

Chairman × Independent Outside Directors' Roundtable Discussion



Outside Director
Michihiro Nara

Michihiro Nara was appointed as a Director at Oji Holdings in June 2014. As an attorney-at-law, he has high-level expertise and experience in civil and commercial affairs. He has served as an outside director at other companies as well.

Representative Director and
Chairman of the Board
Masatoshi Kaku

Masatoshi Kaku has served as Representative Director and Chairman of the Board at Oji Holdings since April 2022. After joining Nippon Pulp Industry Co., Ltd., and serving as President of Oji F-Tex, among other positions, he was appointed as Representative Director of the Board and President in 2019.

Outside Director
Seiko Nagai

Seiko Nagai was appointed as a Director at Oji Holdings in June 2021. After working as a manager at a major airline company, she took up a university position. As a professor in a foreign language department, she is involved in education and research.

Outside Director
Hiromichi Ogawa

Hiromichi Ogawa was appointed as a Director at Oji Holdings in June 2022. He has abundant experience as a corporate manager in the retail industry and for a food company. Of particular note, his accomplishments include strengthening governance structures.

In June 2024, Oji Holdings held a roundtable discussion between Masatoshi Kaku, Representative Director and Chairman of the Board of Directors, and Outside Directors Michihiro Nara, Seiko Nagai, and Hiromichi Ogawa on the themes of the Group's governance structure and issues and solutions for enhancing corporate value over the medium to long term. This section provides the details of their discussion.

Assessment of and Issues with the Group's Approach to Governance

Nara I have served as a member of the Group's Board of Directors since 2014. Thanks to the efforts of the current chairman, the Board has nurtured an atmosphere that makes it easier to speak up than in the past, thereby creating a better environment. Despite having put in place a governance structure, however, the Group still faces issues in that its efforts to strengthen this structure have failed to show results, and it has yet to fully eliminate problems involving compliance, safety, and the environment. I feel that free discourse is also still lacking.

Ogawa Although there is no question that discussions by the Board of Directors in some regards are still insufficient, we are able to engage in lively debates at the Outside Officer briefings held in advance of the Board of Directors meetings. I attend the Group Management Meeting whenever possible, where I have been surprised by the energetic, constructive discussions. I also feel that the composition of the Board of Directors is balanced in terms of diversity and skills.

Nagai I also get a similar sense. I feel quite at ease in moving forward with discussions because the Outside Directors share their concerns at the Outside Officer briefings regarding discussion topics, while the Chairman replies to our questions at the Board of Directors meetings. I have also had the opportunity to serve as an observer at the Group Management Meeting, where each Director has actively discussed matters involving the acquisition of Walki, for example, in a way that goes beyond the bounds of their own companies. These discussions have led to active exchanges of opinions, which have also allowed me to listen to explanations during the Outside Officer briefings later on without worry.

Kaku As Chairman, I have made a conscious effort to improve the briefings for Outside Directors and to nurture an atmosphere that makes it easier to speak up. Although the Group Management Meeting now has energetic discussions, there are still problems in that internal Directors rarely make comments at the Board of Directors meetings. And I think we should have more heated debates. I also believe we need to do this because there will be issues in the future that will influence how the Company evolves.

Ogawa I feel that, given the situation, it is also difficult for the

Executive Directors to determine just how far they can offer opinions on business matters that fall outside their area of responsibility, even within the same company.

Nagai I also feel that the insufficient sharing of information and cooperation between COMPANIES is a problem.

Nara I believe there is plenty of room for discussions regarding the format of execution and supervision as part of a holdings company, and regarding how to sublimate the positives and negatives of the COMPANY system. It seems to me to be difficult in practice for the Directors involved in execution as COMPANY presidents at reasonably sized organizations to state their opinions regarding problems at other COMPANIES, or at times to present opposing opinions.

Kaku I fully understand this problem. We must also consider the status of Board members.

Assessment of and Issues with the Nomination Committee and Compensation Committee

Nara We always discuss the actions the Group should take after providing explanations based on examples at other companies at the Compensation Committee, where I feel the members are able to



hold discussions in a free and open manner.

Ogawa Following an external third-party assessment each year, the Group submits compensation levels that have been deemed appropriate to the Compensation Committee, which I feel is managed in a highly appropriate manner.

Nagai I feel the same way. On the other hand, in order for us to play our roles as members of the Nomination Committee, I think the Group should offer more opportunities for us to get to know the candidates.

Ogawa I agree. It is difficult for the Committee to explain to the Outside Directors the capabilities and performance of candidates with which we have no contact on a regular basis. Similarly, it is difficult for us as Outside Directors to make judgments based on limited information. So, without question, the Group must more regularly provide opportunities that offer us more contact with candidates.

Nara For these reasons, I have asked the Group to provide opportunities for us to meet face-to-face with the candidates. More recently, we have had an increasing number of opportunities to meet with the new and former Corporate Officers, and we now also receive explanations from the Corporate Officers at the Outside Officer briefings. I think this provides benefits to both sides. Moreover, during the nomination stage for new directors, the Group shares quite a bit more information than in the past regarding its thoughts on the next generation of president candidates.

Kaku Unlike the executive team, which gets to know the nominated candidates from the time they are young, the Outside Directors struggle to form a picture of the candidates, which I am aware makes it challenging to pass judgment. This is why I have worked to create settings, such as the Outside Officer briefings and officer lunch meetings, that provide contact with the Corporate Officers. On a similar note, I would also like to ask for your advice, as necessary, when appointing human resources from outside the Group.

Encouraging an Understanding of the Group Among Outside Directors

Nagai The Group has engaged in various initiatives to enhance communication with Outside Directors. I have felt the depth of



the Group's reach from its stance of revealing everything when I have had the opportunity to attend the Group Management Meeting. Moreover, the site tours of the Group's mills or plants, for example, have provided us with a deeper understanding of the Group than we would have gained from documents alone, and this understanding has become the foundation of our debates at the Board of Directors.

Ogawa The Group offers extensive educational programs for Outside Directors, so I feel it is important for us to take as many of these opportunities as possible to acquire knowledge that will be beneficial for our duties as Outside Officers. The executive team also fully understands this point, and I feel that they are strongly aware of the need to further enhance communication in both vertical and horizontal directions.

Nara It would be impossible for us to supervise management without an understanding of the business profile. Moreover, the Group has no internal factions, which I feel is wonderful in terms of communication. The tenure of the President and Chairman are also relatively short, and their appointments are free from any hereditary factors. So, I hope the Group continues to value the ability of all

members to hold discussions on an equal footing without factions or divisions in this way.

Kaku Indeed, the Group is free of internal blocs. Neither is it an owner-operator business, and the President and Chairman only serve four to six years. Although the Group has undergone repeated mergers in the past, these have never led to a situation where the surviving company gains increased influence. Presidents have even come from the absorbed side, as well. For example, I myself am originally from the former Nippon Pulp Industry, while the previous Chairman, Mr. Yajima, was originally from the former Honshu Paper. The path of deciding personnel affairs based on the experience and knowledge the Group requires at each particular time period, regardless of the company the candidate is originally from, is something we intend to maintain into the future.

Group Governance Encompassing Overseas Subsidiaries

Nara The Group has more than 100 member companies outside of Japan, so there are still many areas that are difficult for it to monitor despite dispatching overseas expatriates from Japan. I feel this situation can make it difficult for the Group to manage overseas companies. I constantly talk about the importance of human resource development outside of Japan. Specifically, the Group should go beyond dispatching employees from Japan, and must build a framework for granting responsibility to talented human resources hired locally. Although the Group does train talented human resources from overseas at its Fuji Training Center, it must also nurture local human resources that can take on responsibility for governance and compliance, not just practical skills.

Ogawa When expanding business overseas, where legal systems, cultures, and values differ, all global companies tend to face challenges with internal control and compliance related issues. In response, the Group has established regional headquarters in Asia and Europe to build mechanisms that mitigate the communication and cultural gaps between the head office and local companies. It is people, however, that operate these mechanisms, so I feel human resource development on a global basis is an urgent matter.

Nagai Over the three years I have served as an Outside Director,

I have experienced many M&As during which I have encountered difficulties with differences in the cultural, religious, and legal systems of the acquired companies. Although we debated and implemented global governance measures in an ongoing way that extends beyond the boundaries of Japan in FY2023, I feel that human resource education will take time. While traveling extensively in Japan and abroad, both the President and Chairman have expressed their thoughts. Long-term initiatives to fully convey the intentions of top management to those on the very edges are also required.

Kaku In part because I spent so much time on the front lines, I ask that you as Outside Directors make decisions regarding governance-related issues after touring manufacturing sites and acquired companies, including those overseas. I am aware that along with strengthening global governance, beginning with the overseas headquarters, we must also focus on developing human resources in each area.

Toward Enhancing Corporate Value and Sustainable Growth

Ogawa The assets that have supported corporate value for the Group include its forest resources as its origin, the production facilities that have led Japan's paper and pulp industries for so long, and the invaluable human resources that handle these. I feel that the Group's earnest approach to leveraging these three as it engages in the value creation process outlined in this Integrated Report is part of the Group's corporate value.

Nara Corporate value is more than just numbers, and must be considered more comprehensively in terms of the corporate philosophy, market assessment, and impact on society. In addition to the assets mentioned by Mr. Ogawa, I hope the Group protects its flexibility as an intangible form of corporate value. When I was appointed as an Outside Director 10 years ago, I had imagined that a company with such a long history would be fairly conservative, so was surprised at the Group's slogan of "NO LONGER a Paper Company." Ten years on, the Group has maintained its flexibility in attempting to create new worlds without persisting with its past form, corporate culture, or track record, and has grown through

various M&As while taking on risks. I feel that this flexibility itself is a major part of the Group's corporate value.

Nagai I agree. I feel the Group is flexible, free from internal factions, and takes action with an eye to the future. Yet I think the Group holds the potential to further enhance its corporate value if every employee more deeply understands the Group's initiatives, shares the same values, and strengthens their motivation. So, for this reason, I think a positive development has been the growing number of opportunities for employees to converse directly with directors, including at town hall meetings where they can listen to the thoughts of the management team.

Ogawa The Group is currently attempting overseas acquisition projects even as it focuses on structural reforms and is therefore faced with the challenging question of how to allocate management resources. Even so, the Group has no option but to further human resource development and must therefore prepare training programs that involve both on-the-job and off-the-job training.

Nagai I think that these efforts would be more effective if the human resource training also served as opportunities to strengthen the horizontal connections between each COMPANY.



Nara Just as people are considered the bedrock of every strategy, enhancing corporate value ultimately relies on people. So, I think everything comes down to training as many human resources as possible—from young employees to those in management positions—who share the Purpose and who work toward increasing corporate value.

Kaku Looking ahead 150 years from now, we must evolve into a company that is centered on the manufacturing technologies we have developed and that solves the challenges faced by society. The Group is now in a period of transition, where we are moving beyond the field of paper manufacturing and advancing on to the next stage. So, I will lead efforts so that every employee understands this. From the perspective of the global environment, we must continue to manage forests in a sustainable manner, even as the demand for paper declines. The Group will further expand our forest management as we leverage these resources to grow into a corporate group that solves the challenges faced by society.



Toward Enhancing PBR, ROE, and Other Management Indicators

Nara Amid the different forms of value generated by each company, I feel there is a limit to efforts that seek to judge corporate value in a uniform manner. On the other hand, while we recognize that the Group offers so much in the way of amazing qualities, we must acknowledge that the fact that the PBR and the stock price have stagnated is because the Group has not been appropriately valued in a market economy and must therefore strive more than ever to strengthen dialogue with the market.

Nagai I believe that business outcomes will follow as long as the Group works toward its vision through initiatives that take a long-term perspective.

Ogawa The stock price can become stressed due to the influence of the sector as a whole, despite the Group showing a relatively strong performance among the members of the Tokyo Stock Exchange Prime Market Pulp & Paper Sector Index, to which the Group belongs. Our dividend policy, included in "Initiatives to Enhance Corporate Value," announced in December of last year, received a positive assessment from the market. I feel that at present the Group has entered a stage where its ability to dispose of unnecessary assets, also included in these Initiatives, has come into focus.

Kaku We are aware that a PBR below one times is a problem. To increase corporate value over the medium to long term, it is important to achieve results while strengthening dialogue and seeking understanding of the Group stakeholders. In our business model, when we execute a capital investment, it takes several years for the investment to pay off, resulting in a temporary decline in ROE. And as profitability deteriorates in the future due to the execution of GX-related investments, including forest plantation investments, we recognize the question of how we ask our stakeholders for their understanding with regard to this issue. I therefore intend to fully demonstrate to the capital markets that we will not decline along with the demand in paper, but instead enjoy the advantages of a surviving company as we successfully grow in new business fields.

Message to Stakeholders

Nara As an attorney-at-law, I have actively offered proposals in my areas of expertise, namely governance, compliance, and safety and security. Leveraging my experience as an outside officer at other companies, I intend to continue contributing to the Group through opinions and recommendations that promote the Group's sustainable growth, even beyond my fields of expertise.

Ogawa The most important, yet challenging, theme for corporate governance is how to breathe life into the system once it has been designed. And for this reason, the goalposts are constantly in motion. Leveraging my experience striving and executing duties in my previous positions, I intend to offer support toward further advancing governance.

Nagai My advantage is the ability to naturally understand the current era and its different sensibilities through regular contact with young people. In response to the challenges the Group faces in retaining younger employees and dealing with worker shortages, I intend to propose solutions based on an understanding of their perspective. And based on my experience emphasizing safety as part of my previous position, I intend to contribute to the Group by actively offering opinions and suggestions regarding safety.

Kaku To avoid becoming a big fish in a small pond, we must not be swayed when people call us a leading company in the paper manufacturing industry. In particular, as we reorganize our business structure going forward, I intend to reference the diverse opinions and experiences of the Outside Directors in order to foster businesses that grow in a sustainable manner. In terms of safety, I recognize that we have failed to fully ensure compliance with the main principles for safety stipulated by the Group, and must therefore again raise the level of awareness within the Group regarding safety, including implementing measures on the equipment side. No matter what actions we take, the most important factor is the people who carry out the business. I fully intend to reflect the opinions and comments we have received from you, Outside Directors, and all our stakeholders in our management.

Chairman × Independent Outside
Directors' Roundtable Discussion

Corporate Officers

Corporate Governance

Compliance

Risk Management

Corporate Officers



Masatoshi Kaku

Representative Director and Chairman of the Board
Chairman of the Board

April 1978 Joined the former Nippon Pulp Industry Co., Ltd.

April 2011 Corporate Officer, the Company

April 2012 Executive Officer, the Company

October 2012 Executive Officer, the Company

June 2013 Director of the Board and Executive Officer, the Company

April 2019 Representative Director of the Board, President and CEO, the Company

April 2022 Representative Director and Chairman of the Board, the Company (to the present)

Term of office as a director*: 11 years
Number of the Company shares owned: 78 thousand shares

Hiroyuki Isono

Representative Director of the Board
President and Group CEO

April 1984 Joined the Company

October 2012 Director of the Board, Oji Management Office Inc.

April 2014 Corporate Officer, the Company

June 2015 Director of the Board and Executive Officer, the Company

April 2021 Director of the Board and Senior Executive Officer, the Company

April 2022 Representative Director of the Board, President and Group CEO, the Company (to the present)

Term of office as a director*: 9 years
Number of the Company shares owned: 78 thousand shares

Fumio Shindo

Representative Director of the Board
Executive Vice President
Division of duties:
Corporate Sustainability Division
Innovation Promotion Division
Group Technology Division
In charge of Oji Engineering Co., Ltd.

April 1984 Joined the Company

April 2014 Corporate Officer, Oji Paper Co., Ltd.

April 2016 Director, Oji Paper Co., Ltd.

April 2017 Corporate Officer, the Company

April 2018 Executive Officer, the Company

June 2019 Director of the Board and Executive Officer, the Company

April 2021 Director of the Board and Senior Executive Officer, the Company

April 2023 Representative Director of the Board and Executive Vice President, the Company (to the present)

Term of office as a director*: 5 years
Number of the Company shares owned: 33 thousand shares

Kazuhiko Kamada

Director of the Board
Senior Executive Officer
Division of duties:
Corporate Governance Division
President, Oji Management Office Inc.
In charge of:
Oji Human Support Co., Ltd.
Oji Business Center Co., Ltd.
Oji Paper Management (Shanghai) Co., Ltd.
Oji Logistics Co., Ltd.

May 2013 Joined Oji Management Office Inc.

April 2014 President and Representative Director, Oji Forest & Products Co., Ltd.

January 2015 Corporate Officer, the Company

June 2015 Director of the Board and Executive Officer, the Company

April 2022 Director of the Board and Senior Executive Officer, the Company (to the present)

Term of office as a director*: 9 years
Number of the Company shares owned: 62 thousand shares

Shigeki Aoki

Director of the Board
Executive Officer
President, Functional Materials COMPANY
President, Oji Functional Materials Progressing Center Inc.
President, Oji Imaging Media Co., Ltd.

April 1984 Joined the former Honshu Paper Co., Ltd.

April 2016 Corporate Officer, General Manager, Sales Division, Oji F-Tex Co., Ltd.

April 2017 Director and Corporate Officer, General Manager, Sales Division, Oji F-Tex Co., Ltd.

April 2019 Corporate Officer, the Company

June 2020 Director of the Board and Executive Officer, the Company (to the present)

Term of office as a director*: 4 years
Number of the Company shares owned: 66 thousand shares

Akio Hasebe

Director of the Board
Executive Officer
President, Industrial Materials COMPANY
President, Oji Industrial Materials Management Co., Ltd.
President & CEO, Oji Asia Packaging Sdn. Bhd.
President, Oji Asia Management Sdn. Bhd.

April 1986 Joined the Company

April 2017 Director, Oji Industrial Materials Management Co., Ltd.

April 2019 Corporate Officer, the Company

April 2022 Executive Officer, the Company

June 2022 Director of the Board and Executive Officer, the Company (to the present)

Term of office as a director*: 2 years
Number of the Company shares owned: 75 thousand shares

Takayuki Moridaira

Director of the Board
Executive Officer
President, Household and Consumer Products COMPANY
President, Printing and Communications Media COMPANY
President, Oji Nepia Co., Ltd.

April 1985 Joined the Company

June 2013 Corporate Officer, Oji Paper Co., Ltd.

April 2016 Director, Oji Paper Co., Ltd.

April 2020 Corporate Officer, the Company

April 2022 Executive Officer, the Company

June 2022 Director of the Board and Executive Officer, the Company (to the present)

Term of office as a director*: 2 years
Number of the Company shares owned: 24 thousand shares

Yuji Onuki

Director of the Board
Executive Officer
President, Forest Resources and Environment Marketing COMPANY
President, Oji Green Resources Co., Ltd.
President, Oji Forest & Products Co., Ltd.

April 1982 Joined the former Honshu Paper Co., Ltd.

October 2012 Director, Oji Green Resources Co., Ltd.

April 2014 Managing Director, Oji Green Resources Co., Ltd.

April 2021 Corporate Officer, the Company

April 2022 Executive Officer, the Company

June 2022 Director of the Board and Executive Officer, the Company (to the present)

Term of office as a director*: 2 years
Number of the Company shares owned: 27 thousand shares

* The term of office as a director indicates the number of years as of the end of the Ordinary General Meeting of Shareholders held in June 2024.

Chairman × Independent Outside
Directors' Roundtable Discussion

Corporate Officers

Corporate Governance

Compliance

Risk Management



Michihiro Nara

Independent Outside Director of the Board

April 1974
June 2004
June 2013
June 2014
June 2015
June 2016

Registered as an attorney-at-law
Outside Audit & Supervisory Board Member, Nihon
Tokushu Toriy Co., Ltd.
Outside Audit & Supervisory Board Member, Seiko
Epson Corporation
Independent Outside Director of the Board, the
Company
(to the present)
Outside Director, Nihon Tokushu Toriy Co., Ltd.
(to the present)
Outside Audit & Supervisory Board Member, Chori
Co., Ltd.
Outside Director (Audit & Supervisory Committee
Member), Seiko Epson Corporation
Outside Director (Audit & Supervisory Committee
Member), Chori Co., Ltd.

Term of office as a director*: 10 years
Number of the Company shares
owned: 9 thousand shares



Seiko Nagai

Independent Outside Director of the Board

April 1983
April 2008
April 2012
October 2014
April 2015
June 2019
June 2021

Joined Japan Airlines Co., Ltd.
Manager, In-flight Sales Group, Japan Airlines
Co., Ltd.
Manager, Passenger Cabin Dept., JAL
Express Co., Ltd.
Manager, Cabin Attendants Section 4,
Haneda Airport, Japan Airlines Co., Ltd.
Professor, College of Foreign Studies, Kansai
Gaidai University (to the present)
Outside Director, Member of the Board,
ShinMaywa Industries, Ltd. (to the present)
Independent Outside Director of the Board,
the Company
(to the present)

Term of office as a director*: 3 years
Number of the Company shares
owned: 5 thousand shares



Hiromichi Ogawa

Independent Outside Director of the Board

April 1981
June 1998
April 2004
September 2004
November 2005
April 2006
April 2014
April 2017
June 2017
June 2022

Joined Mitsubishi Corporation
Director, Nichiryō Baking Co., LTD.
Senior Vice President, Lawson, Inc.
Executive Managing Officer, Lawson, Inc.
Unit Manager of Lawson Business, Mitsubishi
Corporation
Unit Manager of Retail Business, Mitsubishi Corporation
Senior Vice President ("riji") and General Manager of
Life Industry Group CEO Office, Mitsubishi Corporation
Advisor, Itoham Yonekyu Holdings Inc.
Director Chairman of the Board, Itoham Yonekyu
Holdings Inc.
Independent Outside Director of the Board, the
Company
(to the present)

Term of office as a director*: 2 years
Number of the Company shares
owned: 2 thousand shares



Sachiko Fukuda

Independent Outside Director of the Board

April 1987
March 1990
October 2001
April 2024
June 2024

Joined Minato Audit Corporation (currently
KPMG AZSA LLC)
Registered as a certified public accountant
Registered again as a certified public
accountant
Outside Director, Audit and Supervisory
Committee Member, Ryoyo Ryosan
Holdings, Inc. (to the present)
Independent Outside Director of the Board,
the Company
(to the present)

Term of office as a director*:
Newly appointed
Number of the Company shares
owned: 0 thousand shares



Tomihiro Yamashita

Audit & Supervisory Board Member

April 1982
October 2012
April 2014
April 2016
June 2017

Joined the Company
General Manager, Internal Audit Department,
Corporate Governance Division, the
Company
Audit & Supervisory Board Member, Oji
Container Co., Ltd.
Corporate Officer and Deputy General
Manager, Technology Division, Oji Container
Co., Ltd.
Audit & Supervisory Board Member, the
Company
(to the present)

Term of office as an Audit &
Supervisory Board Member*: 7 years
Number of the Company shares
owned: 48 thousand shares



Teruo Yamazaki

Audit & Supervisory Board Member

April 1982
February 2016
April 2019
April 2023
June 2023

Joined the former Honshu Paper Co., Ltd.
Deputy Mill Manager, Ebetsu Mill, Oji F-Tex
Co., Ltd.
General Manager, Internal Audit Department
and Corporate Compliance Department,
Corporate Governance Division, the
Company
General Manager, Internal Audit Department,
Corporate Governance Division, the
Company
Audit & Supervisory Board Member, the
Company
(to the present)

Term of office as an Audit &
Supervisory Board Member*: 1 year
Number of the Company shares
owned: 24 thousand shares



Hidero Chimori

Independent Outside Audit & Supervisory Board
Member

April 1983
January 2002
June 2006
June 2016
June 2019
June 2021

Registered as an attorney-at-law
Outside Audit & Supervisory Board Member,
OMRON Corporation
Outside Audit & Supervisory Board Member,
DUSKIN CO., LTD.
Independent Director, Audit & Supervisory
Committee Member, Kobe Steel, Ltd.
Outside COMPANY Auditor, ROHM Co., Ltd.
Outside Director, Member of the Board, Audit
and Supervisory Committee Member, ROHM
Co., Ltd. (to the present)
Independent Outside Audit & Supervisory
Board Member, the Company
(to the present)

Term of office as an Audit &
Supervisory Board Member*: 3 years
Number of the Company shares
owned: 1 thousand shares



Noriko Sekiguchi

Independent Outside Audit & Supervisory Board
Member

March 1994
January 2002
November 2010
July 2012
June 2015
January 2019
June 2021
June 2022
July 2022
March 2023

Registered as certified public accountant
Re-registered as certified public accountant
Representative of Sekiguchi CPA Office (currently
Sekiguchi Noriko CPA Office) (to the present)
Registered as certified tax accountant
Outside Director, TOKYO OHKA KOGYO CO., LTD.
Executive Officer, Chifure Holdings Corporation
Independent Outside Audit & Supervisory Board
Member, the Company (to the present)
Outside Audit & Supervisory Board Member, Ryoden Shoji K.K.
(currently RYODEN CORPORATION) (to the present)
Auditor, Japan International Cooperation Agency
(to the present)
Outside Director, Audit and Supervisory Committee
Member, TOKYO OHKA KOGYO CO., LTD.
(to the present)

Term of office as an Audit &
Supervisory Board Member*: 3 years
Number of the Company shares
owned: 1 thousand shares



Takashi Nonoue

Independent Outside Audit & Supervisory Board
Member

April 1982
January 2015
September 2016
February 2018
April 2018
March 2021
June 2021
June 2022

Appointed as public prosecutor
Director-General of the Public Security
Intelligence Agency
Superintendent Public Prosecutor of the
Fukuoka High District Public Prosecutors Office
Retired from Superintendent Public
Prosecutor
Inspector General of Legal Compliance of
the Ministry of Defense
Retired from Inspector General of Legal
Compliance of the Ministry of Defense
Registered as an attorney-at-law
Independent Outside Audit & Supervisory
Board Member, the Company
(to the present)

Term of office as an Audit &
Supervisory Board Member*: 2 years
Number of the Company shares
owned: 3 thousand shares

* The term of office as a director and Audit & Supervisory Board Member indicates the number of years as of the end of the Ordinary General Meeting of Shareholders held in June 2024.

Corporate Governance

Basic Approach

The Oji Group established the Oji Group Corporate Code of Conduct based on the fundamental values and philosophy that have been handed down since the Group's foundation and has undertaken business activities with an awareness of its role as a corporate member of society and a strong sense of ethics throughout the Group. Having positioned the enhancement of corporate governance as one of the highest priority issues for management, the Group will continue its efforts to ensure the efficiency, soundness, and transparency of management, while building relationships of trust with its diverse stakeholders. In doing so, the Group aims to increase its corporate value and become a company that is trusted by society.

► Fundamental Policies on Corporate Governance [🔗](#)

The Fundamental Policies on Corporate Governance set forth the basic concepts, framework, and operational policies regarding corporate governance.

► Corporate Governance Report [🔗](#)

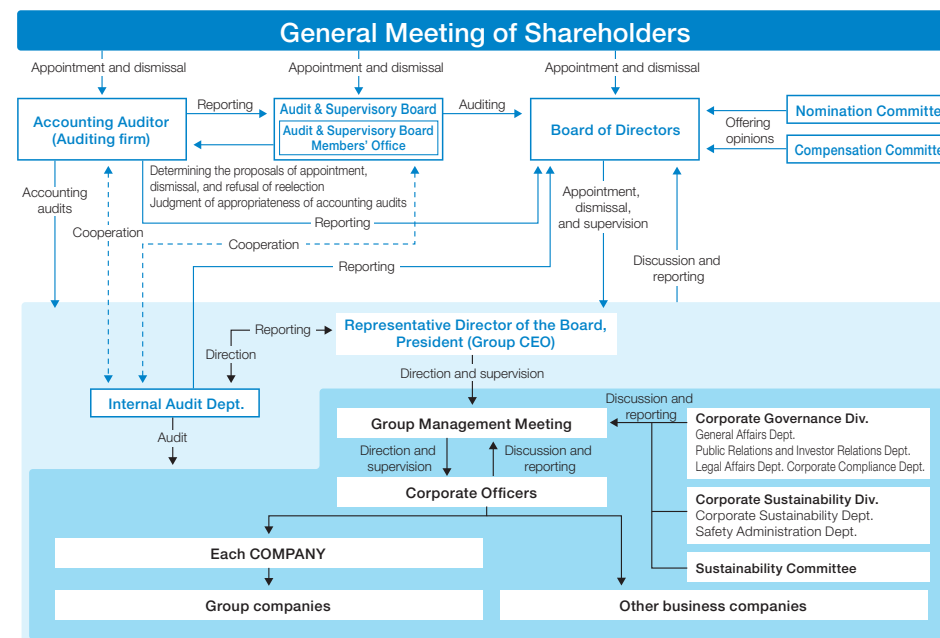
The Oji Group posts its Corporate Governance Report, which it submits to Tokyo Stock Exchange, on its official website.

Corporate Governance Structures

The Group has adopted a COMPANY system under which Oji Holdings undertakes the formulation of Group management strategies as well as the supervision of Group governance, while each COMPANY comprised of closely associated businesses forms the center of the Group's business operations. This structure accelerates decision-making by each business unit and clarifies management responsibilities.

As a company with an Audit & Supervisory Board, the Company strives to strengthen the governance of the entire Group through audits of the execution of duties by Directors by Audit & Supervisory Board Members and the Audit & Supervisory Board. The Board of Directors consists of 12 Directors (including four independent Outside Directors) and the Audit & Supervisory Board consists of five Audit & Supervisory Board Members (including three Independent Outside Audit & Supervisory Board Members), and Representative Director and Chairman of the Board chairs the Board of Directors.

Corporate Governance Structural Diagram



Sustainability Governance

In 2022, we established the Sustainability Committee, with the Group CEO as chair, to discuss the risks of and measures for sustainability. [\(P.29\)🔗](#)

Oji Group Tax Policy

The Group understands that by ensuring proper tax payment in compliance with the tax laws and regulations of each country where we operate, we can enhance corporate value and become a socially trusted company. We established the "Oji Group Tax Policy" based on this awareness for the purpose of clarifying our basic policy.

► Oji Group Tax Policy [🔗](#)

Views on Director Compensation Disclosure

Nomination Committee and Compensation Committee

The Nomination Committee and the Compensation Committee were established as advisory bodies to the Board of Directors in 2015. These two committees ensure objectivity and transparency in decisions of the Board of Directors concerning nomination and compensation, and the Compensation Committee analyzes the effectiveness of and deliberates the evaluations of the Board of Directors. Each of the Committees consists of two internal Directors and four Independent Outside Directors.

Roles of the Nomination Committee

Formulate nomination, appointment, and dismissal policies related to personnel affairs for Directors, Audit & Supervisory Board Members, Corporate Officers, and Corporate Advisors, deliberate on candidates, and report to the Board of Directors.

Roles of the Compensation Committee

Deliberate on compensation structures, compensation levels, and evaluation of Directors, Corporate Officers, and Corporate Advisors, as well as analysis and evaluation of the effectiveness of the Board of Directors, and report to the Board of Directors.

Members of the Nomination Committee and the Compensation Committee and Their Meetings Held in FY2023

Position	Name	Nomination Committee	Attendance	Compensation Committee	Attendance
Representative Director and Chairman of the Board	Masatoshi Kaku		2/2		2/2
Representative Director of the Board, President	Hiroyuki Isono	Committee Chair	2/2	Committee Chair	2/2
Independent Outside Director	Michihiro Nara		2/2		2/2
Independent Outside Director	Sachiko Ai*		0/2		1/2
Independent Outside Director	Seiko Nagai		2/2		2/2
Independent Outside Director	Hiromichi Ogawa		2/2		2/2

* Retired as of the General Meeting of Shareholders held on June 27, 2024.

Policy on Determination of Director Compensation and Total Compensation Amount

Oji Holdings has designed its compensation programs with an emphasis on the roles performed by the Director compensation program such that the Board of Directors promotes sustainable growth and increasing the medium- to long-term corporate value of the Company and pursues enhanced profitability and capital efficiency. The compensation program and determination policies are set forth in the Fundamental Policies on Corporate Governance. Director compensation comprises base compensation that is fixed compensation, bonuses that reflect short-term performance, and stock-based compensation that reflects medium- to long-term improvement in corporate value. Determinations are made by the Board of Directors based on reports by the Compensation Committee. Evaluation for bonuses takes into consideration the overall status of achievement of evaluation items concerning ESG.

Please refer to the Annual Securities Report for details concerning performance-linked compensation including bonuses and stock-based compensation.

► [Securities Report \(in Japanese only\)](#) 

Ratios of Performance-linked Compensation and Non-performance-linked Compensation

Position	Fixed compensation	Performance-linked compensation			Total
		Bonuses	Stock-based compensation	Subtotal	
Representative Director and Chairman of the Board	50%	25%	25%	50%	100%
Representative Director of the Board, President and Group CEO	50%	25%	25%	50%	100%
Representative Director of the Board, Executive Vice President	50%	25%	25%	50%	100%
Director of the Board, Senior Executive Officer	50%	25%	25%	50%	100%
Director of the Board, Executive Officer	50%	25%	25%	50%	100%
Independent Outside Director	100%	—	—	—	100%

Note: The payment ratios will fluctuate due to changes in performance-linked compensation such as bonuses and stock-based compensation.

Total Amount of Compensation for Each Officer Category, Total Amount of Compensation, etc., by Type, and Number of Eligible Officers (FY2023)

Officer category	Total amount of compensation (¥ million)	Total amount of compensation, etc., by type (¥ million)			Number of eligible officers (persons)
		Fixed compensation	Bonuses	Stock-based compensation	
Directors (excluding Independent Outside Directors)	468	215	137	115	8
Audit & Supervisory Board Members (excluding Independent Outside Audit & Supervisory Board Members)	54	54	—	—	3
Independent Outside Directors and Independent Outside Audit & Supervisory Board Members	99	99	—	—	7

Independence of the Board of Directors

Policy and Process for the Nomination of Directors, Audit & Supervisory Board Members

The Fundamental Policies on Corporate Governance of Oji Holdings stipulate as a Director nomination policy that the Board of Directors shall comprise Directors with diverse knowledge and expertise concerning the business operated by the Group in a well-balanced manner. The Fundamental Policies also stipulate that candidates be nominated for Directors who possess excellent character and insight and who can contribute to the sustainable growth as well as the increase of the medium- to long-term corporate value of the Group, and that candidates be nominated for Audit & Supervisory Board Members who are capable of executing the duties of Audit & Supervisory Board Members, and who possess excellent character and insight as well as high expertise and rich experience.

Process

When nominating candidates for Directors, the Nomination Committee, an advisory body to the Board of Directors, deliberates and recommends to the Board of Directors. As for nomination of candidates for Audit & Supervisory Board Members, the Nomination Committee recommends to the Board of Directors with the consent of the Audit & Supervisory Board, following deliberation among the Nomination Committee. The Board of Directors receives reporting from the Committee, deliberates, and makes decisions.

Directors' Skill Map

Oji Holdings has identified the skills that members of the Board of Directors should possess as shown in the table to the right, to ensure that the Board of Directors makes appropriate management decisions and is highly effective in the supervision of business execution to realize the Group's management strategies.

Skills That Members of the Board of Directors Should Possess

Category	Expected skills	Relevance to Long-term Vision		
		Environmental issues	Profitability improvement	Product development
Corporate management	Essential management skills necessary for the achievement of a sustainable business corporation and management strategies	●	●	●
Finance and accounting	Skills necessary for contributing to the sustainability and growth of a corporation through finance as well as for oversight of management		●	
Innovation, manufacturing, and technologies	Skills essential for building an organizational structure for sustainable product supply, achieving higher productivity, addressing environmental issues, and making innovation out of the core technologies that have been built up	●	●	●
Sales, purchase, and marketing	Skills necessary to achieve the sustainable growth of a corporation through understanding the needs of society and earning appropriate income Skills concerning stable procurement of raw materials as the foundation of production activities and the management of forests as sustainable sources of wood raw materials	●	●	
Personnel and human resource strategy	Skills concerning the development and utilization of diverse human resources essential for the sustainable growth and evolution of a corporation and achievement of management strategies	●	●	●
Global	Skills for managing international business activities essential for the Oji Group's global business activities		●	
ESG	Skills concerning environmental, social, and governance aspects of corporate activities that are the foundation of corporate management and essential for sustainability	●	●	●
Legal affairs and risk management	Skills in planning and executing the legal aspects of corporate activities and anticipating and responding to risks	●	●	●
DX	Skills for digitalizing corporate activities and creating new products, services, and business models		●	

Note: Items marked with "●" have particularly high relevance.

Capabilities of Each Director

Name	Positions in the Company	Nomination/ Compensation Committee	Corporate management	Finance and accounting	Innovation, manufacturing, and technologies	Sales, purchase, and marketing	Personnel and human resource strategy	Global	ESG	Legal affairs and risk management	DX
Masatoshi Kaku	Representative Director and Chairman of the Board	○	●		●	●			●		●
Hiroyuki Isono	Representative Director of the Board, President and Group CEO	○ (Committee Chair)	●	●			●	●	●		
Fumio Shindo	Representative Director of the Board and Executive Vice President		●		●	●	●		●		
Kazuhiko Kamada	Director of the Board and Senior Executive Officer		●					●	●	●	●
Shigeki Aoki	Director of the Board and Executive Officer		●		●	●					
Akio Hasebe	Director of the Board and Executive Officer		●	●				●			
Takayuki Moridaira	Director of the Board and Executive Officer		●			●	●				
Yuji Onuki	Director of the Board and Executive Officer		●			●			●		
Michihiro Nara	Outside Director (Independent Director)	○							●	●	
Seiko Nagai	Outside Director (Independent Director)	○						●	●		
Hiromichi Ogawa	Outside Director (Independent Director)	○	●						●		
Sachiko Fukuda	Outside Director (Independent Director)	○		●						●	

Notes: 1. ○ marks indicate members of the Nomination and Compensation Committee.

2. ● marks indicate the abilities in which each director can demonstrate greater strength and expertise according to his or her position in the Company. This list is based on their positions in the Company and does not represent all of the abilities possessed by each director.

Representative Director of the Board, and Director of the Board and Senior Executive Officer: Up to five (5) Director of the Board and Executive Officer: Up to three (3) Outside Director: Up to two (2)

Executive Officer Appointment and Succession Plans

Succession Plan Implementation

With the aims of accelerating the decision-making and clarifying the management responsibilities of each business, the Oji Group has adopted a COMPANY system under which the businesses of the Group are consolidated into closely related business groups for management purposes. When appointing the Group CEO and other chief officers, the Group seeks out individuals who, in addition to exceptional ethics and character, possess advanced expertise regarding the Oji Group's businesses and strong leadership skills that enable them to manifest the Group's management and growth strategies. Through an appointment process that involves strict personnel reviews, the Group selects management personnel candidates at the level of each COMPANY for the purpose of improving the capabilities and knowledge required for managing individual companies within the scope of the businesses for which they are responsible. This approach also serves to develop and promote future generations of management personnel candidates for the Group on a global basis while charting personnel reassignments between each COMPANY. The Nomination Committee, most members of which are Independent Outside Directors, discusses these succession plans and selects executive candidates.

Status of Activities by and Reason for Appointment of Independent Outside Officers

Oji Holdings has appointed four Outside Directors and three Outside Audit & Supervisory Board Members, each of whom is designated as an Independent Officer. The Independent Officers attend Board of Directors meetings and the briefings (held basically twice a month) conducted by the officer responsible for the Corporate Governance Division regarding matters submitted to the Management Meetings and matters planned to be submitted to the Board of Directors meetings. The Independent Outside Directors make up the Nomination Committee and the Compensation Committee.

Persons with a high level of expertise and broad insight who are able to express opinions that are independent from management and from the perspectives of various stakeholders are selected as Independent Outside Director candidates, and persons with excellent character and insight, high expertise, and rich experience are selected as Independent Outside Audit & Supervisory Board Member candidates.

In FY2023, the attendance of the total of seven Independent Outside Directors and Independent Outside Audit & Supervisory Board Members at the Board of Directors meetings (16 meetings held) averaged 93.8%, and the attendance of Independent Outside Audit & Supervisory Board Members at the Audit & Supervisory Board meetings (13 meetings held) was 100%.

Main Activities of Independent Outside Directors in FY2023

Name	Attendance at Board of Directors meetings	Summary of comments made and duties performed with respect to expected role
Michihiro Nara	Attended 14 of 16 meetings (87.5%)	Fulfilled the role expected of him by making comments concerning the Company's management from an independent standpoint, from a multifaceted perspective, including legal viewpoints as an attorney-at-law, and based on his extensive experience, high level of expertise, and wide-ranging insight
Sachiko Ai*	Attended 13 of 16 meetings (81.3%)	Fulfilled the role expected of her by making comments concerning the Company's management from an independent standpoint, from a multifaceted perspective from the business world, including the financial area, and based on her high level of expertise and abundance of insight
Seiko Nagai	Attended 16 of 16 meetings (100%)	Fulfilled the role expected of her by making comments concerning the Company's management from an independent standpoint, from a multifaceted perspective, including professional viewpoints developed through customer service and university teaching, and based on her extensive experience, high level of expertise, and wide range of insight
Hiromichi Ogawa	Attended 16 of 16 meetings (100%)	Fulfilled the role expected of him by making comments concerning the Company's management from an independent standpoint, from a multifaceted perspective, including professional viewpoints developed through management of retail business and food manufacturing companies, and based on his extensive experience, high level of expertise, and wide range of insight

* Retired as of the General Meeting of Shareholders held on June 27, 2024.

Main Activities of Independent Outside Audit & Supervisory Board Members in FY2023

Name	Attendance at Board of Directors meetings	Attendance at Audit & Supervisory Board meetings	Statements at meetings
Hidero Chimori	Attended 16 of 16 meetings (100%)	Attended 13 of 13 meetings (100%)	Provided expert opinions based on his extensive experience, high-level expertise and wide-ranging knowledge, in particular, in the corporate legal affairs and corporate governance field, as an attorney-at-law
Noriko Sekiguchi	Attended 14 of 16 meetings (87.5%)	Attended 13 of 13 meetings (100%)	Provided expert opinions based on her abundant practical experience at companies in addition to her extensive experience, high-level expertise, and wide-ranging knowledge on financial accounting as a certified public accountant
Takashi Nonoue	Attended 16 of 16 meetings (100%)	Attended 13 of 13 meetings (100%)	Provided expert opinions based on his extensive experience, high-level expertise, and wide-ranging knowledge as a public prosecutor and attorney-at-law

Effectiveness Evaluation of the Board of Directors

The Company stipulates in its “Fundamental Policies on Corporate Governance” that the Board of Directors conducts analysis and evaluation of its effectiveness every year and takes required measures to ensure the effectiveness as a whole as well as discloses an overview of the findings.

To evaluate the effectiveness of the Board of Directors in FY2023, we conducted a survey on the roles, organization, and management of the Board of Directors for all of the Directors and Audit & Supervisory Board Members from April to May 2024. The evaluation results were analyzed by the Compensation Committee in which Independent Outside Directors participated, and deliberated by the Board of Directors based on the analysis results.

As a result, we confirmed that the Company's Board of Directors, including its accompanying meeting bodies, has been effective. Regarding the role of the board of directors, many respondents answered that the board was able to present strategies in line with the medium-term management plan, and that the board was able to clearly present the direction of the Group through discussions on the improvement of PBR and large-scale acquisitions at board meetings. To the question of whether the Company has established an internal control and risk management system and supervised its operation, some respondents said that although the management system and its operation have been improved, the actual violation of rules and the occurrence of labor accidents have not been eradicated, and therefore the Company needs to continue strengthening its system. To the question of whether the Company has promoted constructive dialogue with stakeholders, while many appreciated the current efforts made in investor relations, others said that the board of directors has not engaged in sufficient dialogue. As for the composition of the board, while rating the current composition, which is the same as the previous year, as well-balanced, there was a shared recognition that the appointment of women and overseas personnel to internal board positions is an issue to be addressed.

In keeping with the findings, the Company will consider and take required measures to continually work on functional improvements of the Board of Directors.

Procedure for the Effectiveness Evaluation of the Board of Directors

Timing	Process
April	Survey for effectiveness evaluation of the Board of Directors · Respondents: All Directors and Audit & Supervisory Board Members · Aggregated by: Corporate Governance Division
May	Analysis by the Compensation Committee
June	Report from the Compensation Committee to the Board of Directors Discussion and approval by the Board of Directors
From July	Implementation of measures to improve effectiveness

Survey Questions

Respondents evaluate effectiveness regarding the following 10 questions on a 5-point scale and comment on the reasons.

Any comments outside the 10 questions can be entered freely in the comment section.

No.	Question topics
1	Formulating the Group management strategies and presenting the direction
2	Deliberating and examining business execution
3	Support for prompt and unwavering business execution
4	Supervision of the management team
5	Internal control and risk management
6	Composition and discussion of the Board of Directors
7	Time and frequency of deliberation
8	Provision of information to participants
9	Relationship with stakeholders
10	Implementation and effects of measures for the improvement of the Board of Directors
	Comment

Scores are totaled for all respondents and by group (inside officers, Outside Officers, Directors, and Audit & Supervisory Board Members), and changes from previous results are also examined.

Strategic Shareholding

Policy for Strategic Shareholding

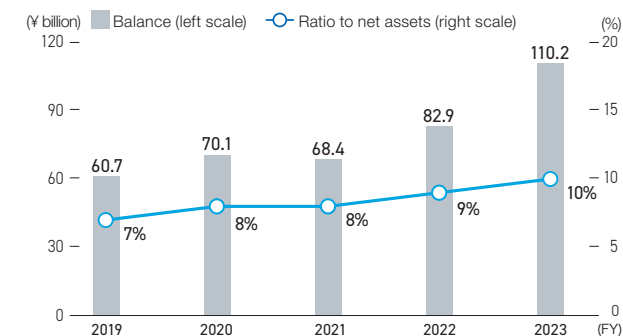
The Company strategically holds shares that are expected to contribute to the sustainable growth of its business and the improvement of corporate value over the medium to long term as part of its management strategies for the purpose of business alliances and strengthening and maintenance of long-term and stable relationships with business partners. The Board of Directors examines for each individual stock every year whether the purpose of strategic shareholding is appropriate and whether the benefits and risks associated with strategic shareholding are commensurate with the capital cost to verify the appropriateness of the holding. To reduce strategic shareholding, we sell shares properly and appropriately if the rationality for holding them has diminished.

In FY2023, we reduced the number of companies held for strategic shareholding, but the balance of our holding increased due to rising stock prices. Moreover, we have set a target of reducing our strategic shareholdings by ¥30 billion on a market value basis as of the end of March 2024 over the four years from FY2024 to FY2027.

Please refer to the Annual Securities Report for details concerning individual stocks held for strategic shareholding.

► [Securities Reports \(in Japanese only\)](#) 

Strategic Shareholding



Compliance

The Oji Group Corporate Code of Conduct and Behavior Standard

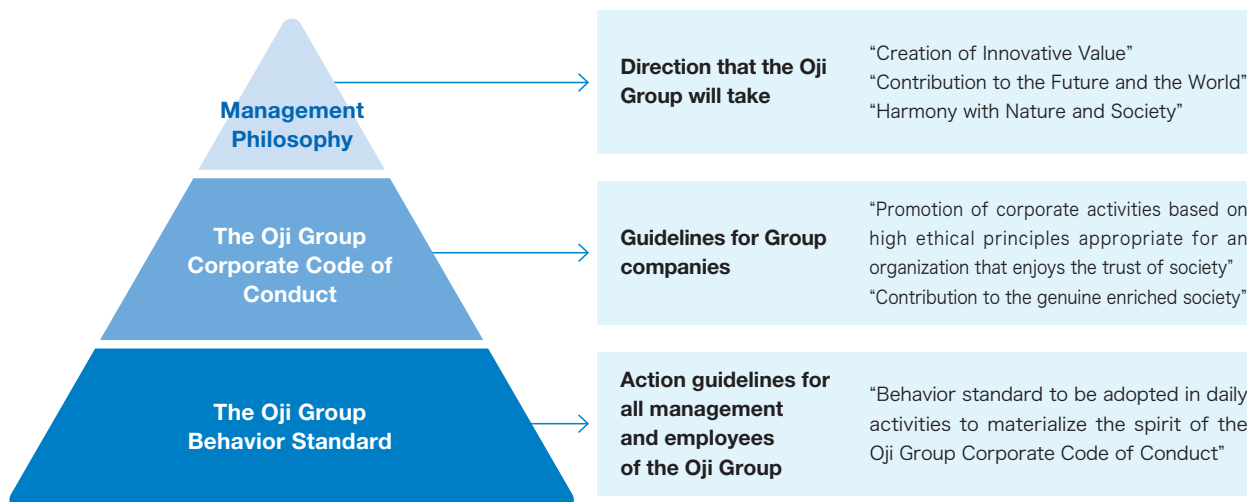
The Oji Group incorporated the principles on human rights, labor, the environment, and anticorruption of the United Nations Global Compact and established the Oji Group Corporate Code of Conduct and the Oji Group Behavior Standard, action guidelines for the Code, in 2004. They were revised in FY2020 to reflect the social environment including the SDGs and the Management Philosophy, to make them more in line with the demands of the times.

The Oji Group Corporate Code of Conduct is adopted as guiding principles for the Oji Group companies for conducting corporate activities based on awareness of our responsibilities as a corporate citizen in international society, and on high ethical principles appropriate for an organization that enjoys the trust of society. The Oji Group Behavior Standard is adopted toward the materialization of the spirit of the Oji Group Corporate Code of Conduct, as a standard to be followed in the daily activities of all management and employees as a member of international society.

The alteration or abolition of the Corporate Code of Conduct and the Behavior Standard requires a resolution by the Board of Directors. With the involvement of the Board, this Code of Conduct and the Behavior Standard have been established as the standard of activities performed by all officers and employees of the Oji Group. The Code of Conduct and the Behavior Standard have been translated into the respective languages of each country in which the Group has its business sites and are made known to all officers and employees that belong to the Group. All officers and employees of the Oji Group strive to understand the Oji Group Corporate Code of Conduct and the Oji Group Behavior Standard correctly and to practice them. If an action against them is conducted or if a violation is suspected, it must be reported or consulted with a supervisor or the compliance office of the Company or worksite, or the Corporate Ethics Helpline (Group internal whistleblowing) desks.

▶ [The Oji Group Corporate Code of Conduct](#)

▶ [The Oji Group Behavior Standard](#)



Sharing the Code of Conduct and Behavior Standard and Providing Follow-up Sessions

We have prepared a booklet and distributed it to officers and employees to thoroughly disseminate the contents of the Oji Group Corporate Code of Conduct and the Oji Group Behavior Standard. In addition, following the revision in October 2020, we prepared education and explanatory materials for raising employees' awareness, and translated these into 12 languages for overseas employees as a start, which we continue to translate into more languages as necessary. The contents of the explanatory materials are included in and distributed as part of the "Compliance News" compliance awareness newsletter, periodically published by the Corporate Compliance Department for Japan and overseas, and used at workplace compliance meetings at Group companies, in order to disseminate the Oji Group Corporate Code of Conduct and the Oji Group Behavior Standard and encourage employees to practice the Standard.

Languages in Which the Multilingual Version of "Compliance News" Is Distributed

Chinese	Malay
English	Burmese
German	Nepali
Hindi	Portuguese
Indonesian	Thai
Korean	Vietnamese
Gujarati	Tamil

Since 2023

Italian	Tagalog
Khmer	

To be added in 2024

Finnish	Swedish
Bengali	French
Spanish	Polish

Measures for Promoting Compliance

The Corporate Compliance Department of Oji Holdings draws up policies and measures for promoting business ethics and compliance in the entire Group. It also formulates and reviews the Oji Group Corporate Code of Conduct and the Oji Group Behavior Standard and establishes internal whistleblowing systems and rules on anti-corruption. In addition, at domestic and overseas Group companies, compliance managers and compliance promotion leaders play a central role in promotion activities and work to instill business ethics and compliance awareness throughout the Group.

Activities for Raising Compliance Awareness

The Corporate Compliance Department provides many opportunities for employees to acquire necessary knowledge including compliance training as part of rank-based training for newly appointed managers and new employees, as well as e-learning-based training and periodic internal training on themes that are common to all Group companies such as the Subcontract Act, the Antimonopoly Act, and the prevention of bribery. Also, the “Compliance News” is issued every month to introduce current internal and external compliance topics, provide teaching materials in a quiz format, explain the Oji Group Corporate Code of Conduct and Oji Group Behavior Standard, and inform officers and employees of the internal whistleblowing system. Moreover, as part of daily compliance activities, compliance promotion leaders at respective workplaces and companies organize regular workplace compliance meetings to raise awareness among all officers and employees.

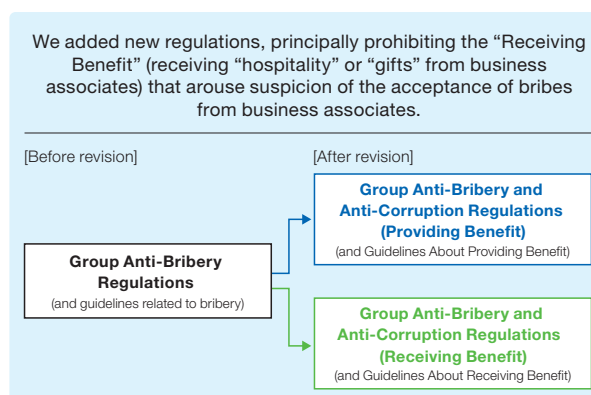


◆ Participation in workplace compliance meetings at Group companies in Japan in the second half of FY2023: 98.8% of all officers and employees

We provided senior management training to newly appointed officers (including corporate officers) of Oji Group companies. The video of the training program was available on our portal site for officers already in office as well to view for a certain period of time to confirm their knowledge. (Senior management training conducted in April 2024)

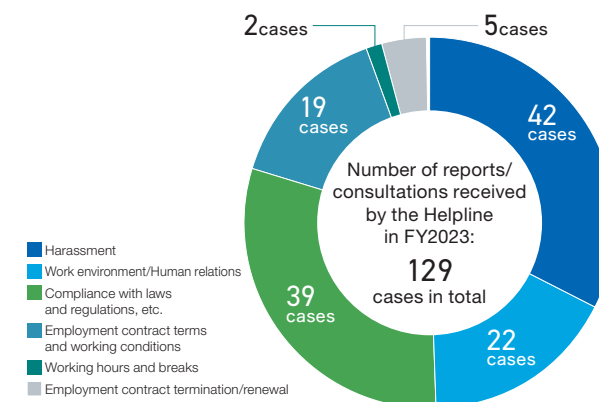
Anti-Corruption Initiatives

In accordance with Principle 10 (the anti-corruption initiatives) of the UN Global Compact, we clearly state that a “wholesome relationship with politics and government” and the “maintenance of an honest, wholesome relationship with our business partners” are important to us in the Oji Group Corporate Code of Conduct. We established Group Anti-Bribery and Anti-Corruption Regulations and guidelines to ensure transparency of political contributions, prohibit illegal contributions or donations, and prohibit bribery and other corrupt acts and practices. To establish good, wholesome relationships with business partners, in April 2020, we established new rules and guidelines prohibiting in principle “receipt of benefits,” in addition to “provision of benefits,” which might raise suspicion of bribery in addition to preexisting rules.



Internal Whistleblowing System

The Oji Group established the Corporate Ethics Helpline to provide all officers and employees (including part-time and short-term employees) the opportunity to consult and make reports with the aim of prevention or remediation through early discovery of violations of laws and regulations and misconduct, and operates this Helpline based on the Group Internal Whistleblowing Regulations in accordance with the amended Whistle-Blower Protection Act of June 2022. Whistleblowing desks are established both internally (in the Oji Holdings Corporate Compliance Department) and externally (a law firm), which serve to identify and remedy any acts of misconduct, including legal violations, harassment, discrimination and other human rights violations, and bribery and other acts of corruption, as early as possible. Moreover, these desks carefully address the concerns, dissatisfactions, and questions regarding compliance experienced by employees on a daily basis to resolve any uncertainties.



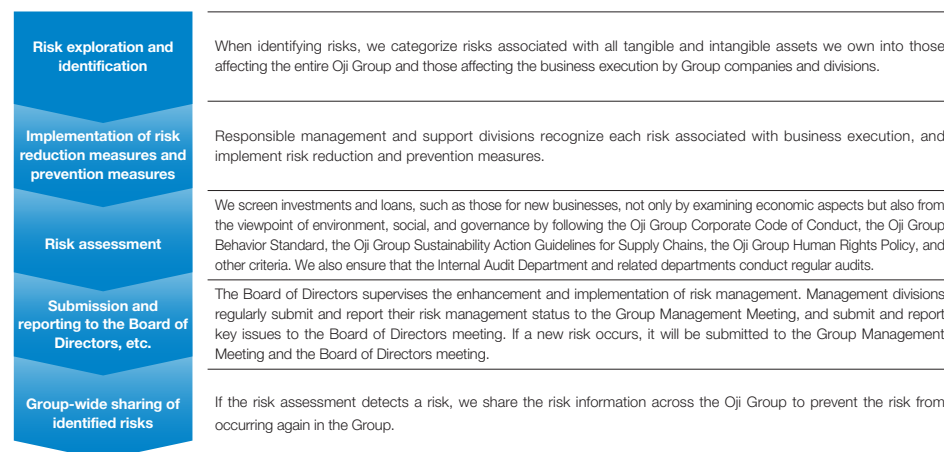
This graphic shows the breakdown of reports and consultations received by the internal and external whistleblowing desks of the Corporate Ethics Helpline in FY2023. Reports or consultations concerning “harassment” and “work environment/human relations” accounted for around half, including consultations on misunderstandings with a supervisor or coworker in the workplace in daily work.

Risk Management

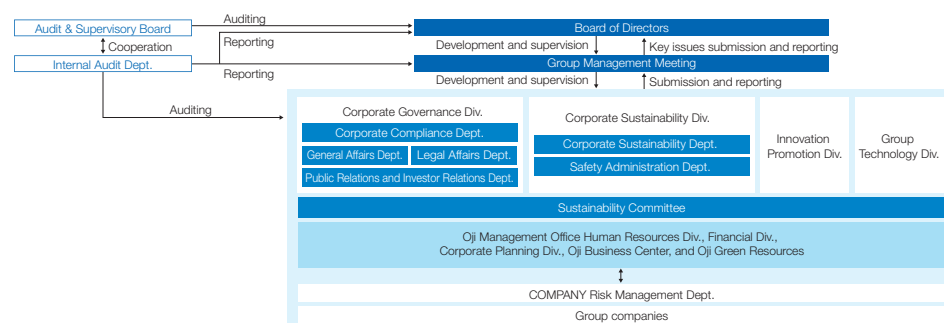
The Oji Group undertakes business activities with a strong sense of ethics set forth in the Oji Group Corporate Code of Conduct and implements appropriate risk management practices. In response to the rapid expansion of the areas where we operate businesses, we will reinforce our risk management structure globally to ensure business continuity and the steady development of our businesses.

Flow of Risk Management

Under the development and supervision by the Board of Directors, the Oji Group has established Group Risk Management Regulations and works to manage risks in the flow described below.



Risk Management Structure

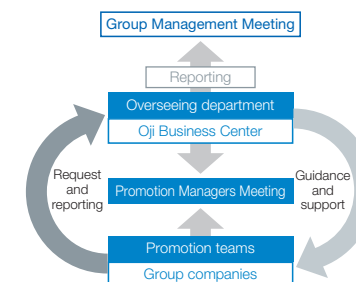


Measures for Information Security

The Oji Group positions information obtained through its business activities as important assets. We have established a Group-wide information security promotion system to respond to the ever-sophisticating IT environment, and to prepare for cyber threats such as information leaks, unauthorized access, and sophisticated ransomware as well as for natural disasters. Oji Business Center Co., Ltd., as a department that oversees our information system risk management, inspects the information system risks across the Group, and maintains, manages, and works to improve the Group's IT security. Within Oji Business Center, a dedicated team for cyber incident response has also been organized. Keeping abreast of the latest risk trends, it provides support in the event of an incident, plans and proposes organized response measures, conducts educational activities and provides information through internal newsletters, and conducts regular drills against targeted e-mail attacks.

We are currently reviewing our regulations to respond to the increased use of cloud services, changes in work styles including the spread of remote work, and the amendment of the Act on the Protection of Personal Information. We will continue to work to ensure these measures are implemented and to strengthen our information security to counter increasingly sophisticated cybercrimes.

Information Security Structural Diagram



The Oji Group's BCP

At the Oji Group, we have formulated a BCP*¹ for each COMPANY to respond to an emergency when a risk associated with business execution arises, which we review as necessary as part of our BCM*².

In the event of a serious incident to be addressed by the overall Group, we establish the Group Emergency Headquarters to confirm the safety of employees, check the damage suffered, and take prompt measures to continue supplying products to our customers.

*¹ BCP is an abbreviation for Business Continuity Plan, for emergencies such as disasters and pandemics.

*² BCM is an abbreviation for Business Continuity Management, which means comprehensive and integrated management for business continuity including formulation of a business continuity plan and its continuous improvement, i.e., introduction, operation, and review.

Building a Group disaster control system	We have established the Group Disaster Control Office as a permanent organization to prepare for disasters such as fire, earthquake, storm, and flood. We have formulated rules on the reporting of disaster and accident information, establishing a system enabling us to obtain the latest information promptly. We also share information on disasters that have occurred within the Group promptly to work on recurrence prevention measures.
Enhancing disaster control measures	By holding a regular Disaster Prevention Committee and conducting a large-scale safety confirmation drill using a safety confirmation system and disaster prevention drill at each workplace, we work to raise employees' awareness of disaster prevention and strengthen disaster prevention measures.

The Oji Group categorizes major risks that might have a material effect on its financial position, etc., into three groups: risks of long-term issues, risks associated with its management strategies, and risks arising from the execution of business. At the same time, the Group takes the following measures to address each risk group.

Icons below represent material issues. (for details, see P.31-32 [📄](#))



	Type of risk	Content of risk	Main countermeasures against risks
Risks of long-term issues	Climate change 		The Task Force on Climate-related Financial Disclosures (TCFD), see P.62 📄
	Pandemic 	Risk of health damage to employees or temporary suspension of operations being caused by the global spread of infection similar to COVID-19	● We have the Group Risk Management Regulations in place, and in the event of a serious incident to be addressed by the overall Group, we establish the Group emergency headquarters to confirm the safety of employees and check the damage suffered. ● We work to minimize the effect on our business activities by continuously reviewing a business continuity plan (BCP), and promoting digital transformation (DX) in manufacturing, marketing, administrative processing, and other activities.
Risks associated with our management strategies	Structural changes in demand arising from development of innovation 	Risk of structural changes in demand arising from the movement toward digital transformation (DX), which brings significant changes to people's lifestyles and business activities.	● Facing a shrinking market, we restructure domestic business production systems and pursue rationalization such as through business collaboration with other companies in our industry. We also strive to secure cash flow through thorough cost reduction and efficient CAPEX. We expand our portfolio by investing the cash thus obtained in domestic businesses where growth in demand is expected, and overseas markets where economic development is expected, and allocating it for the development of new material products, etc. ● To enhance our medium- and long-term corporate value and achieve sustainable development, we work to promote work-style reforms and diversity to ensure active participation of various human resources.
	Fluctuations in demand 	Risk of decline in demand for products arising from domestic business fluctuations and a continuing decline in population	● We work to strengthen our business foundation that can tolerate market fluctuations through thorough cost reduction, etc. ● In the field of industrial materials, we work to differentiate us from other companies by promoting total packaging and strengthening product development capabilities with integrated material and processing management, thereby curbing the effects on sales and securing cost competitiveness in case of any demand fluctuation. ● In other business fields, as well, we work on the development of new products such as paper products that support the shift to plastic-free materials and functional paper with new properties in order to improve profitability.
	Fluctuations in global market conditions 	Risk associated with procurement prices of raw materials and fuels that are influenced mainly by fluctuations in demand, countries' changes to their trade policies, and wars Risk of sales prices of pulp being influenced by global market prices	● We have established a department in charge of the Group-wide procurement strategy in order to monitor markets in relation to the procurement of raw materials and fuels and strive to maintain a variety of suppliers, and promote advantageous procurement. ● Having established the Oji Group Sustainability Action Guidelines for Supply Chains, we confirm with all of our suppliers the safety and legality of raw materials. We work to ensure stable procurement through more environmentally and socially friendly procurement practices and enhanced relationships with suppliers. ● In terms of procurement of recovered paper, we strive to maintain recovered paper recycling systems. We also strengthen coordination with relevant companies with the aim of ensuring stable recovered paper procurement.
	Overseas business 	Geopolitical risks, including war, political or social instability, decelerating economic growth, revisions to laws, regulations, and tax systems, destabilizing financial conditions, human rights issues, etc., taking place in overseas markets where the Group operates	● We have established regional headquarters that specialize in gathering information on the political, economic, and social conditions of neighboring countries to prepare for and respond to all relevant risks before they emerge. We also diversify risks by having operations in a wide range of countries. ● To reduce risks, we enhance our ability to collect information and reduce the amount of investments through joint ventures operated with local leading companies. ● With regard to human rights issues, we ensure that personnel are familiarized with the Oji Group Human Rights Policy we established, and implement initiatives aimed at ensuring respect for human rights.

Type of risk		Content of risk	Main countermeasures against risks
Risks arising from execution of business	Occurrence of disasters, etc.  	Risk of production bases and supply chain in and outside Japan being affected by natural disaster Risk of fire, occupational accident, environmental accident, and other unexpected circumstance occurring	● We have formulated a business continuity plan (BCP) taking into consideration the risk of an interruption in our business due to disasters, etc., and provide emergency education and conduct disaster drills on a regular basis. In addition, we have established the Group Disaster Control Office as a permanent organization, thereby establishing a system for obtaining the latest information promptly. We also share information about the causes of and measures against disasters across the Group, and work to minimize damage. ● With regard to the environment, we have set voluntary management values that are stricter than the environmental regulatory standards, thereby striving to prevent environmental accidents. ● With regard to safety, we have developed safety measures and safety operation manuals for production facilities and ensure that personnel are familiarized with them. We have also built safety and health management structures and work to prevent occupational accidents.
	Laws, regulations, and other rules  	Risk of not being able to comply with laws and regulations of various countries, and their revisions and amendments	● We place adherence to compliance at the top of the material management challenges in our business activities. We translated the Oji Group Corporate Code of Conduct and the Oji Group Behavior Standard into the respective languages of each of the overseas bases where we operate to ensure that personnel in and outside Japan are familiar with their content as well as their adherence. We also ensure that responsible divisions take the lead in providing training on relevant laws, regulations, and other rules to prevent any violation. ● We have put in place the Oji Group Tax Policy and are working to enhance our corporate value and become a social trusted company by ensuring the proper payment of taxes in compliance with the tax laws and regulations of each country in which we operate.
	Litigations and other actions  	Risk of being a party to litigations, disputes, or other legal proceedings in the course of business	● With respect to litigations and other actions filed against us, we prevent a dispute from occurring by discussing with business partners and clarifying contract terms. We also have in place a system to deal with any litigation and other actions filed against us in collaboration with law firms. ● If an event that might have a negative impact on our reputation arises as a result of litigation and other actions, we promptly respond to the event, and publish appropriate information as necessary to maintain our reputation.
	Product liability 	Risk of damages based on product liability being claimed	● We provide safe and secure products by establishing the Group Quality Control Regulations, building a quality control system, and implementing quality design and manufacturing in compliance with relevant laws and regulations and in accordance with voluntary management values. ● We work to prevent risks associated with product liability from occurring by establishing the Group Product Safety Management Regulations, and ensuring the departments in charge of overseeing quality management across the Group provide assistance in and conduct audit on the safety product management implemented by the quality management divisions of Group companies.
	Exchange rate fluctuations  	Risk of fluctuations in exchange rates in product sales, raw material purchases, and other transactions using various currencies	● We monitor currency movements and their impact on our results from time to time, and hedge risks using derivatives such as exchange forward contracts, currency option trading, and currency swaps transactions, as necessary. ● In Japan, we hedge a certain portion of exchange rate fluctuation risks by buying and selling within Group companies foreign currency obtained from operating activities.
	Information leakage 	Risk of confidential information being leaked due to willful conduct including external cyberattacks or negligence	● In the Group Information System Usage and Risk Management Regulations, we clarify the risk management operation system and organization and their roles and comprehensively set out matters to be complied with by information system users, thereby managing risks across the Group. ● With stricter rules on the system usage applying to highly confidential information, we take measures to prevent unauthorized access, data theft, spoofing e-mail, and the like.