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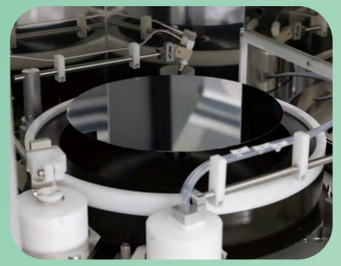
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Positioning of Long-term Vision 2035 and Medium-term Management Plan 2027

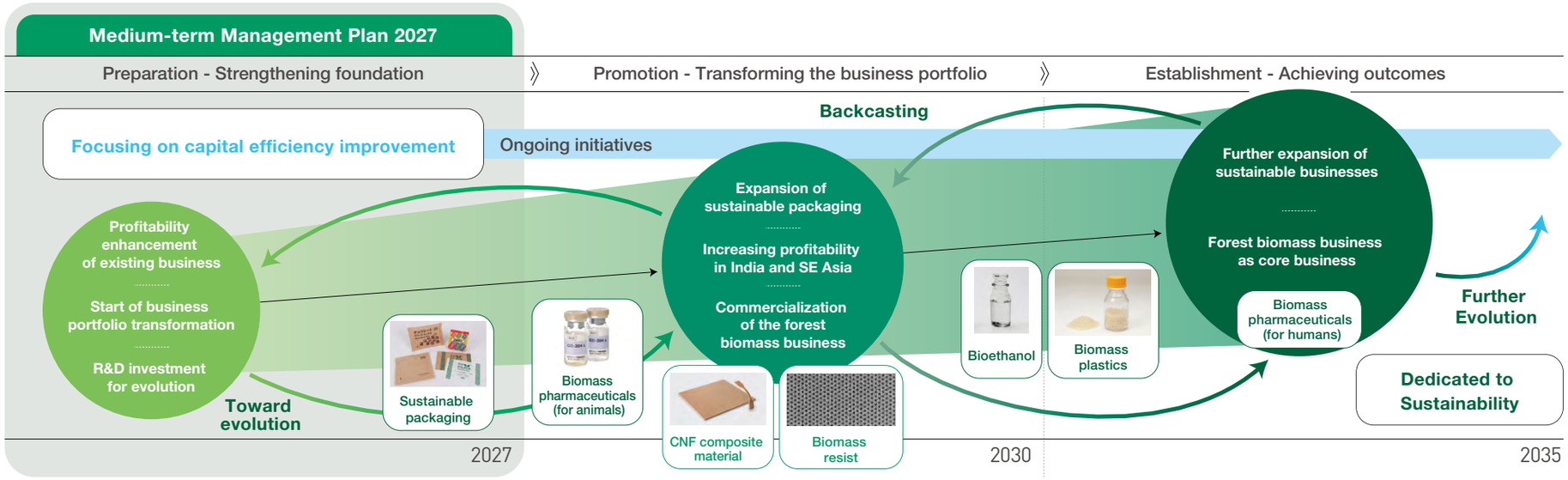
Under its Long-term Vision 2035, the Oji Group aims to contribute to a sustainable society and enhance its corporate value through the use of forest resources. This is based on three basic policies: improving capital efficiency, transforming its portfolio, and promoting sustainability. The Group has created Medium-term Management Plan 2027, viewing the period of this plan as a preparatory phase for strengthening the foundation of its business and achieving its vision. Guided by this plan, the Group rigorously implements management focused on the enhancement of capital efficiency, its top priority. At the same time, the Group has begun transforming its business portfolio by expanding its sustainable packaging initiatives and making the forest biomass business a core business. It is dedicated to establishing a strong foundation to achieve its Long-term Vision by increasing the profitability of its existing businesses and making R&D investments for the future.

■ Long-term Vision 2035 “Dedicated to Sustainability” Basic Policies

Improving Capital Efficiency	• Management focusing on capital efficiency • Asset slimming • Revising the capital structure
Portfolio Transformation	• Expanding and exploring new/ promising businesses • Restructuring low-profitability businesses
Promoting Sustainability	• Promoting carbon neutrality • Expanding nature positivity • Realizing a circular economy

Medium-term Management Plan 2027 KPI

Category		Numerical Targets	
Management KPI	ROE	8.0%	FY2027
Profit	Operating profit (consolidated)	¥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 or less	



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Business Portfolio Strategy

The current Medium-term Management Plan, covering FY2025–2027, is a preparatory phase for strengthening the foundation of the Group's business. It is the starting point for the Long-term Vision. Without being swayed by short-term fluctuations in performance, we will pursue disciplined investment and business portfolio management, aiming to transform into a forest biomass company in the 2030s.

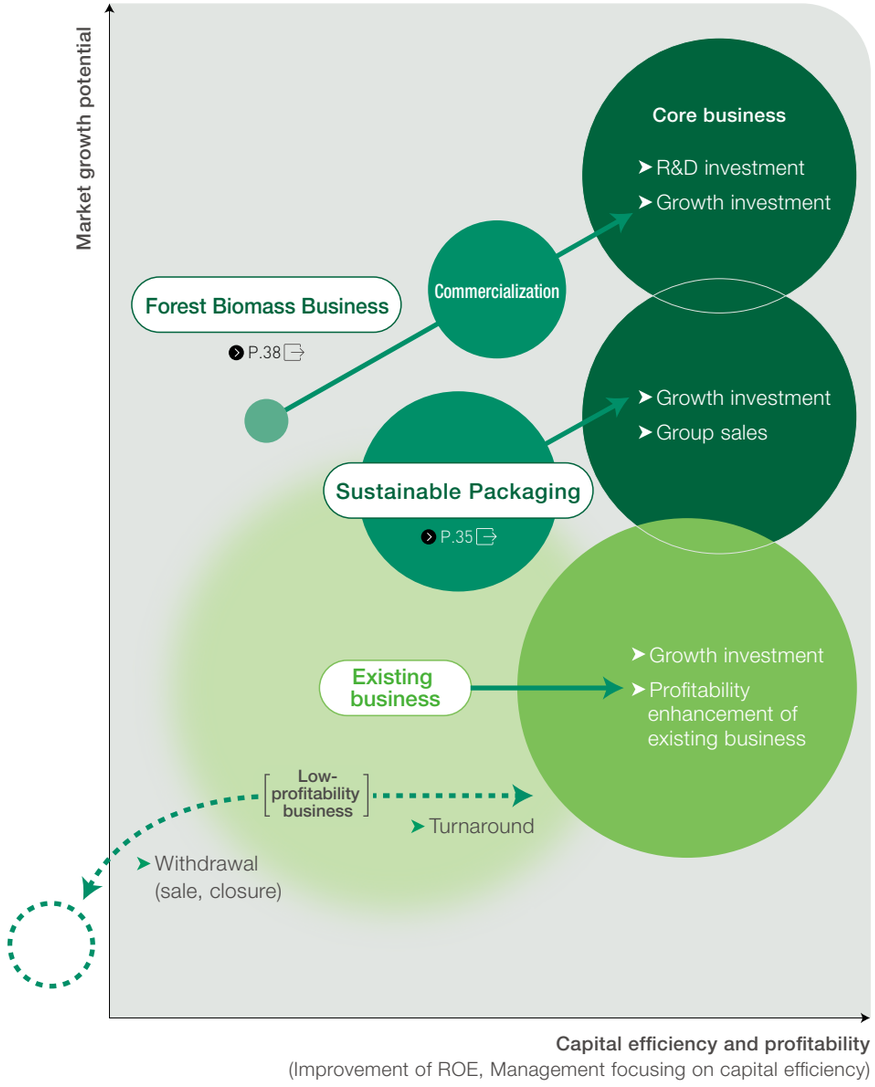
Direction and optimization of portfolio transformation

- **Forest biomass business:** Develop and expand the business into a core business
  ➤Details on PP.38–41
- **Sustainable packaging:** Continue to focus on and expand this business
  ➤Details on PP.35–36
- **Existing business:** Increase profitability through price pass-through, a shift to high-value-added products, and collaboration within the organization
  ➤Further focus on businesses that have improved profitability, aiming to make them core businesses in the medium to long term
- **Low-profitability businesses:** Regularly monitor businesses to evaluate the need to restructure them and proceed with selection and concentration
  ➤Projects we exited in FY2025 (P. 31)
- In addition to the above, we will continue to optimize our business portfolio to achieve our vision by utilizing external resources such as M&A and business partnerships.
  ➤Business partnerships, M&A in FY2025 (P. 31)

Monitoring process for low-profitability businesses

Identifying businesses that fail to meet internal criteria each year	EBITDA, ROIC, operating profit margin, and other criteria
↓	
Developing a restructuring plan for each business and evaluating its validity	Examination by a COMPANY or a CxO according to the size of the business
↓	
Regular monitoring	
↓	
Deciding to withdraw if the business continues to fail to meet the criteria	Decisions made at the Group Management Meeting and the Board of Directors

The Oji Group's initiative to achieve sustainable growth (up to 2035)



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Investment Discipline and Cash Allocation

– Enhancing Investment Discipline and Strengthening Governance

Since FY2025, the Company has been enhancing its investment discipline to improve capital efficiency. We established a hurdle rate with the aim of achieving our ROE target, setting the generation of ROIC exceeding the cost of capital as the minimum standard. When assessing each investment opportunity, we ensure that business plans quantitatively reflect risks, including risks of changes in the external environment. We require a higher return on investment than usual when investing in opportunities with high business or country risks. We will carefully screen opportunities by thoroughly evaluating them to mitigate investment risks while encouraging focused investment in growth areas. We aim to enhance the transparency and quality of decision-making.

To ensure that investments are effective, we review all growth investments, and the CFO provides an opinion from an independent perspective. We will carefully examine the validity of business plans, identifying any overlooked risks. Our goal is to clearly determine which risks to take and which to avoid. We aim to objectively assess whether the expected returns justify the risks. In doing so, we will pursue a balance between aggressive and conservative governance. We apply this discipline to overseas investments—a key driver of growth, particularly in priority markets such as India and Southeast Asia—just as rigorously as we do to domestic investments. We also rigorously assess the likelihood of generating returns commensurate with the level of country risk in each market. We do not fix the hurdle rate. Instead, we will review and optimize it as necessary in consideration of the macroeconomic environment, trends regarding the cost of capital, and the future increase of ROE targets.

Investment review process

Discussions within each COMPANY	Project proposal at the COMPANY Support from the corporate department as needed
↓	
Review by the CFO	Identifying risks Providing opinions for discussion
↓	
Group Management Meeting	Discussions from the perspective of total optimization of the Group
↓	
Board of Directors	Deliberations regarding opportunities that are qualitatively and quantitatively significant

– Cash Allocation

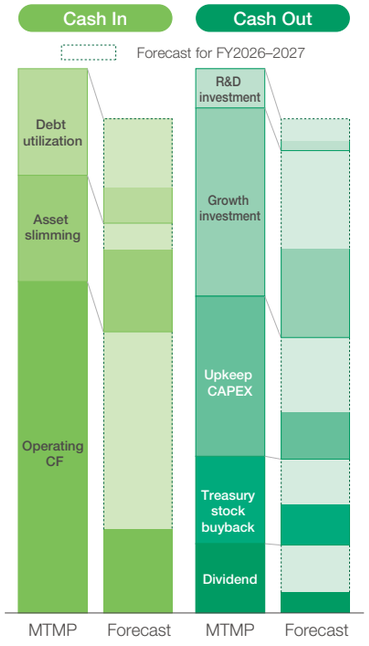
In addition to generating ¥500.0 billion in cash flows from operating activities over three years through improved profitability, we planned to use proceeds from asset slimming through the sale of shareholdings and lease properties, and borrowings, while maintaining a net D/E ratio of 1.0 or less, as funding to invest ¥320.0 billion in R&D and growth investments and to enhance shareholder returns. However, due to the current uncertainty in the economic environment, our earnings for FY2025 fell, and those for FY2026 are expected to fall, below initial expectations. In addition, our cash flows from operating activities are projected to decrease to ¥410.0 billion. Consequently, we are currently flexibly adjusting our allocation of cash to adapt to these situational changes. Regarding cash in, while cash flows from operating activities are expected to decline, cash inflows from asset slimming are projected to exceed initial expectations due to rising stock prices and accelerated sale of real estate. Considering these cash inflows, in cash out we will minimize the decrease in research and development and growth investments, lower upkeep CAPEX, and continue to enhance shareholder returns. We will ensure financial soundness and increase capital efficiency by improving the quality of our investments and controlling the total amount.

Net D/E ratio remaining at 1.0 or less
(considering ratings and interest rate increase risks)

Promote disposal of holding shares and sales of lease property
- Sales of strategic shareholdings **¥45.0 billion**
- Sales of shares contributed to retirement benefit trust **¥21.0 billion**
- Sales of lease property

Expected to increase due to rising stock prices and accelerated real estate sales

Profitability enhancement
(an ROE of 8.0% in 2027)
Generate stable cash flow
- Operating CF » **¥500.0 billion** **¥410.0 billion**



Investment for new businesses (including research and development) and existing businesses with high growth potential
(forecasts made during the development of the Medium-term Management Plan)
- R&D Investment **¥50.0 billion**
- Growth Investment **¥270.0 billion**

Total ¥320.0 billion » **¥300.0 billion**

Carefully select and execute
- Upkeep CAPEX **¥220.0 billion** » **¥180.0 billion**

Strengthen shareholder returns
- Treasury stock buyback **¥120.0 billion** **(No change)**
- Dividend payout ratio **50**%, a minimum of ¥24 per share

» **FY2025: ¥36 per share**
FY2026: ¥36 per share

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Review of FY2025

– FY2025 Results

In FY2025, operating profit was ¥34.6 billion, significantly lower than the initial forecast of ¥75.0 billion. Profit attributable to owners of parent came to ¥55.6 billion, reflecting accelerated asset slimming. We have consistently enhanced shareholder returns to optimize equity.

Category		Initial plan	Results
Management KPI	ROE	6.1%	5.0%
Profit	Operating profit (consolidated)	¥75.0 billion	¥34.6 billion
	Profit attributable to owners of parent	¥65.0 billion	¥55.6 billion
Shareholder Returns	Dividend payout ratio	51.8%	58.9%
	Treasury stock buyback	¥120.0 billion (for FY2025–2027)	¥47.7 billion (for FY2025)
Financial Soundness	Net D/E ratio	0.8	0.8

– Reasons for FY2025 Results Being Significantly Lower Than Initially Forecast

The following external factors (regarding the market environment) and internal factors (related to the Company's initiatives and challenges) resulted in operating profit in FY2025 being significantly lower than initially forecast.

(1) External factors

Falling prices and weak demand in overseas markets (overseas selling price differences, overseas volume differences)

- Declining paper market prices and pulp prices for China, which serve as an international benchmark, are the primary reasons for the decline in profits.
- The supply-demand balance continued to be sluggish over the long term, particularly for printing paper in the Chinese market and corrugated containers in Southeast Asia.
- U.S. tariff and other macro risks materialized leading to a decline in sales volume.
- Regarding both market conditions (prices) and supply-demand dynamics (volume), the Oji Group faced strong headwinds in overseas markets.

Falling prices of raw materials and fuels in Japan and overseas

- Improved profitability due to the prices of raw materials and fuels being lower than expected somewhat mitigated the negative impact of deteriorating overseas market conditions.

(2) Internal factors

Delay of effects of price increases in Japan (domestic selling price differences)

- The Oji Group adhered to a management policy prioritizing profit margins and implemented price increases in response to the rising prices of raw materials and fuels.
- A decrease in the market shares for certain products and delays in price pass-through put downward pressure on profits.
- Price increases reached targeted levels by the end of the fiscal year.

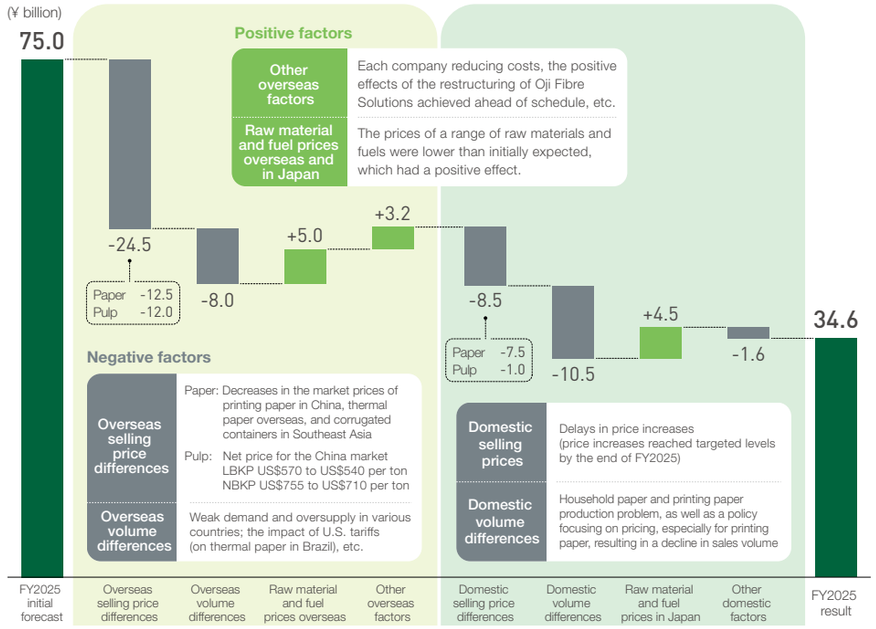
Production problem in Japan (domestic volume differences)

- A problem in the production of household paper and printing paper adversely impacted supply, resulting in a decline in sales volume.

Reducing costs and restructuring (other overseas factors)

- We reduced costs significantly in a challenging environment.
- Oji Fibre Solutions achieved results from its restructuring ahead of schedule, which had a positive impact on overall earnings.

Operating profit: FY2025 results vs. initial forecast



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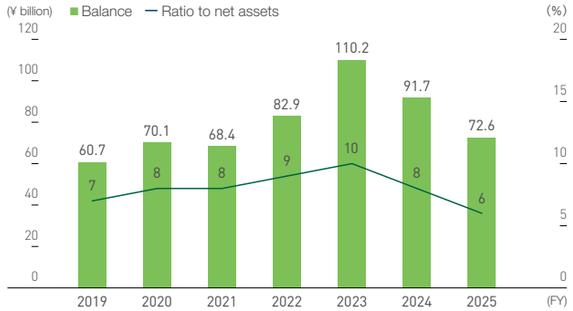
– Specific Initiatives

• Asset slimming: accelerated disposal of strategic shareholdings and lease properties

The Board of Directors thoroughly reviews the significance of its continued holding of individual stocks every year, based on our policy of holding only stocks that contribute to the increase of corporate value over the medium to long term. When selling stocks, we engage in detailed discussions with the issuing companies, gain their understanding, and steadily reduce our holdings.

Under this policy, we generated ¥56.0 billion in cash this fiscal year by disposing of holding shares to improve capital efficiency. In addition, we recorded a profit of approximately ¥35.0 billion from the disposal of real estate, including two large lease properties in Minato-ku, Tokyo.

Strategic shareholding



Note: Based on market values at the end of each fiscal year

• Growth investment, R&D investment: carefully selected investments in the foundation for next-generation growth

While carefully selecting projects and managing upkeep CAPEX, we consistently invested in growth areas that will become sources of revenue in the future. Specifically, we acquired a forest plantation company in Brazil to secure forest resources and transition to high-value-added products. In addition, to establish the forest biomass business as a core business, we acquired an Austrian biorefinery company. Through these initiatives, we are concentrating management resources on building a next-generation foundation to support our medium- to long-term portfolio transformation.

• Restructuring of low-profitability businesses: decisively withdrawing from or downsizing low-profitability businesses

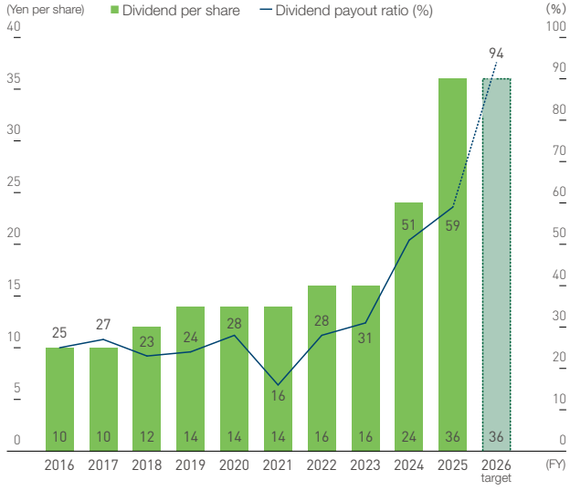
To quickly implement the restructuring outlined in our Medium-term Management Plan, we identified low-profitability businesses based on established criteria. This series of initiatives is expected to improve annual earnings by more than ¥10.0 billion.

Oceania	NZ Containerboard	Withdrawal	Shutting down of equipment	First half of FY2025
	NZ Recycling		Sale	Second half of FY2025
	AU Packaging		Sale	Second half of FY2025
	NZ Packaging	**Production system restructuring**	**Closure of the Hamilton plant**	**First half of FY2026**
Japan	Adult Diapers	Production system restructuring	Closure of the Oji Nepia Fujinomiya plant	Second half of FY2025
	Household Paper		Closure of the Oji Nepia Edogawa and Tomakomai plants	First half and second half of FY2025
	Newsprint		Shutdown of the N-4 machine at the Oji Paper Tomakomai Mill	Second half of FY2025

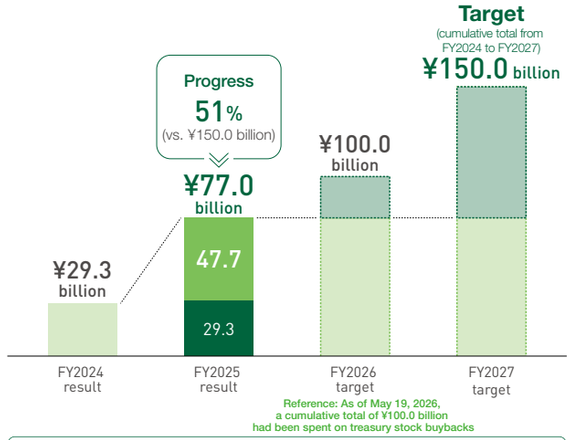
• Shareholder returns: expanding share repurchases to improve capital efficiency

We increased shareholder returns as planned despite challenging business conditions. We distributed an annual dividend of ¥36 per share (a dividend payout ratio of 58.9%) and conducted a ¥47.7 billion treasury stock buyback. We will continue to take steps to optimize equity.

Trends in dividends and the dividend payout ratio



Treasury stock buyback (Cumulative total)



Cancellation of treasury stock: As of May 29, 2026, 100 million shares were canceled, which is 9.9% of the total number of shares outstanding before the cancellation.

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Priority Areas in FY2026 and FY2027

– Major Initiatives in FY2026 and FY2027

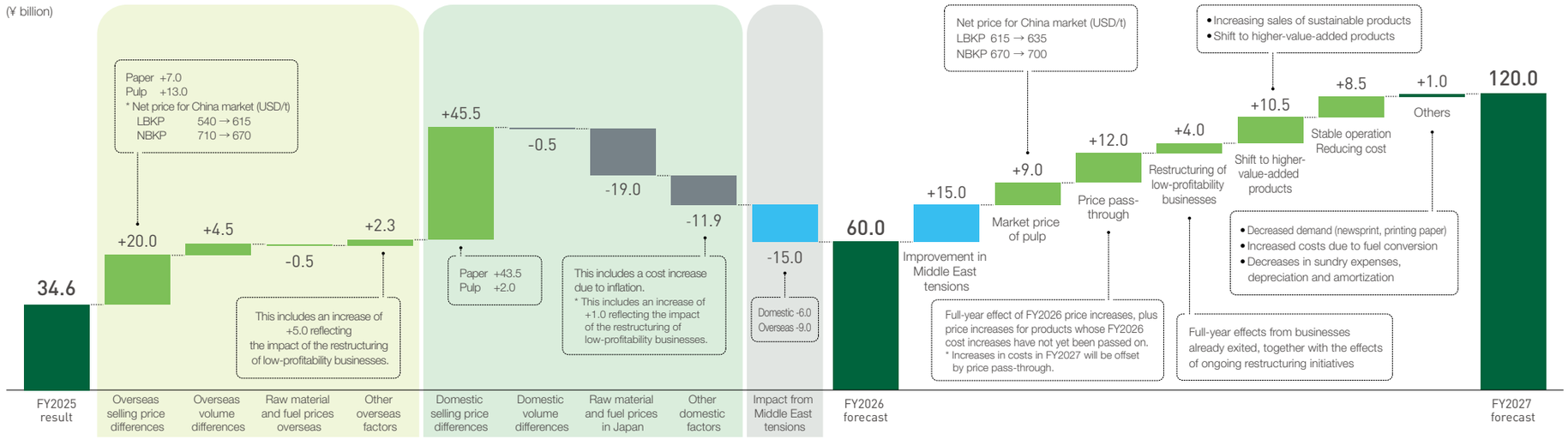
We take the challenges we faced in FY2025 seriously, and we will implement four key initiatives in FY2026 and FY2027 to ensure that our profitability steadily recovers and build a foundation for medium- to long-term growth.

Price increases	• Maximizing the impact of price increases in Japan in FY2025 and implementing additional price increases at appropriate times • Passing on increased raw material and fuel prices, logistic service expenses, and other costs to selling prices promptly and in a timely manner • Transitioning from commodity products to higher-value-added products more quickly
Stable operation Reducing costs	• Resolving operational issues to ensure products are supplied reliably and sales volume is consistent • Pursuing the reduction of costs and the optimization of workforce productivity
Accelerating the restructuring of low-profitability businesses	• Achieving results from the restructuring of Oji Fibre Solutions and Nepia • Identifying low-profitability businesses at an early stage and promptly implementing improvements or withdrawing from them
Accelerating the portfolio transformation Strengthening the forest biomass business	• Conducting research and development and M&A activities to develop a structure for the end-to-end utilization of the entire process, including downstream operations related to wood resources • Enhancing the Group-wide sales system and increasing sales of sustainable products

Category		FY2026 forecast	Targets for FY2027
Management KPI	ROE	3.3%	8.0%
Profit	Operating profit (consolidated)	¥60.0 billion	¥120.0 billion
	Profit attributable to owners of parent	¥35.0 billion	¥80.0 billion
Shareholder Returns	Dividend payout ratio	93.6%	50%
	Treasury stock buyback (cumulative total over the period beginning FY2025)	¥70.0 billion	¥120.0 billion
Financial Soundness	Net D/E ratio	0.9	1.0 or less

– FY2026 Forecast and Roadmap to Reach the FY2027 Target

We aim to overcome the challenges in FY2025 and achieve a solid recovery to operating profit of ¥60.0 billion through price increases and stable operations in FY2026. To solidify the roadmap toward achieving our operating profit target of ¥120.0 billion in FY2027, we will maximize the effects of the restructuring activities and accelerate our portfolio transformation.

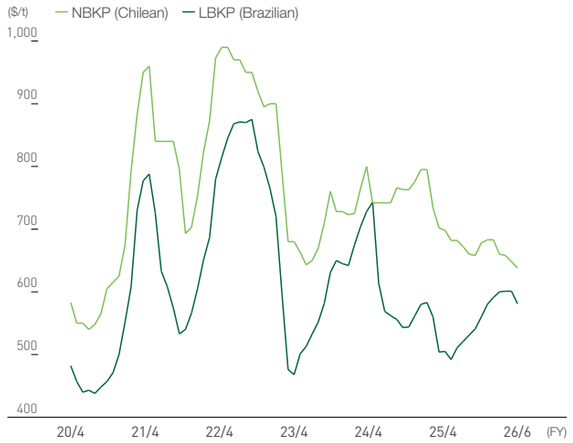


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Factors Behind the Changing Business Environment

The Oji Group's earnings are closely linked to trends in the external environment, including international pulp market prices, the prices of raw materials and fuel for its manufacturing processes, and exchange rate fluctuations. To achieve the goals in Medium-term Management Plan 2027, we are building a resilient portfolio that is not excessively susceptible to these trends and improving our management practices to increase our adaptability, while accounting for changes in the external environment.

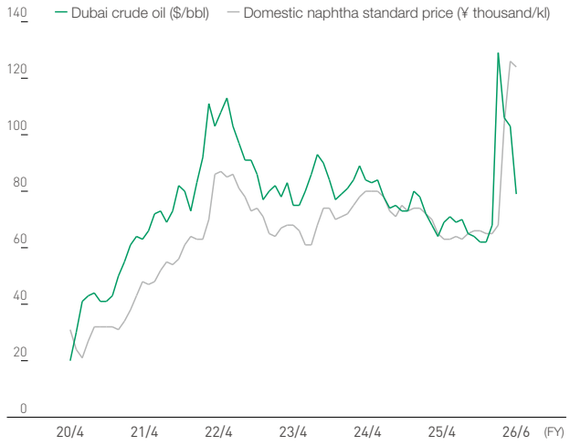
Pulp price (Net price for China market)



In the Medium-term Management Plan, we assume that the market prices for LBKP and NBKP in China for FY2027 are US$610 per ton and US$710 per ton, respectively. Their prices are currently below these assumptions.

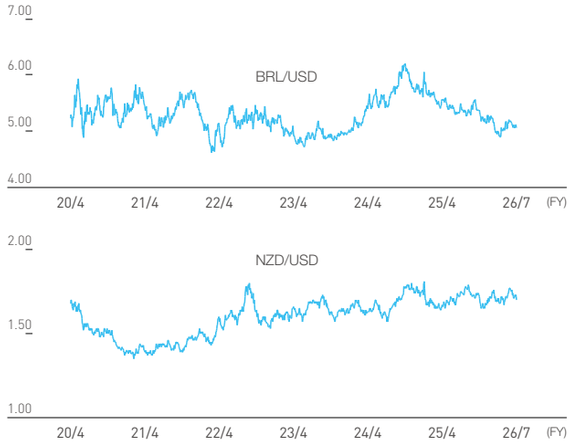
The market price of pulp being low directly affects profits in our pulp business. We are reducing costs to maintain profitability while transforming our business portfolio so that it is less dependent on the pulp business.

Trends in key raw material and fuel prices (Dubai crude oil, domestic naphtha standard price)



In the Medium-term Management Plan, we expressed concerns about persistently high energy prices, including the prices of crude oil and coal. However, in FY2025, energy prices remained below our expectations. On the other hand, energy prices rose sharply in March 2026 due to geopolitical risks, particularly Middle East tensions, and Dubai crude oil prices remain above our Medium-term Management Plan assumption of US$67 per barrel. We pass on higher raw material and fuel prices and other costs to product prices in a timely and steady manner to ensure profitability.

Trends in exchange rates



In the Medium-term Management Plan, we assumed a U.S. dollar-yen exchange rate of ¥145 per dollar. Yen depreciation increases the costs of imported raw materials and fuels in Japan, which in turn puts downward pressure on our profits. However, profits from our overseas operations increase to some extent when converted to yen.

Pulp manufacturing and sales companies sell their pulp products in U.S. dollars while their manufacturing costs are incurred in local currencies (Brazilian reals or New Zealand dollars). When the local currency depreciates against the U.S. dollar, the companies benefit from relatively lower manufacturing costs when these costs are converted. This ultimately leads to higher profits.

■ FY2026 sensitivities

If the pulp price rises US$10 per ton, operating profit will increase approximately ¥3.0 billion per year.

If the crude oil price rises US$10 per barrel, operating profit will decrease approximately ¥3.0 billion per year.

If the U.S. dollar appreciates 10% against the New Zealand dollar or the Brazilian real, operating profit will increase by approximately ¥6.0 billion per year in each case.

For other assumptions, please see here. Medium-term Management Plan 2027

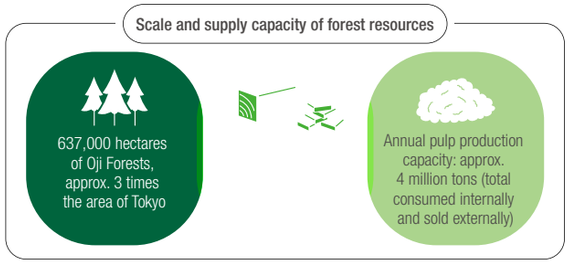
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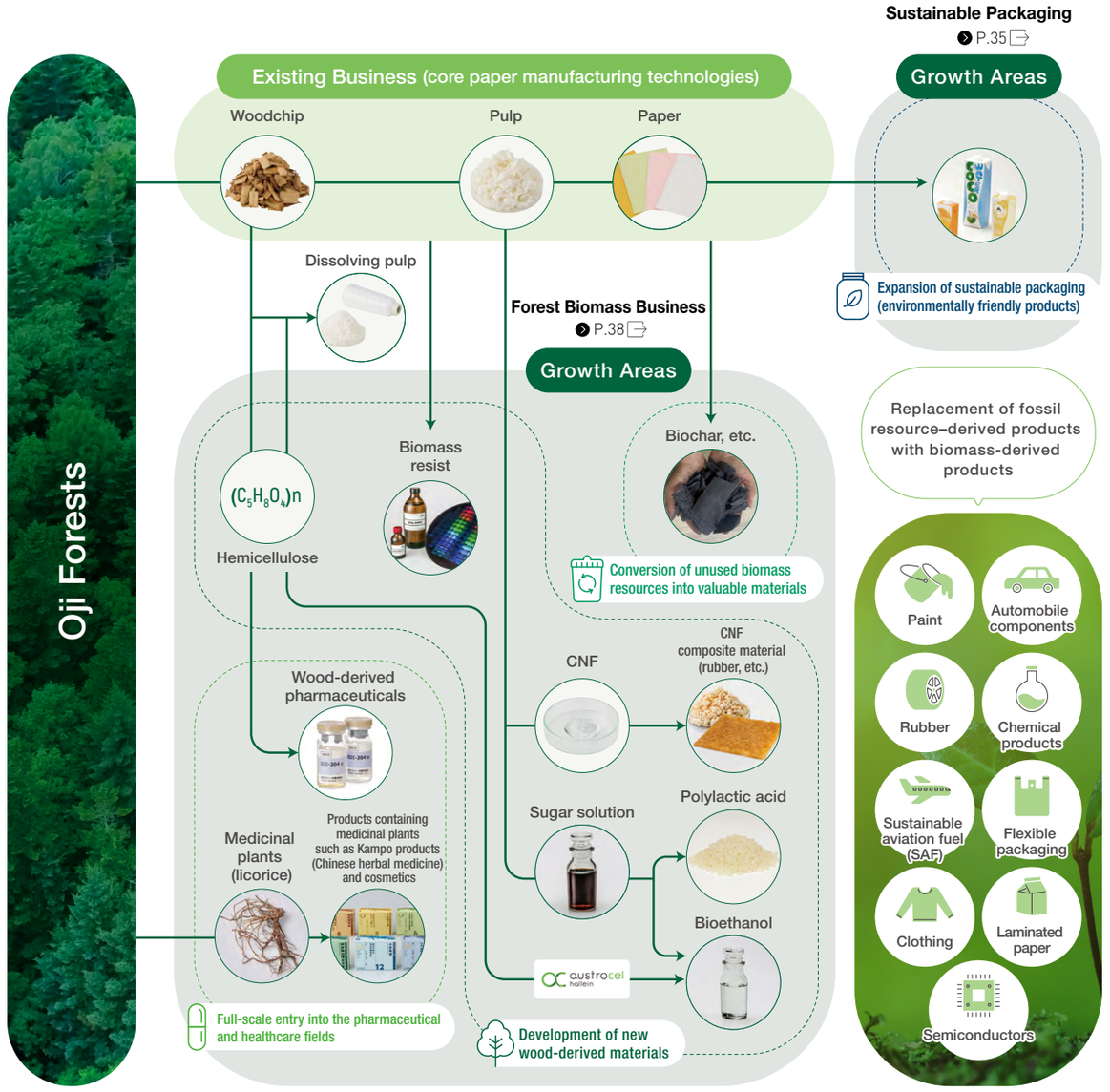
Overview of Growth Areas Rooted in Forest Resources

– Expansion of Value Created by Oji Forests

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 recent years, amid progress toward decarbonization, growing resource constraints, and efforts to realize a carbon-neutral society, global expectations have risen for biomass materials as alternatives to materials derived from fossil resources. As a company based on forests, which are a renewable resource, we view this social demand as a growth opportunity and are working to create new growth businesses that maximize the value of forest resources.

The diagram on the right shows the new materials branching out from forest resources and our future growth areas. Based on the approach of utilizing every component of wood resources without waste, we are creating new high-performance materials from woodchips and pulp, which have traditionally been used mainly as raw materials for paper, and expanding their applications into a wide range of fields, including chemicals, energy, pharmaceuticals and healthcare, and electronics. We are also focusing on expanding sustainable packaging (environmentally friendly products) by adding greater value to paper itself. With more than 100 years of experience working with forest resources, the Oji Group possesses abundant forest resources as well as core technologies and manufacturing infrastructure developed through integrated operations spanning forest management through paper and pulp manufacturing. Building on these strengths, we aim to connect the expanding value of forest resources to next-generation businesses, thereby contributing to the resolution of social issues while achieving medium- to long-term growth and sustainable enhancement of corporate value.





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Growth Areas: Sustainable Packaging

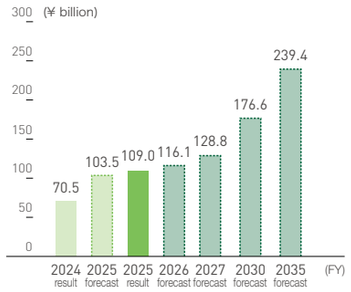
Expansion of sustainable packaging (Environmentally Friendly Products)

– Market Trends and Outlook

Expectations regarding sustainable packaging materials are increasing as we move toward the reduction of environmental impact and the realization of a circular economy. It is expected that the market will grow 6.7% annually from 2026 to 2034. It is projected that the market will reach approximately $680 billion by 2034.*1

Against this backdrop, we positioned sustainable packaging as a growth area in our Long-term Vision, and we are promoting a business portfolio transformation. Our plan is to achieve net sales of approximately ¥240.0 billion by 2035.

Sales of sustainable products*2: results and forecasts



*1 Source: Fortune Business Insights, Sustainable Packaging Market
*2 Including sustainable packaging and materials that are alternatives to plastics for non-packaging applications

– Status of Rollout

The Oji Group develops many different high-value-added products leveraging the strengths of pulp and paper, a sustainable material derived from forest resources. This includes products used in the shift from plastic to paper packaging.

Previously, products were marketed individually through the sales departments of each Group company. However, further expansion requires a mutually collaborative organizational structure optimized for the Group as a whole. We will continue to expand sales using the Oji Group's global sales network while reinforcing our cross-Group sales structure.



P.37

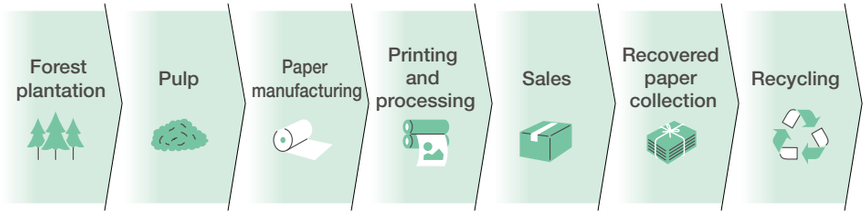
– Initiatives Leveraging the Strengths of the Oji Group

Paper-based sustainable packaging still faces hurdles in terms of cost, functionality, and other areas compared to plastic packaging derived from fossil resources. Based on the paper coating and lamination technologies we have developed to date and the following strengths, we seek to differentiate ourselves from other companies and solve customers' problems by providing high added value and optimal designs.

Business across the value chain

The Oji Group has a long value chain unmatched by any other company. It spans from forest plantation through paper manufacturing to recycling. We can use appropriate research and development processes within this value chain to solve problems by taking a complementarity approach in light of the entire process from material design to recycling. Via Renewa, our recycling brand, we are pushing forward with efforts to recycle difficult-to-process recovered paper.

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For liquid packaging cartons, we provide filling machines and maintenance services in addition to our integrated production of base paper and converted paper. We will develop and promote businesses that integrate the entire value chain.

Product development for advanced markets

In Europe, the most advanced packaging regulation, the Packaging and Packaging Waste Regulation (PPWR) has been phased in since August 2026. Through Walki, the Oji Group is developing sustainable packaging in collaboration with European brand owners and providing paper-based packaging solutions. Anticipating the global rollout of such regulations, we are advancing product development to meet future customer needs.



Outer bags for madeleines replaced with a paper material

One-stop packaging and design service

In Southeast Asia, we have launched the "OJI4U" business model to provide comprehensive proposals encompassing packaging design and materials. It is based on the concept of contributing to customer brand building through packaging, proposing specifications and structures tailored to customer needs, and providing integrated supply, including packaging materials. We will provide high-value-added one-stop services by leveraging the Oji Group's comprehensive strengths.

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Expansion of sustainable packaging (Environmentally Friendly Products)

– Expanding Sales of Liquid Packaging Cartons in Southeast Asia



Aseptic carton

Liquid packaging cartons are a type of sustainable packaging mainly made from paper-based materials. Aseptic carton packages in particular have a barrier layer, and they make the long-term storage of their contents at room temperature possible. The contents are put into the package in a sterile environment and then the package is sealed. The barrier layer prevents oxygen and light from entering, preserving the contents of the package. Aseptic carton packages have become an indispensable solution for the storage and distribution of milk and other beverages susceptible to quality deterioration. Demand for aseptic carton packages is expected to continue growing globally.

In 2023, we acquired IPI, an Italy-based company manufacturing and selling converted paper and filling machines for aseptic carton packages with customers in more than 50 countries worldwide across Europe, the Middle East, Africa, Latin America, and other regions. Going forward, we aim to leverage IPI's sales network and the foundation of the Oji Group's existing business to expand our aseptic carton business in Southeast Asia.

Growing demand for aseptic cartons in the Southeast Asia market

The populations of major Southeast Asian countries have been continually increasing. The percentage of the population that is of working age is high and the consumer market is expanding. It is expected that the economies of these countries will continue to grow steadily. However, some areas in countries across the region still lack adequate logistics and cold-chain infrastructure, and they mainly use aseptic carton packages, which make it possible for beverages such as milk to withstand long-term storage at room temperature.

In particular, economic growth has increased the number of people in middle-income brackets and their awareness of health issues has increased, which has transformed dairy products into daily foods and spurred a rapid increase of consumption in Vietnam. To aid the healthy growth of children, the government encourages the inclusion of milk in school lunches and endeavors to strengthen domestic dairy farming. Because of these reasons and an increase in milk consumption, it is expected that demand for aseptic carton packages will continue to grow.

Production and consumption of milk in Vietnam (government target)

	2023 result	2030	2045
Milk production (billion liters/year)	1.86	2.6	8.0
Milk consumption per capita (liters/person/year)	27	40	100

Source: Vietnam's Dairy Industry Development Strategy (Prime Minister Decision 309/QD-TTg)

Development of production system in Vietnam and recycling efforts

To meet the aforementioned demand, Oji Liquid Pak Co., Ltd. (OLP), was established in Vietnam, and we decided to build a new factory for converted paper for aseptic carton packages with the start of commercial operation planned for March 2028. After this, our two locations in Europe and Asia will fulfill the global demand for aseptic carton packages leveraging IPI's expertise in the production and sale of aseptic carton packages.

Under Vietnam's environmental protection laws, producers and importers have been required since 2024 to recycle an amount of packaging materials, including beverage containers, proportionate to the amount they place on the market, making the recycling of aseptic carton packages an urgent issue. We will cooperate with customers in Vietnam and consider the establishment of a recycling system that leverages the technologies we have developed in Japan while also working to develop aluminum-free aseptic carton packages that are easier to recycle.


Rendering of OLP's new factory in Vietnam

– Renewa, the Brand for the Oji Group's Material Recycling Activities

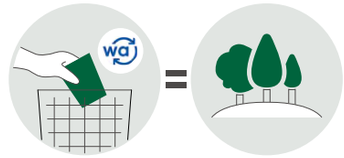
We are developing a corporate collaboration-based recycling system to turn materials that are difficult to recycle and have traditionally been incinerated, such as paper cups and aluminum-lined cartons, into renewable resources. The process from the collection and sorting of waste to its recycling and the utilization of recycled products is designed as an integrated circular system, enabling more advanced resource circulation. This initiative received the New Creation Category Award at the 50th Kinoshita Prize (Japanese only) organized by the Japan Packaging Institute.

As demand for sustainable packaging continues to grow, paper-based packaging is becoming increasingly sophisticated and multi-functional. Consequently, some recovered paper remains unrecycled because of the difficulty of recycling it using existing methods. Renewa's goal is to expand the recycling of these resources by combining technological innovation with collaboration across industries.

Collecting and recycling recovered paper that was previously not recycled enables the reuse of these paper resources as raw materials and reduces waste. The recycling of one ton of paper cups enables society to continue to use these paper resources, providing environmental value equivalent to approximately five tons of CO_2 absorbed and sequestered by forests. The ability to quantitatively show environmental value in line with the amount of waste recovered helps client companies increase the effectiveness of their environmental target achievements and visualize their initiatives.

Today, we have established a collaborative network of approximately 30 companies and organizations from different industries that range widely from the restaurant industry to the manufacturing, construction, real estate, accommodations, service and recycling-related industries, and more. Going forward, we will contribute to the realization of a circular economy, expand our efforts to embed the practice and utilize unrecycled recovered paper throughout the country.

Effects of the initiative



Link to Renewa's Website (Japanese only)

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Feature: OJI Sustainable Mulching Sheet
— A Form of Growth Facilitated by a Customer-centric Approach and Cross-Group Collaboration —

Crops growing poorly due to high temperatures in the summer and the need to collect mulching sheets after use*1 are significant challenges in agriculture. OJI Sustainable Mulching Sheet is a paper-based material that was developed by seeing the management and operational challenges that farmers face as a starting point for creating value.

*1 Agricultural material covering the soil surface of a field to grow crops



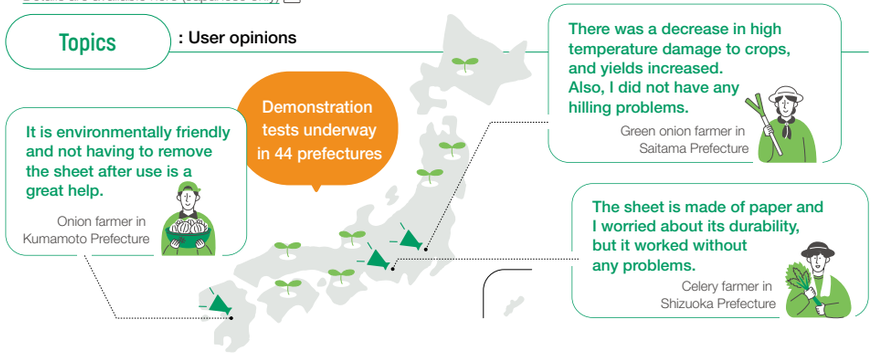
Example use

– Customer-centric Development Process

In developing the product, our development and sales personnel worked with each other, engaged in repeated dialogues with farmers throughout the country, and improved the product by conducting demonstration tests at cultivation sites. A demonstration test conducted during a high temperature summer showed that, by controlling the soil temperature,*2 the product was able to stabilize the growth of the crops and increase yields. Another characteristic of the product is that, after use, it does not have to be collected. It can be returned to the soil.

Leveraging these characteristics of paper-based materials, OJI Sustainable Mulching Sheet helps improve farm management and reduce environmental impact by stabilizing crop growth, reducing the burden of collection work, and reducing plastic use.

*2 In an example from Kajitsudo Co., Ltd., yields increased by an average of 30%–50%, with yields nearly doubling at maximum.
Details are available here (Japanese only)



– Strengthening Sales through Group Cooperation

Notably in this example, the Oji Group went beyond product development and built a system for expanding sales through cross-functional cooperation. Oji Container's national sales network and Morishigyo's community-based sales force cooperate with each other to propose solutions based on local needs while Oji F-Tex handles the development of materials and the improvement of products.

In addition, we have established a sales process in which feedback from farmers and knowledge obtained on-site within the Group is shared so that products and proposed solutions can be improved, leading to more customers beginning to use our products. In this system, people cooperate and information is shared beyond the borders between COMPANIES to increase sales of OJI Sustainable Mulching Sheet.



People in charge of the development and sale of OJI Sustainable Mulching Sheet
Left: Chikashi Morimoto, Industrial Functional Material Sales Department, Sales Division, Oji F-Tex
Right: Yoshimasa Mori, Sales Department 4, Sales Division, Oji Container Co., Ltd.



Photo of the shared Oji F-Tex and Oji Container booth at an agricultural fair

– Results and Future Business Developments

Because of these efforts, the number of trial deployments of OJI Sustainable Mulching Sheet has been steadily increasing. It was 82 in FY2024 and increased approximately 1.7-fold year on year to 138 in FY2025. The product is mainly being used for crops and in regions where there is a greater need to take measures to address high temperatures. These trial uses are triggering more customers to buy the product to continue using it and expand its use.

In the future, we will pursue the continued increase in sales by expanding the product lineup in line with the characteristics of crops and regions and increasing the accuracy of proposals by accumulating empirical data. The customer-centric product development and the cross-Group sales expansion model established through this initiative can be used for other sustainable products and new businesses. Going forward, it will be utilized as a foundation supporting the Oji Group's creation of growth businesses.

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Forest Biomass Business

Development of new wood-derived materials

– AustroCel

Acquisition of AustroCel

As global demand for renewable materials and fuels grows, markets are emerging, particularly in Europe, for next-generation biofuels and high-value-added biomaterials made from wood biomass, a non-food feedstock.

In line with the policy outlined in our Long-term Vision to transition to a business structure centered on the forest biomass business and sustainable packaging, Oji Holdings has prioritized strengthening its biorefinery capabilities and acquired AustroCel, which it sees as having an ideal model for a bio-based business. By acquiring AustroCel, we will seek to maximize the value of wood biomass, establish a business model that balances environmental value and economic value, and expand it throughout the Group.

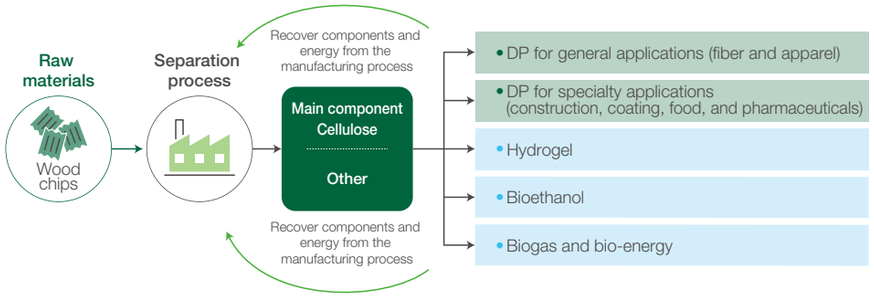
Business model and strengths of AustroCel

The company's strength lies in having established a circular zero-waste model, which extracts the full value of wood. Dissolving pulp (DP), the main product made from cellulose, is AustroCel's stable revenue base while the company fully utilizes wood biomass raw materials. AustroCel is expanding its business into areas such as bioethanol and hydrogels for agricultural applications. AustroCel has established a business cycle in which components that would otherwise be burned to generate energy are recovered in the manufacturing process and used to create valuable products. The company has established an advanced biorefinery business model.

This model balances resource efficiency and profitability, contributing to the resolution of social issues such as decarbonization and the transition to a circular economy. It also plays a central role in Oji Holdings' efforts to maximize the value of wood biomass.

*1 Hydrogels are highly absorbent materials with agricultural applications, including the enhancement of soil's water retention capabilities. Conventionally, hydrogels are derived from fossil resources, but AustroCel's hydrogels are made from wood biomass–derived materials.

AustroCel's circular zero-waste model



Future development

Oji Holdings positions AustroCel as a leading example in its transition to a business structure based on the forest biomass business, and it is working to expand its business centered on significantly increasing the added value of wood biomass and its circular use.

AustroCel will accelerate the shift of its core DP business from general-purpose applications to higher-margin specialty applications, thereby establishing a stable growth base. In addition, AustroCel will fully leverage synergies with Oji Holdings to improve bioethanol yields in both Japan and Austria.

From a business perspective, the two companies will integrate their sales networks to expand their global customer base. From a manufacturing perspective, they will optimize their biorefineries by sharing manufacturing and development expertise.

In addition, we will enhance our business portfolio and diversify our revenue sources by launching and expanding bio-based materials businesses such as hydrogel and phasing in next-generation fuel businesses such as e-methanol.

Teams in Japan and Europe will collaborate with a sense of urgency across a range of fields based on AustroCel's advanced utilization of biomass, and we will also work to create an environment in which employees can take pride in their work.

Through these initiatives, we are striving to achieve net sales and profits equivalent to 1.4 times their 2025 levels by 2030. Together, the two companies will create new value from wood biomass resources.

*2 E-methanol is a synthetic fuel made from renewable energy–derived hydrogen and CO_2. It is expected that it will be used as a marine fuel and for other low-carbon purposes.



Future challenges

The DP business is susceptible to market conditions. The fuel business, including bioethanol, is also susceptible to external factors such as energy prices and policy and regulatory trends.

To address these challenges, we will increase the stability of our business foundation by strengthening Oji Holdings' ability to adapt to market changes and manage its businesses, thereby achieving sustainable growth in the forest biomass business.

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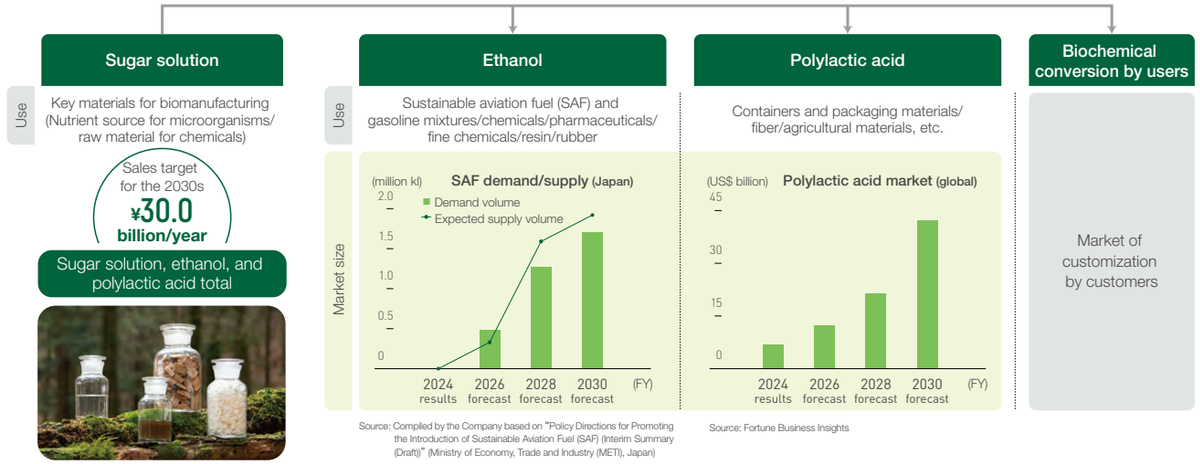
– Biomanufacturing (Sugar solution/Ethanol/Polylactic acid (PLA))

Market opportunities in the biomanufacturing business

The biochemical market is rapidly expanding amid the trend toward decarbonization and away from fossil resources.

To seize large business opportunities, the Oji Group is commercializing wood-derived sugar solutions, ethanol, and polylactic acid (PLA), leveraging our papermaking infrastructure based on renewable forest resources and our unique saccharification and fermentation technologies. We will establish a system that is able to domestically manufacture and supply fuel and chemical raw materials and contribute to the realization of economic and energy security and a stable supply of products independent from fossil resources.

In the 2030s, we aim to generate annual sales of approximately ¥30 billion through businesses centered on biomanufacturing, while balancing reduced environmental impact with sustainable growth.



Source: Compiled by the Company based on "Policy Directions for Promoting the Introduction of Sustainable Aviation Fuel (SAF) (Interim Summary (Draft))" (Ministry of Economy, Trade and Industry (METI), Japan)

Source: Fortune Business Insights

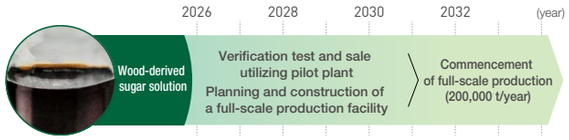
Development of business originating from sugar solution to support a broad range of industries

■ Wood-derived sugar solution: A core biomanufacturing material

This core material broadly supports biomanufacturing in areas ranging from fuel, chemicals, and resin to food, cosmetics, and pharmaceuticals. Having set a goal of bringing a full-scale production facility into operation in FY2030, we are currently working to optimize the process for producing wood-derived sugar solution from wood pulp while developing new applications through co-creation with users.

Progress: Samples have already been provided to more than 20 companies (users) in parallel with demonstrations at the pilot plant. Many companies have rated the samples as at least equal to existing products,* and we are continuing to accelerate efforts to commence practical application of the product.

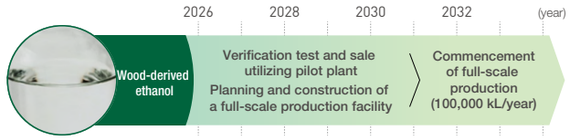
* Sugarcane- and corn-derived sugar solution



■ Wood-derived ethanol: Practical deployment in the fields of fuel and chemicals

As we strive to achieve a decarbonized society, this raw material is indispensable in the manufacturing of next-generation products in the fields of fuel and chemicals. Setting the goal of establishing a manufacturing base with a full-scale production facility in FY2030, we are committed to reducing costs by optimizing processes and maximizing product-market fit by developing a quality assurance system.

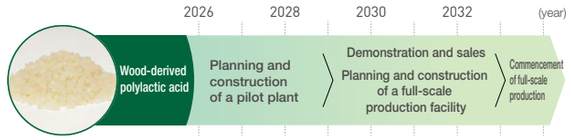
Progress: Our pilot plant has successfully produced high-purity 99.5% ethanol, and a chemical manufacturer has already conducted a medium-scale demonstration and confirmed that the product meets the requirements for practical use. To enable society to use the product, we will build a stable supply system, find off-takers, and steadily scale up the business to full-scale production.



■ Wood-derived polylactic acid (PLA): Embodiment of value through the release of products

PLA is the biomass plastic most extensively used around the world for packaging materials and fiber and other applications. It is expected that demand for it will continue to grow as an eco-friendly material independent from fossil resources. We are developing the wood-derived product in-house while seeking to balance the enhancement of the value of forests and the provision of sustainable products.

Progress: Currently, we are conducting a series of medium-scale tests using a bench-scale plant, producing polylactic acid sheets and evaluating their physical properties within the Group. To accelerate the implementation of PLA in society, we are fleshing out our plan for building a pilot plant and focusing on developing a manufacturing process that balances low environmental impact and excellent functionality.



For more information about biomanufacturing, see the Innovation Promotion Division's Website. (Japanese only)

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– Biomass Resist

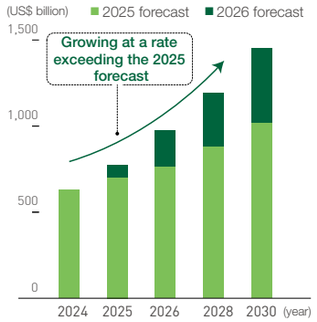
The semiconductor market and advances in technology

The semiconductor market continues to grow. The latest forecasts indicate that the semiconductor market is approaching a one-trillion-dollar market in 2026.

As the market expands, miniaturization continues in cutting-edge semiconductor manufacturing processes, and higher circuit integration is being achieved through EUV lithography technology*1. Against this backdrop, photoresists, an indispensable material in the lithography process*2, are becoming increasingly important. By developing photoresists derived from wood biomass, we aim to contribute to the manufacturing of next-generation semiconductors.

*1 A cutting-edge photolithography technology using extreme ultraviolet (EUV) light to form fine circuit patterns that are difficult to achieve with conventional technologies.
*2 A process for forming fine semiconductor circuit patterns using light. As miniaturization advances, increasingly sophisticated materials, equipment, and process control are required.

Semiconductor market (global)



Source: Prepared by Oji Holdings based on WSTS data

Characteristics of our biomass resist

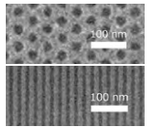
Our wood-derived biomass resist enables the formation of fine patterns because its molecular structure is designed to facilitate control of material decomposition behavior during exposure. This can contribute to higher levels of semiconductor integration. Leveraging the unique characteristics of this biomass, we are developing environmentally friendly biomass resists that deliver the high performance required by customers.

Characteristics of the Oji Group's biomass resist

- High-resolution patterns can be formed
- High photosensitivity maximizing the characteristics of wood biomass
- non-PFAS*3
- High storage stability and process stability



Biomass resist



Resist pattern example

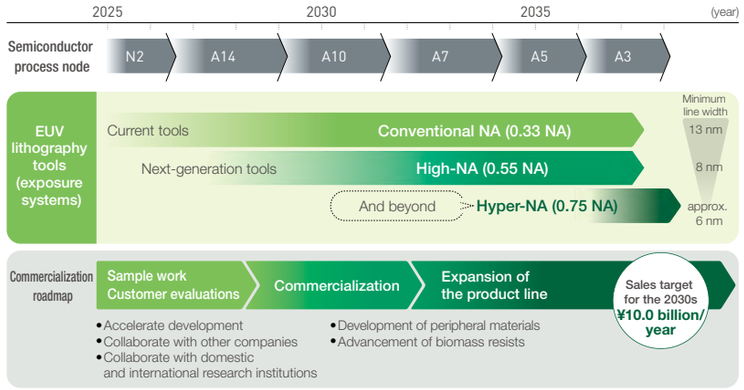
*3 PFAS is a general term for per- and polyfluoroalkyl substances. Concerns about their environmental and health impacts are growing, leading to strengthened regulations and countermeasures both in Japan and around the world.

Progress in the development and future expansion of businesses

We are introducing equipment and building an integrated system that covers the entire process from materials design and polymer synthesis to evaluation and mass-production feasibility studies. We started collaborative research with imec*4 in 2025. We successfully formed fine patterns using EUV lithography and presented these results at an international conference held in the United States in February 2026, as well as at other conferences. With a view toward the market introduction of next-generation EUV lithography tools, we will prepare for commercialization in 2028 and aim to achieve annual sales of ¥10 billion in the 2030s.

*4 One of the world's leading international research and innovation hubs in semiconductor technologies. imec conducts joint research with major semiconductor devices, equipment, and materials manufacturers.

Trends in semiconductor miniaturization technologies and our commercialization roadmap



Note: A semiconductor process node is an indicator of the technology generation and level of miniaturization in semiconductor manufacturing.
NA is the numerical aperture of a lithographic tool's lenses. A higher NA enables the formation of finer patterns.

Voice



Materials Development Specialist

Sotaro Fukumoto

■ Why I joined the team

I was attracted to the Oji Group's pursuit of cutting-edge semiconductor technology based on its manufacturing capabilities using its company-owned forests. I was also intrigued by it being an environment in which I would be able to take on the challenge of developing new materials, leveraging the knowledge I accumulated in my previous job. That's why I joined the team.

■ Current initiatives

I am in charge of the design and synthesis of resist polymers using biomass raw materials. In addition to internal development efforts, I work with various companies and research institutions to accelerate resist development, with a focus on early market entry.

■ Future challenges

Through our development efforts to date, we have successfully developed new materials that meet our initial performance targets. Based on these results, I will continue striving to develop biomass resists, that outperform existing advanced materials.

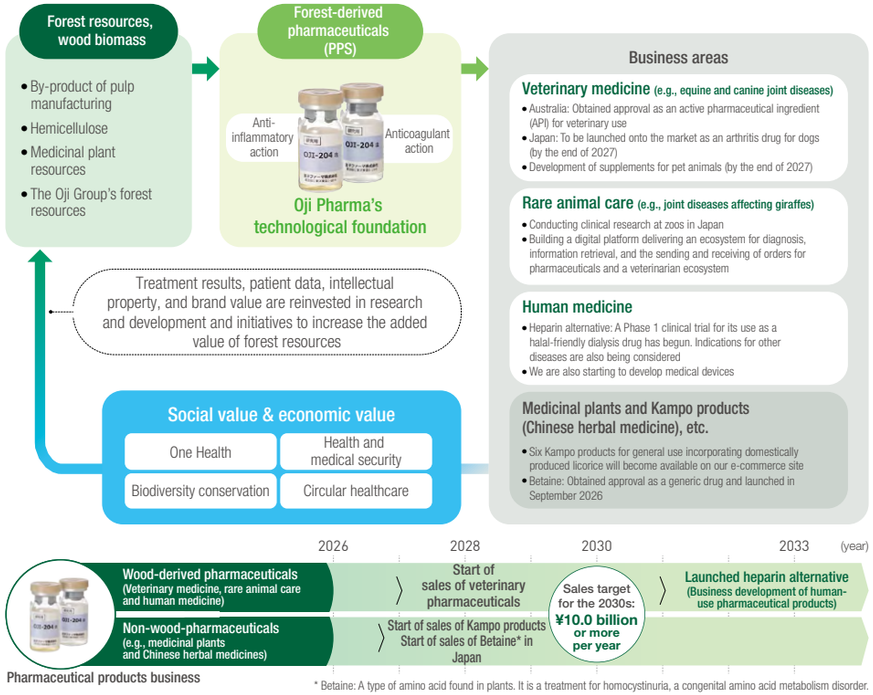
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– Pharmaceuticals and Healthcare

Pharmaceutical development initiatives

Oji Pharma is working to create new value in the pharmaceutical and healthcare fields using hemicellulose, paper manufacturing byproducts. Based on the anti-inflammatory and joint-protective effects of our unique wood-derived sulfated hemicellulose, PPS, we started by developing a veterinary arthritis treatment, initially for animals such as horses, and applying the knowledge gained to the care of large rare animals such as giraffes, elephants, and rhinoceroses. In development activities leveraging the anticoagulant action of PPS, another major property, we are also committed to the development of applications contributing to health and medical security, such as halal-friendly anticoagulants for hemodialysis and medical supplies. Combining the Oji Group's expertise in forest resources, material technologies, quality assurance, and pharmaceutical affairs, we seek to establish a business model that balances increasing the added value of natural capital with contributing to medical needs.

Oji Pharma's business model



Oji Pharma's business model

We are advancing a circular healthcare model, a unique plan to expand the use of wood-derived materials from animal medicine to human health and medical security and to reinvest the social and economic value created in research and development and initiatives to increase the added value of forest resources. We aim to achieve annual sales of ¥10 billion or more in the 2030s.

Currently, we are also expanding our use of this model to rare animal medicine, a type of animal medicine where there are limited treatment options. We will continue to move forward with activities to meet unmet medical needs.

World's first clinical research involving a giraffe conducted at Omuta City Zoo



For the first time in the world in the field of rare animal medicine, we conducted clinical research that involved a giraffe. A giraffe with osteoarthritis in both forelimbs began undergoing treatment in January 2026, and there were signs that symptoms were improving about two weeks after the giraffe commenced medication. After about one month, symptoms had been reduced from moderate to mild.

This is an important case demonstrating the feasibility of social implementation in real-world clinical practice in rare animal care.

In the future, we will expand the number of cases involving large, rare animals such as elephants and rhinoceroses, in addition to giraffes, both in Japan and overseas. By doing this, we will develop a business that regenerates and increases natural capital while utilizing it.

Details: OJI TODAY — Oji Pharma Challenge (Japanese only)

Large-scale cultivation of domestic licorice (Oji Medicinal Plants Laboratory)





We succeeded in the large-scale cultivation and stable supply of licorice by leveraging the knowledge in breeding and silviculture we accumulated through our forest plantation business. Domestic production makes the traceable and sustainable supply of licorice possible.

In January 2026, our licorice extract was used in Saishunkan Pharmaceutical's Domohorn Wrinkle for the first time. It was also chosen to be used in Oji Nepia's serum mask in March.

Details: OJI TODAY — A Journey through Domestic Licorice (Japanese only)

Utilizing our foundation for the cultivation and supply of domestic licorice, we will continue to develop applications for it as a raw material for cosmetics and foods, focusing on licorice's functional characteristics (e.g., its anti-inflammatory and skin brightening characteristics). At the same time, we will work to expand the use of this licorice in the pharmaceutical field, including in Kampo products developed in cooperation with Oji Pharma.



Domohorn Wrinkle (Saishunkan Pharmaceutical)



Serum mask (Oji Nepia)



Kampo products (Oji Pharma)

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Innovation Strategies

Research and Development 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.

Innovation Promotion Division's website (Japanese only)

Aspirations for 2035

Nurture forests, utilize their resources, and return value to the forest

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

Research and Development Structure

With research bases in the Oji Group's mills, plants, and factories around the country, we have built a research and development structure that enables us to cooperate closely with people at worksites. Accelerating the strategic allocation of resources to priority areas and increasing cross-functional cooperation, we quickly and flexibly push forward with the development of technologies under an appropriate governance system.

The Plant Engineering Department, newly established in FY2025, will be transferred to the Forest Biomass Value Creation Division from FY2026, further strengthening collaboration with related departments. We will advance initiatives to optimize resources and maximize synergies throughout the Group.

Since 2024, we have been strengthening our R&D investments aiming to expand and improve our collaborative research activities, including the exploration of new businesses and industry-academia collaboration. By broadening the base of our research and development activities, we will promote the creation of new value to ensure the growth of our business in the future.

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. In particular, we are aiming to establish the development of new wood-derived materials and our full-scale entry into the pharmaceutical and healthcare fields as major pillars of our business by FY2035.

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

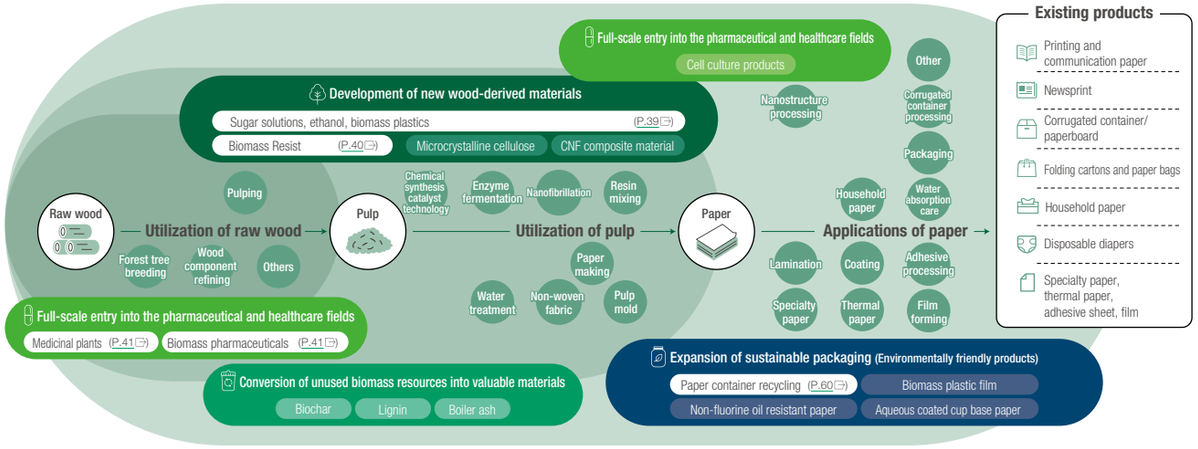
We will accelerate our full-scale entry into the pharmaceutical and healthcare fields, focusing on the ramp-up of a wood-derived pharmaceutical business that leverages the Oji Group's proprietary technologies to address emerging medical needs such as drug discovery and regenerative medicine.

Expansion of sustainable packaging (environmentally friendly products)

We will expand our product offerings both in Japan and overseas to address environmental issues, 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. Based on our Management Philosophy and Purpose (P.01), we are developing new materials and new products to contribute to the realization of a carbon-neutral society.



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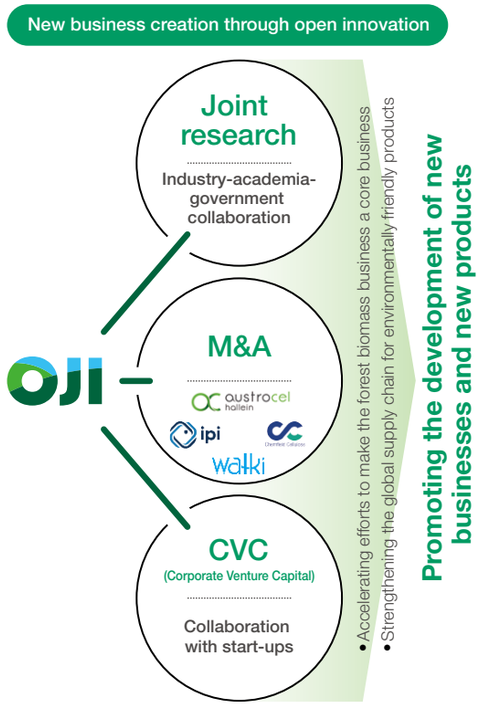
– Measures to Promote Research and Development

We implement multifaceted measures to respond promptly to changes in society. By thoroughly pursuing quality and speed in our research and development activities, we balance the resolution of social issues and the creation of sustainable value by maximizing investment efficiency. We also cross-functionally supervise research and development activities throughout the Group and promote business partnerships in line with our management strategies to achieve the rapid commercialization of the results of our research.

Promotion of open innovation

We will redouble our efforts to create new businesses and new products through open innovation.

We are committed to deepening our understanding of basic technologies and increasing our knowledge through joint research utilizing industry-academia-government collaboration (with the number of projects increasing 1.4-fold year on year). To maximize synergies with companies acquired through M&A, including AustroCel, we promote technological collaboration, including personnel exchanges, and are accelerating efforts to make the forest biomass business a core business. Furthermore, we position CVC-based collaboration with start-ups as an important initiative for future growth.



Digital transformation (DX)

We position DX as an initiative that accelerates research and development. We are driving business transformation across all research and development processes, including our utilization of generative AI and materials informatics (MI).

In the development of new materials, we combine data-driven predictions and the knowledge of researchers to optimize experimental design. We are also working to digitally transform the entire research and development process, from the visualization of research resources to the creation of ideas through market analysis using generative AI and the advancement of intellectual property strategies to accelerate the creation of new value.

Please see Digital Transformation Strategies on P.68 for details.

Developing research and development human resources

In conjunction with the Group's human resource strategy, we are systematizing our training system and career development program to enhance the expertise and creativity of our employees. We place emphasis on gaining experience that broadens perspectives and inspires new ideas, so that diverse individuals can exercise their creativity from a broad perspective.

Aiming to develop research and development human resources capable of working globally, we have implemented our own long-term training program at our overseas bases in cooperation with our Group companies. The program is designed to enable trainees to improve their technical skills and ability to identify issues and communicate with people through work experience. Examples from this training program are shared in related articles published internally.

Overseas Training (1) – United States – (Japanese only)

In addition, our certified researcher system and creative human resource development system enable employees to have more discretion in their work styles, and they enable us to provide a good environment where employees can concentrate on research. Through measures like these, we are working to develop and acquire human resources with a high level of expertise. They are the source of innovation.

Voice **Journey to Earning a Doctoral Degree**



Oji Holdings Innovation Promotion Division
Biochemical Research Center
Atsuki Takagi

■ What led me to acquire a doctoral degree

As I engaged in basic research on saccharification and fermentation in the predecessor organization to the Biochemical Research Center, I began to also focus on research into biomass plastics, a priority area. Through joint research projects with universities, I sought to learn about polylactic acid (PLA) synthesis technology and elucidate the mechanism by which it biodegrades. During the process, I grew confident that increasing the depth of the research would be a strength of our business. Encouraged by my professor, I decided to pursue a Ph.D.

■ Difficulties

In addition to having to learn about a field that I did not study as an undergraduate, I struggled to balance work and the strict requirements for getting a Ph.D. Nevertheless, I presented often at academic conferences and wrote papers to supplement my knowledge and skills. At the same time, thanks to the support of my university professors, coworkers, and family members, I was able to complete the Ph.D. ahead of schedule.

■ Future outlook

As we prepare to build a polylactic acid (PLA) pilot plant, I am currently using experimental data in the design of the plant, and I am discussing the equipment specifications in collaboration with engineering service companies in and outside the Oji Group. Leveraging the expertise and experience I developed by participating in the Ph.D. program, I will contribute to the continued development of the forest biomass business.

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Intellectual Property Strategies

– Sustainable Creation of Value in an Intellectual Property Ecosystem: Elevating Intangible Capital into a Competitive Advantage and Financial Value

The basic policy for our intellectual property strategy is to go beyond merely the acquisition and protection of rights and to establish a functional intellectual property ecosystem. An intellectual property ecosystem is a circular mechanism in which intellectual capital cultivated through research and development and business activities is accumulated and utilized to establish competitive advantages and create financial value, with the resulting value reinvested in further technology development. Through this virtuous cycle, we strive to enhance our long-term corporate value.

■ Capital formation (from human capital to intellectual capital)

We combine the technical capabilities and knowledge of our research and development sites and our intellectual property strategy to ensure that we establish intellectual capital that can be used in the future. Our intellectual property division is involved in business strategy from an early phase, and it clarifies priority areas and the sources of competitive advantage, thereby establishing a foundation for a competitive advantage.

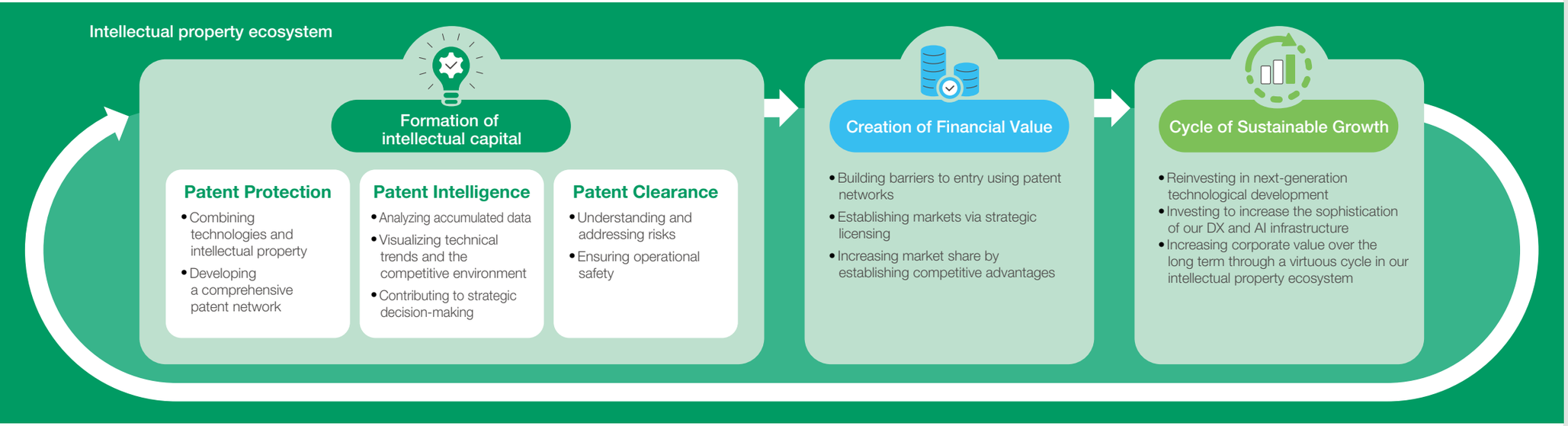
- **Patent Protection** We set important intellectual property enhancement themes and our intellectual property and technical divisions work together to file patent applications and secure patent rights. Furthermore, we have built a comprehensive patent network on our core technologies, including peripheral technologies, to support our competitive advantages in the future.
- **Patent Intelligence** By analyzing the patent and technology data we have accumulated, we visualize competitor and technology trends and provide information that is useful in strategic decision-making. This contributes to our selection of research and development themes and increases the sophistication of our business investment decisions.
- **Patent Clearance** By understanding and appropriately handling intellectual property risks through Freedom-to-Operate searches and intellectual property risk assessments, we ensure the safety of our business activities and support the continuity of our business operations.

■ Creation of financial value (from intellectual capital to financial value)

The intellectual capital we develop and accumulate is converted into financial value via our business activities. By building barriers to entry via patent networks and establishing markets through strategic licensing activities, we establish competitive advantages that lead to increased market share and profit growth.

■ Cycle of sustained growth (reinvestment)

The financial value that we generate is reinvested in the research and development of next-generation technologies and in increasing the sophistication of our DX and AI infrastructure. This creates a virtuous cycle within our intellectual property ecosystem that leads to the long-term enhancement of corporate value.



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Evolution of Our Intellectual Property Portfolio Linked to Our Business Strategy: From the Past to 2035

We position intellectual property as an important management resource and the source of the competitiveness of our business, and we promote the development of a strategic intellectual property portfolio linked to our Long-term Vision.

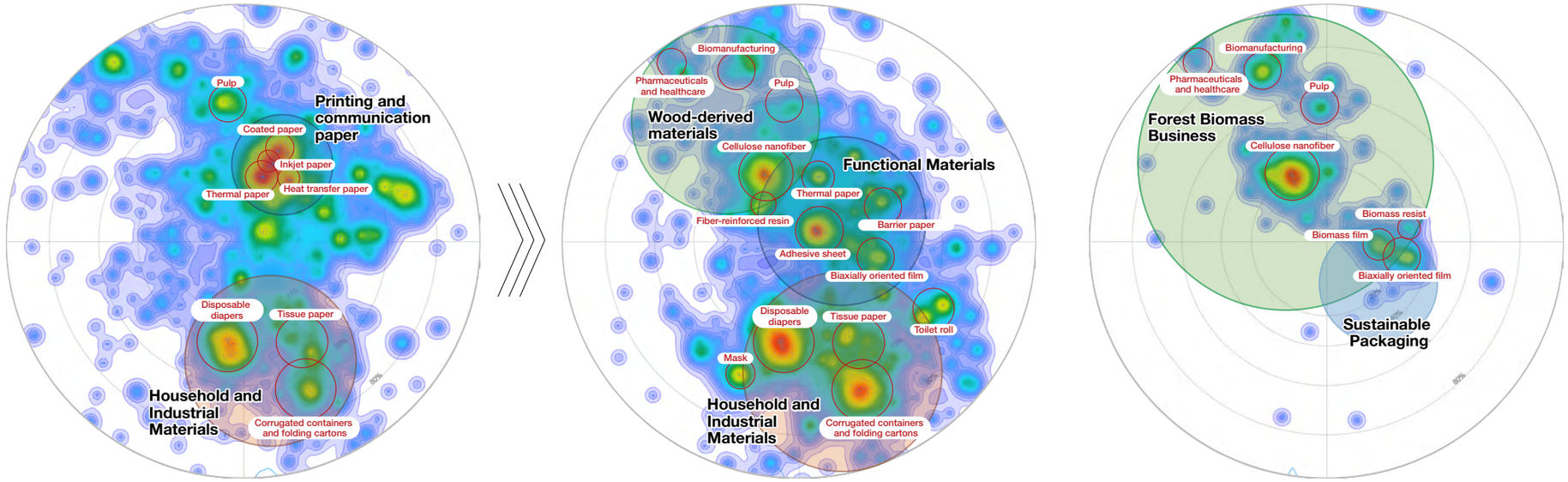
From Core Businesses to Growth Areas

Our intellectual property portfolio is flexibly advancing in accordance with our business strategy. From 2001 to 2010, we pursued patent applications and acquisition of patent rights, mainly involving basic technologies supporting our future competitive advantages in our core businesses at the time, such as recording paper and Household and Industrial Materials. We sought to accumulate intellectual capital by doing this. Subsequently, from 2015 to 2024, we expanded into the field of high-value-added products such as functional materials (e.g., functional packaging paper, adhesive sheet, biaxially oriented film), and we developed new wood-derived materials such as cellulose nanofiber, while intensively strengthening the intellectual capital supporting them.

Toward achieving our Long-term Vision

To achieve our Long-term Vision in 2035, we continue to accelerate our intellectual property strategy. Accurately specifying the patents that will directly lead to our sustainable growth in the future, we seek to transition to an intellectual property portfolio that is centered on the forest biomass business and sustainable packaging based on the technological base we developed through our conventional core businesses. More specifically, with an eye on megatrends, we are strategically securing intellectual property rights in next-generation priority themes such as biomass resist and biomass film.

Today, the patents directly connected to the Long-term Vision are steadily accounting for a larger share of our total intellectual property portfolio and now form a core part of the portfolio. Going forward, we will anticipate environmental changes and technological progress and continuously strengthen our intellectual property ecosystem to dynamically increase the sophistication of our intellectual property portfolio in pursuit of a medium- to long-term increase in corporate value.



Patents filed 2001–2010

Patents filed 2015–2024

Held patents directly connected to our Long-term Vision (up to 2035)

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