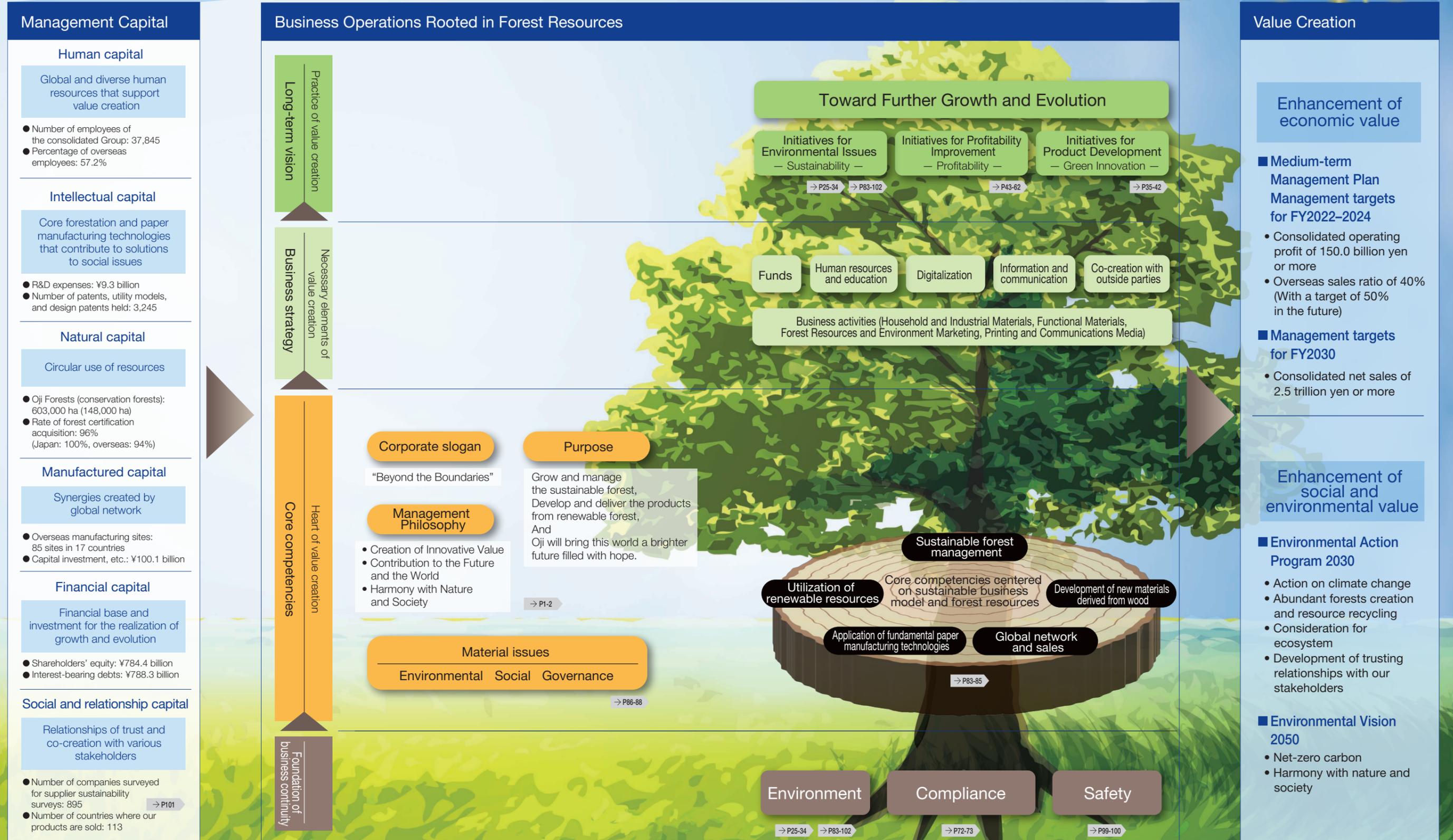


Value Creation Process

The Oji Group conducts business operations that are rooted in forests, at the heart of which are our core competencies centered on our sustainable business model and forest resources. We will conduct business activities that reflect our Management Philosophy, Purpose, and material issues and take action on various measures based on our Long-term Vision while cultivating the necessary elements as appropriate. In addition to making a further leap "Toward Further Growth and Evolution," we will engage in value creation for the realization of a brighter future filled with hope.

Toward a brighter future filled with hope



Message from the President



“Growing Forests,
Utilizing Forests”
We Will Continue Our Untiring
Challenge for the Next 150 years.

Over the past 150 years, the Oji Group has traveled a path of repeated innovation to meet the needs of the times. Moving forward, we will strive to develop our business rooted in forest resources as we continue with our challenge of realizing a brighter future filled with hope.

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

Hiroyuki Isono

On the 150th Anniversary of Oji's Foundation

The Oji Group has traveled a long road since Eiichi Shibusawa advocated the establishment of Shoshi Kaisha based on his belief that domestic production of modern paper was necessary for the development of Japan's cultural progress, in February 1873. In February this year, we turned 150 years old. A comparison of our early years with today shows the great progress that we have made in those 150 years. Annual production has increased about 50,000-fold, from approximately 200 tons in 1876 to around 10 million tons (including production of pulp for sale), and we now have some 37,000 employees, which is about 100 times more than the 374 of those early days. These achievements are, I believe, the fruit of the support and cooperation we have received over those many years from our stakeholders. They are also due to the tremendous efforts of our predecessors, which cannot be adequately described in words.

The Oji Group of today owes its very existence to the way in which Eiichi Shibusawa overcame the hardship of those initial years and carried through on his determination. In his memoirs, Shibusawa described the complications and struggles they faced in getting the business up and running after the equipment had been installed and the construction of the mill had been completed in June 1875.

“When we attempted to make paper, the machines would move, but sheets were keep breaking. Hardly any paper was produced. A few months later, in August or September, we were finally able to produce paper continuously, but that paper was thick and coarse, and the company's losses snowballed. I have no doubt that anyone who witnessed that state of affairs would have thought that there could be no hope for the company's prospects. However, ... though the business may have been small, we were almost the first company to start up a manufacturing business in Japan by importing machinery and even employing technicians from overseas. If, by some misfortune, this company were to fail, ... it would surely deal a major blow to the future advancement of Japan's manufacturing industry. If, just as Japan was importing European culture and attempting to start up commerce and manufacturing in a significant way, Shoshi Kaisha, tasked as the pioneer of that movement, were to falter, it would be many years before Japan would venture into the manufacture of machinery. No matter the anguish and complications, there was no way that we could stop the business once it had been announced and underway. I was not willing to give up partway through the job that I had set my heart on achieving. I wanted to carry through, no matter what. Even as the losses accumulated before our eyes, we still had machinery. We also had raw materials. Our product was undoubtedly one for which demand

Message from the President

continued to grow day by day. And so, collecting our minds and dedicating ourselves to our goal, in October, we were able to produce white paper, and by December, we were even able to attempt making newsprint. Then, on December 16, 1875, we proceeded to hold a ceremony to mark the opening of our business.”

The importance of not quitting easily and of “carrying through” with strong determination is something that we will continue to pass on.

To give an overview of the current state of the Oji Group, I have already mentioned our production volumes and the size of our workforce, but it is not only in terms of scale that we have expanded. The nature of our business and the regions in which we operate have also changed and expanded greatly with the times. The nature of our

Net sales	¥1,706.6 billion (of which, overseas net sales:37.6%)
Operating profit	¥84.8 billion
Number of employees	37,845 (of which, overseas employees:21,653)
Number of consolidated subsidiaries	196 (of which, overseas companies:104)

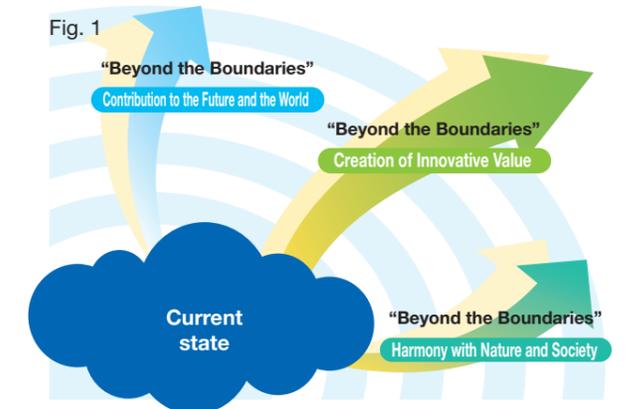
business began with the Printing and Communications Media Business, which includes paper for books and newspaper. Today, we have expanded into the Household and Industrial Materials Businesses, which includes packaging materials, household paper, and disposable diapers, the Functional Materials Business, which includes specialty papers, thermal paper, adhesive products, and film, and the Forest Resources and Environment Marketing Business, which includes the maintenance and management of our forest plantations and the manufacture and sale of pulp and renewable energy. In the years ahead, we will continue to apply the core forestation and paper manufacturing technologies that we have cultivated over many years to the creation of new value that will solve social issues. Today, supporting the lives of our customers all over the world and addressing environmental issues of a global scale have become major themes for the Group. In terms of the regions in which we operate, our major manufacturing sites are now found in 17 countries around the world, and over half of our total workforce are of nationalities other than Japanese. Most recently, overseas companies that we have welcomed into the Oji Group include the Adampak

Group, which prints and converts advanced-function labels in Southeast Asia and China, in September 2022, and IPI S.r.l., which manufactures and sells processed paper for aseptic liquid packaging cartons and filling machines in Italy, in May 2023. We have great expectations of the outstanding sales management methods of the Adampak Group. IPI S.r.l. brings to the Oji Group a sales network that spans not only Europe but also Africa and Latin America. Our 150 year history is a history of adaptation and transformation. There are many things that we can learn from our new members and many things that their joining us will make possible. For this reason, we will actively strive for interaction among our various businesses, both in Japan and overseas, to elevate the comprehensive capabilities of the Oji Group as a more global enterprise.

**Toward the Next 150 Years—
Long-term Vision**

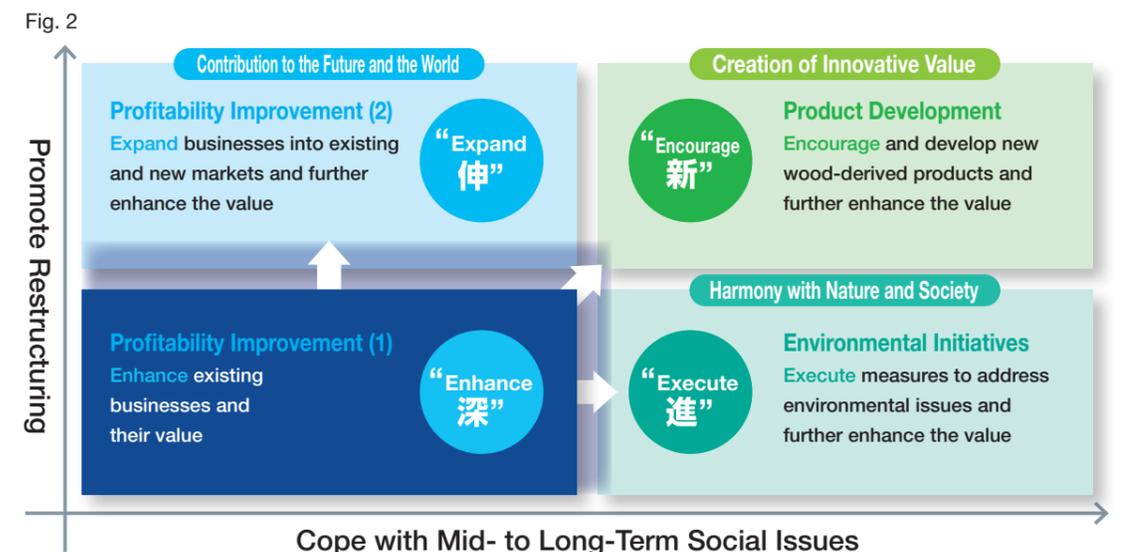
In discussing our steps toward our next 150 years, we will consider how we can create social, environmental, and economic value to accomplish a further leap forward. It will not be enough to continue activities that are merely an extension of what we are doing today. Last year, we formulated our Long-term Vision for looking to the future and demonstrating “true value” as a company.

The Oji Group’s corporate slogan of “Beyond the Boundaries” expresses our strong commitment to go beyond the boundaries of business domains, countries, and the respective capabilities of individual employees to contribute to the future, society, and the world as a truly global company. With this approach, we will aim toward the three directions of “Contribution to the Future and the World,” “Harmony with Nature and Society,” and “Creation of Innovative Value” declared in our Management



Philosophy (Fig.1). To put this another way, through our active global expansion, we will support the lives of our stakeholders around the world, develop initiatives to contribute to a sustainable society, and continue our innovative manufacturing to meet the latent and manifest needs of the times. Our Long-term Vision for FY2030 is a clear expression of our concrete strategies to achieve this.

In the Long-term Vision, we have set a central theme of “Toward Further Growth and Evolution.” To use the analogy of a living creature, “growth” refers to new life growing and becoming larger, but beyond that lies deterioration and, eventually, the end of that life. It is the same for companies. The business environment is constantly changing, and there is no market that will continue to expand forever. If a company continues to chase growth in the same business category, it will eventually reach its limit. That is where “evolution” comes in. Just as living creatures evolve into new species and adapt to the environment through gradual change over many generations, companies must also change and improve their capabilities themselves and advance into new fields to suit the times. Without “evolution,” there will be no “next 150 years” for the Oji Group.



Message from the President

Under this theme of “Toward Further Growth and Evolution,” we will promote our three basic policies of “Initiatives for Profitability Improvement,” “Initiatives for Environmental Issues,” and “Initiatives for Product Development.” The matrix below indicates the relationship between the three elements of the Management Philosophy and these three basic policies (Fig.2). The first basic policy, “Initiatives for Profitability Improvement,” has two parts: increasing **value** by **enhancing** businesses and increasing **value** by **expanding** businesses. This refers to strengthening our profit base by reducing costs and improving productivity in our existing businesses, while venturing into new markets by improving products and services, expanding capacity, and undertaking M&As, to expand sales and market share. I will now give an overview of some specific businesses.

First, in the printing and communications paper business, unfortunately, paper’s function of “communicating information” is being replaced by digital media, which means a fall in demand and a further contraction of the market in the years ahead. To build business foundations that are capable of withstanding the turbulent changes in the demand structure, in addition to cost reductions, we will reorganize our production facilities making full use of existing infrastructure, and at the same time, we will look closely at the circumstances and explore further responses. In the corrugated container business, we are proceeding with the expansion of facilities and sales in the greater Tokyo area, where demand is particularly strong, and in Southeast Asian countries, where demand is growing in proportion with their economic growth. In line with this, we will work steadily to distinguish ourselves from our competitors by building integrated materials and processing systems and leveraging inter-site synergies to raise our competitiveness in terms of quality, service, and cost, as well as by offering environmentally-friendly products rooted in the individual locations. The same applies to the Functional Materials Business. In South America and Europe, to accommodate brisk demand, we are undertaking construction work to expand production of thermal paper. At the same time, in Southeast Asia, we are working to strengthen our competitiveness, including

in the thermal paper and printing and converting in label businesses. The entry of the Adampak Group into the Oji Group is one example of this. We will strengthen downstream businesses and their cooperation between upstream businesses and establish systems that will enable us to correctly identify customers’ needs and immediately deliver what they need. In the household paper business, we will strive for the further improvement of value of “nepia” products. In addition to being the first in our industry to obtain FSC™ certificates, we have changed from film to paper for packaging and adopted biomass film and ink. In this way, environmental response will become a key theme in this business. In order to act in environmentally-friendly ways that also involve our customers, we will strive for the popularization and penetration of the kind of environmental products that only we can offer. In the pulp business, sales volumes are limited by the production capacity of our mills, and prices change according to market conditions. For these reasons, we will pursue cost reductions and production efficiency improvements, which will be key to increasing our cost competitiveness. Securing forest plantation sites and their sound maintenance and management, as well as securing forest resources at appropriate costs in the pulp business and other businesses will become extremely important going forward.

The second basic policy, “Initiatives for Environmental Issues,” involves increasing the **value** of the Oji Group by **executing** measures to address environmental issues and contributing to sustainability. We will execute the initiatives for our Environmental Vision 2050 formulated in September 2020 with the aim of achieving net-zero carbon by 2050, as well as our Environmental Action Program 2030 which serve as milestones toward the realization of that vision. In the Environmental Action Program 2030, to reduce greenhouse gas emissions by 70% or more (compared with FY2018) by FY2030 as a response to climate change issues, we are undertaking a review of our energy mix, including shutting down coal-fired boilers, and expanding the net increment in carbon stocks by expanding the land area of our overseas forest plantations.

The third basic policy, “Initiatives for Product Development,” involves increasing **value** by **encouraging** and developing new products and materials. It means leveraging our core forestation and paper manufacturing technologies and our renewable forest resources to develop the Oji Group’s next core products and materials. This is a key element of our advance into new domains in our goal of “Toward Further Growth and Evolution,” and we will pursue it without delay.

Even if we achieve a society that has adapted to environmental issues in 20 to 30 years’ time as a result of our “Initiatives for Environmental Issues,” I believe that we will always need to enhance our businesses, that is, reduce costs and improve productivity, and expand them, that is,



advance into new markets and expand sales, including the continued development of new products and materials (Fig.3). So, where will we be once we have enhanced and expanded our businesses rooted in forest resources? I believe that this question has much in common with the question of what purpose society seeks from the Oji Group. Last year, we announced our Purpose, codifying it as “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.” As part of our 150th anniversary commemorations, we held a conversation with Mr. Ken Shibusawa, the 5th grandson of Eiichi Shibusawa. At that time, an employee posed the question, “If Eiichi Shibusawa were alive today, what kind of dream do you think he would talk about?” If Eiichi Shibusawa, who moved the times forward by advocating the establishment of Shoshi Kaisha 150 years ago for the advancement of Japan’s cultural progress, were alive today, I feel that he would talk about wanting to move the times forward to bring the world a brighter future filled with hope. How will the Oji Group face up to global warming and environment issues, and how will we utilize our renewable forest resources to contribute to the building of a sustainable society? I feel as though Eiichi Shibu-

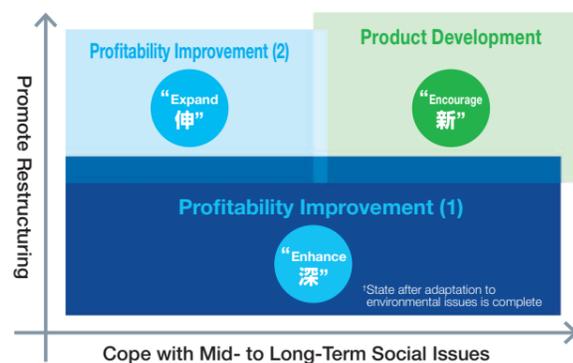
sawa would be asking us about our determination to achieve those things.

**Toward the Next 150 Years—
Core Competencies and Necessary
Elements**

I believe that the driver for the Oji Group’s value creation will be our core competencies centered on our sustainable business model and forest resources that we have cultivated over our 150 year history, namely sustainable forest management, utilization of renewable resources, development of new materials derived from wood, application of fundamental paper manufacturing technologies, and global network and sales. In addition, the following five elements will be crucial to promoting our businesses toward the next 150 years. They are funds, human resources and education, digitalization, information and communication, and co-creation with outside parties.

First, regarding funds, without sufficient funds, we will not be able to make the necessary investments. In our FY2022–2024 Medium-term Management Plan, with the

Fig. 3



Message from the President

assumption that we will maintain a net D/E ratio of 0.7 times and anticipating three-year cash flows of 600.0 billion yen, we formulated a plan to allocate 400.0 billion yen to strategic investments, excluding dividends and upkeep CAPEX. We must constantly think about the development of a profit base that will continue to generate cash flows and about the most effective use of cash flows.

Human resources and education are also extremely important. The source of our value creation is always our people, and we must work hard on initiatives that encourage them to demonstrate diversity and individuality and that will cultivate and secure appropriate capabilities to suit the business environment. In Japan, corporate spending on skills development as a percentage of GDP is extremely low compared with other countries. While some may believe that on-the-job training (OJT) is sufficient, OJT functions effectively only when the market is growing constantly and the company is able to continue in the same industry. In fact, there are very few markets that grow organically, and such expansion has become more staggered. For this reason, the expansion of skills development opportunities in line with the changes in the times, such as sales, technology, languages, and DX, is essential.

The next is digitalization. I must admit that, until quite recently, I believed that the extent to which digital technologies would be of use in our industry was limited. However, when we look at the recent advances in generative AI that are changing the world with astonishing momentum, it is clear that the possibilities of DX have expanded significantly. A gap will naturally grow between those companies that do (or can) take advantage of those possibilities and those that do not (or cannot). What kinds of changes will our Group be able to achieve, including in ensuring safety, improving production and operational efficiency, and the use of digital technologies in PR activities? The time has come in which we must give serious thought to this question, starting by changing our awareness and trying out different things.

Meanwhile, people may ask if such progress in digitalization will lead to the swift exchange of useful information, but this will not necessarily be the case. In terms of information and communication, individual awareness and organizational culture will be crucial. Whether or not we are able to properly manage information, including market trends and production and sales information, and use that information in our business operations will be a significant factor that will influence the speed of our corporate growth and our ability to evolve. The appropriate flow within the organization of information that has immediacy and certainty. The development of a free and open workplace culture. We will thoroughly instill an awareness of these two imperatives in all officers and employees, further promote effective sharing of information to demon-

strate synergies within the individual business companies and among the Oji Group's various locations in Japan and overseas, and enhance our comprehensive strengths.

The fifth necessary element is co-creation with outside parties. Today is not an age in which we can do everything we want to do by ourselves. To break free of the current circumstances and stride purposefully in the direction of "evolution," we will promote co-creation with outside parties that have different specializations and characteristics from our own. To bring this world a brighter future filled with hope, we will steadily improve these five elements, in addition to our core competencies and work toward our Long-term Vision.

Our Top Priorities of Compliance, Safety, and Environment

I will now discuss the three matters of compliance, safety, and environment, which are the foundations of our business continuity and should be seen as the absolute priorities of the Oji Group for the achievement of further growth and evolution. Firstly, in regard to compliance, if we are to be needed and recognized by society, it is essential that every person who belongs to the Oji Group address the demands of society with sincerity. We will thoroughly instill in all our officers and employees sound common sense, the sensibilities to immorality, and the courage to take action, and we will strongly encourage free and open exchanges of opinions. Regarding safety, we recognized that the protection of the lives and physical and mental health of the valued people who work in the Oji Group is the duty of every person in a management and supervisory position, including our officers. We will devote our utmost efforts to instilling an awareness of strict compliance with the rules and to developing systems for the realization of zero accidents and injuries. Regarding the environment, we will comply with laws and regulations and strengthen our sustainable business operations rooted in forest resources without causing environmental accidents. Compliance, safety, and environment influence the very existence of the Oji Group. No matter how many billions of yen in profit we may generate, if we are unable to uphold these three priorities, we will have no worth as a corporation. We will share that awareness among the entire Group.

So the Plum Blossoms Will Continue to Bloom

Finally, I would like to present the "Final Thoughts" section of Eiichi Shibusawa's memoirs of 1914, in which he talks about the paper manufacturing business.

"The paper manufacturing business is a business that will

advance and promote cultural progress, and its impact on general society is immense. However, while there are several large businesses among the various manufacturing industries that have developed in recent years, the size of paper manufacturing companies must be described as small in comparison. Nevertheless, among the industries described as Japanese manufacturers, I believe that it is none other than Oji Paper that should be described as the origin of the machine industry in Japan. To give an analogy, in the spring, there are hundreds of different flowers that bloom in competition with each other. And as truly bright and beautiful they all may be, the harbinger of all those flowers is the humble plum blossom. The plum blossom may not be the most beautiful flower, but even amid the cold of early spring, it starts to bloom undaunted, and even the cherry blossom and the tree peony are no match for its wonderful fragrance. It is an incontestable fact that Oji Paper may occupy that po-

sition of the plum blossom among those flowers. I pray in earnest that, as the pioneer of the manufacturing industry in Japan, as the plum blossom that is the harbinger of the spring flowers, it will continue, in both name and deed, to prosper as an essential business for many years to come."

These are the final, concluding words of his memoirs. And so, carrying on those intentions, we have marked our 150th anniversary. Just like the plum blossoms that bloom first as the harsh winter recedes and the signs of spring appear, we will devote our efforts to ensure that we will prosper for the next 150 years as a company that is needed and that continues to create new value. I ask from the heart that all of our stakeholders will continue to extend their support to the Oji Group.



Long-term Vision & Medium-term Management Plan

The core of the Oji Group's business is forests. The appropriate cultivation and management of forests not only produce renewable forest resources; they also help to enhance the multifunctional role of forests. In addition, at the same time as supporting and enriching the lives of people around the world, we are also able to replace fossil resource-derived materials and products through products that utilize forest resources. We believe that our purpose is to leverage these characteristics to respond to such environmental issues as global warming and biodiversity conservation. Reflecting our Management Philosophy and Purpose, the Oji Group has formulated and is implementing the Long-term Vision for 2030 and the FY2022–2024 Medium-term Management Plan as a roadmap for enhancing corporate value, achieving sustainable growth amid societal changes, and realizing our long-term goals.

Long-term Vision



Targets We Aim to Achieve in FY2030

To Achieve Environmental Action Program 2030

In our Environmental Action Program 2030, we set a target of reducing our greenhouse gas (GHG) emissions by at least 70% in FY2030 compared to FY2018 levels, as a milestone for our target of net-zero carbon in 2050 per our Environmental Vision 2050. By FY2030, we plan to invest 100.0 billion yen into the reduction of emissions and 100.0 billion yen into increasing the net increment in carbon stocks by forests, for a total investment of 200.0 billion yen.

In addition to realizing carbon neutrality, the Oji Group will also fully engage in a wide range of initiatives as outlined in our Environmental Action Program 2030.

Environmental Action Program 2030

- | | |
|--|--|
| 1 Action on Climate Change <ul style="list-style-type: none"> Reduce greenhouse gas (GHG) emissions by at least 70% compared to FY2018 | 3 Consideration for Ecosystem <ul style="list-style-type: none"> Challenge for zero environmental impact Biodiversity conservation |
| 2 Abundant Forests Creation and Resource Recycling <ul style="list-style-type: none"> Sustainable forest management (forest recycling) Resource recycling (paper and water recycling) | 4 Development of Trusting Relationships with Our Stakeholders <ul style="list-style-type: none"> Responsible raw materials procurement and manufacturing Expansion of products that contribute to a decarbonized society Zero environmental accidents and zero product liability accidents |

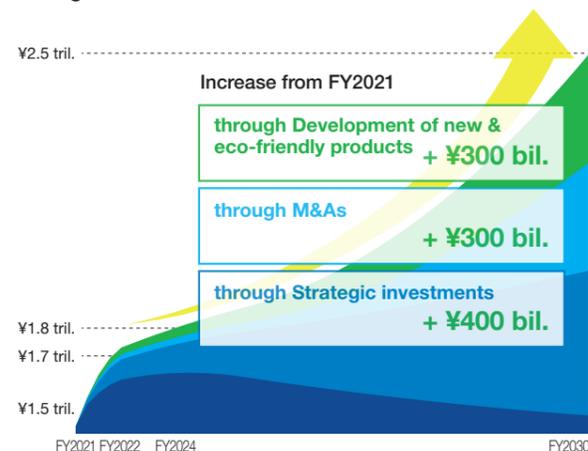
Environmental Action Program 2030 → <https://ojiholdings.disclosure.site/en/themes/150/>

Consolidated Net Sales of 2.5 Trillion Yen or More

Based on our FY2021 results, we will strive to increase our consolidated net sales target for FY2030 by over 1 trillion yen to 2.5 trillion yen or more.

Amid an anticipated contraction in demand for a portion of our products, we will improve our profit ratio through such means as cost reductions and operational improvements. However, our goals go beyond that. In order to achieve further growth and evolution as the Group, we will expand existing promising businesses through strategic investment and M&As. At the same time, we will focus our efforts on developing, commercializing, and expanding the sale of new and eco-friendly products. Further, through this process, we will aim to transform our portfolio into one which meets the demands of the times.

Changes in Consolidated Net Sales



Basic Policy of "Toward Further Growth and Evolution" to Achieve FY2030 Targets

1 Initiatives for Environmental Issues—Sustainability—

→ P25–34, 83–102

2 Initiatives for Profitability Improvement—Profitability—

→ P43–62

Household and Industrial Materials Businesses

Sales target for FY2030
¥1,250.0 billion

Business Strategy

Industrial Materials Business

- Further expand & enhance packaging business in Southeast Asia, India & Oceania
- Expand & enhance corrugated container business in Greater Tokyo area, Japan

Household and Consumer Products Business

- Enhance branding & expand sales of household paper products in Japan
- Expand & enhance overseas disposable diaper business

Within our Industrial Materials Business, demand for our corrugated container business remains robust. We aim to further expand and strengthen this business through M&As and new plant construction and, at the same time, by promoting restructuring of production systems and the integration from base paper manufacturing to product processing. We will also be focusing our efforts on expanding our liquid packaging carton and filter businesses. In our Household and Consumer Products Business, we will expand our market share of our domestic household paper business through enhancing our brand value, and expand and strengthen our disposable diaper business overseas.



Tochigi Plant, Oji Container



Autumn 2023 Revamped packaging to make environmental considerations more visible

Functional Materials Business

Sales target for FY2030
¥400.0 billion

Business Strategy

- Actively develop high-function and eco-friendly products
- Expand global sales of imaging media business and enhance competitiveness including printing and converting

We aim to expand profitability by expanding sales of thin capacitor films for electric vehicles and other high-function and eco-friendly products; and by expanding our imaging media business, which is experiencing strong demand, through means such as construction to expand production capacity.



Aident Corporation in Malaysia, a subsidiary of Adampak Group

Forest Resources and Environment Marketing Business

Sales target for FY2030
¥600.0 billion

Business Strategy

- Expand & enhance pulp business as a "comprehensive pulp manufacturer"
- Expand renewable energy and other energy businesses
- Expand lumber processing business

In addition to expanding and strengthening our global pulp business, we will focus our efforts on expanding other businesses which leverage forest resources such as our biomass power generation and lumber processing businesses.



Pan Pac Mill (New Zealand)

Printing and Communications Media Business

Sales forecast for FY2030
¥150.0 billion

Business Strategy

- Restructure production system and enhance competitiveness through collaboration with other Group segments by maximizing the use of assets owned

We will strive for the optimum production system restructuring for the Group as a whole by assessing demand trends and continuing to implement thorough cost reduction and, at the same time, by effectively utilizing owned assets such as pulp manufacturing facilities.



The #L-1 machine (for containerboard) at the Oji Paper Tomakomai Mill

3 Initiatives for Product Development—Green Innovation—

→ P35–42

Long-term Vision & Medium-term Management Plan

Overview of FY2022–2024 Medium-term Management Plan

In the FY2022–2024 Medium-term Management Plan, we have set numerical management targets to serve as milestones on the way to achieving our Long-term Vision for 2030. Under the basic policy of “Toward Further Growth and Evolution,” we will steadily execute “Initiatives for Product Development,” “Initiatives for Profitability Improvement,” and “Initiatives for Environmental Issues” in a timely manner and strive for the enhancement of corporate value by achieving those numerical management targets.

Numerical Management Targets for FY2024	
Consolidated operating profit	150.0 billion yen or more
Profit attributable to owners of parent	100.0 billion yen or more (Continue stable profit of 100.0 billion yen or more)
Overseas sales ratio	40% (With a target of 50% in the future)
Net D/E ratio	0.7 times maintained (End of March 2022: 0.7 times)

Key Initiatives

- In response to the increasing importance of addressing environmental issues, implement our Environmental Vision 2050 and Environmental Action Program 2030 action plans.
- Make effective use of own facilities, promote further production system restructuring.
- Implement strategic investments and M&As, etc. in order to further expand promising businesses in Japan and overseas businesses.
- In addition to developing new materials and products, accelerate rapid commercialization initiatives with regard to our green innovation themes: “Development of new materials derived from wood,” “challenge to the medical and healthcare field,” and “development of eco-friendly paper materials.”

FY2022 Results and FY2023 Priority Measures

- Industrial Materials Business ● Household and Consumer Products Business ● Functional Materials Business
- Forest Resources and Environment Marketing Business ● Printing and Communications Media Business ● Research and development, others

Initiatives for Profitability Improvement—Profitability—

Main FY2022 Results	
● April	Started operation of paperboard machine relocated from Oji Materia's Nayoro Mill to Oji Paper's Tomakomai Mill
● July	Started operation of ninth corrugated container plant in Malaysia
● August	Started operation of sixth corrugated container plant in Vietnam
● September	Acquired Adampak Group, a high-performance label printing and converting company with business bases in Southeast Asia and China
● January	Started operation of tenth corrugated container plant in Malaysia
● February	Relocated Oji Container's Utsunomiya Plant and started operation as Tochigi Plant

Main FY2023 Priority Measures [†] Timings of future measures are scheduled timings	
● May	Acquire IPI, a company that operates liquid packaging carton business in Italy
● July	Increase ultrathin OPP film machine at Oji F-Tex Shiga Mill and start operation
● September	Start operation of seventh corrugated container plant in Vietnam
● January	Start operation of filter production plant in Japan
● January	Expand thermal paper production facilities in Germany

Pick Up

●●● **Business Expansion through Company Acquisitions and Plant Construction**
As one of our key initiatives, we are proceeding with the expansion of our business through such means as strategic investments and M&As.

● **Film Business: Expansion of Production Facilities**
To meet the rapid expansion of demand for capacitor films for electric vehicles, we will expand our production facilities in 2023 and 2024.



IPI Head Office in Italy



Tenth corrugated container plant in Malaysia



New film machine building at Oji F-Tex Shiga Mill

Initiatives for Environmental Issues—Sustainability—

Main FY2022 Results	
● June	Acquired forest plantation (Roundhill, New Zealand) Acquired forest plantation (Shiranuka, Hokkaido)
● August	Built new Edogawa Warehouse at Oji Nepia, with electricity supplied by solar power generation
● September	Acquired forest plantation (Invercargill, New Zealand)
● October	Acquired forest plantation (Kuromatsunai, Hokkaido)
● November	Made PT Korintiga Hutani, a forestry company in Indonesia, a consolidated subsidiary

● **December** Started operation of biomass power plant in Tokushima Prefecture in a joint venture with ITOCHU ENEX

Main FY2023 Priority Measures [†]Timings of future measures are scheduled timings

● **May** Shut down coal-fired boiler at Oji F-Tex Ebetsu Mill
● **September** Start operation of solar power generation facility at Tochigi Plant, Oji Container

Pick Up

● **Expansion of Forest Plantations in Japan and Overseas**
As one of our initiatives toward the achievement of the Environmental Action Program 2030, we are expanding our forest plantations in Japan and overseas to increase the net increment in carbon stocks.

●● **Operation of Solar Power Generation Facilities**
We continue to engage in the establishment of solar power generation facilities and other measures to promote the use of renewable energy.



Shiranuka, Hokkaido



Pan Pac Roundhill on New Zealand's North Island (plans to convert grazing land to forest plantation)



Solar panels at Edogawa Warehouse, Oji Nepia

Initiatives for Product Development—Green Innovation—

Main FY2022 Results	
● April	Developed laminated paper using plant-derived polylactic acid
● May	Packaging material made with SILBIO BARRIER, a paper material with barrier properties, adopted for coffee packaging by Nakabayashi
● July	Developed eco-friendly paper cup base
● October	Started sales of cell culture substrate, “CellArray” Developed cellulose nanofiber and natural rubber composites
● December	Developed eco-friendly anti-heat windshield film
● February	Developed cellulose polymer pellets

Main FY2023 Priority Measures [†]Timings of future measures are scheduled timings

● **May** Invest in venture capital fund specializing in materials and scientific fields
● **January** Start operation of bench plant for polymerization of wood-derived lactic acid inside Edogawa Mill

Pick Up

● **Development of Eco-Friendly Products**
Making full use of the technologies we have built up over 150 years, we are developing a wide variety of products aimed at solutions to environmental issues.



Recyclable aqueous coated paper cup base



Laminated paper using plant-derived polylactic acid



Eco-friendly anti-heat windshield film

● **Demonstration Manufacturing of Wood-derived Plastics**
Aiming to popularize biomass plastics derived from inedible materials, we will demonstrate the manufacture of polylactic acid made with pulp.



Wood-derived biomass plastic (polylactic acid)

Group Financial Strategies to Achieve the Long-term Vision toward the Realization of Our Purpose

Oji Holdings Corporation
Director of the Board,
Senior Executive Officer **Kazuhiko Kamada**



Review of the First Year of the Medium-term Management Plan and Future Strategies

Management Numbers

In FY2022, the first year of the FY2022–2024 Medium-term Management Plan, earnings fell due to the significant impact of cost increases, such as soaring fuel and raw material prices, rising transportation costs and rising commodity prices, as well as delays in passing those cost increases on to our product prices. In addition, the net D/E ratio rose to 0.8 times because of the increase in working capital in response to those soaring fuel and raw material prices.

	FY2022 Results	FY2023 Forecasts	FY2024 Targets
Consolidated operating profit (¥billion)	84.8	100.0	150.0
Profit attributable to owners of parent (¥billion)	56.5	65.0	100.0
Overseas sales ratio	37.6%	33.0%	40.0%
Net D/E ratio	0.8	0.7	0.7

In FY2023, the overseas business is facing a severe situation, with earnings plummeting due to the worldwide stagnation in movement of goods and the decline in the pulp market. Nevertheless, we plan to achieve a year-on-year in-

crease in profits with consolidated operating profit of 100.0 billion yen and profit attributable to owners of parent of 65.0 billion yen through continuous cost reduction and steady realization of the effects of price adjustments in the domestic business. In this second year of the Medium-term Management Plan, amid an unclear and uncertain global situation, we aim to achieve our numerical management targets for FY2024 by implementing, without delay, various measures based on the basic policies of our Long-term Vision and Medium-term Management Plan, namely “Initiatives for Profitability Improvement,” “Initiatives for Environmental Issues,” and “Initiatives for Product Development”.

Capital Allocation

In the Medium-term Management Plan, we plan to execute strategic investments worth 400.0 billion yen over three years, while maintaining a net D/E ratio of 0.7 times. In FY2022, although cash inflow fell short of initial expectations due to the slump in earnings and increase in working capital, we made the necessary investments, including expansion of corrugated container production bases and installation of new film facilities in Japan, and the construction of new corrugated container plants in Southeast Asia and expansion of forest plantations overseas. For the remaining

two years of the plan, we will also continue to accelerate investments in promising businesses, such as strengthening and expanding existing businesses through the construction of new facilities and plants and M&As, and creating core businesses through the development of new materials and products, in addition to environmental investments to achieve the Environmental Action Program 2030, while taking appropriate risks in consideration of the balance with financial soundness. In particular, we will focus on initiatives for environmental issues and product development from a long-term perspective, taking into account their future potential as well as being conscious of responses to social issues, even though short-term investment effects may not be expected in some aspects.

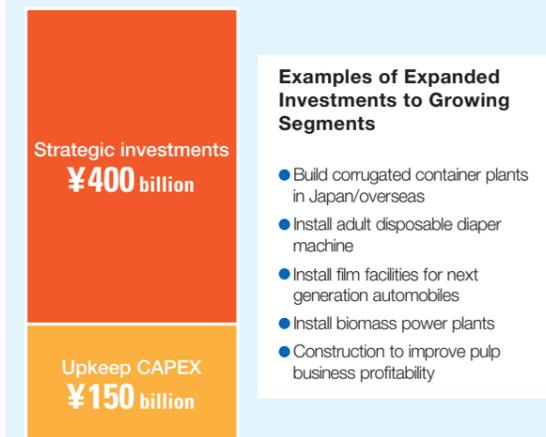
sides of achieving our targets “the reduction of GHG emissions” by improving energy efficiency and increasing our usage rate of renewable energy and “the increase in the net increment in carbon stocks by forests” by expanding our forest plantations, and we plan to invest 100.0 billion yen each into these two areas by FY2030, for a total investment of 200.0 billion yen.

We are also actively working to contribute to the reduction of GHG emissions by other parties through the supply of renewable power, including biomass power generation and hydroelectric power generation.

To accelerate these efforts through the use of financing from green bonds and green loans, we formulated a Green Financing Framework in January 2023.

Funds procured through green bonds and green loans will be allocated to investment in the following eligible green projects.

FY2022–2024 Investment Plan



Project Category	Eligible Projects
Renewable Energy	Capital and operating expenditures relating to the following renewable energy projects <ul style="list-style-type: none"> ● Biomass (power generation, heat supply) ● Solar energy ● Hydropower energy ● Onshore wind energy
Sustainable Forest Management	● Capital and operating expenditures relating to acquisition and conservation of production forests and conservation forests

¹Please refer to the Green Financing Framework page for details.
<https://investor.ojiholdings.co.jp/en/ir/greenfinance.html>

Involvement in Stakeholder Engagement

In accordance with the provisions of the Oji Group Corporate Code of Conduct, we will respect the diverse positions of our stakeholders and build relationships of trust with them by pursuing our corporate activities based on awareness of our responsibilities as a corporate citizen and on high ethical principles appropriate for an organization that enjoys the trust of society.

In addition, as expressed in our Purpose that we formulated in May 2022, we will walk alongside all our stakeholders to bring this world a brighter future filled with hope.

For example, in addition to proactively sharing and disclosing financial and non-financial information to shareholders and investors, we strive to achieve mutual understanding and build relationships of trust through engagement and interviews.

We also maintain relationships with local communities with an emphasis on trust, by providing appropriate information about our corporate activities, actively participating in local activities such as groundwork, and striving to communicate with sincerity.

We will continue to build relationships of trust and walk alongside all our stakeholders going forward.

With regard to returns to shareholders, it is our fundamental policy to maintain stable dividends while at the same time giving consideration to internal reserves in order to prepare for future management measures. In FY2022, we have decided to pay an ordinary dividend of 16 yen per share, an increase of 2 yen over the previous fiscal year. We will also continue the well-received shareholder benefits program that we introduced in FY2021.

Financial Strategies to Achieve Harmony with Nature and Society

Group Financial Strategy in FY2023 and Beyond

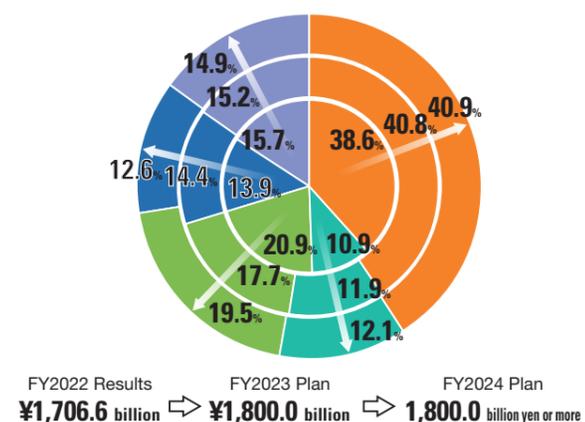
Regarding the funds necessary for these investments based on medium- to long-term strategies, while considering the balance between self-financing and external procurement, where necessary, we will compare and consider various financing methods and schemes, including ESG bonds and other sustainable finance, and procure the funds at the appropriate time.

It should be noted that the capital condition of the Oji Group as a whole is being centrally managed by Oji Holdings. In line with our growing global expansion, demand for funds from our overseas business companies is increasing. We will engage in efficient, global fund management, allocating surplus funds generated by our overseas businesses to investment in new opportunities in their regions. We will also conduct thorough funds management, including reducing the balance of cash and deposits, in our efforts to further strengthen our financial governance.

Formulation of Green Financing Framework

The Oji Group has formulated an Environmental Vision 2050 and Environmental Action Program 2030 and has set targets of achieving net-zero carbon in 2050 and, in the process, reducing greenhouse gas (GHG) emissions by 70% or more compared to FY2018 by 2030. We have positioned as the two

Consolidated Net Sales and Sales Composition by Business Segment



Operating Profit by Business Segment

