

Message from the General Manager, Human Resources Division

Working to Carry Out the Group's Management Strategy by Enhancing the Value of and Leveraging Human Capital

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Oji Management Office Inc.

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The Oji Group has conducted its business activities under the philosophy that enhancing and creating corporate value begins with human resources (human capital). We recognize that enhancing the value of human capital and leveraging it will grow increasingly important in the future. This is particularly true in an environment where securing, retaining, and utilizing diverse human resources is essential in the pivot toward an industrial structure and business operations that create and provide value for a global, sustainable, and digital society.

Our ever-strengthening foundation for enhancing corporate value and sustaining growth is based on the fundamental premise of respect (value and recognize) for human resources as individuals and the promotion of inclusion and diversity. In doing so, we aim to fully leverage each person's diverse capabilities and encourage mutual growth. Building on this momentum, we are advancing the following initiatives as part of our human resource strategy, which focuses on enhancing the value of and leveraging human capital through appropriate recruitment, assignment, development, and engagement.

First, to secure diverse human resources that will drive the transformation of our business toward further growth and evolution, we have been focusing on recruiting external specialists (seven in FY2021, 18 in FY2022, 54 in FY2023, and 62 planned for FY2024). For internal human resources, we have been reassigning employees with skills, experience, and enthusiasm to strategically important divisions through the open recruitment system within the Group (19 in FY2022, 17 in FY2023). Going forward, we will more precisely analyze (clarify skill requirements), understand (database management), and utilize (allocation and development) the skills and abilities of our human resources (talent). This will lead to the optimal allocation of personnel, facilitating career and skill development for individuals, and promoting the growth and evolution of both individuals and the organization.

Next, in terms of human resource development, we are concentrating on the following three areas, with the aim of creating an organization that continuously learns, grows, and evolves while focusing not only on the growth and self-fulfillment of individual employees but also on the growth of the organization as a whole.

(1) Reskilling: Last fiscal year, we conducted e-learning for 7,000 employees to raise the baseline of DX literacy. We are now introducing new reskilling programs to support the autonomous growth and evolution of human resources who can adapt to new technologies and market needs.

(2) Global human resource development: With the expansion of overseas businesses in mind, we are conducting training programs to develop global talent. These programs focus on improving

cross-cultural and international business understanding as well as honing proactive communication skills for candidates selected for overseas assignments.

(3) Marketing personnel development: We are shifting from traditional sales approaches focused on existing products and customers to sales based on value propositions, and we intend to develop human resources capable of offering new value to the market.

In addition, to enhance employee engagement and encourage maximum performance, we will hold many town hall meetings led by senior management starting this fiscal year. These meetings will provide opportunities for direct dialogue between management and employees, helping to foster a corporate culture where the Management Philosophy, Purpose, management strategy, and the roles and challenges expected of each individual are well understood. Furthermore, we aim to create a more open and free-spirited environment where diverse opinions and ideas can be expressed and acted upon. We will also work to improve work-life management through the accommodation of diverse working styles, such as the introduction of a location-limited employment system.

Finally, Oji Holdings and its human resources will strive to provide diverse value that meets the demands of society including a variety of our stakeholders. We will continue to enhance corporate value by sincere compliance with the expectations and demands of society.

Oji Group Human Resource Philosophy

Sustainable enhancement of corporate value by practicing the Management Philosophy, Purpose, and management strategies (including the Long-term Vision)

Our goal in enhancing human capital: Securing and fostering human resources who embody the Oji Group Human Resource Philosophy

Oji Group Human Resource Philosophy

Integrity | Understanding and practicing of the Management Philosophy, Purpose, and management strategies | Awareness of and efforts for transformation | Self-training and contribution to the organization's growth and evolution | Actions with global awareness

Active participation and demonstration of the full potential of every employee

Achieving innovation based on diverse values and creative ideas

Development of abilities and careers of diverse human resources

Improvement in work-life management (work-style reforms and health and productivity management)

Change in the mindset and behavior of each employee, and managers' management style that facilitates subordinates' growth and evolution

Three fundamental elements

Leveraging human resources (treating employees fairly based on merit and enhancing engagement)
Respecting human rights and promoting inclusion & diversity
Observing all the rules of compliance, safety, and environment

Human Resource Strategies

Oji Group Human Resource Philosophy

As a global organization, the Oji Group aims to go “Beyond the Boundaries,” while at the same time putting into practice its Management Philosophy, Purpose, and management strategies (including the Long-term Vision) through “Growth to Evolution.”

To put these into practice and to continue to exist as a corporation that is sought after and indispensable to the world, we believe that the most important element is “people.” Based on the fundamental principle that “the source of a company’s strength is its people (human capital),” we are working to secure and foster human resources in accordance with the Oji Group Human Resource Philosophy.

The Oji Group Human Resource Philosophy requires, first, that each and every employee possess integrity. On top of that, we expect them to understand and practice our Management Philosophy, Purpose, and management strategies; have an awareness of and make efforts for transformation; engage in self-training and contribute to the organization’s growth and progress; and take actions with global awareness.

Our goal in enhancing human capital is to secure and foster human resources who embody the Oji Group Human Resource Philosophy, the basic premise of which is “ensuring compliance, safety while protecting the environment,” “respect for human rights,” “inclusion and diversity,” and the “utilization of human resources (fair treatment based on meritocracy and improvement of engagement).” These three elements form the foundation of our human resource development and internal environment improvement policies.

With these three foundations firmly in place, we will promote the development of the abilities and the careers of diverse human resources and improvement in work-life management by advocating a change in the mindset (behavior) of every employee as well as management in which management-level employees encourage the growth and evolution of their subordinates.

These efforts will lead to the securing and fostering of human resources who embody the Oji Group Human Resource Philosophy by enabling the active participation and demonstration of the full potential of every employee, who is the source of value creation, as well as by achieving innovation based on diverse values and creative ideas. Accordingly, every one of our human resources will work to continuously enhance corporate value by practicing our Management Philosophy, Purpose, and management strategies (including the Long-term Vision).

Inclusion & Diversity

The Oji Group asks all employees to uphold core common values, such as the Management Philosophy, Purpose, and Human Resource Philosophy.

The Oji Group is also promoting “inclusion & diversity” with a view to the “vitalization of individuals and the organization.” We aim to make full use of each employee’s diverse values, ideas, and abilities and let them facilitate each other’s growth, regardless of attributes such as race, nationality, ethnicity, place of origin, thoughts and beliefs, values, religion, age, gender, sexual orientation, sexual identity, disability, social status, or social position, which will ultimately strengthen the Group’s competitiveness.

Group-wide policies and targets for promoting diversity are shared at the Sustainability Committee every six months. We also have appointed the Group CEO as Chief Health Officer to work on health and productivity management.

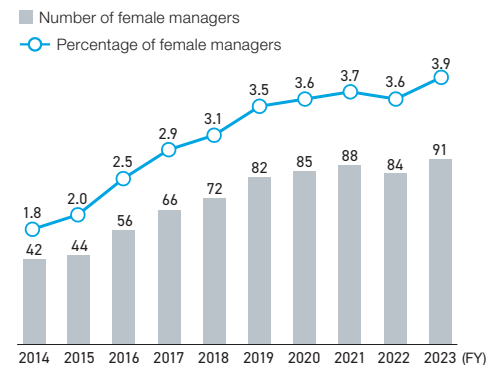
Women in Management Positions and Female New Graduates Hired for Career-Track Positions

To promote the active participation of women, we aim to increase the percentage of women in management positions to 5.5% by the end of March 2025. The target is applicable to the 16 consolidated subsidiaries in Japan with 301 or more employees. As of the end of March 2024, the percentage of women in management positions was 3.9%.

Since FY2018, new female graduates in career-track positions in major Oji Group companies have been recruited by Oji Management Office Inc. to secure talented human resources and improve operational efficiency. Our target is for females to be at least 30% of the new graduates in career-track positions, and we strive to secure candidates for future promotion to manager. In FY2024, we hired 28 new female graduates, which accounted for 40.6% of all new graduates in career-track positions. Aiming to eliminate gender gaps in employee development, we provide training such as career building training for employees on the generalist track to develop pre-management male and female employees. In addition, measures we have taken to help employees balance work and childcare include opening “Nepia Sodaterace,” a nursery in Edogawa-ku, Tokyo. Steps are also being taken to offer nursery subsidies for employees who return to work early from their childcare leave.

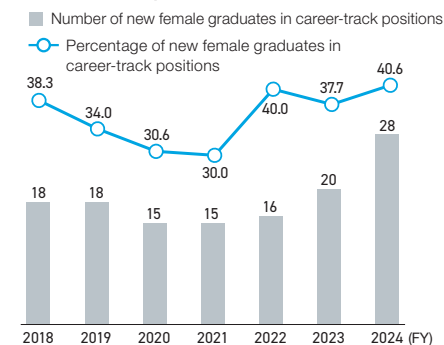
In addition to helping employees balance work and childcare, “Nepia Sodaterace” aims to address the issue of children on nursery waiting lists, thereby helping the Group fulfill its corporate social responsibility. Not only our Group employees but also local residents can use the nursery. (As of the end of March 2024, six children of employees and 14 children of local residents were using the nursery.)

Percentage of female managers*



*A star mark indicates that FY2023 data has been assured by KPMG AZSA Sustainability Co., Ltd. For the calculation method, see P.98.

Percentage of new female graduates in career-track positions



Percentage of Male Employees Taking Childcare Leave

The Oji Group's target for the percentage of male employees taking childcare leave is 100% for the 16 companies in Japan with 301 or more employees. We thus actively encourage men to engage in housework and childcare. In FY2023, the percentage was 92.5%, including manufacturing sites where employees work in three shifts.

Employment Rate of People with Disabilities

We have proactively promoted the recruitment of people with disabilities, including the July 2007 establishment of Oji Clean Mate (in charge of cleaning the headquarters building), a special-purpose subsidiary under the Act to Facilitate the Employment of Persons with Disabilities staffed primarily by people with mental disabilities. For the six major companies in the Group (including Oji Holdings) subject to special treatment for related companies, the employment of people with disabilities is 2.48%. To achieve the statutory employment rate (2.5%), we will further expand the employment of people with disabilities.

Employees of Non-Japanese Nationality

In achieving diversity, we position the development of global human resources as an important theme. All new graduates hired for career-track positions in major Oji Group companies in Japan are recruited by Oji Management Office Inc. to secure talented human resources. In FY2024, three career-track employees of non-Japanese nationality were hired as candidates for future managers in Group companies in Japan. We will continue to hire a certain number of non-Japanese employees and promote them to managerial positions. As of March 2024, there are 22 career-track employees of non-Japanese nationality. Nine of them are managers, whose jobs include the operation and management of local businesses of overseas Group companies.

Of the roughly 38,000 Oji Group employees, 57.5% (as of the end of March 2024) are employees of overseas Group companies. Corporate managers and employees in managerial positions of those companies mainly consist of locally hired personnel. In 2019, we appointed a non-Japanese employee as a Corporate Officer.

Mid-Career Recruitment

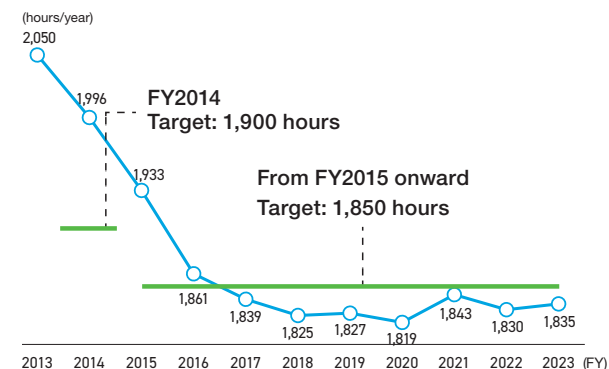
To secure human resources who can promptly realize the management strategies, we have been conducting mid-career recruitment. In FY2023, the Group hired 54 mid-career employees through Oji Management Office Inc., of which 28 are playing an active role as managers. We will continue to hire a certain number of mid-career employees and promote them to managerial positions.

In addition, we leverage alumni human resources (employees who rejoined the Group after leaving for reasons other than mandatory retirement) by promoting those who gained effective outside experience.

Total Working Hours

Since FY2014, we have been working on the reduction of total working hours as part of our efforts to promote work-style reform. Specifically, to improve productivity and implement working styles that pivot the focus away from how long employees work, we are improving operational efficiency, taking advantage of the flex-time system and remote work, and encouraging employees to take annual paid leave. Our current target for total annual working hours is 1,850 hours (for the 26 Oji Group companies in the Main Office region), and the actual working hours for FY2023 totaled 1,835.3 hours.

Reduction of total working hours (26 Oji Group companies in the Main Office region)



LGBTQ+

Based on the Oji Group Charter of Corporate Behavior and the Oji Group Code of Conduct, we created the Oji Group LGBTQ Handbook with the aim of fostering a workplace environment in which diverse human resources, including sexual minority parties, can play an active role within the Oji Group. In addition, an external consultation service for sexual minorities (for all Oji Group employees) was established on April 1, 2024.

Health and Productivity Management

We established the Oji Group Health Declaration in October 2020. We are working on ensuring the good health of employees under the leadership of our Chief Health Officer (Group CEO). Our activities for health and productivity management are promoted through cooperation among the companies, health insurance unions, and labor unions of the Oji Group, and the industrial physicians of each business site. These measures aim to create working environments where employees can actively work in a lively manner and with sound health. In March 2024, we were recognized under the 2024 Certified Health and Productivity Management Organization Recognition Program (Large Enterprise Category) for the fourth consecutive year since FY2021.

<Examples of health and productivity management activities>

- Implementation of health examinations and stress checks
- Establishment of the Health Consultation Office
- Flu vaccinations (workplace vaccinations, cost subsidized)
- Hourly use of accumulated annual leave to go to the hospital
- Reduction of long working hours

Message from the General Manager,
Human Resources Division

**Human Resource
Strategies**

Leveraging Human Resources (Treating Employees Fairly Based on Merit and Enhancing Engagement)

To leverage the human resources who are the source of our value creation, we practice the Management Philosophy and Purpose, and thoroughly pursue objectives in line with the management strategies (including the Long-term Vision). Furthermore, we aim to treat employees fairly based on merit and enhance engagement.

HR and Pay Systems (Role-Based Personnel Grading System, Extended Retirement Age, Discretionary Labor System for Researchers)

We properly operate a role-based personnel grading system, which is a merit-based personnel system focused on role expectations and performance instead of virtual seniority. Each employee is treated in accordance with the significance of roles demonstrated through their abilities.

To let senior employees play an active role in a lively manner, we introduced the “retirement at age 65” system in FY2017 at major Group companies in Japan, so that those employees can fully demonstrate their knowledge, skills, and abilities nurtured in their corporate careers and work with enthusiasm. In addition, a reemployment system up to age 67 was introduced in FY2023 for employees who meet certain conditions.

We have implemented the certified researcher system and creative personnel development system under which we grant researchers with particularly high levels of specialized knowledge discretion regarding their work styles and provide working environments that allow them to focus on research. We thus promote innovation through creative accomplishments based on diverse values and ideas. The number of employees eligible for the creative personnel development system roughly doubled in FY2022 from previous years.

Training

<Global human resource development>

To develop human resources in line with the Oji Group Human Resource Philosophy, we are enriching in-house training in accordance with career stages. In particular, we are actively developing global human resources to fully carry out our management strategies. In FY2023, we conducted the Global Intensive Program for 22 employees over a period of about six months with the aim of expanding the pool of candidates for expatriate positions.

In addition, steps were taken to conduct assessment training for 27 executive candidates in the Southeast Asia region at the Oji Group Fuji Training Center, a base for the exchange and development of human resources, designed to support the development of local human resources at overseas companies.



Members from Oji Asia Packaging at a training

<Digital literacy education>

The Group conducted e-learning for approximately 7,000 employees of 40 domestic companies in indirect divisions and expatriates. The goals were to provide all employees with the digital literacy (basic knowledge, skills, and mindset) necessary to effectively solve management issues, create new value, and ensure the Company's ongoing existence, growth, and evolution by integrating business activities (from strategy to operations) and digital systems, information, and data.

Main training content (Organized by the Oji Management Office)

Goals	Name of training	Eligible employees	Outline
Global human resource development	Global Intensive Program	Expatriate candidates	Town hall meetings with Oji Holdings Executives Interaction with expatriates Acquisition of skills as a global human resource
	Assessment training (Oji Asia Packaging)	Executive candidates for the Southeast Asia region	Invite foreign human resources from overseas business companies to Japan and support their development Town hall meetings with Oji Holdings Executives Interaction with employees of business companies in Japan Presentation of the Group's direction in the Southeast Asia region
Digital literacy education	Digital literacy education (e-learning)	Employees of 40 domestic companies in indirect divisions, expatriates	Develop DX literacy
Management training	New manager training	New managers	Manager duties, HR programs, and evaluator training
	New general manager training	General manager level	Town hall meeting with the CEO and acquisition of knowledge and skills required to achieve division strategies
Managerial personnel development	Career building training for employees on the generalist track	Pre-management employees on the generalist track	Understand the functions required of managers, and improve capabilities for setting and solving issues
Career design	Career design training for young employees on the generalist track	3rd-year employees on the generalist track	Assess their own abilities and establish goals for career self-reliance
Support for ability development	Personal-empowerment system	Qualified individuals	Support employees in their autonomous and continuing development of their abilities

Open Recruitment System within the Group

To promote autonomous career development based on employees' intentions, and to strengthen business, revitalize the organization, and improve employee engagement by appropriately assigning and effectively utilizing highly motivated human resources, we have continued to implement an open recruitment system within the Group since FY2022 for regular employees and overseas expatriates of Group companies in Japan.

In FY2023, a total of 17 employees were transferred under the open recruitment system at three Oji Group companies and four divisions directly engaged in the cultivation and optimal application of forests. This effort promotes globalization in a bid to bring our Purpose and Long-term Vision to fruition.