OJI HOLDINGS

OJI GROUP

INTEGRATED REPORT 2026



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Management Philosophy and Purpose

– 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, and we have grown into a global company. 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

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 the company-owned forests in and outside Japan for multiple purposes and reducing the environmental burden at manufacturing sites.

– 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

Stewarding the Forest

By growing and managing forests to keep them healthy and thriving, we maximize their multifaceted value, including the conservation of biodiversity, water resource conservation, and landslide prevention. These steady efforts not only contribute directly to national resilience but also create sustainable employment in forestry and related industries, providing a solid foundation for economic and social self-reliance and development at the local level.

Unlocking the Forest's Untapped Potential

We utilize forest resources in a circular manner, maximize their value, and deliver products and services to society. Through innovation that replaces products derived from fossil resources with products made from renewable forest resources, we will drive sustainable economic activity at the national and regional levels and help strengthen economic security through greater self-sufficiency.

Toward the Future of the Planet

It is precisely the cumulative effect of this value creation—by "stewarding the forest" at the local level and "unlocking its untapped potential" at the national and regional levels—that provides an answer to global challenges. By simultaneously achieving carbon neutrality, realizing a nature-positive world, and building a circular society, we will boldly forge a brighter future filled with hope for the planet.

– Global Brand Mark and Tagline

OJI
Dedicated to Sustainability

Global Brand Mark

Through the letters that spell OJI, we can see an expansive, abundant forest landscape. With our eyes fixed on the lives of people around the world and the future of the planet, we will work as a group to help realize a sustainable society.

▪ Significance of Colors

The three colors used express the flexibility and friendliness of diverse personalities shining brightly.

Color Names

Bright Blue	Technology-Based Innovation
Lively Green	Global growth
Forest Green	Sustainability of forest resources

Tagline

The tagline is the short version of our Long-term Vision 2035 slogan: “Dedicated to Sustainability.” We will continue doing our utmost to ensure that our business activities contribute to environmental sustainability.

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CEO Message

How is the Oji Group moving beyond paper manufacturing? The CEO talks about progress on business portfolio transformation centered on the forest biomass and sustainable packaging businesses, the road map for achieving the Medium-term Management Plan, and human resource, DX, and governance reform initiatives. He also discusses the significance of value creation and resource circulation rooted in forest resources.





CxO Crosstalk

The CSO leads a discussion with the COO, CTO and CIO, looking ahead to 2035. Taking the changes in the year since introduction into consideration, the discussion participants explore ways to enhance collaboration and decision-making as the Group heads into the second year of the Long-term Vision preparatory phase.

Growth Areas

These pages focus on the sustainable packaging and forest biomass businesses, which are the Oji Group's next growth pillars. The sustainable packaging section includes a special feature on OJI Sustainable Mulching Sheet and highlights the scope and potential of the business, which leverages customer-oriented product development and cooperation within the Oji Group. The section on the forest biomass business describes progress and future prospects in biomass resist and the fields of pharmaceuticals and healthcare, including the acquisition of AustroCel.



Editorial Policies

FY2026 is the second year of the three-year period positioned as the preparatory phase under Long-term Vision 2035. The focus of this report is, therefore, how we will link the Medium-term Management Plan 2027 with the Long-term Vision and how we will shape these goals into specific initiatives. We are being asked by our investors whether the reforms implemented by the Oji Group will really be successful. Faced with this question, we were conscious of conveying through this Integrated Report the progress and effectiveness of these reforms in a multifaceted manner.

In the Message from the CEO, the CEO sets out the vision the Group aims to realize by 2035 and the progress of reforms, while the CxO Crosstalk delves into how strategies are being realized and put into practice through a cross-cutting discussion that takes into consideration the specific missions of the CSO, COO, CTO, and CIO. The report also outlines the progress of and outlook for the growing sustainable packaging and forest biomass businesses.

Through the Integrated Report, we hope to give readers a sense of the growth and evolution of the Oji Group as we steadily implement reforms with our sights set on 2035.

Cover Design

The cover design depicts the Oji Group's extensive forests in Japan and overseas, the diverse creatures that inhabit them, and the people who work with the forests, representing the Oji Group's commitment to develop forests and pass the value of forests on to future generations.



①・② Company-owned forest in Sarufutsu, Hokkaido
③ Bridewort growing in company-owned forest in Teshikaga, Hokkaido
④・⑥・⑨ Forest and farmers of KTH, Indonesia
⑤ Gilt-edged tanager living in CENIBRA, Brazil
⑦ Hokkaido squirrel living in company-owned forest in Biei, Hokkaido
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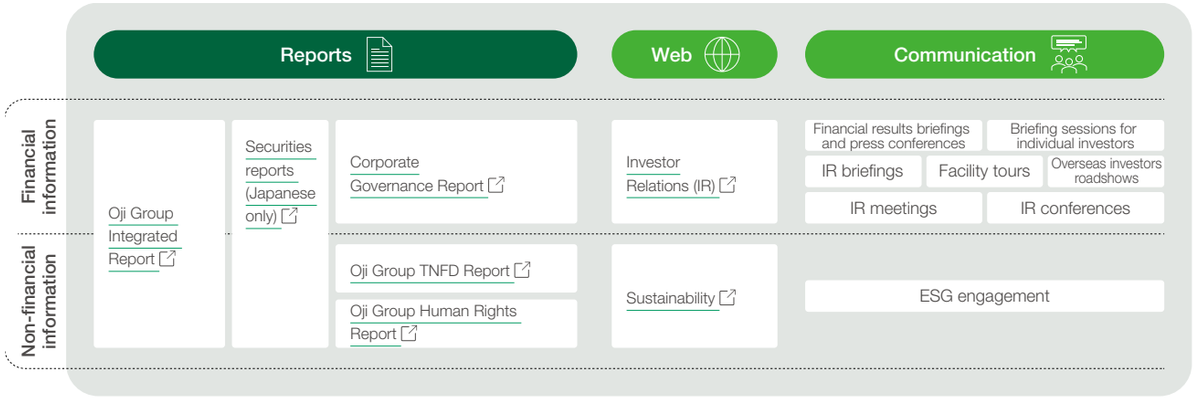
⑩ Japanese sable living in company-owned forest in Sarufutsu, Hokkaido

Communication map



Reporting period

The reporting period is from April 1, 2025, to March 31, 2026 (except for the lost time injury frequency rate and environmental data for overseas sites, excluding some, for which the period is from January 1, 2025, to December 31, 2025). With the exception of numerical data, however, activities carried out from and after April 2026 are also referenced.

Boundaries of this report

This report covers Oji Holdings, 215 consolidated subsidiaries, and 19 equity-method affiliates (as of March 31, 2026). In cases where coverage differs, this is indicated.

Disclaimer regarding forecasts and other forward-looking statements

Forecasts and other forward-looking statements in this report represent judgments made by Oji Holdings based on information available at the time of publication and certain assumptions deemed reasonable, and therefore involve uncertainties.

Actual performance might differ substantially due to various factors.

Referenced guidelines

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

- The 10 principles in four areas found in the United Nations Global Compact
- International Integrated Reporting Framework (IFRS Foundation)
- GRI Standards (Global Reporting Initiative)
- Guidance for Collaborative Value Creation (Ministry of Economy, Trade and Industry)
- Task Force on Climate-related Financial Disclosures (TCFD)

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At a Glance

– Financial Capital Funding Business Portfolio Transformation

Net sales	Operating profit	ROE	Net D/E Ratio
¥1,861.7 billion	¥34.6 billion	5.0%	0.8 times
Overseas ratio 41.9%			

– Non-financial Capital Enabling Business Portfolio Transformation

Number of employees	Number of production sites	Number of Group Companies (Consolidated)
38,757	211 sites	215 companies
Overseas ratio 58.0%	24 countries overseas	Overseas 121 companies

Company-owned forest area	Research and development expenses	Number of intellectual property rights owned*
637,078 ha	¥13.2 billion	6,137

Started plantation business more than 100 years ago

* Total of patent rights, utility model rights, design rights, and trademark rights owned in Japan and overseas

– Position of the Oji Group

Domestic pulp and paper companies by net sales	Major global pulp and paper companies by pulp- and paper-related sales (2024)	Company-owned forest area	Patent Asset Size Ranking (Domestic textile, paper and pulp sector)
No. 1	No. 6	One of the largest forest areas owned by a private company in Japan	No. 2
Source: Japan Paper Association	Source: Paper 360°		Source: Patent Asset Size Ranking 2025 for the Textile, Paper, and Pulp Industry by Patent Result Co., Ltd.

■ Oji Group Businesses in Figures

Printing and Communications Media



Share of domestic production

Newsprint
Approx. 30%

Printing and Communication Paper
Approx. 20%

(2025) Source: Japan Paper Association

Household and Industrial Materials

Domestic No. 1
Share of domestic production volume of paperboard



25.4%

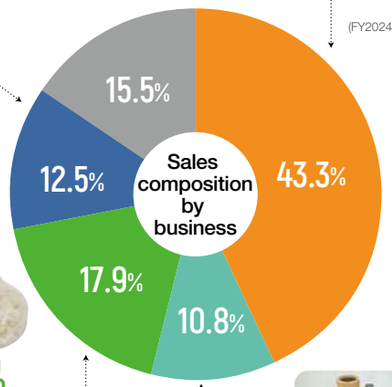
(2025) Source: Japan Paper Association

Domestic No. 2
Share of domestic production volume of corrugated container



22.2%

(FY2024) Source: Yano Research Institute Ltd.





Percentage of nepia products that are FSC™ certified (based on net sales)

(FSC™ C018118)

87%

(FY2025) Source: In-house research



Global No. 9
Market pulp production capacity

(FY2025) Source: In-house research

Forest Resources and Environment Marketing



Share of domestic sales volume of transformer pressboard (TB)

95%

(FY2025) Source: In-house research

Functional Materials



Share of domestic sales volume of acid-resistant cups (base paper used for containers such as yogurt)

65%

(FY2025) Source: In-house research

Note: Unless otherwise stated, data are for FY2025 (as of the end of March 2026).
Note: The composition of net sales by individual business does not include adjustments (primarily those for internal transactions).

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Representative Director of the Board, President, CEO

Hiroyuki Isono

CEO Message

Steward the Forest, Unlock Its Untapped Potential

Oji's Commitment to Underpinning Global Sustainability

Our Starting Point: Oji Forests developed for more than 100 years

Growing and managing sustainable forests, fully utilizing their immeasurable blessings, and delivering new value to society. This, in a nutshell, is Oji's Purpose: to create a brighter, hope-filled future for the world and drive progress forward.

We have been continuously growing forests for more than 100 years—ever since Ginjiro Fujiwara, who served as President from 1920, advocated that "those who use trees have the responsibility to plant trees." Now we practice sustainable forest management in extensive company-owned forests known as Oji Forests. These forests cover a total area of 637,000 ha, which is equivalent to around three times the area of Tokyo.

We live in an era defined by rising geopolitical risk and increasing instability of resource and energy supply. The Oji Group owns and manages its own renewable natural capital upstream in its value chain, and I firmly believe this gives us an unshakable management foundation that will boost the resilience of our globally expanding business.

To date, we have used these abundant forest resources primarily to produce paper. Yet the potential of forests extends far beyond this. For example, the wood used as a raw material for paper can be used to make products such as bioethanol as well as biomass films and biomass plastics. We will use forest resources to manufacture products derived from wood as alternatives to products made from fossil resources. This is the noble mission the Oji Group has been given—one that will contribute significantly to global sustainability.

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Business portfolio transformation for moving beyond the boundaries of paper manufacturing and creating new value

The potential of forest resources is the potential for growth that will forge the Oji Group's future. With the paper manufacturing business at a major turning point and grappling with falling paper demand, we have gone back to our origins in forest resources and are implementing bold business portfolio transformation to stay ahead of the curve and ensure sustainable growth. Pivotal to this business portfolio transformation are the forest biomass and sustainable packaging businesses. This is our challenge for the future, one we have fully taken on under Medium-term Management Plan 2027.

Forest Biomass Business: Maximizing resource value and realizing a circular society

To build the forest biomass business into a core business, we have made progress toward commercialization in Japan through the start-up of a pilot plant for wood-derived sugar solutions and ethanol at the Oji Paper Yonago Mill. Furthermore, in our overseas operations, we acquired Austria-based AustroCel, which has established an advanced biorefinery model, in January 2026.

AustroCel uses wood not only to produce dissolving pulp (DP) for clothing but also to manufacture products such as bioethanol and hydrogel for soil moisture retention. In addition, AustroCel has established a circular zero waste model for maximizing the value of forest resources, including supplying bioenergy to local regions. Rolling out this advanced know-how across the Group will no doubt be an extremely significant step in our shift toward the forest biomass business.

Sustainable Packaging: Opening up new markets and accelerating the circulation of resources

Another focus of our business portfolio transformation is the sustainable packaging business. In Europe, which leads the world in environmental regulation, we acquired Walki in 2024, integrating its advanced environmental technologies and giving us faster insight into the latest regulation and market trends in Europe. We will use this knowledge across the Group to strengthen our competitiveness.

Meanwhile, in the liquid packaging carton business, which is a new area for us, we leveraged Italy-based IPI, which we acquired in 2023, to accelerate expansion into the rapidly growing Southeast Asia market. In December 2025, we established Oji Liquid Pak in Vietnam, and decided to build a new plant to manufacture converted paper for aseptic carton packages designed for long-term storage at room temperature.

More importantly, we will realize the circulation of resources that goes beyond supplying products. In markets like Vietnam where environmental regulations are being tightened, we will combine our Renewa technology, proven in Japan, for recycling difficult-to-process recovered paper with our expertise in collaboration to build a sustainable liquid packaging carton collection and recycling system in cooperation with local customers and local communities.

Through these wide-ranging initiatives, we are steadily making progress toward the goal of business portfolio transformation set out in Long-term Vision 2035 and the shift toward a profit structure less susceptible to fluctuations in overseas pulp market conditions.

Overcoming difficulties and getting on a steady growth track

Our financial results for FY2025 were by no means satisfactory, with operating profit reaching only around half the initially targeted level. Our performance mainly reflects rising costs including higher labor and logistics expenses and the slow penetration of price increases. However, learning from this experience, we have set out the following priority initiatives for the period from FY2026 through the final year of Medium-term Management Plan 2027, charting a clear path to achieving our targets. These are "differentiation of products," "acceleration of the shift to high-value-added products," "thorough implementation of price increases," "stable operation and reliable product supply," "pursuit of further cost reduction," and "restructuring of low-profitability businesses."

Especially important is the restructuring of low-profitability businesses. The effects of New Zealand–based Oji Fibre



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Solutions' withdrawal from the paperboard business and Australian packaging business and the reconstruction of the Nepia production system in Japan will emerge in FY2026. We will continue reviewing performance, including profitability, across the Group based on consistent judgment criteria, and we aim to set out a clear future course during FY2026, never hesitating to implement the necessary reforms.

In terms of asset slimming, which is pivotal to business portfolio transformation, during FY2025, the reduction of shareholdings and the sale of real estate both proceeded according to plan. We identified non-core assets across the Group, including properties owned by subsidiaries, and the process of considering sale, including the sale of rental properties, is still underway in FY2026. We will continue steadily implementing our asset slimming strategy to ensure achievement of our 8% ROE target under Medium-term Management Plan 2027 and to bring about improvement in our PBR.

The power of human capital underpinning transformation and Group unity

Eiichi Shibusawa, our Group's founder, advocated that business requires both capital and human capital. I also believe that the fulfillment of human capital potential is extremely important for accomplishing transformation.

The Oji Group is now a truly global company operating around the world, where people of diverse nationalities and backgrounds play active roles. Going forward, we need to further increase the comprehensive power of human capital across the Group. Especially in the forest biomass business, through our existing business alone, we have not yet accumulated sufficient knowledge and expertise about the kind of products that can be made from wood. The key to realizing our goal of business portfolio transformation lies in figuring out how to organically utilize the knowledge and expertise of the entire Oji Group including newly acquired companies.

To this end, fostering a sense of Group unity, including instilling our Purpose, is increasingly vital. The establishment of the Oji Group's new global brand mark in October 2025 was also aimed at fostering this sense of unity. The tie I am wearing today also features the three colors of the brand mark in the hope that our philosophy will resonate with employees around the world and that we will produce great results through cooperation.

Over the past three years or so, the presidents of each COMPANY and I have actively gone out to sites and gotten involved in activities such as town hall meetings where we engage in direct dialogue with employees. I feel that these initiatives have helped create workplaces with an open culture, and this has also been clearly evidenced by improvement in the employee engagement index.

On the other hand, the rapid advancement and spread of AI will require us to actively embrace DX in all our activities including those aimed at the development and utilization of human capital. Routine tasks will be done efficiently by computer systems, freeing up humans for more creative tasks. At our operational sites, where we continue to face labor shortages, a certain level of automation using AI will also no doubt be essential. We will also continue to focus on the development of human capital to drive this digitalization.

Governance reforms strengthening the management foundation

In terms of strengthening corporate governance, we introduced the CxO system in April 2025. The CxO system builds upon our existing vertical structure made up of each COMPANY to establish a cross-functional framework for overseeing the Group as a whole from specialist viewpoints. We introduced the system because we believed that an execution structure enabling important decisions to be made from a Group-wide perspective under the leadership of the CEO is essential to achieving fast, accurate decision-making and optimized management across the Group.

It is now just over a year since the CxO system was introduced, and a framework is taking shape that enables decisions on the restructuring of low-profitability businesses and the realignment of production sites to be made based on consistent criteria. In my capacity as CEO, I am responsible for making decisions, but the premise for this is that I am always willing to listen to diverse opinions. Similarly, at management meetings, I make final decisions after exhaustive discussion based on multifaceted viewpoints. My management approach is based on the belief that this ultimately leads to more accurate, quicker decision-making and in turn helps enhance corporate value.

As well as strengthening the executive side, the CxO system also clarified the division of roles, specifically, that the Board of Directors is responsible for strictly monitoring and supervising business execution. We are tirelessly strengthening governance in regard to the Board of Directors. For example, in June 2026, we transitioned to a Board with the same number of Outside Directors as Internal Directors and with an Outside Director serving as Chair of the Board. Governance reforms are never-ending. We will continue constantly striving to do our best.

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Our Commitment: Underpinning Global Sustainability

In September 2025, the Oji Baseball Club won the Intercity Baseball Tournament for the second time, 21 years after its first victory. The team's slogan was "Beyond the Boundaries—Everything to Win Five Consecutive Games." Determined to overcome the disappointment of the previous year's tournament, the team rallied behind the words "Beyond the Boundaries" and seized the crown with a superb performance.

The Oji Group is now approaching a major turning point and, like our baseball team, we need to move beyond the boundaries of the paper manufacturing business in order to achieve our great ambition of business portfolio transformation. However, this determination is by no means a rejection of the paper manufacturing business that has underpinned the Oji Group to date. We will continue further expanding the possibilities of paper while at the same time boldly taking on the challenge of creating new value rooted in wood resources.

This business portfolio transformation is, in essence, a further advancement of the resource circulation initiatives we have been developing for many years. These initiatives rooted in forest resources span everything from the development of resources through sustainable forest management to the maximization of resource value through the utilization of biorefinery technology and the realization of a circular society through sustainable packaging and its collection and recycling. We will seamlessly integrate these initiatives across our value chain and develop and maximize the value we provide.

"Steward the Forest, Unlock Its Untapped Potential"—these words encapsulate our unwavering resolve.

Nurturing trees and steadily "stewarding the forest" will help protect the environment and increase national resilience through the conservation of biodiversity, absorption of CO_2, recharge of abundant water sources, and prevention of landslides. At the same time, this will solidify a thriving foundation at the local level: the revitalization and development of regional economies through forestry and related industries.

Fully "unlocking the untapped potential" of the forest's blessings will help society break away from its dependence on fossil resources. Promotion of local production and local consumption of renewable resources helps reduce dependence on energy and material imports, leading directly to more robust economic security at a national and regional level.

We will steadily steward the forest at the local level and utilize forest resources at the regional level. It is precisely the cumulative effect of such down-to-earth activities that offers the most reliable response to urgent issues at a global level. In other words, this will significantly contribute to the three global sustainability goals of reaching carbon neutrality, becoming nature positive, and building a resource circular society.

This is precisely "Oji's Commitment to Underpinning Global Sustainability."

The Oji Group will push forward with this ambitious transformative path, never giving up, and we will emphatically achieve both the realization of a sustainable society and enhancement of our corporate value. As partners in shaping the future of the planet, we hope to resonate deeply with our stakeholders and work together to fulfill this commitment.

CEO's Note

The true value of paper brought to light by the AI era

In a modern era characterized by the rapid spread of AI and digital technology, I am confident in the enduring value of paper.

While digital technology enables information to be saved and shared more efficiently, the act of putting pen to paper and letting one's thoughts unfold is an irreplaceable source of deep human creativity.

Paper and digital are partners rather than enemies, complementing each other's characteristics to enable the creation of even greater value. It is precisely because we live in times of incessant change that paper will continue to play an extremely important role as a material that supports the uniquely human thought process.

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Leveraging the competitiveness created through cross-functional collaboration to bring Oji's unique value to the market

CxO Crosstalk

CIO
Chief Innovation Officer
Taketo Okutani

CSO
Chief Strategy Officer
Kazuhiko Kamada

CTO
Chief Technology Officer
Satoshi Takuma

COO
Chief Operating Officer
Akio Hasebe

Our CSO, CTO, COO, and CIO discussed their respective roles, changes within the Group as a result of adoption of the CxO system, and initiatives being taken to address issues.

Role of the CxO system in advancing transformation from a Group-wide perspective

Kamada: Let me ask you about each of your roles under the CxO system. My role as CSO is to steer all our businesses, with reference to Medium-term Management Plan 2027. I am focusing on four key strategies: supporting the revitalization of existing businesses; promoting the forest biomass business and sustainable packaging and products; accelerating DX; and developing the HR system.

Takuma: As CTO, I am responsible for harnessing the power of science and technology to generate both economic value and social value. It is important to draw up a medium- to long-term technology strategy and determine core technologies, areas that need to be brought in-house, and areas that require external collaboration. My aim is to support ambidextrous management through reinforcement of the foundations of existing businesses and the creation of new revenue streams. With an eye on the forest biomass business, I am also driving BX* alongside GX, DX and AX. I am also responsible for upholding safety, protection of the environment, and disaster management.

Hasebe: My role as COO is to promote cooperation among Group companies on sales activities, based on an understanding of customer needs and market trends. Because the Group did not have a cross-functional framework for sales before, I want to increase communication within the Group. In sales training, we will encourage information-sharing between Group companies and develop human resources capable of acting in a sense of unity based on an understanding of the Oji Group's way of thinking.

* BX: Bio transformation, GX: Green transformation, DX: Digital transformation, AX: AI transformation

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Okutani: As CIO, I am responsible for promoting the development of new businesses and new technologies across the Group. In a rapidly changing world, it is hard to know what the winning formula will be in the future. My role is to accelerate research and development into wood biomass and sustainable packaging and to increase the options open to management by proposing a wide range of research themes such as biomass-derived chemicals, pharmaceuticals, and resists. Aside from promotion of research and development projects by the Innovation Promotion Division (INV Div.), I want to increase the importance we attach to collaboration between operating companies. I am open to combining the technologies and information held by each company to create new value.



Reshaping our organization through communication beyond COMPANY boundaries

Kamada: I think the biggest change since adoption of the CxO system is improvement in Group-wide collaboration. Before there was little opportunity for in-depth discussion about anything outside our remit. Now, however, I feel that the new framework enables frank discussions across divisional boundaries. What do you all feel has changed?

Takuma: I feel the new framework has breathed new life into our organization. At meetings to discuss new business strategies, for example, a culture of discussion across divisional boundaries such as innovation, sales, and manufacturing is gradually taking hold. Similarly, on the safety and fire prevention fronts, the difference in level between sites has definitely narrowed as a result of my visits to more than 20 business sites to share directly with site members the issues that need to be addressed. Furthermore, I have encouraged our mills to conduct patrols of each other's sites and share information to facilitate communication over boiler inspections and other operations.

Hasebe: Previously, I was worried about the lack of communication between Group companies. Safety in particular applies not only to large mills but also small business sites. Which is why I have been sharing best practices with business sites and promoting communication between mills through which they learn from each other. I think it is precisely this communication across COMPANY boundaries that will be the driver behind the reshaping of our organization.

Okutani: The biggest change for me is the openness under the CxO system. CxO meetings are a valuable learning opportunity where attendees feel free to seek advice and discuss any issues. That said, it would be a real shame if this openness was confined to CxO meetings alone, which is why I use opportunities for communication within the INV Div. to share the atmosphere and management policies of CxO meetings as much as possible. Employees also show a great deal of interest when I share the senior management team's thoughts with them. I think it is really important to pass on what I have learned to organizations.

Connecting our strong technological capabilities to markets through ingenuity and a challenging spirit

Kamada: While positive changes are being made, the question of how to turn forest resources, technologies, and frontline ideas into market value is still a major issue. I think there is growing understanding in recent years that the Oji Group's forests offer diverse value, encompassing not only timber but also soil. That said, in reality, customers still tend to say, "Oji's initiatives aside, how much will the product cost?" which is frustrating. I would like to hear your views on how we make the value of natural capital visible and commercialize this value.

Takuma: I think the biggest issue is that our technologies and markets are not yet aligned. For example, we have strong technological capabilities in cellulose nanofibers but we are not yet seeing sufficient applications and markets for cellulose nanofiber products. While this is partly because the markets have yet to mature, I think we also need to take the initiative in proposing and developing applications. To this end, mechanisms for integrating sales and customers with technologies in a three-in-one system are essential. I feel that ingenuity and a challenging spirit to bring our technologies to market are needed.

Hasebe: Our talk about forests and environmental value resonates with some of our customers. The response of customers also changes when we have the opportunity to share information not only with their procurement divisions but also with their sustainability and research and development divisions. Which is why I tell sales teams that I want them not only to sell the products they are responsible for but also to connect customers with Oji's various divisions and deepen those relationships.

My aim is to make Oji the first port of call for customers looking for advice. For example, on the market launch of OJI Sustainable Mulching Sheet, an agricultural mulching sheet made of paper that naturally decomposes in soil, Oji Container, which has sales channels for corrugated containers to farmers, went along to customer visits to introduce the product (P.37), thereby driving home to customers that Oji is involved in all sorts of initiatives. I think it is important to continue building relationships that might not produce immediate results but could still lead to co-creation in the future.



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Okutani: On the other hand, when it comes to maintaining a stable supply of large quantities of products, the cost of biomass-derived products is an issue that needs to be addressed. This is precisely why we need to further increase the perceived value of forests and wood-derived products themselves. I think to myself, "If the CEO is spreading the word about the value of forests in various outside organizations, then I want to increase the value of biomass-derived products downstream." On this basis, I am also putting effort into spreading the word through activities such as active participation in outside organizations and seminars. The capability to handle seven million tons of wood annually is a strength our competitors cannot match. If we can convert this into market value, then I believe that by 2035, we will be able to demonstrate competitiveness unique to Oji in line with the Long-term Vision "Dedicated to Sustainability."

Kamada: Few companies around the world operate an integrated value chain encompassing upstream and downstream activities from forest ownership and management to the supply of final products. It is important to communicate this level of integration to markets as value that is unique to Oji and to make proposals to customers that include environmental value and the story behind it, which cannot be measured by product price alone.

Over the past three years or so, we have strengthened our foundations for market expansion through the acquisition of entities that already have environmentally friendly applications and markets such as Italy-based IPI, Finland-based Walki, India-based Chemfield, and Austria-based AustroCel. Going forward, we want to combine Oji's technologies and materials with the market track records of these partners and turn the synergies generated from this into new value propositions.



Overcoming emerging issues through overall optimization

Kamada: The CxO system started on April 1, 2025. What are your views on the issues and bottlenecks that have come to light?

Takuma: I think one issue is how to apply the CEO's policies on the ground. For example, while differences in safety levels across sites have narrowed, we still have a way to go. I think what is needed to further improve safety awareness and conduct at an operational level is not merely an extension of what we have done in the past but rather the flexibility to incorporate new ways of doing things.

Hasebe: Even if we try to take on new challenges, we are sometimes thwarted by results of discussion about profitability or sales potential at an individual company or COMPANY level. Which is precisely why it is important to hold discussions from the perspective of what we should focus on as a group, and I think this is the point of the CxO system. Also, when it comes to portfolio transformation, what is best for an individual company and what is best for the entire Group is not necessarily the same. Under the CxO system, we indicate the parties that matters should be discussed with and from what perspective and I think this leads to more substantive discussions.

Okutani: I also think that the question of how to instill the CEO's approach into our organization is an important one. If all employees are on the same page, then we are bound to become a truly strong organization. Which is why in talks I give within the INV Div., I repeatedly mention the importance of overall optimization and innovation. For the CEO's messages to filter down to an operational level, the understanding of those in the middle is essential. I am also creating opportunities for dialogue with young employees such as technology exchange meetings within the division and town hall meetings, and deepening mutual understanding through the frank exchange of opinions among a small number of people.

Takuma: When it comes to considering the forest biomass business and the future portfolio, a common yardstick for assessing technologies and businesses will become more and more important. And so something I have discussed with Mr. Okutani is IP landscape analysis using information about intellectual property to draw up management and business strategy proposals. Superimposing information about markets and competition on intellectual property allows you to see not only red ocean but also target markets. We need to be more proactive about drawing up proposals of where we should launch sales offensives and what we should develop in-house and what we should incorporate from outside. I want us to further increase our ability to determine where to launch offensives based on priority themes, including linking materials to applications and linking applications to solutions.



Okutani: Our IP strategy is truly getting underway, partly because Mr. Takuma's proposal coincided with the Intellectual Property Department's transformation into a strategic organization. Going forward, I think the Intellectual Property Department should be more proactive in voicing opinions at CxO and Group Management Meetings and being involved in management decisions. Intellectual property is a valuable management resource that underpins technology and business strategy, and the Intellectual Property Department therefore needs to be more proactively involved in strategy development.

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Kamada: I feel the HR system needs looking at. As things stand, the system is COMPANY focused and I feel that cross-functional roles and contribution to the Group are not held in high enough regard. I think that now, when cross-functional collaboration is important, unless the HR system also starts encouraging such cross-functional collaboration, then the corporate culture is not going to change in any true sense. What are your thoughts on human capital, Mr. Okutani?
Okutani: I want young employees in the INV Div. to gain lots of experience. For instance, I want them to be actively sent to operating companies to gain operational experience. I think that by going back and forth between the division and operating companies based on an assessment of their aptitude, young employees will have the opportunity to network and increase their understanding of the Group as a whole. Meanwhile, the INV Div. is pushing ahead with diverse development projects while also serving as a place for learning about different technologies and items under development. I feel that it is extremely important for employees to gain a wide range of experience through plenty of job rotation while they are young.

Envisioning the next phase of growth rooted in forest resources

Kamada: Another thing that needs to be looked at is branding. Because we have a strong identity as a materials manufacturer, it is somewhat tricky for us to simply unveil a product brand. I am confident that if we can get to the point where customers consider Oji as the go-to for anything forest and environment related then this will in itself strengthen our brand power.
Hasebe: I agree. I also feel it is important to further expand customer contact points through sales activities. By simply selling corrugated containers, for instance, we tend to become embroiled in price competition; however, continuing to identify people within customer organizations who are interested in forests and the environment will lead to new value propositions.
Okutani: In my view, the “story” is important. The fact that products like these are made from wood is in itself amazing. And yet we are not getting this interesting backstory across effectively. I want us to use new ways of expressing ourselves, including AI, to spread the word about the value of forests, soil, and wood biomass in a way that is more appealing to customers.



Takuma: Precisely because we live in an age of uncertainty, I think it is important that, under the CxO system, we have access to lots of information for making decisions. Even in the context of the forest biomass business, we will need to have lots of potential projects and options at our disposal in order to assess which technologies and businesses will grow in the future. We will then need to proceed with investment gradually, taking financial soundness and the roadmap into consideration. Initially, I think deciding what to focus on at which pulp mill-based biorefinery will be an important theme.
Okutani: I expect that in the future we will probably have biorefineries that produce the best mix of diverse products. Some products are high profit and some are high volume. Our goal should be to maximize the value of wood resources through a combination of high profit and high volume products.
Takuma: As we head toward 2030, the business structure itself will also change and I think in the future we could well have a Cellulose Business Department and a Sugar Solution Business Department. Instead of sales via mass market channels, we might well establish supply chains by application and start proposing optimal solutions for individual customers.
Hasebe: To this end, sales teams will need not only the ability to sell but also the ability to draw out customer needs and link these to technologies and research and development. Developing human capital and organizations capable of working with customers to find solutions is also bound to increase our future competitiveness.
Kamada: I see 2030 as no more than a waypoint. The portfolio transformation that we are implementing does not by any means spell the end for our paper business. It means paper with higher added value and the buildup of the new forest biomass business and sustainable packaging business. We intend to keep creating diverse value rooted in forest resources and clearly communicate our business direction to those both inside and outside the organization.

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Director of the Board
Senior Executive Officer
CFO

Tadashi Oshima

CFO Message

Shifting from quantity to quality and profit margin–focused management to build an optimum portfolio for the next generation

— Pursuing overall optimization through CxO coordination and forging a clear path to an ROE of 8% by FY2027 —

Q1 How would you summarize the financial results for FY2025?

Despite making progress driving changes to or withdrawing from low-profit businesses in Japan and overseas, consolidated operating profit totaled ¥34.6 billion, well short of our initial target of ¥75.0 billion. Although nearly all of our price increases were ultimately achieved, weak pulp market conditions and delays in realizing the benefits of these increases contributed to the decline.

However, profit attributable to owners of parent increased year on year. This was in part due to higher foreign exchange gains driven by the revaluation of foreign currency–denominated receivables and payables, along with extraordinary income from the sale of lease property and shareholdings. The slimming of these assets was the result of a policy set out in Medium-term Management Plan 2027 being implemented as planned.

Given the likelihood that costs will continue to rise in the future, we will implement price increases at appropriate times and continue efforts to ensure stable operation and lower costs. Over the remaining term of the Medium-term Management Plan, we will aim for sustainable improvements to operating profit in parallel with ongoing asset slimming efforts.

Medium-term Management Plan 2027 P.27

Q2 What path have you laid out toward the goals for FY2027?

Shifting from quantity to quality and abolishing the net sales KPI: To advance from the consolidated operating profit of ¥34.6 billion we recorded in FY2025 to ¥60.0 billion in FY2026 and ¥120.0 billion with an ROE of 8% by FY2027, the final year of our Medium-term Management Plan, we will make a further shift toward management focused on capital efficiency. In the future, we aim to reach an ROE of 10%. Given fading domestic demand for newsprint, printing, and communication paper, we have reached the limits of management that pursues expanded volume. That is why under the current Medium-term Management Plan, we made the decision to abandon net sales as a KPI in order to clarify our policy of seeking profit margins over scale and quality over quantity. However, in growth areas where we will take the lead in the shift to a circular economy, such as the sustainable packaging and forest biomass businesses, as we are still at the stage of creating and establishing the market itself, we will pursue sales at a limited scale as a leading indicator of the speed of growth.

Building resilience that is less dependent on market fluctuations: As we work toward achieving our FY2027 target of ¥120.0 billion in consolidated operating profit, overseas pulp market conditions remain one of the key external factors affecting our performance. However, the true aim of our transformation is to move away from dependence on market conditions. To achieve our target profit through our own efforts, we will continue to advance these initiatives with a sense of urgency in FY2026. These include steady price pass-through, a shift to high-value-added products, stable operations and cost reduction, and the restructuring of low-profitability businesses implemented in FY2025. By rigorously executing these measures within our control, we will build the robust resilience needed to achieve ¥120.0 billion in operating profit regardless of the external environment.

Strategic focusing of resources on growth areas and businesses: We will strategically allocate the management resources we have generated to the integration of downstream businesses in India and Southeast Asia that are expected to undergo high levels of growth, as well as the sustainable packaging business that will drive the provision of alternatives to fossil-resource-derived materials. While maintaining our growth investment allocation as a driver of growth, we will carefully select investment allocations for each business based on stringent capital efficiency hurdles, ensuring that resources are concentrated in projects that are expected to generate high profits with truly high added value, in an effort to improve profitability in substantive terms.

Functioning of the CxO system and investments in the next generation: The key to implementing these objectives lies in the implementation of the CxO system introduced in April 2025. We will establish horizontal connections between a vertically siloed COMPANY structure

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arranged by business to promote Group-wide marketing and overall optimization across the organization. In addition, looking to Long-term Vision 2035, we will continue investing in R&D for the core businesses of the next generation, putting ourselves firmly on track to enhance corporate value in the long term.

Q3 How do you view capital efficiency in management decision-making?

In decisions on investment and business withdrawal, our minimum criterion is whether we can gain a return that exceeds WACC, and we have set hurdle rates for metrics such as EBITDA, operating profit margin, and ROIC. Internally, the concept of ROIC has increasingly taken root. However, there is a tendency for ROIC to appear higher if we continue using existing facilities in the short term, while implementing growth investments can have the opposite effect of temporarily reducing ROIC. For that reason, it is not appropriate to rely on ROIC as a single metric. We combine multiple metrics and carefully assess the rationale for deploying capital across our entire portfolio.

At the same time, in addition to quantitative aspects such as hurdle rates, we also emphasize qualitative aspects such as potential future risks. In situations where it is difficult to make a decision, we verify whether a risk should be taken on while carefully looking at the worst-case scenario within a tolerable level and make final investment decisions from an all-encompassing perspective. I believe that an important role of a CFO is to make decisions on the allocation of capital from the perspective of overall optimization of both quantitative and qualitative aspects without being swayed by personal attachments or past circumstances.

In addition, to reduce the cost of capital and optimize our capital structure, we have raised the maximum acceptable net D/E ratio in Medium-term Management Plan 2027 from 0.7 to 1.0 or less, switching to a basic policy of utilizing leverage. On the other hand, we are carefully monitoring the risk of rising interest rates in the short term. By thoroughly ensuring investment entry management (investment discipline) and post-investment earnings monitoring, we will maintain a balance between financial soundness and improving capital efficiency.

It should also be noted that the pursuit of capital efficiency is not limited to financial capital. Given the rising interest in natural capital accounting around the world, the Oji Group is also actively involved with discussions on the formation of international rules. In the future, we will advance initiatives aimed at appropriately quantifying and visualizing the value produced by the vast forest resources we own (including CO_2 absorption and sequestration aimed at carbon neutrality and the effects from the conservation and restoration of biodiversity contributing to nature positivity), and translating that into sustained improvements to corporate value as a new competitive advantage.

"Steward the Forest, Unlock Its Untapped Potential" also aligns with our financial aims. Developing national resilience at the local level is a form of risk management that protects the operations of factories and mills while safeguarding assets, while economic security at the national and regional levels brings stability to procurement costs through company-owned forests. In addition, investments in sustainable packaging and the forest biomass businesses toward solving environmental issues at the global level serve as a growth engine expanding future cash flows and enhancing PBR.

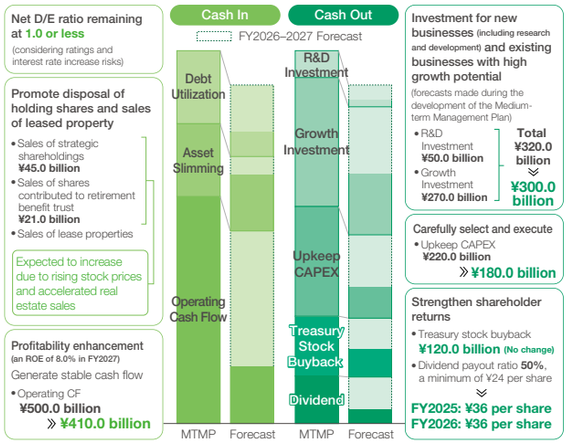
Q4 What do you see as the key points to enhancing the profitability of our existing businesses?

To enhance the profitability of our existing businesses, we will establish steady price increases as an ongoing pricing strategy rather than a one-off increase. Given the likelihood that costs will continue to rise in the future, we will formulate strategies early on and implement price increases while obtaining the understanding of stakeholders in an effort to maintain and improve our profit margins. More recently, implemented price increases for printing and communication paper in October 2025 and August 2026, and for corrugated containers and related products in October 2025, as part of efforts to improve profitability.

It is also important to carefully assess whether to continue supply in connection with products and sites that cannot maintain profit margins at a certain level. Although there are prospects for earning survivor profits by continuing to supply products to the end in a market with contracting demand, if we retain our responsibility for supply while earnings remain low, there is a risk of continually facing declining utilization rates and a high cost structure. However, there are concerns that making these decisions in a mechanical fashion could compromise employee engagement, and we will continue to make decisions from the perspective of overall optimization while taking into account the impact on the front lines.

Q5 What was behind your decision to revise the cash allocation policy?

In response to cash flow from operating activities declining from an expected ¥500.0 billion to ¥410.0 billion over the course of



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the Medium-term Management Plan, we made a flexible revision to our cash allocation priorities to align with changing conditions.

First, upkeep CAPEX contracted from ¥220 billion to ¥180 billion, but as these investments are directly linked with safety and stable operation, we do not intend to make across-the-board reductions. We will carefully assess which sites will receive ongoing investment with a view to our future business portfolio, and strike a balance between maintaining our business infrastructure and improving efficiency by identifying failures at the early stages through day-to-day preventive maintenance and the utilization of DX. On the other hand, investments in new business creation, including R&D, and in the expansion of existing businesses that show promise rank extremely low in priority for reductions, even if there are aspects that will reduce cash inflows. Our latest revisions to these investments (in R&D and growth) from ¥320 billion to ¥300 billion are related to quality improvements as a result of strict screening of investment projects and do not represent a retreat from our strategy.

In addition, to address funding shortfalls, we will significantly accelerate and expand initially planned reductions in cross-shareholdings, the sale of shares contributed to retirement benefit trusts, and the sale of lease property; strengthen our ability to generate cash; and carefully consider risks such as rising interest rates, while giving top priority to ensuring financial soundness. We will flexibly inject the necessary working capital and investment capital with the use of interest-bearing debt while maintaining a net D/E ratio that does not exceed 1.0.

Through this approach of prioritizing the generation of cash through improved asset efficiency, we will balance our commitments to maintaining the growth investment allocation and improving shareholder return with a dividend payout ratio of 50% and ¥120 billion in treasury stock buybacks over three years.

Cash Allocation P.29

Q6 How do you see the role of a CFO in governance?

The role of a CFO is to go beyond partial optimization and seek overall optimization in order to maximize corporate value. I take part in all investment decisions, and while I have opportunities to “step on the accelerator” with things like the construction of a new plant in Vietnam or strengthening inter-site coordination through M&A actions in Europe and India, there are times when I need to firmly “plant my foot on the brakes” when reassessing businesses, such as when we implemented a partial withdrawal in New Zealand and Australia in FY2025. That is how we maintain a healthy portfolio.

With M&A activities and strategic capital investment in particular, our responsibilities do not end with executing the investment; it is important to engage in continuous monitoring to ensure profitability and synergies thereafter. I believe that in addition to the entry point of investment, verifying and reassessing the progress of the investment afterward is a vital governance function fulfilled by a CFO.

I also look at opportunities such as collaboration with start-up companies that are more than mere extensions to our existing technologies and frameworks, as part of efforts to explore the potential for new business expansion.

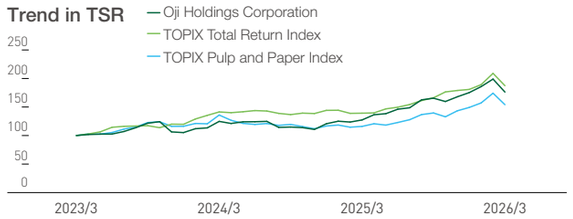
Q7 Please comment on the importance you place on dialogue with the capital markets.

In communications with institutional investors and other stakeholders, I emphasize the need for them to gain a deeper understanding of the Oji Group. Since FY2025, we have been holding quarterly financial results briefings, and as CFO I also try to attend meetings with investors and analysts as much as possible to provide opportunities for direct dialogue.

We promptly share the feedback received in these meetings with top management and use it to recognize management issues and consider what measures to take. One result of that feedback is in our quarterly summary of financial business results, where we have made improvements to provide per-sector analyses and disclose breakdowns of the factors causing positive and negative variances. By disclosing the challenges we face rather than only positive news, we allow for more in-depth points of discussion when engaging in dialogue and create opportunities to incorporate more outside perspectives into management.

I believe that total shareholder return (TSR) is a key metric for assessing how the capital markets rate the results of those efforts. Over the past three years, our TSR was +76.2% (+20.8% on an annualized basis). While this was slightly below the TOPIX Total Return Index, it was above the TOPIX Pulp and Paper Index, which tracks trends in the same industry. The Oji Group is working to enhance shareholder returns and has strengthened returns with a target dividend payout ratio of 50% based on its policy of stable dividends. Going forward, we will enhance the quality of dialogue, pursue enhanced earning capabilities and management focused on capital efficiency, and translate those efforts into the sustainable enhancement of corporate value.

Trend in TSR



*1 The above graph shows the change in total shareholder return (TSR), which is the total return combining appreciation of share price and dividends, up to the end of March 2026, assuming investments were made in Oji Holdings, TOPIX, and TOPIX (Pulp and Paper) at the end of March 2023.

*2 Each of the figures indexes the investment amount as of the end of March 2023 to 100. For Oji Holdings, TSR is calculated based on the share price combined with dividends paid during the period, on the assumption that dividends are not reinvested. The TOPIX and TOPIX (Pulp and Paper) used for comparison are both total return indexes that incorporate dividends.

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Independent Outside
Director of the Board
Seiko Nagai



Independent Outside Director of the Board
(Chair of the Board, Chair of the Nomination and Compensation Committees)
Hiromichi Ogawa



Independent Outside
Director of the Board
Sachiko Fukuda



Independent Outside
Director of the Board
Atsuko Muraki

Dialogue

Leveraging the insights of Outside Directors, each with a different area of expertise, to exercise monitoring and support sustainable improvement in corporate value through portfolio transformation

Four Outside Directors exchanged opinions on changes in the Oji Group's governance structure and challenges and expectations for the Group's sustainable growth.

Discussions at Board meetings and the role of Outside Directors

Nagai: I get to listen to discussions not only at Board meetings but also from the early Group Management Meeting stage. There really is a great deal of serious discussion, which also helps me make judgments. I feel that M&A proposals, for example, were discussed effectively not only from a short-term perspective but also from a medium- to long-term perspective. The Board of Directors is well-balanced, with each incumbent Outside Director having a different area of expertise. The four of us will complement one another and carry out monitoring firmly.

Fukuda: I understand that efforts are being made to speed up discussions at Board meetings and Group Management Meetings but feel that investors and analysts require an even greater sense of urgency. I also feel Oji needs to be bolder in its implementation of the restructuring of low-profitability businesses and am monitoring that progress in my capacity as Outside Director.

Muraki: I became an Outside Director a year ago, and discussions on price pass-through and the restructuring of low-profitability businesses have enabled me to follow the

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actual state of progress. On the other hand, I am unsure what indicators or time span I should use in supervising the expansion of future growth areas, or how to assess the connection between individual problems and portfolio transformation as a whole. While these are also challenges for me personally, I think adjustments could also be made when it comes to setting the agenda for meetings of the Board of Directors.

Ogawa: I use Long-term Vision 2035 as an important reference point in my judgments. Since Medium-term Management Plan 2027 is positioned as a preparatory phase for Long-term Vision 2035, whenever a proposal comes up at a meeting of the Board of Directors, I consider where this fits into the big picture under Long-term Vision 2035. My own personal yardstick is that a proposal is OK as long as it fits within this framework, and my approach is to make judgments on this basis and ask questions when I do not understand.

Progress of Medium-term Management Plan 2027

Ogawa: I think stakeholders are honestly questioning whether Oji can really achieve the FY2027 numerical targets under Medium-term Management Plan 2027. Various discussions on these points have also been held at Board meetings. I feel that financial strategy, including the sale of strategic shareholdings, is being managed really effectively. When this is viewed in conjunction with positive factors such as the emerging effects of price pass-through and the restructuring of low-profitability business during FY2025, then I think the numerical targets are not unachievable. The realization of stable operations will also be an important point in the future.

Muraki: Oji's commitment to safety and stable operations is clear to see, with safety management brought up a great deal in reports of briefing sessions for Outside Officers.

Fukuda: One of the main causes of operational issues is probably aging production facilities; however, because decisions on whether to radically upgrade production facilities or partially extend their useful life also relate to Oji's business direction, quick judgments on Oji's business options are required.

Nagai: I think that initiatives for stable operations have been stepped up the last few years and provisions have been made, taking into account the necessary costs. On the other hand, I think that the timing of price pass-through is important and needs to be scrutinized.

Ogawa: I think that business portfolio transformation, which will no doubt remain a major theme under the next Medium-term Management Plan, is going to involve some big management decisions as expected. I say this because these decisions are also costly to implement.

Fukuda: At the time of the FY2025 financial results announcement, investment for developing new businesses and expanding existing promising businesses, including research and development, was revised downward from an initial target of ¥320 billion to ¥300 billion, as part of a review of cash allocation between now and FY2027. However, I feel that given the need for immediate change from a long-term perspective, it might also be important to intensively invest in key areas alongside efforts to gain the understanding of shareholders.

CxO system effects and issues

Nagai: Adoption of the CxO system has made the division of roles clearer and led to livelier discussions at Group Management Meetings, and each Corporate Officer can now be heard making in-depth remarks related to their own areas of accountability. I have been watching how the Corporate Officers have been trying to coordinate activities across functions, and there is a sense of cross-functional coordination. Proactive initiatives have begun, with the CFO now involved in all investment decision-making and information being exchanged through the CxO meetings.

Muraki: I do not know what things were like before adoption of the CxO system and so cannot compare; however, the cross-functional framework under the CxO system seemed to work seamlessly and effectively in its first year of introduction.

Fukuda: You can feel that the CxO system is up and running. I have particularly high hopes of the role of COO. The Oji Group has never had a cross-functional organization for sales before. I think we will be able to achieve stronger sales activities across the Group as a whole and overall optimization through the agency of the COO.

Nagai: Alongside development of the organizational structure of the CxO system, including deciding what kind of people to put under the command of Corporate Officers, a system for fairly evaluating results achieved in collaboration with another COMPANY is also probably required. I would like to see this mechanism developed urgently to speed up management.

Muraki: At another company where I served as an Outside Director, there was a proper mechanism for allocating results achieved jointly to each business division. Without such a mechanism, individuals inevitably end up wanting to attribute results to the business unit they belong to.

Ogawa: It is true that cross-functional coordination and internal collaboration will not catch on unless it is also personally beneficial. Over the past year, some issues with the CxO system have also come to light, for example, how to approach decision-making authority under the CxO system. On the other hand, communication between Corporate Officers has definitely improved. I feel discussions at Group Management Meetings are also livelier and that there is more of a shared understanding about management issues.

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Changes to the Board of Directors and the Nomination and Compensation Committees

Fukuda: Due to a reduction in the number of Internal Directors, the total number of Directors has decreased and, in FY2025, the ratio of Outside Directors increased. These changes in the Board's composition were intended to strengthen the Board's function as a monitoring board and speed up business execution, and I think we are starting to see those effects. I was a little concerned that reduction in the number of Internal Directors would make it difficult to keep an eye on matters entrusted to the executive side and make it harder to increase the effectiveness of monitoring; however, the careful provision of information at briefings for Outside Officers has more than made up for the reduction in numbers.

Ogawa: The purpose of the recent changes to the Board's composition was, in short, to strengthen the supervisory function. Supervising business execution means checking whether strategies and actual measures that are based on and consistent with Long-term Vision 2035 are being implemented. The reduction in the number of Directors is, of course, detrimental in terms of a loss of Board diversity; however, I have not particularly felt this. On the contrary, the change has been beneficial, allowing us to allocate more time and mental capacity to the supervisory function. The challenge will be how to demonstrate this going forward. As chair of the Board of Directors since June 2026, I think it is important to further enhance the Board's supervisory function based on this structure.

Muraki: Outside Directors are provided with plenty of information. We are able to attend Group Management Meetings and our questions at briefing sessions for Outside Officers are answered immediately based on available data. Details of meetings with investors and outside analysts are also shared with us. As Mr. Ogawa mentioned, the reduction in the total number of Directors resulted in an agile team size, putting in place a structure enabling solid discussion, including supervision of progress toward the Long-term Vision.

Ogawa: The Nomination Committee and the Compensation Committee, both of which I chair, have been composed solely of Outside Directors since FY2025, and the purpose of this change was also to strengthen the supervisory function.

Muraki: Greater transparency is required to enable us to explain both internally and externally the HR and compensation related matters that never used to be articulated much at Japanese companies. The fact that someone from outside the company leads this push for greater transparency is hugely significant. The changes to the composition of the committees were not a formality; rather, they were intended to change the nature of the company and help Oji fulfill its responsibilities toward its stakeholders. With this in mind, I have worked under Chair Ogawa over the past year.

Nagai: I have also served on nomination and compensation committees at other companies. At Oji, I feel that over the past few years things have started to move in the right direction, partly thanks to the hard work of Outside Director Ogawa as chair. Going forward, I hope each of us can leverage our respective outside knowledge to carefully develop even better recommendations within these committees.

Issues and expectations for the future

Muraki: Some companies identify and develop executive and CxO candidates at an early stage. I would, therefore, like to discuss human capital, including how to develop human

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capital suited to the Oji Group. Efforts also need to be made to better understand what Oji's core businesses will be in the future. To become a sustainable strong company, Oji needs to adopt a long-term perspective, envision society 10 or 20 years from now, and ask itself what role Oji will play then and what strengths Oji has to fulfill this role. I think it is the role of Outside Directors to assist with these efforts.

Nagai: Each of the strategies that have been set forth are well thought out and steady progress is also being made on business portfolio transformation; however, I feel we need to further strengthen the sense of unity among employees and get all employees working together as one. Oji's frontline employees are all highly capable, but the question is whether they fully see what they need to do now as their own responsibility. It seems to me that the mechanisms for getting employees onboard are still insufficient. Of course, we as Outside Directors must also continue studying hard to ensure we can provide the necessary support and encouragement.

Fukuda: The Oji Group is, in a sense, blessed in that it is a large organization with a long history and has already put various systems in place. In my usual role as a lawyer, I come across SMEs trying to turn a bad performance around with a strong sense of crisis. It seems to me that, considering the Oji Group is struggling to achieve the ambitious targets set in its Medium-term Management Plan, the entire organization needs to be rallying with a greater sense of crisis.

Ogawa: I think what is needed now is individual capabilities and management and governance to further strengthen individual capabilities. The collective capabilities of the Oji Group are strong. However, if collective capabilities are too strong, individuals tend to rely on those around them and stop making an effort themselves. As a result, the entire organization also tends to become weaker. I would like to see an aggressive mindset, with each individual striving for the top spot in their respective area of business.

Message to stakeholders

Ogawa: The Oji Group is right in the middle of business portfolio transformation. Although simultaneously pursuing innovation and restructuring existing businesses requires a certain amount of investment and time and presents significant challenges, the Oji Group has the human capital and potentiality to be able to overcome this and I am confident the portfolio transformation will be a success.

Fukuda: The Oji Group has adopted "Dedicated to Sustainability" as its new tagline. I guess that stakeholders are interested in the progress of the management plan and numerical targets, but I hope that you will also focus on the fact that the Oji Group's value stems from the contribution it makes to the environment and sustainability.

Muraki: I always think that Japan should value manufacturing capabilities more. The Oji Group in particular is committed to contributing to society through its business activities and its care for forests. This is part of its DNA. Oji is a company likely to continue contributing to society in the future, and I hope that you will all rally behind it.

Nagai: The Oji Group is seriously tackling the issues accompanying its transformation and is striving to become a company that can live up to the expectations of its stakeholders. I hope we can rely on your support to enable Oji to continue achieving growth as a company committed to "Growing Forests, Utilizing Forests."

Greeting from newly appointed Outside Director



Independent Outside Director of the Board

Hiroji Adachi

In my previous role at ENEOS Holdings, I gained experience in a wide range of fields including management strategies, oil refinery plant operations, safety management, energy conservation and capital investment, and overseas projects. With domestic oil demand declining, I worked on large-scale mergers to improve the efficiency of production, transportation, and sales, as well as the shift to renewable energy and LNG businesses, and came to recognize the importance of improving production efficiency through PMI and DX.

At the Oji Group, I have been impressed by the scale of the forest resources owned by the Group and by the cheerful atmosphere within the Group. Under its Long-term Vision, Oji has positioned forest biomass and sustainable packaging businesses, both of which use forest resources, as core businesses, and indicated a clear business direction. I also feel that there is enormous potential in the Group's research and development and technological capabilities through which it will leverage its biomass technologies to create new businesses in areas such as semiconductor materials and pharmaceuticals. On the other hand, Oji has a large number of Group companies and a substantial asset base as a result of mergers and acquisitions. Faced with falling demand for its mainstay products, Oji requires the determination and drive to implement asset slimming and business transformation.

Going forward, I will leverage my expertise in the utilization of renewable energy and circular economy to actively express opinions that will help achieve the Medium-term Management Plan and advance the Long-term Vision. As Outside Director, I will do my very best to support the Oji Group in transforming its business and enhancing its corporate value.

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History of the Oji Group's Value Creation

Since its foundation in 1873, the Oji Group has achieved steady growth through the expansion of its business fields over 150 years. From our very earliest days, we have valued the idea of utilizing and recycling resources without waste. In this way, we have accurately kept up with the changes of the times, seriously addressed the needs of society and flexibly changed the structure of our business. In recent years, we have been expanding globally and transforming our business portfolio by sharing and leveraging technologies and expertise developed in Japan and overseas, together with the goal of contributing to a sustainable society.

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 the "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)

▸1875
Factory using rags as raw materials was built in Oji, Tokyo

▸1889
Start of wood pulp manufacturing for the first time in Japan

▶ The starting point of our business is resource recycling



When Fujiwara was 86, he visited our company-owned forest in Hokkaido in 1955

"Those who use trees have the responsibility to plant trees."

The quote is from Ginjiro Fujiwara, who was a president of Oji in the 1930s. With a view toward ensuring the consistent supply of lumber, which is a raw material, and the importance of resource recycling, we aggressively promoted the forest plantation business. Fujiwara's wisdom has been passed down over the years. It is the foundation of our operations, and it has led to what the Oji Group is today, represented by its slogan "Growing Forests, Utilizing Forests."

1910–1949

Establishment of a Domestic Supply Structure

To meet burgeoning demand for paper, we ventured to Hokkaido in search of the forests, water, and the vast, flat land resources needed for paper manufacturing. We brought together the best technologies and opened the Tomakomai Mill in 1910.

We thus established a domestic supply structure for newsprint, breaking free from reliance on imports.



Tomakomai Mill
(from the collection of the Paper Museum)

▸Around 1893
Start of forest plantation business in Shizuoka Prefecture

▸1899
Start of newsprint production

▶ After expanding into Hokkaido with the opening of the Tomakomai Mill, Oji acquired a company-owned forest and strengthened its forest plantation business

1950–1972

Efforts toward New Technologies

Amid Japan's postwar 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 in 1951.

Furthermore, in 1957, we developed technology for removing ink from old newspaper, opening up major paths for the use of recovered paper.



Kasugai Mill in the 1960s

▸1952
Start of wood-free paper production

▸1953
Successful production of hardwood pulp achieved using Japan's first continuous digester

▸1958
Start of production of DIP (de-inked pulp) made from recovered newsprint



Old newspaper de-inking system at Tomakomai Mill

▶ Start of recovered paper recycling

▸1959
Start of containerboard production

▸1962
Start of kraft paper production

▸1970
Start of pulp non-woven fabric production

▸1971
- Start of production of "nepia" household paper (tissue paper, toilet roll)
- Start of overseas forest plantation business

▶ Overseas expansion began, starting with the forest plantation and pulp businesses

1973–2009

Paper Diversification and Response to the Environment

The growing abundance of people's lives brought major changes in their lifestyles. In line with the growing expectations of paper, we developed new products, such as boxboard, thermal paper, and household paper.

We also began expanding globally in search of raw materials for paper manufacturing and new markets while placing efforts into countermeasures against pollution at our paper mills.



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

▸1973
Start of overseas pulp production



Pan Pac Napier mill (New Zealand)

▸1974
Start of high-grade boxboard production

▸1975
Start of thermal paper production

▸1987
Start of disposable diaper production

▸2004
Start of Hana-Celeb sales

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2010~

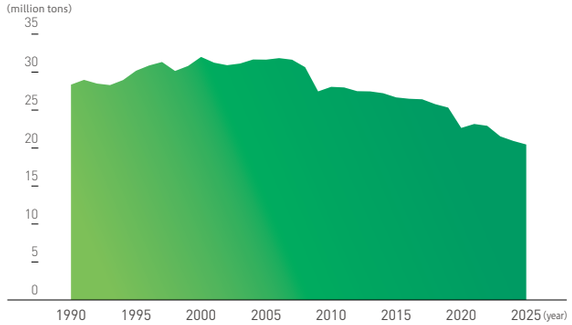
Shift in the Business Structure and Further Global Deployment

Demand for paper and paperboard in Japan peaked in the 2000s and, since the 2008 global financial crisis, it has been shrinking structurally. At the same time, we have been accelerating our overseas expansion focusing on Southeast Asia at an early point in an effort to remain on a growth trajectory. In 2012, we renamed ourselves Oji Holdings and transitioned to a pure holding company structure aiming to clarify our management responsibilities regarding each of our businesses and maximize the efficiency of the Oji Group's management of its businesses.

In recent years, due to the increasing global need for plastic-free products and heightening awareness for the environment, we have positioned sustainable packaging as a strategic growth area. By adding European companies IPI and Walki to the Oji Group, we are increasing and improving our product lineup, which includes liquid packaging cartons and high-performance materials, and we are strengthening our global supply chain.

While improving the functions of forest, which are the core of our businesses, we are also moving to make the forest biomass business a core business and a next-generation pillar of profitability by maximizing the core technologies we have developed over many years. We have been building a foundation for the commercialization of materials through efforts such as starting to operate pilot wood-derived sugar solution and ethanol equipment at Oji Paper Yonago Mill and the addition of AustroCel to the Oji Group. In addition, in the fields of pharmaceuticals and healthcare, we will accelerate efforts to roll out wood-derived pharmaceuticals onto the market. We will continue to steadily advance the transformation of our business portfolio toward high-value-added businesses based on forest resources.

Change in demand for paper and paperboard in Japan*1



*1 Volume of domestic shipments and imports Source: Japan Paper Association

▸ 2013
Succeeded in making the world's first transparent continuous sheet of cellulose nanofibers (CNF)



▸ 2014
Start of dissolving pulp production

▸ 2015
Start of power generation business using biomass boilers



▶ Utilized logging residues, etc., to enter the biomass power generation business

▸ 2020
- Start of full-scale development of wood-derived pharmaceuticals P.41
- Start of SILBIO BARRIER paper package materials sales



▸ 2021
Started Japan's first domestic production of milk carton base paper

▸ 2022
Successful wood-derived polylactic acid creation

▸ 2024
Successful development of a wood-derived biomass resist for cutting-edge semiconductors P.40

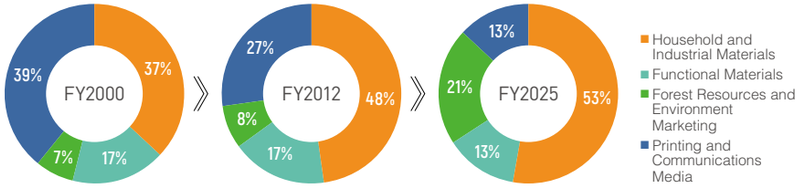
▸ 2025
- Launch of pilot plant for wood-derived sugar solution and ethanol P.39
- Launch of material recycling brand Renewa P.36

▶ Development of sustainable products based on forest resources promoted

Changes in sales composition by segment*2

The Printing and Communications Media business accounted for nearly 40% of sales in fiscal 2000. As demand for paper decreased, we worked on rebuilding our production system (e.g., product-grade conversions) and strengthening other businesses. As a consequence, composition dropped to 13% in FY2025 and the Household and Industrial Materials and Forest Resources and Environment Marketing businesses began to occupy a larger portion of sales. We will continue to pursue sustained growth by transforming the structure of our business in line with the changes in society.

*2 We transitioned to the holding company system in 2012, so FY2000 figures were recalculated retrospectively to align them with our current segmentation. They are shown on an external net sales basis excluding internal transactions between COMPANIES. The composition excludes the Other businesses segment.

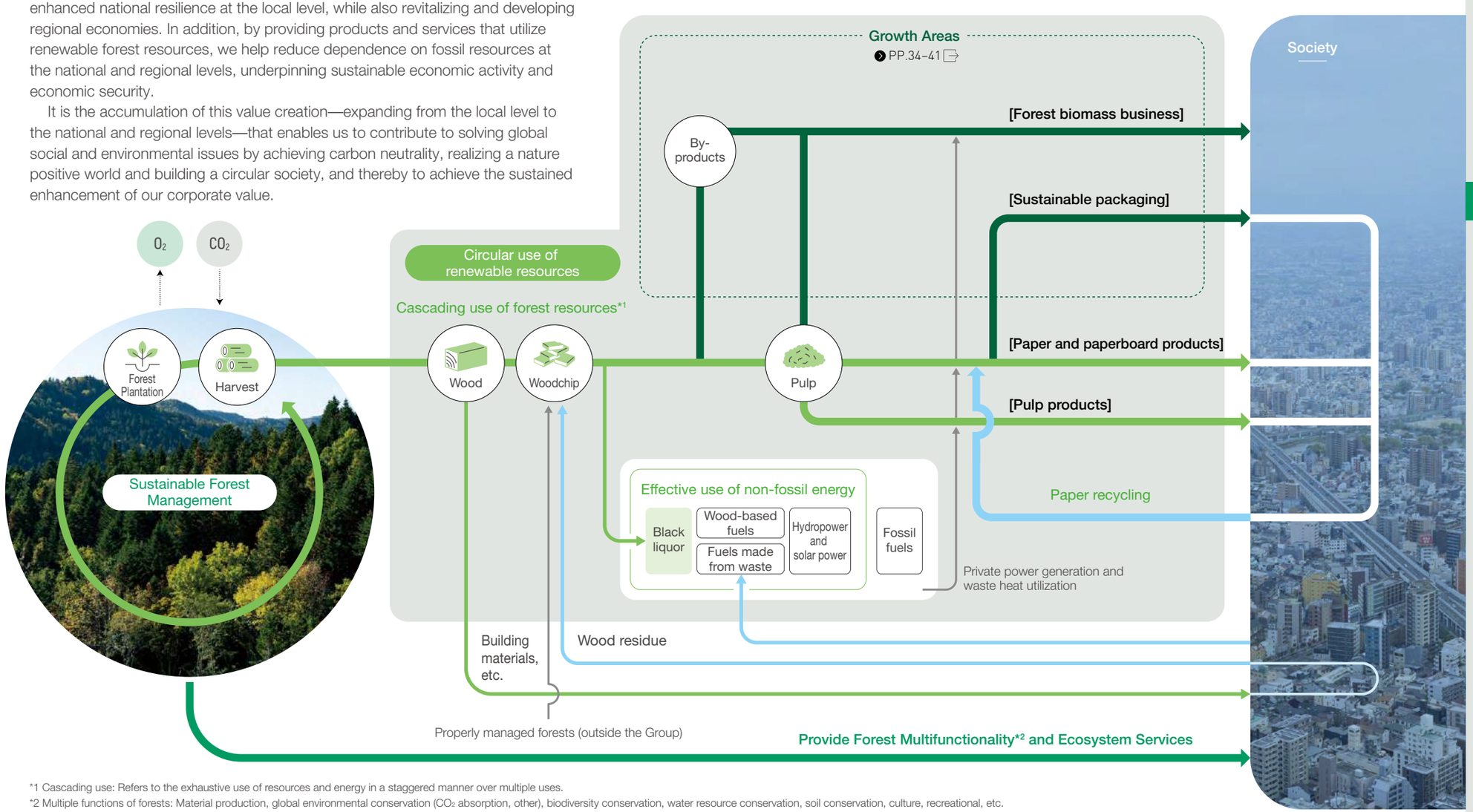


Business Model

The Oji Group has continued to create value by realizing the multifaceted functions of forests through sustainable forest management and by using renewable forest resources in a circular manner to maximize their value. The business portfolio transformation now under way—toward growth areas such as sustainable packaging and the forest biomass business—is also an initiative to further develop and advance this value creation.

Sustainable forest management delivers environmental conservation and enhanced national resilience at the local level, while also revitalizing and developing regional economies. In addition, by providing products and services that utilize renewable forest resources, we help reduce dependence on fossil resources at the national and regional levels, underpinning sustainable economic activity and economic security.

It is the accumulation of this value creation—expanding from the local level to the national and regional levels—that enables us to contribute to solving global social and environmental issues by achieving carbon neutrality, realizing a nature positive world and building a circular society, and thereby to achieve the sustained enhancement of our corporate value.



*1 Cascading use: Refers to the exhaustive use of resources and energy in a staggered manner over multiple uses.
*2 Multiple functions of forests: Material production, global environmental conservation (CO_2 absorption, other), biodiversity conservation, water resource conservation, soil conservation, culture, recreational, etc.

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Utilization of Management Resources

The Oji Group is creating value by strategically linking its six capital advantages, starting with natural capital. Building on each capital advantage, we identify elements for improvement and enhance them in pursuit of the sustainable increase of our corporate value.

	Strengths and features	Future initiatives (addressing capital gaps)	Input	Outcome
Natural Capital	• **Sustainable Forest Management:** The Oji Group owns and manages extensive forests in Japan and overseas. In addition to cultivating renewable resources, we are working to take full advantage of the multifaceted functions of forests while providing society with ecosystem services by practicing sustainable forest management that is conscious of environmental, social, and economic concerns.	• Securing stable and long-term resources through the expansion of forest plantation areas • Identifying and quantifying the value of natural capital, participating in the development of the Natural Capital Accounting system • Effectively utilizing company-owned forests in Japan • Increasing CO_2 absorption and resource expansion through improved growth	• Oji Forests (of which conservation forests): 637,000 ha (164,000 ha) • Water withdrawal: 663,220 thousand m^3	• Estimated economic value of public benefit functions of company-owned forests in Japan: ¥550.0 billion/year • Forest certification acquisition rate: 97% (Japan 100%, Overseas 95%) • Forest carbon stocks: 143,710 kt-CO_2 • Reduction of water withdrawal intensity compared with FY2018: 25.4% reduction
Manufactured Capital	• **Circular Use of Renewable Resources:** The Oji Group is actively engaged in the cultivation, procurement, and cascading use of renewable forest resources. We also promote the recycling of paper that is used repeatedly as recovered paper to make effective use of valuable resources generated in the market. At the same time, we are putting in place a system to reduce the amount of water used by circulating and reusing the water that is essential to paper manufacturing. • **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 that will help reduce our environmental burden. This includes developing our renewable energy business with a focus on hydroelectric power generation and wood biomass power generation, industrial water production, and industrial wastewater treatment businesses.	• Utilizing excess production capacity and optimizing production systems • Transitioning to the biorefinery business • Improving production efficiency through automation and promotion of DX • Expanding the use of non-fossil energy sources for the transition to a decarbonized society	• Overseas manufacturing sites: 101 sites in 24 countries • Capital investment: ¥104.8 billion	• Reduction of GHG emissions compared with FY2018 (Scope 1, Scope 2): 34.0% reduction • Percentage of renewable energy use: 56.5% • Recovered paper utilization rate (Japan): 69.3%
Intellectual Capital	• **Development of New Materials Derived from Wood:** The Oji Group is working to resolve a variety of social issues through the creation of new value. To this end, we are engaging in the research and development of cellulose nanofibers (CNF); wood-derived sugar solution and ethanol; and pharmaceuticals that use sulfated hemicellulose as an active pharmaceutical ingredient. • Holds a broad portfolio of intellectual property rights related to environmentally conscious technologies both in Japan and overseas • More than 150 years of knowledge and a wide variety of core technologies (including production and operations, forest management and tree breeding) • Robust R&D system and facilities located at the mills of Group companies in Japan	• Enhancing various training programs and systems • Transferring knowledge and expertise related to various operations • Formulating and executing an intellectual property portfolio strategy for business portfolio transformation • Strengthening the intellectual property ecosystem	• Research and development expenses: ¥13.2 billion (No. 1 in the paper and pulp industry in Japan; survey by WDB Co., Ltd.) • Number of patents, utility models, and design patent applications: 493 (Japan: 338, Overseas: 155)	• Comprehensive patent strength: 14,018 (No. 1 in the paper and pulp industry in Japan; calculated using Biz Cruncher of Patent Result Co., Ltd.) • Number of patents, utility models, and design patents: 3,926 (Japan: 2,917, Overseas: 1,009) Trademarks held: 2,211 (Japan: 1,044, Overseas: 1,167)
Social and Relationship Capital	• **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 will respond to the growing needs of overseas markets and create synergies with newly acquired companies within the Group. • Detailed communication response to product safety inquiries • The brand power exemplified by “nepia” and the ability to understand customer needs • Various social contribution activities outside and inside Japan	• Participating in and initiatives with external consortiums, including industry, government, and academia, in the new wood-derived materials business • Participating in a market design and rule making initiative moving toward the appropriate assessment of the value of natural capital • Considering human rights in the supply chain through human rights due diligence	• Oji Group companies*1: 370 in the world • Supplier Sustainability Surveys, Number of companies surveyed: 1,185 • Social contribution expenditure: ¥0.2 billion	• Major global pulp and paper companies’ net sales: No. 6 (2024), domestic pulp and paper company net sales: No. 1 (FY2025) • Overseas sales ratio: 41.9%, Number of countries and regions where products are sold: 128 • Rate of sustainability survey implementation at all major suppliers: 100%
Human Capital	• Strong operational capabilities across procurement, manufacturing, sales, and other frontline operations • Diversity of human resources across the Group, including at overseas locations (inclusion and diversity) • A corporate culture that respects, fosters, and accepts other cultures and attributes • Human resources with high ethical standards based on the Company’s founding spirit and the relevant training system • Depth of technical human resources engaged in research and development and training systems that lead to new businesses	• Creating an environment for human resources development to achieve the Medium-term Management Plan • Recruiting diverse human resources • Strengthening employee engagement • Ensuring safety and health in the workplace	• Number of employees of the consolidated Group: 38,757 • Percentage of overseas employees: 58.0% • Mid-career hires: 62 (FY2025)	• Employee engagement score*2 Engagement related to work: 62.8% Engagement with the organization*3: 68.0% • Percentage of managers that are women*4: 5.7% • Employment rate of people with disabilities*5: 2.55% • Lost time injury frequency rate: 0.77 (2025)
Financial Capital	• Stable profitability through diversified businesses from upstream to downstream • Financial soundness: R&I Issuer Rating A+ [Stable]; Net D/E ratio of 1.0 or less • Stable dividend policy: Dividend payout ratio 50%	• Enhancing the profitability of existing business • Transforming the business portfolio • Improving capital efficiency	• Shareholders’ equity: ¥797.4 billion • Interest-bearing debt: ¥955.9 billion	• Operating profit: ¥34.6 billion • ROE: 5.0% • Free cash flows: ¥100.9 billion • Dividend per share: ¥36

*1 Subsidiaries and affiliates *2 Percentage of positive responses *3 Willingness to work long term *4 20 domestic Group companies *5 Six domestic Group companies

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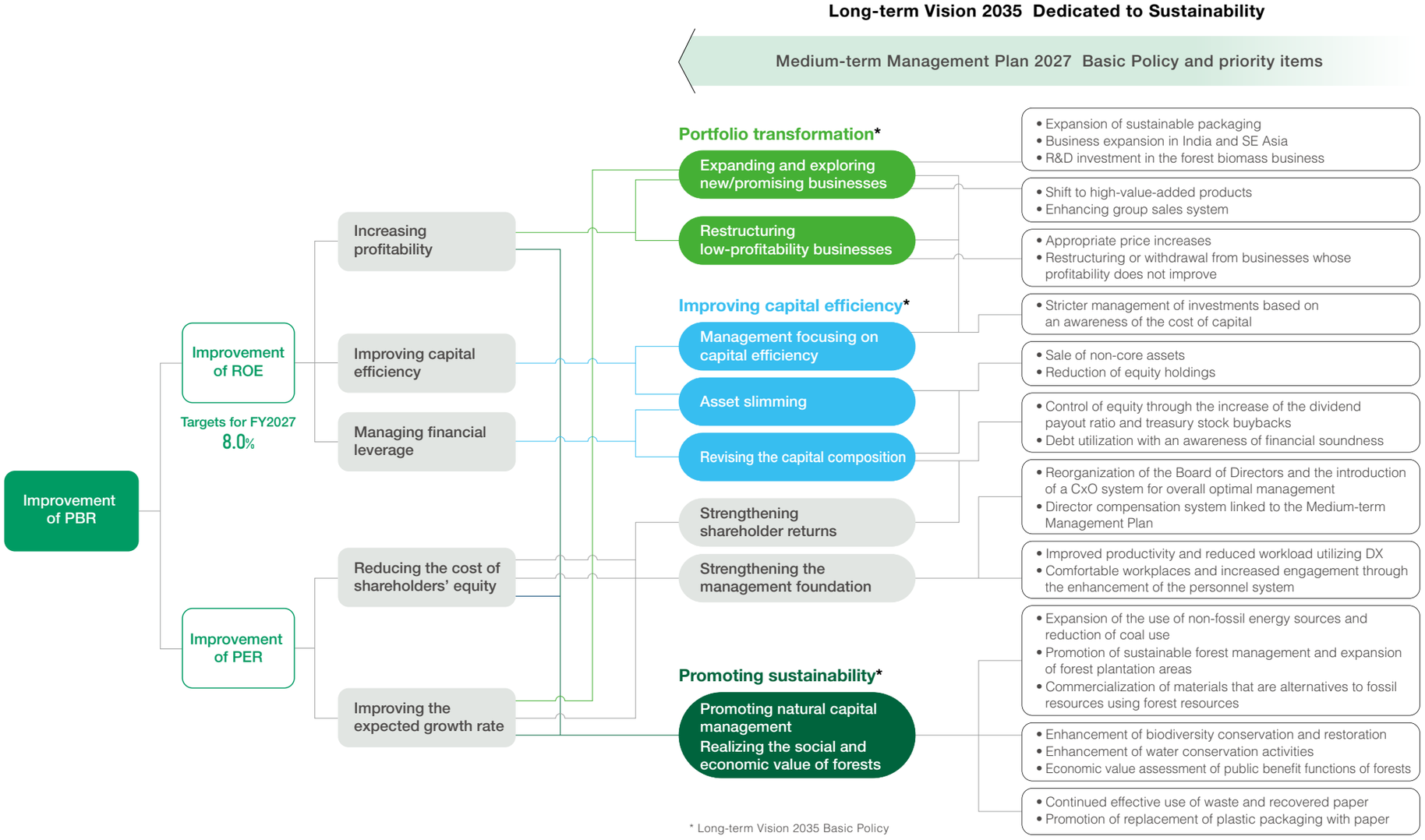
Link between Medium- to Long-term Growth Strategy and Improvement in PBR

"Initiatives to Enhance Corporate Value" was published in December 2023, and we have been continuing these initiatives to achieve our long-term targets.

The diagram below shows how our Basic Policy and the priority items in Medium-term Management Plan 2027 are connected to the enhancement of our corporate value. We will steadily implement these measures and seek to improve PBR by increasing our growth potential, profitability, and capital efficiency.



* Long-term Vision 2035 Basic Policy

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Positioning of Long-term Vision 2035 and Medium-term Management Plan 2027

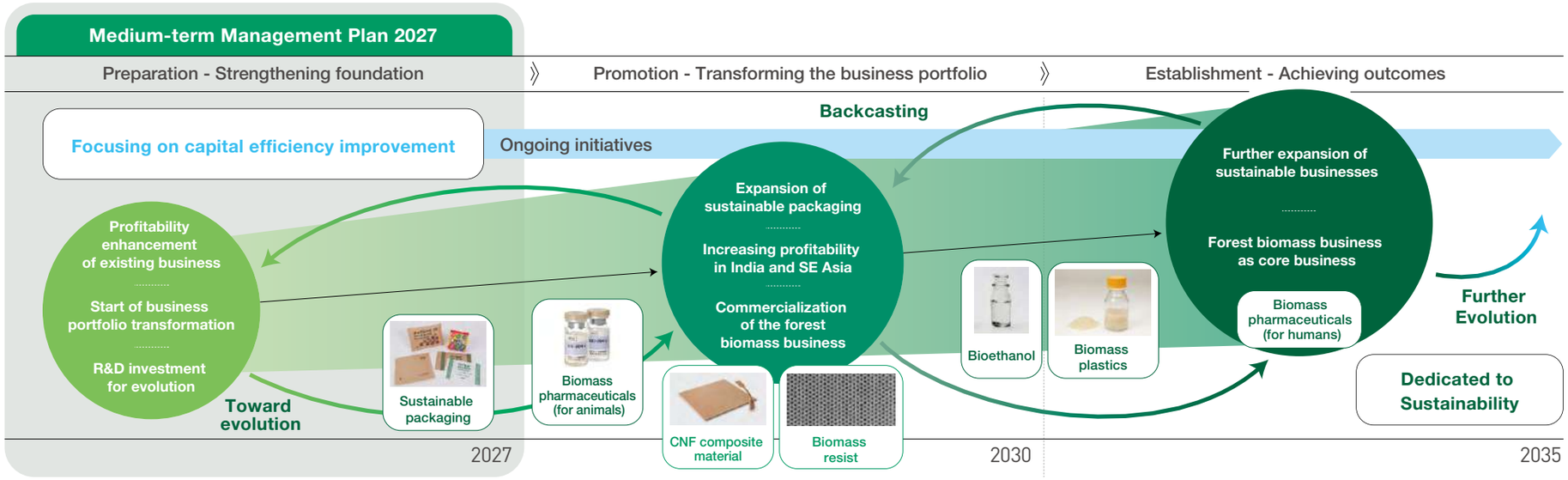
Under its Long-term Vision 2035, the Oji Group aims to contribute to a sustainable society and enhance its corporate value through the use of forest resources. This is based on three basic policies: improving capital efficiency, transforming its portfolio, and promoting sustainability. The Group has created Medium-term Management Plan 2027, viewing the period of this plan as a preparatory phase for strengthening the foundation of its business and achieving its vision. Guided by this plan, the Group rigorously implements management focused on the enhancement of capital efficiency, its top priority. At the same time, the Group has begun transforming its business portfolio by expanding its sustainable packaging initiatives and making the forest biomass business a core business. It is dedicated to establishing a strong foundation to achieve its Long-term Vision by increasing the profitability of its existing businesses and making R&D investments for the future.

■ Long-term Vision 2035 “Dedicated to Sustainability” Basic Policies

Improving Capital Efficiency	• Management focusing on capital efficiency • Asset slimming • Revising the capital structure
Portfolio Transformation	• Expanding and exploring new/ promising businesses • Restructuring low-profitability businesses
Promoting Sustainability	• Promoting carbon neutrality • Expanding nature positivity • Realizing a circular economy

Medium-term Management Plan 2027 KPI

Category		Numerical Targets	
Management KPI	ROE	8.0%	FY2027
Profit	Operating profit (consolidated)	¥120.0 billion	FY2027
	Profit attributable to owners of parent	¥80.0 billion	FY2027
Shareholder Returns	Dividend payout ratio	50%	From FY2025 onward
	Treasury stock buyback	¥120.0 billion	3-year cumulative total of FY2025–2027
Financial Soundness	Net D/E ratio	1.0 or less	



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Business Portfolio Strategy

The current Medium-term Management Plan, covering FY2025–2027, is a preparatory phase for strengthening the foundation of the Group's business. It is the starting point for the Long-term Vision. Without being swayed by short-term fluctuations in performance, we will pursue disciplined investment and business portfolio management, aiming to transform into a forest biomass company in the 2030s.

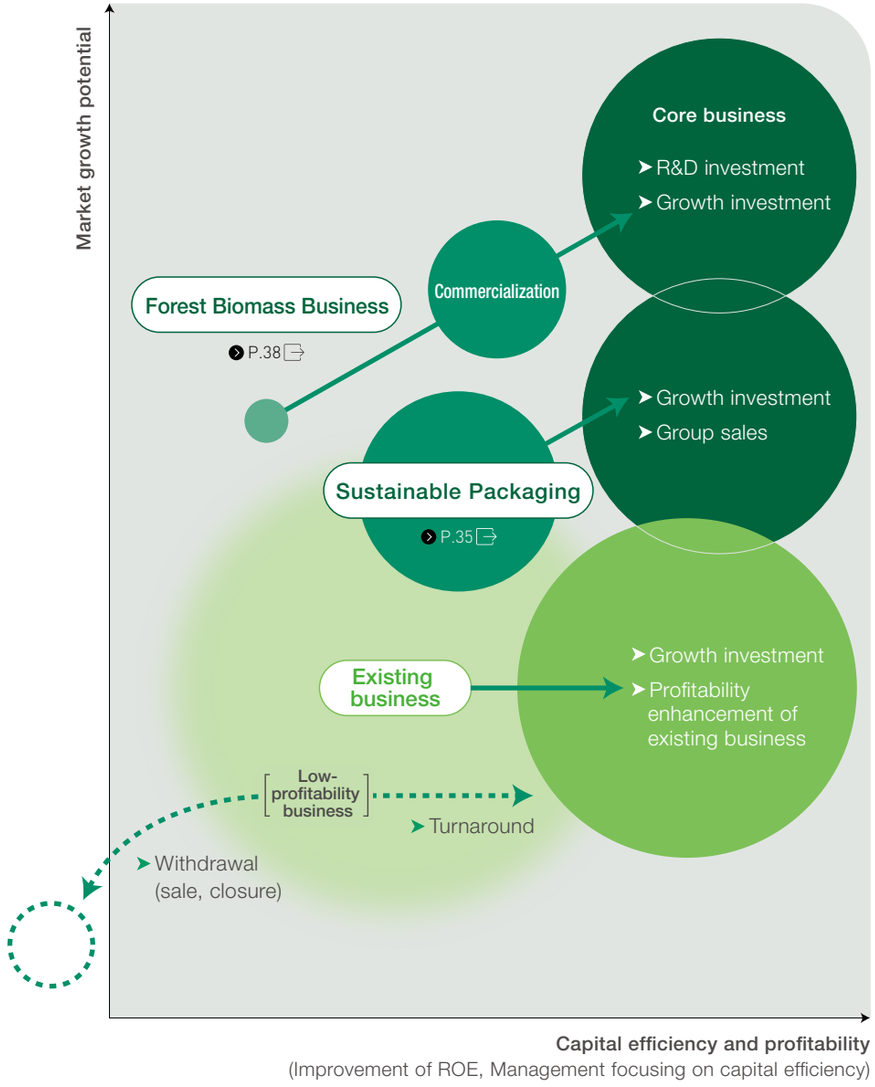
Direction and optimization of portfolio transformation

- **Forest biomass business:** Develop and expand the business into a core business
  ➤Details on PP.38–41
- **Sustainable packaging:** Continue to focus on and expand this business
  ➤Details on PP.35–36
- **Existing business:** Increase profitability through price pass-through, a shift to high-value-added products, and collaboration within the organization
  ➤Further focus on businesses that have improved profitability, aiming to make them core businesses in the medium to long term
- **Low-profitability businesses:** Regularly monitor businesses to evaluate the need to restructure them and proceed with selection and concentration
  ➤Projects we exited in FY2025 (P. 31)
- In addition to the above, we will continue to optimize our business portfolio to achieve our vision by utilizing external resources such as M&A and business partnerships.
  ➤Business partnerships, M&A in FY2025 (P. 31)

Monitoring process for low-profitability businesses

Identifying businesses that fail to meet internal criteria each year	EBITDA, ROIC, operating profit margin, and other criteria
Developing a restructuring plan for each business and evaluating its validity	Examination by a COMPANY or a CxO according to the size of the business
Regular monitoring	
Deciding to withdraw if the business continues to fail to meet the criteria	Decisions made at the Group Management Meeting and the Board of Directors

The Oji Group's initiative to achieve sustainable growth (up to 2035)



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Investment Discipline and Cash Allocation

– Enhancing Investment Discipline and Strengthening Governance

Since FY2025, the Company has been enhancing its investment discipline to improve capital efficiency. We established a hurdle rate with the aim of achieving our ROE target, setting the generation of ROIC exceeding the cost of capital as the minimum standard. When assessing each investment opportunity, we ensure that business plans quantitatively reflect risks, including risks of changes in the external environment. We require a higher return on investment than usual when investing in opportunities with high business or country risks. We will carefully screen opportunities by thoroughly evaluating them to mitigate investment risks while encouraging focused investment in growth areas. We aim to enhance the transparency and quality of decision-making.

To ensure that investments are effective, we review all growth investments, and the CFO provides an opinion from an independent perspective. We will carefully examine the validity of business plans, identifying any overlooked risks. Our goal is to clearly determine which risks to take and which to avoid. We aim to objectively assess whether the expected returns justify the risks. In doing so, we will pursue a balance between aggressive and conservative governance. We apply this discipline to overseas investments—a key driver of growth, particularly in priority markets such as India and Southeast Asia—just as rigorously as we do to domestic investments. We also rigorously assess the likelihood of generating returns commensurate with the level of country risk in each market. We do not fix the hurdle rate. Instead, we will review and optimize it as necessary in consideration of the macroeconomic environment, trends regarding the cost of capital, and the future increase of ROE targets.

Investment review process

Discussions within each COMPANY	Project proposal at the COMPANY Support from the corporate department as needed
↓	
Review by the CFO	Identifying risks Providing opinions for discussion
↓	
Group Management Meeting	Discussions from the perspective of total optimization of the Group
↓	
Board of Directors	Deliberations regarding opportunities that are qualitatively and quantitatively significant

– Cash Allocation

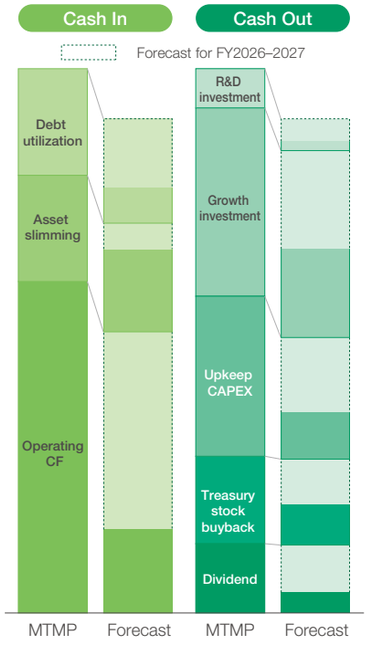
In addition to generating ¥500.0 billion in cash flows from operating activities over three years through improved profitability, we planned to use proceeds from asset slimming through the sale of shareholdings and lease properties, and borrowings, while maintaining a net D/E ratio of 1.0 or less, as funding to invest ¥320.0 billion in R&D and growth investments and to enhance shareholder returns. However, due to the current uncertainty in the economic environment, our earnings for FY2025 fell, and those for FY2026 are expected to fall, below initial expectations. In addition, our cash flows from operating activities are projected to decrease to ¥410.0 billion. Consequently, we are currently flexibly adjusting our allocation of cash to adapt to these situational changes. Regarding cash in, while cash flows from operating activities are expected to decline, cash inflows from asset slimming are projected to exceed initial expectations due to rising stock prices and accelerated sale of real estate. Considering these cash inflows, in cash out we will minimize the decrease in research and development and growth investments, lower upkeep CAPEX, and continue to enhance shareholder returns. We will ensure financial soundness and increase capital efficiency by improving the quality of our investments and controlling the total amount.

Net D/E ratio remaining at 1.0 or less
(considering ratings and interest rate increase risks)

Promote disposal of holding shares and sales of lease property
- Sales of strategic shareholdings **¥45.0 billion**
- Sales of shares contributed to retirement benefit trust **¥21.0 billion**
- Sales of lease property

Expected to increase due to rising stock prices and accelerated real estate sales

Profitability enhancement
(an ROE of 8.0% in 2027)
Generate stable cash flow
- Operating CF » **¥500.0 billion** **¥410.0 billion**



Investment for new businesses (including research and development) and existing businesses with high growth potential
(forecasts made during the development of the Medium-term Management Plan)
- R&D Investment **¥50.0 billion**
- Growth Investment **¥270.0 billion**

Total ¥320.0 billion
» **¥300.0 billion**

Carefully select and execute
- Upkeep CAPEX **¥220.0 billion** » **¥180.0 billion**

Strengthen shareholder returns
- Treasury stock buyback **¥120.0 billion** **(No change)**
- Dividend payout ratio **50**%, a minimum of ¥24 per share

» **FY2025: ¥36 per share**
FY2026: ¥36 per share

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Review of FY2025

– FY2025 Results

In FY2025, operating profit was ¥34.6 billion, significantly lower than the initial forecast of ¥75.0 billion. Profit attributable to owners of parent came to ¥55.6 billion, reflecting accelerated asset slimming. We have consistently enhanced shareholder returns to optimize equity.

Category		Initial plan	Results
Management KPI	ROE	6.1%	5.0%
Profit	Operating profit (consolidated)	¥75.0 billion	¥34.6 billion
	Profit attributable to owners of parent	¥65.0 billion	¥55.6 billion
Shareholder Returns	Dividend payout ratio	51.8%	58.9%
	Treasury stock buyback	¥120.0 billion (for FY2025–2027)	¥47.7 billion (for FY2025)
Financial Soundness	Net D/E ratio	0.8	0.8

– Reasons for FY2025 Results Being Significantly Lower Than Initially Forecast

The following external factors (regarding the market environment) and internal factors (related to the Company's initiatives and challenges) resulted in operating profit in FY2025 being significantly lower than initially forecast.

(1) External factors

Falling prices and weak demand in overseas markets (overseas selling price differences, overseas volume differences)

- Declining paper market prices and pulp prices for China, which serve as an international benchmark, are the primary reasons for the decline in profits.
- The supply-demand balance continued to be sluggish over the long term, particularly for printing paper in the Chinese market and corrugated containers in Southeast Asia.
- U.S. tariff and other macro risks materialized leading to a decline in sales volume.
- Regarding both market conditions (prices) and supply-demand dynamics (volume), the Oji Group faced strong headwinds in overseas markets.

Falling prices of raw materials and fuels in Japan and overseas

- Improved profitability due to the prices of raw materials and fuels being lower than expected somewhat mitigated the negative impact of deteriorating overseas market conditions.

(2) Internal factors

Delay of effects of price increases in Japan (domestic selling price differences)

- The Oji Group adhered to a management policy prioritizing profit margins and implemented price increases in response to the rising prices of raw materials and fuels.
- A decrease in the market shares for certain products and delays in price pass-through put downward pressure on profits.
- Price increases reached targeted levels by the end of the fiscal year.

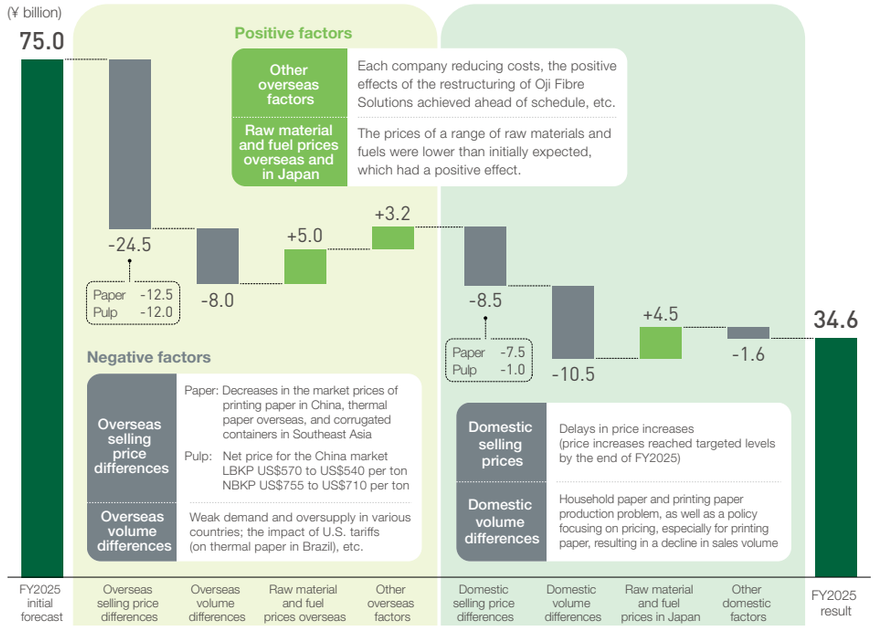
Production problem in Japan (domestic volume differences)

- A problem in the production of household paper and printing paper adversely impacted supply, resulting in a decline in sales volume.

Reducing costs and restructuring (other overseas factors)

- We reduced costs significantly in a challenging environment.
- Oji Fibre Solutions achieved results from its restructuring ahead of schedule, which had a positive impact on overall earnings.

Operating profit: FY2025 results vs. initial forecast



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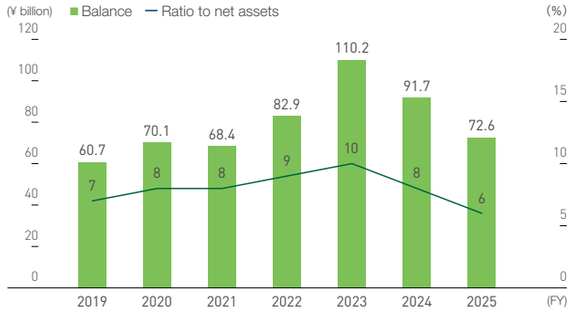
– Specific Initiatives

• Asset slimming: accelerated disposal of strategic shareholdings and lease properties

The Board of Directors thoroughly reviews the significance of its continued holding of individual stocks every year, based on our policy of holding only stocks that contribute to the increase of corporate value over the medium to long term. When selling stocks, we engage in detailed discussions with the issuing companies, gain their understanding, and steadily reduce our holdings.

Under this policy, we generated ¥56.0 billion in cash this fiscal year by disposing of holding shares to improve capital efficiency. In addition, we recorded a profit of approximately ¥35.0 billion from the disposal of real estate, including two large lease properties in Minato-ku, Tokyo.

Strategic shareholding



Note: Based on market values at the end of each fiscal year

• Growth investment, R&D investment: carefully selected investments in the foundation for next-generation growth

While carefully selecting projects and managing upkeep CAPEX, we consistently invested in growth areas that will become sources of revenue in the future. Specifically, we acquired a forest plantation company in Brazil to secure forest resources and transition to high-value-added products. In addition, to establish the forest biomass business as a core business, we acquired an Austrian biorefinery company. Through these initiatives, we are concentrating management resources on building a next-generation foundation to support our medium- to long-term portfolio transformation.

• Restructuring of low-profitability businesses: decisively withdrawing from or downsizing low-profitability businesses

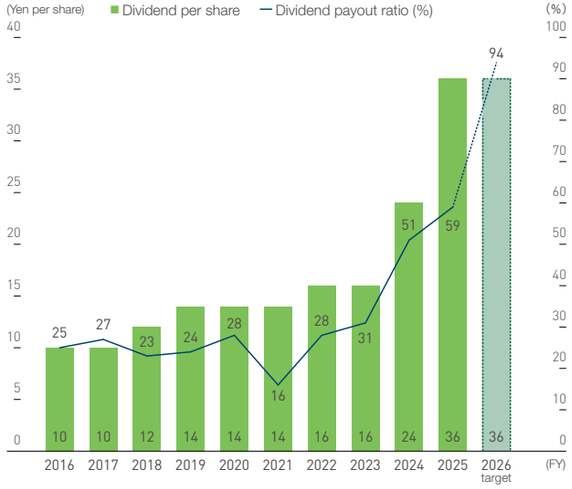
To quickly implement the restructuring outlined in our Medium-term Management Plan, we identified low-profitability businesses based on established criteria. This series of initiatives is expected to improve annual earnings by more than ¥10.0 billion.

Oceania	NZ Containerboard	Withdrawal	Shutting down of equipment	First half of FY2025
	NZ Recycling		Sale	Second half of FY2025
	AU Packaging		Sale	Second half of FY2025
	NZ Packaging	**Production system restructuring**	**Closure of the Hamilton plant**	**First half of FY2026**
Japan	Adult Diapers	Production system restructuring	Closure of the Oji Nepia Fujinomiya plant	Second half of FY2025
	Household Paper		Closure of the Oji Nepia Edogawa and Tomakomai plants	First half and second half of FY2025
	Newsprint		Shutdown of the N-4 machine at the Oji Paper Tomakomai Mill	Second half of FY2025

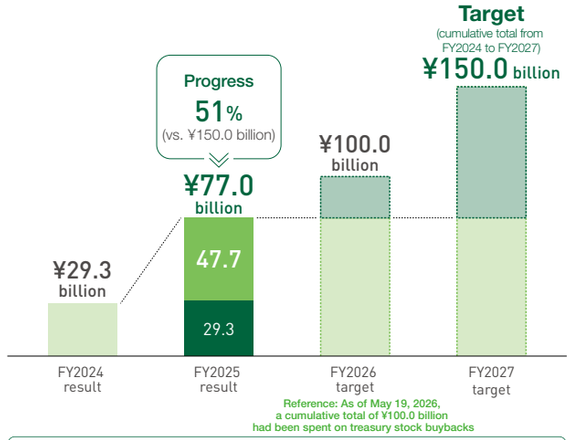
• Shareholder returns: expanding share repurchases to improve capital efficiency

We increased shareholder returns as planned despite challenging business conditions. We distributed an annual dividend of ¥36 per share (a dividend payout ratio of 58.9%) and conducted a ¥47.7 billion treasury stock buyback. We will continue to take steps to optimize equity.

Trends in dividends and the dividend payout ratio



Treasury stock buyback (Cumulative total)



Reference: As of May 19, 2026, a cumulative total of ¥100.0 billion had been spent on treasury stock buybacks

Cancellation of treasury stock: As of May 29, 2026, 100 million shares were canceled, which is 9.9% of the total number of shares outstanding before the cancellation.

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Priority Areas in FY2026 and FY2027

– Major Initiatives in FY2026 and FY2027

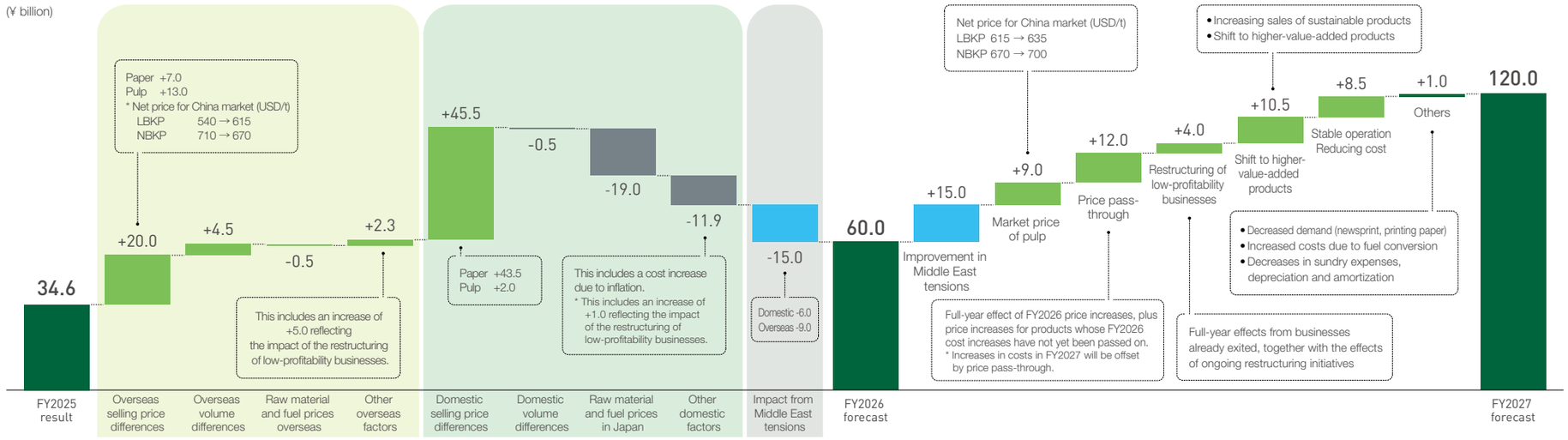
We take the challenges we faced in FY2025 seriously, and we will implement four key initiatives in FY2026 and FY2027 to ensure that our profitability steadily recovers and build a foundation for medium- to long-term growth.

Price increases	• Maximizing the impact of price increases in Japan in FY2025 and implementing additional price increases at appropriate times • Passing on increased raw material and fuel prices, logistic service expenses, and other costs to selling prices promptly and in a timely manner • Transitioning from commodity products to higher-value-added products more quickly
Stable operation Reducing costs	• Resolving operational issues to ensure products are supplied reliably and sales volume is consistent • Pursuing the reduction of costs and the optimization of workforce productivity
Accelerating the restructuring of low-profitability businesses	• Achieving results from the restructuring of Oji Fibre Solutions and Nepia • Identifying low-profitability businesses at an early stage and promptly implementing improvements or withdrawing from them
Accelerating the portfolio transformation Strengthening the forest biomass business	• Conducting research and development and M&A activities to develop a structure for the end-to-end utilization of the entire process, including downstream operations related to wood resources • Enhancing the Group-wide sales system and increasing sales of sustainable products

Category		FY2026 forecast	Targets for FY2027
Management KPI	ROE	3.3%	8.0%
Profit	Operating profit (consolidated)	¥60.0 billion	¥120.0 billion
	Profit attributable to owners of parent	¥35.0 billion	¥80.0 billion
Shareholder Returns	Dividend payout ratio	93.6%	50%
	Treasury stock buyback (cumulative total over the period beginning FY2025)	¥70.0 billion	¥120.0 billion
Financial Soundness	Net D/E ratio	0.9	1.0 or less

– FY2026 Forecast and Roadmap to Reach the FY2027 Target

We aim to overcome the challenges in FY2025 and achieve a solid recovery to operating profit of ¥60.0 billion through price increases and stable operations in FY2026. To solidify the roadmap toward achieving our operating profit target of ¥120.0 billion in FY2027, we will maximize the effects of the restructuring activities and accelerate our portfolio transformation.



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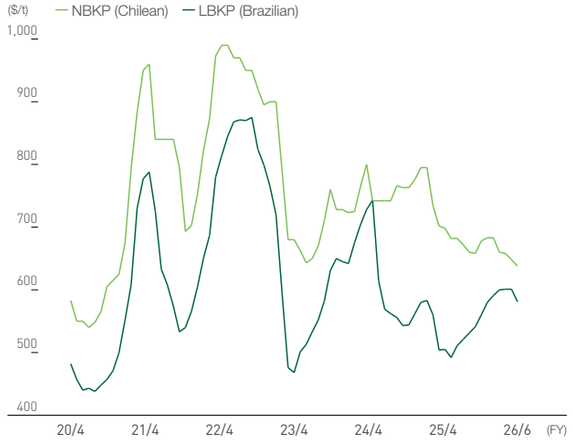
Factors Behind the Changing Business Environment

The Oji Group's earnings are closely linked to trends in the external environment, including international pulp market prices, the prices of raw materials and fuel for its manufacturing processes, and exchange rate fluctuations. To achieve the goals in Medium-term Management Plan 2027, we are building a resilient portfolio that is not excessively susceptible to these trends and improving our management practices to increase our adaptability, while accounting for changes in the external environment.

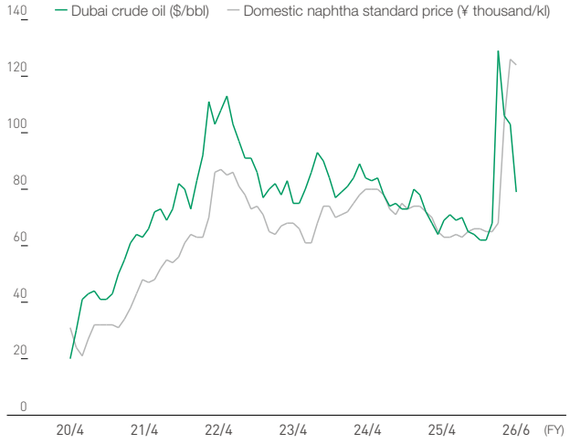
Pulp price (Net price for China market)



In the Medium-term Management Plan, we assume that the market prices for LBKP and NBKP in China for FY2027 are US$610 per ton and US$710 per ton, respectively. Their prices are currently below these assumptions.

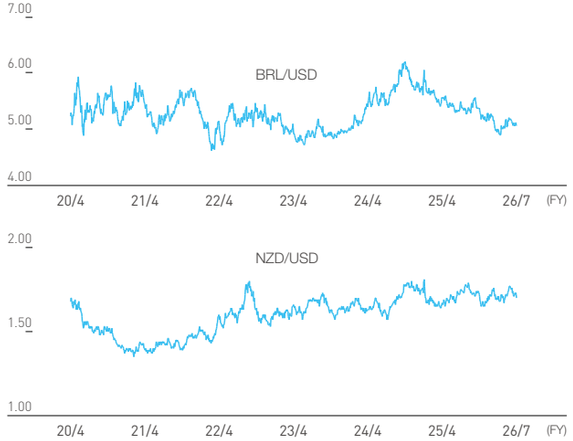
The market price of pulp being low directly affects profits in our pulp business. We are reducing costs to maintain profitability while transforming our business portfolio so that it is less dependent on the pulp business.

Trends in key raw material and fuel prices (Dubai crude oil, domestic naphtha standard price)



In the Medium-term Management Plan, we expressed concerns about persistently high energy prices, including the prices of crude oil and coal. However, in FY2025, energy prices remained below our expectations. On the other hand, energy prices rose sharply in March 2026 due to geopolitical risks, particularly Middle East tensions, and Dubai crude oil prices remain above our Medium-term Management Plan assumption of US$67 per barrel. We pass on higher raw material and fuel prices and other costs to product prices in a timely and steady manner to ensure profitability.

Trends in exchange rates



In the Medium-term Management Plan, we assumed a U.S. dollar-yen exchange rate of ¥145 per dollar. Yen depreciation increases the costs of imported raw materials and fuels in Japan, which in turn puts downward pressure on our profits. However, profits from our overseas operations increase to some extent when converted to yen.

Pulp manufacturing and sales companies sell their pulp products in U.S. dollars while their manufacturing costs are incurred in local currencies (Brazilian reals or New Zealand dollars). When the local currency depreciates against the U.S. dollar, the companies benefit from relatively lower manufacturing costs when these costs are converted. This ultimately leads to higher profits.

■ FY2026 sensitivities

If the pulp price rises US$10 per ton, operating profit will increase approximately ¥3.0 billion per year.

If the crude oil price rises US$10 per barrel, operating profit will decrease approximately ¥3.0 billion per year.

If the U.S. dollar appreciates 10% against the New Zealand dollar or the Brazilian real, operating profit will increase by approximately ¥6.0 billion per year in each case.

For other assumptions, please see here. Medium-term Management Plan 2027

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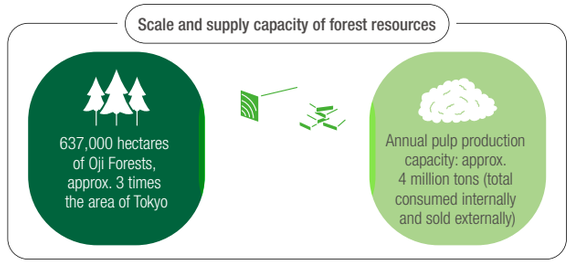
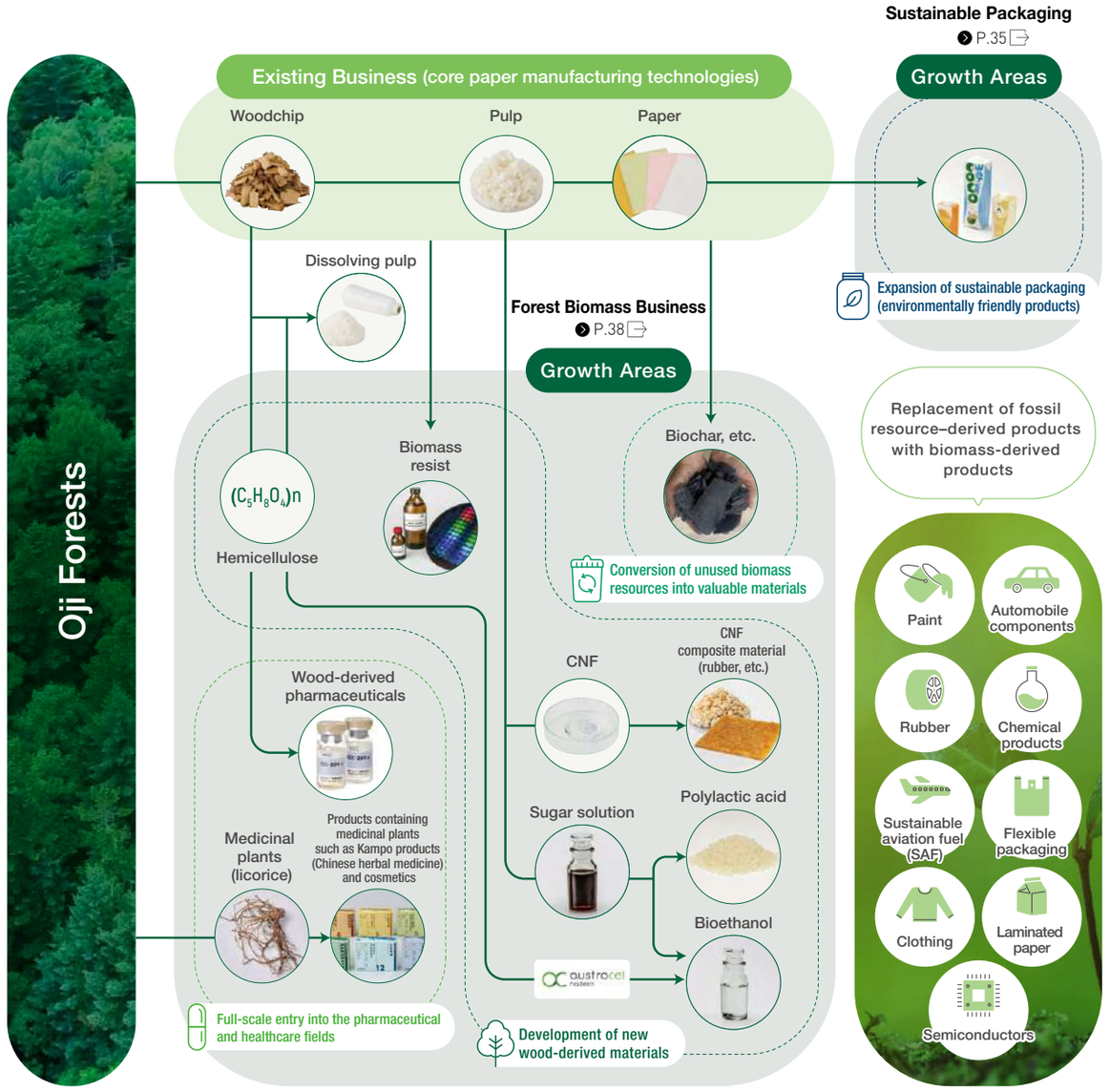
Overview of Growth Areas Rooted in Forest Resources

– Expansion of Value Created by Oji Forests

Against the backdrop of a sharp decline in domestic paper demand since 2008, the Oji Group has been transforming its business by stepping up its overseas expansion and bolstering the manufacturing and sales of paperboard and pulp. In recent years, amid progress toward decarbonization, growing resource constraints, and efforts to realize a carbon-neutral society, global expectations have risen for biomass materials as alternatives to materials derived from fossil resources. As a company based on forests, which are a renewable resource, we view this social demand as a growth opportunity and are working to create new growth businesses that maximize the value of forest resources.

The diagram on the right shows the new materials branching out from forest resources and our future growth areas. Based on the approach of utilizing every component of wood resources without waste, we are creating new high-performance materials from woodchips and pulp, which have traditionally been used mainly as raw materials for paper, and expanding their applications into a wide range of fields, including chemicals, energy, pharmaceuticals and healthcare, and electronics. We are also focusing on expanding sustainable packaging (environmentally friendly products) by adding greater value to paper itself. With more than 100 years of experience working with forest resources, the Oji Group possesses abundant forest resources as well as core technologies and manufacturing infrastructure developed through integrated operations spanning forest management through paper and pulp manufacturing. Building on these strengths, we aim to connect the expanding value of forest resources to next-generation businesses, thereby contributing to the resolution of social issues while achieving medium- to long-term growth and sustainable enhancement of corporate value.





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Growth Areas: Sustainable Packaging

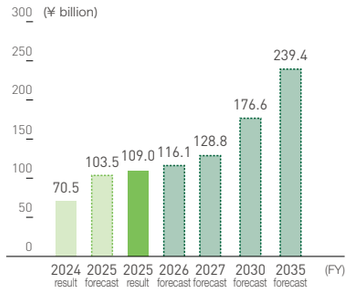
Expansion of sustainable packaging (Environmentally Friendly Products)

– Market Trends and Outlook

Expectations regarding sustainable packaging materials are increasing as we move toward the reduction of environmental impact and the realization of a circular economy. It is expected that the market will grow 6.7% annually from 2026 to 2034. It is projected that the market will reach approximately $680 billion by 2034.*1

Against this backdrop, we positioned sustainable packaging as a growth area in our Long-term Vision, and we are promoting a business portfolio transformation. Our plan is to achieve net sales of approximately ¥240.0 billion by 2035.

Sales of sustainable products*2: results and forecasts



*1 Source: Fortune Business Insights, Sustainable Packaging Market
*2 Including sustainable packaging and materials that are alternatives to plastics for non-packaging applications

– Status of Rollout

The Oji Group develops many different high-value-added products leveraging the strengths of pulp and paper, a sustainable material derived from forest resources. This includes products used in the shift from plastic to paper packaging.

Previously, products were marketed individually through the sales departments of each Group company. However, further expansion requires a mutually collaborative organizational structure optimized for the Group as a whole. We will continue to expand sales using the Oji Group's global sales network while reinforcing our cross-Group sales structure.



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– Initiatives Leveraging the Strengths of the Oji Group

Paper-based sustainable packaging still faces hurdles in terms of cost, functionality, and other areas compared to plastic packaging derived from fossil resources. Based on the paper coating and lamination technologies we have developed to date and the following strengths, we seek to differentiate ourselves from other companies and solve customers' problems by providing high added value and optimal designs.

Business across the value chain

The Oji Group has a long value chain unmatched by any other company. It spans from forest plantation through paper manufacturing to recycling. We can use appropriate research and development processes within this value chain to solve problems by taking a complementarity approach in light of the entire process from material design to recycling. Via Renewa, our recycling brand, we are pushing forward with efforts to recycle difficult-to-process recovered paper.

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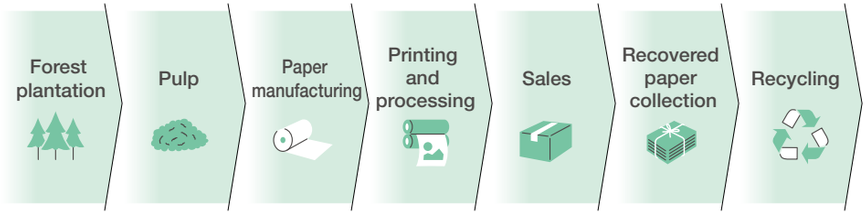

For liquid packaging cartons, we provide filling machines and maintenance services in addition to our integrated production of base paper and converted paper. We will develop and promote businesses that integrate the entire value chain.

Product development for advanced markets

In Europe, the most advanced packaging regulation, the Packaging and Packaging Waste Regulation (PPWR) has been phased in since August 2026. Through Walki, the Oji Group is developing sustainable packaging in collaboration with European brand owners and providing paper-based packaging solutions. Anticipating the global rollout of such regulations, we are advancing product development to meet future customer needs.



Outer bags for madeleines replaced with a paper material

One-stop packaging and design service

In Southeast Asia, we have launched the "OJI4U" business model to provide comprehensive proposals encompassing packaging design and materials. It is based on the concept of contributing to customer brand building through packaging, proposing specifications and structures tailored to customer needs, and providing integrated supply, including packaging materials. We will provide high-value-added one-stop services by leveraging the Oji Group's comprehensive strengths.

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Expansion of sustainable packaging (Environmentally Friendly Products)

– Expanding Sales of Liquid Packaging Cartons in Southeast Asia



Aseptic carton

Liquid packaging cartons are a type of sustainable packaging mainly made from paper-based materials. Aseptic carton packages in particular have a barrier layer, and they make the long-term storage of their contents at room temperature possible. The contents are put into the package in a sterile environment and then the package is sealed. The barrier layer prevents oxygen and light from entering, preserving the contents of the package. Aseptic carton packages have become an indispensable solution for the storage and distribution of milk and other beverages susceptible to quality deterioration. Demand for aseptic carton packages is expected to continue growing globally.

In 2023, we acquired IPI, an Italy-based company manufacturing and selling converted paper and filling machines for aseptic carton packages with customers in more than 50 countries worldwide across Europe, the Middle East, Africa, Latin America, and other regions. Going forward, we aim to leverage IPI's sales network and the foundation of the Oji Group's existing business to expand our aseptic carton business in Southeast Asia.

Growing demand for aseptic cartons in the Southeast Asia market

The populations of major Southeast Asian countries have been continually increasing. The percentage of the population that is of working age is high and the consumer market is expanding. It is expected that the economies of these countries will continue to grow steadily. However, some areas in countries across the region still lack adequate logistics and cold-chain infrastructure, and they mainly use aseptic carton packages, which make it possible for beverages such as milk to withstand long-term storage at room temperature.

In particular, economic growth has increased the number of people in middle-income brackets and their awareness of health issues has increased, which has transformed dairy products into daily foods and spurred a rapid increase of consumption in Vietnam. To aid the healthy growth of children, the government encourages the inclusion of milk in school lunches and endeavors to strengthen domestic dairy farming. Because of these reasons and an increase in milk consumption, it is expected that demand for aseptic carton packages will continue to grow.

Production and consumption of milk in Vietnam (government target)

	2023 result	2030	2045
Milk production (billion liters/year)	1.86	2.6	8.0
Milk consumption per capita (liters/person/year)	27	40	100

Source: Vietnam's Dairy Industry Development Strategy (Prime Minister Decision 309/QD-TTg)

Development of production system in Vietnam and recycling efforts

To meet the aforementioned demand, Oji Liquid Pak Co., Ltd. (OLP), was established in Vietnam, and we decided to build a new factory for converted paper for aseptic carton packages with the start of commercial operation planned for March 2028. After this, our two locations in Europe and Asia will fulfill the global demand for aseptic carton packages leveraging IPI's expertise in the production and sale of aseptic carton packages.

Under Vietnam's environmental protection laws, producers and importers have been required since 2024 to recycle an amount of packaging materials, including beverage containers, proportionate to the amount they place on the market, making the recycling of aseptic carton packages an urgent issue. We will cooperate with customers in Vietnam and consider the establishment of a recycling system that leverages the technologies we have developed in Japan while also working to develop aluminum-free aseptic carton packages that are easier to recycle.


Rendering of OLP's new factory in Vietnam

– Renewa, the Brand for the Oji Group's Material Recycling Activities

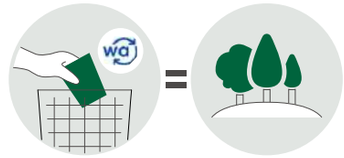
We are developing a corporate collaboration-based recycling system to turn materials that are difficult to recycle and have traditionally been incinerated, such as paper cups and aluminum-lined cartons, into renewable resources. The process from the collection and sorting of waste to its recycling and the utilization of recycled products is designed as an integrated circular system, enabling more advanced resource circulation. This initiative received the New Creation Category Award at the 50th Kinoshita Prize (Japanese only) organized by the Japan Packaging Institute.

As demand for sustainable packaging continues to grow, paper-based packaging is becoming increasingly sophisticated and multi-functional. Consequently, some recovered paper remains unrecycled because of the difficulty of recycling it using existing methods. Renewa's goal is to expand the recycling of these resources by combining technological innovation with collaboration across industries.

Collecting and recycling recovered paper that was previously not recycled enables the reuse of these paper resources as raw materials and reduces waste. The recycling of one ton of paper cups enables society to continue to use these paper resources, providing environmental value equivalent to approximately five tons of CO_2 absorbed and sequestered by forests. The ability to quantitatively show environmental value in line with the amount of waste recovered helps client companies increase the effectiveness of their environmental target achievements and visualize their initiatives.

Today, we have established a collaborative network of approximately 30 companies and organizations from different industries that range widely from the restaurant industry to the manufacturing, construction, real estate, accommodations, service and recycling-related industries, and more. Going forward, we will contribute to the realization of a circular economy, expand our efforts to embed the practice and utilize unrecycled recovered paper throughout the country.

Effects of the initiative



Link to Renewa's Website (Japanese only)

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Feature: OJI Sustainable Mulching Sheet
— A Form of Growth Facilitated by a Customer-centric Approach and Cross-Group Collaboration —

Crops growing poorly due to high temperatures in the summer and the need to collect mulching sheets after use*1 are significant challenges in agriculture. OJI Sustainable Mulching Sheet is a paper-based material that was developed by seeing the management and operational challenges that farmers face as a starting point for creating value.

*1 Agricultural material covering the soil surface of a field to grow crops



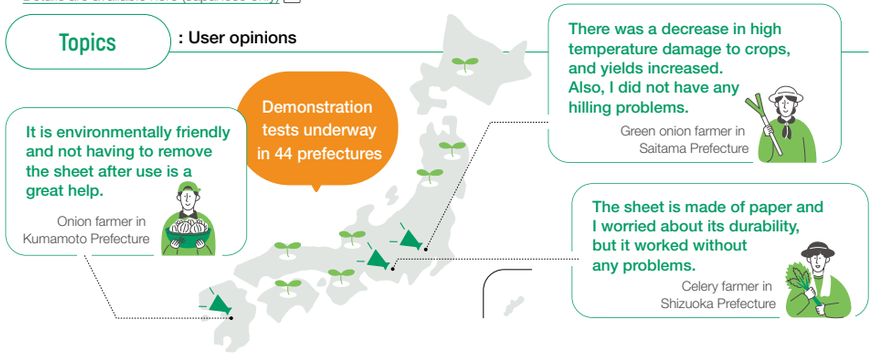
Example use

– Customer-centric Development Process

In developing the product, our development and sales personnel worked with each other, engaged in repeated dialogues with farmers throughout the country, and improved the product by conducting demonstration tests at cultivation sites. A demonstration test conducted during a high temperature summer showed that, by controlling the soil temperature,*2 the product was able to stabilize the growth of the crops and increase yields. Another characteristic of the product is that, after use, it does not have to be collected. It can be returned to the soil.

Leveraging these characteristics of paper-based materials, OJI Sustainable Mulching Sheet helps improve farm management and reduce environmental impact by stabilizing crop growth, reducing the burden of collection work, and reducing plastic use.

*2 In an example from Kajitsudo Co., Ltd., yields increased by an average of 30%–50%, with yields nearly doubling at maximum.
Details are available here (Japanese only)



– Strengthening Sales through Group Cooperation

Notably in this example, the Oji Group went beyond product development and built a system for expanding sales through cross-functional cooperation. Oji Container's national sales network and Morishigyo's community-based sales force cooperate with each other to propose solutions based on local needs while Oji F-Tex handles the development of materials and the improvement of products.

In addition, we have established a sales process in which feedback from farmers and knowledge obtained on-site within the Group is shared so that products and proposed solutions can be improved, leading to more customers beginning to use our products. In this system, people cooperate and information is shared beyond the borders between COMPANIES to increase sales of OJI Sustainable Mulching Sheet.



People in charge of the development and sale of OJI Sustainable Mulching Sheet
Left: Chikashi Morimoto, Industrial Functional Material Sales Department, Sales Division, Oji F-Tex
Right: Yoshimasa Mori, Sales Department 4, Sales Division, Oji Container Co., Ltd.



Photo of the shared Oji F-Tex and Oji Container booth at an agricultural fair

– Results and Future Business Developments

Because of these efforts, the number of trial deployments of OJI Sustainable Mulching Sheet has been steadily increasing. It was 82 in FY2024 and increased approximately 1.7-fold year on year to 138 in FY2025. The product is mainly being used for crops and in regions where there is a greater need to take measures to address high temperatures. These trial uses are triggering more customers to buy the product to continue using it and expand its use.

In the future, we will pursue the continued increase in sales by expanding the product lineup in line with the characteristics of crops and regions and increasing the accuracy of proposals by accumulating empirical data. The customer-centric product development and the cross-Group sales expansion model established through this initiative can be used for other sustainable products and new businesses. Going forward, it will be utilized as a foundation supporting the Oji Group's creation of growth businesses.

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Forest Biomass Business

Development of new wood-derived materials

– AustroCel

Acquisition of AustroCel

As global demand for renewable materials and fuels grows, markets are emerging, particularly in Europe, for next-generation biofuels and high-value-added biomaterials made from wood biomass, a non-food feedstock.

In line with the policy outlined in our Long-term Vision to transition to a business structure centered on the forest biomass business and sustainable packaging, Oji Holdings has prioritized strengthening its biorefinery capabilities and acquired AustroCel, which it sees as having an ideal model for a bio-based business. By acquiring AustroCel, we will seek to maximize the value of wood biomass, establish a business model that balances environmental value and economic value, and expand it throughout the Group.

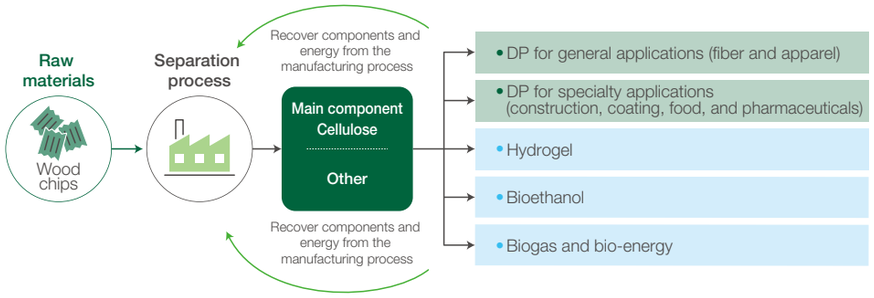
Business model and strengths of AustroCel

The company's strength lies in having established a circular zero-waste model, which extracts the full value of wood. Dissolving pulp (DP), the main product made from cellulose, is AustroCel's stable revenue base while the company fully utilizes wood biomass raw materials. AustroCel is expanding its business into areas such as bioethanol and hydrogels for agricultural applications. AustroCel has established a business cycle in which components that would otherwise be burned to generate energy are recovered in the manufacturing process and used to create valuable products. The company has established an advanced biorefinery business model.

This model balances resource efficiency and profitability, contributing to the resolution of social issues such as decarbonization and the transition to a circular economy. It also plays a central role in Oji Holdings' efforts to maximize the value of wood biomass.

*1 Hydrogels are highly absorbent materials with agricultural applications, including the enhancement of soil's water retention capabilities. Conventionally, hydrogels are derived from fossil resources, but AustroCel's hydrogels are made from wood biomass–derived materials.

AustroCel's circular zero-waste model



Future development

Oji Holdings positions AustroCel as a leading example in its transition to a business structure based on the forest biomass business, and it is working to expand its business centered on significantly increasing the added value of wood biomass and its circular use.

AustroCel will accelerate the shift of its core DP business from general-purpose applications to higher-margin specialty applications, thereby establishing a stable growth base. In addition, AustroCel will fully leverage synergies with Oji Holdings to improve bioethanol yields in both Japan and Austria.

From a business perspective, the two companies will integrate their sales networks to expand their global customer base. From a manufacturing perspective, they will optimize their biorefineries by sharing manufacturing and development expertise.

In addition, we will enhance our business portfolio and diversify our revenue sources by launching and expanding bio-based materials businesses such as hydrogel and phasing in next-generation fuel businesses such as e-methanol.

Teams in Japan and Europe will collaborate with a sense of urgency across a range of fields based on AustroCel's advanced utilization of biomass, and we will also work to create an environment in which employees can take pride in their work.

Through these initiatives, we are striving to achieve net sales and profits equivalent to 1.4 times their 2025 levels by 2030. Together, the two companies will create new value from wood biomass resources.

*2 E-methanol is a synthetic fuel made from renewable energy–derived hydrogen and CO_2. It is expected that it will be used as a marine fuel and for other low-carbon purposes.



Future challenges

The DP business is susceptible to market conditions. The fuel business, including bioethanol, is also susceptible to external factors such as energy prices and policy and regulatory trends.

To address these challenges, we will increase the stability of our business foundation by strengthening Oji Holdings' ability to adapt to market changes and manage its businesses, thereby achieving sustainable growth in the forest biomass business.

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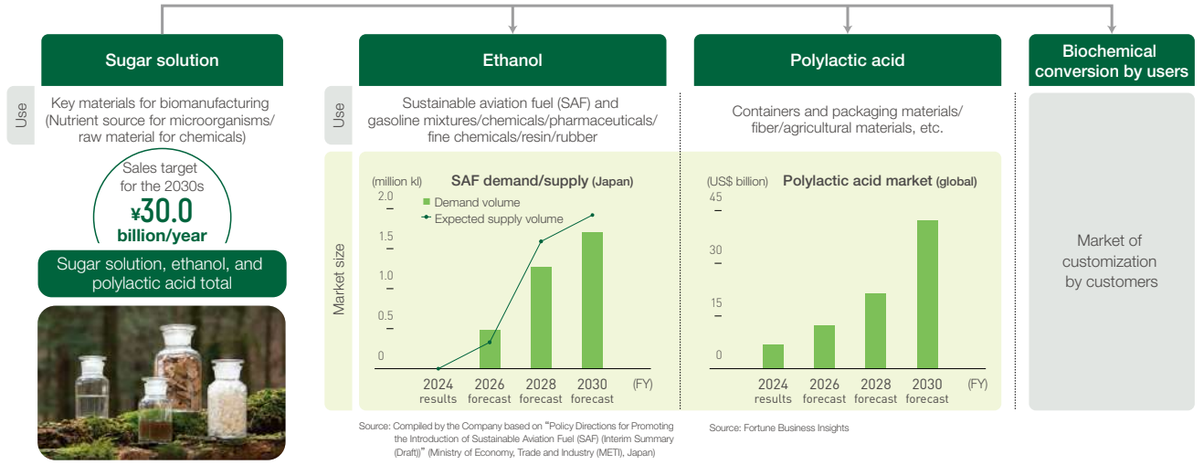
– Biomanufacturing (Sugar solution/Ethanol/Polylactic acid (PLA))

Market opportunities in the biomanufacturing business

The biochemical market is rapidly expanding amid the trend toward decarbonization and away from fossil resources.

To seize large business opportunities, the Oji Group is commercializing wood-derived sugar solutions, ethanol, and polylactic acid (PLA), leveraging our papermaking infrastructure based on renewable forest resources and our unique saccharification and fermentation technologies. We will establish a system that is able to domestically manufacture and supply fuel and chemical raw materials and contribute to the realization of economic and energy security and a stable supply of products independent from fossil resources.

In the 2030s, we aim to generate annual sales of approximately ¥30 billion through businesses centered on biomanufacturing, while balancing reduced environmental impact with sustainable growth.



Source: Compiled by the Company based on "Policy Directions for Promoting the Introduction of Sustainable Aviation Fuel (SAF) (Interim Summary (Draft))" (Ministry of Economy, Trade and Industry (METI), Japan)

Source: Fortune Business Insights

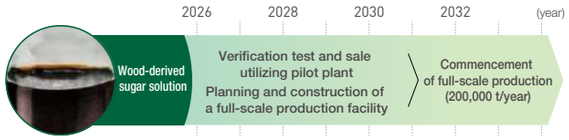
Development of business originating from sugar solution to support a broad range of industries

■ Wood-derived sugar solution: A core biomanufacturing material

This core material broadly supports biomanufacturing in areas ranging from fuel, chemicals, and resin to food, cosmetics, and pharmaceuticals. Having set a goal of bringing a full-scale production facility into operation in FY2030, we are currently working to optimize the process for producing wood-derived sugar solution from wood pulp while developing new applications through co-creation with users.

Progress: Samples have already been provided to more than 20 companies (users) in parallel with demonstrations at the pilot plant. Many companies have rated the samples as at least equal to existing products,* and we are continuing to accelerate efforts to commence practical application of the product.

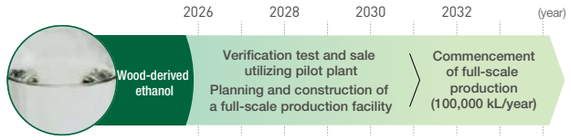
* Sugarcane- and corn-derived sugar solution



■ Wood-derived ethanol: Practical deployment in the fields of fuel and chemicals

As we strive to achieve a decarbonized society, this raw material is indispensable in the manufacturing of next-generation products in the fields of fuel and chemicals. Setting the goal of establishing a manufacturing base with a full-scale production facility in FY2030, we are committed to reducing costs by optimizing processes and maximizing product-market fit by developing a quality assurance system.

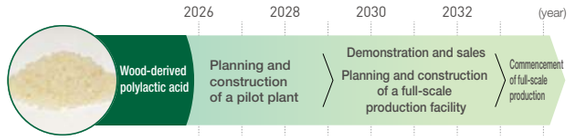
Progress: Our pilot plant has successfully produced high-purity 99.5% ethanol, and a chemical manufacturer has already conducted a medium-scale demonstration and confirmed that the product meets the requirements for practical use. To enable society to use the product, we will build a stable supply system, find off-takers, and steadily scale up the business to full-scale production.



■ Wood-derived polylactic acid (PLA): Embodiment of value through the release of products

PLA is the biomass plastic most extensively used around the world for packaging materials and fiber and other applications. It is expected that demand for it will continue to grow as an eco-friendly material independent from fossil resources. We are developing the wood-derived product in-house while seeking to balance the enhancement of the value of forests and the provision of sustainable products.

Progress: Currently, we are conducting a series of medium-scale tests using a bench-scale plant, producing polylactic acid sheets and evaluating their physical properties within the Group. To accelerate the implementation of PLA in society, we are fleshing out our plan for building a pilot plant and focusing on developing a manufacturing process that balances low environmental impact and excellent functionality.



For more information about biomanufacturing, see the Innovation Promotion Division's Website. (Japanese only)

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– Biomass Resist

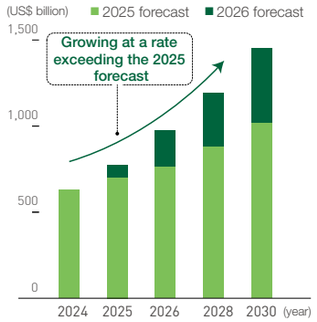
The semiconductor market and advances in technology

The semiconductor market continues to grow. The latest forecasts indicate that the semiconductor market is approaching a one-trillion-dollar market in 2026.

As the market expands, miniaturization continues in cutting-edge semiconductor manufacturing processes, and higher circuit integration is being achieved through EUV lithography technology*1. Against this backdrop, photoresists, an indispensable material in the lithography process*2, are becoming increasingly important. By developing photoresists derived from wood biomass, we aim to contribute to the manufacturing of next-generation semiconductors.

*1 A cutting-edge photolithography technology using extreme ultraviolet (EUV) light to form fine circuit patterns that are difficult to achieve with conventional technologies.
*2 A process for forming fine semiconductor circuit patterns using light. As miniaturization advances, increasingly sophisticated materials, equipment, and process control are required.

Semiconductor market (global)



Source: Prepared by Oji Holdings based on WSTS data

Characteristics of our biomass resist

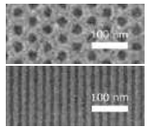
Our wood-derived biomass resist enables the formation of fine patterns because its molecular structure is designed to facilitate control of material decomposition behavior during exposure. This can contribute to higher levels of semiconductor integration. Leveraging the unique characteristics of this biomass, we are developing environmentally friendly biomass resists that deliver the high performance required by customers.

Characteristics of the Oji Group's biomass resist

- High-resolution patterns can be formed
- High photosensitivity maximizing the characteristics of wood biomass
- non-PFAS*3
- High storage stability and process stability



Biomass resist



Resist pattern example

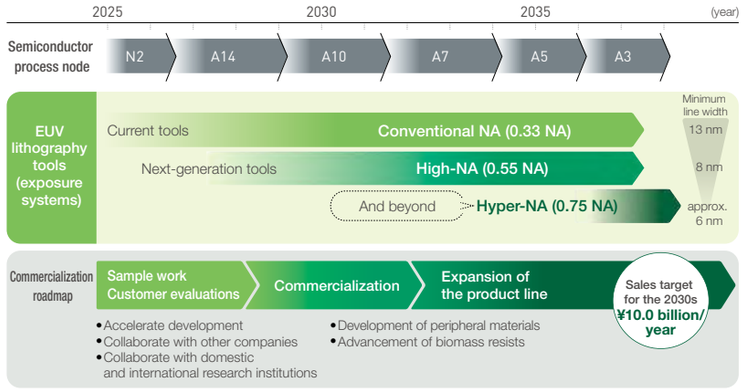
*3 PFAS is a general term for per- and polyfluoroalkyl substances. Concerns about their environmental and health impacts are growing, leading to strengthened regulations and countermeasures both in Japan and around the world.

Progress in the development and future expansion of businesses

We are introducing equipment and building an integrated system that covers the entire process from materials design and polymer synthesis to evaluation and mass-production feasibility studies. We started collaborative research with imec*4 in 2025. We successfully formed fine patterns using EUV lithography and presented these results at an international conference held in the United States in February 2026, as well as at other conferences. With a view toward the market introduction of next-generation EUV lithography tools, we will prepare for commercialization in 2028 and aim to achieve annual sales of ¥10 billion in the 2030s.

*4 One of the world's leading international research and innovation hubs in semiconductor technologies. imec conducts joint research with major semiconductor devices, equipment, and materials manufacturers.

Trends in semiconductor miniaturization technologies and our commercialization roadmap



Note: A semiconductor process node is an indicator of the technology generation and level of miniaturization in semiconductor manufacturing.
NA is the numerical aperture of a lithographic tool's lenses. A higher NA enables the formation of finer patterns.

Voice



Materials Development Specialist
Sotaro Fukumoto

■ Why I joined the team

I was attracted to the Oji Group's pursuit of cutting-edge semiconductor technology based on its manufacturing capabilities using its company-owned forests. I was also intrigued by it being an environment in which I would be able to take on the challenge of developing new materials, leveraging the knowledge I accumulated in my previous job. That's why I joined the team.

■ Current initiatives

I am in charge of the design and synthesis of resist polymers using biomass raw materials. In addition to internal development efforts, I work with various companies and research institutions to accelerate resist development, with a focus on early market entry.

■ Future challenges

Through our development efforts to date, we have successfully developed new materials that meet our initial performance targets. Based on these results, I will continue striving to develop biomass resists, that outperform existing advanced materials.

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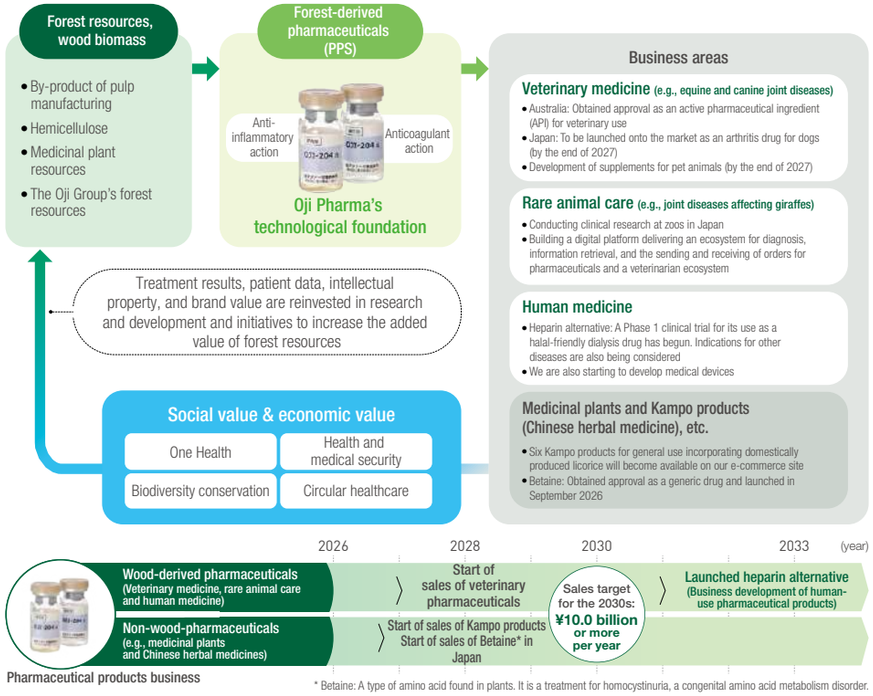
Full-scale entry into the pharmaceutical and healthcare fields

– Pharmaceuticals and Healthcare

Pharmaceutical development initiatives

Oji Pharma is working to create new value in the pharmaceutical and healthcare fields using hemicellulose, paper manufacturing byproducts. Based on the anti-inflammatory and joint-protective effects of our unique wood-derived sulfated hemicellulose, PPS, we started by developing a veterinary arthritis treatment, initially for animals such as horses, and applying the knowledge gained to the care of large rare animals such as giraffes, elephants, and rhinoceroses. In development activities leveraging the anticoagulant action of PPS, another major property, we are also committed to the development of applications contributing to health and medical security, such as halal-friendly anticoagulants for hemodialysis and medical supplies. Combining the Oji Group's expertise in forest resources, material technologies, quality assurance, and pharmaceutical affairs, we seek to establish a business model that balances increasing the added value of natural capital with contributing to medical needs.

Oji Pharma's business model



Oji Pharma's business model

We are advancing a circular healthcare model, a unique plan to expand the use of wood-derived materials from animal medicine to human health and medical security and to reinvest the social and economic value created in research and development and initiatives to increase the added value of forest resources. We aim to achieve annual sales of ¥10 billion or more in the 2030s.

Currently, we are also expanding our use of this model to rare animal medicine, a type of animal medicine where there are limited treatment options. We will continue to move forward with activities to meet unmet medical needs.

World's first clinical research involving a giraffe conducted at Omuta City Zoo



For the first time in the world in the field of rare animal medicine, we conducted clinical research that involved a giraffe. A giraffe with osteoarthritis in both forelimbs began undergoing treatment in January 2026, and there were signs that symptoms were improving about two weeks after the giraffe commenced medication. After about one month, symptoms had been reduced from moderate to mild.

This is an important case demonstrating the feasibility of social implementation in real-world clinical practice in rare animal care.

In the future, we will expand the number of cases involving large, rare animals such as elephants and rhinoceroses, in addition to giraffes, both in Japan and overseas. By doing this, we will develop a business that regenerates and increases natural capital while utilizing it.

Details: OJI TODAY — Oji Pharma Challenge (Japanese only)

Large-scale cultivation of domestic licorice (Oji Medicinal Plants Laboratory)

We succeeded in the large-scale cultivation and stable supply of licorice by leveraging the knowledge in breeding and silviculture we accumulated through our forest plantation business. Domestic production makes the traceable and sustainable supply of licorice possible.

In January 2026, our licorice extract was used in Saishunkan Pharmaceutical's Domohorn Wrinkle for the first time. It was also chosen to be used in Oji Nepia's serum mask in March.

Details: OJI TODAY — A Journey through Domestic Licorice (Japanese only)

Utilizing our foundation for the cultivation and supply of domestic licorice, we will continue to develop applications for it as a raw material for cosmetics and foods, focusing on licorice's functional characteristics (e.g., its anti-inflammatory and skin brightening characteristics). At the same time, we will work to expand the use of this licorice in the pharmaceutical field, including in Kampo products developed in cooperation with Oji Pharma.







Domohorn Wrinkle (Saishunkan Pharmaceutical)



Serum mask (Oji Nepia)



Kampo products (Oji Pharma)

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Innovation Strategies

– Research and Development Vision

The Innovation Promotion Division is tasked with solving social issues and creating new value, leveraging the Oji Group's abundant forest resources and core technologies developed since its founding, including pulp manufacturing and paper production.

Innovation Promotion Division's website (Japanese only)

■ Aspirations for 2035

Nurture forests, utilize their resources, and return value to the forest

Creating new value from proprietary technologies, and holistically promoting Green Transformation (GX), the Circular Economy, and Nature Positive

– Research and Development Structure

With research bases in the Oji Group's mills, plants, and factories around the country, we have built a research and development structure that enables us to cooperate closely with people at worksites. Accelerating the strategic allocation of resources to priority areas and increasing cross-functional cooperation, we quickly and flexibly push forward with the development of technologies under an appropriate governance system.

The Plant Engineering Department, newly established in FY2025, will be transferred to the Forest Biomass Value Creation Division from FY2026, further strengthening collaboration with related departments. We will advance initiatives to optimize resources and maximize synergies throughout the Group.

Since 2024, we have been strengthening our R&D investments aiming to expand and improve our collaborative research activities, including the exploration of new businesses and industry-academia collaboration. By broadening the base of our research and development activities, we will promote the creation of new value to ensure the growth of our business in the future.

– Basic Policies

We are promoting R&D across four key pillars to drive the transformation of our business portfolio. This strategy focuses on establishing the forest biomass business as a core business and expanding our sustainable packaging. In particular, we are aiming to establish the development of new wood-derived materials and our full-scale entry into the pharmaceutical and healthcare fields as major pillars of our business by FY2035.

Development of new wood-derived materials

We promote biomanufacturing from forest-derived biomass (including soil microorganisms) through the use of biology and microorganisms, chemical conversion, and polymerization to create various high-value-added products that can serve as alternatives to materials derived from fossil resources.

Conversion of unused biomass resources into valuable materials

We will achieve resource circulation by utilizing biomass resources from logging residues of abundant forest resources and by-products generated during paper production to develop products with low environmental impact and added value.

Full-scale entry into the pharmaceutical and healthcare fields

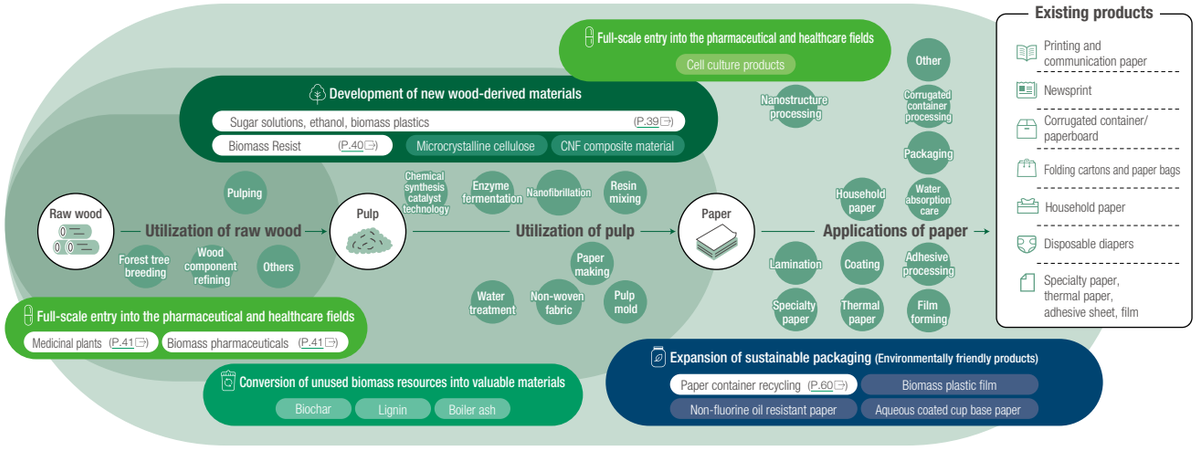
We will accelerate our full-scale entry into the pharmaceutical and healthcare fields, focusing on the ramp-up of a wood-derived pharmaceutical business that leverages the Oji Group's proprietary technologies to address emerging medical needs such as drug discovery and regenerative medicine.

Expansion of sustainable packaging (environmentally friendly products)

We will expand our product offerings both in Japan and overseas to address environmental issues, including reducing plastic use. We will achieve resource circulation by developing products that incorporate recycling systems.

– The Oji Group's Technological Evolution

From raw wood to paper products, we have grown and expanded our core technologies into new fields. Based on our Management Philosophy and Purpose (P.01), we are developing new materials and new products to contribute to the realization of a carbon-neutral society.



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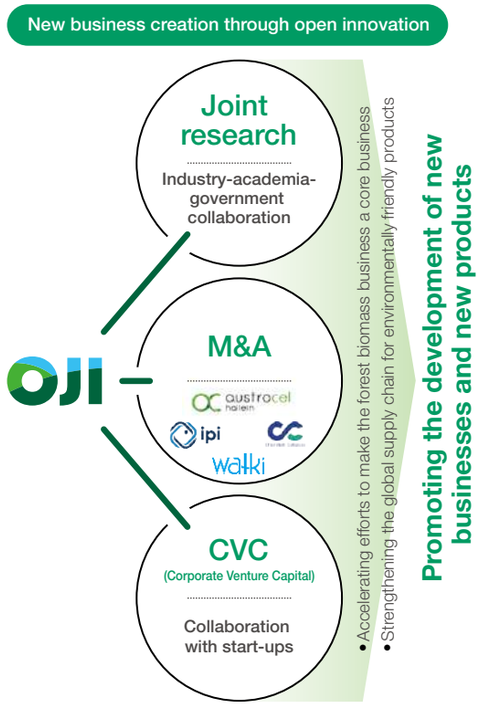
– Measures to Promote Research and Development

We implement multifaceted measures to respond promptly to changes in society. By thoroughly pursuing quality and speed in our research and development activities, we balance the resolution of social issues and the creation of sustainable value by maximizing investment efficiency. We also cross-functionally supervise research and development activities throughout the Group and promote business partnerships in line with our management strategies to achieve the rapid commercialization of the results of our research.

Promotion of open innovation

We will redouble our efforts to create new businesses and new products through open innovation.

We are committed to deepening our understanding of basic technologies and increasing our knowledge through joint research utilizing industry-academia-government collaboration (with the number of projects increasing 1.4-fold year on year). To maximize synergies with companies acquired through M&A, including AustroCel, we promote technological collaboration, including personnel exchanges, and are accelerating efforts to make the forest biomass business a core business. Furthermore, we position CVC-based collaboration with start-ups as an important initiative for future growth.



Digital transformation (DX)

We position DX as an initiative that accelerates research and development. We are driving business transformation across all research and development processes, including our utilization of generative AI and materials informatics (MI).

In the development of new materials, we combine data-driven predictions and the knowledge of researchers to optimize experimental design. We are also working to digitally transform the entire research and development process, from the visualization of research resources to the creation of ideas through market analysis using generative AI and the advancement of intellectual property strategies to accelerate the creation of new value.

Please see Digital Transformation Strategies on P.68 for details.

Developing research and development human resources

In conjunction with the Group's human resource strategy, we are systematizing our training system and career development program to enhance the expertise and creativity of our employees. We place emphasis on gaining experience that broadens perspectives and inspires new ideas, so that diverse individuals can exercise their creativity from a broad perspective.

Aiming to develop research and development human resources capable of working globally, we have implemented our own long-term training program at our overseas bases in cooperation with our Group companies. The program is designed to enable trainees to improve their technical skills and ability to identify issues and communicate with people through work experience. Examples from this training program are shared in related articles published internally.

Overseas Training (1) – United States – (Japanese only)

In addition, our certified researcher system and creative human resource development system enable employees to have more discretion in their work styles, and they enable us to provide a good environment where employees can concentrate on research. Through measures like these, we are working to develop and acquire human resources with a high level of expertise. They are the source of innovation.

Voice

Journey to Earning a Doctoral Degree



Oji Holdings Innovation Promotion Division
Biochemical Research Center
Atsuki Takagi

■ What led me to acquire a doctoral degree

As I engaged in basic research on saccharification and fermentation in the predecessor organization to the Biochemical Research Center, I began to also focus on research into biomass plastics, a priority area. Through joint research projects with universities, I sought to learn about polylactic acid (PLA) synthesis technology and elucidate the mechanism by which it biodegrades. During the process, I grew confident that increasing the depth of the research would be a strength of our business. Encouraged by my professor, I decided to pursue a Ph.D.

■ Difficulties

In addition to having to learn about a field that I did not study as an undergraduate, I struggled to balance work and the strict requirements for getting a Ph.D. Nevertheless, I presented often at academic conferences and wrote papers to supplement my knowledge and skills. At the same time, thanks to the support of my university professors, coworkers, and family members, I was able to complete the Ph.D. ahead of schedule.

■ Future outlook

As we prepare to build a polylactic acid (PLA) pilot plant, I am currently using experimental data in the design of the plant, and I am discussing the equipment specifications in collaboration with engineering service companies in and outside the Oji Group. Leveraging the expertise and experience I developed by participating in the Ph.D. program, I will contribute to the continued development of the forest biomass business.

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Intellectual Property Strategies

– Sustainable Creation of Value in an Intellectual Property Ecosystem: Elevating Intangible Capital into a Competitive Advantage and Financial Value

The basic policy for our intellectual property strategy is to go beyond merely the acquisition and protection of rights and to establish a functional intellectual property ecosystem. An intellectual property ecosystem is a circular mechanism in which intellectual capital cultivated through research and development and business activities is accumulated and utilized to establish competitive advantages and create financial value, with the resulting value reinvested in further technology development. Through this virtuous cycle, we strive to enhance our long-term corporate value.

■ Capital formation (from human capital to intellectual capital)

We combine the technical capabilities and knowledge of our research and development sites and our intellectual property strategy to ensure that we establish intellectual capital that can be used in the future. Our intellectual property division is involved in business strategy from an early phase, and it clarifies priority areas and the sources of competitive advantage, thereby establishing a foundation for a competitive advantage.

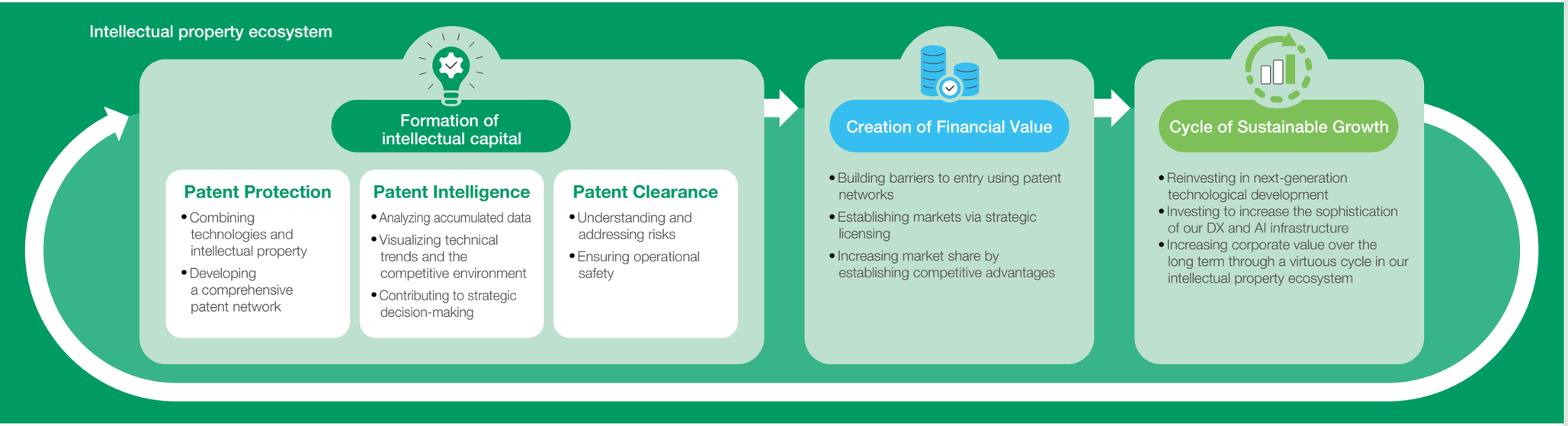
- **Patent Protection** We set important intellectual property enhancement themes and our intellectual property and technical divisions work together to file patent applications and secure patent rights. Furthermore, we have built a comprehensive patent network on our core technologies, including peripheral technologies, to support our competitive advantages in the future.
- **Patent Intelligence** By analyzing the patent and technology data we have accumulated, we visualize competitor and technology trends and provide information that is useful in strategic decision-making. This contributes to our selection of research and development themes and increases the sophistication of our business investment decisions.
- **Patent Clearance** By understanding and appropriately handling intellectual property risks through Freedom-to-Operate searches and intellectual property risk assessments, we ensure the safety of our business activities and support the continuity of our business operations.

■ Creation of financial value (from intellectual capital to financial value)

The intellectual capital we develop and accumulate is converted into financial value via our business activities. By building barriers to entry via patent networks and establishing markets through strategic licensing activities, we establish competitive advantages that lead to increased market share and profit growth.

■ Cycle of sustained growth (reinvestment)

The financial value that we generate is reinvested in the research and development of next-generation technologies and in increasing the sophistication of our DX and AI infrastructure. This creates a virtuous cycle within our intellectual property ecosystem that leads to the long-term enhancement of corporate value.



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Evolution of Our Intellectual Property Portfolio Linked to Our Business Strategy: From the Past to 2035

We position intellectual property as an important management resource and the source of the competitiveness of our business, and we promote the development of a strategic intellectual property portfolio linked to our Long-term Vision.

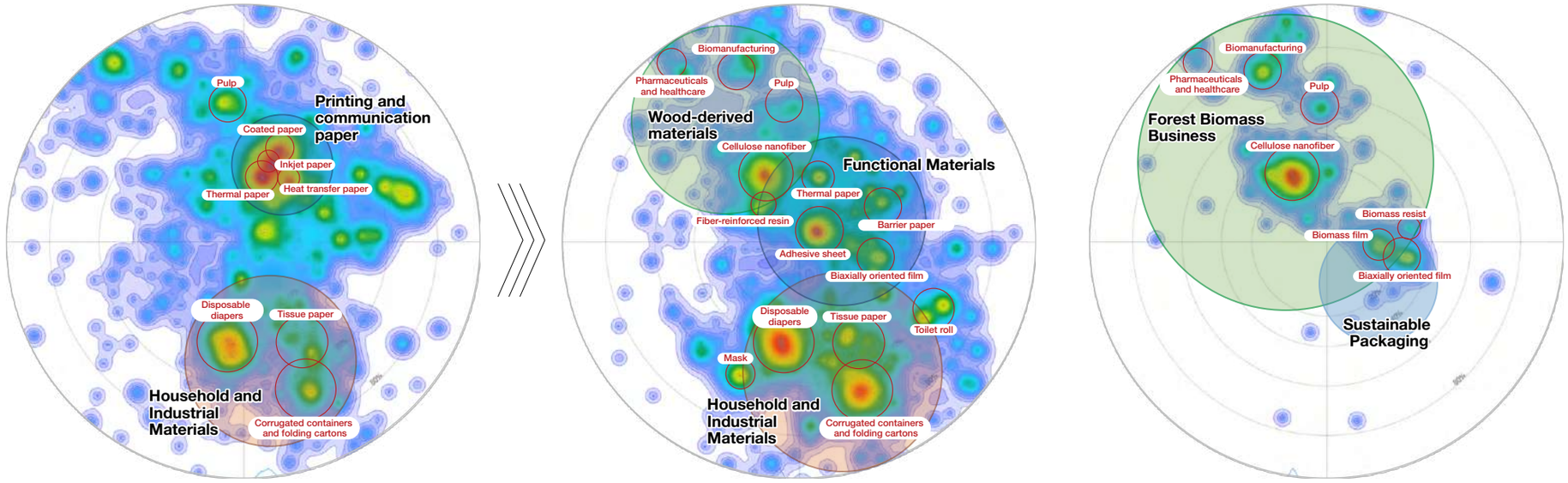
From Core Businesses to Growth Areas

Our intellectual property portfolio is flexibly advancing in accordance with our business strategy. From 2001 to 2010, we pursued patent applications and acquisition of patent rights, mainly involving basic technologies supporting our future competitive advantages in our core businesses at the time, such as recording paper and Household and Industrial Materials. We sought to accumulate intellectual capital by doing this. Subsequently, from 2015 to 2024, we expanded into the field of high-value-added products such as functional materials (e.g., functional packaging paper, adhesive sheet, biaxially oriented film), and we developed new wood-derived materials such as cellulose nanofiber, while intensively strengthening the intellectual capital supporting them.

Toward achieving our Long-term Vision

To achieve our Long-term Vision in 2035, we continue to accelerate our intellectual property strategy. Accurately specifying the patents that will directly lead to our sustainable growth in the future, we seek to transition to an intellectual property portfolio that is centered on the forest biomass business and sustainable packaging based on the technological base we developed through our conventional core businesses. More specifically, with an eye on megatrends, we are strategically securing intellectual property rights in next-generation priority themes such as biomass resist and biomass film.

Today, the patents directly connected to the Long-term Vision are steadily accounting for a larger share of our total intellectual property portfolio and now form a core part of the portfolio. Going forward, we will anticipate environmental changes and technological progress and continuously strengthen our intellectual property ecosystem to dynamically increase the sophistication of our intellectual property portfolio in pursuit of a medium- to long-term increase in corporate value.



Patents filed 2001–2010

Patents filed 2015–2024

Held patents directly connected to our Long-term Vision (up to 2035)

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Sustainability Governance

– Basic Policies on Sustainability Initiatives

The Oji Group's Management Philosophy is "Creation of Innovative Value," "Contribution to the Future and the World," and "Harmony with Nature and Society." By promoting sustainable initiatives based on this philosophy, we aim to become a corporate group that continues to grow, while responding to change and creating sustainable value for the future.

Basic Policies on Sustainability Initiatives

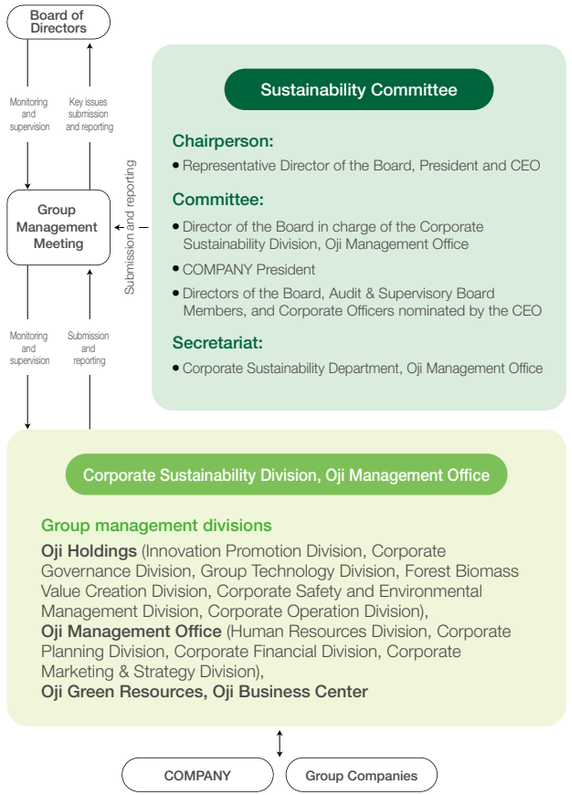
– Governance

At the Sustainability Committee, which meets twice a year (chairperson: Representative Director of the Board, President and CEO), the Oji Group discusses important business issues such as sustainable forest management, responsible raw materials procurement, and responses to climate change. The details of these discussions are referred for discussion and reported to the Group Management Meeting and the Board of Directors, depending on their importance, and are reflected in management strategies and investment decisions.

We continuously evaluate sustainability-related risks and opportunities and reflect them in the allocation of management resources, thereby enhancing business resilience and medium- to long-term corporate value.

Sustainability Management Structure

Sustainability governance structure



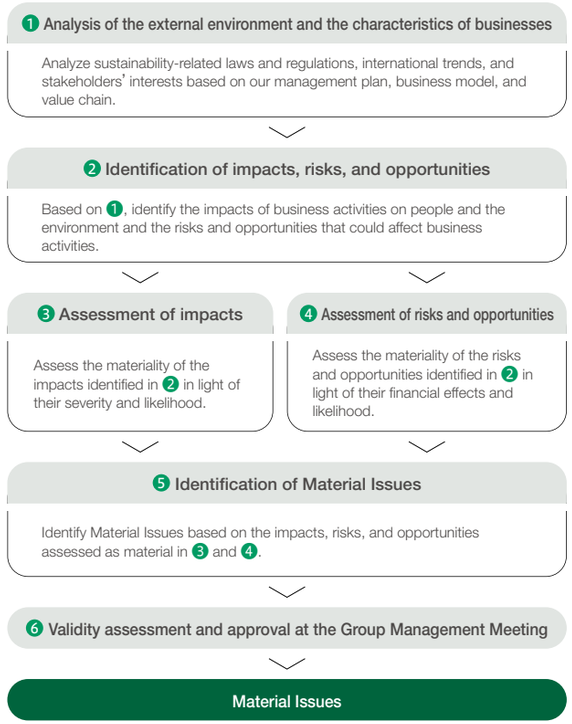
Main matters discussed at Sustainability Committee Meetings (FY2025)

- Review of the process for determining Material Issues
- Human rights training at overseas operating companies
- Visualization of the value of natural capital
- Response to EU Deforestation Regulation (EUDR)
- Response to SSBJ Sustainability Disclosure Standards
- Progress of the plan to convert coal boilers to new fuels
- Progress of the plan to expand overseas forest plantations
- Progress of efforts to achieve the water withdrawal intensity reduction target
- Progress toward the target for improving the effective utilization rate of waste materials
- Status of disaster prevention, safety management, and environmental management initiatives

– Process for Determining Material Issues

In 2019, the Oji Group identified risks and opportunities in its businesses and determined its Material Issues. In 2025, to both address social issues and enhance resilience and corporate value, we reviewed the determination process to improve verifiability based on the concept of double materiality, under which materiality is assessed from both: the positive and negative impacts of business activities on people and the environment; and the effects of risks and opportunities surrounding the business on its activities.

Process for determining Material Issues



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Material Issues — Impacts, Risks and Opportunities

The Oji Group works to solve social issues by appropriately managing impacts, while enhancing resilience by mitigating risks and increasing corporate value by maximizing opportunities.

Material Issues			Related impacts, risks, and opportunities	Main impact management, risk reduction, and opportunity maximization initiatives	
Mitigation and adaptation to climate change	▸ Impacts	—	• Greenhouse gas (GHG) emissions from business activities	• Reduce GHG emissions by increasing production efficiency, reducing energy usage, and using renewable and waste fuels • Increase the quantity of CO_2 absorbed and fixed through forest expansion and growth improvements	• Develop low-carbon products and expand the renewable energy business
		—	• Absorption and sequestration of CO_2 by forests		
	▸ Risks	Short term to Medium term	• Increase in costs due to tightened regulations on emissions trading, etc.		
		Long term	• Suspension of operations and damage to assets due to the intensification of extreme weather events		
	▸ Opportunities	Short term to Medium term	• Increase in sales due to an increase in demand for low-carbon products and services		
Sustainable forest management and biodiversity conservation	▸ Impacts	—	• Maintaining and enhancing the multifaceted functions of forests, such as water resource conservation	• Maintain sustainable forest management, and increase the forest certification acquisition rate • Maintain and expand the multifaceted functions of forests, including biodiversity conservation, water resource conservation, and soil conservation • Develop wood-derived products	• Identify and quantitatively evaluate the value of natural capital using scientific methods • Work to institutionalize natural capital accounting in which the quantified value of natural capital is recognized as economic value • Participate in market design and rule establishment initiatives to ensure that the economic value of natural capital is properly evaluated
		—	• Effects on ecosystem health and rare species		
	▸ Risks	Short term to Medium term	• Reputational damage related to its efforts and approach		
		Short term to Medium term	• Increase in costs due to tighter regulations on forest due diligence, etc.		
	▸ Opportunities	Long term	• Increase in sales due to an increase in demand for wood-derived products		
		Long term	• Creation of the economic value of forests through natural capital accounting		
Circular use of resources	▸ Impacts	—	• Advancement of resource recycling using recovered paper	• Use wood resources based on sustainable forest management • Utilize the recycling network and recycling technologies developed through the promotion of the use of recovered paper	• Reuse water resources and reduce water usage • Expand the water treatment business overseas
	▸ Risks	Long term	• Effects of resource depletion on core businesses		
	▸ Opportunities	Short term to Medium term	• Increase in sales due to an increase in demand for products derived from renewable resources		
		Short term to Medium term	• Increase in sales in the water treatment business due to an increase in demand for clean water		
Responsible raw materials procurement	▸ Impacts	—	• Effects on environmental and social issues in the supply chain	• Enhance and expand CSR procurement, taking into consideration the environment and society following the Oji Group Sustainability Action Guidelines for Supply Chains, the Wood Raw Material Procurement Guidelines, and the No Deforestation and No Conversion Commitment	• Manage the supply chain thoroughly (e.g., appropriate procurement through supplier monitoring, risk assessment, securing various suppliers) • Supply FSC™-certified products (e.g., FSC™ C014119)
	▸ Risks	Short term to Medium term	• Decrease in sales and increase in costs due to a sustainable raw material supply shortage		
	▸ Opportunities	Short term to Medium term	• Increase in sales due to the use of sustainable raw materials		
		Short term to Medium term	• Strengthening trust-based relationships with suppliers		
Reduction of environmental burdens	▸ Impacts	—	• Effects on the health of local people and the surrounding environment	• Set voluntary management values that are stricter than the environmental regulatory standards • Control emissions of pollutants in wastewater and exhaust gases	• Reduce and effectively use waste
	▸ Risks	Short term to Medium term	• Decline in the trust of stakeholders due to environmental pollution		
	▸ Opportunities	Short term to Medium term	• Cost reductions achieved using waste as fuel		
Respect for human rights	▸ Impacts	—	• Effects on workers' human rights in the supply chain	• 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 • Operate the whistleblowing system	• Raise awareness of compliance and human rights through in-house training • Assess risks associated with suppliers' respect for human rights • Establish and operate a contact point for whistleblowing related to human rights (grievance mechanism)
	▸ Risks	Short term to Medium term	• Decline in the trust of stakeholders due to the lack of consideration for human rights		
	▸ Opportunities	Short term to Medium term	• Respect for the human rights of employees		
Enhancing human capital	▸ Impacts	—	• Enabling employees to demonstrate their capabilities and expertise	• Create an environment for developing human resources • Promote diverse work styles and diversity • Enhance mid-career recruitment • Thoroughly conduct compliance training	
	▸ Risks	Short term to Medium term	• Decline in hiring competitiveness and outflows of human resources		
		Short term to Medium term	• Occurrence of non-compliance		
	▸ Opportunities	Long term	• Enhancement of productivity and innovation by securing talented human resources		
Ensuring workplace safety and health	▸ Impacts	—	• Effects on the physical and mental health of employees	• Establish safety and health management structures and promote activities aimed at safety and health • Thoroughly ensure safety in the handling of machines and equipment and in other operations	• Promote safety education • Promote the physical and mental well-being of employees • Create comfortable work environments • Respond to infectious diseases
	▸ Risks	Short term to Medium term	• Decline in the trust of stakeholders due to the incidence of occupational accidents		
	▸ Opportunities	Short term to Medium term	• Enhancing productivity and securing human resources by having a good workplace environment		
Supply of safe and secure products	▸ Impacts	—	• Effects on consumers' lives, bodies, and property	• Ensure a stable supply of our products • Ensure safe quality design and management in compliance with relevant laws and regulations and stricter voluntary management values	• Provide customers with information on the safety of products and raw materials (chemicals, materials)
	▸ Risks	Short term to Medium term	• Decline in the trust of stakeholders due to the spread of negative publicity or reputational damage		
	▸ Opportunities	Long term	• Earning the trust of stakeholders by supplying safe and secure products		

Note: This table summarizes the material impacts, risks, and opportunities, classifying those expected to become significant within five years as "Short to medium term" and those expected to become significant beyond five years as "Long term."

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Material Issues — KPIs

Material Issues	Definitions	Key performance indicators (KPIs) (Unless otherwise specified, for FY2030)	FY2025 result*1	Related content
Mitigation and adaptation to climate change	Contribute to the mitigation of climate change by reducing GHG emissions throughout the supply chain and promoting CO_2 absorption and fixation by forests.	• GHG emissions (Scope 1, 2) Reduce emissions by at least 70% by FY2030 compared with FY2018 ・GHG emission*2 reduction: 20% ・Net increment in carbon stocks by forests*2 : 50% Achieve net-zero carbon emissions by FY2040 ・GHG emission*2 reduction: 50% ・Net increment in carbon stocks by forests*2 : 50%	• 34.0% reduction ・Reduction in emissions: 12.2% ・Net increment in carbon stocks: 21.8%	**Carbon Neutral** PP.57–58
		• Expanding carbon stocks to at least 170,000 kt-CO_2 (calculated value)	• 143,710 kt-CO_2	
		• Renewable energy usage rate of at least 60% through reduction of coal consumption	• 56.5%	
		• Improve energy consumption intensity by at least 1% per year for the 5-year average	• 7.1% annual reduction (from FY2021 to FY2025)	
		• GHG emissions (Scope 3) Reduce emissions from chip transport vessels by 40% by FY2040 compared with FY2018	• 41.4% reduction	
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 multifunctionality of forests, including biodiversity conservation.	• Increase the rate of overseas forest certification acquisition*2 (Maintain the domestic rate at 100%)	• Japan 100%, Overseas 95%	**Sustainable Forest Management** PP.51–52 **Nature Positive** PP.55–56
		• Expand overseas forest plantation to 400,000 ha	• 296,000 ha	
		• Area of natural forest restored on owned land*2 At least 5,000 ha in FY2019–FY2040	• 2,451 ha	
		• Number of native tree species planted on owned land*2 At least 900,000 seedlings in FY2019–FY2040	• 520,000 seedlings	
		• Area of ecological corridors formed outside owned land*2 At least 6,000 ha in FY2019–FY2040	• 2,740 ha	
Circular use of resources	To prevent resource depletion, promote the effective use of paper and water, which we view as valuable reusable resources.	• Recovered paper utilization ratio*2: At least 70% in Japan by FY2030 • Recovered paper utilization ratio for containerboard: At least 90% in Japan by FY2040	• 69.3% • 98.3%	**Circular Economy** PP.59–60
		• Reduce water withdrawal intensity by at least 6% by FY2030 compared with FY2018 • Reduce total water withdrawal by at least 10% by FY2040 compared with FY2018	• (Intensity) 25.4% reduction • (Total) 10.4% reduction	
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.	• Conduct sustainability surveys on all main suppliers*3	• 100% (FY2024, follow-up surveys)	**Prevention and Mitigation of Matters Negatively Impacting Supply Chains: Responsible Raw Materials Procurement** P.54
		• Conduct traceability verification based on the Wood Raw Material Procurement Guidelines	• 100%	
Reduction of environmental burdens	Promote waste reduction and purification of wastewater and exhaust gases in the manufacturing process to minimize the environmental impact on surrounding areas.	• Enhance effective utilization rate of waste materials*2: Japan at least 99%, Overseas at least 95%	• Japan 99.4%, Overseas 90.9%	**Environmental Impact Reduction -Reduction of Pollutants-**
		• Pollution load Reduce BOD, COD, and SS intensity by 15% by FY2030 compared with FY2018 Reduce total BOD, COD, and SS by 20% by FY2040 compared with FY2018	• BOD: (Intensity) 50.6% reduction (Total) 40.7% reduction • COD: (Intensity) 29.2% reduction (Total) 15.0% reduction • SS: (Intensity) 38.6% reduction (Total) 26.2% reduction	
		• Air pollution impact Reduce SOx intensity by 15% by FY2030 compared with FY2018 Reduce total SOx by 50% and total NOx by 10%, while maintaining VOC intensity, by FY2040 compared with FY2018	• SOx: (Intensity) 32.4% reduction (Total) 19.0% reduction • NOx: (Total) 2.8% reduction • VOC: (Intensity) 76.9% reduction	

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Respect for human rights	Do not tolerate the violation of human rights in any of our business activities.	• Percentage of target people who get education and training in human rights: 100%	• 88.1% (2,547 participants from March to May 2026)	Respect for Human Rights P.53
Enhancing human capital	Secure and foster the diverse human resources (human capital) necessary for sustainable growth. Establish an environment in which every employee can fully demonstrate their potential and work comfortably.	• Annual total working hours: within 1,850 hours (26 companies in the Main Office region in Japan)	• 1,841.1 hours	Human Resource Strategies PP.64–67
		• Utilization ratio for childcare leave taken by men: 100% (20 companies in Japan*2)	• 102.6%	
		• Percentage of managers that are women: at least 8.5% (20 companies in Japan*2, March 31, 2031)	• 5.7%	
		• Percentage of new hires for career-track positions that are women*2: at least 50% (excluding plant engineering positions)	• 47.2% (Joined the Company in 2026)	
		• Employment rate of people with disabilities: at least 2.5% (Group companies in Japan*2, June 2026)	• Six applicable Group companies in Japan*2: 2.55%, 69 companies in Japan*2: 2.45% (As of June 1, 2026)	
		• Participation in compliance meetings: 100% (Oji Holdings and all subsidiaries in Japan)	• 98.6% (Second half of FY2025)	
Ensuring workplace safety and health	Ensure the safety and health of all employees and people connected to our business.	• Achieve zero fatal and serious work-related accidents*4 (each fiscal year)	• Two accidents (from January 1 to December 31, 2025)	Ensuring Workplace Safety and Health P.61
		• Lost time injury frequency rate*2: 50% reduction compared with FY2018 (0.89)	• 0.77 (from January 1 to December 31, 2025)	
Supply of safe and secure products	Supply safe and secure products worldwide.	• Zero product liability accidents (each fiscal year)	• Zero accidents	Stable Supply of Safe and Secure Products

*1 Aggregation period: Unless otherwise specified, from April 2025 to March 2026 or as of March 31, 2026 (for overseas, with some exceptions, from January to December 2025 or as of December 31, 2025). Boundary of data aggregation: Unless otherwise specified, Japanese and overseas consolidated subsidiaries
*2 Refer to ESG Data for information on calculation methods.
*3 Suppliers in top 75% of transaction amount
*4 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.

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Sustainable Forest Management

– Oji Forests: Natural Capital for the Future

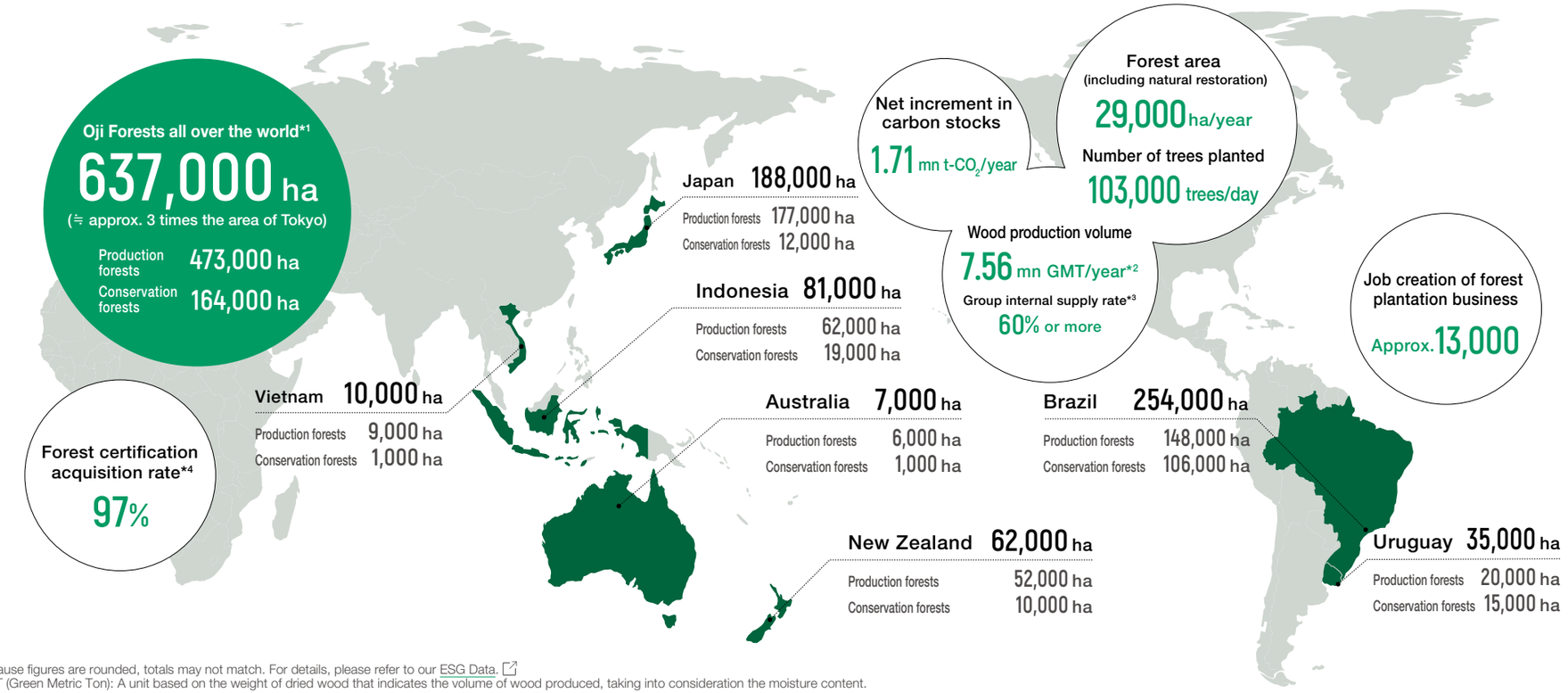
Based on the philosophy that “those who use trees have the responsibility to plant trees,” the Oji Group began forest plantation in Shizuoka in 1893 and has continued to develop sustainable forest management while building its business activities on that foundation. We have expanded Oji Forests both in Japan and overseas, and at present, we own and manage approximately 637,000 ha of forests in seven countries around the world.

The expansion of sustainable forests not only allows us to secure the resources necessary for our production activities but also contributes to achieving the Oji Group’s key environmental target toward carbon neutrality by increasing CO_2 absorption and sequestration.

When properly managed, forests generate economic value through timber production and other activities, while also providing environmental functions such as biodiversity conservation, air quality conservation, soil conservation and water resource conservation, as well as social value such as coexistence with local communities and cultural preservation. Forests that provide a rich variety of ecosystem services are essential infrastructure for the establishment of a sustainable society. In recent years, a movement to properly assess their value as natural capital has been gaining momentum.

Nature Positive P.55

Since our early days, the Oji Group has practiced zoning to separate and appropriately manage production forests and conservation forests so that we can maintain and improve the multifaceted functions of these forests over the long term, while addressing environmental and social issues by co-creating value with diverse stakeholders. We will continue to nurture Oji Forests as natural capital for the future and increase their value.



*1 Because figures are rounded, totals may not match. For details, please refer to our ESG Data.
*2 GMT (Green Metric Ton): A unit based on the weight of dried wood that indicates the volume of wood produced, taking into consideration the moisture content.
*3 The Group internal supply rate refers to the proportion of wood produced by Oji Forests supplied to Group paper and pulp mills.
*4 The certification rate temporarily declined in FY2025 compared with the previous fiscal year, primarily due to an increase in newly acquired forest lands in Brazil. We are planning to acquire certifications for this land in due course.

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– Strategic Significance of Direct Forest Ownership and Management

From the perspective of resource security, which has become increasingly important in recent years, direct forest ownership helps build a business foundation that is resilient to changes in the external environment, including price fluctuations and geopolitical risks. More fundamentally, however, the Oji Group's real strength in forest management lies in having maximized forest value through continuous, hands-on management of its own forests. It also allows us to accumulate knowledge that cannot be acquired through our external procurement of wood raw materials, apply this expertise in forest management, thereby building a foundation of management assets that forms the basis of our competitiveness.



Forest plantation in Brazil owned by Celulose Nipo-Brasileira S.A. (CENIBRA)

Accumulation of knowledge and expertise through direct management

Establishing forests as a directly managed resource enables us to manage risks appropriately and apply the knowledge and expertise accumulated to strategically and continuously enhance their value. It also enables further improvements in forest management standards through the sharing of such knowledge and expertise across the Group.

- **Forestry technology:** Improving forest growth using forestry technology and highly productive forestry practices
- **Support for regional forestry:** Helping local small-scale foresters carry out more profitable forestry operations to encourage the sustainable use of forest resources
- **Response to disasters and disease damage:** Tailored approach suitable for the environment in each forest
- **Regulatory and policy compliance:** Ensuring high reliability through compliance with regulations and policies
- **Supply chain management:** Utilizing our expertise in procurement from external suppliers
- **Research and development:** Developing superior clones to improve growth and seedling survival rates



Improve productivity to increase forest value

The Oji Group has long worked to increase the planted tree growth rate (MAI*) through tree breeding, including the research and development of superior clonal seedlings, and more advanced silvicultural practices. Celulose Nipo-Brasileira S.A. (CENIBRA) in Brazil improved forest growth dramatically from the late 1980s to the 1990s, approximately 15 years after its foundation. Its forest growth rates continue to remain high, consistently exceeding the Brazilian industry average. At KTH in Indonesia, the MAI of harvested trees in 2025 improved 1.3-fold compared with 2018 (the previous harvest period) by improving seedling quality and optimizing planting density.



Research and development of clonal seedlings at KTH (Indonesia)

Improvements in MAI increase CO_2 absorption and wood production volume per unit area while also supporting the maintenance and expansion of buffer zones and conservation areas, such as natural forests. Improving forest growth is also an important management priority for promoting a shift toward sustainable wood-based resources.

Creation of added value and new applications

The Oji Group is also developing pharmaceutical products using plant-derived sulfated hemicellulose, with the raw materials sourced from the Group's forest plantations. We are also developing clonal seedlings for non-paper applications to expand their potential uses, create added value, and strengthen our competitiveness.

Sustainable growth achieved through strategic forest management

Investing in forests helps secure a stable supply of raw materials and strengthen resilience to risks. It is also a strategic investment that creates value over the medium to long term through higher productivity and expanded applications.

We will continue to create added value for forestry assets by exploring new business domains while playing to our strengths in forest management that we have developed over the years. Examples of these activities include our investment in a biocarbon project in Brazil, the plantation and production of high-value furniture timber, the development of a new lumber business, and the generation of carbon credits in Australia.

We will continue to enhance the Oji Group's strengths through strategic forest management designed to maximize forest value, and we aim to achieve sustainable growth while simultaneously contributing to the environment and society.

*MAI: Mean Annual Increment; average annual growth (m^3/ha/year)

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Respect for Human Rights

Policy

The Oji Group has established the Oji Group Human Rights Policy aligned with the United Nations Guiding Principles on Business and Human Rights (hereinafter "UN Guiding Principles"), the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, and the United Nations Global Compact. This policy applies to all officers and employees and is reflected in all our business activities. It has been translated into 13 languages, including English and Japanese, and shared to foster understanding and adoption not only among officers and employees but also across the value chain.

Oji Group Human Rights Policy

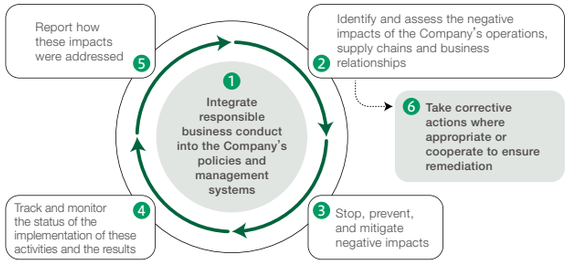
– Governance Structure

Matters that are material to fulfilling our commitment to respect human rights are deliberated by the Sustainability Committee and monitored and supervised by Directors.

Sustainability Management Structure

– Human Rights Due Diligence

The Oji Group has been implementing human rights due diligence aligned with the UN Guiding Principles and the due diligence process outlined in the OECD Due Diligence Guidance for Responsible Business Conduct.



– Identifying and Assessing Adverse Impacts

As part of our human rights due diligence, we identify salient human rights issues and suppliers that should be prioritized for due diligence in addressing those issues ("key suppliers"), in accordance with an assessment process reviewed by the International Development Center of Japan Inc. (IDCJ), an independent organization with specialized expertise.

Please see here for the process used to identify key suppliers and implementation status P.54

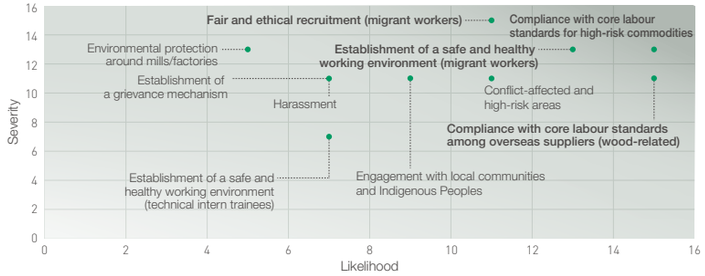
Identification of Salient Human Rights Issues

Using a risk-based approach, we identified salient human rights issues (impacts) that might arise in our business, as shown in the table below. We identified these issues in accordance with the UN Guiding Principles, OECD international standards and GRI Standards.

Identification and Assessment of Salient Human Rights Issues

Process for Identifying Salient Human Rights Issues

STEP 1 Understand	**Understand the Organization's Context** (examine risks specific to the business domain, product, region, and company)
STEP 2 Identify	**Identifying Adverse Impacts and Their Causes**
STEP 3 Assess	**Assess the Significance of the Impacts** (score the human rights risks of each stakeholder)
STEP 4 Prioritize	**Prioritizing the Most Significant Impacts for Disclosure** (map the impacts based on the scores)



– Human Rights Training at Overseas Companies Examples of Measures to Prevent and Mitigate Adverse Impacts

Beginning in FY2025, we entered into a multiyear partnership agreement with the International Organization for Migration (IOM) and commenced initiatives to build a framework for remediating, mitigating, and preventing risks to migrant workers at overseas Group companies. In the first year, we implemented a work plan aimed at "understanding the vulnerabilities specific to migrant workers" and "establishing a shared vision for reducing those vulnerabilities."

Human Rights Training in Malaysia in FY2025



Review Workshop (January 2026)

– Operation of and Awareness-raising for the Grievance Mechanism

In February 2025, we joined the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER), which provides a non-judicial dialogue-and-remedy platform aligned with the UN Guiding Principles, and established a grievance channel accessible to all stakeholders, including employees, supply chain stakeholders, local residents, and Indigenous Peoples. In FY2025, seven reports and requests for consultation were received.

We established the Group Human Rights Grievance Mechanism Operation and Management Regulations as an operational framework clearly defining the responsibilities of relevant parties to ensure the anonymity and confidentiality of whistleblowers and protect them from adverse treatment.

As a result of regular efforts to increase awareness of this hotline, 78% of managers were aware of JaCER in the FY2025 online human rights training program (with 2,547 participants), up from 65% in FY2024.

Cases reported via the grievance mechanism

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Prevention and Mitigation of Negative Supply Chain Impacts - Responsible Raw Materials Procurement -

Policy

The responsible raw materials procurement is a part of the human rights due diligence activities explained on page 53. The Oji Group has established the following policies to appropriately consider human rights and the environment while also preventing and mitigating any negative impact in its supply chains. Regarding the procurement of wood raw materials, we specifically assess all suppliers annually based on our guidelines to maintain no deforestation and no conversion in our procurement.

Oji Group Sustainability Action Guidelines for Supply Chains
Wood Raw Material Procurement Guidelines

Where significant violations of these Guidelines are identified, the Oji Group will engage in dialogue with the suppliers concerned and request corrective action. Where improvements are not confirmed, the Oji Group will review the business relationship, including the suspension of procurement.

All stakeholders, including suppliers, can use the grievance mechanism established by the Oji Group.

Grievance mechanism P.53

– Overview of Our Initiatives

We conduct sustainability surveys of our major suppliers, and we implement human rights and environmental due diligence activities regarding our identified key suppliers.

In our procurement of wood raw materials, we verify the status of human rights and environmental considerations by ensuring traceability and visiting suppliers and forests.

– Confirmation of Suppliers' Status

Supplier Sustainability Surveys

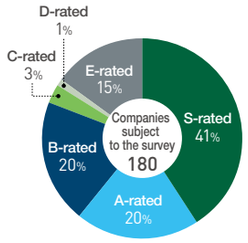
Since FY2020, we have been conducting sustainability surveys of major suppliers selected on the basis of transaction value, with the aim of gaining a better understanding of the actual situation throughout the supply chain and strengthening risk management. By FY2024, we had collected responses from 859 out of 1,185 companies (response rate of approximately 72%). In FY2025, we started to reevaluate suppliers by product category to begin a new survey cycle.

FY2025 survey results

In FY2025, we received responses from 153 of 180 companies, primarily base paper and starch suppliers. A breakdown is shown in the pie chart.

Details of supplier ratings

Breakdown of supplier ratings



Initiatives for improvement

Capability development training was provided to the surveyed suppliers, and 60 companies participated in it. Based on the results of the surveys, we follow up with suppliers to encourage their compliance with and implementation of the Oji Group Sustainability Action Guidelines for Supply Chains. In FY2025, we followed up with 17 companies and confirmed that there were no issues with any of them.

Supplier sustainability surveys

– Supplier Human Rights and Environmental Due Diligence

Taking the results of the sustainability surveys of suppliers into account, we identify key suppliers for which we implement due diligence activities to prevent and mitigate any negative impacts throughout our supply chains.

Identification of priority suppliers

With reference to GRI 1: Foundation 2021, GRI 3: Material Topics 2021, and relevant topic standards, we have developed a process for identifying and assessing human rights and environmental risks throughout the supply chain and selecting high-risk priority suppliers. In accordance with this process, we prioritized our suppliers and identified wood raw material suppliers as priority suppliers.

Supplier risk assessment process

Implementing due diligence regarding wood raw material suppliers

In FY2025, in collaboration with the wood raw material procurement department, we started to request that selected wood raw material suppliers complete the "Human Rights Due Diligence Confirmation Form" when conducting traceability surveys and received 383 submissions. From FY2026 onward, we will follow up with suppliers requiring action by visiting sites and taking other measures.

Human Rights and Environmental Due Diligence Regarding Suppliers

– Traceability Check and Supplier Monitoring

The Oji Group has established a checklist, including the confirmation of the origin of wood, forest management practices, the absence of illegally harvested wood or wood of high conservation value, and respect of human rights, in accordance with the Wood Raw Material Procurement Guidelines, and it procures raw materials sourced from properly managed forests only. The Procurement Guidelines are revised as needed to continuously improve procurement standards.

We obtain traceability reports from all wood raw material suppliers every year, and their contents are reviewed and verified against the checklist detailed in the guidelines through audits conducted by a third-party organization. The results of audits are disclosed in the "Traceability Verification and Procurement Implementation Report."

Responsible Procurement based on Wood Raw Material Procurement Guidelines

We also conduct annual visits to wood raw material suppliers' mills and harvesting sites. In addition to checking logging permits and other documents that support compliance with the Procurement Guidelines, we monitor compliance through on-site inspections, interviews, and other means, covering human rights (including labor rights), health and safety, and environmental considerations.

Supplier monitoring



Site visit to a supplier's harvesting site (Vietnam)

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Nature Positive

– Why Should We Assign Economic Value to Natural Capital?

Amid the worsening environmental degradation, including climate change and biodiversity loss, companies are increasingly required to manage their businesses in ways that consider their dependencies and impacts on natural capital.

The Oji Group views natural capital as one of the most critical forms of capital supporting its creation of value. We quantitatively analyze our nature-related dependencies, impacts, risks, and opportunities every year and incorporate these findings into the management of our Group.

We are also engaged in the visualization and quantification of the ecosystem services provided by forests to connect these elements to economic value. Through these efforts, we aim to establish a mechanism by which the value of natural capital can be appropriately recognized by society at large. We believe that advancing these efforts will contribute both to the realization of a nature-positive society and to the sustainable enhancement of the Company's corporate value, building on more than 100 years of forest management.

– Towards the Economic Valuation of Natural Capital

We are advancing initiatives following the steps below to establish both the economic and social value of natural capital.

Step 1 Identifying and Quantifying Natural Capital Value

We identify nature-related dependencies, impacts, risks, and opportunities, and scientifically measure and assess forest elements such as carbon, water, and biodiversity.

Step 2 Translating Natural Capital into Economic Value

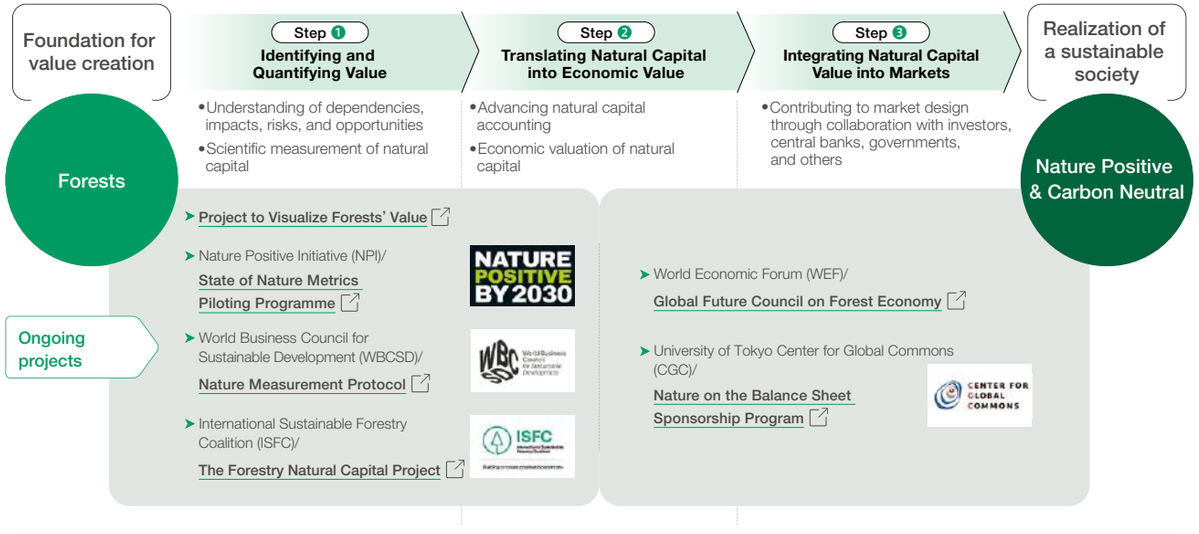
Based on the assessment results from Step 1, we are participating in developing the framework for natural capital accounting. The aim is to connect the ecosystem services of forests with financial information and establish an accounting framework that expresses the value of natural capital in economic terms.

Step 3 Integrating Natural Capital Value into Markets

We engage with investors, central banks, governments, and others to participate in the design of markets and the establishment of rules so that this value is reflected in investment, finance, and policy decision-making. By doing this, we aim to realize a sustainable society in which the value of natural capital is properly recognized.

As environmental degradation accelerates, executing these steps swiftly is a critical priority. We are currently focusing on moving forward with Step 2 based on the results accumulated to date in Step 1. At the same time, we are working to establish a network in anticipation of Step 3.

Flowchart for Natural Capital Valuation



– Ongoing Projects

We participate in various international frameworks related to Steps 1, 2, and 3 to ensure the effectiveness of the above initiatives.

The purpose of these projects is to build a foundation for the proper recognition of the value of natural capital by society broadly. This includes the development of metrics for visualizing the state of natural capital, the development of methods for companies to assess nature-related impacts and risks, and the establishment of a mechanism ensuring that the value of natural capital is reflected in financial and investment decision-making.

As we carry out these projects, we are actively engaging in the establishment of international rules and the design of markets by providing real data and knowledge gained as a company whose business is based on forest resources. Through this approach, we help realize a society in which the value of natural capital is recognized in economic terms, and we aim to achieve both the medium- to long-term enhancement of corporate value and the creation of a nature-positive society.

See the TNFD Report for more information about individual projects.

TNFD Report

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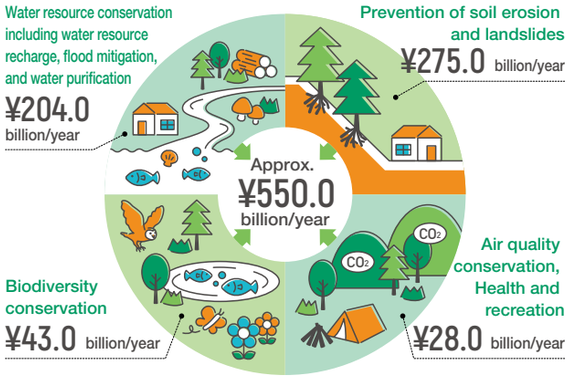
Toward Assigning Economic Value to Soil That Supports Forests

Evolution of the economic valuation of Oji Forests

As our first initiative for natural capital valuation, we announced the economic valuation of Oji Forests in Japan in 2024 (see below). To refine this valuation, we are currently attempting to evaluate (visualize) and valuate the ecosystem services of forests. This includes the Forest Value Visualization Project, which corresponds to Steps ❶ and ❷ of the flowchart for natural capital valuation on the previous page.

Economic value of Oji Forests (in Japan)



Notes: 1. Calculated based on the methodology in the Forestry Agency of Japan's Valuation of the Public Benefit Functions of Forests
2. Reviewed by an external environmental assessment company

Although not included in the 2024 valuation, soil is a key component that we have started to focus on.

Soil is more than just the foundation for tree growth. It also stores carbon, retains water and nutrients, and sustains the entire forest ecosystem through the activities of microorganisms and other organisms. Despite being a familiar presence, soil is a precious and vital asset that humans cannot replicate. In collaboration with researchers and companies spun off from universities, we are exploring multiple themes to visualize and unlock the economic value of soil.

Voice : Comments from experts

Redefining forest value from the perspective of soil



Soil researcher
Fukushima Institute for Research, Education and Innovation
Kazumichi Fujii

The sustainable forest management pursued by the Oji Group holds significant meaning in that it focuses not only on the visible value of timber, but also on the soil that serves as its foundation.

Soil is a complex system formed from a mixture of plants, microorganisms, water, and minerals over a long period of time. It supports forest productivity, biodiversity, and even downstream farmlands and marine ecosystems. Much like petroleum, soil is a nearly non-renewable resource that takes a long time to regenerate once degraded. However, it is possible to encourage its formation and improve its multifunctionality by fostering a healthy relationship between forests and microorganisms.

It is not possible to establish a sustainable, nature-positive society without considering soil diversity. I believe that the Oji Group, which manages a large area of company-owned forests, will scientifically visualize and quantify soil conditions, improve the functionality of the soil, and communicate the full value of nature, including the forests, water, and other ecosystem services, to the public.

Examples of Oji Group Initiatives for the Valuation of Soil

Example soil project ①

■ From the forest to the city: Evaluation of regenerative urban greening utilizing forest soil microorganisms (a collaborative project with endophyte Inc., a startup originating from Ibaraki University and the University of Tsukuba)

We signed a memorandum of understanding with endophyte Inc., a startup originating from Ibaraki University and the University of Tsukuba, to explore new business opportunities utilizing the functionality of soil microorganisms from Oji Forests. We aim to investigate opportunities to apply the knowledge of forest soil in urban greening and the greening of degraded land.

Example soil project ②

■ Understanding the carbon storage function of peatland (a joint research project with Hokkaido University)

We are studying the peatland in the Oji Forests in Sarufutsu, Hokkaido, focusing on the wetland's important carbon storage function. In FY2025, we confirmed that peat accumulation varies among the different vegetation types found in the wetland. Further studies will be carried out to determine the specific conditions required to enhance the carbon storage function of wetlands.

Example soil project ③

■ Investigation of the roles of wetlands in river and marine environments (a joint research project with Hokkaido University)

A study of the wetlands across the Sarufutsu River basin in the Oji Forests in Sarufutsu, Hokkaido, is being conducted to understand the behavior of dissolved iron. The ground beneath these wetlands holds rich reserves of dissolved iron, which are released into nearby rivers in line with the seasonal flow of water. This fiscal year's study indicated that this dissolved iron may pass through the estuary and spread into coastal waters, potentially supporting phytoplankton growth. Further studies will be carried out to scientifically clarify the crucial roles that wetlands play in marine environments.

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Carbon Neutral

Policy

Taking into account the Paris Agreement and the transition to a decarbonized society, the Oji Group set a goal of achieving net-zero carbon emissions in its Environmental Vision 2050 in FY2020.

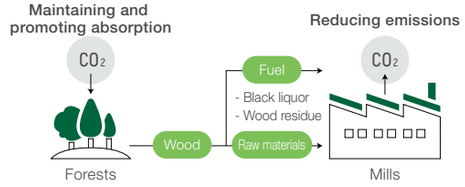
In Environmental Action Program 2040, which was formulated in FY2025 as a new milestone, the target fiscal year for achieving this goal was brought forward to FY2040. We are now implementing initiatives to achieve net-zero carbon emissions (Scope 1 + 2) by reducing actual emissions and by absorbing and sequestering CO_2 in the forests we own and manage.

Environmental Vision 2050
Environmental Action Program 2040

Business model targeting decarbonization

The distinctive feature of the Oji Group's decarbonization strategy is that its dual approach of reducing actual emissions and increasing CO_2 absorption is fully integrated into the business model.

- **Manufacturing business:** Reduce GHG emissions by using renewable energy, including black liquor and in-house hydroelectric power generation, and by making effective use of energy, including waste heat from in-house thermal power generation
- **Forest plantation business:** Maintain and promote the absorption and sequestration of CO_2 in forests through replanting following harvesting
- **Energy business:** Reduce the indirect GHG emissions of electricity consumers by generating renewable electricity from wood biomass, hydropower, and solar power, and through planned wind power projects on company-owned land.



Roadmap

We have accelerated our efforts to achieve these targets based on the roadmap below.

To reduce actual emissions, we will further advance our ongoing efforts to shut down coal-fired boilers and make the switch to alternative fuels, reducing coal use to zero by FY2040. In FY2027, we plan to shut down coal-fired boilers at Oji Materia's Sobue Mill and Saga Mill, and put gas cogeneration systems into operation in their place.

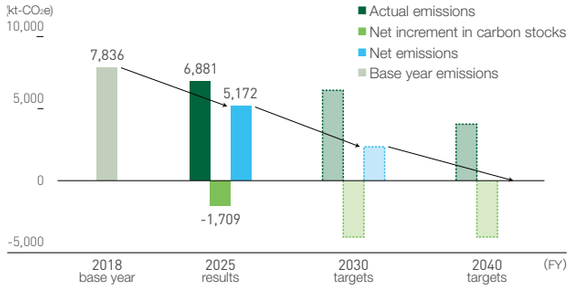
We use fossil gas fuel for the transition stage when converting fuels, but in the future, we plan to introduce fuels such as hydrogen, ammonia, and e-methane (synthetic methane). We will also increase the proportion of non-fossil electric power in purchased electric power, aiming to reach 100% by FY2040.

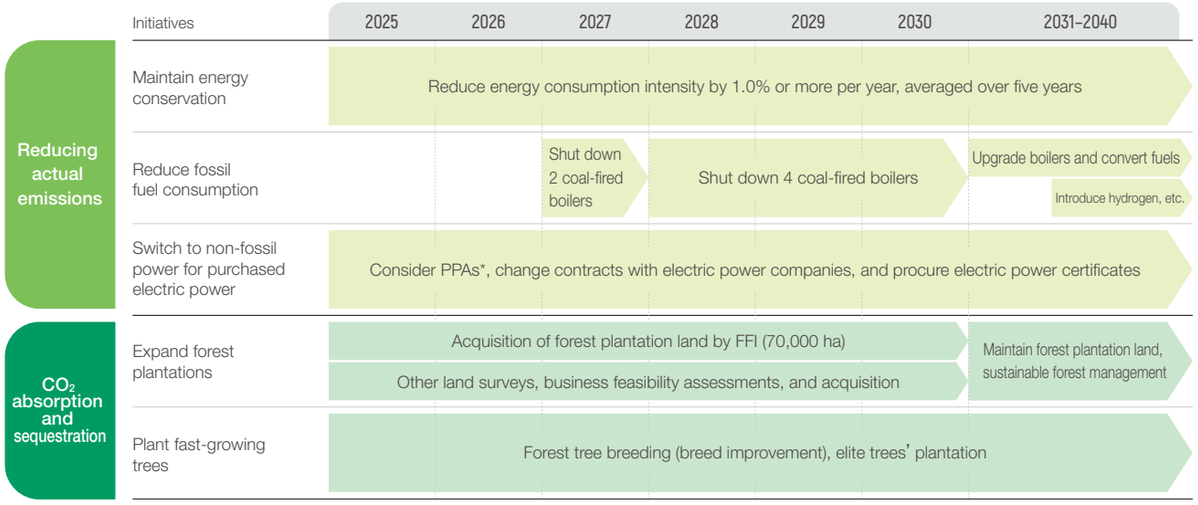
At the same time, through our forest investment fund, Future Forest Innovations (FFI), established in March 2025, we will acquire forest plantation land and promote the absorption and sequestration of CO_2.

– GHG Emission-Reduction Targets and Progress

We will reduce actual emissions (Scope 1 + 2) by 50% by FY2040 compared with FY2018, while also increasing and maintaining the net increment in carbon stocks in owned and managed forests equivalent to 50% of GHG emissions in FY2018.

In FY2025, net emissions were reduced by 34.0% compared with FY2018 levels to 5,172 kt-CO_2e.





* A PPA (Power Purchase Agreement) is a direct contract with an electricity generation utility, and in this context, it refers to the purchase of electric power generated from non-fossil fuel sources in particular.

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– Reducing Actual Emissions

In FY2025, actual GHG emissions (Scope 1 + 2) were reduced by 12.2% compared with FY2018 levels to 6,881 kt-CO_2e.

Maintain energy conservation

In FY2025, our major domestic companies invested ¥1.56 billion in energy conservation initiatives as part of our continuous efforts to reduce energy consumption. Across the entire Group, energy consumption intensity was reduced by 7.1% per year on average from FY2021 to FY2025.

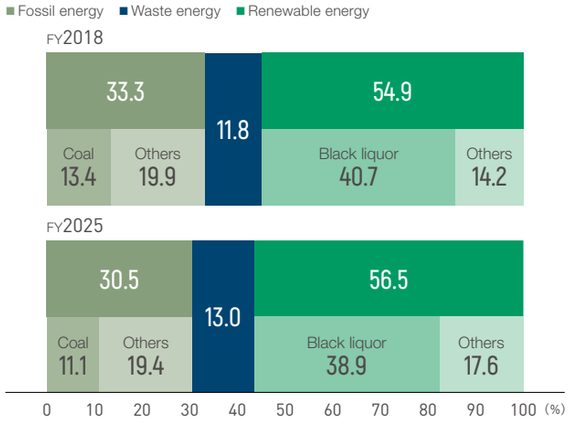
Reduce fossil fuel consumption

We shut down one coal-fired boiler in FY2021 and another one in FY2023. As a result, coal consumption decreased 25.5% in FY2025 compared with FY2018 levels, and the proportion of renewable usage was 56.5%.

From FY2021 to FY2030, we plan to execute capital investment of roughly ¥100 billion to shut down all coal-only-fired boilers in Japan, which will reduce actual emissions by about 1,000 kt-CO_2e.

ESG Data

Energy composition ratio



– CO_2 Absorption and Sequestration

Actual carbon stocks*1 at the end of FY2025 reached 143,713 kt-CO_2, and the annual average net increment in carbon stocks*2 from FY2021 to FY2025 was 1,709 kt-CO_2, equivalent to 21.8% of GHG emissions in FY2018.

*1 The CO_2 stocks in Oji Forests.
*2 The amount of CO_2 absorbed by the trees in Oji Forests minus the amount of CO_2 stored in the trees felled, which is considered as emissions.

Expand forest plantations

Recognizing that the amount of CO_2 absorbed by trees is proportional to the amount of growth, production forests with abundant trees in a growth phase absorb greater amounts of CO_2. The Oji Group is expanding forest plantation land (production forests and conservation forests) in a bid to increase the net increment in carbon stocks.

We plan to invest a cumulative total of about ¥100 billion from FY2021 to FY2030 to expand our overseas production forests to 400,000 ha.

Climate Change
Sustainable Forest Management

Plant fast-growing trees

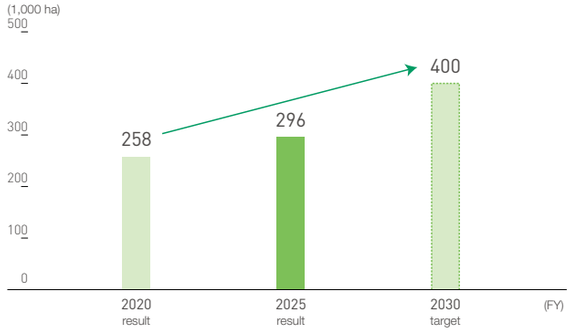
At the Asia Agriculture and Forestry Technology Center and CENIBRA (Celulose Nipo-Brasileira S.A.) in Brazil, we are improving forest plantation tree breeds in order to maintain and improve productivity. We promote CO_2 absorption by forests through the planting of specially selected elite breeds with exceptional growth rates and quality.

The mean annual increment (MAI) of trees (eucalyptus) in CENIBRA's forest plantation land was 41 m^3/ha/year in FY2025, which significantly exceeds the average MAI of Japanese cedar of approximately 10 m^3/ha/year.*3

The planting of elite trees with exceptional growth rates is also being carried out in Japan.

*3 Forestry and Forest Products Research Institute, 2021

Area of overseas production forests



– Reducing Scope 3 Emissions

To reduce GHG emissions throughout its supply chains (Scope 3 emissions), the Oji Group has set the target of reducing emissions from chip transport vessels by 40% by FY2040 compared with FY2018. In FY2025, emissions stood at 252 kt-CO_2, down 41.4%.

Much of the woodchips used as raw materials for domestic pulp and paper production are transported by special vessels from forest plantation sites overseas. In collaboration with shipping companies, we are now implementing initiatives, including slow steaming to improve fuel efficiency and the use of newly built vessels designed to have lower emissions than existing vessels.

ESG Data

Climate-related Information Disclosure in line with the TCFD Recommendations

The Oji Group announced its support for the Task Force on Climate-related Financial Disclosures (TCFD) in December 2020 and has since been working to disclose climate-related information as recommended by the TCFD. Please see our website for details of our disclosure.

Climate Change

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Circular Economy

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Contributing to Society's Transition to a Circular Economy

The Oji Group is actively engaged in the cultivation, cascading use, and circular use of renewable forest resources. We also use renewable energy to manufacture products, and use water resources and recycle recovered paper in the operation of our businesses. Through the circular use of these renewable resources, we have continued to operate businesses based on a circular economy model.

The Oji Group will continue these businesses while advancing initiatives related to water, plastic, and recovered paper, thereby contributing to society's transition to a circular economy.

Business Model P.23

Water

The Oji Group's forest resources in Japan and overseas have a water resource conservation function for purifying and accumulating fresh water. The total amount of water resource conservation across 188,000 ha of Oji Forests in Japan is estimated to be equivalent to approximately 2.6x the water withdrawal of the entire Oji Group. We will maintain the water resource conservation function of forests to support local water resources.

When using water resources, we cooperate with stakeholders and use them in ways suited to local circumstances. Some business sites are located in areas of high water stress according to the international water risk assessment tool. Although the short-term financial impact is estimated to be small, we have identified potential negative impacts on local communities.

The Oji Group set water withdrawal and water pollutant emissions targets in Environmental Action Program 2040, and it is committed to conducting stakeholder engagement activities at least once a year in areas of high water stress. Through these efforts, we reduce the Group's impact on local ecosystems and water users and advance the sustainable use of water.

Plastic

Through expanding sales of sustainable packaging that substitutes for plastic products and utilizes renewable forest resources based on sustainable forest management, the Oji Group contributes to reducing the use of plastic, which has a large environmental impact, across society as a whole.

Furthermore, although we do not use large amounts of plastic in manufacturing processes, some waste plastic is generated by contaminants in recovered paper that we use as a raw material. We recycle this waste plastic (including thermal recycling).

We have set a target of achieving Negative plastic emissions—selling sustainable packaging in volumes that meet or exceed the volume of unrecycled waste plastic—and we are advancing initiatives to achieve it.

Recovered paper

By using various types of recovered paper as raw materials after their use in products, we will reduce product waste and use resources in a circular manner, while maintaining a recycling system for recovered paper across society as a whole.

Targets and Progress

Water

	Water withdrawal intensity (m³/¥ million)	Emission intensity (kg/¥ million) BOD	COD	SS
FY2025 Results	356.2	2.71	17.60	6.53
FY2030 Targets	448.4	4.66	21.12	9.02

ESG Data Environment No. 13 ESG Data Environment No. 8
Resource circulation (Water) Environmental Impact Reduction

Plastic

	Sustainable packaging sales volume*1	Amount of unrecycled waste plastic*2	Negative plastic emissions
FY2025 Results	2,655 tons	752 tons	Achievement
FY2030 Targets	At least 5,000 tons	0 ton	

*1 Includes some non-wrapping plastic alternative paper products
*2 Total for nine Oji Group companies in Japan (Oji Paper, Oji Materia, Oji F-Tex, Oji Nepia, Oji Imaging Media, Oji Container, Morishigyo, Oji Tac, and New Tac Kasei)

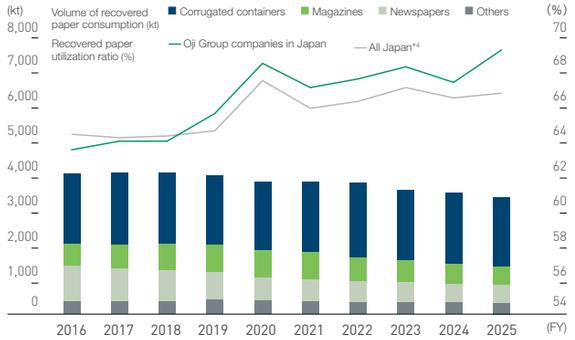
Resource circulation (Waste)

Recovered paper

Recovered paper utilization ratio (Japan)

FY2025 Result	69.3 %
FY2030 Target	70 % or more

Volume of recovered paper consumption and recovered paper utilization ratio*3



*3 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)
*4 Source for all Japan: Paper Recycling Promotion Center

ESG Data Environment No. 15 Resource circulation (Recovered paper)

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– Sustainable Water Use Initiatives

Water risk management in areas of high water stress

The Oji Group works collaboratively with local water users to reduce its impact on water resources. We used a risk-based approach to assess the water risk in the areas where our business sites are located, enabling us to focus our efforts on business sites located in areas of high water stress.

Identification of business sites located in areas of high water stress

We used the World Resources Institute (WRI) water risk assessment tool Aqueduct to identify 23 business sites in areas of high water stress, where the baseline water stress is classified as extremely high or high.

Please see here for more information about the results of the Aqueduct assessment

Survey of status of business sites in areas of high water stress

Excluding one business site that was sold in FY2025, we conducted a survey to confirm the stakeholder engagement status of 22 business sites in areas of high water stress. This enabled us to understand the Group's impact on local water resources and the challenges that were being faced and introduce initiatives to reduce the Group's negative impact and risks.

Please see here for more information about the results of the survey

Future initiatives in business sites in areas of high water stress

Ongoing stakeholder engagement activities

The Oji Group regularly conducts stakeholder engagement activities, at least once a year, at the 22 business sites located in areas of high water stress, and it works collaboratively with local water users to conserve water resources in these communities.

Please see here for information about other local initiatives

– Contributing to Plastic Reduction in Society

The momentum of the movement to reduce the use of plastic is increasing, driven by factors such as the enforcement of the EU Packaging and Packaging Waste Regulation (PPWR) and shifting consumer awareness. This societal demand presents an excellent opportunity for the Oji Group to expand its sale of sustainable packaging.

The replacement of plastic products derived from fossil resources with sustainable packaging made from renewable forest resources reduces plastic use across society as a whole and contributes to the transition to a circular economy.

Concrete initiatives

Walki: Packaging materials compliant with environmental regulations

To comply with the PPWR, Walki uses renewable materials and develops and supplies packaging materials with excellent recyclability, and it shares its knowledge of EU regulatory compliance with the entire Oji Group.

Walki website

IPI: Liquid packaging cartons (beverage and food)

IPI provides aseptic carton packages made primarily from paper for long-shelf-life products and contributes to creating market opportunities for sustainable packaging in Southeast Asia and other regions.

IPI website

Examples of IPI products P.36

OJI Sustainable Mulching Sheet: Agricultural materials

Through the development and commercialization of OJI Sustainable Mulching Sheet, the Oji Group is addressing agricultural challenges by improving crop yields through the paper material's soil temperature control effect and reducing collection work, while contributing to the reduction of plastic use.

Sustainable Mulching Sheet (Japanese only)

Sustainable Mulching Sheet P.37

– Initiatives Increasing the Sophistication of Recovered Paper Recycling Processes

The Oji Group recycles approximately 3.4 million tons of recovered paper annually to be used as raw materials in its mills and factories in Japan. The Oji Group accounts for a quarter of Japan's total recovered paper consumption. Accordingly, we help reduce waste, support the circulation of resources in Japan, maintain recycling systems, and promote the effective use of forest resources. The volume of recovered paper is declining due to the digitalization of information media and the decrease in the population. Coupled with the growing overseas demand for recovered paper and an increase in exports, this could decrease the circulation of resources domestically and negatively impact our business activities.

In light of the decreasing volume of recovered paper, the growing demand for it overseas and other changes in the external environment, the Oji Group has stepped up its proactive efforts to use recovered paper to ensure the sustainability of the recovered paper recycling system. Examples of these efforts include the recycling of composite recovered paper, such as milk cartons, as well as used paper cups and hand towels that were previously discarded, for various applications. We are committed to meeting the growing demand for recovered paper recycling driven by the expansion of our sustainable packaging business, while contributing to the realization of a circular economy.

Concrete initiatives

Collaborative corporate recycling system Renewa

In collaboration with partner companies that generate waste, we are building a recycling platform to convert recovered paper, including paper cups and aluminum-lined cartons that were previously discarded, into valuable resources. Our aim is to help realize a circular society and a decarbonized society while also expanding the sustainable packaging business by designing a seamless workflow from the collection and recycling of waste to the use of recycled products.

Renewa P.36

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Ensuring Workplace Safety and Health

Basic Approach

Alongside compliance and the environment, safety forms the foundation of the Oji Group's corporate value and must be given absolute top priority. The Oji Group aims to be a company where employees can work in a safe environment, with peace of mind, in accordance with the "basic principle of safety as the absolute top priority."

Occupational Safety and Health

– Management Structure

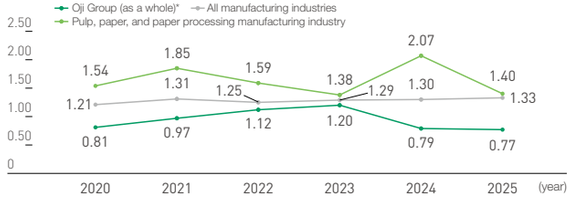
We have set the Oji Group Safety and Health Management Rules, which clarify our system of responsibilities related to safety and health in the Oji Group. Every year, we also formulate a Group Safety and Health Promotion Plan, under which we promote activities aimed at eliminating industrial accidents.

Oji Group safety and health management structures

– KPI Results (lost time injury frequency rate)

The number of occupational accidents in the Oji Group in 2025 was 17 in Japan (29 in 2024) and 53 overseas (43 in 2024). There were two fatal accidents (one in Japan and one overseas). We have introduced various initiatives to achieve the 2030 target of a 50% reduction in the lost time injury frequency rate compared with the 2018 level (0.89).

Lost time injury frequency rate



* Data for the Oji Group (as a whole) was aggregated from Oji Holdings Corporation and consolidated subsidiaries in Japan and overseas. Data for the manufacturing industry as a whole and the pulp, paper, and paper products manufacturing industries are from the Ministry of Health, Labour and Welfare's 2025 Survey on Industrial Accidents (businesses with 100 or more employees).

Note: Aggregation period: January 1 to December 31 of each year

Workplace injury trends

– Occupational Accident Prevention Initiatives

Safety patrols by management

Following frequent occupational accidents in cargo handling operations, we have been continuously holding safety patrols, with the Group Technology Division and Safety Management Department of Oji Holdings accompanying members of the Group's top management on patrols. In addition to mills in Japan, we are continuing patrols of mills overseas, such as in Malaysia, Vietnam, Brazil, and China, that focus on the implementation status of measures to prevent contact between heavy machinery and people, ensuring visibility in facility corridors, and around intersections in particular (eliminating blind spots caused by products and materials), and other factors.

In 2024 and 2025, we carried out safety patrols at 55 domestic and 11 overseas business sites, and provided guidance primarily on how to prevent contact between cargo handling machines and operators and how to make machinery and equipment safer.



Safety patrol by then-Chairman Kaku

Initiatives to prevent caught-in and crush accidents

The Oji Group takes the fatal accident in 2025 in which a person became entangled in rotating machinery seriously, and we have enhanced measures to prevent caught-in and crush accidents throughout the Group.

We are installing engineering controls, including safety fences around and covers on machines, as well as doors with interlock systems at every point of entry to a machine, to reduce the exposure of people and their hands and other body parts to hazardous areas.

We are also installing safety nets along walkways and work platforms to prevent falls into machinery.

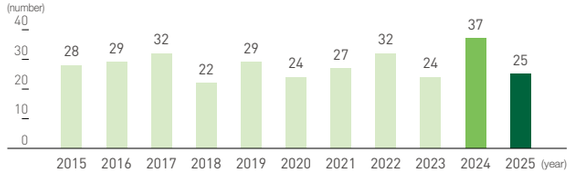
– Fire Prevention in the Workplace

Fire is a severe risk that threatens the lives of our employees. It can also critically affect local community safety and inflict devastating damage on production facilities. Every single employee of the Oji Group is committed to fire prevention to create a safe and secure workplace.

Fires within the Oji Group

In 2024, there was an increase in the number of fires. The total of 37 fire incidents was the highest number in the past 10 years, so we stepped up our efforts in 2025 to increase fire safety awareness and improve fire safety equipment. As a result, the number of fires decreased to 25.

Change in fire incidents within the Oji Group



Note: Aggregation period: January 1 to December 31 of each year

Increasing fire safety awareness

The Oji Group Disaster Prevention Committee prepared the Disaster Prevention Promotion Plan as its basic policy. Based on this, each business site has developed its own plan incorporating specific measures to actively prevent fires. The Committee also issues a Monthly Fire Prevention Report to ensure the open and transparent sharing of fire safety information. In 2025, the Oji Group management began carrying out on-site fire safety inspections at each mill and factory to increase the fire safety awareness of managers and lead the development of a safety culture.

Improvement of fire safety equipment

We analyzed the causes of past fires involving raw material conveyors and boiler fuel equipment to learn from them and conducted fire-extinguishing tests using simulated fires. We have installed or improved unique automatic fire extinguishing systems using scientific knowledge to improve fire safety at our production facilities.

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Message from the General Manager, Human Resources Division



Oji Management Office
Director of the Board
General Manager,
Human Resources Division

Kazuya Asatani

Q1 How will investments in human capital increase corporate value?

I believe that initiatives to enhance the value of human capital are not measures aimed at producing short-term results; rather, they represent a top-priority strategy underpinning a company's medium- to long-term growth potential and competitiveness (the sustainable enhancement of corporate value). As technological innovation and changes to the structures of markets and the global and social environment accelerate, a company's future value will depend on its ability to secure and develop human resources capable of steadily executing its management and business strategies, and to enhance its organizational execution capabilities and adaptability to change.

Since its foundation, the Oji Group has been creating value by optimally utilizing human resources and capital guided by its philosophy that "the source of a company's strength is its people." However, we have entered an era in which improving the quality of human capital and enabling people to fully contribute and put their capabilities to use are more directly linked to corporate value than ever before.

To steadily implement management strategies, it is important to strategically enhance the quality and quantity of human resources. Above all, over the medium to long term, we place particular emphasis on strengthening our foundation for creating innovative value by enhancing organizational execution capabilities and productivity and fostering a culture of taking on challenges.

Q2 Could you share an overview of the human resource strategy?

With strengthening the management foundation as its base, the human resource strategy provides the foundation for implementing our medium- to long-term management strategies, including improving capital efficiency, portfolio transformation, and promoting sustainability. We are advancing the human resource strategy in an integrated manner with our management strategy.

Our Group has established three key initiatives: secure human resources, develop human resources, and facilitate the active participation of human resources. By ensuring that these initiatives mutually reinforce each other, we will work to create the Supportive, Rewarding, and Open Workplace we envision. Furthermore, we are building a solid human resource foundation that will support the achievement of Long-term Vision 2035.

Specifically, we aim to develop supportive, rewarding, open workplaces by redefining human resource requirements and skills based on management strategies; recruiting and assigning human resources in a timely manner; providing education and training and sharing knowledge according to required skills; promoting autonomous ways of working and improving compensation; and strengthening two-way communication.

Q3 What are the issues regarding the human resource strategy?

To secure human resources, it is important that we improve our attractiveness, transparency, fairness, and competitiveness and thereby improve recruitment results, especially for plant engineering positions and roles at manufacturing sites, which have been difficult to fill. (P. 64)

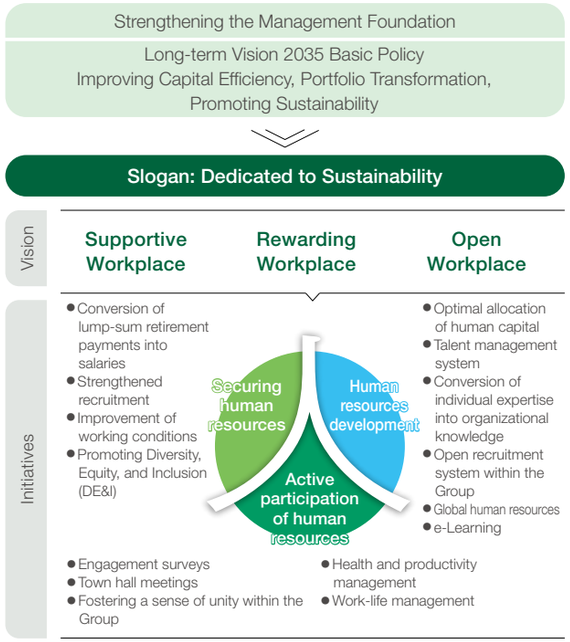
For human resource development, we must create a mechanism for systematizing individually held skills and expertise as organizational knowledge and passing that knowledge on to the next generation. (P. 65)

Regarding the active participation of human resources, we aim to create synergy and enhance our corporate value by fostering a sense of unity throughout the Group, both in Japan and abroad, and by developing an environment that enables our human resources to participate actively throughout the Group.

Q4 What goals does the Group aspire to achieve in the future?

We aim to further develop our existing initiatives by systematically securing and developing human resources with the expertise, experience, and diversity required by our management strategies, and flexibly deploying talent from both within and outside the Company. We also aim to create an environment in which each person can learn autonomously and continue to take on challenges and grow, build an organization in which improvements in human capital and corporate value reinforce each other in a virtuous cycle, and remain a company that contributes to society and earns its trust.

Relationship between the human resource strategy and management strategies



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Human Resource Strategies

– Human Resources Portfolio

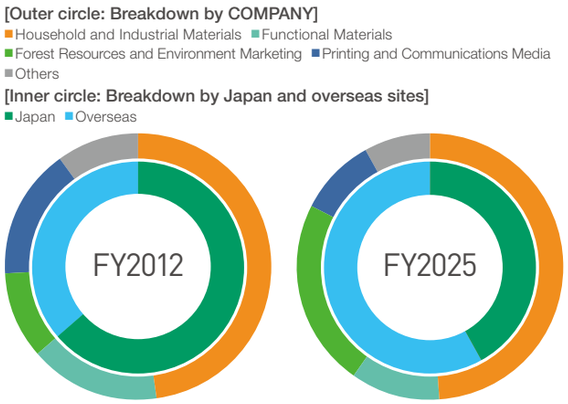
The Oji Group has carried forward the spirit of "Gappon Capitalism"*1 advocated by its founder, Eiichi Shibusawa, and, guided by the philosophy that "the source of a company's strength is its people," it has consistently positioned human resources as its most important capital since its foundation and continually invested in them.

Since its transition to a holding company structure in 2012, the Group has advanced a transformation of its business structure that goes beyond its existing business domains and evolving the priority areas of its human resource strategy with Long-term Vision 2035 in mind. As a result of initiatives including human resource reallocation, personnel have shifted to priority areas, particularly Household and Industrial Materials. With the acceleration of overseas expansion, the percentage of overseas employees has also steadily increased from 36% to 58%.

Through such efforts, we are strengthening initiatives to enhance the value of human capital while broadening the profiles of human resources needed and the areas in which they can contribute in response to changing times.

*1 The idea of utilizing the appropriate human resources and capital to enhance corporate value

Transition in personnel composition by COMPANY and Japan and overseas sites



– Securing Human Resources Supporting the Implementation of Strategies

Our initiatives to address issues in our securing of human resources are as follows.

1. Conversion of lump-sum retirement payments into salaries

We believe that the conversion of lump-sum retirement payments into salaries is an institutional reform that significantly advances our human resource strategy. We have shifted from the previous complicated deferred-payment system, which was premised on long service and seniority, to a simple, easy-to-understand, role-based compensation structure based on timely payment, which has improved the transparency, acceptability, and flexibility of compensation. This has expanded the use of defined contribution pension plans and broadened asset-building options for individuals. These efforts have enabled us to develop an environment in which employees can autonomously shape their careers and life plans.

Through this reform, we will simultaneously improve our retention of young employees and secure new graduates and highly professional human resources, thus reinforcing the sustainable human resource foundation that supports the business portfolio transformation.

2. Securing human resources at manufacturing sites

(1) Securing human resources at manufacturing sites (frontline operators)

As the workforce at our manufacturing sites ages, securing personnel at manufacturing sites has become an urgent challenge for the Oji Group in ensuring business continuity and maintaining competitiveness. To do this, we have implemented a range of institutional reforms in two areas, the retention of our current human resources and the strengthening of our recruitment of new employees.

Example initiatives to secure manufacturing site personnel

- Increasing holidays at workplaces with three shifts
- Enhancing allowances
- Reimbursing new graduate hires for travel expenses for trips to their hometowns in their first three years working for the Company
- Strengthening school visits by leveraging former HR personnel
- Reducing the workload at operation sites (improving the workplace environment through automation)

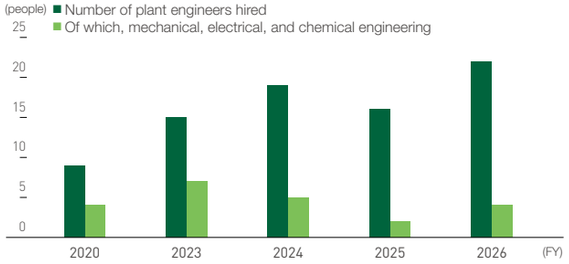
(2) Securing plant engineers (people in engineering career-track positions)

As a result of initiatives undertaken in response to intensifying competition for talent in a tight labor market, we secured more than 20 plant engineers through centralized recruitment by Oji Management Office Inc., the first time since 2019 that the number exceeded 20.

Example initiatives to secure plant engineers

- Enhancing scholarships for prospective employees
- Establishing a new allowance (¥8,000) exclusively for plant engineer positions

Change in the number of plant engineers hired



3. Securing research and development human resources

To drive the transformation of the business portfolio in a sustainable manner, it is essential to enhance research and development capabilities to create new technologies and new business domains, in addition to the development of existing technologies. Accordingly, the Oji Group positions research and development human resources as core human resources who are responsible for the creation of new value and the strengthening of business competitiveness.

However, we have faced issues in the recruitment and retention of research and development human resources. We reformed work styles and workplace environments by establishing a working group consisting mainly of young employees, introducing the 15% rule,*2 and other efforts. As a result, the turnover rate improved from 6.9% in FY2020–FY2022 to 3.1% in FY2023–FY2025.

*2 A system which allows employees to dedicate 15% of their working hours to voluntary activities that lead to innovation

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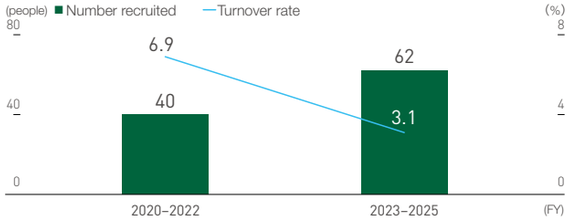
In recruitment, we proactively utilize referral recruitment to secure human resources with expertise or practical experience, and mid-career hiring has also steadily increased. Through this initiative, we are strengthening our human resource foundation in the research and development domain to facilitate continuous innovation.

Research workers: Number recruited and turnover rate



4. Promoting the active participation of women

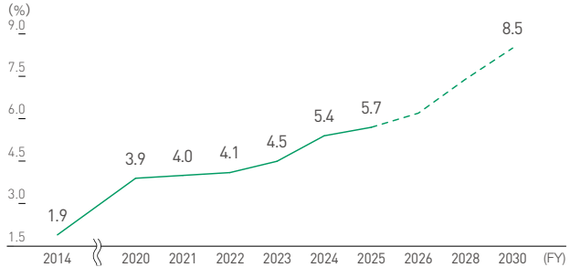
Across 16 Group companies, we set a KPI target of 5.5% for the percentage of managers that are women as of the end of March 2025 and continued our initiatives, but the actual result was 4.9%, falling short of the target. Major factors behind the shortfall were the turnover of women in management positions and women identified as candidates for management positions (70%), as well as the non-promotion of management candidates (24%). In light of this, we have expanded the scope to 20 companies and set a new KPI target of 8.5% by the end of March 2031.

In FY2025, we held a roundtable discussion with the goal of increasing the career awareness of employees other than those in career-track positions. A lack of career awareness was a factor in the failure to achieve the target. We will continue to identify issues in the promotion of women and move forward with initiatives to achieve our medium- to long-term targets.



Female employees' roundtable discussion on careers

Changes in the percentage of managers that are women



Scope of data: 20 Group companies (Results for FY2024 and before were recalculated to adjust for the expansion of the scope to 20 Group companies.)

Please see here for other diversity initiatives

5. Future initiatives (retention of human resources)

Moving forward, we will advance initiatives to utilize and retain the human resources we have secured.

We interviewed employees in career-track positions who were recruited centrally by Oji Management Office Inc. in FY2026. We also plan to collect information from departments recruiting through the open recruitment system within the Group (P. 66) to learn about the status of their utilization of the human resources transferred to them.

– Human Resources Development

1. Optimal allocation of human capital

Reflecting the progress in the Oji Group's global expansion and the transformation of its business portfolio, it is shifting from its previous siloed allocation of human resources within individual departments to the optimal utilization of human resources throughout the Group. We understand that developing infrastructure to enable the visualization of the skills and expertise of each individual employee and utilizing human resources by placing the right people in the right jobs is an important task for achieving this shift. We are moving forward with the visualization of human resources and the optimal allocation of human resources throughout the Group by establishing a skill map and enhancing the open recruitment system within the Group. Through these initiatives, we will enhance our utilization of human resources centered on individuals' skills to increase the organizational strength of the Group as a whole.

2. Introduction of a talent management system (dashboard-based management of skills)

In FY2025, we began developing a framework to identify employees' skills and proficiency levels and to support development and human resource allocation (human resource matching) based on those skills and levels. We defined approximately 50 jobs, divided each into six or seven tasks, and organized the required skills into around 500 categories (approximately 3,000 skill-and-level combinations in total). The goal is to enable employees to review skill requirements, understand their current capabilities, identify areas for development, and envision their future careers through discussions with their supervisors.

At present, 48 Group companies have introduced this system. We will continue to expand the scope of its application.

3. Conversion of individual expertise into organizational knowledge

(1) Oji Library

We have established the Oji Library, an internal platform on which we have consolidated useful content from external sources and temporary or implicit internal information and expertise. We use the Oji Library to share knowledge within the Group and facilitate reskilling. We support employee reskilling to improve productivity and engagement.

(2) CEO Sales Awards

In FY2025, we established the CEO Sales Awards and presented awards to four projects. The awards recognize successful sales cases at Group companies in Japan and overseas, with the aim of widely sharing the knowledge behind them ("proven sales approaches") across the Group. The goal is to increase employees' awareness of value-creating sales to help enhance the Group's sales capabilities.

In addition, we post information that is useful for the sales and other departments, including information about customers and products in award-winning cases, descriptions of value creation models, and feedback from salespeople.

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4. Open recruitment system within the Group

We implement an open recruitment system within the Group every year to facilitate autonomous career development in line with employees' goals and to appropriately assign and effectively utilize highly motivated human resources.

In FY2025, a total of 14 employees (60 employees cumulatively since FY2022) were transferred through open recruitment in 12 departments directly related to the Long-term Vision or global expansion.

5. Global human resources

The development of global human resources is an important element for the realization of management strategies to advance global expansion in the future, mainly in India and Southeast Asia where high economic growth is expected.

In addition to developing global human resources via the open recruitment system within the Group, we began to provide the Global Intensive program in FY2023 to expand the pool of candidates for expatriate positions. In this training program, we invite foreign employees working at overseas sites to the Oji Group Fuji Training Center to provide opportunities to interact in person. A total of 12 of the participants in this training program have been stationed overseas.



6. e-Learning

We have established an environment that enables each individual employee to learn independently to continue to take on challenges and develop personally. We are advancing initiatives to build an organization in which there is a virtuous circle enhancing human capital and corporate value.

We introduced an e-learning program in FY2024 to support the autonomous growth of employees, and in FY2025 we added an engineering e-learning program that had been requested via the self-reporting system and other means. Approximately 800 employees have enrolled in this program, and all of the costs are covered by the Company.

Please see here for other human resources education initiatives

– Active Participation of Human Resources

Human resources maximize their capabilities by working energetically and building a relationship with the organization that is based on mutual trust. Based on this belief, the Oji Group is implementing initiatives to improve engagement (P.67) and foster a sense of unity. At the same time, it is developing a workplace environment that enables everyone to realize their own diverse work styles and take on challenges with peace of mind.

1. Fostering a sense of unity within the Group

We held a quiz and social gathering planned and implemented by new employees to improve engagement by fostering a sense of unity within the Group and facilitating communication with management. The CEO, other officers, and more than 200 other employees participated in the event. Through interaction based on a shared experience, the event helped build trust across organizational levels between new employees and management/supervisors, while also strengthening horizontal connections within the Group.



The team that won the quiz event planned by new employees

2. Human resources exchange with external organizations

We believe that exchanges with external organizations, beyond the Group, are important not only for acquiring external knowledge and broadening perspectives but also from the perspective of fostering innovation and improving productivity through exposure to diverse values.

Through the industry-government-academia Platinum Society Network, we participate in the exchange of human resources with external organizations, dispatch human resources to an international industry organization (the International Sustainable Forestry Coalition), and participate in programs facilitating the development of core human resources.

3. Health and productivity management

Under the leadership of the CEO, who serves as Chief Health Officer, our activities for health and productivity management are promoted through cooperation among the companies, health insurance unions, labor unions, and industrial physicians. These measures aim to create working environments where employees can actively work in a lively manner and with sound health. We were recognized under the 2026 Certified Health and Productivity Management Organization Recognition Program (Large Enterprise Category) for the sixth consecutive year since FY2021.

[Examples of initiatives]

- Expansion of medical checkup items and cost subsidies
- Actively recommending secondary health checkups
- Stress checks conducted targeting all employees
- Introduction of health promotion app
- Holding health seminars
- Establishment of Health Consultation Office

Utilization of health promotion app

We have introduced a health promotion app to enable each employee to proactively engage in health improvement activities. We encourage behavioral changes among employees through daily tracking of steps, diet, weight, sleep duration, and other metrics.

Furthermore, we regularly hold walking events that utilize the app to encourage its use and raise employees' health awareness through participation in the events.

4. Work-life management

In addition, we take flexible measures to improve productivity and respond to diverse work styles, including reduction of total working hours, utilization of remote work and the flextime system, provision of nursing care seminars, a work location restriction system at some companies, and a selective four-day workweek system for employees aged 55 and older, thus supporting improvement of work-life management.

Please see here for other work-life management initiatives

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5. Engagement survey

To maximize the active participation of human resources, we conduct a regular quantitative engagement survey of each organization. We respond to the results of the surveys and address issues identified in them.

In addition to 10 quantitative survey items, the survey includes optional comment fields enabling issues to be addressed in a more detailed and tailored manner.

The 10 items are divided into five items on engagement related to work and five on engagement with the organization. We use questions on job satisfaction (engagement related to work) and willingness to work long term (engagement with the organization) as key questions and analyze trends over time.

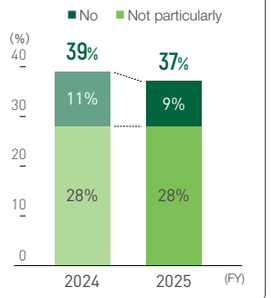
Compared with the results of the FY2024 survey, the percentage of negative responses decreased by two percentage points for both job satisfaction and willingness to work long term.

We believe that the improvement measures described below, implemented at business sites with low scores, contributed to this improvement.

Engagement survey results

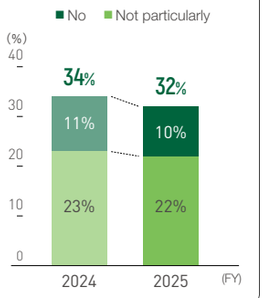
Do you feel your work is worthwhile?

Engagement related to work



Would you like to continue working at your current company long term?

Engagement with the organization



Issues identified

While the engagement scores of the Group as a whole have improved, the scores still vary greatly from organization to organization, which we recognize as a significant issue.

Based on a detailed analysis, including comments provided in optional comment fields, we believe that the causes of the gaps between departments include not only workload and environmental factors but also differences in the management capabilities of managers.

Priority measures for improving engagement

❶ Feedback regarding results and planning and implementation of improvement measures

We have established a process in which we first aggregate the results of the engagement survey of each Group company on a department-by-department basis (for departments with five or more employees) and provide feedback to the relevant company to facilitate an objective understanding of the conditions in its workplaces. Following this, the head of each department shares the results of the survey with their team members to identify issues and consider improvement measures, resulting in specific actions implemented in each department. Furthermore, we have established a system under which we encourage companies with low scores to plan and implement improvement measures and check their progress and the effects of their efforts on an ongoing basis. We ensure that the next survey and set of measures reflect these initiatives for the continuous implementation of a PDCA cycle to improve engagement and the workplace environment.

❷ Reflecting survey results in compensation for officers and managers

We ensure that the stock-based compensation paid to officers (P.81) and the salaries and bonuses paid to employees in managerial positions reflect the results of the employee engagement surveys.

We position improvement in engagement, which underpins organizational productivity and sustainable growth, as an important criterion for evaluating management with the goal of fostering an open workplace culture that encourages employees to take on challenges.

❸ Town hall meetings held by management

We continue to hold town hall meetings (a direct dialogue between management and employees) to share the Group's current situation and challenges and incorporate feedback from frontline employees, thereby deepening communication, building a consensus on business operations, fostering a sense of unity within the organization, and improving employee engagement.

As in FY2024, our management team engaged in a dialogue based on the results of the engagement surveys with approximately 1,200 employees from 41 locations across Japan in FY2025.



Town hall meeting with the CEO (Innovation Promotion Division)

[Example initiatives in response to participants' opinions]

- Improvement of workplace environments
  - ・Installation of portable air-conditioning units at factories to prevent heat stroke
  - ・Replacement of women's toilets with Western-style ones

  etc.
- Improvement of compensation
- Introduction of subsidies for recreational activities
  A set amount of expenses for recreational activities (including social gatherings) is subsidized to promote communication both within and outside the workplace.

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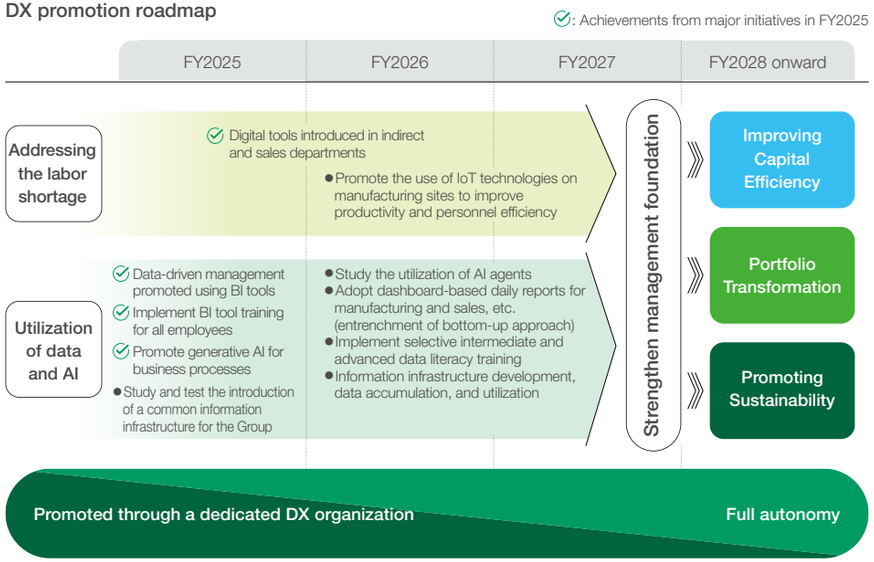
Digital Transformation Strategies

– Digital Transformation Strategies to Achieve the Long-term Vision

The Oji Group positions its digital transformation (DX) strategies as a measure for strengthening its management foundation to achieve its Long-term Vision and Medium-term Management Plan 2027. In particular, we are advancing the strategies in accordance with the following roadmap with two pillars: addressing the labor shortage and the utilization of data and AI.

DX promotion roadmap



Major initiatives in FY2025

Initiatives	Details	Achievements
Data-driven management promoted using BI tools	Introducing BI tools in management meetings	Reporting of financial results using BI tools began in the May 2025 monthly management meeting.
Implement BI tool training for all employees	Providing basic data literacy training	The KPI target was achieved, with approx. 10,000 employees having completed the training program by May 2026.
Promote generative AI for business processes	Holding workshops on the use of generative AI	The number of prompts submitted increased by 30% from October 2025 to March 2026.
Digital tools introduced in indirect and sales departments	Introducing a sales data visualization tool	Now used for customer outreach when launching new products (see details at right)

– DX Case Studies by Department

Sales departments: Leveraging the Group-wide sales network

Sales activities within the Oji Group have traditionally been conducted largely on a company-by-company basis. We have introduced a tool that visualizes the customers and industries with which our major Group companies have strong sales relationships.

This enables us to identify the customers and industries where the Group has strong sales relationships and determine which Group company can most effectively approach customers when selling new products. We will continue to pursue data-driven sales activities.

Manufacturing departments: Transfer of skills using video work manuals

At our manufacturing sites, the transfer of skills to the next generation of employees is a major issue, and the workload on operators is increasing due to the decline in the workforce. As a solution to this issue, we are creating video work manuals. More than 200 video manuals have been created within the Group.



Incorporating videos of skilled operators at work into the manuals makes it possible to standardize and improve the content of training programs while reducing instructor workload.

In addition, it is expected that video manuals will provide many other benefits, such as the facilitation of instructions in different languages. Accordingly, we will continue to proactively create video work manuals to establish a highly resilient production system.

Research and development departments: Research and Development Pioneered by AI

• Introduction of the data-driven management of research resources

We have begun a pilot program using a system that visualizes the progress of projects and the status of resources to facilitate rapid data-driven decision-making and the development of a strategic research and development portfolio.

• Use of generative AI in a broad range of research and development operations

We are streamlining the process from market analysis to the planning of a new business and the preparation of reports. At the same time, we are facilitating the creation of new ideas by linking generative AI with our internal knowledge base.

• Use of AI to enhance R&D and intellectual property strategies

We have begun to use AI in the planning of advanced, highly feasible business strategies. This includes using AI to identify promising areas of technology where market needs match the intellectual property assets we possess.

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– Advancement of Digital Transformation Infrastructure and Cybersecurity Measures

Development of digital transformation infrastructure

To advance our digital transformation in the future, we continue to develop digital transformation infrastructure focusing on two aspects of these efforts.

1) Strengthening DX promotion organizations

We have already appointed personnel for promoting DX at each company. In 2026, we will appoint an officer-level executive at each company as the person responsible for DX promotion and establish a DX promotion organization under that person, thereby developing a strong framework for achieving each company's mission.

In addition, separately from the organizations of the individual companies, we will establish a volunteer digital transformation technical team to facilitate the cross-sectoral solving of issues.

2) Developing data infrastructure

As a result of many mergers and acquisitions, a broad range of data is stored on many different platforms with different levels of granularity. To use AI for business at a high level, we need to store the data that is critical for the management of the Group within its unified platform at an appropriate level of granularity. Accordingly, we will start discussing the development of data infrastructure, including the definition of critical data.

Strengthening cybersecurity

In response to the growing seriousness of cyber threats in recent years, the Oji Group has established the Group Information System Usage and Risk Management Regulations as its fundamental policy and set up a Computer Security Incident Response Team (CSIRT) within Oji Business Center Co., Ltd., which oversees the Group's cybersecurity risk management activities.

To prepare for attacks facilitated by the misuse of AI, which are expected in the future, the CSIRT continuously updates the Group-wide cybersecurity framework. At the same time, we are taking steps to increase employees' awareness of cybersecurity through a combination of training programs including e-learning programs and targeted e-mail attack drills.

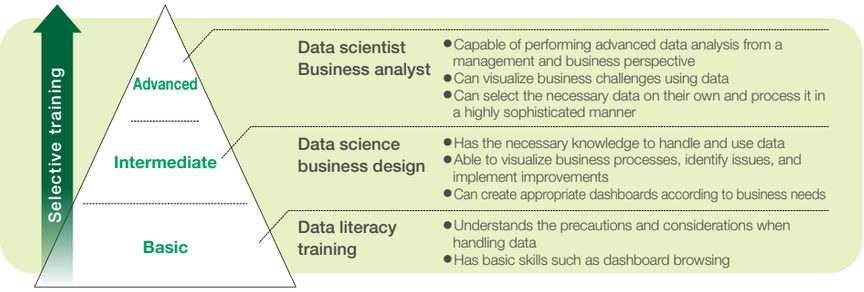
Moving forward, we will implement initiatives to build a system to ensure the continuity of corporate activities even amid cyber threats, including by assessing the status of cybersecurity measures throughout the supply chain.

– Human Resource Strategies Supporting Digital Transformation

Data literacy training is essential for the promotion of digital transformation. From 2025 to May 2026, approximately 10,000 employees took the basic data literacy training. Our target was achieved. We will continue to provide regular training while enhancing its content.

In addition, we will start a new selective training program in FY2026. In FY2026, we will provide intermediate business and technical skills training to 1,000–5,000 employees depending on the content of the training programs to develop the human resources who will play core roles in the promotion of the digital transformation in their workplaces.

KPI item	Target	Timing of achievement
Provision of introductory business training and basic technical training as selective training	2,000 employees each	July 2027



Topics

Mill-Led Digital Transformation Evangelist

At Oji Paper Tomakomai Mill, we established a team for autonomous DX promotion. Over a period of three months, members assigned to this team carry out activities based on issues they have identified themselves, without receiving instructions from their supervisors, and then return to their original workplaces.

The achievements of this team include the development of an app that prevents the failure of computers that are always in operation at the mill. One important purpose of this initiative is to develop evangelists who will bring the team's culture of autonomy back to their workplaces and facilitate the autonomous promotion of DX at each workplace in the future. Going forward, we aim to build a system for developing these digital transformation evangelists throughout the Oji Group.



A meeting of the Oji Paper Tomakomai Mill digital transformation promotion team

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Roundtable Discussion with Independent Outside Audit & Supervisory Board Members

Dialogue

Ensuring sound management through collaborative three-way audits

As Oji advances its restructuring and global expansion agenda, the Audit & Supervisory Board is playing an even greater role within the Group. In this roundtable discussion, Outside Audit & Supervisory Board Members exchange opinions on three-way audits, Group governance reforms, risk management, M&A and investment decisions, and priority themes for the future.



Independent Outside Audit & Supervisory Board Member

Hidero Chimori



Independent Outside Audit & Supervisory Board Member

Takashi Nonoue



Independent Outside Audit & Supervisory Board Member

Keiko Fukuchi

Effectiveness of the auditing system based on the three types of audits

Chimori: My assessment of the current status of the Oji Group's auditing system is that the three types of audits function effectively thanks to close, seamless collaboration between the Audit & Supervisory Board Members, the Internal Audit Department, and the Accounting Auditor in their respective audits. This is my sixth year as an Outside Audit & Supervisory Board Member. I first became an Outside Audit & Supervisory Board Member shortly after the Oji Group switched to a new Accounting Auditor. I think the fact that the new Accounting Auditor confirmed that there were no major issues with the accounting and auditing systems boosted the Oji Group's confidence. We also work closely with the Internal Audit Department. We receive a report after every meeting of the Audit & Supervisory Board, and any concerns are promptly shared, including with the Accounting Auditor.

Nonoue: I feel seamless collaboration in the three-way audits is definitely a major strength of the Oji Group. At corporations with many group companies like the Oji Group, mechanisms for using human capital, information, and know-how across the group to enhance corporate value are important. I feel that Oji Holdings' corporate functions, for example, its Internal Audit Department, administrative functions, and Group Technology Division, support the sharing and application of information across each COMPANY responsible for overseeing operating companies by business segment.

Fukuchi: I feel the same. Based on my experience serving as an Outside Audit & Supervisory Board Member at several companies, the Oji Group's strength lies in achieving appropriate and timely collaboration in its three-way audits. Another feature is that, during onsite audits, full, accurate audits are carried out, with financial data analyzed in detail ahead of onsite interviews.

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Group governance in a time of change

Fukuchi: The Oji Group is flexibly implementing restructuring and the Group's composition and organizational structure are also changing. Amid this change, Oji is required to increase the effectiveness of governance across the Group. In audits, I try to determine the appropriateness of each deal based on an understanding of the entire transaction, while ensuring objectivity through both data analysis and interviews.

Chimori: As you mentioned, the Group comprises many subsidiaries and second-tier subsidiaries, and Oji Holdings' thorough performance of effective audits across the Group is a challenge for a Group of this size. As there is a limit to the action that can be taken by the Audit & Supervisory Board Members of individual companies and Oji Holdings' Internal Audit Department alone, we are also closely monitoring efforts to strengthen the internal audit function of each COMPANY. The integration of the Oji Group's internal controls and governance into newly acquired organizations is another focus of onsite audits, etc., conducted by the Standing Audit & Supervisory Board Members.

Nonoue: My understanding of the problems is the same. Points being focused on in particular are whether Directors' performance of duties is in line with the Medium-term Management Plan and whether risks associated with management decisions are being properly understood and managed. In actual audits, we gain a multifaceted understanding of operational information through the exchange of opinions with the Internal Audit Department and the auditors and management of each COMPANY and verify risks and the appropriateness of management decisions. With the composition of the Group changing through M&A and restructuring, it is essential to develop systems for understanding and sharing important information in a timely fashion and translating this into necessary action, taking the circumstances of each company into consideration. We will also continue assessing whether security measures are being fully implemented across the Group.

System for detecting signs of risks

Nonoue: Overlooking indications of a minor risk can lead to a major risk even in normal circumstances. With the management environment undergoing radical changes, it is important to nip problems in the bud and preemptively address risks. From this perspective, we are focusing on whether the business portfolio transformation set out in the Medium-term Management Plan is being steadily implemented and we are carefully assessing the valuation of goodwill associated with M&A and business restructuring. In light of developments in the external environment such as rising raw material and fuel costs and rising wages in Asia, we are also checking for any indications of changes in accounting valuations.

Chimori: From a risk management perspective, it is important to have judgment criteria that are shared across the Group. The sharing of the Group's Purpose (P.01) to guide business activities across the Group is, in my view, a major step forward. I think Oji's management has a high level of compliance awareness and thorough risk analysis is conducted for every proposal. In my capacity as Outside Audit & Supervisory Board Member, I will check for any major risks from a legal and compliance perspective, verify the appropriateness of risk countermeasures, and bring depth to discussions.

Fukuchi: Yes, it is important to read the signs rather than take action once a risk has materialized. In this regard, the Oji Group has put systems in place to ensure that risk management functions effectively at many levels. Going forward, a proactive risk management mindset needs to be encouraged across the entire organization. A flow for promptly investigating the cause of any trouble, checking for similar cases by sharing information across the organization, and thoroughly implementing countermeasures is essential. I feel that Oji is receptive to this kind of approach and is quick to take action to bring about improvement.

Chimori: The most recent important theme related to compliance is the Act on Preventing Delay in Payment to Small and Medium-Sized Entrusted Business Operators in Relation to Manufacturing Consignment (SME Transactions Act). The SME Transactions Act is a key theme in onsite audits due to the likelihood of risks arising in actual transactions at an operational level. Whenever I accompany other auditors on onsite audits, I also make a conscious effort to check that the act is being applied. During onsite audits, I attach importance to listening to the opinions of site workers as well as checking the status of operations.

Balancing growth investment and capital efficiency

Fukuchi: I feel that, in recent years, management focusing on capital efficiency has steadily gained traction among Oji's executives. Oji endeavors to avoid a conglomerate discount in which certain highly profitable businesses compensate for others and tries to see the balance of the overall business portfolio in terms of long-term profitability. The adoption of the CxO system is expected to result in more in-depth discussion of the whole management plan, including the future potential and target vision of each business, in addition to objective financial indicators.

Nonoue: I feel that this awareness of capital efficiency is also evident in the investment project review process. The effects of investment projects are reviewed systemically, and projects that are falling short of the plan

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are continuously monitored until the plan is achieved. The consistency of M&A activities with the Oji Group's Philosophy and Purpose of delivering the value of forest resources to society is assessed from the screening stage. In addition, after acquisitions, progress in developing systems and building relations with Oji Holdings is continuously assessed. Moreover, as seen with the withdrawal from a certain business in New Zealand, even in the case of a successful acquisition with a good track record, if an unexpected risk materializes, a timely and appropriate decision to withdraw is also made in line with internal criteria for considering withdrawal.

Chimori: Staying on the topic of M&A activities, Oji needs to keep checking the validity of the purchase price in light of future returns. However, in my opinion, given the relevance of the target companies and target businesses to the Group's businesses, the Oji Group's current M&A activities are based on a strong strategic rationale.

Management themes to be monitored in the future

Chimori: Going forward, I will be focusing on the effectiveness of the newly adopted CxO system as a cross-functional coordination framework. To ensure that management focusing on capital efficiency gains traction across the Group, including subsidiaries and second-tier subsidiaries, and to develop a structure that will be profitable in the long term, I think it is important that restructuring is led by Oji Holdings and not left to each COMPANY.

Nonoue: In light of the revisions to the Corporate Governance Code, action on IT governance will also be an important theme. I will be checking from my perspective as an Audit & Supervisory Board Member whether a governance structure in line with the times is being developed. Securing human capital is also an important management issue facing all companies, and the utilization of AI, DX, and robotics will be essential. I believe that utilization of these technologies to maintain and improve safety and the quality of operations and to develop environments where people can focus on higher-level decision-making will lead to improvement in the Oji Group's corporate value in the medium to long term.

Fukuchi: In addition to risks at an operational level, amid growing instability in the global environment, business risk management is an important management theme for the Oji Group as a global company. Particularly in overseas operations, it is necessary to consider not only financial KPIs but also non-quantitative risks such as country risk and changes in laws and regulations. It will be important to detect signs of these risks early and quickly share and address them with Group companies in Japan and overseas. Stepping up effective governance across the Group will be more and more imperative going forward.

Aiming for growth beyond restructuring

Chimori: I think it will be important to demonstrate to shareholders the Oji Group's path to medium- to long-term growth, in addition to shareholder returns. As an Outside Audit & Supervisory Board Member, I will keep an eye on management to ensure that the transformation being implemented for this purpose leads to sustainable growth and improvement in corporate value. At the same time, the Oji Group's growth and development depends on its employees and human capital. I also intend to focus attention on the development of rewarding workplaces where employees can thrive.

Nonoue: The Oji Group is steadily advancing its transformation under its Purpose, and these efforts are beginning to deliver results in its financial performance. In my capacity as Outside Audit & Supervisory Board Member, I will fulfill my duties to shareholders by assessing from an independent perspective whether the Group's governance is fit for the times and by supervising management.

Fukuchi: As you both said, steadily achieving growth through restructuring is important. The Oji Group's officers responsible for business execution and employees work every day to make the Oji Group an attractive corporate group combining both stability and growth potential. In my role as Outside Audit & Supervisory Board Member, I will also help ensure appropriate management to support their efforts.

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Directors and Audit & Supervisory Board Members



Directors

(1) Hiroyuki Isono
Representative Director of the Board, President, CEO
Term of office: 11 years

(2) Kazuhiko Kamada
Representative Director of the Board, Executive Vice President, CSO
Term of office: 11 years

(3) Akio Hasebe
Director of the Board, Senior Executive Officer, COO
Term of office: 4 years

(4) Satoshi Takuma
Director of the Board, Senior Executive Officer, CTO
Term of office: 1 year

(5) Tadashi Oshima
Director of the Board, Senior Executive Officer, CFO
Term of office: Newly appointed

(6) Seiko Nagai
Independent Outside Director of the Board
Outside Independent Nomination/Compensation
Term of office: 5 years

(7) Hiromichi Ogawa
Independent Outside Director of the Board
Outside Independent Nomination/Compensation
Chair of the Board, Chair of the Nomination and Compensation Committees
Term of office: 4 years

(8) Sachiko Fukuda
Independent Outside Director of the Board
Outside Independent Nomination/Compensation
Term of office: 2 years

(9) Atsuko Muraki
Independent Outside Director of the Board
Outside Independent Nomination/Compensation
Term of office: 1 year

(10) Hiroji Adachi
Independent Outside Director of the Board
Outside Independent Nomination/Compensation
Term of office: Newly appointed

Audit & Supervisory Board Members

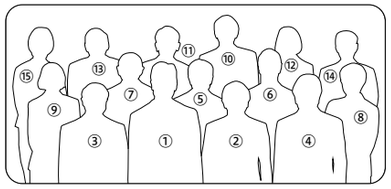
(11) Teruo Yamazaki
Audit & Supervisory Board Member
Term of office: 3 years

(12) Haruko Souma
Audit & Supervisory Board Member
Term of office: 1 year

(13) Hidero Chimori
Independent Outside Audit & Supervisory Board Member Outside Independent
Term of office: 5 years

(14) Takashi Nonoue
Independent Outside Audit & Supervisory Board Member Outside Independent
Term of office: 4 years

(15) Keiko Fukuchi
Independent Outside Audit & Supervisory Board Member Outside Independent
Term of office: 1 year



Note: The term of office indicates the number of years as of the end of the Ordinary General Meeting of Shareholders held in June 2026.

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Corporate Governance

Basic Approach

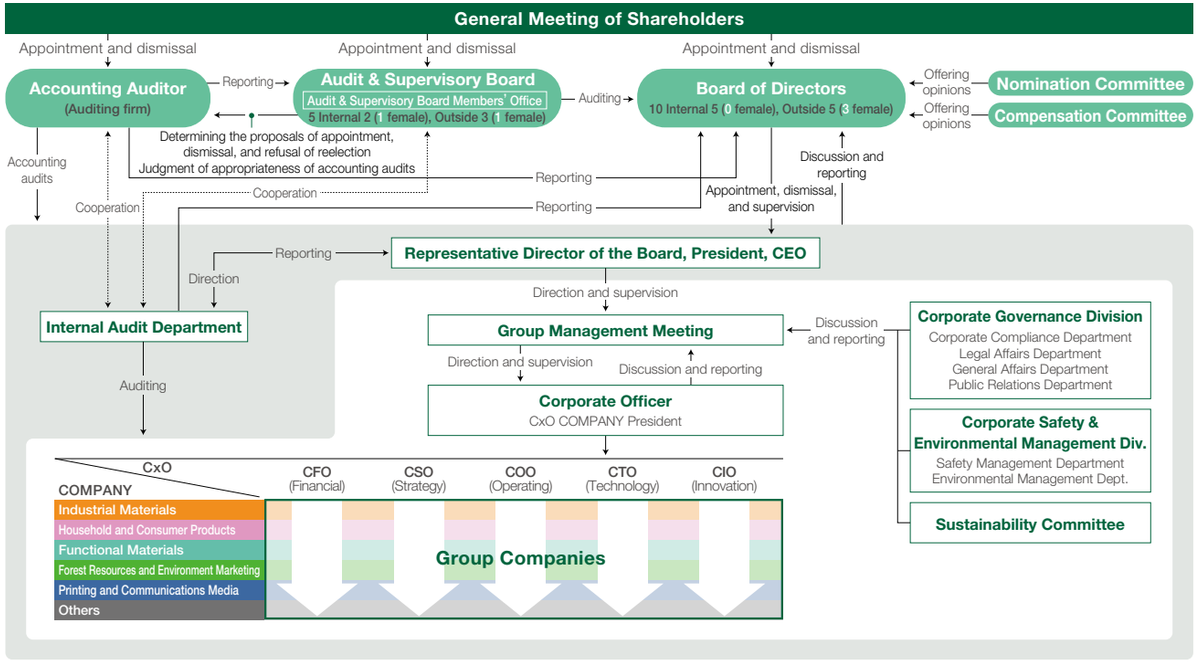
The Oji Group established the Oji Group Corporate Code of Conduct based on the fundamental values and philosophy that have been handed down since the Group's foundation and has undertaken business activities with an awareness of its role as a corporate member of society and a strong sense of integrity throughout the Group. Having positioned the enhancement of corporate governance as one of the highest priority issues for management, the Group will ensure the efficiency, soundness, and transparency of management, while building relationships of trust with its diverse stakeholders. In doing so, the Group aims to increase its corporate value and become a company that is trusted by society.

– Corporate Governance Structure

The Group has adopted a COMPANY system under which Oji Holdings undertakes the formulation of Group management strategies as well as the supervision of Group governance, while each COMPANY comprised of closely associated businesses forms the center of the Group's business operations. This structure accelerates decision-making by each business unit and clarifies management responsibilities. Effective April 1, 2025, we have also adopted a CxO system to further maximize Group synergies, achieve overall optimization, and enhance information sharing. Furthermore, since July 2026, an Outside Director has served as Chair of the Board, further strengthening the Board's supervisory function.

Corporate Governance Structure

Corporate Governance Structural Diagram



– Overview of the CxO System

In addition to the existing COMPANY system for overall supervision of each Group company on a business-by-business basis, each CxO oversees and manages their respective domains across the Group through a matrix structure that integrates both vertically and horizontally. This enables faster execution of Group management strategies and overall optimal management.

At present, we have adopted a system under which CxOs attend Group Management Meetings, budget briefings by each Group company, briefings on important investment projects and other meetings, enabling the CxOs to examine projects and provide advice and instructions on them from the perspective of Group governance. In addition, a CxO meeting is held every two weeks to strengthen collaboration among the CxOs and contribute significantly to overall optimization.

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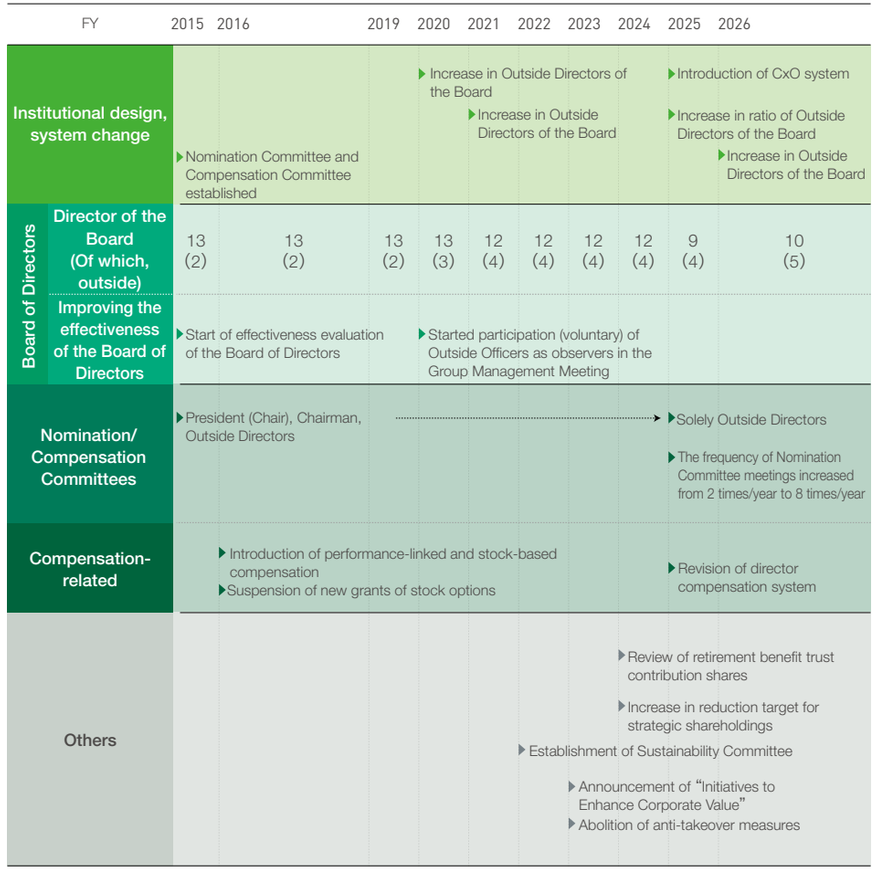
– Evolution of Corporate Governance

The Oji Group has continuously worked to improve its corporate governance, based on the fundamental corporate values and principles of conduct passed down since its founding, while adapting to changes in the times and business environment and looking ahead to the future.

Evolution of Corporate Governance



– Board of Directors and Audit & Supervisory Board

Board of Directors

The Board of Directors of the Oji Group makes important decisions regarding business execution based on the Management Philosophy and strategies, while also establishing a system to support rapid decision-making. Furthermore, the Board of Directors supervises business operations from an independent and objective standpoint, and supervises the construction of internal control and risk management systems, and the operation of these systems. Through these initiatives, the Board of Directors will fulfill its fiduciary responsibility and accountability toward shareholders to enable the Company to achieve sustainable growth and enhance its corporate value over the medium to long term as well as to improve its profitability and capital efficiency.

Major items on the agenda of the Board of Directors in FY2025



The Directors had many discussions on the strategy for transforming the business portfolio, which is a core part of the Medium-term Management Plan.

- Portfolio transformation strategy ··· Entry into new businesses, scrutiny of unprofitable businesses, consideration of large-scale capital investments
- Financial strategy ··· Dividend policy, reduction of strategic shareholdings, treasury stock buybacks, etc.
- Corporate governance ··· Officer remuneration, etc.
- Business strategy ··· Discussion of the Long-term Vision and new Medium-term Management Plan
- Matters related to financial results, etc.

Audit & Supervisory Board Members and Audit & Supervisory Board

The Audit & Supervisory Board and its Members conduct operational audits and accounting audits from an independent and objective standpoint, fulfilling their fiduciary duty to shareholders. They strive to actively conduct audits leveraging the information gathering capabilities of the Standing Audit & Supervisory Board Members and independence of the Outside Audit & Supervisory Board Members while maintaining cooperation with the Outside Directors of the Board.

To improve the effectiveness of audits, Audit & Supervisory Board Members regularly meet with the Accounting Auditor and the Internal Audit Department to share information and exchange opinions about audit plans, the status of the implementation of audits, and audit results.

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– Nomination Committee and Compensation Committee

The Nomination Committee and the Compensation Committee have been established as advisory bodies to the Board of Directors. In addition to improving objectivity and transparency regarding the decisions of both committees, the Compensation Committee deliberates on the analysis and evaluation of the effectiveness of the Board of Directors.

Following the June 2025 General Meeting of Shareholders, both committees consist solely of Outside Directors, and each is chaired by an Outside Director. The Nomination Committee met eight times in FY2025, up from two meetings in the previous year, to enhance the quality of its deliberations.

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 report to the Board of Directors.

Major items on the agenda of the Nomination Committee in FY2025

Nomination and appointment of Directors, Corporate Officers, and Audit & Supervisory Board Members, deliberation on their dismissal, appointment of Corporate Advisors, deliberation on committee composition policies

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 report to the Board of Directors.

Major items on the agenda of the Compensation Committee in FY2025

Performance evaluation for performance-linked compensation for Directors and Corporate Officers, analysis and assessment of the effectiveness of the Board of Directors, deliberation on committee composition and policies

Structures of the Nomination Committee and the Compensation Committee and their meetings held in FY2025

Position	Name	Attendance	
		Nomination Committee	Compensation Committee
Independent Outside Director of the Board	Seiko Nagai	8/8	4/4
Independent Outside Director of the Board	Hiromichi Ogawa Committee Chair (since July 2025)	8/8	4/4
Independent Outside Director of the Board	Sachiko Fukuda	8/8	4/4
Independent Outside Director of the Board	Atsuko Muraki	7/8	3/4
Note: Until June 2025, the following two people were also members of both committees.			
Chairman (until March 2026)	Masatoshi Kaku	1/1	1/1
President	Hiroyuki Isono Committee Chair (until June 2025)	1/1	1/1

– Message from the Chair of the Nomination and Compensation Committees

Increase in governance effectiveness through system changes



Independent Outside Director of the Board
Chair of the Board
Hiromichi Ogawa

System changes and governance effectiveness

In June 2025, Oji changed to a new system under which both the Nomination Committee and the Compensation Committee consist solely of Outside Directors and I chair them both. The purpose of the changes was to further increase independence and transparency. Each committee first organized the overall issues and then identified specific matters for deliberation before proceeding with discussions. Committee members offered a range of frank opinions in their capacity as Independent Officers, while CEO Isono participated as an observer as appropriate so that the committees could accurately understand relevant information, views, and opinions from the executive side. To sum up activities over the past year, in my view, we have succeeded in holding deliberations under balanced governance and in increasing the effectiveness of each resolution.

Compensation Committee

Starting from FY2025, the committee increased the percentage of performance-linked compensation and significantly changed the evaluation criteria for short-term incentive bonuses and long-term incentive stock-based compensation. The emphasis is now on value sharing with shareholders, motivation toward medium- to long-term management goals, and long-term retention. The committee held deliberations on the appropriateness and effectiveness of specific KPIs for each evaluation criterion, reconciling the actual situation on the business execution side with the perspectives of Outside Directors. Where possible, the committee established evaluation criteria that are quantifiable based on financial indicators, actual results, internal survey results, or other data, and determined

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percentage allocations for each of the evaluation criteria. Because it is somewhat difficult to set quantifiable KPIs for nature positive management, we set them in a way that involves multifaceted evaluation of activities related to Medium-term Management Plan themes such as climate change measures, utilization of Oji Forests, and the circular economy, as well as levels of achievement.

The committee also compares the overall compensation structure every year with that of similar sized companies in Japan. Our policy is to make flexible adjustments to evaluation criteria, KPIs, and percentage allocations according to changes in the business environment.

Officer Compensation System P.81

Nomination Committee

The Nomination Committee held deliberations on important themes related to the corporate management framework, while also seeking to communicate effectively with the business execution side.

- **Composition of the Board of Directors:** The committee held deliberations from a governance perspective on the balance between the supervisory function and the business execution function within the Board of Directors, and made the following two recommendations to the Board of Directors.
  (1) From the viewpoint of strengthening the supervisory function, complementing the Group's manufacturing expertise, and incorporating more diverse perspectives, it would be advisable to appoint one additional Outside Director with a background in technical business operations.
  (2) In light of the importance of financial operations, capital policy, and the shareholder return policy, it would be advisable to appoint the CFO as an executive director.
- **Directors' skills matrix:** The committee partially revised the previous fiscal year's skills classifications and wording based on changing internal and external perspectives.
- **Monitoring of the CxO system:** The committee conducted interviews with the CxOs and the Corporate Planning Division to assess the effectiveness of the CxO system adopted in FY2025 and confirmed that the cross-functional coordination framework is working mostly as planned and is having a positive impact on governance. Given the size of the Oji Group, I believe that smooth vertical and horizontal communication and prompt information sharing are essential for sustainable improvement in corporate value, and I therefore have high hopes for further enhancement of the CxO system.
- **CEO succession plan:** The committee discussed and carefully examined a succession plan, taking into consideration the candidate requirements, development process, and approach to the candidate pool presented by CEO Isono, and developed separate plans for normal circumstances and emergencies. These plans will be reviewed annually to increase their effectiveness.
- **Number of Corporate Officers and appointment process:** The committee held deliberations on the nature of the business execution system, taking those of similar sized companies into consideration, and recommended to CEO Isono that Oji increase the number of Corporate Officers to increase the agility of business execution. The committee also had the business execution side present internal information on the candidates' interpersonal skills and self-control, in addition to their business skills, and conducted a multifaceted assessment of the candidates' suitability from the perspective of Outside Directors.

CxO CrossTalk PP.09–12

Roundtable Talk with Outside Directors PP.16–19

Governance issues and outlook

I recognize that the governance expected by stakeholders is to achieve short-term performance targets, appropriately implement business transformation in line with the Long-term Vision, and ensure sustainability management that pursues economic, environmental, and social value in a balanced manner. In view of the Oji Group's scale and diverse business areas, I think it is right that the Board of Directors focuses on the supervisory function and promotes the delegation of authority to bolster the business execution function across the Group. Going forward, we will likely need to consider a wide range of issues. I intend to help develop effective systems through constructive discussions with business executives. I am also acutely aware of the process for developing next-generation human resources who will drive sustainability management and intend to focus on this in my duties as chair.

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– Improvement of the Effectiveness of the Board of Directors

Policy and process for the nomination of Directors and Audit & Supervisory Board Members

Oji Holdings has stipulated its policy regarding the nomination of Directors and Audit & Supervisory Board Members in its Fundamental Policies on Corporate Governance, and it follows appropriate processes in making decisions.

Please see our website for the policy and process for the nomination of Directors and Audit & Supervisory Board Members.

Fundamental Policies on Corporate Governance

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

Independence of Directors

Standards for the independence of Outside Officers are determined by the Board of Directors based on the standards set by the financial instruments exchanges and after comprehensively considering any relationships of interest between Outside Officers and the Company or its major subsidiaries, including capital, personal, and business relationships.

There has been significant institutional progress in the improvement of the independence of the Board of Directors because the proportion of Outside Directors on the Board has been increased and the compositions of the Nomination Committee and the Compensation Committee have been changed so that they are now solely Outside Directors.

Furthermore, in June 2026, we added one more Outside Director, resulting in 50% of the Board of Directors being Outside Directors. We will continue to enhance the environment regarding the operations and composition of the Board of Directors to improve its independence.

Succession planning

When appointing chief officers, the Group seeks out individuals who, in addition to exceptional ethics and character, possess advanced expertise regarding the Oji Group's businesses and strong leadership skills that enable them to manifest the Group's management and growth strategies from a medium- to long-term perspective. Through an appointment process that involves strict personnel reviews, the Group selects management personnel candidates at the level of each COMPANY for the purpose of improving the capabilities and knowledge required for managing individual companies within the scope of the businesses for which they are responsible. This approach also serves to develop and promote future generations of management personnel candidates for the Group on a global basis while charting personnel reassignments between COMPANIES. Based on this approach, the Nomination Committee is communicating closely with the CEO to develop succession plans for normal times and emergencies.

– Effectiveness Evaluation of the Board of Directors

The Fundamental Policies on Corporate Governance stipulate that the effectiveness of the Board of Directors be analyzed and evaluated every year, required measures be taken to ensure the effectiveness as a whole, and an overview of the findings be disclosed. Regarding the effectiveness evaluation of the Board of Directors, an annual questionnaire is distributed to all Directors of the Board and Audit & Supervisory Board Members concerning the Board's role, composition, and operations.

Survey questions in FY2025

1. Formulating the Group management strategies and presenting the direction
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 of and discussion by the Board of Directors
7. Time and frequency of deliberation
8. Provision of information to participants
9. Relationship with stakeholders
10. Implementation and effects of measures for the improvement of the Board of Directors
11. Whether the Nomination/Compensation Committee is functioning
12. Whether the CxO system is functioning

Actions taken in response to the results of the FY2025 evaluation

The evaluation results were analyzed and discussed by the Compensation Committee, composed solely of Outside Directors. Based on the committee's report, the Board of Directors then deliberated the identified issues and future initiatives and acted.

Initiatives in FY2025

We promoted the adoption of the newly established CxO system to support management in the prompt and unwavering execution of business. To further enhance our management supervision functions, we provided information to the Directors, including Outside Directors, and we enabled Directors to share information to enhance the supervisory functions of the Board of Directors. We also increased the ratio of Outside Directors to increase the diversity of the expertise possessed by the Board of Directors.

FY2025 evaluation results

The Board of Directors was evaluated as fulfilling its role of deliberating and making decisions on significant business execution matters and fulfilling its supervisory functions in line with the direction of management. In particular, the Board of Directors was recognized as having fulfilled its role of clearly providing a medium- to long-term direction for the Group by fully discussing the Long-term Vision, the Medium-term Management Plan, and individual projects.

FY2026 issues

While significant improvements were made regarding the supervision of management and support for its prompt and unwavering execution of business, we understand that there is room for further improvement. We will continue to discuss the operations and composition of the Board of Directors to improve the effectiveness of the Board of Directors.

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Board of Directors Skill Matrix

The skill matrix comprises skills considered particularly important for the Board of Directors to make appropriate management decisions and exercise highly effective supervision of business implementation, thereby realizing the Oji Group's management strategies. In light of changes in internal and external perspectives, we have partially revised the skill categories and expressions used in the previous fiscal year's skill matrix.

Expected contributions and expertise

• **Corporate management** • **Business portfolio transformation**	Basic management skills required to realize corporate sustainability and management strategy Skills for developing and modifying structures in new fields of business to implement business plans, in addition to conventional business operation skills
• **Finance and accounting** • **Capital strategy**	Skills to grasp business conditions financially and raise questions, and to realize capital efficiency improvement
• **Innovation** • **Manufacturing**	Skills to create innovative ideas and technologies for non-continuous growth and give a concrete shape to them
• **Marketing** • **Branding** • **Market structure**	Skills to anticipate needs and differentiate products and services and to build new business models
• **Global**	Skills to raise questions and make decisions from a global perspective
• **Human capital** • **DX**	Skills to reform business processes through development and utilization of diverse human resources and promotion of digitization
• **Sustainability** • **ESG**	Skills related to environment, society, and governance; they are foundations of corporate management and indispensable for sustainability
• **Legal affairs** • **Compliance** • **Risk management**	Skills to supervise corporate activities, predict risks, and make proposals against risks from the perspective of legal affairs
• **Production technology and safety**	Skills for establishing safety measures for manufacturing sites and connecting them to stable and efficient production in an optimal production system

Board of Directors Skill Matrix

		Nomination Committee	Compensation Committee	Corporate management Business portfolio transformation	Finance and accounting Capital strategy	Innovation Manufacturing	Marketing Branding Market structure	Global	Human capital DX	Sustainability ESG	Legal affairs Compliance Risk management	Production technology and safety
Hiroyuki Isono Reelection	Representative Director of the Board, President			●	●	●		●		●	●	
Kazuhiko Kamada Reelection	Representative Director of the Board, Executive Vice President			●			●	●	●	●		
Akio Hasebe Reelection	Director of the Board, Senior Executive Officer			●	●		●	●				
Satoshi Takuma Reelection	Director of the Board, Senior Executive Officer			●		●		●				●
Tadashi Oshima New election	Director of the Board, Senior Executive Officer			●	●				●		●	
Seiko Nagai Reelection	Independent Outside Director of the Board	○	○				●	●	●			
Hiromichi Ogawa Reelection	Independent Outside Director of the Board	◎	◎	●	●		●					
Sachiko Fukuda Reelection	Independent Outside Director of the Board	○	○		●					●	●	
Atsuko Muraki Reelection	Independent Outside Director of the Board	○	○						●	●	●	
Hiroji Adachi New election	Independent Outside Director of the Board	○	○	●		●						●

Notes:
1. ○ indicates the Director is a member of the Nomination Committee and Compensation Committee, and ◎ indicates they are the chair of a committee.
2. The roles specifically expected of each Director are listed and do not represent all of the abilities possessed by each Director.
3. Please see the Corporate Governance Report for the main reasons for the selection of each Director.

Please see here for details. Fundamental Policies on Corporate Governance Corporate Governance Report Corporate Governance

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– Independent Outside Directors and Independent Outside Audit & Supervisory Board Members

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

Persons with a high level of expertise and broad insight who are able to express opinions that are independent from the Company's management and from the perspectives of various stakeholders are selected as Independent Outside Director candidates. In addition, persons with excellent character and insight, high expertise, and rich experience are selected as Independent Outside Audit & Supervisory Board Member candidates.

Note: Please refer to the Corporate Governance Report for the reasons for the selection of the Outside Directors and Outside Auditors.

Corporate Governance Report

Activities and roles of Outside Directors and Outside Audit & Supervisory Board Members in FY2025

Independent Outside Director of the Board	Activities and roles in FY2025
Seiko Nagai	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-ranging insight
Hiromichi Ogawa	Fulfilled the role expected of him regarding the management of the Company from a standpoint that is independent from the Company's management, by making comments 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-ranging insight
Sachiko Fukuda	Fulfilled the role expected of her regarding the management of the Company from a standpoint that is independent from the Company's management, by making comments from a multifaceted perspective influenced by her experience as a certified public accountant and attorney-at-law and knowledge of sustainability, and based on her extensive experience, high level of expertise, and wide-ranging insight
Atsuko Muraki	Fulfilled the role expected of her regarding the management of the Company from a standpoint that is independent from the Company's management, by making comments from a multifaceted perspective influenced by her experience as a public official and knowledge in the field of human resources development, and based on her extensive experience, high level of expertise, and wide-ranging insight

Independent Outside Audit & Supervisory Board Member	Activities and roles in FY2025
Hidero Chimori	Provided expert opinions 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
Takashi Nonoue	Provided expert opinions based on his extensive experience, high-level expertise, and wide-ranging knowledge as a public prosecutor and attorney-at-law
Keiko Fukuchi	Provided expert opinions based on her extensive experience, high-level expertise, and wide-ranging knowledge as a public official and a certified public tax accountant

Activities of Independent Outside Officers in FY2025

Attendance at Board of Directors meetings and briefings conducted by the officer responsible for the Corporate Governance Division regarding matters submitted to the Group Management Meetings and matters planned to be submitted to the Board of Directors meetings (number of meetings held/attendance rate)	Held 17 times / 93%
Attendance of Outside Directors and Outside Audit & Supervisory Board Members at Board of Directors meetings (number of meetings held/attendance rate)	Held 15 times / 98%
Attendance of Outside Audit & Supervisory Board Member at Audit & Supervisory Board meetings (number of meetings held/attendance rate)	Held 14 times / 100%
Interviews with the Company's officers (CxOs, Chair of the Board, COMPANY Presidents)	16 times
Inspections of operating companies	2 times

Please refer to P. 76 for attendance of Outside Directors and Outside Auditors at Nomination Committee and Compensation Committee meetings.

– Sharing Information with Outside Officers

The following initiatives are being undertaken to enhance discussions at Board of Directors meetings.

Sharing information with Outside Directors and Auditors

In addition to reporting matters to be submitted to the Group Management Meeting and the Board of Directors to Outside Officers twice a month in principle, we are striving to further enhance information sharing by allowing Outside Officers to participate in Group Management Meetings as observers on a voluntary basis. For all Audit & Supervisory Board Members, including Independent Outside Audit & Supervisory Board Members, we have established the Audit & Supervisory Board Members' Office, staffed with several personnel including dedicated staff members, which reports important information to the Independent Outside Audit & Supervisory Board Members.

Enhancement of education programs for Independent Outside Officers

We conduct on-site visits and other activities as part of initiatives to enhance Outside Officers' understanding of the Group.



Inspection of Oji Nepia Tokushima Mill



Inspection of Oji Paper Kasugai Mill

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– Officer Compensation System

Policy on determination of director compensation

Officer compensation at Oji Holdings comprises base compensation that is fixed compensation, bonuses that reflect short-term performance, and stock-based compensation that reflects medium- to long-term enhancement of corporate value. The compensation program and determination policies are set forth in the Fundamental Policies on Corporate Governance.

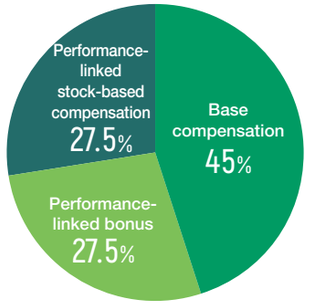
Total compensation, etc., by type for each type of officer (FY2025)

Type of officer	Total compensation (million yen)	Fixed compensation	Performance-linked compensation		Number of eligible officers
			Bonuses	Stock-based compensation	
Directors (excluding Independent Outside Directors)	542	254	133	155	9
Audit & Supervisory Board Members (excluding Independent Outside Audit & Supervisory Board Members)	54	54	0	0	3
Independent Outside Directors and Independent Outside Audit & Supervisory Board Members	111	111	0	0	9

Revision of the director compensation system

(1) Composition of director compensation

In FY2025, we reduced the ratio of base compensation, which is fixed compensation, for Internal Directors to less than half of the total, thus increasing the ratios of bonuses and stock-based compensation that are linked to performance, etc.



(2) Evaluation metrics that are performance-linked

In conjunction with the revision of the compensation system, we have linked compensation to items related to capital efficiency and other performance indicators associated with Long-term Vision 2035 and Medium-term Management Plan 2027 to establish a system that motivates Directors to achieve targets.

Bonuses	Evaluation metric	Evaluation weight
Profitability	Operating profit	50%
Capital efficiency	ROE	40%
Non-financial	Lost time injury frequency rate (LTIFR)	10%

Stock-based compensation	Evaluation metric	Evaluation weight
Profitability	Profit attributable to owners of parent	30%
Capital efficiency	ROIC	30%
Growth potential	Sales in areas with growth potential	10%
Shareholder value	Dividend payout ratio of 50% or more	10%
Non-financial	Promotion of nature positive (natural capital) management	10%
	Employee engagement	10%

Evaluation metrics (non-financial metrics, etc.)

■ Net sales in areas with growth potential

Evaluation based on net sales in areas with growth potential on which we are focused, including the sustainable packaging and forest biomass businesses

■ Lost time injury frequency rate (LTIFR)

This was chosen as an evaluation metric in accordance with “safety as the absolute top priority,” a basic principle of the Oji Group. The evaluation is conducted based on the “Lost time injury frequency rate (LTIFR)” disclosed in the Group’s ESG Data.

■ Nature positive (Promotion of natural capital management)

Evaluation of the extent to which action on climate change (Green Transformation/GX and Carbon Neutral/CN), the promotion of the use of the Oji Forests, and the promotion of the circular economy — which are action items in the Medium-term Management Plan — have been implemented

■ Employee engagement

This was chosen as a metric that corresponds to the enhancement of employee engagement, which is a part of our human capital strategy. Employees’ attachment to and motivation toward the Company and their work, as fostered through their individual growth and demonstration of their capabilities, are evaluated based on the results of the engagement survey.

– Policy for Strategic Shareholding

The Group strategically holds shares that are expected to contribute to the sustainable growth of the Group and the enhancement of corporate value over the medium to long term as part of its management strategy for the purpose of business alliances and strengthening and maintenance of long-term and stable relationships with business partners. The Group is reducing its strategic shareholdings by reviewing the rationale for holding each individual share at the annual Board of Directors meeting, and steadily reducing them through stricter management. In addition, the Group is engaging in careful dialogue with the issuers of the shares to be reduced to ensure they understand our policy.

(Please see Review of FY2025 (P. 31) for initiatives on strategic shareholding. Please refer to Financial Data (P. 92) for the ratio of strategic shareholdings to net assets.)

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Dialogue with the Capital Markets

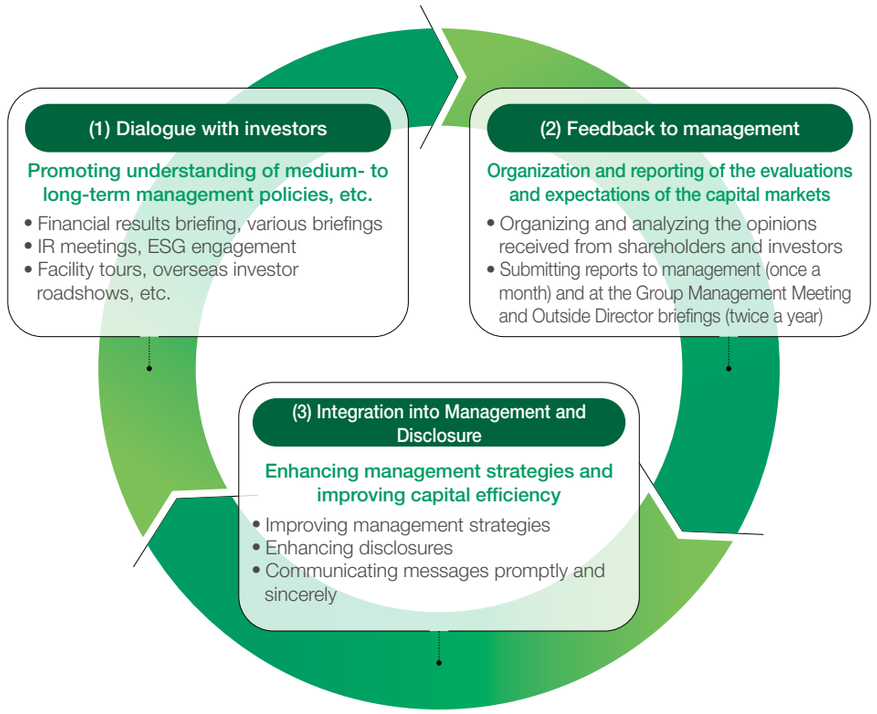
– Basic Approach to Investor Engagement

We value a constructive and continuous dialogue with our shareholders and investors, and we work to strengthen trust with the capital markets. Through financial results briefings, IR meetings, and ESG engagement, we communicate our medium- to long-term management policies, growth strategies, and approach to capital allocation in a clear and timely manner and disclose information to ensure transparency and fairness.

We also receive valuable opinions and evaluations through this dialogue and incorporate them into management to further refine our management strategies and improve capital efficiency.

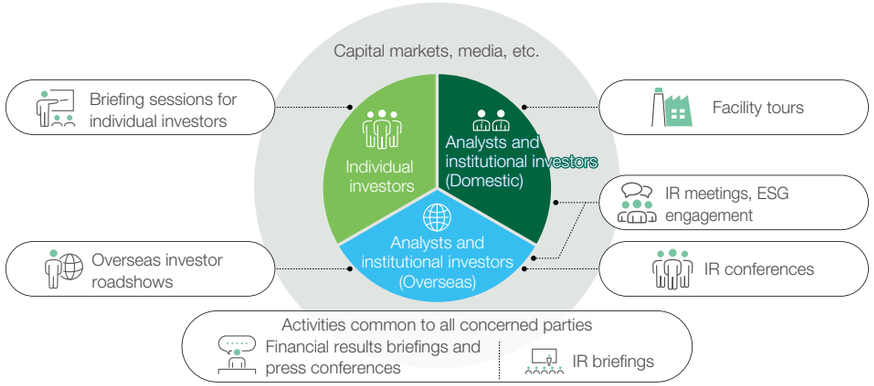
We will enhance our profitability and lower our cost of capital through disciplined investments and stable cash generation, thereby steadily increasing our corporate value, with the aim of remaining a company that investors can trust over the medium to long term. We established our Disclosure Policy, which clearly states these ideas, in June 2026.

Investor Relations
Disclosure Policy



Activities

Main activities in FY2025 are as follows.



	Times	Event dates	
Financial results briefings and press conferences	4	May, August, November 2025; February 2026	Held quarterly for analysts and institutional investors (press conferences are held for the first-half and full-year results)
Medium-term Management Plan briefing	1	May 2025	Held Medium-term Management Plan 2027 briefing
Briefing sessions for individual investors	2	December 2025; February 2026	Participated in a briefing event for individual investors hosted by a securities firm
IR meetings, ESG engagement	216	Ad hoc throughout the year	Conducted individual meetings online and in person
Facility tour	1	September 2025	Organized tour of our sugar solution and bioethanol pilot plant and paper mill in the Yonago area
Overseas investor roadshows	4	August, September 2025; January, March 2026	Conducted 20 individual meetings in Australia, Europe, and Singapore (2 times)
IR conferences	2	September 2025; February 2026	Engaged with 17 overseas institutional investors over 2 days

Feedback provided to management

We appropriately organize and analyze the opinions and evaluations obtained through our dialogue with shareholders and investors and the expectations and concerns of the capital markets and report them to management once a month. We also provide them as feedback during the Group Management Meeting and Outside Director briefings every six months. Doing this enables us to incorporate external perspectives into management decision-making with the goal of increasing the validity and effectiveness of our strategies.

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Management and information disclosure that reflects the feedback received

We incorporate the perspectives and opinions of our shareholders and investors into management to improve the quality of both management and disclosure, with the aim of sustainably enhancing our corporate value. Major themes discussed during our dialogue with shareholders and investors in FY2025 and our examination of them and responses are as follows.

Major themes of our dialogue with shareholders and investors in FY2025

Short-term perspectives	**Financial results and budgets:** Current business performance, forecast for highly volatile pulp prices Progress in negotiations to increase the prices of each product type, feasibility of price increases Degree of impact of geopolitical risks, ability to address rising costs	
Medium-term perspectives	**Medium-term Management Plan:** Roadmap toward the achievement of numerical management targets and progress by factor Approach to cash allocation **Shareholder returns:** Dividend continuity	(1) (2) (3)
Long-term perspectives	**Business restructuring:** Approach to business portfolio transformation and withdrawal from low-profitability businesses **Improving capital efficiency:** Roadmap toward an ROE of 8% (and 10% in the future) **Sustainability:** Progress in Environmental Action Program 2040, progress in the creation of economic value from forests	

Responses to major topics raised through dialogue with shareholders and investors in FY2025 ((1), (2), and (3) in the table)

Request 1



Could you share a clear breakdown of your progress toward operating profit of ¥120.0 billion in FY2027 by factor?

We will prepare to disclose our progress on each one of the six factors on P.20 of the Medium-term Management Plan presentation materials. (Disclosed on P.28 of the FY2025 Summary of Financial Business Results)



Consideration policy

Question 2



What is your approach to cash allocation when cash flows from operating activities have decreased?

We will more carefully select targets for upkeep CAPEX while maintaining R&D and growth investments to the greatest extent possible. We will also secure funds for investments by accelerating the sale of shareholdings and rental properties.



Answer

Question 3



The dividend for the current fiscal year is ¥36 per share. Is the lower limit ¥24 per share? | What is your dividend policy for the next fiscal year and beyond?

We have firmly maintained stable dividends for a long time. Since the 2008 global financial crisis, we have never decreased dividends. We intend, in principle, to maintain a dividend policy that prioritizes stable dividends (forecast dividend for FY2026: ¥36 per share).



Answer

Topics

Evolution of Management and Disclosure in Response to Feedback from the Capital Markets

Our dialogue with our shareholders and investors has enabled us to identify many issues with our approach to management. Taking the feedback we received seriously, in FY2025 we shifted from a profit-and-loss-focused management to balance-sheet–focused management, a shift we had been considering, and we formulated and announced our Medium-term Management Plan focused on the improvement of capital efficiency. We also increased the frequency of financial results briefings. Previously, we held them only for the second- and fourth-quarter results, and now we hold them for the first- and third-quarter results as well, and we have enhanced the information we disclose. Through these efforts, we strive to improve the quality of our dialogue with shareholders and investors. Based on our understanding that these initiatives remain a work in progress, we will continue to work to make improvements by listening to the frank opinions of our shareholders and investors.

Topics

Growth Strategy Shared during Yonago Mill Tour

In September 2025, we provided a tour of Yonago Mill to increase participants' understanding of our forest biomass business, one of our growth businesses that we are focused on. Many institutional investors participated in the tour and saw our sugar solution and bioethanol pilot plant in addition to our existing paper manufacturing equipment. This was followed by a lecture and Q&A session with the CIO, who oversees the R&D function responsible for the forest biomass business. We also held a networking session with members of our management team, including the CSO, CFO, and CIO. It was a valuable opportunity to directly listen to the frank opinions of investors. We take the opinions that we received seriously, and we will use them in our internal considerations and discussions for the future commercialization of the business.



Yonago Mill tour

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Risk Management

The Oji Group implements appropriate risk management practices based on the high ethical standard laid out in the Oji Group Corporate Code of Conduct. Supervised by the Board of Directors, we are building a systematic global risk management structure in line with the Group Risk Management Regulations. For more information, please visit the website.

Risk Management Framework and System

Major risks

The Oji Group identifies major risks that could have a material effect on its financial position, etc., and categorizes them into three groups: risks regarding long-term issues, risks associated with its management strategies, and risks arising from the execution of business, as shown below. Please refer to "Section 2: Business Overview – 3. Business Risks" in the Securities Report (Japanese only) for details on major risks and main countermeasures against risks.

Securities reports (Japanese only)

	Risk item	
Risks of long-term issues	• Climate change • Pandemic	
Risks associated with our management strategies	• Structural changes in demand arising from innovation • Fluctuations in demand	• Fluctuation in global market conditions • Domestic business • Overseas business
Risks arising from the execution of business	• Occurrence of disasters, etc. • Laws and regulations • Litigation and other actions • Product liability	• Exchange rate fluctuations • Interest rate fluctuations • Information leakage

BCP

We have formulated a BCP for each COMPANY to respond to an emergency when a risk associated with the execution of business materializes. For more information, please visit the website.

BCP

Oji Group Tax Policy

The Company has established the Oji Group Tax Policy based on the idea that proper tax payment in compliance with the tax laws and regulations of each country will increase our corporate value and foster society's trust in us. For more information, please visit the website.

Oji Group Tax Policy

Compliance

The Oji Group has established the Oji Group Corporate Code of Conduct and the Oji Group Behavior Standard, which are based on principles of the United Nations Global Compact, the SDGs, and its Management Philosophy. They function as the Group's basic policies on compliance. They are communicated to all officers and employees to ensure compliance with laws and regulations and ethical behavior.

Corporate Code of Conduct and Behavior Standard
Compliance

In our compliance structure, the Representative Director of the Board, President and CEO is responsible for compliance, and the General Manager of the Corporate Governance Division oversees the Group as a whole. In addition, the Corporate Compliance Department serves as the administrative office and promotes effective initiatives by positioning compliance managers and compliance promotion leaders to domestic and overseas operating companies.

Fostering awareness and preventing corruption

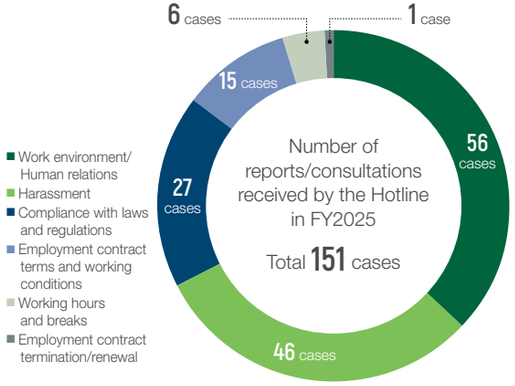
To ensure compliance with laws and regulations and ethical behavior, we conduct regular training sessions on key topics such as harassment, the SME Transactions Act, the Anti-Monopoly Act, and anti-bribery measures; communicate information through our monthly Compliance News newsletter and in other ways; and hold regular compliance meetings to increase individual officers and employees' awareness of compliance. We have also developed Group Anti-Bribery and Anti-Corruption Regulations and related guidelines to maintain sound and highly transparent relationships with politicians, governments, and our business partners. In May 2026, the Oji Group issued the Oji Group Anti-Corruption Declaration, clearly positioning anti-corruption as a core element of the Oji Group's management policy.

Activities to Foster an Awareness of Business Ethics and Compliance
Anti-corruption

Whistleblowing system

To prevent violations of laws and regulations and misconduct and to ensure their early correction, the Oji Group has established the Oji Group Compliance Hotline, which is available to all officers and employees, with whistleblowing desks that have been established both internally and externally. We handle reports in a fair manner while ensuring whistleblowers are protected. In FY2026, we began to operate a whistleblowing system available in six Southeast Asian countries as our first step in establishing a global whistleblowing system that consolidates all reports at the Group headquarters.

Number of cases received by the internal and external hotlines (FY2025)



Whistle-blowing system in compliance with the Whistleblower Protection Act
ESG Data

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Strategy by Business Segment

The Oji Group is improving the profitability of its existing businesses and building a strong earnings base for future evolution, by positioning the Medium-term Management Plan 2027 as a preparatory phase toward achieving the Long-term Vision. In this chapter, we introduce the direction of our strategies, the progress and issues in the Medium-term Management Plan 2027, and initiatives under the plan, in light of our awareness of the environment surrounding each business.

Household and Industrial Materials Businesses





Industrial Materials Business

(1) Steady price pass-through

In the domestic market, which makes up around half of production sites, we will steadily increase selling prices against rising raw materials, labor, logistic, and other input costs.

(2) Creating sales opportunities by strengthening collaboration within COMPANY as well as among other COMPANIES

We will create sales opportunities and contribute to enhancing overall profits of Oji Group through cross-divisional collaboration with other COMPANIES (synergies) in addition to mutual collaboration between the wide range of businesses in the Industrial Materials COMPANY.

(3) Creating new business models by promoting sustainability

In addition to expanding sustainable packaging, we will deploy a new business model centered on Walki and others in Europe, where environmental regulations are becoming more stringent.

Household and Consumer Products Business

(1) Home care business (Household paper)

We will strive to enhance our brand value by focusing on shifting from quantity to quality and ensuring profitability, revising our product lineup and quality, and conducting objective assessments.

(2) Wellness care business (Adult diapers and nursing care products)

We will enhance our range of nursing care products and develop sales channels for home-visit nurses and nursing care business sites by positioning this business, which is focused on adult diapers, as our second growth domain.

(3) Healthcare business

We position this business as our third growth domain, and we will work toward profitability by expanding our lineup of products by leveraging the Hana-Celeb brand and forest resources.

Functional Materials Business



(1) Enhance an environmentally friendly product lineup

We will develop and expand sales of high-performance, high-value-added environmentally friendly products, such as packaging materials that comply with PFAS regulations, and paper agricultural materials that decompose in the ground.

(2) Expansion of the high-performance label business

South America and Europe: We will expand our high functional label thermal paper business, for which demand is expected to expand, utilizing expanded thermal coating facilities in South America and Europe.

Southeast Asia: We will invest in highly profitable fields and advance sales collaborations by capturing customer needs with a focus on high-performance labels, an area that is expected to grow steadily.

Forest Resources and Environment Marketing Business



(1) Developing new domains at existing business sites

Overseas: While strengthening the competitiveness of our existing businesses, we will develop promising businesses by leveraging our advantages in operations directly connected to our forest plantation sites and by newly utilizing wood biomass, such as biochar.

Domestic: We will promote a shift to high-value-added products and enhance profitability through the development of specialty dissolving pulp products and other measures.

(2) Expanding forest plantations and improving their value

We will expand sustainably managed forests and improve forest growth and forestry operations, thereby enhancing value by increasing forest resources and CO_2 absorption. We will also enter new businesses, such as carbon credit business and lumber processing business.

Printing and Communications Media Business



(1) Contribution to business portfolio transformation

We will further enhance cooperation with other COMPANIES to restructure the optimal production system for the Group, and at the same time, transform our business portfolio by making maximum use of pulp production facilities, power generation facilities, and other equipment that we own, as part of efforts to ensure business continuity.

(2) Profitability enhancement

We will leverage our technological expertise, product development capabilities, and stable supply capacity supported by outstanding human capital to achieve stable operations, improve production efficiency, reduce costs, and strengthen profitability.

(3) Appropriate price pass-through

We will address the soaring raw material and fuel prices, labor costs, and logistic service expenses by appropriately reflecting these cost increases in our prices, while thoroughly enforcing cash flow management and enhancing capital efficiency.

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Household and Industrial Materials Businesses / Industrial Materials Business



Kazutaka Sekino

Oji Holdings Corporation
Executive Officer
Industrial Materials
COMPANY President

Business fields/ domains

- Paperboard business
- Corrugated containers business
- Folding carton business
- Paper bag business
- Filter business
- Sustainable packaging business
- Liquid packaging carton business

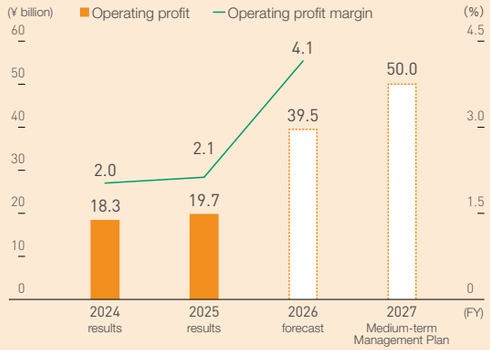
Results Highlights*

Net sales	¥943.3 billion
Operating profit	¥19.7 billion
Capital investment	¥33.6 billion
Research and development expenses	¥1.4 billion
Depreciation and amortization	¥41.2 billion

Group Companies (Consolidated)

Japan	43 companies
Overseas	65 companies

Trend in operating profit*



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

– Awareness of the Business Environment

Strengths

- A broad range of resources for realizing sustainable packaging, supported by numerous production and sales sites in Southeast Asia, India, and Europe
- Stable revenue base supported by a high market share in the domestic industry, from upstream to downstream
- Stable supply and quality control system enabled by organic collaboration in Japan and overseas

Opportunities

- Creating sales opportunities by proposing a switch to paper packaging materials and containers to address heightening awareness for the environment in the market
- Increasing market share through capital investment and M&A to meet market demand

Weaknesses

- Long-term investment payback periods due to large-scale capital expenditures inherent to equipment-intensive industries
- Difficulties in adding value to versatile products

Threats (Risks)

- Geopolitical volatility risks including political chaos and conflicts
- Shrinking domestic market

– Toward Medium-term Management Plan 2027

Progress

- Price pass-through activities in Japan
- Capital efficiency management through business restructuring
  Example: Oji Fibre Solutions
  (discontinuation of the paperboard business, sale of the packaging business in Australia)
- Decision made to construct a new liquid packaging carton plant in Vietnam for the global expansion of sustainable packaging (completion planned in 2028)

Issues and initiatives

- Continuing to reduce costs and implement price pass-through to products to address the greater-than-expected increases of prices (of raw materials)
- Promoting further capital efficiency through fundamental portfolio transformation, including optimal capital investment and business restructuring
- Developing and increasing sales of high-value-added products, leveraging expertise from Europe, where environmental regulations are strict

– Key Driver — Toward strengthening the management of the paperboard business —

Oji Materia Co., Ltd., is the core company of the Industrial Materials Business, and it supports people's lives by supplying containerboard, paper for paper bags, and packaging base paper for food and daily goods as Japan's leading manufacturer of paperboard and packaging paper.

Above all, we are focusing on the field of high-grade paperboard, which is growing due to the demand for trading cards. Our high quality and the market's high evaluation of us have enabled us to establish a large market share. It is forecasted that the global trading card game market will expand to more than twice its current size over the next five years.

We are also expanding base paper for liquid packaging cartons in Japan with a focus on products for chilled applications. At the same time, we are also developing products for aseptic applications in sight of overseas business expansion.

Keigo Shindo,
President, Oji Materia Co., Ltd.

For liquid packaging cartons, we will also advance sustainable packaging through our base paper.



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Household and Industrial Materials Businesses / Household and Consumer Products Business



Takayuki Moridaira
Oji Holdings Corporation
Senior Executive Officer
Household and Consumer Products COMPANY
President

Business fields/ domains

- Home care business
- Wellness care business
- Healthcare business

Brand

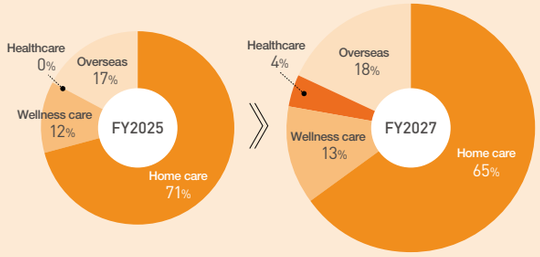
nepia
nepia 鼻セレブ
大人用 紙おむつ ネピアテンダー



Group Companies

Japan	1 company
Overseas	6 companies

Sales composition by business



Oji Nepia official website
Nepia Tender brand website (Japanese only)

– Awareness of the Business Environment

Strengths

- A lineup of high-quality and environmentally friendly products, and a strong image of contributing to the SDGs
- Capabilities to propose products and services based on long-standing relationships with stakeholders
- nepia, Hana-Celeb, and nepia tender brands

Opportunities

- Expansion in demand for environmentally friendly products due to heightening awareness of the environment
- Rising demand for adult diapers due to the arrival of a super-aging society
- Economic development in emerging markets such as Southeast Asia
- Creating demand through differentiation in the sensitive skincare and ethical skincare fields

Weaknesses

- Aging of the “nepia” brand, which has been used for many years
- Difficulty of establishing a competitive advantage in the commodity markets

Threats (Risks)

- Maturity and saturation of the domestic household paper market
- Intensifying price competition in the commodity markets
- Soaring raw material and fuel prices, labor costs, and logistic service expenses

– Toward Medium-term Management Plan 2027

Progress

Home care business: The revision of the lineup of products and measures to enhance the brand value have been implemented steadily under a policy of shifting from quantity to quality
Wellness care business: Providing products designed with consideration for nursing care and nursing settings under the philosophy of “nursing care based on the co-creation of value”
Healthcare business: The second product, a sheet mask, has been launched leveraging the Hana-Celeb brand, as we work to establish this business as a third pillar

Issues and initiatives

Home care business: Continuing to invest in marketing activities, including the use of a big-name entertainer, and developing differentiated/value-added products
Wellness care business: Refreshing products to improve usability and comfort and enhancing buttock care pads and other peripheral products
Healthcare business: Strengthening touchpoints with younger people using social media, increasing the visibility of SKINLISM, and establishing a foundation for the business

Voice — Our skincare efforts

- **Motivations for development:** We used the discussion of the creation of Group synergies as an opportunity to begin considering our entry into the skincare domain. Accordingly, we began to work to enter the skincare business leveraging our research on medicinal plants and our knowledge of cosmetics raw materials.
- **Difficulties faced in development:** We started our development efforts by acquiring knowledge. We moved forward with the project through repeated trial and error, with a particular focus on how the products feel in use. In terms of sales, it was difficult to find new customers and answer specialized questions, but we leveraged our close collaborations with related departments and the high visibility of the Hana-Celeb brand to successfully secure product placements at major retailers such as Hands and Tomod’s.





From left: Kanae Yogo, Product Development Department; Eiko Ohori, Product Planning Department; and Ryuichi Saito, Metropolitan Areas Supervising Department

- **Future outlook:** SKINLISM has been designed as a brand that values the harmony between the skin, mind, and environment with a focus on comfort, including lather and how the products feel in use. We plan to roll out basic skincare products in the autumn of 2027. We will move forward with the full-scale expansion of SKINLISM.

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Functional Materials Business



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

Business fields/ domains

- Specialty papers business
- Thermal paper business
- Adhesive products business
- Film business

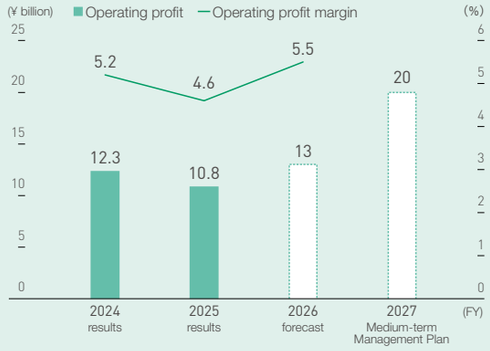
Results Highlights

Net sales	¥236.0 billion
Operating profit	¥10.8 billion
Capital investment	¥7.8 billion
Research and development expenses	¥2.4 billion
Depreciation and amortization	¥9.8 billion

Group Companies (Consolidated)

Japan	9 companies
Overseas	20 companies

Trend in operating profit



– Awareness of the Business Environment

Strengths

- High levels of core technologies in “paper making,” “paper converting (coating and adhesive processing),” and “film forming”
- Sales, marketing, and development are integrated into a rapid development system for high functionality and high-value-added products
- Integrated production from base paper manufacturing to converting

Opportunities

- Increasing demand for functional paper materials due to growing needs for sustainable products that reduce plastic use
- Increasing demand for capacitor-use OPP films due to the popularization of electric vehicles
- Growing demand for thermal paper in South America and for high-performance labels in the Southeast Asian region

Weaknesses

- Difficulty in alternative production associated with making one-of-a-kind products
- Commoditization of the product lineup

Threats (Risks)

- Geopolitical risks such as exchange rate fluctuations and shifts in demand stemming from conflicts, political turmoil, and similar factors
- Continued increase in raw material and fuel prices, labor costs, and logistic service expenses

– Toward Medium-term Management Plan 2027

Progress

- High-performance, high-value-added environmentally friendly products developed, such as packaging materials that comply with PFAS regulations and paper agricultural materials that decompose in the ground, and sales of them increased
- Expansion of OPP film production facilities for capacitors used in motor drive control equipment started in anticipation of the rapid spread of electric vehicles amid the shift to a decarbonized society
- High-performance label business expanded. Demand for high-performance labels expected to increase in South America, Europe and Southeast Asia

Issues and initiatives

- Continuing to implement price pass-through to reflect soaring raw material and fuel prices, labor costs, and logistic service expenses in product prices
- Implementing initiatives to break away from commoditization and product-out approaches to the product lineup and shift to a market-in business model
- Strengthening cooperation with other departments through actions centered on the CxO system and enhancing cross-divisional strategy formulation and execution capabilities
- Pushing forward with the transformation to a business portfolio focusing on profitability

Voice — Toward expanding sales of “O-hajiki” non-fluorine oil resistant paper!

We identified the trend toward restricting PFAS use and gave a timely proposal to major restaurant chains. The sales division’s quick response and the early establishment of formulation design and mass-production systems in the development and manufacturing divisions led to the adoption of the product and sales expansion. Business negotiations are also underway with domestic fast food and convenience store companies. We will continue to contribute to the achievement of both the medium- to long-term growth of the Oji Group and the realization of a sustainable society through proposal-based sales activities that are a step ahead of customer issues under the shared concept of ending the use of PFASs.





Yuino Niwa,
Oji F-Tex Co., Ltd. Sales Division Food Medical Product Sales Department

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Forest Resources and Environment Marketing Business



Kazuyoshi Ando

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

Business fields/ domains

- Forest plantation business
- Pulp business
- Lumber processing business
- Energy business
- Starch and saccharification business

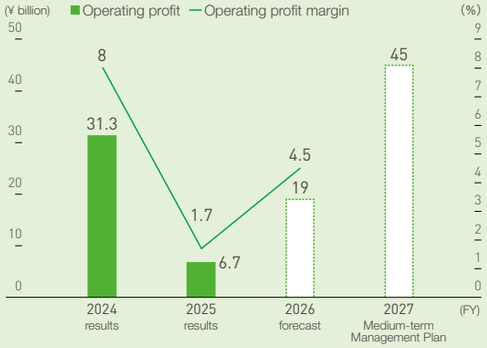
Results Highlights

Net sales	¥389.7 billion
Operating profit	¥6.7 billion
Capital investment	¥50.2 billion
Research and development expenses	¥0.3 billion
Depreciation and amortization	¥28.8 billion

Group Companies (Consolidated)

Japan	19 companies
Overseas	24 companies

Trend in operating profit



– Awareness of the Business Environment

Strengths

- Abundant forest resources both in Japan and overseas
- Integrated production from forest management to lumber processing and pulp
- Accumulated know-how related to mill operations, forestry practices, and sales infrastructure

Opportunities

- Growing demand for pulp due to economic development in emerging countries and the trend toward reducing plastic use
- Progress in monetizing the economic value of the multifaceted functions of forests
- Development of high-value-added products utilizing wood resources and rollout of new businesses

Weaknesses

- Earnings instability due to sales centered on market-driven commodities
- Increased financial burdens due to aging infrastructure renewal and long-term strategic investments

Threats (Risks)

- Fluctuations in exchange rates and market conditions
- Soaring raw material and fuel prices, labor costs, and logistic service and forest plantation expenses
- Large-scale new facility expansion by pulp competitors

– Toward Medium-term Management Plan 2027

Progress

- Cost reduction through operational improvements and the optimization of workforce productivity amid fluctuations in operating profit mainly due to changes in the pulp and lumber markets
- Low-profitability businesses restructured (e.g., profitability improved by transforming the Kinleith Mill of Oji Fibre Solutions into a facility exclusively for pulp production)
- New businesses and high-value-added products expanded (investments in new forest plantation business and biocarbon business in Brazil, carbon credit creation in Australia, and the expansion of sales of high-value-added products in the domestic dissolving pulp business)

Issues and initiatives

- Increasing the competitiveness of existing businesses by drastically reducing costs, including strategic investments, to address market fluctuations and cost inflation
- Transforming the portfolio by developing high-value-added products and new businesses, including new applications for wood biomass, and other initiatives
- Acquiring commercially viable new forest plantation sites and enhancing the value of forests

– Key Driver — example initiative improving forest productivity —

The Oji Group has been committed to the development and practical application of forest-related technologies for many years. In the company-owned forests in Indonesia—one of the operational areas of our Asia Agriculture and Forestry Technology Center (AFTEC)— forest growth has been improved significantly in recent years. It was confirmed that the mean annual increment (MAI)* of wood logged in 2025 was improved by more than 30% from the previous harvest period (2018 to 2019). The development of breeding and silviculture technologies is a long-term initiative that involves a repeated cycle of basic testing and evaluation, experimental planting at project sites, and ongoing monitoring and analysis until logging, and then progressing on to the next test. The expertise we have cultivated in these fields over many years is a promising valuable asset that will improve the productivity of our company-owned forests and be a source of revenue for the Group.


Seedling root system improvement test


Survey of grown samples of selected clones

* Mean annual increment is the average growth per year (m^3/ha/year)

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Printing and Communications Media Business



Atsushi Sekiguchi
Oji Holdings Corporation
Executive Officer
Printing and Communications Media COMPANY President

Business fields/domains

- Newsprint business
- Printing and publication paper business
- Communications paper business

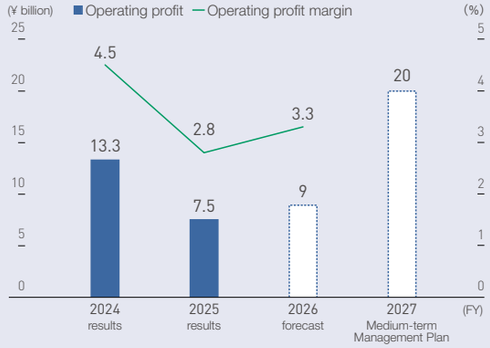
Results Highlights

Net sales	¥272.1 billion
Operating profit	¥7.5 billion
Capital investment	¥9.8 billion
Research and development expenses	¥0.1 billion
Depreciation and amortization	¥7.9 billion

Group Companies (Consolidated)

Japan	7 companies
Overseas	1 company

Trend in operating profit



– Awareness of the Business Environment

Strengths

- Ownership of large-scale infrastructure, including pulp production facilities and power generation facilities
- Full lineup of environmentally friendly products, including FSC™-certified paper
- Capabilities to develop products meeting market needs
- Advanced technological capabilities, and stable supply capabilities supported by outstanding human capital

Weaknesses

- Increase in equipment malfunctions due to aging of equipment
- Difficulty in hiring due to labor shortages in society as a whole resulting from the aging population/declining birth rate

Opportunities

- Increasing consumer awareness about environmental issues, such as SDGs and GX
- Reassessment of the value of paper due to reducing plastic use
- The advantages of paper as an information medium (readability, accuracy, familiarity)

Threats (Risks)

- Declining demand due to structural changes resulting from the shift to new work styles, such as digitalization and remote work
- Large fluctuations in exchange rates
- Soaring raw material and fuel prices, labor costs, and logistic service expenses

– Toward Medium-term Management Plan 2027

Progress

- Operating profit in FY2025 decreased year on year due to the rising prices of recovered paper and other raw materials
- In March 2025, one coated and lightly coated paper machine at the Tomakomai Mill was shut down as part of efforts to restructure and optimize the production system in response to structural environmental changes. In addition, in March 2026, we shut down a newsprint production facility at the same mill

Issues and initiatives

- Identifying demand trends and rigorously pursuing continuous cost reductions, based on the assumption that demand for newsprint and printing paper will decline
- Increasing profitability and competitiveness by rebuilding an optimal production system throughout the Group, and rigorously implementing cash flow management
- Pursuing growth by effectively utilizing pulp production facilities, biomass power generation facilities, and other equipment and implementing business portfolio transformation using forest resources and existing business resources

Voice

Initiatives to use AI to reduce equipment troubles

Among operational and equipment-related problems, boiler-related issues are a critical concern because of their significant impact on business earnings. Inspection standards being inconsistent from mill to mill, business operations dependent on specific individuals, and the insufficient sharing of information and other issues underlie the problems arising during inspections and maintenance, and the progress in the aging of skilled workers and the labor shortage has made immediate action imperative.

Reflecting on this situation, we will create an AI agent for industrial use in FY2026 to support and increase the sophistication of maintenance work. Specifically, we aim to optimize repair and replacement plans based on the standardization of inspections and remaining life assessments, use data on past problems to help prevent their recurrence, and formulate a maintenance plan in a timely manner. In addition, we will continue to introduce video versions of work standard manuals in the current fiscal year to build a frontline environment that supports stable operations with fewer personnel, enhances on-site capabilities, and sustainably strengthens the foundation of the business.



Yuta Kobayashi
Production Technology Division
Production Technology Department

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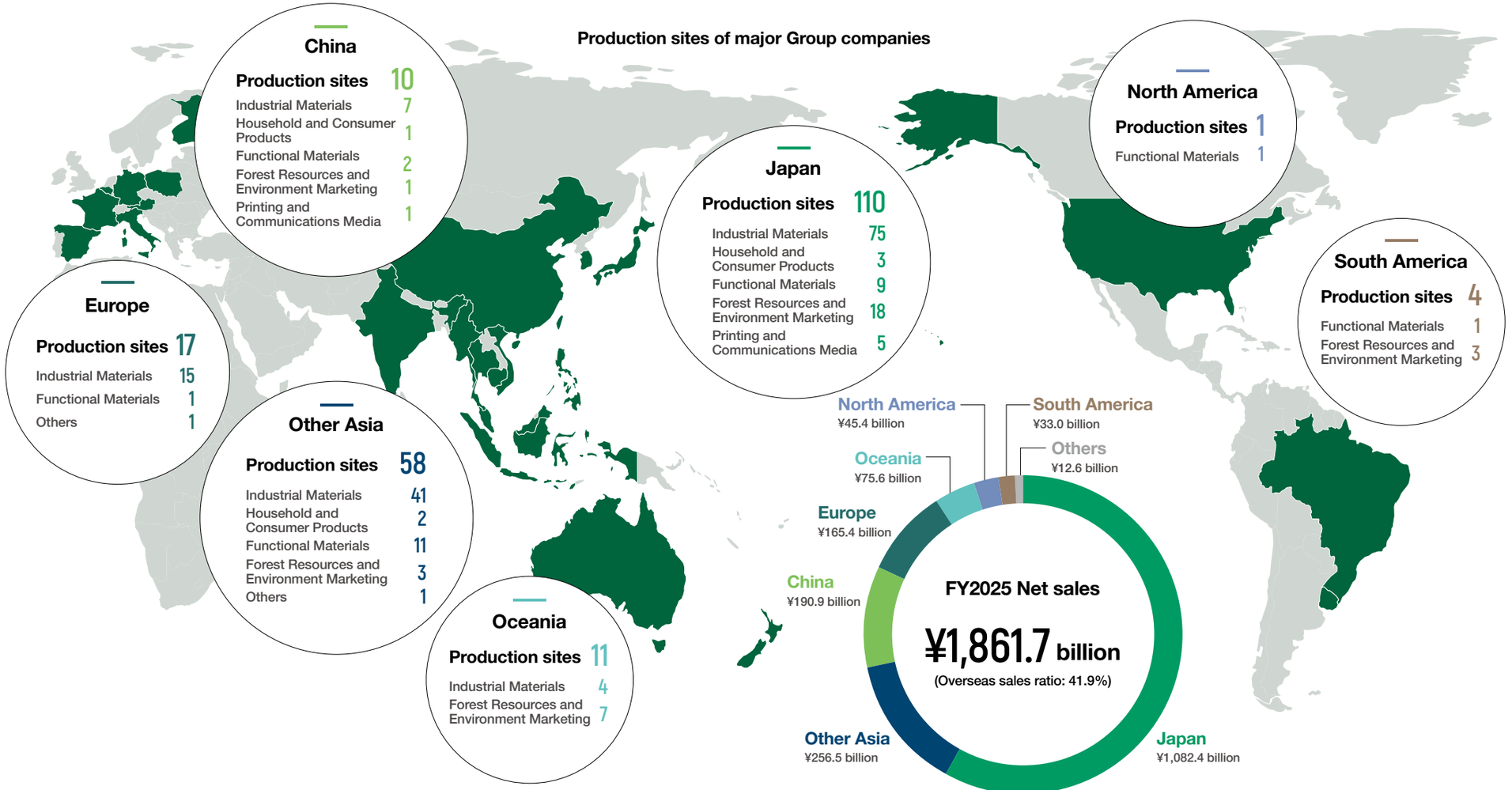
Global Network

The Oji Group has been among the industry's earliest movers in overseas business expansion since it launched its forest plantation and pulp businesses in Brazil and New Zealand in the 1970s. Currently, we operate as a global company with an overseas sales ratio of 41.9%, 110 production sites in Japan, and 101 production sites in 24 countries overseas.

We aim to increase our production, sales, and services through mutual cooperation leveraging the global sales networks of each company.

Production sites of major Group companies



Net sales by region for FY2025

(Net sales are based on end customer location)

Notes:
1. As of June 30, 2026, excluding sales companies. Production sites engaged in multiple businesses are duplicated in the breakdown of the number of production sites by business.
2. Scope of compilation: Domestic: major consolidated subsidiaries; Overseas: consolidated, non-consolidated subsidiaries and affiliates

Oji Forests all over the world P.51

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(¥ billion)

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Profit and Loss (Fiscal Year)											
Net sales	1,433.6	1,439.9	1,485.9	1,551.0	1,507.6	1,359.0	1,470.2	1,706.6	1,696.3	1,849.3	**1,861.7**
Operating profit	72.0	70.2	70.8	110.2	106.1	84.8	120.1	84.8	72.6	67.7	**34.6**
Ordinary profit	60.5	52.9	66.0	118.4	101.3	83.1	135.1	95.0	86.0	68.6	**40.5**
Profit attributable to owners of parent	12.7	40.3	36.2	52.0	58.2	49.6	87.5	56.5	50.8	46.2	**55.6**
Research and development expenses	9.7	9.3	9.0	8.8	9.1	9.7	9.2	9.3	10.4	13.5	**13.2**
Capital investment	57.4	57.9	69.3	62.1	97.5	98.4	114.0	100.1	119.4	153.4	**104.8**
Depreciation and amortization	78.6	74.9	71.9	69.5	63.4	62.8	65.9	73.0	79.5	89.2	**92.8**
Cash flows from operating activities	128.1	157.4	123.2	140.6	124.5	127.1	143.6	18.3	202.9	94.4	**113.4**
Cash flows from investing activities	(43.3)	(40.2)	(74.0)	(66.6)	(64.8)	(91.6)	(92.6)	(123.3)	(118.0)	(154.9)	**(12.5)**
Free cash flows	84.8	117.2	49.2	74.0	59.7	35.5	51.0	(105.0)	84.9	(60.5)	**100.9**
Cash flows from financing activities	(89.8)	(114.5)	(41.8)	(45.5)	(58.1)	19.9	(136.0)	101.8	(84.9)	61.0	**(93.6)**
Financial Condition (Fiscal Year-end)											
Total assets	1,909.5	1,901.0	1,960.8	1,951.4	1,885.3	1,981.4	2,053.8	2,296.0	2,442.5	2,635.0	**2,686.9**
Net assets	711.2	759.2	810.0	815.4	831.7	865.6	875.5	964.6	1,095.6	1,132.8	**1,136.9**
Consolidated interest-bearing debt	777.7	677.3	647.4	620.6	581.7	647.7	650.5	788.3	736.7	903.4	**955.9**
Consolidated net interest-bearing debt	728.6	625.4	587.6	535.0	497.3	511.4	594.7	731.3	673.9	837.5	**880.9**
Financial Indicators and Others											
Earnings per share (¥)	12.86	40.74	36.64	52.52	58.78	50.13	88.35	57.00	51.31	47.34	**61.10**
Net assets per share (¥)	587.62	635.95	681.52	684.50	699.12	758.28	859.29	945.27	1,083.13	1,177.99	**1,257.44**
Dividend per share (¥)	10.00	10.00	10.00	12.00	14.00	14.00	14.00	16.00	16.00	24.00	**36.00**
Equity ratio (%)	30.4	33.1	34.4	34.7	36.7	37.9	41.4	40.8	43.7	41.8	**41.0**
Return on equity (%)	2.1	6.7	5.6	7.7	8.5	6.9	10.9	6.3	5.1	4.3	**5.0**
Net D/E ratio (times)	1.0	0.8	0.7	0.7	0.6	0.6	0.7	0.8	0.6	0.7	**0.8**
Ratio of strategic shareholdings (to net assets) (%)	10	10	10	9	7	8	8	9	10	8	**6**

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Financial Data by Segment

Please see the note below regarding the reclassification of segment information.

(¥ billion)

	FY2021	FY2022	FY2023	FY2024	FY2025
Net sales					
Household and Industrial Materials	698.8	780.5	798.7	917.8	**943.3**
Functional Materials	184.7	219.9	227.5	236.4	**236.0**
Forest Resources and Environment Marketing	320.6	423.8	359.6	392.3	**389.7**
Printing and Communications Media	244.5	281.0	299.4	293.2	**272.1**
Others	291.1	318.1	316.1	337.7	**337.1**
Adjustments	(269.6)	(316.7)	(305.0)	(328.2)	**(316.4)**
Total	1,470.2	1,706.6	1,696.3	1,849.3	**1,861.7**
Operating profit					
Household and Industrial Materials	26.2	(1.2)	21.2	18.3	**19.7**
Functional Materials	15.3	15.5	9.1	12.3	**10.8**
Forest Resources and Environment Marketing	55.2	68.5	19.6	31.3	**6.7**
Printing and Communications Media	17.8	(4.8)	16.8	13.3	**7.5**
Others	7.2	8.4	5.8	(8.8)	**(11.7)**
Adjustments	(1.6)	(1.6)	0.1	1.3	**1.6**
Total	120.1	84.8	72.6	67.7	**34.6**
Research and development expenses					
Household and Industrial Materials	0.4	0.5	0.4	1.3	**1.4**
Functional Materials	2.3	2.2	2.6	2.5	**2.4**
Forest Resources and Environment Marketing	0.4	0.6	0.5	0.5	**0.3**
Printing and Communications Media	1.0	0.9	0.7	0.6	**0.1**
Others	5.1	5.1	6.3	8.6	**9.0**
Total	9.2	9.3	10.4	13.5	**13.2**
Capital investment					
Household and Industrial Materials	63.5	43.7	36.6	36.1	**33.6**
Functional Materials	14.7	15.6	10.5	10.8	**7.8**
Forest Resources and Environment Marketing	30.3	33.8	54.8	88.6	**50.2**
Printing and Communications Media	2.1	1.8	5.0	7.8	**9.8**
Others	3.5	5.1	12.5	10.1	**3.4**
Total	114.0	100.1	119.4	153.4	**104.8**
Depreciation and amortization					
Household and Industrial Materials	28.4	32.6	33.4	41.1	**41.2**
Functional Materials	5.7	6.6	8.8	9.2	**9.8**
Forest Resources and Environment Marketing	18.9	22.0	25.4	27.2	**28.8**
Printing and Communications Media	8.7	7.8	7.6	7.2	**7.9**
Others	4.2	4.1	4.4	4.5	**5.1**
Total	65.9	73.0	79.5	89.2	**92.8**

Note: From FY2025, the sustainable packaging business and liquid packaging carton business have been reclassified from "Others" to "Household and Industrial Materials" to better reflect the performance of reportable segments. Group headquarters expenses previously allocated to each reportable segment are now treated as corporate-related functions and included in "Others," rather than being allocated to individual segments. Segment information for FY2024 has been restated based on the revised segment classifications.

Non-financial Data

♦ A diamond mark indicates that the FY2025 ESG data posted on the website have been assured by KPMG AZSA Sustainability Co., Ltd.

Please refer to ESG data for the aggregation period, boundary of data aggregation, and calculation method.

			FY2021	FY2022	FY2023	FY2024	FY2025
E Environment							
Oji Group forest area	Japan and overseas	(ha)	572,700	602,833	600,043	635,887	**637,078**
Forest certification acquisition ratio	Japan	(%)	100	100	100	100	**100**
	Overseas	(%)	92	94	97	96	**95**
♦ Greenhouse gas emissions (Scope 1 + 2)		(kt-CO_2e)	7,606	7,470	6,849	6,907	**6,881**
♦ Scope 1		(kt-CO_2e)	6,398	6,399	5,890	5,791	**5,794**
♦ Scope 2		(kt-CO_2e)	1,208	1,071	959	1,117	**1,087**
♦ Scope 3 Purchased goods and services		(kt-CO_2e)	3,663	3,670	3,158	3,647	**4,008**
♦ Implied reduction of greenhouse gas emissions through FIT electric power sales		(kt-CO_2e)	-	480	714	636	**673**
♦ Energy input		(GWh)	58,488	59,166	57,231	56,856	**53,105**
♦ Industrial waste generation		(kt)	2,772	2,989	3,017	3,117	**3,096**
♦ VOC emissions		(t)	232	182	159	142	**146**
♦ COD load amount		(t)	39,072	37,390	35,477	35,200	**32,772**
♦ Water withdrawal		(1,000 ㎥)	714,281	709,966	694,820	686,547	**663,220**
♦ Wastewater discharge		(1,000 ㎥)	675,849	672,780	672,275	651,452	**635,941**
S Society							
Number of employees (excluding temporary employees)		(people)	35,608	37,845	38,322	39,136	**38,757**
Percentage of overseas employees		(%)	54.0	57.2	57.5	58.5	**58.0**
Total working hours	26 companies in the Main Office region in Japan	(hours/year)	1,843	1,830	1,835	1,850	**1,841**
Average years of service*1		(years)	19.7	19.3	22.9	22.2	**23.3**
♦ Lost time injury frequency rate (LTIFR)*2	Whole Group		0.97	1.12	1.20	0.79	**0.77**
	Japan		0.84	0.88	0.80	0.79	**0.46**
	Overseas		1.09	1.29	1.49	0.79	**0.97**
Number of participants in the safety and health education and training programs (Japan)*2		(cumulative total)	53,498	52,486	61,380	64,376	**65,130**
♦ Percentage of managers that are women	Japan*3	(%)	3.7	3.6	3.9	4.9	**5.7**
♦ Employment rate of people with disabilities*4	Six applicable Group companies in Japan	(%)	2.35	2.51	2.48	2.55	**2.55**
	69 Group companies in Japan	(%)	2.10	2.20	2.19	2.36	**2.45**
G Governance							
Number of Board of Directors meetings held		(times)	14	15	16	15	**15**
Attendance Rate of Independent Outside Directors		(%)	100	100	92	98	**98**
Number of women on the Board of Directors*5		(people)	2	2	2	3	**3**
Intellectual property							
Number of patents, utility models, and design patents		(cases)	2,980	3,245	3,750	3,728	**3,926**
Number of trademarks held		(cases)	1,906	1,952	1,977	2,199	**2,211**

*1 Boundary of data aggregation FY2021–FY2022: Oji Holdings, Oji Management Office, FY2023–FY2025: Oji Holdings, Oji Management Office, Oji Imaging Media, Oji Green Resources, Oji Paper
*2 Aggregation period: January 1 to December 31 of each year
*3 Aggregation scope FY2021–FY2024: 16 companies in Japan, FY2025: 20 companies in Japan
*4 Aggregation period: As of June 1 of the following fiscal year
*5 Aggregation period: June 30 of each year

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Company Profile (as of March 31, 2026)

Company name	Oji Holdings Corporation
Representative Director, 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 stock included in the total)*	1,014,381,817 shares (136,207,574 shares)
Number of shareholders	191,068
Number of employees of the consolidated Group	38,757

* Due to a cancellation of 100,000,000 shares of treasury stock executed on May 29, 2026, the total number of issued shares is now 914,381,817 shares.

Stock Information (as of March 31, 2026)

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	0120-782-031

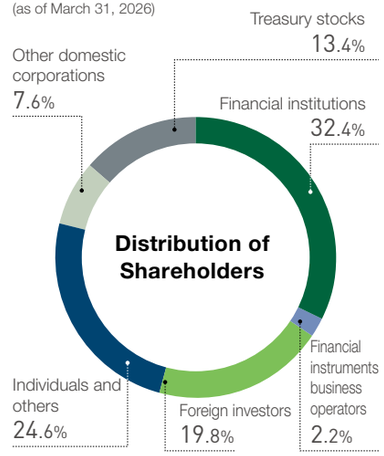
Principal Shareholders (as of March 31, 2026)

Name of shareholder	Shares held (Thousand)	Percentage of total shares issued(%)
The Master Trust Bank of Japan, Ltd. (Trust account)	133,328	15.2
Custody Bank of Japan, Ltd. (Trust account)	81,104	9.2
Nippon Life Insurance Company	25,658	2.9
Oji Group Employee Stock-holding Association	20,329	2.3
Chieko Fujisada	13,750	1.6
Taiju Life Insurance Company Limited	13,442	1.5
STATE STREET BANK AND TRUST COMPANY 505001	13,397	1.5
Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	13,249	1.5
STATE STREET BANK AND TRUST COMPANY 505223	12,649	1.4
STATE STREET BANK AND TRUST COMPANY 505103	12,067	1.4

Notes: 1. The Company holds treasury stock of 136,207 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 (136,207 thousand shares).
3. Numbers less than one thousand are rounded down to the nearest thousand.

Distribution of Shareholders

(as of March 31, 2026)



External evaluation

■ Selection as a constituent of socially responsible investment (SRI) indices

FTSE4Good
FTSE JPX Blossom Japan Index
FTSE JPX Blossom Japan Sector Relative Index
2026 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX
2026 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)
MORNINGSTAR GenDi J Japan ex-REIT Gender Diversity Tilt Index TOP CONSTITUENT 2026
S&P/JPX Carbon Efficient Index

■ Evaluations by external organizations

CDP A List 2025
CDP A List 2025
2026 健康経営優良法人 KENKO Investment for Health 大規模法人部門
2026 Sompo Sustainability Index
WITH GRADE AAA Corporate Websites 2025 Nikko Investor Relations Co.,Ltd All Markets Ranking in Japan

Endorsement of/participation in initiatives

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES
ISFC International Sustainable Forestry Coalition Building a nature positive bioeconomy
TNFD Taskforce on Nature-related Financial Disclosures
GX League

External evaluation
Participation in initiatives and organizations

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Dedicated to
Sustainability

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