

History of NIPPON PAPER GROUP

During its long history, NIPPON PAPER GROUP has supported better living and the creation of culture. 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.

1870s–1980s From Development and Creation of Paper Culture to Expanding Applications



In 1873, Eiichi Shibusawa and partners established Shoshi Kaisha. The Company contributed to Japan's modernization and cultural development by meeting rapidly rising demand for paper, spurred by increased publication of newspapers and magazines, as well as growing needs for government paper for banknotes, bonds and postage stamps.

After World War II, the Company harnessed advances in paper application technology to develop and sell products indispensable for daily lives, such as facial tissue, toilet rolls and liquid packaging cartons. During this period, the Company expanded its business by providing value for people's lives in the form of comfort and greater awareness of hygiene.

1990s–2000s

Nippon Paper Industries Established Business Expansion Driven by Mergers



Through mergers and business integration, NIPPON PAPER GROUP became one of the largest paper companies in Japan in terms of production capacity for paper, paperboard and household paper, with consolidated net sales topping ¥1 trillion in FY1996/3.

To procure wood resources—the starting point for the Group's business activities—the Group sustainably managed company-owned forests in Japan and overseas, replanting trees to regenerate forests after logging. In 2001, it established the Nippon Unipac Holding Environmental Charter, emphasizing coexistence with the environment based on consideration for forest ecosystems and local communities in producing areas. Since then, the Group has actively led pioneering efforts in the industry to reduce waste to zero and promote overseas afforestation.

2010s

Business Structure Transformation Accelerating Global Expansion



Major changes in Japan's energy market after the Great East Japan Earthquake prompted the Group to expand its Energy Business, including moving into the supply of electricity. NIPPON PAPER GROUP contributed to the stable supply of energy through woody biomass power generation and other means, drawing on its expertise from the operation of in-house power generation facilities for the papermaking process.

With the Group also facing declining demand for graphic paper, it has been transforming its business structure to supply a range of different products and services by leveraging its advanced wood application technologies in packaging, household paper, healthcare, bio-chemicals (Daily-Life Products Business) and other areas. In the overseas business, the Group expanded its business through business alliances and M&A, focusing on projects with the potential to extend the Group's value chain.

2020s

Realizing a Sustainable Society Creating New Value

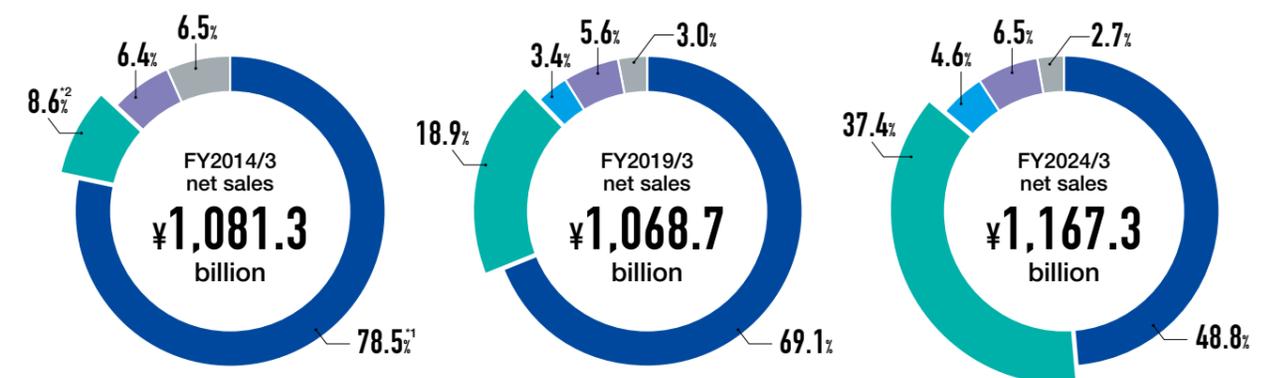


NIPPON PAPER GROUP is accelerating the development of businesses that utilize wood resources to address climate change and other global issues and to contribute to the realization of a sustainable society.

Backed by strong ties with internal and external stakeholders built over 150 years of business, the Group is using breeding and propagation technologies to sustainably utilize wood resources, developing and encouraging the uptake of biomass products such as cellulose nanofibers, and actively promoting product recycling.

The Group will continue to provide new value to society through the Three Circulations business model that realizes carbon neutrality.

Changes in the Business Portfolio



¹ FY2014/3 Pulp and Paper Business
² FY2014/3 Paper-Related Business

2013 Nippon Paper Industries and Nippon Paper Group merge to form the new Nippon Paper Industries

1873 Shoshi Kaisha established

1870 Meiji Restoration

1949 Jujo Paper established

1949 Post-war rapid economic growth

1993 Jujo Paper and Sanyo-Kokusaku Pulp merge Nippon Paper Industries established

1990 World War II End of the Pacific War

2001 Nippon Paper Industries and Daishowa Paper Manufacturing merge Nippon Unipac Holding established (renamed Nippon Paper Group, Inc. in 2004)

2000 Collapse of the bubble economy



Directors and Audit & Supervisory Board Members (As of June 27, 2024)

Directors



Fumio Manoshiro
Chairman and Director

Number of Company Shares Held

53,199 shares

Brief History

1953 Born
1975 Joined Jujo Paper Co., Ltd.
2006 Appointed Director,
Nippon Paper Industries Co., Ltd. (NPI)
2014 Appointed President and Representative
Director, NPI
2019 Appointed Chairman and Director,
NPI (current position)



Toru Nozawa
President and
Representative Director

Number of Company Shares Held

34,118 shares

Brief History

1959 Born
1981 Joined Jujo Paper Co., Ltd.
2014 Appointed Director, NPI
2019 Appointed President and Representative
Director, NPI (current position)

Important Positions

President and Corporate Officer



Masanobu Iizuka
Executive Vice
President and
Representative Director

Number of Company Shares Held

14,354 shares

Brief History

1960 Born
1984 Joined Jujo Paper Co., Ltd.
2019 Appointed Director, NPI
2023 Appointed Executive Vice President
and Representative Director, NPI
(current position)

Important Positions

Executive Vice President,
Corporate Officer and Aide to the President
President and Representative Director,
Nippon Tokai Industrial Paper Supply Co., Ltd.
Director, Opal



Atsumi Yasunaga
Director

Number of Company Shares Held

13,954 shares

Brief History

1960 Born
1990 Joined Jujo Paper Co., Ltd.
2023 Appointed Director, NPI (current position)

Important Positions

President and Representative Director,
Nippon Paper Crecia Co., Ltd.



Mitsuhiro Sugino
Director

Number of Company Shares Held

11,841 shares

Brief History

1963 Born
1988 Joined Sanyo-Kokusaku Pulp Co., Ltd.
2023 Appointed Director, NPI (current position)

Important Positions

Managing Executive Officer and General Manager,
Biomass Material Business Division



Tomoyasu Itakura
Director

Number of Company Shares Held

10,515 shares

Brief History

1964 Born
1988 Joined Jujo Paper Co., Ltd.
2021 Appointed Director, NPI (current position)

Important Positions

Managing Executive Officer and General Manager,
Financial Division



Makoto Fujioka
Outside Director

Number of Company Shares Held

1,000 shares

Brief History

1950 Born
1975 Studied abroad at Harvard Business
School in the U.S. (acquired MBA)
1987 Energy Conservation Minister of
International Energy Agency (IEA)
(resided in France)
1996 Deputy Director-General for the Ministry of
International Trade and Industry (currently
Ministry of Economy, Trade and Industry)
2001 Ambassador Extraordinary and
Plenipotentiary to the United Arab Emirates
2013 Director, Executive Vice President of
Nippon Light Metal Co., Ltd. (until 2015)
2015 Senior Director, Japan Association for
Chemical Innovation (until 2019)
2016 Outside Director, Eagle Industry Co., Ltd.
(until 2023)
Outside Director, NOK CORPORATION
(until 2024)
Appointed Outside Director, NPI
(current position)
2024 Outside Director (Audit & Supervisory
Committee Member),
NOK CORPORATION (current position)

Important Positions

Outside Director (Audit & Supervisory Committee
Member), NOK CORPORATION



Yoko Hatta
Outside Director

Number of Company Shares Held

0 shares

Brief History

1952 Born
1997 Partner, KPMG LLP New York Office
2002 Partner, KPMG Peat Marwick Tax
Corporation (currently KPMG Tax
Corporation) (until 2014)
2008 Auditor, International Christian University
2015 Outside Audit & Supervisory Board
Member, Kobayashi Pharmaceutical
Co., Ltd. (current position)
2016 Outside Auditor & Supervisory Board
Member, IHI Corporation (until 2020)
Appointed Outside Audit & Supervisory
Board Member, NPI (until 2019)
2019 Appointed Outside Director, NPI
(current position)
2022 Outside Director, Ajinomoto Co., Inc.
(current position)
Outside Director (Audit & Supervisory
Committee Member), KOEI CHEMICAL
COMPANY, LIMITED (current position)

Important Positions

Outside Audit & Supervisory Board Member,
Kobayashi Pharmaceutical Co., Ltd.
Outside Director, Ajinomoto Co., Inc.
Outside Director (Audit & Supervisory Committee
Member), KOEI CHEMICAL COMPANY, LIMITED

"Independent Officers": Nippon Paper Industries designates all outside directors who meet the requirements as independent officers. When appointing candidates for outside director or outside Audit & Supervisory Board Member, the Company judges their independence by taking into consideration whether they satisfy the independence criteria provided by the Tokyo Stock Exchange and the requirements for independence provided by laws and regulations (having not served as director, employee, etc. of the Company and its subsidiaries in the past), in addition to considering the existence of any conflicts of interest with general shareholders.
The "Number of Company Shares Held" is as of March 31, 2024, and includes shares held by Nippon Paper Industries executive shareholding association.



Yutaka Kunigo
Outside Director

Number of Company Shares Held

0 shares

Brief History

1954 Born
2014 Representative Director and Executive
Vice President, TOKYO GAS CO., LTD.
(until 2017)
2017 Chairman and Director, Tokyo Gas
Engineering Solutions Corporation
(until 2020)
2020 Appointed Outside Director, NPI
(current position)
2022 Outside Director, ISE CHEMICALS
CORPORATION (current position)
Outside Director, Chiyoda Corporation
(current position)

Important Positions

Outside Director,
ISE CHEMICALS CORPORATION
Outside Director, Chiyoda Corporation

Audit & Supervisory Board Members



Kazunari Tatsu
Senior Audit &
Supervisory
Board Member

Number of Company Shares Held

10,023 shares

Brief History

1960 Born
1983 Joined Jujo Paper Co., Ltd.
2019 Appointed Audit & Supervisory Board
Member, NPI
2021 Appointed Senior Audit & Supervisory
Board Member, NPI (current position)

Important Positions

Audit & Supervisory Board Member,
Nippon Paper Crecia Co., Ltd.



**Tomoyoshi
Nishimoto**
Audit & Supervisory
Board Member

Number of Company Shares Held

15,565 shares

Brief History

1962 Born
1984 Joined Jujo Paper Co., Ltd.
2021 Appointed Audit & Supervisory Board
Member, NPI (current position)

Important Positions

Audit & Supervisory Board Member,
NP Trading Co., Ltd.



Takafumi Okuda
Outside Audit &
Supervisory
Board Member

Number of Company Shares Held

0 shares

Brief History

1951 Born
1976 Assistant Judge, Tokyo District Court
2006 Judge, Tokyo High Court
2007 Chief Judge, Niigata District Court
2009 Presiding Judge, Tokyo High Court
2015 Chief Judge, Yokohama District Court
2016 Registered as attorney at law
(Tokyo Bar Association)
Visiting Attorney, Mori Hamada &
Matsumoto (current position)
2020 Appointed Outside Audit & Supervisory
Board Member, NPI (current position)

Important Positions

Visiting Attorney, Mori Hamada & Matsumoto



Nanako Aono
Outside Audit &
Supervisory Board
Member

Number of Company Shares Held

0 shares

Brief History

1962 Born
2005 Director, BUSICOM Co., Ltd.
(currently OAG BUSICOM Co., Ltd.)
2008 Outside Audit & Supervisory Board
Member, Duskin Co., Ltd. (until 2016)
2010 Representative Director and President,
GEN Co., Ltd. (current position)
2017 Outside Audit & Supervisory Board
Member, MISUMI Group Inc.
(current position)
2019 Appointed Outside Audit & Supervisory
Board Member, NPI (current position)
2020 Outside Director, OPTEX GROUP
CO., LTD. (until 2023)
2022 Outside Director (Audit & Supervisory
Board Member), MEIKO NETWORK
JAPAN CO., LTD. (current position)

Important Positions

Representative Director and President,
GEN Co., Ltd.
Outside Audit & Supervisory Board Member,
MISUMI Group Inc.
Outside Director (Audit & Supervisory Board
Member), MEIKO NETWORK JAPAN CO., LTD.

Corporate Governance

Basic Stance

Nippon Paper Industries strives to strengthen corporate governance based on the Group Mission to achieve sustainable growth and improve medium- to long-term corporate value.

The Company's highest management issue is to further enhance management transparency to stakeholders including shareholders and to realize fair management. The Company has adopted an executive officer system and is

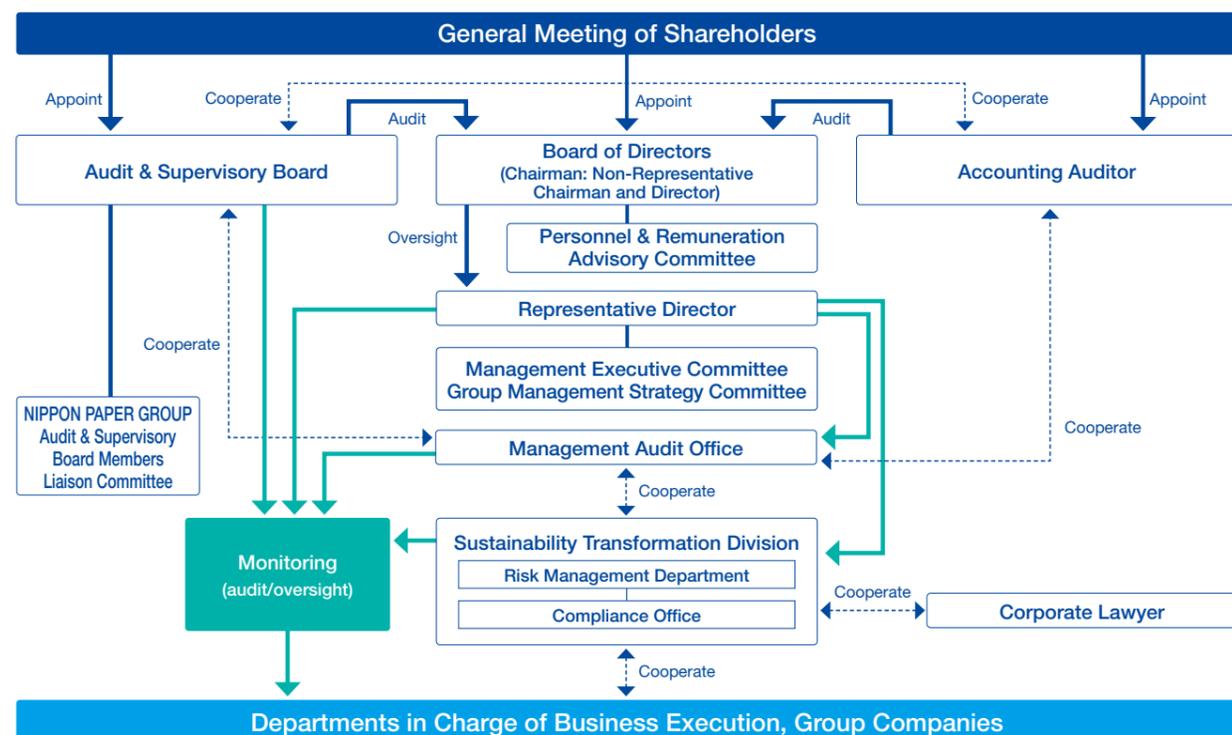
working to strengthen the oversight function of its Board of Directors to ensure the separation of business execution and management oversight. As the command center of NIPPON PAPER GROUP, the Company is implementing growth strategies, monitoring businesses under its control, and promoting risk management and compliance.

Initiatives for Strengthening Corporate Governance



Corporate Governance Structure

Corporate Governance Structure (As of July 1, 2024)



* The Company has adopted a Company with Audit & Supervisory Board system of corporate governance.
* Ernst & Young ShinNihon LLC has been appointed as the Company's accounting auditor.

[Board of Directors]

The non-representative chairman and director serves as the chairman of the Board of Directors. The Board of Directors shall bear the supervisory function of management as a whole, ensuring fairness and transparency of management. The Board of Directors shall make the most appropriate decisions for the Company through deliberations, etc. on the execution of important business issues that are to be decided under laws and regulations by the Board of Directors. The Board of Directors shall also supervise the status of the execution of duties by the President and Representative Director and other corporate officers.

Composition of the Board of Directors (As of June 27, 2024)



Skill Matrix of Directors

The skills that the Company expects each director to demonstrate are listed below. Each skill is designated in light of the 2030VISION's basic policy and its importance (materiality) for management to achieve the Group Mission.

Position	Name	Skills									
		Corporate Management	ESG/Sustainability	Finance/Accounting	Human Resources/Labor	Risk Management/Governance	Technology/R&D	Sales	Purchase/Procurement	Internationality	
Chairman and Director	Fumio Manoshiro	○	○		○				○		
President and Representative Director	Toru Nozawa	○	○	○		○					
Executive Vice President and Representative Director	Masanobu Iizuka	○			○		○			○	
Director	Atsumi Yasunaga	○			○		○				
Director	Mitsuhiro Sugino						○	○		○	
Director	Tomoyasu Itakura	○		○		○					
Outside Director	Makoto Fujioka	○	○			○					
Outside Director	Yoko Hatta			○		○				○	
Outside Director	Yutaka Kunigo	○	○						○		

The above list does not represent all the knowledge and experience held by each director.

[Management Executive Committee]

The Management Executive Committee usually meets once a week to assist in the execution of the president's duties. Committee membership is basically composed of the president, vice president, and general managers. Meetings held once a month are also attended by outside officers and general managers of the Company's mills in order to share information on monthly financial results.

[Audit & Supervisory Board Members and Audit & Supervisory Board]

Audit & Supervisory Board Members conduct strict monitoring of the execution of business by directors. They also meticulously audit whether all company operations are conducted legally and appropriately by conducting on-site audits of the Company's divisions, business sites, and Group companies. The Audit & Supervisory Board consists of four Audit & Supervisory Board Members and strives to deepen mutual understanding with the representative directors and to strengthen cooperation with auditors of each Group company.

[Group Management Strategy Committee]

The Group Management Strategy Committee meets as necessary to deliberate on management strategies by business segment and other important matters related to the Group.

Committee membership participants are the Company's management, including outside officers, and presidents of major companies of the Group.

[Management Audit Office]

The Management Audit Office is directly under the president's control. The office conducts internal audits of the Company and each Group company, as well as comprehensive evaluations of the maintenance and operation of the internal control system for financial reporting. It also facilitates coordination between audits by the Audit & Supervisory Board Members and audits by internal auditors.

Board of Directors Meetings Held (FY2024/3)

Number of Board of Directors meetings held: 14
Average rate of attendance by directors: 99.2% (outside directors: 97.6%)
Average rate of attendance by Audit & Supervisory Board Members: 100.0% (outside Audit & Supervisory Board Members: 100.0%)

Audit & Supervisory Board Meetings Held (FY2024/3)

Number of Audit & Supervisory Board meetings held: 14
Average rate of attendance by Audit & Supervisory Board Members: 100.0% (outside Audit & Supervisory Board Members: 100.0%)

Personnel & Remuneration Advisory Committee

The Company has the Personnel & Remuneration Advisory Committee in place as an advisory body to the Board of Directors. The committee is composed of three independent outside directors, the President and Representative Director, and the General Manager of the Personnel & General Affairs Division. The Company's President and Representative Director serves as the committee chair and receives appropriate input and advice from independent outside directors. In principle, the committee chair serves as the chairperson of committee meetings. However, when there are topics on the agenda that particularly require independence and objectivity to be secured, an independent outside director will serve as the chairperson.

The Personnel & Remuneration Advisory Committee receives inquiries from the Board of Directors on various matters. These matters include the selection process,

qualifications, and reasons for nomination of director and Audit & Supervisory Board Member candidates, the criteria for determining the independence of outside officers, and the remuneration system for officers. The committee responds to those inquiries by reviewing the appropriateness and other aspects of those matters while obtaining proper involvement and advice from independent outside directors and considering its assessment of the Company's business performance and other factors. The Board of Directors makes decisions, after receiving the committee's reports, on matters such as the nomination of candidates for director and Audit & Supervisory Board Member and the remuneration of directors.

The Committee has met regularly four times yearly instead of twice since FY2023/3.

Meeting of the Personnel & Remuneration Advisory Committee (FY2024/3)

• Average rate of attendance of outside directors: 100.0%



[Successor to the President]

Candidates for successor to the president are developed by placing them in successively important roles such as executives and directors.

The president seeks to gain the confidence of the Personnel & Remuneration Advisory Committee, which has been established as an advisory body to the Board of Directors, by explaining medium- to long-term management issues and exchanging thoughts and ideas with committee members. In addition, the Personnel & Remuneration Advisory Committee deepens its discussions regarding the qualities the president

should possess and the duties the president should carry out in light of future management issues.

The Personnel & Remuneration Advisory Committee discusses officer-related personnel matters, such as the appointment and dismissal of the president, and reports to the Board of Directors. The Board of Directors, upon receiving the report, will carefully review its contents, deliberate, and decide on the candidates. Through this process, the Board of Directors supervises the formulation and implementation of succession plans.

Policy on Determination of Remuneration, etc. for Directors and Audit & Supervisory Board Members

The standard amount of monthly remuneration for internal directors shall be decided according to his/her responsibilities within the Company. Of that amount, 70% shall be fixed and the remaining 30% shall be paid after adjustment based on the Company's performance in relation to the Medium-Term Business Plan, in principle. The standard amount is determined using objective survey data from outside sources and giving consideration to factors including the Company's performance, scale of business, and managerial circumstances. Performance indices are established to effectively function as motivation to achieve performance targets and are reevaluated as needed in

response to changes in circumstances.

In addition, the Company has introduced the Board Benefit Trust (BBT) as a stock compensation plan for internal directors. The objective of the BBT is to increase directors' motivation to contribute to improving the Company's medium- to long-term performance and increasing its corporate value. Monthly remuneration for outside directors and outside Audit & Supervisory Board Members shall be fixed.

In July 2024, the Company added achievement against ESG indicators to performance standards for internal directors.

Total Amount of Remuneration, etc. for Directors and Audit & Supervisory Board Members*1 (FY2024/3)

	Number of Executives*2	Total Amount of Remuneration, etc. by Type			Total Amount
		Fixed Remuneration	Performance-based Remuneration	Stock Remuneration	
Directors	11	¥294 million	¥73 million	¥25 million	¥393 million
(Outside directors)	(3)	(¥39 million)	(-)	(-)	(¥39 million)
Audit & Supervisory Board Members	4	¥58 million	-	-	¥58 million
(Outside Audit & Supervisory Board Members)	(2)	(¥13 million)	(-)	(-)	(¥13 million)

*1 Figures are rounded down to the nearest million yen. *2 Includes two directors who resigned during FY2024/3.

Remuneration for Internal Directors

	Fixed Remuneration	Performance-based Remuneration	Stock Remuneration
Method	Cash payment		Points granted
Payment allowance	Up to ¥700 million per year		Up to 25,000 points per year (1 point = 1 share)
Payment period	Monthly (no bonuses or retirement benefits)		Director resignation (cumulative points converted to shares)
Calculation method	Determined according to their respective responsibilities		Points granted according to their respective responsibilities
	70% paid as fixed remuneration	30% paid, in principle, after adjustment based on the degree of achievement of the Medium-Term Business Plan	
Performance standards*	-	70%: Consolidated results (mainly net sales, operating income) 30%: Non-consolidated results (mainly net sales, operating income)	-
Other	Fixed amounts contributed to the Company's executive shareholding association		-

* From July 2024, achievement against ESG indicators (GHG emissions reduction in the 2030VISION, employee engagement) have been added in performance standards.

Assessment of Board Effectiveness

Once a year since FY2016/3, as an assessment of board effectiveness, the secretariat of the Board of Directors conducts a survey of the directors and Audit & Supervisory Board Members regarding management of the Board of Directors and the discussions held at its meetings. An

external organization provides advice on self-assessments and analysis of results gathered from the survey. In addition, survey responses are submitted to the external organization to ensure anonymity.

Effective Improvement Initiatives for FY2024/3

Tasks Set in FY2023/3	Results of Efforts in FY2024/3
Even in the midst of a severely changing business environment, the Board of Directors will further discuss progress, issues, and future strategies to achieve the goals of the Medium-Term Business Plan 2025.	The Company has ensured that all monthly business reports to the Board of Directors members include how much progress was made toward the goals of the Medium-Term Business Plan. The foundation for the Board of Directors discussions was maintained through continued efforts to have in-depth discussions on management issues between the president and outside directors at the Personnel & Remuneration Advisory Committee meetings, in addition to initiatives to enable Directors and Audit & Supervisory Board Members to attend Management Executive Committee meetings, which provide monthly reports, as well as the Group Management Strategy Committee meetings. Active exchanges of opinions, including questions and answers were made to have discussions on more effective ways to address business challenges using the backcasting approach. It was decided that the General Manager of the Planning Division will present a quarterly summary report on the progress of the Medium-Term Business Plan and discuss progress, issues, and future strategies of the plan. In FY2024/3, it was taken up as an agenda item at the regular Board of Directors meetings held in August, November, and February. Discussions were deepened on materiality to attain the Medium-Term Business Plan 2025, thereby achieving the 2030VISION.

Results of Evaluation Conducted in FY2024/3

Questionnaire Items Conducted in FY2024/3 (Total of 6 Categories, 20 Questions)	Main Opinions Identified in the Questionnaire
① Composition of the Board of Directors ② Operation of the Board of Directors ③ Board discussions ④ Support systems for directors and Audit & Supervisory Board Members ⑤ Training for directors and Audit & Supervisory Board Members ⑥ Operation of the Personnel & Remuneration Advisory Committee (eligible respondents to question ⑥: President and outside directors only)	<p>Board discussions</p> <p>Information is provided to outside officers in a timely manner, and constructive discussions are taking place based on such information. Because we are in an era of rapid and disruptive changes, it is desirable to deepen awareness and understanding through discussion on risk as well as the Group's long-term direction and strategies, thereby leading to business transformation.</p> <p>Training for directors and Audit & Supervisory Board Members</p> <p>It would be better to obtain information on new matters for consideration, etc., with expert perspectives added. Site inspections by outside directors and exchanges of opinions with site managers should continue.</p>

Tasks for FY2025/3	Evaluate the current status to gauge progress, and discuss the long-term direction for each of the themes of the Group's initiatives in order to achieve the 2030VISION by enhancing the Group's business model called "Three Circulations."
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Cross-shareholdings

[Holding Policy]

Regarding individual cross-shareholdings, the Company owns stocks that it believes will help to increase its corporate value based on the medium- to long-term economic rationale for holding the stock and the perspective of maintaining and reinforcing comprehensive relationships with business partners. The Board of Directors reviews the holding purpose every year. If the Company deems there to be no good reason to hold certain stocks, the Company shall sell them while considering the profit and loss situation.

[Standards for Exercising Voting Rights]

The Company shall appropriately exercise the voting rights associated with cross-shareholdings by analyzing the content of each proposal and determining whether or not each proposal will increase the corporate value of both the Company and the investee company. The Company shall not vote in favor of any proposals that would impair the corporate value of the Company and the investee company.

Compliance

Basic Stance

Based on NIPPON PAPER GROUP's Action Charter, the Group has positioned its compliance as "Compliance goes beyond laws and regulations to include decency, common sense, customs, and other rules, and 'social norms' that are expected by society in general, and we are called upon to respond to the expectations and trust of society." The Group continually carries out activities that raise employees' awareness of compliance.

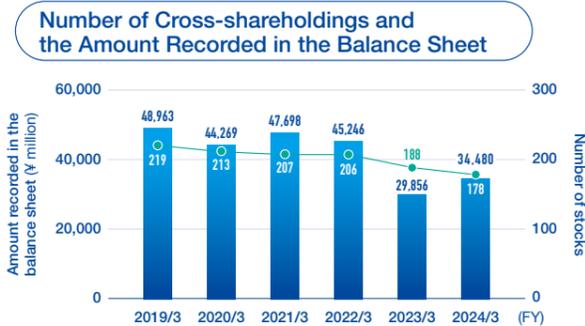
Compliance Activities

The Group strategically carries out compliance training. Regarding anti-corruption, the Group provides training to ensure there are no inappropriate relationships with local governments or civil servants where it conducts business in Japan and overseas, or there is no transfer of inappropriate economic gains to or from customers, business partners, or others. If there are any cases of suspected misconduct, corrective actions are taken to deal with the situation.

The Company has established the NIPPON PAPER GROUP Helpline as an internal whistleblower system that allows users to directly report and consult on any conduct

[Carrying Amount of Deemed Shareholdings]

The carrying amount of deemed shareholdings was ¥40,243 million as of March 31, 2024. Combined with cross-shareholdings, the total amount was ¥74,723 million. This sum represented 15.08% of net assets.



- The Company has been successively reducing the number of these stocks and their holding value. The increase in the amount recorded in the balance sheet in FY2021/3 and FY2024/3 was attributable to the mark-to-market valuation of listed shares.
- The number of stocks and the amount recorded in the balance sheet shown above do not include deemed shareholdings.

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The Compliance Office, which the Company set up within its Sustainability Transformation Division, strives to enhance collaboration on compliance with the compliance managers of Group companies in the Group CSR Liaison Meetings. The operational status of the internal whistleblower system is reported to the Board of Directors, as well as to the Audit & Supervisory Board Members and the Management Executive Committee on a quarterly basis.

that violates laws and regulations regarding human rights, corruption, the environment and other areas, as well as corporate ethics. The Company periodically notifies eligible users about the helpline. Opinions and other reports from third parties not covered by the helpline are accepted through the Contact Us webpage of the Group's website. Since FY2024/3, the Company has started training for general employees in addition to providing continuous training to managers and supervisors in an effort to enhance the prevention of harassment, which is frequently reported.

Cease and Desist Order, etc. Issued by Japan Fair Trade Commission

On March 14, 2024, subsidiary NP Trading received a cease-and-desist order and a payment order for a surcharge from the Japan Fair Trade Commission based on the Antimonopoly Act regarding general competitive bidding for recycled roll paper ordered by the National Printing Bureau. Taking these orders very seriously, NP Trading will implement rigorous measures to prevent any recurrence of this issue. In addition, all other Group companies will conduct thorough training regarding compliance with the Antimonopoly Act to reinforce compliance across the Group and restore trust.

Message from Outside Directors

Feeling Confidence in Accelerating Our Measures

With a Shared Sense of Urgency, the Entire Company Worked Together to Achieve a Return to Profitability

I feel that since the Company was able to turn the significant losses of the previous fiscal year around, producing a profit in FY2024/3 and putting the domestic business back on track with the Medium-Term Business Plan 2025, the mood inside the Company has brightened. Even as it was buffeted by a very challenging business environment, its management team, as well as mid-level and younger employees, all shared a sense of urgency and worked together, and by strengthening internal cooperation and taking steps toward improvement, they also improved the Company's organizational management capabilities. I hope that the confidence gained from overcoming this crisis will work to increase employee motivation, and that with the successful return to profitability, NIPPON PAPER GROUP will also gain its credibility externally.

That said, these efforts cannot end simply because the Company has overcome this particular crisis. It must move forward unceasingly to reform as it works to achieve the targets set out in the Medium-Term Business Plan 2025 and the 2030VISION. To that end, it must further increase the speed at which it implements various measures to address management issues, and I have constantly urged the Board of Directors to do so. Recently, I feel confident that the company has been accelerating the realization of such measures.

The Need for the Transformation of the Business Structure in Response to a Changing Business Environment

The environment surrounding the business is changing drastically, and the Company must constantly take steps to adapt to those changes. The decline in demand for graphic paper is progressing even faster than expected, and I have told those responsible for execution that reorganization of production structure needs to be moved up yet another step ahead of schedule. I am hopeful they will do so, as the management team fully understands this and has stated they will take quick action.

Leadership at the helm and solidarity with employees are important to achieving the transformation of the business structure of the Company. In this respect, I feel President Nozawa is demonstrating that leadership as he works to bring out the best of his employees' capabilities while moving the Group as a whole in a positive direction. At Board of Directors meetings, he listens carefully to the opinions of the outside directors while clearly maintaining his own ideas, which I think facilitates deeper discussion.

In terms of employee engagement, efforts are being



MAKOTO FUJIOKA

Engaged broadly in industrial policy at the Ministry of International Trade and Industry (currently the Ministry of Economy, Trade and Industry), and later became involved in corporate management as Executive Vice President of Nippon Light Metal Co., Ltd. Has extensive overseas experience, including service as Ambassador Extraordinary and Plenipotentiary to the United Arab Emirates.

made to promote communication, including the president himself traveling nationwide to offer opportunities to exchange opinions with employees. In addition, I have been informed there are plans to set up a venue for younger employees to exchange views with divisional general managers outside of their own divisions. I look forward to seeing engagement improve as the Company actively moves to enhance internal communication.

Bringing a Medium- to Long-term Perspective to Creating Products That Impact Society

With regard to new products and new businesses that utilize sustainable wood resources, some may have prospects for turning a relatively quick profit. Of those that might be expected to have a strong impact on contributing to realizing a sustainable society, however, some may require technological breakthroughs in their development, and will need to be approached from a medium- to long-term perspective. The latter have a longer timeline and require that efforts be made now, but I appreciate that even in the past year, those efforts have made steady progress.

Further, to accelerate the development of new products and attempt to expand demand, the Company will need to strengthen its sales capabilities based on a market-oriented approach and enhance collaboration with research institutes and with companies in different industries from the perspective of solutions aimed at solving social issues. While progress can already be seen in several areas, I believe these efforts need to be further strengthened.

In my role as an outside director, I would like to continue to monitor and firmly support appropriate management decision-making by the executive side as the Group works to balance sustained growth with solutions to social issues.

Enhancing Diversity Will be Important for Transformation

Accelerating Diversity and the Promotion of Active Participation by Women

Promoting diversity is a major catalyst for change in companies and the creation of new value. Considering that transformation and value creation can improve corporate value over the medium- to long-term, I believe the promotion of diversity, more than anything, is what NIPPON PAPER GROUP needs now. From the perspective of promoting active participation by women, which is a part of diversity efforts, the number of female employees in the Group has always been small, a trend that is especially apparent in the Group's mills, and it will not be easy to rapidly increase those numbers. Even so, the appointment of the Company's first female executive officer, and the addition of items concerning the active participation of women to the performance evaluations of general managers of the Company's mills and sales divisions, make me think we can look forward to change going forward.

To boost the number of women in management, efforts must be made to reduce the resistance of women to taking management positions. In addition, a system needs to be put in place that will allow employees to feel free to leave the workplace for childbirth, childcare, family care or other reasons, and that rather than assigning work to specific individuals, will make other employees available to cover for them at any time. This, in turn, will lead to the creation of a more comfortable work environment for employees and further, structural transformations for the Company itself. That is why I take every opportunity to let those on the executive side know that I would like to see them successfully put such a structure in place.

A Sense That the Atmosphere at Board of Directors Meetings Has Changed

In the Group, outside directors have a variety of opportunities to speak up, not only at Board of Directors meetings, but at meetings of the Group Management Strategy Committee and other internal committees, and I believe that each of our statements is being taken seriously. At Board of Directors meetings, I used to have the impression that there was little discussion of topics that had already been discussed at other meetings. However, as I have made efforts to speak up as an outside director, I have seen an increase in questions and comments in response to remarks, and I feel the atmosphere has changed to one in which substantive discussions can take place.

At Board of Directors meetings, each of the three outside directors speaks from their respective perspectives. My own approach is to speak from a uniquely outsider stance,



YOKO HATTA

Served as a tax advisor to Japanese companies in the U.S. for more than 10 years, and post-retirement has been contributing to corporate management as an Audit & Supervisory Board Member and director with a unique outside perspective.

based on my knowledge and experience, trying to ensure discussions proceed both appropriately and efficiently. I also engage in frequent, individual communication with those on the executive side, and work to proactively convey my opinions from my position as an outside director.

Hoping to See "Lateral Communication" Deepen Solidly within the Company, with Speedy Investments in New Businesses

As demand for graphic paper declines at an accelerating pace, there is a need to make a strong push for the transformation of the business structure. In last year's Integrated Report, I noted that "lateral communication" is essential to the Group. In that respect, I feel that information sharing among the mills became smoother in FY2024/3, leading to reductions in waste and inventories. In addition, figures presented by each division at their respective meetings initially seemed to be a mere collation of numbers. In FY2024/3, however, they began to present figures based on a firm understanding of their respective situations. The numbers offered were the result of thinking of them as a basis for specific consideration of moves toward overall optimization, and I think the quality of the reports has changed.

Finally, regarding the commercialization of new businesses, even given the fact that these efforts inevitably take time, new businesses cannot grow through incremental investment. While reckless investment is of course a problem, setting and achieving stretch goals for new businesses still requires taking risks. I hope the executive side will carefully determine the points and timing to focus their investments and proactively invest with a sense of speed.

Addressing Important Issues to Realize a Growth Story

Rebuilding Opal Is the Biggest Issue

The expectations of shareholders and investors with regard to the growth story set out by NIPPON PAPER GROUP cannot, unfortunately, be said to be on the rise, as indicated by the share price and the PBR. To improve PBR, the Group needs to clearly convey that growth story and produce results, and to that end, the rebuilding of Opal, the Group's biggest issue, is essential.

The most important issues in that rebuilding are structural transformations at the Maryvale Mill and an expansion of profits in the Packaging Business. For myself, I get the impression that more work needs to be done to expand dialogue with Opal and the Group's other overseas subsidiaries. That said, I believe the core of the problem has finally come to light as the executive side has focused on identifying the fundamental issues underlying the challenges, efforts which have included President Nozawa's own repeated visits to Australia.

While the structural transformations at the Maryvale Mill will come with some pain, this is something that must be done. The Company then needs to steadily implement measures to return the business to profitability if it is to grow the Packaging Business, for which demand is expected to increase in Australia. I believe that completing these tasks will lead to an expansion of the Daily-Life Products Business overall, and will change the way the Group's shareholders and investors view the Group's growth story.

Maximizing the Value of Forests Becomes Even More Important

Efforts to maximize the value of forests and expand biomass products generated from wood resources are also important in describing the Group's growth story.

In Japan, efforts to promote the elite tree seedling production business and to plant elite trees in company-owned forests are being undertaken both to ensure stable procurement of raw materials and to support the revitalization of the plantation business in Japan. In overseas plantation areas, the Company is making full use of its own plantation technology in an effort to improve productivity. As the global economy continues to expand going forward, demand for wood resources may increase further, and I think these efforts will be important from the perspective of ensuring the security of wood resources including procurement.

In expanding biomass products, the Group is focused on expanding applications with its biorefinery concept, which contributes to carbon neutrality and a move away from plastic by generating a variety of products from wood,



YUTAKA KUNIGO

Handled procurement, production, and sales of gas and electricity at his former company and has knowledge and experience in all aspects related to energy. Currently serves as an outside director for three manufacturing companies, including Nippon Paper Industries.

including paper products and energy sources, all backed by the Group's technological capabilities. Sustainable Aviation Fuel (SAF) is also included in this concept, and I expect the Company's SAF to be an area of significant growth in the future given that it is an inedible biomass and will not compete with food applications. This is why I believe it is important that the Company starts now to lay a solid groundwork.

Pushing for a Proactive Approach to Governance

Solving major issues requires taking drastic measures. I have conveyed to the executive side that they should make 2024 a year in which they put more in-depth measures on the table, deepen discussion and begin to move powerfully forward. Since domestic businesses are back on track with the Medium-Term Business Plan 2025, the Group can now turn its attention to rebuilding Opal and set out a firm course for the Group's growth going forward. Further, the Group needs to make a firm commitment to management with an awareness of the cost of capital and share price, recently the focus of attention from shareholders and investors. The Group has already begun discussions about introducing ROIC as an internal management indicator.

In my view, the Group has taken the measures necessary to achieve the targets of the Medium-Term Business Plan 2025. To ensure it achieves those targets and in turn realizes the 2030VISION, it needs to further increase the speed of its various measures and take an appropriate amount of risk in its investments. As an outside director, I will continue to carefully monitor those efforts, and hope to give the executive side the push it needs to engage in an offensive approach to governance.

Risk Management

Basic Stance

NIPPON PAPER GROUP conducts risk management during normal operation, and in the event of emergencies, with the aim of preventing managerial risks from manifesting and minimizing the impact of those that do occur. All possibilities that may result in a physical or economical loss or a loss of credit or disadvantage to the Group are considered risks to the Group.

Basic Policies

- ① Prioritizing human life and safety
- ② Continuing business

Under the aforementioned policies, we will follow and comply with the guidance and recommendations of national and regional governments.

Promotion Structure

Nippon Paper Industries has established its Risk Management Committee, which is chaired by the President and Representative Director under the supervision of the Board of Directors, and meetings are held once per year or more. In normal operations, the committee regularly identifies and evaluates the Group's risks, deliberates on measures to reduce these risks and responds if they materialize, and reports them to the Board of Directors.

In addition, the respective risks relating to product safety, raw materials and purchasing, environment, and safety and

disaster prevention are examined and discussed in committees chaired by the general managers of the respective responsible divisions in the Company. They are then reported to the Company's Board of Directors via the Risk Management Committee.

In an emergency, a Crisis Response Headquarters will be launched. The Crisis Response Headquarters swiftly carries out initial responses and its business continuity plans (BCPs) in emergencies depending on risks such as earthquakes, typhoons, infectious diseases, and others.



Risk Management Activities

[Maintaining the BCPs]

To address major natural disasters that have become more frequent in recent years, the Group continues to maintain BCPs based on the business continuity management (BCM) framework it worked to develop in FY2021/3. In the Company's head office, the BCPs drawn up by each department are made known within the Company. In addition, the Company has stockpiled food and daily necessities and has added equipment that will be needed when the Crisis Response Headquarters is set up, and has also selected important operations. The Company's mills are working to revise existing BCPs around the assumed disaster scenarios of earthquakes, tsunamis, typhoons, floods and volcanic eruptions. Moreover, 32 Group companies have established crisis response regulations. Going forward, the Group will strive to establish and enhance its BCPs.

[Enhancement of Crisis Management]

At the Company's head office, under the framework of the BCM, training is conducted involving the smooth establishment of the Crisis Response Headquarters. The purpose of this training is to improve the Company's crisis management capabilities during the initial response in the event of a crisis. In FY2024/3, a Crisis Response Headquarters set up training was conducted online that assumed the occurrence of a large-scale disaster on a holiday.

[Risk Identification]

In FY2024/3, the Risk Management Committee conducted a risk survey of the Company (head office and mills), domestic consolidated subsidiaries, four non-consolidated subsidiaries and three overseas consolidated subsidiaries. In addition to identifying risks, the committee also confirmed risks that

materialized in FY2024/3 and risks that will increase in importance in the future. Based on the results, the relevant departments and the Risk Management Committee have discussed and identified the business risks of the Group as follows.

Main Business Risks for NIPPON PAPER GROUP (FY2024/3)

	Summary	Main Risk Mitigation Measures
Major Risks Associated with Management Strategies	Risks associated with retention of human resources and labor affairs ▶ Appropriate retention of human resources, based on the human resource strategy ▶ Decrease in workforce population due to a falling birthrate and aging population	▶ Proactive hiring and development of human resources with diverse backgrounds ▶ Development of a work environment that supports flexible work styles ▶ Automation and labor savings at operation sites ▶ Operation of the Occupational Safety and Health Management System
	Risks associated with natural disasters, infectious diseases and others	▶ Establishment of the Crisis Response Headquarters ▶ Maintaining BCPs ▶ Conducting regular training based on disaster scenarios ▶ Through measures to prevent outbreaks of infectious diseases
	Risks associated with climate change ▶ GHG emissions reductions ▶ Response to carbon pricing policies	▶ Reduction of GHG emissions by energy savings and increasing the proportion of renewable and waste energy ▶ Utilization of J-Credits scheme ▶ Promotion of elite trees
	Risks associated with delays in business structure transformation and creating new businesses	▶ Early development of new business competitiveness ▶ Implement measures to expand profitability in growth sectors ▶ Optimize production structure of Opal
	Risks associated with fluctuations in product demand and market conditions	▶ Reorganization of production structure for graphic paper ▶ Development of new products and innovative materials that meet consumer needs
	Risks associated with raw material and fuel procurement and international transportation ▶ Disruption of global supply chains caused by overseas situations ▶ Emergence of the "Logistics 2024 Problem"	▶ Multi-sourced purchasing, diversification of import/export destinations ▶ Review of inventory levels ▶ Expansion of flexibility and procurement network by strengthening horizontal cooperation within NIPPON PAPER GROUP ▶ Joint transport with other companies, introduction of a truck receiving reservation system
Main Risks Associated with the Business Environment and Business Activities	Risks associated with social demands such as ESG, SDGs, etc.	▶ Continuing polite communication with stakeholders ▶ Activities to raise internal awareness
	Risks associated with production facilities	▶ Planned measures against degradation ▶ Preventive maintenance
	Risks associated with compliance	▶ Regular education and training ▶ Compliance awareness survey
	Risks based on product liability	▶ Supervision by the Group Product Risk Committee ▶ Utilization of product liability insurance
	Risks associated with environmental laws and regulations	▶ Dissemination of and compliance with environmental laws and regulations
	Risks associated with subcontracting transactions	▶ Dissemination of and education regarding government policies ▶ Promotion of proper subcontracting transactions
	Risks associated with information systems	▶ Construction and operation of systems in preparation for cyber-attacks ▶ Strengthening Personal Information Management System
	Risks associated with intellectual property disputes	▶ Protecting intellectual property rights ▶ Internal education

Product Safety

Basic Stance

NIPPON PAPER GROUP has made "Delight our customers" (by accurately responding to their needs) one of the requirements of its Vision to realize the Group Mission. Supplying products needed by society with assured safety and quality is a critical issue that a manufacturing company should address as a matter of course. The Group ensures safety and quality based on the Philosophy and Basic Policy on Product Safety, and strives for the stable supply of diverse products that support people's lives and culture while earning the public's trust.

The NIPPON PAPER GROUP Product Risk Committee, chaired by the General Manager of the Sustainability Transformation Division, manages activities related to the Group's product safety and reports on these activities to the Board of Directors through the Risk Management Committee. The Group complies with laws, regulations, etc. in Japan and overseas, and strives to ensure product safety using management methods appropriate to each business or product.

Product Safety Activities

The Group has been working to build its risk management structure with the aim of bolstering product safety management. In FY2022/3, the Group established minimum standards common to all Group companies for product safety and quality assurance, in FY2023/3 major Group companies formulated and began implementing product

risk management regulations based on the minimum standards. Moreover, since FY2024/3, Nippon Paper Industries has been revising its guidelines for manufacturing food-contact paper and paperboard to align with the Positive List System for Food Product Utensils, Containers, and Packaging.

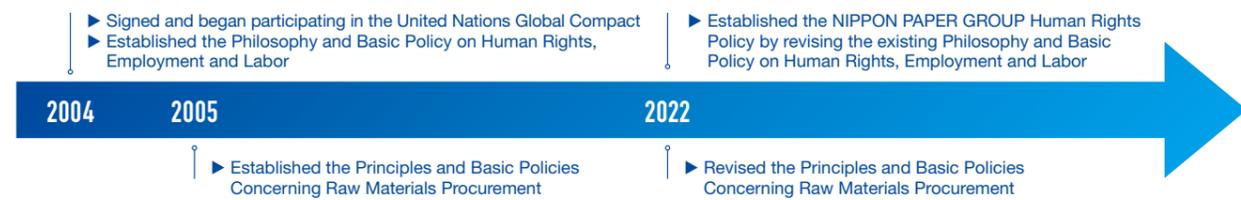
Respect for Human Rights

Basic Stance

In 2022, NIPPON PAPER GROUP established the NIPPON PAPER GROUP Human Rights Policy (hereinafter, "Human Rights Policy") through a resolution by the Board of Directors of Nippon Paper Industries by revising the existing Philosophy and Basic Policy on Human Rights, Employment and Labor (established in 2004). The new policy was created as a means of carrying out more effective activities

to respect human rights in an effort to realize the Group Mission. The Human Rights Policy was established in accordance with global standards such as the United Nations Guiding Principles on Business and Human Rights. In accordance with the Human Rights Policy, the Group will reinforce respect for human rights across the entire value chain.

Policies and Participation in International Initiatives on Human Rights



Promotion Structure and Remedy

The Group has established the Risk Management Committee, supervised by the Board of Directors of the Company and headed by the President and Representative Director, which meets once a year or more. Human rights-related risks within the Group are addressed through the risk management promotion structure (→ P.60).

In addition to the NIPPON PAPER GROUP Helpline system, which the Company set up as an internal whistleblower system, the Group accepts inquiries regarding concerns about any possible violation of human rights through the Group's corporate website (<https://www.nipponpapergroup.com/english/inquire>).

Human Rights Due Diligence

The Company launched its Human Rights Working Group in 2021, thereby introducing human rights due diligence. Meanwhile, it has constructed a human rights due diligence system based on corporate responsibility to protect human rights required by the United Nations Guiding Principles on Business and Human Rights. In 2022, based on its Human Rights Policy, the Company conducted an evaluation of human rights risks with a comprehensive view of value

chains related to the Paper and Paperboard Business, the Paper-Pak Business, and the Chemical Business, and identified high-priority human rights risks that must be addressed. The Company continues to address issues that have been identified and will regularly evaluate its human rights risks while working to expand the scope of such evaluations going forward.

Overview of Human Rights Due Diligence (Nippon Paper Industries)



* The United Nations Guiding Principles on Business and Human Rights

[Process for Identifying Human Rights Risks and High-priority Issues]

- Created a list of human rights risks according to each stakeholder in the value chain based on global standards*.
 - * United Nations Environment Programme Finance Initiative (UNEP FI) Human Rights Guidance Tool, etc.
- Scored human rights risks on the human rights risk list with a focus on the degree of negative impact on human rights, likelihood of occurrence, and relationship and distance from the Company, and identified high-priority risks that must be addressed.

[Preventing and Mitigating Adverse Impact]

Confirmation of Consideration for Human Rights at Overseas Wood Chip Suppliers

The Company revised the Principles and Basic Policies Concerning Raw Materials Procurement (hereinafter, "the Procurement Policies") in 2022 to enhance initiatives for respecting human rights throughout the entire supply chain. Based on the Procurement Policies, the Company has employees in charge of procurement or locally stationed personnel visit overseas wood chip suppliers to conduct interviews covering matters such as health, hygiene, safety, disaster preparedness, working conditions, and local environmental concerns from the perspective of respect for human rights. In FY2024/3, the Company carried out inspections in Brazil and Thailand, and confirmed that there were no problems.

Inspection in Brazil



(Left) Clean and hygienic office restroom
(Right) Fire hydrant situated in a log storage yard

Human Rights Surveys at Contractors of Mills in Japan

The Company regularly sends surveys to contractors of mills in Japan and has them conduct a self-check, mainly to confirm compliance with labor and safety laws and regulations. Survey results are shared with the human resource managers of each mill for the purpose of supporting improvements. In addition, starting from FY2020/3, the Company conducts follow-up surveys. The Company revised survey content based on human rights risk evaluation results in FY2023/3, and accordingly conducted a survey using the revised version in FY2024/3.

Confirmation of Human Rights Issues Associated with Non-wood-based Raw Materials Suppliers

In FY2023/3, the Company formulated an action plan for the procurement of all raw materials based on the Procurement Policies. In FY2024/3, the Company extended the scope of its confirmation of human rights issues pursuant to the action plan, thereby surveying not only suppliers of wood chips, pulp and other wood-based materials as was previously the case, but also critical suppliers of all raw materials in the Paper and Paperboard Business (the surveys are to be administered successively from FY2025/3 onward).

Relationships with External Organizations and Institutions

Exchanges of Opinions with Amnesty International Japan

The Company holds a meeting to exchange opinions with Amnesty International Japan every year. In FY2024/3, opinions were exchanged on matters that included the Company's human rights risk evaluation process, review of human rights surveys of contractors of mills in Japan, and review of surveys administered to raw material suppliers.

Participation in the Global Compact Network Japan's Human Rights Due Diligence Subcommittee

The Company participates in the Global Compact Network Japan's Human Rights Due Diligence Subcommittee, where information is gathered and opinions are exchanged concerning the latest trends in human rights and initiatives by each company.

Education and Training

The Group conducts education and training related to human rights within the Group. In FY2024/3, such education and training included training with the objective of

better preventing harassment, as well as training on respect for human rights provided to employees of the Group pursuant to the Human Rights Policy.

Procurement

Basic Stance

NIPPON PAPER GROUP is working to build a sustainable raw materials procurement system that earns the trust of a broad range of stakeholders through its supply chain management with consideration for the environment and society. In September 2022, the Group revised the Principles and Basic Policies Concerning Raw Materials Procurement

(hereinafter, "Procurement Policies") to allow it to more effectively address issues such as respect for human rights and climate change. The Group is striving to improve the level of raw materials procurement by conducting procurement activities in accordance with the Procurement Policies and promoting dialogues with stakeholders.

Promotion Structure

The NIPPON PAPER GROUP Raw Materials Committee, which is chaired by the General Manager of the Raw Materials and Purchasing Division at Nippon Paper Industries, discusses key issues related to raw materials

procurement for the entire Group, and reports on these issues to the Board of Directors through the Risk Management Committee (→ P.60).

Procurement of Wood Resources

The Group maximizes the use of renewable wood resources through its diverse technology and know-how. As the use of wood resources is indispensable to the Group, it has constructed a system to continually procure resources that are generated from sustainable forest management. The Group newly established the Wood Resources Procurement Guidelines under the Procurement Policies revised in September 2022, and is further strengthening its

procurement system for sustainable forest resources.

Key Points in the Group's Procurement of Wood Resources

- Sourcing from sustainable forests (sustainability)
- Clearly identifying the origin of wood (traceability)
- Maintaining full accountability (accountability)

Management of Suppliers

Raw material for paper, which is the Group's main product, consists of wood resources such as wood chips and wastepaper. In addition to ensuring the legality of woody material supplies, the Company has formulated an action plan to carry out procurement of wood resources that takes into consideration human rights, labor, local communities, and the protection of biodiversity, and has implemented this plan since 2007.

The Company conducts surveys and on-site interviews each year with its overseas suppliers of woody materials to ensure their sustainability. Moreover, the Company receives

third-party verification, utilizing annual forest certification audits and the due diligence system for legal certification stipulated in the Clean Wood Act.

Beginning in FY2024/3, these practices were expanded to include critical suppliers of raw materials in general in the Paper and Paperboard Business, and the Company is preparing to implement an action plan at the same level as that for woody materials. The Company will continue working to strengthen its supply chain management in order to continue to be trusted by customers and other stakeholders going forward.

Contents Used to Survey Suppliers through a Questionnaire (Excerpt)

- Basic information on forests from which materials were sourced (type of tree, compliance with laws and regulations related to forests, etc.)
- Status of obtaining forest certifications
- Establishment of policies and systems regarding human rights and labor
- Implementation of biodiversity efforts
- Coexistence with local communities

Number of Action Plans Implemented for Procurement of Wood Resources (Nippon Paper Industries, FY2024/3)

In Japan	326 wood chip suppliers, 6 pulp suppliers (implemented for all suppliers, compliance verified at all suppliers)
Overseas	21 wood chip suppliers, 19 pulp suppliers, 8 woody fuel suppliers (implemented for all suppliers, compliance verified at all suppliers)