SECTION
01

The Oji Group's Value Creation

21 History of the Oji Group's Value Creation
23 Business Model
24 Utilization of Management Resources
25 Link between Medium- to Long-term Growth Strategy and Improvement in PBR













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

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. From our very earliest days, we have valued the idea of utilizing and recycling resources without waste. In this way, we have accurately kept up with the changes of the times, seriously addressed the needs of society and flexibly changed the structure of our business. In recent years, we have been expanding globally and transforming our business portfolio by sharing and leveraging technologies and expertise developed in Japan and overseas, together with the goal of contributing to a sustainable society.

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)

▸1875
Factory using rags as raw materials was built in Oji, Tokyo

▸1889
Start of wood pulp manufacturing for the first time in Japan

The starting point of our business is resource recycling

1910–1949

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, flat 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)

▸Around 1893
Start of forest plantation business in Shizuoka Prefecture

▸1899
Start of newsprint production

After expanding into Hokkaido with the opening of the Tomakomai Mill, Oji acquired a company-owned forest and strengthened its forest plantation business



When Fujiwara was 86, he visited our company-owned forest in Hokkaido in 1955

"Those who use trees have the responsibility to plant trees."

The quote is from Ginjiro Fujiwara, who was a president of Oji in the 1930s. With a view toward ensuring the consistent supply of lumber, which is a raw material, and the importance of resource recycling, we aggressively promoted the forest plantation business. Fujiwara's wisdom has been passed down over the years. It is the foundation of our operations, and it has led to what the Oji Group is today, represented by its slogan "Growing Forests, Utilizing Forests."

1950–1972

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

▸1952
Start of wood-free paper production

▸1953
Successful production of hardwood pulp achieved using Japan's first continuous digester

▸1958
Start of production of DIP (de-inked pulp) made from recovered newsprint



Old newspaper de-inking system at Tomakomai Mill

▸1959
Start of containerboard production

▸1962
Start of kraft paper production

▸1970
Start of pulp non-woven fabric production

▸1971
- Start of production of "nepia" household paper (tissue paper, toilet roll)
- Start of overseas forest plantation business

Overseas expansion began, starting with the forest plantation and pulp businesses

Start of recovered paper recycling

1973–2009

Paper Diversification and Response to the 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

▸1973
Start of overseas pulp production



Pan Pac Napier mill (New Zealand)

▸1974
Start of high-grade boxboard production

▸1975
Start of thermal paper production

▸1987
Start of disposable diaper production

▸2004
Start of Hana-Celeb sales

Introduction
CEO Message
CxO Crosstalk
CFO Message
Roundtable Talk with Outside Directors
The Oji Group's Value Creation
- **History of the Oji Group's Value Creation**
- Business Model
- Utilization of Management Resources
- Link between Medium- to Long-term Growth Strategy and Improvement in PBR

Medium- to Long-term Growth Strategy
Sustainability
Strengthening the Management Foundation
Business Overview
Data Section

Introduction
CEO Message
CxO Crosstalk
CFO Message
Roundtable Talk with Outside Directors
The Oji Group's Value Creation
- **History of the Oji Group's Value Creation**
- Business Model
- Utilization of Management Resources
- Link between Medium- to Long-term Growth Strategy and Improvement in PBR

Medium- to Long-term Growth Strategy
Sustainability
Strengthening the Management Foundation
Business Overview
Data Section

2010~

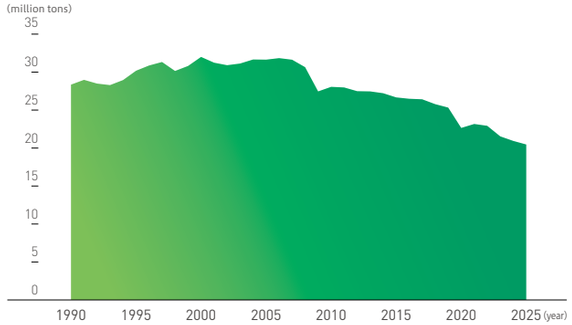
Shift in the Business Structure and Further Global Deployment

Demand for paper and paperboard in Japan peaked in the 2000s and, since the 2008 global financial crisis, it has been shrinking structurally. At the same time, we have been accelerating our overseas expansion focusing on Southeast Asia at an early point in an effort to remain on a growth trajectory. In 2012, we renamed ourselves Oji Holdings and transitioned to a pure holding company structure aiming to clarify our management responsibilities regarding each of our businesses and maximize the efficiency of the Oji Group's management of its businesses.

In recent years, due to the increasing global need for plastic-free products and heightening awareness for the environment, we have positioned sustainable packaging as a strategic growth area. By adding European companies IPI and Walki to the Oji Group, we are increasing and improving our product lineup, which includes liquid packaging cartons and high-performance materials, and we are strengthening our global supply chain.

While improving the functions of forest, which are the core of our businesses, we are also moving to make the forest biomass business a core business and a next-generation pillar of profitability by maximizing the core technologies we have developed over many years. We have been building a foundation for the commercialization of materials through efforts such as starting to operate pilot wood-derived sugar solution and ethanol equipment at Oji Paper Yonago Mill and the addition of AustroCel to the Oji Group. In addition, in the fields of pharmaceuticals and healthcare, we will accelerate efforts to roll out wood-derived pharmaceuticals onto the market. We will continue to steadily advance the transformation of our business portfolio toward high-value-added businesses based on forest resources.

Change in demand for paper and paperboard in Japan*1



*1 Volume of domestic shipments and imports Source: Japan Paper Association

▸ 2013
Succeeded in making the world's first transparent continuous sheet of cellulose nanofibers (CNF)



▸ 2014
Start of dissolving pulp production

▸ 2015
Start of power generation business using biomass boilers



▶ Utilized logging residues, etc., to enter the biomass power generation business

▸ 2020
- Start of full-scale development of wood-derived pharmaceuticals P.41
- Start of SILBIO BARRIER paper package materials sales



▸ 2021
Started Japan's first domestic production of milk carton base paper

▸ 2022
Successful wood-derived polylactic acid creation

▸ 2024
Successful development of a wood-derived biomass resist for cutting-edge semiconductors P.40

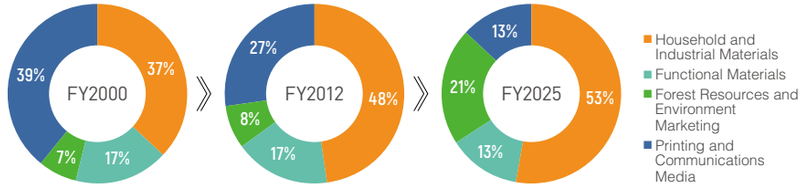
▸ 2025
- Launch of pilot plant for wood-derived sugar solution and ethanol P.39
- Launch of material recycling brand Renewa P.36

▶ Development of sustainable products based on forest resources promoted

Changes in sales composition by segment*2

The Printing and Communications Media business accounted for nearly 40% of sales in fiscal 2000. As demand for paper decreased, we worked on rebuilding our production system (e.g., product-grade conversions) and strengthening other businesses. As a consequence, composition dropped to 13% in FY2025 and the Household and Industrial Materials and Forest Resources and Environment Marketing businesses began to occupy a larger portion of sales. We will continue to pursue sustained growth by transforming the structure of our business in line with the changes in society.

*2 We transitioned to the holding company system in 2012, so FY2000 figures were recalculated retrospectively to align them with our current segmentation. They are shown on an external net sales basis excluding internal transactions between COMPANIES. The composition excludes the Other businesses segment.

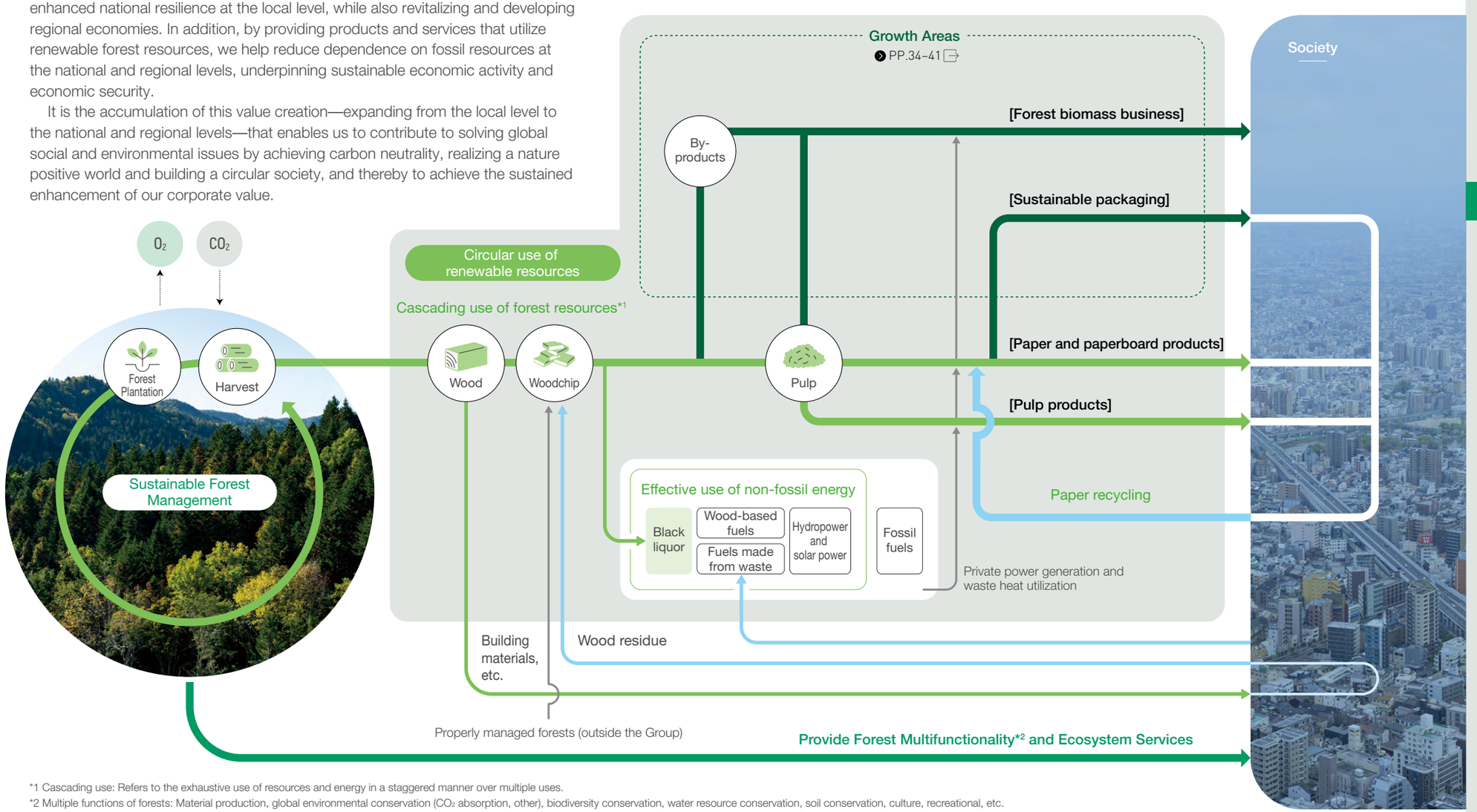


Business Model

The Oji Group has continued to create value by realizing the multifaceted functions of forests through sustainable forest management and by using renewable forest resources in a circular manner to maximize their value. The business portfolio transformation now under way—toward growth areas such as sustainable packaging and the forest biomass business—is also an initiative to further develop and advance this value creation.

Sustainable forest management delivers environmental conservation and enhanced national resilience at the local level, while also revitalizing and developing regional economies. In addition, by providing products and services that utilize renewable forest resources, we help reduce dependence on fossil resources at the national and regional levels, underpinning sustainable economic activity and economic security.

It is the accumulation of this value creation—expanding from the local level to the national and regional levels—that enables us to contribute to solving global social and environmental issues by achieving carbon neutrality, realizing a nature positive world and building a circular society, and thereby to achieve the sustained enhancement of our corporate value.



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

*2 Multiple functions of forests: Material production, global environmental conservation (CO_2 absorption, other), biodiversity conservation, water resource conservation, soil conservation, culture, recreational, etc.

Introduction
CEO Message
CxO Crosstalk
CFO Message
Roundtable Talk with Outside Directors
The Oji Group's Value Creation
History of the Oji Group's Value Creation
Business Model
Utilization of Management Resources
Link between Medium- to Long-term Growth Strategy and Improvement in PBR
Medium- to Long-term Growth Strategy
Sustainability
Strengthening the Management Foundation
Business Overview
Data Section

Utilization of Management Resources

The Oji Group is creating value by strategically linking its six capital advantages, starting with natural capital. Building on each capital advantage, we identify elements for improvement and enhance them in pursuit of the sustainable increase of our corporate value.

	Strengths and features	Future initiatives (addressing capital gaps)	Input	Outcome
Natural Capital	• **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 multifaceted functions of forests while providing society with ecosystem services by practicing sustainable forest management that is conscious of environmental, social, and economic concerns.	• Securing stable and long-term resources through the expansion of forest plantation areas • Identifying and quantifying the value of natural capital, participating in the development of the Natural Capital Accounting system • Effectively utilizing company-owned forests in Japan • Increasing CO_2 absorption and resource expansion through improved growth	• Oji Forests (of which conservation forests): 637,000 ha (164,000 ha) • Water withdrawal: 663,220 thousand m^3	• Estimated economic value of public benefit functions of company-owned forests in Japan: ¥550.0 billion/year • Forest certification acquisition rate: 97% (Japan 100%, Overseas 95%) • Forest carbon stocks: 143,710 kt-CO_2 • Reduction of water withdrawal intensity compared with FY2018: 25.4% reduction
Manufactured Capital	• **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 the 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.	• Utilizing excess production capacity and optimizing production systems • Transitioning 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	• Overseas manufacturing sites: 101 sites in 24 countries • Capital investment: ¥104.8 billion	• Reduction of GHG emissions compared with FY2018 (Scope 1, Scope 2): 34.0% reduction • Percentage of renewable energy use: 56.5% • Recovered paper utilization rate (Japan): 69.3%
Intellectual Capital	• **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 research and development of cellulose nanofibers (CNF); wood-derived sugar solution and ethanol; and pharmaceuticals that use sulfated hemicellulose as an active pharmaceutical ingredient. • 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 tree breeding) • Robust R&D system and facilities located at the mills of Group companies in Japan	• Enhancing various training programs and systems • Transferring knowledge and expertise related to various operations • Formulating and executing an intellectual property portfolio strategy for business portfolio transformation • Strengthening the intellectual property ecosystem	• Research and development expenses: ¥13.2 billion (No. 1 in the paper and pulp industry in Japan; survey by WDB Co., Ltd.) • Number of patents, utility models, and design patent applications: 493 (Japan: 338, Overseas: 155)	• Comprehensive patent strength: 14,018 (No. 1 in the paper and pulp industry in Japan; calculated using Biz Cruncher of Patent Result Co., Ltd.) • Number of patents, utility models, and design patents: 3,926 (Japan: 2,917, Overseas: 1,009) Trademarks held: 2,211 (Japan: 1,044, Overseas: 1,167)
Social and Relationship Capital	• **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 • The brand power exemplified by “nepia” and the ability to understand customer needs • Various social contribution activities outside and inside Japan	• Participating in and initiatives with external consortiums, including industry, government, and academia, in the new wood-derived materials business • Participating in a market design and rule making initiative moving toward the appropriate assessment of the value of natural capital • Considering human rights in the supply chain through human rights due diligence	• Oji Group companies*1: 370 in the world • Supplier Sustainability Surveys, Number of companies surveyed: 1,185 • Social contribution expenditure: ¥0.2 billion	• Major global pulp and paper companies’ net sales: No. 6 (2024), domestic pulp and paper company net sales: No. 1 (FY2025) • Overseas sales ratio: 41.9%, Number of countries and regions where products are sold: 128 • Rate of sustainability survey implementation at all major suppliers: 100%
Human Capital	• Strong operational capabilities across procurement, manufacturing, sales, and other frontline operations • Diversity of human resources across the Group, including at overseas locations (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 research and development and training systems that lead to new businesses	• Creating an environment for human resources development to achieve the Medium-term Management Plan • Recruiting diverse human resources • Strengthening employee engagement • Ensuring safety and health in the workplace	• Number of employees of the consolidated Group: 38,757 • Percentage of overseas employees: 58.0% • Mid-career hires: 62 (FY2025)	• Employee engagement score*2 Engagement related to work: 62.8% Engagement with the organization*3: 68.0% • Percentage of managers that are women*4: 5.7% • Employment rate of people with disabilities*5: 2.55% • Lost time injury frequency rate: 0.77 (2025)
Financial Capital	• Stable profitability through diversified businesses from upstream to downstream • Financial soundness: R&I Issuer Rating A+ [Stable]; Net D/E ratio of 1.0 or less • Stable dividend policy: Dividend payout ratio 50%	• Enhancing the profitability of existing business • Transforming the business portfolio • Improving capital efficiency	• Shareholders’ equity: ¥797.4 billion • Interest-bearing debt: ¥955.9 billion	• Operating profit: ¥34.6 billion • ROE: 5.0% • Free cash flows: ¥100.9 billion • Dividend per share: ¥36

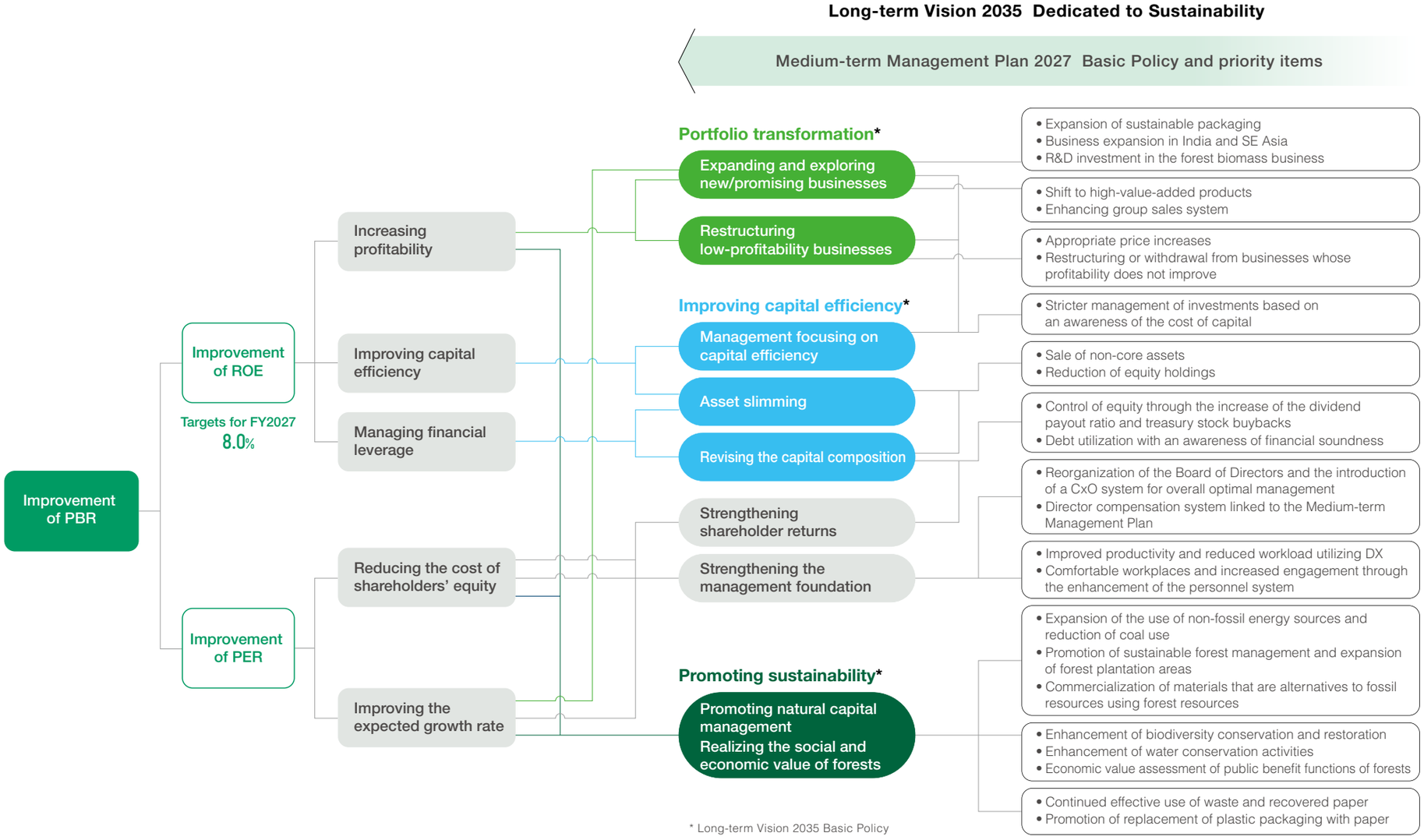
*1 Subsidiaries and affiliates *2 Percentage of positive responses *3 Willingness to work long term *4 20 domestic Group companies *5 Six domestic Group companies

Introduction
CEO Message
CxO Crosstalk
CFO Message
Roundtable Talk with Outside Directors
The Oji Group’s Value Creation
History of the Oji Group’s Value Creation
Business Model
Utilization of Management Resources
Link between Medium- to Long-term Growth Strategy and Improvement in PBR
Medium- to Long-term Growth Strategy
Sustainability
Strengthening the Management Foundation
Business Overview
Data Section

Link between Medium- to Long-term Growth Strategy and Improvement in PBR

"Initiatives to Enhance Corporate Value" was published in December 2023, and we have been continuing these initiatives to achieve our long-term targets.

The diagram below shows how our Basic Policy and the priority items in Medium-term Management Plan 2027 are connected to the enhancement of our corporate value. We will steadily implement these measures and seek to improve PBR by increasing our growth potential, profitability, and capital efficiency.



* Long-term Vision 2035 Basic Policy

Introduction
CEO Message
CxO Crosstalk
CFO Message
Roundtable Talk with Outside Directors
The Oji Group's Value Creation
History of the Oji Group's Value Creation
Business Model
Utilization of Management Resources
Link between Medium- to Long-term Growth Strategy and Improvement in PBR
Medium- to Long-term Growth Strategy
Sustainability
Strengthening the Management Foundation
Business Overview
Data Section