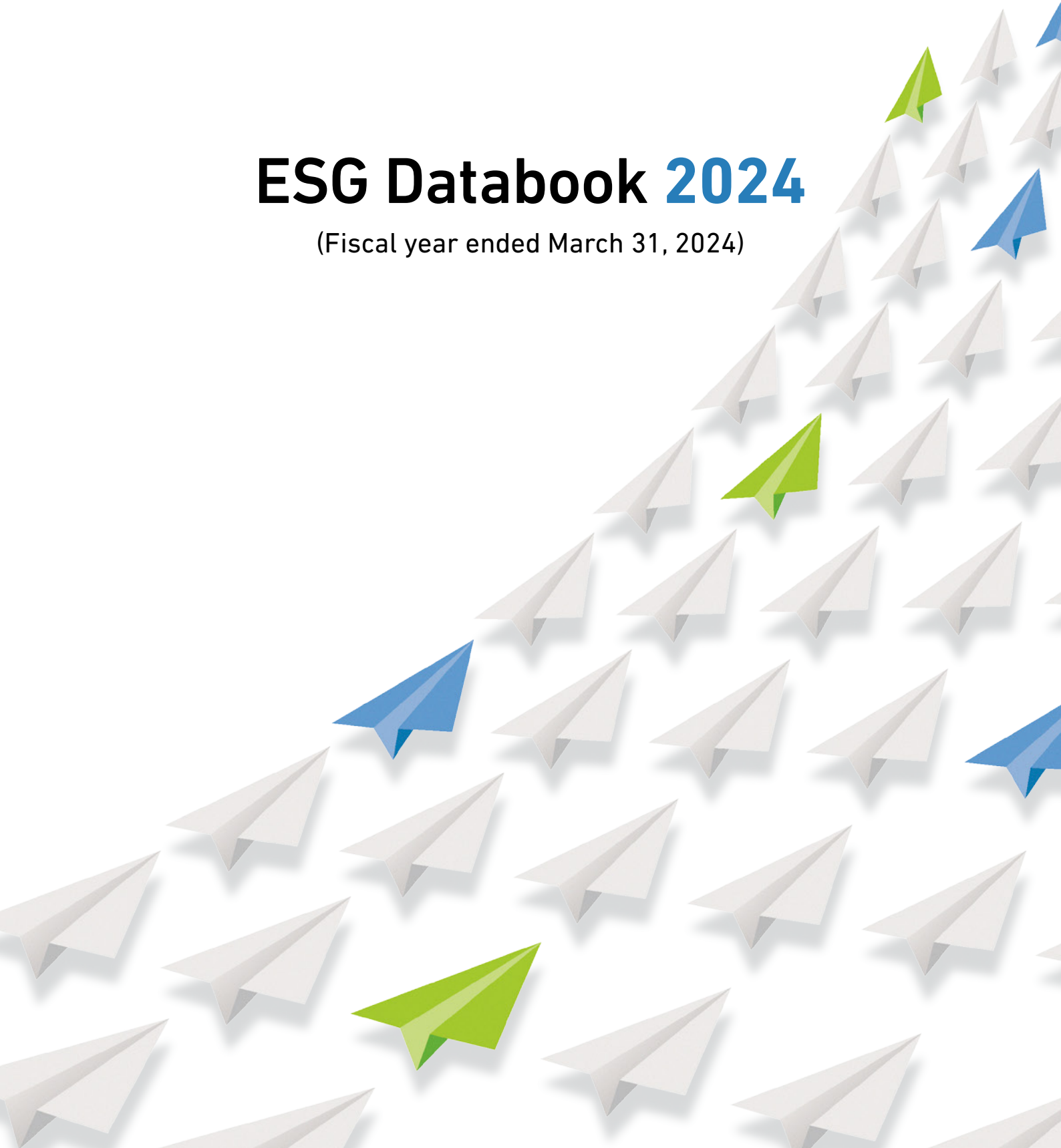


ESG Databook 2024

(Fiscal year ended March 31, 2024)



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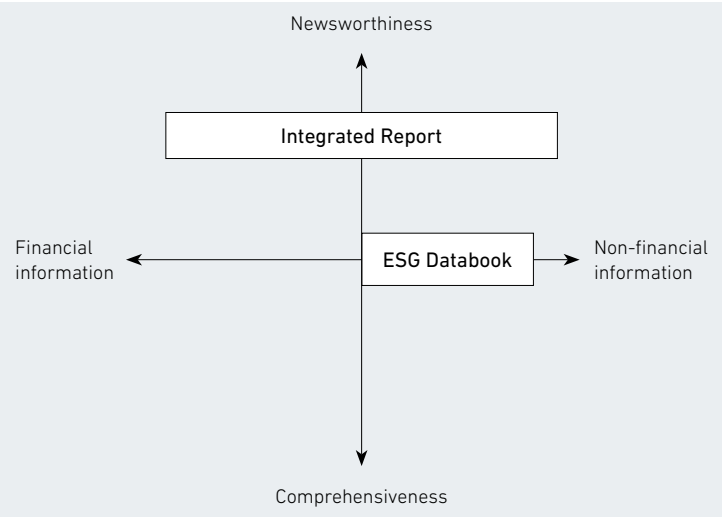
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Reason for Publishing and Positioning of ESG Databook



Environment

■ Environmental Accounting for FY2023 (Hokuetsu Corporation (non-consolidated))

Environmental conservation costs				(Millions of yen)	
Major initiatives and their results				Investment	Cost
1	Environmental conservation costs to control environmental impact that results from key business operations within the business area			1,942	6,705
	Composition	(1) Environmental conservation costs	Measures against air and water pollution, noise, and vibration	467	3,496
		(2) Global environmental preservation costs	Company-owned forests in Japan, afforestation business overseas, energy conservation investment	1,070	949
		(3) Resource circulation costs	Efficient utilization of resources, waste management costs	405	2,260
2	Environmental preservation costs to control the environmental impact that results from key business operations upstream and downstream		Low sulfur fuel purchase costs (difference)	—	434
3	Environmental conservation costs related to administrative activities		Employee training, ISO 14001 costs, air and water quality analysis costs, various meeting operation costs, etc.	—	247
4	Environmental conservation costs related to R&D activities		Development of products that contribute to environmental conservation, such as promoting recovered paper utilization, reducing environmental impact during manufacturing, etc.	—	174
5	Environmental preservation costs related to social activities		Social contribution activities, support for organizations, corporate action reports, ECO Products Exhibition, etc.	5	73
6	Environmental remediation costs		Pollution load levy (SOx)	—	83
Total				1,947	7,716

Economic benefits associated with environmental conservation measures		(Millions of yen)
Results of effects		Amount
Income in company-owned forests		20
Cost savings through energy conservation		105
Reduction of disposal costs through effective utilization of waste		57
Profits on sales of waste as effective resources		40
Total		222

■ CO₂ and GHG Emissions (Hokuetsu Corporation (non-consolidated))

CO ₂ emissions						(Thousand t-CO ₂)
Composition		FY2021	FY2022	FY2023	FY2030 (Plan)	FY2050 (Plan)
CO ₂ emissions		628	644	638	450	0

Scope 1, 2						(Thousand t-CO ₂ e)
Composition		FY2019	FY2020	FY2021	FY2022	FY2023
Scope 1 emissions		694	657	680	728	610
Scope 2 emissions		79	57	64	62	64
Scope 1+2 emissions		773	714	744	790	674

Environment

Scope 3 (Thousand t-CO₂e)

Composition	FY2019	FY2020	FY2021	FY2022	FY2023
Purchased goods and services	679	548	627	589	546
Capital goods	45	39	37	34	42
Fuel and energy-related activities not included in Scope 1 and 2	61	55	61	61	86
Transportation, distribution (upstream)	325	236	286	274	232
Waste generated from business	3	2	2	2	3
Business trips	0.2	0.2	0.2	0.2	0.2
Employee commuting	1	1	1	1	1
Leased assets (upstream)	5	5	5	5	5
Transportation, distribution (downstream)	33	30	40	46	41
Processing of sold products	355	290	334	325	318
Use of sold products*1	0	0	0	0	0
Disposal of sold products*2	0	0	0	0	0
Leased assets (downstream)	0	0	0	0	0
Franchise chains*3	0	0	0	0	0
Investment	4	4	4	4	4
Total	1,511	1,210	1,397	1,341	1,278

*1 Since our paper products do not use energy during use, CO₂ emissions from product use are considered zero.
*2 Our paper products emit CO₂ when disposed; however, since the raw material, trees, absorb CO₂, the emissions are offset and deemed zero.
*3 Since we are not the franchiser, we believe none of our emission sources fall under this category.

Environmental burden substances from emitted gas (t)

Composition	FY2019	FY2020	FY2021	FY2022	FY2023
SOx emissions	481	405	388	355	337
NOx emissions	2,041	2,031	2,000	2,008	1,976
Dust	109	79	83	113	87
VOC emissions	5.2	4.2	5.0	4.4	3.1

Emission intensity per paper product ton during production

Composition	FY2019	FY2020	FY2021	FY2022	FY2023
CO ₂ (kg-CO ₂ /t-product)	410	463	418	440	453
Scope 1 (kg-CO ₂ e/t-product)	444	524	453	497	434
Scope 2 (kg-CO ₂ e/t-product)	51	45	43	42	45
Scope 1+2 (kg-CO ₂ e/t-product)	494	569	495	539	478
SOx (kg -SOx/t-product)	0.31	0.32	0.26	0.24	0.24
NOx (kg -NOx/t-product)	1.30	1.62	1.32	1.37	1.40
Dust (kg/t-product)	0.07	0.06	0.06	0.08	0.06

Environment

Waste and PRTR Chemical Substances (Hokuetsu Corporation (non-consolidated))

Industrial waste generated, disposal and effective utilization

	FY2019	FY2020	FY2021	FY2022	FY2023
Industrial waste generated (thousand tons)	264	224	257	302	287
Effective utilization amounts (thousand tons)	257	219	252	298	284
Final disposal volume (thousand tons)	7	5	5	4	3
PRTR chemical substances emitted and transferred (t)	1.5	1.4	1.4	1.4	4.1

PRTR chemical substances emitted and transferred amounts (substances to be reported in FY2023)

Government Ordinance Number	Substance name	Volume handled (inc. volume generated) kg	Emitted kg	Transferred kg	Total (Emitted and Transferred) kg
80	Xylene	1,751	9	—	9
154	Cyclohexylamine	1,124	8	—	8
243	Dioxins (mg-TEQ)	—	25	24,332	24,357
395	Water-soluble salts of peroxodisulfuric acid	4,950	0	—	0
400	Benzene	17,980	90	—	90
411	Formaldehyde	1,960	995	—	995
438	Methylnaphthalene	6,200	31	—	31
566	Polycondensation of adipic acid, (N-(2-aminoethyl) ethane-1,2-diamine or N,N'-bis(2- aminoethyl) ethane-1,2-diamine) and 2-(chloromethyl) oxirane	12,175	1,200	—	1,200
581	Alkyl (benzyl) (dimethyl) ammonium salts (limited to those with alkyl group carbons from 12 to 16 and mixtures thereof)	6,645	480	—	480
595	Ethylenediaminetetraacetic acid and its potassium and sodium salts	1,300	1,300	—	1,300
691	Trimethylbenzene	2,021	10	—	10
Total		56,106	4,123	—	4,123

Water Resources (Hokuetsu Corporation (non-consolidated))

Water consumption, etc.

	FY2019	FY2020	FY2021	FY2022	FY2023
Water intake (thousand m ³)	94,700	88,800	95,700	94,900	94,800
Rivers	94,700	88,800	95,700	94,900	94,800

Environmental burden substances in wastewater

	FY2019	FY2020	FY2021	FY2022	FY2023
BOD emissions (t)	375	336	410	399	481
COD emissions (t)	949	862	952	1,184	1,332
SS emissions (t)	562	525	644	693	763

Environment

Emission intensity per paper product ton during production

	FY2019	FY2020	FY2021	FY2022	FY2023
Water consumption (m³/t-product)	60.5	70.8	63.7	64.8	67.3
BOD emissions (kg/t-product)	0.28	0.32	0.32	0.32	0.41
COD emissions (kg/t-product)	4.24	4.54	4.21	5.13	5.60
SS emissions (kg/t-product)	0.36	0.42	0.43	0.47	0.54

■ Energy (Hokuetsu Corporation (non-consolidated))

Mill energy input (FY2023) (TJ)

	Niigata mill	Kishu mill	Kanto mill (Katsuta)	Kanto mill (Ichikawa)	Nagaoka mill	Osaka mill	Total	Proportion
Biomass, etc.	15,807	5,841	2,425	0	0	0	24,073	69.4%
Gas	3,217	4	0	1,227	525	26	4,998	14.4%
Purchased electricity	425	521	67	13	240	26	1,291	3.7%
Heavy oil	3,020	909	48	0	0	0	3,977	11.5%
Coal	0	124	175	0	0	0	299	0.9%
Other fossil fuels	8	11	8	3	1	0	31	0.1%
Total	22,478	7,410	2,723	1,242	766	52	34,670	100%

Electric power amounts (GWh)

	FY2019	FY2020	FY2021	FY2022	FY2023
Electricity generated	1,783	1,596	1,752	1,753	1,708
Electricity consumed	1,707	1,478	1,652	1,639	1,610

■ Environmental Management System

Acquisition of ISO14001 certification (as of the end of March 2024)

Company name	Mill/Workplace
Hokuetsu Corporation	Niigata Mill, Kishu Mill, Kanto Mill (Ichikawa, Katsuta), Nagaoka Mill, Osaka Mill
Hokuetsu Package Co., Ltd.	Tokyo Head Office, Kanto Mill
Alberta-Pacific Forest Industries Inc.	Alberta-Pacific Forest Industries Inc.
Bernard Dumas S.A.S.	Bernard Dumas S.A.S.
Shanghai Toh Tech Co., Ltd.	Shanghai Toh Tech Co., Ltd.

■ Primary Raw Materials (all consolidated companies)

Usage amounts (thousand tons)

	FY2019	FY2020	FY2021	FY2022	FY2023
Wood chips	2,837	2,932	3,371	2,739	2,650
Recovered paper	451	464	536	469	389
Pulp	1,003	781	794	895	839

Environment

Countries from which wood chips for paper products are procured (thousand tons)

Country of procurement	Primary raw materials	FY2019	FY2020	FY2021	FY2022	FY2023
Canada	Re-growth	1,023	1,570	1,656	1,116	1,081
South Africa	Afforestation	454	324	513	509	479
Vietnam	Afforestation	326	410	488	503	496
Chile	Afforestation	695	442	450	305	285
Australia	Afforestation	210	176	264	306	309
Brazil	Afforestation	71	0	0	0	0
Japan	Re-growth	31	10	0	0	0
Total		2,810	2,932	3,371	2,739	2,650

■ Production Volume of Main Products (all consolidated companies)

(thousand tons)

	FY2019	FY2020	FY2021	FY2022	FY2023
Paper	1,278	974	1,119	1,078	1,037
Paperboard	520	512	599	534	467
Pulp	1,592	1,394	1,548	1,420	1,446

Note: The Company's products are produced using 100% FSC certified materials or controlled wood.

■ Forest Resources (all consolidated companies)

Owner	Location	Classification	Estimated area (ha)	Forest certification acquisition rate (%)	CO ₂ absorption (thousand tons/year)
Hokuetsu Corporation and others	Within Japan	Company-owned forests	11,170	38	Approx. 18*2
Hokuetsu Corporation	Within Japan	Profit sharing forestry	1,000	0	
Freewheel*1	South Africa	Company-owned tree farms	2,800	95	Approx. 29*3
Government of Alberta	Canada	Management agreement	6,038,072	97	Approx. 7,000*4

*1 Freewheel Trade and Invest 7 Pty Ltd (company not accounted for by equity method)

*2 Calculation method for CO₂ absorption in Japan is as follows

Amount of CO₂ absorption = Amount of CO₂ fixation in FY2021 – Amount of CO₂ fixation in FY2020

Amount of CO₂ fixation = Accumulated amount x biomass expansion factor x (1+underground ratio) x volumetric density x carbon content rate x CO₂ conversion factor (44/12)

*3 Calculation method for CO₂ absorption in South Africa is as follows

CO₂ absorption volume = amount of CO₂ fixed at the end of 2023 – amount of CO₂ fixed as of the end of 2022 (fixed amounts use the same domestic calculation formula above)

*4 CO₂ absorption in Canada (Al-Pac) is based on the approximate values calculated by Al-Pac

Environment

■ Disclosure of Information Based on TCFD Recommendations

In February 2021, the Hokuetsu Group declared its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The Group will reflect the risks and opportunities analyzed based on the recommendations of the TCFD in its management strategy, aiming for net zero CO₂ emissions by 2050.

Main risks and opportunities

* Impact: The size of a risk or opportunity is determined by the “size of impact on business” x “probability of occurrence,” and is expressed as high, medium, or low.

Classification		Risk	Risk details		Level of impact	Strategies and measures to reduce risk
Transition risks	Policy/legal regulation	Tighter CO ₂ emission regulations	<ul style="list-style-type: none">Introduce and enhance carbon pricing such as carbon taxes and emissions trading systemsFinancial impact of climate-related risks: Carbon tax burden of approximately ¥13.8 billion yen (Set based on IEA's NZE scenario as a reference)		High	<ul style="list-style-type: none">Realize “Hokuetsu Group Zero CO₂ 2050” and “Hokuetsu Group Environmental Targets 2030”Promote further energy conservationUse biomass energy such as black liquor generated in the pulp manufacturing process actively
		Tighter regulations for the spread of renewable energy	<ul style="list-style-type: none">Increase in unit price of levy to promote power generation with renewable energy		Medium	<ul style="list-style-type: none">Use carbon-neutral fuelsPromote modal shift to railways, etc., with low CO₂ emissions
		Soaring fossil energy prices	<ul style="list-style-type: none">Soaring prices of energy derived from fossil fuels due to the decrease in investment in oil development toward the realization of a decarbonized society		Low	<ul style="list-style-type: none">Introduce high-efficiency chip carriersStudy introducing advanced CCS that generates negative emissions by separating and capturing wood-derived CO₂
	Market	Growing criticism of lack of environmental consideration	<ul style="list-style-type: none">Increase in consumer criticism and product boycotts due to lack of environmental consideration in climate change countermeasures and forest conservation		Low	<ul style="list-style-type: none">Promote the above climate change measuresImplement “Group Fundamental Policy for Raw Materials Procurement” and “Fundamental Policy on Procurement of Wood Material”
	Reputation	Lower valuation from investors	<ul style="list-style-type: none">Lower valuation and withdraw (divest) investment in ESG investments due to delay in addressing climate change		Low	<ul style="list-style-type: none">Procure wood materials with proven legality and sustainability through elimination of non-certified timber, use of traceability systems, audits by third-party organizations, and on-site checks by our employeesDisseminate information on the Group's environmental conservation activities through active acceptance of mill tours, publication of an environmental activity information magazine, and visiting lectures on themes such as the environment
Physical risks	Acute	Impact on business due to increased extreme weather	<ul style="list-style-type: none">Damage to the company's mills and facilities due to extreme weather such as torrential rains, floods, and large typhoonsSuspend services due to damage to infrastructure such as electricity and water caused by extreme weatherDisrupt supply chains due to damage to roads, railways, and port facilities caused by extreme weather		Medium	<ul style="list-style-type: none">Assess and implement measures for natural disaster risks at millsReview BCP (Business Continuity Plan) based on “Regulations of Emergency Response”Promote profitable and stable procurement by diversifying suppliers, etc.
	Chronic	Impact of changes in weather patterns on procurement of raw materials	<ul style="list-style-type: none">Deteriorate growth of trees and impact negatively on raw material procurement for pulp and paper due to rising temperatures, frequent forest fires, and outbreaks of diseases and insects		Medium	<ul style="list-style-type: none">Promote forest management aimed at improving the multiple functions of forestsPromote profitable and stable procurement by diversifying suppliers, etc.
Classification		Opportunity	Opportunity details		Level of impact	Strategies and measures to reduce risk
Opportunity	Products and service	Growing need for environmentally friendly products and services	<ul style="list-style-type: none">Increase in need for environmentally friendly products and services due to heightened consumer awarenessFinancial impact of climate-related opportunities: Sales increase of approximately ¥13.9 billion to ¥22.8 billion		High	<ul style="list-style-type: none">Provide FSC® certified products (Hokuetsu Corporation FSC license code: FSC-C005497)Develop composite materials of cellulose nanofiber and carbon fiber, which are cutting-edge biomass materialsDevelop and expand sales of plastic alternatives such as paper materials to eliminate plasticDevelop and expand sales of battery separators
		Sympathy for advanced environmental considerations	<ul style="list-style-type: none">Increase sympathy and active purchase of products from consumers and business partners for environmental considerations such as climate change measures and forest conservation		High	<ul style="list-style-type: none">Develop the above environmentally friendly products and services proactively, and promote climate change measures, forest conservation, etc.
		Improved valuation from investors	<ul style="list-style-type: none">Improve valuation and attract investment in ESG investments through advanced climate change initiatives		Medium	<ul style="list-style-type: none">Disseminate information on the Group's environmental conservation activities through active acceptance of mill tours, publication of an environmental activity information magazine, and visiting lectures on themes such as the environment
	Market	Spread of CO ₂ emissions trading systems	<ul style="list-style-type: none">Increase momentum to introduce carbon-negative CO₂ derived from biomass into chemical products such as e-methane		Medium	<ul style="list-style-type: none">Study introducing advanced CCS that generates negative emissions by separating and capturing wood-derived CO₂
	Energy sources	Growing need for renewable energy	<ul style="list-style-type: none">Increase needs for renewable energy to achieve carbon neutrality		Medium	<ul style="list-style-type: none">Develop electrical power generation business with renewable energies such as solar power and biomass
	Resource efficiency	Growing interest in forest resources	<ul style="list-style-type: none">Increase interest in forest sinks that sequester and fix CO₂ and contribute to climate change issues		Medium	<ul style="list-style-type: none">Promote sustainable forest management through afforestation projects and acquisition of forest certificationImplement thinning based on the forest management planUse thinned wood in construction, plywood, chips for fuel, etc., effectively
		Growing interest in water resources	<ul style="list-style-type: none">Increase interest in water resources, where there are concerns about declining water volumes and deteriorating water quality due to climate change, etc.		Low	<ul style="list-style-type: none">Provide separation membrane backings, which are sheets used to increase strength in water treatmentStudy water treatment business using wastewater treatment technology cultivated in paper manufacturing business

Environment

Employees

(persons)

Aggregation Target	Category	FY2019	FY2020	FY2021	FY2022	FY2023
Consolidated companies	Number of consolidated employees	4,688	4,545	4,270	4,163	3,749
	Of which are women*	487	481	452	446	370
	Of which are domestic Japanese employees	3,817	3,685	3,398	3,304	3,232
	Of which are overseas employees	871	860	872	859	517
	Number of dispatched employees	44	35	27	48	60
	Number of part-time employees	8	9	4	3	3
Domestic Consolidated	Employment rate of physically disabled individuals	2.0%	2.1%	2.3%	2.3%	2.2%
Non-consolidated	Employment rate of physically disabled individuals	2.3%	2.6%	2.9%	2.5%	2.5%

* Female employees in some overseas countries are not included due to the inability to aggregate by gender.

Education and Training Results

Aggregation Target	Category	FY2019	FY2020	FY2021	FY2022	FY2023
Consolidated companies	Number of participants (persons)	—	—	—	—	14,037
	Participation time (hours)	—	—	—	—	30,803
	Attendance fees (thousands of yen)	—	—	—	—	31,709
Non-consolidated	Number of participants (persons)	—	—	—	—	7,646
	Participation time (hours)	—	—	—	—	20,320
	Attendance fees (thousands of yen)	—	—	—	—	24,216

* Core training includes health and safety, compliance, and role-specific training for various positions such as new hires, mid-level leaders, section managers, and newly appointed managers, etc.

* The number of participants and the participation time include free training.

Continuous Service

Aggregation Target	Category	FY2019	FY2020	FY2021	FY2022	FY2023
Domestic Consolidated	Average years of service (years)	17.6	18.2	18.7	19.5	20.0
	Of which are men (years)	18.2	18.7	19.3	20.2	20.8
	Of which are women (years)	13.0	13.5	13.8	13.8	14.2
	Average age (years)	43.9	44.1	44.7	45.4	45.7
	Of which are men (years old)	44.2	44.3	44.9	45.6	46.1
	Of which are women (years old)	42.3	42.5	43.2	43.4	43.4

Recruitment

(persons)

Aggregation Target	Category	FY2019	FY2020	FY2021	FY2022	FY2023
Domestic Consolidated	New graduate hires	37	63	14	15	26
	Of which are men	29	49	13	10	19
	Of which are women	8	14	1	5	7
	Mid-career hires	171	60	27	65	93
	Of which are men	142	47	17	51	72
	Of which are women	29	13	10	14	21

Managerial Personnel

(persons)

Aggregation Target	Category	FY2019	FY2020	FY2021	FY2022	FY2023
Consolidated companies	Number of managers	467	450	426	421	388
	Of which are women*	15	14	14	15	10

* Female managers in some overseas countries are not included due to the inability to aggregate by gender.

Working Hours, Accrued Leave, etc.

Aggregation Target	Category	FY2019	FY2020	FY2021	FY2022	FY2023
Non-consolidated	Total hours worked annually (hours/person)	1,911	1,807	1,784	1,828	1,819
	Percentage of annual leave taken (%)	58.2	57.4	48.1	67.2	70.7
Domestic Consolidated	Number of employees taking child-care leave (persons)	10	17	18	17	30
	Of which are men (persons)	0	9	12	9	21
	Of which are women (persons)	10	8	6	8	9
	Number of employees taking nursing care leave (persons)	1	1	3	2	0

Occupational Accidents

Aggregation Target	Category	FY2019	FY2020	FY2021	FY2022	FY2023
Consolidated companies	Frequency rate of occupational accidents (%)	0.97	0.79	2.45	1.74	1.63
	Domestic Consolidated (%)	0.83	0.87	2.26	1.70	1.10
Consolidated companies	Occupational accident severity rate (%)	1.07	0.06	0.10	0.09	0.04
	Domestic Consolidated (%)	1.09	0.05	0.08	0.06	0.02
Consolidated companies	Lost time due to accidents (cases)	7	7	21	15	14
	Domestic Consolidated (cases)	6	6	15	11	7
Consolidated companies	Fatalities (cases)	0	0	0	0	0

* The frequency rates and number of incidents include both consolidated subsidiaries and partner companies.

Wage Disparity Between Men and Women

Aggregation Target	Category	FY2019	FY2020	FY2021	FY2022	FY2023
Non-consolidated	All employees	—	—	—	63.2%	64.2%
	Regular employees among them	—	—	—	63.3%	64.2%

* Average wage of female employees compared to average wage of male employees (%)

■ Number of Participants in Safety and Health Education Programs (persons)

Category	FY2019	FY2020	FY2021	FY2022	FY2023
Company-wide and Safety Management Committee	65	148	168	132	100
Health and Safety Committee	4,613	3,881	3,657	3,954	4,585
Mill Health and Safety Convention	375	253	160	156	405
Hokuetsu Group Health and Safety Convention	161	155	211	171	169
Disaster Prevention Council	3,997	1,114	1,178	1,463	1,575
Special training (training prescribed in Article 59 of the Industrial Safety and Health Act)	346	241	1,072	288	313
Risk assessment training	128	138	82	11	312
Skill training (includes machine safety training and technical training)	538	331	194	221	241
Training related to machine safety (Hokuetsu Group equipment safety guidelines)	0	307	224	3	0
Training related to chemical substance management	169	51	28	85	185
Health and safety education for workers engaged in hazard-ous work (excludes work requiring special training)	226	218	247	195	200
Safety training for forklift and other heavy equipment use	385	849	832	999	951
Experiential training on hazards and safety	110	135	128	87	500
Electrical safety training and training for persons responsible for handling switches	486	510	540	519	652
Health and safety training for working with ionizing radiation	133	120	141	117	129
Training for newly appointed safety managers	2	11	34	4	25
Training for health managers	1	2	9	2	41
Health and safety promoter training (at workplaces with less than 50 employees)	2	1	2	1	3
Mid-level mutual safety exchange workshop	44	29	36	13	37
Training for supervisors and training for persons responsible for health and safety (includes skills-enhancement training)	92	125	108	83	80
Training at time of hiring (training for new employees, etc.)	227	142	34	88	128
Training for transferred and relocated workers	58	56	85	47	66
Health and safety training for general staff	1,000	1,211	1,326	1,919	1,155
First aid and life-saving training (AED)	236	1	20	79	63
Heat stroke prevention training	223	138	177	487	1,436
Mental health, health building	357	113	141	417	1,673
Traffic safety lectures	3,454	375	284	447	142
Firefighting and earthquake evacuation drills	4,609	4,148	4,045	4,336	4,527

■ Donations, etc. (thousands of yen)

Aggregation Target	Category	FY2019	FY2020	FY2021	FY2022	FY2023
Consolidated companies	Social contribution donations	12,475	8,565	17,370	13,876	15,528
Consolidated companies	Political contributions	0	0	0	0	0

■ Harmonious Coexistence with the Local Communities

Major Initiatives

Area of Initiatives	Specific Example
Education	Accepted tours of mills
	Visiting lectures to local universities, high schools, junior high schools, and elementary schools, accepted internships
	Marathons: First-aid stations, beverages
	Participating in initiatives to support female researchers through regional and corporate collaboration
	Support for operating dormitories exclusively for unmarried people from rural areas
	Sponsoring music competitions
	Scholarships for indigenous communities, etc.
Welfare	Support for medical institutions
	Cooperation in funding activities by WWF Japan
	Sponsorship of events for social welfare organizations
Local Community	Cleanup and beautification activities around mills
	Cooperation in various community-sponsored events
	Holding of Bon Dance Festival
	Cooperation as venue of international cycling road races
	Cooperation with trail running race course
	Donating sawdust for insect breeding
	South Africa: Logistics cooperation for Kyu-Can-Cho project (A project to deliver relief supplies to disaster areas and areas suffering from food shortages)
	South Africa: Logistics cooperation for used clothing donation project
Environmental	Received the 2021 Cellulose Society of Japan Technology Award
	Received the Chairman's Encouragement Award from the Japan Air Cleaning Association
	Received the Jury's Special Prize in the Zero Carbon Challenge Cup
	Obtained Eco-Rail Mark certification (corporate, paper products)
	Registered as a wood-related business entity (Type 1 and 2) under the Clean Wood Act
	Acquired ISO 14001 (environmental management system)
	Manufacturing of paper cutlery
	Began operating the Southern Ace, a fuel-efficient woodchip transport ship
	Japan and South Africa: sustainable forest management
	Canada: Conservation of consigned managed forests
	Canada: Wetlands and waterfowl conservation
	Canada: Participation in biodiversity monitoring activities
	Canada: Caribou (reindeer) conservation
	Participation in the 30by30 Biodiversity alliance
	Giant salamander habitat conservation
	Cooperated with research related to black bear ecology
	Registration of a biosphere reserve (UNESCO Eco-Park) buffer zone
	Cooperation with improving environments for the conservation of fireflies and other flora and fauna
	Exhibits at environmental fairs, etc.
	Converted lighting to LED at all workplaces
	Won the 21st Logistics Environment Grand Prize: Award for Logistics Environment Conservation Activities
	Certified as an Outstanding Health and Productivity Management Organization for FY2023 (Large Enterprise Category)
Others	Acquired ISO 45001 (occupational health and safety management system)
	Acquired ISO 9001 (quality management system)
	Declaration of partnership building

Directors (as of June 30, 2024)

Director name		
Status	Name	Attendance at Board of Directors meetings in FY2023
President and CEO	Sekio Kishimoto	100% (15/15)
Senior Managing Director	Shigeru Wakamoto	100% (15/15)
Senior Managing Director	Shigeharu Tachibana	100% (15/15)
Director CFO	Makoto Yanagisawa	100% (11/11)
Director	Yutaka Ishizuka	100% (11/11)
Director	Tomoyuki Iida	100% (11/11)
Director (Outside Director)	Mitsuyasu Iwata	100% (15/15)
Director (Outside Director)	Kazuo Nakase	100% (15/15)
Director (Outside Director)	Hiromitsu Kuramoto	100% (15/15)
Director (Outside Director)	Hiroko Nihei	100% (15/15)

Structure of Board of Directors	
Number of Directors	10
Of which are Outside Directors	4
Of which are Independent Directors	4
Of which are women	1

Skills matrix (updated June 2024)

Name	Corporate management	Inter-nationally minded	Industry knowledge	ESG/sustainability	Finance and accounting	Technology/IT	Sales and marketing	Human resources and labor	Purchasing and procurement
Sekio Kishimoto	●	●	●	●	●		●	●	●
Shigeru Wakamoto	●		●	●		●			
Shigeharu Tachibana	●	●	●	●			●		
Makoto Yanagisawa			●	●	●			●	
Yutaka Ishizuka			●	●		●			
Tomoyuki Iida	●	●	●	●					●
Mitsuyasu Iwata	●	●		●	●				
Kazuo Nakase	●		●	●			●		
Hiromitsu Kuramoto	●	●		●					●
Hiroko Nihei		●		●				●	

Nomination and Compensation Committee (voluntary)

	Name	Committee Attendance in FY2023
Chairman	Mitsuyasu Iwata	100% (5/5)
Member	Kazuo Nakase	100% (5/5)
Member	Sekio Kishimoto	100% (5/5)

Audit & Supervisory Board Members

Status	Name	Attendance at the Audit & Supervisory Board in FY2023
Standing Audit & Supervisory Board Member	Manabu Ueno	100% (14/14)
Outside Audit & Supervisory Board Member (Independent Director)	Toraki Inoue	(Newly appointed in June 2024)
Outside Audit & Supervisory Board Member (Independent Director)	Go Kondo	(Newly appointed in June 2024)

Amount of Compensation for Directors and Audit & Supervisory Board Member (FY2023) (Millions of yen)

Classification	Applicable Individuals (persons)	Basic Compensation	Performance Linked Bonuses	Stock Based Compensation Stock Option	Total
Director	13	179	37	22	239
Of which are Outside Directors	4	28	—	—	28
Audit & Supervisory Board Member	3	27	—	—	27
Of which are Outside Audit & Supervisory Board Member	2	14	—	—	14
Total	16	206	37	22	266

Note: At the end of the fiscal year, the Company had six directors (excluding outside directors).

■ Accounting Auditor Status (FY2023)

Name of Accounting auditor

KPMG AZSA LLC

Amount of compensation, etc.

Amount of compensation for accounting auditors paid by the Company 87 million yen

Total amount of cash and other financial benefits paid by the Company and its subsidiaries 99 million yen

Governance

■ Shares (as of March 31, 2024)

Number of shares	
Number of shares authorized	500,000,000 shares
Number of shares issued	188,053,114 shares
Total amount of treasury stock	19,321,547 shares

Number of shareholders
8,746

Distribution of shares by shareholders

	Number of shares (thousand shares)	Percentage of shares (%)
Japanese corporations	68,947	36.7
Financial institutions	49,638	26.4
Non-Japanese corporations	31,857	16.9
Treasury stock	19,321	10.3
Individual	17,401	9.2
Securities companies	886	0.5

Major shareholders (excluding treasury stock)

Name	Number of shares held (thousands of shares)	Shareholding ratio (%)
Misuga Kaiun Co., Ltd.	18,806	11.15
DAIO KAIUN CO., LTD.	16,820	9.97
The Master Trust Bank of Japan, Ltd. (Trust Account)	10,080	5.97
Daishi Hokuetsu Bank, Ltd.	8,332	4.94
Company's Agent Stockholding	6,938	4.11
Sumitomo Realty & Development Co., Ltd.	6,066	3.60
CGML PB CLIENT ACCOUNT/COLLATERAL	5,895	3.49
OASIS JAPAN STRATEGIC FUND LTD.	5,615	3.33
MLI FOR CLIENT GENERAL OMNI NON COLLATERAL NON TREATY-PB	4,755	2.82
Sompo Japan Insurance Inc.	4,499	2.67

Governance

■ IR / SR Activities (times)

	FY2019	FY2020	FY2021	FY2022	FY2023
Financial Results Briefing	2	1	2	2	2
Sell-Side Analyst Meeting	4	4	4	4	4
IR/SR Meetings, etc.	54	35	59	60	83

■ Compliance

Hotline usage (cases)

	FY2019	FY2020	FY2021	FY2022	FY2023
In-Group whistleblowing/consultations	13	17	27	24	19
Whistleblowing/consultations outside the group	6	0	6	2	18

Compliance training

	Main Subjects of Training
Group Corporate Philosophy and Code of Conduct	Employee Roles and Missions
	Cases of violation of laws and regulations and corporate bankruptcy
	Scandals and loss of corporate trust
	Personal values and responsibilities
	Preventing bribery, etc.
Better working environments	Elimination of harassment and discrimination
	Labor Measures Comprehensive Promotion Act
	Labor management, etc.
Corporate compliance	Antimonopoly Act
	Unfair Competition Prevention Act
	Act against Delay in Payment of Subcontract Proceeds, etc., to Subcontractors
	Industrial Waste Disposal Act, etc.
	Data falsification concerning quality and the environment, etc.



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For more details about Hokuetsu Corporation, please visit our website at:
<https://www.hokuetsucorp.com/en/index.html>



For the latest information on IR, please visit our website at:
<https://www.hokuetsucorp.com/en/ir/index.html>



For the latest information on sustainability, please visit our website at:
<https://www.hokuetsucorp.com/en/sustainability/index.html>

