

Leveraging the competitiveness created through cross-functional collaboration to bring Oji's unique value to the market

CxO Crosstalk

CIO
Chief Innovation Officer
Taketo Okutani

CSO
Chief Strategy Officer
Kazuhiko Kamada

CTO
Chief Technology Officer
Satoshi Takuma

COO
Chief Operating Officer
Akio Hasebe

Our CSO, CTO, COO, and CIO discussed their respective roles, changes within the Group as a result of adoption of the CxO system, and initiatives being taken to address issues.

Role of the CxO system in advancing transformation from a Group-wide perspective

Kamada: Let me ask you about each of your roles under the CxO system. My role as CSO is to steer all our businesses, with reference to Medium-term Management Plan 2027. I am focusing on four key strategies: supporting the revitalization of existing businesses; promoting the forest biomass business and sustainable packaging and products; accelerating DX; and developing the HR system.

Takuma: As CTO, I am responsible for harnessing the power of science and technology to generate both economic value and social value. It is important to draw up a medium- to long-term technology strategy and determine core technologies, areas that need to be brought in-house, and areas that require external collaboration. My aim is to support ambidextrous management through reinforcement of the foundations of existing businesses and the creation of new revenue streams. With an eye on the forest biomass business, I am also driving BX* alongside GX, DX and AX. I am also responsible for upholding safety, protection of the environment, and disaster management.

Hasebe: My role as COO is to promote cooperation among Group companies on sales activities, based on an understanding of customer needs and market trends. Because the Group did not have a cross-functional framework for sales before, I want to increase communication within the Group. In sales training, we will encourage information-sharing between Group companies and develop human resources capable of acting in a sense of unity based on an understanding of the Oji Group's way of thinking.

* BX: Bio transformation, GX: Green transformation, DX: Digital transformation, AX: AI transformation

Introduction
CEO Message
CxO Crosstalk
CFO Message
Roundtable Talk with Outside Directors
The Oji Group's Value Creation
Medium- to Long-term Growth Strategy
Sustainability
Strengthening the Management Foundation
Business Overview
Data Section

Okutani: As CIO, I am responsible for promoting the development of new businesses and new technologies across the Group. In a rapidly changing world, it is hard to know what the winning formula will be in the future. My role is to accelerate research and development into wood biomass and sustainable packaging and to increase the options open to management by proposing a wide range of research themes such as biomass-derived chemicals, pharmaceuticals, and resists. Aside from promotion of research and development projects by the Innovation Promotion Division (INV Div.), I want to increase the importance we attach to collaboration between operating companies. I am open to combining the technologies and information held by each company to create new value.



Reshaping our organization through communication beyond COMPANY boundaries

Kamada: I think the biggest change since adoption of the CxO system is improvement in Group-wide collaboration. Before there was little opportunity for in-depth discussion about anything outside our remit. Now, however, I feel that the new framework enables frank discussions across divisional boundaries. What do you all feel has changed?

Takuma: I feel the new framework has breathed new life into our organization. At meetings to discuss new business strategies, for example, a culture of discussion across divisional boundaries such as innovation, sales, and manufacturing is gradually taking hold. Similarly, on the safety and fire prevention fronts, the difference in level between sites has definitely narrowed as a result of my visits to more than 20 business sites to share directly with site members the issues that need to be addressed. Furthermore, I have encouraged our mills to conduct patrols of each other's sites and share information to facilitate communication over boiler inspections and other operations.

Hasebe: Previously, I was worried about the lack of communication between Group companies. Safety in particular applies not only to large mills but also small business sites. Which is why I have been sharing best practices with business sites and promoting communication between mills through which they learn from each other. I think it is precisely this communication across COMPANY boundaries that will be the driver behind the reshaping of our organization.

Okutani: The biggest change for me is the openness under the CxO system. CxO meetings are a valuable learning opportunity where attendees feel free to seek advice and discuss any issues. That said, it would be a real shame if this openness was confined to CxO meetings alone, which is why I use opportunities for communication within the INV Div. to share the atmosphere and management policies of CxO meetings as much as possible. Employees also show a great deal of interest when I share the senior management team's thoughts with them. I think it is really important to pass on what I have learned to organizations.

Connecting our strong technological capabilities to markets through ingenuity and a challenging spirit

Kamada: While positive changes are being made, the question of how to turn forest resources, technologies, and frontline ideas into market value is still a major issue. I think there is growing understanding in recent years that the Oji Group's forests offer diverse value, encompassing not only timber but also soil. That said, in reality, customers still tend to say, "Oji's initiatives aside, how much will the product cost?" which is frustrating. I would like to hear your views on how we make the value of natural capital visible and commercialize this value.

Takuma: I think the biggest issue is that our technologies and markets are not yet aligned. For example, we have strong technological capabilities in cellulose nanofibers but we are not yet seeing sufficient applications and markets for cellulose nanofiber products. While this is partly because the markets have yet to mature, I think we also need to take the initiative in proposing and developing applications. To this end, mechanisms for integrating sales and customers with technologies in a three-in-one system are essential. I feel that ingenuity and a challenging spirit to bring our technologies to market are needed.

Hasebe: Our talk about forests and environmental value resonates with some of our customers. The response of customers also changes when we have the opportunity to share information not only with their procurement divisions but also with their sustainability and research and development divisions. Which is why I tell sales teams that I want them not only to sell the products they are responsible for but also to connect customers with Oji's various divisions and deepen those relationships.

My aim is to make Oji the first port of call for customers looking for advice. For example, on the market launch of OJI Sustainable Mulching Sheet, an agricultural mulching sheet made of paper that naturally decomposes in soil, Oji Container, which has sales channels for corrugated containers to farmers, went along to customer visits to introduce the product (P.37), thereby driving home to customers that Oji is involved in all sorts of initiatives. I think it is important to continue building relationships that might not produce immediate results but could still lead to co-creation in the future.



Introduction
CEO Message
CxO Crosstalk
CFO Message
Roundtable Talk with Outside Directors
The Oji Group's Value Creation
Medium- to Long-term Growth Strategy
Sustainability
Strengthening the Management Foundation
Business Overview
Data Section

Okutani: On the other hand, when it comes to maintaining a stable supply of large quantities of products, the cost of biomass-derived products is an issue that needs to be addressed. This is precisely why we need to further increase the perceived value of forests and wood-derived products themselves. I think to myself, "If the CEO is spreading the word about the value of forests in various outside organizations, then I want to increase the value of biomass-derived products downstream." On this basis, I am also putting effort into spreading the word through activities such as active participation in outside organizations and seminars. The capability to handle seven million tons of wood annually is a strength our competitors cannot match. If we can convert this into market value, then I believe that by 2035, we will be able to demonstrate competitiveness unique to Oji in line with the Long-term Vision "Dedicated to Sustainability."

Kamada: Few companies around the world operate an integrated value chain encompassing upstream and downstream activities from forest ownership and management to the supply of final products. It is important to communicate this level of integration to markets as value that is unique to Oji and to make proposals to customers that include environmental value and the story behind it, which cannot be measured by product price alone.

Over the past three years or so, we have strengthened our foundations for market expansion through the acquisition of entities that already have environmentally friendly applications and markets such as Italy-based IPI, Finland-based Walki, India-based Chemfield, and Austria-based AustroCel. Going forward, we want to combine Oji's technologies and materials with the market track records of these partners and turn the synergies generated from this into new value propositions.



Overcoming emerging issues through overall optimization

Kamada: The CxO system started on April 1, 2025. What are your views on the issues and bottlenecks that have come to light?

Takuma: I think one issue is how to apply the CEO's policies on the ground. For example, while differences in safety levels across sites have narrowed, we still have a way to go. I think what is needed to further improve safety awareness and conduct at an operational level is not merely an extension of what we have done in the past but rather the flexibility to incorporate new ways of doing things.

Hasebe: Even if we try to take on new challenges, we are sometimes thwarted by results of discussion about profitability or sales potential at an individual company or COMPANY level. Which is precisely why it is important to hold discussions from the perspective of what we should focus on as a group, and I think this is the point of the CxO system. Also, when it comes to portfolio transformation, what is best for an individual company and what is best for the entire Group is not necessarily the same. Under the CxO system, we indicate the parties that matters should be discussed with and from what perspective and I think this leads to more substantive discussions.

Okutani: I also think that the question of how to instill the CEO's approach into our organization is an important one. If all employees are on the same page, then we are bound to become a truly strong organization. Which is why in talks I give within the INV Div., I repeatedly mention the importance of overall optimization and innovation. For the CEO's messages to filter down to an operational level, the understanding of those in the middle is essential. I am also creating opportunities for dialogue with young employees such as technology exchange meetings within the division and town hall meetings, and deepening mutual understanding through the frank exchange of opinions among a small number of people.

Takuma: When it comes to considering the forest biomass business and the future portfolio, a common yardstick for assessing technologies and businesses will become more and more important. And so something I have discussed with Mr. Okutani is IP landscape analysis using information about intellectual property to draw up management and business strategy proposals. Superimposing information about markets and competition on intellectual property allows you to see not only red ocean but also target markets. We need to be more proactive about drawing up proposals of where we should launch sales offensives and what we should develop in-house and what we should incorporate from outside. I want us to further increase our ability to determine where to launch offensives based on priority themes, including linking materials to applications and linking applications to solutions.



Okutani: Our IP strategy is truly getting underway, partly because Mr. Takuma's proposal coincided with the Intellectual Property Department's transformation into a strategic organization. Going forward, I think the Intellectual Property Department should be more proactive in voicing opinions at CxO and Group Management Meetings and being involved in management decisions. Intellectual property is a valuable management resource that underpins technology and business strategy, and the Intellectual Property Department therefore needs to be more proactively involved in strategy development.

Introduction
CEO Message
CxO Crosstalk
CFO Message
Roundtable Talk with Outside Directors
The Oji Group's Value Creation
Medium- to Long-term Growth Strategy
Sustainability
Strengthening the Management Foundation
Business Overview
Data Section

Kamada: I feel the HR system needs looking at. As things stand, the system is COMPANY focused and I feel that cross-functional roles and contribution to the Group are not held in high enough regard. I think that now, when cross-functional collaboration is important, unless the HR system also starts encouraging such cross-functional collaboration, then the corporate culture is not going to change in any true sense. What are your thoughts on human capital, Mr. Okutani?
Okutani: I want young employees in the INV Div. to gain lots of experience. For instance, I want them to be actively sent to operating companies to gain operational experience. I think that by going back and forth between the division and operating companies based on an assessment of their aptitude, young employees will have the opportunity to network and increase their understanding of the Group as a whole. Meanwhile, the INV Div. is pushing ahead with diverse development projects while also serving as a place for learning about different technologies and items under development. I feel that it is extremely important for employees to gain a wide range of experience through plenty of job rotation while they are young.

Envisioning the next phase of growth rooted in forest resources

Kamada: Another thing that needs to be looked at is branding. Because we have a strong identity as a materials manufacturer, it is somewhat tricky for us to simply unveil a product brand. I am confident that if we can get to the point where customers consider Oji as the go-to for anything forest and environment related then this will in itself strengthen our brand power.
Hasebe: I agree. I also feel it is important to further expand customer contact points through sales activities. By simply selling corrugated containers, for instance, we tend to become embroiled in price competition; however, continuing to identify people within customer organizations who are interested in forests and the environment will lead to new value propositions.
Okutani: In my view, the “story” is important. The fact that products like these are made from wood is in itself amazing. And yet we are not getting this interesting backstory across effectively. I want us to use new ways of expressing ourselves, including AI, to spread the word about the value of forests, soil, and wood biomass in a way that is more appealing to customers.



Takuma: Precisely because we live in an age of uncertainty, I think it is important that, under the CxO system, we have access to lots of information for making decisions. Even in the context of the forest biomass business, we will need to have lots of potential projects and options at our disposal in order to assess which technologies and businesses will grow in the future. We will then need to proceed with investment gradually, taking financial soundness and the roadmap into consideration. Initially, I think deciding what to focus on at which pulp mill-based biorefinery will be an important theme.
Okutani: I expect that in the future we will probably have biorefineries that produce the best mix of diverse products. Some products are high profit and some are high volume. Our goal should be to maximize the value of wood resources through a combination of high profit and high volume products.
Takuma: As we head toward 2030, the business structure itself will also change and I think in the future we could well have a Cellulose Business Department and a Sugar Solution Business Department. Instead of sales via mass market channels, we might well establish supply chains by application and start proposing optimal solutions for individual customers.
Hasebe: To this end, sales teams will need not only the ability to sell but also the ability to draw out customer needs and link these to technologies and research and development. Developing human capital and organizations capable of working with customers to find solutions is also bound to increase our future competitiveness.
Kamada: I see 2030 as no more than a waypoint. The portfolio transformation that we are implementing does not by any means spell the end for our paper business. It means paper with higher added value and the buildup of the new forest biomass business and sustainable packaging business. We intend to keep creating diverse value rooted in forest resources and clearly communicate our business direction to those both inside and outside the organization.

Introduction
CEO Message
CxO Crosstalk
CFO Message
Roundtable Talk with Outside Directors
The Oji Group’s Value Creation
Medium- to Long-term Growth Strategy
Sustainability
Strengthening the Management Foundation
Business Overview
Data Section