Strengthening the Management Foundation

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Message from the General Manager, Human Resources Division



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

Kazuya Asatani

Q1 How will investments in human capital increase corporate value?

I believe that initiatives to enhance the value of human capital are not measures aimed at producing short-term results; rather, they represent a top-priority strategy underpinning a company's medium- to long-term growth potential and competitiveness (the sustainable enhancement of corporate value). As technological innovation and changes to the structures of markets and the global and social environment accelerate, a company's future value will depend on its ability to secure and develop human resources capable of steadily executing its management and business strategies, and to enhance its organizational execution capabilities and adaptability to change.

Since its foundation, the Oji Group has been creating value by optimally utilizing human resources and capital guided by its philosophy that "the source of a company's strength is its people." However, we have entered an era in which improving the quality of human capital and enabling people to fully contribute and put their capabilities to use are more directly linked to corporate value than ever before.

To steadily implement management strategies, it is important to strategically enhance the quality and quantity of human resources. Above all, over the medium to long term, we place particular emphasis on strengthening our foundation for creating innovative value by enhancing organizational execution capabilities and productivity and fostering a culture of taking on challenges.

Q2 Could you share an overview of the human resource strategy?

With strengthening the management foundation as its base, the human resource strategy provides the foundation for implementing our medium- to long-term management strategies, including improving capital efficiency, portfolio transformation, and promoting sustainability. We are advancing the human resource strategy in an integrated manner with our management strategy.

Our Group has established three key initiatives: secure human resources, develop human resources, and facilitate the active participation of human resources. By ensuring that these initiatives mutually reinforce each other, we will work to create the Supportive, Rewarding, and Open Workplace we envision. Furthermore, we are building a solid human resource foundation that will support the achievement of Long-term Vision 2035.

Specifically, we aim to develop supportive, rewarding, open workplaces by redefining human resource requirements and skills based on management strategies; recruiting and assigning human resources in a timely manner; providing education and training and sharing knowledge according to required skills; promoting autonomous ways of working and improving compensation; and strengthening two-way communication.

Q3 What are the issues regarding the human resource strategy?

To secure human resources, it is important that we improve our attractiveness, transparency, fairness, and competitiveness and thereby improve recruitment results, especially for plant engineering positions and roles at manufacturing sites, which have been difficult to fill. (P. 64)

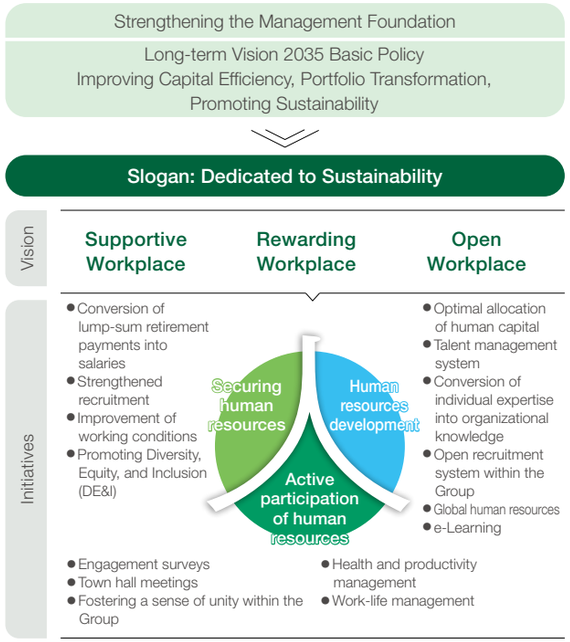
For human resource development, we must create a mechanism for systematizing individually held skills and expertise as organizational knowledge and passing that knowledge on to the next generation. (P. 65)

Regarding the active participation of human resources, we aim to create synergy and enhance our corporate value by fostering a sense of unity throughout the Group, both in Japan and abroad, and by developing an environment that enables our human resources to participate actively throughout the Group.

Q4 What goals does the Group aspire to achieve in the future?

We aim to further develop our existing initiatives by systematically securing and developing human resources with the expertise, experience, and diversity required by our management strategies, and flexibly deploying talent from both within and outside the Company. We also aim to create an environment in which each person can learn autonomously and continue to take on challenges and grow, build an organization in which improvements in human capital and corporate value reinforce each other in a virtuous cycle, and remain a company that contributes to society and earns its trust.

Relationship between the human resource strategy and management strategies



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Human Resource Strategies

– Human Resources Portfolio

The Oji Group has carried forward the spirit of "Gappon Capitalism"*1 advocated by its founder, Eiichi Shibusawa, and, guided by the philosophy that "the source of a company's strength is its people," it has consistently positioned human resources as its most important capital since its foundation and continually invested in them.

Since its transition to a holding company structure in 2012, the Group has advanced a transformation of its business structure that goes beyond its existing business domains and evolving the priority areas of its human resource strategy with Long-term Vision 2035 in mind. As a result of initiatives including human resource reallocation, personnel have shifted to priority areas, particularly Household and Industrial Materials. With the acceleration of overseas expansion, the percentage of overseas employees has also steadily increased from 36% to 58%.

Through such efforts, we are strengthening initiatives to enhance the value of human capital while broadening the profiles of human resources needed and the areas in which they can contribute in response to changing times.

*1 The idea of utilizing the appropriate human resources and capital to enhance corporate value

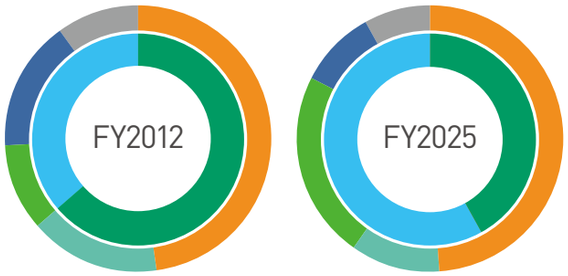
Transition in personnel composition by COMPANY and Japan and overseas sites

[Outer circle: Breakdown by COMPANY]

■Household and Industrial Materials ■Functional Materials
■Forest Resources and Environment Marketing ■Printing and Communications Media
■Others

[Inner circle: Breakdown by Japan and overseas sites]

■Japan ■Overseas



– Securing Human Resources Supporting the Implementation of Strategies

Our initiatives to address issues in our securing of human resources are as follows.

1. Conversion of lump-sum retirement payments into salaries

We believe that the conversion of lump-sum retirement payments into salaries is an institutional reform that significantly advances our human resource strategy. We have shifted from the previous complicated deferred-payment system, which was premised on long service and seniority, to a simple, easy-to-understand, role-based compensation structure based on timely payment, which has improved the transparency, acceptability, and flexibility of compensation. This has expanded the use of defined contribution pension plans and broadened asset-building options for individuals. These efforts have enabled us to develop an environment in which employees can autonomously shape their careers and life plans.

Through this reform, we will simultaneously improve our retention of young employees and secure new graduates and highly professional human resources, thus reinforcing the sustainable human resource foundation that supports the business portfolio transformation.

2. Securing human resources at manufacturing sites

(1) Securing human resources at manufacturing sites (frontline operators)

As the workforce at our manufacturing sites ages, securing personnel at manufacturing sites has become an urgent challenge for the Oji Group in ensuring business continuity and maintaining competitiveness. To do this, we have implemented a range of institutional reforms in two areas, the retention of our current human resources and the strengthening of our recruitment of new employees.

Example initiatives to secure manufacturing site personnel

- Increasing holidays at workplaces with three shifts
- Enhancing allowances
- Reimbursing new graduate hires for travel expenses for trips to their hometowns in their first three years working for the Company
- Strengthening school visits by leveraging former HR personnel
- Reducing the workload at operation sites (improving the workplace environment through automation)

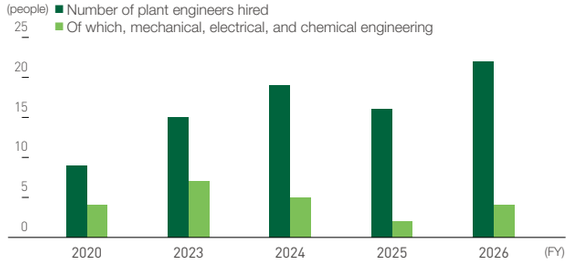
(2) Securing plant engineers (people in engineering career-track positions)

As a result of initiatives undertaken in response to intensifying competition for talent in a tight labor market, we secured more than 20 plant engineers through centralized recruitment by Oji Management Office Inc., the first time since 2019 that the number exceeded 20.

Example initiatives to secure plant engineers

- Enhancing scholarships for prospective employees
- Establishing a new allowance (¥8,000) exclusively for plant engineer positions

Change in the number of plant engineers hired



3. Securing research and development human resources

To drive the transformation of the business portfolio in a sustainable manner, it is essential to enhance research and development capabilities to create new technologies and new business domains, in addition to the development of existing technologies. Accordingly, the Oji Group positions research and development human resources as core human resources who are responsible for the creation of new value and the strengthening of business competitiveness.

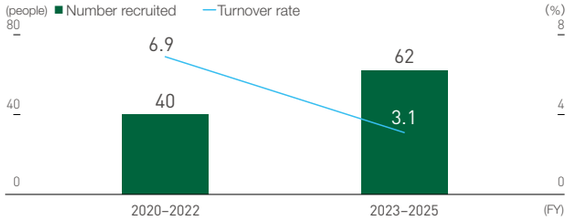
However, we have faced issues in the recruitment and retention of research and development human resources. We reformed work styles and workplace environments by establishing a working group consisting mainly of young employees, introducing the 15% rule,*2 and other efforts. As a result, the turnover rate improved from 6.9% in FY2020–FY2022 to 3.1% in FY2023–FY2025.

*2 A system which allows employees to dedicate 15% of their working hours to voluntary activities that lead to innovation

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In recruitment, we proactively utilize referral recruitment to secure human resources with expertise or practical experience, and mid-career hiring has also steadily increased. Through this initiative, we are strengthening our human resource foundation in the research and development domain to facilitate continuous innovation.

Research workers: Number recruited and turnover rate



4. Promoting the active participation of women

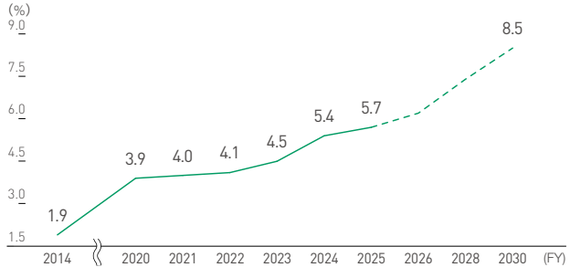
Across 16 Group companies, we set a KPI target of 5.5% for the percentage of managers that are women as of the end of March 2025 and continued our initiatives, but the actual result was 4.9%, falling short of the target. Major factors behind the shortfall were the turnover of women in management positions and women identified as candidates for management positions (70%), as well as the non-promotion of management candidates (24%). In light of this, we have expanded the scope to 20 companies and set a new KPI target of 8.5% by the end of March 2031.

In FY2025, we held a roundtable discussion with the goal of increasing the career awareness of employees other than those in career-track positions. A lack of career awareness was a factor in the failure to achieve the target. We will continue to identify issues in the promotion of women and move forward with initiatives to achieve our medium- to long-term targets.



Female employees' roundtable discussion on careers

Changes in the percentage of managers that are women



Scope of data: 20 Group companies (Results for FY2024 and before were recalculated to adjust for the expansion of the scope to 20 Group companies.)

Please see here for other diversity initiatives

5. Future initiatives (retention of human resources)

Moving forward, we will advance initiatives to utilize and retain the human resources we have secured.

We interviewed employees in career-track positions who were recruited centrally by Oji Management Office Inc. in FY2026. We also plan to collect information from departments recruiting through the open recruitment system within the Group (P. 66) to learn about the status of their utilization of the human resources transferred to them.

– Human Resources Development

1. Optimal allocation of human capital

Reflecting the progress in the Oji Group's global expansion and the transformation of its business portfolio, it is shifting from its previous siloed allocation of human resources within individual departments to the optimal utilization of human resources throughout the Group. We understand that developing infrastructure to enable the visualization of the skills and expertise of each individual employee and utilizing human resources by placing the right people in the right jobs is an important task for achieving this shift. We are moving forward with the visualization of human resources and the optimal allocation of human resources throughout the Group by establishing a skill map and enhancing the open recruitment system within the Group. Through these initiatives, we will enhance our utilization of human resources centered on individuals' skills to increase the organizational strength of the Group as a whole.

2. Introduction of a talent management system (dashboard-based management of skills)

In FY2025, we began developing a framework to identify employees' skills and proficiency levels and to support development and human resource allocation (human resource matching) based on those skills and levels. We defined approximately 50 jobs, divided each into six or seven tasks, and organized the required skills into around 500 categories (approximately 3,000 skill-and-level combinations in total). The goal is to enable employees to review skill requirements, understand their current capabilities, identify areas for development, and envision their future careers through discussions with their supervisors.

At present, 48 Group companies have introduced this system. We will continue to expand the scope of its application.

3. Conversion of individual expertise into organizational knowledge

(1) Oji Library

We have established the Oji Library, an internal platform on which we have consolidated useful content from external sources and temporary or implicit internal information and expertise. We use the Oji Library to share knowledge within the Group and facilitate reskilling. We support employee reskilling to improve productivity and engagement.

(2) CEO Sales Awards

In FY2025, we established the CEO Sales Awards and presented awards to four projects. The awards recognize successful sales cases at Group companies in Japan and overseas, with the aim of widely sharing the knowledge behind them ("proven sales approaches") across the Group. The goal is to increase employees' awareness of value-creating sales to help enhance the Group's sales capabilities.

In addition, we post information that is useful for the sales and other departments, including information about customers and products in award-winning cases, descriptions of value creation models, and feedback from salespeople.

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4. Open recruitment system within the Group

We implement an open recruitment system within the Group every year to facilitate autonomous career development in line with employees' goals and to appropriately assign and effectively utilize highly motivated human resources.

In FY2025, a total of 14 employees (60 employees cumulatively since FY2022) were transferred through open recruitment in 12 departments directly related to the Long-term Vision or global expansion.

5. Global human resources

The development of global human resources is an important element for the realization of management strategies to advance global expansion in the future, mainly in India and Southeast Asia where high economic growth is expected.

In addition to developing global human resources via the open recruitment system within the Group, we began to provide the Global Intensive program in FY2023 to expand the pool of candidates for expatriate positions. In this training program, we invite foreign employees working at overseas sites to the Oji Group Fuji Training Center to provide opportunities to interact in person. A total of 12 of the participants in this training program have been stationed overseas.



6. e-Learning

We have established an environment that enables each individual employee to learn independently to continue to take on challenges and develop personally. We are advancing initiatives to build an organization in which there is a virtuous circle enhancing human capital and corporate value.

We introduced an e-learning program in FY2024 to support the autonomous growth of employees, and in FY2025 we added an engineering e-learning program that had been requested via the self-reporting system and other means. Approximately 800 employees have enrolled in this program, and all of the costs are covered by the Company.

Please see here for other human resources education initiatives

– Active Participation of Human Resources

Human resources maximize their capabilities by working energetically and building a relationship with the organization that is based on mutual trust. Based on this belief, the Oji Group is implementing initiatives to improve engagement (P.67) and foster a sense of unity. At the same time, it is developing a workplace environment that enables everyone to realize their own diverse work styles and take on challenges with peace of mind.

1. Fostering a sense of unity within the Group

We held a quiz and social gathering planned and implemented by new employees to improve engagement by fostering a sense of unity within the Group and facilitating communication with management. The CEO, other officers, and more than 200 other employees participated in the event.



The team that won the quiz event planned by new employees

Through interaction based on a shared experience, the event helped build trust across organizational levels between new employees and management/supervisors, while also strengthening horizontal connections within the Group.

2. Human resources exchange with external organizations

We believe that exchanges with external organizations, beyond the Group, are important not only for acquiring external knowledge and broadening perspectives but also from the perspective of fostering innovation and improving productivity through exposure to diverse values.

Through the industry-government-academia Platinum Society Network, we participate in the exchange of human resources with external organizations, dispatch human resources to an international industry organization (the International Sustainable Forestry Coalition), and participate in programs facilitating the development of core human resources.

3. Health and productivity management

Under the leadership of the CEO, who serves as Chief Health Officer, our activities for health and productivity management are promoted through cooperation among the companies, health insurance unions, labor unions, and industrial physicians. These measures aim to create working environments where employees can actively work in a lively manner and with sound health. We were recognized under the 2026 Certified Health and Productivity Management Organization Recognition Program (Large Enterprise Category) for the sixth consecutive year since FY2021.

[Examples of initiatives]

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

Utilization of health promotion app

We have introduced a health promotion app to enable each employee to proactively engage in health improvement activities. We encourage behavioral changes among employees through daily tracking of steps, diet, weight, sleep duration, and other metrics.

Furthermore, we regularly hold walking events that utilize the app to encourage its use and raise employees' health awareness through participation in the events.

4. Work-life management

In addition, we take flexible measures to improve productivity and respond to diverse work styles, including reduction of total working hours, utilization of remote work and the flextime system, provision of nursing care seminars, a work location restriction system at some companies, and a selective four-day workweek system for employees aged 55 and older, thus supporting improvement of work-life management.

Please see here for other work-life management initiatives

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5. Engagement survey

To maximize the active participation of human resources, we conduct a regular quantitative engagement survey of each organization. We respond to the results of the surveys and address issues identified in them.

In addition to 10 quantitative survey items, the survey includes optional comment fields enabling issues to be addressed in a more detailed and tailored manner.

The 10 items are divided into five items on engagement related to work and five on engagement with the organization. We use questions on job satisfaction (engagement related to work) and willingness to work long term (engagement with the organization) as key questions and analyze trends over time.

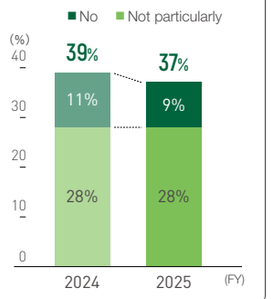
Compared with the results of the FY2024 survey, the percentage of negative responses decreased by two percentage points for both job satisfaction and willingness to work long term.

We believe that the improvement measures described below, implemented at business sites with low scores, contributed to this improvement.

Engagement survey results

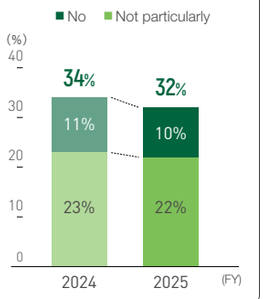
Do you feel your work is worthwhile?

Engagement related to work



Would you like to continue working at your current company long term?

Engagement with the organization



Issues identified

While the engagement scores of the Group as a whole have improved, the scores still vary greatly from organization to organization, which we recognize as a significant issue.

Based on a detailed analysis, including comments provided in optional comment fields, we believe that the causes of the gaps between departments include not only workload and environmental factors but also differences in the management capabilities of managers.

Priority measures for improving engagement

❶ Feedback regarding results and planning and implementation of improvement measures

We have established a process in which we first aggregate the results of the engagement survey of each Group company on a department-by-department basis (for departments with five or more employees) and provide feedback to the relevant company to facilitate an objective understanding of the conditions in its workplaces. Following this, the head of each department shares the results of the survey with their team members to identify issues and consider improvement measures, resulting in specific actions implemented in each department. Furthermore, we have established a system under which we encourage companies with low scores to plan and implement improvement measures and check their progress and the effects of their efforts on an ongoing basis. We ensure that the next survey and set of measures reflect these initiatives for the continuous implementation of a PDCA cycle to improve engagement and the workplace environment.

❷ Reflecting survey results in compensation for officers and managers

We ensure that the stock-based compensation paid to officers (P.81) and the salaries and bonuses paid to employees in managerial positions reflect the results of the employee engagement surveys.

We position improvement in engagement, which underpins organizational productivity and sustainable growth, as an important criterion for evaluating management with the goal of fostering an open workplace culture that encourages employees to take on challenges.

❸ Town hall meetings held by management

We continue to hold town hall meetings (a direct dialogue between management and employees) to share the Group's current situation and challenges and incorporate feedback from frontline employees, thereby deepening communication, building a consensus on business operations, fostering a sense of unity within the organization, and improving employee engagement.

As in FY2024, our management team engaged in a dialogue based on the results of the engagement surveys with approximately 1,200 employees from 41 locations across Japan in FY2025.



Town hall meeting with the CEO (Innovation Promotion Division)

[Example initiatives in response to participants' opinions]

- Improvement of workplace environments
  - ・Installation of portable air-conditioning units at factories to prevent heat stroke
  - ・Replacement of women's toilets with Western-style ones

  etc.
- Improvement of compensation
- Introduction of subsidies for recreational activities
  A set amount of expenses for recreational activities (including social gatherings) is subsidized to promote communication both within and outside the workplace.

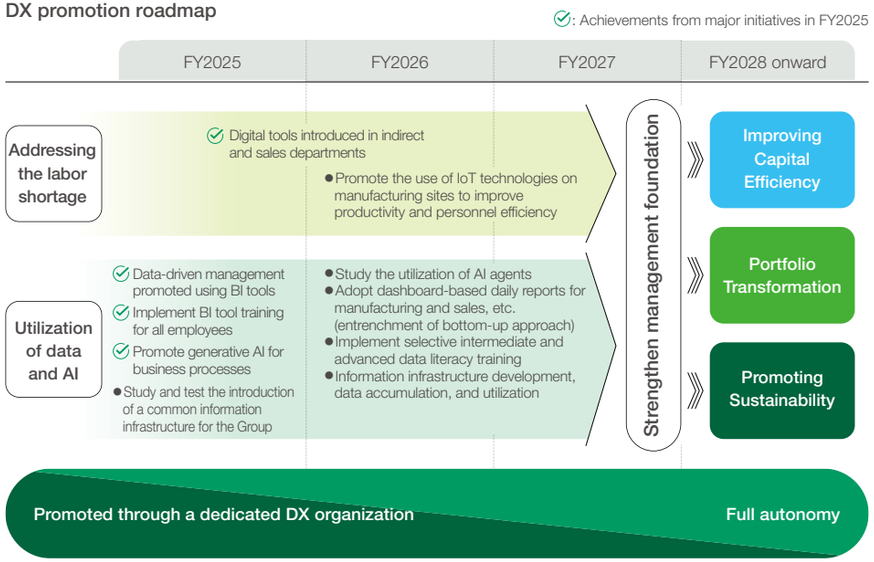
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Digital Transformation Strategies

– Digital Transformation Strategies to Achieve the Long-term Vision

The Oji Group positions its digital transformation (DX) strategies as a measure for strengthening its management foundation to achieve its Long-term Vision and Medium-term Management Plan 2027. In particular, we are advancing the strategies in accordance with the following roadmap with two pillars: addressing the labor shortage and the utilization of data and AI.

DX promotion roadmap



Major initiatives in FY2025

Initiatives	Details	Achievements
Data-driven management promoted using BI tools	Introducing BI tools in management meetings	Reporting of financial results using BI tools began in the May 2025 monthly management meeting.
Implement BI tool training for all employees	Providing basic data literacy training	The KPI target was achieved, with approx. 10,000 employees having completed the training program by May 2026.
Promote generative AI for business processes	Holding workshops on the use of generative AI	The number of prompts submitted increased by 30% from October 2025 to March 2026.
Digital tools introduced in indirect and sales departments	Introducing a sales data visualization tool	Now used for customer outreach when launching new products (see details at right)

– DX Case Studies by Department

Sales departments: Leveraging the Group-wide sales network

Sales activities within the Oji Group have traditionally been conducted largely on a company-by-company basis. We have introduced a tool that visualizes the customers and industries with which our major Group companies have strong sales relationships.

This enables us to identify the customers and industries where the Group has strong sales relationships and determine which Group company can most effectively approach customers when selling new products. We will continue to pursue data-driven sales activities.

Manufacturing departments: Transfer of skills using video work manuals

At our manufacturing sites, the transfer of skills to the next generation of employees is a major issue, and the workload on operators is increasing due to the decline in the workforce. As a solution to this issue, we are creating video work manuals. More than 200 video manuals have been created within the Group.



Incorporating videos of skilled operators at work into the manuals makes it possible to standardize and improve the content of training programs while reducing instructor workload.

In addition, it is expected that video manuals will provide many other benefits, such as the facilitation of instructions in different languages. Accordingly, we will continue to proactively create video work manuals to establish a highly resilient production system.

Research and development departments: Research and Development Pioneered by AI

• Introduction of the data-driven management of research resources

We have begun a pilot program using a system that visualizes the progress of projects and the status of resources to facilitate rapid data-driven decision-making and the development of a strategic research and development portfolio.

• Use of generative AI in a broad range of research and development operations

We are streamlining the process from market analysis to the planning of a new business and the preparation of reports. At the same time, we are facilitating the creation of new ideas by linking generative AI with our internal knowledge base.

• Use of AI to enhance R&D and intellectual property strategies

We have begun to use AI in the planning of advanced, highly feasible business strategies. This includes using AI to identify promising areas of technology where market needs match the intellectual property assets we possess.

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– Advancement of Digital Transformation Infrastructure and Cybersecurity Measures

Development of digital transformation infrastructure

To advance our digital transformation in the future, we continue to develop digital transformation infrastructure focusing on two aspects of these efforts.

1) Strengthening DX promotion organizations

We have already appointed personnel for promoting DX at each company. In 2026, we will appoint an officer-level executive at each company as the person responsible for DX promotion and establish a DX promotion organization under that person, thereby developing a strong framework for achieving each company's mission.

In addition, separately from the organizations of the individual companies, we will establish a volunteer digital transformation technical team to facilitate the cross-sectoral solving of issues.

2) Developing data infrastructure

As a result of many mergers and acquisitions, a broad range of data is stored on many different platforms with different levels of granularity. To use AI for business at a high level, we need to store the data that is critical for the management of the Group within its unified platform at an appropriate level of granularity. Accordingly, we will start discussing the development of data infrastructure, including the definition of critical data.

Strengthening cybersecurity

In response to the growing seriousness of cyber threats in recent years, the Oji Group has established the Group Information System Usage and Risk Management Regulations as its fundamental policy and set up a Computer Security Incident Response Team (CSIRT) within Oji Business Center Co., Ltd., which oversees the Group's cybersecurity risk management activities.

To prepare for attacks facilitated by the misuse of AI, which are expected in the future, the CSIRT continuously updates the Group-wide cybersecurity framework. At the same time, we are taking steps to increase employees' awareness of cybersecurity through a combination of training programs including e-learning programs and targeted e-mail attack drills.

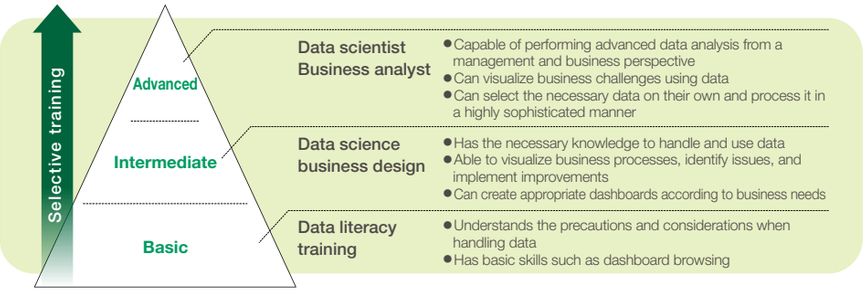
Moving forward, we will implement initiatives to build a system to ensure the continuity of corporate activities even amid cyber threats, including by assessing the status of cybersecurity measures throughout the supply chain.

– Human Resource Strategies Supporting Digital Transformation

Data literacy training is essential for the promotion of digital transformation. From 2025 to May 2026, approximately 10,000 employees took the basic data literacy training. Our target was achieved. We will continue to provide regular training while enhancing its content.

In addition, we will start a new selective training program in FY2026. In FY2026, we will provide intermediate business and technical skills training to 1,000–5,000 employees depending on the content of the training programs to develop the human resources who will play core roles in the promotion of the digital transformation in their workplaces.

KPI item	Target	Timing of achievement
Provision of introductory business training and basic technical training as selective training	2,000 employees each	July 2027



Topics

Mill-Led Digital Transformation Evangelist

At Oji Paper Tomakomai Mill, we established a team for autonomous DX promotion. Over a period of three months, members assigned to this team carry out activities based on issues they have identified themselves, without receiving instructions from their supervisors, and then return to their original workplaces.

The achievements of this team include the development of an app that prevents the failure of computers that are always in operation at the mill. One important purpose of this initiative is to develop evangelists who will bring the team's culture of autonomy back to their workplaces and facilitate the autonomous promotion of DX at each workplace in the future. Going forward, we aim to build a system for developing these digital transformation evangelists throughout the Oji Group.



A meeting of the Oji Paper Tomakomai Mill digital transformation promotion team

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Roundtable Discussion with Independent Outside Audit & Supervisory Board Members

Dialogue

Ensuring sound management through collaborative three-way audits

As Oji advances its restructuring and global expansion agenda, the Audit & Supervisory Board is playing an even greater role within the Group. In this roundtable discussion, Outside Audit & Supervisory Board Members exchange opinions on three-way audits, Group governance reforms, risk management, M&A and investment decisions, and priority themes for the future.



Independent Outside Audit & Supervisory Board Member

Hidero Chimori



Independent Outside Audit & Supervisory Board Member

Takashi Nonoue



Independent Outside Audit & Supervisory Board Member

Keiko Fukuchi

Effectiveness of the auditing system based on the three types of audits

Chimori: My assessment of the current status of the Oji Group's auditing system is that the three types of audits function effectively thanks to close, seamless collaboration between the Audit & Supervisory Board Members, the Internal Audit Department, and the Accounting Auditor in their respective audits. This is my sixth year as an Outside Audit & Supervisory Board Member. I first became an Outside Audit & Supervisory Board Member shortly after the Oji Group switched to a new Accounting Auditor. I think the fact that the new Accounting Auditor confirmed that there were no major issues with the accounting and auditing systems boosted the Oji Group's confidence. We also work closely with the Internal Audit Department. We receive a report after every meeting of the Audit & Supervisory Board, and any concerns are promptly shared, including with the Accounting Auditor.

Nonoue: I feel seamless collaboration in the three-way audits is definitely a major strength of the Oji Group. At corporations with many group companies like the Oji Group, mechanisms for using human capital, information, and know-how across the group to enhance corporate value are important. I feel that Oji Holdings' corporate functions, for example, its Internal Audit Department, administrative functions, and Group Technology Division, support the sharing and application of information across each COMPANY responsible for overseeing operating companies by business segment.

Fukuchi: I feel the same. Based on my experience serving as an Outside Audit & Supervisory Board Member at several companies, the Oji Group's strength lies in achieving appropriate and timely collaboration in its three-way audits. Another feature is that, during onsite audits, full, accurate audits are carried out, with financial data analyzed in detail ahead of onsite interviews.

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Group governance in a time of change

Fukuchi: The Oji Group is flexibly implementing restructuring and the Group's composition and organizational structure are also changing. Amid this change, Oji is required to increase the effectiveness of governance across the Group. In audits, I try to determine the appropriateness of each deal based on an understanding of the entire transaction, while ensuring objectivity through both data analysis and interviews.

Chimori: As you mentioned, the Group comprises many subsidiaries and second-tier subsidiaries, and Oji Holdings' thorough performance of effective audits across the Group is a challenge for a Group of this size. As there is a limit to the action that can be taken by the Audit & Supervisory Board Members of individual companies and Oji Holdings' Internal Audit Department alone, we are also closely monitoring efforts to strengthen the internal audit function of each COMPANY. The integration of the Oji Group's internal controls and governance into newly acquired organizations is another focus of onsite audits, etc., conducted by the Standing Audit & Supervisory Board Members.

Nonoue: My understanding of the problems is the same. Points being focused on in particular are whether Directors' performance of duties is in line with the Medium-term Management Plan and whether risks associated with management decisions are being properly understood and managed. In actual audits, we gain a multifaceted understanding of operational information through the exchange of opinions with the Internal Audit Department and the auditors and management of each COMPANY and verify risks and the appropriateness of management decisions. With the composition of the Group changing through M&A and restructuring, it is essential to develop systems for understanding and sharing important information in a timely fashion and translating this into necessary action, taking the circumstances of each company into consideration. We will also continue assessing whether security measures are being fully implemented across the Group.

System for detecting signs of risks

Nonoue: Overlooking indications of a minor risk can lead to a major risk even in normal circumstances. With the management environment undergoing radical changes, it is important to nip problems in the bud and preemptively address risks. From this perspective, we are focusing on whether the business portfolio transformation set out in the Medium-term Management Plan is being steadily implemented and we are carefully assessing the valuation of goodwill associated with M&A and business restructuring. In light of developments in the external environment such as rising raw material and fuel costs and rising wages in Asia, we are also checking for any indications of changes in accounting valuations.

Chimori: From a risk management perspective, it is important to have judgment criteria that are shared across the Group. The sharing of the Group's Purpose (P.01) to guide business activities across the Group is, in my view, a major step forward. I think Oji's management has a high level of compliance awareness and thorough risk analysis is conducted for every proposal. In my capacity as Outside Audit & Supervisory Board Member, I will check for any major risks from a legal and compliance perspective, verify the appropriateness of risk countermeasures, and bring depth to discussions.

Fukuchi: Yes, it is important to read the signs rather than take action once a risk has materialized. In this regard, the Oji Group has put systems in place to ensure that risk management functions effectively at many levels. Going forward, a proactive risk management mindset needs to be encouraged across the entire organization. A flow for promptly investigating the cause of any trouble, checking for similar cases by sharing information across the organization, and thoroughly implementing countermeasures is essential. I feel that Oji is receptive to this kind of approach and is quick to take action to bring about improvement.

Chimori: The most recent important theme related to compliance is the Act on Preventing Delay in Payment to Small and Medium-Sized Entrusted Business Operators in Relation to Manufacturing Consignment (SME Transactions Act). The SME Transactions Act is a key theme in onsite audits due to the likelihood of risks arising in actual transactions at an operational level. Whenever I accompany other auditors on onsite audits, I also make a conscious effort to check that the act is being applied. During onsite audits, I attach importance to listening to the opinions of site workers as well as checking the status of operations.

Balancing growth investment and capital efficiency

Fukuchi: I feel that, in recent years, management focusing on capital efficiency has steadily gained traction among Oji's executives. Oji endeavors to avoid a conglomerate discount in which certain highly profitable businesses compensate for others and tries to see the balance of the overall business portfolio in terms of long-term profitability. The adoption of the CxO system is expected to result in more in-depth discussion of the whole management plan, including the future potential and target vision of each business, in addition to objective financial indicators.

Nonoue: I feel that this awareness of capital efficiency is also evident in the investment project review process. The effects of investment projects are reviewed systemically, and projects that are falling short of the plan

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are continuously monitored until the plan is achieved. The consistency of M&A activities with the Oji Group's Philosophy and Purpose of delivering the value of forest resources to society is assessed from the screening stage. In addition, after acquisitions, progress in developing systems and building relations with Oji Holdings is continuously assessed. Moreover, as seen with the withdrawal from a certain business in New Zealand, even in the case of a successful acquisition with a good track record, if an unexpected risk materializes, a timely and appropriate decision to withdraw is also made in line with internal criteria for considering withdrawal.

Chimori: Staying on the topic of M&A activities, Oji needs to keep checking the validity of the purchase price in light of future returns. However, in my opinion, given the relevance of the target companies and target businesses to the Group's businesses, the Oji Group's current M&A activities are based on a strong strategic rationale.

Management themes to be monitored in the future

Chimori: Going forward, I will be focusing on the effectiveness of the newly adopted CxO system as a cross-functional coordination framework. To ensure that management focusing on capital efficiency gains traction across the Group, including subsidiaries and second-tier subsidiaries, and to develop a structure that will be profitable in the long term, I think it is important that restructuring is led by Oji Holdings and not left to each COMPANY.

Nonoue: In light of the revisions to the Corporate Governance Code, action on IT governance will also be an important theme. I will be checking from my perspective as an Audit & Supervisory Board Member whether a governance structure in line with the times is being developed. Securing human capital is also an important management issue facing all companies, and the utilization of AI, DX, and robotics will be essential. I believe that utilization of these technologies to maintain and improve safety and the quality of operations and to develop environments where people can focus on higher-level decision-making will lead to improvement in the Oji Group's corporate value in the medium to long term.

Fukuchi: In addition to risks at an operational level, amid growing instability in the global environment, business risk management is an important management theme for the Oji Group as a global company. Particularly in overseas operations, it is necessary to consider not only financial KPIs but also non-quantitative risks such as country risk and changes in laws and regulations. It will be important to detect signs of these risks early and quickly share and address them with Group companies in Japan and overseas. Stepping up effective governance across the Group will be more and more imperative going forward.

Aiming for growth beyond restructuring

Chimori: I think it will be important to demonstrate to shareholders the Oji Group's path to medium- to long-term growth, in addition to shareholder returns. As an Outside Audit & Supervisory Board Member, I will keep an eye on management to ensure that the transformation being implemented for this purpose leads to sustainable growth and improvement in corporate value. At the same time, the Oji Group's growth and development depends on its employees and human capital. I also intend to focus attention on the development of rewarding workplaces where employees can thrive.

Nonoue: The Oji Group is steadily advancing its transformation under its Purpose, and these efforts are beginning to deliver results in its financial performance. In my capacity as Outside Audit & Supervisory Board Member, I will fulfill my duties to shareholders by assessing from an independent perspective whether the Group's governance is fit for the times and by supervising management.

Fukuchi: As you both said, steadily achieving growth through restructuring is important. The Oji Group's officers responsible for business execution and employees work every day to make the Oji Group an attractive corporate group combining both stability and growth potential. In my role as Outside Audit & Supervisory Board Member, I will also help ensure appropriate management to support their efforts.

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Directors and Audit & Supervisory Board Members



Directors

(1) Hiroyuki Isono
Representative Director of the Board, President, CEO
Term of office: 11 years

(2) Kazuhiko Kamada
Representative Director of the Board, Executive Vice President, CSO
Term of office: 11 years

(3) Akio Hasebe
Director of the Board, Senior Executive Officer, COO
Term of office: 4 years

(4) Satoshi Takuma
Director of the Board, Senior Executive Officer, CTO
Term of office: 1 year

(5) Tadashi Oshima
Director of the Board, Senior Executive Officer, CFO
Term of office: Newly appointed

(6) Seiko Nagai
Independent Outside Director of the Board
Outside Independent Nomination/Compensation
Term of office: 5 years

(7) Hiromichi Ogawa
Independent Outside Director of the Board
Outside Independent Nomination/Compensation
Chair of the Board, Chair of the Nomination and Compensation Committees
Term of office: 4 years

(8) Sachiko Fukuda
Independent Outside Director of the Board
Outside Independent Nomination/Compensation
Term of office: 2 years

(9) Atsuko Muraki
Independent Outside Director of the Board
Outside Independent Nomination/Compensation
Term of office: 1 year

(10) Hiroji Adachi
Independent Outside Director of the Board
Outside Independent Nomination/Compensation
Term of office: Newly appointed

Audit & Supervisory Board Members

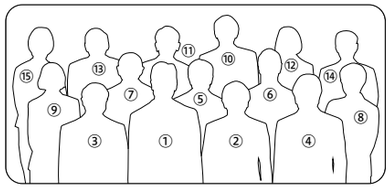
(11) Teruo Yamazaki
Audit & Supervisory Board Member
Term of office: 3 years

(12) Haruko Souma
Audit & Supervisory Board Member
Term of office: 1 year

(13) Hidero Chimori
Independent Outside Audit & Supervisory Board Member
Outside Independent
Term of office: 5 years

(14) Takashi Nonoue
Independent Outside Audit & Supervisory Board Member
Outside Independent
Term of office: 4 years

(15) Keiko Fukuchi
Independent Outside Audit & Supervisory Board Member
Outside Independent
Term of office: 1 year



Note: The term of office indicates the number of years as of the end of the Ordinary General Meeting of Shareholders held in June 2026.

Corporate Officers
Securities reports (Japanese only)

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Corporate Governance

Basic Approach

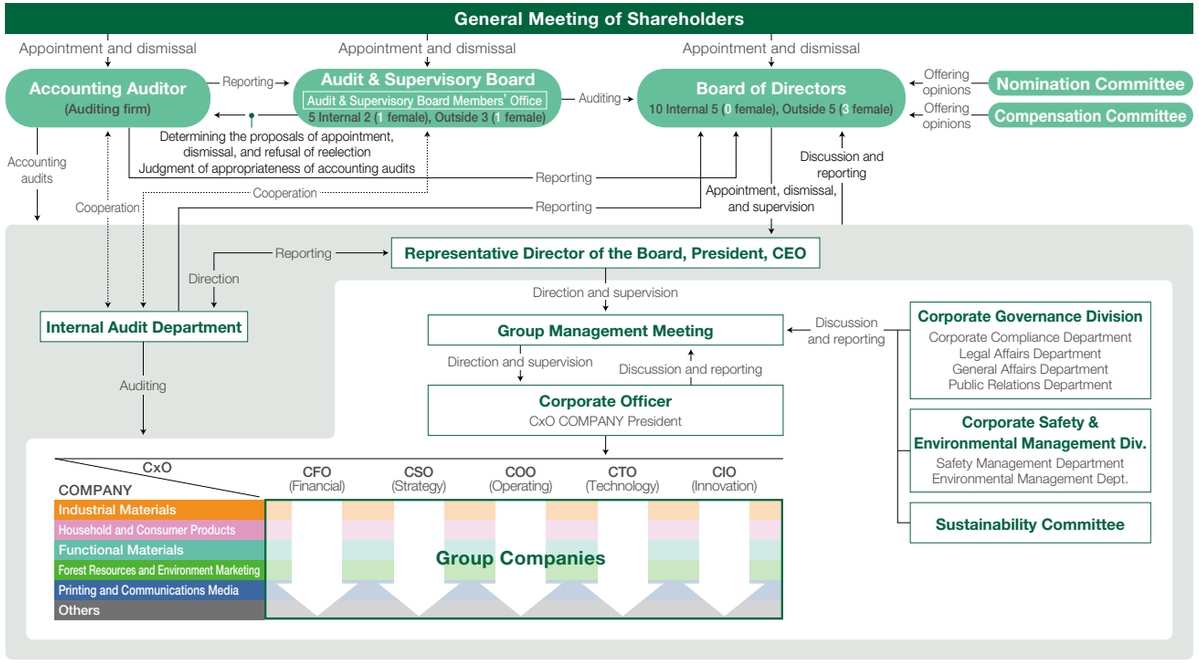
The Oji Group established the Oji Group Corporate Code of Conduct based on the fundamental values and philosophy that have been handed down since the Group's foundation and has undertaken business activities with an awareness of its role as a corporate member of society and a strong sense of integrity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

– Corporate Governance Structure

The Group has adopted a COMPANY system under which Oji Holdings undertakes the formulation of Group management strategies as well as the supervision of Group governance, while each COMPANY comprised of closely associated businesses forms the center of the Group's business operations. This structure accelerates decision-making by each business unit and clarifies management responsibilities. Effective April 1, 2025, we have also adopted a CxO system to further maximize Group synergies, achieve overall optimization, and enhance information sharing. Furthermore, since July 2026, an Outside Director has served as Chair of the Board, further strengthening the Board's supervisory function.

Corporate Governance Structure

Corporate Governance Structural Diagram



– Overview of the CxO System

In addition to the existing COMPANY system for overall supervision of each Group company on a business-by-business basis, each CxO oversees and manages their respective domains across the Group through a matrix structure that integrates both vertically and horizontally. This enables faster execution of Group management strategies and overall optimal management.

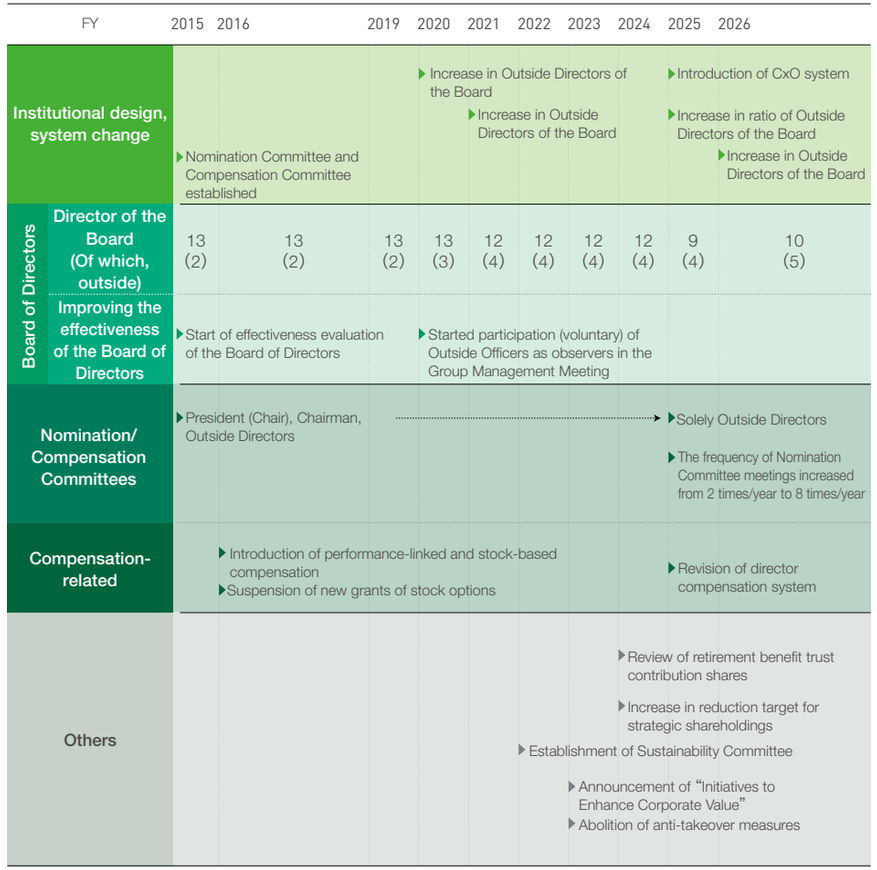
At present, we have adopted a system under which CxOs attend Group Management Meetings, budget briefings by each Group company, briefings on important investment projects and other meetings, enabling the CxOs to examine projects and provide advice and instructions on them from the perspective of Group governance. In addition, a CxO meeting is held every two weeks to strengthen collaboration among the CxOs and contribute significantly to overall optimization.

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Evolution of Corporate Governance

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

Evolution of Corporate Governance



Board of Directors and Audit & Supervisory Board

Board of Directors

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

Major items on the agenda of the Board of Directors in FY2025



The Directors had many discussions on the strategy for transforming the business portfolio, which is a core part of the Medium-term Management Plan.

- Portfolio transformation strategy ··· Entry into new businesses, scrutiny of unprofitable businesses, consideration of large-scale capital investments
- Financial strategy ··· Dividend policy, reduction of strategic shareholdings, treasury stock buybacks, etc.
- Corporate governance ··· Officer remuneration, etc.
- Business strategy ··· Discussion of the Long-term Vision and new Medium-term Management Plan
- Matters related to financial results, etc.

Audit & Supervisory Board Members and Audit & Supervisory Board

The Audit & Supervisory Board and its Members conduct operational audits and accounting audits from an independent and objective standpoint, fulfilling their fiduciary duty to shareholders. They strive to actively conduct audits leveraging the information gathering capabilities of the Standing Audit & Supervisory Board Members and independence of the Outside Audit & Supervisory Board Members while maintaining cooperation with the Outside Directors of the Board.

To improve the effectiveness of audits, Audit & Supervisory Board Members regularly meet with the Accounting Auditor and the Internal Audit Department to share information and exchange opinions about audit plans, the status of the implementation of audits, and audit results.

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– Nomination Committee and Compensation Committee

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

Following the June 2025 General Meeting of Shareholders, both committees consist solely of Outside Directors, and each is chaired by an Outside Director. The Nomination Committee met eight times in FY2025, up from two meetings in the previous year, to enhance the quality of its deliberations.

Nomination Committee

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

Major items on the agenda of the Nomination Committee in FY2025

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

Compensation Committee

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

Major items on the agenda of the Compensation Committee in FY2025

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

Structures of the Nomination Committee and the Compensation Committee and their meetings held in FY2025

Position	Name	Attendance	
		Nomination Committee	Compensation Committee
Independent Outside Director of the Board	Seiko Nagai	8/8	4/4
Independent Outside Director of the Board	Hiromichi Ogawa Committee Chair (since July 2025)	8/8	4/4
Independent Outside Director of the Board	Sachiko Fukuda	8/8	4/4
Independent Outside Director of the Board	Atsuko Muraki	7/8	3/4
Note: Until June 2025, the following two people were also members of both committees.			
Chairman (until March 2026)	Masatoshi Kaku	1/1	1/1
President	Hiroyuki Isono Committee Chair (until June 2025)	1/1	1/1

– Message from the Chair of the Nomination and Compensation Committees

Increase in governance effectiveness through system changes



Independent Outside Director of the Board
Chair of the Board
Hiromichi Ogawa

System changes and governance effectiveness

In June 2025, Oji changed to a new system under which both the Nomination Committee and the Compensation Committee consist solely of Outside Directors and I chair them both. The purpose of the changes was to further increase independence and transparency. Each committee first organized the overall issues and then identified specific matters for deliberation before proceeding with discussions. Committee members offered a range of frank opinions in their capacity as Independent Officers, while CEO Isono participated as an observer as appropriate so that the committees could accurately understand relevant information, views, and opinions from the executive side. To sum up activities over the past year, in my view, we have succeeded in holding deliberations under balanced governance and in increasing the effectiveness of each resolution.

Compensation Committee

Starting from FY2025, the committee increased the percentage of performance-linked compensation and significantly changed the evaluation criteria for short-term incentive bonuses and long-term incentive stock-based compensation. The emphasis is now on value sharing with shareholders, motivation toward medium- to long-term management goals, and long-term retention. The committee held deliberations on the appropriateness and effectiveness of specific KPIs for each evaluation criterion, reconciling the actual situation on the business execution side with the perspectives of Outside Directors. Where possible, the committee established evaluation criteria that are quantifiable based on financial indicators, actual results, internal survey results, or other data, and determined

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percentage allocations for each of the evaluation criteria. Because it is somewhat difficult to set quantifiable KPIs for nature positive management, we set them in a way that involves multifaceted evaluation of activities related to Medium-term Management Plan themes such as climate change measures, utilization of Oji Forests, and the circular economy, as well as levels of achievement.

The committee also compares the overall compensation structure every year with that of similar sized companies in Japan. Our policy is to make flexible adjustments to evaluation criteria, KPIs, and percentage allocations according to changes in the business environment.

Officer Compensation System P.81

Nomination Committee

The Nomination Committee held deliberations on important themes related to the corporate management framework, while also seeking to communicate effectively with the business execution side.

- **Composition of the Board of Directors:** The committee held deliberations from a governance perspective on the balance between the supervisory function and the business execution function within the Board of Directors, and made the following two recommendations to the Board of Directors.
  (1) From the viewpoint of strengthening the supervisory function, complementing the Group's manufacturing expertise, and incorporating more diverse perspectives, it would be advisable to appoint one additional Outside Director with a background in technical business operations.
  (2) In light of the importance of financial operations, capital policy, and the shareholder return policy, it would be advisable to appoint the CFO as an executive director.
- **Directors' skills matrix:** The committee partially revised the previous fiscal year's skills classifications and wording based on changing internal and external perspectives.
- **Monitoring of the CxO system:** The committee conducted interviews with the CxOs and the Corporate Planning Division to assess the effectiveness of the CxO system adopted in FY2025 and confirmed that the cross-functional coordination framework is working mostly as planned and is having a positive impact on governance. Given the size of the Oji Group, I believe that smooth vertical and horizontal communication and prompt information sharing are essential for sustainable improvement in corporate value, and I therefore have high hopes for further enhancement of the CxO system.
- **CEO succession plan:** The committee discussed and carefully examined a succession plan, taking into consideration the candidate requirements, development process, and approach to the candidate pool presented by CEO Isono, and developed separate plans for normal circumstances and emergencies. These plans will be reviewed annually to increase their effectiveness.
- **Number of Corporate Officers and appointment process:** The committee held deliberations on the nature of the business execution system, taking those of similar sized companies into consideration, and recommended to CEO Isono that Oji increase the number of Corporate Officers to increase the agility of business execution. The committee also had the business execution side present internal information on the candidates' interpersonal skills and self-control, in addition to their business skills, and conducted a multifaceted assessment of the candidates' suitability from the perspective of Outside Directors.

CxO CrossTalk PP.09–12

Roundtable Talk with Outside Directors PP.16–19

Governance issues and outlook

I recognize that the governance expected by stakeholders is to achieve short-term performance targets, appropriately implement business transformation in line with the Long-term Vision, and ensure sustainability management that pursues economic, environmental, and social value in a balanced manner. In view of the Oji Group's scale and diverse business areas, I think it is right that the Board of Directors focuses on the supervisory function and promotes the delegation of authority to bolster the business execution function across the Group. Going forward, we will likely need to consider a wide range of issues. I intend to help develop effective systems through constructive discussions with business executives. I am also acutely aware of the process for developing next-generation human resources who will drive sustainability management and intend to focus on this in my duties as chair.

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– Improvement of the Effectiveness of the Board of Directors

Policy and process for the nomination of Directors and Audit & Supervisory Board Members

Oji Holdings has stipulated its policy regarding the nomination of Directors and Audit & Supervisory Board Members in its Fundamental Policies on Corporate Governance, and it follows appropriate processes in making decisions.

Please see our website for the policy and process for the nomination of Directors and Audit & Supervisory Board Members.

Fundamental Policies on Corporate Governance

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

Independence of Directors

Standards for the independence of Outside Officers are determined by the Board of Directors based on the standards set by the financial instruments exchanges and after comprehensively considering any relationships of interest between Outside Officers and the Company or its major subsidiaries, including capital, personal, and business relationships.

There has been significant institutional progress in the improvement of the independence of the Board of Directors because the proportion of Outside Directors on the Board has been increased and the compositions of the Nomination Committee and the Compensation Committee have been changed so that they are now solely Outside Directors.

Furthermore, in June 2026, we added one more Outside Director, resulting in 50% of the Board of Directors being Outside Directors. We will continue to enhance the environment regarding the operations and composition of the Board of Directors to improve its independence.

Succession planning

When appointing chief officers, the Group seeks out individuals who, in addition to exceptional ethics and character, possess advanced expertise regarding the Oji Group's businesses and strong leadership skills that enable them to manifest the Group's management and growth strategies from a medium- to long-term perspective. Through an appointment process that involves strict personnel reviews, the Group selects management personnel candidates at the level of each COMPANY for the purpose of improving the capabilities and knowledge required for managing individual companies within the scope of the businesses for which they are responsible. This approach also serves to develop and promote future generations of management personnel candidates for the Group on a global basis while charting personnel reassignments between COMPANIES. Based on this approach, the Nomination Committee is communicating closely with the CEO to develop succession plans for normal times and emergencies.

– Effectiveness Evaluation of the Board of Directors

The Fundamental Policies on Corporate Governance stipulate that the effectiveness of the Board of Directors be analyzed and evaluated every year, required measures be taken to ensure the effectiveness as a whole, and an overview of the findings be disclosed. Regarding the effectiveness evaluation of the Board of Directors, an annual questionnaire is distributed to all Directors of the Board and Audit & Supervisory Board Members concerning the Board's role, composition, and operations.

Survey questions in FY2025

1. Formulating the Group management strategies and presenting the direction
2. Deliberating and examining business execution
3. Support for prompt and unwavering business execution
4. Supervision of the management team
5. Internal control and risk management
6. Composition of and discussion by the Board of Directors
7. Time and frequency of deliberation
8. Provision of information to participants
9. Relationship with stakeholders
10. Implementation and effects of measures for the improvement of the Board of Directors
11. Whether the Nomination/Compensation Committee is functioning
12. Whether the CxO system is functioning

Actions taken in response to the results of the FY2025 evaluation

The evaluation results were analyzed and discussed by the Compensation Committee, composed solely of Outside Directors. Based on the committee's report, the Board of Directors then deliberated the identified issues and future initiatives and acted.

Initiatives in FY2025

We promoted the adoption of the newly established CxO system to support management in the prompt and unwavering execution of business. To further enhance our management supervision functions, we provided information to the Directors, including Outside Directors, and we enabled Directors to share information to enhance the supervisory functions of the Board of Directors. We also increased the ratio of Outside Directors to increase the diversity of the expertise possessed by the Board of Directors.

FY2025 evaluation results

The Board of Directors was evaluated as fulfilling its role of deliberating and making decisions on significant business execution matters and fulfilling its supervisory functions in line with the direction of management. In particular, the Board of Directors was recognized as having fulfilled its role of clearly providing a medium- to long-term direction for the Group by fully discussing the Long-term Vision, the Medium-term Management Plan, and individual projects.

FY2026 issues

While significant improvements were made regarding the supervision of management and support for its prompt and unwavering execution of business, we understand that there is room for further improvement. We will continue to discuss the operations and composition of the Board of Directors to improve the effectiveness of the Board of Directors.

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Board of Directors Skill Matrix

The skill matrix comprises skills considered particularly important for the Board of Directors to make appropriate management decisions and exercise highly effective supervision of business implementation, thereby realizing the Oji Group's management strategies. In light of changes in internal and external perspectives, we have partially revised the skill categories and expressions used in the previous fiscal year's skill matrix.

Expected contributions and expertise

• **Corporate management** • **Business portfolio transformation**	Basic management skills required to realize corporate sustainability and management strategy Skills for developing and modifying structures in new fields of business to implement business plans, in addition to conventional business operation skills
• **Finance and accounting** • **Capital strategy**	Skills to grasp business conditions financially and raise questions, and to realize capital efficiency improvement
• **Innovation** • **Manufacturing**	Skills to create innovative ideas and technologies for non-continuous growth and give a concrete shape to them
• **Marketing** • **Branding** • **Market structure**	Skills to anticipate needs and differentiate products and services and to build new business models
• **Global**	Skills to raise questions and make decisions from a global perspective
• **Human capital** • **DX**	Skills to reform business processes through development and utilization of diverse human resources and promotion of digitization
• **Sustainability** • **ESG**	Skills related to environment, society, and governance; they are foundations of corporate management and indispensable for sustainability
• **Legal affairs** • **Compliance** • **Risk management**	Skills to supervise corporate activities, predict risks, and make proposals against risks from the perspective of legal affairs
• **Production technology and safety**	Skills for establishing safety measures for manufacturing sites and connecting them to stable and efficient production in an optimal production system

Board of Directors Skill Matrix

		Nomination Committee	Compensation Committee	Corporate management Business portfolio transformation	Finance and accounting Capital strategy	Innovation Manufacturing	Marketing Branding Market structure	Global	Human capital DX	Sustainability ESG	Legal affairs Compliance Risk management	Production technology and safety
Hiroyuki Isono Reelection	Representative Director of the Board, President			●	●	●		●		●	●	
Kazuhiko Kamada Reelection	Representative Director of the Board, Executive Vice President			●			●	●	●	●		
Akio Hasebe Reelection	Director of the Board, Senior Executive Officer			●	●		●	●				
Satoshi Takuma Reelection	Director of the Board, Senior Executive Officer			●		●		●				●
Tadashi Oshima New election	Director of the Board, Senior Executive Officer			●	●				●		●	
Seiko Nagai Reelection	Independent Outside Director of the Board	○	○				●	●	●			
Hiromichi Ogawa Reelection	Independent Outside Director of the Board	◎	◎	●	●		●					
Sachiko Fukuda Reelection	Independent Outside Director of the Board	○	○		●					●	●	
Atsuko Muraki Reelection	Independent Outside Director of the Board	○	○						●	●	●	
Hiroji Adachi New election	Independent Outside Director of the Board	○	○	●		●						●

Notes:
1. ○ indicates the Director is a member of the Nomination Committee and Compensation Committee, and ◎ indicates they are the chair of a committee.
2. The roles specifically expected of each Director are listed and do not represent all of the abilities possessed by each Director.
3. Please see the Corporate Governance Report for the main reasons for the selection of each Director.

Please see here for details. Fundamental Policies on Corporate Governance Corporate Governance Report Corporate Governance

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– Independent Outside Directors and Independent Outside Audit & Supervisory Board Members

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

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

Note: Please refer to the Corporate Governance Report for the reasons for the selection of the Outside Directors and Outside Auditors.

Corporate Governance Report

Activities and roles of Outside Directors and Outside Audit & Supervisory Board Members in FY2025

Independent Outside Director of the Board	Activities and roles in FY2025
Seiko Nagai	Fulfilled the role expected of her by making comments concerning the Company's management from an independent standpoint from a multifaceted perspective, including professional viewpoints developed through customer service and university teaching, and based on her extensive experience, high level of expertise, and wide-ranging insight
Hiromichi Ogawa	Fulfilled the role expected of him regarding the management of the Company from a standpoint that is independent from the Company's management, by making comments from a multifaceted perspective, including professional viewpoints developed through management of retail business and food manufacturing companies, and based on his extensive experience, high level of expertise, and wide-ranging insight
Sachiko Fukuda	Fulfilled the role expected of her regarding the management of the Company from a standpoint that is independent from the Company's management, by making comments from a multifaceted perspective influenced by her experience as a certified public accountant and attorney-at-law and knowledge of sustainability, and based on her extensive experience, high level of expertise, and wide-ranging insight
Atsuko Muraki	Fulfilled the role expected of her regarding the management of the Company from a standpoint that is independent from the Company's management, by making comments from a multifaceted perspective influenced by her experience as a public official and knowledge in the field of human resources development, and based on her extensive experience, high level of expertise, and wide-ranging insight

Independent Outside Audit & Supervisory Board Member	Activities and roles in FY2025
Hidero Chimori	Provided expert opinions based on his extensive experience, high-level expertise, and wide-ranging knowledge, in particular, in the corporate legal affairs and corporate governance field, as an attorney-at-law
Takashi Nonoue	Provided expert opinions based on his extensive experience, high-level expertise, and wide-ranging knowledge as a public prosecutor and attorney-at-law
Keiko Fukuchi	Provided expert opinions based on her extensive experience, high-level expertise, and wide-ranging knowledge as a public official and a certified public tax accountant

Activities of Independent Outside Officers in FY2025

Attendance at Board of Directors meetings and briefings conducted by the officer responsible for the Corporate Governance Division regarding matters submitted to the Group Management Meetings and matters planned to be submitted to the Board of Directors meetings (number of meetings held/attendance rate)	Held 17 times / 93%
Attendance of Outside Directors and Outside Audit & Supervisory Board Members at Board of Directors meetings (number of meetings held/attendance rate)	Held 15 times / 98%
Attendance of Outside Audit & Supervisory Board Member at Audit & Supervisory Board meetings (number of meetings held/attendance rate)	Held 14 times / 100%
Interviews with the Company's officers (CxOs, Chair of the Board, COMPANY Presidents)	16 times
Inspections of operating companies	2 times

Please refer to P. 76 for attendance of Outside Directors and Outside Auditors at Nomination Committee and Compensation Committee meetings.

– Sharing Information with Outside Officers

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

Sharing information with Outside Directors and Auditors

In addition to reporting matters to be submitted to the Group Management Meeting and the Board of Directors to Outside Officers twice a month in principle, we are striving to further enhance information sharing by allowing Outside Officers to participate in Group Management Meetings as observers on a voluntary basis. For all Audit & Supervisory Board Members, including Independent Outside Audit & Supervisory Board Members, we have established the Audit & Supervisory Board Members' Office, staffed with several personnel including dedicated staff members, which reports important information to the Independent Outside Audit & Supervisory Board Members.

Enhancement of education programs for Independent Outside Officers

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



Inspection of Oji Nepia Tokushima Mill



Inspection of Oji Paper Kasugai Mill

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– Officer Compensation System

Policy on determination of director compensation

Officer compensation at Oji Holdings comprises base compensation that is fixed compensation, bonuses that reflect short-term performance, and stock-based compensation that reflects medium- to long-term enhancement of corporate value. The compensation program and determination policies are set forth in the Fundamental Policies on Corporate Governance.

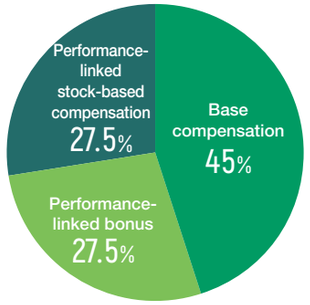
Total compensation, etc., by type for each type of officer (FY2025)

Type of officer	Total compensation (million yen)	Fixed compensation	Performance-linked compensation		Number of eligible officers
			Bonuses	Stock-based compensation	
Directors (excluding Independent Outside Directors)	542	254	133	155	9
Audit & Supervisory Board Members (excluding Independent Outside Audit & Supervisory Board Members)	54	54	0	0	3
Independent Outside Directors and Independent Outside Audit & Supervisory Board Members	111	111	0	0	9

Revision of the director compensation system

(1) Composition of director compensation

In FY2025, we reduced the ratio of base compensation, which is fixed compensation, for Internal Directors to less than half of the total, thus increasing the ratios of bonuses and stock-based compensation that are linked to performance, etc.



(2) Evaluation metrics that are performance-linked

In conjunction with the revision of the compensation system, we have linked compensation to items related to capital efficiency and other performance indicators associated with Long-term Vision 2035 and Medium-term Management Plan 2027 to establish a system that motivates Directors to achieve targets.

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

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

Evaluation metrics (non-financial metrics, etc.)

■ Net sales in areas with growth potential

Evaluation based on net sales in areas with growth potential on which we are focused, including the sustainable packaging and forest biomass businesses

■ Lost time injury frequency rate (LTIFR)

This was chosen as an evaluation metric in accordance with “safety as the absolute top priority,” a basic principle of the Oji Group. The evaluation is conducted based on the “Lost time injury frequency rate (LTIFR)” disclosed in the Group’s ESG Data.

■ Nature positive (Promotion of natural capital management)

Evaluation of the extent to which action on climate change (Green Transformation/GX and Carbon Neutral/CN), the promotion of the use of the Oji Forests, and the promotion of the circular economy — which are action items in the Medium-term Management Plan — have been implemented

■ Employee engagement

This was chosen as a metric that corresponds to the enhancement of employee engagement, which is a part of our human capital strategy. Employees’ attachment to and motivation toward the Company and their work, as fostered through their individual growth and demonstration of their capabilities, are evaluated based on the results of the engagement survey.

– Policy for Strategic Shareholding

The Group strategically holds shares that are expected to contribute to the sustainable growth of the Group and the enhancement of corporate value over the medium to long term as part of its management strategy for the purpose of business alliances and strengthening and maintenance of long-term and stable relationships with business partners. The Group is reducing its strategic shareholdings by reviewing the rationale for holding each individual share at the annual Board of Directors meeting, and steadily reducing them through stricter management. In addition, the Group is engaging in careful dialogue with the issuers of the shares to be reduced to ensure they understand our policy.

(Please see Review of FY2025 (P. 31) for initiatives on strategic shareholding. Please refer to Financial Data (P. 92) for the ratio of strategic shareholdings to net assets.)

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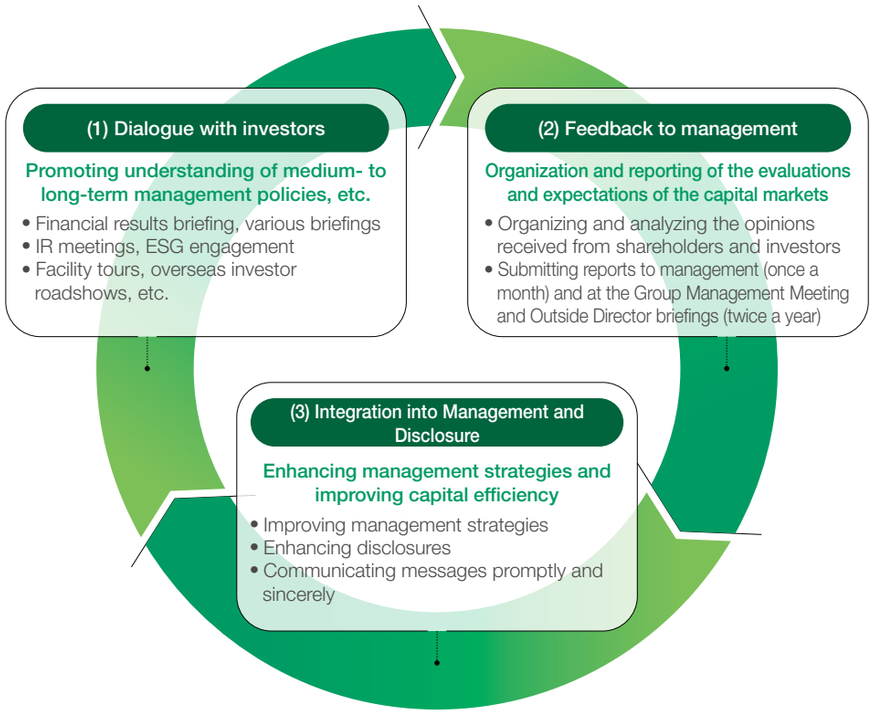
– Basic Approach to Investor Engagement

We value a constructive and continuous dialogue with our shareholders and investors, and we work to strengthen trust with the capital markets. Through financial results briefings, IR meetings, and ESG engagement, we communicate our medium- to long-term management policies, growth strategies, and approach to capital allocation in a clear and timely manner and disclose information to ensure transparency and fairness.

We also receive valuable opinions and evaluations through this dialogue and incorporate them into management to further refine our management strategies and improve capital efficiency.

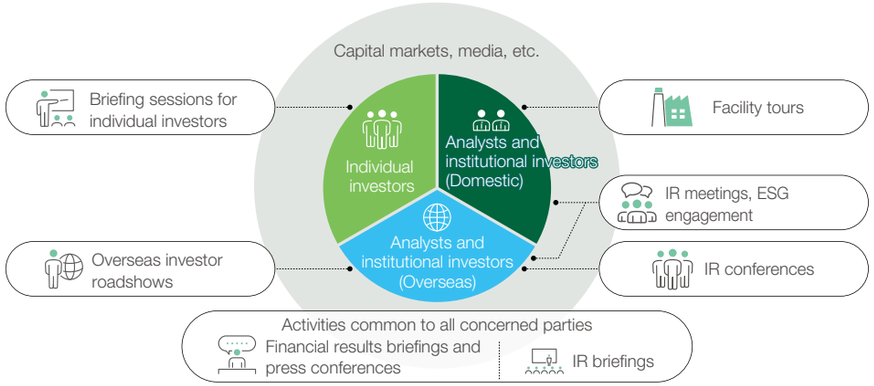
We will enhance our profitability and lower our cost of capital through disciplined investments and stable cash generation, thereby steadily increasing our corporate value, with the aim of remaining a company that investors can trust over the medium to long term. We established our Disclosure Policy, which clearly states these ideas, in June 2026.

Investor Relations
Disclosure Policy



Activities

Main activities in FY2025 are as follows.



	Times	Event dates	
Financial results briefings and press conferences	4	May, August, November 2025; February 2026	Held quarterly for analysts and institutional investors (press conferences are held for the first-half and full-year results)
Medium-term Management Plan briefing	1	May 2025	Held Medium-term Management Plan 2027 briefing
Briefing sessions for individual investors	2	December 2025; February 2026	Participated in a briefing event for individual investors hosted by a securities firm
IR meetings, ESG engagement	216	Ad hoc throughout the year	Conducted individual meetings online and in person
Facility tour	1	September 2025	Organized tour of our sugar solution and bioethanol pilot plant and paper mill in the Yonago area
Overseas investor roadshows	4	August, September 2025; January, March 2026	Conducted 20 individual meetings in Australia, Europe, and Singapore (2 times)
IR conferences	2	September 2025; February 2026	Engaged with 17 overseas institutional investors over 2 days

Feedback provided to management

We appropriately organize and analyze the opinions and evaluations obtained through our dialogue with shareholders and investors and the expectations and concerns of the capital markets and report them to management once a month. We also provide them as feedback during the Group Management Meeting and Outside Director briefings every six months. Doing this enables us to incorporate external perspectives into management decision-making with the goal of increasing the validity and effectiveness of our strategies.

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Management and information disclosure that reflects the feedback received

We incorporate the perspectives and opinions of our shareholders and investors into management to improve the quality of both management and disclosure, with the aim of sustainably enhancing our corporate value. Major themes discussed during our dialogue with shareholders and investors in FY2025 and our examination of them and responses are as follows.

Major themes of our dialogue with shareholders and investors in FY2025

Short-term perspectives	**Financial results and budgets:** Current business performance, forecast for highly volatile pulp prices Progress in negotiations to increase the prices of each product type, feasibility of price increases Degree of impact of geopolitical risks, ability to address rising costs	
Medium-term perspectives	**Medium-term Management Plan:** Roadmap toward the achievement of numerical management targets and progress by factor Approach to cash allocation **Shareholder returns:** Dividend continuity	(1) (2) (3)
Long-term perspectives	**Business restructuring:** Approach to business portfolio transformation and withdrawal from low-profitability businesses **Improving capital efficiency:** Roadmap toward an ROE of 8% (and 10% in the future) **Sustainability:** Progress in Environmental Action Program 2040, progress in the creation of economic value from forests	

Responses to major topics raised through dialogue with shareholders and investors in FY2025 ((1), (2), and (3) in the table)

Request 1



Could you share a clear breakdown of your progress toward operating profit of ¥120.0 billion in FY2027 by factor?

We will prepare to disclose our progress on each one of the six factors on P.20 of the Medium-term Management Plan presentation materials. (Disclosed on P.28 of the FY2025 Summary of Financial Business Results)



Consideration policy

Question 2



What is your approach to cash allocation when cash flows from operating activities have decreased?

We will more carefully select targets for upkeep CAPEX while maintaining R&D and growth investments to the greatest extent possible. We will also secure funds for investments by accelerating the sale of shareholdings and rental properties.



Answer

Question 3



The dividend for the current fiscal year is ¥36 per share. Is the lower limit ¥24 per share? | What is your dividend policy for the next fiscal year and beyond?

We have firmly maintained stable dividends for a long time. Since the 2008 global financial crisis, we have never decreased dividends. We intend, in principle, to maintain a dividend policy that prioritizes stable dividends (forecast dividend for FY2026: ¥36 per share).



Answer

Topics

Evolution of Management and Disclosure in Response to Feedback from the Capital Markets

Our dialogue with our shareholders and investors has enabled us to identify many issues with our approach to management. Taking the feedback we received seriously, in FY2025 we shifted from a profit-and-loss-focused management to balance-sheet–focused management, a shift we had been considering, and we formulated and announced our Medium-term Management Plan focused on the improvement of capital efficiency. We also increased the frequency of financial results briefings. Previously, we held them only for the second- and fourth-quarter results, and now we hold them for the first- and third-quarter results as well, and we have enhanced the information we disclose. Through these efforts, we strive to improve the quality of our dialogue with shareholders and investors. Based on our understanding that these initiatives remain a work in progress, we will continue to work to make improvements by listening to the frank opinions of our shareholders and investors.

Topics

Growth Strategy Shared during Yonago Mill Tour

In September 2025, we provided a tour of Yonago Mill to increase participants' understanding of our forest biomass business, one of our growth businesses that we are focused on. Many institutional investors participated in the tour and saw our sugar solution and bioethanol pilot plant in addition to our existing paper manufacturing equipment. This was followed by a lecture and Q&A session with the CIO, who oversees the R&D function responsible for the forest biomass business. We also held a networking session with members of our management team, including the CSO, CFO, and CIO. It was a valuable opportunity to directly listen to the frank opinions of investors. We take the opinions that we received seriously, and we will use them in our internal considerations and discussions for the future commercialization of the business.



Yonago Mill tour

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Risk Management

The Oji Group implements appropriate risk management practices based on the high ethical standard laid out in the Oji Group Corporate Code of Conduct. Supervised by the Board of Directors, we are building a systematic global risk management structure in line with the Group Risk Management Regulations. For more information, please visit the website.

Risk Management Framework and System

Major risks

The Oji Group identifies major risks that could have a material effect on its financial position, etc., and categorizes them into three groups: risks regarding long-term issues, risks associated with its management strategies, and risks arising from the execution of business, as shown below. Please refer to "Section 2: Business Overview – 3. Business Risks" in the Securities Report (Japanese only) for details on major risks and main countermeasures against risks.

Securities reports (Japanese only)

	Risk item	
Risks of long-term issues	• Climate change • Pandemic	
Risks associated with our management strategies	• Structural changes in demand arising from innovation • Fluctuations in demand	• Fluctuation in global market conditions • Domestic business • Overseas business
Risks arising from the execution of business	• Occurrence of disasters, etc. • Laws and regulations • Litigation and other actions • Product liability	• Exchange rate fluctuations • Interest rate fluctuations • Information leakage

BCP

We have formulated a BCP for each COMPANY to respond to an emergency when a risk associated with the execution of business materializes. For more information, please visit the website.

BCP

Oji Group Tax Policy

The Company has established the Oji Group Tax Policy based on the idea that proper tax payment in compliance with the tax laws and regulations of each country will increase our corporate value and foster society's trust in us. For more information, please visit the website.

Oji Group Tax Policy

Compliance

The Oji Group has established the Oji Group Corporate Code of Conduct and the Oji Group Behavior Standard, which are based on principles of the United Nations Global Compact, the SDGs, and its Management Philosophy. They function as the Group's basic policies on compliance. They are communicated to all officers and employees to ensure compliance with laws and regulations and ethical behavior.

Corporate Code of Conduct and Behavior Standard
Compliance

In our compliance structure, the Representative Director of the Board, President and CEO is responsible for compliance, and the General Manager of the Corporate Governance Division oversees the Group as a whole. In addition, the Corporate Compliance Department serves as the administrative office and promotes effective initiatives by positioning compliance managers and compliance promotion leaders to domestic and overseas operating companies.

Fostering awareness and preventing corruption

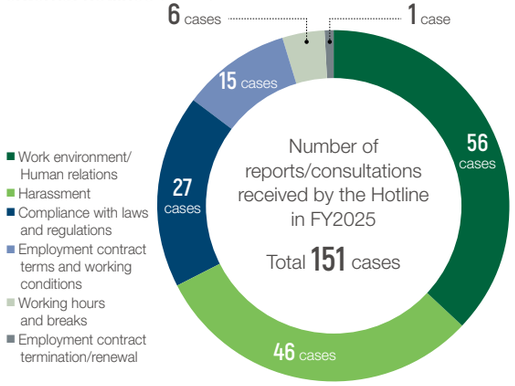
To ensure compliance with laws and regulations and ethical behavior, we conduct regular training sessions on key topics such as harassment, the SME Transactions Act, the Anti-Monopoly Act, and anti-bribery measures; communicate information through our monthly Compliance News newsletter and in other ways; and hold regular compliance meetings to increase individual officers and employees' awareness of compliance. We have also developed Group Anti-Bribery and Anti-Corruption Regulations and related guidelines to maintain sound and highly transparent relationships with politicians, governments, and our business partners. In May 2026, the Oji Group issued the Oji Group Anti-Corruption Declaration, clearly positioning anti-corruption as a core element of the Oji Group's management policy.

Activities to Foster an Awareness of Business Ethics and Compliance
Anti-corruption

Whistleblowing system

To prevent violations of laws and regulations and misconduct and to ensure their early correction, the Oji Group has established the Oji Group Compliance Hotline, which is available to all officers and employees, with whistleblowing desks that have been established both internally and externally. We handle reports in a fair manner while ensuring whistleblowers are protected. In FY2026, we began to operate a whistleblowing system available in six Southeast Asian countries as our first step in establishing a global whistleblowing system that consolidates all reports at the Group headquarters.

Number of cases received by the internal and external hotlines (FY2025)



Whistle-blowing system in compliance with the Whistleblower Protection Act
ESG Data

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