Growth Strategy and Foundation for Value Creation
The final stage of the “Vision 2020” Long-Term Management Plan
Reaching the goals of the “V-DRIVE” Medium-Term Management Plan

The HOKUETSU GROUP formulated and announced the long-term management vision, Vision 2020, in April 2011. In FY2019, we have been making progress in the “V-DRIVE” Medium-Term Management Plan focused on our five core businesses with the aim of achieving “Vision 2020.”

- Be environmentally conscious in all corporate activities and promote environmental management
- Offer attractive products with excellent quality and competitiveness using advanced technology
- Work with passion and seek steady growth and ever greater challenges
- Sales target: ¥300 billion or above (overseas sales ratio: 25%)
Carrying out Environmental Initiatives in a systemic Group-wide manner in line with new Group Environmental Charter

The Group formulated a Group Environmental Charter based on the Group Corporate Philosophy and Group Code of Conduct, and carried out a wide variety of different Group-wide environmental conservation initiatives.

**Group Environmental Charter**

**Philosophy**

We shall apply the concept of "minimum impact" to all our business activities in order to keep the impact of all our business activities on the natural environment to the minimum and contribute to the creation of an abundant future where humankind and nature coexist in harmony.

**Basic Policies**

1. We shall pursue environmentally friendly manufacturing.
2. We shall combat global warming.
3. We shall nurture forests in a sustainable manner.
4. We shall recycle resources.
5. We shall reduce and reuse waste effectively.
6. We shall aggressively invest in facilities to reduce environmental burden.
7. We shall enhance environmental communication.

**Concept of minimum impact**

As long as humans exist, our impact on the natural world cannot be reduced to zero. This is why it is necessary to make that impact as small as possible (to a minimum). In addition to reducing waste, our fundamental objective in environmental conservation is to reduce all negative impacts on the environment, such as air pollution, wastewater, and odors, and uphold the highest environmental standards in the world. We aim for "minimum impact" to keep all impacts on the natural environment and ecosystems to the minimum from raw materials to products, so that humans and nature can coexist forever.

**Measures to combat global warming**

The Group considers measures to combat global warming as it is the most important environmental issue in the world, and is working on initiatives, such as transitioning to energy with low CO2 emissions and efforts to conserve energy. In addition, we named our approach to reducing CO2 emissions "Slim CO2" and created an easily-recognizable symbol.

**Examples of biomass boilers in the company**

- **Niigata Mill**
  - Black liquor recovery boiler
- **Kanto Mill (Katagata)**
  - Wood biomass boiler
- **Kanto Mill (Ichikawa)**
  - Gas-fired exhaust boiler
- **Koku Mill**
  - Wood biomass boiler

**Group environmental preservation topics**

1. **Implementation of environmental auditing**

Environmental auditing of the Group is implemented primarily by the Environmental Management Department. The auditing was carried out at all mills and research laboratories of Hokuetsu Corporation, and two Group companies in FY2018. Environmental auditing entails checking compliance with environment-related laws, but we also see it as a precious opportunity to observe actual onsite conditions and provide advice to relevant staff members. In particular, it provides a good opportunity to engage in communication with environment-related staff members at Group companies, and contributes to the creation of a Group management system that provides a sense of unity.

2. **Promotion of environmental education**

The Environmental Management Department and environment-related staff members at each mill are taking the lead in conducting environmental positioning training sessions that bring together different mills. In FY2018, we had enthusiastic discussions among environment-related staff members on areas such as case studies on responses to trouble at each mill and examples of introducing environmental instruments. We also continue to hold waste compliance training throughout the Group for those engaged in waste management. In FY2018, we conducted training which included basic information that those engaged in waste management and everyone as an employee of the Group should know.

3. **Enhancing environmental communication**

In order to enhance environmental communication, which is one of the fundamental policies of the Group Environmental Charter, the Group exhibits at EcoPro, the largest environmental exhibition in Japan. Exhibiting at EcoPro allows us to share information with our stakeholders at this show attracts most general visitors of all the exhibitions. At EcoPro 2018, held in December 2018, we exhibited new materials and paper products related to the issue of marine plastics, which has become a hot topic in recent years.

The Group's booth at EcoPro 2018

**Low CO2**

Biomass refers to renewable organic resources derived from organisms, and the energy obtained from biomass is called biomass energy. Biomass absorbs CO2 as it grows, so even if it is burned, the amount of CO2 in the atmosphere does not increase as a result. Black liquor extracted in the process of making pulp, the raw material for paper made from wood chips, is also classified as biomass energy.
The Group employs a minimum environmental impact policy at all of our production bases as a participant in the global challenge of reducing CO2 emissions. Our per-unit emission level is one of the best in the industry, through use of CO2 zero-count natural gas with comparatively low emissions.

**Hokutetsu Corporation’s energy composition ratio (results for FY2018)**

- Coal: 1.2%
- Natural gas: 29%
- Heavy oil: 15.4%
- Light oil: 13.5%
- Black liquor: 53.7%
- Purchased electricity: 4.1%

**Hokutetsu Corporation’s per-unit CO2 emission trend**

- 2005: 724 t
- 2010: 532 t
- 2015: 468 t
- 2016: 498 t
- 2017: 543 t
- 2018: 539 t
- 2019: 554 t

**Material Balance (results for FY2018)**

- **Input**
  - Fossil energy input: 10,882,000 GJ
  - Non-fossil energy input: 26,263,000 GJ
  - Input of water resources: 95,774,000 m³
  - Raw material consumption: 1,920,000 t
  - Purchased pulp: 740,000 t
  - Dissolved paper: 257,000 t

- **Output**
  - CO2: 64,600 t
  - Wastewater BOD*: 491 t
  - Wastewater COD*: 981 t
  - Wastewater SS: 1,671 t
  - Industrial waste generated: 280,000 t
  - Industrial water withdrawal volume: 7,000,000 t
  - Paper/pulpboard production volume: 1,600,000 t

**Changes in Environmental Performance**

- **Unit**
- **FY2014**
- **FY2015**
- **FY2016**
- **FY2017**
- **FY2018**
- **FY2019 target**

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
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<th>FY2017</th>
<th>FY2018</th>
<th>FY2019 target</th>
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<td>CO2*</td>
<td>kg/ton of paper</td>
<td>393</td>
<td>386</td>
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<td>Air</td>
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<td>kg/ton of paper</td>
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<td>NOx</td>
<td>kg/ton of paper</td>
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<td>Soot and dust</td>
<td>kg/ton of paper</td>
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<td>Wastewater BOD*</td>
<td>m³/ton of paper</td>
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<tr>
<td></td>
<td>Wastewater COD*</td>
<td>m³/ton of paper</td>
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<td>0.25</td>
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<td>Wastewater SS</td>
<td>m³/ton of paper</td>
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<td>Industrial waste</td>
<td>final disposal</td>
<td>kg/ton of paper</td>
<td>5.2</td>
<td>4.1</td>
<td>5.7</td>
<td>4.5</td>
<td>4.3</td>
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</table>

*1 Energy input and CO2 emissions are provisional values as of August 2010.
*2 Mixes that discharge wastewater to rivers use BOD, while mixes that discharge wastewater to the sea use COD to manage wastewater quality.

**Environmental Preservation Cost**

- **Category**
  - Business area costs: Environmental preservation costs to control environmental impacts that result from key business operations within the business area
  - Upstream stream: Environmental preservation costs to control environmental impacts that result from key business operations outside the business area

- **Composition**
  - Material costs
  - Labor costs
  - Fossil energy costs
  - Water resources costs
  - Raw materials costs
  - Maintenance and insurance costs
  - Other costs

- **Estimates of greenhouse gas emissions across the entire corporate value-chain of the Group (results for FY2018)**

- **Category**
  - Scope 1: Direct emissions
  - Scope 2: Energy derived- indirect emissions
  - Scope 3: Emissions from internal corporate value-chain and sources other than Scope 1 and 2

- **Examples of Environmental Conservation Benefits**

- **Classification by relationship with business activities**
  - Examples of benefits

- **Environmental preservation benefit related to resources input into business activities**
  - Energy saving effect
  - 66
Advancing the development of new materials in a plastic-free era

Our research and development department is comprised around our Central Research Laboratories, Novel Materials Development Office, and Technical & Development Department under the Technical & Development Division. Recently, it has been focused on developing cellulose nanofibers (CNF).

Research & Development

Focusing on developing new materials in a plastic-free era

The Group is developing a new composite material that combines the next-generation material of cellulose nanofibers with the advanced material of carbon fibers. Specifically, we have succeeded in developing a composite material that is approximately 20% lighter than conventional carbonized fiber (VF) by blending a small amount of carbon fiber with VF, an all-cellulose CNF reinforced material, for a material that maintains workability and strength while suppressing expansion and contraction due to changes in the surrounding environment. Hokketsu Toyo Fibre, part of the Group, has already established the mass production technology for this composite material. VF is a material obtained by treating paper (cellulose) with special chemicals, and has the unique property of being strong but biodegradable. The Group has analyzed this material through its basic research and has confirmed for the first time in the world that during the chemical treatment process, cellulose becomes CNF and is strongly bonded. VF is highly anticipated as a next-generation "substitute for plastic," and we are now working with the Industrial Research Institute of Niigata Prefecture to create functional materials that leverage the characteristics of VF.

Quality Control

An independent body tasked with auditing quality

An independent body tasked with auditing quality based on the Group’s Basic Principles related to the Quality Control of Products, we are careful to ensure the safety of products and at the same time we make efforts to supply attractive products that fulfill the needs of our customers. Our internal quality auditor conducts regular checks on the safety of raw materials, the compliance with in-house standards of products to be used as food containers and wrapping, the proportion of recycled paper included in pulp, and the regulatory compliance of each production department, etc. An independent body (quality management office) has been created within the Technical & Development Division to carry out the auditing.

Basic Principles Related to the Quality Control of Products

1. In order to provide attractive products, we promote product improvement and new product development based on customers’ requests.
2. We manufacture products with stable quality that are safe and that customers can use with confidence, while obeying all relevant laws and regulations.
3. In order to improve our cost competitiveness and moreover in order to maintain our relative superiority in relation to other companies, we promote control of intellectual property.
4. We respond sincerely to any complaints about our products and strive to provide a speedy and appropriate response in such cases.
5. Further, through implementing measures to prevent recurrence, we promote quality improvement and obtain the trust of our customers.

1 Conventional VF
(The fiber surface is nano-sized to connect thick fibers)

Introduction of carbon fiber
(straight fibers are carbon fiber)

Example of processing with a composite material that fuses CNF and carbon fiber

Promoting procurement of raw materials that carefully consider the environment and society for corporate social responsibility

As there are structural changes such as a declining population, digitalization and the spread of e-commerce and are external changes such as the strengthening of environmental regulations in China, a labor shortage in logistics in Japan and demand for fuel, the procurement environment for raw materials (resources, materials, fuel, etc.) used in our mills has been changing. Along with promoting procurement in accordance with the Group Fundamental Policy for Raw Materials Procurement established in April 2019, we also focus on globalization of our human resources to procure raw materials from overseas efficiently.

Group Fundamental Policy for Raw Materials Procurement

We shall promote CSR (Corporate Social Responsibility) procurement that gives due regard to the environment and society under the following policy in procuring raw materials based on the Group Philosophy and the Group Code of Conduct in order to fulfill our social responsibility.

1. We shall comply with the applicable laws, regulations and international norms.
2. We shall procure raw materials giving due regard to environment, society, and human rights.
3. We shall procure wood giving due regard to sustainability of forests and biodiversity.
4. We shall open our doors to all suppliers and engage in fair trade.
5. We shall develop a mutual trust relationship and a mutual development with business suppliers.
6. We shall control the information that we get through our transactions appropriately.

Request to Business Partners

Our Group values our entire supply chain to pursue “innovative manufacturing” in order to fulfill our corporate responsibility. As such we ask our business partners to pay careful attention to the following issues.

1. Compliance with the applicable laws, regulations and international norms
2. Reduction of the burden on the environment
3. Timber product procurement giving due regard to the sustainability of forests and biodiversity
4. Respect for human rights (ban on unreasonable discrimination, forced labor, and child labor as well as any harassment)
5. Respect for labor rights and securing workplace safety and hygiene
6. Fair competition (ban on acts that restrict competition)
7. Appropriate management of confidential information and personal information acquired through transactions and respect for the intellectual property of others
8. Appropriate quality control, competitive pricing and stable supply

Biomass woodchips supplied by Hokketsu Material

Hokketsu Material, which is a part of the Group, contributes to reduce our environmental impact by focusing on the procurement of forest residue, unusable logs for sawn timber (to supply them) as energy sources. We have opened a new biomass woodchips mill to supply for large-scale biomass power plant in Yamagata Prefecture since 2018, and have started supplying biomass woodchips to the power plant, while Hokketsu Material continues to supply biomass woodchips to the Group.
Procurement of Woodchips in FY2018

Hokutetsu Corporation exports virtually all of its woodchips demand. The global woodchips market has varied significantly, i.e. China became the largest importer of hardwood chips since 2016 and Indonesia once an exporter became an importer after 2018. We are striving for stable procurement by further strengthening the relationship with our wood chip suppliers that we have cultivated so far and only procure legal woodchips in accordance with our Policy on Procurement of Wood Material so that our customers can buy and use our paper products with confidence.

Check by Third-Party Audits and Internal Auditing

We have consumed (1) FSC* certified woodchips and (2) Controlled woodchips in the Niigata and Kishu mills. These woodchips have met the principles and standards set forth by the FSC and are woodchips made of the wood introduced in FSC-certified forests and/or wood that has been confirmed as the wood introduced in well-managed forest confirmed by a third-party organization based on a risk assessment of the requirements of managed wood (controlled wood) defined by the FSC. We also have our own traceability system* and periodically confirm the information relating to woodchips consumed at the two mills, and regularly verify items such as legality, sustainability, and biodiversity preservation status, etc. In addition, we also have external audits, such as Japan Paper Association which is the paper industry organization, and SGS Japan Inc. which is a third-party organization, to enhance the verification accuracy of this system.

*Traceability system: Tracking of historical information related to production and distribution of wood and woodchips, it could be described as a system for keeping tabs on production and distribution information.

Marine transport of woodchips by eco-ship wood chip carrier

Woodchips that we consume are transported by woodchip carriers based on long-term charter contracts with shipping companies. The Southern Treasure, scheduled to in service in 2019, is a state-of-the-art eco-ship (with 15% lower fuel consumption and equipped with a scrubber) that also meets the coming 50s regulations that will go into effect from January 2020. We are also working to reduce the environmental impact by the marine transportation of woodchips.
Aiming for transparent, fair, prompt and decisive decision-making that improves corporate value

By realizing the "Group Corporate Philosophy," the Group aims to be a company that is trusted by all stakeholders, and has established a Nomination and Compensation Committee to further strengthen its governance system.

Organizational Structure of Corporate Governance

FY2018 Results

<table>
<thead>
<tr>
<th>Organization design</th>
<th>Number of directors</th>
<th>Number of corporate auditors</th>
<th>Number of independent directors/ auditors</th>
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</thead>
<tbody>
<tr>
<td>Company with a Board of Directors and Board of Corporate Auditors</td>
<td>10 * (2 outside directors included)</td>
<td>4 (2 outside corporate officers included)</td>
<td>4</td>
</tr>
</tbody>
</table>

Number of Board of Directors meetings: 12

Attendance rate of outside directors at Board of Directors meetings: 100%

Attendance rate of outside corporate auditors at Board of Corporate Auditors meetings: 90%

Creation of a Nomination and Compensation Committee

In order to further improve our corporate governance, we established a voluntary Nomination and Compensation Committee in the fall of 2018. The committee deliberates on matters concerning the nomination and compensation of directors in response to the request of the Board of Directors, which they then determine. In FY2018, the Nomination and Compensation Committee convened six times, and the Board of Directors met twice based on the reports of the Nomination and Compensation Committee.

Determining Compensation of the Board of Directors

Director compensation is composed of basic remuneration as a fixed remuneration determined by position, etc., an annual incentive (performance-linked bonus), and medium- to long-term incentive (stock-based remuneration) linked to performance of the company and contribution to said performance. The indicators related to performance-linked compensation are consolidated net sales, consolidated operating income, and contribution to ESG (environment, society, and corporate governance). The compensation for outside directors consists of only basic remuneration.

Basic Policy on Corporate Governance (excerpts)

Article 2: Basic Philosophy of Corporate Governance

1. In order to achieve long-term stable improvement of our corporate value, which is the most important management issue, we have built an appropriate corporate governance system in accordance with the following basic concepts:
   (1) We respect the rights of our shareholders and will strive to establish an environment in which shareholders can exercise their rights appropriately and to secure equality between shareholders.
   (2) We recognize the importance of corporate social responsibility and will strive to collaborate appropriately with shareholders and other stakeholders in order to develop a corporate culture in which business is conducted with self-discipline in a sound manner.
   (3) We will ensure transparency and fairness in our decision-making by establishing an executive system for timely disclosure and by conducting the timely and appropriate disclosure of non-financial information beyond requirements mandated by laws and regulations.
   (4) We will strive to secure the effectiveness of the Board of Directors based on our fiduciary responsibilities and accountability to our shareholders.
   We will also enhance the strategic, decision-making, and supervisory functions of the Board of Directors through its analysis and assessment.
   (5) We will actively and constructively engage in dialogue with our shareholders based on a basic policy established separately to support the enhancement of our stable, long-term corporate value.

2. The Board of Directors shall establish and disclose the Group Code of Conduct to be shared by all employees and executive officers of our corporate group.

Article 3: Role of the Board of Directors

1. The Board of Directors strives to enhance the common interest of our shareholders and achieve appropriate corporate governance, in order to enhance stable, long-term corporate value.
   2. The Board of Directors performs a supervisory function over all management, and including the execution of the duties of the corporate management team and decides important matters as prescribed by laws and regulations, our articles of incorporation, and our Rules for the Board of Directors.
   3. The Board of Directors delegates the decision-making for business matters other than those listed above to corporate management in order to enhance the mobility of the business and management vitality, while also exercising oversight of the status of the execution by the corporate management.
   4. Outside directors give advice from a neutral position independent from management for enhancing our stable, long-term corporate value, and play a significant role in the decision-making for the important management issues of our company. They also supervise conflicts of interest between our company and management.
   5. The Board of Directors establishes the institutional systems for internal discipline, and cooperates with the relevant departments to supervise and ensure that they are operating effectively.
   6. The Board of Directors determines the appointment and dismissal of directors based on the evaluation of the Nomination and Compensation Committee.

Article 7: The Role of Corporate Auditors and the Board of Corporate Auditors

1. Our corporate auditors and our Board of Corporate Auditors conduct operational audits and accounting audits from an independent and objective perspective on the basis of their fiduciary duties towards our shareholders. Our corporate auditors also audit the execution of the duties of each director, and express their appropriate opinions at Board of Directors meetings on the basis of their aforementioned fiduciary duties.
   2. Our corporate auditors and our Board of Corporate Auditors enhance their effectiveness by organically combining the robust independence of the outside corporate auditors and the high information gathering capacity of the standing corporate auditors.
   3. Our Board of Corporate Auditors evaluates the outside accounting auditor on the basis of their duties to shareholders and investors by confirming the independence and the institutional business operations for quality control, both of which are required of an outside accounting auditor.

The Basic Policy on Corporate Governance is published on our website.
Steadily enhancing our compliance system as a global company

The Group formulated its Group Corporate Philosophy, to fulfill its responsibilities as a global company, and its Group Code of Conduct, as the set of rules to achieve its philosophy, on April 1, 2018. These are practiced by all executives and employees of the Group in Japan and overseas, and we are implementing various measures to further enhance our compliance system.

Formulating and sharing Group policies

The Group formulated its Group Policy, based on our Group Code of Conduct, as a basic policy that should be shared and realized by the entire Group for each major field of business, and implemented it on April 1, 2019. It is comprised of the Group Environmental Charter, Group Fundamental Policy for Raw Materials Procurement, and Group Basic Policy for Information Security. These Group policies have been translated into English, French, and Chinese, and are shared with the entire Group, including our overseas subsidiaries. In addition, we are working to share and explain the purpose and content of the policies through opportunities such as at Group Governance Meetings, which are described below.

Creation of the new Legal Affairs & Compliance Department

On April 1, 2019, we merged the Compliance Affairs which previously belonged to the Group Governance Administration Department with the Legal Affairs which belonged to the General Affairs Department, to create the Legal Affairs & Compliance Department. The new department is headed by an in-house lawyer, and with the heads of the Personnel Department and General Affairs Department as members, working under the leadership of the Chief Compliance Officer, is responsible for formulating compliance measures (training, etc.) for the entire Group, including domestic and overseas subsidiaries, and responding to whistle-blowing.

As of July 1, an in-house lawyer joined as a new member. Going forward, we will continue to strengthen the compliance system of the entire Group and improve our ability to respond to unforeseen circumstances, with the Legal Affairs & Compliance Department as the hub.

Overseas Group Governance Meetings

The Group held its first Overseas Group Governance Meeting at Jiangmen Xinghui Paper Mill, China in December 2017. The second Overseas Group Governance Meeting was held at Bernard Dumas in France in April 2019, followed by another meeting at Al-Pac in Canada in July later that year. At the first Meeting, the Chief Operating Officers (COO) of four overseas subsidiaries attended, but now the Meetings are held with the CEO of Hokuetsu Corporation visiting each overseas subsidiary individually for more substantial discussions. In particular, in addition to our CEO, members of our Board of Directors, including outside corporate auditors, also attended the meeting at Al-Pac, in Canada which has large business scale.

Both meetings hosted lively discussions on compliance, governance, internal control, and other matters. Another Overseas Group Governance Meeting is scheduled to be held at a subsidiary in China in December 2019, and this meeting will also be held regularly in the future.

Creating a workplace where all employees can work safely and securely with purpose and vigor

The Group is striving to establish a workplace where employees can work safely and securely with purpose and vigor. The entire Group is working to improve the environment, including training for working in new ways that are in line with the times and mental health measures.

Actively improving the work environment and developing human resources

Toward work style reforms

In July 2019, we held in-basket training for managers and time management training for general employees as specific initiatives created by the Work Style Reform Promotion Committee established in 2018. In the time management training, many participants became aware of time-wasting habits that they had not thought of on a daily basis through hands-on and participatory programs.

Moving forward, we will establish a labor-management subcommittee at each office/mill and review the work system in order to have shop-floor discussions based on the draft proposals of the Work Style Reform Promotion Committee. Moreover, we will promote the use of IT to improve the efficiency and quality of work. From April 2019, the Corporate Officer in charge of the General Affairs Department also became in charge of the Information Systems Department. Doing so will make it possible to improve the efficiency of routine work by using IT while achieving the overall optimization of our internal systems.

Health and productivity management initiative

The Group is working on the early detection and prevention of illness among employees. Specifically, we have tied up with the Group Health Insurance Association to review the content of health check-ups, expand support for flu vaccinations, and conduct dietary guidance from a registered dietitian.

We conduct stress checks for mental health every October and are working to use the results of group analysis by feeding them back to management and managers at each workplace. From FY2019, we expanded the number of external consultation services to prevent mental health problems.

Change in average age and average years of employment

Average age

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<td>Average</td>
<td>42.8</td>
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(Hokuetsu Corporation, non-consolidated)

Average years of employment

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<th>2018</th>
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(Hokuetsu Corporation, non-consolidated)
Promoting CSR activities as one of the drivers of management throughout the entire Group

The Group established its Group Corporate Philosophy in 2018 at the same time it changed its company name, and is developing specific activity goals that comply with the seven core issues of social responsibility stipulated in the ISO 26000 international standard and is promoting CSR activities. Part of this initiative is based on the same philosophy as the goals and targets set forth in the SDGs for the realization of a better international community.

The Group’s approach to CSR activities

Inspections for FY2018 goals

1. Organizational governance (governance)
   • The Group Corporate Philosophy, Group Code of Conduct, and Group symbol were established in line with the change of company name, and the meanings of the Group Corporate Philosophy and Group Code of Conduct were published in various communication media compliance handbooks with the aim of sharing it with the entire Group.
2. Human rights (respect for the rights given to all people)
   • Issued newsletters to employees during Human Rights Week.
   • Established the Group Fundamental Policy for Raw Materials Procurement stating that we promote procurement that takes human rights into consideration.
3. Labor practices (work style)
   • Established the Work Style Reform Promotion Committee to promote work improvements to improve the appropriate working environment.
4. Environment (promotion of environmental management)
   • Our initiatives on the environment are described on p. 16-19 of this report.

Priority CSR Activity Goals for FY2019

1. Corporate Governance
   • Seven core subjects in compliance with ISO 26000
   • Seven core LC (Sustainable city and communities)
   • Seven core LC (Clean water and sanitation)
   • Seven core LC (Affordable and clean energy)
   • Seven core LC (Sustainable cities and communities)
   • Seven core LC (Clean water and sanitation)
   • Seven core LC (Affordable and clean energy)

Aiming to be an approachable company by interacting with local communities

As part of social contribution activities, the Group actively promotes exchanges with local communities. We also provide ongoing support for mill tours, community clean-up activities, community events, internships and hands-on learning for students, as well as the “Kyu-Can-Cho Project” that has provided canned bread for disaster relief supplies to Eswatini since 2014.

Active participation in community events

The Group participates in various local events and deepens exchanges with the local community. In July 2018, we had a paper-making corner to create original postcards as a kick-off event for the 150th anniversary of the opening of the Port of Nagita at Umifesta Nagita held in Nagita City, Sado City, and Seiro Town.

In August, we participated in the minyo-nagashi folk dance parade at the Nagita Festival and danced to a Bon odori folk song called “Nagita Jimiku.” Also, many local residents participated in the “Mill Bon Odori Dance Festival” held at the Nagita Mill and, in a new initiative, we distributed medaka (Japanese rice fish) raised in the clean water of the Nagita Mill.

Ordering the manufacture of pallets at a welfare factory for the physically disabled

Hokketsu Pallet Co., Ltd., part of the Group, has traditionally supported the philosophy of the social welfare corporation Keyaki no Sato as part of its work in support for persons with disabilities, and orders the production of wooden pallets from the corporation’s Yamabiko Works in Kawagoe City, Saitama Prefecture. Each carefully-made wooden pallet is used primarily by printing companies. Yamabiko Works is greatly trusted and has earned the praise of its customers by making high-quality products while delivering them on time.

Actively welcoming mill tours

As part of our efforts to “coexist in harmony with communities,” the Group conducts mill tours for various educational institutions and local residents on an ongoing basis. In FY2018, approximately 1,600 people took part in tours of our Nagita Mill, with approximately 2,300 people taking tours across the entire Group. The mill tours are for elementary, junior high, and high school students, and local residents. The tour offers an easy-to-understand introduction to our environmental measures such as reducing the Group’s CO2 emissions and the initiatives of the Group as a global corporate group.

Making pallets at Yamabiko Works

Nagita Festival minyo-nagashi folk dance

A mill tour conducted at the Kanto Mill (ichikawa)