

<Translation>

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### Medium-Term Management Plan 2027

We hereby announce new “Medium-Term Management Plan 2027” covering the three-year period from fiscal year 2025 to 2027, as outlined in the attached document.

END

OJI HOLDINGS

30<sup>th</sup> May 2025

# Medium-Term Management Plan 2027



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# 01

## **Review of FY2022-2024 Medium-Term Management Plan**

# 1. Achievement Status of Previous Targets

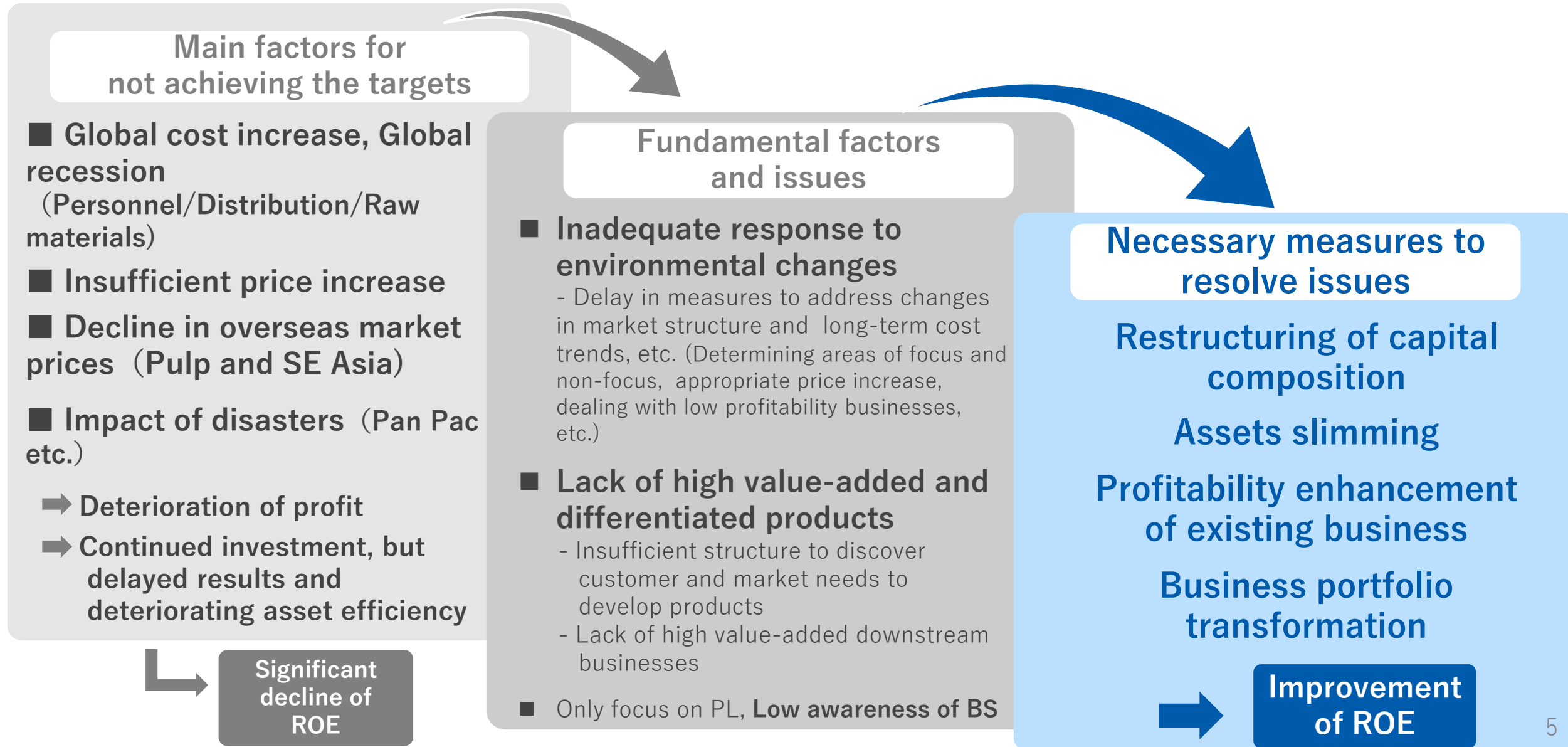
## Numerical Targets for FY2022-2024 Medium-Term Management Plan

	FY2021 Results	FY2024 Targets	FY2024 Results	Analysis of Operating Profit
Operating profit (Consolidated)	¥120.1bn	More than ¥150.0bn	¥67.7bn	(& yen bn) <b>&lt;Segments&gt;</b> - Forest Resources and Environment Marketing (45.0) - Household and Consumer Products (34.0) - Functional Materials (8.0) etc. <b>&lt;Factors&gt;</b> - Cost Increase (100.0) (Personnel/Distribution/Raw materials etc.) - Pulp(40.0) (Market price(15.0)/Volume(25.0)) - Market price in SE Asia(10.0) - Other operating factors approx. +68.0 (volume/price)
Profit Attributable to Owners of Parent	¥87.5bn	More than ¥100.0bn	¥46.2bn	
Overseas Sales Ratio	33.5%	40.0%	40.8%	
Net D/E Ratio	0.7	0.7 Maintained	0.7	

## ROE Target (announced in December 2023)

Stably maintain 8% 10% in the future	10.9%	-	4.3%
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## 2. Issues Identified through Review



# 02

## Medium-Term Management Plan – Overview 2027

- Target
- Financial Strategy
- Business Strategy

## 1. Medium-Term Management Plan 2027

Revised the roadmap to achieve our goal based on the results of the previous medium-term management plan, and set the Long-term Vision and Medium-Term Management Plan 2027

### Slogan

**Long-Term Vision 2035**  
**“Dedicated to Sustainability”**

### Basic Policy

#### Improving Capital Efficiency

- Management focusing on capital efficiency
- Asset sliming
- Restructuring of capital composition

#### Portfolio Transformation

- Expansion and exploration of new/promising businesses
- Restructuring of low profitability businesses

#### Promoting Sustainability

- Promotion of carbon neutral
- Expansion of nature positive
- Realization of circular economy



## 2. Phase Transition

### Medium-Term Management Plan 2027

**Preparation**  
- Strengthening foundation

**Focusing on  
Capital Efficiency  
Improvement**

**Profitability  
enhancement  
of existing business**

**Business portfolio  
transformation  
R&D investment  
for evolution**

Toward Evolution

Sustainable  
Packaging

FY2027

**Promotion**  
- Transforming business portfolio

Ongoing initiatives

**Expansion of  
Sustainable Packaging**

**Increasing Profitability in  
India and SE Asia**

**Commercialization of  
Forest Biomass Business\***

Biomass  
Pharmaceuticals  
(for animals)

CNF  
Composite

Biomass  
Photoresist

Bioethanol

Biomass  
Plastic

Biomass  
Pharmaceuticals  
(for human)

Further  
Evolution

FY2030

\*Forest Biomass Business

To create various value-added products from forest-derived biomass, including soil microbes, using biology, microbial utilization, chemical transformation, and polymerization

**Establishment**  
- Achieving outcomes

**Further Expansion of  
Business for Sustainability**

**Forest Biomass Business\*  
as Core business**

**Dedicated to  
Sustainability**

FY2035 8

# 02

## Medium-Term Management Plan 2027

- Overview
- **Targets**
- Financial Strategy
- Business Strategy

### 3. Numerical Targets

Take decisive actions to achieve ROE of 8% in FY2027

#### Management KPI

ROE **8.0%** (FY2027)

Target further improvement in capital efficiency and  
ROE of 10% in the future



#### Profit

Operating profit  
**¥120.0bn**

Net profit  
**¥80.0bn**

(Consolidated, FY2027)

#### Shareholder Returns

Payout ratio **50%** (FY2025+)

Treasury stock buyback  
**¥120.0bn\***

(Total of FY2025-2027)

#### Financial Soundness

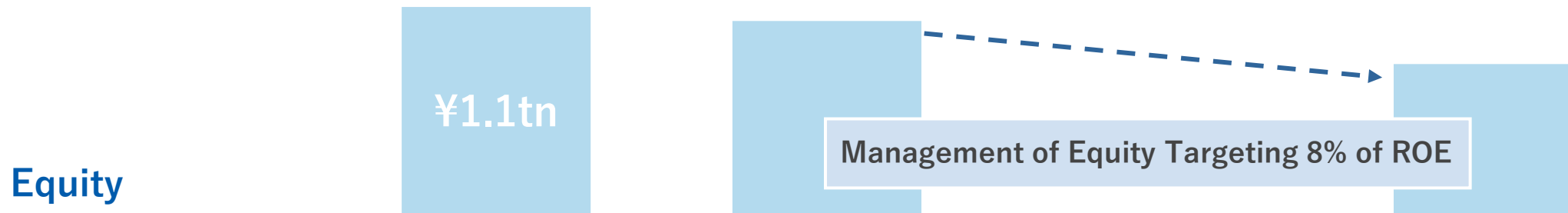
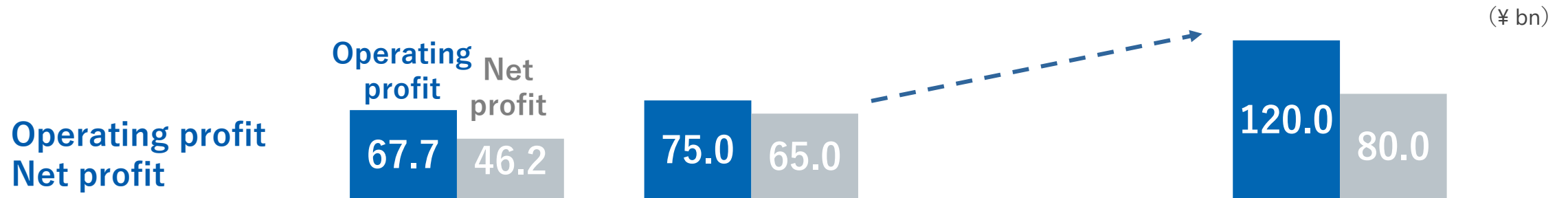
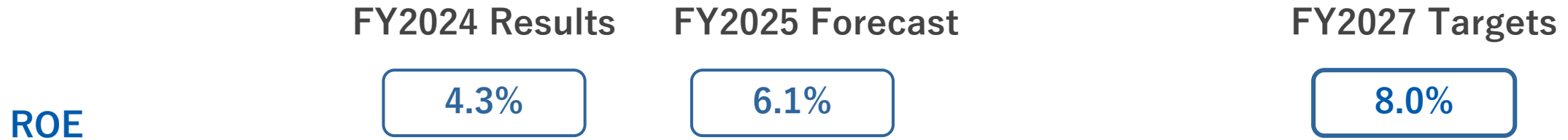
Net D/E ratio  
**1.0 or less**

\*Accumulated amount since FY2024 : ¥150.0bn

< Assumption >

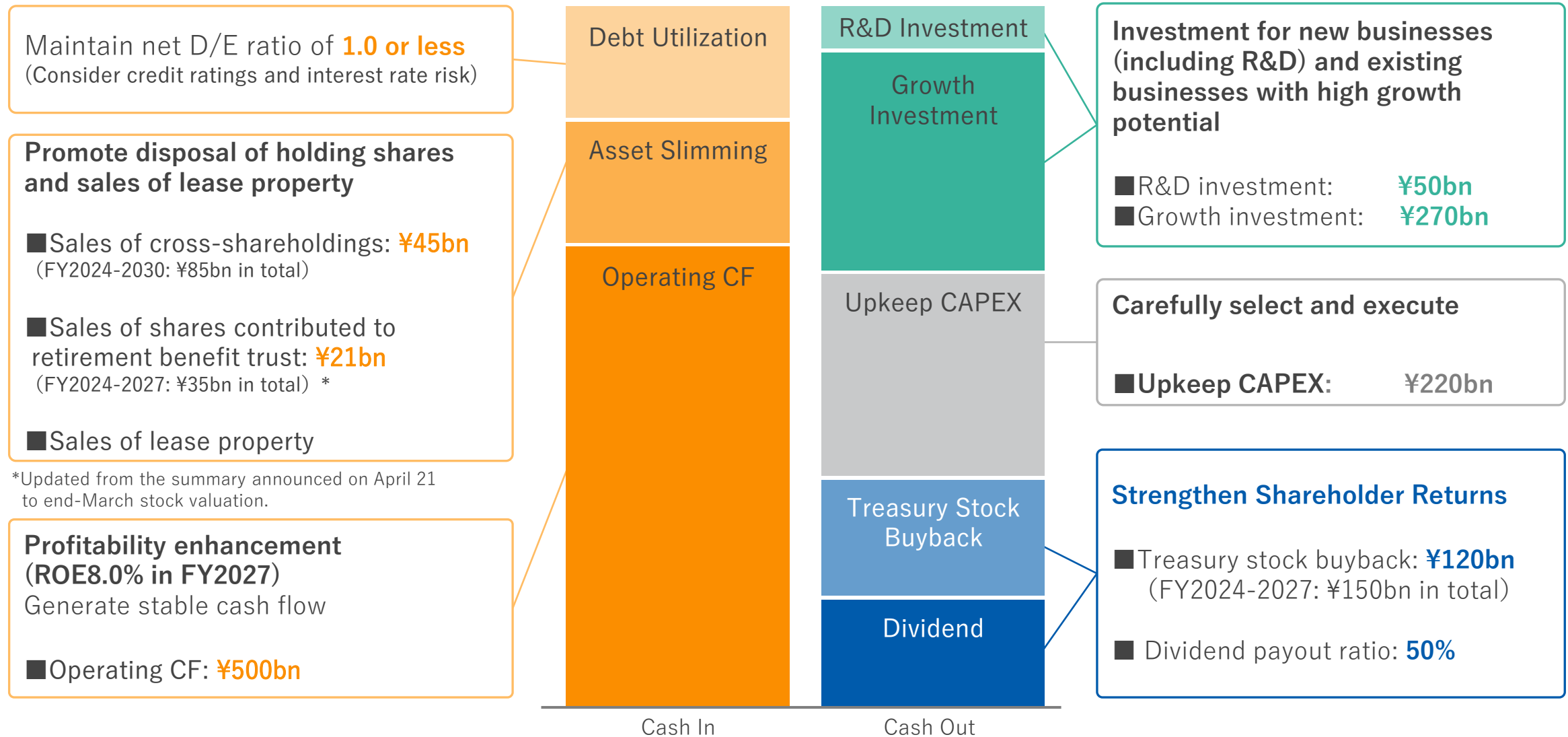
- Exchange rates :145JPY/USD
- Woodchip
- Coal :based on current Australia coal price (100USD/t)
- Heavy oil :based on current Dubai crude oil price (67USD/bbl)
- Pulp :average price (past 10 years)  
\*net price for China market  
(LBKP 610USD/t, NBKP 710USD/t)
- Recovered paper :based on current level

## 4. Roadmap to Achieve ROE Target



## 5. Cash Allocation

Cash Allocation for FY2025-2027



# 02

## Medium-Term Management Plan 2027

- Overview
- Targets
- **Financial Strategy**
- Business Strategy

## 6. Financial Strategy - Basic Policy

### Revising Capital Composition to Maximize Corporate Value

#### Stricter asset management

- Sale of non-core assets  
=> Focus management resources on core businesses
- Strictly manage investments by applying hurdle rates based on cost of capital
- Assess continuity and carefully select upkeep CAPEX

#### Revising capital composition

with an awareness of capital costs and leverage

- Reduction of equity through treasury stock buyback  
(Increase in profit per share and dividend per share)
- Control of equity and strengthen shareholder returns through increase in dividend payout ratio
- Utilizing debt while maintaining financial soundness  
(Net D/E ratio: previous 0.7 -> 1.0 or less)

**Achieving both “Securing Continuous Funds for Growth Investment and R&D” and “Strengthening Shareholder Returns”**

## 7. Financial Strategy - Assets slimming and Debt policy

Improve capital efficiency by streamlining of assets and reduce capital costs by debt utilization

### Assets slimming

Conducting stricter verification of the significance of shareholdings

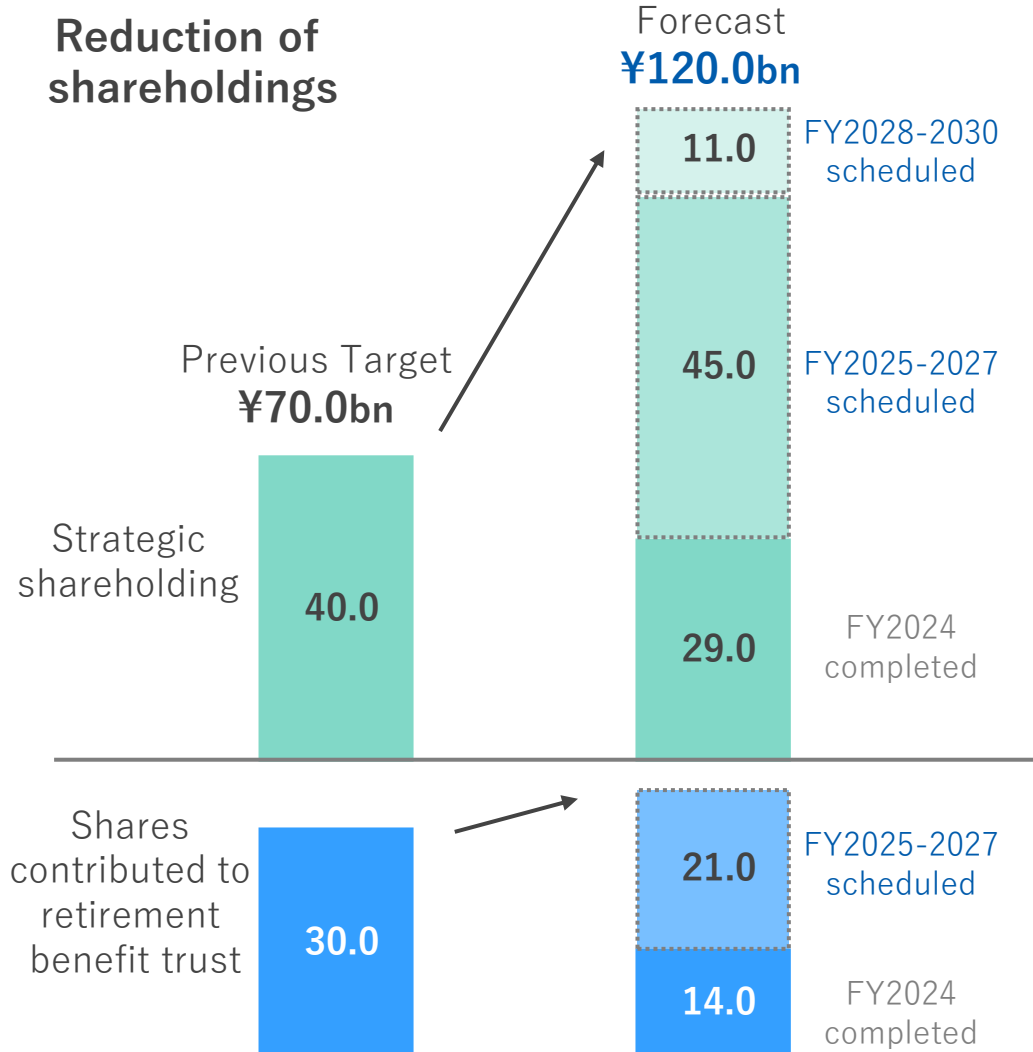
Consideration of selling lease property

➔ **Accelerate the sale of non-core assets to improve capital efficiency**

### Debt policy

Revised the target for **net D/E ratio** from 0.7 to **1.0 or less** considering interest rate risk and financial soundness

➔ **Actively utilize debt to reduce capital costs**





## 8. Financial Strategy - Shareholder Returns

### Dividend

Raise **Dividend payout ratio** to **50%\***  
from FY2025 \*Currently 30%

\*The dividend payout ratio is based on net profit attributable to owners of parent, including profits from asset sales and other asset slimming measures

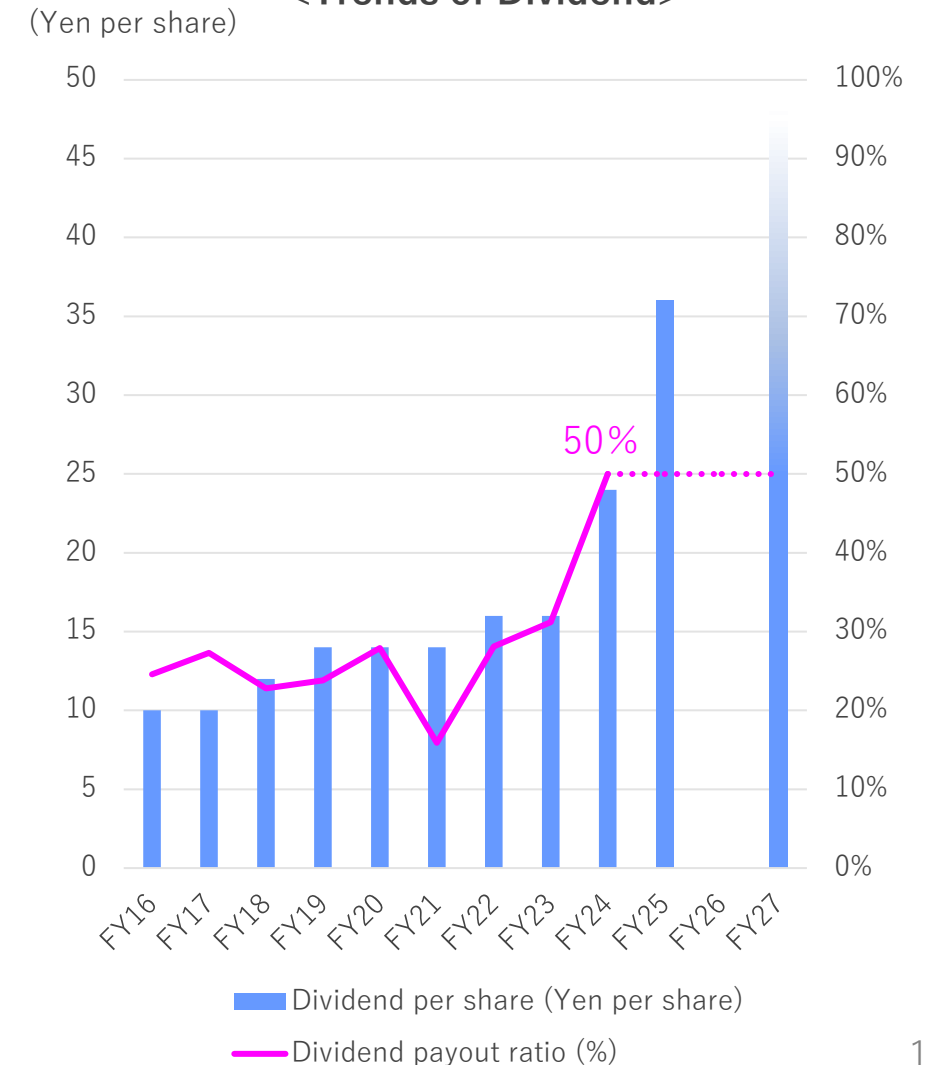
### Treasury Stock Buyback

Plan to acquire **¥120bn** of treasury stock  
**over 3 years**

Acquisition of **¥150bn** in total **by the end of FY2027**,  
including ¥100bn announced in December 2024

\*It is assumed that implementation will be carried out flexibly, considering stock prices, liquidity, and capital market trends, rather than focusing on regular implementation

### <Trends of Dividend>



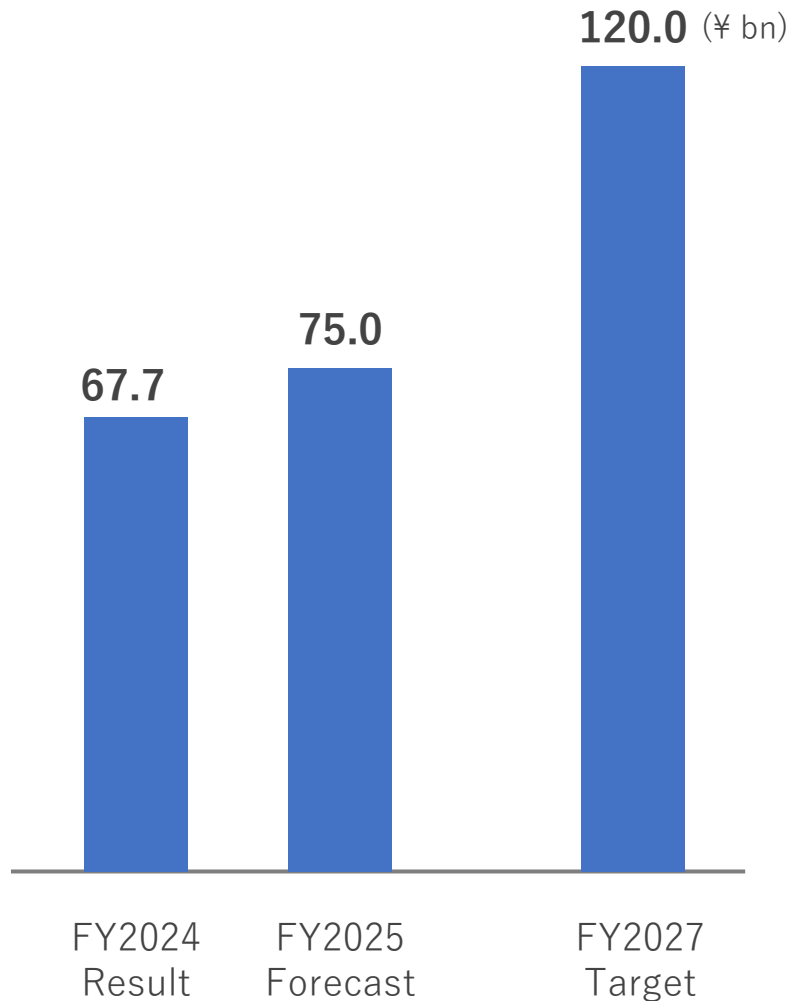
# 02

## Medium-Term Management Plan 2027

- Overview
- Target
- Financial Strategy
- Business Strategy

## 9. Business Strategy - Segment information

### Operating Profit FY2024-2027



### Operating Profit by Segment

(¥ bn)

Segment	FY2024 Result *	FY2025 Forecast	FY2027 Target
Household & Industrial Materials	18.4	27.0	50.0
Functional Materials	12.4	14.0	20.0
Forest Resources & Environmental Marketing	31.3	26.0	45.0
Printing & Communications Media	13.3	21.0	20.0
Others	(7.7)	(13.0)	(15.0)
<b>Total</b>	<b>67.7</b>	<b>75.0</b>	<b>120.0</b>

\*Group head office cost, which used to be distributed across each segment, is allocated into "Others" from FY2025. Both Walki and IPI are allocated to Household & Industrial Materials from FY2025

In the future, planning segment may change based on portfolio transformation.

# 10. Business Strategy - FY2025-FY2027

Building a strong profitability foundation for evolution through profitability enhancement of existing businesses and management focusing on capital efficiency improvement

## Profitability Enhancement of Existing Business

- Rebuilding the profit margin, which fell in FY2024 (including the impact of external problems such as the disaster at Pan Pac, etc.)
- Low-growth businesses: Thoroughly implementing cash flow management

### [Specific initiatives]

Price increase <sup>1</sup>

Enhancing competitiveness/  
Stable operation <sup>4</sup>

Enhancing group sales system <sup>3</sup>

Shift to more profitable varieties <sup>3</sup>

» : Flow of funds

Strictly manage investments by applying hurdle rates based on cost of capital

1 2 3 4

To the waterfall chart on the next page

## Business Portfolio Transformation

- Low profitability businesses
- Promising businesses: Concentrated investment of management capital as growth investment

Withdrawal from containerboard business in Oceania  
**Restructuring** <sup>2</sup>

Sustainable packaging: <sup>3</sup>  
Barrier paper, etc.

Integration of downstream businesses: <sup>3</sup>  
Pulp -> functional cellulose, etc.

High economic growth potential: <sup>3</sup>  
India/SE Asia

## R&D Investment for evolution

- Actively investing in R&D to become a forest biomass company

Sugar solution,  
Bioethanol

Biomass photoresist  
for semiconductors

Biomass  
Pharmaceuticals

CNF  
composite material

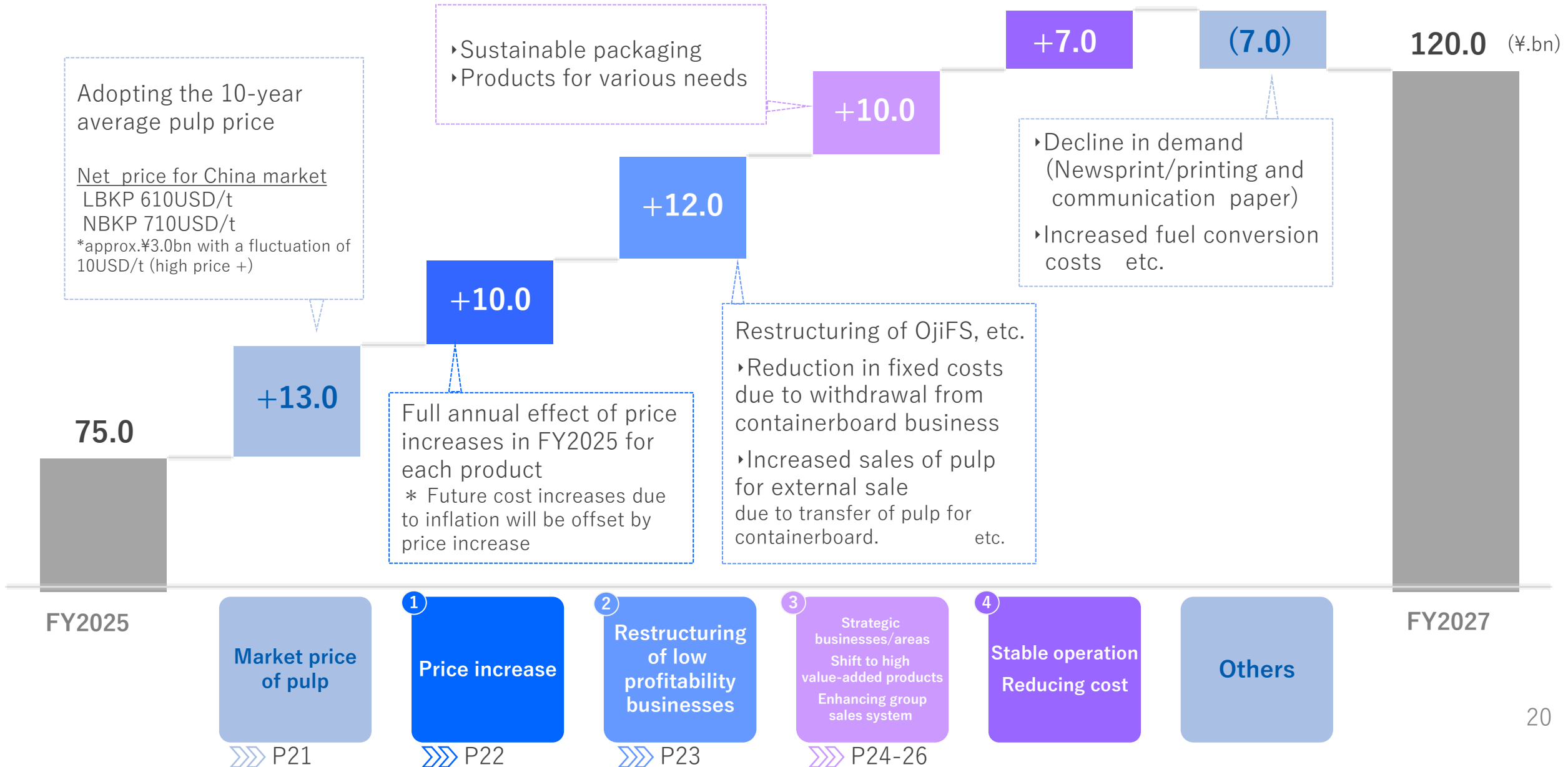
## FY2027 Targets

ROE : 8.0%

Operating profit : ¥120bn

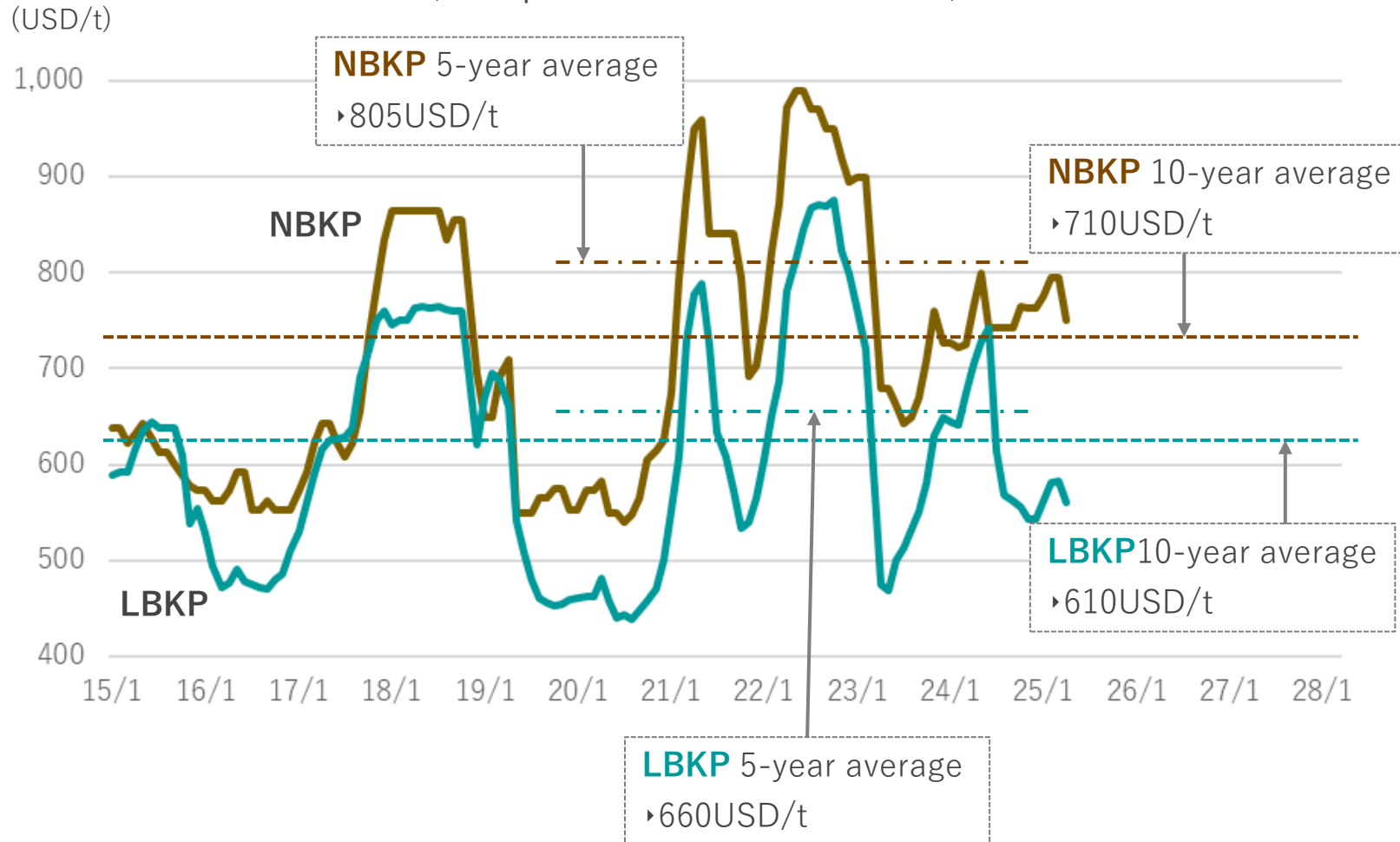
Net profit : ¥80bn

# 11. Business Strategy - Roadmap to achieve numerical targets (Factors)



# 12. Business Strategy - Roadmap to Achieve Numerical Targets (Pulp Market)

**Pulp Price**  
(Net price for China market)



## Pulp Price Assumption

### Based on past 10-year average

**LBKP** is expected to recover from the recent decline

(FY2025 Assumption) 570 USD/t → (FY2027 Assumption) 610 USD/t

**NBKP** is expected to decline after rising trend

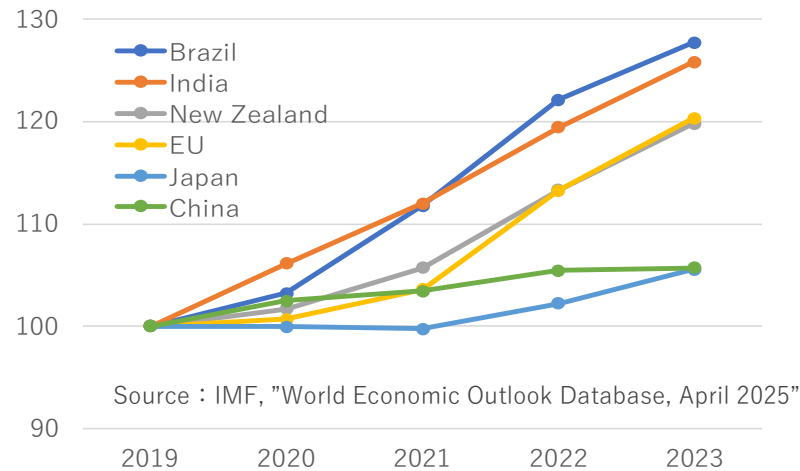
(FY2025 Assumption) 755 USD/t → (FY2027 Assumption) 710 USD/t

	(USD/t)	
	(FY2025 Assumption)	(FY2027 Assumption)
BCTMP	465	510
NUKP	600	660

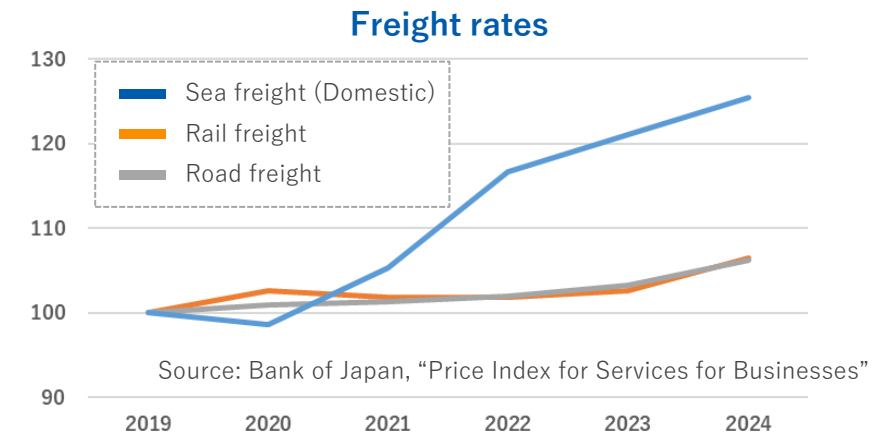
## 13. Business Strategy - Roadmap to achieve numerical targets (Price increase)

The price increase to be implemented in FY2025 will absorb past unpassed-on costs, and additional cost increases will be passed on to prices in a timely and steadily manner.

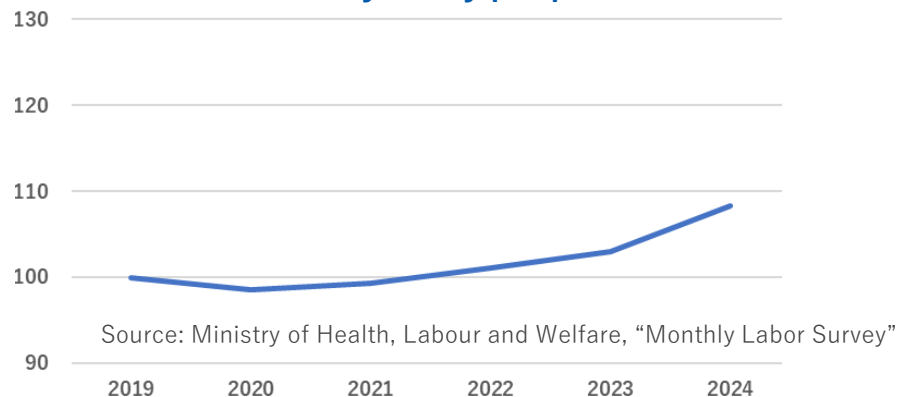
### ● Prices in each country (Based on 2019)



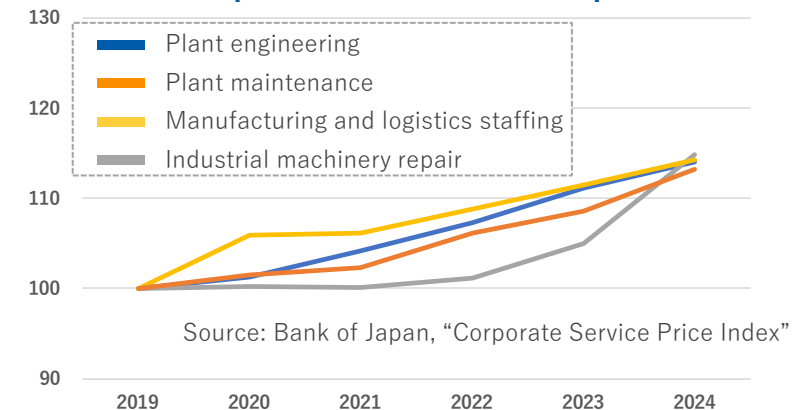
### ● Various domestic cost index (Based on 2019)



#### Monthly salary per person



#### Repair and contract work prices



## 14. Business Strategy - Roadmap to Achieve Numerical Targets (Restructuring of Low Profitability Businesses)

### Withdrawal from low profitability businesses and restructuring of production business

- **Basic policy** Withdrawal from low profitability business and areas both domestic and overseas

#### Criteria for Withdrawal and Sale of Existing Businesses

- Setting internal criteria\* for considering withdrawal
- Early management decisions through regular monitoring

Unmet Internal Standards



Consideration of revival strategy

Reconstruction Plan

Regular monitoring of reconstruction progress

Unmet Internal Standards

Reconstruction Plan Achieved

**Decision to withdraw (sale/closure)** due to continued unmet standards

**Continue business**

\*Comprehensive judgement based on EBITDA, ROIC, operating profit margin, etc.

- **Progress** Several projects are being considered, with decisions and implementation expected soon

#### Withdrawal of Oji Fibre Solutions from Containerboard Business

- Rising energy and personnel costs
    - Inflation since the COVID-19 pandemic
  - Declining market price of containerboard for Southeast Asia
- Structural problems

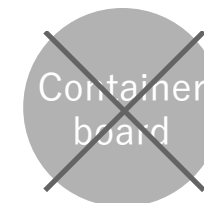
#### => Withdrawal from Containerboard Business

- Penrose Mill closure (December 2024)
- Paper machine shutdown at Kinleith Mill (June 2025)

#### => Reduction of fixed costs

**Switching from in-house production pulp for containerboard to external sales**

<OjiFS Business>





## 15. Business Strategy - Roadmap to Achieve Numerical Targets (Sustainable Packaging)

Expanding environmentally friendly sustainable packaging business with a focus on the shift from plastic to paper packaging



Responding to  
potential needs

### R&D and P&D

Further improvement of  
barrier paper, etc.



### Compliance with Environmental Regulations

mainly in Europe

Shift from plastic  
to paper and  
mono-materialization



Target to focus on most as a group

### Shift from Plastic to Paper Packaging

Expanding sales by stimulating demand  
for replacement with new materials  
and promoting existing products

< New technologies and materials >

Film



Barrier paper

Oxygen barrier properties  
Moisture barrier properties  
Oil-resistant properties, etc.

< Strengthening proposals for  
the shift to paper in existing fields >

Plastic bag



Paper bag

Plastic bottle



Liquid packaging cartons



Cross-group  
at the global level

### Strengthening Marketing

Providing products  
by discovering needs

Expanding product sales  
contributes to the profit  
of the Oji Group and  
the future of the earth

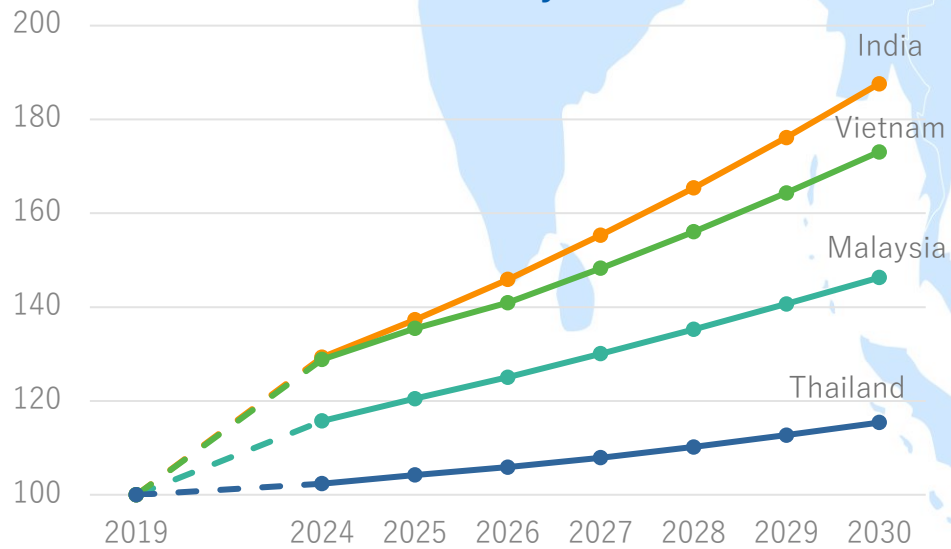
## 16. Business Strategy - Roadmap to Achieve Numerical Targets (India, SE Asia)

Reconfirm capital efficiency while continuing to focus on India and Southeast Asia, where economic growth is expected

### Market Outlook

- Although there is uncertainty due to regional differences and the influence of the US government, economic growth and demand are expected to expand

GDP(at constant prices) Forecast  
for Each Country (2019=100)



Source: IMF "World Economic Outlook Database, April 2025"

### Business Environment

- **Southeast Asia:** Declining profitability of the corrugated container business due to the expansion of Chinese companies and oversupply within the region
- **India:** Rapidly growing demand in various fields  
Variations in required quality and service, and profit margins depending on customers

### Future Business Strategy

- Strategically expand investment into high-margin areas beyond the existing corrugated container business

#### Total Packaging Business

#### High Functional Label Thermal Paper

- Maximizing the advantages of integrated business model at existing plants and improving profitability through further operational and personnel rationalization in plants
- Forming a total packaging group centered on the corrugated container business and strengthening sales capabilities
- Optimizing production systems throughout the region and considering timely withdrawal from low profitability business and plants

## 17. Business Strategy - Roadmap to Achieve Numerical Targets

(Shifting to high value-added products and strengthening of group sales system)

Establish a cross-group organizational structure to promote sales that capture customer needs and shift to high value-added products

### Preparing systems for a shift to high value-added products

#### ■ Establish a cross-group sales organization

(Right figure: from FY2025)



Establish a cycle

#### ■ Development of high value-added products:

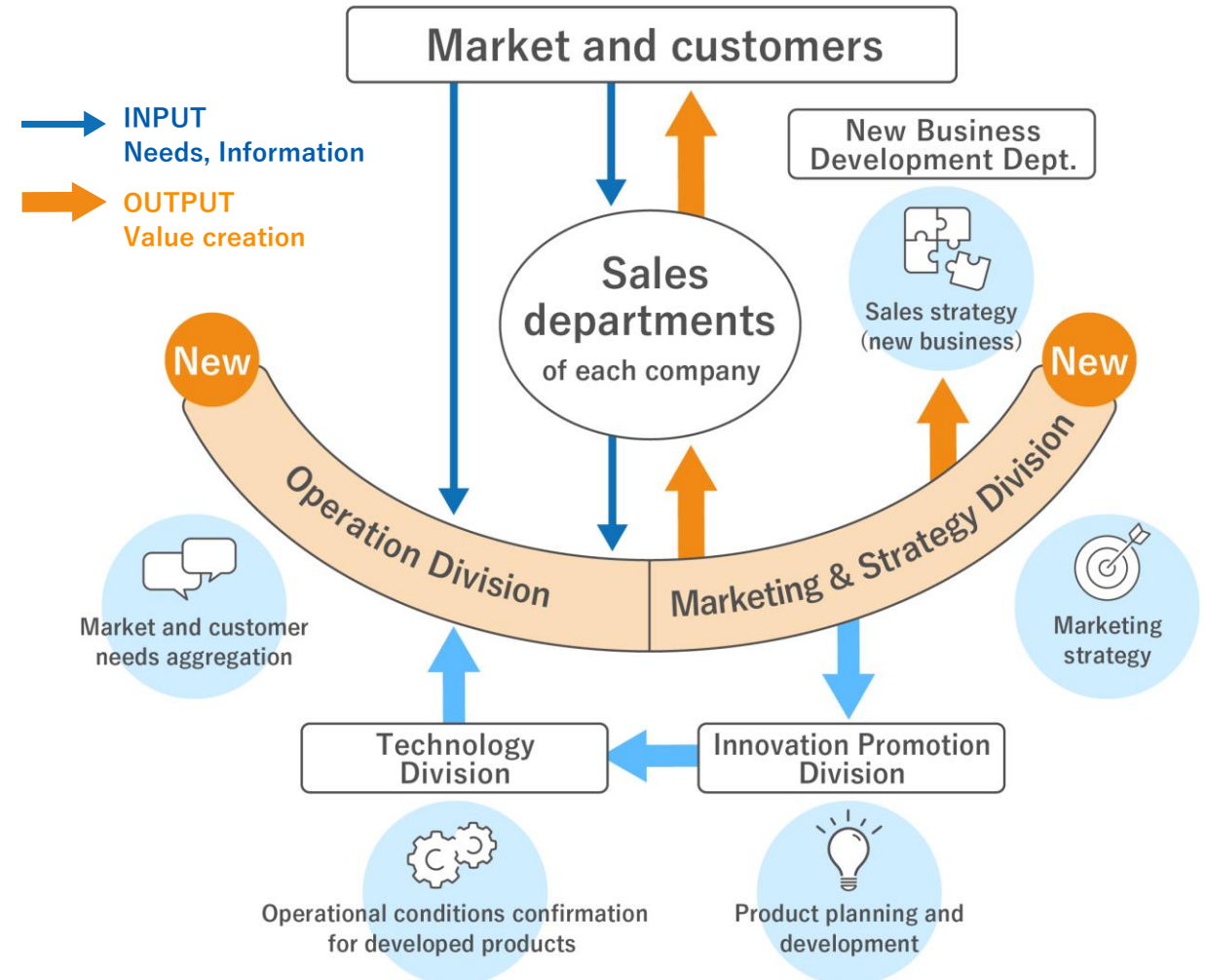
Develop and deliver products that meet customer needs in a timely manner

Shift the volume zone to **high value-added products**

#### ■ Prevent missed demand

#### ■ Development of new business:

Based on market information, identify potential needs and connect them to new business



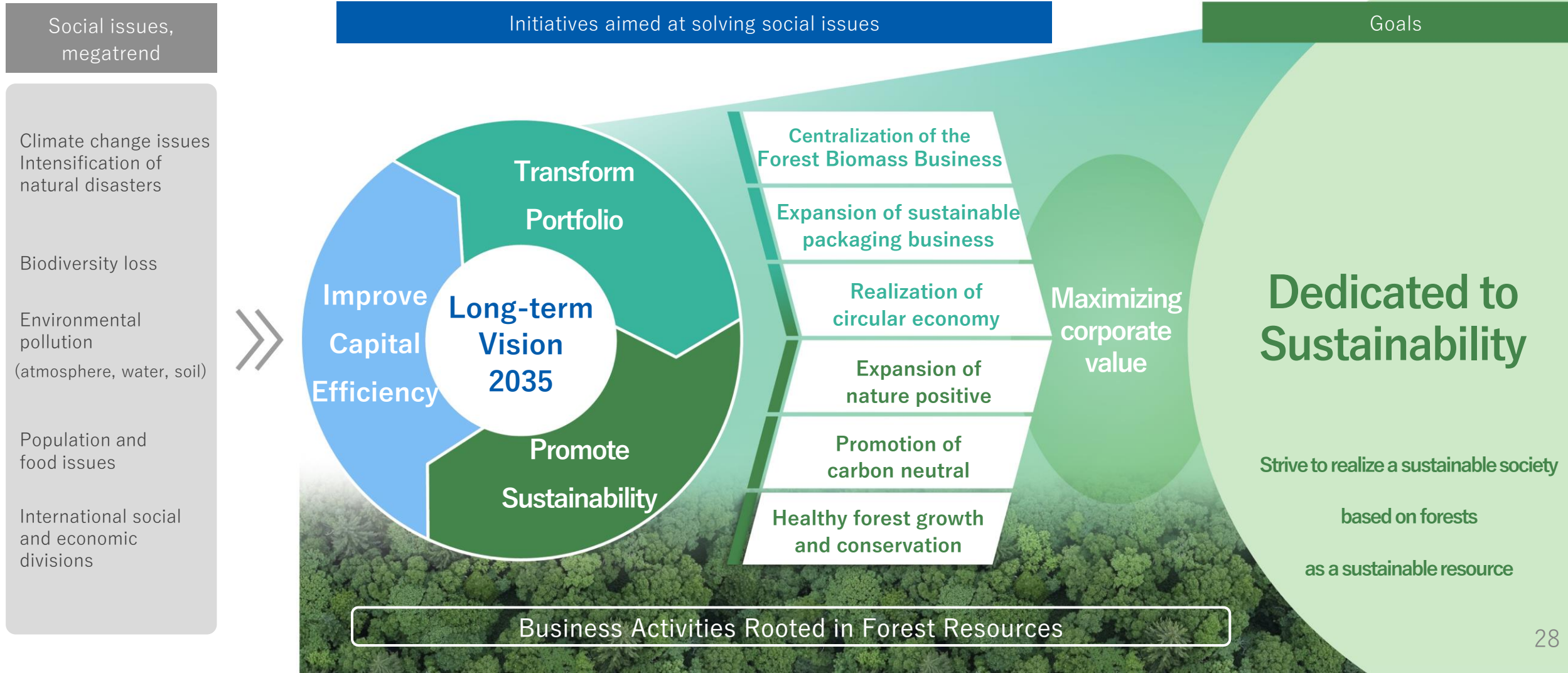
# 03

## Long-term Vision – Overview

- Research and Development
- Sustainability Strategy

## 1. The Goals through Long-term Vision

Contributing to the sustainability of the earth and society through initiatives aimed at maximizing corporate value and solving social issues



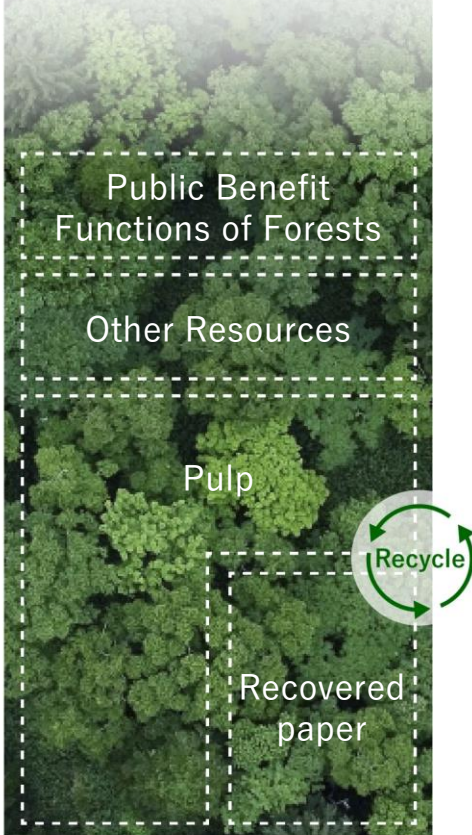


## 2. Future Business Portfolio

In line with the Centralization of Forest Biomass Businesses, segment classifications will be revised

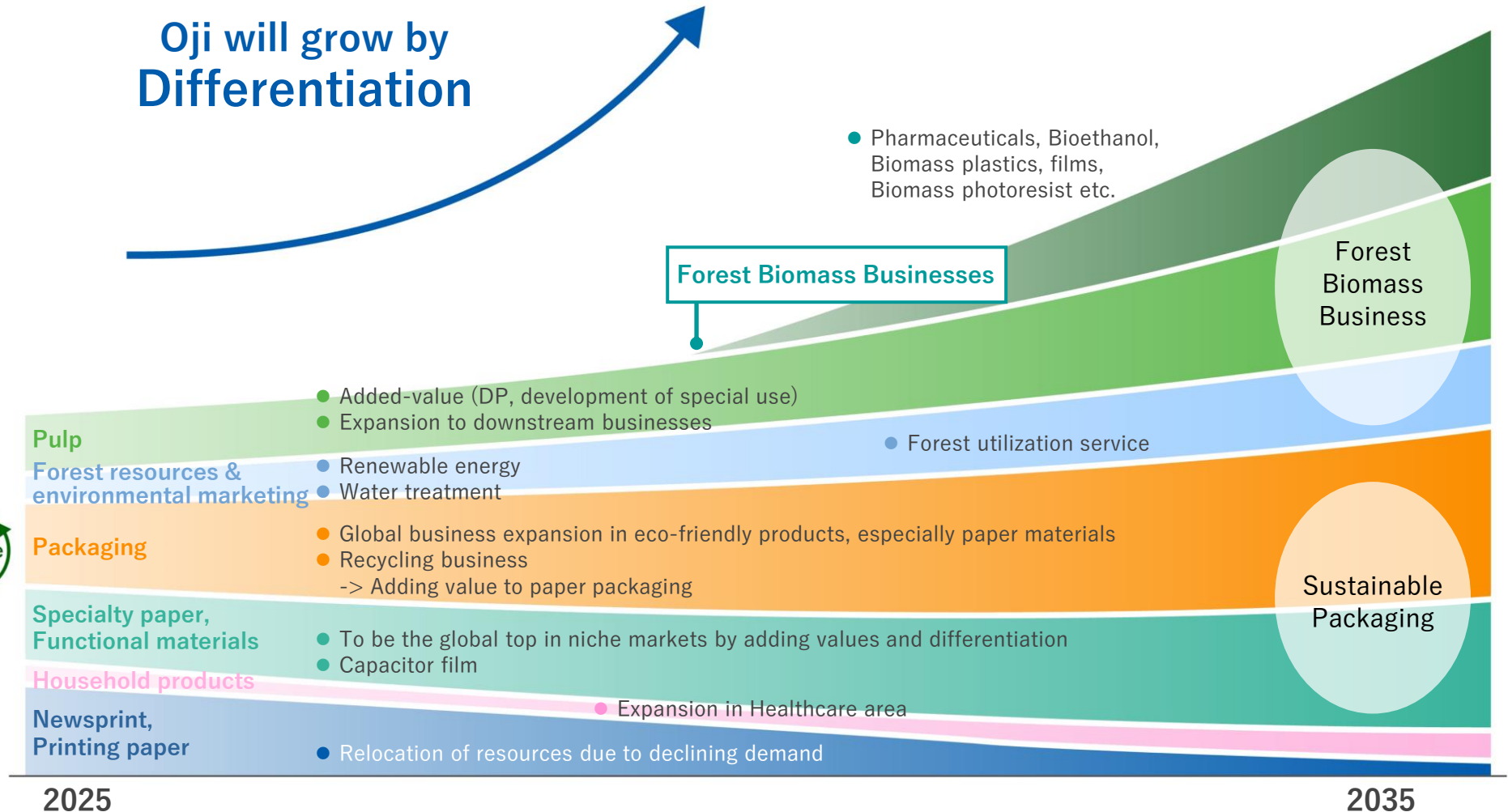
### Resources from Forests

\*Forest resources are "sustainable" and "carbon neutral" resources that can be renewable by forest plantation.



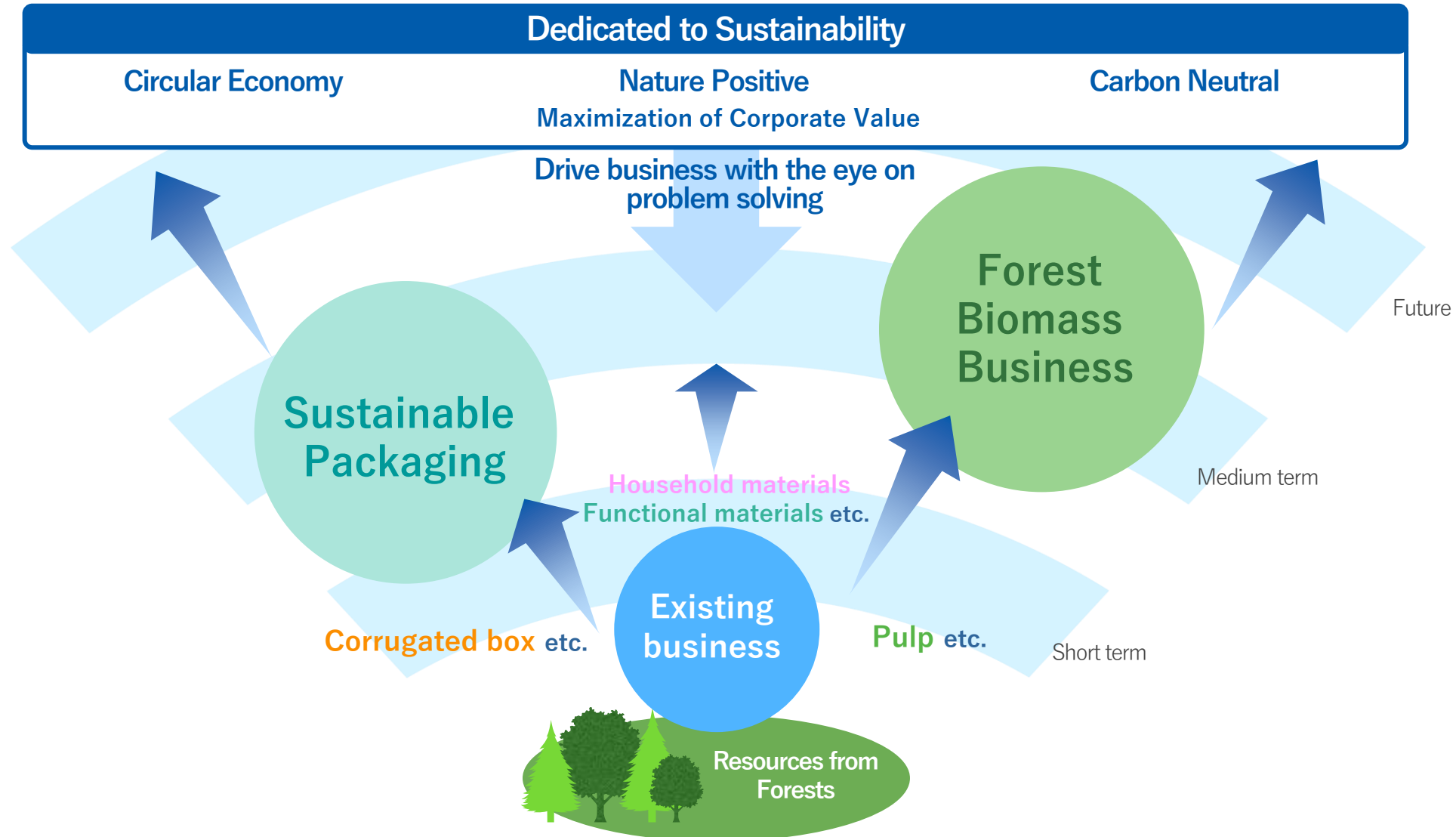
### Business portfolio of Oji (current to the Future)

Oji will grow by  
**Differentiation**



## 3. Roadmap to sustainable growth

Promote portfolio transformation that captures needs and contribute to the sustainability of society



## 4. Recent Initiatives towards the Transformation of Future Business Portfolio

Steadily execute R&D investments and M&A investments to be dedicated to sustainability

Forest Biomass Business	<div>In House Development</div> <div>Co-Development</div>	Pilot plant of wood derived sugar solution/ethanol started production → (P36) etc.
Expansion of Downstream of Pulp Business	M&A	<b>Chemfield</b> (Acquired in Mar. 2025) Location : Maharashtra, India Business : Manufacture and sales of microcrystalline cellulose Has strengths in high quality standards and price competitiveness.
Sustainable Packaging	M&A	<div> <b>IPI</b> (Acquired in Mar. 2023)                          Location : Italy                          Business : Manufacture and sales of converted paper and filling machines for aseptic packaging carton                     </div> <div> <b>Walki</b> (Acquired in Apr. 2024)                          Location : Europe (HQ in Finland)                          Business : Converting company                          Specialized in sustainable packaging                     </div>
Total Packaging	M&A	<b>Adampak</b> (Acquired in Sep. 2022) Location : SE Asia, China (HQ in Singapore) Business : Printing and processing high performance label



Next Core Business



# 03

## Long-term Vision

- Overview
- **Research and Development**
- Sustainability Strategy

## 5. Research and Development (1)

Aim to be a company that contributes to realization of sustainable society through wood biomass materials and products with forest resources

Abundant Forest Resources  
(wood biomass)

Petroleum alternative materials  
High value-added materials

Support the Earth and our lives  
through the expansion of wood bio-products



Wood  
components

Cellulose

Hemicellulose

Lignin



Endless possibilities  
of utilization

Process raw wood materials by using various  
technologies, including proprietary technologies

Pulping

Chemical Modification  
& Synthesis

Enzymatic &  
microbial processing

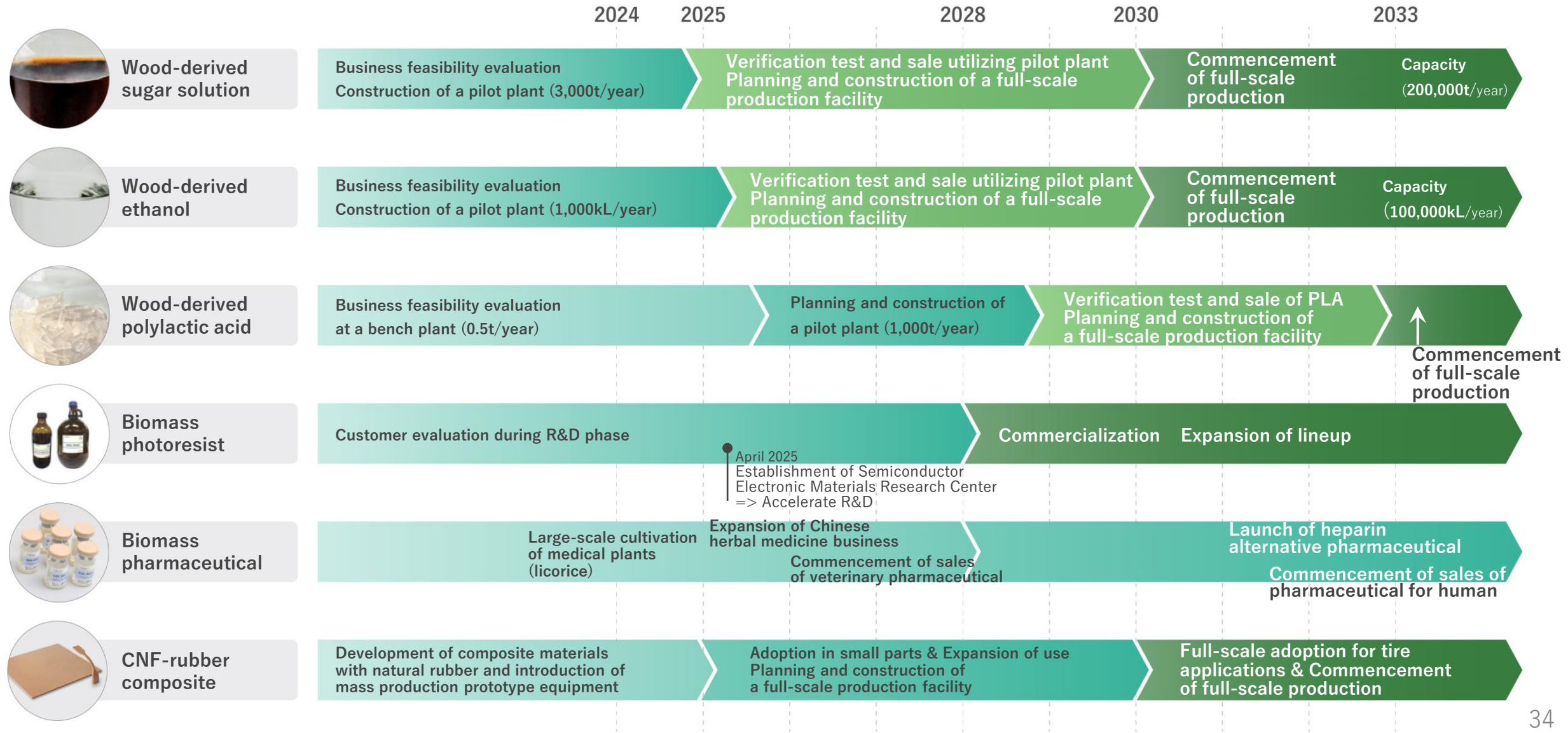
micronization

Manufacture final products  
in-house or by users



## 6. Research and Development (2)

To become a forest biomass company in 2030s





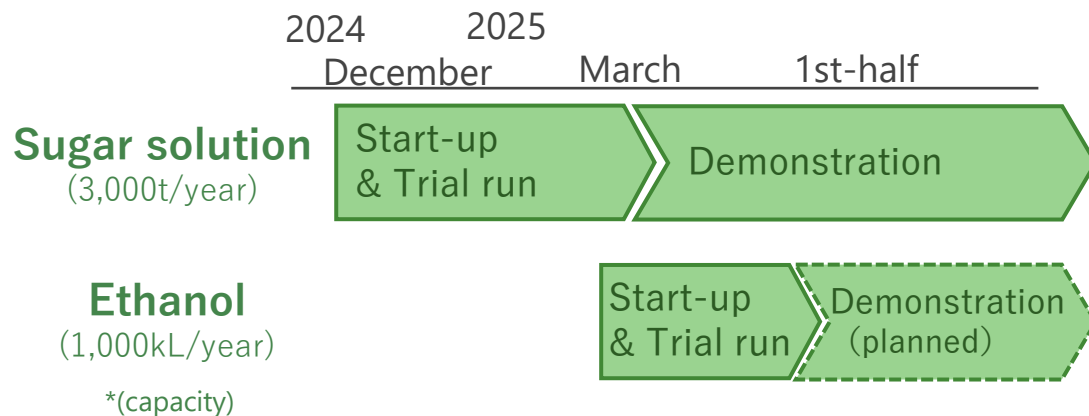
## 7. R&D (3) Pilot plant for Wood-derived Sugar solution & Bioethanol

Pilot plant for sugar solution and bioethanol are installed

Conducting demonstration tests, we will provide the manufactured products to our customers for evaluation to promote practical use



### ■ Progress status of pilot plant



### ● Wood-derived sugar solution

Wood-derived sugar solution can be produced by enzymatic decomposition of pulp, and it is expected to be a key substance to petroleum alternative materials

[Major application possibility]  
(In-house business)

- Ethanol, raw material for poly lactic acid

(Collaboration with various users)

- Clothing fiber, resin material
- Food
- Various raw materials etc.

### ● Wood-derived ethanol

Wood-derived ethanol can be produced by fermentation of sugar solution, and it is expected to be utilized as a fuel and a raw material for chemicals

[Major application possibility]

- Sustainable aviation fuel (SAF)
- Blended biofuel for automobiles
- Rubber raw materials
- Manufacture of basic chemicals etc.

\*These are expected to be manufactured in collaboration with other businesses

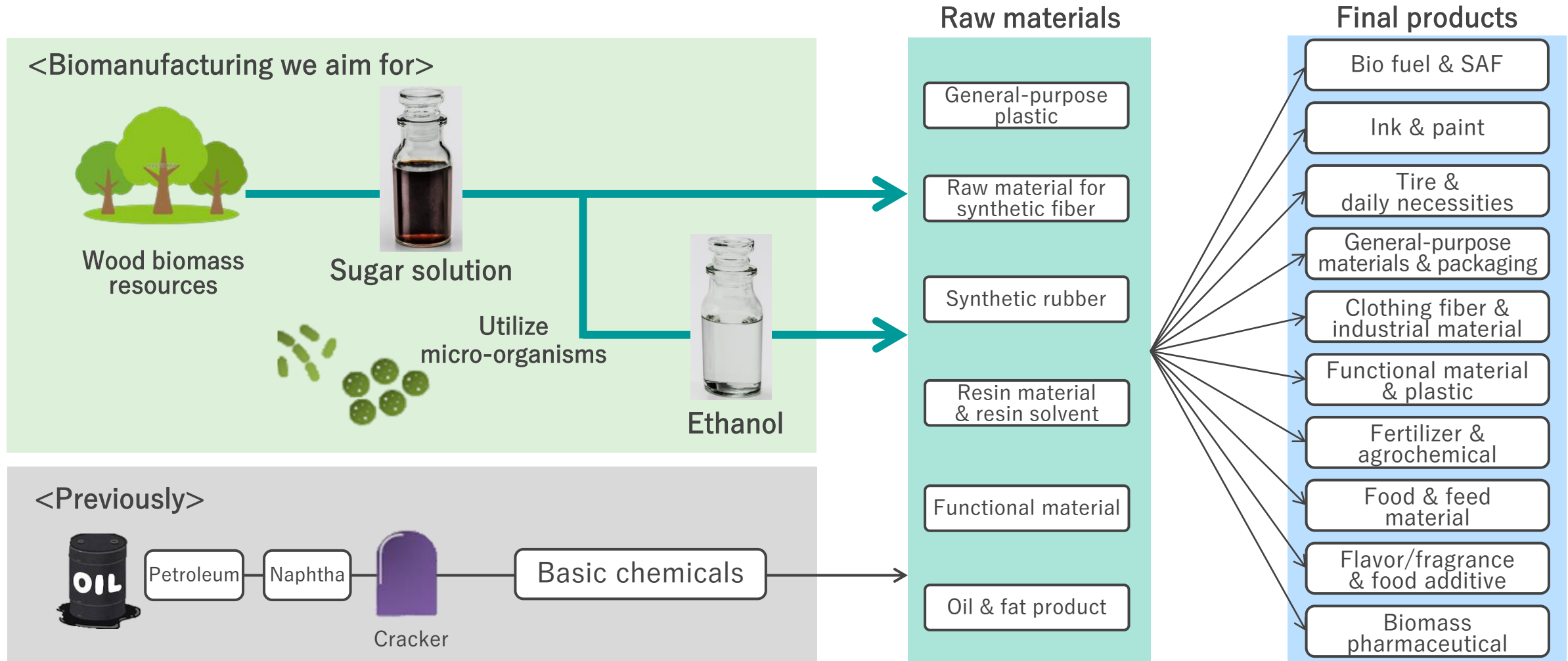
Identify issues such as quality and cost

Aim for **early commercialization** through addressing the issue

## 8. R&D (4) Potential for wood-derived sugar solution and ethanol

The government is actively promoting bio-based manufacturing to decarbonized society

We produce wood-derived sugar solution and ethanol to replace fossil resource-derived materials



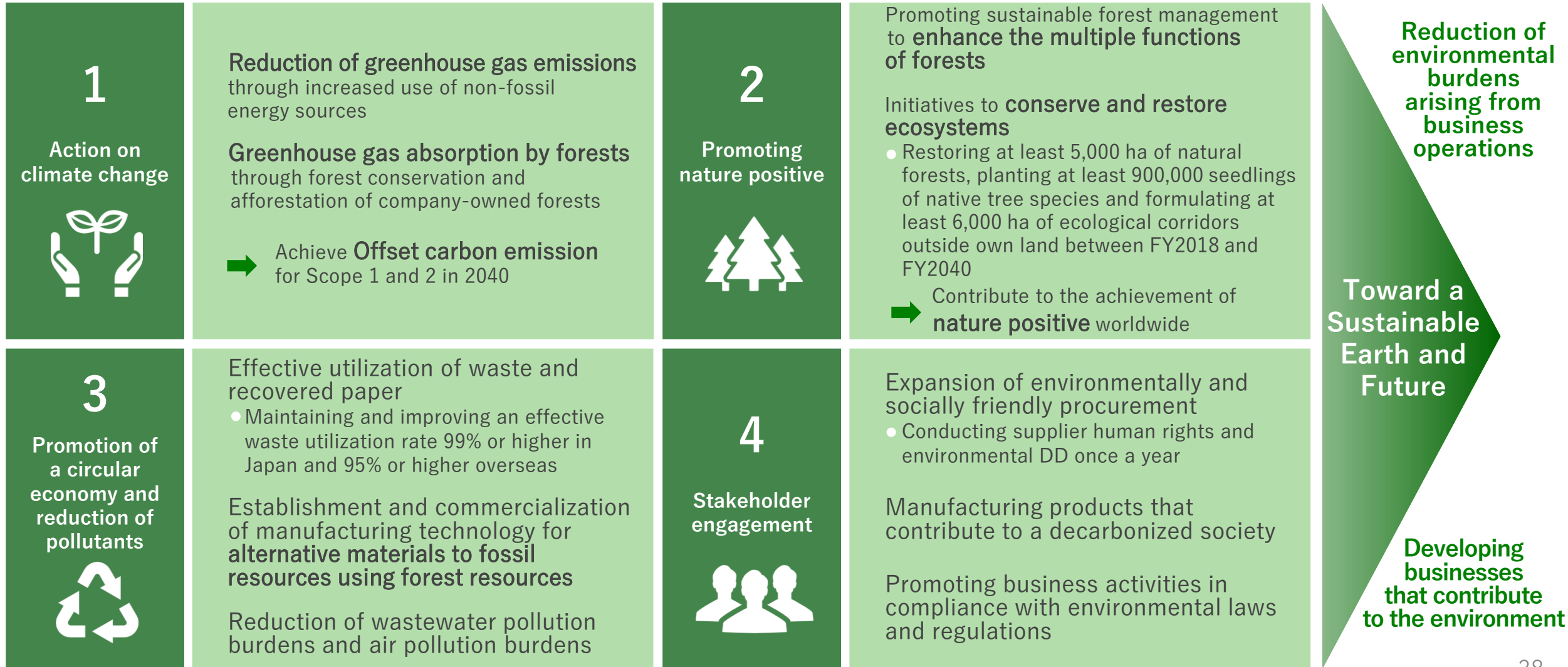
# 03

## Long-term Vision

- Overview
- Research and Development
- **Sustainability strategy**

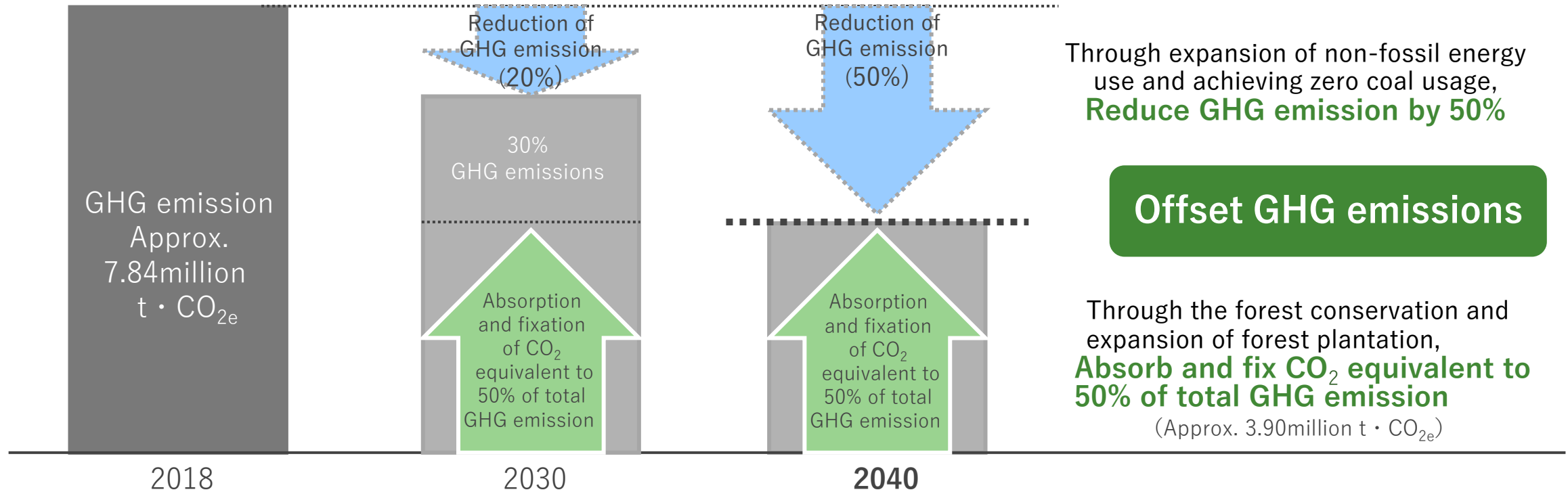
## 9. Sustainability Strategy - Environmental Action Plan 2040

Update specific quantitative and qualitative goals to contribute to a sustainable future through our business



## 10. Sustainability Strategy - Carbon Neutral

Offset GHG emissions by 2040 through reductions of GHG emission and absorption of GHG by forests.



### Establish corporate forest investment fund

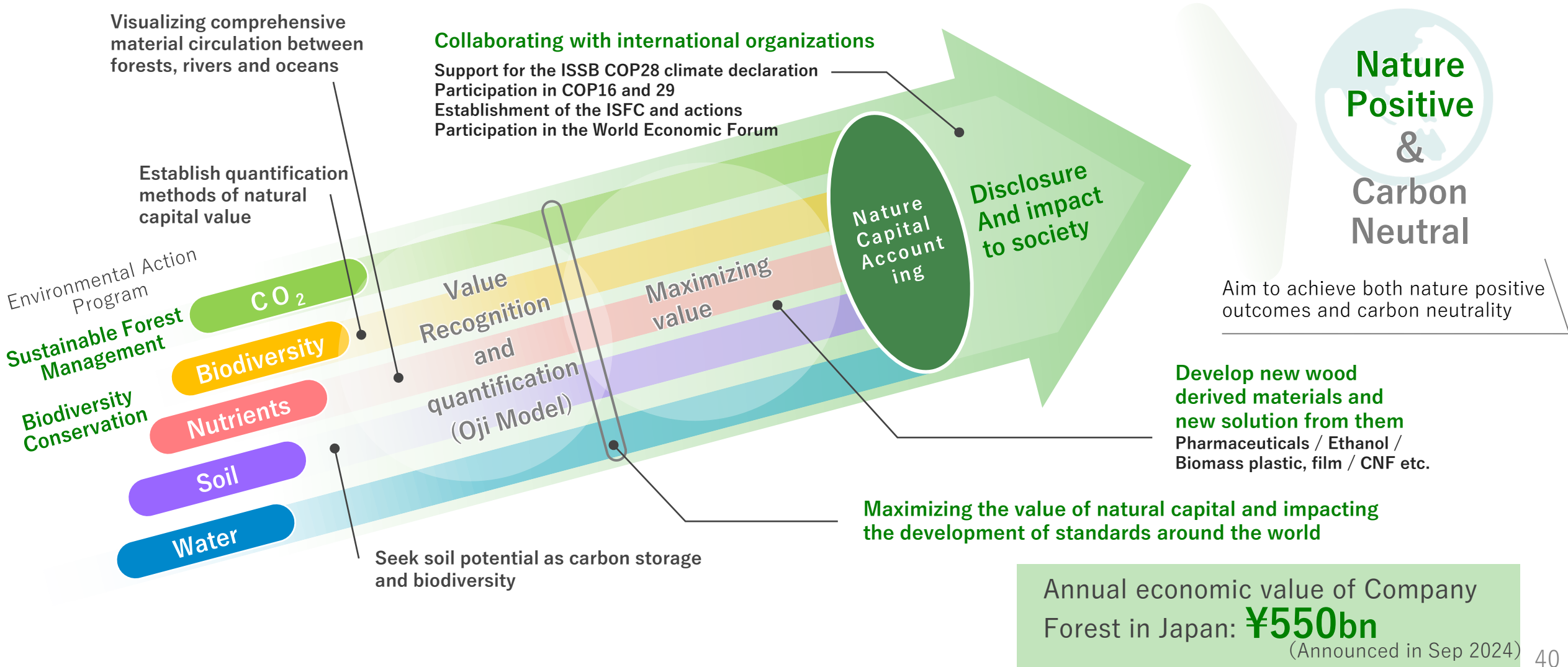
Establish "Future Forest Innovations Fund" in partnership with New Forests Pty Limited to expand overseas forest plantation area.

Aim at **annual net absorption of 1.5 million tons of CO<sub>2</sub>** by 2030 through expansion of forest plantation areas in SE Asia, North America, Central and South America and Africa area with this fund.



## 11. Sustainability Strategy - Nature Positive

Promote “Expansion of Nature Positive”, meaning the movement towards enriching nature and maximize the value of natural capital.



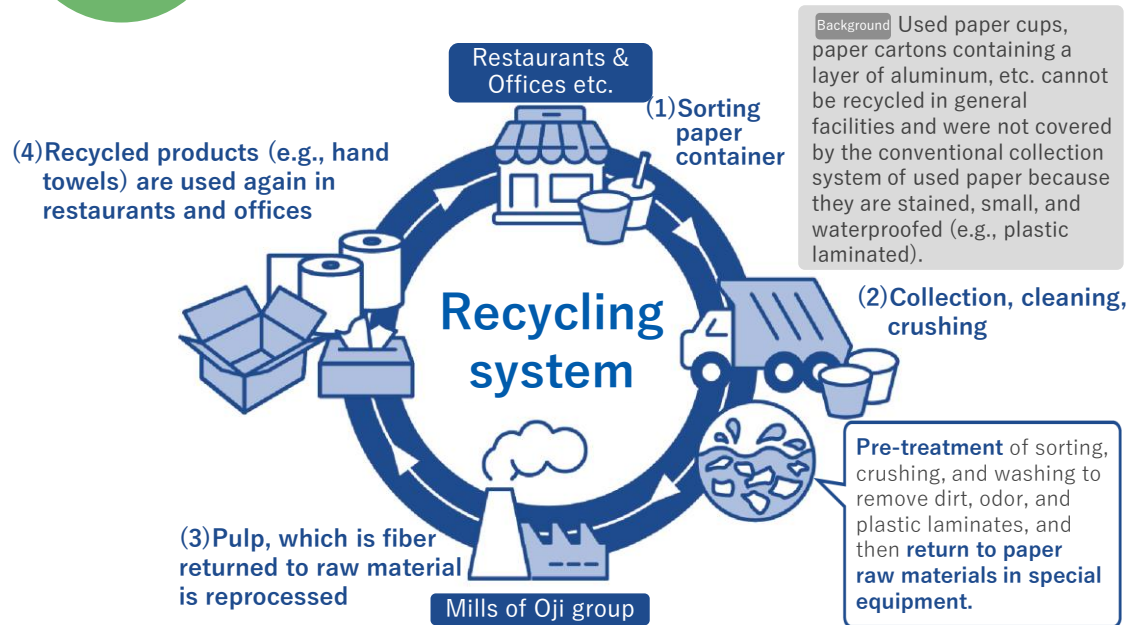
## 12. Sustainability Strategy - Circular economy

Contributing to the transition to a circular economy, focusing on expanding the scope of utilization of recovered paper and shift from plastic to paper packaging, etc.

### Paper recycling



**Developed and expanded recycling system** for paper cups and paper cartons containing a layer of aluminum, which were difficult to recycle



→ **Collaborations are underway with several companies, including three food service companies (January 2025), and we aim to expand the number of organizations that support and participate in the project.**

### Reduction of plastic usage

Shift to  
Paper  
Packaging

**Develop high technology paper materials and packaging products to replace plastic products**

→ Reduce volume of plastic usage in the whole society

Plastic  
recycle

**Mono-materialization of Plastic package which can't to shift to paper**

→ Make recycling easier

→ Proceed mainly in Europe, which has stricter Environmental regulations. Proceed in Japan as well.

### Reuse of water resources



**Utilizing knowhow cultivated in paper manufacturing Expansion of Water treatment business**

→ In addition to contribution to freshwater resources via Water resource cultivation in Forests and reduction of water usage in Oji group, contribute to the society through Water treatment business

# 04

## **Strengthening the Management Foundation**

## 1. Governance Structure

Plan to promote the separation of roles of supervision and execution by directors and streamline the board of directors.

### Streamline the board of directors

\*Subject to approval by the shareholders' meeting

- Reduction of the number of internal director by 3

	Current	Jun 2025	Increase/Decrease
Internal Director	8	5	(3)
Outside Director	4	4	—
Internal Auditor	2	2	—
Outside Auditor	3	3	—

### Revision of the executive compensation system

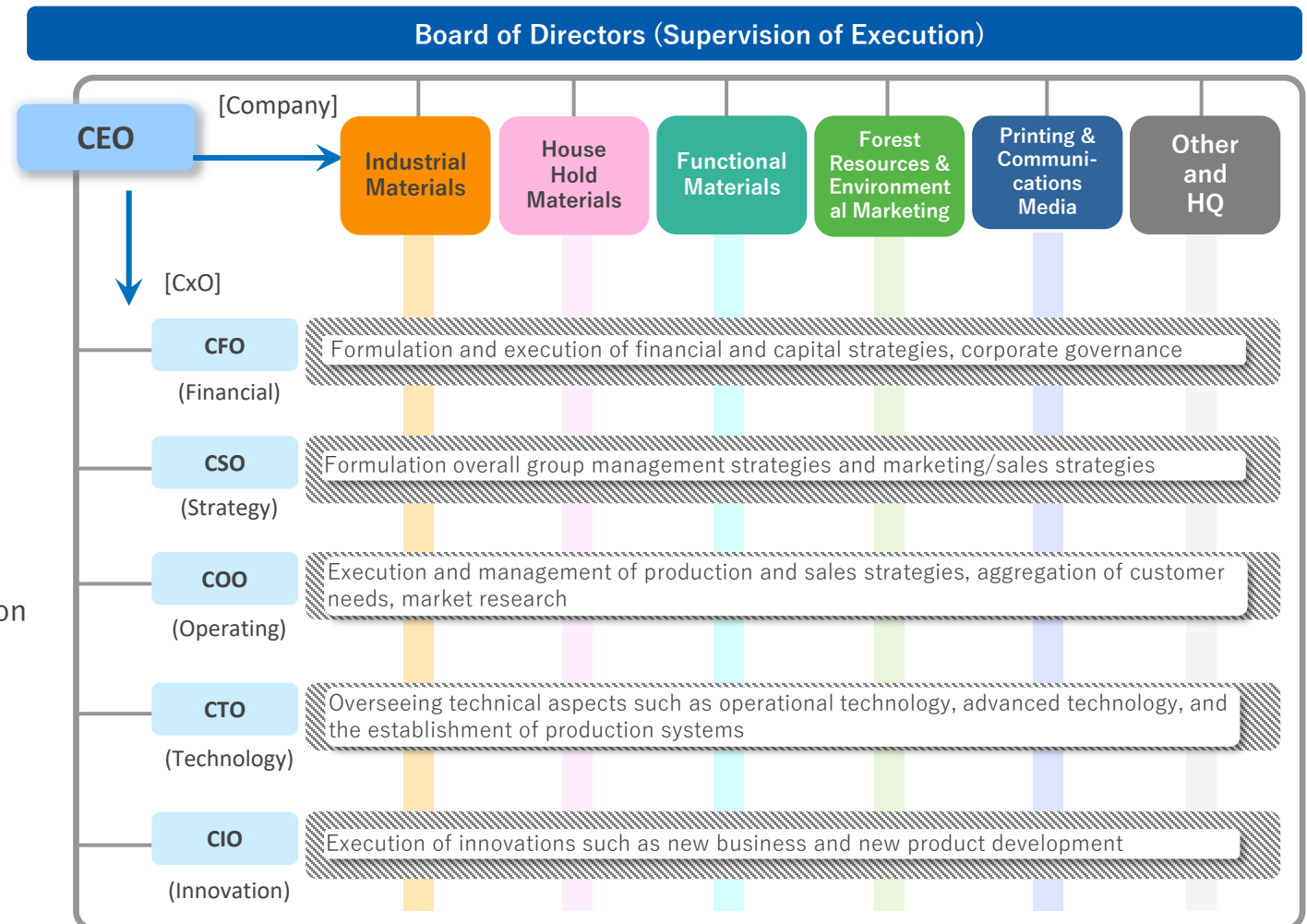
\*Subject to approval by the shareholders' meeting

- Increase the ratio of performance linked compensation for directors
- Align criteria which performance linked compensation is based on with the medium-term management plan and revise the criteria
  - Financial criteria: Introduce capital efficiency criteria in addition to profitability criteria
  - Non-Financial criteria: Addition of new criteria

### Introduction of CxO system

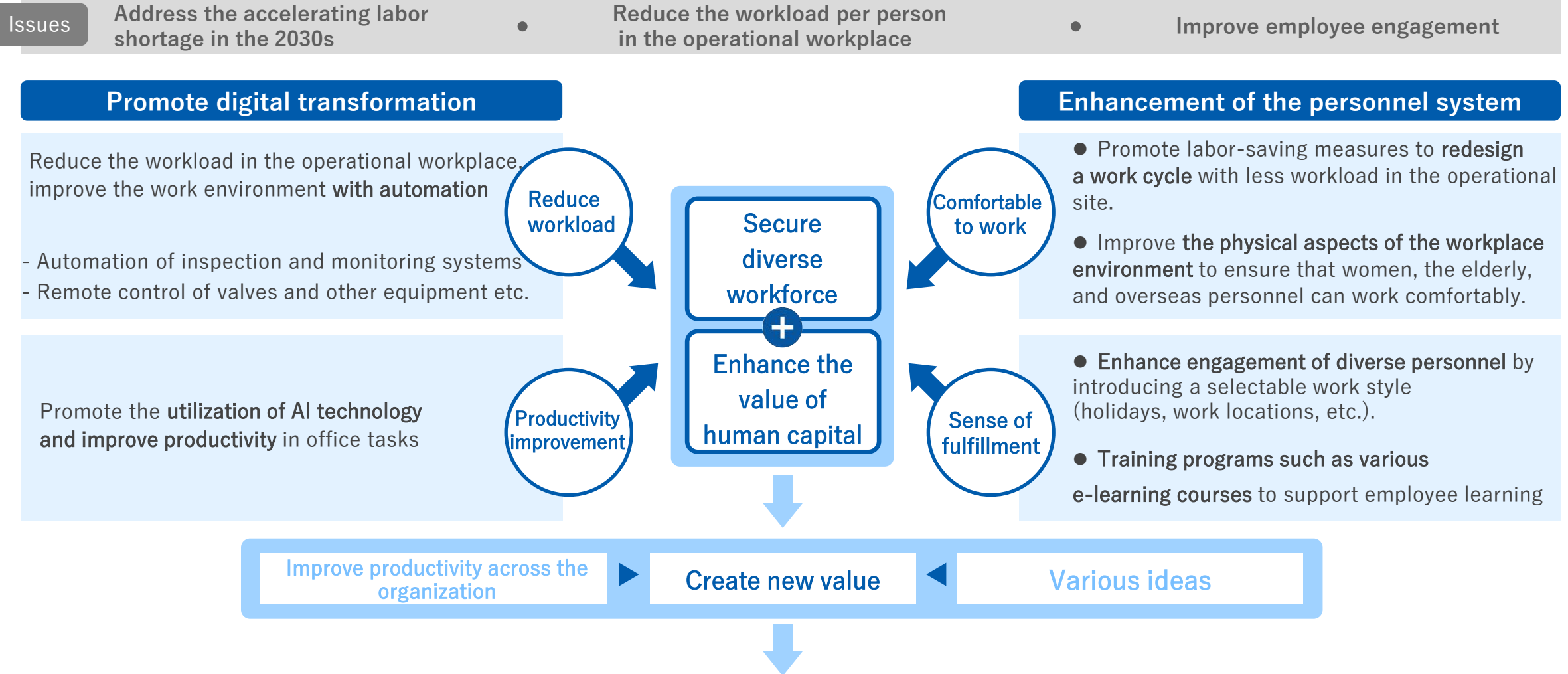
- Establish a system to achieve overall optimal management by overseeing and managing across the entire group

<Governance System (Apr. 2025)>



## 2. Human Capital Strategy and Digital Transformation Strategy

Promote Digital Transformation to create an attractive workplace and company for employees to work comfortably with sense of fulfillment.



Become an attractive company where both the company and employees grow together

05

# OJI Group Mark and Tagline

## 1. Renewal of OJI Group Mark and Tagline



**Dedicated to Sustainability**

## 2. Renewal of OJI Group Mark and Tagline

Renewing OJI Group Mark and Tagline to “Express commitment to transformation” outlined in the long-term vision and to “Drive transformation” by fostering a sense of unity across the entire Group.

### Lively Forest :

- Growing and utilizing forests to enhance quality of life of people
- The upward sloping shape indicates growth potential as a company



### Clear Sky :

- Brighter future filled with hope envisioned by OJI Group

### 3 Colors :

- Flexibility where diverse personalities shine

**Dedicated to Sustainability**



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