

SHAPING THE FUTURE WITH TREES

NIPPON PAPER GROUP
Integrated Report 2025

For the Fiscal Year Ended March 31, 2025



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Shaping the Future with Trees

At NIPPON PAPER GROUP, we cultivate and fully utilize forest resources to create and deliver a diverse range of products integral to everyday life. Looking ahead, we will continue to develop our businesses with a view to the future of society with the aims of growing as a comprehensive biomass company and driving social sustainability.

MISSION

**NIPPON PAPER GROUP aims to contribute
to better living and cultural progress
everywhere it does business.**

VISION

1. Drive social sustainability through our business
2. Delight our customers
3. Instill pride in employees
4. Give back to society

VALUES

Challenge, Fairness, Teamwork

SLOGAN

**Shaping the Future with Trees
—NIPPON PAPER GROUP—**

**Constantly creating new value and contributing to better living
and cultural progress, as a comprehensive biomass company
shaping the future with trees.**

NIPPON PAPER GROUP Integrated Report 2025 Key Points and Editorial Policy

NIPPON PAPER GROUP publishes integrated reports as a tool for facilitating dialogue with its shareholders, investors, and all other stakeholders to help deepen their understanding of the Group's sustainable growth and efforts to enhance corporate value.

NIPPON PAPER GROUP Integrated Report 2025 highlights the outcomes and challenges of the Group's business structure transformation with a focus on its future growth story. It also outlines the Group's objectives and outlook for overseas business, development of biomass material products, and human resource strategy of placing top priority on securing talent. Moreover, the report contains a detailed

overview of the Group's Green Strategy focusing on the value and utilization of forest resources, which constitute important management resources of the Group. The report also profiles specific examples of initiatives that form the foundation of sustainable value creation, including efforts related to corporate governance and environmental issues.

Through this report, the Group seeks to convey its trajectory toward enhancing its corporate value by leveraging management resources it has cultivated through its foundational Paper and Paperboard Business and by engaging in new value creation.

What it means to be a comprehensive biomass company

A corporate group that consists of multiple businesses which generate stable profits and realize better living and cultural progress. It achieves this by using diverse technologies and know-how to maximize the use of renewable wood resources. This provides a wide range of products that help form a circulation-oriented society, supporting profit growth.



ILLUSTRATION

This illustration is themed on the slogan of the Group Mission, "Shaping the future with trees." It depicts cultivation and utilization of forest resources, which are important management resources of the Group, along with the Group's research and development efforts, and the widespread use of products such as paper, paperboard, and household paper across society.

It also portrays the Group's aim of realizing corporate growth and a sustainable society through expansion of its business into new areas of activity that address a range of anticipated challenges in future society. These areas include the development of feed, chemical additives, fuels, and electricity storage materials derived from forest resources.

Cover illustration by Mizuki Kawaguchi

[About the illustration](#)

CONTENTS

Introduction

- 4 Mission · Vision · Values · Slogan
NIPPON PAPER GROUP Integrated Report 2025
Key Points and Editorial Policy
- 6 Business Structure Transformation
Promoted by NIPPON PAPER GROUP
- 8 At a Glance / History of NIPPON PAPER GROUP

**Business
Structure
Transformation**
Details on NIPPON
PAPER GROUP's shift
to growing businesses

Increasing Corporate Value

- 10 Message from the Chairman
- 12 Message from the President
- 18 NIPPON PAPER GROUP's Value Creation Process
- 20 Important Management Resources
- 22 Value Created by the Three Circulations
- 24 Important Issues (Materiality) to Realize the Group Mission



Business Profitability Enhancement

- 28 Message from the Executive Officer Responsible for Finance
- 32 Progress and Achievements of the Medium-Term Business Plan 2025

Special Feature: Opal

- 34 Strategy by Business
- 36 Paper Business / Paperboard Business
- 37 Liquid Packaging Carton Business /
Household Paper and Healthcare Business
- 38 Chemical Business / Energy Business
- 39 Wood/Building Material Business /
[Column] Logistics Initiatives

Special Feature: Opal
Details on strategy and
outlook of NIPPON PAPER
GROUP's Australian
subsidiary

Green Strategy and Research & Development

Details on NIPPON
PAPER GROUP's
strategy for generating
value from forests,
along with its technolo-
gies and products that
utilize wood resources

Strengthening and Reinforcing Value Creation Ability

- 40 Green Strategy
- 44 Research & Development
- 48 Human Resource Strategy



The Foundations for Sustainable Value Creation

- 52 Directors and Audit & Supervisory Board Members
- 54 Corporate Governance
- 59 Compliance / Occupational Health and Safety
- 60 Message from Outside Directors
- 64 Risk Management
- 65 Product Safety
- 66 Respect for Human Rights
- 68 Nature Conservation
- 74 Procurement
- 75 Stakeholder Engagement



**Nature
Conservation**
Details on NIPPON
PAPER GROUP's
environmental
initiatives

Data Section

- 76 Eleven-year Financial Summary
- 78 Eleven-year ESG Data / Three-year Data by Business
- 80 Company Profile / Investor Information

Business Structure Transformation Promoted by NIPPON PAPER GROUP

Amid persistently declining demand for graphic paper, NIPPON PAPER GROUP has been promoting business structure transformation centered on reorganizing its graphic paper production structure and expanding business in the Daily-Life Products Business and other growth areas. As a result, the ratio of net sales attributable to the Daily-Life Products Business has increased substantially over the last decade. Going forward, the Group will continue to strengthen profitability through business structure transformation, aiming to ensure the achievement of sustainable growth and increased corporate value.

Build a business structure that generates earnings in new growth areas while utilizing existing resources

Accelerate the pace of business structure transformation by simultaneously expanding the Daily-Life Products Business and consolidating production sites of the Graphic Paper Business



Nippon Dynawave Packaging Company, LLC (U.S.) contributes to expansion of the value chain of the liquid packaging carton business and overseas business

1 Business Alliances, M&A

Actively pursue business alliances and M&A to expand overseas business and enhance the value chain

Overseas business expansion

- Acquired Nippon Dynawave Packaging Company, LLC (NDP) of the U.S. (2016)
- Established Opal (Australia) upon transfer of the paperboard business and packaging business from Orora Limited (2020)

Value chain enhancement

- Formed capital business alliance with Shikoku Kakoki Co., Ltd. (2019)
- Acquired a partial equity interest in Elopak ASA (2021)
- Strengthened alliance with Tokushu Tokai Paper Co., Ltd. (2021)

2 Production Capacity Expansion in Growth Areas

Utilize existing resources of the Graphic Paper Business (human resources, pulp and utility supply capacity, supply chains)

Daily-Life Products Business

[Household Paper and Healthcare]

- Crecia-Kasuga (operational launch in 2018)
- Nippon Paper Crecia Miyagi Mill (operational launch in 2024)
- New household paper facility at Nippon Paper Industries Yatsushiro Mill (scheduled to start operations in FY2028/3)

[Opal]

- Wodonga Mill (operational launch in 2023)

Energy Business

- Nippon Paper Ishinomaki Energy Center (operational launch in 2018)
- Yufutsu Energy Center (operational launch in 2023)

3 Reorganization of Graphic Paper Business Production System

Strengthen competitiveness through consolidation of graphic paper production sites. Consolidate into about three sites by FY2029/3

Fixed cost reduction
(FY2022/3–FY2026/3)

Approx. ¥10.0 billion

Production capacity reduction
(FY2022/3–FY2026/3)

Approx. 870,000 tonnes

Production capacity reduction
(FY2026/3 vs. FY2021/3)

Approx. 30%

Paper machine utilization rate

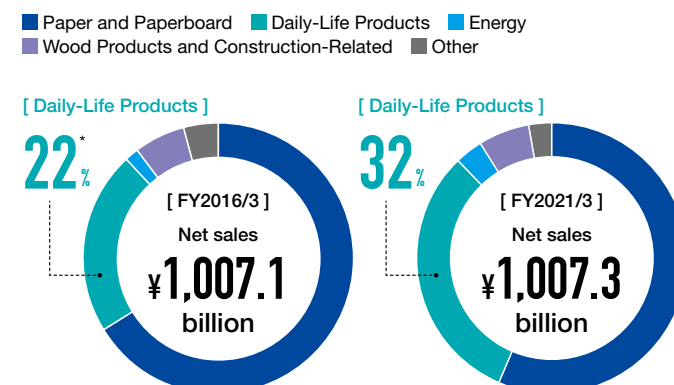
Maintain at around 90%

Transition to a profitable business portfolio by dramatically shifting management resources to the Daily-Life Products Business

Steady progress in expanding net sales of the Daily-Life Products Business
Further strengthen profitability

Shift to a business portfolio that is not reliant on the Paper and Paperboard Business

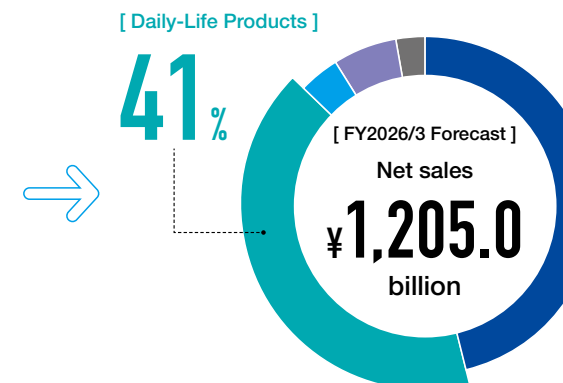
Arrange business alliances and M&A to expand net sales in the Daily-Life Products Business, including overseas



* Figures for FY2016/3 have been restated to reflect the current segment classifications

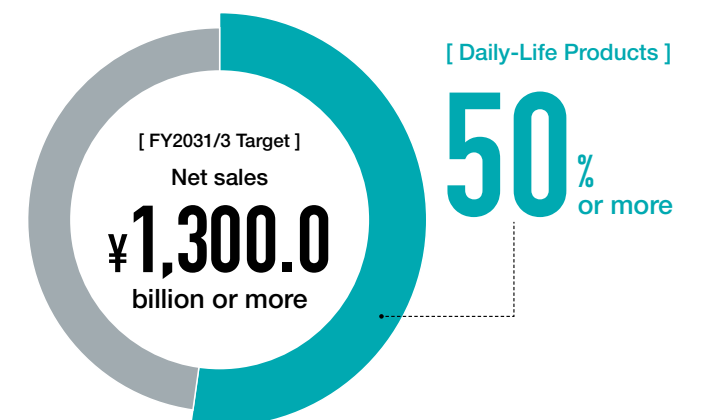
Medium-Term Business Plan 2025 (FY2022/3–FY2026/3)

Accelerate the pace of business structure transformation and focus management resources on growing businesses

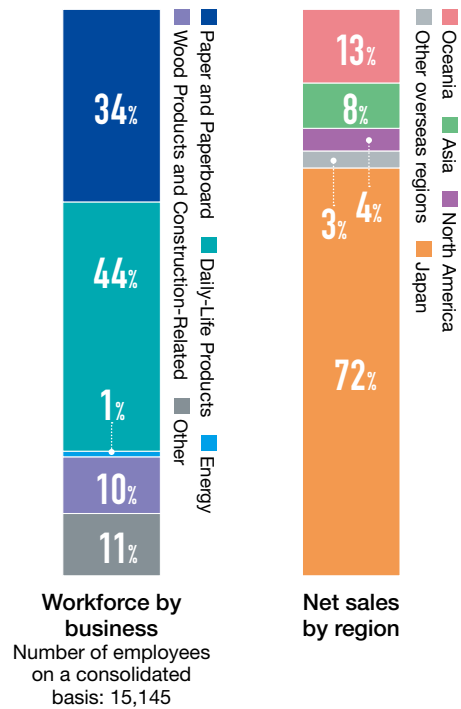
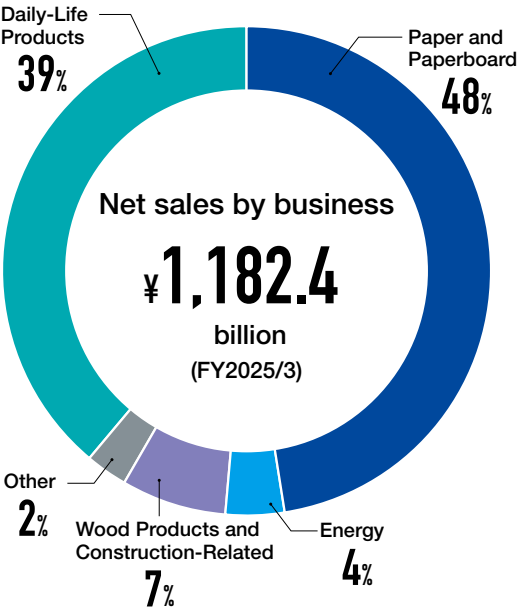


Achieve the 2030VISION

Further expand business domains of growth and new businesses, and realize sustainable growth as a comprehensive biomass company shaping the future with trees



At a Glance



Paper and Paperboard Business

[Paper] Not only develops and sells products that pursue the function of paper as a means of conveying information, but environmentally-friendly products that take advantage of paper's recyclability and biodegradability. [Paperboard] Through product development in line with the changing times and using the latest, environmentally-friendly manufacturing technologies, offers products with outstanding safety, lamination properties and workability.

FY2025/3	Net sales	¥565.9 billion
	Operating income	¥8.3 billion



Energy Business

Engages in power generation business using woody biomass fuels and other resources, leveraging expertise from in-house power generation accumulated at its paper mills. Is also pushing to further expand its ability to supply renewable energy toward building a carbon neutral society.

FY2025/3	Net sales	¥48.3 billion
	Operating income	¥3.6 billion



Wood Products and Construction-Related Business

In Japan and overseas, purchases and sells wood and lumber products, and utilizing NIPPON PAPER GROUP's domestic and imported wood procurement networks, supplies biomass fuels and other resources. Conducts plantation businesses in Brazil, producing and selling wood chips.

FY2025/3	Net sales	¥78.8 billion
	Operating income	¥9.6 billion



Other Businesses

The leisure business manages ski resorts, campgrounds, golf practice ranges and other types of facilities. The logistics business transports products shipped from Group mills and other facilities, and handles storage operations at its warehouses.

FY2025/3	Net sales	¥31.5 billion
	Operating income	¥4.3 billion



Daily-Life Products Business

[Packaging]

[Japan] Sells high value-added paper cartons using a total system encompassing everything from processing of liquid packaging board to sales and maintenance of filling machines.

[Overseas] Produces and processes base paper, etc. for packaging at Opal (Australia) and NDP (North America).

P.34-35 Special Feature: Opal

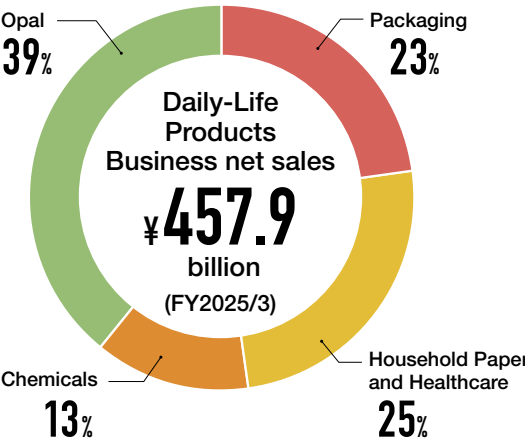
[Household Paper and Healthcare]

Offers a wide variety of products, including household products such as Kleenex® and SCOTTIE® brand facial tissue and toilet paper; healthcare products that meet needs of an aging society such as Poise® brand light incontinence items, as well as industrial and professional products.

[Chemicals]

Provides chemical products used across a wide range of fields, including food and cosmetics, by fully utilizing wood components such as cellulose and lignin. Also handles products that leverage coating technologies.

P.44-47 Research & Development



Differentiated products such as School POP® strawless milk cartons for schools and NSATOM® to accommodate solid and high-viscosity content



"Long-lasting & compact" products that contribute to ease of use and lower environmental impact



Healthcare products using highly effective deodorant sheets made with cellulose nanofiber (CNF)



Cellulose powder made from finely ground pulp



Cellulose nanofiber (CNF) obtained by nano defibration of pulp

FY2025/3	Net sales	¥457.9 billion
	Operating income (loss)	¥(6.1) billion

History of NIPPON PAPER GROUP

[1870s-1980s] From Development and Creation of New Culture to Expanding Applications

Eiichi Shibusawa and partners established Shoshi Kaisha, which contributed to Japan's modernization by meeting surging demand for paper. After World War II, it expanded its business by providing greater awareness of hygiene and comfort in people's daily lives, with products that included facial tissues and liquid packaging cartons.

[1873]
Shoshi Kaisha established

[1949]
Jujo Paper established

[1990s-2000s] Nippon Paper Industries Established Business Expansion Driven by Mergers

Through mergers and business integration, NIPPON PAPER GROUP became the largest paper company in Japan in terms of production capacity for paper, paperboard and household paper, with net sales topping ¥1 trillion in 1995. Upon establishing the Nippon Unipac Holding Environmental Charter in 2001, it has served as an industry leader in promoting environmental initiatives.

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

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

[2010s] Business Structure Transformation, Accelerating Global Expansion

Since the Great East Japan Earthquake, the Group has worked to expand its Energy Business, including woody biomass power generation. At the same time, it has been responding to declining demand for graphic paper by transforming its business structure to the Daily-Life Products Business and other growing businesses, and by promoting expansion of its overseas business.

[2013]
Nippon Paper Industries and Nippon Paper Group, Inc. merge to form the new Nippon Paper Industries

[2020s] Realizing a Sustainable Society Creating New Value

The Group is accelerating the development of businesses that utilize wood resources to address issues such as climate change and to contribute to the realization of a sustainable society. It also develops and encourages the uptake of new biomass products, and promotes recycling of products.