

# Active Participation of Diverse Human Resources

## 1 Basic Policy

Nippon Paper Industries states that one of the requirements of its Vision for the Group Mission is "instill pride in employees." The Company is promoting organizational development that enables diverse work styles and allows diverse human resources to maximize their potential, aiming for better engagement (building relationships to ensure growth for both employees and companies).

  **NIPPON PAPER GROUP Human Rights Policy**

  **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](https://www.nipponpapergroup.com/english/csr/npg_ir_e_2025_48-51.pdf)

## 2 Employment and Recruitment Efforts and Status

- NIPPON PAPER GROUP strives to maintain stable employment and continue hiring new employees.
- The Group employs and recruits without discrimination based on the "NIPPON PAPER GROUP Human Rights Policy."
  - Instruct interviewers in training sessions to prohibit discrimination based on race, religion, nationality, place of origin, gender, educational background, etc.
  - Clearly and formally communicate the recruitment process to all recruitment candidates
- The Group carries out employment based on the place of operation.

### 1. Recruitment of New Graduates and Mid-career Employees

- The Company discloses information on the hiring of new graduates and mid-career employees on its website.
- To secure diverse personnel, the Company is working on expanding its recruitment channels.
  - <Initiatives in FY2024>
    - Global Apply recruitment (a system to hire students with language skills who are interested in working abroad as candidates for working overseas in the future)
    - Referral recruitment (a system to hire people recommended by employees)
    - Implementation of a lecture that helps deepen the understanding of the Company's sustainability management and green strategy to maximize forest value (open day)
    - Implementation of a mill tour and a research laboratory tour to help deepen the understanding of the Company's technologies, products, and business model (open day)
- The Company has introduced the "Mid-career Employee Onboarding" e-learning program to facilitate the smooth integration of new mid-career hires, mostly in career-track positions, into the workplace. This training helps foster shared knowledge and mutual understanding in both new employees and existing employees to help new mid-career hires play an active role as soon as possible.

### 2. Employment of People with Disabilities

- The Company's employment rate of people with disabilities is 2.56%, above the statutory employment rate of 2.5% (as of April 1, 2025). The Company will continue to work to maintain and improve the employment rate at each site.
- The Company aims to achieve an employment rate of people with disabilities of 2.8% by 2030 (the statutory employment rate is 2.7% for FY2026).

- The Company assigns people with disabilities to workplaces in consideration of the nature of their disabilities.
- At the head office of Nippon Paper Industries, the Company provides pre-employment workplace training before new employees join the Company, to prevent mismatches at the time of hiring. Furthermore, regular follow-up interviews are held at intervals of one month, three months, six months, and one year after joining to help employees settle into the workplace after joining the Company.
- The head office is equipped with barrier-free toilets which can be used by not only people with disabilities but also by anyone. The Company is also gradually promoting barrier-free facilities at its mills.

### 3. Employment of Elderly Persons

- The Company operates a re-employment system up to age 70 so that retired employees can continue to work according to their motivation and ability, at least until they are old enough to receive their pension.
- For general employees, the retirement age was extended to 65 years of age in April 2024.

### 4. Rehiring Retired Employees

- The Company has established the "NICORE (Nippon Paper Comeback & Re-entry) system\*" as a boomerang hiring system, allowing former employees to take advantage of the experience and skills they have cultivated over the years to play an active role in the company once more.

\* If a former employee registers in the human resource bank in advance in preparation for when they want to work or are able to work again, the Company will notify the registrant system that provides detailed information on job vacancies. There is no question about the reason for leaving when registering for the human resources bank

### 5. Dispatched Workers

The cost of accepting dispatched workers is borne by the Company.

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### 6. Statue of Regarding Employment, Recruitment, etc.

#### Number of Employees (Consolidated companies, as of the end of each fiscal year)

	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Number of employees on a consolidated basis	Persons	16,156	16,129	15,959	15,557	15,145
Male	Persons	13,984	13,926	13,593	13,273	12,879
Female	Persons	2,172	2,203	2,366	2,284	2,266

#### Number of Overseas Employees (Consolidated companies, as of the end of each fiscal year)

	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Number of overseas employees	Persons	5,961	6,050	6,062	5,748	5,399
Male	Persons	4,965	5,038	4,927	4,716	4,432
Female	Persons	996	1,012	1,135	1,032	967
Ratio of upper management* from the local community	%	94.7	94.6	94.9	94.0	95.2

\* Managerial personnel at the level of section manager or positions higher

#### Number of Employees by Region (Consolidated companies, as of the end of FY2024)

	Unit	Japan	Oceania	Asia	North America	Other
Number of employees	Persons	9,818	3,675	261	517	874
Male	Persons	8,511	2,983	202	445	738
Female	Persons	1,307	692	59	72	136

#### Number of Employees by Age Group (Nippon Paper Industries, as of the end of FY2024)

	Unit	Less than 30	30 to 50	Over 50	Total
Number of employees	Persons	850	2,318	1,815	4,983
Male	Persons	725	2,132	1,653	4,510
Female	Persons	125	186	162	473

#### Average Age of Employees and Average Years of Employment (Consolidated companies in Japan, as of the end of each fiscal year)

	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Average age of employees	Age	43.6	44.4	44.5	44.9	45.2
Male	Age	43.6	44.4	44.5	45.1	45.5
Female	Age	43.5	43.9	44.2	43.9	43.5
Average years of employment	Years	18.8	19.0	19.0	19.1	19.4
Male	Years	19.1	19.3	19.2	19.5	19.9
Female	Years	17.0	16.9	17.1	16.6	16.3

#### Number of Hires and Turnover Rate (Consolidated companies in Japan)

	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Number of new graduates hired	Persons	214	209	174	145	157
Male	Persons	167	166	133	104	115
Female	Persons	47	43	41	41	42
Number of mid-career recruits	Persons	172	122	167	277	357
Male	Persons	149	109	143	231	290
Female	Persons	23	13	24	46	67
Turnover rate (Includes employees leaving at the mandatory retirement age)	%	3.0	3.3	6.0	5.7	5.4

#### Retention Rate after Joining the Company (Nippon Paper Industries, as of the end of each fiscal year)

	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Retention rate after 10 years of employment	%	66	60	63	50	71

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### Number of Employees Seeking Reemployment after Retirement / Employees Reemployed after Retirement Age

	Scope	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Number of employees seeking reemployment after retirement	Nippon Paper Industries	Persons	80	126	155	69	49
Number of employees reemployed after retirement age	Nippon Paper Industries	Persons	81	126	155	69	49
Number of employees reemployed after retirement age	Consolidated companies in Japan	Persons	301	591	401	296	273

### Number of Managers / Ratio of Female Employees in Management (At the end of each fiscal year)

	Scope	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Number of managers	Nippon Paper Industries	Persons	1,132	1,218	1,162	1,111	1,098
Female	Nippon Paper Industries	Persons	30	33	37	33	36
Ratio of female employees in management	Nippon Paper Industries	%	2.65	2.71	3.18	2.97	3.28
Number of managers	Consolidated companies in Japan	Persons	2,385	2,404	2,393	2,358	2,303
Female	Consolidated companies in Japan	Persons	67	69	82	83	93
Ratio of female employees in management	Consolidated companies in Japan	%	2.81	2.87	3.43	3.52	4.04
Number of managers	Consolidated companies outside Japan	Persons	358	556	531	470	516
Female	Consolidated companies outside Japan	Persons	82	129	119	112	128
Ratio of female employees in management	Consolidated companies outside Japan	%	22.9	23.2	22.4	23.8	24.8

### Number of Dispatched Workers and Part-time Workers (Consolidated companies in Japan, as of the end of each fiscal year)

	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Number of dispatched workers	Persons	111	105	121	127	120
Male	Persons	46	38	44	50	51
Female	Persons	65	67	77	77	69
Ratio of dispatched workers	%	1.1	1.0	1.2	1.3	1.2
Number of part-time workers	Persons	514	465	536	566	306
Male	Persons	290	279	287	311	187
Female	Persons	224	186	249	255	119

## 7. Other Employment-related Information

- The Company conducts risk assessments and responds to labor issues related to new business and existing business.
- The Company did not carry out layoffs in FY2024.
- There were no employees affected by the Company's M&A in FY2024.
- Average annual salary (including bonuses and extra wages) of the Company as of the end of FY2024 was 6,772,567 JPY.
- Calculated based on the provisions of the "Act on Promotion of Women's Participation and Advancement in the Workplace," the wage gap between male and female regular employees (ratio of female employees with male employees as the denominator) at the Company in FY2024 was 74.2%. Regarding the gender gap, there is no difference in wages for doing the same work, and the difference mainly depends on whether allowances are paid for shift work that male employees are engaged in.

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### 3 Promotion of Women's Participation and Advancement in the Workplace

#### 1. Responding to the Act on Promotion of Women's Participation and Advancement in the Workplace

##### Action Plan Based on the Act on Promotion of Women's Participation and Advancement in the Workplace

In order to create an employment environment in which diverse human resources can demonstrate their abilities and play an active role throughout their lives, the Company will formulate an action plan as follows.

#### 1. Planning period

Five years from April 1, 2021 to March 31, 2026

#### 2. Contents

**Goal 1** The Company will set the ratio of female employees, compared to male employees, promoted to section manager from a lower rank in the previous three business years at 80% or higher.

**Goal 2** At head office divisions, which have no production sites, the rate of usage of systems such as flextime, taking leave in hourly increments and working from home will be set at 70% for both male and female employees to promote diversity.

#### 3. Intermediate performance (FY2024)

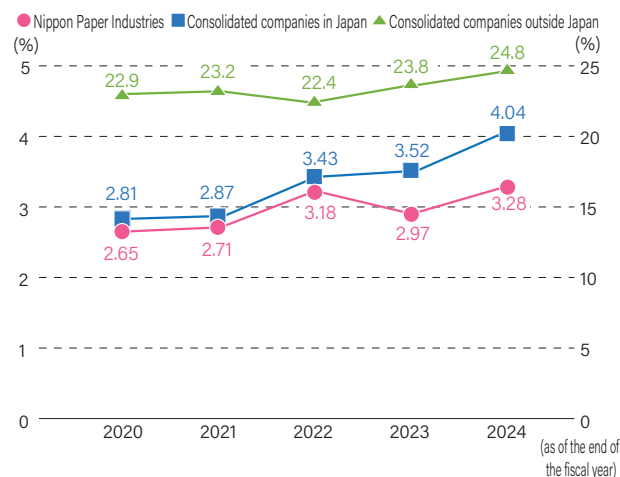
**Goal 1** 101%

**Goal 2** 84.4%

- In February 2022, the Company received "Eruboshi Certification (Stage 2 certification)."

### 2. Ratio of Female Employees in Management and Hiring of New Graduates for Career-track Positions

#### Ratio of Female Employees in Management



#### Hiring of New Graduates for Career-track Positions (Nippon Paper Industries)

	Unit	FY2021	FY2022	FY2023	FY2024	FY2025
Career-track hires	Persons	43	48	43	63	74
Female	Persons	13	19	21	23	35
Ratio of female career-track hires	%	30	40	49	37	47

### 4 Human Resources Development

The Company is working to develop human resources who take on change as an investment in human capital to promote business structure transformation and yield results. The Company will take various measures to nurture employees who will be the source of expanding profitability of growing businesses and reinforcing competitiveness of foundation businesses, while also enabling employees themselves to improve their individual skills and realize personal growth through their careers.

#### 1. Recruitment and Development of Career-track Employees

The Company defines the ideal type of person that career-track employees should aim to be as "leaders who will promote change." The Company is implementing the following initiatives to secure such personnel.

- Hiring human resources with the abilities to continue attempting new challenges, to exercise fair judgement and to engage in teamwork by involving those around them, and the mental strength to overcome difficulties
- Strengthening the development of "autonomous human resources" with global perspectives that can face the "challenge" of new things

#### 2. Leadership Training System

The Company works to develop its leadership personnel through OJT, systematic rotations and OFF-JT, including job-level-based training and optional training.

- Fostering leaders with broad perspectives who do not become fixated on a single issue, by transferring them to various positions both within and outside their department, and at affiliate companies in a planned manner
- Besides job-level-based training at OFF-JT, the Company has established a dispatch system for career-track employees to overseas business sites
- After employees are promoted to management positions, the Company also conducts training related to management and other skills

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### 3. Priority Initiatives in Human Resources Development

The Company provides its employees with equal learning opportunities, and has developed a system that enables motivated and capable employees to further improve their skills, with a focus on the following key points.

#### (1) Support for voluntary skill development

- Job-level-based training
  - Job-level-based training for new hires and for assistant manager-level employees is conducted jointly throughout the Group
  - Training at the head office: Career training for young employees and new manager training
  - Training at mills: Some job-level-based training is conducted not just for a single mill but together with neighboring mills
- Optional training
  - Group training (technical skills [DX, accounting], conceptual skills, human skills, etc.)
  - Distance learning (approximately 300 courses including business skills, qualifications/certifications, languages, digital skills, etc.)
- Other systems
  - Systems that pay rewards for qualifications

#### (2) Assignment of the right people to the right positions

- Constructing a talent management system\*
  - \* An information system that centrally manages and visualizes basic employee information and talent information, such as abilities, experience, and skills, and leads to strategic human resource development and placement
- Implementation of employee surveys to ascertain what kind of job assignments they wish to have (target: all employees, once a year)
- Establishment of an internal recruitment system, so that individual employees can consider their skills and how they want to develop their careers, and then apply for positions posted by any of the Group companies
- Selective education for local mill hires (with a program for change of career track\*)
  - \* Programs for local mill hires in general positions to help employees with outstanding skills to maintain and improve their motivations, such as dispatching to colleges/universities in Japan (to obtain a degree), developing and promoting to managers, and changing to career track positions
- Establishment of an "in-house side jobs system\*" (Number of employees who used the system in FY2024: 13)
  - \* Without being transferred, employees can be involved in the work of another department that they are interested in for up to 20% of the prescribed working hours, allowing them to take on the challenge of new operation while working on the main business of the department to which they belong
- "Self-recurrent Program" (reskilling for employees who have been internally transferred to a job in which they have no prior experience)

#### (3) Development of employees capable of acting on a global stage

- Open invitation to applicants and implementation of long-term dispatch to overseas bases of the Group

#### (4) Reinforcement of production frontline capabilities

- Creating a committee to strengthen frontline capabilities in FY2006 in all mills. Organizing and operating systems under which technologies and skills that should be carried forward at individual production sites are identified, and training is prioritized based on analyses of the strengths and weaknesses of, and skills needed by, individuals

#### (5) Initiatives to promote the assignment of employees in line with business structure transformation

- Supporting general employees who are transferred (a system to pay special preparation expenses, a special transfer allowance, and the cost of a return trip home for caregiving to local mill hires for transfers that require relocation)
- Job-type change allowance (a system to reward local mill hires for their efforts to change their mindsets to take an optimistic view on career building, including transfer, and their commitments toward business structure transformation)

#### (6) Life plan design support

- Offering Life Plan Seminars and other types of seminars to enhance employee understanding of the Company's and the government's programs, as well as the need to develop meaningful life plans that include health management

### 4. Provision of Education and Training

- The Company's educational expenses related to human resource development, supervised by the Personnel Department, in FY2024 amounted to 83,128,765 JPY. The average training cost per employee targeted for such training was 44,959 JPY, and the average training time was 10.0 hours.

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### 5 Reinforcing Engagement



#### Initiatives to Increase Engagement

(NIPPON PAPER GROUP Integrated Report 2025, P.50-51)

[https://www.nipponpapergroup.com/english/csr/npg\\_ir\\_e\\_2025\\_48-51.pdf](https://www.nipponpapergroup.com/english/csr/npg_ir_e_2025_48-51.pdf)

#### 1. Initiatives for Fair Evaluation and Compensation

- The Company carries out the following as part of a fair and transparent personnel examination.
  - Inform employees of wage regulations, including wage structure and the criteria for pay raises and promotions
  - Clarify evaluation criteria and items
  - Conducting review sessions where managers provide feedback on performance evaluations and results to employees (for all general employees, twice a year)
  - Introduction of outside companies specializing in human resource assessment to enhance objectivity for decisions on promotions to management and other positions
- The Company has adopted a "Performance Evaluation System" under which employee compensation is determined based on performance.
- The Company has established programs such as president awards, mill manager/business site manager awards, president awards for patents, and outstanding technician awards, to recognize special achievements.
- The Company has established a system under which incentives are paid to achievements of employees.
  - e-Kaizen Program: A proposal system for business improvement. The impact of proposals is evaluated in points and incentives are paid according to the points
  - Invention Compensation System: Appropriate consideration will be paid to employee inventions in accordance with the Patent Act

#### 2. Employee Engagement Survey

- The Company has conducted employee engagement surveys since FY2019 and in FY2023 the Company changed the survey frequency from once every two years to once a year.
- This survey is positioned as essential to further strengthen the relationship between employees and the Company so that both can grow.
- The Company reports the survey results to general managers and executives, and strives to improve communication within the workplace, education and training, and the working environment based on advice from external consultants in order to achieve a smooth business structure transformation.
 

<Recent initiatives>

  - Periodic conferences between general managers (in management) and junior career-track employees in other departments (designed for junior career-track employees to learn about the Company's wide range of business and job areas, the thoughts of management, and growth opportunities to improve their engagement)
  - Coaching skill training for mill line managers (reinforcing communication skills to improve work environments)

### 6 Industrial Relations

- The Company participates in the United Nations Global Compact and supports the universal principle of labor standards advocated by the United Nations regarding "approval of freedom of association and the right to collective bargaining."
- The Company and principal consolidated subsidiaries have formed labor unions. They maintain harmonious labor-management relations even at companies without labor unions.
- The Company has adopted a union-shop system, and 100% of employees subject to labor agreements are members of the labor union (number of labor union members: 4,370 [as of March 31, 2025]).
- With the common labor-management aim of "developing the company and improving the welfare of union members," the Company has established various specialized labor-management committees, such as the "Agreement Management Expert Committee" and the "Manpower Measures Expert Committee." Along with this, based on the agreements between labor and management, the Company is working on various measures and improving working conditions and environments. The Company also holds "labor-management conferences" twice a year (in the spring and fall) to facilitate communication between labor and management, such as by explaining management policies, management plans, and business performance trends to the labor union.
- Under the labor agreements, the Company takes into fair consideration the requests, health conditions, and skills of union members when transferring them to other departments due to administrative reasons. It also informs the labor union without delay when conducting personnel transfers and organizational changes.