

OJI GROUP
INTEGRATED REPORT 2025



Management Philosophy, Purpose

Management Philosophy

Creation of Innovative Value

Innovation is essential for the Oji Group to make a big leap forward. Changes must take place in the research and technological development leading up to revolutionary new products. At the same time, our organizational systems and the behaviors of each and every employee need to be transformed. We will promote "challenging manufacturing" based on novel ideas and fulfill society's latent needs.

Contribution to the Future and the World

The Oji Group comprises a diverse range of businesses, and we have grown into a global company. The Group will continue to provide innovative value to all countries, regions, and societies and create a new future through proactive global expansion in Asian and other countries.

Harmony with Nature and Society

Resource circulation based on forest resources is the foundation of the Oji Group. We will advance our initiatives such that the business activities themselves contribute to a sustainable society. The initiatives include using vast areas of the company-owned forests in and outside Japan for multiple purposes and reducing the environmental burden at manufacturing sites.

Purpose

**Grow and manage the sustainable forest,
Develop and deliver the products from renewable forest
And
Oji will bring this world a brighter future filled with hope**

The forest grown and managed sustainably not only absorbs and fixes carbon dioxide, but also mitigates floods, cultivates water sources such as water purification and prevents natural disaster in addition to its contribution to biodiversity, healing and health enhancement of people.

The products derived from wood utilizing forest resources are made of renewable materials and able to substitute for plastic, films and fuel derived from fossil resources.

Oji Group will confront global warming and environmental issues, and bring this world a brighter future filled with hope by growing and managing the sustainable forest and by developing and delivering the products utilizing renewable forest resources.

Renewal of Global Brand Mark and Tagline

We are renewing the OJI Global brand mark and tagline to "Express commitment to transformation" outlined in the Long-term Vision and to "Drive transformation" by fostering a sense of unity across the entire Group.

Behind the letters "OJI" in the mark, there is a vast forest and rich natural landscape, representing the Oji Group's commitment to growing forests and utilizing forest resources to enhance people's lives. In addition, the three colors used express the flexibility and friendliness of diverse personalities shining brightly.

The tagline "Dedicated to Sustainability" is a straightforward expression of the Oji Group's future direction, as stated in the Long-term Vision 2035.



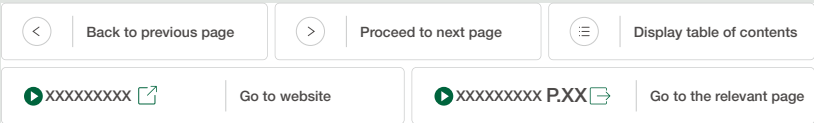
**Dedicated to
Sustainability**

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Navigation Bar Operation Guide

Various navigation bars are provided in this report to improve browsing.
We hope you will take advantage of them.



Cover Design

The arc positioned at the bottom right is the "GLOBAL ARC," the support graphic of our renewed Global brand mark. The colored segment forming the arc is part of a larger circle, symbolizing that we are members of the Earth and united as part of the Oji Group, expressing our collective commitment to corporate activities.



Message from the CEO

Building a Sustainable Circular Society with Forests

What is needed now more than ever is to create a sustainable circular society together with forests.

We grow forests, utilize their resources, and then grow them again—continuing the cycle of nurturing and utilization.

Oji will always move forward with forests, striving to realize a sustainable global environment and a truly circular society.

Hiroyuki Isono

Oji Holdings Corporation
Representative Director of the Board,
President
CEO



Message from the CEO

Bolstering our commitment to transformation during the previous Medium-term Management Plan

Now that FY2024, the final fiscal year of our previous Medium-term Management Plan, has ended, I am reminded of the difficulty of responding to rapid unexpected changes in the business environment. I became president in April 2022. The Russian invasion of Ukraine began the previous February, but there is still no end to this conflict in sight. The same is true for the subsequent problems in Israel and Gaza. From an economic perspective, there is also increasing uncertainty and existing premises have begun to be shaken, including the faltering Chinese economy, changes to tariff policies in the United States following the start of the second Trump administration this year, and foreign exchange trends.

In the paper market, demand was expected to grow in the domestic paperboard market when I became president, but instead it peaked around mid-2022, and then the situation completely changed as demand stopped growing for corrugated container and other types of paperboard, as it had with printing paper. Overseas, the supply-demand situation has changed considerably from our expectations, including excess supply in Southeast Asia, where we previously operated a steady business, owing to the aggressive entry of Chinese papermakers. Climate disasters have also become increasingly severe, and in February 2023, a major Oji mill in New Zealand sustained flooding damage from cyclone Gabrielle, requiring 18 months for a full recovery.

In terms of business management, our response to these rapid and unexpected changes in the external environment

was insufficient. We must reflect deeply on the fact that we were unable to put sales and profits on a trajectory to achieve our targets in the medium-term plan. I am strongly aware of the need to be strong enough to withstand changes in the environment, and transform into a company able to respond to change.

On the other hand, there were strong calls from the capital markets for management that is conscious of the stock price. I realized the fact that, owing to our corporate structure, we have overly focused on profit and loss in internal meetings, and have lacked a balance sheet perspective. I have been acutely aware of the need to completely overhaul our capital structure, slim down our assets, and transform into a corporate structure that works to enhance capital efficiency. While I myself have completely shifted my awareness, we also announced "initiatives to enhance corporate value" at the end of 2023, marking the shared commitment of the entire management team to switch to business management that boosts capital efficiency and lifts ROE, and since then, we have focused on these efforts in numerous internal discussions.

Focusing on increasing ROE in the new Medium-term Management Plan

In May of this year, we announced our new Medium-term Management Plan starting in FY2025, as an expression of the change in our awareness.

The fact that we have stopped announcing net sales targets represents a major shift. We are no longer in an age where the pursuit of sales will open the path to the next

stage. In addition, because nationality has no bearing on our aim to optimize businesses across the Oji Group as a whole, we have removed the overseas sales ratio from our management indicators.

To enhance ROE, we must increase profitability, while also slimming down our net assets, which have grown substantially over the past few years.

We are not in an age where markets are steadily growing, and so long as we make something, people will buy it. To increase profit margins, we must build a structure for operating our businesses that is capable of identifying market needs and achieving differentiation. We previously



Message from the CEO

strengthened our organization vertically with the COMPANY system, but now we have shifted from an organizational structure that aims to optimize each Group company and COMPANY to one that aims to “optimize the whole,” through the addition of horizontal functions, and stronger information sharing and mutual cooperation between COMPANIES. The CFO, CSO, COO, CTO, and CIO will work closely together to operate our businesses, based on an accurate understanding of changes in social and market trends. In this way, I think we will be able to differentiate ourselves by capturing needs that are not yet visible, instead of just developing products to match needs that are already apparent.

On the other hand, we will also endeavor to further reduce costs, while also passing on increased costs to prices, and exit businesses with low profitability. There is no reason to cling to unprofitable businesses. We will clearly distinguish without faltering between growth businesses and those where we will take a different path, including withdrawal or sale, as we work toward our vision of a business structure capable of targeting a Group-wide ROE of 8% by FY2027. Beyond that, we will aim for 10% ROE in the future, with the desire to restore our P/B ratio to more than 1x as part of this process.

■ Creating our Long-term Vision with non-continuous thinking, taking megatrends into consideration

When looking ahead to our long-term future, it will be important not just to extend current trends into the future but also to forecast the future with non-continuous

thinking, taking megatrends into consideration, then work backward from there to think about the present. Considering the example of the move away from digital textbooks overseas, I think the value of paper will remain important as a medium for transmitting information, but we will slim down our operations in this area in the future, in line with the global transition toward digital devices. On the other hand, looking at global trends, if we take economic policies in the United States as an example, their direction could change substantially depending on whether Democrats or Republicans come into power every four years.

This year, I exchanged views with business leaders from around the world at the World Economic Forum Annual Meeting in Davos. I was reminded of the fact that climate change remains a major global issue. While debate continues in various forms, there is no change to the megatrend of pursuing sustainability across society.

■ Start of business portfolio transformation

When thinking about businesses that will play a core role in the Company's future, they all involve creating products that use sustainable forest resources, namely sustainable packaging and the forest biomass business. Based on megatrends, we firmly believe that these markets will continue to grow, and we have thus actively invested in them for growth. In sustainable packaging, we have laid the foundations for an integrated packaging business in the future, including making the Adampak Group, which operates a label business in Southeast Asia, part of the Oji Group, as well as the acquisition of Walki Holding Oy and

IPI S.r.l. in Europe. In the forest biomass business, we have been preparing for commercialization, including bringing a wood-derived sugar solution pilot plant and ethanol pilot plant online in December 2024 and March 2025, respectively. The scale of equipment in these pilot plants is close to that of commercial plants. Most products that have conventionally been made with fossil resources can be made with wood-derived sugar solution and ethanol. Accordingly, we will continue R&D, while also overcoming cost issues, as we pursue the potential of these materials as sustainable alternates for fossil resources, in applications from SAF (sustainable aviation fuel), of course, through tires, fibers, plastic, fertilizer and agrochemicals, food and feed, and even biopharmaceuticals. At the same time, we plan* to acquire an advanced biorefinery company in Europe, and will work to quickly make this potential a reality.

In both sustainable packaging and the forest biomass business, we will create high-value-added products that differ from commodity products. The growth of these businesses will also contribute to higher profitability across the entire business portfolio.

■ Contributing to the sustainability of the Earth and society

In our Purpose, we set forth the following: “Grow and manage sustainable forests, develop and deliver products from renewable forests, and Oji will bring this world a brighter future filled with hope.” The continued use of products derived from fossil resources will not contribute to a sustainable society. I believe that a sustainable society will be

*In September 2025, we entered into a share transfer agreement to acquire all shares of AustroCel Hallein GmbH. AustroCel is based in Austria, and operates a business producing and selling dissolving pulp and bioethanol.

Message from the CEO

created when we utilize renewable forest resources to make sustainable products based on those materials, and replace products derived from fossil resources. I truly believe that contributing to the sustainability of the Earth and society is exactly what drives the maximization of our corporate value.

Based on “Environmental Vision 2050,” we have established the Environmental Action Program that sets forth targets to achieve by 2030 and 2040 in relation to environmental issues. Under these programs, we are taking action on climate change, contributing to a nature-positive world, promoting a circular economy, reducing pollutants, and engaging with stakeholders. Among these, regarding the expansion of nature positive and initiatives for the healthy growth and conservation of forests in particular, we are participating in the [International Sustainable Forestry Coalition \(ISFC\) \(P.96\)](#), a global coalition of forest-related organizations. As part of these activities, we are creating rules for natural capital accounting (PP.60–61) and pursuing nature-based solutions. In particular, the 30th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP30) is to be held in November of this year, in Belém, Brazil, in the Amazon basin. We consider this an opportunity to provide solid information on the multi-faceted functions of forests and the value of nature-based solutions.

Our values: taking care of forest resources that we inherited from a century ago

Forests perform various functions, including carbon dioxide absorption, the conservation of biodiversity, water resource

cultivation, and landslide prevention. When rain falls, it eventually reaches the foot of the mountains after passing through the ground and forests. In this way, nature purifies the water, but if we do not properly manage forests, we will not have clean water at the foot of the mountains.

For more than a century, the Oji Group has believed that “those who use trees are responsible for planting them,” and we have earnestly continued our efforts to manage and maintain forests. We already manage company-owned forests covering 636,000 ha around the world, equivalent to approximately three times the area of Tokyo.

In March 2025, we partnered with New Forests (Australia) to launch a forest fund aimed at expanding production forests in Southeast Asia, North America, Latin America, and Africa. The expansion of production forests will also contribute to the absorption and fixing of CO₂ by forests. I also feel strongly that forest conservation efforts have a substantial impact from the perspective of the conservation of biodiversity, as orangutans, a critically endangered species, have been confirmed in company-owned forests in Indonesia, along with a wide variety of species of plants and animals in Brazil. In Brazil, we are also creating ecological corridors to restore wasteland and connect the fragmented habitats of wild animals.

These efforts to contribute to nature positive are an important activity that we have long been engaged in, as the operator of businesses rooted in forest resources. We think that nature positive, in which we grow our own trees to provide materials for our businesses while maintaining and managing nature, and perform reforestation after logging, is important. These values have been our corporate culture with roots that stretch back over a century, and I firmly

believe that they will not change at all even over the next century.

Building solid management foundations

Human resources are the most important aspect of our management foundations. Last fiscal year, I spoke directly with more than 300 employees at town hall meetings (P.72). As we are rapidly changing our production structure at production sites in Japan in particular, the meetings have reminded me of issues associated with the change and brought many things to our attention. We are reflecting actual feedback from frontline workers and promoting digital transformation while also automating mills. At the same time, we are also making operations more efficient in management and support divisions through automation and labor-saving measures.



Town hall meeting (August 2024, at the Oji Paper Yonago Mill)

Message from the CEO



Corporate culture is a reflection of human capital. I am constantly focusing on the cultivation of a corporate culture with high psychological safety and ensuring that all employees can feel fulfilled at work in a comfortable workplace environment. In particular, the objective of our organizational changes is to foster a sense of unity as a group, by further stimulating information sharing, not just vertically but also horizontally. Accordingly, we intend to focus on cultivating an open corporate culture that encourages healthy dialogue and cooperation in particular.

As mentioned, we have also made organizational changes aimed at optimizing governance across the Oji Group as a

whole. We have promoted separation between management supervisory and executive functions, having already slimmed down our Board of Directors.

At the same time as the initiation of our new Medium-term Management Plan, we also revised performance-linked and stock-based compensation for Directors of the Board. Previously, the performance-linked component of director compensation was linked only to earnings standards. When formulating our Medium-term Management Plan, however, we focused more on the perspective of shareholders than before. We added balance sheet items related to ROE as financial indicators, as well as non-financial indicators such as the environment and employee engagement survey scores. We believe that clarifying the link between director compensation and share value will further enhance management's awareness of the share price (P.87). We also determined that the Nomination Committee and the Compensation Committee will consist only of Outside Directors of the Board (PP.76–77). Yet efforts to enhance governance are still only halfway there. We will continue considering the structure of Outside Officers, as well as the selection of the Chairman of the Board.

We have also executed numerous M&A deals through growth investment and are taking steps to strengthen global risk management and internal controls. As part of PMI, we communicate our governance standards, including approval authority at Oji Holdings, to acquired companies on the first day after the acquisition is completed and require that they adhere to these standards. We also properly share governance-related rules with human resources who are assigned or seconded to new Group companies, thus strengthening both global governance and Group governance.

To our stakeholders

I believe that today, we stand at a major crossroads in its long history. This is because we are in a business conversion phase, including the shift in businesses that previously generated earnings from paper as an information transmission media, toward the forest biomass business and packaging from trees, not just paper.

Reading the memoirs of our founder, Eiichi Shibusawa, he describes how he established this business with the strong will not to give up and to accomplish his goal, whatever it takes, based on his belief that by transmitting information, paper plays an extremely important role in the development of Japan's economy and culture. This spirit is also important to us today. If I may borrow Eiichi Shibusawa's words to express myself, I have a strong desire to accomplish the transformation of our business portfolio.

In February 2023, I had a conversation with Mr. Ken Shibusawa, the great-great-grandson of Eiichi Shibusawa and CEO of Shibusawa & Company. During our dialogue, we reflected on the question: 'If Eiichi Shibusawa were alive in this era, what would he strive to accomplish?' Mr. Shibusawa suggested that he would likely say, 'We must act to solve the global environmental crisis.' I wholeheartedly agree.

While maintaining Eiichi Shibusawa's strong will from his time, we will look toward the future as we continue to operate and develop businesses rooted in forest resources and transform our business portfolio. We will work to enhance ROE and achieve sustainable growth for the Oji Group, while also achieving sustainability in society.

The Oji Group's Value Creation

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History of the Oji Group's Value Creation

Since its foundation in 1873, the Oji Group has achieved steady growth through the expansion of its business fields over 150 years. We have accurately grasped the changes of the times and flexibly transformed our business structure while sincerely addressing the social needs demanded in each stage. In recent years, aiming for contribution to the attainment of a sustainable society, we have been actively rolling out the technologies cultivated in our domestic business to the global market.

Period of Foundation 1873–1909

Birth of the Modern Paper Manufacturing Industry

The origin of the Oji Group dates back to the establishment of Shoshi Kaisha, a paper manufacturing company, advocated by Eiichi Shibusawa, the founder of the modern Japanese economy. Shoshi Kaisha was established in 1873, based on Shibusawa's belief that the "paper and printing businesses are the source of civilization."

This company would eventually become Oji Paper and would underpin the growth of industry throughout the whole of Japan.



Eiichi Shibusawa
(from the collection of the Shibusawa Memorial Museum)

Period of Establishment 1910–1945

Establishment of a Domestic Supply Structure

To meet burgeoning demand for paper, we ventured to Hokkaido in search of the forests, water, and the vast land resources needed for paper manufacturing. We brought together the best technologies and opened the Tomakomai Mill in 1910. We thus established a domestic supply structure for newsprint, breaking free from reliance on imports.

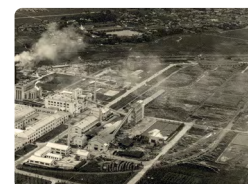


Tomakomai Mill
(from the collection of the Paper Museum)

Period of Development 1946–1972

Efforts toward New Technologies

Amid Japan's postwar reconstruction, with a view to producing high-quality paper quickly and in large quantities, we turned to a continuous digester, which was unproven at that time but highly productive. We introduced the equipment at the Kasugai Mill in 1951. Furthermore, in 1957, we developed technology for removing ink from old newspaper, opening up major paths for the use of recovered paper.



Kasugai Mill in the 1960s

Period of Great Change 1973–1999

Paper Diversification and Response to Environment

The growing abundance of people's lives brought major changes in their lifestyles. In line with the growing expectations of paper, we developed new products, such as boxboard, thermal paper, and household paper. We also began expanding globally in search of raw materials for paper manufacturing and new markets while placing efforts into countermeasures against pollution at our paper mills.



Sales of toilet rolls, tissue paper, and paper towels began in the 1970s

Events in the Oji Group

▶ 1873 Shoshi Kaisha is established

▶ 1933 Merges with Fuji Paper and Karafuto Industries
An era of Great Oji

▶ 1949 Splits into three companies
(Tomakomai Paper, Jujo Paper, and Honshu Paper)
▶ 1960 Trade name changes to Oji Paper

▶ 1979 Merges with Nippon Pulp Industries
▶ 1989 Merges with Toyo Pulp

Events in Society

▶ 1868 Japan's Westernization era
▶ 1894 Sino-Japanese war
▶ 1904 Russo-Japanese War

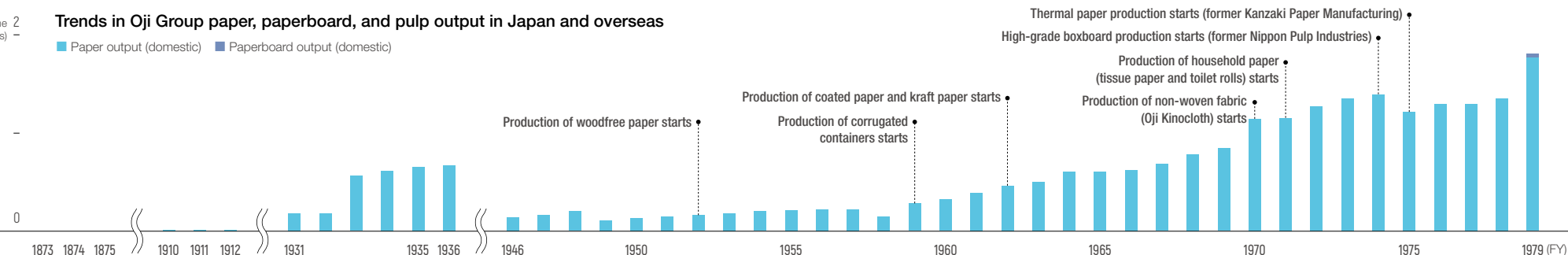
▶ 1918 End of World War I
▶ 1930–1931 Showa Depression
▶ 1945 End of World War II

▶ 1955 Postwar economic reconstruction
▶ 1964 Tokyo Olympics

▶ 1973–1974 1973 Oil Crisis
▶ 1978–1982 1978 Oil Crisis

Trends in Oji Group paper, paperboard, and pulp output in Japan and overseas

■ Paper output (domestic) ■ Paperboard output (domestic)



History of the Oji Group's Value Creation

Period of Reform 2000–present

Period of Creation

Shift in the Business Structure and Further Global Deployment

Paper production volume has exhibited a downward trend since 2008. Amid the ongoing contraction of the domestic market, we accelerated our overseas expansion, focusing on Southeast Asia.

In recent years, we have further strengthened the global expansion of our sustainable packaging business by acquiring Italian company IPI S.r.l., which operates in the liquid packaging carton business, in May 2023, and Finland's Walki Holding Oy, which possesses advanced technologies in the plastic-reducing packaging field, in April 2024.

▶ Sustainable Packaging P.29

▶ Industrial Materials Business P.35

▶ Forest Biomass Business P.31

Furthermore, we are enhancing the functionality of forests, the core of our business, while also focusing on the development of new wood-derived materials that maximize the core technologies we have cultivated over many years. We are working to develop the forest biomass business as a next-generation core business. As part of this effort, we leveraged the infrastructure at Oji Paper's Yonago Mill to launch Japan's largest pilot plant for wood-derived sugar solution in December 2024 and for wood-derived ethanol in March 2025.

Events in the Oji Group

- ▶ 1991 Acquires Pan Pac Forest Products
- ▶ 1993 New Oji Paper (merges with Kanzaki Paper Manufacturing)
- ▶ 1993 Albany Plantation Forest Company of Australia is established
- ▶ 1994 Quy Nhon Plantation Forest Company of Vietnam is established
- ▶ 1996 Oji Paper (merges with Honshu Paper)
- ▶ 2001 Oji Materia and Oji Container are founded
- ▶ 2004 Oji F-Text is founded

- ▶ 2005 Acquires Morishigyo Group
- ▶ 2007 Jiangsu Oji Paper is established (China)
- ▶ 2010 Acquires GSPP Group (Malaysia)
- ▶ 2011 Acquires Oji Papéis Especiais (Brazil)
- ▶ 2011 Acquires Harta Group
- ▶ 2012 Transitions to a pure holding company structure
- ▶ 2012 Oji Imaging Media is founded

- ▶ 2012 Acquires Celulose Nipo-Brasileira (Brazil)
- ▶ 2014 Acquires Oji Fibre Solutions (New Zealand and Australia)
- ▶ 2020 Oji Pharma is established
- ▶ 2022 Acquires Adampak Group
- ▶ 2023 Acquires IPI
- ▶ 2024 Acquires Walki

Events in Society

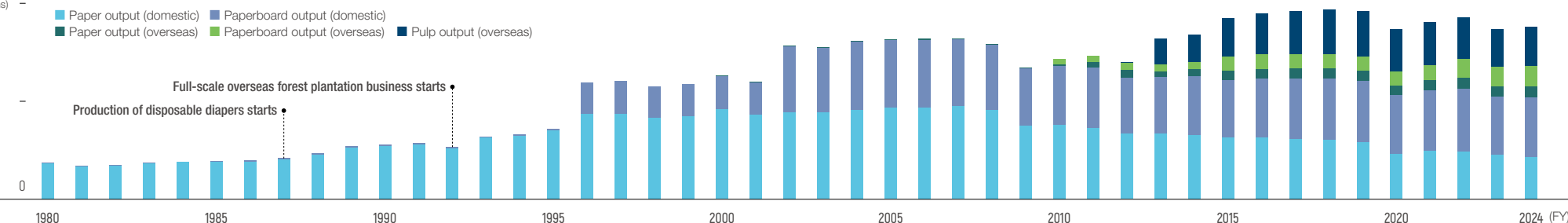
- ▶ 1991–1993 Bursting of the Bubble Economy
- ▶ 1997 Kyoto Protocol

- ▶ 2008 Global Financial Crisis

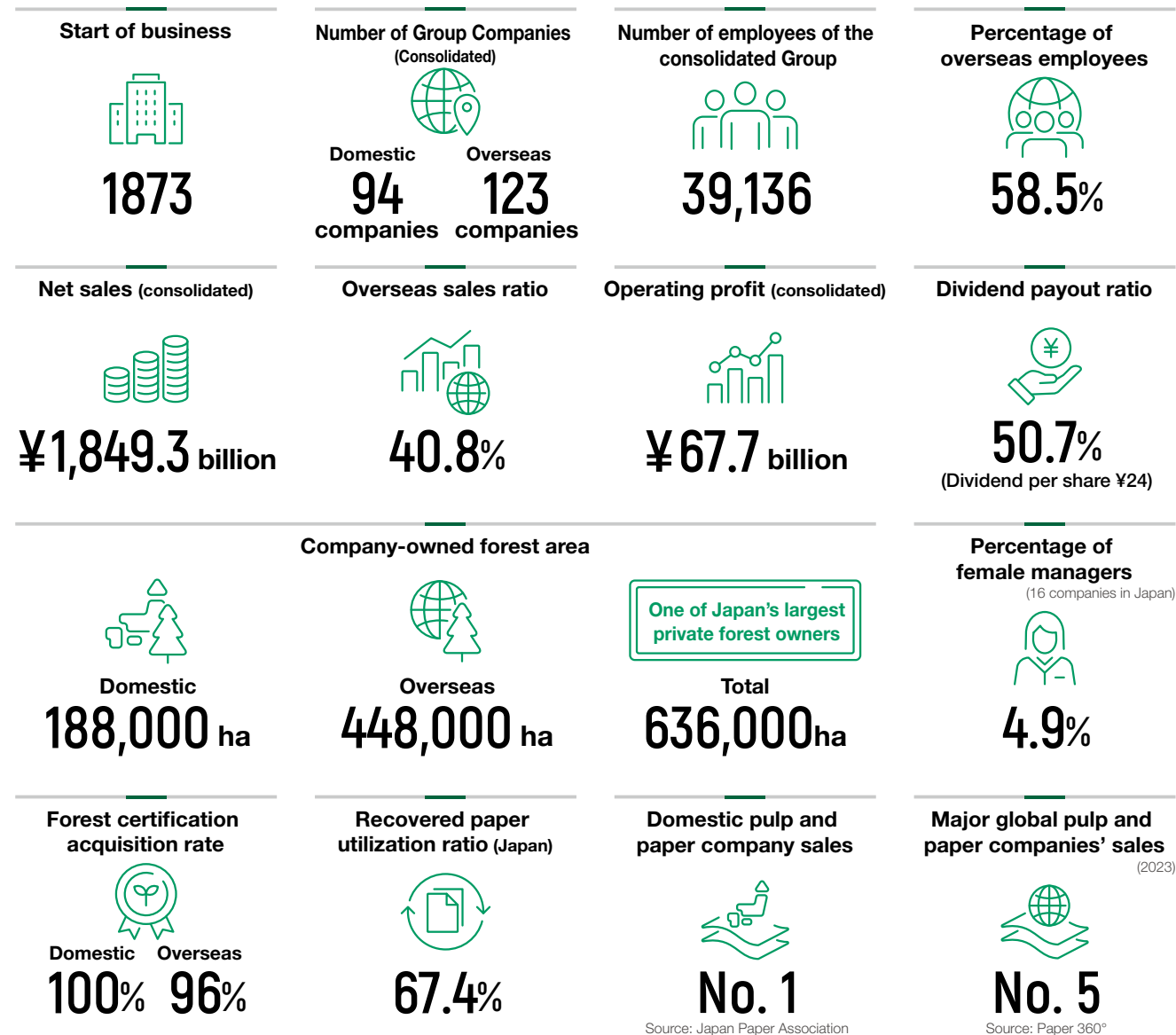
- ▶ 2016 Paris Agreement comes into effect
- ▶ 2020–2023 Global COVID-19 pandemic
- ▶ 2021– Russia-Ukraine crisis

Trends in Oji Group paper, paperboard, and pulp output in Japan and overseas

Production volume
(Million tons)



At a Glance



Note: Data for FY2024 (as of March 31, 2025), unless otherwise specified.

Oji Group Businesses in Figures

•Household and industrial materials

Domestic **No. 1**

Share of domestic production volume of paperboard **25.8%**

(2024) Source: Japan Paper Association



Domestic **No. 2**

Share of domestic production volume of corrugated container **22.3%**

(FY2022) Source: Yano Research Institute Ltd.



•Functional materials

Share of domestic sales volume of thermal paper **Approx. 30%**

(FY2024) Source: In-house research



•Forest resources and environment marketing

Global **No. 9**

Market pulp production capacity

(FY2024) Source: In-house research



•Printing and communications media

Share of domestic production volume
 Newsprint **Approx. 30%**
 Printing and communication paper **Approx. 20%**

(2024) Source: Japan Paper Association



At a Glance

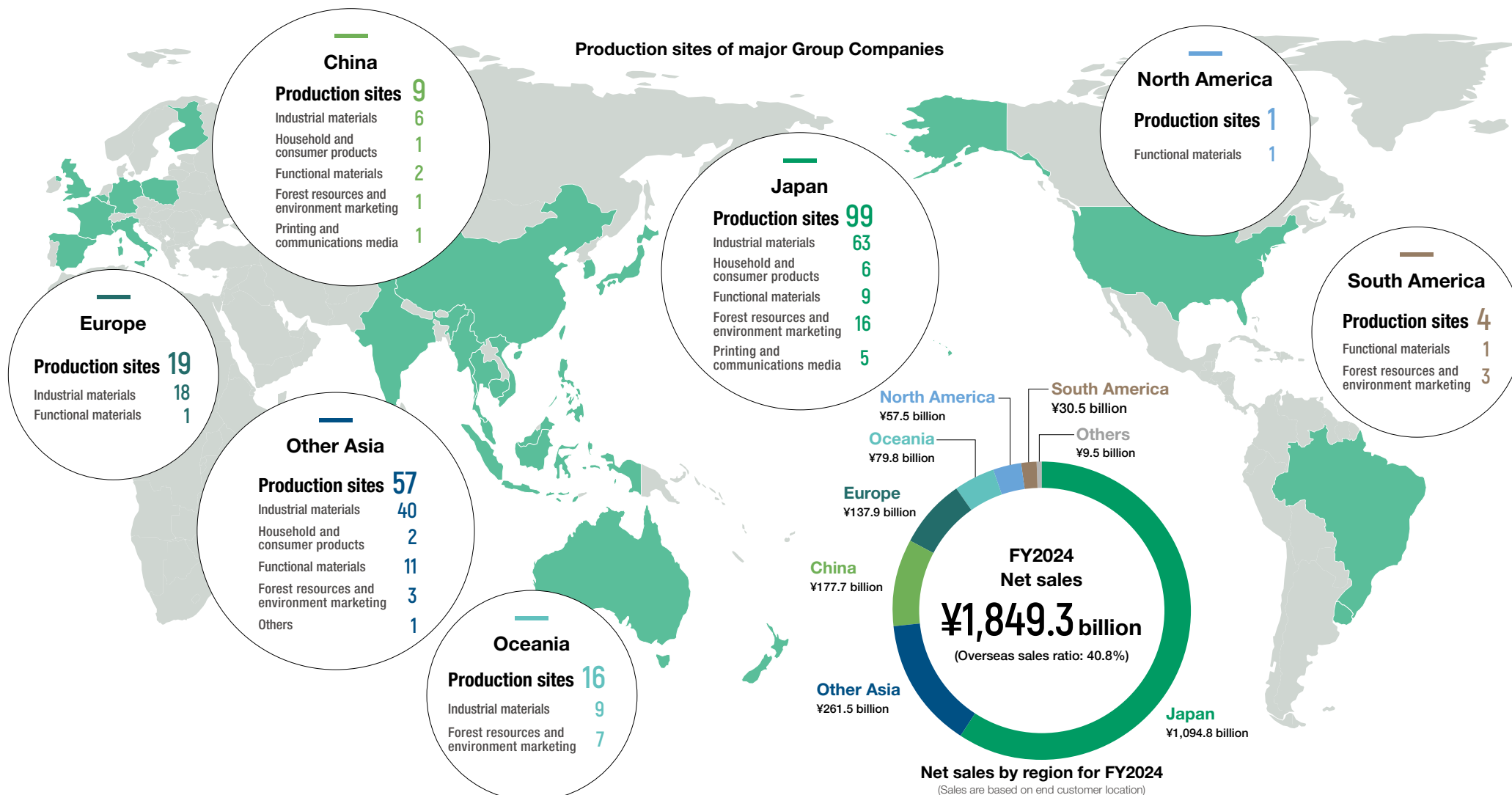
Global Expansion

The Oji Group maintains 99 production sites in Japan and 106 sites in 24 countries overseas, and is developing a wide variety of products for the global market.

Starting with the commencement of pulp production in Brazil and New Zealand in the 1970s, we have advanced our overseas operations and grown into a global company with an overseas sales ratio of 40.8%.

We will continue to expand production, sales, and services, particularly in our priority regions of India and Southeast Asia.

Production sites of major Group Companies



*1 As of June 30, 2025, excluding sales companies. Production sites engaged in multiple businesses are duplicated in the breakdown of the number of production sites by business.

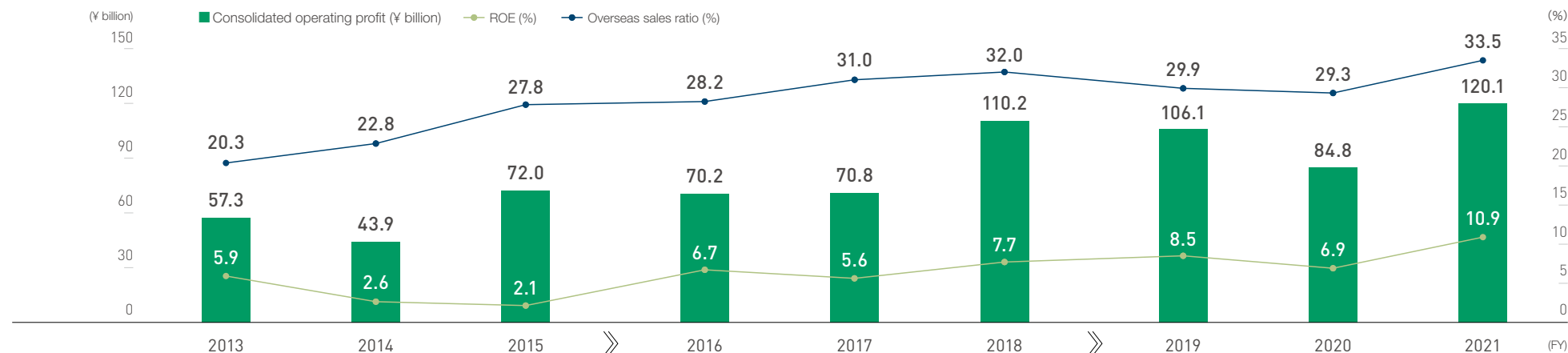
*2 Scope of compilation: Domestic: major consolidated subsidiaries; Overseas: consolidated and non-consolidated subsidiaries and equity-method affiliates.

Medium- to Long-term Growth Strategies

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Management Plan Evolution FY2013–2021



Key KPIs	Targets		Results	Targets		Results	Targets		Results
	Consolidated operating profit	¥90.0 billion	¥72.0 billion	Consolidated operating profit	¥100.0 billion	¥110.2 billion	Consolidated operating profit	¥150.0 billion or more	¥120.1 billion
Basic Policies	Overseas sales ratio	26.0%	27.8%	Overseas sales ratio	35.0%	32.0%	Overseas sales ratio	40.0%	33.5%
	ROE	7.0%	2.1%	ROE	8.0%	7.7%	ROE	10.0%	10.9%
	Interest-bearing debt	¥700.0 billion	¥777.7 billion	Interest-bearing debt	¥700.0 billion	¥620.6 billion	Net D/E ratio	0.7 times maintained	0.7 times
Review	Drive Group-wide transformation to adapt to changes in the business environment, aiming to become an "innovative value-creating company" ● Deepening of the core businesses ● Development of new businesses and products ● Further expansion of overseas businesses			Expand business and promote selection and concentration to build a diverse portfolio and achieve sustainable growth ● Expansion of overseas businesses ● Concentration/advancement of domestic businesses ● Enhancement of financial foundation			Aim to become a global corporate group that consistently earns more than ¥100 billion in annual consolidated operating profit through "contribution to a sustainable society." ● Profitability improvement of domestic businesses ● Expansion of overseas businesses ● Promotion of innovation ● Contribution to a sustainable society		
	● Operating profit for FY2015 increased significantly by ¥28.5 billion compared with FY2012. However, due to rising raw material and fuel prices and impairment charges on certain overseas businesses, targets for operating profit and ROE were not met. ● We promoted business structure reform following the transition to a holding company structure in October 2012. In particular, the Company actively expanded its overseas business, with the overseas sales ratio increasing by 11.1 percentage points from 16.7% in FY2012 to 27.8% in FY2015. ● In Japan, we focused on enhancing profitability through cost reductions and restructuring our production systems, as well as developing high-value-added new materials and expanding new businesses, including our dissolving pulp (DP) and energy business.			● Operating profit for FY2018 achieved the target of ¥100 billion. The target to reduce interest-bearing debt to ¥700 billion was achieved. ● Focusing on the packaging business, we expanded overseas manufacturing sites and increased production capacity and efficiency, raising the overseas sales ratio from 27.8% in FY2015 to 32.0% in FY2018, an increase of 4.2 percentage points. ● In Japan, we continued to focus on enhancing profitability through cost reductions and restructuring our production systems, as well as developing high-value-added new materials and expanding new businesses, including the cellulose nanofiber (CNF) and water treatment business.			● Due to the effects of the COVID-19 pandemic (e.g., delay of capital investments and subsequent effects) as well as soaring fuel and raw material prices, we failed to reach our target for operating profit in FY2021, yet achieved record-high profits. ● We strengthened and expanded our growth businesses in Japan (corrugated container, household paper, and renewable energy businesses) and overseas businesses. ● We proactively developed our themes for innovation: "Environmentally friendly materials and products," "entry into the medical field," and "total solutions." ● We formulated our Environmental Vision 2050 and Environmental Action Program 2030.		

Management Plan Evolution FY2022–2024

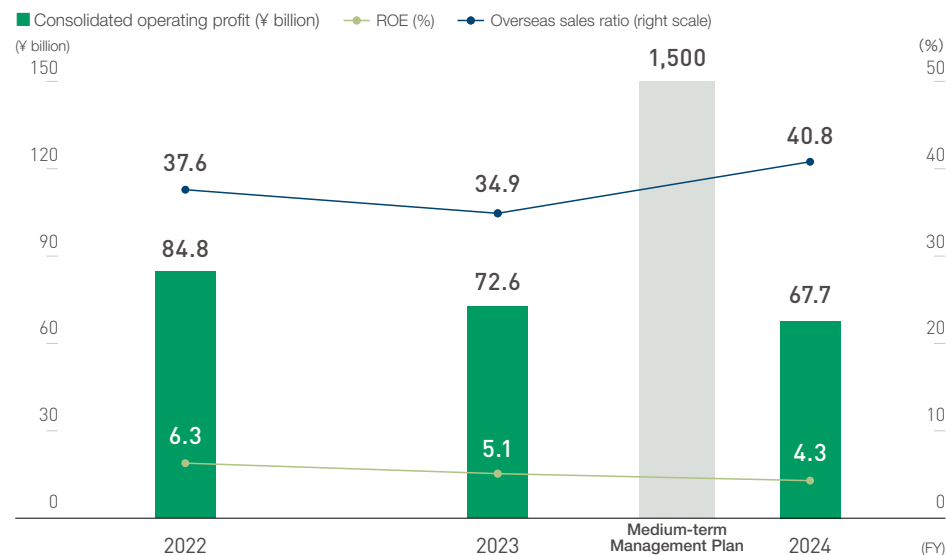
Major Initiatives and Results of the FY2022–2024 Medium-term Management Plan

In FY2022–2024, we made progress in the shift to a promising business portfolio and streamlined production systems to align with demand trends, while expanding business activities that consider the global environment more than ever before.

During the period of the previous Medium-term Management Plan, we advanced business expansion in growth markets centered on Southeast Asia and India, while also focusing on promoting our highly profitable and high-growth sustainable packaging business. We also advanced initiatives to create economic value from the public benefit functions of forests and develop new materials utilizing wood resources, working to cultivate future core businesses based on forests.

We had set operating profit of ¥150 billion as a numerical management target. However, due to changes in the business environment, including sharp increases in raw material and fuel prices and labor and logistics costs, despite our sales efforts and cost-cutting initiatives, operating profit for FY2024 fell short of the target by more than ¥80 billion. [\(Business Overview PP.33–43\)](#)

Meanwhile, we advanced our overseas business expansion and achieved our target of 40% for the overseas sales ratio. In addition, we maintained financial soundness, keeping the net D/E ratio at 0.7.



Key KPI Targets and Results

Numerical management targets for FY2024

Consolidated operating profit	¥150.0 billion or more
Profit attributable to owners of parent	¥100.0 billion or more (Continue stable profit of ¥100.0 billion or more)
Overseas sales ratio	40.0% (With a target of 50% in the future)
Net D/E ratio	0.7 times maintained

FY2024 results

Consolidated operating profit	¥67.7 billion
Profit attributable to owners of parent	¥46.2 billion
Overseas sales ratio	40.8%
Net D/E ratio	0.7 times

ROE target (Announced in December 2023)

Stable at 8% or more, 10% or more in the future

4.3%

Main factors behind not meeting targets

- Global cost increases and economic downturn (labor costs, logistics costs, raw material and fuel prices)
- Insufficient price pass-through
- Decline in overseas prices (pulp, Southeast Asia)
- Impact of disasters (Pan Pac in New Zealand and others)

In FY2022–2024, the business environment for which the medium-term management plan was formulated changed significantly. Earnings deteriorated as various costs increased, including labor costs, raw material and fuel prices, and logistic service expenses, while we were not successful in passing these costs through to product prices. Furthermore, overseas businesses faced weakening pulp market conditions and sluggish demand due to economic slumps and delayed recovery, compounded by the impact of disasters such as that caused by a cyclone striking New Zealand.

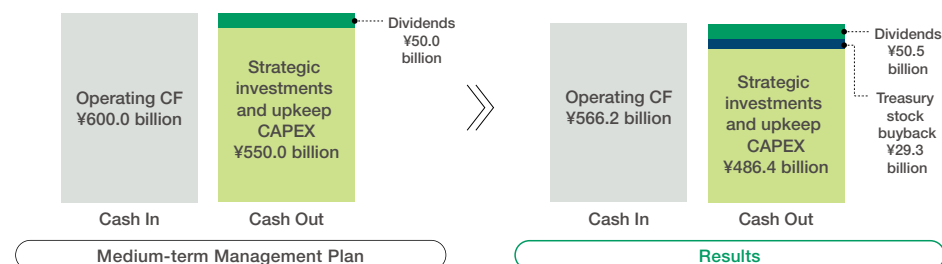
Due to insufficient adaptation to these changes in the business environment, consolidated operating profit and profit attributable to owners of parent fell short of targets. Furthermore, while we continued to make proactive investments, asset efficiency deteriorated due to factors such as delays in achieving investment returns, resulting in a significant decline in ROE and failure to meet our target.

Management Plan Evolution FY2022–2024

Value Provided and Challenges Based on the Group's Basic Policy

Group's basic policies and major initiatives	Initiative achievements	Challenges
Initiatives for Environmental Issues – Sustainability – In response to the increasing importance of addressing environmental issues, implement the action plans outlined in Environmental Vision 2050 and the Environmental Action Program 2030	- Conducted economic value assessment of company-owned forests in Japan - Expanded forest plantations in Japan and overseas - Established a forest fund in partnership with New Forests Pty Limited - Developed and expanded recycling systems for paper cups and aluminum-lined paper cartons - Installed solar power generation equipment on factory roofs	- Advance carbon neutrality initiatives - Maximize the value of natural capital through business operations that maintain nature positivity - Further promote the circular use of resources, including paper recycling, and contribute to the transition to a circular economy
Initiatives for Profitability Improvement – Profitability – - Make effective use of own facilities, promote further production system restructuring - Implement strategic investments and M&As, etc., to further expand promising businesses in Japan and overseas	- Expanded the sustainable packaging business through company acquisitions (Walki in Finland, IPI in Italy, other) - Acquired Adampak Group, a high-performance label printing and processing business - Constructed corrugated container plants in Southeast Asia and India - Expanded ultrathin OPP film machines at Oji F-Tex Shiga Mill - Shut down or consolidated machinery at domestic graphic paper and other facilities	- Concentrate investment of management capital into promising businesses - Profitably enhance existing businesses through product differentiation and high added value - Shift management focus to capital efficiency, rather than an emphasis on profit and loss
Initiatives for Product Development – Green Innovation – In addition to developing new materials and products, accelerate rapid commercialization initiatives regarding our green innovation themes: "Development of new materials derived from wood," "challenge to the medical and healthcare field," and "development of environmentally friendly paper materials."	- Installed a pilot plant for wood-derived sugar solutions and ethanol - Constructed a bench plant for polylactic acid synthesis - Developed biomass photoresists for cutting-edge semiconductors - Perfected large-scale licorice cultivation technology - Obtained a business license for pharmaceutical products sales by Oji Pharma	- Early commercialize and establish the forest biomass business as a core business - Achieve and accelerate product development that meets customer and market needs

Investment and Cash Allocation (Three-Year Period of FY2022–2024)



Regarding cash in, while cash flows from operating activities decreased significantly below plan due to factors such as reduced profits, the overall decrease was limited to ¥33.8 billion due to factors including the reduction of equity investments and an increase in interest-bearing debt.

As for cash out, we actively executed investments necessary for creating and expanding new core businesses, including the wood biomass and sustainable packaging businesses, as well as the domestic and international corrugated container businesses and the high-performance film business. Moreover, we invested in environmental initiatives, including the expansion of forest plantations, and advanced initiatives related to our vision, Dedicated to Sustainability. Furthermore, in addition to maintaining stable dividends, we have endeavored to enhance shareholder returns through treasury stock buyback.

Long-term Vision

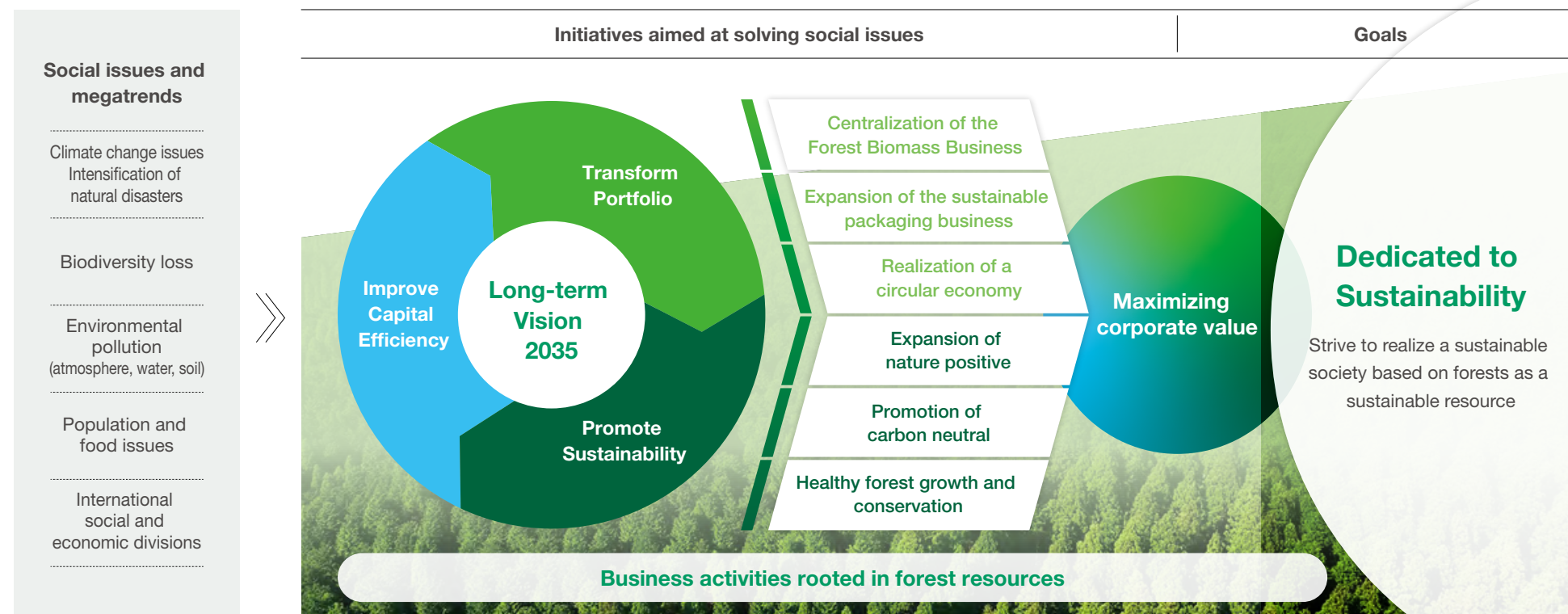
The Oji Group has been developing business operations rooted in forest resources for more than 150 years. In recent years, addressing social issues such as global warming and other aspects of climate change, loss of biodiversity, and environmental pollution has become increasingly important.

By cultivating and preserving healthy forests, we not only produce renewable forest resources but also contribute to enhancing the multifaceted functions of forests. In addition, through products that utilize forest resources, we are able to replace fossil resource-derived materials and products, while supporting and enriching the lives of people around the world.

On the other hand, demand for paper is expected to shrink in Japan as the population declines. To enhance corporate value, it is essential to review the business portfolio in response to changes in demand structure, not bound by existing business models, and to enter new fields aligned with the

times. A strong business foundation is necessary to respond to such changes and drive initiatives forward. The Company prioritizes improving capital efficiency as the cornerstone supporting its business foundation, aiming to build a corporate structure that pursues environmental, social, and economic sustainability while effectively utilizing limited resources.

In this way, realizing a circular economy, expanding nature positive initiatives, and promoting a carbon-neutral society through business operations rooted in forest resources are the very essence of the Company's Purpose. Based on the above considerations, we have established three basic policies: Improving Capital Efficiency, Portfolio Transformation, and Promoting Sustainability. Through these policies, we are Dedicated to Sustainability.

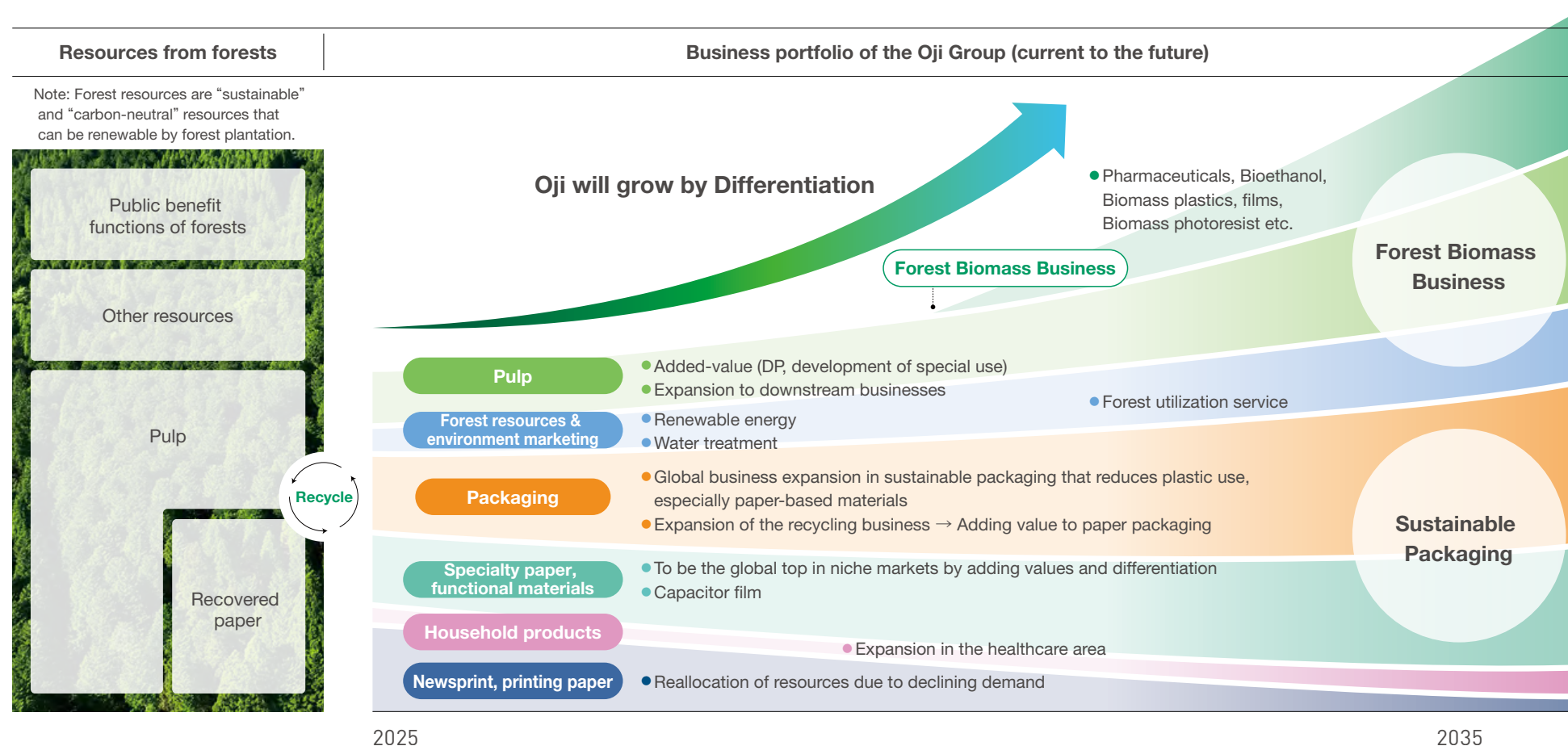


Long-term Vision

Portfolio Aimed for in the Long-term Vision

The Group will continue to steadily advance businesses that utilize renewable resources derived from forests. We will achieve differentiation and drive the sustainable growth of the entire Group through the development of products and businesses that accurately capture social needs. Furthermore,

through these initiatives, we will advance the transformation of our business portfolio, further strengthening and expanding our forest biomass business and sustainable packaging business as core businesses of the Company.



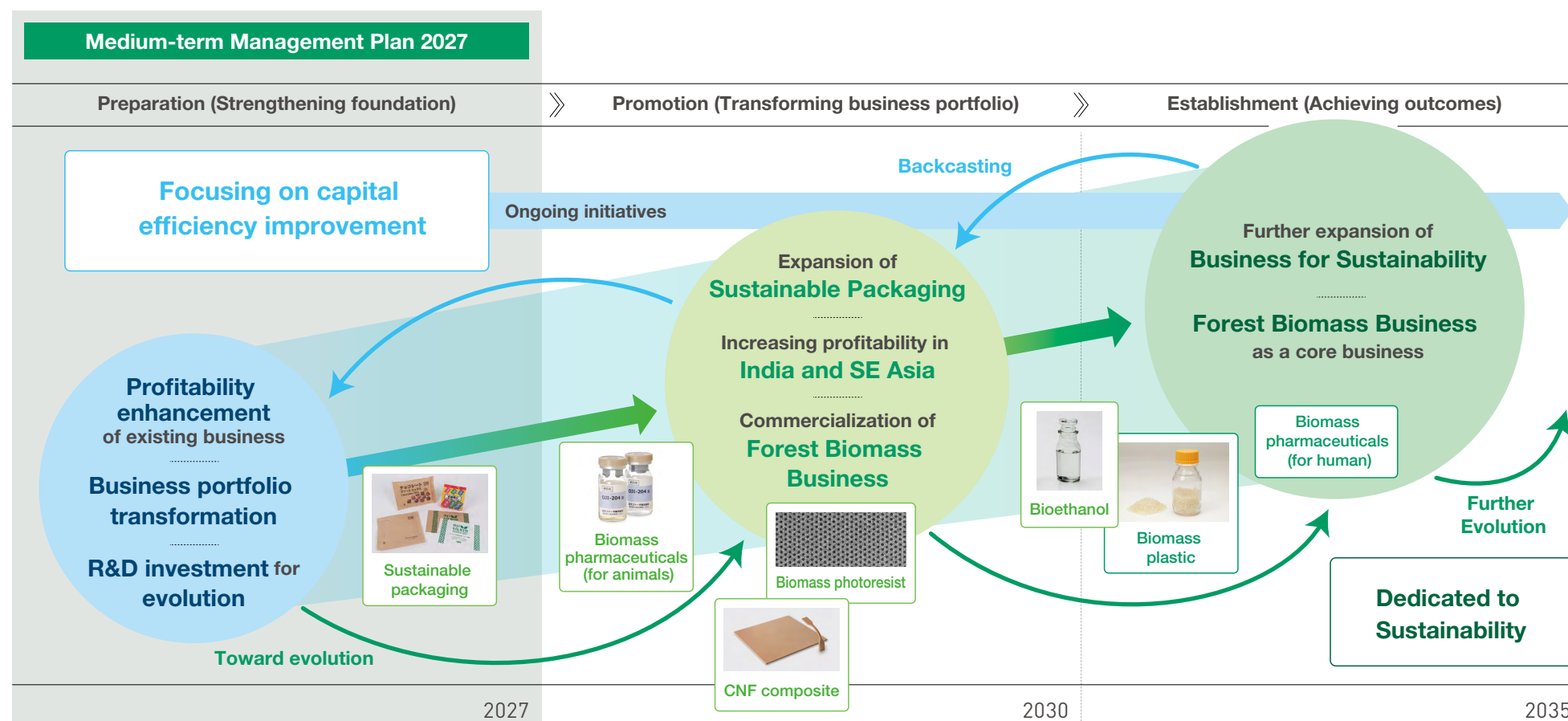
Medium-term Management Plan 2027

Significance and Positioning of the Medium-term Management Plan 2027

Based on the roadmap toward the goal in our Long-term Vision, the Medium-term Management Plan 2027 is positioned as the preparation phase for strengthening our foundation. During this period, we will prioritize management focused on capital efficiency improvement and continue these efforts beyond FY2028. Furthermore, we will enhance the profitability of existing businesses to expand

sustainable packaging and establish the forest biomass business (PP.31–32) [☞](#) as a core business. This will initiate the transformation of our business portfolio while also implementing R&D investments for future evolution, thereby realizing our vision: Dedicated to Sustainability.

[▶ Medium-term Management Plan 2027 Briefing Session Materials](#) [☞](#)



Medium-term Management Plan 2027

Medium-term Management Plan 2027 Outline and Numerical Targets

Over the three-year period starting in FY2025, we will conduct management focused on capital efficiency improvement as a preparation phase based on the basic policies of Long-term Vision 2035: Improving Capital Efficiency, Portfolio Transformation, and Promoting Sustainability. By solidifying our business foundation, we will enhance corporate value and achieve an ROE of 8%. In the future, we aim to achieve a 10% ROE through further improvements in capital efficiency.

Long-term Vision 2035 Basic Policies

Improving Capital Efficiency

- Management focusing on capital efficiency
- Asset slimming
- Restructuring of capital composition

Portfolio Transformation

- Expansion and exploration of new/promising businesses
- Restructuring of low profitability businesses

Promoting Sustainability

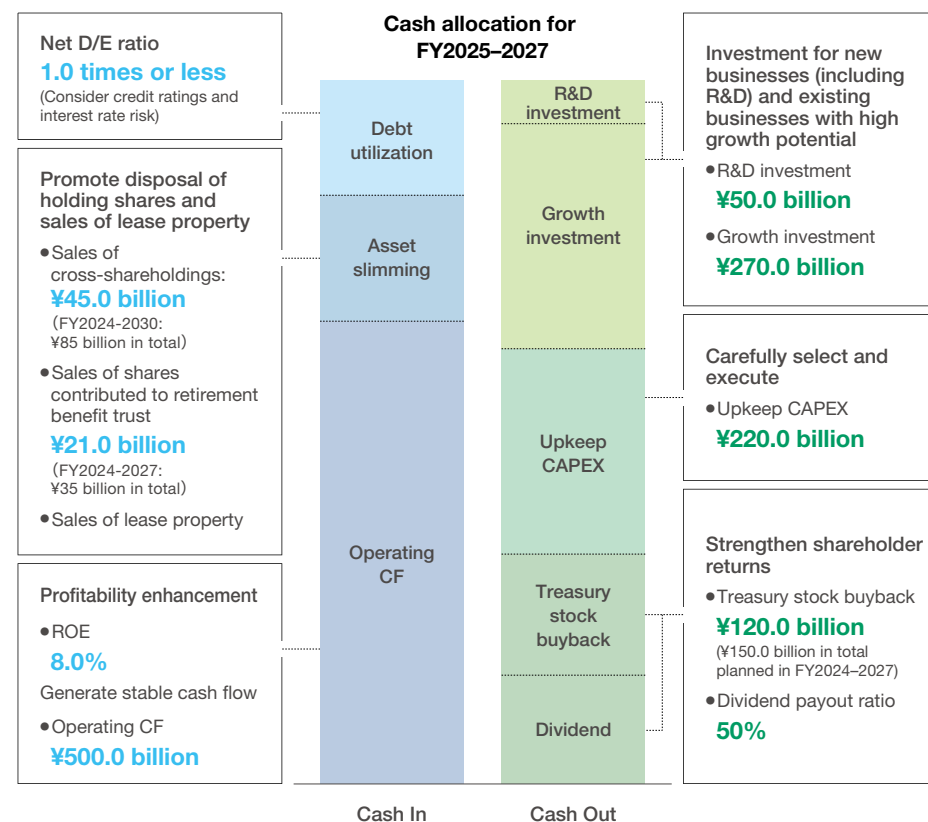
- Promotion of carbon neutral
- Expansion of nature positive
- Realization of a circular economy

Sustainability PP.50–68

	Category	Numerical target	
Management KPI	ROE	8.0%	FY2027
Profit	Consolidated operating profit	¥120.0 billion	FY2027
	Profit attributable to owners of parent	¥80.0 billion	FY2027
Shareholder returns	Dividend payout ratio	50%	From FY2025 onward
	Treasury stock buyback	¥120.0 billion	(3-year cumulative total of FY2025–2027)
Financial soundness	Net D/E ratio	1.0 times or less	

Cash allocation

Through initiatives to strengthen profitability, we plan to generate cash flow from operations, aiming to create ¥500.0 billion over three years. In addition, as part of asset slimming, we will promote the disposal of holding shares and the sale of lease properties. Furthermore, while considering financial soundness, we will expand the net D/E ratio to 1.0 or less and utilize debt. We will invest the funds obtained through these measures in growth investments and shareholder returns. Specifically, we plan to invest a total of ¥320.0 billion in R&D and growth investments to create new businesses in the future and expand existing businesses with high growth potential. We will also work to enhance shareholder returns.



Medium-term Management Plan 2027

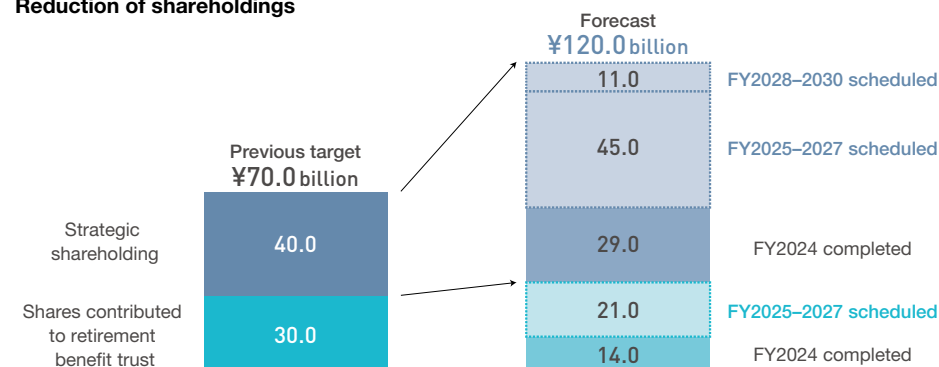
Medium-term Management Plan 2027 Financial Strategy

To maximize corporate value, we will strengthen asset management and restructure our capital composition. This will enable us to secure ongoing funding for growth investments and R&D while simultaneously enhancing shareholder returns. [\(CFO Message PP.23–25\)](#)

Sale of non-core assets

We will increase the amount of shares sold by conducting stricter reviews of the rationale for holding shares such as strategic shareholdings and shares contributed to the retirement benefit trust. Specifically, regarding the targeted sales amount, which was previously set at ¥70.0 billion, we will raise it by ¥66.0 billion over the three-year period of this Medium-term Management Plan to a total of ¥120.0 billion by 2030, including the portion already implemented in FY2024. We will also promote the sale of lease real estate. By accelerating the sale of these non-core assets, we will improve capital efficiency while concentrating management resources on our core businesses.

Reduction of shareholdings



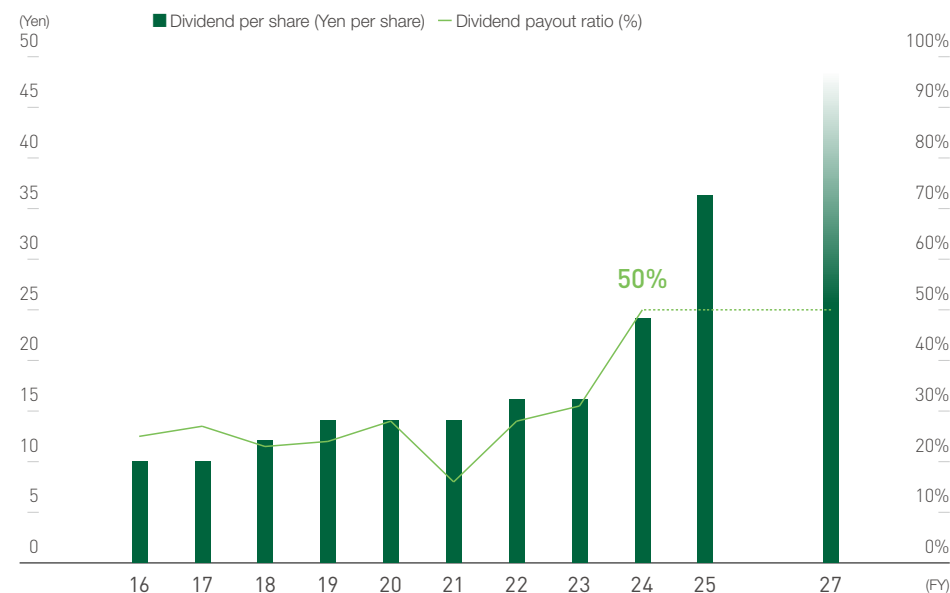
Setting hurdle rate

We have established a hurdle rate that reflects the Company's cost of capital as a criterion for investment decisions. By applying this hurdle rate to each investment opportunity, we will rigorously screen investment projects and ensure the efficient allocation of capital. With this approach, we aim for sustainable growth by controlling investment risk while concentrating investments on high-growth opportunities. Furthermore, setting the hurdle rate will clarify the investment evaluation process and enhance the transparency and quality of decision-making.

Shareholder returns policy

We will focus on achieving an ROE of 8% and aim to control shareholders' equity through treasury stock buyback and increasing the dividend payout ratio. The specific shareholder returns policy is shown in the figure below.

Shareholder returns policy	Dividend payout ratio	Raised to 50% from FY2025
	Treasury stock buyback	¥120.0 billion planned for FY2025–2027 (¥150.0 billion including those already implemented in FY2024)



Debt utilization

Considering interest rate risk and financial soundness, we will expand the net D/E ratio from the previous target of 0.7 to within 1.0 and proactively utilize debt to reduce the cost of capital.

Medium-term Management Plan 2027

Medium-term Management Plan 2027 Business Strategy

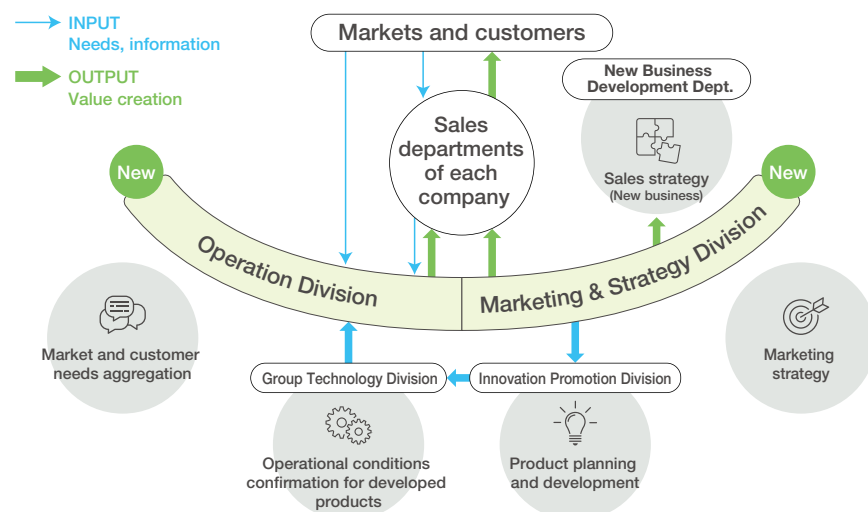
Adhering to management focused on capital efficiency improvement, we will strengthen the profitability of existing businesses and build a solid earnings foundation for future evolution.

Profitability enhancement of existing business

We will implement price increases to cover past cost increases that have not been passed through to product prices. Furthermore, we will maintain and strengthen profitability by promptly and steadily reflecting future cost increases in product prices.

In addition, the Oji Group has established a new cross-Group sales organization to promote sales activities that achieve overall optimization, with the aim of strengthening competitiveness through product differentiation and a transition toward high-value-added products. Each business aggregates and utilizes customer needs and market information gathered from customers, and formulates marketing and sales strategies within the same organization. Based on this strategy, we will plan and develop products, optimize operating conditions, and launch products into the market while simultaneously continuing to identify new needs.

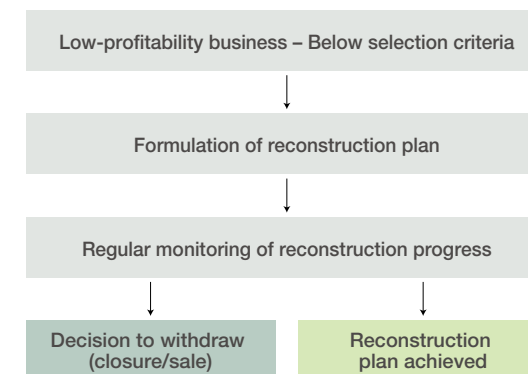
By establishing this cycle, we will advance the shift toward a higher-value product portfolio across the whole Group, strengthening our competitiveness and revenue base. We will also accurately capture not only apparent needs but also latent and future needs, thereby expanding into new businesses.



Start of business portfolio transformation

We will implement restructuring by identifying low profitability businesses based on internal criteria that take into account EBITDA, ROIC, operating profit margin, and other factors across all operations. Specifically, we will formulate reconstruction plans for selected businesses and regularly monitor them to confirm and evaluate progress. If it is determined that the reconstruction plan is unlikely to succeed, we will consider withdrawal (closure or sale). Through these initiatives, we will accelerate management decisions regarding business continuity.

Monitoring process for low profitability businesses



On the other hand, we will also continue to allocate management resources to strategic businesses and areas. We position our sustainable packaging business, centered on the shift to paper packaging, as a strategic initiative. Through a Group-wide sales structure (left figure), we will strengthen marketing and advance R&D and product innovation to promote the transition from plastic to paper packaging. (P.29)

We will also continue to focus on India and Southeast Asia as strategic areas, where strong economic growth is expected, and expand investment in highly profitable areas. At the same time, we will consider withdrawing from low-profit businesses and mills in these areas in a timely manner, while confirming capital efficiency.

R&D investment for evolution

We will also actively implement R&D investment to establish the future forest biomass business as a core business.

Forest Biomass Business PP.31–32 Innovation Strategies PP.44–49

Message from the CFO



**Tadashi
Oshima**

Oji Holdings Corporation
Executive Officer
CFO

Shifting to balance sheet-focused management and steadily achieving an 8% ROE by the end of FY2027

■ On assuming the position of CFO

I am Tadashi Oshima, appointed as CFO in April 2025. Since joining the Company in 1983, I have built my career primarily in administrative departments. Having recently assumed the role of CFO, I recognize that a CFO's ultimate mission is to enhance corporate value while undertaking practical initiatives such as fundraising, asset efficiency, capital efficiency, and optimizing capital structure. I am determined to do my best.

■ Looking back on FY2024

FY2024 marked the final year of our Medium-term Management Plan launched in FY2022 and spanning three years. However, operating profit, profit attributable to owners of parent, and ROE fell significantly short of our initial targets, resulting in an underwhelming outcome. Looking back on these results, my greatest concern is the significant shift in the global environment characterized by rising prices for raw materials and fuel, labor costs, logistics expenses, and other factors, coupled with the emergence of a world with meaningful interest rates. I am convinced that the trend of rising costs will become the norm for the long term. Amid such a business environment, it is essential to pass those costs through

to prices to secure appropriate profits, even if it means sacrificing some volume. Furthermore, under these circumstances, sustainable corporate growth cannot be expected simply by focusing on the value and volume of sales as in the past. Going forward, I believe it is essential to prioritize "ratios," by which I mean qualitative indicators such as capital efficiency and profit margins, in every situation. In my view, we must advance the transformation toward a truly profitable management structure, not overly concerned with the magnitude of sales.

In addition, external factors affecting our business performance include international pulp market conditions and exchange rate trends. We also need to continue efforts to reduce costs to absorb volatility in pulp prices. In terms of exchange rates, fluctuations in not only the U.S. dollar and euro but also the Brazilian real and New Zealand dollar have an impact, so in terms of risk diversification, we view appropriate hedging through forward exchange contracts as one option.

While deeply reflecting on our delayed response to environmental changes, the Company must transform into a robust organization with the resilience to withstand shifts in the business environment and the capacity to adapt to change. We will therefore undertake a thorough review of our capital structure, pursue asset slimming, and transform our business portfolio to stay one step ahead of environmental changes, while making a Company-wide drive to enhance ROE.

Message from the CFO

■ New Medium-term Management Plan: Achieve 8% ROE by the end of FY2027

In the new Medium-term Management Plan announced in May 2025, covering the period up to FY2027, we fundamentally reviewed our previous PL-focused management approach and placed emphasis on the improvement of capital efficiency. Therefore, we removed sales from the KPIs and set the most important KPI as achieving an 8% ROE by the end of FY2027. We aim to reach 10% ROE in the long term.

To raise the ROE from 4.3% as of the end of March 2025 to a level of 8%, we will simultaneously pursue profit growth and management of shareholders' equity.

The operating profit target for FY2027 is ¥120.0 billion, and the target for profit attributable to owners of parent is ¥80.0 billion. To achieve profit growth, we will focus on price pass-through, restructuring of low profitability businesses, a shift to high-value-added products and reinforcement of the Group sales structure, and stable operations and cost reduction. To ensure steady execution, we introduced the CxO system in April 2025. This organizational enhancement builds upon our existing vertical structure to establish a cross-functional framework. Personally, I have already gained increased access to new information previously unavailable to me, and I can feel the tangible impact of enhanced cross-functional collaboration contributing to our revenue growth.

On the other hand, the key factor regarding equity, the denominator of ROE, is shareholder returns, which include

¥120.0 billion in treasury stock buybacks by FY2027 and a 50% dividend payout ratio. We will steadily achieve an 8% ROE by controlling shareholders' equity even when operating profit fluctuates. Furthermore, the Group comprises more than 300 companies, with more than 200 included in the consolidated financial statements. We will also conduct more thorough exhaustive reviews of the balance sheets of our Group companies, accelerate the sale of non-core assets, implement asset slimming, vigorously reduce inventory, and work to reduce working capital. On the other hand, while considering interest rate risk and financial soundness, we will proactively utilize debt while applying leverage to reduce capital costs.

For the net D/E ratio, a key indicator of financial soundness, we will raise the target to within 1.0 by applying leverage, up from 0.7 in the previous Medium-term Management Plan. While we actively utilize debt, we now live in a world of meaningful interest rates. Therefore, while maintaining our current credit ratings, we intend to proceed flexibly by carefully balancing cash inflows from asset sales rather than simply increasing debt, and selecting the most advantageous financing methods and terms at the time.

I am keenly aware that the Company's PBR is currently below 1x. First, I believe firmly achieving an ROE of 8% will serve as the starting point for PBR recovery.

■ Approach to shareholder returns

Regarding the dividend payout ratio as part of shareholder returns, while maintaining stable dividends

as the foundation, we have reviewed our capital structure and considered the appropriate level of shareholders' equity. As a result, we have determined that a payout ratio of 50% is appropriate at this juncture. Future profit growth and the reduction in the number of shares outstanding through the purchase of ¥120.0 billion in treasury stocks by FY2027 will enable us to increase the dividend per share. Regarding shareholder returns, I believe stable returns are pivotal and do not intend to make changes lightly in response to temporary declines in performance.

■ Cash allocation

In terms of financial strategy, it is important to continuously secure funding for growth investments and R&D while reviewing the capital structure and distributing cash in a manner that enhances shareholder returns.

Cash flows from operating activities are projected to reach approximately ¥500.0 billion over the three-year period of the new Medium-term Management Plan. Other cash inflows anticipated include the sale of strategic shareholdings for ¥45.0 billion, the sale of shares contributed to retirement benefit trust for ¥21.0 billion, and the sale of lease properties and borrowing.

Using these funds as a source, we plan to allocate ¥50.0 billion to R&D investment and ¥270.0 billion to growth investment over three years. For shareholder returns, we plan to allocate ¥120.0 billion to share buybacks to strengthen our position while maintaining the

Message from the CFO

aforementioned 50% dividend payout ratio. In addition, we plan to allocate ¥220.0 billion to upkeep capex by carefully selecting targets.

Regarding R&D investment, we recognize that greater investment than before is necessary in the areas of sustainable packaging and wood biomass as we work toward transformation of the business portfolio for the future. While the previous three-year Medium-term Management Plan allocated approximately ¥33.0 billion for R&D investment, the new plan targets ¥50.0 billion. Should this prove to be insufficient, we will firmly advance investments while keeping in mind the potential for further increasing R&D investment tailored to future business. Furthermore, regarding growth investments, we will invest intensively in developing new businesses, including through M&A, with a strong conviction that halting investment would put our future growth at risk. This ¥270.0 billion growth investment also includes funding to acquire forests and to gradually convert coal-fired boilers to LNG fuel starting in FY2027, in line with the previously announced Environmental Action Program (P.55).

Financial strategy for business portfolio transformation

Regarding our business portfolio, we monitor it based on clear internal standards incorporating metrics such as EBITDA, ROIC, and operating profit margin. For businesses that fall below our low profitability criteria, we

monitor the progress of reconstruction plan formulation and execution before determining the direction of the business—that is, whether to continue, withdraw, sell, or close it. We will transform into a lean and efficient management structure by divesting from low-profitability businesses and allocating management resources toward growth investments.

We make decisions based on strict hurdle rates regarding investment and exit criteria. The generation of ROIC exceeding WACC is a minimum standard. Regarding the cost of shareholders' equity, we announced it to be approximately 6%–7% in December 2023 (in a presentation called “Initiatives to Enhance Corporate Value”). However, while we calculate WACC and segment ROIC internally, we do not disclose these figures externally.

I, as CFO, will provide input on all investment decisions. We will thoroughly identify investment risks, carefully distinguish between areas where we take risks and those where we avoid them, rigorously assess whether investments are commensurate with their risks, and pursue a balance between “offensive governance” and “defensive governance.”

In making decisions on overseas investments, which we have positioned as future growth drivers, we basically make the same decisions as we do in Japan, based on whether we can earn a return. In our key focus markets of India and Southeast Asia, we will also consider reviewing our current operations, taking into account country risk, to determine whether the existing hurdle

rate is appropriate compared to its contribution to ROE going forward.

Message to stakeholders

I value very much the opportunity to engage with institutional investors and other stakeholders. All requests and opinions from our stakeholders are shared throughout the Company, including with top management.

The newly announced Medium-term Management Plan advocates management focused on capital efficiency improvement, which represents a departure from previous strategies. As CFO, I remain committed to strengthening trust with our stakeholders through transparent disclosure and proactive dialogue. I sincerely appreciate your ongoing support.



Utilization of Management Resources

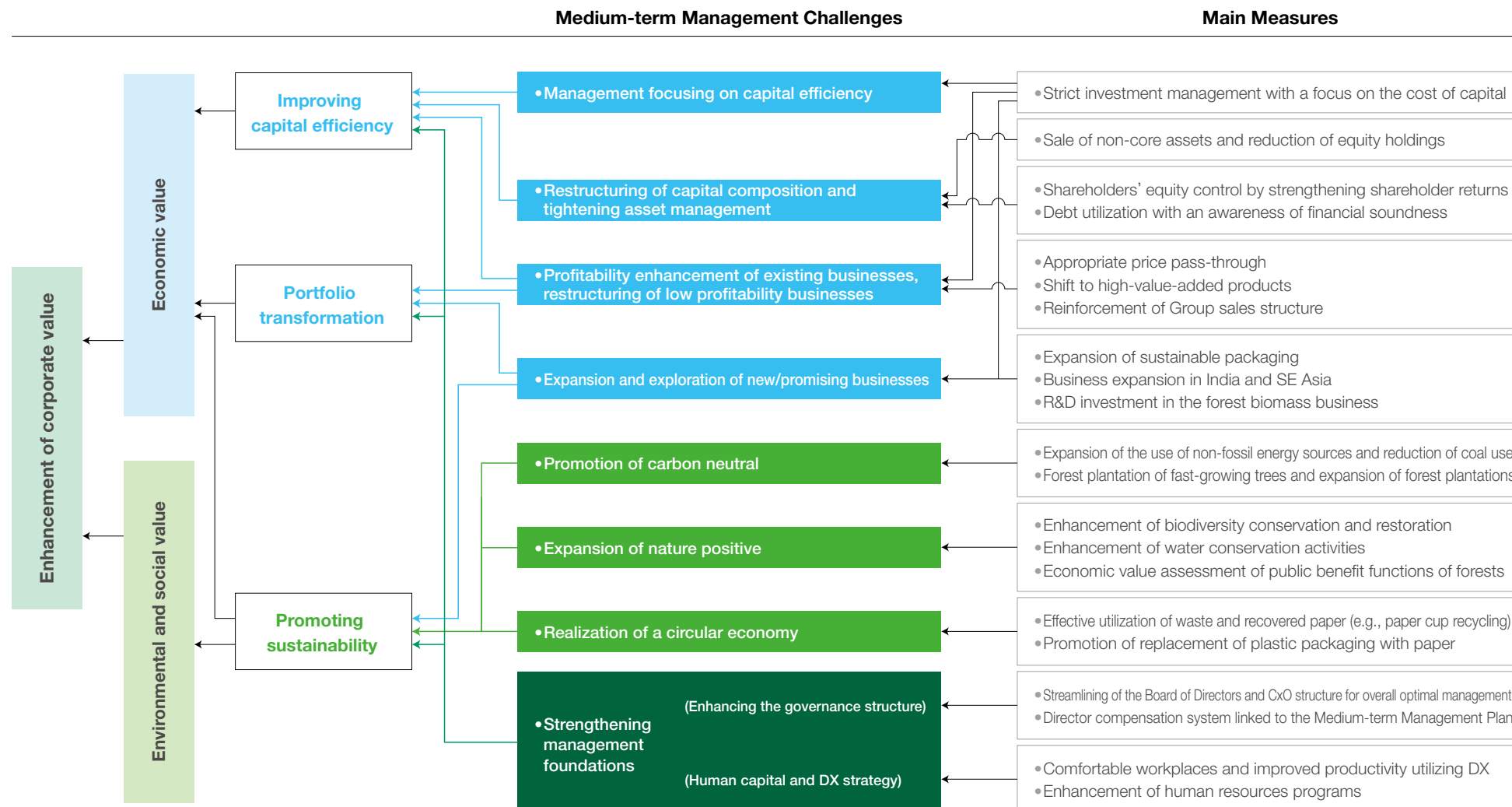
The Oji Group will realize value creation by leveraging its strengths, including sustainable forest management, the circular use of renewable resources, the application of fundamental paper manufacturing technologies, the development of new materials derived from wood, and its global production bases and sales network. In addition, we will work to resolve the challenges that we need to address in each type of management capital and further pursue our strengths.

	 Natural Capital	 Manufactured Capital	 Intellectual Capital	 Social and Relationship Capital	 Human Capital	 Financial Capital
Strengths and Features	● Sustainable Forest Management The Oji Group owns and manages extensive forests in Japan and overseas. In addition to cultivating renewable resources, we are working to take full advantage of the multifunctionality of forests while providing society with ecological services by practicing sustainable forest management that is conscious of environmental, social, and economic concerns. Multiple functions of forests - Material production - Global environmental conservation (CO₂ absorption, other) - Biodiversity conservation - Water resource cultivation - Soil conservation - Culture - Recreational, etc.	● Circular Use of Renewable Resources The Oji Group is actively engaged in the cultivation, procurement, and cascading use of renewable forest resources. We also promote the recycling of paper that is used repeatedly as recovered paper to make effective use of valuable resources generated in the market. At the same time, we are putting in place a system to reduce the amount of water used by circulating and reusing water that is essential to paper manufacturing. ● Application of Fundamental Paper Manufacturing Technologies Utilizing the fundamental technologies we have cultivated in our paper manufacturing business, we aim to expand our businesses in various fields that will help reduce our environmental burden. This includes developing our renewable energy business with a focus on hydroelectric power generation and wood biomass power generation, industrial water production, and industrial wastewater treatment businesses.	● Development of New Materials Derived from Wood The Oji Group is working to resolve a variety of social issues through the creation of new value. To this end, we are engaging in the R&D of cellulose nanofibers (CNF), where we are in turn undertaking the search for new applications while promoting practical use; wood-derived sugar solutions and ethanol, which are key substances in biomanufacturing; and pharmaceuticals that use sulfated hemicellulose, a by-product of pulp manufacturing. ● Holds a broad portfolio of intellectual property rights related to environmentally conscious technologies both in Japan and overseas ● More than 150 years of knowledge and a wide variety of core technologies (including production and operations, forest management and plantations) ● Robust R&D system and facilities located at the mills of Group companies in Japan	● Global Network and Sales We are proactively developing our businesses on a global level, including our packaging business, which engages in the integrated manufacturing of folding cartons and corrugated containers from base paper, as well as our household paper, thermal paper, pulp, and other businesses. We will respond to the growing needs of overseas markets and create synergies with newly acquired companies within the Group. ● Detailed communication response to product safety inquiries, including the provision of survey reports and product information sheets ● The brand power exemplified by "nepia" and the ability to understand customer needs ● Various social contribution activities outside and inside Japan	● Capabilities at all sites, including procurement, manufacturing, and sales ● Diverse human resources, including global bases (inclusion and diversity) ● A corporate culture that respects, fosters, and accepts other cultures and attributes ● Human resources with high ethical standards based on the Company's founding spirit and the relevant training system ● Depth of technical human resources engaged in R&D and training systems that lead to new businesses	● Stable profitability through diversified businesses from upstream to downstream ● Financial soundness R&I Issuer Rating A+ [Positive] Net D/E ratio within 1.0 times (from FY2025 onward) ● Stable dividend policy Dividend payout ratio 50% (from FY2025 onward)
Future Initiatives	● Securing stable and long-term resources through the expansion of forest plantation areas ● Quantitatively evaluating natural capital and enhancing its value, introducing natural capital accounting in financial statements ● Effectively utilizing company-owned forests in Japan ● Increased CO₂ absorption and resource expansion through improved growth	● Utilizing excess production capacity and optimizing production systems ● Transition to the biorefinery business ● Improving production efficiency through automation and promotion of DX ● Expanding the use of non-fossil energy sources for the transition to a decarbonized society	● Enhancement of various training programs and systems ● Transfer of knowledge and expertise related to various operations ● Formulation and execution of intellectual property portfolio strategy for business portfolio transformation	● Participation in and initiatives with external consortiums, including industry, government, and academia, in the new wood-derived materials business ● Collaboration with the International Sustainable Forestry Coalition (ISFC) and other industry organizations ● Consideration of human rights in the supply chain through human rights due diligence	● Creating an environment for human resources development to achieve the Medium-term Management Plan ● Recruitment of diverse human resources ● Strengthening employee engagement ● Ensuring safety and health in the workplace	● Profitability enhancement of existing business ● Transformation of the business portfolio ● Improvement of capital efficiency
Input	● Oji Forests (conservation forests): 636,000 ha (164,000 ha) ● Water withdrawal: 686,547 thousand m³	● Overseas manufacturing sites: 106 sites in 24 countries ● Capital investment: ¥153.4 billion	● R&D expenses: ¥13.5 billion (No. 1 in Japan in the paper and paperboard industry, according to WDB Inc.) ● Number of patents, utility models, and design patent applications Japan: 314, Overseas: 150	● Oji Group companies^{*1}: 373 in the world ● Supplier Sustainability Surveys Number of companies surveyed: 955 ● Social contribution activity expenses: ¥0.4 billion	● Number of employees of the consolidated Group: 39,136 ● Percentage of overseas employees: 58.5% ● Mid-career hires: 62 (FY2024)	● Shareholders' equity: ¥816.1 billion ● Interest-bearing debt: ¥903.4 billion
Outcome	● Estimated economic value of public utility functions of company-owned forests in Japan: ¥550.0 billion/year ● Forest certification acquisition rate: 98% (Japan 100%, Overseas 96%) ● Forest carbon stocks: 142,020 kt-CO₂ ● Reduction of water intake intensity compared with FY2018: 22.2% reduction	● Reduction of GHG emissions compared with FY2018 (Scope 1, Scope 2): 34.2% reduction ● Percentage of renewable energy use: 56.4% ● Recovered paper utilization rate (Japan): 67.4%	● Number of published patents in Japan in 2024: 286 (top rank in the pulp and paper industry: Survey by Patent Result Co., Ltd.) ● Number of patents, utility models, and design patents/trademarks held Japan: 2,784/1,039 Overseas: 944/1,160	● Pulp and paper-related sales: Ranked 5th globally and 1st in Japan (FY2023) ● Overseas sales ratio: 40.8%, Number of countries where products are sold: 130 ● Rate of sustainability survey implementation at all major suppliers: 100%	● Employee engagement score^{*2} Engagement related to work: 61.0% Engagement with the organization (Willingness to work long term): 65.8% ● Percentage of female managers^{*3}: 4.9% ● Employment rate of people with disabilities^{*4}: 2.55% ● Lost time injury frequency rate: 0.81 (2024)	● Operating profit: ¥67.7 billion ● ROE: 4.3% ● Free cash flows: -¥60.5 billion ● Dividend per share: ¥24

^{*1} Subsidiaries and affiliates ^{*2} Percentage of positive responses ^{*3} 16 domestic Group companies ^{*4} 6 domestic Group companies

Logic Tree

The Oji Group's logic tree is a schematic representation of how the Group's management issues and strategies are linked to increases in corporate value. We will pursue the enhancement of environmental and social value for society as a whole by simultaneously striving to increase economic value through sustainable corporate growth and promoting sustainability in various ways while leveraging our business foundation based on forest resources.

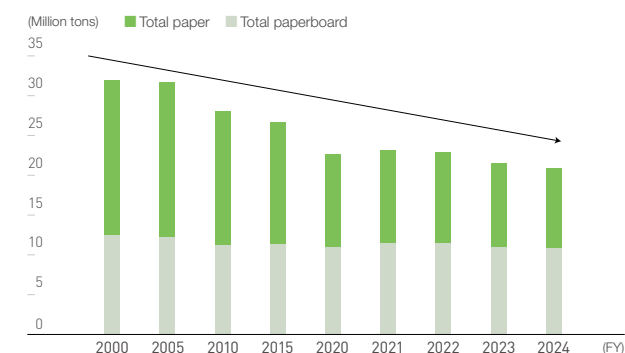


New Portfolio Domains — Portfolio Transformation Applying the Strengths of the Oji Group

Against the backdrop of a sharp decline in domestic paper demand since 2008, the Oji Group has been transforming its business by stepping up its overseas expansion and bolstering the manufacturing and sales of paperboard and pulp. In 2020, the Japanese government declared its goal of achieving a carbon-neutral society (reducing greenhouse gas emissions to net zero including through absorption) by 2050, heightening expectations for biomass materials as alternatives to fossil-derived resources. By utilizing abundant forest resources and the technologies and facilities cultivated through paper manufacturing and forestation, we have positioned sustainable packaging and the forest biomass business resources as pillars of growth, and are promoting commercialization through aggressive capital investment and M&A in both fields.

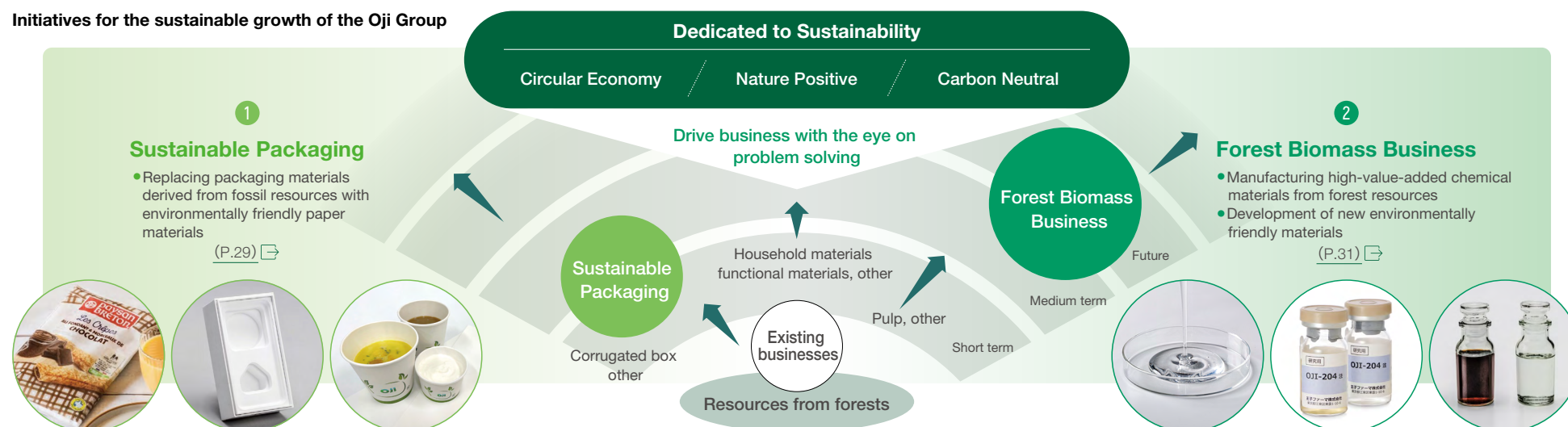


Demand for paper and paperboard (domestic)



Source: Japan Paper Association

Initiatives for the sustainable growth of the Oji Group



New Portfolio Domains — Sustainable Packaging

Amid heightening awareness for the environment, demand for sustainable packaging materials is rapidly expanding as an alternative to conventional disposable packaging made from fossil-based plastics.

Paper packaging materials play a pivotal role in achieving a sustainable society by significantly contributing to reducing plastic usage and CO₂ emissions. We will continue to enhance our lineup of sustainable packaging that meets customer needs by introducing new paper and pulp-based packaging to the market, incorporating essential functions such as barrier performance, durability, and processability. This will strengthen business competitiveness across the Group.

In addition to reducing the amount of plastic used, paper sustainable packaging contributes to reducing waste and environmental burdens due to the high recyclability of paper and flexibility to incorporate a variety of materials in the manufacturing process (i.e., the adaptability to mixed-fiber paper).

With a view to the sustainable packaging market not only in Japan but also globally, we aim to achieve further growth by developing and launching products that anticipate stricter environmental regulations in each country and changes in consumer awareness.

Contribution to reducing plastic usage

Plastic reduction achieved through replacement with sustainable packaging*

FY2024 Result
Approx. **3,000 t**



Target by FY2030
Expand sales to
approx. **5,000 t**

Contribution to CO₂ emission reduction

Paper packaging



Impact of paper packaging on reducing CO₂ emissions (in Japanese only) [\[Link\]](#)

*Includes some non-wrapping plastic alternative paper products

Wood-derived packaging solutions	Fossil-based packaging materials to be replaced	Main strategies and developed products		Examples of main products	
Paper-based soft packaging materials 	Flexible packaging	We develop and provide materials that can replace plastic, such as highly recyclable paper packaging materials and composite materials combining paper with barrier properties, tailored to the items to be packaged and machinery used.	High recyclability Paper packaging materials without plastic coating Transparency Transparent paper-based packaging materials that allow contents to be seen High performance Content protection materials using barrier paper with a barrier coating layer Compliance with regulations Non-fluorine oil resistant paper	Recyclable outer paper bag Aluminum-free paper-based lid material	
Pulp and paper containers and packaging 	Rigid plastic containers	We provide pulp and paper container packaging solutions capable of accommodating various shapes, including containers for electronic devices and miscellaneous goods as well as food containers.	High recyclability Pulp mold containers for a wide range of molding applications, press molding paper Versatile processability Pulp non-woven fabric with a unique texture and the capability for aesthetics-oriented processing High hermeticity Top sealable paper containers that achieve both plastic reduction and food waste reduction	Molded products made of pulp non-woven fabric design: DRILL DESIGN photo: nyoukanabe High-quality pulp mold containers	
Others	Recycled plastic, foamed plastic, bubble wrap, etc.	We provide solutions tailored to the needs of each region and industry, such as paper packaging materials that contribute to reducing environmental pollution through the use of mixed-fiber paper made from recycled waste.	Upcycling Mixed-fiber paper Paper-based packaging for transport Paper-based materials that replace plastic materials such as cushioning and insulation materials	Mixed-fiber corrugated container made from palm oil empty fruit bunches: Solving environmental issues such as soil contamination caused by local waste	

New Portfolio Domains — Sustainable Packaging

Initiatives in Recycling

To contribute to the realization of a circular economy, we are establishing a new sustainable material recycling system and promoting the recycling of recovered paper that was previously difficult to utilize. In particular, we are focusing on establishing recycling technologies for difficult-to-process recovered paper, such as paper cups and aseptic carton packages, and expanding the number of examples of our initiatives.

These paper containers for beverages were excluded from regular waste paper collection systems due to issues such as plastic lamination and contamination after use, and most of them end up being discarded. To overcome this, we have established a recycling system that enables beverage paper packages to be remanufactured as waste paper by employing pretreatment processes such as shredding and washing along with specialized equipment. This promotes resource circulation and reduces waste.

In addition, participating companies collect used paper containers at their facilities, offices, and stores. By utilizing remanufactured products made from these containers, such as paper hand towels and corrugated boxes, they create an environment where users can directly experience the circulation of paper resources. This promotes understanding of sustainable activities and expands the use of waste paper.

Examples of major recycling initiatives

Date of announcement	Initiatives/companies	Products in scope	Remanufactured product
August 2025	Establishment of a recycling platform for used paper cups throughout 23 wards of Tokyo (Kao Corporation / SoftBank Corp. / Kokusai Pulp & Paper Co., Ltd.)	Paper cups	Paper hand towels
May 2025	Practical application at Expo 2025 Osaka, Kansai (Tetra Pak Japan Co., Ltd. / Gold Pak Co., Ltd.)	Aseptic carton packages	Corrugated boxes
January 2025	Paper cup recycling initiative in collaboration among four companies (McDonald's Company (Japan), Ltd. / Kentucky Fried Chicken Japan, Ltd. / Tully's Coffee Japan Co., Ltd.)	Paper cups	Paper hand towels

Creating the circle of renewal together (Renewa)



Renewa, the new brand launched by the Oji Group, is a partnership-based recycling system that turn materials once considered difficult to recycle into renewable resources. We will continue to challenge ourselves to develop new technologies and systems, aiming for a future where the circle of resource circulation expands beyond industry and corporate boundaries.

Dedicated Renewa website (in Japanese only) URL: <http://www.renewa-oji.jp/>



TOPICS

Walki introduces recyclability assessment equipment for paper packaging materials: Accelerating recyclability evaluation of packaging materials based on European environmental regulations

Under the EU Packaging & Packaging Waste Regulation (PPWR), all packaging materials must comply with recyclable design requirements by 2030. Based on these regulations, packaging materials must be properly collected, sorted, and processed into high-quality material recycling. As a result, brand owners targeting the European market must use packaging materials that comply with design-for-recycling principles.

Walki, a Finnish packaging materials converter that joined the Oji Group in 2024, has introduced equipment to evaluate the recyclability of paper packaging materials. This equipment allows Walki to verify whether packaging materials actually comply with design-for-recycling principles.

In particular, sustainable packaging requires applying barrier coatings to paper. It is crucial to design products that maintain barrier performance while being recyclable in factories. Therefore, the introduction of this recyclability evaluation equipment was essential for designing and developing new packaging materials.

Going forward, we will lead the global sustainable packaging market through synergies between Oji Group's pulp and paper manufacturing technology and Walki's conversion technology.



New Portfolio Domains — Forest Biomass Business – Biomanufacturing Technology

Development of Biomanufacturing Technology with Forest Resources as Raw Materials

We are advancing the development of new materials utilizing wood biomass as a next-generation core business. Focusing on one of our key themes, “biomanufacturing,” here we will introduce the market environment, current initiatives, future plans, and answers to questions from investors.

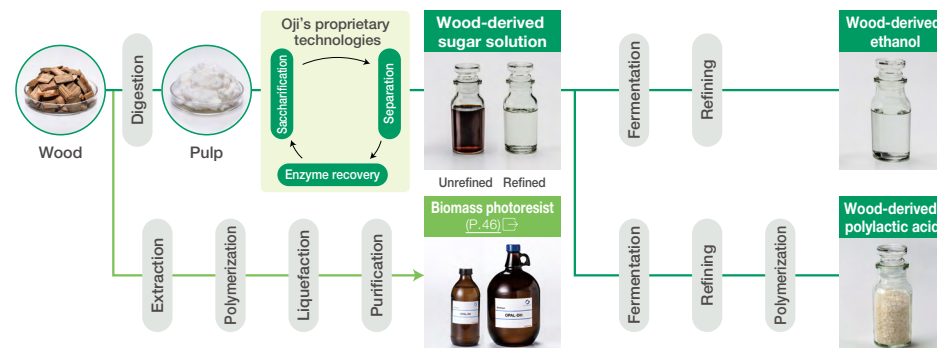
What is biomanufacturing?

Biomanufacturing refers to the process of manufacturing products using biologically derived materials, and further involves utilizing microbial metabolic reactions to produce chemical materials, fuels, food, pharmaceuticals, and other products. As a sustainable manufacturing approach that replaces various production processes relying on conventional fossil resources, biomanufacturing is expected to become Japan’s next-generation industrial infrastructure and, by extension, the core of its competitiveness.

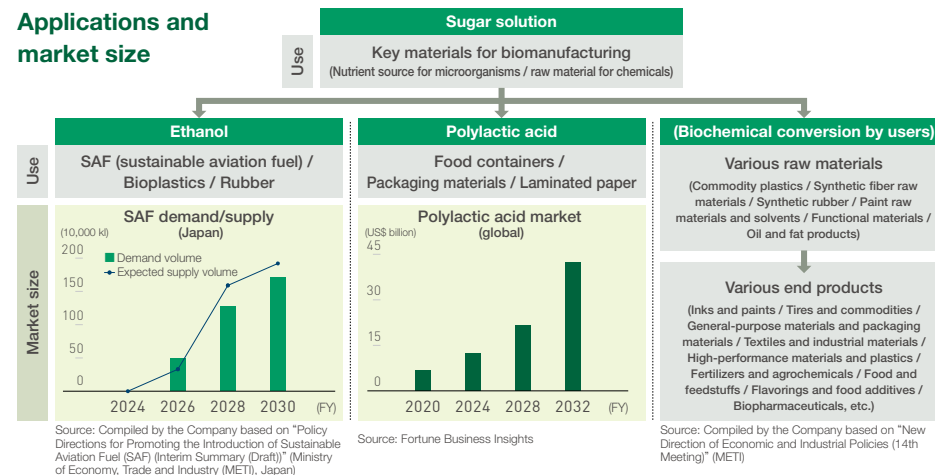
Oji Group’s biomanufacturing

We are developing biotechnology to address global environmental challenges by leveraging forest resources nurtured through years of forest management and pulp derived from our paper mill infrastructure. Our forest-based biomass offers advantages over agricultural biomass, including segregation from food production and lower fertilizer requirements owing to the material cycle within forest ecosystems. Furthermore, forests possess multifaceted functions, including the conservation of water resources through their water resource cultivation function (P.60). The Company aims to achieve the social implementation of biomanufacturing products such as wood-derived sugar solution, ethanol, and polylactic acid by applying its proprietary saccharification and fermentation technologies.

Our biomanufacturing process



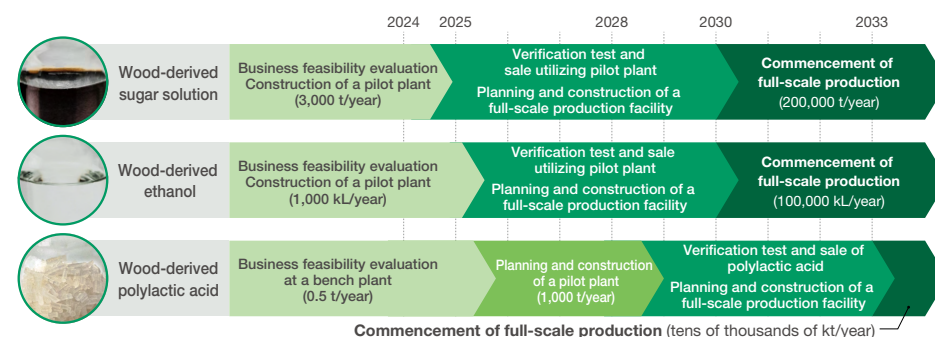
Applications and market size



Future plans and goals

We are considering capital investments totaling tens of billions of yen over an eight-year period from 2025 to 2033 to achieve the social implementation of wood-derived sugar solution, ethanol, and polylactic acid. Through demonstration testing at the pilot plant (P.32), we will clarify CO₂ emissions and costs while examining process optimization for the main production facility.

Furthermore, building on the ¥550.0 billion/year economic value of our company-owned forests announced last year (P.60), we will promote initiatives to enhance the unique value of products derived from these forest resources and pursue differentiation.



Sales target for the 2030s >>> More than **¥30.0 billion/year**

New Portfolio Domains — Forest Biomass Business – Biomanufacturing Technology

Current development progress

■ Pilot plant for wood-derived sugar solution and ethanol

A pilot plant for wood-derived sugar solution and ethanol was established at the Oji Paper Yonago Mill in Yonago City, Tottori Prefecture, and a completion ceremony was held in May 2025. This facility, one of the largest in Japan, is part of our biomanufacturing product development efforts toward realizing a carbon-neutral society. It is capable of producing 3,000 tons of sugar solution and 1,000 kiloliters of ethanol annually. We will accelerate initiatives to optimize manufacturing conditions and advance toward social implementation.



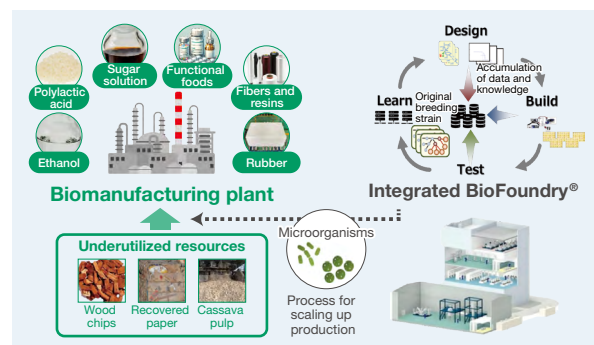
Pilot plant for wood-derived sugar solution and ethanol



Completion ceremony held on May 21, 2025 (Yonago City, Tottori Prefecture)

NEDO Research and Development of Technologies to Promote Biomanufacturing

In July 2024, a joint proposal by Bacchus Bio Innovation Co., Ltd., JGC Holdings Corporation, ENEOS Materials Corporation, Osaka Gas Co., Ltd., Toray Industries, Inc., and Oji Holdings named “Biomanufacturing Ecosystem Construction Project Using Wood and Other Under-Utilized Resources” was selected by the New Energy and Industrial Technology Development Organization (NEDO) as part of its Research and Development of Technologies to Promote Biomanufacturing. In this project, the collective efforts of six companies from upstream to downstream will be mobilized to promote the creation of an ecosystem that encourages the social implementation of biomanufacturing products and the fostering of their social acceptance. We will also convert existing paper mills into biomanufacturing plants, aiming to establish a competitive hub for biomanufacturing.



The six-company consortium's “biomanufacturing ecosystem” using underutilized resources

Integrated BioFoundry® is a registered trademark of Bacchus Bio Innovation Co., Ltd., in Japan.

Q&A from various investors

Q1. What is the forest biomass business?

A1. Our forest biomass business holds a competitive advantage in utilizing renewable forest resources without competing with food production. The bioethanol market is projected to expand to a scale of ¥500 billion by 2030. In the aviation fuel sector, while a 10% switch to SAF for fuel used by 2030 is mandated, meeting that demand solely with food-derived raw materials and used cooking oil will be difficult. Therefore, utilizing stable sources of raw materials such as wood biomass has become essential.

Q2. Why hasn't there been progress in the utilization of forest resources in biomanufacturing until now?

A2. We believe this is the result of government policies and investments prioritizing short-term economic rationality as forests require cultivation and management over a span of 50 to 100 years depending on the tree species. Going forward, in addition to launching biomanufacturing products, we believe it is crucial to undertake initiatives that visualize the functions forests provide, such as CO₂ absorption, water resource cultivation, and biodiversity conservation, based on long-term forest management, and to evaluate these as social value.

Q3. What is your outlook (sales targets and price competitiveness) for this business?

A3. We will determine the optimum production balance by observing future demand trends, and aim to achieve sales targets of ¥30.0 billion or more in the 2030s for sugar solution, ethanol, and polylactic acid. Regarding price competitiveness, we are keeping manufacturing costs down by leveraging our existing paper mill infrastructure and enzyme recovery technology. Furthermore, through branding activities and initiatives to drive value, we aim to achieve biomanufacturing products that are accepted by society and consumers.

Business Overview

Overall picture of the business

The Oji Group has built its current business portfolio by responding to social needs, promoting innovation through technologies cultivated in its paper manufacturing business, and expanding operations through M&A and other means.

Going forward, we will transform our business portfolio to expand sustainable packaging and establish a forest biomass business centered on forest resources as a core business, thereby realizing our contribution to a sustainable society.

Others

Domestic 15 companies
Overseas 1 company

- Trading, logistics, engineering, and real estate
- New business development

Net sales	¥337.7 billion
Operating profit	-¥9.0 billion
Capital investment	¥10.1 billion
R&D expenses	¥8.6 billion
Depreciation and amortization	¥4.5 billion

Printing and Communications Media

Domestic 7 companies
Overseas 1 company

- Newsprint business
- Printing and publication paper business
- Communications paper business

Net sales	¥293.2 billion
Operating profit	¥13.3 billion
Capital investment	¥7.8 billion
R&D expenses	¥0.6 billion
Depreciation and amortization	¥7.2 billion

Forest Resources and Environment Marketing

Domestic 19 companies
Overseas 30 companies

- Forest plantation business
- Pulp business
- Lumber processing business
- Energy business
- Starch and saccharification business

Net sales	¥392.3 billion
Operating profit	¥31.3 billion
Capital investment	¥88.6 billion
R&D expenses	¥0.5 billion
Depreciation and amortization	¥27.2 billion

15.5%

13.5%

18.0%

10.9%

42.1%

FY2024
Net sales

¥1,849.3 billion

Household and Industrial Materials

Industrial materials

Domestic 43 companies
Overseas 65 companies

- Corrugated container business
- Folding carton business
- Paper bag business
- Filter business
- Sustainable packaging business
- Liquid packaging carton business

Net sales	¥917.8 billion
Operating profit	¥18.4 billion
Capital investment	¥36.1 billion
R&D expenses	¥1.3 billion
Depreciation and amortization	¥41.1 billion

Household and consumer products

Domestic 1 company
Overseas 6 companies

- Household paper business
- Disposable diaper business

Functional Materials

Domestic 9 companies
Overseas 20 companies

- Specialty papers business
- Imaging media business
- Adhesive products business
- Film business

Net sales	¥236.4 billion
Operating profit	¥12.4 billion
Capital investment	¥10.8 billion
R&D expenses	¥2.5 billion
Depreciation and amortization	¥9.2 billion

*1 Business results and number of consolidated subsidiaries data as of March 31, 2025.

*2 Total net sales include adjustments (primarily those for internal transactions). Non-consolidated net sales, net sales composition ratio, and operating profit do not include adjustments (primarily those for internal transactions).

*3 Effective from FY2025, Walki and IPI were reclassified from the Others segment to the Household and Industrial Materials segment, and Group headquarters expenses previously allocated to each segment were consolidated into the Others segment. The data on this page and on PP.34-43 reflect the above changes.

Business Overview

Household and Industrial Materials Businesses / Industrial Materials Business

Kazutaka Sekino

Oji Holdings Corporation
Executive Officer
Industrial Materials
COMPANY
President



Main Products/Businesses

Containerboard, corrugated containers, folding cartons, paper containers, paper bags, liquid packaging cartons, Energy Recovery Ventilator core

Business Overview

We provide a diverse range of essential industrial packaging products from base paper manufacturing to finished goods with processing and package design services and also provide energy-saving components for the buildings such as Energy Recovery Ventilator core. These are delivered to customers across Japan, Europe, Southeast Asia, India, and Oceania, ensuring timely responses to their needs.



Awareness of the Business Environment

Strengths

- A broad business domains and product lineup supported by numerous production and sales sites in Southeast Asia, India, and Europe
- Reduced environmental burdens through efficient transportation of base paper, including at two integrated corrugated container plants in Japan
- Stable supply and quality control system enabled by organic collaboration through COMPANY

Weaknesses

- Long-term investment payback periods due to large-scale capital expenditures inherent to equipment-intensive industries
- Difficulties in adding value to versatile products

Opportunities

- Creating sales opportunities by proposing a switch to paper packaging materials and containers to address heightening awareness for the environment in the market
- Increasing market share through capital investment and M&A to meet market demand

Threats (Risks)

- Conflicts, political turmoil, and other geopolitical risks
- Shrinking domestic market
- Soaring labor costs, and logistic service expenses

Review of the FY2022–2024 Medium-term Management Plan

During the previous Medium-term Management Plan period, both domestic and overseas industries and lifestyles underwent significant transformation in the post-COVID era, with economic growth rates remaining consistently low across the world.

Raw material and fuel prices had gradually increased, however price pass-through had been implemented only partially due to intensive competition based on declining demand. Consequently, operating profit for FY2024 fell short of the targets in the Medium-term Management Plan.

■ Initiatives and results by business

In the previous Medium-term Management Plan, we set up two strategies, 1. “further expand and enhance the packaging business in Southeast Asia and India,” and 2. “expand and enhance the domestic corrugated container business in Greater Tokyo area.” New corrugated container plants commenced operations in 2022 at three locations: southern and central Malaysia as well as southern Vietnam. In addition, in 2024, new plants began operations in northern Vietnam and southern India.

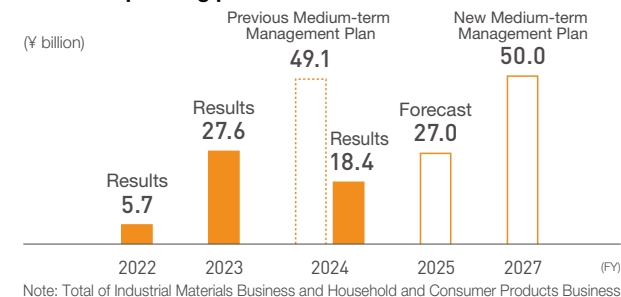
In Japan, we started operation of an integrated containerboard and converting mill in Utsunomiya, Tochigi Prefecture in 2023, equipped

with solar power generation facilities, which enhances production and transportation efficiency with less environmental burdens.

■ Challenges and strategies for new Medium-term Management Plan

Under the new Medium-term Management Plan, we expect increased profits through steadily implementing price pass-through to products, capturing the anticipated recovery in demand, and promoting sustainable packaging.

Trend in operating profit



Business Overview

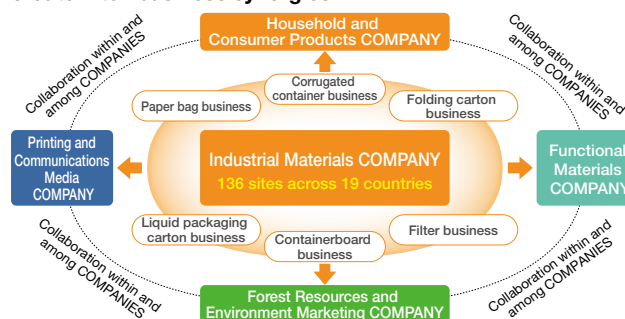
Household and Industrial Materials Businesses / Industrial Materials Business

Business Strategies to Achieve the New Medium-term Management Plan

The Industrial Materials COMPANY's main product is packaging materials, and it operates across a wide range of business domains such as containerboard, corrugated container, paper bags, folding cartons, liquid packaging cartons, and filters, etc. It also operates across 136 production sites in 19 countries, making it a notably wide-ranging business in terms of both domains and regions, within the Oji Group.

On the other hand, its broad scope cause an issue for insufficient mutual collaboration among COMPANIES. Accordingly, to achieve our new Medium-term Management Plan, we have set up three core strategies to boost current profitability, and meet to growing demand for sustainability by utilizing this COMPANY's network to the maximum extent.

Leveraging broad business scope and production sites to create inter-business synergies



① Steady price pass-through	In the domestic market, which makes up around half of this COMPANY's production sites, we will steadily increase selling prices against rising raw materials, labor, logistic service, and other input costs.
② Creating sales opportunities by strengthening collaboration within COMPANY as well as among other COMPANIES	We will create sales opportunities and contribute to enhancing overall profits of Oji Group through cross-divisional collaboration with other COMPANIES (synergies) in addition to mutual collaboration between the wide range of businesses in the Industrial Materials COMPANY.
③ Creating new business models by promoting sustainability	We will deploy a new business model centered on sustainability, by expanding sustainable packaging business such as liquid packaging cartons and bringing in know-how from the Walki Group Oy (Finland), which we acquired in 2024 in Europe, where there is strong environmental awareness and regulations.

Expansion of Liquid Packaging Carton into Southeast Asia

Liquid packaging carton plays a key role in the Oji Group's promotion of the "Expansion of Sustainable Packaging." We anticipate robust demand in Southeast Asia for aseptic carton packaging, featuring a multilayer structure with an aluminum foil barrier which enables an extended period of storage at room temperature (approx. one year).

In this region, where the Industrial Materials COMPANY has many operation sites, we are utilizing our solid sales network to actively expand the business and increase market share.



IPI S.r.l.'s aseptic carton packages



Addressing rising sustainability demand from society will contribute to ensuring competitive superiority in the future. We will utilize the collective strengths of the Oji Group to actively develop ourselves for growth, while also verifying profitability at each site.

VOICE

OJI4U – Total Packaging Solutions

What should we do to make our customers in Malaysia recognize the value of our packaging materials we provide and select us? The concept of Total Packaging Solutions was born from such discussions. We formed the business model "OJI4U" (Oji for You) to promote the concept of a Tier#1 supplier, that collaborates with customers to provide more convenient and attractive packaging products and services. OJI4U aims to provide packaging services through,

- ① Proposal of structural and artistic designs that not only protect products of customers but also enhance their appeal
- ② Optimized packaging design and cost structure incorporating compatibility with various packaging materials and process efficiency in customer's operation, and
- ③ Delivery in sets with packaging materials other than corrugated containers, utilizing OJI4U's partner network

By harnessing the functional materials, technologies, and expertise of the Oji Group, which operates globally, we will shape the unique value that only OJI4U can deliver.



Project logo

Consultation counter
ask.oji4u@gspp.com.my

Business Overview

Household and Industrial Materials Businesses / Household and Consumer Products Business

Takayuki Moridaira

Oji Holdings Corporation
Senior Executive Officer
Household and Consumer
Products COMPANY
President



Main Products/Businesses

Household paper brand “nepia”

Business Overview

Oji Nepia has developed the “nepia” brand of household paper and conducts its business activities while pursuing a new normal with the aim of being a brand that stands by people’s lives and the environment under the slogan “Kind to both humans and the earth.”

“Environmental quality” as in the adoption of FSC™-certified paper* (FSC™ C018118) for forest conservation and a tie-up with the WWF*. “Perceived quality for life” as in the seeking of good texture, comfort, and functionality. Oji Nepia pursues these two qualities by integrating the sales, marketing, and production functions.

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Oji Nepia official website



*Excluding some products.

Awareness of the Business Environment

Strengths

- A lineup of high-quality and environmentally friendly products, and a strong image of contributing to the SDGs
- Capabilities to propose product and services based on longstanding relationships with stakeholders
- “nepia” and “Hana-Celeb” brands

Weaknesses

- Aging of the “nepia” brand, which has been used for many years
- Difficulty of establishing a competitive advantage in commodity markets
- Insufficiency of product lineup

Opportunities

- Expansion in demand for environmentally friendly products due to heightening awareness for the environment
- Rising demand for adult diapers due to the arrival of a super-aging society
- Economic development in emerging markets such as Southeast Asia

Threats (Risks)

- Maturity and saturation of the domestic household paper market
- Intensifying price competition in the commodities market
- Soaring raw material and fuel prices, labor costs, and logistic service expenses

Review of the FY2022–2024 Medium-term Management Plan

In the previous Medium-term Management Plan, we advanced our strategy primarily along two axes: “enhance branding of household paper business” and “expand sales and enhance the overseas disposable diaper business”

■ Initiatives and results by business

In the household paper business, while consumer awareness and image recognition of “nepia” improved through new TV commercials featuring model Naomi Trauden and increased social media postings on TikTok and other media, competition for market share intensified due to heightened competition following price revisions, resulting in our falling short (88%) of plan.

The overseas disposable diaper business in Malaysia fell short of plan due to market contraction, while Indonesia achieved both volume and revenue targets owing to market expansion and successful sales growth.

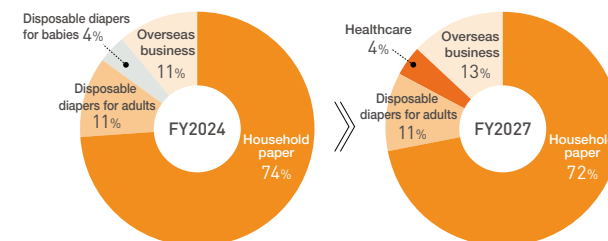
Furthermore, we decided to withdraw from the disposable baby diaper business in Japan as of the end of September 2024 and focus on overseas expansion where market growth continues.

■ Challenges and strategies for new Medium-term Management Plan

In Japan, the household paper business, which has low profit margins, accounts for more than 70% of sales, leaving us effectively reliant on a single business segment. We will shift from quantity to quality by reviewing our brand lineup and continuing our marketing investments. In addition, we will develop disposal diapers for adults as our second pillar while also entering the healthcare business.

Furthermore, we aim to strengthen the earnings base of our overseas disposable diaper business and expand sales by 12.5% in FY2027 compared with FY2024.

Sales composition by business



Business Overview

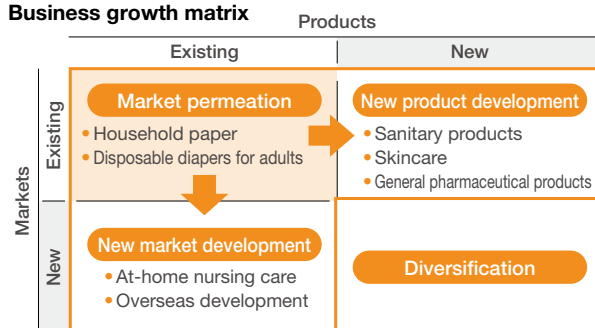
Household and Industrial Materials Businesses / Household and Consumer Products Business

Business Strategies to Achieve the New Medium-term Management Plan

In each of the three businesses in the Household and Consumer Products COMPANY, we are targeting further growth ahead of 2035, based on the following strategies. We will continue to supply consumers with "kind" products, through stronger production systems and stronger management foundations based on reskilling human resources, new value creation based on core research and technology development, and investment in new businesses.

① Home care business (Household paper)	This business is the foundation of this COMPANY. We are focusing on "shifting from quantity to quality" and "ensuring profitability," discontinuing low-profit products and introducing value-added products, revising our lineup, and enhancing product quality. We will enhance brand value by setting quality targets with an awareness of competitive superiority and conducting objective assessments based on consumer sensory surveys.
② Wellness care business (Adult diapers and nursing care products)	We will develop the business of adult diapers into our second pillar and promote product development as well as service expansion into the at-home nursing care market, with the aim of growing net sales to 130% of the FY2024 level by FY2035. From this fall onward, we plan to introduce new products that reduce the risk of excretion and skin problems. We will also focus on enhancing our range of nursing care products, developing sales channels for home-visit nurses and nursing care business sites, and strengthening e-commerce.
③ Healthcare business	We will utilize the "Hana-Celeb" brand and forest resources to develop this business, including our skincare line launched in March 2025, as our third pillar. We will continue taking on new challenges to enhance brand value, through the rollout of our "SKINLISM" skincare brand, which uses licorice cultivated in Japan, and the lineup expansion following face soaps.

Business growth matrix



Business growth roadmap for 2035



■ Brand strategy – use our strength in environmentally friendly sustainable products as the foundation

Oji Nepia took second place in the "Japan Sustainable Brands Index (JSBI) 2024" (eighth place in 2023). We believe this was in recognition of the contribution of initiatives such as the expanded use of FSC™-certified paper and the "Future of Forests and the Earth nepia Environment Month* Campaign." Going forward, we will further promote sustainable product development and aim to maintain our rank within the top 10.

*Established by the Ministry of the Environment



We will position changes in demographic trends and lifestyle diversification as growth opportunities, and use them to strengthen our business foundations including new businesses while monitoring growth markets.



Toward achieving overseas business strategies

Our overseas business aims to increase the overseas sales ratio from 11% in FY2024 to 18% in FY2035. This will be achieved through five strategic pillars: expanding existing businesses, increasing exports, launching medium- and premium-priced products, launching new adult diapers, and selling nepia brand products.

To deliver results amid change

Chen Ket Loong

Oji Asia Household Product (OAH) / Managing Director



Undeterred by challenging market conditions, OAH achieved record-breaking performance in 2024. Amid a shrinking baby diaper market and intensifying competition, this achievement stems from thorough cost reduction and operational efficiency improvements driven by teamwork and strong determination. I am confident that the mindset of "achieving maximum results with limited resources" will take root in our company and will be a key factor in our competitive advantage going forward.

In 2025, the market environment continues to be rigorous, with challenges such as a declining birth rate, rising raw material and fuel costs, and intensifying competition. We will work to recover sales and improve profitability by concentrating on three promising growth areas: the export market, East Malaysia, and e-commerce. In addition, we will introduce low-cost products for developing countries to efficiently and

stably supply baby diapers to more nations. Moving forward, we will embrace change and achieve evolution and growth by leveraging our strengths, namely, flexibility, swift decision-making, and human resources, to navigate the uncertain times ahead.



Business Overview

Functional Materials Business

Shigeki Aoki

Oji Holdings Corporation
Senior Executive Officer
Functional Materials COMPANY
President



Main Products/Businesses

Specialty paper, functional paper, various films

Business Overview

The Functional Materials COMPANY handles specialty and functional paper that is distinguished by its wide range of added value. Utilizing the Oji Group's core sheet development and coating technologies cultivated in the paper production industry, the COMPANY also manufactures a variety of films. We are pursuing a market-in business model that integrates sales, marketing, and development, enabling us to accelerate the development of high-value-added products.



Functional Materials COMPANY product line

Thin films used in capacitors for vehicles

Awareness of the Business Environment

Strengths

- High levels of core technologies in "papermaking," "converting (functional and adhesive coatings)," and "film forming"
- Sales, marketing, and development are integrated into a rapid development system for high functionality and high-value-added products
- Integrated production from base paper manufacturing to converting

Weaknesses

- Difficulty in alternative production associated with making one-of-a-kind products
- Commoditization of the product lineup

Opportunities

- Increasing demand for capacitor-use OPP films due to the popularization of electric vehicles
- Increasing demand for functional paper materials due to growing needs for sustainable products that reduce plastic use
- Growing demand for thermal paper in South America and for high-performance labels in the Southeast Asian region

Threats (Risks)

- Geopolitical risks such as exchange rate fluctuations and shifts in demand stemming from conflicts, political turmoil, and similar factors
- Soaring raw material and fuel prices, labor costs, and logistic service expenses

Review of the FY2022–2024 Medium-term Management Plan

The Functional Materials COMPANY has pursued a strategy to strengthen its earnings base by responding to changes in demand structure and environmental awareness in the post-COVID era. However, affected by soaring raw material and fuel prices, the Company's operating profit for FY2024 fell short of the Medium-term Management Plan target of ¥19.6 billion, reaching only ¥12.4 billion.

■ Initiatives and results by business

In our domestic business, although release paper sales among specialty paper declined due to reduced demand for electronic components, revenue increased overall. This was driven by expanded sales of strategic products such as heat-sealable paper for on-line sale applications and non-fluorinated oil-resistance paper, recovery in semiconductor-related demand, and price revisions. Thermal paper sales also recovered from a temporary decline in demand owing to the pandemic, and despite price adjustments, revenue increased, supported by stable demand.

In our overseas business, we doubled thermal paper production capacity in Brazil and completed expansion of thermal paper production facilities in Europe. In addition, through the acquisition of the Adampak Group, we acquired a high-performance label business, expanding our business domain and market reach.

Regarding new product development, we promoted the creation of sustainable products featuring high functionality and high added value,

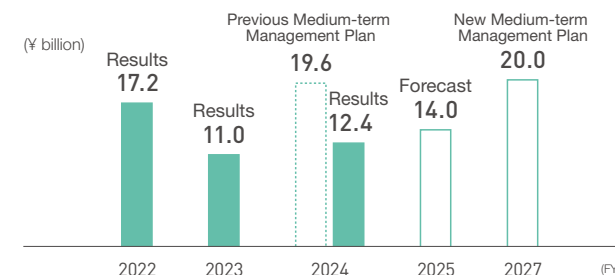
such as reducing plastic use. We developed and launched multiple new products, including the agricultural paper mulching sheet "OJI Sustainable Mulching Sheet."

We have doubled the production capacity of OPP film for capacitors at our Shiga Plant in response to the growing adoption of EVs.

■ Challenges and strategies for new Medium-term Management Plan

We will pursue a transformation toward a market-in business model to break away from commoditization and product-out approaches. We will also accelerate the transformation of our business portfolio with a focus on profitability.

Trend in operating profit



Business Overview

Functional Materials Business

Business Strategies to Achieve the New Medium-term Management Plan

Issues include the commoditization of our product lineup; insufficient cooperation between the sales, marketing, and development divisions; and weak cooperation with other COMPANIES. To address these issues, we will strengthen cooperation with other COMPANIES and the Marketing Division, centered on the CxO system, enhance cross-divisional strategy formulation and executive capabilities, and accelerate the process from R&D to market launch.

To differentiate ourselves from competitors, we will also enhance product performance, environmental performance, and brand value, and quickly and reliably bring high-performance and high-value-added environmentally friendly products and label imaging media products to market, thereby preventing the commoditization of our products.

Through these efforts, we will transform our business portfolio focusing on profitability, with the aim of achieving operating profit of 20 billion yen by FY2027.

① Enhance environmentally friendly product lineup	We will contribute to a sustainable society by developing and expanding sales of high-performance, high-value-added environmentally friendly products, such as packaging materials that comply with PFAS* regulations, and paper agricultural materials that decompose in the ground. *Per- and polyfluoroalkyl substances
② Expansion of the high functional label thermal paper business	[South America and Europe] We will work to expand our high functional label thermal paper business, which is expected to see robust growth in demand, utilizing expanded thermal coating facilities in South America and Europe. [Southeast Asia] Our high functional label printing and processing company (the Adampak Group) will play a leading role in broadly capturing customer needs, particularly for high functional labels such as electrical and healthcare labels, where robust growth is forecast to continue, and we will strategically expand investment in new areas and areas with strong earnings potential. At the same time, we will roll out integrated sales with the packaging business, thereby working to increase customer value and expand our businesses.

■ Enhance environmentally friendly product lineup

In addition to major fast food and coffee chains, major convenience store chains have decided to use our “O-hajiki” non-fluorine oil resistant paper, which quickly addressed the problem of PFASs, as a packaging material for oily food. We are also currently enhancing our range of high-value-added products in response to user demand, such as freshness preservation agent applications.

There has also been growing demand for environmentally friendly products in the agricultural materials field in recent years, and we have been expanding sales of such products in response to demand from agricultural workers, including “OJI Sustainable Mulching Sheet,” a paper agricultural mulching sheet that decomposes in the ground, as well as “CALFRESH” OPP film and “NURE-SENKA” freshness preserving sheets, which use calcinated scallop shell powder to preserve freshness.

In anticipation of the rapid spread of electric vehicles amid the shift to a decarbonized society, we have begun expanding OPP film production facilities for capacitors used in motor drive control equipment.



Agricultural paper mulching sheet
“OJI Sustainable Mulching Sheet”



Comment from
the CFO

The “shift to high-value-added products” is one of our key initiatives under “profitability enhancement of existing business” in our Medium-term Management Plan for 2027. We will also manage investment more strictly and utilize the Oji Group’s sales strength to transform our portfolio in existing businesses.



At the forefront of high-performance film development to address market needs

Tetsuo Yoshida

Oji Holdings
Innovation Promotion Division
Head of Advanced Film Development Center



Advanced Film Development
Center (Shiga Prefecture)

At the Advanced Film Development Center (Shiga Prefecture) of the Innovation Promotion Division, our specialized research facility for film products, we are undertaking development using new raw materials and production

technologies to enhance the functionality of OPP (biaxially oriented polypropylene) film for automotive capacitors. This film, characterized by its thinness and high heat resistance, is produced and sold by Oji F-Tex (Shiga Plant), located on the same premises. Recently, as electric vehicles (EVs) and the like have become more powerful, temperatures inside inverters are more likely to rise. Consequently, in addition to the conventional requirements of being strong and thin, film must now possess heat resistance capable of withstanding temperatures around 150° C. Our research facilities are equipped with evaluation equipment capable of fabricating everything from metal vapor deposition to capacitors. This enables us to prototype capacitors using developed films and evaluate their properties, providing us with the advantage of being to respond swiftly to customer requirements. We will leverage this strength to develop high-performance, high-value-added products featuring high heat resistance and other desired properties.

Business Overview

Forest Resources and Environment Marketing Business

Kazuyoshi Ando

Oji Holdings
Corporate Officer
Forest Resources and
Environment Marketing
COMPANY
President



Main Products/Businesses

Forest plantation, pulp, lumber processing, energy business, starch products

Business Overview

Through the overseas forest plantation business and the management of domestic company-owned forests, the Oji Group promotes sustainable forest management, which is the foundation of its business. We also utilize these resources to develop a comprehensive resource business including pulp manufacturing, lumber processing, and biomass power generation.

We meet the needs of our global customers through our procurement/manufacturing/sales networks we have in and outside Japan and a diverse product lineup.



Celulose Nipo-Brasileira S.A. (CENIBRA)

Awareness of the Business Environment

Strengths

- Abundant forest resources both in Japan and overseas
- Integrated production from forest management to lumber processing and pulp
- Accumulated know-how related to mill operations, forestry practices, and sales infrastructure

Weaknesses

- Earnings instability due to sales centered on market-driven commodities
- Increased financial burdens due to aging infrastructure renewal and disaster recovery

Opportunities

- Growing demand for pulp due to economic development in emerging countries and the trend toward reducing plastic use
- Reassessing the value of forests, including their public benefit functions
- Development of high-value-added products utilizing wood resources and rollout of new businesses

Threats (Risks)

- Fluctuations in exchange rates and market conditions
- Soaring raw material and fuel prices, labor costs, and logistic service expenses
- Large-scale new facility expansion by pulp competitors

Review of the FY2022–2024 Medium-term Management Plan

We worked to expand our forest plantation and lumber processing businesses, strengthen the foundation of our pulp business, and advance our energy business. However, due to the economic recession in China and Europe, the cyclone damage to Pan Pac, and rising costs, our operating profit for FY2024 fell significantly short of the Medium-term Management Plan target.

■ Initiatives and results by business

In the pulp business, we strengthened our competitive foundation through mill modernization, enhanced sales capabilities (conversion to global direct sales by CENIBRA), and recovery from the disaster that struck Pan Pac coupled with productivity improvements.

In the lumber processing business, we expanded our business and pursued downstream development through the acquisition of Oji Yoshimoto Ringyo and Oji Yoshimoto Seizai as well as investments in other lumber companies.

In the energy business, we pressed forward with renewable energy businesses, including the start of operations at a new biomass power plant in Tokushima Prefecture in December 2022 and the commencement of full-scale studies for wind power generation on company-owned forest land.

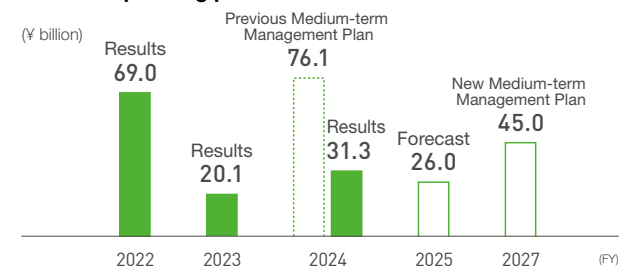
In our forest plantation business, we advanced initiatives to secure raw materials and promote carbon neutrality by increasing capital in our Indonesian forest plantation business, acquiring new

forest plantations in Uruguay, and establishing the Oji forest fund in partnership with New Forests.

■ Challenges and strategies for new Medium-term Management Plan

We will further strengthen the competitive foundation of our pulp business through growth investments in facility modernization and expansion, while advancing the development of high-value-added products. In overseas plantations, under sustainable forest management, we will promote the expansion and value maximization of forest resources by improving growth potential and considering new businesses such as the lumber business directly connected to forest lands and utilizing residual lumber.

Trend in operating profit



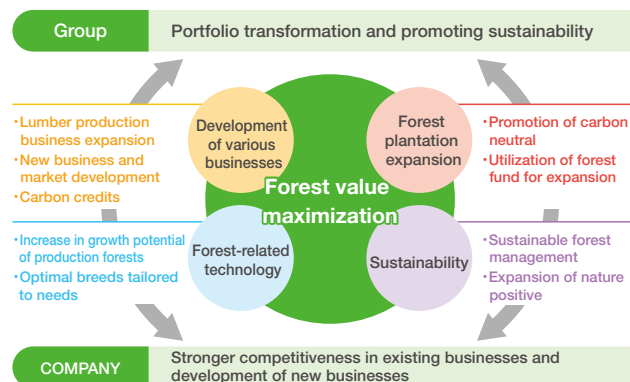
Business Overview

Forest Resources and Environment Marketing Business

Business Strategies to Achieve the New Medium-term Management Plan

We will increase the value of forest resources and realize the full potential, and also challenge to transform our portfolio by entering new businesses while strengthening competitiveness in existing businesses. To achieve these goals, we will simultaneously expand forest plantations, enhance forest-related technology, promote sustainability, and develop various businesses that make use of these efforts. We will increase the economic value of forests through the expansion of forest plantations and our strength in forestry operations and breeding technology. At the same time, we will focus on sustainability initiatives, including the protection and restoration of natural forests and harmony with local communities, thereby creating environmental and social value.

Image of forest-based COMPANY strategy ▶



1 Competitiveness enhancement of existing businesses	[Overseas] We will strengthen competitiveness by pursuing competitive superiority in businesses directly integrated with forest operations. [Domestic] We will promote a shift to high-value-added products and enhance profitability through the development of high-purity dissolving pulp and other measures.
2 Development of new businesses	At forest plantations overseas, we are considering various new businesses, such as new lumber production mills using our own forests, biochar production utilizing logging residues, and the carbon credit business. These efforts will contribute to the development of promising businesses, as we aim to "establish the forest biomass business as a core business" as set forth in our Group Long-term Vision, based on cross-divisional cooperation within the Group.

Strategy for strengthening competitiveness in the pulp business



The Oji Group's businesses are based on forest resources, so it is essential that we make investment decisions from a long-term perspective. We will view changes in the environment as a growth opportunity and strengthen our earnings base through participation in new businesses while ensuring the stability of resources.

■ Strengthening competitiveness in the pulp business

Overseas, we will enhance our competitiveness by pursuing our advantage in businesses directly connected to forest plantation site, improving forest growth potential and forestry operation efficiency, modernizing facilities, and optimizing workforce productivity. We will also develop non-paper sector and high-value-added products, as we shift toward an earnings structure that is more resilient to market volatility.

In terms of sustainability, we will also promote advanced environmental initiatives and dialogue with stakeholders, as part of our aim to further secure trust from customers.

In Japan, we will accelerate the development of specialty-grade products to further increase earnings in the dissolving pulp business.



Taking on challenges in Uruguay to maximize the value of forest resources

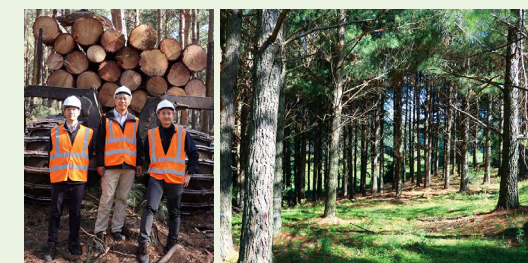
Takuya Kuwahara

Oji Uruguay Forest Company (OUFC)
President



Established in December 2023, OUFC is the Oji Group's first local subsidiary in Uruguay. We are working to maximize the value of the 41,000 ha of forest plantation (loblolly pine and eucalyptus) we have acquired.

Uruguay is among the world's most advanced countries in forest management, yet it faces the challenge of an underdeveloped industry for utilizing its softwood forest resources. Given the promising opportunities for expanding forest plantation in Uruguay, we will proceed with studying new plantation investments that will contribute to expanding the Oji Group's business foundation. Furthermore, OUFC will promote the development of processing businesses such as lumber production as well as carbon credit businesses and biomass-related ventures that leverage the diverse value of forests, with the aim of contributing to addressing Uruguay's social challenges.



Business Overview

Printing and Communications Media Business

Atsushi Sekiguchi

Oji Holdings Corporation
Executive Officer
Printing and
Communications Media
Business COMPANY
President



Main Products/Businesses

Newsprint, printing and communication paper

Business Overview

We handle a range of paper products used as information transmission media, including newsprint, as well as printing and communication paper. In addition to meeting the quality demanded by our customers, we strive to develop new products and technologies that will create newer value and enrich society.



Awareness of the Business Environment

Strengths

- Ownership of large-scale infrastructure, including pulp production facilities and power generation facilities
- Full lineup of environmentally friendly products, including FSC™-certified paper
- Capabilities to develop products meeting market needs
- Advanced technological capabilities cultivated over the years, and stable supply capabilities supported by outstanding human capital

Weaknesses

- Increase in equipment malfunctions due to aging of equipment
- Difficulty in hiring due to labor shortages in society as a whole resulting from the aging population/declining birth rate

Opportunities

- Increasing consumer awareness about environmental issues, such as SDGs and GX
- Reassessment of the value of paper due to reducing plastic use
- The advantages of paper as an information medium (readability, accuracy, familiarity)

Threats (Risks)

- Declining demand due to structural changes resulting from the shift to new work styles, such as digitalization and remote work
- Large fluctuations in exchange rates
- Soaring raw material and fuel prices, labor costs, and logistic service expenses

Review of the FY2022–2024 Medium-term Management Plan

Taking into account structural environmental changes and demand trends, we maximized the utilization of our pulp facilities, biomass power generation facilities, and other assets. We also proceeded with the production system restructuring through collaboration with other Oji Group businesses.

In addition, operating profit for FY2024 reached ¥13.3 billion, exceeding the Medium-term Management Plan target of ¥10.0 billion, driven by initiatives to reduce fixed costs and improve production efficiency as well as adjustments to product pricing.

■ Initiatives and outcomes of production system restructuring

We worked with other Group businesses to advance the restructuring toward an optimal production system. At the Tomakomai Mill, we converted a newsprint machine to a machine for manufacturing containerboard in October 2021 and started operation of a special liner and special paperboard machine relocated from the Nayoro Mill of Oji Materia in April 2022.

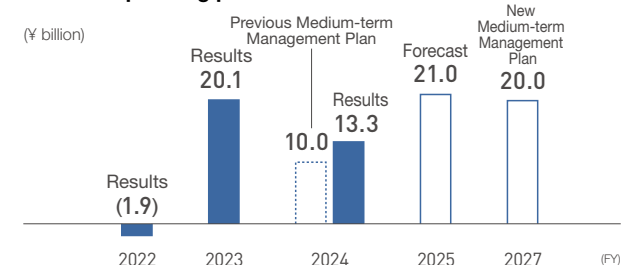
In February 2024, one newsprint and printing paper machine at the same mill was shut down. Furthermore, in March 2025, one coated paper and lightly coated paper machine at the same mill was shut down.

■ Challenges and strategies for new Medium-term Management Plan

Demand for newsprint and printing paper is expected to continue declining. We will continue to rigorously implement cash flow management, focusing on reducing fixed costs and improving production efficiency to enhance profitability and competitiveness, while also working to restructure our production system.

Furthermore, we will deepen collaboration with other Group businesses, harness our collective strength to develop high-value-added products, and accelerate the shift toward new, high-growth businesses.

Trend in operating profit



Business Overview

Printing and Communications Media Business

Business Strategies in the New Medium-term Management Plan

We will promote the following initiatives to address declining paper demand driven by structural change, including the digital transformation and the shift to new work styles such as remote work, while also aiming to make the maximum use of large infrastructure that we own, such as pulp production facilities and power generation facilities.

① Contribution to business portfolio transformation	We will further enhance cooperation with other COMPANIES, and production system restructuring and transform our business portfolio to optimize them across the Oji Group as a whole, as part of efforts to ensure business continuity.
② Profitability enhancement	We will focus on continuous improvements to operational stability and production efficiency, as well as cost reductions, and thus enhance our profitability, utilizing our strengths in areas such as advanced technical capabilities, product development capabilities, and stable supply capabilities driven by outstanding human capital.
③ Appropriate price pass-through	We will address the risk of soaring raw material and fuel prices, labor costs, and logistic service expenses by appropriately reflecting these cost increases in our prices, while thoroughly enforcing cash flow management and enhancing capital efficiency.

■ Contribution to business portfolio transformation

We will further enhance cooperation with pulp sales departments in the Forest Resources and Environment Marketing COMPANY, our renewable forest resource and raw material procurement network, and R&D departments in the Innovation Promotion Division. At the same time, we will accelerate our shift toward growth businesses such as the forest biomass business by maximizing the utilization rate of pulp production facilities, power generation facilities, and other large infrastructure. Through these efforts, we aim to contribute to Group's overall profitability. At Yonago Mill, we have already begun operating a dissolving pulp (DP) business, and we brought wood-derived sugar solution and ethanol pilot plants online last year.

■ Strengthening employee engagement

Securing and retaining outstanding human resources is essential for maintaining and continuing stable operation, and strengthening our profitability foundations. We are focusing on enhancing employee engagement, partly to address hiring difficulties at workplaces with three shifts, while also boosting production efficiency through higher motivation. The top management of this COMPANY have been holding town hall meetings at the workplace level since 2024. In this way, we are fostering an open corporate culture through employee dialogue and creating a comfortable workplace environment.

Image of DP facility interior at Yonago Mill ▶



Panoramic view of Yonago Mill



Town hall meeting with President Sekiguchi
(August 2025, at Oji Paper Tomakomai Mill)



We will contribute to maximizing investment efficiency and enhancing profitability across the entire Oji Group through the cross-divisional utilization of this business's large infrastructure.



Initiatives to ensure stable operations

Toshiro Itai

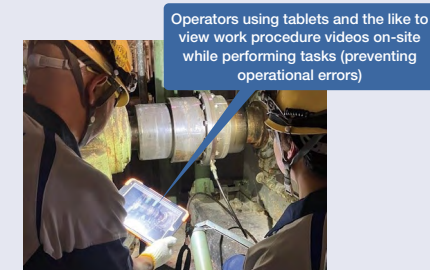
Oji Paper
Production Technology Division
Production Technology General Manager



Reducing equipment troubles is one of our priority issues to achieve stable operations. Analysis of issues over the past five years shows that approximately 40%–50% of troubles stemmed from human or managerial factors, primarily due to insufficient knowledge and inadequate work standards.

Although we have been managing and following up on the progress of trouble countermeasure items and publicizing our efforts to horizontally deploy them in similar facilities, we have yet to adequately improve the efficiency of inspections of older regional facilities and enhance individual skills by transferring technical skills. To address these challenges, we are accelerating our digital transformation initiatives starting in FY2025. In concrete terms, we are advancing the following initiatives: (1) installation of central surveillance cameras (accelerating IoT network development) to enhance on-site visibility and strengthen real-time monitoring systems, and (2) introduction of video versions of work standard manuals (visualization) for easier visual comprehension.

We aim to build a frontline environment capable of handling operations with fewer personnel and to enhance on-site capabilities. We intend to continue effectively allocating management resources toward these objectives.



Operators using tablets and the like to view work procedure videos on-site while performing tasks (preventing operational errors)

Message from the CIO – Utilizing and Developing Forests for a Sustainable Future

Taketo Okutani

Oji Holdings Corporation
Corporate Officer CIO
General Manager,
Innovation Promotion
Division



We create new value that shapes the future, led by our wood-derived biomanufacturing business.

Toward achieving Long-term Vision 2035

The Innovation Promotion Division, the R&D unit of the Oji Group, will focus on its initiatives aimed at establishing the forest biomass business to realize Long-term Vision 2035. The Oji Group urgently needs to transform its business portfolio given the decline in domestic demand for paper and the increase in demand for biomass materials. During the previous Medium-term Management Plan period, we worked on scaling up the production of wood-derived sugar solutions and ethanol, developing wood-derived pharmaceuticals, and creating sustainable packaging products, achieving a certain degree of progress. We will continue to maintain a strong focus on ROE and ensure that research outcomes are effectively linked to business operations. To this end, we will maximize the utilization of resources within the Oji Group and foster an environment where diverse human resources can fully demonstrate their capabilities. We will also actively engage in co-creation of new

value through open innovation. Under the new Medium-term Management Plan, we will advance R&D along four key pillars: “Development of new wood-derived materials,” “Conversion of unused biomass resources into valuable materials,” “Full-scale entry into the pharmaceutical and healthcare fields,” and “Expansion of sustainable packaging.” We will position these as future pillars, aiming to enhance profitability and expand our business while contributing to a sustainable society. At the same time, by constantly identifying megatrends, we will sow the seeds of R&D that will lead to the future and nurture new businesses.

Realignment of organizational structure

Two new departments were launched in April 2025. One is the Plant Engineering Department, which is involved in new businesses. Working alongside R&D members, we will conduct process evaluations and scale up initiatives to accelerate the pace of deploying production equipment, starting with our biomanufacturing business. The other is the Semiconductor Electronic Materials Research Center. We will establish an R&D environment for wood-derived biomass photoresists for cutting-edge semiconductors and promote their commercialization. We endeavor to strategically allocate limited development resources and establish a framework that enables swift and agile responses to technological development.

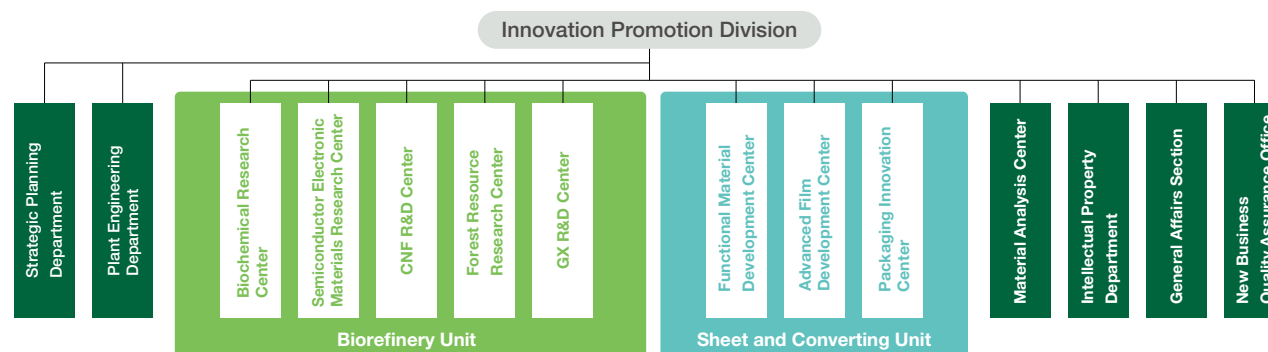
Initiatives for the medium- to long-term growth of the Oji Group

The introduction of the CxO system has further strengthened cooperation among Group companies. The Innovation Promotion Division will also drive initiatives to maximize and optimize Group synergies. In the expansion of sustainable packaging, each business unit will accurately capture customer needs, swiftly engage in technology and product development, and connect these to the enhancement of corporate value. We will promptly deploy our independently developed businesses, including our biomanufacturing initiatives, across all business units to enhance the competitiveness of the entire Group.

We view the transformation of our business portfolio as a positive development for the Oji Group and will pursue new business initiatives.

Message to stakeholders

The Oji Group will fully leverage the diverse core technologies cultivated since its founding through paper manufacturing and forestation, along with its abundant forest resources, to create new value that contributes to solving societal issue such as the circular use of resources and the reduction of environmental burden. By delivering the products utilizing renewable forest resources, we will bring this world a brighter future filled with hope.



Innovation Strategies

R&D Vision

The Innovation Promotion Division is tasked with solving social issues and creating new value, leveraging the Oji Group's abundant forest resources and core technologies developed since its founding, including pulp manufacturing and paper production.

Aspirations for 2035

Nurture, utilize, and return forest resources

Creating new value from proprietary technologies, and holistically promoting Green Transformation (GX), the Circular Economy, and Nature Positive.

Basic Policies

We are promoting R&D across four key pillars to drive the transformation of our business portfolio. This strategy focuses on establishing the forest biomass business as a core business and expanding our sustainable packaging.



Development of new wood-derived materials

We promote biomanufacturing from forest-derived biomass (including soil microorganisms) through the use of biology and microorganisms, chemical conversion, and polymerization to create various high-value-added products that can serve as alternatives to materials derived from fossil resources.



Conversion of unused biomass resources into valuable materials

We will achieve resource circulation by utilizing biomass resources from logging residues of abundant forest resources and by-products generated during paper production to develop products with low environmental impact and added value.



Full-scale entry into the pharmaceutical and healthcare fields

We will accelerate our full-scale entry into the pharmaceutical and healthcare fields, focusing on the ramp-up of a wood-derived pharmaceutical business that leverages the Oji Group's proprietary technologies to address emerging medical needs such as drug discovery and regenerative medicine.



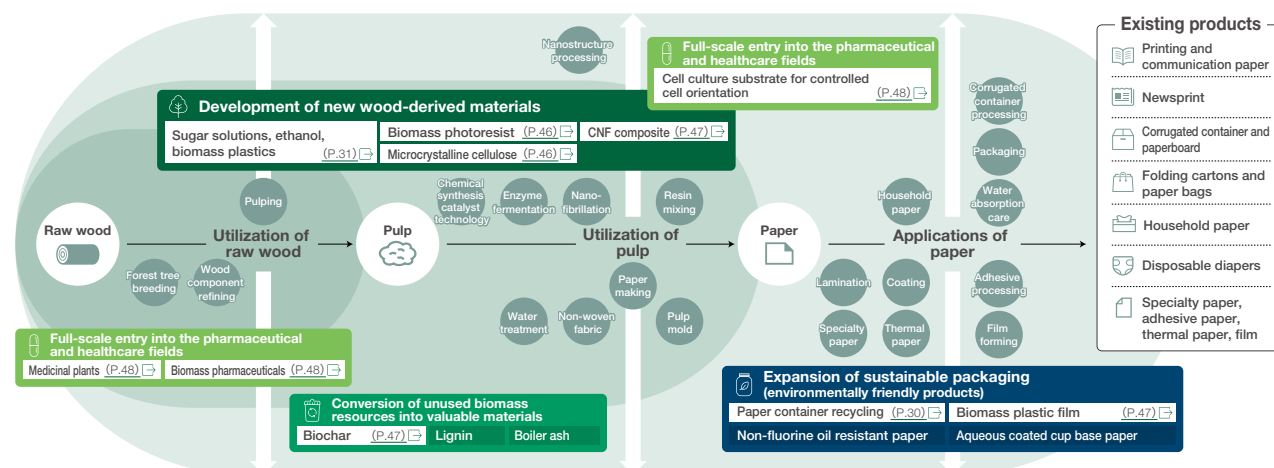
Expansion of sustainable packaging (environmentally friendly products)

We will expand our product offerings both in Japan and overseas to address environmental issue, including reducing plastic use. We will achieve resource circulation by developing products that incorporate recycling systems.

The Oji Group's technological evolution

From raw wood to paper products, we have grown and expanded our core technologies into new fields.

We are advancing the development of new materials and products that contribute to the realization of a carbon-neutral society.



Measures to promote R&D

■ Promotion of Open Innovation

We are strengthening industry-academia collaboration (with the number of projects increasing 2.2 times compared with FY2022). In addition, we promote partnerships with start-ups through the use of a venture capital fund (UMI III Fund) and other means.

[Integrated Report 2024 \(P.45\) "Creating New Businesses through Start-up Collaborations"](#)

■ Promotion of R&D utilizing digital transformation

We are innovating our R&D process by introducing the latest digital transformation technology. Specifically, we are actively utilizing cutting-edge technologies such as generative AI and materials informatics (MI) to promote efficient and effective data utilization.

■ Enhancing synergy between individuals and organizations in R&D

We have established the "15% rule" to encourage the creativity of diverse individuals. We will allocate 15% of working hours to activities outside assigned duties, aiming to create new value beyond our respective departments. [\(P.48\)](#)

Innovation Strategies



Development of new wood-derived materials

Biomanufacturing technology

We are advancing the development of wood-derived sugar solutions, ethanol, and polylactic acid toward social implementation. (P.31)

Semiconductor materials (biomass photoresist)

We are developing wood-derived biomass photoresists for cutting-edge semiconductors. In the semiconductor market, which is expected to see further growth going forward, advances in nanofabrication technology are required as performance continues to improve. In response, we have developed a photoresist that, through our proprietary technology, does not use PFAS* and is compatible with next-generation EUV lithography. This photoresist combines environmental friendliness with high performance, and we are advancing its development with the aim of commercial launch in 2028 while ensuring it can meet customer needs.

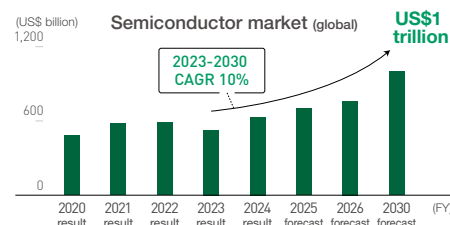
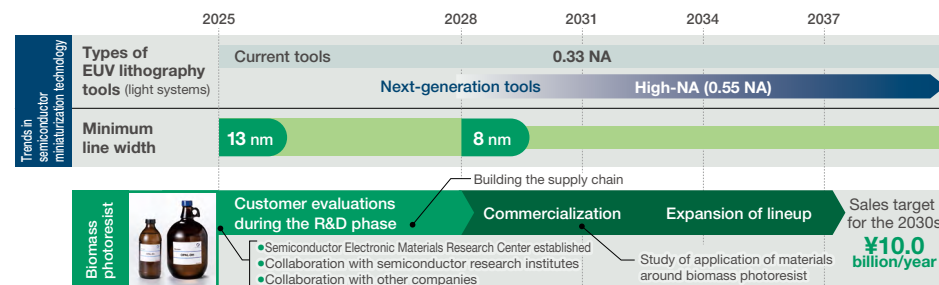
■ Features

A cutting-edge semiconductor photoresist that leverages the properties of wood biomass and has the following characteristics.

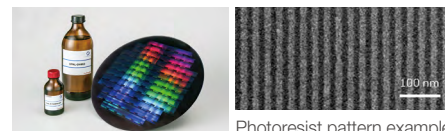
1	non-PFAS	2	Achieves high storage stability and process stability
3	High-resolution patterns can be formed	4	Contributing to decarbonization by using wood biomass as a raw material

■ Strategy

We aim to enter the semiconductor industry achieving high adaptability to various customer requirements.



Source: Compiled by the Company based on data from SEMI Japan (<https://eetimes.itmedia.co.jp/ee/articles/2506/05/news038.html>)



Photoresist pattern example

*PFAS: A general term for perfluoroalkyl compounds and polyfluoroalkyl compounds
Concerns about environmental and health impacts are growing, leading to strengthened regulations and countermeasures both in Japan and overseas.



VOICE Entry into the semiconductor field

■ Impetus for developing the theme

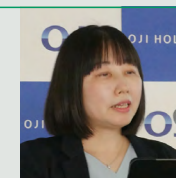
Until now, while many biomass-derived chemicals have contributed to decarbonization, their high cost has been a challenge. One reason for this is that despite being a new technology, it faces difficulty differentiating itself from conventional petrochemicals and is forced to compete on price. We explored whether there might be a field where biomass could truly showcase its unique characteristics, which led us to semiconductor materials. With the cooperation of many people, we were able to develop this theme.

■ Challenges in proceeding with development

Dialogue with our customers is especially pivotal in the area of cutting-edge semiconductor technology. We constantly develop our products to bring out the performance that meets the customer's requirements while building a relationship of trust.

■ Toward future development

We will continue to advance the development of environmentally friendly semiconductor materials and build a business that enables Oji's biomass materials to be widely utilized in the semiconductor field.



Kazuyo Morita

Semiconductor Electronic Materials Research Center Manager

Microcrystalline cellulose

In March 2025, we acquired Chemfield Cellulose Private Limited, an Indian company with global operations in the sale of microcrystalline cellulose for the pharmaceutical industry. Microcrystalline cellulose is a tasteless, odorless white powder refined from pulp. It is a highly safe product suitable for a wide range of applications, including as an excipient in pharmaceutical manufacturing and for dietary supplements.

Against the backdrop of growing global demand for pharmaceuticals, we will expand our high-value-added business targeting the global market, including Japan. This expansion leverages the strengths of cellulose-based excipients, namely, their excellent functionality, such as the compressibility and powder flowability required for tablet manufacturing. We will also capitalize on the strengths of Chemfield's highly price competitive product portfolio that meets stringent quality standards including the absence of carcinogenic nitrosamines.

In addition, we have launched a research team in Japan that is advancing the development of new products and market expansion through the establishment of an integrated system spanning from pulp manufacturing to product manufacturing.



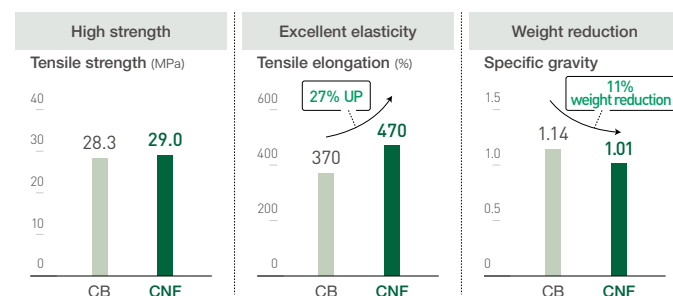
Example of microcrystalline cellulose in use

Innovation Strategies

Development of CNF applications (CNF–natural rubber composite)

We are developing a composite material combining phosphorylated CNF and natural rubber. We are advancing sample work toward commercialization of these composites as an all-biomass material in which the carbon black, the existing fossil resource-derived reinforcing material, has been replaced with biomass. In May 2024, we introduced mass production prototyping equipment and are strengthening our development capabilities to make a full-scale entry into the tire market.

■ Features



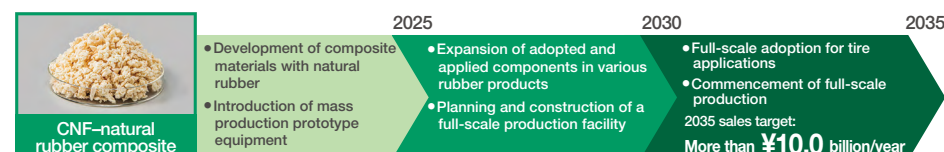
Compound formulation: Natural rubber 100 phr, reinforcing agents (CB: 60 phr, CNF: 20 phr), sulfur: 1.5 phr, other additives

■ Social issue

In response to heightening awareness of the environment in recent years, the tire industry has announced a 2050 target of achieving 100% sustainable materials. To achieve the tire industry's goals, we will develop competitive CNF-rubber composites that contribute not only to sustainability but also to enhanced functionality.

■ Strategy

Tires, being a high-volume product, have stringent safety and durability requirements, so this composite's adoption will take time. First, we plan to have our composite adopted in applications where evaluations are likely to progress smoothly, enhance quality and production technology, and then aim for full-scale adoption in tire applications.



CNF slurry



CNF-natural rubber composite



Image of application in tires

Conversion of unused biomass resources into valuable materials

Biochar application with unutilized bark

By carbonizing plants into biochar, carbon is sequestered long term, reducing atmospheric CO₂ and contributing to the mitigation of global warming. In addition, as a soil conditioner, biochar is expected to improve soil water retention and aeration, thereby promoting plant growth. In FY2025, we commenced a demonstration trial applying biochar made from unutilized bark from forest plantations as a raw material in our company-owned forests in Vietnam.



Unutilized bark from forest plantations

Expansion of sustainable packaging (environmentally friendly products)

Recycling system

We will establish a material recycling system that reuses used paper cups as raw materials for paper products, thus advancing our initiatives toward a circular economy. (P.30) [🔗](#)

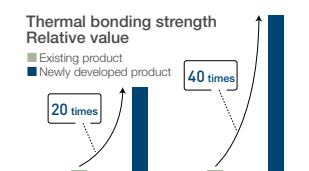
Rollout of biomass plastic film

Polylactic acid derived from plant materials can be composted under certain conditions and is gaining attention for its low environmental impact. The polylactic acid film developed by the Company is characterized by its high transparency, uniform thickness, and high strength, while also being an environmentally friendly material. In 2024, it was adopted for the filter portion of the tea bags in ITO EN, LTD.'s Kaoru Cold Brew Tea series. Going forward, we will expand our lineup of newly developed products with enhanced thermal bonding strength and promote their application into food and daily goods packaging materials, areas where existing products have faced challenges.

In the future, we aim to manufacture film using wood-derived polylactic acid currently under development. (P.31) [🔗](#)



Teabag filter made from polylactic acid film



*1 Section bonded by applying pressure and heat to the surface
*2 Section cut by applying heat in a linear pattern to melt it



Innovation Strategies



Full-scale entry into the pharmaceutical and healthcare fields

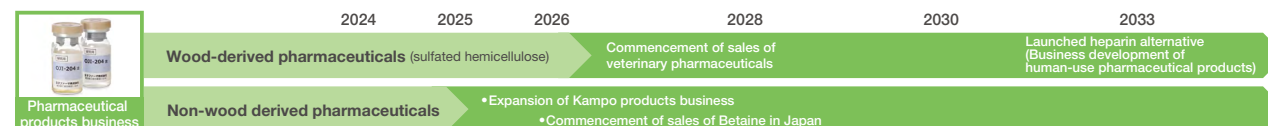
Accelerating the pharmaceutical and healthcare business with biomass pharmaceuticals at its core

Oji Pharma is engaged in R&D in the pharmaceutical and healthcare fields utilizing hemicellulose, a by-product of pulp manufacturing. Sulfated hemicellulose derived from hemicellulose is currently under application for approval as an animal arthritis treatment, with plans to expand its use into human pharmaceuticals. Wood-derived sulfated hemicellulose possesses advantages such as reducing zoonotic disease risks, Halal compliance, and improved traceability, enabling it to address unmet medical needs.

Alongside R&D of sulfated hemicellulose, we are also engaged in orphan drug (drugs for rare diseases) development. In February 2025, we submitted an application for manufacturing and marketing approval in Japan for a generic drug for the treatment of homocystinuria*¹ (generic name: Betaine*²). Betaine is expected to be launched in Japan in FY2026, with plans to roll it out globally.

*¹ One of the congenital amino acid metabolism disorders. A rare disorder caused by congenital genetic abnormalities leading to the accumulation of the amino acid homocysteine in the body, resulting in symptoms affecting the central and peripheral nervous systems, cardiovascular system, skeletal system, eyes, and other areas.

*² A type of amino acid found in plants.

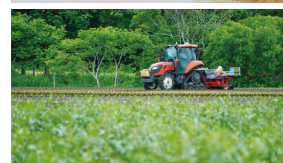


Large-scale licorice cultivation in Japan

We have established large-scale cultivation technology of the medicinal plant licorice in Japan. Licorice has a distinctive sweetness and bitterness and is used as a sweetener and flavoring agent in foods. Licorice also possesses anti-inflammatory action and is widely utilized in areas such as herbal medicine and beauty care. Demand for domestic products is increasing due to risks such as resource depletion and export restrictions associated with harvesting wild plants. We aim to expand our business through Oji Medicinal Plants Laboratory Co., Ltd., established in 2021. In December 2024, Oji Pharma and Oji Medicinal Plants Laboratory collaborated to commercialize the Kampo products (Chinese herbal medicine) Shoseiryuto, which incorporates domestically produced licorice.

Rollout of cell culture substrate for controlled cell orientation

Using proprietary microfabrication technology, we have developed the CellArray-Heart™ cell culture substrate, featuring finely patterned protrusions and flat surfaces arranged in a stripe pattern. It is characterized by the ability to orient cardiomyocyte cultures derived from human iPS cells and culture them in a more in vivo-like state, which also promotes cellular maturation. We aim to apply this to regenerative medicine products and utilize it in drug discovery and development.



Development of Kampo products utilizing the 15% rule

To harness the individual creativity of employees and broaden the scope of R&D, we have introduced the 15% rule, which allows employees to dedicate 15% of their working hours to independent research. Employing this rule, the development of Kampo products began as we responded to social issues and nurtured the seeds of a new business from within the Company.



Hikari Naito (left) and Shiho Sasaki (right), from Oji Pharma's Pharmacology Department, and Ayaka Matsumoto (center), from its Clinical Development Department

Motivations for the development

We focus on Kampo products utilizing herbal ingredients guided by our core principle of "Nature-positive pharmaceuticals." To address challenges such as self-medication demand and reliance on imported raw materials, we have partnered with Oji Medicinal Plants Laboratory to begin developing Kampo products utilizing domestically produced licorice.

Difficulties faced in development

It was our first drug development so we needed to build a platform from the ground up. We carefully selected private-label products for early market launch, choosing outsourcing partners that can deliver both meticulous ingredient sourcing and speed. Package manufacturing was achieved in collaboration with Group companies, resulting in unusually fast sales, approximately one year after the start of development.

Future outlook

We will establish an e-commerce sales system and begin selling to the general public starting in 2026. We will also gradually expand our product lineup and build brands that meet the demand for self-medication and domestically produced herbal medicines.

Sustainability

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Sustainability Governance

Basic Policy on Sustainability Initiatives

The Oji Group's Management Philosophy is "Creation of Innovative Value," "Contribution to the Future and the World," and "Harmony with Nature and Society." By promoting sustainable initiatives based on this philosophy, we aim to become a corporate group that continues to grow, while responding to change and creating sustainable value for the future.

▶ Basic Policy on Sustainability Initiatives

Governance

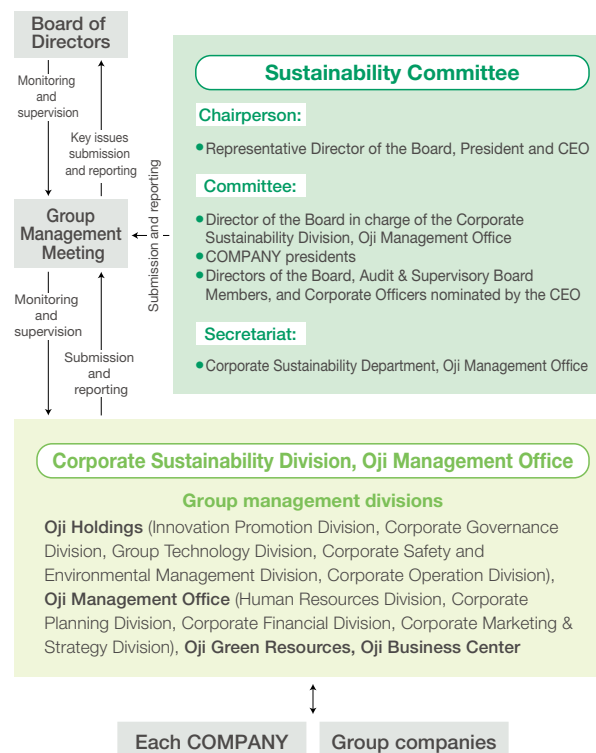
We discuss matters that are material to fulfilling our commitment to sustainability through the Sustainability Committee and monitored and supervised by our Board of Directors.

Chaired by the Representative Director of the Board, President and CEO of Oji Holdings Corporation, and consisting of the Director of the Board in charge of the Corporate Sustainability Division of Oji Management Office and the COMPANY presidents, as well as Directors of the Board (including female outside directors), Audit & Supervisory Board Members, and Corporate Officers nominated by the CEO, the Sustainability Committee meets biannually. Depending on their importance, the risks, opportunities, and responses discussed at these Committee meetings are referred for discussion and reported to the Group Management Meeting, after which the Board of Directors makes executive decisions concerning important matters related to Group management strategies.

The Corporate Sustainability Division identifies Group-wide risks and opportunities, and promotes matters decided upon by the Group Management Meeting. Furthermore, this division also submits monthly reports to the responsible officer and refers matters or submits reports to the Group Management Meeting, depending on their importance. Significant risks and opportunities are reported to the Board of Directors based on the judgment of the responsible officer.

▶ Sustainability Management Structure

Sustainability Governance Structure



Main matters discussed at Sustainability Committee Meetings (FY2024)

- Setting of metrics and targets related to nature
- Policies for responding to sustainability disclosure standards and frameworks
- Revised target for the percentage of women in management positions
- Announcement of No Deforestation and No Conversion Commitment
- Establishment of contact point for whistleblowing related to human rights (grievance mechanism)

Process for Identifying Material Issues

Taking into consideration ever-changing social trends, the Oji Group used the following process to discern risks and opportunities associated with its business, identify material issues, and set KPIs in 2019.

In 2023, we took steps to renew the components of material issues and revised the KPIs for enhancing human capital. More recently, in 2024, we added KPIs for biodiversity conservation.

▶ Process for Identifying Material Issues

Discernment of risks and opportunities	We have discerned risks and opportunities from both the business operating and sustainability perspectives.
Extraction of candidate issues	We extracted issues comprehensively from the SDGs, global risks, the assessment made by ESG assessment organizations, important matters recognized by the Group, our goals, and dialogue with stakeholders.
Implementing assessments and analyses by external organizations	We assessed each issue based on both social importance and business importance. The issues were narrowed down and sorted out in reference to opinions from external organizations.
Validity assessment and approval at the Group Management Meeting	We verified the validity of the identified material issues and approved them at the Group Management Meeting. The necessity of reviewing material issues is discussed at the Sustainability Committee every year as we need to consider such issues as changes in the social environment and newly emerged issues.

Material issues

Material Issues — Risks and Opportunities

The Oji Group recognizes that changes in its environment present both risks and significant opportunities. Against this backdrop, we will maximize our strengths to further enhance our corporate value.

Material issues		Related risks and opportunities		Major initiatives designed to mitigate risks and maximize opportunities	
Mitigation and adaptation to climate change	Risks	Short term to Medium term	● An increase in costs due to the strengthening and introduction of the carbon tax, introduction of an emissions trading system, etc. ● Impact on sales from changes in the evaluation of corporate activities and market values ● Greater natural disasters caused by extreme weather	● Reduce GHG emissions through improving production efficiency, saving energy, and utilizing renewable fuel and waste fuel ● Maintain sustainable forest management, and increase the forest certification acquisition rate ● Maintain and expand the multifaceted functions of forests, including conserving biodiversity, cultivating water resources, and preserving soil ● Participate in the consortium aimed at the creation of international rules surrounding the valuation of natural capital (CGC-NBS)	● Increase the quantity of CO₂ absorbed and fixed through forest expansion and growth improvements ● Develop renewable energy businesses ● Develop environmentally friendly products ● Quantitatively evaluate natural capital, participate in discussions aimed at the creation of frameworks for natural capital accounting
	Opportunities	Short term to Medium term Medium term to Long term Medium term to Long term	● A reevaluation of the value of company-owned forests in line with an increase in the importance of nature positive ● Growing demand for low-carbon products and products derived from wood ● Rising value of company-owned forests due to growing demand for forest-derived carbon and biodiversity credits		
Circular use of resources	Risks	Medium term to Long term	● Impact of resource depletion on core businesses	● Use wood resources based on sustainable forest management ● Utilize the recycling network and technology accumulated while promoting the use of recovered paper ● Reuse water and reduce water usage	● Expand the water treatment business overseas
	Opportunities	Short term to Medium term	● Reevaluation of the value of recyclable paper products (contribution to elimination of plastics) ● Deployment of water treatment technology		
Responsible raw materials procurement	Risks	Short term to Medium term	● Occurrence of cases lacking consideration for the environment and society in the supply chain ● Geopolitical risk associated with raw material procurement	● Work to upgrade and expand CSR procurement, taking into consideration the environment and society following the Oji Group Sustainability Action Guidelines for Supply Chains, the Wood Raw Material Procurement Guidelines, and the No Deforestation and No Conversion Commitment	● Manage the supply chain thoroughly (e.g., appropriate procurement through supplier monitoring, risk assessment, securing various suppliers) ● Supply FSC™-certified products (e.g., FSC™ C014119)
	Opportunities	Medium term to Long term	● An increase in demand for environmentally friendly products owing to changes in consumer awareness and the tightening of regulations in Europe and other regions		
Reduction of environmental burdens	Risks	Short term to Medium term	● Adverse effects on society due to pollution and the resulting decline in the trust of stakeholders	● Set voluntary management values that are stricter than the environmental regulatory standards ● Control emissions of pollutants in wastewater and exhaust gases	● Reduce and effectively use waste ● Develop environmentally friendly products and biodegradable materials (from fossil resource-derived to wood-derived)
	Opportunities	Medium term to Long term	● An increase in demand for environmentally friendly products owing to changes in consumer awareness and the tightening of regulations in Europe and other regions		
Respect for human rights	Risks	Short term to Medium term	● A decline in the trust of stakeholders due to the lack of consideration for human rights	● Formulate and implement the Oji Group Corporate Code of Conduct, the Oji Group Behavior Standard, and the Oji Group Human Rights Policy ● Perform internal audits ● Implement the whistleblowing system	● Raise awareness of compliance and human rights through in-house training ● Assess risks associated with suppliers' respect for human rights ● Establish and operate a contact point for whistleblowing related to human rights (grievance mechanism)
	Opportunities	Medium term to Long term	● An improvement in engagement		
Enhancing human capital	Risks	Short term to Medium term	● Decline in hiring competitiveness and outflows of human resources ● Occurrence of non-compliance	● Create an environment for developing human resources ● Promote diverse work styles and diversity ● Enhance mid-career recruitment ● Thoroughly conduct compliance training	
	Opportunities	Medium term to Long term	● Increase in productivity and creation of innovation through securing excellent human resources		
Ensuring workplace safety and health	Risks	Short term to Medium term	● Incidence of occupational accidents ● Health of employees hindered by the spread of infectious diseases	● Establish safety and health management structures and promote activities aimed at safety and health ● Thoroughly ensure safety in the handling of machines and equipment and in other operations ● Promote safety education	● Promote the physical and mental well-being of employees ● Create comfortable work environments ● Respond to infectious diseases
	Opportunities	Medium term to Long term	● An increase in the trust of stakeholders resulting from the prompt response to occupational accidents and infectious diseases		
Supply of safe and secure products	Risks	Short term to Medium term	● A decline in the trust of stakeholders due to the spread of negative rumors	● Stably supply own products ● Ensure safe quality design and management in compliance with relevant laws and regulations and stricter voluntary management values	● Provide customers with information on the safety of products and raw materials (chemicals, materials)
	Opportunities	Medium term to Long term	● Contribution to society through the stable supply of safe and secure products, and the resulting increase in corporate value		

Note: In general, this table summarizes risks and opportunities with a significant impact on our businesses, with those up to 2030 listed as "Short term to Medium term" and those from 2030 onward listed as "Medium term to Long term."

Material Issues — KPIs

Material issues	Definitions	Key performance indicators (KPIs) (Unless otherwise specified, for FY2030)		Current value* ¹	Corresponding SDGs
 Mitigation and adaptation to climate change (PP.62–63) 	Contribute to the mitigation of climate change by reducing GHG emissions throughout the supply chain and promoting CO ₂ absorption and fixation by forests.	● GHG emissions (Scope 1, 2) Reduce emissions by at least 70% by FY2030 compared with FY2018 ●GHG emission*² reduction: 20% ●Net increment in carbon stocks by forests*²: 50% Achieve net zero carbon emissions by FY2040 ●GHG emission*² reduction: 50% ●Net increment in carbon stocks by forests*²: 50% ● The actual carbon stocks in living biomass*² expanded to at least 170,000 kt-CO₂ (calculated value) ● Renewable energy usage rate of at least 60% through reduction of coal consumption ● Improve energy consumption intensity by at least 1% per year for the 5-year average ● GHG emissions (Scope 3) Reduce emissions from chip transport vessels by at least 40% by FY2040 compared with FY2018	● 34.2% reduction ● Reduction in emissions: 11.9% ● Net increment in carbon stocks: 22.4% ● 142,020 kt-CO₂ ● 56.4% ● 7.1% annual reduction (from FY2020 to FY2024) ● 33.6% reduction	 7.2,7.3,7.a  12.2  9.4,9.5  13.1,13.2, 13.3	
 Sustainable forest management and biodiversity conservation (PP.57–61) 	In the forests we own and manage, practice sustainable forest management in harmony with the environment and local communities, utilize forest resources, and achieve the multifunctionality of forests, including biodiversity conservation.	● Increase the rate of overseas forest certification acquisition*² (Maintain the domestic rate at 100%) ● Expand overseas forest plantations to 400,000 ha ● Area of natural forest restored on owned land*² At least 5,000 ha in FY2019–FY2040 ● Number of native tree species planted on owned land*² At least 900,000 seedlings in FY2019–FY2040 ● Area of ecological corridors formed outside owned land*² At least 6,000 ha in FY2019–FY2040	● Japan 100%, Overseas 96% ● 295,000 ha ● 1,933 ha ● 320,000 seedlings ● 2,260 ha	 6.6  14.2  8.7  15.1,15.2,15.3, 15.4,15.5,15.c	
 Circular use of resources (PP.64–65) 	To prevent resource depletion, promote the effective use of paper and water, which we view as valuable reusable resources.	● Recovered paper utilization ratio*²: At least 70% in Japan by FY2030 ● Recovered paper utilization ratio for containerboard: At least 90% in Japan by FY2040 ● Reduce water intake intensity by at least 6% by FY2030 compared with FY2018 ● Reduce total water withdrawal by at least 10% by FY2040 compared with FY2018	● 67.4% ● 98.3% ● (Intensity) 22.0% reduction ● (Total) 7.3% reduction	 6.4,6.5  14.1  12.4,12.5, 12.6  15.1,15.2,15.3, 15.4,15.5,15.c	
 Responsible raw materials procurement (P.66) 	In the supply chain for procurement of all raw materials, pay close attention to environmental and social issues, including human rights, and address them responsibly.	● Conduct sustainability surveys on all major suppliers*³ ● Achieve full traceability based on the Wood Raw Material Procurement Guidelines	● 100% (FY2024, follow-up surveys) ● 100%	 8.7  15.1,15.2  12.1,12.4,12.6	
 Reduction of environmental burdens (Sustainability) 	Promote waste reduction and purification of wastewater and exhaust gases in the manufacturing process to minimize the environmental impact on surrounding areas.	● Enhance effective utilization rate of waste materials*²: Japan at least 99%, Overseas at least 95% ● Pollution load Reduce BOD, COD, and SS intensity by 15% by FY2030 compared with FY2018 Reduce total BOD, COD, and SS by 20% by FY2040 compared with FY2018 ● Air pollution impact Reduce SOX intensity by 15% by FY2030 compared with FY2018 Reduce total SOx by 50% and total NOx by 10%, while maintaining VOC intensity, by FY2040 compared with FY2018	● Japan 99.4%, Overseas 90.2% ● BOD: (Intensity) 39.7% reduction (Total) 28.1% reduction ● COD: (Intensity) 23.4% reduction (Total) 8.7% reduction ● SS : (Intensity) 32.8% reduction (Total) 19.9% reduction ● SOx : (Intensity) 29.7% reduction (Total) 16.2% reduction ● NOx: (Total) 4.0% increase ● VOC: (Intensity) 76.5% reduction	 3.9  11.6  17.7,17.8  6.1,6.3, 6.4  14.1,14.2, 14.3	

Material Issues — KPIs

Material issues	Definitions	Key performance indicators (KPIs) (Unless otherwise specified, for FY2030)		Current value*1	Corresponding SDGs
 Respect for human rights (P.67) 	Do not tolerate human rights violations in any of our business activities.	Percentage of target people who get education and training in human rights: 100%	95.4% (2,647 participants from March to May 2025)	 5.1,5.4, 5.5,5.c  10.2,10.3, 10.4  8.5,8.7,8.8	
 Enhancing human capital (PP.70-74) 	Secure and foster the diverse human resources (human capital) necessary for sustainable growth. Establish an environment in which every employee can fully demonstrate their potential and work comfortably.	- Annual total working hours: within 1,850 hours (26 companies in the Main Office region in Japan) - Utilization ratio for childcare leave taken by men: 100% (16 companies in Japan*2) - Percentage of managers that are women: at least 5.5% (16 companies in Japan*2, March 31, 2025) - Percentage of new hires for generalist-track positions that are women*2: at least 30% - Employment rate of people with disabilities: at least 2.5% (Group companies in Japan*2, June 2025) - Participation in compliance meetings: 100% (Oji Holdings and all subsidiaries in Japan)	1,850 hours 115.9% 4.9% 41.2% (Joined the Company in 2025) - Six applicable Group companies in Japan*2: 2.55%, 68 companies in Japan*2: 2.36% (June 2025) 98.8% (Second half of FY2024)	 5.1,5.4,5.5,5.c  8.2,8.5,8.8  10.2,10.3	
 Ensuring workplace safety and health (P.68) 	Ensure the safety and health of all employees and relevant persons.	- Achieve zero fatal and serious work-related accidents*4 (each fiscal year) - Lost time injury frequency rate*2: 50% reduction compared with FY2018 (0.89)	- One accident (from January 1 to December 31, 2024) 0.81 (from January 1 to December 31, 2024)	 8.8	
 Supply of safe and secure products (Sustainability) 	Supply safe and secure products worldwide.	Zero product liability accidents (each fiscal year)	Zero accidents	 9.4,9.b  17.7  12.4,12.6	

*1 Aggregation period: Unless otherwise specified, from April 2024 to March 2025 or as of March 31, 2025 (for overseas, with some exceptions, from January to December 2024 or as of December 31, 2024). Boundary of data aggregation: Unless otherwise specified, Japanese and overseas consolidated companies

*2 Refer to [ESG Data](#) for information on calculation methods

*3 Suppliers in top 75% of transaction amount

*4 Serious accidents: The Oji Group considers accidents of Class 3 or higher as per the Appended Table of the Enforcement Regulation of the Workers' Accident Compensation Insurance Act to be serious accidents.

Environmental Action Program 2040

In FY2020, the Oji Group established Environmental Vision 2050, a long-term vision with a 30-year horizon, and formulated the Environmental Action Program 2030, which sets forth targets for 2030 as milestones toward the achievement of Environmental Vision 2050, and we have been promoting environmental initiatives accordingly.

In FY2025, we formulated the Environmental Action Program 2040, which sets forth targets for 2040 as additional milestones toward the achievement of Environmental Vision 2050, building on

the Environmental Action Program 2030. In the Environmental Action Program 2040, as with the Environmental Action Program 2030, we have set targets centered on what we have previously implemented or aimed for in the Oji Group's business activities, namely "Carbon Neutral," "Nature Positive," and "Circular Economy," as well as "stakeholder engagement," which forms the basis for these initiatives. Through the Environmental Action Program 2040, we sustain and expand the Oji Group's environmental initiatives.

[Full text of Environmental Action Program 2040](#)

	Carbon Neutral	Nature Positive	Circular Economy
	Environmental Vision 2050 (Vision for FY2050)		
Environmental Action Program 2040 (Targets for FY2040) Reduction targets are set in comparison with FY2018	• Scope 1 and 2 GHG emissions: More ambitious reduction targets (Achieve net zero carbon emissions, including absorbing and sequestering by forests) • Scope 3 GHG emissions: Set reduction targets (Reduce Category 4 emissions from chip transport vessels by 40%)	• Sustainable forest management: Added "maintaining no deforestation" • Sustainable forest management: Maintain target for the rate of forest certification acquisition • Biodiversity conservation: Set quantitative targets At least 5,000 ha of natural forest restoration and at least 900,000 seedlings of native tree species planted between FY2018 and FY2040 Establishment of ecological corridors: At least 6,000 ha	• Waste: Maintaining our target for the effective utilization rate • Set target for recovered paper utilization ratio for containerboard: At least 90% in Japan • Water withdrawal: Set target for reduction of total amount, 10% reduction • Establish and commercialize technologies for producing fossil resource alternatives • Wastewater and exhaust gases: Set targets for reducing the total amounts of pollutants Reduce BOD, COD, and SS by 20% Reduce SOx by 50%, reduce NOx by 10%
Environmental Action Program 2030 (Targets for FY2030) Reduction targets are set in comparison with FY2018	• Scope 1 and 2 GHG emissions: Reduction targets (Reduce emissions by at least 70%, including absorption and fixation by forests) • Scope 3 GHG emissions: Promote initiatives for reduction	• Sustainable forest management: Target for the rate of forest certification acquisition (Forest certification acquisition rate of 100% and expansion of certified products) • Biodiversity conservation: Promote initiatives	• Waste: Target for effective utilization rate Japan at least 99%, Overseas at least 95% • Target for recovered paper utilization ratio of at least 70% in Japan • Water intake: Target for reduction of intensity, 6% reduction • Wastewater and exhaust gases: Targets for reducing the intensity of pollutants Reduce BOD, COD, and SS by 15%, and SOx by 15%
	Stakeholder Engagement		
	• We will expand procurement that considers the environment and society, manufacture products that contribute to a decarbonized society, and conduct business activities in compliance with environmental laws and regulations.		

The Oji Group Biodiversity Commitment / No Deforestation and No Conversion Commitment

For more than a century, the Oji Group has practiced sustainable forest management guided by the teachings of Ginjiro Fujiwara, who advocated that “those who use trees are responsible for planting them.” For the Oji Group, forests are an important natural resource that act as the foundation for our businesses. Through business management rooted in forest resources, we have developed a deep understanding of the diverse functions of forests and their value, while also cultivating forests in cooperation with local communities. The conservation of forests and biodiversity will help

cultivate abundant forests and healthy ecosystems, while also contributing to sustainably securing forest resources to support the Oji Group's businesses. We have announced the following two commitments to more broadly and clearly communicate information on past initiatives. The Oji Group protects and nurtures forests—the foundation of our business—by responsibly utilizing and supporting natural capital, connecting this to future value creation.



Sustainable Forest Management

Natural Capital for the Future — Oji Forests

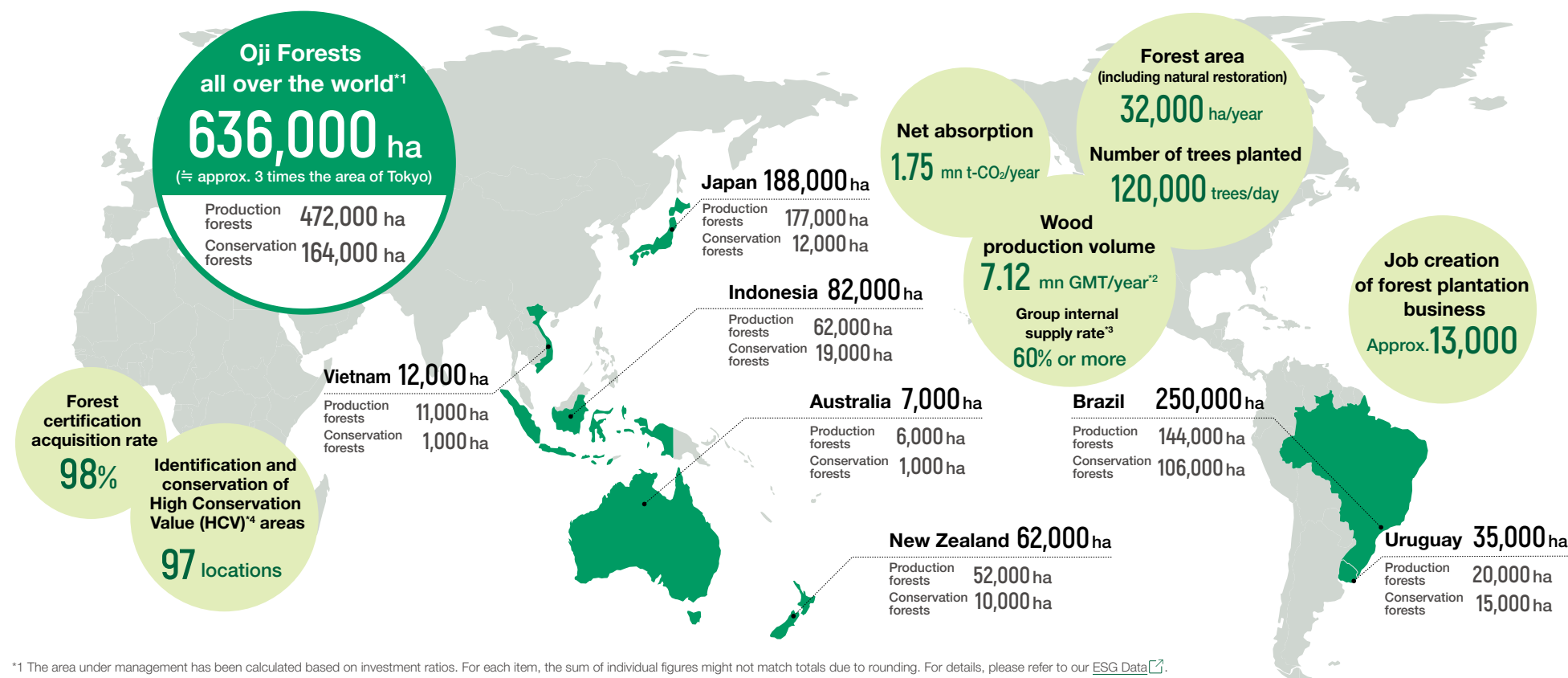
The Oji Group's businesses are based on the sustainable utilization of forest resources. We have been managing forests since we began forest plantation in Shizuoka in 1893. Based on the philosophy that "those who use trees are responsible for planting them," we have expanded Oji Forests in Japan and have been managing Oji Forests overseas since the 1970s. At present, we own and manage approximately 640,000 ha of forests in seven countries around the world.

In forest management in the past, economic value generated by producing forest products such as paper and timber was prioritized. In recent years, however, there has been increased appreciation of the multifaceted value of forests, including environmental functions such as CO₂ absorption, biodiversity, and water resource conservation, and social aspects, such as respect for human rights and coexistence with local communities. Since our early days, the Oji Group has practiced forest management that generates diverse value over the long term through zoning, in which production forests and conservation forests are separated and appropriately managed.

These initiatives form the basis for value creation that leverages natural capital and supports responses to climate change and biodiversity challenges. At the same time, they also contribute to sustainable corporate growth through co-creation with local communities and diverse stakeholders.

We will work toward a deeper circular value chain based on forests, while also refining our core operations to balance profitability with a contribution to decarbonization and resource recycling. In this way, we will continue taking on the challenge of new value creation aimed at achieving a sustainable future.

Sustainable Forest Management



^{*1} The area under management has been calculated based on investment ratios. For each item, the sum of individual figures might not match totals due to rounding. For details, please refer to our [ESG Data](#) .

^{*2} GMT (Green Metric Ton): A unit based on the weight of dried wood that indicates the volume of wood produced, taking into consideration the moisture content.

^{*3} The Group internal supply rate refers to the proportion of wood produced by Oji Forests supplied to Group paper and pulp mills.

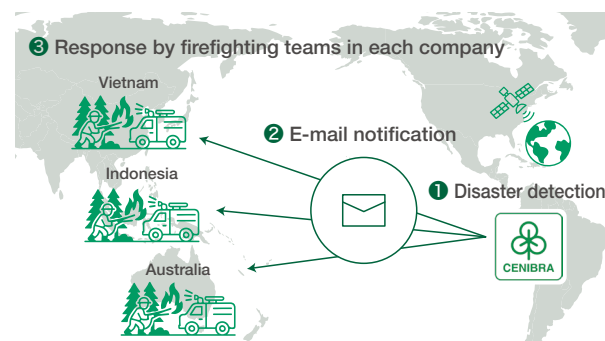
^{*4} For details concerning High Conservation Value (HCV) areas, please also refer to "Precious value of Oji Forests – identifying and protecting High Conservation Value areas" on P.59.

Sustainable Forest Management

Collective Strengths of the Oji Group to Support Forest Management

Strength in achieving high-quality forestry across the Group as a whole

In the Oji Group, we have accumulated expertise and advanced technology for more than a century of forest management. By sharing these within the Group and having each Group company adopt them in a coordinated manner, we are enhancing the quality of forest management around the world and achieving high-quality forest management. We flexibly adapt to regions in different countries, with different weather conditions, and work in ways tailored to local society and environmental characteristics. This enables us to coexist with local communities, while also sustainably and stably managing forests. Another strength of the Oji Group is our system for ensuring that harvested wood contributes to the value chain. We have developed a system for ensuring that the value of wood makes its way into the economy, through mechanisms for contributing to downstream industries such as raw materials for paper manufacturing, materials for lumber and plywood, fuels for biomass power generation, and new materials. We are building a forest management model that is realistically profitable, while also protecting natural capital, that is, forests.



Example of internal Group cooperation: We have built and are trialing a fire alert system to monitor the company-owned forests of five forest plantation business companies in Indonesia, Vietnam, and Australia, using open data from the "FIRMS" fire monitoring tool provided by NASA, based on the expertise of Celulose Nipo-Brasileira S.A. (Brazil), which has technology for utilizing satellite data. We are working to quickly discover and promptly respond to fires, in cooperation with the firefighting teams of each company.

Strength in R&D to cultivate and utilize forests

Oji has established major research centers in Japan, Brazil, and Indonesia, where we research wide-ranging themes to support the cultivation and utilization of forests. In "forest cultivation" research, we are focusing on making seedling production and silviculture more efficient, as well as breeding, with the aim of optimal management based on the principle of "the right tree in the right place, with the right management" depending on the characteristics and purpose of each forest. In "forest utilization" research, we focus on the effective utilization of wood. We are working on the utilization of previously discarded unused wood, as well as the development of applications other than paper and pulp. We are also researching the utilization of forest resources other than wood and focusing on previously unrecognized potential values of forests, while quantifying their various functions.



Researchers from the Forest Resource Research Center of Japan who conduct R&D on forest cultivation and utilization

Strength in frontline work to achieve sustainable forestry

In recent years, complex challenges have become apparent in frontline forestry, including labor shortages and an aging workforce, declining wood productivity due to climate change, harsh outdoor working conditions and rising costs due to inflation. The Oji Group is working to address these challenges through smart forestry. We are increasing work efficiency and conserving labor by utilizing ICT, including high-performance forestry machines, drones, and remote sensing technology. We are also focusing on high-precision forest resource management and enhancing traceability. Furthermore, we are developing inclusive working environments to encourage the participation of women and young human resources, and enhancing educational programs aimed at passing on technical expertise. Through these efforts, we are increasing the diversity and sustainability of forestry, while also boosting reliability across the supply chain, and strengthening our ability to respond to uncertainties such as climate change and disaster.



A logging operator specially employed after technical training without prior experience at Celulose Nipo-Brasileira S.A. We are securing diverse human resources through enhancements to the environment and inventive hiring activities.

Challenges surrounding forest management, countermeasures, and their effects

Challenges	Countermeasures	Effect
Reduction in wood productivity due to climate change	Manage work based on climate forecast data and breeding	Stable supply, risk avoidance
Labor shortages	Introduce high-performance forestry machines and improvements to work efficiency	Increased labor productivity and reduced personnel costs
Aging workforce	Encourage employment of young people and conduct educational programs	Securing of workforce and passing on technical expertise
Harsh working environment (outdoor work)	Introduce ICT and remote surveillance technology	Increased safety and enhanced utilization of diverse human resources
Inflation and rising costs	Conserve and optimize labor across the value chain	Limit on costs and increased profitability
Market fluctuations	Develop diverse products and expand the market	Stabilized profits and distribution of risk

Sustainable Forest Management

TOPICS

Value creation through co-creation with diverse stakeholders, 2024 topics

The Oji Group alone cannot ensure that forests are protected and cultivated.

In forest management, the Oji Group prioritizes not only wood production but also wide-ranging value creation, including coexistence with local communities, respect for the rights of indigenous peoples, response to climate change, and the conservation of biodiversity. These initiatives are only possible through dialogue and collaboration with diverse stakeholders and involve the co-creation of social, environmental, and economic value. Through this co-creation, we will enhance reliability across the global supply chain and strengthen our ability to respond to international rules and regulations and the needs of customers. As a result, we expect to mitigate business risk and enhance our reputation, while also contributing to securing sustainable profits and boosting long-term growth in corporate value.



Broaden and Promote Sustainable Forest Management

At Quy Nhon Plantation Forest Company Vietnam Ltd. (QPFL), we have begun supporting partner companies in obtaining forest certification for the forests they own. This support for local small and mid-sized companies contributes to invigorating the local economy, developing forestry human resources, and broaden the base of the industry. This is also expected to provide a certain benefit to Oji Holdings, including strengthening sustainable raw material procurement and boosting our reputation through coexistence with the local community.

Response to the European Union Deforestation Regulation and the Amended Clean Wood Act

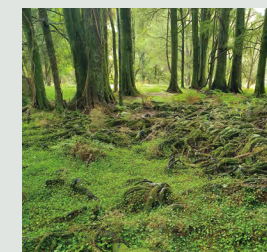
Ahead of our response to the European Union Deforestation Regulation (EUDR) and the Amended Clean Wood Act to be applied from 2025, in 2024, Oji Group subsidiaries and affiliates shared information within the industry and engaged in dialogue with administrative bodies. At the same time, we collaborated with suppliers and customers to create a more accurate traceability system and information sharing system, capable of checking legality as required by both these frameworks and eliminating the risk of deforestation. Our response to these laws and regulations will contribute to maintaining trust with customers, ensuring stable international trade, and enhancing reliability around the world.

Promote sustainable forest management through our jointly established forest fund

We have established a forest fund together with our partner, New Forests, through which we are implementing new types of forest expansion and conservation initiatives. In this way, we are distributing risk and creating growth opportunities through collaboration with investors. We have also jointly developed an investment policy, the Sustainability Impact Management System (SIMS). Under SIMS, we are required to conduct FPIC* and acquire forest certification when investing in forests. We will only invest when the forests in question are appropriately managed and their sustainability is secured. In our environmental management, we engage in regular monitoring and necessary improvements, while also appropriately disclosing information in line with international frameworks.

Precious value of Oji Forests – identifying and protecting High Conservation Value areas

High Conservation Value (HCV) refers to areas that are particularly important for the natural environment and local community. The identification and protection of these areas is one of the standards for forest certification. These areas are classified into six categories based on ecological, social, and cultural importance, including areas of rich biodiversity, important water sources, and places essential to local communities' livelihoods. The Oji Group's policy of "No Deforestation and No Conversion Commitment" includes the protection of HCV areas. We identify and protect such areas through scientific surveys and dialogue with local communities while ensuring that the protection of HCV areas is compatible with our business activities. These initiatives will contribute to long-term business continuity, not just through consideration for the environment but also through the fulfillment of our social responsibility and building trust with local communities.



Pakuratahi Bush, a scenic primary forest conserved by Pan Pac (New Zealand)

* Free, Prior and Informed Consent

Nature Positive

Nature Positive Actions

As global environmental challenges intensify, it is crucial that we pursue growth through our economic activities while addressing critical issues such as climate change, biodiversity loss, and ensuring harmony and balance with nature. At Oji Holdings, we are committed to fulfilling this responsibility.

One notable feature of our businesses is its foundation in sustainable forest management, in which we make products from renewable forest resources, and they can be used in a circular manner. By continuously refining and enhancing this business model, we aim to become nature positive.



Visualization of the economic value of Oji Forests

In past discussions on global environmental problems, there has been a particularly strong focus on climate change. As the degradation of nature continues on a global scale, however, we have seen increasingly active discussion aimed at creating

frameworks for “natural capital accounting,” which comprehensively considers natural capital (e.g., forests, soil, water, air, living resources) as economic value, and mobilizing funds for the recovery of nature. Given this background, we estimated the economic value of “Oji Forests” in Japan (188,000 ha) at approximately ¥550 billion per year, based on the Forestry Agency of Japan’s methods.

In Anticipation of the Creation of International Standards for Assessing Economic Value

We are actively participating in the standardization process, as there are currently no established international standards for natural capital accounting. Since 2024, together with Hokkaido University, we have begun initiatives to visualize the value of forests and restore nature at our company-owned forest in Sarufutsu, in northern Hokkaido. We are assessing biodiversity using cutting-edge technology from start-up companies. [In a survey in 2024](#), we confirmed the existence of 141 species of plants and animals, including Japanese crane, an endangered

species of bird. In this survey, we also identified the status of these species’ habitats. Through these initiatives, we aim to establish an “Oji Model” as a method for assessing natural capital and include the economic value of these assets on our balance sheet.



Participation in Nature Positive Initiative trial program

Under our aim to create a framework for standards for measuring the value of natural capital, we are participating in the [Nature Positive Initiative \(NPI\)](#) trial program, alongside nature conservation bodies, information disclosure bodies, academic institutions, and other organizations around the world, as a TNFD partner. In this program, we will leverage the survey results and assessment methods from Sarufutsu to evaluate matters such as the effectiveness of standards developed by NPI, as well as their ability to accurately assess and disclose the state of Japan’s unique natural environment.

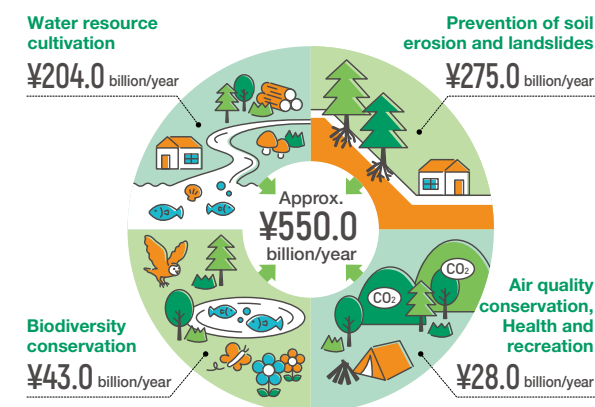
Based on these findings, we will provide appropriate feedback.

Natural capital accounting initiatives and contributions to resolving global environmental issues through business activities

We aim to establish an “Oji Model” as a method for quantitatively assessing the natural capital of the Oji Forests. We will maximize the value of this natural capital and influence the creation of a framework for natural capital accounting. The Oji Group is committed to becoming nature positive and carbon neutral through these initiatives.



Economic value of Oji Forests (domestic)



Notes:

1. Calculated based on the methodology in the Forestry Agency of Japan's Valuation of the Public Benefit Functions of Forests
2. Reviewed by an external environmental assessment company

Nature Positive

Actively Participating in the Creation of Frameworks for Natural Capital Accounting

To develop a framework for “natural capital accounting,” we believe global discussions with stakeholders will be crucial and we are actively advancing these efforts through various activities such as sharing information at international conferences and participating in projects led by international bodies.

Sharing information at international conferences

We provide information about our initiatives to become nature positive and emphasize the importance of forest management through presentation sessions at international conferences, such as the COP (Conference of the Parties to the Convention*), WEF (World Economic Forum), and OECD (Organisation for Economic Co-operation and Development).

* 29th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP29), 16th Conference of the Parties to the Convention on Biological Diversity (COP16)

Participation in consortium of Japanese companies

The University of Tokyo Center for Global Commons [\[link\]](#) and the domestic business community have cooperated to establish the CGC-Nature on the Balance Sheet joint project (in Japanese only) [\[link\]](#), which aims to integrate the measured value of natural capital into financial accounting. We are cooperating with this project, with the intention of engaging in cross-industry discussions with other Japanese companies.

Participation in various international bodies and strengthening participation in standardization

The International Sustainable Forestry Coalition (ISFC) (P.96) [\[link\]](#), which aims to utilize forests to build a sustainable circular bioeconomic society, has launched a project [\[link\]](#) targeting the application of common general principles for natural capital accounting and reporting formats across the forest sector. Through these activities, we will reinforce our involvement in discussions aimed at establishing the fundamental framework for natural capital accounting.



VOICE Comments from experts

In recent years, the environment surrounding forest resources have been changing at an accelerated pace, requiring responses on a global scale that go beyond countries and industries. As a company that owns and manages extensive forests, we recognize our responsibility to engage in dialogue with diverse stakeholders and promote management that balances coexistence with nature, the enhancement of corporate value, and ecosystem restoration. Through these efforts, Oji Holdings is committed to becoming nature positive.

On this occasion, we present feedback from two leading experts in biodiversity and natural capital accounting on our activities.

Forest management required in the age of green infrastructure

Futoshi Nakamura

Hokkaido University, Honorary Professor



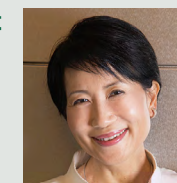
Recent global environmental problems include increased natural disasters such as floods and typhoons caused by climate change, and the excessive use of forests. On the other hand, in mountainous regions in Japan, the use of natural resources is lacking as a result of population decline. This results in the ongoing degradation of ecosystems and loss of biodiversity. In urban areas, it is projected that it will become difficult to maintain and manage existing infrastructure.

Oji Holdings is considering the utilization of the various ecosystem services of forests by proposing nature-based solutions and introducing green infrastructure, and I expect that these efforts will yield positive outcomes. For example, they can contribute to reducing flooding risk and the conservation of biodiversity by strengthening forest conservation and water resource management. Furthermore, by leveraging state-of-the-art technologies to collect and analyze environmental data, I expect them to promote projects aimed at ecosystem conservation and restoration.

Nature on the Balance Sheet

Naoko Ishii

Director, University of Tokyo Center for Global Commons, Specially Appointed Professor



In recent years, scientists have shown that stable global environmental systems, the foundation of our civilization, are on the verge of a serious crisis. Of the nine important global systems, six have already exceeded their limits, through climate change, biodiversity loss, and other factors. Our current economic system, which does not reflect the intrinsic value of nature, is coming up against the limits of the earth.

In response to these circumstances, there have been numerous trials aimed at measuring the value of natural capital. The real challenge is recognizing the economic value of natural capital measured in this way and adding it to financial statements as an investable asset. It is critical to integrate natural capital accounting with financial accounting. As a leading company in terms of forest management, I expect Oji Holdings to demonstrate leadership to integrate nature with economic systems. I believe this will contribute to the achievement of a nature positive economy.

Carbon Neutral (Climate Change Mitigation and Adaptation)

Basic Approach

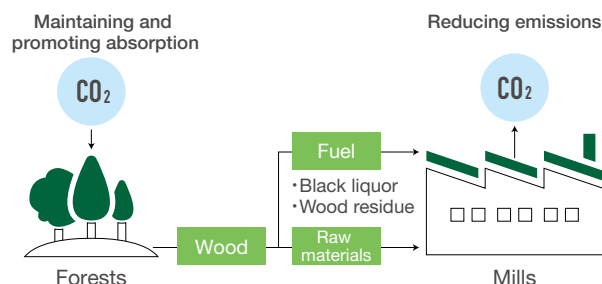
Taking into consideration the 1.5° C target of the Paris Agreement, the Oji Group has set a target to achieve net zero carbon emissions (Scope 1 + 2) by FY2040, to respond to the transition to a decarbonized society. To achieve this aim, we reduce actual emissions by expanding the use of non-fossil fuel energy, while absorbing and sequestering CO₂ with owned and managed forests.

Business model targeting decarbonization

In manufacturing operations, we are reducing GHG emissions through the use of renewable energy such as black liquor and in-house hydroelectric power generation, as well as the effective use of energy, including using waste heat from in-house thermal power generation.

In our forest plantation business, we practice sustainable forest management through replanting following harvesting, and plant elite trees with high growth rates. In this way, we are maintaining and promoting CO₂ absorption and sequestration by forests.

In our energy business, we generate power from renewable energy with wood biomass, hydropower, and solar power. We also plan to introduce wind power generation on company-owned land, which will contribute to mitigating climate change.



Reduction plans

To reduce actual emissions, we will further promote existing efforts to shut down coal-fired boilers and make the switch to different fuels, as we look to reduce coal usage to zero by FY2040. In FY2027, we plan to shut down coal-fired boilers at Oji Materia's Sobue Mill and Saga Mill, and install gas cogeneration systems in their place.

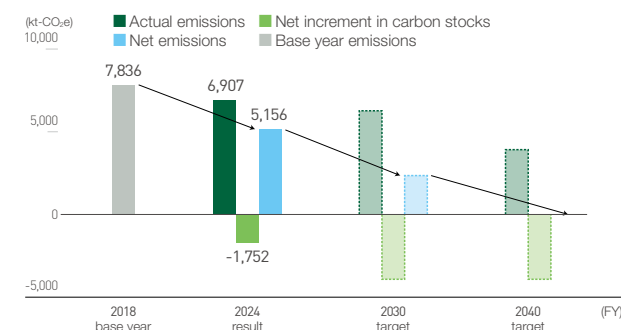
We use fossil gas fuel for the transition stage when converting fuels, but in the future, we plan to introduce fuels such as hydrogen, ammonia, and e-methane (synthetic methane). We will also increase the proportion of non-fossil electric power in purchased electric power, aiming to reach 100% by FY2040.

At the same time, through our forest investment fund, Future Forest Innovations (FFI), established in March 2025, we will acquire forest plantation land and promote the absorption and sequestration of CO₂.

GHG Emission Reduction Targets and Progress

We will reduce actual emissions (Scope 1 + 2) by 50% by FY2040 compared with FY2018, while also increasing and maintaining the net increment in carbon stocks in owned and managed forests equivalent to 50% of GHG emissions in FY2018.

In FY2024, net emissions were reduced by 34.2% compared with FY2018 levels, to 5,156 kt-CO₂e.



Roadmap

Initiatives		2024	2025	2026	2027	2028	2029	2030	2031–2040
Reducing actual emissions	Maintain energy conservation	Reduce energy consumption intensity by 1.0% or more per year, averaged over five years							
	Reduce fossil fuel consumption				Shut down 2 coal-fired boilers	Shut down 4 coal-fired boilers		Upgrade boilers and convert fuels	Introduce hydrogen, etc.
	Switch to non-fossil power for purchased electric power	Consider PPAs*, change contracts with electric power companies, and procure electric power certificates							
CO ₂ absorption and sequestration	Expand forest plantations	FFI establishment OUFC* (20,000 ha)	Acquisition of forest plantation land by FFI (70,000 ha)					Maintain forest plantation land, sustainable forest management	
	Plant fast-growing trees	Forest tree breeding (breed improvement), elite trees' plantation							

*1 A PPA (Power Purchase Agreement) is a direct contract with an electricity generation utility, and in this context, it refers to the purchase of electric power generated from non-fossil fuel sources in particular.

*2 OUFC (Oji Uruguay Forest Company S.A.S.) is an operating company that was established to operate the forest plantation business in Uruguay.

Carbon Neutral (Climate Change Mitigation and Adaptation)

Reducing Actual Emissions

In FY2024, actual GHG emissions (Scope 1 + 2) were reduced by 11.9% compared with FY2018 levels, to 6,907 kt-CO₂e.

Maintain energy conservation

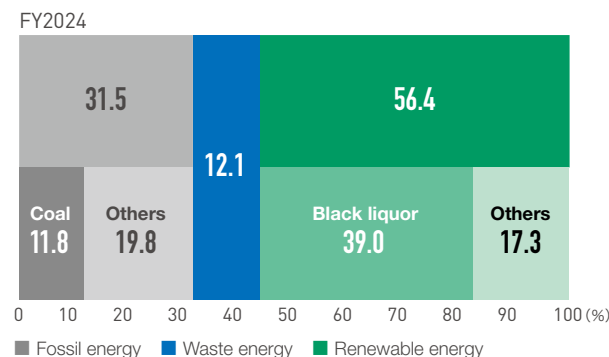
In FY2024, our major domestic companies made energy conservation investments of ¥1.36 billion, thereby reducing energy consumption by 39.6 thousand kiloliters (in crude oil equivalent). Across the entire Group, energy consumption intensity was reduced by 7.1% per year on average from FY2020 to FY2024.

Reduction in fossil fuel consumption

We shut down one coal-fired boiler in FY2021 and another one in FY2023. As a result, coal consumption decreased 18.9% in FY2024 compared with FY2018 levels, and the proportion of renewable usage was 56.4%.

Between FY2021 and FY2030, we plan to execute capital investment of roughly ¥100 billion to shut down all coal-only-fired boilers in Japan, which will reduce actual emissions by about 1,000 kt-CO₂e.

Energy composition ratio



CO₂ Absorption and sequestration

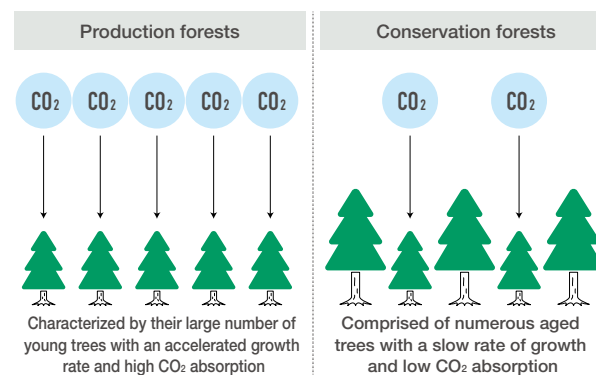
Actual carbon stocks*¹ at the end of FY2024 reached 142,020 kt-CO₂, and the annual average net increment in carbon stocks*² from FY2020 to FY2024 was 1,752 kt-CO₂, equivalent to 22.4% of GHG emissions in FY2018.

*1 The CO₂ stocks in Oji Forests

*2 The amount of CO₂ absorbed by the trees in Oji Forests minus the amount of CO₂ stored in the trees felled, which are subtracted as emissions

Expand forest plantations

Recognizing that the amount of CO₂ absorbed by trees is proportional to the amount of growth, production forests with abundant trees in a growth phase absorb more CO₂ compared to conservation forests where trees have matured. The Oji Group is expanding forest plantation land in a bid to increase the net increment in carbon stocks.



In July 2024, we acquired 20,000 ha of production forests in Uruguay, bringing overseas production forests owned and managed by the Oji Group to 295,000 ha as of the end of FY2024.

We plan to invest a cumulative total of about ¥100 billion from FY2021 to FY2030 to expand our overseas production forests to 400,000 ha.

Plant fast-growing trees

At the Asia Agriculture and Forestry Technology Center and Celulose Nipo-Brasileira S.A. (Brazil), we are improving forest plantation tree breeds in order to maintain and improve productivity. We promote CO₂ absorption by forests through the planting of specially selected elite breeds with exceptional growth rates and quality.

Scope 3 Reducing Emissions from Chip Transport Vessels

Much of the woodchips used as raw materials for domestic pulp and paper production are transported by special vessels from forest plantation sites overseas. International efforts to reduce GHG emissions from shipping transportation are under way, and we are reducing the speed of shipping for woodchip transportation ships used by the Oji Group in order to improve fuel efficiency and thus reduce emissions. Recent newly constructed ships are also designed to generate lower emissions than existing vessels.

The Oji Group has set forth a target of reducing emissions from chip transport vessels by 40% by FY2040 compared with FY2018. In FY2024, emissions stood at 285 kt-CO₂, down 33.6%.

Climate-related Information Disclosure in line with the TCFD Recommendations

The Oji Group announced its support for the Task Force on Climate-related Financial Disclosures (TCFD) in December 2020 and is working on the climate-related information disclosure recommended by the TCFD. Please see our website for details of our disclosure.

Climate change

Circular Economy

Basic Approach

Contributing to Society's Transition to a Circular Economy

The Oji Group is actively engaged in the cultivation, cascading use, and circular use of renewable forest resources. We also use renewable energy to manufacture products, and recycle water used in manufacturing and recovered paper when operating our businesses. We have sustained operating "circular economy-type businesses" through the circular use of renewable resources.

While sustaining to operate circular economy-type businesses, the Oji Group also implements initiatives related to water, plastics, and recovered paper, as part of our contribution to society's transition to a circular economy.

Water

The Oji Group's forest resources in Japan and overseas have a water resource cultivation function for purifying and accumulating fresh water. The total amount of water resource cultivation across 188,000 ha of Oji Forests in Japan is estimated to be equivalent to approximately 2.6x the water withdrawal of the entire Oji Group. We will maintain the water resource cultivation function of forests to support local water resources.

When using water resources in our businesses, we cooperate with stakeholders and use them in ways suited to local circumstances. We uphold our commitment reducing water withdrawal and water pollutants, as we work to protect local ecosystems and return water resources to local areas. At some business sites, we also operate our businesses in areas with high water risk, according to the World Resources Institute's Aqueduct water risk assessment tool. Although the financial impact on net sales and assets is low, we recognize the impact of our water use in areas with high water risk and will mitigate our impact on surrounding areas.

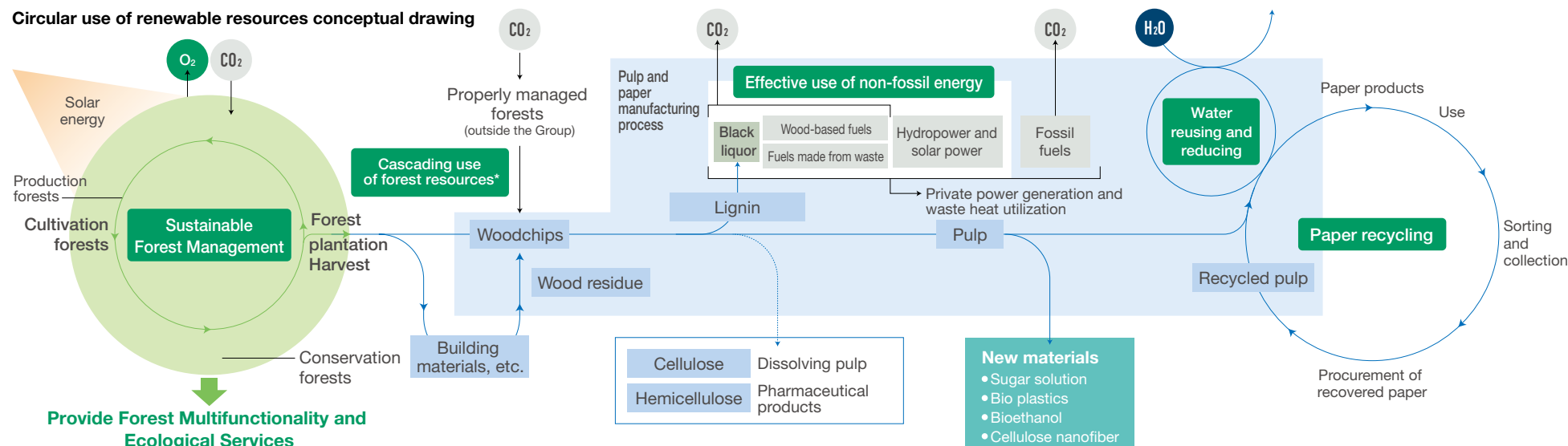
Plastic

We are expanding sales of sustainable packaging as an alternative to plastic, which has a major environmental impact, in order to reduce its use in society as a whole. Furthermore, although we do not use large amounts of plastic in manufacturing processes, some waste plastic is generated by contaminants in recovered paper that we use as a raw material. We are working to recycle this waste plastic (including thermal recycling) and intend to achieve "negative plastic emissions" through sales of sustainable packaging that meet or exceed the volume of any waste plastics that are not recycled.

Recovered paper

By using various types of recovered paper as raw materials after their use in products, we will reduce product waste and use resources in a circular manner, while maintaining a recycling system for recovered paper across society as a whole.

Circular use of renewable resources conceptual drawing



* Cascading use: Refers to the exhaustive use of resources and energy in a staggered manner over multiple uses.

Circular Economy

Water Targets and Initiatives

Targets and results

	Water intake intensity (m³/¥ million)	Emission intensity (kg/¥ million)		
		BOD	COD	SS
FY2024 Results	371.3	3.31	19.03	7.14
FY2030 Targets	448.4	4.66	21.12	9.02

In our Environmental Action Program 2040 announced in May 2025, we set targets for reducing water withdrawal and BOD, COD, and SS emissions.

[▶ ESG Data Environment No. 13](#)
[▶ ESG Data Environment No. 8](#)

Engagement with regional water users (stakeholder engagement)

Water resources are closely linked with the regions where we operate our businesses, and initiatives related to water affect local communities and ecosystems. The Oji Group is implementing initiatives based on consultation with regional water users. In particular, we will accelerate stakeholder engagement efforts at business sites in areas with high water risk.

Efforts to reduce water withdrawal

At Oji Paper, Oji Materia, Oji F-Tex, and Oji Nepia, whose water withdrawal accounts for approximately 80% of that of the entire Group, we have set specific reduction targets for 2030 and are working on related initiatives. The Sustainability Committee confirms the progress of these initiatives.

Wastewater purification initiatives

Each Oji Group mill manages wastewater quality using voluntary standards that are stricter than laws and ordinances. In this way, we adhere to regulatory standards for wastewater while endeavoring to purify it.

Plastic Targets and Initiatives

Targets and results

	Sustainable packaging sales volume*1	Amount of unrecycled waste plastic*2	Negative plastic emissions
FY2024 Results	3,141 tons	1,009 tons	Achievement
FY2030 Targets	At least 5,000 tons	0 ton	

*1 Includes some non-wrapping plastic alternative paper products

*2 Total for 9 Oji Group companies in Japan (Oji Paper Co., Ltd., Oji Materia Co., Ltd., Oji F-Tex Co., Ltd., Oji Nepia Co., Ltd., Oji Imaging Media Co., Ltd., Oji Container Co., Ltd., Morishigyo Co., Ltd., Oji Tac Co., Ltd., and New Tac Kasei Co., Ltd.)

Expansion of sustainable packaging sales

By replacing plastic products with sustainable packaging, the Oji Group reduces the amount of plastic used by our customers and throughout society as a whole. The replacement of plastic products derived from fossil resources with sustainable packaging from renewable forest resources will also contribute to the transition to a circular economy.

[▶ Sustainable packaging P.29](#)

Waste plastic recycling initiatives

More than 90% of the waste plastic generated by the Oji Group is derived from plastic mixed with recovered paper, the raw material for paper and paperboard. The Oji Group therefore implements the recycling of waste plastic at each of our manufacturing sites, through efforts including disposal contracts with parties that will effectively use these resources.

In-house plastic use reduction initiatives

In some Oji Group businesses, we use a certain amount of plastic, such as packaging, and we will therefore continuously focus on reducing the use of plastic, in cooperation with packaging companies and materials manufacturers.

[▶ Initiatives at Oji Nepia \(Japanese Only\)](#)

[▶ Initiatives at GRAND HOTEL NEW OJI \(Japanese Only\)](#)

Recovered Paper Targets and Initiatives

Targets

Under the Environmental Action Program 2030, we aim to achieve a recovered paper utilization ratio of 70% or higher in Japan.

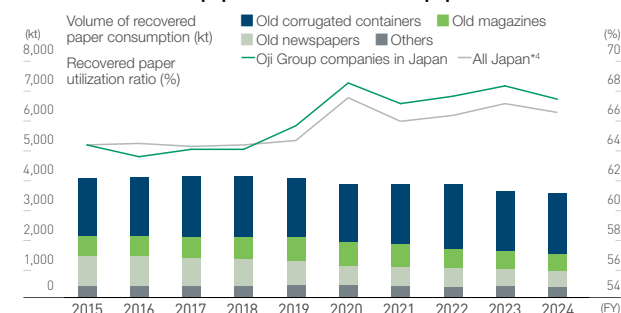
Initiatives for the expanded use of recovered paper

To date, the Oji Group has actively worked to expand the use of recovered paper, through the efforts including increasing recycling for confidential documents. We have also newly established a system to recycle used paper cups and liquid containers such as milk cartons that have conventionally been difficult to process, and are promoting their reuse at our mills.

Current recovered paper utilization ratio

The Oji Group's consumption of recovered paper is the largest in Japan, amounting to 3.5 million tons annually. This accounts for 24% of the 14.6 million tons of total recovered paper consumed in Japan. The Group uses various types of recovered paper in a wide range of products. The recovered paper utilization ratio has continued to increase year by year, achieving a high level of 67.4% in FY2024. The ratio for containerboard, in particular, is much higher, at 98.3%.

Volume of recovered paper used and recovered paper utilization ratio^{*3}



*3 Recovered paper utilization ratio = Volume of recovered paper consumed ÷ Total volume of fiber raw materials consumed (total consumption of recovered paper, wood pulp, and other fiber raw materials)

*4 Source for all Japan: Paper Recycling Promotion Center

Responsible Raw Materials Procurement

Basic Approach

The Oji Group engages in responsible raw material procurement through ongoing dialogue with its suppliers, thus contributing to a sustainable society. As the sense of crisis grows with regard to deforestation risk in society, we are committed to engaging in procurement that does not destroy or convert forests throughout our supply chain.

Supplier Guidelines and Commitment

The Oji Group has set forth the following two guidelines to implement responsible raw materials procurement, and we require that new suppliers are conversant with both policies before entering into transactions. Moreover, we ensure that all suppliers are fully informed when guidelines are revised.

▶ [Oji Group Sustainability Action Guidelines for Supply Chains](#)

▶ [Wood Raw Material Procurement Guidelines](#)

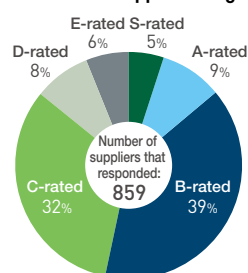
In FY2024, we announced the following commitment, and revised our “Wood Raw Material Procurement Guidelines” to clearly state our commitment of No deforestation and No conversion.

▶ [No Deforestation and No Conversion Commitment](#)

Supplier Sustainability Surveys

Cooperation with suppliers is essential for compliance with laws and regulations as well as the fulfillment of social responsibility across the entire supply chain. Since FY2020, the Oji Group has been conducting a sustainability survey of major suppliers selected on the basis of transaction value and product categories, with the aim of gaining a better understanding of the actual situation in the supply chain and strengthening risk management. To date, we have collected responses from 859 out of 1,185 companies (response rate of approximately 73%), and we continuously assess suppliers with low scores. While maintaining dialogue with key suppliers, the Oji Group will also identify “Priority suppliers” in terms of environmental and social impact, and conduct related human rights and environmental due diligence.

Breakdown of supplier ratings



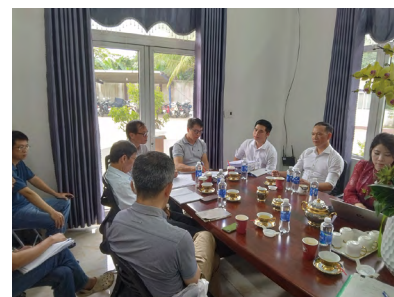
Score rating	Criteria	Number of suppliers
■ S	750 or more	46
■ A	650 or more Less than 750	77
■ B	500 or more Less than 650	338
■ C	250 or more Less than 500	278
■ D	100 or more Less than 250	71
■ E	Less than 100	49
Total score		Perfect score: 800 859

Verification of Traceability of Wood Raw Materials

The Oji Group has established verification items such as the origin of wood, forest management practices, the absence of illegally harvested wood or wood from high conservation value forests, and potential human rights violations, in accordance with the “Wood Raw Material Procurement Guidelines,” and procures only raw materials sourced from properly managed forests. The guidelines are revised as needed to continuously improve procurement standards.

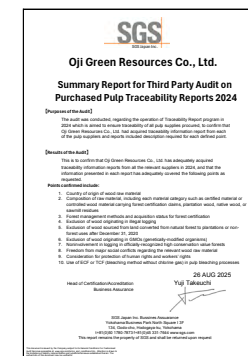
The origin of wood raw materials is traceable throughout the entire supply chain—from forests to chip, pulp, and paper mills. In FY2024, the Group procured 4,337 kBDT of woodchips in Japan and overseas and 160 kADT of market pulp and obtained traceability reports from all suppliers. These reports were audited by third-party organizations to verify compliance with the Wood Raw Material Procurement Guidelines and proper procurement procedures.

We also conduct annual visits to wood raw material suppliers’ mills and forest sites. In FY2024, we visited the mills and logging sites of all 36 overseas woodchip suppliers with a record of procurement transactions.



Visit to a supplier

In addition to checking logging permits and other documents that form the basis of traceability reports, we monitor compliance with our procurement guidelines through on-site inspections, interviews, and other means—covering human rights (including labor rights), health and safety, and environmental considerations. When violations or risks are identified, we request corrective actions and collaborate with suppliers to drive improvements.



Summary Report for Third Party Audit on Traceability Reports

Utilization of Forest Certification Systems

The Oji Group utilizes the FSC™ forest certification system to verify wood raw materials in accordance with its “Wood Raw Material Procurement Guidelines.” All procured wood raw materials comply with the requirements for FSC-certified wood and FSC-controlled wood. By leveraging forest certification systems, we ensure traceability and appropriate management of wood raw materials across all stages of the supply chain.

Respect for Human Rights

The Oji Group's Approach to Human Rights

"Respect for human rights" is an essential prerequisite for successful solutions to material issues. The Oji Group shares a common approach to consideration for human rights, not just for our employees but also across the entire supply chain, including clearly stating its importance in the "Oji Group Corporate Code of Conduct" and "Oji Group Human Resource Philosophy."

Oji Group Human Rights Policy

In the belief that the responsibility to respect human rights is an important element of the global code of conduct, the Oji Group formulated the "Oji Group Human Rights Policy" in order to further promote and implement initiatives that help ensure respect for human rights in 2020. This policy applies to all officers and employees of the Oji Group and is reflected in all our business activities. We also expect all stakeholders to understand and adhere to this policy.

In January 2025, we introduced a grievance mechanism, and partially revised the "Oji Group Human Rights Policy."

[▶ Oji Group Human Rights Policy](#)

Promotion structure

Matters that are material to fulfilling our commitment to respect human rights are deliberated by the Sustainability Committee and monitored and supervised by Directors.

[▶ Sustainability Management Structure](#)

Human Rights Due Diligence

In accordance with the "United Nations Guiding Principles on Business and Human Rights (UNGPs)," we have been conducting human rights due diligence since FY2022, as part of our corporate responsibility to respect human rights. In FY2024,

our efforts included human rights assessments of overseas suppliers, migrant worker surveys at overseas business sites, and human rights education.

Human rights assessments

We assessed overseas suppliers, mainly with regard to core labor standards such as labor, health, and safety. We shared the results of analysis as feedback with each company, and explained high-risk items and confirmed Oji Holdings' policy in briefings.

- Survey period: November 2024 to February 2025
- Survey target: 58 companies (responses from 38 companies)

[▶ Human rights due diligence results \(FY2024\)](#)

Migrant worker surveys by a third-party organization

We did not find that any human rights risks had materialized in the aforementioned human rights risk assessments, but at an operating company in Malaysia (one company), a third-party organization (International Organization for Migration (IOM)) surveyed the recruitment, employment, working conditions, and living environments of migrant workers, who are designated as "vulnerable stakeholders" in the UNGPs.

- Survey period: October 2024 to February 2025
- Survey method: Questionnaires and interviews (two on-site surveys) using the IOM guidelines and tools
- Survey target: Persons from Bangladesh, Myanmar, and Nepal

Based on the results of the survey, we received advice concerning potential human rights risks and recommendations for migrant worker management. Accordingly, as specific measures for improvement, we plan to spend several years implementing measures to mitigate human rights risks related to migrant workers at our manufacturing sites in Malaysia, starting in FY2025.

[▶ Human rights due diligence results \(FY2024\)](#)

Introduction of Grievance Mechanism

In February 2025, the Oji Group became an official member of the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER), established to support and promote redress of grievances by companies. Thanks to the introduction of a non-judicial grievance platform that conforms to the UNGPs, we are able to accept reports concerning human rights and all other aspects of responsible corporate conduct (including conduct and ethics related to the environment and nature) from all stakeholders in Japan and overseas, including employees, suppliers, local communities, indigenous peoples, and migrant workers.

Going forward, we will ensure the fairness and transparency of grievance redress on this platform, by drawing on professional expertise from JaCER, and we will strengthen our response to human rights issues in the supply chain and elsewhere, by means of remedy measures if any negative impact on human rights is identified. We will also endeavor to regularly spread awareness of this platform and enhance systems for its operation to ensure that it is available to both internal and external stakeholders.



[▶ Hotline for Consultation and Reporting about Human Rights Issues](#)

Identification of Key Issues on Human Rights and Important Suppliers

In accordance with the UNGPs and other initiatives, the Oji Group used a risk-based approach to assess and identify "important human rights issues" that could occur in our business activities from the perspective of their impact. Similarly, we also identified "important suppliers" in the supply chain. As part of these assessments, we were reviewed by the International Development Center of Japan, a third-party organization with specialist expertise.



[▶ Identification of Key Issues and Initiatives on Human Rights](#)

Ensuring Workplace Safety and Health

Basic Approach

Alongside compliance and the environment, safety forms the foundation of the Oji Group's corporate value and must be given absolute top priority. The Oji Group aims to be a company where employees can work in a safe environment, with peace of mind, in accordance with the "basic principle of safety as the absolute top priority."

[▶ Occupational Safety and Health](#)

Management Structure

We have set the "Oji Group Safety and Health Management Rules," which clarify our system of responsibilities related to safety and health in the Oji Group. Every year, we also formulate a Group Safety and Health Promotion Plan, under which we promote activities aimed at eliminating industrial accidents.

[▶ Policy](#) [▶ Structure](#)

Sustainability Material Issues and KPIs

The number of occupational accidents in the Oji Group in 2024 was 29 in Japan and 43 overseas (including one fatal accident overseas). The lost time injury frequency rate was 0.79 in Japan (0.80 in the previous year), 0.82 overseas (1.49 in the previous year), and 0.81 across the Group as a whole (1.20 in the previous year).

[▶ Data](#)

Occupational Accident Prevention Initiatives

Safety patrols by management

Following frequent occupational accidents in cargo handling operations, we have been continuously holding safety patrols, with the Group Technology Division and Safety Administration Department of Oji Holdings accompanying Chairman Kaku on patrols. In addition to corrugated container plants, paper mills, and other mills in Japan, we are also continuing patrols of mills overseas, such as Malaysia and Vietnam, that focus on the "implementation status of measures to prevent contact between heavy machinery and people," "ensuring visibility in facility corridors, and around intersections in particular (eliminating blind spots caused by products and materials)," and other factors.



Safety patrol by Chairman Kaku

Mill Manager and Site Manager Meetings

In response to safety patrols by Chairman Kaku, the Safety Administration Department and Industrial Materials COMPANY have been holding Mill Manager and Site Manager Meetings at this company, with the objective of "enhancing safety by having senior management at business sites set an example and foster a sensitivity toward danger (ability to see danger)."

Activities at these meetings include discussions about the results of mill safety patrols, as well as information sharing about our response when occupational accidents occur, examples of past occupational accidents and related countermeasures, legal risk related to occupational accidents, and other matters.

Initiatives to prevent contact between heavy machinery and people

In response to frequent occupational accidents related to forklifts and other cargo handling machinery, including a fatal accident, the Oji Group decided to implement a Group-wide initiative to clearly separate work areas for cargo handling machinery from pathways and work areas for people in mills, starting in 2024. Data about the progress of measures is regularly aggregated and reported to management, and we share information throughout the Group.



Installation of safety fences around pathways in plants (Above: before installation; Below: after installation)

Mandatory training upon selection for safety managers

When working to ensure safety in the workplace, it is important that management supervisors, who supervise and take responsibility in the workplace, have a high level of safety awareness and endeavor to guide and supervise their subordinates. To augment the safety awareness of management supervisors, since 2025, the Oji Group has made it mandatory for managers at all domestic Group companies, regardless of job type, upon selection as safety manager to attend training certified by the Ministry of Health, Labour and Welfare. In this training, participants acquire knowledge about the obligation to consider safety and related laws and regulations, measures to prevent the recurrence of occupational accidents, and other matters, and learn about the role expected of them as managers in a structured manner.

Strengthening Management Foundations

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Message from the General Manager, Human Resources Division

Kazuya Asatani

Oji Management Office
Director of the Board
General Manager, Group
Human Resources Division



We will carry forward our human resources-centered culture established since our founding, aiming for the growth and success of our people and the evolution of our organization

Our Group has carried forward the spirit of the “Gappon Capitalism” advocated by our founder, Eiichi Shibusawa. That is, utilizing the appropriate human resources and capital to enhance corporate value. We have conducted our corporate activities guided by the philosophy that “the source of a company’s strength is its people”

Furthermore, the importance of human capital continues to grow as we face demands to create and deliver value aligned with a global, sustainable digital transformation society. Based on the strategies outlined in the Long-term Vision 2035, we are organizing challenges and implementing initiatives to enhance human capital value across the following four categories.

(1) Securing diverse and talented human resources

Regarding the percentage of managers that are women we have set a target of 8.5% at the end of FY2030 (4.9% at the

end of March 31, 2025), and will systematically recruit, train, and promote women to management positions. (P.74) Furthermore, to expand our mid-career human resources pool in line with our business portfolio, we will establish attractive compensation systems that accommodate diverse life plans.

(2) Support for autonomous growth of human resources

We have established an e-learning environment as part of our support for autonomous reskilling. Furthermore, we have created a new website (Oji Library) to publish Group-specific content and facilitate information sharing. We aim to develop this into a platform that contributes to the dissemination of management strategies, skill enhancement, and strengthened Group collaboration.

(3) Optimal utilization of human resources

We will establish an employee skill map (categorizing approximately 3,000 skill and level combinations) to facilitate appropriate staffing, support individual career and skill development, and drive the growth and evolution of both individuals and the organization.

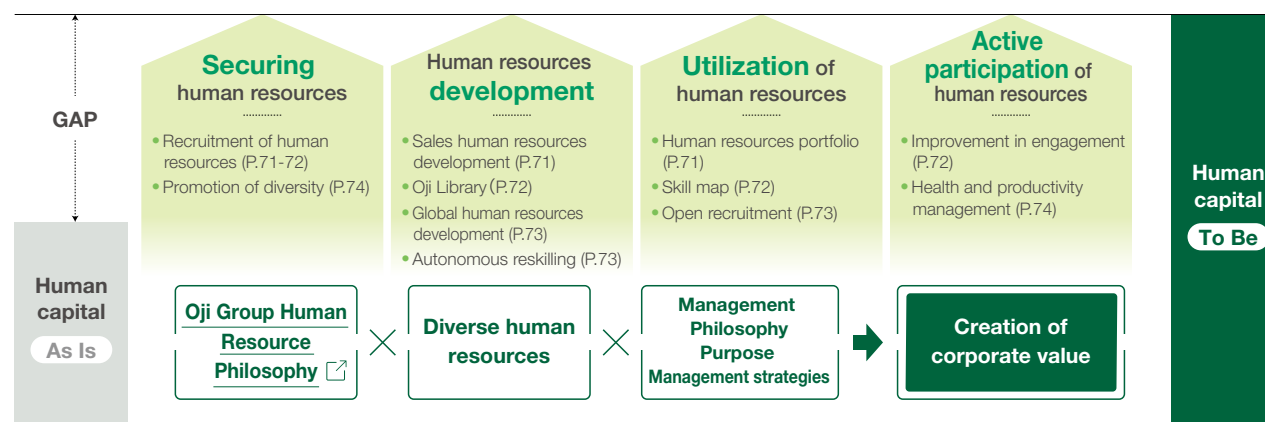
(4) Improvement in engagement of human resources

To improve engagement, we will enhance job satisfaction and ease of work by expanding the engagement survey for all domestic Group employees and taking measures such as strengthening workplace communication through feedback of quantitative results.

In addition, town hall meetings have been held in various locations since last year. Through direct dialogue between management and employees, we foster a shared understanding of business operations and a sense of unity, which is also reflected in personnel measures and other initiatives.

To continue enhancing corporate value and evolving, we will respect each individual as a person and support the growth of their diverse abilities, thereby striving to increase human capital value.

Key perspectives and exemplary initiatives in our human resource strategy

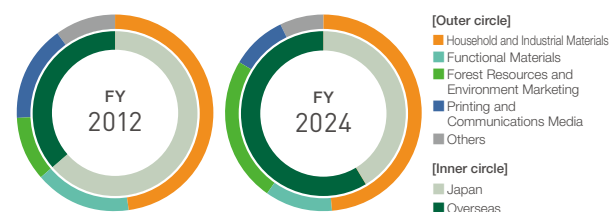


Human Resource Strategies

Human Resources Portfolio

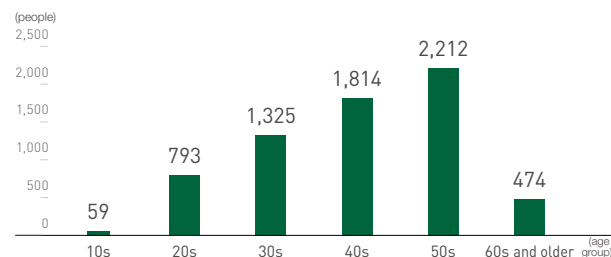
Following the transition to a holding company structure in October 2012, we have actively pursued a transformation of our business structure "Beyond the Boundaries." As a result, the personnel composition by COMPANY has undergone significant changes. With the acceleration of overseas expansion, the percentage of overseas employees has steadily increased from 36.1% to 58.5% over the past 12 years. On the other hand, our age structure in Japan shows a high proportion of workers in their 50s, and this is expected to become a serious issue in the near future, particularly at manufacturing sites. To maintain and develop our business operations, securing personnel within a short timeframe is essential. We are therefore advancing our response under systematic human resources strategies.

Transition in personnel composition by COMPANY and Japan and overseas site



Outer circle: Breakdown by COMPANY, inner circle: Breakdown by Japan and overseas site

Age distribution (large domestic companies, excluding managers)

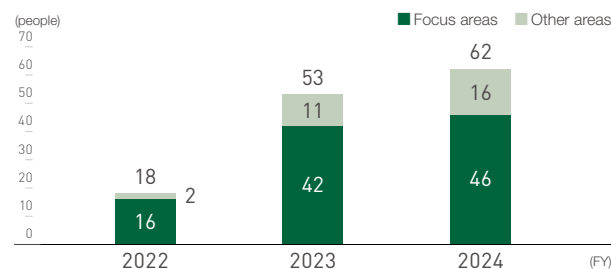


Initiatives to Expand Business Domains

(1) Strengthening recruitment of specialized human resources

With an eye toward expanding new business ventures, we are strengthening our recruitment of highly specialized mid-career human resources engaged in R&D, new business initiatives, and overseas businesses. Hiring in these priority areas in FY2024 has more than tripled compared with two years ago. We will continue to secure highly specialized human resources and expand opportunities for their active participation.

Mid-career recruitment achievements (FY2022–2024)



•Voice of an employee making an impact

Yuki Yoshikura

Oji Holdings
Innovation Promotion Division
Semiconductor Electronic
Materials Research Center

Members from diverse backgrounds gather and freely exchange opinions on a daily basis. I am applying my experience as a semiconductor front-end process engineer to take on the challenge of developing a new material called biomass photoresist.



(2) Strengthening the development of sales human resources

To drive the expansion of our business domains, enhancing the skills of our sales human resources is essential. In FY2024, we launched a sales human resources development program to raise the level of our sales force by enhancing their ability to offer value-added proposals to customers. Furthermore, starting in FY2025, a new sales award system has been established to promote collaboration among sales, product planning, development, and marketing and the reproducibility of results by sharing and developing value-creating sales case studies within the Group.

•Feedback from an employee who completed the training

Mayu Ogawara
Oji Nepia
Care Support Sales Division
East Japan Sales Department, Tokyo Area Team 2

We realized it is possible to offer comprehensive value propositions that go beyond just products, even in the healthcare and welfare sector, where quantification is difficult. Furthermore, by utilizing ChatGPT, I have gained the ability to think from diverse perspectives unbound by preconceived notions.



CEO Sales Awards

Human Resource Strategies

Review of Past Initiatives

The Oji Group, guided by the principle that “the source of a company's strength is its people” continues to strengthen its investment in human capital. In 2022, we established the Oji Group Fuji Training Center as a base for human resources exchange and training. Furthermore, to foster an environment where diverse human resources can thrive, we have introduced measures such as open recruitment programs, provided flexible permission for a second or concurrent job, established support systems for LGBTQ individuals, and implemented continuous employment programs. To enhance employee retention and achieve human capital KPIs, we are expanding engagement surveys, identifying issues through dialogue, and promoting initiatives that support growth.

Major initiatives in FY2022–2024

2022	- Establishment of the Oji Group Fuji Training Center - Introduction of an open recruitment system within the Group - Commencement of the Sustainability Committee
2023	- Flexibility to work at a second or concurrent job - Establishment of an LGBTQ consultation desk and creation of a handbook - Introduction of a program for continued employment after age 65
2024	- Start of town hall meetings - Introduction of reskilling through e-learning - Expansion of engagement survey

Issues Faced and Measures Taken to Address Them

Issue: Lack of manufacturing site personnel

Measure: Strengthen recruitment in manufacturing technical positions

As stated in the Human Resources Portfolio on P.71, securing personnel for manufacturing sites remains an urgent priority to ensure the smooth operation of our businesses going forward. In addition to the decline in the younger population due to the falling birth rate, the growing sense of labor shortages across industries and the expectation for high school graduates to be immediately effective have kept the market for high school graduates firmly in favor of job seekers. We are striving to improve the fulfillment rate through multifaceted initiatives, including revising the compensation of new high school graduate hires and strengthening school visits by utilizing the reemployment of former employees. As a result, the high school graduate hiring rate at the Group's major companies has significantly improved, rising from 38% for the 2024 joiners to 72% for the 2025 joiners.

Issue: Improving employee engagement

Measure: Convening of town hall meetings

We hold town hall meetings as a forum for direct dialogue between management and employees to deepen mutual communication by disseminating our Management Philosophy, business strategies, and other policies, while also listening to and incorporating the voices of frontline employees. This aims to unify decision-making in business operations, foster organizational cohesion and an open workplace, and enhance employee engagement.



A scene from a town hall meeting

In FY2024 (including initiatives implemented in FY2025 as part of the FY2024), Oji Holdings executives, including CEO Hiroyuki Isono, engaged in dialogue with approximately 1,200 employees. We will continue these efforts going forward.

Employees' opinions expressed at town hall meetings and measures taken in response to them



The organization is siloed, making it difficult to collaborate with other departments...

▶ CxO structure P.82



DX is not progressing. Our processes still rely on data exchange through Excel files...

▶ Digital Transformation Strategies P.75

Issue: Visualization of skills and development of human resources infrastructure

Measure: Creation of a new skill map and portal site

We began establishing a Skill Map starting in 2025 to accurately assess the skills and proficiency levels of our employees and achieve optimal human resources allocation and development based on this information. The job types and skill levels will be combined to create approximately 3,000 distinct classifications. In addition, we have established the Oji Library portal site to consolidate unique content specific to the Oji Group and promote the sharing of expertise and information across the entire Group; deepen understanding of our Management Philosophy, Purpose, and management strategies; and enhance productivity and engagement through employee reskilling.

Human Resource Strategies

Initiatives with Originality

Internal events utilizing Oji Hall

As part of our social contribution activities, the Oji Hall, a dedicated music hall established within our Ginza headquarters building, also serves as a venue for fostering a sense of unity within the Group. In April 2025, the Oji Group Joint New Employee Entrance Ceremony and Opening Remarks (a speech by CEO Isono) were held in the same hall, with executives from both Japan and overseas invited for the event.



FY2025 Group Joint New Entrance Ceremony



Opening Remarks

Implementation of an employee-participation event in collaboration with Moomin

We launched the WITH FOREST PROJECT in February 2025, collaborating with the globally popular character Moomin to communicate the value forests bring to daily life.

As part of this initiative, we collaborated on the MY MOOMIN HOUSE Festival held in March 2025, conducting origami workshops. Employees from each Group company volunteered to participate in the workshop's operation. We will continue to promote employee participation while proposing lifestyles that coexist with nature.



Participants in an origami workshop

Ongoing initiatives (1)

Human Resources Education

Global human resources development

As we pursue further overseas expansion, securing and developing global human resources within the Company is one of our key initiatives. Starting in FY2023, we have implemented the Global Intensive Program to expand the pool of candidates for expatriate positions. Of the 22 participants, five are already stationed overseas. In addition, we provide opportunities such as subsidizing online English conversation lessons and offering regular TOEIC testing to enhance employees' English proficiency and foster cross-cultural communication skills. The percentage of employees in generalist-track and managerial positions with TOEIC Listening & Reading Test scores of 730 or higher has increased from 6.6% to 14.2% over the past 10 years. We will continue to strive to elevate the overall skill level of our workforce.



A scene from the Global Intensive Program

Autonomous reskilling

We established an e-learning environment starting in FY2024 to enable employees to autonomously acquire new knowledge and skills. The platform is open to interested employees, with all costs covered by the Company, and currently approximately 1,000 employees have enrolled.

[▶ Please see here for other employee development and training initiatives](#)

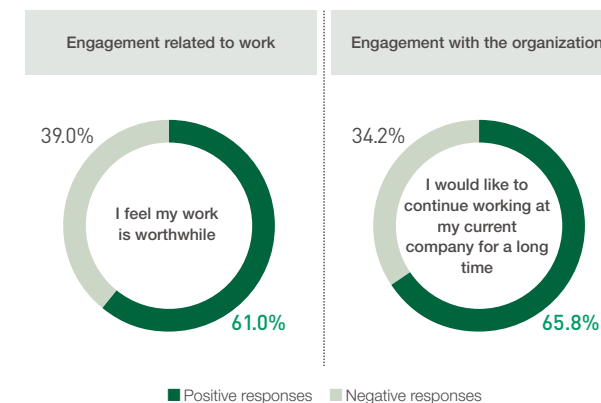
Ongoing initiatives (2)

Creating a Comfortable and Rewarding Work Environment

Implementation of an engagement survey

To understand and analyze the actual situation and drive improvements, we have expanded our engagement survey starting in FY2024 and are providing feedback to each workplace. We are focusing particularly on the survey results regarding job satisfaction (work) and willingness to work for a long time (organization). We are continuously working to improve scores by formulating and implementing improvement measures for workplaces with low scores, as well as enhancing the working environment.

FY2024 engagement survey results



Open recruitment system within the Group

An open recruitment system has been in place since FY2022 for the purpose of autonomous career development of employees. In FY2024, a total of 10 employees (46 employees cumulatively since FY2022) were transferred through open recruitment in six departments of two Group companies directly related to the realization of the Long-term Vision.

Human Resource Strategies

Promotion of diverse working styles

In addition to improving productivity through operational efficiency initiatives, we are working to reduce total working hours by taking advantage of the flex-time system and remote work, and encouraging employees to take annual paid leave. Currently, across 26 Oji Group companies in the Main Office region, we are implementing various measures to achieve an annual total working hours target of 1,850 hours. Furthermore, as part of our initiatives to realize diverse work styles, we introduced a selective work location restriction system for employees at some companies starting in 2025.

Ongoing initiatives (3)

Inclusion & Diversity

Support for balancing work and childcare/family care

We support the balance between work and childcare through operating the “Nepia SODATERASU” nursery and hosting roundtable discussions for employees returning from parental leave. For male employees, we have set a target of 100% utilization of childcare leave and similar benefits, actively encouraging their participation in household chores and childcare. In addition, to support balancing work and caregiving responsibilities, we are enhancing our support system by offering webinars and establishing an external consultation service starting from 2025.



Roundtable discussion with members returning from parental leave

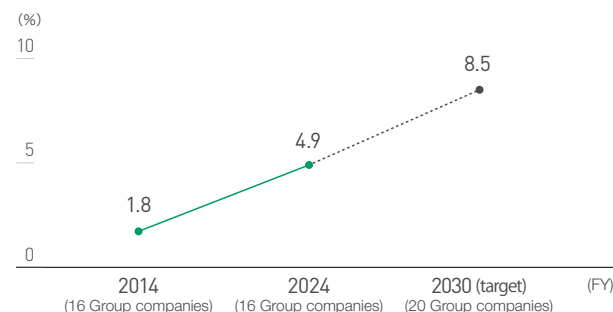


Seminar on balancing work and family care

Promoting the active participation of women

The percentage of managers that are women across 16 Group companies reached only 4.9% as of the end of March 2025, falling short of the 5.5% target. However, the scope has been expanded to 20 Group companies, and the initiative has been relaunched with a new target of 8.5% by the end of March 2031. We will continue to provide training and other activities to foster awareness.

The percentage of managers that are women



Persons with disabilities

To achieve the statutory employment rate, we are systematically promoting the employment of persons with disabilities at each business site and job type, in addition to cleaning in the Main Office region conducted by Oji Clean Mate (a special-purpose subsidiary). We also utilize agencies and referral recruitment to hire and retain motivated human resources.

Senior human resources

We introduced the retirement at age 65 system in FY2017 at major Group companies in Japan; in addition, a reemployment system up to age 67 was introduced in FY2023 for employees who meet certain conditions. Starting in 2025, we introduced a selective three-day workweek system for employees aged 60 and older to improve their compensation, and for employees aged 55 and older at some companies, aiming to enhance engagement and promote diverse work styles.

LGBTQ

The Oji Group has published the Oji Group LGBTQ Handbook on its employee portal site with the aim of fostering a workplace environment in which diverse human resources, including sexual minority parties, can play an active role. In addition, an external consultation service for sexual minorities was established in 2024.

[▶ Please see here for other diversity initiatives](#)

Ongoing initiatives (4)

Health and Productivity Management

Under the leadership of the Chief Health Officer (CEO), our activities for health and productivity management are promoted through cooperation among the companies, health insurance unions, and labor unions, and industrial physicians. These measures aim to create working environments where employees can actively work

in a lively manner and with sound health. We were recognized under the 2025 Certified Health and Productivity Management Organization Recognition Program (Large Enterprise Category) for the fifth consecutive year since FY2021.

Examples of initiatives

- Expansion of medical checkup items and cost subsidies
- Actively recommending secondary health checkups
- Stress checks conducted targeting all employees
- Introduction of health promotion app
- Holding health seminars
- Establishment of Health Consultation Office

Utilization of health promotion app

We have introduced a health promotion app to enable each employee to proactively engage in health improvement activities. We encourage behavioral changes among employees through daily tracking of steps, diet, weight, sleep duration, and other metrics. We are implementing initiatives such as hosting walking events that utilize the app to encourage its use.

Digital Transformation Strategies

Aiming to Solve Management Challenges with Digital Technology and Driving the Creation of New Businesses

The labor shortage resulting from declining birth rates, a challenge facing many companies in recent years, is also an issue for the Oji Group. Measures to maintain and expand current business activities are required even in the face of an inevitable decline in the workforce.

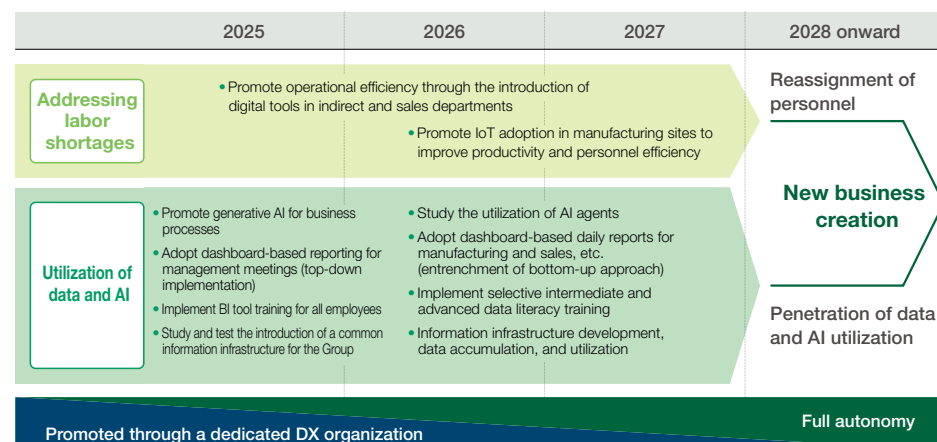
Furthermore, the Oji Group has repeatedly engaged in numerous mergers and acquisitions, yet the systems of its major companies remain unintegrated. Utilizing data dispersed throughout the Group is one of its major management challenges.

To address these management challenges using AI and other digital technologies including AI, we established the DX Promotion Department in February 2024, thereby enhancing competitiveness and further driving new business creation.

FY2024 served as a preparatory period, but starting in FY2025, we have been implementing measures in full swing according to the roadmap below. We will promote the penetration of data-driven management by providing BI tool training for approximately 10,000 officers and employees nationwide, while also advancing operational efficiency in indirect and sales departments through the introduction of digital tools.

In the future, we will further accelerate IoT implementation at manufacturing sites, aiming to create new businesses through reassignment of personnel and the utilization of data and AI.

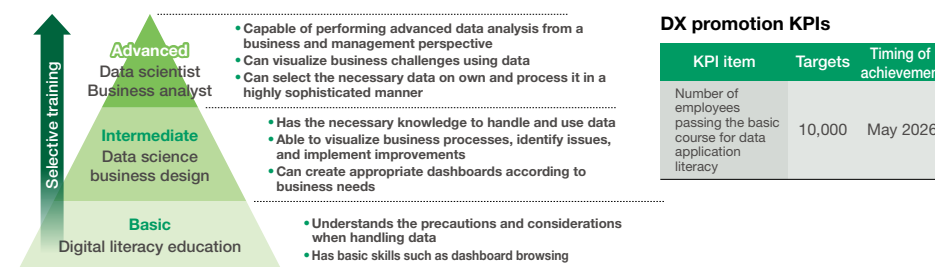
DX Promotion Roadmap



DX Human Resource Development

Data literacy education is an essential part of DX promotion. By providing a wide range of employees with foundational training in BI tools and other areas, we establish the basis for data-driven management, or decision-making based on data.

On the other hand, we will provide education through a selection process for personnel who are core to DX promotion and new business creation. We aim to cultivate human assets who possess a high level of business design, business analytics, and data literacy. This will be achieved not only by sending employees to external educational institutions to acquire more advanced data literacy skills but also through personnel exchanges such as temporarily transferring staff from business units to the DX Promotion Department for a set period before returning them to their original posts.



DX Case Study

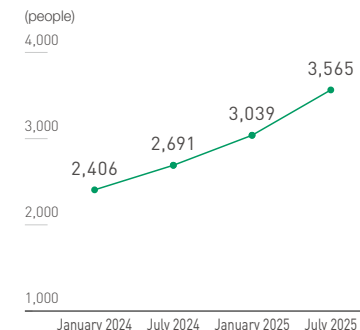
Safe use of generative AI

To safely utilize generative AI, which has seen remarkable advances in recent years, for business operations, we have made the internal ChatGPT service called OJI ChatGPT available since July 2023.

To date, approximately 3,500 employees in Japan have used the system, which is primarily used for translation, summarization, brainstorming, and coding assistance.

Going forward, we will further advance its utilization by developing models trained on internal and external data and introducing Google Gemini-based models with strong search capabilities.

Number of OJI ChatGPT users



Message from the Chair of the Nomination and Compensation Committees

As Chair of both the Nomination Committee and the Compensation Committee, I will fulfill my accountability to stakeholders with even greater independence and transparency

■ Change in Committee Structure (Appointment of an Outside Director of the Board as Committee Chair)

In FY2015, the Company established a Nomination Committee and a Compensation Committee as advisory bodies to the Board of Directors, aiming to enhance objectivity and transparency in the appointment of officers and the determination of compensation. Until FY2024, both committees were chaired by the President, with the Chairman, President, and all Outside Directors serving as committee members. While Outside Directors had held a majority since FY2020, starting in FY2025, the structure was changed to ensure governance with greater independence and transparency. The committees are now composed solely of Outside Directors, including the chair.

In my previous position, I served as Chair of the Board of Directors while concurrently chairing the Nomination/Compensation Committee. Frankly speaking, I felt a certain discomfort regarding deliberations concerning myself. I believe that this structural change has enabled a clearer separation between business execution and supervisory functions.

■ Compensation Committee

In designing director compensation, it is crucial to functionally determine the ratio between contributions to single-year

performance and contributions to medium- to long-term growth as well as the ratio between monetary compensation and stock-based compensation. Our compensation structure consists of three components: fixed compensation in cash, bonuses in cash that reflect single-year performance, and stock-based compensation that encompasses a medium- to long-term perspective. In FY2024, internal Directors of the Board were paid 50% fixed, 25% bonus, and 25% stock; however, in FY2025, to better motivate them to achieve management targets, the percentage of performance-linked compensation was increased and the compensation structure was set at 45% fixed, 27.5% bonus, and 27.5% stock. Outside Directors continue to be 100% fixed to emphasize their independence.

Key discussions and challenges identified by the FY2024 Compensation Committee

This committee annually reviews the appropriateness of compensation, taking into account comparisons with domestic corporate groups of similar scale. A review of the compensation structure, levels, and evaluation systems were proposed during the committee meetings in FY2023. Consequently, in FY2024, we conducted thorough reviews based on governance perspectives and industry benchmarks, leading to a complete redesign of the compensation system for Directors of the Board and Corporate Officers. The three-part structure of fixed compensation, bonuses, and stock remains unchanged. However, we have increased the proportion of performance-linked compensation while incorporating new perspectives such



Hiromichi Ogawa

Oji Holdings Corporation
Independent Outside
Director of the Board

Message from the Chair of the Nomination and Compensation Committees

as value sharing with shareholders, motivation toward medium- to long-term management goals, and long-term retention. In addition, the compensation of Corporate Officers was changed from the traditional employment-based model to a commission-based model, and the compensation structure was set at 55% fixed, 22.5% bonuses, and 22.5% stock.

Changes in compensation evaluation items and the Oji Group's distinctive character

Regarding the items subject to compensation evaluation, the system design through FY2024 placed a strong emphasis on profitability. This time, we have streamlined the non-financial components and added capital efficiency, growth potential, and shareholder value as new criteria. After repeated deliberations, we determined that bonuses would be based on three metrics: operating profit, indicating profitability; ROE, indicating capital efficiency; and the non-financial metric, Lost time injury frequency rate (LTIFR). Stock-based compensation is tied to six metrics: profit attributable to owners of parent for profitability, ROIC for capital efficiency, sales in areas with growth potential, dividend payout ratio for shareholder value, and non-financial metrics nature positive management and employee engagement. I believe the adoption of non-financial indicators emphasizing occupational safety and sustainability reflects the Oji Group's distinctive character.

Nomination Committee

We are currently undertaking the challenge of structural transformation, a challenge that entails great management risk, and our Long-term Vision 2035 and Medium-term Management Plan 2027 represent the resolve of our management team. In

particular, we view improving capital efficiency and transforming our business portfolio, the pillars of our Medium-term Management Plan, as extremely important strategic challenges. The Nomination Committee will deliberate primarily on whether the personnel appointments for Directors of the Board and Corporate Officers constitute the optimal structure to achieve these ambitious goals. Furthermore, deepening succession plans to foster the growth of next-generation leaders is another major theme for this committee.

Awareness of issues

Given the changes in committee composition starting in FY2025, I believe it is essential to first ensure proper understanding of various internal information and to organize the criteria for judgment. It is important to maintain the independence of the committee while ensuring it remains grounded in the realities of management, business management, and corporate culture. I will build a shared understanding with the leadership team to ensure effective communication and strive for realistic management. Furthermore, I recognize that processes to deepen succession planning, the effectiveness of the newly introduced CxO system aimed at fostering cross-functional capabilities, and measures to build a multilayered global human resources pipeline are also critical themes to be monitored. Moreover, from the perspective of strengthening governance, I understand that the appointment of the Chairman of the Board is also a matter for future consideration.

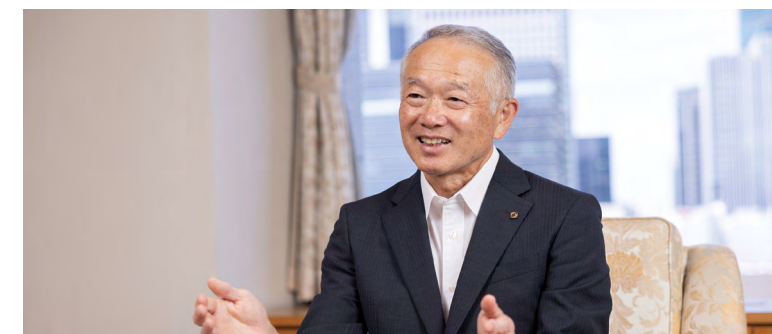
Future direction

My top priority for FY2025 is to monitor whether the current executive structure is functioning as intended and whether the various measures of the Medium-term Management Plan are progressing on course.

In addition, succession planning for Corporate Officers, led by the President, is a high-priority issue. Given the diversity of our business operations, the next generation of Corporate Officers must possess a combination of diverse business experience, sound management judgment, foresight, strong leadership, and personal integrity. I will continue to exchange views with the management team to foster such human resources.

Future Outlook

As Chair of both committees, I will always be conscious of transparency and fairness in deliberations. The source of business activities is human capital. Human resources are the most important factor in steadily executing business strategies, increasing corporate value, and remaining a company that is needed by society. I recognize that both committees play a vital role in key management decisions concerning the compensation and nomination of the management team as core human resources, and that they are bodies responsible for accountability to both internal and external stakeholders. I am committed to ensuring that both committees function soundly and in a manner that gains your confidence.



Message from Independent Outside Audit & Supervisory Board Member

Takashi Nonoue

Oji Holdings Corporation
Independent Outside
Audit & Supervisory
Board Member



Establishing a sound workplace culture from the perspective of global auditing and risk hedging

Features and Strengths of the Governance Structure

The Oji Group has significantly expanded its business fields beyond the paper industry and is actively pursuing global expansion through M&A and other means. The governance structure adopts a company system where each COMPANY operates under the holding company, Oji Holdings, which oversees the entire Group.

The Oji Group shares a common Purpose centered on forest resources. We recognize this as the strength that unites the entire Group across COMPANY boundaries and as the foundation for Group-wide governance.

Governance Transformation

The Oji Group has consistently pursued initiatives to enhance governance across the entire Group and improve the operation of its Board of Directors. Against this backdrop, we have promoted new effective governance transformation, such as clarifying the supervisory function of Directors of the Board and the business execution function of Corporate Officers as well as starting a matrix organization management by introducing a CxO system in addition to the COMPANY system.

These represent a crucial step toward strengthening Group-wide governance while preserving each COMPANY's autonomy. I believe the key to their successful implementation and effectiveness lies in changing individual mindsets and developing the human resources needed to support these reforms.

Audits Necessary for Global Business Expansion

Audits of overseas sites come with constraints unique to remote locations. To address these challenges, it is essential to establish a collaborative framework that clearly defines the roles and responsibilities of the holding company and each COMPANY. On top of that, it is essential to implement audits by flexibly combining multiple approaches, such as leveraging the latest communication tools and strengthening collaboration with accounting and audit firms engaged in global operations.

That said, as the saying goes, "Seeing is believing," and there are things one simply cannot understand without visiting the site in person. Therefore, I believe we must not forget the importance of face-to-face audits.

Preventing Misconduct

In recent years, scandals have repeatedly threatened the survival of companies. We have seen cases where the continuation of bad practices and inappropriate or untimely disclosure of information have exacerbated the situation. Even venerable companies face an immediate threat to their survival if misconduct related to compliance, safety, or the environment occurs.

To prevent such situations from arising in the first place, it is essential to continuously review systems and their implementation in response to changing times, while also ensuring thorough information sharing and prompt disclosure upon identification of issues. Above all, an open workplace is an essential requirement, and it is critical to strive for smooth communication between management and general employees, while endeavoring to improve and maintain the workplace environment, including measures against harassment.

Message to Stakeholders

The recently released Medium-term Management Plan 2027 clearly articulates our commitment to dialogue with all stakeholders, including communicating our Long-term Vision. As a steward entrusted by our shareholders, I will diligently monitor the implementation process of the plan and strive to contribute to the sustained enhancement of corporate value.

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 & Chairman of the Board, the Company (to the present)

Term of office as a director*: 12 years
Number of the Company shares owned: 87 thousand shares



Hiroyuki Isono

Representative Director of the Board, President
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, the Company
April 2025 Representative Director of the Board, President, the Company (to the present)

Term of office as a director*: 10 years
Number of the Company shares owned: 88 thousand shares



Kazuhiko Kamada

Representative Director of the Board, Executive Vice President
CSO

Division of Duties: Corporate Governance Div.
In Charge of: Oji Human Support Co., Ltd., Oji Business Center Co., Ltd., and Oji Paper Management (Shanghai) Co., Ltd.
President, Oji Management Office Inc.

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
April 2025 Representative Director of the Board, Executive Vice President, the Company (to the present)

Term of office as a director*: 10 years
Number of the Company shares owned: 69 thousand shares



Akio Hasebe

Director of the Board, Senior Executive Officer
COO

Division of Duties: Corporate Operation Div.
In Charge of: Oji Logistics Co., Ltd., and Kyokuyo Co., Ltd.
President, 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
April 2025 Director of the Board, Senior Executive Officer, the Company (to the present)

Term of office as a director*: 3 years
Number of the Company shares owned: 87 thousand shares



Satoshi Takuma

Director of the Board, Executive Officer
CTO

General Manager, Group Technology Div.
Division of Duties: Corporate Safety and Environmental Management Div.
In Charge of: Oji Engineering Co., Ltd.

April 1985 Joined the Company
February 2016 Managing Director, Oji Green Resources Co., Ltd.
April 2018 Executive Officer and Mill Manager of Tomioka Mill, Oji Paper Co., Ltd.
April 2020 Director and General Manager of the Production Technology Division, Oji Paper Co., Ltd.
April 2022 Managing Director and General Manager of the Production Technology Division, Oji Paper Co., Ltd.
April 2023 Advisor and General Manager of the Group Technology Division, the Company
April 2024 Corporate Officer, the Company
April 2025 Executive Officer, the Company
June 2025 Director of the Board, Executive Officer, the Company (to the present)

Term of office as a director*: Newly appointed
Number of the Company shares owned: 17 thousand shares



Seiko Nagai

Independent Outside Director of the Board

April 1983 Joined Japan Airlines Co., Ltd.
April 2008 Manager, In-flight Sales Group, Japan Airlines Co., Ltd.
April 2012 Manager, Passenger Cabin Dept., JAL Express Co., Ltd.
October 2014 Manager, Cabin Attendants Section 4, Haneda Airport, Japan Airlines Co., Ltd.
April 2015 Professor, College of Foreign Studies, Kansai Gaidai University (to the present)
June 2019 Outside Director, Member of the Board, ShinMaywa Industries, Ltd. (to the present)
June 2021 Independent Outside Director of the Board, the Company (to the present)

Term of office as a director*: 4 years
Number of the Company shares owned: 7 thousand shares



Hiromichi Ogawa

Independent Outside Director of the Board

April 1981 Joined Mitsubishi Corporation
June 1998 Director, Nichiriyo Baking Co., LTD.
April 2004 Senior Vice President, Lawson, Inc.
September 2004 Executive Managing Officer, Lawson, Inc.
November 2005 Unit Manager of Lawson Business, Mitsubishi Corporation
April 2006 Unit Manager of Retail Business, Mitsubishi Corporation
April 2014 Senior Vice President ("rji") and General Manager of Life Industry Group CEO Office, Mitsubishi Corporation
April 2017 Advisor, Itoham Yonekyu Holdings Inc.
June 2017 Director Chairman of the Board, Itoham Yonekyu Holdings Inc.
June 2022 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: 3 thousand shares



Sachiko Fukuda

Independent Outside Director of the Board

April 1987 Joined Minato Audit Corporation (currently KPMG AZSA LLC)
March 1990 Registered as a certified public accountant
October 2001 Registered as an attorney-at-law
April 2024 Re-registered as a certified public accountant
Outside Director, Audit and Supervisory Committee Member, Ryoyo Ryosan Holdings, Inc. (to the present)
June 2024 Independent Outside Director of the Board, the Company (to the present)

Term of office as a director*: 1 year
Number of the Company shares owned: 1 thousand shares



Atsuko Muraki

Independent Outside Director of the Board

April 1978 Joined the Ministry of Labour (currently the Ministry of Health, Labour and Welfare)
October 2005 Deputy Director-General of Policy Evaluation, Minister's Secretariat, the Ministry of Labour
September 2006 Deputy Director-General in charge of equal employment, children and families, Minister's Secretariat, the Ministry of Labour
July 2008 Director-General of the Equal Employment, Children and Families Bureau, the Ministry of Labour
September 2010 Director-General for Policies on Cohesive Society, Cabinet Office
September 2012 Director-General of Social Welfare and War Victims' Relief Bureau, the Ministry of Health, Labour and Welfare
July 2013 Administrative Vice-Minister for Health, Welfare and Labour, the Ministry of Health, Labour and Welfare
October 2015 Retired from the Ministry of Health, Labour and Welfare
June 2016 Outside Member of the Board, ITOCHU Corporation
June 2017 Outside Auditor, Somo Holdings, Inc.
June 2018 Outside Director, Sumitomo Chemical Co., Ltd. (to the present)
June 2019 Outside Director, Somo Holdings, Inc.
June 2025 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

* 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 2025.

Corporate Officers

Audit & Supervisory Board Members



Teruo Yamazaki

Audit & Supervisory Board Member

April 1982 Joined the former Honshu Paper Co., Ltd.
February 2016 Deputy Mill Manager, Ebetsu Mill, Oji F-Tex Co., Ltd.
April 2019 General Manager, Internal Audit Department and Corporate Compliance Department, Corporate Governance Division, the Company
April 2023 General Manager, Internal Audit Department, Corporate Governance Division, the Company
June 2023 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: 26 thousand shares



Haruko Souma

Audit & Supervisory Board Member

April 1987 Joined the Company
April 2012 General Manager of Quality Assurance Department, Oji Nepia Co., Ltd.
April 2014 General Manager of Product Development Department, Marketing Division, Oji Nepia Co., Ltd.
September 2015 Deputy General Manager of Household Development Center, Oji Nepia Co., Ltd.
April 2018 General Manager of Fujinomiya Plant, Oji Nepia Co., Ltd.
April 2023 Corporate Officer and General Manager of Fujinomiya Plant, Oji Nepia Co., Ltd.
June 2025 Audit & Supervisory Board Member, the Company (to the present)

Term of office as an Audit & Supervisory Board Member*: Newly appointed
Number of the Company shares owned: 61 thousand shares



Hidero Chimori

Independent Outside Audit & Supervisory Board Member

April 1983 Registered as an attorney-at-law
June 2002 Outside Audit & Supervisory Board Member, OMRON Corporation
June 2006 Outside Audit & Supervisory Board Member, DUSKIN CO., LTD.
June 2016 Independent Director, Audit & Supervisory Committee Member, Kobe Steel, Ltd.
June 2019 Outside COMPANY Auditor, ROHM Co., Ltd.
June 2021 Independent Outside Audit & Supervisory Board Member, the Company (to the present)

Term of office as an Audit & Supervisory Board Member*: 4 years
Number of the Company shares owned: 2 thousand shares



Takashi Nonoue

Independent Outside Audit & Supervisory Board Member

April 1982 Appointed as public prosecutor
January 2015 Director-General of the Public Security Intelligence Agency
September 2016 Superintendent Public Prosecutor of the Fukuoka High District Public Prosecutors Office
February 2018 Retired from Superintendent Public Prosecutor
April 2018 Inspector General of Legal Compliance of the Ministry of Defense
March 2021 Retired from Inspector General of Legal Compliance
June 2021 Registered as an attorney-at-law
June 2022 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: 5 thousand shares



Keiko Fukuchi

Independent Outside Audit & Supervisory Board Member

April 1981 Joined the Tokyo Regional Taxation Bureau
July 2008 Professor, National Tax College
July 2013 Director (Mutual Agreement Procedures), Commissioner's Secretariat, National Tax Agency
July 2017 Director (Health and Welfare), Commissioner's Secretariat, National Tax Agency
March 2018 Regional-Commissioner, Kanazawa Regional Taxation Bureau
July 2019 Retired from Regional-Commissioner
August 2019 Registered as Certified Public Tax Accountant
June 2020 Outside Director (Audit & Supervisory Committee Member), Kawada Technologies, Inc. (to the present)
April 2021 Outside Audit & Supervisory Board Member, ASKA Pharmaceutical Holdings Co., Ltd.
June 2025 Independent Outside Audit & Supervisory Board Member, the Company (to the present)

Term of office as an Audit & Supervisory Board Member*: Newly appointed
Number of the Company shares owned: 0 thousand shares

CEO: Chief Executive Officer

CFO: Chief Financial Officer
Formulation and execution of financial and capital strategies, corporate governance

CSO: Chief Strategy Officer
Formulation of Group-wide management strategies, marketing and sales strategy

COO: Chief Operating Officer
Execution and management of production and sales strategies, aggregation of customer needs, market research

CTO: Chief Technology Officer
Supervision of the technological aspects such as operational and advanced technologies, and production system development

CIO: Chief Innovation Officer
Concentrated execution of innovation such as new business and product development

Corporate Officers

Position	Name	Division of duties
President	Hiroyuki Isono*	CEO
Executive Vice President	Kazuhiko Kamada*	CSO, Division of Duties: Corporate Governance Div. In Charge of: Oji Human Support Co., Ltd., Oji Business Center Co., Ltd., and Oji Paper Management (Shanghai) Co., Ltd. President, Oji Management Office Inc.
Senior Executive Officer	Akio Hasebe*	COO, Division of Duties: Corporate Operation Div. In Charge of: Oji Logistics Co., Ltd., and Kyokuyo Co., Ltd. President, Oji Asia Packaging Sdn. Bhd. President, Oji Asia Management Sdn. Bhd.
	Shigeki Aoki	President, Functional Materials COMPANY President, Oji Functional Materials Progressing Center Inc. President, Oji Imaging Media Co., Ltd.
	Takayuki Moridaira	President, Household and Consumer Products COMPANY President, Oji Nepia Co., Ltd.
	Tan Dilun	President, Oji Paper Management (Shanghai) Co., Ltd. President, Jiangsu Oji Paper Co., Ltd.
Executive Officer	Satoshi Takuma*	CTO, General Manager, Group Technology Div. Division of Duties: Corporate Safety and Environmental Management Div. In Charge of: Oji Engineering Co., Ltd.
	Hirokazu Yasui	Managing Director, Oji Functional Materials Progressing Center Inc. President, Oji F-Tex Co., Ltd.
	Tadashi Oshima	CFO, General Manager, Corporate Governance Div. Senior Managing Director, Oji Management Office Inc.
	Atsushi Sekiguchi	President, Printing and Communications Media Business COMPANY President, Oji Paper Co., Ltd.
	Kazutaka Sekino	President, Industrial Materials Business COMPANY President, Oji Industrial Materials Management Co., Ltd. President, Oji Container Co., Ltd.
Corporate Officer	Naotaka Ono	President, Oji Europe Management S.r.l. President, Walki Holdings Oy Senior Managing Director, Oji Industrial Materials Management Co., Ltd. Managing Director, Oji Functional Materials Progressing Center Inc.
	Takashi Nakajima	Chairman, Celulose Nipo-Brasileira S.A.
	Mitsuo Wakabayashi	Senior Managing Director, Oji Industrial Materials Management Co., Ltd. President, Morishigyo Co., Ltd.
	Keigo Shindo	Senior Managing Director, Oji Industrial Materials Management Co., Ltd. President, Oji Materia Co., Ltd.
	Kazuyoshi Ando	President, Forest Resources and Environment Marketing COMPANY President, Oji Green Resource Co., Ltd. President, Oji Forest & Products Co., Ltd.
	Kazutoshi Yokoyama	Vice President, Printing and Communications Media Business COMPANY Senior Managing Director, Oji Paper Co., Ltd.
	Takeshi Fujikawa	President, Oji Business Center Co., Ltd.
	Taketo Okutani	CIO, General Manager, Innovation Promotion Div.

* Also serves as a director

* The term of office as an Audit & Supervisory Board Member indicates the number of years as of the end of the Ordinary General Meeting of Shareholders held in June 2025.

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 integrity throughout the Group. Having positioned the enhancement of corporate governance as one of the highest priority issues for management, the Group will 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.

Evolution of Corporate Governance

The Oji Group has continuously worked to improve its corporate governance, based on the fundamental corporate values and principles of conduct passed down since its founding, while adapting to changes in the times and business environment and looking ahead to the future.

FY	1999	2004	2006	2007	2012	2015	2016	2019	2020	2021	2022	2023	2024	2025
Institutional design, system change	▶ Introduction of Corporate Officer system			▶ Introduction of Outside Director of the Board system	▶ Transition to holding company structure				▶ Increase in Outside Directors of the Board	▶ Increase in Outside Directors of the Board			▶ Introduction of CxO system	▶ Increase in ratio of Outside Directors of the Board
Board of Directors	13 (0)	10 (0)	10 (0)	12 (2)	14 (2)	13 (2)	13 (2)	13 (2)	12 (3)	12 (4)	12 (4)	12 (4)	12 (4)	9 (4)
Director of the Board (Of which, outside)				▶ Start of reporting content of management meetings to Outside Officers		▶ Start of effectiveness evaluation of the Board of Directors			▶ Started participation (voluntary) of Outside Officers as observers in the Group Management Meeting					
Nomination/ Compensation Committee						▶ President (Chair), Chairman, Outside Directors								▶ Solely Outside Directors
Compensation-related			▶ Introduction of stock compensation-based stock options				▶ Introduction of performance-linked and stock-based compensation							▶ Revision of director compensation system
Others		▶ Formulation of Oji Group Corporate Code of Conduct and Oji Group Behavior Standard		▶ Introduction of anti-takeover measures									▶ Review of retirement benefit trust contribution shares and increase in reduction target for strategic shareholdings	
													▶ Establishment of Sustainability Committee	
													▶ Announcement of "Initiatives for Enhancing Corporate Value"	
													▶ Abolition of anti-takeover measures	

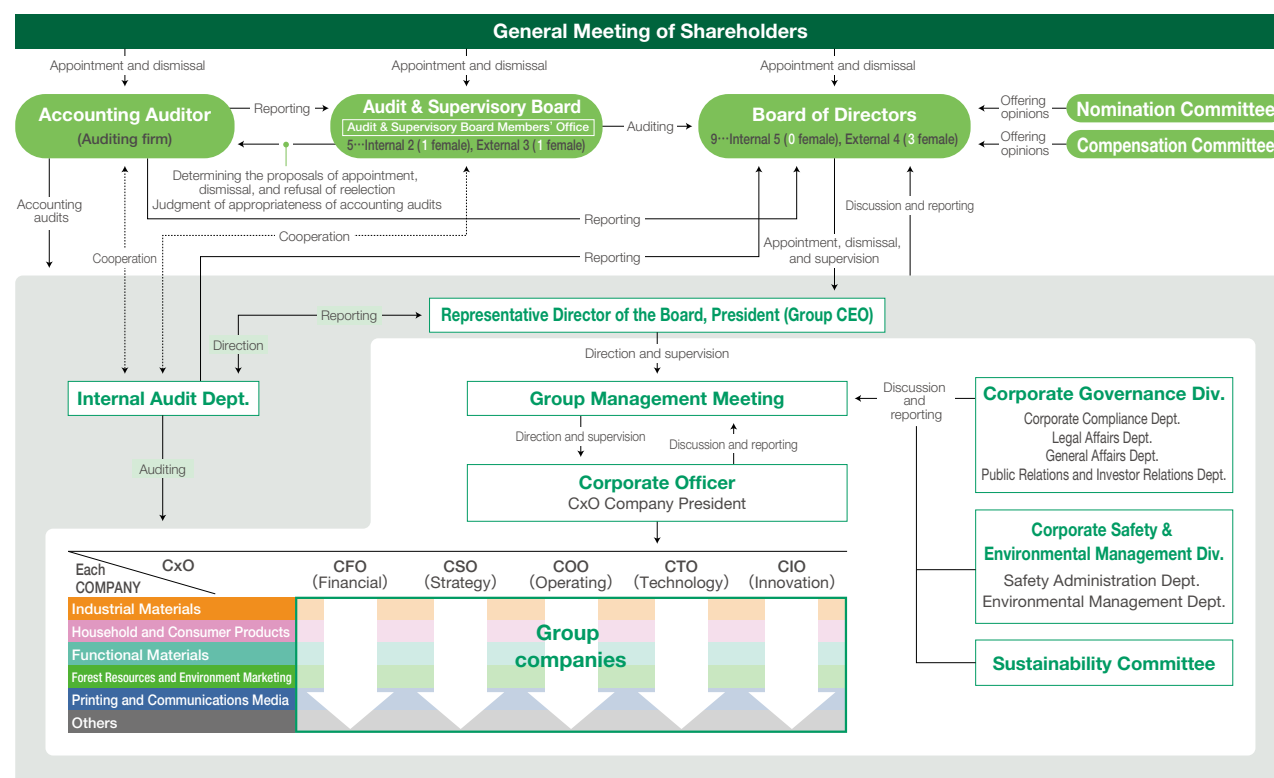
Please see here for details. [▶ Fundamental Policies on Corporate Governance](#) [▶ Corporate Governance Report](#) [▶ Corporate Governance](#)

Corporate Governance

Corporate Governance Structure

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. Effective April 1, 2025, the title of Group Management Committee Member was changed to Corporate Officer to further clarify the roles of Directors of the Board as supervisors and executive officers responsible for business execution. Furthermore, we have adopted a CxO system to further maximize Group synergies, achieve overall optimization, and enhance information sharing. 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 nine Directors (including four Outside Directors) and the Audit & Supervisory Board consists of five Audit & Supervisory Board Members (including three Outside Audit & Supervisory Board Members), and Representative Director and Chairman of the Board chairs the Board of Directors based on a resolution of the Board of Directors.

Corporate Governance Structural Diagram



CxO structure

In addition to the existing COMPANY system, each CxO will oversee and manage their respective domains across the Group through a matrix structure that integrates both vertically and horizontally. This enables faster execution of Group strategy and overall optimal management.

(Main role of each CxO)

- CEO:**
Overall supervision
- CFO (Financial):**
Financial and capital strategies, corporate governance
- CSO (Strategy):**
Group-wide management strategies, marketing and sales strategy
- COO (Operating):**
Execution of production and sales strategies, understanding of customer needs
- CTO (Technology):**
Oversee technological aspects of the entire Group, including advanced technologies
- CIO (Innovation):**
Concentrated execution of innovation such as new business and product development

Corporate Governance

Overview of Board of Directors and Audit & Supervisory Board

Role of the Board of Directors

The Board of Directors of the Oji Group makes important decisions regarding business execution based on the Management Philosophy and strategies, while also establishing a system to support rapid decision-making. Furthermore, the Board of Directors supervises business operations from an independent and objective standpoint, and supervises the construction of internal control and risk management systems, and the operation of these systems. Through these initiatives, the Board of Directors will fulfill its fiduciary responsibility and accountability toward shareholders to enable the Company to achieve sustainable growth and enhance its corporate value over the medium to long term as well as to improve its profitability and capital efficiency.

Role of Audit & Supervisory Board Members and Audit & Supervisory Board

The Audit & Supervisory Board and its Members conduct operational audits and accounting audits from an independent and objective standpoint, fulfilling their fiduciary duty to shareholders. In addition, they strive to actively exercise their authority by organically combining the advanced information gathering capabilities of the Standing Audit & Supervisory Board Members and the strong independence of the Outside Audit & Supervisory Board Members while maintaining cooperation with the Outside Directors of the Board.

Audit & Supervisory Board Members regularly meet with the Accounting Auditor to receive explanations regarding audit plans and the status of the implementation of audits, as well as financial statement audit results, and to exchange opinions.

The Audit & Supervisory Board Members and the Company's Internal Audit Department meet once every month to exchange information regarding audit plans and results and ensure cooperation between them.

Corporate Governance Structure

Nomination Committee and Compensation Committee

The Nomination Committee and the Compensation Committee have been established as advisory bodies to the Board of Directors. In addition to improving objectivity and transparency regarding the decisions of both committees, the Compensation Committee deliberates on the analysis and evaluation of the effectiveness of the Board of Directors.

Until now, both committees were chaired by the Representative Director and President, who was also a member. However, following the June 2025 General Meeting of Shareholders, the chair of both committees will be an Outside Director, and the committees will consist solely of Outside Directors (four members).

Role 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

Major deliberations of the Nomination Committee (FY2024)

Nomination and appointment of Directors, Corporate Officers, and Audit & Supervisory Board Members, deliberation on their dismissal, appointment of Corporate Advisors, deliberation on committee composition and policies

Role 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

Major deliberations of the Compensation Committee (FY2024)

Revision of compensation levels and systems for Directors and Corporate Officers, performance evaluation for performance-linked compensation, analysis and assessment of Board of Directors effectiveness, deliberation on committee composition and policies

Members of the Nomination Committee and the Compensation Committee and Their Meetings Held in FY2024

Position	Name	Nomination Committee	Attendance	Compensation Committee	Attendance
Representative Director and Chairman of the Board	Masatoshi Kaku		2/2		4/4
Representative Director of the Board, President	Hiroyuki Isono	Committee Chair	2/2	Committee Chair	4/4
Independent Outside Director of the Board	Michihiro Nara* ¹		2/2		4/4
Independent Outside Director of the Board	Seiko Nagai		2/2		4/4
Independent Outside Director of the Board	Hiromichi Ogawa		2/2		4/4
Independent Outside Director of the Board	Sachiko Fukuda* ²		2/2		3/3

*1 Independent Outside Director Michihiro Nara retired at the General Meeting of Shareholders on June 27, 2025.

*2 The attendance of Independent Outside Director Sachiko Fukuda covers Nomination/Compensation Committee meetings held after her appointment on June 27, 2024.

Succession Planning

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 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, all members of which are Independent Outside Directors, discusses these succession plans and selects executive candidates.

Corporate Governance

Independence of the Board of Directors

Policy 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, following deliberation among the Nomination Committee. The Board of Directors receives reporting from the Committee, deliberates, and makes decisions.

[Corporate Governance Structural Diagram P.82](#)

To further ensure independence

We have taken decisive steps to improve independence, including a significant increase in the ratio of Outside Directors in the Board of Directors (from four of 12 to four of nine) and a change in the composition of the Nomination Committee and Compensation Committee to solely Outside Directors. We will continue to actively pursue further measures to ensure greater independence.

Board of Directors Skill Matrix

The skills required of the Board of Directors are specifically designed to enable the Board of Directors to make appropriate management decisions and exercise highly effective supervision of business execution, thereby realizing the Oji Group's management strategies.

▶ Corporate management	Basic management skills required to realize corporate sustainability and management strategy
▶ Finance and accounting ▶ Capital strategy	Skills to grasp business conditions financially and raise questions, and to realize capital efficiency improvement
▶ Innovation ▶ Manufacturing	Skills to create innovative ideas and technologies for discontinuous growth and give a concrete shape to them
▶ Marketing ▶ Branding ▶ Market structure	Skills to anticipate needs and differentiate products and services and to build new business models
▶ Business portfolio transformation ▶ Production system building	Skills to establish and restructure business and to bring about stable and efficient production under an optimum system
▶ Global	Skills to raise questions and make decisions from a global perspective
▶ Human capital ▶ DX	Skills to reform business processes through development and utilization of diverse human resources and promotion of digitization
▶ Sustainability ▶ ESG	Skills related to environment, society, and governance; they are foundations of corporate management and indispensable for sustainability
▶ Legal affairs ▶ Compliance ▶ Risk management	Skills to supervise corporate activities, predict risks, and make proposals against risks from the perspective of legal affairs

Please see here for details. [Fundamental Policies on Corporate Governance](#) [Corporate Governance Report](#) [Corporate Governance](#)

Corporate Governance

Board of Directors Skill Matrix

Category	Position	Nomination/ Compensation Committee	Corporate management	Finance and accounting Capital strategy	Innovation Manufacturing	Marketing Branding Market Structure	Business portfolio Transformation Production system building	Global	Human capital DX	Sustainability ESG	Legal Affairs Compliance Risk Management	Main reasons for selection
Masatoshi Kaku (Reelection)	Representative Director and Chairman of the Board		●		●	●	●		●			He has extensive experience and achievements in the fields of technology, functional materials business, and R&D. He is involved in running the Group, including efforts to improve corporate governance, perform the functions of the Board of Directors, and encourage the exchange of views with Outside Officers in particular. He has been elected as he is expected to contribute to the Group's sustainable growth and medium- to long-term enhancement of its corporate value.
Hiroyuki Isono (Reelection)	Representative Director of the Board, President CEO		●	●	●		●	●		●	●	He has a wealth of experience and track record in the areas of overseas business and corporate planning. He is involved in running the Group, leading the formulation of the FY2025~2027 Medium-term Management Plan centered on improving capital efficiency and portfolio transformation. He has been elected as he is expected to contribute to the Group's sustainable growth and enhancement of its corporate value.
Kazuhiko Kamada (Reelection)	Representative Director of the Board, Executive Vice President CSO		●	●		●	●		●	●	●	He has a wealth of experience and track record in the areas of overseas business, and forest resources and environmental marketing business at a general trading company and the Company. He is involved in running the Group and has been engaged in the development of business portfolio strategy, marketing strategy, and sustainability strategy. He has been elected as he is expected to contribute to the Group's sustainable growth and enhancement of its corporate value.
Akio Hasebe (Reelection)	Director of the Board Senior Executive Officer COO		●			●	●	●				He has a wealth of experience and track record in the areas of overseas business, Industrial Materials Business, and business management. He is involved in running the Group, working to promote cross-sectional sales activities among the Group, collect customer needs, and engage in market research. He has been elected as he is expected to contribute to the Group's sustainable growth and enhancement of its corporate value.
Satoshi Takuma (New election)	Director of the Board Executive Officer CTO				●		●	●	●			He has a wealth of experience and track record in the area of technology. He is involved in running the Group, including the planning and implementation of capital investment required for management strategy, etc., the management of production and equipment, and technological assistance. He has been elected as he is expected to contribute to the Group's sustainable growth and enhancement of its corporate value.
Seiko Nagai (Reelection)	Independent Outside Director of the Board	○				●			●	●		After being engaged mainly in customer service at major airline companies, she is currently involved in research and student education as a college professor. Consequently, she has a wealth of experience, high-level expertise, and wide-ranging knowledge. Since being appointed as an Independent Outside Director of the Board, she has provided her opinions to the management of the Company from a multifaceted perspective, including the above. She is considered suitable for the position of Independent Outside Director and has been elected on that basis.
Hiromichi Ogawa (Reelection)	Independent Outside Director of the Board	○ (Committee Chair)	●	●		●						In addition to his experience at a general trading company, he has been involved in management at retailers and food manufacturers, has a proven track record in strengthening governance systems, and has a wealth of experience and high-level insight regarding management in general. Since being appointed as an Independent Outside Director of the Board, he has provided his opinions to the management of the Company from a multifaceted perspective, including the above. He is considered suitable for the position of Independent Outside Director and has been elected on that basis.
Sachiko Fukuda (Reelection)	Independent Outside Director of the Board	○		●						●	●	As a certified public accountant and a lawyer, she has a wealth of experience, high expertise, and deep insight regarding financial affairs, accounting, and legal affairs. She has devoted her energy to corporate reconstruction and served as a civil rights commissioner and has a wealth of experience regarding sustainability. Since being appointed as an Independent Outside Director of the Board, she has provided her opinions to the management of the Company from a multifaceted perspective. She is considered suitable for the position of Independent Outside Director of the Board and has been elected on that basis.
Atsuko Muraki (New election)	Independent Outside Director of the Board (From June 2025)	○							●	●	●	As an administrative official, particularly in the Ministry of Health, Labour and Welfare, she worked to improve and enhance social welfare, social security, etc., improve working environments, and promote the development of human resources in a comprehensive and integrated manner, and she has a wealth of experience, high-level expertise, and wide-ranging knowledge. She has been newly elected as an Independent Outside Director of the Board as she is believed capable of providing her opinions to the management of the Company from a multifaceted perspective, including the above.

Notes:

- marks indicate members of the Nomination Committee and Compensation Committee.
- The roles specifically expected of each Director of the Board are listed and do not represent all of the abilities possessed by each Director.

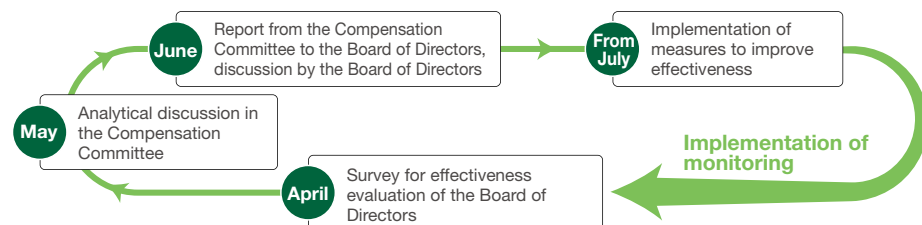
Please see here for details. [▶ Fundamental Policies on Corporate Governance](#) [▶ Corporate Governance Report](#) [▶ Corporate Governance](#)

Corporate Governance

Effectiveness Evaluation of the Board of Directors

The Fundamental Policies on Corporate Governance stipulate that the effectiveness of the Board of Directors be analyzed and evaluated every year, required measures be taken to ensure the effectiveness as a whole, and an overview of the findings be disclosed. Regarding the effectiveness evaluation of the Board of Directors, an annual questionnaire is distributed to all Directors of the Board and Audit & Supervisory Board Members concerning the Board's role, composition, and operations. The evaluation results are analyzed and discussed by the Compensation Committee, composed solely of Outside Directors. Based on the committee's report, the Board of Directors then deliberates on identified issues and future initiatives.

Effectiveness evaluation process



Survey questions in FY2024

- | | |
|--|---|
| 1 Formulating the Group management strategies and presenting the direction | 6 Composition of and discussion by the Board of Directors |
| 2 Deliberating and examining business execution | 7 Time and frequency of deliberation |
| 3 Support for prompt and unwavering business execution | 8 Provision of information to participants |
| 4 Supervision of the management team | 9 Relationship with stakeholders |
| 5 Internal control and risk management | 10 Implementation and effects of measures for the improvement of the Board of Directors |

Based on the results of the FY2024 effectiveness evaluation survey, we have confirmed that the effectiveness of the Board of Directors is ensured. With regard to the question related to "Formulating the Group management strategies and presenting the direction," a number of respondents answered that the Board of Directors operated with an awareness of highly effective supervision of the management team through active deliberations on the Long-term Vision, Medium-term Management Plan, and individual projects, and that the direction of the Board was clearly presented. The need for continuous reinforcement of "Internal control and risk management" was pointed out, because although a framework is in place, it has not eliminated rule violations and the occurrence of accidents. Regarding "Relationship with stakeholders," while the enhancement of IR activities was praised as having promoted constructive dialogue, there were

also calls for further enhancement. Based on these results, the Company will continue to review and implement measures aimed at enhancing the Board of Directors' functionality.

Initiatives to Strengthen Monitoring Functions

The following initiatives are being undertaken to enhance discussions at Board of Directors meetings.

■ Sharing information with Outside Directors and Audit & Supervisory Board Members

In principle, the Group Management Meeting and the Board of Directors report to the Outside Officers twice a month on matters scheduled to be on the agenda of the Board of Directors. We are also striving to enhance information sharing, including the participation of Outside Officers as observers (on a voluntary basis) in Group Management Meetings. For all Audit & Supervisory Board Members, including Independent Outside Audit & Supervisory Board Members, we have established an Audit & Supervisory Board Members' Office staffed with several dedicated personnel to report important information to Independent Outside Audit & Supervisory Board Members.



Inspection of the Yonago wood-derived ethanol and sugar solution pilot plant

■ Enhancement of education programs for Independent Outside Directors

We conduct on-site visits and other activities as part of initiatives to enhance Outside Officers' understanding of the Group.

Main Deliberations of the Board of Directors in FY2024

- Corporate governance strategy (e.g., introduction of CxO system, revision of director compensation system)
- Financial strategy (e.g., treasury stock buybacks, reduction of strategic shareholdings)
- Portfolio transformation strategy (e.g., entry into new businesses, consideration of large-scale capital investments, scrutiny of unprofitable businesses)
- Business strategy (review of the previous Medium-term Management Plan, discussion on formulation of the Long-term Vision and new Medium-term Management Plan)
- Matters related to financial results, etc.

Percentage time spent on major deliberations of the Board of Directors in FY2024

Corporate Governance	Financial strategy	Strategy for transforming the business portfolio	Business strategy	Financial closing	Others
17%	17%	14%	14%	13%	25%

Please see here for details.

Fundamental Policies on Corporate Governance
 Corporate Governance Report
 Corporate Governance

Corporate Governance

Objectivity and Transparency of Director Compensation System

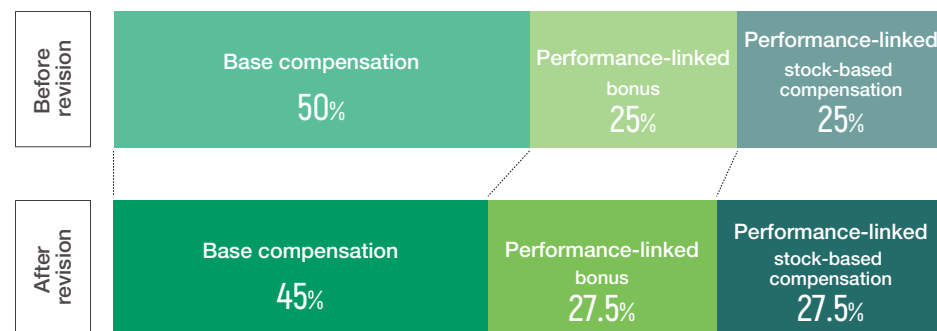
Policy on determination of director compensation and total compensation amount

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. The Compensation Committee deliberates and reports to the Board of Directors. In addition, we partially revised the director compensation system from 2025 to ensure that directors share with shareholders not only the benefits but also the risks associated with stock price fluctuations. The change is also designed to motivate them to improve performance over the medium to long term and enhance corporate value as well as to ensure a competitive compensation level in the human capital market.

Specifically, we revised the system to reduce the proportion of fixed base for Inside Directors of the Board to less than half of the total compensation and increase the proportion of performance-based bonuses and stock-based compensation.

Image of change in the composition of director compensation



Notes:

1. In the event that 100% of performance targets, etc., are achieved by directors (excluding Outside Directors) (in the case of performance-linked compensation, the percentage of bonus and stock-based compensation paid will vary depending on the performance evaluation)
2. Outside Directors shall receive 100% base compensation.

Evaluation metrics that are performance-linked

The system had been designed until now with an emphasis on profitability. In conjunction with the revision of the compensation system, non-financial related metrics were reorganized and more specific evaluation indicators such as capital efficiency, growth potential, and shareholder value were introduced.

This will further motivate the implementation of management practices that contribute to the improvement of the Company's medium to long term performance and enhancing corporate value.

Bonuses	Evaluation metric	Evaluation weight
Profitability	Operating profit	50%
Capital efficiency	ROE	40%
Non-financial	Lost time injury frequency rate (LTIFR)	10%

Stock-based compensation	Evaluation metric	Evaluation weight
Profitability	Profit attributable to owners of parent	30%
Capital efficiency	ROIC	30%
Growth potential	Sales in areas with growth potential	10%
Shareholder value	Dividend payout ratio of 50% or more	10%
Non-financial	Promotion of nature positive (natural capital) management	10%
	Employee engagement	10%

Please see here for details.

[Fundamental Policies on Corporate Governance](#)
[Corporate Governance Report](#)
[Corporate Governance](#)

Corporate Governance

Independent Outside Officers

Status of activities by and reason for appointment of Independent Outside Officers

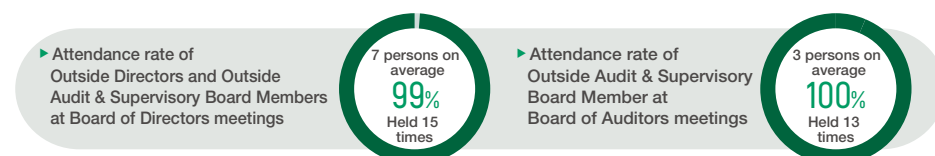
Oji Holdings has appointed four Outside Directors and three Outside Audit & Supervisory Board Members, each of whom is designated as an Independent Officer. The Outside Directors attend Board of Directors meetings and the briefings (held basically twice a month) conducted by the officer responsible for the Corporate Governance Division regarding matters submitted to the Management Meetings and matters planned to be submitted to the Board of Directors meetings. The 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 the Company's management and from the perspectives of various stakeholders are selected as Outside Director candidates, and persons with excellent character and insight, high expertise, and rich experience are selected as Outside Audit & Supervisory Board Member candidates.

Main activities of Independent Outside Directors and Independent Outside Audit & Supervisory Board Members in FY2024

Independent Outside Director of the Board	Summary of comments made and duties performed with respect to expected role
Michihiro Nara	Fulfilled the role expected of him by making comments 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
Seiko Nagai	Fulfilled the role expected of her by making comments 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	Fulfilled the role expected of him by making comments 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
Sachiko Fukuda	Fulfilled the role expected of her by making comments from a multifaceted perspective including sustainability as a certified public accountant and attorney-at-law, and based on her extensive experience, high level of expertise, and wide-ranging insight
Independent Outside Audit & Supervisory Board Member	Statements at meetings
Hidero Chimori	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	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	Provided expert opinions based on his extensive experience, high-level expertise, and wide-ranging knowledge as a public prosecutor and attorney-at-law

FY2024 attendance rate of Outside Directors and Outside Audit & Supervisory Board Member



Strategic Shareholding

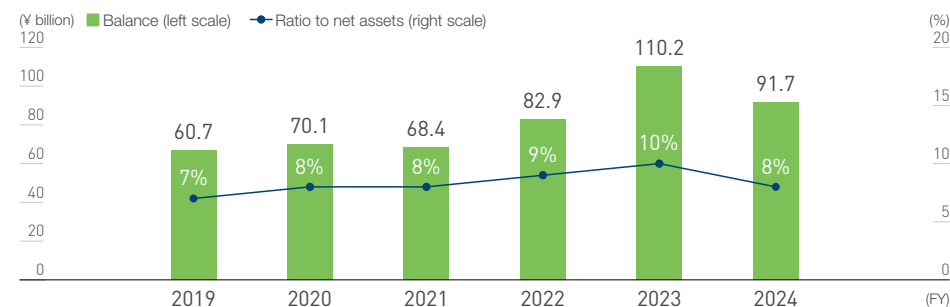
Policy for strategic shareholding

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 Group is reducing its strategic shareholdings by reviewing the rationale for holding each individual share at the annual Board of Directors meeting, and steadily reducing them through stricter management. In addition, the Group is engaging in careful dialogue with the issuers of the shares to be reduced to ensure they understand our policy.

In FY2024, we reduced our strategic shareholdings by ¥29.0 billion. Moreover, we have set a target in our Medium-term Management Plan 2027 of reducing our strategic shareholdings by ¥85 billion over the seven years from FY2024 to FY2030. In addition, we plan to reduce the amount of retirement benefits trust contribution shares exceeding the accumulated retirement benefit trust of our Group companies by ¥21 billion over the three-year period from FY2025 to FY2027. Please refer to the Company's Securities Reports for details on individual strategic shareholdings.

[Securities reports \(in Japanese only\)](#)

Strategic shareholding



Oji Group Tax Policy

The Oji 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 have established the Oji Group Tax Policy based on this awareness for the purpose of clarifying our basic policy.

[Oji Group Tax Policy](#)

Dialogue with the Capital Markets

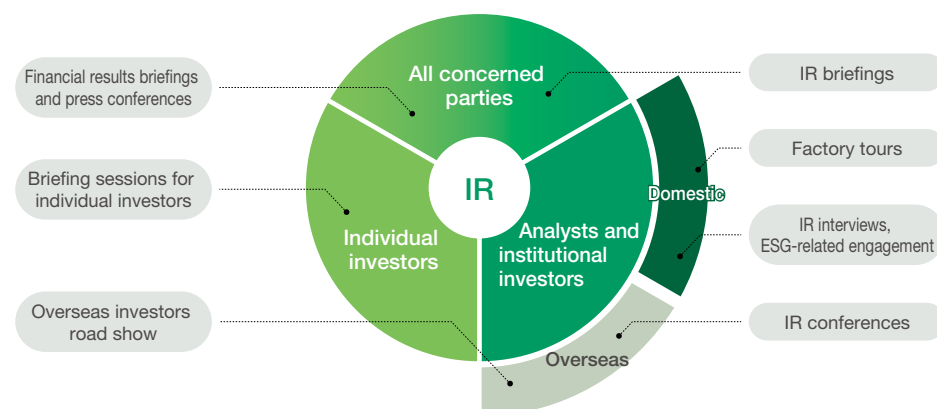
Through proactive communication with our shareholders and investors, we strive to build a relationship of trust and enhance our corporate value.

We communicate our initiatives and future outlook through IR interviews following financial results announcements and ESG-related engagement. This provides investors with a clearer understanding of our information, since figures alone may not convey the full picture. We also strive to incorporate the feedback we receive into our management.

[▶ Investor relations information](#)

Main activities in FY2024

	Times	Event dates	
Financial results briefings and press conferences	4	May, August, November 2024; February 2025	Held quarterly for analysts and institutional investors (press conferences are held for the second-quarter and full-year results)
IR briefings	2	September, December 2024	Two briefings related to company-owned forests in Japan and R&D
Factory tours	1	September 2024	Factories, company-owned forests, and power generation facilities in the Tomakomai and Chitose areas
IR interviews, ESG-related engagement	174	Ad hoc throughout the year	Individual interviews conducted online and in person
Overseas investors road show	4	August, December 2024; January 2025	Conducted 19 individual interviews in Hong Kong, North America, and Europe (2 times)
IR conferences	2	February, March 2025	Dialogue with nine overseas institutional investors over 2 days
Briefing sessions for individual investors	2	September 2024, February 2025	Participation in a hybrid in-person and online briefing event for individual investors hosted by a securities firm



TOPICS

IR briefings (September 2024)

“Results of Economic Value Assessment of Company-Owned Forests in Japan and Quantification Projects”

An online IR briefing session was held for institutional investors. As moves to institutionalize natural capital accounting are beginning, we provided explanations and held a Q&A session regarding the economic value assessment of company-owned forests in Japan (¥550 billion annually) disclosed on the same day.

TOPICS

IR briefings (December 2024)

“Growth Strategies of Oji Holdings – Growing Forests, Utilizing Forests”

We held a hybrid IR briefing session with the participation of institutional investors and journalists.

Regarding the Oji Group's business operations and growth strategy rooted in forest resources, the “Growing Forests” section introduced initiatives to establish the economic value of company-owned forests in Japan and progress in the “Oji Forests Value Visualization Project.” The “Utilizing Forests” section presented R&D themes leveraging sustainable forest resources, such as biomanufacturing technology and biomass photoresists, together with a roadmap for commercialization. We endeavored to foster mutual understanding through close communication involving all eight participants, including each presenter, via Q&A sessions, sample displays, and explanations of key R&D themes.



A scene from a Q&A session



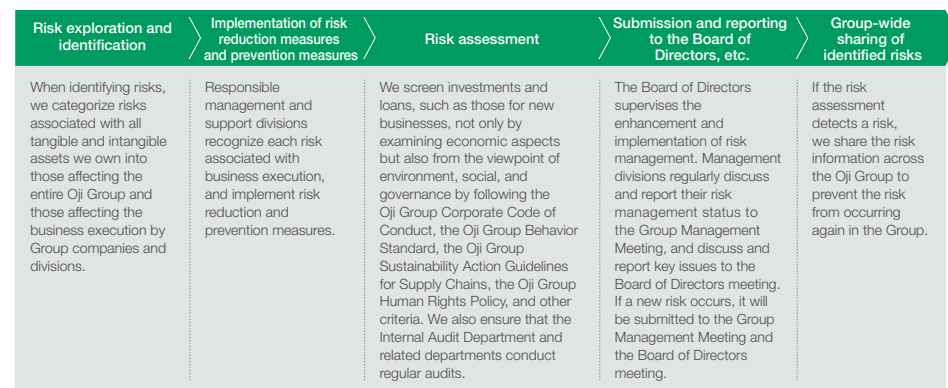
Sample displays and explanation

Risk Management

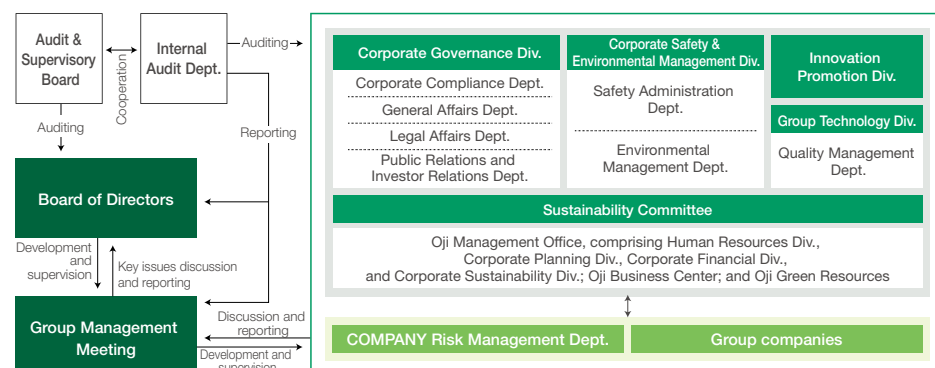
The Oji Group undertakes business activities with a strong sense of integrity set forth in the Oji Group Corporate Code of Conduct and implements appropriate risk management practices. In response to the rapid expansion of the areas where we operate businesses, we will reinforce our risk management structure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



Major Risks

The Oji Group categorizes major risks that might have a material effect on its financial position, etc., into the following three groups. Please visit the website for more information on the risks and the main measures taken.

[Risk Management Framework and System](#)

Risks of long-term issues	- Risks related to climate change - Risks related to pandemics
Risks associated with our management strategies	- Risks associated with structural changes in demand arising from development of innovation - Risks associated with fluctuations in demand - Risks related to fluctuations in global market conditions - Risks related to domestic businesses - Risks related to overseas businesses
Risks arising from execution of business	- Risks arising from occurrence of disasters, etc. - Risks related to laws, regulations, and other rules - Risks related to litigation and other actions - Risks related to product liability - Risks related to exchange rate fluctuations - Risks related to interest rate fluctuations - Risks related to information leakage

Measures for Information Security

The Oji Group has established the Group Information System Usage and Risk Management Regulations as its fundamental policy and has implemented an information security promotion structure across all Group companies. As a department that oversees our information system risk management, Oji Business Center Co., Ltd., leads the inspection of 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 immediate cyber incident response has 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 also periodically review each policy and guideline.

We will continue to strengthen our information security to counter increasingly sophisticated cybercrimes.

[Information Security](#)

BCP*

Please see our website for details.

* Abbreviation for Business Continuity Plan. Business continuity plans are for emergencies such as disasters and pandemics. [BCP](#)

Compliance

Measures for Promoting 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 as well as SDGs and other social and environmental principles and its Management Philosophy to establish the Oji Group Corporate Code of Conduct and the Oji Group Behavior Standard, action guidelines for the Code. These are distributed as pocket-sized booklets and posted on portal sites, translated into the languages of each country where the Group has a presence. They are communicated to all officers and employees belonging to the Group as the Code of Conduct to be observed and put into practice.

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

▶ [Oji Group Behavior Standard](#)

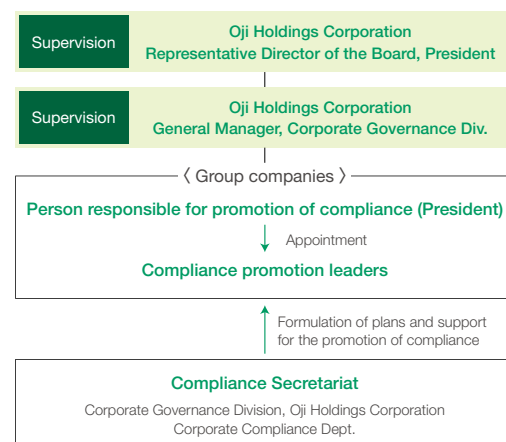
▶ [Dissemination of the Oji Group Corporate Code of Conduct and the Oji Group Behavior Standard](#)

Compliance structure

The President and Representative Director of Oji Holdings is the corporate ethics and compliance manager, and the General Manager of the Corporate Governance Division oversees the promotion of compliance activities across the Group. 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.

▶ [Compliance Structure](#)

Structural diagram



[Role]

General Manager, Corporate Governance Div.

Oversee the promotion of compliance activities throughout the Oji Group

Person responsible for promotion of compliance

Oversee the promotion of compliance activities at each Group company

Compliance promotion leaders

1. Point of contact for compliance-related issues (including helpline reports) across Group companies
2. Promoting compliance training at each Group company
3. Identifying compliance risks across Group companies

Activities for raising compliance awareness

We conduct regular training sessions on topics such as the Subcontracting Act, Antimonopoly Act, and bribery prevention. In addition, through our monthly "Compliance News," we provide education using compliance cases that have occurred both inside and outside the Company, explain the Oji Group Corporate Code of Conduct and the Oji Group Behavior Standard, and promote awareness of the internal whistleblowing system. Furthermore, we publish the "Global Compliance News" translated into multiple languages for our overseas employees and distribute explanatory materials that serve as a reference for promoting compliance. Moreover, compliance promotion leaders at respective workplaces organize regular workplace compliance meetings to raise awareness among all officers and employees.

▶ [Fostering an awareness of corporate ethics and compliance](#)

Anti-corruption initiatives

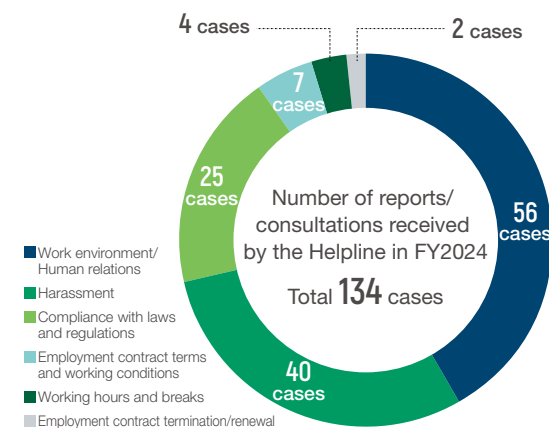
In the Oji Group Behavior Standard, we clearly state our commitment to a "Wholesome Relationship with Politics and Government" and "Maintenance of an Honest, Wholesome Relationship with Business Partners." Furthermore, the Group has Group Anti-Bribery and Anti-Corruption Regulations and related guidelines to ensure the transparency of political contributions, prohibit illegal grants and donations, and prohibit bribery and other forms of corruption.

▶ [Anti-corruption](#)

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. Whistleblowing desks are established both internally 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.

Reports and consultations received by the internal and external whistleblowing desks of the Corporate Ethics Helpline (FY2024)

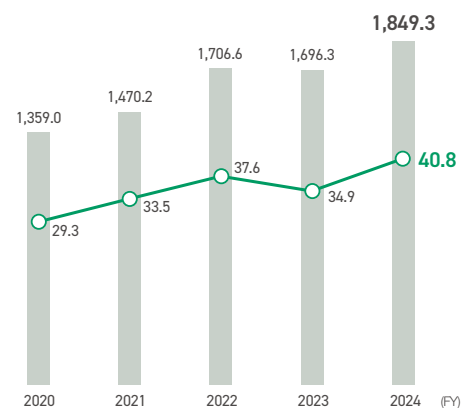


▶ [Whistleblowing system compliant with the Whistle-Blower Protection Act](#)

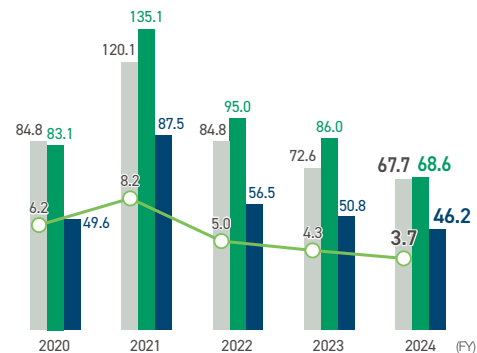
▶ [ESG Data](#)

Financial Highlights

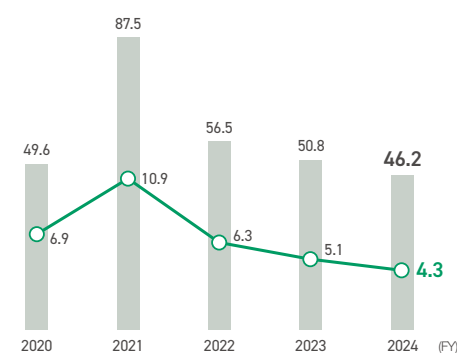
■ Net sales (¥ billion)
○ Overseas sales ratio (%)



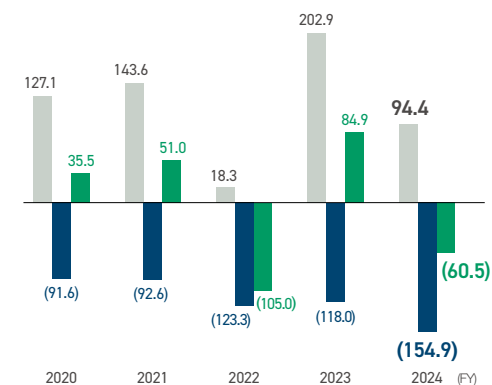
■ Operating profit (¥ billion) ■ Ordinary profit (¥ billion)
■ Profit attributable to owners of parent (¥ billion)
○ Operating profit margin (%)



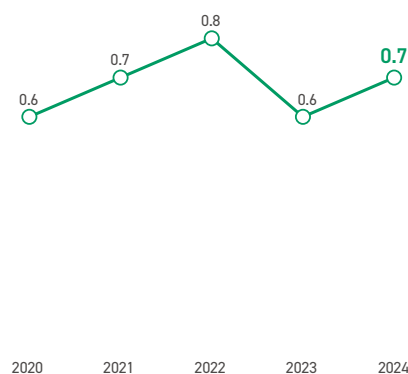
■ Profit attributable to owners of parent (¥ billion)
○ Return on equity (ROE) (%)



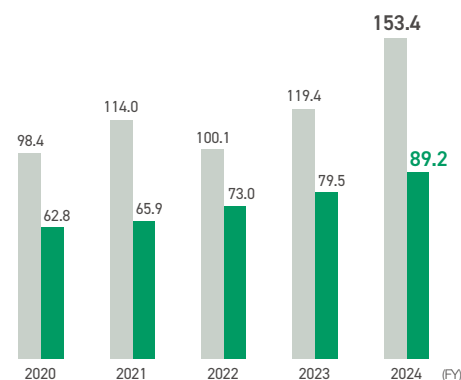
■ Cash flows from operating activities (¥ billion)
■ Cash flows from investing activities (¥ billion)
■ Free cash flows (¥ billion)



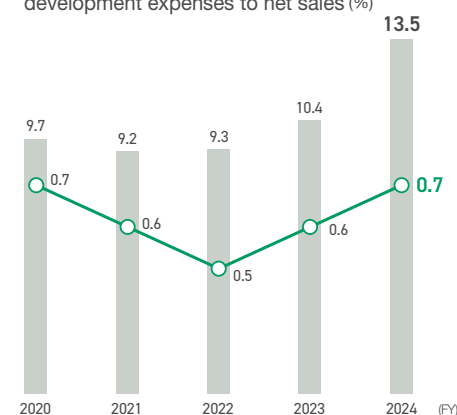
○ Net D/E ratio (times)



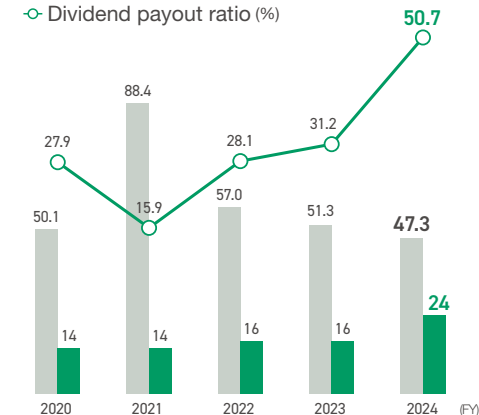
■ Capital investment (¥ billion)
■ Depreciation and amortization (¥ billion)



■ Research and development expenses (¥ billion)
○ Ratio of research and development expenses to net sales (%)



■ Earnings per share (EPS) (¥)
■ Dividend per share (¥)
○ Dividend payout ratio (%)



Financial Data

(¥ billion)

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Profit and Loss (Fiscal Year)											
Net sales	1,347.3	1,433.6	1,439.9	1,485.9	1,551.0	1,507.6	1,359.0	1,470.2	1,706.6	1,696.3	1,849.3
Operating profit	43.9	72.0	70.2	70.8	110.2	106.1	84.8	120.1	84.8	72.6	67.7
Ordinary profit	49.4	60.5	52.9	66.0	118.4	101.3	83.1	135.1	95.0	86.0	68.6
Profit attributable to owners of parent	15.5	12.7	40.3	36.2	52.0	58.2	49.6	87.5	56.5	50.8	46.2
Research and development expenses	10.5	9.7	9.3	9.0	8.8	9.1	9.7	9.2	9.3	10.4	13.5
Capital investment	80.1	57.4	57.9	69.3	62.1	97.5	98.4	114.0	100.1	119.4	153.4
Depreciation and amortization	70.8	78.6	74.9	71.9	69.5	63.4	62.8	65.9	73.0	79.5	89.2
Cash flows from operating activities	90.9	128.1	157.4	123.2	140.6	124.5	127.1	143.6	18.3	202.9	94.4
Cash flows from investing activities	(165.5)	(43.3)	(40.2)	(74.0)	(66.6)	(64.8)	(91.6)	(92.6)	(123.3)	(118.0)	(154.9)
Free cash flows	(74.6)	84.8	117.2	49.2	74.0	59.7	35.5	51.0	(105.0)	84.9	(60.5)
Cash flows from financing activities	77.4	(89.8)	(114.5)	(41.8)	(45.5)	(58.1)	19.9	(136.0)	101.8	(84.9)	61.0
Financial Condition (Fiscal Year-end)											
Total assets	2,140.6	1,909.5	1,901.0	1,960.8	1,951.4	1,885.3	1,981.4	2,053.8	2,296.0	2,442.5	2,635.0
Net assets	784.4	711.2	759.2	810.0	815.4	831.7	865.6	875.5	964.6	1,095.6	1,132.8
Consolidated interest-bearing debt	862.6	777.7	677.3	647.4	620.6	581.7	647.7	650.5	788.3	736.7	903.4
Consolidated net interest-bearing debt	804.8	728.6	625.4	587.6	535.0	497.3	511.4	594.7	731.3	673.9	837.5
Financial Indicators and Others											
Earnings per share (¥)	15.71	12.86	40.74	36.64	52.52	58.78	50.13	88.35	57.00	51.31	47.34
Net assets per share (¥)	656.03	587.62	635.95	681.52	684.50	699.12	758.28	859.29	945.27	1,083.13	1,177.99
Dividend per share (¥)	10.00	10.00	10.00	10.00	12.00	14.00	14.00	14.00	16.00	16.00	24.00
Equity ratio (%)	30.3	30.4	33.1	34.4	34.7	36.7	37.9	41.4	40.8	43.7	41.8
Return on equity (%)	2.6	2.1	6.7	5.6	7.7	8.5	6.9	10.9	6.3	5.1	4.3
Net D/E ratio (times)	1.0	1.0	0.8	0.7	0.7	0.6	0.6	0.7	0.8	0.6	0.7

Financial Data by Segment

(¥ billion)

	FY2020	FY2021	FY2022	FY2023	FY2024
Net sales					
Household and Industrial Materials	647.5	698.8	780.5	798.7	832.7
Functional Materials	182.3	184.7	219.9	227.5	236.4
Forest Resources and Environment Marketing	245.3	320.6	423.8	359.6	392.3
Printing and Communications Media	244.0	244.5	281.0	299.4	293.2
Others	270.2	291.1	318.1	316.1	422.8
Adjustments	(230.3)	(269.6)	(316.7)	(305.0)	(328.2)
Total	1,359.0	1,470.2	1,706.6	1,696.3	1,849.3
Operating profit					
Household and Industrial Materials	38.1	26.2	(1.2)	21.2	8.5
Functional Materials	11.5	15.3	15.5	9.1	9.6
Forest Resources and Environment Marketing	16.7	55.2	68.5	19.6	30.5
Printing and Communications Media	11.2	17.8	(4.8)	16.8	8.6
Others	6.8	7.2	8.4	5.8	9.2
Adjustments	0.7	(1.6)	(1.6)	0.1	1.3
Total	84.8	120.1	84.8	72.6	67.7
Research and development expenses					
Household and Industrial Materials	0.4	0.4	0.5	0.4	0.4
Functional Materials	2.1	2.3	2.2	2.6	2.5
Forest Resources and Environment Marketing	0.3	0.4	0.6	0.5	0.5
Printing and Communications Media	1.0	1.0	0.9	0.7	0.6
Others	5.9	5.1	5.1	6.3	9.5
Total	9.7	9.2	9.3	10.4	13.5
Capital investment					
Household and Industrial Materials	52.5	63.5	43.7	36.6	32.6
Functional Materials	7.4	14.7	15.6	10.5	10.8
Forest Resources and Environment Marketing	21.3	30.3	33.8	54.8	88.6
Printing and Communications Media	9.8	2.1	1.8	5.0	7.8
Others	7.5	3.5	5.1	12.5	13.6
Total	98.4	114.0	100.1	119.4	153.4
Depreciation and amortization					
Household and Industrial Materials	26.3	28.4	32.6	33.4	35.4
Functional Materials	5.9	5.7	6.6	8.8	9.2
Forest Resources and Environment Marketing	16.3	18.9	22.0	25.4	27.2
Printing and Communications Media	8.7	8.7	7.8	7.6	7.2
Others	5.6	4.2	4.1	4.4	10.2
Total	62.8	65.9	73.0	79.5	89.2

Non-financial Data

◆ A diamond mark indicates that FY2024 ESG data (data posted on the Sustainability website) have been assured by KPMG AZSA Sustainability Co., Ltd.

Please refer to [ESG data](#) for the aggregation period, boundary of data aggregation, and calculation method.

			FY2020	FY2021	FY2022	FY2023	FY2024
E Environmental							
Oji Group forest area	Japan and overseas	(ha)	569,144	572,700	602,833	600,043	635,887
Forest certification acquisition rate	Japan	(%)	100	100	100	100	100
	Overseas	(%)	91	92	94	97	96
◆ Greenhouse gas emissions (Scope 1 + 2)		(kt-CO ₂ e)	7,460	7,606	7,470	6,849	6,907
◆ Scope 1		(kt-CO ₂ e)	6,267	6,398	6,399	5,890	5,791
◆ Scope 2		(kt-CO ₂ e)	1,193	1,208	1,071	959	1,117
◆ Scope 3 Purchased goods and services		(kt-CO ₂ e)	3,430	3,663	3,670	3,158	3,647
◆ Implied reduction in greenhouse gas emissions by FIT electric power sales		(kt-CO ₂ e)	-	-	480	714	636
◆ Energy consumption (crude oil equivalent)		(1,000 kL)	5,219	5,400	5,440	5,160	5,271
◆ Industrial waste generation		(kt)	2,733	2,772	2,989	3,017	3,117
◆ VOC emissions		(t)	227	232	182	159	142
◆ COD pollution load amount		(t)	36,386	39,072	37,390	35,477	35,200
◆ Water withdrawal		(1,000 m ³)	706,298	714,281	709,966	694,820	686,547
◆ Wastewater discharge		(1,000 m ³)	671,965	675,849	672,780	672,275	651,452
S Social							
Number of employees (excluding temporary employees)		(people)	36,034	35,608	37,845	38,322	39,136
Percentage of overseas employees		(%)	54.0	54.0	57.2	57.5	58.5
Total working hours	26 companies in the Main Office region in Japan	(hours/year)	1,819	1,843	1,830	1,835	1,850
Average years of service ^{*1}		(years)	17.4	19.7	19.3	22.9	22.2
◆ Lost time injury frequency rate (LTIFR) ^{*2}	Whole Group		0.81	0.97	1.12	1.20	0.81
	Japan		0.76	0.84	0.88	0.80	0.79
	Overseas		0.85	1.09	1.29	1.49	0.82
Number of participants in the safety and health education and training programs (Japan) ^{*2}		(cumulative total)	54,348	53,498	52,486	61,380	64,376
◆ Percentage of managers that are women	16 companies in Japan	(%)	3.6	3.7	3.6	3.9	4.9
◆ Employment rate of people with disabilities	Six applicable Group companies in Japan	(%)	2.31	2.35	2.51	2.48	2.55
	Group companies in Japan	(%)	2.04	2.10	2.20	2.19	2.36
G Governance							
Number of Board of Directors meetings held		(times)	14	14	15	16	15
Rate of Independent Outside Director attendance		(%)	95	100	100	92	98
Number of women on the Board of Directors ^{*3}		(people)	1	2	2	2	3
Group patents, utility model rights, and design rights		(cases)	3,067	2,980	3,245	3,750	3,728
Total number of owned trademark rights		(cases)	1,842	1,906	1,952	1,977	2,199

^{*1} Boundary of data aggregation FY2020–FY2022: Oji Holdings, Oji Management Office, FY2023–FY2024: Oji Holdings, Oji Management Office, Oji Imaging Media, Oji Green Resources, Oji Paper

^{*2} Aggregation period: January 1 to December 31 of each year

^{*3} Aggregation period: June 30 of each year

Editorial Policies

We started publishing the Oji Group Integrated Report in 2019. In publishing this Report, we hope to provide stakeholders with a better understanding of the Group's value creation story. It details how we contribute to regional and social sustainability by expanding business operations rooted in forest resources over many years, while enhancing corporate value and addressing social challenges.

This fiscal year, alongside the announcement of our Medium-term Management Plan 2027, we not only outline the direction toward our Long-term Vision 2035 but also delve deeper into the value of our forest resources. We also introduce the progress and strategy for our next-generation core businesses, such as the forest biomass business and sustainable packaging business. We hope this report conveys the Oji Group's continued growth and evolution.

Reporting period

The reporting period is from April 1, 2024, to March 31, 2025 (except for the lost time injury frequency rate and environmental data for certain overseas sites, for which the period is from January 1, 2024, to December 31, 2024). With the exception of numerical data, however, activities carried out from and after April 2025 are also referenced.

Boundaries of this report

This report covers Oji Holdings, 217 consolidated subsidiaries, and 20 equity-method affiliates (as of March 31, 2025). In cases where coverage differs, this is indicated.

Disclaimer regarding forecasts and other forward-looking statements

Forecasts and other forward-looking statements in this report represent projections by Oji Holdings based on information available at the time of publication and reasonable judgments and therefore contain uncertainties. Actual performance might differ substantially due to various factors.

Referenced guidelines

- When preparing this Report, reference was made to the following.
- The 10 principles in four areas found in the United Nations Global Compact
 - International Integrated Reporting Framework (IFRS Foundation)
 - GRI Standards (Global Reporting Initiative)
 - Guidance for Collaborative Value Creation (Ministry of Economy, Trade and Industry)
 - Task Force on Climate-related Financial Disclosures (TCFD)



Communication map



Corporate Data / Stock Information / External Evaluation

Company Profile (as of March 31, 2025)

Company name	Oji Holdings Corporation
Director of the Board, President	Hiroyuki Isono
Headquarters address	7-5, Ginza 4-chome, Chuo-ku, Tokyo 104-0061, Japan
Start of business	February 12, 1873
Corporate establishment	August 1, 1949
Capital	¥103,880 million
Total number of authorized shares	2,400,000,000 shares
Total number of issued shares (treasury stocks included in the total)	1,014,381,817 shares (77,339,713 shares)
Number of shareholders	126,059
Number of employees of the consolidated Group	39,136

Stock Information (as of March 31, 2025)

Listing stock exchange	Tokyo Stock Exchange
Securities Identification Code	3861
Share register manager and account administration authority for special accounts	Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan
Mailing address	Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited 8-4, Izumi 2-chome, Suginami-ku, Tokyo 168-0063, Japan
Toll-free telephone number	0120-782-031

Support and participation in initiatives

International Sustainable Forestry Coalition

The International Sustainable Forestry Coalition (ISFC) is an international organization founded in September 2023, comprising 20 companies worldwide, including forest owners and forest investment operators. Based on sustainable forest management, we will address international challenges such as climate change, biodiversity loss, and forest area reduction by consolidating and communicating the forest sector's perspectives. The Company participates as a founding member and will contribute to the realization of a sustainable society through ISFC's activities.



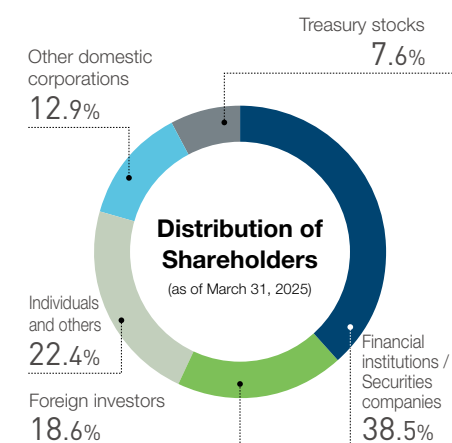
Principal Shareholders (as of March 31, 2025)

Name of shareholder	Shares held (Thousand)	Percentage of total shares issued (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	135,423	14.5
Custody Bank of Japan, Ltd. (Trust account)	85,590	9.1
Fortis Co., Ltd.	49,682	5.3
Nippon Life Insurance Company	25,658	2.7
Oji Group Employee Stock-holding Association	21,258	2.3
Mizuho Bank, Ltd.	18,030	1.9
STATE STREET BANK AND TRUST COMPANY 505103	15,248	1.6
The Norinchukin Bank	14,156	1.5
Chieko Fujisada	13,750	1.5
Taiju Life Insurance Company Limited	13,442	1.4

Notes:

1. The Company holds treasury stock of 77,339 thousand shares, which is excluded from the above list.
2. The percentage of total shares issued has been calculated after excluding the Company's treasury stock (77,339 thousand shares).
3. Numbers less than one thousand are rounded down to the nearest thousand.

Distribution of Shareholders (as of March 31, 2025)



External evaluation

The Company has been selected as a constituent of various domestic and international ESG indices.



FTSE4Good



FTSE Blossom Japan



SAP/JPX Carbon Efficient Index



2025 Sompo Sustainability Index



FTSE Blossom Japan Sector Relative Index



JPX-NIKKEI 400

2025 CONSTITUENT MSCI Nihonkai ESG SELECT LEADERS INDEX

2025 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

In addition, we have been undergoing various external evaluations.



CDP A List 2024



健康経営優良法人 2025



Oji Holdings Corporation

Public Relations and Investor Relations Dept., Corporate Governance Div.
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<https://www.ojiholdings.co.jp/en/>