

Integrated Report 2025

Paper Innovation for a Connected Future



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KPP Group Philosophy

KPP GROUP WAY



VISION GIFT	Globalization	Leverage our global network to become a leading pulp and paper company
	Innovation	Pioneer the future with "Paper Innovation" and contribute to society through green business in harmony with people and the planet
	Function	Promote e-commerce and take on the challenges of new business domains
	Trust	Continue working to be a reliable company trusted by stakeholders

What is the KPP Group Way?

The KPP Group Way is the guiding philosophy of the KPP Group, expressed as a three-tiered pyramid of Mission, Vision, and Values. Our Mission incorporates the concept of purpose-driven management, articulating the KPP Group's raison d'être and objectives. The Vision is encapsulated in GIFT—derived from *Globalization, Innovation, Function, and Trust*—which outlines the KPP Group's ideal path and future direction. Building on this foundation, we established our long-term management vision, *GIFT 2030*. Our Values summarize three core principles that every member of the KPP Group should share. At the heart of our identity lies *Paper Innovation*, the DNA that has driven our growth over a century since our founding. Guided by the KPP Group Way, we are committed to contributing to the realization of a recycling-oriented society and supporting the future of our planet.

Corporate Message

Paper Innovation for a Connected Future

The origins of writing can be traced back to 4000 BC.

Paper was invented after people added the written word to verbal communication, and printing technology evolved.

The invention of the printing press played a pivotal role in cultural movements (the Renaissance), the Scientific Revolution, and the Reformation in medieval Europe, and paper, as a printing medium, has supported written and print culture, serving as a means of communication that has facilitated the exchange of ideas and the expression of thoughts, thus contributing to humanity.

Today, paper is entering new domains as an environmentally responsible material, with its applications continuing to expand.

The KPP Group, as a key player for the distribution in the pulp and paper industry, aims to find added value in paper as a material and contribute to the realization of a recycling-oriented society

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KPP Group at a Glance

Established

1924


We have contributed to cultural development through our paper-related business and the creation of environmentally responsible products and services.

Market Position as a Paper Merchant

Japan

Consolidated Net Sales


No. 1



Global

(estimated)

No. 3



Consolidated Net Sale

670,042

 million yen

Operating Income

13,544

 million yen

ROE

9.5%

Equity Ratio

24.5%

Total Number of Employees

5,974

Global Network

46

countries and regions

194

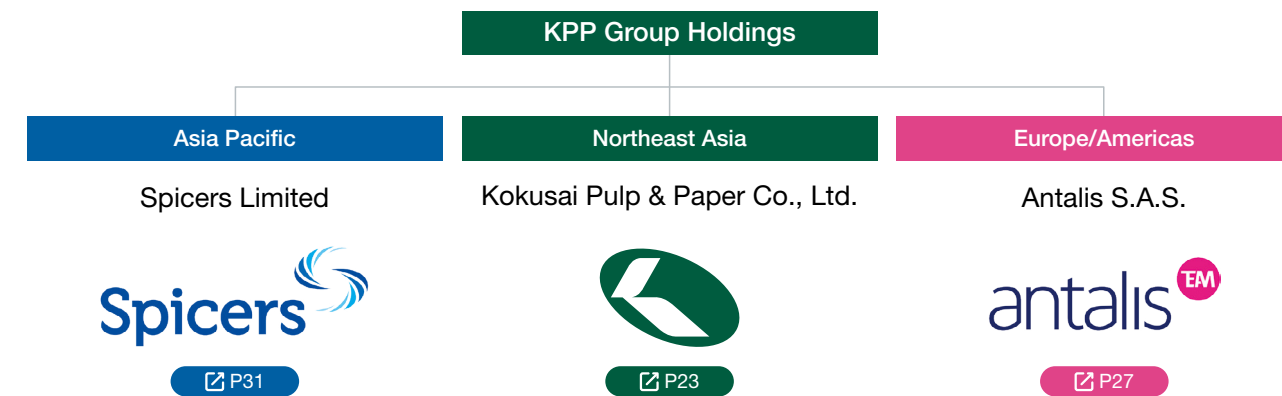
cities

213

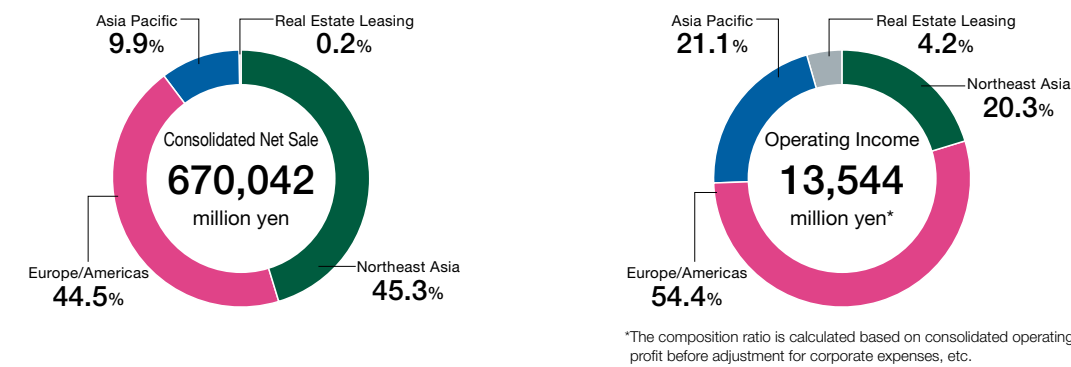
locations

As of March 31, 2025

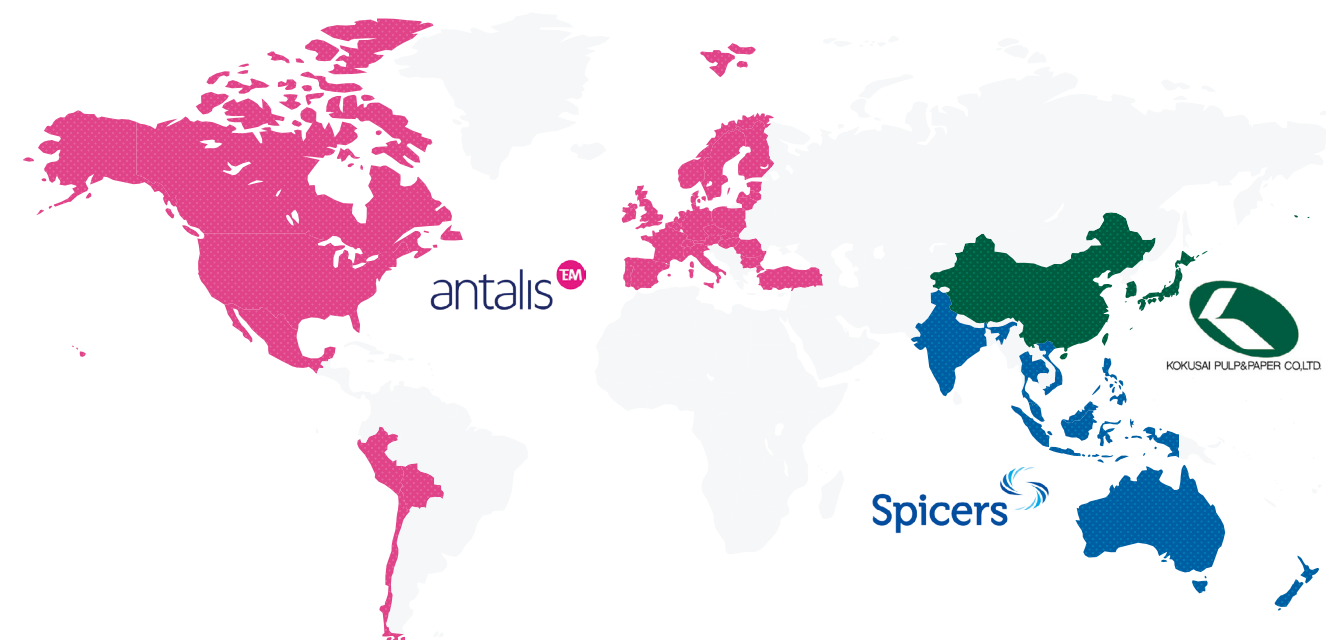
The KPP Group operates businesses in paper, packaging, and visual communications across 46 countries and regions, covering 194 cities worldwide. Under its holding company KPP Group Holdings, three regional headquarters—Kokusai Pulp & Paper, Spicers, and Antalis—are responsible for strategy formulation and business operations in their respective regions. The Group's reporting segments consist of four categories: Northeast Asia, Asia Pacific, Europe/Americas, and Real Estate Leasing.



Sales and Profit by Segment (Fiscal year ended March 2025)



KPP Group's Global Presence



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Core Businesses and Business Model

The KPP Group continues to explore the potential of its founding paper business while shifting its portfolio toward higher-margin fields such as packaging and visual communications. Globally, we operate a **hybrid business model** that applies region-specific approaches to enhance profitability. In Europe, the Americas, and Oceania, we have expanded the merchant-type model through M&A, strengthening our overall revenue base.

In Japan, we operate a **totally recycling-oriented business model** combining wholesale distribution of paper and

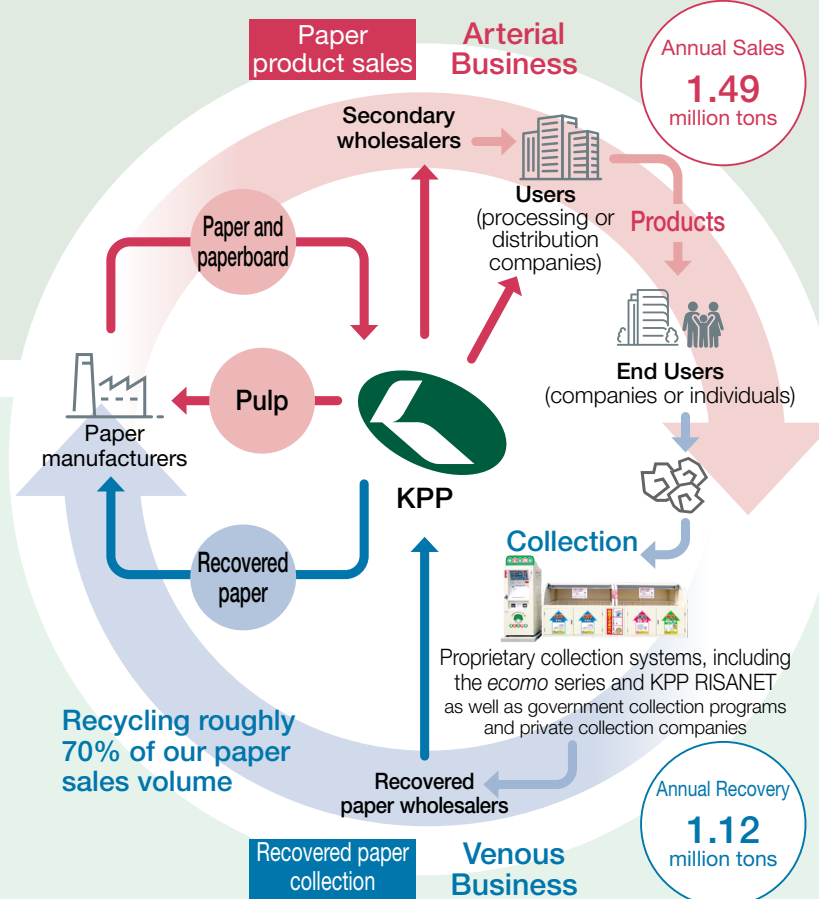
Hybrid Business Model

Merchant-Type	Europe, the Americas, and Oceania	It operates large logistics warehouses, provides delivery and cutting services, and undertakes marketing, private-label product development, and e-commerce.
Distributor-Type	Japan	This model, based on distributor agreements with manufacturers, combines supply to secondary wholesalers with direct sales to end users.
Trading-Type	Overseas	A trading business that leverages our global network in paper, paperboard, and raw materials for papermaking.



Paper and Paperboard Business

We offer a wide range of paper and paperboard products, including printing paper for books, magazines, and catalogs; office paper; containerboard; boxboard for packaging; and high-grade board for card games, providing solutions tailored to each use.

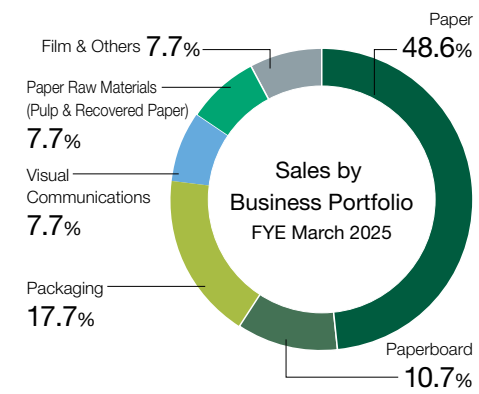


Paper Raw Materials (Pulp & Recovered Paper) Business

Japan's paper industry relies on recovered paper, which accounts for about 60% of domestic raw materials. We position our paper sales as the "arterial business" and our recovered paper collection as the "venous business," recycling an amount equivalent to about 70% of the paper we sell in Japan. Collection is carried out through our nationwide network of recycled paper dealers, KPP RISANET, and our proprietary *ecomomo* collection solutions.



Totally Recycling-oriented Business Model



paperboard with recovered paper collection. We also focus on creating businesses that contribute to a sustainable society, including products that reduce plastic use and systems that improve the operational efficiency of biomass power plants.

Other Businesses ● Real estate ● Paper converting machinery sales ● Film sales, etc.

Packaging Business

We provide customized packaging solutions tailored to our customers' needs across a wide range of industries, including automotive, electronics, machinery, metals, food, and chemicals. Our specialized teams carefully analyze each customer's challenges and requirements to develop optimal packaging solutions, while leveraging an extensive supplier and manufacturer network to procure high-quality materials at competitive prices.



Visual Communications Business

We offer visually impactful media solutions such as indoor and outdoor signage, interior decorations, vehicle wrapping, and large-format printing. We provide tailored proposals, installation support, and actively promote the use of more sustainable materials.



ecomomo What is ecomomo?

- **Town ecomomo**
Users bring used paper to collection machines at stores and receive shopping points. The service makes recycling easy and helps stores attract customers.
- **Office ecomomo**
A secure service that collects confidential documents in dedicated boxes and recycles them into raw materials for papermaking.
- **ecomomo Closed Recycling Service**
A one-stop recycling system that collects paper and other waste from a client's operations, recycles it into new products or materials for the same client, and visualizes data such as emissions, recycling routes, and recycled quantities to support closed-loop recycling.

Environment-related Business

We develop and promote environmentally responsible products, materials, and solutions that contribute to reducing environmental impact through paper-based alternatives, plastic reduction, and recycling. Our OJO⁺ Paper Turf is increasingly used as a sustainable alternative to plastic artificial turf, which can generate microplastics. We are also expanding global proposals for paper-based cushioning materials, face covers, non-fluorinated oil-resistant paper, and high-transparency paper packaging. We are promoting new businesses such as BMecomomo, which develops biomass power plant management systems, and KPP Agri Solutions, an in-house venture supporting circular agriculture.

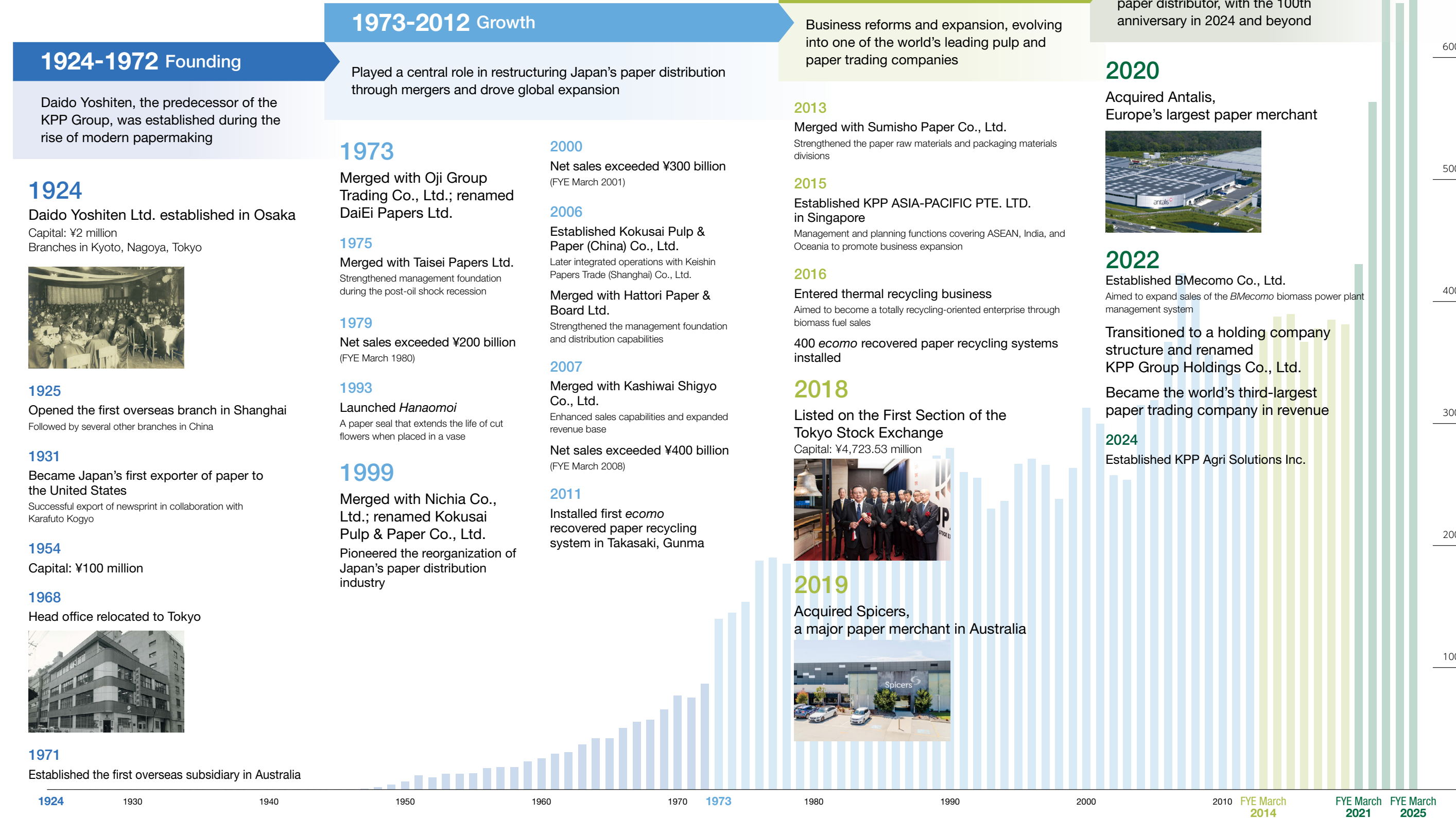


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History of KPP Group

Since its founding in 1924, the KPP Group has evolved to meet changing times, contributing to cultural advancement through paper distribution. It has played a key role in reorganizing Japan's paper distribution via strategic mergers with like-minded distributors. More recently, the Group became the world's third-largest paper trading company in revenue by acquiring leading merchants in Australia and Europe, expanding its presence in growing international markets. The Group remains committed to exploring the potential of paper and creating new business opportunities.



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Madoka Tanabe

田辺 円

Representative Director of the Board
Chairman

From Nine Years of Challenge to a New Era of Leadership

To Our Shareholders and Investors

We are pleased to announce that the KPP Group celebrated its 100th anniversary in November 2024. We would like to express our heartfelt gratitude to all those who have supported our growth over the years—our predecessors who laid the foundation of our business, our employees, and our valued business partners. To show our appreciation to our shareholders, we paid a commemorative dividend of ¥5 in addition to the regular dividend. Furthermore, starting from March 2025, we introduced a shareholder benefit program through which Book Gift Cards are presented to our shareholders. Recently, I came across a saying that expands upon the well-known proverb “*Seeing once is better than hearing a hundred times*” (commonly rendered in English as “*Seeing is believing*” or “*A picture is worth a thousand words*”). It goes, “*Reading once is also better than hearing a hundred times.*” I sincerely hope that reading will open up new worlds of knowledge and enrich the lives of our shareholders. At the same time, we remain committed to creating a positive cycle in which the profits generated through our business activities are shared with society and contribute to cultural development, helping to sustain our long-term growth.

Nine-Year Journey toward a Global KPP

Our long-term management vision *GIFT+1 2024*, launched in the fiscal year ended March 2017, was a nine-year business enhancement plan culminating in our 100th anniversary in 2024. Among its key priorities were our stock market listing and inorganic growth through overseas M&A, which successfully transformed the company from a domestic organization rooted in Japan into a truly global enterprise with operations spanning 46 countries and regions and 194 cities worldwide.

Responding to Structural Changes in Demand

Since the beginning of the 21st century, the demand structure for paper has undergone significant change. With the advance of digitalization and declining birthrates, demand for graphic paper has decreased, while packaging and hygiene-related paper, which are linked to everyday life,

have continued to grow. For our company, whose business had long centered on graphic paper, M&A served as an effective means to expand our business areas and simultaneously restructure our portfolio. The acquisition of Spicers in Australia and Antalis in France brought us leading sales networks and scale in the Oceania and European regions, respectively. Both companies have strong positions in the packaging and visual communications businesses, and we expect to generate synergies within the KPP Group.

This fiscal year marks the start of our new long-term vision, *GIFT 2030*, which spans the Fourth and Fifth Medium-Term Business Plans. In the pulp and paper industry, manufacturers are advancing research in wood chemistry and exploring new applications for pulp, ranging from cellulose nanofibers and bioethanol to energy and pharmaceuticals. As a result, the traditional broad and cohesive partnerships between paper manufacturers and paper distributors are expected to shift toward more selective, specialized “point-to-point” collaborations. During the Fourth Medium-Term Business Plan, we anticipate continued restructuring within Japan’s domestic paper distribution sector, while overseas we prioritize entering the North American market through M&A and advancing the restructuring of our business in China.

Expectations for the New CEO

With the launch of *GIFT 2030*, I have passed the baton of CEO to President Sakata. Sakata played a central role in the M&A of Spicers and Antalis, and later served for three years as CFO of Antalis, where he oversaw finance and post-merger integration. With his broad global perspective and keen insight into business fundamentals, I am confident that he will foster a corporate culture where all employees embrace and embody the spirit of *GIFT 2030*.

Looking ahead, we will continue to enhance corporate value by contributing to a sustainable, circular economy through our recycling-oriented business model. At the same time, we will strive to meet the expectations of our stakeholders by supporting the growth of existing customers and expanding our customer base through M&A. We sincerely ask for your continued support and encouragement.

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CEO's Message

A Three-Year Challenge for Transformation

A Commitment to Constant Evolution toward Achieving *GIFT 2030*

Q You became CEO this year, as the new long-term vision *GIFT 2030* and the Fourth Medium-Term Business Plan were launched. How do you view the current business environment and the challenges facing the company?

The pulp and paper industry is undergoing a period of profound change. In developed countries, the shift toward paperless operations continues to accelerate, driving a steady decline in the consumption of graphic paper. Structural changes such as population decline have also led to a wave of consolidation across the industry, with leading paper manufacturers in Europe and North America engaging in large-scale cross-Atlantic mergers. We are now standing at a major turning point in our industry.

Although this may appear to be a time of crisis, periods of dramatic change also present opportunities. The challenges we face today have occurred in other industries in the past, and only those companies that successfully adapted to change have continued to thrive.

The KPP Group achieved significant growth under our Third Medium-Term Business Plan, transforming the very shape of our organisation. Through a series of M&A initiatives both in Japan and overseas, we expanded our

regional footprint while broadening the range of products, services, and solutions we offer, evolving into a truly global enterprise.

However, in an increasingly uncertain external environment, simply repeating what has worked in the past will not ensure survival. We must avoid becoming complacent and continue expanding into new business domains. To capture emerging market opportunities, we must stay alert, gather insights swiftly, and boldly take on new challenges.

With a history spanning over a century, our Group now operates in 46 countries and regions and 194 cities worldwide, maintaining strong relationships with suppliers and customers across the globe. We will leverage these strengths to further solidify our position as a top-tier player in the industry, while proactively pursuing new business fields and swiftly advancing the transformation and expansion of our business portfolio.

Q What do you consider most important in achieving *GIFT 2030*?

When formulating *GIFT 2030*, our new long-term management vision marking the first step toward our next 100 years, we asked our employees around the world, particularly the generation who will lead the Group in 2030, two questions: "What kind of society will we live in by 2030?" and "What kind of company do we want to be at that time?"

Among the many responses we received, two points stood out in common: First, the aspiration to become a top-class company in each region and business segment; and second, the desire to foster a corporate culture that boldly embraces new challenges. Based on these insights, we defined our vision for 2030 as follows:

While pursuing the potential of paper—our founding business— we are also advancing the transformation of our business portfolio and striving to create new businesses and expand into new domains. We aim to become a top-tier global company by continuing to provide high-quality value-added products, services, and solutions that meet our customers' needs.



Yasuyuki Sakata

坂田 康之

Representative Director of the Board
President & Chief Executive Officer

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CEO's Message

To achieve this vision and goal, we formulated *GIFT 2030*, which is built on three pillars, the Business Strategy, the Sustainability Strategy, and the Financial Strategy, covering the respective areas of business, ESG, and finance.

Among these three pillars, the Business Strategy is the one we place great emphasis on, as it is essential to building a strong company that generates sound profits. To this end, we will go beyond the boundaries of the traditional paper business and pursue new areas of growth by focusing on four key initiatives: (1) Expansion of Business Domains, (2) Transformation of the Business Portfolio, (3) Pursuit of Global Synergies, and (4) Expansion of E-business and Promotion of Digital Transformation (DX). We believe that steadily implementing these initiatives is crucial to achieving our goals.



Q As the first step toward achieving this vision, what kind of growth strategy have you outlined in the Fourth Medium-Term Business Plan covering the fiscal years ending March 2026 to March 2028?

During the previous medium-term business plan period, performance fell short of expectations in the final fiscal year due to external factors such as geopolitical risks and inflation, as well as delays in responding to challenges in certain businesses, including the UK, China, and pulp operations. We take this outcome seriously and will use it as a foundation for improvement. Under the Fourth Medium-Term Business Plan, we will strengthen our earning structure so that we can stably generate around ¥15 billion in operating income per year, regardless of external conditions, and aim to achieve a higher level of ¥20 billion in the final year.

To achieve this goal, we will pursue four key initiatives under our Business Strategy, as mentioned earlier. In the area of *Expansion of Business Domains*, our business portfolio has already grown beyond paper to include packaging, visual communications, recycling, and films. Looking ahead, we will further broaden our scope by developing new products, reaching new customers, and creating new business models.

For example, in the European packaging business, our focus has traditionally been on packaging for automotive and machinery components. Going forward, we will broaden our target industries and customer base to reduce dependence on any single sector or client. Because overreliance on one industry could quickly affect our results if that market weakens, it is essential to continuously explore and expand into new business areas. To achieve this, we will fully leverage Group synergies by sharing customer and product information across our global network.

We will also expand the scope of our business regionally. This will involve extending our operations into regions where we have not previously had a presence, as well as

into areas where our current footprint is insufficient. Expanding into the United States is a particular key objective of the Fourth Medium-Term Business Plan.

Under the heading *Transformation of the Business Portfolio*, we will accelerate the transition from 'paper' to 'packaging' and 'visual communications' across the entire Group. This shift was previously initiated by our two overseas companies, Spicers and Antalis. Both companies have pursued bolt-on M&A, acquiring businesses that complement existing operations by adding new products, customers, markets, and regions. This approach has steadily expanded their packaging and visual communications businesses, and we will continue to drive such initiatives. At the same time, we will actively invest in the visual communications and packaging fields in Japan, further promoting the transformation of our domestic business portfolio.

To implement these initiatives effectively, *Pursuit of Global Synergies* is essential. During the previous plan, we achieved synergies mainly in the areas of finance and compliance, notably by establishing strong internal control and audit systems that give us a clear understanding of the Group's management realities. In the current plan, we position the creation of business synergies in purchasing, products, customers, and marketing as one of the most important objectives.

To strengthen this framework, we established two new organisations in August 2025. The Group Purchasing and Products Division promotes Group-wide sharing of procurement and product information, while the Group Marketing and Sales Information Office oversees the sharing of customer information, mutual support for new customer acquisition, and the development of optimal sales strategies. Our three regional headquarters—Kokusai Pulp &

Paper, Spicers, and Antalis—each have long histories and solid business foundations built on products and services tailored to their respective markets. Each company is a top-class merchant in its region, and by working together, we expect to generate significant synergies. By sharing and deploying their business models across the Group, we aim to develop new business domains and achieve further growth while securing market share and strengthening our position in existing businesses.

Lastly, in the area of *Expansion of E-business and Promotion of DX*, both overseas companies have made significant progress through their online shops, where the

share of customer purchases made via the internet continues to grow each year. Going forward, we will promote the expansion of E-business across the entire Group to enhance operational efficiency for both our customers and ourselves, while further broadening our customer base. In addition, by leveraging digital technologies such as AI, we aim not only to improve efficiency but also to redesign our overall business model and create new added value.

These four key initiatives are already underway, and we intend to implement these changes quickly within the available timeframe.

Q As an organisation driving transformation, what kind of talent and organisational development will you focus on going forward?

At KPP Group, one of the core values in our corporate philosophy, *The KPP Group Way*, is to *Cultivate Accountable People*. True to this belief, we encourage our employees to think and act independently.

Our company has always fostered an open and liberal organisational culture, which provides a fertile ground for developing self-reliant individuals, and this has been a key part of our company's ethos from the very beginning. To drive transformation, it is not enough to rely on others; each individual must think independently, voice their opinions, and act on what they truly believe has value, without being swayed by others. At the same time, we recognize the importance of enhancing our HR systems to further encourage such proactive behaviour.

As we work to expand our business domains, we are reviewing our HR evaluation systems to ensure that cross-selling, information sharing and new initiatives aimed at realizing Group synergies are properly reflected in employee assessments. In addition, we are preparing to launch an internal entrepreneur program that will invite employees to propose and lead new business ventures. Each selected project will receive funding for three years,

after which we will determine whether to develop it into a full-scale business based on the results achieved.

New ventures have already emerged from Kokusai Pulp & Paper even before the launch of this program. Examples include the development and sales of *OJO* Paper Turf*, an artificial grass product made from paper, and *BMecomo*, a system designed to enhance operational efficiency at biomass power plants. Through the internal entrepreneur program, we aim to further expand and accelerate such innovation across the entire Group.

Furthermore, to commemorate our 100th anniversary in 2024, we established the KPP Group Awards, an internal recognition program that honours employees and teams for their outstanding contributions in their respective fields. We plan to continue this initiative throughout the Fourth Medium-Term Business Plan and present awards on a broader scale in the final year.

Through these measures, we will foster a corporate culture that encourages individuals to think and act independently, supports new challenges, and creates an environment where everyone can thrive.

Q Lastly, please tell us about your approach to shareholder returns and future growth.

Since transitioning to a holding company structure in 2022, we have striven to provide our shareholders and investors with transparent disclosure of information and open communication.

Beginning with the fiscal year ending March 2025, we have adopted a new dividend policy that targets a consolidated dividend payout ratio of around 30% and sets a consolidated dividend on equity (DOE) of no less than 3.0% as the minimum threshold. Furthermore, as part of our flexible shareholder return strategy, we are proceeding with the acquisition of treasury shares and introducing

a shareholder benefits programme, with the aim of further enhancing shareholder returns.

What we strive for is not merely business expansion in scale, but to be a strong and resilient company that continuously generates sound profits by providing high-quality, high-value-added products, services, and solutions to our customers.

We sincerely hope that all our stakeholders will continue to share our expectations for the KPP Group's ongoing global growth.

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Value Creation Process

External Environment

- Progress of Climate Change
- Shift of the Center of the Global Economy
- Regional Population Increases and Decreases
- Transition to a Circular Economy
- Marine Plastic Pollution Problem
- Progress of Digitalization
- Depletion of Underground Resources

KPP GROUP WAY

Corporate Message

Paper Innovation for a Connected Future

Materiality

- Global expansion
- Response to DX
- Implementation of eco-responsible business
- Climate change countermeasures
- Promotion of human capital management
- Enhancement of governance

MISSION

Contributing to the realization of a recycling-oriented society

VISION

GIFT
Globalization | Innovation | Function | Trust

VALUES

Pioneering the Future with "Paper Innovation" | Cultivate Accountable People | Open-minded Organization

DNA Supporting the Organization

Paper Innovation

Management Capital

(Fiscal year ended March 2025)

Financial Capital

- Sound financial base with an equity ratio of 24.5%
- Total Assets: **352.0** billion yen

Manufacturing Capital

- Operating across **46** countries and regions with **213** locations in **194** cities, including 143 logistics centers and design centers

Intellectual Capital

- Deep expertise in the pulp and paper industry, coupled with strong capabilities in product and solution development
- Proven track record in developing recycling-oriented business models
- Expertise and proven track record in downstream sectors such as packaging and visual communications at our international locations

Human Capital

- **5,974** employees with diverse backgrounds

Social and Relational Capital

- A robust customer base built on a century of trust
- A supply network of **4,600** companies and a customer base of **130,000** businesses
- Organizer of Japan's paper recycling network, KPP RISANET

Natural Capital

- Electricity consumption: **25,712,758** kWh*
- Water consumption: **34,339** m³*

*See page 59, "Non-Financial Highlights," notes on electricity and water consumption for calculation scope details.

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GIFT 2030

Business Strategy

- Expansion of Business Domains
- Transformation of the Business Portfolio
- Pursuit of Global Synergies
- Expansion of E-business and Promotion of DX

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Sustainability Strategy

- Implementation of Eco-responsible Business
- Climate Change Countermeasures
- Promotion of Human Capital Management
- Enhancement of Governance

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Financial Strategy

- Securing Funds for Growth Investments
- Balancing Capital Efficiency and Financial Soundness
- Enhancing Shareholder Returns

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Outcomes and Delivered Value

Society

- Driving the transition to circular resources by providing plastic-free, paper-based solutions
- Contributing to the development of a recycling-oriented society through the use of sustainable forest resources and the collection and recycling of recovered paper

Partners & Customers

- Connect producers and customers through an efficient supply chain to ensure a stable supply of paper products
- Provide expertise on paper properties and applications to deliver solutions that meet customer needs

Economy

- Contribute to regional economic development by creating jobs and fostering partnerships with local businesses

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Long-Term Management Vision: GIFT 2030

The Future We Aim For

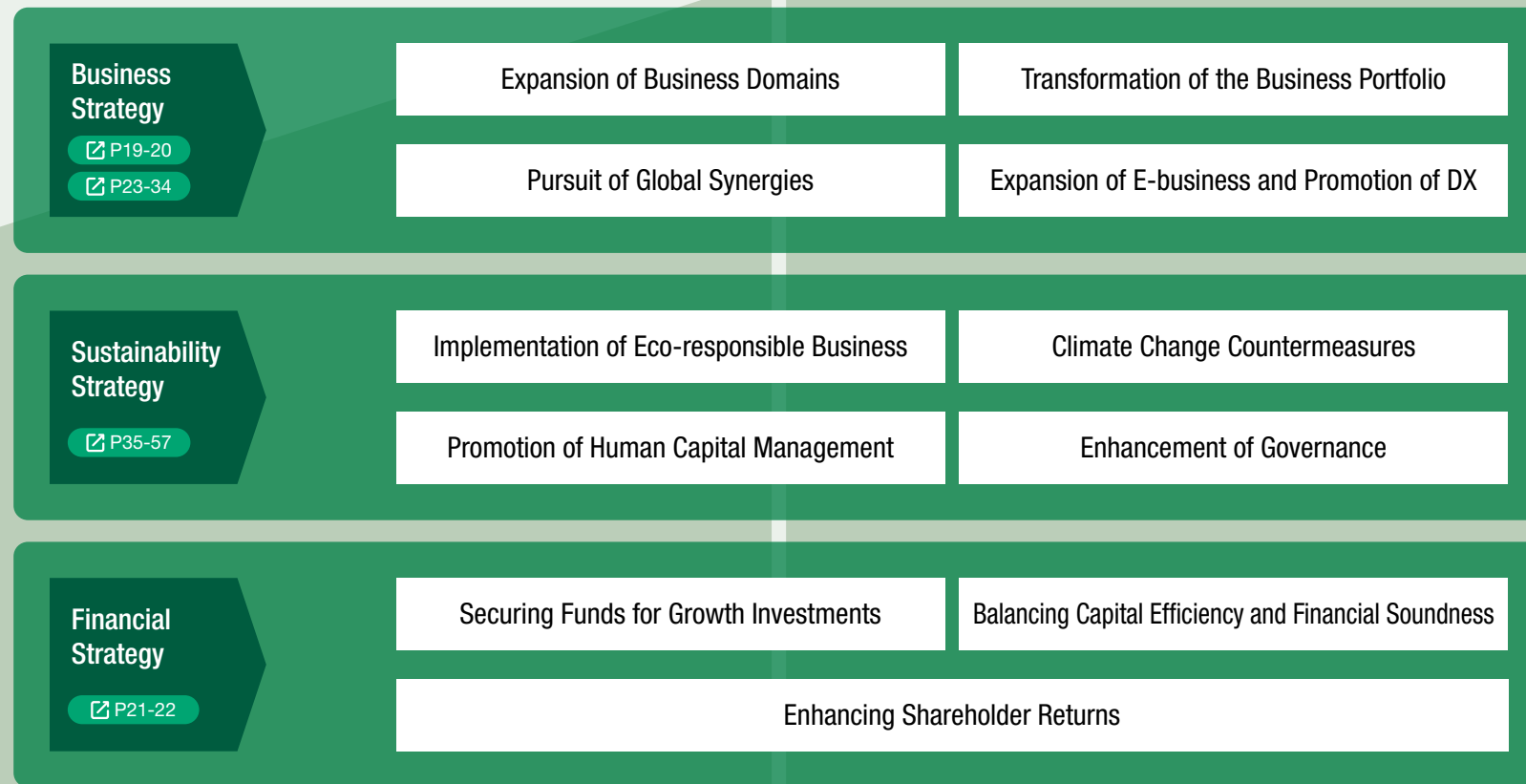
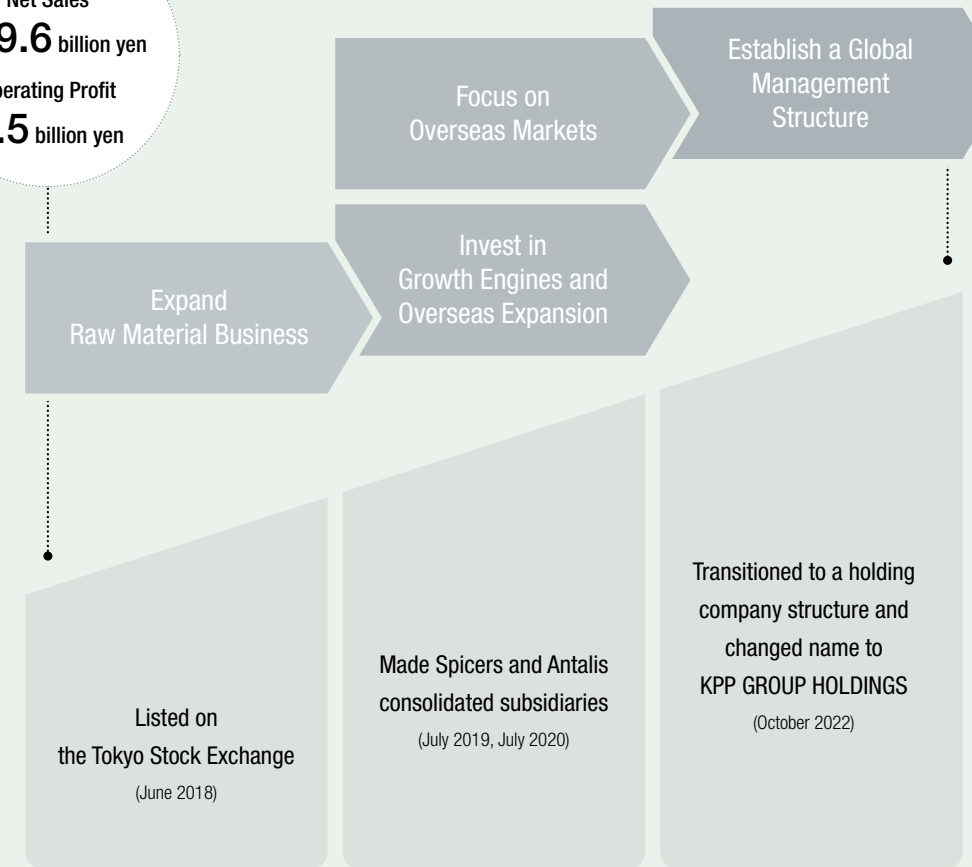
While pursuing the potential of paper—our founding business—we are also advancing the transformation of our business portfolio and striving to create new businesses and expand into new domains. We aim to become a top-tier global company by continuing to provide high-quality value-added products, services, and solutions that meet our customers' needs.

Net Sales 1 trillion yen
Operating Profit 30 billion yen
 Advancing strategic initiatives toward these targets

FYE March 2028 (Targets)
Net Sales 750.0 billion yen
Operating Profit 20.0 billion yen

FYE March 2025
Net Sales 670.0 billion yen
Operating Profit 13.5 billion yen

FYE March 2016
Net Sales 389.6 billion yen
Operating Profit 1.5 billion yen



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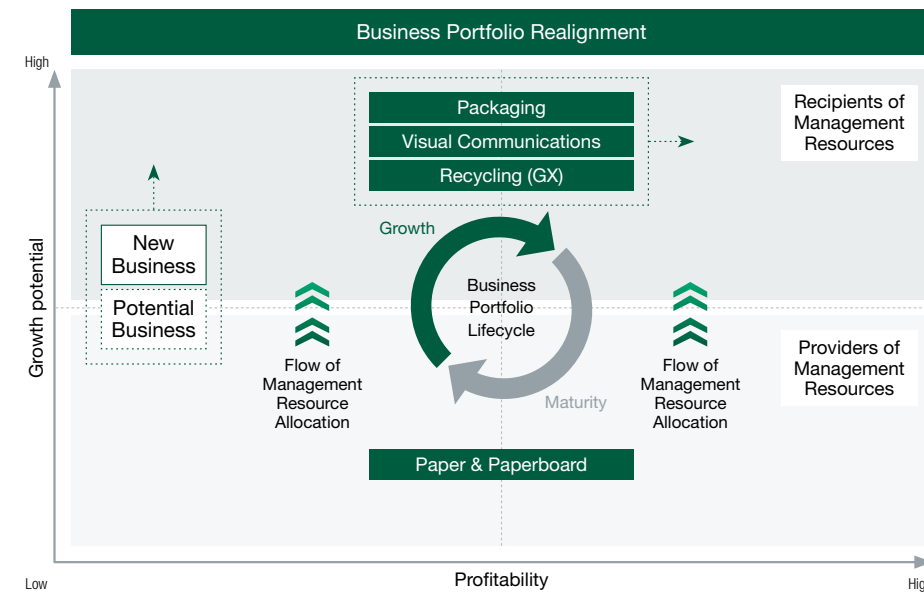


Fourth Medium-Term Business Plan

Under the Fourth Medium-Term Business Plan for the fiscal years ending March 2026 to March 2028, we will drive our Business Strategy (this page and [P23-34](#)), Sustainability Strategy ([P35-57](#)), and Financial Strategy ([P21-22](#)) to achieve *GIFT 2030*.

Business Strategy

Anticipating the long-term contraction trend in the paper and paperboard business, we will promote four key initiatives to expand beyond our existing operations.



While the paper and paperboard business currently generates stable cash flows, the market is expected to shrink over the medium to long term. In executing these four initiatives, we will reallocate management resources such as stable cash flows and human capital to high-growth, high-profitability areas, aiming to build a new earnings base and reshape our portfolio.

Key Initiative 1: Expansion of Business Domains

We will expand our business domains by developing new products and markets and creating new business models.

To advance these initiatives, we implement strategies based on a thorough analysis of each region and business segment, identifying priority areas and execution methods. For new business creation, we plan to introduce a mechanism to solicit internal proposals and support their full-scale commercialization.

	Japan	Northeast Asia	Asia Pacific	Europe and Latin America	North America
Paper & Paperboard	⚙️	⚙️	⚙️	⚙️	
Packaging	⚙️		⚙️	⚙️	⚙️
Visual Communications	⚙️		⚙️	⚙️	⚙️
Recycling (GX*)	⚙️		⚙️		
Chemical Film Products	⚙️				

*GX stands for Green Transformation ⚙️ Expansion of existing business ⚙️ Promotion of bolt-on M&A in fields related to existing business ⚙️ Strategy focused on M&A for new business areas

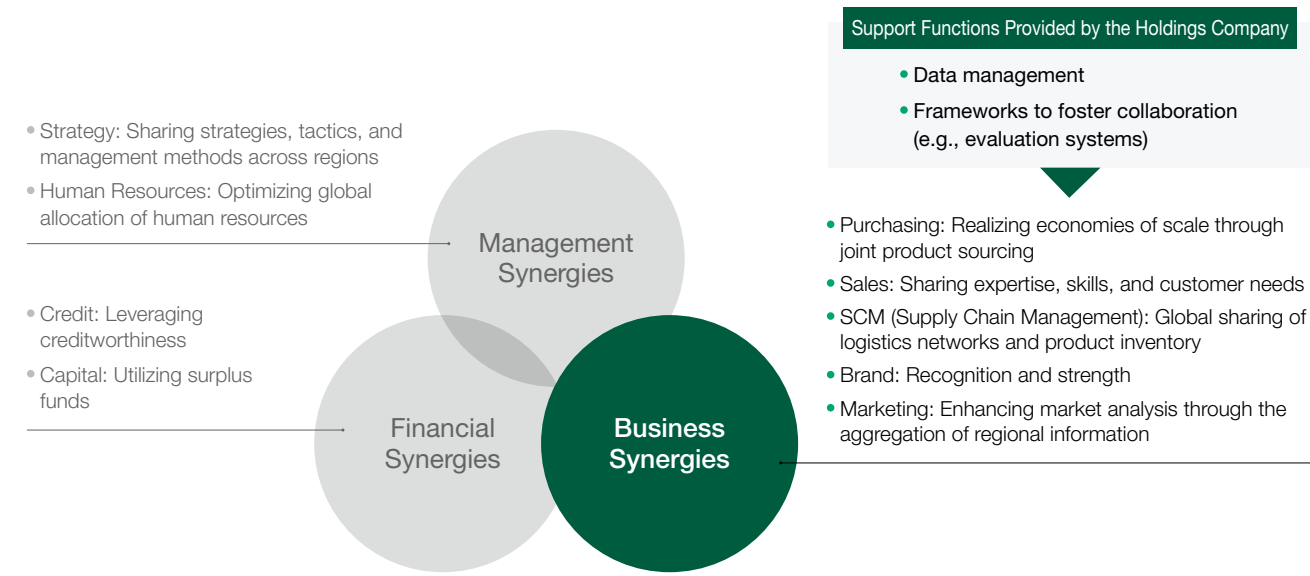
Key Initiative 2: Transformation of the Business Portfolio

We will build a new earnings foundation through M&A and the creation of new businesses.

Key Initiative 3: Pursuit of Global Synergies

We will deepen collaboration across the Group in purchasing, sales, and marketing information to maximize group synergy.

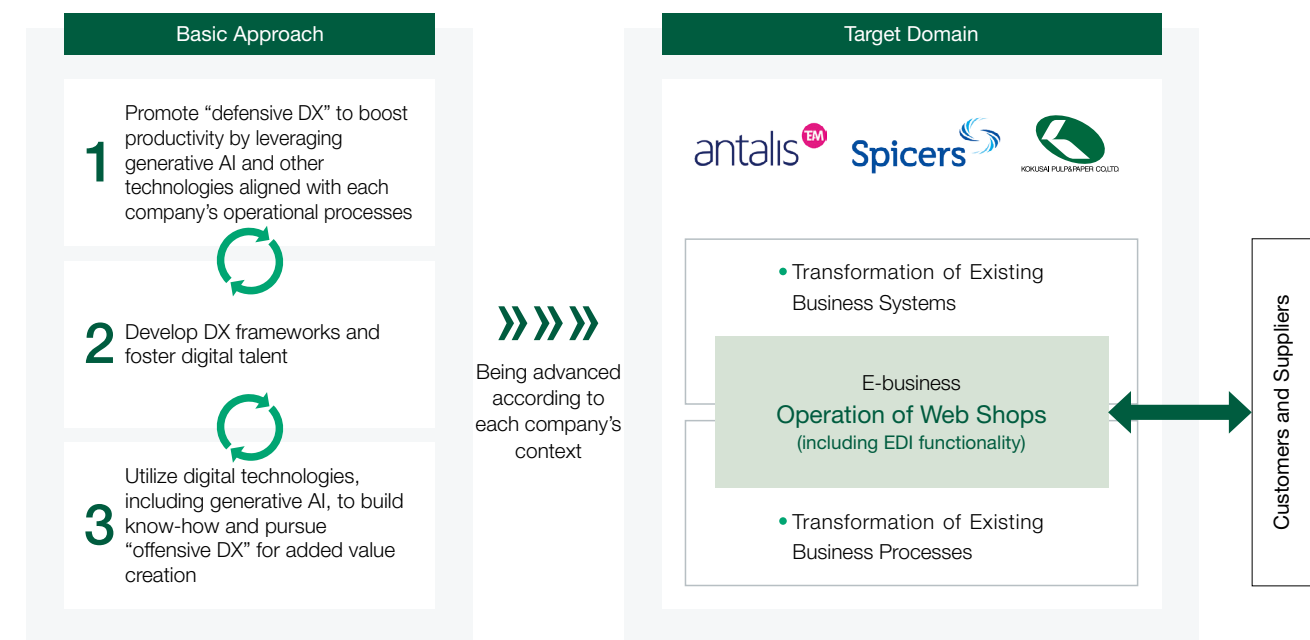
Under the Third Medium-Term Business Plan, we achieved notable progress in finance and governance through synergy among operating companies. Building on this foundation, the Fourth Medium-Term Business Plan introduces a dedicated global collaboration department within KPP Group Holdings. This new structure will unite the strengths of each operating company, enabling us to drive deeper synergies in purchasing, sales, and marketing, and deliver greater added value.



Key Initiative 4: Expansion of E-business and Promotion of DX

We will transform business process through DX and accelerate E-business expansion.

Through the promotion of digital transformation (DX), we aim to improve and advance existing business systems, processes, and business models. For E-business expansion, each operating company will prioritize customer base growth and productivity improvement as primary focus areas and promote adoption according to its specific circumstances.



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Financial Strategy of the Fourth Medium-Term Business Plan

Basic Policy

For the KPP Group to achieve sustainable growth, expanding its business domains and transforming its business portfolio are essential initiatives at the core of the Fourth Medium-Term Business Plan. In recent years, demand for graphic paper has been declining faster than expected, significantly impacting sales in the paper business. In response, we recognize the urgent need to strengthen the packaging and visual communications businesses while accelerating expansion into related areas.

To achieve these goals, we will promote strategic investments through M&A. Securing funds to support such growth

investments in a stable and flexible manner, alongside reinforcing the financial base, forms a key pillar of our financial strategy.

Enhancing shareholder value is also a top management priority. We have set a clear policy of targeting a consolidated dividend payout ratio of 30% and a dividend on equity (DOE) of 3.0%. Going forward, we will continue to maintain a well-balanced approach between improving capital efficiency and ensuring financial soundness, thereby meeting shareholder expectations.

Financial Indicators Related to Financial Strategy

The KPP Group places importance on return on equity (ROE) and the equity ratio as key financial indicators.

ROE

Following the acquisitions of Spicers and Antalis, the equity ratio temporarily declined to 15.8% in the fiscal year ended March 2021. Since then, we have strengthened our financial base by accumulating retained earnings, while foreign currency translation adjustments due to yen depreciation also increased equity. As a result, ROE temporarily decreased from 15.0% in the fiscal year ended March 2022 to 9.5% in the fiscal year ended March 2025. Under the Fourth Medium-Term Business Plan, we have set a minimum ROE target of 8.0%. At the same time, by strengthening our earnings capacity through business expansion and portfolio transformation, and by appropriately managing shareholders' equity, including share buybacks, we aim to raise ROE over the medium to long term and enhance shareholder value.

ROIC

At the same time, we continue to improve return on invested capital (ROIC) to enhance overall capital efficiency. In the fiscal

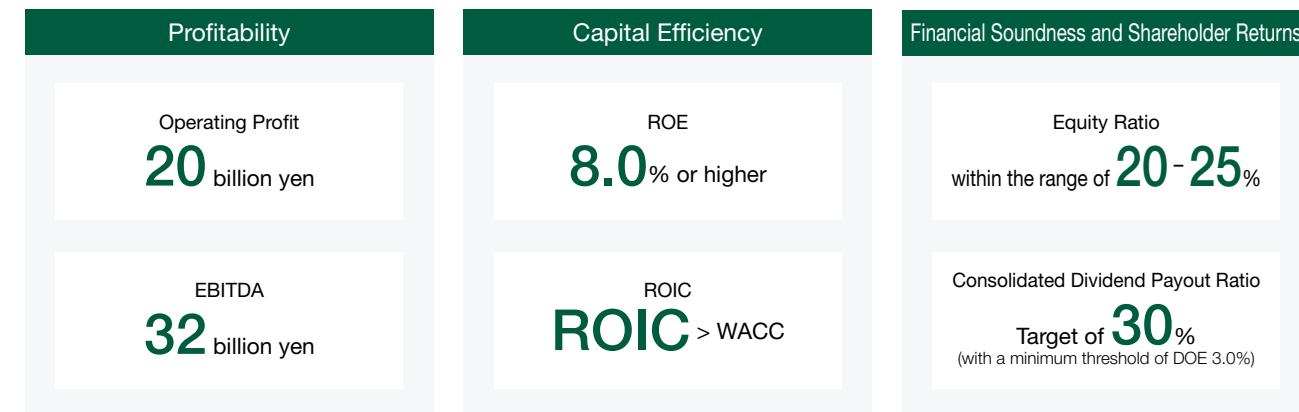
year ended March 2025, ROIC was 4.8%, exceeding the weighted average cost of capital (WACC) of 3.2%, demonstrating that the KPP Group is generating returns above its cost of capital and achieving sustainable corporate value growth.

We will continue to strive for further improvements in ROIC by optimizing our business portfolio, selecting high-return investment opportunities, and enhancing working capital efficiency, thereby delivering sustainable value to our stakeholders.

Equity Ratio

We aim to maintain an equity ratio of 20–25%, which we consider appropriate given our business characteristics and risk diversification. As a trading company with few fixed assets, the KPP Group maintains high asset liquidity and operates a well-balanced portfolio consisting of three main businesses—paper, packaging, and visual communications—across diverse regions including Asia, Oceania, Europe, and South America. By combining merchant-type and distributor-type operations with different fixed-cost structures, we achieve risk diversification from multiple perspectives.

Numerical Targets for the Final Year of the Fourth Medium-Term Business Plan (Fiscal Year Ending March 2028)



Note: EBITDA = Ordinary Profit + Depreciation + Amortization of Goodwill + Interest Expenses, etc.

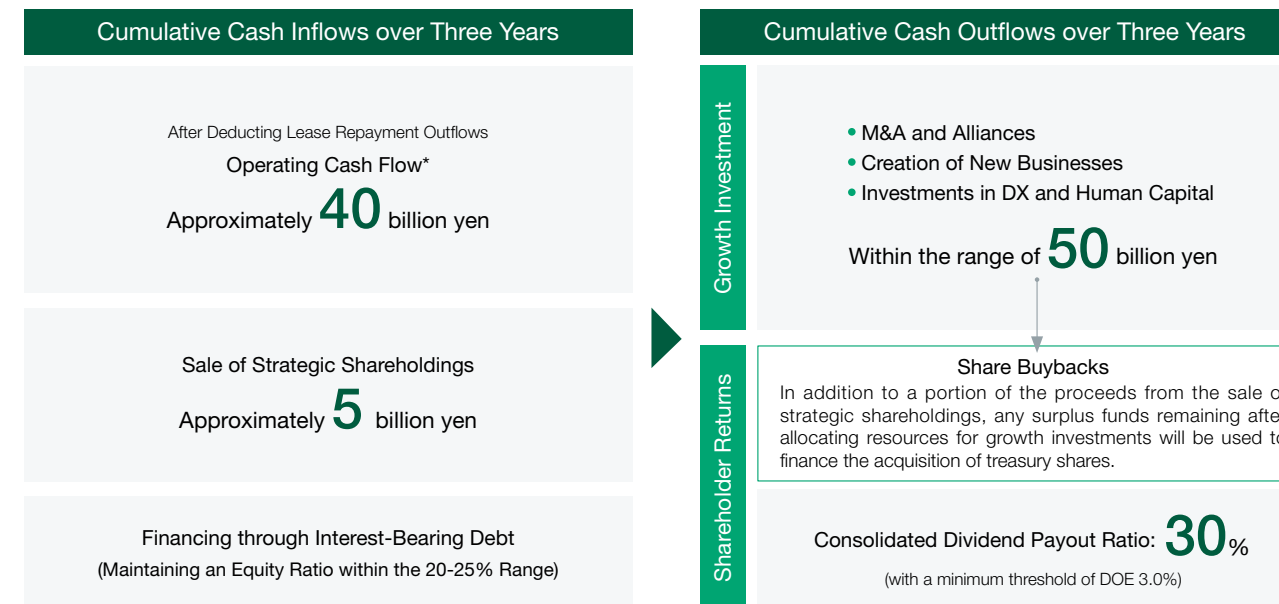
Cash Allocation under the Fourth Medium-Term Business Plan

During the plan period, the KPP Group intends to execute growth investments totalling approximately 50 billion yen, funded by operating cash flow of 40 billion yen, proceeds of 5 billion yen from the sale of strategic shareholdings, and additional financing through interest-bearing debt. To maintain financial soundness, we position the equity ratio as an important discipline indicator while actively utilizing interest-bearing debt to invest in sustainable growth, balancing capital efficiency and shareholder returns.

Through the acquisition of Spicers in 2019 and Antalis in 2020, the Group significantly expanded its business domains

and operating regions, achieving a major transformation of its business portfolio from the traditional Japan-based paper wholesale operations. While the core paper business remains important, the packaging and visual communications businesses are positioned as key pillars of future growth.

During the Third Medium-Term Business Plan, we executed a series of M&A transactions and continued to drive structural transformation. This approach continues under the Fourth Medium-Term Business Plan, aiming for further business expansion and growth.



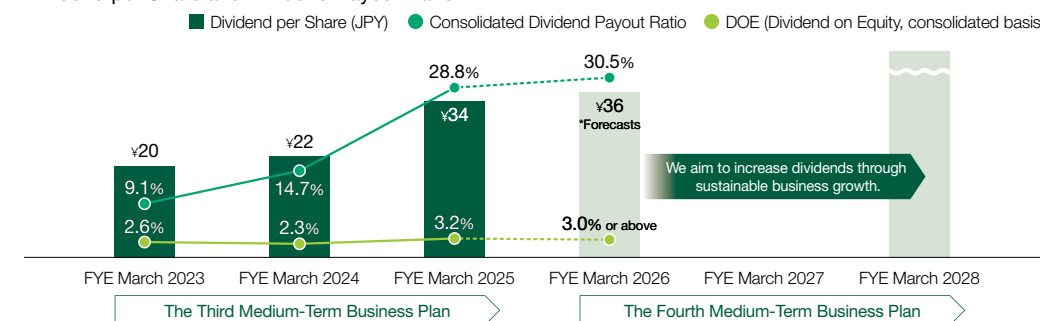
*Note: operating cash flow after deducting lease repayment outflows (cash flows from financing activities) of approximately 20 billion yen.

Enhancing Shareholder Returns and Fostering Trust through Dialogue

To strengthen shareholder returns, we have introduced a shareholder benefits program in addition to setting a target for the dividend payout ratio and the consolidated dividend on equity (DOE). This initiative contributes to stable and continuous dividends while supporting share price stability by increasing the number of individual shareholders.

We also consider it extremely important for our shareholders and investors to understand our strategy and business activities. To this end, we provide comprehensive presentation materials, timely information, and actively engage in dialogue with stakeholders. Opinions received through these interactions are utilized as valuable insights in managing the Group's operations and in the formulation of financial strategies.

Dividend per Share and Dividend Payout Ratio



Note: DOE (Dividend on Equity) = (Total Annual Dividends ÷ Consolidated Shareholders' Equity) × 100
Based on consolidated shareholders' equity excluding other comprehensive income that fluctuates due to stock market and foreign exchange movements.

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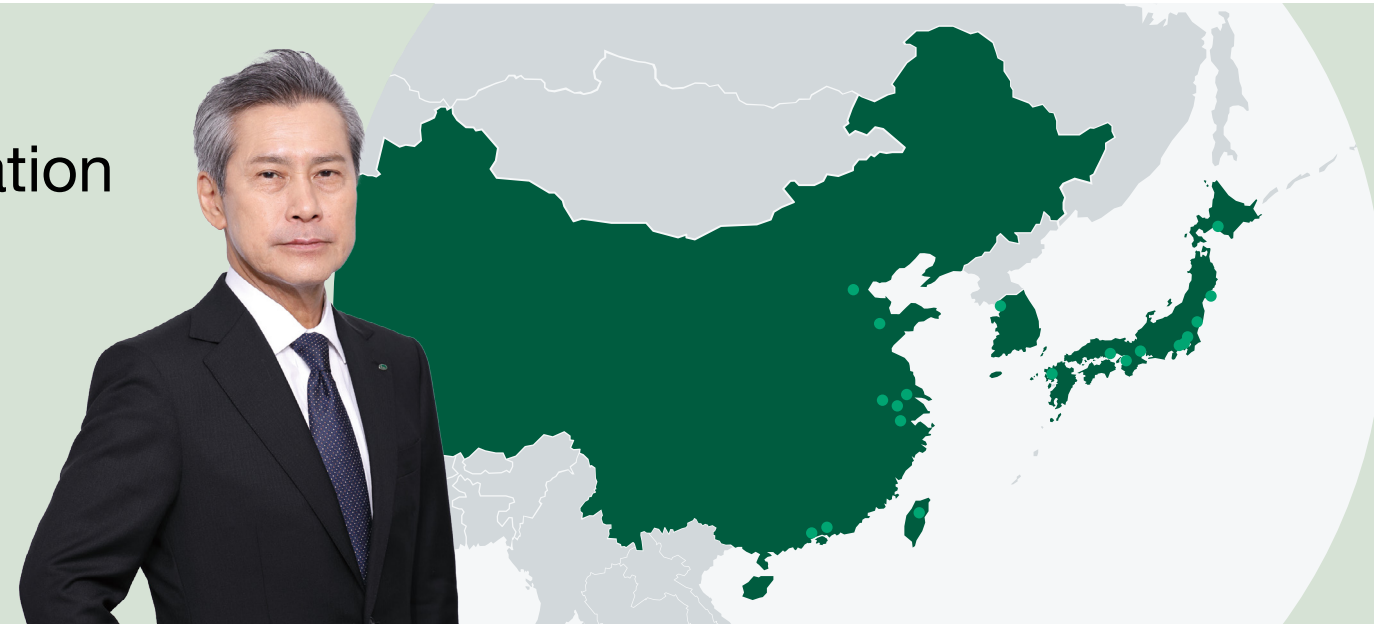
Northeast Asia

Building the Next Stage Through Business Innovation and Talent Development



Hideomi Komai

President and Executive Officer, Kokusai Pulp & Paper Co., Ltd.



Net sales 303,649 million yen
 (year on year -0.3%)

Segment profit 2,895 million yen
 (year on year -15.4%)

Employees 926
 (Including subsidiaries)

Locations 43

Main businesses and products

- Purchase, sales, import, and export of paper, paperboard, paper processed goods, pulp, recovered paper, chemical products, paper-related machinery, packaging materials, and other related products.

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My name is Komai, and I assumed the position of President of KOKUSAI PULP&PAPER CO., LTD. in June 2025. This year marks the 40th anniversary since I joined the former DaiEi Papers Ltd. in 1985. With deep appreciation and a strong sense of responsibility, I am committed to leading the company into its next phase.

Review of the Third Medium-Term Business Plan Trends in the Domestic Paper Market

As the regional headquarters responsible for the Northeast Asia within the KPP Group, we operate businesses in Japan, China, South Korea, Taiwan, and the United States.

In Japan, demand for our core products such as paper and paperboard has continued to decline since peaking in 2000, with the market size in volume terms shrinking by 34 percent by 2024. In particular, graphic paper such as newsprint and printing and communication paper saw a significant decline of 56.5 percent. Packaging paper such as containerboard, wrapping paper, and boxboard decreased by 16.8 percent, and sanitary paper such as household paper products increased by 21.9 percent. These figures show that demand trends differ depending on the function of paper, whether recording, packaging, or absorption.

Along with the shrinking demand for graphic paper, domestic recovered paper generation has also decreased. Although Japan's recovered paper recycling rate grew significantly from 57.7% in 2000 to 81.7% in 2024, the volume collected declined by 8.5% over the same period, from 18.33 million tons to 16.77 million tons.

Market Shrinks, but Profitability Maintained

Under these market conditions, we also faced declining sales volumes for graphic paper throughout the period of the Third Medium-Term Business Plan. However, we secured profits by maintaining prices and controlling selling, general and administrative expenses. In the paperboard business, we strengthened relationships with business partners by capturing demand for containerboard through solution-based sales such as closed-loop recycling, and by expanding sales of white paperboard and other products tailored to specific applications. In the paper raw materials business, despite the continued decline in domestic recovered paper generation, we diversified collection channels and succeeded in maintaining and expanding both handling volume and revenue. In overseas operations, our business in China remained sluggish due to the slowdown in the Chinese economy and market softness caused by increased production volumes; however, we are currently laying the groundwork for rebuilding the business.

Domestic demand for graphic paper is expected to continue declining due to population decrease and generational shifts toward digital-native consumers. That said, as of 2023, the Japan remains the world's third-largest market after China and the United States, and there are still applications for which paper is essential. By firmly capturing such demand, we will continue to enhance profitability by strengthening sales capabilities, deepening relationships with business partners, and reviewing our sales approaches in the domestic market.

Fourth Medium-Term Business Plan Initiatives

Basic Policy

The Fourth Medium-Term Business Plan covers the three years from the fiscal year ending March 2026 through March 2028 and represents the first half of the KPP Group's Long-Term Management Vision, GIFT 2030. During this period, the KPP Group will continue to pursue organic growth in each regional segment. At the same time, the Group will expand beyond its existing business domains and enhance its overall performance by advancing four key initiatives: Expansion of Business Domains, Transformation of the Business Portfolio, Pursuit of Global Synergies, and Expansion of E-business and Promotion of digital transformation (DX). Based on this direction, Kokusai Pulp & Paper has established a basic policy focusing on:

- increasing market share in core businesses by strengthening sales capabilities,
- reforming the business portfolio by expanding into new business areas, and
- improving back-office efficiency through DX.

In our overseas business, we aim to improve profitability by restructuring operations in China and strengthening import and export capabilities. We will also draw on the KPP Group's global network across other overseas locations to reinforce trader functions, allowing us to respond more effectively to shifts in demand, customer needs, and supplier trends in each market. In particular, with growth anticipated in the packaging and visual communications fields, KPP Group Holdings has established the Group Purchasing and Products Division, while we have created the Purchasing Strategy Office within our Purchasing Division. These functions will enable us to share initiatives across the Group and further reinforce strategic collaboration.

Growth Strategy and Investment

Our strengths come from the long-standing trusted relationships we maintain with about 2,600 business partners and 1,100 suppliers. The business foundation and information capabilities we have developed, supported by the talent across our organization, continue to drive our growth. We also benefit from strong cooperative relationships built through the sharing of extensive market information with industry partners, which gives us a significant competitive advantage.

Although the paper market will inevitably continue to shrink, we will capture demand by collecting information on customer needs and developing new applications. As environmental regulations tighten and consumer awareness increases, interest in materials is growing. In this context, paper and paperboard are increasingly recognized as promising sustainable materials. Against this backdrop, we established the Functional Materials Department within the Merchant & Functional Materials Sales Division and began developing our own sample books. Leveraging our distribution capabilities, we aim to explore market needs in the functional paper field alongside existing product lines.

A representative example of these efforts is *OJO[®] Paper Yarn* manufactured and sold by our subsidiary Oji Fiber Co., Ltd. Originally developed for apparel, it is now gaining attention as paper-based artificial grass. It offers multiple value-added features, including biodegradability, flame retardancy, heat protection, and skin-friendly properties (Column). We plan to make capital investments in early 2026 to expand production and further enhance product quality.



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In the packaging business, alongside base paper sales, we are advancing closed-loop recycling initiatives and delivering packaging equipment and material solutions, such as Ranpak®, to address customers' operational challenges and enhance our profitability.

The paper raw materials business, one of our main businesses, helps return resources to the production cycle by selling and supplying recovered paper to paper manufacturers in volumes equal to about 70 percent of our total paper and paperboard sales. Although the amount of used paper generated in Japan is expected to decline, we are securing a stable supply by strengthening our collection network and diversifying collection methods. Our proprietary collection platform, *Town ecomo*, plays a key role in this effort. Since the first unit was installed in 2011, approximately 420 units have been deployed nationwide with the support of partner companies, supplementing municipal collection systems. Since 2025, we have expanded recycling categories by introducing equipment capable of collecting cardboard, PET bottles, and aluminum cans, in addition to used paper.

As we continue to reform our business portfolio, we will actively pursue new business opportunities and M&A initiatives, with a focus on the packaging, visual communications, and paper raw materials fields. In the first two areas, we expect to generate synergies by leveraging the experience and expertise of our overseas Group companies.

In the logistics sector, we conduct delivery and warehousing operations through our distribution subsidiaries and in collaboration with logistics partners across Japan. Our goal is to build a more efficient and sustainable logistics platform by enhancing collaborative logistics and promoting joint distribution, while ensuring regulatory compliance, addressing driver shortages, and reducing greenhouse gas emissions.

To improve back-office efficiency, the adoption of Microsoft 365 has greatly enhanced information sharing across the organization. Looking ahead, we will focus on streamlining workflows to reduce costs and free up time for employees to pursue new challenges.

Human Resource Development Initiatives

Our people are at the heart of driving these initiatives forward. They are the foundation of our growth and sustainability as a trading company. Human resources have always been, and will continue to be, the source of our value. To support each employee's journey of "Change and Challenge" throughout their career, from hiring to retirement, we are considering a restructuring of our HR system. Our aim is to establish a framework that balances fairness with constructive challenge, cultivating highly skilled professionals, ensuring accurate evaluation and feedback, and promoting talent based on roles and responsibilities.

We continue to enhance training programs tailored to each employee level, resulting in an 8.0% year-on-year increase in training hours per employee in the previous fiscal year. Additionally, we expanded our qualification support programs to include certifications such as book-keeping, TOEIC, MOS, and IT Passport, encouraging individual skill development. As a talent base for the entire KPP Group, we are also introducing leadership training programs to cultivate professionals capable of overseeing management from a global perspective.

"Dialogue" and "Challenge" were the key messages I shared with employees upon assuming the role of President. In our pursuit of the corporate message—Paper Innovation for a Connected Future—and our mission to contribute to a recycling-oriented society, I firmly believe that embracing others' perspectives and fostering mutual understanding through dialogue, alongside a willingness to take on challenges without fear of change, will strengthen our organization and pave the way forward. I am committed to cultivating this culture and contributing to both the KPP Group's management and the sustainable growth and development of our company.

On Air | Featured on The Unknown Gulliver

The KPP Group was featured on *The Unknown Gulliver: Excellent Company File*, broadcast on the TV Tokyo network at 6:00 p.m. on August 2. This informational documentary spotlights Japan's lesser-known yet world-class companies. The program showcased our paper distribution sites and highlighted the life cycle of paper, in which used paper products are recycled into raw materials for papermaking. Our recycling-oriented business model, which supports this sustainable cycle, was a central focus of the feature.



The TV crew interviewing one of our employees



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Column LESS PLASTIC

On Display: OJO+ Paper Turf at Asonde-Ikan? (Wide Leisure Expo 2025) – Expo 2025 Osaka, Kansai, Japan

Paper-Based Artificial Turf Selected for Children's Play Area

OJO+ Paper Turf, an artificial turf made from paper, was featured in the "Asonde-Ikan?" exhibit by WIDELEISURE CORPORATION at Expo 2025 Osaka, Kansai, Japan. Covering an area of 75 square meters, the turf served as the foundation for a play gym themed "Park of the Future," which became a popular playground for children throughout the Expo period.

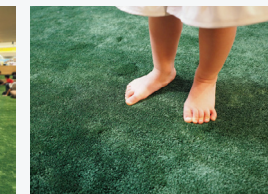


OJO+ Paper Turf featured at Expo 2025 Osaka, Kansai, Japan

Developed and manufactured by Oji Fiber Co., Ltd., a KPP Group company, *OJO+ Paper Turf* is made from paper yarn with a porous structure that offers a dry touch, excellent moisture absorption and release, as well as deodorizing and antibacterial properties. The paper yarn used is certified under the stringent Class 1 standard of OEKO-TEX®, ensuring safety even for children under three years old. Comfortable for barefoot play, *OJO+ Paper Turf* is gaining traction as a sustainable alternative to conventional plastic turf, with growing adoption in commercial venues, event spaces, and educational facilities.



Also showcased at ASOBLE, Aeon Sagami-hara Store



Paper materials gentle on young children's skin

Column ESG

Tanabata Goshuin-cho Made from Reused Festival Decorations

Narumiya Kamishoji Co., Ltd. (Sendai, Miyagi), a KPP Group company, is taking steps to reduce waste by repurposing Tanabata decorations originally created for the Sendai Tanabata Festival into *Goshuin-cho* (stamp books used at temples and shrines). The Yuzen paper used in the festival streamers is beautifully incorporated into the delicately crafted covers, adding a touch of elegance and charm. Inside, the pages are made from recycled paper blended with Tanabata decoration materials, thoughtfully designed to complement the sacred stamps collected in the book.



Repurposing Yuzen paper from Tanabata Festival streamers



Pages blended with Tanabata decorations, as if enclosing the twinkles of stars

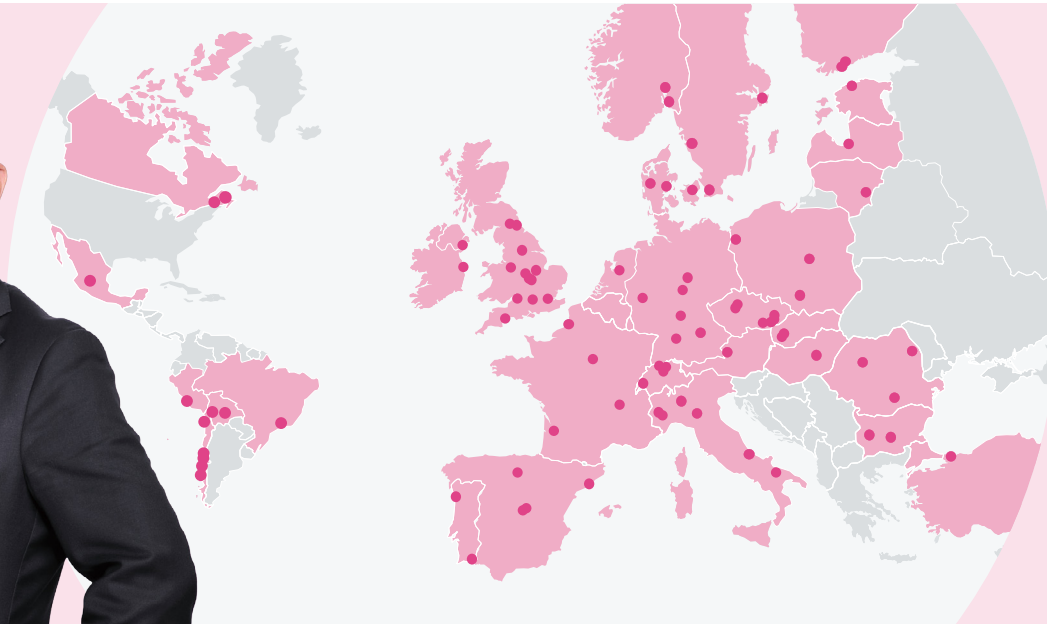
Europe/Americas

Antalis in Action

Seizing Opportunities in Times of Change



Hervé Poncin
CEO, Antalis S.A.S.



Net sales 298,460 million yen
 (year on year +4.5%)

Segment profit 7,757 million yen
 (year on year -25.9%)

Employees 4,345
 (Including subsidiaries)

Locations 137

- Main businesses and products**
- Paper and paper-related products
 - Packaging
 - Visual communications

Performance Recap of 2024

Strategic Acquisition Powering Our Three Core Sectors

Amid prolonged geopolitical risks in Ukraine and the Middle East, which continue to weigh heavily on investment and consumer confidence in Europe, and against the backdrop of political volatility in key European economies such as Germany, France, and the UK, Antalis delivered strong progress in 2024 in line with our Focus Power-e strategy. This strategy consists of developing our three business sectors, Papers, Packaging, and Visual Communications, boosted by e-business. We executed nine bolt-on acquisitions across these three sectors in 2024 and the beginning of 2025: 100metros, Tecnoprimaf, Pakella, and Plaesa in Packaging; Bark, Poitoo Adhésifs, Fortuna Digital, and Club Groupe in Visual Communications; and Xerox Eastern Europe paper distribution activities in Papers.

These acquisitions will undoubtedly continue to strengthen our local operations with an estimated annual turnover of more than €100 million, create synergies and consolidate our market positions in many countries by bringing new customers and skills to Antalis.

Following last summer's bankruptcy of a key European paper distributor, competitor of Antalis in many countries, and the partial acquisition of some of its assets, the European distribution landscape has been reshaped. This event has offered us new growth opportunities with customers and key suppliers.

This is further proof of the challenging conditions in the printing Papers market, which has been affected by

overcapacity in manufacturing and distribution, and of the absolute necessity to protect our margins and profitability in Print and Office. Our exclusive Xerox paper distribution activity in Eastern Europe, the Middle East/Africa/CIS will certainly support this objective.

In Packaging, our bolt-on acquisitions have expanded our reach and capabilities, particularly in terms of converting, strengthening both our product assortment and technical expertise, as well as bringing new customers.

Our Visual Communications business has continued to grow, supported by efficient sales and marketing campaigns, such as the vehicle wrapping campaign "Wrap and Remix" (Column), and new supplier agreements to expand our brands assortment which will enhance our market visibility.

Transforming Sales with Digital Approach

We have also successfully focused on e-business to support our initiatives across Papers, Packaging, and Visual Communications. Our "Power-e" digital approach, including improved functionalities for our webshop, has increased e-order line penetration to 51% of our total stock order lines, allowing us to reach €430 million of e-Turnover. We also successfully continued rolling out the Antalis SAP core solution in Romania.

We have redesigned our commercial model to support the rollout of our new CRM, Salesforce, in 2025, 2026, and 2027, with an effective omnichannel strategy to "Sell More and Better". This will help us improve our market

position by engaging more proactively with customers and prospects, strengthening relationships, and streamlining sales processes.

Sustainability is central to Antalis' strategy, and in 2024, we published a comprehensive ESG report that reflects these efforts and helped us achieve the EcoVadis Gold rating. We are also fully committed to the health and safety of our employees. The Antalis Walk Challenge (Column) in 2024 demonstrated our commitment to employee well-being, sustainability, and the power of collective effort.

Outlook for 2025

Adapting to Market Shifts and Driving Sector Growth

With Europe's GDP growth in 2025 expected to remain below 1% and trade tensions arising from US tariffs on European products weighing on manufacturing activity, the Papers sector in Europe is also facing challenges. It is undergoing a pressured transformation across Europe, with a reshuffling of the competitive landscape following the collapse of a major competitor, intense supplier concentration, changes to product ranges and the impact of digitalisation. This requires dedicated leadership to streamline our products and services for customers and restore decent profitability.

In the Packaging sector, we need to prospect more actively and efficiently in attractive business segments such as the medical devices and e-mobility industries in order to counteract the current decline in manufacturing

activities in Europe.

The Visual Communications sector is on its way to achieving an annual turnover of €300 million, with a presence in 22 countries — including recent acquisitions, with more to come. This sector also requires strong, dedicated management to strengthen Antalis as a European leader and drive sector development. This is why we have put in place a new Antalis HQ management structure.



Executing Strategy with Discipline and Agility in 2025

In 2025, we will focus on implementing our strategy with operational excellence, cost discipline, and competitive market performance. We will also continue our transformation with additional acquisitions in growing sectors.

At the same time, we must significantly improve the productivity of our sales organisation. This will be achieved through stronger integration of e-business solutions, with an emphasis on expanding their adoption across all sectors – not just Papers – to enhance efficiency and scale. We will also start experimenting with artificial intelligence use cases in customer interactions and marketing.

Cost control remains critical in such an uncertain business environment. We will therefore continue to rigorously reduce all non-essential expenditure, unless it is directly tied to revenue generation or fundamental

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business operations.

With public debt levels rising in many developed economies, leading to tax increases for both corporations and households, fiscal tightening may further constrain consumption and private investment. In this environment, market-driven organic growth is unlikely in 2025; instead, we will generate growth by consistently outperforming our competitors through better execution, enhanced prospecting, customer focus, and operational agility.

Finally, we will continue to pursue our M&A strategy, targeting complementary opportunities in selected sectors and geographies to reinforce our strategic positioning and accelerate long-term growth by transforming to higher-margin, higher-profit business sectors. Through these focused initiatives, we aim to reach a new set of customers and acquire new know-how and competencies for the years ahead.

Laying the Foundations for GIFT 2030

Europe faces a shifting strategic landscape, with major investments underway in the defence sector in response to increased geopolitical risk and rising demands for environmental protection and addressing climate change. In addition, the rapid expansion of AI applications is accelerating digital transformation and reshaping multiple sectors. Against this backdrop, Antalis has built a resilient foundation, enabling it to respond flexibly to challenging external conditions with the support of the KPP Group. Once the economy restarts, we will be a stronger company, having made major structural investments in IT and the supply chain, and having rebalanced our portfolio of activities across many countries. We are heading towards achieving our GIFT 2030 objectives, which will enable us to improve our results while operating sustainably.

Column Visual Communication

Wrap & Remix by Antalis 2025

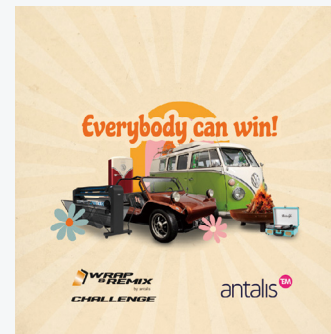
Creating Customer Engagement through Vehicle Wrapping

From February to June 2025, Antalis hosted the Europe-wide car wrapping competition, Wrap & Remix by Antalis Challenge, attracting 1,268 participants, a 14% increase from the previous year. The second edition featured the theme "Peace & Love" of the 1970s and drew strong participation from Switzerland, Poland, Scandinavia, and the Baltic countries, while engagement also increased in France, Spain, and the UK.

Participants earned points by purchasing eligible products, with the top 100 entering prize draws. Beyond promoting Antalis' vehicle covering products, the event provided an opportunity to showcase the technical expertise of newly integrated group companies, Integart and Poitoo Adhésifs.

The excitement continued with the Wrap & Remix Tour, held across Europe. Antalis' local offices participated in visual communication exhibitions and exclusive workshops, demonstrating vehicle wrapping using the grand prize—a 1966 Volkswagen T1 Kombi. Visitors experienced the latest industry trends and technologies firsthand, while the tour also served as a valuable platform for technical exchange and networking. During the event period, sales of vehicle wrapping products grew by approximately 20%.

The Wrap & Remix significantly enhanced Antalis' recognition and credibility among customers and suppliers, fostering ongoing relationships with numerous new clients. More than a promotional campaign, the project is helping to revitalize the vehicle wrapping market across Europe.



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Column ESG

Antalis Walk Challenge

Promoting Health, Team Spirit, and Social Impact: WalkOlympic 2024

For the second consecutive year, Antalis engaged its employees in a company-wide walking challenge, WalkOlympic 2024. This month-long event brought together over 1,300 participants, organized into 10 teams, who collectively walked more than 176,000 km.

This year's edition introduced three exciting intermediate challenges: a quiz on the Olympic Games, an origami activity inspired by water sports, and a photography contest capturing the spirit of sport. These activities added fun, creativity, and friendly competition to the challenge.

Thanks to the dedication of all participants, the company reached its step goal, enabling a donation of €25,000 to the charity Humanity & Inclusion, a partner since 2022, and €25,000 to local charities across Antalis' countries of operation.

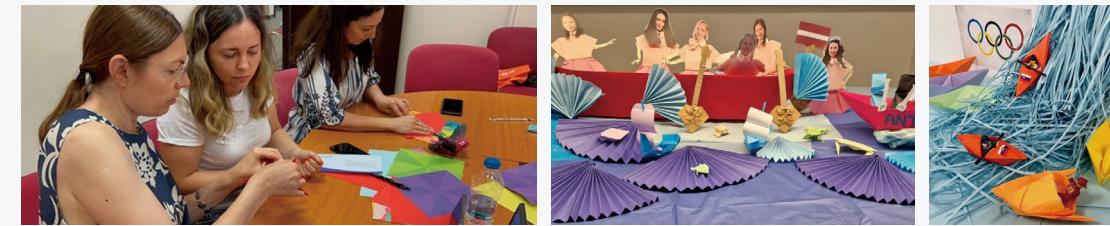
WalkOlympic 2024 not only promoted employee well-being and team spirit but also reinforced Antalis' commitment to social responsibility. Congratulations to all participants for their energy, creativity, and dedication!



Team Chile Team Bolivia Team Poland Team Czech



Team France Team Turkey Team Germany



Team Bulgaria Team Latvia Team Slovakia



Team Hungary Team Canada and Mexico

Asia Pacific

Continued Growth

Our 2025 Milestones and Vision to 2030



David Martin
CEO, Spicers Limited



Net sales 66,428 million yen
 (year on year +26.3%)

Segment profit 3,000 million yen
 (year on year +39.5%)

Employees 665
 (Including subsidiaries)

Locations 33

Main businesses and products

- Commercial print
- Packaging
- Visual communications

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Delivering Growth and Value Across the Region

Every part of our region delivered in 2024, executing another year of solid growth and valuable returns. When we talk as a team, we always discuss our 2030 goals with our customers and people in mind, knowing we will all need to evolve to be successful in what we think will be a sustained period of challenging business conditions. Strong returns from our recent investments in Signet Packaging and Image Junction means we are focused on the right priorities and we will continue to do so.

Performance Recap of 2024

All Businesses Performing Strongly

Our print business across the regions includes paper, paperboard and narrow web Label materials and performed well against an organic market decline. Our agency relationships are strong and our ability to specify products and drive demand has kept our business here in a position ahead of the market.

Our Packaging growth has been very strong, thanks to the performance of the Signet and Universal Packaging businesses and an improved focus on our Food Services range, including printed products for key brand chains. This is



a sector where we will continue to invest as we see it as a staple need for businesses in many varied segments.

VisComm grew year on year and with help from the Image Junction business, gave us a stronger position in the ASEAN marketplace. We expanded our product categories and built strength in our hardware offering as a result, bringing even more credibility to our business across the region. We offer the broadest portfolio of any supplier to this sector and we constantly challenge ourselves to make this mean more to our customers.

Our Trading business delivered stronger returns in a soft trading environment. The continued focus on margin improvement has been a very strong success factor for this team and it is appreciated across the Group. Mainly paper in focus, we have some exciting opportunities to come in 2025 for this team and it will diversify our business in trading, adding value to the customers we serve.



Outlook for 2025

A Year of Challenge toward New Ventures

Our Fourth Medium-Term Business Plan calls for further investment to keep our growth at a pace delivering the strong returns expected from our business. With the organic business conditions proving challenging, we feel we do have plans to deliver on our 2025 expectations. This period calls for us to challenge our business model and build further on our ability to develop business through new applications. This will mean we begin to design our own products and use other's asset to produce them, meaning we need to develop this capability further to be successful.

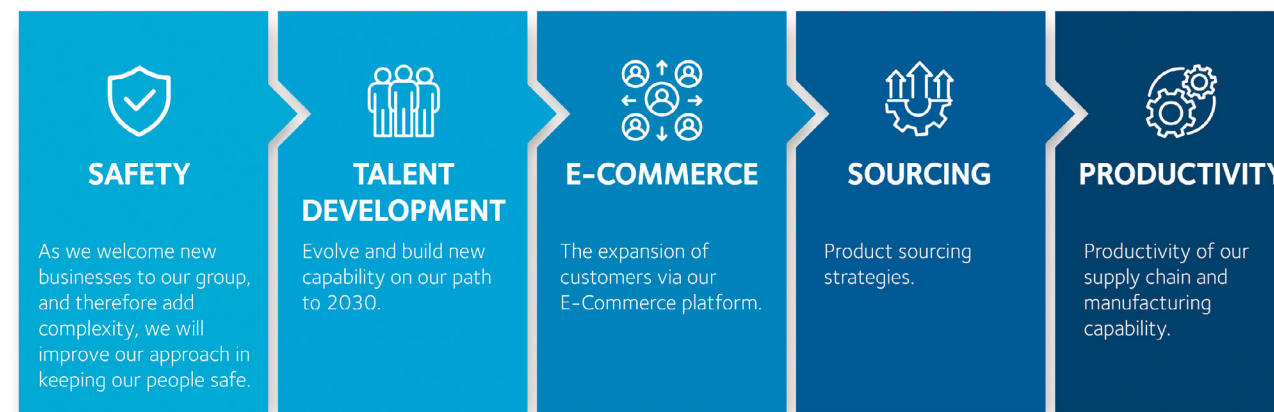
Our priorities for our 2030 path are:

- Leverage our Group strength in the region
- Our People
- Customer Focus
- Operational Excellence

Key success areas for us in the next 3 years will be:

- Safety – as we welcome new businesses to our group, and therefore add complexity, we will improve our approach in keeping our people safe
- Talent Development - to help us evolve and build new capability on our path to 2030
- The expansion of customers via our E-Commerce platform
- Product sourcing strategies
- Productivity of our supply chain and manufacturing capability.

Focus Areas for the Fourth Medium-Term Business Plan





Strategic Sourcing for Market Challenges

A weak Chinese economy has led to pricing impacts on most geographies in our region, with spare capacity searching for a market in our core markets. The breadth of our product range has kept a service aspect to our customer value, along with our focus on making it easier for the customers to deal with us every day. In this environment, we need to turn our attention to sourcing in a more strategic way, using our full regional strength. We are shifting resources, at a Group level, to this strategy to ensure we are improving our market competitiveness and

keeping our margins healthy across the business. When economies turn downward, the typical reaction for the market is to search for lower cost sources of supply. No doubt this affects price and can affect margin if we do not turn our eye to sourcing better ourselves. We are contributing to the KPP Group’s global sourcing strategy by leveraging our knowledge and relationships across Asia to capture opportunities for a more balanced sourcing approach with Asian suppliers. Our broad product range further expands the Group’s supply opportunities and supports the development of new product categories and technologies.

GIFT 2030 Strategic Direction and Focus Areas

Our business model is to distribute products manufactured by brands who serve our industry in multiple geographies, and sometimes they supply directly to our detriment. Our strength is our willingness to hold inventory for immediate service, provide a broader range than any one manufacturer can supply, have local customer intimacy and make the process of dealing with us simpler than any other likely source for our customers. For such a broad customer base, this holds value that is difficult for manufacturers to reach with any consistency on their own.

Our key strategy is to continue to differentiate our value and improve our operations, making our cost-to-serve so compelling that we have a strategic advantage over any other supply source. In much of our region, we have a geographic advantage that we need to expand upon, especially with our continued attention to M&A.

Advancing in the Value Chain

As sectors mature, paper is a good example, we have an opportunity to move forward in the value chain and be a supplier, adding value to the products our customers are searching for. Technology is moving quickly and changes to regulations mean we can source and supply technologies which provide new answers for our customers, particularly in sustainability. Our mindset will turn more toward “business development” where we connect the new demands on our customers with a designed solution, providing them a new answer to the growth of their business.

We’ve recently signed an exclusive agreement to distribute a chemical coating, Papkot (↓see the column below), that replaces film lamination on fibre-based packaging. This coating gives fibre-based products the performance of film and yet is fully recyclable and biodegradable. We see many opportunities for our trading business as well as our distribution businesses with this technology. It’s part of our exciting path to 2030.

Focus | SIGNET

Turning Pages, Telling Stories: The 2025 Signet Catalogue

After four years, the Signet Catalogue is back with a fresh look and purpose-driven content. The 2025 edition goes beyond product listings—it tells the story of who we are, what we offer, and how we support Australian businesses.

Developed with customer insights and input from key vendor and supplier partners, the catalogue features a bold new design, customer success stories, new eco icons to highlight sustainable choices, among many other features.

The catalogue supports Partnerships Pillar of our ESG strategy through collaborations from 12 vendor partners, and the Product Pillar by promoting sustainable products and smarter choices.



Explore the 2025 Catalogue online:
<https://www.signet.net.au/runway>



Making a Difference, One Sandwich at a Time

On May 12, 2025, Signet employees came together for National Volunteering Week, partnering with Eat Up Australia to prepare 1,112 sandwiches to provide much-needed support to children in need across Australia.

Eat Up Australia is a not-for-profit organization dedicated to ensuring no child goes hungry at school. Since its inception, it has delivered over 1.8 million sandwiches to children who might otherwise go without lunch, helping to improve their concentration, learning, and overall well-being.

This initiative aligns closely with Signet’s ESG strategy, specifically our People and Partnerships pillars, which focus on supporting the communities in which we operate and fostering positive social impact.



Column Packaging + ESG

Spicers Partners with Papkot

Driving the Shift to Plastic-Free Packaging

KPP Group Holdings—including Spicers and KPP-Antalis—has formed a strategic alliance with Papkot®, a pioneer in mineral-based coating technologies that eliminate the need for plastic films in packaging.

Spicers will bring Papkot’s solutions to the Australian market, supporting brand owners transition toward recyclable, plastic-free packaging. The collaboration enables package converters to deliver a more sustainable solution, in a sector still looking for no performance compromise when replacing plastics.

Papkot’s recyclable and biodegradable compounds integrate seamlessly into existing production lines, making adoption smooth and cost-effective for converters and manufacturers. Together, this partnership accelerates the shift toward sustainable packaging across ASEAN, Oceania, Korea, Japan, and India.



Introducing a ceramic coating that provides paper the same packaging properties of plastic, **with no plastic.**



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Sustainability Framework

Our Approach

Addressing environmental issues such as climate change and marine plastic pollution is a shared global challenge toward realizing a sustainable society. To mitigate the medium- to long-term impacts of environmental issues on the global economy, it is essential to drive improvements at every level of corporate activity. We define Sustainability Management as “a management approach that takes into account the sustainability of the environment, society, and economy, while generating profits over the medium to long term and enhancing the sustainability of our business.” Based on this concept, we have established the Basic Policy of Sustainability. Under this policy, the ESG Committee oversees and promotes sustainability management across the entire KPP Group.

In addition, each Group company appoints a sustainability management officer to ensure an effective framework for promptly collecting and sharing sustainability-related information. Furthermore, we respond to international frameworks and disclosure standards such as TCFD, GRI, and ISSB, as well as to requests from external evaluation organizations such as FTSE, promoting highly transparent information disclosure. Since the fiscal year ending (FYE) March 2023, the KPP Group has published an ESG Data Book that compiles group-wide sustainability information. The ESG Data Book for the FYE March 2025 is scheduled for publication in November 2025.

ESG Data Book
<https://www.kpp-gr.com/en/csr/esgdata.html>

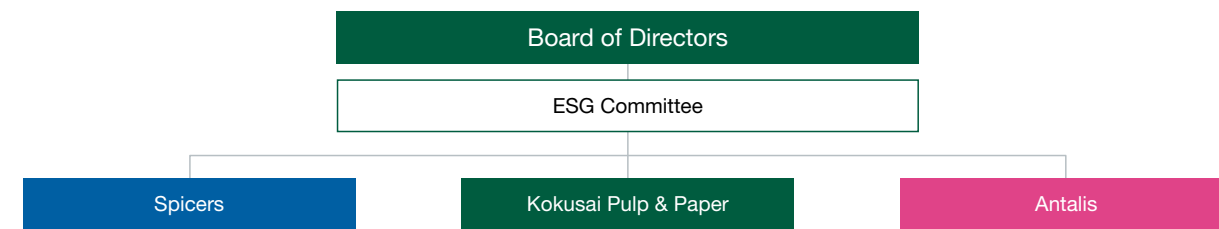
Basic Policy of Sustainability

Based on the basic philosophy of the KPP Group Way, the KPP Group contributes to the realization of a sustainable society through the development of totally recycling-oriented management. In addition, we regard environmental, social, and governance factors as key management priorities. We identify material issues related to our business activities and actively work to address them.

Sustainability Promotion System

The ESG Committee, chaired by the Chairman of the Board, is convened twice a year. The ESG Committee receives reports from five related committees and Group companies (Kokusai Pulp & Paper, Spicers, and Antalis), and provides guidance, advice, and supervision. It also reports on the progress of sustainability issues to the Board of Directors. Each committee is

responsible for identifying sustainability issues, setting action plans and KPIs, and managing progress. Through this structure, we promote consistent sustainability initiatives across the entire Group. For more details on the activities of the ESG Committee and related committees, please refer to the ESG Data Book.



Positioning of the Sustainability Strategy

In May 2025, KPP Group announced *GIFT 2030*, a long-term vision toward 2030. This management vision is structured around three key domains—business, sustainability, and finance—with specific challenges defined for each area to guide progress toward the vision. Based on these challenges, we have formulated action plans for our business strategy, sustainability strategy, and financial strategy, and are actively implementing initiatives ([p.15](#) “Value Creation Process” and [p.17](#) “Long-term Management Vision GIFT 2030”).

With regard to the sustainability strategy in particular, we have identified materialities such as climate change countermeasures, implementation of eco-responsible business, and enhancement of governance, and are advancing initiatives with these issues at the core. Furthermore, we have established committees including the Environmental Management Committee and the Compliance Committee, and by implementing a company-wide PDCA cycle, we are continuously improving our approach to sustainability challenges.

Sustainability Vision

Sustainability Vision 2030

In alignment with the KPP Group’s long-term management vision *GIFT 2030*, we have formulated the *Sustainability Vision 2030*. The market environment surrounding the pulp and paper industry is undergoing notable changes, driven by increasing momentum toward a resource-circulating society and growing expectations for circular business models. These shifts present both challenges and opportunities—requiring the industry to enhance its response to sustainability and environmental impact, while also unlocking new avenues for

value creation. Guided by our mission to “contribute to the realization of a recycling-oriented society,” we have positioned environmental and social challenges at the core of our management approach in formulating this vision. The *Sustainability Vision 2030* clearly defines key issues such as climate change countermeasures, resource circulation, and responsible supply chain management, and integrates these priorities into our overall business strategy.

Our Goal for 2030

A company that creates global environmental value in response to sustainability requirements

Long-Term Goals for 2050

Achievement of net zero emissions for Scope 1 and 2 in group consolidation

Environment	Social	Governance	Data Management and Disclosure
<ul style="list-style-type: none"> Aim to measure and set targets up to Scope3 for the entire Group Develop various circular businesses to reduce environmental impact 	<ul style="list-style-type: none"> Promote human capital management, including DE & I, and recruit and utilize diverse personnel Ensure the fulfillment of occupational safety and health and other obligations that form the basis of corporate management 	<ul style="list-style-type: none"> Base business on compliance and risk management to address uncertainty Optimize Group Governance and generate Group Synergies 	<ul style="list-style-type: none"> Introduce a global data management system and respond to disclosures Receive high rating through the compliance with international standards, leading to investment and branding

KPP Group Sustainability KPIs

We have established a long-term goal to achieve net-zero greenhouse gas (GHG) emissions for Scope 1 and Scope 2 across the Group by 2050. This target forms a key component of our climate change response, in line with the disclosure recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In addition, we have defined

both quantitative and qualitative KPIs across the areas of environment, social, and governance (ESG), and are driving initiatives throughout the Group to achieve these targets. Progress against these KPIs is regularly monitored through a PDCA cycle led by the ESG Committee, and reported to the Board of Directors and stakeholders.

Sustainability KPIs in the Fourth Medium-Term Business Plan

Item	Definition	FYE March 2026	FYE March 2027	FYE March 2028
E Implementation of eco-responsible business	Total sales of products and services that contribute to reducing environmental impact, as defined by each site. Disclosure of results only.	—	—	—
E Expansion of the circular business*	Ratio of the amount of used paper collected in Japan to the amount of used paper sold by the Company.	8.0%	10.0%	15.0%
E Reduction of GHG emissions	Emissions intensity = GHG emissions (tCO ₂ e) ÷ sales (yen)	3.3%	3.3%	3.3%
S Human Resource Development	Training hours per employee = Total number of training hours / Total number of employees	Year-on-year increase	Year-on-year increase	Year-on-year increase
S Engagement	Change in points in each company’s engagement survey results × Number of employees in each company ÷ All employees in the Group	0.3 point increase from the previous year	0.3 point increase from the previous year	0.3 point increase from the previous year
S Occupational health and safety	LTIFR = Number of lost-workday injuries / total working hours × 1,000,000	Year-on-year decrease	Year-on-year decrease	Year-on-year decrease
R Risk Management	Promote a risk culture throughout the KPP Group through risk management activities.	Unification of risk management methods throughout the Group and establishment of a risk management system	Establishment of a global risk management system	Establishment of a global risk management system
G Compliance	Promote awareness of compliance throughout the Group through ongoing compliance training.	Establishment of a Group-wide anti-corruption system and a system for centralized monitoring of whistleblowing	Checking the operation status of the Group’s anti-corruption system and the system for centralized monitoring of whistleblowing	Review of the Group’s anti-corruption system and the system for centralized monitoring of whistleblowing
G Information security	For the entire Group, visualize the degree of improvement in security awareness and competence through understanding the level of information security maturity based on the Group Regulations and through continuous improvement and education.	Survey on awareness of Group Security Rules and Guidebook	Implement measures to raise awareness of the Group Security Rules and Guidebook	PDCA Cycle to Raise Awareness of Group Security Rules and Guidebook
G Sustainability DD	Implement and evaluate DD promoted at each site in the same framework.	Survey of DD status at each site	Establishment of DD survey sheets and procedures	Development of global DD promotion plan

*Applicable only to Kokusai Pulp & Paper

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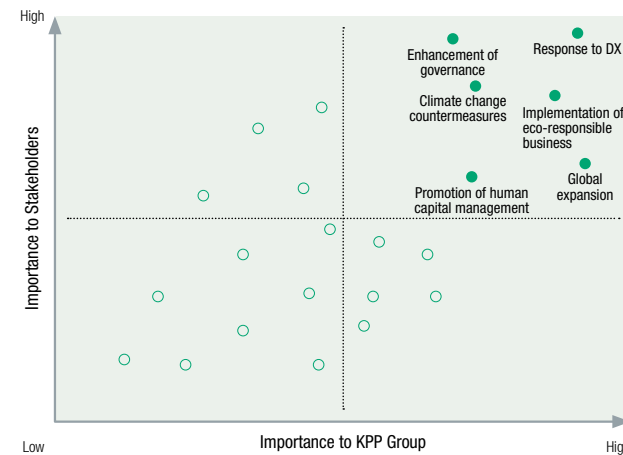
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Materiality

Selection Process

In 2021, the KPP Group identified its materiality and has since been actively working to address them. For the fiscal year ending (FYE) March 2026, following discussions at the Board of Directors, we revised certain aspects of our materiality. Specifically, the previous focus on “Diversity & Inclusion” was elevated to the broader concept of “Promotion of Human Capital Management,” enabling a more comprehensive approach to emerging issues. The identification of material issues was carried out with reference to the disclosure standards of the Global Reporting Initiative (GRI) and the International Sustainability Standards Board (ISSB), supported by external environment analysis and opinions, followed by thorough deliberations within the ESG Committee and the Board of Directors.



STEP 1 Identification of Issues

Taking into account domestic and international social issues, international guidelines and standards, and evaluation items from ESG assessment organizations, as well as examining our own strengths, weaknesses, opportunities, and threats, we identified strategic issues to be addressed as we proceed with our corporate activities.

STEP 2 Evaluation of Materiality

These issues were mapped out by quantitatively selecting issues that were considered more important to each stakeholder and the Company through interviews with internal and external stakeholders, led by the project members.

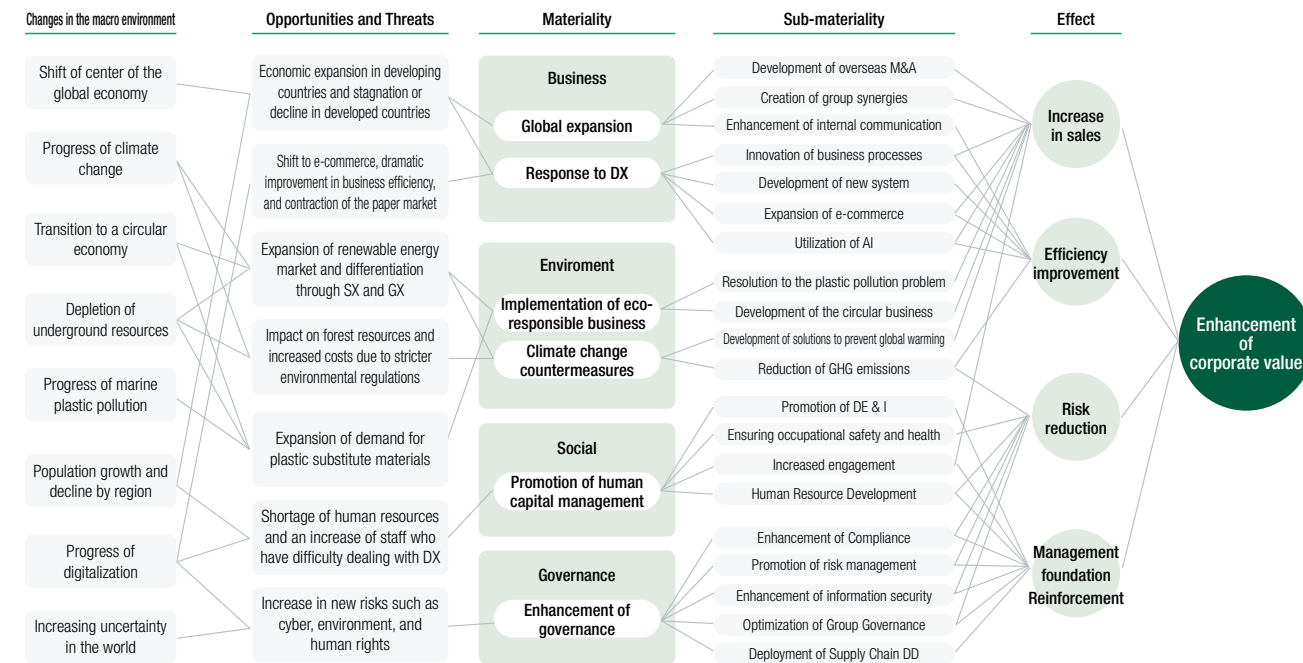
STEP 3 Evaluation of Validity

The mapped issues were grouped based on their similarities and thoroughly discussed among project members, followed by approval from the Board of Directors. These outcomes have been incorporated into our management strategy, with specific action targets set and a PDCA cycle implemented to drive continuous improvement.

Pathways for Enhancing Corporate Value

From the fiscal year ending March 2026, we have introduced sub-material issues under each materiality category to clarify the specific challenges to be addressed across the Group. For each sub-materiality, we have established key KPIs and assigned responsible personnel, and are working to build both quantitative and qualitative narratives aimed at enhancing

corporate value. These KPIs are referenced against the disclosure standards of GRI and ISSB to ensure transparency. Progress is monitored through a PDCA cycle under the governance framework led by the ESG Committee, with regular reporting to the Board of Directors and disclosure to stakeholders to drive continuous improvement.



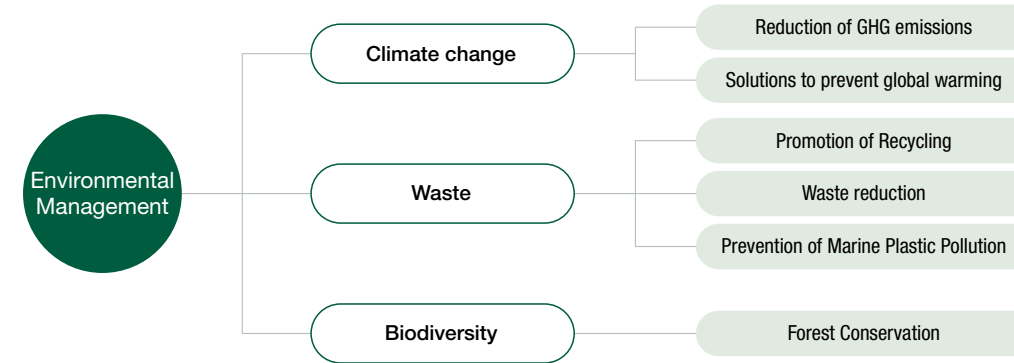
Environmental

Environmental Management System

Our Approach

With the mission to “contribute to the realization of a recycling-oriented society”, we have established environmental management systems at each of our sites, including those overseas. Under our [Environmental Philosophy and Policy](#), we are actively promoting initiatives to reduce environmental impact. We classify the scope of our environmental management as illustrated below, with key issues including the development and distribution

of products that help address marine plastic pollution and the reduction of GHG emissions. In terms of climate change countermeasures, we conduct assessments and analyses based on the recommendations of TCFD (Task Force on Climate-related Financial Disclosures) and set targets accordingly. These initiatives are implemented through a PDCA cycle to ensure steady progress.



Environmental Certifications

We have obtained multiple international environmental certifications, including ISO 14001, forest certifications such as FSC® and PEFC Chain of Custody, and ISCC PLUS (International Sustainability and Carbon Certification). These certifications play a vital role in ensuring supply chain transparency in line with the disclosure standards of GRI (Global Reporting Initiative) and ISSB (International Sustainability Standards Board) and serve as essential mechanisms for supporting sustainable business operations.

Forest certification is an international environmental labeling system that promotes sustainable forest use and ecosystem conservation. It certifies products made from wood sourced from responsibly managed forests, as well as recycled materials and other low-risk controlled sources, ensuring

proper management throughout all stages of production, processing, and distribution. ISCC PLUS is a global certification system that verifies the environmental and social sustainability of raw materials such as biomass, waste, and recycled resources across the entire supply chain.

Through these certifications, we strengthen responsible sourcing, resource circulation, and climate change countermeasures, thereby contributing to enhanced corporate value and fulfilling our accountability to stakeholders. For data including certification acquisition ratio and other metrics across domestic and international sites, please refer to the [ESG Data Book](#).

ISO14001


Certificate registration no.
▶ IP18/071544

Scope of application
▶ Kokusai Pulp & Paper CO., LTD. Tokyo Head Office
Kansai Branch
Chubu Branch
Kyushu Branch
Sendai Sales Dept. of Kita Nihon Branch
Sapporo Sales Dept. of Kita Nihon Branch

FSC-CoC

Certificate Code
▶ SGSHK-COC-001603


Scope of application
▶ Kokusai Pulp & Paper CO., LTD. Tokyo Head Office
Kansai Branch Office
Chubu Branch Office
Kyushu Branch Office
Sendai Sales Dept. of Kita Nihon Branch
Sapporo Sales Dept. of Kita Nihon Branch



PEFC-CoC


Certificate number
▶ SGSJP-PEFC-COC-0213

Scope of application
▶ Kokusai Pulp & Paper CO., LTD. Tokyo Head Office
Kansai Branch Office
Chubu Branch Office
Kyushu Branch Office
Sendai Sales Dept. of Kita Nihon Branch
Sapporo Sales Dept. of Kita Nihon Branch



ISCC PLUS (Mass balance approach)

Certificate Number
▶ Kokusai Pulp & Paper CO., LTD. Tokyo Head Office: ISCC-PLUS-Cert-DE100-17894125 (07/03/2025 to 06/03/2026)
Kansai Branch: ISCC-PLUS-Cert-DE100-17885125 (05/03/2025 to 04/03/2026)
Chubu Branch: ISCC-PLUS-Cert-DE100-17900125 (06/02/2025 to 05/02/2026)



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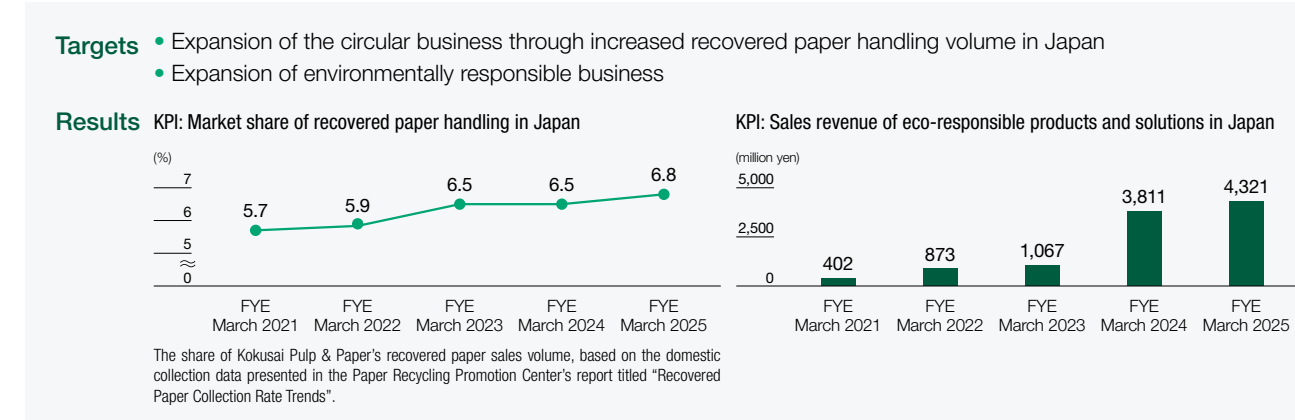
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Development of Environmentally Responsible Business

Our Approach

As part of the objectives set within our environmental management system, we are committed to expanding circular business and the implementation of eco-responsible business. In Japan, we are advancing the *Green Biz Project*, while in Europe, we conduct environmental impact assessments through the *Green Star System*. In Oceania, we publish the *Environs* catalog, which features products with low

environmental impact. These initiatives reflect our commitment to developing eco-responsible business in diverse forms. In Japan, we are also actively promoting the adoption of *OJO* Paper Turf*, an artificial grass product made from paper yarn. The number of installations by local governments and other institutions is steadily increasing.



Regional Initiatives

Japan

Kokusai Pulp & Paper sells the paper-based artificial turf *OJO* Paper Turf*, manufactured by its subsidiary Oji Fiber. This product is increasingly being adopted by local governments and showcased at the Expo 2025 Osaka, Kansai, Japan. As an alternative to plastic artificial turf, which is considered a contributor to marine plastic pollution, this paper-based solution is expected to expand its market for both exterior and interior applications.



OJO Paper Turf* installed at the Expo 2025 Osaka, Kansai's Wide Leisure Expo 2025 (p.26)

Oceania

Spicers has published a catalog titled *Environs*, featuring sustainable and environmentally conscious products. Materials approved through inspection demonstrate excellent performance in both technical and design aspects. For details on product certifications and the full portfolio, please refer to the QR code.



<https://spicers.com.au/blogs/whats-new/environs-volume-3>



Europe

Antalis has developed the *Green Star System™*, which evaluates the environmental impact of products across its three business domains: Paper, Packaging, and Visual Communications. The system provides clear guidance to help users easily identify sustainable alternatives. For more information, please refer to the QR codes.

About Green Star System™

Paper

<https://www.antalis.com/papers#Green-star-system>



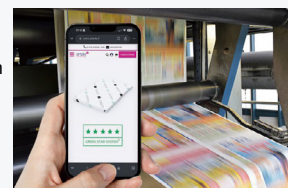
Packaging

<https://www.antalis.com/packaging#packaging-gss>



Visual Communications

<https://www.antalis.com/visual-communication#vc-green-star-system>



Climate Change Countermeasures

Our Approach

We recognize the impact of climate change on our business as a critical issue and has identified it as a materiality. As a long-term goal, we aim to achieve net-zero greenhouse gas (GHG) emissions from our business activities across the entire Group by fiscal year 2050 (ending March 2051), in order to contribute to climate change mitigation. Additionally, we have newly established a medium-term target to reduce GHG emissions intensity (Scope 1 and 2) per unit of sales across the Group, promoting efficient emissions reduction. Looking

ahead, we plan to formulate GHG reduction targets for Scope 3 and work toward reducing emissions throughout the entire value chain. To accelerate these initiatives, we have joined the GX League and are contributing to the realization of a carbon-neutral society. Furthermore, our climate change countermeasures are aligned with the recommendations of TCFD, and we disclose information regarding governance, strategy, risk management, and metrics and targets.

- Targets**
- Fiscal Year 2050 (ending March 2051) Target**
Achieve net-zero GHG emissions for Scope 1 and Scope 2 on a consolidated basis.
 - Fiscal Year 2030 (ending March 2031) Target**
Reduce GHG emissions (Scope 1 and 2) from all domestic facilities by 33% compared to FYE March 2021 levels by FYE March 2031.
 - Fourth Medium-Term Business Plan (FYE March 2026–FYE March 2028)**
Reduce the Group's GHG emissions intensity (Scope 1 and 2 combined) by 3.3% year-on-year.

Results KPP Group's GHG emissions

GHG emission scopes	Scope ²	FYE March 2023	FYE March 2024	FYE March 2025
Scope 1	Entire Group	8,336	11,334	10,583
Scope 2 ¹	Entire Group	9,998	9,493	10,802
Scope 1 and 2 ¹	Entire Group	18,334	20,827	21,385

(Units: Tons of CO₂e)

GHG Emissions from Supply Chains

GHG emission scopes	Scope ²	FYE March 2023	FYE March 2024	FYE March 2025
Scope 3 (Upstream) ³	KPP Group Holdings, Kokusai Pulp & Paper (Non-consolidated)	1,156,165	1,059,726	1,090,908

(Units: Tons of CO₂e)

¹: Scope 2 emissions are calculated using the market-based method.

²: Detailed information is disclosed in the [ESG Data Book](#).

³: Scope 3 emission is calculated for Categories 1 through 9, with Category 9 included in Category 4. Detailed information is disclosed in the [ESG Data Book](#).

Regional Initiatives

We are committed to reducing GHG emissions at each of our business locations. These initiatives are implemented using optimal methods tailored to regional characteristics. Specifically, we focus on improving energy efficiency, introducing renewable energy, reducing waste, and enhancing logistics efficiency. Activities at each site are monitored under the governance framework of the ESG Committee. Through these efforts, we aim to accelerate Scope 1 and 2 emissions reductions and contribute to Scope 3 reductions in the future.

Northeast Asia

In Northeast Asia, we are systematically promoting the introduction of LED lighting, electrification of vehicles, use of alternative fuels to diesel, and adoption of renewable energy. In the fiscal year ending March 2025, Musashino Paper Co., Ltd., a Group company, switched its annual electricity consumption of 750,299 kWh entirely to renewable energy, achieving a reduction in Scope 2 emissions. Furthermore, starting in the fiscal year ending March 2026, the Tokyo headquarters of Kokusai Pulp & Paper will also adopt 100% renewable energy, accelerating decarbonization across the Group.

Europe/Americas

We are promoting the introduction of LED lighting, use of river transport to improve logistics efficiency, electrification of vehicles, and adoption of renewable energy in various regions. In the fiscal year ending March 2025, Antalis Switzerland began operating a new solar power system. This facility is one of the largest parking deck-type solar power systems in the region, generating approximately 378,000 kWh annually on average.

Oceania

In Oceania, we are advancing the introduction of LED lighting, electrification of vehicles, and adoption of renewable energy. Additionally, we are promoting carbon offset initiatives in collaboration with Greenfleet in Australia and Toitū in New Zealand, contributing not only to Scope 1 and 2 reductions but also to Scope 3 reductions.

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Biodiversity

Our Approach

As a trading company specializing in paper and pulp, our business is closely connected to forest resources. Therefore, we regard biodiversity conservation as a vital responsibility that underpins our business foundation. We are committed to procuring sustainably certified forest products and minimizing our impact on ecosystems, aiming to preserve rich biodiversity to future generations. We also work to share the value of biodiversity through

collaboration with business partners and local communities, contributing to the preservation of a healthy global environment. Furthermore, we participate in the 30by30 Alliance, promoting efforts to achieve the international goal of conserving 30% of land and marine areas by 2030. Through this initiative, we fulfill our corporate responsibility in alignment with global biodiversity frameworks and strengthen sustainability across our entire supply chain.

Regional Initiatives

Japan

In December 2015, we became an official sponsor of the C.W. Nicol Afan Woodland Trust. Since then, we have continued to support the Afan Forest, particularly in its northern area, which was certified in 2024 by Japan's Ministry of the Environment as a "Nationally Certified Sustainably Managed Natural Site," recognizing it as an area where biodiversity is being conserved through private sector initiatives. Furthermore, it was registered in the international database as an OECM (Other Effective area-based Conservation Measure). In the southern area of the Afan Forest, where we have supported forest creation activities since February 2022, a new area named "Afan KPP Forest" was established in 2024, covering approximately 3.5 hectares. This area is being developed with the aim of restoring its original forest ecosystem. As our business greatly benefits from forest resources, we conduct new employee training programs in the Afan Forest, where participants directly engage with trees and nature while learning about the importance of biodiversity.



New employee training in the Afan Forest

Oceania

Spicers has been working in partnership with Greenfleet, an Australian environmental non-profit organization, participating in tree-planting initiatives to restore native trees of the Kabi Kabi Country in the Ringtail Forest, Queensland. Greenfleet has spent over 25 years restoring critical ecosystems in Australia and New Zealand by planting biodiverse forests composed of native species. These efforts play a vital role in carbon absorption, climate protection, preventing deforestation, reducing soil erosion, improving water quality, and restoring habitats for wildlife, including endangered species.

At Spicers, an employee with a strong background in environmental science actively engages in volunteer activities within her community. Through initiatives such as school visits, she educates the public—especially children—about the serious impact of deforestation on endangered species like the Leadbeater's Possum, whose nesting habitats in old-growth forests are being lost due to logging.



Social

Human Capital Management

We believe that creating an environment where our people, the company's greatest asset, can work with motivation and reach their full potential is fundamental to sustainable growth and the success of our business. The Human Resources Committee, composed of senior management, leads research and analysis on organizational and human capital matters, formulates policies, and makes key decisions. Our priorities include transparent hiring and evaluation systems, talent development aligned with our human capital strategy, and initiatives that help employees thrive and deliver results. The Occupational Safety Committee works to continuously improve workplace safety and well-being for all, in line with the [KPP Group Charter](#) and the Basic Policy on Occupational Safety, Health and Wellness established in 2025. This Human Capital Management section applies specifically to KPP Group Holdings and Kokusai Pulp & Paper, which operate under the same laws and standards. Matters concerning the entire **KPP GROUP** are clearly indicated as such.

Occupational Safety and Health

Based on the Basic Policy on Occupational Safety, Health and Wellness of the KPP Group, each company within the Group formulates its own action plans and actively promotes related initiatives.

KPP Group Basic Policy on Occupational Safety, Health and Wellness

KPP GROUP

Under the KPP Group Way, we believe that ensuring the safety and health of every employee and creating a comfortable, supportive work environment are essential for remaining a vibrant and fulfilling organization where all employees can thrive. Guided by this principle, the KPP Group is committed to safeguarding workplace safety and health, promoting the development of a pleasant and productive work environment across the entire Group.

Scope of Application
This policy applies to all workers involved in the business activities of the KPP Group, including employees, temporary staff, contractors, subcontractors, and independent business operators.

Compliance with Laws and Regulations
We strictly comply with all applicable laws and regulations related to occupational safety, health, and wellness in each country and region where we operate.

At KPP Group Holdings and Kokusai Pulp & Paper, the Occupational Safety Committee has been established as part of the ESG Committee structure to manage and improve workplace safety across the organization, including domestic affiliates.

Activity Policy for the Fiscal Year Ending March 2026

- 1 Ensure strict overtime management by managers and implement initiatives to reduce excessive working hours
- 2 Require all employees with 10 or more days of paid leave to take at least 5 days
- 3 Achieve a paid leave utilization rate of 70% or higher
- 4 Promote understanding and support for paternity leave among male employees
- 5 Analyze and utilize yearly company stress check results
- 6 Achieve 100% participation in yearly in-house health checkups
- 7 Communicate initiatives to Health and Safety Committee members and domestic affiliates
- 8 Achieve zero cases of occupational accidents resulting in leave

Lost-Time Injury Severity Rate (LTISR)

FYE March 2025 Results	KPP Group Holdings	0
	Kokusai Pulp & Paper	0

Total number of lost workdays ÷ total annual working hours of employees × 1,000 (calculated in accordance with the methodology of the Ministry of Health, Labour and Welfare's Survey on Industrial Accidents)

Safety and Health Management

We have established a safety and health management system, appointed members to the Health and Safety Committee, and hold monthly meetings attended by industrial physicians and public health nurses. The committee also reviews the status of domestic affiliates and promotes groupwide safety and health initiatives.

Promotion of Worker's Health

We provide annual health checkups for all employees to ensure they can continue working in good mental and physical condition. In addition, health checkups for lifestyle-related diseases are offered, with specific health guidance provided based on the results. Industrial physicians and public health nurses also provide individual guidance and conduct interviews based on the screening results to prevent employee illnesses.

Target – Achieve a stress check implementation rate of 95% or higher

FYE March 2025 Results	KPP Group Holdings	90.5%
	Kokusai Pulp & Paper	93.3%

Target – Keep the percentage of employees with high stress levels below 10%

FYE March 2025 Results	KPP Group Holdings	13.2%
	Kokusai Pulp & Paper	15.1%

Target – Maintain a comprehensive health risk score from stress checks below 120*

FYE March 2025 Results	KPP Group Holdings	101
	Kokusai Pulp & Paper	101

*A score of 120 or higher indicates potential issues within the workplace environment.

Target – Achieve a specific health guidance implementation rate of 5% or higher

FYE March 2025 Results	Specific health guidance implementation rate	43.8%
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Initiatives

- Implement labor management measures to prevent excessive working hours
- Conduct health management interviews with industrial physicians and public health nurses

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Human Capital Management

Diversity & Inclusion

Diversity Promotion Policies

- 1 Improve work-life balance**
We are committed to creating an environment where employees can balance work with personal responsibilities such as childcare and eldercare while pursuing their careers and challenging roles.
- 2 Expand opportunities for active participation**
We provide development opportunities for all employees, regardless of gender, age, job category, disability, or nationality, encouraging proactive challenges and enabling them to maximize their potential.
- 3 Diversify recruitment practices**
We will continue to promote women to executive positions and hire experienced mid-career professionals, further advancing workforce diversity to enhance our value as a global corporation.
- 4 Support new employees through OJT instructors**
We have introduced an On-the-Job Training (OJT) instructor system to help new hires make a smooth transition from student life to the workforce. Through dialogue with their instructors, they gain clear insight into professional expectations, laying the foundation for long-term engagement and retention.

Key KPIs

- **Women's Career Advancement** (ratios in managerial positions, main career track, and new hires on the main career track)
We are committed to creating a workplace where women can thrive, with a focus on increasing the number of women in managerial roles and on the main career track. To promote diverse and flexible work styles, we set a target in April 2022 to achieve a paid leave utilization rate of 70% or higher. We introduced an hourly paid leave system in April 2023 and implemented a flextime system in October 2024, enabling employees to better balance work with childcare, eldercare, and other personal responsibilities.

Ratio of women in managerial positions

FYE March 2025 Results	KPP Group Holdings	16.7%
	Kokusai Pulp & Paper	3.3%

(Note: At major overseas subsidiaries, the percentage of women in managerial positions is 37.5% at Antalis Group and 33.3% at Spicers Group)

Target – Ratio of women on the main career track to exceed 11%

FYE March 2025 Results	KPP Group Holdings	30.3%
	Kokusai Pulp & Paper	15.4%

(excluding post-retirement workers)

Target – Ensure at least 30% of hires on the main career track are women

FYE March 2025 Results	KPP Group Holdings	0%
	Kokusai Pulp & Paper	60.8%

(excluding post-retirement workers)

Gender wage gap (ratio of women's wages to men's wages)

FYE March 2025 Results	KPP Group Holdings	69.3%
	Kokusai Pulp & Paper	60.6%

(Including full-time employees (excluding dispatched workers), as well as post-retirement and fixed-term employees)

Hiring rate of persons with disabilities

FYE March 2025 Results	KPP Group Holdings	5.4%
	Kokusai Pulp & Paper	2.3%

We are committed to promoting the employment of persons with disabilities by continuously improving the work environment and expanding job opportunities.

Initiatives

- **Telework**
We have established detailed telework guidelines that enable all employees to work remotely based on their workplace and job requirements. Under this system, employees may opt every six months to become designated teleworkers, whose in-office days are limited to a maximum of eight per month in principle. During the fiscal year ended March 2025, a total of 105 employees utilized this option.

TOPICS | International Women's Day Event

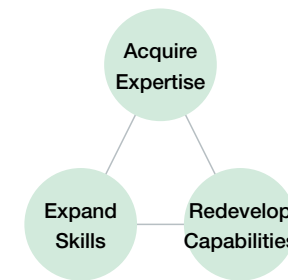
To mark International Women's Day on March 8, Spicers and Antalis each hosted internal events celebrating the occasion. Antalis achieved a score of 93 out of 100 on the French Gender Equality Index and has continued to maintain a strong rating on the index this year.



Human Resource Development

We are committed to developing talent that can create new value in a rapidly changing business environment while carrying forward the material recycling business we have built over more than a century through paper sales and recovered paper collection. Our goal is to cultivate professionals who combine deep knowledge of paper and related materials with strong solution-providing capabilities in sales. Guided by the KPP Group philosophy, the *KPP Group Way*, we focus on "cultivating accountable people" who can "pioneer the future with paper innovation" by enhancing the quality and effectiveness of our training programs.

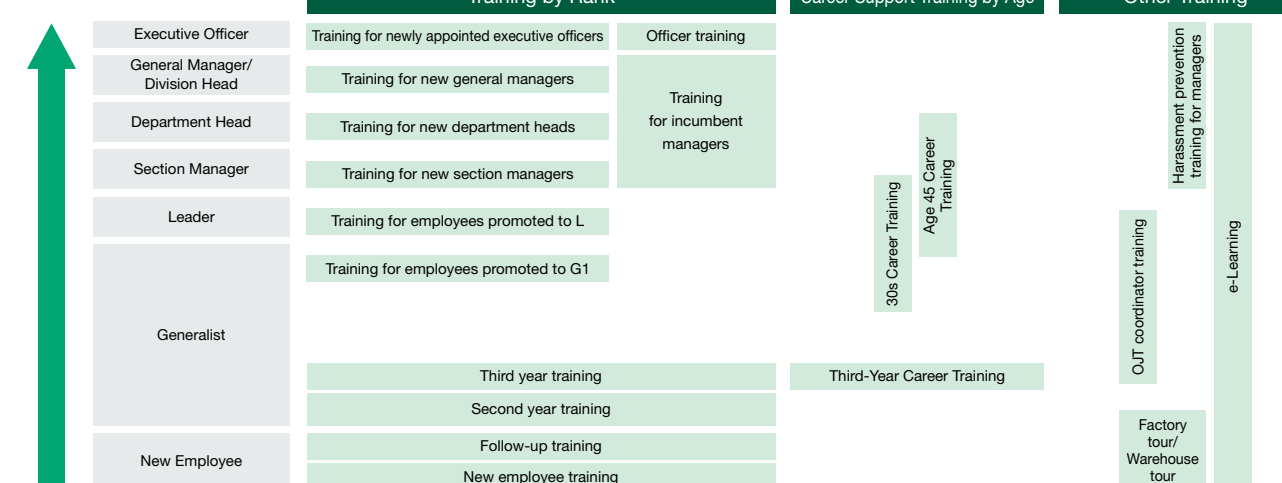
To achieve this, we offer training tailored to each career stage—from young professionals to mid-career employees—including business skills programs and promotion-related training. We also provide management communication training based on engagement survey results to strengthen dialogue between supervisors and team members. In addition, we support continuous learning through e-learning programs and qualification assistance to deepen specialized knowledge and enhance management skills. Through these initiatives, we drive development across three key areas: acquiring expertise, expanding skills, and redeveloping capabilities to meet evolving requirements.



Utilizing Engagement Surveys

To further advance human capital management, we have conducted annual engagement surveys since the fiscal year ended March 2024. These surveys focus on individual employee engagement and help identify organizational challenges. After analyzing the results, we hold feedback sessions for managers and then share the findings across the company.

Training System Diagram



Introduction of Qualification Support

Since the fiscal year ended March 2025, we have introduced a program to help employees obtain four widely applicable and high-demand qualifications. From the following year, the program was expanded to cover not only exam fees but also the cost of study materials. This initiative supports upskilling and reskilling, helping employees advance their careers.

Target Qualifications

- IT Passport
- TOEIC
- MOS (Microsoft Office Specialist)
- Bookkeeping

Key KPIs

For training, we set annual training hours per employee as a key KPI. This reflects our commitment to providing sufficient training for all employees and targeted personnel, while improving the quality and impact of our programs. Measuring training hours serves as one indicator for evaluating the effectiveness of our human resource development initiatives.

Training hours per employee

FYE March 2025 Results	KPP Group Holdings	12.6 hours
	Kokusai Pulp & Paper	10.8 hours

Training costs per employee

FYE March 2025 Results	KPP Group Holdings	42 thousand yen
	Kokusai Pulp & Paper	30 thousand yen

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Respect for Human Rights

Our Approach

The KPP Group has established the KPP Group Charter as a guideline for its mission of contributing to the realization of a recycling-oriented society. The charter sets forth a fundamental policy of respecting the human rights of all individuals and prohibiting any form of discrimination based on race, gender, religion, or belief. To put this philosophy into practice, in March 2024, we established the KPP Group Human Rights Policy (“the Policy”) based on the Guiding Principles on Business and Human Rights adopted by the United Nations Human Rights Council. The Policy aligns with international human rights

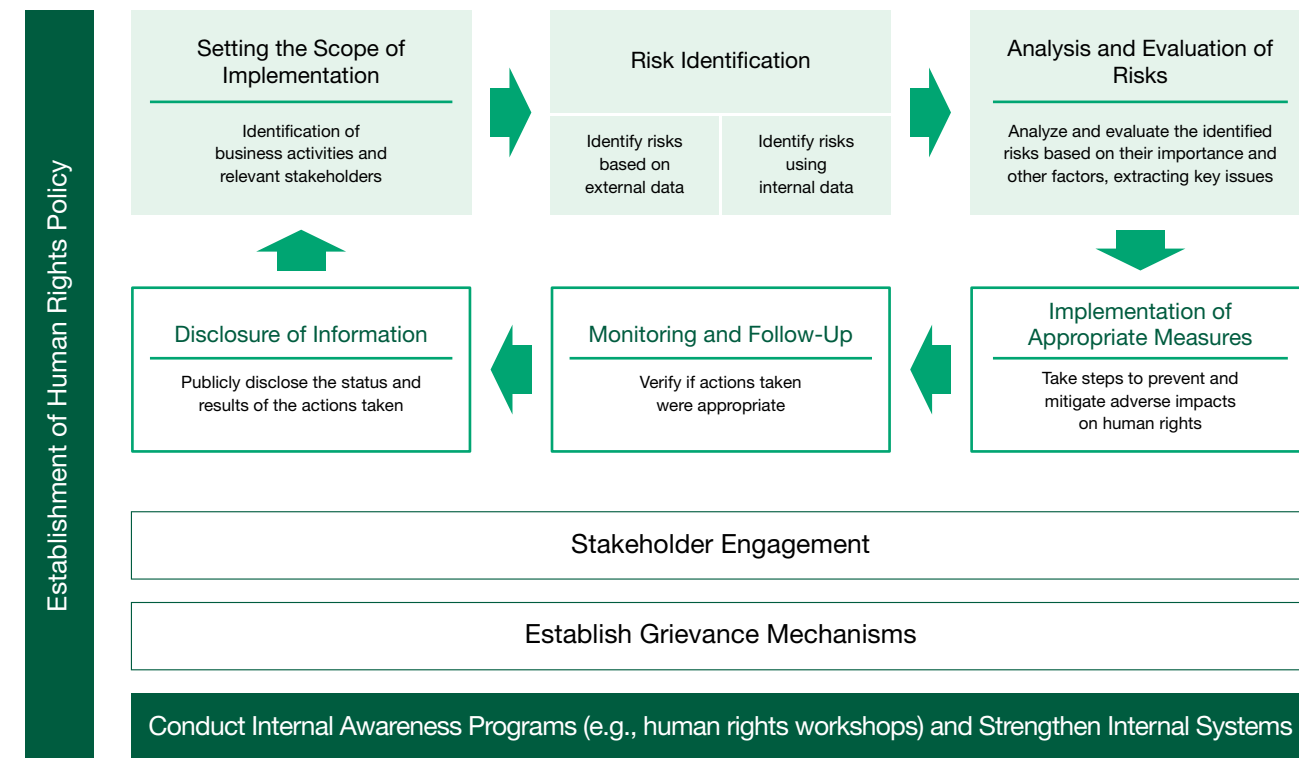
frameworks and complies with disclosure standards set by GRI and ISSB. All officers and employees are expected to uphold the Policy and fulfill their responsibility to respect human rights throughout the entire value chain. In addition, we conduct human rights due diligence to address issues such as preventing forced and child labor, ensuring occupational health and safety, and eliminating discrimination. We also require our business partners and suppliers to adhere to the same standards, promoting respect for human rights across the entire supply chain.

Human Rights Due Diligence

In the fiscal year ending March 2024, we conducted human rights due diligence and identified three key themes related to labor conditions: those at Group subsidiaries, at suppliers, and at contractors including the working environment of drivers. These themes were selected in collaboration with a third-party organization from among the issues raised during internal interviews, based on their high potential risks and

significant negative impact on society. The due diligence conducted for Group companies during the same fiscal year did not reveal any major human rights issues. It was also confirmed that management is aware of the concerns that were raised. This year, we are expanding our due diligence efforts to include the overseas production sites of our domestic subsidiaries.

Overview of Human Rights Due Diligence



Coexistence with Local Communities

Our Approach

As a corporate citizen and a responsible member of the international community, the KPP Group actively promotes community-based initiatives. In addition to creating value through its business activities, the Group engages in environmental conservation and social contribution efforts such as donations and volunteer work that support the achievement of the SDGs

and the sustainable development of local communities. Our overseas locations also implement initiatives tailored to the specific challenges of each region, demonstrating a global commitment to coexistence. Moving forward, we aim to deepen dialogue with stakeholders by quantitatively assessing and disclosing the outcomes of these activities.

Regional Initiatives

Japan

Take Your Child to Work Day

For the first time in six years, we held a Take Your Child to Work Day at our Tokyo headquarters and other branch offices. Employees' family members toured their parents' workplaces, played paper-themed games, and even tried exchanging business cards with executives.



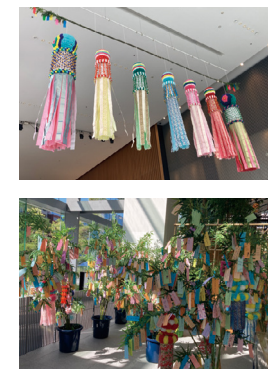
Papermaking Class at Miyanomori Elementary School in Higashi-Matsushima

Since 2016, we have supported the C.W. Nicol Afan Woodland Trust's Great East Japan Earthquake reconstruction project by organizing papermaking classes at Miyanomori Elementary School in Higashi-Matsushima, Miyagi Prefecture.



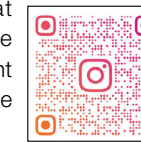
Exhibition of Sendai Tanabata Decorations

Narumiya Kami-shoji, a member of the KPP Group, continues to help preserve local cultural traditions by creating Sendai Tanabata decorations. Once again this year, 6-meter-long streamers adorned the Shochiku Square Building in Ginza, Tokyo. As part of the Tanabata tradition, visitors wrote their wishes in various languages on 1,500 tanzaku (small paper strips), which were then tied to bamboo branches.



Publication of TSUNAGU

As a quarterly PR magazine, *TSUNAGU* introduces the multi-faceted appeal of paper. In 2025, the National Diet Library of Japan began archiving each issue of *TSUNAGU*, making it accessible to future generations as a medium that reflects the times. The official Instagram account also actively shares the charm of paper culture.



Europe

Construction of Wells in Africa

Antalis France has partnered with the humanitarian organization Vie Sans Frontières to build wells in rural areas of Senegal to alleviate the shortage of drinking water. In Sorobougou village, approximately 1,100 residents now have access to clean water from the well.



Well inauguration ceremony

Oceania

Anti-Littering Activities

Signet, a subsidiary of Spicers, has supported Clean Up Australia Day in collaboration with local governments for three consecutive years, promoting community engagement and anti-littering initiatives. In 2024, twelve employees participated in a cleanup at a park near the Brisbane office, receiving words of appreciation from local residents who frequently use the park.



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Governance

Board of Directors



Board of Directors (As of June 2025)

Name	Position/Responsibilities	Director Tenure	Number of Shares Held	Career Summary and Significant Concurrent Positions	Attendance at Board Meetings (FYE March 2025)	Reason for appointment	Membership status of the Nomination Committee and Compensation Committee		Skills matrix									
							Nomination Committee	Compensation Committee	Corporate management	International experience	Business strategy	Finance and accounting	Legal affairs and risk management	ESG	IT/Digital	Human resources and labor		
Madoka Tanabe	Representative Director of the Board Chairman	21 years	70,000	2013 Representative Director of the Board, President 2015 Representative Director of the Board, President & Chief Executive Officer 2020 Representative Director of the Board, Chairman & Chief Executive Officer 2025 Representative Director of the Board, Chairman (to present)	15/15	Since June 2012, he has served as Representative Director, contributing to the Company's overall management. With extensive executive experience, strong leadership, and exceptional decision-making skills, he has successfully driven medium- to long-term strategies and spearheaded global business expansion.		Chairperson	●	●	●		●				●	
Yasuyuki Sakata	Representative Director of the Board President & Chief Executive Officer	2 years	30,000	2023 Director of the Board, Vice President 2024 Representative Director of the Board, President & Chief Operating Officer 2025 Representative Director of the Board, President & Chief Executive Officer (to present)	15/15	Having served as Head of the Business Strategy Office of the Company and Deputy CEO and CFO of Antalis S.A.S., he possesses extensive experience and a proven track record in areas such as M&A and managing overseas subsidiaries. His leadership and decisiveness have guided the Company on the global stage.	Chairperson		●	●	●	●						
David Martin	Director of the Board	1 year	—	2024 Director of the Board (to present)	11/11 (since appointment in June 2024)	As CEO of Spicers, he has secured revenue streams in the core commercial printing sector while expanding businesses through the exploration of new markets and acquisition opportunities. He possesses extensive experience and a proven track record as a business leader across multiple regions and markets.			●	●	●						●	●
Hervé Poncin	Director of the Board	1 year	—	2024 Director of the Board (to present)	11/11 (since appointment in June 2024)	As CEO of Antalis, which operates primarily in Europe and the Americas, he has ensured profitability in the commercial printing sector while driving a transformation of the business portfolio through strong leadership. He possesses extensive experience and a proven track record as a corporate executive.			●	●	●						●	●
Hideomi Komai <small>Newly appointed</small>	Director of the Board	—	26,100	2025 Director of the Board (to present)	—	With a strong track record in sales, he later served as Head of Corporate Planning, IT Operations, and Human Resources, leading key initiatives such as the Company's stock listing, medium-term business plan, core system development, HR reforms, and executive compensation to realize the long-term management vision GIFT 2024. Since June 2024, he has overseen the corporate division as a Director of Kokusai Pulp & Paper, bringing extensive experience in both sales and management.			●		●		●				●	●
Tatsushi Yano <small>Outside Independent</small>	Director of the Board*	6 years	—	2019 Outside Director of the Board of the Company (to present) 2019 Outside Director, MANI, INC. (to present)	15/15	With long-standing involvement in overseas business at trading and manufacturing companies and experience as an executive, he brings extensive expertise in M&A, PMI, business restructuring, and reorganization. He is expected to provide proactive advice on overall management from a global perspective at Board meetings.	Member		●	●	●		●					
Mina Ito <small>Outside Independent</small>	Director of the Board*	4 years	—	2020 Established ZENMONDO Co., Ltd., CEO (to present) 2021 Outside Director of the Board and Member of the Audit and Supervisory Committee of the Company 2022 Outside Director of the Board of the Company (to present) 2024 Independent Outside Director, DyDo Group Holdings, Inc. (to present) 2024 Established Mina Arai-Ito Foreign Law Office, Managing Partner (to present) 2025 Outside Director & Audit and Supervisory Committee Member of Nantiz Corporation (to present)	15/15	As an international lawyer, she is well-versed in all aspects of corporate legal affairs and has extensive experience in M&A, global business strategy, and management support. With a proven track record as a business leader committed to solving social issues, she provides objective, global insights to the Board and is expected to continue strengthening corporate governance and overseeing execution.	Member		●	●			●	●				
Naoki Nakagawa <small>Newly appointed</small>	Director of the Board Member of the Audit and Supervisory Committee	—	—	2025 Director of the Board, Member of the Audit and Supervisory Committee (to present)	—	He has held key roles in group management and internal audit for the stock listing, and after acquiring Spicers and Antalis, led J-SOX implementation and global internal audit, contributing to governance. With multiple qualifications, including U.S. CPA, he is expected to provide sound audit and oversight.							●	●				
Shoko Kataoka <small>Outside Independent</small>	Director of the Board* Member of the Audit and Supervisory Committee	3 years	—	2020 Director and Audit and Supervisory Committee Member, COACH A Co., Ltd. (to present) 2022 Outside Director of the Board and Member of the Audit and Supervisory Committee of the Company (to present) 2023 Outside Director (Audit and Supervisory Committee Member), D.I. System Co., Ltd. (to present)	15/15	A qualified attorney with leadership experience in multiple in-house legal departments, she is well-versed in M&A decision-making and contract support. She provides objective, global insights on governance and management at Board meetings and is expected to continue independent oversight of execution.	Member						●	●				
Yoko Kudo <small>Newly appointed</small> <small>Outside Independent</small>	Director of the Board* Member of the Audit and Supervisory Committee	—	—	2022 Outside Auditor of SoftBank Corp. (to present) 2025 Outside Director of the Board and Member of the Audit and Supervisory Committee of the Company (to present)	—	Holding a U.S. CPA and having served as a senior partner at an audit firm, she has extensive experience auditing Japanese and U.S. listed companies and advising on major restructurings. With proven experience as an outside director and auditor, she is expected to provide independent and effective oversight.	Member			●			●					

*Independent outside director

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Messages from Outside Directors

We asked our outside directors about future challenges in raising corporate value.



Tatsushi Yano (As of June 2025)
Outside Director of the Board

April 1974 Joined Tomen Corporation
June 2003 Executive Officer, General Manager of North America, Tomen Corporation
April 2006 Director, Sanyo Chemical Industries, Ltd.
June 2006 Director and Executive Officer, Sanyo Chemical Industries, Ltd.
June 2010 Director and Managing Executive Officer, Sanyo Chemical Industries, Ltd.
June 2012 Director and Senior Managing Executive Officer, Sanyo Chemical Industries, Ltd.
June 2016 Company Advisor, Sanyo Chemical Industries, Ltd.
June 2018 Retired from Sanyo Chemical Industries, Ltd.
June 2019 Outside Director of the Board of the Company (to present)
November 2019 Outside Director, MANI, INC. (to present)



Mina Ito (As of June 2025)
Outside Director of the Board

June 1996 Joined Baker & McKenzie
January 2004 Partner, Baker & McKenzie
January 2020 Special Advisor, Baker & McKenzie
May 2020 Established ZENMONDO Co., Ltd., CEO (to present)
June 2020 Outside Corporate Auditor, C'BON COSMETICS Co., Ltd.
June 2021 Outside Director of the Board and Member of the Audit and Supervisory Committee of the Company
June 2022 Outside Director of the Board of the Company (to present)
April 2024 Outside Director, DyDo GROUP HOLDINGS, INC. (to present)
May 2024 Managing Partner, Mina Arai-Ito Foreign Law Office (to present)
March 2025 Outside Director & Audit and Supervisory Committee Member of Noritz Corporation (to present)



Shoko Kataoka (As of June 2025)
Outside Director of the Board and Member of the Audit and Supervisory Committee

April 1998 Joined Koichi Kitano Law Office
April 2000 Established DoSOLOI Law Office (joint management)
October 2001 Legal Division, Matsushita Electric Industrial Co., Ltd. (now Panasonic Holdings Corporation)
November 2007 Leader, Legal Department, FAST RETAILING CO., LTD.
November 2012 General Manager, Legal Department, USJ Co., Ltd. (now USJ LLC)
January 2018 Manager, Legal and Internal Controls, COACH A Co., Ltd.
December 2019 Outside Director, D.I. System Co., Ltd.
March 2020 Director and Audit and Supervisory Committee Member, COACH A Co., Ltd. (to present)
August 2021 Corporate Auditor, Prime Road Inc. (to present)
June 2022 Outside Director of the Board and Member of the Audit and Supervisory Committee of the Company (to present)
December 2023 Outside Director and Audit & Supervisory Committee Member, D.I. System Co., Ltd. (to present)



Yoko Kudo (As of June 2025)
Outside Director of the Board and Member of the Audit and Supervisory Committee

April 1982 Joined Taisei Fire & Marine Insurance Co., Ltd. (now Sompo Japan Insurance Inc.)
September 1993 Joined Pricewaterhouse (now PricewaterhouseCoopers)
January 1996 Registered as a Certified Public Accountant in California
December 1996 Joined Ernst & Young
April 2005 Seconded to Shin Nihon Audit Corporation (now Ernst & Young ShinNihon LLC)
January 2006 Transferred to Shin Nihon Audit Corporation
May 2006 Principal at Shin Nihon Audit Corporation
July 2012 Senior Principal at ShinNihon LLC
July 2020 Head of Non-Audit Engagement Review Department, Quality Management Division at Ernst & Young ShinNihon LLC
June 2022 Outside Auditor at SoftBank Corp. (to present)
Outside Director at Chubu Electric Power Co., Inc.
June 2023 Auditor at Japan Olympic Committee (to present)
Auditor at Tokyo 2025 World Athletics Foundation (to present)
Auditor at ASICS Foundation (to present)
June 2025 Outside Director of the Board and Member of the Audit and Supervisory Committee of the Company (to present)

Under its Third Medium-Term Business Plan, KPP Group advanced portfolio transformation and globalization, expanding scale and profitability through an aggressive inorganic growth strategy. Spicers and Antalis strengthened their packaging and visual communications businesses through active M&A. However, the Group remains highly dependent on paper in Northeast Asia, making portfolio diversification a key challenge. Growth in North America, China, and ASEAN was limited, and although profitability improved, the targets were not fully achieved. The transition to a holding company structure in 2022 reinforced global governance, and in 2024, the CEOs of Spicers and Antalis joined the Board of KPP Group Holdings, further accelerating board reforms. These initiatives have enhanced governance and steadily advanced sustainable management.

Looking ahead, KPP Group's diverse business development is expected to continue under the Fourth Medium-Term Business Plan. To support this, outside directors are expected to play an even more active role. Leveraging my experience in overseas business and management at trading and manufacturing companies, I will contribute to sound decision-making through constructive dialogue and advice, while supervising execution as an outside director. Ultimately, I aim to help drive sustainable growth and enhance corporate value, ensuring KPP Group becomes a well-balanced, globally respected enterprise.

It has been four years since I assumed the role of outside director in 2021. During this time, I have witnessed firsthand the significant transformation of KPP Group, and I am delighted to be involved in management at this pivotal stage, building on the foundation laid by those who have worked tirelessly before us. In addition to major structural changes such as listing on the Tokyo Stock Exchange Prime Market, acquiring Spicers in Australia and Antalis in Europe, and transitioning to a holding company structure, I have also seen meaningful progress on the organizational and cultural front.

When I first joined, the company still strongly reflected the traditions of a Japanese paper merchant, and its image as a global enterprise was not yet clear. While transforming such traditions takes time, initiatives such as appointing non-Japanese executives and strengthening global governance have been implemented with speed and determination, and I can see tangible progress.

That said, the journey toward our vision for the "next 100 years" has only just begun. To fulfill our mission of contributing to the realization of a recycling-oriented society, we will continue to reform our business portfolio and pursue the realization of our long-term vision, GIFT 2030. As an outside director, I remain committed to supporting the company's sustainable growth and enhancing corporate value.

Since becoming involved with KPP Group as an outside director, I have come to appreciate that paper—a material steeped in tradition—still possesses the power to shape the future.

While preserving the heritage and strengths cultivated over more than a century, KPP Group has consistently embraced new challenges: expanding into packaging and green businesses, and integrating digital technologies to deliver innovative services. Behind these efforts lies a profound and complex question: how should a global company address pressing global issues such as climate change and resource constraints?

Yet the future is not shaped by technology alone; it is equally defined by the perspectives and experiences of diverse talent. Diversity may bring friction, and transformation may entail discomfort, but I firmly believe that creating an environment where individuals from varied backgrounds can thrive together is essential for sustainable value creation.

Looking ahead, I will continue to maintain objectivity from an external standpoint as an outside director, while offering support when needed and fostering a corporate culture that embraces dialogue and change. Together, we can build an organization that not only adapts to transformation but also leads it with confidence and purpose.

KPP Group operates under the philosophy of "Paper Innovation for a Connected Future," striving to realize a circular economy through its businesses in Japan and overseas. Leveraging a diverse customer base, advanced logistics and information services, and a robust supply chain, the Group has achieved steady growth in global markets. Our corporate culture emphasizes challenge and transformation, grounded in respect for human rights and diversity. At the Board level, we promote transparency and swift decision-making while strengthening ESG initiatives, governance, and risk management.

Going forward, priorities include enhancing global governance, accelerating digital transformation, and developing environmentally responsible products, including circular materials. Management aligned with sustainability disclosure standards is essential to balance financial performance with sustainability and create new value. This requires: ① strong oversight, ② strategies addressing impacts and risks across businesses and the value chain, ③ robust risk/opportunity assessment, and ④ transparent disclosure goals and progress.

Drawing on my expertise as a certified public accountant, I will support integrated analysis of financial and non-financial data, strengthen internal controls, and advance disclosure—contributing to corporate value, accountability, and sustainable growth. I expect KPP Group to keep addressing social challenges while achieving growth and creating new value for future generations.

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Corporate Governance

Basic Approach to Corporate Governance

The KPP Group regards corporate governance as a critical management priority to fulfill the trust placed in us by stakeholders including shareholders, customers, business partners, local communities, and employees, and to achieve sustainable growth and enhance corporate value over the medium to long term.

We strive to establish a corporate governance structure in accordance with our Basic Policy on Corporate Governance, aiming to ensure transparent, fair, swift, and decisive

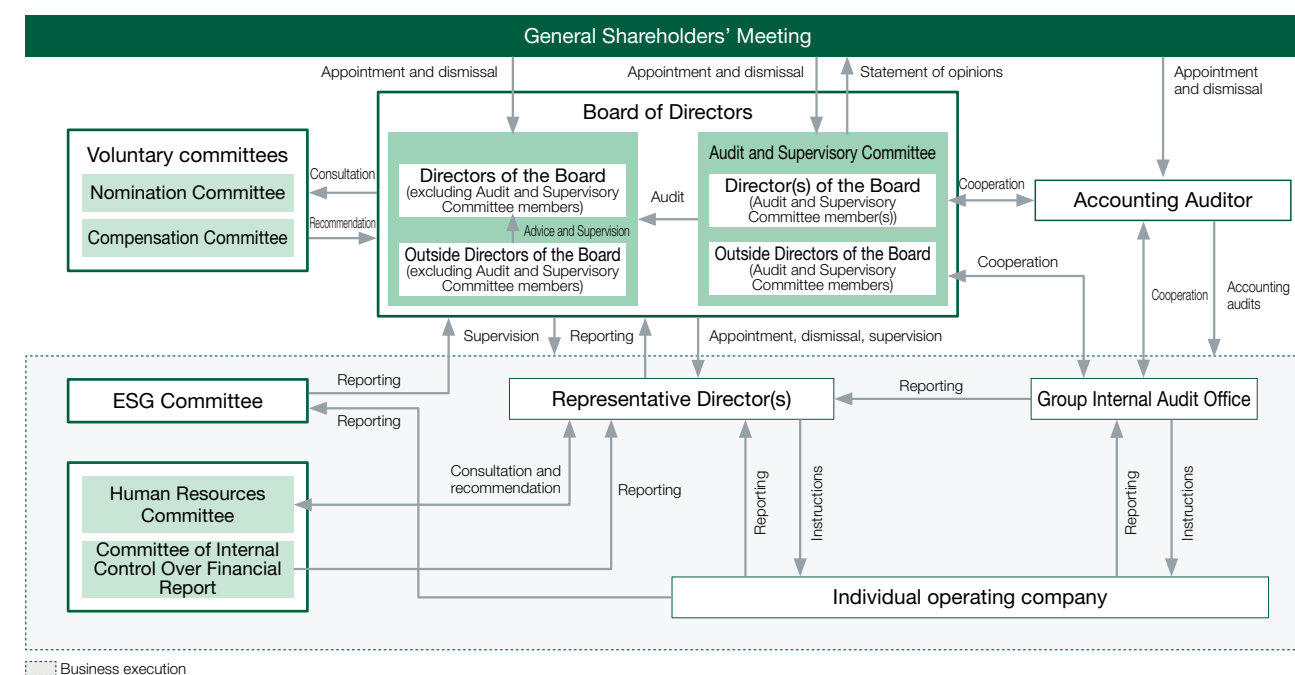
decision-making while maintaining a balance between management oversight and business execution.

At KPP Group, the Board of Directors of the holding company, including outside directors, assumes responsibility for decision-making and oversight across the entire Group, while individual operating companies primarily handle business execution. This structure ensures a clear separation between management's decision-making and oversight functions and the execution of operations.

History of Corporate Governance Enhancements

	FYE March 2016	FYE March 2017	FYE March 2018	FYE March 2019	FYE March 2020	FYE March 2021	FYE March 2022	FYE March 2023	FYE March 2024	FYE March 2025
Measures	Transitioned to a company with an Audit and Supervisory Committee		<ul style="list-style-type: none"> Abolished advisor/counselor system Filed three independent outside directors 	<ul style="list-style-type: none"> Ended officer retirement benefits and introduced performance-linked stock compensation plan 	<ul style="list-style-type: none"> Increased number of independent outside directors to four Appointed one female director 		Established voluntary Nomination and Compensation Committees	Transitioned to a holding company structure		Introduced executive officer system
Director of the Board	Internal	8		5				4		5
	Outside				2					
	Total	8	8	8	5	7	7	7	6	6
Director of the Board and Member of the Audit and Supervisory Committee	Internal	2			1					
	Outside	3			2					
	Total	5	5	5	4	3	3	3	3	3

Corporate Governance Structure



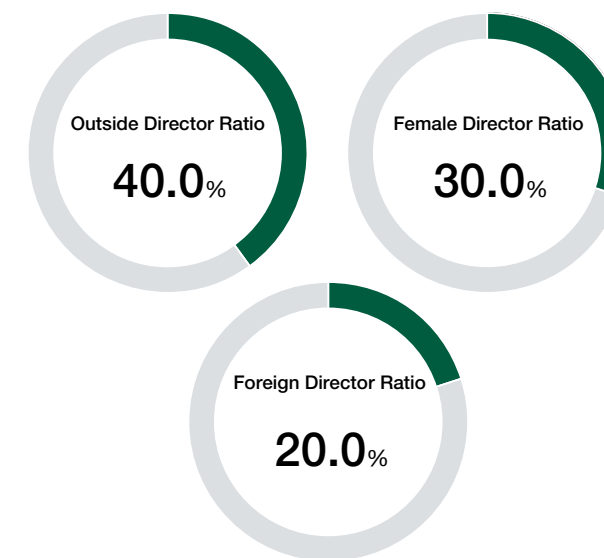
Functions of the Board of Directors

The Board consists of ten directors, including four outside directors with diverse expertise and experience. It is responsible for making key management decisions and overseeing business execution. To drive sustainable growth and enhance corporate value over the medium to long term, we ensure sound decision-making and effective oversight by combining the extensive business experience of internal directors with the practical and specialized knowledge of outside directors.

Composition of Directors

Based on a resolution of the Board of Directors, the Board is chaired by Representative Director and Chairman Madoka Tanabe and consists of 10 members: seven directors (including two outside directors) and three directors who serve as Audit and Supervisory Committee members (including two outside directors on the committee). Of these, four are outside directors, three of whom are women. Their expertise spans a wide range, including lawyers, certified public accountants, and corporate executives, bringing diverse perspectives to the company's management.

When appointing directors, we prioritize their knowledge, experience, and areas of expertise, regardless of gender or nationality. The selection process involves mapping these qualifications in a skills matrix.



Key Agenda Items and Discussion Themes of the Board of Directors for the FYE March 2025

In accordance with the Board of Directors Regulations, the Board deliberates and decides on critical matters related to overall management. Regular Board meetings are held monthly, and during the fiscal year ended March 2025, the Board convened 15 times. Across these sessions, the following topics were discussed and reviewed.

Themes	Key Agenda and Reporting Items
Management Strategy	<ul style="list-style-type: none"> Progress of the Third Medium-Term Business Plan Annual management plan and budget, and progress status Decisions on strategic investment projects Monitoring and progress of investment projects

Themes	Key Agenda and Reporting Items
Corporate Governance	<ul style="list-style-type: none"> Business risks Issues and measures from the Board effectiveness evaluation Review of the significance of cross-shareholdings ownership Matters related to ESG initiatives Audit and Supervisory Committee activities report and plans Internal control evaluation results and plans ESG committee activities report
Financial Results, Accounting, and General Shareholders' Meeting	<ul style="list-style-type: none"> Matters related to financial results (including quarterly results) Shareholder returns (dividends, shareholder benefits, acquisition and cancellation of treasury stock) Important matters related to financing
Executive Appointments and Compensation	<ul style="list-style-type: none"> Personnel matters for directors and executive officers Matters related to executive compensation
Others	<ul style="list-style-type: none"> Amendments to important regulations Matters related to significant capital investments

Independent Outside Directors' Roles and Selection Policy

Independent outside directors play a key role in providing objective advice on various matters, including revisions to the board structure and skills matrix, proposals for the directors' compensation system (such as compensation levels and the balance between fixed and performance-linked pay), and ensuring fairness, transparency, and objectivity in board procedures. They also contribute to enhancing corporate governance and accountability. For the appointment of independent outside directors, in addition to meeting the independence requirements set by the Tokyo Stock Exchange, we apply our own independence criteria and appoint individuals who can further enhance and improve corporate governance.

Support System for Outside Directors

To ensure a thorough understanding and sufficient time for deliberation on board agenda items, materials are distributed in advance of board meetings. When necessary, preliminary explanations are provided by a full-time Audit and Supervisory Committee member or relevant department heads. Additionally, materials from key internal meetings are shared to facilitate effective information exchange.

Analysis and Evaluation of the Board of Directors' Effectiveness

To enhance the effectiveness of the Board, we conduct an annual analysis and evaluation. For the fiscal year ended March 2025, as in the previous year, we collaborated with an external organization to administer a questionnaire to all directors and reviewed the results at a Board meeting. The evaluation confirmed that the overall effectiveness of the Board of Directors remains strong.

Specifically, areas such as "sustainability-focused management including ESG perspectives," "appropriate performance indicators," and "verification of the necessity of cross-shareholdings in line with the reduction policy" received particularly high ratings. "Shareholder engagement feedback" also improved. However, the review identified areas for improvement in "leveraging data and digital technologies in products and services" and "succession planning." We remain committed to making improvements in these areas to further enhance the Board's effectiveness.

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Officer Compensation

Basic Policy on Compensation for Directors and Officers

- i. The compensation structure for directors and officers is designed to align with the achievement of short-term performance targets and the enhancement of corporate value over the medium to long term, thereby ensuring value is shared with shareholders.
- ii. The policy on the amount of compensation for directors and officers is set with a balanced consideration of factors such as business performance and industry trends.
- iii. Individual compensation amounts are decided by the Board of Directors within the total remuneration limit approved at the General Meeting of Shareholders, with appropriate involvement and advice from independent outside directors.

Supervisory Committee members consists solely of fixed compensation.

Performance-linked stock compensation serves as a medium- to long-term incentive, with the amount varying according to the achievement of annual performance targets. Funded by remuneration allocated to directors and officers, this system provides shares of the Company or their cash equivalent through a trust.

For non-Japanese directors, remuneration is determined by considering their roles within the organization and its subsidiaries, as well as market standards in their home countries. The Board of Directors approves internal rules that reflect the policy for determining individual remuneration packages.

Compensation System Overview

Compensation for directors (excluding Audit and Supervisory Committee members and outside directors) consists of fixed compensation, bonuses, and performance-linked stock compensation. Compensation for outside directors and Audit and

Compensation Structure

Fiscal year ending March 31, 2026 (planned)	<ul style="list-style-type: none"> ● Fixed compensation (62–64%) ● Bonuses (23%) ● Performance-linked stock compensation (13–15%)
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Fiscal Year Ending March 2025

Type of Compensation	Estimated Compensation Breakdown (%)		Compensation Determination Process
	Directors (excluding outside directors and directors who are Audit and Supervisory Committee members)	Outside directors and directors who are Audit and Supervisory Committee members	
Fixed compensation	62~64% [62~64%]	100% [100%]	<p>Directors (excluding directors who are Audit and Supervisory Committee members)</p> <ul style="list-style-type: none"> ● Individual amounts are calculated based on internal rules for each position within the limit of the compensation amount, reviewed by the Compensation Committee, and finalized by the Board of Directors. <p>Directors who are Audit and Supervisory Committee members</p> <ul style="list-style-type: none"> ● Determined through discussion by the Audit and Supervisory Committee based on internal rules within the limit of the compensation amount.
Bonuses	23% [23%]	—	<ul style="list-style-type: none"> ● Performance-linked monetary compensation that varies according to the achievement of annual performance targets, serving as a short-term incentive. ● Amount paid = Monthly fixed compensation × Position multiplier × Performance-linked coefficient (The calculated amount, based on monthly fixed compensation and position multiplier, is adjusted from 0% to 200% depending on performance against targets set at fiscal year start) ● Indicators for determining the performance-linked coefficient: EBITDA, ROE, and consolidated net sales, etc.
Performance-linked stock compensation	13~15% [13~15%]	—	<ul style="list-style-type: none"> ● Performance-linked stock compensation that varies according to the achievement of annual performance targets, serving as a medium- to long-term incentive. ● The allocation ratio is structured so that directors in higher positions receive a greater proportion of performance-linked compensation, taking into account job responsibilities and other factors. ● Company shares are allocated based on the number of points granted. ● Points granted = Basic points* × Performance-linked coefficient (Points are adjusted from 0% to 200% of basic points based on achievement of targets disclosed in each fiscal year's financial results) ● Indicators for determining the performance-linked coefficient: Consolidated ROIC, profit attributable to owners of parent, and non-financial metrics (progress in developing and distributing products that reduce environmental impact, etc.)

* Basic points = Base amount set for each position ÷ Average closing price of the Company's shares on the Tokyo Stock Exchange during the month preceding the start of the applicable period

To achieve the goals of the Fourth Medium-Term Business Plan, launched in the fiscal year ending March 31, 2026, and to reinforce our commitment to sustainable growth in performance and corporate value, we have revised the indicators used to evaluate performance-linked stock compensation. The new indicators include relative TSR, which promotes

alignment with shareholder interests; GHG emissions reduction, which supports environmental sustainability through our circular business model; and employee engagement, which aims to enhance the vitality of our most valuable asset—our people. The following are the key revisions from the previous framework.

	Before	After
Criteria for Achieving Targets	Points fluctuate between 0% and 200% of the basic points based on achievement of indicators including consolidated ROIC, profit attributable to owners of parent, and non-financial metrics (e.g., progress in developing and distributing products that help reduce environmental impact, etc.)	Points fluctuate between 0% and 200% of the basic points based on achievement of indicators including consolidated ROIC, profit attributable to owners of parent, relative TSR*, and non-financial metrics (e.g., GHG emissions reduction, employee engagement, etc.)

*Relative TSR is assessed by comparing the Company's total shareholder return (including dividends) during the Fourth Medium-Term Business Plan period with the growth rate of TOPIX (including dividends). Total shareholder return is the combined return to shareholders from capital gains and dividends.

Main Activities of the Voluntary Committees

Nomination Committee

The Nomination Committee provides recommendations to the Board of Directors to enhance fairness, transparency, and objectivity in procedures for nominating director candidates, planning the succession of the representative director, and appointing or dismissing directors (including representative directors), thereby strengthening corporate governance and accountability.

Committee Composition	3 members (1 internal director and 2 outside directors)
Number of Meetings Held	Three
Activities in the Reporting Period	The committee shared the annual schedule, reviewed key issues, received reports on executive officers' annual evaluations, and discussed proposals regarding the officer structure.

Compensation Committee

The Compensation Committee provides recommendations to the Board of Directors to ensure fairness, transparency, and objectivity in procedures for determining directors' compensation, including setting compensation levels and the ratio of fixed to performance-linked pay, thereby strengthening corporate governance and accountability.

Committee Composition	3 members (1 internal director and 2 outside directors)
Number of Meetings Held	Three
Activities in the Reporting Period	The committee deliberated on detailed director compensation arrangements for CEOs of overseas subsidiaries, the KPI settings for the performance-linked stock compensation plan, and the overall executive compensation framework.

Group Governance

Internal Audit

The Group Internal Audit Office oversees the internal audit functions of the operating companies—Kokusai Pulp & Paper, Spicers, and Antalis. It reviews audit plans, results, and progress on improvements submitted by each company, and reports its findings to the representative directors and other officers after thorough evaluation. In addition, a summary of audit results from each company is presented to the Board of Directors once a year.

The Office has also established an internal control system for financial reporting in compliance with the Financial Instruments and Exchange Act (commonly known as J-SOX). Its responsibilities include formulating basic plans, assessing the design and operation of internal controls, and preparing internal control reports. Group-wide evaluation results are deliberated and approved by the Committee on Internal Control over Financial Report, and the outcome is reported to the Board of Directors.

Basic Approach to Information Security Management

Recognizing the critical role of information security in corporate risk management, we restructured the Information

Security Committee in April 2024, making it an independent, Group-wide body separate from the ESG management framework. The Committee evaluates whether measures implemented by Group companies effectively strengthen the KPP Group's overall security capabilities and reduce vulnerabilities. It also facilitates the sharing of security incident reports among Group companies and ensures systematic planning and employee training through a rigorous PDCA cycle. In January 2025, we distributed an employee-focused, clear and concise Information Security Guidebook that explains the global information security management rules applicable to all Group companies. This initiative promotes awareness not only at the organizational level but also at the individual employee level.

While advances in IT technology bring significant benefits to our business, they also increase the diversity and sophistication of attacks on information systems and methods of corporate data theft. Addressing these growing threats is recognized as a critical foundation for driving DX and achieving sustainable growth. We remain committed to further enhancing our information security measures.

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Risk Management

Risk Management Framework and Process

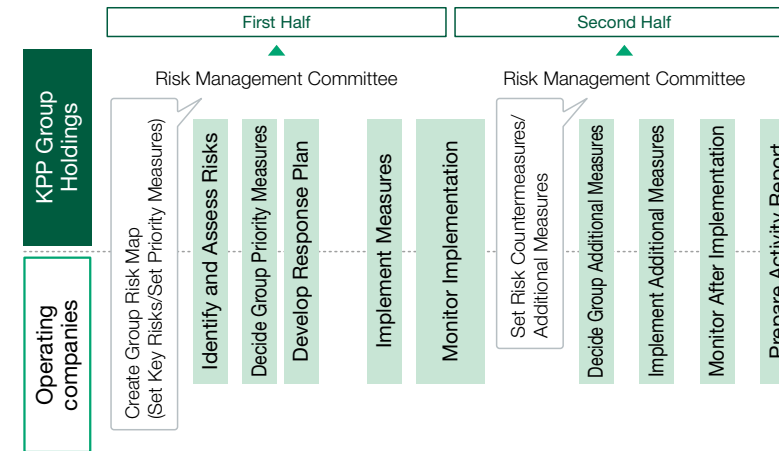
The KPP Group has established a Risk Management Committee to maintain and enhance its risk management framework. The Committee is responsible for identifying and assessing significant risks related to Group operations, determining priority response measures, and regularly

monitoring their implementation. The results are reported to the Board of Directors through the ESG Committee. In the fiscal year ended March 2025, the Committee convened twice to review and compare key risks with those of the previous year and to discuss priority response measures.

Risk Management Framework



Risk Management Process

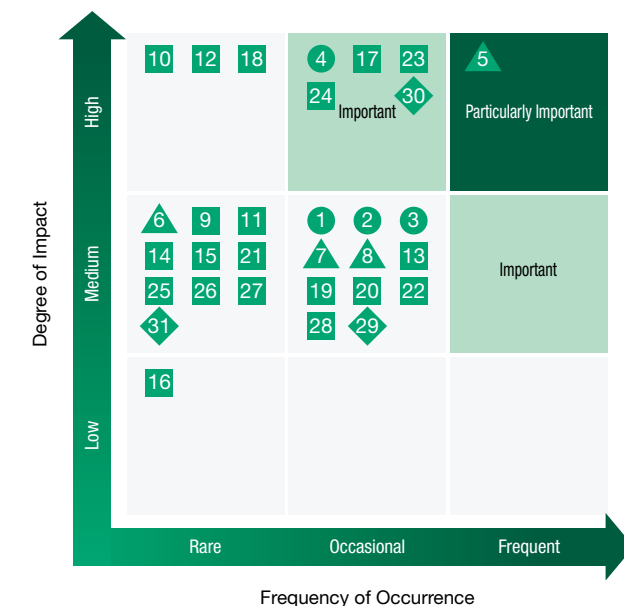


Risks Related to Business Activities

The KPP Group faces certain business risks that may affect its operating results and financial position. We have prepared a risk map that evaluates each risk item based on its potential impact and likelihood of occurrence. Please note that any forward-looking statements in this section reflect the Group's judgment as of the end of the previous consolidated fiscal year.

The key risks identified by the Group are shown in the table on the next page. However, this is not an exhaustive list of all risks associated with the Group, and unforeseen or currently immaterial factors may also affect the Group in the future. While measures have been implemented to mitigate these risks, it is not possible to eliminate them entirely.

Risk Map



Category	Subcategory
External factor risks	1. Natural disasters 2. Terrorism/conflicts/incidents 3. Infectious diseases 4. Country risks
Management risks	5. Competitiveness/performance 6. Corporate defense 7. Company and Group company management 8. Human resources
Operational risks	9. Violation of Subcontract Act 10. Violation of Antimonopoly Act 11. Response to antisocial forces 12. Officer/employee misconduct 13. Harassment 14. Environment 15. Human rights 16. Local community 17. Supply chain management (SCM) 18. Finance and accounting 19. Taxes 20. Legal affairs 21. Intellectual property rights 22. Labor management 23. Information systems 24. Information security 25. Information management 26. Business partner/contractor management 27. Fires/accidents 28. Accidents resulting in death or injury
Financial risks	29. Credit risk 30. Market risk 31. Liquidity risk

Significant Risks and Responses

Risk Category	Risk Description	Primary Mitigation Measures
External Factor Risks		
Country Risks	<ul style="list-style-type: none"> Delays in payment collection and operational issues caused by emerging risks related to political, economic, and social conditions in various regions of the world. 	<ul style="list-style-type: none"> Implement risk-hedging measures such as using trade credit insurance for accounts receivable. Conduct credit management and ensure thorough information gathering in the relevant countries. Expand sales channels to avoid overreliance on specific countries.
Management Risks		
Competitiveness/Performance (Overseas Investments)	<ul style="list-style-type: none"> Impairment loss on goodwill may occur if overseas investments are deemed unlikely to deliver expected results due to changes in the business environment or other factors. 	<ul style="list-style-type: none"> The Board of Directors conducts thorough deliberations on the profitability of investments and regularly monitors performance trends, progress against plans, and collects and analyzes information on business conditions.
Operational Risks		
Supply Chain Management (Dependence on Major Suppliers, etc.)	<ul style="list-style-type: none"> Significant disruptions in the supply of products from major suppliers to the Company caused by natural disasters or other factors. 	<ul style="list-style-type: none"> Secure new procurement sources by developing domestic and overseas suppliers while continuing to expand transactions with existing major suppliers. Reduce reliance on domestic transactions by expanding overseas operations and transforming the business portfolio, including developing new business domains and increasing the share of businesses outside traditional paper and paperboard sales.
Information Systems	<ul style="list-style-type: none"> Possibility of not achieving expected investment benefits in core system development. Unexpected costs due to delays in the development schedule, etc. 	<ul style="list-style-type: none"> Investment projects are thoroughly reviewed and progress and risks are monitored through meetings attended by IT managers from each operating company.
Information Security (Leakage of Confidential Information, etc.)	<ul style="list-style-type: none"> System failures and information leaks caused by external cyberattacks or unauthorized access and data tampering by employees. 	<ul style="list-style-type: none"> Proper handling of confidential information in accordance with internal regulations and ensuring a secure management system through internal education and training. Strengthen IT governance across the Group and implement IT risk countermeasures.
Financial Risks		
Market Risk (Impact of Commodity Market Fluctuations)	<ul style="list-style-type: none"> Paper and Paperboard, etc. Increase in procurement costs driven by rising prices of raw materials and fuel. Paper Raw Materials (Pulp and Recovered Paper), etc. The pulp sector is exposed to significant global price volatility risk, while the recovered paper sector is highly susceptible to price fluctuations caused by changes in demand from major consuming countries and domestic supply-demand imbalances. Packaging and Visual Communications, etc. In materials such as films used for packaging applications, procurement costs are expected to rise due to factors such as higher fuel prices and overseas transportation costs. 	<ul style="list-style-type: none"> Paper and Paperboard, etc. Continuous price negotiations with customers to secure appropriate profit margins. Paper Raw Materials (Pulp and Recovered Paper), etc. Expand sales channels and secure suppliers, focusing on regions where demand is expected to grow. Packaging and Visual Communications, etc. Revise the process to set sales prices based on procurement cost fluctuations and diversify procurement sources.
Market Risk (Exchange Rate Fluctuations)	<ul style="list-style-type: none"> Decrease in consolidated net profit in the consolidated financial statements due to yen appreciation. Foreign exchange risk in cross-border transactions. 	<ul style="list-style-type: none"> Hedge foreign exchange risk through forward exchange contracts and other measures.
Market Risk (Interest Rate Fluctuations)	<ul style="list-style-type: none"> External factor risks associated with rising interest rates in debt financing, such as loans, bonds, and commercial paper issuance. 	<ul style="list-style-type: none"> Mitigate interest rate fluctuation risk by raising funds at fixed interest rates through long-term borrowings and corporate bonds, and by incorporating interest rate swaps and other measures.
Market Risk (Fluctuations in the Market Value of Stockholdings)	<ul style="list-style-type: none"> Stock price fluctuation risk arising from market trends related to so-called cross-shareholdings and the performance of the respective companies whose shares are held. 	<ul style="list-style-type: none"> Verify the rationality of holdings through the Board of Directors and promote the reduction of cross-shareholdings.
Market Risk (Retirement Benefit Obligations)	<ul style="list-style-type: none"> Decline in discount rates and investment yields for retirement benefit expenses and obligations, decrease in the market value of shares held in trust, and amortization of significant actuarial gains and losses. 	<ul style="list-style-type: none"> Review pension assets periodically and continuously assess the optimal portfolio.

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Compliance

Basic Policy

To foster values that shape our corporate culture, we have established the KPP Group Charter as the guiding principle for all decision-making, placing compliance with laws and regulations at its core. We view compliance not simply as meeting legal requirements, but as an ethical standard that reflects our responsibility as a corporate citizen, enabling us to respond to the evolving expectations of society.

KPP Group Charter

<https://www.kpp-gr.com/en/company/behavior.html>

Compliance Framework

Our compliance framework is designed to ensure strict adherence to laws and ethical conduct, and it consists of several key elements:

1 Compliance Committee

We have established a Compliance Committee to conduct compliance training, promote awareness of internal and external reporting channels, and review responses to compliance-related issues.

2 Internal Reporting Channels

To enable swift action in the event of a compliance violation, we have set up an internal reporting channel managed by the Compliance Committee Secretariat and an external channel operated by an independent third party. These channels provide employees and business partners with a secure environment to consult or report concerns.

3 Shared Commitment to Legal Compliance

We actively foster a shared commitment to legal compliance across the organization, promoting a strong culture of compliance at every level.

4 Strengthening Governance Systems

To ensure management efficiency, transparency, and soundness, we are committed to establishing and enhancing a robust corporate governance framework.

Through these initiatives, the KPP Group strives to build corporate credibility and achieve sustainable growth.

Internal Reporting System

To prevent, detect early, and respond promptly and effectively to compliance violations, we have introduced an internal reporting system.

Internal and External Channels

We provide reporting channels for employees, business partners, and their families to consult or report compliance violations.

Prohibition of Retaliation

Our internal regulations explicitly prohibit any adverse treatment of individuals for making a report.

Through these measures, we aim to maintain a high level of transparency in corporate management.

Response to Incidents

When a report is received, the Compliance Committee assigns the investigation and response to the relevant department based on the nature of the issue. Any matter deemed significant by the Committee is immediately reported to the Board of Directors. For issues requiring a broader perspective, the Committee promptly conducts a thorough investigation and recommends measures to prevent recurrence. In the event of a serious compliance breach, we will act swiftly to disclose information to the public, fulfill our accountability obligations, identify the root cause, and implement strict corrective measures to prevent recurrence.

Elimination of Antisocial Forces

As part of the KPP Group Charter, we maintain a systematic crisis management approach to address threats posed by antisocial forces. In close cooperation with law enforcement and relevant authorities, we take a firm stance to sever any ties with such groups. We categorically refuse to comply with any demands from individuals or organizations that threaten social order or disrupt sound corporate activities.

Compliance with the Antimonopoly Act

The KPP Group Charter stipulates that we conduct fair, free, and transparent business activities. This includes strict compliance with the Antimonopoly Act and related laws, guided by specific principles that prohibit private monopolization, unreasonable restraints of trade, and unfair trade practices.

Compliance Training

We place strong emphasis on compliance education, implementing various initiatives to raise employees' awareness of legal compliance. For all employees, we provide regular training sessions on laws and corporate ethics, ensuring knowledge remains up to date. Additionally, we support self-directed learning through e-learning programs, enabling employees to deepen their understanding of compliance.

Financial Highlights (Seven-Year Summary)

Unit: Million yen

	FYE March 2019	FYE March 2020	FYE March 2021	FYE March 2022	FYE March 2023	FYE March 2024	FYE March 2025
Balance sheet							
Current assets	137,757	136,546	200,672	210,523	243,596	242,689	231,312
Fixed assets	53,853	52,771	74,447	80,183	87,065	101,872	120,723
Current liabilities	126,484	121,293	190,993	170,164	207,947	198,235	194,130
Fixed liabilities	14,900	20,746	40,544	64,167	54,905	64,426	71,688
Interest-bearing liabilities	41,357	47,808	83,272	80,237	94,310	86,029	86,788
Net assets	50,117	47,184	43,489	56,291	67,730	81,811	86,122
ROE (%)	5.12	2.53	3.12	15.02	25.35	14.19	9.51
Total assets	191,610	189,317	275,119	290,707	330,662	344,562	352,035
ROA (%)	1.28	0.65	0.61	2.65	5.06	3.14	2.29
Equity ratio (%)	26.2	24.9	15.8	19.4	20.5	23.7	24.5
Profit and loss statement							
Net sales	384,973	381,397	430,404	563,414	659,656	644,435	670,042
Gross profit	22,064	23,708	51,915	92,951	120,584	119,899	129,116
- Ratio to net sales (%)	5.73	6.22	12.06	16.50	18.28	18.61	19.27
Operating income	2,280	1,850	(9,035)	9,379	20,401	15,819	13,544
- Ratio to net sales (%)	0.59	0.49	-	1.66	3.09	2.45	2.02
Ordinary income	2,518	2,194	(12,041)	8,844	18,404	12,475	9,712
- Ratio to net sales (%)	0.65	0.58	-	1.57	2.79	1.94	1.45
Profit attributable to owners of parent	2,497	1,232	1,416	7,497	15,722	10,613	7,986
- Ratio to net sales (%)	0.65	0.32	0.33	1.33	2.38	1.65	1.19
Statement of cash flows							
Operating cash flow	4,217	4,905	(6,472)	4,821	10,308	19,817	11,169
Investment cash flow	1,130	(5,400)	23,046	(2,678)	(8,530)	(5,508)	(16,644)
Financial cash flow	(6,623)	5,504	6,597	(11,803)	4,205	(22,375)	(11,190)
Ending balance of cash and cash-equivalents	2,838	7,775	30,543	22,631	30,699	26,244	11,316
Per-share data							
Net profits per share (Yen)	34.74	16.86	19.70	104.39	219.09	149.24	118.00
Net assets per share (Yen)	685.21	649.48	605.71	783.65	944.75	1,188.92	1,305.61
Annual dividend per share (Yen)	10.00	10.00	10.00	14.00	20.00	22.00	34.00
Other indices							
Total asset turnover (%)	200.9	201.5	156.4	193.8	199.5	187.0	190.3
Dividend payout ratio (%)	28.8	59.3	50.8	13.4	9.1	14.7	28.8
Debt-to-equity ratio (%)	82.5	101.3	191.5	142.5	139.2	105.2	100.8
Current ratio (%)	108.9	112.6	105.1	123.7	117.1	122.4	119.2

Notes: 1. Net assets reflect a total from which non-controlling interests have been deducted.

2. The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) and other standards have been applied from the beginning of the fiscal year ending March 31, 2022, and the figures for the fiscal year ending March 31, 2022 onward are after the application of such accounting standards.

3. ROE is calculated based on an average of net assets in the current period and in the preceding period. *ROE (return on equity) = Profit attributable to owners of parent/Net assets

4. ROA is calculated based on an average of total assets in the current period and in the preceding period. *ROA (return on assets) = Profit attributable to owners of parent/Total assets

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Non-Financial Highlights (Five-Year Summary)

Personnel Data*1		FYE March 2021	FYE March 2022	FYE March 2023		FYE March 2024		FYE March 2025	
				KPP Group Holdings	Kokusai Pulp & Paper	KPP Group Holdings	Kokusai Pulp & Paper	KPP Group Holdings	Kokusai Pulp & Paper
Consolidated number of employees		5,530	5,354	5,457		5,624		5,974	
Non-consolidated number of employees * Excluding fixed-term employees and post-retirement workers	Male	408	365	34	319	33	310	22	303
	Female	252	242	18	228	19	230	12	237
	Total	660	607	52	547	52	540	34	540
Gender ratio in management positions (%) ^{*2}	Male	97.4	97.0	91.3	97.2	86.4	97.1	83.3	96.7
	Female	2.6	3.0	8.7	2.8	13.6	2.9	16.7	3.3
Female-to-male pay ratio (%) ^{*3}	All employees	—	—	—	—	66.0	60.5	69.3	60.6
	Regular employees	—	—	—	—	61.2	59.1	68.1	59.8
	Non-regular employees	—	—	—	—	—	61.5	—	61.5
Average years of service		18.1	17.9	12.8	18.8	12.0	19.0	9.6	18.6
Hiring rate of persons with disabilities (%)		2.8	2.4	3.2	2.5	3.4	2.7	5.4	2.3
Number of post-retirement workers		29	29	3	26	5	33	1	38
Number of new graduates hired		22	6	0	11	0	13	0	15
Number of mid-career employees hired		8	11	6	14	8	16	3	11
Total number of employees hired		30	17	6	25	8	29	3	26
Hiring rate of mid-career employees (%)		27	65	100	56	100	55	100	42

Work-Life Balance Data*1		FYE March 2021	FYE March 2022	FYE March 2023		FYE March 2024		FYE March 2025	
				KPP Group Holdings	Kokusai Pulp & Paper	KPP Group Holdings	Kokusai Pulp & Paper	KPP Group Holdings	Kokusai Pulp & Paper
Number of employees on parental leave		9	12	0	6	0	11	0	7
Return-to-work rate after parental leave (%)		100	100	0	89	0	100	0	100
Number of employees on childcare short-time work		19	12	0	15	0	13	0	11
Number of employees on staggered work hours (excluding off-peak commuting)		18	19	0	20	1	17	0	13

Environmental data		FYE March 2021	FYE March 2022	FYE March 2023	FYE March 2024	FYE March 2025
Forest-certified pulp sales (tons)						
GHG emissions from company operations ^{*5} (ton CO ₂ e)	Scope 1 and 2 ^{*6}	2,048	18,829	18,334	20,827	21,385
	Scope 1	289	8,008	8,336	11,334	10,583
	Scope 2 ^{*7}	1,759	9,950	9,998	9,493	10,802
GHG emissions from the supply chain ^{*8} (ton CO ₂ e)	Scope 3	—	—	1,156,165	1,059,726	1,090,908
	Electricity consumption ^{*9} (kWh)	3,903,665	3,822,649	3,699,048	5,018,604	25,712,758
Electricity consumption from renewable sources ^{*9} (kWh)		—	—	—	29,148	7,133,945
Waste emissions ^{*10} (kg)		119,766	105,867	101,756	91,437	2,216,357
Waste recycled ^{*10} (kg)		84,946	70,347	67,514	58,209	1,535,164
Waste recycling rate ^{*10, 11} (%)		70.9	66.4	66.3	63.7	69.0
Water consumption ^{*12} (m ³)		8,290	8,074	9,290	9,223	34,339

*1: Except for the consolidated number of employees, personnel and work-life balance data are presented on a non-consolidated basis for KPP Group Holdings and Kokusai Pulp & Paper.
 *2: For reference, the ratio of female managers at major overseas subsidiaries is 37.5% for the Antalis Group and 33.3% for the Spicers Group.
 *3: The gender pay gap shows the ratio of female wages to male wages. There is no difference in pay for equal work; the gap reflects differences in workforce composition by grade. Wages include base salary, overtime allowance, and bonuses, but exclude retirement benefits, commuting allowances, and employee stock ownership incentives.
 *4: Until FYE March 2024, results were reported for Kokusai Pulp & Paper only. From FYE March 2025, the scope includes Europe, South America, North America, and Oceania, resulting in a significant increase compared to the previous year.
 *5: In FYE March 2025, all consolidated subsidiaries were included in the reporting scope, except certain subsidiaries in China, U.S., India, and Southeast Asia. For details, please refer to our [ESG Data Book](#).
 *6: For details on emission factors, calculation methods, and the scope of calculations, please refer to our [ESG Data Book](#).
 *7: Scope 2 emissions are reported based on the market-based approach.
 *8: The scope of calculations includes KPP Group Holdings and Kokusai Pulp & Paper. For calculation methods and category-specific breakdowns, please refer to our [ESG Data Book](#).
 *9: Until FYE March 2024, results were reported for KPP Group Holdings, Kokusai Pulp & Paper, and their consolidated subsidiaries. From FYE March 2025, the scope includes Europe, South America, North America, and Oceania, resulting in a significant increase compared to the previous year.
 *10: Until FYE March 2024, results were reported for KPP Group Holdings and Kokusai Pulp & Paper (domestic sales and administrative divisions of the head office and branches). From FYE March 2025, the scope includes Oceania, resulting in a significant increase compared to the previous year.
 *11: Waste recycling rate = Recycled waste volume ÷ Total waste emissions) × 100
 *12: Until FYE March 2024, results were reported for KPP Group Holdings and Kokusai Pulp & Paper (domestic sales and administrative divisions of the head office and branches), excluding shared-use areas of tenant properties. From FYE March 2025, the scope includes consolidated subsidiaries of Kokusai Pulp & Paper and Oceania, resulting in a significant increase compared to the previous year.

Corporate Profile (As of March 31, 2025)

Company Overview

Trade name: KPP GROUP HOLDINGS CO., LTD.
 Established: November 27, 1924
 Representatives*: **Madoka Tanabe** (Representative Director of the Board Chairman), **Yasuyuki Sakata** (Representative Director of the Board President & Chief Executive Officer)
 Capital: 4,723.53 million yen
 Consolidated net sales: 670,042 million yen
 Number of employees: 5,974 (consolidated)
 *After the General Meeting of Shareholders held in June 2025

Business Activities

Control and management of subsidiary operations through ownership of shares or equity interests, as well as the holding and leasing of real estate.

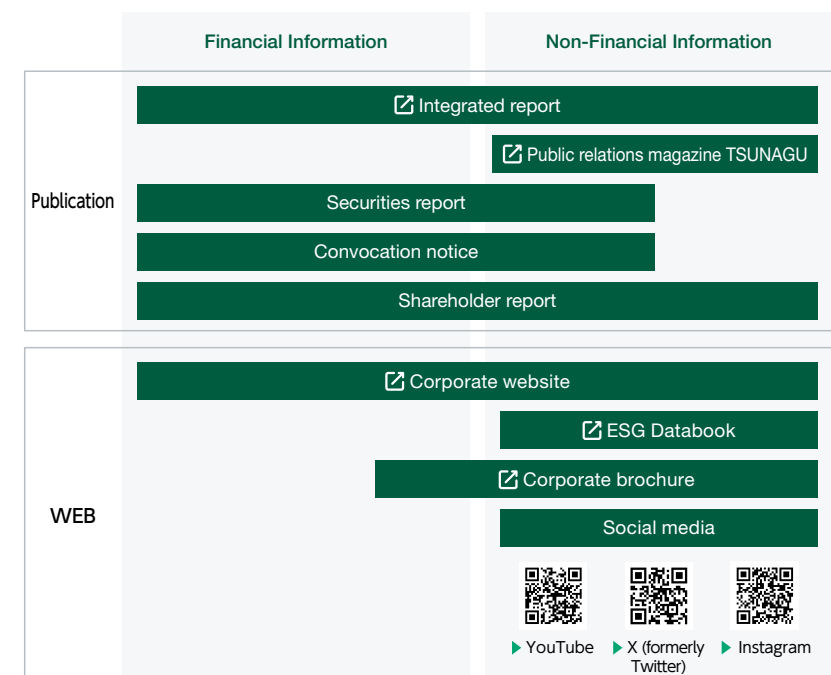
Status of shares

Total number of authorized shares: 267,500,000
 Total number of issued shares: 67,244,284
 Note: As a result of the cancellation of treasury shares carried out on March 3, 2025, the total number of issued shares has decreased by 6,000,124.

Major Shareholders

- Oji Holdings Corporation
- The Master Trust Bank of Japan, Ltd. (Trust Account)
- The Custody Bank of Japan, Ltd. (Hokuetsu Corporation Retirement Benefit Trust Account re-entrusted by Resona Bank, Limited.)
- KPP Group Holdings Employee Stock Ownership
- Nippon Paper Industries Co., Ltd.
- The Master Trust Bank of Japan, Ltd. (Board Incentive Plan Trust Account)
- Mizuho Bank, Ltd.
- MUFG Bank, Ltd.
- Sumitomo Mitsui Banking Corporation
- The Norinchukin Bank

Main Communication Tools



Editorial Policy

Since 2016, we have published an integrated report, which is also available on our corporate website. This report outlines our management vision, strategies, and business activities, along with sustainability-related information, with the aim of promoting deeper dialogue and strengthening engagement with our stakeholders.

Time of Issuance

Current issue: October 2025
 Next scheduled issue: October 2026

Reference Guidelines

GRI Standards
 IFRS Foundation, *International Integrated Reporting Framework*
 Ministry of Economy, Trade and Industry, *Guidance for Collaborative Value Creation*

Scope of Matters Reported

This report covers the entire KPP Group. Any content not applicable to the whole Group is clearly indicated through annotations or explanatory notes. In the medium to long term, we intend to incorporate all consolidated subsidiaries into the reporting scope.

Reporting Period

This report primarily covers the status of the KPP Group for the fiscal year ending March 31, 2025 (April 1, 2024 – March 31, 2025). However, some content from April 2025 onward is also included. Please note that the reporting period differs by region, as outlined below:

- Domestic companies: April 1, 2024 – March 31, 2025
- Overseas companies: January 1, 2024 – December 31, 2024

Cautionary Statement Regarding Forward-Looking Statements

The forward-looking statements contained in this report, including earnings forecasts, are based on information currently available and certain assumptions deemed reasonable by the Group. Please be aware that actual results may differ significantly due to various factors.

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Cover Page



- 1 OJO+ Paper Turf, a product sold by Kokusai Pulp & Paper
- 2 Image from the lookbook of Spicer's packaging catalog
- 3 Visual representation of the three core business segments of Antalis