

NOTICE OF THE ONE HUNDRED AND SECOND ORDINARY GENERAL MEETING OF SHAREHOLDERS

Date and Time June 26, 2026 (Friday)
10:00 a.m. (Reception desk to be opened at 9:00 a.m.)

Place The International Conference Hall
2nd floor of The Keidanren (Japan Business Federation) Bldg.,
3-2, Otemachi 1-chome, Chiyoda-ku, Tokyo

Matters to be resolved

<Company Proposals>

Proposal 1

Appropriation of Retained Earnings

Proposal 2

Election of Nine (9) Directors

Proposal 3

Election of One (1) Substitute Audit & Supervisory Board Member

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Nippon Paper Industries Co., Ltd.
Ticker Code: 3863

Nippon Paper Group Mission

Mission

The Nippon Paper Group aims to contribute to better living and cultural progress everywhere it does business.

Vision

A corporate group that meets the following requirements and is sustainably needed by society

1. Drive social sustainability through our business
2. Delight our customers
3. Instill pride in employees
4. Give back to society

Values

- Challenge : Embrace new challenges
- Fairness : Be fair
- Teamwork : Champion teamwork

Slogan

Shaping the future with trees

Constantly creating new value and contributing to better living and cultural progress, as a comprehensive biomass company shaping the future with trees.

Over many years, we have nurtured trees, made paper, and offered a wide range of products that support people’s life and culture.

We have managed forests in an appropriate manner, and pursued a variety of businesses by fully utilizing wood resources out of sustainably managed forests. Those businesses address social issues such as global warming and depletion of resources on earth, and contribute to running sustainable society.

Going forward, we will continue to provide a wide range of products and services that make the most of the outstanding properties of wood, as we strive to maximize the value of sustainable forest resources for the future.

To Our Shareholders

June 2026
Akira Sebe
President, Representative Director

We would like to express our appreciation for your continued support and patronage.
You are cordially invited to attend the 102nd Ordinary General Meeting of Shareholders of Nippon Paper Industries Co., Ltd. to be held on June 26, 2026 (Friday).

The Nippon Paper Group aspires to be a corporate group that will continue to be trusted and needed by society, by contributing to better living and cultural progress of people all over the world through its business activities.

We ask for the further support of our shareholders in our endeavors.

(Ticker Code: 3863)

June 5, 2026

(Start date of measures for electronic provision: June 1, 2026)
(Head Business Office) 4-1 Oji 1-chome, Kita-ku, Tokyo
(Headquarters) 6 Kanda-surugadai 4-chome, Chiyoda-ku, Tokyo

Nippon Paper Industries Co., Ltd.

Akira Sebe

President, Representative Director

**NOTICE OF THE ONE HUNDRED AND SECOND
ORDINARY GENERAL MEETING OF SHAREHOLDERS**

This is to inform you that the 102nd Ordinary General Meeting of Shareholders of Nippon Paper Industries Co., Ltd. will be held as set forth below.

In convening this Ordinary General Meeting of Shareholders, we take measures for electronic provision and post the matters subject to measures for electronic provision as the “NOTICE OF THE ONE HUNDRED AND SECOND ORDINARY GENERAL MEETING OF SHAREHOLDERS” on the following website on the Internet.

The Company’s website: <https://www.nipponpapergroup.com/english/ir/shareholder/meeting/>

In addition to the above, the matters subject to measures for electronic provision are posted on the following website on the Internet:

Tokyo Stock Exchange’s website (Listed Company Search):

TSE website: <https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Please access the website above, enter and search for the Company’s name or ticker code, and select “Basic information” and then “Documents for public inspection/PR information” to view the information.

Aside from attending the meeting in person, you may exercise your voting rights either in writing or through electronic means (i.e., via the Internet, etc.). You are kindly requested to exercise your voting rights on or before 5:00 p.m. on June 25 (Thursday), 2026, after examining the Reference Documents for the Ordinary General Meeting of Shareholders stated in the matters subject to measures for electronic provision and in accordance with the guidance on pages 6 through 8.

Dear Shareholders:

1. Date and Time	June 26, 2026 (Friday), at 10:00 a.m. (Reception desk is scheduled to be opened at 9:00 a.m.)
2. Place	The International Conference Hall on the 2nd floor of the Keidanren (Japan Business Federation) Bldg., 3-2, Otemachi 1-chome, Chiyoda-ku, Tokyo (Please see the attached access map.)
3. Purpose Matters to be reported Matters to be resolved	(1) Report on the contents of the Business Report and the contents of the Consolidated Financial Statements, and the outcome of the audit conducted on the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board for the 102nd Fiscal Period (from April 1, 2025, to March 31, 2026). (2) Report on the contents of the Financial Statements for the 102nd Fiscal Period (from April 1, 2025, to March 31, 2026) Proposal 1: Appropriation of Retained Earnings Proposal 2: Election of Nine (9) Directors Proposal 3: Election of One (1) Substitute Audit & Supervisory Board Member

● Pursuant to laws and ordinances and the Company's Articles of Incorporation, among the matters subject to measures for electronic provision, the following items are not provided in the paper-based documents delivered to shareholders who have made a request for delivery of such documents. The Accounting Auditor, the Audit & Supervisory Board Members and the Audit & Supervisory Board have audited documents subject to audit including the following items.

- ① Basic Policy on Control of the Stock Company in the Business Report
- ② Consolidated Statement of Changes in Shareholders' Equity, etc., in the Consolidated Financial Statements
- ③ Notes to the Consolidated Financial Statement
- ④ Statement of Changes in Shareholders' Equity, etc., in the Non-Consolidated Financial Statements
- ⑤ Notes to the Non-consolidated Financial Statement

● If revisions to the matters subject to measures for electronic provision arise, a notice of the revisions and original and revised matters will be posted on the below websites.

The Company's website:

<https://www.nipponpapergroup.com/english/ir/shareholder/meeting/>

Tokyo Stock Exchange's website:

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

<p>· A dedicated space will be provided in the venue for shareholders in wheelchairs. · If you need any assistance, please feel free to call us beforehand at the contact point: General Affairs Department, Personnel & General Affairs Division, Nippon Paper Industries Co., Ltd. TEL: +81-3-6665-1008</p>

Yours truly,

Akira Sebe
President, Representative Director
Nippon Paper Industries Co., Ltd.

[End]

About the Electronic Provision System and Requesting Delivery of Documents

Under the amendments of the Companies Act enforced on September 1, 2022, listed companies are generally required to make reference documents for the General Meeting of Shareholders available on their websites. However, until now, we have been sending a document titled “Notice of the Ordinary General Meeting of Shareholders” to all shareholders with voting rights, which included certain information required by law and sections of the reference documents for the General Meeting of Shareholders.

Commencing from the 103rd Ordinary General Meeting of Shareholders to be held in June 2027, only a written notice containing the statutory notification items, such as the website address where reference materials for the meeting are posted, will be sent in writing to shareholders, excluding those who have made a request for delivery of documents by the record date.

Shareholders who wish to receive hard copies of the reference documents for the general meeting of shareholders (excluding documents specified in the Company’s Articles of Incorporation) posted on the website following the 103rd Ordinary General Meeting of Shareholders are requested to complete the necessary procedures for document delivery at a securities company where their account is maintained or our administrator of shareholder registry (Sumitomo Mitsui Trust Bank, Limited) by the record date (March 31, 2027 for the next Ordinary General Meeting of Shareholders).

For inquiries about the electronic provision of materials for the General Meeting of Shareholders (Notice of Convocation)

Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited

Toll-free number: 0120-782-031

(Operating Hours: 9:00 a.m. to 5:00 p.m., excluding Saturdays, Sundays and public holidays)

For information on the electronic provision system and the procedure for document delivery

<https://www.smtb.jp/personal/procedure/agency/kaisyahou>

Guidance Notes on the Exercise of Voting Rights

1. Exercising voting rights by attending the Ordinary General Meeting of Shareholders

The date and time of the Ordinary General Meeting of Shareholders

June 26, 2026 (Friday), at 10:00 a.m. (Reception desk is scheduled to be opened at 9:00 a.m.)

Please submit the Voting Form enclosed herewith at the reception desk.

2. Exercising voting rights in writing

Voting Deadline: No later than June 25, 2026 (Thursday), at 5:00 p.m.

Please see page 7 for further information.

Please indicate your approval or disapproval of each of the proposals on the Voting Form enclosed herewith, and return the Voting Form to the Company so that it reaches us by no later than the above-mentioned voting deadline.

3. Exercising voting rights via the Internet, etc.

Voting Deadline: No later than June 25, 2026 (Thursday), at 5:00 p.m.

Please see pages 7 to 8 for further information.

Please exercise your voting rights by entering your approval or disapproval of each of the proposals.

Guidance Notes on the Exercise of Voting Rights

Guidance Notes on the Exercise of Voting Rights in writing

Please indicate your approval or disapproval of each of the proposals on the Voting Form.

Proposals 1 and 3

- ▶Approval ⇒ Enter ○ mark in 「賛」 column
- ▶Disapproval ⇒ Enter ○ mark in 「否」 column

Proposal 2

- ▶Approval of all candidates ⇒ Enter ○ mark in 「賛」 column
- ▶Disapproval of all candidates ⇒ Enter ○ mark in 「否」 column
- ▶Indicating approval or disapproval of only some of the candidates
⇒ Enter ○ mark in 「賛」 column or 「否」 column and enter the relevant candidate No. described in the Reference Document for the Ordinary General Meeting of Shareholders.

In the case that a Voting Form without indication of approval or disapproval for each Proposal is submitted, it will be treated as indication of approval.

The QR Code[®] for exercising voting rights via a smartphone, etc. is printed on the Voting Form.

Guidance Notes on the Exercise of Voting Rights via the Internet, etc.

Exercise of voting rights via a smartphone, etc.

1. Scan the QR code[®] printed on the Voting Form.

* “QR Code” is a registered trademark of DENSO WAVE INCORPORATED.

2. Tap the “Exercise your voting right (議決権行使～)” button from the top screen of The Portal of Shareholders’ Meeting.

3. The top screen of Smart Exercise[®] is displayed. Then, follow the instructions on the screen and enter your approval or disapproval of each of the proposals.

Exercise of voting rights via a PC, etc.

Access the portal by entering your login ID and password printed on the Voting Form from the following URL. Then, follow the instructions on the screen and enter your approval or disapproval of each of the proposals.

You can log in via QR code® on the Voting Form.

The Portal of Shareholders' Meeting URL

▶<https://www.soukai-portal.net>

The URL of the website for voting

You can also use the voting website as before.

▶<https://www.web54.net>

Cautions:

- If you wish to change your vote after exercising your voting rights, it is necessary that you enter the “Exercise of Voting Rights code” and the “Password” on the Voting Form.
- When you exercise your voting rights both in writing and via the Internet, etc., only the last vote received shall be accepted as valid. When both votes via the Internet, etc. and in writing arrive on the same day, only the vote via the Internet, etc. shall be accepted as valid. Also, when you exercise your voting rights more than once via the Internet, etc., only the last vote exercised shall be accepted as valid.

For Institutional Investors

In addition to exercising voting rights through the Internet as described above, the electronic voting platform operated by ICJ Inc., a joint corporation established by the Tokyo Stock Exchange, Inc., etc., is available for nominal shareholders (including standing proxies) such as trust and custody banks when prior application for use of such platform has been made.

For inquiries:

Sumitomo Mitsui Trust Bank, Limited

Web Support Dedicated Dial:

Stock Transfer Agency Web-Support Department

Telephone: 0120-652-031

(Operating Hours: 9:00 a.m. to 9:00 p.m.)

■ Reference Documents for the Ordinary General Meeting of Shareholders

Proposals and Reference Matters

Proposal 1. Appropriation of Retained Earnings

The Company is striving to meet the expectations of shareholders by strengthening its management platform and profitability of the group as a whole, and by achieving sustainable growth of corporate value.

The basic policy concerning dividends is to continue to pay stable dividends to the greatest extent possible on the basis of a comprehensive consideration of such factors as the business performance of the group and retention of sufficient internal reserves, etc.

The Company would like to propose that the year-end dividend for the current fiscal year be disbursed as follows:

1	Type of dividend property	Cash
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2	Allotment of dividend property to shareholders and its total amount	10 yen per common share of the Company stock Total amount: 1,158,691,390 yen
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3	Effective date of dividend of retained earnings	June 29, 2026
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(Reference)

Changes in the dividend per share

(unit: yen)

	98th Term (Fiscal year ended March 2022)	99th Term (Fiscal year ended March 2023)	100th Term (Fiscal year ended March 2024)	101st Term (Fiscal year ended March 2025)	102nd Term (Current) (Fiscal year ended March 2026)
Interim	10	0	0	0	5
Year-end	30	0	10	10	10
Annual	40	0	10	10	15

Proposal 2. Election of Nine (9) Directors

The terms of office of all nine (9) Directors will expire as of the conclusion of this General Meeting of Shareholders. Accordingly, the Company requests that the shareholders elect nine (9) Directors (three (3) of them to be Outside Directors).

The candidates were determined by the Board of Directors upon receiving a report by the Personnel & Remuneration Advisory Committee on the selection of candidates. Furthermore, three (3) candidates for Outside Director fulfill the requirements for an Independent Officer prescribed by the Tokyo Stock Exchange.

The candidates for Director are as follows:

No.	Name	Current title and responsibilities at the Company	Attendance at the Board of Directors meetings
1	[Reappointment] Toru Nozawa	Chairman & Representative Director, Chairperson of the Board of Directors	13/13 (100%)
2	[Reappointment] Akira Sebe	President and Representative Director, CEO President and Chief Executive Officer, CEO	10/10 (100%)
3	[Reappointment] Mitsuhiro Sugino	Executive Vice President, Representative Director, Assistant to President, General Manager of Technical & Engineering Div., in charge of Biomass Material Business Div. [Supervisor of biomass business promotion]	13/13 (100%)
4	[Reappointment] Yasuhito Murakami	Executive Vice President, Representative Director, Assistant to President, in charge of Duplex Board & Packaging Paper Sales Div. [Supervisor of packaging business promotion] (concurrently serving) President of Nippon Tokai Industrial Paper Supply Co., Ltd.	10/10 (100%)
5	[Reappointment] Keiko Watanabe	Director, Executive Officer, General Manager of Sustainability Transformation Div. [In charge of Environmental Management Promotion]	10/10 (100%)
6	[New appointment] Takashi Fujihara	Executive Officer, General Manager of Fuji Mill	-
7	[Reappointment] Makoto Fujioka [Outside] [Independent Officer]	Outside Director	13/13 (100%)
8	[Reappointment] Yoko Hatta [Outside] [Independent Officer]	Outside Director	13/13 (100%)
9	[Reappointment] Yutaka Kunigo [Outside] [Independent Officer]	Outside Director	13/13 (100%)

Candidate

No. 1 TORU NOZAWA (Date of Birth: Mar. 10, 1959) Reappointment

No. of shares in the Company held

46,301 shares



Brief personal history, title and responsibilities

Apr. 1981	Joined Jujo Paper Co., Ltd.
Jun. 2005	General Manager of Treasurer's Dept. of Financial Div. of the Company
Feb. 2008	General Manager of Accounting & Budgeting Dept. of Financial Div. of the Company
Jun. 2009	Deputy General Manager of Financial Div. of the Company
Apr. 2013	Executive Officer, Deputy General Manager of Financial Div. of the Company
Jun. 2014	Director, Executive Officer, General Manager of Corporate Planning Div., in charge of Affiliates & Subsidiaries of the Company
Jun. 2017	Director, Managing Executive Officer, General Manager of Corporate Planning Div., in charge of Affiliates & Subsidiaries of the Company
Jun. 2018	Director, Managing Executive Officer, General Manager of Corporate Planning Div. and Financial Div., in charge of Affiliates & Subsidiaries of the Company
Jun. 2019	President, Representative Director, President and Chief Executive Officer of the Company
Jun. 2025	Chairman & Representative Director, Chairperson of the Board of Directors of the Company (currently serving)

Tenure as a Director

12 years

Attendance at the Board of Directors meetings

13/13 (100%)

Reasons for selecting the candidate for Director

As Chairman and Representative Director of the Company, Mr. Toru Nozawa supervises management and contributes to the enhancement of the Company Group's governance. During his tenure as President, he has accelerated the reform of the business structure toward the achievement of the 2030 Vision and Medium-Term Business Plan 2025, aggressively addressed environmental and other issues including a reduction in GHG emissions, and thereby achieved strengthening of the future-oriented corporate foundation of the Company and the Company Group through his strong leadership. The Company reappoints him as a candidate for Director based on its judgment that he sufficiently understands social responsibility and the mission of business operations and qualifies for this position, taking into account his abundant experience and good track record with an excellent personality, broad insight and stringent self-discipline to fairly and precisely execute business administration and business operation, and that we can expect a leadership of him to supervise the management as a Chairperson of the Board of Directors and drive the Company in the pursuit of further development.

Candidate

No. 2 AKIRA SEBE (Date of Birth: Dec. 12, 1965) Reappointment

No. of shares in the
Company held

17,951 shares



Brief personal history, title and responsibilities

Apr. 1988 Joined Jujo Paper Co., Ltd.
Jul. 2014 General Manager of Forestry Dept. of Raw Materials & Purchasing Div. of the Company
Jun. 2016 Deputy General Manager of Raw Materials & Purchasing Div. and General Manager of Forestry Dept. of the Company
Jun. 2018 General Manager of Raw Materials & Purchasing Div. and General Manager of Forestry Dept. of the Company
Apr. 2020 General Manager of Raw Materials & Purchasing Div. of the Company
Jun. 2020 Executive Officer, General Manager of Raw Materials & Purchasing Div. of the Company
Jun. 2021 Executive Officer, General Manager of Corporate Planning Div. in charge of Affiliates & Subsidiaries and International Business Div. of the Company
Outside Director of LINTEC Corporation
Director of Nippon Paper Creca Co., Ltd.
Director of Opal
Jun. 2024 Managing Executive Officer, General Manager of Corporate Planning Div. in charge of Affiliates & Subsidiaries of the Company
Jun. 2025 **President and Representative Director, CEO, President and Chief Executive Officer, CEO of the Company (currently serving)**

Tenure as a Director

1 year

Attendance at the Board of Directors meetings

10/10 (100%)

Reasons for selecting the candidate for Director

As President and Representative Director of the Company, Mr. Akira Sebe exercises strong leadership and contributes to raising the corporate value of the Company and the Company Group. Toward the achievement of the 2030 Vision and Medium-Term Business Plan 2025, he has pursued the continued growth and reforms of the Company and the Company Group such as the acceleration of business structural changes and the promotion of a green strategy. The Company reappoints him as a candidate for Director based on its judgment that he sufficiently understands social responsibility and the mission of business operations and qualifies for this position, taking into account his abundant experience and good track record with an excellent personality, broad insight and stringent self-discipline as a top management executive who fairly and precisely executes business administration and business operation, and that we can expect a leadership of him to drive the Company in the pursuit of further growth and development with a focus on business expansion in Daily-Life Products Business and early commercialization of a new Biomass business.

Candidate

No. 3 MITSUHIRO SUGINO (Date of Birth: Jul. 30, 1963) Reappointment

No. of shares in the
Company held

16,672 shares



Brief personal history, title and responsibilities

Apr. 1988	Joined Sanyo-Kokusaku Pulp Co., Ltd.
Jun. 2014	General Manager of Corporate Planning Dept. of Corporate Planning Div. of the Company
Jun. 2015	Deputy General Manager of Corporate Planning Div. and General Manager of Corporate Planning Dept. of the Company
Jun. 2018	Executive Officer, Deputy General Manager of Technical & Engineering Div. and General Manager of Production Dept. of the Company
Jun. 2019	Executive Officer, General Manager of Technical & Engineering Div., General Manager of Production Dept. and General Manager of Energy Business Div. of the Company
Sep. 2019	Executive Officer, General Manager of Technical & Engineering Div. and General Manager of Energy Business Div. of the Company
Jun. 2021	Executive Officer, General Manager of Biomass Material Business Div. and General Manager of Business Transformation Promotion Office of the Company
Jan. 2022	Executive Officer, General Manager of Biomass Material Business Div. of the Company
Jun. 2023	Director, Managing Executive Officer, General Manager of Biomass Material Business Div. of the Company
Jun. 2025	Executive Vice President, Representative Director, Assistant to President, General Manager of Technical & Engineering Div., in charge of Biomass Material Business Div. of the Company [Supervisor of biomass business promotion] (currently serving)

Tenure as a Director

3 years

Attendance at the Board of Directors meetings

13/13 (100%)

Reasons for selecting the candidate for Director

As Executive Vice President and Representative Director of the Company, Mr. Mitsuhiro Sugino assists the President, and as General Manager of Technical & Engineering Div. in charge of Biomass Material Business Div., he actively promotes approaches to technological issues including those in overseas business and the early commercialization of a new Biomass business aimed at achieving the 2030Vision and Medium-Term Business Plan 2025. Such efforts have contributed to raising the corporate value of the Company and the Company Group. The Company reappoints him as a candidate for Director based on its judgment that he sufficiently understands social responsibility and the mission of business operations and qualifies for this position, taking into account his past experience and good track record with an excellent personality, broad insight and stringent self-discipline to fairly and precisely execute business administration and business operation, and that we can expect him to drive the Company in the pursuit of further development.

Candidate

No. 4 YASUHITO MURAKAMI (Date of Birth: Jul. 2, 1962) Reappointment

No. of shares in the
Company held

16,057 shares



Brief personal history, title and responsibilities

Apr. 1986 Joined Sanyo-Kokusaku Pulp Co., Ltd.
Apr. 2009 General Manager of Safety & Environmental Control Dept.
and General Manager of Technical Service Dept. of Shiraoui
Mill of the Company
Apr. 2010 Deputy General Manager of Hokkaido Mill-Shiraoui of the
Company
Apr. 2011 General Manager of Hokkaido Mill-Yufutsu of the Company
Jun. 2014 Technical Director of Phoenix Pulp and Paper Public
Company Ltd.
Jul. 2016 Chief Technical Officer of Paper Australia Pty Ltd
Jun. 2018 President of Paper Australia Pty Ltd
Jun. 2019 Executive Officer, General Manager of Hokkaido Mill of the
Company
Jun. 2020 Executive Officer, General Manager of Shiraoui Mill of the
Company
Jun. 2021 Executive Officer, General Manager of Technical &
Engineering Div. of the Company
Jun. 2023 Managing Executive Officer, General Manager of Technical
& Engineering Div. of the Company
Jun. 2025 **Executive Vice President, Representative Director,
Assistant to President, in charge of Duplex Board &
Packaging Paper Sales Div. of the Company [Supervisor
of packaging business promotion]
(Concurrently serving) President of Nippon Tokai
Industrial Paper Supply Co., Ltd. (currently serving)**

Tenure as a Director

1 year

Attendance at the Board of Directors meetings

10/10 (100%)

Status of important concurrent offices in other entities

President of Nippon Tokai Industrial Paper Supply Co., Ltd.,
Director of Opal

Reasons for selecting the candidate for Director

In his position as Representative Director and Executive Vice President of the Company, and Assistant to President while overseeing the Duplex Board & Packaging Paper Sales Division and serving as President of Nippon Tokai Industrial Paper Supply Co., Ltd., Mr. Yasuhito Murakami has vigorously driven the transformation of our business structure by strengthening the packaging business to achieve the 2030Vision and Medium-Term Business Plan 2025. Such efforts have contributed to raising the corporate value of the Company and the Company Group. The Company reappoints him as a candidate for Director based on its judgment that he sufficiently understands social responsibility and the mission of business operations and qualifies for this position, taking into account his past experience and good track record with an excellent personality, broad insight and stringent self-discipline to fairly and precisely execute business administration and business operation, and that we can expect him to drive the Company in the pursuit of further development.

Candidate

No. 5 KEIKO WATANABE (Date of Birth: Nov. 10, 1966) Reappointment

No. of shares in the Company held

6,160 shares



Brief personal history, title and responsibilities

Apr. 1991 Joined Jujo Paper Co., Ltd.
Jul. 2019 General Manager of Environment & Safety Dept. of Technical & Engineering Div. of the Company
Mar. 2021 General Manager of Environment Dept. of Technical & Engineering Div. of the Company
Jun. 2022 Deputy General Manager of Technical & Engineering Div. and General Manager of Environment Dept. of the Company
Jun. 2024 Executive Officer, General Manager of Sustainability Transformation Div. of the Company
Jun. 2025 **Director, Executive Officer, General Manager of Sustainability Transformation Div. of the Company [In charge of Environmental Management Promotion]** (currently serving)

Tenure as a Director

1 year

Attendance at the Board of Directors meetings

10/10 (100%)

Reasons for selecting the candidate for Director

Ms. Keiko Watanabe works to contribute to raising the corporate value of the Company and the Company Group through the promotion of sustainable management, etc., as Director, Executive Officer and General Manager of Sustainability Transformation Div. of the Company. The Company reappoints her as a candidate for Director based on its judgment that she sufficiently understands social responsibility and the mission of business operations and qualifies for this position, taking into account her abundant experience and good track record with an excellent personality, broad insight and stringent self-discipline to fairly and precisely execute business administration and business operation, and that we can expect her to drive the Company in the pursuit of further development.

Candidate

No. 6 TAKASHI FUJIHARA (Date of Birth: Mar. 26, 1967) New appointment

No. of shares in the
Company held

10,385 shares



Brief personal history, title and responsibilities

Apr. 1991 Joined Jujo Paper Co., Ltd.
Oct. 2017 General Manager of Business Communication Paper Sales
Dept. I of Business Communication & Industrial Paper
Sales Div. of the Company
Jun. 2021 Deputy General Manager of Business Communication Paper
Sales Div. and General Manager of Business Communication
Paper Sales Dept. I of the Company
Jun. 2022 General Manager of Yatsushiro Mill of the Company
Jun. 2024 **Executive Officer, General Manager of Fuji Mill of the
Company** (currently serving)

Reasons for selecting the candidate for Director

Mr. Takashi Fujihara has contributed to raising the corporate value of the Company and the Company Group as Executive Officer and General Manager of Fuji Mill of the Company. The Company appoints him as a candidate for Director based on its judgment that he sufficiently understands social responsibility and the mission of business operations and qualifies for this position, taking into account his past broad experience in overseas business, sales and mills, and good track record with an excellent personality, broad insight and stringent self-discipline to fairly and precisely execute business administration and business operation, and that we can expect him to drive the Company in the pursuit of further development.

Candidate

No. 7 MAKOTO FUJIOKA (Date of Birth: Mar. 27, 1950) **Reappointment**
Independent Officer (Outside)

No. of shares in the Company held

1,000 shares

**Brief personal history, title and responsibilities**

Apr. 1972 Entered the Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry)

Jun. 1975 Studied abroad at Harvard Business School in the U.S. (acquired MBA)

Jun. 1987 Energy Conservation Minister of International Energy Agency (resided in France)

Jun. 1996 Deputy Director-General of the Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry)

Feb. 2001 Ambassador extraordinary and plenipotentiary to the United Arab Emirates

Sep. 2003 Retired from the Ministry of Economy, Trade and Industry

Oct. 2003 Full-time adviser of Nippon Light Metal Co., Ltd.

Jun. 2004 Director, Managing Executive Officer of the same

Jun. 2007 Director, Senior Managing Executive Officer of the same

Oct. 2012 Director of Nippon Light Metal Holdings Co., Ltd. (in charge of CSR & Auditing Administration Dept. (thru Jun. 2015))

Jun. 2013 Director, Executive Vice President of Nippon Light Metal Co., Ltd. (thru Jun. 2015)

Jul. 2015 Senior Director of Japan Association for Chemical Innovation (thru Jun. 2019)

Jun. 2016 Outside Director of Eagle Industry Co., Ltd. (thru Jun. 2023)
Outside Director of NOK CORPORATION
Outside Director of the Company (currently serving)

Jun. 2024 Outside Director (Audit & Supervisory Committee Member) of NOK CORPORATION

Aug. 2024 **Outside Director (Audit & Supervisory Committee Member) and Chairperson of the Nomination & Compensation Advisory Committee of the same** (currently serving)

Tenure as a Director

10 years

Attendance at the Board of Directors meetings

13/13 (100%)

Status of important concurrent offices in other entities

Outside Director (Audit & Supervisory Committee Member) and Chairperson of the Nomination & Compensation Advisory Committee of NOK CORPORATION

Reasons for selecting the candidate for Outside Director and outline of expected roles

By using his broad knowledge and international perspective based on his experiences both in the public and private sectors, Mr. Makoto Fujioka is expected to supervise and provide advice on the execution of duties of the Company's Directors from an objective standpoint and is therefore reappointed as a candidate for Outside Director.

Candidate

No. 8 YOKO HATTA (Date of Birth: Jun. 8, 1952) Reappointment
Independent Officer (Outside)

No. of shares in the
Company held
0 shares



Brief personal history, title and responsibilities

Aug. 1988	Joined Peat Marwick Main & Co. (currently KPMG LLP New York Office)
Aug. 1997	Partner of the same Office
Sep. 2002	Partner of KPMG Peat Marwick Tax Corporation (currently KPMG Tax Corporation) (thru Sep. 2014)
Jun. 2008	Auditor of International Christian University (thru May 2023)
Jun. 2015	Outside Audit & Supervisory Board Member of Kobayashi Pharmaceutical Co., Ltd. (thru Mar. 2026)
Jun. 2016	Outside Audit & Supervisory Board Member of IHI Corporation (thru Jun. 2020) Outside Audit & Supervisory Board Member of the Company (thru Jun. 2019)
Jun. 2019	Outside Director of the Company (currently serving)
Jun. 2022	Outside Director of Ajinomoto Co., Inc. (currently serving) Director (Audit & Supervisory Committee Member) (Outside) of KOEI CHEMICAL COMPANY, LIMITED (currently serving)

Tenure as a Director

7 years

Attendance at the Board of Directors meetings

13/13 (100%)

Status of important concurrent offices in other entities

Outside Director of Ajinomoto Co., Inc.
Director (Audit & Supervisory Committee Member) (Outside) of KOEI CHEMICAL COMPANY, LIMITED

Reasons for selecting the candidate for Outside Director and outline of expected roles

Although Ms. Yoko Hatta does not have experience of direct involvement in actual business operation, she is expected to supervise and provide advice on the execution of duties of the Company's Directors from an objective standpoint by drawing on her significant experience with international accounting firms and deep knowledge on international tax affairs, as well as her experience of serving as Outside Audit & Supervisory Board Member of the Company, and is therefore reappointed as a candidate for Outside Director.

Candidate

No. 9 YUTAKA KUNIGO (Date of Birth: Nov. 17, 1954) **Reappointment**
Independent Officer (Outside)

No. of shares in the
Company held
0 shares

**Brief personal history, title and responsibilities**

Apr. 1977	Joined Tokyo Gas Co., Ltd.
Apr. 2007	Executive Officer and General Manager of Gas Resources Dept. of Energy Resources Business Div. of the same
Apr. 2010	Managing Executive Officer and Chief Executive of Energy Resources Business Div. of the same
Jun. 2013	Director, Managing Executive Officer and Chief Executive of Energy Production Div. of the same
Apr. 2014	Representative Director, Executive Vice President, Chief Executive of Energy Solution Div. of the same
Apr. 2015	Representative Director, Executive Vice President and in charge of Power Business Planning Dept., Business Restructuring Project Dept., and Sales Innovation Planning Dept. of the same
Apr. 2016	Representative Director, Executive Vice President, Head of Power Business, Chief Executive of Regasification & Power Generation Div. and in charge of Power Business Planning Dept. of the same (thru Mar. 2017)
Apr. 2017	Chairman & Director of Tokyo Gas Engineering Solutions Corporation (thru Mar. 2020)
Jun. 2020	Outside Director of the Company (currently serving)
Mar. 2022	Outside Director of ISE CHEMICALS CORPORATION (currently serving)
Jun. 2022	External Director of Chiyoda Corporation (currently serving)

Tenure as a Director

6 years

Attendance at the Board of Directors meetings

13/13 (100%)

Status of important concurrent offices in other entities

Outside Director of ISE CHEMICALS CORPORATION

External Director of Chiyoda Corporation

Reasons for selecting the candidate for Outside Director and outline of expected roles

Mr. Yutaka Kunigo has been involved in a wide range of fields including engineering, personnel affairs, procurement, sales and international business at Tokyo Gas Co., Ltd. By using his significant experience and broad knowledge based on his experience of operating said company as a member of the management team, Mr. Yutaka Kunigo is expected to supervise and provide advice on the execution of duties of the Company's Directors from an objective standpoint and is therefore reappointed as a candidate for Outside Director.

Special notes on the candidates for Director

The Company has entered into a directors and officers liability insurance contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company to insure the Company's Directors, Audit & Supervisory Board Members and Executive Officers, as well as Directors and Statutory Auditors of Nippon Paper Creca Co., Ltd., Nippon Paper Papyrus Co., Ltd., and Nippon Tokai Industrial Paper Supply Co., Ltd. The Company plans to renew the insurance contract in August this year. If candidates for Director are appointed or reelected, they will be included in the insurance contract as insured persons. The outline of the contract is as follows.

1. The insurance covers litigation expenses and legal damages for which the insureds became liable in the event where they received a claim for damages from shareholders, business partners or other third parties due to the performance of their duties.
2. The insurance does not cover any claim for damages due to any conduct committed by insureds while knowing that the conduct is in violation of laws and regulations.
3. The premiums for the insurance contract are fully paid by the Company.

Special notes on the candidates for Outside Director

1. Mr. Makoto Fujioka, Ms. Yoko Hatta and Mr. Yutaka Kunigo are candidates for Outside Director as defined in Article 2, Paragraph 3, Item 7, of the Ordinance for Enforcement of the Companies Act.
2. In determining a candidate for Outside Director, the Company judges his or her independence by considering whether the candidate fulfills the standards of independence set by the Tokyo Stock Exchange, in addition to the statutory qualifications for being described as outside as stipulated by laws and regulations, and confirming whether there are any conflicts of interest with the general shareholders of the Company.
3. In light of the aforementioned standards and qualifications, the Company judges that Mr. Makoto Fujioka, Ms. Yoko Hatta and Mr. Yutaka Kunigo have the independence required to be independent officers, and the Company has filed them as Independent Officers of the Tokyo Stock Exchange under the provisions of said Exchange. If each of them is elected as originally proposed, he or she will continue to be an Independent Officer.
4. The Company has concluded contracts with Mr. Makoto Fujioka, Ms. Yoko Hatta and Mr. Yutaka Kunigo to limit the liability for damages as prescribed in Article 423, Paragraph 1, of the Companies Act to the amount stipulated by laws and regulations, in accordance with Article 427, Paragraph 1, of said Act. If their reappointment is approved, the Company intends to extend the relevant contracts with them.

Special notes on Mr. Makoto Fujioka, a candidate for Outside Director

1. Mr. Makoto Fujioka served as Senior Director of Japan Association for Chemical Innovation until June 2019. Although the Company has paid seminar fees to the Japan Association for Chemical Innovation, the amount is negligible (less than 100,000 yen a year).
2. Mr. Makoto Fujioka had served as Outside Director of Eagle Industry Co., Ltd. through June 2023. Although the Company has purchase transactions related to equipment with Eagle Industry Co., Ltd., the amount of transactions is negligible (the amount of the Company's purchases from Eagle Industry Co., Ltd. is less than 1% of the net sales of Eagle Industry Co., Ltd.).

Special notes on Ms. Yoko Hatta, a candidate for Outside Director

1. Ms. Yoko Hatta served as Outside Audit & Supervisory Board Member of IHI Corporation through June 2020. Although the Company has purchase transactions related to facilities with IHI Corporation, the amount of the transactions is negligible (the amount of the Company's purchases from IHI Corporation is less than 1% of the net sales of IHI Corporation).
2. Ms. Yoko Hatta is currently serving as Outside Director of Ajinomoto Co., Inc. Although the Company has sales transactions in the Chemical Business with Ajinomoto Co., Inc., the amount of the transactions is negligible (the amount of sales is less than 1% of the net sales of the Company).
3. In March 2024, when Ms. Yoko Hatta was serving as an Outside Audit & Supervisory Board Member at Kobayashi Pharmaceutical Co., Ltd., its products caused health damage. Responding to this, Kobayashi Pharmaceutical announced a voluntary recall on March 22, 2024, and received administrative order to recall the subject products due to a violation of the Food Sanitation Act from

the Osaka City Public Health Center on March 27, 2024. The City of Osaka made investigations as a serious event including on-site investigations of its multiple production bases relevant to such products. A detailed report was submitted by the City of Osaka to the Ministry of Health, Labour and Welfare on March 19, 2025. Ms. Hatta has not been directly involved in development, production, and sale of products in question and had not recognized the event before receiving the relevant report. However, before receiving the report, she had made proposals about the importance of legal compliance and risk control, and after receiving the report, she has provided advice about and supervision of response to people suffering from health damage, thorough compliance, and efforts for taking effective measures for preventing the recurrence. Thus, she has fulfilled her duties as an Outside Audit & Supervisory Board Member.

Special notes on Mr. Yutaka Kunigo, a candidate for Outside Director

1. Mr. Yutaka Kunigo had served as Director of Tokyo Gas Co., Ltd. through March 2017. Although the Company has purchase transactions of fuels with Tokyo Gas Co., Ltd., the amount of the transactions is negligible (the amount of the Company's purchases from Tokyo Gas Co., Ltd. is less than 1% of the net sales of Tokyo Gas Co., Ltd.).
2. Mr. Yutaka Kunigo had served as Director of Tokyo Gas Engineering Solutions Corporation through March 2020. Although the Company has equipment-related payment transactions with Tokyo Gas Engineering Solutions Corporation, the amount of the transactions is negligible (the amount of the Company's purchases is less than 1% of the net sales of Tokyo Gas Engineering Solutions Corporation).

Notes:

1. Mr. Takashi Fujihara is scheduled to assume the position of President of Nippon Paper Crexia Co., Ltd. on June 23 of this year.
2. There are no special conflicts of interest between each of the candidates and the Company.
3. The number of shares in the Company held by each candidate includes the number of shares held through the Nippon Paper Officers Share Ownership.
4. The attendance at meetings of the Board of Directors represents the status of attendance in office in the fiscal year ended March 31, 2026. Mr. Akira Sebe, Mr. Yasuhito Murakami, and Ms. Keiko Watanabe were newly elected and assumed office at the 101st Ordinary General Meeting of Shareholders held on June 27, 2025; therefore, the number of Board of Directors meetings they were required to attend differs from that of the other directors.
5. Jujo Paper Co., Ltd., stated in the section of brief personal history, changed its trade name to Nippon Paper Industries Co., Ltd., as of April 1, 1993.
6. Sanyo-Kokusaku Pulp Co., Ltd., stated in the section of brief personal history, merged with the Company as of April 1, 1993.
7. On April 30, 2020, the Company completed the acquisition of the paperboard fiber based packaging business in Australia/New Zealand of Orora Limited, a company listed on the Australian Stock Exchange, and made it a subsidiary of Paper Australia Pty Ltd. The corporate group consisting of Paper Australia Pty Ltd and its subsidiaries is referred to as Opal.
8. Hokkaido Mill, stated in the section of brief personal history, was split into Asahikawa Mill and Shiraoui Mill as of June 25, 2020.

[Reference: Skill Matrix of the Candidates for Director]

Positions	Name	Corporate management	ESG/ Sustainability	Finance/ Accounting	Human resource/ Labor	Risk management/ Governance	Technology/ R&D	Sales	Purchase/ Procurement	Internationality
Chairman & Representative Director	Toru Nozawa	○	○	○		○				
President, Representative Director	Akira Sebe	○			○				○	○
Executive Vice President, Representative Director	Mitsuhiro Sugino	○					○	○		○
Executive Vice President, Representative Director	Yasuhito Murakami	○			○		○			○
Director	Keiko Watanabe		○			○	○			
Director	Takashi Fujihara				○			○		○
Outside Director	Makoto Fujioka	○	○			○				
Outside Director	Yoko Hatta			○		○				○
Outside Director	Yutaka Kunigo	○	○						○	

(Notes)

1. The above list does not represent all the knowledge and experience held by each candidate.
2. The positions of each candidate listed in the above list will be formally determined by a resolution of the Board of Directors following the conclusion of this General Meeting of Shareholders.

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Proposal 3. Election of One (1) Substitute Audit & Supervisory Board Member

To prepare for a situation where the number of Audit & Supervisory Board Members does not satisfy the number prescribed by laws and regulations, we request the election of one (1) substitute Audit & Supervisory Board Member as a substitute for any of the Outside Audit & Supervisory Board Members.

The candidate was determined by the Board of Directors upon receiving a report by the Personnel & Remuneration Advisory Committee on the selection of candidate. Furthermore, the candidate fulfills the requirements for an Independent Officer prescribed by the Tokyo Stock Exchange.

The candidate for substitute Audit & Supervisory Board Member is as follows:

This proposal has already received the consent of the Audit & Supervisory Board.

Candidate

No. 1

HIDEYASU YOSHIDA (Date of Birth: Aug. 20, 1959)

Independent Officer (Outside)

No. of shares in the
Company held

0 shares



Brief personal history and title

Apr. 1987 Appointed to public prosecutor
Mar. 1994 Retired from public prosecutor
Apr. 1994 Registered as attorney (The Tokyo Bar Association),
Partner of Abe, Yoshida, Sanpei Law and Accounting Firm (currently serving)
Apr. 2011 Full-time professor of Toyo University Law School (to Mar. 2017)
Apr. 2017 Professor of Waseda Law School (to Mar. 2022)
Apr. 2023 Part-time lecturer of Waseda Law School (to Mar. 2025)
Jun. 2024 **Outside Director (Audit & Supervisory Committee Member) of RHYTHM CO., LTD.** (currently serving)
Apr. 2025 **Professor of Waseda Law School** (currently serving)

Status of important concurrent offices in other entities

Partner of Abe, Yoshida, Sanpei Law and Accounting Firm
Outside Director (Audit & Supervisory Committee Member) of RHYTHM CO., LTD.
Professor of Waseda Law School

Reasons for selecting the candidate for substitute Outside Audit & Supervisory Board Member

Mr. Hideyasu Yoshida does not have experience of direct involvement in actual business operation but we expect that Mr. Hideyasu Yoshida will reflect his professional knowledge and experience accumulated as a public prosecutor and attorney and experience in research and teaching of law at Waseda University, Toyo University, and other institutions in performing audits of the Company if he assumes the office of Outside Audit & Supervisory Board Member, and he is therefore nominated for substitute Outside Audit & Supervisory Board Member.

Special notes on the candidate for substitute Outside Audit & Supervisory Board Member

1. Mr. Hideyasu Yoshida is a candidate for Outside Audit & Supervisory Board Member as defined in Article 2, Paragraph 3, Item 8 of the Ordinance for Enforcement of the Companies Act.
2. In determining a candidate for Outside Audit & Supervisory Board Member, the Company judges his or her independence by considering whether the candidate fulfills the standards of independence set by the Tokyo Stock Exchange, in addition to the statutory qualifications for being described as outside, and confirming whether there are any conflicts of interest with the general shareholders of the Company.
3. In light of the aforementioned standards and qualifications, the Company judges that Mr. Hideyasu Yoshida has the independence required to be an independent officer. When he assumes the office of Audit & Supervisory Board Member, the Company will notify the Tokyo Stock Exchange that Mr. Hideyasu Yoshida is an Independent Officer under the provisions of said Exchange.
4. When Mr. Hideyasu Yoshida assumes the office of Audit & Supervisory Board Member, the Company intends to conclude a contract with him to limit the liability for damages as prescribed in Article 423, Paragraph 1, of the Companies Act to the amount stipulated by laws and regulations, in accordance with Article 427, Paragraph 1, of said Act.
5. The Company has entered into a directors and officers liability insurance contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company to insure the Company's Directors, Audit & Supervisory Board Members and Executive Officers, as well as Directors and Statutory Auditors of Nippon Paper Crexia Co., Ltd., Nippon Paper Papyrus Co., Ltd., and Nippon Tokai Industrial Paper Supply Co., Ltd. The Company plans to renew the insurance contract in August this year. If Mr. Hideyasu Yoshida is appointed as an Audit & Supervisory Board Member, he will be included in the insurance contract as insured persons. The outline of the contract is as follows.
 - (1) The insurance covers litigation expenses and legal damages for which the insureds became liable in the event where they received a claim for damages from shareholders, business partners or other third parties due to the performance of their duties.
 - (2) The insurance does not cover any claim for damages due to any conduct committed by insureds while knowing that the conduct is in violation of laws and regulations.
 - (3) The premiums for the insurance contract are fully paid by the Company.

Note: There are no special conflicts of interest between the candidate and the Company.

(Attachment)

Business Report (From April 1, 2025, through March 31, 2026)

I. Status of the Company Group (a corporate group)

1. Business Progress and Results

The Japanese economy in the current fiscal year has been on a moderate recovery track owing to improvements in the employment and income environment. On the other hand, due to the impact of the situation in the Middle East, ongoing inflation, trends in U.S. trade policy, and the impact of volatility in financial and capital markets, the economic outlook remains uncertain.

Against this backdrop, the Group's net sales for the current fiscal year increased from the previous fiscal year despite a decrease in the export sales volume of paper because sales of Crecia Miyagi Mill, which started to operate in FY2024, contributed to the whole period, and the impact of the previous year's larger-scale maintenance shutdowns of production facilities at Nippon Dynawave Packaging Company disappeared. Operating profit increased from the previous fiscal year in our overseas operations owing to the resumption of normal operations at Nippon Dynawave Packaging Company and reduced costs and increased production based on operation efficiency improvements at the Maryvale Mill of Opal. Meanwhile, in our domestic operations, we implemented cost-saving measures and price adjustments in response to ongoing increases in labor and logistics costs.

The results are as shown below.

Net Sales	1,192,606 million yen (increase of 0.9% Y o Y)	Operating Profit	25,205 million yen (increase of 27.9% Y o Y)
Ordinary Profit	23,098 million yen (increase of 49.0% Y o Y)	Profit Attributable to Owners of Parent	11,743 million yen (increase of 158.7% Y o Y)

Principal Businesses (As of March 31, 2026)

	Principal Products
Paper and Paperboard Business	Paper, paperboard, pulp, paper making materials
Daily-Life Products Business	Household tissue, processed paper products, chemical products
Energy Business	Electric power
Wood Products and Construction Related Business	Lumber, construction materials, civil engineering and construction
Other Business	Logistics, leisure, other

Net Sales and Operating Profit of Each Business Segment

Business Segment	Net Sales			Operating Profit (Loss)		
	Current Fiscal year (million yen)	Comparison with the Previous Term		Current Fiscal year (million yen)	Comparison with the Previous Term	
		Change in Amount (million yen)	% of Change (%)		Change in Amount (million yen)	% of Change (%)
Paper and Paperboard Business	557,863	-8,048	-1.4	564	-7,703	-93.2
Daily-Life Products Business	482,017	24,136	5.3	7,172	13,310	-
Energy Business	43,195	-5,100	-10.6	3,332	-227	-6.4
Wood Products and Construction Related Business	76,530	-2,230	-2.8	10,033	450	4.7
Other Business	33,000	1,418	4.5	3,200	198	6.6
Total	1,192,606	10,175	0.9	24,304	6,028	33.0
Adjustment	-	-	-	901	-529	-
Consolidated total	1,192,606	10,175	0.9	25,205	5,498	27.9

(Notes) 1. Adjustment is an elimination of inter-segment transactions.

2. Figures rounded down to nearest million yen.

The status of each business segment is as follows:

Paper and Paperboard Business

Net Sales: 557,863 million yen (decrease of 1.4% Y o Y)

Domestic sales volume of paper exceeded that of the previous fiscal year as other companies withdrew from operations, although demand continued to decline.

However, export sales volume of paper was lower than the previous fiscal year partly due to a deterioration in market conditions.

Daily-Life Products Business

Net Sales: 482,017 million yen (increase of 5.3% Y o Y)

Net sales of household paper exceeded those of the previous fiscal year as sales of Crecia Miyagi Mill, which started to operate in FY2024, contributed to the whole period.

As to liquid-packaging cartons, although demand continued to decline due to factors such as rising awareness of defensive spending caused by overall food price inflation, sales volume remained on par with the previous term.

Sales volume of functional film exceeded that of the previous fiscal year partly thanks to robust demand for replacement of mobile devices. Net sales of overseas operations exceeded those of the previous term due to the resolution of the previous year's larger-scale maintenance shutdowns of production facilities at Nippon Dynawave Packaging Company, despite suspended operations resulting from a labor dispute extending over about one month, which occurred in the process of revising labor-management agreements at the Maryvale Mill of Opal, and the effect of foreign exchange adjustments due to a stronger yen.

Energy Business

Net Sales: 43,195 million yen (decrease of 10.6% Y o Y)

Net sales of the energy business fell below those of the previous term due to a decline in the sales price of electricity, which was driven by a drop in coal prices.

Wood Products and Construction Related Business

Net Sales: 76,530 million yen (decrease of 2.8% Y o Y)

Net sales of lumber and construction material fell below those of the previous term due to a decline in new housing starts, as well as the impact of foreign exchange rate fluctuations on overseas tree-planting companies, despite an increase in biomass fuel demand.

Other Business

Net Sales: 33,000 million yen (increase of 4.5% Y o Y)

As to the consolidated results of the other business segment, net sales increased by 1,418 million yen against the previous term to 33,000 million yen, and operating profit increased by 198 million yen against the previous term to 3,200 million yen.

2. Status of Capital Investment

The amount of capital investment of the Company Group during the current fiscal year reached a total of 60,500 million yen. The major capital investments were fuel conversion investment in biomass in Japan, installation of facilities for increased production of household tissues, and renewal work for aging facilities in the packaging business overseas.

3. Status of Financing Activities

The Company Group procured funds through borrowings from financial institutions, etc.

4. Issues to be addressed

(1) Review of the Medium-Term Business Plan 2025 (FY2021 – FY2025)

The Company formulated the Medium-Term Business Plan 2025 in FY2021 and worked on various measures under the theme of “Acceleration of business structure transformation” in rapidly changing business conditions, such as sluggish demand due to the COVID-19 pandemic, rises in fuel and material prices resulting from Russia’s invasion of Ukraine, and a weaker yen.

In the domestic business, the Company has absorbed cost-up factors including rises in fuel and material prices by cutting costs and revising prices and has almost achieved its operating profit targets since FY2023. In the overseas business, however, the Group

has failed to achieve performance targets of the Group as a whole such as operating profit, especially due to continued weak profitability of Opal in Australia.

Key Initiatives and Challenges

The Company reallocated management resources from the paper business to the Daily-Life Products Business, which is our growing business. As a result, its sales ratio to the Group's consolidated net sales increased from 32% in FY2020 to 40% in FY2025, marking steady progress in the transformation of our business structure.

In the domestic business, the Company worked to strengthen the competitiveness of the Paper and Paperboard Business by cutting production capacity for graphic paper, a segment experiencing continued declining demand, by approximately 30% and maintaining a capacity utilization rate of 90%. For rises in fuel and raw material costs and fixed costs, the Group implemented cost-cutting measures across the board and implemented multiple price revisions in each business segment, thereby generally maintaining our target profit levels from FY2023 onward.

On the other hand, overseas business remained sluggish. In particular, Opal in Australia faced a challenging business environment, including being forced to withdraw from the graphic paper business in 2023 following the suspension of pulpwood supply from state forests in Victoria. Although we have taken steps to improve profitability, including streamlining our production system, reducing fixed costs, and enhancing productivity in our packaging processing business, we remain in the red and are continuing to devote our full efforts to turning the situation around.

From a financial perspective, we worked to improve capital efficiency by selling assets and reducing interest-bearing debt. The Company proceeded with the sale of assets, such as land in Kita Ward of Tokyo, and in 2025 announced a policy to phase out all cross-shareholdings in principle, reducing them at a pace that exceeded our original plan. As a result, we achieved the financial targets set for 2023, including a net debt/equity ratio in the 1.7 times range on a shareholders' equity basis and net interest-bearing debt of 710.0 billion yen or less. However, further improvement is needed in all these areas. At the same time, the ROE remained at a low level due to weak operating margins and extraordinary losses resulting from structural reforms.

With regard to greenhouse gas (GHG) emissions, we achieved a 43% reduction

(preliminary figure) in FY2025 compared to FY2013, and we are making steady progress toward our FY2030 target of a 54% reduction compared to FY2013.

As noted above, while we have achieved some success in restructuring our business, strengthening the foundations of our existing operations, and reducing GHG emissions, we recognize that addressing the decline in demand for graphic paper, enhancing the profitability of our overseas operations, and improving capital efficiency remain ongoing challenges.

(2) Medium-Term Business Plan 2030 (FY2026 to FY2030) Initiatives

In May of this year, we announced our Medium-Term Business Plan 2030. The major challenges for the Company are to improve capital efficiency and strengthen profitability, and we have established the following as the Basic Strategy: “Balance Sheet optimization,” “Decisive structural reforms,” and “Profitability improvement.” We have set the following financial targets: ROIC of 4% or higher, ROE of 8% or higher, a net debt/equity ratio of 1.0 times or less, and operating profit of 60.0 billion yen or more. We will strive to engage in active dialogue with the capital markets and ensure transparent disclosure, while implementing management practices that factor in the cost of capital and our stock price.

Priority Strategies

① Balance sheet optimization

To strengthen and streamline our financial foundation, the Company will prioritize asset streamlining, including the sale of cross-shareholdings, and the reduction of interest-bearing debt, with the goal of lowering our net debt/equity ratio, which stood at 1.20 times on an equity basis as of the end of March 2026, to 1.0 times or less.

② Decisive structural reforms

The Company will strengthen our core businesses to establish a competitive advantage, while moving forward with the divestiture of low-profit businesses.

In response to declining demand in the domestic graphic paper business, the Company will move forward with plans to consolidate our production bases in Ishinomaki Mill, Iwanuma Mill, and Iwakuni Mill at an early stage. By doing so, we aim to enhance our competitiveness, maintain a capacity utilization rate of 90% or higher, and improve profit margins.

Opal in Australia will accelerate its return to a growth trajectory by implementing

radical reforms, including concentrating management resources on its integrated corrugated cardboard business, further optimizing production systems and reducing fixed costs, reviewing low-profitability operations, and reassessing its organizational and staffing structures.

③ Profitability improvement

The Company will position our high-margin, capital-efficient forest and wood products related business, as well as our daily-life products business, as our core businesses, and work to strengthen and expand our profitability. At the same time, we will pursue downstream strategies in our packaging business and work to quickly establish our new biomass materials business as a core contributor, with the aim of improving profitability across the entire Group.

Initiatives by Individual Business

① Forest and wood products related business

The Company is implementing green strategies that aims to simultaneously expand our forest and wood products related business and help to solve societal challenges by leveraging world-class breeding and propagation technologies, domestic and international wood resource supply chains, and our own forest resources. More specifically, we are working to expand our domestic and international lumber distribution businesses, grow our overseas plantation business and the elite tree seedlings business using our breeding and propagation technologies, and monetize the value of forest resources in the carbon and natural capital markets.

② Packaging paper business

The Company will advance our downstream strategy through collaboration and cooperation with processing companies within and outside the Group, with the aim of creating synergies through a vertically integrated business model encompassing base paper and processing. With regard to base paper for cardboard, in April 2026, the Group, TOMOKU, a major cardboard manufacturer, and Tokushu Tokai Paper signed a memorandum of understanding regarding a potential collaboration, and we are accelerating our efforts in this area.

③ Packaging processing business (Paper-Pak Business)

In Japan, the Company aims to expand our market share by developing high-value-added, differentiated packaging using base paper manufactured within our Group, and by offering integrated services - from base paper to processing and filling machines -

in cooperation with filling machine manufacturer Shikoku Kakoki Co., Ltd. Overseas, we will work in partnership with companies such as ELOPAK to expand our business, with a focus on the Pacific Rim region.

④ Household paper and healthcare business

The Company is continuing to develop and expand sales of high-value-added products in response to changes to the social structure, such as an aging population. In the field of household goods, we aim to expand sales of differentiated products by fully utilizing the new paper machines at the Ishinomaki Mill and the Yatsushiro Mill. For healthcare products, where demand is growing, we will do the same by expanding production capacity. In cooperation with business partners, the Company will expand exports to regions such as Asia and Oceania and North America, while also strengthening sales in new channels such as e-commerce and D2D (direct-to-consumer) channels.

⑤ Chemical business

The Company aims to further expand our revenue in these growth markets by increasing sales of functional coating resins used in automotive paints and other applications in overseas markets, and by expanding the adoption of functional films for organic EL displays. In addition, the Company will also work to strengthen the production infrastructure and improve the competitiveness of the Gotsu Mill, a core mill of the chemical business, with the aim of expanding sales and enhancing profitability for our flagship biomass products, including dissolving pulp, functional cellulose, and lignin.

⑥ New biomass materials businesses

The Company is making use of technologies for adding high value to biomass to develop new biomass products required for a carbon-neutral and circular society, and is working toward their rapid deployment. While accelerating the full-scale commercialization of technologies already under development, such as cellulose nanofibers and bioethanol, we will also actively leverage open innovation in the areas where we plan to focus our efforts, including agriculture, forestry, fisheries, and food; lifestyle; social infrastructure and the environment; and advanced functional materials. This will enable us to provide society with a wide range of new biomass materials that offer added value, such as low greenhouse gas emissions and recyclability.

Non-financial strategies

① Human capital strategy

Building on the strengths of each employee, including “Advanced operational skills and expertise in wood resources,” “Integrity,” and “Collaborative spirit,” we will promote human capital management that aligns the growth of our employees with that of the Group. Through this approach, we aim to secure a diverse workforce, enhance skills, knowledge, and technical expertise, and boost employee engagement, and by pursuing our vision of “Instill pride in employees,” we will achieve the Group’s sustainable growth.

② Natural capital strategy

With the goal of achieving “minimal impact,” meaning to minimize the environmental impact of our business activities, we are committed to carbon neutrality (promoting decarbonization), the circular economy (expanding resource circulation), and nature-positive initiatives (conserving and restoring biodiversity).

In the reduction of GHG emissions, we achieved a 43% reduction (provisional figure) by FY2025 toward our FY2030 target of a 54% reduction (compared to FY2013), and as progress is proceeding smoothly, we have set new targets of a 60% reduction by FY2035 and a 65% reduction by FY2040 (compared to FY2013 respectively).

We will step up our efforts towards achieving carbon neutrality by 2050.

5. Changes of Assets and Profit/Loss Status

Category	99th Term (Ended March 2023)	100th Term (Ended March 2024)	101st Term (Ended March 2025)	102nd Term (Current) (Ended March 2026)
Net sales (million yen)	1,152,645	1,167,314	1,182,431	1,192,606
Operating profit (loss) (million yen)	(26,855)	17,266	19,706	25,205
Ordinary profit (loss) (million yen)	(24,530)	14,550	15,505	23,098
Profit (loss) attributable to owners of parent (million yen)	(50,406)	22,747	4,539	11,743
Basic earnings (loss) per share (Yen)	(436.28)	197.09	39.33	101.69
Total assets (million yen)	1,666,542	1,731,245	1,703,308	1,738,479
ROE (Return on equity) (%)	(12.3)	5.3	1.0	2.4
ROA (Return on assets) (%)	(1.0)	1.4	1.4	2.0

- (Notes)
1. Figures rounded down to nearest million yen.
 2. ROE (Return on Equity) and ROA (Return on assets) were calculated using the following formula.

$$\text{ROE (Return on Equity)} = \text{Profit attributable to owners of parent} / \text{average of the balance at the beginning of the term and the balance at the term-end of the sum of Shareholders' equity and Accumulated other comprehensive income}$$

$$\text{ROA (Return on assets)} = (\text{Ordinary profit} + \text{Interest expense}) / \text{Total assets at the term-end}$$

6. Status of Principal Subsidiaries, etc. (As of March 31, 2026)

(1) Status of Principal Subsidiaries

Company Name	Capital	The Company's voting rights ratio	Principal business operation
[Paper and paperboard business]		%	
Nippon Paper Papyrus Co., Ltd.	Million yen 3,949	100.0	Manufacture and sales of specialty paper
NP Trading Co., Ltd.	1,000	100.0	Sales of paper, pulp and chemicals
Nippon Tokai Industrial Paper Supply Co., Ltd.	350	65.0	Sales of paper and paperboard
[Daily-Life Products Business]			
Nippon Paper Crecia Co., Ltd.	Million yen 3,067	100.0	Manufacture and sales of household tissues
Opal	(1,000 AUD) 2,533,920	100.0	Manufacture and sales of base paper for cardboard, cardboard box, paper containers for general use and heavy-duty sack and paper bags; sales of packaging material and materials for industrial use
Nippon Dynawave Packaging Company LLC	(1,000 USD) 200,000	100.0	Manufacture, processing and sales of base paper for paper containers of liquid including soft drink and milk, and base paper for cup containers, etc., manufacture and sales of pulp
[Energy Business]			
Nippon Paper Ishinomaki Energy Center Ltd.	Million yen 6,000	70.0	Wholesale supply and sale of electricity
[Wood Products and Construction Related Business]			
Nippon Paper Lumber Co., Ltd.	Million yen 440	100.0	Sales of lumber and sawed lumber

Company Name	Capital	The Company's voting rights ratio	Principal business operation
[Others]			
Nippon Paper Logistics Co., Ltd.	Million yen 70	100.0	Warehouse, transport, and freight shipment

(Note) Figures rounded down to nearest million yen, nearest thousand Australian dollars and nearest thousand U.S. dollars.

(2) Status of Business Combinations

1. The number of consolidated subsidiaries for the current term is 54 companies and the number of equity method affiliates is 11 companies.

2. The Company transferred all shares of Suzukawa Energy Center Ltd. to Zero Watt Power, Inc. on September 22, 2025.

7. Primary Sales Offices and Mills (As of March 31, 2026)

Domestic	<p>Nippon Paper Industries Co., Ltd.: Head Office (Chiyoda-ku, Tokyo) Sales Bases: Head Office, 5 sales branch offices and others Production Bases: Asahikawa Mill (Asahikawa-shi, Hokkaido), Shiraoi Mill (Shiraoi-cho, Hokkaido), Akita Mill (Akita-shi, Akita), Ishinomaki Mill (Ishinomaki-shi, Miyagi), Iwanuma Mill (Iwanuma-shi, Miyagi), Nakoso Mill (Iwaki-shi, Fukushima), Ashikaga Mill (Ashikaga-shi, Tochigi), Soka Mill (Soka-shi, Saitama), Fuji Mill (Fuji-shi, Shizuoka), Gotsu Mill (Gotsu-shi, Shimane), Otake Mill (Otake-shi, Hiroshima), Iwakuni Mill (Iwakuni-shi, Yamaguchi), Yatsushiro Mill (Yatsushiro-shi, Kumamoto), Kushiro Mill (Kushiro-shi, Hokkaido), Higashimatsuyama Mill (Higashimatsuyama-shi, Saitama) Nippon Paper Liquid Package Product Co., Ltd. Egawa Mill (Gokamachi, Ibaraki), Miki Mill (Miki-shi, Hyogo), Ishioka Mill (Ishioka-shi, Ibaraki) Laboratories: Research Laboratory (Kita-ku, Tokyo), Packaging Research Laboratory (Kita-ku, Tokyo), Fuji Innovative Materials Research Laboratory (Fuji-shi, Shizuoka), Chemical Products Research Laboratory (Iwakuni-shi, Yamaguchi), Functional Materials Development Laboratory (Higashimatsuyama-shi, Saitama)</p>
	<p>Nippon Paper Papyrus Co., Ltd.: Head Office (Chiyoda-ku, Tokyo) Sales bases: Head Office, 1 branch office Production Bases: Harada Mill (Fuji-shi, Shizuoka), Suita Mill (Suita-shi, Osaka), Kochi Mill (Ino-cho, Kochi)</p>
	<p>Nippon Paper Crecia Co., Ltd.: Head Office (Chiyoda-ku, Tokyo) Sales bases: Head Office, 8 sales branch offices Production Bases: Miyagi Mill (Ishinomaki-shi, Miyagi), Tokyo Mill (Soka-shi, Saitama), Kaisei Mill (Kaisei-cho, Kanagawa), Koyo Mill (Fuji-shi, Shizuoka), Kyoto Mill (Fukuchiyama-shi, Kyoto)</p>
Overseas	Opal (Australia, New Zealand)
	Nippon Dynawave Packaging Company LLC (U.S.)

8. Status of Employees (As of March 31, 2026)

Names by Business Segment	Number of employees	Comparison with the end of previous term
Paper and paperboard business	5,229	+44
Daily-Life Products Business	6,536	-186
Energy business	77	-16
Wood Products and Construction Related Business	1,500	+49
Other Business	1,491	No change
All Companies (Cross-organization)	209	+6
Total	15,042	-103

(Notes) 1. Number of employees means the number of personnel who are actually working.

2. "All Companies (Cross-organization)" indicates employees who belong to the administrative department and cannot be classified by specific business segment.

9. Status of Main Lenders (As of March 31, 2026)

Creditor	Balance of Borrowings
Mizuho Bank Ltd.	95,553 million yen
The Norinchukin Bank	62,000 million yen
Sumitomo Mitsui Banking Corporation	56,474 million yen
Development Bank of Japan, Inc.	53,000 million yen
Japan Bank for International Cooperation	41,645 million yen
Meiji Yasuda Life Insurance Company	28,500 million yen
Nippon Life Insurance Company	27,000 million yen
The Shizuoka Bank, Ltd	24,099 million yen
Mizuho Trust & Banking Co., Ltd.	23,500 million yen
Sumitomo Mitsui Trust Bank, Limited	22,800 million yen

(Notes) 1. In addition to the above, the Company procured syndicated loan which amounts to 122,603 million yen.

2. Figures rounded down to nearest million yen.

III. Officers and Directors of the Company

1. Directors and Audit & Supervisory Board Members (As of March 31, 2026)

Title in the Company	Name	Areas of responsibility, important offices concurrently held in other companies or organizations
Chairman & Representative Director	Toru Nozawa	Chairperson of the Board of Directors Chairman of Japan Paper Association
President, Representative Director	Akira Sebe	CEO President and Chief Executive Officer, CEO
Executive Vice President, Representative Director	Mitsuhiro Sugino	Executive Vice President, Assistant to President, General Manager of Technical & Engineering Div., in charge of Biomass Material Business Div. [Supervisor of biomass business promotion]
Executive Vice President, Representative Director	Yasuhito Murakami	Executive Vice President, Assistant to President, in charge of Duplex Board & Packaging Paper Sales Div. [Supervisor of packaging business promotion] President of Nippon Tokai Industrial Paper Supply Co., Ltd. Director of Opal
Director	Atsumi Yasunaga	President of Nippon Paper Crecia Co., Ltd.
Director	Keiko Watanabe	Executive Officer, General Manager of Sustainability Transformation Div. [In charge of Environmental Management Promotion]
Outside Director	Makoto Fujioka	Outside Director (Audit & Supervisory Committee Member) and Chairperson of Nomination & Compensation Advisory Committee of NOK CORPORATION
Outside Director	Yoko Hatta	Outside Director of Ajinomoto Co., Inc. Director (Audit & Supervisory Committee Member) (Outside) of KOEI CHEMICAL COMPANY, LIMITED
Outside Director	Yutaka Kunigo	Outside Director of ISE CHEMICALS CORPORATION External Director of Chiyoda Corporation
Standing Audit & Supervisory Board Member (full-time)	Tomoyasu Itakura	Statutory Auditor of Nippon Paper Crecia Co., Ltd.
Audit & Supervisory Board Member (full-time)	Tomoyoshi Nishimoto	Statutory Auditor of NP Trading Co., Ltd.
Outside Audit & Supervisory Board Member	Takafumi Okuda	Special Counsel at Mori Hamada & Matsumoto
Outside Audit & Supervisory Board Member	Nanako Aono	Representative Director and President of GEN Co., Ltd. Outside Audit & Supervisory Board Member of MISUMI Group Inc. Outside Director (Audit and Supervisory Committee Member) of MEIKO NETWORK JAPAN CO., LTD.

- (Notes) 1. At the 101st Ordinary General Meeting of Shareholders held on June 27, 2025, the following persons were newly elected and assumed the office.
 Director: Akira Sebe
 Director: Yasuhito Murakami
 Director: Keiko Watanabe
 Audit & Supervisory Board Member: Tomoyasu Itakura
2. As of the conclusion of the 101st Ordinary General Meeting of Shareholders held on June 27, 2025, the following persons retired from the office.
 Chairman & Director: Fumio Manoshiro
 Executive Vice President, Representative Director: Masanobu Iizuka
 Director: Tomoyasu Itakura
 Standing Audit & Supervisory Board Member (full-time): Kazunari Tatsu
 Mr. Kazunari Tatsu retired from the position of Audit & Supervisory Board Member due to resignation.
3. Changes of post, responsibilities and important concurrently holding offices of the Officers made during the current fiscal year are as follows:

Name	New post, responsibility, etc.	Former post, responsibility, etc.	Date of Change
Toru Nozawa	Chairman & Representative Director, Chairperson of the Board of Directors	President, Representative Director, President and Chief Executive Officer	June 27, 2025
Mitsuhiro Sugino	Executive Vice President, Representative Director, Assistant to President, General Manager of Technical & Engineering Div., in charge of Biomass Material Business Div. [Supervisor of biomass business promotion]	Director, Managing Executive Officer, General Manager of Biomass Material Business Div.	June 27, 2025
Yoko Hatta	(Retired)	Outside Audit & Supervisory Board Member of Kobayashi Pharmaceutical Co., Ltd.	March 27, 2026
Tomoyasu Itakura	Standing Audit & Supervisory Board Member (full-time)	Director, Managing Executive Officer, General Manager of Financial Div.	June 27, 2025

4. Changes of post, responsibilities and important concurrently holding offices of the Officers on and after April 1, 2026 are as follows:

Name	New post, responsibility, etc.	Former post, responsibility, etc.	Date of Change
Toru Nozawa	(Retired)	Chairman of Japan Paper Association	May 20, 2026

5. Mr. Makoto Fujioka, Ms. Yoko Hatta and Mr. Yutaka Kunigo are Outside Directors set forth in Article 2, Item 15 of the Companies Act.
6. Mr. Takafumi Okuda and Ms. Nanako Aono are Outside Audit & Supervisory Board Members as set forth in Article 2, Item 16 of the Companies Act.
7. Standing Audit & Supervisory Board Member (full-time), Mr. Tomoyasu Itakura successively held the positions General Manager of Accounting & Budgeting Dept. and General Manager of Financial Div., and has considerable expertise in finance and accounting.
8. Audit & Supervisory Board Member (full-time), Mr. Tomoyoshi Nishimoto has many years of experience in the accounting division and considerable expertise in finance and accounting.
9. Outside Audit & Supervisory Board Member, Ms. Nanako Aono is licensed as a certified public accountant, and has considerable expertise in finance and accounting.
10. The Company has filed Outside Director Mr. Makoto Fujioka, Outside Director Ms. Yoko Hatta, Outside Director Mr. Yutaka Kunigo, Outside Audit & Supervisory Board

Member Mr. Takafumi Okuda and Outside Audit & Supervisory Board Member Ms. Nanako Aono as Independent Officers of the Tokyo Stock Exchange in accordance with the provisions thereof.

[For reference: Executive Officers (as of March 31, 2026)]

Title in the Company	Name	Responsibilities
President and Chief Executive Officer	Akira Sebe	CEO
Executive Vice President and Executive Officer	Mitsuhiro Sugino	Assistant to President, General Manager of Technical & Engineering Div., in charge of Biomass Material Business Div. [Supervisor of biomass business promotion]
Executive Vice President and Executive Officer	Yasuhito Murakami	Assistant to President, in charge of Duplex Board & Packaging Paper Sales Div. [Supervisor of packaging business promotion] (concurrently serving) President of Nippon Tokai Industrial Paper Supply Co., Ltd.
Senior Managing Executive Officer	Takashi Ochi	General Manager of Research & Development Div.
Senior Managing Executive Officer	Kazuto Shimada	General Manager of Graphic Paper Sales Div. [Supervisor of graphic paper business]
Managing Executive Officer	Yoshisada Yamabe	General Manager of Yatsushiro Mill
Managing Executive Officer	Tetsuaki Taniguchi	General Manager of Newsprint Sales Div.
Managing Executive Officer	Daishiro Takigawa	General Manager of Duplex Board & Packaging Paper Sales Div.
Managing Executive Officer	Hideki Sugimura	Director of Nippon Tokai Industrial Paper Supply Co., Ltd.
Managing Executive Officer	Naohiro Ishioka	General Manager of Iwakuni Mill
Executive Officer	Kazuyasu Yamamoto	General Manager of Ishinomaki Mill
Executive Officer	Koichi Sato	General Manager of Raw Material & Purchasing Div.
Executive Officer	Hiroyuki Nakagawa	Director of Shin Tokai Paper Co., Ltd.
Executive Officer	Yoshinori Matsubara	General Manager of Energy Business Div.
Executive Officer	Hiroya Kakehashi	General Manager of Sales Planning Div [In charge of production restructuring and promotion of recycling solutions]
Executive Officer	Keiko Watanabe	General Manager of Sustainability Transformation Div. [In charge of Environmental Management Promotion]
Executive Officer	Kazuhiro Ito	General Manager of Paper-Pak Sales Div.
Executive Officer	Takashi Fujihara	General Manager of Fuji Mill
Executive Officer	Koichiro Takahashi	General Manager of General Affairs & Personnel Div.
Executive Officer	Kentaro Nobori	General Manager of Chemical Sales Div.
Executive Officer	Takanori Sano	General Manager of Corporate Planning Div. In charge of Subsidiaries and Affiliated Companies
Executive Officer	Masato Takahashi	General Manager of Akita Mill
Executive Officer	Hikomichi Matoba	General Manager of Financial Div.
Executive Officer	Takashi Matsuoka	General Manager of Biomass Material Business Div. and General Manager of Biomass Material Sales Promotion Dept.

Executive Officer	Yasuo Asano	General Manager of Gotsu Mill
Executive Officer	Norio Ozawa	Deputy General Manager of Technical & Engineering Div. and General Manager of Production Dept. [In charge of promotion of greenhouse gas emission reduction]

2. Amount of remuneration, etc., for Directors and Audit & Supervisory Board Members

(1) Policy, etc. for determination of the contents of remuneration, etc. for each Director

In order to ensure objectivity and transparency of its remuneration system, the Company, by resolution of the Board of Directors, determined the policy for determination of the contents of remuneration, etc. for each Director (hereinafter, "Determination Policy") as follows based on deliberations by the Personnel & Remuneration Advisory Committee and advice from external experts.

- 1) In regard to monthly remuneration for Directors, the base amounts shall be determined according to their respective responsibilities in the Company. 70% of the base amount is to be paid as a fixed amount and 30% of it, in principle, is to be varied depending on the achievement level of the Medium-Term Business Plan. The base amount is determined by utilizing external objective survey data, and by taking into consideration factors such as the Company's business performance, scale of business, and operating environment. Business performance indexes are established so that they may effectively function as an incentive for achieving the business performance targets, and are subject to review as necessary according to changes in the business environment. Part of each Director's monthly remuneration shall be contributed to the Nippon Paper Officers Share Ownership to purchase shares of the Company. There are no bonuses or retirement benefits.
- 2) Stock remuneration in the form of the BBT is paid to Directors to make a clearer link between the compensation provided to Directors and the Company's share value, and thereby increase their motivation to make contributions to improve the Company's mid- to long-term performance and increase its corporate value by Directors sharing with shareholders not only the benefits of rising share prices but also the risks associated with falling share prices. Stock remuneration is a system under which the Company's shares acquired through a trust using money contributed by the Company as a source and an amount of money equivalent to the market value of the Company's shares will be delivered to the Directors through the trust. The number of shares to be delivered is calculated based on the number of points according to their respective responsibilities. Directors will receive delivery of the stock remuneration upon their retirement from office, in principle. The ratio between fixed remuneration, performance-based remuneration, and

stock remuneration paid to Directors is determined appropriately in light of the objectives of each type of remuneration.

- 3) In regard to Outside Directors and Audit & Supervisory Board Members, monthly remuneration is paid to them at fixed amounts. In light of the type of their responsibilities, contribution to the Nippon Paper Officers Share Ownership shall be voluntary.

[Remuneration for Internal Directors]

	Fixed remuneration	Performance-based remuneration	BBT (from the fiscal year ended March 31, 2020)
Method	Cash payment		Award points
Maximum remuneration	700 million yen per year		25,000 points per year (1 point is equivalent to 1 share)
Payment timing	Monthly (no bonuses or retirement benefits)		Upon retirement as Directors (Cumulative points are converted to shares and awarded)
Calculation method	Base amounts shall be determined according to their respective responsibilities, 70% of which is paid as a fixed amount.	Base amounts shall be determined according to their respective responsibilities, 30% of which in principle is paid after making adjustments according to the achievement level of the Medium-Term Business Plan.	Award the number of points as determined by their position
Performance standards	—	Financial target 70%: Consolidated performance (net sales and operating profit) 30%: Non-consolidated performance (net sales and operating profit) Non-financial target 1) Achievement status of GHG emissions reduction target in the 2030Vision 2) Achievement status of improvement of employee engagement	—
Other	Part of the remuneration is contributed to the Nippon Paper Officers Share Ownership		—

(Note) Outside Directors and Audit & Supervisory Board Members receive fixed monthly remunerations only.

- (2) Reasons for the Board of Directors to have judged that contents of remuneration, etc. for each Director for the current fiscal year conform to the Determination Policy

At the Company, the Personnel & Remuneration Advisory Committee has confirmed that contents of remuneration, etc. for each Director for the current fiscal year conform to the Determination Policy. Procedure to determine remuneration is as follows.

- 1) To further strengthen corporate governance, the Company has established the Personnel & Remuneration Advisory Committee as an advisory body for the Board of Directors. The majority of this Committee shall consist of Independent Outside Directors.
- 2) The Personnel & Remuneration Advisory Committee, being consulted by the Board of Directors regarding the system for remuneration for Directors and Audit & Supervisory Board Members of the Company and other related matters, shall deliberate the appropriateness of such a system, etc., and provide advice based on the evaluation of business performance and other factors of the Company.
- 3) The Personnel & Remuneration Advisory Committee shall consist of the President and Representative Director, the General Manager of the Personnel & General Affairs Division and the Independent Outside Directors, and its secretariat shall be the General Manager of the Personnel Department.
- 4) The Personnel & Remuneration Advisory Committee shall deliberate, with the appropriate involvement of the Independent Outside Directors who are the members of the Committee, receiving their advice.
- 5) The Board of Directors shall determine the remuneration, etc. for Directors, receiving the opinions of the Personnel & Remuneration Advisory Committee.

3. Total amount of remuneration, etc., for Directors and Audit & Supervisory Board Members for the current fiscal year

	Number of Persons	Total amount of remuneration, etc. by type (million yen)			Total amount (million yen)
		Fixed remuneration	Performance-based remuneration	Stock remuneration	
Directors	12	316	97	24	438
(Outside Directors included in above)	[3]	[45]	[—]	[—]	[45]
Audit & Supervisory Board Members	5	63	—	—	63
(Outside Audit & Supervisory Board Members included in above)	[2]	[15]	[—]	[—]	[15]

- Notes:
1. Figures rounded down to the nearest million yen.
 2. The above figures include three Directors and one Audit & Supervisory Board Member who retired during the current fiscal year.
 3. A resolution for the maximum total remuneration for Directors to be 700 million yen per fiscal year (60 million yen per fiscal year for Outside Directors) was adopted at the 95th Ordinary General Meeting of Shareholders held on June 27, 2019. Separately from the aforementioned amount, it was resolved to introduce a Stock Compensation Plan “Board Benefit Trust (BBT)” to Directors (excluding Outside Directors). The upper limit of the points to be awarded to the Directors based on the plan is 25,000 points per fiscal year (1 point is equivalent to 1 share of the Company stock). The number of Directors at the time of the closing of the Ordinary General Meeting of Shareholders was nine (of which, three were Outside Directors).
 4. A resolution for the maximum total remuneration for Audit & Supervisory Board Members to be 120 million yen per fiscal year was adopted at the 83rd Ordinary General Meeting of Shareholders held on June 22, 2007. The number of Audit & Supervisory Board Members at the time of the closing of the Ordinary General Meeting of Shareholders was four.
 5. Of the performance evaluation standards, net sales were selected to pursue expansion in topline and operating profit was selected to improve profitability, respectively, as performance indicators.
 6. Results of indicators for performance-based remuneration during the current fiscal year were consolidated net sales of 1,182,400 million yen, non-consolidated net sales of 590,500 million yen, consolidated operating profit of 19,700 million yen, and non-consolidated operating profit of 11,400 million yen.
 7. The “Board Benefit Trust (BBT)” is a stock compensation plan under which shares of the Company will be acquired through a trust from the stock market using money contributed by the Company as a source within the amount approved by the 95th Ordinary General Meeting of Shareholders held on June 27, 2019, and the Company’s shares and the money equivalent to the market value of the Company’s shares will be delivered to the Directors, (excluding Outside Directors) and Executive Officer other than Directors, etc. through the trust in accordance with the Officer Stock Benefit Regulations established by the Company. In principle, the Directors, etc. will receive delivery of the Company’s shares, etc. upon their retirement from office. The trust will not exercise voting rights pertaining to the Company’s shares held by the trust account based on the instructions from the trust administrator, who is independent from the Company.

4. Matters regarding directors and officers liability insurance

The Company has entered into a directors and officers liability insurance contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company to insure the Company's Directors, Audit & Supervisory Board Members and Executive Officers, as well as Directors and Statutory Auditors of Nippon Paper Crexia Co., Ltd., Nippon Paper Papyrus Co., Ltd., and Nippon Tokai Industrial Paper Supply Co., Ltd. The Company plans to renew the insurance contract in August this year. The outline of the contract is as follows.

- (1) The insurance covers litigation expenses and legal damages for which the insureds became liable in the event where they received a claim for damages from shareholders, business partners or other third parties due to the performance of their duties.
- (2) The insurance does not cover any claim for damages due to any conduct committed by insureds while knowing that the conduct is in violation of laws and regulations.
- (3) The premiums for the insurance contract are fully paid by the Company.

5. Matters regarding Outside Officers

(1) Concurrently served executive posts, etc. in other entities, etc., and relationship between the Company and such entities, etc.

Title in the Company	Name	Concurrent Position	Relationship between the Company and Such Other Entities
Outside Director	Makoto Fujioka	Outside Director (Audit & Supervisory Committee Member) and Chairperson of Nomination & Compensation Advisory Committee of NOK CORPORATION	No special relationship
Outside Director	Yoko Hatta	Outside Director of Ajinomoto Co., Inc.	Although the Company has sales transactions in the Chemical Business with Ajinomoto Co., Inc., the amount of transactions is negligible (The amount of sales to Ajinomoto Co., Inc. is less than 1% of the net sales of the Company).
		Director (Audit & Supervisory Committee Member) (Outside) of KOEI CHEMICAL COMPANY, LIMITED	No special relationship
Outside Director	Yutaka Kunigo	Outside Director of ISE CHEMICALS CORPORATION	No special relationship
		External Director of Chiyoda Corporation	No special relationship
Outside Audit & Supervisory Board Member	Takafumi Okuda	Special Counsel at Mori Hamada & Matsumoto	The Company has paid attorneys' fees to the law firm but has no advisory contract or other business relationship with it, and the amount of payments is negligible (less than 2 million yen a year).

Title in the Company	Name	Concurrent Position	Relationship between the Company and Such Other Entities
Outside Audit & Supervisory Board Member	Nanako Aono	Representative Director and President of GEN Co., Ltd.	No special relationship
		Outside Audit & Supervisory Board Member of MISUMI Group Inc.	Although the Company has purchase transactions related to equipment with MISUMI Group Inc., the amount of transactions is negligible (The amount of the Company's purchases from MISUMI Group Inc. is less than 1% of the net sales of MISUMI Group Inc.).
		Outside Director (Audit and Supervisory Committee Member) of MEIKO NETWORK JAPAN CO., LTD.	No special relationship

(2) Major activities in the current fiscal year

Title in the Company	Name	Board of Directors Meeting Attendance	Board of Auditors Meeting Attendance	Main Activities
Outside Director	Makoto Fujioka	13 of 13 (100%)	—	The Company expects him to supervise and offer advice to the Directors' business operation from an objective standpoint, leveraging his extensive knowledge and international perspective cultivated through his experience in both public and private sectors. He asked suitable questions both on resolutions and on reports, as well as voiced his opinion from an independent perspective, as necessary, at the Board of Directors meetings. Specifically, he voiced his opinion at the Board of Directors meetings on KPI settings for improving capital efficiency, strategic approaches to develop overseas businesses, and determination of business continuity in the case of group management.

Title in the Company	Name	Board of Directors Meeting Attendance	Board of Auditors Meeting Attendance	Main Activities
Outside Director	Yoko Hatta	13 of 13 (100%)	—	The Company expects her to supervise and offer advice to the Directors' business operation from an objective standpoint, leveraging her extensive experience in international accounting firms, and deep insight on international taxation, etc. She asked suitable questions both on resolutions and on reports, as well as voiced her opinion from an independent perspective, as necessary, at the Board of Directors meetings. Specifically, she voiced her opinion at the Board of Directors meetings on future forecasts of overseas business responding to changes in market conditions, creation of schemes to strengthen risk control reflecting changes in business conditions, and Business Continuity Plan (BCP) training on cyber security.
Outside Director	Yutaka Kunigo	13 of 13 (100%)	—	The Company expects him to supervise and offer advice to the Directors' business operation from an objective standpoint, leveraging his broad career at Tokyo Gas Co., Ltd., experience in leading the management as Representative Director, Executive Vice President, and deep insight accumulated in the international energy business. He asked suitable questions both on resolutions and on reports, as well as voiced his opinion from an independent perspective, as necessary, at the Board of Directors meetings. Specifically, he voiced his opinion at the Board of Directors meetings on the provision of specific rules and formats to follow in setting KPIs, the importance of discussing an exit strategy early in response to changes in financial conditions, and risk hedging based on trends in fuel and material prices.
Outside Audit & Supervisory Board Member	Takafumi Okuda	13 of 13 (100%)	14 of 14 (100%)	He asked suitable questions both on resolutions and on reports from the perspective of an expert as an attorney at law, as well as voiced his opinion from an independent perspective, as necessary. Further, at the Audit & Supervisory Board meetings, he discussed significant matters on audit, as well as asked suitable questions regarding audits conducted by other Audit & Supervisory Board Members, and voiced his opinions from an independent perspective, as necessary.

Title in the Company	Name	Board of Directors Meeting Attendance	Board of Auditors Meeting Attendance	Main Activities
Outside Audit & Supervisory Board Member	Nanako Aono	13 of 13 (100%)	14 of 14 (100%)	She asked suitable questions both on resolutions and on reports based on her extensive experience in the private sector and from the perspective of an expert as a certified public accountant, as well as voiced her opinion from an independent perspective, as necessary. Further, at the Audit & Supervisory Board meetings, she discussed significant matters on audit, as well as asked suitable questions regarding audits conducted by other Audit & Supervisory Board Members, and voiced her opinions from an independent perspective, as necessary.

(3) Outline of the Contract for Limitation of Liabilities

Pursuant to Article 427, Paragraph 1, of the Companies Act, the Company entered into a Contract for Limitation of Liabilities with Outside Director Mr. Makoto Fujioka, Outside Director Ms. Yoko Hatta, Outside Director Mr. Yutaka Kunigo, Outside Audit & Supervisory Board Member Mr. Takafumi Okuda and Outside Audit & Supervisory Board Member Ms. Nanako Aono, which limits the amount of their liability for damages under Article 423, Paragraph 1 of the Companies Act to the amount provided in laws and ordinances.

(4) Total amount of remuneration

	Number	Total Amount of Remuneration, etc.
Outside Officer	5	60 million yen

(Note) Figures rounded down to nearest million yen.

IV. Status of Accounting Auditor

1. Name of Accounting Auditor Ernst & Young ShinNihon LLC

2. Amount of remuneration, etc. for the Accounting Auditor during the relevant fiscal year

	Amount
① Amount of remuneration, etc. to be paid to Accounting Auditor by the Company	235 million yen
② Total amount of cash and other financial benefits to be paid to accounting auditor by the company and subsidiaries of the Company	329 million yen

(Notes) 1. Figures rounded down to nearest million yen.

2. The Audit & Supervisory Board gave consent on the amount of remuneration, etc. to be paid to the Accounting Auditor as a result of the careful screening of details of the audit plan for the current fiscal year such as the number of audit days and the staff allocation, checking and evaluation of the audit performance for the preceding fiscal year, appropriateness of the Accounting Auditor's auditing operation concerning the business operation of the Company and the grounds for calculation of the estimates that become the basis of the amount of remuneration, etc.
3. Since the amounts of remuneration, etc. for audits under the Companies Act and that for audits under the Financial Instruments and Exchange Act are not explicitly distinguished in the audit contract between the Company and Accounting Auditor and cannot be practically distinguished, the amount in ① above includes remuneration, etc. for audits under the Financial Instruments and Exchange Act.
4. We pay our accounting auditors for services other than those specified in Article 2, Paragraph 1 of the Certified Public Accountants Act of Japan, such as support services related to the application of the "Renewable Energy Surcharge Reduction and Exemption System," and these payments are included in the total amount under ②.
5. Certain subsidiaries of the Company are subject to statutory audits by audit firms, etc. other than Ernst & Young ShinNihon LLC.

3. Policy for determining Accounting Auditor dismissal or non-reappointment

- (1) If the Accounting Auditor falls under any of the items under Article 340, Paragraph 1 of the Companies Act, the Audit & Supervisory Board will dismiss the Accounting Auditor by the unanimous consent of all Audit & Supervisory Board Members pursuant to the provision of the same Article.
- (2) The Audit & Supervisory Board shall determine the contents of any proposal regarding dismissal or non-reappointment to be submitted to the General Meeting of Shareholders with due consideration for the independence and the qualifications of the accounting auditor provided in the related laws and regulations or standards, etc. (Business Accounting Council "Quality Control Standards for Audit," etc.).

V. System to ensure the appropriateness of business operation and the status of operation of such system

1. System to ensure the appropriateness of business operation

The Company formulated the Basic Policies to Establish the Internal Control Systems by a resolution adopted at the Board of Directors meeting held on May 25, 2006, and has made necessary amendments as needed. The details of the Basic Policies are as follows:

“System to ensure execution of duties by Directors in conformity with laws and ordinances or the Articles of Incorporation”

- (1) For appropriate and sound execution of the Company’s business, the Board of Directors establishes an effective internal control system and establishes an organizational structure that complies with laws and ordinances or the Articles of Incorporation.
- (2) The Audit & Supervisory Board audits the effectiveness and function of the internal control systems.

“System to ensure the propriety of business operation of the Company and its subsidiaries”

- (1) System for preservation and management of information related to execution of duties by Directors

The statutory documents and any other documents related to execution of duties by Directors shall be appropriately preserved and managed in accordance with the rules for documents management, etc.

- (2) Rules and other systems related to the management of risks of loss of the Company and its subsidiaries

For risks related to execution of the business of the Company and its group companies, depending on the type of individual risk, the department in charge of such risk will endeavor to prevent risk by means such as implementing education and training under manuals, in addition to establishing necessary rules and guidelines. If any problem occurs, the parent company will, together with its subsidiaries, prevent enlargement of damage to the Company Group, and lay out a framework necessary to minimize such damage.

- (3) System to ensure efficient execution of duties by Directors of the Company and its subsidiaries

- ① Establish a system with which each body and organizations including the Board of Directors functions effectively and exercises its duties properly and efficiently in accordance with the rules for decision-making such as the rules

- of the Board of Directors, rules of approval, and rules for segregation of duties.
- ② Introduce the Executive Officer System and separate the function of overall management supervision and decision making by the Board of Directors from the function of execution of each individual department's business by the Executive Officers, to clarify where the responsibility and authority lay.
 - ③ Each business sector and each group company will not only establish a medium-term business plan and clarify its issues and goals, but also manage its performance thoroughly under such plan during each fiscal year.
 - ④ To pursue the development of the entire Company Group, the Company shall hold meetings of the Group Management Strategy Committee as needed to deliberate on important matters related to the Company Group such as management strategies for each business field.
- (4) System to ensure execution of duties by employees of the Company and its subsidiaries in conformity with laws and ordinances or the Articles of Incorporation
- ① Establish the "NIPPON PAPER GROUP Standards of Business Conduct" and "NIPPON PAPER GROUP Code of Conduct," and familiarize all employees with compliance thereto.
 - ② The Management Audit Office implements internal audits of the Company and its group companies pursuant to the Internal Audit Rules, etc.
 - ③ Establish "Nippon Paper Group Help Line" as an internal report system within the Company Group and operate this system strictly.
- (5) Systems related to the reporting of the matters concerning execution of duties by Directors, etc., of the Company's subsidiaries to the Company
- ① In order to ensure appropriate operation of business within the Group, the Company shall establish a fundamental policy for the Group companies' business management and operation rules for affiliated companies, and appropriately manage business operations in the Group according to such systems as application for approval, advance and ex post facto report to the Company, etc.
 - ② The Audit & Supervisory Board Members ensure appropriate operation of business within the Group through presiding over the "Nippon Paper Group Audit & Supervisory Board Member Liaison Committee," which consists of the Audit & Supervisory Board Members of the primary group companies of the Company, and the Audit & Supervisory Board of the Company, and have periodic discussions about audit policy and audit method, etc., and enhance mutual collaboration by exchanging information, etc.
 - ③ The Company shall hold Presidents' Meetings of associated companies to

receive reports on the current situation and issues of the primary group companies of the Company.

(6) System related to employees who assist in execution of duties by the Audit & Supervisory Board Members, matters related to the independence of such employees from the Directors and matters related to ensuring the effectiveness of the instructions given to such employees

- ① Assign some employees of the Company as the assistants of the Audit & Supervisory Board Members who assist the Audit & Supervisory Board Members in executing their duties. For such assignment, prior consent by the Audit & Supervisory Board Members is required.
- ② The Company's employees who assist the Audit & Supervisory Board Members in executing their duties shall follow the instructions from the Audit & Supervisory Board Members and prioritize performing the duties related to their instructions.

(7) System for Directors and employees to report to the Audit & Supervisory Board Members; other system related to the report to the Audit & Supervisory Board Members; and system to ensure effective audit by the Audit & Supervisory Board Members

- ① Directors, Executive Officers and employees will report to the Audit & Supervisory Board without delay when he/she becomes aware of any material breach of laws and ordinances or the Articles of Incorporation, concerning the execution of duties, any fact of wrongdoing or any possibility of material damage to the Company. And the Audit & Supervisory Board Members may, at any time, request that the Directors, Executive Officers and employees make a report to them.
- ② Further, in order to appropriately convey the Company's information to the Audit & Supervisory Board Members, without limiting to the reports from the Directors, Executive Officers and employees, the Company shall facilitate an environment to allow the Audit & Supervisory Board Members to exchange information closely with the Accounting Auditor and legal advisors, etc.
- ③ Representative Directors endeavor to communicate closely with the Audit & Supervisory Board Members through such means as holding meetings as often as possible with Audit & Supervisory Board Members, etc. Moreover, Representative Directors ensure, upon request by the Audit & Supervisory Board Members, attendance of the Audit & Supervisory Board Members at any material meetings.

- ④ At meetings of the Nippon Paper Group Audit & Supervisory Board Member Liaison Committee, the Audit & Supervisory Board Members of the Company shall receive explanation from the Audit & Supervisory Board Members of the group companies on the content of reports received from the officers and employees of such group companies.
- ⑤ The department in charge of the Company's Nippon Paper Group Help Line shall report regularly to the Company's Audit & Supervisory Board Members on the status of internal reporting from the officers and employees of the Company Group.
- ⑥ The Company shall provide rules for operation of the Nippon Paper Group Help Line, in which it is to be clearly stipulated that users of the internal reporting system should not suffer disadvantageous treatment and that an internal disciplinary measure might be imposed on those who give disadvantageous treatment to such users.
- ⑦ Based on the audit plans formulated by the Audit & Supervisory Board Members, the Company shall provide an annual budget for paying expenses and costs that are incurred by the execution of duties by the Audit & Supervisory Board Members.
- ⑧ When the Audit & Supervisory Board Members request the Company to make an advance payment of expenses based on Article 388 of the Companies Act that are necessary to execute their duties, the Company shall process such expenses or debts promptly.

(8) System to ensure the reliability of financial reports of the Company and its subsidiaries

In order to ensure the reliability of financial reports, the Company shall improve an internal control system for financial reporting and operate such system properly in accordance with rules of internal control for financial reports. Further, the Company shall evaluate the system's effectiveness on a continuing basis and take necessary measures to improve the system.

(9) System of the Company and its subsidiaries toward elimination of anti-social forces

The Company and its subsidiaries shall never have any relationship with any anti-social force or organization. The Company and its subsidiaries shall take a resolute stand against unreasonable demand and respond to such incident in coordination with outside specialized agencies, as needed.

2. Status of operation of the system to ensure the appropriateness of operation

The Company strives to ensure the appropriateness of operation through formulating and operating the Basic Policies to Establish the Internal Control Systems. The outline of the operation of the system to ensure the appropriateness of operation of the Company during the current fiscal year was as follows.

(1) Risk management system

- ① The Company has established a Risk Management Committee chaired by President, Representative Director and made reports to the Board of Directors. The Committee reported business continuity management (BCM) such as reviewing important risks projected by the Company Group and business continuity plans (BCP), the state of responses to problems recognized in drills for the Nankai Trough earthquake, the progress of discussions on impacts and responses in the event of a cyber attack, and challenges and future directions regarding human rights risks. Regarding those results, an opportunity was separately provided for exchanging opinions among Chairman, Outside Directors, Audit & Supervisory Board Members, and secretaries.
- ② The Company established the Environmental Committee, the Safety and Disaster Prevention Committee, the Product Risk Committee and the Raw Materials Committee to promote risk management activity across the entire Company Group. Each Committee was held during the current fiscal year to confirm efforts of each group company. At the Safety and Disaster Prevention Committee, we have further strengthened information-sharing necessary for improving the safety and disaster prevention management of individual companies, the scope of which has been expanded to include group companies in logistics and maintenance departments, in addition to companies with production sites. In addition, regarding the environment, safety and disaster prevention, and product risk, internal audits were conducted on an ongoing basis.

(2) Compliance system

- ① To ensure that all employees learn and understand the “NIPPON PAPER GROUP Standards of Business Conduct” and “NIPPON PAPER GROUP Code of Conduct” revised in October 2024, we provided e-learning training for officers and all employees of the Company.
- ② The Company operates the Nippon Paper Group Help Line as its internal reporting system. The Compliance Office of the Risk Management Dept., which is in charge of this system, has responded to all the items reported and consulted via this system and addressed each issue appropriately in alliance

with related departments, specialized external companies and attorneys. The status of such internal reporting was reported quarterly from the Compliance Office to the Management Execution Committee and the details were reported quarterly to the Audit & Supervisory Board Members. In order to confirm the compliance awareness and a degree of familiarity with the Help Line, the Company implemented a compliance awareness survey targeting officers and employees of the Company and its group companies.

- ③ For the purpose of building stronger compliance structure, we reviewed the content of compliance training intended for officers of the Company and conducted training by an outside lecturer on the theme of creating an organization that does not cause scandals. After taking the training, participants were asked to devise a concrete action plan based on the training, and self-evaluate their level of implementation at a follow-up three months later.
 - ④ We conducted training related to the Antimonopoly Act twice a year for the sales and purchasing departments of the Company and its group companies.
- (3) Audit & Supervisory Board Members' audit and internal audit
- ① The Audit & Supervisory Board Members attended important meetings such as Board of Directors meetings, and meetings of the Group Management Strategy Committee and Management Execution Committee. The Audit & Supervisory Board Members held fourteen meetings to share information, while performing onsite audits at each department and office of the Company, as well as group companies. The Audit & Supervisory Board Members held two meetings of the Nippon Paper Group Audit & Supervisory Board Member Liaison Committee, at which they received reports on audit activities at each group company.
 - ② The Management Audit Office performed internal audits of the Company and the group companies and provided support for improvement as necessary, including introduction of external experts to the audited sites. The Office also made reports on the results to President and Representative Director and full-time Audit & Supervisory Board Members twice and Outside Directors and Outside Audit & Supervisory Board Members twice. The Management Audit Office also performed evaluation on validity of internal audits regarding financial reporting of the Company and the group companies. President and Representative Director reported summaries of the results of these internal audits, etc. to the Board of Directors.
 - ③ The Audit & Supervisory Board Members and the Management Audit Office

held an information exchange meeting once a month. In addition, the Management Audit Office attended meetings of the Nippon Paper Group Audit & Supervisory Board Member Liaison Committee to integrate Audit & Supervisory Board Members' audits and internal audits. Audit & Supervisory Board Members periodically received reports from the Accounting Auditor on the results of accounting audits and shared information.

(4) The Group companies' business management

- ① The Presidents' Meeting of associated companies was held among the Company and its 19 primary group companies, where each company reported the responses for achievement of the Medium-Term Business Plan 2025.
- ② The Group Management Strategy Committee consisting of major officers of the Company and presidents of five major group companies, engages in discussion from a group-wide perspective, by facilitating information sharing within the Group, speedier decision making, and maximum utilization of the Group's management resources. With the attendance of Outside Directors and Outside Audit & Supervisory Board Members, the Committee deliberated on strategic projects and long-term vision, and asked opinions from outside officers based on their abundant experience and expertise and had active discussions.

(5) System of execution of duties

- ① The Board of Directors held thirteen regular meetings. Material matters are deliberated in advance at the Group Management Strategy Committee and Management Execution Committee and submitted to the Board of Directors.
- ② With regard to the effectiveness of the Board of Directors, self-evaluation and analysis were performed in the form of a questionnaire, receiving advice from an external institution, and deliberated at the Board of Directors meeting. A system to provide information for Directors and Audit & Supervisory Board Members has been developed, and measures to strengthen supervisory functions have been implemented gradually, so that foundations have been established to allow discussions to be deepened. It was confirmed that the effectiveness of the Board of Directors has been ensured.

VI. Cross-shareholdings

[Policy for shareholdings]

The Company holds shares that are judged to be contributing to the improvement of corporate value, upon verifying the effects of holding individual cross-shareholdings in terms of medium- to long-term economic rationale for holding, and maintaining and reinforcing comprehensive relationships with business partners.

The significance of such shareholdings is verified at the Board of Directors meeting every year. If the Company deems there to be no good reason to hold certain stocks, the Company shall sell them in light of gains and losses, etc. from such stocks.

In May 2025, we announced our goal of “eliminating all cross-shareholdings in principle” and have been actively pursuing measures to reduce them. We view the reduction of cross-shareholdings under this policy as a key initiative for sustainable growth. We will continue to push forward with efforts to reduce cross-shareholdings and strive to disclose information regarding the progress of these reductions.

[Standard for exercising voting rights]

In exercising voting rights pertaining to cross-shareholdings, the Company shall examine the contents of each proposal, and exercise as appropriate upon judging whether or not the proposal will contribute to the improvement of the corporate value of the Company and the investee company.

The Company shall not vote for any proposal that would impair the corporate value of the Company and the investee company.

[Amount recorded on the consolidated balance sheet, etc.] (as of March 31, 2026)

The total amount of cross-shareholdings and deemed holdings of shares recorded on the consolidated balance sheet as of March 31, 2026 is 58,435 million yen, which accounts for 10.81% of net assets.

Consolidated Financial Statements
Consolidated Balance Sheet

(As of March 31, 2026)

(Unit: million yen)

Category	Amount	Category	Amount
Assets		Liabilities	
Current assets	[665,069]	Current liabilities	[462,541]
Cash and deposits	207,411	Notes and accounts payable-trade	135,711
Notes and accounts receivable-trade	181,228	Short-term borrowings	192,341
Merchandise and finished goods	119,966	Current portion of bonds payable	30,000
Work in process	21,542	Income taxes payable	5,319
Raw materials and supplies	95,755	Other current liabilities	99,169
Other current assets	40,221	Non-current liabilities	[735,429]
Allowance for doubtful accounts	(1,056)	Bonds payable	25,000
Non-current assets	[1,073,409]	Long-term borrowings	610,911
(Property, plant and equipment)	[788,917]	Lease liabilities	18,606
Buildings and structures	146,486	Deferred tax liabilities	60,570
Machinery, equipment and vehicles	334,588	Provision for environmental measures	5,905
Land	209,404	Retirement benefit liability	7,921
Mountain forests and afforestations	30,041	Other non-current liabilities	6,514
Construction in progress	42,321	Total liabilities	[1,197,971]
Other property, plant and equipment	26,075	Net assets	
(Intangible assets)	[11,647]	Shareholders' equity	[340,848]
Intangible assets	11,647	Share capital	104,873
(Investments and other assets)	[272,844]	Capital surplus	216,393
Investments securities	179,647	Retained earnings	21,554
Retirement benefit asset	43,492	Treasury shares	(1,972)
Deferred tax assets	9,878	Accumulated other comprehensive income	[167,618]
Other investments and other assets	40,084	Valuation difference on available-for-sale securities	16,059
Allowance for doubtful accounts	(258)	Deferred gains or losses on hedges	15,142
		Foreign currency translation adjustment	102,866
		Remeasurements of defined benefit plans	33,550
		Non-controlling interests	[32,040]
		Total net assets	540,507
Total assets	1,738,479	Total liabilities and net assets	1,738,479

Consolidated Statement of Profit and Loss

(From April 1, 2025 through March 31, 2026)

(Unit: million yen)

Category	Amount	
Net sales		1,192,606
Cost of sales		993,594
Gross profit		199,012
Selling, general and administrative expenses		173,806
Operating profit		25,205
Non-operating income		
Interest income	1,615	
Dividend income	1,929	
Share of profit of entities accounted for using equity method	7,387	
Foreign exchange gains	1,811	
Other	3,942	16,685
Non-operating expenses		
Interest expense	11,217	
Other	7,574	18,792
Ordinary profit		23,098
Extraordinary income		
Gain on return of assets from retirement benefits trust	6,369	
Gain on sales of investment securities	5,262	
Insurance claim income	3,950	
Other	2,050	17,633
Extraordinary loss		
Loss on disaster	3,453	
Loss on retirement of non-current assets	2,318	
Loss on suspension of operations	2,021	
Impairment losses	2,008	
Other	6,469	16,271
Profit before income taxes		24,460
Income taxes-current	5,677	
Income taxes-deferred	4,982	10,660
Profit		13,800
Profit attributable to non-controlling interests		2,057
Profit attributable to owners of parent		11,743

Financial Statements

Balance Sheet

(As of March 31, 2026)

(Unit: million yen)

Category	Amount	Category	Amount
Assets		Liabilities	
Current assets	[501,203]	Current liabilities	[379,631]
Cash and deposits	176,844	Notes payable	6,749
Notes receivable	1,206	Accounts payable-trade	50,452
Accounts receivable-trade	107,624	Short-term borrowings	197,603
Merchandise and finished goods	51,326	Current portion of bonds payable	30,000
Work in process	14,811	Account payable	81,241
Raw materials and supplies	50,467	Accrued expenses	6,706
Short-term loans receivable	86,422	Income taxes payable	900
Other accounts receivable	11,746	Other current liabilities	5,977
Other current assets	7,561	Non-current liabilities	[616,138]
Allowance for doubtful accounts	(6,808)	Bonds payable	25,000
Non-current assets	[830,957]	Long-term borrowings	560,483
(Property, plant and equipment)	[371,701]	Provision for share-based remuneration for directors (and other officers)	288
Buildings	60,934	Provision for environmental measures	4,235
Structures	16,850	Deferred tax liabilities	4,919
Machinery and equipment	107,020	Deferred tax liabilities for revaluation	17,931
Vehicles	18	Other non-current liabilities	3,280
Tools, furniture and fixture	2,336	Total liabilities	995,769
Land	138,548	Net assets	
Mountain forests and afforestations	17,142	Shareholders' equity	[318,821]
Leased assets	1,384	Share capital	104,873
Construction in progress	27,465	Capital surplus	130,226
(Intangible assets)	[3,831]	Legal capital surplus	83,552
Software	2,601	Other capital surplus	46,674
Other intangible assets	1,230	Retained earnings	85,417
(Investments and other assets)	[455,423]	Legal retained earnings	432
Investments securities	28,821	Other retained earnings	84,984
Shares in and investment in capital of affiliates	419,096	Reserve for reduction entry of non-current assets	3,171
Long-term prepaid expenses	1,609	Retained earnings carried forward	81,813
Prepaid pension cost	1,532	Treasury shares	(1,695)
Other investments and other assets	4,528	Valuation and translation adjustments, etc.	[17,568]
Allowance for doubtful accounts	(164)	Valuation difference on available-for-sale securities	10,887
		Deferred gains or losses on hedges	957
		Revaluation difference on land	5,724
		Total net assets	336,390
Total assets	1,332,160	Total liabilities and net assets	1,332,160

Statement of Profit and Loss

(From April 1, 2025 through March 31, 2026)

(Unit: million yen)

Category	Amount	
Net sales		529,975
Cost of sales		464,597
Gross profit		65,377
Selling, general and administrative expenses		63,978
Operating profit		1,399
Non-operating income		
Interest and dividend income	18,766	
Other	3,295	22,061
Non-operating expenses		
Interest expense	8,809	
Other	6,607	15,417
Ordinary profit		8,042
Extraordinary income		
Gain on return of assets from retirement benefits trust	6,369	
Gain on sales of investment securities	3,851	
Gain on sale of shares of subsidiaries and associates	2,126	
Insurance claim income	1,527	
Others	836	14,711
Extraordinary loss		
Loss on disaster	3,453	
Loss on retirement of non-current assets	1,525	
Other	1,271	6,251
Profit before income taxes		16,503
Income taxes-current	(3,092)	
Income taxes-deferred	2,414	(678)
Profit		17,182

Audit Report

Independent Auditor's Report on the Consolidated Financial Statements: True Copy

Independent Auditor's Report

May 20, 2026

To: The Board of Directors
Nippon Paper Industries Co., Ltd.

Ernst & Young ShinNihon LLC
Tokyo Office
Designated Limited Liability Partner
Executive Member CPA Ryogo Ichikawa
Designated Limited Liability Partner
Executive Member CPA Tatsuya Kushida
Designated Limited Liability Partner
Executive Member CPA Kazunori Onuki

Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of profit and loss, the consolidated statement of changes in shareholders' equity, etc. and the notes to the consolidated financial statements of Nippon Paper Industries Co., Ltd. (the "Company") for the fiscal year from April 1, 2025 through March 31, 2026.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Company, which consists of the Company and its consolidated subsidiaries, for the period covered by the consolidated financial statements in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan (including provisions applicable to the audit of financial statements of public interest entities), and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Other Information

The Other Information comprises the business report and the related supplemental schedule. Management is responsible for the preparation and disclosure of the Other Information. In addition, the Audit & Supervisory Board Members and Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operation of the controls over the Group's reporting process of the Other Information.

Our audit opinion on the consolidated financial statements does not cover the Other Information, and we do not provide an opinion on the Other Information.

Our responsibility in conducting the audit of the consolidated financial statements is to read the Other Information and, in doing so, consider whether there are material inconsistencies between the Other Information and the consolidated financial statements or our knowledge obtained in the audit procedure and to pay attention to whether there are any indication of a material error in the Other Information besides such material differences.

If, based on the work we have performed, we conclude that there is a material misstatement in the Other Information, we are required to report such facts.

We have nothing to report in this regard.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the presentation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due

to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the consolidated financial statements from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the consolidated financial statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.

- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.

- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.

- Determine whether it is appropriate for management to prepare the consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.

- Besides assessing whether the presentation of and notes to the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the consolidated financial statements including related notes, and whether the consolidated financial statements fairly present the transactions and accounting events on which they are based.

- Plan and conduct the audit of the consolidated financial statements to obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries, which serves as the basis for expressing an opinion on the consolidated financial statements. The auditor is responsible for the direction, supervision and review of the audit of the consolidated financial statements, and is solely responsible for the audit opinion.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence, and the contents of measures or safeguards if the auditor takes measures to eliminate obstacles or applies safeguards to reduce obstacles to an acceptable level.

Interest

Our firm and engagement partners have no interests in the Company or its consolidated subsidiaries requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

[END]

Independent Auditor's Report

May 20, 2026

To: The Board of Directors
Nippon Paper Industries Co., Ltd.

Ernst & Young ShinNihon LLC
Tokyo Office
Designated Limited Liability Partner
Executive Member CPA Ryogo Ichikawa
Designated Limited Liability Partner
Executive Member CPA Tatsuya Kushida
Designated Limited Liability Partner
Executive Member CPA Kazunori Onuki

Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of profit and loss, the statement of changes in shareholders' equity, etc. and the related notes, and the accompanying supplementary schedules of Nippon Paper Industries Co., Ltd. (the "Company") for the 102nd fiscal year from April 1, 2025 through March 31, 2026.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2026, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules." We are independent of the Company in accordance with the provisions related to professional ethics in Japan (including provisions applicable to the audit of financial statements of public interest entities), and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Other Information

The Other Information comprises the business report and the related supplemental schedule. Management is responsible for the preparation and disclosure of the Other Information. In addition, the Audit & Supervisory Board Members and Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operation of the controls over the Group's reporting process of the Other Information.

Our audit opinion on the financial statements does not cover the Other Information, and we do not provide an opinion on the Other Information.

Our responsibility in conducting the audit of the financial statements is to read the Other Information and, in doing so, consider whether there are material inconsistencies between the Other Information and the financial statements or our knowledge obtained in the audit procedure and to pay attention to whether there are any indication of a material error in the Other Information besides such material differences.

If, based on the work we have performed, we conclude that there is a material misstatement in the Other Information, we are required to report such facts.

We have nothing to report in this regard.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Financial Statements and the Accompanying Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is

responsible for assessing whether it is appropriate to prepare the financial statements and the accompanying supplementary schedules in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules

Our responsibility is to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the financial statements and the accompanying supplementary schedules from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the financial statements and the accompanying supplementary schedules.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.

- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the financial statements and the accompanying supplementary schedules is not to express an opinion on the effectiveness of the entity's internal control.

- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.

- Determine whether it is appropriate for management to prepare the financial statements and the accompanying supplementary schedules on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the financial statements and the accompanying supplementary schedules in the audit report, or if the notes to the financial statements and the accompanying supplementary schedules pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the financial statements and the accompanying supplementary schedules. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.

- Besides assessing whether the presentation of and notes to the financial statements and the accompanying supplementary schedules are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the financial statements and the accompanying supplementary schedules including related notes, and whether the financial statements and the accompanying supplementary schedules fairly present the transactions and accounting events on which they are based.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence, and the contents of measures or safeguards if the auditor takes measures to eliminate obstacles or applies safeguards to reduce obstacles to an acceptable level.

Interest

Our firm and engagement partners have no interests in the Company requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

[End]

Audit Report

The Audit & Supervisory Board, upon deliberation based on the audit reports prepared by each of the Audit & Supervisory Board Members on execution of duties by the Directors during the 102nd fiscal year, from April 1, 2025 through March 31, 2026, has prepared this Audit Report and presents as follows;

1. Method and detail of audit by Audit & Supervisory Board Members and the Audit & Supervisory Board
 - (1) The Audit & Supervisory Board determined the audit policy and the task division, and in addition to receiving reports about the status of implementation of audit and result thereof from each Audit & Supervisory Board Member, received reports from Directors, etc. and from the Accounting Auditor on the status of execution of their duties, and, when necessary, requested their explanations.
 - (2) In compliance with the Audit & Supervisory Board Members' audit standards which the Audit & Supervisory Board established, and in accordance with the audit policy and task division, each Audit & Supervisory Board Members endeavored to gather information and to improve audit environment through communicating well with the Directors, the management monitoring office, and other employees, etc. and conducted audits by the following methods;
 - (i) Attended the Board of Directors' meetings and other important meetings to receive reports from the Directors and employees, etc. on the status of execution of their duties and requested their explanations as needed; reviewed important documents of decision making, etc.; and examined the status of performance and assets at the Company's head office and primary business offices. As to the subsidiaries, we communicated with and exchanged information with the Directors and Audit & Supervisory Board Members, etc., of the subsidiaries, and visited the subsidiaries, etc. and received reports on their businesses as needed.
 - (ii) Received reports regularly, requested their explanations as necessary and expressed our opinion about the status of formation and operation of the systems (the internal control system), including the system to ensure execution of duties by Directors in conformity with laws or ordinances and the Articles of Incorporation described in the Business Report and the system formed in accordance with the resolutions and the substance thereof by the Board of Directors regarding formulation of other system which is provided in the paragraphs 1 and 3 of Article 100 of the Ordinance for Enforcement of the Companies Act as a necessary system to ensure appropriate business operation of a corporate group consisting of the stock company and its subsidiaries.
 - (iii) As to the basic policy on suitability of person who controls the decision making over the financial and business policies of the Company stipulated in the Ordinance for Enforcement of the Companies Act, and each of its approach as described in the Business Report, we conducted study of the contents in view of the status, etc. of deliberation by the Board of Directors and other bodies.
 - (iv) Monitored and verified whether the Accounting Auditor maintained its independent position and implemented appropriate audits, and received reports from the Accounting Auditor on the status of execution of their duties, and, when necessary, requested explanation from them. We also received the notice from the Accounting Auditor to the effect that the firm has established the "system to ensure appropriate execution of their duties" (as stipulated in each Item in the Article 131 of the Corporate Accounting Rule) in accordance with the "Quality Control Standards for Audit" (Business Accounting Council), etc., and, when necessary, requested their explanations.

Through the methods above, we examined the Business Report and its Supplementary Schedule, the financial statements (the balance sheet, the statement of profit and loss, the statement of changes in shareholders' equity, etc., and the notes to the non-consolidated financial statements) and its supplementary schedule as well as the consolidated financial statement (the consolidated balance sheet, the consolidated statement of profit and loss, the consolidated statement of changes in shareholders' equity, etc., and the notes to the consolidated financial statement) for the current fiscal term.

2. Conclusion of the audit
 - (1) Conclusion of audit of the Business Report, etc.
 - (i) We find that the business report and its supplementary schedule fairly present the status of the Company in compliance with the laws or ordinances and the Articles of Incorporation.
 - (ii) We find that there is no material fact of misconduct or serious violation of laws or ordinances or the Articles of Incorporation by any Directors in executing of their duties.
 - (iii) We find that the substance of resolutions by the Board of Directors regarding the internal control system is

appropriate. In addition, we find that there is no other item to be pointed out as to the entries in the Business Report regarding the relevant internal control system or as to execution of duties by the Directors including the internal control system relating to the financial report.

(iv) We find that there is no item to be pointed out as to the entries in the business report regarding the basic policy and its initiatives on suitability of person(s) who controls the decision making over the financial and business policies of the Company stipulated in the Ordinance for Enforcement of the Companies Act.

(2) Conclusion of audit on the Financial Statement and its Supplementary Schedule

We find that the method and result of audit by the Ernst & Young ShinNihon LLC are appropriate.

(3) Conclusion of audit on the Consolidated Financial Statement

We find that the method and result of audit by the Ernst & Young ShinNihon LLC are appropriate.

May 20, 2026

Audit & Supervisory Board	
Nippon Paper Industries Co., Ltd.	
Standing Audit & Supervisory Board Member (full-time)	Tomoyasu Itakura (Seal)
Audit & Supervisory Board Member (full-time)	Tomoyoshi Nishimoto (Seal)
Audit & Supervisory Board Member	Takafumi Okuda (Seal)
Audit & Supervisory Board Member	Nanako Aono (Seal)

(Note) Audit & Supervisory Board Member Takafumi Okuda and Audit & Supervisory Board Member Nanako Aono are the Outside Audit & Supervisory Board Members stipulated in the item 16 of Article 2 and the paragraph 3 of Article 335 of the Companies Act.

[End]