

Nippon Paper Group CSR Report 2020

The Nippon Paper Group issues CSR reports to provide stakeholders with a broad overview of its efforts to meet its corporate social responsibilities (CSR). The Group also publishes an integrated report to communicate about our long-term value creation.

Our CSR disclosure has been prepared in accordance with the GRI Standards: Core option.

Period Covered

Fiscal 2019: April 1, 2019–March 31, 2020

Includes information from before April 1, 2019 and after March 31, 2020.

Dates are indicated in such cases.

Scope of Organizations Covered

The reporting entity is Nippon Paper Industries Co., Ltd. Data, however, were compiled as of March 31, 2020 for Nippon Paper Industries Co., Ltd. and all 51 of its consolidated subsidiaries.

Scope of Environmental Coverage

The scope of the report covers the basic environmental policies, systems, environmental accounting and environment performance and other data for the 16 companies, including 2 non-consolidated subsidiaries with production facilities, named below. All major production locations are included.

Consolidated: Nippon Paper Industries Co., Ltd.; Nippon Paper Crecia Co., Ltd.; Nippon Paper Papylia Co., Ltd.; Paper Australia Pty Ltd.; Jujo Thermal Oy; Siam Nippon Industrial Paper Co., Ltd.; Nippon Seitai Corporation; Nippon Paper Lumber Co., Ltd.; N&E Co., Ltd.; Daishowa Uniboard Co., Ltd.; Nippon Paper Development Co., Ltd.; GAC CO., LTD.; Amapá Florestal e Celulose S.A.; Nippon Dynawave Packaging Co.

(The contribution to total consolidated sales of the companies listed here was 93%.)

(Sales data for trading companies that are members of the Nippon Paper Group and sell products made by the Group to outside buyers are included.)

Non-consolidated: Nippon Paper Liquid Package Product Co., Ltd. and Akita Jujo Chemicals Co., Ltd.

Referenced Guidelines

- Environmental Reporting Guidelines (2018) of the Ministry of the Environment
- Sustainability Reporting Standards issued by the Global Reporting Initiative (GRI)
- United Nations Global Compact
- SASB sustainability accounting standards
- ISO 26000, etc.

*Guideline comparison table

<https://www.nipponpapergroup.com/csr/gri/>

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Nippon Paper Industries Co., Ltd. has declared its support for the ten principles of the United Nations Global Compact, covering the four areas of human rights, labor, environment, and anti-corruption.



→ Global Compact Network Japan

<https://www.ungcjin.org/>

Disclaimer

This report includes not only statements of fact and historical data but also plans, forecasts and estimates (forward-looking statements) based on the business plans and policies of the Nippon Paper Group. These forward-looking statements are the result of assumptions or judgments based on currently available information as this report was prepared. It should be noted that forward-looking statements may differ significantly from actual results due to the impacts of a number of important factors.

Pursuing Our Ultimate Goal of Realizing a Sustainable Society

The Nippon Paper Group will realize its “vision” together with all of its stakeholders.



Toru Nozawa
President Nippon Paper Industries, Co., Ltd.

Group Mission

<p>Mission</p> <p>The Nippon Paper Group aims to contribute to better living and cultural progress everywhere it does business.</p>	<p>Values</p> <p>Challenge : Embrace new challenges Fairness : Be fair Teamwork : Champion teamwork</p>
<p>Vision</p> <ol style="list-style-type: none"> 1. Drive social sustainability through our business 2. Delight our customers 3. Instill pride in employees 4. Give back to society 	<p>Slogan</p> <p>Shaping the future with trees.</p>

Firstly, I would like to take this opportunity to express our sympathies to all of those infected (or otherwise affected) by the COVID-19 coronavirus, and our sincere respect to all of the healthcare professionals working to overcome it. I would also like to express our heartfelt sympathies to those effected by the heavy rainfall of July, 2020.

Responding to Disease Pandemics and Natural Disasters

In addition to gathering information since the time when concerns first arose over the spread of the COVID-19 virus in Japan and abroad, the Nippon Paper Group has established a response headquarters (headed by myself as president and representative director) and taken countermeasures in accordance with national and local-government policies, from the perspectives of preventing infections among Group employees and fulfilling our responsibility to supply products through business continuity.

In response to the damage caused by the heavy rains during July 2020, also, we made efforts based on our past experiences to ensure the safety of our employees, and to minimize impact to the shipping of our products.

Although we were affected by the COVID-19 pandemic and natural disasters during the first half of 2020, the diligent efforts of group employees enabled us to maintain our supply chain and continue the stable supply of products.

Main Responses to the COVID-19 Pandemic

- Thorough day-to-day health management
(Checking body temperature before going to work, and refraining from attendance in the event of fever or when otherwise unwell)
- Thorough hand washing, hand sanitizing and coughing etiquette
- Encouraging working from home and staggered working hours (start and finish times)
- Ban on domestic and overseas business trips
- Thorough avoidance of the Three Cs
- Agile procurement of financing
(The group has secured around 100 billion yen in liquidity on hand)

Reflecting on My First Year as President

While my basic approach to management has not changed since my days as the general manager of the Corporate Planning Division, I truly believe the world looks a whole lot different from where I stand now. Since taking over the reins as president of Nippon Paper Industries Co., Ltd., I have been reminded of the fact that the sustainability of a company hinges on its various stakeholders.

In terms of our FY2020/3 results, we achieved a 78% increase in operating income over the previous fiscal year. On the whole, I believe we succeeded in meeting the FY2020/3 targets laid out in our Sixth Medium-Term Business Plan for our domestic Paper and Paperboard Business and other businesses in Japan.

Conversely, we were not able to achieve the targets for our overseas businesses due to the impact of the trade dispute between the United States and China and other factors. While we were able to record brisk results for both functional films and functional resins, our results in the Chemical Business fell below our targets due to the deteriorating market for dissolving pulp and other factors. I would like to see improvements in these areas as soon as possible.

Further, as a result of severe equipment failures that led to the shutdown of a couple of mills, in FY2020/3 we were unable to reach our targets for cost improvements in the Paper and Paperboard Business. We find this extremely unfortunate and therefore will place priority on repairing our boilers, power generators, and a series of pulping facilities, which represent the lifeline of our mill operations, as well as working to respond in a timely manner before operations are affected through the determination of the operating sites.

Meanwhile, we have continued to conduct capital investment in our growth businesses, an initiative we began undertaking as part of our Fifth Medium-Term Business Plan, and these efforts began to gradually bear fruit in FY2020/3.

A prominent example of this is in the Household Paper and Healthcare Business. Our Fuji Mill (in Shizuoka Prefecture) has been currently undergoing the transformation of its business from printing paper to household paper. The installation of our second paper machine at Crecia-Kasuga Co., Ltd. on the site of the Fuji Mill, alongside our first paper machine installed in 2018, through a merger between Nippon Paper Crecia Co., Ltd. and Kasuga Paper Industry Co., Ltd., has enabled us to respond to the growing demand for household paper as a daily necessity.

Major Investments in Growth Areas

	Details		Amount	Year of Completion
Packaging	Installation of dry pulp machine, etc.	Nippon Dynawave Packaging Company, LLC	¥14.4 billion	FY2021/3
Household paper and healthcare	Expansion of healthcare processing machines	Nippon Paper Crecia Co., Ltd.'s Kyoto Mill	¥2.0 billion	FY2020/3
	Establishment of paper machine No. 1	Crecia-Kasuga Co., Ltd.	¥6.1 billion	FY2019/3
	Establishment of nonwoven manufacturing facility	Nippon Paper Crecia (within Nippon Paper Industries' Fuji Mill)	¥4.6 billion	FY2020/3
	Establishment of paper machine No. 2	Crecia-Kasuga Co., Ltd.	¥8.0 billion	FY2021/3
Chemical	Enhancement of production of SUPERCHLON® No. 1	Nippon Paper Industries' Iwakuni Mill	¥1.7 billion	FY2019/3
	Enhancement of production of SUPERCHLON® No. 2	Nippon Paper Industries' Iwakuni Mill	¥2.4 billion	FY2022/3
	Upgrading of CMC manufacturing facility	Nippon Paper Industries' Gotsu Mill	¥4.7 billion	FY2021/3
Energy	Yufutsu biomass power generation facility		¥34.1 billion	FY2023/3

(The projects listed above were completed or resolved to be undertaken during the Sixth Medium-term Business plan.)

While our outlook for the future remains uncertain due to the impact of COVID-19, we will continue to implement various measures toward achieving the Group's target operating income of ¥50.0 billion.

Moreover, our EBITDA in FY2020/3 was ¥97.7 billion. I believe an EBITDA of ¥100.0 billion or more would allow us to repay our loans payable while investing certain amounts in future growth, as well as enabling us to fulfill the expectations of all stakeholders, including shareholders, customers and business partners, and employees. We are in fact nearing that level. Moreover, we will continue to generate stable cash flows as we move forward.

Our Ongoing Growth: Adapting to Changes in Society

Society's focus on the global environment as well as on health and hygiene has been increasing in recent years. While the emergence of COVID-19 has certainly had an impact in one sense or another, I realize, it seems as though new forms of value that center on the environment, rather than economic gains, are coming to the forefront particularly among the younger generation.

I believe a paradigm shift—global changes in society—is taking place and ascertaining such a shift will lead to new business opportunities.

We have already begun setting our sights on such opportunities, including the commercialization of our long-length toilet paper rolls as our main products. We are aggressively marketing the appeal and promoting the sales of Nippon Paper Crecia's SCOTTIE® four-roll, triple-length flower pack, which offers the same length for one-third the volume of conventional toilet paper rolls and thereby occupying limited space, in addition to environmental features, such as the reduction of CO2 emissions through improved transportation efficiency and reduced use of packaging materials.

Envisioning the State of the Paper Business beyond the Next Decade

Among the Nippon Paper Group's range of businesses, the biggest challenge in terms of its operating environment is paper for use as an information medium. When COVID-19 materialized this spring and everyone was required to stay home, we witnessed an instant spread of information and communication technology (ICT), which spurred a severe decline in demand for graphic paper such as newsprint and printing paper. I feel that this has sped up the decline in demand, which had already been taking place due to the impact of the aging of Japan's society and digitization, by two to three years. We will continue with our steadfast approach of contributing to the growth of society through the stable supply of our products. However, we will need to respond in an even timelier manner in the years ahead, and therefore we are currently working to map out our vision beyond the next 10 years. Guided by this vision, which we are drawing up together as a group, we will examine our approach going forward and take the appropriate measures as necessary.



Opal Botany Mill (containerboard mill)

Accelerating the Transformation of Our Business Structure

While addressing the issues in our Paper Business, we will adapt to the pace of changes taking place in society and continue with our ongoing efforts to transform our business structure. The key to achieving this is the development of our overseas business and the creation of new businesses and products.

In May 2020, we consolidated the newly established Opal into the Group to form an integrated Packaging Business. Comprising the business units of Paper Australia Pty. Ltd. and Orora Limited, this integrated structure has widened our potential for future expansion as a comprehensive manufacturer of packaging materials. While our debt has increased for the time being due to this acquisition-related expense, we will be firm in our approach of investing in growth areas while taking financial discipline into account.

I am firmly convinced that the development of our overseas business is indispensable to our growth as a corporate group. Our global network continues to expand with business sites in the United States, Europe, Asia, and Oceania. As we proceed forward, we will take a proactive stance to continue to expand our operations while assessing the global trend toward environmental conservation.

In addition, we need to create new businesses and products that cater to society's increasing focus on the environment. As outlined in our vision under the Group Mission, how we reflect our accurate understanding of customer needs in our products and businesses is critical. We have seen a the increasing adoption of SHIELDPLUS® and CELLENPIA®, which we have continued to promote to date. These products have already advanced from their stage of development toward their commercialization, to provide new value together with customers to society.



Angel Bath Powder (produced by Max) bathing powder adopts ShieldPlus™ for its packaging.

Leveraging the Group's Strengths over the Long Term: Woody Biomass Technology and Recycling Technology

Amid the impact of climate change and the spread of infectious diseases, it is imperative that we fully and effectively utilize wood resources more than ever to tackle such global issues from a long-term perspective.

As wood resources can be generated on their own, we are producing a variety of products derived from cellulose and other ingredients. They also offer biodegradable and recyclable benefits after their use.

The Group's strengths lie in its accumulation of afforestation technology and technology for manufacturing an array of pulp from wood. We also possess technology for effectively utilizing wood ingredients.

Additionally, we have been developing the unique technology and accumulating know-how for selecting and cultivating superior trees that grow faster among the same species and for mass producing superior seedlings derived from selected trees and utilizing these technologies for afforestation operations overseas.

The application of these technologies can expand the fixed volume of carbon dioxide, thereby helping mitigate climate change.

Our recycling technology is also our strength. In addition to recycling newspaper, printing paper, and containerboards, we recycle paper cartons into household paper and used paper cups into containerboards. We are also pioneering technology for utilizing difficult-to-process wastepaper.

We believe that the Group's business model, which pursues the recycling of biomass, is itself friendly to the environment. As we look ahead, the strengthening of our research and development system will be critical for expanding the potential of biorefineries.

Realizing Our Philosophy Will Help Realize a Sustainable Society

The Group will draw on its strengths based on the utilization of wood resources while restructuring its businesses with significant energy consumption and reducing greenhouse gases. In regard to specific targets, we will continue to promote our slogan of "shaping the future with trees" and contribute to the global mission of realizing a low-carbon society as we strive to "drive social sustainability through our business," one component of our vision.

In 2004, the Company participated in the United Nations Global Compact and declared its support for 10 principles covering four fields. We believe that our initiatives for realizing the Group Mission align with the objectives of the compact.

Utilizing Human Resources and Our Safety-First Approach

When I was appointed president, I expressed my desire to fully maximize component of the vision of our human resources with diverse values. In that respect, I feel that "instill pride in employees," one component of the vision of the Group Mission, is very important. Although it will not be an easy task, amid the increasing need for diverse work styles, we must establish a framework that allows our employees to take joy in the work they do.

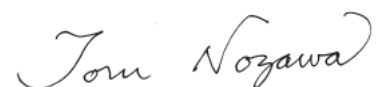
Moreover, because we operate a manufacturing business, safety is of the utmost priority. Based on our mission of "realizing zero work-related accidents within our mills," we will ensure that all employees working at our mills are fully aware of the risks involved in our day-to-day operations.

Message to Stakeholders

During this past year, I endeavored to accelerate the pace of management decision-making by conducting one-on-one meetings with the general managers of various divisions and presidents of main Group companies for about one hour each month.

As a comprehensive biomass company that shapes the future with trees and pursues the establishment of biorefineries, we are currently designing a concrete growth path for the Group 10 years into the future and seek to realize the vision we have set forth under our Group Mission together with all of our stakeholders.

I ask everyone for their continued understanding and support going forward.



Toru Nozawa
President and Representative Director,
Nippon Paper Industries Co., Ltd.

Steps Towards Achieving the Group Mission

The Nippon Paper Group articulated its Group Mission in 2015.

The Group Mission defines the social significance of the Group's existence, which is uninfluenced by the times or environmental changes. The Group regards contributing to better living and cultural progress for people wherever it does business as its mission.

The Group Vision for achieving this mission is to become a corporate group that is persistently needed by the society.

In order to pursue the four specific requirements, The Group has identified three values that should be emphasized by each employee of the Group, who are the main actors in the pursuit of the Group Vision.

The slogan "Shaping the future with trees" expresses the Group's strengths in technology to utilize wood biomass, and the possibilities of its wide range of business area.

By delivering a stable supply of paper—made using trees as a raw material—to society over the course of many years, the Group has contributed to the advancement of society and culture.

Based on our accumulated technical expertise in papermaking, the Group will continue to develop new products from wood and use it as energy to further expand the possibilities of wood in the future.

In this way, all of the activities carried out by the Nippon Paper Group from the perspective of fulfilling its Group Mission conform with global trends and directions aimed at building a sustainable society.



Steps Towards Achieving the Group Mission

Specific Initiatives to Achieve Our Vision

The Nippon Paper Group believes that its Group Mission of contributing to better living and cultural progress everywhere it does business can be achieved through the advancement of initiatives that specifically fulfill the four requirements set forth in its Vision.

The four requirements set forth under the Nippon Paper Group's Vision of the kind of organization that it aims to become—as a corporate group that is persistently needed by society—are closely interrelated.

Generating stable profits and "giving back to society" as a corporate group is a major prerequisite for the other three requirements.

"Instilling pride in our employees" so that they engage cheerfully in their work enables us to cater accurately to customer needs and "delight our customers." This, in turn, enables us to generate profits, and by extension contribute to the creation of a sustainable society through our business activities, "driving social sustainability through our business."

Under the slogan of "Shaping the future with trees," the Group takes a medium- to long-term view, discussing specific themes and promoting initiatives to achieve each requirement of its Vision.

Illustrative image of the initiatives for achieving the four requirements of the Group's Vision



Shaping the future with trees

Making Effective Use of the Characteristics of Wood Resources

From a long-term perspective, initiatives to achieve the creation of a resource-circulating society are essential for building a sustainable society in balance with economic activities.

The Nippon Paper Group's businesses are developed based on its technological capabilities that enable it to maximize the use of wood biomass under the slogan, "Shaping the future with trees."

Trees are a renewable resource that can be planted and nurtured.

Through photosynthesis, they also fix carbon in their body by taking in carbon dioxide, which is one of the causes to global warming, and producing oxygen.

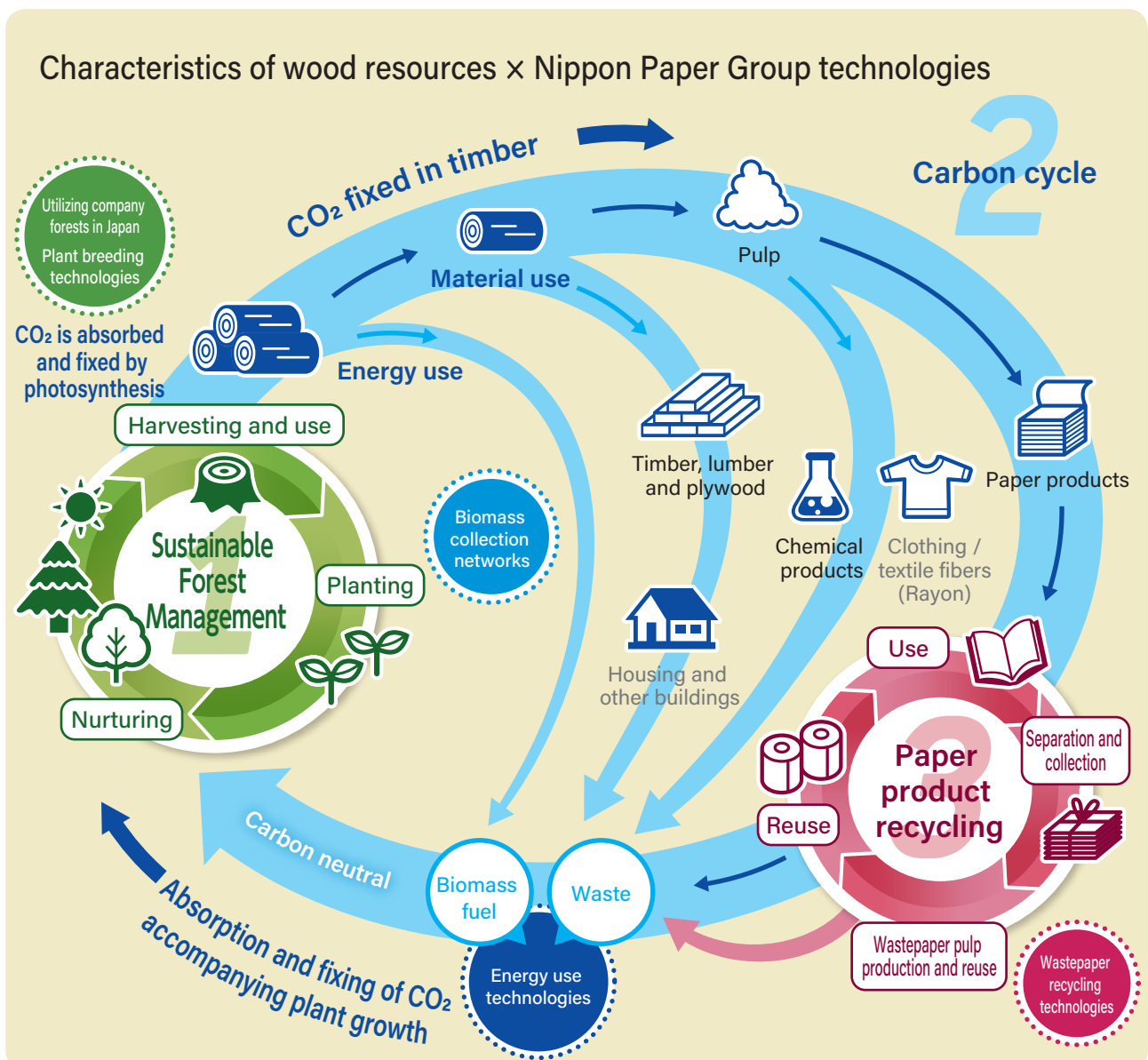
Even though trees are used as a resource and processed into products such as wood and paper, carbon continues to be fixed.

During incineration, carbon dioxide is emitted, which can be offset as essentially absorbed from the atmosphere (carbon neutral).

Over the years, the Group has accumulated technology and know-how for the sustainable use of forests as a resource by planting and cultivating seedlings repeatedly after harvesting in Japan and abroad.

In addition, the Group has accumulated technologies to utilize wood components without waste and to recycle them to a higher degree.

Moving forward, we will continue to develop technologies for utilizing trees as a wood resource.



SDG Initiatives

Defined as “development that fulfills the hopes of current and future generations,” sustainable development entails the commitment of all individuals and organizations, including companies, to work toward the achievement of the Sustainable Development Goals (the SDGs), a set of goals adopted by the United Nations in 2015 that addresses economic, social, and environmental issues.

2015 ● Adoption by the United Nations **SUSTAINABLE DEVELOPMENT GOALS**

2016 ● The Group's environment/social communication magazine “Shiki Oriori”: Special Feature on the SDGs No.24 https://www.nipponpapergroup.com/csr/Vol24_contents.pdf (in Japanese only)

2017 ● “CSR Report 2017”: Disclosure of Positive and Negative Impacts of the Value Chain on the SDGs



2018 ● The Group's PR magazine “Dynamwave”: “Let's think about SDGs” series (October 2018–October 2019, 12 issues) <https://www.nipponpapergroup.com/csr/download/sdgs/> (available in English)

2019 ● E-learning seminar for all Group employees



2030 ●

2050 ●

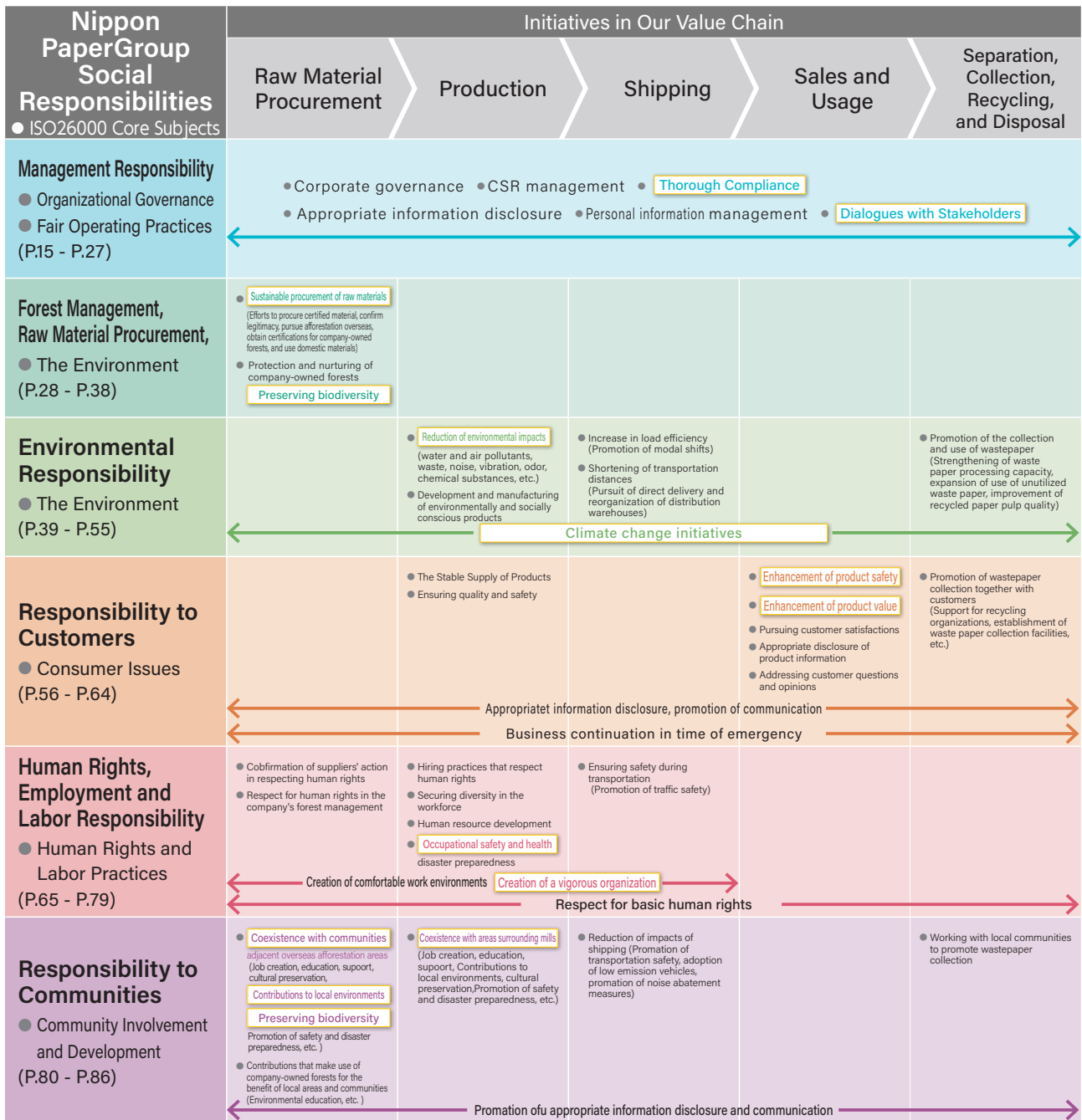
➔ Nippon Paper Group and SDGs in the value chain
https://www.nipponpapergroup.com/english/csr/NPG_SDGs_ValueChain_e.pdf



Social Issues from a Value Chain Perspective

The Nippon Paper Group seeks to achieve its Group Mission, working under its slogan of "Shaping the future with trees." (See P6. "Steps Towards Achieving the Group Mission")

Based on this perspective, the Group's initiatives relating to the seven core subjects of ISO26000 in the its value chain are summarized below, as management responsibilities; forest management and raw material procurement responsibilities; environmental responsibilities; responsibilities to customers; human rights, employment and labor responsibilities; and responsibilities to communities.



 : issues identifies as important from a CSR perspective

Of the initiatives listed above, Nippon Paper Industries Co., Ltd's CSR Division has identified issues that are considered to have a major impact from the perspectives of (1) Group business operations, (2) economic, environmental and social aspects, and (3) stakeholders' views. These issues are raised as themes in the 2020 CSR Report. The content of the 2020 CSR Report has also been reported to the Management Execution Committee by the head of the CSR Division.

➔ Identifying CSR issues

https://www.nipponpapergroup.com/english/csr/NPG_CSR_ISSUES_e.pdf



Response to the COVID-19 Pandemic

We respectfully offer our condolences to the bereaved families of those who have passed away as a result of the COVID-19 pandemic, and our heartfelt sympathies to those still suffering from the disease.

We also offer our sincere respect to all the healthcare professionals and many others making valiant efforts to prevent the further spread of the pandemic.

The Nippon Paper Group is also making efforts in accordance with the policies and countermeasures established by national and local government, to prevent the spread of the disease and ensure business continuity.

Basic Policy on Response to COVID-19

The Nippon Paper Group carries out measures against COVID-19 in accordance with the following basic policy.

1. Place the highest priority on human lives
2. Cooperate with the national and local governments and follow their guidance and recommendations
3. Prevent the outbreak of diseases in-house
4. Continue to maintain business operations

Framework for Responding to the COVID-19

In response to the COVID-19 pandemic, the Nippon Paper Group established an infection prevention headquarters headed by the president of Nippon Paper Industries Co., Ltd., and developed a framework for gathering information regarding COVID-19, and deliberating and deciding on responses to Group management issues.

The infection prevention headquarters was maintained even after the nationwide lifting of the declared state of emergency. Although it was subsequently dissolved on June 19, 2020, after the nationwide lifting of travel restrictions, the Group continues to make thorough efforts to prevent the spread of infection, in accordance with its infection prevention response guidelines.

We are also flexibly increasing our cash reserves to cope with declining sales and prolonged economic turmoil because of the sharp downturn in the economy.

The Board of Directors of Nippon Paper Industries

Covid-19 infection prevention headquarters

General manager: President and representative director of Nippon Paper Industries

Vice general manager: Executive Vice President of Nippon Paper Industries

Members: General managers of Nippon Paper Industries, and Group companies

Head of secretariat: General Manager of CSR Division,

Specific Initiatives

Thorough health management for all employees and their families

In addition to conducting daily checks of employees' state of health—such as by checking for fever and requesting that employees thoroughly manage their own physical condition, we have also established and are implementing response procedures for cases where there is reason to suspect COVID-19 infection, or other abnormalities in employees' state of health. In addition, we have also established guidelines on measures to prevent infection (including thorough hand washing, regular ventilation and prohibition of business trips as a general rule) and made them well known among employees. We have also distributed masks to all Group employees to help reduce the risk of infection and ensure business continuity.

Initiatives to prevent the spread of infection in the workplace

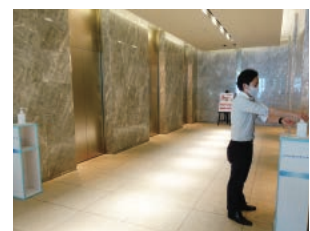
Head office divisions and branches are operating a work-from-home system.

Even from June onward, after the lifting of the declared state of emergency, we have maintained a ratio of around 50% of employees working from home, and are limiting the numbers of employees at our mills and offices to a necessary minimum.

When working on site, we ask employees to avoid crowded times when commuting by staggering their working hours. We are also making efforts to ensure thorough washing of hands, proper coughing etiquette and avoiding the Three Cs (closed spaces, crowded places, and close-contact setting), including dispersal of seating such as by making use of conference rooms.



Panels installed between desks to prevent the spread of infection



Hand sanitizer installed in the elevator hall

Support for the Healthcare Workplace

The Nippon Paper Group has supplied professional work wear and disinfectant wet towels (from among the products offered by Nippon Paper Crecia Co., Ltd.) in response to the shortage of medical supplies accompanying the increase in the number of people infected with COVID-19.

1 KleenGuard A40 Coveralls: total 12,500 suits

(Disposable coveralls providing PPE Category III protection to the levels specified for Type 5 & 6 by CEN; water pressure resistance: 1840 mm)

Supplied to: the Japan Organization of Occupational Health and Safety through Keidanren (Japan Business Federation), Nagasaki Prefectural Government, Hokkaido Prefectural Government, and other governmental agencies



2 CRECIA Antibacterial Wet Wipes: 100 cases of wet towels (bucket type) and 100 cases of refills

(EPA Group IV Quaternary Ammonium Compounds, Ag⁺ Antibacterial agent, bucket type)

Supplied to: Tokyo Metropolitan Government



➔ News release: Provision of PPE and Wet Wipes to Help Combat the COVID-19 Coronavirus

<https://www.nipponpapergroup.com/info/2020/info200428004688.html>

Impact to Supply of Products

The Nippon Paper Group supplies a wide range of products that are essential in enabling people to live with peace of mind. We are working to ensure business continuity and fulfill our responsibility to supply products to our customers by implementing thorough measures to prevent the spread of infection.

Paper and paperboard business



Main Products and Services

Paper Business

- Newsprint
- Printing paper
- Business communication paper
- Industrial paper
- Specialty paper
- Functional paper

Paperboard Business

- Containerboards
- White paperboards

Target customers

Newspaper companies, publishers, printing companies, stationery manufacturers, government agencies, etc.



Daily-life products business



Main Products and Services

Packaging Business

- Liquid packaging boards
- Liquid packaging cartons

Household paper and healthcare Business

- Facial tissues
- Toilet paper rolls
- Products for mild incontinence
- Adult diapers

Chemical Business

- Dissolving pulp
- Chemical products
- Cellulose products
- Functional coating resin products
- Functional films

Target customers

Beverage manufacturers, mass retailers, hospitals and nursing care facilities, general enterprises and consumers, etc.



Energy business



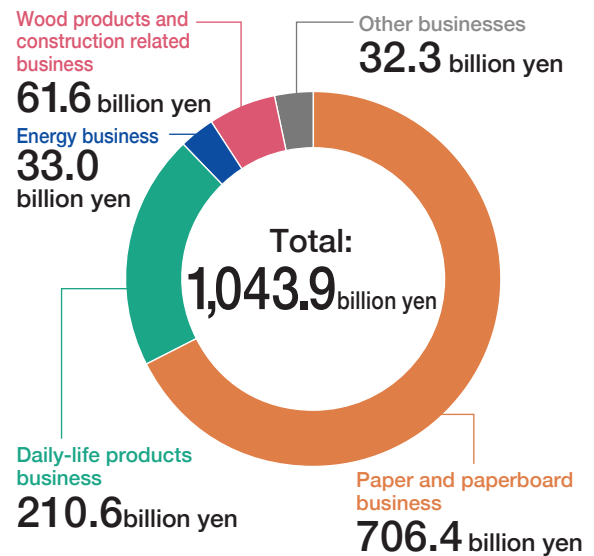
Main Products and Services

Energy Sales

Target customers

Electric power companies

Net Sales for FY2019



Wood products and construction related business



Main Products and Services

Lumber and construction materials

- Lumber
- Building materials
- Raw materials and fuel for paper manufacturing

Construction related

Target customers

Building material manufacturers, house builders, construction companies, general consumers, government agencies, etc.



Other businesses



Main Products and Services

Warehousing and logistics, Leisure facilities operation

- Ski resorts
- Bowling alleys

Target customers

General enterprises and consumers, etc.



Major Operating Companies and Production Sites

Consolidated Subsidiaries (As of March 31,2020)

Paper and paperboard business

Nippon Tokai Industrial Paper Supply Co., Ltd, Nippon Paper Papyrus Co., Ltd., NP Trading Co., Ltd., Kitakami Paper Co., Ltd., Kokuei Paper Co., Ltd., SUN OAK Co., Ltd., Paper Australia Pty. Ltd. (and 11 subsidiaries), Jujo Thermal Oy, Siam Nippon Industrial Paper Co., Ltd., Nippon Paper Industries USA Co., Ltd., Dyna Wave Holding Asia

Daily-life products business

Nippon Paper Crecia Co., Ltd., Crecia-Kasuga Co., Ltd., Flowric Co., Ltd., Nippon Seitai Corporation, Kyoei Seitai K.K., Nippon Dynawave Packaging Company, LLC

Energy Business

Nippon Paper Ishinomaki Energy Center Ltd.

Wood products and construction related business

Nippon Paper Lumber Co., Ltd., Iwakuni Marine Transport Co., Ltd., NIPPON PAPER UNITEC CO., LTD., Kokusaku Kiko Co., Ltd., Nippon Paper Ishinomaki Technology Co., Ltd., N&E CO., LTD., Daishowa Uniboard Co., Ltd., Nanei Co., Ltd., Nichimoku Fancy Materials Co., Ltd., Amapá Florestal e Celulose S.A. (and two subsidiaries), Nippon Paper Resources Australia Pty. Ltd.

Other businesses

Nippon Paper Development Co., Ltd., Nippon Paper Logistics Co., Ltd., NIPPON PAPER LOGISTICS CO., LTD., Kyokushin Transport Corporation, Nankou Unyu., Sakurai Co., Ltd., Hotoku Co., Ltd., GAC Co., Ltd.

Group Companies (As of March 31,2020)

	Japan	North America	Oceania	Asia	Europe	South America	Africa	Total
Consolidated Subsidiaries	29	3	8	4	3	3	0	50
Non-Consolidated Subsidiaries	59	0	0	10	1	0	0	70
Affiliates	32	0	0	3	1	1	1	38
Equity-method affiliates	9	0	0	1	0	0	0	10

Production Sites (As of July 1,2020)

● : Nippon Paper Industries Co.,Ltd. ■ : Consolidated subsidiaries. ▲ : Non-consolidated subsidiaries.

Paper and paperboard business

- Nippon Paper Industries Co.,Ltd.
 - ① Kusiro Mill
 - ② Asahikawa Mill
 - ③ Shiraoi Mill
 - ④ Akita Mill
 - ⑤ Ishinomaki Mill
 - ⑥ Iwanuma Mill
 - ⑦ Nakoso Mill
 - ⑧ Kanto Mill (ashikaga)
 - ⑨ Kanto Mill (soka)
 - ⑩ Fuji Mill
 - ⑪ Otake Mill
 - ⑫ Iwakuni Mill
 - ⑬ Yatsushiro Mill
- Nippon Paper papyrus Co.,Ltd
 - ⑭ Harada Mill
 - ⑮ Suita Mill
 - ⑯ Kochi Mill
- Opal
 - ⑰ Maryvale Mill, Botany Mill and 25 manufacturing facility
- Jujo Thermal Oy
 - ⑱ Kauttua Mill
- Siam Nippon Industrial Paper Co.,Ltd.
 - ⑲ Siam Nippon Industrial Paper Co.,Ltd.

Daily-Life Products Business

- Nippon Paper Industries Co.,Ltd.
 - ① Shiraoi Mill
 - ② Ishinomaki Mill
 - ③ Higasimatsuyama Mill
 - ④ Gotsu Mill
 - ⑤ Iwakuni Mill
- Nippon Paper Crecia Co.,Ltd.
 - ⑥ Tokyo Mill
 - ⑦ Kaisei Mill
 - ⑧ Kyoto Mill
 - ⑨ Koyo Mill
- Crecia Kasuga Co.,Ltd.
 - ⑩ Shinfuji Mill
- ▲ Nippon Paper Liquid Package Product Co.,Ltd.
 - ⑪ Egawa Mill
 - ⑫ Ishioka Mill
 - ⑬ Miki Mill
- Nippon Seitai Corporation
 - ⑭ Asahikawa Mill
 - ⑮ Maebashi Mill
 - ⑯ Saitama Mill
 - ⑰ Niigata Mill
 - ⑱ Kyoto Mill
 - ⑲ Kyushu Mill
- Kyoei seitai k.k.
 - ⑳ Hokkaido plant
 - ㉑ Koganei plant
- Nippon Dynawave Packaging
 - ㉒ Nippon Dynawave Packaging
- ▲ Akita Jujo Chemicals Co.,Ltd.
 - ㉓ Head Office Plant

Energy Business

- Nippon Paper Industries Co.,Ltd.*
 - ① Kusiro Mill
 - ② Otake Mill
 - ③ Yatsushiro Mill
- Nippon Paper Ishinomaki Energy Center Ltd.
 - ④ Ishinomaki Hibarino Power Plant

Wood Products and Construction Related Business

- Nippon Paper Lumber Co.,Ltd.
 - ① N&E Co., Ltd.
- Daishowa Uniboard Co.,Ltd.
 - ② Miyagi Mill

*Also sells excess electric power generated by individual mills.

