

Oji GROUP

TNFD REPORT 2026



CENIBRA Forests (Brazil)

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Editorial Policy and General Requirements

Editorial Policy

Oji Holdings registered as a “TNFD Early Adopter” in January 2024, committing to the early adoption of the disclosure recommendations published by the Taskforce on Nature-related Financial Disclosures (TNFD). Since then, Oji Holdings has been annually disclosing nature-related information recommended by the Taskforce.

This report aims to disclose the relationship between our value chain and natural capital, as well as the progress and future plans of our responses to nature-related risks and opportunities, thereby facilitating dialogue with all our stakeholders.

In preparing this report, we have referred to the following international frameworks and standards to help ensure consistency and transparency in our disclosures.

● TNFD

- [TNFD Recommendations v1.0](#)
- [Guidance on the identification and assessment of nature-related issues v1.1](#)
- [Additional sector guidance – Forestry, pulp and paper v2.0](#)

● International Sustainability Standards Board (ISSB)

- [IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information](#)

● Global Reporting Initiative (GRI)

- [GRI3 Material Topics 2021](#)
- [GRI101 Biodiversity 2024](#)

TNFD General Requirements

TNFD recommends applying six general requirements to ensure consistency in disclosed information. The application of these requirements in this report is described below.

► Application of Materiality

Material topics were selected by referencing the materiality approaches of ISSB and GRI, considering both the “anticipated financial impacts arising from nature-related issues” and the “impacts of business activities on local communities.”

► Scope of Disclosures

The scope of disclosures in this report covers the entire value chain of the Oji Group. In particular, forestry, identified as the most significant sector based on the results of sector-specific dependencies and impacts assessment, is disclosed with priority. For the upstream, we present the management of nature-related risks through due diligence, and for the downstream, we present the reduction of environmental impact through our products.

► Locations of Nature-Related Issues

Business sites worldwide were assessed using publicly available data, such as biodiversity importance and water stress, to identify locations with a high likelihood of material nature-related issues. In these identified locations, on-site surveys were further conducted to identify specific nature-related issues.

► Integration with Other Sustainability-Related Disclosures

This report discloses nature-related information in line with the TNFD recommendations, while climate-related information in line with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations is disclosed separately on our [website](#). However, common governance structures have been established for issues such as climate change, natural capital, resource circulation, human rights and other social issues, and these initiatives are promoted in an integrated manner, taking into account synergies and trade-offs among them.

► Time Horizons Considered

Quantitative data covers the following:

Operations in Japan: April 1, 2025–March 31, 2026

Operations overseas: January 1, 2025–December 31, 2025

Information on initiatives and progress may extend beyond these periods. Nature-related issues were considered from three time horizons: short term through 2027, medium term through 2030, and long term beyond 2030.

► Engagement of Indigenous Peoples, Local Communities, and Affected Stakeholders

The Oji Group builds trust through dialogue and collaboration with all stakeholders, including shareholders, investors, customers, suppliers, employees, media, local communities, industry associations, and NGOs. In regions with Indigenous populations, we respect their unique cultures and histories, comply with local laws, and respect internationally recognized rights. We also collaborate with local governments, NGOs, and experts to promote environmental conservation and economic development in these communities.

CEO Message

130 Years Alongside Our Forests

Since it began afforestation in Shizuoka Prefecture in 1893, the Oji Group has grown alongside forests for more than 130 years. Guided by the belief that “those who use trees have the responsibility to plant trees,” we today sustainably own and manage approximately 637,000 hectares of forests across seven countries including Japan. Forests are both the foundation of the Oji Group’s business and natural capital itself, and we consider it our responsibility to pass on their value to the next generation.

Maintaining and Enhancing the Multifaceted Functions of Forests

The value of forests extends far beyond the mere supply of timber. Forests possess multifaceted functions—including water resource conservation, prevention of soil erosion, the absorption and sequestration of CO₂, and biodiversity conservation—all of which are maintained through appropriate forest management. Among these, soil is an extremely difficult-to-renew form of natural capital, requiring several hundred years to form just one centimeter, and maintaining its health is fundamental to supporting the multifaceted functions of forests.

Through forest management from a long-term perspective, the Oji Group is committed to the conservation of natural capital. We believe that this accumulation of efforts forms an essential foundation for realizing a nature-positive world.

Participation in International Discussions and the Visualization of Natural Capital

International discussions on the relationship between nature and the economy have advanced significantly in recent years. I myself have participated in international conferences such as the Conference of the Parties (COP) to the Convention on Biological Diversity, the COP to the UN Framework Convention on Climate Change, and the Annual Meeting of the World Economic Forum, engaging in repeated dialogue with companies, international organizations, and researchers from around the world. Through these events, I have reaffirmed that nature-related issues are a globally important theme, and I have come to strongly feel that appropriately valuing natural capital and connecting it to financial flows will be indispensable to the economic system of the future.

As a first step toward linking the functions of forests to economic value, the Oji Group released an economic valuation of its company-owned forests in Japan (approximately 550 billion yen per year) in 2024. Furthermore, in November 2025, I was appointed Chair of the International Sustainable Forestry Coalition (ISFC). Together with forestry-related companies from around the world, we are working toward the development of international standards for natural capital accounting in collaboration with the Capitals Coalition and the TNFD.

Business Strategy toward a Nature-Positive World

Our initiatives that contribute to a nature-positive world are also closely linked to our business strategy. The Oji Group positions sustainable packaging and the forest biomass business as growth drivers that maximize the value of forest resources.

In the sustainable packaging field, as the mandatory recycling of packaging and the reduction of single-use plastics advance—particularly in Europe—we strengthened our capabilities to supply high-performance, recyclable packaging materials through the acquisition of Walki. While balancing regulatory compliance with the reduction of environmental impact, we are accelerating our expansion in global markets.

In the forest biomass business field, we strengthened our business foundation for dissolving pulp and bioethanol through the acquisition of AustroCel. Demand for dissolving pulp is rising from industries such as apparel as a renewable material that can replace materials derived from fossil resources. Similarly, demand for bioethanol is expected to expand in the transportation fuel field against the backdrop of stricter regulations in Europe. These businesses advance the shift away from dependence on fossil resources while maximizing the added value of forest-derived resources, embodying the compatibility of the sustainable use of natural capital with business growth.

Maximizing Forest Value and Passing It on to the Next Generation

By appropriately valuing forests and utilizing them in a sustainable manner, the Oji Group aims to achieve both the conservation of natural capital and business growth. We hope that this report will help our stakeholders, including investors, to understand the Oji Group’s perspective on natural capital and our related initiatives. Going forward, we will continue to pass on the value of forests to the next generation and contribute to the realization of a nature-positive world.



Oji Holdings Corporation
Representative Director of the Board,
President and CEO

Hiroyuki Isono

2-1 Nature-Related Trends and Oji's Initiatives

International Trends

Following the adoption of the Kunming-Montreal Global Biodiversity Framework (GBF) in 2022, international discussions on achieving its targets have continued to advance. In 2023, a framework for disclosure was established with the release of the TNFD final recommendations. In 2024, with the release of Japan's "Transition Strategies toward Nature Positive Economy" and the convening of the 16th Conference of the Parties to the Convention on Biological Diversity (COP16), discussions evolved from concepts to concrete economic transitions. In 2025, the Nature Positive Initiative (NPI) released a draft of common metrics, and the TNFD developed its Transition Plan Guidance, continuing the development of disclosure frameworks.

Oji Group's Initiatives

The Oji Group has utilized forests sustainably for many years. In recent years, considering international trends, we have further clarified our approach to nature positive. In 2024, we registered as a "TNFD Early Adopter" and published our TNFD Report. We also released the economic valuation of company-owned forests in Japan and our "No Deforestation and No Conversion Commitment." In 2025, we newly established the "Oji Group Biodiversity Commitment" and the "Environmental Action Program 2040," outlining a concrete path toward nature positive. Furthermore, a third-party audit has confirmed that CENIBRA's biodiversity conservation activities in Brazil are approximately three times the level required as compensation for biodiversity pressures resulting from its operations (details on [page 32](#) .

From FY2026 onward, in addition to continuous information disclosure, we will actively participate in the development of methodologies to measure the value of nature and natural capital accounting frameworks. Through dialogue with stakeholders, we will advance sustainable management based on natural capital.

Oji Group's Long-Standing Initiatives

- Sustainable forest management for more than 130 years
- Resource circulation, including the use of recovered paper and water recycling
- Circular use of renewable forest resources
- Manufacturing and operations based on environmental impact reduction

Deepening of Initiatives in Response to International Trends

International Trends

- 🌐 G7 Pledge for a Nature-Positive World by 2030 Announced (Jun. 2021)
- 🇯🇵 30by30 Alliance for Biodiversity Launched by the Ministry of the Environment (Apr. 2022)
- 🌐 CBD COP15 Convened
- Kunming-Montreal Global Biodiversity Framework Adopted (Dec. 2022)
- 🇯🇵 National Biodiversity Strategy of Japan 2023–2030 Formulated by the Ministry of the Environment (Mar. 2023)
- 📄 TNFD Final Recommendations Published (Sep. 2023)
- 📄 ISFC Established (Sep. 2023)
- 🇯🇵 Transition Strategies toward Nature Positive Economy Published by the Ministry of the Environment (Mar.)
- 🌐 CBD COP16 Convened (Nov.)
- 📄 NPI Draft State of Nature Metrics for Piloting Published (Jan.)
- 📄 TNFD Nature Transition Plan Guidance Published (Nov.)
- 🌐 Global Nature Positive Summit 2026 Held
- Kumamoto Declaration Announced (Jul.)

~2023

2024

2025

2026~

Oji Group's Recent Initiatives

- Joined the 30by30 Alliance for Biodiversity (Apr. 2022)
- Published Sustainable Forest Management Policy (Apr. 2022)
- Initiated Human Rights Due Diligence (2022)
- Joined the ISFC as a Founding Member (Sep. 2023)
- Registered Koyagauchi Forest as a Nationally Certified Sustainably Managed Natural Site (Oct. 2023)
- Registered as a TNFD Early Adopter (Jan.)
- Published Economic Valuation of Company-Owned Forests in Japan (Aug.)
- Registered Koyagauchi Forest as an OECM (Aug.)
- Published TNFD Report 2024 (Sep.)
- Published No Deforestation and No Conversion Commitment (Dec.)
- Revised Wood Raw Material Procurement Guidelines (Dec.)
- Established Grievance Mechanism (Feb.)
- Published Biodiversity Commitment (Mar.)
- Participated in NPI Piloting Programme (Apr.)
- Formulated Environmental Action Program 2040 (May)
- Published TNFD Report 2025 (Sep.)
- Joined the CGC-NBS Sponsorship Program (Sep.)
- Signed the Kumamoto Declaration (Jul.)
- Published TNFD Report 2026 (Sep.)

2-2 Oji Group's Purpose



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

Niseko Forests in Abuta District, Hokkaido

Nature-Based Solutions to Address Social Challenges

Guided by its purpose—"Grow and manage the sustainable forest, develop and deliver the products from renewable forest, and Oji will bring this world a brighter future filled with hope"—the Oji Group takes on the challenge of addressing social issues through forest-based solutions.

| Maintaining and Creating the Multifunctional Roles of Forests

Appropriately managed forests fulfill multifunctional roles, including CO₂ absorption and sequestration, water resource conservation, prevention of soil erosion, conservation of local ecosystems, and protection of cultural values.

The Oji Group believes that maintaining and creating these forest functions over the long term is essential to the sustainability of society and the environment.

| Sustainable Production through Renewable Resources

The Oji Group develops and manufactures a wide range of products by responsibly utilizing renewable forest resources, ranging from pulp, paper, and packaging materials to plastic alternatives, pharmaceuticals, and biofuels. Sustainable forest management and a value chain that circulates forest resources reduce dependence on fossil resources, promote the transition to a circular economy, and achieve sustainable production and consumption.

| Synergies among Nature, Climate, and Resource Circulation

The Oji Group views the three social challenges of "nature positive," "carbon neutrality," and "circular economy" not as separate issues but as interconnected material issues.

For example, nurturing healthy forests conserves biodiversity, enhances resilience to climate change, and enables steady CO₂ absorption and resource production. Furthermore, by delivering products made from these harvested resources to society as alternatives to fossil resources, we simultaneously accelerate the transition toward these goals.

By expanding initiatives that maximize these synergies, we are advancing a sustainable business model that creates environmental, social, and economic value simultaneously.

2-3 Oji Group's Nature-Related Policies

Perspective on Nature

The Oji Group conducts its business in harmony with nature, centered on forests. To ensure this perspective is consistently reflected across our management, we have systematically organized our perspective and approach to nature into "Commitments" and "Policies and Guidelines." Furthermore, by setting time-bound targets, we enhance the effectiveness of our initiatives. These serve as the foundation for the entire Group's decision-making and actions.

Commitments

The Oji Group respects the Kunming-Montreal Global Biodiversity Framework (GBF) and pledges to avoid and reduce contributions to drivers of nature loss, restore and regenerate ecosystems, and continuously achieve No Deforestation and No Conversion.

Policies and Guidelines

The Oji Group has established and implements clear policies and guidelines to fulfill environmental and social responsibilities across the entire value chain, from the management of company-owned forests to raw material procurement and supplier engagement.

Targets

The Oji Group sets measurable and time-bound targets, and transparently discloses annual progress.

Purpose

[Biodiversity Commitment](#)

Pledges to respect the Kunming-Montreal Global Biodiversity Framework, avoid and reduce contributions to drivers of nature loss, and restore and regenerate ecosystems.

[No Deforestation and No Conversion Commitment](#)

Commits to achieving and maintaining No Deforestation and No Conversion across the forests owned and managed by the Oji Group and throughout its wood raw material supply chain.

[Sustainable Forest Management Policy](#)

Requires no deforestation and no illegal logging, safeguards ecological health and functionality including the conservation of biodiversity and water resources, respects traditional lands and cultural rights, and contributes to maintaining or enhancing local communities' well-being.

[Human Rights Policy](#)

Adheres to and respects international human rights norms, and sets out requirements for respecting human rights across all business activities, prohibiting forced and child labor, eliminating discrimination, and maintaining a safe and healthy workplace environment.

[Sustainability Action Guidelines for Supply Chains](#)

Sets out requirements for suppliers regarding compliance with laws and regulations, respect for human rights, environmental responsibility, occupational health and safety, and fair business practices, in order to fulfill social responsibilities throughout the supply chain.

[Wood Raw Material Procurement Guidelines](#)

Requires the traceability of all wood raw materials and procurement from properly managed forests, while avoiding wood sourced from land converted from natural forests and protecting human rights and labor rights.

[Environmental Action Program 2030](#)

[Environmental Action Program 2040](#)

[Environmental Vision 2050](#)

Sets a long-term vision aiming for "Net Zero Carbon," "Circular Society," and "Society in Harmony with Nature," with milestones for 2030 and 2040 to achieve this vision.

2-4 The TNFD Framework

This report discloses information in line with the TNFD disclosure recommendations, as shown in the diagram below.

Governance			Strategy			Risk and Impact Management		Metrics and Targets			
Disclose the organization's governance of nature-related dependencies, impacts, risks, and opportunities.			Disclose the effects of nature-related dependencies, impacts, risks, and opportunities on the organization's business model, strategy, and financial planning where such information is material.			Describe the processes used by the organization to identify, assess, prioritize, and monitor nature-related dependencies, impacts, risks, and opportunities.		Disclose the metrics and targets used to assess and manage material nature-related dependencies, impacts, risks, and opportunities.			
A.	Describe the board's oversight of nature-related dependencies, impacts, risks, and opportunities.	3-1 Management Structure and Respect for Human Rights, page 9 ➞	A.	Describe the nature-related dependencies, impacts, risks, and opportunities the organization has identified over the short, medium, and long term.	4-3 Nature-Related Dependencies, Impacts, Risks, and Opportunities, page 14 ➞ 4-4 Scenario Analysis of Risks and Opportunities, page 15 ➞ 5-1 CENIBRA, page 25 ➞	A.	(i) Describe the organization's processes for identifying, assessing, and prioritizing nature-related dependencies, impacts, risks, and opportunities in its direct operations.	6 Risk and Impact Management, page 40 ➞	A.	Disclose the metrics used by the organization to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process.	7 Metrics and Targets, page 42 ➞
B.	Describe management's role in the assessment and management of nature-related dependencies, impacts, risks, and opportunities.	3-1 Management Structure and Respect for Human Rights, page 9 ➞	B.	Describe the effect nature-related dependencies, impacts, risks, and opportunities have had on the organization's business model, value chain, strategy, and financial planning, as well as any transition plans or analysis in place.	4-5 Transition Plan, page 16 ➞	A.	(ii) Describe the organization's processes for identifying, assessing, and prioritizing nature-related dependencies, impacts, risks, and opportunities in its upstream and downstream value chain(s).	6 Risk and Impact Management, page 40 ➞	B.	Disclose the metrics used by the organization to assess and manage dependencies and impacts on nature.	9-1 Oji Group's Dependencies and Impacts, page 45 ➞
C.	Describe the organization's human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the organization's assessment of, and response to, nature-related dependencies, impacts, risks, and opportunities.	3-1 Management Structure and Respect for Human Rights, page 9 ➞ 3-2 Stakeholder Engagement, page 10 ➞	C.	Describe the resilience of the organization's strategy to nature-related risks and opportunities, taking into consideration different scenarios.	4-4 Scenario Analysis of Risks and Opportunities, page 15 ➞ 5-1 CENIBRA, page 25 ➞	B.	Describe the organization's processes for managing nature-related dependencies, impacts, risks, and opportunities.	6 Risk and Impact Management, page 40 ➞	C.	Describe the targets and goals used by the organization to manage nature-related dependencies, impacts, risks, and opportunities, and its performance against these.	7 Metrics and Targets, page 42 ➞
			D.	Disclose the locations of assets and/or activities in the organization's direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations.	4-2 Identification of Priority Locations, page 13 ➞	C.	Describe how processes for identifying, assessing, prioritizing and monitoring nature-related risks are integrated into and inform the organization's overall risk management processes.	6 Risk and Impact Management, page 40 ➞			



3

Governance

- 3-1 Management Structure and Respect for Human Rights
- 3-2 Stakeholder Engagement

3-1 Management Structure and Respect for Human Rights

Oversight by the Board of Directors

The Board of Directors of Oji Holdings monitors and supervises material nature-related dependencies, impacts, risks, and opportunities—and the corresponding measures—across the Oji Group and its value chain, as well as the Group's commitment to respecting the human rights of Indigenous Peoples, local communities, and other affected stakeholders and matters related to stakeholder engagement, all of which are discussed at the Sustainability Committee.

Roles of Management and Governance Processes

The Sustainability Committee is chaired by the Representative Director of the Board, President and CEO of Oji Holdings, who is responsible for the overall sustainability of the Group. The committee meets twice a year and includes Directors, Audit & Supervisory Board Members, and Corporate Officers (including the Presidents of all COMPANIES and female Outside Directors). It discusses sustainability-related risks and opportunities, and the corresponding responses. Depending on their significance, these matters are reported and referred to the Group Management Meeting for deliberation, and decisions on execution are made by the Board of Directors. Matters approved for execution are promoted by the Oji Management Office Corporate Sustainability Division, which integrates the Group's sustainability management activities.

The Corporate Sustainability Division identifies cross-group sustainability-related risks and opportunities and disseminates them throughout the Group. It reports monthly to the responsible division director and, depending on the importance of the issue, reports and submits them to the Group Management Meeting. Significant risks and opportunities are reported to the Board of Directors based on the judgment of the division director.

Human Rights Policy

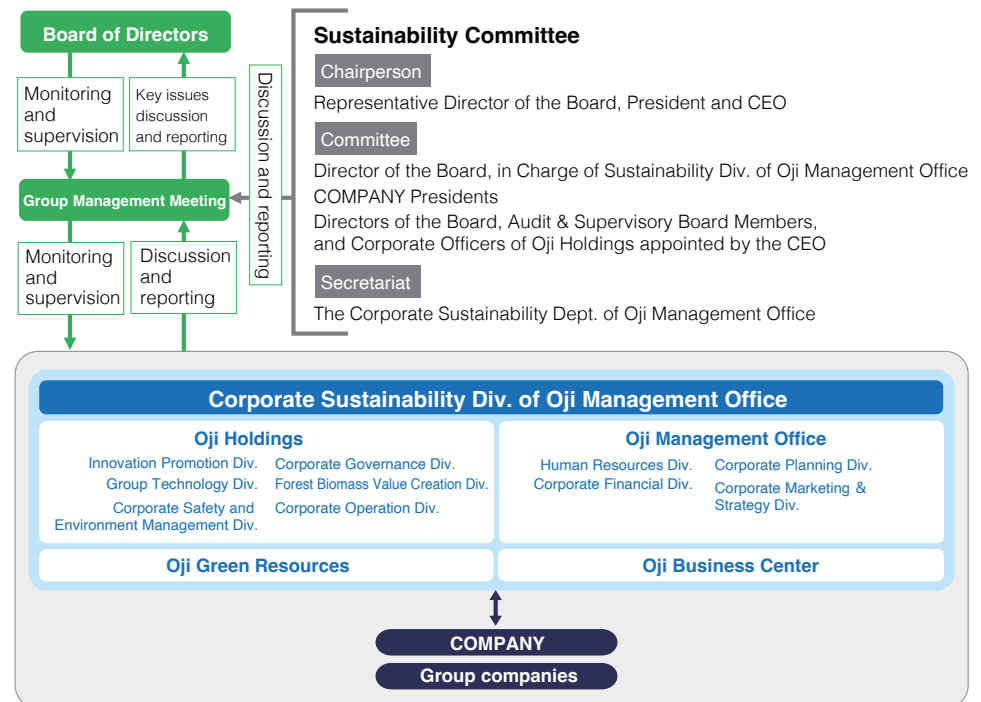
The Oji Group has established the “[Oji Group Human Rights Policy](#)” and implements initiatives to respect human rights in accordance with the United Nations Guiding Principles on Business and Human Rights (UNGPs) endorsed by the UN Human Rights Council, the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, and the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy. The Group also adheres to international norms, including the International Bill of Human Rights (comprising the Universal Declaration of Human Rights and the International Covenants on Human Rights), the ILO Declaration on Fundamental Principles and Rights at Work, and the United Nations Declaration on the Rights of Indigenous Peoples. In addition, the Group applies international human rights standards, including the right of Indigenous Peoples to Free, Prior, and Informed Consent (FPIC).

Human Rights Due Diligence

To fulfill our responsibility of respecting human rights in accordance with the procedures described in the UNGPs, the Oji Group is conducting human rights due diligence by taking into account the perspectives of our stakeholders. Through such due diligence, we will identify, prevent, and mitigate adverse effects on human rights that may be caused or contributed to by our business activities, or which may be directly related to our business operations, products, and services through business relationships, by conducting an ongoing dialogue with stakeholders. We also will continually verify the effects of these actions.

If it becomes evident that the Oji Group is causing or contributing to adverse effects on human rights, we will engage in dialogue with those concerned and commit to provide remedies through appropriate procedures. In addition, in the event that our business operations, products, or services are directly related to adverse effects on human rights through our business partners or other related parties, we will consider encouraging these parties to provide remedies.

■ Sustainability Management Structure



3-2 Stakeholder Engagement

Grievance Mechanism

The Oji Group receives reports and requests for consultation via a non-judicial engagement and remedy platform conforming to the UNGPs. This platform is provided by the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER), an organization that supports and facilitates member companies' redress of grievances in a professional capacity.

[The platform of JaCER](#)  receives requests for consultation regarding not only human rights issues but also responsible business conduct as a whole (including conduct and ethics related to the environment and nature). It can be used anonymously by all stakeholders in Japan and other countries, including business partners, suppliers, people from local communities, Indigenous Peoples and migrant workers. In addition, this platform is available in 33 languages.

The Oji Group examines the content of the matters reported via JaCER. When it has been determined that consultation is necessary regarding a matter, JaCER exchanges information with the whistleblower and analyzes the matter. The Oji Group receives information about the matter, engages in a dialogue with the whistleblower, and strives to resolve the matter. Data on grievances received and the Grievance List are available on our website (Oji Holdings [ESG Data, Social 9](#) , and [Grievance List](#) ).



Stakeholder Engagement

The [“Oji Group Behavior Standard](#) ” stipulates that, as a member of the international society, we will respect the culture, customs, and values of each country and region, and work together sincerely to develop our business. Through ongoing dialogue and collaboration, we work to build relationships of trust with all our stakeholders to enhance corporate value (details on our [website](#) ). Regarding nature-related issues, the Oji Group identifies, prevents, and mitigates adverse impacts on human rights and the environment through active engagement with Indigenous Peoples and local communities, as stakeholders potentially affected by its business activities.

■ Stakeholder Engagement Initiatives

● Social Mapping and Community Collaboration Project (Brazil)

CENIBRA in Brazil implements a series of initiatives to build consensus with local communities, in line with the principle of Free, Prior and Informed Consent (FPIC). It maps local communities within a 2-kilometer radius of its managed forest areas through social surveys and has established consultation and dialogue channels with these communities, holding 1,047 dialogues in 2025. By responding to the concerns raised, CENIBRA is strengthening trust-based relationships with local communities (details on [page 26](#) ).

● Forest conservation and preservation of Ainu culture (Japan)

The company-owned forest in Biratori-cho, Hokkaido, has a rocky hill known as Cinomisir, a sacred place for the Ainu, and places that underpin the local people's appreciation of nature and their traditional culture. To maximize the value of this area, Oji Holdings engaged in dialogue with the Ainu association of Biratori and the Biratori-cho municipal government to conclude the tripartite “Agreement for the Conservation of the Forest, the Preservation and Promotion of Ainu Culture, and Harmonious Coexistence in the Company-Owned Forest with a Cultural Landscape” in 2017.

● Respect for traditional culture (Australia)

Albany Plantation Forest Company of Australia Pty Ltd. (APFL) respects the cemeteries, traditional events, and other cultural elements of the Aboriginal peoples within its forests and the forests from which timber is sourced by ensuring that people have access to these places. In addition, before harvesting, APFL consults the relevant administrative body to confirm that the areas concerned are not designated as protected areas.

● Establishment of a regional environmental trust (New Zealand)

In 2019, Pan Pac, a company based in New Zealand, established an environmental trust to support community-led projects aimed at enhancing, restoring, and protecting the environment and local cultures. The company contributes NZD 100,000 annually to the trust. The trust supports a wide range of initiatives, including the conservation of endangered native species in natural forests, eradication of invasive predators, and educational and cultural projects such as providing science education kits.



4

Strategy—Group-Wide Approach

- 4-1 Oji Group's Value Chain
- 4-2 Identification of Priority Locations
- 4-3 Nature-Related Dependencies, Impacts, Risks, and Opportunities
- 4-4 Scenario Analysis of Risks and Opportunities
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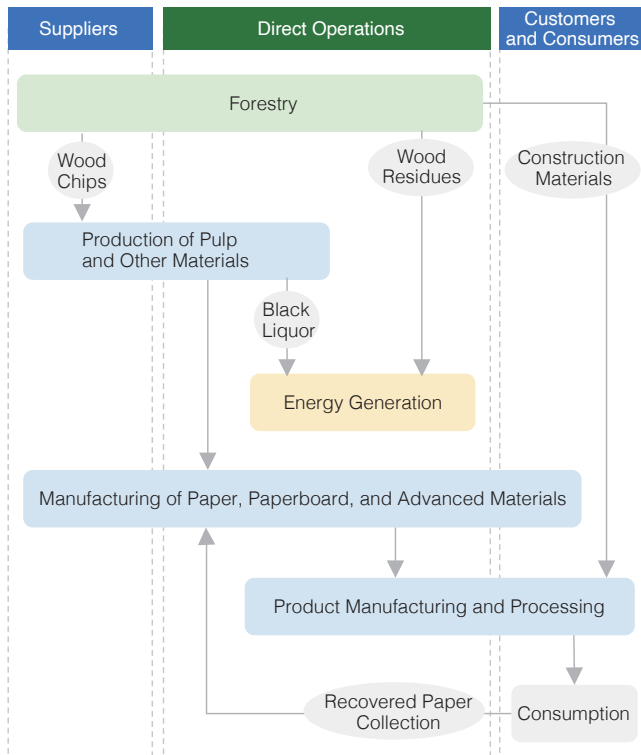
4-1 Oji Group's Value Chain

Oji Group's Value Chain

The Oji Group has consistently responded to evolving societal needs by transforming its business structure. While our current business domains are diverse, forests remain at the core of our operations.

Our direct operations include forestry; production of pulp and other materials; manufacturing, processing, and sales of paper, paperboard, and advanced materials; and biomass energy generation using resources such as sawmill residues and black liquor. We also actively promote the collection and recycling of recovered paper (details on our [website](#)). We procure wood-based raw materials, pulp, paper products, and others from suppliers.

Oji Group's Main Value Chain



Interface with Nature

To analyze the interfaces between the Oji Group's value chain and nature, we used [ENCORE \(November 2023\)](#), a TNFD-recommended tool, to evaluate the significance of nature-related dependencies and impact drivers across each sector.

Forestry Sector

The forestry sector was found to have significant dependencies on a wide range of ecosystem services. Among the impact drivers, land use was identified as the most significant.

Manufacturing Sector

For the manufacture of wood products, paper products, and paper packaging, significant dependencies on groundwater and surface water were identified. In addition, impacts associated with water use were found to be particularly significant.

Biomass Energy Production Sector

Biomass energy production was found to have significant dependencies on raw materials such as wood.

Based on the above analysis, the forestry sector was identified as the sector with the most significant nature-related issues across the value chain.

Results of the ENCORE Evaluation

		Dependencies																Impact Drivers										
		Animal-based energy	Fibers and other materials	Genetic materials	Ground water	Surface water	Maintain nursery habitats	Pollination	Soil quality	Ventilation	Water flow maintenance	Water quality	Bio-remediation	Dilution by atmosphere and ecosystems	Filtration	Buffering and attenuation of sensory impacts	Buffering and attenuation of mass flow	Climate regulation	Disease control	Protection from floods and storms	Soil stabilization and erosion control	Pest control	Terrestrial ecosystem use	GHG emissions	Water pollutants	Soil pollutants	Water use	Non-GHG air pollutants
Large-scale forestry	VL	VH			VH	VH		H	H		H		M		VL			VH	H	VH	VH	H	VH	H	H			
Production of forest and wood-based products					H	VH					M									M	L		H	H	H	H		
Production of paper products		M			VH	VH					M							VL							H	H	VH	M
Paper packaging production												L	L												H	H	VH	M
Biomass energy production		VH			M	M					M	L	VL		VL			VL		M	L		H	H	H	H	H	H

4-2

Identification of Priority Locations

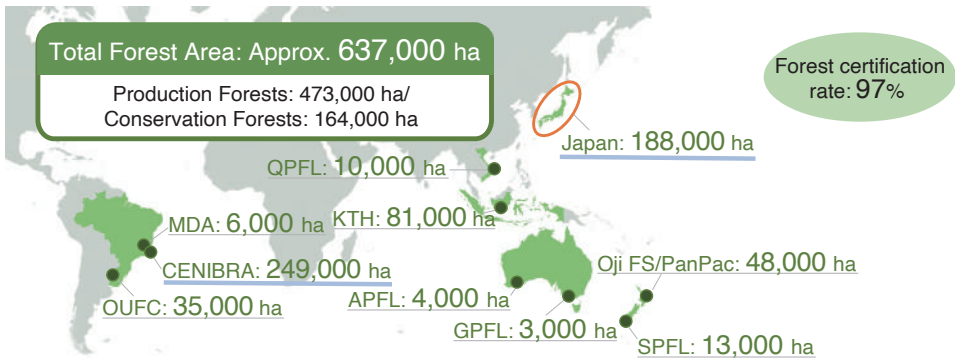
Forestry Sites

The Oji Group owns and manages approximately 637,000 hectares of forests across seven countries at its forestry sites, which were identified as the sector with the most significant nature-related issues. We manage all of these forests in accordance with our [Sustainable Forest Management Policy](#) , and approximately half of the wood resources we use are sourced from them. CENIBRA in Brazil accounts for the largest forest area at approximately 249,000 hectares, followed by our forests in Japan at approximately 188,000 hectares (details of forest areas on our [website](#) .

We assessed the state of nature in the areas surrounding our forestry sites using the [WWF Biodiversity Risk Filter \(v2.0\)](#) . The assessment covered five indicators: Biodiversity Importance, which considers habitats of rare species and protected areas; Ecosystem Integrity, which indicates the degree to which the natural environment is preserved without human influence; Rapid Land Change, which indicates the speed of land-use change due to urbanization, agricultural conversion, or other factors; Importance of Ecosystem Service Provision, which indicates the extent of benefits forests provide to human society such as water resource conservation and carbon absorption; and Water Stress, which relates to the quantity and quality of water resources. Based on this assessment, approximately 437,000 hectares of forests in CENIBRA (Brazil) and Japan were identified as priority locations. Further details on these locations are provided in the location-specific approach section ([page 24](#) .

We also ensure traceability and manage risks associated with suppliers of wood raw materials (details on [page 19](#) .

Oji Group's Forestry Sites



 **CENIBRA (Brazil) and the forests in Japan (437,000 ha in total) have been designated as priority locations.**

Other Sectors' Sites

For the manufacturing sector and the biomass energy production sector, we have organized our dependencies and impacts on nature, along with the characteristics of the areas surrounding each site, and are implementing appropriate responses.

Manufacturing Sites

The manufacturing sector's sites, which were found to depend on water and to have significant impacts through water use, are located globally—across Asia, Oceania, Europe, North America, and South America. Using “[Aqueduct \(4.0\)](#)” , we assessed all 320 business sites of the Oji Group and found that 23 sites are located in areas where water stress is classified as “Extremely High” or “High.” At these sites, we engage with local water-related stakeholders at least once a year (details on our [website](#) .

Oji Group's Manufacturing Sites



Biomass Energy Production Sites

In the biomass power generation sector, which has been identified as having a high dependence on wood and other raw materials, the Oji Group operates five FIT generation business (woody biomass power plants) in Japan. By leveraging existing infrastructure developed through its papermaking and other businesses, including business sites, water supply and wastewater treatment facilities, chip yards, port facilities, company-owned forests, and domestic wood chip transportation networks, the Group generates renewable energy from unused resources such as domestic forest residues, sawmill waste, and palm kernel shells (PKS), an agricultural residue.

For these unused resources used as fuel, the Oji Group verifies the origin of biomass feedstock in accordance with Japan's Feed-in Tariff (FIT) Act and the Forestry Agency's Guidelines for Verification of Biomass Fuel Origin (revised in April 2026).

Furthermore, life-cycle GHG assessments are conducted for each type of fuel, and the results confirm that GHG emissions remain below the reduction thresholds stipulated under Japan's Feed-in Tariff (FIT) scheme.

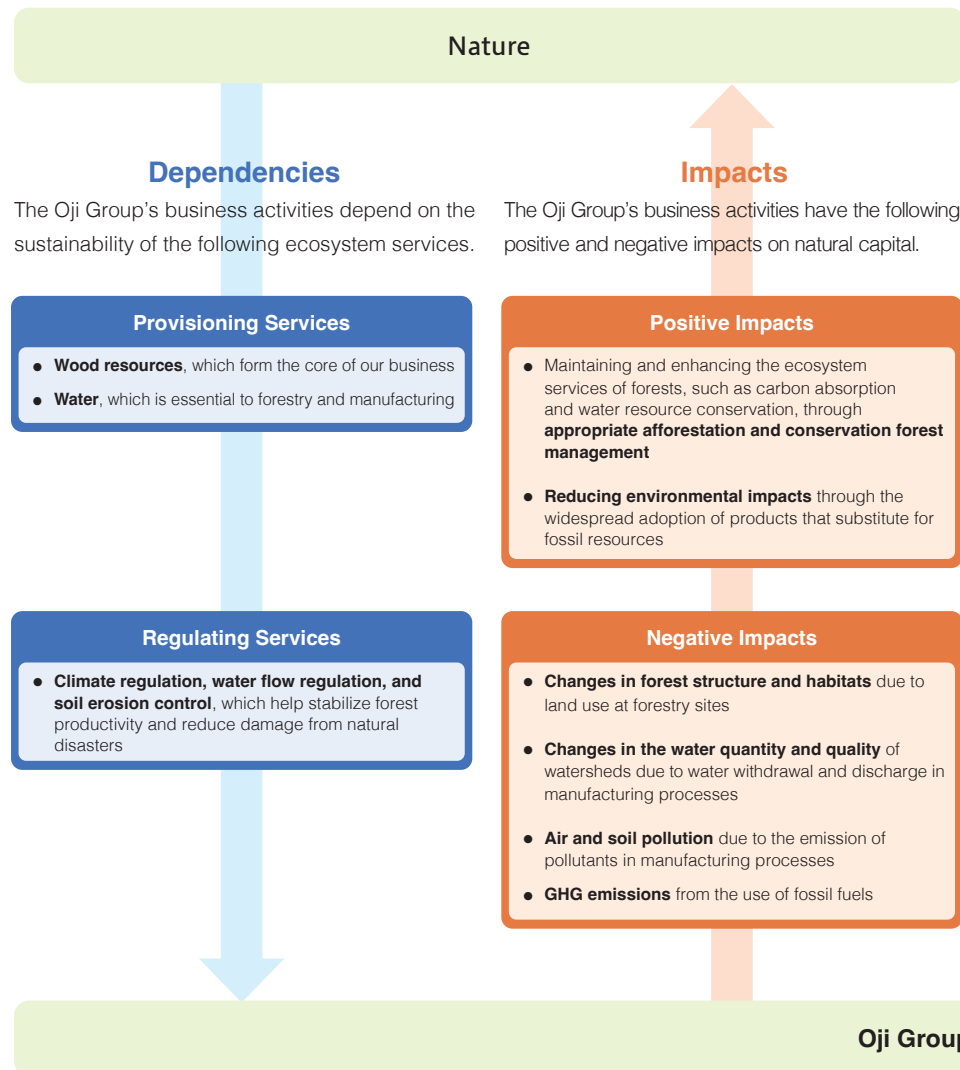
Oji Group's Woody Biomass Power Plants



4-3 Nature-Related Dependencies, Impacts, Risks, and Opportunities

Dependencies, Impacts, Risks, and Opportunities

Based on the results of the ENCORE analysis, location information, and internal measurement data (measured values on [page 45](#) ⇨), the Oji Group has identified, at the group-wide level, the principal dependencies and impacts that our business activities have on nature, as well as the nature-related risks and opportunities arising from them.



Risks

Changes in the state of nature and impacts could give rise to the following risks.

Physical Risks:

- **Destabilization of wood supply** due to environmental changes, such as increased droughts, floods, and forest fires
- **Operational constraints and reduced production efficiency** due to increased water stress

Transition Risks:

- **Increased costs, including capital expenditure**, arising from stricter regulations on biodiversity, GHG emissions, and pollution control
- **Reputational damage, disadvantages in fundraising, and restricted market access** if we are unable to meet society's growing expectations for nature-positive initiatives

Opportunities

By managing our dependencies and impacts, we expect to enhance our business value.

Enhancing the ecosystem services of forests:

- **Improving brand value and resilience** through the enhancement of forests' ecosystem services

Increasing sales by advancing R&D and marketing:

- **Increasing sales** by advancing the R&D and marketing of wood-derived alternatives to plastics, bioethanol, pharmaceutical raw materials, and other products

Avoiding and reducing environmental impacts:

- **Strengthening our ability** to respond to environmental regulations, including those on biodiversity, by avoiding and reducing environmental impacts

Enhancing social trust:

- **Securing favorable financing and a competitive advantage** in global markets by earning the trust of customers, local communities, and investors through sustainable forest management and timber procurement, ensured traceability, transparent information disclosure, and collaboration with stakeholders

4-4

Scenario Analysis of Risks and Opportunities

Scenario Analysis

For the risks and opportunities arising from nature-related dependencies and impacts, we assessed each on a three-point scale based on two factors—the magnitude of the effects and the likelihood of occurrence—and examined how they are expected to change over the short term (through 2027), medium term (through 2030), and long term (beyond 2030).

Developing the Scenarios

Given the significant uncertainty surrounding changes in the state of nature and international trends, we considered a broad range of possible futures using two scenarios, with reference to the TNFD's scenario analysis guidance.

Scenario 1: A World Where Transition Accelerates

- Policies and regulations to conserve and restore nature are introduced and strengthened.
- The preference for sustainable consumption among investors and consumers rapidly increases.
- Nature is conserved and restored, leading to a transition into a nature-positive society.
- In terms of climate change, GHG emissions are reduced and the 1.5°C warming (RCP1.9*) scenario unfolds.

Scenario 2: A World Where Nature Degradation Progresses

- Policies and regulations remain largely unchanged.
- Interest in and demand for efforts to conserve and restore nature and nature-based products are low.
- Nature continues to deteriorate, and the quality of ecosystem services declines.
- In terms of climate change, there is no progress in reducing GHG emissions, and the 4°C warming (RCP8.5*) scenario unfolds.

Analysis Results

Regarding the risks, the destabilization of wood supply due to environmental changes is expected to remain at a medium-to-high level over the long term and to become particularly significant in both magnitude and likelihood by 2050 under Scenario 2. The effects of stricter regulations are also expected to increase, primarily under Scenario 1.

Regarding the opportunities, increased sales from advancing the R&D and marketing of wood-derived materials and products, together with favorable financing and a competitive advantage in global markets gained through highly transparent information disclosure and collaboration with stakeholders, are expected to grow under Scenario 1. In addition, our efforts to maintain and enhance the health of forests themselves represent a significant opportunity: They strengthen the stability and resilience of our business foundation and, under Scenario 1, also contribute to enhancing our brand value.

Based on these results, the Oji Group will continue to advance the following: maintaining no deforestation and no conversion; avoiding and reducing the negative impacts associated with our business activities; maintaining and enhancing the health of forests; conducting R&D and marketing of wood-derived materials and products; and strengthening dialogue with stakeholders. Through these efforts, we will reduce the risks of future cost increases, business constraints, and reputational damage. At the same time, we will create opportunities such as increased sales, stronger regulatory response capabilities, enhanced competitive advantage and social trust, and greater resilience. As a concrete expression of these commitments, the following section discloses our transition plan and its key initiatives.

Results of the Risk and Opportunity Analysis

		2027	Scenario 1		Scenario 2	
			2030	2050	2030	2050
Risks	Destabilization of wood supply due to environmental changes	2×3	2×3	2×2	2×3	3×3
	Operational constraints and reduced production efficiency due to increased water stress	1×2	1×2	1×1	1×2	1×3
	Increased costs, including capital expenditure, due to stricter regulations	2×2	2×3	3×3	2×2	2×2
	Reputational damage, disadvantages in fundraising, and restricted market access due to societal change	2×1	2×2	2×2	2×1	2×1
Opportunities	Increased sales from advancing the R&D and marketing of wood-derived materials and products	2×2	3×3	3×3	2×2	2×2
	Improved brand value and resilience through the ecosystem services of forests	1×3	2×3	2×3	2×3	3×3
	Strengthened regulatory response capabilities through the avoidance and reduction of negative impacts	2×2	2×3	2×3	2×2	2×2
	Favorable financing and competitive advantage secured through highly transparent information disclosure and collaboration with stakeholders	2×2	3×3	3×3	2×2	2×2



* RCP is a set of future scenarios for greenhouse gas concentrations; the higher the value, the greater the emissions and the larger the resulting temperature increase.

4-5

Transition Plan — Approach

Long-Standing Sustainable Business Operations

For many years, the Oji Group has provided products and value essential to society through business activities based on forest resources. We have consistently addressed biodiversity conservation, climate change mitigation, and the reduction of environmental impact in an integrated manner. At the same time, we have placed importance on human capital—including respect for human rights—and on dialogue with stakeholders such as local communities and business partners, thereby enhancing sustainability throughout our business activities.

Overview of the Nature Transition Plan



Deepening of Initiatives

In recent years, the Oji Group has developed its commitments, policies, and targets, clarifying its approach to managing nature-related issues ([page 17](#) ).

We are also building systems to identify, prevent, and mitigate negative impacts through strengthened supplier engagement and established grievance mechanisms ([page 18](#) ).

Furthermore, we regard nature-related issues not only as matters for risk management and enhancing resilience but also as sources of business opportunities, thereby creating environmental, social, and economic value in an integrated manner. In particular, by making the forest biomass business a core business and expanding sustainable packaging, we will make full use of forest resources and reduce environmental impact across the entire value chain ([page 20](#) ).

Moreover, beyond our own business activities, we will support the transition to a society where nature and economic activities are in harmony, through participation in the design of systems ([page 22](#) ).

Going forward, taking into account international trends and social conditions, the Oji Group will further deepen its initiatives, contribute to the realization of nature positive, carbon neutrality, and a circular economy, and play a proactive role in building a sustainable society.

Governance Structure

The Oji Group positions sustainability, including nature-related matters, as a key management issue. Under the oversight of the Board of Directors and with the involvement of management, we have established a systematic governance structure to promote our initiatives (details on [page 9](#) ).

4-5

Transition Plan — Commitments and Targets

Transition Pathway

The Oji Group respects the Kunming-Montreal Global Biodiversity Framework (GBF) and, in March 2025, established its “[Biodiversity Commitment](#),” expressing its strong intention to continue nature-positive management. Building on this commitment, we will contribute to the transition to a nature-positive society by achieving our long-term “[Environmental Vision 2050](#)” and its milestones, the “[Environmental Action Program 2030](#)” and “[Environmental Action Program 2040](#).”

Biodiversity Commitment

In its Biodiversity Commitment, the Oji Group pledges to avoid and reduce its contributions to drivers of nature loss and to work on the restoration and regeneration of ecosystems. Initiatives—including the continuation of No Deforestation and No Conversion; the prevention and reduction of pollution; the maintenance and enhancement of the ecosystem services of forests; and respect for the human rights of Indigenous Peoples, local communities, and other stakeholders—are organized in accordance with the mitigation hierarchy.

The Oji Group Biodiversity Commitment

●

Corresponding GBF Target Numbers

Actions we take to avoid and reduce contributions to drivers of nature loss

- We are committed to “[No Deforestation and No Conversion](#).”

1
- We maintain the water resource conservation function of forests and contribute to the creation of freshwater resources.

11
- We prevent nature loss by reducing or eliminating air, water and waste pollution.

7
- We mitigate pollution risks and the impact of pollution from plastics throughout our value chain by expanding sales of renewable eco-friendly paper products.

7
- We mitigate climate change, which is closely related to biodiversity, by maintaining and promoting the absorption and sequestration of atmospheric carbon dioxide through our self-managed plantations and natural forests.

8

Actions we take to restore and regenerate ecosystems

- We restore and regenerate the ecosystems of our company-owned forests through the regeneration of natural forests.

2
- We restore and regenerate the ecosystems outside our company-owned land through the establishment of ecological corridors.

2

Actions we take to engage stakeholders

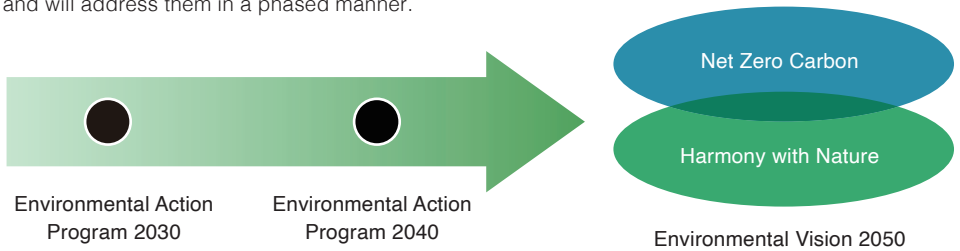
- We conduct our business activities while respecting the human rights of stakeholders, including Indigenous Peoples and local communities.

1 22
- We provide access to remedy for stakeholders in accordance with the Guiding Principles on Business and Human Rights endorsed by the UN Human Rights Council.

9

Environmental Vision and Environmental Action Programs

The Oji Group’s Environmental Vision 2050 sets out its long-term aspirations, centered on the three pillars of “Net Zero Carbon,” “Harmony with Nature,” and “Circular Society.” To translate this vision into concrete actions, we have set the Environmental Action Program 2030 and 2040 as milestones and will address them in a phased manner.



Environmental Action Program 2040 (Excerpt)

1. Action on Climate Change

- Reducing Scope 1 and 2 emissions by 50% compared to FY2018 levels.
- Absorbing and sequestering the equivalent of 50% of FY2018 emissions through our forests annually.
- Reducing Scope 3 emissions from wood chip transport vessels by 40% compared to FY2018

2. Contribution to a Nature-Positive World

- Maintaining no deforestation
- 100% forest certification acquisition and expansion of forest-certified products
- Restoring at least 5,000 ha of natural forests (2018–2040)
- Planting at least 900,000 seedlings of native tree species (2018–2040)
- Formulating at least 6,000 ha of ecological corridors (2018–2040)

3. Promotion of Circular Economy and Reducing Pollutants

- Maintaining and improving an effective waste utilization rate 99% or higher in Japan and 95% or higher overseas
- Achieving a recovered paper usage rate of 90% or higher for containerboard in Japan
- Reducing total water withdrawal by more than 10% compared to FY2018
- Conducting stakeholder engagement at least once per year in areas of high water stress
- Reducing BOD, COD, and SS emissions by 20% compared to FY2018 levels
- Reducing SO_x emissions by 50% compared to FY2018 levels
- Reducing NO_x emissions by 10% compared to FY2018 levels
- Maintaining VOC emissions intensity at FY2018 levels

4. Stakeholder Engagement

- Conducting supplier human rights and environmental due diligence at least once per year

4-5

Transition Plan — Supplier Engagement

Supplier Engagement

The Oji Group depends on suppliers for part of its business activities and recognizes that environmental and social impacts, as well as related risks, may arise through its suppliers. In recent years, corporations' responsibilities to society across the entire supply chain have become increasingly important.

Through dialogue and collaboration with suppliers, we identify and reduce environmental and social risks and promote sustainable procurement.

Establishment and Thorough Communication of the Guidelines

The Oji Group established the “[Oji Group Sustainability Action Guidelines for Supply Chains](#) 

Supplier Sustainability Survey

Since FY2020, the Oji Group has conducted a questionnaire-based “Supplier Sustainability Survey” targeting major suppliers selected based on transaction value, in order to understand the actual status of their initiatives in areas such as the environment, human rights, labor, and coexistence with local communities. As a follow-up with the surveyed suppliers, we also provide training aimed at capacity building, thereby pursuing continuous improvement.

Flow of the Supplier Sustainability Survey



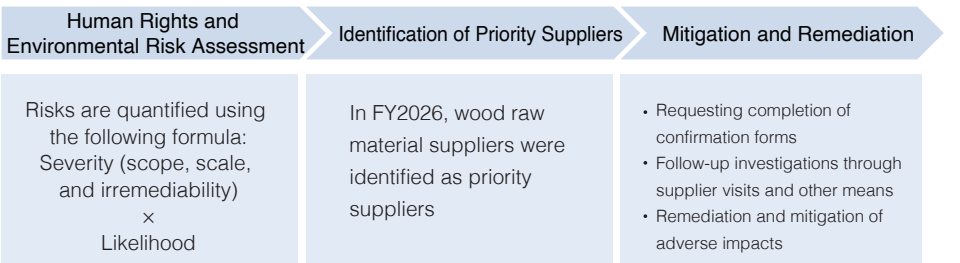
Supplier Human Rights and Environmental Due Diligence

The Oji Group assesses human rights and environmental risks associated with its suppliers, taking into account factors such as the characteristics of the country or region, the type of raw materials, and the nature of their business. We developed the assessment process by referring to the GRI Standards, and it was reviewed by the International Development Center of Japan, a third party with specialized expertise.

For high-risk priority suppliers, we conduct human rights and environmental due diligence in accordance with the procedures described in the United Nations Guiding Principles on Business and Human Rights. From 2026, we have requested wood raw material suppliers to complete a “Human Rights Due Diligence Confirmation Form,” and received a total of 383 submissions. Going forward, we will conduct follow-up investigations through supplier visits and other means.

Through these efforts, we mitigate and remediate actual or potential adverse impacts that arise in the supply chain.

Flow of Supplier Human Rights and Environmental Due Diligence



Grievance Mechanism

The Oji Group has established a grievance mechanism to receive consultations and reports, including those concerning human rights issues and conduct and ethics related to the environment and nature. It accepts reports from a wide range of stakeholders in Japan and overseas, including business partners and suppliers (details on [page 10](#) 

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4-5

Transition Plan — Supplier Engagement

Engagement with Wood Raw Material Suppliers

The Oji Group recognizes that, similarly to its own forestry, the procurement of wood raw materials from suppliers involves the following dependencies and impacts.

Ecosystem Services Depended Upon

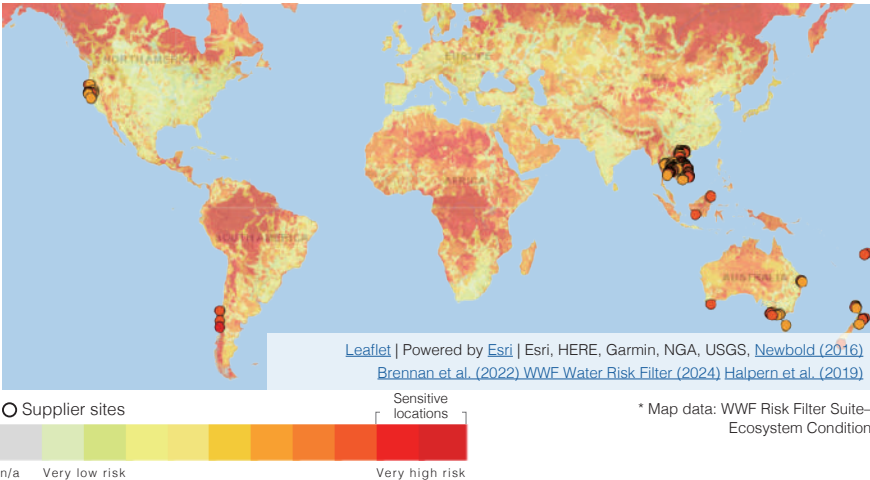
- Timber provisioning
 - Water supply
 - Water flow regulation
 - Soil quality
 - Climate regulation
- Disease and pest control
 - Flood mitigation
 - Soil stability

Activities with Impacts

- Forest management (e.g., harvesting, planting, protection)
- Water use (e.g., water uptake by planted trees, water spraying for dust suppression)
- Use of forestry machinery
- Use of fertilizers and pesticides

We also assessed the areas surrounding wood raw material suppliers' sites using the “[WWF Biodiversity Risk Filter \(v2.0\)](#),” evaluating Biodiversity Importance, Ecosystem Integrity, Rapid Land Change, Importance of Ecosystem Service Provision, and Water Stress. As a result, several sites were identified as being located in sensitive locations. Reaffirming the importance of supplier management, in May 2025, Oji Holdings set a target to strengthen engagement (details in the “[Environmental Action Program 2040](#)”).

Map of Overseas Wood Chip Suppliers' Sites and Ecosystem Integrity*



Wood Raw Material Procurement Guidelines

In accordance with the “[Wood Raw Material Procurement Guidelines](#),” the Oji Group has established verification items—such as the origin of the wood, forest management methods, the presence or absence of wood from illegal logging or wood from high conservation value forests, and respect for human rights—and procures only raw materials produced from properly managed forests. In addition, we confirm that 100% of the wood chips procured are either FSC™-certified material (e.g., FSC™C014119) or materials that meet FSC™ requirements. We revise the Procurement Guidelines as appropriate to raise our procurement standards.

Verification of Traceability

We obtain traceability reports annually from all wood raw material suppliers and verify the reported information against the Guidelines through audits by a third-party organization. The audit results are disclosed in our “Procurement Implementation Status Report” (details on our [website](#)).

On-Site Monitoring

We also visit wood raw material suppliers' mills and forests every year. In addition to checking relevant documents such as harvest permits that serve as the basis for the traceability reports, we monitor compliance with the Wood Raw Material Procurement Guidelines from the perspectives of human rights and labor rights, occupational health and safety, and environmental considerations, through on-site inspections and interviews. Through these ongoing efforts, we build strong relationships with our suppliers.



Consultation with a local supplier (Vietnam)



Forest survey with a local supplier (Thailand)

4-5

Transition Plan — Making Forest Biomass Business a Core Business

Making Forest Biomass Business a Core Business

To contribute to realizing a nature-positive society, the Oji Group positions the forest biomass business as a core business for the next generation. By commercializing wood-derived chemicals, biofuels, and high-performance materials, we are evolving into a forest biomass company.

In recent years, we have advanced R&D aimed at reducing dependence on fossil resources—including the operation of a pilot plant for wood-derived sugar solution and ethanol at Oji Paper's Yonago Mill and the development of PFAS-free biomass resists (details on our [website](#) ). We are also expanding our technologies and markets through strategic investments such as those below.

Note: Newly acquired sites are also subject to the Oji Group's policies, guidelines, and environmental action programs to avoid and reduce negative impacts.

Strategic Investments

March 2025

Chemfield Cellulose

Acquisition

January 2026

Nordic Bioproducts Group

20% equity investment

January 2026

AustroCel Hallein

Acquisition

February 2026

LTL Pharma

Equity-method affiliate

An India-based manufacturer of microcrystalline cellulose (MCC) for pharmaceuticals. The acquisition enables vertical integration from pulp (upstream) to pharmaceutical-grade materials (downstream), accelerating the entry of wood-based materials into the pharmaceutical market.

A Finnish start-up. The company has a manufacturing process for MCC that substantially reduces GHG emissions and water consumption, helping establish an efficient production system.

An Austrian biorefinery company. The company operates a circular model that produces dissolving pulp, bioethanol, and lignin-based products with zero waste, and plays a central role in the next-generation biofuel business, supported by favorable policy developments in Europe.

A Japanese pharmaceutical manufacturer established in 2016. The company brings expertise in pharmaceutical regulatory compliance and quality control, helping establish an integrated framework to advance wood-derived pharmaceutical materials developed by Oji Pharma from R&D through market launch.

Expanding the Potential of Forest Resources and Advancing the Biomass Business through the Acquisition of AustroCel

In January 2026, the Oji Group acquired all shares of AustroCel Hallein GmbH (hereinafter “AustroCel”), an advanced biorefinery company in Austria. Through this acquisition, we strengthened our biorefinery business, which extracts the full value of forest resources.

AustroCel's defining feature is a circular zero-waste model that makes advanced cascading use of industrial wood residues procured from neighboring companies to bring waste as close to zero as possible, and it is recognized as an advanced example of the bioeconomy in Europe.

Its flagship product, dissolving pulp (DP), is a specialty chemical pulp of highly purified cellulose. It is used across a wide range of industries, from textile applications such as viscose to specialty applications including pharmaceuticals, food, and construction chemicals.

In the process of purifying cellulose, brown liquor is generated. Rather than discarding it, AustroCel converts it into next-generation bioethanol, biogas, and other products. This aligns with the market environment in Europe, where the Renewable Energy Directive (RED III) increasingly promotes the use of biofuels derived from non-food feedstocks. Having begun commercial production of bioethanol in 2021, AustroCel is recognized as a pioneer.

Circular Zero-Waste Model

```

graph LR
    WC[Wood chips] --> C[Cooking]
    FR[Forestry residues  
e.g., bark, thinned wood] --> FDE[Fermentation, distillation,  
and evaporation]
    C --> S[Sorting]
    S --> B[Bleach]
    B --> D[Drying]
    D --> CPD[Cellulose products/  
dissolving pulp]
    C --> BL[Brown liquor]
    BL --> FDE
    FDE --> RCP[Recovery of  
cooking chemicals]
    RCP --> LBP[Lignin-based products/  
bioethanol]
    FDE --> BPG[Biogas power generation/  
heat and power plant]
    FDE --> BPP[Biomass power generation/  
heat and power plant]
    BPG --> RE[Renewable electricity]
    BPP --> RE
  
```

The diagram illustrates the Circular Zero-Waste Model. It starts with two inputs: Wood chips and Forestry residues (e.g., bark, thinned wood). Wood chips enter the 'Cooking' stage, which produces 'Brown liquor'. The 'Brown liquor' then enters the 'Fermentation, distillation, and evaporation' stage. Forestry residues also enter this stage. From 'Fermentation, distillation, and evaporation', the process branches into several paths: 1) 'Sorting' and 'Bleach' stages lead to 'Drying', which produces 'Cellulose products/dissolving pulp' (represented by a t-shirt and pills). 2) 'Recovery of cooking chemicals' leads to 'Lignin-based products/bioethanol' (represented by an apple and a fuel pump). 3) 'Biogas power generation/heat and power plant' and 'Biomass power generation/heat and power plant' both lead to 'Renewable electricity' (represented by a lightning bolt).

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4-5

Transition Plan — Expanding of Sustainable Packaging

Expanding Sustainable Packaging

The Oji Group is promoting the expansion of sustainable packaging. Through this, we contribute to preventing plastic pollution, reducing dependence on fossil resources, and realizing a circular society.

In 2023–2024, we acquired Europe-based Walki Holding Oy (hereinafter “Walki”) and IPI to strengthen the global expansion of our sustainable packaging business.

In November 2025, we decided to build a new liquid packaging carton plant in Vietnam. Scheduled to begin operations around March 2028, it aims to develop markets in Southeast Asia and neighboring regions, where market growth is remarkable.

Note: Newly acquired sites are also subject to the Oji Group's policies, guidelines, and environmental action programs to avoid and reduce negative impacts.

Strategic Investments

February 2023

IPI S.r.l.

Acquisition

An Italian manufacturer that sells laminated paper and filling machines for liquid packaging cartons in more than 50 countries worldwide. It serves as a foothold for expanding the liquid packaging carton business in emerging countries such as those in Africa and Latin America.

April 2024

Walki Holding Oy

Acquisition

A sustainable packaging materials manufacturer with 15 plants in eight countries. It brings advanced technologies and expertise from Europe, where plastic-reduction regulations are at the forefront, strengthening our foundation as a global supplier.

November 2025

Vietnam liquid packaging carton plant

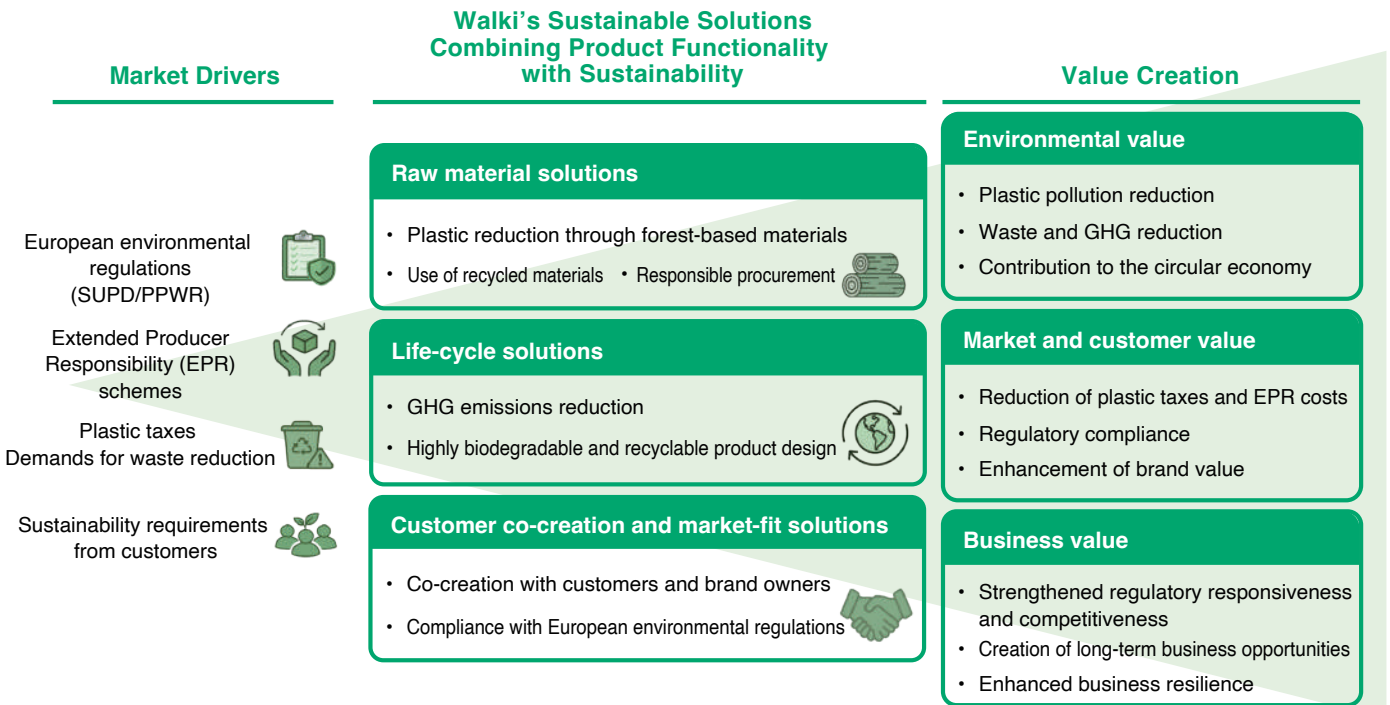
Decision to build a new plant

A manufacturing base that expands the liquid packaging carton business cultivated through IPI (acquired in 2023) into Southeast Asia. It aims to establish a regional resource-circulation model by building collection and recycling systems alongside the plant.

Expanding Sustainable Packaging and Strengthening Regulatory Response Capabilities through the Acquisition of Walki

In April 2024, the Oji Group acquired Finland's Walki. Europe is at the forefront of environmental regulation—including the Single-Use Plastics Directive (SUPD) and the Packaging and Packaging Waste Regulation (PPWR)—and product design premised on environmentally conscious material choices and the transition to a circular economy is a key determinant of market competitiveness. Walki has a strong business base at 15 sites in eight countries, and its strengths lie in advanced environmental technologies, such as highly recyclable packaging design centered on forest resources, plastic-alternative materials, and processing and coating technologies that combine functionality with environmental consideration.

Value Creation through Sustainable Solutions



Through this acquisition, the Oji Group has gained direct access to insights into Europe's most advanced regulatory trends, market needs, and customer requirements. In particular, by leveraging across the Group Walki's expertise in developing products compliant with European regulations, as well as technologies that reduce environmental impact across the entire life cycle, we are advancing our packaging business. Furthermore, beyond the European market, we are also strengthening our technology development, manufacturing, and integrated solution-proposal capabilities to deliver sustainable solutions in markets such as Southeast Asia, India, and Oceania.

4-5

Transition Plan — Toward Introduction of Natural Capital Accounting

Creating Value from Natural Capital

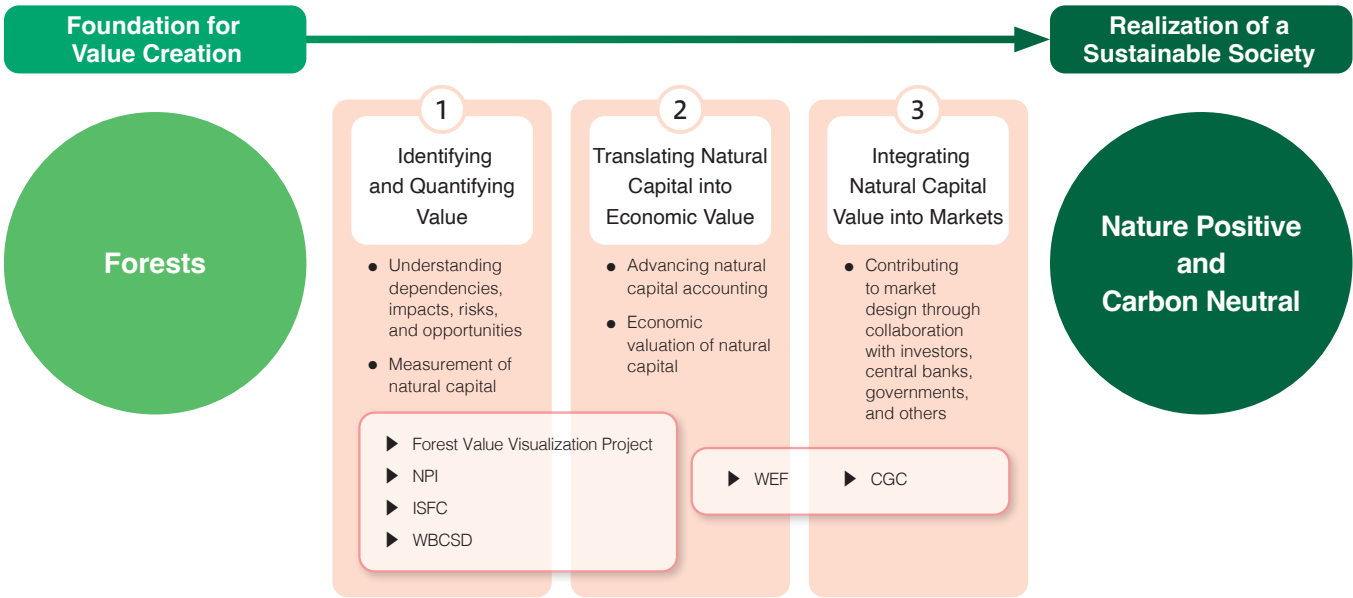
As environmental degradation, including climate change and biodiversity loss, becomes increasingly severe, understanding corporate dependencies and impacts on natural capital has become increasingly important for sustainable business operations. In this context, assessing the ecosystem services of natural capital in economic terms enables better investment decisions and more effective allocation of resources for the conservation and restoration of nature. Such frameworks can also provide the foundation for mobilizing financial flows toward a nature-positive society.

Based on this understanding, the Oji Group identifies nature-related risks and opportunities by assessing its dependencies and impacts on natural capital and incorporates these insights into management decisions and business strategy. We are also

advancing efforts to visualize and quantify the ecosystem services provided by forests and link them to economic value.

These initiatives not only enhance the Oji Group's long-term sustainability and corporate value but also contribute to developing frameworks that enable the value of natural capital to be appropriately recognized and valued across society. Leveraging more than 130 years of experience in forest stewardship, together with the knowledge and technologies developed through that experience, the Oji Group is working to measure and value natural capital, express its value in economic terms, and integrate it into markets. Through these efforts, we aim to help build a society in which the value of natural capital is embedded in economic decision-making.

Flow for Natural Capital Valuation



Toward the Economic Valuation of Natural Capital

The Oji Group is advancing the following steps to recognize and integrate the value of natural capital into society and the economy.

► Step 1: Identifying and Quantifying Natural Capital Value

We identify nature-related dependencies, impacts, risks, and opportunities associated with our business activities while scientifically measuring key elements of forest ecosystems, including carbon, water, and biodiversity. Through these efforts, we identify and quantify the value provided by natural capital. This enables us to visualize the relationship between the state of natural capital and our business activities while establishing a data foundation for subsequent economic valuation.

► Step 2: Translating Natural Capital into Economic Value

Based on the results of Step 1, we are advancing the development of natural capital accounting. By recognizing the ecosystem services of forests as economic value and linking them to financial information, this framework aims to establish an accounting approach that expresses the value of natural capital in economic terms. These efforts lay the groundwork for future integration with market mechanisms and policy frameworks.

► Step 3: Integrating Natural Capital Value into Markets

To help ensure that the value of natural capital is integrated into decision-making across society, including investment, finance, and public policy, we engage with investors, financial institutions, central banks, governments, and other stakeholders to help shape markets and institutional frameworks. Through these efforts, we aim to build a sustainable society in which the value of natural capital is appropriately recognized.

As environmental degradation accelerates, accelerating progress across these steps has become increasingly important. Building on the outcomes accumulated through Step 1, the Oji Group is currently focusing on advancing Step 2. At the same time, we are developing partnerships and networks to support the implementation of Step 3.

4-5

Transition Plan — Toward Introduction of Natural Capital Accounting

Participation in International Initiatives

To advance the three steps toward the economic valuation of natural capital described above, namely (1) identifying and quantifying value, (2) translating natural capital into economic value, and (3) integrating natural capital value into markets, the Oji Group is actively participating in a range of international initiatives. By linking these initiatives together, we aim to contribute to the realization of a nature-positive society.

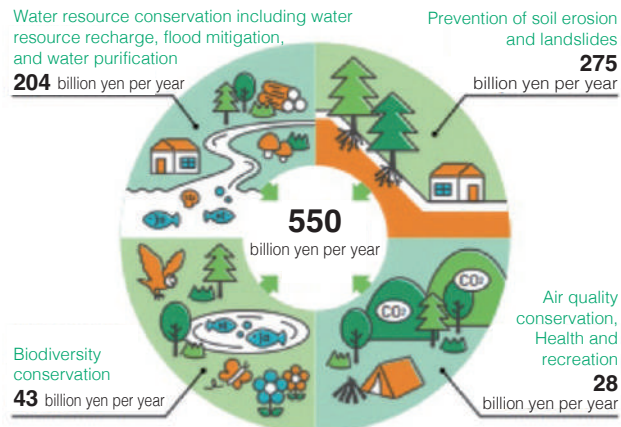
(1) Identifying and Quantifying Value ×

(2) Translating Natural Capital into Economic Value

► Forest Value Visualization Project

In 2024, the Oji Group estimated the economic value of its company-owned forests in Japan (188,000 ha) using a methodology developed by Japan's Forestry Agency and announced that these forests generate an estimated annual economic value of approximately 550 billion yen. To further refine this assessment, we launched the Forest Value Visualization Project. In collaboration with Hokkaido University, we are visualizing and quantifying five key elements of forest ecosystems, namely carbon, biodiversity, nutrients, soil, and water, in the Sarufutsu Forest in Hokkaido, one of the most important areas from a biodiversity perspective within our company-owned forests. Building on these scientific data, we are also implementing nature restoration initiatives aimed at enhancing the value of our forests.(details on [page 37](#) ⇨).

■ Economic Value of Oji Forests in Japan



Notes:
1. Calculated using the Forestry Agency's methodology for estimating the value of forest ecosystem services
2. Reviewed by an independent environmental assessment company.

► Nature Positive Initiative (NPI)

“State of Nature Metrics Pilot Program”

The Oji Group participated in a pilot program led by NPI to support the development of internationally standardized metrics for measuring and communicating the state of nature. Leveraging the findings from the Forest Value Visualization Project, we provided feedback to NPI on the practicality of the proposed metrics, as well as on approaches to assessment and disclosure that take into account Japan's unique ecological characteristics.



► International Sustainable Forestry Coalition (ISFC)

“Forestry Natural Capital Project”

As a founding member of the ISFC, the Oji Group is collaborating with leading forest-sector companies worldwide to develop methodologies for measuring and assessing key forest ecosystem services, including carbon, water, and biodiversity, and for translating these values into economic systems. We aim to contribute these outcomes to the development of internationally recognized measurement frameworks for the forest sector.



► World Business Council for Sustainable Development (WBCSD)

“Nature Measurement Protocol”

The Oji Group is participating in an international initiative to develop a global measurement framework for assessing corporate dependencies and impacts on nature.



The Nature Measurement Protocol (NMP) aims to play for nature the role that the Greenhouse Gas (GHG) Protocol has played in the climate field.

(2) Translating Natural Capital into Economic Value ×

(3) Integrating Natural Capital Value into Markets

► World Economic Forum (WEF)

“Centre for Nature and Climate”, “Water Futures Community”

Within the WEF, which brings together leaders from business, government, and academia, the Oji Group participates in initiatives that explore how social and financial systems can better support both the sustainable use of forest resources and the conservation of forest ecosystem services. We also participate in discussions on investment mechanisms that can mobilize capital toward initiatives that support the conservation and restoration of natural capital.

► Center for Global Commons (CGC), The University of Tokyo

“Nature on the Balance Sheet Initiative”

The Oji Group participates in initiatives to develop mechanisms that integrate the value of natural capital into investment, finance, and policy decision-making. We are engaged in discussions to test the implementation of natural capital accounting and are actively contributing the perspectives and experience of a Japanese company to its development.



Participation and Outreach at International Events

In addition to the initiatives described above, the Oji Group actively engages in discussions at international forums to advance the economic valuation of natural capital. In FY2025, representatives of the Group spoke at international events, including COP30, to communicate the importance of initiatives that contribute to nature-positive outcomes. We also engaged in discussions and exchanged views with global leaders at the World Economic Forum Annual Meeting. In the World Benchmarking Alliance (WBA) 2025 assessment, Oji Holdings was recognized as one of the top-performing companies and was invited to participate in a side event held during the World Economic Forum Annual Meeting.



CEO Isono speaking at the World Economic Forum Annual Meeting



5

Strategy—Location-Specific Approach

5-1 ① CENIBRA

5-2 ② Japan

Brazilian tapir inhabiting CENIBRA Forests (Brazil)

5-1 ① CENIBRA

CENIBRA's Business

CENIBRA's Business Activities and Locations

CENIBRA, a strategic subsidiary of Oji Group, conducts forestry operations and pulp production in the state of Minas Gerais, Brazil. The company manages the Group's largest forest area, totaling approximately 249,000 hectares, consisting of 142,000 hectares of production forests and 107,000 hectares of conservation forests. Forest management is appropriately carried out in accordance with international standards, including FSC™ certification (FSC™C008495) and PEFC certification.

CENIBRA's managed forests span 54 municipalities, with the majority located within the Atlantic Forest biome and the Doce River watershed, which are both recognized for their high ecological importance. CENIBRA has identified eight High Conservation Value (HCV) areas—with significant social, cultural, and environmental importance—within these forests, conserving and managing them appropriately.

In addition, the surrounding regions include important protected areas such as Rio Doce State Park, Serra da Candonga State Park, Rio Corrente State Park, and the Southern Environmental Protection Area of the Belo Horizonte Metropolitan Area, as well as multiple municipal conservation areas.

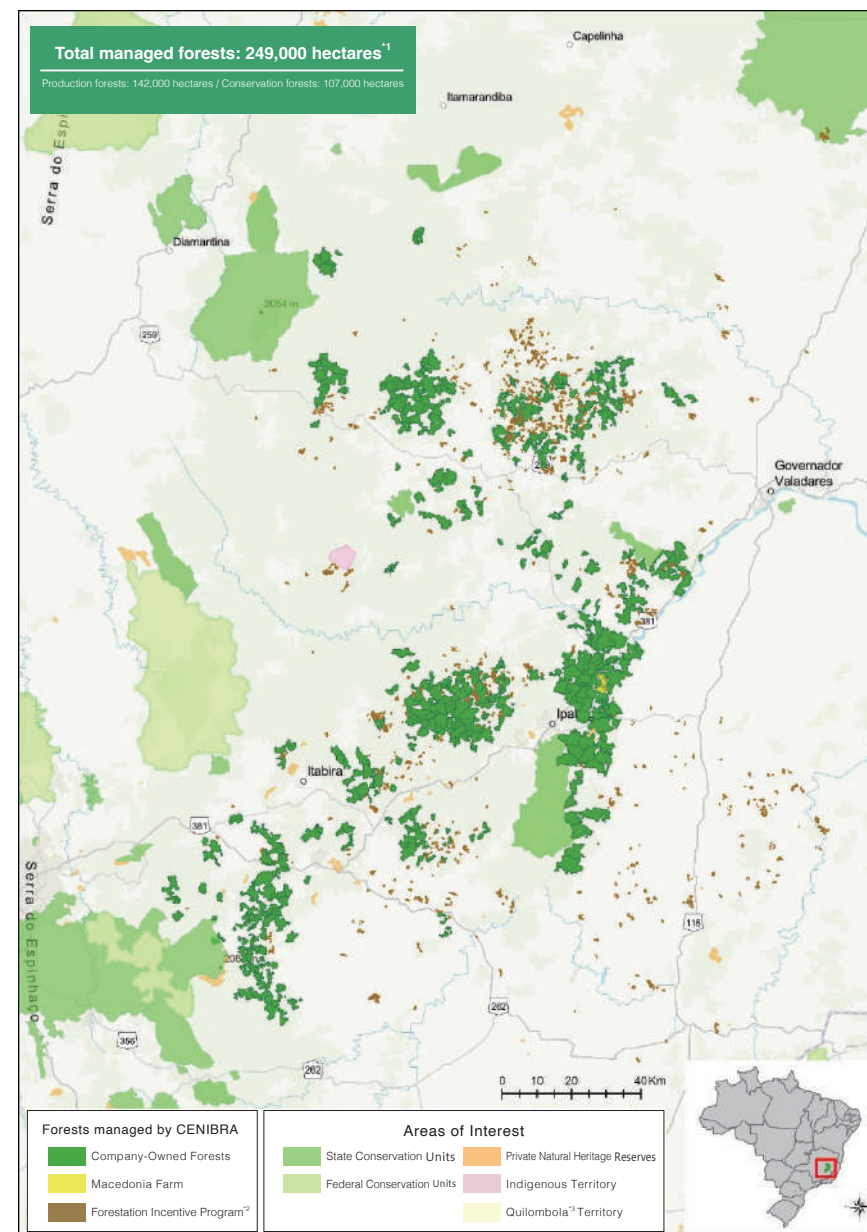
This geographical context indicates that CENIBRA's managed forests are adjacent to biodiversity-sensitive areas.

*1 The managed forest areas include both company-owned forests and forests under the forestation incentive program. Areas awaiting planting and forest roads are excluded.

*2 The Forestation Incentive Program is an initiative under which CENIBRA supports local farmers by providing technical assistance and materials to promote eucalyptus planting and management, and subsequently purchases the harvested timber.

*3 Quilombola refers to traditional Brazilian communities formed by descendants of enslaved Africans. Based on self-governing communities known as "Quilombos," they maintain their own land, traditional livelihoods, and cultural practices. Their land rights are guaranteed under the Federal Constitution, and they play an important role in biodiversity conservation and ecosystem protection in their regions.

Map of the Area Surrounding CENIBRA's Managed Forests



5-1 ① CENIBRA

Biodiversity

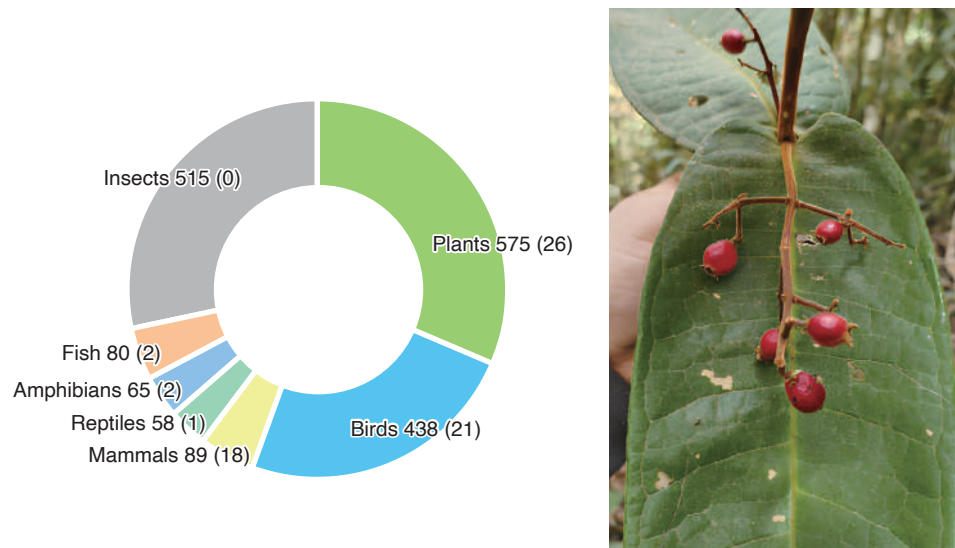
Flora and Fauna in the Company-Owned Forests

CENIBRA continuously monitors biodiversity within its company-owned forests to assess its status and inform appropriate conservation and management. As a result, by 2025, a total of 1,245 fauna species had been recorded, including 438 species of birds, 89 of mammals, 58 of reptiles, 65 of amphibians, 80 of fish, and 515 of insects. Of these, 44 species are classified as threatened, comprising 21 species of birds, 18 of mammals, 1 of reptiles, 2 of amphibians, and 2 of fish.

Regarding flora^{*1}, long-term monitoring has been conducted in five-year cycles since 2002. In the 2022–2023 survey, 575 tree species were recorded, of which 26 were classified as threatened (3 Critically Endangered (CR), 13 Endangered (EN), and 10 Vulnerable (VU)). The survey confirmed overall stability, with some areas showing an increase in diversity, demonstrating the effectiveness of CENIBRA's conservation strategy. Furthermore, 11 individuals (mature and juvenile trees) of a new species, *Myrcia magnipunctata* (CR), were discovered—a finding of significant scientific importance. This discovery was published in *Phytotaxa*, an international academic journal of plant taxonomy in 2025.

*1 CENIBRA's flora monitoring covers tree species only.

Results of Flora and Fauna Monitoring (Numbers in parentheses indicate the number of threatened species)



New Tree Species: *Myrcia magnipunctata*

Private Natural Heritage Reserve (PNHR)

The area known as “Macedonia Farm,” which is part of the land owned by CENIBRA, includes a Private Natural Heritage Reserve (PNHR) designated by the Brazilian Institute of the Environment and Renewable Natural Resources (IBAMA) in 1994. This reserve is the first PNHR in the state of Minas Gerais and is one of the earliest reserves in Brazil, recognized as a pioneering example of voluntary nature conservation. The entire area is composed of Atlantic Forest and is classified as an HCV area. With hundreds of species recorded, it plays a key role in biodiversity conservation.

In this area, CENIBRA is undertaking efforts to reintroduce threatened bird species (details on [page 31](#)).



Macedonia Farm

Local Communities

CENIBRA identifies local communities within a 2-kilometer radius of the forests it manages through surveys that utilize field assessments, interviews, and socioeconomic indicators. By 2025, CENIBRA had mapped a total of 293 local communities, including 60 Indigenous and Quilombola communities.

CENIBRA holds regular consultations with local communities and provides a communication channel called “Talk to CENIBRA.” In 2025, the company conducted 1,047 dialogues involving 41,703 participants. When concerns are raised, CENIBRA addresses them through appropriate consultation and operational adjustments—such as reviewing transport routes, schedules, and work procedures—thereby achieving harmonious coexistence with local communities.

Data and agreements derived from these dialogues are recorded, tracked, and managed within CENIBRA's internal systems to ensure subsequent monitoring, traceability, and appropriate follow-up.



Visit to an Indigenous Community
From left: Edson Valgas de Paiva (President of the CENIBRA INSTITUTE), Chief Baiara (Leader of the Indigenous Community), and José Sawinski Júnior (Sustainability Advisor at CENIBRA)

5-1 ① CENIBRA

Nature

Water

Water resources are essential to forestry operations. CENIBRA withdraws water at authorized intake points located within micro-watersheds of the Doce River watershed, in compliance with applicable water-use permits.

CENIBRA has established a comprehensive monitoring system for the conservation and sustainable use of water resources. Water quality is regularly monitored at key locations within the company-owned forests. Water flow is monitored in real time using public streamflow monitoring systems, enabling CENIBRA to assess water availability in each micro-watershed.

When water stress is detected through monitoring, CENIBRA voluntarily reduces its water withdrawal to mitigate risks and protect water sources. This reduces the impact on water resources shared with local communities. In addition, the accumulated monitoring data are utilized to develop future water availability scenarios. By flexibly optimizing operational planning—such as reducing water consumption in vulnerable areas—CENIBRA balances business sustainability with nature conservation.



Doce River Watershed



Water Level Sensors

Climate

CENIBRA's operational areas experience a highly seasonal climate characterized by distinct dry and wet seasons. As climatic conditions affect forest productivity and water resource management, CENIBRA has installed multiple weather stations across its operational areas to collect meteorological data, including precipitation, temperature, solar radiation, and wind speed. Some records date back to 2000. CENIBRA continuously optimizes its monitoring infrastructure, including modernizing sensors and reviewing and expanding observation sites, while maintaining rigorous operational standards to ensure data continuity and comparability.

In recent years, a common trend of rising annual average temperatures has been observed across multiple weather stations with long operational histories. This suggests that a similar trend exists throughout CENIBRA's operational areas. Regarding precipitation, significant variability across seasons and regions has been observed, with no clear trend identified. However, as dry years and periods do occur, CENIBRA conducts continuous monitoring.

Based on these monitoring results, CENIBRA identifies climate-related risks at an early stage and takes appropriate actions, such as revising operational plans as needed.

Soil

Soil plays a vital role as the foundation for both CENIBRA's forestry operations and the livelihoods of local communities. CENIBRA monitors soil fertility and physical properties.

Based on the collected data, CENIBRA implements management measures such as appropriate fertilizer application and subsoiling to restore soil structure, aeration, and water retention capacity, balancing business sustainability with nature conservation.

5-1 ① CENIBRA

Dependencies and Impacts

Based on the ENCORE assessment results for the forestry sector (details on [page 12](#) ) , dependencies and impacts were identified and evaluated as shown in the table below, taking into account CENIBRA's business activities and the characteristics of its operational locations and surrounding areas.

CENIBRA's forestry operations are directly dependent on timber provisioning services. Water supply services are essential for seedling production, dust suppression, and tree growth. Furthermore, regulating services related to climate, soil quality, and water flow support not only CENIBRA's forestry operations but also agriculture and livestock activities undertaken by local communities.

The primary impact drivers of CENIBRA's forestry operations are GHG emissions and absorption, and land use. GHG emissions and absorption affect global climate change, with impacts of potentially extensive spatial extent and long duration. Land use directly affects the quality of ecosystem services, potentially influencing the activities of both CENIBRA and local communities. The magnitude of these impacts could become significant over the long term. Therefore, continuous attention must be given to these impact drivers.

Dependencies

Ecosystem Services	Loss of Input	Financial Loss	Social Impact
Timber provisioning	High	High	Low
Water supply	High	Medium	Medium
Climate regulation	Medium	High	High
Soil quality regulation	Medium	High	Medium
Water flow regulation	High	High	High

Impacts

Impact Drivers	Metrics	FY2025 Performance	Spatial Extent	Duration	Magnitude
GHG emissions and absorption	GHG emissions from forestry and other machinery	83,024 tCO ₂ e/year	High	High	Low
	Net increment in carbon stocks ^{*1}	198,345 tCO ₂ e/year			
	Carbon stock in forests ^{*1}	47.6 MtCO ₂			
Land use	Total forest area under management	248,777 ha	Medium	High	High
	Forest certification rate ^{*2}	97.5%			
	Conservation forest area within owned forests	106,635 ha			

^{*1} Calculations of net increment in carbon stocks and carbon stock in forests are limited to company-owned forests and do not include forests established under the forestation incentive program.

^{*2} Certification rate refers to the proportion of certified area within the total managed land, including owned, leased, and surface rights.

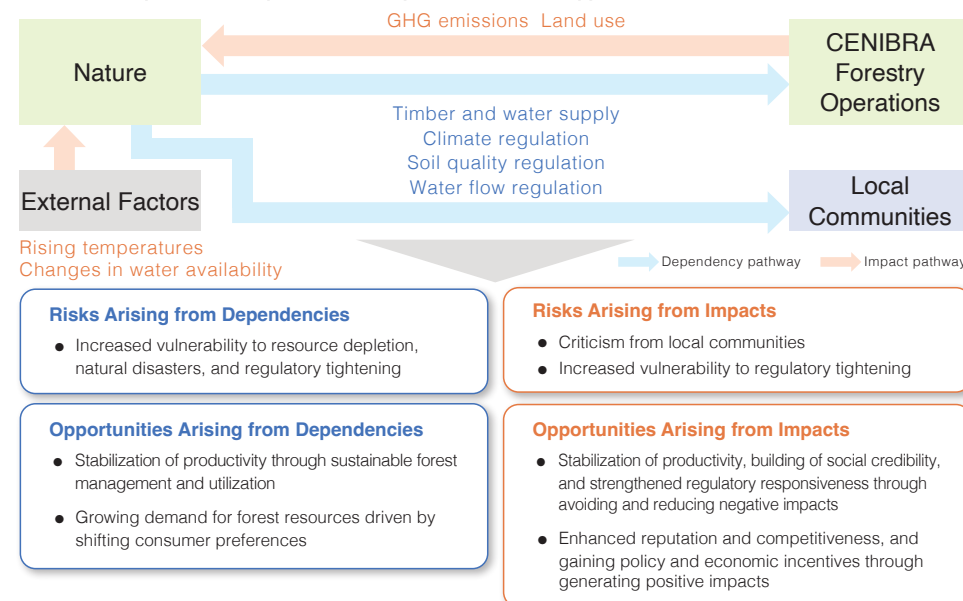
Relationship between Dependencies, Impacts, Risks, and Opportunities

CENIBRA's forestry operations coexist with diverse flora and fauna, as well as local communities. External changes, such as rising temperature trends and decreasing precipitation in some areas, have been observed, potentially affecting the quality of ecosystem services. Both CENIBRA and local communities depend on a wide range of ecosystem services, while CENIBRA's forestry operations have impacts on nature. The state of nature in these operational areas, together with the structure of dependencies and impacts, gives rise to both risks and opportunities for CENIBRA.

Risks arising from dependencies include resource depletion due to degradation of ecosystem services, increased vulnerability to natural disasters, and restricted access to ecosystem services resulting from regulatory tightening. On the other hand, opportunities arising from dependencies include the stabilization of productivity through sustainable forest management and utilization, as well as the enhanced value of forest resources and services driven by shifting consumer preferences.

Risks arising from impacts include criticism from local communities due to degradation of ecosystem services and penalties associated with stricter regulations. On the other hand, opportunities arising from impacts include the stabilization of productivity through avoiding and reducing negative impacts on nature, the building of social credibility, and strengthened regulatory responsiveness. Furthermore, by generating positive impacts, CENIBRA can expect to enhance its reputation and competitiveness, as well as gain policy and economic incentives through improved quality of ecosystem services.

Relationship between Dependencies, Impacts, Risks, and Opportunities



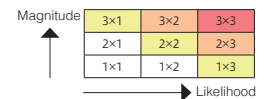
5-1 ① CENIBRA

Risks and Opportunities

Based on the state of nature, as well as dependencies and impacts, nature-related risks and opportunities were specified and assessed from short-, medium-, and long-term perspectives. The scenarios used for this assessment are the same as those applied in the group-wide approach: Scenario 1 represents “a world where transition accelerates,” and Scenario 2 represents “a world where nature degradation progresses” (details on [page 15](#) .

The listed risks and opportunities, along with their assessments, are presented in the table below. Response measures are described on [page 30](#)  and beyond. The scenario analysis indicates that under Scenario 1, financial impacts are expected to increase, particularly due to enhanced nature-related reporting obligations and the introduction of new regulations. At the same time, appropriate

compliance with reporting obligations, conservation and restoration activities, and the implementation of sustainable business practices can attract the preference of investors and consumers, creating business opportunities. Under Scenario 2, financial impacts are expected to increase, particularly due to destabilization of timber productivity caused by rising temperatures, increased frequency of forest fires, and higher costs resulting from soil degradation. Opportunities primarily lie in enhancing resilience to nature loss, where appropriate utilization of renewable resources and improved resource efficiency can reduce the risk of resource depletion.



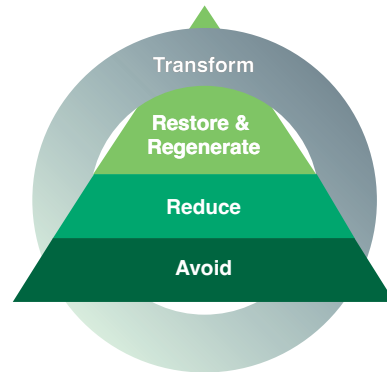
Category	Risks	Financial Effects	Countermeasures	2027	Scenario 1		Scenario 2	
					2030	2050	2030	2050
Physical	Rising temperatures and more frequent extreme heat days	• Higher costs and lower sales due to reduced timber productivity	• Mitigating climate change • Tree breeding	2x1	2x2	2x2	2x2	3x3
	Increased frequency of forest fires	• Higher costs for reforestation and fire prevention	• Mitigating climate change • Preventing fires	1x3	1x3	2x3	1x3	2x3
	Accidental water pollution or water scarcity caused by external factors	• Higher costs and lower sales due to reduced timber productivity • Occurrence of operational restrictions	• Monitoring water quality and volume • Managing conservation forests and watersheds	2x1	2x2	2x2	2x2	2x2
	Soil compaction and reduced fertility resulting from forestry activities	• Higher costs and lower sales due to reduced timber productivity	• Subsoiling • Forming ecological corridors	1x1	1x1	2x2	1x2	2x3
	Significant biodiversity loss resulting from improper land management	• Higher costs and lower sales due to reduced timber productivity • Incurrence of legal and social liabilities	• Avoiding deforestation • Identifying and managing HCV areas • Managing conservation forests and watersheds	1x1	1x2	2x2	1x3	2x3
Transition	Stricter reporting requirements on nature-related impacts and risks, and stricter regulations on rights, permits, and allocation of natural capital	• Higher monitoring costs • Penalties due to delayed response • Loss of market access • Occurrence of operational restrictions	• Conducting various monitoring • Acquiring forest management certifications • Complying with new regulations	2x2	2x3	2x3	2x2	2x2
	Stakeholder criticism regarding impacts on biodiversity, including potential impacts	• Higher costs related to stakeholder engagement and maintenance of certifications	• Monitoring biodiversity • Identifying and managing HCV areas	3x1	3x1	3x1	3x1	3x1

Opportunities	Benefits	Initiatives	2027	Scenario 1		Scenario 2	
				2030	2050	2030	2050
Growing demand for renewable resources and certified products	• Increased sales	• Acquiring forest management certifications • Developing new products	2x3	3x3	3x3	2x3	2x3
Improved efficiency in the use of timber and water resources	• Cost reduction and enhanced business resilience	• Technological innovation and promotion of a circular economy	2x3	2x3	3x3	2x3	2x3
Utilization and restoration of degraded land	• Stable access to ecosystem services	• Restoration of natural forests • Planting native tree species	1x3	2x3	3x3	1x3	1x3
Conservation and restoration of ecosystems	• Stable access to ecosystem services • Enhanced reputation and corporate value	• Managing conservation forests and watersheds • Forming ecological corridors • Reintroduction of rare species • Control of invasive alien species	1x3	2x3	3x3	1x3	1x3
Watershed protection and management of water volume and quality	• Reduced risk of operational shutdown due to water scarcity • Gaining trust from local communities	• Monitoring water quality and volume • Managing conservation forests and watersheds	1x3	2x3	2x3	1x3	1x3
Access to green finance mechanisms and sale of credits based on biodiversity and forest assets	• Diversification of funding sources • Securing new revenue streams	• Conducting various monitoring	1x1	2x2	2x3	1x1	1x1
Collaboration and communication with stakeholders	• Building trust with stakeholders	• Communication with local communities	1x2	2x3	3x3	1x2	1x2

5-1 ① CENIBRA

Response

In response to the identified nature-related risks and opportunities, CENIBRA's initiatives have been categorized into four strategic approaches: “Avoid,” “Reduce,” “Restore & Regenerate,” and “Transform.” These approaches are based on the principle of the mitigation hierarchy, which prioritizes “Avoid” as the first course of action, followed by progressively staged responses. This framework is aligned with the AR3T Action Framework advocated by the Science Based Targets Network (SBTN).



Avoid

► Establishment of Procurement Policies

CENIBRA ensures that its wood raw materials are responsibly sourced through procurement policies and management practices to avoid deforestation and associated negative environmental and social impacts arising from wood procurement.

For the procurement of wood raw materials, CENIBRA has established and maintains internal policies aligned with the Oji Group's Wood Raw Material Procurement Guidelines. These policies set procurement conditions including compliance with laws and international conventions, elimination of illegally harvested timber, prevention of natural forest conversion, avoidance of impacts on High Conservation Value areas, non-use of genetically modified trees, consideration for human rights and occupational safety, and respect for the rights of Indigenous Peoples and local communities, thereby preventing inappropriate raw material procurement.

► Ensuring Traceability

To ensure supply chain transparency and compliance with international requirements, and to avoid inappropriate land use, CENIBRA conducts origin tracking and document verification in line with the EU Deforestation Regulation (EUDR). Furthermore, by implementing initiatives such as continuous vegetation cover monitoring using geospatial data and on-site audits, CENIBRA has established a robust management system.

► Identifying and Managing High Conservation Value (HCV) Areas

CENIBRA identifies HCV areas and other ecologically significant areas, and conserves and manages them accordingly. Land-use conversion is avoided, and restoration efforts are undertaken as needed.

► Acquiring Forest Management Certifications (FSC™ and PEFC)

CENIBRA has utilized FSC™ and PEFC forest management certifications since 2005 as a core element of its efforts to avoid deforestation and conserve forest ecosystems. CENIBRA's compliance with international standards on deforestation prohibition, legal requirements, and appropriate forest planning and monitoring is audited and verified by third parties.

Through the implementation of these certification systems, CENIBRA confirms that forestry activities are conducted only within designated management areas and that native vegetation and HCV areas are protected.

Reduce

► Mitigating Climate Change

CENIBRA continuously contributes to climate change mitigation by increasing carbon stocks through appropriate forest management. Furthermore, in 2025, CENIBRA renewed a portion of its trucks, machinery, and equipment, reducing fuel consumption intensity through improved energy efficiency. These efforts contribute to reducing the impact of GHG emissions from business operations.

► Preventing Fires

CENIBRA operates 39 surveillance towers equipped with omnidirectional cameras and laser-based detectors across the forests it manages. In addition, by integrating artificial intelligence (AI) technology, the system is capable of detecting smoke and heat instantly, even at night. Upon detection of smoke or heat, the exact location of the fire is identified, and forest firefighting teams are dispatched promptly. CENIBRA also conducts ongoing training to ensure emergency preparedness, rapid response, and safe operations.

These measures not only ensure the sustainability of ecosystem services essential to business operations but also significantly reduce the risk of fire spread.



Fire Monitoring Center

5-1 ① CENIBRA

Reduce

► Managing Conservation Forests and Watersheds

CENIBRA manages approximately 107,000 hectares of conservation forests on its own land. By adopting a “mosaic landscape” approach that balances production forests and conservation forests, the conservation forests serve as wildlife habitats and act as natural buffers, delivering multiple benefits such as preventing the spread of pests and diseases and reducing sediment runoff along waterways.



Forest Landscape

CENIBRA also conserves approximately 4,500 water sources on its own land. Since 2017, the company has further strengthened these conservation efforts, resulting in the conservation of an additional 1,225 water sources on third-party land. Environmental conditions are monitored at the micro-watershed level, and preventive management measures such as water withdrawal restrictions are implemented as needed.

Through this integrated approach to forest and watershed management, CENIBRA reduces its impacts and contributes to maintaining ecosystem services.

Restore and Regenerate

► Restoration of Natural Forests

CENIBRA undertakes the restoration and regeneration of natural forests where needed, such as in areas affected by natural disasters and on newly acquired land. The most appropriate methods are selected according to local environmental conditions. Specifically, a combination of techniques is employed, including planting seedlings of native tree species, direct seeding, and promoting natural regeneration through soil improvement (2025 results on [page 33](#) ⇨).

These efforts contribute to the maintenance and enhancement of various ecosystem services, including biodiversity conservation, water resource conservation, carbon sequestration, and soil stabilization.

► Control of Invasive Plant Species

CENIBRA incorporates the control of invasive plant species into its forest management strategy to conserve biodiversity and improve environmental conditions in its production forests and natural forest restoration areas. By suppressing the establishment of invasive plant species, CENIBRA enhances productivity and the success rate of natural forest restoration, supporting the recovery of degraded land, ecosystem balance, and the long-term sustainability of business operations.

► Forming Ecological Corridors

CENIBRA promotes vegetation recovery on land that fragments natural forests, forming ecological corridors. These corridors function as migration routes for wildlife to move freely, expanding habitats and facilitating interaction among species, thereby contributing to the maintenance and enhancement of biodiversity. This initiative extends beyond CENIBRA's own land through collaboration with local farmers. Fencing off land that fragments natural forests, particularly around watersheds, prevents livestock intrusion and promotes regeneration (2025 results on [page 33](#) ⇨).

■ Conceptual Diagram of Ecological Corridors



► Reintroduction of Rare Species

CENIBRA implements the Mutum Project at “Macedonia Farm,” where approximately 560 hectares are registered as a PNHR (details on [page 26](#) ⇨).

In this project, CENIBRA collaborates with CRAX (Society for Research on Wildlife Management and Reproduction), a Brazilian NGO, to breed and reintroduce threatened bird species into the wild. To date, more than 500 birds have been released, contributing to the recovery of local fauna.

In 2025, 10 Red-billed Curassows (*Crax blumenbachii*, locally known as “Mutum”) and 10 Black-fronted Piping Guans (*Aburria jacutinga*) were released. Both species play an ecologically important role as seed dispersers, contributing to ecosystem recovery.



Release of Black-fronted Piping Guans

5-1 ① CENIBRA

Transform

► Carbon Sequestration through Biochar

CENIBRA has initiated research on producing biochar from forest residues and other materials. Biochar is a chemically stable substance that functions as a carbon sink, sequestering carbon over extended periods. By converting forest residues into biochar, CO₂ emissions that would otherwise occur through the decomposition of biomass can be suppressed. CENIBRA aims to achieve the practical implementation of this technology as a climate change countermeasure that reduces atmospheric carbon dioxide.



Biochar

► Engagement with Local Communities

Through the [CENIBRA Institute](#) , CENIBRA develops ongoing environmental education and social contribution programs in collaboration with local communities.

In 2025, CENIBRA implemented the community development program “Action and Citizenship” across 22 communities spanning 16 municipalities. More than 12,000 people participated in activities related to fire prevention, citizenship, health, and environmental education, with participant satisfaction exceeding 95%.

As part of its environmental education programs, CENIBRA held a total of 60 events and 96 educational activities, with 4,240 participants from local communities, schools, and employees. These programs address themes such as water resources, sanitation, biodiversity, and fostering an environmental culture in the region, and include training on environmental conservation for employees, partner farmers, and members of partner communities.

Through these activities, CENIBRA has strengthened its relationships with local communities and enhanced local capacity for the conservation and responsible use of natural resources.

► LIFE Certification

CENIBRA has obtained LIFE certification, which evaluates the relationship between the impacts of business activities on biodiversity and the outcomes of conservation efforts, demonstrating that the company generates a positive impact on biodiversity.

To obtain LIFE certification, the following indices must be calculated in accordance with the LIFE methodology: the Biodiversity Pressure Index (BPI), which quantifies the pressure of business activities on biodiversity; the Biodiversity Minimum Performance (BMP), the minimum conservation activity score required to offset that pressure; and the Biodiversity Positive Performance (BPP), the score of conservation activities conducted. Certification requires that BPP exceeds BMP.

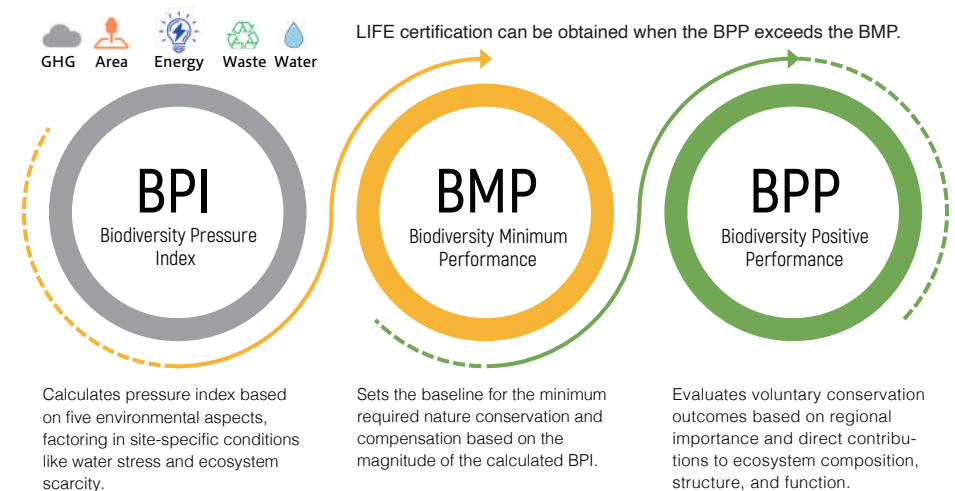
CENIBRA's BPP is approximately three times its BMP, and a third-party audit has demonstrated that the company generates a positive impact on biodiversity ([audit report by TECPAR](#)^{*1} ).

*1 TECPAR is an independent third-party certification body accredited by the National Institute of Metrology, Quality and Technology (INMETRO) of Brazil.



LIFE certification document

■ Conceptual Diagram of the LIFE Methodology



5-1

① CENIBRA

Metrics and Targets

In 2024, nature-related metrics and targets were established as shown in the table below, taking into account the results of the risk and opportunity assessment and significant impacts on society. Building on the continuous implementation of direct “Avoid and Reduce” measures—such as avoidance of deforestation, reduction of GHG emissions, and conservation of water sources—CENIBRA also undertakes “Restore and Regenerate” activities.

CENIBRA’s activities toward achieving its targets are carried out based on the mapping, dialogue, and ongoing engagement with Indigenous, Quilombola, and local communities in its operational areas. The company’s forestry operations are supported by a formal engagement program that includes prior consultation, documentation of records, and proactive communication in accordance with the principle of “Free, Prior and Informed Consent (FPIC),” and takes social considerations into account in the implementation of these initiatives.

■ Targets and Progress^{*1}

Metrics	Targets	Performance						
		2019	2020	2021	2022	2023	2024	2025
Area of restored natural forest ^{*2,5} (ha)	At least 3,000 hectares between 2024 and 2033	170	366	399	379	377 (17)	405 (145)	355 (91)
Number of planted native tree species ^{*3,5} (seedlings)	At least 500,000 trees between 2024 and 2033	34,827	60,624	76,433	61,599	53,454 (25,974)	146,966 (86,695)	88,486 (45,256)
Area of ecological corridors formed outside own land ^{*4} (ha)	At least 3,500 hectares between 2024 and 2033	186	318	313	411	532	500	480
Area of natural forest connected by ecological corridors (ha)	—	1,281	2,212	2,239	1,268	2,587	9,629	3,140

^{*1} The aggregation method has been revised to include results from partnerships. Accordingly, the figures for 2023 and 2024 disclosed in the previous year have been restated. For transparency, results achieved directly by CENIBRA and those achieved through partnerships are disclosed separately.

^{*2} The area where planting and other activities were carried out to restore natural forests lost due to windthrow, fire, etc. (figures in parentheses indicate results from partnerships).

^{*3} The number of trees planted within the owned natural forests (figures in parentheses indicate results from partnerships).

^{*4} The area enclosed by fences in collaboration with landowners to facilitate the revegetation of degraded lands between fragmented natural forests and enable wildlife to move freely.

^{*5} Natural forest restoration is carried out using a combination of methods, including seedling planting, direct seeding, and promotion of natural regeneration, selected according to site-specific environmental conditions and restoration objectives. Therefore, the area of restored natural forests and the number of native tree species planted are not necessarily proportional.

■ Restoration of Natural Forests

In 2025, CENIBRA carried out restoration on 355 hectares of land within its own properties, through both its own initiatives and partnerships with third parties. This restoration is implemented using a combination of methods according to local environmental conditions, including planting seedlings of native tree species, direct seeding, and promoting natural regeneration through soil improvement. Areas where restoration has been carried out are monitored in subsequent years for regeneration progress and the presence of invasive species.

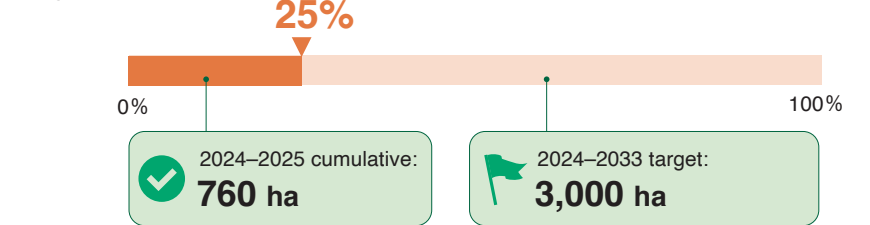
Since 2023, CENIBRA has strengthened partnerships with neighboring companies, expanding restoration within its own land. These partnerships not only accelerate the initiatives but also enable the sharing of technical expertise, operational capacity, and site-specific knowledge across the region, thereby enhancing landscape connectivity and ecological outcomes.

The methodology for calculating progress has been revised to also reflect the achievements of restoration through partnerships with third parties within CENIBRA’s own land.

■ Area of Restored Natural Forests (ha)



■ Target Achievement Rate



5-1 ① CENIBRA

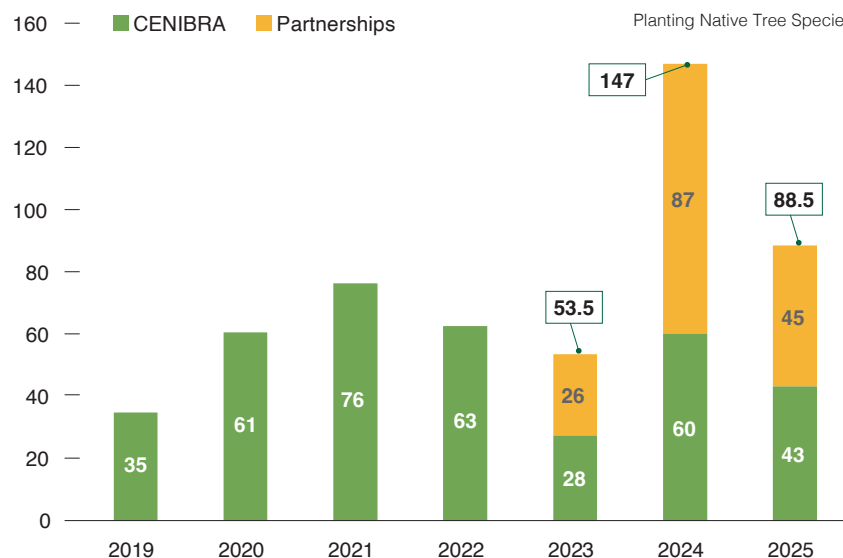
Planting Native Tree Species

In 2025, CENIBRA planted approximately 88,500 native tree seedlings through both its own initiatives and partnerships with third parties. Areas where native tree species have been planted are regularly monitored to assess the development of vegetation cover, identify the occurrence of invasive species, and adjust restoration methods as needed.

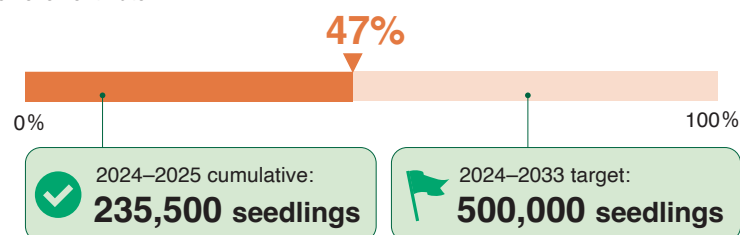


Planting Native Tree Species

Number of Native Tree Species Planted (thousands)



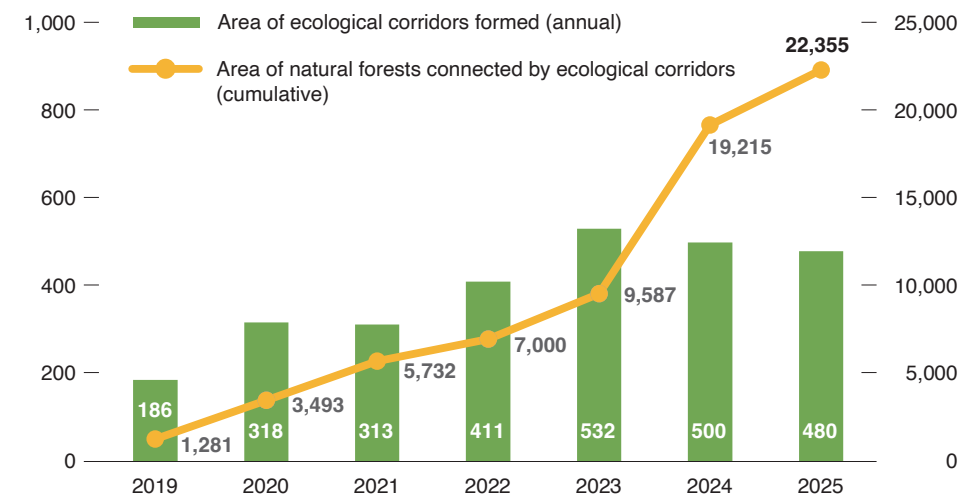
Target Achievement Rate



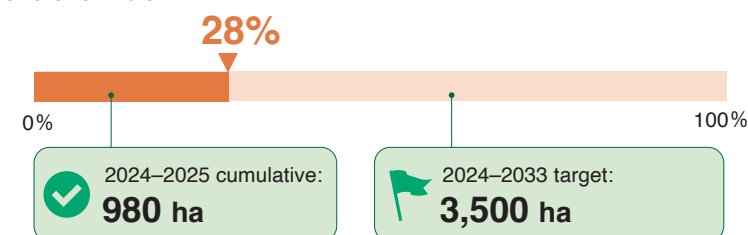
Forming Ecological Corridors

In 2025, CENIBRA formed 480 hectares of ecological corridors on third-party land that fragments natural forests. Ecological corridors function as migration routes for wildlife to move freely, expanding enhancement of biodiversity. From 2019 to 2025, the total area of natural forests connected by ecological corridors established through this initiative exceeded 22,000 hectares. The continued expansion of connected areas promotes gene flow among fauna and enhances ecosystem resilience.

Area of Ecological Corridors Formed (ha) and Cumulative Area of Natural Forests Connected by Ecological Corridors (ha)



Target Achievement Rate



For more details on CENIBRA's sustainability activities, please visit the [website](#)

5-2 ② Japan

Company-Owned Forests Across Japan

Since beginning its first afforestation activities in Shizuoka Prefecture in 1893, the Oji Group has been committed to sustainable forest management for more than 130 years, guided by the principle that “Those who use trees have the responsibility to plant trees.”

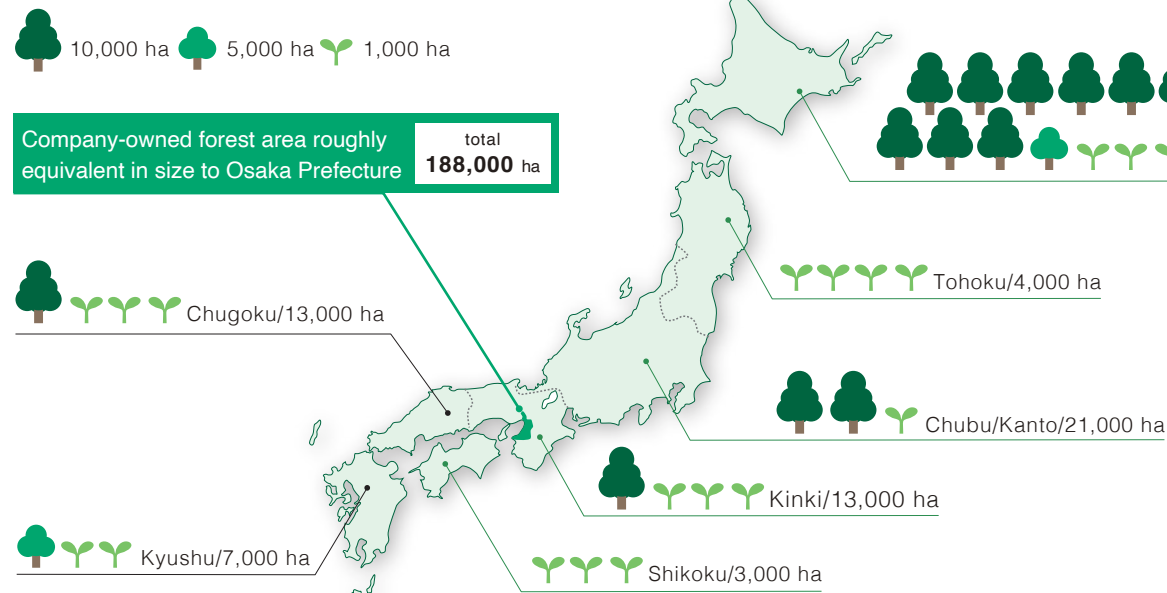
Today, we own and manage approximately 188,000 hectares of company-owned forests across around 650 locations throughout Japan, from Hokkaido to Kyushu. All of these are certified under the SGEN forest certification scheme.*

* A forest certification scheme unique to Japan administered by the Sustainable Green Ecosystem Council. It is internationally recognized through mutual recognition with the PEFC.

Forest Management

Approximately 76,000 hectares, or 40%, of our company-owned forests in Japan are planted forests. These forests consist primarily of Todo fir and larch in Hokkaido, and Japanese cedar and Japanese cypress in Honshu and regions further south. With an average stand age of around 60 years, many are now reaching their harvesting age.

Company-Owned Forests across Japan (as of end of March 2026)



The Oji Group conducts harvesting and replanting to maintain a healthy age structure across its forests, while continuing silvicultural practices such as thinning to sustain forest productivity for future generations. We promote sustainable forest management that balances timber production and the sustainable use of forest resources with the provision of forest ecosystem services, including biodiversity and water resource conservation.

Renewable Forest Resources

Forests are renewable resources that can be used sustainably through continuous cycles of planting, growing, harvesting, and replanting.

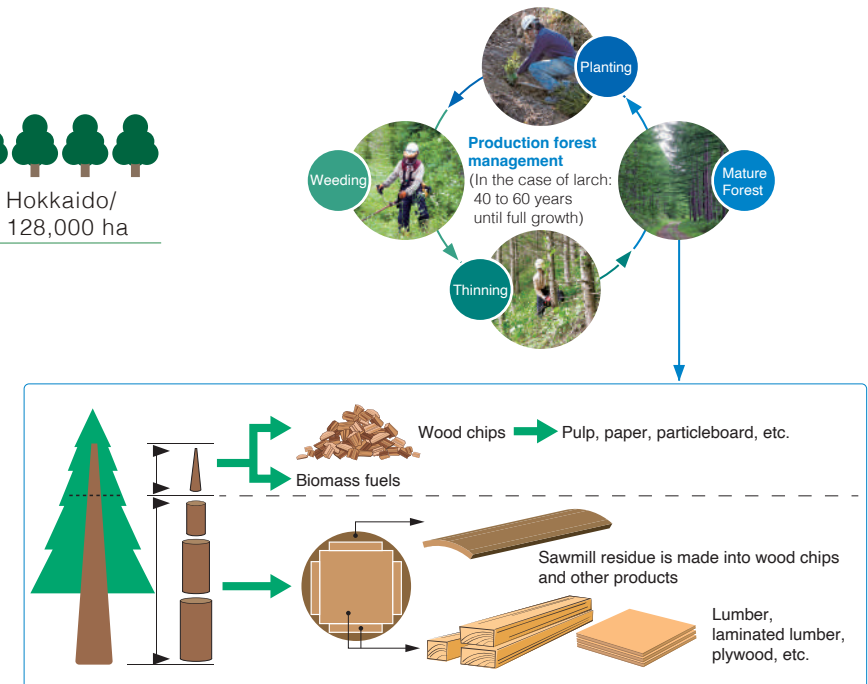
Harvested timber is utilized efficiently through cascading use, being processed into a wide range of products, including lumber, plywood, wood chips for papermaking, and woody biomass fuel, ensuring that forest resources are used to their fullest potential.

Maximizing the Forest Ecosystem Services

In addition to timber production, we place significant importance on the broad range of ecosystem services provided by forests and have designated approximately 11,000 hectares of our company-owned forests in Japan as conservation forests. These forests play important roles in biodiversity conservation; water resource conservation including water resource recharge, flood mitigation, and water purification; recreation; soil erosion and landslide prevention; and the conservation of forests with significant scientific value.

Through appropriate management undertaken in collaboration with local communities for environmental conservation and recreational use, these forests serve as valuable regional natural capital, while also contributing to the sustainable growth of our business.

Forest Resource Cycle and Cascading Use



5-2 ② Japan

Measuring and Valuing Forest Ecosystem Services

The Oji Group is working to assess, visualize, and value the ecosystem services of forests. While these services are as important as timber production, they are often less visible and can therefore be difficult to recognize and evaluate.

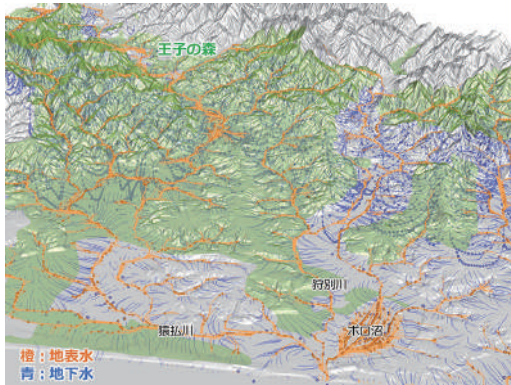
Assessment of Water Resource Conservation Service

Forests provide important water resource conservation service including water resource recharge, flood mitigation, and water purification by storing rainfall and gradually releasing clean water into the environment.

To better understand and quantify these services, we used the National Land Information Platform to estimate water source recharge (the amount of water seeping down from the ground surface) across approximately 650 company-owned forest sites in Japan. The analysis showed that the company-owned forests recharge approximately 5.1 million cubic meters of water per day, equivalent to the daily water consumption of approximately 16.9 million people. Also, the economic value of this ecosystem service was estimated at approximately 204 billion yen per year based on the replacement cost of water supply and flood-control infrastructure, such as dams.

These findings demonstrate that our company-owned forests generate substantial societal and economic benefits by reducing soil erosion, storing water, and providing a stable supply of clean water.

Surface Water and Groundwater Flows in Oji Forests (Sarufutsu Forest)



Biodiversity Importance Assessment

Forests provide habitat for a wide range of wildlife and support the conservation of genetic diversity, species diversity, and ecosystems. To assess this biodiversity conservation service, we conducted a quantitative evaluation using models developed from biodiversity datasets together with topographical, climatic, and vegetation data. The map below identifies areas of particularly high biodiversity value across our company-owned forests. Forests with scores closer to 1.0 (red) are considered to have greater biodiversity importance.

Based on these findings, we launched the Forest Value Visualization Project in the Sarufutsu Forest in Hokkaido, which received the highest biodiversity score and was therefore selected for detailed assessment. The project focuses on measuring and visualizing five key elements of forest ecosystems: carbon, biodiversity, nutrients, soil, and water (details on [page 37](#)).

In addition, species distribution modeling suggests that our company-owned forests support more than 3,000 species of amphibians, birds, and seed plants, including approximately 1,400 rare species. These findings indicate that our long-term forest stewardship has likely contributed to the conservation of ecosystems across the regions where we operate.

Biodiversity Importance Map of the Company-Owned Forests



Earthstar Geographics | Esri, TomTom, Garmin, FAO, NOAA, USGS

Soil Assessment: The Foundation of Forest Ecosystem Services

Soil is the foundation that supports the ecosystem services of forests, including timber production, biodiversity conservation, and water resource conservation. Beyond serving as a foundation for tree growth, soil stores carbon and regulates the supply of water and nutrients, influencing downstream and marine ecosystems.

The Oji Group is working to assess and value soil, a vital natural asset that cannot be recreated by human activity. Together with researchers and a university start-up, we are advancing a range of initiatives, including regenerative urban greening using forest soil microorganisms, assessment of carbon storage in peat wetlands, and research into the role of wetlands in supporting riverine and marine ecosystems. (See [page 37](#) for details.)

Number of Species Estimated to Live in Company-Owned Forests

Taxon	Estimated Species Richness	of which, Rare Species
Amphibians	51	25
Birds	294	97
Seed plants	2,667	1,273
Total	3,012	1,395



Ezo sable (left) and Ural owl (right) photographed in the Sarufutsu Forest

5-2 ② Japan

Forest Value Visualization Project

Based on the results of the biodiversity importance assessment described in the previous section, we launched the Forest Value Visualization Project in FY2024 in the Sarufutsu Forest in Hokkaido, which received the highest biodiversity score among our company-owned forests. The Sarufutsu Forest encompasses a vast landscape within the Sarufutsu River watershed, connecting forests, rivers, wetlands, and the sea. The area includes rare naturally meandering rivers and peat wetlands, providing an ideal setting for understanding water and nutrient cycles across the landscape, as well as the ecological connections between terrestrial and marine ecosystems.

In collaboration with Hokkaido University and an overseas start-up, the Oji Group is working to measure and visualize five key elements of forest ecosystems: carbon, biodiversity, nutrients, soil, and water. Based on these findings, we are also developing nature restoration initiatives to enhance the value of forest ecosystems. This project corresponds to Step 1, "Identifying and Quantifying Natural Capital Value," in the Flow for Natural Capital Valuation (see [page 22](#) ⇨) and contributes to the development of baseline data for the quantitative assessment and economic valuation of natural capital.

FY2025 Results

In FY2025, the second year of the project, we continued collecting baseline data and designing nature restoration initiatives based on scientific evidence. We also leveraged project findings to participate in an international initiative related to nature measurement.



Peat wetland field survey (Result 2)

Result (1): River Restoration for Biodiversity Conservation (Joint Research with Hokkaido University)

The Sarufutsu River, which flows through the Sarufutsu Forest, forms a complex meandering river system that provides suitable habitat for a wide variety of aquatic species. However, some sections of the river were previously straightened or fitted with culverts to facilitate the construction of forest roads. We are investigating the ecological impacts of these modifications and identifying restoration measures that will also contribute to the conservation of the endangered freshwater fish itou.

In FY2025, surveys confirmed that both the abundance and species richness of fish and benthic organisms were higher in naturally meandering sections than in culverted or straightened sections of the river. Going forward, we will continue monitoring these ecosystems while advancing river restoration efforts, including improvements to river structures.

Result (2): Understanding Carbon Storage in Peat Wetlands (Joint Research with Hokkaido University)

Northern peat wetlands are distributed across only a limited number of regions worldwide, yet they are believed to store large amounts of carbon and play an important role in regulating atmospheric CO₂ concentrations. Within the Sarufutsu Forest, we are studying both the amount and rate of carbon accumulation in peat wetlands, to better understand how forests influence carbon sequestration in these ecosystems.

In FY2025, we confirmed that peat accumulation patterns vary among different wetland vegetation types. We will continue our research to identify the environmental conditions that enhance carbon sequestration in peat wetland ecosystems.

■ Overview of the Forest Value Visualization Project at the Landscape Scale

Promoting migration and spawning of itou through river restoration and improvements to river structures

(Result 1)

Biodiversity assessment of the Sarufutsu Forest (entire forest area)

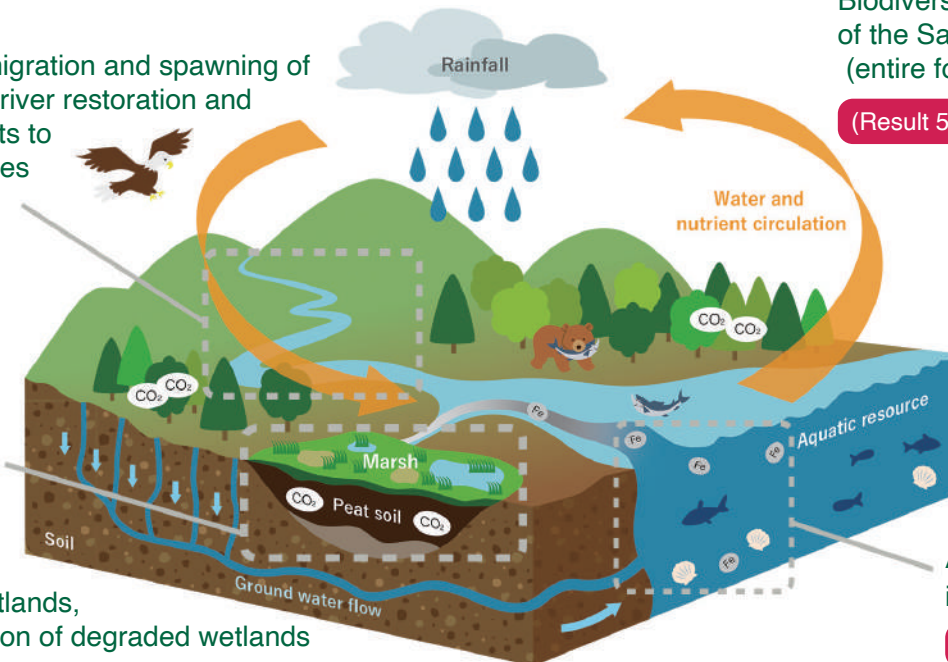
(Result 5)

(Result 6)

Soil carbon assessment of wetland forests and peat wetlands, and restoration of degraded wetlands

(Result 2)

(Result 3)



Assessment of iron supply services

(Result 4)

5-2 ② Japan

Result (3): Restoration of Degraded Wetlands

Extensive wetlands remain within the Sarufutsu Forest. In recent years, however, degradation has been observed in some areas due to drying associated with the encroachment of dwarf bamboo and increased trampling by deer. To support wetland restoration efforts, in FY2024, we compared aerial photographs from 1977 and 2023 to identify long-term changes in wetland vegetation and other landscape features over time.

Based on field surveys conducted in FY2025, we identified areas where degradation was particularly severe and restoration should be prioritized. Going forward, we will conduct topographical surveys using LiDAR drones, collect baseline data needed to evaluate ecological impacts, and develop restoration plans.

Result (4): Understanding the Ecological Role of Wetlands (Joint Research with Hokkaido University)

The Oji Group is investigating the role of wetlands in supplying iron, an essential nutrient that supports marine ecosystems and the growth of seafood such as scallops. Across the Sarufutsu River watershed, wetlands store substantial amounts of dissolved iron beneath the ground surface, which is transported into rivers through seasonal water flows.

In FY2025, our findings suggested that dissolved iron transported through estuarine environments could subsequently be distributed into coastal waters, where it helps support phytoplankton growth. We will continue our research to better understand the important role wetlands play in supporting marine ecosystems.



Wetland field survey (Result 3)

Result (5): Biodiversity Assessment Using Advanced Technologies

In collaboration with an overseas start-up, we are conducting a biodiversity assessment that integrates multiple advanced technologies, including acoustic sensors, drones, camera traps, and environmental DNA analysis. By combining these approaches, we can evaluate biodiversity based on data collected from a broad range of plant and animal species. Over the two-year survey period beginning in 2024, we recorded 174 plant and animal species, including the near-threatened red-crowned crane. The project also enabled us to quantitatively assess species richness, habitat condition and connectivity, and species diversity.

Result (6): Participation in an International Nature Metrics Pilot Program

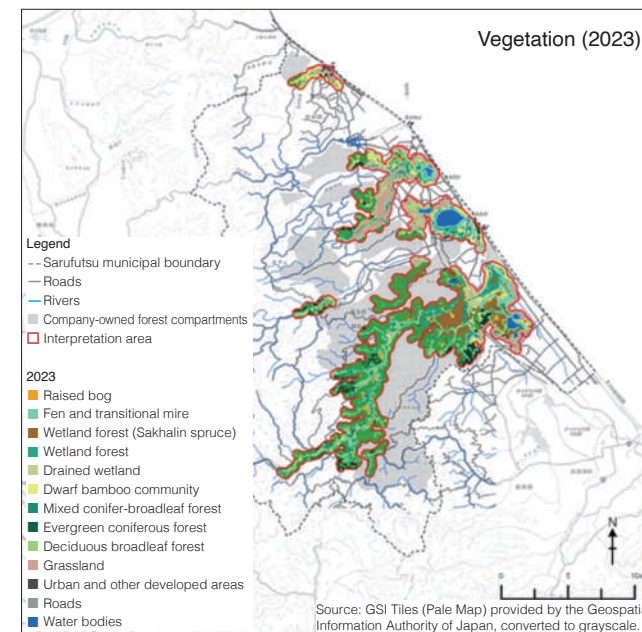
Leveraging the findings from Result (5), we participated in a pilot program supporting the development of State of Nature Metrics, an internationally standardized framework for measuring and assessing the condition of nature. We provided feedback to the program organizer, the Nature Positive Initiative (NPI)*, on the practical application of the proposed metrics, including their effectiveness when applied to field data and their suitability for assessing and disclosing Japan's unique ecological characteristics.

* The Nature Positive Initiative (NPI) is a global collaboration of conservation organizations, sustainability disclosure bodies, academic institutions, and other stakeholders working to develop internationally standardized approaches for measuring and reporting the state of nature in support of nature-positive outcomes.

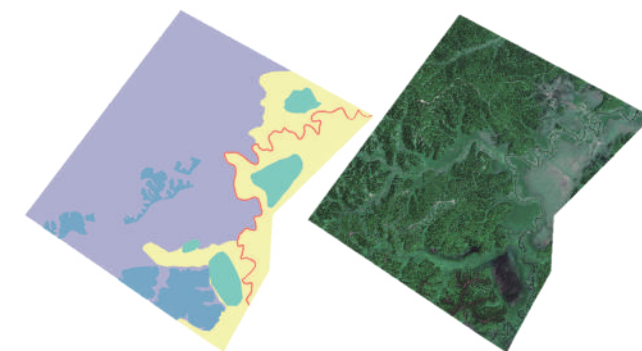


Black woodpecker captured by a camera trap (Result 5)

Wetland Vegetation Map (Result 3)



Habitat Mapping Using Satellite Imagery (Result 5)



5-2 ② Japan

Initiatives in Production Forests

Exploring Retention Forestry

In Japanese forestry, clear-cutting, in which all trees within a harvesting area are removed, remains the dominant harvesting practice. An alternative approach is retention forestry, which retains a small number of broadleaved trees during harvesting to conserve habitat for wildlife, including bird species that depend on mature trees. While retention forestry is widely practiced in Northern Europe and North America, its application in Japan remains limited. However, more than a decade of research by the Forestry and Forest Products Research Institute and other organizations has demonstrated its positive effects on biodiversity in Japanese forests.

Since FY2024, Oji Forests has been conducting a pilot project in the Otaru-Otsu Forest in Hokkaido. We will continue monitoring forest conditions before and after harvesting using drone surveys, conducting bird assessments through acoustic analysis, and evaluating post-planting productivity, including seedling survival and growth rates in the area. Through these activities, we will continue to quantitatively assess how retention forestry can balance biodiversity conservation and timber production while engaging with customers who recognize and value these efforts, with the aim of expanding the initiative.



Retention forestry demonstration site and retained broad-leaved trees (Otaru-Otsu Forest)

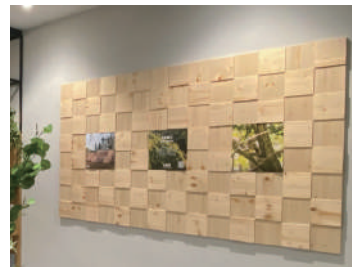
Enhancing the Value of Wood

Todo fir timber harvested through the retention forestry pilot project has been utilized to create new value in both forestry and wood products.

We produced a range of wood products, including benches, tables, wall relief panels for the Oji Holdings headquarters building, and aroma oil diffusers distributed as novelty items.

We also created a video introducing our retention forestry initiative and hosted talk events for timber distributors, customers, and other stakeholders to promote greater understanding of the approach.

To further expand retention forestry initiatives, we believe it is important to continue communicating their significance to timber distributors, customers, and consumers, while developing mechanisms to ensure that the environmental value created through responsible forest management is reflected in wood products.



Wooden furnishings made from Todo fir harvested through retention forestry (wall relief panel and bench)



Video introducing the retention forestry initiative



Aroma oil diffuser produced through retention forestry initiatives

Co-creation with Local Communities

Conservation Activities for Endangered Species

We collaborate with government agencies, environmental NPOs, academic researchers, and local communities to protect rare species and support ecosystem conservation and restoration.

At Oji Forest Shimanto (Koyagauchi Forest) in Shimanto Town, Kochi Prefecture, we work with the Ecosystem Trust Society to conserve habitat for the fairy pitta. The site has been certified by Japan's Ministry of the Environment as a Nationally Certified Sustainably Managed Natural Site. Furthermore, the area has been registered as an OECM site, contributing to the global 30by30 target of conserving at least 30% of terrestrial and marine areas by 2030.

Also, in Sarufutsu Village, Hokkaido, we continue conservation activities through the Sarufutsu Itou Conservation Council, which was established to protect the endangered freshwater fish itou.



Endangered species inhabiting Oji forests: fairy pitta and itou

Creating Community-Based Businesses Rooted in Oji Forests

At Oji Forest Shimanto, we launched the "Forest Opening Project". The initiative has been selected for the Ministry of the Environment's FY2026 Program for Promoting the Creation and Utilization of Favorable Environments (Tourism Model Project Utilizing Favorable Natural Environments).

Recognizing the rich natural environment that supports communities throughout the Shimanto River Basin as the region's shared natural capital, we are developing programs that offer opportunities to experience the value of nature and forest culture through Oji Forest Shimanto, a Nationally Certified Sustainably Managed Natural Site. Through collaboration between local communities and businesses, we aim to establish a sustainable tourism model that supports both nature-positive outcomes and regional economic revitalization.

6

Risk and Impact Management



Hazel grouse inhabiting Biei Forests in Kamikawa District, Hokkaido

6 Risk and Impact Management

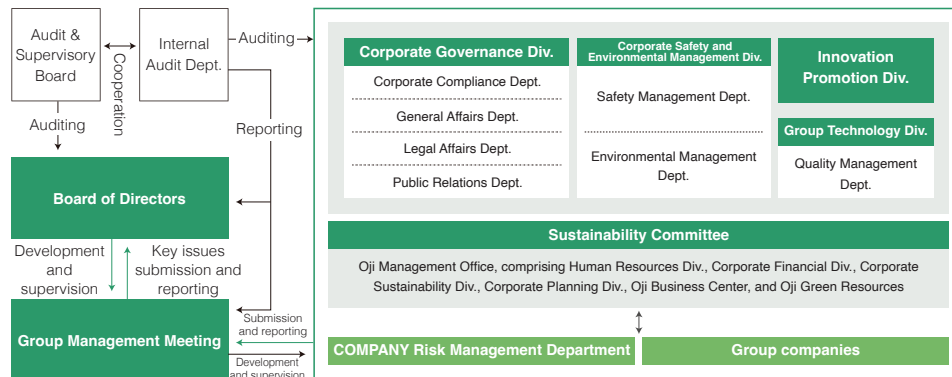
Establishment of the Risk Management Structure

The Oji Group's management of nature-related risks and impacts is carried out under the Sustainability Management Structure (details on [page 9](#) .

The identification and assessment of nature-related risks and impacts are led by the Corporate Sustainability Division of Oji Management Office. Based on their significance, the corresponding measures and progress are discussed by the Sustainability Committee, chaired by the Representative Director of the Board, President and CEO of Oji Holdings, and are submitted and reported to the Group Management Meeting and the Board of Directors.

As part of the Oji Group's risk management structure, the Sustainability Committee also organizes and consolidates sustainability issues, and examines their positioning as business risks and the corresponding response policies (details on our [website](#) .

■ Risk Management Structure



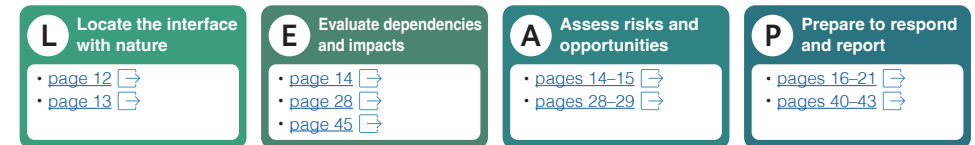
Establishment of Commitments, Policies, and Guidelines

The Oji Group has established commitments, policies, and guidelines (details on page 6) to clarify its approach to managing risks and impacts. These include the “No Deforestation and No Conversion Commitment” and the “Biodiversity Commitment,” as well as the “Sustainable Forest Management Policy,” the “Wood Raw Material Procurement Guidelines,” and the “Sustainability Action Guidelines for Supply Chains.” For new businesses as well, we conduct ESG assessments based on these policies and guidelines and reflect the results in our decision-making.

Identification and Assessment

In line with the LEAP approach developed by the TNFD, the Oji Group identifies and assesses risks and impacts across its entire value chain. In this assessment, we evaluate materiality by considering both the “anticipated financial impacts arising from nature-related issues” and the “impacts of business activities on local communities.”

■ The LEAP Approach



Alongside the LEAP approach, we ascertain and manage the status of each business site's legal compliance and initiatives to reduce environmental impact through environmental audits and environmental management systems (details on our [website](#) .

In the supply chain, we conduct supplier sustainability surveys and supplier human rights and environmental due diligence. For wood raw materials, we verify traceability and visit local suppliers, thereby identifying and managing risks and impacts (details on [page 18](#) .

Furthermore, we have established a grievance mechanism that receives reports from all stakeholders in Japan and other countries, including business partners, suppliers, local communities, Indigenous Peoples, and migrant workers (details on [page 10](#) .

Setting Targets

The Oji Group implements corrective and mitigation measures for identified and assessed nature-related risks and impacts. In addition, based on their significance, we set metrics and targets and position them as the Oji Group's material sustainability issues and KPIs (details on [page 43](#) .

Progress Management and Monitoring

The Corporate Sustainability Division continuously monitors each metric, tracks progress toward targets, and takes action as needed. Progress is disclosed annually in the Integrated Report and TNFD Report ([page 43](#) .

7

Metrics and Targets



White-tailed eagle inhabiting Sarufutsu Forests in Soya District, Hokkaido

7 Metrics and Targets

Setting Metrics and Targets

To quantitatively measure and manage nature-related dependencies and impacts, the Oji Group has established multiple metrics (details on [page 45](#) ) , as well as the “Environmental Action Program 2030” and the “Environmental Action Program 2040” as medium- to long-term targets addressing risks and opportunities. The main metrics and targets addressing nature-related issues, together with their progress, are shown in the table on the right.

Action on Climate Change

Forestry depends on climatic conditions such as temperature and rainfall, and ongoing climate change poses a risk of destabilizing forest growth as well as wood production and procurement. In addition, GHG emissions associated with our business activities could heighten the risk of cost increases through the introduction and strengthening of carbon taxes and emissions trading schemes. On the other hand, afforestation and the conservation and restoration of natural forests generate positive impacts through the absorption and sequestration of CO₂. The Oji Group has set a target of achieving net zero GHG emissions^{*1} and is working to mitigate climate-related risks while creating opportunities.

Contribution to a Nature-Positive World

Forestry depends on and impacts a diverse range of ecosystem services. While the degradation of nature poses a risk that could threaten business continuity, sustainable forest management contributes to the maintenance and enhancement of ecosystem services in surrounding areas. The Oji Group has set targets of maintaining no deforestation and achieving a 100% forest certification rate, and works to avoid and reduce negative impacts. In addition, we have set targets using metrics such as the area of natural forest restored or regenerated, thereby contributing to the restoration and regeneration of natural capital.

Promotion of Circular Economy and Reducing Pollutants

Dependence on wood and water resources poses risks of raw material shortages and reduced production efficiency in the event of resource degradation or depletion. In addition, air and water pollution and the generation of waste might lead to penalties such as fines and operational restrictions resulting from violations of environmental regulations, as well as a decline in stakeholder trust. On the other hand, products that utilize renewable wood resources present opportunities to reduce environmental impact and create new value. The Oji Group has set targets such as improving the effective utilization rate of waste and reducing wastewater pollutant loads and air pollutant emissions, thereby reducing environmental impacts. Together with the development of forest-based products, these initiatives contribute to the circular economy.

Stakeholder Engagement

The Oji Group is strengthening stakeholder engagement in order to assess and manage environmental and social impacts throughout the supply chain.

Metrics, Targets, and Progress

	Targets	Metrics	FY2040 Targets	FY2025 Performance
Action on Climate Change	Scope 1 and 2: Achieving zero GHG emissions ^{*1}	GHG emissions (thousand tCO ₂ e)	0	5,172
	Scope 3: Reducing GHG emissions from chip transport vessels by 40% compared to 2018	GHG emissions (thousand tCO ₂ e)	258	252
Contribution to a Nature-Positive World	Maintaining no deforestation			
	Achieving a 100% forest certification acquisition rate	Forest certification rate (%)	100	97
	Restoring at least 5,000 ha of natural forests between FY2018 and FY2040	Natural forest regeneration area (ha)	5,000	2,451 (253)
	Planting at least 900,000 seedlings of native tree species between FY2018 and FY2040 ^{*2}	Number of native tree species planted (thousand seedlings)	900	522 (158)
	Formulating at least 6,000 ha of ecological corridors between FY2018 and FY2040	Area of ecological corridors (ha)	6,000	2,740
Promotion of Circular Economy and Reducing Pollutants	Achieving a 99% effective waste utilization rate in Japan	Utilization rate (%)	99	99.4
	Achieving a 95% effective waste utilization rate overseas	Utilization rate (%)	95	90.9
	Reducing total water withdrawal by more than 10% compared to FY2018	Water withdrawal volume (thousand m ³)	666,358	663,220
	Reducing water pollutant impact by 20% compared to FY2018	BOD load amount (t)	6,800	5,045
		COD load amount (t)	30,850	32,722
		SS emissions (t)	13,182	12,152
	Reducing SO _x emissions by 50% compared to FY2018	SO _x emissions (t)	3,197	5,181
	Reducing NO _x emissions by 10% compared to FY2018	NO _x emissions (t)	10,570	11,419
Stakeholder Engagement	Advancing research and development of renewable eco-friendly paper packaging and biodegradable or biomass-based materials			
	Conducting supplier human rights and environmental due diligence at least once per year			

^{*1} Includes emission offsets through CO₂ absorption and sequestration by forests

^{*2} The aggregation method has been revised to include results from partnership activities. Figures in parentheses indicate the results achieved through the partnership.

8 Conclusion

The Oji Group is deepening its nature-positive management, building on the sustainable forest management expertise it has cultivated over many years.

In recent years, we have established an effectiveness-oriented management structure by developing our fundamental commitments and policies regarding nature, setting measurable and time-bound targets, strengthening supplier human rights and environmental due diligence, and building a grievance mechanism. Through these measures, we have clarified the Group's direction and are strengthening the structures and processes needed to address these issues across departments. This also serves as a foundation for gaining a clearer understanding of the relationship between our business activities and natural capital, and for achieving both risk reduction and opportunity creation.

In addition, through the expanding sustainable packaging and the forest biomass business, we are working to enhance our regulatory response capabilities and capture new market opportunities, thereby driving a shift toward a business portfolio that simultaneously creates environmental, social, and economic value. Furthermore, recognizing that improving the transparency and comparability of valuation methods and accounting is essential to appropriately reflecting the value of nature in decision-making, we are also actively participating in the development of international methodologies for nature valuation and natural capital accounting.

Going forward, while utilizing the TNFD framework, we will continue to further develop a business model that is in harmony with nature and contribute to the realization of a sustainable society through dialogue with stakeholders.



Ezo sika deer inhabiting Sarufutsu forests in Soya District, Hokkaido

9-1 Oji Group's Dependencies and Impacts

The Oji Group manages its dependencies and impacts using the metrics listed in the table below, based on the TNFD's core global disclosure metrics and the additional sector disclosure metrics for the forestry, pulp and paper sector.

Category	Indicators	Interface with Nature	Metrics	FY2025 Performance	TNFD Metrics No. ^{*1}
Climate change	GHG emissions and absorption	Impacts	Scope 1 emissions	5,794 kt-CO ₂ e	
		Impacts	Scope 2 emissions	1,087 kt-CO ₂ e	
		Impacts	Scope 3 emissions	5,804 kt-CO ₂ e	
		Impacts	Net increment in carbon stocks by forests owned and managed (five-year average)	1,709 kt-CO ₂ e	FP.AX.1.0
		Impacts	Carbon stocks by forests owned and managed	143,713 kt-CO ₂ e	FP.AX.1.0
Land/ freshwater/ ocean-use change	Total spatial footprint	Dependencies/ Impacts	Total area of forests owned and managed	637,077 ha	C1.0
		Dependencies/ Impacts	Area of production forests	472,871 ha	C1.1, FP.A.1.0
		Dependencies/ Impacts	Area of conservation forests	164,206 ha	C1.1, FP.A24.0
		Impacts	Forest certification rate of forests owned and managed ^{*2}	97%	C1.1, FP.A22.0
Pollution/ pollution removal	Pollutants released to soil split by type	Impacts	Amount of pesticides from forestry operations	891 t	C2.0
		Impacts	Amount of pesticides classified as highly hazardous by the FAO and WHO	2 t	C2.0
		Impacts	Amount of nitrogen fertilizer used	1,615 t	C2.0
		Impacts	Amount of phosphorus fertilizer used	1,133 t	C2.0
	Wastewater discharged	Impacts	Amount of total water discharged	635,941 kilo-m ³	C2.1
		Impacts	Discharged into rivers, lakes, and marshes	292,823 kilo-m ³	C2.1
		Impacts	Discharged into oceans	300,552 kilo-m ³	C2.1
		Impacts	Discharged into groundwater	38 kilo-m ³	C2.1
		Impacts	Discharged into the sewer	42,528 kilo-m ³	C2.1
		Impacts	AOX ^{*3}	0.09 kg/t-pulp	C2.1
		Impacts	Nitrogen ^{*4}	930 t	C2.1
		Impacts	Phosphorus ^{*4}	127 t	C2.1
		Impacts	COD ^{*4}	32,772 t	C2.1
		Impacts	Suspended solids (SS) ^{*4}	12,152 t	C2.1
	Waste generation and disposal	Impacts	Non-hazardous waste generated	3,025,861 t	C2.2
		Impacts	Incinerated ^{*5}	155,216 t	C2.2
		Impacts	Landfilled	173,019 t	C2.2
		Impacts	Other waste disposal	24,860 t	C2.2
		Impacts	Recycled	118,780 t	C2.2

Category	Indicators	Interface with Nature	Metrics	FY2025 Performance	TNFD Metrics No. ^{*1}
Pollution/ pollution removal	Waste generation and disposal	Impacts	Hazardous waste generated	70,450 t	C2.2
		Impacts	Incinerated ^{*5}	67,383 t	C2.2
		Impacts	Landfilled	309 t	C2.2
		Impacts	Other waste disposal	1,355 t	C2.2
		Impacts	Recycled	1,422 t	C2.2
	Plastic pollution	Impacts	Total plastic used ^{*6}	36,437 t	C2.3
	Non-GHG air pollutants	Impacts	Soot and dust ^{*4}	3,293 t	C2.4
		Impacts	SO _x ^{*4}	5,181 t	C2.4
		Impacts	NO _x ^{*4}	11,419 t	C2.4
		Impacts	VOC ^{*7}	146 t	C2.4
Resource use and replenishment	Water withdrawal and consumption from areas of high water stress ^{*9}	Dependencies/ Impacts	Water withdrawal from areas of high water stress	1,721 kilo-m ³	C3.0
		Dependencies/ Impacts	Water withdrawal from water supply and industrial water	285 kilo-m ³	C3.0
		Dependencies/ Impacts	Water withdrawal from rivers	1,394 kilo-m ³	C3.0
		Dependencies/ Impacts	Others	42 kilo-m ³	C3.0
		Dependencies/ Impacts	Water consumption from areas of high water stress	345 kilo-m ³	C3.0
	Quantity of high-risk natural commodities sourced from land/ocean/ freshwater	Dependencies/ Impacts	Wood chip procurement	4,228 kilo-BDT	C3.1, FP.A3.1
		Dependencies/ Impacts	Market pulp procurement	151 kilo-ADT	C3.1, FP.A3.1
		Impacts	FSC [™] certified materials or materials that meet FSC [™] requirements	100%	C3.1, FP.A22.1
		Impacts	Traceability implementation	100%	C3.1, FP.A22.1

^{*1} Identification codes for the metrics recommended by TNFD.

FP: Forestry and Paper sector, C: Core global metrics, which all organizations should disclose, A: Additional metrics, which are recommended for disclosure in specific sectors or circumstances

^{*2} Overseas: Area ratio in company-owned production forests, Japan: Area ratio in company-owned forests excluding shared forests

^{*3} Applicable only to Jiangsu Oji Paper, Oji Fibre Solutions, and CENIBRA

^{*4} Applicable only to regulated work sites

^{*5} Regardless of energy recovery

^{*6} Packaging materials only

^{*7} Applicable only to work sites subject to the Act on the Assessment of Releases of Specified Chemical Substances in the Environment and the Promotion of Management Improvement (PRTR Law)

^{*8} Applicable only to Oji Paper, Oji Materia, and Oji F-Tex

^{*9} Areas with Extremely High and High Baseline Water Stress in the Aqueduct (4.0) Water Risk Atlas

Past results are available on our [website](#) 

9-2 Participation in External Initiatives

● [TNFD](#)

Oji Holdings registered as a “TNFD Early Adopter” in January 2024, committing to the early adoption of the disclosure recommendations published by the Taskforce on Nature-related Financial Disclosures (TNFD). In September 2024, we released the “TNFD Report 2024.”

● [ISFC](#)

Oji Holdings joined the International Sustainable Forestry Coalition (ISFC), established in September 2023 to address global social challenges, as a founding member.(details on [page 23](#)).

● [CGC - Nature on the Balance Sheet Sponsorship Program](#)

Oji Holdings is a sponsor of the CGC—Nature on the Balance Sheet Sponsorship Program, established primarily by the University of Tokyo Center for Global Commons (CGC) to integrate natural capital into financial reporting (details on [page 23](#)).

● [WBCSD](#)

Oji Holdings joined the World Business Council for Sustainable Development (WBCSD), an international business organization that promotes sustainable development, in March 2026. We participate in its natural capital program, “Nature Action Imperative” (details on [page 23](#)).

● [Water Resilience Coalition](#)

Oji Holdings joined the Water Resilience Coalition. Together with international partners, we are strengthening our efforts to reduce water risks and enhance resilience.

● [Global Future Council](#)

Oji Holdings joined the Forest Economy group of the World Economic Forum (WEF) Global Future Councils, contributing to landscape restoration and ecosystem services through forestry, and promoting new financing models for complex forest landscapes (details on [page 23](#)).

● [30by30 Alliance for Biodiversity](#)

Oji Holdings joined the 30by30 Alliance for Biodiversity, a voluntary initiative led by Japan's Ministry of the Environment and formed by companies, municipalities, and other organizations. Its activities include registering members' owned or managed lands in the global OECM database and expanding and supporting protected areas. The Oji Group's Koyagauchi Forest was registered as an OECM in August 2024.

● [CDP](#)

In 2025, Oji Holdings received the highest rating of “A” from the international NGO CDP in the categories of Forests (Timber) and Water Security, in recognition of its sustainable forest management and water resource stewardship.

● [Japan Water Forum](#)

Oji Holdings supports the mission of the Japan Water Forum (JWF), an NPO that collaborates with diverse stakeholders in Japan and internationally, including UN organizations, international organizations, development banks, national and municipal governments, private companies, researchers, and NGOs. The company has been a member of the forum since its establishment in 2004.

● [CLOMA](#)

Oji Holdings is a founding member of the Clean Ocean Material Alliance (CLOMA) and collaborates across industries to reduce ocean-bound plastic waste.

● [TCFD](#)

Oji Holdings announced its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in December 2020 and has since disclosed climate-related information in line with the recommendations.

● [Japan Climate Initiative](#)

In December 2022, Oji Holdings joined the Japan Climate Initiative, which was established to strengthen information sharing and dialogue among companies, local governments, NGOs, and others actively working to address climate change.

● [Keidanren Nature Conservation Council](#)

Oji Holdings endorses the Keidanren Declaration for Biodiversity and Guideline and serves as a vice-chairperson and committee member of the Keidanren Nature Conservation Council. Based on the principles of the declaration and guideline, the Oji Group is committed to the conservation and restoration of natural capital, including biodiversity and ecosystems, across its Group companies and supply chain.

9-3 GRI 101 Content Index

Oji Holdings has reported the information cited in this GRI content index for the period from April 1, 2025, to March 31, 2026, with reference to the Global Reporting Initiative (GRI) Topic Standard “GRI 101: Biodiversity 2024.”

GRI101 Biodiversity	Corresponding pages
101-1 Policies to halt and reverse biodiversity loss	Oji Group's Nature-Related Policies page 6 
	Transition Plan—Commitments and Targets page 17 
	Metrics and Targets page 42 
101-2 Management of biodiversity impacts	Governance page 8 
	Transition Plan—Commitments and Targets page 17 
	① CENIBRA page 25 
	Risk and Impact Management page 40 
	Participation in External Initiatives page 46 
101-3 Access and benefit-sharing	—
101-4 Identification of biodiversity impacts	Oji Group's Value Chain page 12 
	Identification of Priority Locations page 13 
	Nature-Related Dependencies, Impacts, Risks, and Opportunities page 14 
	Transition Plan—Supplier Engagement page 18 
101-5 Locations with biodiversity impacts	Identification of Priority Locations page 13 
	① CENIBRA page 25 
	② Japan page 35 
101-6 Direct drivers of biodiversity loss	Nature-Related Dependencies, Impacts, Risks, and Opportunities page 14 
	① CENIBRA page 25 
	Oji Group's Dependencies and Impacts page 45 
101-7 Changes to the state of biodiversity	① CENIBRA page 25 
	② Japan page 35 
101-8 Ecosystem services	① CENIBRA page 25 
	② Japan page 35 



Buffy-headed marmoset inhabiting CENIBRA Forests in Brazil



CENIBRA Forests (Brazil)

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