

Oji Group

Integrated Report 2023

Fiscal year ended March 2023



Oji Holdings Corporation





Management Philosophy

Creation of Innovative Value

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.

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 over 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.



Corporate 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.



Sarufutsu company-owned forest in Hokkaido, Japan

Purpose

Grow and manage the sustainable forest,

Develop and deliver the products from renewable forest

And

Oji will bring this world a brighter future filled with hope

The forest grown and managed sustainably not only absorbs and fixes carbon dioxide, but also mitigates floods, cultivates water sources such as water purification and prevents natural disaster in addition to its contribution to biodiversity, healing and health enhancement of people.

The products derived from wood utilizing forest resources are made of renewable materials and able to substitute for plastic, films and fuel derived from fossil resources.

Oji Group will confront global warming and environmental issues, and bring this world a brighter future filled with hope by growing and managing the sustainable forest and by developing and delivering the products utilizing renewable forest resources.

Regarding the Issuance of Integrated Report 2023

We started publishing the Oji Group Integrated Report in 2019 to present financial and non-financial information concerning the Group in an easy-to-understand manner to all of our stakeholders. We would like to convey a narrative of value creation in which we aim, under the Long-term Vision for FY2030, to achieve a shift from growth to evolution and enhancement of corporate value through efforts on environmental issues, product development, and profit improvement.

The Oji Group has marked the 150th anniversary of its foundation. Through this Integrated Report, we will further deepen communication with our stakeholders and strive to make another leap forward in the next 150 years.

Editorial Policies

When preparing this Report, reference was made to the following.

- **The ten principles in four areas found in the United Nations Global Compact**
- **International Integrated Reporting Framework** (International Integrated Reporting Council)
- **GRI Standards** (Global Reporting Initiative)
- **Guidance for Collaborative Value Creation** (Ministry of Economy, Trade and Industry)
- **Task Force on Climate-related Financial Disclosures (TCFD)**

Ensuring Reliability

To ensure the reliability of this report, FY2022 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, 196 consolidated subsidiaries, and 21 equity-method affiliates (as of March 31, 2023). In cases where coverage differs, this is indicated.

Reporting Period

The reporting period is from April 1, 2022 to March 31, 2023 (except for lost time injury frequency rate, and environmental data for certain overseas sites, for which the period is from January 1, 2022 to December 31, 2022). With the exception of numerical data, however, activities carried out from and after April 2023 are also referenced.

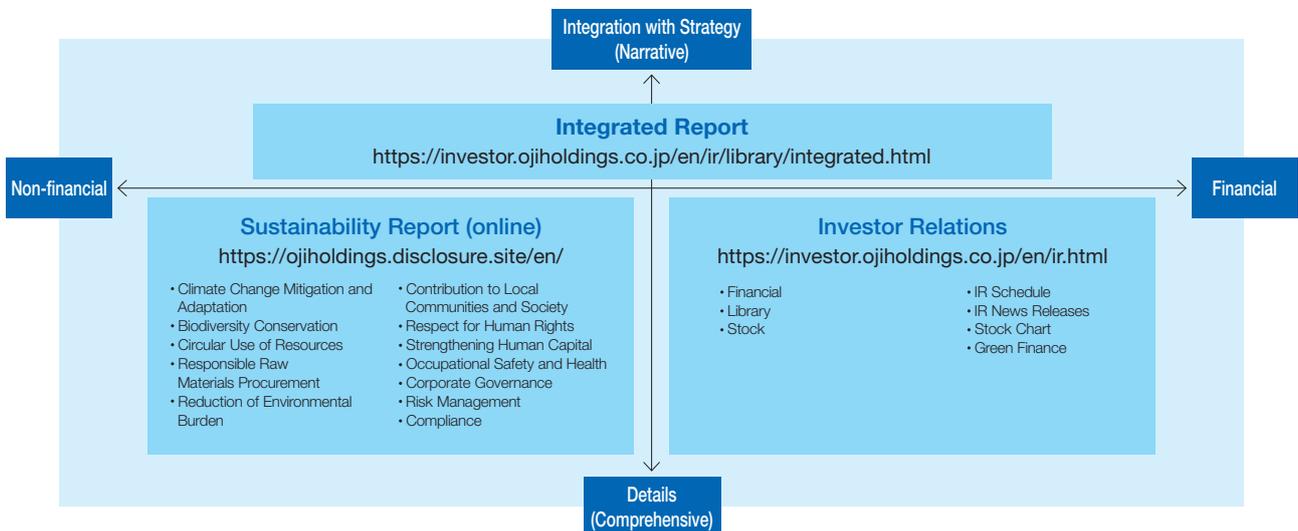
Disclaimer Regarding Forecasts and Other Forward-looking Statements

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 uncertainties. 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). These products are made with raw materials from responsibly-managed FSC™-certified forests, renewable resources, and other managed supply sources (FSC™C005431, FSC™C014119).

Communication Map



CONTENTS

History of the Oji Group's Value Creation

- 05 History of the Oji Group's Value Creation
- 07 Major Affiliated Companies Distribution Map

What the Oji Group Aims for

- 09 Value Creation Process
- 11 Message from the President
- 19 Long-term Vision & Medium-term Management Plan
- 23 Message from the Director in Charge of Finance

Initiatives for Environmental Issues

—Sustainability—

- 25 Mitigation and Adaptation to Climate Change
- 31 Sustainable Forest Management and Conservation of Biodiversity

Initiatives for Product Development

—Green Innovation—

- 35 New Value Creation through Green Innovation

Initiatives for Profitability Improvement

—Profitability—

- 43 Business Overview
- 45 Household and Industrial Materials Businesses
- 51 Functional Materials Business
- 55 Forest Resources and Environment Marketing Business
- 59 Printing and Communications Media Business
- 61 Corporate Management Group and Shared Service Companies

Governance Strategy

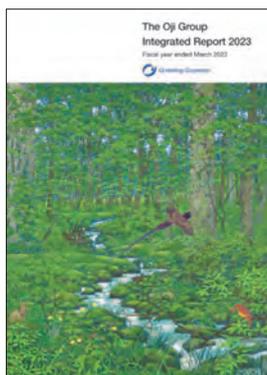
- 63 Message from the Chairman
- 65 Corporate Officers
- 67 Corporate Governance
- 72 Compliance
- 74 Risk Management
- 78 Independent Outside Directors' Roundtable Discussion
- 82 Message from an Independent Outside Audit & Supervisory Board Member

Sustainability Strategy

- 83 Sustainable Business Model
- 85 Core Competencies and Material Issues
- 87 Material Issues and KPI
- 89 Circular Use of Resources (Water)
- 91 Circular Use of Resources (Recovered Paper)
- 93 Respect for Human Rights
- 95 Enhancing Human Capital
- 99 Ensuring Workplace Safety and Health
- 101 Responsible Raw Materials Procurement

Financial and Non-financial Data

- 103 Financial and Non-financial Highlights
- 105 Analysis and Evaluation of Management Performance
- 106 Financial Data Highlights
- 108 Consolidated Financial Statements
- 111 Third-Party Independent Assurance Report
- 113 Corporate Data / Stock Information / Evaluation from Society
- 114 A Year at the Oji Group



Cover Art: *Manatsu no Mori no Nigiwai [Liveliness of a Midsummer Forest]*

Hiroo Isono (1945-2013)

We commissioned Mr. Hiroo Isono, a master painter who worked with a lifelong theme of “forests of life,” to create 28 paintings using our Oji Forests in Japan and overseas as motifs. We used the paintings to publish the *Oji no Mori no Nakamatachi Calendar [Calendar of Friends in Oji Forest]* series for a period from FY1999 to FY2002.

The setting of this report's cover art, titled *Manatsu no Mori no Nigiwai [Liveliness of a Midsummer Forest]*, is a company-owned forest in Yonago City, Tottori Prefecture. It depicts the lively manner various animals spend a midsummer season in the forest, where a cool babbling sound of a brook is almost heard.

©HIROO ISONO All Rights Reserved

History of the Oji Group's Value Creation

In February 2023, the Oji Group marked the 150th anniversary of its foundation. Since its founding in 1873, the 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.

1 Period of Foundation 1873-1909

Birth of the Modern Paper Manufacturing Industry

The origin of the Oji Group dates back to the establishment of Shoshi Kaisha, a paper manufacturing company, advocated by Eiichi Shibusawa, the founder of the modern Japanese economy. Shoshi Kaisha was established in 1873, based on Shibusawa's belief that "paper and printing businesses are the source of civilization." This company would eventually become Oji Paper and would underpin the growth of industry throughout the whole of Japan.

Eiichi Shibusawa (from the collection of the Shibusawa Memorial Museum)



Main gate of Oji Paper Oji Mill (from the collection of the Paper Museum)

3 Period of Development 1946-1972

Efforts toward New Technologies

Amid Japan's post-War reconstruction, 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. We also developed technology for removing ink from old newspaper, opening up major paths for the use of recovered paper.



#1 machine at Kasugai Mill



Kasugai Mill in the 1960s

2 Period of Establishment 1910-1945

Establishment of Domestic Supply Structure

To meet burgeoning demand for paper, we ventured to Hokkaido in search of the forests, water, and the vast land resources needed for paper manufacturing. We brought together the very best of technologies and opened the Tomakomai Mill. In doing so, we established a domestic supply structure for newsprint, breaking free from reliance on imports.



Tomakomai Mill (from the collection of the Paper Museum)



Hydroelectric power plant built at Waterfall Nassou on the shore of Lake Shikotsu

4 Period of Great Change 1973-1999

Paper Diversification and Response to Environment

The growing abundance of people's lives brought major changes in their lifestyles. Expectations of paper grew, and we developed new products, such as boxboard, thermal paper, and household paper, one after the other. We also began expanding globally in search of raw materials for paper manufacturing and new markets. On the other hand, we also placed efforts into countermeasures against pollution at our paper mills.

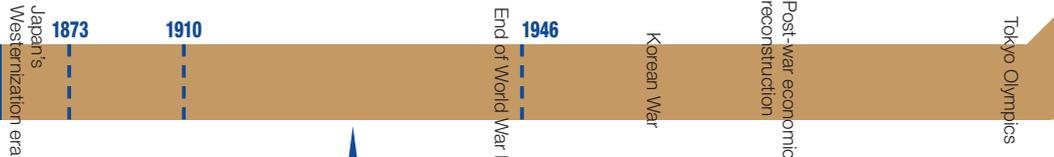


High-grade boxboard

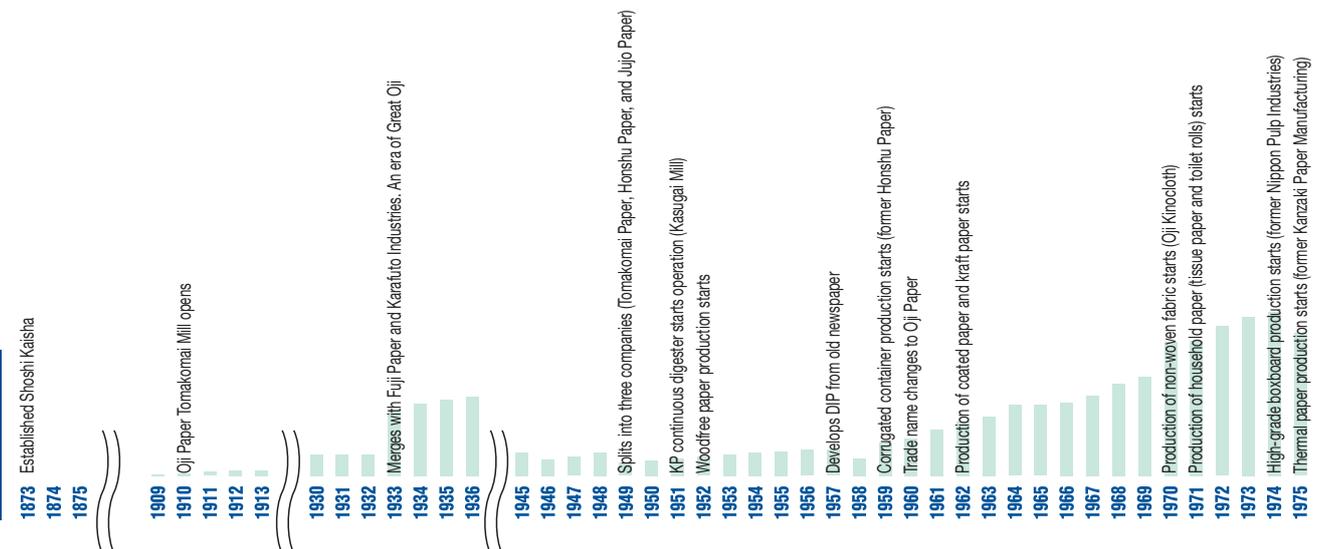


Sales of toilet rolls, tissue paper, and paper towels began in the 1970s

Events in Society



Events in the Oji Group



5 Period of Restriction 2000-

Shift in the Business Structure and Further Global Deployment

Paper production volume has been declining since 2008. Amid the contraction of the domestic market, we pressed ahead strongly with our overseas expansion, focusing on Southeast Asia. Our overseas sales ratio is now close to 40% (FY2022). Issues of a global scale, including global warming countermeasures and marine plastics, have emerged, and "breaking free from fossil materials" and "sustainability" have become key themes. Taking maximum advantage of the paper manufacturing technologies we have cultivated over our long history, in recent years, we have been focusing our efforts on the development of new materials derived from wood.



Bioethanol



Cellulose nanofiber



GSPP PM3



Jiangsu Oji Paper Nantong Mill

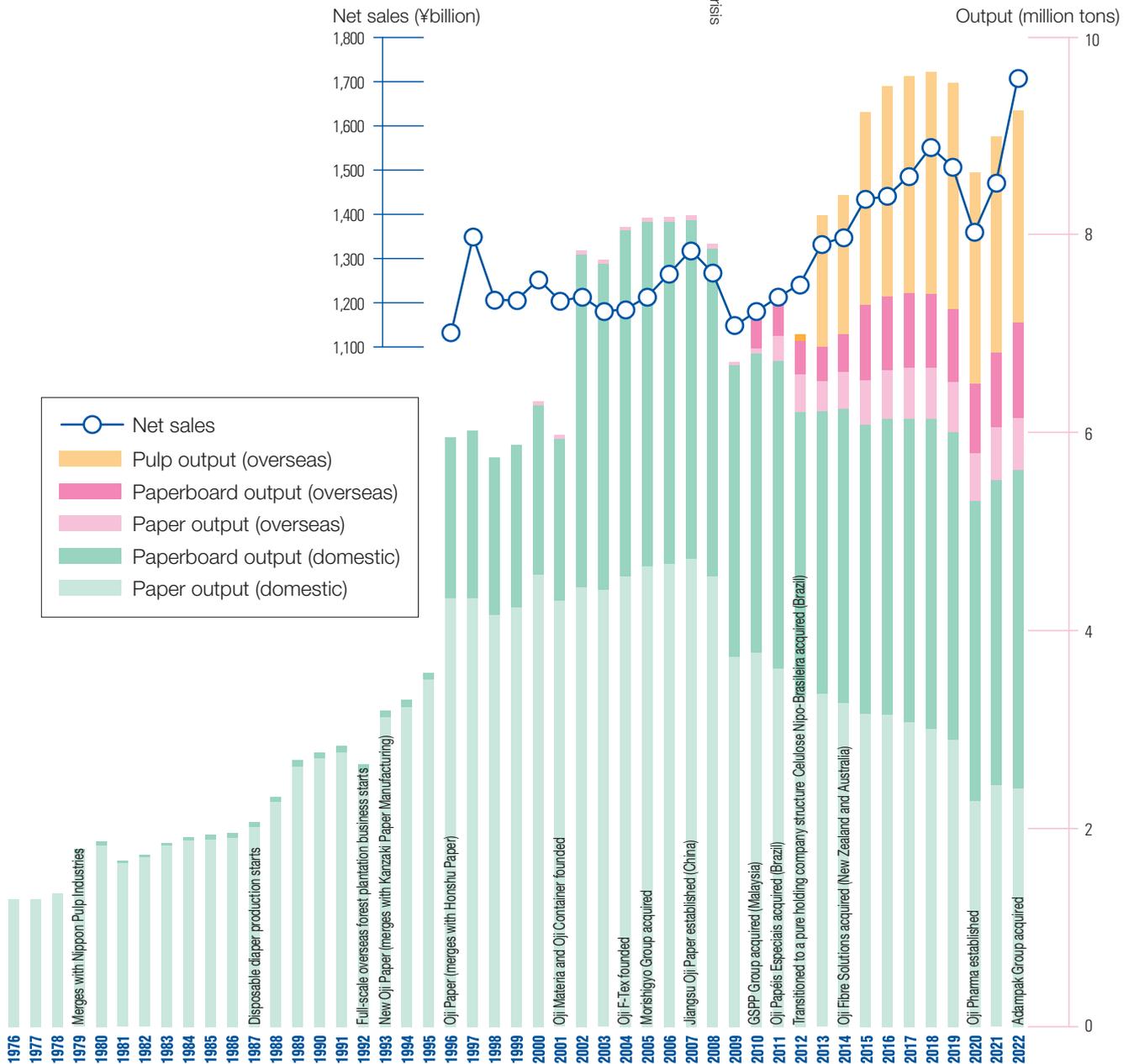
1978 Oil Crisis

Kyoto Protocol

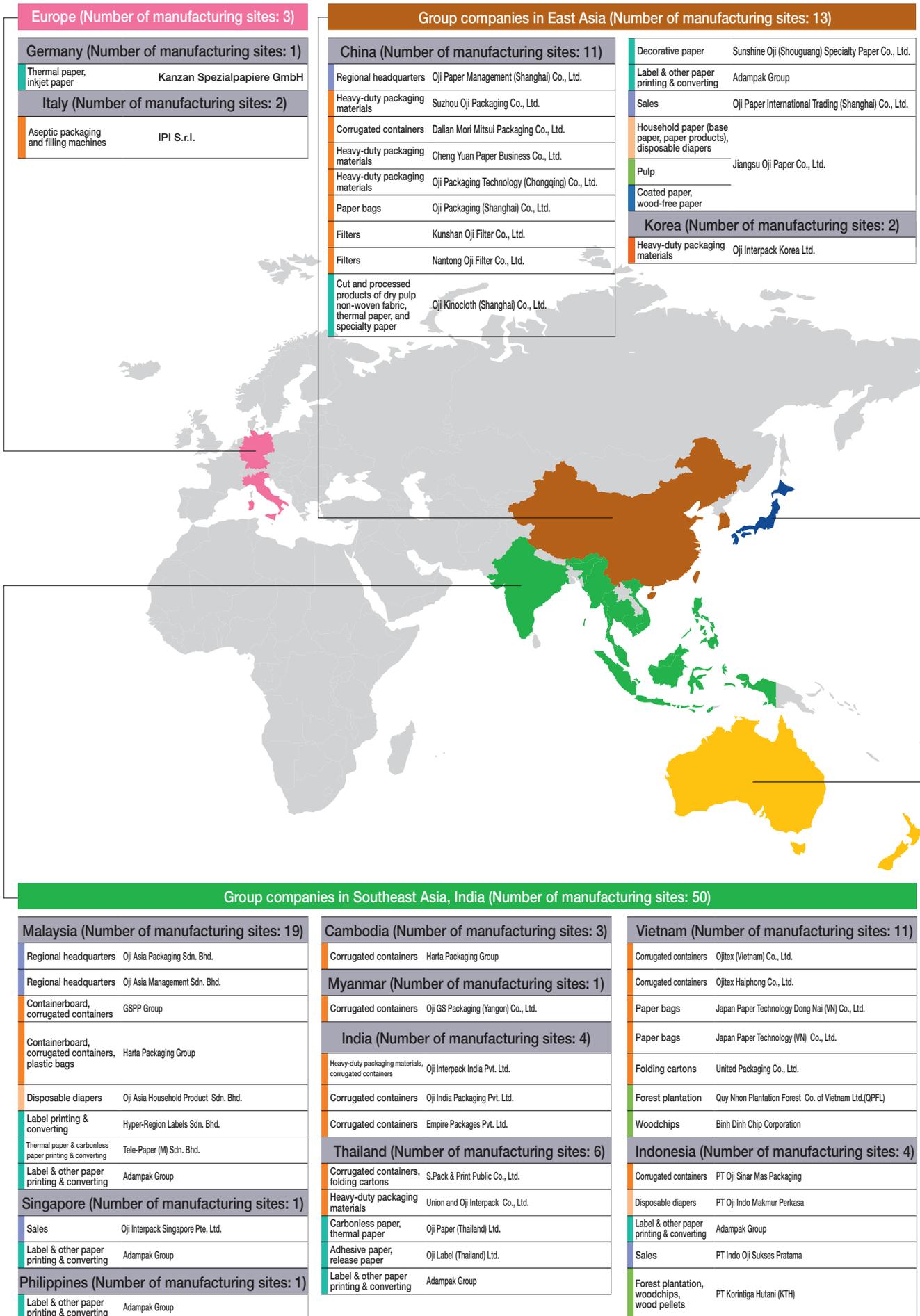
2000

Global Financial Crisis

Tokyo 2020 Olympics
COVID-19 pandemic



Major Affiliated Companies Distribution Map

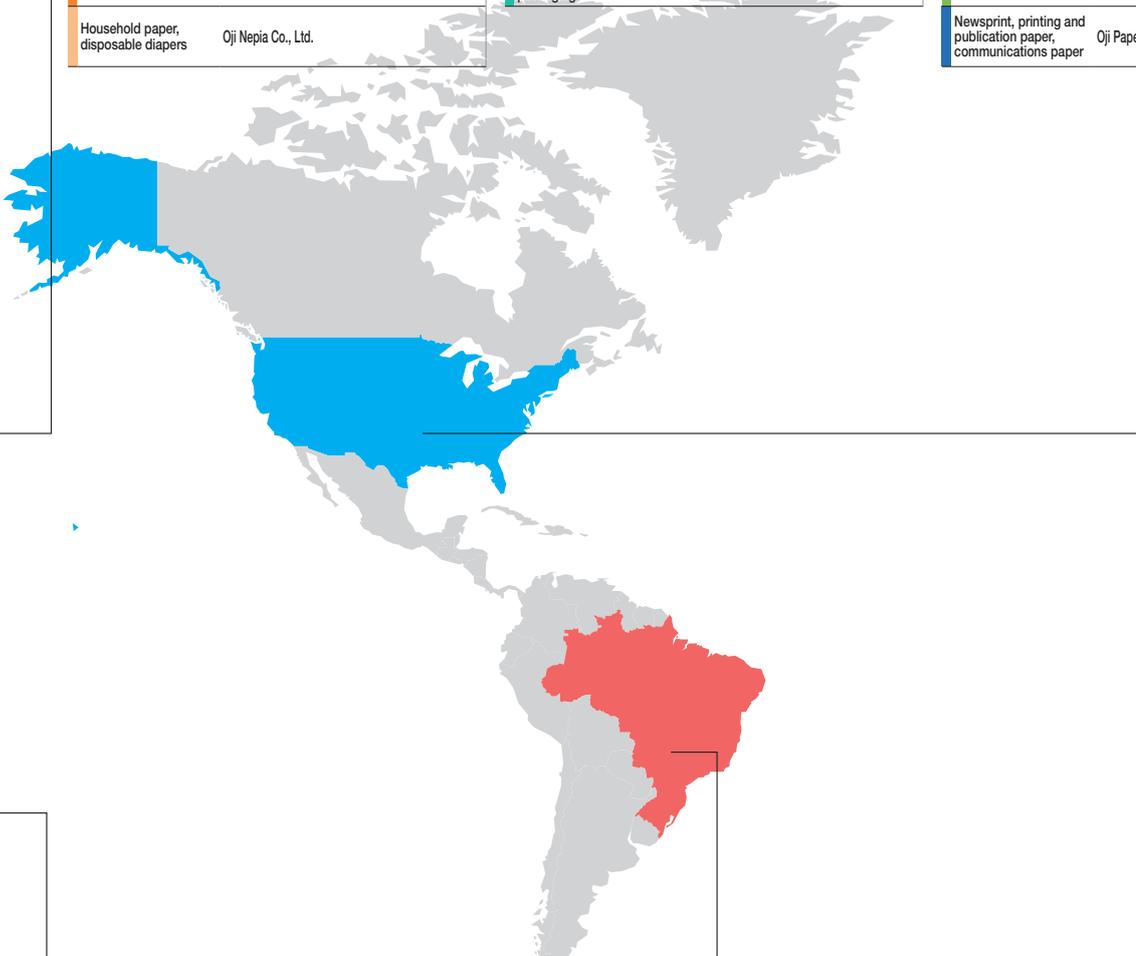


Manufacturing sites in Japan (Number of manufacturing sites: 104)

COMPANY management Oji Industrial Materials Management Co., Ltd.	
Containerboard, boxboard, packaging paper	Oji Materia Co., Ltd.
Corrugated containers	Oji Container Co., Ltd.
	Morishigyo Co., Ltd.
Folding cartons	Oji Packaging Co., Ltd.
Paper bags	Oji Seitai Co., Ltd.
Household paper, disposable diapers	Oji Nepia Co., Ltd.

COMPANY management Oji Functional Materials Progressing Center Inc.	
Specialty paper, films	Oji F-Tex Co., Ltd.
Thermal paper	Oji Imaging Media Co., Ltd.
Adhesive products	Oji Tac Co., Ltd.
Adhesive products, medical	New Tac Kasei Co., Ltd.
Non-woven fabric	Oji Kinocloth Co., Ltd.
Printing, processing, packaging materials	Chuetsu Co., Ltd.

COMPANY management Oji Green Resources Co., Ltd.	
Woodchips, lumber business, etc.	Oji Forest & Products Co., Ltd.
Energy	Oji Green Energy Shiranuka Co., Ltd.
Energy	Oji Green Energy Ebetsu Co., Ltd.
Energy	Oji Green Energy Nichinan Co., Ltd.
Energy	Oji Green Energy Tokushima Co., Ltd.
Energy	MPM Oji Eco-Energy Co., Ltd.
Newsprint, printing and publication paper, communications paper	Oji Paper Co., Ltd.



Group companies in Oceania (Number of manufacturing sites: 15)

Australia (Number of manufacturing sites: 5)	
Corrugated containers	Oji Fibre Solutions
Forest plantation	Green Triangle Plantation Forest Co. of Australia Pty. Ltd. (GPFL)
Forest plantation	Albany Plantation Forest Co. of Australia Pty. Ltd. (APFL)
Woodchips	Albany Plantation Export Co., Pty. Ltd.
New Zealand (Number of manufacturing sites: 10)	
Containerboard, corrugated containers, paper bags	Oji Fibre Solutions (Oji FS)
Forest plantation, pulp	
Forest plantation, pulp, lumber business	Pan Pac Forest Products Ltd. (Pan Pac)
Lumber business	Pan Pac Forest Products (Otago) Ltd.
Forest plantation	Southland Plantation Forest Co. of New Zealand Ltd. (SPFL)

South America (Number of manufacturing sites: 2)

Brazil (Number of manufacturing sites: 2)	
Thermal paper, carbonless paper	Oji Papéis Especiais Ltda.
Forest plantation, pulp	Celulose Nipo-Brasileira S.A. (CENIBRA)

North America (Number of manufacturing sites: 1)

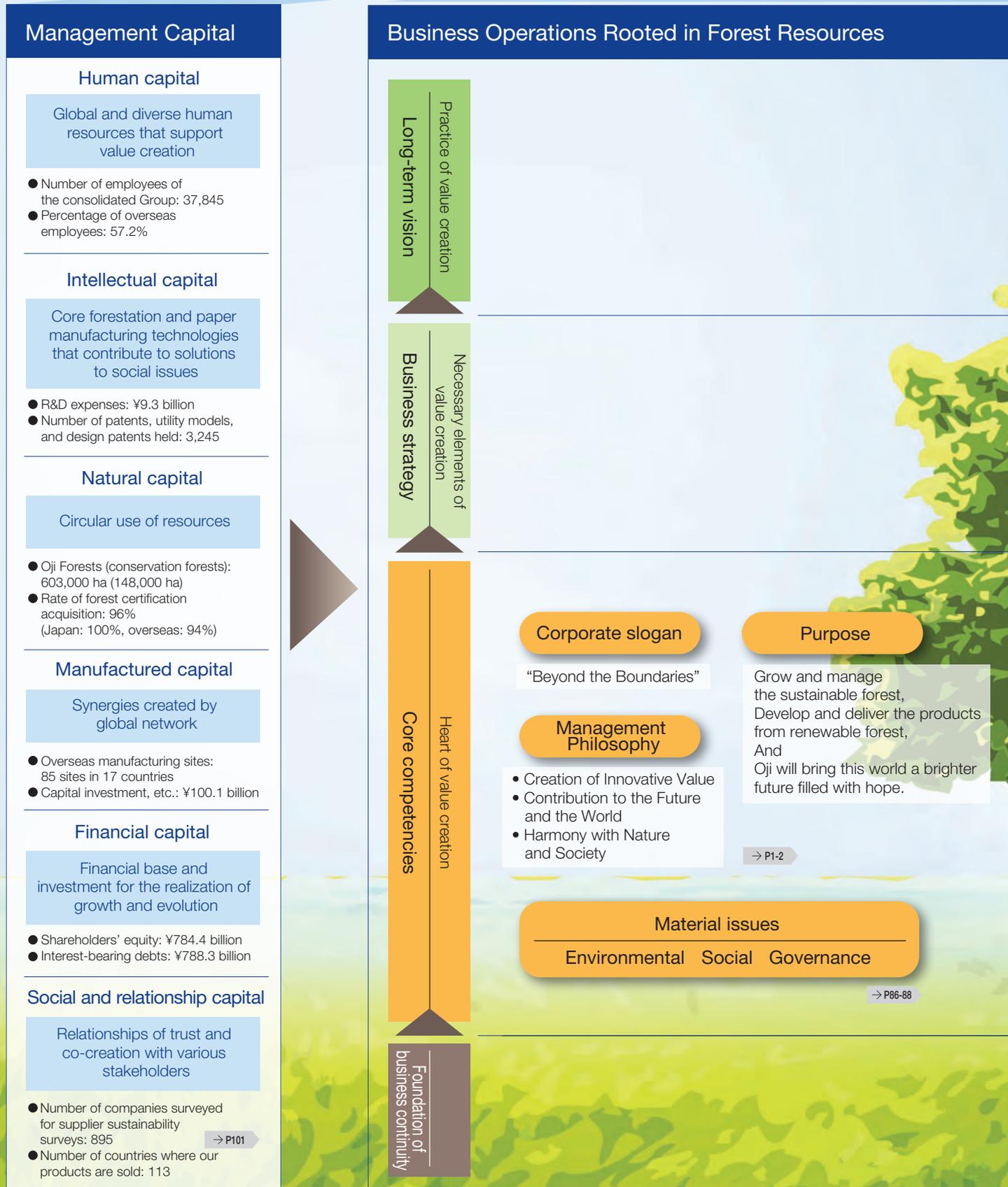
America (Number of manufacturing sites: 1)	
Thermal paper, film, inkjet paper	Kanzaki Specialty Papers, Inc.

- Industrial Materials Business
- Household and Consumer Products Business
- Functional Materials Business
- Forest Resources and Environment Marketing Business
- Printing and Communications Media Business
- Other Businesses (COMPANY management, Regional headquarters, Sales)

① Listed only for major affiliated companies (As of June 30, 2023)
 ② Production bases do not include sales companies and forest plantation sites.

Value Creation Process

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



Toward a brighter future filled with hope

What the Oji Group Aims for

Toward Further Growth and Evolution

Initiatives for Environmental Issues
— Sustainability —

→ P25-34 → P83-102

Initiatives for Profitability Improvement
— Profitability —

→ P43-62

Initiatives for Product Development
— Green Innovation —

→ P35-42

Funds

Human resources and education

Digitalization

Information and communication

Co-creation with outside parties

Business activities (Household and Industrial Materials, Functional Materials, Forest Resources and Environment Marketing, Printing and Communications Media)

Sustainable forest management

Utilization of renewable resources

Core competencies centered on sustainable business model and forest resources

Development of new materials derived from wood

Application of fundamental paper manufacturing technologies

Global network and sales

→ P83-85

Environment

Compliance

Safety

→ P25-34 → P83-102

→ P72-73

→ P99-100

Value Creation

Enhancement of economic value

■ Medium-term Management Plan Management targets for FY2022–2024

- Consolidated operating profit of 150.0 billion yen or more
- Overseas sales ratio of 40% (With a target of 50% in the future)

■ Management targets for FY2030

- Consolidated net sales of 2.5 trillion yen or more

Enhancement of social and environmental value

■ Environmental Action Program 2030

- Action on climate change
- Abundant forests creation and resource recycling
- Consideration for ecosystem
- Development of trusting relationships with our stakeholders

■ Environmental Vision 2050

- Net-zero carbon
- Harmony with nature and society

Message from the President



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

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

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

Hiroyuki Isono



On the 150th Anniversary of Oji's Foundation

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

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

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

Message from the President

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

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

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

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

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

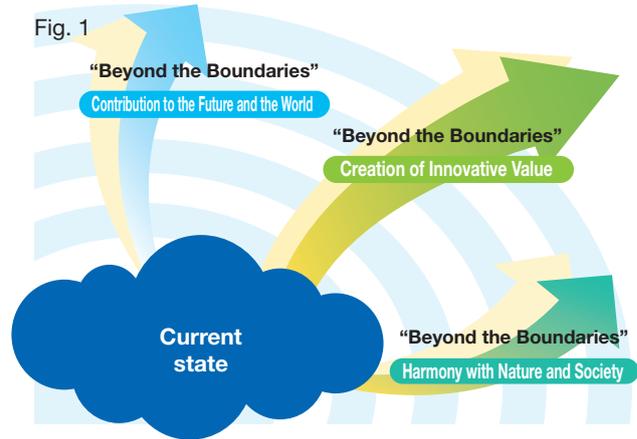


Group, which prints and converts advanced-function labels in Southeast Asia and China, in September 2022, and IPI S.r.l., which manufactures and sells processed paper for aseptic liquid packaging cartons and filling machines in Italy, in May 2023. We have great expectations of the outstanding sales management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

Toward the Next 150 Years— Long-term Vision

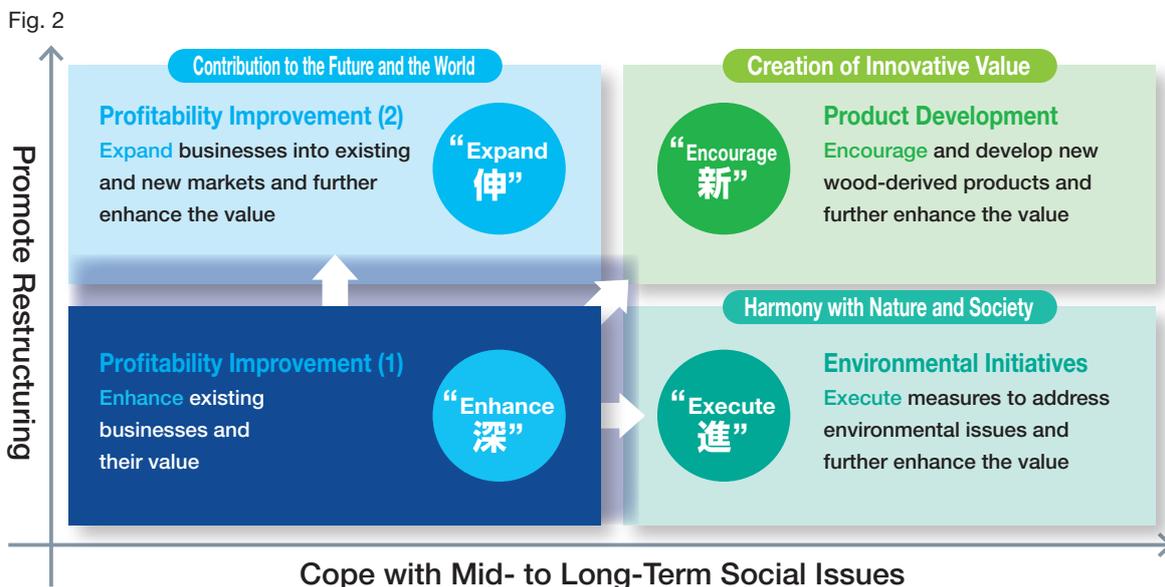
In discussing our steps toward our next 150 years, we will consider how we can create social, environmental, and economic value to accomplish a further leap forward. It will not be enough to continue activities that are merely an extension of what we are doing today. Last year, we formulated our Long-term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

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



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

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



Message from the President

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

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

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

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

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

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

Fig. 3





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

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

Toward the Next 150 Years— Core Competencies and Necessary Elements

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

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

Message from the President

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

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

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

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

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

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

Our Top Priorities of Compliance, Safety, and Environment

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

So the Plum Blossoms Will Continue to Bloom

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

"The paper manufacturing business is a business that will

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

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

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



Long-term Vision & Medium-term Management Plan

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

Long-term Vision



Targets We Aim to Achieve in FY2030

● To Achieve Environmental Action Program 2030

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

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

Environmental Action Program 2030

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

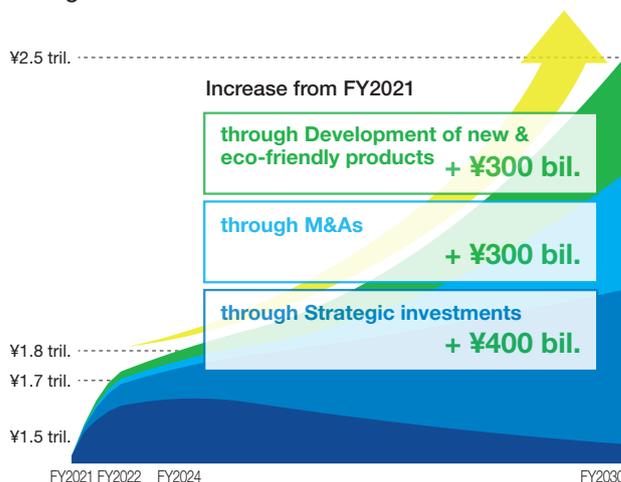
Environmental Action Program 2030 → <https://ojiholdings.disclosure.site/en/themes/150/>

● Consolidated Net Sales of 2.5 Trillion Yen or More

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

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

Changes in Consolidated Net Sales



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

① Initiatives for Environmental Issues—Sustainability—

→ P25–34, 83–102

② Initiatives for Profitability Improvement—Profitability—

→ P43–62

Household and Industrial Materials Businesses

Sales target for FY2030
¥1,250.0 billion

Business Strategy

Industrial Materials Business

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

Household and Consumer Products Business

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

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



Tochigi Plant, Oji Container



* Good for the earth
 Good things with
 forests
 Nepia with Oji forests

Autumn 2023 Revamped packaging to make environmental considerations more visible

Functional Materials Business

Sales target for FY2030
¥400.0 billion

Business Strategy

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

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



Aident Corporation in Malaysia, a subsidiary of Adampak Group

Forest Resources and Environment Marketing Business

Sales target for FY2030
¥600.0 billion

Business Strategy

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

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



Pan Pac Mill (New Zealand)

Printing and Communications Media Business

Sales forecast for FY2030
¥150.0 billion

Business Strategy

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

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



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

③ Initiatives for Product Development—Green Innovation—

→ P35–42

Long-term Vision & Medium-term Management Plan

Overview of FY2022–2024 Medium-term Management Plan

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

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

Key Initiatives

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

FY2022 Results and FY2023 Priority Measures

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

Initiatives for Profitability Improvement—Profitability—

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

Main FY2023 Priority Measures ¹ Timings of future measures are scheduled timings	
● May	Acquire IPI, a company that operates liquid packaging carton business in Italy
● July	Increase ultrathin OPP film machine at Oji F-Tex Shiga Mill and start operation
● September	Start operation of seventh corrugated container plant in Vietnam
● January	Start operation of filter production plant in Japan
● January	Expand thermal paper production facilities in Germany

Pick Up

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

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



IPI Head Office in Italy



Tenth corrugated container plant in Malaysia



New film machine building at Oji F-Tex Shiga Mill

Initiatives for Environmental Issues—Sustainability—

Main FY2022 Results

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

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

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

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

Pick Up

● Expansion of Forest Plantations in Japan and Overseas

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



Shiranuka, Hokkaido



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



Solar panels at Edogawa Warehouse, Oji Nepia

●● Operation of Solar Power Generation Facilities

We continue to engage in the establishment of solar power generation facilities and other measures to promote the use of renewable energy.

Initiatives for Product Development—Green Innovation—

Main FY2022 Results

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

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

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

Pick Up

● Development of Eco-Friendly Products

Making full use of the technologies we have built up over 150 years, we are developing a wide variety of products aimed at solutions to environmental issues.



Recyclable aqueous coated paper cup base



Laminated paper using plant-derived polylactic acid



Eco-friendly anti-heat windshield film

● Demonstration Manufacturing of Wood-derived Plastics

Aiming to popularize biomass plastics derived from inedible materials, we will demonstrate the manufacture of polylactic acid made with pulp.



Wood-derived biomass plastic (polylactic acid)

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

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



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

Management Numbers

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

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

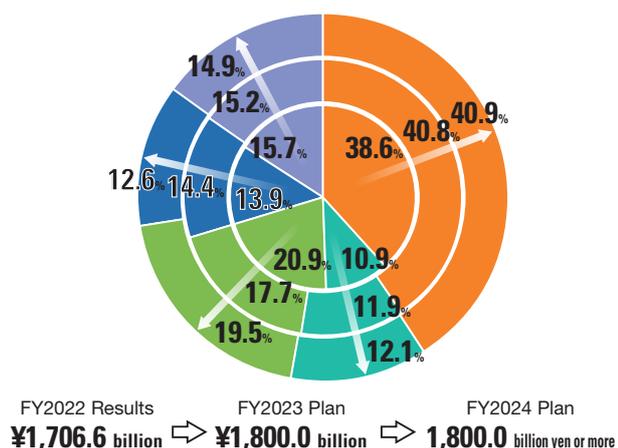
In FY2023, the overseas business is facing a severe situation, with earnings plummeting due to the worldwide stagnation in movement of goods and the decline in the pulp market. Nevertheless, we plan to achieve a year-on-year in-

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

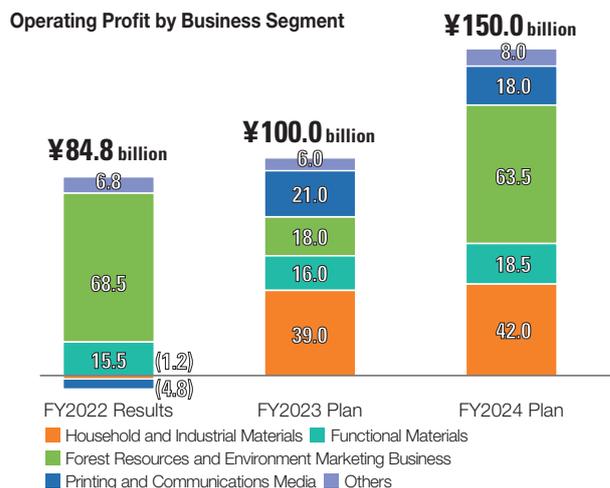
Capital Allocation

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

Consolidated Net Sales and Sales Composition by Business Segment



Operating Profit by Business Segment



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



Financial Strategies to Achieve Harmony with Nature and Society

Group Financial Strategy in FY2023 and Beyond

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

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

Formulation of Green Financing Framework

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

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

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

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

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

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

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

Involvement in Stakeholder Engagement

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

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

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

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

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

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

Mitigation and Adaptation to Climate Change

Basic Approach

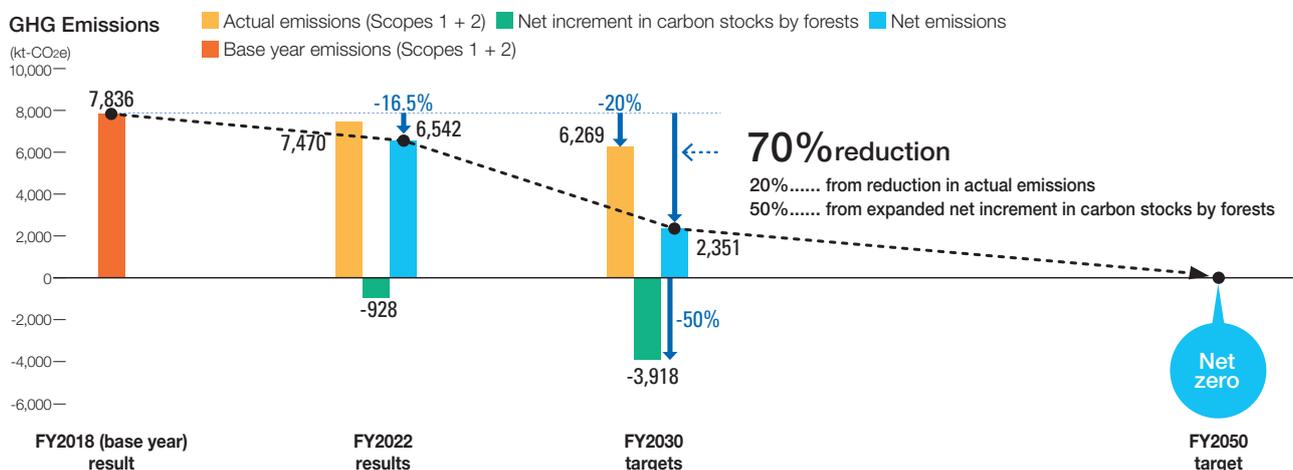
The Oji Group established Environmental Charter in 1997 with the basic philosophy of rolling out its corporate activities in harmony with the environment from a wide global perspective and contributing to the realization of a truly affluent, sustainable society. As our vision toward mitigating climate change based on the Charter, in 2020 we formulated our Environmental Vision 2050 centered around the goal of net-zero carbon, and we also set a milestone target to achieve that goal in our Environmental Action Program 2030 of reducing our greenhouse gas (GHG) emissions by at least 70% compared to FY2018 levels. To achieve the target, we focus on reducing actual emissions by reducing coal consumption and other emission sources, and increasing the net increment in carbon stocks by forests.

GHG Emissions Reduction Target and Emissions Results

Our goal is to reduce net emissions (actual emissions minus net increment in carbon stocks) by at least 70% compared to the FY2018 levels by FY2030. Of this, 20% is to be achieved by reducing actual emissions (total of Scope 1 and Scope 2), and 50% is to be achieved by increasing the net increment in

carbon stocks by forests.

In FY2022, the net GHG emissions were reduced by 16.5% compared to the FY2018 levels, to 6,542 kt-CO₂e.



Roadmap for GHG Emissions Reduction toward FY2030

Category	Sub-category	GHG reduction (kt-CO ₂ e)	GHG reduction rate	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Reduction in actual emissions	Improve energy efficiency	Maintain energy conservation	200	2.6%	Reduce energy consumption intensity by 1.0% or more per year, averaged over five years Reduced by 3.8% on average between FY2018 and 2022								
	Increase the percentage of renewable energy use	Reduce coal consumption	1,007	12.9%	● Shut down 1 boiler ○ To shut down 1 boiler Technical research and test for changing the fuel composition Studies and decisions on facility Implementation To shut down 6 boilers								
		Install private solar power systems, etc.	360	4.5%	Installation planning Investment decisions Installation Install solar power systems on factory roofs and idle land								
	Subtotal		1,567	20.0%	Reduction of 366 kt-CO ₂ e (4.7%)								
Expansion of net increment in carbon stocks by forests	Invest in forest conservation and plantation	Expand forest plantations	3,918	50.0%	Overseas production forests: 266,000 ha → 279,000 ha → 400,000 ha Search for sites, land surveys Assessment of business feasibility Consideration of acquisition, decision KTH to be a consolidated subsidiary								
		Plant fast-growing trees			Continue forest tree breeding (breed improvement) and elite trees' plantation Net increment in carbon stocks by forests: 928 kt-CO ₂ e (11.8%)								
Total		5,485	70.0%										

Participation in the GX League

Oji Holdings joined the GX League which began full-scale activities in May 2023. The League is a forum for companies endeavoring for carbon neutrality to discuss and carry out a transformation of the entire socio-economic systems (green transformation) in cooperation with the Japanese Government, universities, and financial institutions.



Reducing Actual Emissions

We are working to improve energy efficiency and increase the percentage of renewable energy use to reduce GHG emissions through our business activities. In FY2022, the actual GHG emissions were reduced by 4.7% compared to the FY2018 levels, to 7,470 kt-CO₂e.

Improve Energy Efficiency

We are working to improve our energy efficiency with a target reduction in energy consumption intensity of at least 1% per year, averaged over five years. Our mills and plants regularly hold energy conservation meetings, attended by personnel from energy management and manufacturing divisions to discuss facility renovations and change of operation methods.

In FY2022, our domestic business companies made energy conservation investments of 1.6 billion yen, thereby reducing energy consumption corresponding to approximately 1% of the total energy consumption across the Group (crude oil conversion 47 thousand kL). Energy consumption intensity was reduced by 3.8% per year on the average between FY2018 and FY2022.

Increase the Percentage of Renewable Energy Use

The Oji Group has increased the percentage of renewable energy use by utilizing black liquor (byproduct from its global pulp production operations), wood residue, and bark as fuels. Aiming to further improve energy efficiency, we are working to reduce coal consumption while introducing solar power generation systems.

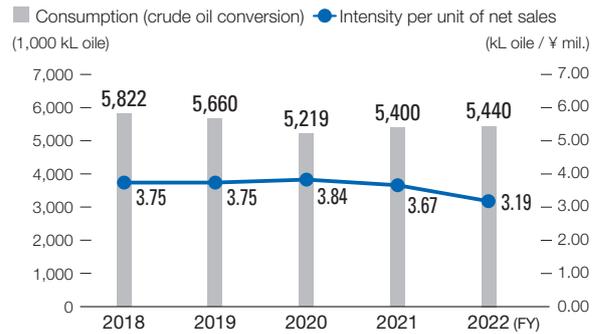
In FY2022, the percentage of renewable energy use was 54.7%.

Reduce Coal Consumption

Of the 16 boilers in Japan that were burning coal as of FY2018, we will disuse eight coal-only-fired boilers by FY2030 which do not include backup boilers, and switch to gas fuels in a transition phase toward decarbonization. We shut down a coal boiler at Oji Materia Nayoro Mill in FY2021 as part of restructuring of production systems, and also shut down a coal boiler at Oji F-Text Ebetsu Mill in FY2023. We are also considering reducing coal consumption by changing the composition of fuels at coal co-fired boilers. With the investment of about 100 billion yen, we expect to reduce GHG emissions by about 1,000 kt-CO₂e.

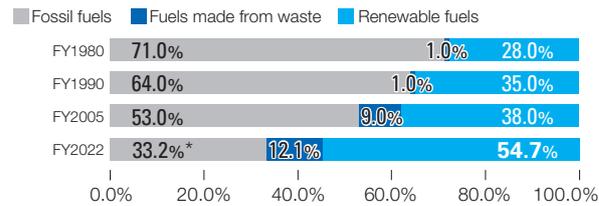
As achieving net-zero carbon emissions will require further reduction of the use of fossil fuels including gas, in the future, we will also consider using hydrogen, ammonia, and synthetic methane (e-methane) as fuels.

Energy Consumption* and Intensity



* A star mark indicates that FY2022 figure for energy consumption has been assured by KPMG AZSA Sustainability Co., Ltd. For the calculation method, see page 111.

Changes in Fuel Composition Ratio



*Breakdown: Coal 11.4%, gas 8.7%, oil 7.3%, and purchased energy 5.8%

Installation of Solar Power Systems

We have been installing solar power systems on factory roofs and idle land. A new warehouse built in August 2022 at Oji Nepia Edogawa Factory uses electricity generated from solar power. At Oji Container Tochigi Plant, a solar power generation facility scheduled to start operation in September 2023 will supply all of the power used by the plant during the daytime.



Solar power generation facility at Tochigi Plant, Oji Container

Topics Efforts for a Shift to Black Pellets Fuel

At the boiler #6 of Oji Paper Tomakomai Mill, where waste-derived fuels (RPF, waste tires, sludge, etc.) and coal are co-fired, a demonstration test for a shift from coal to black pellets to reduce CO₂ emissions is underway.

Three tests were conducted in FY2022 to collect basic data on the fuel such as transportability and combustibility. Now we will draw up a plan for a long-run test in view of stable regular operation, to identify issues and consider whether boiler retrofitting is needed.



Black pellets (biomass-fuel wood pellets that are semi-carbonized)

Mitigation and Adaptation to Climate Change

Topics

Renewable Energy Power Generation Business

We sell electricity generated by biomass, hydropower, and solar power, indirectly contributing to the reduction of GHG emissions by electricity consumers. In FY2022, we sold 1,103 GWh of electricity through the feed-in tariff (FIT) system for renewable energy under which electric utilities purchase electricity from renewable energy at a fixed price. This is equivalent to a reduction of 480 kt-CO₂e in electricity consumer emissions*.

* Calculated by multiplying the amount of electricity sold by the national average emission factor used to calculate emissions from electricity use under the Mandatory Greenhouse Gas Accounting and Reporting System.

Reducing Emissions from Wood Chip Carriers

Most of the wood chips used as raw material for paper are transported by ship from overseas plantations. With international efforts underway to reduce GHG emissions from ships, Oji Group's chip carriers now navigate at lower speeds to reduce GHG emissions by increasing fuel efficiency. In addition, newer vessels built in recent years generate lower GHG emissions than conventional types, contributing to GHG emissions reduction.



Woodchip carrier GT SELENE (built in 2022)

Expansion of Net Increment in Carbon Stocks by Forests

The Oji Group owns a total of 603,000 ha of forests (comprising 455,000 ha of production forests and 148,000 ha of conservation forests) in Japan and overseas and practices sustainable forest management taking into consideration the environment, society, and economy. The actual carbon stocks of these forests reached 122,450 kt-CO₂ at the end of FY2022, and the annual average net increment in carbon stocks by forests between FY2018 and FY2022 was 928 kt-CO₂*1. The amount of O₂ released during the same period averaged 675 kt per year*2. To achieve our Environmental Action Program 2030, we aim to increase the net increment in carbon stocks by

forests to 4,000 kt-CO₂ by expanding plantations and planting fast-growing trees.

*1 The figures of carbon stocks and net increment in carbon stocks exclude those by CENIBRA's forests planted by third parties and forests less than two years after plantation.

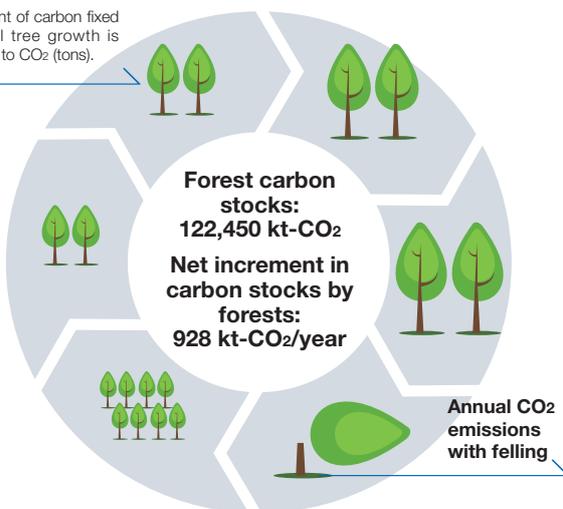
*2 Calculation assuming that the same amount of O₂ as CO₂ absorbed (in moles) is released.

Source: National Institute for Environmental Studies <https://www.nies.go.jp/kanko/news/25-3/25-3-04.html> (Japanese only)

The net increment in carbon stocks by forests is calculated by the gain-loss method (except for CENIBRA). CENIBRA calculates the figure by the stock difference method which is more accurate. CENIBRA has obtained assurance for the net increment in carbon stocks by forests in FY2021 and FY2022 from a third party organization.

Annual CO₂ absorption with growth

The amount of carbon fixed by annual tree growth is converted to CO₂ (tons).

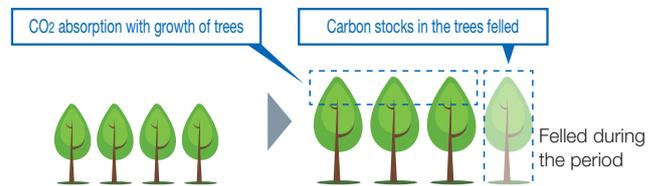


Forest carbon stocks : The CO₂ stocks in Oji Forests as of end of FY2022.

Net increment in carbon stocks by forests : The amount of CO₂ absorbed by the trees in Oji Forests minus the amount of CO₂ stored in the trees felled which are subtracted as emissions. Annual average between FY2018 and FY2022.

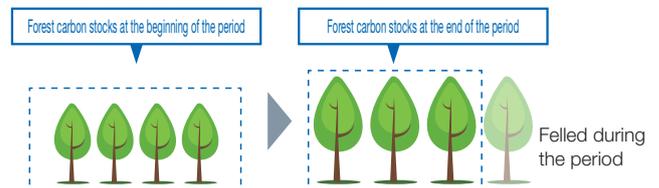
Gain-loss Method

The amount of CO₂ absorbed with growth of trees and the amount of carbon stocks by the trees felled during the period are calculated and the latter is subtracted from the former.



Stock Difference Method

The forest carbon stocks at the end of a period and the forest carbon stocks at the beginning of the period are calculated and the latter is subtracted from the former.



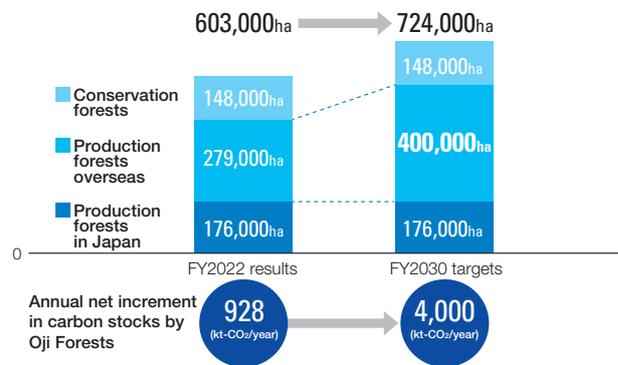
Expand Forest Plantations

With KTH in Indonesia becoming a consolidated subsidiary in FY2022, the net increment in carbon stocks by Oji Forests has increased. We are considering acquiring more sites for forest plantation primarily in South America, Oceania, and Southeast Asia, where we have been operating our forest plantation business. Our target is to expand the area of our overseas production forests to 400,000 ha by FY2030, at an estimated acquisition cost of about 100 billion yen.

Plant Fast-growing Trees

In our overseas forest plantation business, we plant fast-growing trees, including hardwoods such as eucalyptus and acacia as well as softwoods such as radiata pine. We harvest and replant trees in a shorter cycle than general forestry practices, for example, in a 6-to-10-year cycle for eucalyptus and acacia and in an approximately 30-year cycle for radiata pine.

In addition, CENIBRA, Brazil, has long been breeding forest trees. More than 10 types of high-quality varieties with high growth rate and pulp productivity were selected from among



more than 20 thousand trees obtained through artificial pollination efforts. KTH, Indonesia, also continues to breed forest trees. Planting high-quality tree species developed by each business increases the growth rate of forest trees, facilitating carbon absorption and fixation.



Artificial pollination of eucalyptus



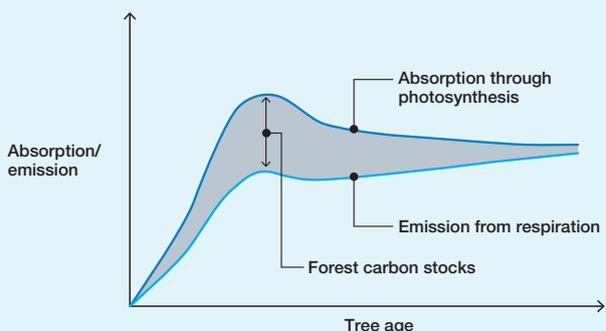
Tree nursery, CENIBRA

Topics Challenges for Japanese Forestry and Action to Mitigate Climate Changes

About two-thirds of Japan's land area is covered by forests, of which plantations account for about 40%. Most of these plantations were planted in the years after World War II to the period of rapid economic growth. Now that half of these trees are over 50 years old and are ready to be fully utilized (time to harvest).

Because respiration relative to carbon absorption is greater in a mature forest than in a young forest in the growing phase, the net carbon absorption capacity decreases as a plantation matures. For this reason, felling and replanting trees in plantations is considered desirable not only for circular resource use, but also for mitigating climate change. However, the rate of carbon fixation (approximately equal to carbon dioxide absorption) by forests has been declining due to the gradual decrease of young forests in the growing phase, as the circular use of forests has been impeded by such problems as declining number of forestry workers, the underdeveloped forest road networks, and slow progress of replanting and cultivation due to falling timber prices.

In Oji Forests in Japan, we intend to fell and replant approximately 400 to 500 ha of plantations every year. We will continue to work to overcome challenges for forestry in cooperation with the government, local communities, and other companies to help the circular use of plantations to increase carbon absorption.



Mitigation and Adaptation to Climate Change

TCFD

The Oji Group announced its support for the Task Force on Climate-related Financial Disclosures (TCFD) in December 2020, and is working on climate-related information disclosure recommended by the TCFD.



The TCFD is a task force established by the Financial Stability Board (FSB) at the request of G20 Finance Ministers and Central Bank Governors Meeting. In June 2017, the TCFD released its recommendations that encourage companies to disclose the financial implications of climate-related risks and opportunities to help investors make appropriate investment decisions.

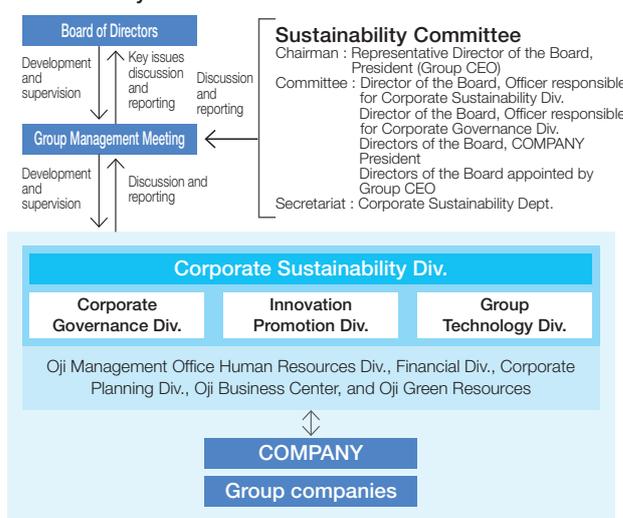
Governance

Recognizing efforts for sustainability including addressing climate change issues as one of the important management challenges, the Oji Group established the Sustainability Committee and the Corporate Sustainability Division in April 2022.

The Sustainability Committee, chaired by the Representative Director of the Board, President of Oji Holdings Corporation (Group CEO) and consisting of Directors of Oji Holdings Corporation (including Presidents of all COMPANIES), discusses the Group's risks associated with sustainability and measures against those risks biannually. Matters discussed at the Committee are referred for discussion and reported to the Group Management Meeting depending on the importance, and after deliberation by the Meeting, the Board of Directors makes a decision on execution of matters. In FY2022, the Group CEO appointed a female Independent Outside Director as a new member of the Committee.

The Corporate Sustainability Division carries forward matters determined by the Sustainability Committee as a division which oversees and manages the Group's efforts for sustainability.

Sustainability Promotion Structure



Climate-related Risks, Opportunities, Strategies, and Responses

Type	Driver (Factor causing an impact on our business)	Awareness of business environment	Impact on our business			
			1.5°C (2°C) scenario		4°C scenario	
			2030	2050	2030	2050
Transition risks	Policies, laws and regulations	Fluctuation of fossil fuel-derived energy prices	Small	Small	Small	Small
		Tightened CO ₂ emissions regulations	Large*	Small*	Medium*	Small*
	Markets	Increasing stakeholders' interest in low-carbon products and services	Small	Small	Small	Small
Transition risks	Reputation	Negative feedback from stakeholders	Medium	Medium	Small	Small
	Physical risks	Acute	Increasing severity of extreme weather events	Small	Small	Small
Chronic		Changes in precipitation and weather patterns, and rising average temperatures	Small	Small	Large	Large
Opportunities	Resource efficiency	Effective resource utilization Reduction in water use and consumption	Small	Small	Medium	Medium
	Energy sources	Use of low emission sources of energy	Small	Medium	Small	Small
	Products and services	• Changes in consumer preferences • Development of new products and service through R&D and innovation	Large*	Large*	Large*	Large*
	Markets	Use of incentives	Small	Medium	Small	Small

* Impact amount Small: less than 10 billion yen Medium: not less than 10 billion yen but less than 50 billion yen Large: not less than 50 billion yen Impact levels without asterisk mark (*) represent qualitative assessment.

Strategy

Climate-related risks and opportunities for us have been analyzed as shown below. We recognize the importance of transition risks due to policies and regulations such as carbon taxes in the medium term toward 2030, physical risks such as changes in precipitation and weather patterns in the long term toward 2050, and opportunities for increased demand for low-carbon products in the medium to long term.

To meet challenges for transition to a decarbonized society, we have set our GHG emissions reduction targets and are working to reduce coal consumption, increase the net increment in carbon stocks by forests, and develop wood-derived products as a plastic alternative. While continuing our present efforts, we believe, will limit the impact on our business from the transition to a decarbonized society, we will continue to analyze risks and strengthen our resilience*1.

*1 The concept of climate resilience involves organizations developing adaptive capacity to respond to climate change to better manage the associated risks and seize opportunities, including the ability to respond to transition risks and physical risks. (Source: TCFD recommendations)

Risk Management

The Corporate Sustainability Division examines risks on a Group wide basis with assistance from external experts, and the Sustainability Committee analyzes them while discussing their importance and priority. Impacts on our business, strategy, and finances are assessed quantitatively and qualitatively, using scenarios for 1.5°C (2°C) and 4°C for the medium term (2030) and the long term (2050)*2.

The Corporate Sustainability Division is in charge of overall management of responses to climate-related risks based on the strategy across the Group, and the Sustainability Committee manages the progress. Specifically, for the reduction of GHG emissions, we have organized a project team and are working to reduce coal consumption and expand the net increment in carbon stocks by forests. Furthermore, climate-related risks are referred for discussion and reported to the Group Management Meeting depending on the importance, and integrated into company-wide risk management.

*2 Transition risks were analyzed based on two scenarios: IEA's 2°C Scenario (IEA 2DS) showing a pathway to possibly limit the warming to 2°C, and the Net Zero Emissions by 2050 Scenario (NZE 2050) to achieve net zero CO₂ emissions by 2050. Physical risks were analyzed based on the RCP1.9, RCP2.6, and RCP8.5 scenarios. In RCP8.5, the average global temperature is projected to rise by more than 4°C and natural disasters are expected to become more frequent.

Indicators and Targets

We have set the following targets based on the 1.5°C target in the Paris Agreement. The carbon price of 140 USD/t-CO₂ (2030 level in developed countries) from the Net Zero Emissions (NZE) scenario of the International Energy Agency (IEA) is used as the internal carbon pricing (ICP) for risk analysis and evaluation items for investment decisions.

Scopes 1 + 2	70% reduction by FY2030 and net zero by FY2050 (including the net increment in carbon stocks by forests)	FY2022 results	16.5% down (compared to FY2018)	Reduction in actual emissions 4.7%
Scope 3	Reduction of GHG emissions through collaboration with suppliers		We conducted a fact-finding survey of GHG emissions in a supplier sustainability survey	
Coal consumption	Zero coal consumption by FY2050		17.1% down (compared to FY2018)	

Strategies and countermeasures

- Pursue thorough-going energy conservation and efficient operation of in-house power generation facilities to reduce fossil fuel consumption and electricity purchase to optimize overall energy costs
 - Enhance the operation of renewable energy sources such as hydro and biomass energy toward net zero carbon emissions in FY2050
-
- Convert to renewable energy and other fuels that emit less CO₂, and enhance energy conservation measures
 - Further promote resource-circulation, environmentally friendly business initiatives such as forest recycling and recovered paper recycling
-
- Continuously disseminate information on the status of sustainable forest management initiatives to stakeholders
 - Promote the acquisition of forest certification, announcement of procurement policies, such as no illegal logging, and ensuring traceability of suppliers
 - Implement environmental education to communicate environmentally-friendly business activities in collaboration with environmental NGOs, etc.
 - Be registered as Type I or Type II Registered Wood-related Business Entity as defined in the Clean Wood Act
 - Conduct due diligence to prove the legality and verify the legality in connection with the procurement of wood raw materials and biomass fuels
-
- Formulate and regularly review a BCP, and enhance BCM
 - Keep abreast of and monitor the status of key raw materials
 - Enhance our relationship with suppliers, and stabilize procurement by diversifying suppliers
-
- Enhance stable procurement through procurement from multiple sources in North America, South America, Oceania, etc.
 - Expand and promote effective utilization of company-owned forests
 - Conduct survey and research on impacts of temperature and precipitation on growth of trees, and select tree species suitable to the area
-
- Further expand the water treatment business primarily by promoting the expanded service for the production of water for daily use
 - Propose innovative technology leading to the effective utilization of water resources
-
- Promote the power generation business such as wind power generation and micro hydroelectric power generation
-
- Enhance the alternate use of biomass plastics made from biomass and the development of paper materials as an alternative to plastic packaging, and expand sales opportunities
-
- Plan and implement the management of company-owned forests in line with national and local governments policies
 - Maintain and improve productivity of planted trees by conducting research and technology development tailored to the relevant areas

Investment toward Decarbonization

Investment in connection with coal reduction
Approx. 100 billion yen

Investment in connection with acquisition of forest plantations
Approx. 100 billion yen

Financial Impact of Climate-related Risks and Opportunities (2030)

Example of opportunities
Green innovation Increase in sales from the environmentally friendly business 300 billion yen
Example of risks
Burden of carbon tax 60.6 billion yen*

* Calculated by multiplying CO₂ emissions from fossil fuel use by the carbon price

Sustainable Forest Management and Biodiversity Conservation

Sustainable Forest Management

Basic Approach

The appropriate cultivation and management of forests not only produces renewable forest resources; it also helps to enhance the multi-faceted functions of forests, including absorbing and fixing CO₂, conserving biodiversity, cultivating water resources, and preserving soil. To meet such environmental challenges as dealing with global warming and conserving biodiversity, our purpose is to fully leverage the functions of forests that are the precious assets of the Oji Group in pursuing our business activities. We believe that continuing to “grow forests and utilize forests” will produce exceedingly important value, both for the environment and for society.

Overview of the Oji Group's Forests (Oji Forests)

The Oji Group owns and manages extensive forests in Japan and overseas, amounting to 603,000 ha. The portfolio comprises 455,000 ha of production forests primarily for producing forest products in consideration of environment, and about 148,000 ha of conservation forests principally for preserving biodiversity and basins.

Wood from production forests is expected to be used as raw materials for paper manufacturing and fuels for biomass power generation, and for new materials derived from wood components under development. In order to maintain stable supply of these wood raw materials, the Oji Group spends approximately 14.2 billion yen annually for ongoing sustainable forest management. In addition, our Environmental Action Program 2030 states a goal of expanding overseas production forest area to 400,000 ha.



CENIBRA in Brazil: Production forest (left) and conservation forest (right)

Conservation Forests

Of the 603,000 ha of forests owned and managed by the Group in Japan and overseas, approximately 25%, i.e., 148,000 ha are conservation forests, which are managed with consideration for the environment and ecosystems. Specifically, of the forests managed by CENIBRA, Brazil, conservation forests account for as much as about 42%.

In Japan, 12,000 ha out of 188,000 ha of company-owned forests are conservation forests designated for preserving biodiversity, maintaining landscapes around recreational facilities (conservation for forest utilization), preventing soil runoff and collapse (land conservation), preserving water sources, and protecting scientifically valuable forests. Since one forest may have multiple functions, the cumulative total area of environmental conservation functions is 17,000 ha.

We will continue to maintain and properly manage conservation forests that contribute to the conservation and promotion of biodiversity.

Oji Group's Forests by Country

Country	Business company	Established	Production forests (1,000 ha)	Conservation forests (1,000 ha)	Total (1,000 ha)
Brazil	CENIBRA	1973	144	106	250
New Zealand	Pan Pac	1971	36	5	41
	SPFL	1992	10	3	13
	Oji FS	2014	7	1	8
Indonesia	KTH	1998	63	19	82
Vietnam	QPFL	1995	9	1	10
Other (3 companies in Vietnam and Australia)		—	10	1	11
Overseas subtotal			279	136	415
Company-owned forests in Japan	—	—	176	12	188
Group total			455	148	603

Production forests : forests primarily for producing forest products in consideration of environmental conservation.

Conservation forests : forests primarily for environmental conservation, including protecting biodiversity and basins.

Conservation Forests in Japan by Function

Conservation forest functions	Forest area ^{*1} (actual area) (ha)	Function area ^{*2} (cumulative total) (ha)
Biodiversity conservation	9,742	9,495
Conservation for forest utilization	710	4,357
Land conservation	818	2,735
Water conservation	275	532
Conservation for scientific research	8	8
Total	11,552	17,127

*1 Each conservation forest is categorized by its main function, and forest areas are aggregated by category.

*2 Each function area shows the cumulative total of the areas of forests with that function regardless of their main functions' categories.

Topics

Earned the Highest “A” Score in the CDP Forests Category (Timber Products)

Oji Holdings was added to the “A list” of top-scoring companies selected by CDP, an international non-profit organization for the first time in 2022, which recognized its leadership in transparency and performance in corporate sustainability concerning forests (timber products).



As a Forests A List company, we are leaders in corporate transparency and action on deforestation.

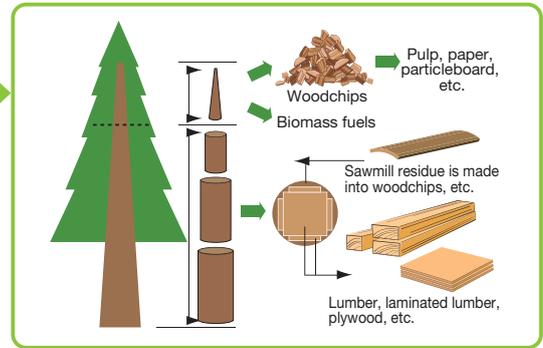
Renewable Forest Resources

Forests are a renewable resource that can be planted, grown, harvested, and re-planted. To make cascading use of trees (thorough use of every part of trees), the Oji Group utilizes the



harvested wood for lumber, plywood, woodchips for paper manufacture, wood biomass fuel, etc.

The Oji Group promotes the effective utilization of wood as a comprehensive forestry business group.



Cascading use of forest resources

The lumber, laminated lumber, and the raw materials for plywood come from the thick trunk part of forest plantation trees. The sawmill residue from the production of lumber, and the tips of those trunks which cannot be used for lumber, are thoroughly utilized as woodchips for paper manufacturing or biomass fuel.

Social Contributions That Are Environmentally and Economically Friendly to Local Communities

Sustainable forest management requires a mutual understanding between forest plantation companies and the local communities, grown through considering environmental, social, and economic effects for the community. To give an example of economic contribution, our overseas forest plantation companies have created approximately 15,000 jobs locally. Another such example is our technical training primarily 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 assistance in areas that have poor access to medical services.



CENIBRA supports beekeeping



Oji Fibre Solutions supports an educational program of Graeme Dingle Foundation

Topics Establishment of Oji Forest Value-Creation & Promotion Department

The Oji Group established the Oji Forest Value-Creation & Promotion Department in October 2022 to utilize diverse functions of the forests it owns and manages toward achieving its Purpose. The Oji Forest Value-Creation & Promotion Department seeks to utilize forest resources to create new businesses and expand research areas, while conducting various surveys, searching for partners, and sourcing investment opportunities to solve social issues and increase corporate value.

Forests' Multi-functionality and Ecological Services



Sustainable Forest Management and Biodiversity Conservation

Biodiversity Conservation

Basic Approach

The Oji Group has declared to seek “Harmony with Nature and Society” in its Management Philosophy and has set the goal of conserving biodiversity and reducing our impact on the environment under its Environmental Vision 2050 and Environmental Action Program 2030. To that end, the Group works for forest management with consideration for ecosystems, protection and nurturing of rare plants and animals, research and development of biodegradable and biomass materials for ecosystem maintenance, and purification of wastewater and exhaust gases.

With regard to forests, in particular, as well as the need of sustainable forest management for the continuation of our business as a company that use forest resources, we recognize the importance of conservation and promotion of biodiversity as a social responsibility of a company that owns and manages vast forests. We maintain natural forests’ ecosystems rich in biodiversity, and properly manage our plantations to help the formation of multilayered vegetation and healthy ecosystems.

In Japan and overseas, we work with governments, environmental NPOs, academic researchers, and local community to protect and nurture endangered species and maintain and restore ecosystems.

Initiatives for Protection and Nurturing of Rare Animals and Plants

The 30by30 Alliance for Biodiversity

We have joined the 30by30 Alliance for Biodiversity, which was voluntarily launched by companies, local governments, and organizations in April 2022 under the initiative of the Ministry of the Environment in Japan, towards the international goal of protecting at least 30% of land and sea by 2030. The Alliance members provide support for registering their owned or controlled lands as OECM* and expanding protected areas, and provide support.

* Other Effective area-based Conservation Measures. Areas where biodiversity is being conserved through efforts by the private sector, such as corporate forests and satoyama.

The Oji Group has been working in collaboration with the Ecosystem Trust Society since August 2016 in activities to protect fairy pitta’s growing environment in the Koyagauchi company-owned forest in Kochi Prefecture. For this company-owned forest, we have already applied for screening for certification under a “trial scheme to certify conserved areas*” conducted by the Ministry of the Environment in FY2022. We aim to obtain OECM certification through final certification under the Ministry’s scheme.

* A national scheme to certify areas where biodiversity is being conserved through efforts by the private sector or other parties. The certified areas, other than protected areas, will be registered as OECM on an international database.



Fairy pitta in the Koyagauchi company-owned forest. Listed as an Endangered IB on the Ministry of the Environment Red List. Photo provided by the Ecosystem Trust Society

Conservation Activity for Kiwi (Pan Pac, New Zealand)

Pan Pac conducts activities for protecting 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 land of 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 named Community Corporate Sponsor of the Year at a national kiwi conference held by “Kiwis for kiwi,” a kiwi protection organization.



Kiwi

Monitoring of Biodiversity Indicators (CENIBRA, Brazil)

In collaboration with external research institutions, universities, NGOs, and other organizations, CENIBRA monitors plants and animals and water resources, and conducts various ecosystem protection and conservation activities.

Monitoring results up until 2021 confirm that endangered 31 species of birds and 17 species of mammals are inhabited in CENIBRA’s conservation forest. CENIBRA is engaged in activities for breeding mutum (crax blumembachii), an endangered bird species, and returning them to nature, and is implementing a Green Corridor Program to link separated habitat areas.



Green Corridor Program

*1 Expanding forest areas by restoring waste lands to connect neighboring natural forests.

*2 Plantations also serve to protect protected forests from erosion from the surrounding area.



Buffy-headed marmoset (CR)



Mutum (VU)

† IUCN Red List Categories: Critically Endangered (CR), Vulnerable (VU)

Itou Conservation Activities in Sarufutsu (Sarufutsu Company-owned Forest in Hokkaido)

In 2009, the Oji Group established the Sarufutsu Itou Conservation Council with a local NPO, administrative bodies, researchers, and others for the purpose of protecting the Japanese huchen called itou, or the sea-run taimen (*Hucho perryi*), an endangered species that lives in the river zone of the Sarufutsu forest in Sarufutsu village, Hokkaido. An area of 2,600 ha including the river zone was designated a conservation area. Activities include the removal of artifacts that obstruct the itou from migrating upstream, and surveys on spawning beds and the number of individuals migrating upriver.



Nuptial-colored itou (male) Photo by Yo Chirai (Listed as an Endangered IB on the Ministry of the Environment Red List)

Alpine Plant Community Restoration Activities (Samani Company-owned Forest in Hokkaido)

The alpine plant community on Mt. Apoi is home to many endemic plants with place names such as “Apoi,” “Samani,” and “Hidaka,” and was designated a national special natural monument in 1952. While the local government and people continue to work together to maintain trails to prevent trampling, patrol the area to prevent illegal digging, and conduct restoration experiments, the Oji Group provides support such as offering a site for restoring alpine plants.



Samani yukiwari blooming on the trail side



Apoi-azumagiku blooming in a test site side

Initiatives for Maintenance and Restoration of Ecosystems

Protection against Forest Fires (CENIBRA, Brazil)

CENIBRA has introduced an innovative forest fire prevention and fighting system using artificial intelligence (AI) for their 250,000 ha forests. The company has installed 38 watchtowers equipped with 360 degrees rotating cameras in the forests. 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 one to two minutes. CENIBRA has reduced forest fire risks significantly.



Fire watchtower



Fire monitoring in the monitoring room



Firefighting training by firefighters

Efforts to Preserve and Restore Natural Forest (Pan Pac, New Zealand)

The forest land located just north of Pan Pac’s Whirinaki Mill with a total area of 298 ha includes about 23% (68 ha) of well-established indigenous (native) forest.

Pan Pac partnered with a government organization to place the forest reserve into a conservation covenant. The reserve area comprises tree species unique to the Hawke’s Bay region, and given the forest’s age and previous protection from animal livestock and pests, the native tree population holds particular ecological and cultural importance. Pan Pac will be working with specialists to harvest rare seeds to assist in local and national programs of native forest regeneration. The company also hopes to welcome schools to the area for educational visits.

In June 2021, Pan Pac received funding approval through the government’s “Jobs for Nature Fund.” The money will be

used to fence the reserve area and plant an additional 12 ha of native plants on bare land areas to speed up restoration.



A view of the reserve

New Value Creation through Green Innovation



Our role is to fully utilize wood resources effectively to solve social challenges

Oji Holdings Corporation
Corporate Officer
General Manager,
Innovation Promotion Div.

Kohei Michikawa

Under the Group basic policy of “Initiatives for Product Development—Green Innovation—,” our Innovation Promotion Division aims to grow healthy forests, create products that utilize those forest resources, and deliver them to society. We are promoting research and development focusing on three themes to solve social issues by making full use of wood resources and refining various core technologies cultivated through forestation and papermaking over the 150 years since the company’s founding.

First, in the area of new materials derived from wood, we are developing new materials with the aim of creating new value for pulp and venturing into new businesses. Specifically, we are compounding cellulose nanofibers (CNF) with natural rubber and exploring the possibility of new applications for this composite material. Further, we are promoting the development of products such as cellulose mats and cellulose polymer pellets to make effective use of cellulose materials. We are also manufacturing sugar solution from wood that will become a key raw material for a variety of biomanufacturing in test basis. By combining it with fermentation, we will be able to convert this sugar solution into polylactic acid and other biomass plastics and into ethanol, which is expected to become a raw material for sustainable aviation fuel (SAF), with the aim of decarbonization.

Next, in the area of medical and healthcare, with an eye on the medical care of the future, we are expanding our business into new fields. We are working on the development of phar-

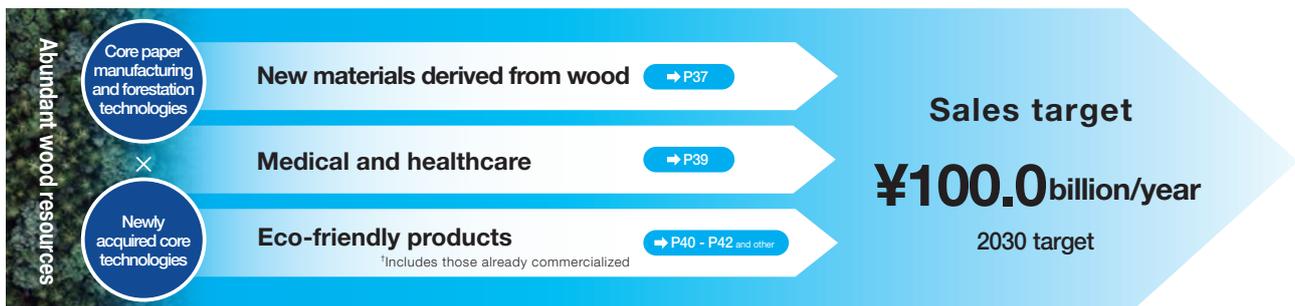
maceutical products using hemicellulose, a main component of wood, and large-scale cultivation of medicinal plants for the stable supply of high-quality, domestically-grown raw materials for Chinese herbal medicines. In addition, we are promoting the development of cell culture substrates for controlled cell orientation, which are expected to have applications in regenerative medicine.

In the area of eco-friendly products, we are developing products to meet a wide variety of needs for solutions to environmental issues, such as reducing plastic consumption. Specifically, we are manufacturing biomass plastic films for packaging applications with the aim of reducing carbon emissions derived from fossil fuels. In addition, we are developing recycling-friendly paper products and composites of biodegradable plastics and cellulose. We also have developed functional products such as anti-heat windshield films to reduce the burden on the global environment.

Further, with the aim of accelerating our green innovation and steadily growing it into a pillar of earnings, we have established the Corporate Business Development Division, and based on the technologies developed in the Innovation Promotion Division, we are promoting the commercialization of liquid packaging cartons, including the development of plastic-free products.

With the promotion of these kinds of new value creation through green innovation, our target is net sales of 100.0 billion yen by 2030.

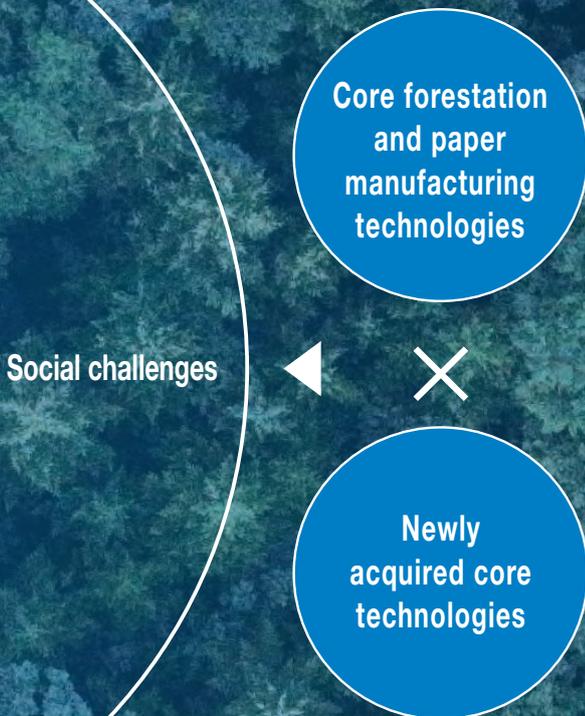
Future Green Innovation Initiatives



■ Innovation Promotion Division's Initiatives Using Our Abundant Wood Resources

The Innovation Promotion Division is making use of our abundant wood resources and various core technologies to contribute to the Oji Group's green innovation.

In addition to the core technologies that we have acquired in our paper production business, including forest tree breeding technology, pulping technology, paper manufacturing technology, and water treatment technology, we are acquiring core technologies that differ from conventional paper production industry technologies, such as wood component refining technology, nano-fibrillation technology, enzymatic and fermentation technologies, and nanostructure processing technology, and promoting the development of new materials derived from wood, medical and healthcare products, and eco-friendly products.



Various core technologies

- | | |
|--|-------------------------------------|
| Forest tree breeding technology | Pulping technology |
| Paper manufacturing technology | Coating technology |
| Corrugated container converting technology | Lamination technology |
| Non-woven fabric manufacturing technology | Adhesive processing technology |
| Water treatment technology | Film forming technology |
| Wood component refining technology | Precise pulp-molding technology |
| Nano-fibrillation technology | Fibrillation and mixing technology |
| Enzymatic and fermentation technology | Chemical synthesis technology |
| Polymerization technology | Nanostructure processing technology |

Creating new value for pulp

New materials derived from wood

→ P37 → P38

- Sugar solution
- Ethanol
- Biomass plastics
- CNF (Cellulose nanofiber)
- Cellulose polymer pellets
- Cellulose mats



Challenge to a new field in light of the future of medicine and healthcare

Medical and healthcare

→ P39

- Wood-derived pharmaceutical products
- Cell culture substrates for controlled cell orientation
- Medicinal plants



Using technologies cultivated over 150 years to solve various environmental issues

Eco-friendly products

→ P40

- Polylactic acid laminated paper
- Aqueous coated paper cup base
- Biomass plastic films
- Cellulose composites
- Eco-friendly heat shielding film



New Materials Derived from Wood

Creating New Value for Pulp

As paper consumption declines, we will create new value for pulp as a raw material and we will pursue research to extract its potential, develop new materials, and enter new businesses.

Development of Biomufacturing Technology with Wood Resources as Raw Materials

We are making major contributions to biomufacturing innovation through the development of new materials utilizing our abundance of wood from sustainable forest management.

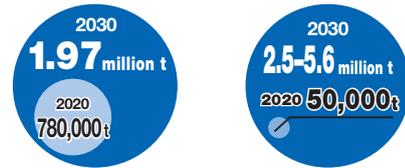
To contribute to a decarbonized society in which petroleum-derived fuels and plastics are replaced with those derived from biomass, we are pursuing the development of new materials derived from the wood which is obtained from sustainable forest management. Needs are expected to increase for sugar solution, which is a key raw material of various biomufacturing^{*1} and for biomass plastics, such as polylactic acid, and ethanol, which can be used in the manufacture of basic chemicals, SAF^{*2}, a focus of the aviation industry's attention, both of which are obtained by combining sugar solution with fermentation.

We refined our manufacturing technology for wood-derived ethanol after it was adopted as a NEDO project^{*3} until 2018. For wood-derived sugar solution as well, we have succeeded in the development of proprietary technologies, including saccharification enzyme recovery, and are now undertaking sample work, which is being evaluated.

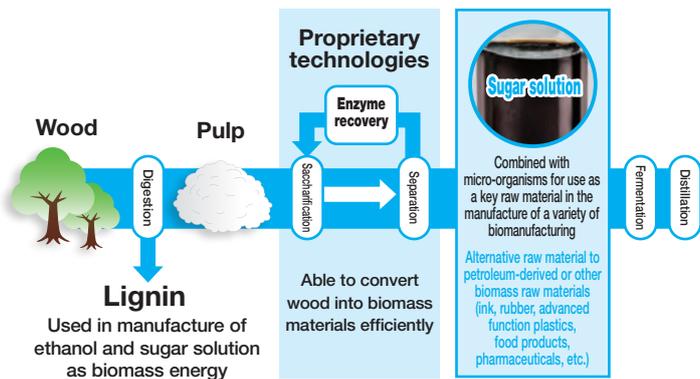
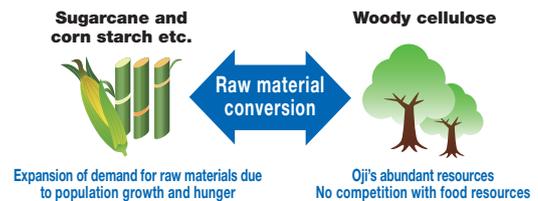
^{*1} Production of plastics, rubber, fibers, fuels, and other products using smart cells (micro-organisms that raise the productivity of beneficial substances), with biomass-derived sugars as raw materials
^{*2} Sustainable aviation fuel: Fuel seen as the trump card in the decarbonization of the aviation industry
^{*3} Demonstration Project for Comprehensive Development of Cellulose-based Ethanol Production System (April 2015–March 2018)

Sudden Expansion of Demand for Biomass Plastics and Biofuels in Japan

Forecast demand for biomass plastics^{*4} Forecast demand for biofuels^{*5}



Challenge for the development of new materials derived from wood



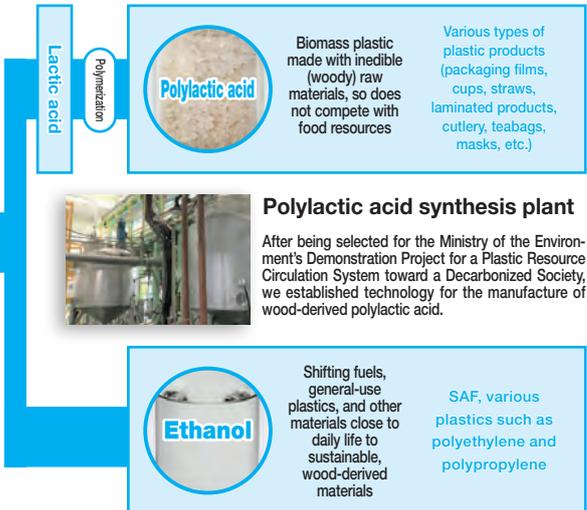
Ethanol and sugar solution pilot manufacturing facility

In addition to providing ethanol and sugar solution in large volumes, we will continue to improve our technologies and accelerate our initiatives with the aim of future commercialization. (Inside Oji Paper Yonago Mill)



^{*4} From Fourth Fundamental Plan for Establishing a Sound Material-Cycle Society, Ministry of the Environment (2018)

^{*5} From Government-Private Sector Council for the Promotion of Introduction of Sustainable Aviation Fuel (SAF), Ministry of Economy, Trade and Industry (2022)



Polyactic acid synthesis plant

After being selected for the Ministry of the Environment's Demonstration Project for a Plastic Resource Circulation System toward a Decarbonized Society, we established technology for the manufacture of wood-derived polyactic acid.

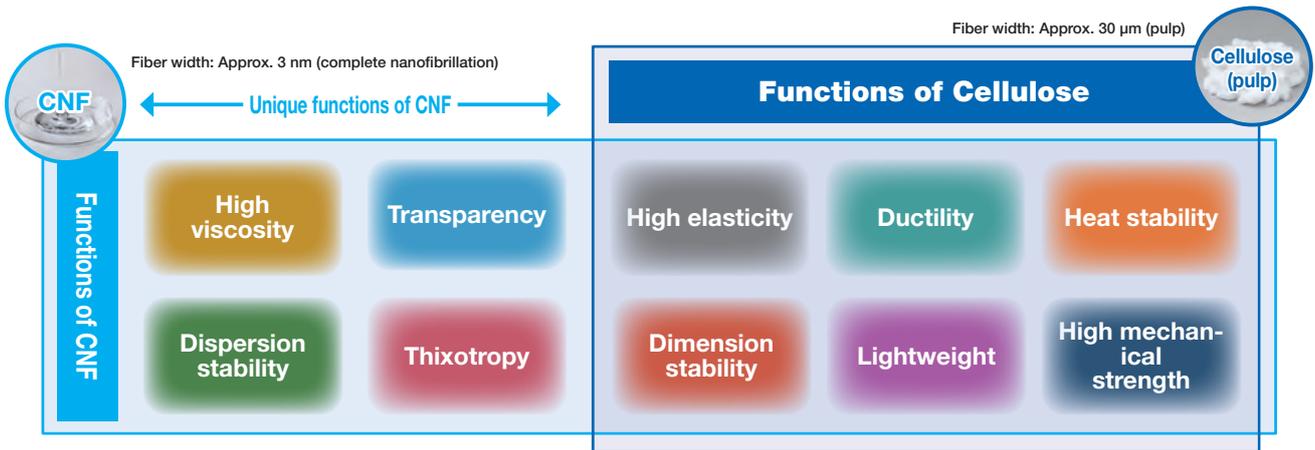
Future Initiatives



Use of Cellulose That Accommodates Social Changes

To accommodate changes in society and customers' requirements, we are promoting development for the effective use of cellulose materials, from CNF to pulp.

In the course of developing applications for CNF, we have learned that, in addition to demand for unique functions that are only obtained by conversion to CNF, there is also demand for the functions that cellulose originally possesses. To meet this demand, as well as expanding applications that make use of CNF's unique functions, we also embarked on the development of applications for pulp, making use of cellulose's original functions. This will enable us to select and propose the cellulose materials that best suit the customers' requirements, allowing us to expand the fields in which these materials are used.



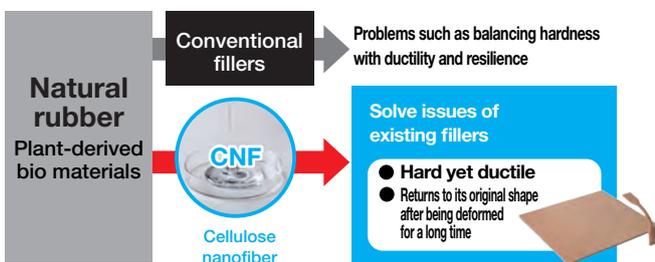
Development for the Expansion of Market for CNF

Exploration of Applications with Expected High Consumption of CNF

To increase consumption of CNF, we are promoting the development of CNF composite materials that will enable the provision of CNF's unique functions in forms that are easy to handle, and we are exploring the possibility of new applications for such composite materials.

CNF-Natural Rubber Composite

By compounding natural rubber with CNF, we successfully achieved both reinforcement effect (hardness) and stretch, and we discovered potential for a novel rubber material by replacing carbon black, the existing petroleum-derived reinforcing material, with biomass. We will proceed with the development and practical application of this material in anticipation of its future adoption for tire applications, which are expected to yield high CNF consumption.



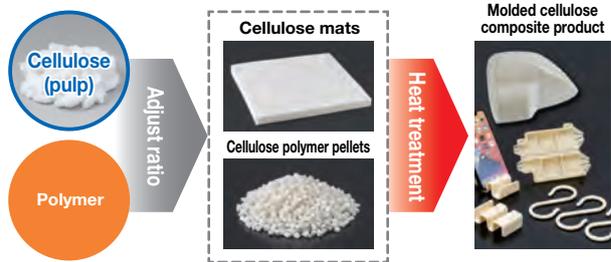
Proposing Cellulose Materials to Suit the Application

Effective Use of Cellulose's Original Functions

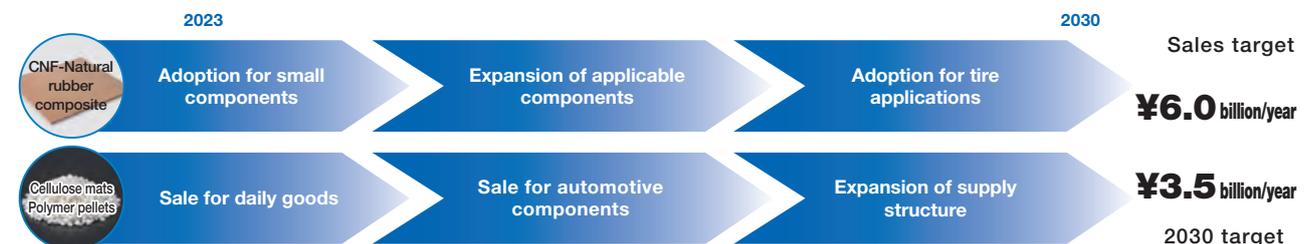
We are trialing the provision of low-cost cellulose products that are easy to handle to meet customers' needs for automotive components, with a focus on strength.

Cellulose Mats and Cellulose Polymer Pellets

Making cellulose (pulp) into reinforcing fiber will help reduce the consumption of petroleum-derived plastic by up to 70%. A property of this product is that molded forms show more rigid and less breakable than conventional plastics. We will continue with product development toward practical applications for automotive components.



Future Initiatives



Medical and Healthcare

Challenge to a New Field in Light of the Future of Medicine and Healthcare

As the super-aging society progresses and interest in extending healthy life expectancy grows, there is a need for new and different form of medicine and healthcare. The Oji Group is taking on the challenge of new domains through our efforts to utilize wood resources in the medical and healthcare field.

Drug Discovery from Wood Resources

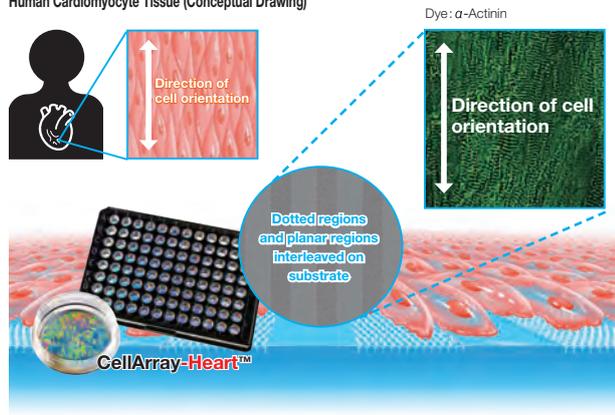
Wood-derived Pharmaceutical Products

The Oji Group aims to contribute to human and animal health through the development of “sulfated hemicellulose.” Sulfated hemicellulose is a compound obtained by “hemicellulose,” one of the major components of wood. It has been confirmed to have anti-inflammatory and anti-coagulant effects. In addition, this compound is similar to heparin, an animal-derived pharmaceutical product used all over the world. By replacing this animal-derived pharmaceutical product with a wood-derived one, it is expected to accommodate a wide range of needs.

We are currently filing a prior application for an arthritis drug for animal use, and we have obtained approval for the manufacture and sale of veterinary drugs. Going forward, we will develop it into a drug for human use and work on the building of the pharmaceutical business, leveraging the compound's property of being derived from wood.



Human Cardiomyocyte Tissue (Conceptual Drawing)



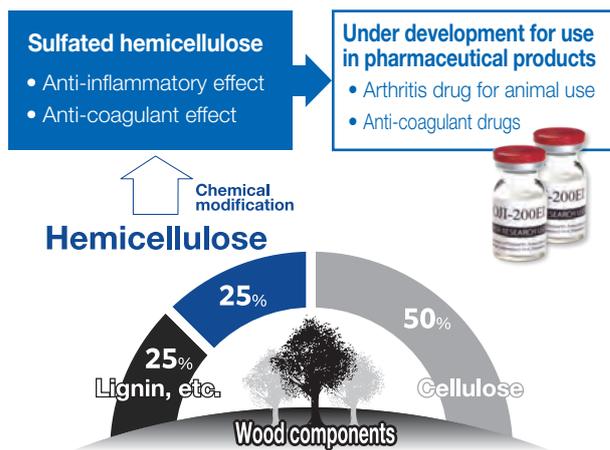
Cultivating cardiomyocytes on this product enables reproduction of cell orientation similar to that in vivo.

Stable Supply of High Quality, Domestically Grown Raw Materials for Chinese Herbal Medicines

Large-scale Cultivation of Medicinal Plants

Medicinal plants are used in a wide range of applications, including pharmaceuticals (primarily Chinese herbal medicines), cosmetics, and food products, making them an indispensable plant resource in daily life. However, in many cases, supply is dependent on wild plants imported from overseas, resulting in risks such as resource depletion, export restrictions, and foreign exchange fluctuations, as well as issues such as environmental conservation and traceability. For these reasons, a shift to domestic production is needed.

Amid such needs, leveraging our forest tree breeding technology, we have successfully established cultivation techniques for licorice, the most used medicinal plant, and we are now working on large-scale cultivation.



Nanostructure Technology for Regenerative Medicine and Drug Discovery

Cell Culture Substrate for Controlled Cell Orientation, CellArray-Heart™

The issue was that the cellular functions of cardiomyocytes generated from human iPS cells were not developing as far as in vivo cells (they were not maturing). Focusing on the fact that cardiomyocytes are “oriented” (facing the same direction) in vivo, we have developed CellArray-Heart™.

This product is a cell culture substrate fabricated by our original technology that has nanodot regions with a pitch of several hundred nm and planar regions interleaved in parallel stripes. When culturing human iPS cardiomyocytes, we can reproduce the same cell orientation as they have in vivo. Because it has been confirmed that iPS cardiomyocytes that have been oriented when cultured progress to maturation, it is hoped that this method will help avoid animal testing in drug discovery and have applications in regenerative medicine.

We are currently proceeding with the collection of detailed data for use in promotional activities with our joint research partner, Juntendo University.



Eco-Friendly Products

Using Technologies Cultivated over 150 Years to Solve Various Environmental Issues

Toward solving environmental issues, such as reduction of CO₂ emissions and plastic consumption, we develop eco-friendly products that meet a wide range of needs by making full use of our abundant fundamental and core technologies cultivated over the years.

Recycling-friendly Paper Products

Laminated Paper Using Plant-derived Polylactic Acid

The incineration of ordinary laminated paper as combustible waste results in the emission of fossil fuel-derived CO₂. Since the plastic layers of the laminated paper we developed use plant-derived polylactic acid, combustion of the paper does not increase CO₂ in the atmosphere. In addition, this paper is biodegradable under compost conditions.



Recyclable Aqueous Coated Cup Base

Traditional paper cups, made of plastic laminated paper, are not suitable for recycling and are generally treated as combustible waste. However, by leveraging our technology to apply special aqueous resin to the cup base in a thin and even manner, we successfully developed a paper cup base that still has the functions required for paper cups, while being recyclable as paper material.



Biodegradable Plastic-Cellulose Composites to Reduce Environmental Burdens

Cellulose Composite, Resoil-Green

We have developed resin materials that are composites of biodegradable plastics and wood-derived cellulose (pulp). The use of pulp means that this product can achieve a high degree of biomass as well as a high biodegradation rate. In addition, the product improves various properties of resin such as strength and stiffness. Since all raw materials of the products are biodegradable in soil, compared with regular plastics, the products can contribute to reducing environmental burdens.



Emission Reductions of CO₂ from Fossil Fuels by the Development of Biomass Plastic Films

Biomass plastic film, Alphan G

We have developed a polypropylene film containing polylactic acid, which as the plant-based plastic has a low environmental impact to reduce CO₂ emissions from fossil fuels. This product, Alphan G, was certified as a Biomass mark product* and has been commercialized.

We are also working on the development of heat-sealing films and will continue to develop a wide variety of products that contribute to SDGs.

* Biomass mark certified by the Japan Organics Recycling Association



Contribution to Energy Conservation through Development of Heat Shielding Film

Anti-heat Windshield Film

To mitigate soaring utilities costs and reduce the environmental burden of increased use of electric power, heat shielding materials that can be adhered to windows in automobiles and buildings are attracting attention. Our heat shielding film offers both high heat shielding performance and transparency, and in December 2022, we added a new product that uses recycled materials for release films to our line-up. It is currently available as film for automotive windshields, and we are considering expanding its application to building windows.



Example of use:
The Grand Hotel
New Oji guest
room

New Value Creation through Green Innovation

Initiatives for New Business Development

We will create business models and businesses that will open up a circular future.

General Manager,
Corporate Business Development Division **Teruyuki Mori**



As part of our structural reforms towards achieving the "long-term vision" goals, we established the Corporate Business Development Division in October 2022 with the aim of developing businesses that will contribute to building of a sustainable society and growing those businesses into future earnings pillars.

We will aim to expand our business by establishing the comprehensive management and promotion system for new business, such as the liquid packaging carton business, one of our environmental response businesses, the effective utilization of company owned forests (P32: Oji Forest Value-Creation & Promotion Department), and eco-friendly paper products that will contribute to de-plasticization.

Liquid Packaging Carton Business

In September 2020, the Oji Group established Ishizuka-Oji Paper Packaging Co., Ltd. in a joint venture with ISHIZUKA GLASS Co., Ltd. and entered the liquid packaging carton business.

For chilled cartons for refrigerated storage, such as milk and juice, we have already achieved an integrated structure in Japan covering the entire process from manufacturing base paper to converting and sales. In the Liquid Packaging Carton Department that launched in October 2022, we are actively working to enhance a structure and promote sales activities to drive forward and expand the business

Acquisition of IPI (Italy) for the Expansion of Business into Overseas Markets

As part of our overseas strategy for the liquid packaging carton business, we acquired IPI S.r.l. (Italy), a manufacturer and distributor of converted paper and filling machines for aseptic packaging cartons, in May 2023. This acquisition aims to enter the aseptic carton market, which is the largest segment in the global liquid paper carton industry.

This will enable integrated production of base paper and converted paper similar to our chilled cartons, allowing the Oji Group to make a full-scale entry into the Asia and Oceania markets, where the Oji Group has particular strengths. In addition, by leveraging IPI's sales network in newly emerging countries like Africa and other regions, the Oji Group anticipates the entry and expansion of other businesses.



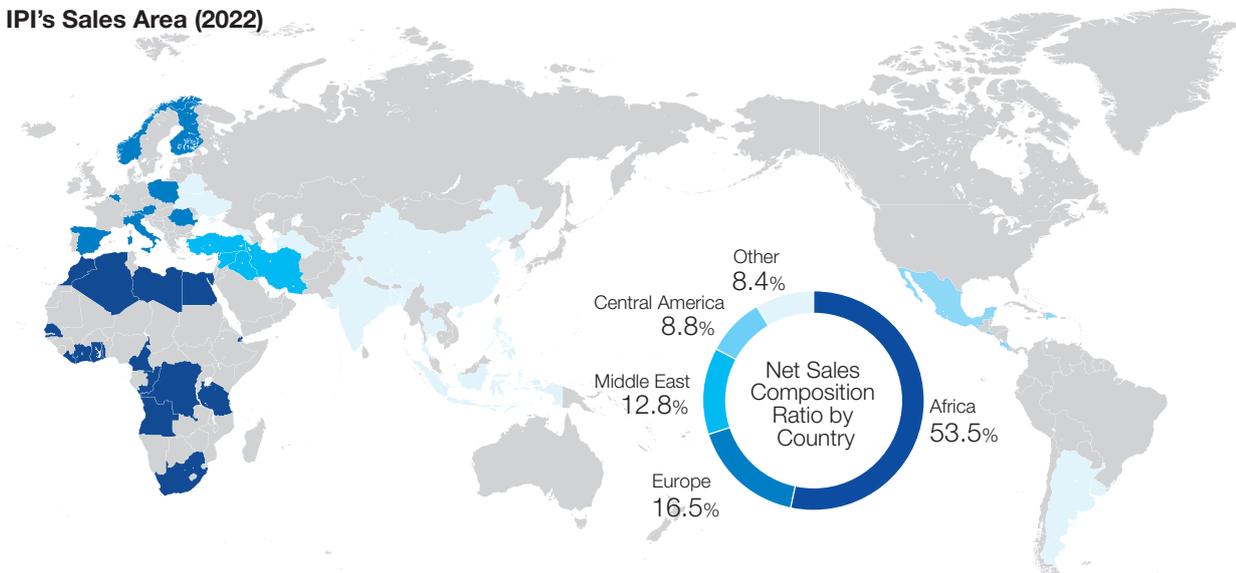
Chilled cartons



Aseptic packaging cartons

* Cartons are sterilized in filling machine that keep contents for six months to a year at room temperature.

IPI's Sales Area (2022)



Business Promotion for Eco-Friendly Paper Packaging

Oji Group is promoting the development and commercialization of a variety of paper packaging products and the establishment of new business models as an activity toward solving environmental issues, such as reduction of CO₂ emissions and plastic consumption.

Commercialization of Eco-Friendly Paper Packaging to Meet a Wide Variety of Needs

■ FlatSkin®: Cardboard That Enables Prolonged Shelf Life and Attractive Presentation of Fresh Foods

This is a package comprising cardboard and film that can be separated for disposal. The vacuum packaging of meat and fish suppresses drips, and printing on the cardboard offers attractive presentation of foods.



■ Paper-made Blister Pack: a Packaging That Offers Effective Presentation of Contents

This is composed of three pieces; paperboard top, tray, and divider. Even without using plastic films, it is able to secure and protect the products inside. Because the package can be printed on and window holes can be made, this product offers more effective presentation of the contents such as daily goods.



■ Flanged Paper Tray: Microwave-safe Packaging

This is a packaging that can be top-sealed and that has a flanged structure for ease of carrying and four-cornered adhesion construction that provides superior container strength.



These containers are microwave-safe and can also be used as tableware.

■ Tapered Paper Tray: Food Tray with Separable Cardboard and Film

This is a paperboard-based tray with a resin film that covers the surface. It is designed so that the cardboard and film can be easily peeled away, making it easy to separate for disposal after use. Because the flange is flat, there is no concern about the contents leaking after top-sealing.



Building of New Recycling System

■ Recycling System for Paper Cups

Conventional paper cups, made of plastic laminated paper, are not suitable for the existing recycling systems, so are generally treated as combustible waste. Leveraging our recycling technologies that we have cultivated over many years, Oji Group has built a system that enables recycling of paper cups by incorporating paper cup crushing technology and washing technology. The collected paper cups are reborn into other familiar paper products (corrugated containers, tissues, etc.)

We will also make an effort in the recycling of the paper cups used by our customers.

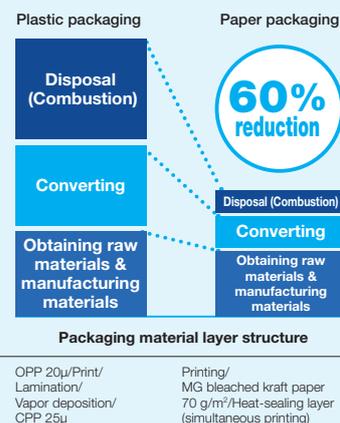


Topics Reduction of CO₂ Emissions by Introduction of Paper Packaging

The calculation*¹ and comparison of the life-cycle CO₂ emissions of petroleum-based plastic packaging and sustainable paper packaging shows that paper packaging emits less CO₂ than plastic packaging*². Therefore, the introduction of paper packaging can contribute to CO₂ emission reduction. For more details, please see our website.

*¹ CO₂ emissions are calculated by converting greenhouse gas (GHG) emissions such as carbon dioxide (CO₂), methane (CH₄), and dinitrogen monoxide (N₂O) into CO₂. The calculation is made based on LCA (Life Cycle Assessment) methodology.

*² Calculation results of reduction rate will vary, depending on packaging material and layer structure. (It is assumed that the paper packaging material is MG bleached kraft paper 70 g/m² and that the method of printing is gravure printing.)



Sustainable packaging | CO₂ reduction effect

➔ <https://solution.ojiholdings.co.jp/ojipaperpackage/sustainability/> (available in Japanese only)

Business Overview

Oji Holdings

Net sales **¥1,706.6 billion** Operating profit **¥84.8 billion**

Industrial Materials COMPANY



Main businesses
Containerboard/corrugated containers,
Boxboard/ folding cartons,
Packaging materials/paper bags

Affiliated companies

Domestic	Overseas
43 companies	44 companies

Household and Consumer Products COMPANY



Main businesses
Household papers,
Disposable diapers

Affiliated companies

Domestic	Overseas
1 company	6 companies

Functional Materials COMPANY

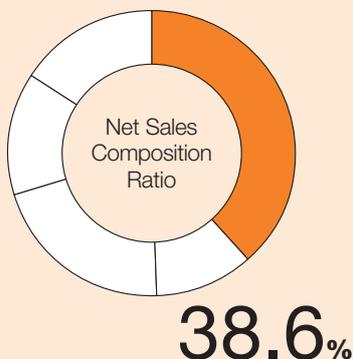


Main businesses
Specialty paper, Thermal paper,
Adhesive products, Film

Affiliated companies

Domestic	Overseas
9 companies	22 companies

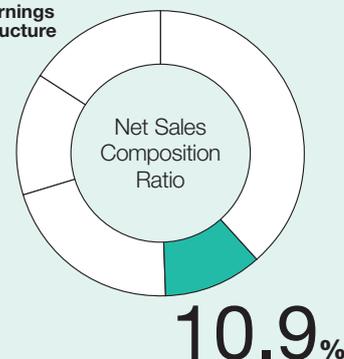
Earnings structure



Net sales **¥780.5 billion**

Operating profit **¥(1.2) billion**

Earnings structure



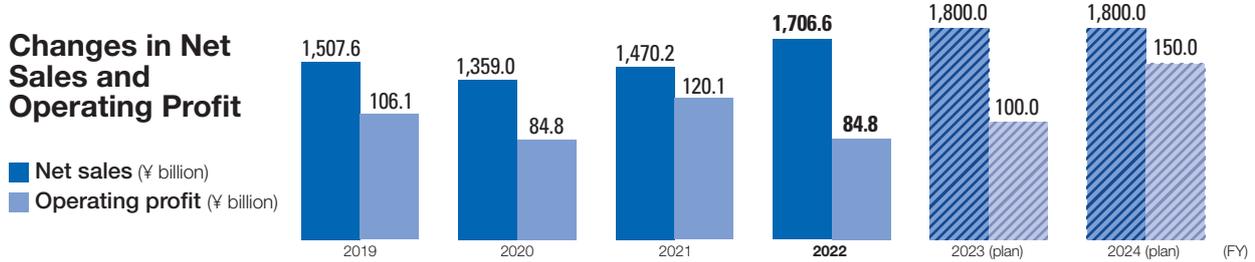
Net sales **¥219.9 billion**

Operating profit **¥15.5 billion**

† Net sales and operating profit of Oji Holdings Corporation include adjustments (primarily those for internal transactions).
Non-consolidated net sales, net sales composition ratio and operating profit do not include adjustments (primarily those for internal transactions).

Corporation

Changes in Net Sales and Operating Profit



Forest Resources and Environment Marketing COMPANY

→ P55



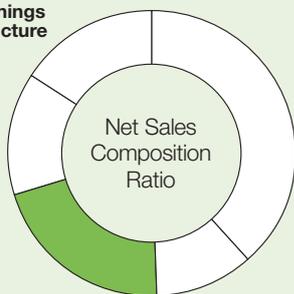
Main businesses

Pulp, Energy, Plantation services, Lumber processing

Affiliated companies

Domestic	Overseas
17 companies	29 companies

Earnings structure



20.9%

Net sales ¥423.8 billion

Operating profit ¥68.5 billion

Printing and Communications Media COMPANY

→ P59



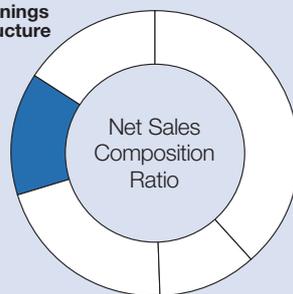
Main businesses

Newsprint, Printing and Publication paper, Communications paper

Affiliated companies

Domestic	Overseas
7 companies	1 company

Earnings structure



13.9%

Net sales ¥281.0 billion

Operating profit ¥(4.8) billion

Corporate Management Group and Shared Service Companies

→ P61



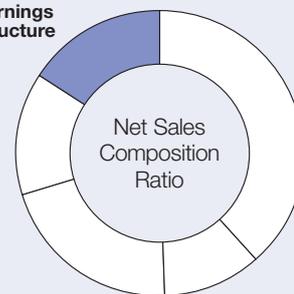
Main businesses

Real estate, Engineering, Trading business, Logistics, etc.

Affiliated companies

Domestic	Overseas
15 companies	2 companies

Earnings structure



15.7%

Net sales ¥318.1 billion

Operating profit ¥8.4 billion

Household and Industrial Materials Businesses | Industrial Materials Business



Through offering innovative proposals using sustainable paper packaging materials to protect the environment while increasing profits, we will respond to the trust of our stakeholders.

Oji Holdings Corporation
Executive Officer
President, Industrial Materials COMPANY

Akio Hasebe

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 confectioneries, 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—such as heavy-duty sacks for packaging used for safe and secure transport of various products, paper bags that are used for packaging of retail products which also play a role in sales promotions, and bags for home delivery, which are seeing increased demand given the growth in online shopping.



Awareness of Business Environment

- Increased consumer awareness about environmental issues
- Growing interest in renewable materials with the trend toward de-plasticization
- Economic development in emerging markets such as Southeast Asia and India
- Expansion of the e-commerce market
- Soaring raw material and fuel prices and large fluctuations in exchange rates

Business Opportunities and Risks

- Expanding sales by proposing a switch to paper packaging materials
- Creating sales opportunities in collaboration with Oji Group companies in Japan and overseas
- Increasing market share through capital investment and M&A to meet rising demand
- Soaring raw material and fuel prices and passing the cost increase on to product prices
- Deterioration of base paper market conditions in China and Southeast Asia

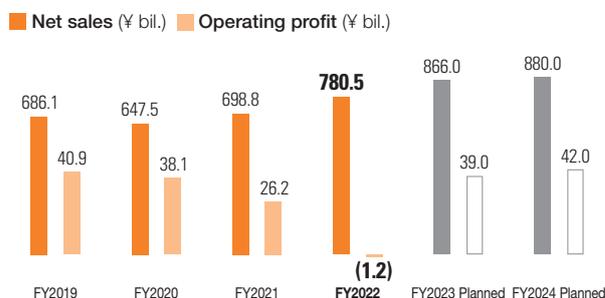
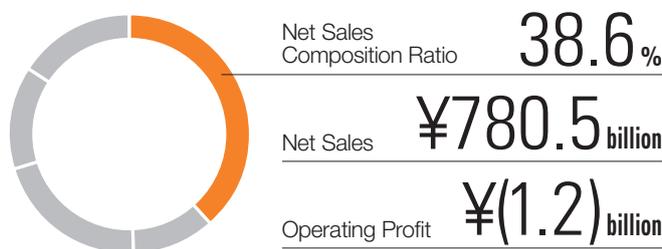
Our Strengths

- Stable supply and quality control system enabled by integrating base paper manufacturing and converting/processing
- Reduced environmental burdens through efficient base paper transportation, including at two integrated corrugated container plants in Japan
- Corrugated container processing bases at many locations in Southeast Asia and a strong container-board sales organization around these bases

Changes in Net Sales Composition Ratio, Net Sales, and Operating Profit*

Sales target for FY2030: **¥1,250.0billion**

* Total of the Industrial Materials Business and the Household and Consumer Products Business



Segment Overview

In FY2022, the Household and Industrial Materials Businesses had net sales of 780.5 billion yen (up 81.7 billion yen from FY2021) and operating loss of 1.2 billion yen (down 27.4 billion yen from FY2021). In the domestic business, net sales increased with efforts for price revision in a number of products. Net sales of disposable diapers remained almost unchanged from the previous year. In the overseas business, net sales of containerboard and corrugated containers increased mainly due to higher sales in Southeast Asia and India and penetration of price increases, as well as the operation of new containerboard machines in Malaysia started in October 2021.

In FY2023, net sales of 866.0 billion yen (up 85.5 billion yen from FY2022) and operating profit of 39.0 billion yen (up 40.2 billion yen from FY2022) are planned.

Challenges for the Achievement of the Medium-term Management Plan and Priority Measures for 2023

Business Strategy

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

Challenges

- Overseas : Build new plants, accelerate M&A
- Japan : Expand business through our own plants in the Greater Tokyo area and expand our market share through M&A in other regions

Measures

- Overseas: Build a new plant in India
- Overseas: Promote proactive capital investment
- Japan: Expand business in the Greater Tokyo area, mainly through new plants in Chiba and Tochigi
- Japan: Plan M&A

Further Expansion & Enhancement of Packaging Business in Southeast Asia, India, and Oceania

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

From 2022 to 2023, following the start of operation of new corrugated container plants in Malaysia (two plants) and Vietnam (two plants), in June 2023, we decided to construct our fifth corrugated container plant in India.

In Southeast Asia and India, we will continue to expand our business and increase our market share including through M&A. In addition, we will strengthen our business foundation by improving our competitiveness in terms of cost and quality by proactively introducing the latest equipment not only at new plants but also when renewing facilities at existing plants.

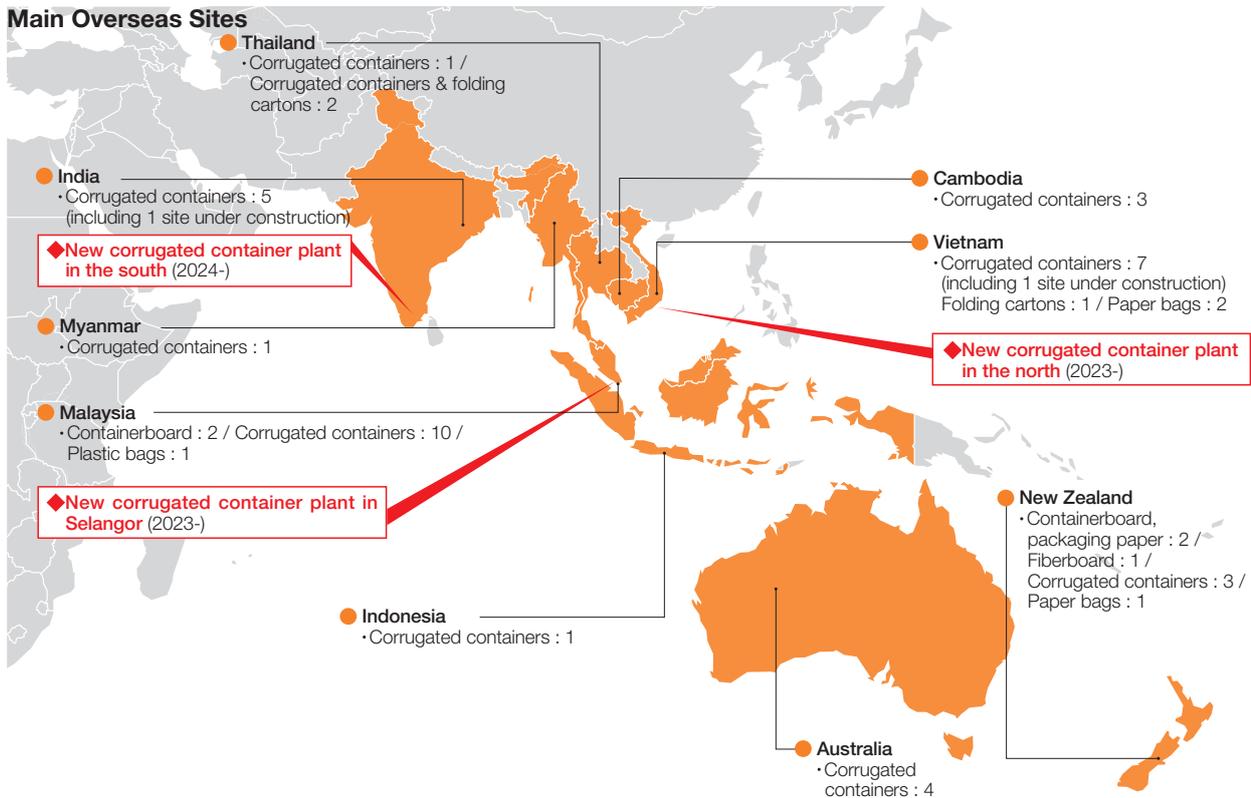
In Oceania, a new plant started operation in Christchurch, New Zealand in 2022, and we intend to expanding our business and strengthen our competitiveness through aggressive M&A in the corrugated container business including in Australia, as well

as by introducing the latest equipment to existing plants.

We will also work on the development of plastic alternative products to respond to the expected growing demand.



Our 6th corrugated container plant in Vietnam (started operation in August 2022)



Expansion & Enhancement of Corrugated Container Business in Greater Tokyo Area, Japan

In February 2023, an integrated containerboard processing plant in Utsunomiya City, Tochigi Prefecture, began operation, which had been constructed to meet increasing demand for corrugated containers in the Greater Tokyo area. It is the second integrated containerboard processing plant following the Kushiro Plant, in Hokkaido of the COMPANY.

The integrated plant is not only highly competitive in terms of cost and production efficiency, but also reduces greenhouse gas emissions generated during the transportation of containerboard. It is a corrugated container plant for the new era, which is also in accordance with the Group’s long-term vision of building a sustainable society through our business activities. We will continue to make investments that contribute to both competitiveness and sustainability and meet the expectations of our stakeholders.



Integrated plant for corrugated containers in Tochigi Prefecture (started operation in February 2023)

Voice Leading the Market as the Largest Integrated Paper and Corrugated Container Manufacturer in Malaysia



HPI Resources Berhad
Group Managing Director
Chang Kee Soon

Since 2010, Oji Group has established itself as a solid leader in the Malaysian corrugated container industry through strategic acquisitions of GSPP, UKB, and Harta. Continuous business expansion and M&As over the past 12 years have led to have a market share of 35% in Malaysia.

Our commitment to innovation and growth are visible in our state-of-the-art GSPP’s 4th Plant (PP4) and UKB’s 2nd Plant (UKB2), which are increasing the Oji Group’s competitiveness in the Malaysian market.

As the largest integrated paper and corrugated container manufacturer in Malaysia, we are committed to providing our customers with competitive prices, outstanding quality, and sophisticated service while always being a responsible corporate citizen.

While demand remains sluggish, we will continue to work to modernize our facilities to optimize staffing and operating costs. In addition, GSPP’s containerboard machine (PM3) with the state-of-the-art technology started operation in 2021. Through integrating the upstream and downstream to strengthen our packaging business in Malaysia, we will lead the market, and thus strive to maximize returns to our shareholders by being proactive and always looking forward.

Initiatives for Environmental Issues

At the integrated containerboard processing plant in Tochigi Prefecture, a solar power generation system with an output of 1.5 megawatts is being installed (scheduled for completion by the end of September 2023). It is not the first solar power generation system installed at our corrugated container plant, but having a larger output, this system will be able to cover the daytime electricity for the corrugated container processing section when weather conditions are favorable.

We are also working to install solar power equipment in existing plants if their weight does not exceed the allowable roof load or when the roof is repaired, and examining the possibility of fuel conversion for coal-fired boilers.

We will continue to work on initiatives for environmental issues along with business expansion.



Solar panels at the corrugated container plant in Tochigi Prefecture (to be completed by the end of September 2023)

Initiatives for Product Development

Development of Corrugated Cardboard Packaging Solution for Export Shipment of Car Seats

We developed a corrugated cardboard packaging solution for export shipment of car seats as an alternative to steel packaging material that had been used. The solution made all of corrugated cardboard are expected to reduce cost, reduce workload in packaging, and further facilitates recycling. In recognition of these, the solution received the WorldStar Winner in the WorldStar Awards 2023 organized by the World Packaging Organization (WPO).

To promote paper recycling, which is one of the Group's sustainable business models, we will continue to develop products that open up new possibilities for paper packaging materials.



Corrugated cardboard packaging solution for export shipment of car seats developed by Oji Container

“OJI FLEX PACK’AGE,” Automated Packaging System

We sell “OJI FLEX PACK’AGE,” automatic packaging system, which helps packaging adjust flexibly to the product size, and fanfold corrugated sheets “Rakudan,” its packaging material. In addition to saving labor in packaging operations, they also help reduce greenhouse gas emissions by reducing the amount of materials used and transportation. This has been well accepted by customers in various industries as a next-generation packaging solution.

Having started the production of “Rakudan” in the Kansai region in June 2022 following the Kanto region, now we can offer this solution to an even more customers. We will further accelerate its market rollout and work to strengthen the foundation of the “Rakudan” business and reduce environmental burdens.



“OJI FLEX PACK’AGE,” automated packaging system



We will maximize the internal resources of the Oji Group to enhance the value of the “nepia” brand and deliver products that stand by people and the environment to our customers.

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

Takayuki Moridaira

Business Overview

Oji Nepia has developed the “nepia” brand of household paper and conducts its business activities with the aim of being a brand that stands by people’s lives and the environment.

“Perceived quality for life” as in the seeking of good texture, comfort, and functionality. “Environmental Quality” as in the adoption of FSC™ certified paper for forest conservation and the tie-up with WWF. Oji Nepia pursues these two qualities and activities by integrating sales, marketing, and production functions. (FSC™ C018118)



nepia Premium Soft Toilet Rolls



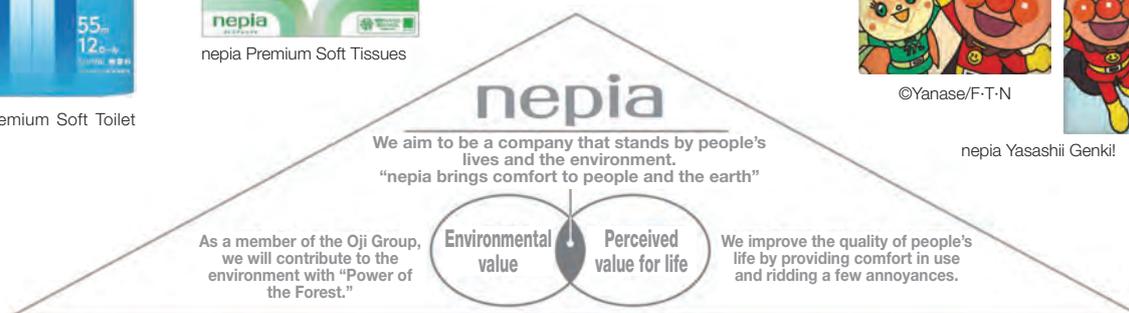
nepia Premium Soft Tissues



nepia Tendar Hakudake Fit Pants



nepia Yasashii Genki!



Awareness of Business Environment

- Low birthrate and super-aging society
- Economic development in emerging markets such as Southeast Asia
- Hygiene awareness established since the COVID-19 pandemic
- Increased consumer awareness about environmental issues
- Soaring raw material and fuel prices and large fluctuations in exchange rates
- Change in consumer behavior due to successive price hikes of daily necessities

Business Opportunities and Risks

- Growing needs for eco-friendly products
- Capturing firm demand mainly in the Greater Tokyo area in Japan by improving production and logistics systems and strengthening branding
- Improving competitiveness by optimizing product lineup
- Soaring raw material and fuel prices and passing the cost increase on to product prices

Our Strengths

- A wide range of eco-friendly products, including FSC™ certified paper and filmless boxed tissues
- Stable supply and quality control system enabled by integrating base paper manufacturing and converting/processing
- Establishment of a finely woven product supply network with dedicated warehouses in the Greater Tokyo area

Challenges for the Achievement of the Medium-term Management Plan and Priority Measures for 2023

Business Strategy

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

Challenges

- Develop products that respond to domestic demand fluctuations and further enhance the value of the “nepia” brand
- Respond to changes in the overseas disposable diaper market environment
- Strengthen cost competitiveness and sales capabilities

Measures

- Strengthen the branding of “nepia” that stands by people’s lives and the environment
- Domestic household paper: Expand products using FSC™ certified materials, implement events for the 20th anniversary of the “Hana-Celeb” brand, and renew existing household paper products
- Overseas disposable diaper: Develop products that meet the needs of local consumers, expand sales channels for adult diapers, and thoroughly reduce costs

Enhancement of Branding and Expansion of Sales of Household Paper Products in Japan

Oji Nepia started using FSC™ certified paper in 2011 ahead of others in the industry. Since then, it has continued to produce environmentally-friendly products, adopting biomass film and ink and developing products using paper instead of film for packaging.

In the Japan Sustainable Brands Index (JSBI) 2022, a corporate brand survey regarding SDGs as viewed by consumers* published in February 2023, Oji Nepia was ranked fourth

(of 306 companies), and the first (of 17 companies) in the ranking by industry, in the “Cosmetics and Toiletries Category.”

* Survey by Sustainable Brands Japan (15,300 samples nationwide, web survey, male and female aged 18–79, 306 companies)

Initiatives for Product Development

Launched “nepia Hana-Celeb facial towel”

In response to concerns about cloth towel hygiene and dissatisfaction with rough or fluffy textures when wiping moisture from the face after washing, we developed a new “nepia Hana-Celeb facial towel” suitable for gently wiping wet skin. Compared to Hana-Celeb boxed tissue, it absorbs water about three times faster, boasts double the strength when wet, and its embossed sheet quickly wipes away moisture from the face. Containing the same triple moisturizing ingredient as used in Hana Celeb Tissue, a proprietary technology of nepia, it also provides a soft feel even with a larger thickness. We will continue to develop products that bring consumers’ desires to life.



Initiatives for Environmental Issues

Launched “nepia nepinepi Tissue Filmless Box, 5-Pack 400 Sheets (200 Sets)”

We developed a filmless box having no film on the opening, which users can just push to take out tissues. The structure of the box eliminates the film while still ensuring a smooth tissue-picking experience. The box is designed to be opened easily by simply pressing on the opening at the beginning of use and produce no waste. After use, the box can be effortlessly folded for direct recycling as paper waste. In addition, eliminating the film on the opening has reduced about 25% of the plastic used in the product, making it an environmentally-friendly product that saves resources and plastic.



Functional Materials Business



We aim to expand the business by enhancing the added value of existing products, as well as developing “Only One” products and strengthening sales activities for them.

Oji Holdings Corporation
Executive Officer
President, Functional Materials COMPANY

Shigeki Aoki

● 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 excellent in bulkiness and liquid retention, and glass paper excellent in size stability and heat resistance.

● Imaging Media Business

The Imaging Media Business at the Oji Group develops thermal recoding media that meet customer needs for household, industrial, logistic, medical, and other various uses, leveraging diverse coating technologies, boasting a top class global market share.

● Adhesive Products Business

Using proprietary adhesive force control technology, the Adhesive Products Business handles from familiar products like food/beverage labels, courier labels, adhesive tape for packaging, and wound dressings to less familiar, special applications like aluminum tape for construction material and forgery prevention tape.

● Film Business

The Film Business handles OPP films for film capacitors to be incorporated in motor control PCUs of electric vehicles, developed based on its thin film technology that produces the world's thinnest films, and optical double-sided adhesive films and hard-coated films that are adopted for smartphones and other precision devices.



Glass paper (Oji F-Text)



Thermal paper for tickets (Kanzaki Specialty Papers)



Biodegradable pressure-sensitive adhesive paper for labels (Oji Tac)



Film used in capacitors (Oji F-Text)

Awareness of Business Environment

- Progress of global shift to a decarbonized society
- Growing interest in highly functional paper products with the trend toward de-plasticization
- Economic development in emerging markets such as South America and Southeast Asia
- Soaring raw material and fuel prices and large fluctuations in exchange rates

Business Opportunities and Risks

- Increasing demand for the capacitor-use OPP films due to the rapid popularization of electric vehicles
- Increasing demand for functional paper materials due to growing needs for environmentally-friendly products for de-plasticization or reduced plastic use
- Strong thermal paper demand in South America and growing demand for high performance labels in Southeast Asia region
- Foreign exchange fluctuation risks and security/safety situation risks in overseas becoming visible due to the diversity of production base locations

Our Strengths

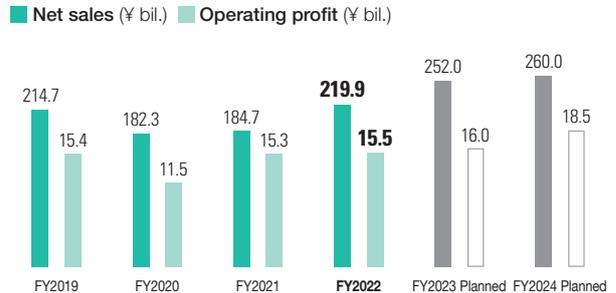
- We have high levels of core technologies in “papermaking,” “converting (functional and adhesive coatings),” and “film forming”
- Organizational structure for agile development of highly functional, high value-added products including environmentally-friendly products
- Top global market share in the imaging media business
- Integrated production from base paper manufacturing to converting



Net Sales Composition Ratio **10.9%**

Net Sales **¥219.9 billion**

Operating Profit **¥15.5 billion**



Segment Overview

In FY2022, the Functional Materials Business had net sales of 219.9 billion yen (up 35.2 billion yen from FY2021) and operating profit of 15.5 billion yen (up 0.2 billion yen from FY2021). In the domestic business, sales of specialty paper increased due to price revisions, despite a decrease in sales volume. Sales of thermal paper increased due to a recovery trend in demand, which had declined due to the impact of the COVID-19 pandemic, as well as price revisions. In the overseas business, sales increased due to a recovery in demand for thermal paper, spread of price increases, and the operation of a new facility in Brazil.

In FY2023, net sales of 252.0 billion yen (up 32.1 billion yen from FY2022) and operating profit of 16.0 billion yen (up 0.5 billion yen from FY2022) are planned.

Challenges for the Achievement of the Medium-term Management Plan and Priority Measures for 2023

Business Strategy

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

Challenges

- Accelerate the development of high-function, high value-added, and eco-friendly products
- Expand business in Japan and the Asian region through M&A

Measures

- Realize effects of investment in the capacitor-use OPP film facilities in Japan and thermal paper facilities overseas early
- Japan: Increase market share by adding more value to existing products, developing “Only One” products, and strengthening sales and marketing
- Overseas: Realize synergies from the inclusion of the Adampak Group early

Actively Develop High-function and Eco-friendly Products

In Japan, we have worked to develop products with high functionality and high added value with considerations for environmental issues.

In the field of film products, we developed an eco-mark certified “heat shielding window film” that combines high heat shielding properties and light transmittance. In the field of paper, we developed “Semi-Through,” translucent thermal paper through which the backside of the label or the contents of the package is visible, and in the field of non-woven fabric, “kinarito,” a biodegradable non-woven fabric material made mainly from plant-derived cellulose and polylactic acid, and a water soluble “Texcell” series made of 100% natural materials. We also worked on the development of “Cellulose Mat” and “Fine Press W” for press molding using wood pulp as a substitute for plastic, and “Cellulose Resin Pellets” for injection molding.

In recent years, we have also developed new products to respond to the accelerating rise of expectations to address environmental issues in the agricultural materials field. Our product lineup includes “CALFRESH,” a fruit and vegetable packaging film that reduces industrial waste and food loss; “OJI Sustainable

Mulching Sheet,” a paper mulching sheet that biodegrades after agricultural use as a mulching sheet; and “HyBioth,” a biodegradable, water soluble non-woven fabric made primarily from natural pulp. Thus, we are developing new products to meet immediate user needs.

In response to the rapid popularization of electric vehicles due to a globalized trend toward decarbonized society, we will add two more units of production equipment for the capacitor-use OPP films in motor drive controllers at Oji F-Text Shiga Mill, one of which has been operating since July 2023 and the other is scheduled to start operation in FY2024. As a result, the production capacity is expected to double from the February 2022 level.



Agricultural mulching sheet “OJI Sustainable Mulching Sheet”

Functional Materials Business

● SILBIO Series

In the midst of the growing needs for paper products as replacement for plastic packaging, “SILBIO series” has a lineup well-suited for light packaging applications in various fields, including a product that not only provides barrier property to paper packing materials but also has barrier and light-shielding properties as high as aluminum deposited film, a product that has transparency and barrier properties, a product that requires no sealant such as PE. The lineup consists of the following.

“SILBIO BARRIER” which has oxygen barrier property as high as EVOH, and moisture barrier property as high as LDPE, preventing contents from diffusing moisture or scent. “SILBIO ALBA,” aluminum deposited paper material which has oxygen barrier, moisture barrier, light-shielding and heat sealing properties, and is most suitable for applications requiring high barrier and concealability. “SILBIO CLEAR” which has a transparent feature in addition to barrier and heat sealing properties, and is most suitable for packaging for items whose contents you want to show such as food and daily products. “SILBIO EZ SEAL” which has no barrier property, but is specialized in its easy heat sealing feature without using sealant, and is most

suitable for secondary and delivery packaging for food, and industrial material packaging.

The SILBIO series products can bear a paper identification mark, and is adopted by customers who appreciate its features as packaging materials for food and soap.



Expanding Global Sales of Imaging Media Business and Enhancing Competitiveness Including Printing and Converting

Overseas, we have completed enhancing and expanding facilities to practically double production capacity, and started full operation in Brazil in order to meet strong demand for thermal paper in South America. In Europe, construction work has started to increase the capacities of thermal paper production facilities, which are scheduled to start operation in January 2024. In addition, in September 2022, Adampak Group, a high performance label printing and converting company with its business bases in Southeast Asia and China, became a member of the Oji Group. This addition of the high performance label business for electric products and healthcare products to the thermal paper and adhesive paper business already operating in Thailand and the high performance label printing/converting and cutting/converting business in Malaysia has enabled the integrated production from base paper manufacturing to converting. In the Asian market, which is expected to continue to grow further, we will propose a wide

range of timely and optimal label products to increase customer value, by picking up a broad range of customer needs in the high performance label market and feeding them back to the upstream business to realize synergetic effects early.

In the emerging markets in Southeast Asia, South America, the Middle East, and Africa, to meet the demand growing with economic development, we will aim to expand the areas in which we operate while strengthening our competitiveness at our existing bases, based on the Group’s core technologies which are strengths we have cultivated to date in “papermaking,” “converting (functional and adhesive coatings),” and “film forming.”

While continuing to advance our development of environmentally-friendly materials and products, we will keep on anticipating market needs and proactively working to expand into new business areas so as to promptly provide products and services that exceed expectations.

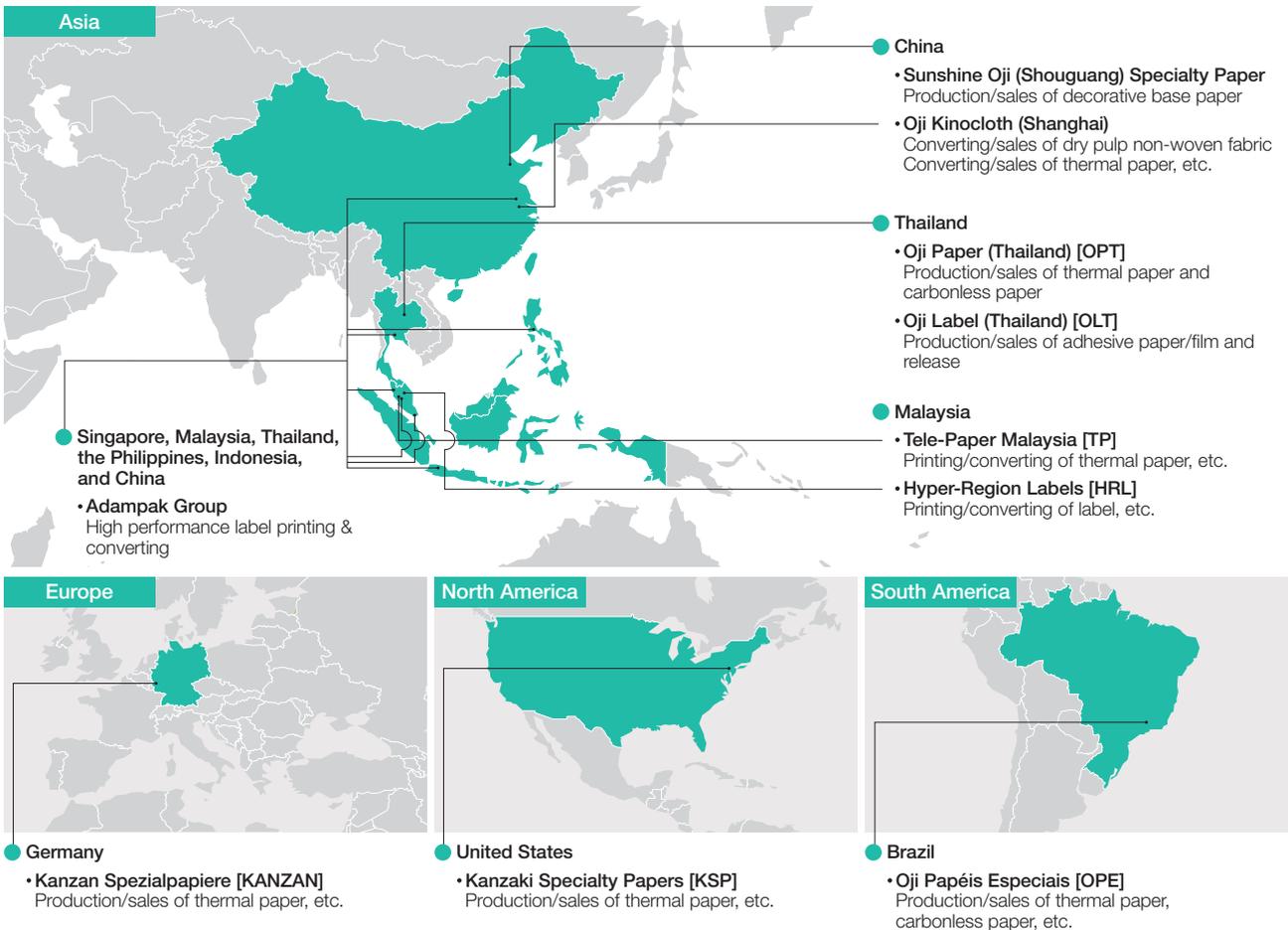


Adampak Group (Head Office in Singapore)



Adampak Group (Letterpress label printing presses at Aident Corporation in Malaysia, a subsidiary of Adampak Group)

Main Overseas Sites



Voice

Creating Synergies among Group Companies to Further “Stick with Us”



Adampak Pte. Ltd.
Director, Chief Executive Officer
Tan Kok Kuang

Established and headquartered in Singapore since 1979, Adampak operates manufacturing footprint of seven plants across six countries in Asia i.e. Singapore, Malaysia, Thailand, Philippines, Indonesia and China.

Adampak’s regional presence is complemented by state-of-the-art production capabilities including technologically advanced digital printing, multi-color high speed flexographic and letterpress presses, precision die-cut machines as well as high-speed video auto-visual inspection units.

Adampak is the preferred partner for multi-national companies requiring premium, customized and high-performance label solutions including RFID tags as well as precision die-cut components across the globe. Adampak serves a wide spectrum of end markets i.e. Storage, Electronics, Power & Renewables, Automotive, Logistics and Healthcare.

Adampak has built up a strong brand and reputation across its diversified and blue-chip customers based on its excellent quality level, customer service, competitive pricing and on-time delivery. This has resulted in long-term and sticky relationships i.e. in-line with Adampak’s slogan of “Stick with Us”.

Oji Holdings acquired Adampak Group on September 1, 2022 and together with Oji’s technologically advanced products plus market leadership presence, Adampak is fully geared towards Oji’s vision of being our customer One Stop Packaging Solution provider.

Forest Resources and Environment Marketing Business



We are comprehensively leveraging wood resources including pulp, renewable energy, afforestation, and lumber processing to promote enhancement of the business.

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

Yuji Onuki

● Pulp Business

We produce a diverse lineup of pulp grades including hardwood and softwood kraft pulp, and dissolving pulp. With 2.5 million tons per year market pulp supply capacity, we sell our products globally including in Asia, Europe, and North America.

● Energy Business

We are promoting the electric power generation business by establishing and expanding electricity generation facilities using renewable energy, including wood biomass, hydroelectric power, and solar power. Leveraging our sites in Japan and overseas, we are also working to strengthen purchase and market supply of biomass fuels in line with the energy business expansion.

● Lumber Processing Business

We are expanding production capacity, and are purchasing and selling lumber and processed lumber products, primarily in Asia and Oceania. In Japan, we are also seeking to strengthen profitability through sales expansion into the building materials field and other measures.

● Forest Plantation Business

We grow and manage company-owned sustainable forests in Japan and overseas. Harvested wood are supplied for pulp raw materials, as well as for a range of applications such as lumber, plywood materials, and biomass fuels. With the goal of 400,000 ha of overseas production forests, we are also acquiring lands and expanding forest plantations.

● Fuels/Chemicals and Other Material Procurement Business

Our centralized purchasing team buys a variety of chemicals and raw materials that are competitive and sustainable. We are committed to environmentally sustainable and socially responsible procurement in complying with Oji Group Partnership Procurement Policy.

● Starch and Saccharification Business

We have been developing technologies for starch and saccharification products, primarily of corn, to provide products that meet the needs of our customers.



Dissolving pulp (for general rayon and special items)



CENIBRA's pulp products warehouse



Nursery where eucalyptus varieties are selected and raised (CENIBRA in Brazil)

Awareness of Business Environment

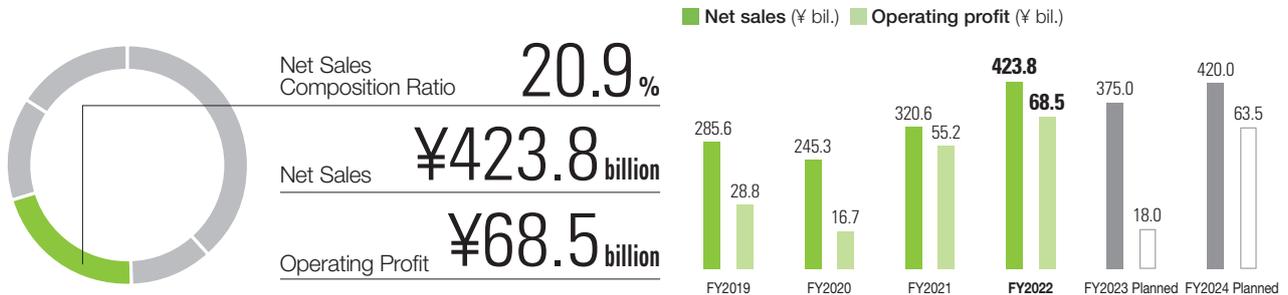
- Growing demand for pulp due to economic development in newly industrialized countries and the trend toward de-plasticization
- Global moves to increase pulp production capacities
- Intensifying competition for procurement of wood resources
- Rising raw material and fuel prices, labor costs, etc.

Business Opportunities and Risks

- Expanding and strengthening overseas business
- Expanding and improving competitiveness through M&A and strategic investments
- Securing forest resources by expanding plantations
- Market fluctuation risk due to social and economic conditions, currency exchange rates, natural disasters, etc.

Our Strengths

- Abundant and sustainable forest resources and know-how in forest management
- Integrated production from forest management to lumber processing and pulp
- Organization for production and sale of diverse types of pulp
- Procurement and sales capabilities that leverage the Group's collective strengths and domestic and overseas bases



Segment Overview

In FY2022, we had net sales of 423.8 billion yen (up 103.2 billion yen from FY2021) and operating profit of 68.5 billion yen (up 13.3 billion yen from FY2021). In the domestic business, despite the impact of higher raw materials and fuel prices on the pulp business, sales and profits increased due to strong demand and rising market conditions. In the energy business, sales increased due to an increase in the amount of electricity sold as a result of the start of operation of a new biomass power plant in Tokushima Prefecture in December 2022. In FY2023, because sales and profits are expected to decrease due to the global decline in the pulp market, net sales of 375.0 billion yen (down 48.8 billion yen from FY2022) and operating profit of 18.0 billion yen (down 50.5 billion yen from FY2022) are planned.

Challenges for the Achievement of the Medium-term Management Plan and Priority Measures for 2023

Business Strategy

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

Challenges

- | | |
|-----------------------------------|---|
| Pulp business | <ul style="list-style-type: none"> ■ Expand production and sales volume toward market growth ■ Strengthen cost competitiveness and sales capabilities |
| Energy business | <ul style="list-style-type: none"> ■ Expand the renewable energy business ■ Strengthen biomass fuel procurement |
| Lumber processing business | <ul style="list-style-type: none"> ■ Strengthen sales capabilities for lumber products ■ Expand the lumber production business |

Measures

- Conduct investigations for modernization and stable operation of pulp facilities, strengthen cost competitiveness, and explore possibilities to increase production capacities
- Expand power generation and the lumber processing businesses leveraging our forest resources
- Acquire lands and expand forest plantations to secure forest resources

Enhancement and Expansion of 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.

CENIBRA (Brazil)

- Enhance cost competitiveness and sales capabilities, and consider production increase, upon holding all voting rights of the company in May 2021
- Install most advanced & work saving manufacturing facilities

Pan Pac (New Zealand)

- Consider production increase to meet growing demand for folding cartons

Oji Fibre Solutions (New Zealand)

- Made the company a wholly-owned subsidiary in March 2022
- Implement measures to stabilize operations, improve yields, and conserve energy by introducing Oji Group’s operational techniques and management methods

Dissolving pulp

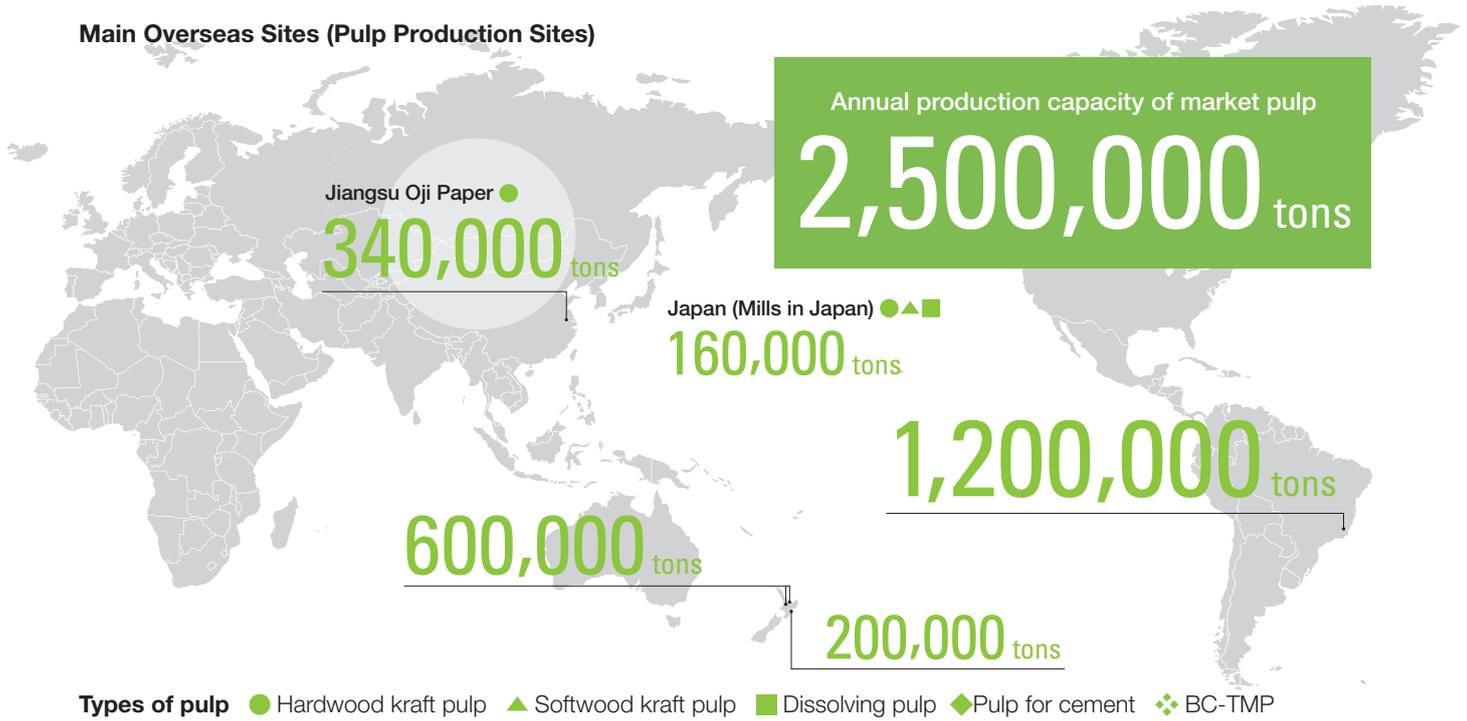
- Work to increase production and sales of dissolving pulp with growth potential in light of increasing demand for apparel, as well as to increase sales of high-value added products



Pulp being loaded onto a ship (Brazil)

Forest Resources and Environment Marketing Business

Main Overseas Sites (Pulp Production Sites)



CENIBRA Mill (Belo Oriente, Minas Gerais, Brazil)



Oji Fibre Solutions Tasman Mill (North Island, New Zealand)

Initiatives for Environmental Issues

Awarded the Gold Medal in the EcoVadis Sustainability Assessment

CENIBRA received the Gold Medal in a sustainability assessment by EcoVadis, an international assessment organization for supply chains based in France. In the assessment, companies are rated from the four aspects of environment, labor and human rights, ethics, and sustainable procurement. The Gold Medal is awarded to the top 5% of more than 100,000 eligible companies worldwide. The award solidifies the company's position of excellence under the circumstances of increasingly high environmental and social standards expected of corporations.

For CENIBRA's Sustainability Advisor, Sandro Morais Santos, such a remarkable performance in EcoVadis assessment is evidence of the Company's commitment and adherence to

the best ESG practices.

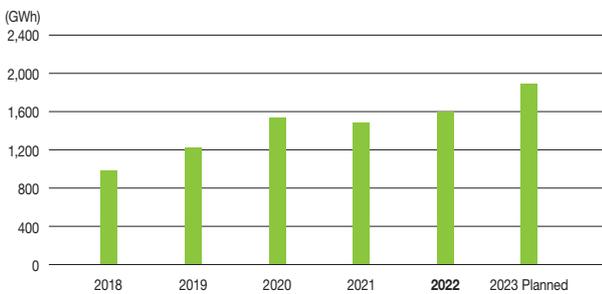
According to Sandra Maria Henrique, coordinator for Governance and Compliance at CENIBRA, this result proves that sustainability concept and practices have been maturing continuously throughout the Company's growth and evolution.



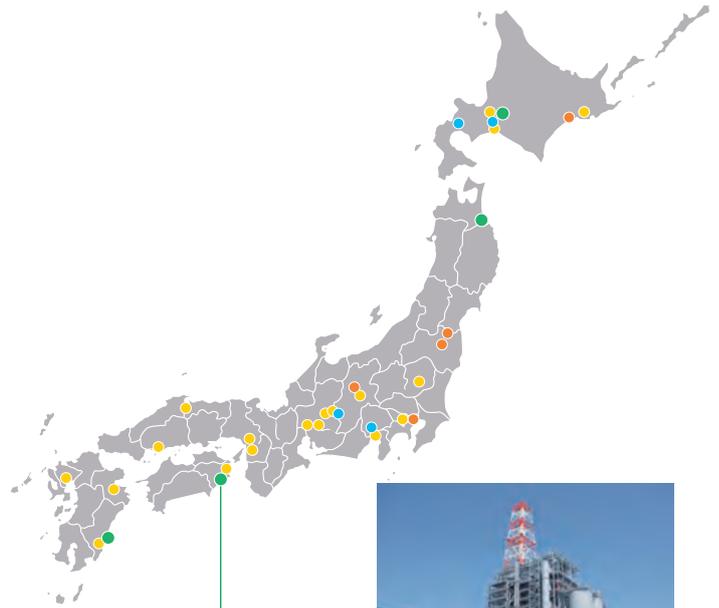
Expanding Renewable Energy and Other Energy Businesses

In the energy business, we continue studying for various projects to strengthen our renewable energy business. In December 2022, a biomass power generation facility in Tokushima Prefecture built as part of a joint venture with ITOCHU ENEX CO., LTD. commenced operations. We are also conducting studies for wind power generation projects utilizing company-owned forest lands in Japan. For the procurement of biomass fuels, in Japan, we are increasing the production of fuel woodchips by making use of unused wood resources as well as fully utilizing branches (small branches and leaves), which were previously abandoned. Overseas, we are working to increase procurement of palm kernel shells for use as fuel in Indonesia and Malaysia, while ensuring lawfulness and sustainability.

Changes in Electricity Sales



The Oji Group owns and manages 188,000 ha of forests in Japan. This is the largest of all forests owned by private corporate entities in Japan. The Group initially owned forests primarily for producing raw materials for paper. However, now we have been enhancing the multi-faceted values of forests, including environmental contribution through forest management.



Oji Green Energy Tokushima Tomioka Eco-energy Power Station Started operation in December 2022



Urahoro larch forest (Hokkaido)



Oji Yoshimoto Seizai's lumber mill (Hokkaido)

Voice

CENIBRA celebrates its 50th anniversary



Director, CENIBRA

Júlio Ribeiro

In September 2023, CENIBRA will celebrate its 50th anniversary, and I also celebrate 30 years of my working at the company that welcomed me as a trainee engineer, became my second home, and allowed me to build a solid career of which I am very proud.

Since 2008, our annual production has been 1.2 million tons of high-quality bleached eucalyptus pulp, mainly exported to customers in Europe, Asia, and the USA. However, we weren't born big. We began with 0.26 million tons per year, and we grew and reinvented ourselves to quintuple the original production, and by the end of 2023 we will have produced close to the 35 million tons produced in our history.

We will see our 50th birthday with a renewed determination to take on further challenges to embody Oji's Purpose of "Grow and manage the sustainable forest, Develop and deliver the products from renewable forest" to contribute to the sustainability of the world and the Oji Group.

Printing and Communications Media Business



We are increasing profitability and competitiveness by implementing the production system restructuring, etc. in light of demand structure trends through cooperation across Group segments.

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

Takayuki Moridaira

Tomakomai Mill, one of the world's leading newsprint mills, produces high quality newsprint with features requested by customers, such as lighter weight and improved print reproducibility, making full use of a wide variety of pulp. We hold approximately 30% share of the Japanese market with a stable supply to customers throughout the country including the Greater Tokyo area. Newsprint production using a large amount of recovered paper also contributes to paper recycling.



We offer a wide range of printing papers to meet various needs, including art paper used for photo albums and high-end catalogs, coated paper used for magazines and flyers, and woodfree paper used for books, each of which play a role in day-to-day communication of information. We also offer a full lineup of environmentally-friendly printing paper, including FSC-certified paper and products compliant with the Green Purchase Act.



We provide various output media to support information processing systems, including copying paper and forms. Produced with our carefully built quality design and quality control system, they can be used on printers with different printing methods and models. We offer high quality products not only superior in printability and workability in converting, but also capable to meet the need for printing at ever-higher speeds for productivity improvement.



Awareness of Business Environment

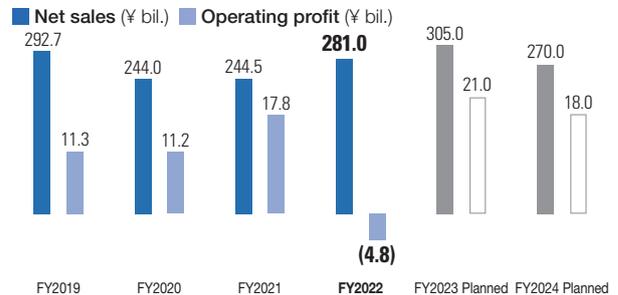
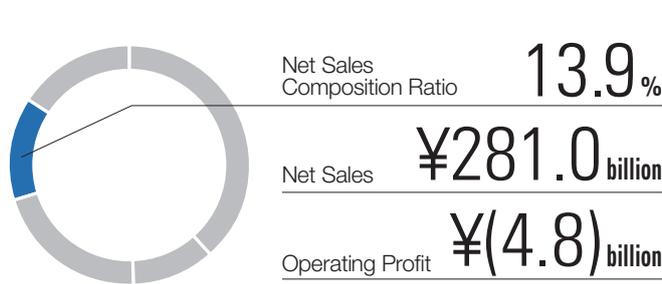
- Revitalized economic activities after the pandemic
- Increased consumer awareness about environmental issues
- Shift to paperless office with further utilization of ICT and spread of teleworking, etc.
- Soaring raw material and fuel prices and large fluctuations in exchange rates

Business Opportunities and Risks

- Advantages of paper as an information medium (visibility, readability, reliability, preservability, texture unique to paper, reproducibility of photographs, etc.)
- Strengthening competitiveness through cooperation within the Group beyond the boundaries of businesses
- Growing demand for environmentally-friendly paper products due to heightening awareness for the environment
- Continuous decrease in demand for graphic paper
- Soaring raw material and fuel prices and passing the cost increase on to product prices

Our Strengths

- Large existing infrastructure including pulp production facilities and biomass power generation facilities
- Full lineup of environmentally-friendly products, including FSC-certified paper, eco mark certified products, and products compliant with the Green Purchase Act
- Capabilities to develop products meeting market needs



Segment Overview

In FY2022, we had net sales of 281.0 billion yen (up 36.5 billion yen from FY2021) and operating loss of 4.8 billion yen (down 22.6 billion yen from FY2021). In the domestic business, although demand for newsprint continued to decline, net sales of newsprint were on a par with the previous year due to price revisions. Net sales of printing paper increased from the previous year due to rising demand for domestic products caused by decrease in imported paper, as well as price revisions. In the overseas business, net sales increased from the previous year at Jiangsu Oji Paper Co., Ltd.

In FY2023, net sales of 305.0 billion yen (up 24.0 billion yen from FY2022) and operating profit of 21.0 billion yen (up 25.8 billion yen from FY2022) are planned.

Challenges for the Achievement of the Medium-term Management Plan and Priority Measures for 2023

Business Strategy

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

Challenges

- Utilize owned resources effectively
- Focus always on cash flow

Measures

- Maintain product selling prices revised in FY2022 in response to continued increase in raw material and fuel prices
- Continue with thorough cost reduction
- Strengthen cooperation with other segments

We are working to improve profitability and competitiveness, by deepening cooperation with other segments in the Oji Group, anticipating future demand trends, and maximizing effective use of pulp manufacturing facilities, biomass boilers, and other assets.

In October 2021, we converted a newsprint machine to a machine for manufacturing containerboard at Tomakomai Mill. In April 2022, we started operation of a special liner and special paperboard machine relocated from Nayoro Mill of Oji Ma-

teria at the same mill. Overseas, utilizing existing pulp manufacturing facilities and biomass boilers, etc., we built a new household base paper machine at Jiangsu Oji Paper (China). (Started operation in 2020)



The #L-1 machine (retrofit of the #N-5 machine) at Tomakomai Mill

Initiatives for Environmental Issues

Electric power is indispensable for paper manufacturing. The Oji Group owns various types of power plants in Japan and works to secure power sources for its mills while engaging in the electricity sale business.

Among all, our Chitose No. 1 Hydroelectric Power Plant, built in 1910, is the oldest industrial power plant still in operation in Japan. The five hydroelectric power plants in the Chitose River basin have a generating capacity of 37,000 kW and are important sources of power for the Oji Paper Tomakomai Mill, located about 25 km away. They also supply power to customers around the Lake Shikotsu. After the Hokkaido Eastern Iburi Earthquake in September 2018, the power plant was restored in about an hour and a half, making it the only power

plant in Hokkaido to escape a blackout. Hydroelectric power generation has been attracting attention recently as a renewable, clean energy source with high energy conversion efficiency that emits no greenhouse gas from power generation. We will continue to contribute to the realization of a sustainable society through various approaches, including the effective use of energy.



Chitose No. 1 Hydroelectric Power Plant

Corporate Management Group and Shared Service Companies



Environmentally-friendly paper food containers proposed by Kyokuyo

Kyokuyo

Kyokuyo Co., Ltd. is a trading company that proposes and develops solutions to customers' problems from users' perspective. It purchases and sells various products of the Oji Group and other companies mainly in paper and packaging fields. These products include synthetic resin materials and products, packaging materials, chemicals, and machinery, from upstream (raw and other materials) to downstream (finished products). Leveraging its proposing ability, development ability and comprehensive ability to accommodate diversifying needs in the changing social environment, it is working to evolve paper and packaging, pursuing to create a more enriched society.



Environmentally-friendly containers using ISCC-certified biomass plastic

Ginpo Pack

Ginpo Pack Co., Ltd. is a manufacturer which conducts integrated planning, production, and sales of plastic containers for food packing. It offers high-quality packages with unique packaging materials, using its many patents and state-of-art technologies. The new material "Pulfine" in which a high foaming ratio is realized with a single material, is more resistant to heat and more durable than ever and can reproduce steaming hot home cooking when using a microwave oven. Ginpo is also committed to the development of environmentally-friendly containers using plant-derived biomass plastic.



Industrial water production system

Oji Engineering

Oji Engineering Co., Ltd. leverages its technologies accumulated at paper mills to offer one-stop engineering services ranging from proposals on facility design to proposals on operation methods. Under strict safety and construction quality control, the company responds rightly to customer needs through work management utilizing full use of IoT, and precise designing using 3D scanners and 3D CAD. It also explores new needs and provides solutions, for example, in the field of environmental business, such as wastewater treatment and renewable energy, or remote maintenance using thermal camera drones.



A roll-on roll-off (RORO) ship that can transport vehicles carrying goods

Oji Logistics

As a shared service company, Oji Logistics Co., Ltd. operates mainly domestic and international logistics services for Oji Group products. In 2022, it made full-scale entry to 3PL (third party logistics) services, using Urayasu Branch as its base. It is now changed into a warehouse, operating 24 hours a day and 365 days a year as a hub for consumer goods and e-commerce whose demand is growing mainly in the Greater Tokyo area. It is also accommodating a change in the operating environment surrounding the logistics industry such as "Logistics 2024 Issue," to earn trust from customers of the Oji Group and other companies.



The Grand Hotel New Oji

Hotel New Oji

Hotel New Oji Co., Ltd. is engaged in the hotel and flight catering businesses. Grand Hotel New Oji, a 16-story city hotel which is located in the center of Tomakomai City, Hokkaido and has banquet halls, three restaurants (Japanese, Western, and Chinese), bar, and shops, is a landmark in Tomakomai. In addition to this hotel business, we prepare a wide variety of high quality inflight meals for domestic and overseas airlines in the catering building at the New Chitose Airport and also load the meals onto aircraft using large, specialized vehicles.



Oji Homes Aoyama (Minamiaoyama, Minato-ku, Tokyo)

Oji Real Estate

Oji Real Estate Co., Ltd. is a general developer active nationwide in the management and effective utilization of the Oji Group's owned land and the development and sales of quality-oriented condominiums, single-family homes, and developed residential land, as well as lease and management of office buildings, condominiums, and commercial facilities, and the renovation business. It also has a construction and design division (first-class registered architect office) with good reputation for its technical capability, and conducts design, supervision, and consultation in a wide range of areas including factories and plants as well as public and private facilities.



Oji General Hospital

Oji General Hospital

Oji General Hospital has 440 beds (of which eight are in the ICU) and 25 departments, providing advanced and quality medical care as a key hospital in the Higashi-iburi and Hidaka medical area. It is designated as disaster base hospital, designated cancer care hospital, and regional perinatal maternal and child medical center, and also provides guidance and training for residents as a designated clinical training hospital. In addition, it has the geriatric health services facility, "Care Life Oji," in-home nursing care supporting office Oji, and the central regional comprehensive support center entrusted by Tomakomai City, working to provide safe and secure medical service.



Drink cartons made using base paper manufactured by the Oji Group

Ishizuka-Oji Paper Packaging

Ishizuka-Oji Paper Packaging Co., Ltd. operates the paper beverage container business by combining the Oji Group's expertise in manufacturing and processing paper with ISHIZUKA GLASS Co., Ltd.'s expertise in processing and filling paper containers for a diverse range of contents. By having in place a domestic integrated production system covering papermaking of base papers through to laminate processing and beverage packaging, and selling superior filling equipment from both Japan and overseas, as well as providing service and maintenance, it is working to ensure the stable supply of high-quality, safe, and dependable products to dairy and beverage manufacturers throughout Japan.

Message from the Chairman

Managing the Board of Directors to Achieve Our Purpose

Representative Director and
Chairman of the Board,
Oji Holdings Corporation

Masatoshi Kaku



Review of FY2022 as Chairman of the Board

- Evaluation of the Board of Directors in terms of progress in the first year of the Medium-term Management Plan
- How were outside directors' opinions from external perspectives reflected?

With the renewal of the Board of Directors and executive management structure under Group CEO Hiroyuki Isono, FY2022, the first year of the new Medium-term Management Plan, was a year in which the Oji Group aimed for further evolution with new resolve. Although the COVID-19 pandemic, which had such a tremendous impact on our daily lives and economic activities over the past three years, has finally come close to an end, the sharp rises in fuel and raw materials prices that began with Russia's invasion to Ukraine have been prolonged with the increase in demand as the global economy has returned to normal. These trends dealt a major blow to the earnings of the Oji Group. To ensure the continuation of stable supply of our products, we implemented gradual price revisions after obtaining our customers' understanding of the need to pass the increases in raw materials and fuel prices onto our own prices. Even so, our FY2022 results fell significantly short of our initial plans. Even as that harsh business environment continues in FY2023, the Oji Group must continue to work on initiatives for future growth and evolution. We also recognize that we have a grave responsibility, imposed on

us by the international community, to tackle global environmental problems such as climate change and marine plastics waste.

After the formulation of the Medium-term Management Plan in May 2022, the Board of Directors held repeated discussions on various issues, such as investment and R&D for the future, the appropriateness of risk-taking, and the optimal allocation of human capital, as well as our responses to the harsh business environment. Precisely because of the uncertainties of the economic and social environment, in addition to making decisions that will drive the Group forward, the Board of Directors is required to supervise the execution of business through appropriate risk management. Oji Holdings currently has four Independent Outside Directors on its Board of Directors, all of whom possess knowledge and expertise in industries that differ from those of the Oji Group. They put their knowledge and expertise to use in contributing to discussions from broad perspectives, while enhancing the diversity of the Board's membership. We hold briefings for Outside Directors in advance on matters to be proposed to the Board of Directors and reflect their opinions in the discussions at Board of Directors meetings. There are times when they make quite harsh comments about matters such as risk management that have been overlooked by the executive management team. I hope that they will continue to perform their supervisory function in the Board of Directors.

Strengthening of Governance and Promotion of Sustainability Strategy

- Higher standards of governance required of the Oji Group and initiatives to achieve them
- Complying with the TCFD recommendations and monitoring initiatives based on our Environmental Vision and Environmental Action Program
- Progress made with the establishment of the Sustainability Committee

In recent years, companies are being called on to improve their corporate governance from various perspectives. Need-

less to say, we need to strengthen our supervisory structure, with the Board of Directors at the center, by building a firm governance system that factors in a range of perspectives. However, we are a company comprising individual officers and employees, and I believe that the most important thing of all is that every one of them acts with sound and high ethical principles. The Oji Group established the Oji Group Corporate Code of Conduct based on the fundamental values and philosophy that we have cultivated to date, and all officers and employees are required to comply with that Code. The Board

of Directors strives to establish an environment in which this Code is respected, and all our people act with high ethical principles as a matter of course.

The promotion of decarbonization as a response to climate change is one of the most important targets of the Oji Group's sustainability strategy. To achieve this goal, we have formulated our Environmental Vision 2050, and we are working on initiatives based on the Environmental Action Program 2030, which are the milestones for the Vision. As measures to reduce emissions, while promoting the fuel conversion of our coal-fired boilers in Japan and the introduction of renewable energies, we will strive to increase CO₂ absorption and fixation by expanding the land area of our overseas forest

plantations. The Oji Group will steadily advance, step by step, toward the achievement of our goals by implementing measures to protect the global environment in our efforts to build a sustainable society.

In 2022, we established the Sustainability Committee, with the Group CEO as chair, to discuss the risks of and measures for sustainability. The progress of our efforts toward decarbonization is reported to the Committee, and lively discussions take place on future developments. The Committee also discusses a variety of other matters, including human rights due diligence, supplier risk surveys, product safety, and inclusion and diversity. The Board of Directors will also closely monitor the Group's efforts toward sustainability challenges.

Succession Plan Implementation and Human Capital Management

- **Initiatives for the development of executives and senior management for the next generation**
- **The Oji Group's approach to human capital management**

In addition to advanced expertise regarding the Oji Group's business, the Group CEO and other chief officers are expected to have strong leadership and corporate management skills that will enable them to manifest the Group's management and growth strategies and to solve problems in response to the demands of society. The Oji Group has adopted a COMPANY system under which the businesses of the Group are consolidated into closely related business groups for management purposes, with the aims of accelerating the decision-making and clarifying management responsibilities of each business. This system allows the executive management team of each COMPANY and business company to improve the capabilities and knowledge required for corporate management within the scope of the businesses for which they are responsible. This leads to the development of the next generation of human resources who will be able to as-

sume the management of the Oji Group as a whole. The Nomination Committee, most of whose members are Independent Outside Directors, discusses these succession plans and selects executive candidates.

The development of employees is just as important an issue as the development of executive candidates. The Oji Group must achieve its sustainable growth through the growth of its employees. We believe that it is our responsibility to help employees to undertake more advanced and rewarding work by providing them with assistance to upgrade their skills, and in doing so, offer a rich and fulfilling life to all our employees. For this reason, we will place efforts into the establishment of skills development and career development systems for employees and of a human resources management system, and into the improvement of the working environment. We will continue these efforts with an awareness that the mission of management and the Board of Directors is to make the Oji Group a corporate group whose employees continue to grow with high motivation and work with happiness.

The Commitments We Want to Convey to Our Stakeholders

- **What the Board of Directors will advance in the future to achieve our Purpose**
- **Enhancing stakeholder engagement**

In line with the formulation of the Long-term Vision and the Medium-term Management Plan, we developed our Purpose, based on the Oji Group's Management Philosophy, to convey it in simpler terms. The Purpose expresses our intention to contribute to society and to the Earth by growing forests, which represent the core of the Group's business, and by delivering products from forest resources. As our paper business is itself sustainable, we believe that making reliable products that are needed by the market will, in itself, contribute to the building of a sustainable society. Developing new materials derived from wood and demonstrating the potential of forest resources are also crucial roles for us. The Board of

Directors will support management decisions made by the executive team while undertaking risk assessments appropriately, to ensure that the progress being made toward achieving our Purpose is not halted, even in a difficult business environment.

In February 2023, the Oji Group marked its 150th anniversary. Since its founding, we have been able to grow as a corporate group that contributes to the Earth and society thanks to the tremendous support we have received from all our stakeholders, including shareholders, investors, customers, business partners, employees, and local communities. Going forward, we will strive to provide information that is easier to understand and to achieve further evolution while deepening our engagement with all stakeholders. We hope that you will continue to grant us your exceptional understanding and support.

Corporate Officers (Oji Holdings Corporation)



Masatoshi Kaku

Representative Director and Chairman of the Board
Chairman of the Board

April 1978 Joined the former Nippon Pulp Industry Co., Ltd.
April 2011 Corporate Officer, the Company
April 2012 Executive Officer, the Company
October 2012 Executive Officer, the Company
June 2013 Director of the Board and Executive Officer, the Company
April 2019 Representative Director of the Board, President and CEO, the Company
April 2022 Representative Director and Chairman of the Board, the Company (to the present)



Hiroyuki Isono

Representative Director of the Board
President and Group CEO

April 1984 Joined the Company
October 2012 Director of the Board, Oji Management Office Inc.
April 2014 Corporate Officer, the Company
June 2015 Director of the Board and Executive Officer, the Company
April 2021 Director of the Board and Senior Executive Officer, the Company
April 2022 Representative Director of the Board, President and Group CEO, the Company (to the present)



Fumio Shindo

Representative Director of the Board
Executive Vice President

Division of duties:
Corporate Sustainability Division
Innovation Promotion Division
Group Technology Division
In charge of Oji Engineering Co., Ltd.

April 1984 Joined the Company
April 2014 Corporate Officer, Oji Paper Co., Ltd.
April 2016 Director, Oji Paper Co., Ltd.
April 2017 Corporate Officer, the Company
April 2018 Executive Officer, the Company
June 2019 Director of the Board and Executive Officer, the Company
April 2021 Director of the Board and Senior Executive Officer, the Company
April 2022 Representative Director of the Board and Executive Vice President, the Company (to the present)



Kazuhiko Kamada

Director of the Board
Senior Executive Officer

Division of duties:
Corporate Governance Division
Chairman, Celulose Nipo-Brasileira S.A.
President, Oji Management Office Inc.
In charge of:
Oji Human Support Co., Ltd.
Oji Business Center Co., Ltd.
Oji Paper Management (Shanghai) Co., Ltd.
Oji Asia Management Sdn. Bhd.
Oji Logistics Co., Ltd.

May 2013 Joined Oji Management Office Inc.
April 2014 President and Representative Director, Oji Forest & Products Co., Ltd.
January 2015 Corporate Officer, the Company
June 2015 Director of the Board and Executive Officer, the Company
April 2022 Director of the Board and Senior Executive Officer, the Company (to the present)



Shigeki Aoki

Director of the Board
Executive Officer
President, Functional Materials COMPANY
President, Oji Functional Materials Progressing Center Inc.
President, Oji Imaging Media Co., Ltd.

April 1984 Joined the former Honshu Paper Co., Ltd.
April 2016 Corporate Officer, General Manager, Sales Division, Oji F-Tex Co., Ltd.
April 2017 Director and Corporate Officer, General Manager, Sales Division, Oji F-Tex Co., Ltd.
April 2019 Corporate Officer, the Company
June 2020 Director of the Board and Executive Officer, the Company (to the present)



Akio Hasebe

Director of the Board
Executive Officer
President, Industrial Materials COMPANY
President, Oji Industrial Materials Management Co., Ltd.

April 1984 Joined the Company
April 2017 Director, Oji Industrial Materials Management Co., Ltd.
April 2019 Corporate Officer, the Company
April 2022 Executive Officer, the Company
June 2022 Director of the Board and Executive Officer, the Company (to the present)



Takayuki Moridaira

Director of the Board
Executive Officer
President, Household and Consumer Products COMPANY
President, Printing and Communications Media COMPANY
President, Oji Nepia Co., Ltd.

April 1985 Joined the Company
June 2013 Corporate Officer, Oji Paper Co., Ltd.
April 2016 Director, Oji Paper Co., Ltd.
April 2020 Corporate Officer, the Company
April 2022 Executive Officer, the Company
June 2022 Director of the Board and Executive Officer, the Company (to the present)



Yuji Onuki

Director of the Board
Executive Officer
President, Forest Resources and Environment Marketing COMPANY
President, Oji Green Resources Co., Ltd.
President, Oji Forest & Products Co., Ltd.

April 1982 Joined the former Honshu Paper Co., Ltd.
October 2012 Director, Oji Green Resources Co., Ltd.
April 2014 Managing Director, Oji Green Resources Co., Ltd.
April 2021 Corporate Officer, the Company
April 2022 Executive Officer, the Company
June 2022 Director of the Board and Executive Officer, the Company (to the present)



Michihiro Nara

Independent Outside Director of the Board

April 1974 Registered as an attorney-at-law
June 2004 Outside Audit & Supervisory Board Member, Nihon Tokushu Toryo Co., Ltd.
June 2013 Outside Audit & Supervisory Board Member, Seiko Epson Corporation
June 2014 Independent Outside Director of the Board, the Company (to the present)
June 2015 Outside Director, Nihon Tokushu Toryo Co., Ltd. (to the present)
June 2016 Outside Audit & Supervisory Board Member, Chori Co., Ltd.
June 2016 Outside Director (Audit & Supervisory Committee Member), Seiko Epson Corporation
Outside Director (Audit & Supervisory Committee Member), Chori Co., Ltd.



Sachiko Ai

Independent Outside Director of the Board

April 1989 Joined The Mitsubishi Trust and Banking Corporation (currently Mitsubishi UFJ Trust and Banking Corporation)
June 2016 Executive Officer, General Manager, Corporate Consulting Division, Mitsubishi UFJ Trust and Banking Corporation
April 2019 Executive Officer, General Manager, Audit Division, Mitsubishi UFJ Trust and Banking Corporation
Executive Officer, Acting General Manager, Audit Division, Mitsubishi UFJ Financial Group, Inc.
June 2020 Independent Outside Director of the Board, the Company (to the present)
April 2021 Director and Managing Executive Officer, Audit Division (CAO), Mitsubishi UFJ Trust and Banking Corporation (to the present)
Managing Executive Officer, Group Deputy CAO, Mitsubishi UFJ Financial Group, Inc. (to the present)



Seiko Nagai

Independent Outside Director of the Board

April 1983 Joined Japan Airlines Co., Ltd.
April 2008 Manager, In-flight Sales Group, Japan Airlines Co., Ltd.
April 2012 Manager, Passenger Cabin Dept., JAL Express Co., Ltd.
October 2014 Manager, Cabin Attendants Section 4, Haneda Airport, Japan Airlines Co., Ltd.
April 2015 Professor, College of Foreign Studies, Kansai Gaidai University (to the present)
June 2019 Outside Director, Member of the Board, ShinMaywa Industries, Ltd. (to the present)
June 2021 Independent Outside Director of the Board, the Company (to the present)



Hiromichi Ogawa

Independent Outside Director of the Board

April 1981 Joined Mitsubishi Corporation
June 1998 Director, Nichinyo Baking Co., LTD.
April 2004 Senior Vice President, Lawson, Inc.
September 2004 Executive Managing Officer, Lawson, Inc.
November 2005 Unit Manager of Lawson Business, Mitsubishi Corporation
April 2006 Unit Manager of Retail Business, Mitsubishi Corporation
April 2014 Senior Vice President ("riji") and General Manager of Life Industry Group CEO Office, Mitsubishi Corporation
April 2017 Advisor, Itoham Yonekyu Holdings Inc.
June 2017 Director Chairman of the Board, Itoham Yonekyu Holdings Inc.
June 2022 Independent Outside Director of the Board, the Company (to the present)



Tomihiro Yamashita

Audit & Supervisory Board Member

April 1982 Joined the Company
October 2012 General Manager, Internal Audit Department, Corporate Governance Division, the Company
April 2014 Audit & Supervisory Board Member, Oji Container Co., Ltd.
April 2016 Corporate Officer and Deputy General Manager, Technology Division, Oji Container Co., Ltd.
June 2017 Audit & Supervisory Board Member, the Company (to the present)



Teruo Yamazaki

Audit & Supervisory Board Member

April 1982 Joined the former Honshu Paper Co., Ltd.
February 1986 Deputy Mill Manager, Ebetsu Mill, Oji F-Text Co., Ltd.
April 2019 General Manager, Internal Audit Department and Corporate Compliance Department, Corporate Governance Division, the Company
April 2023 General Manager, Internal Audit Department, Corporate Governance Division, the Company
June 2023 Audit & Supervisory Board Member, the Company (to the present)



Hidero Chimori

Independent Outside Audit & Supervisory Board Member

April 1983 Registered as an attorney-at-law
June 2002 Outside Audit & Supervisory Board Member, OMRON Corporation
June 2006 Outside Audit & Supervisory Board Member, DUSKIN CO., LTD.
June 2016 Independent Director, Audit & Supervisory Committee Member, Kobe Steel, Ltd.
Outside COMPANY Auditor, ROHM Co., Ltd.
June 2019 Outside Director, Member of the Board, Audit and Supervisory Committee Member, ROHM Co., Ltd. (to the present)
June 2021 Independent Outside Audit & Supervisory Board Member, the Company (to the present)



Noriko Sekiguchi

Independent Outside Audit & Supervisory Board Member

March 1994 Registered as Certified Public Accountant
January 2002 Re-registered as Certified Public Accountant
November 2010 Representative of Sekiguchi CPA Office (currently Sekiguchi Noriko CPA Office) (to the present)
July 2012 Registered as Certified Tax Accountant
June 2015 Outside Director, TOKYO OHKA KOGYO CO., LTD.
January 2019 Executive Officer, Chifure Holdings Corporation
June 2021 Independent Outside Audit & Supervisory Board Member, the Company (to the present)
June 2022 Outside Audit & Supervisory Board Member, Ryoden Shoji K.K. (currently RYODEN CORPORATION) (to the present)
July 2022 Auditor, Japan International Cooperation Agency (to the present)
March 2023 Outside Director, Audit and Supervisory Committee Member, TOKYO OHKA KOGYO CO., LTD. (to the present)



Takashi Nonoue

Independent Outside Audit & Supervisory Board Member

April 1982 Appointed as public prosecutor
January 2015 Director-General of the Public Security Intelligence Agency
September 2016 Superintendent Public Prosecutor of the Fukuoka High District Public Prosecutors Office
February 2018 Retired from Superintendent Public Prosecutor
April 2018 Inspector General of Legal Compliance of the Ministry of Defense
March 2021 Retired from Inspector General of Legal Compliance of the Ministry of Defense
June 2021 Registered as an attorney-at-law
June 2022 Independent Outside Audit & Supervisory Board Member, the Company (to the present)

Corporate Governance

The Oji Group established the Oji Group Corporate Code of Conduct based on the fundamental values and philosophy that have been handed down since the Group's foundation and has undertaken business activities with an awareness of its role as a corporate member of society and a strong sense of ethics throughout the Group. In order to increase corporate value and become a company that is trusted by society, we have built corporate governance structures described below and continuously enhanced the functions of the Board of Directors, positioning the enhancement of corporate governance as a priority management issue. Going forward, we will work to ensure management efficiency, soundness, and transparency, while building trusting relationships with all stakeholders.

Basic Concepts, Framework, and Operational Policies

Fundamental Policies on Corporate Governance

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/governance.html>

Corporate Governance Report

The Oji Group posts its Corporate Governance Report, which it submits to Tokyo Stock Exchange, on its official website.

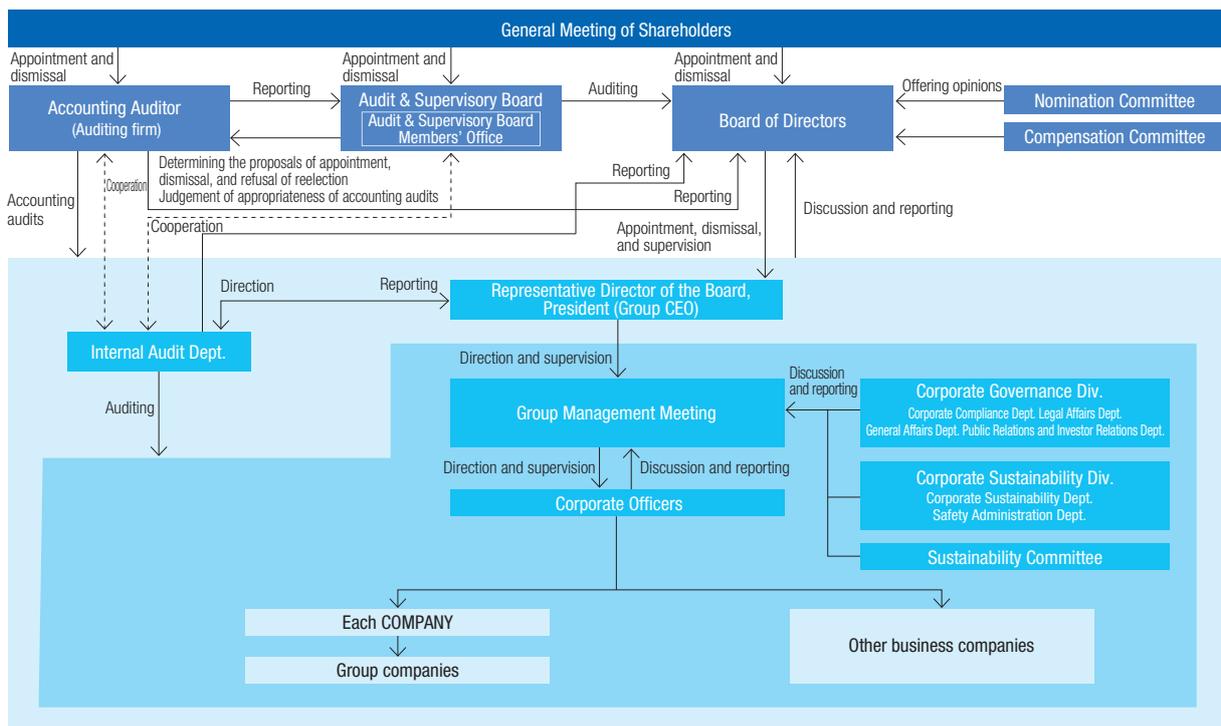
➔ https://investor.ojiholdings.co.jp/en/ir/library/governance_report.html

Corporate Governance Structures

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 Board, Oji Holdings reinforces Group-wide governance through audits of the execution of duties by Directors carried out by the Audit & Supervisory Board Members and the Audit & Supervisory Board. The Board of Directors consists of 12 Directors (including four Independent Outside Directors) and the Audit & Supervisory Board consists of five Audit & Supervisory Board Members (including three Independent Outside Audit & Supervisory Board Members), and Representative Director and Chairman of the Board chairs the Board of Directors.

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 ensure objectivity and transparency in decisions of the Board of Directors concerning nomination and compensation, and the Compensation Committee analyzes the effectiveness of and deliberates the evaluations of the Board of Directors. Each of the Committees consists of two internal Directors and four Independent Outside Directors.

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 as well as analysis and evaluation of the effectiveness of the Board of Directors, and submit recommendations to the Board of Directors.

Structures of the Nomination Committee and the Compensation Committee and Their Meetings Held in FY2022

Position	Name	Nomination Committee	Attendance	Compensation Committee	Attendance
Representative Director and Chairman of the Board	Masatoshi Kaku		1/1		2/2
Representative Director of the Board, President	Hiroyuki Isono	Committee Chair	1/1	Committee Chair	2/2
Independent Outside Director	Michihiro Nara		1/1		2/2
Independent Outside Director	Sachiko Ai		1/1		2/2
Independent Outside Director	Seiko Nagai		1/1		2/2
Independent Outside Director	Hikomichi Ogawa		1/1		1/1

* Concerning Independent Outside Director Hiromichi Ogawa's attendance at meetings of each Committee, the scope of the total number of meetings includes only those meetings held after his appointment on June 29, 2022.

Policy on Determination of Director Compensation and Total Compensation Amount

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 such that the Board of Directors promotes sustainable growth and increasing medium- to long-term corporate value of the Company and pursues enhanced profitability and capital efficiency. The compensation program and determination policies are set forth in the Fundamental Policies on Corporate Governance. Director compensation comprises base compensation that is fixed compensation, bonuses that reflect short-term performance, and stock-based compensation that reflects medium- to long-term improvement in corporate value. Determinations are made by the Board of Directors based on recommendations submitted by the Compensation Committee. Evaluation for bonuses takes into consideration the overall status of achievement of evaluation items concerning ESG.

Please refer to the Annual Securities Report for details concerning performance-linked compensation including bonuses and stock-based compensation.

Securities Reports (in Japanese) → <https://investor.ojiholdings.co.jp/ja/ir/library/securities.html>

Ratios of Performance-linked Compensation and Non-performance-linked Compensation

Position	Fixed compensation	Performance-linked compensation			Total
		Bonuses	Stock-based compensation	Subtotal	
Representative Director and Chairman of the Board	50%	25%	25%	50%	100%
Representative Director of the Board, President and Group CEO	50%	25%	25%	50%	100%
Representative Director of the Board, Executive Vice President	50%	25%	25%	50%	100%
Director of the Board, Senior Executive Officer	50%	25%	25%	50%	100%
Director of the Board, Executive Officer	50%	25%	25%	50%	100%
Independent Outside Director	100%	—	—	—	100%

* The payment ratios will fluctuate due to changes in performance-linked compensation such as bonuses and stock-based compensation.

Total Amount of Compensation for Each Officer Category, Total Amount of Compensation, Etc. by Type, and Number of Eligible Officers (FY2022)

Officer category	Total amount of compensation (million yen)	Total amount of compensation, etc. by type (million yen)			Number of eligible officers (persons)
		Fixed compensation	Performance-linked compensation		
			Bonuses	Stock-based compensation	
Directors (excluding Independent Outside Directors)	459	206	136	117	11
Audit & Supervisory Board Members (excluding Independent Outside Audit & Supervisory Board Members)	55	55	—	—	2
Independent Outside Directors and Independent Outside Audit & Supervisory Board Members	99	99	—	—	9

Corporate Governance

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

Policy

The Fundamental Policies on Corporate Governance of the Oji Holdings stipulate as a Director nomination policy that the Board of Directors shall comprise Directors with diverse knowledge and expertise concerning the business operated by the Group in a well-balanced manner. The Fundamental Policies also stipulate 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 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.

Process

When nominating candidates for Directors, the Nomination Committee, an advisory body to the Board of Directors, deliberates and recommends to the Board of Directors. As for nomination of candidates for Audit & Supervisory Board Members, the Nomination Committee recommends to the Board of Directors with the consent of the Audit & Supervisory Board, following deliberation among the Nomination Committee. The Board of Directors receives reporting from the Committee, deliberates, and makes decisions.

Directors' Skill Map

Oji Holdings has identified the skills that members of the Board of Directors should possess as described below, to ensure that the Board of Directors makes appropriate management decisions and is highly effective in the supervision of business execution to realize the Group's management strategies.

Category	Expected skills	Relevance to Long-term Vision		
		Environmental issues	Profitability improvement	Product development
Corporate management	Essential management skills necessary for the achievement of a sustainable business corporation and management strategies	●	●	●
Finance and accounting	Skills necessary for contributing to the sustainability and growth of a corporation through finance as well as for oversight of management		●	
Sales and marketing	Skills necessary to achieve the sustainable growth of a corporation through understanding the needs of society and earning appropriate income		●	
Manufacturing and technologies	Skills essential for building an organizational structure for sustainable product supply, achieving higher productivity, addressing environmental issues, and making innovation out of the core technologies that have been built up	●	●	●
Research and development				
Personnel and labor management	Skills concerning the development and utilization of diverse human resources essential for the sustainable growth and evolution of a corporation and achievement of management strategies	●	●	●
Purchase and procurement	Skills concerning stable procurement of raw materials as the foundation of production activities and the management of forests as sustainable sources of wood raw materials	●	●	
Internationality	Skills for managing international business activities essential for the Oji Group's global business activities		●	
ESG	Skills concerning environmental, social, and governance aspects of corporate activities that are the foundation of corporate management and essential for sustainability	●	●	●

* Items marked with "●" have particularly high relevance.

The capabilities of each Director are as follows:

Name	Position	Corporate management	Finance and accounting	Manufacturing and technologies	Research and development	Sales and marketing	Personnel and labor management	Purchase and procurement	Internationality	ESG
Masatoshi Kaku	Representative Director and Chairman of the Board	●		●	●					●
Hiroyuki Isono	Representative Director of the Board, President	●	●						●	●
Fumio Shindo	Representative Director of the Board, Executive Vice President	●		●	●					●
Kazuhiko Kamada	Director of the Board	●					●	●	●	
Shigeki Aoki	Director of the Board	●				●	●			
Akio Hasebe	Director of the Board	●	●						●	
Takayuki Moridaira	Director of the Board	●				●	●			
Yuji Oruki	Director of the Board	●						●		●
Michihiro Nara	Director of the Board (Independent Outside)									●
Sachiko Ai	Director of the Board (Independent Outside)	●								●
Seiko Nagai	Director of the Board (Independent Outside)								●	●
Hirokichi Ogawa	Director of the Board (Independent Outside)	●								●

* ● marks indicate the abilities that each Director possesses, but the abilities in which each Director can demonstrate greater strength and expertise are listed according to his or her position in the Company below. The above list is based on their positions, and does not represent all of the abilities possessed by each Director.

Representative Director of the Board: Up to four (4) Director of the Board and Senior Executive Officer: Up to four (4)
 Director of the Board and Executive Officer: Up to three (3) Director of the Board (Independent Outside): Up to two (2)

Independent Outside Officers

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

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

In FY2022, the attendance of the total of seven Independent Outside Directors and Independent Outside Audit & Supervisory Board Members at the Board of Directors meetings (15 meetings held) averaged 97.9%, and the attendance of Independent Outside Audit & Supervisory Board Members at the Audit & Supervisory Board meetings (13 meetings held) was 100%.

Main Activities of Independent Outside Directors in FY2022

Name	Attendance at Board of Directors meetings	Summary of statements made and duties performed with respect to expected role
Michihiro Nara	Attended 15 of 15 meetings (100%)	Fulfilled the role expected of him by making comments concerning the Company's management from an independent standpoint, from a multifaceted perspective, including legal viewpoints as an attorney-at-law, and based on his extensive experience, high level of expertise, and wide-ranging insight
Sachiko Ai	Attended 15 of 15 meetings (100%)	Fulfilled the role expected of her by making comments concerning the Company's management from an independent standpoint, from a multifaceted perspective from the business world, including the financial area, and based on her high level of expertise and abundance of insight
Seiko Nagai	Attended 15 of 15 meetings (100%)	Fulfilled the role expected of her by making comments concerning the Company's management from an independent standpoint, from a multifaceted perspective, including professional viewpoints developed through customer service and university teaching, and based on her extensive experience, high level of expertise, and wide range of insight
Hikomichi Ogawa	Attended 11 of 11 meetings (100%)	Fulfilled the role expected of him by making comments concerning the Company's management from an independent standpoint, from a multifaceted perspective, including professional viewpoints developed through management of retail business and food manufacturing companies, and based on his extensive experience, high level of expertise, and wide range of insight

* Concerning Mr. Hiromichi Ogawa's attendance at meetings of the Board of Directors, the scope of the total number of meetings includes only those meetings of the Board of Directors held after his appointment on June 29, 2022.

Main Activities of Independent Outside Audit & Supervisory Board Members in FY2022

Name	Attendance at Board of Directors meetings	Attendance at Audit & Supervisory Board meetings	Statements at meetings
Hidero Chimori	Attended 15 of 15 meetings (100%)	Attended 13 of 13 meetings (100%)	Made statements based on his extensive experience, high-level expertise and wide-ranging knowledge, in particular, in the corporate legal affairs and corporate governance field, as an attorney-at-law
Noriko Sekiguchi	Attended 14 of 15 meetings (93.3%)	Attended 13 of 13 meetings (100%)	Made statements based on her abundant practical experience at companies in addition to her extensive experience, high-level expertise, and wide-ranging knowledge on financial accounting as a certified public accountant
Takashi Nonoue	Attended 10 of 11 meetings (90.9%)	Attended 9 of 9 meetings (100%)	Made statements based on his extensive experience, high-level expertise, and wide-ranging knowledge as a public prosecutor and attorney-at-law

* Concerning Mr. Takashi Nonoue's attendance at meetings of the Board of Directors and the Audit & Supervisory Board, the scope of the total number of meetings includes only those meetings of the Board of Directors and the Audit & Supervisory Board held after his appointment on June 29, 2022.

Effectiveness Evaluation of the Board of Directors

The Fundamental Policies on Corporate Governance stipulates that the Board of Directors shall conduct analysis and evaluation of the effectiveness of the Board of Directors every year, and take required measures to ensure the effectiveness of the Board of Directors as a whole as well as disclose an overview of the findings. In order to evaluate the effectiveness of the Board of Directors, we conduct a survey on the role, structure, and operation of the Board of Directors from April to May every year with all Directors and Audit & Supervisory Board Members. The evaluation findings are analyzed by the Compensation Committee, in which Independent Outside Directors participate, and then deliberated by the Board of Directors based on the analysis results.

As a result of the analysis and evaluation of the Board of Directors of FY2022, it was confirmed our Board of Directors and its subordinate meetings have continued to function well. To a survey question on the roles of the Board of Directors in “formulating the Group management strategies and presenting the directions,” many stated that fervent discussions by the Board of Directors including Independent Outside Directors on the issue from the stage of drawing up the FY2022 Medium-term Management Plan led to a clear presentation of the directions. Regarding the operation of the Board of Directors, to a question on “supervision of the management team,” many respondents highly evaluated the Company’s efforts to enhance the supervisory function of the Board including the enhancement of provision of information to Outside Officers. It was also noted that the agendas should be set with better considerations to allocate more time for discussions related to overall Group management. In response to this suggestion, the criteria for selecting the matters to be discussed at the Board of Directors meetings were reconsidered to allow the Board to focus on deliberating more important matters. Regarding the “composition and discussion of the Board of Directors,” some commented that, while the current composition is well-balanced, discussion on future possibilities is needed of having Outside Directors as the majority of the Board or appointing an Outside Director to Chairman of the Board. In light of the evaluation findings, we will continue to consider and take measures necessary for the Board of Directors to function better.

Procedure for the Effectiveness Evaluation of the Board of Directors

Timing	Process
April	Survey for effectiveness evaluation of the Board of Directors · Respondents: All Directors and Audit & Supervisory Board Members · Aggregated by: Corporate Governance Division
May	Analysis by the Compensation Committee
June	Report from the Compensation Committee to the Board of Directors Discussion and approval by the Board of Directors
From July	Implementation of measures to improve effectiveness

Survey Questions

Respondents evaluate effectiveness regarding the following nine points on a five-point scale and comment on the reasons. Any other comments outside those nine questions may be entered freely in the comment section.

No.	Question topics
1	Formulating the Group management strategies and presenting the directions
2	Deliberating and examining business execution
3	Support for prompt and unwavering business execution
4	Supervision of the management team
5	Internal control and risk management
6	Composition and discussion of the Board of Directors
7	Time and frequency of deliberation
8	Provision of information to participants
9	Implementation and effects of measures for the improvement of the Board of Directors
10	Comment

Scores are totaled for all respondents and by group (inside officers, Outside Officers, Directors, and Audit & Supervisory Board Members) and changes from previous results are also examined.

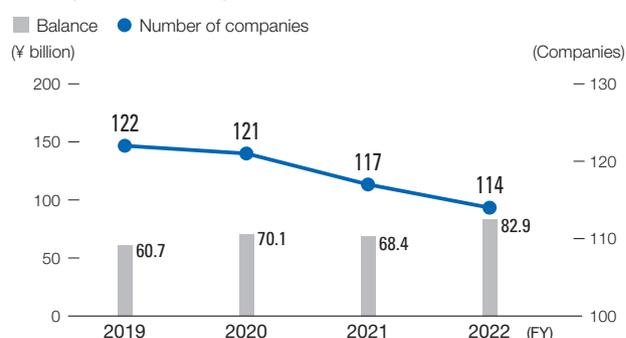
Policy for Strategic Shareholding

The Company strategically holds shares that are expected to contribute to the sustainable growth of its business and the improvement of corporate value over the medium to long term as part of its management strategies for the purpose of business alliances and strengthening and maintenance of long-term and stable relationships with business partners. The Board of Directors examines for each individual stock every year whether the purpose of strategic shareholding is appropriate and whether the benefits and risks associated with strategic shareholding are commensurate with the capital cost to verify the appropriateness of the holding. In order to reduce strategic shareholding, we sell shares properly and appropriately if the rationality for holding them has diminished.

In FY2022, we reduced the number of companies held for strategic shareholding, but the balance of our holding increased due to rising stock prices.

Please refer to the Annual Securities Report for details concerning individual stocks held for strategic shareholding.

Strategic Shareholding



Securities Reports (in Japanese) ➔ <https://investor.ojiholdings.co.jp/ja/ir/library/securities.html>

Compliance

The Oji Group Corporate Code of Conduct and Behavior Standard

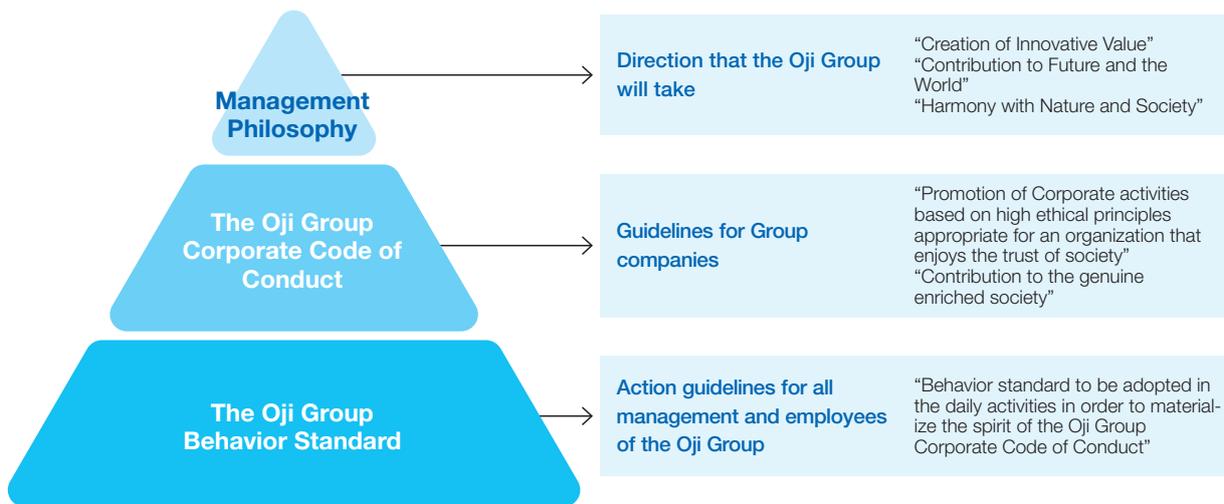
The Oji Group incorporated the principles on human rights, labor, the environment, and anticorruption of the United Nations Global Compact and established the Oji Group Corporate Code of Conduct and the Oji Group Behavior Standard, action guidelines for the Code, in 2004. They were revised in FY2020 to reflect the social environment including the SDGs and the Management Philosophy, to make them more in line with the demands of the times.

The Oji Group Corporate Code of Conduct is adopted as guiding principles for the Oji Group companies for conducting corporate activities based on awareness of our responsibilities as a corporate citizen in international society, and on high ethical principles appropriate for an organization that enjoys the trust of society. The Oji Group Behavior Standard is adopted toward the materialization of the spirit of the Oji Group Corporate Code of Conduct, as a standard to be followed in the daily activities of all management and employees as a member of international society.

The alteration or abolition of the Corporate Code of Conduct and the Behavior Standard requires a resolution by the Board of Directors. With the involvement of the Board, this Code of Conduct and the Behavior Standard have been established as the standard of activities performed by all officers and employees of the Oji Group. The Code of Conduct and the 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 → <https://www.ojiholdings.co.jp/english/group/policy/conduct.html>

The Oji Group Behavior Standard → https://www.ojiholdings.co.jp/english/group/policy/behavior_standard.html



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

We have prepared a booklet and distributed it to officers and employees to thoroughly disseminate the contents of the Oji Group Corporate Code of Conduct and the Oji Group Behavior Standard. In addition, with the revision in October 2020, we also prepared education and explanatory materials, and translated the education materials into 12 languages for overseas employees as a as starter, which we continue to translate into more languages as necessary. The translations of the education materials are distributed as part of the “Compliance News” periodically published by the Corporate Compliance Department for Japan and overseas and used at workplace compliance meetings at Group companies, in order to disseminate the Oji Group Corporate Code of Conduct and the Oji Group Behavior Standard and encourage employees to practice the Standard.

Compliance News in Languages Other Than Japanese

Chinese	Malay
English	Burmese
German	Nepali
Hindi	Portuguese
Indonesian	Thai
Korean	Vietnamese
Since May 2022	
Gujarati	Tamil
To be added in 2023	
Italian	

Compliance

Measures for Promoting Compliance

The Corporate Compliance Department of Oji Holdings draws up policies and measures for promoting business ethics and 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 business ethics and compliance awareness throughout the Group.

Activities for Raising Compliance Awareness

As part of daily compliance activities, compliance promotion leaders at respective workplaces and companies organize regular workplace compliance meetings to raise awareness among all employees. Many opportunities are provided by the Corporate Compliance Department 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 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 of the internal whistleblowing system.

- Participation in workplace compliance meetings at unit companies in Japan in the second half of FY2022: 97.2%

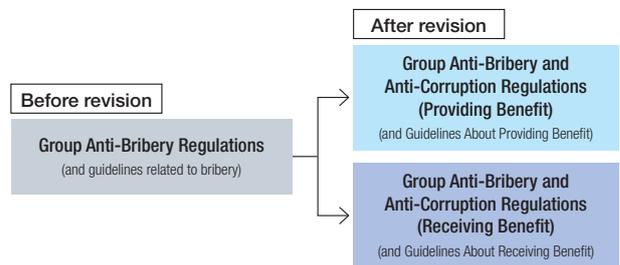
In April 2023, we provided senior management training to newly appointed officers (including corporate officers) of Oji Group companies. The video of the training program was made available on our portal site for officers already in office to view for a certain period of time to confirm their knowledge.



Senior management training

Anti-Corruption Initiatives

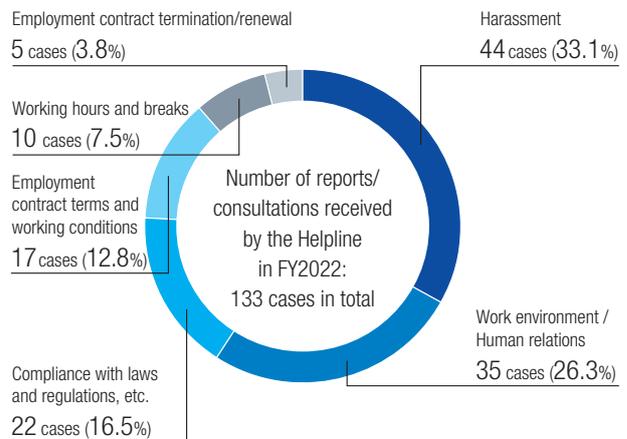
We established Group Anti-Bribery and Anti-Corruption Regulations and guidelines to ensure transparency of political contributions, prohibit illegal contributions or donations, and prohibit bribery and other corrupt acts and practices. In order to establish good, wholesome relationships with business partners, in April 2020, we established new rules and guidelines prohibiting in principle “receipt of benefits” which may raise suspicion of bribery in addition to preexisting rules.



Internal Whistleblowing System

The Oji Group has operated the Corporate Ethics Helpline (illustrated in the diagram on the right) since 2004 to provide all officers and employees (including part-time and short-term employees) the opportunity to consult and make reports with the aim of prevention or remediation through early discovery of violations of laws and regulations and misconduct, and has adapted its regulations to meet the amended Whistle-Blower Protection Act in June 2022. Whistleblowing desks are established both internally (in the Oji Holdings Corporate Compliance Department) and externally (a law firm), which receives reports via multiple channels including telephone, email, postal mail, and fax for the convenience of whistleblowers.

The breakdown of reports and consultations received by the internal and external whistleblowing desks of the Corporate Ethics Helpline in FY2022 is shown on the right. Reports or consultations concerning “harassment” and “work environment / human relations” accounted for the majority, including consultations on miscommunication with a supervisor or coworker in the workplace in daily work. Depending on the nature of the subject matter of report or consultation, basically the Corporate Compliance Department staff or the compliance promotion leader of the company investigates the matter carefully from a fair standpoint and take action to solve the problem and resolve concerns, including referring the matter to a lawyer or other third party.

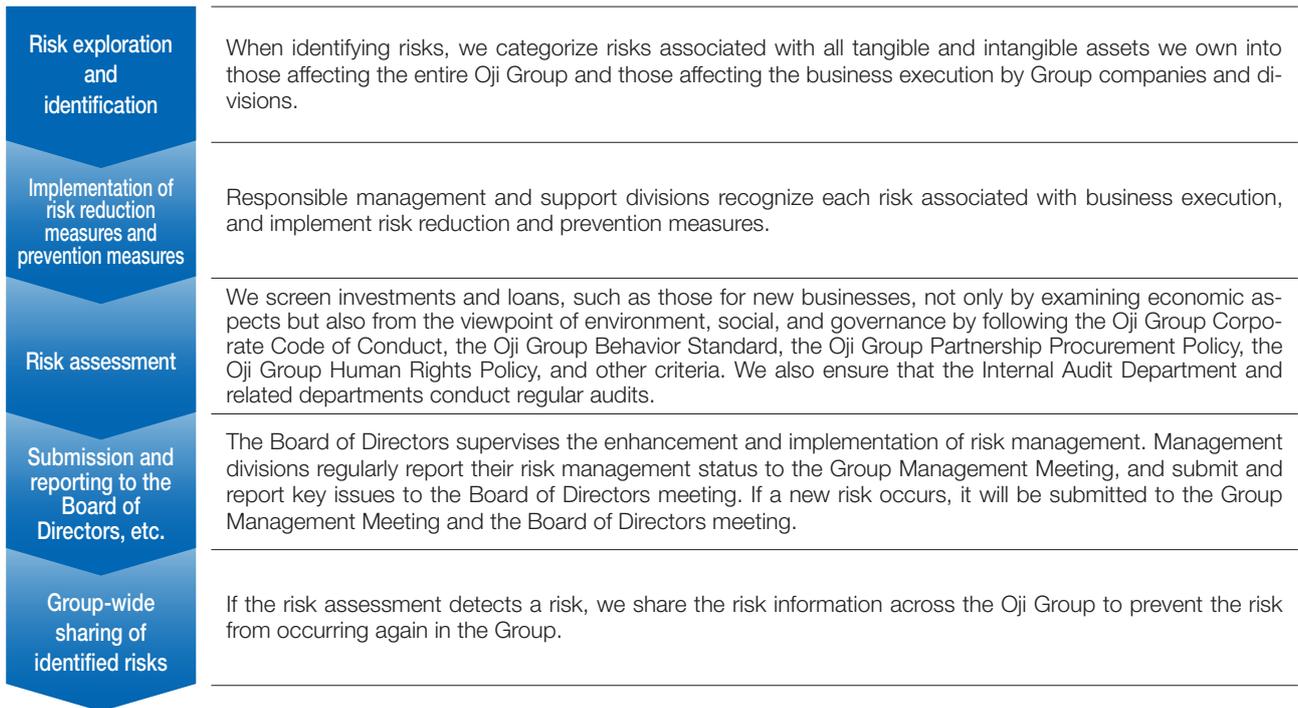


Risk Management

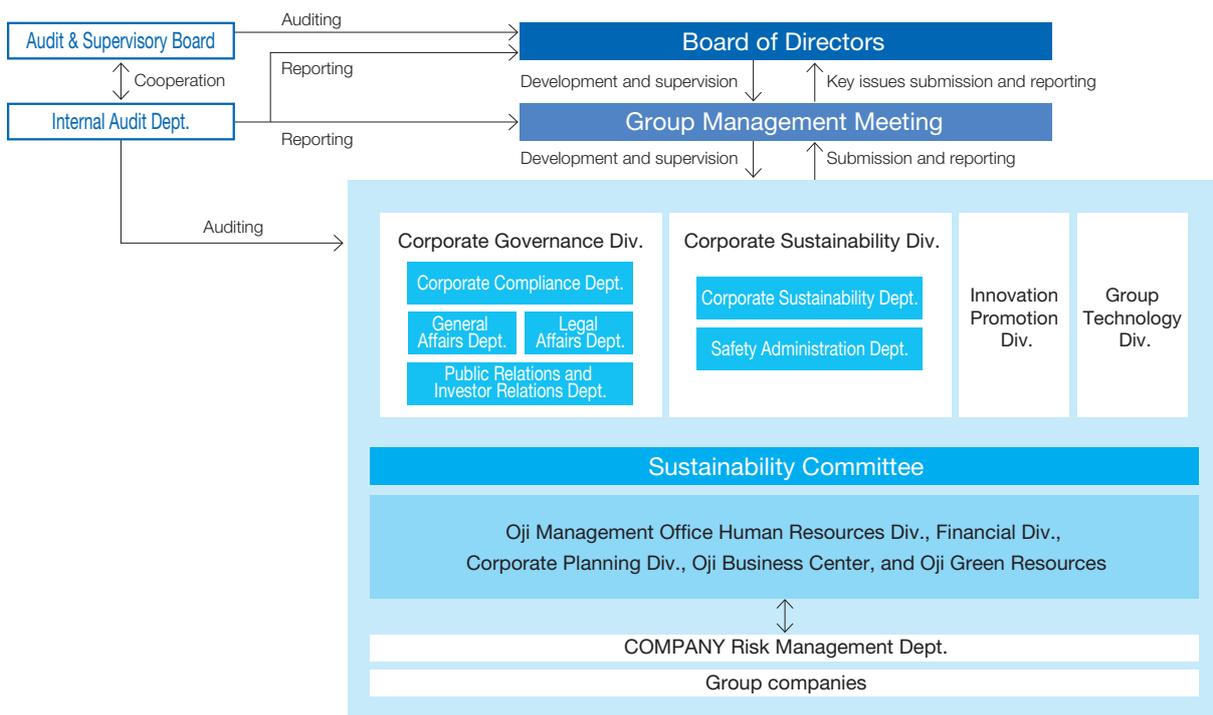
The Oji Group undertakes business activities with a strong sense of ethics set forth in the Oji Group Corporate Code of Conduct and implements appropriate risk management practices. In response to the rapid expansion of the areas where we operate businesses, we will reinforce our risk management structure globally to ensure business continuity and the steady development of our businesses.

Flow of Risk Management

Under the development and supervision by the Board of Directors, the Oji Group has established Group Risk Management Regulations and works to manage risks in the flow described below.



Risk Management Structure



Risk Management

We categorize major risks that may have a material effect on our financial position, etc. into three groups: risks of long-term issues, risks associated with our management strategies, and risks arising from execution of business, and take the following measures against them.

Countermeasures against Major Risks

Type of risk	Content of risk	Main countermeasures against risks
Risks of long-term issues		
Climate change 	<div style="border: 1px solid black; padding: 5px; display: inline-block;">The Task Force on Climate-related Financial Disclosures (TCFD), see P29-30</div>	
Pandemic 	Risk of health damage to employees or temporary suspension of operations being caused by the global spread of infection similar to COVID-19	<ul style="list-style-type: none"> ● We have the Group Risk Management Regulations in place, and 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 and check the damage suffered. ● We work to minimize the effect on our business activities by continuously reviewing a business continuity plan (BCP), and promoting digital transformation (DX) in manufacturing, marketing, administrative processing, and other activities.
Risks associated with our management strategies		
Structural changes in demand arising from development of innovation 	Risk of structural changes in demand arising primarily from changes in people's lifestyles and companies' efforts for digital transformation	<ul style="list-style-type: none"> ● Facing a shrinking market, we restructure domestic business production systems and pursue rationalization such as through business collaboration with other companies in our industry. We also strive to secure cash flow through thorough cost reduction and efficient CAPEX. We expand portfolio by investing the cash thus obtained in domestic businesses where growth in demand is expected, and overseas markets where economic development is expected, and allocating it for the development of new material products, etc. ● In order to enhance our medium- and long-term corporate value and achieve a sustainable development, we work to promote working style reforms and diversity to ensure active participation of various human resources.
Fluctuations in demand 	Risk of decline in demand for products arising from domestic business fluctuations and a continuing decline in population	<ul style="list-style-type: none"> ● We work to strengthen our business foundation that can tolerate market fluctuations through thorough cost reduction, etc. ● In the field of industrial materials, we work to differentiate us from other companies by promoting total packaging and strengthening product development capabilities with the integrated material and processing management, thereby curbing the effects on sales and securing cost competitiveness in case of any demand fluctuation. ● In other business fields, as well, we work on the development of new products such as paper products that support the shift to plastic-free materials and functional paper with new properties in order to improve profitability.
Fluctuations in global market conditions 	Risk associated with procurement prices of raw materials and fuels which are influenced mainly by fluctuations in demand, countries' changes to their trade policies, and wars Risk of sales prices of pulp being influenced by global market prices	<ul style="list-style-type: none"> ● We have established a department in charge of the Group-wide procurement strategy in order to monitor markets in relation to the procurement of raw materials and fuels and strive to maintain a variety of suppliers, and promote advantageous procurement. ● We have the Oji Group Partnership Procurement Policy in place and confirm with all of our suppliers on safety and legality of raw materials. We work to ensure stable procurement through more environmentally- and socially-friendly procurement practices and enhanced relationship with suppliers. ● In terms of procurement of recovered paper, we strive to maintain recovered paper recycling systems. We also strengthen coordination with relevant companies with the aim of ensuring stable recovered paper procurement.
Overseas business 	Risk of war, political or social instability, decelerating economic growth, revisions to laws, regulations, and tax systems, destabilizing financial conditions, human rights issues, etc. taking place in overseas markets where the Group operates	<ul style="list-style-type: none"> ● We have established regional headquarters that specializes in gathering information on the political, economic, and social conditions of neighboring countries to prepare for and respond to all relevant risks before they emerge. We also diversify risks by having operations in a wide range of countries. ● To reduce risks, we enhance our ability to collect information and reduce the amount of investments through joint ventures operated with local leading companies. ● With regard to human rights issues, we ensure that personnel are familiarized with the Oji Group Human Rights Policy we established, and implement initiatives aimed at ensuring respect for human rights.

Icons to the right represent material issues (for details, see P86).



Type of risk	Content of risk	Main countermeasures against risks
Risks arising from execution of business		
Occurrence of disasters, etc.  	Risk of production bases and supply chain in and outside Japan being affected by natural disaster Risk of fire, occupational accident, environmental accident and other unexpected circumstance occurring	<ul style="list-style-type: none"> ● We have formulated a business continuity plan (BCP) for a business interruption risk due to disasters, etc. and provide emergency education and conduct disaster drills on a regular basis. In addition, we have established the Group Disaster Control Office as a permanent organization, thereby establishing a system for obtaining the latest information promptly. We also share information about the causes of and measures against disasters across the Group, and work to minimize damage. ● With regard to environment, we have set voluntary management values that are stricter than the environmental regulatory standards for example, thereby striving to prevent environmental accidents. ● With regard to safety, we have developed safety measures and safety operation manuals for production facilities and ensure that personnel are familiarized with them. We have also built safety and health management structures and work to prevent occupational accidents.
Laws, regulations, and other rules  	Risk of not being able to comply with laws and regulations of various countries, and their revisions and amendments	<ul style="list-style-type: none"> ● We place adherence to compliance at the top of material management challenges in our business activities. We translated the Oji Group Corporate Code of Conduct and the Oji Group Behavior Standard into the respective languages of overseas where we operate to ensure that personnel not only in but also outside Japan are familiarized with and follow them. We also ensure that responsible divisions take initiative in providing training on relevant laws, regulations, and other rules to prevent violation of them.
Litigations and other actions  	Risk of being a party to litigations, disputes, or other legal proceedings in the course of business	<ul style="list-style-type: none"> ● With respect to litigations and other actions filed against us, we prevent a dispute from occurring by discussing with business partners and clarifying terms of contract. We also have in place a system to deal with any litigation and other actions filed against us in collaboration with law firms. ● If an event which may have a negative impact on reputation arises as a result of litigation and other actions, we promptly respond to the event, and publish appropriate information as necessary to maintain our reputation.
Product liability 	Risk of damages based on product liability being claimed	<ul style="list-style-type: none"> ● We provide safe and secure products by establishing the Group Quality Control Regulations, building a quality control system, and implementing quality design and manufacturing in compliance with relevant laws and regulations and in accordance with voluntary management values. ● We work to prevent risks associated with product liability from occurring by establishing the Group Product Safety Management Regulations, and ensuring the department in charge of overseeing quality management across the Group provide assistance in and conduct audit on the safety product management implemented by quality management divisions of Group companies.
Exchange rate fluctuations  	Risk of fluctuations in exchange rates in product sales, raw material purchases and other transactions using various currencies	<ul style="list-style-type: none"> ● We monitor currency movements and impact of them on our results from time to time, and hedge risks using derivatives such as exchange forward contracts, currency option trading and currency swaps transactions, as necessary. ● In Japan, we hedge a certain portion of exchange rate fluctuation risks by borrowing and lending operating receivables denominated in foreign currency and operating payables denominated in foreign currency within Group companies.
Information leakage 	Risk of confidential information being leaked due to willful conduct including external cyberattacks or negligence	<ul style="list-style-type: none"> ● In the Group Information System Usage and Risk Management Regulations, we clarify the risk management operation system and organization and their roles and comprehensively set out matters to be complied with by information system users, thereby managing risks across the Group. ● With stricter rules on the system usage applying to highly confidential information, we take measures to prevent unauthorized access, data theft, spoofing email, and the like.

Measures for Information Security

The Oji Group positions information obtained through its business activities as important assets. We have established a Group-wide information security promotion system to respond to the ever-sophisticating IT environment, and to prepare for cyber threats such as information leak, unauthorized access, and sophisticated ransomware as well as for natural disasters. Oji Business Center Co.,Ltd, as a department that oversees our information system risk management, inspects the information system risks across the Group, and maintains, manages and works to improve the Group's IT security. Within the Company, a dedicated team for cyber incident response has also been organized. Keeping abreast of the latest risk trends, it provides support in the event of an incident, plans and proposes organized response measures, conducts educational activities and provides information through internal newsletters, and conducts regular drills against targeted email attacks.

Recently, we are reviewing our regulations to respond to the increased use of cloud services, changes in work styles including the spread of remote work, and the amendment of the Act on the Protection of Personal Information. We will continue to work to ensure these measures are implemented and to strengthen our information security to counter increasingly sophisticated cybercrimes.

Information Security Structural Diagram



The Oji Group's BCP

At the Oji Group, we have formulated a BCP*1 for each COMPANY to respond to an emergency when a risk associated with business execution arises, which we review as necessary as part of our BCM*2.

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.

*1 BCP is an abbreviation for Business Continuity Plan, for emergencies such as disasters and pandemics.

*2 BCM is an abbreviation for Business Continuity Management, which means comprehensive and integrated management for business continuity including formulation of a business continuity plan and its continuous improvement, i.e., introduction, operation, and review.

<p>Building a Group disaster control system</p>	<p>We have established the Group Disaster Control Office as a permanent organization to prepare for disasters such as fire, earthquake, storm, and flood. We have formulated rules on the reporting of disaster and accident information, establishing a system enabling us to obtain the latest information promptly. We also share information on disasters that occurred within the Group promptly to work on recurrence prevention measures.</p>
<p>Enhancing disaster control measures</p>	<p>By holding a regular Disaster Prevention Committee and conducting a large-scale safety confirmation drill using a safety confirmation system and disaster prevention drill at each workplace, we work to raise employees' awareness of disaster prevention and strengthen disaster prevention measures.</p>

Independent Outside Directors' Roundtable Discussion Leveraging Non-financial Resources of High Quality to Achieve Medium- to Long-term Growth



Michihiro Nara

Michihiro Nara was appointed as a Director at Oji Holdings in June 2014. As an attorney-at-law, he has high-level expertise and experience in civil and commercial affairs. He is serving concurrently as an outside director at other companies as well.

Sachiko Ai

Sachiko Ai was appointed as a Director at Oji Holdings in June 2020. Having worked for many years at a major trust bank, her wide-ranging business experience also includes corporate sales and consulting as well as corporate planning and auditing.

Seiko Nagai

Seiko Nagai was appointed as a Director at Oji Holdings in June 2021. After working as a manager at a major airline company, she took up a university position. As a professor in a foreign language department, she is involved in education and research.

Hiromichi Ogawa

Hiromichi Ogawa was appointed as a Director at Oji Holdings in June 2022. He has abundant experience as a corporate manager in the retail industry and for a food company. Of particular note, his accomplishments include strengthening governance structures.

Evaluation of the First Year of the FY2022–2024 Medium-term Management Plan and Issues

A year of decisive selection and concentration (Nara)

Nara In FY2022, the first year of the Medium-term Management Plan, I believe that management decisions on selection and concentration were made more decisively than ever. I assess that proactive decisions have been made on practical investments toward the future. I believe that this has become an effective approach when we consider medium- to long-term growth.

Nagai I have the impression that forums such as the Management Meetings and the Board of Directors have been active in discussing whether the business should be divested or invested in, with proper decision-making indicators presented.

Ai Discussions were also held in fields close to the sales frontlines. In particular, due to the soaring fuel costs and logistic costs, I imagine that the sales divisions struggled with passing those cost increases onto our prices, but from its supervisory position, the Board of Directors discussed how sufficient sales volumes could be secured

and where to focus our targets from the perspective of process confirmation.

Ogawa After I was appointed as an Independent Outside Director in June of last year, my first project was the acquisition of Adampak Group, the high-performance label printing and converting business, which was the most pivotal matter of the whole year. The Group Management Meetings, advance briefings for the Outside Officers, and the Board of Directors gave me the impression that thorough discussions were taking place on the matter.

Nara In terms of selection and concentration, we can say that we are now properly verifying each decision after it has been made.

In that respect, there have been changes across the board in company-wide approaches to investment, in the methods for presenting proposals to the Board of Directors, and in the preparation of briefing materials that will form the premise of decisions. I am impressed that such a large company has been able to make such a major transformation in a few short years.

Ai I feel the same way. When we voice opinions in the Outside Officer briefings, those opinions will have been compiled and circulated among the other officers by the time of the Board of Directors meeting. The speed of this process has increased. I feel that the discussions in the briefings are now being reflected immediately in the

Independent Outside Directors' Roundtable Discussion

Board of Directors. I sense a keenness to incorporate opinions and make changes.

Ogawa In FY2022, while there were no avoiding impacts of external circumstances such as the supply chain disruptions, exchange rate fluctuations, and soaring fuel and raw materials prices, it was a year of working out how to minimize the impacts of those circumstances. In the monthly briefing materials for the Board of Directors, resources market prices and costs were presented, and price revisions and issues were properly explained, so I could see that the people on the frontlines made great efforts. Thanks to thorough self-help efforts, the efficiency of raw materials procurement, production, and sales has improved, so I believe we can expect to see the fruits of those efforts in 2023 and beyond.

Nagai In initiatives for environmental issues, which is one of the pillars of the Medium-term Management Plan, I commend the sustainability surveys of main suppliers that began in FY2020, the 100% traceability of suppliers under the Wood Raw Material Procurement Guidelines, and the improvements made in effective waste utilization ratios. In my conversations with internal officers and discussions in the Board of Directors and other meetings, I



have sensed the efforts being made to achieve company-wide unity of intentions toward green innovation, thanks to the establishment of the Purpose.

Nara In sustainability initiatives, Oji has created advantageous circumstances. Oji has declared “Harmony with Nature and Society” in its Management Philosophy. Oji makes more effective use of its large-scale forest resources, and , in the eyes of its stakeholders, it is now a company in harmony with society as this declaration suggests.

Ai Forest resources are not only resources for the promotion of sustainability. They are also being used in cellulose nanofibers, plastic-free products, and plastic-reduced products. I hope to see Oji actively promote its forest resources.

Effectiveness Evaluation of the Board of Directors and Issues

Evolve the Board of Directors from a forum for briefings to one for deeper discussions (Ogawa)

Nara Nine years have passed since I was first appointed as an Independent Outside Director. In these nine years, I feel that discussions in the Outside Officer briefings have become much more active. Matters discussed in those briefings are immediately compiled and shared with all officers, and also Chairman Kaku presents their contents to the Board of Directors.

President Isono also sets up opportunities for exchanges of views with the Outside Officers, and we have been able to exchange opinions about the Medium-term Management Plan. I see this as a major turnaround in the consciousness of the management team.

Ogawa In the year since I was appointed, I have the impression that the Company has been complete with a sense of history and reality in its design and operation of the various systems. We have briefings for Outside Officers, we are able to attend Group Management Meetings as observers, and we are given opportunities to tour frontline facilities both in Japan and overseas. In that respect, even amid the limited volume of information available, I have a strong sense of the Company's willingness to disclose information to us.

Ai If I were to point out one issue, I feel that there needs to be deeper discussions about larger topics from long-term perspectives, such as how to develop global human resources, and what should be done about the direction of governance in a group that includes more than 300 subsidiaries and affiliates, including overseas.



Nagai I feel the same way. I think that there are several different ways in which such discussions could be given more depth, such as narrowing down the topics discussed in the Board of Directors, cutting back on explanations to concentrate more on discussions, or setting up other opportunities such as offsite meetings.

Ogawa I feel the same way in respect of enhancing strategic discussions. The Board of Directors Rules have been revised in 2023, so I hope we can delve deeper into key proposals and deepen our strategic discussions.

One other important point is how to maintain a sense of speed in risk management. From the perspective of BCP as well, the question is how quickly risks such as changes in the business environment, labor safety management, and compliance can be detected and how swiftly we can respond to them. Company rules are in place, so I believe that there is a call on the Board of Directors for governance that ensures thorough penetration and implementation of those rules.

Human Capital Management

Shifting thinking from human costs to human capital (Nagai)

Ai Human capital management is attracting attention. The Company is making steady progress in such areas as human resources education, working style reforms, health and productivity management, and inclusion and diversity. On the other hand, it needs to keep evolving, without standing still in its current state. For example, Oji has a target of raising the percentage of female managers to 5.5% by the end of March 2025, but how will this be addressed across the entire company? Also, when viewed globally, what shape the management structure of employees of nationalities other than Japanese, who make up about 5.0% of the Group's workforce, should be is also a key issue from the perspective of inclusion and diversity.

Nara We may talk simply about human capital management, but what is needed, I believe, is a change in awareness at the top management level from the perspective of how to view our human resources as capital and make best use of them. It is not the same as investment in goods and money.

Nagai The weak concept of "human capital" is an issue faced by many companies in Japan. Quite the opposite, human resources have been viewed as "human costs." To secure human resources amid a declining birth rate, the concept of investing in people will be essential.

Ogawa Personnel is the very meaning of management strategy. The ideal is the deployment of human resources to suit the Company's strategies. To expand our global strategy, we need to develop Japanese human resources who are capable of managing overseas businesses, and I also think it will be important to develop and promote local managers at our overseas sites.

Nagai Last year, for the first time, an initiative was conducted in which individual employees could apply for transfers of their own volition. I heard that the number of applicants was greater than envisaged. This means that the awareness of individual employees has been changing significantly even before any change in the Company's awareness. Policies that allow individuals to think for themselves and be proactive are extremely important as a way of demonstrating to everyone in the Company that Oji is not afraid of change.

Ai It is also a good trend from the perspective of well-being. From the viewpoint of innovation as well, having many people who act with initiative will mean a greater abundance of ideas.

Independent Outside Directors' Roundtable Discussion



employees but also our stakeholders, I believe that the Group will move forward in one direction.

Ai The Oji Group marked the 150th anniversary of its foundation this year. It will now take on the challenge of its next 150 years. As stated in our Purpose, we will continue in our challenge of bringing this world a brighter future filled with hope. While we are in times of an unpredictable future, we will seek to go “Beyond the Boundaries.”

Ogawa The high quality of its non-financial information will also become an engine for the growth of the Oji Group.

Further, it is demonstrating its comprehensive capabilities while maintaining a good balance between offense and defense toward the achievement of the Long-term Vision. Because the Oji Group has such a wide range of businesses, it has established ample defensive structures against risks. On the other hand, it is also taking offensive moves toward product development in new areas and toward sustainability. I believe that this corporate culture of controlling the balance between offense and defense is what will lead to its next evolution.

Messages for Stakeholders

Take challenges that lead us “Beyond the Boundaries” (Ai)

Nara We are now in an era that has moved from shareholder capitalism to stakeholder capitalism. Through its corporate activities, the Oji Group will contribute to shareholders, business partners, employees, and beyond to the global environment. To that end, we will need to place efforts into research and development, including new businesses. For that reason as well, I would like to ask that our stakeholders watch over our growth with a long-term view.

Nagai Two years have passed since I was appointed as an Independent Outside Director. In that time, seeing the Group's business sites in Japan and overseas, one thing that I have realized is that the people working there have a strong spirit that they are working for a company that grows forests and utilizes forests. If we can share that recognition that the Oji Group is a company that grows forests and utilizes forests together with not only our em-



Message from an Independent Outside Audit & Supervisory Board Member



Audit & Supervisory Board Members as Monitors and Preventers of Risks

Independent Outside Audit & Supervisory Board Member
Noriko Sekiguchi

Auditing Required for Global Business Expansion

The Oji Group is a global corporation that provides products to countries and regions all over the world under the Management Philosophy of “Contribution to the Future and the World.” Having declared the “expansion and enhancement of overseas businesses” in the Long-term Vision, the Group is eyeing challenges in new areas and the acquisition of overseas businesses. This includes increasing sales through strategic investments and M&As, with a 2030 target of net sales of over 2.5 trillion yen. In the governance of the overseas businesses development, the Group will need to consider the risks unique to new businesses, as well as the risks of not being able to fully grasp the actual businesses situation due to physical distance from Japan and differences in business customs, laws and regulations, and culture. While doing so, it will need to continue with personnel exchanges and monitoring based on the assumption of these risks. Prompt and appropriate decision making in the management of overseas business companies should be afforded maximum respect, but on the other hand, in terms of Group governance, we need to consider achieving greater transparency of the decision-making process and strengthening the second line at each COMPANY in tandem. In recent years, temporary restrictions on personnel exchanges due to the global spread of COVID-19 have made monitoring from Japan more difficult. Regarding auditing by the Audit & Supervisory Board Members, in addition to the auditing of business execution at each individual COMPANY through monitoring, we have returned to conventional on-site audits in FY2023. I believe that the essence of auditing is “to see the real place, the real data, and the real products, and to listen to people’s voices” from two perspectives: the auditing of the overseas business companies themselves and auditing of the overseas businesses by each COMPANY from management and administrative angles. Taking into account the temporary monitoring difficulties due to travel restrictions, I believe that we need to reaffirm the proper development and operation of internal controls through collaboration with the Internal Audit Department.

With an eye on future expansion of overseas businesses, I would like to make recommendations for audit systems that are more suited to the Oji Group, while strengthening coordination among the three types of audits: audits by the accounting auditor, the Internal Audit Department, and the Audit & Supervisory Board Members.

Auditing of Safety, Environment, and Compliance

The Oji Group has developed structures for the management of occupational safety, and, in addition to clarifying the responsibility framework, it is managing and implementing the Group Safety and Health Management Rules properly. In terms of awareness raising initiatives, the Oji Group conducts activities to raise awareness of safety, environment, and compliance by publishing Compliance News, which is rich in creative ingenuity, in multiple languages and disseminating it to all employees of the Group.

In the audits by the Audit & Supervisory Board Members as well, in addition to on-site visits, we check the development status of the structures for safety and health management and environmental management. Looking at the occupational accident reports, however, I sense that a disregard for the rules, such as failure to wear safety belts in places where they are compulsory, may be leading to accidents. Occupational safety is at the core of corporate activities and is a top priority. The horizontal sharing of recurrence prevention measures across the Oji Group is being done with a sense of speed, but from the perspective of day-to-day safety measures, I would like to see the incorporation of superior systems, such as accident prevention systems that use digital technology. I also hope that upper management at the manufacturing sites will adopt a greater intensity and attentiveness in calling more strongly for compliance with basic rules.

My Hopes for the Oji Group and My Mission as an Audit & Supervisory Board Member

As Key Audit Matters (KAMs) in the FY2022 consolidated financial statements of Oji Holdings, the accounting auditor listed the reasonableness of the estimates related to impairment loss tests of non-current assets in the household base paper business of Jiangsu Oji Paper and the accounting impacts of the cyclone at Pan Pac, and listed the valuation of stocks of subsidiaries and affiliates as a KAM in the non-consolidated financial statements. The listing of KAMs in the Audit Report will deepen the understanding of us, the Audit & Supervisory Board Members, of the audits conducted by the accounting auditor and enhance our discussions with the accounting auditor and executive management. I believe that this will lead to the strengthening of corporate governance.

The Oji Group celebrated its 150th anniversary in 2023. I believe that the corporate value of the Oji Group lies in the trust of its stakeholders, which is earned not only by its contributions to people’s lives through its products, but also by realizing a sustainable society through the circulation of its forest resources. Currently, among the matters presented to the Board of Directors, in addition to financial information such as investment effectiveness, we also have proper discussions about non-financial information, such as environmental matters. Reflecting the fact that the spirit of “Harmony with Nature and Society” that has been nurtured across the different eras is the foundation of the Oji Group’s business, I will fulfill my mission as an Independent Outside Audit & Supervisory Board Member so that it may continue to be a company that is trusted by its stakeholders.

Sustainable Business Model

Sustainable Business Model “Resource Circulation throughout the Value Chain”

Paper manufacturing, which is the foundation of the Oji Group, is supported by three types of recycling: “forest recycling” to practice sustainable forest management, “water recycling” to tackle the reduction of water intake and purification of wastewater and “paper recycling” to recycle recovered paper. We are working to deploy this sustainable business model globally and enable our businesses to contribute to building a sustainable society.



Under the concept of “those who use trees have the responsibility to plant trees,” we are working on sustainable forest management by planting, cultivating, and utilizing trees and planting them again while giving due consideration to the local ecosystem in Japan and overseas to create abundant forests.

Paper and pulp manufacturing requires a large amount of water. We reduce water intake by treating used water and reusing it in the manufacturing process. We also work on purification of wastewater and reduction of environment impact.

Manufacturing

Paper, paperboard,
new materials

Sales

(Consumption)



Environmental Vision 2050

Net-zero carbon

Harmony with nature and society

About 60% of the raw material of the paper is recovered paper and about 40% is wood. We are working on the promotion of use of recovered paper by collecting and utilizing various types of recovered paper while maintaining its recycling system.

Development of new materials derived from wood

Cellulose

Hemicellulose

Various wood-derived materials

- Wood-derived biomass plastics
- Cellulose nanofiber (CNF)
- Sulfated hemicellulose, etc.

Aiming for Further Development of the Sustainable Business Model

Toward 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. We 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 wood-derived biomass plastics, promising replacements for petroleum-derived plastics, cellulose nanofiber (CNF), and wood-derived pharmaceutical products.

Core Competencies and Material Issues

Core Competencies

The Oji Group possesses Oji Forests spanning 603,000 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. With these forest resources as our core competencies, we will aim to develop business and contribute to realizing a sustainable society.

Sustainable Forest Management

Giving due consideration to environmental conservation, the Group possesses production forests primarily for producing wood spanning a total of 455,000 ha, with 176,000 ha domestically and 279,000 ha overseas, as well as conservation forests spanning 148,000 ha, with 12,000 ha domestically and 136,000 ha overseas. Implementing sustainable forest management, which is environmentally, socially, and economically conscious, is ingrained in our businesses.

Utilization of Renewable Resources

We promote recovered paper recycling. The recovered paper makes up about 60% 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 in a sophisticated manner.

Development of New Materials Derived from Wood

Aiming to create new value, we are developing new materials, including cellulose nanofiber (CNF), a promising material for numerous fields; wood-derived biomass plastics; and wood-derived pharmaceutical products using hemicellulose.

Application of Fundamental Paper Manufacturing Technologies

Utilizing the fundamental technologies we have cultivated in our paper manufacturing business, we aim to expand our businesses in various fields which will help reduce our environmental impact. This includes developing our renewable energy business with a focus on hydroelectric power generation and wood biomass power generation, industrial water production, and industrial wastewater treatment businesses.

Global Network and Sales

We are proactively developing our businesses on a global level, including our packaging business, which engages in the integrated manufacturing of folding cartons and 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.

Material Issues

The Oji Group has continuously been working on enhancing corporate value in the medium- and long-term by accurately responding to ever-changing social trends and addressing the needs of customers and society. To develop the sustainable business model that forms the basis of these efforts, material issues were identified in the following processes in 2019.

Furthermore, in response to the increasing demand for disclosure of non-financial information and developments in the internal situation such as the formulation of Purpose, Long-term Vision, and Medium-term Management Plan, we reviewed our material issues in 2023 to identify new definitions and components, and revised KPIs for human capital enhancement.

Process for Identifying Material Issues

Step 1 Identification of core competencies	We identified five core competencies to support our business development centered on forest resources.
Step 2 Extraction of possible issues	We extracted issues comprehensively from SDGs, global risks, the assessment made by ESG assessment organizations, important matters recognized by the Group, our goals and dialogue with stakeholders.
Step 3 Assessment and analysis	We assessed each issue based on both social importance and business importance. The issues were narrowed down and sorted out in reference to opinions from external organizations.
Step 4 Validity assessment and approval	We verified the validity of the identified material issues and obtained approval at the Management Meeting. The necessity of reviewing material issues is discussed at the Sustainability Committee every year as we need to consider such issues as changes in the social environment and newly emerged issues.

Material Issues and Definitions

Category	Material Issues	Definitions
E Environmental	 Mitigation and adaptation to climate change	Contribute to mitigation of climate change by reducing GHG emissions throughout the supply chain and promoting CO ₂ absorption and fixation by forests.
	 Sustainable forest management and biodiversity conservation	In the forests we own and manage, practice sustainable forest management in harmony with the environment and local communities, utilize forest resources, and achieve the multi-functionality of forests, including biodiversity conservation.
	 circular use of resources	To prevent resource depletion, promote the effective use of paper and water, which we view as valuable reusable resources.
	 Reduction of environmental burdens	Promote waste reduction and purification of wastewater and exhaust gases in the manufacturing process to minimize environmental impact on surrounding areas.
S Social	 Respect for human rights	Do not tolerate human rights violations in any of our business activities.
	 Enhancing human capital	Secure and foster diverse human resources (human capital) necessary for sustainable growth. Establish an environment in which every employee can fully demonstrate their potential and work comfortably.
	 Ensuring workplace safety and health	Ensure the safety and health of all employees and relevant persons.
G Governance	 Responsible raw materials procurement	In the supply chain for procurement of all raw materials, pay close attention to environmental and social issues, including human rights, and address them responsibly.
	 Supply of safe and secure products	Supply safe and secure products worldwide.

Material Issues and KPI

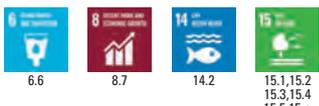
Category	Material issues	Components	Key performance indicators (KPIs) (Unless otherwise specified, for FY2030)	Current value*1
E Environmental	 Mitigation and adaptation to climate change	<ul style="list-style-type: none"> Reduce GHG emissions (Scope 1, Scope 2) Absorb and fix CO₂ by forests Reduce GHG emissions through collaboration with suppliers (Scope 3, etc.) Increase the usage of renewable energy Improve energy efficiency 	<ul style="list-style-type: none"> Reduce GHG emissions by at least 70% compared to FY2018 (Scope 1, Scope 2) GHG emissions reduction : 20% Net increment in carbon stocks by forests : 50% 	<ul style="list-style-type: none"> 16.5% reduction 4.7% 11.8%
			<ul style="list-style-type: none"> The actual carbon stocks in living biomass^{*2} expanded to at least 170,000 kt-CO₂ (calculated value) 	<ul style="list-style-type: none"> 122,450 kt-CO₂
			<ul style="list-style-type: none"> Renewable energy usage rate of at least 60% through reduction of coal consumption 	<ul style="list-style-type: none"> 54.7%
			<ul style="list-style-type: none"> Improve energy consumption intensity by at least 1% per year for the 5-year average 	<ul style="list-style-type: none"> 3.8% reduction (from FY2018 to FY2022)
	 Sustainable forest management and biodiversity conservation	<ul style="list-style-type: none"> Properly manage and conserve forests Utilize forest resources Promote conservation of biodiversity and ecosystem Build relationships with local communities 	<ul style="list-style-type: none"> Increase the rate of overseas forest certification acquisition^{*3} (maintain the domestic rate at 100%) 	<ul style="list-style-type: none"> Japan 100%, Overseas 94%
			<ul style="list-style-type: none"> Expand overseas forest plantations to 400,000 ha 	<ul style="list-style-type: none"> 279,000 ha (Conservation forests 136,000 ha)
	 circular use of resources	<ul style="list-style-type: none"> Promote utilization of recovered paper Reduce water risks (promote water recycling, etc.) 	<ul style="list-style-type: none"> Recovered paper utilization ratio^{*4} (Japan) : At least 70% 	<ul style="list-style-type: none"> 68.0%
			<ul style="list-style-type: none"> Reduction of water intake intensity by at least 6% compared to FY2018 	<ul style="list-style-type: none"> 12.9% reduction
 Reduction of environmental burdens	<ul style="list-style-type: none"> Effective waste utilization Purify wastewater Purify exhaust gases 	<ul style="list-style-type: none"> Improve effective waste utilization ratios^{*5} Japan at least 99%, Overseas at least 95% 	<ul style="list-style-type: none"> Japan 99.4%, Overseas 83.4% 	
		<ul style="list-style-type: none"> Reduce emission intensity for substances of environmental concern in wastewater by 15% from FY2018 	<ul style="list-style-type: none"> BOD: 35.1% reduction, COD : 10.0% reduction, SS: 24.0% reduction 	
		<ul style="list-style-type: none"> Reduce SOx emissions intensity in exhaust gases by 15% from FY2018 	<ul style="list-style-type: none"> 15.4% reduction 	
S Social	 Respect for human rights	<ul style="list-style-type: none"> Consider human rights in all business activities Consider human rights in the workplace 	<ul style="list-style-type: none"> Percentage of target people who get education and training in human rights : 100% 	<ul style="list-style-type: none"> 95.6% (2,566 participants from January to July 2023)
			 Enhancing human capital	<ul style="list-style-type: none"> Improve work-life management Enhance employees' skills Inclusion & diversity Foster greater compliance awareness
	<ul style="list-style-type: none"> Percentage of male employees taking childcare leave, etc.: 100% (16 companies in Japan^{*6}) 	<ul style="list-style-type: none"> 98.8% 		
	<ul style="list-style-type: none"> Percentage of female managers: at least 5.5% (16companies in Japan^{*6}; at the end of March 2025) 	<ul style="list-style-type: none"> 3.6% 		
	<ul style="list-style-type: none"> Percentage of female new graduates hired for generalist-track positions^{*7}: at least 30% 	<ul style="list-style-type: none"> 37.7% (Joined the company on April 1, 2023) 		
	 Ensuring workplace safety and health	<ul style="list-style-type: none"> Promote well-being of employees Prevent occupational accidents 	<ul style="list-style-type: none"> Achieve zero fatal and serious work-related accidents^{*8} (each fiscal year) 	<ul style="list-style-type: none"> Three accidents (from January 1 to December 31, 2022)
<ul style="list-style-type: none"> Lost time injury frequency rate^{*6}: 50% reduction compared to FY2018 (0.89) 			<ul style="list-style-type: none"> 1.11 (from January 1 to December 31, 2022) 	
G Governance	 Responsible raw materials procurement	<ul style="list-style-type: none"> Environmental consideration in the supply chain Human rights consideration in the supply chain Compliance with laws and social standards and fair trade 	<ul style="list-style-type: none"> Conduct sustainability surveys on all main suppliers^{*9} 	<ul style="list-style-type: none"> 100% (Survey period : FY2020-FY2022. Follow-up surveys to be conducted later.)
			<ul style="list-style-type: none"> Achieve full traceability based on the Wood Raw Material Procurement Guidelines 	<ul style="list-style-type: none"> 100%
G Governance	 Supply of safe and secure products	<ul style="list-style-type: none"> Stably supply products Ensure product quality 	<ul style="list-style-type: none"> Zero product liability accidents (each fiscal year) 	<ul style="list-style-type: none"> Zero accidents

*1 Aggregation period : Unless otherwise specified, from April 2022 to March 2023 or as of March 31, 2023. Boundary of data aggregation: Unless otherwise specified, Japanese and overseas consolidated companies

*2 The actual carbon stocks in living biomass (CO₂ tons)

Production forest : Actual merchantable volume at the end of each fiscal year x Biomass expansion coefficient x (1 + underground / above-ground ratio) x Wood density x Carbon ratio x CO₂ conversion coefficient
 Conservation forest : Remaining area at the end of each fiscal year x above-ground biomass of natural forest x (1 + underground / above-ground ratio) x carbon ratio x CO₂ conversion coefficient

*3 Forest certification acquisition rate : [Overseas] Area ratio in company-owned production forests, [Japan] Area ratio in company-owned forests excluding shared forests

	Major initiatives	Value provided to society	Corresponding SDGs	Reference
	<ul style="list-style-type: none"> Reduce GHG emissions through improving production efficiency, saving energy, and utilizing renewable fuel and waste fuel Absorb and fix CO₂ through sustainable forest management Expanded use of non-fossil fuels and biomass fuels as alternatives to fossil fuel Develop biomass power generation business Develop eco-friendly products 	<ul style="list-style-type: none"> Mitigation of climate change Increase in the usage of renewable energy Improve in energy efficiency Enhancement of eco-friendly technologies 		P25-30
	<ul style="list-style-type: none"> Forest management based on the "Sustainable Forest Management Policy" Maintain and expand the multi-functions of forests Sustainable forest management such as promotion of forest plantation and conservation of company-owned forests 	<ul style="list-style-type: none"> Conservation of biodiversity and ecosystem Job creation Employment, education, and medical support 		P31-34
	<ul style="list-style-type: none"> Paper recycling (improve the recovered paper utilization ratio) Reduce water intake and improve water recycling Expand the water treatment business overseas 	<ul style="list-style-type: none"> Mitigation of climate change Reduction of waste Contribution to the solution of the water shortage issue Safe water supply 		P89-92
	<ul style="list-style-type: none"> Reduce and effectively use waste Develop eco-friendly products and biodegradable materials Set voluntary management values that are stricter than the environmental regulatory standards Purify wastewater and save emissions of chemical substances in exhaust gases 	<ul style="list-style-type: none"> Safety and health Reduction of air and water pollution 		P89
	<ul style="list-style-type: none"> Formulate and implement the Oji Group Corporate Code of Conduct, the Oji Group Behavior Standard, and the Oji Group Human Rights Policy Perform internal audits and implement the whistleblowing system Raise awareness of compliance and human rights through in-house training Assess risks associated with suppliers' respect for human rights Implement human rights due diligence 	<ul style="list-style-type: none"> Respect for human rights 		P93-94
	<ul style="list-style-type: none"> Implement human resource strategies and develop human resources Promote working style reforms Promote diversity 	<ul style="list-style-type: none"> Active participation of diverse human resources Realization of innovation Improvement in productivity 		P95-98
	<ul style="list-style-type: none"> Establish safety and health management structures and promote activities aimed for safety and health Thoroughly ensure safety in the handling of machines and equipment and in other operations Promote safety education (introduce VR risk experience education, etc.) Promote physical and mental well-being of employees Create comfortable work environments Respond to infectious diseases including COVID-19 	<ul style="list-style-type: none"> Safety and health 		P99-100
	<ul style="list-style-type: none"> Promote CSR procurement, taking into consideration the environment and society following the Oji Group Partnership Procurement Policy and the Wood Raw Material Procurement Guidelines 	<ul style="list-style-type: none"> Forms of responsible production and consumption Protection of the rights of workers and reduction of environmental impact throughout the entire supply chain 		P101-102
	<ul style="list-style-type: none"> Stably supply own products Ensure safe quality design and management in compliance with relevant laws and regulations and stricter voluntary management values Provide customers with information on safety of raw materials (chemicals, materials) Supply of FSC™ certified products (FSC™ C014119, etc.) 	<ul style="list-style-type: none"> Supply of safe and secure products Reduction of environmental burdens Dissemination of eco-friendly technologies to developing countries 		P102

*4 Recovered paper utilization ratio = Volume of recovered paper consumed ÷ Total volume of fiber raw materials consumed (total consumption of recovered paper, wood pulp, and other fiber raw materials)

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

*6 For the calculation method, see P111.

*7 Percentage of female new graduates hired for generalist-track positions: Hired by Oji Management Office Inc. (excluding sports recruits)

*8 Serious accidents : The Oji Group considers accidents of Class 3 or higher as per the Appended Table of the Enforcement Regulation of the Workers' Accident Compensation Insurance Act to be serious accidents.

*9 Suppliers in top 75% of transaction amount

Circular Use of Resources (Water)

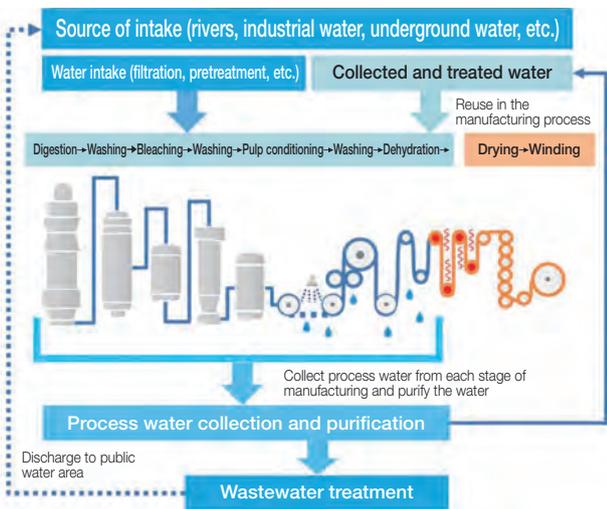
Basic Approach

The Household and Industrial Materials Businesses, Forest Resources and Environment Marketing Business, and Printing and Communications Media Business, which are core businesses of the Oji Group, use a huge amount of water. Their water intake accounts for 94% of that of the entire Group. We reduce water intake by reusing water and using it in multiple stages in the mills as limited resources. In addition, used water is treated through multi-stage purification to return as much water as possible to water areas.

Water Intake Reduction

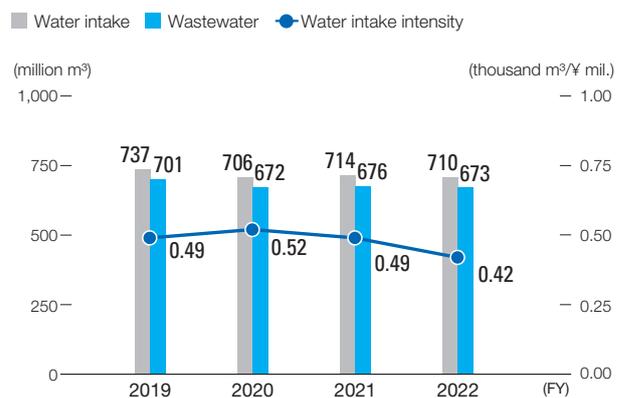
The paper mills take water from rivers, etc. while reusing water used in the processes by purifying water and returning it to previous processes to reduce water intake and use water resources effectively (see diagram below).

The Oji Group's total water intake for FY2022 stood at 710 million m³, total water drainage at 673 million m³, and water consumption at 37 million m³.



To achieve the target for the reduction of water intake intensity, Oji Paper, Oji Materia, Oji F-TEX, and Oji Nepia, whose water intake accounts for approximately 80% of that of the entire Group, have formulated specific reduction plans for 2030 and are working on the reduction. The Sustainability Committee receives quarterly reports from each company on actual reductions and makes yearly reports to Directors.

Water Intake*, Wastewater*, and Water Intake Intensity



* A star mark indicates that FY2022 figures have been assured by KPMG AZSA Sustainability Co., Ltd.

Purification of Wastewater

At mills, we manage wastewater quality with voluntary management values that are stricter than the regulatory values. We are working to purify the wastewater. For example, COD emissions for substances of environmental concern* in wastewater have been reduced by at least 48% compared to the emissions in keeping with the regulatory values to purify the wastewater.

*BOD (Biochemical oxygen demand)

The amount of oxygen consumed when organic matter is broken down by aerobic microorganisms. The most widely used indicator of pollution. When BOD is high, foul odors, etc. begin to be produced.

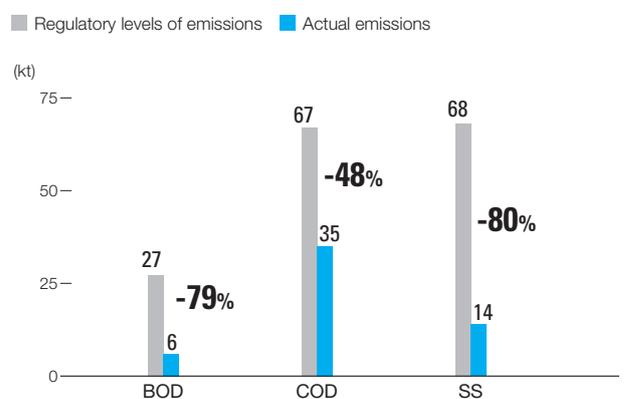
COD (Chemical oxygen demand)

The amount of oxygen required as calculated from the amount of oxidant that is consumed when organic matter is oxidized.

SS (Suspended solids)

Particulates suspended in water

Release of Substances of Environmental Concern in FY2022 (Wastewater)



Initiatives for Water Risks

The depletion of water resources and damage from floods that have been caused by climate change in recent years pose significant risks not only to the continuity of businesses but also to industries and people's health in the community where businesses are developed. The Oji Group strives to identify water risks in businesses based on the assessment made by the World Resources Institute (WRI), a global environmental research organization.

The analysis of water risk assessment of all 290 business sites based on the WRI's water risk assessment tool AQUEDUCT (3.0) showed that there were 14 sites that were located at areas with high water risk (High and Extremely high).

Water intake at the 14 sites accounted for less than 1% and their production accounted for about 2% of the total. This indicates that water risk in the entire business is deemed low. In 2022, assessments of the status of water shortage and flood occurrence were also carried out at those sites (India, Thailand, China, etc.). None of the sites had visible issues in production or operation, and no materialized water risks were found.

Water Risk Assessment*

Water risk	FY2022				
	Number of business sites	Water intake (thousand m ³)		Production (kilo ton)	
Low (<10%) or No data	74	277,907	39%	6,737	45%
Low to medium (10–20%)	109	306,501	43%	5,179	35%
Medium to high (20–40%)	93	123,865	17%	2,801	19%
High (40–80%)	7	1,520	0%	136	1%
Extremely high (>80%)	7	173	0%	144	1%
Total	290	709,966	100%	14,997	100%

*5-level assessment of AQUEDUCT (3.0), the WRI's water risk assessment tool. It shows the degree of potential competition among other users in water use. The higher the value, the more competitive and riskier. ➔ <https://www.wri.org/aqueduct>

Topics River Basin Management by CENIBRA, Brazil

CENIBRA is engaged in a eucalyptus plantation and pulp business by extracting water from the Doce River basin in the Minas Gerais state, Brazil. In recent years, the surrounding areas have been experiencing years of low rainfall, and the drought crisis has become a concern for the entire region.

Installation of water reservoirs in forests

From 2018 to 2020, the company installed 51 reservoirs in its forests. These reservoirs will be able to store more than 1 million m³ of water, and the water stored during the rainy season will slowly percolate underground, thereby recharging water sources. The locations of these reservoirs have been selected so that residents can also use them, thus ensuring harmony with the local community in the use of water resources.



Water reservoir constructed in CENIBRA's own forest

Subsoiling

In recent years, CENIBRA has been plowing into the soil that has been compacted by heavy machinery in its forests prior to planting to promote the regular infiltration of rainwater into the soil and to improve the growth of plantation trees. Currently, we are further disseminating this technology and knowledge to farmers, especially in areas where livestock are raised, to help restore groundwater recharge functions in grazing lands and improve water quality by reducing soil erosion.



Subsoiling (shown magnified in the circle)

Installation of septic tanks on the land of watershed farmers

The company donated 100 septic tanks in 2020 to improve the water quality of rivers in the project area and public health indicators throughout the neighborhood. These septic tanks are used to treat domestic wastewater by farmers, including cooperating businesses in the company's Forestry Promotion Program.



Septic tanks donated to third parties

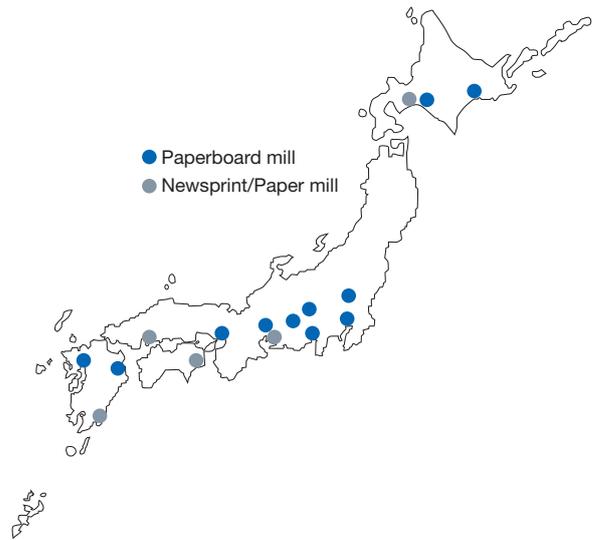
Circular Use of Resources (Recovered Paper)

Basic Approach

In Japan, around 60% of the raw materials for paper production comes from recovered paper. The recovered paper from households is mainly collected through “community collection” and “administrative collection by local authorities” and utilized for the paper production at the paper mills. Recently, the idea of sustainable paper recycling is becoming more important under the circumstance of growing demand for paper as an alternative material for de-plasticization. The Oji Group produces newsprint, printing paper, and paperboard that contain recovered paper in mills across Japan. Recovered paper collected locally is utilized in mills belonging to the Oji Group, mainly in mills located near the source of material, and contributes to keeping a healthy recovered paper recycling system. For further improvement our recovered paper utilization ratio, the Oji Group challenges to utilize various types of recovered paper and contributes to domestic circular use of resources in Japan.



Mills Using Recovered Paper



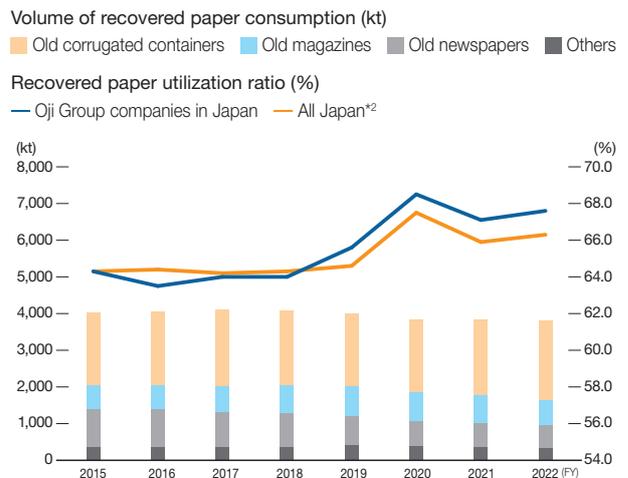
Present State and Activities in Japan

Current Recovered Paper Utilization Ratio

The Oji Group consumes 3.81 million tons of recovered paper for its production annually. This is equivalent to 24% of 15.70 million tons of the total recovered paper consumed in Japan. The breakdown of recovered paper use is as follows: 57% old corrugated containers, 18% old magazines, and 16% old newspaper. The recovered paper utilization ratio*1 continues to increase year on year as the use of recovered paper expands. In recent years, The decline in printing paper production has been greater than the increase of paperboard, whose recovered paper utilization ratio is higher, and changes in the paper product variety composition have pushed up the overall recovered paper utilization ratio. While the ratio was 67.1% in FY2021, it rose to 67.6% in FY2022 due to a decrease in printing paper production and an increase in paperboard production.

The Oji Group has maintained a high recovered paper utilization ratio by continuously working on the recycling of various types of recovered paper. Since FY2021, we have been working to further expansion the use of recovered paper with the aim of achieving a recovered paper utilization ratio of 70% or more (in Japan) under the Environmental Action Program 2030.

Trend in the volume of Recovered Paper Consumption and Recovered Paper Utilization Ratio*1



*2 Source for all Japan: Paper Recycling Promotion Center

*1 Recovered paper utilization ratio = Volume of recovered paper consumed ÷ Total volume of fiber raw materials consumed (total consumption of recovered paper, wood pulp, and others)

Initiatives for the Expanded Use of Recovered Paper

The Oji Group is involved in recycling confidential documents that were previously often incinerated and difficult-to-process recovered paper that were unsuitable for paper recycling. Recycled pulp regenerated at kneading pulper, dissolving equipment dedicated for difficult-to-process recovered paper, is used for containerboard and other products.

The Group has started to create a recycling system for paper cups and other paper which are attracting attention for expanding recycling, and promote recycling as a raw material for paperboard.



Confidential document recycling facility (Oji Materia Edogawa Mill)



Kneading pulper, dissolving equipment for difficult-to-recycling paper (Oji Materia Fuji Mill)

Recovered Paper Used at Kneading Pulper



Plasterboard



Paper tube



Paper container



Gold and silver paper



Mill wrapper



PP laminated paper

Initiatives in Overseas Group Companies

New Zealand

Oji Fibre Solutions (Oji FS) is New Zealand's only containerboard manufacturer and largest consumer of recovered paper. It boasts a recovery volume that exceeds not only its own consumption, but also that of the country's domestic consumption. Oji FS collected about 240,000 tons in FY2022, and the surplus exceeding its own consumption was exported overseas, mostly to the Oji Group company GSPP (Malaysia).



Oji Fibre Solutions' recovered paper collection vehicle

Malaysia

GSPP manufactures containerboard made of recovered paper, and significantly enhanced production capacity in 2021. In 2022, GSPP imported recovered paper from overseas including New Zealand and Japan, in addition to collecting approximately 370,000 tons of recovered paper in Malaysia. GSPP examines the quality of recovered paper when receiving it, striving to maintain the quality of recovered paper.



Quality check by GSPP when receiving recovered paper

Topics Trend in Global Recovered Paper Recycling

Supply and demand of paper and paperboard products fluctuates depending on international economic trends. For example, in Southeast Asia and India, where economic growth is rapid, demand for containerboard is increasing. Such fluctuations have a large impact on recovered paper, a raw material of those products. The Oji Group strives for stable procurement of recovered paper by taking advantage of its broad network and quickly capturing changes in the trends.

Change in the volume of imports/exports of old corrugated containers in the main regions



*1 Countries included in the data for Southeast Asia: Vietnam, Thailand, Malaysia, Indonesia

*2 Countries included in the data for Europe: EU, United Kingdom

†Created based on the trade statistics of each country

Respect for Human Rights

Basic Approach

Respect for human rights constitutes one of the material issues of the Oji Group. 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 human rights issues.

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. The policy is based on the United Nations Guiding Principles on Business and Human Rights, and clearly states that we support and respect the international norms listed below, conduct human rights due diligence and appropriate employee education, and operate the Business Ethics Helpline to remedy negative impacts on human rights.

- International Bill of Human Rights
- ILO Declaration on Fundamental Principles and Rights at Work, which includes ban on forced labor and child labor and elimination of discrimination
- United Nations Global Compact

In the supply chain, the Oji Group Partnership Procurement Policy asks business partners to uphold human rights, protect workers' rights, ensure workplace safety and health, and take other necessary measures. In addition, supplier sustainability surveys (page 101) are conducted regularly targeting suppliers in Japan and overseas.

Oji Group Human Rights Policy → <https://ojiholdings.disclosure.site/en/themes/108/>

Oji Group Partnership Procurement Policy → <https://ojiholdings.disclosure.site/en/themes/187/>

Results of Supplier Sustainability Surveys → <https://ojiholdings.disclosure.site/en/themes/189/>

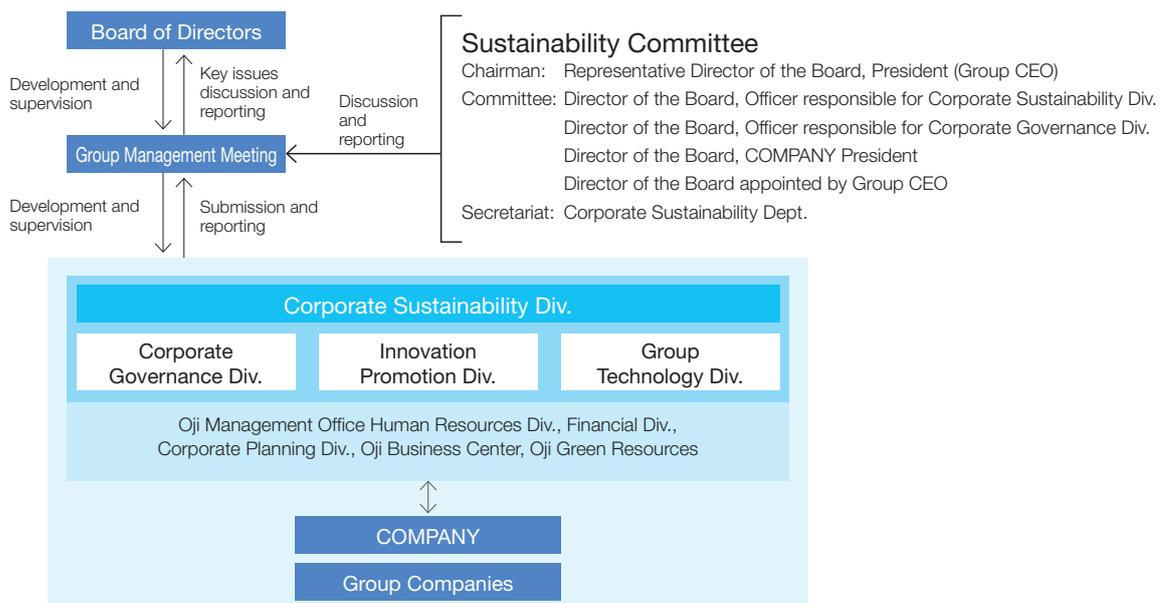
Human Rights Initiatives Promotion Structure

Material issues and promotion status regarding sustainability are discussed at the Sustainability Committee, which is chaired by the Oji Group CEO and consists of Directors of Oji Holdings Corporation (including Independent Outside Directors).

Discussions take place twice a year, where policies and

action plans are formulated for measures against climate change, sustainable forest management, human rights, promotion of inclusion & diversity, and other topics and progress is monitored. The contents of the discussions are brought before the Group Management Meeting as necessary.

Sustainability Promotion Structure



FY2022 Initiatives

1. Implementation of human rights due diligence

We conducted human rights assessment that reviews human rights and labor practices.

Cycle for Human Rights Due Diligence



Target

- 157 consolidated companies*¹ (rate of response: 96.8%)

*¹ Excluding companies with few employees or that share the administration division with another company

- 39 overseas wood raw material suppliers (rate of response: 100%)

Results

While no materialized serious human rights risks were identified, we asked business sites with organizational issues (e.g. department or person in charge of matters related to human rights is unclear) to make improvements.

Improvement examples

- Clarified the structure and person responsible for respecting human rights: 3 companies
- Clarified the structure and person responsible for spreading information on the consultation office: 2 companies

Human rights assessment results

<https://ojiholdings.disclosure.site/en/themes/217/>

By implementing human rights due diligence and taking other measures, we will continue to strive to find materialized and potential human rights risks and work to reduce such risks.

2. Thorough respect for human rights (understanding working environments of non-Japanese workers in Japan)

Targeting 92 consolidated companies in Japan, we conducted a survey on the status of employment of non-Japanese workers (including technical interns and temporary employees) and compliance with relevant laws and regulations.

Results

At 23 companies that employ non-Japanese workers, we found no issues in terms of legal compliance and treatment.

3. Investigation on potential human rights risks (interview with foreign technical interns conducted by external experts) and sharing of case studies

To learn about the actual working conditions of foreign technical interns, who are often said to be in a vulnerable position*²,

Group company Oji Packaging organized interviews conducted by external experts (Caux Round Table Japan (CRT Japan)).

*² Ministry of Economy, Trade and Industry, “Guidelines on Respecting Human Rights in Responsible Supply Chains”

Target

8 technical interns at Oji Packaging

Results

The CRT’s report confirmed that there were no major issues in working hours, wages, health and safety, communication, etc. and a good, trusting relationship had been established.

Report on interviews with technical interns

https://ojiholdings.disclosure.site/Portals/0/pdf/themes_217/results_of_interviews_with_foreign_workers.pdf (in Japanese)



Interview with technical interns conducted by CRT Japan

Sharing as a case study

Based on advice from the CRT, the interview results were shared in the Oji Group as a best practice. In addition, we checked the state of labor practices, etc. with four companies that accept technical interns. While the state was mostly satisfactory, some business sites had salary slips and workplace accident prevention signs in Japanese only. We shared what should be improved and confirmed the willingness to make improvements.

4. Education

Human rights education is provided as part of various training programs. Additionally, we have been providing Diversity Management Web Training to managers in the Group. In FY2022, the theme was “Human Rights from an International Perspective,” and 2,566 managers attended the training.

We have also prepared a new English translation of the Oji Group Human Rights Policy Handbook and have been using it for human rights education.

5. Dialogue and discussion

We participated in Global Compact Network Japan’s Human Rights Education Subcommittee and Human Rights Due Diligence Subcommittee and exchanged information with experts, including other companies and NPOs.

Enhancing Human Capital

Message from General Manager, Human Resources Division

Policies and Initiatives for Enhancing the Value of and Leveraging Human Capital

Director of the Board, General Manager, Human Resources Division

Oji Management Office Inc.

Kazuya Asatani



Q What is the background of and reason for enhancing the value of human capital?

A The Oji Group has rolled out corporate activities under the fundamental principle of “a company’s strength originates from human resources (human capital).” Enhancing the value of and leveraging human capital is expected to become increasingly important in the recent social environment, where we are asked to make a rapid shift to an industry structure that keeps pace with a global and sustainable digital society, as well as to secure, promote, and leverage diverse human resources.

Q What would be the ideal employee profile?

A The Oji Group Human Resource Philosophy on the next page shows the profile of employees who contribute to the medium- to long-term improvement of corporate value. We expect them to uphold high ethical principles as members of society; understand and practice our Management Philosophy, Purpose, and management strategies; accurately understand changes in and requests from society; press ahead with transformation awareness and take on challenges; strive for self-training and contribution to the organization’s growth and evolution; and take actions with global awareness to contribute to the improvement of corporate value and achievement of a sustainable society.

Q What are the foundational initiatives for developing ideal employees?

A Observing all the rules of compliance, safety, and environment is the most important element, we call for understanding and practice by repeatedly explaining about them in various training programs and meetings. This is because having the company and each employee act in a sincere manner as members of society and creating a healthy workplace where employees can work safely and with peace of mind are requirements for the company’s survival and the foundation for all corporate activities.

Next, we respect human rights and promote inclusion & diversity. The basic idea is to respect (accept) human resources as people, make the most of each person’s diverse abilities, and facilitate each other’s growth. If this idea takes root, it is likely that diversity will also take root naturally (there will be no need to consciously promote diversity). To change the mindset and implement specific measures, we have set numerical targets in Japan for promoting and recruiting women to be managers and employing people with disabilities, and are working on them in a systematic way. Furthermore, to encourage men to engage in childcare, we have established our own paternity leave system and have been advising each eligible employee to take the leave. As a result, the ratio of eligible male employees who took the leave have risen to 98.8%.

Third, to leverage human resources (treat employees fairly based on merit and enhance engagement), we have introduced a merit-based personnel system and rolled out across the entire Group. By clarifying the role each employee is expected to play and engaging in periodic dialogues, we aim to develop and leverage human resources appropriately and treat them fairly.

We also launched an open recruitment system with in the Group FY2022. The system is believed to have helped leverage highly motivated human resources and invigorate the organization, as well as facilitate self-reliant career development and enhance employee engagement.

Q Could you elaborate on the initiatives for creating an environment that enhances the value of human capital and ensures that the value is demonstrated to the fullest?

A In addition to cementing the three foundational elements I mentioned earlier, we systematically implement each business company’s rank-based training and function-based training to develop each employee and organization’s capabilities. Going forward, we will particularly focus on developing global human resources and boosting digital literacy. In January 2023, we completed the construction of Oji Group Training Center at the foot of Mount Fuji in Shizuoka Prefecture. Making full use of this facility, we will develop human resources and strengthen organizational capabilities through in-house training and meetings.

To improve productivity and flexibly embrace diverse workstyles and lifestyles, we will continue to promote working style reforms, such as reduction of total working hours and introduction of remote work, thereby supporting improvement in work-life management.

Q Where do you stand on the ideal corporate culture and relationship between the company and employees?

A It is best if the company and employees could learn from each other, facilitate each other’s growth, and improve each other on an equal footing. Organizations competitive in the long term are those that pay attention not only to each employee’s growth and self-realization but to successor development and organizational growth and learn, grow, and evolve perpetually.

Companies, however, cannot survive perpetually if they just follow and pass on precedents and fail to adapt to social changes. We will cultivate a culture where there is free and open-minded communication, have each employee express diverse views and ideas, learn every day in a lively, sincere, humble*, and autonomous manner, create an organization where employees facilitate each other’s growth and evolution, and aim to adapt speedily to changes in and requests from society.

* The word “humble” here means learning with an honest and introspective attitude and acting objectively and reasonably, which is broader than being modest and reserved.

Oji Group Human Resource Philosophy



Inclusion & Diversity

The Oji Group asks all employees to uphold core common values, such as the Management Philosophy, Purpose, and Human Resource Philosophy.

The Oji Group is also promoting “inclusion & diversity” with a view to “vitalization of individuals and the organization.” We aim to make full use of each employee’s diverse values, ideas, and abilities and let them facilitate each other’s growth, regardless of attributes such as race, nationality, ethnicity, place of origin, thoughts and beliefs, values, religion, age, gender, sexual orientation, sexual identity, disability, social status, or social position, which will ultimately strengthen the Group’s competitiveness.

Group-wide policies and targets for promoting diversity are shared at the Sustainability Committee every six months. We also have appointed the Group CEO as Chief Health Officer to work on health and productivity management.

Women in Management Positions and Female New Graduates Hired for Generalist-Track Positions

To promote active participation of women, we aim to increase the percentage of women in management positions to 5.5% by the end of March 2025. The target is applicable to 16 consolidated subsidiaries in Japan with 301 or more employees. As of the end of March 2023, the percentage of women in management positions is 3.6%. Since FY2018, female new graduates in career-track positions in major Oji Group companies are recruited by Oji Management Office Inc. to secure talented human resources and improve operational efficiency. Our target is to achieve at least 30% in the percentage of female new graduates in career-track positions, and we strive to secure candidates for future female managers. In FY2023, we hired 20 female new graduates, which accounted for 37.7% of female new graduates in career-track positions. Aiming to eliminate gender gaps

in employee development, we provide training such as career building training for employees on the generalist track to develop pre-management male and female employees. In addition, measures we have taken to help employees balance work and childcare include opening “Nepia Sodaterace,” a nursery in Edogawa-ku, Tokyo, and offering nursery subsidies for employees who return to work early from their childcare leave.

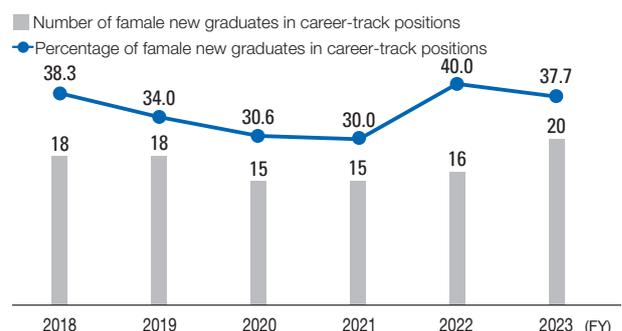
In addition to helping employees balance work and childcare as explained above, nursery “Nepia Sodaterace” aims to address the issue of children on nursery waiting lists, thereby fulfilling corporate social responsibility. Not only our Group employees but also local residents can use the nursery. (As of the end of March 2023, four children of employees and nine children of local residents are using the nursery.)

Percentage of female managers*



* A star mark indicates that FY2022 figure has been assured by KPMG AZSA Sustainability Co., Ltd. For the calculation method, see P111.

Percentage of female new graduates in career-track positions



Enhancing Human Capital

Percentage of Male Employees Taking Childcare Leave

The Oji Group's target for the percentage of male employees taking childcare leave is 100% for 16 consolidated companies in Japan with 301 or more employees. We thus actively encourage men to engage in housework and childcare. In FY2022, the percentage was 98.8%, including manufacturing sites where employees work in three shifts.

Employment Rate of People with Disabilities

We have proactively promoted the recruitment of people with disabilities, including the July 2007 establishment of Oji Clean Mate (in charge of cleaning the headquarters building), a special-purpose subsidiary under the Act to Facilitate the Employment of Persons with Disabilities staffed primarily by people with mental disabilities. For the six major companies in the Group (including Oji Holdings) subject to special treatment for related companies, the employment of people with disabilities is 2.51% (as of June 1, 2023), satisfying the statutory employment rate (2.3%). We will further expand the employment of people with disabilities.

Employees of Nationalities Other Than Japanese

In achieving diversity, we position the development of global human resources as an important theme. All new graduates hired for generalist-track positions in major Oji Group companies in Japan are recruited by Oji Management Office Inc. to secure talented human resources. In FY2023, three generalist-track employees of nationalities other than Japanese were hired as candidates for future managers in Group companies in Japan. We will continue to hire a certain number of non-Japanese employees, and also promote them to managerial positions. As of March 2023, there are 23 generalist-track employees of nationalities other than Japanese. Eight of them are managers, whose job includes the operation and management of local businesses of overseas Group companies. In addition, we strive to create an environment that encourages each employee to demonstrate their abilities, such as an environment where non-Japanese employees can communicate with each other and easily consult with HR representatives.

Of the 37,845 Oji Group employees, 57% (as of the end of March 2023) are employees of overseas Group companies. Corporate managers and employees in managerial positions of those companies mainly consist of locally hired personnel. In 2019, we appointed a non-Japanese employee as a Corporate Officer.

Mid-Career Recruitment

To secure human resources who can promptly realize the management strategies, we have been conducting mid-career recruitment. In FY2022, the Group hired 18 mid-career employees through Oji Management Office Inc., of which six are playing an active role as managers. We will continue to hire a certain number of mid-career employees, and also promote them to managerial positions. In addition, we leverage alumni human resources (employees who rejoined the Group after leaving for reasons other than mandatory retirement) by promoting those who gained effective outside experience.

Total Working Hours

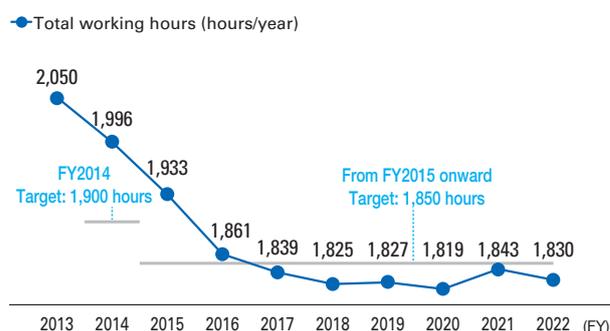
Since FY2014, we have been working on the reduction of total working hours as part of working style reforms. Specifically, to improve productivity and implement working styles that pivot the focus away from how long employees work, we are improving operational efficiency, taking advantage of the flex-time system and remote work, and encouraging employees to take annual paid leave.

Our current target for the total annual working hours is 1,850 hours (for 26 Oji Group companies in the Main Office region), and the actual working hours for FY2022 totaled 1,830 hours.

Health and Productivity Management

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. These measures aim to create working environments where employees can actively work in a lively manner and with sound health.

In March 2023, we were recognized under the 2023 Certified Health and Productivity Management Organization Recognition Program (Large Enterprise Category) for three consecutive years from FY2021.

**Reduction of total working hours
(26 Oji Group companies in the Main Office region)****Examples of health and productivity management activities**

- Conduct health examinations and stress checks
- Installation of Health Consultation Office
- Flu vaccinations (workplace vaccinations, cost subsidized)
- Hourly use of accumulated annual leave to go to the hospital

Leveraging Human Resources (Treating Employees Fairly Based on Merit and Enhancing Engagement)

To leverage human resources who are the source of value creation, practice the Management Philosophy and Purpose, and thoroughly pursue objectives in line with the management strategies (including the Long-term Vision), we aim to treat employees fairly based on merit and enhance engagement.

HR and Pay Systems (Role-Based Personnel Grading System, Extended Retirement Age, Discretionary Labor System for Researchers)

We properly operate the role-based personnel grading system, which is a merit-based personnel system focused on role expectations and performance instead of virtual seniority. Each employee is treated in accordance with the significance of roles demonstrated through their abilities.

To let senior employees play an active role in a lively manner, we introduced the “retirement at age 65” system in FY2017 at major Group companies in Japan, so that those employees can fully demonstrate their knowledge, skills, and abilities nurtured in their corporate careers and work with enthusiasm. In addition, a reemployment system up to age 67 was introduced in FY2023 for employees who meet certain conditions.

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. We thus promote innovation through creative accomplishments based on diverse values and ideas. The number of employees eligible for the creative personnel development system roughly doubled in FY2022 from the previous years.

Training

To develop human resources in line with the Oji Group Human Resource Philosophy, we have enriched in-house training in accordance with career stages. In particular, we are committed to developing global human resources to fully pursue the management strategies.

The Oji Group Fuji Training Center, a new base for the exchange and development of human resources constructed in Fujinomiya City, Shizuoka Prefecture, started operation in February 2023. The center hosts not only Group-wide training sessions but those organized by business companies. All training that takes place at the training center includes education on compliance, safety, and environment, the Long-term Vision, and the Purpose. We thus seek thorough understanding and penetration of these topics.

Global human resource development training, which has been suspended due to the COVID-19 pandemic, is scheduled to resume in FY2023 with revised contents. We also plan to focus primarily on boosting digital literacy in driving forward the development of human resources who can promote digital transformation.



Exterior of the Oji Group Fuji Training Center

Main training content (Organized by Oji Management Office)

Goals	Name of training	Eligible employees	Outline
Global human resource development	Global human resource development training (has been suspended due to the COVID-19 pandemic and is scheduled to resume in FY2023 with revised contents)		
Management training	New manager training	New managers	Manager duties, HR programs, and evaluator training
	New general manager training	General manager level	Dialogue with CEO and acquisition of knowledge and skills required to achieve division strategies
Managerial personnel development	Career building training for employees on the generalist track	Pre-management employees on the generalist track	Understand the functions required of managers, and improve capabilities for setting and solving issues
Career design	Career design training for young employees on the generalist track	3rd year employees on the generalist track	Assess their own abilities and establish goals for career self-reliance
Support for employee ability development	Personal-empowerment system	Qualified individuals	Support for self-reliant career development

Open Recruitment System With In The Group

To promote autonomous career development based on employees’ intentions, and to strengthen business, revitalize the organization, and improve employee engagement by appropriately assigning and effectively utilizing highly motivated human resources, we launched an open recruitment system with in the Group in FY2022 for regular employees and overseas expatriates of Group companies in Japan.

The actual open recruitment took place in October 2022, and many applied for job openings including those for overseas expatriates in the India region and positions in departments in the new Group Business Development Division of Oji Management Office Inc. 19 successful applicants who passed the document screening and interview were transferred to their new positions.

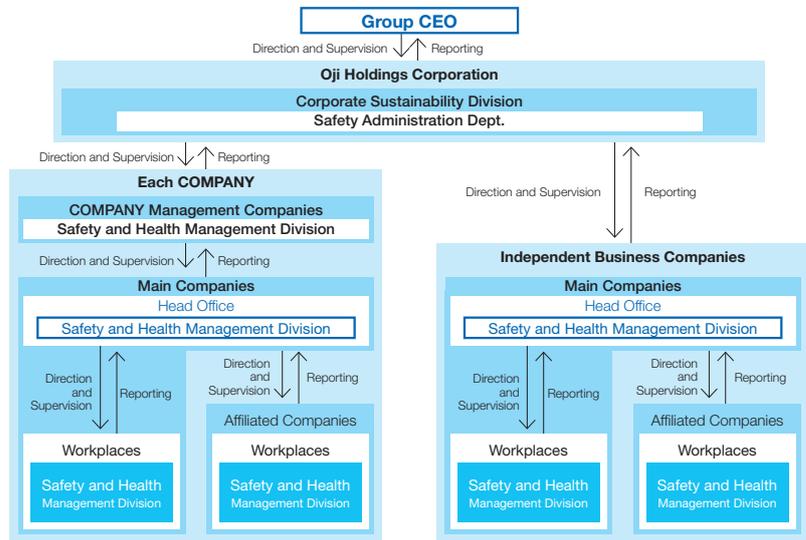
Ensuring Workplace Safety and Health

Basic Approach

Under the policies of “observing all the rules of compliance, safety, and environment is the core of business activities” and “basic principle with safety as its absolute top priority,” the Oji Group aims to become a company where workers can work in a safe environment and with a sense of security.

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 (including 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.

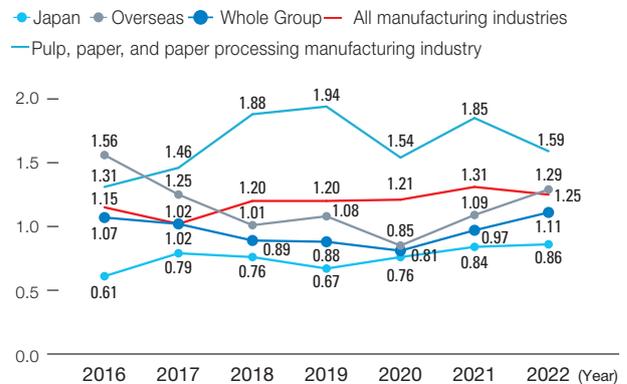


Lost Time Injury Frequency Rate (Safety Performance)

The Oji Group’s lost time injury frequency rate* had been on a declining trend since 2016 but increased in 2021. The figure was 1.11 in 2022. According to the Ministry of Health, Labour and Welfare’s Survey on Industrial Accidents (businesses with at least 100 employees), in 2022, the rate in all manufacturing industries was 1.25 and the rate in the pulp, paper, and paper processing manufacturing industry was 1.59.

* For the calculation method, see P111.

Lost Time Injury Frequency Rate★



★ A star mark indicates that 2022 figures for Japan, overseas, and the whole Group have been assured by KPMG AZSA Sustainability Co.,Ltd.

Oji Group’s 2023 Occupational Safety and Health Promotion Plan

In 2022, two fatal forklift and heavy machinery accidents occurred in Japan and one fatal work-related traffic accident occurred overseas, claiming three precious lives in total. The number of accidents that resulted in time off from work was roughly the same as the previous year, and about half of them were due to non-compliance with safety rules. Observing and making others observe the main principles for safety and safety rules has therefore been set as the most important measure. As a new initiative, we started fixed-point observation in enhanced safety patrol. In addition, we are actively improving the safety of machines and equipment.

1. Basic policies: The Oji Group will promote activities with the target of zero work-related accidents across the entire Group with safety as its absolute top priority.
2. Slogan: Always Follow the Rules and Ensure that Others Follow the Rules to Prevent Fatal and Serious Accidents
3. Key Targets (Targets of the entire Oji Group): To achieve the zero fatal and serious work related accidents
4. Key Measures:
 - 1) Full compliance with the main principles for safety and related rules, and implementation of VR (virtual reality) hazard experience training
 - 2) Improvement of safety of machinery/equipment
 - 3) Revitalization of safety activities
 - 4) Strengthening of collaboration between overseas group companies
 - 5) Management of physical and mental health, and improvement and maintenance of the workplace environment

Initiatives for Prevention of Occupational Accidents Ensuring Compliance with the Main Principles for Safety and Related Rules and Implementing Hands-on Risk Training Using Virtual Reality (VR)

In addition to ensuring compliance with all four basic rules for safety, in place since the 2022 Occupational Safety and Health Promotion Plan, we have prepared safety operation manuals that include matters to be observed, matters that are prohibited, and non-routine work procedures. We conduct education and training repeatedly, while checking the level of understanding and mastery.

Our own content is used for VR-based hands-on risk training. We create opportunities for contractors (including companies other than unit companies) to experience the training, thereby seeking to prevent occupational accidents. Oji Group companies (each division including head office, etc.) and workplaces in Japan hold workplace safety and health meetings, where rules are familiarized and participants exchange opinions, share information, and deepen discussion. We thus roll out initiatives to create a workplace safety climate and a safety culture based on employees' own thinking.

Improvement of Safety of Machinery/equipment (Safety Inspections of New Equipment)

When Group companies in Japan construct or operate new equipment, Oji Holdings Corporation's Safety Administration Department, COMPANY, and the relevant company conduct safety patrol as well as safety inspection prior to trial operation. They point out and correct unsafe matters and behaviors, thereby preventing accidents.

At sites where construction work contractors are in operation, the site is divided using barricades and other tools to clearly separate work areas, and instructions are given for thorough communication and coordination between areas. We also point out issues regarding detailed safety measures, such as measures to ban people from entering areas where machines and equipment are operating, and require immediate corrections, whether construction works are done by us or a contractor.



Safety inspection of new equipment

Initiatives for Prevention of Occupational Accidents in Companies Overseas

Rolling Out Hands-on Risk Training Using Virtual Reality (VR)

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

Overseas participants' comments on the highly immersive VR video included, "I was amazed that it actually felt like using the machine. I was surprised when the controller was pulled (exactly when I was getting caught). The experience felt real. It was a new experience." Every year, we create original content which includes scenarios that have occurred in the Oji Group so that employees can have a fresh experience in an environment that is similar to the operation sites where they work every day. We will continue to enhance each employee's awareness toward safety and sensitivity to risks.



Checking matters to be observed and matters that are prohibited



VR-based hands-on risk training Workplace safety and health meeting

Revitalization of Safety Activities (Enhanced Safety Patrol)

In addition to conventional safety auditing and patrol, we started enhanced safety patrol in 2022.

It not only involves going around the site but staying for a certain period of time and engaging in fixed-point observation of workers' behavior, as well as inspecting equipment. Under the responsibility of heads of workplaces, we are working to improve matters that have been pointed out, such as drawing a clear line between areas where forklifts operate and people work, checking rules when using forklifts and actually educating workers, and separating the path for forklifts from that for pedestrians in workplaces.



Enhanced safety patrol



VR-based hands-on risk training

Responsible Raw Materials Procurement

Basic Approach

The Oji Group is expanding and enhancing its CSR (Corporate Social Responsibility) procurement, which takes environmental and social factors into consideration when procuring raw materials. The Group shares the Oji Group Partnership Procurement Policy with all its divisions involved in procurement, and requests the understanding of new suppliers before starting transactions. When revising the Policy, the Group informs all suppliers of the revisions to fulfill its social responsibilities along the entire supply chain.

In tandem with the expansion of Group overseas businesses, the number of overseas suppliers has been on the sharp rise. Since FY2020, therefore, we have conducted sustainability questionnaire surveys of main suppliers, on top of confirming the status of operation of the Oji Group Partnership Procurement Policy and the Wood Raw Material Procurement Guidelines.

Oji Group Partnership Procurement Policy (revised in 2018) ➔ <https://ojiholdings.disclosure.site/en/themes/187/>

1	Ensure stable supply	① Offer competitive prices	② Ensure quality and delivery
2	Comply with laws and social standards, and engage in fair trade	① Comply with relevant laws and international conventions	② Maintain sincere and healthy relations with business partners
3	Consider the environment	① Reinforce environmental management systems ② Reduce waste and effectively use resources ③ Address climate change (reduce greenhouse gas emissions mainly through energy conservation, and promote carbon dioxide absorption as well as carbon fixation mainly through sustainable forest management)	④ Protect biodiversity ⑤ Reduce environmental impact ⑥ Manage chemical substances ⑦ Manage water resources
4	Demonstrate social concern	① Protect human rights (prohibit child labor, forced labor, discrimination, and harassment) ② Protect labor rights (maintain good labor relations, avoid long working hours, ensure payment of above-minimum wage, and respect freedom of association as well as right to collective bargaining)	③ Ensure workplace safety and health ④ Contribute to society and the local community
5	Communicate with society	① Build relationships of trust with stakeholders through communication	② Respect the cultures and customs of other countries ③ Appropriately disclose and protect information

Results of Supplier Sustainability Surveys (FY2020–2022)

The FY2022 sustainability survey was conducted of 213 suppliers—comprising the suppliers of recovered paper, pulp, base paper, woodchips, chemicals, and fuels (PKS, RPF, etc.) that had been surveyed until FY2021, as well as those supplying fossil fuels and subsidiary materials (film substrates, inks, etc.)—of which 120 suppliers responded. Set out below are the results of the surveys that were conducted of a total of 895 suppliers from FY2020 to FY2022. Number of suppliers that responded to the surveys was 548 (rate of response: approx. 61.2%).

The surveys were conducted for eight items listed from an ESG perspective in the form of questionnaire.

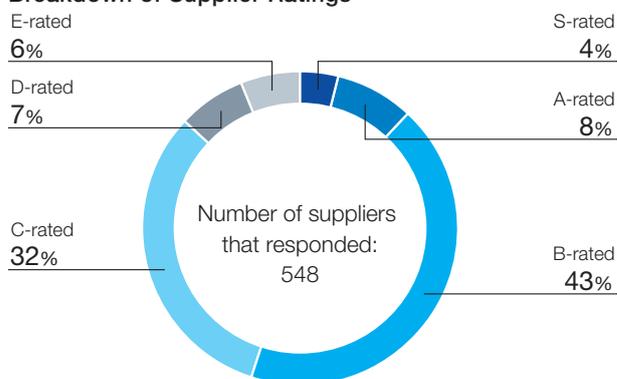
The average score of all suppliers calculated by adding the points of all eight items including corporate governance, human rights, and labor was 481 (out of 800), which was about 60%. The item with a high average score was “labor” at 68, while the one with a low average score was “corporate governance” at 53. In the FY2022 survey, 10 suppliers were rated D and three rated E. We also conducted a sustainability survey on wood pulp contained in the base paper purchased (procured by the base paper manufacturers).

Future initiatives

To achieve continuous improvement, we will provide feedback of the response results to suppliers so that they can understand their strengths and weaknesses in ESG.

Going forward, we will strive to improve the response rate, while conducting ongoing assessments of suppliers whose scores are significantly lower than the average. Moreover, we will progressively work on other initiatives, including the human rights and environmental due diligence of primary suppliers.

Breakdown of Supplier Ratings



Score rating	Criteria	Number of suppliers
S	750 or more	24
A	650 or more but less than 750	45
B	500 or more but less than 650	235
C	250 or more but less than 500	175
D	100 or more but less than 250	37
E	Less than 100	32
Total score	Perfect score: 800	548

Rated based on the total score of eight items

Eight items from an ESG perspective

- ① Corporate governance related to CSR
- ② Human rights
- ③ Labor
- ④ Environment
- ⑤ Quality and safety
- ⑥ Basic attitude toward supply chain
- ⑦ Harmonious coexistence with local communities
- ⑧ Information security/protection and fair corporate activities

FY2022 Sustainability Survey on Wood pulp Contained in the Base Paper Purchased (Procured by the Base Paper Manufacturers)

In FY2022, we conducted a survey on wood pulp contained in the base paper purchased (procured by the base paper manufacturers), which had not been covered in the previous surveys, to ensure the legality of the wood used. It turned out that, of the 570 brands of base paper purchased, 526 brands

(92.3%) used the wood for which forest certification, etc. were acquired and legality verified. In regard to the brands for which the origin of the wood used has not been identified, we will replace them with brands of base paper for which the legality of the wood used has been verified, by the end of FY2023.

		Number of brands	Ratio	Notes
Base paper purchased		570	100%	
Breakdown	Base paper for which the legality of the wood used has been verified	526	92.3%	Forest certification, etc. acquired
	Base paper for which the origin of the wood used has not been identified	5	0.9%	To be replaced in FY2023
	Other	39	6.8%	Customer-specified base paper

Achieved Traceability at Wood Raw Material Suppliers (FY2022)

The Oji Group specifies items to confirm the origin of wood, forest management methods, illegally logged wood, mixture of wood with high conservation values, and human rights violations based on the Wood Raw Material Procurement Guidelines, and procures only raw materials that are produced in properly managed forests. It is possible to trace the source of wood throughout the entire process from the forests of origin, woodchip mill to paper manufacturing and pulp mill.

In FY2021, the Group procured 4,429 kBDT (bone dry tons) of woodchips in Japan and overseas and 183 kADT (air dry tons) of market pulp, obtained traceability reports from all the suppliers, and confirmed with a third-party organization that the procurement was in accordance with the Wood Raw Material Procurement Guidelines.

Wood Raw Material Procurement Guidelines (revised in 2023)

➔ <https://ojiholdings.disclosure.site/en/themes/188/>



Third-party audit report on the traceability report

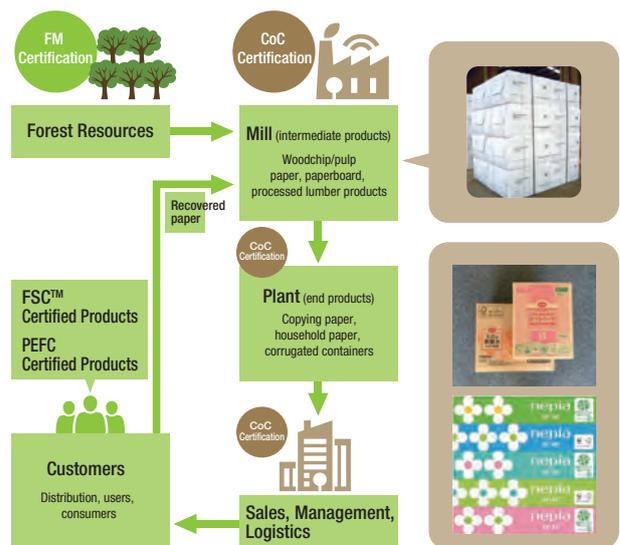
Making use of forest certification systems

The Oji Group manufactures products certified by FSC™ (FSC™C014119, etc.) and PEFC (JIA-PEFC-COC-0808, etc.) by making use of forest certification systems that support sustainable forest management.



These products use woodchips that conform to the requirements of the systems. We have obtained FM certification*1 for our overseas plantation forest operations and CoC certification*2 for our production, processing, and distribution operations within the Group. By acquiring certification throughout the entire process from forests to processing mills and distribution, we supply a wide range of forest certified products, from intermediate to finished products such as copy paper and household paper.

In addition, we have the Forest Certification System Implementation Committee within the Group to ensure the proper operation and effective use of the forest certification systems.



*1 FM certification: Confirmation of forest management

*2 CoC certification: Confirmation of management on processing and distribution of produced wood

Financial and Non-financial Highlights

Financial Highlights

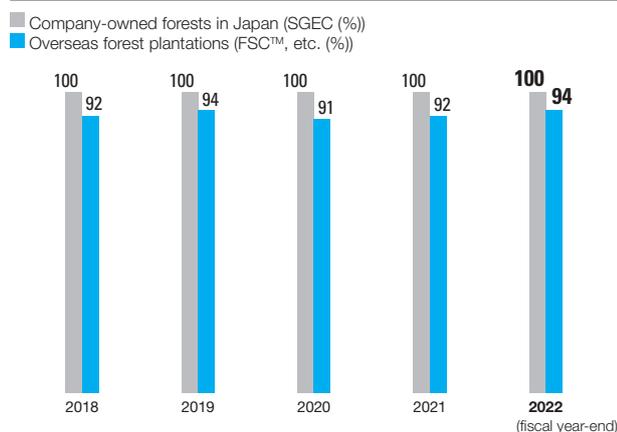
Segment		FY2012	FY2013	FY2014	FY2015
Net sales	(¥billion)	1,241.5	1,332.5	1,347.3	1,433.6
Overseas sales ratio	(%)	16.7	20.3	22.8	27.8
Operating profit	(¥billion)	43.5	57.3	43.9	72.0
Profit attributable to owners of parent	(¥billion)	21.6	31.6	15.5	12.7
Free cash flows	(¥billion)	29.2	42.1	(74.6)	84.8
Net D/E ratio	(times)	1.4	1.1	1.0	1.0
Return on equity (ROE)	(%)	4.6	5.9	2.6	2.1
Capital investment, etc.	(¥billion)	70.1	76.7	80.1	57.4
Dividend per share	(¥)	10.0	10.0	10.0	10.0

Non-financial Highlights ESG data → <https://ojiholdings.disclosure.site/en/themes/116/>

Forest certification acquisition rate*1

Japan 100%, Overseas 94%

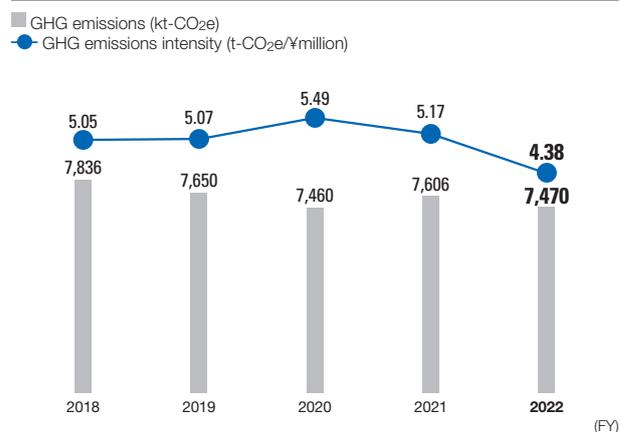
Change from end-FY2021 +2 percentage points (overseas)



Greenhouse gas (GHG) emissions*2

7,470 kt-CO₂e

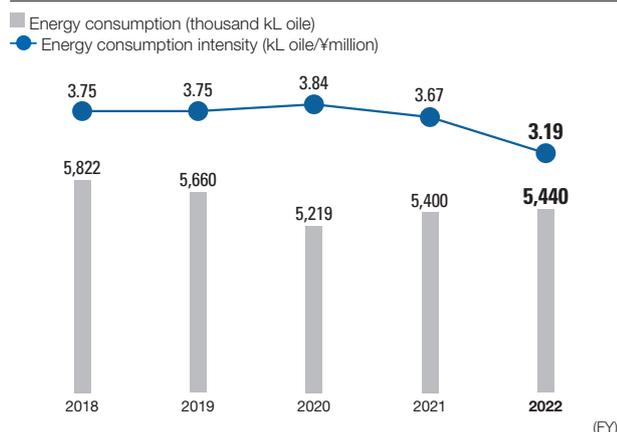
Change from FY2021 -136 kt-CO₂e



Energy consumption*2

5,440 thousand kL oil

Change from FY2021 +40 thousand kL oil



Effective waste utilization ratio*1

91.0%

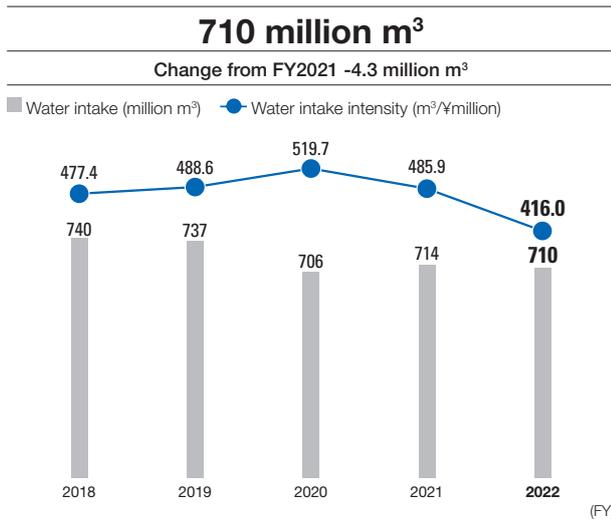
Change from FY2021 -3.2 percentage points



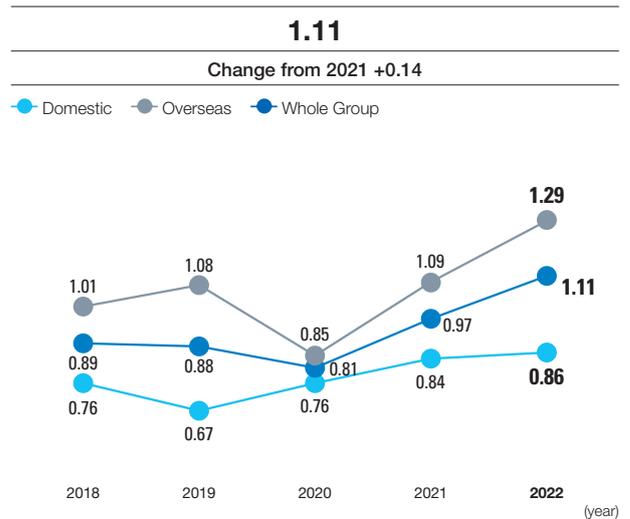
*1 See P87-88 for calculation method / *2 See P111 for calculation method

FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
1,439.9	1,485.9	1,551.0	1,507.6	1,359.0	1,470.2	1,706.6
28.2	31.0	32.0	29.9	29.3	33.5	37.6
70.2	70.8	110.2	106.1	84.8	120.1	84.8
40.3	36.2	52.0	58.2	49.6	87.5	56.5
117.2	49.2	74.0	59.7	35.5	51.0	(105.0)
0.8	0.7	0.7	0.6	0.6	0.7	0.8
6.7	5.6	7.7	8.5	6.9	10.9	6.3
57.9	69.3	62.1	97.5	98.4	114.0	100.1
10.0	10.0	12.0	14.0	14.0	14.0	16.0

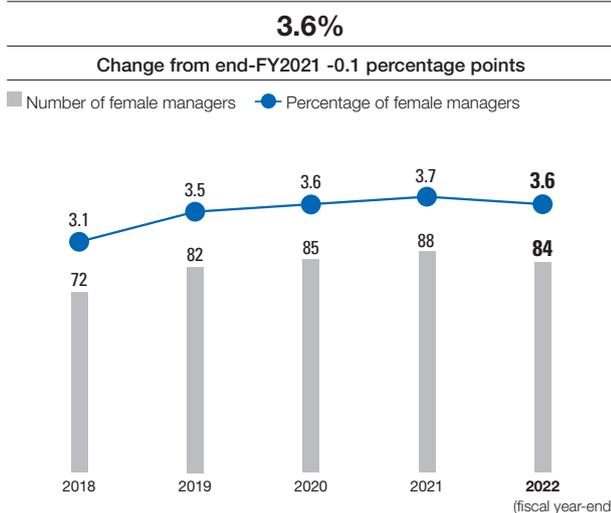
Water intake



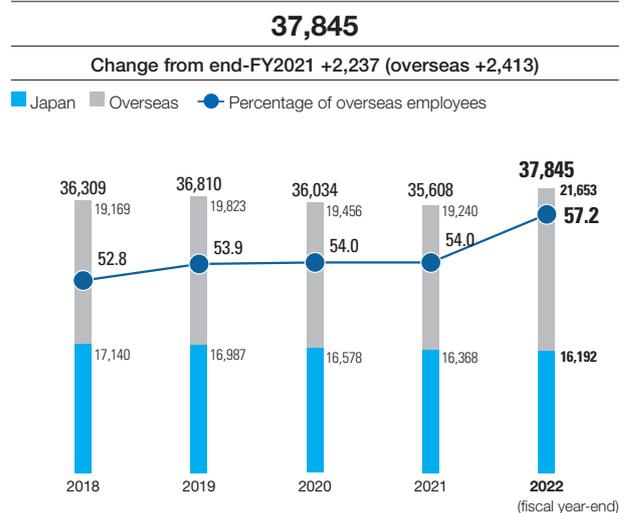
Lost time injury frequency rate (LTIFR)*2



Percentage of female managers*2 (16 Group companies in Japan)



Number of employees (excluding temporary employees)



Analysis and Evaluation of Management Performance

FY2022 Business Performance

In FY2022, demand recovered following the reopening of economic activities that had stagnated due to the spread of COVID-19; the pulp market rose; and the Group revised its prices in response to the impact of the recent sharp rise in raw materials and fuel prices. For these reasons, net sales were 1,706.6 billion yen, an increase of 236.5 billion yen (16.1%) year on year. The overseas sales ratio was 37.6%, an increase of 4.1 points year on year.

Operating profit was 84.8 billion yen, a decrease of 35.3 billion yen (down 29.4%) year on year, due to the significant impact of higher raw materials and fuel prices despite the positive elements such as the price revisions mentioned above and an increase in sales volume. Ordinary profit was 95.0 billion yen, a decrease of 40.1 billion yen (down 29.7%) year on year, mainly due to a decrease in exchange gain caused by the revaluation of foreign currency-denominated receivables and payables. Profit before income taxes was 84.6 billion yen, a decrease of 44.6 billion yen (down 34.5%) year on year, and profit attributable to owners of parent was 56.5 billion yen, a decrease of 31.0 billion yen (down 35.5%) year on year.

Financial Position

Cash flows provided by operating activities decreased by 125.3 billion yen year on year to 18.3 billion yen (cash flows provided by operating activities for FY2021 were 143.6 billion yen). The main increase in cash was 157.7 billion yen calculated by adding depreciation and amortization to profit before income taxes (195.1 billion yen for FY2021). The main decreases in cash were an increase in trade receivables of 43.9 billion yen (an increase of 21.0 billion yen for FY2021), an increase in inventories of 42.6 billion yen (an increase of 26.0 billion yen for FY2021), and income taxes paid of 46.9 billion yen (payment of 22.3 billion yen for FY2021).

Cash flows used in investing activities were 123.3 billion yen (cash flows used in investing activities for FY2021 were 92.6 billion yen) due in part to payment for acquisition of property, plant, equipment, and intangible assets. The payment for acquisition of property, plant, equipment, and intangible assets

included capital investments necessary for reinforcing and renewing capacities, improving quality, saving labor, increasing productivity, ensuring safety, and conserving the environment.

Cash flows provided by financing activities were 101.8 billion yen (cash flows used in financing activities for FY2021 were 136.0 billion yen) due in part to proceeds from issuance of commercial papers.

Total assets at the end of FY2022 stood at 2,296.0 billion yen, an increase of 242.3 billion yen from the end of the previous fiscal year. The increase was primarily due to increases in property, plant and equipment, accounts receivable–trade, and inventories, along with foreign currency translation differences owing to the further depreciation of the yen. Liabilities totaled 1,331.5 billion yen, an increase of 153.2 billion yen from the end of the previous fiscal year, due in part to an increase in interest-bearing debts. Net interest-bearing debts (interest-bearing debts minus cash and cash equivalents, etc.) were 731.3 billion yen, an increase of 136.6 billion yen from the end of the previous fiscal year. Net assets totaled 964.6 billion yen, an increase of 89.1 billion yen from the end of the previous fiscal year, mainly due to increases in foreign currency translation adjustment and retained earnings.

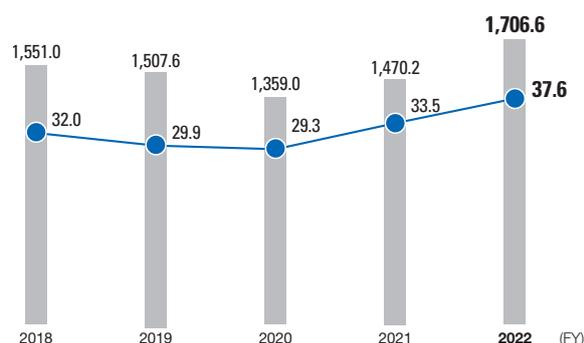
Consolidated Financial Forecasts for FY2023

For our consolidated financial forecasts for FY2023, the Oji Group anticipates net sales of 1,800.0 billion yen, operating profit of 100.0 billion yen, ordinary profit of 100.0 billion yen, and profit attributable to owners of parent of 65.0 billion yen.

Our Medium-term Management Plan ending in FY2024 has entered its second year. We have been facing drastic changes in the business environment, including sharp rises in raw materials and fuel prices and significant fluctuations in foreign exchange rates. However, we will continue to steadily implement our “Initiatives for Environmental Issues—Sustainability—,” “Initiatives for Profitability Improvement—Profitability—,” and “Initiatives for Product Development—Green Innovation—” to achieve further growth and evolution, and to enhance our corporate value.

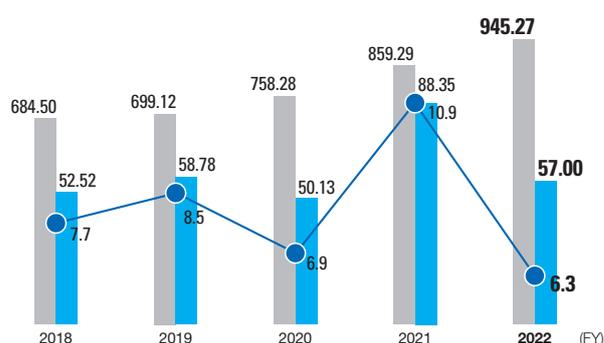
Net Sales and Overseas Sales Ratio

■ Net sales (¥billion) ● Overseas sales ratio (%)



Net Assets per Share, Profit per Share, and ROE

■ Net assets per share (¥) ■ Profit per share (¥) ● ROE (%)



Financial Data Highlights

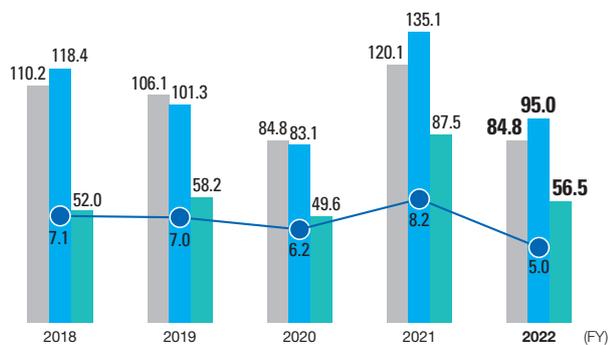
Changes in Assets and Profit/Loss

Segment		FY2018	FY2019	FY2020	FY2021	FY2022
Net sales	(¥ million)	1,550,991	1,507,607	1,358,985	1,470,161	1,706,641
Operating profit	(¥ million)	110,212	106,125	84,793	120,119	84,818
Ordinary profit	(¥ million)	118,370	101,289	83,061	135,100	95,008
Profit attributable to owners of parent	(¥ million)	51,977	58,181	49,635	87,509	56,483
Total assets	(¥ million)	1,951,369	1,885,280	1,981,438	2,053,752	2,296,018
Net assets	(¥ million)	815,406	831,657	865,606	875,470	964,564
Profit per share	(¥)	52.52	58.78	50.13	88.35	57.00
Net assets per share	(¥)	684.50	699.12	758.28	859.29	945.27

- 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.
- 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.
- Numbers less than one million yen are rounded down to the nearest million.

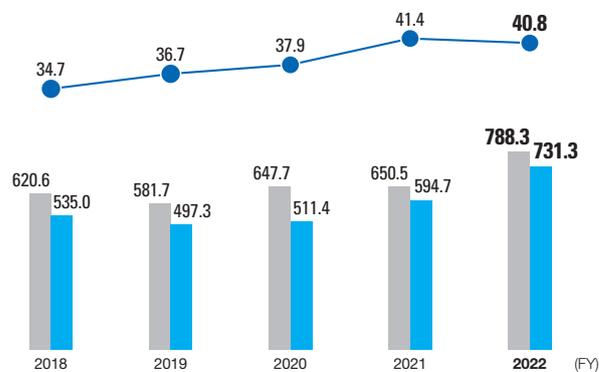
Operating Profit, Ordinary Profit, Profit Attributable to Owners of Parent, Operating Profit Margin

■ Operating profit (¥billion)
 ■ Ordinary profit (¥billion)
 ■ Profit attributable to owners of parent (¥billion)
 ● Operating profit margin (%)



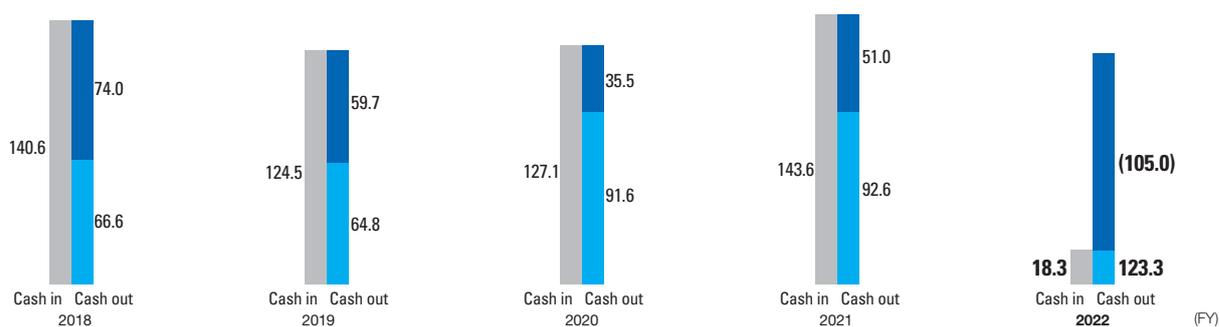
Interest-Bearing Debts, Net Interest-Bearing Debts, and Equity Ratio

■ Interest-bearing debt (¥billion)
 ■ Net interest-bearing debt (¥billion)
 ● Equity ratio (%)



Changes in Cash Flows

■ Cash flows from operating activities (¥billion)
 ■ Cash flows from investing activities (¥billion)
 ■ Free cash flows (¥billion)



Financial Data Highlights

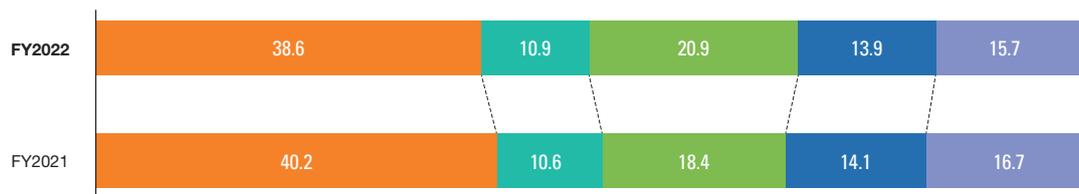
Status of Individual Segments (FY2022)

Segment		Net sales	Operating profit
Household and Industrial Materials	(¥ million)	780,527	(1,234)
Functional Materials	(¥ million)	219,902	15,487
Forest Resources and Environment Marketing Business	(¥ million)	423,801	68,530
Printing and Communications Media	(¥ million)	280,980	(4,779)
Other	(¥ million)	318,130	8,448
Subtotal	(¥ million)	2,023,342	86,451
Adjustments	(¥ million)	(316,700)	(1,632)
Total	(¥ million)	1,706,641	84,818

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

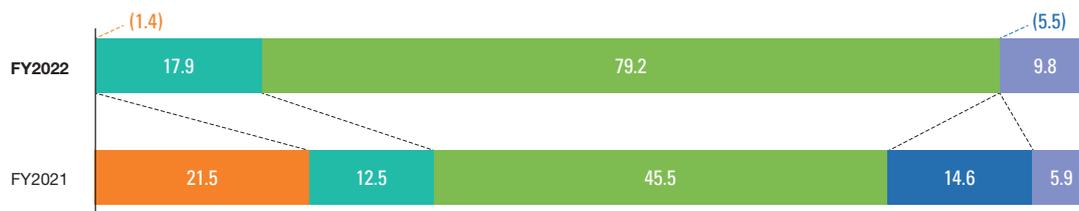
Net Sales Composition by Business Segment

Household and Industrial Materials Functional Materials Forest Resources and Environment Marketing Business
Printing and Communications Media Other (%)



Operating Profit Composition by Business Segment

Household and Industrial Materials Functional Materials Forest Resources and Environment Marketing Business
Printing and Communications Media Other (%)



†Net sales and operating profit composition by business segment were calculated excluding adjustments (adjustments for internal transactions, etc.).

Consolidated Financial Statement

Consolidated Balance Sheet

(¥ million)

	Previous consolidated fiscal year (March 31, 2022)	Current consolidated fiscal year (March 31, 2023)		Previous consolidated fiscal year (March 31, 2022)	Current consolidated fiscal year (March 31, 2023)
ASSETS			LIABILITIES		
Current assets			Current liabilities		
Cash and deposits	44,749	50,774	Notes and accounts payable-trade	234,650	251,176
Notes receivable-trade	60,227	64,768	Short-term loans payable	166,445	226,739
Accounts receivable-trade	260,231	309,604	Commercial paper	-	86,000
Contract assets	3,983	2,995	Accounts payable-other	24,653	20,111
Short-term securities	11,074	6,299	Accrued expenses	51,457	49,809
Merchandise and finished goods	98,616	117,473	Income taxes payable	23,993	16,643
Work in process	20,294	23,510	Other	31,818	36,591
Raw materials and supplies	106,266	140,337	Total current liabilities	533,020	687,070
Short-term loans receivable	4,764	4,101	Non-current liabilities		
Accounts receivable-other	18,575	33,877	Bonds	155,000	155,000
Other	18,800	36,717	Long-term loans payable	329,062	320,599
Allowance for doubtful accounts	(1,790)	(1,791)	Deferred tax liabilities	64,013	69,283
Total current assets	645,795	788,670	Deferred tax liabilities for land revaluation	7,737	7,732
Non-current assets			Net defined benefit liability	54,022	53,537
Property, plant and equipment			Long-term deposits received	6,809	6,620
Buildings and structures	709,982	746,007	Other	28,616	31,609
Accumulated depreciation	(513,533)	(529,962)	Total non-current liabilities	645,261	644,383
Buildings and structures (Net)	196,448	216,045	Total liabilities	1,178,282	1,331,453
Machinery, equipment and vehicles	2,495,207	2,629,592	NET ASSETS		
Accumulated depreciation	(2,156,261)	(2,221,722)	Shareholders' equity		
Machinery, equipment and vehicles (Net)	338,946	407,869	Common stock	103,880	103,880
Tools, furniture and fixtures	61,622	63,934	Capital surplus	99,163	85,892
Accumulated depreciation	(56,037)	(57,380)	Retained earnings	567,150	607,593
Tools, furniture and fixtures (Net)	5,585	6,553	Treasury stock	(13,277)	(12,949)
Land	240,765	242,287	Total shareholders' equity	756,918	784,418
Forests	116,490	133,123	Accumulated other comprehensive income		
Plantations	92,343	111,352	Valuation difference on available-for-sale securities	30,500	41,573
Leased assets	65,356	76,573	Deferred gains(losses) on hedges	2,076	474
Accumulated depreciation	(22,713)	(29,209)	Revaluation reserve for land	5,728	5,716
Leased assets (Net)	42,643	47,363	Foreign currency translation adjustment	29,593	85,253
Construction in progress	94,091	43,639	Remeasurements of defined benefit plans	26,415	19,514
Total property, plant and equipment	1,127,315	1,208,234	Total accumulated other comprehensive income	94,314	152,531
Intangible assets			Share acquisition rights	157	134
Goodwill	3,472	11,868	Non-controlling interests	24,080	27,480
Other	8,079	14,119	Total net assets	875,470	964,564
Total intangible assets	11,552	25,988	Total liabilities and net assets	2,053,752	2,296,018
Investments and other assets					
Investment securities	168,545	180,067			
Long-term loans receivable	5,571	4,693			
Long-term prepaid expenses	3,497	2,760			
Net defined benefit asset	61,542	53,837			
Deferred tax assets	8,819	6,816			
Other	22,095	26,921			
Allowance for doubtful accounts	(982)	(1,972)			
Total investments and other assets	269,089	273,124			
Total non-current assets	1,407,956	1,507,347			
Total assets	2,053,752	2,296,018			

Consolidated Financial Statements

Consolidated Statement of Income

(¥ million)

	Previous consolidated fiscal year (From April 1, 2021 To March 31, 2022)	Current consolidated fiscal year (From April 1, 2022 To March 31, 2023)
Net sales	1,470,161	1,706,641
Cost of sales	1,126,207	1,366,642
Gross profit	343,954	339,999
Selling, general and administrative expenses		
Freight expenses	112,417	135,135
Warehouse expenses	6,771	6,747
Salaries and wages	52,957	55,105
Retirement benefit expenses	(241)	695
Depreciation and amortization	5,624	6,080
Other	46,306	51,417
Total selling, general and administrative expenses	223,834	255,181
Operating profit	120,119	84,818
Non-operating income		
Interest income	883	1,367
Dividends income	3,269	3,632
Exchange gains	15,404	8,337
Equity in earnings of affiliates	2,679	2,924
Gain on valuation of derivatives	1,367	2,838
Other	6,777	6,325
Total non-operating income	30,381	25,427
Non-operating expenses		
Interest expenses	6,692	6,310
Other	8,708	8,925
Total non-operating expenses	15,401	15,236
Ordinary profit	135,100	95,008
Extraordinary income		
Insurance claim income	904	4,992
Gain on sale of investment securities	651	1,065
Gain on return of assets from retirement benefits trust	1,049	–
Other	2,300	270
Total extraordinary income	4,906	6,327
Extraordinary loss		
Loss on disaster	2,007	7,634
Loss on disposal of non-current assets	2,283	3,159
Business restructuring expenses	1,869	1,909
Provision for loss on litigation	–	1,839
Other	4,584	2,175
Total extraordinary losses	10,745	16,718
Profit before income taxes	129,262	84,617
Income taxes-current	37,476	26,434
Income taxes-deferred	(614)	41
Total income taxes	36,861	26,476
Profit	92,400	58,141
Profit attributable to non-controlling interests	4,890	1,657
Profit attributable to owners of parent	87,509	56,483

Consolidated Statement of Cash Flows

(¥ million)

	Previous consolidated fiscal year (From April 1, 2021 To March 31, 2022)	Current consolidated fiscal year (From April 1, 2022 To March 31, 2023)		Previous consolidated fiscal year (From April 1, 2021 To March 31, 2022)	Current consolidated fiscal year (From April 1, 2022 To March 31, 2023)
Cash flows from operating activities			Cash Flows from financing activities		
Profit before income taxes	129,262	84,617	Net increase (decrease) in short-term loans payable	(23,001)	33,310
Depreciation and amortization	65,885	73,034	Net increase (decrease) in commercial paper	—	86,000
Amortization of goodwill	804	1,058	Proceeds from long-term loans payable	26,003	64,655
Depletion of standing timber	6,995	7,895	Repayment of long-term loans payable	(5,218)	(59,881)
Increase (decrease) in allowance for doubtful accounts	31	911	Purchase of treasury shares of subsidiaries	(77,000)	—
(Increase) decrease in net defined benefit asset	(3,498)	(3,240)	Repayments of lease obligations	(6,952)	(6,618)
Increase (decrease) in net defined benefit liability	(60)	(1,415)	Dividends paid	(13,889)	(14,883)
Interest and dividend income	(4,152)	(5,000)	Payment from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(35,059)	(307)
Interest expenses	6,692	6,310	Other	(883)	(487)
Exchange loss (gain)	(12,626)	(6,911)	Net cash provided by (used in) financing activities	(136,002)	101,787
Equity in (earnings) losses of affiliates	(2,679)	(2,924)	Effect of exchange rate change on cash and cash equivalents	4,691	4,637
Loss (gain) on sale of investment securities	282	(1,052)	Net increase (decrease) in cash and cash equivalents	(80,291)	1,413
Loss (gain) on return of assets from retirement benefits trust	(1,049)	—	Cash and cash equivalents at the beginning of the year	135,669	55,474
Loss on disposal of non-current assets	2,283	3,159	Increase in cash and cash equivalents resulting from mergers of subsidiaries	115	—
Business restructuring expenses	1,869	1,909	Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(20)	(50)
(Increase) decrease in trade receivables	(20,960)	(43,889)	Cash and cash equivalents at the end of the year	55,474	56,837
(Increase) decrease in inventories	(26,001)	(42,615)			
Increase (decrease) in trade payables	33,937	9,533			
Other	(10,243)	(18,740)			
Subtotal	166,771	62,642			
Interest and dividend income received	4,962	7,731			
Interest paid	(5,805)	(5,169)			
Income taxes paid	(22,341)	(46,940)			
Net cash provided by operating activities	143,587	18,262			
Cash flows from investing activities					
Payment for acquisition of property, plant, equipment and intangible assets	(98,659)	(94,109)			
Proceeds from sales of property, plant, equipment and intangible assets	2,905	555			
Payment for acquisition of investment securities	(1,308)	(1,747)			
Proceeds from sales and redemption of investment securities	4,967	3,404			
Payment for loans receivable	(546)	(911)			
Proceeds from collection of loans receivable	1,640	2,484			
Payment from changes in ownership interests in subsidiaries that result in change of scope of consolidation	(1,441)	(32,864)			
Other	(125)	(85)			
Net cash used in investing activities	(92,567)	(123,274)			

Third-Party Independent Assurance Report

★ A star mark indicates that FY2022 figures have been assured by KPMG AZSA Sustainability Co., Ltd.

Environmental Data

Aggregation period: Japan: April 1 through March 31 of each fiscal year / overseas: January 1 through December 31 of each fiscal year (April 1 through March 31 for India and Myanmar)

Boundary of data aggregation: Consolidated subsidiaries in Japan and overseas, excluding nonproduction sites (see note for VOC emissions)

Greenhouse gas (GHG) / Energy consumption		FY2018	FY2019	FY2020	FY2021	FY2022
★ Greenhouse gas emissions (Scope 1 + Scope 2)* ¹	(kt-CO ₂ e)	7,836	7,650	7,460	7,606	7,470 ⁵
★ Scope 1	(kt-CO ₂ e)	6,394	6,323	6,267	6,398	6,399 ⁵
★ Scope 2	(kt-CO ₂ e)	1,442	1,327	1,193	1,208	1,071 ^{5, 6}
★ Scope 3 Purchased goods and services* ²	(kt-CO ₂ e)	3,923	3,766	3,430	3,663	3,670 ⁵
★ Implied reduction in greenhouse gas emissions by FIT electric power sales* ³	(kt-CO ₂ e)					480
★ Energy consumption (crude oil conversion)* ⁴	(1,000 kL)	5,822	5,660	5,219	5,400	5,440 ⁵

*1 Greenhouse gas (GHG)

Scope 1 calculation

Japan: Calculated in accordance with Act on Rationalizing Energy Use and Shifting to Non-fossil Energy (Energy Conservation Act) and Act on Promotion of Global Warming Countermeasures (Global Warming Act)

· Emissions relating to the electric power business (supply of electricity or heat to other companies) and transport by Group-owned vehicles are included.

· CO₂ emissions from the use of purchased fuels made from waste are excluded.

Overseas: Calculated based on the Greenhouse Gas Protocol Initiative

· Greenhouse gas (GHG) emissions from simply burning waste are excluded.

· Greenhouse gas (GHG) emissions from waste disposal and wastewater treatment are excluded.

· Non-energy greenhouse gas (GHG) emissions resulting from quicklime production (lime kiln) are excluded.

Scope 2 calculation

Japan: Basic emissions factors of individual electric power companies published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry

Overseas: IEA-published CO₂ emission factors by country in 2010

*2 Scope 3 Purchased goods and services: Emissions associated with activities up to the point when materials/components, materials related to purchased goods and sale, etc. are manufactured. For emission intensities, we have referred to the "Emission intensity database for calculation of GHG emissions by organizations throughout the supply chain (ver. 3.2)" and the "CO₂ equivalents common intensity database (ver. 4.0)."

*3 Implied reduction in greenhouse gas emissions by FIT electric power sales

The amount of reduction is estimated based on the premise that electric power sale

under the Feed-in Tariff (FIT) scheme for renewable energy indirectly reduces the CO₂ emissions associated with electric power users.

Implied reduction = amount of FIT electric power sales x national average emission factor

FIT electric power sales: The amount of electricity from biomass, hydroelectric, and solar power generation sold under the FIT scheme by Group companies in Japan

National average emission factor: An emission factor used in the calculation of the equivalent amount of CO₂ reduced by using non-fossil electric power under the greenhouse gas emissions calculation, reporting, and disclosure system

*4 Energy consumption: Energy consumption in conjunction with the manufacture of products is calculated excluding the following energy use.

Consumption relating to the electric power business (supply of electricity or heat to other parties) and transport by Group-owned vehicles is excluded.

Energy relating to the supply of electric power or heat to other parties is excluded from fossil fuel and non-fossil fuel derived energy.

The sources of unit calorific values are the following laws and international standards.

Japan: Act on Rationalizing Energy Use and Shifting to Non-fossil Energy and Act on Promotion of Global Warming Countermeasures

Overseas: IPCC 2006 Guidelines for National Greenhouse Gas Inventories

For comparability with the reduction targets, the unit calorific values for non-fossil fuels are the same as those used for FY2018.

*5 For sites that had trouble in collecting data due to natural disasters, FY2022 data are estimates calculated using production volumes and actual FY2019-2021 data.

*6 For some overseas sites, calculated emissions decreased by 92 kt-CO₂e as the emissions factors of purchased steam were adjusted according to actual situations.

Environmental impacts		FY2018	FY2019	FY2020	FY2021	FY2022
★ Industrial waste generation* ⁷	(kt)	2,875	2,757	2,733	2,772	2,989 ⁵
★ VOC emissions* ⁸	(t)	523	481	227	232	182

*7 Industrial waste generation

The volume of waste generated includes valuable materials (general waste is not included).

*8 VOC emissions

Domestic Group companies subject to Japanese Pollutant Release and Transfer

Register (PRTR) law have been included.

Of the substances subject to PRTR law, those corresponding to the 100 types of VOC indicated by the Ministry of the Environment based on the Air Pollution Control Act have been included.

Water intake and wastewater		FY2018	FY2019	FY2020	FY2021	FY2022
★ Water intake	(1,000 m ³)	740,398	736,684	706,298	714,281	709,966 ⁵
★ Wastewater	(1,000 m ³)	708,494	701,024	671,965	675,849	672,780 ⁵

Social Data

Occupational safety / Diversity		FY2018	FY2019	FY2020	FY2021	FY2022
★ Lost time injury frequency rate (LTIFR)* ⁹	Whole Group	0.89	0.88	0.81	0.97	1.11
	Japan	0.76	0.67	0.76	0.84	0.86
	Overseas	1.01	1.08	0.85	1.09	1.29
★ Percentage of female managers* ¹⁰	16 companies in Japan (%)	3.1	3.5	3.6	3.7	3.6
★ Employment rate of people with disabilities* ¹¹	Six applicable Group companies in Japan (%)	2.17	2.27	2.31	2.35	2.51
	81 companies in Japan (%)	1.91	2.01	2.04	2.10	2.20

*9 Aggregation period: From January 1 to December 31

Boundary of data aggregation: Oji Holdings Corporation and its consolidated subsidiaries

LTIFR = (the number of lost time injuries ÷ total working hours) × 1,000,000
Until 2021, total working hours were calculated based on the number of Group company employees (regular employees and temporary/non-regular employees) as of the end of September, assuming the annual working hours per person is 2,000 hours. Beginning in 2022, actual total working hours until the end of December as reported by the companies have been used. Calculated using the method used up to 2021, LTIFR for FY2022 would be 1.25, 0.98, and 1.46 for whole Group, Japan, and overseas, respectively.

*10 Aggregation date: March 31 of each fiscal year / Boundary of data aggregation: 16 Group companies in Japan (with 301 or more employees at the beginning of aggregation in September 2015)

Percentage of female managers = Number of female managers ÷ Number of all managers

*11 Aggregation date: June 1 after each fiscal year

Boundary of data aggregation:

· Six applicable Group companies in Japan: Oji Holdings, Oji Nepia, Oji Imaging Media, Oji Paper, Oji Management Office, and Oji Clean Mate

· Eighty-one companies in Japan: Eighty-one companies in Japan that have at least 43.5 employees and are required to hire at least one person with disabilities under the FY2023 statutory employment rate of 2.3% (including the six applicable Group companies)

Employment rate of people with disabilities (actual employment rate) = Number of regular workers with physical or intellectual impairments or with mental illness ÷ Number of all regular workers

(Workers with short working hours are counted as 0.5 workers and persons with severe disabilities are counted as two persons.)

ESG data → <https://ojiholdings.disclosure.site/en/themes/116/>

Independent Assurance Report

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

We were engaged by Oji Holdings Corporation (the “Company”) to undertake a limited assurance engagement of the environmental and social performance indicators marked with ★ (the “Indicators”) for the period from April 1, 2022 to March 31, 2023, except for the lost time injury frequency rate, which is for the period from January 1, 2022 to December 31, 2022, and for the employment rate of people with disabilities, which is as of June 1, 2023 included in its Oji Group Integrated Report 2023 (the “Report”) for the fiscal year ended March 31, 2023.

The Company’s Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the “Company’s reporting criteria”), as described in the Report.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with the ‘International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information’ and the ‘ISAE 3410, Assurance Engagements on Greenhouse Gas Statements’ issued by the International Auditing and Assurance Standards Board. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing the Company’s responsible personnel to obtain an understanding of its policy for preparing the Report and reviewing the Company’s reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical procedures on the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company’s reporting criteria, and recalculating the Indicators.
- Visiting the Oita Mill of Oji Materia Co., Ltd. selected on the basis of a risk analysis.
- Evaluating the overall presentation of the Indicators.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Report are not prepared, in all material respects, in accordance with the Company’s reporting criteria as described in the Report.

Our Independence and Quality Management

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Management 1, we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

/s/ Kazuhiko Saito
Kazuhiko Saito, Partner, Representative Director
KPMG AZSA Sustainability Co., Ltd.
Tokyo, Japan
October 17, 2023

Notes to the Reader of Independent Assurance Report: This is a copy of the Independent Assurance Report and the original copies are kept separately by the Company and KPMG AZSA Sustainability Co., Ltd.

Corporate Data / Stock Information / Evaluation from Society

Company Profile (as of March 31, 2023)

Company name	Oji Holdings Corporation
Director of the Board, President	Hiroyuki Isono
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 share (21,423,438 shares)
Number of shareholders	85,662
Number of employees of the consolidated Group	37,845

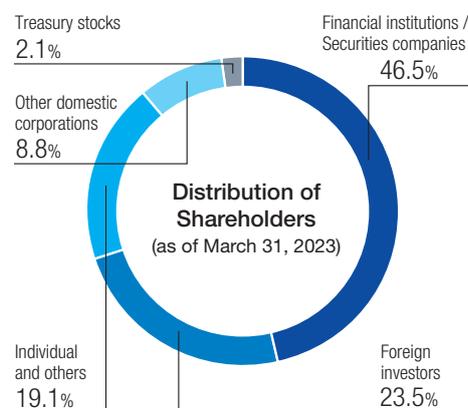
Stock Information (as of March 31, 2023)

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 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo Japan
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, 2023)

Name of shareholder	Shares held (Thousands)	Percentage of total shares issued
The Master Trust Bank of Japan, Ltd. (Trust account)	147,974	14.9
Custody Bank of Japan, Ltd. (Trust account)	68,241	6.9
Custody Bank of Japan, Ltd. (Trust account 4)	34,228	3.4
Sumitomo Mitsui Banking Corporation	31,668	3.2
Nippon Life Insurance Company	25,658	2.6
Mizuho Bank, Ltd.	21,636	2.2
STATE STREET BANK AND TRUST COMPANY 505001	20,507	2.1
Oji Group Employee Stock-holding Association	20,422	2.1
The Norinchukin Bank	16,654	1.7
STATE STREET BANK WEST CLIENT - TREATY 505234	15,153	1.5

1. The Company holds treasury stock of 21,423 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 (21,423 thousand shares).
3. Numbers less than one thousand are rounded down to the nearest thousand.



Evaluation from Society

**FTSE Blossom Japan Index***

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

FTSE4Good Index Series

Oji has been selected for the FTSE4Good Index Series, an ESG index established by FTSE Russell, since September 2019. (Scope: Oji Holdings)

FTSE Blossom Japan Sector Relative Index*

Oji has been selected for the FTSE Blossom Japan Sector Relative Index, an ESG index established by FTSE Russell, since April 2022. (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 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

Oji has been selected since November 2020 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.

MSCI Japan Empowering Women (WIN) Index*

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

“Eruboshi” certification received under the Act on Promotion of Women's Participation and Advancement in the Workplace

On December 21, 2017, Oji was granted “Eruboshi” (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)

2023 Certified Health and Productivity Management Organization Recognition Program

On March 8, 2023, Oji was recognized under the 2023 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 Kaigi. (Scope: Oji Holdings and Oji Management Office)

CDP

In December 2022, Oji was recognized for its sustainable forest management by global environmental non-profit CDP, earning an “A” score in Forest (Timber). (Scope: Oji Holdings)

ESG Finance Awards Japan

In February 2023, Oji was selected as an Environmentally Sustainable Company in the Environmentally Sustainable Company Category at the fourth ESG Finance Awards Japan. (Scope: Oji Holdings)

*An ESG index selected by the Government Pension Investment Fund (GPIF).

A Year at the Oji Group



Launched “nepia Hana-Celeb facial towel.” (P50)

Announced the renewal of “nepia Yasashii Genki!” (launched in April 2023)

©Yanase/F-T-N



Oji Container established and relocated a corrugated container plant and started operation. (P47)



Announced a plan to acquire IPI, a company that manufactures and sells liquid packaging cartons and filling machines.



Opened OJI GROUP FUJI TRAINING CENTER. (P98)



Ojitex (Vietnam) Co., Ltd. started operation of new corrugated container plant. (P46)



Acquired Adampak Pte. Ltd., a high performance label printing and converting company. (P53)



Development of Eco-friendly Cup Base Paper Ready for Material Recycling. (P40)

2023



Marked 150th anniversary of the Oji Group on February 12.

March

February

January

December

November

October

September

August

July

June

May

April

2022

Announced Medium-term Management Plan, Long-term Vision, and Purpose.



GSPP started operation of new corrugated container plant. (P47)



Oji Green Energy Tokushima started operation of biomass power plant in Tokushima Prefecture. (P58)



Beyond the Boundaries



Oji Holdings Corporation

Public Relations and Investor Relations Dept.,
Corporate Governance Div.
7-5, Ginza 4-chome, Chuo-ku, Tokyo
104-0061 Japan
<https://www.ojiholdings.co.jp/english/>

Issued in October 2023

