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ÅRSREDOVISNING

FÖR

ANTALIS AB

Org nr 556076-2022

2022-01-01 – 2022-12-31

Fastställelseintyg
Undertecknad styrelseledamot i Antalis AB intygar, dels att denna kopia av årsredovisningen stämmer överens med originalet, dels att resultaträkningen och balansräkningen har fastställts på årsstämma 2023-06-30. Årsstämman beslutade att godkänna styrelsens förslag till att resultatet balanseras i ny räkning.

Haninge den
2023-07-04

Håkan Askenberger
Styrelseordförande

20230711193346

ÅRSREDOVISNING

FÖR

ANTALIS AB

Org nr 556076-2022

2022-01-01 – 2022-12-31

Transaktion 09222115557495871980 Signerat RF, HA, SLM, SY, AR

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Antalis AB
Org nr 556076-2022

Styrelsen och verkställande direktören för Antalis AB får härmed avge årsredovisning för räkenskapsåret 2022-01-01 – 2022-12-31.

Förvaltningsberättelse

Verksamhet

Antalis AB bedriver grossiströrelse inom finpapper, förpackningsemballage, tryckmedia och hårdvara (industriskrivare och annan maskinutrustning) för storformatstryck och förpackningar, logistiktjänster i form av transporter och lagerhållning i Sverige. Bolaget har sitt säte i Stockholms län, Haninge kommun. Huvudkontorets adress är Box 553, 136 25 Haninge.

Antalis AB är dotterbolag till Antalis Participations, reg. nr. 828 381 004, med säte i Frankrike.

Försäljning och resultat

Den svenska marknaden återhämtade sig under första delen av 2022 efter ett par år påverkade av pandemin. Vi kunde se en klar förbättring under framförallt första nio månaderna medan avslutningen på året åter var svagare. Vi har haft en positiv utveckling inom alla våra segment under året förutom Solutions som i princip blev oförändrat. Totalt en ökad försäljning om totalt 24,8% jämfört med året innan.

Under året har nettoomsättningen uppgått till 711 mkr (f.g. år 569 mkr). Resultatet efter finansnetto uppgår till 15,4 mkr (f.g. år 3,1 mkr).

Bolaget har inte erhållit någon utdelning från dotterbolaget Antalis AS år 2022.

Hållbarhetsrapport

Antalis AB upprättar inte hållbarhetrapport enligt ÅRL 6:10. Hållbarhetsrapport upprättas av koncernmoderbolaget KPP Group Holdings Co., Ltd med säte i Japan. Hållbarhetsredovisning finns publicerad på deras hemsida; https://www.kppc.co.jp/en/top.html.

Investeringar

Bolagets investeringar i anläggningstillgångar uppgick under verksamhetsåret till 1 mkr (fg år 3 mkr).

Finansiell ställning och likviditet

Likvida medel uppgick vid utgången av året till 6 mkr (f.g. år 14,0 mkr).
För information om hantering av finansiella risker i företaget, se avsnittet redovisningsprinciper.

Miljö och personal

Bolaget bedriver ej sådan verksamhet som är tillstånds- eller anmälningspliktig enligt svensk lagstiftning 9 kap 6§ miljöbalken.
Bolaget har tecknade kollektivavtal med Unionen gällande företagets tjänstemän och med Handelsanställdas förbund gällande kollektivanställda. Företaget följer de enligt kollektivavtalen gällande anställnings- och arbetsvillkoren.

Väsentliga händelser under räkenskapsåret

Inga väsentliga händelser under räkenskapsåret.

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Förväntad framtida utveckling

Företaget kommer i framtiden att lägga stor vikt vid en fortsatt expansion av affärsområden som emballage- och förpackningsmaterial samt media till storformatstryck.

Arbetet fortsätter under 2023 med att utnyttja de synergier som finns i den nordiska regionen, Sverige, Norge, och Danmark. Synergier finns inom områden som logistik, utveckling av produktsortiment, marknadsföring, IT och administration.

Upplysning om händelser efter räkenskapsårets slut

Inga väsentliga händelser efter räkenskaps årets slut.

Risker

Trenden för finpapper i Europa har varit negativ i över ett decennium. 2022 var i nivå med 2021 och 2020 men de var svaga år. Vi ser i hela Europa att efter en situation med pappersbrist under slutet av 2021 samt första halvåret 2022 bromsade marknaden kraftigt in under sista kvartalet 2022. Den geoekonomiska situationen i Europa med höga råvarupriser, höga energipriser samt begynnande lågkonjunktur tillsammans med hög inflation har haft en kraftig effekt på pappersmarknaden under slutet av 2022.
Konkurrensen från andra media driver också utvecklingen mot en minskande pappersefterfrågan.
Antalis AB har i sin strategi under flera år utvecklat affärsområden utanför finpapper, industriförpackning samt media och maskinutrustning för Storformatstryck. Detta visar sig fortsatt vara lyckosamma satsningar och skall kompensera för den negativa finpapperstrenden och därmed behålla företagets kostnadseffektivitet och framtida lönsamhet.

Flerårsjämförelse

Kkr	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Nettoomsättning	710 674	569 252	532 684	651 088	684 393	599 811
Rörelseresultat	16 273	4 758	-6 879	-17 612	-9 016	3 905
Resultat efter finansiella poster	15 409	3 082	-2 168	-18 214	-9 685	4 399
Balansomslutning	236 935	235 846	296 758	285 241	347 999	247 109
Eget kapital	43 476	40 057	37 929	26 684	35 98	41 279
Soliditet	18%	17%	13%	9%	10%	17%

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Antalis AB
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Eget kapital

	Aktie-kapital	Reservfond	Fritt eget kapital	Totalt eget kapital
Ingående balans 2021-01-01	**40 000**	**0**	**-2 070**	**37 930**
Årets resultat			2 127	2 127
Aktieägartillskott			0	0
Eget kapital 2021-12-31	**40 000**	**0**	**57**	**40 057**
Årets resultat			3 419	3 419
Aktieägartillskott			0	0
Eget kapital 2022-12-31	**40 000**	**0**	**3 476**	**43 476**

Förslag till disposition av vinsten

Till årsstämmans förfogande står följande medel (kronor):

Balanserad vinst	56 929
Årets resultat	3 419 369
	3 476 298

Styrelsen föreslår att den till årsstämmans ansamlade vinsten disponeras enligt följande:

I ny räkning balanseras	3 476 298
	3 476 298

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Resultaträkning

Kkr	Not	2022-01-01 -2022-12-31	2021-01-01 -2021-12-31
Nettoomsättning	3	710 674	569 252
Övriga rörelseintäkter	4	1 513	7 822
		712 187	**577 074**
Rörelsens kostnader			
Handelsvaror	5	-528 419	-415 629
Övriga externa kostnader	6,7	-76 633	-64 221
Personalkostnader	8	-85 535	-85 562
Avskrivningar av materiella och immateriella anläggningstillgångar		-4 920	-4 493
Övriga rörelsekostnader		-407	-2 411
Summa rörelsens kostnader		**-695 914**	**-572 316**
Rörelseresultat		**16 273**	**4 758**
Finansiella intäkter och kostnader	9		
Övriga ränteintäkter och liknande resultatposter		36	43
Räntekostnader och liknande resultatposter		-900	-1 719
Summa resultat av finansiella poster		**-864**	**-1 676**
Resultat efter finansiella poster		**15 409**	**3 082**
Koncernbidrag		-11 068	0
Summa bokslutsdispositioner		**-11 068**	**0**
Resultat före skatt		**4 341**	**3 082**
Skatt på årets resultat	10	-922	-955
Årets resultat		**3 419**	**2 127**

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Balansräkning

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Kkr	Not	2022-12-31	2021-12-31
Tillgångar			
Anläggningstillgångar			
Immateriella anläggningstillgångar			
Goodwill	11	636	4 452
Balanserade utgifter för programvaror	12	2 547	2 861
Pågående nyanläggningar programvaror	13	742	366
		3 925	**7 679**
Materiella anläggningstillgångar			
Inventarier	14	1 452	1 220
Pågående nyanläggningar materiella anläggn.tillg.	15	0	205
		1 452	**1 425**
Finansiella anläggningstillgångar			
Aktier och andelar i dotterföretag	16	48 572	48 572
Uppskjuten skatt	10	6 842	7 764
Andra långfristiga fordringar	17	9 166	10 683
		64 580	**67 019**
Summa anläggningstillgångar		**69 957**	**76 123**
Omsättningstillgångar			
Varulager			
Handelsvaror		109 177	76 802
		109 177	**76 802**
Kortfristiga fordringar			
Kundfordringar		21 642	32 906
Fordringar hos koncernföretag		14 453	18 922
Aktuella skattefordringar		557	296
Övriga fordringar		1472	0
Förutbetalda kostnader och upplupna intäkter	18	13 992	16 731
		52 116	**68 855**
Kortfristiga placeringar			
Kassa och bank		5 685	14 066
		5 685	**14 066**
Summa omsättningstillgångar		**166 978**	**159 723**
SUMMA TILLGÅNGAR		**236 935**	**235 846**

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Balansräkning

Kkr	Not	2022-12-31	2021-12-31
Eget kapital och skulder			
Eget kapital	19,20		
Bundet eget kapital			
Aktiekapital		40 000	40 000
		40 000	**40 000**
Fritt eget kapital			
Balanserat resultat		57	-2 070
Årets resultat		3 419	2 127
		3 476	**57**
Summa eget kapital		**43 476**	**40 057**
Avsättningar			
Avsättningar för pensioner och liknande förpliktelser	21	13 210	15 635
Summa avsättningar		**13 210**	**15 635**
Långfristiga skulder			
Långfristiga skulder till koncernföretag		76 476	66 285
Summa långfristiga skulder		**76 476**	**66 285**
Kortfristiga skulder			
Leverantörsskulder		42 481	53 696
Skulder till koncernföretag		28 488	28 884
Övriga skulder		9 767	7 776
Upplupna kostnader och förutbetalda intäkter	22	23 036	23 513
Summa kortfristiga skulder		**103 773**	**113 869**
SUMMA EGET KAPITAL OCH SKULDER		**236 935**	**235 846**

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Antalis AB
Org nr 556076-2022

Kassaflödesanalys

Kkr	Not	2022-01-01 -2022-12-31	2021-01-01 -2021-12-31
Den löpande verksamheten			
Rörelseresultat		16 273	4 758
Justering för poster som inte ingår i kassaflödet, m m	23	4 761	4 292
Erhållen ränta		36	43
Erlagd ränta		-700	-1 302
Betald inkomstskatt		0	0
Kassaflöde från den löpande verksamheten före förändringar av rörelsekapital		**20 370**	**7 791**
Kassaflöde från förändringar i Rörelsekapitalet			
Förändring av varulager		-32 375	-2 902
Förändring av kortfristiga fordringar		19 003	51 696
Förändring av kortfristiga skulder		-13 309	-60 972
Kassaflöde från den löpande verksamheten		**-6 311**	**-4 387**
Investeringsverksamheten			
Förvärv av immateriella anläggningstillgångar		-715	-2 708
Förvärv av materiella anläggningstillgångar		-478	-522
Försäljning av materiella anläggningstillgångar		0	0
Aktieägartillskott		0	0
Kassaflöde från investeringsverksamheten		**-1 193**	**-3 230**
Finansieringsverksamheten			
Amortering av lån koncernföretag		-877	0
Upptagande av lån		0	278
Kassaflöde från finansieringsverksamheten		**-877**	**278**
Årets kassaflöde		-8 381	-7339
Likvida medel vid årets början		**14 066**	**21 405**
Likvida medel vid årets slut		**5 685**	**14 066**

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Noter

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Not 1 Redovisnings- och värderingsprinciper

Allmänna upplysningar
Antalis AB:s årsredovisning har upprättats enligt Årsredovisningslagen och Bokföringsnämndens allmänna råd BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Redovisningsprinciperna är oförändrade i jämförelse med föregående år.

Koncernredovisning
Antalis AB upprättar inte koncernredovisning i enlighet med ÅRL 7:2. Koncernredovisning upprättas av koncernmoderbolaget KPP Group Holdings Co., Ltd, organisationsnummer 0100-01-048806, med säte i Japan. Koncernredovisningen finns publicerad på https://www.kpp-gr.com/en/ir.html.

Hållbarhetsrapport
Antalis AB upprättar inte hållbarhetrapport enligt ÅRL 6:10. Hållbarhetsrapport upprättas av koncernmoderbolaget KPP Group Holdings Co., Ltd, med säte i Japan. Hållbarhetsredovisning finns publicerad på deras hemisda; https://www.kpp-gr.com/en/ir.html.

Fordringar och skulder i utländsk valuta
Fordringar och skulder i utländsk valuta värderas till balansdagens kurs. Transaktioner i utländsk valuta omräknas enligt transaktionsdagens avistakurs.

Intäkter
Försäljning av varor redovisas vid leverans av produkter till kunden, i enlighet med försäljnings-villkoren. Försäljningen redovisas netto efter moms och rabatter. Övriga intäkter redovisas i den period intjänandet har skett. Erhållen utdelning redovisas när rätten att erhålla utdelning bedöms som säker.

Inkomstskatter
Aktuella skatter värderas utifrån de skattesatser och skatteregler som gäller på balansdagen. Uppskjutna skatter värderas utifrån de skattesatser och skatteregler som är beslutade före balansdagen. Uppskjuten skattefordran avseende underskottsavdrag eller andra framtida skattemässiga avdrag redovisas i den utsträckning det är sannolikt att avdraget kan avräknas mot överskott vid framtida beskattning.

Fordringar och skulder nettoredovisas endast när det finns en legal rätt till kvittning. Aktuell skatt, liksom förändring i uppskjuten skatt, redovisas i resultaträkningen om inte skatten är hänförlig till en händelse eller transaktion som redovisas direkt i eget kapital. I sådana fall redovisas även skatteeffekten i eget kapital.

Immateriella anläggningstillgångar
Programvaror av standardkaraktär kostnadsförs. Utgifter för programvaror som på ett omfattande sätt anpassats för bolagets räkning balanseras som immateriell tillgång om de har troliga ekonomiska fördelar som efter ett år överstiger kostnaden. Balanserade utgifter för förvärvade programvaror skrivs av linjärt under nyttjandetiden, dock högst fem år. Avskrivning påbörjas först efter driftstart.

Goodwill skrivs av på 5 år.

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Materiella anläggningstillgångar

Materiella anläggningstillgångar redovisas till anskaffningsvärdet minskat med avskrivningar. I anskaffningsvärdet ingår utgifter som direkt kan hänföras till förvärvet av tillgången.

Antalis AB tillämpar inte komponentavskrivning.

Tillkommande utgifter läggs till anskaffningsvärdet till den del tillgångens prestanda ökar i förhållande till tillgångens värde vid anskaffningstidpunkten.

Utgifter för löpande reparation och underhåll redovisas som kostnader.

Realisationsvinst respektive realisationsförlust vid avyttring av en anläggningstillgång redovisas som övrig rörelseintäkt respektive övrig rörelsekostnad.

Materiella anläggningstillgångar skrivs av systematiskt över tillgångens bedömda nyttjandeperiod. När tillgångarnas avskrivningsbara belopp fastställs, beaktas i förekommande fall tillgångens restvärde. Linjär avskrivningsmetod används för samtliga typer av materiella tillgångar.

Pågående nyanläggning aktiveras för avskrivning vid driftsättning.

Följande avskrivningstider tillämpas:

Lagerinventarier	5-15 år
Kontorsinventarier	5-10 år
Installationer annans fastighet	5-20 år
Lastbilar och truckar	5-10 år
IT	3-10 år

Leasingavtal

Samtliga leasingavtal där företaget är leasingtagare redovisas som operationell leasing, oavsett om avtalen är finansiella eller operationella. Leasingavgiften redovisas som en kostnad linjärt över leasingperioden.

Varulager

Varulagret värderas, med tillämpning av först-in först-ut principen, till det lägsta av anskaffnings- eller återanskaffningsvärdet.

Finansiella instrument

Finansiella instrument redovisas i enlighet med reglerna i K3 kapitel 11, vilket innebär att värdering sker utifrån anskaffningsvärde.

Finansiella instrument som redovisas i balansräkningen inkluderar värdepapper, kundfordringar och övriga fordringar, kortfristiga placeringar, leverantörsskulder, låneskulder och derivatinstrument. Instrumenten redovisas i balansräkningen när bolaget blir part i instrumentets avtalsmässiga villkor.

Finansiella tillgångar tas bort från balansräkningen när rätten att erhålla kassaflöden från instrumentet har löpt ut eller överförts och bolaget har överfört i stort sett alla risker och förmåner som är förknippade med äganderätten.

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Kundfordringar
Kundfordringar redovisas som omsättningstillgångar till det belopp som förväntas bli inbetalt efter avdrag för osäkra kundfordringar. Kundfordringarna redovisas netto med skuld till factoringbolaget.

Aktier och andelar i dotterföretag
Aktier och andelar i dotterföretag redovisas till anskaffningsvärde efter avdrag för eventuella nedskrivningar. I anskaffningsvärdet ingår köpeskillingen som erlagts för aktierna samt förvärvskostnader. Eventuella kapitaltillskott och koncernbidrag läggs till anskaffningsvärdet när de lämnas. Utdelning från dotterföretag redovisas som intäkt.

Impairment test av aktier dotterföretag
Impairment test av aktier i dotterföretag görs årligen och innefattar bedömning av framtida kassaflöden. Det slutliga utfallet av uppskattningar och bedömningar kan komma att avvika från nuvarande uppskattningar och bedömningar. Effekten av ändringar i dessa redovisas i resultaträkningen under det räkenskapsår som ändringen görs samt framtida räkenskapsår om ändringen påverkar både aktuellt och kommande räkenskapsår.

Övriga fordringar, skulder och avsättningar
Övriga fordringar har upptagits till belopp varmed de beräknas inflyta. Övriga skulder har upptagits till nominellt belopp. Avsättningar har värderats enligt försiktighetsprincipen.

Kassaflödesanalys
Kassaflödesanalysen upprättas enligt indirekt metod. Det redovisade kassaflödet omfattar endast transaktioner som medför in- och utbetalningar.
Som likvida medel klassificeras, förutom kassa- och banktillgodohavanden inklusive utnyttjad checkräkningskredit, kortfristiga finansiella placeringar samt mellanhavande på koncernkonto.

Finansiella risker
Finans- och riskhanteringen sköts av en central finansavdelning hos Antalis enligt principer för att tillvarata stordriftsfördelar och synergieffekter samt för att minimera hanteringsrisker. Koncernfinans svarar för koncernens lånefinansiering, valuta- och ränteriskhantering samt fungerar som internbank för koncernbolagens finansiella transaktioner.

Ersättningar till anställda
Företagets pensionsförpliktelser redovisas i enlighet med FARs rekommendation nr 4.
Pensionsförpliktelserna säkerställs genom tecknande av pensionsförsäkring. Pensionsåtaganden för tjänstemän som är tryggade genom försäkring i Alecta, redovisas som en avgiftsbestämd plan.

Not 2 Uppskattningar och bedömningar

Osäkra kundfordringar
Reserven för osäkra kundfordringar är ett balanserat belopp med hänsyn tagen till den upplevda kreditrisken för enskilda konton samt våra historiska kreditförluster, i kombination med det skydd som vår nya kreditförsäkring ger oss.

Inkurans varulager
I bokslutet görs nedskrivning för inkurans för de varor som bedöms obrukbara eller saknar efterfrågan.

I övrigt finns inga uppskattningar eller bedömningar som innebär en betydande risk för väsentliga justeringar i redovisade värden för tillgångar och skulder under nästkommande år.

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Noter till resultaträkning, balansräkning och kassaflödesanalys

Belopp i Kkr där ej annat anges.

Not 3 Nettoomsättningens fördelning på verksamhetsgrenar och geografiska marknader

Nettoomsättningen fördelar sig på geografiska marknader enligt följande

	2022	**2021**
Sverige	637 473	508 111
Norge	47 344	36 680
Danmark	16 726	14 180
Finland	6 706	6 695
Baltikum	2 425	3 586
Övriga Europa	0	0
	710 674	**569 252**

Av nettoförsäljningen utgör 10,30 % (fg år 10,74%) försäljning till koncernföretag.
Försäljning till koncernföretag sker enligt gällande Transferprissättning.

Nettoomsättningen fördelar sig på verksamhetsgrenar enligt följande

	2022	**2021**
Print	352 313	275 519
Office	90 517	79 739
Packaging	149 756	115 599
Viscom	44 327	36 692
Solution	551	562
Försäljning inom koncernen	73 210	61 141
	710 674	**569 252**

Not 4 Övriga rörelseintäkter

	2022	**2021**
Vinst vid avyttring av inventarier	0	0
Återvunna tidigare avskrivna kundfordringar	58	6
Valutakursvinst	1115	753
Försäkringsersättningar inkl Tillväxtverket	290	5712
Övriga rörelseintäkter	50	1 351
	1 513	**7 822**

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Not 5 Koncerninterna varuinköp handelsvaror

Av årets kostnader för inköp av handelsvaror avser 15 435 kkr (fg år 10 351 kkr) inköp från företag inom Antalis-koncernen. Vid prissättning för inköpen från koncernföretag tillämpas samma principer som vid transaktioner med externa parter.

Not 6 Ersättning till revisorerna	2022	2021
PricewaterhouseCoopers AB		
Revisionsuppdraget	0	65
	0	**65**
RSM Stockholm AB		
Revisionsuppdraget	420	504
	420	**504**
Summa	**420**	**569**

Not 7 Operationella leasingavtal	2022	2021
Framtida minimileaseavgifter som ska erläggas avseende icke uppsägningsbara leasingavtal		
Förfaller till betalning inom ett år	17 399	16 213
Förfaller till betalning senare än ett men inom fem år	27 674	41 561
Förfaller till betalning senare än fem år	56	0
Totalt	**45 129**	**57 774**
Under perioden kostnadsförda leasingavgifter	19 905	19 758

I redovisningen utgörs den operationella leasingen i allt väsentligt av hyrda fastigheter/lokaler.

Förutom hyra av lokaler, avser avtalen leasing av bilar, lastbilar, truckar, inventarier samt en server. Bilar leasas på 3 år, lastbilar och truckar leasas på 3 år, och inventarier leasas på mellan 1-3 år.

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Not 8 Personal m.m.

Medelantalet anställda	**2022**	**2021**
Sverige	96	95
varav män	50%	77%

Fördelning i företagsledningen	**2022**	**2021**
Styrelseledamöter		
Kvinnor	0	0
Män	4	4
	4	4
Verkställande direktör och övriga befattningshavare		
Kvinnor	2	5
Män	5	6
	7	11

Löner och ersättningar		**2022**	**2021**
Löner och andra ersättningar till styrelse och VD	1)	1 906	1 698
Löner och andra ersättningar till övriga anställda		55 487	53 778
Pensionskostnader till styrelse och VD		570	545
Pensionskostnader till övriga anställda		6 443	7 574
Övriga sociala kostnader		19 961	21 349
Övriga personalkostnader		1 169	618
		85 535	**85 562**

1) varav tantiem	458	290
Summa förpliktelser	458	290

Till VD finns avtal om avgångsvederlag motsvarande 6 månaders lön.

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Not 9 Ränteintäkter och räntekostnader samt liknande resultatposter

	2022	2021
Ränteintäkter		
Ränteintäkter kundfordringar	36	43
Ränteintäkter moderbolag	0	0
Ränteintäkter övriga	0	0
	36	**43**
Räntekostnader samt liknande resultatposter		
Dröjsmålsräntor leverantörsskulder	-15	-55
Räntekostnader skatter och avgifter	-4	-307
Räntekostnader moderbolag	-880	-1 350
Räntekostnader övriga	-1	-7
	-900	**-1 719**
Summa	**-864**	**-1 676**

Not 10 Skatt på årets resultat

	2022	2021
Årets skattekostnad		
Aktuell skatt	0	0
Uppskjuten skatt	-922	-955
Skatt på årets resultat	**-922**	**-955**

Avstämning av effektiv skatt	**2022**	**2021**
Redovisat resultat före skatt	4 341	3 082
Skattekostnad 20,60% (fg år 20,6%)	**-894**	**-635**
Skatteeffekt av:		
Ej avdragsgilla kostnader	-138	-193
Utbetalda direktpensioner	116	136
Övrigt	-6	-263
Summa effektiv skatt:	**-922**	**-955**

Uppskjuten skattefordran	**2022**	**2021**
Lagerreserv	2 102	903
Befarade kundförluster	473	311
Löneskatt och pensioner	4 267	5 224
Outnyttjat underskott	0	1 326
Summa uppskjuten skattefordran:	**6 842**	**7 764**

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Not 11 Goodwill	**2022-12-31**	**2021-12-31**
Ingående anskaffningsvärde	19 080	19 080
Utgående ackumulerade anskaffningsvärde	**19 080**	**19 080**
Ingående avskrivningar	-14 628	-10 812
Årets avskrivningars	-3 816	-3 816
Utgående ackumulerade avskrivningar	**-18 444**	**-14 628**
Utgående redovisat värde	**636**	**4 452**

Not 12 Förvärvade programvaror	**2022-12-31**	**2021-12-31**
Ackumulerade anskaffningsvärden		
Ingående ackumulerade anskaffningsvärden	24 206	24 919
Årets aktiverade utgifter, inköp	339	2 801
Årets försäljning/utrangering		-3514
Utgående ackumulerade anskaffningsvärden	**24 545**	**24 206**
Ackumulerade avskrivningar		
Ingående ackumulerade avskrivningar	-21 345	-24 575
Årets avskrivningar	-653	-284
Årets försäljning/utrangering		3 514
Utgående ackumulerade avskrivningar	**-21 998**	**-21 345**
Utgående balans	**2 547**	**2 861**

Not 13 Pågående nyanläggningar för programvaror	**2022-12-31**	**2021-12-31**
Ackumulerade anskaffningsvärden		
Ingående ackumulerade anskaffningsvärden	366	459
Årets aktiverade utgifter, inköp	-152	-2 764
Årets pågående projekt, immateriella	528	2 671
Utgående ackumulerade anskaffningsvärden	**742**	**366**
Utgående balans	**742**	**366**

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Not 14 Inventarier	2022-12-31	2021-12-31
Ackumulerade anskaffningsvärden		
Ingående ackumulerade anskaffningsvärden	16 085	24 247
Årets inköp	683	297
Årets försäljning/utrangeriing		-8 459
Utgående ackumulerade anskaffningsvärden	**16 768**	**16 085**
Ackumulerade avskrivningar		
Ingående ackumulerade avskrivningar	-14 865	-22 930
Försäljning/utrangering	0	8 459
Årets avskrivningar	-451	-394
Utgående ackumulerade avskrivningar	**-15 316**	**-14 865**
Utgående balans	**1 452**	**1 220**

Not 15 Pågående nyanläggningar för Inventarier	2022-12-31	2021-12-31
Ackumulerade anskaffningsvärden		
Ingående ackumulerade anskaffningsvärden	205	0
Årets aktiverade utgifter, inköp	-205	0
Årets pågående projekt, inventarier	0	205
Utgående ackumulerade anskaffningsvärden	**0**	**205**
Utgående balans	**0**	**205**

Not 16 Aktier i dotterföretag	2022-12-31	2021-12-31
Anskaffningsvärde	1 100	1 100
Aktieägartillskott, ovillkorat	47 602	47 602
Ack nedskrivning av aktier	-130	-130
Utgående balans	**48 572**	**48 572**

Företag/säte	Kapitalandel	Röstandel	Antal andelar	Bokfört värde
Antalis AS, Oslo org nr NO 910 429 000 MVA	100%	100%	10 000	48 472
Pappershuset Fastighets AB, Haninge org nr 556692-9328	100%	100%	1 000	100
				48 572

Not 17 Andra långfristiga fordringar	2022-12-31	2021-12-31
Kapitalförsäkringar direktpension	9 166	10 683
	9 166	**10 683**

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Not 18 Förutbetalda kostnader och upplupna intäkter	2022-12-31	2021-12-31
Upplupen ersättning från leverantörer	6 405	5 910
Förutbetalda hyreskostnader	4 318	3 890
Övriga förutbetalda kostnader och upplupna intäkter	3 269	6 931
	13 992	**16 731**

Not 19 Eget kapital

Aktiekapitalet består av 400 000 aktier med kvotvärde 100 kr.

Not 20 Resultatdisposition

Till årsstämmans förfogande står följande vinstmedel

Balanserat resultat	57
Årets resultat	3 419
Kkr	**3 476**

Styrelsen föreslår att vinstmedlen disponeras enligt följande:

I ny räkning balanseras	3 476
Kkr	**3 476**

Not 21 Avsättningar

	2022-12-31	2021-12-31
Kapitalförsäkringar Direktpension inkl löneskatt	13 210	15 635
	13 210	**15 635**

Not 22 Upplupna kostnader och förutbetalda intäkter	2022-12-31	2021-12-31
Upplupna lönekostnader inkl semesterlöneskuld	10 590	10 385
Upplupna sociala avgifter	3 327	3 263
Upplupen ersättning till kunder	8 839	6 510
Övriga upplupna omkostnader	280	3 354
	23 036	**23 512**

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Not 23 Justeringar för poster som ej ingår i kassaflödet	**2022-12-31**	**2021-12-31**
Bokföringsmässigt resultat vid försäljning av inventarier	0	0
Planmässiga avskrivningar anläggningstillgångar	4 920	4 493
Orealiserade kursvinster av rörelsekaraktär	-159	-201
	4 761	**4 292**

Not 24 Händelser efter balansdagens slut

Inga väsentliga händelser efter balansdagens slut.

Underskrifter

Haninge den / 2023

Steen Leetmaa Murmann
Ordförande

Håkan Askenberger
Verkställande direktör

Robert Frankland

Savas Yilmaz

Vår revisionsberättelse har lämnats den / 2023

RSM Stockholm AB

Anneli Richardsson
Auktoriserad revisor

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Verifikat

Transaktion 09222115557495871980

Dokument

2022_Årsredovisning_Antalis AB_Version 2023-06-29
Huvuddokument
19 sidor
Startades 2023-06-29 17:15:09 CEST (+0200) av Louise Thuresson (LT)
Färdigställt 2023-06-30 08:48:14 CEST (+0200)

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REVISIONSBERÄTTELSE

Till bolagsstämman i Antalis Aktiebolag, org.nr. 556076-2022

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Antalis Aktiebolag för år 2022.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Antalis Aktiebolags finansiella ställning per den 31 december 2022 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Antalis Aktiebolag enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

En ytterligare beskrivning av vårt ansvar för revisionen av årsredovisningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för Antalis Aktiebolag för år 2022 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Antalis Aktiebolag enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Den verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

En ytterligare beskrivning av vårt ansvar för revisionen av förvaltningen finns på Revisorsinspektionens webbplats: www.revisorsinspektionen.se/revisornsansvar. Denna beskrivning är en del av revisionsberättelsen.

Stockholm den dag som framgår av den elektroniska signeringen

RSM Stockholm AB

Anneli Richardson
Auktoriserad revisor

Transaktion 09222115557495822093 Signerat AR

20230711193368

Verifikat

Transaktion 09222115557495822093

Dokument

Revisionsberättelse Antalis Aktiebolag år 2022
Huvuddokument
1 sida
Startades 2023-06-29 11:20:48 CEST (+0200) av Louise Thuresson (LT)
Färdigställt 2023-06-30 08:55:36 CEST (+0200)

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KPP GROUP HOLDINGS CO., LTD.

20230927062642

A Paper Trail for Creating the Future

Integrated Report 2022

Kokusai Pulp & Paper transitioned to a holding company structure with the establishment of

KPP Group Holdings

on October 1, 2022

45 countries and regions

14 cities

List of Major Business Locations

Japan	Oceania	Norwich
Domestic	Australia	Spaldin
Tokyo	Adelaide	
Osaka	Brisbane	Ireland
Nagoya	Darwin	Dublin
Fukuoka	Hobart	
Sendai	Melbourne	Italy
Sapporo	Perth	Lainate
Yokohama	Sydney	
Saitama	Townsville	Portuga
Okayama	Victoria	Lisbon
		Porto
Asia	New Zealand	
China	Auckland	Spain
Shanghai	Christchurch	Barcelo
Wuxi	Palmerston North	A Coruf
Nanjing	Wellington	Madrid
Hangzhou		Valencia
Beijing	Europe	
Jinan	France	Netherl
Shenzhen	Paris	Almere
Guangzhou	Boulogne-Billancourt	
Hong Kong	Aubagne	Austria
	Cestas	Berghei
Taiwan	Entzheim	Innsbru
Taipei	Friville	Vienna
	Gonesse	
Korea	Halluin	Germar
Seoul	Orvault	Augsbu
	Saint-Priest	Berlin
Southeast Asia and India	Tigery	Fellbac
Thailand	Lyon	Frecher
Bangkok	Maxéville	Halle
		Hambur
Singapore	United Kingdom	Holzwic
Singapore		Lahr
		Landsh

KPP GROUP WAY

Corporate Message

A Paper Trail for Creating the Future

MISSION

Contributing to
the realization of a recycling-oriented society
through paper innovation

VISION

G I F T + 1

Globalization Innovation Function Trust + 1(ESG)

VALUES

Pioneering the future with "paper innovation"
Cultivate autonomous human resources
Open-minded organization

KPP Group Charter

Please refer to our website for details.

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

Paper Innovation

DNA supporting the organization

VISION G I F T + 1

Globalization: Leveraging our global network to become a leading pulp and paper company

Innovation: Open up the potential of paper through a creative mind and develop a recycling-oriented business model

Function: Promote e-commerce and take on the challenges of new business domains

Trust: Continue being a sincere company trusted by stakeholders

Value Creation Approach

Global management
Establish a totally
recycling-oriented enterpris

Regional Business Strategy

Long-term Management Vision
G I F T + 1
2024

Financial Strategy

Sustainability Strategy

Communication Tool Chart

	Financial information	Non-financial information

Transition to a Holding Company Structure

Background and Objectives of Transition to Holding Company Structure

We have adopted a holding company structure intending to strengthen global governance in line with the expansion of our business scale, reform our portfolio, expand new businesses, and promote sustainability management. We will continue to actively promote communication across national borders to create synergies on a global scale by combining the strengths of our corporate group, which has 157 locations in 147 cities in 45 countries around the world, while providing a governance framework for Group companies.

Policy of Our Third Medium-term Business Plan

- Establishment of a management control system that respects the autonomy of each Group company by delegating authority and clarifying responsibilities
- Centralized management of information and implementation of appropriate Group management
- Realization of rapid management through the IT infrastructure development
- Global expansion of risk and incident management
- Development of internal control and internal audit system to ensure proper business operations
- Revitalization of internal communication

Strengthening global governance

- Analysis of global markets and promotion of digital marketing
- Becoming carbon neutral and promoting e-commerce
- Realization of inorganic growth through M&A, etc.
- Hybrid management with stock business and indent business

Portfolio reform and expansion of new businesses

Becoming the World's No. 1 Paper Trading Company

Overview of the Group

The Group has a global network spanning five continents, with bus
gion. In order to maximize profits and establish a revenue base at e
ances and work to create Group synergies.

KPP Group H

Business lines
Control and management of business activities of subsidi
through ownership of shares or equity interests in subsidi
holding and leasing of real estate; warehousing, etc.

Asia-Pacific
(Oceania, Southeast Asia, India)

Northeast A

Sorcers Limited

Business lines
Commercial print, digital media, label packaging, industrial packaging, signs and displays, consumables and hardware, architectural finishes

Established : 1896
Employees : 337
Locations : 14

Kokusai Pulp & Pape

Business lines
Purchase, sales, import, and
paperboard, paper processe
recovered paper, chemical p
related machinery, packaging
other related products; holdi
of real estate; warehousing, el

Established : 2022
Employees (consolidated basis) : 1,007 (including Japan a
Locations : 31

KPP ASIA-PACIFIC PTE. LTD.

Business lines
Regional management company in Southeast Asia

Established : 2015
Employees : 171*
Locations : 11
*Total employees in Group locations

Paper and Board Business

Packaging Business

Visual Communic Business

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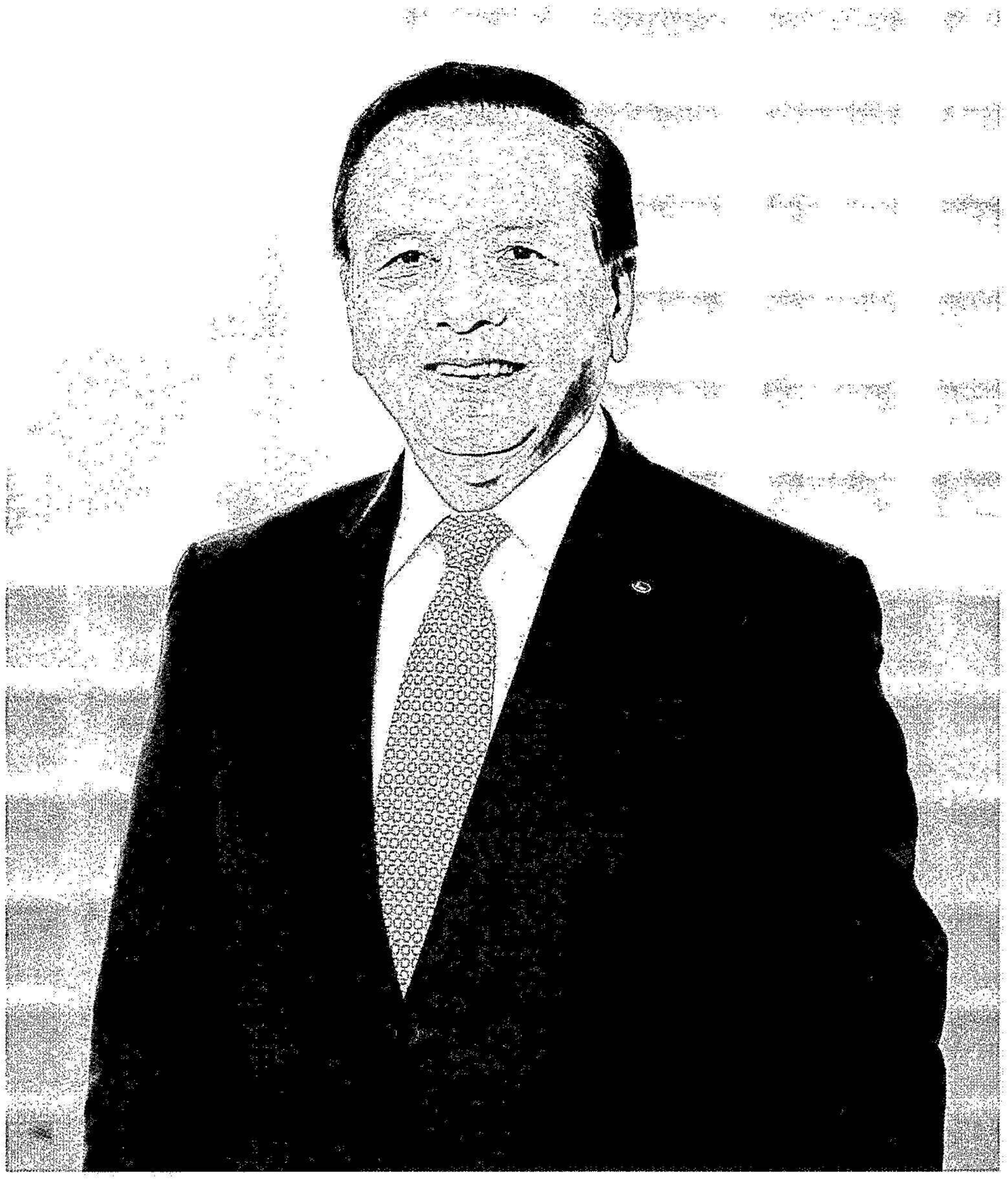

We will implement global management

How do you see changes in the b surrounding the Company?

Russia's invasion of Ukraine has reached a stalemate, and the ener countries is becoming increasingly serious. The blockade of grai caused food prices in developing countries to soar. The Group ope in European countries, mainly in France, Germany, and the United conflict in Ukraine is a major risk factor. We are hoping for a cease ble. As COVID-19 enters its third year, the virus continues to muta tions in Japan is on the rise again. It has been pointed out that vac against new mutant strains, and the development of a treatment conflict between the US and China is also manifesting itself as a st mocracy versus authoritarianism, the two countries' agendas are ir have deep roots. Climate change is also causing natural disaster year, such as heat waves and wildfires in southern Europe and frec Japan. In addition, as overseas sales account for more than 50% pact of foreign exchange rates on business earnings is not insignific tion to the conventional structural factors of digitalization, declining social, political, and geopolitical factors, as well as the increasing change, have become obstacles to achieving a sustainable society.

Against this backdrop of drastic cl environment, risks that have neve in the past are emerging one after How is the Company responding t how do you see the future of paper

There is no almighty means to solve many of these issues at once. ant thing is to foster a corporate culture that responds flexibly to iss tion for each issue, for example, using the ecosystem for some issu for others. Paper is also a material that fulfills the elements neces cluding the role of paper in solving issues for a decarbonized societ the five human senses (sight, hearing, smell, touch, and taste), and lar economy. Although the role of paper as a means of information it is no exaggeration to say that various functional products that t paper are in their budding stages. We are mapping various risks, i social issues, and finding ways to respond to them as well as oppo

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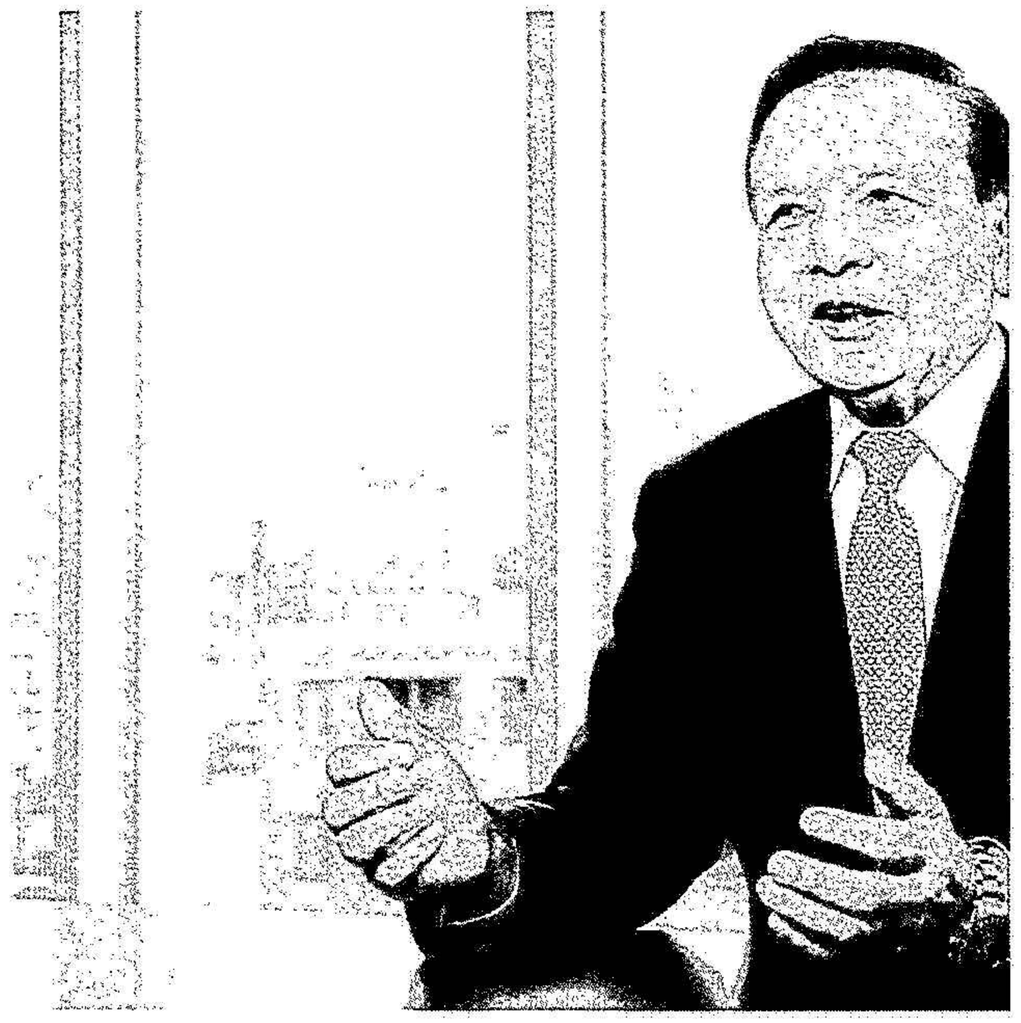
from four markets to three market segments: Prime, Standard, and Growth. At the time of our application for market selection, we did not meet the listing criteria for the Prime Market, and our transition to the Prime Market was a transitional measure. However, thanks to our proactive IR activities and measures to improve corporate value, we have now already achieved all of the criteria for listing on the Prime Market, including tradable shares and trading volume. Furthermore, we have conducted overseas M&A for two consecutive years upon listing, and in the fiscal year ended March 31, 2022, we were able to record the highest net sales and operating income in our history. Among them, the acquisition of Antalis, Europe's largest paper distributor with nearly 4,000 employees, was a decision made in the difficult circumstances of the COVID-19 pandemic, but it has resulted in a significant contribution to the Group's consolidated financial results. Four years have passed since we became listed, and a series of overseas M&As have transformed us into a global company with locations in 45 countries. We have become one of the three largest paper distributors in the world, which has increased employee motivation and engagement. Regarding shareholder returns, we plan to pay a dividend of 20 yen per share to shareholders this fiscal year, up from 8 yen at the time of listing, and our stock price has reached the highest level since listing.



Q **You announced an overview of the third medium-term business plan at the financial results briefing in June. Please tell us about your future aspirations as well as a review of the second medium-term business plan.**

In the second medium-term business plan, we aimed for inorganic growth through overseas M&A and we were able to achieve more than 100% of our objectives in our regional and business strategies. In our regional strategy, we gained a large market share in Oceania, Europe, and South America, and in our business strategy, we increased the depth of our paper-related businesses, including packaging, signs and displays, and stickers and labels, which have growth potential. Furthermore, the addition of more than 4,000 foreign employees has also brought a great deal of know-how and an extensive information infrastructure, including databases. The three years of the third medium-term business plan is a period to solidify the business scale expansion through M&A and our globalization, which was accomplished during the business development period of the second medium-term business plan. The title of the third mediun management and establishment of recycling-oriented business." Th structure is part of this plan. With the transition, the company na Holdings Co., Ltd. on October 1. As a branding strategy for the hancing IR activities by increasing awareness through TV and radio the final year of the third medium-term business plan, we will celeb founding, and our Long-term Management Vision GIFT+1 2024 will GIFT+1 2030 will start anew in 2025, and we hope to become the per distributor by then.

Net Sales

(Million yen)

563,414

650,000
(Estimate)

Operating Income

(Million yen)

21,000
(Estimate)

Shareholder Returns

(Yen)

20
(Estimate)

Q **You are making a new start as a hold in the first year of the third medium- What is the aim of this?**

We see the SDGs as a national initiative and the ESG as a corpor both nations and companies will achieve development and growth

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As the pulp and paper market in Japan shrinks, do you see any change in the positions of paper manufacturers and paper distributors in the future?

The history of paper in Japan dates back to the time of Prince Shotoku in the 7th century. By the 17th century, influential paper wholesalers had emerged, and the history of the Company continues to trace its origins to this. At the end of 19th century, the circulation of banknotes and the need for mass production of paper eventually led to a shift from handmade Japanese *washi* paper to machine-made paper. The today's relationship between paper manufacturers and distributors, which is originated from paper wholesalers, dates back to this period. The Japanese paper market subsequently rode the wave of rapid postwar growth and rose to become the world's second largest consumer nation. I believe that this was due in large part to the integrated distribution system of paper manufacturers and distributors that provided logistics, finance, credit, and other services. However, after the year 2000, the paper market began to shrink as the declining birthrate, aging population, and digitalization of information media began to drive people away from paper media. Meanwhile, the development of e-commerce has increased the demand for packaging, and environmental concerns have initiated a shift toward sustainable biomass resources. In this manner, the relationship between paper manufacturers and distributors, which had supported the information media industry through production and sales as a single unit, gradually became less and less stable due to contracting demand. At the same time, a shakeout of players and reorganization of companies to match market size has also occurred. Then, in the process of finding new strategic products that will be the pillars of a post paper media world, paper manufacturers and paper distributors will have to go their separate ways. Since the starting point for paper manufacturers is wood, there are high expectations for new technologies that utilize biomass resources. They have already begun to make use of cellulose nanofibers and lignin, and to enter the drug discovery business. However, distributors cannot go back to the wood. We have to find a way forward by developing markets in the paper-related fields. Fortunately, we have been acquiring new markets through overseas M&A for the past four years and now have sales and distribution locations in more than 150 cities around the world an In addition, our design centers, original product lineup, marketing and financing capabilities, as well as e-commerce services and eco to compete not only in the paper sector but also in the surroundin forget that it is necessary to continue to communicate that paper, c product that stimulates the human senses, so that it should not becc

Environmental awareness is growin and companies need to be environm in order to enhance their brand pow What initiatives is the KPP Group pu

We believe that environmental issues such as climate change and r issues that cannot be ignored. In order to reduce the medium- and tal problems on the global economy, it is necessary to make impro activities. Based on this belief, we have endorsed the recommen mate-related Financial Disclosures (TCFD) and have begun global emissions. Although the core operating companies in each region ir businesses, what they all have in common is that they are corpora in the pulp and paper industry. Therefore, we will first target greenl logistics by improving delivery efficiency, and then expand this effort t more comprehensive measures against global warming. Recently, t warming prevention measures to be taken on a global level. Our ma we will contribute to the realization of a recycling-oriented society, a of the 1.8 million tons of base paper sold is recovered and recycled. recovered paper, we have a nationwide system Town ecomo, in wl at supermarkets and drugstores and points are granted. For com traceability management system for resource recycling as the eco management is also shared at our overseas locations, and in Oce a catalog that lists all of our materials and products with reduced we operate the Green Star System™, a unique system for rating products. The KPP Group is aware that it is a major player in the p the environmentally friendly material of paper at its core, the entire G reducing environmental impact.

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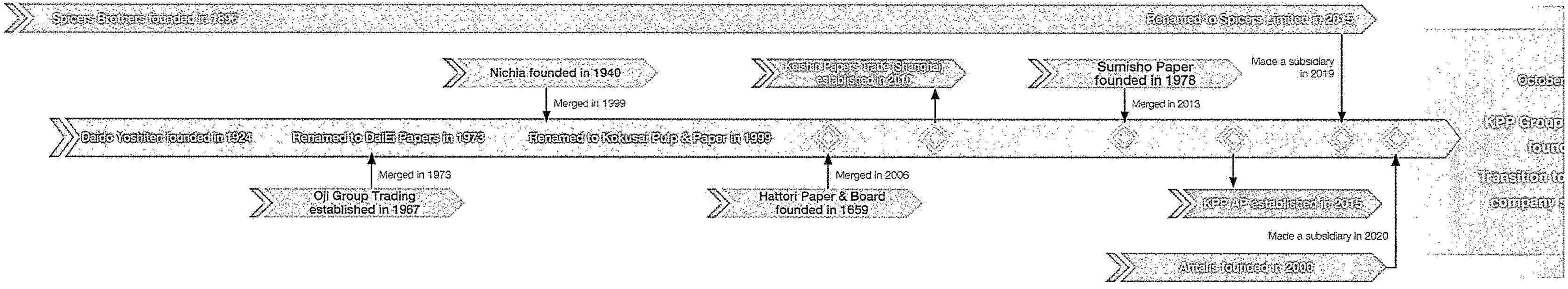
History of KPP Group



1 Foundation period (1924–1972) › **2 Development period** (1976–2012) › **3 Second period of expansion** (2016–2019) ›

Daido Yoshiten, the predecessor of KPP Group Holdings, was established during the rise of modern paper manufacturing

Daido Yoshiten, the predecessor of KPP Group Holdings, was founded in Osaka in 1924, and opened its first overseas branch in Shanghai in 1925. Later, it continued to aggressively expand into Tianjin, Taipei, Hong Kong, and other parts of Asia, and opened representative offices in Singapore in 1956, Melbourne in 1969, and Jakarta in 1970, actively expanding overseas from the early days of the Company. Rapid growth of the Company driven by the increasing demand for paper during the postwar reconstruction period and the high economic growth period.

Expanded business through mergers and proceeded to operate globally at the center of industry reorganization

At the time, mergers and integration of manufacturers and trading companies were being repeated as industry reorganization progressed. The Company also merged with trading company of pulp Oji Group Trading in 1973 and was renamed to DaiEi Papers. It merged with major paper distributor Nichia in 1999 and was renamed to Kokusai Pulp & Paper. The Company also merged with Hattori Paper & Board in October 2006. It also expanded overseas into various areas in Asia during this period.

Proceeded with business structural reform and expansion of business domains, evolving into one of the world's leading pulp and paper trading companies

In 2013, the Company merged with Sumisho Paper, a subsidiary of SUMITOMO CORPORATION with strengths in recovered paper and pulp, and expanded business portfolio to include raw materials. It also achieved its longstanding goal of being listed on the First Section (currently Prime Market) of the Tokyo Stock Exchange in 2018, obtaining social credibility and strengthening its business foundation. After being listed, the Company has adopted a global inorganic strategy, and acquired Spicers, a major paper distributor in Australia in 2019.

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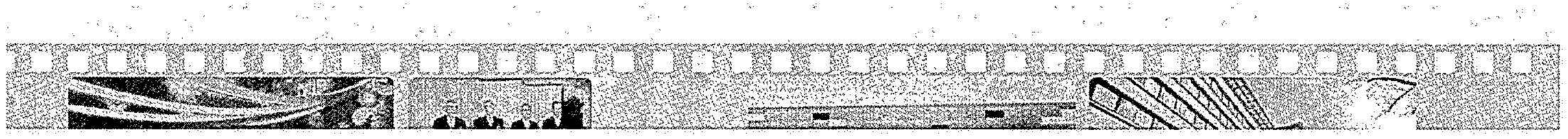
2024



Consolidated Net Sales

Net sales by segment

Wholesale pulp and paper, domestic locations

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External Environment and Risks and Opportunities for KPP Group

External environment

World
- Increasing geopolitical risks
- Intensifying environmental problems
- Shift in the centers of population and economy
- Continuing urbanization
- Technological advancement
- Depletion of underground resources

Within Japan
- Advent of a super-aging society
- Dwindling birthrates and labor shortages
- Long-term deflation
- Decline of regional economies
- Declining national economic status

Risks and opportunities

Risks (Negative impact)
- Shrinking domestic market due to changes in national demographics (population decline, declining birthrate, and aging population)
- Growth of paper-free operations, especially in offices, due to the progress of computerization

Opportunities (Positive impact)
- Development of new paper applications triggered by environmental issues
- Growing demand for paper for packaging applications due to the expansion of the e-commerce market
- Expansion of markets in emerging countries
- Increasing demand for sanitary paper against the backdrop of infectious disease control

Our Visio

As up until now, the KPP Group is exp
under the management v
We contribute to the realization
through our totally recycling-orient
the Packaging Bus
the Visual Communication Busin
by our overseas Grou

Input

Financial capital
- Sound financial base
- Strategic business investment
- Total assets: 290.7 billion yen
- Equity ratio: 19.4%
- ROE: 15.0%

Manufacturing capital
- Global presence with 157 locations in 147 cities in 45 countries, 86 distribution centers, design centers, etc.

Intellectual capital
- Abundant knowledge of the pulp and paper industry accumulated over 98 years, product and solution development capabilities, and a track record of building recycling-oriented business models to realize a recycling-oriented society, in addition to knowledge and achievements in downstream fields (packaging solutions, visual communications, etc.) at our overseas locations

Human capital
- 5,354 employees with diverse backgrounds working globally (consolidated)

Social and relational capital
- Solid customer base based on longstanding relationships of trust and a sales network that covers 60 countries

Business Model

Kokusai & Paper

Pulp

Spicers

Antalis

New KPP Group	management keywords
1 Strengthening	global governance
2 Portfolio reform expansion	and new business
3 Promotion management	of sustainability

Global

Hybrid

Domestic

Totally

busines

Paper

Pac

Comm

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Identification of Material Issues and Contribution to SDGs

We have identified material issues that should be used as indicators to help us achieve the Sustainable Development Goals (SDGs) through our business activities and to create new value for the Company on a sustainable basis. Based on the results, we formulate action plans tied to the SDGs and promote specific initiatives to achieve the goals.

Material Issue Identification Process

Step 1 Identification of issues

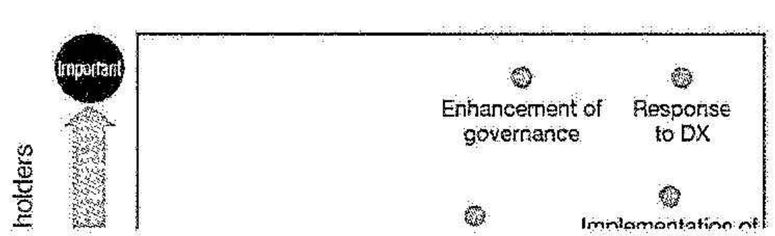
Taking into account domestic and international social issues, international guidelines and standards (ISO 26000, SDGs, GRI, IIRC, etc.), and evaluation items from ESG assessment organizations (MSCI, FTSE, etc.), we examined our strengths, weaknesses, opportunities, and threats, and identified general strategic issues to be addressed as we proceed with our corporate activities.

Step 2 Evaluation of materiality

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

Step 3 Evaluation of validity through discussion

The mapped issues were grouped based on similarity, and re-mapped after discussion among project members. After further discussion of the results, material issues were mapped as shown in the figure below. After approval by the Board of Directors, the material issues identified in this manner are incorporated into management strategies, action goals are set for these strategies, and the PDCA cycle is implemented.



Material Issues of the KPP Group

Material Issues	Major themes	Actions	
Global expansion	○ Creation of Group synergies	○ Share and leverage supplier and customer networks at locations in Japan and overseas	○ Number of proc core operating c
	○ Internal communication	○ Produce and deploy a philosophy book and educational materials explaining the KPP Group Way ○ Produce and share videos and other content introducing each location ○ Publish a Group newsletter to deepen mutual understanding within the Group	○ Publish a philosopl ○ Develop philosoph 2024) ○ Publish a Group ne ○ Produce video cont
Response to DX	○ Expansion of e-commerce	○ Expand online sales channels	○ Improve e-comr
	○ Development of new systems	○ Revamp core systems	○ New core syster
Implementation of green business	○ Resolution of the marine plastic pollution problem	○ In addition to Green Products, incorporate global results such as Europe and Oceania into targets	○ Plan as the Gr sales (fiscal yea
	○ Recycling and waste reduction	○ In Japan, further promote recycling-oriented business as stated in the management philosophy	○ Recovered pape
Climate change countermeasures	○ Development of solutions to prevent global warming	○ Develop and distribute a biomass power plant optimization support system	○ Expand sales in
	○ Reduction of CO_2 emissions	○ Formulate a method for measuring greenhouse gas emissions and begin with a global measurement ○ Set Group-wide targets while gradually expanding the scope of greenhouse gas emissions measurement	○ Expand Scope consolidation in ○ CO_2 reduction t Achieve net ze reduction annu
Diversity & Inclusion	○ Ensuring diversity ○ Utilization of diverse personnel	○ Continue to respect the work-life balance, implement continued employment, and hire persons with disabilities, foreign nationals, career personnel, etc. ○ Continue various types of training and education (by rank, anti-harassment, etc.) and promote business activities that consider forests and biodiversity ○ Create a safe, healthy, and rewarding work environment that takes into account the actual conditions of each region	○ Implement Pla Advancement ○ Ratio of women ○ Ratio of female ○ Ratio of persons ○ Utilize foreign n ○ Promote telewo ○ Percentage of e ○ Improve operat Project ○ Overtime hours
	○ Risk management & incident management	○ Respond to risks identified in risk assessments conducted by the core operating companies and monitor the status of response to those risks to strengthen risk management	○ Formulate rules (risk and incide ○ Formulate actio

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We have developed a totally recycling-oriented business model in Japan based on paper sales, collection, and recycling, but with the progress of our inorganic strategy overseas, diversity has been created in our business models in overseas. We are deploying a hybrid business model to match local markets overseas.

Global strategy maximizing profitability and efficiency

Hybrid Business Model

The Company is expanding its sales network on five continents and actively capturing the growth of markets worldwide. In order to operate a global business, it is necessary to create business models according to each region, and appropriately combine them to maximize profitability and efficiency. The hybrid business model resolves this issue.

As specific examples of operating business according to the region, we are further promoting post-paper business and e-commerce in Oceania and Europe. In Southeast Asia, Spicers will take over the Asian businesses of Kokusai Pulp & Paper and Antalis to maximize the effects of Group synergies. China is the world's largest paper and paperboard market in terms of both production and consumption, and the KPP Group's China business is steadily expanding after transitioning to a localized paper distribution business.

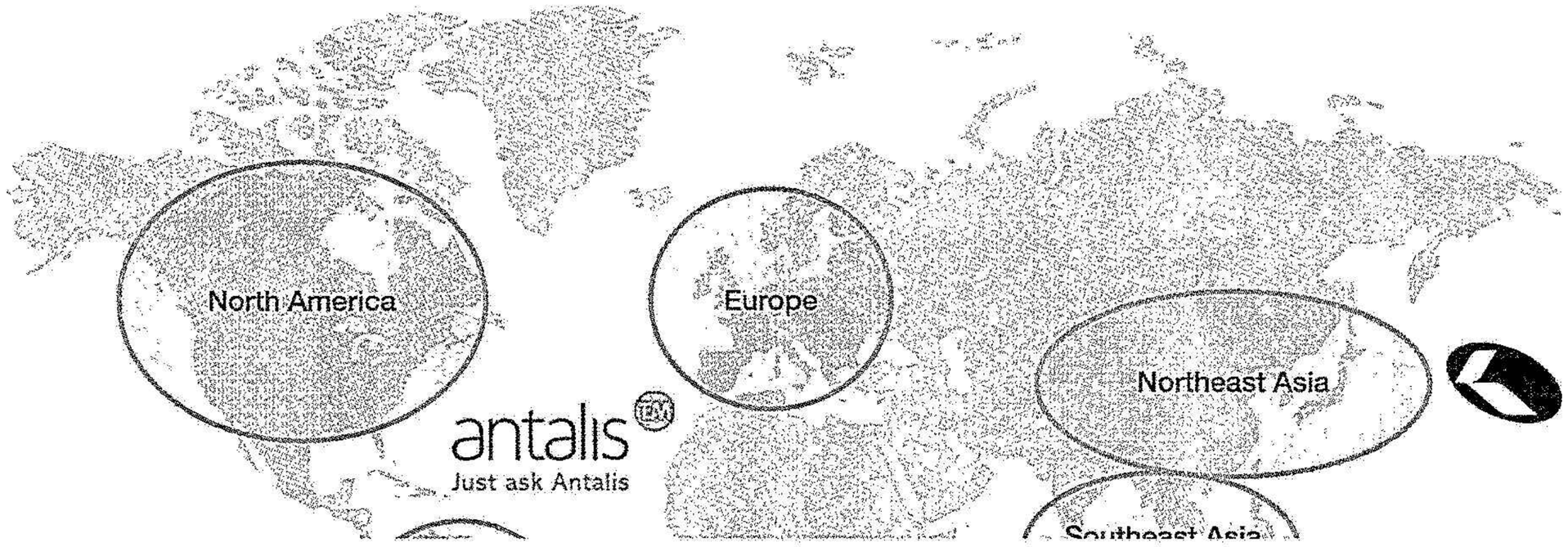
Hybrid Business Model

Paper Trading-oriented
Business model overseas
Trade business utilizing a global network for paper, paperboard, and paper raw materials

Paper Distributor-oriented
Business model in Japan
Paper-related wholesale business that combines indent business (contracted sales) and stock business (inventory sales)

Paper Merchant-oriented
Business model in Oceania and Europe
High value-added business through cutting and processing and sales of own-brand products by possessing large-scale logistics and distribution functions

Global Network



Realization of environmentally friendl

Totally Recycling-orient

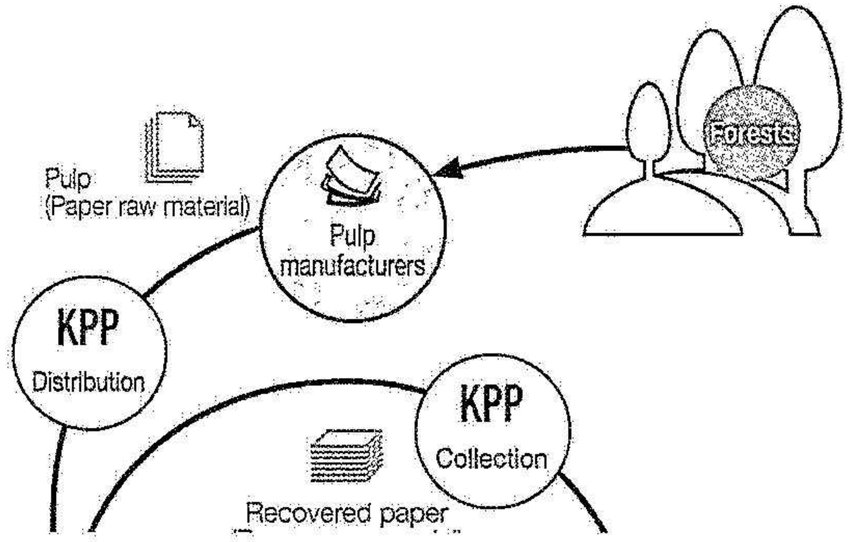
The Company is now building a recycling-oriented business model so that the realization of a sustainable society. We are expanding our business to r through material recycling that supplies recycled resources such as recover mainly through our biomass power plant operation support services.

If we compare the Group's business model to the flow of blood, the flow c be regarded as arteries, and the flow of paper collected after the paper con ered paper to be used as raw materials as veins. In order to realize a sustair veins without stagnation. The Group plays the role of the heart that controls

Material Recycling

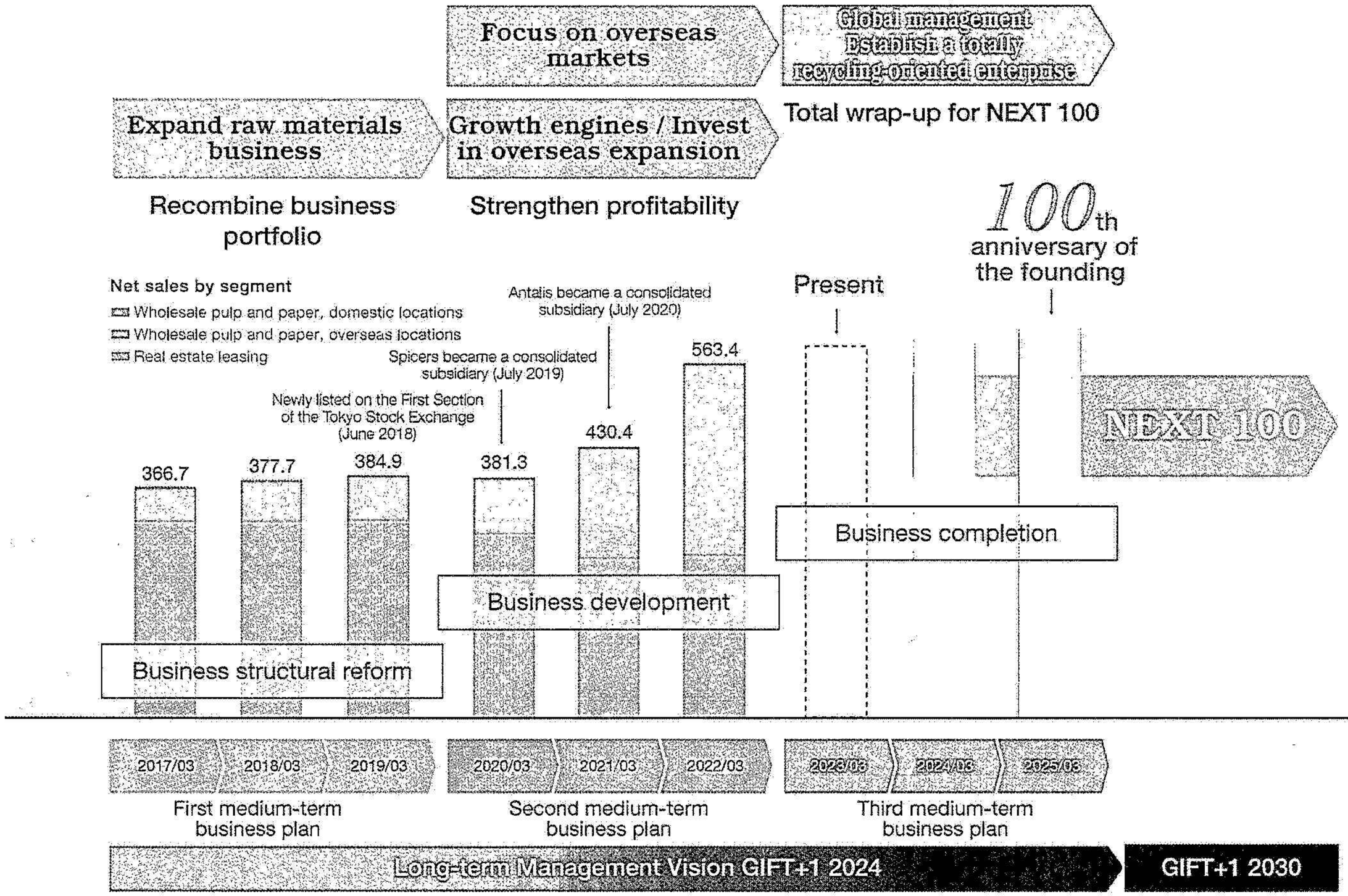
Contributing to the realization of a circular economy through a recycling-oriented business

With a network of approximately 1,200 suppliers and some 2,400 customers, we boast industry-leading paper sales and a collection volume of recovered paper domestically. In the paper sales business, we leverage the knowledge in paper and peripheral materials that has been cultivated throughout our nearly 100-year history to propose wide-ranging solutions. In the paper recovery business, we utilize our nationwide supply network of recovered paper wholesalers and paper recovery solutions such as Town ecomo, Office ecomo, and ecomo Closed Recycle Service.



Long-term Management Vision GIFT+1 2024
Third Medium-term Business Plan

The Long-term Management Vision GIFT+1 2024, which started in fiscal 2016, has completed its first medium-term business plan for the business structural reform and the second medium-term business plan for the business development, and has newly formulated its third medium-term business plan covering the three-year period from fiscal 2022 to fiscal 2024. Under the third medium-term business plan, which started in April 2022, we have taken a new step forward as a global company with 157 locations in 147 cities in 45 countries around the world. In fiscal 2024, the final year of the plan, we will celebrate the goal of our Long-term Ma anniversary of our founding. In the third medium-term business enhance corporate value by promoting global expansion and c through a totally recycling-oriented business model, and by refor



Review of the Second Medium-term Business Plan from the Fiscal Year Ended March 31, 2020 to the Fiscal Year Ended March 31, 2022

- Net sales and profits both grew significantly, creating a highly profitable structure
- Overseas business grew significantly with the acquisition of Spicers and Antalis as subsidiaries. Portfolio reforms are being promoted by incorporating new business sectors such as the Visual Communication Business and the

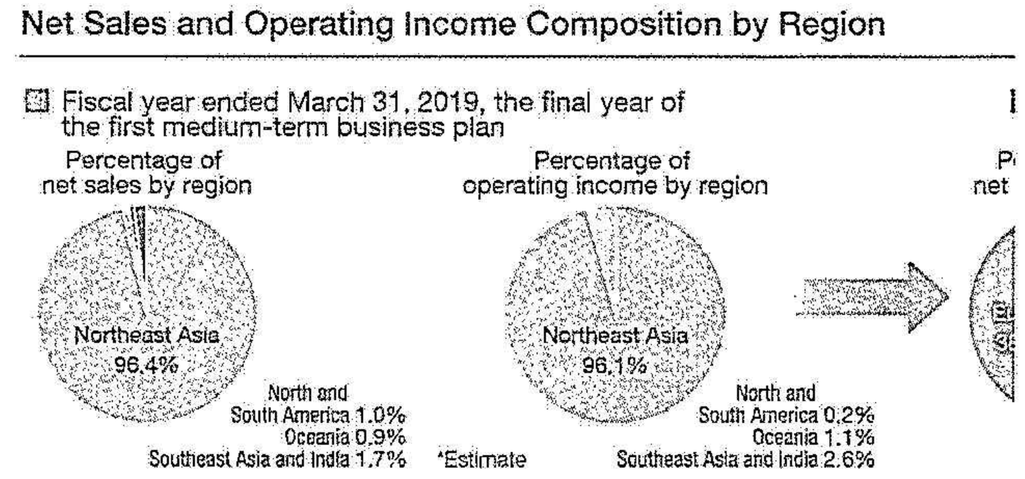
Domestic
- Faced with a contracting graphic paper market, driven by the advancement of IT and the impact of COVID-19
- Strengthened and promoted totally recycling-oriented business operations
- Created solution businesses such as BMecomo

Overseas
- Implemented major M&As (such as Spicers in Australia, and Antalis in France)

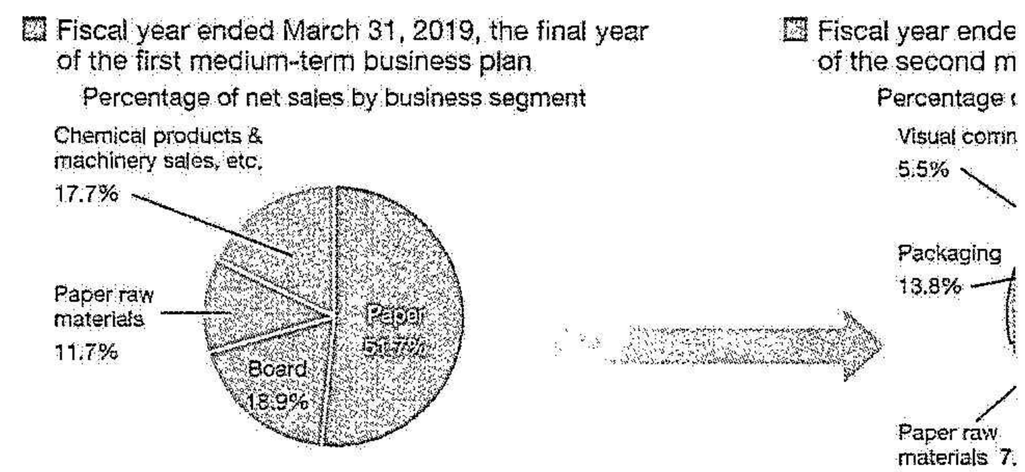
Transformation of Business Structure and Scale thro

Under the first medium-term business plan, the Company was lis (currently the Prime Market), and under the second medium-term ania in 2019 and Antalis in Europe in 2020 to reform its business p 2022, the final year of the second medium-term business plan, we income, with overseas sales accounting for 54% of total net sales 80% of total. Through a series of M&As, the Packaging and Visua companies have been newly added to the Group's business portfo ture growth. In terms of business scale, the KPP Group has made trading company.

Net Sales and Operating Income Composition by Region



Net Sales Composition by Business Segment



Emerges as the World's Third-largest Paper Trading Company in

(Billion yen)
900

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Policy of the Third Medium-term Business Plan for the Fiscal Year Ending March 31, 2023 to the Fiscal Year Ending March 31, 2025

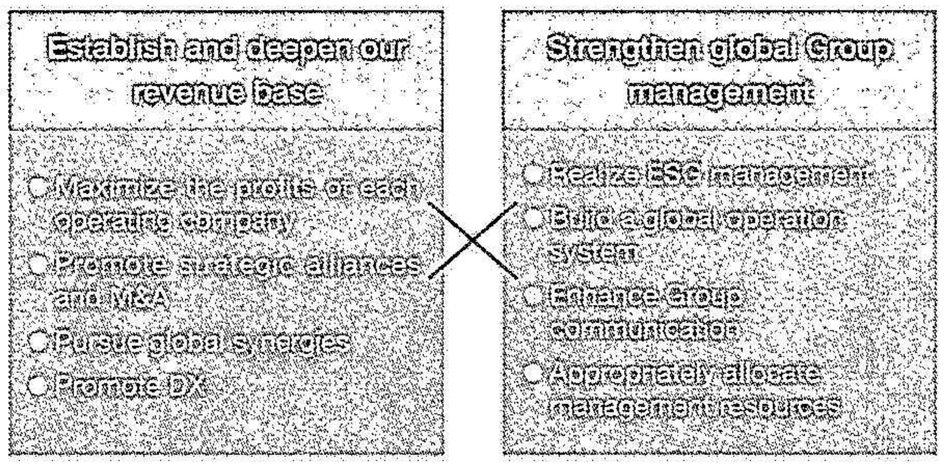
In the third medium-term business plan, we will focus on contributing to a sustainable society through recycling-oriented businesses and improving corporate value through business portfolio reform. We will establish a revenue base by maximizing the profits of each operating company, promoting strategic alliances and M&A, and pursuing global synergies, and strengthen global Group management by realizing ESG management, building a global operation system, and enhancing Group communication. Spicers and Antalis joined the KPP Group through M&As during the period of the second medium-term business plan, and we believe it is essential to maximize synergies among these Group companies, including Kokusai Pulp & Paper. To that end, we will promote and strengthen communication and information sharing among Group companies even more than before.

Theme

Achieving the Long-term Management Vision GIFT+1 2024 and toward the 100th anniversary of the Company's founding

Message

Contribute to a sustainable society through recycling-oriented businesses and improve corporate value through business portfolio reform



Group Strategy

Transition to a Holding Company Structure and Management by Global Expansion Area

With the objectives of strengthening global governance, portfolio reform and new business expansion, and promotion of sustainability management, on October 1, 2022, we have made a fresh start by transitioning to a holding company structure and changing our company name to KPP Group Holdings Co., Ltd. Under the holding company structure, there will be three core operating companies, Kokusai Pulp & Paper, Antalis, and Spicers. Kokusai Pulp & Paper will be responsible for the business operation in Northeast Asia region, Antalis in Europe, North America, and South America, and Spicers in the Asia-Pacific region, respectively. In this manner, the three core operating companies will share the geographic areas in which they have the greatest expertise and cover the five continents of the world.

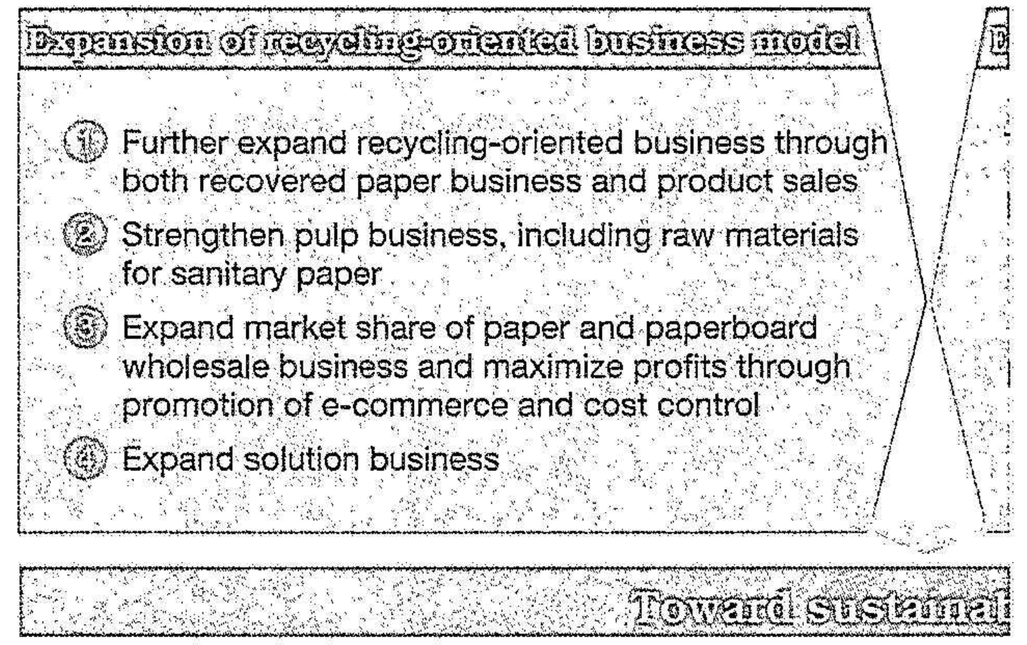
Creation of Group Synergies

One of the objectives of our transition to a holding company structure is to create synergies among our core operating companies. In addition, we classify synergies into three categories: management synergies, financial synergies, and business synergies, and aim to realize each of these synergies. Management synergies include the sharing of good business management practices, the utilization of global human resources, and shared services. Financial synergies address the reduction of financial costs by maximizing the creditworthiness of the KPP Group. Business synergies include sharing sales channels and supply chains, leveraging name recognition and brand power, and expanding business areas. Some of the business synergies have already been realized, such as Kokusai Pulp & Paper signing a distributorship agreement to deal

Growth through M&As and Alliances

In the third medium-term business plan, the KPP Group's basic str
of the recycling-oriented business model and growth of internal mai
solution businesses, and to accelerate growth through acquisition
as M&As and alliances (inorganic). The main areas of investment ar
Business, mainly in Europe, the US, and the ASEAN region. Funds
is within the projected cumulative free cash flow for the three-year p

Organic growth



Numerical Targets for the Final Year (Fiscal

The numerical targets for net sales, profit, profitability, and financ
medium-term business plan are as shown in below. Emphasis is
particularly in the high-value-added Packaging and Visual Commur
by maintaining ROE at 10% or higher, which is a standard for outsi
times or less. In the Northeast Asia region, we aim to achieve organ
wholesale business of paper, recovered paper, and pulp, which ar
Meanwhile, in Europe, America, and the Asia-Pacific region, we v
Packaging, and Visual Communication. To achieve these numerica
gies set forth in the third medium-term business plan and create Gr

		Fiscal year ended March 31, 2022
Net sales	(Million yen)	563,414
Operating income	(Million yen)	9,379
Operating profit margin	(%)	1.7%
Net profits	(Million yen)	7,497
ROE	(%)	15.0%
ROA	(%)	2.7%

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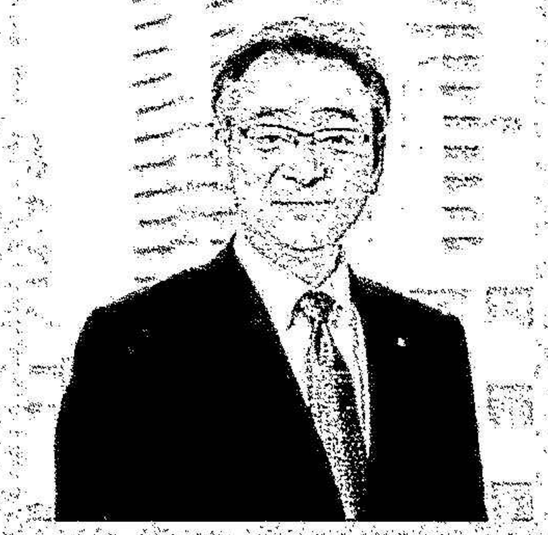
Message from the Head of Overseas Business



Makoto Ikuta

Senior Managing Director of the Board
In charge of overseas business

Review of Fiscal Year Ended March 31, 2022

For the fiscal year ended March 31, 2022, the wholesale pulp and paper segment at overseas locations achieved significant increases in both revenue and earnings, boosted by the full-year contribution of Antalis' performance and a recovery in demand in Europe, Oceania, and elsewhere on the back of a policy of coexistence with COVID-19. In Hong Kong and China, where we recorded significant losses in the fiscal year ended March 31, 2021 due to bad debts, we have also made progress in restructuring our business operations. As for the consolidated gross profit margin, it increased from 12.1% year on year to 16.5%, largely due to the contribution of Antalis, which has a high gross profit margin.

Watching the External Environment Closely

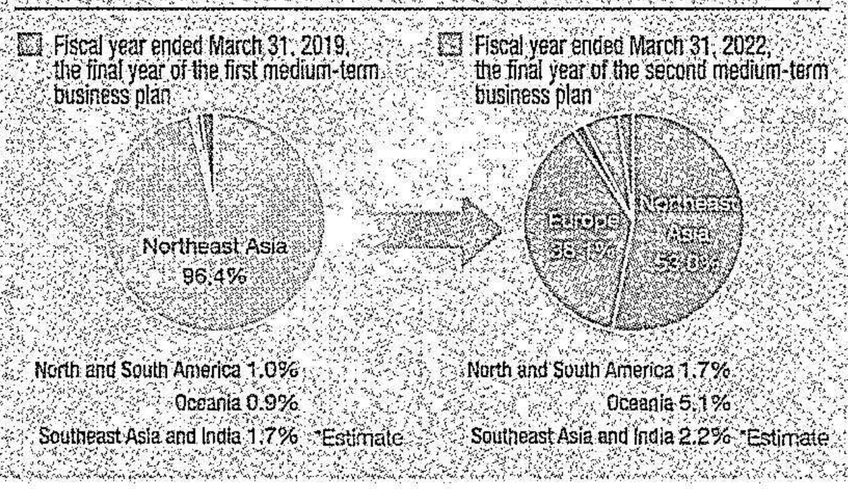
Although the inorganic strategy has made positive progress so far, we need to keep in mind that the market environment is rapidly changing for the next fiscal year as we advance with our business activities. Although people's perception of the coronavirus is changing even in Japan, which had continued to adopt a relatively conservative policy, events and inbound demand have not completely recovered. In China, the Xi Jinping administration is entering its third term, and the so-called zero-COVID policy is expected to continue. Geopolitical risks are increasing due to Russia's invasion of Ukraine as well as the escalating conflict between the US and China. In terms of the economy, the US has steered interest rates higher and the US dollar has appreciated, affecting not only Japan but to the Southeast Asian market, and conditions remain difficult in China and Southeast Asia. However, locations in Europe, Oceania, and other regions are driving the overall performance. In the overseas Packaging Business and Visual Communication Business, we expect further market expansion in both Europe and Oceania.

Prospects for the Next Fiscal Year

Looking ahead to the next fiscal year, our challenge will be to respond to the fluid macro environment by strengthening risk management on a global basis and maximizing profits by creating synergies with overseas operating companies added through M&As.

We will continue to promote global expansion to capture the growth of overseas markets.

Net Sales by Region



Message from the Head of Corpo

Haruyoshi Asada

Senior Managing Director of the Board
In charge of corporate administration

Review of Business Results for the Fiscal Year Ended March 31, 2022 and the Second Medium-term Business Plan

In the fiscal year ended March 31, 2022, the final year of the second medium-term business plan, the Company's net sales were 563,414 million yen (up 30.9% year on year). In terms of operating income and loss, the performance of Antalis, which was acquired in the previous fiscal year, contributed to the full-year results, and the impact of the provision of allowance for doubtful accounts for customers in Hong Kong and China, which occurred in the previous fiscal year, was eliminated. As a result, operating income was 9,379 million yen (operating loss of 9,035 million yen in the previous fiscal year), ordinary income was 8,844 million yen (ordinary loss of 12,041 million yen in the previous fiscal year), and net profits were 7,497 million yen (net profits of 1,416 million yen in the previous fiscal year).

Factors contributing to the significant improvement in performance in the fiscal year ended March 31, 2022 compared to the fiscal year ended March 31, 2021 include the expansion of business scale through M&As in Europe and Oceania and the strengthening of the earnings base by incorporating the Packaging Business and the Visual Communication Business, as well as increased global demand for packaging, higher sales prices in the European and Oceania markets, and a recovery in demand due to the subsiding of the COVID-19 pandemic. As a result, the equity ratio, an indicator of financial safety, increased to 19.4%, up 3.6 percentage points from the fiscal year ended March 31, 2021.

Third Medium-term Business Plan

For the fiscal year ending March 31, 2025, the final year of

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Financial Highlights (Five-Year Summary)

Unit: Million yen

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2018
Balance sheet					
Current assets	**210,523**	200,672	136,546	137,757	141,961
Fixed assets	**80,183**	74,447	52,771	53,853	56,205
Current liabilities	**170,164**	190,993	121,293	126,484	134,589
Fixed liabilities	**64,167**	40,544	20,746	14,900	15,881
Interest-bearing liabilities	**80,237**	83,272	47,808	41,357	49,693
Net assets	**56,291**	43,489	47,184	50,117	47,546
ROE (%)	**15.02**	3.12	2.53	5.12	5.32
Total assets	**290,707**	275,119	189,317	191,610	198,166
ROA (%)	**2.65**	0.61	0.65	1.28	1.27
Equity ratio (%)	**19.4**	15.8	24.9	26.2	24.0
Profit and loss statement					
Net sales	**563,414**	430,404	381,397	384,973	377,714
Gross profit	**92,951**	51,915	23,708	22,064	22,008
Ratio to net sales (%)	**16.50**	12.06	6.22	5.73	5.83
Operating income	**9,379**	(9,035)	1,850	2,280	2,362
Ratio to net sales (%)	**1.66**	–	0.49	0.59	0.63
Ordinary income	**8,844**	(12,041)	2,194	2,518	3,086
Ratio to net sales (%)	**1.57**	–	0.58	0.65	0.82
Profit attributable to owners of parent	**7,497**	1,416	1,232	2,497	2,433
Ratio to net sales (%)	**1.33**	0.33	0.32	0.65	0.64
Statement of cash flows					
Operating cash flow	**4,821**	(6,472)	4,905	4,217	4,019
Investment cash flow	**(2,678)**	23,046	(5,400)	1,130	(7,920)
Financial cash flow	**(11,803)**	6,597	5,504	(6,623)	5,760
Ending balance of cash and cash-equivalents	**22,631**	30,543	7,775	2,838	4,135
Per-share data					
Net profits per share (Yen)	**104.39**	19.70	16.86	34.74	36.55
Net assets per share (Yen)	**783.65**	605.71	649.48	685.21	714.05
Annual dividend per share (Yen)	**14.00**	10.00	10.00	10.00	8.00
Other indices					

Non-Financial Highlights (Five-Year

Personnel Data*1		Fiscal year ended March 31, 2022	Fiscal year e March 31, 2
[Consolidated] Number of employees (persons)		**5,354**	5,5
[Non-consolidated] Number of employees (persons) *Excluding fixed-term employees and post-retirement workers	Male	**365**	4
	Female	**242**	2
	Total	**607**	6
Gender ratio in management positions (%)	Male	**97.0**	97
	Female	**3.0**	2
Average years of service		**17.9**	18
Hiring rate of persons with disabilities (%)		**2.4**	2
Number of continued employment system users		**29**	
Number of new graduates hired		**6**	
Number of mid-career employees hired		**11**	
Total number of employees hired		**17**	
Hiring rate of mid-career employees (%)		**65**	

Work-Life Balance Data*1	Fiscal year ended March 31, 2022	Fiscal year e March 31, 2
Number of employees who took childcare leave	**12**	
The ratio of childcare leave takers who return to work (%)	**100**	1
Number of employees who used childcare shortened work-hour system	**12**	
Number of employees who used staggered work hours (excluding off-peak commuting reasons)	**19**	

Environmental Data*1	Fiscal year ended March 31, 2022	Fiscal year e March 31, 2
Environmentally friendly paper sales (tons)	**683,582**	736,5
Forest-certified pulp sales (tons)	**172,561**	157,4
CO_2 emissions based on the ton-kilometer method (t-CO_2)*2	**9,115**	9,6
Energy consumption by business operators (kl)*3	**978**	1,0
CO_2 emissions by business operators (t-CO_2)	**1,797**	1,8

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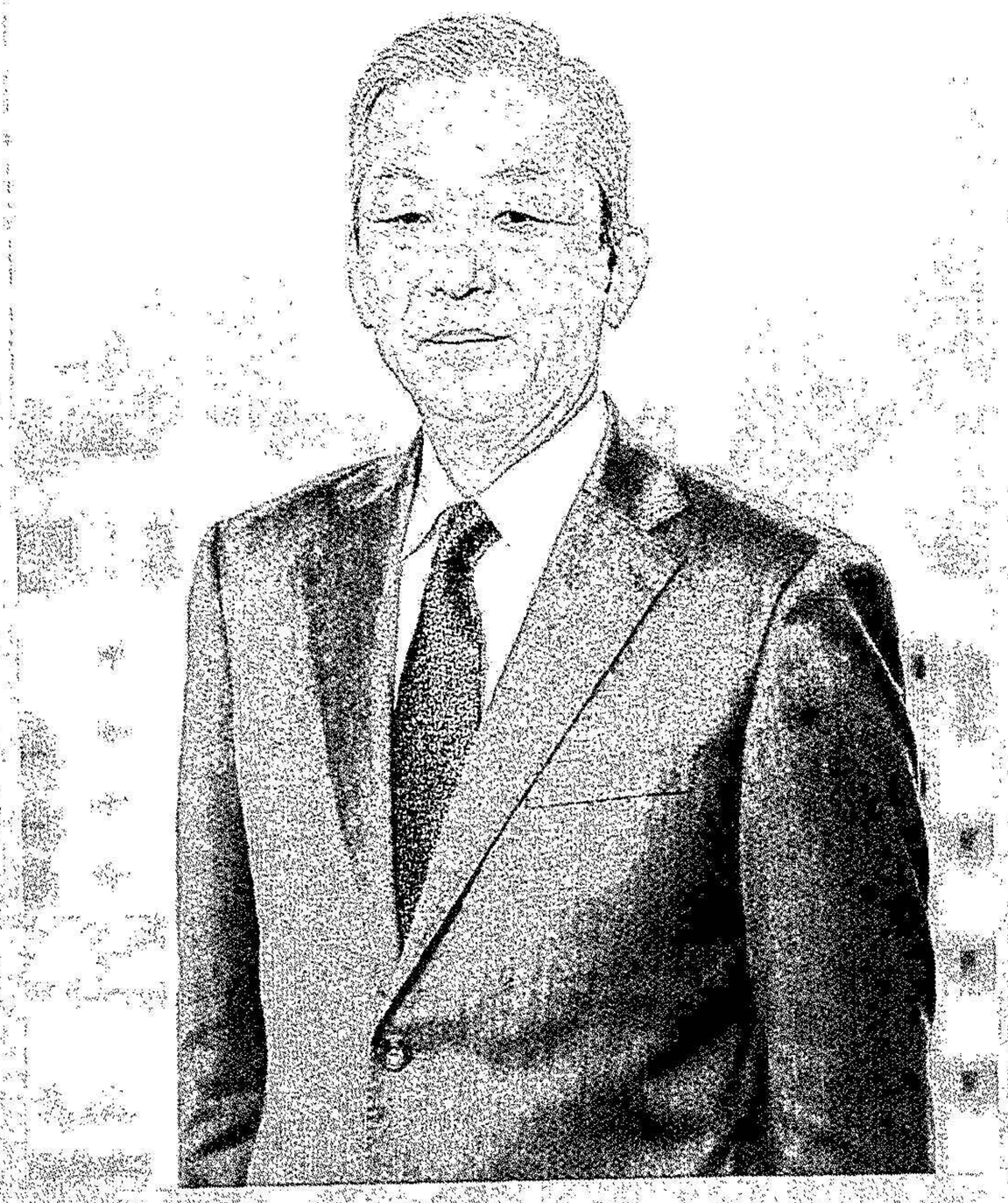
Regional Business Strategy

Northeast Asia

Message from the President of Kokusai Pulp & Paper

KOKUSAI PULP&PAPER CO.,LTD.



Tadashi Kurihara

Kokusai Pulp & Paper
Representative Director of the Board,
President & Executive Officer

The Role of Kokusai Pulp & Paper in the KPP Group

On October 1, 2022, the KPP Group transitioned to a holding company structure, starting anew as KPP Group Holdings Co., Ltd. With 91 companies operating in Japan and overseas in Europe, Oceania, and other regions, the KPP Group has transformed itself into a global company with the overseas business accounting for more than 50% of net sales and 157 locations in 147 cities in 45 countries

industry in Japan. In China, we plan to further expand our business with a focus on stock business due to the high potential demand for paper.

Kokusai Pulp & Paper's distinctive feature within the KPP Group is its environmentally friendly business, which is aimed at realizing a recycling-oriented society. Our company's major strengths are our abilities to sell two million tons

optimal recycling scheme for each company, has been increasing year by year. This service not only recovers resources, but also enhances the value of client companies by thoroughly visualizing their emissions, recycling routes, recycled volumes, etc. In parallel with the ecomo series, we developed BMecomo, an operation support system for biomass power plants, which is attracting attention as an initiative to realize a decarbonized society, and launched a joint venture company with an Indian IT venture-backed company to begin operations.

In addition to these solutions that contribute to reducing environmental impact, we launched the Green Biz Project three years ago and have successfully developed

Japanese Market Conditions

What will likely expand following the receding of the big wave of COVID-19 will be a remote, contactless society utilizing digital technology. Remote working has become a standard rather than an alternative, and e-commerce has become a part of our lives to avoid excessive contact with people. In response to these changes in social life, demand for paper and paperboard in Japan slightly recovered from the previous fiscal year. However, it did not return to pre-pandemic levels. In particular, demand for paper has continued to decline in recent years, spurring this trend. In the paperboard sector, while inbound demand has not recovered due to restrictions on behavior imposed by the COVID-19 countermeasures, positive

Medium-term Business Plan of Kokusai Pulp

The previous fiscal year was the final year of the second medium-term business plan, and the third medium-term business plan started in April 2022. The second medium-term business plan focused on strengthening

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build and deploy an e-commerce-based selling system in Japan. Regarding the transformation of sales and service content, it is essential to ensure that demand for de-plasticization and reduction of plastic use, which is progressing worldwide, is captured. We intend to further evolve our totally recycling-oriented business model and steadily meet the demand for reduced environmental impact. We will promote business portfolio reforms with the aim of further expanding sales of environment-related products by considering business expansion into downstream areas. In addition to increasing these positive factors, we will continue to promote operational reforms to reduce negative factors. In terms of the organizational structure, we will take the opportunity of the change to a holding company structure to consolidate the administrative divisions at the head office and change to a system in which common operations are managed along a horizontal axis. We are also working to improve and simplify business processes in the core system development project. Through these measures, we will maximize operational efficiency and achieve low-cost management.

New Initiatives at Kokusai Pulp & Paper

Even in the paper industry, change through DX is inevitable. In order to strengthen our ability to sell through data-driven marketing rather than proposals based on mere market conditions, we established the Marketing Office under the President's direct control in April 2022 and are working to strengthen our structure by hiring digital marketing personnel from outside the company. In March 2022, we launched our solution proposal website, SHIFT ON. We propose solutions throughout the entire lifecycle of the product, from the optimal materials for the customer's issue and their processing, to recycling after use. In addition, the BMecomo business, a biomass power plant operation optimization support system that utilizes advanced IT technology, was spun off and made a subsidiary. We will first work to expand sales to power plants in Japan, and subsequently develop our business in Southeast Asia and other regions where biomass power generation is thriving.

We will further expand the environmental business in Japan besides DX promotion. As one of these measures, we made Oji Fiber Co., Ltd, which manufactures, processes, and sells "Paper yarn OJO+," a paper yarn fiber made mainly from Manila hemp, a subsidiary. Paper yarn fiber is a sustainable material that contributes to the realization of a low-carbon society, produced by combining traditional Japanese *washi* paper making and cutting-edge papermaking technology. While the material is currently used mainly in apparel and interior design, we will further improve our yarn-making technology to expand the use of paper yarn. In addition, we invested in and entered into a business alliance with AmicaTerra Co., Ltd., a start-up company working on modo-cell®, which is a plastic substitute material made mainly from plant fibers. The raw materials of modo-cell® are plant fiber (cellulose), starch, natural resins of plant origin, and water. It is a nature-friendly material that is completely biodegradable after use. It is manufactured using resources that have been discarded in the past, such as rice straw and corn cores, as well as bamboo from abandoned bamboo forests, which have recently become a serious problem throughout Japan.

strength in the Packaging Business, and we believe it is a good example of collaboration and synergy with overseas Group companies. We will grow these green businesses so th our d

Initiatives to Develop Human Resources and

As a trading company, we consider human capital to be of utmost importance. In a short period of time, the KPP Group has rapidly globalized and is now a global organization with over 5,000 employees and operations in 45 countries around the world. While many employees at overseas locations are capable of handling multiple languages in addition to English, this is not yet the case in Japan. We believe that diversity and inclusion will be essential to the globalization of our company in the future. To secure diverse human resources, we have been increasing the number of mid-career hires as job-based hiring in recent years, as well as having employees from Asia, India, and other countries play active roles. Furthermore, we are working on personnel exchanges with overseas Group companies. We strive to provide opportunities for skill development that promote the independent challenges of all employees and create an environment in which they can play active roles at a maximum.

Chinese Market Conditions

We operate throughout Northeast Asia with Keishin Papers Trade, which is responsible for the Chinese market, and manage the Japanese and Chinese markets in an integrated manner. In 2022, Keishin Papers Trade incorporated Antalis Shanghai, which has strong brand power in the specialty paper market, as a wholly owned subsidiary and reorganized the company to operate as a mid-sized paper distributor with business locations in eight cities in are e proce seas and p How Ukrai come tinuo

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Japan

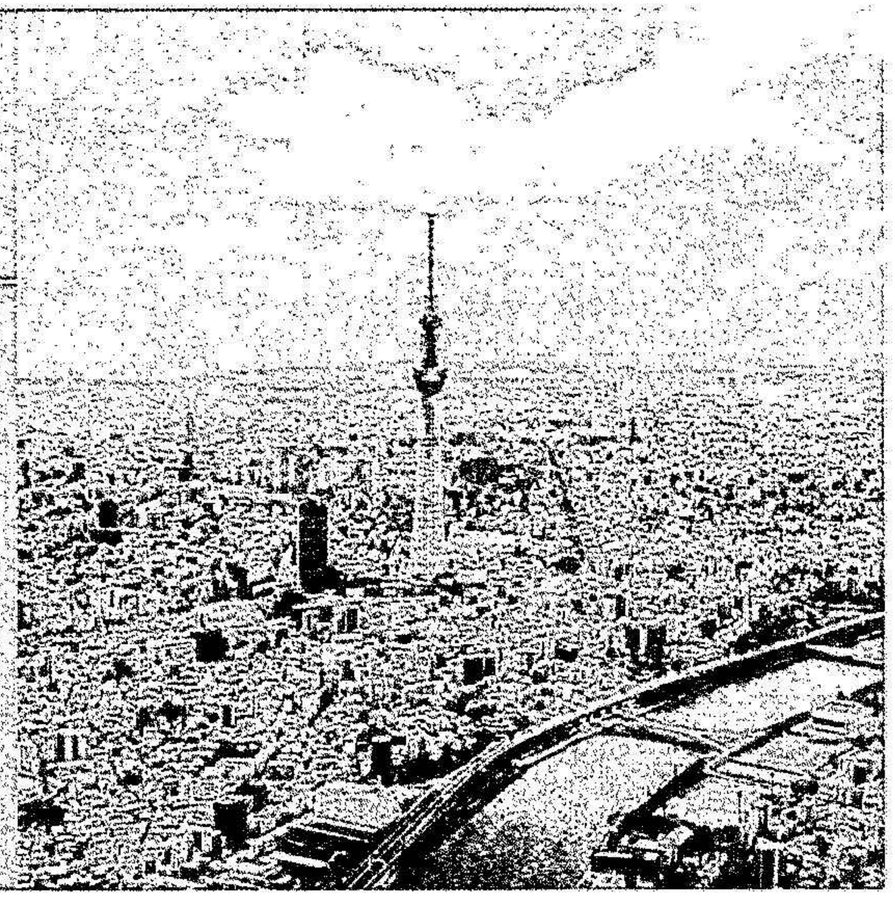
Kokusai Pulp & Paper

Major Locations

Tokyo, Osaka, Nagoya, Fukuoka, Sendai, Sapporo
Seoul, Taipei, Los Angeles, etc.

Main Businesses and Products

- Purchase, sales, import, and export of paper, paperboard, paper processed goods, pulp, recovered paper, chemical products, paper-related machinery, packaging materials, and other related products
- Holding and leasing of real estate, warehousing



Review of the Fiscal Year Ended March 31, 2022

In the paper sector, while both volume and net sales exceeded those of the previous fiscal year, which was severely affected by COVID-19, they did not recover to the pre-pandemic results. Meanwhile, in the paperboard sector, the resumption of economic activity and strong demand for home delivery boosted demand for boxboard and containerboard, and both volume and net sales exceeded those of the previous fiscal year. In the paper raw materials sector, net sales of recovered paper exceeded the previous fiscal year's level due to higher prices, although the volume of recovered paper was below the previous year's level due to a decrease in the volume generated as a result of the extended period of the declaration of a state of emergency. In pulp, both volume and net sales were higher than the previous fiscal year due to increased exports to China and higher unit sales prices, despite lower demand from domestic household paper manufacturers.

Direction for the Fiscal Year Ending March 31, 2023

Amid declining paper demand, in the domestic paper and paperboard wholesale business, we will expand market share and promote e-commerce in the graphic paper sector through differentiation strategies based on collaboration between sales and marketing teams, and maximize profits through cost control. On April 1, 2022, the Act on Promotion of Resource Circulation for Plastics came into effect, and the use of paper instead of disposable plastic products and the use of biomass materials are further progressing. Under these circumstances, we will strengthen our efforts aimed at de-plasticization demand centered on the Green Biz Project, and promote the development and sales of environmentally friendly materials and products. We will also establish a recycling-oriented business model through product sales and recovery of paper, and expand our business through Green Solutions that contribute to material recycling and reduction of greenhouse gas emissions. In addition, we established BMecomo Co., Ltd. on March 1, 2022, and are working to realize a decarbonized society and a circular economy through the development and sales business of BMecomo, a biomass power plant operation optimization support system that utilizes advanced IoT technology.

Strengths | Weaknesses

Third Medium-term Business Plan (Fiscal Year Ending Marc

At Kokusai Pulp & Paper, we have established three policies, follow
term business plan (FY2022–2024) and the policy of the previous s

Reform of Sales Methods

Establishment of a Marketing Team

- Create a new sales structure through collaboration between the sales team (existing sales organization) and the marketing team (newly established sales support division)
- Establish and strengthen the KPP Group's selling system and differentiate the company from its competitors
- Utilize and promote e-commerce

Initiatives of the Marketing Team

We create new business customers and develop new projects through our v
tomers' business challenges. We also utilize databases and digital technolc
tomers to experience our business and solutions not only digitally, but also th

Transformation of Sales and Service Content

Promotion of the Environment-related Business and Pac

<Environment-related Business>

- Expand sales leveraging environmental friendliness such as the pı (AmicaTerra and Oji Fiber)
- Develop closed recycling customers
- Handle environmentally friendly materials
- Utilization of the Gree

<Packaging Business>

- New initiatives leveraging know-how sharing of Antalis and Spicers

Initiatives of the Green Biz Project

We hold a Green Biz Project meeting once every two months to share infc
hold seminars by experts, and share best practices of environmentally frie
overseas Group companies participate in this Group-wide effort to help st
Going forward, the Green Biz Project will promote measures such as "pro
orders and sales of environment-related products," "activating the resoluti
environmental issues," and "collaborating with the Marketing Office to clos
In collaboration with the Marketing Office, we aim to establish a system to
process and skills of high-performance personnel, thereby improving repro

Low-cost Management

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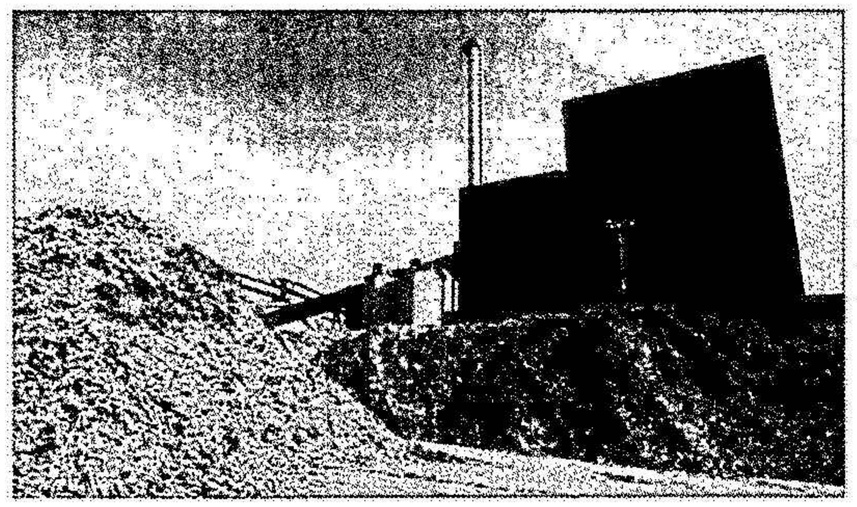
Specific Initiatives

BMecomo

BMecomo is the biomass power generation industry's first operation support system that utilizes the latest technologies such as AI and IoT to collect and analyze all types of data obtained from biomass power plants, with the aim of supporting not only the daily operation of biomass power plants but also business management. On March 1, 2022, BMecomo Co., Ltd. was established for the purpose of further business expansion, increased efficiency, and faster decision-making. Taking advantage of changes in the external environment surrounding the biomass power generation market, such as the realization of a decarbonized society and a circular economy, we will further grow and develop the BMecomo business, aiming to both solve social issues and increase corporate value. We will also promote initiatives for energy utilization services for waste wood to realize a recycling-oriented society.



The Company's Green Products and Green Solutions

Green Products	Promotion of paper solutions	Due to the marine plastic pollution problem, moves to restrict disposable plastic are accelerating in countries around the globe, and demand for paper as an alternative material is rising. In recent years, research and development has been progressed mainly by paper manufacturers, and there has been an increase in examples of food packaging, daily necessities, and the apparel industry. Examples: Cutlery, clear files, face covers, hangers, paper packaging materials, cushioning materials, packages, etc.
	Reduction of plastic use	These products reduce the use of oil-derived plastic by innovating manufacturing technologies and mixing in biomass-derived pulp and paper to an extent that does not detract from plastic characteristics such as barrier properties and processing suitability. Examples: Paper cold storage boxes, paper and film packaging materials, water and oil resistant paper, etc.
	Biomass materials	As it is often difficult to switch plastic to other materials due to its various characteristics, research is being conducted with the aim of reducing the environmental impact. Biomass plastic manufactured using biomass materials and biodegradable plastic that is broken down by bacteria are some examples. Examples: In-store POP, fishing tackle items, cutlery, etc.
Green Solutions	Town ecomo	A system in which paper from households is collected at point-reward type paper collection boxes in retail stores, etc. to be recycled as paper raw material.
	Office ecomo	A system for safely collecting confidential documents from offices in dedicated boxes to be recycled as paper raw material.
	ecomo Closed Recycle Service	A solution service that visualizes the recycling loop of client companies by centrally managing the entire process from paper supply to the collection and recycling of recovered paper.
	BMecomo	A system that supports the optimization of biomass power plant operation by utilizing the latest technologies such as big data analysis, AI, and IoT.

AmicaTerra

We have invested in AmicaTerra Co., Ltd. and formed a capital and business alliance with the company. The company sells raw materials and manufactures plant-derived non-plastic products, and produces modo-cell®, a biodegradable and recyclable plastic alternative material made primarily from plant fiber (cellulose). Going forward, we will expand the sales channels for modo-cell® through a sales agency agreement. In addition, we have one of the largest paper recovery networks in Japan, and we plan to focus on recycling this product by utilizing the network.

Oji Fiber

We made Oji Fiber Co., Ltd a subsidiary, which is engaged in the manufacture and processing of paper yarn and other textile products made mainly from paper. The company manufactures "Paper yarn OJO+," a paper yarn made from Manila hemp, which has numerous characteristics such as being lightweight, water absorbent, quick drying, tough, deodorizing, dyeable, and biodegradable. The company also manufactures, processes, purchases, and sells paper yarn textile products, and its end products range widely from apparel to artificial turf. In particular, as plastic artificial turf is said to be a source of river and ocean pollution, the introduction of artificial turf made of paper yarn manufactured by the company for indoor and outdoor courts will reduce environmental impact. The artificial turf made of paper yarn has already been introduced at some futsal grounds.

Ranpak

In September 2022, we signed a distributorship agreement with Ranpak B.V., a leading paper cushioning material company. The company provides packaging solutions in 50 countries around the world, including sales of paper protective packaging materials such as cushioning materials and

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China

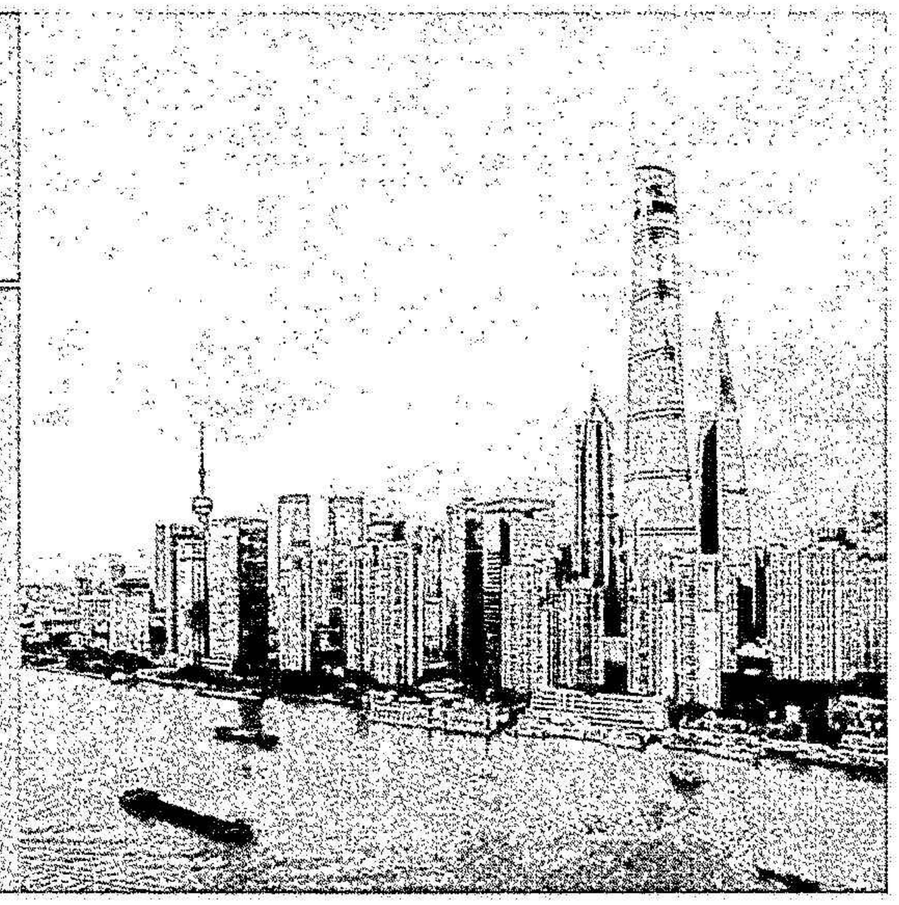
Keishin Papers Trade

Major Locations

Shanghai, Beijing, Nanjing, Wuxi, Hangzhou, Jinan, Shenzhen, and Guangzhou

Main Businesses and Products

○ Processing and sale of papers



Review of the Fiscal Year Ended March 31, 2022

In the fiscal year ended March 31, 2022, while market conditions were very difficult due to the strong impact of the so-called zero-COVID policy in China, we were able to compete well through teamwork. We have also expanded our locations mainly around coastal China and gained access to a diverse range of markets. In terms of market conditions, while we were affected by the sharp decline in the Chinese paperboard market, we were able to minimize losses by collaborating with suppliers. Overall, we were able to make profits for the fiscal year ended March 31, 2022, thanks in part to the impact of the appreciation of the Chinese yuan and the benefit of foreign exchange gains.

Direction for the Fiscal Year Ending March 31, 2023

We will raise the sales ratio of packaging paper, a growth area, and expand trade by utilizing the KPP Group network to improve profit margins and maximize profits. Another challenge is to promote DX in sales activities and provide high-performance customer services. In addition, we will increase handling and expand sales of FSC-certified products and products that are de-plasticized and have a reduced environmental impact.

Antalis Shanghai, which joined the Keishin Group this fiscal year, mainly handles imported high-grade paper and has no overlap with existing customers, so we will develop new market domains by enhancing synergy effects through sharing market and customer information. In addition, by combining the KPP Group's import purchasing resources with Antalis' customer resources, we will mutually expand business through cross-selling and other means, with the aim of increasing revenue.

In organizational management, to strengthen governance, we will produce and distribute an employee handbook and develop company rules, regulations, and workflow, including a review of commendation and disciplinary standards.

Strengths	Weaknesses

Third Medium-term Business Plan (Fiscal Year Ending Marc

Policy

1 Establish a Marketing Team to Develop New Market

- Although Keishin's headquarters, branch offices, and Antalis Shar we were not able to fully utilize this information before. In the fut and each location will share necessary information. This will gene opment of new projects.
- The addition of Antalis Shanghai to the Keishin Group gave the c ing forward, while transforming its business portfolio, the compar system to differentiate itself from its competitors.
- The company will work on exporting to overseas growth market products from overseas.

2 Sell Environmentally Friendly Products and Services

- The wave of de-plasticization is also spreading in China. To seize this commercial opportunity, the company will propose products that reduce environmental impact, such as promotion of paper solutions and reduction of plastic use, to paper container users, leading to new projects.
- The company will increase its handling of FSC-certified products and materials with reduced environmental impact.

3 Promote Low-cost Management and DX by Improving Operational Efficiency

- Analysis of operations at headquarters, branch offices, and subsidiaries is underway. We are considering consolidating the administrative operations of branch offices and subsidiaries in China to the headquarters, where it is possible to do so. In addition, in order to develop efficient sales activities in the Chinese market, the company will consider consolidating some of its sales divisions.
- With support from the headquarters of Kokusai Pulp & Paper, we will thoroughly share internal information through a portal and improve operational efficiency through DX for both sales and administration. The medium-term goal for the future is to realize online sales.

Specific Initiatives

Export Sales of Chinese Goods

In the past, the main business was to import high-quality Japanese products and sell them to Japanese companies in China or local companies in China. However, as the quality of Chinese manufacturers' products has improved and they can be offered at relatively low prices, opportuni-

Oceania, Southeast Asia, India

Message from the CEO of Spicers

Spicers

David Martin

CEO, Spicers and KPP ASIA-PACIFIC

Navigating severe supply chain disruptions has been an opportunity to prove our reliability to our customers, and this has been the hallmark of our success in the past year. With strong teamwork, and work ethic, our people have become an increasingly valuable partner to our customers and suppliers, across the region. The expansion of the business through integrated acquisitions in Australia, New Zealand and now Singapore, has supported improvement in our core business, while providing diversification in parts of the region in need of new growth horizons. Developing the capability of our teams has been, and will continue to be, necessary for us to progress toward our mid-term plan.

Across twelve product verticals, our Australian and New Zealand businesses have built growth through an internal technical capability in each vertical. Through acquisitions, the attention on complementary business and achieving synergies has delivered strong positions in both the Print & Packaging and Visual Communications businesses. Expanding the range of verticals into the Asia Pacific region is now underway with the expansion into integrations is strong, and as one geography adds a product range to their portfolio, there is another business in the region with strong experience in it. We are in a phase of "business building" and this provides a wonderful opportunity for our people as our profitability grows. A culture of support for each other and an open connection between our team members is making the difference.

Our profitable growth relies on productivity, and our digitization strategy will help us achieve this, along with business process simplification. One ERP system per sub-region gives the optimal operating model for each business as we integrate businesses local to the in-country system. It better enables our local E-commerce plans and focuses the skills required in the business. It will always be a feature of our integration strategy, to provide the optimum productivity for the business and people.

The many members of our team have all executed the businesses plans through 2021 and 2022. It has also been a feature of the business to invest in their development. To take our business in the direction we plan, we have needed to build the capability of the team in both training

Oceania

Spicers

Major Locations

Sydney, Melbourne, Brisbane, Perth, Adelaide, Hobart, Townsville, Darwin, Auckland, Christchurch, Palmerston North, Wellington

Main Businesses and Products

- Print & Packaging Business
- Visual Communications Business

Review of the Fiscal Year Ended March 31, 20

The calendar 2021 year provided strong, and progressive, results for the business across Oceania and Asia Pacific. With benefits coming from strong inventories, the year closed well given the sales lift across the breadth of our range. The business grew organically in every part of the region and followed into 2022 with similar momentum. A return to demand for Specialty Premium Fine papers in Asia was stilted, but evident, and the commodity business along with trading closes, delivered the expected result in 2021.

Two acquisitions featured in 2021, specifically in New

Direction for the Fiscal Year Ending March 31,

2022 has commenced with strong demand, and returns, in Oceania. Asia Pacific has taken longer to recover, yet the pipeline for the second half is building. Whilst focusing our attention on growth for the balance of the year, the businesses will close on the pipeline of productivity projects to build resilience in our profitability

Strengths

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Already, 2022 has featured acquisitions in Singapore and Australia respectively.

SII has enabled our entry into the Visual Communications sector in Asia Pacific. Having integrated well into our business in March, these products are now enabling opportunities across our current KPP Antalis customer base, and across geographies into other countries. Building on our talent capability in other countries will support our growth aspirations there, which our team in Singapore is already delivering. This is a very exciting opportunity for the Asia Pacific team.

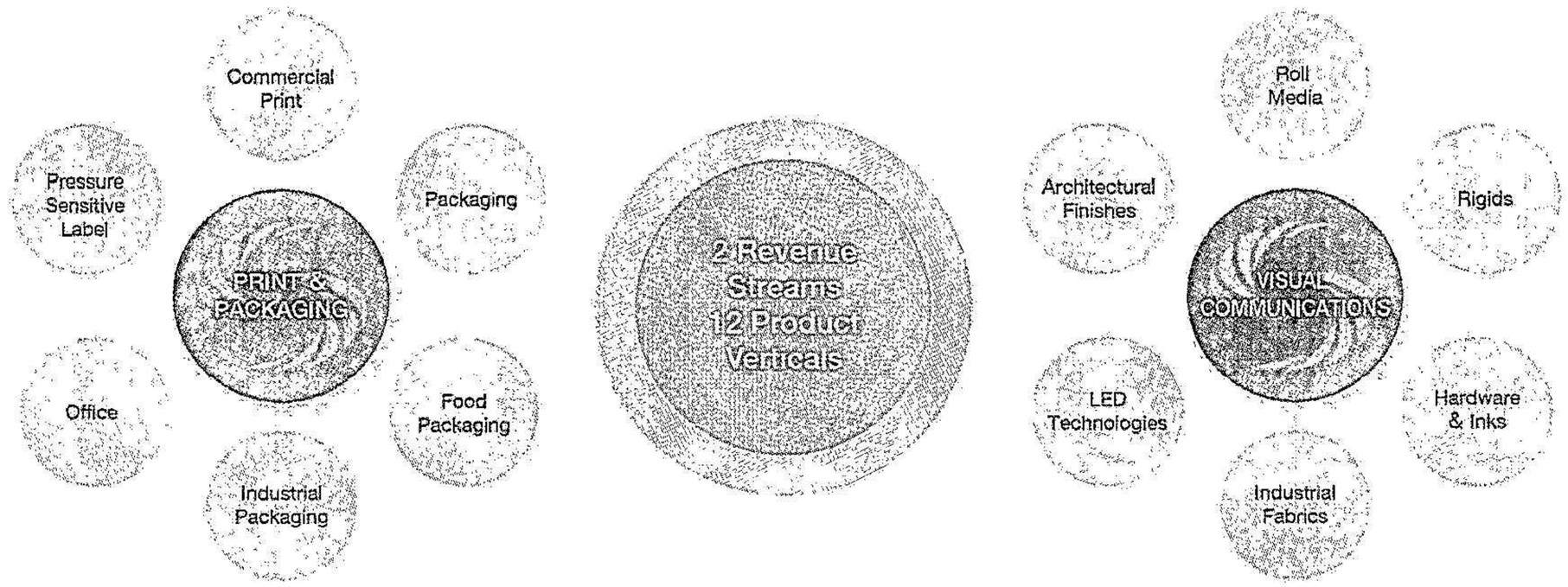
Cypruspine Wrappings, joining our Print & Packaging team in Australia, broadens the Spicers customer base in our traditional Food Packaging business. New product sourcing broadens our offering in a segment identified to have strong organic growth for the business, still retaining our fibre-based focus. With SII and Cypruspine, we have welcomed talented people to our team, and we have great expectations of the impact these investments will have on our growth in 2022 and beyond.

Third Medium-term Business Plan (Fiscal Year Ending March 31, 2023 to Fiscal Year Ending March 31, 2025)

Business Models and Priorities

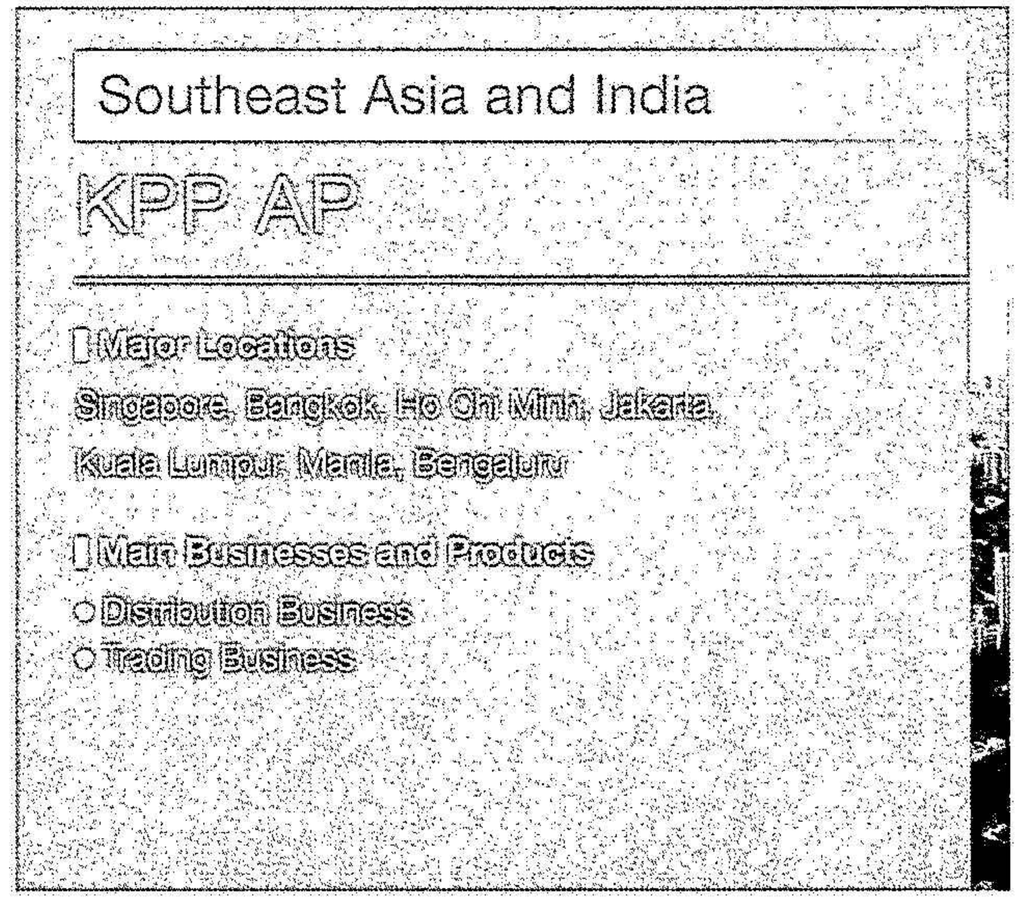
We have multiple opportunities to grow within our current business model. Our market position is not evenly matched across our range and given our expertise there, we can expand both organically and by acquisition to build our scale in each sector. Our priority is to focus on profitable business expansion, which delivers on more than simply revenue for our business.

To 2024, the returns for the business are planned to expand by 3X over the three-year period of 2021 - 2024. Our blend of organic and acquisition growth will also bring new sector opportunities, still with synergies in our operating model. We prioritize profitability over rapid revenue expansion and expect that with expansion, we offer our people wonderful opportunities for personal growth.



Priorities

- Deliver profitable growth - our business and customers to benefit
- Team connection, development and safety
- Efficient growth - digitization and automation
- Sustainable portfolio and business operations



Strengths

- Expansion of business operations across a broad geography
- Provision of services at multiple locations
- Expansion of business model realized through collaboration among locations
- Brand strength representing manufacturers across the region

S W O T

- Diversification of business across the ASEAN region
- Flexible business models depending upon each country
- Potential for sales growth

Opportunities

Third Medium-term Business Plan (Fiscal Year Ending Marc

Our priority is to diversify our Asia Pacific business, mostly via successful acquisitions. Supply disruptions have challenged our Trading revenue, leading our immediate focus to be on the productivity of this revenue stream. Reducing our cost per transaction is a priority as we balance our returns with our cash generation there, and as supply remains challenged.

Our value in Distribution is serving a fragmented customer base with immediate service and access to leading brands.

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Regional Business Strategy

Europe, North America, South America

Message from the CEO of Antalis

antalis
Just ask Antalis

Hervé Poncin
CEO, Antalis S.A.S.

2022 will certainly be one of the most turbulent years that we have seen for many decades now in Europe. Following an unexpected worldwide long pandemic and its aftermath – disruption to product availability and supply chain, restart of inflation, sudden implementation of home office – the invasion of Ukraine by Russia at the end of February has triggered phenomenal worldwide changes in the political, social and economic environment.

Extraordinary 2-digit inflation combined with an energy crisis, especially on gas, is now severely impacting household and business activities across Europe as well as creating currencies turbulence.

In this overall context of inflation management, Antalis, with the support of KPP, did well in 2021 and continues to do so in 2022 thanks to its robust business model combining supply chain efficiency with human and digital sales; but also thanks to its broad sector and country coverage, its customer

allowed us to cope with an important increase in stock demand from our customers during the first semester 2022 despite global sourcing difficulties, in particular with one of our key Papers suppliers itself impacted by a very long strike.

Our web shop sales are consistently increasing as we are attracting more and more prospects with our unique online offer and new functionalities.

From an organisational standpoint, a new set-up comprised of more hybrid working (office and home) and adapted digital processes to interact with business partners is now the "new norm". We have significantly invested in training our teams – from employees to managers – to adapt to this new way of working.

Finally, Antalis has strengthened its focus on ESG criteria, an area that is becoming increasingly more important to our stakeholders. For instance, we have extended our eco responsible product assortment that is measured through our Green Star system rating.

Europe, North America, South America

Antalis

Major Locations
Paris, Birmingham, Dublin, Madrid, Köln, Stuttgart, Zurich, Amsterdam, Warsaw, Prague, Stockholm, Copenhagen, Riga, Istanbul, Santiago, Lima, etc.

Main Businesses and Products
- Paper and paper-related products
- Packaging Business
- Visual Communications Business

Review of the Fiscal Year Ended March 31, 20

2021 was a unique year of economic rebound after the 2019/2020 Covid pandemic in Europe, with a progressive restart of trade activities before the summer, ramping up to reach full speed in Q4 2021. GDP growth was high with + 5.4% after the significant 2020 drop. Pressure on raw materials availability and worldwide supply chain challenges began to show, as well as the triggering of higher inflation.

In this context, the European Papers market strongly grew in volume by more than + 8% combined with significant price increases linked to inflation of manufacturing and pulp and energy costs, generating product supply allocations for many actors. Visual Communication demand benefited from the

Direction for the Fiscal Year Ending March

Antalis is pursuing the implementation of its strategy, focused on the business development of the Papers, Packaging and Visual Communication sectors powered by e-business.

This is notably achieved by organic growth thanks to dedicated sales

Strengths

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has been deployed to reach enough critical mass in numerous countries in Europe and Latin America and to participate to market consolidation. Two acquisitions in the Packaging sector were finalised in the first semester of 2022: BB Pack Group in Germany and Cohal Group in Spain. The American continent may also offer new opportunities for development.

On the e-business growth power, we have now deployed our new "state of the art" B-to-B web shop in most continental European countries to allow customers and prospects to place seamless orders and to obtain numerous pre- and after- sales information.

We will strengthen our Services strategy to capitalise on already existing Services such as "Easy Stock" or "Smart Packaging Solutions" and innovate in new areas.

Finally, we will continue to reinforce our global Sustainability Strategy based on four pillars: Governance, Products & Services eco-responsible offer, People management and Environment with a specific focus on our Carbon footprint.

An energy and gas crisis is likely to happen in the second semester of 2022 creating supply issues as well as market demand slowdown in line with GDP decrease. Inflation and interest rate rises will require the same attention on margin management across all sectors. The above strategic axes will certainly support Antalis performance for the months to come.

Third Medium-term Business Plan (Fiscal Year Ending March 31, 2023 to Fiscal Year Ending March 31, 2025)

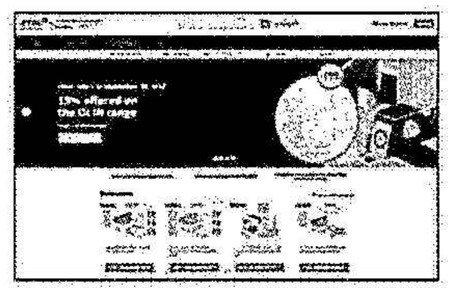
Implement of Strategy

① Focus growth on 3 Business sectors

- Reinforce leadership in Papers distribution
- Grow Packaging and Visual Communication through organic growth by leveraging on business development initiatives and through external growth with targeted acquisitions

② Increase the Digital "Power-e" initiative

- Develop e-sales through our new web shop functionalities
- Increase prospection by rising the web visibility of Antalis thanks to our inspirational country websites



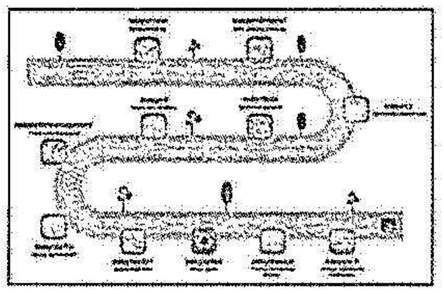
- Connect large customers with EDI (Electronic Data Interchange)

③ Expand international accounts management (AIKA - Antalis International Key Account)

- Develop international customers with dedicated key account sales force to strengthen our global presence

④ Provide new Services

- Market a full range of Services to support and develop our customers' businesses through the "Easy for You" concept and "Smart Packaging Solution"



⑤ Continue the deployment of efficient IT solutions

- Continue the roll out of SAP and CRM systems in additional countries to capture best business practices and reinforce reliability of customer offering

⑥ Optimise the supply chain infrastructure

- Reinforce supply chain infrastructure with new central warehouses in some countries (e.g. in Chile or Finland) and leverage on multi-country combined warehouses to optimise product assortment for a better availability for customers

⑦ Develop careers through training programs

- Deliver functional learning paths to Antalis employees to develop specific skills and expertise needed to meet current and future business needs through academies such as the Digital or Purchasing Academy and the continued deployment of business Academies for Packaging and Visual Communication

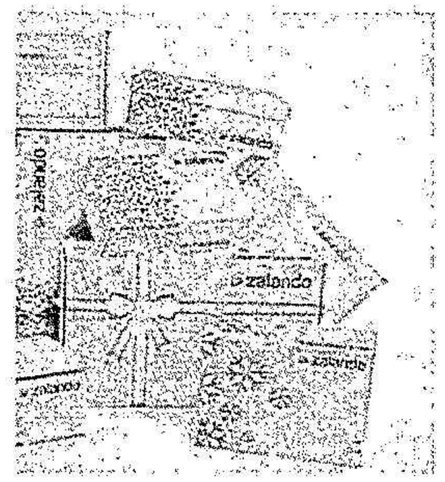
Specific Initiatives

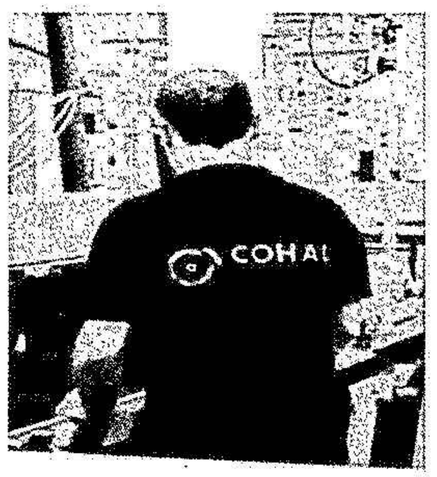
Vehicle wrapping

delivered throughout Europe with a parcel transport service in D + 2/3.

to strengthen its positions in a rapidly evolving market with a promising future.

In June 2022, Antalis acquired the Cohal Group, a leading supplier in the Spanish self-adhesive labels and packaging products distribution market. This acquisition opens up profitable new growth opportunities to Antalis in the labelling segment driven by automation, digitalisation and intelligent label functionalities. With the Cohal Group, Antalis will be able to capitalise on its position in the converting and distribution business, at first in Iberia but also in the rest of Antalis' European countries.





Customer satisfaction survey

In July 2021, Antalis conducted a worldwide customer satisfaction survey with the support of a specialised research company. This survey had several objectives: firstly, to measure customer satisfaction on key points of Antalis' offering from sales approach to Services; secondly, to monitor the evolution since the previous satisfaction survey carried out in 2018; and thirdly, to identify priorities for improvement.

The survey was performed in 24 countries with 6,105 identified respondents, the targets being new & regular customers plus prescribers.

The feedback was very positive, resulting in a satisfaction score of 8.4 on a scale of 10 and a NPS (Net Promoter Score) of + 49.

Antalis' future business development can therefore be based on a solid and overall satisfied customer base.

CSR assessments: EcoVadis

EcoVadis provides holistic sustainability rating services of companies

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KPP Group Basic Policy on Sustainability

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

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

Material Issues of the KPP Group

Global expansion
- Creation of Group synergies
- Internal communication

Response to DX
- Expansion of e-commerce
- Development of new systems

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

Climate change countermeasures
- Development of solutions to prevent global warming
- Reduction of CO_2 emissions

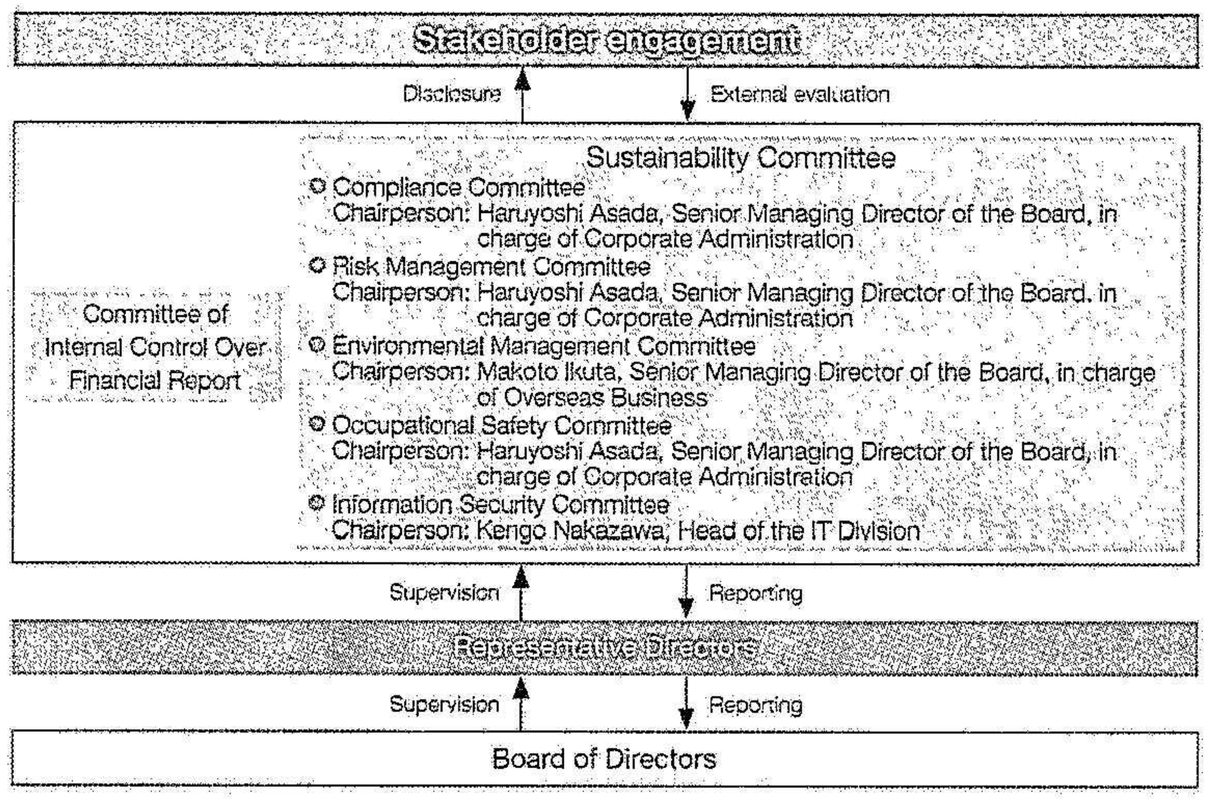
Diversity & inclusion
- Ensuring diversity
- Utilization of diverse personnel

Enhancement of governance
- Compliance
- Information security
- Risk management

Sustainability Management

Under the KPP Group Way, we have formulated the KPP Group Basic Policy on Sustainability and are working to enhance our corporate value by contributing to the creation of a sustainable society. The Sustainability Committee, chaired by the Chairman & CEO, is responsible for sustainability management and reports to the Board of Directors on the progress of sustainability issues. Each of the subcommittees of the Sustainability Committee also sets its own issues, action plans, and KPIs for continuous improvement on a global basis, including overseas Group companies. The Sustainability Committee and its subcommittees meet twice a year, respectively.

Framework to Promote Sustainability



Subcommittees	Task
Compliance Committee	○ Raise compliance awareness among employees and provision of other educational activities throughout the Group
Risk Management Committee	○ Monitor and improve risk identification, analysis, evaluation, and response ○ Evaluate and improve the company-wide BCP system
Environmental Management Committee	○ Measures to address climate change ○ Evaluate and improve environmental management system
Occupational Safety Committee	○ Manage occupational safety including at domestic subsidiaries and affiliates
Information Security Committee	○ Enhance IT governance of the entire Group and take measures to mitigate IT risks ○ Conduct activities to increase employees' security awareness

Stakeholder Engagement

Initiatives to Resolve Social Issues and Streng

	SDGs	Issues	Countermeasures
E		Creation of a recycling-oriented society	Establishment of a pape recovery network and selling raw materials for recovered paper
		Response to climate change	Endorsement of TCFD a disclosure of informatio related to climate chang countermeasures
			Development and distribution of products services with reduced environmental impact
			Spread of renewable en
		Marine plastic pollution problem	Promotion of Green Biz Project
		Biodiversity preservation	Forest conservation and reforestation
			Utilization of managed forest resources
S		Human resources development	Introduction of fair personnel system and implementation of evaluation
			Education
		Development of an employee-friendly work environment	Diverse work systems
			Prevention of harassme
			Response to long worki hours
		Diversity & inclusion	Improvement of work-life balance
			Promotion of women's career advancement
			Diversification of hiring practices
		Raise awareness of paper culture and	Dissemination of information on paper

Disclosure about Climate Change Corresponding to TCFD

Climate change caused by rising greenhouse gas concentrations has led to increases in average temperatures and sea levels, resulting in a variety of impacts on the natural environment. A plastic-free trend is spreading worldwide in the market backed by the UN resolution on SDGs, and the movements to reduce environmental impact are accelerating. Recognizing that the impact of climate change on our business is an important issue, we endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in June 2022. Going forward, we will reflect the results of analysis of risks and opportunities to our business posed by climate change in our management strategy, and work to achieve sustainable social and economic development in coexistence and harmony with the natural environment.

Governance

We recognize climate change as one of our key management issues. The Board of Directors is responsible for climate-related issues and receives reports twice a year from the Sustainability Committee on sustainability matters, including our response to climate change. In 2021, we received reports on matters related to climate change, such as greenhouse gas emissions reductions, and we monitored their progress and made recommendations to help reduce environmental impact.

The Sustainability Committee is chaired by the Representative Director of the Board, Chairman & CEO. The Sustainability Committee receives reports on climate-related issues twice a year from the Environmental Management Committee and Risk Management Committee, and receives advice and guidance from the Board of Directors on how to address issues such as greenhouse gas emissions reduction and risk management.

Governance Structure for Climate Change

Strategy

Risks and opportunities from climate change are expected to include tighter regulations toward a decarbonized society, innovations in low-carbon technologies, market changes in response to climate change, and disasters caused by climate change. In identifying climate-related risks and opportunities with business and financial impacts, we have identified and organized various risk and opportunity factors that could impact the Company, taking into account the 2°C scenario for a decarbonized society and the 4°C scenario for a fossil fuel-dependent society, based on the IEA* climate change scenarios. The main risks and opportunities are as follows.

*IEA: International Energy Agency

Assumed Scenarios and Main Climate-related Risk and Opportunity Factors That Could Impact the Business

		2°C scenario: Scenario for a decarbonized society	4°C scenario: Scenario with fossil fuel dependence
Transition risks	Regulations	•Stricter greenhouse gas emissions regulations such as carbon pricing	—
	Market	•Increased demand for environmentally certified products	—
	Reputation	•Stricter evaluation of efforts to address climate change issues, increased demand for information disclosure	—
	Technology	•Declining prices for competing renewable energy (solar, wind, etc.) •Shift in demand from woody biomass fuels due to increased demand for herbaceous biomass fuels	—
Physical risks	Acute	—	•More frequent and severe flooding (typhoons, torrential rains) •Deterioration of water quality (increased turbidity in intake rivers, etc.)
	Chronic	—	•Ecosystem changes, abnormal occurrence of pests and diseases •Drought, worsening forest fires •Changes in precipitation and weather patterns and increase in average temperature •Depletion of water resources (changes in water supply and demand) •Rising sea levels
Opportunities		•Expanding use of non-fossil energy	

Transition Risks and Physical Risks

Major risks			Impact on business	Period	Countermeasures
Transition risks	Regulations	Stricter greenhouse gas emissions regulations such as carbon pricing	•Introduction of carbon tax on operations •Increase in operation and procurement costs due to introduction of carbon tax, etc. on procurement goods or greenhouse gas reduction measures	Medium term	•Active use of renewable energy and thorough and strengthened energy conservation •Active selection of products with reduced environmental impact and promotion of green purchasing in consideration of the global environment
			•Increase in transportation and storage costs due to introduction of carbon tax, etc. to logistics centers, offices, and delivery vehicles	Medium term	•Joint delivery with other companies, improvement of delivery efficiency •Improvement of business efficiency in logistics centers and offices
Physical risks	Acute	Increase in severe disasters (frequent typhoons and torrential rains)	•Increase in restoration costs due to damage to company facilities and equipment; decrease in procurement volume and sales due to the suspension of operations	Medium to long term	•Promotion of disaster prevention measures at high-risk locations •Reinforcement of collaboration among locations •Review and enhancement of BCP
			•Increase in procurement costs due to damage and the suspension of operations at suppliers •Decrease in procurement volume and sales due to supply chain disruptions	Short to medium term	•Improvement of business resilience by strengthening supply chain, etc.
		Changes in precipitation and weather	•Decrease in procurement volume due to the suspension of operations at paper manufacturers caused by	Medium	

Future Initiatives Based on Analysis Results

Based on our scenario analysis, we believe that the transition risks ma
bon tax and greenhouse gas reduction measures on supplier pulp an
to be passed on to purchase prices. For this reason, it is necessary fo
reduced environmental impact that will have less impact arising from tr

In terms of physical risk, an increase in severe disasters such as typ
suspension of operations for not only our own facilities, but also tho
products, it could have a significant impact on our business and financ
ment sources.

As for opportunities, demand for paper materials as packaging mat
aging. We will continue to expand our business areas, including the F
ing the use of non-fossil energy and the formation of a recycling-or
business opportunities, including the development and provision of E
tem, and the establishment of a recycling-oriented business model thr

Risk Management

We evaluate material issues in terms of their importance to our b
society. As a result, we have identified climate change counterme
as one of the KPP Group's material issues.

In addition, as part of the process of assessing climate-relate
and opportunities, we assess their importance by taking into a
their impact on our business and the likelihood of their occurrence
management process for climate-related risks, risks of high imp
assessed by the Environmental Management Committee are repo
the Risk Management Committee. As a company-wide risk mana
system, risks that are judged to have a particularly significant imp
management are managed in accordance with the Risk Manag
Regulations through means such as establishing a response comm

Indicators and Targets

Targets Related to Greenhouse Gas Emissions

We are implementing a totally recycling-oriented business model with
gate climate change, we will set targets for reducing greenhouse gas
cal year, and will work to actively utilize renewable energy and thorc
scope of target setting will initially cover Scope 1 and 2. In the future,
as well as overseas locations. By setting global targets, we will work to

Environmental data	FY202	FY2020
CO_2 emissions by business operators (t-CO_2)	1,797	1,854
CO_2 emissions based on the ton-kilometer method	9,115	9,635

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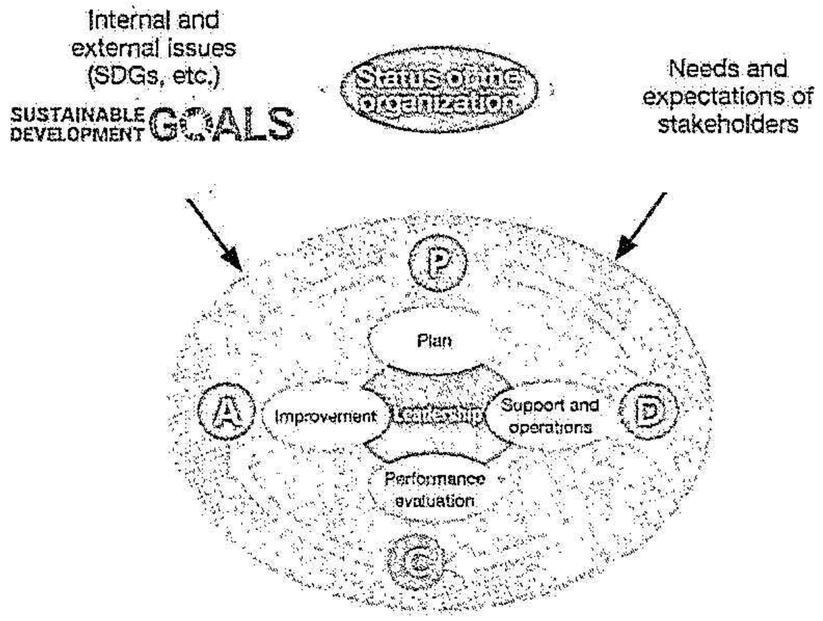
Sustainability and Environmental Management System

We are implementing a totally recycling-oriented business model with the aim of realizing a sustainable society. We are also striving to develop and distribute products that will help solve the marine plastic pollution problem. In order to ensure the implementation of initiatives related to the disclosed information in accordance with the TCFD recommendations, which were clarified based on external challenges such as climate change and marine pollution, the KPP Group sets goals, applies the PDCA cycle using the environmental management system, and works to reduce the impact on the environment including the reduction of greenhouse gas emissions. In addition, forest certification serves as a system to ensure that customers receive certified materials from managed forests.

ISO 14001

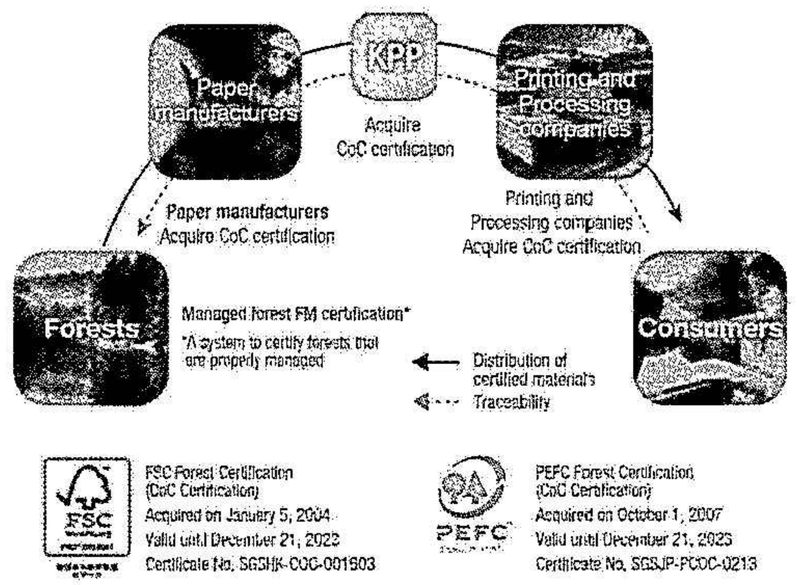
We have constructed an environmental management system (EMS) in accordance with international standard ISO 14001 in order to fulfill our duty of compliance with environment-related laws and regulations and to improve ESG performance while carrying out both efforts to resolve social issues and business activities. Through the system, we continue our efforts to achieve environment-related KPIs. The results of our activities are regularly evaluated and disclosed in communication with stakeholders.



Kokusai Pulp & Paper Co., Ltd.
•Acquired on June 26, 2002 •Valid until June 26, 2023 •Registration number: JP18/071544 •Audit organization: SGS Japan Inc.
•Scope of application: Sales of paper, pulp, recovered paper, films, the materials, and related machinery
•Locations under the scope of application: Tokyo Head Office, Kansai Branch, Chubu Branch, Kyushu Branch, Sendai Sales Dept. of Kita Nihon Branch, and Sapporo Sales Dept. of Kita Nihon Branch

Forest Certification

Along with increasing environmental awareness comes greater demand for forest-certified paper. Forest certification systems are a kind of environmental labelling system whereby a certification label is attached to timber and other wood products produced from properly managed forests in order to manage them appropriately in all stages of production, processing, and distribution and to promote the sustainable use and preservation of forests. These labels are now often seen in our daily lives. We have acquired from the Forest Stewardship Council® (FSC) and the Programme for the Endorsement of Forest Certification (PEFC), the Chain-of-Custody (CoC) certifications which certify that we identify and separately manage forest-certified paper from general goods during the processing and distribution stages.



Our environmental management structure	Examples of implementation items	Key communication	Disclosure	Upper-level policies
	⚙ Extraction of environmental	Environmental Management Committee		

The Company is now building a recycling-oriented business model th addition to developing our proprietary ecomo series in a variety of forn and materials for solving the marine plastic pollution problem, as well ronmental impact, thereby strengthening our efforts to capture de-plas

ecomo Series

Town ecomo

This is a system in which paper from households is collected at point-reward type paper collection boxes in retail stores, etc. Even in areas where government collection is infrequent, residents can dispose of paper whenever they want and earn points that can be used for shopping. This is a system of benefits for all three sides that is expected to attract customers and improve corporate image for retailers, and for the Company, it allows us to efficiently recover paper. F collective recovery of paper in some areas, by utilizing Town ecomo, material instead of being incinerated as garbage, which is of great soc

Office ecomo

This system collects confidential documents and converts them into r companies shred confidential documents, shredding shortens the pap as raw materials, and requires time and effort to process. Office ecor ment in terms of the effective use of recovered paper to be used as ra

ecomo Closed Recycle Service

This solution service collects used corrugated boxes generated in the distribution process and visualizes the recycling process. In response to moves by various companies to reduce their environmental impact, we are gradually expanding the scope of application to include waste materials from material manufacturers and packaging materials for factories, in addition to paper.

BMecomo

BMecomo is a system that helps biomass power plants maximize prof pansion and efficiency, as well as to speed up decision-making, we with an Indian IT vendor, Envision EnterpriseSolutions Pvt Ltd. The ma

Promotion of Green Biz Project

In order to solve the marine plastic pollution problem, we have launch

Our business relies heavily on resources derived from forests. Conserving forest resources and using them appropriately is essential to our sustainable business growth. The pulp and paper industry as a whole is increasing its plantations worldwide, and the active use of forest-certified products will accelerate this trend.

In addition to these business-based efforts, we support the activities of the C. W. Nicol Afan Woodland Trust to help succeed local communities and paper culture, and preserve biodiversity based on Mr. Nicol's desire to bring back the beautiful natural environment inherent to Japan.

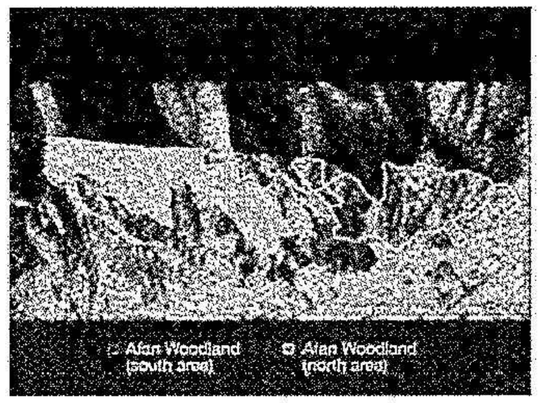
Initiatives	Content	Indicators
Expand the handling of forest-certified products	Expand sales of products derived from managed forests	Sales of forest-certified materials
Support for the Afan Woodland Trust	Support for restoration and conservation activities in the Afan Woodland in Kurohime, Nagano	The amount of investment

Support for the C. W. Nicol Afan Woodland Trust

We began supporting the C. W. Nicol Afan Woodland Trust in 2015. After moving to Japan, Mr. Nicol purchased a dilapidated forest in Kurohime, Nagano, and continued to work on it for over 30 years, rejuvenating it into a forest with abundant biodiversity. Mr. Nicol passed away in April 2022 at the age of 79, but he was aiming to create a future a century from now. Cherishing Mr. Nicol's desire to spread nature with abundant biodiversity throughout Japan, we will continue to support the trust and promote environmental management for the realization of a sustainable society.

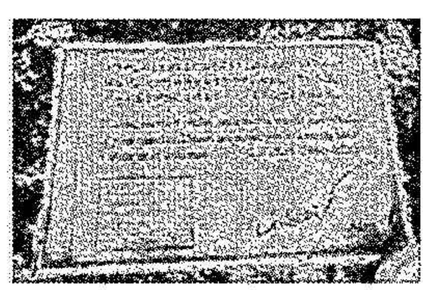
Started Support for Forest Creation Activities in the South Area

In February 2022, we began new forest creation support for the south area of the Afan Woodland. The area is where the Afan Woodland Trust has gradually purchased neighboring forests to expand the healthy forest, which is now approximately 17 hectares in size. This area will be transformed into a rich forest full of biodiversity, with the goal of restoring the original forest ecosystem of the area, centering on giant trees (large-diameter trees), in the future.



CEO Visits the C. W. Nicol Afan Woodland

In October 2021, our Chairman & CEO Madoka Tanabe visited the Afan Woodland. When he was alive, Mr. Nicol called the oldest and largest tree in the forest the Mother Tree and said, "When I die, I want to sleep at the base of this tree." A memorial stone is placed at the spot where Mr. Nicol is laid to rest. Chair Izumi Morita of the trust explained about the forest restoration and protection activities, as well as traditional Japanese horse carrying and horse cultivation.



Special Cosponsorship of the "Forests Revive: C. W. Nicol's Legacy of Japan's Future Exhibition"

The Company proactively engages in local community-based
zen. Based on the spirit of the KPP Group Way, we not only r
ties, but also widely contribute to the development of comm
support, and environmental protection activities.

Support for Papermaking Class at Miyanc Elementary School, Higashi-Matsushima City

The Company endorses the Great East Japan Earthquake reconstructior promoted by the C. W. Nicol Afan Woodland Trust. As part of this, we the papermaking class at the Miyanomori Elementary School, Higashi shima City. This year's event was again held as a comprehensive learni for third-grade elementary school students, with Mr. Rogier Uitenboo Japanese *washi* paper craftsman, as the lecturer. In this class, students couraged to think about the blessings from nature and the use of forests as learn about the Japanese tradition of *washi* paper. The children ha themselves *kozo* (paper mulberry) and *mitsumata* (Oriental paper bush) for reconstruction.

During his self-introduction, Mr. Uitenboogaart played a traditional kag years in Kochi, where he is based. He provided the children with an o form of *washi* paper and kagura flutes. He explained how tree bark is t the process of tapping to make the fibers finer. Leaves, flowers, and oth typical of Higashi-Matsushima were incorporated into the paper, resultin

Display of Sendai Tanabata Decorations

Sendai Tanabata decorations were displayed at the Company's entranc first time in three years to express our wish for the end of the COVID- demic. The Sendai Tanabata festival is a sumptuously decorated and g festival that has been passed down as a traditional event since the feudal lord Date Masamune in the 17th century. Our Group company N Kami-shoji has been involved in the production of these Tanabata dec for many years and has played a role in conveying local festivals and tr culture. The Tanabata decorations displayed this year are the same a actually used at the Sendai Tanabata festival. The decorations were vie our business partners and neighbors as one of our efforts to broadly p resource, and to solve social issues such as abandoned bamboo fores

Publication of Public Relations Magazine *TSU*

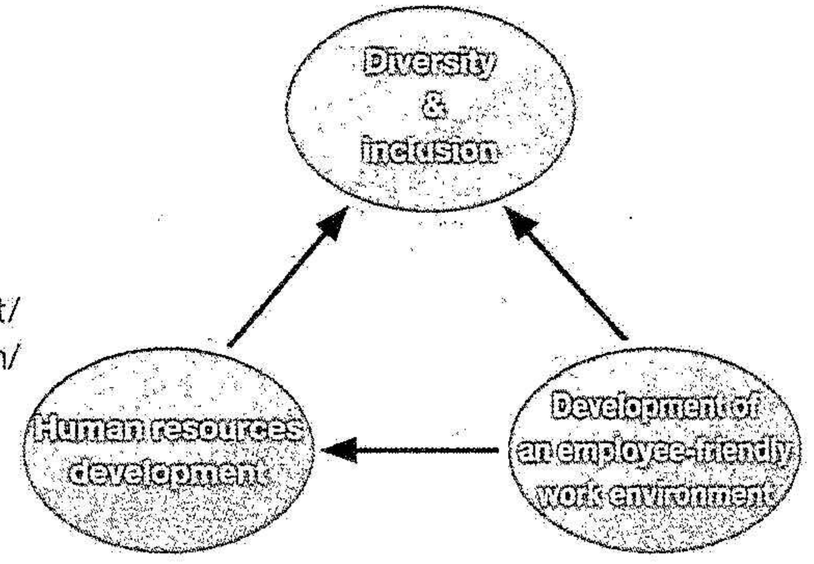
TSUNAGU was first published in April 2007 as an information commu Group's corporate message, "A Paper Trail for Creating the Future." S has been published as a quarterly publication. The magazine covers a plore the things, people, and thoughts related to paper, including art use paper. In May of this year, we published our 50th issue featuring M ident of Tokyo University of the Arts. Although many companies are c electronic versions, we hope to contribute to the development of paper

Human Capital and Human Resources Strategy

Basic Policy

The Company considers that employees are the most important asset of a trading company and that an environment which lets them fully unleash their potential provides the very foundation for sustainable growth. The Human Resources Committee comprising our top executives investigates, proposes, and makes decisions on matters related to our organization and human capital in order to develop transparent hiring and performance evaluation systems. Further, the Occupational Safety Committee focuses on improving the workplace environment based on the KPP Group Charter to enable all our employees to work safely with peace of mind. Furthermore, we conduct employee satisfaction surveys and publish the survey results for employees to increase employees' motivation, moral, and skills and be utilized for establishing an environment in which they can fulfill their potential.

Employee satisfaction survey topics
Penetration of management philosophy/engagement/workplace environment/communication/personnel system/compensation/benefits/education and training, etc.



Human Resources Development

Fair Evaluation and Personnel Systems

We believe that it is important to build a system which encourages all employees to work with motivation and allows them to contribute to the sustainable development of the Company, and have introduced a system to fairly evaluate employees who have produced results by utilizing their abilities and skills. To boost employees' motivation while transforming their awareness and actions, the system provides them with accurate feedback to increase transparency, fairness, and satisfaction of evaluation and offers opportunities not only for the pursuit of results but also improvement in both abilities and corporate activities.

Education and Training

We have introduced e-learning programs to support employees' self-development to maximize individual capability and draw out the ability to flexibly respond to new business environments. In human resources development, training is provided for young employees, mid-level employees, and people in managerial positions corresponding to each step in their careers. In training for promoted employees, in particular, career interviews are held be-

Diversity & Inclusion

Under its Diversity Promotion Policies, the Company respects the gender, age, nationality, race, ethnicity, religion, and social status of each employee, and has established a system that enables all employees to play active roles in their workplaces.

Diversity Promotion Policies

1 Improvement of Work-life Balance

We will develop an environment in which employees can continue working while achieving a sound balance between work and personal life including childrearing and nursing care, enabling them to take on the challenges of more difficult assignments.

2 Promotion of Diversity

We will offer opportunities to all employees, irrespective of gender, age, position, disability, and nationality, for ability development through which they can proactively take on challenges so that we can build a work environment that allows all employees to fully exert their skills and abilities.

3 Diversification of Hiring Practices

Plan of Action for Promoting Women's Career Advancement

We are currently working on the development of a workplace environment where women play active roles by raising the number of women on the main career track and in managerial positions, regardless of type of employment or hiring format. In addition, from April 2022, we have set a new goal of achieving a paid leave utilization rate of at least 70%, and are working to realize a workplace that is comfortable for all of our increasingly diverse workforce.

FY2021	Ratio of women in managerial positions	3.0%
FY2021	Ratio of female employees hired for the main career track	35.7%
FY2021	Ratio of female employees on the main career track	10.3%

(Excluding post-retirement workers and fixed-term employees)

Please visit our corporate website for more information on the Plan of Action for Promoting Women's Career Advancement.
https://www.kpp-gr.com/ja/csr/society/woman.html
(available only in Japanese)

Prevention of Harassment

To promote corporate compliance, we regard efforts to prevent various types of harassment as one of the most important issues, and conduct anti-harassment training once a year to ensure that all employees are fully aware of the importance of harassment prevention.

We will continue our efforts to raise awareness and improve the environment for harassment prevention through ongoing training programs.

● Results for the Fiscal Year Ended March 31, 2022

For new employees and mid-career hires	Implemented compliance training for new hires
For all employees	Provided e-learning programs (power harassment and sexual harassment) Participation rate: 100%
For managerial positions	Conducted anger management training by outside instructors Participation rate: 100%

Personnel Exchange among Group Companies

Since April 2022, one manager from Antalis and one general employee from Spicers have been accepted. We will continue to promote personnel exchanges among Group compa-

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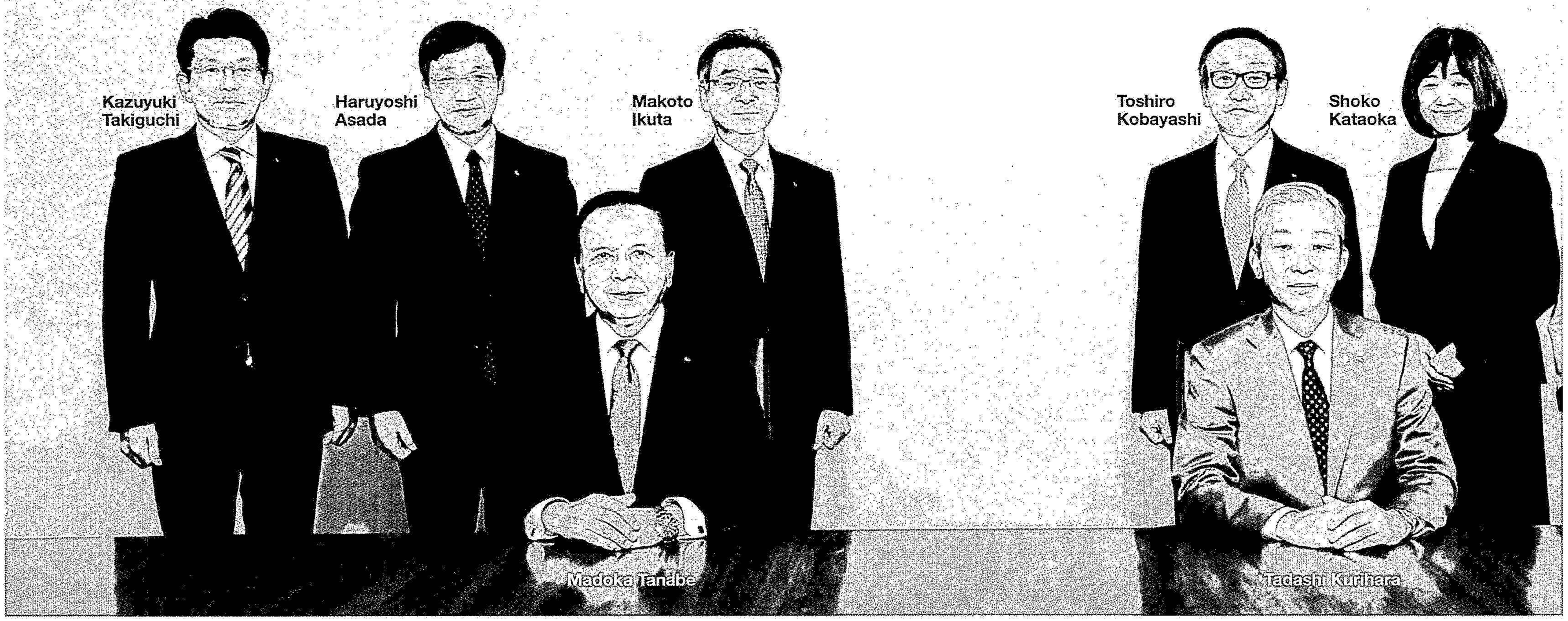
Management Structure



Officers (as of October 1, 2022)

Name	Position and responsibility	Term of office	Number of shares of the Company held	Career summary	Attendance at Board of Directors meetings (fiscal year ended March 31, 2022)		Reason for appointment	Membership status of the Nomination and Compensation Committee	
								Nomination Committee	Compensation Committee
Madoka Tanabe	Representative Director of the Board, Chairman & Chief Executive Officer	18 years	70,000	2013 President & Chief Executive Officer 2015 Director of the Board, President & Chief Executive Officer 2020 Representative Director of the Board, Chairman & Chief Executive Officer (to present)	14/14		He has been involved in the overall management of the Company as Representative Director since June 2012, leading the Company's management with his extensive experience as an executive, strong leadership, and decision-making skills.		Chair
Tadashi Kurihara	Representative Director of the Board, President	8 years	30,000	2016 Director of the Board, Managing Executive Officer 2017 Director of the Board, Senior Managing Executive Officer 2020 Representative Director of the Board, President & Executive Officer (to present)	14/14		He has been involved in the overall management of the Company as Representative Director since June 2017, leading the Company's management with his extensive experience as an executive, strong leadership, and decision-making skills.	Chairperson	
Makoto Ikuta	Senior Managing Director of the Board In charge of Overseas Business	5 years	30,000	2017 Director of the Board, Senior Executive Officer 2018 Director of the Board, Managing Executive Officer 2022 Senior Managing Director of the Board (to present)	14/14		He has extensive business experience and a proven track record. He served as General Manager of Global Business Paper Raw Material Sales Division, Deputy General Manager of Global Business Headquarters, and General Manager of Global Business Operations Division. Currently, as Head of the Global Business Headquarters, he provides leadership in promoting overseas business.		
Haruyoshi Asada	Senior Managing Director of the Board In charge of Corporate Administration	2 years	30,000	2020 Director of the Board, Managing Executive Officer 2022 Senior Managing Director of the Board (to present)	14/14		He has extensive business experience and a proven track record. He served as Head of the IPO Task Force, Head of the President's Office, General Manager of the Finance Division, General Manager of the Corporate Administration Division, Deputy General Manager of the Corporate Administration Headquarters, and in charge of the IT Division. Currently, as Head of the Corporate Administration Headquarters, he provides leadership in establishing and developing management systems.		
Tatsushi Yano Outside Independent	Outside Director of the Board	3 years	—	2019 Outside Director of the Board of the Company (to present) 2019 Outside Director, MANI, INC. (to present)	14/14		He has held officer positions along with experience in overseas business for many years at operating companies (a trading company and a manufacturer). Based on his abundant experience with M&A, post-merger integration (PMI), business reorganization, and restructuring, he is ex-	Member	

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Messages from Outside Directors

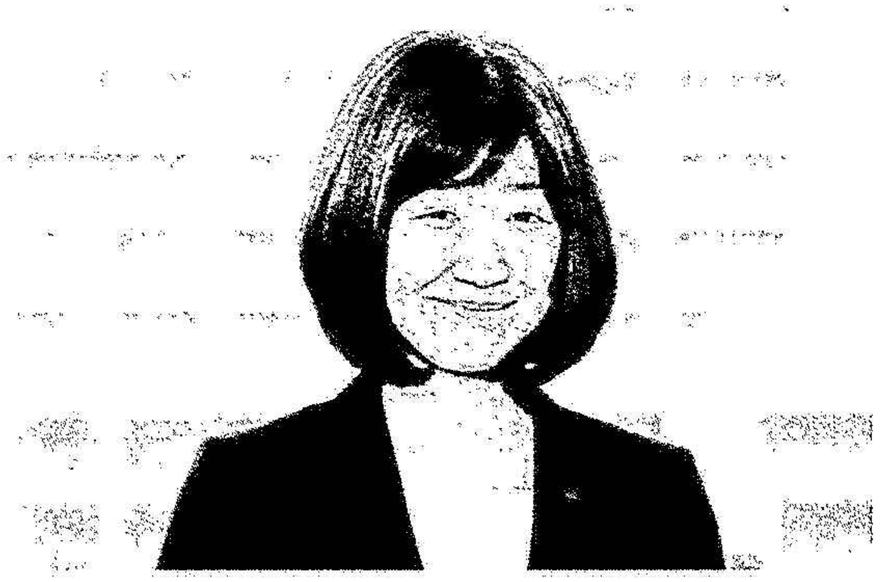
We asked our outside directors about future challenges in raising corporate value.

Toshiro Kobayashi

Outside Director of the Board and Member of the Audit and Supervisory Committee

October 1977	Joined Tetsuzo Ota & Co.
April 1982	Registered as Certified Public Accountant
July 1991	Joined Maruyama & Kobayashi Tax Accounting Office
August 1991	Registered as Certified Tax Accountant
June 2005	Outside Corporate Auditor of the Company
January 2010	Established and became Member of Toshiro Kobayashi Certified Public Accountant Office (to present)
June 2015	Outside Director of the Board and Member of the Audit and Supervisory Committee of the Company (to present)

(As of June 30, 2022)

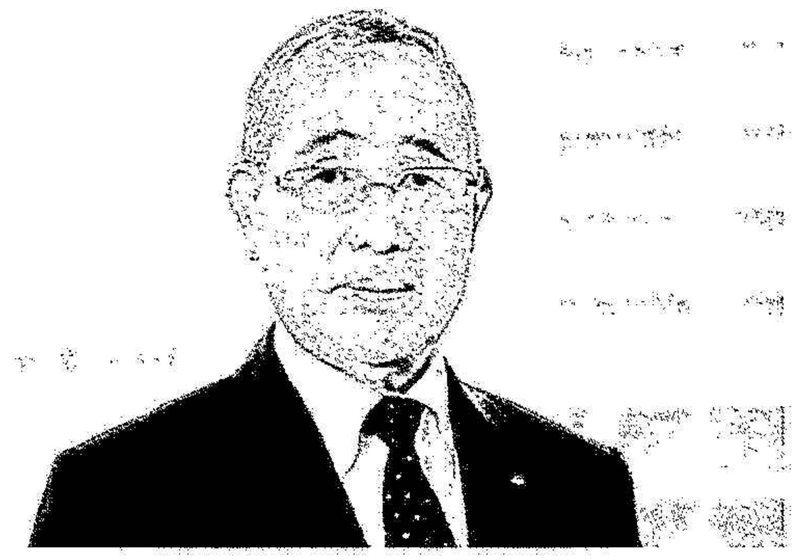


Shoko Kataoka

Outside Director of the Board and Member of the Audit and Supervisory Committee

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

(As of June 30, 2022)



Tatsushi Yano

Outside Director of the Board

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

(As of June 30, 2022)

On October 1, 2022, the Company transitioned to a holding company structure and started as KPP Group Holdings. The objectives of the transition are (1) to strengthen global governance, (2) to reform the portfolio and expand new businesses, and (3) to promote sustainability management. I believe that KPP Group Holdings has a role to play in establishing and implementing a management control system that respects the autonomy of each Group company by delegating authority and clarifying responsibilities. The most important issues to be addressed are (1) pursuit of global synergies, (2) centralization of information, and (3) establishment of a global operation system. Speedy introduction of the Packaging Business and Visual Communication Business, which have proven track records in the European market and other markets, into the Japanese market will help revitalize our domestic business.

In June 2022, I was appointed as Outside Director of the Board and Audit and Supervisory Committee Member. I am very pleased and honored to be a member of the KPP Group, which has a great history.

Over the past 20 years, I have been involved in legal and compliance work for four different companies in different industries, sizes, and cultures: a well-established electrical and electronics manufacturer, an apparel company led by a charismatic executive, a foreign-affiliated theme park, and a coaching firm. Integrity has consistently been my guiding principle and the guiding principle of the organization. At the same time, I also try to take my work earnestly but not too seriously, and to have fun in any situation although I often deal with risks and scandals in my profession.

In addition to utilizing my accumulated experience, I will learn and think about paper and its business from the ground

KPP has made significant investments in inorganic growth over the past few years, acquiring Spicers and Antalis, and has executed small- and medium-sized M&As under the management of both companies to strengthen them. Meanwhile, we have been recovering bonds and restructuring our China business in the wake of the Hong Kong Samson bankruptcy. We also executed the reorganization of KPP subsidiaries and Antalis subsidiaries in Southeast Asia. As a result, our overseas business has grown to be larger and more profitable than our domestic business.

Under the new business structure, it is an urgent task to steadily implement global management in order to realize our Long-term Management Vision GIFT+1 2024. We shifted to a holding company structure in October 2022, and our main objectives are to respond to the new business structure, improve profitability on a global basis, strengthen governance

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Basic Policy

The Company has prioritized the construction and continual enhancement of corporate governance systems in order to fulfill the mandate we have received from our stakeholders—including shareholders, customers, suppliers, local communities, and employees—which is to deliver sustainable growth and medium- to long-term improvement of its corporate value. In June 2015, we shifted our governance structure to that of a company with an audit and supervisory committee, moving toward management with greater transparency and improved mobility.

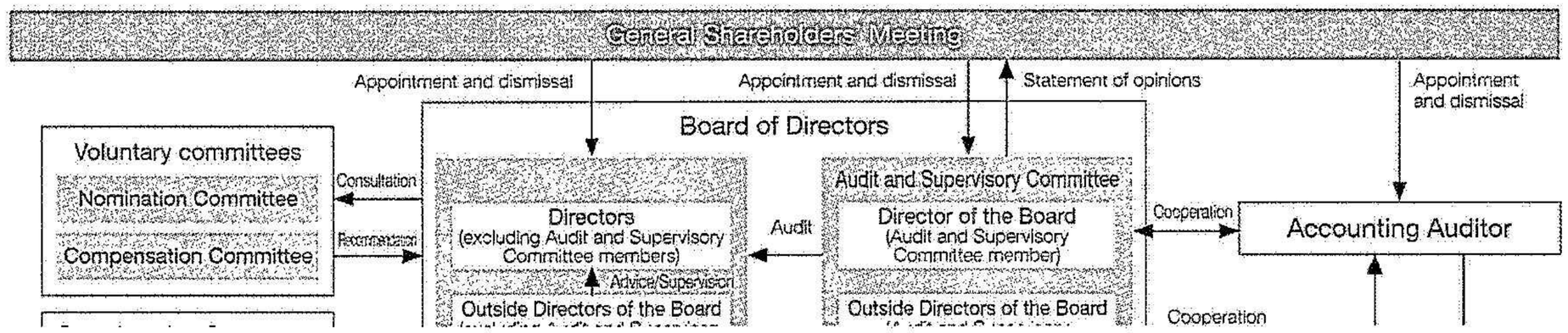
Our Audit and Supervisory Committee, of which outside directors comprise a majority, performs auditing and supervision of the legality and appropriateness of business execution. Also, we employ an executive officer system in which directors, who are members of the Board of Directors, handle decision-making and supervision functions while executive officers handle business execution functions. Through this we have clearly differentiated management decision-making and supervisory functions from business execution functions.

In May 2021, the Nomination Committee and the Compensation Committee were established as voluntary advisory bodies to the Board of Directors to further enhance corporate governance and strengthen accountability.

History of Corporate Governance Enhancements

		FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Measures		Introduced the executive officer system			Shifted to a company with an audit and supervisory committee		• Abolished the advisor/ consultant system • Notified three independent outside directors		• Increased the number of independent outside directors to four • Elected and appointed one female Director of the Board		Established the voluntary Nomination Committee and Compensation Committee	Transitioned to a holding company structure
Director of the Board	Internal	14	8					5				4
	Outside								2	2	2	2
	Total	14	8	8	8	8	6	5	7	7	7	6
Corporate Auditor	Internal	2	2	2	—	—	—	—	—	—	—	—
	Outside	2	2	2	—	—	—	—	—	—	—	—
	Total	4	4	4								
Director of the Board (Audit and Supervisory Committee member)	Internal	—	—	—	2				1			
	Outside	—	—	—	3			2				
	Total	—	—	—	5	5	5	4	3	3	3	3

Corporate Governance Structure



Functions of the Board of Directors

Nine directors, including four outside directors with diverse skills and ment matters and provide supervision on business execution. In order improvement of corporate value, we are taking advantage of the abur as the practical and specialized perspectives of our outside direct sion-making and management supervision.

Composition of Directors (Outside, Male/Fema

The Board of Directors consists of nine directors. Of these, four are range of expertise, including lawyer, certified public accountant, and c Company's management. In appointing outside directors, the Compa knowledge, experience, and expertise of each director, regardless of g

Role of and Selection Policy for Independent C

Their role is to provide recommendations from an objective perspecti sentative director succession plan, the procedures for appointment an the compensation, etc. of directors (compensation levels, ratio of fixe the fairness, transparency, and objectivity of procedures of the Boar strengthening accountability.

In addition to the requirements for independent directors stipulatec lished its own criteria for determining the independence of candidate who will contribute to the enhancement and improvement of corporate

Main Topics of Discussion and Agenda for the Board of Directo

In accordance with the Board of Directors Regulations, the Board o matters related to overall management. In principle, a regular meeting the fiscal year ended March 31, 2022, a total of 14 meetings were held

- Formulation of the KPP Group's third medium-term business plan
- Consideration and initiatives for transition to a holding company structure
- Creation of KPP Group synergies
- Identification of material issues
- Portfolio reform and expansion of new businesses
- Management and oversight of monthly and annual performance

Analysis and Evaluation of the Board of Direct

The Company has analyzed and evaluated the Board of Directors' eff Directors as described below.

In the fiscal year ended March 31, 2022, as in the prior fiscal year

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Committees

Audit and Supervisory Committee

The Audit and Supervisory Committee, consisting of one full-time Audit and Supervisory Committee member, who is an internal director, and two Audit and Supervisory Committee members, who are outside directors, strives to improve governance by auditing and supervising the legality and appropriateness of the execution of duties by directors and checking the status of the development and operation of internal control systems.

Number and composition of committee members	3 (2 outside directors and Audit and Supervisory Committee members, 1 internal director and Audit and Supervisory Committee member (full-time))
Number of meetings held	14
Activities and deliberations in the fiscal year under review	The Audit and Supervisory Committee members attend meetings of the Board of Directors and other important meetings, exchange information with Representative Directors, and collaborate with the Internal Audit Office and the Accounting Auditor in accordance with the audit policy and audit plan established by the Audit and Supervisory Committee.

Nomination Committee

Its role is to provide recommendations to the Board of Directors in order to increase the fairness, transparency, and objectivity of procedures related to nomination of candidates for director, the representative director succession plan, and the appointment and dismissal of directors (including representative directors) and enhance corporate governance and strengthen accountability.

Number and composition of committee members	3 (1 internal director and 2 outside directors)
Number of meetings held	5
Activities and deliberations in the fiscal year under review	Nomination Committee operations and activity policy development, nominating policy and management/leadership personnel requirements development, skills matrix development, and officer structure for fiscal 2022

Compensation Committee

Its role is to provide recommendations to the Board of Directors in order to increase the fairness, transparency, and objectivity of procedures related to the compensation, etc. of directors (compensation levels, ratio of fixed compensation and performance-linked compensation) and enhance corporate governance and strengthen accountability.

Number and composition of committee members	3 (1 internal director and 2 outside directors)
Number of meetings held	3
Activities and deliberations in the fiscal year under review	Formulation of policies for the Compensation Committee, confirmation of the current compensation structure and identification of issues for consideration, and formulation of compensation system proposals for the holding company and its subsidiary (Kokusai Pulp & Paper)

Human Resources Committee

Its role is to conduct extensive decision-making, investigation, and planning on important company personnel matters, such as personnel system, reorganization, appointment of executives, commission, assignment, transfer, hiring, awards, disciplinary actions, and selection of project team members for the development of the Company's business and the smooth operation of the corporate organization, and in doing so, contribute to the formulation of management policies and decision-making.

Number and composition of committee members	6 (5 internal directors and 1 advisor)
Number of meetings held	9
Activities and deliberations in the fiscal year under review	Deliberations were held in line with roles and functions.

Committee of Internal Control Over Financial Report

The committee consists of a chairperson appointed by the President and improve the reliability of internal control over financial reporting. Th the system of internal control over financial reporting, and reports to tl over financial reporting for the relevant fiscal year and the results of the

Number and composition of committee members	7 in total (7 internal members and 0 external members)
Number of meetings held	1
Activities and deliberations in the fiscal year under review	The committee meeting was held to discuss the effecti for the relevant fiscal year and the results of the previou

Officer Compensation

Basic Policy Regarding Compensation for Directors, etc.

1. The structure of compensation for directors, etc., takes into acco also their contributions to increasing corporate value. The value ers.
2. The amounts of compensation for directors, etc., are determined their achievements and industry trends.
3. The amount of compensation is determined by the Board of Dire pendent outside directors, within the scope of total remuneration

Outline of System

Compensation for directors (not including Audit and Supervisory Cor categories: the "fixed compensation," "bonuses," and "performance-li side directors and directors who are Audit and Supervisory Committee

Performance-linked stock-based compensation is a medium- to lo business performance and varies according to the degree of achiev Company contributes to this stock-based compensation plan, which tors, etc. by the Company and the Company's shares and money ec are delivered to and paid to directors, etc. through a trust.

Compensation Structure

Fiscal year ending March 31, 2023 (planned): Fixed compensation (6 compensation (13–15%)

Fiscal year ended March 31, 2022

Type of compensation, etc.	Percentage of compensation (approximate) [Target performance-linked compensation ratio]		
	Directors (excluding outside directors and directors who are Audit and Supervisory Committee members)	Outside directors and directors who are Audit and Supervisory Committee members	[(excludir are Audit Commi
Fixed compensation	64–66% [71–72%]	100% [100%]	Director and Commi
			○ Perforr achieve
			○ Amoun
Bonuses	24–25% [17–18%]	–	

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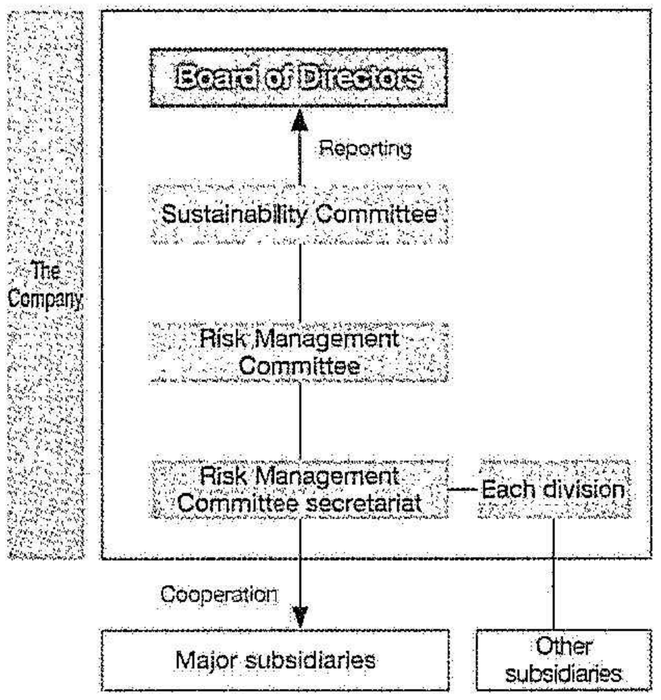
Risk Management System and Management Process

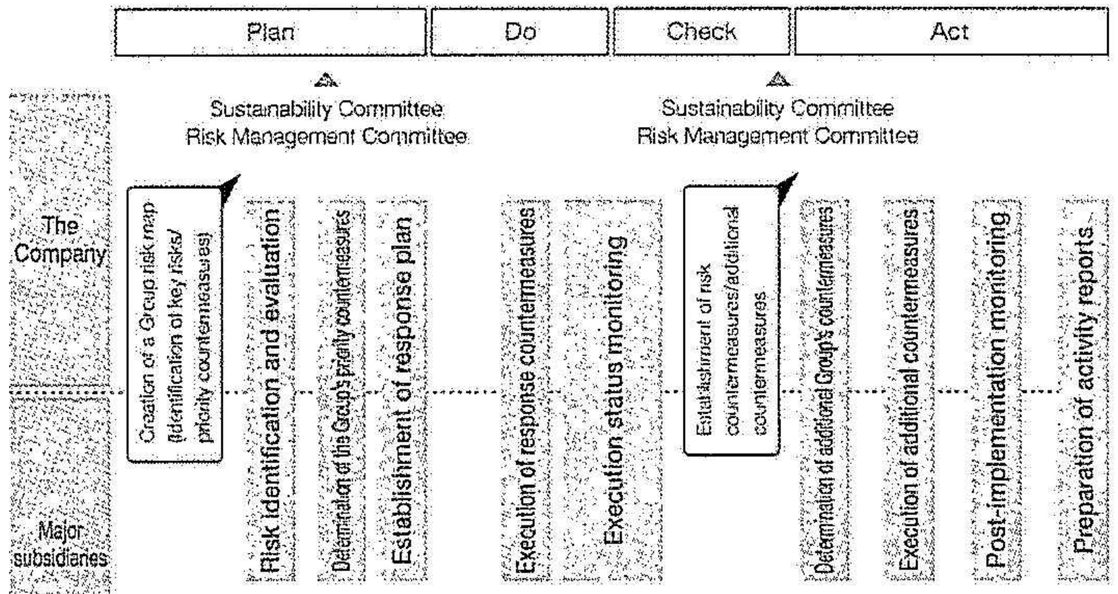
We are implementing Group-wide risk management to appropriately promote business activities in a rapidly changing external environment.

In order to maintain and improve the Company's risk management system, a Risk Management Committee has been established and the Chairperson of the Sustainability Committee appoints the Chairperson and Vice Chairperson of the Risk Management Committee in accordance with the Risk Management Committee Rules. Based on the results of risk analysis at the core operating companies, the Risk Management Committee identifies and evaluates risks that are important for Group management, determines priority countermeasures, monitors the implementation of priority countermeasures on a regular basis, and reports the results to the Sustainability Committee.

Our Risk Management System

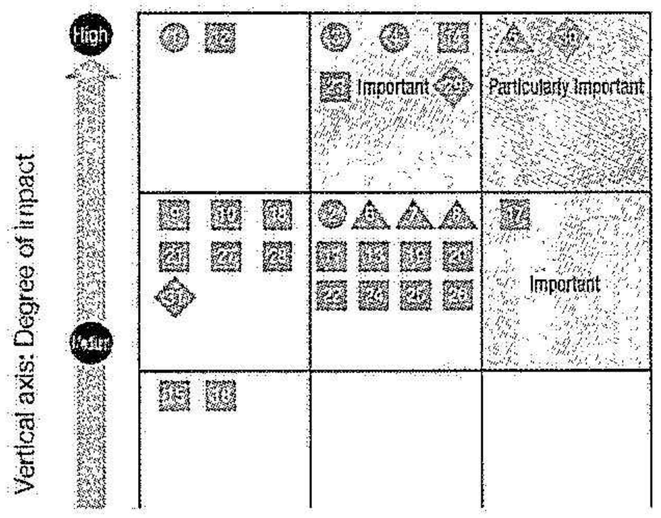


Our Risk Management Process



Business and Other Risks

Business and other risks that may affect the Company's business performance and financial position are shown in below. Forward-looking statements in the text are based on our judgment as of the end of the previous fiscal year. The following is a risk map that evaluates each risk item in terms of impact and frequency of occurrence.



Major category	Sub-category	
External factor risks	1. Natural disasters	2. Terrorism/conflicts/incidents
	3. Infectious diseases	4. Country risks
Management risks	5. Competitiveness/performance	6. Corporate defense
	7. Company and Group company management	8. Human resources
Operational risks	9. Violation of Subcontract Act	10. Violation of Antimonopoly Act
	11. Response to antisocial forces	12. Officer/employee misconduct
	13. Harassment	14. Environment
	15. Human rights	16. Local community
	17. Supply chain management (SCM)	18. Finance and accounting
	19. Taxes	20. Legal affairs
	21. Intellectual property rights	22. Labor management

Significant Risks and Responses

Type of risk	Details of risk
External factor risks	
Infectious diseases	• Deterioration in the Group's performance and financial positio the global spread of infection • Impact on business continuity in the event of a large nu employees or their family members becoming infected
Country risks	• Occurrence of delays in payment collection and other b execution problems due to changes in political, economic, ar conditions in various regions of the world
Management risks	
Competitiveness/ performance (overseas investment)	• Impairment loss on goodwill in the event that overseas investr not produce the expected results due to changes in the f environment and other factors
Competitiveness/ performance (R&D activities)	• Incurrence of buried costs in various R&D expenses contribute Group
Operational risks	
Environment (climate change)	• Changes in the market due to tighter environmental regulati technological innovations, as well as climate change respons the resulting increase in procurement costs • Disruptions in the supply chain due to the occurrence of c caused by climate change
Supply chain management (dependence on major suppliers)	• Impact on business development, financial position, and o results due to significant disruptions in the supply of produ major suppliers to the Company as a result of natural disasters factors
Information systems (development of core systems)	• Failure to achieve expected investment effects • Unexpected costs due to delays in development schedules, etc
Financial risks	
Credit risk (credit of business partners)	• Losses due to deterioration in creditworthiness or bankri business partners to whom credit has been extended
Market risk (impact of commodity market fluctuations)	(1) Paper and paperboard, etc. • Impact on product purchase prices due to significant price i in raw materials, crude oil, etc. (2) Recovered paper • Significant price impact in a short period of time due to ch demand in major recovered paper consuming countries • Impact on sales due to changes in the supply-demand ba recovered paper in Japan (decrease in supply despite inc demand) (3) Pulp • Impact on sales due to significant price declines in a short time, as is typical for commodities in global markets
Market risk	• Decrease in consolidated profit due to the appreciation of the y consolidated financial statements of Group companies arc world

Compliance

Basic Policy

We aim to ensure compliance with laws and regulations and to meet the demands of society by acting in an ethical manner as a corporate citizen. To that end, we will follow the basic policy set forth in the KPP Group Charter, which are compliance with laws and regulations, respect for human rights, fair, free, and transparent business activities, earning the trust of society and business partners, promotion of sustainability management, proactive disclosure of corporate information, enhancement of the workplace environment, harmony with the natural environment, thorough crisis management, and attitude of top management. Based on these policies, we will implement management with respect for compliance.

Compliance Structure

As an organization that oversees compliance, we have established a Compliance Committee to establish various regulations aimed at compliance with a wide range of business laws and other laws and regulations, to investigate and respond to violations of laws and regulations, and to hold internal training programs to raise the awareness of every worker regarding compliance. In addition, to ensure a compliance-related whistleblowing system, we have established an internal compliance reporting counter at the compliance secretariat and an external compliance reporting counter at an outside contractor.

Thoroughly Ensuring Compliance

We define workers as people who are engaged in the business of our Group, ranging from directors to employees and temporary workers, and we require them to faithfully observe compliance and to perform their duties with common sense and responsibility as members of society.

Whistleblowing System

We have established a reporting counter (internal reporting counter and external reporting counter) where workers of the Group can consult and report compliance issues when they are unsure on making a decision, or when they sus-

Response When a Problem Occurs

Upon receiving a report, the Compliance Committee delegates, as appropriate, the relevant department to investigate and respond to the problem depending on the nature of the problem. In addition, any problems deemed significant by the Compliance Committee are immediately reported to the Sustainability Committee. The Compliance Committee will promptly investigate problems that require action from an overall perspective and make recommendations for measures to prevent recurrence. In the event of a serious legal compliance incident, we will promptly disclose information to the public and take accountability, strive to investigate the cause and prevent recurrence, and deal with the incident in a strict manner.

Elimination of Antisocial Forces

As a basic action that constitutes the KPP Group Charter, we are committed to systematic crisis management to prepare for the threat of activities by antisocial forces. In order to cut off any relationship with antisocial forces, while maintaining close cooperation with the police and other related organizations, we will take a firm stand against any demands from any groups or individuals that may disrupt social order and sound corporate activities, and will not comply with any of their requests.

Compliance with the Antimonopoly Act

In the KPP Group Charter, we stipulate that we will conduct fair, free, and transparent business activities. Regarding compliance with the Antimonopoly Act and related laws, our specific guidelines include the prohibition of private monopolization, unreasonable restraint of trade, and unfair trade practices.

Compliance Education

We strive to raise each worker's awareness of compliance through compliance training, e-learning, internal newsletters, and other initiatives. In the previous fiscal year, the Compliance Committee revised the Compliance Manual and conducted compliance training for all workers.

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Corporate Profile (as of October 1, 202

Company Overview

Trade name	KPP GROUP HOLDINGS CO., LTD.
Date of establishment	November 27, 1924
Representatives	**Madoka Tanabe** Representative Director of the Board, Chairman & Chief Executive Officer **Tadashi Kurihara** Representative Director of the Board, President
Capital	4,723.53 million yen
Annual sales	563.4 billion yen (the fiscal year ended March 31, 2022) *Consolidated
Number of employees	5,354 (as of March 31, 2022) *Consolidated

Business Objectives

The purpose of the Company shall be to engage in the following businesses, and to control and manage the business activities of domestic and foreign companies engaged in the following or similar businesses, through the holding of shares or other equity interest in such companies.

- Purchase, sales, import and export of paper and paper processed goods
- Purchase, sales, import and export of pulp and recovered paper
- Purchase, sales, import and export of chemical products, industrial chemicals, horticultural chemicals, paper-related machinery, packaging equipment, industrial electrical equipment, transportation equipment, electrical components, office equipment, construction materials, packing and packaging materials, printing-related supplies, miscellaneous daily necessities, sanitary and medical materials, fuel for paper mill boilers, industrial products for the manufacture of paper/paper products, and biomass fuels
- Buying and selling business of used materials and articles
- Collection, transport, and processing/disposal of industrial and general waste
- Wholesaling, brokerage, agency service, leasing, and processing related to the previously enumerated categories
- Processing, purchase, sales, import, and export of food items
- Holding, leasing, purchase, sales, management, and brokerage of real estate
- Contracting of construction work
- Supervision of construction and design of architectural structures
- Warehousing
- Agency service related to property insurance
- Owning of and investments in securities
- Any and all other legitimate businesses

Shareholdings

Total number of authorized shares	267,500,000
Total number of issued shares	73,244,408

(As of September 30, 2022)

Shareholders (as of September 30, 2022)

- Oji Holdings Corporation
- Nippon Paper Industries Co., Ltd.
- The Master Trust Bank of Japan, Ltd.
- KPP Employee Stock Ownership

KPP GROUP HOLDINGS CO., LTD.

-24 Akashi-cho, Chuo-ku, Tokyo, Japan 104-0044

Tel: +81-3-3542-4166 (main)　https://www.kpp-gr.com/en/

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