

MANAGEMENT VISION

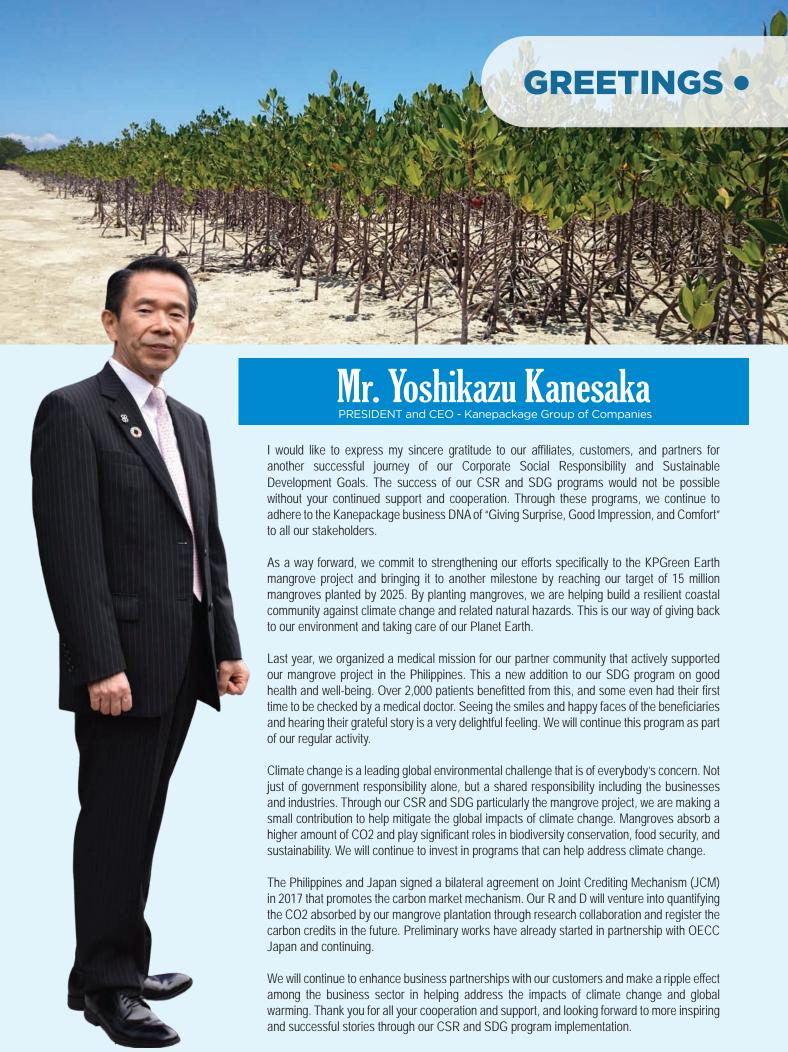
We deliver "Surprise", "Good Impression", and "Comfort" to as many countries/customers as possible in a speedy and timely manner through our package design, package, and services.

We also aim to be an excellent company by strengthening the trust of stakeholders and corporate value.

TABLE OF CONTENTS



Greetings from the President / CEO
Company Profile
Kanepackage Group CSR and SDG
Mangrove Project Update04
Mangroves and Climate Change Mitigation
Mangrove Planting
Business Partnerships for Mangrove Project
29th Mangrove Planting and Tour06
Voion Corporation Executives Join Our Mangrove Planting06
MUFG Supports Our Mangrove Project
32nd Company Mangrove Planting and Tour07
SDG and Climate Change Action
Community Outreach
Books and School Supplies Donation to Day Care Centers
Christmas Gift-giving09
Medical Mission
Sanko and Koushin Companies Donate Medical Equipment
Giving Hope by Giving Sight: A Success Story of Eye Surgery
Recognition & Branches
Messages from the President's, Exicutive Director's and Director
KP CSR and Sustainable Development Goals



COMPANY PROFILE

Company Name - Kanepackage Co., Ltd.

Establishment - September 29, 1976

Capital - 50,000,000 JPY

Number of Employees - 1,540 (including employees of affiliates)

Line of Business - Design, testing, manufacturing and sale of various

types of cushioning products

• Sale of corrugated boards and packages for office appliances such as Soft Pack (management of export

kit products, packing and total distribution services)

Officers - Chairman - Mr. Sakutaro Kanehira

President - Mr. Yoshikazu Kanesaka

Managing Director - Mr. Kenji Takamura

Director - Mr. Akira Katsuno

KANEPACKAGE GROUP CSR AND SDG •

Kanepackage Group's Corporate Social Responsibility (CSR) and Sustainable Development Goals (SDGs) encompass three main themes: 1) Environment; 2) Support for People, and 3) Safety, Sustainability and Innovation.

The company commits to being a carbon-neutral company by the year 2050 through the reduction of greenhouse gas emissions in its operations and by offsetting its emissions through the carbon absorption of mangroves.

We will continue to invest in green infrastructures and in blue carbon projects to help mitigate the impacts of climate change.









Mangrove rehabilitation and development forest and blue carbon project



Support for education, school building project and scholar-ship program

Safety, Security & Welfare
3 COULEUT 9 MARKET 11 SOCIALABLE STATE 11 SOCIALABLE STATE STAT

Alternative livelihood and health clinic project, and technology innovation

MANGROVE PROJECT UPDATE •





TOTAL MANGROVES PLANTED: 14,207,070

- **OLANGO ISLAND, CEBU**
 - PLANTED MANGROVES: 450,575
 - AREA: >10 HECTARES
 - NUMBER OF BENEFICIARIES: 35 MEMBERS

BANACON ISLAND, BOHOL

- PLANTED MANGROVES: 13,428,644
 - AREA: 275 HECTARES
- NUMBER OF BENEFICIARIES: 230 FAMILIES
- TANJAY, NEGROS ORIENTAL
 - PLANTED MANGROVES: 221,000

BADIAN, CEBU

- PLANTED MANGROVES: 82,351
 - AREA: >6 HECTARES
- NUMBER OF BENEFICIARIES: 81 MEMBERS
- 5 **BINALBAGAN, NEGROS ORIENTAL**
 - PLANTED MANGROVES: 24,500AREA: 2.5 HECTARES
 - NUMBER OF BENEFICIARIES: 47 MEMBERS

2

MANGROVES AND CLIMATE CHANGE MITIGATION

Climate change is one of the most pressing environmental challenges globally. Some of its consequences are rising sea levels, extreme weather events, and disruptions to ecosystems, biodiversity, and livelihood. Its impacts are becoming more evident in several parts of the world.

In the fight against climate change, the mangrove ecosystem gained more attention as an essential part of mitigation initiatives. One of the most critical roles of mangroves in fixing climate change lies in their ability to sequester higher amounts of CO2. Mangroves capture atmospheric carbon and store it in their roots and sediments. The intricate root systems of mangrove trees trap and hold significant amounts of carbon, preventing it from being released back into the atmosphere. Estimates suggest that mangroves sequester up to five times more carbon per hectare than terrestrial forests.

Kanepackage has implemented mangrove rehabilitation in the Philippines since 2009 and already planted over 14 million mangroves. This is a great initiative to help reduce the CO2 and help the Philippines achieve its climate change mitigation targets.

MANGROVE PLANTING •

BUSINESS PARTNERSHIPS FOR MANGROVE PROJECT

Our customers and partners from Japan came to the Philippines to join the 28th mangrove planting and tour on October 6 to 9, 2023 in Olango Island. The participants planted 1,000 seedlings with the help and support of the partner community organization - the Olango Island Eco-tour Association.

Through our flagship environmental program - the KPGreen Earth, we made a ripple effect in encouraging and engaging a wider participation among industries and business sectors in mangrove rehabilitation and conservation.

After the planting, we visited the 12-year plantation wherein the participants can see and touch the planted trees which is now about two meters height. Everybody were amazed and delighted of the environment contribution and impact of Kanepackage project.

















MANGROVE PLANTING •

29™ MANGROVE PLANTING AND TOUR

Kanepackage Group strengthened its commitment to KPGreen Earth by conducting another mangrove planting and tour on November 23 to 26, 2023 in Badian, Cebu. This is already the phase 29 mangrove planting activity attended by 31 participants from different affiliates.

With the help and support of the local community, 1,000 seedlings of different kinds were planted. The seedlings that we planted were initially grown by the locals in their backyard plant nursery for about five months.

The company mangrove planting and tour is held twice a year, and representatives from different affiliate branches including overseas come to the Philippines.

As part of the mangrove planting tour, the participants were treated to an unforgettable experience of whale shark watching at Oslob.

















VOION CORPORATION EXECUTIVES JOIN OUR MANGROVE PLANTING

Our mangrove project continually gained wider participation and support from our business partners. On January 14, 2024, Mr. Xiuzhu Ye and Lijun Lin, the President and Vice President respectively of Voion Corporation – joined our mangrove planting in Badian, Cebu. They were joined by Kanepackage Philippines President, Mr. Yuji Kanehira and Mr. I Sen, the Sales Manager of Sanko Corporation.

The guests were warmly welcomed by the members of Peoples Organization (PO) who were at the planting site as early as 7 a.m. They prepared the mangrove seedlings that we planted on that day. The PO also served as our frontliners in the protection and management of the mangrove plantation to ensure the success of our project.

Recently, the Kanepackage Philippines and Voion Corporation entered a new joint venture - the Voion Kane Printing Eco Packing (Philippines) Inc. located at LISP 3, Sto. Tomas, Batangas.









MANGROVE PLANTING

MUFG SUPPORTS OUR MANGROVE PROJECT

Kanepackage's business DNA highlights the value of People and our Planet, not just merely Profit-taking. We believe that taking care of our Planet is not just the sole responsibility of the government, but a shared responsibility. And, businesses have a vital role in taking care of our only Mother Earth.

One of our successful business partnerships in supporting the mangrove project is with MUFG. On February 11, 2024, representatives from MUFG Bank Ltd., Tokorozawa Branch came to Banacon Island, Bohol for a ceremonial planting and recognition. They donated funds to support the planting of 5,000 mangroves.

We are very grateful for this partnership with MUFG in supporting the mangrove project.









32ND COMPANY MANGROVE PLANTING AND TOUR

Kanepackage strengthened its commitment to its KPGreen Earth project by conducting another mangrove planting and tour on February 23 to 26, 2024. This was participated by a total of 35 employees from different affiliate branches both local and overseas.

Our partner local community through the Dungguan Atub Farmers and Fisherfolks Association joined the planting. They prepared the seedlings we planted and they will also take the plantation to ensure the survival and success of the plantation.

Part of this activity is a company visit wherein the overseas participants had a chance to visit KPGroup Philippines and Kanepackage Philippines. After the mangrove planting, we had a chance to explore some of the tourist attractions in the southern part of Cebu.













SDG\(\frac{2}{2}CLIMATE CHANGE ACTION\)

FOREST CARBON PROJECT

Workshop on Joint Crediting Mechanism on Forest Carbon

Kanepackage participated in the workshop on promoting cooperation in the forest sector between the Philippines and Japan under the Joint Crediting Mechanism (JCM) on November 16, 2023 held at the Forest Management Bureau (FMB) in Quezon City, Philippines. The workshop was jointly organized by Mitsubishi UFG Research and Consulting, Co., Ltd, Forest Agency of Japan and FMB.

The JCM facilitates the diffusion of leading decarbonizing technologies, products, systems, services, and infrastructure as well as the implementation of mitigation actions. The Philippines and Japan signed a bilateral agreement for the introduction of JCM in January 2017.

The workshop provided an opportunity for the participants to discuss and share their views about the activities and challenges of the forest sector in the Philippines. Kanepackage had an opportunity to present its mangrove project and its potential to develop into a forest carbon project. Kanepackage Group aims to be a carbon-neutral company by 2050.



COMMUNITY DUTREAGH SUPPLIES DONATION TO DAY CARE CENTERS

BOOKS AND SCHOOL

As part of our commitment to SDG in supporting quality education, we donated books and school supplies to the daycare centers every opening of the school year. The barangay where these day care centers located are is also the beneficiary of our mangrove planting project.

A total of 296 children from the daycare centers of San Vicente (Cebu), Banacon Island (Bohol) and Manipis (Negros Oriental) received books and school supplies. These will enhance the learning of the day care children more efficiently and effectively.

The teacher as well as the parents were very grateful for the continued support of Kanepackage to their community.



CHRISTMAS GIFT-GIV

In time for the Christmas celebration in the Philippines, the Kanepackage Group of Companies gave gifts to the children of daycare centers in Cebu, Bohol, and Negros Oriental. Mr. Yoshikazu Kanesaka, President/CEO, and Mr. Yuji Kanehira - the President of Kanepackage Philippines branch led the giving of gifts to 196 children.

The heartwarming story of A Dog of Flanders was creatively told by Diana Loquite - the Sales Officer from KP Cebu. The opening of gifts brought so much excitement and joy to the faces of children. This made them feel the spirit of Christmas season which was not fully celebrated in the past 3 years due to the pandemic.

Both the parents and teachers were grateful to the management of Kanepackage for this act of kindness and generosity extended to their community.



MEDICAL MISSION

In line with our commitment to SGD, specifically goal number 3 - good health and well-being, we launched our medical mission last May 25-29, 2023 in partnership with the Medicspedition composed of over 40 volunteer medical doctors and healthcare professionals.

During the opening ceremony held at Brgy. San Vicente in Olango Island, Mr. Yoshikazu Kanesaka, the CEO/President of the Kanepackage Group highlighted the importance of taking good care of our health. Mr. Kanesaka also said that Olango Island is his second home. He had been visiting the island since 2008, supporting the environmental and social projects.

About 2,167 patients from Olango Island (Cebu), Banacon Island (Bohol), and Barangay Bankal (Lapulapu City, Cebu) were provided with free medical services including minor surgery, dental, dermal, blood tests, pap smear, electrocardiogram, optometric test, circumcision, and general health check-ups for children and adult. The Medicspedition team brought with them not just dedicated medical experts, but also cutting-edge technology and portable laboratory equipment.

According to the barangay officials, this was the largest medical mission conducted in place and well-provided with pharmaceutical supplies. Kanepackage provided the needed pharmaceutical supplies both prescription and over-the-counter medicines. All the patients received the full dose of prescription medicine, some over-the-counter medicines, vitamins, and even maintenance for the elderly.

Most beneficiaries are not capable of getting medical services due to a constrained budget as their main livelihood depends on fishing. The success of our first medical mission was deeply appreciated by the beneficiaries as well as the barangay officials. We are also grateful to our partner, the Medicspedition team for sharing their time and talent for this noble cause and greater purpose.

The Kanepackage as the organizer and sponsor of this medical mission planned to make this as part of CSR and SDG programs. This is the Kanepackage DNA - giving value to its people and a way of expressing its spirit of giving back to the People and to the Planet, not just merely for Profit.





COMMUNITY

SANKO AND KOUSHIN COMPANIES DONATE MEDICAL EQUIPMENT

Sanko and Koushin companies, affiliated companies of the Kanepackage Group donated medical equipment to the coastal community in Cebu and Bohol. The donation was turned over during the medical mission organized by Kanepackage last May 25, 2023 in San Vicente, Lapulapu City, Cebu.

There were 3 units of portable suction machines and 3 units of manual resuscitator machine donated to the health centers of Barangays San Vicente (Cebu) and Banacon (Bohol) and to Medicspedition - our partner medical team.

Both the Sanko and Koushin companies through the visionary leadership of Mr. Yoshikazu Kanesaka expressed their desire to help selected barangay health centers where the Kanepackage mangrove project is implemented as an appreciation to the community actively involved in achieving the success of the mangrove project.



GIVING HOPE BY GIVING SIGHT: A SUCCESS STORY OF EYE SURGERY

The success story of our medical mission on May 25 to 28, 2023 did not end on the day of giving medical services only; but extended up to the successful eye surgery. One success story is with CJ Pejanco, a 10-year-old boy and a resident of Olango Island who was found to have a severe eye cataract and referred for immediate surgery.

Upon knowing the report of severe cases of some patients, Mr. Yoshikazu Kanesaka did not hesitate to express his support. So, the referred cases of patients for further assessment were brought to the Vicente Sotto Memorial Medical Center (VSMMC) together with Jean Calapuan of KPGroup Philippines. And, only CJ got the priority for his eye operation.

CJ underwent further assessments and laboratories through the financial support of Kanepackage. After he was cleared from all necessary tests and laboratories, his left and right eye cataract surgery was done on August 16, 2023 at the VSMMC. Post-operation check-ups were done from time to time to monitor his recovery.

Now, CJ's eyesight is already clear and he can live a normal life just like anyone else, free from the bullying of his classmates and playmates. His parents were very thankful to the Kanepackage for helping with the surgery of CJ.



RECOGNITION



Certificate of Recognition

Brgy. San Vicente, Lapulapu City May 25, 2023



Environmental Champion Award

LIMA TECHNOLOGY Lima Locators Lima Estate Malvar Batangas March 22, 2024



Plague of Recognition

Department of Education Region VII -Schools Division of Mandaue December 7, 2023



Certificate of Recognition

Department of Education Region VII -Manadaue City Central SPED School July 10, 2023



JAPAN KANEPACKAGE CO. LTD.

- Head Office Iruma, Saitama
- Touhoku Branch
- Shirakawa Branch
- Kashiwa, Chiba Branch
- Osaka Branch
- Kanagawa Branch
- Ome, Tokyo Branch

Established: September 29, 1976

PHILIPPINES KANEPACKAGE PHILIPPINE INC.

- Laguna Plant- Calamba Laguna
- LIMA Plant-Malvar Lipa Batangas FPIP Factory-Sto. Tomas Batangas Cebu Warehouse-MEPZ1,
- Lapu Lapu City, Cebu
- Cavite Warehouse-Rosario Cavite

Established: August 08, 1996

SUPERFLEX LOGISTIC INC.

- Binan Laguna

Established: May 14, 2004

KPGROUP PHILIPPINES INC.

- Alabang Muntinlupa Established: July 09, 2011

THAILAND KANEPACKAGE (THAILAND) CO. LTD.

- Ayutthaya, Thailand

Established: February 26, 2006

VIETNAM KANEPACKAGE VIETNAM CO. LTD.

Hanoi Branch - Dong Anh District, Hanoi Amata Branch - Bien Hoa Town Ho Chi Minh

Established: May 31, 2005

INDONESIA PT. KANEPACKAGE INDONESIA

Lippo Cikarang, Bekasi Established: January 03, 2012

CHINA

KANEPACKAGE HONGKONG CO. LTD KANEPACKAGE(SUZHOU)CO.,LTD.

Established: 2005

MESSAGES



Mr. Kenji Takamura KANEPACKAGE CO. LTD. Executive Director

Kanepackage views sustainability management as one of the practical business strategies to strengthen our business, and we are making efforts to enhance sustainable corporate value through various activities from the perspectives of "Environment," "Society," and "Governance."

I believe this is exactly the right word when it comes to our environmental initiatives. We believe that contributing to the sustainability of society is a corporate responsibility, and we are confident that our early efforts to protect the environment and reduce carbon

dioxide (CO2) emissions will earn the trust of our stakeholders.

In 2024, we will further accelerate our activities, and all employees will work together to develop high-value products and create new businesses.

Mr. Akira Katsuno KANEPACKAGE CO. LTD. Director

It has been 28 years since our overseas division began with our initial venture into the Philippines. Currently, we have expanded to 6 countries with 13 locations, employing over 1200. The business expands annually, as well as the rapid changes in the current environment. Within this framework, it is imperative for us to operate sustainable businesses in each country, considering the global environment and harmonizing with local communities. Our mangrove planting initiative, initially launched as part of our CSR activities, is nearing the milestone of 15 million trees planted, signaling a transition



to a new phase. Moving forward, we aim to conduct scientific analyses to measure carbon sequestration and pursue carbon credits. We are committed to sustaining these efforts towards achieving a sustainable future. We will consistently bear in mind our environmental responsibilities, adhere to compliance standards, and actively contribute to the SDGs.



Mr. Yuji Kanehira
KANEPACKAGE PHILIPPINE INC.
SUPERFLEX LOGISTIC INC
President

We at Kanepackage Philippines are always looking for ways to make innovations and become an eco-friendly business. Recently, we have installed solar power generation systems in our Laguna and LIMA factories using the JCM-two-country trading system. This initiative is part of our commitment to shift towards renewable energy, reduce our greenhouse gas emissions, and for sustainability in the packaging industry.

In the Philippines, thermal power generation is now growing into the mainstream. We started to invest in solar power and shift toward renewable energy because we want to contribute to environmental conservation by using clean energy with a small amount of power. I hope this company's initiative will also encourage our employees to be more conscious about our environment.

Mr. Seigo Yagi
KANEPACKAGE PHILIPPINE INC.
SUPERFLEX LOGISTIC INC
Executive Vice President



Through our environmental efforts, we have not only made a positive impact on the planet, but we have also been able to provide medical support, expanding the scope of our initiatives.

The employees who have participated in these projects feel a sense of pride in our company's efforts and have become even more dedicated to our cause.

We are committed to continuing our work on environmental issues and hope that those involved will find happiness and fulfillment in this initiative.

Thank you all for your support





Mr. Jumpei Ishizaki
PT. KANEPACKAGE INDONESIA
President

We have been actively engaged in tree planting and social welfare initiatives long before the term "SDGs" was coined. The sustained efforts over the years have indeed led to activities that embody sustainability, thanks to everyone involved in our company's operations. We sincerely thank you once again. Indonesia, with its substantial population and notable economic growth, also faces numerous challenges such as water pollution, deforestation, air pollution, and widening economic and welfare disparities. As a company expanding into Indonesia, we will continue our efforts to give back to the community and contribute positively to address these issues.

Mr. Junichi Shitara KANEPACKAGE VIETNAM CO. LTD. President

In 2020, the Vietnamese Government set a target of reducing greenhouse gas emissions by 8% to 25% by 2030 compared to year 2010. This is to maintain the country's economic growth while pursuing sustainable development and environmental protection.

The Vietnamese Government is also actively promoting the introduction of renewable energy.

Our company also considering the introduction of solar power generation.

Environmental commitment is an essential responsibility for us at Kanepackage group. Through the production of products and process improvements, we are working to minimize environmental impact. In addition to that we are also working on paper loss offices in reducing the area.

We are also actively working on environmental friendly design and material selection, We are actively working to reduce our environmental impact. This is not just an obligation, but It is part of the Kanepackage vision.

We believe that our efforts will lead to a more sustainable future.



Mr. Yoshihisa Kaida KANEPACKAGE THAILAND President

Kanepackage Group is actively engaged in establishing a new framework in line with international efforts to combat climate change, aiming to achieve a balance between economic development and environmental conservation. This initiative is not only a testament to our corporate social responsibility but also essential for ensuring the sustainability of our business endeavors. According to a survey conducted by the Ministry of Foreign Affairs, Asian markets overwhelmingly dominate Japanese companies' overseas expansion in 2017, comprising 70% of the total share. While North America follows at 12.5%, Thailand emerges as the most noteworthy market in Southeast Asia. In such a competitive landscape, we are committed to maintaining competitiveness

Aligned with our group policy of "Surprise, Impression, and Comfort," all employees, including those at Kanepackage Thailand, are working together to achieve our objectives. Through proposal activities aimed at reducing environmental impact, we fulfill our corporate social responsibility while enhancing our competitive edge.

Moving forward, we remain dedicated to building a more sustainable future. We sincerely appreciate your understanding

Moving forward, we remain dedicated to building a more sustainable future. We sincerely appreciate your understanding and support.



CONTINUING AND SHORT-TERM GOALS

- REGULAR COMPANY AND COMMUNITY MANGROVE PLANTING
- MEDICAL MISSION AND TURN-OVER OF CLINIC BUILDING
- SCHOLARSHIP PROGRAM FOR COMMUNITY BENEFICIARIES

LONG-TERM GOALS

- MANGROVE MILESTONE CEREMONY IN 2025 TO CELEBRATE THE 15 MILLION MANGROVES
- DEVELOPMENT OF FOREST CARBON PROJECT
- CARBON-NEUTRAL COMPANY BY 2050

