



CSR Report 2025

Corporate Social Responsibility



CaMISHELL is our term for paper which is blended with eggshells, primarily disposed of as industrial waste, as a raw material. The use of eggshells also contributes to the reduction of carbon dioxide emissions when incinerated.

The cover artwork is from Paralym Art, which is supported by Shinsei Pulp & Paper Company.

SHINSEI PULP & PAPER CO., LTD.

Create New Value

We are a trading company that provides solutions for paper, paperboard, and film. As a trading company, we reliably deliver products to customers. But our role doesn't end there. Taking to heart our DNA of "innovation and challenges," we will strive to accurately identify the issues faced by our customers and society as they change with the times, delivering added value that will support their sustainable development.

Management Philosophy

We respond to the changing times with a firm commitment to "innovation and challenges" and continue to grow with society.

Management Policies

1. We will continue to meet our responsibilities to create a rich society through eco-friendly corporate activities.
2. We will continue to grow as a company that is supported, needed, and chosen.
3. We will continue to pursue the infinite possibilities of wood-based natural materials starting with paper.
4. We will each maintain high aspirations and display our talents as professionals.

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Editorial Policy

The editorial policy of the CSR Report is communicating our CSR activities in an easy-to-understand manner to our stakeholders. This report is an annual report covering the period of fiscal 2024 (April 2024–March 2025), but some of the latest initiatives that began after April 2025 are also referenced. In the creation of this report, internal and external surveys were conducted on last year's CSR Report, and thoughts and views from these were reflected in this report's planning and composition. We would like as many people as possible to learn about our CSR activities through this report.

Business activities covered by this report:	Compiled mainly from social and environmental activities at domestic sales bases.
Guidelines:	Environmental Reporting Guidelines (Fiscal Year 2018 Version) published by the Japanese Ministry of the Environment; ISO 26000
Publication:	October 2025

About the Cover

The front cover is decorated with artwork from Paralym Art, which is supported by SPP. Paralym Art is an activity carried out by the Shougaisha Jiritsu Suishin Kikou Association to support the social participation and economic independence of people with disabilities through art. The cover illustration is "Colorful Whale" by Obake no Tam Tam, a blind artist.

Comment from the Artist

This piece was produced by cutting out whale shapes and weaving together each color in thin strips. The fact that I am now unable to see makes the colors shine even more vividly in the ocean of my imagination. Having retrieved the colors from the deep seas of my memory, from when I still had my sight, I joined them together, one by one, with my fingertips. Having my work chosen as the "face" of SPP is a great honor — a source of light. I hope the tail fin of this whale brings a gentle breeze into the hearts of all who see it.

Message from the President



We will draw on our proven capabilities in overcoming drastic changes in the external environment to create new value that drives societal transformation.

Etsuo Sanpei
President, CEO

Review of the Mid-term Management Plan

The three years of “Growth 2024” were a period in which we confronted significant shifts in demand while charting a course for transformation and sustainable growth.

Looking back on “Growth 2024,” our 6th Three-year Mid-term Management Plan, although we anticipated some changes in the external environment when formulating the plan, the past three years presented us with greater-than-expected shifts in demand. These included increased human mobility, such as demand from inbound tourism, as well as heightened geopolitical risks and rising costs of raw materials and fuel.

In addition to growing awareness of environmental issues, including the need to reduce CO₂ emissions, the paper industry implemented multiple price revisions during the period of the mid-term plan. Beyond rising costs of raw materials and fuel, as well as exchange rate fluctuations, environmental countermeasure expenses, such as those involved in GHG (greenhouse gas) reduction expenses, were cited as reasons for these price revisions. As such, addressing carbon neutrality has become an essential element for future sustainable growth.

While our results fell short of the plan in terms of volume, due to factors such as reduced demand stemming from price increases and the impact of lighter packaging materials, we surpassed our revenue

targets, primarily as a result of the price revisions leading to higher unit sales prices. At the same time, by strengthening efforts to develop demand for specific applications, we were able to secure a certain volume of sales. However, even looking solely at food packaging materials, the materials used, such as paper, paperboard, and chemical products, change rapidly every three to four years due to shifts in the food industry’s distribution channels and fluctuations in demand. One key factor was the significant impact of lifestyle changes on business results. For example, while demand for home-cooked meals increased during the COVID-19 pandemic, demand for eating out grew again after the pandemic subsided. Failure to respond promptly to such shifts in demand could lead to difficulties in sales. On the other hand, for chemical products, when a shortage arose across the market as a whole, we were able to continue supplying film and maintain sales because we had been working to expand our supplier base.

These experiences have reaffirmed the importance of transforming our systems to reliably address the evolving needs of each user, while also revealing a path toward sustainable growth.

7th Three-Year Mid-Term Management Plan “Create New Value”

Slogan

Exploring the possibilities extending from paper, paperboard, and film, and creating new value

To respond to the accelerating changes in the market environment, we will strive to revitalize each of our businesses by enhancing the trading company functions within our core “businesses related to the wholesaling of paper, paperboard, chemical products, etc.” thereby providing further added value, and by maximizing the utilization of our group’s management resources.

Basic Policy

- (1) Securing revenue in response to fluctuations in demand within the paper, paperboard, and chemical products markets
- (2) Enhancing our capabilities as a trading company to respond to changes in the business environment (customer needs)
- (3) Expand businesses through revitalization of group management



Create New Value

In our new three-year mid-term management plan, we will take on the challenge of cultivating markets and developing products and applications, creating fresh value to open up new markets.

April 2025 marked the start of our new three-year mid-term management plan, titled "Create New Value." This embodies our commitment to developing the market itself by creating new values and needs, rather than being constrained by trends in existing markets. We intend to make this a three-year period that focuses on unlocking the underlying value of materials based on their applications, and on cultivating new markets, applications, and products.

Of particular importance for achieving our goals is establishing a structure capable of responding to change and anticipating trends. To that end, we implemented a sweeping organizational restructuring in April 2025. Specifically, this involved appointing a person responsible for Electrical Materials within the Sales Headquarters to integrate domestic and overseas operations, alongside a person responsible for Packaging & Chemical Products to formulate comprehensive strategies for all packaging materials, encompassing both paper and film. This will further strengthen collaboration across the Paper, Paperboard, and Chemical Products divisions.

In terms of our products themselves, although existing demand still remains, products have a lifecycle, and specifications are constantly changing and evolving. Furthermore, demand is growing not only for individual products but also for material combinations that enhance functionality, such as laminating paper and film. To respond to these changing needs, it has become essential to secure processing bases, logistics routes, and inventory functions to fulfill supply responsibilities, leading to increased complexity in our operations. This makes it all the more important to share and leverage information, products, and services across the entire group, thereby expanding our capabilities as a trading company to meet evolving customer needs. Therefore, with this organizational restructuring, rather than enhancing specialization by product line, we are strengthening our consulting capabilities to propose optimal solutions for each individual customer, taking into account a group-wide perspective.

Toward the Creation of Corporate Value

We will pursue the various possibilities of a wide range of materials, aiming to contribute to solving environmental and social challenges.

We recognize that to maximize our corporate value, it is essential to further refine our competitive advantage as a general trading company with expertise in both paper and chemical products. To achieve this, it is increasingly important to adopt a perspective that incorporates not only economic aspects, but also environmental conservation and broader societal challenges.

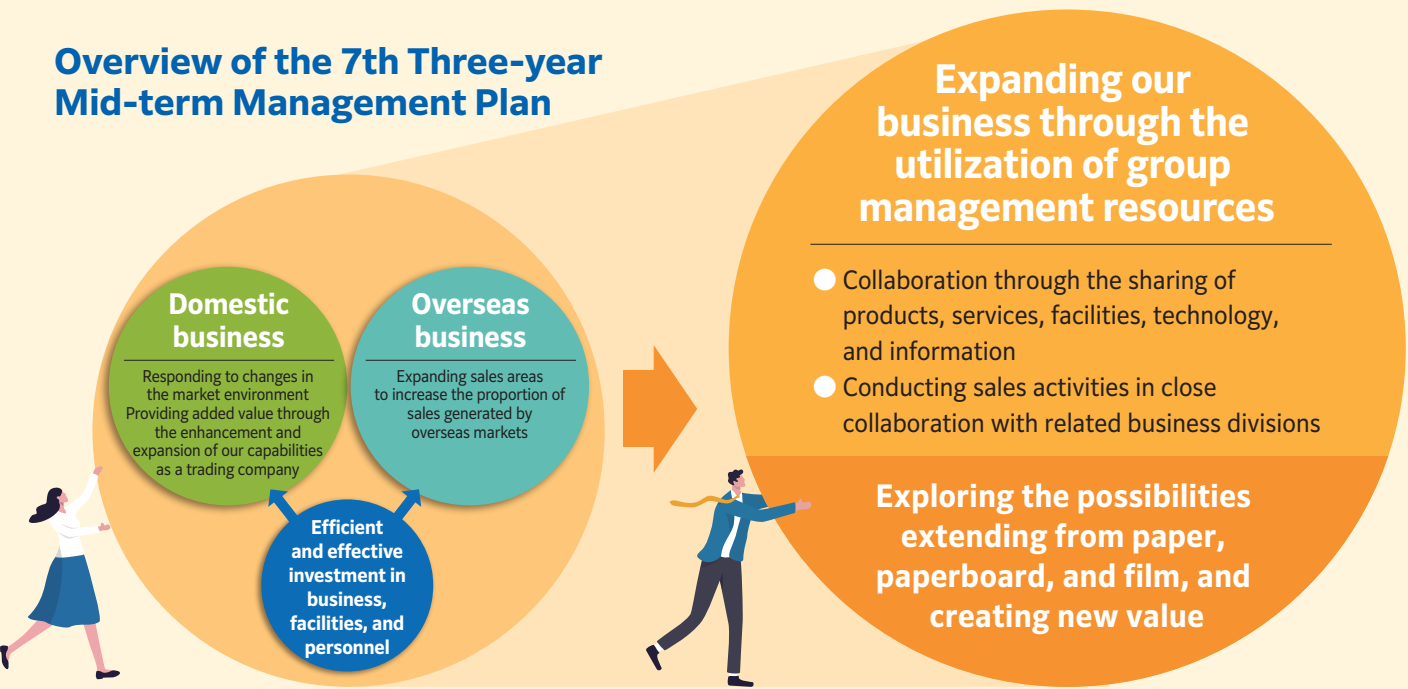
Taibo Co., Ltd., a major affiliate, operates across the entire plastic recycling cycle, from sorting and collecting plastic resources to converting them into recycled raw materials and molding them. We intend to continue strengthening our handling of various products from Taibo and other affiliated companies, providing them to our customers as unique added value.

Furthermore, we must further strengthen the logistics reforms we have been advancing thus far. As such, we are currently expediting initiatives such as the introduction of DX aimed at ensuring the sustainability of logistics. At Shinsei Distribution Company, a major affiliate, an automated vehicle allocation system

enabled by DX has produced significant progress in the rationalization of utilization rates, loading rates, and costs. Also crucial from the perspective of enhancing corporate value are efforts to reduce environmental impact. As part of this year's organizational restructuring, all environmental operations previously managed by the Administration Headquarters have been transferred to the DX Promotion Office within the Sales Headquarters. Additionally, a new "Sustainability DX Promotion Office" has been established. This office will contribute to our customers' CO₂ management operations by addressing the introduction of carbon pricing, enabling information sharing through databases, and creating new services.

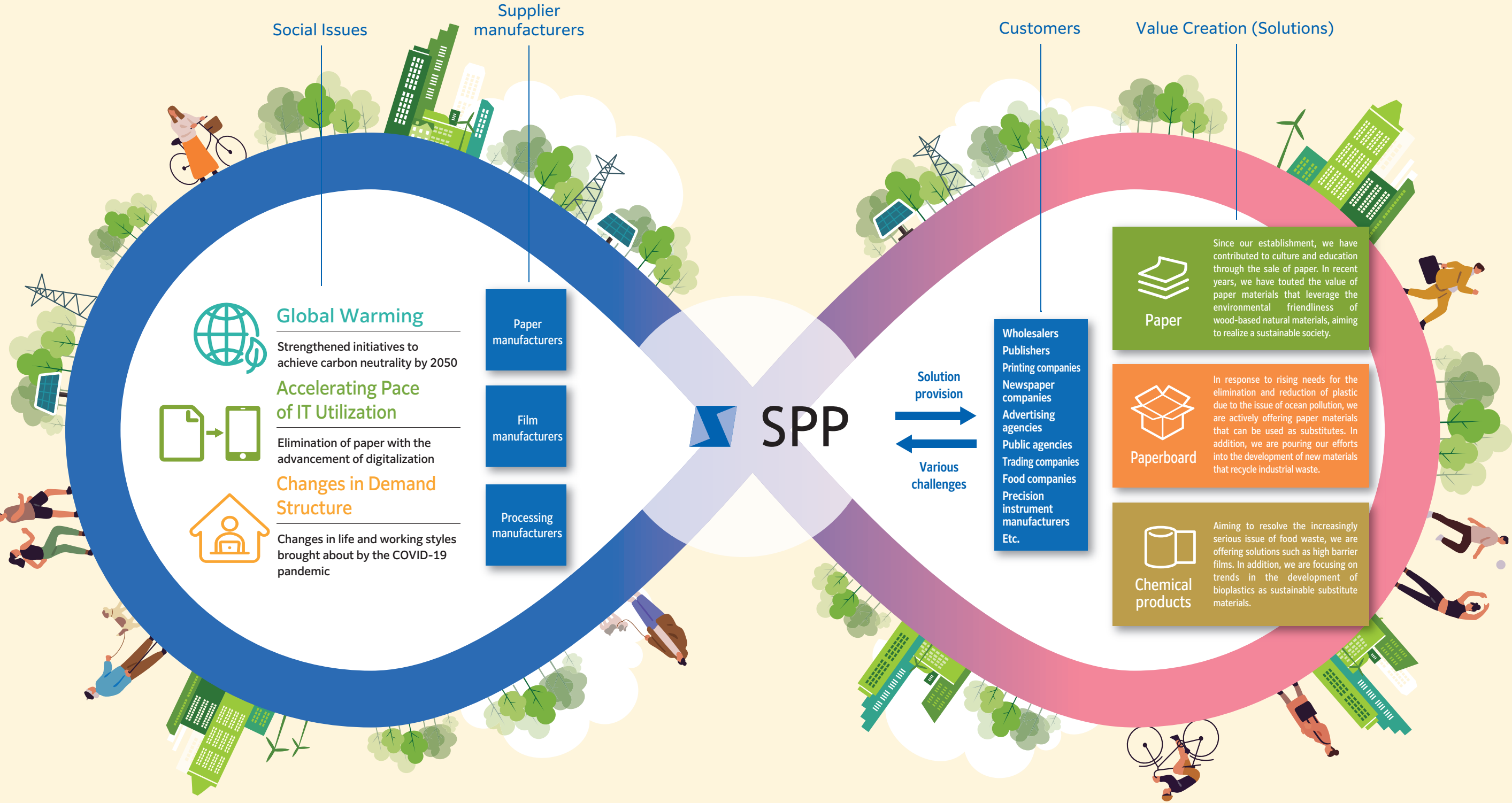
As a general trading company handling a wide range of materials, we take pride in our role as a fundamental pillar supporting many different industries. Going forward, we intend to draw on this strength to actively propose solutions that contribute to the realization of a sustainable society.

Overview of the 7th Three-year Mid-term Management Plan



SPP's Value Creation

SPP provides added value to both our customers and supplier manufacturers, emphasizing the creation of solid relationships of trust. Respecting business practices cultivated over many years, we provide solutions that are of value to society.



Contributing to the SDGs



Working with a wide variety of suppliers, we contribute to the reduction of food waste by proposing high value-added high barrier films.



IT is becoming more and more common in the field of education, but we are contributing to better learning by raising awareness of the learning benefits of actually writing on paper.



As professionals in the field of materials proposals, positioned between manufacturers and businesses, we engage in activities that contribute to sustainable consumption and production.



We will contribute to mitigating climate change and its effects by proposing environmentally-conscious products that contribute to the formation of a recycling-oriented society.



By undertaking tree-planting activities together with our customers and promoting reforestation, we will contribute to the preservation of sustainable oceans and marine resources.



Group-wide



Becoming a Team of Professionals who Pursue Every Possibility

Noboru Toba
Director and Executive Managing Officer;
Director-General, Sales Headquarters

In addition to declining sales volumes due to the shrinking domestic market, significant factors affecting both operating income and ordinary income include rising costs for logistics and labor, as well as foreign exchange losses caused by currency fluctuations. As a result, we are now in an era in which achieving volume alone is not enough to generate the same level of revenue as before. Under these circumstances, we are actively pursuing M&As and partnerships to increase the proportion of our sales generated in overseas markets. We will also focus on anticipating shifts in demand, as well as developing and discovering new markets, new products, and new schemes.

With more suppliers than our competitors in standard paper, paperboard, film, and functional materials, we are able to pursue a wide range of business opportunities. Additionally, we are working to expand our business across the entire group in collaboration with various affiliated companies. To make full use of these management resources, we will strengthen our Corporate Planning Department, Sustainability DX Promotion Office, Development Department, and Sales Promotion Department, aiming to become a team of professionals who pursue every possibility. We will further refine the supply capabilities, logistics functions, credit management, proposal skills, and problem-solving abilities we have cultivated to date, becoming a company that is supported, needed, and chosen more than ever before.



Printing Paper



Proposing Solutions that Transcend the Scope of Paper

Mitsuharu Kurihara
Director and Senior Executive Officer;
General Manager, Third Paper Division, Tokyo Headquarters;
Responsible for Printing Sales at Sales Headquarters

In the realm of printing paper, it is crucial to evolve beyond merely supplying paper, instead working to maximize its functionality, expressive power, and sustainability and transform it into a more impactful and effective medium. By adding new value to paper itself, such as through environmentally-conscious proposals, we will create value together with our customers.

I believe the SPP Group's greatest strengths lie in its extensive expertise in paper, a stable domestic supply system, and a customer base that extends across multiple industries. By drawing on these strengths, we will invigorate our paper business by promoting logistics services that reduce customers' inventory burdens and strengthening our ability to propose solutions that transcend the scope of paper.

As such, the current three-year mid-term plan aims to further enhance our ability to propose environmentally friendly and functional papers, thereby creating new value and transitioning to a solution-based business model that contributes to a sustainable society. Furthermore, by strengthening value-added proposals that address the challenges of our customers and respond to digitalization and increasingly varied printing needs, we will establish our position as a "co-creation partner."



Packaging

Focusing on Developing the Next Generation of Leaders



Masao Ueba
Director and Executive Managing Officer;
Deputy Director-General Sales Headquarters;
Responsible for Packaging & Chemical Products at Sales Headquarters

The Packaging Business Promotion Department has been newly established to eliminate the drawbacks of a siloed organizational structure and to develop new product proposals, solution-based sales, and sales support. Currently, with issues like PFAS*, it is crucial for functional materials to address environmental concerns, and to do so, companies are competing to propose materials that balance high functionality, such as water resistance, oil resistance, and barrier properties, with environmental considerations. Accordingly, we at SPP are focusing our efforts on securing additional suppliers of board, coating materials, and resins to meet these needs. Furthermore, with strong demands for cost control in packaging, we are accelerating efforts to achieve even lighter and thinner designs.

Meeting customer demands for reduced plastic use, paper-based alternatives, and recycling initiatives requires expertise, and the significant time required for market analysis and documentation preparation makes further DX critically important. Going forward, we plan to actively promote the development of sales personnel with specialized knowledge and proposal capabilities, along with sales support, while focusing on cultivating leadership talent to drive the future of the packaging field.

* PFAS: Per- and polyfluoroalkyl substances



Overseas Expansion

Proactively Expanding Sales and Procurement in New Regions



Tadashi Kimura
Executive Managing Officer;
Responsible for Overseas Business at Sales Headquarters;
Head of Overseas Business Department, Sales Headquarters;
Responsible for Electronic Materials at Sales Headquarters

Our overseas business has primarily focused on Asia, but recent years have seen an increase in sales to North America. Additionally, while sales to South Asia, the Middle East, and Europe remain limited, we view this as a growth opportunity and are actively working to expand our sales regions. We will redouble our efforts in the packaging market, which remains robust, while also actively pursuing overseas sales and procurement in the soft packaging market, where we have particular expertise.

Going forward, as digitization advances further in overseas markets, the demand for paper in developed countries will continue to decline. In pursuing the creation of new value in our overseas business, we recognize that our key role as a trading company is to collaborate with customers and manufacturers to develop new applications for paper and environmentally-conscious products.

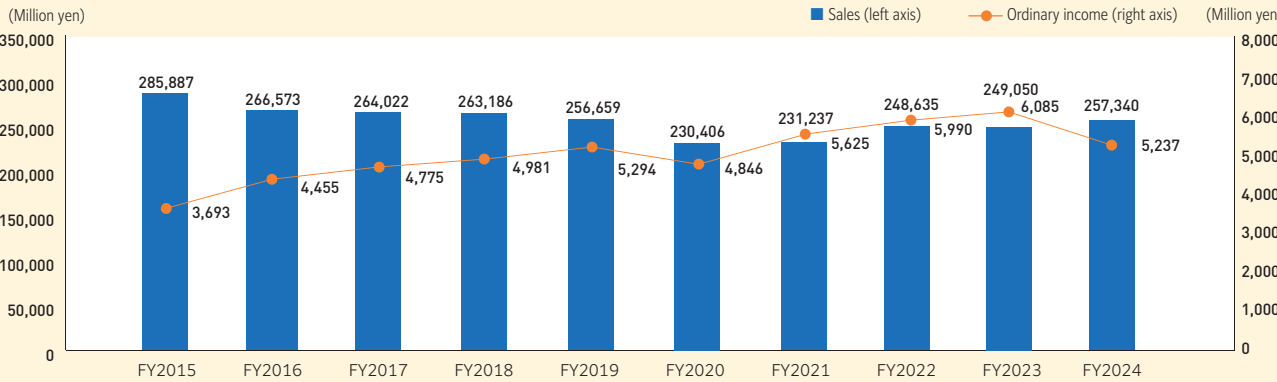
As such, it is crucial to move beyond traditional sales activities organized by country, region, or product, and instead view matters from a global perspective. Furthermore, to respond swiftly to the differing needs of each market, we aim to further strengthen our relationships with local partners through M&As and collaborations.

Business Overview

FY2024 Performance

We have strengthened cooperation among the five fields of printing paper, special paper, data processing paper, packaging paper, and chemical products, and in order to respond to changes in the social environment and structural declines in demand, we have taken the lead to sustainably expand corporate value and improve business productivity. As a result, in fiscal 2024, sales were 257,340 million yen (up 3.3% year on year), operating income was 4,700 million yen (down 1.0% year on year), ordinary income was 5,237 million yen (down 13.9 % year on year), and net income attributable to parent company shareholders was 3,600 million yen (down 13.7% year on year).

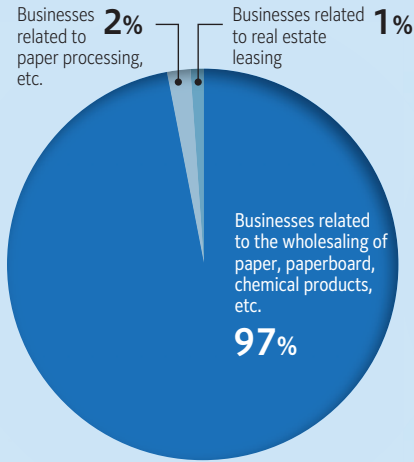
Changes in Sales and Ordinary Income



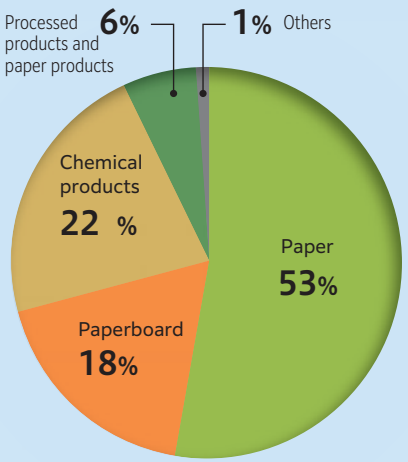
Review of Performance by Business

Main Products and Businesses		Review of FY2024 Performance (Non-consolidated)
Paper	<ul style="list-style-type: none">Printing paper (books, magazines, flyers, etc.)Data processing paper (copy paper, sales slips, receipts, etc.)Functional and special paper (paper carrier tape, separators, non-woven fabric, etc.)Packaging paper (heavy duty bags, wrapping paper, envelopes, shopping bags, etc.)	Domestic demand for graphic paper continued to decline due to structural factors, resulting in decreases in both sales volume and revenue. Overseas sales rebounded from the previous year's decrease, which was a result of inventory adjustments, showing a year-on-year increase in both volume and revenue.
Paperboard	<ul style="list-style-type: none">Containerboard (cardboard cases, etc.)Boxboard (high-grade packaging, etc.)Other paperboard (colored paperboard, chipboard, account book covers, packages, etc.)	Although containerboard sales were impacted by the delayed recovery in personal consumption and reduced shipments due to unfavorable weather conditions, demand for paperboard for containers recovered, particularly for pharmaceutical and cosmetic applications. As a result, both sales volume and revenue were nearly on par with the previous year.
Chemical products	<ul style="list-style-type: none">Packaging film (food, miscellaneous goods, medicine, biomass film, etc.)Industrial and optical film (adhesive film, etc.)Food waste-reducing filmUniversal design filmSpecial functional film (reduced volume film, etc.)	Sales of chemical products increased year on year, driven by higher sales volume following the completion of inventory adjustments and higher unit prices resulting from price revisions.
Others	<ul style="list-style-type: none">Affiliated companies businesses (processing and wholesaling of paper, paperboard, and chemical products, warehousing and transportation)Real estate (building leasing)Others (solar power generation, insurance agency, etc.)	In the paper processing and other related businesses, there was a decline in sales revenue due to a fall in sales of paper packaging materials. In the real estate leasing-related business, while there were tenant vacancies primarily in office buildings, rental revenues increased due to income from rental properties acquired in the previous fiscal year.

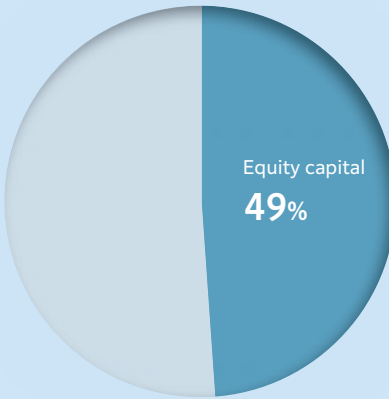
Composition of consolidated sales



Product sales (non-consolidated)



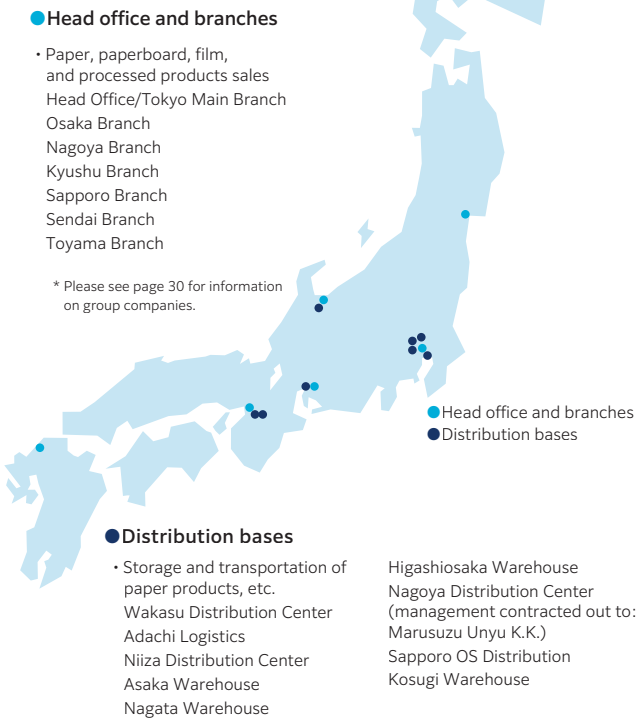
Consolidated equity ratio



Network

In order to respond promptly to customer requests in any location, SPP has established a sales and logistics system that links every corner of Japan. We are also developing a framework to expand our sales channels overseas.

Domestic bases and primary business segments



Overseas Bases and the Types of Products They Carry



Promotion of Logistics Reform



Koji Shinpo

Executive Officer; General Manager, Operations Group, Sales Headquarters

Maximizing the Use of Management Resources to Achieve an SPP with Strong Logistics Capabilities

While DX in the logistics industry is gathering pace, including optimization of operations using AI and big data, automated warehouse systems using robots, and delivery services using drones and autonomous vehicles, there is also a focus on sustainability, such as the use of green energy and eco-friendly packaging. As the industry shrinks, challenges such as the increase in small-lot deliveries due to lower shipment volumes are gradually growing, demanding greater improvements in loading rates and consolidation of deliveries than ever before.

Furthermore, we will work to maximize the use of our management resources to become an SPP with strong logistics capabilities. As a trading company, we place the highest priority on human resources, and in this regard, we conduct employee training as needed to address challenges. In addition, we will undertake logistics reforms that effectively combine financial and physical resources.

Achieving Sustainable Logistics Through DX and Streamlined Delivery

Daisuke Kukimoto

General Manager, Logistics Planning Department, Operations Group, Sales Headquarters



To promote sustainable logistics, we will work to optimize inventory locations, such as by shortening delivery distances and consolidating shipments, while also strengthening joint delivery with distributors, thereby improving delivery efficiency. We will further analyze logistics processes and collaborate with sales departments to drive operational efficiency through logistics DX initiatives. Furthermore, while complying with the revised Subcontracting Act regarding transactions between shippers and logistics providers, we will enhance our response to the driver shortage while improving delivery efficiency. This will be achieved by securing lead times and promoting joint delivery with distributors.

Responding to Changing Needs Through Joint Delivery with Industry Peers

Mitsushiro Nakajima

Manager, Logistics Planning Department, Operations Group, Sales Headquarters



The Logistics Planning Department conducts sales activities to promote inventory placement with manufacturers for Shinsei Distribution Company, an affiliated company, and to advance collaboration with other logistics companies. Traceability and transparency based on an environmentally conscious approach is vital in today's paper logistics industry, making digitalization a must. Furthermore, we recognize that to respond to changing needs, it is necessary not just to improve delivery efficiency and optimize inventory, but also to further promote joint delivery with other companies in the same industry. In the future, we plan to introduce environmentally-friendly vehicles such as electric trucks.

Pursuing Sustainable Paper Logistics

The SPP Group is working to improve the working environment for truck drivers and enhance overall productivity in the logistics industry. To this end, we are working to improve loading efficiency, reduce waiting and loading/unloading times, secure lead times, consolidate small-lot deliveries, and optimize inventory locations by shortening delivery distances, thereby reducing truck drivers' working hours and improving the efficiency of the entire logistics system.

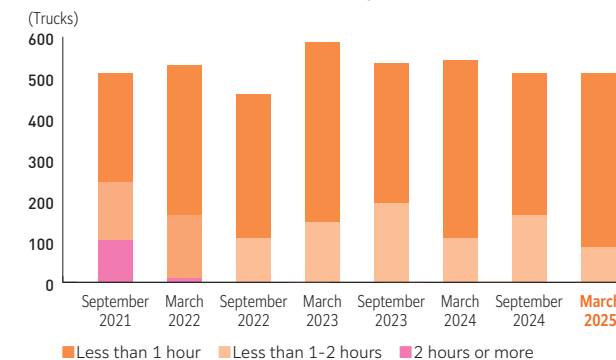
In addition, Shinsei Distribution Company is working to improve the efficiency of its logistics operations, and has significantly reduced the percentage of trucks waiting on standby by introducing a warehouse reservation system and a dynamic management system. Going forward, it is considering the introduction of an automated vehicle allocation system in order to achieve efficient vehicle

dispatching and operational improvements.

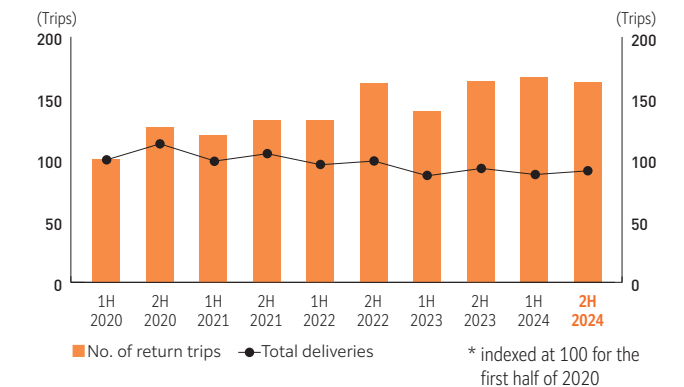
Meanwhile, efforts regarding collaborative delivery with agents have been ongoing since fiscal 2011. In order to improve effectiveness, we are promoting the sharing of warehouses, as well working to consolidate inventories of products with the same delivery destination and to allocate them to warehouses with the shortest delivery distances. In addition, in order to make effective use of trucks, we actively use return trips* to reduce the number of unused trucks and improve delivery efficiency. Furthermore, in April 2023, we started reciprocal carrying of return cargo with other industries, aiming to improve loading rates and reduce CO₂ emissions through the use of round trips.

* Refers to the use of an empty truck that has finished carrying a load and is returning to the company to carry another.

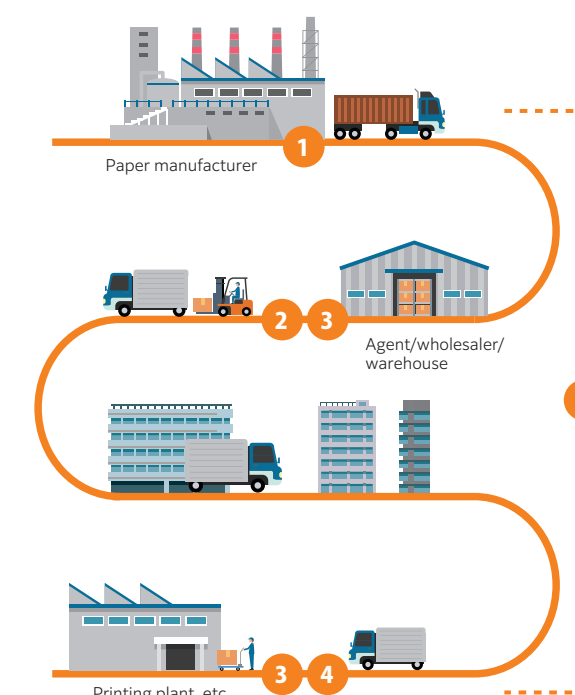
Cutting waiting times for incoming trucks (Shinsei Distribution Company Adachi Sales Office)



Effective use of return trips



Paper Distribution Issues and SPP's Responses



Issue 1 Securing the lead times necessary to plan consolidated shipments in order to increase vehicle allocation efficiency

→ Improve cutoff times for ordering deliveries and promote reduction of delivery time designations to reduce the burden on shipping companies

Issue 2 Optimization of deliveries by aggregating small lot deliveries from multiple warehouses

→ Increase collaborative delivery efficiency by aggregating stock at a single warehouse

Issue 3 Wait times during warehouse loading and unloading

→ **Manufacturer warehousing**
Introduced a warehousing truck reservation system for group company Shinsei Distribution in Adachi in September 2021
→ **Business warehouse loading and delivery unloading**
Promote reduction of wait times based on investigations into the details of wait times across the industry

Issue 4 Reduction of loading and unloading work not specified in contracts, etc.

→ Promoting improvement activities across the entire industry

Issue 5 Initiatives as a shipper to resolve logistics issues relating to trucking

→ Compliance with the new Act on Advancement of Integration and Streamlining of Distribution Business, Revised Subcontracting Act, and other laws and regulations

Contributing to Solving Environmental Issues



Yasuyuki Nonaka
General Manager,
Sustainability
DX Promotion Office,
Sales Headquarters

Transferring Environmental Operations to Sales Departments to Drive the Creation of Product Value

Amidst changing social conditions and growing demands for the disclosure of ESG information, including on CO₂ reductions, biodiversity, and respect for human rights, we have transferred environmental-related operations from management divisions to the Sales Headquarters, where the Sustainability DX Promotion Office has been established to formulate and disclose initiatives from a corporate growth perspective. CO₂ reductions have become an essential element in business negotiations, and we are now in an era where decarbonization management support is key to business deals. Biodiversity and waste recycling are also key themes, and we believe that joining the Sustainable Plastics Initiative (SusPla) will strengthen our partnership with Taibo Co., Ltd. and lead to the creation of new value in recycled plastic materials. Moving forward, through collaboration with various companies, we will become a company that is supported, needed, and chosen. In this regard, we will strive to share information, create product value, and achieve both corporate growth and employee engagement.

Supporting Implementation Plans for Each Department's Environmental Goals

Naoko Okamoto
Sustainability DX Promotion Office,
Sales Headquarters



Our office calculates CO₂ emissions and implements reduction initiatives based on the GHG Protocol (international standards for greenhouse gas accounting and reporting). As the headquarters secretariat, we also support efforts to raise awareness of environmental issues among employees and facilitate the smooth operation and management of action plans for the environmental goals set by each department. We also have a strong appreciation for the importance of building and proposing our unique sales solutions, where initiatives such as CO₂ reduction and biodiversity conservation are integrated into our business activities. As a trading company handling products that are closely related to the environmental realm, we will continue our proactive efforts in information disclosure.

Helping Reduce Food Waste with High-barrier Soft Packaging

Naoto Iwaki
General Manager, Chemical Products
Department II, Chemical Products
Division, Tokyo Headquarters



The Chemical Products Division handles products that meet needs such as ISCC certification, recycling, biomass, and plastic reduction. We were one of the first in the industry to obtain ISCC certification, which has been highly valued by our customers. From the perspective of reducing food waste, there is expected to be increased demand for microwaveable pouches that use soft packaging materials with strong barrier properties, a result of the growing market for retort pouch foods targeting dual-income and elderly households. Looking ahead to the next decade, we aim to introduce our own proprietary products that accurately capture trends in the food container market.

Environmental Policy

Aiming to realize a sustainable society through our corporate activities, we made clear our promotion of the Sustainable Development Goals (SDGs) and, with an eye on the year 2030, made contributing to the resolution of global environmental issues an environmental target.

Basic Philosophy

Shinsei Pulp & Paper Company recognizes the conservation of the global environment as one of its main business priorities, aims to realize a “sustainable society in which people and nature can coexist” through all its corporate activities, and will proactively take action to pass it on to the next generation.

In addition, taking action to conserve the environment is an important duty charged to each and every one of us, and all our employees will do their best to preserve and improve the environment.

Course of Action

As a paper, paperboard, and film distribution company, Shinsei Pulp & Paper will maintain an awareness of how the environment is influenced by the products and services we offer through our business activities. We will minimize our environmental impact by setting environmental targets and promote the prevention of environmental pollution and global warming.

Furthermore, we will review our environmental targets in response to changing conditions.

Environmental Targets

1. Engage in the proactive sale of environmentally conscious products and the development of products with low environmental impact.
2. Strive to prevent air pollution by working to optimize distribution in regards to product delivery.
3. Promote the reduction and recycling of office waste.
4. Strive to proactively purchase environmentally conscious products.
5. All members will proactively conserve energy by reducing the amount of electricity and other forms of energy they consume.
6. Engage in business activities aimed at the promotion of the Sustainable Development Goals (SDGs).
7. Observe all environmental regulations as well as other requirements undertaken by SPP.

(Revised April 1, 2020)

Climate Change Mitigation Solutions

Support for Decarbonization Management

SPP partners with ASUENE Inc., a leader in advanced decarbonization management initiatives, to provide intermediary services for various services and consulting related to decarbonization management and ESG (Environmental, Social, and Governance). This

includes cloud services that support the calculation, visualization, and reduction of corporate CO₂ emissions. Furthermore, through a wide range of support services, including products with high decarbonization impact, we actively assist corporate activities aimed at realizing a sustainable society.

Asuene, A CO₂ Emissions Calculation, Visualization, and Reduction Service

SPP promotes the use of the Asuene cloud service, which enables the calculation, visualization, and reduction of CO₂ emissions, to comprehensively support companies in their decarbonization management. This service provides ongoing support to visualize the CO₂ emissions associated with business activities, develop reduction measures, verify their effectiveness, and manage progress toward long-term goals. We also provide consulting services for information disclosure to international initiatives such as the TCFD, CDP, and SBT certification, contributing to improved corporate investment ratings, enhanced employee engagement, and overall corporate value.

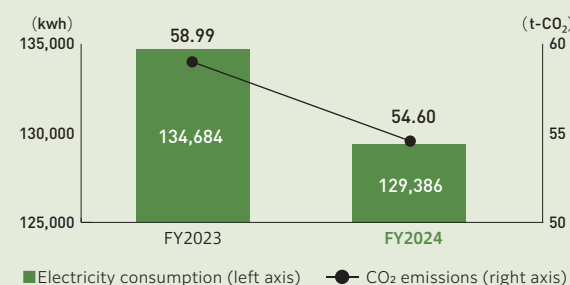
Energy Saving and CO₂ Reductions for Air Conditioning Equipment

We offer an energy-saving solution that addresses air conditioning systems, a primary source of CO₂ emissions in office environments, by reducing power consumption through the suppression of compressor degradation in outdoor units. Amid ongoing temperature rises for the peak summer season, increased air conditioning usage is unavoidable. However, reducing electricity consumption is an initiative that directly contributes not only to cost savings but also to lowering CO₂ emissions from power generation. The installation can be performed while the air conditioning is running, so it can be



installed without causing any inconvenience. Additionally, by minimizing compressor degradation, air conditioning equipment can be used reliably for longer periods, leading to reduced replacement costs.

Electricity usage and CO₂ emissions over time
(SPP Sendai Branch, introduced June 2024)



* The above are measured results and do not guarantee benefits.

Resource Recycling Solutions

Efforts to Transform Waste into Recycled Products

SPP actively promotes the recycling of waste generated by companies, primarily in the manufacturing sector. This initiative aims to contribute to the formation of a recycling-oriented society while also reducing CO₂ emissions attributable to waste (Scope 3, Category 5).

One specific example involves reusing silver skin (a waste product) generated during the coffee bean roasting process and repurposing it into straws. We are also developing and utilizing blended paper made from materials such as eggshells, burlap sacks, and coffee grounds, which were previously treated as industrial waste. Through these resource recycling efforts, we support the creation of a sustainable society.

Sales of Waste-Blended Paper

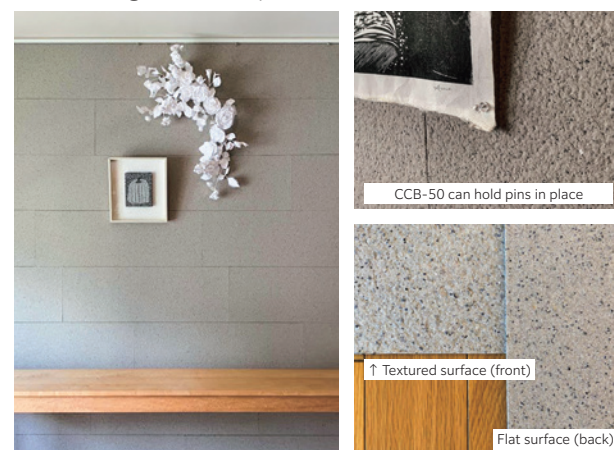
As part of our efforts to recycle eggshells, which have traditionally been disposed of as industrial waste, as well as clothing and textile waste, which has become increasingly problematic in recent years, we develop and sell paper products such as “CaMISHELL,” which incorporates eggshells, and “circular cotton paper,” made with 50% recovered cotton.

● “CaMISHELL” is a trademark registered by SPP for paper made by combining eggshells, which are disposed of as industrial waste, with pulp. We offer a wide range of CaMISHELL products, including printed materials such as business cards and catalogs, as well as



packaging and wrapping applications, to meet the wide-ranging needs of our customers. Since 2020, we have been producing products such as business card paper and coated cardboard as part of our waste-reducing product line.

- Blended paper made from textile and clothing waste has been commercialized not only for printing applications but also for a new purpose, a wallpaper material called “Circular Cotton Board.” Circular Cotton Board uses all types of fibers, including synthetic fibers, and waste paper as raw materials, achieving use of 90% recycled materials. Low in density yet providing excellent cushioning, it is valued as an interior finishing material for its sound absorption and humidity-regulating properties. Crafted using a method similar to traditional Japanese paper, it resembles stone or concrete in appearance. However, its soft texture and the interplay of light and shadow created by its uneven surface give it a unique character.



Toward a Circular Society for Plastic Resources

The transition to a circular economy is gaining global attention as an effective approach for achieving carbon neutrality. However, Japan's recycling rate for plastics remains low at around 20%, making the promotion of recycling an essential challenge for building a carbon-neutral society.

SPP collaborates with an affiliate, Taibo Co., Ltd., to promote the recycling of plastic resources by harnessing the strengths of our group, thereby actively addressing social needs. Furthermore, to promote the effective utilization of plastic resources, as well as to improve material recycling rates, expand the recycled plastic market, and enhance the quality of recycled materials, we joined the Sustainable Plastics Initiative (SusPla) as a full member in 2025.

We are also committed to selling products made from biomass and recycled resources, and

one initiative in this area was to obtain the “ISCC PLUS” international sustainability certification in 2022. Additionally, as part of our efforts to address the marine plastic waste problem, we have joined the Clean Ocean Material Alliance (CLOMA) and are continuously working to promote sustainable plastic use, develop and introduce alternative materials, and reduce plastic consumption through switching to paper products.



Forest-Certified Paper Sales

SPP recognizes the conservation of the global environment as one of the most important issues in its management and, as a paper distribution company, we have acquired FSC™*1 (Forest Stewardship Council™) and PEFC*2 CoC*3 certification with the aim of promoting paper products produced using material from forests managed according to sustainable methods. By carrying forest-certified products (paper), we are promoting sustainable forest management.

*1 The Forest Stewardship Council™ (FSC™) is a global, not-for-profit organization dedicated to the promotion of responsible forest management worldwide. [License Code: FSC-C023021]

*2 The Programme for the Endorsement of Forest Certification Schemes (PEFC) is an NPO that manages international forest certification.

*3 An abbreviation for “Chain of Custody.” Certifies that wood and wood products come from a forest whose management has been certified as sustainable.

Contributing to Forest Regeneration and Biodiversity Conservation

1% for Present Tree

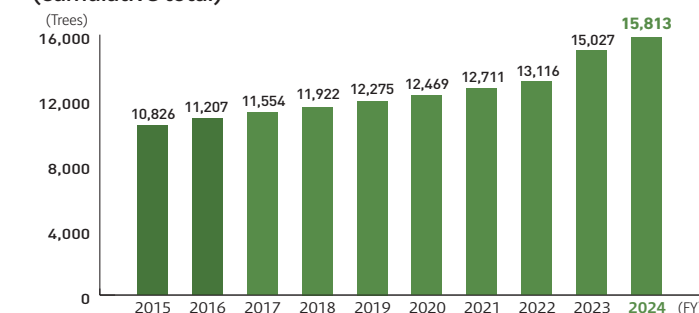
“1% for Present Tree” is a reforestation support project in which a portion (1% or more) of the purchase price of paper, paperboard, film, etc., purchased from SPP is used as a participation fee (support money) to plant seedlings in disaster-affected forests and “nature symbiosis sites” designated by the Ministry of the Environment. This is conducted through the “Present Tree” project operated by Environmental Relations, a certified non-profit organization.

Since we began this activity in 2009, we have planted over 15,000 trees, helping to prevent disasters and reduce environmental burden through the conservation of forests. Furthermore, from January 2024, to commemorate the 15th anniversary of our support activities, a large-scale tree-planting project is being carried out in five locations across the country, in which a total of 1,000 trees will be planted.



1% for Present Tree 15th Anniversary

Number of trees planted under the 1% for Present Tree scheme (cumulative total)



Environmental Management System (ISO14001)

SPP has acquired the international ISO 14001: Environmental Management System certification issued by the International Organization for Standardization (ISO) and engages in environmentally conscious business management. We have enhanced the awareness of each and every one of our employees concerning our environmental management system by organizing an ISO Environmental Management Committee with our president serving as the chief executive, and establishing activity targets for each division and department. In addition, we have increased the effectiveness of our PDCA cycle, promoting and managing implementation plans to continuously improve our environmental management system. Further, we conducted ISO 14001 education and, at the same time, promoted awareness of our business continuity plan (BCP) with the aim of strengthening education of our employees regarding environmental issues.

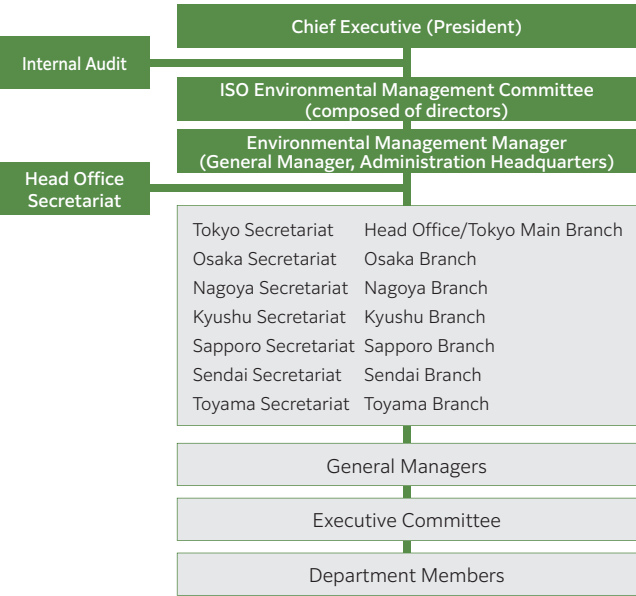
In fiscal 2023, the effectiveness of the system was enhanced by thoroughly communicating the risks and opportunities within the company, as instructed by the president in the previous year, and by responding to the need to integrate it with BCP education. We are also responding in a timely manner to environmental issues facing society, such

as by starting to calculate CO₂ emissions based on the GHG Protocol. Aiming to reform logistics and expand sales and development of environmentally friendly products, we will continue to improve the effectiveness of our ISO activities.

PDCA Cycle Conceptual Diagram



ISO 14001 Environmental Management System



ISO 14001 Internal Audit

SPP acquired ISO 14001 certification for all bases in 2002. Since that time, we have conducted internal audits of all bases, departments, and divisions twice a year in July and January in accordance with the internal audit rules of the Environmental Management System (EMS) Manual.

Year by year, awareness of environmental management has grown, and our internal audits have shifted focus from EMS compliance to effectiveness and now performance in actual practice, and our initiatives have also been highly evaluated by reviewing bodies.

This fiscal year, the internal audit committee spans a broad range of ages and positions, from general staff to management staff from the sales and management departments. Through audits leveraging the work experience of each member, we have strengthened SPP's management capabilities, improved internal environmental awareness, and verified that PDCA, the foundation of ISO standards, is functioning properly.

Environmental Targets and CO₂ Emissions

Since fiscal 2021, SPP has calculated CO₂ emissions based on the GHG Protocol (an international standard for calculating and reporting greenhouse gas emissions). SPP has set a non-consolidated CO₂ emissions reduction target for fiscal 2030, reflecting the 1.5°C scenario set out in the Paris Agreement. Up until now, we have been

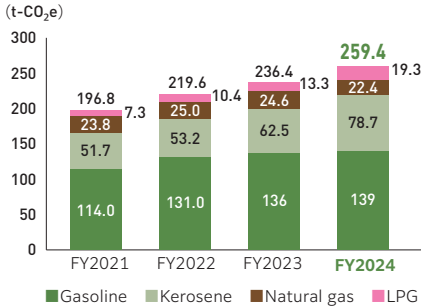
working toward reducing electricity usage and vehicle fuel consumption, but now we are also looking at introducing renewable energy sources such as biomass.

In the future, we will expand the scope of our efforts to include our group companies, with a view to reducing GHG emissions throughout the entire supply chain.

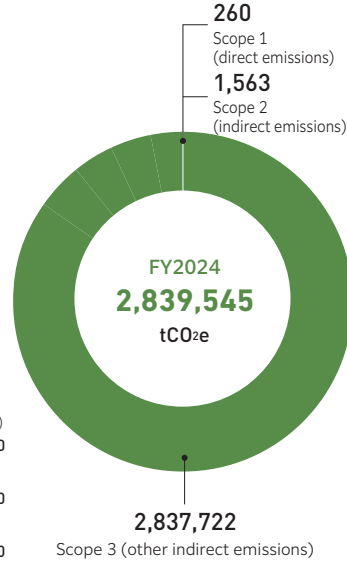
CO₂ emissions reduction target for FY2030

Scope 1+2 emissions reduced by **42%** (relative to FY2021) Scope 3 emissions reduced by **25%** (relative to FY2021)

Scope 1: Consumption by fuel type



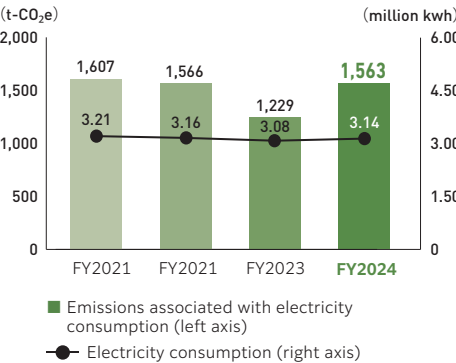
Total CO₂ emissions



Breakdown of Scope 3 Emissions

	Category	FY2024
Category 1	Purchased goods and services	2,400,892
Category 2	Capital goods	1,122
Category 3	Fuel- and energy-related activities	268
Category 4	Upstream transportation and distribution	126,090
Category 5	Waste generated in operations	22.2
Category 6	Business travel	76.3
Category 7	Employee commuting	264
Category 8	Upstream leased assets	—
Category 9	Downstream transportation and distribution	105,769
Category 10	Processing of sold products	77,008
Category 11	Use of sold products	—
Category 12	End-of-life treatment of sold products	126,210
Category 13	Downstream leased assets	—
Category 14	Franchises	—
Category 15	Investments	—
Total		2,837,722

Scope 2: Electricity consumption and associated emissions

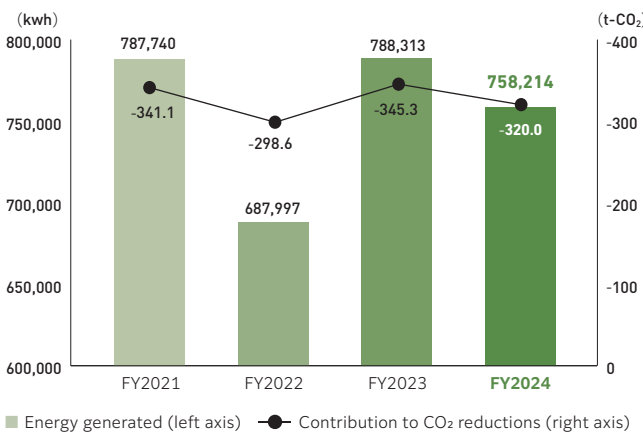


Carbon Offset Initiatives

Reducing CO₂ through Solar Power

We established a solar power facility on land owned by SPP in Tomi City, Nagano Prefecture, and began selling electricity in March 2016. During the one-year period from April 2024 to March 2025, the total electricity generated was 758,214 kWh, resulting in a CO₂ reduction contribution of -320.0 t-CO₂/year. (Calculated using Ministry of the Environment emission factor, national average factor)

Solar power generation and contribution to CO₂ reductions



Solar power

Developing Human Resources and Fostering a Positive Work Environment



Hiroki Hosoda
General Manager, General Affairs & Human Resources Department,
General Affairs Group,
Administration Headquarters

Reforming the Personnel Evaluation System to Foster a Corporate Culture Where Everyone Can Thrive

To advance our new business strategy, it is essential that the General Affairs and Personnel Department establish an “organization that realizes strategy” and an “environment where employees can demonstrate their capabilities.” To effectively place employees in roles where they can thrive within an organizational scheme that makes management decisions visible, we believe it is crucial for the General Affairs and Personnel Department to not only ascertain employees’ knowledge, experience, and skills, but also to share the career paths that employees envision for themselves. Furthermore, it is essential to enhance employee productivity by revising the personnel evaluation system and establishing a mechanism that fairly rewards effort. Recognizing that people are the most valuable asset of a trading company, we respect our employees’ knowledge, experience, and skills as the source of “Create New Value.” Accordingly, we foster a culture where a wide range of human resources can thrive and pursue sustainable growth through a flexible organizational structure.

Optimizing Generational Balance and Promoting a Supportive Work Environment

Noriaki Fujishima Manager, Human Resources Development Section, General Affairs & Human Resources Department, General Affairs Group, Administration Headquarters



With the shift to year-round recruitment, securing quality human resources has become increasingly important. Our three-year mid-term plan aims to recruit a diverse range of talent by combining new graduate hiring with mid-career hiring, while optimizing the age distribution within the workforce. Furthermore, we believe it is essential to establish a range of systems, including education, evaluation, and other programs that contribute to employee motivation and engagement, such as improving productivity, career development, and skill enhancement. Through information sharing via interviews and other means, we will foster a workplace environment that is easy to work in and conducive to forming career plans.

Creating a Workplace Environment that Enables Work-Life Balance

Kojiro Hirose Manager, Labor & Welfare Section, General Affairs & Human Resources Department, General Affairs Group, Administration Headquarters



We believe that for companies to achieve sustainable growth, it is essential for employees to maintain both physical and mental health. As such, we are conducting health and productivity activities aimed at maintaining and enhancing worker health, while also striving for appropriate labor management and the enhancement of employee benefits. Promoting work-life balance is also crucial for employees to feel a sense of fulfillment and purpose, and to approach their work with enthusiasm. To this end, we intend to establish systems that allow for a wide range of different work arrangements, including childcare and nursing care support, and to foster a workplace environment where employees can work with peace of mind, achieving a harmonious balance between work and personal life.

Basic Thinking

In order to ensure that each and every employee is highly ambitious and can demonstrate their capabilities as a member of a group of professionals, the group is committed to cultivating human resources by promoting the recruitment and appointment of a diverse range of personnel, including women, non-Japanese, and mid-career hires with many different types of experience. In addition, to ensure that all employees can make full use of their aptitudes and abilities, the Human Resources Division conducts personal interviews with all employees to ensure that the right person is assigned to the right position and that the company is managed in a healthy manner, thereby creating a safe working environment for women, older employees, people with disabilities, and others.

Respect for Human Rights

SPP respects the basic human rights of individuals and prohibits child labor, forced labor, and acts that disregard an individual's personhood, including discriminatory speech and conduct, acts of violence, power harassment, sexual harassment, and bullying, in order to support the fair and equal treatment of laborers and eliminate discrimination.

Freedom of Association

SPP respects laborers’ freedom of association and right to collective bargaining.

Human Resource Cultivation

SPP’s aim is for each and every employee to have high aspirations and demonstrate their abilities as part of a professional group. We believe that the source of our strength as a company lies in cultivating human resources by having them correctly understand targets, take correct action to achieve those targets, and correctly evaluate the results of target achievement. We put great effort into our cultivation of human resources through means such as new employee training, on-the-job training, and grade-specific training.

71.5 hours
of new employee training
(FY2024)



New employee training and plant tour



Training for new employees

Encouraging Human Resources to Flourish

SPP strives to maintain an environment that makes it easy for all employees to work and that enables them to fully demonstrate their capabilities. We promote work-life balance through means such as support for work as well as childcare and caregiving, strict observance of working hours, and encouraging the systematic acquisition of paid leave.

* For more information, please see our website.

WEB

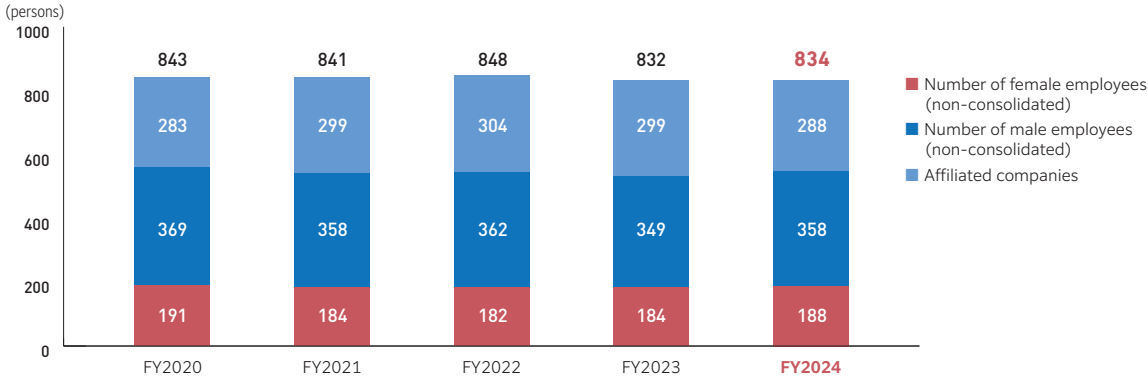
Action plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children

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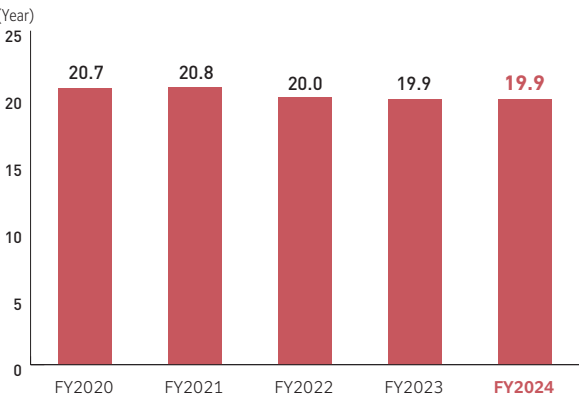
Action plan based on the Act to Advance Women's Success in Their Working Life

<https://www.sppcl.co.jp/csr/management/plan.html>

Number of employees over time



Average length of service (non-consolidated)



Promoting the Utilization of Female Human Resources

SPP has established a goal of achieving a new hire ratio of 50% women, and is proactively providing employment opportunities for women. The new hire ratio for women in fiscal 2024 was 36.0%. In addition, we strive to maintain an environment that enables women to fully demonstrate their individuality and capabilities, and for those who wish, we will accommodate changes in job category from general to career-track.

Support for Work and Childcare/Caregiving

SPP has established a leave system for childcare and caregiving. In addition, we are striving to create a work environment in which employees can comfortably balance work and home life, providing support through means such as limiting overtime work and shortened working hours in accordance with individual employee circumstances and needs. In terms of measures that go beyond the legal requirements, we are promoting the flexible application of various systems, such as covering employees with children up to the early grades of

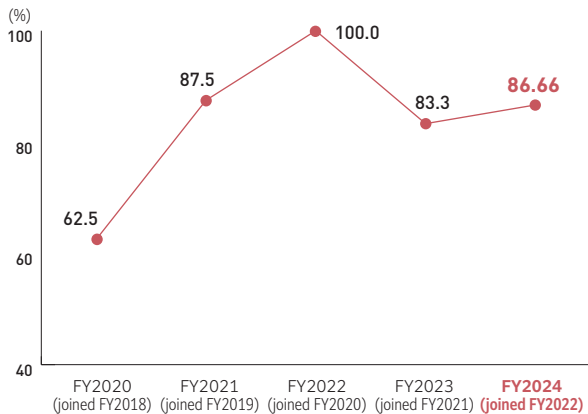
Promoting Senior Citizen Employment

We have established a re-employment system that employs employees up to a maximum age of 65 who desire to work after retirement age and who meet certain conditions such as good physical health. We have revised the retirement age for positions and the re-employment system to create an environment in which older employees can draw on their abundant experience and exercise their abilities with enthusiasm. The position-based mandatory retirement system has been renamed

Promoting Employment of People with Disabilities

SPP is actively promoting the employment of people with disabilities as part of efforts to utilize diverse human resources, and each year we fully satisfy the legally required employment rate. Going forward, we will continue to promote the expansion of the employment of people with disabilities and strive to create a work environment in which people with disabilities can work in safety and security.

3-year retention rate of new graduates (non-consolidated)



	FY2022	FY2023	FY2024
Rate of women among new hires	24.3	36.0	36.0
Number of female employees/managers	2/189	2/192	2/192

elementary school when deemed necessary by the company, and allowing employees to work while on postnatal paternity leave (childcare leave at birth).

100%

Rate of uptake of childcare leave by women (FY2024)

100%

Rate of uptake of childcare leave by men* (FY2024)

* Including special leave as stipulated in the employment regulations (may be taken when a spouse gives birth)

the position-based voluntary retirement system, and a performance evaluation system has been introduced to properly assess employees based on their contribution to the organization and its performance, resulting in significant improvements in salary and benefits.

	FY2022	FY2023	FY2024
Number of rehired employees (persons)	27	33	39

A Comfortable Workplace Environment

We are committed to creating a comfortable work environment where each and every employee is motivated to demonstrate their capabilities to the fullest. This includes efforts to improve productivity by increasing operational efficiency and eliminating dependency on individuals with a view to BCP. In addition, looking at employee engagement, the paid leave uptake rate and results from group analysis of stress checks are fed back to each department to help improve the workplace environment.

Promoting Health and Productivity Management

SPP takes pride in the health of its employees and believes that healthy and energetic workplaces begin with the health of employees. In October 2020, SPP took part in the Healthy Enterprise Declaration and, for four years running from 2022 to 2025, SPP received certification from the Ministry of the Economy, Trade and Industry and Nippon Kenko Kaigi as a Health & Productivity Management Outstanding Organization (large enterprise category).

SPP makes sure to have its employees undergo a half-day medical examination once a year and, further, for those employees at risk of lifestyle-related diseases, it has an outside organization provide a personalized health guidance interview. SPP also engages in educational activities, such as health education for women.

In fiscal 2022, we introduced our own health point system, the SPP Health Stamp Rally, and in fiscal 2025, this scheme was enhanced and relaunched as the SPP Health Point Program. This system promotes voluntary health activities by awarding points for walking, attending health seminars, and other activities.



Community cleanup activities (eligible for Health Point Program points)

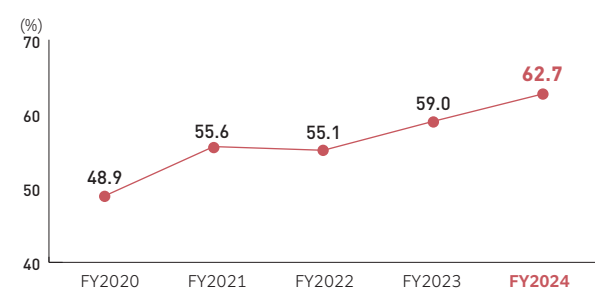


2025 Health & Productivity Management Outstanding Organization (large enterprise category)

A Cooperative Relationship with the Employee Association

At SPP, an Employee Association has been organized by employees that strives to build and maintain smooth relations between the company and employees. Believing that good relations between the company and employees are essential to company development and well-being, regular meetings are held monthly and opinions are exchanged on a variety of topics.

Rate of paid leave uptake (non-consolidated)



Holding Health Committee Meetings and Offering Health Consultations

Based on occupational health laws and ordinances, SPP holds monthly health committee meetings, with industrial physicians, employees from departments such as the General Affairs Department, and employees qualified as health supervisors taking turns as members. Advice received from industrial physicians in health committee meetings and information on safety and health topics are shared with the entire company via a health committee newsletter.

In addition, we have established a system that enables employees who so desire to receive an individual health consultation from an industrial physician.

Holding Stress Checks

Stress checks obligated by law as a mental health measure are held once a year, helping to maintain the mental health of employees and prevent poor mental health before it occurs. In fiscal 2024, the rate of employees who underwent the check was 96.3%.

Harassment Countermeasures

SPP has established the prohibition of any and all acts of harassment as part of workplace regulations. Further, we are working to prevent the occurrence of harassment and create a work environment in which all employees can work in safety and security through messages from our president and initiatives such as establishing an internal consultation service.



All-branch meeting of the Employee Association

Corporate Governance

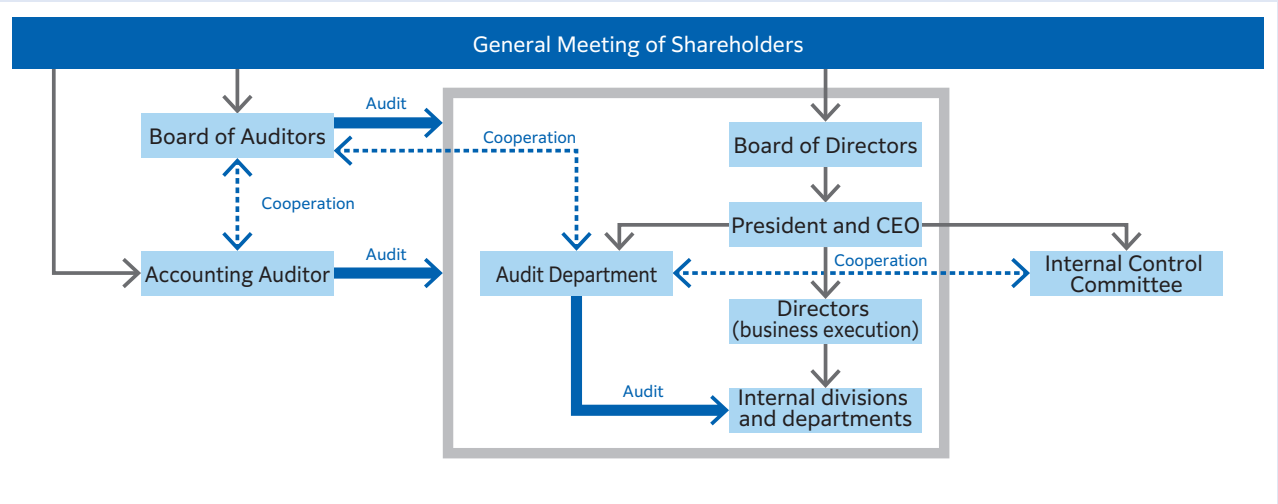
Basic Thinking

In order to continue to grow as a company that is supported, needed, and chosen as stipulated in our Management Policies, we believe we must build good relationships with the various stakeholders around us and increase our value to society. Accordingly, we recognize that strengthening the functionality and transparency of management-related audits is essential, and we are striving to formulate a suitable system of corporate governance comprising our General Meeting of Shareholders, Board of Directors, Board of Auditors, and Accounting Auditor.

We hold Board of Directors meetings as a system for decision-making and business execution. In these meetings, key managerial items are identified, leading to the appropriate and rapid implementation of necessary measures. In addition, we have established

a Board of Auditors as an auditing body. The Board of Auditors supports sound, sustainable growth and bears the responsibility of establishing a good system of corporate governance worthy of the trust placed in us by society. The Board of Auditors and Accounting Auditor engage in full communication concerning audit plans and results, creating an auditing system that is fair and effective. External directors play a role in the Board of Directors in ensuring the validity and appropriateness of decision-making from an objective perspective by expressing opinions based on legal and other aspects. In addition, external auditors in the Board of Directors and Board of Auditors provide necessary observations during times such as the deliberation of agenda items.

Corporate Governance Organization



Corporate Governance Overview (As of June 30, 2025)

Organizational structure	Company with a board of corporate auditors
Board of Directors	Makes decisions concerning items established in our basic policies and laws, ordinances, and our Articles of Incorporation, as well as other important matters concerning our operations, together with supervising the state of business management. (Held once a month and otherwise as necessary.)
Board of Auditors	Auditors attend Board of Directors meetings, executive directors meetings, and other important meetings, auditing the Board of Directors in the execution of their duties. Auditors also work to strengthen and enhance the functions of the Board of Auditors through means such as investigating the operations and financial condition of subsidiary and affiliated companies.
Audit Department	The Audit Department was established under the authority of the CEO and audits the operations of SPP's divisions and departments as well as its branches as an internal audit organization.

Promoting Sustainability Governance

In order to contribute to the realization of a sustainable society through its corporate activities, the SPP group has made clear its commitment to pursuing the Sustainable Development Goals (SDGs) and aims to contribute to solving global environmental issues by 2030.

In order to monitor and manage sustainability-related risks and opportunities, including environmental and social issues such as climate change, the group has established a management system based on ISO 14001, with the president serving the chief executive officer and the general manager of the Administration Headquarters as the environmental management manager. An Environmental Management Committee consisting of all directors has been established to implement this system.

The president sets the top management policy on environmental and social issues, etc., and has the responsibility and authority to conduct internal audits twice a year and external audits once a year to evaluate

the suitability and effectiveness of the management process, and to give instructions for its improvement.

With respect to human capital, diversity, and other sustainability-related issues, a Human Resources Review Committee, consisting of directors and executive officers appointed by the Board of Directors, has been established as an advisory body to the board for the purpose of regularly discussing and overseeing the operation of human resource development and environmental measures that will lead to improvements to the company's human capital.

Additionally, starting this fiscal year, we have established a Sustainability DX Promotion Office within the Sales Headquarters to further advance our efforts toward realizing a sustainable society. As a trading company responsible for a supply chain, we will also work to disclose information based on various relevant environmental laws and regulations.

Maintaining a System of Internal Controls

SPP positions following laws and ordinances and acting in accordance with social norms as a top priority in the execution of professional duties. Accordingly, SPP has established an Internal Control Committee with the CEO serving as chairperson with the aim of providing thorough guidance on the observance of laws and ordinances, one of our internal control targets, as a key matter.

In addition, we have established an Internal Audit Office as an organization under the direct control of the president to conduct audits determining whether operations are being performed in accordance with laws, ordinances, and regulations and report the results to the president.

Auditors conduct audits based on the Audit Regulations to determine whether directors' execution of duties conforms to laws, ordinances, and our Articles of Incorporation.

Internal Reporting System

In accordance with the revision of the Whistleblower Protection Act, SPP established Regulations on Internal Reporting in June 2022.

When a violation of laws, regulations, or internal rules is discovered and an officer or employee makes a report or consultation to the internal or external contact points specified in the regulations, we will establish specific mechanisms to facilitate an appropriate response and a system to protect users of the contact points and persons who cooperate in investigations, and strive to ensure their appropriate operation.

Compliance

Compliance doesn't just mean observing laws and ordinances. It also includes abiding by internal regulations, manuals, and ethics that conform to core labor requirements so that a company engages in business activities in a fair and appropriate way. Further, it even means the maintenance of the environment that determines what kinds of rules a company creates and applies. SPP engages in corporate activities that follow social standards and corporate ethics.

Fair Trade (Corruption Prevention)

Once a year, SPP's Internal Audit Office conducts audits of every office to affirm that we are engaging in fair trade and also to check for improper transactions that could lead to corruption. We also take measures such as regularly rotating the people in charge.

Risk Management

SPP has set up a regulation-based risk management system. Key examples include the establishment of occupational regulations, regulations for the Board of Directors, and the implementation of regular audits by the Internal Audit Office to monitor for risks across departments and divisions. In addition, the Sales Headquarters and Administration Headquarters provide overall management of the operations under the jurisdictions of SPP's departments and divisions.

Social Contribution Activities

Enhancing Information Security

SPP has established guidelines and security management measures to address risks such as internal information leaks and external cyberattacks through the collective efforts of all employees, thereby ensuring the proper management and protection of our information assets.

In order to implement information security in a systematic fashion, we have established an Information Security Committee led by the management team. This committee promotes information security measures, handles reporting, discussion, and decision-making regarding incidents, and serves as an internal point of contact.

Disaster Countermeasures

We have established protocols with regard to countermeasures, rescue, and relief in the event of a natural disaster with the aim of minimizing harm.

Based on our Disaster Countermeasures Regulations, all of our offices have created their own Disaster Countermeasures Manuals and have established clear action guidelines for all employees. In addition, all of our offices have created disaster organization composition tables and duty

tables, and they strive to hold drills and make preparations during normal times.



Disaster Countermeasures and First Aid Training Seminars

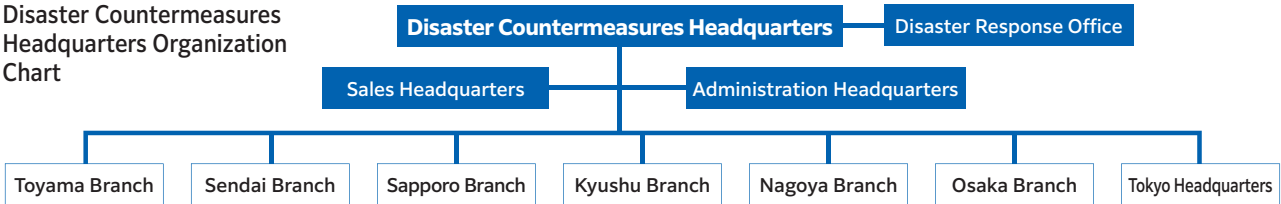


Evacuation drill

Organizational System during Disasters

When a disaster occurs, regardless of the area, SPP establishes a Disaster Countermeasures Headquarters as well as a Disaster Response Office at our closest base to the disaster area. The company president serves as the director-general of the Disaster Countermeasures Headquarters, and the general manager of the Administration Headquarters and the general manager of the Sales Headquarters serve as deputy directors-general.

Disaster Countermeasures Headquarters Organization Chart



Business Continuity Plan (BCP) Maintenance

As a company trusted by society, SPP has established a business continuity plan conscious of our relationships with a variety of stakeholders and regional communities. Our business continuity plan is a manual for organizational systems and employee actions so that we can rapidly restart and restore business activities in the event of an emergency. In addition, in order to ensure the ongoing review of this plan, a BCP Committee meeting consisting of the managers of relevant departments is held twice a year.

Basic policy

- Preserve human life and business assets
- Rapidly restore business activities
- Minimize effects on stakeholders
- Establish trust with customers during normal times

Businesses that need to be protected

- Businesses related to the wholesaling of paper, paperboard, chemical products, etc.
- Businesses related to paper processing, etc.
- Businesses related to real estate leasing

Purposes

- Ensure the safety of employees and visitors
- By rapidly restarting business activities, fulfill duty to supply customers and preserve their trust
- Quickly stabilize business activities and preserve employee employment

From BCP Formulation to BCM Initiatives

In FY2024, we continued the “BCP desk training” from the previous year. Each department and office discussed their actions in the event of a major earthquake, clarifying individual actions and roles during an emergency.



Yukinori Mikami

Manager, Sustainability DX Promotion Office, Sales Headquarters

Developing a Deeper Understanding and Empathy for Disability Support through Paralympic Art

At the SPP Group, we aim to balance the development of our business with contributions to society. Paralympic Art, as a project that can make use of our expertise in paper, printing, and design, struck a chord with us, and we began providing support in 2015. Featuring works by artists with disabilities in product catalogs and promotional goods helps to develop understanding and empathy toward disability support on the part of our employees and customers, and also helps to enhance the group's brand value.

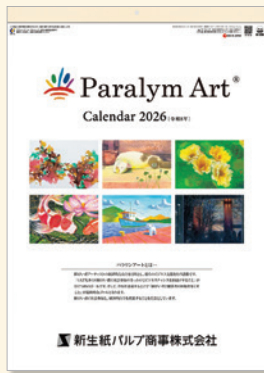
Furthermore, in accordance with our management philosophy of “we respond to the changing times and continue to grow with society,” we signed an official partnership agreement with Paralympic Art in 2024. In this way, we aim to go beyond a simple distributor contract, instead actively participating to realize an inclusive society that embraces diversity. We aim to continue expanding our partnerships with businesses and communities, broadening the circle of empathy and co-creation.



Paralympic Art®



2026 wall calendar



2026 desk calendar



Vending machine featuring Paralympic Art



Corporate Overview

Company name	SHINSEI PULP & PAPER COMPANY LIMITED
Head office and main branch	1-8 Kandnishikicho, Chiyoda-ku, Tokyo, 101-8451 Japan
Established	November 3, 1889
Incorporated	March 14, 1918
Capital	3,228,000,000 yen
Lines of business	Paper, pulp, chemicals, processed paper products, building materials, machinery, equipment, etc.
No. of employees	834 consolidated, 546 non-consolidated (as of March 31, 2025)

Description of business	<div><ul style="list-style-type: none">• Sales of processed paper products and sales and processing of paper, pulp, chemicals, and chemical products• Sales and leasing of paper processing machinery, printing machinery, paper manufacturing machinery, packaging machinery, plastic processing equipment, industrial electrical equipment, transportation machinery, communication equipment, office equipment, and accessories• Sales and leasing of packaging, printing, bookbinding, building, and papermaking materials• Brokerage, wholesale, agency, and import/export of any of the above-mentioned items• Business system design, installation, supervision, and contracting for any of the above-mentioned items• Land development as well as land and building sales, purchasing, leasing, and management consignment• Room rental and parking lot services• Warehouse services and automotive transport handling operations• Interior finishing work• Investment in businesses associated with any of the above-mentioned items• Non-life insurance agency and insurance agency based on the Act on Securing Compensation for Automobile Accidents• Life insurance solicitation• Sales of books, magazines, and stationery• Power generation utilizing natural energy and the supply, sales, management, operation, and mediation of electricity• Any and all business activities related to any of the above-mentioned items</div>
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Main banks	Sumitomo Mitsui Banking Corporation, MUFG Bank, Mizuho Bank, Norinchukin Bank, Shizuoka Bank, Joyo Bank
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Group Companies


Head office and branches	Domestic affiliated companies	
Head Office/ Tokyo Main Branch Osaka Branch Nagoya Branch Kyushu Branch Sapporo Branch Sendai Branch Toyama Branch	Shinsei Distribution Company [Warehousing and transportation] Sapporo OS Distribution Company [Warehousing and transportation] Kyodo Kami Shoji Co., Ltd. [Paper sales] Daimonji Paper [Paper sales] Tsutsumi Paper Trade Co., Ltd. [Sales of paper and stationery] Yasuhirosyoukai Co., Ltd. [Paper and paper product sales] Kamihiro Co., Ltd. [Paper and office equipment wholesaler] OP Palm Co., Ltd. [Paper products sales] Sanko Forms Co., Ltd. [Paper processing and manufacturing (information recording paper)] Koei Co., Ltd. [Paper processing and manufacturing (cardboard)]	Corepack Co., Ltd. [Paper processing and manufacturing (cardboard)] Koei Co., Ltd. [Paper processing and manufacturing (cardboard)] Yamaichi Kakoshi Co., Ltd. [Paper processing] Muromachi Co., Ltd. [Molded product processing] Kyokutou Koubunshi Co., Ltd. [Film processing] OP Pack Co., Ltd. [Film processing] Hokkai Paper Industry Co., Ltd. [Film processing] Taibo Co., Ltd. [Recycled materials and molded product sales] Taibo Products Co., Ltd. [Recycled plastic materials and molded products manufacturing]

Overseas affiliated companies		
Okura Pulp & Paper (Shanghai) Ltd. [Paper and film sales] Okura (Shanghai) Ltd. [Paper and film sales] Shanghai Branch Guangzhou Branch Shanghai Toh Tech Co., Ltd. (Joint venture) [Packaging and processing business]	Shinsei Pulp & Paper Co., Ltd. Australia Rep. Office [Paper sales] Shinsei Pulp & Paper (USA) Corp. [Paper sales] Shinsei Pulp & Paper Taiwan Co., Ltd. [Paper and film sales] Shinsei Pulp & Paper (M) Sdn. Bhd. [Paper and film sales] Shinsei Pulp & Paper (Thailand) Co., Ltd. [Paper and film sales]	

Official Website



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Message to SPP

Innovation and Challenge: How to Overcome an Era of Change



Yuko Sakita
Journalist and environmental counselor

Profile	
Yuko Sakita graduated from the College of Sociology at Rikkyo University in 1974 and joined Shueisha Inc. Since 1985, she has worked as a freelance journalist and looked at environmental and energy issues, particularly the creation of sustainable, recycle-oriented communities, from the viewpoint of everyday people. She has served as a member on numerous municipal government committees as well as national government committees such as the Central Environment Council of the Ministry of the Environment (until 2024). She is also an adjunct researcher at Waseda University; a local revitalization specialist appointed by the Cabinet Office, Government of Japan; and chairperson of the National Delicious Food Clean Plate Movement Network Council. In addition, she was a member of the Community Development and Sustainability Committee, the Sustainability Discussion Group, and the Resource Management Working Group for the Tokyo 2020 Olympic and Paralympic Games. In order to pass on the legacy of the Tokyo 2020 Games, she is participating in the study of sustainable procurement rules and resource recycling for the Expo 2025, and in the creation of a sustainable operation plan for the 2027 Yokohama Horticultural Expo. Currently, she is the representative director of the Shinjuku Environmental Action Net NPO.	
Main works	
Book:	“Anyone Can Do It The Waste Diet” (Japanese) (1999, Godo Shuppan)
Co-authored:	“Electric Waste: A Trip to Learn about the Frontline of Geological Disposal” (Japanese) (2010, Recycle Bunkasha)
Co-authored:	“Making it Together: The Olympics and Paralympics” (Japanese) (2015, The Environmental News)
Contribution:	“The Future Life of Hydrogen Society from the Perspective of Citizens” (Japanese) (2019, The Journal of Fuel Cell Technology, Fuel Cell Development Information Center)
Serialization:	“Environmental Baton: Going Beyond 2020” (Japanese) (serialized 2018–2021 in “Life and Environment,” Japan Environmental Sanitation Center)
Picture book:	“Granny Next Door” (Japanese) (Illustration: Shinsuke Tanaka) (2022, Bungeisha) Depicts the joy of living everyday life with a smile using origami

EXPO2025 OSAKA, KANSAI, JAPAN was held over a six-month period at the Yumeshima venue, located in Osaka Bay. As a “People’s Living Lab,” the Expo drew attention not only for technologies like flying cars, but also for its thorough implementation of IT solutions, such as electronic tickets. I worked on sustainability for venue operations, particularly in developing the Japan Association for the 2025 World Exposition’s “resource circulation” plan. In the hope that visitors from Japan and abroad could experience next-generation systems and widely share them as part of the Expo’s legacy, I took on the challenge of pursuing a circular economy.

The circular economy is also crucial for achieving carbon neutrality. To promote advanced resource recycling, the Japan Association for the 2025 World Exposition first urged exhibitors to thoroughly implement reduction and reuse, and then established “Myaku-ichi (market)” a reuse and matching site for facilities and equipment.

To reduce single-use plastics, attendees were encouraged to bring their own water bottles, with water dispensers installed at approximately 100 locations throughout the venue. This also drew attention as a measure to prevent heatstroke. Meanwhile, retail stores used paper bags instead of plastic bags, food trucks prioritized reusable tableware, and paper containers were recycled to produce recycled toilet paper that was returned to the venue.

Restaurants made intensive efforts to reduce food waste by improving the accuracy of their ingredient procurement and encouraging customers to finish their meals. Additionally, the food matching site “Expo Tabesuke” was operated to deal with confectionery and other food items nearing their expiration dates, and in the latter half of the event period, a list of food banks was also shared with stores. Finally, the Expo team ensured thorough resource recovery by sorting materials and waste into 10 categories at the venue and 17 categories in the backstage area, including processes like composting and biogas conversion.

Looking back, it was a challenge that required just one step forward, yet achieving even a small change involved overcoming formidable obstacles. This final outcome was achieved through the collaborative efforts of exhibitors, attendees, and the Japan Association for the 2025 World Exposition. I believe that the Expo’s experience of trial and error in its operational aspects holds significant value as a “People’s Living Lab.”

Having read the SPP CSR Report 2025, the Message from the President showed me that we share the same drive for “innovation and challenge,” and that through co-creation between the company’s specialized departments and its customers, it will be able to navigate these changing times.

With extreme heat, torrential rains, and other effects of climate change looming, it is time for all actors to take a sense of ownership in passing on a safe and secure global environment to future generations. However, there is no clear road that leads up to 2050. Rather, a variety of initiatives, including existing technologies and those currently under development, conducted over the next few years or more, will produce a broad mainstream. As a general trading company dealing in paper, paperboard, and chemical products, how will SPP support and fulfill the challenges of the many companies aiming for the mainstream, while also pursuing its own development? The new three-year mid-term management plan represents an unambiguous statement of that goal.

Without doubt, this year’s organizational restructuring takes a group-wide perspective, strengthening consulting capabilities to make proposals for each individual customer, rather than enhancing specialization for each individual product line. It is also worth noting that national and local governments are calling on companies to create “co-creation” businesses that aim to solve social issues through cross-industry exchange, such as the “Circular Economy Net.” I hope that SPP will also enhance its ability to connect and create, producing the new mainstream.

There is also an emphasis on coexistence with nature and well-being as we move toward the post SDGs-era, and this makes the company’s long-standing forest conservation activities all the more significant. Meanwhile, initiatives for CO2 reduction are steadily evolving year by year, not only through carbon offsets and solar power generation, but also through Scope 3 visualization and the setting of reduction targets. Another thing that greatly impressed me is SPP’s policy of transferring environment-related operations to the Sales Headquarters, thereby strengthening its support for customers’ decarbonization management.

Something that we should bear in mind is that tackling “innovation and challenge” through “co-creation” lies in the flexibility and enthusiasm of individuals. It is my sincere hope that SPP can become a company where all workers can continue to work with vitality and enthusiasm.



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