

Financial Results for the First Half of Fiscal Year Ending March 31, 2022

December 2021

KOKUSAI PULP & PAPER CO., LTD.

Tokyo Stock Exchange 1st Section

9274

1

Company Profile

2

First Half of the Fiscal Year Ending March 31, 2022

3

Progress of the Second Medium-Term Business Plan

4

Business Description and Strategy

5

Reference Materials

1

Company Profile

2

First Half of the Fiscal Year Ending March 31, 2022

3

Progress of the Second Medium-Term Business Plan

4

Business Description and Strategy

5

Reference Materials

Paper wholesale distributor with 97-year history

Company Name	Kokusai Pulp & Paper Co., Ltd.
Established	November 1924
Representative	Madoka Tanabe, Chairman & Chief Executive Officer Tadashi Kurihara, President & Executive Officer
Head Office Address	6-24 Akashi-cho, Chuo-ku, Tokyo
Capital	4,723 million yen
Employees	5,530 (Consolidated)

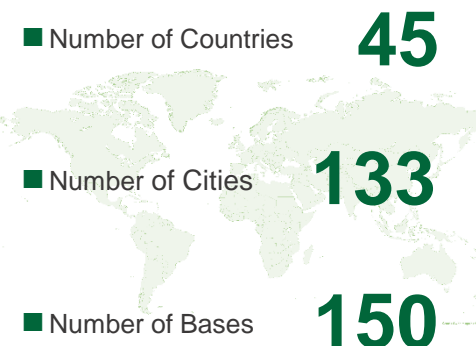
Principal shareholders* (End of Sep. 2021)	Oji Holdings Corporation	17.3%
	Nippon Paper Industries Co., Ltd.,	9.2%
	The Master Trust Bank of Japan ,Ltd. (trust account)	6.4%
	Mizuho Bank, Ltd.,	3.9%
	Kokusai Pulp & Paper Co., Ltd. (stock ownership association)	3.8%
	MUFG Bank, Ltd.,	3.5%
	Sumitomo Mitsui Banking Corporation	3.5%
	The Norinchukin Bank	3.5%
	Hokuetsu Corporation	3.4%
	Mitubishi UFJ Trust and Banking Corporation	2.9%

* The shareholding ratio is calculated excluding treasury stock.

Major affiliated companies of our group (100 subsidiaries and 6 affiliated companies)

Domestic bases Wholesale business of pulp and paper, etc.		Overseas bases Wholesale business of pulp and paper, etc.
Consolidated subsidiaries	Equity-method affiliates	Consolidated subsidiaries
Narumiya Kami-shoji Co., Ltd.	Green Fujikawa Co., Ltd.	Spicers Limited * Consolidated subsidiary in July 2019
Daidou Paper Trading Co., Ltd.	Green Remake Co., Ltd.	Antalis S.A.S. * Consolidated subsidiary in July 2020
Kikyoya Kami-shoji Co., Ltd.	Takaoka Co., Ltd.	DaiEi Papers (USA) Corp.
Okayama Kami-shoji Co., Ltd	Mikasa Shikougyo Co., Ltd.	Keishin Papers Trade (Shanghai) Co., Ltd
Kyushu Kami-shoji Co., Ltd.		DaiEi Papers (H.K.) Limited
Musashino Paper Recycling Co., Ltd.		DaiEi Papers Korea Co.,Ltd.
Green Sanai Co., Ltd.		DAIEI PAPERS TRADING INDIA PVT.LTD.
KPP Logistics Co., Ltd.		DAIEI PAPERS (S) PTE.LTD.
		KPP ASIA-PACIFIC PTE. LTD.
		Equity-method affiliates
		CHENGDU XINGUOFU PACKING MATERIAL CO., LTD

Expansion status



* Number of subsidiaries, affiliates and countries of operation, etc. are all as of March 31, 2021.

Formed on “Management Philosophy,” “Group Corporate Action Guidelines,” and “Management Vision”.

– Shared by all Group employees. A concept that forms the basis of all activities as a common set of values.

KPP GROUP WAY

The meaning of our existence/our mission

- Targeting the enhancement of global management and achieving sustainable growth
- Pursuing the happiness of the employees and their families and aiming to become a company that is trusted by shareholders, customers, suppliers, and communities
- Realizing a recycling-oriented society and widely contributing to the promotion of education, culture, and industry

Our management vision GIFT+1

Globalization

Expanding our business on a global scale

Innovation

Pioneering new future of paper with imagination and creativity

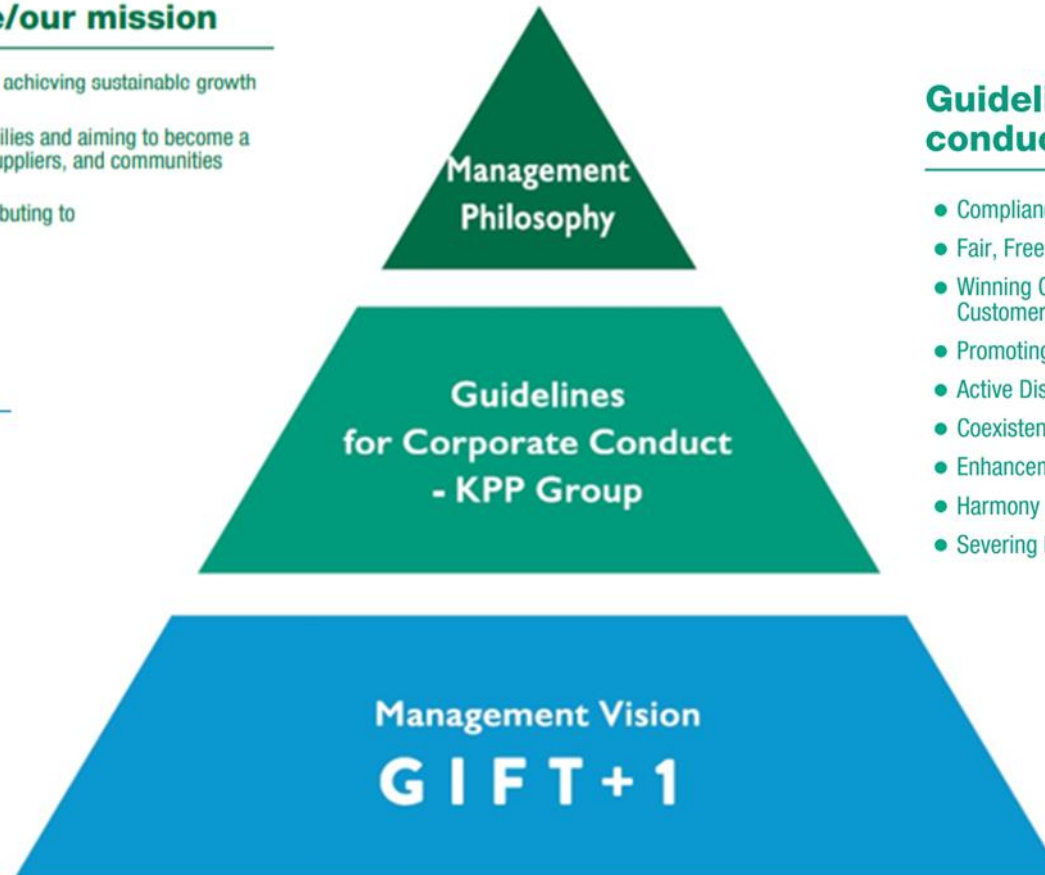
Function

Creating added value by utilizing our abilities to plan and propose

Trust

Responding to the trust our stakeholders place in us

+1 (Plus One) By adding environmental initiatives to each element of this management vision, KPP Group endeavors to build a recycling-oriented society through proposals for environmentally friendly products, the recovery of paper, and the recycling of resources.



Guidelines for corporate conduct to fulfill our CSR

- Compliance with Laws and Regulations
- Fair, Free and Transparent Business Activities
- Winning Confidence of Society, Suppliers and Customers
- Promoting Social Contribution Activities
- Active Disclosure of Company Information
- Coexistence with International Society
- Enhancement of Workplace Environment
- Harmony with Natural Environment
- Severing Relations with Antisocial Forces

KPP Group Basic Policy on Sustainability

The KPP Group will contribute to the realization of a sustainable society through the operation of a totally recycling-oriented enterprise based on the basic philosophy of the KPP Group Way.

Furthermore, we perceive the environment, society, and governance to be important aspects of management and will engage in the resolution of material issues related to business activities.

Material Issues of the KPP Group

– Shared with the entire KPP Group as a materiality

Global expansion

- Creation of Group synergies
- Internal communication

Response to DX

- Expansion of e-commerce
- Development of new systems

Implementation of green business

- Resolution of the marine plastic pollution problem
- Recycling and waste reduction

Climate change countermeasures

- Development of solutions to prevent global warming
- Reduction of CO₂ emissions

Diversity & Inclusion

- Ensuring diversity
- Utilization of diverse personnel

Enhancement of governance

- Compliance
- Information security
- Risk management

1

Company Profile

2

First Half of the Fiscal Year Ending March 31, 2022

3

Progress of the Second Medium-Term Business Plan

4

Business Description and Strategy

5

Reference Materials

Impact of the Covid-19 infection on our business

- The business environment in overseas markets remained favorable.

Domestic market

- **Cumulative period for first and second quarter (From April to September 2021)**
 - Due to the multiple emergency declarations and priority measures to prevent the spread of Covid-19, people refrained from going out and events were cancelled, which affected sales of graphic paper and folding box board.

Overseas market

- **Cumulative period for first and second quarter (From January to June 2021)**
 - Europe experienced a third wave and expansion of Delta variant, however economic activity resumed in Q2 (Apr-Jun).
 - Australia experienced a lockdown in Q1 (Jan-Mar) due to the expansion of Delta variant, but the impact was limited, and the economy was on a recovery track throughout.

Environment of our business

Domestic market

- Compared to the previous year, which was the year most affected by the issuance of the emergency declaration, sales volume recovered significantly, especially for graphic paper such as catalogs and flyers, however the recovery was limited due to the re-issuance of the emergency declaration in July.
- Folding box board was on a recovery trend, but the recovery was limited due to the strong tendency to refrain from activities under the emergency declaration.

Overseas market

- Europe: The paper business expanded. In the packaging business, demand increased due to Covid-19.

Visual communication business was strong due to resumption of events.

- Australia : Effects of M&A of Direct Paper and Rojo Pacific became apparent. Growth in the packaging business and Sign & display business*.
- China: China's economy was strong as a result of early measures taken against Covid-19.

Sharp rise in market prices led to a rapid recovery in business performance.

* Sign & display business.....In our business segment, it is aggregated as visual communications business.

Summary of Business Results

Net sales JPY269.1 billion (+61.6%), operating income turned profitable

Sales

- Antalis, which was acquired in the previous fiscal year and be consolidated in the Q3 of the previous fiscal year, added to the results (+JPY110,501 million). Sales increased substantially.

Operating profit

- The impact of the previous year's provision of allowance for doubtful accounts (-JPY8,130 million) in Hong Kong and China disappeared and the business turned profitable.
- In addition to the additional earnings of Antalis, strong performance of Australian business after Covid-19 and rising market prices led to a significant increase in earnings.

Ordinary profit

- Ordinary profit was higher than operating profit due to a reversal of the allowance for doubtful accounts of JPY7.2 million and foreign exchange gains of JPY 362 million related to the above.

	Fiscal Year Ended March 2021	Fiscal Year Ending March 2022			
	Second quarter cumulative results	Second quarter cumulative results	Amount of change from the same period of the previous year	Percentage change from the same period of the previous year	Full-year Forecast
(JPY million)					
Sales	166,594	269,133	+102,539	+61.6%	545,000
Gross profit	11,322	43,944	+32,622	+288.1%	—
SG&A	18,888	40,122	+21,233	+112.4%	—
Operating profit	(7,566)	3,822	+11,388	—	5,900
Ordinary profit	(8,218)	4,205	+12,424	—	5,000
Profit attributable to owners of parent	(7,236)	3,485	+10,722	—	4,200

(Note) Since the Company will apply the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29), etc. from the beginning of the fiscal year ending March 31, 2022, the above figures for the second quarter of the fiscal year ending March 31, 2022 are after the application of the said accounting standard, etc.

Results by Segment

Overseas sales increased significantly to JPY144.6 billion (+220.8%).

Domestic Bases

- The market showed a recovery from the same period last year, when it was most severely affected by the declaration of the state of emergency. Base paper for cardboard continued to be strong.

Overseas Bases

- In addition to the increase in sales at Antalis, economic activity resumed steadily in Europe, Australia and other regions.

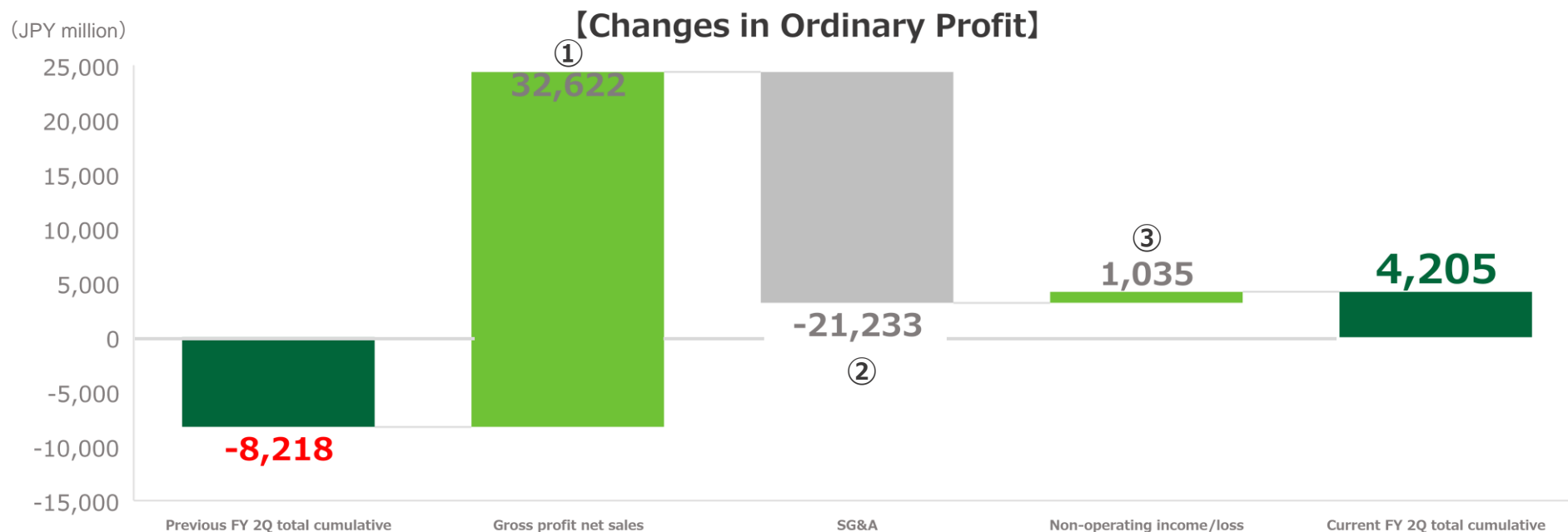
Real Estate Leasing

- Although KPP Yaesu Building, one of the main property, continued to operate at full occupancy, profits declined due to rent accruals associated with the sale of the building's land.

		Fiscal Year Ended March 2021	Fiscal Year Ending March 2022		
		Second quarter cumulative results	Second quarter cumulative results	Amount of change from the same period of the previous year	Percentage change from the same period of the previous year
(JPY million)					
Domestic locations Wholesale pulp and paper	Sales	120,879	123,863	+ 2,983	+ 2.5%
	Segment profit	1,640	2,447	+ 806	+ 49.2%
	Profit ratio	1.4%	2.0%	—	+ 45.6%
Overseas locations Wholesale pulp and paper	Sales	45,090	144,647	+ 99,557	+ 220.8%
	Segment profit	(8,202)	2,752	+ 10,954	—
	Profit ratio	—	1.9%	—	—
Real estate leasing	Sales	623	622	(1)	(0.3%)
	Segment profit	339	86	(253)	(74.6%)
	Profit ratio	54.4%	13.9%	—	(74.5%)
Total	Sales	166,594	269,133	+ 102,539	+ 61.6%
	Operating profit	(7,566)	3,822	+ 11,388	—
	Profit ratio	—	1.4%	—	—

(Note) Since the Company will apply the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29), etc. from the beginning of the fiscal Year Ending March 2022, the above figures for the second quarter of the fiscal Year Ending March 2022 are after the application of the said accounting standard, etc.

Ordinary Profit Change Analysis (Compared to previous period)



Increase/Decrease Factors

Antalis, with its high profit margin, made a significant contribution.

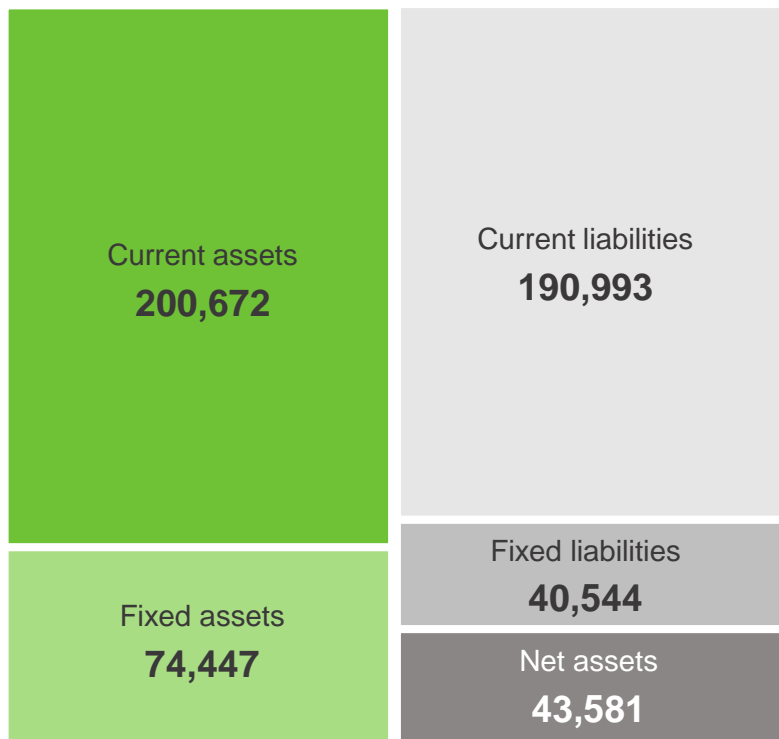
- ① • **Gross profit 32,622**
 - Sales increase effect 16,742
 - * Amount of increase : Overseas locations 99,557 (Antalis 110,501 Spicers 4,808 Hong Kong -19,993 etc) Domestic locations 2,984 (KPP 3,808 etc)
 - Effect of increased profit margin 15,880 (Consolidated profit margin increased from 6.8% to 16.33% (+9.53%) with the acquisition of Antalis, a high-margin company.)
- ② • **SG&A 21,233**
 - Antalis 27,261、Provision of allowance for doubtful accounts -8,112 etc
- ③ • **Non-operating profit or loss 1,035**
 - Non-operating profit 984
 - Interest income -278 (Hong Kong -315 etc) , FX profit 332、Reversal of allowance for doubtful accounts 723 (of "Keishin" 720 etc.)

Analysis of Changes in the Balance Sheet

(Compared to the end of the previous fiscal year)

End of fiscal year ended March 2021

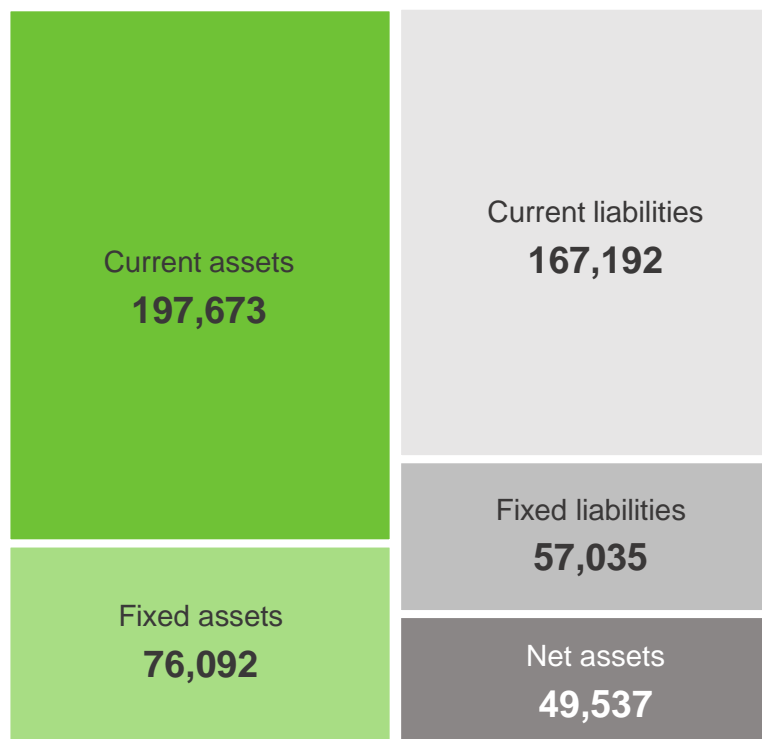
(JPY million)



Total assets 275,119

Q2 end of fiscal year ending March 2022

(JPY million)



Total assets 273,765

- Current assets **-2,999**
- Fixed assets **+1,644**
- Current liabilities **-23,800**
- Fixed liabilities **+16,490**
- Net assets **+5,955**

Points of change

✓ Capital ratio

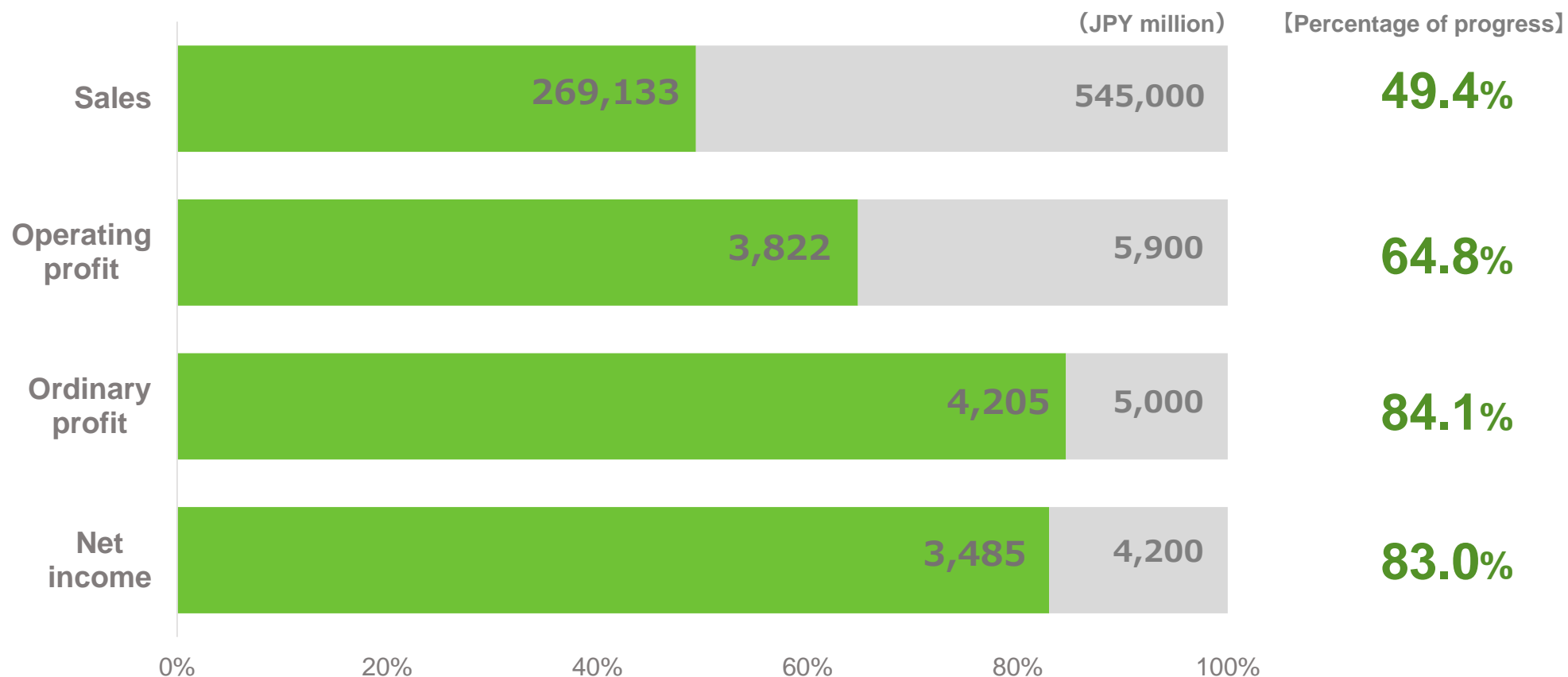
Improved from **15.8%** to **18.1%**

✓ D/E ratio (debt ratio)

Improved from **1.91** to **1.55**

Progress of Business Performance

Percentage of progress toward full-year forecast (upwardly revised figures announced on August 11, 2021)

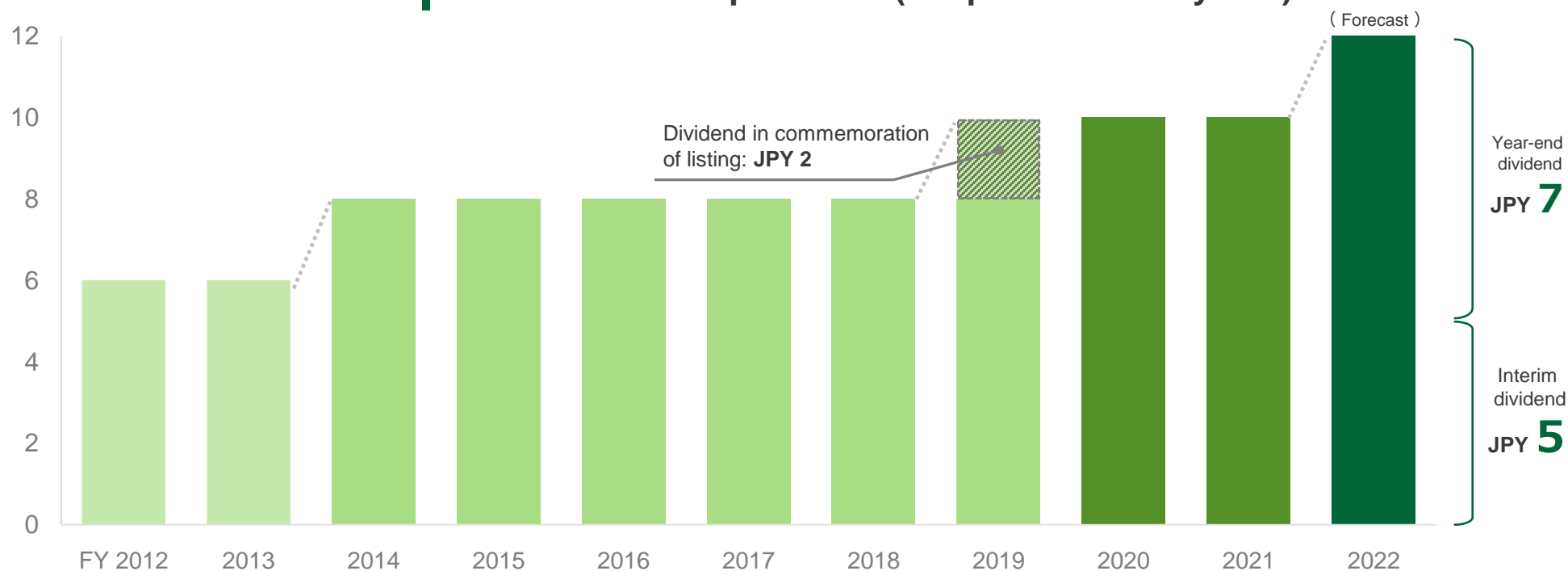


Operating profit : Gross profit improved due to rising pulp and paper prices and strong performance of overseas high value-added businesses. The progress rate was 64.8%, exceeding 50%.

Ordinary profit : Although the progress rate is high of 84.1%, the impact of the reversal of allowance for doubtful accounts of JPY723 million and FX profit of JPY362 million is significant.

Dividend Policy

Actual dividends per share (the past 10 fiscal years)



August 2021 Upward Revision of Dividend Forecast Announced

Acquisitions of Spicers and Antalis contributed significantly to the Group's earnings
 → **First interim dividend paid** due to expected solid earnings base throughout the fiscal year,
 and annual dividend forecast increased to **12** yen

Aiming to increase dividends as a result of profit growth while considering a balance between investments and shareholder returns

1

Company Profile

2

First Half of the Fiscal Year Ending March 31, 2022

3

Progress of the Second Medium-Term Business Plan

4

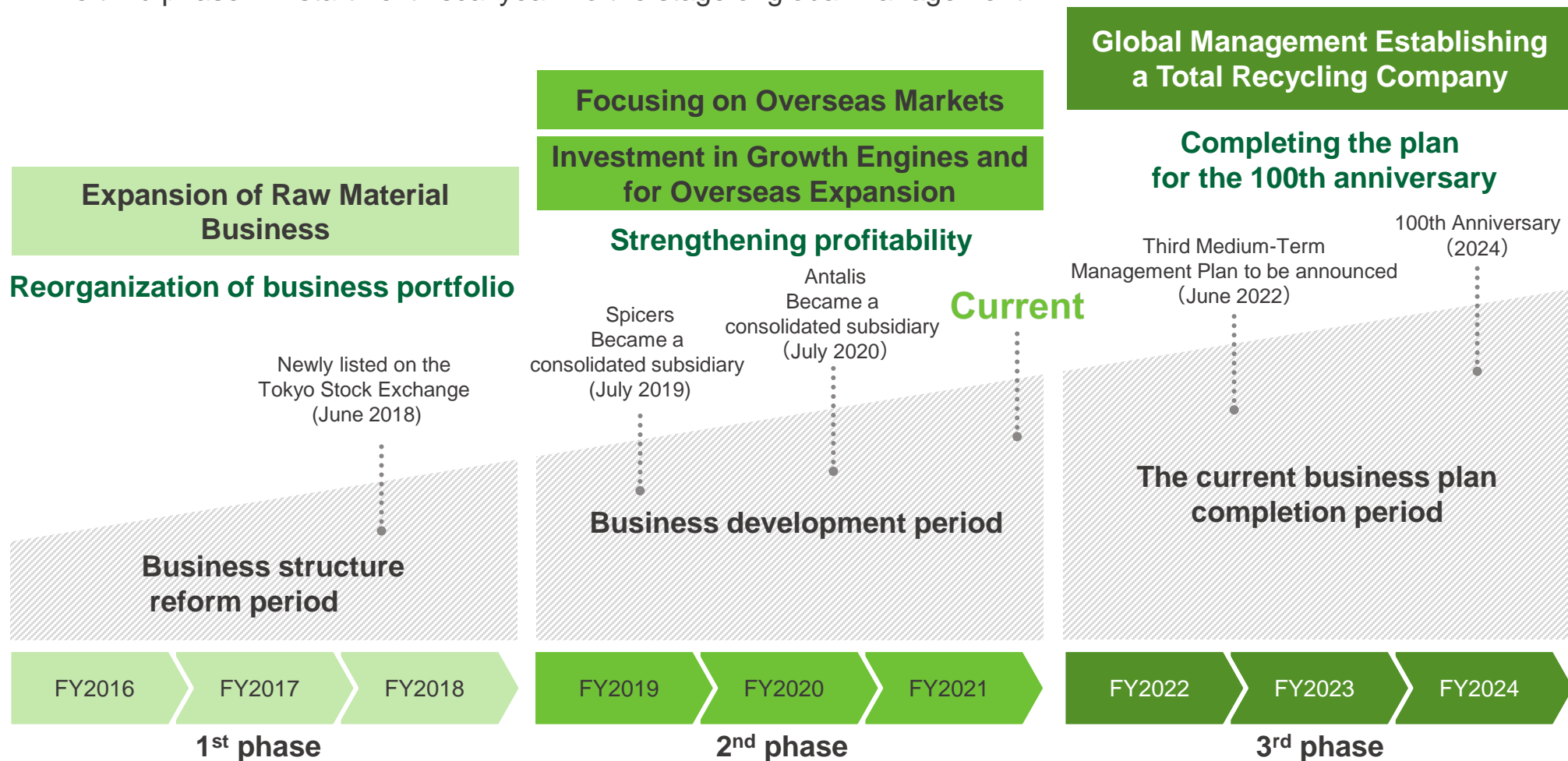
Business Description and Strategy

5

Reference Materials

Long-Term Management Vision 「GIFT+1 2024」

- The second phase of the long-term management vision “GIFT+1 2024,” which started in FY2016, will end this fiscal year. The third phase will start next fiscal year. To the stage of global management.



Medium-Term Business Plan

Medium-Term Business Plan

1st phase

FY2016

FY2017

FY2018

2nd phase

FY2019

FY2020

FY2021

3rd phase

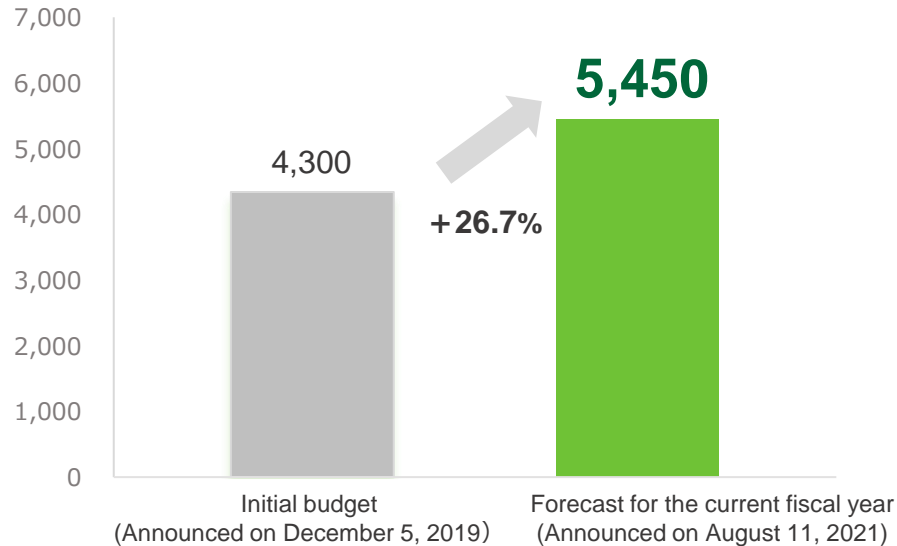
FY2022

FY2023

FY2024

Sales

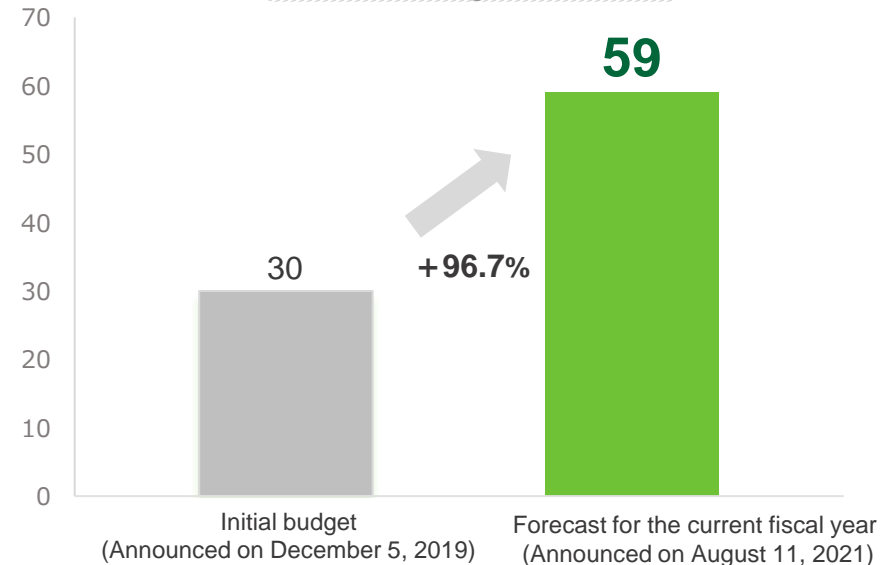
(JPY100million)



+115 billion yen

Operating profit

(JPY100million)



+2.9 billion yen

- Regional strategies, business portfolio reforms, and profit structure reforms are progressing steadily, especially overseas.
 - Sales and profits of the overseas segment exceeded those of the domestic segment due to growth in global operations.
 - As a result of the above-mentioned efforts made until the Second Medium-Term Business Plan, the budget is expected to be significantly exceeded.

1

Company Profile

2

First Half of the Fiscal Year Ending March 31, 2022

3

Progress of the Second Medium-Term Business Plan

4

Business Description and Strategy

5

Reference Materials

Hybrid and global development of **three different business models** in different regions



(Our company models)



(Overseas paper trading model)

Paper Trading

Overseas model

Mission

Trade business utilizing the global network in paper, paperboard and paper materials

Gross margin ratio

approx. **3%**



Paper Distribution

Domestic model

Mission

Paper-related wholesale business that combines indent business (consignment sales) with stock business (inventory sales)

Gross margin ratio

approx. **6%**



Paper Merchant

Overseas business through M&As

Mission

High value-added business through cutting and processing and sales of own-brand products with large-scale logistics and delivery functions

Gross margin ratio

approx. **25%**



* Our company refers to Kokusai Pulp & Paper Co.,LTD

Maximizing profitability and efficiency by developing various business models appropriate on a local basis

KPP's Unique Total Recycling Business Model

Building a Totally Recycling-oriented Business Model Contributing to the Realization of a Sustainable Society

• Composed of both **Material Recycling** and **Thermal Recycling**

Material Recycling

Recovery of recycled resources

Features & Services

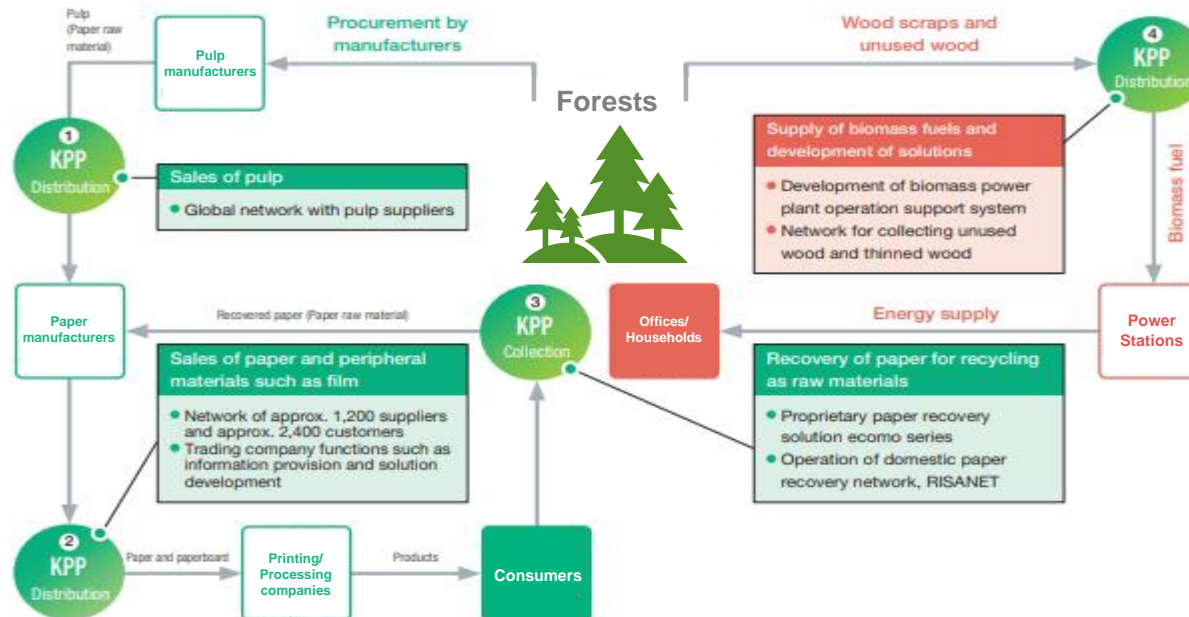
- Utilizing the collection network of used paper wholesalers throughout Japan.
- Used paper collection solution business using our originally developed "Town ecom" and "Office ecom".
- Closed recycling service that visualizes the entire process of "use, discard, and recycle".

Thermal Recycling

Supply of renewable energy through support for biomass power plant operation, etc.

Features & Services

- Power generation business using biomass resources such as waste wood and unused wood, etc.
- Development of BMecom, an operation support system for biomass power plants using IoT technology



Provide integrated services to customers, from package design proposals to design and assembly

– Provide added value to ensure high profit margins

Wide range of customers, from industrial applications to food service and e-commerce

Antalis Package Design Center

Provide sophisticated order-made solutions to solve our customers' problems.



Standard products

Reliable and effective product range to provide optimal packaging solutions for customers



Customized package

Product and packaging process experts provide solutions to meet customer specifications, ranging from cut, size and packaging design.



Custom-made solutions

Innovative and sophisticated packaging solutions, from packaging process optimization to product protection, designed by packaging engineers.



Packaging market size and value chain ratio

- Europe has the largest market size. China and Japan follow.
- In Japan, the distribution market accounts for 20% of the market size.
- The market size in Europe is approx. JPY9 trillion.

(equivalent to or larger than the total of 9 countries in Asia).

The distribution market accounts for 10% of the market size.

Country	Market Size Amount (JPY billion)	Ratio of Manufacturers	Distributor ratio (wholesalers)	Intermediary ratio
Europe	9,660	80%	10%	10%
Japan	1,051	70%	20%	10%
China	5,851	70%	15%	15%
Korea	597	70%	10%	20%
Thailand	108	70%	17%	13%
Vietnam	73	75%	18%	7%
Malaysia	71	80%	15%	5%
Indonesia	315	75%	20%	5%
Australia	192	60%	25%	15%

* 9 Asian countries

* According to our own research. Market size is calculated at 115 yen to US dollar.

- Collaboration with visually appealing (i.e., visual communication) businesses such as in-store advertising, signage, wrapping, and buildings. The demand is growing in Europe and Australia.
- Consistent supply coordination of consumables such as ink large format inkjet printers (LFPs) and, as well as supply of media for signage, interior decoration, and car wrapping. Securing high profit margins

Outdoor Advertisements



Vehicle graphics



Retail



Home textiles



Hotel



Restaurant



Retail



Hospital



Nursing home



A view of the work



* Projects created by architects, interior designers, printers or advertising agencies, using at least one product from the Antalis Visual Communication range as part of the Antalis Interior design award."

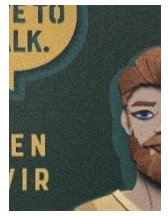
Various examples of introduction in visual communication business



1 COALA STICKY WALL S



2 COALA ROLL-UP ECO



3 COALA ROLL-UP PET S



4 COALA ORGANZA



5 COALA INTERIOR FILM



6 STADUR SIGN EASYPRINT BLACK



7 COALA FLOOR & WALL R



8 DIBOND

Adhesive Label Business in Oceania



- Providing services in all fields, including daily necessities, food and beverage, medical and pharmaceutical, logistics and distribution, and industrial-related fields
 - Propose customers the best combination of surface materials, adhesives, release paper and release film for various different applications.
 - Wide range of supply sources, especially in Asia and Europe
 - A large selection of approx. 100 different products.
 - In-house slitting process provides added value, responding flexibly to customer specifications.

Daily Necessities



Logistics



Medical Care



Food & Beverage



Others



KPP Group Business Portfolio (by Region)

Business segment

(100 million yen)

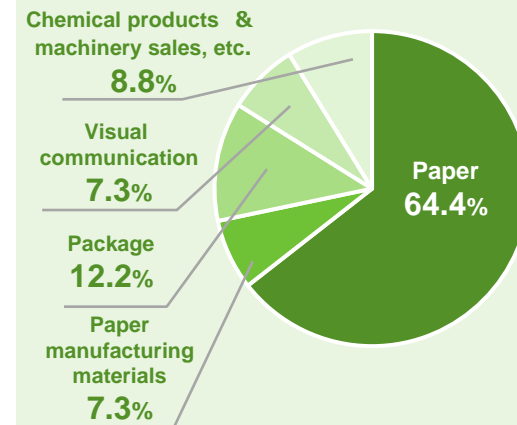
Area	Business segment					Total
	Paper	Paper manufacturing materials (pulp / recycling paper)	Packaging	Visual Communication	Chemicals & Machinery sales etc.	
Japan (TW / HK / KR / US) Kokusai Pulp & Paper	958	202	—	17	238	1,415
Europe / South America (Antalis)	634	—	310	151	—	1,096
Oceania (Spicers)	78	—	31	35	—	144
Southeast Asia · India (KPP AP)	51	1	—	—	1	53
China (Keishin Papers Trade)	88	—	—	—	7	95
Total	1,809	203	341	204	246	2,803

* Net cumulative sales for the first half of fiscal Year Ending March 2022 (simple sum of individual companies)

Five business segments

1. Paper
 2. Paper manufacturing materials (pulp, recycling paper)
 3. Package
 4. Visual communication
 5. Chemical products & machinery sales, etc.
- Acquire Antalis and Spicers
 - Diversification of business segment

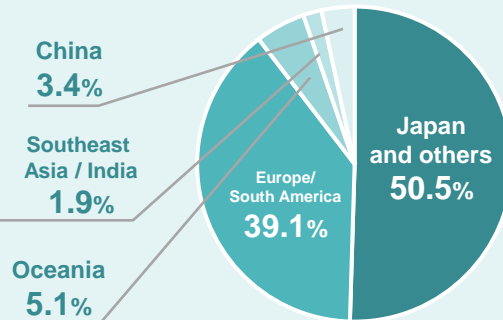
【Sales by business segment】



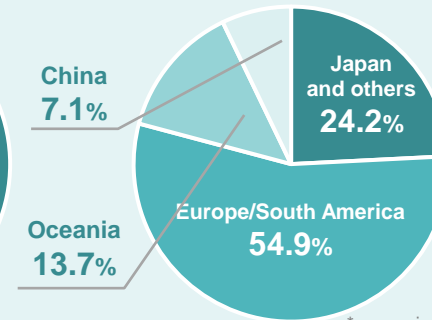
Five regional expansions

1. Japan / Taiwan / Hong Kong / Korea / U.S.A
 2. Europe / South America
 3. Oceania
 4. Southeast Asia / India
 5. China
- Development of global business
 - Gaining market share

【Sales by region】



【Operating Profit by region】



* approximation

To achieve sustainable growth by capturing growth through acquisition of external management resources (inorganic) in addition to growth through internal management resources (organic)

✓ Organic growth

Expansion of recycling-oriented business model

1. Further expansion of recycling-oriented business by balancing used paper business and product sale
2. Strengthen pulp business
3. Maximize profits by expanding market share in the paper and paperboard wholesale business, promoting e-commerce, and reducing costs
4. Expansion of solution business



✓ In-organic growth

Expansion of business fields through acquisition of external management resources

➤ Target markets for M&As

Visual Communication Business

Package Business

Other Processing Business

➤ Management resources to be acquired

Portfolio

Human Resources

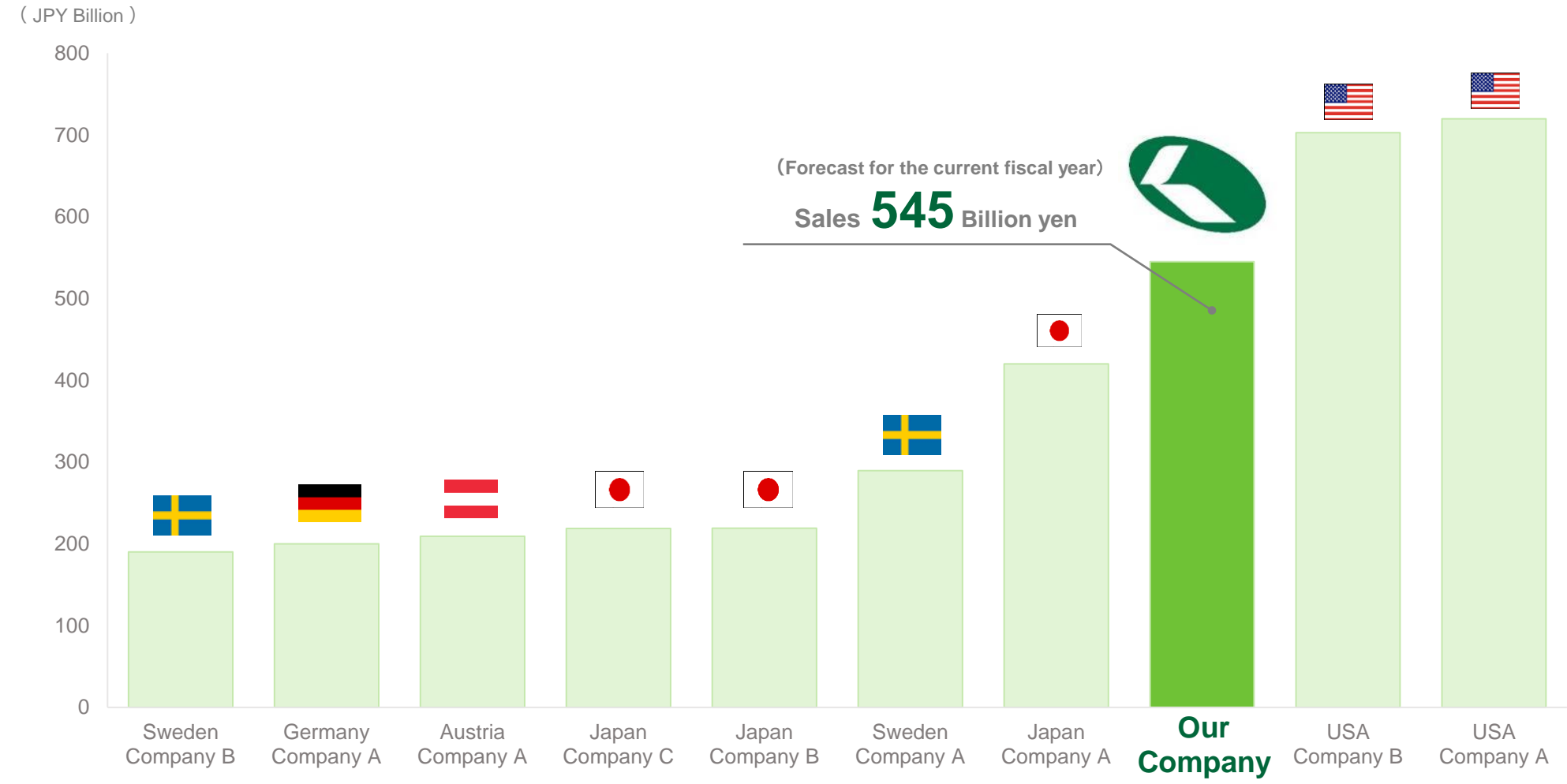
Management Know-how

Bases and Facilities

Toward Sustainable Growth

KPP Group Positioning in the World

KPP Group is expected to become the world's third largest paper trading company in terms of sales this fiscal year (* Based on our own research)

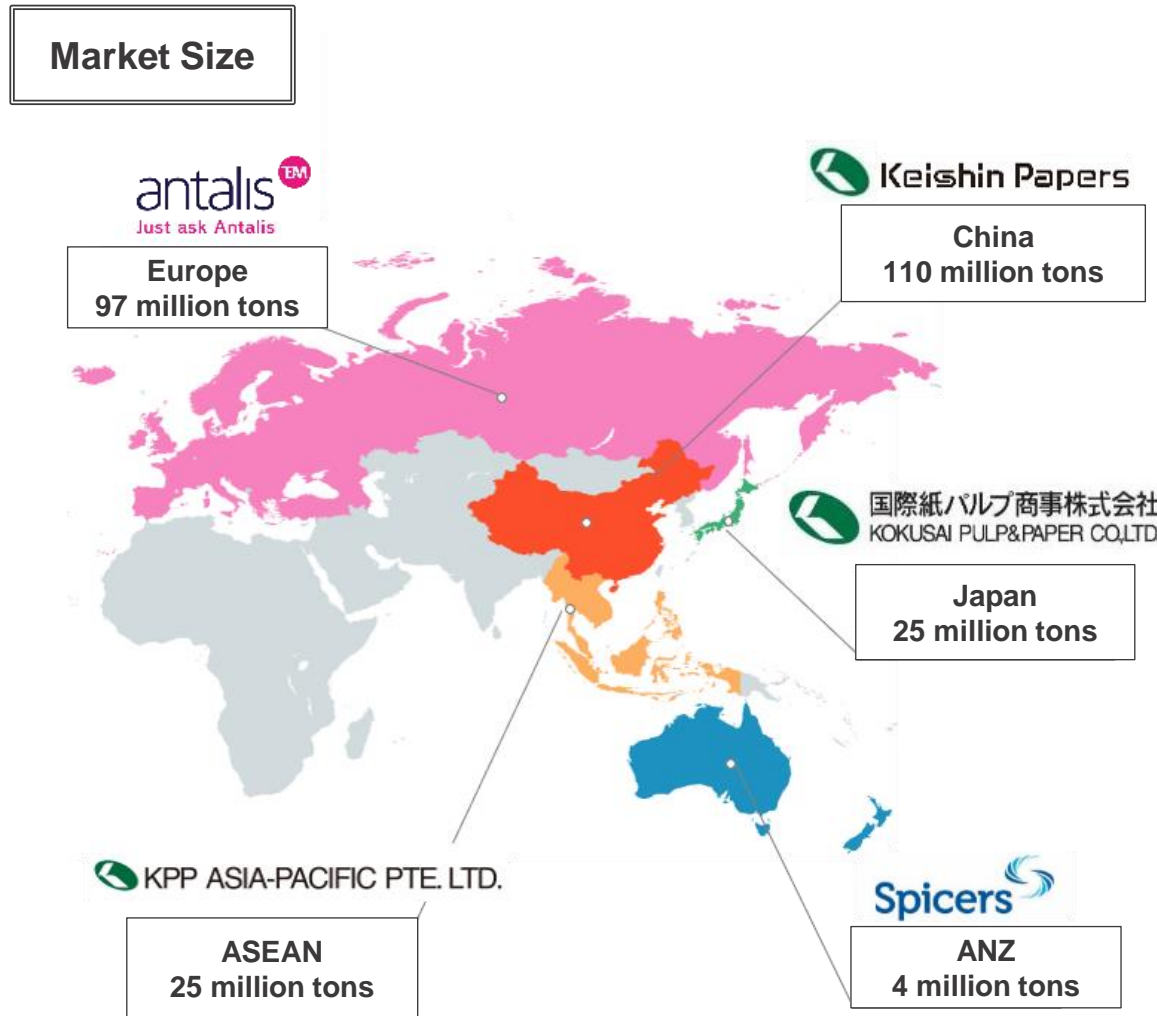


* Sales...Forecast for the current fiscal year for the Company, Japan A and Japan B. For other companies, results of the most recent fiscal year.

* Paper Trading Company...Trading company specializing in wholesale of pulp and paper products and packaging-related products.

Expansion of business in growth markets based on Japan, Europe and ANZ markets

Global paper and paperboard market size (based on our own research)



✓ In the mature markets of Japan, Europe, and the ANZ region, maximizing profits through portfolio reforms

✓ In China, the world's largest market, and ASEAN, a rapidly growing market, business expansions through reorganization of group companies based on Keishin Paper (China) and KPP-AP (ASEAN)

* ANZ・・・Australia and New Zealand

Transition to a holding Company Structure

Resolution to begin consideration of transition to a holding company structure

【Background】

Past Activities

- Aggressive overseas M&A aimed at expanding global market share and maximizing profits through business portfolio reforms
- Restructuring of group companies to maximize synergies in ASEAN, where potential demand growth is expected

Status quo

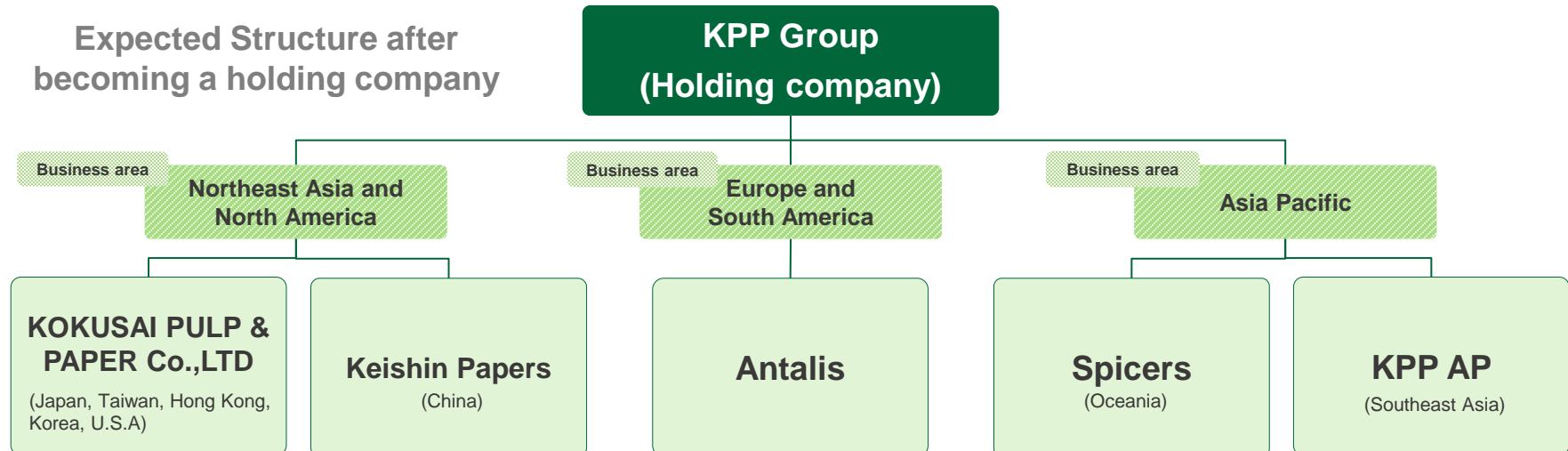
- Overseas sales to exceed the majority of total sales in the fiscal year ending March 2022
- In terms of business scale, to be one of the world's three largest paper trading companies. *

* According to our own research (Paper trading company: a specialized trading company whose main business is the wholesale of paper, pulp products and packaging-related products)

【Purpose】

1. Strengthen global governance in line with business scale expansion
2. Business portfolio reform and new business expansions
3. Promoting sustainability management

Expected Structure after becoming a holding company



* For details, please refer to the "Notice Concerning Commencement of Consideration of Transition to a Holding Company Structure" (disclosed on October 22, 2021)

Currently working to transition to the Prime Market

- Based on the current situation and outlook, we plan to make a resolution on the selection of Tokyo Stock Exchange's new market segment at the Board of Directors meeting to be held before the end of this year and disclose the results.
- Compliance with the revised Corporate Governance Code is also underway
(Disclosure based on a framework equivalent to TCFD (Task Force on Climate Related Financial Disclosure), disclosure of sustainability initiatives , etc.)

Supplementary Information (Current Situation)

(prime market)

“Status of compliance with listing maintenance standards for new market segments”

Standard	Judgment *
Number of shares in circulation	
Market capitalization of shares in circulation	✓
Ratio of shares in circulation	
Average daily trading value	✓

* Items that did not meet the listing maintenance criteria for the new market category are marked with "✓".

* Received from Tokyo Stock Exchange as of June 30, 2021, the transition record date.

The aggregate market value of tradable shares calculated based on today's closing price of the Company's common stock in regular trading on the Tokyo Stock Exchange and the average daily trading value from July 1, 2021 to today satisfy the criteria for maintaining the listing on the Prime Market.

※1 Total market value of shares in circulation is over 10 billion yen

※2 Average daily trading value is over 20 million yen

In order to stably meet the criteria for maintaining the listing on the “Prime market” in terms of total market value of shares in circulation and trading value, the Company conducted a secondary offering of shares.

* For details, please refer to "Notice Concerning Secondary Offering of Shares" (disclosed on November 19, 2021).

1

Company Profile

2

First Half of the Fiscal Year Ending March 31, 2022

3

Progress of the Second Medium-Term Management Plan

4

Business Description and Strategy

5

Reference Materials

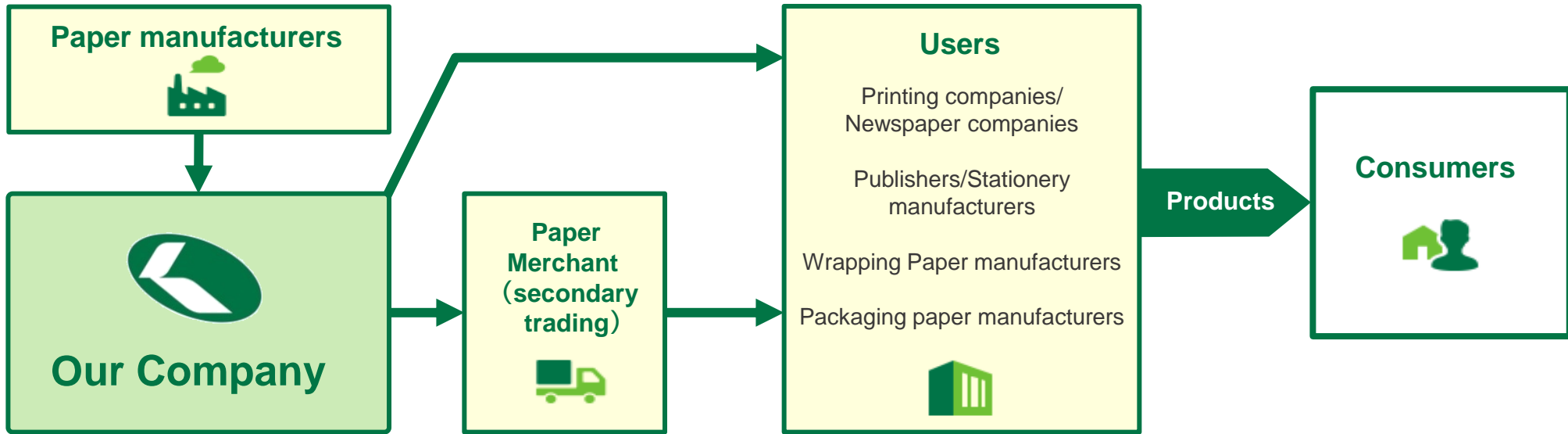
Paper

Deals in newsprint, printing paper, and information-related paper. There is a wide range of paper types, and we make proposals that match the properties and characteristics of each type of paper depending on the application.



Paperboard

Paperboard is mainly classified into “container board”, “folding box board” and is widely used for packaging. “Container board” is the base paper used to make corrugated boxes, and accounts for about 80% of all paperboard. “Folding box board” is the base paper for paper boxes such as candy, tissue, cards, etc.

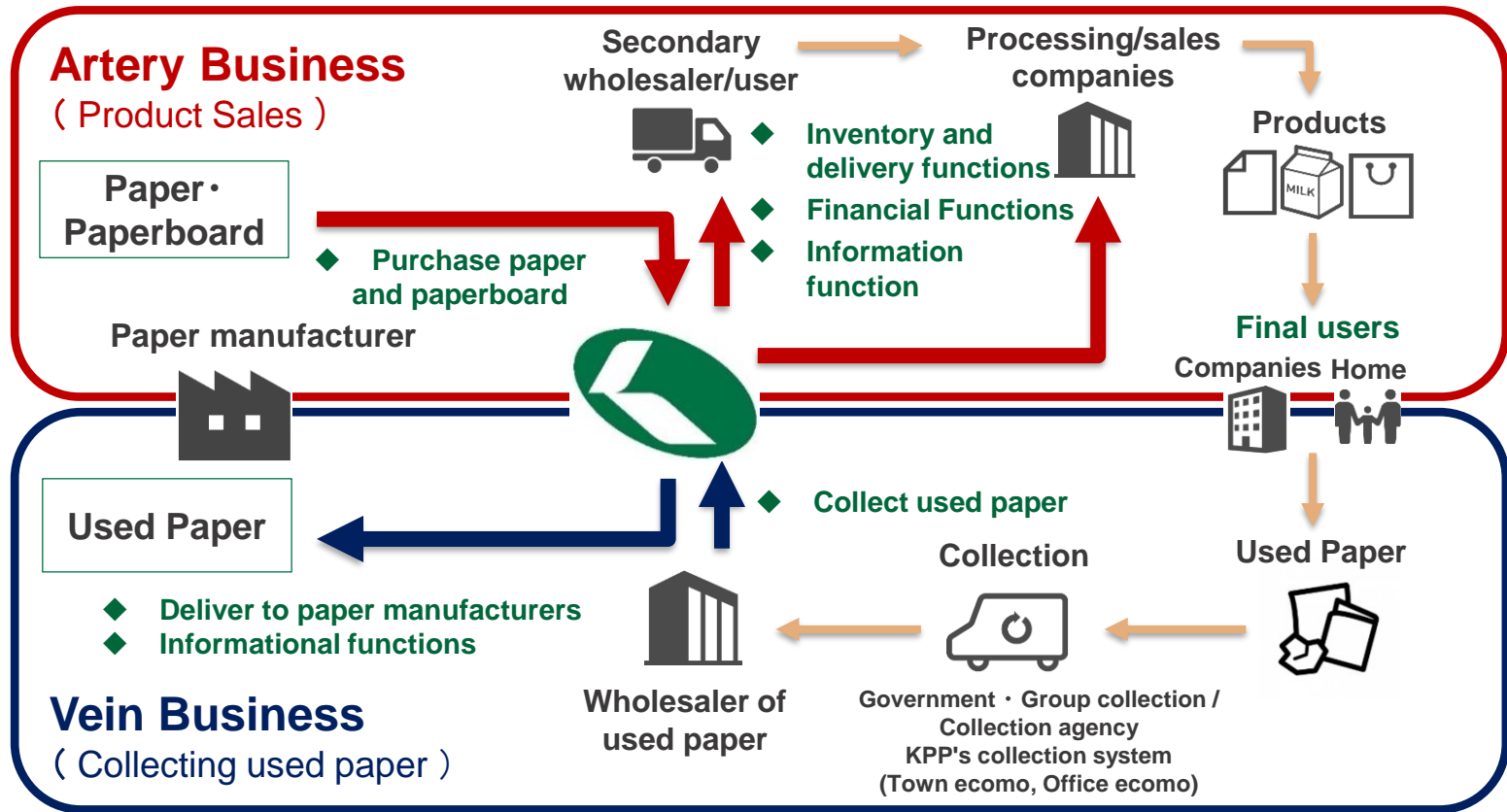


- **Independent common distributors**
- Primary paper distribution is mainly classified into paper manufacturer affiliates, general trading company affiliates, and independent common distributors

Paper manufacturing materials

Currently, approximately 40% of the raw material consumed by the entire paper industry is pulp, and the remaining 60% is recycling paper.

We use our domestic and international network to procure pulp and used paper, and to sell them to paper manufactures .

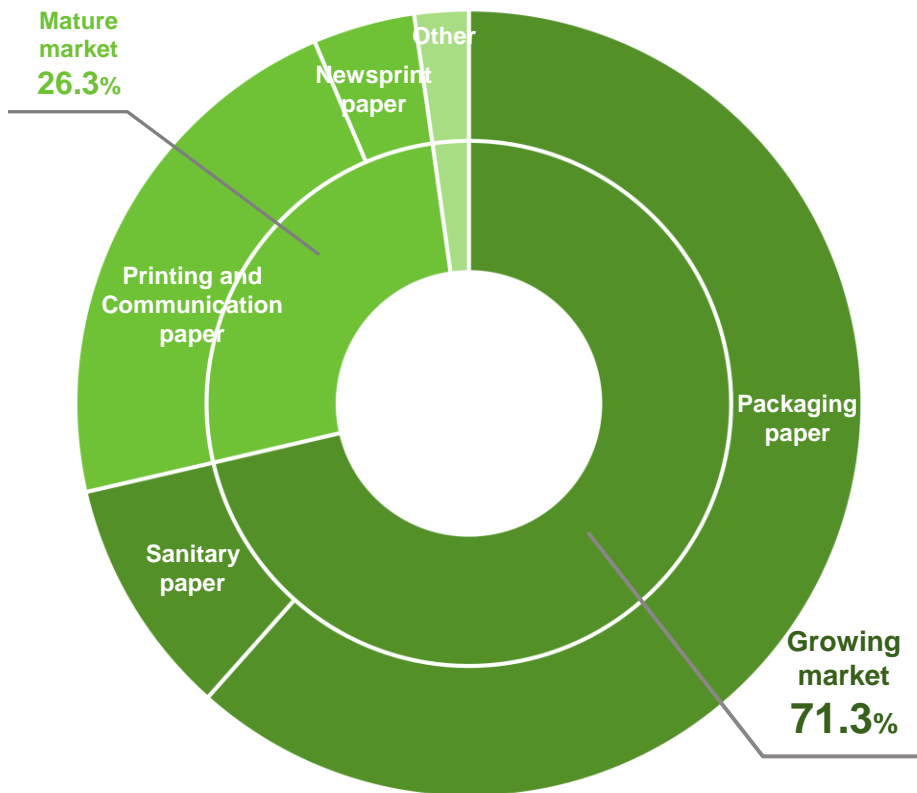


Recycling industry through recycling of used paper

- The Japan's paper industry is characterized by the recycling of used paper.
- Our company plays an important function in this process, and we have been working for many years toward the realization of a sustainable society.

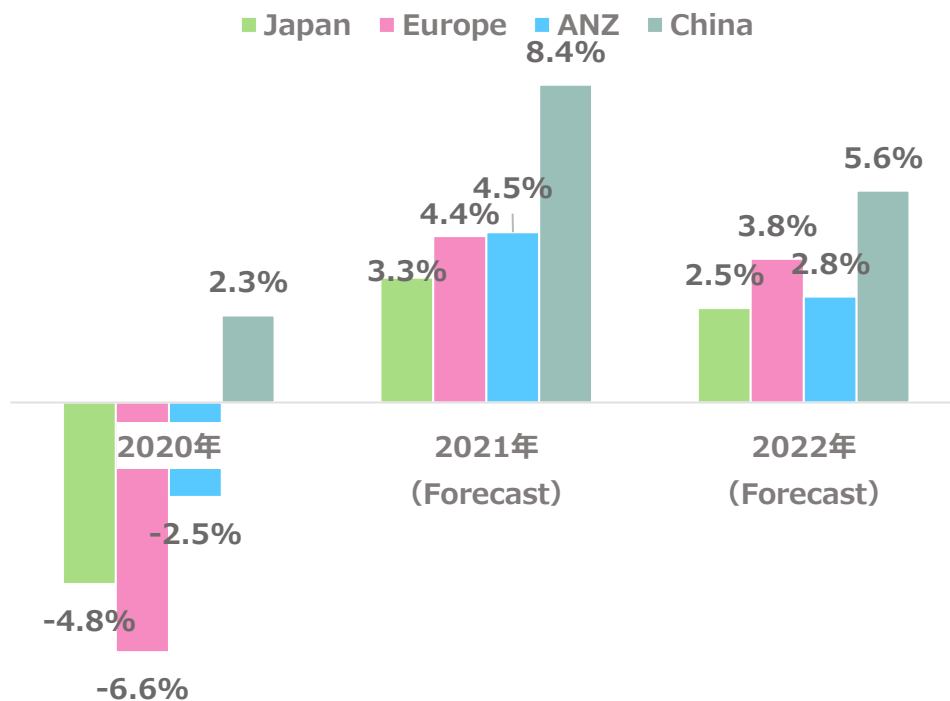
- Packaging paper and sanitary paper are growing markets, accounting for more than 2/3 of the world's paper and paperboard production volume. Market growth in this area is linked to GDP growth.
- Japan, Europe and ANZ are expected to turn to positive GDP growth after 2021. China will continue to grow.

The production ratio of world's paper and paperboard*



(Source: "FUTURE #13", issued in April 2021)
 * FY2019 Production Volume

GDP Growth Rate in Japan, Europe, ANZ and China*



(Source: IMF "World Economic Outlook (WEO), April 2021")
 * ANZ : Australia and New Zealand

KPP Group's Green Products

Green Products

Promotion of paper solutions

- Due to the marine plastic pollution problem, moves to restrict disposable plastic are accelerating in countries around the globe, and demand for paper as an alternative material is rising.
- In recent years, research and development has been progressed mainly by paper manufacturers, and there has been an increase in examples of food packaging and daily necessities.
- Examples: Paper-based clear folders, snack packages, shopping bags

Reduction of plastic use

- These products reduce the use of oil-derived plastic by innovating manufacturing technologies and mixing in biomass-derived pulp and paper to an extent that does not detract from plastic characteristics such as barrier properties and processing suitability.
- Examples: Store POP film, face covers for trying on apparel, cutlery

Biomass materials

- As it is often difficult to switch plastic to other materials due to its various characteristics, research is being conducted with the aim of reducing the environmental impact. Biomass plastic manufactured using biomass materials and biodegradable plastic that is broken down by bacteria are some examples.
- Examples: Checkout bags, food trays, straws

Paper-based clear folders



Try-on face cover for clothes shop



Paper straws



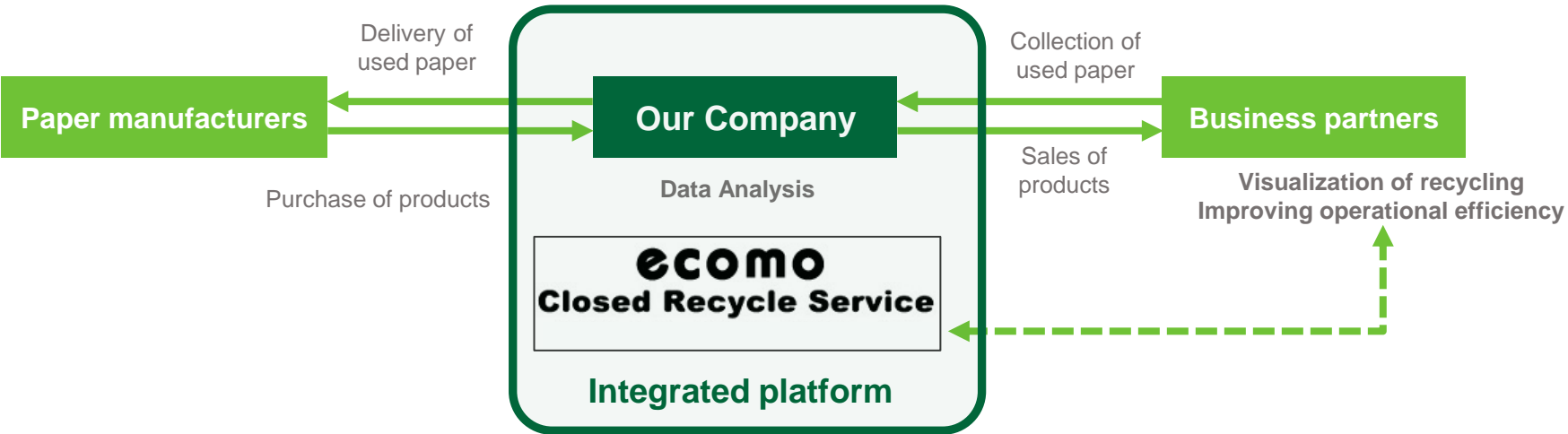
Reduced plastic cutlery



ecom Closed Recycle Service

- Our recycling brand, the "ECOMO" series
- Provides closed recycling from proposal to construction
- Centralized management of data for used paper collection and delivery (=visualization)

Special Site : <https://ecom.closedrecycle.jp/>



Strengthen profitability by providing customers with added value such as real-time visualization of their recycling and convenience.

An operation support system that aims to support biomass power plant operation management, facility management, and business management by utilizing the latest technologies such as big data analysis, AI, and IoT.



BM ecomo
Biomass Meister

- Biomass power plant operation support system developed by our company
- September 2018: Announcement on development
- October 2019: Start of demonstration operation
- November 2021: Conclude agreement on service use

Special Site : https://bmecomocom/about_en.html

Features of BMecomomo

- ① Information sharing and visualization through remote monitoring
- ② Equipment maintenance
- ③ Improving combustion efficiency (inheriting operating expertise)

Optimization and rationalization of operation technology

×

Optimize revenues and costs

Maximizing revenue of biomass power plant



Our website "Paper Mall" offers approx. **1,000 types of general paper, specialty paper and paper products**, which can be **purchased from a single sheet of paper**.

Samples and sample books can be ordered free of charge, and we also offer a **processing service to cut general paper into desired sizes** to meet a wide range of customer needs.

We have strengthened the lineup of our **"Green Products" series of environmentally friendly products** (see below) to help all stakeholders who are working on **SDGs**.

This is a **comprehensive paper-related website** that makes the most of the **strengths of our company, a paper specialist**, such as the ability to make **prompt deliveries** through the network of KOKUSAI PULP & PAPER CO., LTD, the ability to check the **latest paper-related information** such as paper industry news, and the ability to receive questions and consultations about paper.

Green Products ~Environmentally friendly products~



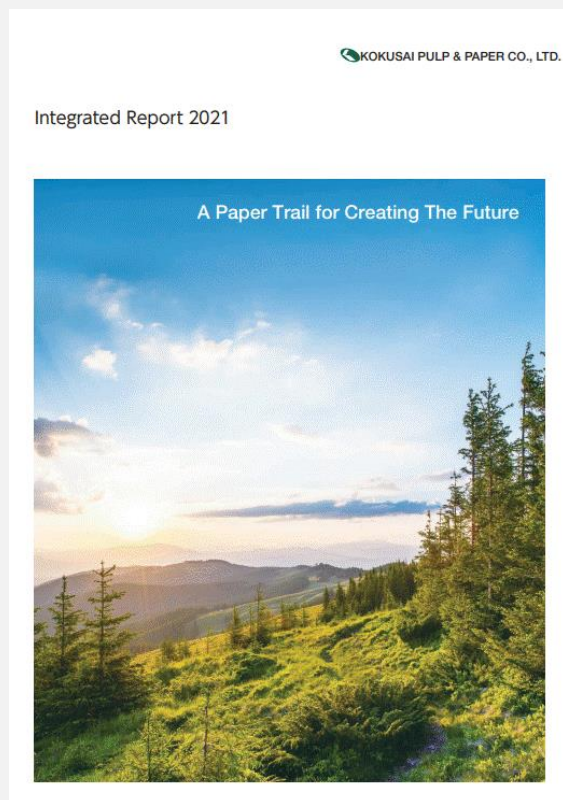
<https://www.kpps.jp/papermall/greenproducts/>



- Change to Papers**
 Microplastics are a cause of marine pollution. There is a need to develop materials that can replace plastic. We are working on a "change to paper", switching to products made from paper.
- Plastic Reduction**
 We will reduce the amount of plastic used by mixing other materials while maintaining the properties of the plastic. We are developing materials and products to reduce the amount of plastic used.
- Bioplastics**
 Plastics that return to the soil as compost and do not remain after being decomposed by microorganisms and other natural elements. We are developing materials and products in search of the possibilities of biodegradable plastics and biomass plastics.

Integrated Report (published in October 2021)

A report that integrates our financial and non-financial information, with a wealth of information on ESG and sustainability strategies.



<https://www.kppc.co.jp/en/ir/report.html>

TSUNAGU (published in October 2021)

In addition to our company's news, we will introduce various topics related to paper, such as artists and traditional crafts that use paper, to show you the appeal of paper.



<https://www.kppc.co.jp/en/tsunagu.html>

— CONTACT —

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KOKUSAI PULP & PAPER CO.,LTD.
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URL : <https://cloud.swcms.net/kppcPublic/ja/contact/inquiry1.html>

- This document contains forward-looking statements, future plans, and management targets related to the Company. These forward-looking statements are based on current assumptions regarding future events and trends and are not guaranteed to be accurate. Actual results may differ materially from those presented herein due to various factors.
- Unless otherwise stated, the financial data presented herein are presented in accordance with accounting principles generally accepted in Japan.
- The Company does not necessarily make any revisions to the forward-looking statements it has made, regardless of the occurrence of future events, etc., except when required by the Disclosure Rules.
- Information relating to other companies is based on publicly known information.
- This document contains information on solicitation of offers to acquire, offer to sell, or offer to buy any securities (hereinafter referred to as "solicitation"). It is not intended to constitute conduct solicitation activities, nor can it be the basis for any contract or obligation.

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A Paper Trail
for Creating the Future.