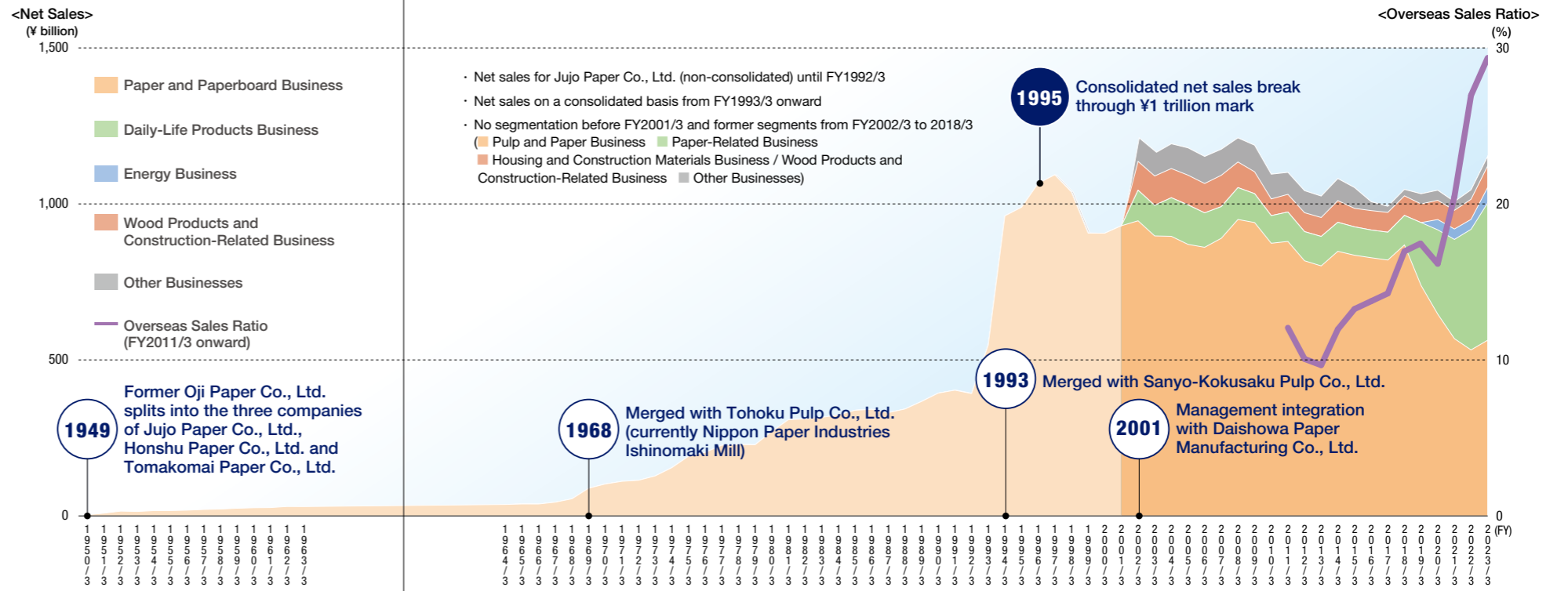


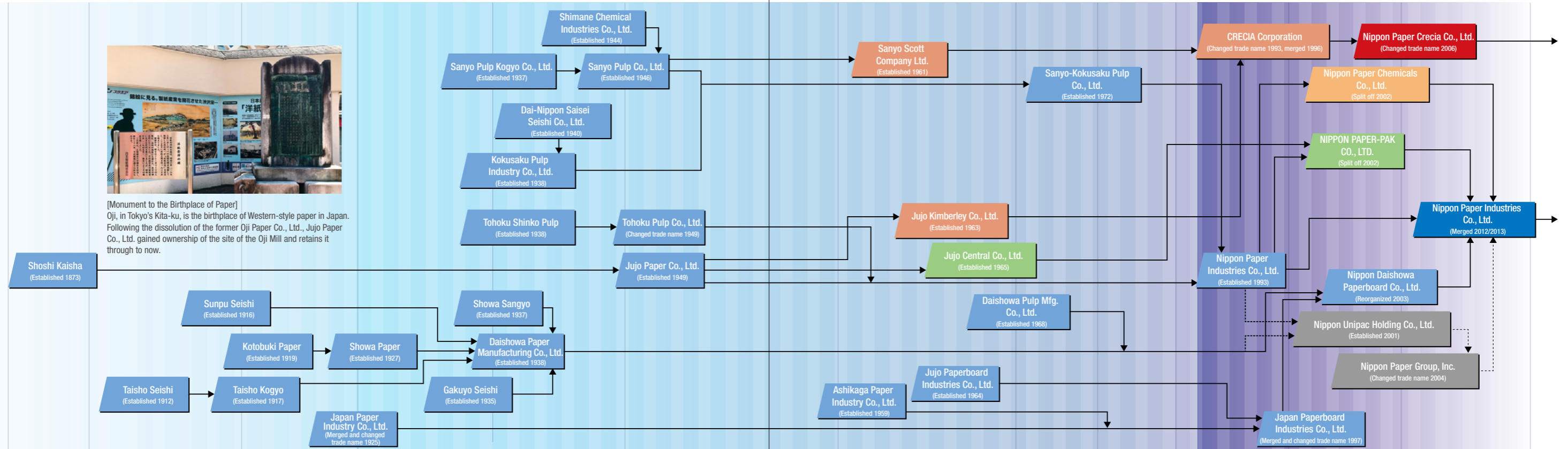
History of Nippon Paper Group

Moving Forward into the Future, Together with Trees

Nippon Paper Group has walked through the years, hand-in-hand with the history of paper in Japan, and has expanded the Company scale and business domain through mergers and integrations. The Group is advancing business development as a comprehensive biomass company using diverse technologies and know-how to maximize the use of renewable wood resources.



[Monument to the Birthplace of Paper]
Oji, in Tokyo's Kita-ku, is the birthplace of Western-style paper in Japan. Following the dissolution of the former Oji Paper Co., Ltd., Jujo Paper Co., Ltd. gained ownership of the site of the Oji Mill and retains it through to now.



1873 1910 1920 1930 1940 1950 1960 1970 1980 1990 2000 2010 2020

Beginning of domestic Western-style paper production, development and creation of paper culture

- 1870**
- In 1873, Eiichi Shibusawa established Shoshi Kaisha (later reorganized to the former Oji Paper Co., Ltd.), the first modern Western-style papermaking company in Japan
 - Demand for paper used in things like newspaper, magazines, and books grew alongside the establishment of a capitalist society, and the domestic paper industry developed
 - In 1949, as a result of the Law for the Elimination of Excessive Concentration of Economic Power, the former Oji Paper was split into three companies, from which Jujo Paper was established

Expanded applications for paper, and developed alongside rapid economic growth

- 1950**
- Established Sanyo Scott in 1961 and Jujo Kimberly in 1963, and began selling tissues and toilet paper rolls for the first time in Japan (currently Nippon Paper Crecia)
 - In 1965, Jujo Central was established, and launched the Liquid Packaging Carton Business (currently under the Paper-Pak Sales Division, Nippon Paper Industries)
 - Alongside rapid economic development, applications for paper spread, and technological developments such as weight reductions were made

Business scale expansion through mergers and integrations, and demand for Western-style paper peaked out

- 1990**
- In 1993, Jujo Paper and Sanyo-Kokusaku Pulp merged to create Nippon Paper Industries
 - In 1995, consolidated net sales broke through the ¥1 trillion mark for the first time
 - In 2001, Nippon Paper Industries integrated management with Daishowa Paper Manufacturing, and Nippon Unipac Holding was established
 - Demand for paper reached its peak in the 2000s due to movement toward digitalization and the impact of the 2008 financial crisis

Transformation of the business structure, acceleration of overseas development, and new value creation

- 2010**
- In 2011, Nippon Paper's Ishinomaki and other mills were damaged due to the Great East Japan Earthquake
 - Strengthen initiatives aimed at transformation of the business structure from the Fourth Medium-Term Business Plan
 - Expand overseas business in North America, Australia and Southeast Asia with a focus on the packaging field
 - Accelerate development of new businesses leveraging the Group's technological capabilities such as cellulose nanofiber (CNF)

Eleven-Year Financial Summary

Nippon Paper Industries and Consolidated Subsidiaries*
Fiscal Years Ended March 31

(Millions of yen)

| | FY2013/3 | FY2014/3 | FY2015/3 | FY2016/3 | FY2017/3 | FY2018/3 | FY2019/3 | FY2020/3 | FY2021/3 | FY2022/3 | FY2023/3 |
|------------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Profit / Loss (Fiscal Year) | | | | | | | | | | | |
| Net sales | 1,025,078 | 1,081,277 | 1,052,491 | 1,007,097 | 992,428 | 1,046,499 | 1,068,703 | 1,043,912 | 1,007,339 | 1,045,086 | 1,152,645 |
| Cost of sales | 796,411 | 844,603 | 825,576 | 800,185 | 787,464 | 846,109 | 871,218 | 832,151 | 803,686 | 872,011 | 1,008,246 |
| Operating income (loss) | 25,145 | 28,536 | 23,656 | 22,623 | 23,764 | 17,613 | 19,615 | 35,048 | 19,233 | 12,090 | (26,855) |
| Ordinary income (loss) | 23,081 | 28,188 | 23,204 | 17,123 | 26,994 | 18,649 | 23,901 | 30,524 | 12,276 | 14,490 | (24,530) |
| Profit (loss) attributable to owners of parent | 10,652 | 22,770 | 23,183 | 2,424 | 8,399 | 7,847 | (35,220) | 14,212 | 3,196 | 1,990 | (50,406) |
| Comprehensive income | 30,553 | 41,864 | 67,295 | (31,821) | 25,795 | 15,285 | (45,838) | (1,946) | 45,534 | 22,104 | (28,588) |
| Cash flows from operating activities | 65,978 | 75,763 | 81,846 | 52,419 | 87,087 | 44,944 | 59,760 | 67,036 | 84,197 | 72,378 | 65,823 |
| Cash flows from investing activities | (61,766) | (24,861) | (42,483) | 16,270 | (65,278) | (62,731) | (47,461) | (70,113) | (182,945) | (61,247) | (68,018) |
| Cash flows from financing activities | (14,385) | (65,487) | (52,744) | (39,168) | (49,694) | (12,548) | (6,720) | (7,397) | 113,696 | 54,314 | 6,976 |
| Free cash flow | 4,212 | 50,902 | 39,363 | 68,689 | 21,809 | (17,787) | 12,299 | (3,077) | (98,748) | 11,131 | (2,195) |
| Financial Position (End of Fiscal Year) | | | | | | | | | | | |
| Total assets | 1,497,729 | 1,480,894 | 1,495,622 | 1,390,918 | 1,388,885 | 1,429,892 | 1,390,814 | 1,363,469 | 1,547,326 | 1,639,286 | 1,666,542 |
| Total current assets | 507,335 | 505,417 | 484,498 | 502,912 | 486,205 | 490,479 | 515,407 | 496,871 | 533,764 | 617,934 | 627,705 |
| Total property, plant and equipment | 747,423 | 729,179 | 715,406 | 669,298 | 686,813 | 717,927 | 677,613 | 680,524 | 782,012 | 774,989 | 796,820 |
| Other non-current assets | 242,970 | 246,297 | 295,716 | 218,707 | 215,867 | 221,484 | 197,792 | 186,074 | 231,549 | 246,363 | 242,016 |
| Total liabilities | 1,101,269 | 1,054,309 | 1,005,881 | 966,233 | 953,974 | 986,493 | 995,470 | 976,892 | 1,122,605 | 1,200,682 | 1,251,341 |
| Total net assets | 396,460 | 426,584 | 489,740 | 424,685 | 434,911 | 443,398 | 395,343 | 386,577 | 424,721 | 438,604 | 415,200 |
| Interest-bearing debt | 830,220 | 775,597 | 731,834 | 703,831 | 678,504 | 693,562 | 688,703 | 689,937 | 828,870 | 898,125 | 924,406 |
| Net interest-bearing debt | 719,309 | 678,350 | 647,734 | 591,321 | 587,990 | 634,559 | 625,248 | 637,091 | 759,136 | 761,280 | 780,056 |
| Other | | | | | | | | | | | |
| Capital investment | 53,323 | 47,162 | 48,518 | 46,899 | 51,289 | 72,765 | 60,338 | 70,636 | 57,929 | 58,107 | 85,972 |
| Depreciation | 64,903 | 63,181 | 61,374 | 57,672 | 55,083 | 57,892 | 60,422 | 58,705 | 63,357 | 66,549 | 66,279 |
| Research and development expenses | 6,348 | 5,690 | 5,431 | 5,555 | 5,622 | 6,013 | 6,694 | 6,051 | 6,217 | 5,672 | 5,760 |
| Per Share Data | | | | | | | | | | | |
| Profit (loss) attributable to owners of parent | 92.00 | 196.67 | 200.27 | 20.95 | 72.57 | 67.80 | (304.34) | 122.89 | 27.67 | 17.23 | (436.28) |
| Cash dividends | 40.00 | 40.00 | 50.00 | 60.00 | 60.00 | 60.00 | 30.00 | 40.00 | 40.00 | 40.00 | 0.00 |
| Net assets | 3,391.59 | 3,652.76 | 4,198.10 | 3,645.87 | 3,714.63 | 3,776.26 | 3,328.28 | 3,248.53 | 3,570.15 | 3,695.31 | 3,415.75 |
| Financial Indicators | | | | | | | | | | | |
| Operating income margin | 2.5% | 2.6% | 2.2% | 2.2% | 2.4% | 1.7% | 1.8% | 3.4% | 1.9% | 1.2% | (2.3%) |
| EBITDA (Millions of yen) | 93,752 | 96,333 | 89,467 | 85,145 | 83,571 | 80,137 | 84,583 | 97,779 | 86,940 | 81,546 | 42,830 |
| Return on equity (ROE) | 2.8% | 5.6% | 5.1% | 0.5% | 2.0% | 1.8% | (8.6%) | 3.7% | 0.8% | 0.5% | (12.3%) |
| Return on assets (ROA) | 2.3% | 2.7% | 2.2% | 2.0% | 2.6% | 1.9% | 2.2% | 2.7% | 1.3% | 1.3% | (1.0%) |
| Return on invested capital (ROIC) | 2.9% | 3.3% | 2.8% | 2.4% | 3.2% | 2.3% | 2.9% | 3.5% | 1.6% | 1.7% | (1.3%) |
| Equity ratio | 26.2% | 28.6% | 32.5% | 30.3% | 31.0% | 30.6% | 27.7% | 27.5% | 26.7% | 26.0% | 23.7% |
| Adjusted net debt/equity ratio (times) | 1.89 | 1.70 | 1.55 | 1.47 | 1.49 | 1.61 | 1.76 | 1.75 | 1.86 | 1.89 | 2.25 |
| Overseas sales ratio | 9.7% | 12.0% | 13.3% | 13.8% | 14.3% | 17.0% | 17.5% | 16.2% | 20.5% | 27.0% | 29.4% |

* Nippon Paper Industries merged with and absorbed its parent company Nippon Paper Group, Inc. and was publicly listed on April 1, 2013. For this reason, figures for FY2013/3 represent the financial results of Nippon Paper Group, Inc.

- Free cash flow = Cash flows from operating activities + Cash flows from investing activities
- Interest-bearing debt = Short-term borrowings + Long-term debt
- EBITDA = Operating income (loss) + Depreciation + Dividend income + Interest income + Amortization of goodwill
- Return on equity (ROE) = Profit (loss) attributable to owners of parent / [Average of balances at the beginning and end of fiscal year (Shareholders' equity + Accumulated other Comprehensive income)] x 100
- Return on assets (ROA) = (Ordinary income (loss) + interest expense) / Total assets at end of fiscal year x 100
- Return on invested capital (ROIC) = (Ordinary income (loss) + Interest expense) / (Year-end shareholders' equity + Year-end accumulated other comprehensive income + Year-end balance of interest-bearing debt) x 100
- Adjusted net debt/equity ratio = (Net interest-bearing debt - Equity-type debt) / (Shareholders' equity + Equity-type debt)
- Equity-type debt: The amount of debt financed by hybrid loans that has been recognized as equity credit by ratings agencies (50% of the financed amount)

Eleven-Year ESG Data*1

Nippon Paper Industries and Consolidated Subsidiaries
Fiscal Years Ended March 31

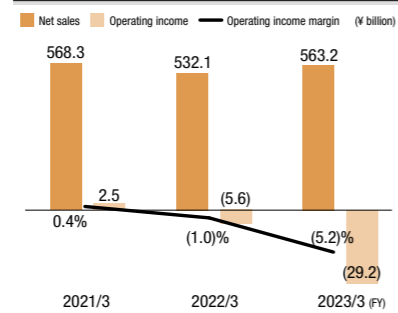
| ESG Category | | | Related Page(s) | Unit | FY2013/3 | FY2014/3 | FY2015/3 | FY2016/3 | FY2017/3 | FY2018/3 | FY2019/3 | FY2020/3 | FY2021/3 | FY2022/3 | FY2023/3 |
|--------------------|---------------|-------------------|-----------------|--------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| E (Environment) | S (Social) | G (Governance) | | | | | | | | | | | | | |
| ● | | | P.39 | Million tonnes-CO ₂ | - | 8.5 | - | - | - | 8.1 | 7.9 | 7.4 | 6.9 | 6.8 | 6.0 |
| ● | | | P.39 | 1,000 tonnes | 2,224 | 2,557 | 2,619 | 2,634 | 2,580 | 2,534 | 2,521 | 2,302 | 2,115 | 1,957 | 1,556 |
| ● | ● | | P.56-57 | % | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| ● | ● | | P.56-57 | % | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| ● | ● | | P.41 | % | 37.2 | 36.5 | 37.4 | 35.8 | 36.8 | 36.1 | 35.2 | 35.8 | 39.5 | 37.6 | 35.1 |
| ● | ● | | P.59 | % | 4.2 | 4.1 | 1.8 | 2.4 | 1.6 | 1.4 | 1.7 | 2.7 | 2.4 | 2.1 | 1.6 |
| ● | ● | | P.59 | t | - | - | - | - | - | - | - | - | - | 23 | 1,707 |
| | ● | | P.18 | People | 13,052 | 13,107 | 12,771 | 11,741 | 13,057 | 12,881 | 12,943 | 12,592 | 16,156 | 16,129 | 15,959 |
| | ● | | - | % | 12.3 | 13.5 | 13.0 | 13.4 | 20.9 | 19.4 | 19.4 | 19.2 | 36.5 | 37.1 | 37.6 |
| | ● | | P.33 | % | - | - | - | - | - | 66 | 69 | 73 | 66 | 60 | 63 |
| | ● | | P.33 | % | 1.49 | 1.48 | 1.57 | 1.60 | 1.86 | 2.47 | 2.29 | 2.43 | 2.65 | 2.71 | 3.18 |
| | ● | | P.33 | % | 12 | 14 | 20 | 21 | 18 | 25 | 26 | 35 | 30 | 40 | 49 |
| | ● | | P.33 | Hours | - | - | - | - | - | 1,927 | 1,923 | 1,894 | 1,888 | 1,905 | 1,884 |
| | ● | | P.33 | - | 0.58 | 0.53 | 0.62 | 0.44 | 0.40 | 0.64 | 0.77 | 0.79 | 0.79 | 0.55 | 0.87 |
| | | ● | P.45 | % | 0 | 11.1 | 11.1 | 12.5 | 22.2 | 22.2 | 22.2 | 33.3 | 33.3 | 33.3 | 33.3 |
| | | ● | P.45 | People | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 2 | 2 | 2 |

*1 Data available on a continuing yearly basis have been provided for comparison purposes, considering changes in the scope of aggregation and similar factors.
 *2 Consolidated and non-consolidated subsidiaries
 *3 Nippon Paper Industries (including power sales, steam sales)
 *4 Nippon Paper Industries
 *5 Consolidated companies in Japan
 *6 Manufacturing offices belonging to Nippon Paper Industries, Nippon Paper Crecia, Nippon Paper Papylia, and Nippon Paper Liquid Package Product (including contractors of mills)

Three-Year Data by Business (Net sales/ Operating income)

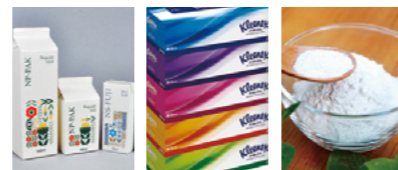
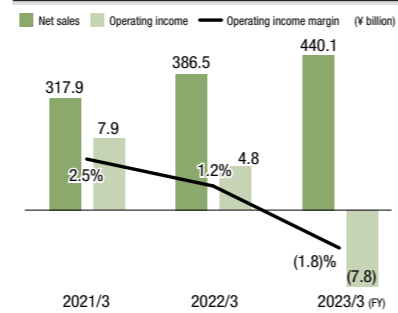
* Operating income in Other Businesses for FY2021/3 results includes ¥6.0 billion in expenses related to the acquisition of the packaging division of Orora Limited in Australia and New Zealand

Paper and Paperboard Business → P.62

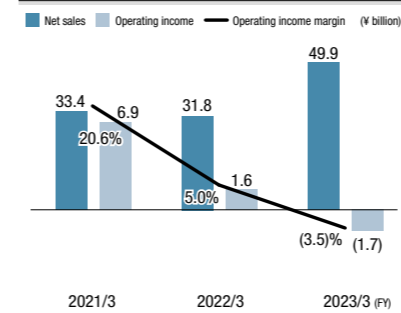


Daily-Life Products Business → P.63-64

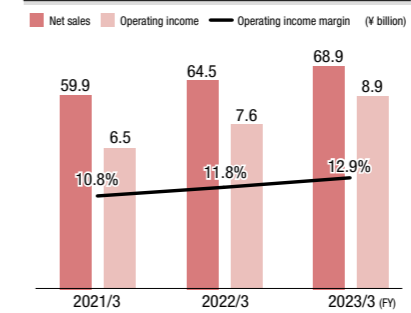
Liquid Packaging Carton/Opal/
Household Paper and Healthcare/Chemical



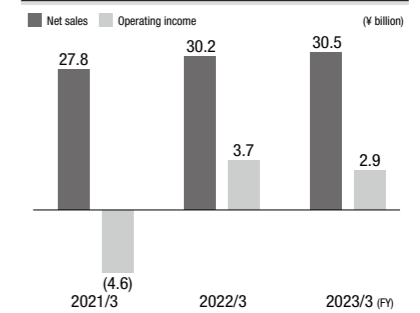
Energy Business → P.65



Wood Products and Construction-Related Business → P.66



Other Businesses Leisure Facility Management/ Logistics and Warehouse Management



Company Profile / Investor Information (as of March 31, 2023)

Corporate Overview

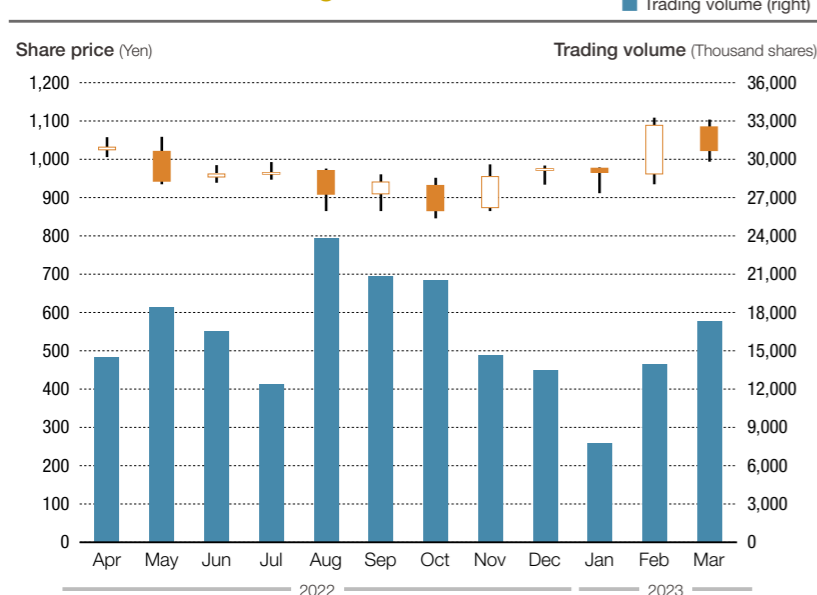
| | |
|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| Company Name | Nippon Paper Industries Co., Ltd. |
| Head Office | 4-6 Kanda-Surugadai, Chiyoda-ku, Tokyo 101-0062, Japan |
| Establishment | August 1, 1949 |
| Number of Employees | 5,060 non-consolidated 15,959 consolidated |
| Capital | ¥104,873 million |
| Shares | Number of shares authorized to be issued 300,000,000 shares Number of shares issued 116,254,892 shares (including 367,645 shares of treasury stock) |
| Number of Shareholders | 173,808 |
| Listed Market | Tokyo Stock Exchange Prime Market (Securities Code: 3863) |

Major Shareholders

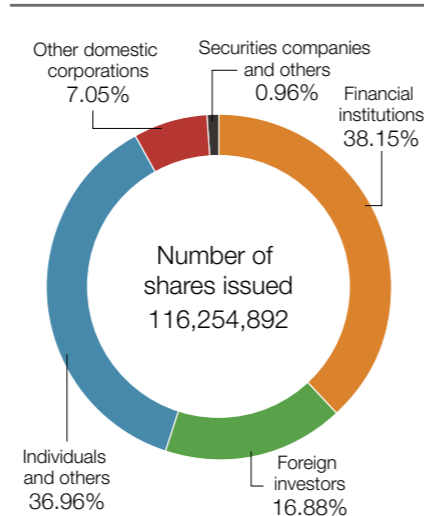
| Name | Shares Held | Shareholding Ratio (%)* |
|---------------------------------------------------------------------------------|-------------|-------------------------|
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 15,953,800 | 13.77 |
| Custody Bank of Japan, Ltd. (Trust Account) | 8,864,700 | 7.65 |
| Nippon Paper Industries Co., Ltd. Employee Share Ownership Association | 3,229,329 | 2.79 |
| Nippon Life Insurance Company | 2,473,165 | 2.13 |
| Nippon Paper Industries Co., Ltd. Business Partners Share Ownership Association | 2,399,100 | 2.07 |
| TAIJU LIFE INSURANCE COMPANY LIMITED | 2,258,900 | 1.95 |
| Mizuho Bank, Ltd. | 2,000,000 | 1.73 |
| Dimensional Fund Advisors International Small Cap Value Portfolio | 1,844,846 | 1.59 |
| The Norinchukin Bank | 1,700,065 | 1.47 |
| State Street Bank West Client – Treaty 505234 | 1,552,500 | 1.34 |

* The shareholding ratio was calculated after deducting 367,645 shares of treasury stock.

Share Price and Trading Volume Trends



Percentage of Shares Held by Shareholder Type



ESG Databook

Nippon Paper Group has issued the ESG Databook 2023. In the ESG Databook, the Group discloses information on activities related to ESG (Environmental, Social, and Governance) to all stakeholders. The ESG Databook is organized with each item in accordance with the Group's important issues (materiality).

https://www.nipponpapergroup.com/english/csr/npg_esgdb2023_e_ALL.pdf

Online Resources

IR Library:

<https://www.nipponpapergroup.com/english/ir/library/>

Sustainability:

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

FACT BOOK:

<https://www.nipponpapergroup.com/english/ir/FactBook2023.pdf>

Corporate Governance Report:

https://www.nipponpapergroup.com/english/ir/20230704_3.pdf

External Evaluations

FTSE Blossom Japan

FTSE Blossom Japan Sector Relative Index

S&P/JPX Carbon Efficient Index

2023 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

Morningstar Japan ex-REIT Gender Diversity Tilt Index

2023 Somo Sustainability Index

The Development Bank of Japan (DBJ) has awarded Nippon Paper Industries its highest environmental rating, citing its particularly advanced environmental initiatives. Environmental rating acquired: November 2018

Sumitomo Mitsui Banking Corporation (SMBC) has awarded Nippon Paper Industries the **AAA** rating, its highest rating for ESG / SDGs assessment-based financing.

As of June 2023

Editorial Policy

This report is designed to demonstrate to stakeholders, including shareholders and investors, how Nippon Paper Group is pursuing strengthened profitability and sustainability management through the Group's value creation story and help stakeholders to gain an understanding of its path to sustainable growth, and to serve as a tool for dialogue with all.

This year's report has enhanced the content of the message from the executive officer responsible for finance, human resource strategy, early positive contribution from new businesses and innovative materials, and response to climate change issues as key strategies to realize 2030VISION.

Disclaimer

Statements in this report concerning plans, forecasts, strategies, beliefs, and other forward-looking information related to Nippon Paper Industries Co., Ltd. and companies comprising its corporate group, other than those of historical fact, are forecasts of future business performance based on the judgments of management at Nippon Paper Industries Co., Ltd. and Nippon Paper Group companies in light of currently available information.

Accordingly, please refrain from making investment decisions based solely on forecasts of business performance in this integrated report.

Actual business performance may differ significantly from these forecasts due to changes in a variety of factors.

Reporting Period

FY2023/3: April 1, 2022 to March 31, 2023

This report contains some information dated prior to April 1, 2022 and after April 2023. The points in question have been dated.

Reporting Organization

Nippon Paper Industries Co., Ltd. is the main subject of this report. However, data calculations include the Company and all 55 consolidated subsidiaries as of March 31, 2023.

Reference Guidelines

- Environmental Reporting Guidelines (2018 edition), Ministry of the Environment
- Global Reporting Initiative (GRI) Standards
- United Nations Global Compact
- SASB Sustainability Accounting Standards
- ISO 26000, etc.

Guideline Comparison Table

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