

Realization of Diverse Work Styles

1 Basic Policy

Nippon Paper Industries states that one of the requirements of its Vision for the Group Mission is "instill pride in employees." Since employees' values regarding career building are diversified, the Company is promoting the development of an internal environment that realizes diverse work styles.

 **→P95** NIPPON PAPER GROUP Human Rights Policy

 **→WEB** Human Resource Strategy
(NIPPON PAPER GROUP Integrated Report 2025, P.48-51)
https://www.nipponpapergroup.com/english/csr/npg_ir_e_2025_48-51.pdf

2 Improving the Internal Environment to Enable Diverse Work Styles

1. Support for Balancing Childcare and Work

- The Company has implemented systems that exceed the provisions stipulated under the Act on Childcare Leave/Caregiver Leave to support the achievement of a balance between childcare and work.
- The Company issued a "Childbirth and Childcare Guidebook" summarizing information necessary for achieving a balance between childcare and work. The handbook has also been posted on the Company's intranet to provide information for employees.
- In 2016, the Company acquired "Kurumin" certification as a childrearing support company.

<Main systems for supporting a balance between childcare and work>

- Childbirth leave when spouse gives birth (5 days, paid)
- Childcare leave (can be taken until a child is 1 year and 2 months old)
- Childcare support measures (shorter working hours, exemption from overtime work, and other benefits) can be used until the end of the school year in which the child is in the third grade of elementary school
- Abolition of rules restricting uniform pay increases for employees taking childcare leave
- Expired annual paid leave (held over leave) can be taken for the purposes of raising a child or short-term childcare leave

Action Plan Based on the Act on Advancement of Measures to Support Raising Next-Generation Children

The Company has formulated the following action plan to enable all employees to achieve their full potential by creating an environment where employees can balance work and childcare and where all employees can work comfortably.

1. Planning period

Four years from April 1, 2023 to March 31, 2027

2. Contents

Goal 1 Implement a system to limit jobs, work locations, etc., for workers who wish to do so.

<Details of initiatives>

Examination of measures to be implemented in April 2023

Introduction of the system after April 2026

Goal 2 Redevelop a re-employment system for those who retired due to childbirth or childcare.

<Details of initiatives>

Consider measures to promote the use of the system in April

2023 and implement the steps after October 2023.

2. Support for Balancing Caregiving and Work

- The Company has implemented systems that exceed the provisions stipulated under the Act on Childcare Leave/Caregiver Leave to support the achievement of a balance between caregiving and work.
- The Company issued a "Caregiving Guidebook" summarizing information necessary for achieving a balance between caregiving and work. The handbook has also been posted on the Company's intranet to provide information for employees.

<Main systems for supporting a balance between caregiving and work>

- Caregiving leave (up to 1 year in total for each eligible family member)
- Abolition of rules restricting uniform pay increases for employees taking caregiving leave
- Expired annual paid leave (held over leave) can be taken for the purposes of leave for caregiving for family members

3. Other Systems and Initiatives

- The Company promotes flexible working styles by introducing systems that encourage diversity **→P71** (a flextime system that does not set a core time, a system for taking annual paid leave in hourly increments, and a system to work from home).
- The Company is working towards reducing working hours by ensuring employees depart before 19:00, enforcing no overtime work days, and improving operational efficiency in each department.
- Financial assistance for employees transferred alone (without their family) who are not the head of their household* is provided.
* 12 times a year round-trip transportation expenses for returning home or other incidental costs
- A spouse overseas accompaniment leave system is available.
- A self-declaration leave system* is available.
* Leave for self-development, international contributions, and volunteer activities
- Expired annual paid leave (held over leave) can be taken for purposes such as volunteering, absence from work related to fertility treatment or pregnancy, and intermittent absence from work associated with treatment of a disease.
- Rules for guaranteeing exercise of civil rights* have been defined.
* If employees exercise their right to vote or any other civil rights or perform a public duty during working hours for an unavoidable reason, they must be given the time required for such action based on their request and they shall be deemed to have worked during that time
- A system for overseas personnel* is available separately from that of employees in Japan.
* A hardship allowance based on climate, security, medical care, etc. is added to the salary of employees stationed overseas. Bonuses are paid according to the same standards as in Japan. Operation of systems suitable for each region

4. Welfare

The Company has welfare programs that include the development of company housing and singles dormitories, the ownership of recreational facilities, and property formation (property accumulation savings, employee stock ownership association, etc.). A cafeteria plan is also available for employees to freely choose the welfare services they need according to their life plans and preferences.

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5. Achievements Related to Diverse Work Styles

Status of Use of Systems Related to Childbirth, Childcare, and Caregiving

(— is unaggregated)

	Scope	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Employees taking childcare leave	Consolidated companies in Japan	Persons	28	30	166	160	175
Male	Consolidated companies in Japan	Persons	5	13	146	146	155
Female	Consolidated companies in Japan	Persons	23	17	20	14	20
Employees taking childcare leave	Nippon Paper Industries	Persons	11	12	113	101	115
Male	Nippon Paper Industries	Persons	5	8	104	98	104
Female	Nippon Paper Industries	Persons	6	4	9	3	11
Rate of taking childcare leave (Male)	Consolidated companies in Japan	%	—	—	82.0	84.4	84.2
Rate of taking childcare leave (Female)	Consolidated companies in Japan	%	92.0	94.4	100.0	100.0	100.0
Rate of taking childcare leave (Male)	Nippon Paper Industries	%	—	—	91.2	90.7	86.0
Rate of taking childcare leave (Female)	Nippon Paper Industries	%	85.7	80.0	100.0	100.0	100.0
Rate of returning to work after childbirth	Consolidated companies in Japan	%	100.0	99.0	100.0	99.4	98.9
Employees taking caregiving leave	Consolidated companies in Japan	Persons	0	1	2	0	3

* Until FY2021, employees taking childcare leave are calculated for those who used childcare leave system. From FY2022, they are calculated for those who used childcare leave system, etc. and who used leave system for the purpose of childcare under the Act on Childcare Leave/Caregiver Leave

Total Working Hours and Rate of Taking Annual Paid Leave

	Scope	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Total working hours (All employees*)	Nippon Paper Industries	Hours per person	1,888	1,905	1,884	1,872	1,870
Total working hours (Union members)	Nippon Paper Industries	Hours per person	1,861	1,870	1,850	1,842	1,842
Rate of taking annual paid leave	Consolidated companies in Japan	%	64.7	70.8	74.2	78.5	75.9
Rate of taking annual paid leave	Nippon Paper Industries	%	67.9	73.6	78.4	80.3	78.8

* All employees = union members + managers

3 Employee Training

As part of its initiatives to realize diverse work styles and active participation of diverse human resources, the Company holds diversity study sessions for its employees.

Recent training sessions

Year	Topics
FY2020	Employee Engagement
FY2021	(Canceled due to the spread of COVID-19)
FY2022	Systems Related to Childbirth and Childcare That Are Offered by the Company
FY2023	Employment of People with Disabilities
FY2025	Female-Specific Health Support and Career Support

CASE STUDY

Diversity Study Session on Female-Specific Health Support and Career Support

Women who are pursuing their careers while handling female-specific health issues sometimes end up quitting their jobs, especially in a work environment where there are more men than women, due to a lack of understanding and support for these issues. In June 2025, the Company invited Ms. Mineko Shoji, a career consultant and infertility peer supporter, to give a seminar for managers to help them deeply understand female health issues and establish a career support system at the workplace.

The seminar featured examples of "quiet quitting" based on female health issues, examples of balancing fertility treatment and work, period or menopause-related changes in physical or mental conditions and their effects on work, and how managers should respond to and support female workers.

The Company will continue implementing diversity education for its employees to realize diverse work styles and active participation of diverse human resources.