

SHINSEI PULP & PAPER COMPANY LIMITED

Corporate Social Responsibility

CSR Report 2015



This is a work from
“Paralym Art” that SHINSEI PULP
& PAPER COMPANY support.

Introduction

SHINSEI PULP & PAPER COMPANY holds “continuing to meet responsibilities to create a rich society through eco-friendly corporate activities,” as one of the Management Policies, and actively promotes environmental conservation activities, while conducting business. As a vehicle to report our business activities and other efforts for corporate social responsibility (CSR), we published the “CSR Report 2015.” We paid attention to enable readers to understand our activities as plainly and in an easy-to-understand manner as possible. We are committed to continue to disclose and communicate our internal and external activities as widely as possible, while enhancing and improving the contents of the report.

Management Philosophy

We respond to the changes of times with firm commitment to “innovation and challenges” and continue to grow with society.

Management Policies

- 1. We continue to meet our responsibilities to create a rich society through ecofriendly corporate activities.
- 2. We continue to grow as a company that is “supported,” “needed” and “chosen.”
- 3. We continue to pursue infinite possibilities of wood-based natural materials starting with “paper.”
- 4. All of us individually have high targets and continue to exert our full power.

Code of Behavior

- 1. **Total compliance with laws and regulations**
The SHINSEI PULP & PAPER COMPANY complies with not only laws and regulations but also domestic and international rules and social codes, achieves trust from society and customers, and fulfills its responsibilities.
- 2. **Consideration for the environment**
The SHINSEI PULP & PAPER COMPANY recognizes the conservation of the global environment as one of its first priorities and to pass on a rich future to the next generation.
- 3. **Disclosure of corporate information**
The SHINSEI PULP & PAPER COMPANY actively and fairly discloses corporate information to shareholders and other stakeholders.
- 4. **No relationship with antisocial forces**
The SHINSEI PULP & PAPER COMPANY consistently refuses any requests from antisocial forces and organizations.
- 5. **Establishment of safe and easy-to-work working environment**
The SHINSEI PULP & PAPER COMPANY respects each employee’s personality and uniqueness and realizes a safe and easy-to-work environment.

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Editing policies

The “CSR Report” is an annual report explaining our environmental initiatives and other social corporate activities. This report covers the period of fiscal year 2014 (April 2014–March 2015), mainly describing actual figures. In relation to the latest information, some initiatives after April 2015 are referred to. We compiled this report in consideration of communicating our CSR activities in an easy-to-understand manner.

In addition, we made the design of the report warm and intimate, using “Paralym Art,” an activity that we support, as a motif.

Business activities covered by this report : Compiled mainly from social and environmental activities at domestic sales bases

Referenced guidelines : Environmental Reporting Guidelines “Towards a Sustainable Society, (Fiscal Year 2012 Version) published by the Japanese Ministry of the Environment”; ISO26000

Publication : October 2015

About the cover

“Paralym Art” is an activity that is carried out by SHOUGAISHA JIRITSU SUISHIN KIKOU ASSOCIATION to support the social participation and economic independence of disabled people through their art. The picture on the cover is a work done by Ms. Aki Komori, drawn with an idea of a pair of gloves that she wants.



Growing our business while contributing to society by pursuing all possibilities of paper

The concept of CSR is now well established in society. The primary social responsibility that a company must fulfill is to steadily carry out and maintain its original business activities. The main asset to maintain and expand a business is human resources. We strive to build a rewarding working environment that motivates each employee and also ensure an ease-of-work system where employees can make work and family life compatible with a sense of safety. Going forward, we will continue our activities as a company that contributes to and is trusted by society.

A company that pursues the growth of paper

I believe there is no commodity that is friendlier to the environment than paper because with wood, the main material of paper, the amount of young trees with better capabilities to absorb carbon dioxide than older trees can be increased with organized tree planting and lumbering, thereby not only protecting forests but also connecting it to the protection of the global environment. As we can plant trees, which during the process of growth release oxygen into the atmosphere, and produce paper from wood after lumbering, it can certainly be said that paper is an environmentally-friendly natural material that makes a recycling-based business more than viable.

The applications of paper can be divided into packages and graphics. As represented by cardboard, packages are used for purposes such as wrapping, protection and transport. Paper that has a strength suitable for all things and that supports every shape is the ideal material for applications with no available replacement. Package applications are now at a stage of small lots and diversification. This can be immediately understood upon seeing goods on display in supermarkets or convenience stores. As the birthrate declines and the population ages, it is anticipated that households with a small number of people will rise, and going forward, the development of new businesses will become even more important. We consider that making proposals that are friendly to end-users and that are in fact empathized by them is part of our social contribution as a company, and that maintaining this is a source of continuous growth.

In terms of graphic applications, paper has long been used as a means to communicate information in the form of magazines and books. Due to rapid digitization, this field is now experiencing changes in terms of its demand structure. However, paper is still indispensable in the life of people, and we are sure that diverse and new markets will appear in the future. As we have been involved in the papermaking business for many years, we aim to continue to pursue the infinite possibilities of paper with a real passion for innovation and new challenges.

A company that is trusted by society

To make proposals that truly satisfy market needs, a wide range of product knowledge is necessary. Unless we can flexibly respond to ever-changing markets, we may well miss out on potential opportunities and be unable to earn trust from society. We believe that by showing that each and every employee of our company has comprehensive product knowledge and addresses business with a serious and flexible attitude will lead to winning such trust.

To maintain and develop business, it is also important to improve working environments. We have created a working environment that is friendly to women through, for example, a short-term employment system, in addition to a child rearing and nursing leave system, while also continually tackling the promotion of active roles by female managerial employees and disabled persons. Enabling employees to enjoy higher levels of motivation and exert their abilities will in turn lead to the strengthening of management.

By firmly maintaining compliance and internal control and steadily achieving results in our main business, we target contributing to society and fully earning its trust.

A company with an established presence in 100 years time

We aim to be a company that is trusted by society through our business and that has an established presence in 100

years time. To satisfy responsibilities of supply as a trusted company, we have established and maintained BCM or Business Continuity Management since FY2012. Going forward, we target becoming a company with the total strength to respond to the diversification of logistics. As a trading company specializing in "Paper," we will assist in the development of not only our main products, paper and cardboard

but also the total package business integrated with films. In addition, we will contribute to the protection of the global environment by properly understanding market needs and through the distribution of products and strive to become a company that is trusted by all stakeholders by realizing the creation of new values.

President and CEO

加藤 康次郎
Yasujiro Kato



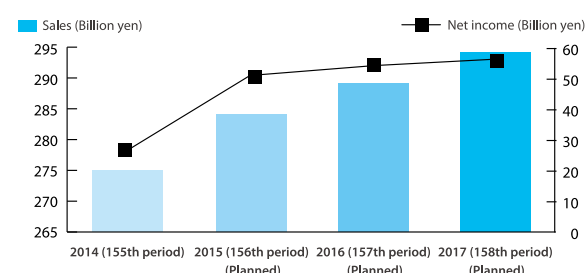
SPP Mid-term management plan

The 156th period that started on April 1, 2015, falls on the 10th year of SPP. Based on "Innovation and Challenge," 2016 will be the first fiscal year of the 4th mid-term management plan. We have chosen "Evolution" as the slogan of the mid-term plan. Evolving SPP will allow us to develop our business activities to realize a company and business full of vitality and dreams.



By organically coordinating the five fields that SPP has advantages in, namely, printing paper, special paper, information-related paper, packages and chemical products, we will develop "Broader and deeper" business activities.

Business plan (Independent numerical targets)

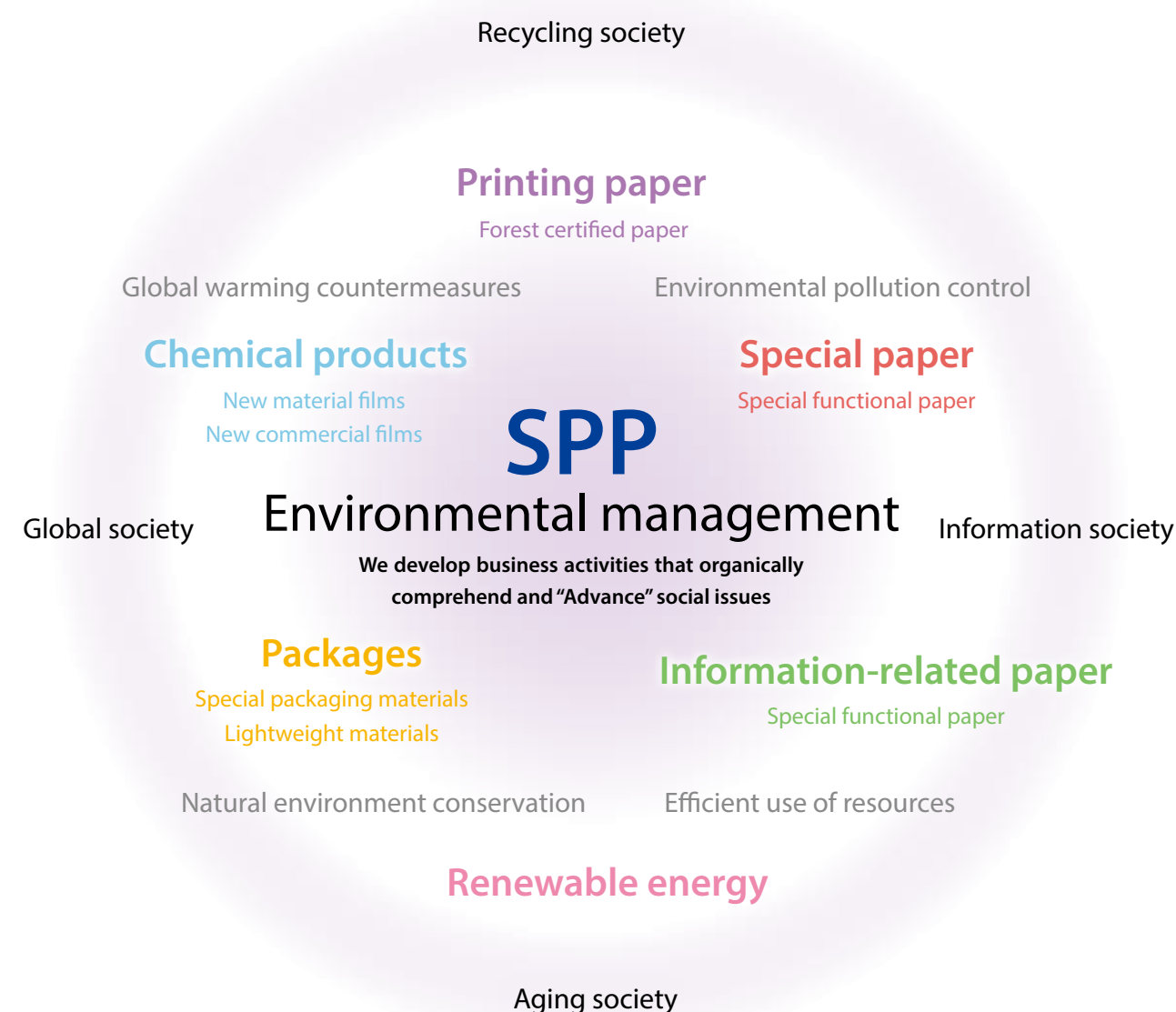


Action strategies

1. Paper and Chemical Products business will accelerate "Business innovation."
2. Paper, Chemical Products and Real Estate business will accelerate initiatives for "New business development."
3. We will accelerate initiatives for "Businesses of future generations in new fields."
4. We will foster a corporate culture to tackle the changes of the times with a spirit of "Innovation and challenge."

CSR/Environmental activities

1. Development of support activities for disabled persons with Paralym Art
2. Sales promotional activities of forest certified paper
3. Development of solar power business and its environmentally-friendly maintenance and management



Environmental-based Procurement and Sales Guidelines

The SHINSEI PULP & PAPER COMPANY contribute to the sustainable growth of society with the establishment of our Environment-based Procurement and Sales Guidelines based on the Basic Philosophy of the Environmental Policy.

Scope of application This guideline applies to domestic and overseas sites.

Purpose

Based on the Basic Philosophy of the Environmental Policy, the SHINSEI PULP & PAPER COMPANY fulfills its social responsibility and contributes to environmental protection through positive procurement and the sale of environment-friendly products.

Procurement policy

- 1 Active and positive approach to forest-certified paper
- 2 Active and positive approach to products complying with the Green Purchasing Law
- 3 Active and positive approach to recycled pulp products
- 4 Active and positive approach to pulp products without the use of chlorine bleaching
- 5 Active and positive approach to paper made from lumber of thinning
- 6 Active and positive approach to non-wood paper
- 7 Active and positive approach to chemical products based on impact categories

Sales policy

- 1 Products where the legality of manufacturers can be verified
- 2 Products manufactured by sustainable resources

Relevant laws, regulations, ordinances and standards

- 1 Guidelines for Private Sector Engagement in Biodiversity (Ministry of the Environment)
- 2 Act on the Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities (Green Purchase Act)

SHINSEI PULP & PAPER COMPANY disaster countermeasure products

RESCUE BOARD MAGNUM

Currently, our "RESCUE BOARD MAGNUM" is used in various situations. Excelling in terms of both durability and storage, it is lightweight and can be stored compactly. It is capable of transporting loads of up to 500 kg.



AERO MAT

"AERO MAT" is a simple air mat that was developed for the purpose of ensuring a comfortable stay at an emergency evacuation shelter. The layers in the air mat are independent from each other, ensuring it can still be used even if one of the layers is damaged.



SAT-GUARD

"SAT-GUARD" is an evacuation hood worn at the time of a disaster. It uses an internal profile shape shock absorbing material to alleviate shocks to the head. It reduces impacts by up to one-seventh compared to the case of not wearing the hood.



Activity supporting persons with disabilities Paralymp Art

Paralymp Art is an activity carried out by the Shogaisha Jiritsu Suishin Kikou Association that supports disabled persons to enable them to participate in society and secure economic independence through their artistic expressions. We are engaged in various activities to provide the opportunities for all people who want to find and take advantage of their own abilities.

Goals of Paralymp Art

One of the main goals of Paralymp Art is to provide as many disabled persons as possible with chances to participate in society, in addition to business opportunities. The ultimate goal is to "Fill any gap between disabled people and healthy people." The creed of our company is to support disabled persons to participate in society and thereby secure their economic independence.

We comprehensively support Paralymp Art and serve as a go-between for individual companies in the form of an integrated agency. We position Paralymp Art as one of our social contribution activities as a specialized trading company and are determined to have it widely prevail throughout Japan.

Pieces of work for rent

Reproductions of Paralymp Art are available for rent. We offer reproduced pictures that make people positive just by seeing them to display in receptions, drawing rooms or conference rooms, in addition to offices. If you rent a piece of Paralymp Art, you will receive a letter of gratitude for being a supporter of Paralymp Art.

Sales

Responding to requests of "Wanting to keep the picture," in addition to rental services, we also sell reproductions of Paralymp Art. In the case of a sale, you will receive a letter of gratitude for being a supporter of Paralymp Art.

License (Copyright use)

Perhaps you would like to create new corporate value for your company using Paralymp Art? We recommend the licensing of Paralymp Art for applications such as company brochures, CSR reports, product catalogs, posters or corporate calendars.

Goods & novelty items

We offer novelty items using Paralymp Art. We have organized the "2016 Paralymp Art calendar bearing a company name" to create new corporate value.

SHINSEI PULP & PAPER COMPANY will continue supporting disabled persons to enable them to fully participate in society and secure their economic independence.

 **Paralymp Art**
障がい者アートを応援しています



Round-table discussion featuring salespersons

Global environment protection and making social contributions by developing eco-friendly products

In recent years, environmental issues appear to attract more and more attention. SHINSEI PULP & PAPER has a comprehensive lineup of eco-friendly products, and our salespersons are engaged in their sales activities. How do eco-friendly products contribute to environmental protection and what potential do they hold for the global environment in the future? We held a round-table discussion among six salespersons.

Use of eco-friendly products has a positive effect on the global environment

Kageyama: Today, we will have a discussion on our eco-friendly products, global environment protection and social contributions. These are lofty themes, aren't they? Society is now almost reaching the stage of becoming paperless, and people tend to have the impression that using paper has a negative effect on the natural environment. However, that's not true. We inform customers in our sales activities that using our eco-friendly products will lead to an environmental contribution. What is your recognition of this theme of the environment?

Wada: In the city of Nagoya where I work and live, there is an ordinance that requires the sorting of household waste. As a matter of manners, I pay attention to it every day. I believe that regular and steady activities can lead to a better future.

Takaki: I have been engaged in the sales of paper made from the lumber of thinning whose sales is partially returned to the owner of forests since 2012. Compared to situation when we started business, the general aware-

ness of the environment has changed substantially. Using paper made from thinned wood contributes to forest maintenance. Now, there is also an awareness that global warming can be prevented by using paper.

Kukimoto: I recognize that environmental protection means "Using resources carefully and reusing them." What I really appreciate through operations at the Printing Paper Department is that weekly boys' comic and other magazines are in fact made from used paper. This makes me feel that environmental efforts are being made close to me.

Yamamoto: I have been taught about global warming and other environmental issues since elementary school. I do certain things as a matter of course such as using unused sides of paper when making copies or never leaving a tap running.

Kawamura: At the Chemical Business Department, I am engaged in selling petrochemical products. Their main application is food packaging. Petrochemical products do have a negative impression in terms of the environment but are actually effective in preventing food from becoming spoiled. If food can last for a long time, disposal amounts can be reduced, so I firmly believe the products have a positive effect on the global environment.

Contribution to environment become a key motivation for work

Wada: Paper made from thinned wood that Mr. Takaki deals with sounds very attractive. From what background was it created?

Takaki: To develop an artificial forest, there is a need to thin trees, but as it is an expensive exercise, it has gradually been given up, with the number of neglected forests on the rise. Forestry associations in Japan are decreasing, and the question of who should protect forests is now a social issue. In response to this situation, the Kyushu Regional Forest Office, Forestry Agency, established a project of paper made from the lumber of thinning. It has gradually become prevalent, and is more or less established in Kyushu now, as exemplified by the fact that some city governments only use such paper. In 2010, the business environment was improved as the "Act on Construction, etc. of Government and other Public Office Facilities" was enacted, and this year, a network of paper made from thinned wood was established. My hope is that this movement will expand on a nation-wide basis in Japan.

Kukimoto: It really is a wonderful initiative. In the publishing industry, the use of "Forest-certified paper" serves to appeal social contribution activities. Forest-certified paper is paper made from wood produced in properly controlled forests. Being able to control things from paper production to processing and logistics leads to accomplishing social responsibilities. A major publisher headquartered in the U.S. that I am in charge of has used forest-certified paper for a periodical publication for the first time in Japan. Considering that my work is actually linked to eco-friendliness really motivates me.

Kageyama: I understand that in Europe and America, the awareness of using forest-certified paper is very high. Forest certification actually started in Europe. At the 2012 London Olympics, forest-certified paper was used, and I hope the same paper will be used at the 2020 Tokyo Olympics, too.

Wada: I sell controlled wood products. My major customers are decor material and business machine manufacturers. Many of them are very interested in forest certification. It is embarrassing to admit this, but I didn't even know about controlled wood until I received a particular request from a customer. Now, I feel a great sense of satisfaction that "I contribute to the environment via my work."



Daisuke Kukimoto

Printing Paper Department

Joined the company in 1997. After serving at the Procurement Department, became engaged in sales. Currently, marketing forest certified paper to major publishers.



Maho Yamamoto

Procurement Department,
Tokyo Main Branch

Joined the company in 2014. In charge of procurement from key papermaking companies. She considers the possibilities involved with the sales promotions of eco-friendly products through the procurement of forest certified paper.



Yoshihisa Kawamura

Sectional Manager
1st Section, 2nd Chemical Business
Department, Tokyo Main Branch

Joined the company in 1992. Sells products made from petrochemical fuels. Tackles various issues such as reducing environmental burdens and application developments leading to a reduction in food losses.



Tadahisa Kageyama

Sectional Manager
Printing Paper Department,
Osaka Branch Office

Joined the company in 1999. Puts "1% for Present Tree" initiative to utilize 1% of the amount of paper purchases to tree planting into practice. Established the project in Osaka City, Miyagi Prefecture, working in tandem with customers.



Kenji Wada

Information Special Paper Department,
Nagoya Branch Office

Joined the company in 2004. In charge of the sales of "Controlled wood products," or paper made from wood nurtured under specified controls.



Noriyuki Takaki

Sectional Manager
Special Development Section,
Wholesale Business Department

Joined the company in 1995. Focuses upon the nationwide sale of paper from thinned wood made from timber in forest thinning and a part of whose sales is used for forest maintenance.

Role of a trading company is to make proposals while considering the environment

Yamamoto: I work at the Procurement Department where we deal with papermaking companies. A manufacturer that is our major supplier has a sample book of “Environment-friendly paper.” From this, our customers can choose a type of paper that meets their environmental needs. Eco-friendly paper is increasing both in terms of procurement and sales volumes. Going forward, I want to actively propose eco-friendly paper.

Kageyama: I have experience in sales with our scheme, the “1% for Present Tree” initiative where we add 1% to the purchase amount of paper from our company, and this amount of 1% is then used to support tree-planting. Customers appreciate this to a certain extent, but as is the case with the “1% for Present Tree” initiative, eco-friendly products represent an increase in costs for customers. The number of private companies that positively consider these initiatives is not that many. I believe it is important to create a scenario of “Enhancing corporate value with environmental considerations,” and to propose it as an added value.

Kawamura: “Environmental considerations” can be a good point of appeal for a company. In the food packaging business, there is a lot of interest in “Soft packaging materials” that take advantage of the properties of petrochemical products. They are highly flexible in terms of processing and have a widely recognized protection of content. Besides, as the Food and Agriculture Organization of the United Nations has issued a survey report on food loss around the world, the Ministry of Agriculture, Forestry and Fisheries of Japan has embarked on this food loss reduction. The shortest way to reduce the loss is to extend “Best before” dates, and our high barrier packaging materials are highly effective for this. Therefore, chemicals can be linked with environmental contribution from the viewpoint of “Food protection.” This is something I want to positively propose to my customers.

Kukimoto: In the publishing business, “Bulking paper” that has a lower density in paper fiber than conventional paper and indeed thickness in spite of its light weight has been more attracting attention as of late. Publishers can reduce the volume with a smaller number of pages, while readers



enjoy lighter books, and both parties can experience the advantages. In terms of the environment, thanks to improved transportation efficiency, it leads to a reduction of delivery costs and CO₂ emissions. For trading companies like ours, it means that with a smaller weight, sales will decrease, but if publishers can decrease costs and increase the medium, it is a virtuous cycle for all involved.

Kawamura: I agree. It's true that if chemical packaging materials increase, paper boards will decrease, so it is more or less a vexing situation for us. However, especially for packaging materials that do not require barrier properties, there are cases where paper boards were replaced with films and then returned to paper boards. Our role is to pursue the optimal forms for the environment and in turn propose them.

Yamamoto: I concur with this. We have achieved the target of energy consumption reduction stipulated in the Revised Energy Saving Law (higher than 1% on an annual basis in the medium and long term). In consideration of what we have discussed, it is clear that trading companies can contribute to the environment through business activities and that we have the means to do so.

New environmental contributions start with new products

Wada: What has sprung to mind while listening to what Mr. Kawamura said is that production in smaller lots will be applied to all materials. I feel this is where we can find new markets. What new products have been launched in different markets?

Yamamoto: Major manufacturers have in fact released new products as exemplified by the development of a new product that can realize a sharp finish only possible by gravure printing with offset printing.

Kawamura: For chemicals, there is “Cellulose nanofiber (CNF).” It is robust, highly fire resistant and highly flexible in terms of processing. The Ministry of Economy, Trade and Industry is interested in it, as it is made from nanosized cellulose produced from wood, and a new recycling-based business is anticipated. By all means, our company also want to get involved.

Kageyama: New products are appearing one after another. The used paper utilization ratio in Japan is the highest in the world. We can certainly be proud of the fact that we contribute to the future of the earth more than anywhere else.

Supporting a part of the future of the global environment

Wada: What do you imagine the future will be like in 2030 or 2050 and how do you want to contribute to it? Like Mr. Kageyama, I am not pessimistic. Rather, I believe that as we support logistics, we should appeal the fact that the development of the papermaking industry will lead to eco-friendliness. In addition, I want to further tackle sales promotions of forest-certified paper and other eco-friendly products.

Kukimoto: Looking at the publishing industry, even the major publishers are proceeding with intensive procurement from papermakers and logistics providers, and we cannot be that optimistic about the future. Under the circumstances, manufacturers are making diverse contrivances such as the development of bulking paper that I previously mentioned. From our point of view, we want to be appreciated as a trading company by steadily linking manufacturers with publishers.

Yamamoto: When organizing orders from different customers, it is clear that publishing agencies and wholesale trading companies are very interested in eco-friendly products. They can be a good source of promotion on an external level. For the future of the global environment, we want to further promote their sales going forward. Our main challenge is how to incorporate cost advantages into eco-friendly products. The answers are not easy to find, but I will continue to consider this.

Kawamura: To be honest, I cannot really imagine what the year 2030 will be like, but the current situation where crude oil prices are declining is favorable for the sales promotion of petrochemical products. Without neglecting to collect information, I will focus on increasing the quantities we deal with.

Kageyama: We are not a manufacturer but we are in a position to add scenarios to the concept of products developed by manufacturers through our efforts and propose them to the market. As Ms. Yamamoto said, how we yield profits from eco-friendly products made from used paper and thinned wood is important for the sake of the future of the global environment. We must tackle this challenge by establishing a long-term strategy.

Takaki: Recently, social interest in biomass power generation is increasing, and the construction of biomass power plants is making progress. However, there is a concern that it might lead to the depletion of wood and soaring increases in wood prices. I sincerely hope that thinned materials will be used in houses and other buildings and as paper. Going forward, I will continue awareness-raising activities for the utilization of thinned material and focus on the sales promotion of paper made from thinned wood. As our company deals with eco-friendly products, we can certainly say that we are bearing a part of the future of the global environment. I am determined to do my very best going forward.

After the round-table discussion

Promote an understanding of eco-friendly products in the global forum

I was impressed by what Mr. Kageyama said, “Adding scenarios to the concept of products...and proposing them to the market.” As an employee of a trading company, I want to address the challenge of promoting an understanding of eco-friendly products in the global forum. (Kukimoto)



Learned that each field of business makes environmental efforts

I didn't know in detail what people at other departments do, so it was fortunate I have been able to hear about future developments. Having learned that each field of business makes environmental efforts, I have gotten a lot from this round-table discussion. (Yamamoto)



What we must tackle made all the more clear

I think through this round-table discussion, what we must tackle going forward has been made clear. It was a very fruitful meeting, as we could obtain knowledge that is not available from our regular operations. (Kawamura)



Want to learn even more

The initiatives in relation to paper made from material from thinned lumber were very interesting. I believed that the ultimate form of wood resources was biomass energy, and I want to study this more. Also, an interesting topic was the initiative to extend “Best before” dates with chemicals. (Kageyama)



Initiatives at other departments opened my eyes

I was really impressed by the participants from other departments for their high level of awareness and initiatives. Listening to stories about work at different departments really opened my eyes. Taking this round-table discussion as an opportunity, I want to actively engage myself in the sales promotions of controlled wood products. (Wada)



Really understood the potential of our environmental protection and social contributions

It was very significant to hear opinions from different departments. I refreshed my awareness about the potential of global environment protection and social contributions. I want to take advantage of what I learned from the other participants today in my future activities. (Takaki)



For passing on the environment, where human and nature coexist, to the next generation

We are striving to be a company that passes on the blessings of nature like forest resources and thus contribute to the global environment.

Environmental Policy

Basic Philosophy

The SHINSEI PULP & PAPER COMPANY recognizes the conservation of the global environment as one of our main priorities, targets realizing an “environment where people and nature live in harmony” through activities leading to the future, and take action to pass on a rich future to future generations. We also recognize that action associated with environmental conservation is an important responsibility assigned to each of us, and all employees do their best to maintain and enhance conservation.

Course of Action

As a paper distribution company, we continually grasp how goods and services we deal with in our business activities, impact the environment, minimize environmental burdens by setting environmental targets and promote the prevention of environmental pollution and global warming. We review environmental targets in response to changes in conditions when appropriate.

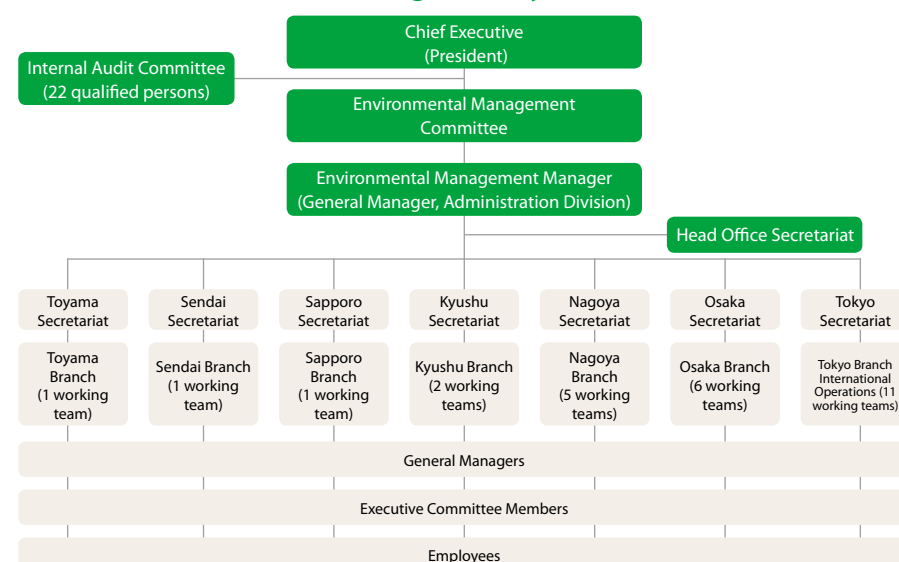
Environmental targets

1. We address positive sales activities of eco-friendly products and the development of goods with little environmental burden.
2. In delivering goods, we strive to promote the efficiency of logistics to prevent air pollution.
3. We promote recycling by sorting waste at our offices.
4. We positively purchase green products.
5. We actively address energy saving by reducing the use of electric power and other energy.
6. We comply with environmental laws and regulations in addition to other requirements we agree with.

ISO Environment Committee

We have an ISO Environmental Committee that reports directly to the President. We also have working teams in individual divisions and departments to promote employee awareness of ISO.

ISO14001 Environmental Management System



Our six initiatives

ISO14001

(Environmental Management System)

We received our certification in 2002. Efforts are made at all offices and branches, and the certification is useful to raise awareness about the environment and increasing the number of eco-friendly products dealt with.

Specified consignors

Subject: Business owners with freight transportation (in ton-kilometers) of 30 million ton-kilometers or more

Enforced in 2007. We are subject to this category and satisfy the figure required by the government.

1% for Revive Japan*

This is an activity to make a contribution of 1% of actual sales to support restoration from the Great East Japan Earthquake since 2011.

ISO9001

(Quality Management System)

In 2005, the Electric Materials Industry Section, Head Office was certified. We tackle the enhancement of customer satisfaction and win trust from suppliers.

1% for Present Tree*

Since 2009, we have conducted this tree planting activity in which we make a contribution of 1% of actual sales. We have planted more than 10,000 trees through this initiative.



*Conducted in partnership with certified NPO Corporation, NPO Environmental Relations.

Forest certification

(CoC)

Efforts at all offices and branches. FSC® Acquired in 2003 PEFC Acquired in 2007



責任ある森林管理のマーク



持続可能な森林管理の促進
www.pefcasia.org

Sales of forest certified paper

Since 2003, we have continuously acquired the CoC (Chain of Custody) certification from the FSC® (Forest Stewardship Council). We have also acquired CoC certification from the PEFC (Programme for the Endorsement of Forest Certification) since 2007. These logo marks mean we have acquired certification covering all processes for wood procured from certified forests, made into final products.



Environmental protection in chemicals field

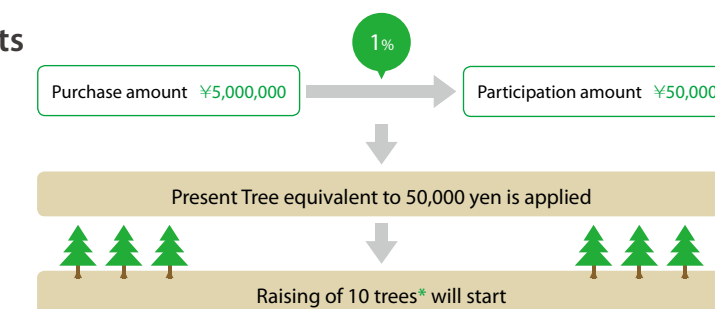
We set item reference points based on environmental effects (waste reduction, air/water/soil pollution prevention, global warming prevention, etc.) and based on the scores, we position eco-friendly products and sell goods contributing to environmental protection.

We market our key products in the chemical field as eco-friendly products. Food packaging films are used for protecting contents from physical, chemical, biological, human, and other factors.

1% for Present Tree

Participation in eco-friendly projects

In “1% for Present Tree” initiative, we add 1% to the purchase amount of paper and film from our company, and this amount of 1% is used to support a tree-planting project operated by NPO Environmental Relations. Participating media are authorized to display the registered trademark of this certification NPO.

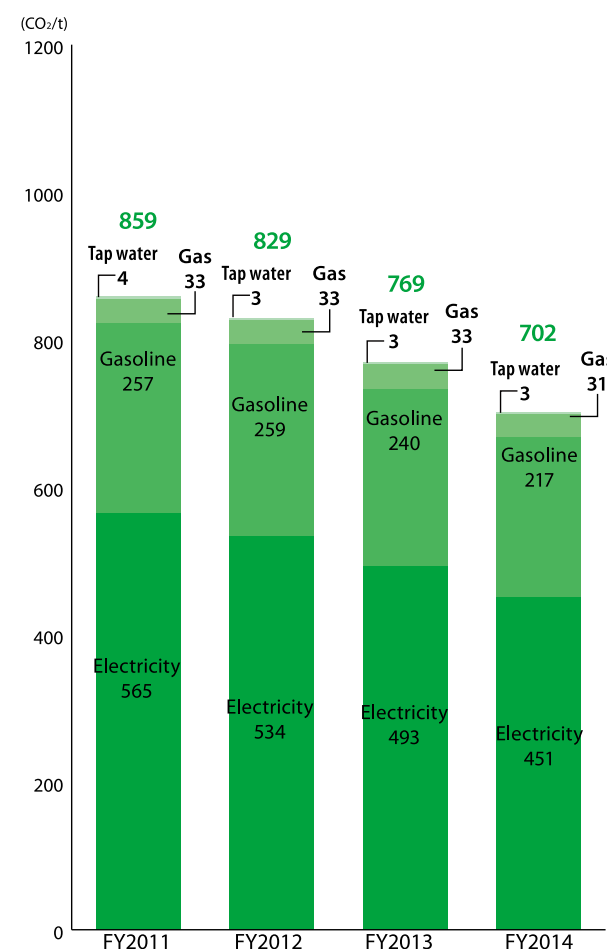


*If trees are planted to a place designated at 5,000 yen/tree

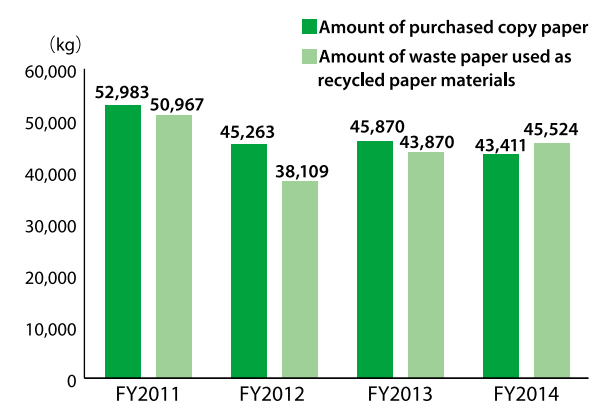
To accomplish our environmental conservation responsibilities by accumulating daily activities

In accordance with the Basic Philosophy of the Environmental Policy, we established the Course of Action and proceed with our actual initiatives.

CO₂ emissions by our business activities

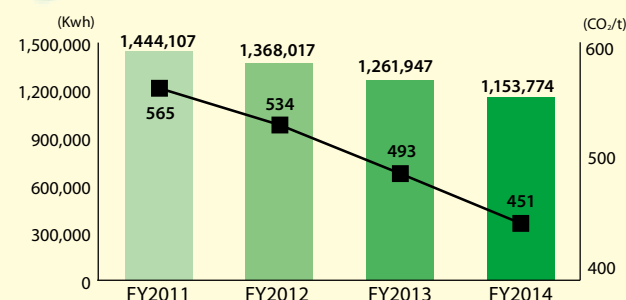


Amount of purchased copy paper and amount of waste paper used as recycled paper materials



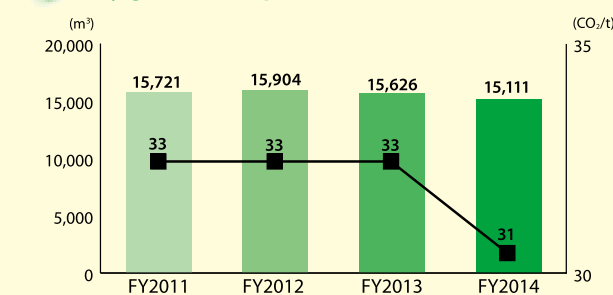
FY2014

Power consumption and CO₂ emissions



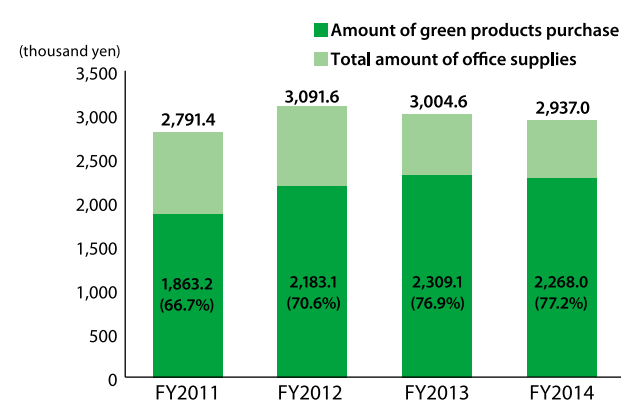
Calculation method of CO₂ emissions
Amount of power used x 0.00039 (1t-CO₂/kWh)
Source: Calculation Manual, Japan's Voluntary Emissions Trading
Calculation method of CO₂ emissions

City gas consumption and CO₂ emissions

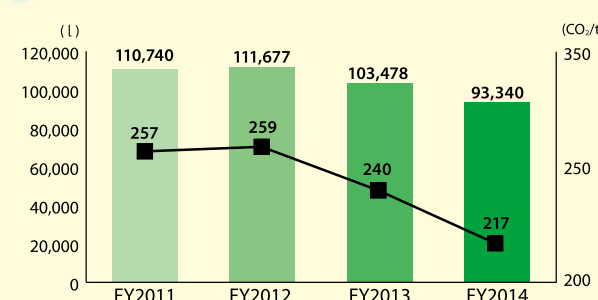


Calculation method of CO₂ emissions
Amount of city gas used x 41.1 (GJ/1,000m³) x 0.0506 (1t-CO₂/GJ)
Source: Calculation Manual, Japan's Voluntary Emissions Trading
Calculation method of CO₂ emissions

Green products purchase ratio

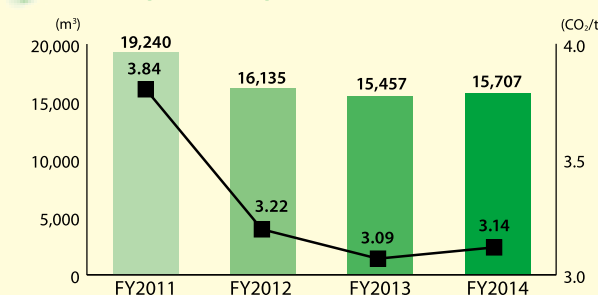


Gasoline consumption and CO₂ emissions



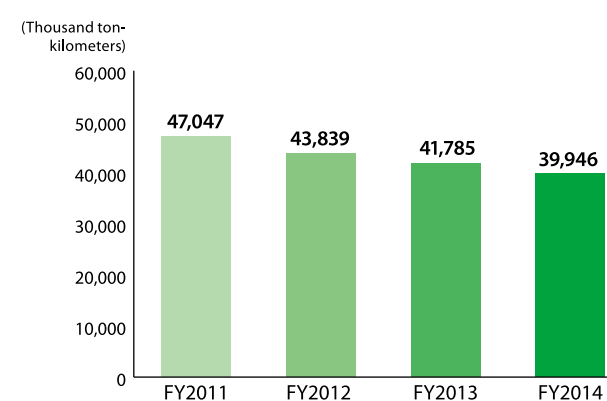
Calculation method of CO₂ emissions
Amount of gasoline used x 34.6 (GJ/k) x 0.0671 (1t-CO₂/GJ)
Source: Calculation Manual, Japan's Voluntary Emissions Trading
Calculation method of CO₂ emissions

Consumption of tap water and CO₂ emissions



Calculation method of CO₂ emissions
Amount of tap water used x 0.2 (factor)
Source: CO₂ Emissions Calculation Sheet, Tokyo Hojinkai Rengokai, Inc.*
http://www.tohoren.or.jp/calc_co2/calc_co2.html

Transportation results as a Specified Consignor*



*Business owners that have a volume of freight transportation (in ton-kilometers) of 30 million ton-kilometers (volume of delivery x delivery distance) or more. The revised Energy Saving Act calls for efforts to reduce this figure by 1% or more per annum in the medium and long-term.

Concrete actions for reduction

Each and every employee voluntarily tackles what he or she can do.

- Conditional stop of air conditioners
- Turning off fluorescent lamps during lunch breaks
- Implementation of CoolBiz and WarmBiz
- Prohibition of working on holidays
- Stopping the operation of one tea server per floor
- Introduction of LED lighting
- Reduced number of fluorescent lamps in use
- Promotion of stairway use
- Implementation of no overtime day
- Setting summer vacation days



Introduction of LED lighting



Implementation of in-house 3UP 3Down movement
*Going up or down three floors by the stairway

ISO14001 in FY2015

Target setting	Tokyo/Overseas	Osaka	Nagoya	Kyushu	Sapporo	Sendai	Toyama	Branches
Reduction of power consumption	3	2	1	1	1	1	1	10
Reduction of gasoline consumption	9	3	2	3	1	1	1	20
Reduction of general waste emissions	2	1	1	1	1	1		7
Reduction of the amount of copy paper	2	1	1					4
Promotion of green purchases		1	1	1	1			4
Sales of eco-friendly products	12	6	6	2	2	2	1	31
Promotion of operational efficiency	4						1	5
Others	1							1
Total	33	14	12	8	6	5	4	82

In ISO14001 for FY2015, a total of 82 targets have been fulfilled at all branches. We address the challenge so we achieve all targets by the end of the year.

Initiatives for CO₂ reductions

According to a ranking of household electricity bills for ten power companies in Japan (Survey: July 2015; calculated in 300 kWh/per month), the bill was highest for the Hokkaido Electric Power Company, and a heavy burden upon Hokkaido residents emerged once again. The reasons why the electricity bills of Hokkaido Electric Power is especially high are considered to be due to increasing fuel costs at thermal power plants as a result of the shutdown of its nuclear power plant and the not-yet-operated thermal power plant using liquefied natural gas (LNG), which is cheaper than oil.

Under such tough conditions, and as part of SPP environmental initiatives, the Sapporo Branch has continually made efforts to set up and achieve an ISO execution plan target of "Reduction of power consumption," on an annual basis and it has constantly met its targets since FY2012. These results came about from steady activities made by each employee in the branch such as, "Adjusting air conditioner settings," "Turning off fluorescent lamps during lunch breaks" and "Turning off computers when leaving the office."

Going forward, we will propose new activities, and all employees will take voluntary action, aiming towards even further growth.



Hideyuki Murakami
Sectional Manager,
General Affairs Department
Sapporo Branch

Moving forward with society to meet trust and expectations with sound management

Based on our Management Philosophy, we have established an organization to support our business and fulfill all our social responsibilities.

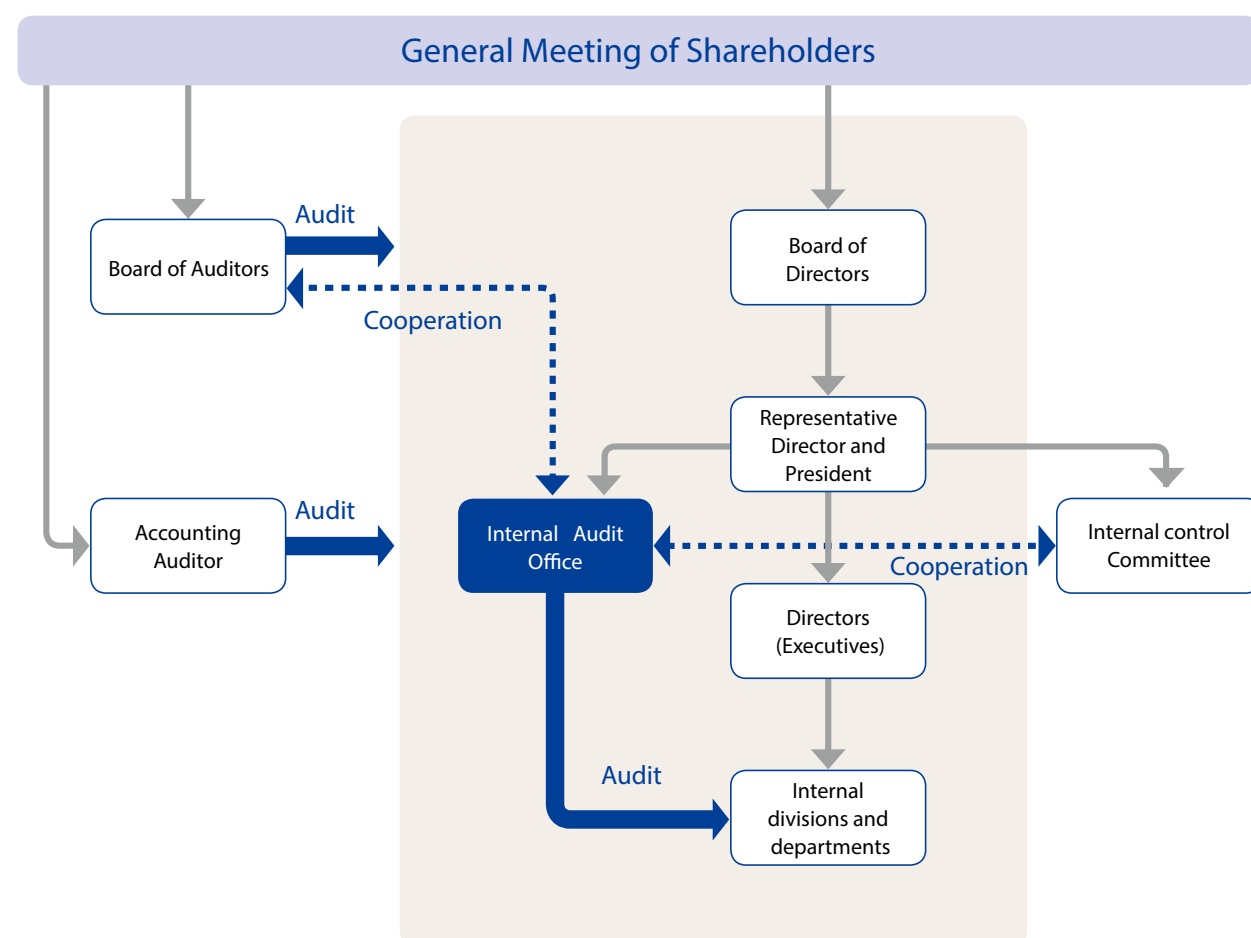
Corporate Governance

As defined in our Management Policies, to continue to grow as a company that is “Supported,” “Needed” and “Chosen,” we need to establish proper relationships with various stakeholders and heighten our sense of presence. For this reason, we continuously strive to strengthen auditing functions and increase transparency in relation to management, focusing on the General Meeting of Shareholders, (Board of) Directors, (Board of) Auditors, and Accounting Auditor.

As a place for the approval of important management issues, we hold meetings of the Board of Directors for the

proper and prompt execution of all necessary measures. As an auditing body, we have a Board of Auditors in place that is responsible for the establishment of an excellent corporate governance system to support healthy and sustainable growth and to respond to trust from society. For auditing plans and results, proper communication between the (Board of) Auditors and the Accounting Auditor is sufficiently conducted, ensuring an auditing system with fairness and effectiveness.

Corporate governance organization



Internal control

1. Securing effectiveness and efficiency of corporate and business management
2. Securing correctness of financial statements
3. Thorough compliance with all laws, regulations, and internal rules
4. Safeguarding of assets

Compliance

Compliance involves not only compliance with laws and regulations but also the observance of internal rules, manuals and ethics to enable our company to conduct fair and proper business activities and the establishment of a compliance environment concerning the type of rules the company establishes and operates by. We conduct business activities complying with social norms and corporate ethics, and to enable employees to raise their level of awareness, we regularly conduct training that covers actual examples.



Internal control training session

Risk Management

The Business Continuity Plan (BCP), which was set up in 2012 was established in accordance with the “Business Continuity Guideline,” as published by Disaster Management, Cabinet Office, Government of Japan, by comparing important items with our operations. In accordance with an emergency action manual based on it, we plan training based on actual assumptions.



The Business Continuity Plan



BGP planning meeting

Establishment of supply chain at the time of a disaster

Taking the Great East Japan Earthquake as a turning point, many companies have reviewed their supply chains, and it became necessary and a matter of urgency to establish a Business Continuity Plan (BCP).

Under these circumstances, we established a BCP in accordance with the “Business Continuity Guideline,” as published by Disaster Management, Cabinet Office, Government of Japan in December 2012.

Urgent responsibilities to be accomplished by the Logistics Department at the time of a disaster are mainly the following:

1. Checking the situation of damage on stock at warehouses, the shipment system and the safety of personnel

2. Checking the delivery system for delivery and the situation of main roads
3. Identification of damaged goods

Cooperation with individual logistics service providers is essential for the quick restoration of work after being impacted by a disaster. While preparing a list of warehouses for the stock of all business sites, the Logistics Department makes requests for BCP planning by confirming the contents of BCPs of individual logistics companies and raising the subject at safety control meetings with key logistics service providers.

Going forward, while studying disasters that have occurred in other regions, we will continue to update the BCP as necessary, and build a supply chain that is resistant against disasters.



Hiroo Tanaka
Sectional Manager,
2nd Section,
Logistics Department
Tokyo Main Branch

A company that develops people, utilizes them and contributes to society

We strive to create better working environments and target bringing out the full strengths of all our employees and their teamwork who support our business activities.

General business owner action plans

We promote a work-life balance and have an action plan in place to support the development of an easy-to-work environment where employees can make work and child-rearing compatible, while also taking full advantage of their abilities.

Targets	Countermeasures
1. The ratio of annual paid holidays taken by employees (Days taken/Newly given number of holidays) to be 50% or more.	<ul style="list-style-type: none"> Work assignments at each department are made clear for the purpose of job sharing. To take paid holidays in an organized manner, a "Paid Holidays Schedule" is prepared every three months and shared within departments, and instructions are provided to departments that are not satisfied with the schedule.
2. Promote operational efficiency and reduce additional working hours.	<ul style="list-style-type: none"> Managers constantly understand subordinates' tasks and duties, and make appropriate management decisions and instructions to promote operational rationalization and efficiency. To make it known by everyone and for the health of our employees, "no-overtime days" are promoted through posters, reminders on the days they occur and e-mail messages so it is continuously implemented at all sites.
3. Towards an environment where both men and women can positively participate in child-rearing, with an 80% usage ratio of child-rearing holidays by pregnant female employees to be achieved.	<ul style="list-style-type: none"> Various systems (maternity leave, child-rearing leave, etc.) are thoroughly promoted to improve the employment environment that makes it easier to work after returning to the workplace.

*Based on Article 12 of the General Business Owner Action Plans, "Act on Advancement of Measures to Support Raising Next-Generation Children," Ministry of Health, Labour and Welfare

Human assets development

We target having high aims and exerting our strength as a group of professionals. We believe that the source of power of a company lies in the development of human resources who can "Properly understand objectives," "Take the correct action to achieve objectives" and "Rationally evaluate the results of achieving objectives." We host new employee education, new manager training, upper-level management and other training by hierarchical levels. We also conduct English conversation training and qualification acquisition support, focusing on human assets development.



Senior employee training

Human assets development and compliance

Every day, I appreciate the importance and difficulty of human assets development as a role of the Human Affairs Section, General & Human Affairs Department. As each employee has a different personality, I keep it in mind to understand the various merits of each of them, and in turn utilize and develop them.

To realize a steady improvement of skills and mindsets, we incorporate a wide range of mechanisms in our performance ratings and training. Also, we consider the enhancement of compliance awareness of employees to be an important element in human assets development. I believe that human assets development starts by having regular interviews with all employees, comprehending what their targets are going forward and what direction they want to take in fields they want to experience and their ideal for the future, and deeply understanding the situation each and every employee is placed in.

Toshiaki Kizawa
Manager,
General & Human Affairs Department,
Administration Division

Human Resources System

The most important assets for a trading company are its "human resources." In order to enhance overall motivation and create a rewarding working environment, we have a human resources system based on a target management system. We also continuously alter the system in response to changing business environments for a fair human resources system that satisfies all employees.

With the human resources system, we encourage career promotions based on "The right person in the right place" and job rotations, towards realizing our Management Philosophy and Management Policies.

Promoting the employment of elderly people

We have a "Re-employment Standard" in place to hire employees who want to continue working following forced retirement and who satisfy health and other certain conditions up to the age of 65 years old. We support them so they can take advantage of the experience they have cultivated at our company and in order that this vast pool of knowledge is passed on to future generations.



Promoting the employment of disabled persons

Based on the Handicapped Person's Employment Promotion Law, we positively address the employment of disabled persons on an annual basis. As of April 2015, we fully satisfy the conditions of a legally required employer. Going forward, we will continue to promote the expansion of this and strive to establish a working environment where disabled persons can work safely and securely.

Promoting the active utilization of female human resources

Active roles conspicuously played by women at companies are expected to make further advances in the future. We tackle the active employment of female managerial employees and the creation of a workplace where females are properly evaluated and that have a reason of being.

Promoting the active utilization of female human resources

I joined the company as a member of the clerical staff team. When the company established a functional change system to promote the employment of female managerial employees, I decided to take on this challenge. Naturally, I felt slightly apprehensive about increasing my work responsibilities, but at the same time I very much wanted to improve my skill set. When I became a managerial employee, I felt tense and stressed as a result of my strong desire to contribute to the company as much as possible. However, as my manager and colleagues actively supported me, I became more than able to do my work, while remaining self-possessed. On the other hand, there is a limit to what I can do alone, and I refresh my feeling on a daily basis about the importance of teamwork.

Currently, I am in charge of accounting duties, and as there are many operations that allow for no mistakes and where a lot of knowledge and experience is required, I am in the process of learning something new every day. I have never been aware of my position as a "Woman" in work. I feel it is very rewarding because I am in an environment where if we tackle our work with a desire to improve ourselves and with a sense of responsibility, we are then properly evaluated. It is very encouraging that the company positively promotes the active utilization of females, which makes me really grateful.

Satoko Fujiki
Sectional Manager,
Associate Business Section,
Administration Department,
Administration Division

Regular health checkups and maternity healthcare

It is our firm belief that employees can only fully utilize their abilities if they are healthy both physically and mentally. Based on this ideal, 30 and 35-year old employees have an annual lifestyle disease checkup, while employees of other ages undergo a health checkup once every year. We also have maternity healthcare rules, giving consideration to creating an environment where female employees can continue to “Work” before and after childbirth in “Good health.”

Child-rearing and nursing leave system

To establish a working environment where employees can make “Work” and “Family” compatible, we enable part-time work and limited overtime, depending on actual conditions of and requests from employees, in addition to child-rearing and nursing leave systems.

Returning to workplace and child-rearing

In August of last year, I gave birth to my second child. I used the child-rearing system and returned to work in May of this year. I have now used the system twice, as it can be used as a matter of course. I didn't have any uncertainties about giving birth and returning to work afterwards and I was thus able to concentrate on looking after my child. Additionally, there were some warm comments from my manager and colleagues, saying, “We will wait for you to return.” I was very grateful for this, as it made me feel I had a place to return to.

Due to the problem of children on a waiting list for admission to a day nursery, I felt anxious about whether I would be able to admit my child to one, but in April, my child was accepted to the same day nursery as my first child, so I was able to return to work early on. However, as they are still quite young, I tend to need to take leave, which causes some trouble for my colleagues. I am grateful to the company where a nursing leave system has been established and the understanding and cooperation of my family, enabling me to continue to work, and I am determined to do my very best, going forward.



Mami Sato
Procurement Section,
Sales Department,
Sendai Branch Office

Occupational health and safety

In compliance with occupational health and safety laws and regulations, we have a monthly health committee meeting, which includes an industrial doctor and a health manager. At Head Office, the industrial doctor conducts two tours a month to check the health conditions of our employees. We strive to maintain health and safety in working environments, as exemplified by the fact that if an employee desires it, he or she can consult the industrial doctor. To maintain employee mental health and prevent mental illness, we have also opened a counseling room with an external counselor and always pay close attention to the health conditions of our employees and make efforts to minimize the occurrence of any problems.



Health committee meeting

Countermeasures against sexual harassment

We stipulate provisions involving sexual harassment in work rules and prohibit employees from saying or doing anything that might cause upset or against other people's interests in working conditions or interferes with the carrying out of work. We also make efforts to listen to the opinions of employees as a company, whenever it is deemed necessary.

Cooperative relationship with Employee Association

At our company, we have organized an Employees Association to build and maintain a smooth relationship between the company and its employees. We consider that good employer-employee relationships are indispensable for the development and wellbeing of the entire company, hold regular meetings and exchange opinions on various different projects.

About the Employees Association

The SHINSEI PULP & PAPER Employee Association is comprised of all employees, excluding officers and temporary employees. Committee members of the Association Committee are elected by members of the association, organize the Headquarters (within Head Office) and branches (in main and other branch offices), and discusses various issues in conferences of all offices, liaison conferences between Headquarters and branches, in addition to regular meetings with the General & Human Affairs Department. The main purpose of the Employees Association is the improvement of working conditions through a cooperative relationship between the company and its employees and the cultivation of friendships among all employees. In more precise terms, the association conducts negotiations with the company on bonuses, welfare issues, and other systems as well as the operation of casual gatherings hosted by individual branches. All employees work together to realize the development of the association's operations and the improvement of employees' living conditions.



Ken Kojima
Chairman,
Employee Association Headquarters,
Package Business Department,
Tokyo Main Branch

Club activities

As a place for internal communication and exchanges with people outside the company, we provide support to club activities. Each club is engaged in a wide variety of activities, and we consider the vitalization of employees through health enhancement with employees' sports club activities and culture developed in cultural club activities as part of the overall social service system.

Baseball Club, Osaka Branch

The Baseball Club of the Osaka Branch will begin practice every Saturday from February, to prepare for the Osaka Paper Merchant Baseball Tournament. To enable members to spend time with their families on the weekend, training will take place early in the morning.

At the 62nd Osaka Paper Merchant Baseball Tournament in 2015, supported by members of the Osaka Branch and families, we won the championship for the 19th time, which was the first time in four years. The members belong to different departments of the Osaka Branch and they are getting older, but are still full of energy to practice for the championship every year. We aim to do our best in daily operations to achieve our targets and invigorate the company and our customers.



Passing the blessings of nature on to future generations with tree-planting activities

Targeting reforestation, the SHINSEI PULP & PAPER COMPANY is actively involved in a number of tree-planting projects.

We held a second tree-planting activity as the SHINSEI PULP & PAPER COMPANY following the year before last. With our scheme of “1% for Present Tree,” we have worked on reforestation and global warming prevention in that we have planted more than 10,500 trees. As we are a company dealing with paper, we believe it is of great significance to understand the meaning of having each and every employee actually being involved in tree-planting and the process in which planting a tree by each and every employee becomes a tree-planting activity, therefore leading to reforestation. This year, about 30 people including employees from Tokyo Head Office and their families participated in the activity.

At a planting area in Kai City, Yamanashi Prefecture, we also had a tree-planting activity in conjunction with students from Yamanashi Prefectural Agricultural High School, which is sponsored by NPO Environmental Relations and local forestry cooperatives. It was a great opportunity in terms of local development. Going forward, we will continue with such activities to gain further tree-planting experience, and give employees more chances to learn about the importance of “Paper” through environment preservation activities.



Local Contribution Activities

Deeply rooted in their community, each site is engaged in activities for environmental protection and society.

Tokyo

Regular Cleaning Activity



Chiyoda-ku, Tokyo, holds “Chiyoda-ku Cleanup Day” in the spring and fall each year. Elementary and junior high schools in addition to residents of the local community jointly carry out cleaning activities. We regularly participate in these activities to show our support for the community. We also conducted cleaning activities in June in conjunction with “Environment Month,” with a total of about 50 employees voluntarily participating.

Kyushu

Hakatangion Yamakasa



Hakatangion Yamakasa is a traditional festival with more than 770 years of history, which is held between July 1 and 15 every year in Hakata Ward, Fukuoka City. It is designated as an important intangible folk cultural asset. The Kyushu Branch sponsors the festival, contributing to exchanges with the local community by making tap water available for free to provide Power Water.

Osaka

Cleaning Activity



Osaka City designates the first day of every month as “Beautification Day,” and calls on residents and companies to participate in simultaneous cleanup activities. The Osaka Branch voluntarily conducts cleaning around the branch building, thereby contributing to the promotion of environmental beautification.

Sapporo

Community health and safety activity



The Sapporo Branch is a member of “Gobangai Shinkokai” and “Daigo Chonaikai” and participates in activities related to lighting, decorations and advertisements, as well as traffic safety and environmental health issues. We also contribute to the development of the area as a tourism destination.

Nagoya

Emergency drills



The Nagoya Branch conducts emergency drills in the OP Nagoya Building every year. Our employees as well as the other tenants of the building participate in regular disaster prevention training. To set up a cooperative system and get involved in firefighting activities at the initial stage in case a fire occurs in the neighborhood, we also conduct firefighting training.

Sendai

Environmental maintenance



Employees in the Sendai Branch conduct a cleaning activity every year to remove weeds from around the office building and the surrounding roadsides. As almost all of our employees join in the activity during their lunch break, it really contributes to raise environmental awareness across the entire branch.

Nagoya

Participated in Clean Campaign Nagoya 2015



This cleaning campaign was held across the entire area of Nagoya City, as part of “2015 Nagoya Environment Day.” Volunteers from the Nagoya Branch participated in the event. About 450 people from various shopping districts and companies took part in the event and were divided into five groups covering eight different routes and together undertook “Clean Walking.” Although it was an activity that lasted for only an hour or so, a large amount of waste was collected in a garbage dump site. We really learned the importance of the event to improve overall morale.

Toyama

Voluntarily supplying water



The Imizu Ocean Marathon Race, which was a pre-event for the “2015 Toyama Marathon,” took place a year beforehand. The Toyama Branch participated in the event, providing water at various supply points. We aim to contribute to local regional development, which was further boosted by the opening of the Hokuriku Shinkansen bullet train line.

Expectations of your business activities that can realize a sustainable society



Yuko Sakita
Journalist and Environmental Counselor
Chief Director, NPO GENKI Net for Creating a Sustainable Society
Representative Director, NPO Shinjuku Environmental Information Network

Profile
 Graduated from Rikkyo University in 1974. Joined SHUEISHA Inc. Since 1985, she has been working on environmental and energy issues, especially the creation of sustainable recycling-based communities from a consumers' point of view, as a freelance journalist. She belongs to many government committees, including the "Central Environment Council" of the Ministry of the Environment, the "Advisory Committee for Natural Resources and Energy" of the Ministry of the Economy, Trade and Industry, and the "National Land Council" of the Ministry of Land, Infrastructure, Transport and Tourism, as well as a committee member of the Tokyo Metropolitan Government and other local governments. She is also an Adjunct Researcher at Waseda University and a local revitalization specialist appointed by the Cabinet Office, Government of Japan. Following the Great East Japan Earthquake, she has been working on creating forums for dialog in relation to the environmental recovery and restoration of Fukushima.

Key writings:
 Book: "Dare demo dekiru gomi diet" (1999, Godo Shuppan)
 Thesis: "Civic Role and Civic International Cooperation, which realize Recycle Type Community Improvement of Collaboration" (2005, Environmental Research Quarterly)
 Co-author: "Denknogomi Chisoushobunsaizensen wo manabu tabi" (2010, Recycle Bunkasha)
 Co-author: "Minna de tsukuru Olympic/Paralympic" (2015, The Environmental News)

In recent times, the world has been greatly changing, as illustrated by some of the frequent natural disasters that have occurred in various places due to climate change, and the increasing importance of the efficient use of natural resources as a result of global population growth. In addition, there are now also a number of diverse social issues in Japan, such as the declining birthrate and aging society, the depopulation of rural areas and the need for higher energy self-sufficiency rates. Therefore, there is an urgent need to realize a sustainable society, which takes the environment, economy, society and culture all into consideration.

I was very impressed by the message from Mr. Kato, President & CEO, clearly stating that in an age in which, as represented by the widespread use of information communication with IT, the social situation involving paper is drastically changing, and that the company will pursue all the possibilities of paper mainly made from the "Most eco-friendly natural materials," by taking advantage of the company's main asset, its "Human resources."

The attitude to target becoming a company that has an established presence in 100 years time as a company with a long history suggests a strong determination to succeed.

In relation to the medium-term management plan, the direction the company is working towards to make advances in the fields of printing paper, special paper, information-related paper, packages and chemical products by using wood that enables a recycling-based business viable in a cycle of tree-planting, logging, paper making, recycled paper making and biomass, enriches the lives of people and at the same time, contributes to solving environmental and social issues. I have high expectations of its influence as an environmental contribution through the company business.

As part of this process, a critical point is how employees maintain their motivation as a member of a paper trading company and make advances with customers and manufacturers. With a great deal of interest therefore, I read the "Special Feature: Round-table Discussion" in this CSR report, in which employees in charge of sales and marketing discuss "Eco-friendly products."

As the employees of the company appear to be aware, through many cases such as "Products that contribute to countermeasures against global warming by partially returning the sale of paper made from the lumber of thinning for forest protection," "High barrier packaging materials that reduce food losses by extending 'Best before' dates," "Provision

of forest-certified paper with proper management covering everything from paper production to processing and logistics to a publisher for periodicals," "Selling 'Controlled wood' to decor materials and business machine manufacturers," "Utilization of a manufacture's sample book of 'Environment-friendly paper,'" "1% for Present Tree" in which 1% is added to the purchase amount of paper from the company, and this amount of 1% is then used to support tree-planting," and "Reduction of delivery costs and CO2 emissions by providing lightweight bulking paper to publishers," your company is without doubt "Bearing a part of the future of the global environment."

I certainly hope the company will further strengthen its activities in terms of compliance with the "Environmental-based Procurement and Sales Guidelines," and in the near future, quantitatively comprehend and disclose its contribution to a low carbon society, recycling, and bio-diversity. I believe this will lead to the creation of a virtuous cycle between the environment and the economy in which not only your company but also the final products that take advantage of your eco-friendly products will be appreciated by society.

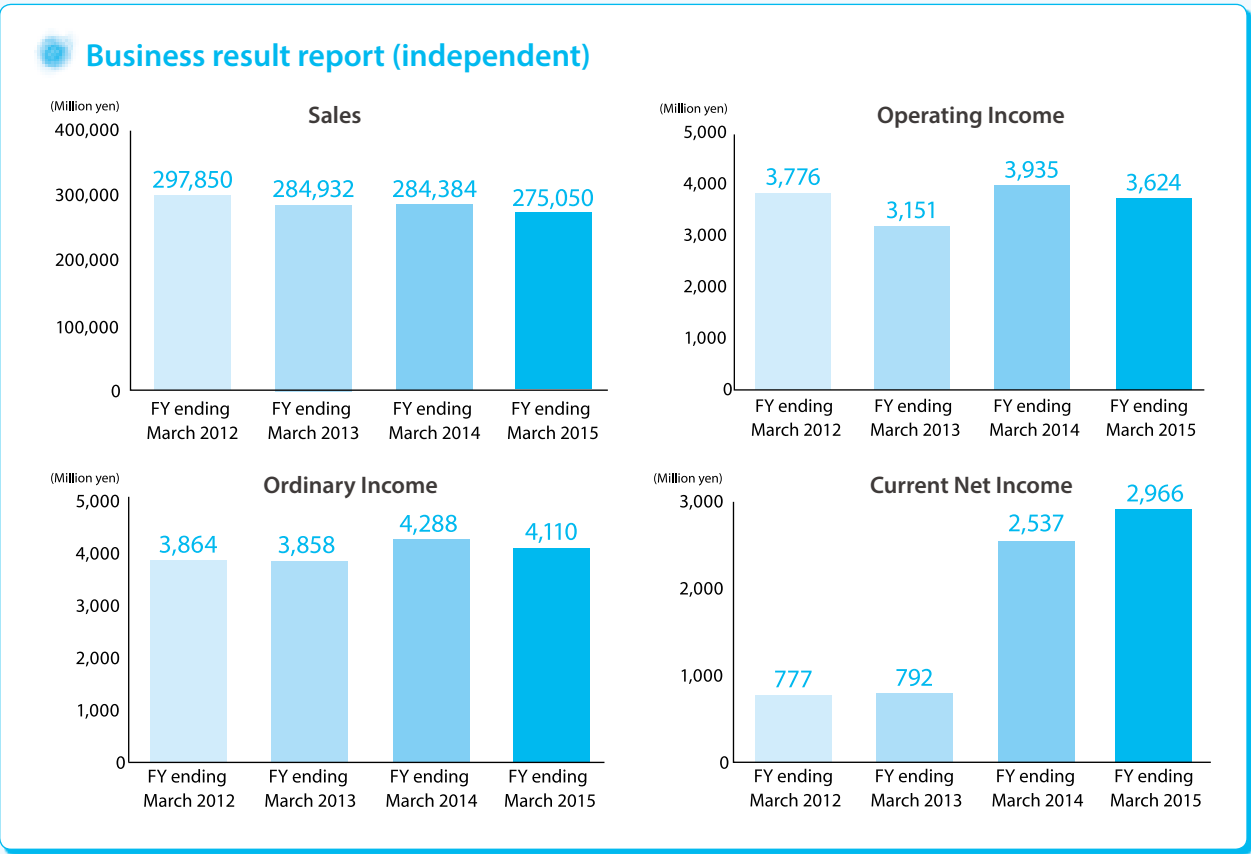
In relation to business activities, the company has acquired an ISO14001 certification, been conducting business in accordance with its management system, and quantitatively comprehending and disclosing environmental situations. Although the company has carefully designed a system to support its employees, I think if you also disclose information on the promotion of women's active roles in the workplace, child-care and nursing leave based on real data, it will lead to a further promotion of these same efforts.

Also, I found it to be a remarkable attitude that as a paper trading company you are expanding local community-based initiatives such as tree-planting and beautification activities. I hope that you have people including those in your offices as well as those in the neighborhoods of your business bases and indeed your customers read this CSR report and use it to build relationships of trust in view of the future.

Finally, the company has been focusing on supporting persons with disabilities as a pillar of social contribution, such as promoting "Paralym Art" and promoting the employment of such persons. Taking the 2020 Tokyo Olympics and Paralympic Games as a turning point, the Japanese government is targeting the creation of a society that takes advantage of diversity. I anticipate that the company will play an even greater role to realize a sustainable society from an environmental, economical, social and cultural standpoint.

Corporate Overview

Company name	SHINSEI PULP & PAPER COMPANY LIMITED
Head Office/ Central Branch	1-8, Kandanishikicho Chiyoda-Ku, Tokyo, 101-8451 Japan
Established	November 3, 1889
Incorporation	March 14, 1918
Capital	3,228,000,000 yen
Line of business	Paper, pulp, chemicals, processed paper, architectural materials, machinery, equipment, etc.
Number of employees	615 (As of March 31, 2015)
Domestic business sites	7
Description of business	1. Sales and processing of paper, pulp, chemicals, and chemical products as well as the sales of paper products 2. Sales and lease of paper processing machines, printing machines, packing equipment, synthetic resin processing equipment, industrial electric equipment, transportation machines, communication equipment, office equipment and accessories 3. Sales and lease of packing materials, printing and bookbinding materials, architectural materials and papermaking materials 4. Brokerage, wholesale, agency and import/export of any of the foregoing items 5. Business system design, installation, supervision, and contracting of any of the foregoing items 6. Trusted development of land as well as sales/purchase, rental/lease and supervision of land and building 7. Room rental and parking lot service 8. Warehouse service and automotive transportation business 9. Interior finishing work 10. Investment in business associated with any of the foregoing items 11. Non-life insurance agency and insurance agency based on the Automobile Accident Compensation 12. Life insurance solicitation 13. Sales of books, magazines, and stationery 14. Power generation utilizing natural energy and supply, sales, management, operations and mediation of electricity 15. Any other business incidentals or relating to the businesses referred to in any of the foregoing items
Welfare facilities	Six locations across Japan



SHINSEI PULP & PAPER COMPANY LIMITED

SHINSEI PULP & PAPER COMPANY LIMITED

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