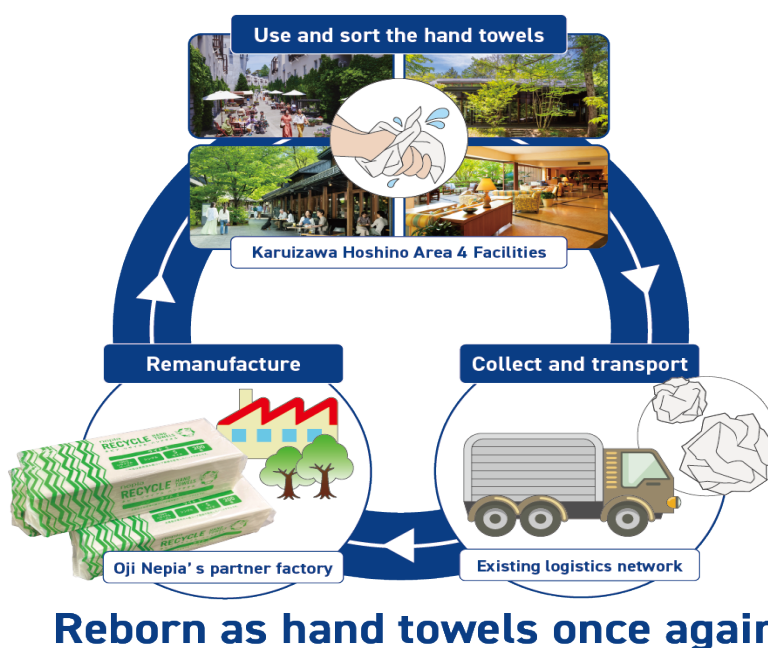


## Establishment of a Horizontal Recycling System for Paper Hand Towels

### ~ Launching at Four Hoshino Resorts Facilities from June 1<sup>st</sup> ~

Oji Holdings Corporation (President: Hiroyuki Isono, Headquarters: Chuo-ku, Tokyo) and its group company, Oji Nepia Co., Ltd. (President: Takayuki Moridaira, Headquarters: Chuo-ku, Tokyo), have jointly launched a horizontal recycling system for paper hand towels with Hoshino Resorts (Representative: Yoshiharu Hoshino, Headquarters: Karuizawa, Nagano Prefecture).

From June 2024, we have been collecting used paper cups from "Hoshino Onsen Tombo no Yu", recycling them into Nepia Hand Towels, and reusing them at the same location. In this initiative, paper hand towels, including Nepia Hand Towels, are collected at four Hoshino Resorts facilities and reprocessed into Nepia Hand Towels at Oji Nepia's partner factory. This establishes a complete circular recycling system by achieving "Hand Towel to Hand Towel" horizontal recycling, in addition to the existing recycling of paper cups.



#### Hand towels horizontal recycling system

Used hand towels, which are designed to be strong enough not to tear even when wet, have poor solubility, and generally together with the issue of dirt and odor, they are difficult to recycle. Additionally, there has been no collection route in general, so incineration has been the common disposal method.

In collaboration with our partner company (Tsuchihashi Co., Ltd., Headquarters: Chino City, Nagano Prefecture, President: Takashi Tsuchihashi), we have established a collection route using existing logistics networks. By improving solubility with unique technology at Oji Nepia's partner factory, we have successfully and efficiently recovered the fiber content (pulp) and reprocessed it into hand towels.

Hoshino Resorts has participated in this initiative at four facilities with high volumes of used paper hand

towels: "HOSHINOYA Karuizawa", "Karuizawa Hotel Bleston Court", "Karuizawa Area Sonmin Shokudo" and "RISONARE Yatsugatake." These four facilities were already serviced by Tsuchihashi's regular delivery routes for daily necessities and consumables, so the collection and delivery route for used paper hand towels utilized these existing routes, avoiding new transportation and additional CO2 emissions.

The test period from January 15 to February 14, 2025, saw the collection of 58.3 kg of used paper hand towels from the four facilities. This equates to approximately 700 kg annually, which can be reprocessed into about 2,917 packs of nepia hand towels (200 sheets per pack) annually. The recycled Nepia hand towels are planned to be used at the aforementioned four facilities.

\*) Using used products as raw materials to create the same new products.



**The Usage and Collection of Hand Towels at  
Four Hoshino Resorts Facilities**

In recent years, the demand for paper as an alternative material for reducing plastic usage has been increasing, and the importance of sustainable material recycling is growing. Oji Group is committed to contributing to the circular use of resources and the realization of a sustainable society.

«Related Release»

> Launch of Material Recycling for Paper Cups in Collaboration with Hoshino Resorts (Japanese only)  
<https://www.ojiholdings.co.jp/portals/0/resources/content/files/news/2024/jp06hp14.pdf>

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