

OJI HOLDINGS

May 14, 2024

Summary of Financial Business Results



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01

FY2023 Result Overview

① Financial Highlights of FY2023 (consolidated)

	(¥ billion)		
	FY2022	FY2023	Increase(Decrease)
Net Sales	1,706.6	1,696.3	(10.4)
Operating Profit	84.8	72.6	(12.2)
[Domestic Companies]	[18.8]	[64.8]	[46.0]
[Overseas Companies]	[66.0]	[7.8]	[(58.2)]
Ordinary Profit	95.0	86.0	(9.0)
Profit Attributable to Owners of Parent	56.5	50.8	(5.7)
Depreciation	73.0	79.5	6.5
Overseas Sales Ratio	37.6%	34.9%	(2.7pt)
Average Exchange Rate (¥/US\$)	135.5	144.6	9.1
Number of Consolidated Companies			
Domestic	92	95	+3
Overseas	104	105	+1
Total	196	200	+4

Domestic : +1[Specialty Paper] ,+2[Lumber Processing]

Overseas : +1[Liquid Packaging Cartons in Italy], +2[Corrugated Containers in Malaysia], +1[Forest Plantation in Uruguay], (1)[Flexible Packaging in Myanmar], (1)[Logistics in Malaysia], (1)[Filter in China]

Equity Method Affiliates : (1)[Domestic(1)]

② Sales and Operating Profit by Segment [FY2023 Result]

(¥ billion)

	FY2022		FY2023		Increase (Decrease)	
	Net Sales	Operating Profit	Net Sales	Operating Profit	Net Sales	Operating Profit
Household & Industrial Materials	780.5	(1.2)	798.7	21.2	18.2	22.5
Functional Materials	219.9	15.5	227.5	9.1	7.6	(6.4)
Forest Resources & Environment Marketing	423.8	68.5	359.6	19.6	(64.2)	(48.9)
Printing & Communications Media	281.0	(4.8)	299.4	16.8	18.4	21.6
Others	1.4	6.8	11.1	5.9	9.7	(0.9)
Total	1,706.6	84.8	1,696.3	72.6	(10.4)	(12.2)

*1: Sales include inter-segment sales *2: Others include adjustment amount

③ Analysis of Operating Profit by Segment

Household and Industrial Materials

Increased profit due to strong domestic market, while overseas business profit decreased.

Increase (Decrease) of Operating Profit

+22.5 bil.

FY2023

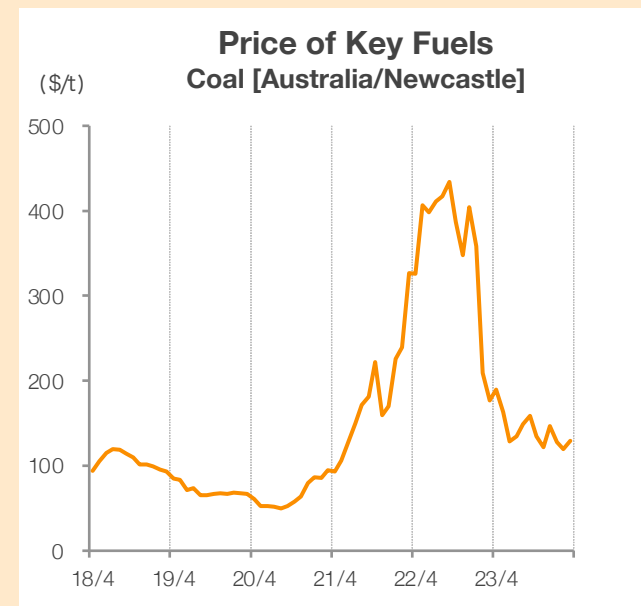
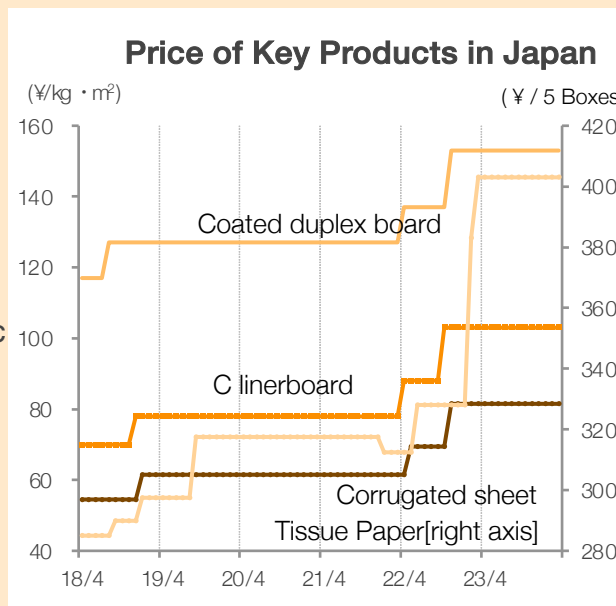
Net Sales	Operating Profit
¥798.7 bil.	¥21.2 bil.
	D ¥26.1b O ¥(4.9b)

Domestic +¥28.0 bil.

Sales & market factor +¥36.1 bil.
 Price difference in raw materials & fuels +¥1.5 bil.
 Other costs (¥9.3 bil.)etc

Overseas (¥5.6 bil.)

Sales & market factor (¥16.9 bil.)
 Price difference in raw materials & fuels etc.



FY2022

Net Sales	Operating Profit
¥780.5 bil.	(¥1.2 bil.)
	D ¥(1.9b) O ¥0.7b

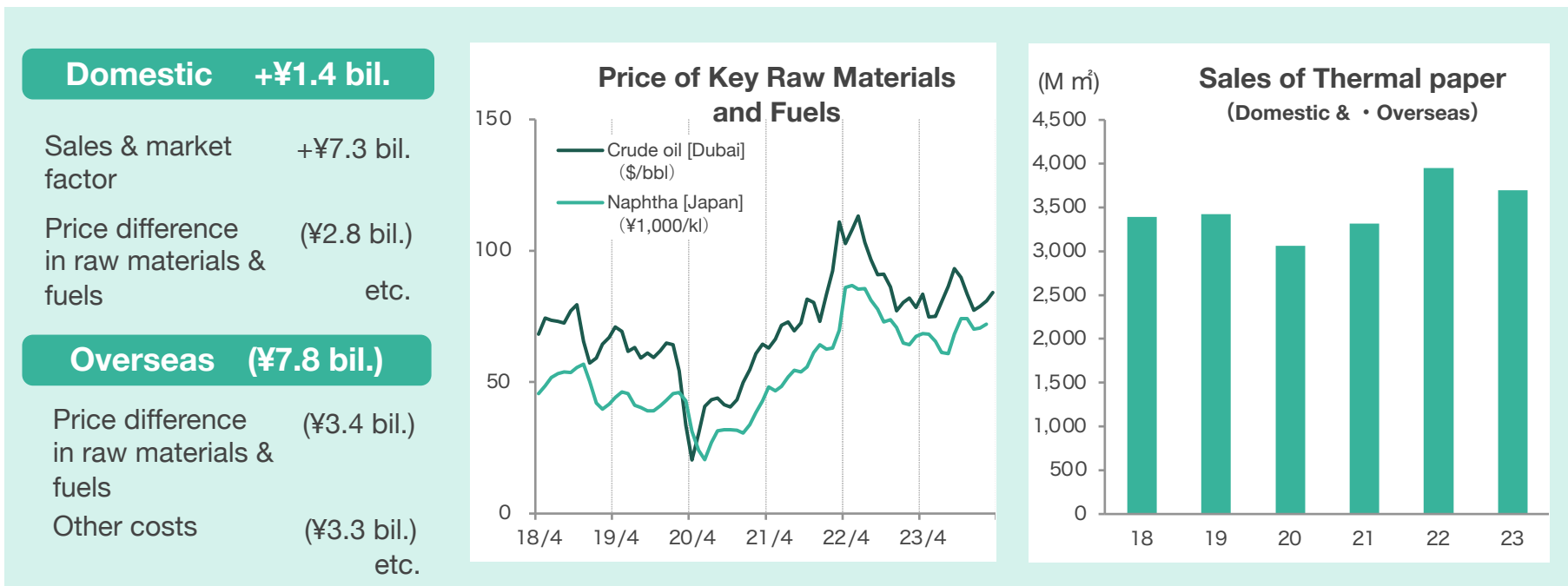
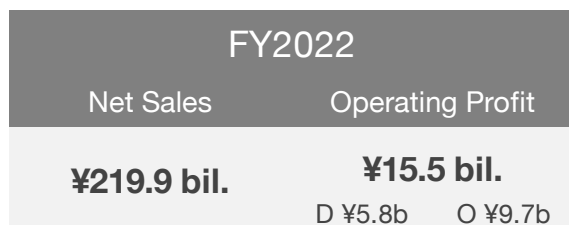
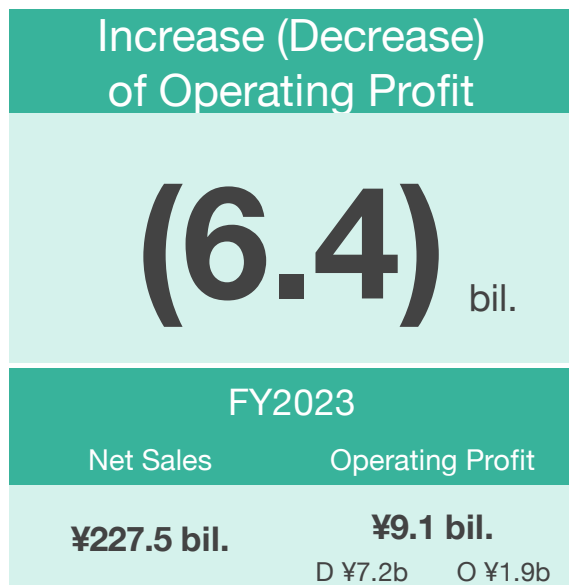
Sales of Key Products (*)	FY2022			FY2023			Increase (Decrease)			
	Sales Volume 1000t(or) million m ²	Unit Price ¥/kg(or)m ²	Sales Amount ¥ billion	Sales Volume 1000t(or) million m ²	Unit Price ¥/kg(or)m ²	Sales Amount ¥ billion	Sales Volume 1000t(or) million m ²	Year-on Year %	Unit Price ¥/kg(or)m ²	Sales Amount ¥ billion
Paperboard Domestic	2,981	78.87	235.1	2,828	86.12	243.6	(153)	94.9%	7.25	8.4
Corrugated container Domestic	3,097	69.39	214.9	2,974	77.18	229.6	(122)	96.1%	7.79	14.7

*Total amount of consolidated Group's manufacturing companies including internal consumption

③ Analysis of Operating Profit by Segment

Functional Materials

Decreased profit due to lower volumes and raw material price differences despite price revisions in domestic and overseas markets



Sales of Key Products (*)	FY2022			FY2023			Increase (Decrease)			
	Sales Volume 1,000t(or) million m ²	Unit Price ¥/kg(or)m ²	Sales Amount ¥ billion	Sales Volume 1,000t(or) million m ²	Unit Price ¥/kg(or)m ²	Sales Amount ¥ billion	Sales Volume 1,000t(or) million m ²	Year-on Year %	Unit Price ¥/kg(or)m ²	Sales Amount ¥ billion
Thermal paper(million Domestic& Overseas)	3,951	22.42	88.6	3,696	24.97	92.3	(255)	93.6%	2.54	3.7

*Total amount of consolidated Group's manufacturing companies including internal consumption

③ Analysis of Operating Profit by Segment

Forest Resources and Environment Marketing

Decreased profits due to cyclone and deteriorating market conditions overseas

Increase (Decrease) of Operating Profit

(48.9) bil.

FY2023	
Net Sales	Operating Profit
¥359.6 bil.	¥19.6 bil.
D ¥5.5b	O ¥14.1b



FY2022	
Net Sales	Operating Profit
¥423.8 bil.	¥68.5 bil.
D ¥7.1b	O ¥61.4b

Overseas (¥47.3 bil.)

PanPac Cyclone Damage (¥7.0 bil.)
Sales & market factor etc. (¥35.8 bil.)

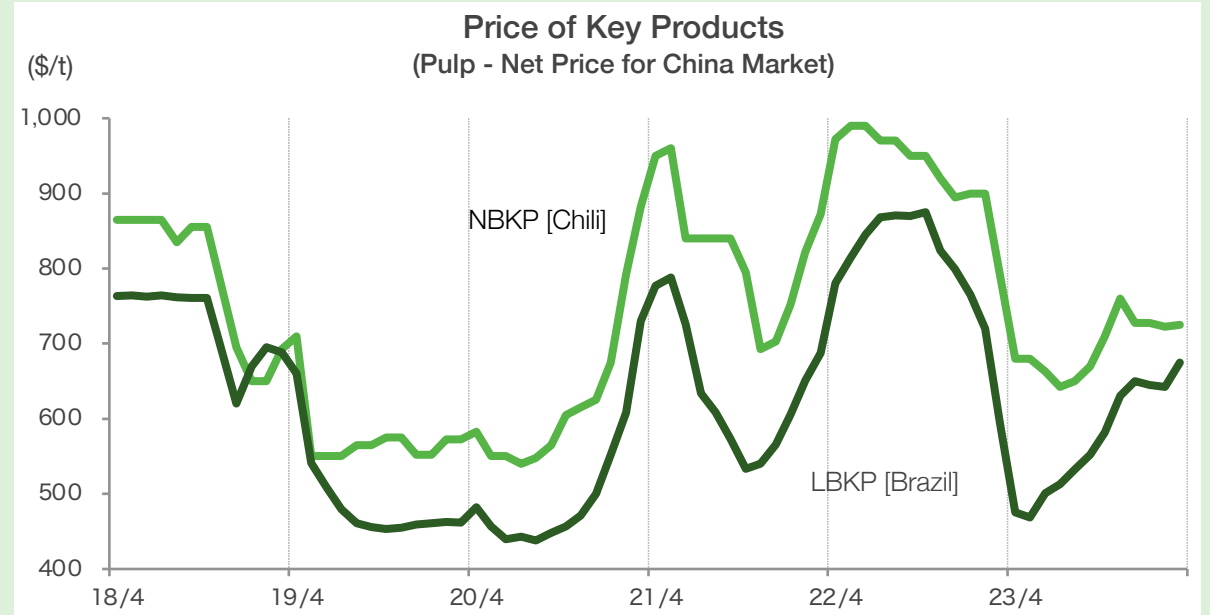
NBKP

920 \$/t	▲195	725 \$/t	765 \$/t	790 \$/t
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LBKP

790 \$/t	▲210	580 \$/t	685 \$/t	710 \$/t
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2022 Result (Jan-Dec) 2023 Result (Jan-Dec) 2024 (Jan-Dec, Assumption) Reference (May, Assumption)



Sales of Key Products (*)		FY2022			FY2023			Increase (Decrease)			
		Sales Volume 1000t(or) million m ³	Unit Price ¥/kg(or)m ³	Sales Amount ¥ billion	Sales Volume 1000t(or) million m ³	Unit Price ¥/kg(or)m ³	Sales Amount ¥ billion	Sales Volume 1000t(or) million m ³	Year-on Year %	Unit Price ¥/kg(or)m ³	Sales Amount ¥ billion
Market pulp	Domestic& Overseas	2,334	103.08	240.6	2,070	91.84	190.1	(264)	88.7%	(11.24)	(50.5)
Electric power (GWh)	Domestic	1,603	-	-	1,723	-	-	120	107.5%	-	-

*Total amount of consolidated Group's manufacturing companies including internal consumption

③ Analysis of Operating Profit by Segment

■ Printing and Communications Media

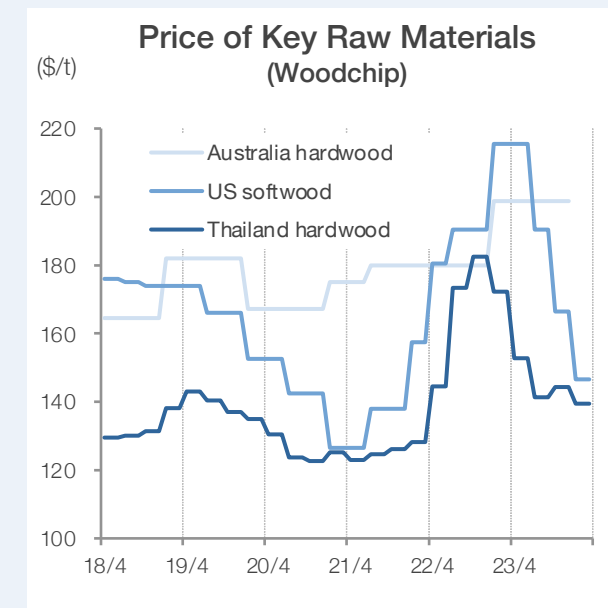
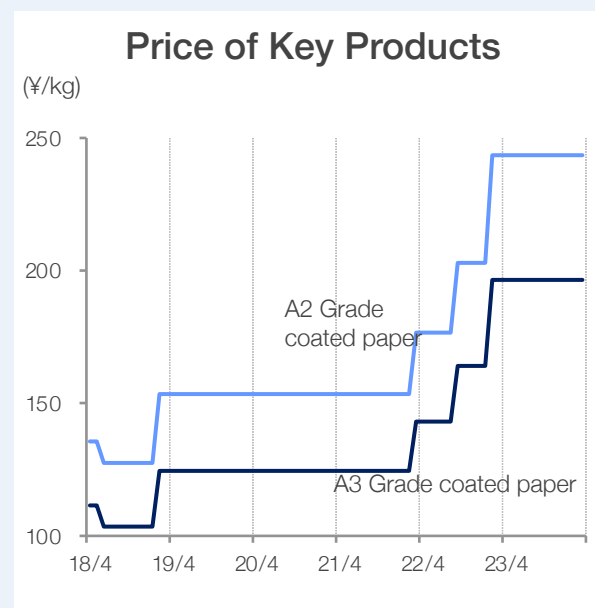
Increased profits due to strong domestic market

Increase (Decrease) of Operating Profit	
+21.6 bil.	
FY2023	
Net Sales	Operating Profit
¥299.4 bil.	¥16.8 bil.
D ¥17.4b O ¥(0.6b)	



FY2022	
Net Sales	Operating Profit
¥281.0 bil.	(¥4.8 bil.)
D ¥(2.0b) O ¥(2.8b)	

Domestic +¥19.4 bil.	
Sales & market factor	+¥29.3 bil.
Price difference in raw materials & fuels etc.	(¥2.0 bil.)
Overseas +¥2.2 bil.	
Price difference in raw materials & fuels	+¥4.0 bil.
Sales & market factor etc.	(¥0.2 bil.)



Sales of Key Products (*)	FY2022			FY2023			Increase (Decrease)			
	Sales Volume 1000t(or) million m ³	Unit Price ¥/kg(or)m ³	Sales Amount ¥ billion	Sales Volume 1000t(or) million m ³	Unit Price ¥/kg(or)m ³	Sales Amount ¥ billion	Sales Volume 1000t(or) million m ³	Year-on Year %	Unit Price ¥/kg(or)m ³	Sales Amount ¥ billion
Newsprint, printing & Domestic	1,838	106.75	196.2	1,693	126.43	214.0	(145)	92.1%	19.68	17.9

*Total amount of consolidated Group's manufacturing companies including internal consumption



02

FY2024 Financial Forecast

① Financial Forecast for FY2024 (consolidated)

	(¥ billion)		
	FY2023	FY2024F	Increase(Decrease)
Net Sales	1,696.3	1,950.0	253.7
Operating Profit	72.6	95.0	22.4
[Domestic Companies]	[64.8]	[54.0]	[(10.8)]
[Overseas Companies]	[7.8]	[41.0]	[33.2]
Ordinary Profit	86.0	100.0	14.0
Profit Attributable to Owners of Parent	50.8	75.0	24.2
Depreciation	79.5	92.0	12.5
Overseas Sales Ratio	34.9%	41.6%	6.7pt
Average Exchange Rate(¥/US \$)	144.6	155.0	10.4

Assumption for
FY2024 Financial Forecast

◆ Assumption

Exchange rates	:155JPY/USD
Woodchip	:based on current contract
Recovered paper	:static at current level
Coal	:based on current Australia coal price (US\$130/t)
Heavy Oil	:based on current Dubai crude oil price (US\$86/bbl)

◆ Effects of fluctuation on operation profit (per annum)

Exchange rates	[JPY]	: approx. ¥0.66 billion with a fluctuation of US\$ by 1% (strong US\$ -)
	[BRL]	: approx. ¥0.6 billion with a fluctuation of US\$ by 1% (strong US\$ +)
	[NZD]	: approx. ¥0.94 billion with a fluctuation of US\$ by 1% (strong US\$ +)
Price of pulp		: approx. ±¥3.39 billion with a fluctuation of US\$10/t (high price +)
Price of woodchip		: approx. ±¥4.89 billion with a fluctuation of US\$10/BDt (high price -)
Price of recovered paper		: approx. ±¥3.05 billion with a fluctuation of ¥1/kg
Price of Dubai crude oil		: approx. ±¥0.35 billion with a fluctuation of US\$1/bbl (heavy oil, bunker, naphtha and others)

② Sales and Operating Profit by Segment [FY2024 Forecast]

(¥ billion)

	FY2023		FY2024F		Increase (Decrease)	
	Net Sales	Operating Profit	Net Sales	Operating Profit	Net Sales	Operating Profit
Household & Industrial Materials	798.7	21.2	855.0	20.0	56.3	(1.2)
Functional Materials	227.5	9.1	247.0	11.0	19.5	1.9
Forest Resources & Environment Marketing	359.6	19.6	442.0	47.0	82.4	27.4
Printing & Communications Media	299.4	16.8	298.0	12.0	(1.4)	(4.8)
Others	11.1	5.9	108.0	5.0	96.9	(0.9)
Total	1,696.3	72.6	1,950.0	95.0	253.7	22.4

*1: Sales include inter-segment sales *2: Others include adjustment amount



③ Operating Profit by Segment

		FY2023	FY2024F		
Household & Industrial Materials	Net Sales	798.7	855.0	Operating Profit (1.2)	Domestic (3.0 bil.) Overseas +1.8 bil.
	Operating Profit	21.2	20.0		
	[Domestic]	[26.1]	[23.1]		
	[Overseas]	[(4.9)]	[(3.1)]		
	Operating Margin	2.7%	2.3%		
Functional Materials	Net Sales	227.5	247.0	Operating Profit +1.9	Domestic (1.3 bil.) Overseas +3.2 bil.
	Operating Profit	9.1	11.0		
	[Domestic]	[7.2]	[5.9]		
	[Overseas]	[1.9]	[5.1]		
	Operating Margin	4.0%	4.5%		
Forest Resources & Environment Marketing	Net Sales	359.6	442.0	Operating Profit +27.4	Domestic +0.9 bil. Overseas +26.5 bil.
	Operating Profit	19.6	47.0		
	[Domestic]	[5.5]	[6.4]		
	[Overseas]	[14.1]	[40.6]		
	Operating Margin	5.5%	10.6%		
Printing & Communications Media	Net Sales	299.4	298.0	Operating Profit (4.8)	Domestic (6.1 bil.) Overseas (1.3 bil.)
	Operating Profit	16.8	12.0		
	[Domestic]	[17.4]	[11.3]		
	[Overseas]	[(0.6)]	[0.7]		
	Operating Margin	5.6%	4.0%		



④ Impact on Operating Profit from External Environment

(¥billion/year)

Impact on operating profit from:				Household & Industrial Materials	Functional Materials	Forest Resources & Environment Marketing	Printing & Communications Media	Total
◆ Changes in exchange rates								
<small>Assumed exchange rates for FY2024</small>								
Impact from USD fluctuation on trade & profit-conversion (in case of stronger USD by 10%)	Japanese Yen	(※)	155.00 JPY/USD	↓	↓	↑↑	↓↓	↓↓ (6.6)
	Brazilian Real	(BRL)	5.10 BRL/USD			↑↑		↑↑ +6.0
	New Zealand Dollar	(NZD)	1.66 NZD/USD	↑		↑↑↑		↑↑↑ +9.4

(※) The figure includes the effect of conversion of profit in USD to JPY

◆ Changes in pulp prices				Household & Industrial Materials	Functional Materials	Forest Resources & Environment Marketing	Printing & Communications Media	Total
Pulp sales & purchase (USD 10/t higher)				↓	↓↓	↑↑	↓	↑↑ +3.4

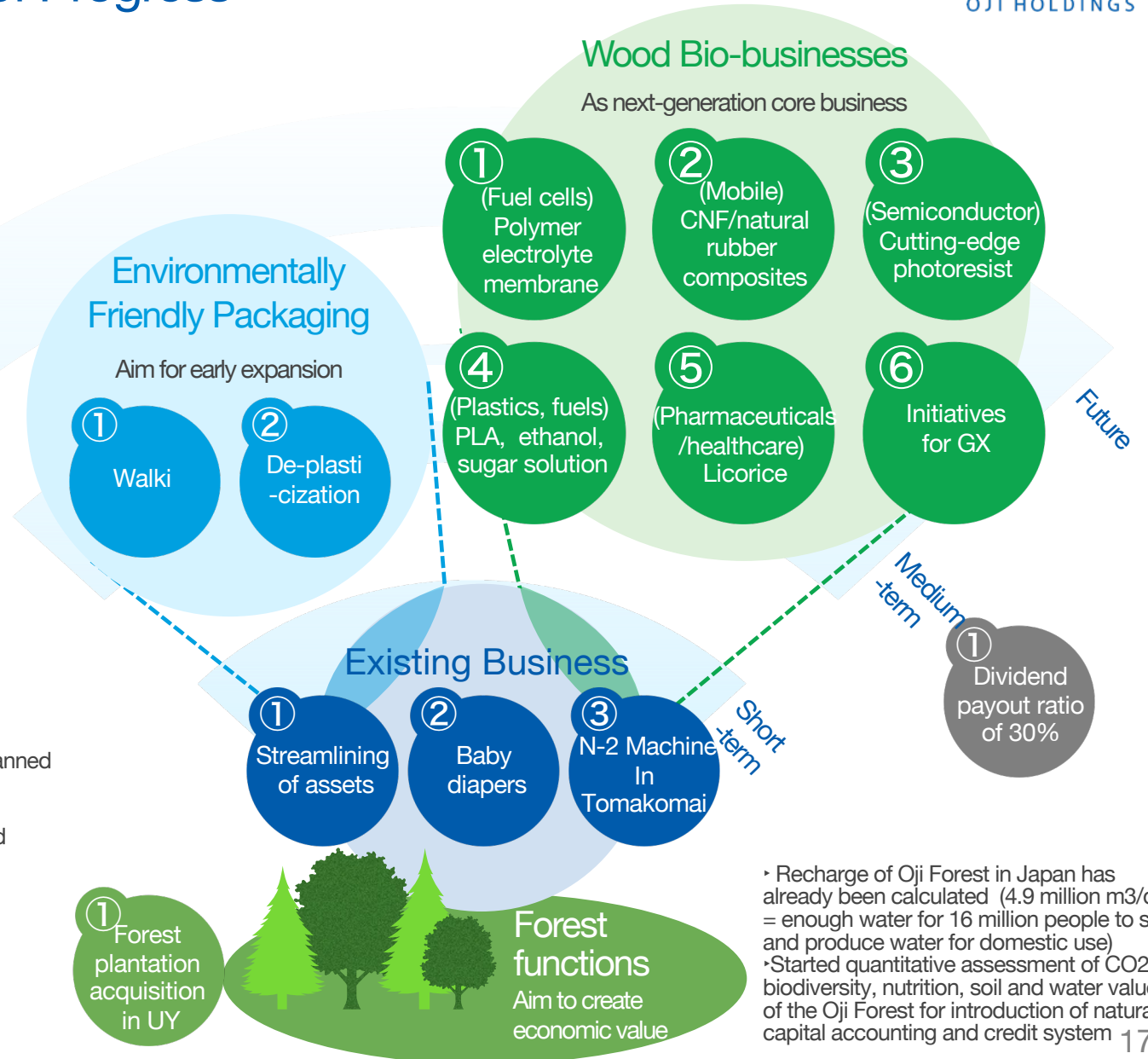
03

Topics

Initiatives for Sustainable Growth –State of Progress



① Forest plantation acquisition in UY	•Plans to acquire 41,000 ha of plantations in Uruguay
① Streamlining of assets	•Accelerate sale of strategic shareholdings •Sell more than 30 billion in FY24-27
② Baby diapers	•Withdraw from low-growth, low-profitability businesses (end of shipments in September) •Focus on growing sectors/areas in household product business
③ N-2 Machine in Tomakomai	•Restructuring of production system (already decided and implemented in Feb 24) •Convert for wood bio-businesses in the future
① Walki	•Acquisition of a cutting-edge European environmentally friendly packaging company (completed in April).
② De-plasticization	•5,000 t/year replacement of plastic with paper products •Target 100% recycling rate of waste plastic
① (Fuel cells) Polymer electrolyte membrane	•Successful development of high-performance and fluorine-free fuel cell materials(with Yamagata University).
② (Mobile) CNF/natural rubber composites	• Introduction of mass production prototype of composite materials with excellent dimensional stability, high mechanical strength and thermal stability.
③ (Semiconductor) Cutting-edge photoresist	•Fluorine-free semiconductor materials for cutting-edge micro-fabrication.
④ (Plastics, fuels) PLA, ethanol, sugar solution	•World's first successful synthesis of PLA on a bench plant scale •Pilot plants for sugar solution and ethanol are progressing as planned
⑤ (Pharmaceuticals/ healthcare) Licorice	•Establish large-scale cultivation technology for licorice •Considering further expansion of cultivation areas using idle land
⑥ Initiatives for GX	•Alliance concluded for e-methane production project •Promoting the phase-out of coal-fired boilers in FY30 •Participation in the GX propulsion mechanism, a joint government/private sector initiative
① Dividend payout ratio of 30%	•Plan to increase the dividend from ¥16/share in FY23 to ¥24/share in FY24





① Establishment of Company to Acquire Forest Plantation in Uruguay

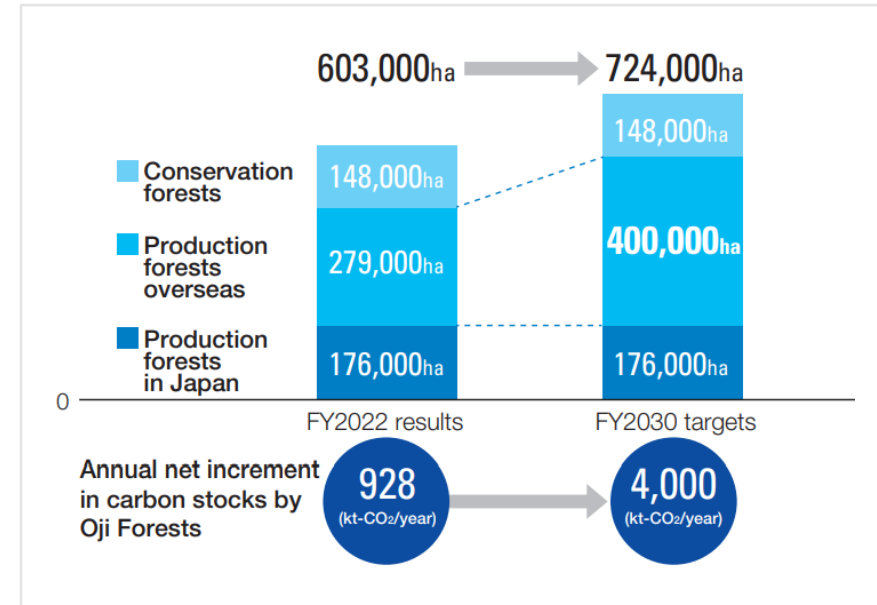
Background

Under our Environmental Action Program 2030, we have set a target of reducing greenhouse gas (GHG) emissions by 70% in FY2030 compared to FY2018. As part of our efforts to achieve this goal, we are expanding our forest plantation in Japan and overseas. (See graph on right)

- **Established Oji Uruguay Forest Company S.A.S* (OUFC) in Uruguay and signed an asset transfer agreement with The Rohatyn Group**

*The current name of OUFC is Oji Uruguay S.A.S., which will be renamed in the future.

- **OUFC has received approval from the Uruguay government authorities to become the owner of the forest plantation.**



【Overview of OUFC】

Name	Oji Uruguay Forest Company S.A.S
HQ	Montevideo, Uruguay
Business	Plantation and timber sales

【Overview of plantation to be acquired】

Area	Total area 41,000 ha
Acquisition Price	288 million USD
Planted Species	Eucalyptus and pine



Plantation overview



Pine forest



Eucalyptus

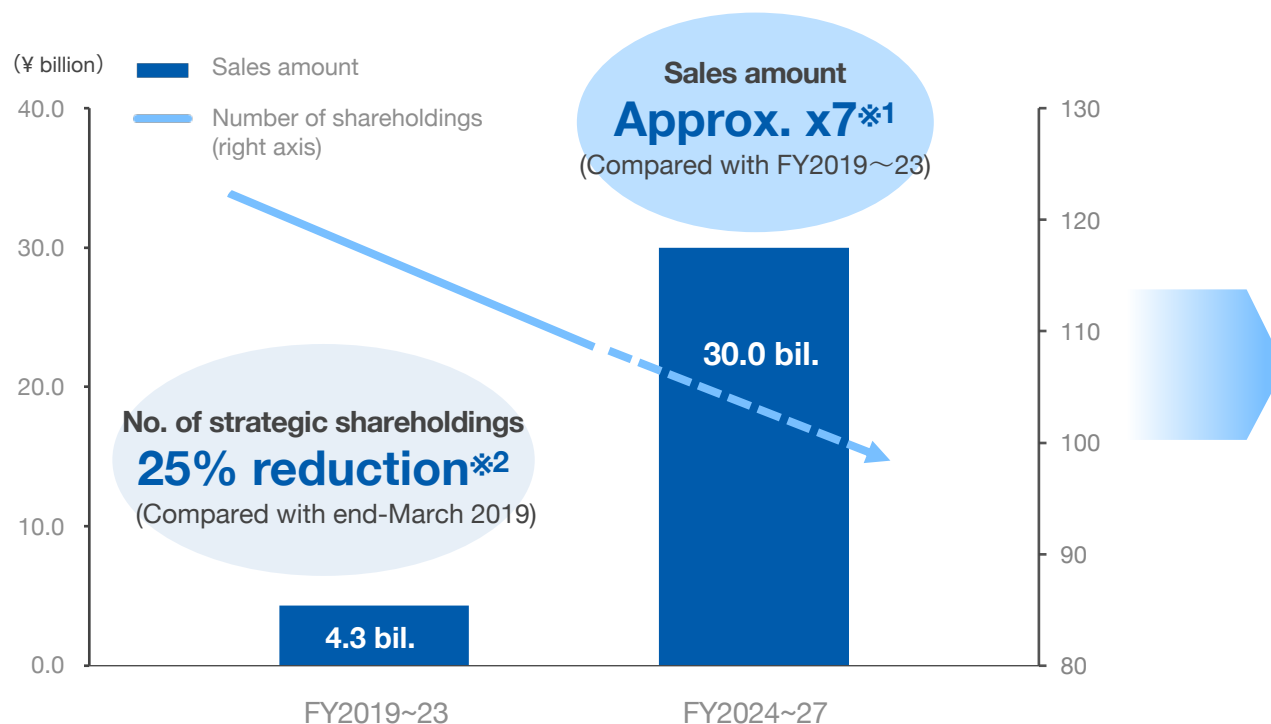


Location of forest plantation (Uruguay)

① Streamlining of Assets

Reduction of strategic shareholdings of Oji Holdings

< Sales amount and the number of strategic shareholdings >



Initiatives for reduction of strategic shareholdings

- Stricter verification of rationality for holding strategic shareholdings.
- Accelerate the reduction of strategic shareholdings after FY2024.
- Reduce more than 30 billion yen in 4 years from FY2024.
- Utilize the funds acquired by the reduction for investments to support sustainable growth, shareholder returns (dividends, acquisition of own shares), etc.

*1 Sales amounts of FY2019~2023 are actual, whereas those of FY2024~2027 are the target based on the market value as of the end of March 2024.

*2 The number of strategic shareholdings reduced is counted only the stocks sold in their entirety.



② Withdrawal from Domestic Baby Diaper Business

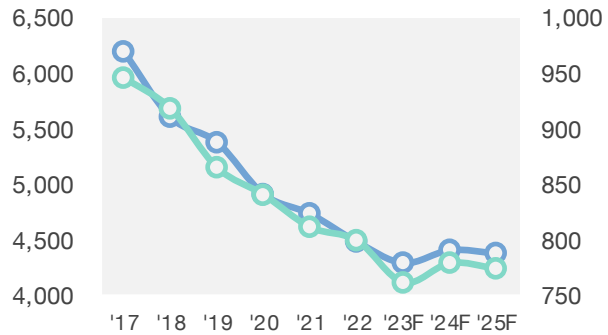
Withdraw from the loss-making business with the market continuing to shrink due to the declining birth rate. Shift management resources to areas with growth potential.

Baby diaper business

Market trends

Due to declining birth rates, the demand for baby diapers is gradually decreasing.

Sales volume/Number of births Trend*



● Sales volume(mil.)
● Number of birth (thousand) (right axis)

*Source : SRI+



Focus resources on growth areas

The prospective for household product businesses

Household paper

- Improve brand value by TV commercials
- Promote product development and improve customer convenience.



Softpack tissue ▶

Baby diapers

- Aim to continue and expand the business in the growing overseas markets such as Indonesia.



Factory in Indonesia ▶

Adult diapers

- Strengthen the adult diaper business, which is expected to grow.
- Consider shifting baby diaper facilities to adult use.



Adult diaper products ▶



③ Production Facilities Shutdown

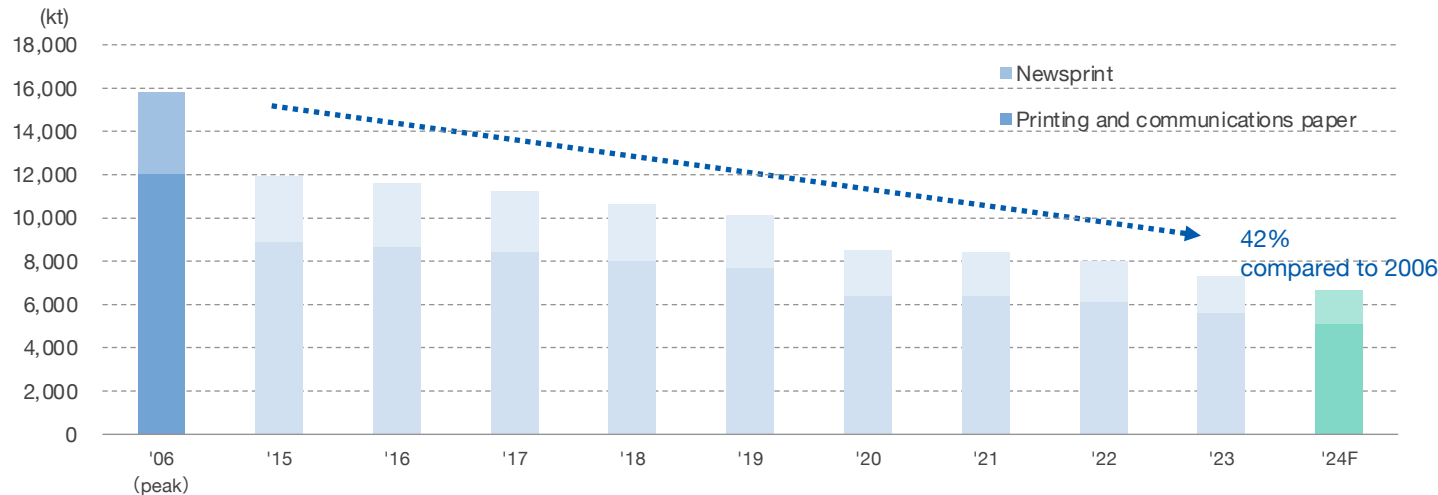
Reduce fixed costs and improve production efficiency through machine consolidation and establishing an optimized production system.

Overview	Name	Products	% of annual capacity reduction
	Oji Paper Tomakomai Mill, N-2 Machine	Newsprint and printing paper	(5%)

Trend for domestic demand for graphic paper (Newsprint, printing and communications paper)

Continued decline since peaking in 2006, due to structural environmental changes such as advancements in ICT, declining birth rates, and population decrease.

< Domestic demand trend for graphic paper >



Source : Japan Paper Association "Statistics on Paper and Paperboard"

Graphic paper production facilities shutdown since '08

No. of shutdown	20 facilities
Reduced volume	1,690 kt/year
% of reduction	50%/year
Future direction	<ul style="list-style-type: none"> • Avoid efficiency deterioration by shutting down facilities in response to current declining demand and thoroughly implement cash flow management. • Convert graphic paper production Facilities for wood bio-businesses in the future



① Acquisition of Walki Completed (April 2024)

➔ Walki is a leading packaging materials conversion specialist in Europe, a region with pioneering environmental regulations. By combining Oji’s technology with that of Walki, we aim to provide and expand environmentally friendly fiber-based solutions globally.

Name	Walki Holding Oy (Est.1930)
HQ	Espoo, Finland
Sites	8 Countries 17 Sites
Business	Coating, Laminating (Plastic/Aluminum), Printing, Converting ① Consumer Packaging ② Industrial Packaging ③ Engineered Materials
Revenue	€ 705M ※Fiscal year ended Dec.2022
No.of employees	Approx. 1,700



Country	# of Sites
Finland	6
Germany	2
Poland	3
France	2
Belgium	1
UK	1
Spain	1
China	1
Total	17



① Acquisition of Walki Completed (April 2024)

● 3 business segments

Consumer packaging

Recyclable paper packaging materials with barrier properties for food and FMCG products



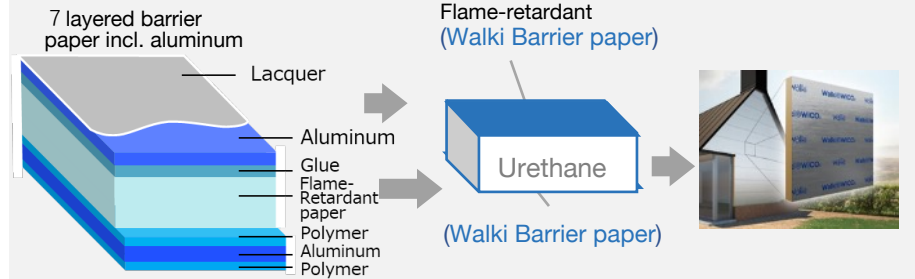
Industrial packaging

Paper packaging with water/fat resistance for industrial products (functional corrugated box)



Engineered materials

High-performance insulation facings for the construction industry, automotive skin, etc.

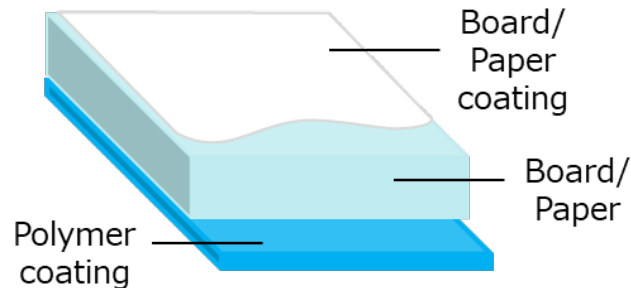


● Strength① Unique & advanced barrier coating technology

The ultra thin barrier coating technology on paper

Maintain its barrier property with recyclability

Up to 50% thinner than general PE layer



① Acquisition of Walki Completed (April 2024)

● Strength② Know-how to meet EU PPWR

Background

Growing demand of recyclable, reusable, and compostable packaging materials due to the upcoming implementation of EU packaging and packaging waste regulations(PPWR).

PPWR: EU regulation for a 50% recycling rate for packaging materials by 2025. Binding targets are proposed for the recycling rate for each material (85% by the end of 2030 for paper and cardboard).



- Jointly develop and provide the required environmentally friendly solutions with the customers.
- Selected by FMCG global big brands.

Restrictions on use-bans of packaging format (after 2030)

Single-use plastic packaging for fresh produce under 1.5kg



Plastic packaging utilized at the point of sales for grouping items



Single-use plastic packaging for individual portions consumed on-site in the HORECA**



Single-use plastic packaging for cosmetics, hygiene products and toiletries



Single-use plastic packaging* for food and beverages prepared and consumed on-site in the HORECA**



Very lightweight plastic carrier bags

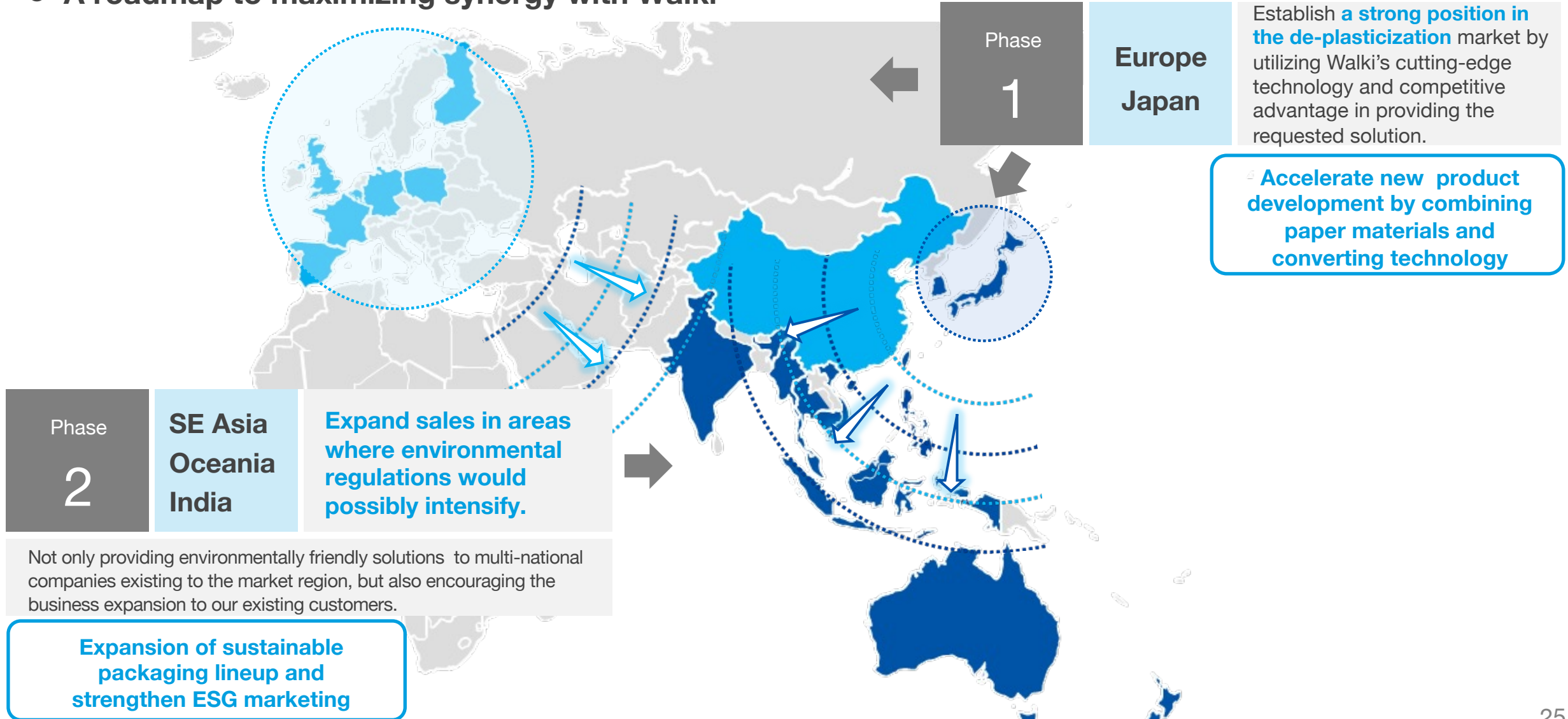


*Decision pending on acceptability of over 5% plastic in fiber-based material **HORECA stands for Hotel, Restaurant, and Café/Catering, which collectively refers to businesses in the hospitality and food service industry.



① Acquisition of Walki Completed (April 2024)

● A roadmap to maximizing synergy with Walki



② Action for the De-plasticization

- **Field of packaging materials** : Target to replace plastic products with “**environmentally friendly paper products**” at a rate of 5,000 t/year
 - ➡ Aim to reduce the use of plastics in society as a whole.
- **98% of waste plastics generated by our group are recycled (including thermal recycling)**
 - ➡ Target 100% recycling rate by FY2030.
- **Achieve and continue “Negative Emissions” of waste plastic**
Sales volume of environmentally friendly paper products > Volume of unrecycled waste plastic

Replace plastic products with “environmentally friendly paper products”



Use petroleum-derived film for the packaging of our products.
→ Use FSC® certified paper.

※1



Provide society with a variety of environmentally friendly paper products.
→ Reduce the amount of plastic in society.

※2



※3



- ※1 Agricultural paper mulching sheets “OJI Sustainable Mulching Sheet”
- ※2 Package for snacks “SILBIO BARRIER”
- ※3 Package for Japanese sweets “SILBIO CLEAR”

①Development of “Polymer Electrolyte Membrane” Using CNF for Fuel Cells

Current Products

Safety & environmental issues by using organic fluoride



- Succeeded in developing PEMs which our CNF acts as the main component.
- Achieved high membrane strength as well as high proton conductivity.
- Achieved fluorine-free by using CNF derived from wood.

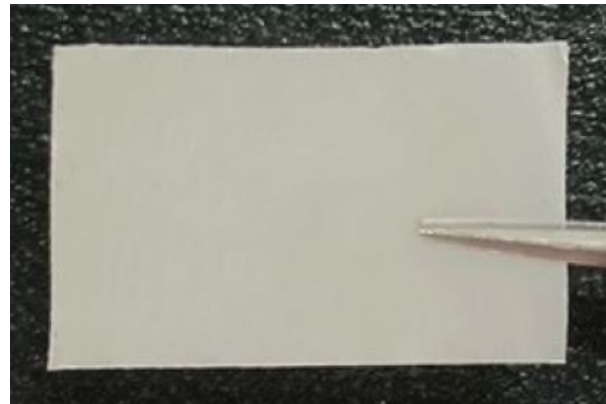
Oji's CNF



Microparticles developed By Yamagata University

Composite

Polymer Electrolyte Membrane(PEMs) using our CNF as the main component



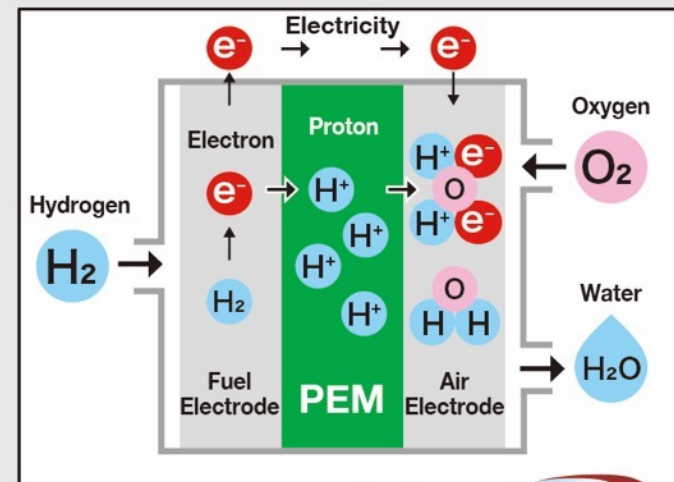
Fluorine-free

High proton conductivity

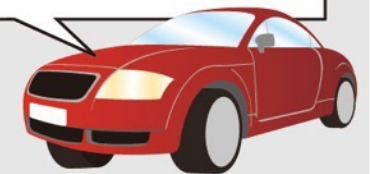
Reduction of petroleum-derived resins

※Collaboration with Yamagata Univ.

Expected for fuel cell applications

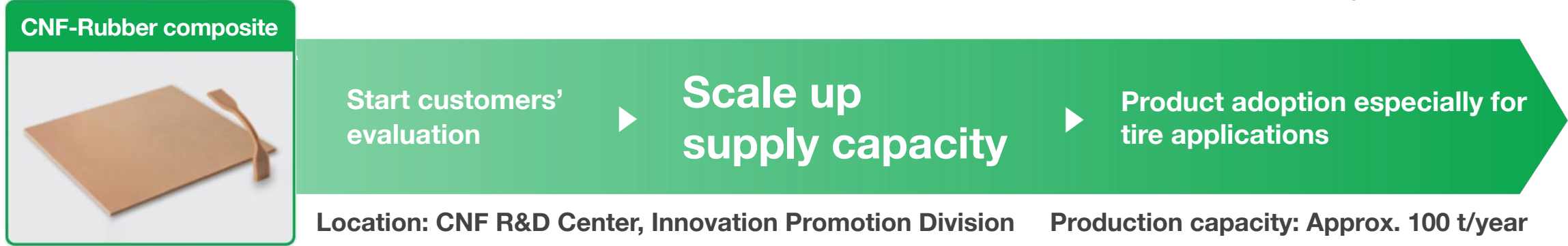


Used in PEMs



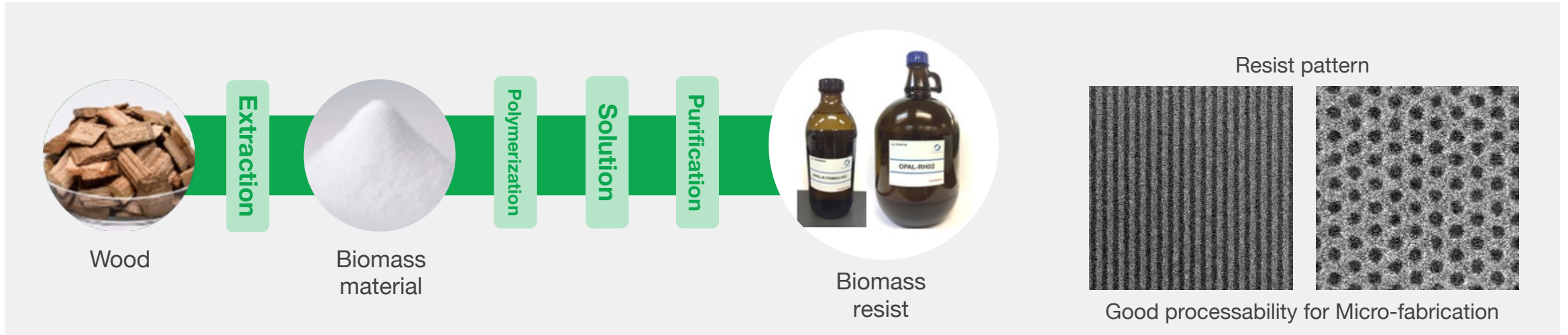
② Introduction of Mass Production Prototype of Composite Material Using Natural Rubber and CNF

Sustainable composite material using natural rubber and CNF



③ Biomass Photoresist for Cutting-edge Semiconductor

Sustainable **wood-based** photoresist contributes fluorine-free and carbon neutral



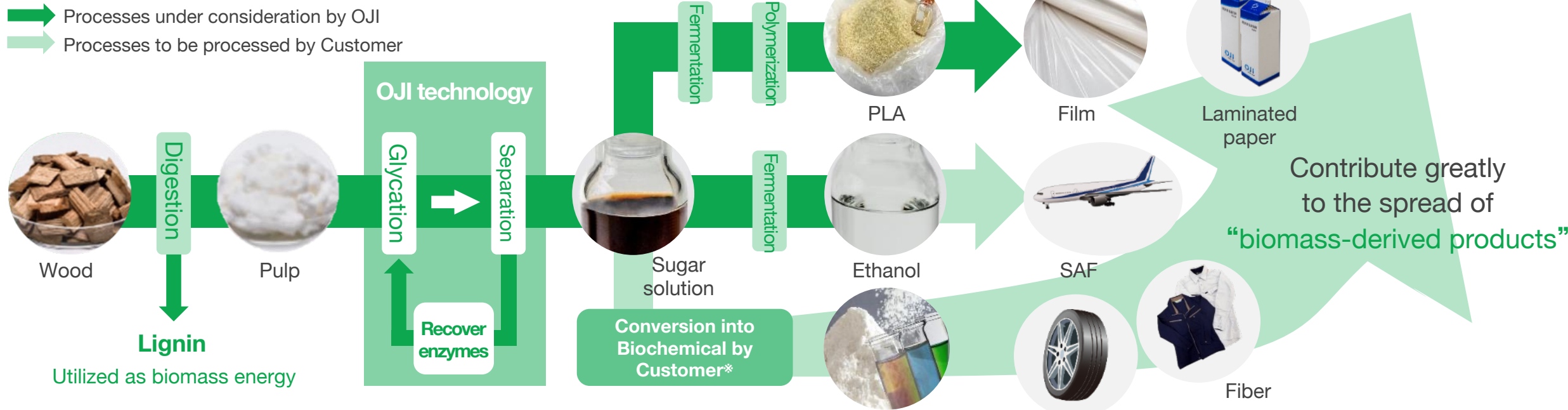
Outline of biomass resist

- New type EUV (extreme ultraviolet) resist using easy decomposition property of wood-based material by EUV light.
- A unique technology that combines environmental consideration, high performance and fluorine-free.
- Development target is next generation EUV resist for beyond 2nm node semiconductor devices.

As for other products for cutting-edge semiconductors, we produce and sell protective films of insulation materials. We will promote product development in the semiconductor field to expand our business in the future.

④ Promote Commercialization of Wood-derived Sugar Solution, Ethanol and PLA

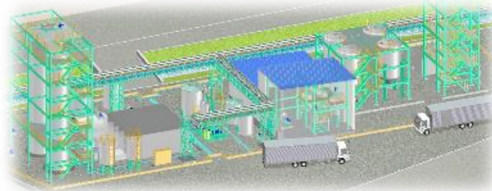
Contribute to decarbonization by replacing petroleum-based fuels and plastics with sustainable “wood-based” fuels and plastics



* Biochemical production companies produce petroleum alternative materials by combining fermentation and other technologies. “PLA” and “Ethanol” are representative examples of biochemical products produced by OJI

Summary of wood-based sugar and ethanol pilot plant

- Scheduled for completion: 2nd half of FY24
- Location: Oji Paper Co., Ltd. Yonago Mill
- Wood-derived ethanol Max 1,000kL/yr
- Wood-derived sugar solution Max 3,000t/yr



Pilot plant image

Summary of wood-derived PLA bench plant

- World’s first*¹ successful synthesis on bench plant scale
- Promoting the development of technologies such as laminated paper and films for use within our group
- Location: Biochemical Research Center (Edogawa)
- Wood-derived Poly-lactic acid Max 500 kg/yr



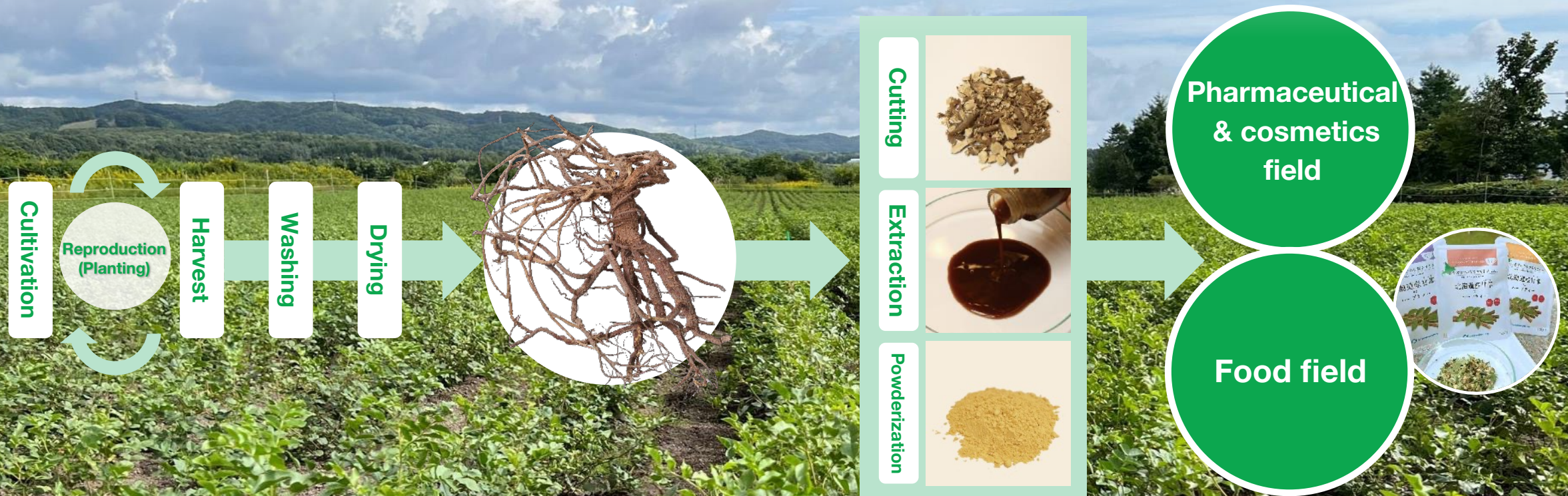
PLA bench plant

* 1 : According to our research

⑤ Promote Commercialization of Licorice

Summary

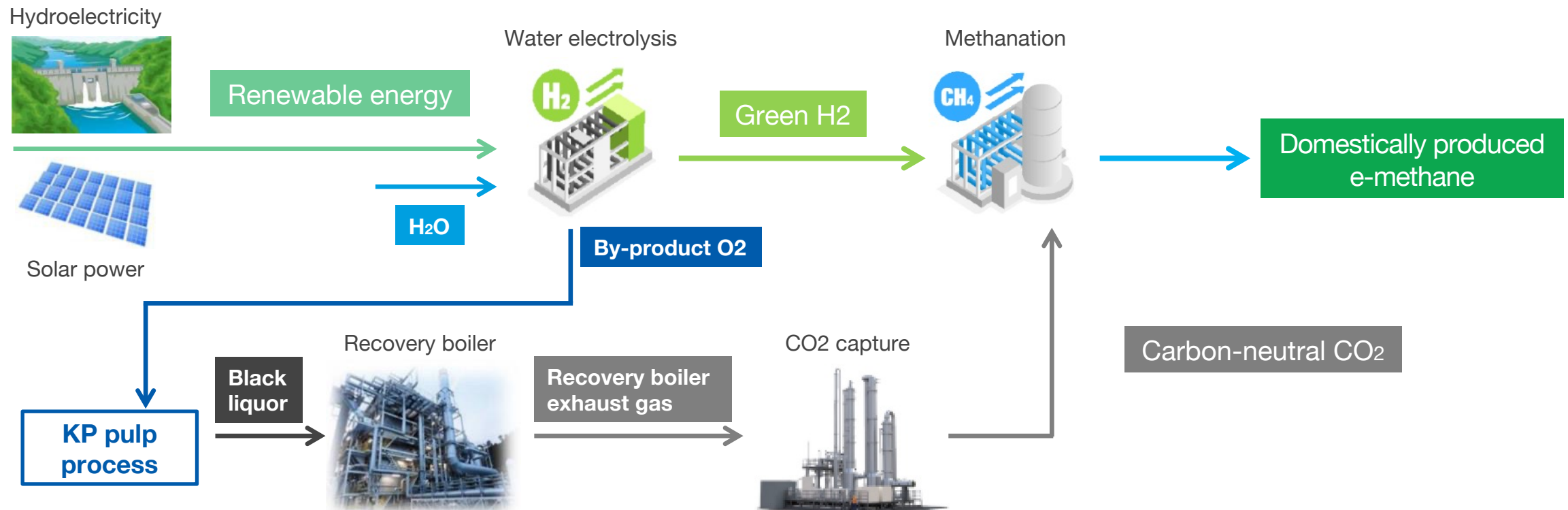
- Established large-scale cultivation technology in Hokkaido.
- Support “sustainable business” that does not rely on wild-crafting of licorice.
- Expand into the pharmaceutical, cosmetics, and food fields using our strengths of safety, security, high traceability, and being cultivated in Hokkaido. (yield : several ton[now] → 20t/year [at 2030])



⑥ Initiatives for GX

Concluded alliance for domestically produced e-methane using renewable energy sources

Oji Holdings, Oji Paper, Tokyo Gas, and TGES have concluded an alliance e-methane production using green hydrogen derived from hydroelectric power generation and carbon-neutral CO₂ captured from black liquor recovery boilers at the Oji Paper Tomakomai Mill.



⑥ Initiatives for GX

Fuel conversion from coal-fired boilers

- Actively promote **the conversion of domestic coal-fired boilers to natural gas** as a fuel by 2030.
- Initiated the fuel conversion projects at **Oji Materia Sobue Mill and Saga Mill** with the aim of starting operation of gas turbines by 2027.
- Plan to implement the fuel conversion project at **Oji Materia Kushiro Mill** with the aim of starting operation by 2028.



Oji Materia Sobue Mill

Projected operation: FY2027

GHG reduction : 160ktCO₂/a

(compared to 2018)

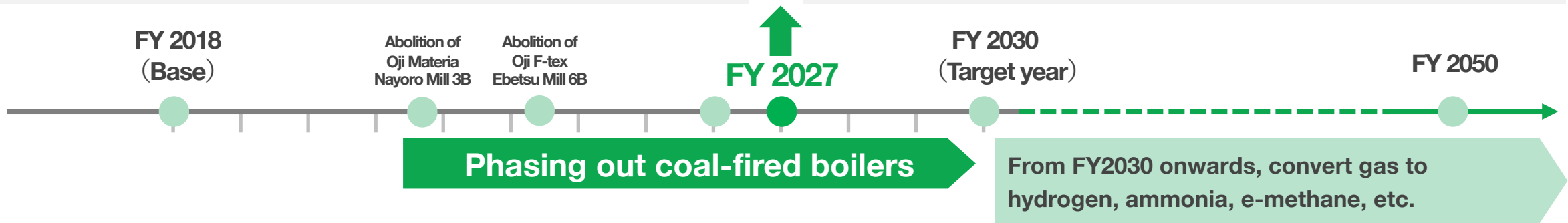


Oji Materia Saga Mill

Projected operation: FY2027

GHG reduction : 146ktCO₂/a

(compared to 2018)



In 2026, gas turbines compatible with ammonia dedicated firing are planned to start operating at Oji Imaging Media Kanzaki Mill. Plan to operate on city gas for the time being, and switch to ammonia dedicated firing as soon as the ammonia supply system is in place.

⑥ Initiatives for GX

Investment in GX propulsion mechanism

Invested in the GX propulsion mechanism to contribute to the overall efforts of “All Japan” for GX propulsion.
(Invested a unit/¥20 million)

GX propulsion mechanism

[Operating Committee] Chairman, director, committee members

Government

- Investment (¥10 billion)
- Appointment of chairman committee members
- Establishment of support criteria
- Supervision

Private

- Investment (Target:¥2 billion)

① Financial support

- Debt guarantee, investment, advisory, etc.

② Operation of credit trading system

- Allocation and bidding of emission allowances for specific emitters
- Management of emission records, transaction records
- Stabilization of trading prices, etc.

③ Collection of levies and charges

- Collection of fossil fuel levies and specific emitter burden fees

① Dividend Payout Ratio of 30%

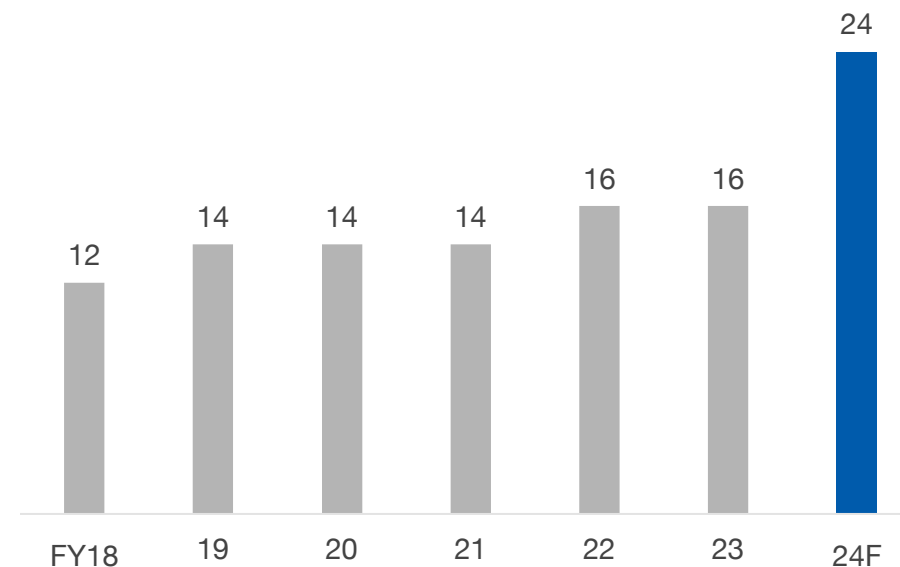
Dividend policy : Appropriate and stable shareholder returns commensurate with profitability

Continue to provide stable shareholder returns and target a dividend payout ratio of 30% to ensure that shareholder returns are commensurate with profitability, thereby striking a balance between investment in growth to enhance long-term corporate value and appropriate shareholder returns.

Plan to **increase dividend to ¥24/share** in FY2024 (¥8/share increase compared to FY2023)

	FY2023	FY2024F
Profit attributable to owners of parent (¥ billion)	50.8	75.0
Dividend (¥/share)	16	24
Dividend payout ratio (%)	31.2	31.5

Dividend (¥/share)

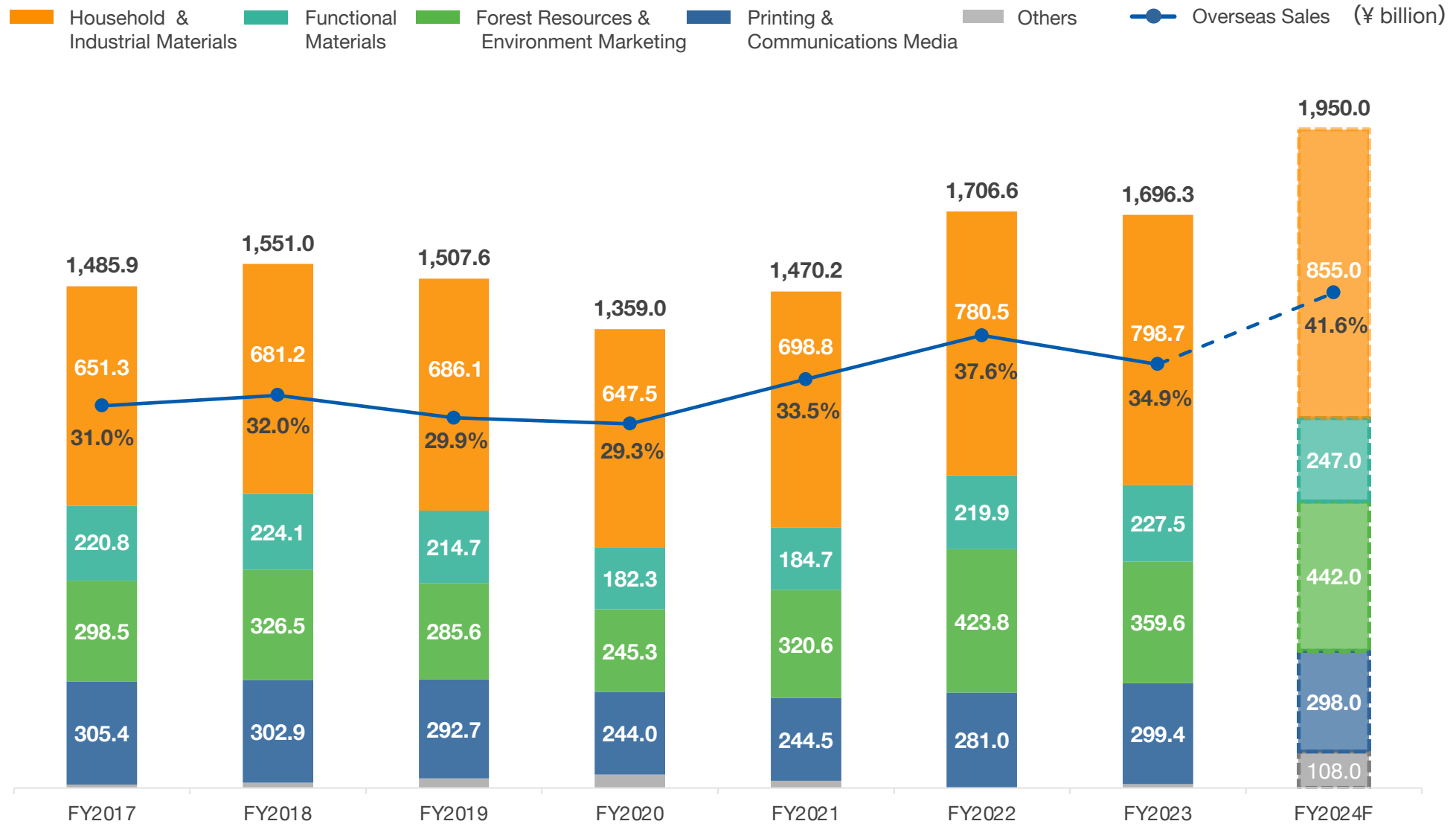




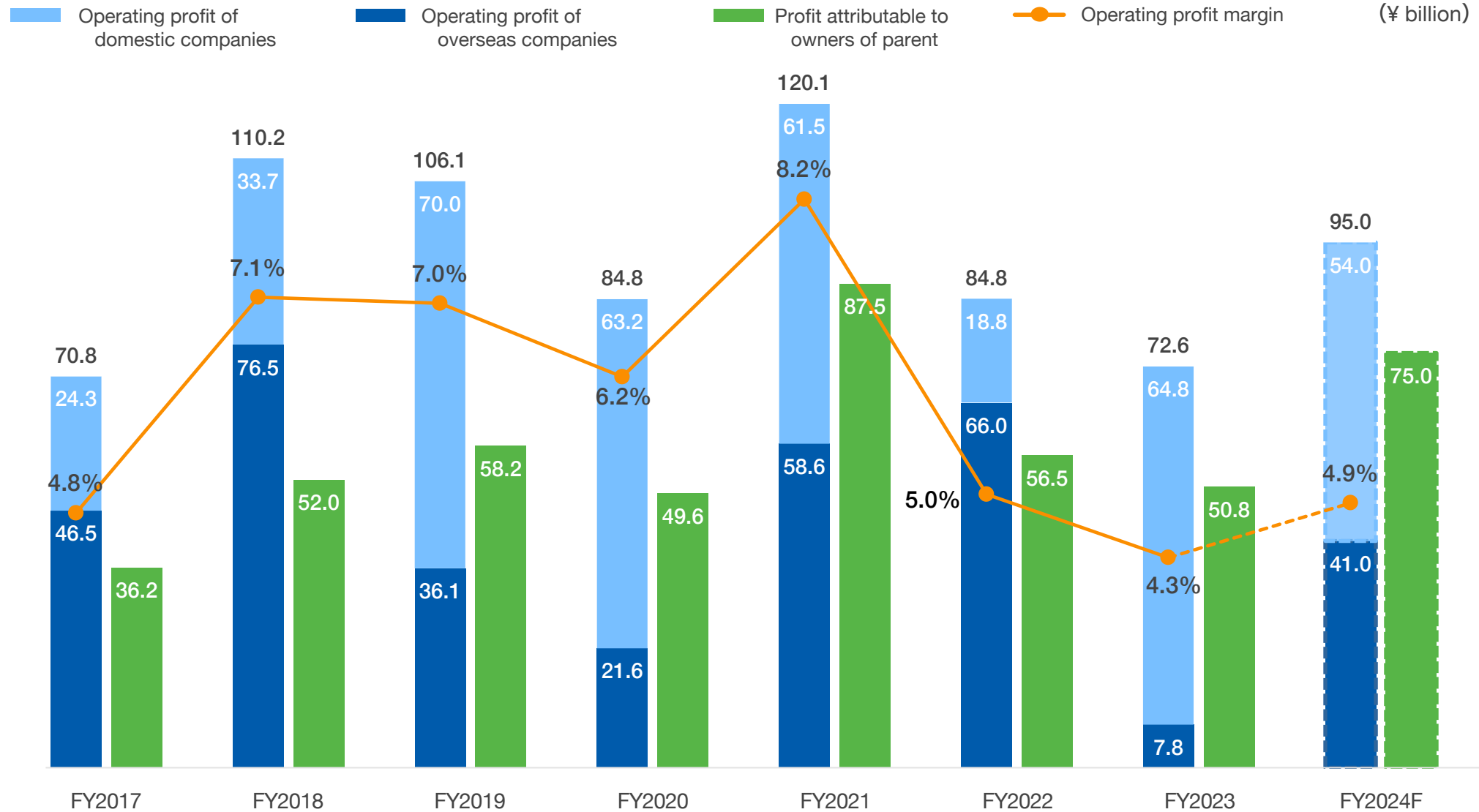
04

Reference Materials

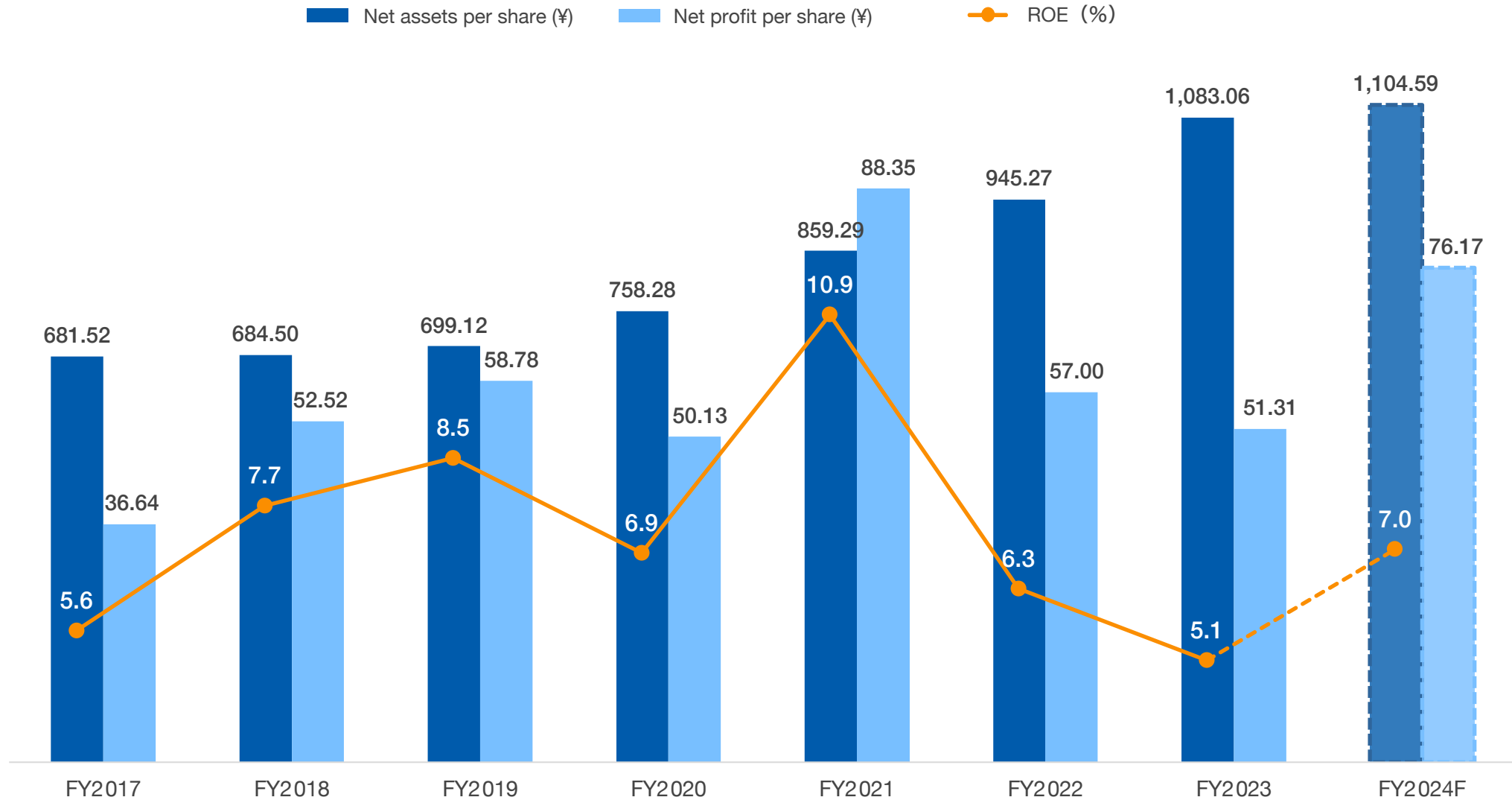
Trends of Net Sales by Segment (consolidated)



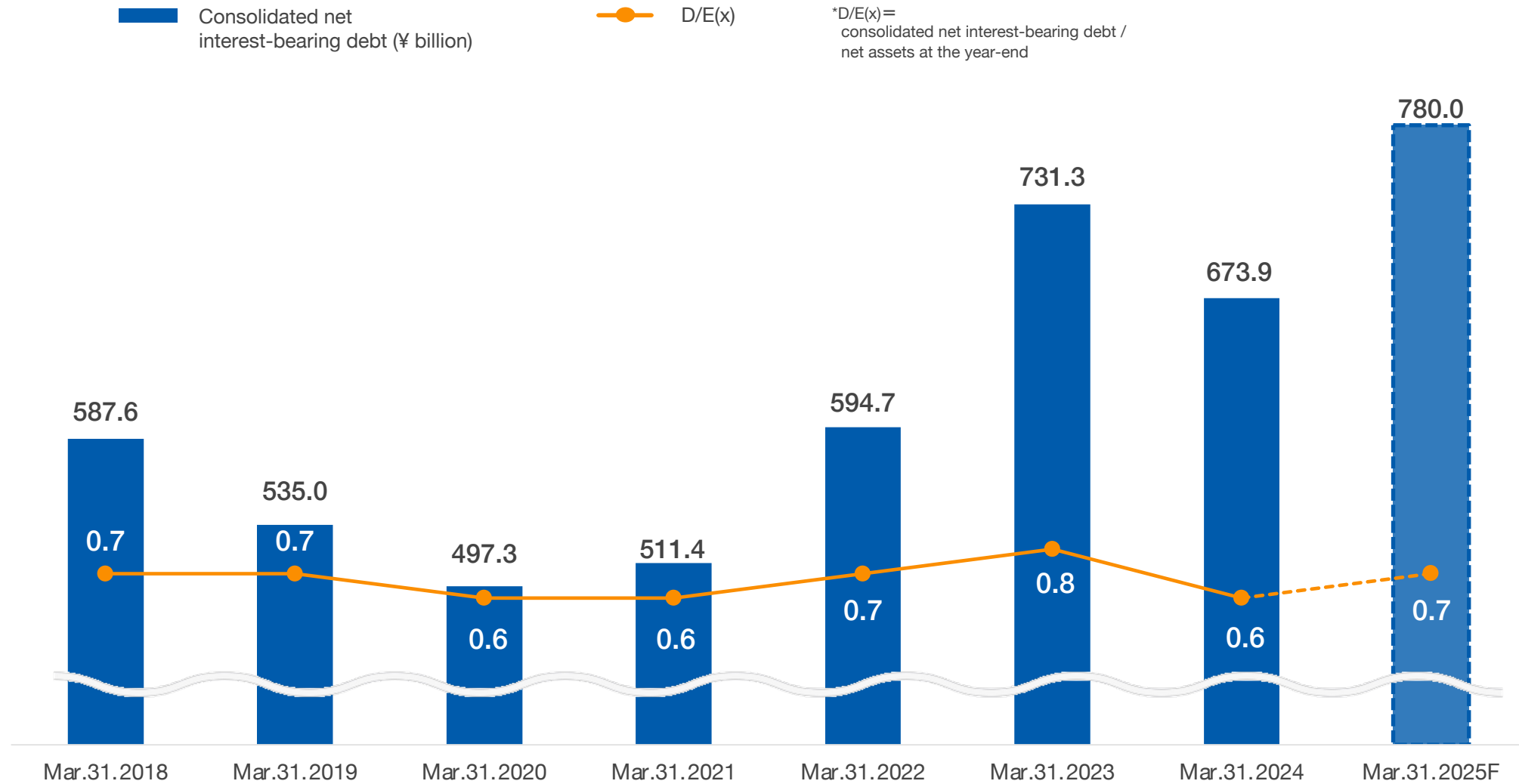
Trends of Operating Profit (consolidated)



Trends of Return on Equity (ROE)

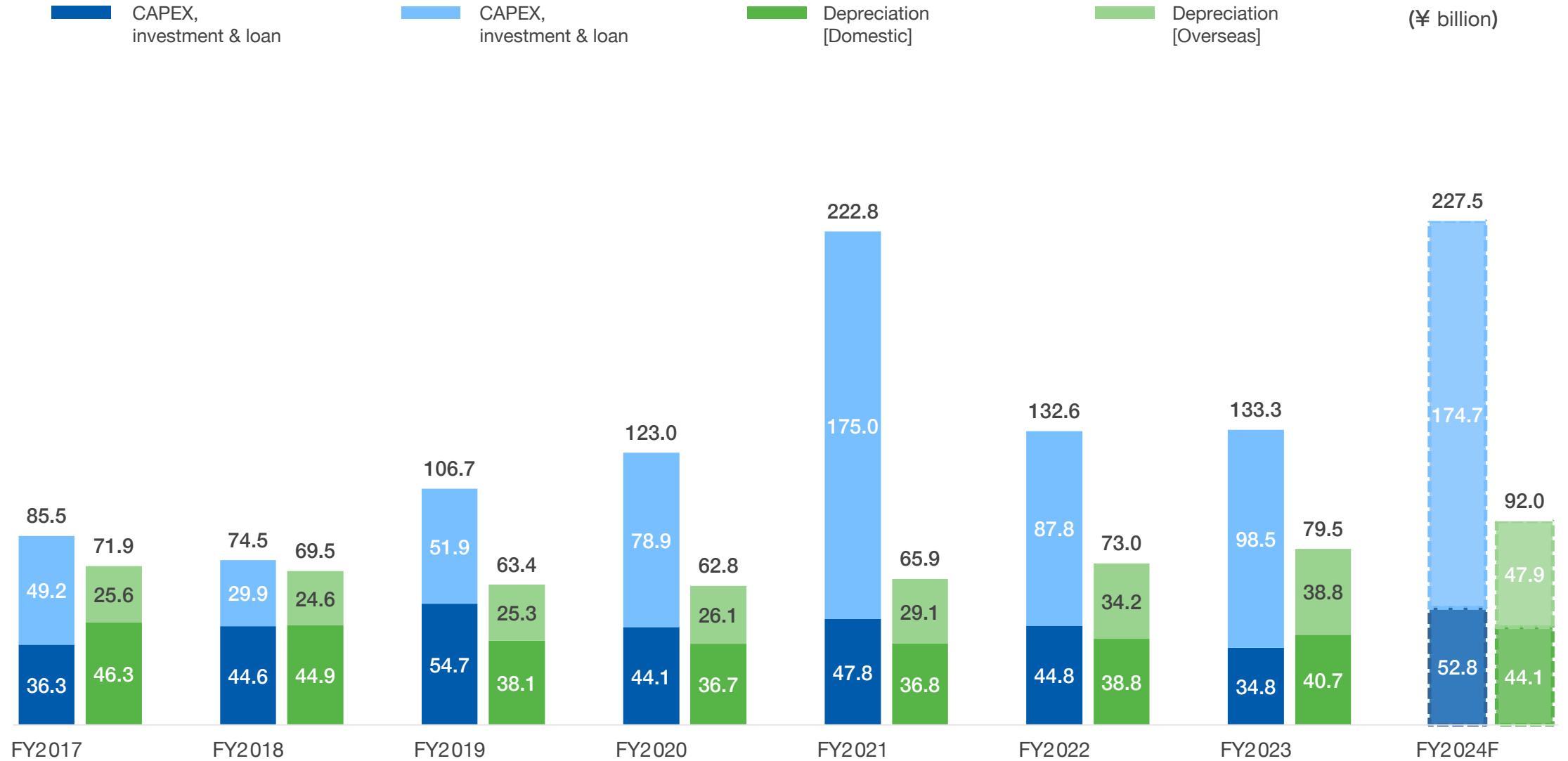


Trends of Net Interest-bearing Debt (consolidated)



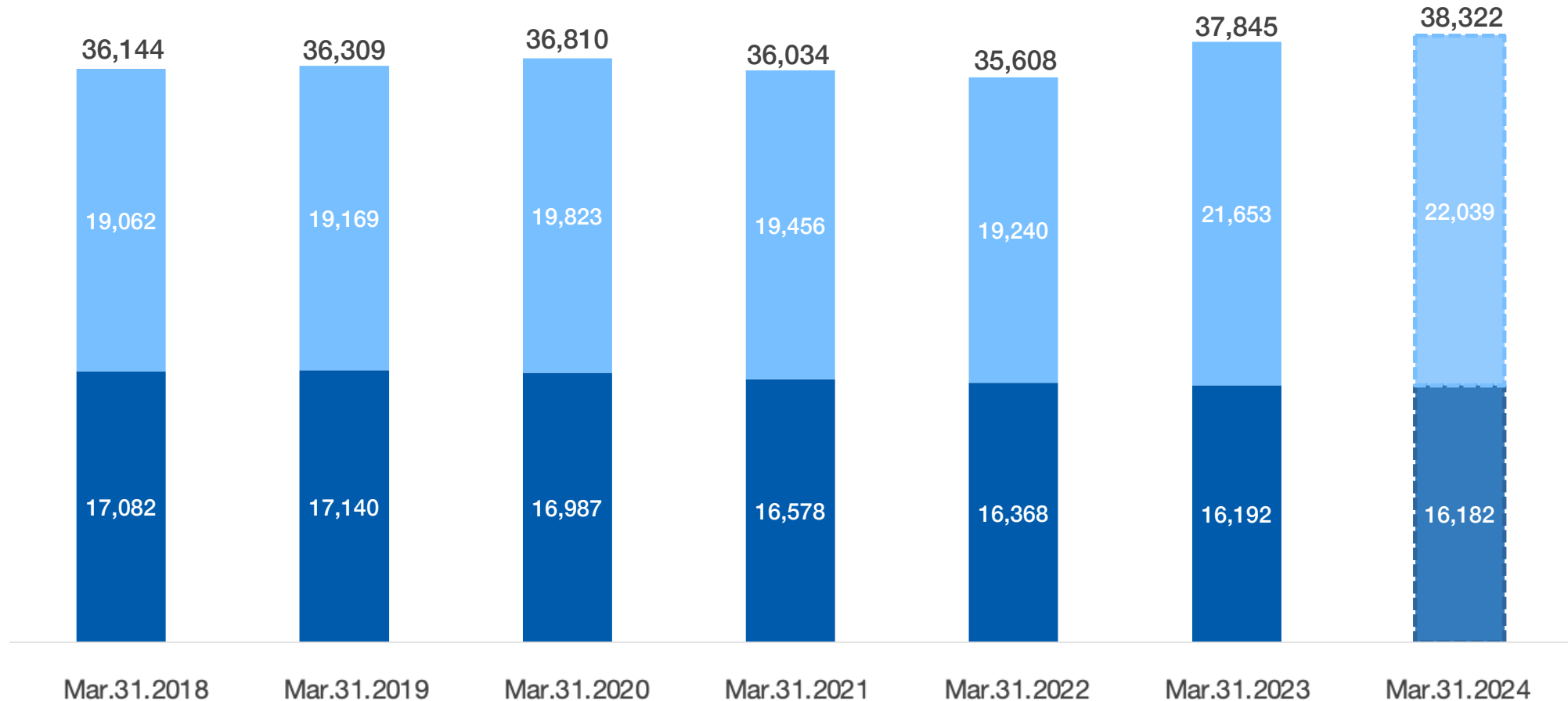


Trends of CAPEX / Depreciation (consolidated)



History of the Number of Employees (consolidated)

■ Employees [Domestic] (consolidated)
 ■ Employees [Overseas] (consolidated)
 (person)



FY2023 Industry Demand

		Domestic Shipments		Imports (Custom-cleared) ^{※1}		Total	
		Year-on-Year		Year-on-Year		Year-on-Year	
Paperboard	Containerboard	8,675	95.7%	23	61.0%	8,698	95.6%
	Boxboard	1,428	96.4%	183	84.3%	1,611	94.9%
	Other Paperboard	559	91.4%	23	78.0%	583	90.8%
	Paperboard Total	10,662	95.6%	230	80.5%	10,892	95.2%
Paper	Sanitary Paper	1,841	99.7%	233	110.1% ^{※2}	2,074	100.7%
	Packaging Paper	603	90.5%	10	79.3%	614	90.3%
	Newsprint	1,632	89.3%	1	157.8%	1,633	89.3%
	Printing/Communications Paper	4,878	88.7%	518	98.3%	5,396	89.6%
	Miscellaneous Paper	529	92.5%	15	78.2%	544	92.0%
Paper Total	9,483	91.1%	778	100.7%	10,261	91.8%	
Paperboard and Paper Total		20,146	93.4%	1,008	95.3%	21,153	93.5%
Corrugated Containers ^{※3}		14,054	96.4%	—	—	14,054	96.4%

(thousand ton)

(million m³)

Source: Japan Paper Association - Statistics on Paper and Paperboard; Trade Statistics of Ministry of Finance, Japan; Japan Corrugated Case Association - Production Volume of Corrugated Case

*1: Statistics for customs cleared imports of paper: April 2023 - March 2024(preliminary)

*2: The figure includes secondary products (processed goods)

*3: The figure represents the production volume of corrugated board