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Companies covered by this report

Hokuetsu Corporation Group (hereinafter "the Group") (Hokuetsu Corporation, main affiliated subsidiaries, etc.)

Third-party verification of data

Third-party verified data are marked with 🗹

Disclosure system

Financial information

Non-financial information

HOKUETSU GROUP Integrated Report

IR information

- https://www.hokuetsucorp.com/en/ir/
- Consolidated Financial Highlights
- Management Plans
- Notice of Convocation of Ordinary General Meeting of Shareholders
- Integrated Report
- Consolidated Financial Statements
- Summary of Financial Results

Sustainability

- https://www.hokuetsucorp.com/ en/sustainability/
- Hokuetsu Group Sustainability
- Hokuetsu Group Basic Policy on Diversity
- Hokuetsu Group Human Rights Policy
- Social Contribution Activities
- Environmental Activities
- Health and Safety

ESG Databook

Environment

○ Environmental Accounting for FY2024 ((Hokuetsu Corporation (non-consolidated))

Environmental conservation costs

| | Major initiatives | and their results | Unit | Investment | Cost |
|----|--|--|-----------------|------------|-------|
| 1 | Environmental conservation costs to results from key business operation | | millions of yen | 1,273 | 6,717 |
| | (1) Environmental conservation costs | Measures against air and water pollution, noise, and vibration | millions of yen | 474 | 3,651 |
| | (2) Global environmental preservation costs | Company-owned forests in Japan, afforestation business overseas, energy conservation investment | millions of yen | 440 | 732 |
| | (3) Resource circulation costs | Efficient utilization of resources, waste management costs | millions of yen | 358 | 2,333 |
| 2 | Environmental preservation costs to control the environmental impact that results from key business operations upstream and downstream | Low sulfur fuel purchase costs (difference) | millions of yen | - | 443 |
| 3 | Environmental conservation costs related to administrative activities | Employee training, ISO 14001 costs, air and water quality analysis costs, various meeting operation costs, etc. | millions of yen | - | 233 |
| 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. | millions of yen | - | 170 |
| 5 | Environmental preservation costs related to social activities | Social contribution activities, support for organizations, corporate action reports, ECO Products Exhibition, etc. | millions of yen | - | 77 |
| 6 | Environmental remediation costs | Pollution load levy (SOx) | millions of yen | | 83 |
| То | tal | | millions of yen | 1,273 | 7,723 |

Economic benefits associated with environmental conservation measures

| Results of effects | Unit | Amount |
|--|-----------------|--------|
| Income in company-owned forests | millions of yen | 19 |
| Cost savings through energy conservation | millions of yen | 110 |
| Reduction of disposal costs through effective utilization of waste | millions of yen | 77 |
| Profits on sales of waste as effective resources | millions of yen | 42 |
| Total | millions of yen | 248 |

CO2 and GHG Emissions

(Hokuetsu Corporation (non-consolidated))

CO₂ emissions

| Category | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 | FY2030 (Target) | FY2050 (Target) |
|--|-------------------|--------|--------|--------|--------|--------|--------------------|--------------------|
| CO2 emissions (values reported to the Japan Paper Association) | thousand t-CO2 | 581 | 628 | 644 | 638 | 626 | 450 | 0 |

^{*} Calculated using the calculation method established by Japan Paper Association.

Scope 1, 2

| Category | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|----------------------------------|-----------------|--------|--------|--------|--------|--------|
| Scope 1 emissions | thousand t-CO2e | 657 | 680 | 697 🗹 | 646 🗹 | 636 🗹 |
| Scope 2 emissions (Market-based) | thousand t-CO2e | 57 | 64 | 62 🗹 | 64 🗹 | 63 🗹 |
| Scope 1+2 emissions | thousand t-CO2e | 714 | 744 | 759 | 710 | 699 |

Scope 3

| OCOP | cope o | | | | | | | | | | |
|-------|--|-----------------|--------|--------|--------|--------|--------|--|--|--|--|
| | Category | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 | | | | |
| 1. | Purchased goods and services*1 | thousand t-CO2e | 548 | 627 | 589 | 546 | 540 🗹 | | | | |
| 2. | Capital goods*2 | thousand t-CO2e | 39 | 37 | 34 | 42 🗹 | 53 🗹 | | | | |
| 3. | Fuel and energy-related activities not included in Scope 1 and 2*3 | thousand t-CO2e | 55 | 61 | 61 | 86 | 196 ✓ | | | | |
| 4. | Transportation, distribution (upstream)*4 | thousand t-CO2e | 236 | 286 | 274 | 232 | 345 🗹 | | | | |
| 5. | Waste generated from business | thousand t-CO2e | 2 | 2 | 2 | 3 | 4 🗹 | | | | |
| 6. | Business trips | thousand t-CO2e | 0.2 | 0.2 | 0.2 🗹 | 0.2 🗹 | 0.2 🗹 | | | | |
| 7. | Employee commuting | thousand t-CO2e | 1 | 1 | 1 🗹 | 1 🗹 | 1 🗹 | | | | |
| 8. | Leased assets (upstream) | thousand t-CO2e | 5 | 5 | 5 | 5 | 5 | | | | |
| 9. | Transportation, distribution (downstream) | thousand t-CO2e | 30 | 40 | 46 | 41 | 48 | | | | |
| 10. | Processing of sold products | thousand t-CO2e | 290 | 334 | 325 | 318 | 316 | | | | |
| 11. | Use of sold products*5 | thousand t-CO2e | 0 | 0 | 0 | 0 | 0 | | | | |
| 12. | Disposal of sold products*6 | thousand t-CO2e | 0 | 0 | 0 | 0 | 0 | | | | |
| 13. | Leased assets (downstream) | thousand t-CO2e | 0 | 0 | 0 | 0 | 0 | | | | |
| 14. | Franchise chains*7 | thousand t-CO2e | 0 | 0 | 0 | 0 | 0 | | | | |
| 15. | Investment | thousand t-CO2e | 4 | 4 | 4 | 4 | 4 | | | | |
| Total | | thousand t-CO2e | 1,210 | 1,397 | 1,341 | 1,278 | 1,512 | | | | |

^{*} Compliant with the Greenhouse Gas Emissions Accounting and Reporting Manual. * Aggregate data for FY2022 and beyond will include emissions from sold by-product energy.

^{*}Compliant with the Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain.

*1 Only direct procurement is covered.

*2 Includes consolidated subsidiaries within the scope.

*3 Starting in FY2024, include GHG emissions from the domestic land transportation of fuel in the calculations.

*4 Scope of data collection expanded starting in FY2024.

*5 Since our paper products do not use energy during use, CO₂ emissions from product use are considered zero.

*6 Our paper products emit CO₂ when disposed; however, since the raw material, trees, absorb CO₂, the emissions are offset and deemed zero.

*7 Since we are not the franchiser, we believe none of our emission sources fall under this category.

Various intensities

| Category | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|-----------------|-------------------|--------|--------|--------|--------|--------|
| CO ₂ | kg-CO2/t-product | 463 | 418 | 441 | 455 | 441 |
| Scope 1 | kg-CO2e/t-product | 524 | 453 | 478 | 460 | 448 |
| Scope 2 | kg-CO2e/t-product | 45 | 43 | 42 | 46 | 44 |
| Scope 1+2 | kg-CO2e/t-product | 569 | 495 | 520 | 506 | 493 |

Energy

(Hokuetsu Corporation (non-consolidated))

Mill energy input (FY2024)

| Category | Unit | Niigata mill | Kishu mill | Kanto mill (Katsuta) | Kanto mill (Ichikawa) | Nagaoka mill | Osaka mill | Total | Proportion |
|-----------------------|------|-----------------|---------------|-------------------------|--------------------------|-----------------|---------------|--------|------------|
| Biomass, etc. | TJ | 15,903 | 5,727 | 3,691 | 0 | 0 | 0 | 25,321 | 71% |
| Gas | TJ | 3,178 | 4 | 0 | 1,258 | 539 | 26 | 5,005 | 14% |
| Purchased electricity | TJ | 462 | 520 | 70 | 25 | 275 | 27 | 1,379 | 4% |
| Heavy oil | TJ | 2,866 | 772 | 61 | 0 | 0 | 0 | 3,699 | 10% |
| Coal | TJ | 0 | 136 | 232 | 0 | 0 | 0 | 368 | 1% |
| Other fossil fuels | TJ | 25 | 23 | 9 | 3 | 1 | 0 | 61 | 0% |
| Total | TJ | 22,434 | 7,182 | 4,063 | 1,286 | 815 | 53 | 35,833 | 100% |

Electric power amounts

| Category | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|-----------------------|------|--------|--------|--------|--------|--------|
| Electricity generated | GWh | 1,596 | 1,752 | 1,753 | 1,708 | 1,713 |
| Electricity consumed | GWh | 1,478 | 1,652 | 1,639 | 1,610 | 1,626 |

Environmental Impact Substances from Emitted Gas

(Hokuetsu Corporation (non-consolidated))

Environmental impact substances from released gas

| Category | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|---------------|------|--------|--------|--------|--------|--------|
| SOx emissions | t | 405 | 388 | 355 | 337 | 418 |
| NOx emissions | t | 2,031 | 2,000 | 2,008 | 1,976 | 2,083 |
| Dust | t | 79 | 83 | 113 | 87 | 87 |
| VOC emissions | t | 4.2 | 5.0 | 4.4 | 3.1 | 3.4 |

Various intensities

| Category | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|----------|-------------------|--------|--------|--------|--------|--------|
| SOx | kg -SOx/t-product | 0.32 | 0.26 | 0.24 | 0.24 | 0.29 |
| NOx | kg -NOx/t-product | 1.62 | 1.32 | 1.38 | 1.41 | 1.47 |
| Dust | kg/t-product | 0.06 | 0.06 | 0.08 | 0.06 | 0.06 |

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

Industrial waste generated, disposal and effective utilization

| Category | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|--|---------------|--------|--------|--------|--------|--------|
| Industrial waste generated | thousand tons | 224 | 257 | 302 | 287 | 295 |
| Effective utilization amounts | thousand tons | 219 | 252 | 298 | 284 | 292 |
| Final disposal volume | thousand tons | 5 | 5 | 4 | 3 | 3 |
| PRTR chemical substances emitted and transferred | t | 1.4 | 1.4 | 1.4 | 4.1 | 5.6 |

PRTR chemical substances emitted and transferred amounts (substances to be reported in FY2024)

| Government Ordinance Number | Substance name | Unit | Volume handled (inc. volume generated) | Emitted | Transferred | Total (Emitted and Transferred) |
|-----------------------------------|---|--------|--|---------|-------------|---------------------------------------|
| 80 | Xylene | kg | 180 | 10 | 0 | 10 |
| 237 | Mercury and its compounds | kg | - | 7 | 0 | 7 |
| 243 | Dioxins | mg-TEQ | _ | 51 | 10,770 | 10,821 |
| 395 | water-soluble salts of peroxodisulfuric acid | kg | 4,950 | 0 | 0 | 0 |
| 400 | Benzene | kg | 17,214 | 86 | 0 | 86 |
| 411 | Formaldehyde | kg | 75,990 | 891 | 0 | 891 |
| 438 | Methylnaphthalene | kg | 4,591 | 20 | 0 | 20 |
| 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 | kg | 33,344 | 830 | 0 | 830 |
| 581 | Alkyl (benzyl) (dimethyl) ammonium salts (limited to those with alkyl group carbons from 12 to 16 and mixtures thereof) | kg | 6,885 | 45 | 0 | 45 |
| 595 | Ethylenediaminetetraacetic acid and its potassium and sodium salts | kg | 3,113 | 970 | 0 | 970 |
| 598 | Chloric acid and its potassium and sodium salt | kg | 4,027,890 | 0 | 0 | 0 |
| 626 | Diethanolamine | kg | 53,692 | 340 | 0 | 340 |
| 691 | Trimethylbenzene | kg | 180 | 12 | 0 | 12 |
| 708 | (1-hydroxyethane-1,1-diyl) diphosphonic acid and its potassium salts and sodium salts | kg | - | 2,400 | 0 | 2,400 |
| Total | | kg | 4,228,029 | 5,611 | 0 | 5,611 |

Water Resources

(Hokuetsu Corporation (non-consolidated))

Water consumption, etc.

| Category | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|--------------|-------------|--------|--------|--------|--------|-----------|
| Water intake | thousand m³ | 88,800 | 95,700 | 94,900 | 94,800 | 110,400 🗹 |
| Rivers | thousand m³ | 88,800 | 95,700 | 94,900 | 94,800 | 107,600 |

Environmental burden substances in wastewater

| Category | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|---------------|------|--------|--------|--------|--------|--------|
| BOD emissions | t | 336 | 410 | 399 | 481 | 413 |
| COD emissions | t | 862 | 952 | 1,184 | 1,332 | 1,170 |
| SS emissions | t | 525 | 644 | 693 | 763 | 945 |

Emission intensity per paper product ton during production

| Category | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|-------------------|--------------|--------|--------|--------|--------|--------|
| Water consumption | m³/t-product | 70.8 | 63.7 | 65.0 | 67.6 | 77.8 |
| BOD emissions | kg/t-product | 0.32 | 0.32 | 0.32 | 0.41 | 0.35 |
| COD emissions | kg/t-product | 4.54 | 4.21 | 5.26 | 5.74 | 5.25 |
| SS emissions | kg/t-product | 0.42 | 0.43 | 0.47 | 0.54 | 0.67 |

Environmental Management System

Acquisition of ISO14001 certification (as of the end of March 2025)

| 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

| Category | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|-----------------|---------------|--------|--------|--------|--------|--------|
| Wood chips | thousand tons | 2,932 | 3,371 | 2,739 | 2,650 | 2,688 |
| Recovered paper | thousand tons | 464 | 536 | 469 | 389 | 311 |
| Pulp | thousand tons | 781 | 794 | 895 | 839 | 844 |

Countries from which wood chips for paper products are procured

| Country of procurement | Primary raw materials | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|------------------------|--------------------------|---------------|--------|--------|--------|--------|--------|
| Canada | Re-growth | thousand tons | 1,570 | 1,386 | 1,301 | 1,407 | 1,322 |
| South Africa | Afforestation | thousand tons | 324 | 513 | 509 | 479 | 408 |
| Vietnam | Afforestation | thousand tons | 410 | 488 | 503 | 496 | 497 |
| Chile | Afforestation | thousand tons | 442 | 450 | 305 | 285 | 384 |
| Australia | Afforestation | thousand tons | 176 | 264 | 306 | 309 | 314 |
| Brazil | Afforestation | thousand tons | 0 | 0 | 0 | 0 | 0 |
| Japan | Re-growth | thousand tons | 10 | 0 | 0 | 0 | 0 |
| Total | | thousand tons | 2,932 | 3,101 | 2,924 | 2,976 | 2,925 |

Countries from which wood pulp is procured

| Country of procurement | Primary raw materials | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|------------------------|--------------------------------------|---------------|--------|--------|--------|--------|--------|
| Canada | Natural forests | thousand tons | 14.0 | 8.2 | 4.9 | 9.0 | 11.1 |
| Russia | Natural forests | thousand tons | 21.4 | 24.8 | 4.5 | 0.0 | 0.0 |
| U.S. | Afforestation | thousand tons | 1.2 | 2.3 | 2.6 | 1.4 | 1.3 |
| Chile | Afforestation | thousand tons | 17.0 | 22.7 | 25.1 | 11.5 | 17.0 |
| Brazil | Afforestation | thousand tons | 17.5 | 20.6 | 9.7 | 0.8 | 3.6 |
| Japan | Natural forests, Afforestation | thousand tons | 2.3 | 2.5 | 2.7 | 1.1 | 2.4 |
| Finland | Natural forests | thousand tons | 0.3 | 0.3 | 9.1 | 13.5 | 18.4 |
| Sweden | Natural forests | thousand tons | 0.0 | 0.0 | 0.0 | 0.1 | 0.6 |
| Taiwan | Afforestation | thousand tons | 73.8 | 0.2 | 0.0 | 0.0 | 0.0 |
| Total | | thousand tons | 147.5 | 81.6 | 58.6 | 37.4 | 54.4 |

Production Volume of Main Products

(all consolidated companies)

| Category | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|------------|---------------|--------|--------|--------|--------|--------|
| Paper | thousand tons | 974 | 1,119 | 1,078 | 1,037 | 1,041 |
| Paperboard | thousand tons | 512 | 599 | 534 | 467 | 368 |
| Pulp | thousand tons | 1,394 | 1,548 | 1,420 | 1,446 | 1,490 |

^{*} 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 (%) | CO2 absorption (thousand tons/ year) |
|---------------------------------|-----------------|---------------------------------|---------------------|---|--|
| Hokuetsu Corporation and others | Within Japan | Company- owned forests | 11,170 | 38 | A 12+? |
| Hokuetsu Corporation | Within Japan | Profit sharing forestry | 1,000 | 0 | Approx. 13* ² |
| Freewheel*1 | South Africa | Company- owned tree farms | 2,800 | 95 | Approx. 5*3 |
| Government of Alberta | Canada | Management agreement | 6,036,473 | 97 | Approx. 7,000*4 |

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 2024 - amount of CO2 fixed as of the end of 2023 (fixed amounts use the same

^{*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 FY2024 - Amount of CO₂ fixation in FY2023

domestic calculation formula above)

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

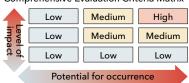
ODisclosure of Information Based on TCFD Recommendations

Main risks and opportunities

| | | • | | | | | | |
|------------------|----------------------------------|---|---|---|--|--|--|--|
| C | Classification | Risk | Risk details | | | | | |
| | Tighter CO2 emission regulations | | Introduce and enhance carbon pricing such as carbon taxes and emissions trading systems Financial impact of climate-related risks: Carbon tax burden of approximately ¥13.8 billion yen (Set based on IEA's NZE scenario as a reference) | | | | | |
| ks | regulation | Tighter regulations for the spread of renewable energy | Increase in unit price of levy to promote power generation with renewable energy | | | | | |
| Transition risks | | Soaring fossil energy prices | Soaring prices of energy derived from fossil fuels due to the decrease in investment in oil development toward the realization of a decarbonized society | | | | | |
| Trai | Market | Growing criticism of lack of environmental consideration | Increase in consumer criticism and product boycotts due to lack of environmental consideration in climate change countermeasures and forest conservation | | | | | |
| | Reputation | Lower valuation from investors | Lower valuation and withdraw (divest) investment in ESG investments due to delay in addressing climate change | | | | | |
| Physical risks | Acute | Impact on business due to increased extreme weather | Damage to the company's mills and facilities due to extreme weather such as torrential rains, floods, and large typhoons Suspend services due to damage to infrastructure such as electricity and water caused by extreme weather Disrupt supply chains due to damage to roads, railways, and port facilities caused by extreme weather | | | | | |
| Ą. | Chronic | Impact of changes in weather patterns on procurement of raw materials | 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 | | | | | |
| C | Classification | Opportunity | Opportunity details | | | | | |
| | Products and | Growing need for environmentally friendly products and services | Increase in need for environmentally friendly products and services due to heightened consumer awareness Financial impact of climate-related opportunities: Sales increase of approximately ¥13.9 billion to ¥22.8 billion | | | | | |
| | service | Sympathy for advanced environmental considerations | Increase sympathy and active purchase of products from consumers and business partners for environmental considerations such as climate change measures and forest conservation | | | | | |
| tunity | | Improved valuation from investors | Improve valuation and attract investment in ESG investments through advanced climate change initiatives | | | | | |
| Opportu | Market | Spread of CO ₂ emissions trading systems | Increase momentum to introduce carbon-negative CO2 derived from biomass into chemical products such as e-methane | | | | | |
| 0 | Energy sources | Growing need for renewable energy | Increase needs for renewable energy to achieve carbon neutrality | | | | | |
| | Resource | Growing interest in forest resources | Increase interest in forest sinks that sequester and fix CO ₂ and contribute to climate change issues | | | | | |
| | efficiency | efficiency | Growing interest in water resources | ncrease interest in water resources, where there are concerns about declining water volumes and deteriorating water quality due to climate change, etc. | | | | |

^{*}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.

Comprehensive Evaluation Criteria Matrix



| Criteria | a for impa | act | Criteria for potential for occurrence | | | |
|----------|------------|---------------------------|---------------------------------------|-----------|-------------------------|--|
| Level | | Monetary value of impacts | Level | | Guideline for frequency | |
| High | 10 points | Over 1 billion yen | High | 10 points | Year-round occurrence | |
| Medium | 5 points | 0.1-1.0 billion yen | Medium | 5 points | Once or twice per year | |
| Low | 1 point | Less than 0.1 billion yen | Low | 1 point | Once per several years | |

| Level of imp | Strategies and measures to reduce risk |
|--------------|--|
| High | Realize "Hokuetsu Group Zero CO2 2050" and "Hokuetsu Group Environmental Targets 2030" Promote further energy conservation Use biomass energy such as black liquor generated in the pulp manufacturing process actively Use carbon-neutral fuels |
| Medium | • Promote modal shift to railways atc. with low CO2 emissions |
| Low | wood-derived CO2 |
| Low | Promote the above climate change measures Implement "Group Fundamental Policy for Raw Materials Procurement" and "Fundamental Policy on Procurement of Wood Material" Procure wood materials with proven legality and sustainability through elimination of non-certified timber, |
| Low | use of traceability systems, audits by third-party organizations, and on-site checks by our employees • 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 |
| Mediun | Assess and implement measures for natural disaster risks at mills Review BCP (Business Continuity Plan) based on "Regulations of Emergency Response" Promote profitable and stable procurement by diversifying suppliers, etc. |
| Medium | Promote forest management aimed at improving the multiple functions of forests Promote profitable and stable procurement by diversifying suppliers, etc. |
| Level of imp | act Strategies and measures to reduce risk |
| High | 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 materials Develop and expand sales of plastic alternatives such as paper materials to eliminate plastic Develop and expand sales of battery separators |
| High | Develop the above environmentally friendly products and services proactively, and promote climate change measures, forest conservation, etc. Disseminate information on the Group's environmental conservation activities through active acceptance |
| Medium | of mill tours, publication of an environmental activity information magazine, and visiting lectures on |
| Medium | Study introducing advanced CCS that generates negative emissions by separating and capturing wood-derived CO2 |
| Medium | Develop electrical power generation business with renewable energies such as solar power and bio |
| Mediun | Promote sustainable forest management through afforestation projects and acquisition of forest certification Implement thinning based on the forest management plan Use thinned wood in construction, plywood, chips for fuel, etc., effectively |
| Low | Provide separation membrane backings, which are sheets used to increase strength in water treatment Study water treatment business using wastewater treatment technology cultivated in paper manufacturing business |

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.

☐ Disclosure of Information Based on TCFD Recommendations (Only available in Japanese) https://www.hokuetsucorp.com/environment/manufacture.html

Social

Employees

| Ca | ategory | Aggregation Target | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|----------------------|--|--------------------------------|---------|--------|--------|--------|--------|--------|
| Number of emplo | oyees | | | 4,545 | 4,270 | 4,163 | 3,749 | 3,711 |
| | Men | Consolidated companies | persons | 4,064 | 3,818 | 3,717 | 3,379 | 3,339 |
| | Women* | | | 481 | 452 | 446 | 370 | 372 |
| Ву | Regular employees | Cl:-l-+l | | 4,283 | 4,013 | 3,916 | 3,502 | 3,407 |
| employment status | Non-regular employees | Consolidated companies | persons | 262 | 257 | 247 | 247 | 304 |
| By business segment | Paper and pulp segment | | | 3,408 | 3,299 | 3,247 | 2,851 | 2,815 |
| | Packaging and paper processing segment | Consolidated companies | persons | 465 | 351 | 336 | 330 | 331 |
| | Other | | | 672 | 620 | 580 | 568 | 565 |
| By region | Japan | Consolidated companies (Japan) | persons | 3,685 | 3,398 | 3,304 | 3,232 | 3,189 |
| | Outside Japan | Consolidated | | 860 | 872 | 859 | 517 | 522 |
| | Men | companies | persons | 752 | 763 | 753 | 489 | 495 |
| | Women | | | 108 | 109 | 106 | 28 | 27 |
| Non-consolida | ted | | | 1,606 | 1,537 | 1,503 | 1,481 | 1,472 |
| | Men | | | 1,474 | 1,405 | 1,371 | 1,345 | 1,336 |
| | Women | Non- | persons | 132 | 132 | 132 | 136 | 136 |
| | Regular employees | consolidated | , | 1,453 | 1,402 | 1,381 | 1,372 | 1,357 |
| | Non-regular employees | | | 153 | 135 | 122 | 109 | 115 |
| Number of dispa | tched employees | Consolidated | | 35 | 27 | 48 | 60 | 76 |
| | Men | companies | persons | 25 | 19 | 33 | 40 | 54 |
| | Women | (Japan) | | 10 | 8 | 15 | 20 | 22 |
| Number of part-t | ime employees | Consolidated | | 9 | 4 | 3 | 3 | 3 |
| | Men | companies | persons | 6 | 2 | 1 | 1 | 1 |
| | Women | (Japan) | | 3 | 2 | 2 | 2 | 2 |
| Ratio of employe | Ratio of employees with disabilities | | % | 2.1 | 2.3 | 2.3 | 2.2 | 2.3 |
| | | Non- consolidated | % | 2.6 | 2.9 | 2.5 | 2.5 | 2.7 |

 $[\]star$ Female employees in some overseas countries are not included due to the inability to aggregate by gender.

Continuous Service

| Category | Aggregation Target | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|--------------------------|-----------------------|-----------|--------|--------|--------|--------|--------|
| Average years of service | Consolidated | | 18.2 | 18.7 | 19.5 | 20.0 | 20.3 |
| Of which are men | companies | years | 18.7 | 19.3 | 20.2 | 20.8 | 21.0 |
| Of which are women | (Japan) | | 13.5 | 13.8 | 13.8 | 14.2 | 14.8 |
| Average age | Consolidated | | 44.1 | 44.7 | 45.4 | 45.7 | 46.2 |
| Of which are men | companies | years old | 44.3 | 44.9 | 45.6 | 46.1 | 46.6 |
| Of which are women | (Japan) | | 42.5 | 43.2 | 43.4 | 43.4 | 43.7 |

Recruitment

| Cat | egory | Aggregation Target | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|--------------|-------------|-----------------------|---------|--------|--------|--------|--------|--------|
| New gradua | te hires | Consolidated | | 63 | 14 | 15 | 26 | 21 |
| Of which | h are men | companies | persons | 49 | 13 | 10 | 19 | 15 |
| Of which | h are women | (Japan) | | 14 | 1 | 5 | 7 | 6 |
| Mid-career h | ires | Consolidated | | 60 | 27 | 65 | 93 | 141 |
| Of which | h are men | companies | persons | 47 | 17 | 52 | 72 | 122 |
| Of which | h are women | (Japan) | | 13 | 10 | 14 | 21 | 19 |

Managerial Personnel

| Category | Aggregation Target | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|---------------------|-----------------------|-----------|--------|--------|--------|--------|--------|
| Number of managers | Consolidated | | 450 | 426 | 421 | 388 | 403 |
| Of which are women* | companies | persons - | 14 | 14 | 15 | 10 | 11 |

 $^{{}^{\}star}\,\mathsf{Female}\,\mathsf{managers}\,\mathsf{in}\,\mathsf{some}\,\mathsf{overseas}\,\mathsf{countries}\,\mathsf{are}\,\mathsf{not}\,\mathsf{included}\,\mathsf{due}\,\mathsf{to}\,\mathsf{the}\,\mathsf{inability}\,\mathsf{to}\,\mathsf{aggregate}\,\mathsf{by}\,\mathsf{gender}.$

Working Hours, Accrued Leave, etc.

| Category | Aggregation Target | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|---|---------------------------------|------------------|--------|--------|--------|--------|--------|
| Total hours worked annually | Non-consolidated | hours/ person | 1,807 | 1,784 | 1,828 | 1,819 | 1,848 |
| Percentage of annual leave taken | Non-consolidated | % | 57.4 | 48.1 | 67.2 | 70.7 | 73.7 |
| Number of employees taking childcare leave | Consolidated | | 17 | 18 | 17 | 30 | 15 |
| Of which are men | companiess (Japan) | persons | 9 | 12 | 9 | 21 | 9 |
| Of which are women | | | 8 | 6 | 8 | 9 | 6 |
| Number of employees taking nursing care leave | Consolidated companiess (Japan) | persons | 1 | 3 | 2 | 0 | 0 |

Occupational Accidents

| Category | Aggregation Target | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|--|--|-------|--------|--------|--------|--------|--------|
| | Consolidated companies | - | 0.79 | 2.45 | 1.74 | 1.63 | 1.43 |
| Frequency rate of occupational accidents | Consolidated companies (Japan) | - | 0.87 | 2.26 | 1.70 | 1.10 | 1.09 |
| | Consolidated companies (Outside Japan) | - | 0.45 | 1.43 | 2.3 | 3.47 | 3.24 |
| | Consolidated companies | - | 0.06 | 0.1 | 0.09 | 0.04 | 0.02 |
| Occupational accident severity rate | Consolidated companies (Japan) | - | 0.05 | 0.08 | 0.06 | 0.02 | 0.05 |
| | Consolidated companies (Outside Japan) | - | 0.01 | 0.02 | 0.09 | 0.04 | 0.12 |
| Lost time due to accidents | Consolidated companies | cases | 7 | 21 | 15 | 14 | 12 |
| Consolidated companies (Japan) | Consolidated companies | cases | 6 | 15 | 11 | 7 | 8 |
| Of above, regular workers | (Japan) | cases | 2 | 13 | 10 | 6 | 8 |
| Consolidated companies (Outside Japan) | Consolidated companies | cases | 1 | 6 | 4 | 7 | 4 |
| Of above, regular workers | (Outside Japan) | cases | 1 | 6 | 4 | 7 | 4 |
| Fatalities | Consolidated companies | cases | 0 | 0 | 0 | 0 | 0 |

Wage Disparity Between Men and Women

| | Category | Aggregation Target | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|-----|-----------------------|-----------------------|------|--------|--------|--------|--------|--------|
| All | employees | | | _ | _ | 63.2 | 64.2 | 65.0 |
| | Regular employees | Non- consolidated | % | _ | _ | 63.3 | 64.2 | 65.7 |
| | Non-regular employees | | | _ | _ | 80.0 | 92.5 | 85.9 |

^{*} Average wage of female employees compared to average wage of male employees

Safety and Health Education Programs

| Category | Aggregation Target | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|--|------------------------|---------|--------|--------|--------|--------|--------|
| Special training (training prescribed in Article 59 of the Industrial Safety and Health Act) | Consolidated companies | persons | 241 | 1,072 | 288 | 313 | 170 |
| Risk assessment training | (Japan) | persons | 138 | 82 | 11 | 312 | 266 |

| Category | Aggregation Target | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 | | | | |
|--|------------------------|---------|--------|---------|--------|--------|---------|-------|-------|-----|-----|
| Skill training (includes machine safety training and technical training) | | persons | 331 | 194 | 221 | 241 | 184 | | | | |
| Training related to chemical substance management | | persons | 307 | 224 | 3 | 0 | 100 | | | | |
| Training related to chemical substance management | | | | persons | 51 | 28 | 85 | 185 | 87 | | |
| Health and safety education for workers engaged in hazardous work (excludes work requiring special training) | | persons | 218 | 247 | 195 | 200 | 224 | | | | |
| Safety training for forklift and other heavy equipment use | | persons | 849 | 832 | 999 | 951 | 944 | | | | |
| Experiential training on hazards and safety | | persons | 135 | 128 | 87 | 500 | 66 | | | | |
| Electrical safety training and training for persons responsible for handling switches | | | | | | | persons | 510 | 540 | 519 | 652 |
| Health and safety training for working with ionizing radiation | | persons | 120 | 141 | 117 | 129 | 168 | | | | |
| Training for newly appointed safety managers | | persons | 11 | 34 | 4 | 25 | 13 | | | | |
| Training for managers | | persons | 242 | 234 | 315 | 315 | 259 | | | | |
| Training for health managers | Consolidated companies | persons | 2 | 9 | 2 | 41 | 6 | | | | |
| Health and safety promoter training (at workplaces with less than 50 employees | (Japan) | persons | 1 | 2 | 1 | 3 | 2 | | | | |
| Mid-level safety exchange workshop | | persons | 29 | 36 | 13 | 37 | 29 | | | | |
| Training for supervisors and training for persons responsible for health and safety (includes skills-enhancement training) | | persons | 125 | 108 | 83 | 80 | 156 | | | | |
| Training at time of hiring (training for new employees, etc.) | | persons | 142 | 34 | 88 | 128 | 181 | | | | |
| Training for transferred and relocated workers | | persons | 56 | 85 | 47 | 66 | 52 | | | | |
| Health and safety training for general staff | | | | persons | 1,211 | 1,326 | 1,919 | 1,155 | 1,049 | | |
| First aid and life-saving training (AED) | | persons | 1 | 20 | 79 | 63 | 159 | | | | |
| Heat stroke prevention training | | persons | 138 | 177 | 487 | 1,436 | 606 | | | | |
| Mental health and health promotion | | · | · | persons | 113 | 141 | 417 | 1,673 | 424 | | |
| Traffic safety lectures | | | | persons | 375 | 284 | 447 | 142 | 390 | | |
| Firefighting and earthquake evacuation drills | | persons | 4,148 | 4,045 | 4,336 | 4,527 | 4,522 | | | | |

Training Results

| Category | Aggregation Target | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|------------------------|------------------------|---------------------|--------|--------|--------|--------|--------|
| Number of participants | Consolidated companies | persons | _ | _ | _ | 14,037 | 11,394 |
| Number of participants | Non- consolidated | persons | _ | _ | _ | 7,646 | 6,970 |
| Double in a bin o | Consolidated companies | hours | _ | _ | _ | 30,803 | 25,452 |
| Participation time | Non- consolidated | hours | - | _ | _ | 20,320 | 16,703 |
| Attendance fees | Consolidated companies | thousands of yen | _ | _ | _ | 29,610 | 32,722 |
| Attenuance rees | Non- consolidated | thousands of yen | _ | - | - | 22,117 | 24,349 |

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

O Number of ISO 45001-certified workplaces (total number of locations)

| Category | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|--|--------|--------|--------|--------|--------|
| Number of ISO 45001 certified workplaces (total number of locations) | 1(30) | 9(30) | 9(30) | 9(29) | 23(29) |

^{*} Scope of aggregation: Consolidated companies

O Donations, etc.

| Category | Aggregation Target | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|-------------------------------|------------------------|---------------------|--------|--------|--------|--------|--------|
| Social contribution donations | Consolidated companies | thousands of yen | 5,400 | 3,512 | 18,012 | 15,528 | 13,309 |
| Political contributions | Consolidated companies | thousands of yen | _ | _ | _ | _ | _ |

O Harmonious Coexistence with the Local Communities

Major Initiatives

| Area of Initiatives | FY2024 Results | | | | | |
|---------------------|--|--|--|--|--|--|
| Education-Related | Accepted tours of mills: 1,962 people accepted | | | | | |
| | Visiting lectures to local universities, high schools, junior high schools, and elementary schools, accepted internships | | | | | |
| | Marathons: First-aid stations, beverages | | | | | |
| | Sponsoring music competitions | | | | | |
| | Scholarships for indigenous people, local high school students, and university students: Approximately 4,287 thousand yen | | | | | |

| Area of Initiatives | FY2024 Results |
|-------------------------|--|
| | Support for medical institutions |
| Welfare-Related | Cooperation in funding activities by WWF Japan |
| | Sponsorship of events for social welfare organizations |
| | Cleanup and beautification activities around mills: 1,747 people participated |
| | Cooperation with community-sponsored events near mills |
| | Holding of Bon Dance Festival |
| Local Community-Related | Cooperation with trail running race course |
| | Shizuoka Prefecture parasports supporter corporate sponsor |
| | South Africa: Logistics cooperation for Kyu-Can-Cho project (A project to deliver relief supplies to disaster areas and areas suffering from food shortages) |
| | 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 |
| | Japan and South Africa: sustainable forest management |
| | Canada: Conservation of consigned managed forests |
| | Canada: Wetlands and waterfowl conservation |
| | Canada: Participation in biodiversity monitoring activities |
| Environment-Related | 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. |
| | Sponsoring the Zero Carbon Challenge Cup |
| | Sponsorship of Niigata Decarbonization Project |
| | Certified as an 2025 Outstanding Organizations of KENKO Investment for Health (Large Enterprise Category) |
| Safety, Health and | Acquired ISO 45001 (occupational health and safety management system) |
| Quality-Related | Acquired ISO 9001 (quality management system) |
| | Commendation as an exemplar of support for vocational health by a small and medium-sized enterprise in Shanghai |

Governance

O Directors (as of June 27, 2025)

Board of directors

| Status | Name | Attendance at Board of Directors meetings in FY2024 |
|------------------------------|---------------------|---|
| President and CEO | Sekio Kishimoto | 100% (14/14) |
| Senior Managing Director | Shigeru Wakamoto | 100% (14/14) |
| Senior Managing Director | Shigeharu Tachibana | 100% (14/14) |
| Director CFO | Makoto Yanagisawa | 100% (14/14) |
| Director | Yutaka Ishizuka | 100% (14/14) |
| Director | Tomoyuki Iida | 100% (14/14) |
| Independent Outside Director | Mitsuyasu Iwata | 100% (14/14) |
| Independent Outside Director | Kazuo Nakase | 100% (14/14) |
| Independent Outside Director | Hiromitsu Kuramoto | 100% (14/14) |
| Independent Outside Director | Hiroko Nihei | 100% (14/14) |

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

| Name | Management skills for engaging in corporate management | | | Functional skills for advancing business/management plans and connecting them to business performance | | | | | |
|---------------------|--|------------------------------|---------------------------------|---|------------------------|-----------------------|---|------------------------|----------------------------------|
| | Corporate management | Finance and accounting | Human resources and labor | ESG/ sustainability | Internationally minded | Industry knowledge | Technology/ IT (production technology, R&D) | Sales and marketing | Purchasing and procurement |
| Sekio Kishimoto | • | • | • | • | • | | | | • |
| Shigeru Wakamoto | • | | | • | | • | • | | |
| Shigeharu Tachibana | • | | | • | • | • | | • | |
| Makoto Yanagisawa | | • | • | • | | • | | | |
| Yutaka Ishizuka | | | | • | | • | • | | |
| Tomoyuki lida | • | | | • | • | • | | | • |
| Mitsuyasu lwata | • | • | | • | • | | | | |
| Kazuo Nakase | • | | | | | | | | |
| Hiromitsu Kuramoto | • | | | • | • | | | | • |
| Hiroko Nihei | | | • | • | • | | | | |

Abilities ideally possessed by directors

| | | Purpose/Reason for selection |
|---|--|---|
| | Corporate management | To broadly provide compelling products and services to society and achieve sustainable growth and enhancement of corporate value as a corporate group trusted by stakeholders, experience and knowledge gained at global companies and manufacturers are vital. Accordingly, we specify "corporate management" as a key management skill related to management. |
| Management | Finance and accounting | With sustainable growth and maximization of shareholder value as our aim, our Group faces the needs to expand applications for our existing products, focus on high-value-added products, and actively promote M&A and other investments for growth. As financial strategy is essential in the realization of corporate strategy, we specify "finance and accounting" as key management skill. |
| skills for engaging in corporate management | Human resources and labor | The Hokuetsu Group Philosophy respects diversity in people as a people-focused business group and has set forth a vision of empowering people. Knowledge of human resources development and utilization, along with experience with and knowledge of domestic and foreign legal systems and regulations, is vital in advancing innovation and shifting the business portfolio. Accordingly, we specify "human resources and labor" as key management skill related to management. |
| | ESG/ Sustainability | We recognize that, in enhancing medium- to long-term corporate value, undertaking sustainability activities is a management priority. To advance initiatives that address climate change issues and otherwise contribute to the realization of a sustainable society, capabilities related to the environment, society, and governance are vital. Accordingly, we specify "ESG/sustainability" as a key management skill related to management. |
| | Internationally minded | Consideration of the laws, regulations, cultures, and business customs specific to countries and regions is vital to the Group in carrying out global business expansion aimed at sustainable growth. Accordingly, we specify "internationally minded" as a key functional skill related to management. |
| Functional skills for advancing business/ management plans and connecting them to business performance | Industry knowledge | Experience, knowledge, and expertise related to the paper and pulp industry are vital to the skills required to take a high-level view of the Group's business domains as a whole, promote discussions from an elevated perspective concerning the future of the market and business, and thereby effectively supervise the execution of the business. Accordingly, we specify "industry knowledge" as a key functional skill related to management. |
| | Technology/ IT (production technology, R&D) | To create high-quality, high-value-added products from a grounding in our Corporate Philosophy of "improve society globally, by providing socially and environmentally responsible products through innovative manufacturing on a global scale," we face the need to build an optimal production structure and develop new businesses that will be central to our future. Accordingly, we specify "technology/IT" as a key functional skill related to management. |
| | Sales and marketing | Aptly responding to major changes in the business environment and the diversification of customer needs requires experience in marketing, brand strategy, or sales, or, alternatively, expertise in inter-company transactions and marketing. Accordingly, we specify "sales and marketing" as a key functional skill related to management. |
| | Purchasing and procurement | To fulfill our social responsibilities as a company, it is vital that we continuously engage in the stable procurement of raw materials and in CSR procurement that takes the environment, society, and human rights into account. Accordingly, we specify "purchasing and procurement" as a key functional skill related to management. |

Nomination and Compensation Committee (voluntary)

| | Name | Committee Attendance in FY2024 | | | |
|----------|-----------------|--------------------------------|--|--|--|
| Chairman | Mitsuyasu lwata | 100% (7/7) | | | |
| Member | Kazuo Nakase | 100% (7/7) | | | |
| Member | Sekio Kishimoto | 100% (7/7) | | | |

• Audit & Supervisory Board Members

| Status | Name | Committee Attendance in FY2024 |
|--|--------------|--------------------------------|
| Standing Audit & Supervisory Board Member | Manabu Ueno | 100% (14/14) |
| Independent Outside Audit & Supervisory Board Member | Toraki Inoue | 100% (9/9) |
| Independent Outside Audit & Supervisory Board Member | Go Kondo | 100% (9/9) |

• Amount of Compensation for Directors and Audit & Supervisory Board Member (FY2024)

| Classification | Number of eligible directors (persons) | Unit | Basic Compensation | Performance Linked Bonuses | Stock Based Compensation Stock Option | Total Amount of Remuneration |
|--|---|-----------------|-----------------------|----------------------------------|---|------------------------------------|
| Director*1 | 10 | millions of yen | 183 | 39 | 22 | 244 |
| Of which are Outside Directors | 4 | millions of yen | 28 | _ | _ | 28 |
| Audit & Supervisory Board Member* ² | 5 | millions of yen | 27 | _ | _ | 27 |
| Of which are Outside Audit & Supervisory Board Members | 4 | millions of yen | 14 | - | | 14 |
| Total | 15 | millions of yen | 210 | 39 | 22 | 272 |

Accounting Auditor Status (FY2024)

Name of Accounting auditor

KPMG AZSA LLC

Amount of compensation, etc.

Amount of compensation for accounting auditors paid by the Company 90 million yen Total amount of cash and other financial benefits paid by the Company and its subsidiaries 102 million yen

• Shares (as of March 31, 2025)

Number of shares

Number of shares authorized 500,000,000 shares Number of shares issued 188,053,114 shares Total amount of treasury stock 19,281,747 shares

Number of shareholders

9,484 shareholders

^{*1} As of the end of the fiscal year, there are six directors (excluding outside directors).
*2 As of the end of the fiscal year, there is one Audit & Supervisory Board member (excluding outside Audit & Supervisory Board member).

Governance

Distribution of shares by shareholders

| | Number of shares (thousand shares) | Percentage of shares (%) |
|---------------------------|------------------------------------|--------------------------|
| Financial institutions | 48,760 | 25.9 |
| Japanese corporations | 74,337 | 39.5 |
| Treasury stock | 19,281 | 10.3 |
| Individual | 17,288 | 9.2 |
| Non-Japanese corporations | 24,361 | 13.0 |
| Securities companies | 4,022 | 2.1 |

Major shareholders (excluding treasury stock)

| Name | Number of shares held (thousands of shares) | Shareholding ratio (%) |
|--|---|------------------------|
| Misuga Kaiun Co., Ltd. | 18,806 | 11.14 |
| DAIO KAIUN CO., LTD. | 16,820 | 9.97 |
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 10,666 | 6.32 |
| Daishi Hokuetsu Bank, Ltd. | 8,332 | 4.94 |
| Company's Agent Stockholding | 6,994 | 4.14 |
| Sumitomo Realty & Development Co., Ltd. | 6,066 | 3.59 |
| OASIS JAPAN STRATEGIC FUND LTD. | 5,615 | 3.33 |
| Sompo Japan Insurance Inc. | 4,499 | 2.67 |
| The Norinchukin Bank | 3,554 | 2.11 |
| OASIS INVESTMENTS II MASTER FUND LTD. | 3,330 | 1.97 |

OIR / SR Activities

| | Unit | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|----------------------------|-------|--------|--------|--------|--------|--------|
| Financial Results Briefing | times | 1 | 2 | 2 | 2 | 2 |
| Sell-Side Analyst Meeting | times | 4 | 4 | 4 | 4 | 4 |
| IR/SR Meetings, etc. | times | 35 | 59 | 60 | 83 | 74 |

Compliance

Hotline usage

| | Aggregation Target | Unit | FY2020 | FY2021 | 2022FY | FY2023 | FY2024 |
|---|------------------------|-------|--------|--------|--------|--------|--------|
| In-Group whistleblowing/ consultations | Consolidated companies | cases | 17 | 27 | 24 | 19 | 15 |
| Whistleblowing/ consultations outside the group | Consolidated companies | cases | 0 | 6 | 2 | 18 | 43 |



