategy.

Starting on page 23 is the expansion of Forest and Wood-Related Business with the Green Strategy.

We will deploy the Green Strategy, which aims to simultaneously expand the Forest and Wood-Related Business and contribute to the resolution of social issues by leveraging the Nippon Paper Group's strengths, including world-class breeding and propagation technologies, procurement capabilities based on domestic and international wood resource supply chains, company-owned forest resources, personnel, and networks.

(3) Profitability Improvement | Expansion of Forest and Wood-Related Business with the Green Strategy

Key Strategic Points

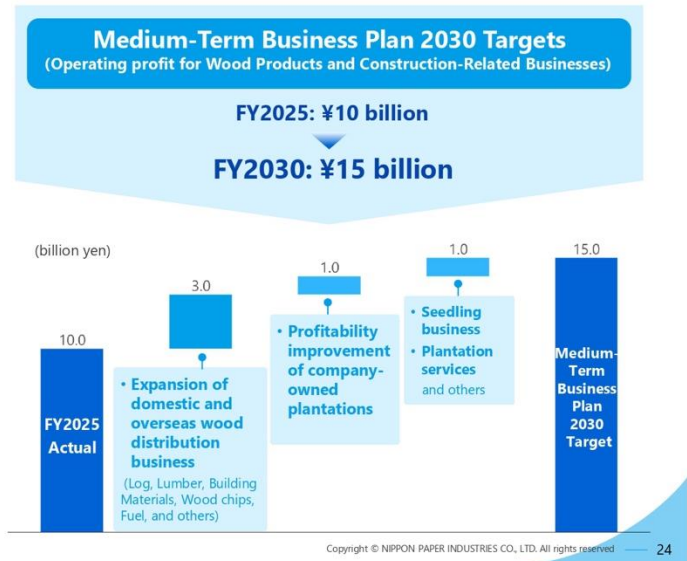
- Supporting the revitalization of the domestic forestry industry
- Strengthening domestic and international supply chains
- Advanced utilization of cutting-edge technologies
- Monetizing the diverse functions of forests

Stable Supply
Productivity Improvement
Creation of New Value



Realize the expansion of Forest and Wood-Related Business

- Expanding domestic and overseas wood distribution business
- Improving productivity and increasing profits in forest management and plantation business
- Business expansion utilizing the breeding and propagation technologies
- Monetizing forest resources in the carbon and natural capital markets












Regarding the key points of the Green Strategy, as shown in the materials, we will support the revitalization of the domestic forestry industry, strengthen domestic and international supply chains, and make advanced use of cutting-edge technologies such as breeding, propagation, and forest analysis. In addition, we will proceed with monetizing the diverse functions of forests.

Specifically, we will work to expand the domestic and overseas wood distribution business, the overseas plantation business utilizing breeding and propagation technologies, and the elite tree seedling business, as well as visualize forest resources in the carbon market and natural capital market.

Through these initiatives, as shown on the right, we will expand the business and raise operating profit in the Wood Products and Construction-Related Business to JPY15 billion in FY2030.

(3) Profitability Improvement | Expansion of Forest and Wood-Related Business with the Green Strategy

Specific Initiatives of the Medium-Term Business Plan 2030

Domestic	Overseas
<p>Supporting the forestry industry in "harvesting, utilizing, planting, and nurturing". Strengthening the supply chain in collaboration with the forestry and wood industries.</p>	<p>Utilizing proprietary breeding and propagation technologies. Promoting activities to maximize the value of forest resources.</p>
<div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <p>Utilize company-owned forests</p>  </div> <div style="width: 35%; text-align: center;">  <p>Balanced situation</p> </div> <div style="width: 30%;"> <p>Strengthen harvesting capacity and improve productivity</p>  </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 30%;"> <p>Introduce & promote advanced technologies for the forestry industry</p>  </div> <div style="width: 35%;"> <p>Supply of Elite Tree seedlings</p>  </div> <div style="width: 30%;"> <p>Collaboration & partnership with forestry and wood industries</p>  </div> </div> <p><small>*Image created by the Company from "Annual Report on Forest and Forestry in Japan Fiscal Year 2021"</small></p>	<div style="display: flex; justify-content: space-around;"> <div style="width: 30%;"> <p>Improving forest productivity</p>  </div> <div style="width: 30%;"> <p>Plantation Services</p>  <p>Forest analysis technology</p> </div> <div style="width: 30%;"> <p>Expanding the volume of overseas resources handled</p>  </div> </div>
<ul style="list-style-type: none"> ■ Expanding the volume of domestic wood handled 2025: 1 million m³ → 2030: 1.3 million m³ (No. 1 in Japan) ■ Expanding the production system for elite tree seedlings 2025: 4.6 million seedlings → 2030: 10 million seedlings ■ Stable supply of domestic wood with low LCA → To be used in bioethanol and other applications ■ Expanding the carbon credit supply system in company-owned forests 	<ul style="list-style-type: none"> ■ Revenue increase from the overseas plantation business through the development of high-quality clones 30% increase in AMCEL's productivity by 2030 (compared to FY2013) ■ Expansion of plantation services → Support for improving productivity in third-party plantation sites ■ Expansion of the distribution business for overseas resources Increase the volume of wood chips and biomass fuel handled ■ Establishing methodologies for monetizing forest resources in the carbon and natural capital markets

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In the domestic business shown on the left side of this material, we will strengthen the supply chain in collaboration with the forestry and wood industries, centered on support for the forestry industry.

Meanwhile, overseas, as shown on the right side of the material, we will proceed with advanced use of our proprietary technologies, such as breeding, propagation, and seedling cultivation, as well as forest monitoring and analysis, and with consideration of monetizing forest resources.

(3) Profitability Improvement | Downstream Strategy for the Packaging Business
 (Promoting Collaboration Between Base Paper and Converting)

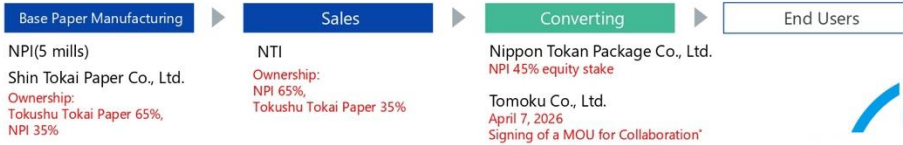
Packaging Paper Business (Base Paper Manufacturing)

Basic Policy

▶ Generate synergies and profitability improvement at an early stage through collaboration with packaging converting companies both within and outside the Group.

Key Strategic Points

■ Further expansion of collaboration with specialized corrugated box manufacturers to share base paper production, corrugated box converting, sales know-how, and other resources.



***Summary of the MOU on Collaboration: Tomoku, Tokushu Tokai Paper, NPI, and NPI**

- [Purpose of Collaboration: Explore multifaceted collaboration aimed at reducing environmental impact] Collaboration Promotion Committee will be established by the four companies**
- Joint development of products and technologies: Development of high-value-added and differentiated products
 - Cost reduction by leveraging resources: Cost optimization through improved production and logistics efficiency, etc.
 - Marketing collaboration: Joint implementation of promotional activities for customers to enhance brand value
 - Generating synergies through collaboration in areas other than those listed above (e.g., Waste paper collection)



Pages 26 and 27 cover the promotion of the downstream strategy in the packaging business.

First, page 26 shows the packaging business. This shows the base paper manufacturing business. In this business, we will promote a downstream strategy through collaboration and cooperation with converting companies both within and outside the Group and aim to generate synergies through a vertical business model spanning base paper and converting.

Here, we show the corrugated base paper business. In April 2026, we signed a memorandum of understanding to consider collaboration among our group, Tomoku, a major company in the corrugated packaging industry, and specialized base paper and converting manufacturers of Tokushu Tokai Paper. Going forward, we will accelerate various initiatives to improve profitability.

(3) Profitability Improvement | Downstream Strategy for the Packaging Business
 (Promoting Collaboration Between Base Paper and Converting)

Packaging Converting Business (Integrated Base Paper and Converting Business)

Basic Policy

- ▶ Develop and launch differentiated containers utilizing the Group base paper. (expanding base paper sales through expansion of the converting business)

Ratio of differentiated containers^{*1} : 20% (2025) → 30% (2030)

- ▶ Expand business in the Asia-Oceania region through collaboration with ELOPAK and Shikoku Kakoki

Overseas Sales Ratio^{*2} : 1% (2025) → 4% (2030) → 12% (2035)



Key Strategic Points

- Liquid Packaging Business Flow:

Collaboration with business partners (Nippon Paper Group investee companies) to provide total packaging solutions.



- Overseas Expansion (Pacific Rim Region)

Australia: Collaborate with ELOPAK, Shikoku Kakoki, and Opal to expand sales.
 Asia: Increasing exports of differentiated containers (South Korea and Southeast Asia).
 North and Central America: Strengthening sales of NDP-coated base paper to ELOPAK's North American operations.



^{*1} Differentiated containers: New beverage containers developed by the Company + new paper cartons for non-beverage applications
^{*2} Overseas Sales Ratio: Overseas sales ratio for the Liquid Packaging Carton Business

This is the Packaging converting business. This refers to the business in which integration from base paper to converting operations has progressed within the Group. Until now, we called this the packaging business. This material mainly shows the base paper for liquid packaging cartons.

In Japan, we aim to expand market share through the development of high-value-added differentiated containers utilizing base paper manufactured by the Group and through the provision of integrated services covering base paper, converting, and filling machines in collaboration with Shikoku Kakoki, a filling machine manufacturer.

Overseas, we will work to expand the business, primarily in the Pacific Rim region, in collaboration with partner companies such as ELOPAK, and aim for an operating margin of 5% by FY2030.

(3) Profitability Improvement | Enhancement of Daily-Life Products Business Profitability

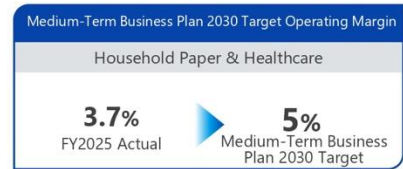
Household Paper and Healthcare Business

Basic Policy

- ▶ Develop business in response to social structural changes, including an aging population.
- ▶ Accelerate global expansion through collaboration with business partners.

Key Strategic Points

- Development of high-value-added products and expansion of sales in growth markets.
 - Household Goods: Continuous introduction of differentiated products and product development utilizing new paper machines
 - Healthcare: Expansion of production facilities and sales in anticipation of market growth
- Increasing exports in collaboration with global partners.
 - Accelerating expansion in the Pacific Rim region, including East Asia, Oceania, and the U.S. West Coast.
Overseas Sales Ratio: 3% (2025) → 7% (2030)
- Diversification and expansion of sales channels (e-commerce, D2C).
E-commerce Sales Ratio: 10% (2025) → 15% (2030)
- Strengthening cost competitiveness by maximizing the use of Group resources, such as raw material procurement.



Next is the Household Paper and Healthcare Business.

In the Household Paper and Healthcare Business, we will proceed with the development and expansion of sales of high-value-added products that respond to changes in social structure, such as population aging. In household goods, we will fully utilize CreCIA Miyagi, which has already started operations, and the new paper machine to be introduced in Yatsushiro under the next medium-term business plan. In healthcare products, for which demand is also increasing, we will expand production capacity and work to expand sales of differentiated products in each area.

In addition, we will collaborate with global partners to expand exports to Asia, Oceania, North America, and other regions, and strengthen sales through new channels such as e-commerce, aiming for an operating margin of 5% by FY2030.

(3) Profitability Improvement | Enhancement of Daily-Life Products Business Profitability

Chemicals Business

Basic Policy

- ▶ Expand sales of products for growth markets such as automotive and display industries.
- ▶ Develop new products and applications, and strengthening of overseas expansion.
- ▶ Improve production systems and capacity to support the growth of each business.



Key Strategic Points

- Steady profit increase in growth markets
<FY2030 Sales Target: 20% increase (compared to FY2025)>
 Functional coating resin products: Aggressive sales promotion in overseas markets.
 Functional films: Expanding adoption for OLED displays.
- Strengthening competitiveness and profitability of the core facility: Gotsu Mill.
<FY2030 Sales Target: 20% increase (compared to FY2025)>
 Dissolving Pulp: Strengthening sales of high-value-added products for pharmaceuticals, food, and other applications.
 Functional Cellulose: Expand sales of resin fillers and LiB applications in overseas markets.
 Lignin-related products: Expand sales by strengthening applications in civil engineering and construction and introducing new products.



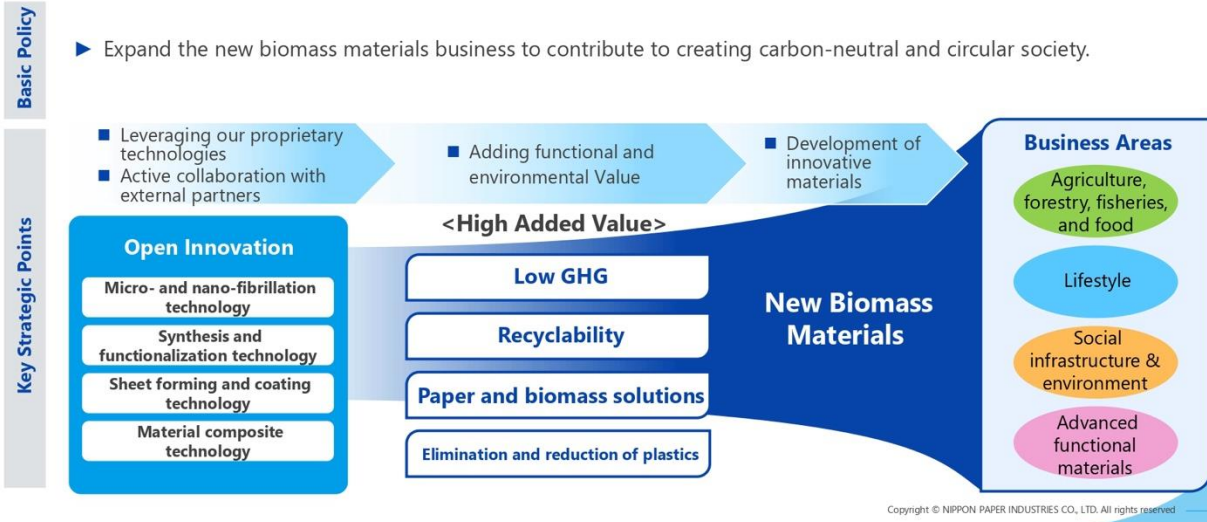
Page 29 covers the chemicals business.

In the Chemicals business, for functional coating resin products used in automotive coatings and other applications, we will proceed with sales expansion in overseas markets. For functional films, we will also work to expand adoption for OLED displays, aiming to further increase revenue in growth markets for both businesses.

Regarding Gotsu Mill, the core production site of the chemicals business, we will improve competitiveness and strengthen the revenue base and work to expand sales and enhance profitability for biomass materials that are our main products, including dissolving pulp, functional cellulose, and lignin, aiming for an operating margin of 10% by FY2030.

(3) Profitability Improvement | Expansion of New Biomass Materials Business

New Biomass Materials Business



Finally, from here, I will explain the expansion of the new biomass materials business.

Under the basic policy of expanding new biomass materials business that contributes to the creation of a decarbonized and circular society, we will provide various products for the four business areas shown on the right side of the materials, which the Company will focus on going forward, while utilizing open innovation.

(3) Profitability Improvement | Expansion of New Biomass Material Business

Current Initiatives and Progress

- Speed up early ramp-up and intensify creation and cultivation of new business themes.

		2030		2035	
Agriculture, forestry, fisheries, and food	Cattle feed	Sale to a major compound feed manufacturer	Sales volume: 10,000 BDt/year		Sales volume 50,000 BDt/year
	Torura Plus®	Sale as a livestock supplement (for cattle and pigs)	Sales volume: 400 tons/year		Sales volume 550 t/year
Lifestyle	Carboxymethylated CNF*	Expansion into cosmetics and food applications (strengthening overseas sales)	Sales volume: 75 tons/year	Overseas expansion	Sales volume 100 t/year
	Bio-composite	Expanding applications to cutlery, building materials, and home appliances	Sales volume: 400 tons/year	Mobility, building materials, home appliances, etc.	Cellulose sales: 1,600 t/year
Social infrastructure & environment	Specialty modified lignin	Accumulating construction portfolio and promoting environmental value	Sales volume: 230 tons/year	Sales expansion in Japan & overseas	Sales volume 1,000 t/year
	Bioethanol	Basic technology development, semi-commercial production	1,000 KL/year	Start of commercial production	Sales volume: Tens of thousands of KLs
	Biocarbon	Full-scale technology development	Commercialization scheme established	Sale of bio-carbon to steelmakers	Sales volume 250,000 t/year
Advanced functional materials	CNF* energy storage material	Industry-academia collaboration, advancement of production technology	Reach commercial-grade quality	Commercialization	Social implementation
	CNF*- reinforced resin	Automotive manufacturer-industry-academia collaborative development	Finalize formulation, begin testing for major mobility companies		Manufacturing 600 t/year

* Cellulose nanofiber

Identification and Addition of New Business Themes

This shows the development and sales expansion of biomass products we are currently working on.

As described here, we will proceed with expansion, but without limiting ourselves to these products, we will further identify and add new themes.

(3) Profitability Improvement | Expansion of New Biomass Material Business

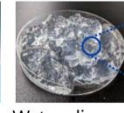
The Future Enabled by Cellulose Nanofiber (CNF) 'Cellenpia®'

■ The "Added Value" of CNF

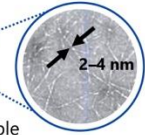
(1) Biomass (2) Sustainable (3) Self-sufficient



Powder



Water-dispersible



■ From Development to Commercialization

Reinforced Resin:
Mobility & Structural Materials
<Lightweight, High Strength, Recyclable>

Energy Storage Devices:
Capacitors and Solid-State Batteries
<Safety, Lightweight, Thin Film, Economic Security>

Electronic Components and Medical Applications
<Fine, Clean, Barrier, Protective>

*Certain images were created using generative AI.

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This shows initiatives for cellulose nanofiber among new biomass materials.

Regarding CNF, the number of applications adopted is steadily increasing, including in food and cosmetics. However, the current situation is that the business is still small.

Looking ahead, we are currently conducting research and development to expand application areas to mobility, energy storage devices, semiconductors, and medical fields, as shown here, and we would like to achieve early ramp-up.

(3) Profitability Improvement | Expanding New Biomass Materials Business

Bioethanol (from 100% domestically sourced wood)

- ▶ Promote the “Morisora Project®” to realize biorefinery concept*¹.
- ▶ Aim for the widespread adoption of wood-derived bioethanol for SAF (Sustainable Aviation Fuel).



*1 A system for producing biofuels and chemicals using biomass derived from sustainable forest resources.
 *2 ATJ (Alcohol to Jet)-SAF: Technology and processes for manufacturing SAF (Sustainable Aviation Fuel) from ethanol and other sources.
 *3 Green Earth Institute Co., Ltd.

Features

- Made from 100% domestically sourced wood
 - Supplying low-GHG SAF material.
 - Contributing to improved energy self-sufficiency.

Future Initiatives

- Start pilot production at Iwanuma Mill in 2027.^{*4}
- Plan for commercial production of tens of thousands of kiloliters per year starting around 2030
- Started joint study with Idemitsu Kosan, aiming at building a fully domestic ATJ-SAF supply chain^{*5}
 - <Scope of Study>
 - Logistics
 - Communication regarding domestic ATJ-SAF
 - Development of systems and infrastructure for societal implementation

*4 Conducted under NEDO's (New Energy and Industrial Technology Development Organization) Bio-Manufacturing Revolution Promotion Project.

*5 MOU for joint research signed between Idemitsu Kosan and Morisora Biorefinery LLC (Announcement dated May 27, 2026).

This covers the bioethanol business.

For the bioethanol business, we are leading the Morisora Project, in which companies involved in the SAF supply chain are collaborating. The characteristics of the bioethanol produced here, as shown on the right side of the materials, are that the raw material is 100% domestically sourced wood, that it is low-GHG, and that it will also contribute to improving Japan’s energy self-sufficiency.

We plan to start pilot production at Iwanuma Mill in 2027 and are proceeding with studies toward commercialization around 2030. Also, yesterday, we issued a release stating that we will start a joint study with Idemitsu Kosan, a petroleum wholesaler, toward building a supply chain for fully domestic ATJ-SAF. Going forward as well, related companies will work together as one to advance initiatives toward social implementation.

Sano will continue with the explanation.

Vision for 2035 and Approach to Formulating the Medium-Term Business Plan



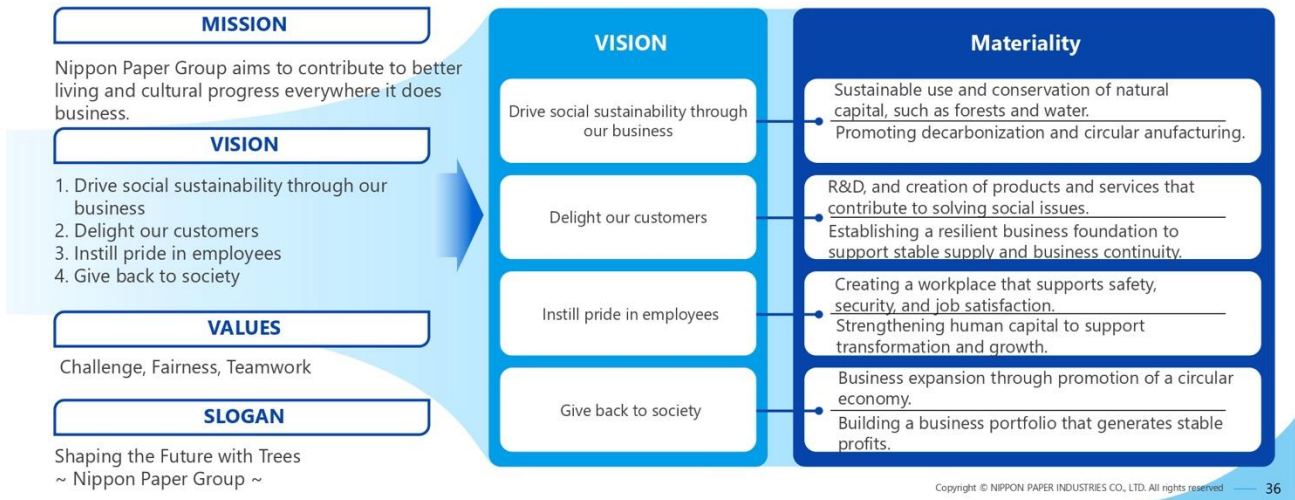
Sano: Next, I will explain the vision for 2035.

This shows the vision for 2035 that we aim to achieve and our approach to formulating the Medium-Term Business Plan 2030.

The external environment surrounding the Group is changing significantly. Amid this, we have considered the vision for 2035 as guidelines for achieving the corporate group vision we aim to realize in FY2035, with the goal of realizing the Nippon Paper Group's mission. We position the plan to be executed over the next five years toward realizing this vision as the Medium-Term Business Plan 2030.

Developing Vision for 2035 Based on Materiality

- Reviewed our Materiality in response to changes in the external environment surrounding the Group.



In addition, this time, along with preparing the Medium-Term Business Plan 2030, we have reviewed our materiality. We organized the new materiality by linking it to each of the four items of our group’s existing vision, our desired corporate image.

We would like to report the details of the new materiality and their progress at a later date on our group’s website and in our integrated report.

Vision and Basic Policy

Vision

A corporate group that maximizes the potential of forest resources to pursue corporate value enhancement and creation of a sustainable society.

Basic Policy

Transformation of business structure	Improvement of capital efficiency	Contributing to creation of a sustainable society	Establishing human resources foundation to support transformation
<ul style="list-style-type: none"> • Expansion of high-profit businesses • Creation and development of new businesses • Establishing competitive advantages in existing businesses 	<ul style="list-style-type: none"> • Optimization of capital structure • Efficient utilization of assets 	<ul style="list-style-type: none"> • Expanding business in key focus areas based on the "Three Circulations," a circular business model • Pursuing nature-positive • Promoting carbon neutrality 	<ul style="list-style-type: none"> • Strengthening human resource and career development • Clarifying the ideal candidate profile and deepening human resource management • Fostering a corporate culture in which employees find their work rewarding

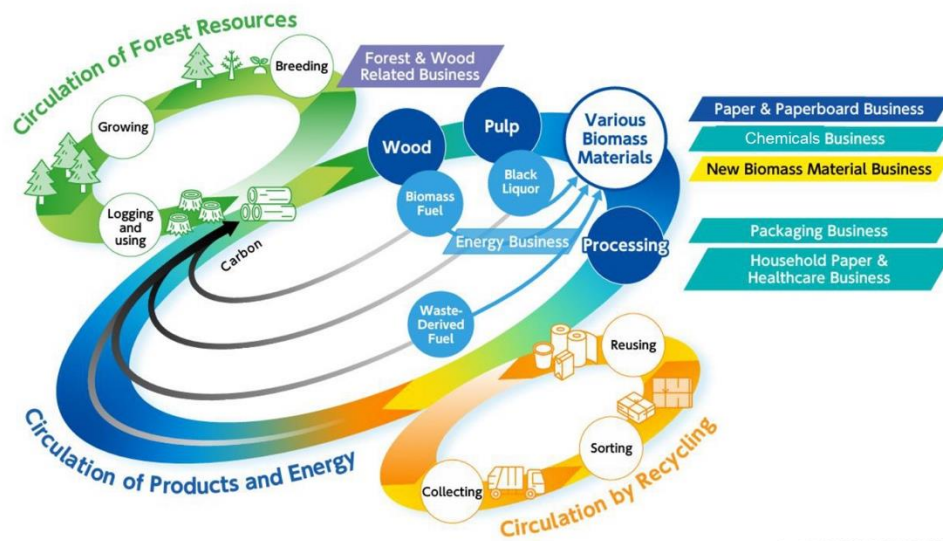
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This shows the vision for 2035.

The Group's vision is defined as a corporate group that maximizes the potential of forest resources to pursue corporate value enhancement and creation of a sustainable society.

As our basic policy, we have set forth the transformation of business structure, improvement of capital efficiency, contributing to the creation of a sustainable society, and establishing a human resources foundation to support transformation. We will work toward enhancing corporate value.

Circular Business Model: "Three Circulations"



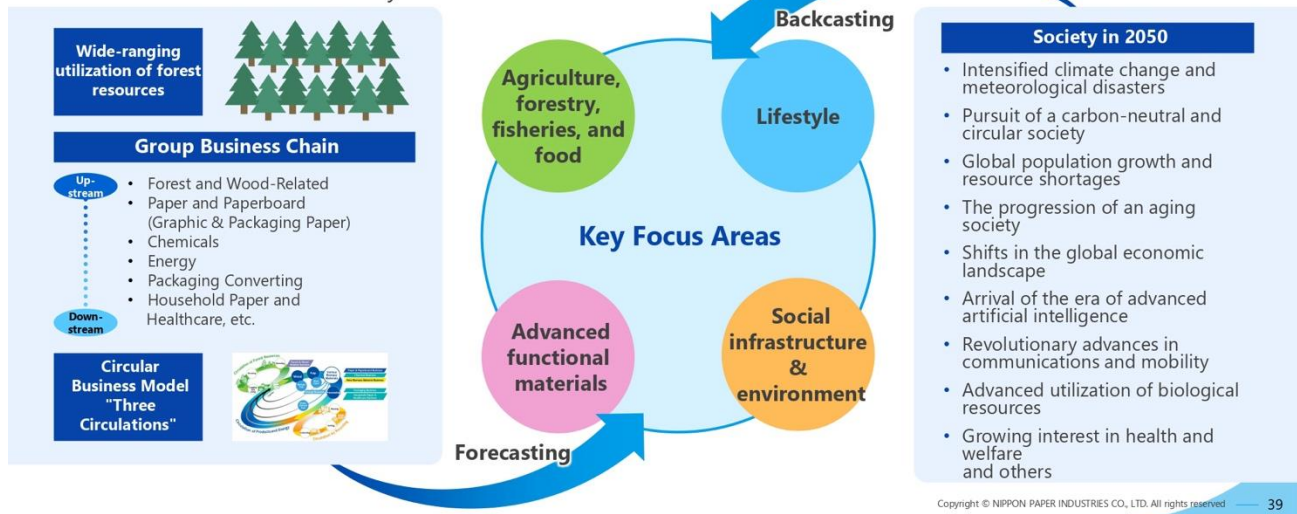
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The diagram shown here is the circular business model that is one of the Group’s strengths, the Three Circulations.

We believe that the Group’s business model, based on the wide-ranging utilization of wood resources, provides a significant advantage in building a circular society. We would like to achieve sustainable growth by leveraging our strengths.

Expansion of Business Areas

- Expand our business in key focus areas to contribute to creation of a sustainable society.

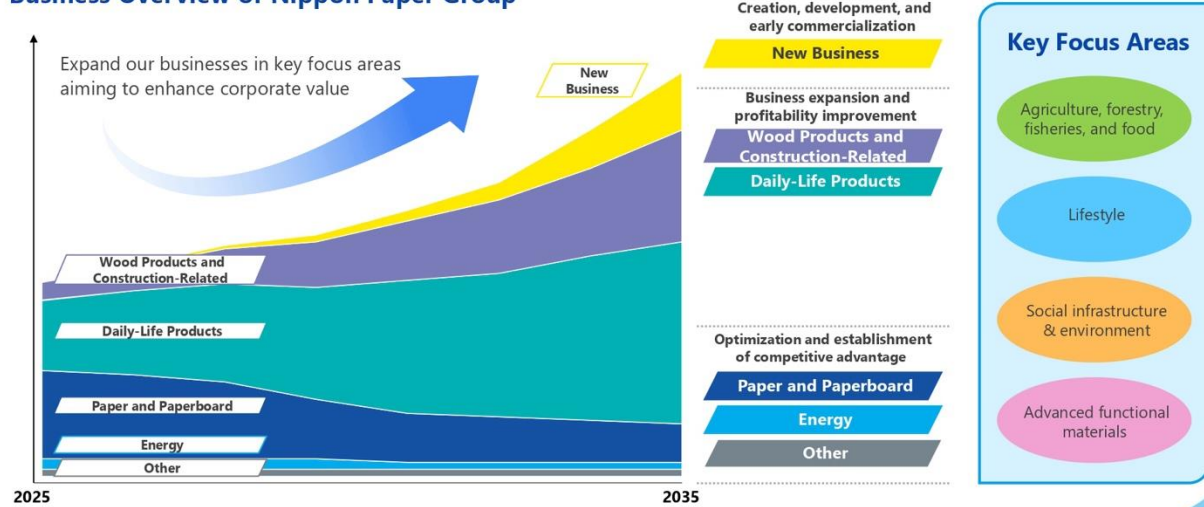


Each of the Group's businesses includes upstream businesses directly related to forests and wood, midstream businesses such as the Paper and Paperboard Business, Chemicals business, biomass materials business, and Energy Business, and downstream businesses closer to consumers, such as the packaging converting business and Household Paper and Healthcare Business. In addition, we have businesses spanning these areas, including distribution, logistics, engineering, real estate, and leisure.

In considering the vision for 2035, in addition to the forecasting perspective of identifying in which business areas we should leverage the strengths of the Group's business chain, we also incorporated a backcasting perspective, based on assumptions regarding demographics and food conditions in 2050, global environmental issues, and challenges for future society, to identify which business areas need to be strengthened. As a result, we have defined the key focus areas we should concentrate on as agriculture, forestry, fisheries, and food, lifestyle, social infrastructure and environment, and advanced functional materials.

Concept for Future Business Structure

Business Overview of Nippon Paper Group



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This slide presents an image of the Group’s key focus areas and the trends in each business’s contribution to the corporate value

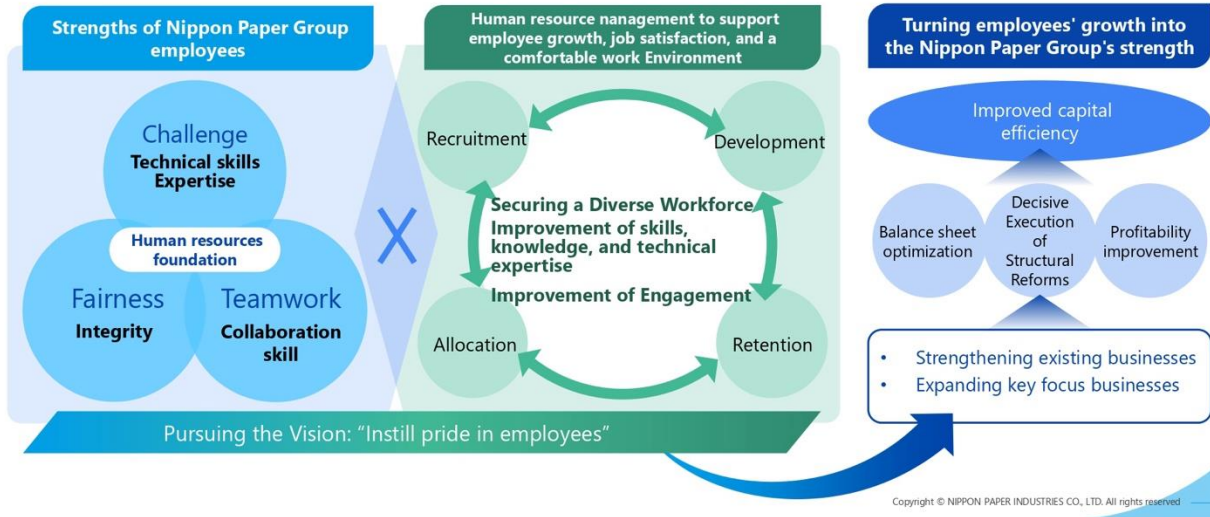
For the Paper and Paperboard Business, Energy Business, and other businesses, we aim to optimize the businesses and establish competitive advantages.

For the Wood Products and Construction-Related Business and the Daily-Life Products Business, we will work to expand the businesses and improve profitability as revenue sources for the Group. In addition, for the creation, development, and early commercialization of new businesses, we will identify market needs and streamline new business development and business strategy formulation.

Each business will expand its operations in the key focus areas, and we will aim to enhance corporate value.

Human Capital Strategy

Human Resource Management that Links Employees' Growth to the Nippon Paper Group's Growth



Next is strengthening the management foundation, non-financial strategies.

First is the human capital strategy.

For this strategy, we will promote human resource management that links employees' growth to the Group's growth, based on the strengths of each employee, such as advanced operational technologies, expertise in wood resources, integrity, and collaboration skills.

Through this, we will secure a diverse workforce, improve skills, knowledge, and technical expertise, and enhance engagement. By pursuing our desired corporate image of "instill pride in employees (employees taking pride in and working brightly at their jobs)", we will realize the Group's sustainable growth.

Natural Capital Strategy

Three pillars for realizing a “sustainable society where nature and people coexist.”

Carbon Neutrality

Promoting decarbonization
(Reduction of GHG Emissions)

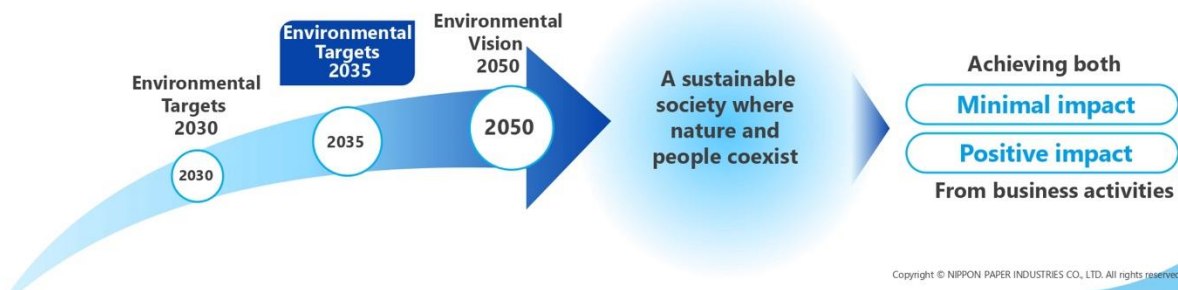
Circular Economy

Expanding resource circulation
(Waste reduction and promotion of recycling)

Nature Positive

Biodiversity conservation and restoration
(Sustainable forest management,
reduction of environmental impact)

Formulated “NIPPON PAPER GROUP Environmental Targets 2035,”
Medium-term targets for achieving the NIPPON PAPER GROUP Environmental Vision 2050



On the next page is the natural capital strategy.

Under this strategy, we will work on the three pillars for realizing a sustainable society where nature and people coexist: carbon neutrality or the promotion of decarbonization, circular economy or the expansion of resource circulation, and nature positive or biodiversity conservation and restoration.

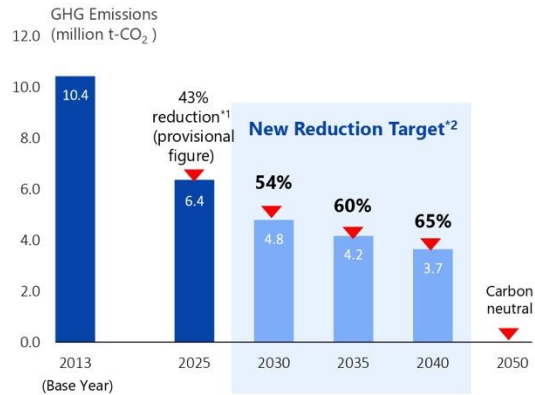
We will aim to achieve both minimal impact, which minimizes the impact of our business activities on the environment, and positive impact, which actively creates positive value and contributions for the environment and society.

Natural Capital Strategy

Reduction of GHG Emissions

- Setting reduction targets for FY2035 and FY2040 (Scope 1 + Scope 2)

GHG Reduction Plan



Key Measures (GHG Reduction Plan for FY2026–2040: 26%^{*)})

- Installation of a high-efficiency black liquor recovery boiler at Ishinomaki Mill 4%
- Permanent shutdown of coal boilers (production system reorganization, etc.) 14%
- Promotion of fuel conversion 5%
- Promotion of energy conservation 1%
- Other 2%

(GHG emission calculation criteria)			Base year	Emissions in the base year
Scope				
*1	Emissions related to manufacturing, <u>excluding</u> the Energy Business sector	FY2013	8.4 million t-CO ₂	
*2	Emissions <u>including</u> the Energy Business sector	FY2013	10.4 million t-CO ₂	

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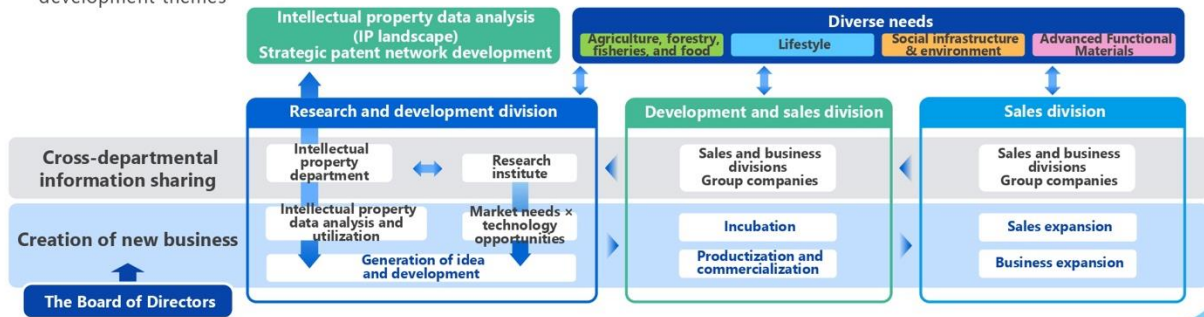
Next are the targets for reducing GHG emissions.

Toward the FY2030 target of a 54% reduction compared to FY2013, progress is currently steady. Accordingly, this time, we have set new targets of a 60% reduction by FY2035 and a 65% reduction by FY2040. We will continue to strengthen our initiatives toward carbon neutrality in 2050.

Intellectual Capital Strategy | Research and Development

Creation and Development of New Businesses

- Streamline new business development and planning strategies by gathering and sharing diverse market needs and utilizing intellectual property data analysis
- Accelerate R&D through open innovation
- Strictly enforce transition from research, development to commercialization through gate reviews and the Group Management Strategy Meetings, and thoroughly reallocating resources to priority development themes
- Progress monitoring at the Board Meetings



On the next page is the intellectual capital strategy.

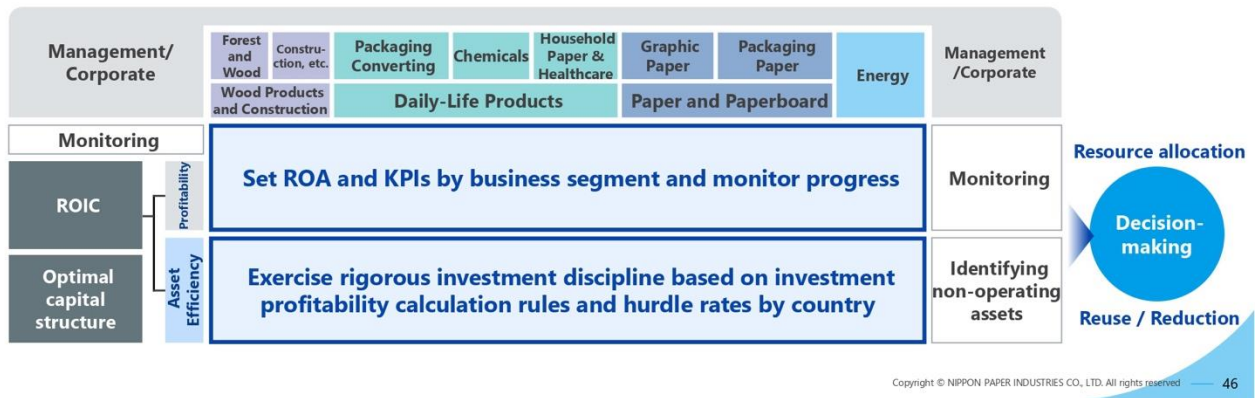
Under this strategy, toward the early creation of new businesses, we will collect and share diverse market needs from each organization within the Group, improve the efficiency of new business development through analysis combining AI and intellectual property data, and execute business development through external alliances, or so-called open innovation.

The business models and products created will be narrowed down into priority development themes through gate reviews and reviews at the Group Management Strategy Meetings, attended by all directors, all executive officers, and others. We will make decisions more rigorous for transitions to each stage, such as research, development, and commercialization, and thoroughly reallocate resources to priority development themes.

The Board of Directors will monitor this series of processes, the appropriateness of resource allocation, and decisions on business strengthening or withdrawal.

Corporate Governance | Introduction of a Capital Efficiency Management System

- Implement with KPI the ROIC management on consolidated and independent basis (including NPI), and the ROA management by business.
 - ⇒ Efficient management of business assets (accounts receivable, inventory, fixed assets, investment securities, and stocks of subsidiaries and affiliates, etc.)
 - ⇒ Reutilization, sale, and reduction of non-operating assets, including reduction of cross-shareholdings
- Report progress to the Board of Directors on a quarterly basis



Lastly, please see page 46 regarding corporate governance and the introduction of a capital efficiency management system.

As part of our initiatives to improve PBR, in FY2025, we began trial operation of companywide ROIC management on a consolidated basis, ROIC and ROA management by company, including Nippon Paper Industries, and by business, and KPI management, with the aim of efficiently managing assets. From this fiscal year onward, we will move to full-scale operation.

We will enhance effectiveness by strengthening the system for reporting progress to the Board of Directors every quarter and conducting monitoring. At the same time, by making investment decisions more rigorous, we will achieve both capital efficiency and profitability improvement and work to sustainably enhance corporate value.

This concludes the explanation.

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