

**SHINSEI PULP & PAPER
COMPANY LIMITED**
CSR Report 2013

Corporate Social Responsibility



Introduction

Based on one of its management policies of “continuing to meet responsibilities to create a rich society through eco-friendly corporate activities,” the SHINSEI PULP & PAPER COMPANY actively promotes environmental conservation activities, while conducting business. As a vehicle to report our business activities and other efforts for corporate social responsibility (CSR), we published the “CSR Report 2013.”

In preparing the 2013 Edition, we paid attention to enable readers to understand our activities as plainly and in an easy-to-understand manner as possible. We are committed to continue to disclose and communicate our internal and external activities as widely as possible, while enhancing and improving the contents of the report.

Management Philosophy

We respond to the changes of times with firm commitment to “innovation and challenges” and continue to grow with society.

Management Policies

- 1. We continue to meet our responsibilities to create a rich society through eco-friendly corporate activities.**
- 2. We continue to grow as a company that is “supported,” “needed” and “chosen.”**
- 3. We continue to pursue infinite possibilities of wood-based natural materials starting with “paper.”**
- 4. All of us individually have high targets and continue to exert our full power.**

Code of Behavior

- 1. Total compliance with laws and regulations**
The SHINSEI PULP & PAPER COMPANY complies with not only laws and regulations but also domestic and international rules and social codes, achieves trust from society and customers, and fulfills its responsibilities.
- 2. Consideration for the environment**
The SHINSEI PULP & PAPER COMPANY recognizes the conservation of the global environment as one of its first priorities and to pass on a rich future to the next generation.
- 3. Disclosure of corporate information**
The SHINSEI PULP & PAPER COMPANY actively and fairly discloses corporate information to shareholders and other stakeholders.
- 4. No relationship with antisocial forces**
The SHINSEI PULP & PAPER COMPANY consistently refuses any requests from antisocial forces and organizations.
- 5. Establishment of safe and easy-to-work working environment**
The SHINSEI PULP & PAPER COMPANY respects each employee's personality and uniqueness and realizes a safe and easy-to-work environment.

Contents

Top Message

P4

Special Feature

Round-table discussion
“Environment where people and nature can coexist”

P6

Environmental Initiatives

P10

Corporate Management

P14

Social Initiatives/ Considerations for Employees

P16

Activities to Contribute to the Community

P19

Third Party Evaluation

P22

Company Profile

P23

Editing policies

The “CSR Report” is an annual report explaining our environmental initiatives and other social corporate activities. This report covers the period of fiscal year 2012 (April 2012 - March 2013), mainly describing actual figures. With regard to the latest information, some initiatives after April 2013 are referred to. We compiled the report in consideration of communicating our CSR activities in an easy-to-understand manner.

Business activities covered by this report

Compiled mainly from social and environmental activities at domestic sales bases

Referenced guidelines

Environmental Reporting Guidelines “Towards a Sustainable Society, (Fiscal Year 2012 Version) published by the Japanese Ministry of the Environment”

Publication

October 2013

Towards becoming a company of trust with society and offers that deepens relationships new values



Diversification of paper and its potential

Applications of paper have been changing with the trends of the times. With the development of the IT industry and globalization, the paper pulp industry is now facing a period of transition. Such changes became conspicuous about five years ago, and with the emergence of smartphones and tablet terminals, we are now able to communicate with other people and get information without being restricted by time or place. This will continue to become more widespread.

Globalization also extended our network around the world. While further strengthening our domestic business, we are targeting overseas business expansion. We can expect increasing demand for paper in emerging countries, but the speed of their development is a lot faster than that experienced by currently developed countries decades ago. To respond to needs in the global community, we need to shift from the conventional business system to one in view of the future.

At the same time, despite the changing times, the value of paper can never be denied. Paper has a history of 4,000 years. In its long history, paper media have cultivated and succeeded human culture. We take pride in the fact that we play a role in this and contribute to society. The role of paper for packaging is highly important in supporting the lives of people. The potential of paper is infinite. Through "paper solutions" that is our strength, we will continue to offer new value to society.

Eco-friendly paper pulp

The paper pulp industry is considered eco-friendly because it has established a recycle-based business model through reproduction and reuse of used paper. Trees that are resources of paper absorb CO₂ in the atmosphere and form oxygen in the growth process. For this reason, we have focused on tree planting activities for many years. As we are engaged in the paper business, our trade in itself is a social activity, and we thus continue to play our role as demanded by society.

Creating a workplace where diverse human resources work together

As our line of business has been diversified due to globalization, it has become more and more important to create a working environment where diverse human resources can play active roles. Targeting building a workplace where female employees can accomplish distinguished service, we have aggressively employed female employees on career tracks and established a leave system that enables female employees' easy reinstatement. We are also actively engaged in the employment of disabled people. When each employee takes advantage of his or her abilities at a workplace that fits the aptitude, the company will be invigorated, leading to higher motivation for all employees. We aim at building a working environment that makes all employees feel satisfied working for our company.



Social responsibility from the viewpoint of SPP

A corporate social responsibility of top priority is to steadily carry out and continue its primary business activities. To achieve this goal, we should always be a company that is "supported," "needed" and "chosen" by society. Showing our reason of being through business activities and strengthening the relationship of trust with stakeholders will consequently lead to the continuous growth of the company. In 2012, we established a business continuity plan (BCP) assuming an earthquake of more than 6 on the Japanese seismic scale. We are aware that it is also a corporate responsibility to build an organization that enables us to, under whatever conditions, continue our business.

To enable a company to accomplish its responsibility, it is important for each employee to have a critical mind and take voluntary action. Going forward, we will continue to create new values by integrating and accumulating individual initiatives and efforts.

若林紀生
NORIO WAKABAYASHI

President and CEO

Round-table discussion

What we can do for an “Environment where people and nature can coexist”

As part of our social responsibilities as a dedicated paper trading company, we set contributing to global environment conservation as a top priority issue. In relation to our initiatives to pass on the blessings of nature represented by forest resources, we held a round-table discussion to exchange opinions between Ms. Hirasawa, Secretariat General of NPO Environmental Relations, and three of our employees.

NPO Environmental Relations

Approved NPO promoting various environmental measures and citizen-participating projects. It supports and participates in the forest rehabilitation project by the NPO, “Present Tree.”

Tokyo Head Office
Chemical Business Division
Chemical Operations Department
Yoshiaki Nagasawa

Tokyo Head Office
Operations Division
Procurement Planning Department
Takahiro Hara

Tokyo Head Office
3rd Paper Business Division
Direct Sales Department
Hiromi Isoyama

NPO Environmental Relations
Secretariat General
Mamiko Hirasawa

Changes in the times and the evolution of paper recycling

Nagasawa: I have served as an ISO committee member for several years. Assuming global warming to be artificial, the ISO environmental policy promotes preventive measures. We tackle the challenge of CO₂ reduction by measures at hand such as energy power saving. Just addressing environmental conservation, however, will not directly lead to sales, and it is difficult to raise a wide variety of awareness among employees. We need to change conventional environmental conservation into one that is tailored to reality. To achieve this goal, employees engaged in ISO try to inspire other employees with the idea that environmental conservation is a corporate social responsibility and that the activities are very meaningful.

Hara: It is true that prior to “global warming prevention,” environmental protection was accompanied by “recycling.” Paper recycling has made great progress. There is a misunderstanding that paper is made from raw timber, but we have established a recycling business by collecting used paper, recycling it, using it again, and collecting it. When I joined the company, the recycling rate of paper was 55%, but the figure is now between 62 to 63%. From the viewpoint of reuse, our industry is very much ahead of other industries.

Isoyama: Before joining the company, I had the negative impression that paper was a waste of resources, but after joining the company, I studied many things and found that different from petroleum and other natural resources, it can be reproduced through tree planting. I remember upon learning that it coexists with human lives and creates a recycle-based society and I was most impressed.

Nagasawa: In the papermaking industry, we give consideration to the environment by producing bioethanol* from treated tree bark and utilizing the heat generated from pulp making for power generation. As a paper trader, we have a role to get wider recognition about this, don't we?

Hirasawa: That's correct. I feel the tendency that a recycling-based system the paper industry has established in its long history is not widely understood, and that society tries to reduce the use of paper. Paper, however, has supported the creation of human culture. If newspapers become digital on the Internet and textbooks all go electronic, they will be lifeless. We have used the dictionary for many years until it becomes thumbed, and we have grown up with the memory of using it.

*Ethanol extracted by fermenting plant-based resources. It is generally used as a mixture with gasoline, ethanol-gasoline blends, and is considered useful to prevent global warming.

Promote environmental conservation by working together and involving others

Hirasawa: Due to the impact of the Great East Japan Earthquake, we experienced power saving initiatives nearly all over Japan, awakening general interest in energy issues. Through direct and indirect support of disaster-stricken areas, area management and cooperation with communities have been raised as keywords for environmental issues. Things may start with a single company, but a wide variety of partnerships will be created between companies, between companies and NPOs and between companies and people in local communities. There are things that cannot be realized independently but enabled by cooperation, which is very meaningful.

Hara: That's right. Last December, I installed a solar power system at my home. We have generated about 4,000 kilowatts in the last eight months. Taking a cedar tree as an example, the power we have generated is equivalent to 90 cedar trees uncut. Learning this, my children started to save energy. It was a small initiative, but changed the awareness of my children. There are many people who have a high level of awareness about environmental conservation but don't know what should be done. We must



involve those people and work together.

Nagasawa: Paper manufacturers focus on the conservation of forests that are the resources. We are not a manufacturer and have no forest as such, but as part of the entire papermaking industry, we need to spread initiatives in relation to the environment.

Hirasawa: Forests have four public benefits. One is that it makes the clean water necessary for life. The second is that conserves biodiversity where various living things from microorganisms, insects, snakes, and birds live on the food chain. The third is to provide oxygen indispensable for life forms by photosynthesis. The fourth is that they provide protection from landslides, mudflows, and other disasters.

Present Tree, of which we are involved in, is a project to make a present of a tree planted to commemorate a birthday or birthday celebration and make it a starting point for forest rehabilitation activities. Trees are planted in disaster-stricken forests and deserted land without replanting. We contribute to planting local trees in the area and resume it to a state of a natural forest.

Isoyama: What are the actual benefits that can be obtained by reproducing forests through Present Tree?

Hirasawa: Let me give an example of an initiative in Miyako City, Iwate Prefecture. The land to plant trees is located near a riverhead. We plant plantlets of deciduous broad-leaved trees such as beeches. When they grow and resemble a real forest, they create good soil, and water seeped in it is cleansed and contains lots of nutrition. The river into which the water flows has many insects, and fish that eat them will also grow. When the river goes into the ocean, many phytoplanktons are born, enabling oysters, scallops and sea urchins to eat them to also grow, and salmon that return to the river spawn there, and their carcasses return to the forest. Nature recycles in this manner, naturally followed by support of disaster-stricken areas.

How to promote our initiatives?

Nagasawa: We have had a uniform idea of reducing CO₂ and preventing global warming. It appears that environmental activities are linked with local communities and

extended to various things. For this reason, activities can protect the environment, develop industry, and lead to restoration. We need to promote a wider recognition of this.

Hara: However, how we to promote them is difficult. Unless we have actually enjoyed the experience, we cannot communicate it to others. This year, I participated in a tree planting activity sponsored by a papermaking company, and it was great fun.

Nagasawa: I also participated in one with my children. After experiencing tree planting, many other people said, "I am really glad to have done this." I think you can understand it not by thinking but by actually taking action. If these activities become more popular, I think it will lead to a wider recognition of Present Tree.

Hirasawa: The number of companies and employees who want to contribute to their communities has been increasing. Despite being difficult to address the challenge corporate-wide, opportunities to get involved in community activities by branch or individual are increasing. I believe there can be many variations of CSR from large-scale efforts to community-based ones. As what companies or individuals can independently do is limited, our mission is to tie up with many people and spread the circle of supporters. We are engaged in promotion activities so that the widest audience possible can understand the importance of environmental conservation and forests.

Further deepen CSR activities through the main business

Isoyama: When I visit a new customer, I always bring a Rescue Board Magnum* with me. A Rescue Board Magnum is useful at the time of a disaster and can be donated to disaster-stricken areas. Many customers say, "The concept is very interesting." As the awareness of preparing for disasters has been getting higher among companies, our colleagues seem to feel that the time is ripe to sell Rescue Board Magnums. It is a product I feel attached to.

*A simple paper-made stretcher in the case of an emergency. It has such features as excellent storability, and 1% of sales are donated to a project to support disaster-stricken areas, REVIVE JAPAN.

Hirasawa: Rescue Board Magnum is a great product.

To continue the effort is most important. Looking back at past examples, concerns about disasters will lessen after two or three years, so I believe it is significant to incorporate them in our business activities so that disasters do not fade from the memory.

Hara: Our initiatives are based on contribution to communities and environmental conservation, and I hope all our regular jobs will consequently be CSR activities. In this sense, we hope to conduct our activities while tying up with Environmental Relations. I also think that "1% for Present Tree" has not yet been sufficiently warmed up. The key to social contribution activities is how we can actually involve people who have no experience. For example, who is the closest to employees as well as consumers is your family. Initiatives like asking your family members to collect eco-caps are also important. By making the initiatives popular in the company, I hope to promote more enthusiasm in house.

Nagasawa: Not all the participants of tree planting are voluntary ones. Many joined us because colleagues had invited them. As a result, many commented, "It was great to join the activity. I would like to do it again," displaying the success of the event. As it is difficult to make it immediately, I hope that you will realize one day that everyone has a shared awareness.

Hirasawa: Environmental conservation activities can be realized not only with innovations but also with the people in between. Our role is to enable everyone to refresh awareness and "connect" people. I feel that how to educate people will be the value of companies for the future. As an NPO corporation, CSR activities are our main line of business. For companies, it would be ideal that "addressing regular work will consequently turn out to be CSR activities." I expect that Shinsei Pulp & Paper's activities will become further widespread.

After the round-table discussion

"Cooperation" supports society



Companies exist due to economic activities. They cannot exist on their own. It is like biodiversity. Society exists through mutual cooperation and connections, not by ego-centrism. In this context, I got engaged in "1% for Present Tree" and forest rehabilitation to pass them on to future generations.

Providing solutions



We are a trading company, but an important role we have is not only to sell what manufactures have made but also to create new solutions and connect them to restoration support and other social contribution activities. If we improve our originality, we can make Shinsei Pulp & Paper a better company.

Hope to spread activities



I am pleased that through my job of selling paper, I can address environmental conservation. As I have many opportunities to directly contact users, I want to introduce to them schemes including "1% for Present Tree." I also want to tackle other environmental issues by frequently turning off lights and using used copy paper to take notes, etc.

Aiming to contribute to the global environment where people and nature can co-exist through paper

We are striving to be a company that passes on the blessings of nature represented by forest resources and contribute to the global environment.

Environmental Policy

Basic Philosophy

The SHINSEI PULP & PAPER COMPANY recognizes the conservation of the global environment as one of the main priorities, targets realizing an "environment where people and nature live in harmony" through activities leading to the future, and actively take action to pass on a rich future to future generations. We also recognize that action associated with environmental conservation is an important responsibility assigned to each of us, and all employees do their best to maintain and enhance conservation.

Course of Action

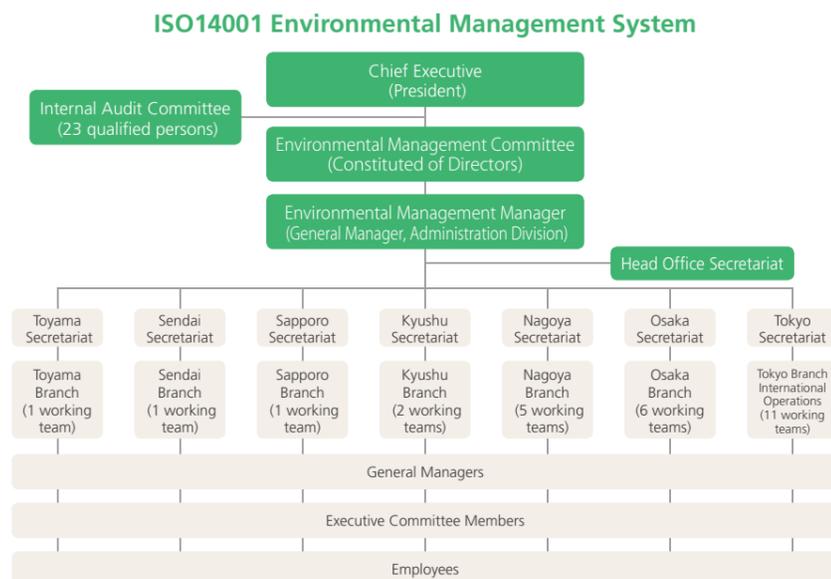
As a paper distribution company, we continually grasp how goods and services we deal with in business activities, impact the environment, minimize environmental loads by setting environmental targets and promote the prevention of environmental pollution and global warming. We review environmental targets in response to changes in conditions where appropriate.

Environmental targets

1. We address positive sales activities of eco-friendly products and the development of goods with little environmental load.
2. In delivering goods, we strive to promote the efficiency of logistics to prevent air pollution.
3. We promote recycling by sorting waste at our offices.
4. We positively purchase green products.
5. We actively address energy saving by reducing the use of electric power and other energy.
6. We comply with environmental laws and regulations in addition to other requirements we agree with.

ISO Environment Committee

We have an ISO Environmental Committee directly reporting to the President. We also have working teams in individual divisions and departments to promote employee understanding of ISO.



Certified in 2002; efforts at all offices and branches

This is an activity to make a contribution of 1% of actual sales to support disaster-stricken areas since 2011.

1% for Revive Japan*

ISO14001
(Environmental Management System)

Forest certification
(CoC)

Efforts at all offices and branches
FSC®: Acquired in 2003
PEFC: Acquired in 2007

Our six initiatives

Since 2009, we have conducted this tree planting activity in which we make a contribution of 1% of actual sales. We have planted about 9,000 trees through this initiative.

1% for Present Tree*

Specified consigners
Subject: business owners with freight transportation (in ton-kilometers) of 30 million ton-kilometers or more

ISO9001
(Quality Management System)

Certified in 2005; acquired by Electric Materials Industry Section, Head Office

*are conducted in partnership with certification NPO corporation, NPO Environmental Relations.

Enforced in 2007. We are subject to this category and satisfy the figure required by the government.

Sales of forest certified paper

Since 2003, we have continuously acquired the CoC (Chain of Custody) certification by FSC® (Forest Stewardship Council). We have also acquired CoC certification by PEFC (Programme for the Endorsement of Forest Certification) since 2007. These logo marks mean we have acquired certification covering all processes for wood procured from certified forests, made into final products.



Environmental protection in chemicals field

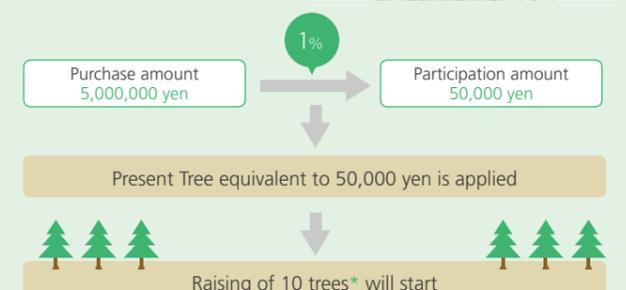
We market our key products in the chemical field as eco-friendly products. Food packaging films are used for protecting contents from physical, chemical, biological, human, and other factors.

effects (waste reduction, air/water/soil pollution prevention, global warming prevention, etc.) and based on the scores, we position eco-friendly products and sell goods contributing to environmental protection.

We set item reference points based on environmental

1% for Present Tree Participation in eco-friendly projects

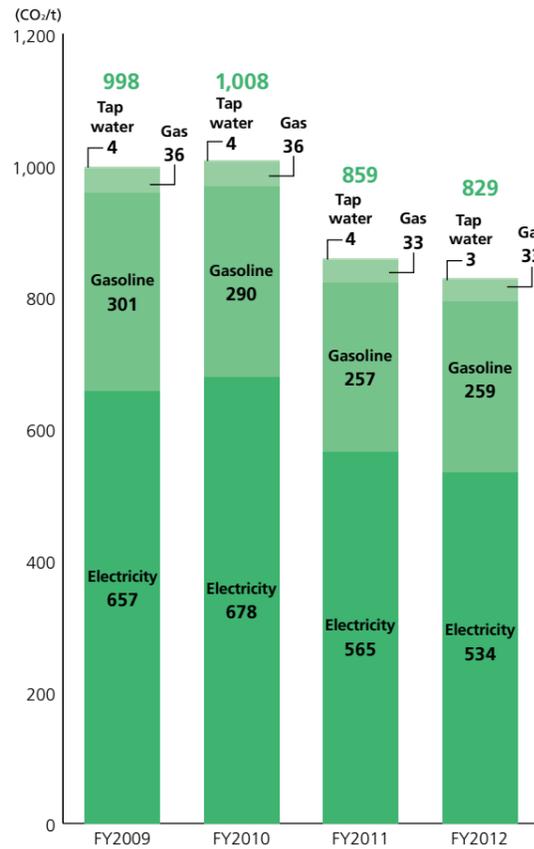
As a trading company specializing in paper, we propose a new eco-friendly scheme, "1% for Present Tree." In this initiative, we add 1% to the purchase amount of paper and film from our company, and this amount of 1% is used to support a tree-planting project operated by NPO Environmental Relations. Participating media are authorized to display the registered trademark of this certification NPO.



To accomplish environmental conservation responsibility by accumulating daily activities

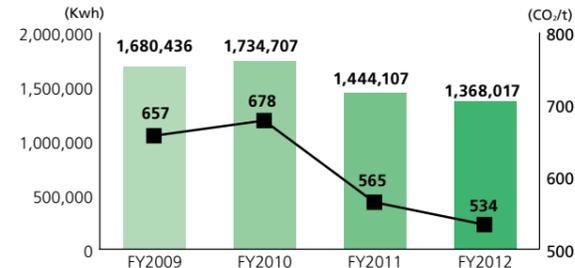
In accordance with the Basic Philosophy of the Environmental Policy, we set up the Course of Action and proceed with our actual initiatives.

CO₂ emissions by our business activities



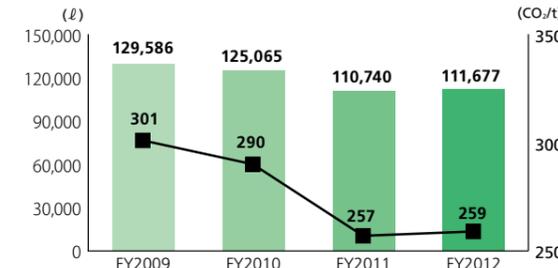
FY2012

Power consumption and CO₂ emissions



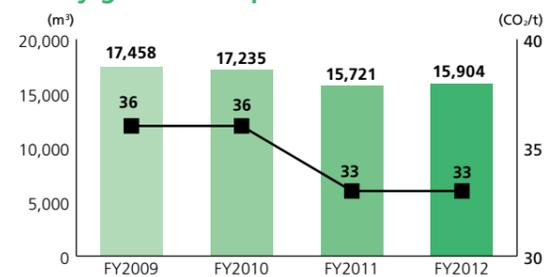
Calculation method of CO₂ emissions
Amount of power used x 0.00039 (1t-CO₂/kWh)
Source: Calculation Manual, Japan's Voluntary Emissions Trading Scheme (JVETS), Ministry of the Environment

Gasoline consumption and CO₂ emissions



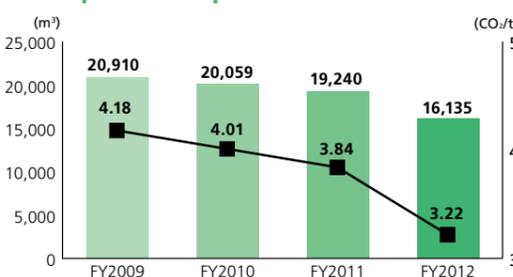
Calculation method of CO₂ emissions
Amount of gasoline used x 34.6 (GJ/ℓ) x 0.0671 (1t-CO₂/GJ)
Source: Calculation Manual, Japan's Voluntary Emissions Trading Scheme (JVETS), Ministry of the Environment

City gas consumption and CO₂ emissions



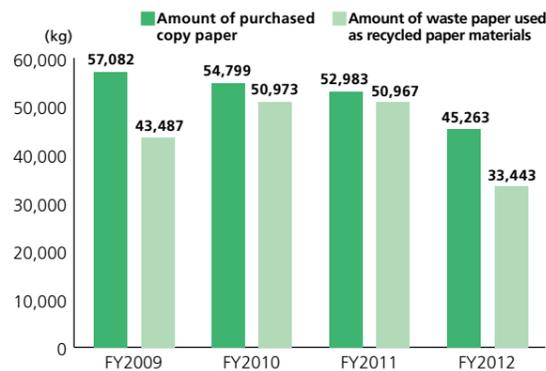
Calculation method of CO₂ emissions
Amount of city gas used x 41.1 (GJ/1,000m³) x 0.0506 (15-CO₂/GJ)
Source: Calculation Manual, Japan's Voluntary Emissions Trading Scheme (JVETS), Ministry of the Environment

Consumption of tap water and CO₂ emissions

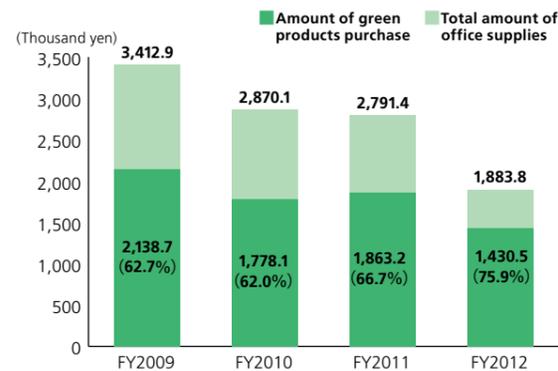


Calculation method of CO₂ emissions
Amount of tap water used x 0.2 (factor)
Source: CO₂ Emissions Calculation Sheet, Tokyo Hojinkai Rengokai, Inc.*
http://www.tohoren.or.jp/calc_co2/calc_co2.html

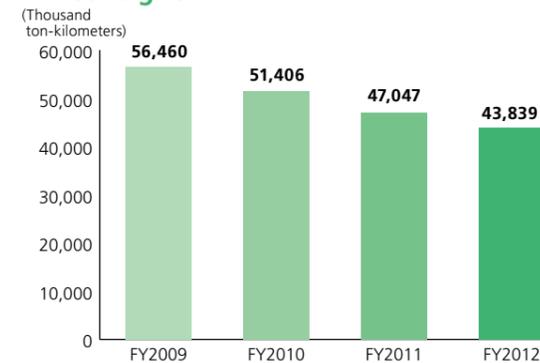
Amount of purchased copy paper and amount of waste paper used as recycled paper materials



Green products purchase ratio



Transportation results as a Specified Consigner*



* Business owners that have a volume of freight transportation (in ton-kilometers) of 30 million ton-kilometers (volume of delivery x delivery distance) or more. The revised Energy Saving Act requires efforts to annually reduce this figure by 1% or more in the medium and long-term.

Concrete actions for reduction

Each and every employee voluntarily tackles what he or she can do.

- Conditional stop of air conditioners
- Introduction of LED lighting
- Turning off fluorescent lamps during lunch break
- Reduced number of fluorescent lamps in use
- Stopping the operation of one elevator unit
- Promotion of stairway use
- Implementation of CoolBiz and WarmBiz
- Implementation of no overtime day
- Prohibition of working on holidays
- Setting summer vacation days
- Stopping the operation of one tea server per floor



Implementation of in-house 3UP 3DOWN movement during lunch break
*Going up or down three floors by the stairway.



Office during lunch break

ISO14001 in FY2013

Target setting	Tokyo/Overseas	Osaka	Nagoya	Kyushu	Sapporo	Sendai	Toyama	All branches and offices
Reduction of power consumption	3	1	2	1	1	1	1	10
Reduction of gasoline consumption	8	3	3	3	1	1	1	20
Reduction of general waste emissions	2	1	1	1	1	1		7
Reduction of the amount of copy paper	3	1						4
Promotion of green purchases	1	1	1	1	1		1	6
Sales of eco-friendly products	13	6	6	2	2	2	1	32
Promotion of operational efficiency	7							7
Others	2							2
Total	39	13	13	8	6	5	4	88

In ISO14001 for FY2013, a total of 88 targets have been fulfilled at all branches. We address the challenge so we achieve all targets by the end of the year.

Initiatives for ISO14001 internal audit

Masana Ozawa, Chairman, Internal Audit Committee



In 2002, we acquired ISO14001 certification at all branches and offices. Twice a year (July and January) since then, we have conducted internal audits of all branches, offices, and functions, based on the standard of internal audit rules of the Environment Management System (EMS) manual.

Along with improved environmental management that has been changing year by year, the requirements for internal audits have also been changing from EMS compliance to effectiveness onto those focusing on original operational performance, and our initiatives have highly been evaluated by reviewing institutions.

This year, we have a total of 23 internal audit committee members, consisting of different generations, including managers in Sales and Administration and general office workers. Targeting audit activities taking advantage of the skills at individual workplaces, we will strengthen our internal control functions and examine if the enhancement of in-house environmental awareness and PDCA, the foundation of ISO standards, are properly functioning.

Advance with society to meet trust and expectations through healthy management

Under our Management Philosophy, we establish an organization to support business and fulfill our social responsibilities.

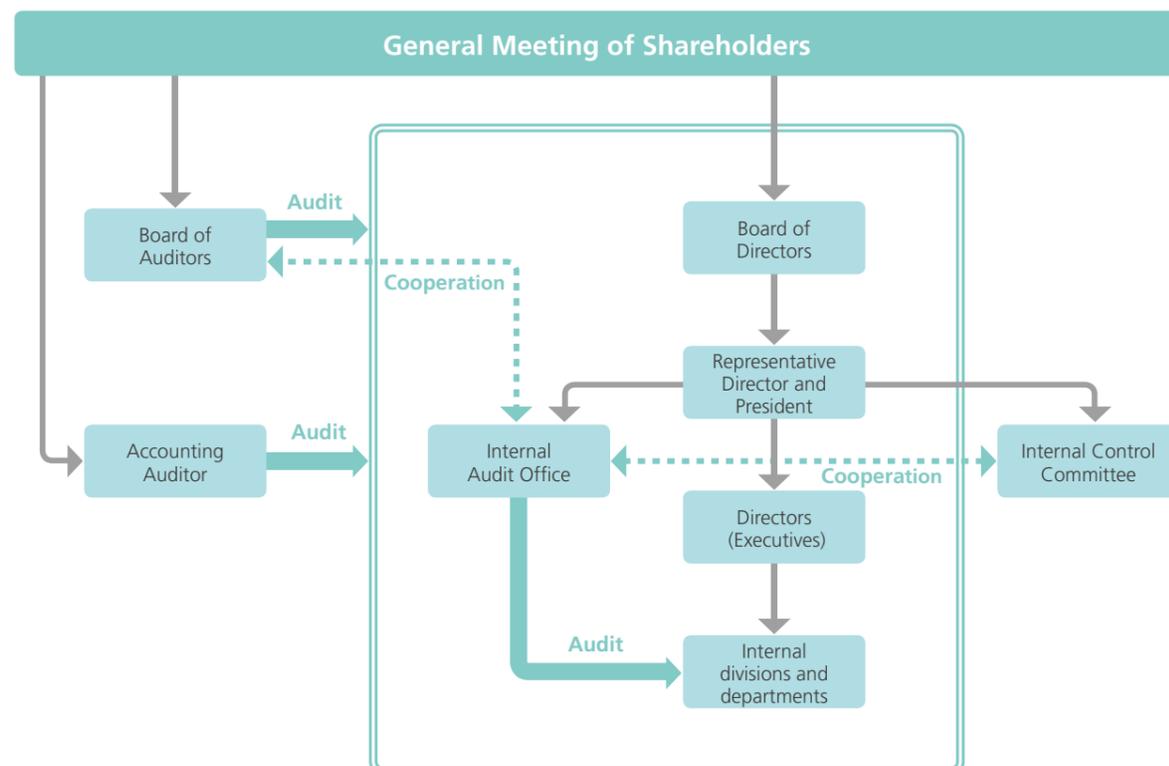
Corporate Governance

As per our Management Policies, to continue to grow as a company that is “supported,” “needed” and “chosen,” we believe we must establish proper relationships with various stakeholders and heighten our sense of presence. Based on the recognition that to achieve this goal, it is essential to strengthen auditing functions and increase transparency in relation to management, we are building appropriate corporate governance with the General Meeting of Shareholders, (Board of) Directors, (Board of) Auditors, and Accounting Auditor.

As the organization for decision-making and business

execution, we hold meetings of the Board of Directors that approves important subjects on management for proper and prompt execution of necessary measures. As an auditing body, we have the Board of Auditors that is responsible for the establishment of an excellent corporate governance system to support healthy and sustainable growth and respond to trust from society. For auditing plans and results, proper communication between the (Board of) Auditors and Accounting Auditor is sufficiently conducted, building an auditing system with fairness and effectiveness.

Corporate governance organization



Compliance

Compliance includes not only compliance with laws and regulations but also the observance of internal rules, manuals and ethics to enable the company to conduct fair and proper business activities and also the establishment of a compliance environment concerning the type of rules the company establishes and operates. We conduct business activities complying with social norms and corporate ethics, and to further raise the awareness of employees, we regularly host training covering actual examples.



Internal control training session

Risk Management

We set up the Business Continuity Plan (BCP) in 2012. In accordance with the “Business Continuity Guideline” published by the Disaster Management, Cabinet Office, Government of Japan, important items are compared with our operations. BCP is reviewed once every six months.

In case an emergency should occur, we take advantage of networks at individual bases across Japan for proper countermeasures. We have action plans including safety confirmation of employees, grasping damage conditions, early establishment of restoration systems and cooperation with local communities.



Business Continuity Plan BCP planning meeting



Internal control

1. Securing the effectiveness and efficiency of corporate and business management
2. Securing the correctness of financial statements
3. Thorough compliance with laws, regulations, and internal rules
4. Safeguarding of assets

A company that brings out the best of human resources, develops them and widely contributes to society

In order to bring out the strengths of individual employees who support our business activities and their teamwork, we strive to create an improved environment.

General business owner action plans

We have an action plan for employees regarding countermeasures to support the development of an easy-to-work environment where they can make work and child-rearing compatible and take full advantage of their abilities, up to March 31, 2015.

Target	Countermeasures
1.The rate of annual paid holidays taken by employees (days taken/newly given number of holidays) to be 50% or more.	<ul style="list-style-type: none"> ● Job assignments at each department are made clear for job sharing. ● To take paid holidays in an organized manner, a "Paid Holidays Schedule" is prepared every three months and shared within departments.
2.To reduce extra working hours, Wednesdays and Fridays are designated and implemented as corporate-wide "no overtime days."	<ul style="list-style-type: none"> ● Managers always grasp subordinates' tasks and duties, and make appropriate management and instructions to promote operational rationalization and efficiency. ● To make it known by everyone and for the health of employees, no overtime day is promoted through posters, notices on the days and e-mail messages so it is continuously implemented at all sites.
3.Towards an environment where both men and women can positively participate in child rearing is established, with 90% usage rate of child-rearing holidays by pregnant female employees to be achieved.	<ul style="list-style-type: none"> ● To promote wide recognition and enlightenment, we give instructions to take such holidays in an organized manner.

* Based on Article 12 of the General Business Owner Action Plans, "Act on Advancement of Measures to Support Raising Next-Generation Children," Ministry of Health, Labour and Welfare

Human Resources System

The most important assets for a trading company are "human resources." In order to enhance motivation and create a rewarding business environment, we have a human resources system based on the target management system. We also change the system continuously in response to changing business environments and build a fair human resources system that satisfies employees.

With the human resources system, we encourage career promotion based on "the right person in the right place" and job rotation, targeting realizing our Management Philosophy and Management Policies.

Human resource development

We target having high aims and exerting our strength as a group of professionals. We believe that the source of power of a company lies in the development of human resources who can "properly understand objectives," "take correct action to achieve objectives" and "rationally evaluate the results of achieving objectives." Through not only new employee education but also OJT and class training, we focus on human resource development.



Manager training

Promotion of employment of elderly people

We have a "Re-employment Standard" to hire employees who want to work following forced retirement and that satisfy health and other certain conditions up to 65 years old. We support them so they can take advantage of the experience they cultivated at our company and so that their vast knowledge is passed on to future generations.



Occupational health and safety

Compliant with occupational health and safety laws and regulations, we have a monthly health committee meeting, including an industrial doctor and health manager. At Head Office, the industrial doctor conducts two tours a month to check the health conditions of employees. In addition, we strive to maintain health and safety in working environments, as exemplified by the fact that if an employee desires it, he or she can consult the industrial doctor. To maintain employee mental health and prevent mental diseases, we always pay attention to employee health conditions and make efforts to minimize the occurrence of trouble.



Child rearing and nursing leave system

We have a child rearing and nursing leave system. We also strive to establish an easy-to-work working environment to make "work" and "family" compatible and, depending on the conditions of and requests from employees, we enable part-time work and limited overtime.



Aggressive utilization of female human resources

Going forward, in the aging society with a declining birthrate, aggressive utilization of female human resources is a most important challenge. We are aggressively employing female managerial employees and creating a workplace where regardless of managerial or office workers, females are properly evaluated and can have a reason of being without experiencing any difference due to their gender in terms of willingness and abilities.

Really feeling responsibility and the reason of working

Industrial Functional Material Department
Ayako Tsuji



After joining the company in 2007, I worked for the Procurement Department for five years, and was transferred to the current Functional Material Development Section, Industrial Functional Material Department in April 2012.

At my current department, I mostly handle functional films mainly used for optical applications. It is a field completely different from what my previous department handled, and I have a lot to learn but feel that my view has greatly expanded. We export products to China and other Asian countries, so by taking advantage of my command of Chinese and English, I contact with foreign customers from time to time. Though I have responsibilities, I feel my job is worth doing because of it. Going forward, I want to brush up my knowledge and command of languages, and want to become a salesperson that is trusted by my managers and colleagues as well as customers and that contributes to the company.

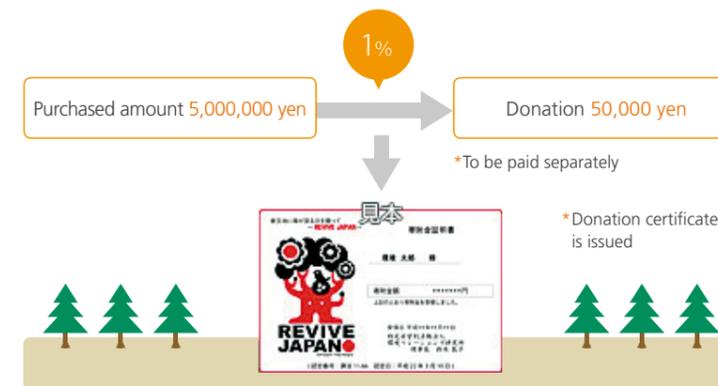
Local contribution activities

As a member of the community, we are engaged in a wide variety of social contribution activities.

Support of Tohoku restoration

Since 2011, we have supported restoration from the Great East Japan Earthquake through the activities of "1% for REVIVE JAPAN." We add one percent of the amount of purchases of our paper, film, etc. to the total amount, and an amount equivalent to this 1% is donated to the "REVIVE JAPAN" fund operated by NPO Environmental Relations. Last year's donation contributed to forest rehabilitation and community development promotion in Miyako City, Iwate Prefecture, through the Present Tree in Miyako project of the same NPO.

"The sea cultivates even living creatures in the sea. The nutrition contained in the leaf mold in the forest melts into rainwater and melt water and run into the river and ocean, cultivating rich fishing grounds."



This was the first tree-planting event of "Present Tree in Miyako" in October 2012. A total of about 140 people consisting of Miyako citizens and visiting participants worked together and planted about 1,000 trees.



Hei River
Planting site of the Present Tree in Miyako is near the riverhead of Hei River that runs into the Bay of Miyako.



Explanation card of the Present Tree in Miyako
Salmon going upstream is a symbol of the connections among the forest, river, and sea.

Display of decontamination sheet

We exhibited our zeolite non-woven sheet effective for removing radioactive substances, TT Decontamination Sheet SC, at the New Environmental Exposition 2013. The decontamination of radioactive substances is in progress as a national project.

The area subject to decontamination is wide, and decontamination methods differ, depending on cities and forests on mountains. By utilizing decontamination sheets, efficient decontamination activities can be promoted.



Exhibiting at the New Environmental Exposition 2013.

We had a booth at the New Environmental Exposition 2013, one of the largest environmental exhibitions in Asia, held at Tokyo Big Sight in May 2013. We introduced TT Decontamination Sheet SC and displayed impervious sheets, filters, sandbags, and inner bags for flexible containers using the decontamination sheet.



Regular health checkups and maternity healthcare

We extend support to employees to remain physically and mentally healthy. 30- and 35-year old employees have annual life style disease checkups, while employees of other ages undergo a regular health checkup once a year. We also have maternity healthcare rules, giving consideration to building an environment where female employees can "work" before and after childbirth in good health.

Promotion of employment of disabled persons

Based on the Handicapped Person's Employment Promotion Law, we positively address the employment of disabled persons every year. As of April 2013, we satisfy the conditions of a legally required employer. Going forward, we will continue to promote an expansion of this and strive to establish a working environment where disabled people can work safely and securely.

Countermeasures against sexual harassment

We stipulate provisions concerning sexual harassment in work rules. We prohibit employees to make any speech or action that causes anything against other people's interests in working conditions or interferes with carrying out work. We also make efforts to pick up opinions of employees as a company, if necessary.

Cooperative relationship with the Employee Association

To build and maintain smooth relationship between the company and its employees, we have organized the Employees Association. We consider that good employer-employee relationships are indispensable for the company development and wellbeing, have regular meetings and exchange opinions on many different projects.

Roles and activities of the Employee Association

Yugo Hima, Chairman, Employee Association

The Shinsei Pulp & Paper Employee Union is comprised of all employees excluding officers and temporary employees. The officers of the association are elected with a service period of two years. The association consists of the Head Office and individual branches. Based on the unified intention, the Employee Association targets the establishment of a fair employer-employee relationship, achieving maintenance and improvement of working conditions and enhancement of economic status, putting the spirit of friendship and mutual help among its members into practice and thereby enhancing fresh and lively willingness for work. Based on mutual understanding and trust, the Employee Association and the Company monthly exchange opinions and have a discussion on topics from various management issues to internal systems and working conditions.



Initiatives held at individual business bases

Deeply rooted in the community, we continue our activities for environmental conservation and society at individual business bases.

Head Office

Regular cleaning activity

Chiyoda-ku, Tokyo, has a "Chiyoda-ku Cleanup Day" in spring and fall, and elementary and junior high schools in addition to residents in the community jointly conduct cleaning activities. We voluntarily participate in the program, supporting these community activities. We also conducted cleaning activities in June, in conjunction with "Environmental Month," and a total of about 50 employees voluntarily participated in the activity.



Head Office

Tree planting activity

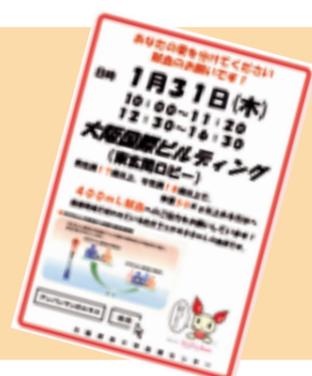
We participated in the tree planting activity sponsored by Nippon Paper Industries Co., Ltd. 35 employees and their families planted 500 trees for forest rehabilitation in the Marunuma Heights in Nikko National Park.



Osaka

Blood donation

Requested by the Japan Red Cross, the Osaka Branch hosts blood donation activities. As part of our social contribution activities, about 20 to 30 employees donate blood at each event.



Nagoya

PET bottle cap collection (Eco-cap)

Nagoya Branch participates in an activity to collect PET bottle caps. Collected caps are sold to a recycling manufacturer, and the proceeds of the sales are donated to an NPO, Japan Committee "Vaccines for the World's Children," (JCV). JCV in turn purchases vaccines to save children around the world.



Kyushu

Hakatagion Yamakasa

Hakatagion Yamakasa is a festival with more than 770 years of history, held between July 1 and 15 every year in Hakata Ward, Fukuoka City. The Kyushu Branch sponsors the festival, contributing to exchanges with the local community by make tap water available to provide Power Water.



Sapporo

Community health and safety activity

The Sapporo Branch is a member of "Gobangai Shinkokai" and "Daigo Chonakai" and participates in activities associated with lighting, decorations, advertisements and other facilities as well as traffic safety and environmental health. We also contribute to the development of the area as a tourism city.



Sendai

Weeding activity

The Sendai Branch regularly weeds the exterior of the branch building. It is conducted during lunch, but by improving the working environment on our own, we raise awareness of employees, leading to better housekeeping and power saving.



Toyama

Snow removal

The Toyama Branch removes snow from roads and parking lots, working together with neighboring companies, contributing to safety in the community.



CSR report that communicates commitment as a paper trading company

The contents of the CSR Report 2013 appear to have an orthodox composition in compliance with Guidelines at first glance. I felt, however, that this report employs standard expressions, while clearly expressing the “standpoint” of your company as a trading company or moreover, a paper trading company.

It is a common practice for CSR reports to allocate a substantial number of pages for core operations: for example, in the case of manufacturing, proper operations of plants as well as management and distribution of products manufactured there. For the manufacturing industry, the key of the report is the means of discussing in a persuasive manner how important manufacturing is, including its social responsibility, and the contents develop around that point.

As a paper trading company, your report is produced in accordance with the Ministry of the Environment “Environmental Report Guideline” and “ISO26000,” naturally satisfying certain standards, and can be evaluated in the effort to satisfy the basics.

In a sense that the commitment of your company as a genuine paper trading company is expressed in the “round-table discussion” and other places and that the commitment is consistent throughout all pages. I felt a sense of sincerity from your attitude and style of the expression. We can safely say that expressed in this report are your attitude to succeed the blessings of nature (wood and paper) as the basis of the company and contribute to the global environment.

Thinking that establishing this attitude, as the foundation of management, promoting it thoroughly and conducting corporate activities will consequently lead to “profits,” this attitude is likely to be an important key to your CSR efforts from now on.

Of the practical activities, the tree planting activity draws attention. The activity seem to be a “matter of course” for a trading company dealing in paper, but it is important for this very reason, and continuing a “matter of course” is important. For your company, protecting forests is a lifeline, and I hope you extend these activities on a daily basis and indeed continue them.

Though you have continued social contribution activities as a company for many years, this year’s publication of a CSR report is only the second one, and I would like you to give more contrivances including a clear explanation as to why you tackle individual measures based on your CSR strategies and strive to publish a report not just out of obligation.

I expect that you will continue to address the challenge, keeping in mind that “continuous daily actions that are matters of course and aware of society” will create an improved report.



Naigai News Co. Ltd.
President
Eiji Chiba

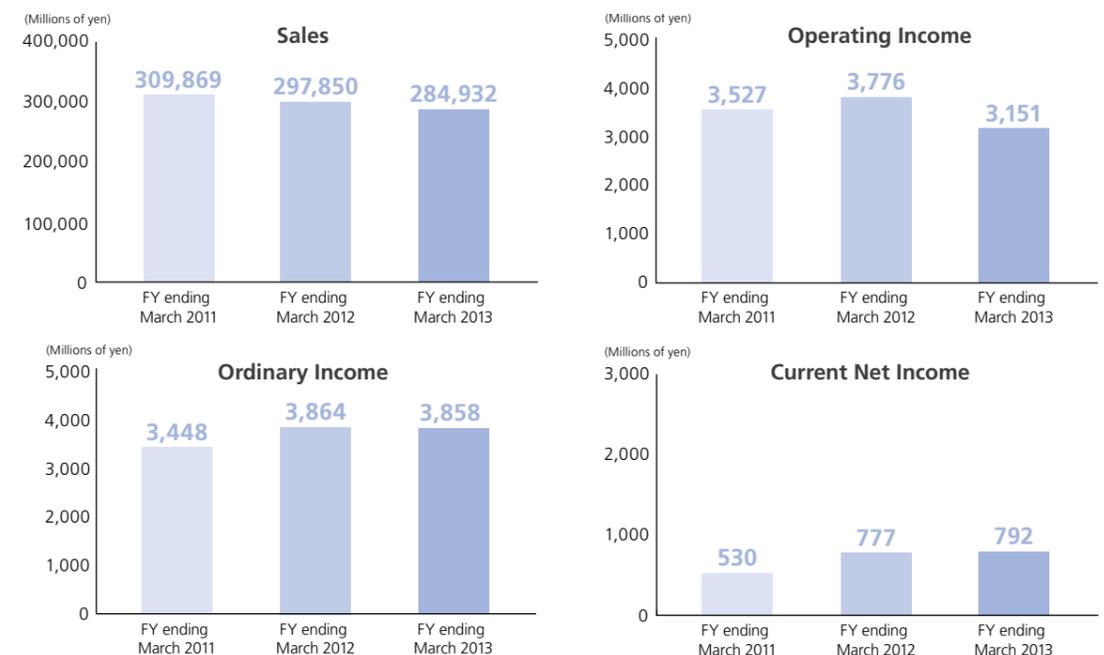
Profile

Born in Kesenuma, Miyagi Prefecture in April 1947. Graduated from Graduate School of Theology, Doshisha University, in 1973. After graduation, he served as a lecturer, Kyoto Seika Junior College (currently Kyoto Seika University), Rodokijunshidokyokai, Managing Director of Maiyu Shimbun Insatsu Co., Ltd.; he was inaugurated president, Naigai News Co., Ltd. in 2008. He is the publisher of the weekly “Sekai to Nippon” and the monthly “Sekai to Nippon.” He hosts Naigai News Kondankai (lecture meetings) at 18 branches and branch offices.

Corporate Overview

Company name	SHINSEI PULP & PAPER COMPANY LIMITED
Head Office/Central Branch	1-8, Kandanishikicho Chiyoda-Ku, Tokyo, 101-0054 Japan
Established	November 3, 1889
Incorporation	March 14, 1918
Capital	3,228,000,000 yen
Line of business	Paper, pulp, chemicals, processed paper, architectural materials, machinery, equipment, etc.
Number of employees	660 (As of June 24, 2013)
Domestic business sites	7
Description of business	<ol style="list-style-type: none"> 1. Sales and processing of paper, pulp, chemicals, and chemical products as well as the sales of paper products 2. Sales and lease of paper processing machines, printing machines, packing equipment, synthetic resin processing equipment, industrial electric equipment, transportation machines, communication equipment, office equipment and accessories 3. Sales and lease of packing materials, printing and bookbinding materials, architectural materials and papermaking materials 4. Brokerage, wholesale, agency and import/export of any of the foregoing items 5. Business system design, installation, supervision, and contracting of any of the foregoing items 6. Trusted development of land as well as sales/purchase, rental/lease and supervision of land and building 7. Room rental and parking lot service 8. Warehouse service and automotive transportation business 9. Interior finishing work 10. Investment in business associated with any of the foregoing items 11. Non-life insurance agency and insurance agency based on the Automobile Accident Compensation 12. Life insurance solicitation 13. Sales of books, magazines, and stationery 14. Any other business incidentals or relating to the businesses referred to in any of the foregoing items
Welfare facilities	Five locations across Japan

Business result report (independent)



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