Innovation is essential for the Oji Group to make a big leap forward. Changes must take place in the research and technological development leading up to revolutionary new products. At the same time, our organizational systems and the behaviors of each and every employee need to be transformed. We will promote “challenging manufacturing” based on novel ideas and fulfill society’s latent needs.

Creation of Innovative Value

Untiring self-transformation, challenging manufacturing, strategic business model creation, and innovation. In a world that is constantly changing, the Oji Group aims to create innovative value in the global arena.

Slogan

“Beyond the Boundaries”

This slogan expresses the Oji Group’s commitment to actively 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 well as the determination of all Group members to maximize corporate value as a truly global company.
The Oji Group comprises a diverse range of businesses. We have grown into a global corporate group, with an overseas sales ratio of around 30%. The Group will continue to provide innovative value to all countries, regions, and societies and create a new future through proactive global expansion in Asian and other countries.

Contribution to the Future and the World

The Oji Group comprises a diverse range of businesses. We have grown into a global corporate group, with an overseas sales ratio of around 30%. The Group will continue to provide innovative value to all countries, regions, and societies and create a new future through proactive global expansion in Asian and other countries.

Harmony with Nature and Society

Sustainable resource circulation based on forest resources is the foundation of the Oji Group. We will advance our initiatives such that the business activities themselves contribute to a sustainable society. The initiatives include using vast areas of company-owned forest in and outside Japan for multiple purposes and seeking measures to reduce the environmental burden at manufacturing sites.
We started publishing the Oji Group Integrated Report in 2019. This report presents both financial and non-financial information in an easy-to-understand manner in order to provide information about our initiatives to our customers, shareholders, investors, local residents, and all other stakeholders. As with the previous report, this fiscal year's report was compiled in such a way that provides narratives and makes it easier to understand. We have also enhanced the links between this report and our "Sustainability Report (online)."

In recent years, concerns have been growing over global environmental issues such as climate change and the issue of plastic in the ocean, and the drive to solve these problems is gathering momentum. With the additional impacts of the COVID-19 pandemic, the social environment surrounding us is facing a significant crossroads. Under these circumstances, the Oji Group, which has been operating a sustainable paper manufacturing business since our foundation in 1873, has held numerous discussions as to what new values can be created and how we can meet social expectations, by obtaining internal and external cooperation.

We consider it the mission of the Oji Group to continue progress toward the realization of a sustainable society through our forest resources-centered business, while deepening communication with stakeholders through this Integrated Report.

**Communication Map**

**Editorial Policies**

When preparing this report, Reference was made to the following. Additionally, the report is structured in relation to the 10 principles in four areas found in the United Nations Global Compact.

- **International Integrated Reporting Framework** (International Integrated Reporting Council)
- **GRI Standard Global Reporting Initiative**
- **Guidance for Collaborative Value Creation** (Ministry of Economy, Trade and Industry)

**Ensuring Reliability**

To ensure the reliability of this report, FY2020 figures marked with a star (*) have been assured in accordance with the International Standard for Assurance Engagements (ISAE) 3000 and ISAE 3410 by KPMG AZSA Sustainability Co., Ltd.

**Scope of Coverage of this Report**

In general, this report covers Oji Holdings, 188 consolidated subsidiaries, and 23 equity-method affiliates (as of March 31, 2021). In cases where coverage differs, this is indicated.

**Reporting Period**

The reporting period is from April 1, 2020 to March 31, 2021 (except for cost time injury frequency rate, and environmental data for certain overseas sites, for which the period is from January 1, 2020 to December 31, 2020). With the exception of numerical data, however, activities carried out from and after April 2021 are also referenced.

**Disclaimer Regarding Forecasts and Other Forward-looking Statements**

Forecasts and other forward-looking statements in this report represent projections by Oji Holdings based on information available at the time of publication and reasonable judgments and therefore contain uncertainty. Actual results may differ substantially due to various factors.

**This Report is Printed on Forest Certified Paper**

The report's cover is printed on Oji F-Tex's OK Muse Gulliver Gloss CoC (157.0 g/m²), while the main body of the report is printed on Oji Paper's OK Pixeed 01 EF (80.0 g/m²). Both of these are FSC™-certified certified paper made from resources harvested from responsibly-managed forests (FSC®COC005431, FSC®014119).

**Evaluation from Society**

**FTSE Blossom Japan Index**

Oji has been selected for the FTSE Blossom Japan Index, one of the ESG indices selected by the Government Pension Investment Fund (GPIF), since September 2019. (Scope: Oji Holdings)

**FTSEGood Index Series**

Oji has been selected for the FTSEGood Index Series, an ESG index established by FTSE Russell, since September 2019. (Scope: Oji Holdings)

**SOMPO Sustainability Index**

Oji has been selected since June 2019 for the SOMPO Sustainability Index, which is used for SOMPO Sustainable Investment, an investment product of SOMPO Asset Management Co., Ltd. (Scope: Oji Holdings)

**S&P/JPX Carbon Efficient Index**

Oji has been selected for the S&P/JPX Carbon Efficient Index since September 2018. Constituents of the index are selected with a focus on companies’ disclosure of environmental information and carbon emissions per net sales. (Scope: Oji Holdings)

**Dow Jones Sustainability Asia Pacific Index**

In November 2020, Oji was selected for the first time as a constituent of the Dow Jones Sustainability Asia Pacific Index, one of the Dow Jones Sustainability Indices (DJSI) selecting companies based on their outstanding performance on sustainability issues. (Scope: Oji Holdings)

**MSCI Japan Empowering Women (WNI) Index**

Oji has been selected since June 2017 for MSCI Japan Empowering Women (WNI) Index, an ESG index established by MSCI Inc. (Scope: Oji Holdings)

"*Everbright* certification received under the Act on Promotion of Women’s Participation and Advancement in the Workplace On December 21, 2017, Oji was granted "Everbright" Grade 3, the top grade company certification by the Minister of Health, Labour and Welfare in recognition of its efforts to promote women’s participation and career advancement. (Scope: Oji Holdings)

**FUT200 "Hakushika Brand"**

On March 22, 2021, Oji was selected for a second time (first selection in 2018) by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange as "Hakushika Brand" companies as enterprises that are outstanding in terms of encouraging the empowerment of women in the workforce. (Scope: Oji Holdings and Oji Management Office)

**JPM Nikkei Index 400**

Oji has been selected for JPM Nikkei Index 400 since August 2014. The stock price index comprises stocks that meet the requirements of global investment standards and are attractive to investors. (Scope: Oji Holdings)

**2021 Certified Health and Productivity Management Organization Recognition Program**

On March 4, 2021, Oji was recognized under the 2021 Certified Health and Productivity Management Organization Recognition Program (Large Enterprise Category), administered jointly by the Ministry of Economy, Trade, and Industry (METI) and the Nippon Kenko Kairi. (Scope: Oji Holdings and Oji Management Office)
Since its founding in 1873, the Oji Group has been growing through the expansion of business fields. While keeping abreast of the trends of the times, we have tackled changing social needs and evolved our business structure. In recent years, aiming for contribution to a sustainable society, we have been actively rolling out the technologies cultivated in our domestic business to the global market.

**History of the Oji Group’s Value Creation**

**1873**

The origin of the Oji Group dates back to the establishment of Shoshi Kaisya, a paper manufacturing company, advocated by Eiichi Shibusawa, the founder of the modern Japanese economy.

**1910**

Establishment of Domestic Manufacturing Industry

We established the Tomakomai Mill in a fishing village in Hokkaido, which had abundant resources such as trees and water, and started producing newsprint.

**1930s**

Merges with Fuji Paper and Karafuto Industries

An era of Great Oji

We established the Tomakomai Mill in a fishing village in Hokkaido, which had abundant resources such as trees and water, and started producing newsprint.

**1950s**

Establishment of Domestic Supply Structure

With a view to producing high-quality paper quickly and in large quantities, we turned to a continuous digester, which was unproven at that time but highly productive. We introduced the equipment at the Kasugai Mill.

**1960s**

Start of Packaging and Household Paper Production

Demand for paperboard was growing. Kasugai Mill for woodfree paper contributed to our growth. Kasugai Mill became a pioneer of other than newsprint and printing paper.

**1970s**

Efforts toward New Technologies

Kasugai Mill for woodfree paper and Tomakomai Mill for newsprint became a pioneer of other than newsprint and printing paper.

**1980s**

Response to Environmental Issues

Paper materials such as boxboard, thermal paper, and household paper have come to play an active role in various situations that support daily life.

**1990s**

Emerging demands for paper materials such as resource-saving energy-saving ones such as resource-saving energy-saving ones.

**2000s**

Shift in the Business Structure

Folding carton factories in Malaysia, Cambodia, and India, among other countries, to meet vigorous local demand.

**2010s**

Further Global Deployment

We have newly established corrugated container and folding carton factories in Malaysia, Cambodia, and India, among other countries, to meet vigorous local demand.
Major Affiliated Companies Distribution Map

Europe (Number of manufacturing sites: 1)
- Germany (Number of manufacturing sites: 5)
  - Oji Forest & Products Co., Ltd.
  - Oji Interpack Thailand Ltd.
  - Oji Group International Trading (Kölsch, Germany)
  - Oji Packaging (Frankfurt) GmbH
  - Oji Paper (Graz, Austria)

Group companies in East Asia (Number of manufacturing sites: 11)
- China (Number of manufacturing sites: 6)
  - Shanghai Jpecial Papiere GmbH
  - Jicable Oji Paper Co., Ltd.
  - Oji Packaging (Shanghai) Co., Ltd.
  - Oji Paper Packaging Co., Ltd.
  - Oji Packaging (Nanjing) Co., Ltd.

Korea (Number of manufacturing sites: 2)
- Oji Packaging Korea Co., Ltd.
- Oji Packaging (Shanghai) Co., Ltd.

Group companies in Southeast Asia, India (Number of manufacturing sites: 47)
- Malaysia (Number of manufacturing sites: 16)
  - Oji Paper Malaysia Ltd.
  - Oji Packaging Group

Vietnam (Number of manufacturing sites: 10)
- Oji Paper Vietnam Co., Ltd.
- Oji Packaging Vietnam Co., Ltd.
- Oji Paper Technology (NZ) Co., Ltd.

Indonesia (Number of manufacturing sites: 1)
- Oji Paper Indonesia Co., Ltd.
- Oji Packaging Indonesia Co., Ltd.

Group companies in Oceania (Number of manufacturing sites: 5)
- Australia (Number of manufacturing sites: 8)
  - Oji Paper Australia Co., Ltd.
  - Oji Packaging (Sydney) Ltd.

South America (Number of manufacturing sites: 2)
- Brazil (Number of manufacturing sites: 2)
  - Oji Paper Brazil Ltda.
  - Oji Packaging (Brazil) Ltda.

North America (Number of manufacturing sites: 1)
- Oji Group USA Inc.
- Oji Specialty Papers Inc.

Manufacturing sites in Japan (Number of manufacturing sites: 104)
- Oji Forest & Products Co., Ltd.
- Oji Interpack Japan Ltd.
- Oji Packaging (Shanghai) Co., Ltd.
- Oji Paper Co., Ltd.

[Other information and content related to the Oji Group's operations and affiliations]
Financial and Non-financial Highlights

Financial Highlights

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY2010</th>
<th>FY2011</th>
<th>FY2012</th>
<th>FY2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales (million)</td>
<td>1,180.1</td>
<td>1,212.9</td>
<td>1,241.5</td>
<td>1,332.5</td>
</tr>
<tr>
<td>Overseas sales ratio (%)</td>
<td>9.7</td>
<td>10.6</td>
<td>16.7</td>
<td>20.3</td>
</tr>
<tr>
<td>Operating profit (million)</td>
<td>65.4</td>
<td>53.8</td>
<td>43.5</td>
<td>57.3</td>
</tr>
<tr>
<td>Profit per share (¥)</td>
<td>24.92</td>
<td>22.46</td>
<td>21.91</td>
<td>32.01</td>
</tr>
<tr>
<td>Free cash flows (million)</td>
<td>25.7</td>
<td>38.3</td>
<td>29.2</td>
<td>42.1</td>
</tr>
<tr>
<td>Net D/E ratio (times)</td>
<td>1.7</td>
<td>1.6</td>
<td>1.4</td>
<td>1.1</td>
</tr>
<tr>
<td>Return on equity (ROE) (%)</td>
<td>5.6</td>
<td>5.0</td>
<td>4.6</td>
<td>5.9</td>
</tr>
<tr>
<td>Capital investment, etc. (¥)</td>
<td>721</td>
<td>54.7</td>
<td>70.1</td>
<td>76.7</td>
</tr>
<tr>
<td>Dividend per share (¥)</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
<td>10.0</td>
</tr>
</tbody>
</table>

Non-financial Highlights

Forest certification acquisition rate

<table>
<thead>
<tr>
<th>Japan 100%, Overseas 91%</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company-owned forests in Japan (%)</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Overseas forest plantations (FSCTM, etc.) (%)</td>
<td>248</td>
<td>248</td>
<td>248</td>
<td>248</td>
<td>248</td>
</tr>
</tbody>
</table>

GHG emissions*

<table>
<thead>
<tr>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>7,086 thousand t-CO2e</td>
<td>7,086 thousand t-CO2e</td>
<td>7,086 thousand t-CO2e</td>
<td>7,086 thousand t-CO2e</td>
<td>7,086 thousand t-CO2e</td>
</tr>
</tbody>
</table>

Effective waste utilization ratio*

<table>
<thead>
<tr>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>94.0%</td>
<td>94.0%</td>
<td>94.0%</td>
<td>94.0%</td>
<td>94.0%</td>
</tr>
</tbody>
</table>

Water intake

<table>
<thead>
<tr>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>706 million m³</td>
<td>706 million m³</td>
<td>706 million m³</td>
<td>706 million m³</td>
<td>706 million m³</td>
</tr>
</tbody>
</table>

Lost Time Injury Frequency Rate (LTIFR)*

<table>
<thead>
<tr>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.80</td>
<td>0.80</td>
<td>0.80</td>
<td>0.80</td>
<td>0.80</td>
</tr>
</tbody>
</table>

*Effective waste utilization ratio = (Amount of waste generated − Amount of landfill waste) ÷ Amount of waste generated × 100

†Intensity for FY2020 includes the effects of production decline caused by COVID-19.

‡GHG (Greenhouse Gas) associated with product manufacturing (Intensity for FY2020 includes the effects of production declines caused by COVID-19.)
Today, we find ourselves in a situation where each and every decision will greatly change the future. As the global spread of COVID-19 has been reshaping people’s lifestyles, the demand structure is dramatically changing. It should also be noted that the climate change issues have drawn more attention and the trend towards resolving the issues is gaining momentum. I would like to discuss the path that the Oji Group should take to create sustainable value that the society demands and to achieve growth in response to changes at present as well as new changes that will emerge in the future.

First, in terms of change, I would like to examine changes in the business environment during the COVID-19 pandemic, which I believe is of particular interest to everyone.

The economic impacts are severe both in Japan and overseas. I understand that it was inevitable to some extent to reduce the movement of people as the only reliable measure to protect their lives, but countries around the world implemented such policies as lockdowns, self-quarantine and travel restrictions. The policies were further strengthened by individuals’ conscious efforts to stay at home. I believe it is still fresh in your memory that the nationwide state of emergency declared in April 2020 left the streets quiet and dark in Japan. Consequently, with the markets and economic activities coming to a standstill, the Oji Group’s business was impacted profoundly. In Japan, with the exception of a temporary rise in demand of household paper products due to panic buying in the first half of 2020, the sales volumes of other businesses were significantly lower than the previous year, which forced us to adjust production. Although there was a momentary recovery in the latter half of 2020 due to the government’s economic stimulus, such as the “Go To Travel” tourism campaign and “Go To Eat” dining campaign, these were suspended as the spread of infection continued, leading to persistently challenging condition today. Particularly, for the Paper Business, demand had been shrinking prior to the pandemic with the popularization of smartphones and changes in information collection methods, and this shrinkage has been further accelerated due to weaker consumption as well as diversified workstyles such as working from home as a result of the pandemic. While the Paper Business continues to struggle, other businesses are seeing a gradual recovery since the latter half of 2020, including the Paperboard Business, which centers on corrugated container products, due to expanded demand from those staying at home, and the Specialty Paper Business, which centers on industrial products, driven by the recovery in the automotive industry. Looking overseas, in Southeast Asia and New Zealand, uncertainties increased due to such factors as lower factory utilization ratio and delays in strategic investment timelines caused by lockdowns. The situation has required us to be more cautious in assessing the business environment.

The COVID-19 pandemic has drastically changed our awareness and lifestyles. While it is needless to say that we will respond to this change, even when the pandemic comes to an end, things will not return to the way they were before the pandemic, nor will our current lifestyles in the middle of the COVID-19 pandemic remain the same. It is critical that we determine what the new post-pandemic
normal will look like with the changed awareness and de- mand structure caused by the pandemic. The basic func- tions of paper are to collect and store information, to wrap and protect objects, and to wipe and absorb liquid. These functions remain unchanged even during the pandemic. By looking at the trend thus far, it is evident which func- tions will expand and which will decline. We must accu- rately grasp both upsides and downsides of the changes, and speed up the restructuring and optimization of our business portfolio. We will constantly ask ourselves what society truly needs and keep an eye out. Placing our main focus on the question, we will continue to create val- ue and provide solutions to issues.

II. Achieve Sustainable Growth through “Response to Change”

Our “Founding Spirit” and “Management Philosophy”—a Constant Direction That Transcends Environmental Changes

Our “Founding Spirit” and “Management Philosophy” are always at the core of our thinking, enabling us to remain steadfast beyond change. Our “Founding Spirit” is “unity of economy and morality,” or the idea that “the profits that businesses pursue should benefit society.” This was ad- vocated around 150 years ago by our founder, Eiichi Shi- busawa, who has recently been drawing renewed attention. I view this as a lesson that a company is an entity that is morally driven by societal need and as such, its so- cial responsibility and continue to be needed by society as the premise of pursuing profit.

This is linked to the ideas of the SDGs, and also incor- porated in the Oji Group’s “Management Philosophy” that upholds the “Creation of Innovative Value,” “Contribution to Future and the World,” and “Harmony with Nature and Society.” At the time of our founding, in Meiji-era Japan, we aimed to proliferate books and newspapers to raise the level of knowledge of the public in contributing to so- cial and economic development. Likewise, we will contin- ue to create innovative value through promoting challenging manufacturing with foresight into the future in order to meet the needs and resolve issues of the current generation and beyond both in Japan and overseas, utiliz- ing the technology and expertise we have gained through 150 years of business. Furthermore, as a company that develops its business with forest resources as its core, we will constantly bear co-existing with the environ- ment and committed to contributing to a sustainable society.

The History of “Transformation” Itself Forms the History of Growth

The following is a quote from Darwin’s evolutionary theory: “It is not the strongest of the species that survive, nor the most intelligent, but the ones most responsive to change.” In other words, “response to change” is connected to growth and development. The Oji Group has willingly undergone “transformations” by constantly pro- voking change and cultivating the organizational adaptability as the times and the needs of the society and people shift.

In the past, we embraced difficult situations and over- came them with resilience and strength. We developed our business with forest resources as its core, we have created a foundation that secures, and nurtures diverse and flexible human resources, and as a result, a structure that embraces “transformation” has been established.

As a plethora of events occurred worldwide in 2020, the year also marked a year of drastic change for the paper industry in Japan. The domestic shipment of Paperboard often used in packaging, such as containerboard and folding carton base paper, has exceeded that of Pa- per, including newsprint and printing/communication pa- per, for the first time. The domestic shipment of Paper peaked for printing/communication paper in 2000, and for newsprint in 2006, due to factors such as Japan’s aging population and declining birthrate, the development of in- formation and communications technology, and the rise of imported paper. Then, it had continued to gradually de- cline, with the global financial crisis in 2007/2008 causing a rapid decline, which has not recovered to date. However, it was still higher than that of Paperboard. And finally, this situation reversed. Since the 1990s, we have allocated more management resources to the packaging industry, taking the perspective on raw material recycling, in addition to the aging population and declining birthrate, and the de- velopment of information and communication technology, with particular emphasis on containerboard, which is often used in packaging, such as containerboard, as a downstream business of containerboard. Around 10 years ago, in 2012, we made the ma- jor decision to steer towards business structural reforms to diversify away from the Paper business, and transi- tioned to a pure holding company structure in order to foster stronger conviction as an organization. Since the trans- formation, we have continuously allocated management re- sources, and continuously redistributed them to other promis- ing businesses, including the Paperboard business, and particular to other growth areas overseas. With our steady efforts to adapt to change, we have seen continued growth through making an early shift from Pa- per to other businesses, expanding from Japan to over- seas, and focusing on growing areas and regions.

Our slogan “Beyond the Boundaries” was created in tandem with the transition. It expresses our determination to actively go beyond various “boundaries” including business domains, national territories, and the individual abilities of our employees, to contribute broadly to society and the world. When transforming in the face of change, the cultivation of “ability to perceive and think about the present and the future calmly without being complacent,” and “ability to take action nimbly and swiftly,” plus the sharing of directions of business to move forward, will lead all officers and employees, will become a great driving force. Going forward, we will continue to constantly seek out new opportunities and predict risks, and while we cre- ates a growth path merging with strategy targeting these, we will also develop and maintain a structure to firmly implement measures as a whole organization.

III. Progress and Future Development of the Medium-term Management Plan

Direction of the FY2019-2021 Medium-term Management Plan

This year marks the final year of the FY2019-2021 Med- ium-term Management Plan. I would like to discuss the future path that we should take from the perspective of the Medium-term Management Plan.

In the final fiscal year of the previous FY2016-2018 Me- dium-term Management Plan, or FY2018, we achieved consolidated operating profit of 110.2 billion yen, and be- came the first Japanese paper manufacturer that earned over 100 billion yen, which had long been our target. We are today, following the completion of the Medium-term Management Plan, which takes a further step up on the target by further promoting selection and concentration. The plan was formulated with the anticipation of solidifying the future core of our company, which was formulated with the anticipation of solidifying the future core of our company, which is to promote “Profitability Improvement of Domestic Business,” “Expansion of Overseas Business,” and “Promotion of Innovation.”

Specifically, “Profitability Improvement of Domestic Business” has been positioned as a top priority. During the previous Medium-term Management Plan, I was very con- cerned as the greater-than-expected shrinkage of the Japanese newsprint market peaked for printing/communication Paper. While the sales volume of newsprint in 2006, due to factors such as Japan’s aging population and declining birthrate, the development of information and communications technology, and the rise of imported paper. Then, it had continued to gradually de- cline, with the global financial crisis in 2007/2008 causing a rapid decline, which has not recovered to date. However, it was still higher than that of Paperboard. And finally, this situation reversed. Since the 1990s, we have allocated more management resources to the packaging industry, taking the perspective on raw material recycling, in addition to the aging population and declining birthrate, and the de- velopment of information and communication technology, with particular emphasis on containerboard, which is often used in packaging, such as containerboard, as a downstream business of containerboard. Around 10 years ago, in 2012, we made the ma- jor decision to steer towards business structural reforms to diversify away from the Paper business, and transi- tioned to a pure holding company structure in order to foster stronger conviction as an organization. Since the trans- formation, we have continuously allocated management re- sources, and continuously redistributed them to other promis- ing businesses, including the Paperboard business, and particular to other growth areas overseas. With our steady efforts to adapt to change, we have seen continued growth through making an early shift from Pa- per to other businesses, expanding from Japan to over- seas, and focusing on growing areas and regions.

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Review of the First and Second Years (FY2019-2020) and Forecast for the Final Year (FY2021)

Here, I would like to look back on our performance in FY2019 and FY2020 as well as talk about our forecast for FY2021.

In FY2019, consolidated net sales decreased 3% year-on-year to 1,507.6 billion yen and operating profit de- creased 45% year-on-year to 106.1 billion yen, as we have maintained operating profit at over 100 billion yen since FY2015.

In FY2020, consolidated net sales decreased 10% year-on-year to 1,359.1 billion yen and operating profit de- creased 20% year-on-year to 84.8 billion yen. Operating profit saw positive factors such as a decline in raw materials and fuel costs and cost savings effects at each business site inside and outside of Japan, but the impacts of decreased sales totaled 28.6 billion yen, broken down as 23.9 billion yen in Japan and 4.7 billion yen overseas, while the loosening in market conditions of the overseas pulp business had a major impact, resulting in a year-on-year decrease in profit. It was a rather unprecedented year with the COVID-19 pandemic, as we struggled in the first half and eventually fell short of our target of maintaining operating profit at over 100 billion yen or higher for the year. However, focusing on the second half alone, performance improved especially in the fourth quarter (January to March 2021) despite another state of emergency, resulting in operating profit of 55.5 billion yen, on par with the record high set in FY2018.

“Promotion of Innovation” as the key to building the pillars of our future business. We will further cultivate the technol- ogy and know-how we have accumulated in the paper manufacturing industry to develop new materials and products in fostering the pillars of future businesses. For example, we will accelerate efforts to achieve commercialization of products such as “cellulose nanofibers,” “wood-derived pharmaceutical products,” and “biode-gradable and biocomposite materials” at an early stage.
In FY2021, we will aim to increase net sales by 7% year-on-year to 1,450.0 billion yen and operating profit by 42% to 120.0 billion yen, assuming a moderate economic recovery along with a recovery in pulp market conditions and effects of capital expenditures inside and outside of Japan. We expect to increase profit at each level for the first time in one year, but the increase still does not represent a satisfactory level when compared with the targets in the Medium-term Management Plan. This is because the situation is not what we first expected, as sales volume is not anticipated to fully recover immediately and some strategic investments were delayed. Nevertheless, we need to make preparations now to ensure we can capitalize on the recovery wave once the COVID-19 pandemic ends. Toward this end, we are moving ahead with each individual initiative.

Review of Key Measures

Accordingly, it is important to revisit the Medium-term Management Plan to take a look at the progress for each key measure to really examine what we do now that will be effective for future development before moving on to implementation.

“Profitability Improvement of Domestic Business”
First, I would like to look at “Profitability Improvement of Domestic Business.” Under the “manufacturing restructuring,” we shuttered and relocated various facilities as planned and without delay over the past two years. In FY2021, we have promoted the effective use of our facilities including shifting to growth businesses, such as modifying the newsmachine at the Oji Paper Tomakomai Mill into containerboard and kraft paper machines. Going forward, we consider further business structure transformation in an effort to reinforce our foundation and strengthen competitiveness.

In terms of “business collaboration with other companies”, in our business partnership with Mitsubishi Paper Mills Limited, we set up joint ventures for household paper and biomass power generation in FY2019, and in FY2020 we integrated our carbonless paper business and pressboard business and worked to increase productivity and profitability by promoting selection and concentration of our management resources, including raw materials procurement, sales channels, and transport methods. Additionally, our joint venture business with ISHIZAKA GLASS CO., LTD. for paper containers became the first in Japan to successfully develop milk carton base paper. It is now establishing an integrated production system in Japan spanning from base paper to beverage packaging. Leveraging our cost competitiveness through efficient production and superior quality, we will expand these offerings in the domestic market as well as look to overseas markets as the next target.

In terms of "strengthening and expanding promising businesses", we will mainly engage in the Packaging, Household and Consumer Products, Functional Materials, and Energy Businesses in an energetic manner. This is intended for fully performing our role as a "company with a sustainable business model" and as a “life support company,” of which we have become more aware due to recent environmental changes. In the Packaging Business, in the Greater Tokyo area, which is home to roughly 40% of the businesses’ growing demand driven by e-commerce, we decided in FY2020 to construct a new plant in Utsunomiya City, Tochigi Prefecture, in addition to operating Japan’s largest corrugated container plant in Funabashi City, Chiba Prefecture. While pushing ahead with business expansion, we are exploring ways to utilize the Group’s strengths in other companies following the same strategy. The new plant in Utsunomiya City, Tochigi Prefecture will be built in one of our base paper production sites. In addition to such improved collaboration from upstream to downstream, we will also pursue new solutions symbolized by OJI FLEX PACKAGE (automated packaging system) to increase our market share. Moreover, this plant will feature a solar power generation system and supply environmentally-friendly products as a RE100 plant (powered by 100% renewable energy). In the Household and Consumer Products Business, we must analyze the causes and results of changes in consumer behaviors in a timely and accurate manner to supply products that the market truly desires. In FY2020, to help stop the spread of COVID-19, we began selling medical gowns and masks completely made in Japan, where all materials are sourced and processed within Japan. In addition, to expand sales of household paper in the Greater Tokyo area, we established a new household paper converting site in Edogawa Ward, Tokyo. For disposable diapers, we have decided to increase the supply and demand of converters for adult disposable diapers given growth prospects following the increase in people requiring nursing care or other assistance. In the Function- al Materials Business, I feel the need to promote R&D-oriented businesses with an even greater conviction than before while also pursuing the optimal production system. Amid the quickening shift from gasol ine to electric and fuel cell vehicles to achieve a decarbonized society, in FY2021 we have decided to increase capacity of manufacturing facilities for batteries used in capacitors for electric vehicles. Moreover, we will promote development of functional products that contribute to a sustainable society by utilizing the unique characteristics of paper materials. In the Energy Business, in FY2019 we started operation of a biomass power generation facility in Hachinohe with a capacity of 75 MW, and today we are working to vertically start up our fourth facility in 2022. Looking ahead, we will expand and reinforce the renewable energy business, including biomass power generation.

“Expansion of Overseas Business”
As for “Expansion of Overseas Business,” overall progress has been steady, though some projects have been delayed due to the COVID-19 pandemic. In terms of the “packaging business in Southeast Asia, India and Oceania,” FY2019 and FY2020 saw the commencement of operations at the fifth facility in Vietnam, the third in Cambodia, the fourth in India and the first corrugated container plant in Indonesia. In FY2021, we will introduce the latest cutting-edge facilities at one base in New Zealand along with relocation and commencement of operations. Moreover, we have also decided to build the ninth and tenth corrugated container plants in Malaysia and the sixth in Vietnam. For the future, we will achieve vertical start-up with all of our efforts as well as consider next measures without interruption. As we anticipate the competition to become fiercer overseas, we will pursue overall expansion in the area and enhance our competitiveness through utilizing the containerboard facility in Malaysia that is planned to begin operation shortly, strengthening the integrated system from materials to processing, and starting the operation of the state-of-the-art machines. As for the “disposable diaper business in Southeast Asia and China,” we have implemented measures to restructure the production system and enhance the production capacity, including adding new converters for disposable diapers in FY2021 in Malaysia. In Indonesia, we established a factory in FY2019 in order to transition from the conventional processes of purchasing and sales to the comprehensive system that covers from manufacturing to sales. Sales volume in the country has been steadily growing. As such, we aim to add more disposable diaper converters with the launch scheduled for early next year. As demographic dividends will continue in Southeast Asia going forward, we will expand the disposable diaper business in addition to the corrugated container business as mentioned earlier. With regard to the “thermal paper business worldwide,” we have enhanced and reinforced equipment in Brazil in FY2021, and will strive to expand sales in South America, where demand is strong, and export to North America for early realization of effects. Moreover, we will promptly develop and implement measures in Southeast Asia, where we believe it is possible to draw out more creativity on synergy with the downstream bases of printing and processing that joined our Group during the previous Medi- um-term Management Plan. As for the “pulp business worldwide,” we acquired in FY2021 equity of minority shareholders of Japan Brazil Paper and Pulp Resources Development Co., Ltd., the parent company of one of our most important bases, Celulose Nipo-Brasileira S.A. in Brazil, in order to conduct agile business operations. Further, we are also striving to enhance the productivity and cost competitiveness at each base through upgrading major facilities.

“Promotion of Innovation”
In our “Promotion of Innovation,” we are looking to create innovative value for the future to go “Beyond the
Anticipating future changes and the development of new business fields, we have accelerated the development of plastic alternative materials and biodegradable materials in order to find solutions to the issues of marine plastic litter and global warming. We are also focused on the development of paper materials with enhanced functionality. Many products are already on the market, such as OJI FLEX PACKAGE, liquid containers, and barrier paper. For the commercialization of future innovation, the key lies not only in the research and development but also in the engineering capability; therefore, we will be committed to cross-organizational human resources development.

Looking Ahead to the Next Medium-term Management Plan
I feel that the reorganization so far has come to fruition, and that we are gradually becoming lean and springy as we are cutting back on waste. However, as I mentioned earlier, there is still much work ahead of us. In other words, there is still plenty of room for growth, and I would like to accelerate our steps. There is only so much that we can do in the remaining one year, and I believe some initiatives will be left unaddressed and carried over to the next Medium-term Management Plan. While we will make steady efforts to address these outstanding issues in the next Medium-term Management Plan, I hope to put more emphasis on business structural reform and energy business transformation from the perspective of growing our domestic and overseas businesses and addressing climate change and marine plastic litter issues, as well as innovation with a focus on new materials development in aiming for a sustainable future.

IV. Aiming for a Sustainable Future
Part of our management philosophy upholds the ideal of “Harmony with Nature and Society,” which, to us, is both a condition for business continuity and an opportunity for growth. Here is what I mean by a “condition for business continuity.” We at the Oji Group see the resources for our business, including paper which we have been handling since our founding, as well as new businesses derived from paper, as finite resources, and we have been engaging in business by thoroughly implementing the sustainable business model of “resource circulation throughout the value chain” inside and outside of Japan. In our “forest recycling,” as the concept states that “those who use trees have the responsibility to plant trees”, we have been conducting sustainable forest management through the continuous cycle of planting, cultivation, and logging. The same goes for our “paper recycling” and “water recycling.” Our mission is to create businesses that will contribute to a sustainable society through resource circulation.

As for “opportunities for growth,” the discussion goes back to “response to change.” The increased awareness towards environmental issues around the world itself is also one of the important changes in the business environment of recent years. As we see the increase in related news reports on a daily basis, I believe it is an opportunity for the Group to display our proactive stance and prepare towards problem solving by developing strategic and global measures aimed at the future. In addition to what I said earlier regarding “Promotion of Innovation,” we will place our focus, from diverse angles, on creating new value and functions unique to our specialty field of wood resources.

In October 2020, then Prime Minister Suga declared on the formal occasion of his first policy speech that Japan will commit to carbon neutrality by 2050. At the same time, the Oji Group has also formulated “Environmental Vision 2050” and “Environmental Action Program 2030” that start from FY2021. These vision and goals specify our determination to promote environmental management, towards “Environmental Vision 2050” and “Environmental Action Program 2030.”
The **sustainable business model** (resource circulation throughout the value chain) forms the foundation of the Oji Group. The Group will identify **material issues** through the core competencies that underpin the foundation, create social and economic value through business activities based on the risks and opportunities recognized in these issues, and contribute to a sustainable society.

### Core Competencies

**Centered on Sustainable Forest Resources**
- Global expansion of manufacturing that supports lives and industry
- Sustainable forest management
- Utilization of renewable resources
- Development of new materials derived from wood fiber
- Application of fundamental paper manufacturing technologies

### Material Issues

**ESG Perspective**
- Mitigation and adaptation to climate change
- Sustainable forest management (forest recycling)
- Responsible raw materials procurement
- Stable supply of safe and secure products
- Reduction of environmental burdens
- Effective resource utilization (paper and water recycling)
- Respect for human rights
- Ensuring workplace safety and health
- Inclusion & diversity

**Business Perspective**
- Profitability improvement of domestic business
- Expansion of overseas business
- Promotion of innovation

### FY2019–2021 Medium-term Management Plan

- **Business Strategy**
  - Household and Industrial Materials Businesses
  - Functional Materials Business
  - Forest Resources and Environment Marketing Business
  - Printing and Communications Media Business
  - Other businesses

- **Risks and Opportunities**

### Value Creation Process

**Provide value to society**
- Mitigate climate change
- Conserve biodiversity
- Reduce environmental burden
- Provide products vital to everyday life
- Realize a society with healthy longevity
- Respect for human rights

**Contribute to a sustainable society**

**Enhance corporate value**

**Impact on the Oji Group**

- Consolidated operating profit: 150 billion yen or more (maintain stable operating profit of more than 100 billion yen)
- Overseas sales ratio: 40% (with a target of more than 50% in the short term)

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*Oji Group Integrated Report 2021*
Sustainable business model “Resource circulation throughout the value chain”

The sustainable business model which serves as the foundation of the Oji Group is supported by three forms of recycling: “Forest recycling,” in which we practice sustainable forest management through growing, harvesting, and planting trees due to the fact that approximately 60% of the raw material used in paper is recovered paper, and the remaining 40% comes from wood; “water recycling,” in which we reduce water consumption by circulating and reusing water in manufacturing processes and purify wastewater; and “paper recycling,” in which we collect and recycle paper products. By deploying this model globally, we are working to enable our businesses to help build a sustainable society.

Aiming for Further Development of the Sustainable Business Model

Towards the realization of a decarbonized society, renewable forest resources have gathered significant attention. Alongside the conventional use of wood resources as raw materials for paper manufacturing, the Oji Group is accelerating their use in fields outside of papermaking. Specifically, we are expanding our biomass power generation business, which utilizes wood chips as a primary fuel, across Japan, and are proactively making use of unused trees such as forest residues, for which few applications had previously been developed. In addition, we are accelerating green innovations for the future, including developing biomass plastics derived from cellulose, promising replacements for existing plastics; cellulose nanofiber (CNF); and wood-derived pharmaceutical products.
Core Competencies and Material Issues

Core Competencies

The Oji Group possesses Oji Forests spanning 580,000 ha domestically and overseas. As the Group engages in a cycle of cultivating forest resources, utilizing them, and cultivating them again, we are developing a wide range of businesses without regard for business domain. Rooted in our core competencies centered on forest resources, we will aim to develop business and contribute to realizing a sustainable society.

Material Issues

Based on our core competencies, we have extracted material issues that have significant impacts on sustainable business model of the Oji Group. These material issues have been identified based on evaluations and analyses of relevant domains from the perspectives of ESG and business.

Process for identifying material issues

1. Global Expansion of Manufacturing that Supports Lives and Industry
   We are proactively developing our businesses on a global level, including our packaging business, which engages in the integrated manufacturing of corrugated containers from base paper; as well as our household paper, thermal paper, pulp, and other businesses. We are expanding our businesses in response to continuously growing overseas market needs.

2. Sustainable Forest Management
   Giving due consideration to environmental conservation, the Group possesses production forests primarily for producing wood spanning a total of 405,000 ha, with 190,000 ha domestically and 215,000 ha overseas, as well as allocation forests spanning 180,000 ha. Implementing sustainable forest management, which is environmentally, economically, and socially conscious, forms the basis of our businesses.

3. Utilization of Renewable Resources
   We promote recycling paper. Recovered paper makes up about 60% of the raw material of the paper. We also thoroughly circulate and reuse the water that is essential to paper manufacturing in our production processes, and create systems for reducing the amount of water used and purifying wastewater.

4. Development of New Materials Derived from Wood Fiber
   Aiming to create new value, we are developing new materials, including cellulose nanofiber (CNF), a promising material for numerous fields; wood cellulose-derived biomass plastics; and wood hemicellulose-derived pharmaceutical products.

5. Application of Fundamental Paper Manufacturing Technologies
   Utilizing the fundamental technologies we have cultivated in our paper manufacturing business, we are aiming to expand our businesses in a variety of fields which will help reduce our environmental burden. This includes developing our renewable energy business with a focus on hydroelectric power generation and wood biomass power generation, industrial water treatment, and industrial wastewater treatment businesses.

Material Issues and Reason for Identification

<table>
<thead>
<tr>
<th>Material Issues</th>
<th>ESG Perspective</th>
<th>Reason for Identification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainable forest management</td>
<td>Mitigation of and adaptation to climate change</td>
<td>As responding to the progression of climate change becomes an urgent issue. It is essential to promote GHG emission reductions in the production and logistics processes, and extensively ramp up CO2 absorption via the expansion of company-owned forests.</td>
</tr>
<tr>
<td>Utilization of Renewable Resources</td>
<td>Effective resource utilization (efficient energy usage)</td>
<td>It is important that we work to protect resources and reduce waste by maintaining our recovered paper recycling systems through the procurement of recovered paper at fair prices, promoting the use of recovered paper, and promoting the effective use of waste and water resources in our manufacturing processes.</td>
</tr>
<tr>
<td>Development of New Materials Derived from Wood Fiber</td>
<td>Respect for human rights</td>
<td>In order to achieve an even greater level of globalization going forward, it is necessary that not only our employees but all of our suppliers share our beliefs regarding respect for human rights, and implement concrete initiatives which will help prevent and reduce human rights issues.</td>
</tr>
<tr>
<td>Application of Fundamental Paper Manufacturing Technologies</td>
<td>Ensuring workplace safety and health</td>
<td>Ensuring employee safety and building a work environment where people can work with a sense of security is the cornerstone of our continued existence as a corporation. Also, responding rapidly to disasters, infectious diseases, and other risks is essential to ensuring safety and health.</td>
</tr>
<tr>
<td>The Oji Group’s Sustainable Forest Resources</td>
<td>Inclusion &amp; diversity</td>
<td>As a global enterprise, it is essential to have a diverse array of human resources that flourishes regardless of gender, age, disability, or nationality, and to receive a variety of values and ideas in order to enhance corporate competitiveness and further development.</td>
</tr>
</tbody>
</table>

Business Perspective

- Profitability improvement of domestic business
- Expansion of overseas business
- Promotion of innovation
This section presents the risks and opportunities posed by material issues in various domains from the perspectives of ESG and business. Note that risks and opportunities as seen from a business perspective are limited to those concerning our management strategy.

### ESG Perspective

#### Material Issues (ESG) and KPIs pp. 81–82

<table>
<thead>
<tr>
<th>Material Issues</th>
<th>Associated Risks and Opportunities</th>
<th>Main Countermeasures against Major Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mitigation and adaptation to climate change</strong></td>
<td>- Greater natural disasters caused by extreme weather</td>
<td>- Reduce GHG emissions through improving production efficiency, saving energy, and utilizing renewable fuel and waste fuel.</td>
</tr>
<tr>
<td></td>
<td>- An increase in costs due to strengthening and introduction of the carbon tax</td>
<td>- Exploit use in forest fuel use and biomass-based fuels as alternatives to coal.</td>
</tr>
<tr>
<td></td>
<td>- An increase in demand for low-carbon products</td>
<td>- Sustainable forest management such as promotion of forest plantation and conservation of company-owned forests.</td>
</tr>
<tr>
<td></td>
<td>- An increase in value of company-owned forests through trading carbon credits associated with the carbon absorbed by the forests</td>
<td>- Maintain and expand the multi-functionality of forests.</td>
</tr>
</tbody>
</table>

#### Sustainable forest management and recycling

| Responsible raw materials procurement | Occurrence of causes leading consideration for the environment and society in the supply chain | - Exploit CSR procurement, taking into consideration the environment and society following the Oji Group Partnership Procurement Policy and Blood Raw Material Procurement Guidelines. |
| | An increase in demand for eco-friendly products owing to changes in consumer awareness | - Central management for appropriate procurement of major raw materials. |
| | | - Manage the supply chain appropriately through supplier monitoring, risk assessment, securing various suppliers, etc. |

#### Stable supply of raw and secure products

| A decline in trust of stakeholders due to spread of negative corporate actions | - Shaky supply own products | - Ensure safe quality design and management in compliance with relevant laws and regulations and holder voluntary management values. |
| | - Contribution to society through stable supply of safe and secure corrugated containers, household paper, and hygiene products, and the resulting increase in corporate value | - Provide customers with information on safety of raw materials (chemical, materials) |
| | | - Supply of hygiene products such as masks and gowns to prevent the spread of infectious diseases such as COVID-19 |

#### Reduction of environmental system

| Adverse effects on society due to pollution and the resulting decline in trust of stakeholders | - Set voluntary management values that are stricter than the environmental regulatory standards | - Reduce and effectively use waste. |
| | - An increase in demand for eco-friendly products owing to changes in consumer awareness | - Develop eco-friendly products and biodegradable materials. |

#### Effective resource utilization/paper recycling

| Impact of resource depletion on core businesses | - Paper recycling (improve the recovered paper utilization rate) | - Perform internal audits. |

#### Respect for human rights


### Business Perspective

<table>
<thead>
<tr>
<th>Material Issues</th>
<th>Business Risks and Opportunities (Relating to Group Management Strategy/Countermeasures against Risks)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Risk arising from fluctuations in demand</strong></td>
<td>Domestic business fluctuations and the continuing decline of the population could result in declines in demand for our products, in turn affecting our performance.</td>
</tr>
</tbody>
</table>

#### Profitability improvement of business

| Opportunities for growth | In overseas markets which continue to exhibit strong economic growth, demand for household paper products is rising in accordance with increasingly sophisticated lifestyles. In addition, the expansion of regulations due to the identification of consumers, demand for corregated containers and other packaging materials is on the rise. In such countries, we will be proactively investing in our household paper and corrugated container businesses. |

#### Risks arising from changes in international market conditions

| Opportunities for growth | The procurement prices of woodchips, fossil, and other raw materials are influenced by fluctuations in demand, countries’ changes in trade policies, and international factors. In addition, the prices of oil are linked to international market conditions. Such price changes affect the Oji Group’s performance. |

#### Expansion of overseas business

| Opportunities for growth | The Oji Group has launched major global business expansion. Some markets where the Group does well see a decrease in power risks such as political or social instability, devaluing economic growth, revisions to laws, regulations, and tax systems, destabilizing financial conditions, and human rights issues. These risks could affect the Oji Group’s overseas business strategy in the future and future plans. |

#### Risks associated with overseas business

| Main countermeasures | We establish regional headquarters to gather information on the political, economic, and social conditions of countries in which we do business and neighboring countries, and prepare for all relevant risks. In terms of business, we identify risks by separating across risk areas. Financially, we mitigate the effects of exchange rates through derivatives, and utilize group financing to secure liquidity on hand. With regard to human rights issues, based on the “Oji Group Human Rights Policy”, we implement initiatives aimed at ensuring respect for human rights. |

#### Risks associated with structural changes in demand arising from development of innovation

| Opportunities for growth | Focusing into countries and regions experiencing continuous high economic growth contributes to the expansion and strengthening of a business foundation, help the Oji Group achieve its goal to grow even more. The Oji Group is developing businesses in emerging regions harnessing the technical superiority of its existing businesses and expanding overseas with the aim of achieving an overseas sales ratio of 40%. |

#### COVID-19

| Main countermeasures | Due to the advancement of digital transformation, demand for mobile devices and a diverse array of other electronic devices is on the rise. The rise in output of the Oji Group is mainly in smartphones, personal computers as well as electric vehicles, and this business is expected to rise rapidly. In addition, the Group is moving forward with initiatives to complement its weaknesses and transform them into strengths through partnerships with other companies. Specific examples include a business partnership with Mitsubishi Paper Mills concerning carbon-free paper and other products, and a carbon fiber business with Itochu Glass. |
FY2019–2021 Medium-term Management Plan

In order to continuously increase corporate value in the ever-changing world, the Oji Group has formulated and is implementing a strategic medium-term management plan that promotes business restructuring through transformation based on its Management Philosophy and sustainable business model.

Review of the Strategies

FY2015 and earlier

Our Goal Business restructuring through transformation

A truly global and innovative value-creating company that grows sustainably

FY2016–2018

Fundamental Policies

Deepening of the core businesses
Development of new businesses and products
Further expansion of overseas businesses

FY2019–2021

Fundamental Policies

Expansion of overseas businesses
Concentration / advancement of domestic businesses
Enhancement of financial foundation

Fundamental Policies

Profitability improvement of domestic business
Expansion of overseas business
Promotion of innovation
Contribution to a sustainable society

Major Indicators

Fiscal Year Results

FY2015 and earlier

Consolidated operating profit: ¥900 billion
Overseas sales ratio: 26%
ROE: 7%

FY2016–2018

Consolidated operating profit: ¥720 billion
Overseas sales ratio: 27.8%
ROE: 2.1%

FY2019–2021

Consolidated operating profit: ¥1000 billion
Overseas sales ratio: 35%
ROE: 8%

FY2019 forecast

Consolidated operating profit: ¥110.2 billion
Overseas sales ratio: 32%
ROE: 7.7%

Overview of the FY2019–2021 Medium-term Management Plan

Under the FY2019–2021 Medium-term Management Plan, the Oji Group aims to constantly earn over 100 billion yen in annual consolidated operating profit through “contribution to a sustainable society,” with “profitability improvement of domestic business,” “expansion of overseas business” and “promotion of innovation” positioned as the fundamental policies.

Major Indicators

The Oji Group aims to further improve its ROE to 10% in the short term.

Profitability improvement of domestic business

FY2019 Major Results

- Start of commercial operation of JV household paper business with MPM*
- Start of commercial operation of JV biomass power generation with MPM*
- Start of joint procurement of imported woodchips with Chubu Pulp & Paper and MPM*
- Start of sales of OJI FLEX PACK K, a next-generation packaging solution, and Rekubon, its packaging material
- Shutdown of the 49 machine at the Oji Paper Tomakomai Mill

*MPM: Mitsubishi Paper Mills

FY2020 Major Results

- Start of operation of one of the largest corrugated container plants in Japan in a major consumption area

Through the expansion of renewable energy business and the strengthening of our biomass fuel business, we are aiming to contribute to the prevention of global warming.

FY2021 Major Results

- Start of operation of a newly built corrugated container plant in Japan in a major consumption area amid the increasing importance of online shopping and the logistics industry, growth in demand for the corrugated containers which support them is expected to be particularly large in the Kanto region. Accordingly, in the Funabashi area in Kanagawa Prefecture, we have retrofitted an existing logistics center to start the commercial operation of one of the largest corrugated container plants in Japan.

Further, we have decided to relocate and build a new corrugated container plant on the grounds of a containerboard mill in the Utsunomiya area (start of commercial operation scheduled for Oct. 2020), putting in place a system that can supply higher quality products in a sustainable and efficient manner.

Pick Up

- Start of operation of new household paper processing facility in Edogawa Ward, promoting sales expansion in the Greater Tokyo area

In September 2020, we started operation of a processing facility in Edogawa Ward to utilize household paper base paper newly being manufactured in China.

- Start-up of our third biomass power generation facility, fourth under construction and scheduled to start operation in Sep. 2021

Through the expansion of renewable energy business and the strengthening of our biomass fuel business, we are aiming to contribute to the prevention of global warming.

- Start of on-stream of a biomass power generation facility (start of commercial operation Jul. 2019)

FY2019 Major Results

- Start of commercial operation of JV household paper business with MPM*
- Start of commercial operation of JV biomass power generation with MPM*
- Start of joint procurement of imported woodchips with Chubu Pulp & Paper and MPM*
- Start of sales of OJI FLEX PACK K, a next-generation packaging solution, and Rekubon, its packaging material
- Shutdown of the 49 machine at the Oji Paper Tomakomai Mill

*MPM: Mitsubishi Paper Mills

FY2020 Major Results

- Start of operation of one of the largest corrugated container plants in Japan in a major consumption area amid the increasing importance of online shopping and the logistics industry, growth in demand for the corrugated containers which support them is expected to be particularly large in the Kanto region. Accordingly, in the Funabashi area in Kanagawa Prefecture, the Oji Group has retrofitted an existing logistics center to start the commercial operation of one of the largest corrugated container plants in Japan.

Further, we have decided to relocate and build a new corrugated container plant on the grounds of a containerboard mill in the Utsunomiya area (start of commercial operation scheduled for Oct. 2020), putting in place a system that can supply higher quality products in a sustainable and efficient manner.

- Start of operation of new household paper processing facility in Edogawa Ward, promoting sales expansion in the Greater Tokyo area

In September 2020, we started operation of a processing facility in Edogawa Ward to utilize household paper base paper newly being manufactured in China.
**Expansion of overseas business**

**FY2019 Major Results**
- Jul. Vietnam: Start of commercial operation of fifth corrugated container plant
- Nov. Brazil: Construction for the pulp business profitability enhancement
- Jan. Indonesia: Start of commercial operation of new disposable diaper plant
- Feb. Cambodia: Start of commercial operation of third corrugated container plant
- Mar. India: Start of commercial operation of fourth corrugated container plant

**FY2020 Major Results**
- Jul. China: Start of commercial operation of a new filter paper plant
- Oct. Brazil Phase 1 of construction to reinforce thermal paper machine
- Nov. Indonesia: Start of commercial operation of first corrugated container plant
- Dec. Malaysia: Start of commercial operation of first corrugated container plant

**FY2021 Main Priority Measures**
- Apr. Malaysia: Machine expansion and site integration of disposable diaper business
- May: Acquisition of treasury stock in Japan Brazil Paper and Pulp Resources Development
- Jul. China: Start of commercial operation of fourth corrugated container plant
- Jul. Indonesia: Start of commercial operation of first corrugated container plant
- Aug. Malaysia: Expansion and start of commercial operation of cardboard containerboard
- Oct. New Zealand: New construction, relocation, and start of commercial operation of corrugated container plant
- Nov. Brazil: Phase 2 of construction to reinforce thermal paper machine
- Dec. Brazil Expansion of thermal paper machine
- Jan. Japan: Start of commercial operation of ninth corrugated container plant

**Promotion of innovation**

**FY2019 Major Results**
- Apr. Commercialization of CNF AURIVISIO CS as a cosmetic ingredient
- Apr. Adoption of hydrolized ylang by KOITO Pharmaceutical for their cosmetics
- Apr. Start of provision of SILBIO BARRIER, a paper material with barrier properties
- Aug. Development of KAMIMASAKI, a paper-based temporary construction material used in civil engineering
- Sep. Adoption of our products by Nestlé (Thailand) for packaging materials for their products
- Oct. Adoption of our biomass plastic business by the Ministry of the Environment as the commissioned project
- Provision of technology of CNF reinforced polycarbonate resin (automobile window application)
- Nov. Start of sales of OJI FLEX PACK’AGE and Rakuhan
- Dec. Adoption of our products by Nestlé (Japan) for packaging materials for their products
- Feb. Adoption of CNF AURIVEL for materials for table tennis rackets

**FY2020 Major Results**
- Apr. Establishment of Oji Pharma
- Aug. Development of a product with high-grade transparency of SILBIO BARRIER, a paper material with barrier properties
- Aug. Start of provision of PAPI Press, a molded pulp product
- Nov. Conclusion of capital and business partnership with Clearfield

**FY2021 Main Priority Measures**
- May Establishment of Oji Medicinal Plants Laboratory
- Jul. Adoption of PAPI Press by ALBION for their cosmetics container
- Aug. Start of first-ever production of milk carton base paper in Japan
- Sep. Adoption of our products by Nestlé (Japan) for packaging materials for their products
- Sep. Three new products added to SILBIO series

**Pick Up**

**Indonesia: Start of operation of our own disposable diaper factory**
Through in-house production, we will increase the cost competitiveness of production. As sales expansion is progressing steadily, we are also planning on building a new processing machine targeting early 2023.

**Malaysia: Start of a new containerboard facility, promoting expansion and reinforcement of the business through integrating of material and converting**

The packaging business has experienced remarkable growth in the Southeast Asia and Oceania regions, and during FY2019–2021, we have built corrugated container plants in Vietnam (5), Cambodia (3), India (4), Indonesia (1), and New Zealand (4). We have also decided to build new plants in Malaysia (9 and 10) and Vietnam (6) targeting FY2022 and beyond.

The Oji Group provided the technology for the commercialization of a new containerboard machine in Brazil and established the technology for commercialization of a new corrugated container plant in Vietnam.

**Pick Up**

**Perceived of biomass plastic development as the commissioned project of the Ministry of the Environment**
We are moving forward with a new business aimed at replacing conventional plastics derived from fossil fuels with sustainable biomass-derived plastics. This same business has been adopted as a Demonstration Project for a Plastic Resource Circulation System toward a Decarbonized Society by the Ministry of the Environment. Using non-edible wood pulp as the raw material in place of food sources such as sugarcane and corn, we are aiming to avoid competing with food resources while reducing atmospheric CO₂ and contributing to the prevention of global warming.

**Provision of technology for CNF composite resin glass at Tokyo Motor Show 2019**
The Oji Group provided the technology for resin glass combined with cellulose nanofiber (automobile window application) exhibited by Toyota Motor East Japan at the Tokyo Motor Show 2019. Compared to inorganic glass, resin glass is lighter in weight and in turn shows promise in helping to reduce automobile weight (and thus reduce CO₂ emissions during operation). Using cellulose nanofiber for reinforcement makes it possible to dramatically reduce the thickness of resin glass, which is expected to reduce weight even further.

**Pick Up**

**Oji Group Integrated Report 2021**

**About the Oji Group**

**What the Oji Group Aims For**

**Business Strategy**

**Management Strategy**

**Sustainability Strategy**

**Financial Data & Corporate Data**
For the Oji Group that utilizes a range of renewable resources, including wood as raw materials, the conservation of the natural environment is essential from the perspective of business continuity. We also believe that it will be able to enhance the sustainability of its business activities through proactive measures to address the issue of climate change.

In order to clearly lay out our course of action, our Group formulated our “Environmental Vision 2050,” which declares our aims for 2050 and centers around our goal of net-zero carbon, and our “Environmental Action Program 2030,” which function as a milestone on the way to this Vision, in September 2020.

Aiming for Net-Zero Carbon by 2050

Environmental Vision 2050
“Net-Zero Carbon”

Reducing greenhouse gas (GHG) emissions to virtually zero

- Implement “Sustainable Forest Management” through the promotion of forest plantation overseas and forest conservation and achieve CO2 absorption and fixation which outweighs GHG emissions from our production activities
- Reduce GHG emissions from our production activities by improving the efficiency of energy consumption and increasing the use of renewable energy
- Reduce GHG emissions from the value chain by collaborating with our stakeholders

Environmental Action Program 2030

“Action on climate change”

Greenhouse gas (GHG) emissions
At least 70% or more reduction by FY2030 compared to FY2018*
(At least 75% or more reduction by FY2030 compared to FY1990*)

*Including absorption and fixation of CO2 by forests

(1) Increasing CO2 absorption and fixation by forests through investment in forest conservation and plantation
   - Expansion overseas forest plantation area of 400,000 ha (Achieved 250,000 ha in FY2019).
   - GHG storage of at least 170 million tons
(2) Improving in energy efficiency
   - Energy consumption intensity at least 1% per year for the 5-year average.
(3) Increasing in the usage of renewable energy
   - Renewable energy usage rate of at least 60% through reduction of coal consumption

Breakdown:
- 50% from CO2 absorption and fixation by forests
- 20% from GHG emissions reduction

GHG emissions

7,836 kt

70% reduction

(5,485 kt)
The Oji Group’s Environmental Vision 2050, established to help us to achieve our target vision, sets out our intention to aim toward net-zero carbon by FY2050. As a milestone on the way to this vision, we set the target of reducing our GHG emissions by 70% (as compared to FY2018 emissions of 7,836 kt) in our Environmental Action Program 2030 in September 2020.

The FY2030 reduction target comprises the GHG emissions reductions and the Net increment in carbon stocks by forests** owned by the Oji Group and we have organized a project team to both draw up a roadmap toward this goal and increase the likelihood of achieving our target.

** GHG Emissions Reduction

<table>
<thead>
<tr>
<th>Category</th>
<th>Sub-category</th>
<th>GHG reduction (kt- CO₂)</th>
<th>GHG reduction</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>2029</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve energy efficiency</td>
<td>Maintaining energy conservation</td>
<td>204</td>
<td>2.6%</td>
<td>Continue to reduce energy consumption by 1.0% or more per year, averaged over five years</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase the percentage of renewable energy use</td>
<td>Reducing coal consumption</td>
<td>508</td>
<td>6.5%</td>
<td>Technological research, development, investment decisions, installations</td>
<td>Installation of equipment, operation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Creating sales of coal-sourced electricity</td>
<td>279</td>
<td>3.6%</td>
<td>Review, ceasing sales of electricity</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Installation of private solar panels, etc.</td>
<td>60</td>
<td>0.7%</td>
<td>Installation planning, investment decisions, installations</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>Transfers the business structure with low GHG emissions</td>
<td>516</td>
<td>6.6%</td>
<td>Shift toward low GHG emissions business</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Subtotal</td>
<td>1,567</td>
<td>20%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Invest in forestry conservation and tree planting</td>
<td>3,918</td>
<td>50%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>Expanding forest plantations</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>5,485</td>
<td>70%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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</tr>
</tbody>
</table>

Toward Achieving Our Targets

GHG Emissions Reduction

A key area for reducing emissions is the reduction of coal consumption. We own 16 coal-fired boilers in Japan and are examining the possibility of fuel conversion for 12 of these, not including boilers with low coal consumption and backup boilers.

In order to bring our coal consumption to zero by 2050, we plan to move forward with a switch to wood and other fuels, modification of our coal-fired power generators with a view to prospective co-firing with hydrogen or ammonia, and installation of private solar panels by the interim point of FY2030.

We will also strive to achieve our target of reducing GHG emissions by 20% (as compared to FY2018) through ongoing, thorough energy conservation measures and a shift toward a business structure with low GHG emissions.

Further, we will continue our efforts to contribute to lowering third-party GHG emissions by providing renewable energy through biomass power generation, hydroelectric power generation, and other forms of production from renewable sources.

Emissions were reduced by 17% in FY2020, toward our target of a 70% reduction by FY2030 (including the Net increment in carbon stocks by forests). Progress toward our reduction target is at 24%. Going forward, we will continue to actively pursue the reduction of GHG emissions and increase of the net increment in carbon stocks by forests.

Expanding the net increment in carbon stocks by Forests

The Oji Group owns a total of 580,000 ha of forest, comprising production forests totaling 190,000 ha in Japan and 260,000 ha overseas and conservation forests of 130,000 ha, and practices sustainable forest management. As a result of our sustainable forest management, the net increment in carbon stocks by forests (our production forests and conservation forests) was 935,000 tons- CO₂ per year, while the actual carbon stocks in living biomass reached 129,000 kg by the end of FY2020.

Our Environmental Action Program 2030 (established in September 2020) set out the target of increasing the area of our forests by a further 150,000 ha by FY2030.

We estimate that this will bring the net increment in carbon stocks by forests up to the equivalent of approximately 50% of FY2018 GHG emissions. As of March 2021, preliminary calculations suggest that the expenses associated with expanding our forests by 150,000 ha will amount to approximately 100 billion yen.

*1 Scope 1 (direct emissions from fuel combustion) + Scope 2 (indirect emissions from the purchase of electricity and heat)

*2 The net increment in carbon stocks by forests is converted to CO₂ per year with the growth of biomass—CO₂ emissions per year with felling.
Sustainable Forest Management

The Oji Group possesses extensive company-owned forests in Japan and overseas, amounting to approximately 580,000 ha. The portfolio comprises about 450,000 ha of production forests primarily for producing forest products in consideration of environment, and about 130,000 ha of conservation forests principally for preserving biodiversity and basins.

When we began our forest plantation business, our goal was to secure a steady supply of raw materials for manufacturing paper. However, changing times have led to a reevaluation of forests as a sustainable resource, and various sectors are taking an interest in the utilization of this resource. In addition, recent years have seen many hopes pinned to forest “functions,” including not only their role as a “resource,” but also in conserving national land and living environments, replenishing water sources, protecting biodiversity, and absorbing and fixing carbon dioxide.

Alongside practicing sustainable forest management with a direct connection to our business, the Oji Group will continue to take steps toward the realization of a carbon-free society, increasing the value of forest resources and aiming to further expand our company-owned forests.

The Oji Group and Forestation

The Oji Group originated with “Paper manufacturing company,” founded in 1873. At that time, the company used cotton rags collected from urban areas to manufacture paper. In 1989, in order to respond to the rapidly increasing demand for paper that was accompanying the progress of civilization, the company built a new plant in the Tenryu River basin, in what is now Shizuoka Prefecture, for pulp and paper production using pulp from wood. In 1910, seeking to further guarantee a steady supply of raw materials, the company took the lead among its competitors in establishing a new plant in Tomakomai, Hokkaido (today’s Oji Paper Tomakomai Mill). Securing supplies of wood, our raw material, has been an important issue for the paper-making industry since that time.

Within this context, Oji Zorin was established in 1937. The company initiated a resource recycling loop in order to guarantee steady supplies of raw materials for the future. The practice of cultivating our own resources has since been passed down through each generation of the company, and in the 1990s we took the lead among our competitors in starting our overseas forest plantation business. Today, we possess the largest area of company-owned forest of any Japanese private business.

Initiatives for Sustainable Forest Management

We practice sustainable forest management in our production forests, planting, tending, and harvesting our trees, then re-planting. In addition, we actively utilize forest certification programs to implement appropriate forest management that considers the environment, society, and the economy, including for conservation forests. The forest certification acquisition rates in FY2020 were 91% for overseas forest plantations and 100% for company-owned forests in Japan.

<table>
<thead>
<tr>
<th>Country</th>
<th>Company</th>
<th>Established</th>
<th>Total (1,000 ha)</th>
<th>Forest type</th>
<th>Certification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>Pan Pac</td>
<td>1971</td>
<td>35 5 40</td>
<td>Production</td>
<td>FSC™, PEFC</td>
</tr>
<tr>
<td>New Zealand</td>
<td>SPFL</td>
<td>1992</td>
<td>9 3 12</td>
<td>Conservation</td>
<td>FSC™, PEFC</td>
</tr>
<tr>
<td>Indonesia</td>
<td>Oji FS</td>
<td>2014</td>
<td>6 0 0</td>
<td>Production</td>
<td>FSC™, PEFC</td>
</tr>
<tr>
<td>Vietnam</td>
<td>KTH</td>
<td>1948</td>
<td>39 12 51</td>
<td>Production</td>
<td>FSC™, PEFC</td>
</tr>
<tr>
<td>Japan</td>
<td>Oji Paper</td>
<td>1995</td>
<td>9 1 10</td>
<td>Production</td>
<td>FSC™, PEFC</td>
</tr>
<tr>
<td>Japan</td>
<td>Oji Forests</td>
<td>1945</td>
<td>16 3 12</td>
<td>Production</td>
<td>FSC™, PEFC</td>
</tr>
<tr>
<td>Group total</td>
<td></td>
<td></td>
<td>446 129 575</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*In pursuit of sustainable forest management, a third-party organization certifies forests after assessing whether they are managed in good condition according to the standard. The certification covers all types of forest, including production forests and conservation forests, e.g., FSC™ (FSC™0019825, etc.) and PEFC, etc.

Initiatives in Japan and Overseas

Initiatives in Japan
Our company-owned forests in Japan total approximately 650 sites across the country, from Hokkaido to Kyushu, amounting to an area of approximately 190,000 ha. We plant k. larch and Ezo spruce, among other species, in Hokkaido, and grows Japanese cedar and cypress in Honshu and southward. It takes over 60 years to harvest these trees. The harvested trees are processed into lumber and the residuals are used as raw materials for paper and wood-based fuel. The Oji Group establishes collaborative relationships between people engaged in company forest management and users of lumber in each geographical region, and provides lumber, plywood, raw materials for paper, wood-based fuels, and other wood products to companies both inside and outside the Group. In this and other ways, we strive to revitalize Japan’s forestry industry and ensure a stable supply of domestic lumber.

Initiatives in Overseas

Our forest plantation business spans ten regions within a total of six countries, and we maintain and manage forests amounting to an area of approximately 390,000 ha, including conservation forests. We select species and growing methods suited to the climate and natural conditions of each region. For example, we grow hardwoods such as eucalyptus and acacia (harvestable in around 10 years), and softwoods such as radiata pine (harvestable in around 30 years). Hardwood is mainly used for pulp. Thinned softwood is used for pulp, while harvested softwood is used for lumber production. In cooperation with various local experts, including subcontractors, we work through a sequence of tasks, including raising seedlings, planting, silviculture, and harvesting.

Contributions to the Local Environment, Economy, and Society

Sustainable forest management requires a mutual understanding between forest plantation business operators and the local community. Also indispensable is their sharing of environmental, economic, and social benefits. To give an example of economic benefits, our overseas forest plantation companies have created over 14,000 jobs locally. Another example is our technical training on planting and forest management provided to owners of small-scale forests. Further, we cooperate with local governments, NGOs, and civic groups in each region to create and share environmental and social benefits. Their activities include biodiversity conservation programs in environmentally protected forests, vocational and educational support in local communities, and medical assistance in areas that have poor access to medical services.
Value Creation by the Innovation Promotion Division

The Innovation Promotion Division creates innovations by refining cutting-edge technologies based on a range of core technologies accumulated from paper manufacturing and forestation, which are the roots of our founding. To contribute to solving global issues such as climate change and marine plastic waste, we will continue to act as an incubator for commercialization, nurturing new themes and creating innovative value in order to help build a sustainable society.

Green Innovation Oji is Aiming for

—Continuing to Develop Eco-friendly Products—

1. Development of eco-friendly materials and products
   - To help solve social issues such as climate change and the problem of marine plastic litter
   - P43, 44

2. Entry into medical field
   - Utilizing our knowledge and know-how for medical care of the future
   - P45

3. Total solution
   - Aiming for contribution to industrial development by understanding needs and seeds
   - P46

We accelerate the promotion of innovation.

The Innovation Promotion Division is responsible for one of the three pillars of the mid-term management plan, “Promotion of Innovation”. Accordingly, our task is the development of unique new materials and the provision of new solutions.

Based on the technologies acquired in the conventional pulp and paper business, we are developing wood-derived biomass plastics, cellulose nanofibers (CNF), and pharmaceutical raw materials as unique new materials. Additionally, we are taking on the challenge of efforts to apply new materials by replacing petrochemical-derived films with biomass-derived films.

Furthermore, by providing products and services that meet the needs of the times such as the liquid packaging carton business, next-generation packaging solutions, and water treatment business, we are promoting a business structure that goes beyond our conventional boundaries and providing new value as new solutions.

Through these efforts, we will contribute to a sustainable society, while strengthening the profitability of our domestic business and expanding our overseas business.

Eco-friendly materials and products

- Biodegradable films
- Non-petroleum based films
- CNF (Cellulose nanofiber)
- Wood-derived pharmaceutical products
- Wood-derived biomass plastics
- Biomass plastic films
- Sulfated hemicellulose for pharmaceutical use
- Cell culture substrates for controlled cell orientation
- Functional films for industrial use
- Non-woven fabric
- Functional non-woven fabric
- Cellulose nanofiber
- Special adhesive products
- High-function optical adhesive products
- Non-petroleum based films
- Biomass plastic films
- Wood-derived biomass plastic
- Sulfated hemicellulose for pharmaceutical use
- Cell culture substrates for controlled cell orientation
- Functional films for industrial use
- Condenser films
- Functional non-woven fabric
- Cellulose nanofiber
- Special adhesive products
- High-function optical adhesive products

Contribution to a Sustainable Society

- Refining technologies
  - Enzyme reaction technology
  - Forest tree breeding technology
- Nano-fibrillation technology
  - Water treatment technology
  - Precise pulp-molding technology
- Coating technology
  - Lamination technology
  - Paper manufacturing technology
- Lamination technology
  - Corrugated container manufacturing technology
- Sheet treatment technology
  - Corrugated container manufacturing technology
- Functional film forming technology
  - Non-woven fabric making technology
- Adhesive processing technology
  - Nano-dot array technology
Development of Eco-friendly Materials and Products

Wood-derived Biomass Plastic

The Oji Group has been considering manufacturing wood-derived biomass plastic. Unlike conventional plastics made from petroleum resources, the wood-derived biomass plastic can significantly contribute to the reduction of CO2 emissions from fossil fuel into the atmosphere. The raw material for biomass plastics is sugar, which has been produced from edible raw materials such as sugar cane and corn. However, by producing sugars from wood which is inedible, biomass plastics can be produced without causing a global food supply shortage problem.

Additionally, this project has been adopted as a commissioned project by the Ministry of the Environment. Using wood pulp-derivied sugar solution, we produce lactic acid and ethano, and are working on demonstrating production of polylactic acid and polyethylene. We are studying how to use this biomass plastic to manufacture biomass plastic films, with the aim of moving away from petrochemical-derived plastics.

* 2019 Demonstration Project for a Plastic Resource Circulation System to ward a Decarbonized Society

PaPiPress—New Molded Pulp Product

This paper packaging can clearly show curved surfaces. Even containers with complex shapes can be created seamlessly. PaPiPress offers smoother products than conventional pulp molds, and uses a high-temperature, high-humidity press to provide lids and other products with high fittability.

Aqueous Coated Cups and Lids

Aqueous coated cups and lids are made of the Oji Group’s base paper that does not include laminated film. Recycling, which was difficult with previous products, is now possible. Using the cup and lid as a set eliminates the need for sorting at the time of collection and recycling.

Cellulose Composites (of Biodegradable Plastic and Pulp)

We are developing cellulose composites which have improved their properties such as strength and rigidity by mixing cellulose (pulp) into biodegradable plastic.

Pulp is 100% biomass-derived and has excellent biodegradability. Therefore, this is best as a way to strengthen bio-degradable plastic.

CNF (Cellulose Nanoﬁber)

Cellulose nanofibber (CNF) is a wood fiber that has been fibrillated into a nanometer order.

(1nm = 0.000001mm)

CNF is expected to be applied in many fields as the material with high quality such as transparency, lightweight, durable, resistive to deformation, and high viscosity.

Possible applications

We are utilizing the characteristics of the material in various forms, promoting its practical application in a wide range of fields.

- On construction sites
  - Concrete pump primer “RUBURI”
    - TAIWato Co., Ltd.

- In sports products
  - Table tennis racket using our AUROVELL LS
    - Darker Co., Ltd.

- In cosmetics
  - An example of cosmetics using our AUROVISCO CS

- For lightening cars (under development)
  - Provided technology to CNF reinforced resin glass exhibited by Toyota Motor Golf Japan Inc. at Tokyo Motor Show 2019.

- Multibarrier Paper SILBIO BARRIER
  - SILBIO BARRIER is a recyclable paper material and a functional paper material with high barrier properties to replace plastic film. It is oxygen-and water vapor-impermeable, and retains aroma and moisture. It is also impervious to oil, and can be disposed of as paper. This multibarrier paper is recommended as a packaging for products with strong scents such as coffee and soap.

**Special Feature (3) Promotion of Innovation**
Entry into Medical Field

Wood-derived pharmaceutical products

Hemicellulose is one of the major wood fiber components. Hemicellulose extracted and refined through the Oji Group’s unique technology, called hydrolyzed xylan, is used as a cosmetic ingredient. We have also developed sulfated hemicellulose, which is a chemically modified hemicellulose, with the aim of further increasing the added value of the wood fiber component. Sulfated hemicellulose is anticipated to have the effects of suppressing inflammation of joints and the bladder as well as blood coagulation.

Medicinal Plants

—Japan’s first large-scale cultivation of licorice—

Licorice, which is used in many Chinese herbal medicines, is mostly imported from abroad, and domestic production is required due to fears of resource depletion in exporting countries and export restrictions. The Oji Group is applying its forest tree breeding technology to develop cultivation techniques within Japan, and has succeeded in conducting a demonstration test at our farm. We established the mechanism technology necessary to increase the scale of the business and are now proceeding with large-scale cultivation.

Establishment of Oji Pharma Co., Ltd.

In April 2020, we established Oji Pharma Co., Ltd., as a subsidiary that takes charge of the medical and healthcare field of our business. The new company is promoting the development to utilize wood fiber components as active pharmaceutical components together with domestic and overseas pharmaceutical companies and universities.

ND Cell Aligner—cell culture substrates for controlled cell orientation

The Oji Group has developed the ND Cell Aligner, cell culture substrates that have nano-pillar and flat regions interleaved in parallel stripes. Cultivating cells such as cardiomyocytes on this substrate enables reproduction of cell orientation similar to that of intra-vitral (in vivo), despite the cells being in a culture vessel (in vitro). These cultivated cells are expected to exhibit bioactivity similar to that in vivo, and therefore are expected to be used in pharmaceutical development and regenerative medicines. At present, we are conducting joint research with Juntendo University.

Establishment of Oji Medicinal Plants Laboratory Co., Ltd.

In May 2021, we established Oji Medicinal Plants Laboratory Co., Ltd., and started production and sales of medicinal plants. We will first carry out planned cultivation in the Hokkaido area targeting the stable supply of high-quality domestic licorice, making business proposals for pharmaceuticals, food, and cosmetics.

Total solution

Automated packaging system — OJI FLEX PACK'AGE, a next-generation packaging solution—

Faced with packaging and logistics issues in the wake of rapid expansion of e-commerce market, the Oji Group has put together the technologies and know-how of packaging materials and packaging machines cultivated over many years, and started to provide “OJI FLEX PACK'AGE,” a next-generation packaging solution that enables packaging based on the size of the products. The system, which allows its users to prepare a corrugated box that fits the product perfectly, offers different solutions to meet a variety of needs: a 3-sided variable system, which uses our tendon corrugated sheets Rakudan, and a variable height automatic sealing system, which uses standard-sized corrugated box. Introduction of OJI FLEX PACK'AGE helps realize resource saving (corrugated containers and packaging materials), cost saving (improving work efficiency and solving the labor shortage issue through automation), and energy saving (reduction of transportation costs due to improvement in loading efficiency) at once.

Automated packaging system

Rakudan, tendon corrugated sheets

Packaging products in perfect-sized containers

Liquid Paper Containers Business — Integrated domestic production system for beverage packages and overseas expansion—

The Oji Group has utilized its core paper manufacturing and various converting technologies and established Ishizuka-Oji Paper Packaging Co., Ltd., in collaboration with Ishizuka Glass CO., LTD., a comprehensive packaging manufacturer, to enter the liquid paper packaging business. This enables the construction of an integrated domestic production system ranging from pulp to liquid paper packaging. This leads to not only further efforts towards safety and security with advanced quality control but also stable supply by treasuring ourselves of a supply chain dependent on overseas sources.

In addition to manufacturing paper packaging in Japan, we provide flexible solution to meet customer needs through an entire service by selling and maintaining machines that fill paper packaging with beverages.

In the future, we will expand the business outside in Japan by utilizing our overseas infrastructure, where demand is expected.

Integrated domestic production system ranging from pulp to liquid paper packaging

Water Treatment Business

The Oji Group provides customers in and outside Japan with water treatment systems that meet a wide range of needs, based on the paper manufacturing technologies, and the technologies and operational expertise for water production and wastewater treatment, which have been accumulated since the founding. Based on investigation from various standpoints, we design and build optimal equipment from a broad viewpoint, and maintain and manage it for the purpose of stable operation including remote operation and trouble prevention. In this way, we propose appropriate water quality management solutions from a holistic perspective. We aim to realize a sustainable society by providing stable water treatment technologies and making effective use of limited water resources.
We aim to be a “lifestyle and social support enterprise” that contributes to the prosperity of society by providing materials and technologies that are closely tied to people’s day-to-day lives.

Yosiki Koseki
President, Household and Consumer Products COMPANY
Senior Executive Officer
Oji Holdings Corporation

Industrial Materials Business

Business Overview
The Industrial Materials Business has production and sales structures that integrate material and converting from base paper manufacturing to product processing and packaging design for the packaging materials that are essential to industry such as corrugated containers, folding cartons, and paper bags and responds in a timely manner to customer needs.

[Corrugated container business] As well as corrugated containers used in foodstuffs, daily products, electronics, and other areas, we also offer heavy-duty packaging materials used for transporting mainly industrial parts. We also provide automatic packaging systems adjusting the packaging dimension in order to fit each product size inside.

[Folding carton business] For folding cartons used in a range of fields including confectionaries, cosmetics, and pharmaceuticals, we are combining aesthetically pleasing base paper with structural design tailored to the application and appealing graphics, thereby further enhancing the value of our customers’ products.

[Paper bag business] We handle a wide range of customer needs—from heavy-duty sacks for packaging used for safe and secure transport of various products, through to paper bags that are used for packaging of retail products and also play a role in sales promotions, and bags for home delivery, which are seeing increased demand given the growth in online shopping.

Segment Overview
In FY2020, the Household and Industrial Materials Businesses had net sales of 647.5 billion yen (down 38.6 billion yen from FY2019) and operating profit of 38.1 billion yen (down 2.8 billion yen from FY2019). Due to stay-at-home trends under the COVID-19 pandemic, there was strong demand for corrugated containers for processed food products and online shopping domestically also, while some products such as kitchen towels, wet wipes, and face masks saw a jump in sales because of a change in lifestyles, overall sales and profits dropped as a result of the significant impact of restrictions on economic activity both in Japan and overseas.

In FY2021, net sales of 700.0 billion yen (up 52.5 billion yen from FY2020) and operating profit of 31.0 billion yen (down 7.1 billion yen from FY2019) are planned.

Domestic demand for corrugated containers is steady even during the COVID-19 pandemic, with growth especially expected in the Kanto region. To strengthen our business base in the Kanto region, we made the decision to relocate and construct a new corrugated container business base in the Kanto region, we made the decision to start trial operation in June 2021. In order to handle the increased domestic and overseas demand for containerboard, we are moving ahead with further quality improvement and sales expansion.

To further reinforce earnings bases through the integration of material and converting, a range of investments will be made for the optimization of the domestic business structure.
Household and Industrial Materials Businesses

Expansion of Overseas Business

To meet the increasing demand for packaging in various regions, we own a total of 47 manufacturing bases in 9 countries throughout Southeast Asia, India, and Oceania, and we are developing our business in the countries.

Up until now, we have been expanding our business with a focus on expanding and strengthening our corrugated container business. However, our new facility for manufacturing containerboard is planned to start operation in Malaysia soon, significantly bumping up the annual capacity from 300,000 tons to 750,000 tons. This will enable development of an integrated base paper and containerboard production up to 750,000 tons 2.5 times bigger than before. GSPP keeps contribution to Oji group’s integrated business expansion by maximizing the benefit of group-wide preparation for PM3, including raw material securement, pre-sales, recruitment and training.

Voice

A new containerboard machine (PM3) begins operation

We have been striving hard for the completion of construction and installation, coping with lockdowns and movement control orders. This is a significant investment for us, increasing annual capacity of containerboard production up to 750,000 tons 2.5 times bigger than before. GSPP keeps contribution to Oji group’s integrated business expansion by maximizing the benefit of group-wide preparation for PM3, including raw material securement, pre-sales, recruitment and training.

Promotion of Innovation

Given the rapid expansion of the online shopping market and the investigation of labor-saving measures in various industries, Oji Group is bringing together its packaging materials, technologies, and know-how gained over many years to work with customers on solving issues with packaging and logistics. Adding new concepts to structural design has led to the development of groundbreaking new products. These include corrugated containers for assembly packaging that, by changing their shape, lead to labor-saving in packaging and considerable reduction of plastic materials, as well as easy-to-open corrugated containers incorporating zippers and creases that significantly reduce the time required for displaying products in stores. These efforts have been recognized by a number of packaging awards, including the WorldStar Global Packaging Awards and the Japan Packaging Contest.
Environmental Quality as in Forest Conservation such as the adoption of FSC™ certified paper. Social quality as in aligning with customers' hope and contributing to the society through actions such as taking CSR initiatives. In the pursuit of these three quality domains, Oji Nepal is producing tissue paper, toilet rolls, disposable diapers, and other products indispensable in our daily lives. (FSC™ C018118)

Business Strategy

Business Strategy

Household and Consumer Products Business

Business Overview

Quality of life as in the seeking of good texture, comfort, and functionality. Environmental quality as in forest conservation such as the adoption of FSC™ certified paper. Social quality as in aligning with customers' hope and contributing to the society through actions such as taking CSR initiatives. In the pursuit of these three quality domains, Oji Nepia is producing tissue paper, toilet rolls, disposable diapers, and other products indispensable in our daily lives. (FSC™ C018118)

Expansion of Overseas Business

In our household paper business, we are responding to market trends such as by producing extra long toilet rolls at the Edogawa Mill, which started commercial production in the fall of 2022. We will also build a new warehouse within the mill scheduled for completion in the fall of 2022, thereby streamlining logistics. Additionally, our Hana Celebio moisturizing tissues were awarded the Grand Prize at the Japan Naming Award 2020. We will continue to work to be a brand well-loved by customers.

In our disposable diaper business, we are responding to market trends such as by producing Genki! baby diapers, we are also working to increase our market share of disposable adult diapers. As we look towards the time when the second baby boomers reach young-old age, we will build a new processing machine at our Fukushima Mill with the commencement of production scheduled for the fall of 2022.

Profitability Improvement of Domestic Business

In our housebuilding business, we are responding to market trends such as by producing extra long toilet rolls at the Edogawa Mill, which started commercial production in the fall of 2022.

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Response to COVID-19 pandemic

Nepia Long Lasting Best Fit Face Mask

New Tac Kasei Yamamoto Mill has renovated its cleanroom, and has been producing Nepia Long Lasting Best Fit Face Masks since July 2020. In January 2021, we developed a new product, the Nepia Long Lasting Best Fit Face Mask Block Filter Plus that blocks 99% of virus droplets. These masks are “Made in Japan,” from materials procurement to processing, and from the wire around the nose to the ear straps.
Functional Materials Business

By anticipating market needs and rapidly providing products and services that exceed customer expectations, we aim to be the company chosen by our customers.

Shigeki Aoki
President, Functional Materials COMPANY
Executive Officer
Oji Holdings Corporation

Business Strategy

Profitability Improvement of Domestic Business

The Functional Materials Business provides a variety of different products to the automotive industry, as well as electronics materials, environmental and medical domains, based on core technologies such as papermaking, converting (functional and adhesive coatings), film forming and non-woven materials. The Functional Materials Business will continue to engage in the swift development of high-function and high-value-added products, using core technologies and new materials.

In FY2020, the Functional Materials Business had net sales of 182.3 billion yen (down 32.4 billion yen from FY2019) and operating profit of 11.5 billion yen (down 7.9 billion yen from FY2019). In the midst of the ongoing impact of the COVID-19 pandemic, we saw a recovery trend in films for capacitors for electric vehicles and paper used in the manufacturing process of electronic components for smartphones. However, sales dropped because of reduced numbers of tourists visiting Japan and of events, and our overseas business was also impacted by stay-home trend and a stagnation in economic activity, leading to an overall decrease in both sales and profits.

In FY2021, net sales of 179.0 billion yen (down 3.3 billion yen from FY2020) and operating profit of 18.6 billion yen (down 1.5 billion yen from FY2020) are planned.

ESG and SDGs Topics

As the world aims to achieve a decarbonized society, it is shifting to electric vehicles, and a corresponding jump in demand for OPP for capacitors is expected. There have been needs for thinner OPP for capacitors, but at the same time the films also need higher levels of insulation to withstand high voltages and currents so that they can achieve higher power. Oji F-Tex has a long track record in this field. The company has unique technologies that achieve thin films and high insulation at a high level, and boasts a stable supply capability.

Additionally, together with the Advanced Film Research Center of Oji Holdings' Innovation Promotion Division, we are tackling the development of biomass plastic films that are based on OPP film-forming technologies.

Specialty Papers Business
The Specialty Papers Business has a lineup of products with advanced special functions such as electrical material paper including insulation materials, dry pulp non-woven fabric, and glass paper. Production of pressboards will be consolidated at Oji F-Tex from October 2021 through the transfer of the business from Mitsubishi Paper Mills.

Adhesive Products Business
Using proprietary adhesive force control technology, the Adhesive Products Business handles from familiar products like various labels, adhesive tape for packaging, and wound dressings to less familiar, special applications like aluminum tape for construction material and forgery prevention tape. We are also focusing on the development of biodegradable film sticker.

Imaging Media Business
With diverse coating technologies such as thermal and inkjet technologies, the Imaging Media Business boasts a top class global market share, developing products that meet diverse industries’ customer needs. Production and sales operations for carbonless paper have been consolidated into Mitsubishi Paper Mills, aiming to strengthen competitiveness.

Film Business
Films for capacitors are used as an essential material in the power supply units of electric vehicles, and the Oji Group is refining development of these based upon its thin film technology that produces the world’s thinnest films. The Film Business also offers optical double-sided adhesive films and hard-coated films that are seeing growth due to their use in precision devices.

Eco Marine Tac™ (Oji Tac)

The Oji F-Tex Shiga Mill

Changes in Net Sales and Operating Profit

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Sales (¥bil.)</th>
<th>Operating Profit (¥bil.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2017</td>
<td>230.4</td>
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<td>FY2018</td>
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<tr>
<td>FY2021</td>
<td>179.0</td>
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Profitability Improvement of Domestic Business

The Functional Materials Business provides a variety of different products to the automotive industry, as well as electronics materials, environmental and medical domains, based on core technologies such as papermaking, converting (functional and adhesive coatings), film forming and non-woven materials. The Functional Materials Business will continue to engage in the swift development of high-function and high-value-added products, using core technologies and new materials.

At the Oji F-Tex Shiga Mill, we have built new production facilities for biaxially oriented polypropylene film (OPP) mainly used in capacitors in electric vehicles, and after the facilities start operation in 2023, the capacity is expected to be 1.6 times higher than the current capacity.

In FY2021, net sales of 179.0 billion yen (down 3.3 billion yen from FY2020) and operating profit of 18.6 billion yen (down 1.5 billion yen from FY2020) are planned.

Growth due to their use in precision devices.

By anticipating market needs and rapidly providing products and services that exceed customer expectations, we aim to be the company chosen by our customers.

Shigeki Aoki
President, Functional Materials COMPANY
Executive Officer
Oji Holdings Corporation

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Growth due to their use in precision devices.
Main Overseas Sites

**China**
- Sunshine Oji (Shouguang) Specialty Paper
  - Production/sales of decorative base paper
- Oji Kinocloth (Shanghai)
  - Converting/sales of dry pulp non-woven fabric
  - Converting/sales of thermal paper, etc.

**Thailand**
- Oji Paper (Thailand) [OPT]
  - Production/sales of thermal paper and carbonless paper
- Oji Label (Thailand) [OLT]
  - Production/sales of adhesive paper/film and release paper

**Malaysia**
- Tele-Paper Malaysia [TP]
  - Printing/converting of thermal paper, etc.
- Hyper-Region Labels [HRL]
  - Printing/converting of label, etc.

**Myanmar**
- Oji Myanmar Packaging [OMPC]
  - Production/sales of flexible packaging products, etc.

**Germany**
- Kanzan Spezialpapiere [KANZAN]
  - Production/sales of thermal paper, etc.

**United States**
- Kanzaki Specialty Papers [KSP]
  - Production/sales of thermal paper, etc.

**Brazil**
- Oji Papéis Especiais [OPE]
  - Production/sales of thermal paper, carbonless paper, etc.

**Asia**

**Europe**

**North America**

**South America**

**Business Strategy**

**Expansion of Overseas Business**

We are striving to expand its business that integrate material and converting across the world, pivoting on the thermal paper business, which boasts a share of around 20% of the global market. In response to increasing demand in line with economic advancements in newly industrialized countries in Southeast Asia, South America, the Middle East, Africa and elsewhere, we will continue to leverage its core technologies, which are a strength of the Group, to expand into new businesses.

In Southeast Asia, we are implementing M&A targeting downstream operating companies in Malaysia that convert, print, and sell thermal paper and adhesive paper, in order to further strengthen and reinforce the upstream businesses that primarily manufacture and sell thermal paper and adhesive paper.

In Central and South America, demand is rising for thermal paper, due to the spread and expansion of POS systems and logistics systems. Through increased manufacturing capacity at Oji Papéis Especiais in Brazil, we aim to improve quality and cost competitiveness, maintain the share of Brazil’s thermal paper market, and expand its share of the thermal paper market across Central and South America.

**Voice**

We are proud that these new technologies will bring us a new opportunity on the 10th anniversary as a member of the Oji group.

In 2021, Oji Papéis Especiais celebrates the 10th anniversary as a member of the Oji Group. At this milestone, we are working on the third phase of expanding production so that we can meet the strong demand for thermal paper in South America, and this expansion is scheduled to be complete in December 2021.

The expansion will almost double our production capacity in Brazil. We aim for a smooth launch, and hope to be able to make the most of the new opportunities presented by these new technologies.

**Promotion of Innovation**

**Paper Net Envelopes**

Oji Tac’s Paper Net Envelope was awarded the 44th Kinoshita Awards in the New Creation Category by the Japan Packaging Institute. The product is a padded envelope made fully of paper and does not require the plastic bubble wrap used in conventional padded envelopes.

In Paper Net Envelopes, the slit paper sheet attached to the opening spreads out like a mesh when a product is inserted and thus works as a cushioning material that prevents product movement, thereby removing the need for conventional plastic bubble wrap. Furthermore, optimization of the base paper material has created a structure that can easily be inserted into mailboxes. This reduces redeliveries, an issue that is on the rise given the increasing use of online shopping. This plastic-free construction and design of easy insertion into mailboxes have been highly recognized and adopted by many customers.

**About the Oji Group**

What the Oji Group Aims For
Business Strategy
Management Strategy
Sustainability Strategy
Financial Data & Corporate Data

Oji Group Integrated Report 2021

Oji Group Integrated Report 2021
Forest Resources and Environment Marketing Business

We are comprehensively leveraging assets owned by the Group, including pulp, renewable energy, afforestation, and lumber processing to promote enhancement of the business.

Fumio Shindo
President, Forest Resources and Environment Marketing COMPANY
Senior Executive Officer
Oji Holdings Corporation

Pulp Business
We produce a diverse lineup of pulp grades including hardwood kraft pulp, softwood kraft pulp, and dissolving pulp. With 2.5 million tons per year market pulp supply capacity, it is boosting sales in Asia and other growth regions.

Energy Business
We are promoting the electric power generation business by newly establishing and expanding electricity generation facilities using renewable energy, including wood biomass, hydroelectric power, and solar power. In 2022, we will expand sales at bases established in China and Southeast Asia and are also ongoing.

Forest Plantation Business
We are working to cultivate and manage company-owned forests in Japan and overseas. Harvested wood is supplied for pulp raw materials, as well as for a range of applications such as lumber, plywood materials, and biomass fuels.

Lumber Processing Business
We are taking measures to expand production capacity, and are purchasing and selling lumber and processed lumber products, primarily in Asia and Oceania. Efforts to expand sales at bases established in China and Southeast Asia are also ongoing.

Fuels/Chemicals and Other Material Procurement Business
Centralized procurement management and advantageous and stable procurement are conducted for the Oji Group as a whole. CSR procurement is conducted while taking into consideration the environment and society in accordance with the Oji Group Partnership Procurement Policy.

Business Strategy
Profitability Improvement of Domestic Business

Energy Business: Expansion of the renewable energy business with a focus on establishing new biomass power plants

We are pursuing further expansion of the energy business, and a joint venture biomass power generation facility established with Mitsubishi Paper Mills commenced operation. Additionally, a decision was made to construct a biomass power generation facility in Tokushima Prefecture as a joint venture with ITOCHU ENEX, and preparations are underway for the start of operations in September 2022.

Additionally, we are reinforcing the biomass fuel business in conjunction with expansion of the energy business. In Japan, we are increasing procurement of fuel woodchips by making use of unused wood resources. Overseas, efforts to increase procurement of palm kernel shells (PKS) for use as fuel continue in Indonesia and Malaysia, while ensuring lawfulness and maintaining sustainability.

Change in Net Sales and Operating Profit

<table>
<thead>
<tr>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
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</table>

In FY2020, we had net sales of 290.5 billion yen (down 39.0 billion yen from FY2019) and operating profit of 16.7 billion yen (down 12.1 billion yen from FY2019). In the energy business, electric power sales increased due to a full year of operation of MPM Oji Eco-Energy that commenced operations in September 2019. However, the global stagnation in business resulting from the COVID-19 pandemic has resulted in a weaker pulp market. The domestic dissolving pulp business and the overseas pulp business were particularly impacted, resulting in an overall drop in net sales and operating profit.

In FY2021, net sales of 312.0 billion yen (up 66.7 billion yen from FY2020) and operating profit of 35.0 billion yen (up 18.3 billion yen from FY2020) are planned.
In the pulp business, we continue to implement strategic profit measures at key business sites to reinforce business foundations that are resilient to fluctuations in pulp markets.

Oji Group knows how and operational management methods have been introduced and used in Oji Fibre Solutions and Pan Pac in New Zealand to stabilize operations and raise efficiency. In Brazil, profit measures are implemented on a continuous basis by updating production facilities and through other means.

In May 2021, Japan Brazil Paper and Pulp Resources Development Co., Ltd., the parent company of CENIBRA, acquired shares of CENIBRA as treasury stock from non-controlling shareholders. Accordingly, our Group holds all voting rights of the company, which will strengthen the Group’s business foundation as well as facilitate flexible operations at CENIBRA, thereby enhancing the production and sales of our pulp business.

Main Overseas Sites (Pulp Production Sites)

**Jiangsu Oji Paper**
- 340,000 tons

**Japan (Mills in Japan)**
- 160,000 tons

**Oji Fibre Solutions**
- 600,000 tons

**CENIBRA**
- 1,200,000 tons

**Pan Pac**
- 200,000 tons

**Types of pulp:**
- Hardwood kraft pulp
- Softwood kraft pulp
- Dissolving pulp
- Pulp for cement
- BC-TMP

Forest Resources and Environment Marketing Business

Expansion of Overseas Businesses

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Business Strategy

Promotion of Innovation

Massive forest fires have become common occurrences in many parts of the world, a critical global issue that needs urgent global solutions. Cenibra, which has forest plantations and a pulp mill in Brazil, has introduced an innovative forest fire prevention and fighting system using artificial intelligence (AI) for their 250,000 ha forests.

The company has 38 watchtowers equipped with 360 degrees rotating cameras. When the AI detects smoke and fires, the monitoring room notifies fire crews nearest to the site of the incidents. They start firefighting immediately. The AI-equipped cameras are more efficient than human eyes and can locate the accurate fire site within 1-2 minutes. Cenibra has reduced forest fire risks significantly.

Voice

**Cenibra & Oji in times of Covid-19**

Cenibra is a traditional company in the sector of bleached kraft pulp from eucalyptus, with a current production of 1,200,000 tons/year, located in the state of Minas Gerais, Brazil founded in 1973.

This year OJI acquired all JBP shares making Cenibra 100% as Oji Group which brought us a lot of joy and pride. We do hope that the OJI culture which is already present in our daily lives can help us to go even further, maintaining Cenibra’s tradition, reinforcing its values, always thinking beyond the boundaries.

During this pandemic period, Cenibra hasn’t stopped. With a lot of internal collaboration from employees, Cenibra implemented several measures to minimize the impacts of COVID-19 and other negative factors bringing harmony to the work environment and serenity to its employees, prioritizing production safety and even achieving an annual record of production in 2020.

Cenibra has preserved the partnerships and the good relationship that maintains with the Government and the communities around it. Cenibra is like this, always with a vision of the future overcomes difficulties and goes beyond expectations.

The Global Forest Goal 2 includes 10 goals for SDGs.

**Forestry Activities that Contribute to Achieving the Sustainable Development Goals (SDGs)**

- **Promote the Employment of Local Residents**
  - In Vietnam, we hire local residents for planting acacia forests in the wet season and harvesting them in the dry. This leads to creating local employment throughout the year, thus contributing to enhanced living standards.

- **Social Contribution Activities (ODPL, Vietnam)**
  - **Dispatch of medical teams**
    - In February 2020, ODPL dispatched a medical team to villages without doctors, and 650 villagers received medical examinations.
    - Blood pressure measurement equipment, clinical thermometers, beds and second-hand clothes were also provided to village clinics.
  - **Installation of water purification equipment**
    - In March 2021, water treatment filters were installed at kindergartens and elementary schools in Canh Lien village, and all elementary schools in Dak Mang village.

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Printing and Communications Media Business

In response to the changing demand structure in Japan and integration with Asian markets, we are advancing with our business structure reforms while maximizing our cash flow.

Fumio Shindo
President, Printing and Communications Media COMPANY
Senior Executive Officer
Oji Holdings Corporation

Newsprint Business
We hold approximately 30% share of the Japanese market for newprint, and provide newspaper companies throughout the country with a stable supply of high-quality newprint.

Printing and Publication Paper Business
We have various types of printing paper used for different applications including books, magazines, and catalogs, etc.

Communications Paper Business
We provide various output media for information processing systems, including copying paper and forms.

Business Strategy
Profitability Improvement of Domestic Business

Looking towards medium-to-long term changes in the demand structure, we are working at consolidating our production facilities with the aim of improving profitability and strengthening our international competitiveness. In FY2020, we shut down the N-1 machine at the Tomakomai Mill, and started retrofitting the N-5 machine (conversion of product type), completing the retrofitting in June this year, and this has already started trial operation. We are also continuing our efforts in thorough cost reductions within each department. In partnership with Mitsubishi Paper Mills, successful outcomes have been seen in production efficiency improvement and cost reduction by eliminating mixed transportation and sharing operating technologies, and mutually utilizing sales channels.

Expansion of Overseas Businesses

Jiangsu Oji Paper Co., Ltd., newly installed two household paper base paper machines in 2020, and it is carrying out works to increase its pulp facilities in 2021. Produced household paper base paper will be used in nepia brand products, as well as being sold to external customers who require base paper. It is also considering the installation of more household paper base paper machines. This expansion of pulp facilities will let us secure raw materials for household paper base paper, and will let us rapidly leverage the synergies of capital investment while taking advantage of our forte in integrated pulp and paper production.

Promotion of Innovation

In our mills, in order that we can pass on the knowledge of our skilled engineers that has been accumulated over many years to up-and-coming generations, and that we can improve the production skills of younger workers, we are working on putting advanced tools and systems to practical use utilizing technical information sharing and as educational tools. For example, we are installing sensing devices such as vibration sensors and temperature sensors at manufacturing sites for use in remote monitoring, and with these we are working to enable rapid detection of problems and improve the productivity of our monitoring operations. Looking forward, we will work to verify the usage of the latest technologies that include using AI for more accurate monitoring and diagnosis, and for understanding the status of other facilities.

ESG and SDGs Topics

Awarded the Excellence Prize at the Eco Mark Award 2020
We were awarded the Excellence Prize at the Eco Mark Award 2020 held by the Japan Environment Association, Eco Mark Office. In addition to promoting sustainable forest management and paper recycling, we are the first company in the industry to achieve Eco Mark certification for printing paper. We have continued to obtain Eco Mark certification since 1990 and are working to expand our environmentally-friendly products by obtaining Eco Mark certification with products that combine waste paper pulp and forest-certified wood pulp. We have been highly recognized as an important party in supporting domestic paper recycling systems, given that we have some of the highest consumption of recovered paper in Japan.
**Oji Group Integrated Report 2021**

### Corporate Management Group and Shared Service Companies

**Oji Engineering**

Oji Engineering Co., Ltd. leverages its technologies accumulated through paper manufacturing to offer one-stop solutions from facility design to operations. It includes milk, juice, soft drinks, tea beverages, and soups. The company conducts design, supervision, and consultation on a wide range of projects, including factories and plants as well as public and private facilities.

**Ginpo Pack**

Ginpo Pack Co., Ltd., a subsidiary of Kyokuyo, conducts planning, production, and sales of plastic containers for food packing with a focus on heat-resistant polypropylene foam containers using the new material “Pulfine,” which can reproduce steaming hot home cooking when using a microwave oven.

**Hotel New Oji**

Hotel New Oji Co., Ltd. is engaged in the hotel and flight catering businesses. In addition to the hotel business at the Grand Hotel New Oji, a 16-story city hotel located in Tomakomai City, Hokkaido, we prepare inflight meals for domestic and overseas airlines in the catering building at the New Chitose Airport and load the meals onto aircraft using large, specialized vehicles.

**Ishizuka-Oji Paper Packaging**

Ishizuka-Oji Paper Packaging Co., Ltd. combines the expertise of Oji Holdings in paper containers and ISHIZUKA GLASS in laminate processing and beverage packaging. By selling superior filling equipment from both Japan and overseas, as well as providing service and maintenance, we are also supporting companies involved in the handling of delicate paper container beverages. By moving away from our former dependence on overseas sources of base paper, and supporting Japan’s first integrated production systems for paper beverage containers, we can ensure stable supply of high-quality, safe, and dependable products to dairy and beverage manufacturers throughout Japan.

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**Kyokuyo**

Kyokuyo Co., Ltd. is a specialized trading company that purchases and sells various products of the Oji Group and other companies. These products include pulp and paper, synthetic resin materials, and equipment. As a trading company that proposes and develops solutions to customer problems, we respond to customer requirements in the best ways possible.

**Oji Real Estate**

Oji Real Estate Co., Ltd. is a general developer active nationwide in the development and sales of condominiums and single-family homes, lease and management of office buildings, condominiums, and commercial facilities, and the renovation business. We also have a construction division that conducts design, supervision, and consultation in a wide range of areas including factories and plants as well as public and private facilities.
Susumu Yajima
Representative Director and Chairman of the Board
April 1973 Joined the former Honshu Paper Co., Ltd.
June 2020 Corporate Officer, the Company
April 2013 Representative Director and Executive Vice President, the Company
October 2012 Director of the Board and Executive Vice President, the Company
January 2010 Representative Director of the Board, President and CEO, the Company
April 2009 Representative Director and Chairman of the Board, the Company (to the present)
April 2007 Representative Director and Chairman of the Board, the Company (to the present)

Masatoshi Kaku
Representative Director of the Board and Group CEO
April 1978 Joined the former Nippon Pulp Industry Co., Ltd.
April 2001 Corporate Officer, the Company
April 2013 Executive Officer, the Company
October 2012 Executive Officer, the Company
June 2011 Director of the Board and Executive Vice President, the Company
April 2009 Representative Director of the Board, President and CEO, the Company (to the present)

Yoshiki Koseki
Director of the Board
Senior Executive Officer
President, Industrial Materials COMPANY
President, Household and Consumer Products COMPANY
President, Oji Industral Materials Management Co., Ltd.
Representative Director and Chairman of the Board, Oji Nippon Co., Ltd.
April 1977 Joined the former Honshu Paper Co., Ltd.
April 2010 Corporate Officer, the Company
April 2006 Executive Officer, the Company
April 2003 Director of the Board, President and CEO, the Company
October 2002 Director and Executive Officer, the Company
October 2012 Director of the Board and Executive Officer, the Company
February 2010 Director of the Board, President and CEO, the Company
April 2007 Director of the Board, Executive Vice President, the Company
April 2007 Director of the Board, President and CEO, the Company (to the present)

Hiroyuki Isono
Director of the Board
Senior Executive Officer
General Manager, Corporate Governance Division
President, Oji Management Office Inc.
March 2000 Joined the company
April 2009 Corporate Officer, the Company
April 2005 Executive Officer, the Company
April 2003 Director of the Board and Senior Executive Officer, the Company
April 2002 Director of the Board and Senior Executive Officer, the Company
April 1994 Joined the Company
October 2012 Director of the Board, Oji Management Office Inc.
June 2007 Director of the Board and Senior Executive Officer, the Company
April 2004 Director of the Board and Senior Executive Officer, the Company
June 2003 Director of the Board and Senior Executive Officer, the Company

Fumio Shindo
Director of the Board
Senior Executive Officer
President, Fixed Resources and Environment Marketing COMPANY
President, Printing and Communication Media COMPANY
President, Oji Green Resources Co., Ltd.
April 1973 Joined the former Honshu Paper Co., Ltd.
April 2003 Corporate Officer, the Company
April 2000 Corporate Officer, the Company
April 1997 Corporate Officer, the Company
April 1993 Director of the Board, the Company
April 1983 Director of the Board and Senior Executive Officer, the Company
April 1979 Director of the Board and Senior Executive Officer, the Company

Kazuhiko Kamada
Director of the Board
Executive Officer, President, Colutip Nipo-Brazil S.A.
May 2013 Joined Oji Management Office Inc.
April 2014 Director of the Board and Senior Executive Officer, the Company
January 2012 Director of the Board and Senior Executive Officer, the Company
June 2011 Director of the Board and Senior Executive Officer, the Company

Seiko Nagai
Independent Outside Director of the Board
April 1983 Joined the company
April 2000 Manager, In-House Group, JAPAN Advisors Co., Ltd.
April 2002 Manager, Passenger Cabin Dept., JAL
October 2014 Manager, Coordinating Sec. Division, Kawasaki Kiyoshi Co., Ltd.
April 2015 Professor, College of Foreign Studies, Kansai Gakuin University (to the present)
June 2019 Outside Director, Member of the Board, Smile桥梁株式会社 (to the present)
June 2011 Independent Outside Director of the Board, the Company (to the present)

Mikinao Kitada
Independent Outside Audit & Supervisory Board Member
April 1975 Appointed as public prosecutor
January 2002 Retired from office
March 2007 Registered as an attorney-at-law
January 2014 Registered as an attorney-at-law
January 2017 Registered as an attorney-at-law
June 2019 Registered as an attorney-at-law
March 2019 Registered as an attorney-at-law
March 2020 Registered as an attorney-at-law
March 2021 Registered as an attorney-at-law

Shigeki Aoki
Director of the Board
Executive Officer
President, Functional Materials COMPANY
President, Oji Functional Materials Engineering Co., Inc.
April 1984 Joined the former Honshu Paper Co., Ltd.
April 2001 Corporate Officer, General Manager, Sales Division (N.P. Tkt.) Co., Ltd.
April 2017 Corporate Officer, General Manager, Sales Division, Oji Tkt. Co., Ltd.
April 2007 Director of the Board and Executive Officer, the Company
June 2003 Director of the Board and Executive Officer, the Company

Toshihisa Takata
Independent Outside Director of the Board
April 1975 Joined the Ministry of Foreign Affairs of Japan
April 1977 Registered as a provisional auditor
July 2010 Registered as an attorney-at-law
August 2013 Registered as an attorney-at-law
October 2021 Registered as an attorney-at-law
January 2022 Registered as an attorney-at-law
February 2022 Registered as an attorney-at-law
March 2008 Registered as an attorney-at-law
March 2011 Independent Outside Director of the Board, the Company (to the present)

Michihiro Yamashita
Audit & Supervisory Board Member
April 1980 Joined the Company
January 2012 Director of the Board and Senior Executive Officer, the Company
October 2012 General Manager, Internal Audit Department, the Company
April 2014 General Manager, Internal Audit Department, the Company (to the present)
April 2007 Director and Managing Executive Officer, Audit Division
March 2002 General Manager, Audit Division, Oji Management Office Inc.
March 2002 Director and Managing Executive Officer, Audit Division
April 2000 Independent Outside Director of the Board, the Company
April 2001 Director of the Board and Senior Executive Officer, the Company

Tomihiro Yasumita
Audit & Supervisory Board Member
April 1980 Joined the Company
January 2009 Director of the Board and Senior Executive Officer, the Company
October 2012 Director of the Board and Senior Executive Officer, the Company
April 2014 Director of the Board and Senior Executive Officer, the Company
April 2009 General Manager, Corporate Governance Division
June 2008 Manager, Corporate Governance Division, the Company
December 2007 Manager, Corporate Governance Division, the Company
June 2006 Manager, Corporate Governance Division, the Company
November 2005 Independent Outside Director of the Board, the Company
March 2003 Independent Outside Director of the Board, the Company

Hiroyuki Isono
Director of the Board
President, Celulose Nipo-Brasileira S.A.
Executive Officer
Director of the Board
June 2015 Director of the Board and Executive Officer, the Company
April 2014 Corporate Officer, the Company
October 2012 Director of the Board, Oji Management Office Inc.
April 2008 Corporate Officer, the Company
April 2006 Corporate Officer, the Company
April 2003 Director of the Board, President and CEO, the Company
October 2002 Director and Executive Officer, the Company
June 2012 Director of the Board and Executive Officer, the Company
April 2010 Director of the Board and Senior Executive Officer, the Company

Michihiko Nakata
Independent Outside Audit & Supervisory Board Member
April 1975 Appointed as public prosecutor
January 2014 Retired from office
January 2017 Registered as an attorney-at-law
February 2018 Registered as an attorney-at-law
March 2021 Registered as an attorney-at-law

Hidero Chimori
Independent Outside Audit & Supervisory Board Member
April 1983 Registered as an attorney-at-law
June 2002 Independent Outside Audit & Supervisory Board Member, OMIYOS Corporation
April 2003 Independent Outside Audit & Supervisory Board Member, OMIYOS Corporation
June 2016 Independent Outside Director, Audit & Supervisory Board Member, Nippon Paper Innobai Co., Ltd.
June 2014 Retired from office
June 2014 Independent Outside Director, Audit & Supervisory Board Member, NIPPOPLA Co., Ltd.
June 2010 Independent Outside Director of the Board, the Company (to the present)
June 2006 Independent Outside Director of the Board, the Company (to the present)
June 2013 Independent Outside Director of the Board, the Company (to the present)

Nobuko Otsuka
Audit & Supervisory Board Member
January 2016 Joined Oji Management Office Inc.
Manager, In-House Group, JAPAN Advisors Co., Ltd.
April 2012 Manager, Passenger Cabin Dept., JAL
October 2014 Manager, Coordinating Sec. Division, Kawasaki Kiyoshi Co., Ltd.
April 2015 Professor, College of Foreign Studies, Kansai Gakuin University (to the present)
June 2019 Outside Director, Member of the Board, Smile桥梁株式会社 (to the present)
June 2011 Independent Outside Director of the Board, the Company (to the present)

Seiko Nagai
Independent Outside Director of the Board
April 1983 Joined the company
April 2000 Manager, In-House Group, JAPAN Advisors Co., Ltd.
April 2002 Manager, Passenger Cabin Dept., JAL
April 2014 Manager, Coordinating Sec. Division, Kawasaki Kiyoshi Co., Ltd.
April 2015 Professor, College of Foreign Studies, Kansai Gakuin University (to the present)
June 2019 Outside Director, Member of the Board, Smile桥梁株式会社 (to the present)
June 2011 Independent Outside Director of the Board, the Company (to the present)

Nozomi Seguchi
Independent Outside Audit & Supervisory Board Member
March 1984 Registered as a provisional auditor
November 2003 Registered as an attorney-at-law
March 2014 Registered as an attorney-at-law
April 2015 Registered as an attorney-at-law
March 2016 Registered as an attorney-at-law
June 2018 Independent Outside Director of the Board, the Company (to the present)
June 2013 Independent Outside Director of the Board, the Company (to the present)
June 2010 Independent Outside Director of the Board, the Company (to the present)
Message from the Chairman

Reaffirming the Importance of Corporate Governance during the COVID-19 Pandemic

- Speedy management decisions and countermeasures required in an emergency
- Fulfilling supply responsibilities supporting lifestyle and industry while ensuring thorough infection control (BCP response)
- Reforming the Board of Directors based on Revision of the Corporate Governance Code
- Reaffirming the Importance of Corporate Governance during the COVID-19 Pandemic

Governance Functions as Seen from the Position of the Chairman of the Board

- Representative Director and Chairman of the Board
  Susumu Yajima

Reforming the Board of Directors based on Revision of the Corporate Governance Code

- New management structure with increase in the number of Independent Outside Directors and Independent Outside Audit & Supervisory Board Members
- Specifying skills that the Board of Directors should possess and publishing the skill matrix
- Functions required of the Board of Directors in the future, and expected changes

Firstly, I would like to say that the increase in the number of Independent Outside Directors (all of the Company’s Independent Outside Directors are Independent Officers) is not only for the regulatory purpose of complying with the revision of the Corporate Governance Code. I mentioned earlier that the reason why the Oji Group exists today is because it has experienced many other emergencies in the past. Each time it faced an emergency, the Oji Group endeavored to remain a company that is needed by society. This is why our Group exists today. A company’s true nature reveals itself in times of emergency. In this context, we recognize that the importance of corporate governance, including BCP and risk management, has increased further.

Promoting Sustainability Strategy

- Monitoring the environment, human rights, and occupational safety based on the Partnership Procurement Policy
- Ensuring transparency and soundness through advisory bodies (Nomination Committee and Compensation Committee)
- Effective utilization of external perspectives as seen from the position of Chairman of the Board of Directors

Issues and Future Initiatives in Corporate Governance

- Recognizing corporate governance issues for sustainable growth
- Ensuring transparency and soundness through advisory bodies (Nomination Committee and Compensation Committee)
- Ensuring transparency and soundness through advisory bodies (Nomination Committee and Compensation Committee)
- Effective utilization of external perspectives as seen from the position of Chairman of the Board of Directors
- Governance themes to strengthen in the future, response to them and the establishment of systems
- Issues and Future Initiatives in Corporate Governance

- New management structure with increase in the number of Independent Outside Directors and Independent Outside Audit & Supervisory Board Members
- Specifying skills that the Board of Directors should possess and publishing the skill matrix
- Functions required of the Board of Directors in the future, and expected changes

Firstly, I would like to say that the increase in the number of Independent Outside Directors (all of the Company’s Independent Outside Directors are Independent Officers) is not only for the regulatory purpose of complying with the revision of the Corporate Governance Code. I mentioned earlier that the reason why the Oji Group exists today is because it has experienced many other emergencies in the past. Each time it faced an emergency, the Oji Group endeavored to remain a company that is needed by society. This is why our Group exists today. A company’s true nature reveals itself in times of emergency. In this context, we recognize that the importance of corporate governance, including BCP and risk management, has increased further.

We of course have already begun taking concrete steps to address this issue as the top priority of our management. In September 2020, we enforced our Environmental Vision 2050 to realize Net Zero Carbon by 2050 and Environmental Action Program 2030 as a milestone in order to achieve our Vision, and we endorsed the TCFD recommendations in December 2020. The Oji Group is extremely fortunate as its businesses can contribute to a sustainable society in their own right through the global expansion of a sustainable business model: “resource circulation throughout the value chain.” In the future, we will continue to accelerate the expansion of our overseas forest plantations and actively promote forest management.

Furthermore, based on a recognition that promoting inclusion & diversity is essential for our evolution and continuous existence, we are developing measures related to human resources. Perhaps because of our history of repeated mergers, the Oji Group has a culture of accepting outside human resources regardless of their background, and we will continue to actively recruit outstanding human resources regardless of their past careers or nationality and increase diversity. We will also continue to send young employees who bear the future of the Oji Group to work places outside Japan to foster relationships of trust with local people through collaboration and to develop truly globally minded human resources who can respect the values of the countries they work in.
Corporate Governance

The Oji Group has adopted a COMPANY system under which Oji Holdings oversees the formulation of Group management strategies and Group governance and each COMPANY, made up of closely-related businesses, plays a central role in business operations. This structure accelerates decision making by each business unit and clarifies management responsibilities.

In addition, as a company with Audit & Supervisory management responsibilities, the Audit & Supervisory Board plays a central role in business operations. This structure accelerates decision making by each business unit and clarifies management responsibilities. Oji Holdings reinforces Group-wide governance and management efficiency, soundness, and transparency while promoting the enhancement of corporate governance in order to ensure management issue and building trusting relationships with diverse stakeholders.

Corporate Governance Structures


Basic Concepts, Framework, and Operational Policies

The Fundamental Policies on Corporate Governance set forth the basic concepts, framework, and operational policies regarding corporate governance. (https://www.ojiholdings.co.jp/english/group/policy/goverence.html)

Corporate Governance Report

The Oji Group has established a Group-wide Corporate Code of Conduct based on the fundamental values and philosophy that have been handed down since the Group’s foundation and has undertaken business activities with an awareness of its role as a corporate member of society and a strong sense of ethics throughout the Group. Going forward, in order to increase corporate value and become a company that is trusted by society, we will work to ensure management efficiency, soundness, and transparency while promoting the enhancement of corporate governance in order to ensure management issue and building trusting relationships with diverse stakeholders.

Corporate Governance Structural Diagram

Nomination Committee and Compensation Committee

The Nomination Committee and Compensation Committee were established as advisory bodies to the Board of Directors in 2015. These two committees enhance objectivity and transparency in their decision making, and the Compensation Committee analyzes the effectiveness of and deliberates the evaluations of the Board of Directors. With the increase of one Independent Outside Director in June 2021, the Committees consist of two internal Directors and four Independent Outside Directors, with the Independent Outside Directors representing more than half of the Committee members.

Roles of Nomination Committee

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

Roles of Compensation Committee

Deliberate on compensation structures, compensation levels, and evaluation of Directors, Corporate Officers, and Corporate Advisors and submit recommendations to the Board of Directors.

Policy on Determination of Director Compensation

Oji Holdings has designed its compensation programs with an emphasis on the roles performed by the Director compensation program and determination policies. The specifics of the Director compensation program and determination policies are set forth in the Fundamental Policies on Corporate Governance. Director compensation comprises base compensation, bonuses that reflect short-term performance, and stock-based compensation that reflects medium- to long-term improvement in corporate value.

Policy on Determination of Director Compensation and Total Compensation Amount

- Determinations are made by the Board of Directors based on recommendations submitted by the Compensation Committee.
- Please refer to the Annual Securities Report for details concerning performance-linked compensation including bonuses and stock-based compensation.

Securities Reports (in Japanese)


Ratios of performance-linked compensation and non-performance-linked compensation

Security reports and related documents

<table>
<thead>
<tr>
<th>Position</th>
<th>Fixed compensation</th>
<th>Performance-linked compensation</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total compensation</td>
<td>Bonuses</td>
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</tr>
<tr>
<td>Director, Chairman of the Board</td>
<td>50%</td>
<td>25%</td>
<td>25%</td>
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<tr>
<td>Director of the Board, President</td>
<td>50%</td>
<td>25%</td>
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<tr>
<td>Director of the Board, Senior Executive Officer</td>
<td>50%</td>
<td>25%</td>
<td>25%</td>
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<tr>
<td>Director of the Board, Executive Officer</td>
<td>50%</td>
<td>25%</td>
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<tr>
<td>Independent Outside Director</td>
<td>100%</td>
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Policy and Process for Nomination of Directors and Audit & Supervisory Board Members

Policy

At Oji Holdings, the Fundamental Policies on Corporate Governance stipulate as a Director nomination policy that candidates be nominated for Directors who possess excellent character and insight and who may contribute to the sustainable growth as well as the increase of medium- to long-term corporate value of the Group, and that the Board of Directors shall comprise Directors who take notices on a balance between diverse knowledge and expertise concerning the business operated by the Group. The Fundamental Policies also stipulates that candidates be appointed for Audit & Supervisory Board Members who are capable of executing the duties of Audit & Supervisory Board Members, and who possess excellent character and insight as well as high level of specialization and extensive experience.

Directors’ Skill Map

The capabilities of our Directors are as follows:

<table>
<thead>
<tr>
<th>Director</th>
<th>Corporate management</th>
<th>Finance and accounting</th>
<th>Marketing and sales</th>
<th>Research and development</th>
<th>Technology</th>
<th>IT management</th>
<th>Purchasing and procurement</th>
<th>Internationality</th>
<th>ESG</th>
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<tr>
<td>Susumu Yajima</td>
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<td>Masahiko Kato</td>
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<td>Yoshiki Kaseki</td>
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<td>Hironori Ishino</td>
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<td>Fumihiro Shindo</td>
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<td>Kazuhide Kurikata</td>
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<td>Koichi Ikeda</td>
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<td>Shigeki Akai</td>
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<tr>
<td>Michihiro Nara (Independent Outside Director)</td>
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<tr>
<td>Yoshikazu Takada (Independent Outside Director)</td>
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<tr>
<td>Sachiko Ai (Independent Outside Director)</td>
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Independent Outside Officers

Status of Activities by and Reason for Appointment of Independent Outside Officers

There are four Independent Outside Directors and three Independent Outside Audit & Supervisory Board Members at Oji Holdings. All Independent Outside Officers attend Board of Directors meetings, and the briefings that are held twice each month in principle and are conducted by the Director responsible for the Corporate Governance Division regarding management meetings, agendas and planned Board of Directors deliberation matters. In addition, the four Independent Outside Directors make up the Nominations Committee and the Compensation Committee. Persons with highly specialized and wide-ranging knowledge who are able to express opinions that are independent from management and from the perspectives of various stakeholders are selected as Independent Outside Director candidates, and persons with excellent character and insight, a high level of specialization, and extensive experience are selected as Independent Outside Audit & Supervisory Board Member candidates.
The Oji Group incorporated the principles on human rights, labor, the environment, and anticorruption of the United Nations Global Compact and established the Oji Group Corporate Code of Conduct and the Oji Group Behavior Standard, action guidelines for the Code, in 2004, but they were revised in FY2020 to reflect the Management Philosophy and change of the Global Compact and established the Oji Group Corporate Code of Conduct and the Oji Group Behavior Standard have been translated into the respective languages of each country in which the Group has its business sites and are made known to all officers and employees that belong to the Group. All officers and employees of the Oji Group strive to understand the Oji Group Corporate Code of Conduct and the Oji Group Behavior Standard correctly and to practice them. If an action against them is conducted or if a violation is suspected, it must be reported or consulted with a supervisor or the compliance office of the company or worksite, or the Corporate Ethics Helpline (Group internal whistleblowing desks).

The Oji Group Corporate Code of Conduct

I. Toward the materialization of the spirit of the Oji Group Corporate Code of Conduct, the Oji Group Behavior Standard is adopted as a standard to be followed in the daily activities of all management and employees as a member of international society.

II. All management and employees should recognize responsibility for following this Behavior Standard and must not violate it.

The Oji Group Behavior Standard

I. Toward the materialization of the spirit of the Oji Group Corporate Code of Conduct, the Oji Group Behavior Standard is adopted as a standard to be followed in the daily activities of all management and employees as a member of international society.

II. All management and employees should recognize responsibility for following this Behavior Standard and must not violate it.

The Corporate Compliance Department of Oji Holdings draws up policies and measures for promoting compliance in the entire group. It also formulates and reviews the Oji Group Corporate Code of Conduct and the Oji Group Behavior Standard and establishes internal whistleblowing systems and rules on anti-corruption. In addition, at domestic and overseas Group companies, compliance managers and compliance promotion leaders play a central role in promotion activities and work to instill compliance awareness throughout the Group.

Measures for Promoting Compliance

Activities for Raising Compliance Awareness

Numerous opportunities are created for employees to acquire necessary knowledge including compliance training as part of rank-based training for newly-appointed managers and new employees as well as periodic internal training on themes that are common to all Group companies such as the Subcontract Proceeds Act, the Antimonopoly Act, and the prevention of bribery. Also, the Compliance News is issued every month to introduce current internal and external compliance topics, provide teaching materials in quiz format, explain the Oji Group Corporate Code of Conduct and Oji Group Behavior Standard, and inform employees about the whistleblowing system.

Sharing the Revised Code of Conduct and Behavior Standard and Providing Follow-up Sessions

We have repeatedly disseminated the contents of the Oji Group Corporate Code of Conduct and the Oji Group Behavior Standard revised in October 2020. In addition, we have separately prepared teaching and explanatory materials to utilize them at a compliance meeting held at each worksite. Moreover, we translate the education materials into 12 languages for overseas employees in order to disseminate the Oji Group Corporate Code of Conduct and the Oji Group Behavior Standard and encourage them to practice the Standard.

Whistleblowing System

The Oji Group operates the Business Ethics Helpline (illustrated in the diagram on the right) based on the Group corporate governance systems and rules on anti-corruption. Whistleblowing desks are established both internally (in the Oji Holdings Corporate Compliance Department) and externally (a law firm) to discover early and correct violations of laws and regulations and misconduct.

In FY2020, we prepared unique teaching materials (see the above image) of the Antimonopoly Act e-learning for the Procurement divisions, which was prepared for the Sales divisions in the past, and 1,260 eligible employees participated in the e-learning course.

Anti-Corruption Initiatives

The Oji Group Behavior Standard expressly provide for “wholesome relationship with politics and government” and “maintenance of an honest, wholesome relationship with business partners”. In order to materialize this, we have established Group Corruption Prevention Regulations and their guidelines relating to bribery (offering and accepting benefits) and performing internal audits of bribery compliance. An internal audit of the compliance status was implemented as a stricter standard for the receipt of benefit has been imposed on domestic companies since the fiscal year started in April 2020.
Risks

Business Line

Risks

Employment and personnel risks, risks of misconduct and criminal conduct internally and externally, legal risks, risks concerning information leaks, production safety risks, production facility risks, raw materials purchasing risks, and others.

Risk Management Structure

The Oji Group has identified Group-wide and business line risks within the execution of business by categorizing risks in all of the assets it owns, both tangible and intangible, in accordance with the Group Risk Management Regulations, as shown below. Responses to risks are implemented by the responsible management and support departments. The Board of Directors supervises the enhancement and implementation of risk management. When a new risk occurs, the Board of Directors makes a decision after deliberations within the Group Management Meeting. The Director and the General Manager of the Corporate Governance Division is responsible for the risk management of the Oji Group. The Corporate Governance Division works to ensure the effectiveness of the risk management of the overall Group.

Group-Wide

Disaster risks, occupational accident risks, information system risks, cyber security risks, product liability risks, intellectual property risks, environmental risks.

Risk Assessment

Risks Assessment of New Businesses

The Oji Group screens investments and loans, such as those for new businesses and projects, not only by examining economic aspects but also from the viewpoint of ESG (environment, social, governance) by following the Oji Group Corporate Code of Conduct, the Oji Group Behavior Standard, the Oji Group Partnership Procurement Policy, and other criteria.

Occupational Safety and Health

We conduct risk assessment by confirming our safety and health policies, objectives, and management structure. The occurrence of occupational accidents resulting in incapacity for work lasting at least one day, including accidents resulting in deaths or serious injuries, and countermeasures taken against such injuries, daily safety and health activities such as safety patrols and safety training, and safety of machines, equipment, chemicals, work environment, work methods, and others, not to mention the status of compliance with laws and regulations related to safety and health.

Water

To assess and identify water-related risk, we use WR Aqueduct* and conduct due diligence on precipitation, drought, water disasters, water-related laws and regulations, and other elements of the area where we plan to launch a new project or business.

Biodiversity

In the planning phase of a new business or M&A, we collect information by meeting with local governments and environmental NGOs of the respective areas, and assess biodiversity risk.

Human Rights

We conduct risk assessment to see whether consideration is given to basic human rights and check for elements that have a negative impact on human rights, with a special focus on child labor, labor management, the rights of indigenous people, labor-management relationships, and other factors.

Anti-Corruption

We conduct risk assessment of our business partners as well as our agents to confirm that they do not engage in any bribery, illegal trade, or misconduct.

Practicing the Oji Group Partnership Procurement Policy

We request our raw material suppliers all over the world to implement the Oji Group Partnership Procurement Policy, assess risks, and monitor them to reduce risks associated with the environment, human rights, and occupational safety. (Responsible Raw Materials Procurement p. 90)

Measures for Information Security

The Oji Group positions various information obtained during its business activities as important assets required for business continuity. To strengthen our response to the ever-evolving IT environment, we have established the Group Information System Usage and Risk Management Regulations, and we have developed the promotion management system for preventing leakage of confidential information, and for cyber attacks and disasters.

The Oji Business Center, as a department that oversees our information system risk management, regularly audits the compliance status across the Group and reports the results to the Group Management Meeting. In addition, to educate employees, we regularly perform educational activities in company newsletters and provide e-mail training utilizing external experts to deal with phishing e-mails that are becoming more sophisticated every day.

In terms of facilities, we are building a backup system for internal servers in external data centers as part of our BCP. In FY2020, we strengthened cyber security measures as the network was re-constructed, and revised regulations to respond to the spread of teleworking in times of COVID-19. We will work to make sure that these measures will take hold and at the same time implement them at overseas group companies to further strengthen our efforts to improve information security.

Risk Management

Under the risk management structure developed and supervised by the Board of Directors, the Oji Group has established the Group Risk Management Regulations, and the Corporate Governance Division manages the risks common to the overall Group in a centralized manner. A responsible officer and division are assigned for each type of risk, enabling management to be informed of the risk and to respond quickly and appropriately.

In response to the rapid expansion of the areas where we operate businesses, we will reinforce our risk management structure globally to ensure business continuity and the steady development of our businesses.
The Oji Group’s BCP Initiatives

The Oji Group has implemented the following initiatives to handle business continuity risks, such as natural disasters and accidents.

Establishment of a Business Continuity Plan (BCP) and Business Continuity Management (BCM) Systems

At the Oji Group, we engage in business continuity management (BCM) by having each COMPANY formulate a business continuity plan (BCP) and review it as necessary. We constantly review and improve our crisis response system through training on the establishment of Group emergency headquarters and the inspection and maintenance of necessary facilities, equipment, and other items, in our efforts to maintain and improve our initial response capability.

Building a Group Disaster Control System

We have established the Group Disaster Control Office as a permanent organization and formulated rules on the reporting of disaster and accident information, thereby establishing a system for obtaining the latest information promptly. We also share information about the causes of disasters and accidents, and other information across the Group, and work to minimize damage.

Implementation of Regular Safety Confirmation Training and Comprehensive Disaster Drills

We conduct nationwide safety confirmation training twice a year, thereby maintaining a system that places maximum priority on human life. In addition, a comprehensive disaster drill is conducted regularly at each business location.

Emergency Response

To ensure a prompt initial response to emergencies, we have established a system for reporting and collecting information around the clock. In the event of a serious incident to be addressed by the overall Group, we establish the Group emergency headquarters to confirm the safety of employees, check the damage suffered, and take prompt measures to continue supplying products to our customers.

With the safety of employees as our highest priority, we implement measures that enable employees to suspend outings and outdoor works, postpone attendance at work, leave work early, or avoid returning home in cases where it would be dangerous to do so.

An Essential Products Supplier that Supports Daily Life

The Oji Group supplies daily essential products in all over the world, such as tissue paper, toilet rolls, face masks, and other hygiene materials as well as the corrugated containers that support logistics services, folding carton products, and printing and communication paper that conveys information. Even in times of COVID-19, while thoroughly implementing infection prevention measures, we carry on production activities to maintain social life.

Continuing Business Activities to Maintain Supply Chain under Lockdown

Malaysia acknowledges corrugated containers, disposable diapers, and printing and processing plants as a part of the supply chain of essential major industries to maintain the people’s lives under lockdown. The manufacturing sites of the Oji Group in the country have been making constant efforts to continue its business operations while thoroughly implementing infection prevention measures under strict restrictions.

Also in Brazil, we have been permitted to continue its operations as an essential business amid increasing positive cases. We continue the production while minimizing impacts through not only temperature-measuring, mask wearing, disinfection, and avoiding the Three Cs (crowding, close contacts, confined spaces) but also halving the maximum number of passengers of the private commuter bus, increasing the number of buses, and coordinating the operation schedule in detail.

Preparations Against Further Spread, and Other Natural Disasters

We provide various corrugated container products, such as corrugated boxes to evacuation centers, etc., for earthquakes, heavy rains, typhoons, and other natural disasters. We proposed the utilization of corrugated partition walls to the national and local governments, as they can be in urgent need of appropriate infection prevention measures in times of COVID-19. In addition, we participate in joint drills for setting up evacuation centers and support various disaster-prevention related matters.

Currently we have concluded a disaster prevention agreement with 122 local governments.

Evolutions in the Oji Group’s Governance System

Nara

The appointment of Ms. Nara has increased the number of Independent Outside Directors by one and brought the ratio of Independent Outside Directors up to one third of the 12 Directors. This expansion is based on the revision of the Corporate Governance Code, and I was surprised by the speed of this response. In recent years, the Oji Group has been increasing its awareness of governance and creating a system for prompt decision-making. I feel that both are showing effects.

Takata

When I joined the Board of Directors two years ago, two of the 13 Directors were Independent Outside Directors, and all were men. However, we welcomed Ms. Ai on the Board last year as the first female Independent Outside Director, followed by Ms. Nara this year. The Board of Directors has made steady progress in terms of diversifying its membership.

Ai

I believe that diversity will become more important in the future in order to overcome crisis and survive as a resilient company in a rapidly changing environment. I hope that the board will continue to make active efforts while exploring the directions for what kind of discussions should be promoted to further strengthen the effectiveness of management supervision. There have been enhancements in various types of follow up measures, such as the provision of information for us at briefings for Outside Officers. Participating in the Management Meetings as observers has also been a useful opportunity.

Nara

At the same time as the enhancement of the governance system I mentioned earlier, we have seen increasing awareness of compliance and a greater sense of responsibility in responding to social changes. In this context, the Board of Directors has maintained the flexibility to steadily incorporate outside opinions into its operations, which has led to more active discussions. As Ms. Takata said, the briefings for Outside Officers have been functioning effectively, and participation in the Management Meetings as observers is one example showing that the opinions and requests of Outside Officers have been achieved.

Ai

I feel very honored to be a part of such positive changes and to be serving as an Independent Outside Director from this fiscal year. Based on my experience at an airline and communication with younger generations through my university teaching career, I have come to believe it is important for people with different nationalities and backgrounds to respect each other and maximize their individual strengths. I would like to provide a new perspective for the Oji Group’s management and play a part in its diversity.

Takata

With regard to the operation of the Board of Directors, I understand that all Directors are required to make active efforts while exploring the directions for what kind of discussions should be promoted to further strengthen the effectiveness of management supervision. There have been
Response to the COVID-19 Pandemic and Evaluation of Progress of the Management Plan

Takata

FY2020 business performance was significantly affected by the impact of the COVID-19 pandemic. However, I would like to commend the fact that, except for lockdowns overseas, there were no plant shutdowns or closures, and there were no serious defects or weaknesses in the in-house infection control measures that could have led to the occurrence of clusters. On the other hand, safety training and audits, and site inspections at production sites have been delayed in some areas due to the effects of the COVID-19 pandemic. There have also been some discussions at the Board of Directors on how to mitigate and recover from the decline that leads from this situation.

AI

I highly commend the accurate response to the COVID-19 pandemic, which included immediately grasping the infection situation at domestic and overseas sites, ensuring the safety of employees, and controlling the impact on the production system. At the Board of Directors' meetings, I was asked to provide an objective viewpoint in order to promote the necessary initiatives in a consistently changing situation, and I made comments based on the status and speed of initiatives at other companies' overseas sites.

Nara

We can say that the impact of the COVID-19 pandemic on the progress of the Medium-term Management Plan was less than expected. I recognize that steady progress is seen in all of the three fundamental policies: “Profitability Improvement of Domestic Business,” “Expansion of Overseas Business,” and “Promotion of Innovation.” I particularly applaud the establishment of Oji Pharma Co., Ltd., as a symbol that indicates the future direction.

AI

As an Independent Outside Director, while monitoring whether the priority measures based on the three fundamental policies were being steadily implemented and whether there were any impeding factors, I made recommendations based on the various information we collected and my own experience.

In the current fiscal year, which is the final year of the plan, we must make specific recommendations while paying close attention to how each of the priority measures will lead to enhancement of corporate value, with an eye on the direction of the next medium-term management plan starting in FY2022.

Takata

Amid the impact of the COVID-19 pandemic and the low price of pulp, the decline in earnings for FY2020 was not as bad as it could have been. This reflects the strength of our broad business domain, overseas business expansion, and progress of integration in our production system from materials to manufactured products, as well as the contributions from our cost reduction efforts and the lower prices of raw materials. However, in the medium- to long-term, there are concerns about the further decline in demand for paper in the COVID-19 pandemic, and the Oji Group faces the need to further accelerate a shift in business structure through the Group’s three fundamental management policies. In the future, I intend to participate in discussion at the Board of Directors bearing in mind how we should implement this acceleration with a basic principle of prioritizing safety, the environment, and compliance.

Development of Human Resources and Workplaces as a Sustainability Strategy

Nagai

In this time of uncertainty and unpredictability, the sense of security that homogeneity brings is nothing more than a mere affirmation of the status quo, and should be considered as something that needs to decline. I believe a strong and clear message from the top about this will be the driving force behind diversity, and it will realize a sustainable company. The presence and active participation of female employees are essential elements for a company to maintain diversity. If this awareness permeates the entire company and each and every female employee gains confidence, it will lead to the development of human resources and workplaces as a sustainability strategy.

Nara

Although there are two female and two male Independent Outside Directors, there are still no female insiders. With the need to ensure diversity in the core human resources of a company, the Oji Group must hasten the development of female executives. Of course, it will take time to develop such human resources. However, I think it is possible to identify the suitable human resources for each grade, including subsection chief, section chief, and general manager, and implement training in stages.

AI

The Diversity Promotion Committee leads the implementation of various initiatives related to active participation of diverse human resources. The results of these initiatives have been highly commended externally, and we have been selected for the second time as a “Nadeshiko Brand” rated and selected by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange. However, as Mr. Nara said, achieving diversity in core human resources, such as further increasing the percentage of female managers, will take time, and I hope that we can continue to promote these activities.

Takata

I feel that the target for the percentage of female managers (5.5% for 16 Group companies by the end of FY2024) set by the Diversity Promotion Committee is not high enough. As one future move, I would like to suggest strengthening various initiatives to promote active participation by women more than ever at Oji Nippon, which represents the B-to-C business, in order to take advantage of the perspectives of ordinary people, particularly women.

AI

The Oji Group’s overseas sales ratio exceeded 30%, and the number of its overseas employees is higher than in Japan. Looking ahead, the results achieved by local management will be the key to enhancing corporate value. Ease of work for local employees can be described as the prerequisite in the Oji Group’s overseas expansion, which requires technical and sales capabilities. The key to this is developing human resources with communication and foreign language skills that will help to create a positive workplace environment.

Ensuring health and safety and employee satisfaction are issues that must always be addressed in creating a workplace. New work styles such as telecommuting and flex-time, which have expanded in the COVID-19 environment, can be expected to provide a safe, efficient, and attractive working environment.

Message to Stakeholders

Takata

The Oji Group is committed to and capable of realizing a sustainable society. We hope you look forward to our future as a company committed to coexisting with society, which includes our stakeholders. We would particularly like the younger generation to understand that we have good qualities as a global enterprise.

Nagai

I view the Oji Group as a corporate group that contributes to society by operating environmentally friendly businesses on a global scale. From now on, I would like to join forces with our diverse employees to greatly develop the Group’s corporate activities and contribute to society.

AI

In line with its slogan “Beyond the Boundaries,” the Oji Group aims for growth through the operation of diverse businesses on a global scale. At present, we are working to overcome the effects of the COVID-19 pandemic, recover our business performance, and return to a growth trajectory. At the same time, we are steadily promoting innovation such as the development of next-generation materials for the future. The stakeholders should look forward to the Group’s next moves un fettered by “boundaries.”

Nara

The Oji Group, which owns forests and water, is inexorably linked with the SDGs through its business activity and cannot survive without harmony with nature and society. For this reason, we recognize that environmental issues are of utmost importance in the Group’s management and prioritize them as a condition for our own survival. We hope that our stakeholders will pay attention to our stance and efforts, and we look forward to your further support and patronage.
### Material Issues (ESG) and KPIs

<table>
<thead>
<tr>
<th>Material Issues (ESG)</th>
<th>Qualitative targets</th>
<th>Key performance indicators (KPIs)</th>
<th>Current value*2</th>
<th>Value provided to society</th>
<th>Corresponding SDGs</th>
</tr>
</thead>
</table>

#### Mitigation and adaptation to climate change
- Reduces GHG emissions, material waste, and energy consumption.
- Achieves reduction in GHG emissions (in k-ton), employing bioenergy, and improving energy efficiency.
- Achieves reduction in GHG emissions (in k-ton), employing bioenergy, and improving energy efficiency.

#### Sustainable forest management (forest recycling)
- Maintains and expands overseas forest plantations.
- Increase forest certification acquisition rate.
- Increase the rate of overseas forest certification acquisition (91% [Japan], 102% [overseas])

#### Responsible raw materials procurement
- Promotes ESG procurement, taking into consideration the environment and society following the Oji Group Partnership Procurement Policy and the World Business Council for Sustainable Development.

#### Reduction of environmental burdens (air, water and waste)
- Improves the recovery rate of waste paper.
- Reduces water consumption intensity.
- Achieves reduction in GHG emissions (in k-ton) from FY2018.
- Achieves reduction in GHG emissions (in k-ton) from FY2018.

#### Effective resource utilization (paper and water recycling)
- Continues zero-defect accidents.
- Maintains and expands the multi-functional uses of forests.

#### Stable supply of safe and secure products
- Provides education and training in human rights.

#### Respect for human rights
- Achieves zero fatal and serious accidents.
- Achieves zero fatal and serious accidents.

#### Ensuring workplace safety and health
- Increase in the usage of renewable energy (12.2, 13.3, 12.2, 13.3)
- Increase in the usage of renewable energy (12.2, 13.3, 12.2, 13.3)

#### Inclusion & diversity
- Increase female employees (5.4% [Japan], 3.6% [Japan], 2.6% [Japan], 2.6% [Japan])
- Percentage of female managers: 5.4% [Japan], 3.6% [Japan], 2.6% [Japan], 2.6% [Japan]

### Key performance indicators (KPIs)

- **GHG emissions**: GHG emissions reduced by 4.4%.
- **Forest certification acquisition**: Forest certification acquisition rate.
- **Energy consumption**: Energy consumption intensity.
- **Carbon dioxide**: Carbon dioxide emissions.
- **Water intake**: Water intake.
- **Waste**: Waste generated.

### Current value

- **Means**: Average of the base year (FY2018) and FY2020
- **Percent change**: Percentage change from the base year (FY2018) to FY2020
- **Efficient waste utilization ratio**: Efficient waste utilization ratio.
- **Effective waste utilization ratio**: Effective waste utilization ratio.
- **Effective waste utilization ratio**: Effective waste utilization ratio.

### Reference pages

- [Material Issues (ESG) and KPIs](#)
- [Sustainable forest management (forest recycling)](#)
- [Responsible raw materials procurement](#)
- [Reduction of environmental burdens (air, water and waste)](#)
- [Effective resource utilization (paper and water recycling)](#)
- [Stable supply of safe and secure products](#)
- [Respect for human rights](#)
- [Ensuring workplace safety and health](#)
- [Inclusion & diversity](#)
Risks and Opportunities of Climate Change

Scenario Analysis

With respect to transition risks due to policies and laws such as a carbon tax and emissions trading systems, we recognize that the impact of such risks to the business will be limited even with ongoing implementation of thorough energy conservation, promotion of the introduction of non-fossil fuels such as biomass and waste, and expansion of CO2 absorption and fixation by forests owned by the Group. In addition, with respect to risks to market and reputation due to the use of fossil fuels, we recognize that the impact to business will be small due to promoting zero coal-fired power generation by FY2050 and improving the renewable energy ratio by switching from fossil fuels to non-fossil fuels.

In terms of physical risks, flood damage and extreme dryness due to intensified extreme weather will continue to be addressed via ongoing formulation of a BCP and continued practice of BCP, while also diversifying raw material procurement and taking flood damage countermeasures at our manufacturing facilities to reduce business impacts.

"2 BCP = Business Continuity Plan, BCM = Business Continuity Management

<table>
<thead>
<tr>
<th>Category</th>
<th>Type of risks</th>
<th>Details of risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical risks</td>
<td>Inundation due to heavy rains in areas of high water risk</td>
<td>Flooding and extreme dryness due to intensified extreme weather will continue to be addressed via ongoing formulation of a BCP and continued practice of BCP, while also diversifying raw material procurement and taking flood damage countermeasures at our manufacturing facilities to reduce business impacts.</td>
</tr>
<tr>
<td>Transition risks</td>
<td>Changes in precipitation and weather patterns, and rising average temperatures</td>
<td>Changes in precipitation and weather patterns, and rising average temperatures due to changes in climate and the ecosystem will continue to be addressed.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Environmental Management Dept.</td>
</tr>
</tbody>
</table>

Risk Strategies and Responses

<table>
<thead>
<tr>
<th>Type of risks</th>
<th>Strategies and responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical risks</td>
<td>Increasing efficiency of the cultivation of trees suitable for the area and the climate</td>
</tr>
<tr>
<td>Transition risks</td>
<td>For afforestation, selection of tree species suitable to the area and the climate</td>
</tr>
</tbody>
</table>

Opportunities

<table>
<thead>
<tr>
<th>Category</th>
<th>Type of opportunities</th>
<th>Details of opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic benefits</td>
<td>Reduction of fossil fuel use</td>
<td>Reduction of fossil fuel use through the use of renewable energy sources and improvement of the renewable energy ratio</td>
</tr>
<tr>
<td>Marketing and sales</td>
<td>Development of biomass-based materials, reduction of fossil fuel use by utilizing renewable energy sources</td>
<td>Development of biomass-based materials, reduction of fossil fuel use by utilizing renewable energy sources</td>
</tr>
<tr>
<td>Product and service</td>
<td>Development of new carbon nanomaterials, reduction of fossil fuel use by utilizing renewable energy sources</td>
<td>Development of new carbon nanomaterials, reduction of fossil fuel use by utilizing renewable energy sources</td>
</tr>
<tr>
<td>Impact on customers</td>
<td>Development of new carbon nanomaterials, reduction of fossil fuel use by utilizing renewable energy sources</td>
<td>Development of new carbon nanomaterials, reduction of fossil fuel use by utilizing renewable energy sources</td>
</tr>
</tbody>
</table>

The TCFD recommendations

Governance

The Oji Group announced its support for TCFD in December 2020 and is working to strengthen its disclosures in line with the TCFD recommendations.
As the climate change issue becomes more serious, we recognize that reducing GHG emissions is an urgent issue and are working to reduce GHG emissions by conserving energy and using non-fossil fuels (renewable fuels and fuels made from waste).

**Efforts to Reduce GHG Emissions (Scope 1 + 2)**

**Use of Non-Fossil Fuels**

The Oji Group has been encouraging to reduce fossil fuel ratio in energy such as RPF, Renewable fuels accounted for 54.0% in FY2020.

**Reduction of Energy Consumption**

The Oji Group has been positioning energy conservation measures as a crucial topic and takes continuous measures to address it. Conserving energy is not only important because it reduces energy costs, but also as a part of fulfilling our corporate social responsibility to undertake environmental measures.

Going forward, the Oji Group will continue to move forward thorough energy conservation measures and production efficiency improvement.

In the Energy Business utilizing renewable fuels, we sold 1,574 million kWh/year of electricity in FY2020 through biomass power generation and hydroelectric power generation whose facilities were renovated. This amount of sold electricity contributed to the reduction of GHG emissions of 478 thousand t-CO2 to be emitted by other electric power companies.

**Changes in Fuel Composition Rate**

<table>
<thead>
<tr>
<th>Changes in Fuel Composition Rate</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fossil fuels</td>
<td>63.8%</td>
<td>62.7%</td>
<td>59.5%</td>
<td>58.5%</td>
<td>57.6%</td>
</tr>
<tr>
<td>Renewable fuels</td>
<td>36.2%</td>
<td>37.3%</td>
<td>40.5%</td>
<td>41.5%</td>
<td>42.4%</td>
</tr>
</tbody>
</table>

- Renewable fuels: Organic energy and resources derived from renewable biological sources such as wood and wood-derived materials.
- Black liquor (black vegetable waste fuel): Black vegetable waste fuel that remains after removing wood fibers in the process of making pulp from woodchips (kraft pulp-making process). Its components include lignin and carbohydrates.
- RPF (refuse paper and plastic fuel): A type of waste-derived fuel (RWF). It is a solid fuel made from refuse paper and plastic. It has been attracting attention as a method of material recycling of existing plastics and paper (increased paper recycling is difficult to supply).

**Reduction of GHG emissions**

The Oji Group's GHG emissions in FY2018 and FY2020 are 8.8% and 11.4%, respectively, compared to FY2005.

**End of Scope 3**

The Oji Group has reduced its GHG emissions from Scope 3, which includes the upstream and downstream logistics of the Group's business activities.

**End of Business**

The Oji Group's GHG emissions in FY2018 and FY2020 are 11.4% and 12.6%, respectively, compared to FY2005.

**End of Scope 2**

The Oji Group's GHG emissions from Scope 2 are 11.4% in FY2018 and 12.6% in FY2020 compared to FY2005.

**End of Scope 1**

The Oji Group's GHG emissions from Scope 1 are 11.4% in FY2018 and 12.6% in FY2020 compared to FY2005.

**Contributions through the Energy Business**

For the Oji Group, GHG reductions have been achieved in the Energy Business. The reduction in GHG emissions from Scope 1 and 2 as of FY2020 is 11.4% and 12.6% compared to FY2005, respectively.

**Energy Consumption and Intensity**

<table>
<thead>
<tr>
<th>Energy Consumption and Intensity</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption (kWh/m² of floor area)</td>
<td>7,091</td>
<td>6,874</td>
<td>6,622</td>
<td>6,600</td>
<td>6,219</td>
</tr>
<tr>
<td>Consumption per unit of net sales (¥ million)</td>
<td>10.96</td>
<td>10.96</td>
<td>10.96</td>
<td>10.96</td>
<td>10.96</td>
</tr>
</tbody>
</table>

- A star mark indicates that FY2020 figure has been assured by KPMG AZSA Sustainability Co., Ltd.
The Oji Group maintains and manages a total of 450,000 ha of production forests (an area twice the size of Tokyo), including 260,000 ha of forest plantations overseas and 190,000 ha of company-owned forests in Japan. It is no exaggeration to say that forest resources are the foundation of the paper manufacturing industry. The stable supply of these resources as raw material for paper manufacturing and as fuel for biomass power generation is a central pillar of the Group’s businesses. In the future, we also aim to provide a stable supply for fiber-derived new materials, such as the cellulose nanofiber (CNF) and biomass plastics currently under development.

The Oji Group owns around 190,000 ha of forests in Japan and 390,000 ha overseas (of which 260,000 is forest plantations, primarily in Brazil, Oceania, and Southeast Asia. We mainly plant high-growth species, including hardwoods such as eucalyptus and acacia (harvestable in around 10 years), and softwoods such as radiata pine (harvestable in around 30 years). Our forest plantations in Brazil operate on a rotating basis, harvesting eucalyptus around every seven years.

Overview of Overseas Forest Plantations

<table>
<thead>
<tr>
<th>Plantation area</th>
<th>260,000 ha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conservation forests</td>
<td>130,000 ha</td>
</tr>
<tr>
<td>Forest certification acquisition rate</td>
<td>91%</td>
</tr>
</tbody>
</table>

The Oji Group owns 260,000 ha of forest plantations, primarily in Brazil, Oceania, and Southeast Asia. We mainly plant high-growth species, including hardwoods such as eucalyptus and acacia (harvestable in around 10 years), and softwoods such as radiata pine (harvestable in around 30 years). Our forest plantations in Brazil operate on a rotating basis, harvesting eucalyptus around every seven years.

Overview of Company-Owned Forests in Japan

The Oji Group owns around 190,000 ha of forests in approximately 650 locations throughout Japan, extending from Hokkaido to Kyushu. We have obtained SFC forest certification for our company-owned forests with the exception of shared forests, clearing stringent third-party standards and engaging in sustainable forest management.

Overview of Company-Owned Forests in Japan

<table>
<thead>
<tr>
<th>Total area</th>
<th>190,000 ha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forest certification acquisition rate for approximately 170,000 ha, excluding shared forests</td>
<td>100%</td>
</tr>
</tbody>
</table>

We purchased two seedling transport drones named “Morito” and began using them in company-owned forests in Hokkaido. Using a drone eliminates the labor of repeatedly carrying heavy seedlings to the planting site, which helps save labor and speed up planting work.

Drone Carrying Seedlings

We purchased two seedling transport drones named “Morito” and began using them in company-owned forests in Hokkaido. Using a drone eliminates the labor of repeatedly carrying heavy seedlings to the planting site, which helps save labor and speed up planting work.

Planting Early-maturing Chinese Fir

In our company-owned forest in Kaimi-inako (Shizuoka Prefecture), Chinese fir (native to China and brought to Japan in the late Edo Period) was planted on a trial basis. Chinese fir has promise because it:

1. Grows twice as fast as Japanese cedar.
2. Has greater material strength than Japanese cedar.
3. Can be coppiced (put out new shoots from stumps), making reforestation unnecessary, and
4. Should reduce weeding and tending costs, etc. because of its fast growth.

The Oji Group grows trees based on the philosophy “those who use trees have the responsibility to plant trees,” and has therefore cared for forests, holding 190,000 ha in Japan and 390,000 ha overseas (of which 260,000 is forest plantation).

We have planted around 14,000 ha of larch forests, primarily in Hokkaido. These will grow for approximately 40-60 years before harvesting. The larch is used in a variety of applications such as lumber, plywood, packaging materials, pallet materials, raw material for paper manufacture, and wood biomass fuel.

Cascading use of forest resources

- Pulp, paper, particleboard, etc.
- Sawmill residue is made into woodchips, etc.
- Lumber, laminated lumber, plywood, etc.
- Woodchips and biomass fuels
- Biomass as fuel for biomass power generation
- Board, plywood, paneling, etc.
- Forest plantation trees are used for lumber, plywood, woodchips for paper manufacture, wood biomass fuel, etc. The lumber, laminated lumber, and the raw materials for plywood come from the thick part of the tree trunk. The sawmill residue from the production of lumber, and the tips of the trunks which cannot be used for lumber, are thoroughly utilized as woodchips for paper manufacturing or biomass fuel.

The work of nurturing forests requires steady effort, but the Group applies the technology and know-how accumulated over many years to appropriately maintain and manage forest plantations as well as the accompanying conservation forests, while expanding the area held.

We have planted around 14,000 ha of larch forests, primarily in Hokkaido. These will grow for approximately 40-60 years before harvesting. The larch is used in a variety of applications such as lumber, plywood, packaging materials, pallet materials, raw material for paper manufacture, and wood biomass fuel.

The Oji Group will continue to contribute to addressing climate change issues through CO2 absorption and maintain biodiversity through practicing and expanding sustainable forest management in consideration with the environment.

Corporate Officer, Oji Holdings Corporation
Vice President, Forest Resources and Environment Marketing COMPANY

Yuki Onuki

Forests are a reproducible and sustainable resource that can be planted, grown, harvested and re-planted. The Oji Group has developed cyclic forest resource businesses, and promotes the effective utilization of forests as a comprehensive forestry business group, in order to harness the full potential of the wood it harvests, leaving none to waste.

Environment Sustainable Forest Management (Forest Recycling)
Protection and Nurturing of Endangered Species

1 Conservation Activity for Kiwi (Pan Pac / New Zealand)
Pan Pac Forest Products, an Oji Group company, conducts activities for protecting the kiwi, a rare bird species, in cooperation with the Ministry for the Environment of New Zealand, citizen volunteers, and other parties. For these activities, the company has designated an area of approximately 40 ha as a kiwi sanctuary for protecting kiwi chicks. Chicks and eggs in the surrounding area are captured and collected, and chicks that are captured or hatched from the collected eggs are nurtured in the sanctuary before being returned to the wild. In June 2019, Pan Pac was awarded Community Corporate Sponsor of the Year at a national kiwi conference held by Kiwi for kiwi, a kiwi protection organization.

2 Sarufutsu Itou Conservation Activities (Sarufutsu company-owned forest in Hokkaido)
In 2009, Oji Holdings established the Sarufutsu Itou Conservation Council with a local NPO, administrative bodies, researchers, and others for the purpose of protecting the Japanese huchen, or the sea-run taimen (Hucho perryi), an endangered species that lives in the river zone of the Sarufutsu company-owned in Sarufutsu village, Hokkaido. An area of 2,600 ha including the river zone was designated a conservation area, and conservation activities are conducted.

3 Restoration of Ecosystems and Protection of Rare Species (CENIBRA / Brazil)
One of the largest overseas forest plantations of the Oji Group is owned by CENIBRA, which operates the eucalyptus plantation and pulp businesses in Brazil. CENIBRA owns and manages a 250,000-ha forest plantation, of which 100,000 ha are forest reserve areas. In the forest reserve areas, in accordance with the Brazilian Forest Law, natural forests and vegetation around rivers and lakes, including water sources, are left unharvested to preserve biodiversity. In cases where natural forest in a forest reserve area is lost due to fire, etc., the company plants indigenous species of trees so that the environment can recover (restoration of natural forest).

The symbol of the company’s biodiversity initiatives is the Macedonia Farm, a 560-ha area that is registered as a natural forest reserve (RPPN*). In this forest, the company has been engaged in activities for breeding the Mutum (a relative of the curassow), an endangered bird species, and several other species, and returning them to the wild, jointly with an NPO since 1990. CENIBRA also provides environmental education related to forests and biodiversity to schools and local communities and conducts wide-ranging monitoring surveys of flora, fauna, and water resources in the forest on a regular basis.

4 Conservation Activity for the Fairy Pitta (Koyagauchi company-owned forest in Kochi Prefecture)
The fairy pitta is a migratory bird with multiple body colors and a body length of around 20 centimeters. It is listed as a class IB endangered species on the Red List of the Ministry of the Environment. In August 2016, Oji Holdings concluded an agreement to protect the fairy pitta with the Ecosystem Trust Society at the 260 ha of company-owned forest, which is adjacent to the fairy pitta sanctuary of the organization.

Wood Raw Material Procurement
The Oji Group has established the Wood Raw Material Procurement Guidelines for the procurement of wood raw materials, our main raw material, and we implement a range of initiatives to practice responsible procurement based on these policies and guidelines.

Wood Raw Material Procurement Guidelines (Summary)
1. Expand procurement of wood from certified forests
2. Increase use of plantation trees
3. Utilize unused wood effectively
4. Expand procurement of wood from forests with high conservation value
5. Traceback traceability
6. Disclose information

fJNC Red List ➡️ https://www.jnconeflit.org

Wood Raw Material Procurement Guidelines
(1) Expand procurement of wood from certified forests
(2) Increase use of plantation trees
(3) Utilize unused wood effectively
(4) Verify that procurement is in compliance with laws, environmentally friendly, and socially responsible

1. Implement monitoring of supply
2. Ensure raw material traceability
3. Pre-use Evaluation System
4. Procurement of Chemicals and Materials
5. Procurement of Chemicals and Materials
6. Procurement of Chemicals and Materials
Supply Chain Management

Supply Chain Management Structure
The Forest Certification System Implementation Committee, chaired by the Director responsible for raw material procurement, meets twice a year. It shares environmental and social issues related to the supply chain, discusses and implements improvement measures.

Supplier Risk Assessment
The Oji Group has around 3,000 suppliers in Japan and overseas. A risk assessment survey covering eight items such as Governance, Human Rights, Labor and Environment has been conducted and has been prepared since FY2019. In FY2020, a survey targeting pulp, recovered paper, and corrugated base paper suppliers was conducted.

Survey results were organized into radar charts (figure on right), etc. with feedback provided to each supplier to request continuous improvement.

We plan to carry out risk assessments of approximately 3,000 Oji Group suppliers (wood chips, fuels, chemicals, etc.) by FY2023, and will continue to carry out risk assessments and risk reductions.

Examples of Risk Assessment and Monitoring of Wood Suppliers

New suppliers
Due diligence for new suppliers (risk assessment)

a) Confirming supplier’s general information in documents
b) Conducting national and regional risk assessments based on the forest certification system, Corruption Perceptions Index (CPI), and deforestation rate in the country or region indicated by Food and Agriculture Organization of the United Nations (FAO)
c) Checking suppliers for a certificate for compliance with legal regulations

New suppliers are selected if they are deemed low risk as a result of the due diligence.

Existing suppliers
The Oji Group employees check information such as logging licenses, etc., verify sites (logging sites and forests), and conduct monitoring on compliance with the Wood Raw Material Procurement Guidelines.

New suppliers
Interviewing a local supplier
Inspecting a forest with a local supplier

Reduction of Environmental Burdens

Purification of Wastewater
We operate with voluntary management values that are stricter than the regulatory values to manage wastewater and exhaust gases.

For example, COD emissions for substances of environmental concern in wastewater have been reduced by at least 52% compared to the emissions in keeping with the regulatory values. We are working to purify the wastewater.

Purification of Exhaust Gases
In terms of exhaust gases, we are working to maintain emissions of VOC (volatile organic compounds) at or below their levels in FY2010, which is a guideline presented by the Japan Pulp Association. In addition, we manage SOx (sulfur oxides) and other compounds using voluntary management values.

VOC Emissions

VOC Emissions Compared to FY2010
-68% (FY2020)

Reduction of VOCs through combustion or adsorption, or use of water-borne materials

SOx emissions

SOx emissions Compared to FY2016
-1.3% (FY2020)

Emissions per net sales
-13.5% (FY2020)
### Water Resources

#### Water Intake and Wastewater

We are working to reduce environmental burdens caused by the depletion of water resources by purifying water resources after using them in the manufacturing processes and returning about 95% of our water intake to rivers, oceans, etc.

<table>
<thead>
<tr>
<th></th>
<th>FY2020</th>
<th>FY2019</th>
<th>FY2018</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water intake (million m³)</td>
<td>2,782</td>
<td>2,757</td>
<td></td>
<td>1.0%</td>
</tr>
<tr>
<td>Dissolved solids (mg/L)</td>
<td>470</td>
<td>450</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dissolved solids (mg/L)</td>
<td>150</td>
<td>151</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total water (million m³)</td>
<td>1,000</td>
<td>1,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Effective Waste Utilization Ratios

**Effective waste utilization ratio**

- **Japan (%):** 98.3, 98.4, 98.8
- **Overseas (%):** 89.6, 88.5, 89.4

#### Effective Use of Waste

**Effective waste utilization ratios**

- **Japan (%):** 98.3, 98.4, 98.8
- **Overseas (%):** 89.6, 88.5, 89.4

### Water Consumption Reduction and Water Recycling

Paper and pulp manufacturing requires large amounts of water, but the Oji Group has reduced water consumption¹ by improving operations, and treating and reusing (recycling) the water it uses to reduce water intake.

*1 Water consumption that does not return to rivers or the sea due to evaporation during the manufacturing process or product moisture

Water consumption: Intake − Wastewater

At paper manufacturing facilities, we maintain a recycling rate of 93%, using water without waste through water cascades for water intake and recycling. For paper manufacturing, we also recover the raw materials (fine fibers, etc.) from the water used to dilute pulp and reuse them.

**Wastewater generated by Jiangsu Oji Paper through manufacturing processes is treated and purified, then transferred to Nantong Nengda Water Co., Ltd. in Nantong Economic & Technological Development Zone. After undergoing various treatment processes, this water is all used as recycled water.**

### Effective Resource Utilization (Water Recycling)

**Recycled Water Volume and Water Recycling Rates**

- **Recycled water volume**
- **Water recycling rate**: 93% (FY2020)

Wastewater generated by Jiangsu Oji Paper through manufacturing processes is treated and purified until it meets the regulatory levels for wastewater, then transferred to Nantong Nengda Water Co., Ltd., in Nantong Economic & Technological Development Zone. After undergoing various treatment processes, this water is all used as recycled water within the Economic & Technological Development Zone.

*1) Recycled water is water of a quality between tap water and sewage, and is used for industrial purposes.
The Oji Group aims to achieve a recovered paper utilization ratio of 65% by FY2020. From FY2021, we have established the Oji Environmental Action Program 2030 and are working to further expand the use of recovered paper with the aim of achieving a recovered paper utilization ratio of 70% or more (in Japan). The Oji Group makes effective use of recovered paper across national borders and contributes to the proper recycling of recovered paper in Japan. Promotion of Global Recovered Paper Recycling

Since more corrugated containers are imported as packaging materials for agricultural produce, electric appliances and other goods than are exported, there is more old corrugated containers collected than are domestically consumed as a raw material, and the surplus is exported. However, overseas demand is unstable for reasons such as China halting its imports of recovered paper from 2021, so there is a risk that the proper recycling of recovered paper may be impeded. The Oji Group is therefore undertaking the following initiatives for stable recycling of surplus recovered paper:

- Expand exports of containerboard to utilize them at corrugated container plants of overseas Group companies, mainly in Southeast Asia
- Expand recovered paper exports to paper manufacturing plants of overseas Group companies (GSPP in Malaysia)

Initiatives for Paper Recycling at Overseas Business Locations

Use of Recovered Paper in New Zealand

The sorted collection of recyclables in New Zealand is not as developed as it is in Japan, so all recyclables are basically collected in a recycle bin. For this reason, it is essential to build a system for collecting only recovered paper in order to efficiently collect high-quality recovered paper with low contamination. Oji Fibre Solutions (Oji FS) is the New Zealand’s largest user of recovered paper and the only containerboard manufacturer in the country. For our own recovered paper collection business, Oji FS boasts the fact that the amount of recovered paper collected exceeds not only the company’s own consumption but also total domestic consumption.

With 13 baling sites (to compress and pack recovered paper into large cubes weighing about 1 ton each), Oji FS collected about 243,000 tons of recovered paper in 2020. As Oji FS has a track record of using approximately 185,000 tons of recovered paper, the surplus exceeding its own consumption is exported overseas, mostly to the Oji Group company GSPP (Malaysia). Since Oji FS efforts are directly linked to the improvement of the national recovered paper recycling rate, the company is actively engaged in activities to improve recovered paper collection and the recovered paper utilization rate, such as considering a nationwide wide collection system together with the government and developing paperboard products with an increased recovered paper content.

Various Efforts to Promote the Use of Recovered Paper

The Oji Group is working to promote various uses of recovered paper, such as thorough sorting of recovered paper at offices and malls within the Group, and an awareness campaign on paper recycling in cooperation with recovered paper wholesalers as suppliers, local residents, and industry groups.

1. Enhancing the quality of recovered paper

The inclusion within recovered paper of specially processed paper and foreign substances that are not suitable as papermaking materials (collectively referred to as prohibited materials) is a cause of product problems. Accordingly, the Group cooperates with recovered paper wholesalers, which play a central role in recovered paper logistics, and Paper Recycling Promotion Center, engaging in initiatives such as awareness campaigns targeting households and businesses to eliminate prohibited materials included in recovered paper and strives to raise the recovered paper utilization ratio.

2. Increasing the use of recovered paper

- Use of difficult-to-process paper: The Group is installing purpose-built facilities to process paper tubes, laminated paper, and other difficult-to-process paper for use as a raw material.
- Use of confidential documents: In consideration of the maintenance of confidentiality and issues of information leaks, confidential documents were incinerated in the past, but the Group destroys the documents in fully secure facilities for use as a raw material.

Environment Effective Resource Utilization (Paper Recycling)
Based on our Product Safety Charter, the Oji Group strives to provide quality and services that customers can use with peace of mind, and has a system in place to promptly provide documents to certify the lawfulness and traceability of wood raw materials wherever these are required by our customers.

**Product Safety Charter**

The Group’s Product Safety Charter sets out the policies for providing safe and secure products to our customers. For example, Oji F-Tex deals in many products for food containers and packaging, and their safety is indispensable for customers to use them with peace of mind. Therefore, based on the Product Safety Charter, we pay careful attentions to safety throughout, from raw material procurement and management of production processes to confirmation at shipping.

**Utilization of Forest Certification Programs**

The Group also manufactures FSC™ certified products (FSC™ CO014119, etc.), the use of which indirectly contributes to preserving forests. These products use woodchips that meet FSC™ requirements. The Group has acquired FSC™-FM certification1 for its overseas forest plantations and FSC™-CoC certification2 for its manufacturing and processing operations. Acquiring integrated certification from forests to converting plants enables the Group to offer a wide range of FSC™ certified products, from intermediate products to end products such as photocopying paper and paper for household use.

**Provision of Information to Customers**

The Group responds to customer inquiries regarding the safety of the raw materials we use, based on safety information for various chemicals verified using the pre-evaluation system and the information updating system. Responses to customer inquiries are made using Research Reports, Article Information Sheets (AIS), Safety Data Sheets (SDS) and other documents.

1. **FM certification: Confirmation of forest management**
2. **CoC certification: Confirmation of management on processing and distribution of produced wood**

**Safety and Health Management Structures**

Oji Group Safety and Health Management Structures aim to prevent occupational accidents and maintain and promote the good health of Group employees, affiliates, and business operators who enter the Group’s premises on a temporary basis, and also clarify responsibilities relating to safety and health. It stipulates fundamental matters in the Group Safety and Health Management Rules.

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### Safety and Health Policies and Targets

Under a policy of making safety, the environment and compliance top priorities, the Oji Group has established rules and standards on occupational safety and health in the Oji Group Corporate Code of Conduct and the Oji Group Behavior Standard. We secure the safety and health of workers by ensuring that every Group employee is aware of these rules and standards on occupational safety and health, practices them, and complies with them. At the same time, we promote the creation of comfortable workplace environments and strive to create better workplace safety climates so that all workers in the Oji Group can work in a safe environment and with a sense of security.

Each Group company creates a safety and health promotion plan and a specific safety and health action plan for each company and workplace based on the Oji Group’s annually formulated safety and health promotion plan. Measures for the elimination of occupational accidents are implemented together by Group employees, affiliates and business operators who enter the Group’s premises on a temporary basis.

### Oji Group’s 2021 Safety and Health Promotion Plan

To achieve the Oji Group’s goal of zero total and serious work-related accidents, and to curb repeated occurrences of similar accidents, the activities of Oji Group (including our subcontractors) are making efforts that are being led by workplace leaders, the Safety Administration Department, and departments in charge of safety at each COMPANY and Group company.

- Maintaining “safety as our absolute top priority” through safety activities with the participation of all involved
- Improving the safety of facilities and implementation of education and training to ensure that rules are observed

**Basic Policies**

The Oji Group will promote activities with the target of zero work-related accidents across the entire Group under the basic principle of “safety as our absolute top priority”.

**Slogan**

Always Follow the Rules and Ensure that Others Follow the Rules to Prevent Fatal and Serious Accidents
Distribution of Safety and Health Information and Occupational Accident Reports

The Group’s safety and health promotion plan, notices and guidelines on safety and health, and occupational accident reports, and other information are distributed throughout the Group.

If a fatal or serious accident occurs, the incident is immediately reported to management in accordance with the reporting route specified in the Basic Regulations for Group Risk Management, and structures are in place to ensure appropriate responses. In addition to strengthening the sharing of safety notices and accident case studies across the Group with the aim of lowering the lost time injury frequency rate at workplaces overseas, the Group is also working to increase awareness of safety measures and the opportunities for local patrols at workplaces in Japan to enhance safety levels.

Safety Performance (Lost Time Injury Frequency Rate)

Lost Time Injury Frequency Rate (LTFY) occurring within the Oji Group continuously declined since 2016, falling to 0.80 (0.74 in Japan, 0.85 overseas) in 2020. According to the Ministry of Health, Labour and Welfare’s Survey on Industrial Accidents (businesses with at least 100 employees), in 2020, the rate in manufacturing industries was 1.21 and the rate in the pulp, paper, and paper manufacturing industry was 1.54.

- (1) Covered period: January 1 to December 31
- (2) Number of fatalities: 3 fatalities (deadly working hours: 1,001.05 hours)
- (3) Total working hours are calculated based on the number of group company employees (regular employees and temporary/ hires on regular basis) as of the end of September every year, assuming the annual working hours for regular personnel is 2,090 hours.

<table>
<thead>
<tr>
<th>Year</th>
<th>Japan</th>
<th>Overseas</th>
<th>Whole Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>1.06</td>
<td>1.07</td>
<td>1.25</td>
</tr>
<tr>
<td>2018</td>
<td>0.75</td>
<td>0.92</td>
<td>0.83</td>
</tr>
<tr>
<td>2019</td>
<td>1.02</td>
<td>0.89</td>
<td>0.90</td>
</tr>
<tr>
<td>2020</td>
<td>0.86</td>
<td>0.89</td>
<td>0.84</td>
</tr>
</tbody>
</table>

A star mark indicates that 2020 figures have been assured by KPMG AZSA Sustainability Co., Ltd.

Safety Audits and Safety Patrols

Employee Participation

Occupational safety and health committees, workplace safety and health meetings, and workplace discussions

Group companies have established occupational safety and health committees at each workplace in accordance with laws. These committees formulate plans for the prevention of occupational accidents and health impairment, create comfortable working environments, maintain good health, and hold monthly discussions to confirm and improve initiatives taken under these plans and address other relevant issues. At small-scale workplaces where the establishment of an occupational safety and health committee is not required, we also hold monthly workplace safety and health meetings and workplace social gatherings, create opportunities to obtain opinions from many employees, and promote safety and health activities with a unified labor and management approach.

Central Labor-Management Committee

The Central Labor-Management Committee, which is made up of managers including the Group CEO and representatives from Group company labor unions, meets twice annually. Information concerning safety is shared at these meetings including the status of safety and health activities pursuant to the Group’s Safety and Health Promotion Plan, occupational accident occurrence, and initiatives for preventing the recurrence or occurrence of accidents. Committee discusses the establishment of workplaces where Oji Group employees enable “safety as our absolute top priority” and that instills a sense of security among their families.

On-site investigation department

The Oji Holdings Safety Administration Department and the safety departments of each COMPANY and Lead Company conduct safety audits and safety patrols of the companies and workplaces that they oversee including overseas companies and workplaces to raise safety and health management levels.

Designated system for special guidance on enterprise safety management

The Oji Holdings Safety Administration Department and the safety departments of each COMPANY and Lead Company established the Designated System for Special Guidance on Enterprise Safety Management. Under this system, companies and workplaces at which improvements in safety management are deemed necessary such as those where occupational accidents result in a serious injury or death or resulting in a lost time injury have occurred repeatedly within a short period of time are designated as workplaces needing special guidance on enterprise safety management. Inspections are conducted and guidance is provided, not only regarding measures for preventing recurrence but also about safety management systems, improvement plans, the status of activities, and other matters, to improve the safety management level at each designated workplace.

On-site investigation department

The Oji Holdings Safety Administration Department and the safety departments of each COMPANY and Lead Company immediately visit workplaces where accidents occurred to confirm how and why the accident occurred and countermeasures and also conduct thorough confirmation and hold discussions with workplace executives and workplace managers regarding measures for preventing the recurrence of accidents and daily safety management activities, thereby providing guidance aimed at improving the safety management activities of and creating a better work safety climate at the workplace as a whole.

Safety Initiatives (Case examples)

Group CEO Safety Award

The Group CEO Safety Award is granted to Oji Group’s all domestic and overseas workplaces that meet certain criteria determined according to the business scale (number of employees) including the total work time or the number of consecutive years without any lost time injuries. The Award is granted to workplaces with outstanding records of no accidents together with the employees of those workplaces and those of affiliates of Group companies with the aim of improving the safety and health levels of the Oji Group and eliminating occupational accidents.

Awarding the Award

Convening of safety coordinator meeting and workplace safety and health meeting online

Due to the states of emergency declared in response to COVID-19, the Oji Group now conducts safety coordinator meetings, workplace safety and health meetings, and section chief meetings online.

Section chief meeting

Section chief meetings are joined by section chief-level employees working on operational frontlines in Japan. Through discussions, these meetings give participants opportunities to gain an accurate understanding of their safety responsibilities, raise safety awareness, and think about what to do to ensure that their subcontractors will never be injured.

In 2020, the section chief meeting was held for the Group’s cogranted container production and processing companies with the theme of “Actions to Address Common Key Issues.” We strive to level up our safety activities by having participants share information such as good practices, exchange views, and conduct workplace visits.

Hands-on Risk Training Using Hazard Simulation VR Devices

Installation of devices that simulate hazards and encouraging personnel to take external courses give workers firsthand experience, contributing to improving employees’ sensitivity to risks and awareness of safety.

Beginning in 2020, we are gradually conducting hands-on risk training sessions using VR at workplaces in Japan and overseas.

In 2020, more than 90% of production-related personnel across all workplaces in Japan took the hands-on risk training. The training was also provided for construction workers entering the workplaces on a temporary basis.

Overseas, almost all of the production-related workers completed the hands-on risk training at Jiangsu Oji Paper Co., Ltd. in China, including employees of the local affiliates.

Many participants remarked about the highly immersive VR video. One said, “In the scene where you crash into a forklift, I reflexively flinched or tried to run. The video let me experience accidents in a way not otherwise possible. I realized how scary accidents are and got a renewed sense of the importance of following rules.”

In order to enable participants to learn in an environment very similar to their everyday workplaces, we are producing original content which includes scenarios that have ever occurred within the Group. Among these are situations wherein serious accidents could occur such as collision with a forklift, getting caught in a printing roller, collision or fall of hoisted load, getting caught in a conveyor roller, and falling into a pulley.
In the belief that the responsibility to respect human rights is an important element of the global code of conduct, in August 2020 we established the Oji Group Human Rights Policy in order to further strengthen and implement initiatives involving respect for human rights. Efforts to familiarize personnel with the policy include preparing the Handbook on the Oji Group Human Rights Policy and providing human rights education as part of new manager training, and we will continue familiarizing personnel with the fundamental policies, as well.

Oji Group Human Rights Policy (Outline)
- This policy applies to all executives and employees and is reflected in all business activities.
- We expect all stakeholders to kindly understand and comply with this policy.
- This policy is based on the United Nations Guiding Principles on Business and Human Rights, and supports and respects international norms such as the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.
- We continuously strive to identify, assess, prevent, mitigate, verify, and provide relief from negative effects on human rights that occur in or that are exacerbated by corporate activities (human rights due diligence).
- We provide suitable education to all executives and employees to promote understanding and effective implementation of this policy.
- We provide relief via the proper procedures when a negative effect on human rights is discovered.
- We disclose and report on the status of efforts to respect human rights on our website and elsewhere.

Activities for FY2020
Since the formulation of the Oji Group Human Rights Policy in August 2020, 165 people have completed human rights education as part of new general manager training and new manager training. Furthermore, we have prepared the Handbook on the Oji Group Human Rights Policy, which gives information centered on human rights, such as the background on the need for corporate efforts to respect human rights, internationally recognized human rights, and the Sustainable Development Goals (SDGs). Group personnel have been familiarized with the content, and the handbook has been made available on our intranet website.

To familiarize personnel even further with the policy, in FY2021 we will continue to provide training while also conducting video-based human rights education.

In seeking to enhance corporate value, we believe it is important for every employee to embrace diversity of values and flexibility in thinking and to enhance his/her skills. For the Oji Group to grow as a global enterprise “beyond boundaries,” we are implementing human resource strategies aimed at enhancing corporate value based on the Oji Group Human Resource Philosophy, in accordance with our fundamental principle, “a company’s strength originates from human resources.”

Oji Group Human Resource Philosophy

As a human resources strategy for enhancing corporate value, the Oji Group is implementing measures in three areas based on the Oji Group Human Resource Philosophy.

Change in thinking | Imaginative capabilities linked to management | Human resources development | Global perspective

Management Strategy

- Oji Group Corporate Code of Conduct and the Oji Group Behavior Standard

Diversity (condition)
A variety of human resource-related is in a good condition regardless of attributes such as gender, age, disability, or nationality.

Inclusion (tolerance and entrustment)
By acknowledging, understanding, respecting, and accepting one another, a diversity of human resources are able to flourish in their work with their skills and personality.

Our Goal

Active participation and demonstration of the full potential of every employee
Achieving innovation based on diverse values and creative ideas

Development of abilities and careers of diverse human resources
Improvement in work-life management (working style reforms and health and productivity management)

Change in mindset and behavior of management level employees

Further instill the role-based personnel grade system and raise productivity

Respect for human rights (establishment of the Oji Group Human Rights Policy)

1 Human Resource Development

The Oji Group is developing human resources in line with the Oji Group Human Resource Philosophy, and is striving to develop global human resources who can accomplish management strategies. We are constructing facilities for employee exchange and training in Fujinomiya City, Shizuoka Prefecture. Going forward, we will review our current training system on the premise of selecting human resource development training centered on global training, and provide cross-COMPANY training sessions across the Group.

We switched to online training in FY2020 to prevent the spread of COVID-19.
2 Working Style Reforms and Health and Productivity Management

In order to thoroughly pursue objectives in line with management strategies, we are taking steps to reduce total working hours and improve operational efficiency with a focus on further implementing the role-based personnel grading system and boosting productivity. Furthermore, with a view to the creation of innovative value, we have implemented the certified researcher system and creative personnel development system under which we grant researchers with particularly high levels of specialized knowledge discretion regarding their work styles and provide working environments that allow them to focus on research. Moreover, we introduced the “retirement at age 65” system in FY2017 to enable employees to demonstrate their knowledge, skills, and abilities to the fullest and work with enthusiasm. (Introduced at 17 Group companies)

Reduction of total working hours (28 Oji Group companies and divisions in the Tokyo Main Office region)

Examples of measures to institute more flexible working styles
- Utilization of flex-time system
- Setting limits on overtime work
- Enabling full transfer of time off when work is performed on holidays
- Encouraging employees to take annual paid leave
- Working from home (in response to COVID-19)

3 Inclusion & Diversity

The Oji Group is promoting “inclusion & diversity” with a view to enabling every employee to play an active role regardless of attributes such as gender, age, disability, or nationality, ultimately strengthening the Group’s competitiveness with their diverse values and ideas, and improving work-life management (working styles and health and productivity management).

Health and productivity management measures

We established the Oji Group Health Declaration in October 2020. We are working on ensuring the good health of employees under the leadership of our Chief Health Officer (Group CEO). Our activities for health and productivity management are promoted through cooperation between companies, health insurance unions and labor unions of the Oji Group, and the industrial physicians of each business site. As measures to reduce illness risk, including lifestyle-related diseases and mental health, we provide a variety of health checkups, improve the Health Consultation Office, and conduct return to work programs. These measures aim to create working environments where every employee can actively work and exercise their potential with sound mental and physical health.

In recognition of these measures, in March 2021 we were recognized under the 2021 Certified Health and Productivity Management Organization Recognition Program (large enterprise category). Going forward, we will be preparing a handbook to help employees balance work and medical treatment while providing seminars to expand employees’ knowledge of mental health care means such as self-care and consultations with supervisors.
Change in mindset and behavior of management level employees
The Oji Group believes that changing the mindset and behavior of management level employees is particularly important. In this context, we have conducted diversity management training for new general managers, as well as online training in diversity management for roughly 2,000 section managers throughout the Group in FY2020. The Group also conducts awareness surveys as indicators to assess activities.

Development of abilities and careers of diverse human resources
Promoting the active participation of women
We have set a goal of raising the percentage of female managers in Japan to 5.5% by the end of March 2025. The ratio was 3.6% by the end of March 2021. In FY2020 we revamped our training that was previously for women as career building training for employees on the generalist track, to develop the abilities of both men and women as a co-ed training program.

Recruitment of people with disabilities
We have pro-actively promoted the recruitment of people with disabilities, including the July 2007 establishment of Oji Clean Mate, a special-purpose subsidiary staffed primarily by people with mental disabilities. As of June 1, 2021, the employment rate of people with disabilities was 2.31% (2.27% a year earlier) for the six major companies in the Group (including Oji Holdings), satisfying the statutory employment rate of 2.3%.

Foreign technical interns
The Group recruits a large number of foreign technical interns (including employees hired by local companies outside Japan) from countries such as Vietnam and Thailand in its conjugated container and folding carton processing businesses. The internships are run appropriately based on the internship program.

Improvement in work-life management
The Oji Group has introduced various systems that enable employees with childcare or nursing care responsibilities to continue to actively participate in their work. We make the systems known to our employees and share case studies of how the systems are utilized through the handbook on balancing work and childcare, handbook on balancing work and nursing care, and our intranet website. In addition, we regularly conduct seminars for employees returning from childcare leave as well as seminars to prepare employees for sudden time off for nursing care. We also encourage male employees to engage in childcare, and in FY2020 83.5% of eligible male employees took paternity leave.

Support for Balancing Work and Childcare or Nursing Care

Support for Balancing Work and Childcare or Nursing Care
Main Initiatives
- Nursery subsidies for employees who return to work early from their childcare leave
- Maternity leave system for male employees (paid leave of five consecutive days)
- Hourly use of accumulated annual leave for childcare/nursing care
- Leave system for employees to accompany their spouses’ overseas transfers
- Priority guidance on watching services for the elderly (nursing care)

Support for Balancing Work and Nursing Care

Support for Balancing Work and Nursing Care

About the Oji Group
Oji Group Integrated Report 2021
Society
Human Resource Measures

Society Contribution to Local Communities and Society
At each of its bases around the world, the Oji Group undertakes a range of social contribution initiatives including the promotion of culture and sports under the Management Philosophy of the Oji Group including “Contribution to the Future and the World” and “Harmony with Nature and Society.”

Nepia SODATERASU, company-managed childcare facility
The Group opened Nepia SODATERASU, a nursery, in April 2018 at a facility adjacent to a Group condominium located in Edogawa-ku, Tokyo to help employees balance child-care and work and eventually to contribute to the elimination of children on the waiting list for nursery schools, in line with our corporate social responsibilities. The facility is also available for use by local residents.

The name “SODATERASU” embodies three meanings: “sodateru [to raise children]” carefully and soundly)”, “tenasu [to illuminate]” (the future brightly)” and “terasu (safe play on the nursery school playground)”.

The Fujihara Foundation of Science
The Fujihara Foundation of Science, which was established by Ginjiro Fujihara, is known as a historic and prestigious accolade that honors scientists who contributed to the development of Japan’s science and technology. Several past recipients went on to win Nobel Prizes.

The Fujihara Award presented by the Fujihara Foundation of Science, which was established by Ginjiro Fujihara, is known as a historic and prestigious accolade that honors scientists who have made distinguished contributions to the development of Japan’s science and technology. Several past recipients went on to win Nobel Prizes.

Oji Hall
Award went to Macro World Vol. 40 by Furumori Marc Shiozaki and Macro Company.

Oji Baseball Team
Used to host a range of events and engage in our hall rental business, this 315-seat music hall is highly regarded both in Japan and overseas. Macro World is a performance begun in 2004, planned and organized by Oji Hall and violin performer Furumori Marc Shiozaki. In recognition of the performance’s contribution to the development of the next generation, and of the excellent performing quality and entertainment value, Macro World was awarded the Chamber Music and Chorus Category Award in the 33rd Music Pen Club Awards.

The Red Eagles Hokkaido
The Oji Group’s ice hockey team based in Tomakomai City, Hokkaido, was renamed as Red Eagles Hokkaido, as it transitioned from a company-owned team to a club team in April 2021. The team partners with numerous companies and organizations and is working to develop an ice hockey culture.

The Red Eagles Hokkaido pressed new uniform conference.

The 61st Fujihara Award presentation ceremony (FY2020)

The Oji Group, as a leading paper-based materials manufacturer, takes on a wide range of social contribution initiatives in the areas of education, culture, the arts, sports and public welfare. The Oji Hall, the Group’s cultural facility, is also available for use by local residents.
The Oji Group’s Financial Policy

The Oji Group is implementing a variety of management strategies on the basis of the fundamental policies of the FY2019-2021 Medium-term Management Plan: “profitability improvement of domestic business,” “expansion of overseas business,” and “promotion of innovation,” and through “contribution to a sustainable society,” we aim to become a global corporate group that can maintain stable consolidated operating profit of at least 100.0 billion yen. We have established performance indicator targets based on these fundamental policies. On the basis of improving capital efficiency and stable returns to shareholders, we established a target ROE of 10.0%. Meanwhile, we decided to maintain our current net D/E ratio (the ratio was 0.7 for FY2018, when the current medium-term management plan was established), as another target. These targets have been set in the financial strategies as indicators for strengthening our ability to generate cash flows from operating activities while appropriately managing funds raised from outside sources and investment returns and maintaining an optimum level of net interest-bearing debts to net assets, in order to prepare for drastic changes in the business environment, which we have seen in the current fiscal year, and for strategic investment for growth.

Regarding the Group’s business performance in FY2020, due to the influence of the global economic slowdown caused by the COVID-19 pandemic, demand for products both domestically and overseas took a downturn, and both sales and profits significantly dropped particularly in the first and second quarters compared with those of FY2019. Against this backdrop, we worked to secure cash flows from operating activities by reducing our inventory of products and raw materials in addition to cost reduction measures such as reducing expenses. At the same time, in response to risks on the financial side, we strove to maintain liquidity on hand by continuing the accumulation of cash and deposits we started in FY2019. In addition, with an eye on the post-COVID-19 world, we are steadily moving forward with key strategies in order to achieve sustainable growth in the future. The key strategies include measures to increase production in growth markets, such as the acquisition of the pulp and paper business in the USA and Canada, in addition, with an eye on the post-COVID-19 world, we are steadily moving forward with key strategies in order to achieve sustainable growth in the future. The key strategies include measures to increase production in growth markets, such as the acquisition of the pulp and paper business in the USA and Canada.

As a result of these initiatives, with regard to financial aspects, the balance of interest-bearing debts at the end of FY2020 increased by 66.0 billion yen from the end of the previous fiscal year, reaching 647.7 billion yen. The balance of net interest-bearing debts at the end of FY2020 reached 148.6 billion yen (down 9.9% year on year). With regard to operating profit, we strove to recover from the impact of decreased demand through cost reductions, and lower raw material and fuel prices also served to increase profit. However, operating profit was 84.6 billion yen, a decrease of 21.3 billion yen (down 20.1%) year on year, and profit attributable to owners of parent was 49.6 billion yen, a decrease of 8.5 billion yen (down 14.7%) year on year.

Financial Position

Turning to cash flow, profit before income taxes declined 17.3 billion yen year on year due to the worsened business performance, but amid a decline in product sales volume, we worked to reduce working capital through means such as reducing inventory, resulting in cash flows provided by operating activities of 127.1 billion yen (cash flows provided by operating activities for the previous fiscal year were 124.5 billion yen).

Cash flows used in investing activities were 91.6 billion yen (cash flows used in investing activities for the previous fiscal year were 64.8 billion yen) due to acquisition of property, plant, equipment and intangible assets. The acquisition of property, plant, equipment and intangible assets included strategic investments in growth fields as established in our medium-term management plan and investments for improving quality, increasing productivity, ensuring safety, and conserving the environment.

Cash flows provided by financing activities were 19.9 billion yen (cash flows used in financing activities for the previous fiscal year were 58.1 billion yen) due to the increase in interest-bearing debts.

As a result of these financial activities, total assets at the end of FY2020 stood at 1,981.4 billion yen, an increase of 96.2 billion yen from the end of the previous fiscal year, totaling 511.4 billion yen. The net D/E ratio (net interest-bearing debts, divided by net assets) was 0.6, maintaining a level below our performance indicator target of 0.7.

Meanwhile, with regard to business performance in FY2021, the Oji Group anticipates a recovery in performance as it factors in the realization of the effects of capital investment, cost reductions, and an increase in pulp sales prices based on a moderate economic recovery. In order to respond to the structural changes in society and the economy brought about by the COVID-19 pandemic, the Group will strive to maintain and improve its A+ bond rating (Rating and Investment Information, Inc.); raise funds flexibly; and continue to actively engage in M&As, capital investment, and research and development in growth fields.

The Oji Group values dialogue with investors and analysts through IR activities as well as the timely disclosure of accurate information, including summaries of consolidated financial and business results, securities reports, business reports, and integrated reports.

In addition, with regard to returns to the shareholders who support the Oji Group, 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. Based on this policy, we implemented an ordinary dividend of 14 yen per share for FY2020, the same as that for the previous fiscal year, and also introduced a new shareholder benefits program.

Going forward, we will apprehend the current unexpected difficulty of the COVID-19 pandemic as the new normal, and aim to optimize the Group’s business portfolio through effective investment activities.
### Financial Data Highlights

#### Changes in Assets and Profit/Loss

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales (¥ million)</td>
<td>1,439,855</td>
<td>1,485,895</td>
<td>1,550,991</td>
<td>1,507,607</td>
<td>1,358,985</td>
</tr>
<tr>
<td>Operating profit (¥ million)</td>
<td>70,243</td>
<td>70,781</td>
<td>110,212</td>
<td>106,289</td>
<td>84,793</td>
</tr>
<tr>
<td>Ordinary profit (¥ million)</td>
<td>52,949</td>
<td>65,958</td>
<td>118,370</td>
<td>101,289</td>
<td>83,061</td>
</tr>
<tr>
<td>Profit attributable to owners of parent (¥ million)</td>
<td>40,270</td>
<td>36,222</td>
<td>51,977</td>
<td>58,181</td>
<td>49,635</td>
</tr>
<tr>
<td>Total assets (¥ million)</td>
<td>1,901,029</td>
<td>1,960,753</td>
<td>1,951,369</td>
<td>1,885,280</td>
<td>1,981,438</td>
</tr>
<tr>
<td>Net assets (¥ million)</td>
<td>759,198</td>
<td>810,011</td>
<td>815,406</td>
<td>831,657</td>
<td>865,606</td>
</tr>
<tr>
<td>Profit per share (¥)</td>
<td>40.7</td>
<td>36.6</td>
<td>52.5</td>
<td>58.78</td>
<td>50.13</td>
</tr>
<tr>
<td>Net assets per share (¥)</td>
<td>635.95</td>
<td>681.52</td>
<td>684.50</td>
<td>699.12</td>
<td>758.28</td>
</tr>
</tbody>
</table>

#### Status of Individual Segments

<table>
<thead>
<tr>
<th>Segment</th>
<th>Net sales (¥ million)</th>
<th>Operating profit (¥ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household and Industrial Materials</td>
<td>647,489</td>
<td>38,090</td>
</tr>
<tr>
<td>Functional Materials</td>
<td>182,338</td>
<td>11,480</td>
</tr>
<tr>
<td>Forest Resources and Environment Marketing Business</td>
<td>245,334</td>
<td>16,651</td>
</tr>
<tr>
<td>Printing and Communications Media</td>
<td>243,957</td>
<td>11,156</td>
</tr>
<tr>
<td>Other</td>
<td>270,188</td>
<td>6,752</td>
</tr>
<tr>
<td>Subtotal</td>
<td>1,589,308</td>
<td>84,132</td>
</tr>
<tr>
<td>Adjustments</td>
<td>(230,323)</td>
<td>660</td>
</tr>
<tr>
<td>Total</td>
<td>1,358,985</td>
<td>84,793</td>
</tr>
</tbody>
</table>

#### Changes in Cash flows

<table>
<thead>
<tr>
<th>Year</th>
<th>Cash flows from operating activities (¥ billion)</th>
<th>Cash flows from investing activities (¥ billion)</th>
<th>Free cash flows (¥ billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>157.4</td>
<td>40.2</td>
<td>117.2</td>
</tr>
<tr>
<td>2017</td>
<td>133.2</td>
<td>40.2</td>
<td>93.0</td>
</tr>
<tr>
<td>2018</td>
<td>146.8</td>
<td>64.8</td>
<td>82.0</td>
</tr>
<tr>
<td>2019</td>
<td>124.5</td>
<td>49.1</td>
<td>75.4</td>
</tr>
<tr>
<td>2020</td>
<td>122.7</td>
<td>51.6</td>
<td>71.1</td>
</tr>
</tbody>
</table>

### Operating profit composition by business segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>Operating profit (¥ billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household and Industrial Materials</td>
<td>40.0</td>
</tr>
<tr>
<td>Functional Materials</td>
<td>13.6</td>
</tr>
<tr>
<td>Forest Resources and Environment Marketing Business</td>
<td>15.5</td>
</tr>
<tr>
<td>Printing and Communications Media</td>
<td>15.2</td>
</tr>
<tr>
<td>Other</td>
<td>17.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Segment</th>
<th>Net sales (¥ billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household and Industrial Materials</td>
<td>40.3</td>
</tr>
<tr>
<td>Functional Materials</td>
<td>14.6</td>
</tr>
<tr>
<td>Forest Resources and Environment Marketing Business</td>
<td>27.4</td>
</tr>
<tr>
<td>Printing and Communications Media</td>
<td>13.7</td>
</tr>
<tr>
<td>Other</td>
<td>8.5</td>
</tr>
</tbody>
</table>

1. Adjustment amount is mainly the adjustment concerning internal transaction.
2. Numbers less than one million yen are rounded down to the nearest million.

1. Profit per share was calculated by dividing profit attributable to owners of parent by the average number of shares outstanding for the year under review upon subtracting from it the number of treasury stocks.
2. Net assets per share were calculated by dividing net assets by the number of shares outstanding at the end of the year under review upon subtracting from it the number of treasury stocks.
3. Numbers less than one million yen are rounded down to the nearest million.

**Notes:**
- Net sales and operating profit composition by business segment were calculated excluding adjustments (adjustments for internal transactions, etc.)
## Consolidated Financial Statements

### Consolidated Balance Sheets

<table>
<thead>
<tr>
<th>Previous consolidated fiscal year</th>
<th>Current consolidated fiscal year</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 31, 2020</td>
<td>March 31, 2021</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>(in million)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total assets</strong></td>
<td>1,885,280</td>
</tr>
<tr>
<td>Notes and accounts receivable-trade</td>
<td>301,682</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>73,943</td>
</tr>
<tr>
<td>Accounts receivable-other</td>
<td>20,232</td>
</tr>
<tr>
<td>Alliance for doubtful accounts</td>
<td>1,507,407</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td>1,573,670</td>
</tr>
<tr>
<td>Long-term investments</td>
<td>1,058,895</td>
</tr>
<tr>
<td>Merchandise and finished goods</td>
<td>36,440</td>
</tr>
<tr>
<td>Work in process</td>
<td>18,273</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>532,647</td>
</tr>
<tr>
<td>Other</td>
<td>15,407</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td>301,682</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td>20,232</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>442,914</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>1,885,280</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES</th>
<th>(in million)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
</tr>
<tr>
<td>Notes and accounts payable-trade</td>
<td>209,669</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>197,950</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>407,619</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>1,053,623</td>
</tr>
</tbody>
</table>

### Consolidated Statements of Income

<table>
<thead>
<tr>
<th>Previous consolidated fiscal year</th>
<th>Current consolidated fiscal year</th>
</tr>
</thead>
<tbody>
<tr>
<td>from April 1, 2010</td>
<td>To March 31, 2021</td>
</tr>
<tr>
<td>March 31, 2019</td>
<td>March 31, 2020</td>
</tr>
</tbody>
</table>

| Net sales                          | 1,507,607                         |
| Cost of sales                      | 1,143,665                         |
| Gross profit                       | 363,942                           |
| Selling, general and administrative expenses | 1,358,895            |
| Freight expenses                   | 141,474                           |
| Warehouse expenses                 | 1,006                             |
| **Total extraordinary losses**     | 6,506                             |
| Retirement benefit expenses        | 52,365                            |
| Depreciation and amortization      | 5,582                             |
| **Total operating profit**         | 327,431                           |
| **Non-operating income**           | 45,422                            |
| Interest income                    | 49,579                            |
| **Total non-operating income**     | 242,838                           |
| **Total income**                   | 373,269                           |
| **Net income**                     | 84,793                            |
| **Shareholders’ equity**           |                                   |
| Common stock                       | 457,568                           |
| Retained earnings                  | 349,224                           |
| **Total shareholders’ equity**     | 806,792                           |
| **Total liabilities**              | 1,053,623                         |
| Shares acquisition rights          | 2,390                             |
| **Non-controlling interests**      | 116,831                           |
| **Total non-current assets**       | 1,585,115                         |
| **Total net sales**                | 1,507,607                         |
| **Total assets**                   | 1,885,280                         |

### Consolidated Statements of Income (continued)

| Non-operating expenses             | 88,139                            |
| Loss on disposal of non-current assets | 88,139                            |
| Extra retirement payments          | 1,164                             |
| **Total extraordinary income**     | 806,793                           |
| **Extraordinary losses**           | 2,065                             |
| **Total operating expenses**       | 101,289                           |
| **Total extraordinary income**     | 1,914                             |
| **Net income**                     | 1,914                             |
| **Total assets**                   | 1,885,280                         |

**Note:** The above financial data represents the consolidated financial statements of the Oji Group for the fiscal year ending March 31, 2021, as presented in their integrated report. The data includes various financial metrics such as assets, liabilities, and income statements, providing a comprehensive view of the company's financial health and performance.
## Consolidated Statements of Cash Flows

<table>
<thead>
<tr>
<th></th>
<th>Previous consolidated fiscal year (From April 1, 2019 to March 31, 2020) (¥ million)</th>
<th>Current consolidated fiscal year (From April 1, 2020 to March 31, 2021) (¥ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit before income taxes</td>
<td>98,138</td>
<td>80,883</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>63,379</td>
<td>62,758</td>
</tr>
<tr>
<td>Amortization of goodwill</td>
<td>1,898</td>
<td>1,099</td>
</tr>
<tr>
<td>Depreciation of standing timber</td>
<td>6,650</td>
<td>6,958</td>
</tr>
<tr>
<td>Increase (decrease) in allowance for bad debts</td>
<td>1211</td>
<td>552</td>
</tr>
<tr>
<td>Increase (decrease) in net defined benefit asset</td>
<td>(2,468)</td>
<td>(2,913)</td>
</tr>
<tr>
<td>Increase (decrease) in allowance for doubtful accounts</td>
<td>(211)</td>
<td>(52)</td>
</tr>
<tr>
<td>Increase (decrease) in equity in (earnings) losses of affiliates</td>
<td>(2,889)</td>
<td>(142)</td>
</tr>
<tr>
<td>Increase (decrease) in cash and cash equivalents resulting from mergers of subsidiaries</td>
<td>(2)</td>
<td>(7)</td>
</tr>
<tr>
<td>Net increase (decrease) in cash and cash equivalents resulting from operations</td>
<td>151,176</td>
<td>165,348</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>154,002</td>
<td>166,535</td>
</tr>
</tbody>
</table>

| **Cash flows from investing activities** |                                                                                  |                                                                                  |
| Proceeds from sales and redemption of short-term investments | 2,730                                                                          | –                                                                                |
| Proceeds from sales of property, plant, equipment and intangible assets | 92,454                                                                         | 94,674                                                                          |
| Proceeds from sales of property, plant, equipment and intangible assets | 594                                                                            | 954                                                                             |
| Proceeds from sales and redemption of investment securities | 25,543                                                                         | 1,163                                                                           |
| Payment for loans receivable | (1,113)                                                                         | (1,046)                                                                          |
| Proceeds from collection of loans receivable | 2,383                                                                           | 1,296                                                                           |
| Net cash used in investing activities | (64,801)                                                                         | (91,559)                                                                         |

| **Cash flows from financing activities** |                                                                                  |                                                                                  |
| Proceeds from issuance of bonds | 29,799                                                                          | 74,561                                                                          |
| Proceeds from issuance of bonds | 23,750                                                                          | 74,561                                                                          |
| Payment for redemption of bonds | (20,000)                                                                         | (20,000)                                                                         |
| Net increase (decrease) in cash and cash equivalents | 92,794                                                                         | 127,107                                                                         |
| Net cash provided by (used in) financing activities | (58,148)                                                                         | 19,932                                                                         |

## Effect of exchange rate change on cash and cash equivalents

<table>
<thead>
<tr>
<th>Effect of exchange rate change on cash and cash equivalents</th>
<th>Previous consolidated fiscal year (From April 1, 2019 to March 31, 2020) (¥ million)</th>
<th>Current consolidated fiscal year (From April 1, 2020 to March 31, 2021) (¥ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(4,049)</td>
<td>(14,000)</td>
<td></td>
</tr>
<tr>
<td>(2,913)</td>
<td>(13,888)</td>
<td></td>
</tr>
<tr>
<td>(2,169)</td>
<td></td>
<td></td>
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<tr>
<td>(2)</td>
<td>(1770)</td>
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<td>(2)</td>
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<tr>
<td>53,310</td>
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<tr>
<td>19,390</td>
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<td></td>
</tr>
<tr>
<td>135,669</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**List of Affiliated Companies**

### Industrial Materials

**COMPANY**

<table>
<thead>
<tr>
<th>Oji Industrial Materials Management Co., Ltd.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oji Materia Co., Ltd.</td>
</tr>
<tr>
<td>■ Hokuyo Shiro Co., Ltd.</td>
</tr>
<tr>
<td>■ Utsunomiya Shiro Co., Ltd.</td>
</tr>
<tr>
<td>■ Brin Nilsen Feathers Co., Ltd.</td>
</tr>
<tr>
<td>■ Saga Iyamori Co., Ltd.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Oji Container Co., Ltd.</th>
</tr>
</thead>
<tbody>
<tr>
<td>■ Mutsu Oji Container Co., Ltd.</td>
</tr>
<tr>
<td>■ Kanto Pac Co., Ltd.</td>
</tr>
<tr>
<td>■ Honshu Hairu Co., Ltd.</td>
</tr>
<tr>
<td>■ Yawakaya Oji Container Co., Ltd.</td>
</tr>
<tr>
<td>■ Kansai Pac Co., Ltd.</td>
</tr>
<tr>
<td>■ Chiyoda Meiva Denburu Co., Ltd.</td>
</tr>
<tr>
<td>■ Nihon Saisa Hairu Co., Ltd.</td>
</tr>
<tr>
<td>■ Kyodo Hairu Corporation</td>
</tr>
<tr>
<td>■ Kyodo Hinode Sangyo Co., Ltd.</td>
</tr>
<tr>
<td>■ Kiiunchi Oji Fiber Co., Ltd.</td>
</tr>
<tr>
<td>■ Nantong Oji Fiber Co., Ltd.</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>Montshigyo Co., Ltd.</th>
</tr>
</thead>
<tbody>
<tr>
<td>■ Morikami-Hairu Co., Ltd.</td>
</tr>
<tr>
<td>■ Hokutotsu Morishigyo Co., Ltd.</td>
</tr>
<tr>
<td>■ Tahuku Morishigyo Co., Ltd.</td>
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<tr>
<td>■ Sendai Morishigyo Co., Ltd.</td>
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<tr>
<td>■ Gunma Morishigyo Co., Ltd.</td>
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<tr>
<td>■ Nagano Morishigyo Co., Ltd.</td>
</tr>
<tr>
<td>■ Nigata Morishigyo Co., Ltd.</td>
</tr>
<tr>
<td>■ Shizuoka Morishigyo Co., Ltd.</td>
</tr>
<tr>
<td>■ Takai Morishigyo Co., Ltd.</td>
</tr>
<tr>
<td>■ Hiroshimino Morishigyo Co., Ltd.</td>
</tr>
<tr>
<td>■ Saitama Morishigyo Co., Ltd.</td>
</tr>
<tr>
<td>■ Shikoku Morishigyo Co., Ltd.</td>
</tr>
<tr>
<td>■ Kyushu Morishigyo Co., Ltd.</td>
</tr>
<tr>
<td>■ Apgako Co., Ltd.</td>
</tr>
<tr>
<td>■ Fuj Co., Ltd.</td>
</tr>
</tbody>
</table>

### Printing and Functional Materials

**COMPANY**

<table>
<thead>
<tr>
<th>Oji Asia Packaging Sdns. Bhd.</th>
</tr>
</thead>
<tbody>
<tr>
<td>GS Group</td>
</tr>
<tr>
<td>■ GS Paperboard &amp; Packaging(Seangyo) Sdn. Bhd.</td>
</tr>
<tr>
<td>■ Oji GS Packaging (Yangon) Co., Ltd.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Harita Packaging Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>■ Harita Packaging Industries (Seikeng) Sdn. Bhd.</td>
</tr>
<tr>
<td>■ United Kotala Bhd.</td>
</tr>
<tr>
<td>■ Harita Packaging Industries (Cambodia) Ltd.</td>
</tr>
<tr>
<td>■ Oji Harita Packaging (Shanghai) Co., Ltd.</td>
</tr>
<tr>
<td>■ Oji Packaging (Electro) Co., Ltd.</td>
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<table>
<thead>
<tr>
<th>Othe (Vietnam) Co., Ltd.</th>
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<tbody>
<tr>
<td>Oji Naphong Co., Ltd.</td>
</tr>
<tr>
<td>■ United Packaging Co., Ltd.</td>
</tr>
<tr>
<td>■ S-Pack &amp; Print Public Co., Ltd. — Sankai Packaging Co., Ltd.</td>
</tr>
<tr>
<td>■ PT Oji Sinar Max Packaging</td>
</tr>
<tr>
<td>■ Oji India Packaging Pvt. Ltd.</td>
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<thead>
<tr>
<th>Oji Interpack Co., Ltd.</th>
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<tbody>
<tr>
<td>■ Oji Interpack Korea Ltd.</td>
</tr>
<tr>
<td>■ Suisho Oji Packaging Co., Ltd.</td>
</tr>
<tr>
<td>■ Oji Packaging Technology (Chongqing) Co., Ltd.</td>
</tr>
<tr>
<td>■ Oji Interpack Singapore Pte. Ltd.</td>
</tr>
<tr>
<td>■ Oji Interpack, Inc.</td>
</tr>
<tr>
<td>■ Oji Interpack India Pvt. Ltd.</td>
</tr>
<tr>
<td>■ Oji Interpack Vietnam Co., Ltd.</td>
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<thead>
<tr>
<th>O&amp;C Paper Bag Holdings Co., Ltd.</th>
</tr>
</thead>
<tbody>
<tr>
<td>■ Intermediate holding company</td>
</tr>
<tr>
<td>■ Oji Safa Co., Ltd.</td>
</tr>
<tr>
<td>■ Kusumiseitaijo Inc.</td>
</tr>
<tr>
<td>■ Oji Packaging (Shanghai) Co., Ltd.</td>
</tr>
<tr>
<td>■ Chubushiko Co., Ltd.</td>
</tr>
<tr>
<td>■ Japan Paper Technology Dong Nai (VN) Co., Ltd.</td>
</tr>
<tr>
<td>■ Japan Paper Technology (NY) Co., Ltd.</td>
</tr>
<tr>
<td>■ Chubushiko Package Co., Ltd.</td>
</tr>
<tr>
<td>■ Chubushiko Co., Ltd.</td>
</tr>
<tr>
<td>■ Oji Paper Co., Ltd.</td>
</tr>
<tr>
<td>■ Oji Adex Co., Ltd.</td>
</tr>
<tr>
<td>■ Kyushu Package Co., Ltd.</td>
</tr>
</tbody>
</table>

### Household and Consumer Products

**COMPANY**

<table>
<thead>
<tr>
<th>Oji Asia Household Product Sdn. Bhd.</th>
</tr>
</thead>
<tbody>
<tr>
<td>■ Oji Paper Neps (Suzhou) Co., Ltd.</td>
</tr>
<tr>
<td>■ Oji Asia Household Product Sdn. Bhd.</td>
</tr>
<tr>
<td>■ OJM Marketing Sdn. Bhd.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Oji Green Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>■ Pan Pac Forest Products Ltd. (Pan Pac)</td>
</tr>
<tr>
<td>■ Pan Pac Forest Products (Qld) Ltd.</td>
</tr>
<tr>
<td>■ Oji Forest Industries Co., Ltd.</td>
</tr>
<tr>
<td>■ Southland Plantation Forest Co. of New Zealand Ltd. (SPFL)</td>
</tr>
<tr>
<td>■ Albany Plantation Forest Co. of Australia Pty. Ltd. (APPL)</td>
</tr>
<tr>
<td>■ Green Triangle Plantation Forest Co. of Australia Pty. Ltd. (GTPL)</td>
</tr>
<tr>
<td>■ Albany Plantation Export Co., Pty. Ltd.</td>
</tr>
<tr>
<td>■ PT Kontrata Hutan (KTH) — Equity-method affiliate</td>
</tr>
<tr>
<td>■ Oji Nhon Plantation Company — Intermediate holding company</td>
</tr>
<tr>
<td>■ Oji Nhon Plantation Forest Co. of Vietnam Ltd. (DPL)</td>
</tr>
<tr>
<td>■ EHR Holdings (Vietnam) Co., Ltd.</td>
</tr>
<tr>
<td>■ Huu Phat Forest Development Co., Ltd. (KPL)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Oji Paper Co., Ltd.</th>
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</thead>
<tbody>
<tr>
<td>■ Tomakomai Oji Shigyo Co., Ltd.</td>
</tr>
<tr>
<td>■ Nantong Oji Shigyo Co., Ltd.</td>
</tr>
<tr>
<td>■ Tomakomai Oji Shigyo Co., Ltd.</td>
</tr>
<tr>
<td>■ Oji Paper Neps (Suzhou) Co., Ltd.</td>
</tr>
<tr>
<td>■ Oji Nhapong Co., Ltd.</td>
</tr>
<tr>
<td>■ PT Oji Sinar Max Packaging</td>
</tr>
<tr>
<td>■ Oji India Packaging Pvt. Ltd.</td>
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</tbody>
</table>

### Forest Resources and Functional Materials

**COMPANY**

<table>
<thead>
<tr>
<th>Oji Green Resources Co., Ltd.</th>
</tr>
</thead>
<tbody>
<tr>
<td>■ Oji Paper International Trading (Shanghai) Co., Ltd.</td>
</tr>
<tr>
<td>■ Japan/India Paper and Pulp Resources Development Co., Ltd.</td>
</tr>
<tr>
<td>■ Celulose Nipo Brasilera S.A. (CENIBRA)</td>
</tr>
<tr>
<td>■ Cenibra Logística Ltdas.</td>
</tr>
<tr>
<td>■ Cenibra Internacional Serviços e Comércio (Sociedade Unipessoal) Lda</td>
</tr>
<tr>
<td>■ Cenibra Trading Ltd.</td>
</tr>
<tr>
<td>■ Cenibra, Inc.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Oji Paper Co., Ltd.</th>
</tr>
</thead>
<tbody>
<tr>
<td>■ Tomakomai Oji Shigyo Co., Ltd.</td>
</tr>
<tr>
<td>■ Tomakomai/Kyowa Service Co., Ltd.</td>
</tr>
<tr>
<td>■ Oji Shigyo Co., Ltd.</td>
</tr>
<tr>
<td>■ Tomakomai Oji Shigyo Co., Ltd.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Jiangsu Oji Paper Co., Ltd.</th>
</tr>
</thead>
<tbody>
<tr>
<td>■ O&amp;C Ivory Board Co., Ltd. — Equity-method affiliate</td>
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</tbody>
</table>

### Printing and Communications Media

**COMPANY**

<table>
<thead>
<tr>
<th>Oji Imaging Media Co., Ltd.</th>
</tr>
</thead>
<tbody>
<tr>
<td>■ Oji Scientific Instruments Co., Ltd.</td>
</tr>
<tr>
<td>■ Karasaki Special Papers Inc.</td>
</tr>
<tr>
<td>■ Kawasaki Specialpapers GmbH</td>
</tr>
<tr>
<td>■ Oji Paper (Thailand) Ltd.</td>
</tr>
<tr>
<td>■ Oji Label (Thailand) Ltd.</td>
</tr>
<tr>
<td>■ Oji Papelitos Especiais Ltdas.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Oji Imaging Media Co., Ltd.</th>
</tr>
</thead>
<tbody>
<tr>
<td>■ Oji Digital Media Co., Ltd.</td>
</tr>
<tr>
<td>■ Optical Imaging Systems Co., Ltd.</td>
</tr>
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</table>

### Corporate Management Group

**COMPANY**

<table>
<thead>
<tr>
<th>Oji Management Office Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>■ Oji Real Estate Co., Ltd.</td>
</tr>
<tr>
<td>■ Kyokuryo Co., Ltd.</td>
</tr>
<tr>
<td>■ Fujikatsu Co., Ltd.</td>
</tr>
<tr>
<td>■ Ginosi Pach Co., Ltd.</td>
</tr>
<tr>
<td>■ Oji Hotel Co., Ltd.</td>
</tr>
<tr>
<td>■ Oji Paper Insurance Service Co., Ltd.</td>
</tr>
<tr>
<td>■ Hotel New Oji Co., Ltd.</td>
</tr>
<tr>
<td>■ Oji General Hospital</td>
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</table>

<table>
<thead>
<tr>
<th>Oji Oceania Management Co., Ltd.</th>
</tr>
</thead>
<tbody>
<tr>
<td>■ Oji Fibre Solutions Group (Oji FS)</td>
</tr>
<tr>
<td>■ Oji Fibre Solutions (QLD) Pty. Ltd.</td>
</tr>
<tr>
<td>■ Oji Fibre Solutions (AUS) Pty. Ltd.</td>
</tr>
<tr>
<td>■ Oji Fibre Solutions (NZ) Ltd.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Oji Paper Co., Ltd.</th>
</tr>
</thead>
<tbody>
<tr>
<td>■ Tomakomai Oji Shigyo Co., Ltd.</td>
</tr>
<tr>
<td>■ Tomakomai/Kyowa Service Co., Ltd.</td>
</tr>
<tr>
<td>■ Oji Shigyo Co., Ltd.</td>
</tr>
<tr>
<td>■ Tomakomai Oji Shigyo Co., Ltd.</td>
</tr>
<tr>
<td>■ Oji Paper Neps (Suzhou) Co., Ltd.</td>
</tr>
<tr>
<td>■ Oji Nhapong Co., Ltd.</td>
</tr>
<tr>
<td>■ PT Oji Sinar Max Packaging</td>
</tr>
</tbody>
</table>

### Shared Service Companies

**COMPANY**

<table>
<thead>
<tr>
<th>Oji Logistics Co., Ltd.</th>
</tr>
</thead>
<tbody>
<tr>
<td>■ Oji Fuku Co., Ltd.</td>
</tr>
<tr>
<td>■ Oji Rikuun Co., Ltd.</td>
</tr>
<tr>
<td>■ Hata Warehouse Co., Ltd.</td>
</tr>
<tr>
<td>■ Oji Machinery (Kokaido) Co., Ltd.</td>
</tr>
<tr>
<td>■ Oji Machinery Chubu Co., Ltd.</td>
</tr>
<tr>
<td>■ Oji Business Center Co., Ltd.</td>
</tr>
<tr>
<td>■ Oji Human Support Co., Ltd.</td>
</tr>
</tbody>
</table>

### Financial Data & Corporate Data

**COMPANY**

<table>
<thead>
<tr>
<th>Oji Oceania Management Co., Ltd.</th>
</tr>
</thead>
<tbody>
<tr>
<td>■ Oji Fibre Solutions (AUD) Pty. Ltd.</td>
</tr>
<tr>
<td>■ Oji Foodservice Packaging Solutions (AUD) Pty. Ltd.</td>
</tr>
<tr>
<td>■ Oji Fibre Solutions (AUD) Pty. Ltd.</td>
</tr>
<tr>
<td>■ Oji Cardboard Carton Solutions Pty. Ltd.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Mitsubishi Paper Mills Limited</th>
</tr>
</thead>
<tbody>
<tr>
<td>■ Equity-method affiliate</td>
</tr>
</tbody>
</table>

**Excerpts from consolidated subsidiaries, non-consolidated subsidiaries, and equity-method affiliates (as of March 31, 2021)**
### Company Profile (as of March 31, 2021)

- **Company name**: Oji Holdings Corporation
- **Director of the Board, President**: Masatoshi Kaku (appointed April 1, 2019)
- **Headquarters address**: 7-5, Ginza 4-chome, Chuo-ku, Tokyo 104-0061 Japan
- **Start of business**: February 12, 1873
- **Corporate establishment**: August 1, 1949
- **Capital**: ¥103,880 million
- **Total number of authorized shares**: 2,400,000,000 shares
- **Total number of issued shares (treasury stocks included in the total)**: 1,014,381,817 shares (22,271,458 shares)
- **Number of shareholders**: 67,159
- **Number of employees of the consolidated Group**: 36,034

### Stock Information (as of March 31, 2021)

- **Listing stock exchange**: Tokyo Stock Exchange
- **Securities Identification Code**: 3861
- **Share register manager and account administration authority for special accounts**: Sumitomo Mitsui Trust Bank, Limited
- **Mailing address**: Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited 8-4, Izumi 2-chome, Suginami-ku, Tokyo 168-0063 Japan
- **Toll-free telephone number**: +81-120-782-031

### Principal Shareholders (as of March 31, 2021)

<table>
<thead>
<tr>
<th>Name of shareholder</th>
<th>Shares held (Thousands)</th>
<th>Percentage of total shares issued</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Master Trust Bank of Japan, Ltd. (Trust account)</td>
<td>97,197</td>
<td>9.8</td>
</tr>
<tr>
<td>Custody Bank of Japan, Ltd. (Trust account)</td>
<td>64,605</td>
<td>6.5</td>
</tr>
<tr>
<td>Custody Bank of Japan, Ltd. (Trust account 4)</td>
<td>34,808</td>
<td>3.5</td>
</tr>
<tr>
<td>Sumitomo Mitsui Banking Corporation</td>
<td>31,668</td>
<td>3.2</td>
</tr>
<tr>
<td>Nippon Life Insurance Company</td>
<td>25,658</td>
<td>2.6</td>
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<tr>
<td>Mizuho Bank, Ltd.</td>
<td>21,636</td>
<td>2.2</td>
</tr>
<tr>
<td>Oji Group Employee Stock-holding Association</td>
<td>19,933</td>
<td>2.0</td>
</tr>
<tr>
<td>The Norinchukin Bank</td>
<td>16,654</td>
<td>1.7</td>
</tr>
<tr>
<td>STATE STREET BANK WEST CLIENT - TREATY 505234</td>
<td>15,425</td>
<td>1.6</td>
</tr>
</tbody>
</table>

1. The Company holds treasury stock of 22,271 thousand shares, which is excluded from the above list.
2. The percentage of total shares issued has been calculated after excluding the Company’s treasury stock (22,271 thousand shares).
3. Numbers less than one thousand are rounded down to the nearest thousand.

### Distribution of Shareholders (as of March 31, 2021)

- Financial institutions / Securities companies 48.6%
- Individual and others 16.5%
- Foreign investors 23.5%
- Other domestic corporations 8.8%
- Treasury stocks 2.2%

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