

NOTICE OF THE ONE HUNDREDTH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Date and Time June 27, 2024 (Thursday)
10:00 a.m. (Reception desk to be opened at 9:00 a.m.)

Place The International Conference Hall
2nd floor of The Keidanren (Japan Business Federation) Bldg.,
3-2, Otemachi 1-chome, Chiyoda-ku, Tokyo

Matters to be resolved

Proposal 1

Appropriation of Retained Earnings

Proposal 2

Election of Nine (9) Directors

Proposal 3

Election of One (1) Audit & Supervisory Board Member

Proposal 4

Election of One (1) Substitute Audit & Supervisory Board Member

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Nippon Paper Industries Co., Ltd.

Ticker Code: 3863

Nippon Paper Group Mission

Mission

The Nippon Paper Group aims to contribute to better living and cultural progress everywhere it does business.

Vision

A corporate group that meets the following requirements and is sustainably needed by society

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

Values

Challenge : Embrace new challenges
Fairness : Be fair
Teamwork : Champion teamwork

Slogan

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

Over many years, we have nurtured trees, made paper, and offered a wide range of products that support people’s life and culture.

We have managed forests in an appropriate manner, and pursued a variety of businesses by fully utilizing wood resources out of sustainably managed forests. Those businesses address social issues such as global warming and depletion of resources on earth, and contribute to running sustainable society.

Going forward, we will continue to provide a wide range of products and services that make the most of the outstanding properties of wood, as we strive to maximize the value of sustainable forest resources for the future.

To Our Shareholders

June 2024
Toru Nozawa
President, Representative Director

We would like to express our appreciation for your continued support and patronage.

You are cordially invited to attend the 100th Ordinary General Meeting of Shareholders of Nippon Paper Industries Co., Ltd. to be held on June 27, 2024 (Thursday).

The Nippon Paper Group aspires to be a corporate group that will continue to be trusted and needed by society, by contributing to better living and cultural progress of people all over the world through its business activities.

We ask for the further support of our shareholders in our endeavors.

(Ticker Code: 3863)

June 6, 2024

(Start date of measures for electronic provision: May 28, 2024)
(Head Business Office) 4-1 Oji 1-chome, Kita-ku, Tokyo
(Headquarters) 6 Kanda-surugadai 4-chome, Chiyoda-ku, Tokyo

Nippon Paper Industries Co., Ltd.

Toru Nozawa
President, Representative Director

**NOTICE OF THE ONE HUNDREDTH
ORDINARY GENERAL MEETING OF SHAREHOLDERS**

This is to inform you that the 100th Ordinary General Meeting of Shareholders of Nippon Paper Industries Co., Ltd. will be held as set forth below.

In convening this Ordinary General Meeting of Shareholders, we take measures for electronic provision and post the matters subject to measures for electronic provision as the “NOTICE OF THE ONE HUNDREDTH ORDINARY GENERAL MEETING OF SHAREHOLDERS” on the following website on the Internet.

The Company’s website: <https://www.nipponpapergroup.com/english/ir/shareholder/meeting/>

In addition to the above, the matters subject to measures for electronic provision are posted on the following website on the Internet:

Tokyo Stock Exchange’s website (Listed Company Search):

TSE website: <https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Please access the website above, enter and search for the Company’s name or ticker code, and select “Basic information” and then “Documents for public inspection/PR information” to view the information.

Aside from attending the meeting in person, you may exercise your voting rights either in writing or through electronic means (i.e., via the Internet, etc.). You are kindly requested to exercise your voting rights on or before 5:00 p.m. on June 26 (Wednesday), 2024, after examining the Reference Documents for the Ordinary General Meeting of Shareholders stated in the matters subject to measures for electronic provision and in accordance with the guidance on pages 5 through 7.

Dear Shareholders:

1. Date and Time	June 27, 2024 (Thursday), at 10:00 a.m. (Reception desk is scheduled to be opened at 9:00 a.m.)
2. Place	The International Conference Hall on the 2nd floor of the Keidanren (Japan Business Federation) Bldg., 3-2, Otemachi 1-chome, Chiyoda-ku, Tokyo (Please see the attached access map.)
3. Purpose Matters to be reported Matters to be resolved	(1) Report on the contents of the Business Report and the contents of the Consolidated Financial Statements, and the outcome of the audit conducted on the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board for the 100th Fiscal Period (from April 1, 2023, to March 31, 2024). (2) Report on the contents of the Financial Statements for the 100th Fiscal Period (from April 1, 2023, to March 31, 2024) Proposal 1: Appropriation of Retained Earnings Proposal 2: Election of Nine (9) Directors Proposal 3: Election of One (1) Audit & Supervisory Board Member Proposal 4: Election of One (1) Substitute Audit & Supervisory Board Member

- Pursuant to laws and ordinances and the Company's Articles of Incorporation, among the matters subject to measures for electronic provision, the following items are not provided in the paper-based documents delivered to shareholders who have made a request for delivery of such documents. The Accounting Auditor, the Statutory Auditors and the Board of Statutory Auditors have audited documents subject to audit including the following items.

- ① Basic Policy on Control of the Stock Company in the Business Report
- ② Consolidated Statement of Changes in Shareholders' Equity, etc., in the Consolidated Financial Statements
- ③ Notes to the Consolidated Financial Statement
- ④ Statement of Changes in Shareholders' Equity, etc., in the Non-Consolidated Financial Statements
- ⑤ Notes to the Non-consolidated Financial Statement

- If revisions to the matters subject to measures for electronic provision arise, a notice of the revisions and original and revised matters will be posted on the below websites.

The Company's website: <https://www.nipponpapergroup.com/english>

Tokyo Stock Exchange's website:

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

· Please understand that there will be no commemorative gift (small gift) on the day of general meeting of shareholders. · Shareholders' complimentary gifts are scheduled to be delivered around early July this year.
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Yours truly,

Toru Nozawa
President, Representative Director
Nippon Paper Industries Co., Ltd.

[End]

Guidance Notes on the Exercise of Voting Rights

1. Exercising voting rights by attending the Ordinary General Meeting of Shareholders

The date and time of the Ordinary General Meeting of Shareholders

June 27, 2024 (Thursday), at 10:00 a.m. (Reception desk is scheduled to be opened at 9:00 a.m.)

Please submit the Voting Form enclosed herewith at the reception desk.

2. Exercising voting rights in writing

Voting Deadline: No later than June 26, 2024 (Wednesday), at 5:00 p.m.

Please indicate your approval or disapproval of each of the proposals on the Voting Form enclosed herewith, and return the Voting Form to the Company so that it reaches us by no later than the above-mentioned voting deadline.

3. Exercising voting rights via the Internet, etc.

Voting Deadline: No later than June 26, 2024 (Wednesday), at 5:00 p.m.

Please see pages 6 to 7 for further information.

Please exercise your voting rights by entering your approval or disapproval of each of the proposals.

Guidance Notes on the Exercise of Voting Rights

Guidance Notes on the Exercise of Voting Rights in writing

Please indicate your approval or disapproval of each of the proposals on the Voting Form.

Proposals 1, 3, and 4

- ▶Approval ⇒ Enter ○ mark in 「賛」 column
- ▶Disapproval ⇒ Enter ○ mark in 「否」 column

Proposal 2

- ▶Approval of all candidates ⇒ Enter ○ mark in 「賛」 column
- ▶Disapproval of all candidates ⇒ Enter ○ mark in 「否」 column
- ▶Indicating approval or disapproval of only some of the candidates
⇒ Enter ○ mark in 「賛」 column or 「否」 column and enter the relevant candidate No. described in the Reference Document for the Ordinary General Meeting of Shareholders.

In the case that a Voting Form without indication of approval or disapproval for each Proposal is submitted, it will be treated as indication of approval.

The QR Code[®] for exercising voting rights via a smartphone, etc. is printed on the Voting Form.

Guidance Notes on the Exercise of Voting Rights via the Internet, etc.

Exercise of voting rights via a smartphone, etc.

1. Scan the QR code[®] printed on the Voting Form.

* “QR Code” is a registered trademark of DENSO WAVE INCORPORATED.

2. Tap the “Exercise your voting right (議決権行使へ)” button from the top screen of The Portal of Shareholders’ Meeting.

3. The top screen of Smart Exercise[®] is displayed. Then, follow the instructions on the screen and enter your approval or disapproval of each of the proposals.

Exercise of voting rights via a PC, etc.

Access the portal by entering your login ID and password printed on the Voting Form from the following URL. Then, follow the instructions on the screen and enter your approval or disapproval of each of the proposals.

You can log in via QR code[®] on the Voting Form.

The Portal of Shareholders' Meeting URL

▶<https://www.soukai-portal.net>

The URL of the website for voting

You can also use the voting website as before.

▶<https://www.web54.net>

Cautions:

- **If you wish to change your vote after exercising your voting rights, it is necessary that you enter the “Exercise of Voting Rights code” and the “Password” on the Voting Form.**
- When you exercise your voting rights both in writing and via the Internet, etc., only the last vote received shall be accepted as valid. When both votes via the Internet, etc. and in writing arrive on the same day, only the vote via the Internet, etc. shall be accepted as valid. Also, when you exercise your voting rights more than once via the Internet, etc., only the last vote exercised shall be accepted as valid.

For Institutional Investors

In addition to exercising voting rights through the Internet as described above, the electronic voting platform operated by ICJ Inc., a joint corporation established by the Tokyo Stock Exchange, Inc., etc., is available for nominal shareholders (including standing proxies) such as trust and custody banks when prior application for use of such platform has been made.

For inquiries:

Sumitomo Mitsui Trust Bank, Ltd.

Web Support Dedicated Dial:

Stock Transfer Agency Web-Support Department

Telephone: 0120-652-031

(Operating Hours: 9:00 a.m. to 9:00 p.m.)

■ Reference Documents for the Ordinary General Meeting of Shareholders

Proposals and Reference Matters

Proposal 1. Appropriation of Retained Earnings

The Company is striving to meet the expectations of shareholders by strengthening its management platform and profitability of the group as a whole, and by achieving sustainable growth of corporate value.

The basic policy concerning dividends is to continue to pay stable dividends to the greatest extent possible on the basis of a comprehensive consideration of such factors as the business performance of the group and retention of sufficient internal reserves, etc.

The Company would like to propose that the year-end dividend for the current fiscal year be disbursed as follows:

1	Type of dividend property	Cash
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2	Allotment of dividend property to shareholders and its total amount	10 yen per common share of the Company stock Total amount: 1,158,817,440 yen
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3	Effective date of dividend of retained earnings	June 28, 2024
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(Reference)

Changes in the dividend per share

(unit: yen)

	96th Term (Fiscal year ended March 2020)	97th Term (Fiscal year ended March 2021)	98th Term (Fiscal year ended March 2022)	99th Term (Fiscal year ended March 2023)	100th Term (Current) (Fiscal year ended March 2024)
Interim	10	10	10	0	0
Year-end	30	30	30	0	10
Annual	40	40	40	0	10

Proposal 2. Election of Nine (9) Directors

The terms of office of all nine (9) Directors will expire as of the conclusion of this General Meeting of Shareholders. Accordingly, the Company requests that the shareholders elect nine (9) Directors (three (3) of them to be Outside Directors).

The candidates were determined by the Board of Directors upon receiving a report by the Personnel & Remuneration Advisory Committee on the selection of candidates. Furthermore, three (3) candidates for Outside Director fulfill the requirements for an Independent Officer prescribed by the Tokyo Stock Exchange.

The candidates for Director are as follows:

No.	Name	Current title and responsibilities at the Company	Attendance at the Board of Directors meetings
1	[Reappointment] Fumio Manoshiro	Chairman & Director	14/14 (100%)
2	[Reappointment] Toru Nozawa	President and Chief Executive Officer	14/14 (100%)
3	[Reappointment] Masanobu Iizuka	Executive Vice President, Aide to the President, in charge of Duplex Board & Packaging Paper Sales Div. (concurrently serving) President of Nippon Tokai Industrial Paper Supply Co., Ltd.	14/14 (100%)
4	[Reappointment] Atsumi Yasunaga	Director (concurrently serving) President of Nippon Paper Crexia Co., Ltd.	10/10 (100%)
5	[Reappointment] Mitsuhiro Sugino	Director, Managing Executive Officer, General Manager of Biomass Material Business Div.	10/10 (100%)
6	[Reappointment] Tomoyasu Itakura	Director, Executive Officer, General Manager of Financial Div.	14/14 (100%)
7	[Reappointment] Makoto Fujioka [Outside] [Independent Officer]	Outside Director	14/14 (100%)
8	[Reappointment] Yoko Hatta [Outside] [Independent Officer]	Outside Director	13/14 (92.9%)
9	[Reappointment] Yutaka Kunigo [Outside] [Independent Officer]	Outside Director	14/14 (100%)

(Note) Attendance at the Board of Directors meetings for Mr. Atsumi Yasunaga and Mr. Mitsuhiro Sugino refers to the number of meetings attended after they assumed office on June 29, 2023.

CandidateNo. 1 FUMIO MANOSHIRO (Date of Birth: Mar. 3, 1953) Reappointment**No. of shares in the
Company held**

53,199 shares

**Brief personal history, title and responsibilities**

Apr. 1975	Joined Jujo Paper Co., Ltd.
Jul. 2001	General Manager of Forestry Dept. of Raw Material & Purchasing Div. of the Company
Jun. 2004	Deputy General Manager of Raw Material & Purchasing Div. of the Company
Jun. 2006	Director, Deputy General Manager of Raw Material & Purchasing Div. of the Company
Apr. 2007	Director, General Manager of Yatsushiro Mill of the Company
Jun. 2009	Director, General Manager of Raw Material & Purchasing Div. of the Company
Jun. 2010	Managing Director, General Manager of Raw Material & Purchasing Div. of the Company
Jun. 2012	Managing Director, General Manager of Corporate Planning Div. of the Company
Apr. 2013	Director, Managing Executive Officer, General Manager of Corporate Planning Div. and in charge of Affiliates & Subsidiaries of the Company
Jun. 2014	President and Chief Executive Officer of the Company
Jun. 2019	Chairman & Director of the Company (currently serving)

Tenure as a Director

18 years

Attendance at the Board of Directors meetings

14/14 (100%)

Reasons for selecting the candidate for Director

From the perspective expected of the Chairman of the Board of Directors, Mr. Fumio Manoshiro has supervised the management as Chairman & Director of the Company and contributed to enhancing the corporate governance of the Company Group. During his tenure as President, he has promoted strengthening of the future-oriented corporate foundation of the Company and the Company Group through reform of the business structure, reinforcement of existing businesses and early commercialization of new businesses with his strong leadership. The Company reappoints him as a candidate for Director based on its judgment that he sufficiently understands social responsibility and the mission of business operations and qualifies for this position, taking into account his abundant experience and good track record with an excellent personality, broad insight and stringent self-discipline to fairly and precisely execute business administration and business operation, and that we can expect him to supervise the management as a Chairman of Board of Directors and drive the Company in the pursuit of further development.

Candidate

No. 2	TORU NOZAWA (Date of Birth: Mar. 10, 1959)	Reappointment
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**No. of shares in the
Company held**

34,118 shares

**Brief personal history, title and responsibilities**

Apr. 1981	Joined Jujo Paper Co., Ltd.
Jun. 2005	General Manager of Treasurer's Dept. of Financial Div. of the Company
Feb. 2008	General Manager of Accounting & Budgeting Dept. of Financial Div. of the Company
Jun. 2009	Deputy General Manager of Financial Div. of the Company
Apr. 2013	Executive Officer, Deputy General Manager of Financial Div. of the Company
Jun. 2014	Director, Executive Officer, General Manager of Corporate Planning Div., in charge of Affiliates & Subsidiaries of the Company
Jun. 2017	Director, Managing Executive Officer, General Manager of Corporate Planning Div., in charge of Affiliates & Subsidiaries of the Company
Jun. 2018	Director, Managing Executive Officer, General Manager of Corporate Planning Div. and Financial Div., in charge of Affiliates & Subsidiaries of the Company
Jun. 2019	President, Representative Director, President and Chief Executive Officer of the Company (currently serving)

Tenure as a Director

10 years

Attendance at the Board of Directors meetings

14/14 (100%)

Reasons for selecting the candidate for Director

As President and Representative Director of the Company, Mr. Toru Nozawa demonstrates strong leadership and works to contribute to raising the corporate value of the Company and the Company Group. He has accelerated the reform of the business structure toward the achievement of the 2030 Vision and Medium-Term Business Plan 2025, aggressively addressed environmental and other issues including a reduction in GHG emissions, and thereby steadily achieved strengthening of the future-oriented corporate foundation of the Company and the Company Group. The Company reappoints him as a candidate for Director based on its judgment that he sufficiently understands social responsibility and the mission of business operations and qualifies for this position, taking into account his abundant experience and good track record with an excellent personality, broad insight and stringent self-discipline as a top management executive who fairly and precisely executes business administration and business operation, and that we can expect a leadership of him to drive the Company in the pursuit of further growth and development with a focus on business expansion in the growth fields and early commercialization of new businesses.

CandidateNo. 3 **MASANOBU IIZUKA** (Date of Birth: Jan.17, 1960) **Reappointment**No. of shares in the
Company held

14,354 shares

**Brief personal history, title and responsibilities**

Apr. 1984 Joined Jujo Paper Co., Ltd.
Feb. 2006 Vice President of Daishowa-Marubeni International Ltd.
Oct. 2011 General Manager of Production Department of Yatsushiro Mill of the Company
Jun. 2014 Deputy General Manager of Yatsushiro Mill of the Company
Jul. 2015 Deputy General Manager of Corporate Planning Div. and General Manager of International Business Dept. of the Company
Jun. 2017 Executive Officer, General Manager of Hokkaido Mill of the Company
Jun. 2019 Director, Executive Officer, General Manager of Corporate Planning Div., in charge of Affiliates & Subsidiaries of the Company
Jun. 2020 Director, Executive Officer of the Company, CEO of Opal
Jun. 2021 Director, Managing Executive Officer of the Company, CEO of Opal
Jun. 2023 **Executive Vice President, Representative Director, Executive Vice President, Aide to the President, in charge of Duplex Board & Packaging Paper Sales Div. of the Company (Concurrently serving) President of Nippon Tokai Industrial Paper Supply Co., Ltd. (currently serving)**

Tenure as a Director

5 years

Attendance at the Board of Directors meetings

14/14 (100%)

Status of important concurrent offices in other entities

President of Nippon Tokai Industrial Paper Supply Co., Ltd.
Director of Opal

Reasons for selecting the candidate for Director

While aiding President as Executive Vice President and Representative Director of the Company, Mr. Masanobu Iizuka aggressively promote transformation of the business structure toward the achievement of the 2030 Vision and Medium-Term Business Plan 2025 as an officer in charge of Duplex Board & Packaging Paper Sales Div. and President of Nippon Tokai Industrial Paper Supply Co., Ltd., contributing to raising the corporate value of the Company and the Company Group. The Company reappoints him as a candidate for Director based on its judgment that he sufficiently understands social responsibility and the mission of business operations and qualifies for this position, taking into account his abundant experience and good track record with an excellent personality, broad insight and stringent self-discipline to fairly and precisely execute business administration and business operation as a top executive, and that we can expect him to drive the Company in the pursuit of further development.

Candidate

No. 4 ATSUMI YASUNAGA (Date of Birth: Jan. 18, 1960) Reappointment

No. of shares in the
Company held

13,954 shares



Brief personal history, title and responsibilities

Oct. 1990 Joined Jujo Paper Co., Ltd.
Oct. 2010 General Manager of Quality Assurance Dept. of Technical & Engineering Div. of the Company
Jul. 2013 Deputy General Manager of Hokkaido Mill and General Manager of Hokkaido Mill—Asahikawa of the Company
Jun. 2016 General Manager of Kushiro Mill of the Company
Jun. 2017 Executive Officer, General Manager of Kushiro Mill of the Company
Jun. 2019 Executive Officer, General Manager of Ishinomaki Mill and General Manager of Iwanuma Mill of the Company
Jun. 2020 Executive Officer, General Manager of Ishinomaki Mill of the Company
Jun. 2021 Managing Executive Officer, General Manager of Iwakuni Mill of the Company
Jun. 2023 **Director of the Company**
(Concurrently serving) President of Nippon Paper Crecia Co., Ltd. (currently serving)

Tenure as a Director

1 year

Attendance at the Board of Directors meetings

10/10 (100%)

Status of important concurrent offices in other entities

President of Nippon Paper Crecia Co., Ltd.

Reasons for selecting the candidate for Director

Mr. Atsumi Yasunaga works to contribute to raising the corporate value of the Company and the Company Group as Director of the Company and President of Nippon Paper Crecia Co., Ltd. The Company reappoints him as a candidate for Director based on its judgment that he sufficiently understands social responsibility and the mission of business operations and qualifies for this position, taking into account his past experience and good track record with an excellent personality, broad insight and stringent self-discipline to fairly and precisely execute business administration and business operation, and that we can expect him to drive the Company in the pursuit of further development.

Candidate

No. 5 MITSUHIRO SUGINO (Date of Birth: Jul. 30, 1963) Reappointment

No. of shares in the
Company held

11,841 shares



Brief personal history, title and responsibilities

Apr. 1988	Joined Sanyo-Kokusaku Pulp Co., Ltd.
Jun. 2014	General Manager of Corporate Planning Dept. of Corporate Planning Div. of the Company
Jun. 2015	Deputy General Manager of Corporate Planning Div. and General Manager of Corporate Planning Dept. of the Company
Jun. 2018	Executive Officer, Deputy General Manager of Technical & Engineering Div. and General Manager of Production Dept. of the Company
Jun. 2019	Executive Officer, General Manager of Technical & Engineering Div., General Manager of Production Dept. and General Manager of Energy Business Div. of the Company
Sep. 2019	Executive Officer, General Manager of Technical & Engineering Div. and General Manager of Energy Business Div. of the Company
Jun. 2021	Executive Officer, General Manager of Biomass Material Business Div. and General Manager of Business Transformation Promotion Office of the Company
Jan. 2022	Executive Officer, General Manager of Biomass Material Business Div. of the Company
Jun. 2023	Director, Managing Executive Officer, General Manager of Biomass Material Business Div. of the Company (currently serving)

Tenure as a Director

1 year

Attendance at the Board of Directors meetings

10/10 (100%)

Reasons for selecting the candidate for Director

Mr. Mitsuhiro Sugino contributes to raising the corporate value of the Company and the Company Group as Director, Managing Executive Officer, and General Manager of Biomass Material Business Div. of the Company. The Company reappoints him as a candidate for Director based on its judgment that he sufficiently understands social responsibility and the mission of business operations and qualifies for this position, taking into account his past experience and good track record with an excellent personality, broad insight and stringent self-discipline to fairly and precisely execute business administration and business operation, and that we can expect him to drive the Company in the pursuit of further development.

Candidate

No. 6 TOMOYASU ITAKURA (Date of Birth: Apr. 8, 1964) Reappointment

No. of shares in the
Company held

10,515 shares



Brief personal history, title and responsibilities

Apr. 1988	Joined Jujo Paper Co., Ltd.
Jun. 2015	General Manager of Accounting & Budgeting Dept. of Financial Div. of the Company
Jun. 2017	Deputy General Manager of Financial Div. and General Manager of Accounting & Budgeting Dept. of the Company
Jun. 2018	Deputy General Manager of Financial Div. of the Company
Jun. 2019	Executive Officer, General Manager of Financial Div. of the Company
Jun. 2021	Director, Executive Officer, General Manager of Financial Div. of the Company (currently serving)

Tenure as a Director

3 years

Attendance at the Board of Directors meetings

14/14 (100%)

Reasons for selecting the candidate for Director

Mr. Tomoyasu Itakura works to contribute to raising the corporate value of the Company and the Company Group as Director, Executive Officer and General Manager of Financial Div. He has a management sense accumulated through his years of experience and track record in the accounting division at mills and elsewhere. The Company reappoints him as a candidate for Director based on its judgment that he sufficiently understands social responsibility and the mission of business operations and qualifies for this position, taking into account his abundant experience and good track record with an excellent personality, broad insight and stringent self-discipline to fairly and precisely execute business administration and business operation, and that we can expect him to drive the Company in the pursuit of further development.

Candidate

No. 7 MAKOTO FUJIOKA (Date of Birth: Mar. 27, 1950) **Reappointment**
Independent Officer (Outside)

No. of shares in the Company held

1,000 shares

**Brief personal history, title and responsibilities**

Apr. 1972 Entered the Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry)

Jun. 1975 Studied abroad at Harvard Business School in the U.S. (acquired MBA)

Jun. 1987 Energy Conservation Minister of International Energy Agency (resided in France)

Jun. 1996 Deputy Director-General of the Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry)

Feb. 2001 Ambassador extraordinary and plenipotentiary to the United Arab Emirates

Sep. 2003 Retired from the Ministry of Economy, Trade and Industry

Oct. 2003 Full-time adviser of Nippon Light Metal Co., Ltd.

Jun. 2004 Director, Managing Executive Officer of the same

Jun. 2007 Director, Senior Managing Executive Officer of the same

Oct. 2012 Director of Nippon Light Metal Holdings Co., Ltd. (in charge of CSR & Auditing Administration Dept. (thru Jun. 2015))

Jun. 2013 Director, Executive Vice President of Nippon Light Metal Co., Ltd. (thru Jun. 2015)

Jul. 2015 Senior Director of Japan Association for Chemical Innovation (thru Jun. 2019)

Jun. 2016 Outside Director of Eagle Industry Co., Ltd. (thru Jun. 2023)
Outside Director of NOK CORPORATION (currently serving)
Outside Director of the Company (currently serving)

Tenure as a Director

8 years

Attendance at the Board of Directors meetings

14/14 (100%)

Status of important concurrent offices in other entities

Outside Director of NOK CORPORATION

Reasons for selecting the candidate for Outside Director and outline of expected roles

By using his broad knowledge and international perspective based on his experiences both in the public and private sectors, Mr. Makoto Fujioka is expected to supervise and provide advice on the execution of duties of the Company's Directors from an objective standpoint and is therefore reappointed as a candidate for Outside Director.

Candidate

No. 8 YOKO HATTA (Date of Birth: Jun. 8, 1952) Reappointment
Independent Officer (Outside)

No. of shares in the
Company held
0 shares



Brief personal history, title and responsibilities

Aug. 1988	Joined Peat Marwick Main & Co. (currently KPMG LLP New York Office)
Aug. 1997	Partner of the same Office
Sep. 2002	Partner of KPMG Peat Marwick Tax Corporation (currently KPMG Tax Corporation) (thru Sep. 2014)
Jun. 2008	Auditor of International Christian University (thru May 2023)
Jun. 2015	Outside Audit & Supervisory Board Member of Kobayashi Pharmaceutical Co., Ltd. (currently serving)
Jun. 2016	Outside Audit & Supervisory Board Member of IHI Corporation (thru Jun. 2020) Outside Audit & Supervisory Board Member of the Company (thru Jun. 2019)
Jun. 2019	Outside Director of the Company (currently serving)
Jun. 2022	Outside Director of Ajinomoto Co., Inc. (currently serving) Director (Audit & Supervisory Committee Member) (Outside) of KOEI CHEMICAL COMPANY, LIMITED (currently serving)

Tenure as a Director

5 years

Attendance at the Board of Directors meetings

13/14 (92.9%)

Status of important concurrent offices in other entities

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

Reasons for selecting the candidate for Outside Director and outline of expected roles

Although Ms. Yoko Hatta does not have experience of direct involvement in actual business operation, she is expected to supervise and provide advice on the execution of duties of the Company's Directors from an objective standpoint by drawing on her significant experience with international accounting firms and deep knowledge on international tax affairs, as well as her experience of serving as Outside Audit & Supervisory Board Member of the Company, and is therefore reappointed as a candidate for Outside Director.

Candidate

No. 9 YUTAKA KUNIGO (Date of Birth: Nov. 17, 1954) **Reappointment**
Independent Officer (Outside)

No. of shares in the
Company held
0 shares

**Brief personal history, title and responsibilities**

Apr. 1977	Joined Tokyo Gas Co., Ltd.
Apr. 2007	Executive Officer and General Manager of Gas Resources Dept. of Energy Resources Business Div. of the same
Apr. 2010	Managing Executive Officer and Chief Executive of Energy Resources Business Div. of the same
Jun. 2013	Director, Managing Executive Officer and Chief Executive of Energy Production Div. of the same
Apr. 2014	Representative Director, Executive Vice President, Chief Executive of Energy Solution Div. of the same
Apr. 2015	Representative Director, Executive Vice President and in charge of Power Business Planning Dept., Business Restructuring Project Dept., and Sales Innovation Planning Dept. of the same
Apr. 2016	Representative Director, Executive Vice President, Head of Power Business, Chief Executive of Regasification & Power Generation Div. and in charge of Power Business Planning Dept. of the same (thru Mar. 2017)
Apr. 2017	Chairman & Director of Tokyo Gas Engineering Solutions Corporation (thru Mar. 2020)
Jun. 2020	Outside Director of the Company (currently serving)
Mar. 2022	Outside Director of ISE CHEMICALS CORPORATION (currently serving)
Jun. 2022	External Director of Chiyoda Corporation (currently serving)

Tenure as a Director

4 years

Attendance at the Board of Directors meetings

14/14 (100%)

Status of important concurrent offices in other entities

Outside Director of ISE CHEMICALS CORPORATION

External Director of Chiyoda Corporation

Reasons for selecting the candidate for Outside Director and outline of expected roles

Mr. Yutaka Kunigo has been involved in a wide range of fields including engineering, personnel affairs, procurement, sales and international business at Tokyo Gas Co., Ltd. By using his significant experience and broad knowledge based on his experience of operating said company as a member of the management team, Mr. Yutaka Kunigo is expected to supervise and provide advice on the execution of duties of the Company's Directors from an objective standpoint and is therefore reappointed as a candidate for Outside Director.

Special notes on the candidates for Director

The Company has entered into a directors and officers liability insurance contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company to insure the Company's Directors, Audit & Supervisory Board Members and Executive Officers, as well as Directors and Statutory Auditors of Nippon Paper Crexia Co., Ltd., Nippon Paper Papyrus Co., Ltd., and Nippon Tokai Industrial Paper Supply Co., Ltd. The Company plans to renew the insurance contract in August this year. If candidates for Director are appointed or reelected, they will be included in the insurance contract as insured persons. The outline of the contract is as follows.

1. The insurance covers litigation expenses and legal damages for which the insureds became liable in the event where they received a claim for damages from shareholders, business partners or other third parties due to the performance of their duties.
2. The insurance does not cover any claim for damages due to any conduct committed by insureds while knowing that the conduct is in violation of laws and regulations.
3. The premiums for the insurance contract are fully paid by the Company.

Special notes on the candidates for Outside Director

1. Mr. Makoto Fujioka, Ms. Yoko Hatta and Mr. Yutaka Kunigo are candidates for Outside Director as defined in Article 2, Paragraph 3, Item 7, of the Ordinance for Enforcement of the Companies Act.
2. In determining a candidate for Outside Director, the Company judges his or her independence by considering whether the candidate fulfills the standards of independence set by the Tokyo Stock Exchange, in addition to the statutory qualifications for being described as outside as stipulated by laws and regulations, and confirming whether there are any conflicts of interest with the general shareholders of the Company.
3. In light of the aforementioned standards and qualifications, the Company judges that Mr. Makoto Fujioka, Ms. Yoko Hatta and Mr. Yutaka Kunigo have the independence required to be independent officers, and the Company has filed them as Independent Officers of the Tokyo Stock Exchange under the provisions of said Exchange. If each of them is elected as originally proposed, he or she will continue to be an Independent Officer.
4. The Company has concluded contracts with Mr. Makoto Fujioka, Ms. Yoko Hatta and Mr. Yutaka Kunigo to limit the liability for damages as prescribed in Article 423, Paragraph 1, of the Companies Act to the amount stipulated by laws and regulations, in accordance with Article 427, Paragraph 1, of said Act. If their reappointment is approved, the Company intends to extend the relevant contracts with them.

Special notes on Mr. Makoto Fujioka, a candidate for Outside Director

1. Mr. Makoto Fujioka had served as Director of Nippon Light Metal Co., Ltd. through June 2015. Although the Company has purchase transactions related to raw materials with Nippon Light Metal Co., Ltd., the amount of the transactions is negligible (the amount of the Company's purchases from Nippon Light Metal Co., Ltd. is less than 1% of the net sales of Nippon Light Metal Co., Ltd.).
2. Mr. Makoto Fujioka had served as Outside Director of Eagle Industry Co., Ltd. through June 2023. Although the Company has purchase transactions related to equipment with Eagle Industry Co., Ltd., the amount of transactions is negligible (the amount of the Company's purchases from Eagle Industry Co., Ltd. is less than 1% of the net sales of Eagle Industry Co., Ltd.).

Special notes on Ms. Yoko Hatta, a candidate for Outside Director

1. Ms. Yoko Hatta served as Outside Audit & Supervisory Board Member of IHI Corporation through June 2020. Although the Company has purchase transactions related to facilities with IHI Corporation, the amount of the transactions is negligible (the amount of the Company's purchases from IHI Corporation is less than 1% of the net sales of IHI Corporation).
2. Ms. Yoko Hatta is currently serving as Outside Director of Ajinomoto Co., Inc. Although the Company has sales transactions in the Chemical Business with Ajinomoto Co., Inc., the amount of the transactions is negligible (the amount of sales is less than 1% of the net sales of the Company).
3. Ms. Yoko Hatta is currently serving as an Outside Audit & Supervisory Board Member at Kobayashi Pharmaceutical Co., Ltd. It was discovered around March 2024 that some of its products may cause

health damage. Responding to this finding, Kobayashi Pharmaceutical called for suspending the use of those products and issued a voluntary recall. In addition, the related authorities including the Ministry of Health, Labour and Welfare are making investigations as a serious event including on-site investigations of its multiple production bases relevant to such products. Ms. Hatta has not been directly involved in development, production, and sale of products in question and had not recognized the event before receiving the relevant report. However, before receiving the report, she had made proposals about the importance of legal compliance and risk control, and after receiving the report, she has provided advice about and supervision of response to people suffering from health damage, thorough compliance, and efforts for taking effective measures for preventing the recurrence. Thus, she has fulfilled her duties as an Outside Audit & Supervisory Board Member.

4. Ms. Yoko Hatta served as Outside Audit & Supervisory Board Member of IHI Corporation through June 2020. In January 2019, it was discovered that inappropriate work had been performed in the commercial aircraft engine maintenance business of the company. To address the incident, the company received an order to conduct repairs by authorized method pursuant to the Aircraft Manufacturing Industry Act from the Ministry of Economy, Trade and Industry in March 2019, and also received an operation improvement order in accordance with the Civil Aeronautics Act from the Ministry of Land, Infrastructure, Transport and Tourism in April 2019. Ms. Hatta had made proposals about the importance of legal compliance and internal control based on her wealth of experience and deep insight prior to the discovery of the fact, and after the event came to light, she has received reports on the progress in the investigation of the fact, ascertained the status and performed her duties, including the recommendation to immediately investigate the impact on safety, take appropriate recurrence preventive measures, and further strengthen and ensure compliance. In addition, it was discovered in April 2024 that its consolidated subsidiary IHI Power Systems Co., Ltd. has made improper alterations in the test operation records for marine engines and land-use engines. According to the information disclosed by IHI Corporation, this event had continued from before her assumption of office through 2024 when the event came to light. Ms. Hatta did not recognize the event before IHI disclosed it. She made proposals about the importance of legal compliance and risk control based on her wealth of experience and deep insight during her term of office of Outside Audit & Supervisory Board Member and in particular, after the event of the inappropriate work in the IHI's commercial aircraft engine maintenance business discovered in 2019 as above, she has fulfilled her duties such as strongly calling for further and exhaustively strengthening compliance.

Special notes on Mr. Yutaka Kunigo, a candidate for Outside Director

Mr. Yutaka Kunigo had served as Director of Tokyo Gas Co., Ltd. through March 2017. Although the Company has purchase transactions of fuels with Tokyo Gas Co., Ltd., the amount of the transactions is negligible (the amount of the Company's purchases from Tokyo Gas Co., Ltd. is less than 1% of the net sales of Tokyo Gas Co., Ltd.).

Notes:

1. There are no special conflicts of interest between each of the candidates and the Company.
2. The number of shares in the Company held by each candidate includes the number of shares held through the Nippon Paper Officers Share Ownership.
3. The attendance at meetings of the Board of Directors represents the status of attendance in office in the fiscal year ended March 31, 2024. Because Mr. Atsumi Yasunaga and Mr. Mitsuhiro Sugino were newly appointed at the 99th Ordinary General Meeting of Shareholders held on June 29, 2023, and assumed the office of Director at that time, the number of Board meetings they were able to attend differed from that of the other Directors.
4. Jujo Paper Co., Ltd., stated in the section of brief personal history, changed its trade name to Nippon Paper Industries Co., Ltd., as of April 1, 1993.
5. Sanyo-Kokusaku Pulp Co., Ltd., stated in the section of brief personal history, merged with the Company as of April 1, 1993.
6. Hokkaido Mill, stated in the section of brief personal history, was split into Asahikawa Mill and Shiraio Mill as of June 25, 2020.
7. Kushiro Mill, stated in the section of brief personal history, was abolished on October 1, 2021 and the Technical & Engineering Div. & Energy Business Div. Kushiro Mill was established.

[Reference: Skill Matrix of the Candidates for Director]

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

(Note) The above list does not represent all the knowledge and experience held by each candidate.

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Proposal 3. Election of One (1) Audit & Supervisory Board Member


Audit & Supervisory Board Member Takafumi Okuda will expire as of the conclusion of this General Meeting of Shareholders. Accordingly, the Company requests that the shareholders elect one (1) Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member).

The candidate was determined by the Board of Directors upon receiving a report by the Personnel & Remuneration Advisory Committee on the selection of candidate. Furthermore, the candidate fulfills the requirements for an Independent Officer prescribed by the Tokyo Stock Exchange.

The candidate for Audit & Supervisory Board Member is as follows:

This proposal has already received the consent of the Audit & Supervisory Board.

TAKAFUMI OKUDA (Date of Birth: Jun. 19, 1951) Reappointment
Independent Officer (Outside)

No. of shares in the Company held	Brief personal history, title and responsibilities	
0 shares	Apr. 1976	Assistant Judge of Tokyo District Court
	Apr. 1988	Judge of Tokyo District Court
	Feb. 2002	Presiding Judge of Tokyo District Court
	Apr. 2006	Judge of Tokyo High Court
	May 2007	Chief Judge of Niigata District Court
	Jun. 2009	Presiding Judge of Tokyo High Court
	Apr. 2015	Chief Judge of Yokohama District Court
	Jun. 2016	Retired
	Aug. 2016	Registered as attorney at law (Tokyo Bar Association) Visiting Attorney at Law of Mori Hamada & Matsumoto (currently serving)
	Jun. 2020	Outside Audit & Supervisory Board Member of the Company (currently serving)

Tenure as a Director

4 years

Attendance at the Board of Directors meetings

14/14 (100%)

Attendance at the Audit & Supervisory Board meetings

14/14 (100%)

Status of important concurrent offices in other entities

Visiting Attorney at Law of Mori Hamada & Matsumoto

Reasons for selecting the candidate for Outside Audit & Supervisory Board Member

Although Mr. Takafumi Okuda does not have experience of direct involvement in actual business operation, the Company reappoints him as a candidate for Outside Audit & Supervisory Board Member in expectation that he can contribute to an increase in soundness and transparency of management by auditing the Directors' execution of duties from a neutral and objective standpoint, drawing on his significant experience at judicial organs and deep insight he cultivated as a legal expert.

Special notes on the candidate for Outside Audit & Supervisory Board Member

1. Mr. Takafumi Okuda is a candidate for Outside Audit & Supervisory Board Member as defined in Article 2, Paragraph 3, Item 8, of the Ordinance for Enforcement of the Companies Act.
2. In determining a candidate for Outside Audit & Supervisory Board Member, the Company judges his or her independence by considering whether the candidate fulfills the standards of independence set by the Tokyo Stock Exchange, in addition to the statutory qualifications for being described as outside as stipulated by laws and regulations, and confirming whether there are any conflicts of interest with the general shareholders of the Company.
3. In light of the aforementioned standards and qualifications, the Company judges that Mr. Takafumi Okuda has the independence required to be an independent officer, and the Company has filed him as Independent Officer of the Tokyo Stock Exchange under the provisions of said Exchange. If Mr. Takafumi Okuda is elected as originally proposed, he will continue to be an Independent Officer.
4. The Company has concluded a contract with Mr. Takafumi Okuda to limit the liability for damages as prescribed in Article 423, Paragraph 1, of the Companies Act to the amount stipulated by laws and regulations, in accordance with Article 427, Paragraph 1, of said Act. If his reappointment is approved, the Company intends to extend the relevant contract with him.
5. The Company has entered into a directors and officers liability insurance contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company to insure the Company's Directors, Audit & Supervisory Board Members and Executive Officers, as well as Directors and Statutory Auditors of Nippon Paper Crecia Co., Ltd., Nippon Paper Papyrus Co., Ltd., and Nippon Tokai Industrial Paper Supply Co., Ltd. The Company plans to renew the insurance contract in August this year. If Mr. Takafumi Okuda is reelected as an Audit & Supervisory Board Member, he will be included in the insurance contract as insured persons. The outline of the contract is as follows.
 - (1) The insurance covers litigation expenses and legal damages for which the insureds became liable in the event where they received a claim for damages from shareholders, business partners or other third parties due to the performance of their duties.
 - (2) The insurance does not cover any claim for damages due to any conduct committed by insureds while knowing that the conduct is in violation of laws and regulations.
 - (3) The premiums for the insurance contract are fully paid by the Company.

Notes:

1. There are no special conflicts of interest between the candidate and the Company.
2. The attendance at meetings of the Board of Directors and the Audit & Supervisory Board represents the status of attendance in office in the fiscal year ended March 31, 2024.


Proposal 4. Election of One (1) Substitute Audit & Supervisory Board Member

To prepare for a situation where the number of Audit & Supervisory Board Member does not satisfy the number prescribed by laws and regulations, we request the election of one (1) substitute Audit & Supervisory Board Member as a substitute for any of the Outside Audit & Supervisory Board Members.

The candidate was determined by the Board of Directors upon receiving a report by the Personnel & Remuneration Advisory Committee on the selection of candidate. Furthermore, the candidate fulfills the requirements for an Independent Officer prescribed by the Tokyo Stock Exchange.

The candidate for substitute Audit & Supervisory Board Member is as follows:
 This proposal has already received the consent of the Audit & Supervisory Board.

HIDEYASU YOSHIDA (Date of Birth: Aug. 20, 1959) Independent Officer (Outside)

No. of shares in the Company held	Brief personal history and title	
0 shares	Apr. 1987	Appointed to public prosecutor
	Mar. 1994	Retired from public prosecutor
	Apr. 1994	Registered as attorney (The Tokyo Bar Association), Partner of Abe, Yoshida, Sanpei Law and Accounting Firm (currently serving)
	Apr. 2011	Full-time professor of Toyo University Law School (to Mar. 2017)
	Apr. 2017	Professor of Waseda Law School (to Mar. 2022)
	Apr. 2023	Part-time lecturer of Waseda Law School (currently serving)
	Status of important concurrent offices in other entities	

Reasons for selecting the candidate for substitute Outside Audit & Supervisory Board Member

Mr. Hideyasu Yoshida does not have experience of direct involvement in actual business operation but we expect that Mr. Yoshida will reflect his professional knowledge and experience accumulated as a public prosecutor and attorney and experience in research and teaching of law at Waseda University, Toyo University, and other institutions in performing audits of the Company if he assumes the office of Outside Audit & Supervisory Board Member, and he is therefore nominated for substitute Outside Audit & Supervisory Board Member.

Special notes on the candidate for substitute Outside Audit & Supervisory Board Member

1. Mr. Hideyasu Yoshida is a candidate for Outside Audit & Supervisory Board Member as defined in Article 2, Paragraph 3, Item 8 of the Ordinance for Enforcement of the Companies Act.
2. In determining a candidate for Outside Audit & Supervisory Board Member, the Company judges his or her independence by considering whether the candidate fulfills the standards of independence set by the Tokyo Stock Exchange, in addition to the statutory qualifications for being described as outside, and confirming whether there are any conflicts of interest with the general shareholders of the Company.
3. In light of the aforementioned standards and qualifications, the Company judges that Mr. Hideyasu Yoshida has the independence required to be an independent officer. When he assumes the office of Audit & Supervisory Board Member, the Company will notify the Tokyo Stock Exchange that Mr. Hideyasu Yoshida is an Independent Officer under the provisions of said Exchange.
4. When Mr. Hideyasu Yoshida assumes the office of Audit & Supervisory Board Member, the Company intends to conclude a contract with him to limit the liability for damages as prescribed in Article 423, Paragraph 1, of the Companies Act to the amount stipulated by laws and regulations, in accordance with Article 427, Paragraph 1, of said Act.
5. The Company has entered into a directors and officers liability insurance contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company to insure the Company's Directors, Audit & Supervisory Board Members and Executive Officers, as well as Directors and Statutory Auditors of Nippon Paper Creca Co., Ltd., Nippon Paper Papyrus Co., Ltd., and Nippon Tokai Industrial Paper Supply Co., Ltd. The Company plans to renew the insurance contract in August this year. If Mr. Hideyasu Yoshida is appointed as an Audit & Supervisory Board Member, he will be included in the insurance contract as insured persons. The outline of the contract is as follows.
 - (1) The insurance covers litigation expenses and legal damages for which the insureds became liable in the event where they received a claim for damages from shareholders, business partners or other third parties due to the performance of their duties.
 - (2) The insurance does not cover any claim for damages due to any conduct committed by insureds while knowing that the conduct is in violation of laws and regulations.
 - (3) The premiums for the insurance contract are fully paid by the Company.

Note: There are no special conflicts of interest between the candidate and the Company.

(Attachment)

Business Report (From April 1, 2023, through March 31, 2024)

I. Status of the Company Group (a corporate group)

1. Business Progress and Results

The Japanese economy in the current fiscal year is seeing a gradual recovery, as COVID-19 was reclassified as a Class 5 infectious disease and social and economic activities continue to normalize. The outlook still remains uncertain due to factors including the prolonged Ukraine situation and the growing tension in the Middle East as well as the underlying trend of a weak yen, amid continuing global inflation.

Against this backdrop, during the current fiscal year that is the turnaround point of the Medium-Term Business Plan 2025, the Company worked on priority issues of “improving profitability of the Livelihood-related Business,” “increasing competitiveness of the graphic paper business,” “accelerating reductions in GHG emissions,” and “improving our financial position” under the basic strategy of “accelerating our business transformation” as an important year for returning to the trajectory of the Medium-Term Business Plan 2025 that aims for early achievement of operating income exceeding 40,000 million yen. Amid such circumstances, ROE which is one of financial targets of the Medium-Term Business Plan 2025 reached 5.3% for the current fiscal year (−12.3% for the previous term), exceeding our target “over 5.0% or more by FY2025.” In addition, net debt/equity ratio was 1.95 times for the current fiscal year (2.25 times for the previous term) and thus toward our target “1.7 times range by FY2025,” net interest-bearing debt has reduced.

As to the consolidated performance, net sales increased from the previous term thanks to a contribution from price revisions of various products. In addition, though affected by the depreciating yen, profits significantly increased from the previous term thanks to effects mainly from price revisions and cost reductions and the Company turned to operating income for the current fiscal year. In addition, while the Company recorded 10,268 million yen including special retirement benefits related to withdrawal by Opal from the graphic paper business in extraordinary loss, gain on sales of 26,637 million related to transfer of non-current assets of the Company was recorded in extraordinary income. As a result of these and other factors, the Company turned to profit attributable to owners of the parent.

The results are as shown below.

Net Sales	1,167,314 million yen (increase of 1.3% Y o Y)	Operating Income	17,266 million yen
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Ordinary Income	14,550 million yen	Profit Attributable to Owners of Parent	22,747 million yen
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Principal Businesses (As of March 31, 2024)

	Principal Products
Paper and Paperboard Business	Paper, paperboard, pulp, paper making materials
Livelihood-related Business	Household tissue, processed paper products, chemical products
Energy Business	Electric power
Lumber, Construction Materials, Civil Engineering and Construction-Related Business	Lumber, construction materials, civil engineering and construction
Other Business	Logistics, leisure, other

Net Sales and Operating Income of Each Business Segment

Business Segment	Net Sales			Operating Income (Loss)		
	Current Fiscal year (million yen)	Comparison with the Previous Term		Current Fiscal year (million yen)	Comparison with the Previous Term	
		Change in Amount (million yen)	% of Change (%)		Change in Amount (million yen)	% of Change (%)
Paper and Paperboard Business	570,174	6,928	1.2	11,685	40,906	—
Livelihood-related Business	436,762	—3,296	—0.7	—8,062	—243	—
Energy Business	53,717	3,808	7.6	1,599	3,333	—
Lumber, Construction Materials, Civil Engineering and Construction Related Business	75,510	6,613	9.6	9,796	902	10.1
Other Business	31,148	614	2.0	2,794	305	12.3
Total	1,167,314	14,668	1.3	17,812	45,204	—
Adjustment	—	—	—	—546	—1,082	—
Consolidated total	1,167,314	14,668	1.3	17,266	44,121	—

(Notes) 1. Adjustment is an elimination of inter-segment transactions.

2. Figures rounded down to nearest million yen.

The status of each business segment is as follows:

Paper and Paperboard Business

Net Sales: 570,174 million yen (increase of 1.2% Y o Y)

Domestic sales volume of paper fell below that of the previous term as demand for both newspapers and printing and communication paper continued to decline.

Domestic sales volume of paperboard products fell below that of the previous term as a result of overall weak demand caused mainly by a decline of consumer spending due to price hikes.

On the other hand, net sales of the Paper and Paperboard Business exceeded those of the previous term due to a contribution from price revisions of products.

Livelihood-related Business

Net Sales: 436,762 million yen (decrease of 0.7% Y o Y)

Net sales of household Paper exceeded those of the previous term due to a contribution from price revisions of products. As to liquid-packaging carton, sales volume slightly fell below that of the previous term as the demand declined due to rising awareness of defensive spending caused by overall food price inflation. On the other hand, net sales exceeded those of the previous term due to a contribution from price revisions of products and an increase in sales volume of filling machines.

Net sales of dissolving pulp (DP) exceeded those of the previous term as a result of stable market conditions and a contribution from price revisions of products. As a result of these factors, net sales of the domestic business exceeded those of the previous term.

On the other hand, net sales of overseas operations significantly fell below those of the previous term, due mainly to a decline in sales volume following withdrawal by Opal from the graphic paper business.

Energy Business

Net Sales: 53,717 million yen (increase of 7.6% Y o Y)

Net sales of the energy business exceeded those of the previous term thanks mainly to commencement of commercial operation of biomass mono-fuel combustion power generator of Yufutsu Energy Center, LLC in February 2023.

Lumber, Construction Materials, Civil Engineering and Construction-Related Business

Net Sales: 75,510 million yen (increase of 9.6% Y o Y)

As to the Lumber, Construction Material, Civil Engineering and Construction-Related Business, net sales exceeded those of the previous term due mainly to increasing demand for fuel chips for domestic and overseas use, though the number of new housing construction projects decreased and sales volume of construction material products was lower than that of the previous term.

Other Business

Net Sales: 31,148 million yen (increase of 2.0% Y o Y)

As to the consolidated results of the other business segment, the net sales increased by 614 million yen from the previous term to 31,148 million yen and operating income increased by 305 million yen from the previous term to 2,794 million yen.

2. Status of Capital Investment

The amount of capital investment of the Company Group during the current fiscal year reached a total of 60,600 million yen. The major capital investments were installation of facilities for increased production of household tissues and conversion of facilities of the energy business in Japan and construction of a new corrugated board mill overseas.

3. Status of Financing Activities

The Company Group procured funds through borrowings from financial institutions and issuance of bonds payable, etc.

4. Issues to be addressed

① Toward achieving the Medium-Term Business Plan 2025 (FY2021 – FY2025)

During FY2023, as we have overcome COVID-19 infection, which had continued since 2020, social and economic activities finally started moving toward normalization. The Japanese economy also saw moderate recovery as a whole. On the other hand, impacts of prolonged Ukraine invasion, the Middle East situation, and inflation due to depreciating yen are still continuing. In addition to these factors, impacts on the domestic economy by worsening consumer sentiment, higher interest rates, and supply constraint

caused by the 2024 problem of logistics and a labor shortage are also feared in FY2024.

Amid such a business environment, the Company Group took measures including thorough cost reductions, price revisions, and sales expansion by differentiated products, resulting in a recovery of profitability of the domestic business during FY2023 and the Medium-Term Business Plan 2025 returned was placed back on track. In the international business, however, it is an urgent issue to revive the business in North America and Europe where business performance deteriorated, recovery of profitability of Opal in Australia is seeing delays. In FY2024, we will strive to quickly recover profitability of the international business and also accelerate transformation of the business structure by advancing business expansion in growth areas. In addition, carefully watching the impact on the business by social and economic conditions such as rising personnel costs, forex movements, and higher interest rates and taking appropriate measures including price revisions, we will work to achieve the goals of the Medium-Term Business Plan 2025.

While addressing these priority issues, we will promote sustainability management considering sustainability of the environment, society, and economy to establish a management structure that will enable perpetual business growth.

② Address priority issues

(a) Address an accelerating decline in demand for graphic paper

Although the graphic paper business recovered profitability through cost reductions and price revisions of products in FY2023, domestic demand for graphic paper has been acceleratingly declining. For addressing this decline, we will secure sales volume through the development and export expansion of environmentally conscious products and enhance competitiveness through continuous cost improvements. At the same time, together with reductions in GHG emissions, we will reorganize the production system in a speedier manner and maintain its profitability as a core business.

(b) Expand and strengthen profitability of the Livelihood-related Business

In the Livelihood-related Business positioned as a core of business structure transformation such as packaging, household paper, and chemicals, we will aim at growing the business through securely reaping the fruits of capital investments made to date, expanding sales by the differentiation strategy, and the acceleration of overseas development.

1) Packaging

The liquid-packaging carton business has expanded sales with differentiated products such as the environmentally conscious light-weight paper pack “Liter Lyte®” and the straw-less paper containers for school catering, “School POP®.” We expect to expand sales also in FY2024. Utilizing base paper developed in a domestic mill, we will advance further differentiation from BCP and environmental aspects.

In the overseas market, we intend to grow the business through establishing an integrated service structure in cooperation with Elopak and Shikoku Kakoki Co., Ltd. In addition, Nippon Dynawave Packaging Company, LLC that is a base paper production base in the U.S. plans to improve profitability by strengthening stable operations by a large-scale repair of boilers in Longview Mill.

2) Household paper and healthcare

A production facility for household paper products established in the Ishinomaki Mill commenced its commercial operation in April 2024. We have enhanced cost competitiveness through integrated production from pulp. In addition, the “Long-lasting and Compact” series which increased the convenience in “replacement” and “carrying” has been expanded to tissues and kitchen paper in addition to toilet paper rolls, increasing the sales volume. As logistics and personnel costs are expected to rise still in the future, we will strive to improve profitability with cost reduction measures such as fully utilizing pulp made by the Group and promoting energy-saving.

3) Chemical and new materials

In the chemical business, we will increase profitability by maximizing effects of capital investments made for functional cellulose and functional coating resins. Construction of a production mill of carboxymethylcellulose (CMC) for lithium-ion batteries is steadily progressing in Hungary toward commencing operation in December this year and we will aim for the early stable operation and monetization.

In addition, based on the pulp manufacturing technology cultivated through the paper business, the Company is developing new materials and new products utilizing wood-derived cellulose which is a sustainable resource. The adoption of cellulose nanofiber

(CNF) “CELLENPIA®” for food and cosmetics uses has steadily increased and, in the future, we will aim to expand uses in the automobile and other industrial fields. Also, as to highly digestible cellulose for cattle “Genki Morimori™,” we are expanding it to Hokkaido and Kyushu regions where the livestock industry is prosperous, based on the employment record in the Tohoku region. For domestic wood-derived bioethanol for raw materials of sustainable aviation fuel (SAF) and biochemicals, we will continue consideration toward commercialization.

4) Energy and Wood

Yufutsu Energy Center, LLC commenced the commercial operation of a biomass mono-fuel combustion power generator with the largest output in the nation (75MW) in February 2023. In addition, Nippon Paper Ishinomaki Energy Center Ltd. conducted the conversion to increase the biomass cofiring ratio of a power generator (145MW) in December 2023 and reduced GHG emissions. Utilizing the Company Group’s biomass fuel procurement capabilities and operational results and knowhow of biomass power stations, we aim to further increase supply of renewable power and secure investment effects.

The Company has procured wood in and outside Japan over many years and handles the largest volume of wood in Japan, while accumulating experience and knowhow regarding tree planting and procurement and utilization of wood. As business opportunities are socially and politically expanding, such as higher demand for biomass, measures by the government to raise the wood self-sufficiency rate, and promotion of replacing Japanese cedar and Japanese cypress with fast-growing elite trees with less pollen, we will make efforts to firmly capture these opportunities.

(c) Reorganize the Opal business

Under the recognition that revitalization of the Opal business in Australia is as an urgent management issue, we are currently striving to reorganize this business, aiming to ensure a surplus during FY2025.

The Maryvale Mill in Victoria has withdrawn from the graphic paper business by stopping the operations of two paper machines to date; however, the recovery in profitability is slower than expected due mainly to the deteriorating conditions of the base

paper export market. Aiming for transitioning to a competitive packaging base paper mill, we will advance the reorganization of the production system including the optimization of pulp production and implement drastic reductions in fixed costs focusing on personnel rationalization to promptly realize a structural reorganization and improved profitability of the mill.

On the other hand, in the packaging business acquired in 2020, productivity has greatly improved after a new corrugated board mill commenced operation in Victoria in August 2023 and furthermore, we plan to progressively renew obsolete processing machines in FY2024. In addition, we have enhanced sales capabilities such as securing excellent sales personnel and rebuilding our customer service. We will enhance production capacity and reduce costs through capital investments and at the same time, strengthen the marketing strategy to expand sales of packaging products mainly in the Oceania region.

In addition to these measures, by fully utilizing the Company Group's knowledge, technology, R&D capabilities, and procurement and sales networks, we will implement the early reorganization of the Opal business as an effort spanning the entire group.

③ Strengthen sustainability management

The Company Group will promote sustainability management that pursues both sustainability in society and environment as well as corporate growth.

(a) Green House gas reduction

The Company Group has raised its FY2030 target of GHG emissions reductions to 54% from 45% (compared to FY2013 level) in 2023 based on efforts such as a reduction in coal consumption, fuel conversion, and energy saving as well as reorganization plan of our production system. Going forward, we will continue consideration integrally with reorganization of the production system and accelerate reducing GHG emissions. Toward the realization of carbon neutrality in 2050, we will contribute to realizing a circulation-oriented society by cooperating with other companies and introducing new technologies.

(b) Develop green strategy

Maximizing the value of forests and expanding products utilizing wood resources, we will strive both to build a circulation-oriented society and to strengthen our business foundation. In overseas forested sites, we aim to enhance CO₂ fixation efficiency by 30%

by FY2030 by improving the productivity of forests, using tree breeding, proliferation, and planting technologies which the Company has developed over many years. In addition, in the tree planting business in the Southeast Asia, we will enhance stability in securing of resources by improving productivity through technological support. In Japan, we will establish a system to annually produce 10 million seedlings of elite trees for the forestry industry by FY2030, aiming to contribute to revitalizing the domestic forestry industry and solving the pollinosis issue together with business growth. In addition, under the nation's carbon credit certification system called the J-Credit Scheme, as to forest credits derived from forests' ability to absorb and fix CO₂, we will generate credits and acquire business opportunities in cooperation with local municipalities and other forest-owning companies.

(c) Promote product recycling

We have been building a recycling chain for difficult-to-recycle used paper which had been disposed of or incinerated, and expanding recycling through our technologies and facilities. We have enabled reusing of release paper, which had been difficult with traditional technologies, and products for food and beverages such as paper cups by optimizing the operation and installing the facilities. In the restaurant and service industries, needs from users who want to recycle paper containers are increasing. The Company has started the collection and recycling of paper cups used on flights in cooperation with Japan Airlines Co., Ltd. and thus is strengthening relationships with its customer companies through efforts toward a circulation-oriented society. In the future, we will collect a wider range of paper to respond to social demand and establish a new style of business together with supporting companies.

(d) Human resources strategy

“Development,” “deployment,” and “recruiting and retaining” are three pillars of the Company's human resource strategy. It will focus on developing, recruiting, and retaining human resources as well as promoting the utilization of human resources by shifting them to the growth areas to encourage the growth of both employees (staff) and the Company, leading to enhancing employee engagement and realizing a smooth

transformation of the business structure.

In recruiting activities, we are focusing on hiring not only new graduates but mid-career workers mainly in growth areas to secure human resources driving the Livelihood-related Business and overseas operations by increasing and expanding recruiting channels. In addition, we are working to improve education programs in consideration of shifting human resources to new businesses and growth businesses, such as conducting selective training for the general manager position, who leads transformation of the business structure and the establishment of new training programs by positions for younger employees with a purpose of career development support in the Company Group.

In order to retain these developed human resources, we will expand diversification of career development within the Group, such as systems toward realizing various ways of working including an existing system to work from home and introduction of a system for taking annual paid leave in hourly increments as well as the introduction of a regional career-track employment system.

On the finance side, while proactively selling assets such as real estate and stocks for strategic purposes, we will make selective investments necessary for accelerating transformation of the business structure, giving full consideration to financial discipline. Net interest-bearing debt, which was 780,100 million yen at the end of FY2022, reduced to 723,500 million yen at the end of FY2023, planning to achieve the goal in the Medium-Term Business Plan 2025 (710,000 million yen or less) by the end of FY2025.

In addition, for promoting management that is aware of capital costs, we continuously hold discussions at Board of Directors meetings. We will analyze the status quo and compile issues toward improvement in PBR and make efforts such as setting optimum KPI for each business segment.

5. Changes of Assets and Profit/Loss Status

Category	97th Term (Ended March 2021)	98th Term (Ended March 2022)	99th Term (Ended March 2023)	100th Term (Current) (Ended March 2024)
Net sales (million yen)	1,007,339	1,045,086	1,152,645	1,167,314
Operating income (loss) (million yen)	19,233	12,090	(26,855)	17,266
Ordinary income (loss) (million yen)	12,276	14,490	(24,530)	14,550
Profit (loss) attributable to owners of parent (million yen)	3,196	1,990	(50,406)	22,747
Basic earnings (loss) per share (Yen)	27.67	17.23	(436.28)	197.09
Total assets (million yen)	1,547,326	1,639,286	1,666,542	1,731,245
ROE (Return on equity) (%)	0.8	0.5	(12.3)	5.3
ROA (Return on assets) (%)	1.3	1.3	(1.0)	1.4

- (Notes)
- Figures rounded down to nearest million yen.
 - ROE (Return on Equity) and ROA (Return on assets) were calculated using the following formula.

$$\text{ROE (Return on Equity)} = \text{Profit attributable to owners of parent} / \text{average of the balance at the beginning of the term and the balance at the term-end of the sum of Shareholders' equity and Accumulated other comprehensive income}$$

$$\text{ROA (Return on assets)} = (\text{Ordinary income} + \text{Interest expense}) / \text{Total assets at the term-end}$$
 - The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. effective from the beginning of the 98th fiscal period. The figures for the 98th and subsequent fiscal period are those after the application of the relevant accounting standards.

6. Status of Principal Subsidiaries, etc. (As of March 31, 2024)

(1) Status of Principal Subsidiaries

Company Name	Capital	The Company's voting rights ratio	Principal business operation
[Paper and paperboard business]		%	
Nippon Paper Papyrus Co., Ltd.	Million yen 3,949	100.0	Manufacture and sales of specialty paper
NP Trading Co., Ltd.	1,000	100.0	Sales of paper, pulp and chemicals
Nippon Tokai Industrial Paper Supply Co., Ltd.	350	65.0	Sales of paper and paperboard
[Livelihood-related Business]			
Nippon Paper Crexia Co., Ltd.	Million yen 3,067	100.0	Manufacture and sales of household tissues
Opal	(1,000 AUD) 2,268,920	100.0	Manufacture and sales of base paper for cardboard, cardboard box, paper containers for general use and heavy-duty sack and paper bags; sales of packaging material and materials for industrial use
Nippon Dynawave Packaging Company LLC	(1,000 USD) 200,000	100.0	Manufacture, processing and sales of base paper for paper containers of liquid including soft drink and milk, and base paper for cup containers, etc., manufacture and sales of pulp
[Energy Business]			
Nippon Paper Ishinomaki Energy Center Ltd.	Million yen 6,000	70.0	Wholesale supply and sale of electricity
[Lumber, Construction Materials, Civil Engineering and Construction-Related Business]			
Nippon Paper Lumber Co., Ltd.	Million yen 440	100.0	Sales of lumber and sawed lumber

Company Name	Capital	The Company's voting rights ratio	Principal business operation
[Others]			
Nippon Paper Logistics Co., Ltd.	Million yen 70	100.0	Warehouse, transport, and freight shipment

(Notes) Figures rounded down to nearest million yen, nearest thousand Australian dollars and nearest thousand U.S. dollars.

(2) Status of Business Combinations

The number of consolidated subsidiaries for the current term is 54 companies and the number of equity method affiliates is 12 companies.

7. Primary Sales Offices and Mills (As of March 31, 2024)

Domestic	<p>Nippon Paper Industries Co., Ltd.: Head Office (Chiyoda-ku, Tokyo) Sales Bases: Head Office, 5 sales branch offices and others Production Bases: Asahikawa Mill (Asahikawa-shi, Hokkaido), Shiraoi Mill (Shiraoi-cho, Hokkaido), Akita Mill (Akita-shi, Akita) Ishinomaki Mill (Ishinomaki-shi, Miyagi), Iwanuma Mill (Iwanuma-shi, Miyagi), Nakoso Mill (Iwaki-shi, Fukushima), Ashikaga Mill (Ashikaga-shi, Tochigi), Soka Mill (Soka-shi, Saitama), Fuji Mill (Fuji-shi, Shizuoka), Gotsu Mill (Gotsu-shi, Shimane), Otake Mill (Otake-shi, Hiroshima), Iwakuni Mill (Iwakuni-shi, Yamaguchi), Yatsushiro Mill (Yatsushiro-shi, Kumamoto), Kushiro Mill (Kushiro-shi, Hokkaido), Higashimatsuyama Mill (Higashimatsuyama-shi, Saitama) Nippon Paper Liquid Package Product Co., Ltd. Egawa Mill (Gokamachi, Ibaraki), Miki Mill (Miki-shi, Hyogo), Ishioka Mill (Ishioka-shi, Ibaraki) Laboratories: Research Laboratory (Kita-ku, Tokyo), Packaging Research Laboratory (Kita-ku, Tokyo), Fuji Innovative Materials Research Laboratory (Fuji-shi, Shizuoka), Chemical Products Research Laboratory (Iwakuni-shi, Yamaguchi), Functional Materials Development Laboratory (Higashimatsuyama-shi, Saitama)</p>
	<p>Nippon Paper Papyrus Co., Ltd.: Head Office (Chiyoda-ku, Tokyo) Sales bases: Head Office, 1 branch office Production Bases: Harada Mill (Fuji-shi, Shizuoka), Suita Mill (Suita-shi, Osaka), Kochi Mill (Ino-cho, Kochi)</p>
	<p>Nippon Paper Crecia Co., Ltd.: Head Office (Chiyoda-ku, Tokyo) Sales bases: Head Office, 8 sales branch offices Production Bases: Miyagi Mill (Ishinomaki-shi, Miyagi), Tokyo Mill (Soka-shi, Saitama), Kaisei Mill (Kaisei-cho, Kanagawa), Koyo Mill (Fuji-shi, Shizuoka), Kyoto Mill (Fukuchiyama-shi, Kyoto)</p>
Overseas	Opal (Australia, New Zealand)
	Nippon Dynawave Packaging Company LLC (U.S.)

- (Notes)
1. Nippon Paper Crecia Co., Ltd. reorganized sales bases as of June 21, 2023.
 2. Nippon Paper Crecia Co., Ltd. has newly established Miyagi Mill as of January 1, 2024.

8. Status of Employees (As of March 31, 2024)

Names by Business Segment	Number of employees	Comparison with the end of previous term
Paper and paperboard business	5,156	-130
Livelihood-related Business	7,068	-274
Energy business	96	+4
Lumber, Construction Materials, Civil Engineering and Construction-Related Business	1,523	-3
Other Business	1,532	-8
All Companies (Cross-organization)	182	+9
Total	15,557	-402

(Notes) 1. Number of employees means the number of personnel who are actually working.

2. "All Companies (Cross-organization)" indicates employees who belong to the administrative department and cannot be classified by specific business segment.

9. Status of Main Lenders (As of March 31, 2024)

Creditor	Balance of Borrowings
Mizuho Bank Ltd.	98,809 million yen
Sumitomo Mitsui Banking Corporation	56,153 million yen
Japan Bank for International Cooperation	55,430 million yen
The Norinchukin Bank	55,024 million yen
Development Bank of Japan, Inc.	54,500 million yen
Meiji Yasuda Life Insurance Company	28,500 million yen
Nippon Life Insurance Company	27,000 million yen
The Shizuoka Bank, Ltd	26,100 million yen
Mizuho Trust & Banking Co., Ltd.	18,500 million yen
Sumitomo Mitsui Trust Bank, Ltd.	18,452 million yen

(Notes) 1. In addition to the above, the Company procured syndicated loan which amounts to 163,268 million yen.

2. Figures rounded down to nearest million yen.

10. Other Significant Matters regarding Status of the Company Group

On March 14, 2024, NP Trading Co., Ltd. received a cease-and-desist order and a payment order for a surcharge from the Japan Fair Trade Commission based on the Antimonopoly Act regarding the general competitive bidding for recycled roll paper ordered by National Printing Bureau. Taking these orders very seriously, NP Trading will

thoroughly take measures to prevent the recurrence of similar problems.

Also, the Company and each company of the Company Group participating in bidding transactions take this situation very seriously, conducting training for compliance with the Antimonopoly Act thoroughly. The Company Group will make the utmost efforts to strengthen compliance and recover trust.

II. Shares of the Company (As of March 31, 2024)

1. Total number of authorized shares 300,000,000 shares
2. Total number of issued shares 116,254,892 shares
(including 373,148 treasury shares)
3. Number of shareholders 173,334

4. Major shareholders (Top 10)

Name	Number of shares held	Percentage of shares held
The Master Trust Bank of Japan, Ltd. (Trust Account)	19,610,100	16.92%
Custody Bank of Japan, Ltd. (Trust Account)	8,569,920	7.40%
Nippon Paper Industries Co., Ltd. Employee Share Ownership	3,071,729	2.65%
Nippon Paper Industries Co., Ltd. Business Partners Share Ownership	2,486,000	2.15%
Nippon Life Insurance Company	2,473,165	2.13%
TAIJU LIFE INSURANCE COMPANY LIMITED	2,258,900	1.95%
Mizuho Bank Ltd.	2,000,000	1.73%
The Norinchukin Bank	1,700,065	1.47%
State Street Bank West Client Treaty 505234	1,389,100	1.20%
DFA INTL SMALL CAP VALUE PORTFOLIO	1,163,746	1.00%

(Note) Percentage of shares held is calculated excluding the 373,148 treasury shares.

5. Status of shares granted to officers and directors during the current fiscal year as consideration for performance of duties

	Number of shares	No. of persons granted shares
Directors (excluding Outside Directors)	8,400 shares	1 person

(Note) The above states matters regarding shares granted to retired Director (excluding Outside Director) through the Board Benefit Trust.

III. Officers and Directors of the Company

1. Directors and Audit & Supervisory Board Members (As of March 31, 2024)

Title in the Company	Name	Areas of responsibility, important offices concurrently held in other companies or organizations
Chairman & Director	Fumio Manoshiro	
President, Representative Director	Toru Nozawa	President and Chief Executive Officer
Executive Vice President, Representative Director	Masanobu Iizuka	Executive Vice President, Aide to the President, in charge of Duplex Board & Packaging Paper Sales Div. President of Nippon Tokai Industrial Paper Supply Co., Ltd. Director of Opal
Director	Atsumi Yasunaga	President of Nippon Paper Crecia Co., Ltd.
Director	Mitsuhiro Sugino	Managing Executive Officer General Manager of Biomass Material Business Div.
Director	Tomoyasu Itakura	Executive Officer, General Manager of Financial Div.
Outside Director	Makoto Fujioka	Outside Director of NOK CORPORATION
Outside Director	Yoko Hatta	Outside Audit & Supervisory Board Member of Kobayashi Pharmaceutical Co., Ltd. Outside Director of Ajinomoto Co., Inc. Director (Audit & Supervisory Committee Member) (Outside) of KOEI CHEMICAL COMPANY, LIMITED
Outside Director	Yutaka Kunigo	Outside Director of ISE CHEMICALS CORPORATION External Director of Chiyoda Corporation
Audit & Supervisory Board Member (full-time)	Kazunari Tatsu	Statutory Auditor of Nippon Paper Crecia Co., Ltd.
Audit & Supervisory Board Member (full-time)	Tomoyoshi Nishimoto	Statutory Auditor of NP Trading Co., Ltd.
Outside Audit & Supervisory Board Member	Takafumi Okuda	Special Counsel at Mori Hamada & Matsumoto
Outside Audit & Supervisory Board Member	Nanako Aono	Representative Director and President of GEN Co., Ltd. Outside Audit & Supervisory Board Member of MISUMI Group Inc. Outside Director (Audit and Supervisory Committee Member) of MEIKO NETWORK JAPAN CO., LTD.

(Notes) 1. At the 99th Ordinary General Meeting of Shareholders held on June 29, 2023, the following persons were newly elected and assumed the office.

Director: Atsumi Yasunaga

Director: Mitsuhiro Sugino

2. As of the conclusion of the 99th Ordinary General Meeting of Shareholders held on June 29, 2023, the following persons retired from the office.
Executive Vice President, Representative Director: Kazumori Fukushima
Director: Tomomi Nojiri
3. At the Board of Directors meeting held on June 29, 2023, Mr. Masanobu Iizuka was newly elected and assumed the office of Executive Vice President, Representative Director.
4. Changes of post, responsibilities and important concurrently holding offices of the Officers made during the current fiscal year are as follows:

Name	New post, responsibility, etc.	Former post, responsibility, etc.	Date of Change
Masanobu Iizuka	Executive Vice President, Aide to the President, in charge of Duplex Board & Packaging Paper Sales Div.	Managing Executive Officer	June 29, 2023
	President of Nippon Tokai Industrial Paper Supply Co., Ltd.	(Newly appointed)	June 20, 2023
	Director of Opal	CEO of Opal	June 20, 2023
Makoto Fujioka	(Retired)	Outside Director of Eagle Industry Co., Ltd.	June 27, 2023
Yoko Hatta	(Retired)	Auditor of International Christian University	May 31, 2023

5. Mr. Makoto Fujioka, Ms. Yoko Hatta and Mr. Yutaka Kunigo are Outside Directors set forth in Article 2, Item 15 of the Companies Act.
6. Mr. Takafumi Okuda and Ms. Nanako Aono are Outside Audit & Supervisory Board Members as set forth in Article 2, Item 16 of the Companies Act.
7. Audit & Supervisory Board Member (full-time), Mr. Kazunari Tatsu successively held the positions General Manager of Treasurer's Dept. and Deputy General Manager of Financial Div., and has considerable expertise in finance and accounting.
8. Audit & Supervisory Board Member (full-time), Mr. Tomoyoshi Nishimoto has many years of experience in the accounting division and considerable expertise in finance and accounting.
9. Outside Audit & Supervisory Board Member, Ms. Nanako Aono is licensed as a certified public accountant, and has considerable expertise in finance and accounting.
10. The Company has filed Outside Director Mr. Makoto Fujioka, Outside Director Ms. Yoko Hatta, Outside Director Mr. Yutaka Kunigo, Outside Audit & Supervisory Board Member Mr. Takafumi Okuda and Outside Audit & Supervisory Board Member Ms. Nanako Aono as Independent Officers of the Tokyo Stock Exchange in accordance with the provisions thereof.

[For reference: Executive Officers (as of March 31, 2024)]

Title in the Company	Name	Responsibilities
President and Chief Executive Officer	Toru Nozawa	
Executive Vice President	Masanobu Iizuka	Aide to the President, in charge of Duplex Board & Packaging Paper Sales Div. (concurrently serving) President of Nippon Tokai Industrial Paper Supply Co., Ltd.
Senior Managing Executive Officer	Yasuhito Obayashi	General Manager of Paper-Pak Sales Div.
Managing Executive Officer	Shinichiro Nakamura	General Manager of Iwakuni Mill
Managing Executive Officer	Mitsuhiro Sugino	General Manager of Biomass Material Business Div.
Managing Executive Officer	Takashi Ochi	General Manager of Research & Development Div. and General Manager of Chemical Products Research Laboratory
Managing Executive Officer	Yasuhito Murakami	General Manager of Technical & Engineering Div.
Managing Executive Officer	Kazuto Shimada	General Manager of Paper Sales Div.
Managing Executive Officer	Kazunori Itaya	General Manager of Chemical Sales Div.
Executive Officer	Tomoyasu Itakura	General Manager of Financial Div.
Executive Officer	Yoshisada Yamabe	General Manager of Fuji Mill
Executive Officer	Akira Sebe	General Manager of Corporate Planning Div. in charge of Affiliates & Subsidiaries of the Company and International Business Div.
Executive Officer	Tomomi Nojiri	General Manager of Sales Planning Div.
Executive Officer	Tetsuaki Taniguchi	General Manager of Newsprint Sales Div.
Executive Officer	Daishiro Takigawa	General Manager of Duplex Board & Packaging Paper Sales Div.
Executive Officer	Hideki Sugimura	Director of Nippon Tokai Industrial Paper Supply Co., Ltd.
Executive Officer	Naohiro Isihioka	General Manager of Iwanuma Mill
Executive Officer	Kazuyasu Yamamoto	General Manager of Ishinomaki Mill
Executive Officer	Koichi Sato	General Manager of Raw Material & Purchasing Div.
Executive Officer	Hiroyuki Nakagawa	Director of Shin Tokai Paper Co., Ltd.
Executive Officer	Yoshinori Matsubara	General Manager of Energy Business Div.
Executive Officer	Hiroya Kakehashi	General Manager of Akita Mill

2. Amount of remuneration, etc., for Directors and Audit & Supervisory Board Members

(1) Policy, etc. for determination of the contents of remuneration, etc. for each Director

In order to ensure objectivity and transparency of its remuneration system, the Company, by resolution of the Board of Directors, determined the policy for determination of the contents of remuneration, etc. for each Director (hereinafter, "Determination Policy") as follows based on deliberations by the Personnel & Remuneration Advisory Committee and advice from external experts.

- 1) In regard to monthly remuneration for Directors, the base amounts shall be determined according to their respective responsibilities in the Company. 70% of the base amount is to be paid as a fixed amount and 30% of it, in principle, is to be varied depending on the achievement level of the Medium-Term Business Plan. The base amount is determined by utilizing external objective survey data, and by taking into consideration factors such as the Company's business performance, scale of business, and operating environment. Business performance indexes are established so that they may effectively function as an incentive for achieving the business performance targets, and are subject to review as necessary according to changes in the business environment. Part of each Director's monthly remuneration shall be contributed to the Nippon Paper Officers Share Ownership to purchase shares of the Company. There are no bonuses or retirement benefits.
- 2) Stock remuneration in the form of the BBT is paid to Directors to make a clearer link between the compensation provided to Directors and the Company's share value, and thereby increase their motivation to make contributions to improve the Company's mid- to long-term performance and increase its corporate value by Directors sharing with shareholders not only the benefits of rising share prices but also the risks associated with falling share prices. Stock remuneration is a system under which the Company's shares acquired through a trust using money contributed by the Company as a source and an amount of money equivalent to the market value of the Company's shares will be delivered to the Directors through the trust. The number of shares to be delivered is calculated based on the number of points according to their respective responsibilities. Directors will receive delivery of the stock remuneration upon their retirement from office, in principle. The

ratio between fixed remuneration, performance-based remuneration, and stock remuneration paid to Directors is determined appropriately in light of the objectives of each type of remuneration.

- 3) In regard to Outside Directors and Audit & Supervisory Board Members, monthly remuneration is paid to them at fixed amounts. In light of the type of their responsibilities, contribution to the Nippon Paper Officers Share Ownership shall be voluntary.

[Remuneration for Internal Directors]

	Fixed remuneration	Performance-based remuneration	BBT (from the fiscal year ended March 31, 2020)
Method	Cash payment		Award points
Maximum remuneration	700 million yen per year		25,000 points per year (1 point is equivalent to 1 share)
Payment timing	Monthly (no bonuses or retirement benefits)		Upon retirement as Directors (Cumulative points are converted to shares and awarded)
Calculation method	Base amounts shall be determined according to their respective responsibilities, 70% of which is paid as a fixed amount.	Base amounts shall be determined according to their respective responsibilities, 30% of which in principle is paid after making adjustments according to the achievement level of the Medium-Term Business Plan.	Award the number of points as determined by their position
Performance standards	—	70%: Consolidated performance (net sales and operating income) 30%: Non-consolidated performance (net sales and operating income)	—
Other	Part of the remuneration is contributed to the Nippon Paper Officers Share Ownership		—

- (Notes)
1. We reviewed performance-based remuneration for Internal Directors to be provided after July this year at the Personnel & Remuneration Advisory Committee and plan to incorporate the degree of goal achievement of the reduction in greenhouse gas emissions under 2030 Vision and the degree of goal achievement of employee engagement into the performance standards of performance-based remuneration.
 2. Outside Directors and Audit & Supervisory Board Members receive fixed monthly remunerations only.

- (2) Reasons for the Board of Directors to have judged that contents of remuneration, etc. for each Director for the current fiscal year conform to the Determination Policy

At the Company, the Personnel & Remuneration Advisory Committee has confirmed that contents of remuneration, etc. for each Director for the current fiscal year conform to the Determination Policy. Procedure to determine remuneration is as follows.

- 1) To further strengthen corporate governance, the Company has established the Personnel & Remuneration Advisory Committee as an advisory body for the Board of Directors. The majority of this Committee shall consist of Independent Outside Directors.
- 2) The Personnel & Remuneration Advisory Committee, being consulted by the Board of Directors regarding the system for remuneration for Directors and Audit & Supervisory Board Members of the Company and other related matters, shall deliberate the appropriateness of such a system, etc., and provide advice based on the evaluation of business performance and other factors of the Company.
- 3) The Personnel & Remuneration Advisory Committee shall consist of the President and Representative Director, the General Manager of the Personnel & General Affairs Division and the Independent Outside Directors, and its secretariat shall be the General Manager of the Personnel Department.
- 4) The Personnel & Remuneration Advisory Committee shall deliberate, with the appropriate involvement of the Independent Outside Directors who are the members of the Committee, receiving their advice.
- 5) The Board of Directors shall determine the remuneration, etc. for Directors, receiving the opinions of the Personnel & Remuneration Advisory Committee.

3. Total amount of remuneration, etc., for Directors and Audit & Supervisory Board Members for the current fiscal year

	Number of Persons	Total amount of remuneration, etc. by type (million yen)			Total amount (million yen)
		Fixed remuneration	Performance-based remuneration	Stock remuneration	
Directors	11	294	73	25	393
(Outside Directors included in above)	[3]	[39]	[-]	[-]	[39]
Audit & Supervisory Board Members	4	58	-	-	58
(Outside Audit & Supervisory Board Members included in above)	[2]	[13]	[-]	[-]	[13]

- Notes:
1. Figures rounded down to the nearest million yen.
 2. The numbers above include two (2) Directors who retired during the relevant business year.
 3. A resolution for the maximum total remuneration for Directors to be 700 million yen per fiscal year (60 million yen per fiscal year for Outside Directors) was adopted at the 95th Ordinary General Meeting of Shareholders held on June 27, 2019. Separately from the aforementioned amount, it was resolved to introduce a Stock Compensation Plan "Board Benefit Trust (BBT)" to Directors (excluding Outside Directors). The upper limit of the points to be awarded to the Directors based on the plan is 25,000 points per fiscal year (1 point is equivalent to 1 share of the Company stock). The number of Directors at the time of the closing of the Ordinary General Meeting of Shareholders was nine (of which, three were Outside Directors).
 4. A resolution for the maximum total remuneration for Audit & Supervisory Board Members to be 120 million yen per fiscal year was adopted at the 83rd Ordinary General Meeting of Shareholders held on June 22, 2007. The number of Audit & Supervisory Board Members at the time of the closing of the Ordinary General Meeting of Shareholders was four.
 5. Of the performance evaluation standards, net sales were selected to pursue expansion in topline and operating income was selected to improve profitability, respectively, as performance indicators.
 6. Results of indicators for performance-based remuneration during the current fiscal year were consolidated net sales of 1,107,500 million yen, non-consolidated net sales of 581,900 million yen, consolidated operating income of (26,900) million yen, and non-consolidated operating income of (32,300) million yen.
 7. The "Board Benefit Trust (BBT)" is a stock compensation plan under which shares of the Company will be acquired through a trust from the stock market using money contributed by the Company as a source within the amount approved by the 95th Ordinary General Meeting of Shareholders held on June 27, 2019, and the Company's shares and the money equivalent to the market value of the Company's shares will be delivered to the Directors, (excluding Outside Directors) and Executive Officer other than Directors, etc. through the trust in accordance with the Officer Stock Benefit Regulations established by the Company. In principle, the Directors, etc. will receive delivery of the Company's shares, etc. upon their retirement from office. The trust will not exercise voting rights pertaining to the Company's shares held by the trust account based on the instructions from the trust administrator, who is independent from the Company.

4. Matters regarding directors and officers liability insurance

The Company has entered into a directors and officers liability insurance contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company to insure the Company's Directors, Audit & Supervisory Board Members and Executive Officers, as well as Directors and Statutory Auditors of Nippon Paper Crexia Co., Ltd., Nippon Paper Papyrus Co., Ltd., and Nippon Tokai Industrial Paper Supply Co., Ltd. The Company plans to renew the insurance contract in August this year. The outline of the contract is as follows.

- (1) The insurance covers litigation expenses and legal damages for which the insureds became liable in the event where they received a claim for damages from shareholders, business partners or other third parties due to the performance of their duties.
- (2) The insurance does not cover any claim for damages due to any conduct committed by insureds while knowing that the conduct is in violation of laws and regulations.
- (3) The premiums for the insurance contract is fully paid by the Company.

5. Matters regarding Outside Officers

(1) Concurrently served executive posts, etc. in other entities, etc., and relationship between the Company and such entities, etc.

Title in the Company	Name	Concurrent Position	Relationship between the Company and Such Other Entities
Outside Director	Makoto Fujioka	Outside Director of NOK CORPORATION	No special relationship
Outside Director	Yoko Hatta	Outside Audit & Supervisory Board Member of Kobayashi Pharmaceutical Co., Ltd.	No special relationship
		Outside Director of Ajinomoto Co., Inc.	Although the Company has sales transactions in the Chemical Business with Ajinomoto Co., Inc., the amount of transactions is negligible (The amount of sales to Ajinomoto Co., Inc. is less than 1% of the net sales of the Company).
		Director (Audit & Supervisory Committee Member) (Outside) of KOEI CHEMICAL COMPANY, LIMITED	No special relationship
Outside Director	Yutaka Kunigo	Outside Director of ISE CHEMICALS CORPORATION	No special relationship
		External Director of Chiyoda Corporation	No special relationship
Outside Audit & Supervisory Board Member	Takafumi Okuda	Special Counsel at Law of Mori Hamada & Matsumoto	No special relationship

Title in the Company	Name	Concurrent Position	Relationship between the Company and Such Other Entities
Outside Audit & Supervisory Board Member	Nanako Aono	Representative Director and President of GEN Co., Ltd.	No special relationship
		Outside Audit & Supervisory Board Member of MISUMI Group Inc.	Although the Company has purchase transactions related to equipment with MISUMI Group Inc., the amount of transactions is negligible (The amount of the Company's purchases from MISUMI Group Inc. is less than 1% of the net sales of MISUMI Group Inc.).
		Outside Director (Audit and Supervisory Committee Member) of MEIKO NETWORK JAPAN CO., LTD.	No special relationship

(2) Major activities in the current fiscal year

Title in the Company	Name	Board of Directors Meeting Attendance	Board of Auditors Meeting Attendance	Main Activities
Outside Director	Makoto Fujioka	14 of 14 (100%)	—	The Company expects him to supervise and offer advice to the Directors' business operation from an objective standpoint, leveraging his extensive knowledge and international perspective cultivated through his experience in both public and private sectors. He asked suitable questions both on resolutions and on reports, as well as voiced his opinion from an independent perspective, as necessary, at the Board of Directors meetings. Specifically, he voiced his opinion at the Board of Directors meetings on development and commercialization of new businesses and new products as well as differentiation of products of the existing businesses, strengthening supervision of local management of the overseas subsidiaries, and how to promote efforts for DX in the medium to long term.

Title in the Company	Name	Board of Directors Meeting Attendance	Board of Auditors Meeting Attendance	Main Activities
Outside Director	Yoko Hatta	13 of 14 (92.9%)	—	The Company expects her to supervise and offer advice to the Directors' business operation from an objective standpoint, leveraging her extensive experience in international accounting firms, and deep insight on international taxation, etc. She asked suitable questions both on resolutions and on reports, as well as voiced her opinion from an independent perspective, as necessary, at the Board of Directors meetings. Specifically, she voiced her opinion at the Board of Directors meetings on facilitation of consideration on priority issues of the Medium-Term Business Plan 2025, how to horizontally develop the risk management system, and thorough facility maintenance for continued stable operation.
Outside Director	Yutaka Kunigo	14 of 14 (100%)	—	The Company expects him to supervise and offer advice to the Directors' business operation from an objective standpoint, leveraging his broad career at Tokyo Gas Co., Ltd., experience in leading the management as Representative Director, Executive Vice President, and deep insight accumulated in the international energy business. He asked suitable questions both on resolutions and on reports, as well as voiced his opinion from an independent perspective, as necessary, at the Board of Directors meetings. Specifically, he voiced his opinion at the Board of Directors meetings on analysis of issues toward enhancement of the competitiveness of the overseas subsidiaries, setting of hurdle rates based on business environments of each business, and how to proceed with contract negotiations in procuring raw materials.
Outside Audit & Supervisory Board Member	Takafumi Okuda	14 of 14 (100%)	14 of 14 (100%)	He asked suitable questions both on resolutions and on reports from the perspective of an expert as an attorney at law, as well as voiced his opinion from an independent perspective, as necessary. Further, at the Audit & Supervisory Board meetings, he discussed significant matters on audit, as well as asked suitable questions regarding audits conducted by other Audit & Supervisory Board Members, and voiced his opinions from an independent perspective, as necessary.

Title in the Company	Name	Board of Directors Meeting Attendance	Board of Auditors Meeting Attendance	Main Activities
Outside Audit & Supervisory Board Member	Nanako Aono	14 of 14 (100%)	14 of 14 (100%)	She asked suitable questions both on resolutions and on reports based on her extensive experience in the private sector and from the perspective of an expert as a certified public accountant, as well as voiced her opinion from an independent perspective, as necessary. Further, at the Audit & Supervisory Board meetings, she discussed significant matters on audit, as well as asked suitable questions regarding audits conducted by other Audit & Supervisory Board Members, and voiced her opinions from an independent perspective, as necessary.

(3) Outline of the Contract for Limitation of Liabilities

Pursuant to Article 427, Paragraph 1, of the Companies Act, the Company entered into a Contract for Limitation of Liabilities with Outside Director Mr. Makoto Fujioka, Outside Director Ms. Yoko Hatta, Outside Director Mr. Yutaka Kunigo, Outside Audit & Supervisory Board Member Mr. Takafumi Okuda and Outside Audit & Supervisory Board Member Ms. Nanako Aono, which limits the amount of their liability for damages under Article 423, Paragraph 1 of the Companies Act to the amount provided in laws and ordinances.

(4) Total amount of remuneration

	Number	Total Amount of Remuneration, etc.
Outside Officer	5	53 million yen

(Note) Figures rounded down to nearest million yen.

IV. Status of Accounting Auditor

1. Name of Accounting Auditor Ernst & Young ShinNihon LLC

2. Amount of remuneration, etc. for the Accounting Auditor during the relevant fiscal year

	Amount
① Amount of remuneration, etc. to be paid to Accounting Auditor by the Company	222 million yen
② Total amount of cash and other financial benefits to be paid to accounting auditor by the company and subsidiaries of the Company	312 million yen

(Notes) 1. Figures rounded down to nearest million yen.

2. The Audit & Supervisory Board gave consent on the amount of remuneration, etc. to be paid to the Accounting Auditor as a result of the careful screening of details of the audit plan for the current fiscal year such as the number of audit days and the staff allocation, checking and evaluation of the audit performance for the preceding fiscal year, appropriateness of the Accounting Auditor's auditing operation concerning the business operation of the Company and the grounds for calculation of the estimates that become the basis of the amount of remuneration, etc.
3. Since the amounts of remuneration, etc. for audits under the Companies Act and that for audits under the Financial Instruments and Exchange Act are not explicitly distinguished in the audit contract between the Company and Accounting Auditor and cannot be practically distinguished, the amount in ① above includes remuneration, etc. for audits under the Financial Instruments and Exchange Act.
4. The Company pays compensation to Accounting Auditor for preparation of comfort letters related to issuance of corporate bonds which is a service other than those stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act of Japan, which is included in the total amount of ②.
5. Certain subsidiaries of the Company are subject to statutory audits by audit firms, etc. other than Ernst & Young ShinNihon LLC.

3. Policy for determining Accounting Auditor dismissal or non-reappointment

- (1) If the Accounting Auditor falls under any of the items under Article 340, Paragraph 1 of the Companies Act, the Audit & Supervisory Board will dismiss the Accounting Auditor by the unanimous consent of all Audit & Supervisory Board Members pursuant to the provision of the same Article.
- (2) The Audit & Supervisory Board shall determine the contents of any proposal regarding dismissal or non-reappointment to be submitted to the General Meeting of Shareholders with due consideration for the independence and the qualifications of the accounting auditor provided in the related laws and regulations or standards, etc. (Business Accounting Council "Quality Control Standards for Audit," etc.).

V. System to ensure the appropriateness of business operation and the status of operation of such system

1. System to ensure the appropriateness of business operation

The Company formulated the Basic Policies to Establish the Internal Control Systems by a resolution adopted at the Board of Directors meeting held on May 25, 2006, and has made necessary amendments as needed. The details of the Basic Policies are as follows:

“System to ensure execution of duties by Directors in conformity with laws and ordinances or the Articles of Incorporation”

- (1) For appropriate and sound execution of the Company’s business, the Board of Directors establishes an effective internal control system and establishes an organizational structure that complies with laws and ordinances or the Articles of Incorporation.
- (2) The Audit & Supervisory Board audits the effectiveness and function of the internal control systems.

“System to ensure the propriety of business operation of the Company and its subsidiaries”

- (1) System for preservation and management of information related to execution of duties by Directors

The statutory documents and any other documents related to execution of duties by Directors shall be appropriately preserved and managed in accordance with the rules for documents management, etc.

- (2) Rules and other systems related to the management of risks of loss of the Company and its subsidiaries

For risks related to execution of the business of the Company and its group companies, depending on the type of individual risk, the department in charge of such risk will endeavor to prevent risk by means such as implementing education and training under manuals, in addition to establishing necessary rules and guidelines. If any problem occurs, the parent company will, together with its subsidiaries, prevent enlargement of damage to the Company Group, and lay out a framework necessary to minimize such damage.

- (3) System to ensure efficient execution of duties by Directors of the Company and its subsidiaries

- ① Establish a system with which each body and organizations including the Board of Directors functions effectively and exercises its duties properly and efficiently in accordance with the rules for decision-making such as the rules

- of the Board of Directors, rules of approval, and rules for segregation of duties.
- ② Introduce the Executive Officer System and separate the function of overall management supervision and decision making by the Board of Directors from the function of execution of each individual department's business by the Executive Officers, to clarify where the responsibility and authority lay.
 - ③ Each business sector and each group company will not only establish a medium-term business plan and clarify its issues and goals, but also manage its performance thoroughly under such plan during each fiscal year.
 - ④ To pursue the development of the entire Company Group, the Company shall hold meetings of the Group Management Strategy Committee as needed to deliberate on important matters related to the Company Group such as management strategies for each business field.
- (4) System to ensure execution of duties by employees of the Company and its subsidiaries in conformity with laws and ordinances or the Articles of Incorporation
- ① Establish the "Nippon Paper Group Action Charter" and "Nippon Paper Codes of Conduct," and familiarize all employees with compliance thereto.
 - ② The Management Audit Office implements internal audits of the Company and its group companies pursuant to the Internal Audit Rules, etc.
 - ③ Establish "Nippon Paper Group Help Line" as an internal report system within the Company Group and operate this system strictly.
- (5) Systems related to the reporting of the matters concerning execution of duties by Directors, etc., of the Company's subsidiaries to the Company
- ① In order to ensure appropriate operation of business within the Group, the Company shall establish a fundamental policy for the Group companies' business management and operation rules for affiliated companies, and appropriately manage business operations in the Group according to such systems as application for approval, advance and ex post facto report to the Company, etc.
 - ② The Audit & Supervisory Board Members ensure appropriate operation of business within the Group through presiding over the "Nippon Paper Group Audit & Supervisory Board Member Liaison Committee," which consists of the Audit & Supervisory Board Members of the primary group companies of the Company, and the Audit & Supervisory Board of the Company, and have periodic discussions about audit policy and audit method, etc., and enhance mutual collaboration by exchanging information, etc.
 - ③ The Company shall hold Presidents' Meetings of associated companies to receive reports on the current situation and issues of the primary group

companies of the Company.

(6) System related to employees who assist in execution of duties by the Audit & Supervisory Board Members, matters related to the independence of such employees from the Directors and matters related to ensuring the effectiveness of the instructions given to such employees

- ① Assign some employees of the Company as the assistants of the Audit & Supervisory Board Members who assist the Audit & Supervisory Board Members in executing their duties. For such assignment, prior consent by the Audit & Supervisory Board Members is required.
- ② The Company's employees who assist the Audit & Supervisory Board Members in executing their duties shall follow the instructions from the Audit & Supervisory Board Members and prioritize performing the duties related to their instructions.

(7) System for Directors and employees to report to the Audit & Supervisory Board Members; other system related to the report to the Audit & Supervisory Board Members; and system to ensure effective audit by the Audit & Supervisory Board Members

- ① Directors, Executive Officers and employees will report to the Audit & Supervisory Board without delay when he/she becomes aware of any material breach of laws and ordinances or the Articles of Incorporation, concerning the execution of duties, any fact of wrongdoing or any possibility of material damage to the Company. And the Audit & Supervisory Board Members may, at any time, request that the Directors, Executive Officers and employees make a report to them.
- ② Further, in order to appropriately convey the Company's information to the Audit & Supervisory Board Members, without limiting to the reports from the Directors, Executive Officers and employees, the Company shall facilitate an environment to allow the Audit & Supervisory Board Members to exchange information closely with the Accounting Auditor and legal advisors, etc.
- ③ Representative Directors endeavor to communicate closely with the Audit & Supervisory Board Members through such means as holding meetings as often as possible with Audit & Supervisory Board Members, etc. Moreover, Representative Directors ensure, upon request by the Audit & Supervisory Board Members, attendance of the Audit & Supervisory Board Members at any material meetings.

- ④ At meetings of the Nippon Paper Group Audit & Supervisory Board Member Liaison Committee, the Audit & Supervisory Board Members of the Company shall receive explanation from the Audit & Supervisory Board Members of the group companies on the content of reports received from the officers and employees of such group companies.
- ⑤ The department in charge of the Company's Nippon Paper Group Help Line shall report regularly to the Company's Audit & Supervisory Board Members on the status of internal reporting from the officers and employees of the Company Group.
- ⑥ The Company shall provide rules for operation of the Nippon Paper Group Help Line, in which it is to be clearly stipulated that users of the internal reporting system should not suffer disadvantageous treatment and that an internal disciplinary measure might be imposed on those who give disadvantageous treatment to such users.
- ⑦ Based on the audit plans formulated by the Audit & Supervisory Board Members, the Company shall provide an annual budget for paying expenses and costs that are incurred by the execution of duties by the Audit & Supervisory Board Members.
- ⑧ When the Audit & Supervisory Board Members request the Company to make an advance payment of expenses based on Article 388 of the Companies Act that are necessary to execute their duties, the Company shall process such expenses or debts promptly.

(8) System to ensure the reliability of financial reports of the Company and its subsidiaries

In order to ensure the reliability of financial reports, the Company shall improve an internal control system for financial reporting and operate such system properly in accordance with rules of internal control for financial reports. Further, the Company shall evaluate the system's effectiveness on a continuing basis and take necessary measures to improve the system.

(9) System of the Company and its subsidiaries toward elimination of anti-social forces

The Company and its subsidiaries shall never have any relationship with any anti-social force or organization. The Company and its subsidiaries shall take a resolute stand against unreasonable demand and respond to such incident in coordination with outside specialized agencies, as needed.

2. Status of operation of the system to ensure the appropriateness of operation

The Company strives to ensure the appropriateness of operation through formulating and operating the Basic Policies to Establish the Internal Control Systems. The outline of the operation of the system to ensure the appropriateness of operation of the Company during the current fiscal year was as follows.

(1) Risk management system

- ① The Company has established a Risk Management Committee chaired by President, Representative Director and made reports to the Board of Directors. At the Committee, risks projected by the Company Group were identified, and reports were made on the information security system, in addition to business continuity management (BCM) such as the review of business continuity plan (BCP). Regarding those results, an opportunity was separately provided for exchanging opinions among Chairman, Outside Directors, Audit & Supervisory Board Members, and secretaries.
- ② The Company established the Environmental Committee, the Safety and Disaster Prevention Committee, the Product Risk Committee and the Raw Materials Committee to promote risk management activity across the entire Company Group. Each Committee was held during the current fiscal year to confirm efforts of each group company. In addition, regarding the environment, safety and disaster prevention, and product risk, internal audits were conducted on an ongoing basis.
- ③ As progress of the action plan concerning the Principles and Basic Policies Concerning Raw Materials Procurement, the Company made reports to the Board of Directors on familiarizing suppliers with the guidelines of procurement policy and conducting a questionnaire survey of suppliers as well as the status of consideration on measures effective for avoiding and reducing the procurement risk.

(2) Compliance system

- ① The Company operates the Nippon Paper Group Help Line as its internal reporting system. The Compliance Office of the Risk Management Dept., which is in charge of this system, has responded to all the items reported and consulted via this system and addressed each issue appropriately in alliance with related departments, specialized external companies and attorneys. The status of such internal reporting was reported quarterly from the Compliance Office to the Management Execution Committee and the details were reported quarterly to the Audit & Supervisory Board Members. In order to

confirm the compliance awareness and a degree of familiarity with the Help Line, the Company implemented a compliance awareness survey targeting officers and employees of the Company and its group companies.

- ② On March 14, 2024, NP Trading Co., Ltd. received a cease-and-desist order and a payment order for a surcharge from the Japan Fair Trade Commission based on the Antimonopoly Act regarding the general competitive bidding for recycled roll paper ordered by National Printing Bureau. Taking these orders very seriously, NP Trading will thoroughly take measures to prevent the recurrence of similar problems. Also, the Company and each company of the Company Group participating in bidding transactions take this situation very seriously, conducting training for compliance with the Antimonopoly Act thoroughly. The Company Group will make the utmost efforts to strengthen compliance and recover trust.

(3) Audit & Supervisory Board Members' audit and internal audit

- ① The Audit & Supervisory Board Members attended important meetings such as Board of Directors meetings, and meetings of the Group Management Strategy Committee and Management Execution Committee. The Audit & Supervisory Board Members held fourteen meetings to share information, while performing onsite audits at each department and office of the Company, as well as group companies. The Audit & Supervisory Board Members held two meetings of the Nippon Paper Group Audit & Supervisory Board Member Liaison Committee, at which they received reports on audit activities at each group company.
- ② The Management Audit Office performed internal audits of the Company and the group companies and provided support for improvement as necessary, including introduction of external experts to the audited sites. The Office also made reports on the results to President and Representative Director and full-time Audit & Supervisory Board Members twice and Outside Directors and Outside Audit & Supervisory Board Members twice. The Management Audit Office also performed evaluation on validity of internal audits regarding financial reporting of the Company and the group companies. President and Representative Director reported summaries of the results of these internal audits, etc. to the Board of Directors.
- ③ The Audit & Supervisory Board Members and the Management Audit Office held an information exchange meeting once a month. In addition, the Management Audit Office attended meetings of the Nippon Paper Group

Audit & Supervisory Board Member Liaison Committee to integrate Audit & Supervisory Board Members' audits and internal audits. Audit & Supervisory Board Members periodically received reports from the Accounting Auditor on the results of accounting audits and shared information.

(4) The Group companies' business management

- ① The Presidents' Meeting of associated companies was held among the Company and its 19 primary group companies, where each company reported the progress and issues of the Medium-Term Business Plan 2025 and the 2024 problem of logistics.
- ② The Group Management Strategy Committee consisting of major officers of the Company and presidents of five major group companies, engages in discussion from a group-wide perspective, by facilitating information sharing within the Group, speedier decision making, and maximum utilization of the Group's management resources. With the attendance of Outside Directors and Outside Audit & Supervisory Board Members, the Committee deliberated on strategic projects and long-term vision, and asked opinions from outside officers based on their abundant experience and expertise and had active discussions.

(5) System of execution of duties

- ① The Board of Directors held thirteen regular meetings and one extraordinary meeting. Material matters are deliberated in advance at the Management Strategy Committee and Management Execution Committee and submitted to the Board of Directors.
- ② With regard to the effectiveness of the Board of Directors, self-evaluation and analysis were performed in the form of a questionnaire, receiving advice from an external institution, and deliberated at the Board of Directors meeting. The progress rate against the goals of the Medium-Term Business Plan was stated in the monthly business report document without fail and the progress status summarized and reported by the General Manager of the Corporate Planning Div. was discussed on a quarterly basis. Thus, discussions about important issues have deepened and it was confirmed that the effectiveness of the Board of Directors has been ensured.

VI. Stocks for strategic purposes

[Policy for shareholdings]

The Company holds shares that are judged to be contributing to the improvement of corporate value, upon verifying the effects of holding individual stocks for strategic purposes in terms of medium- to long-term economic rationale for holding, and maintaining and reinforcing comprehensive relationships with business partners.

The significance of such shareholdings is verified at the Board of Directors meeting every year. If the Company deems there to be no good reason to hold certain stocks, the Company shall sell them in light of gains and losses, etc. from such stocks.

[Standard for exercising voting rights]

In exercising voting rights pertaining to stocks for strategic purposes, the Company shall examine the contents of each proposal, and exercise as appropriate upon judging whether or not the proposal will contribute to the improvement of the corporate value of the Company and the investee company.

The Company shall not vote for any proposal that would impair the corporate value of the Company and the investee company.

[Amount of deemed holdings of shares recorded on the consolidated balance sheet] (as of March 31, 2024)

The amount of deemed holdings of shares recorded on the consolidated balance sheet is 40,243 million yen as of March 31, 2024. If combined with stocks for strategic purposes, the total amount is 74,723 million yen, which accounts for 15.08% of net assets.

Consolidated Financial Statements
Consolidated Balance Sheet

(As of March 31, 2024)

(Unit: million yen)

Category	Amount	Category	Amount
Assets		Liabilities	
Current assets	[638,613]	Current liabilities	[494,769]
Cash and deposits	164,858	Notes and account payable-trade	157,815
Notes and accounts receivable-trade	204,990	Short-term loans payable	207,176
Merchandise and finished goods	116,454	Current portion of bonds	15,000
Work in process	21,684	Income taxes payable	7,246
Raw materials and supplies	86,672	Other current liabilities	107,530
Other current assets	44,394	Non-current liabilities	[740,827]
Allowance for doubtful accounts	(442)	Bonds payable	65,000
Non-current assets	[1,092,632]	Long-term loans payable	577,083
(Property, plant and equipment)	[805,331]	Deferred tax liabilities	52,745
Buildings and structures	149,784	Provision for environmental measures	9,567
Machinery, equipment and vehicles	338,558	Net defined benefit liability	10,984
Land	212,843	Other non-current liabilities	25,446
Mountain forests and plantations	29,461	Total liabilities	1,235,597
Construction in progress	47,799	Net assets	
Other property, plant and equipment	26,884	Shareholders' equity	[326,487]
(Intangible assets)	[22,599]	Capital stock	104,873
Intangible assets	22,599	Capital surplus	216,416
(Investments and other assets)	[264,701]	Retained earnings	7,102
Investments in securities	174,726	Treasury shares	(1,904)
Net defined benefit asset	41,087	Accumulated other comprehensive income	[142,301]
Deferred tax assets	10,844	Valuation difference on available-for-sale securities	17,541
Other investments and other assets	38,568	Deferred gains or losses on hedges	16,989
Allowance for doubtful accounts	(525)	Foreign currency translation adjustment	79,535
		Remeasurements of defined benefit plans	28,234
		Non-controlling interests	[26,859]
		Total net assets	495,648
Total assets	1,731,245	Total liabilities and net assets	1,731,245

Consolidated Statement of Profit and Loss

(From April 1, 2023 through March 31, 2024)

(Unit: million yen)

Category	Amount	
Net sales		1,167,314
Cost of sales		985,917
Gross profit		181,396
Selling, general and administrative expenses		164,130
Operating income		17,266
Non-operating income		
Interest income	681	
Dividend income	1,620	
Share of profit of entities accounted for using equity method	5,494	
Exchange gain	2,700	
Other	4,755	15,252
Non-operating expenses		
Interest expense	10,246	
Other	7,721	17,968
Ordinary income		14,550
Extraordinary income		
Gain on sales of non-current assets	26,637	
Gain on sales of investment securities	5,222	
Other	550	32,411
Extraordinary loss		
Loss on withdrawal from business of subsidiaries	10,268	
Loss on retirement of non-current assets	1,843	
Other	3,653	15,765
Profit before income taxes		31,196
Income taxes-current	7,452	
Income taxes-deferred	(3,289)	4,162
Profit		27,033
Profit attributable to non-controlling interests		4,286
Profit attributable to owners of parent		22,747

Financial Statements

Balance Sheet

(As of March 31, 2024)

(Unit: million yen)

Category	Amount	Category	Amount
Assets		Liabilities	
Current assets	[477,325]	Current liabilities	[384,665]
Cash and deposits	132,599	Notes payable	10,585
Notes receivable	1,908	Accounts payable-trade	60,214
Accounts receivable-trade	123,194	Short-term loans payable	204,010
Merchandise and finished goods	48,982	Current portion of bonds	15,000
Work in process	14,496	Account payable	78,525
Raw materials and supplies	47,346	Accrued expenses	6,358
Short-term loans receivable	93,304	Income taxes payable	1,031
Other accounts receivable	12,451	Other current liabilities	8,940
Other current assets	9,850	Non-current liabilities	[603,793]
Allowance for doubtful accounts	(6,808)	Bonds payable	65,000
Non-current assets	[817,260]	Long-term loans payable	506,430
(Property, plant and equipment)	[383,579]	Provision for share-based remuneration for directors (and other officers)	300
Buildings	67,449	Provision for environmental measures	7,964
Structures	17,404	Deferred tax liabilities	1,828
Machinery and equipment	122,113	Deferred tax liabilities for revaluation	18,427
Vehicles	29	Other non-current liabilities	3,842
Tools, furniture and fixture	2,457	Total liabilities	988,459
Land	143,476	Net assets	
Mountain forests and plantations	17,721	Shareholders' equity	[284,218]
Leased assets	1,934	Capital stock	104,873
Construction in progress	10,993	Capital surplus	130,227
(Intangible assets)	[3,870]	Legal capital surplus	83,552
Software	2,595	Other capital surplus	46,674
Other intangible assets	1,274	Retained earnings	50,710
(Investments and other assets)	[429,811]	Legal retained earnings	432
Investments in securities	34,480	Other retained earnings	50,278
Shares in and investment in capital of affiliates	387,713	Reserve for reduction entry of non-current assets	3,212
Long-term prepaid expenses	679	Retained earnings carried forward	47,065
Prepaid pension cost	2,393	Treasury shares	(1,592)
Other investments and other assets	4,879	Valuation and translation adjustments, etc.	[21,908]
Allowance for doubtful accounts	(335)	Valuation difference on available-for-sale securities	12,926
		Deferred gains or losses on hedges	1,346
		Revaluation difference on land	7,635
		Total net assets	306,127
Total assets	1,294,586	Total liabilities and net assets	1,294,586

Statement of Profit and Loss

(From April 1, 2023 through March 31, 2024)

(Unit: million yen)

Category	Amount	
Net sales		540,005
Cost of sales		481,261
Gross profit		58,744
Selling, general and administrative expenses		59,496
Operating loss		751
Non-operating income		
Interest and dividend income	15,648	
Other	4,376	20,024
Non-operating expenses		
Interest expense	5,756	
Expenses of preparing for business	1,213	
Other	4,639	11,609
Ordinary income		7,663
Extraordinary income		
Gain on sales of non-current assets	25,680	
Gain on liquidation of subsidiaries and affiliates	4,870	
Gain on sales of investment securities	4,555	
Others	1,786	36,894
Extraordinary loss		
Loss on retirement of non-current assets	1,450	
Loss on valuation of shares in affiliates	519	
Other	548	2,518
Profit before income taxes		42,038
Income taxes-current	(3,372)	
Income taxes-deferred	(2,415)	(5,788)
Profit		47,827

Audit Report

Independent Auditor's Report on the Consolidated Financial Statements: True Copy

Independent Auditor's Report

May 17, 2024

To: The Board of Directors
Nippon Paper Industries Co., Ltd.

Ernst & Young ShinNihon LLC
Tokyo Office
Designated Limited Liability Partner
Executive Member CPA Kazuhiro Suzuki (Seal)
Designated Limited Liability Partner
Executive Member CPA Tatsuya Kushida (Seal)
Designated Limited Liability Partner
Executive Member CPA Takahiro Kawagishi (Seal)

Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of profit and loss, the consolidated statement of changes in shareholders' equity, etc. and the notes to the consolidated financial statements of Nippon Paper Industries Co., Ltd. (the "Company") for the fiscal year from April 1, 2023 through March 31, 2024.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Company, which consists of the Company and its consolidated subsidiaries, for the period covered by the consolidated financial statements in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Other Information

The Other Information comprises the business report and the related supplemental schedule. Management is responsible for the preparation and disclosure of the Other Information. In addition, the Audit & Supervisory Board Members and Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operation of the controls over the Group's reporting process of the Other Information.

Our audit opinion on the consolidated financial statements does not cover the Other Information, and we do not provide an opinion on the Other Information.

Our responsibility in conducting the audit of the consolidated financial statements is to read the Other Information and, in doing so, consider whether there are material inconsistencies between the Other Information and the consolidated financial statements or our knowledge obtained in the audit procedure and to pay attention to whether there are any indication of a material error in the Other Information besides such material differences.

If, based on the work we have performed, we conclude that there is a material misstatement in the Other Information, we are required to report such facts.

We have nothing to report in this regard.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the presentation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due

to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the consolidated financial statements from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the consolidated financial statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.

- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.

- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.

- Determine whether it is appropriate for management to prepare the consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.

- Besides assessing whether the presentation of and notes to the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the consolidated financial statements including related notes, and whether the consolidated financial statements fairly present the transactions and accounting events on which they are based.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the consolidated financial statements. The auditor is responsible for instructing, supervising, and implementing the audit of the consolidated financial statements, and is solely responsible for the audit opinion.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence, and the contents of measures or safeguards if the auditor takes measures to eliminate obstacles or applies safeguards to reduce obstacles to an acceptable level.

Interest

Our firm and engagement partners have no interests in the Company or its consolidated subsidiaries requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

[END]

Independent Auditor's Report

May 17, 2024

To: The Board of Directors
Nippon Paper Industries Co., Ltd.

Ernst & Young ShinNihon LLC
Tokyo Office
Designated Limited Liability Partner
Executive Member CPA Kazuhiro Suzuki (Seal)
Designated Limited Liability Partner
Executive Member CPA Tatsuya Kushida (Seal)
Designated Limited Liability Partner
Executive Member CPA Takahiro Kawagishi (Seal)

Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of profit and loss, the statement of changes in shareholders' equity, etc. and the related notes, and the accompanying supplementary schedules of Nippon Paper Industries Co., Ltd. (the "Company") for the 100th fiscal year from April 1, 2023 through March 31, 2024.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2024, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules." We are independent of the Company in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Other Information

The Other Information comprises the business report and the related supplemental schedule. Management is responsible for the preparation and disclosure of the Other Information. In addition, the Audit & Supervisory Board Members and Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operation of the controls over the Group's reporting process of the Other Information.

Our audit opinion on the financial statements does not cover the Other Information, and we do not provide an opinion on the Other Information.

Our responsibility in conducting the audit of the financial statements is to read the Other Information and, in doing so, consider whether there are material inconsistencies between the Other Information and the financial statements or our knowledge obtained in the audit procedure and to pay attention to whether there are any indication of a material error in the Other Information besides such material differences.

If, based on the work we have performed, we conclude that there is a material misstatement in the Other Information, we are required to report such facts.

We have nothing to report in this regard.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Financial Statements and the Accompanying Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is

responsible for assessing whether it is appropriate to prepare the financial statements and the accompanying supplementary schedules in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules

Our responsibility is to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the financial statements and the accompanying supplementary schedules from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the financial statements and the accompanying supplementary schedules.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.

- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the financial statements and the accompanying supplementary schedules is not to express an opinion on the effectiveness of the entity's internal control.

- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.

- Determine whether it is appropriate for management to prepare the financial statements and the accompanying supplementary schedules on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the financial statements and the accompanying supplementary schedules in the audit report, or if the notes to the financial statements and the accompanying supplementary schedules pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the financial statements and the accompanying supplementary schedules. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.

- Besides assessing whether the presentation of and notes to the financial statements and the accompanying supplementary schedules are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the financial statements and the accompanying supplementary schedules including related notes, and whether the financial statements and the accompanying supplementary schedules fairly present the transactions and accounting events on which they are based.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence, and the contents of measures or safeguards if the auditor takes measures to eliminate obstacles or applies safeguards to reduce obstacles to an acceptable level.

Interest

Our firm and engagement partners have no interests in the Company requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

[End]

Audit Report

The Audit & Supervisory Board, upon deliberation based on the audit reports prepared by each of the Audit & Supervisory Board Members on execution of duties by the Directors during the 100th fiscal year, from April 1, 2023 through March 31, 2024, has prepared this Audit Report and presents as follows;

1. Method and detail of audit by Audit & Supervisory Board Members and the Audit & Supervisory Board
 - (1) The Audit & Supervisory Board determined the audit policy and the task division, and in addition to receiving reports about the status of implementation of audit and result thereof from each Audit & Supervisory Board Member, received reports from Directors, etc. and from the Accounting Auditor on the status of execution of their duties, and, when necessary, requested their explanations.
 - (2) In compliance with the Audit & Supervisory Board Members' audit standards which the Audit & Supervisory Board established, and in accordance with the audit policy and task division, each Audit & Supervisory Board Members endeavored to gather information and to improve audit environment through communicating well with the Directors, the management monitoring office, and other employees, etc. and conducted audits by the following methods;
 - (i) Attended the Board of Directors' meetings and other important meetings to receive reports from the Directors and employees, etc. on the status of execution of their duties and requested their explanations as needed; reviewed important documents of decision making, etc.; and examined the status of performance and assets at the Company's head office and primary business offices. As to the subsidiaries, we communicated with and exchanged information with the Directors and Audit & Supervisory Board Members, etc., of the subsidiaries, and visited the subsidiaries, etc. and received reports on their businesses as needed.
 - (ii) Received reports regularly, requested their explanations as necessary and expressed our opinion about the status of formation and operation of the systems (the internal control system), including the system to ensure execution of duties by Directors in conformity with laws or ordinances and the Articles of Incorporation described in the Business Report and the system formed in accordance with the resolutions and the substance thereof by the Board of Directors regarding formulation of other system which is provided in the paragraph 1 and 3 of Article 100 of the Ordinance for Enforcement of the Companies Act as a necessary system to ensure appropriate business operation of a corporate group consisting of the stock company and its subsidiaries.
 - (iii) As to the basic policy on suitability of person who controls the decision making over the financial and business policies of the Company stipulated in the Ordinance for Enforcement of the Companies Act, and each of its approach as described in the Business Report, we conducted study of the contents in view of the status, etc. of deliberation by the Board of Directors and other bodies.
 - (iv) Monitored and verified whether the Accounting Auditor maintained its independent position and implemented appropriate audits, and received reports from the Accounting Auditor on the status of execution of their duties, and, when necessary, requested explanation from them. We also received the notice from the Accounting Auditor to the effect that the firm has established the "system to ensure appropriate execution of their duties" (as stipulated in each Item in the Article 131 of the Corporate Accounting Rule) in accordance with the "Quality Control Standards for Audit" (Business Accounting Council), etc., and, when necessary, requested their explanations.

Through the methods above, we examined the Business Report and its Supplementary Schedule, the financial statements (the balance sheet, the statement of profit and loss, the statement of changes in shareholders' equity, etc., and the notes to the non-consolidated financial statements) and its supplementary schedule as well as the consolidated financial statement (the consolidated balance sheet, the consolidated statement of profit and loss, the consolidated statement of changes in shareholders' equity, etc., and the notes to the consolidated financial statement) for the current fiscal term.

2. Conclusion of the audit
 - (1) Conclusion of audit of the Business Report, etc.
 - (i) We find that the business report and its supplementary schedule fairly present the status of the Company in compliance with the laws or ordinances and the Articles of Incorporation.
 - (ii) We find that there is no material fact of misconduct or serious violation of laws or ordinances or the Articles of Incorporation by any Directors in executing of their duties.
 - (iii) We find that the substance of resolutions by the Board of Directors regarding the internal control system is appropriate. In addition, we find that there is no other item to be pointed out as to the entries in the Business

Report regarding the relevant internal control system or as to execution of duties by the Directors including the internal control system relating to the financial report.

As described in the Business Report, NP Trading Co., Ltd. that is the Company's subsidiary received a cease-and-desist order and a payment order for a surcharge for a violation under the Antimonopoly Act. We, as the Audit & Supervisory Board, confirmed efforts for further and exhaustively strengthening compliance including observance of the Antimonopoly Act toward preventing the recurrence in the entire Company Group and will continue monitoring in the future.

- (iv) We find that there is no item to be pointed out as to the entries in the business report regarding the basic policy and its initiatives on suitability of person(s) who controls the decision making over the financial and business policies of the Company stipulated in the Ordinance for Enforcement of the Companies Act.

(2) Conclusion of audit on the Financial Statement and its Supplementary Schedule

We find that the method and result of audit by the Ernst & Young Shin Nihon LLC are appropriate.

(3) Conclusion of audit on the Consolidated Financial Statement

We find that the method and result of audit by the Ernst & Young Shin Nihon LLC are appropriate.

May 17, 2024

Audit & Supervisory Board	
Nippon Paper Industries Co., Ltd.	
Standing Audit & Supervisory Board Member (full-time)	Kazunari Tatsu (Seal)
Audit & Supervisory Board Member (full-time)	Tomoyoshi Nishimoto (Seal)
Audit & Supervisory Board Member	Takafumi Okuda (Seal)
Audit & Supervisory Board Member	Nanako Aono (Seal)

(Note) Audit & Supervisory Board Member Takafumi Okuda and Audit & Supervisory Board Member Nanako Aono are the Outside Audit & Supervisory Board Members stipulated in the item 16 of Article 2 and the paragraph 3 of Article 335 of the Companies Act.

[End]