

Message from the Chairman

Managing the Board of Directors to Achieve Sustainability

Representative Director and Chairman of the Board,
Oji Holdings Corporation

Masatoshi Kaku



My Mission as Chairman of the Board

- **The best Board of Directors configuration and governance for the Oji Group in an extremely uncertain business environment**
- **Stepping away from the standpoint of a Corporate Officer and determining from what perspective to observe management and operations**

In April 2022, I stepped down as CEO of the Oji Group and assumed my new position as Representative Director and Chairman of the Board. As Chairman of the Board, I will endeavor to ensure the Board of Directors fulfills its functions, and support new Group CEO Hiroyuki Isono and all of the officers in charge of Group management.

Today, the world is becoming an increasingly uncertain environment. Companies around the world are experiencing intense demand from international society to tackle global environmental problems such as climate change and marine plastic waste, among other sustainability issues. In addition, our lives and economic activity have been heavily affected by the COVID-19 pandemic, and it seems as if the demand structure and people's lifestyles,

which have changed since the pandemic, will not return to what they were before COVID-19 even after the pandemic is over. Further, uncertainty in such international situations as the invasion of Ukraine pose major operational risks to the Oji Group in, among other forms, soaring raw material prices. Against this backdrop, the Oji Group must aim for sustainable growth as a corporate group active on a global level.

In a business environment where challenges are piling up, it is necessary, within the context of appropriate risk management, for management to lead the Group through its decision-making. In order to support that decision-making, supervision of the business operation by the Board of Directors will also be increasingly important from the perspective of corporate governance. Until last year, I served concurrently as one of the Corporate Officers in charge of business execution. From this year, I will be taking part in the Oji Group's management as Chairman of the Board by stepping away from the standpoint of a Corporate Officer and ensuring the Board of Directors fulfills its functions.

Strengthening Governance and Transforming the Board of Directors in Accordance with the Move to the Prime Market

- **Meeting the level of governance required by the Prime Market and working on our internal structure**
- **What kind of initiatives will be required of the Board of Directors?**

In April of this year, the Tokyo Stock Exchange restructured and created three new markets. Subsequently, we were listed on the Prime Market. While the Corporate Governance Code, revised in June of last year, made clear the level of governance required of a company listed on the Prime Market, we have long been working on our internal structure, including but not limited to the composition of the Board of Directors. Moving forward, we will not only be satisfied with formal structural development, but also will continue to make improvements while listening to the opinions of Independent Outside Directors and Audit & Supervisory Board Members so that we may demonstrate governance capabilities on a level that also high in terms of substance.

As I touched on a moment ago, in an uncertain business environment, it is no easy task to show leadership and engage in appropriate management, and providing supervision and support from diverse perspectives is a key duty of the Board of Directors. At the present time, we have four Independent Outside Directors. All of them possess views and extensive expertise in industries differing from those of the Oji Group. They are always unsparing in providing comments, concerns, and cautions during meetings of the Board of Directors, the Nomination Committee, and the Compensation Committee, and at briefings for Outside Officers. In engaging in appropriate management decisions which meet the expectations of the world, receiving a diverse array of opinions from a variety of perspectives is of extreme value. I am looking forward to continuing to receive their unreserved opinions.

Sustainability Strategy Implementation and Risk Reduction Monitoring

- **Complying with the TCFD recommendations and monitoring initiatives based on our Environmental Vision 2050 and Environmental Action Program 2030**
- **Monitoring the environment, human rights, and occupational safety based on the Oji Group Partnership Procurement Policy and Oji Group Human Rights Policy**
- **Inclusion & diversity, and measures related to human resources**

The origins of the Oji Group lie in the paper industry. Paper production starts with trees, and we have inherited a belief that "those who use trees are responsible for planting them." Since long before the current focus on environmental issues, we have aimed to create a resource recycling-oriented business through forest recycling, water recycling, and paper recycling. In this day and age, a company which sacrifices the environment and society cannot survive. The Oji Group will continue to promote sustainable management in harmony with the environment and society.

The Oji Group positions its decarbonization initiative, a countermeasure against climate change, as one of its top priorities. In 2020, we formulated our Environmental Vision 2050 with the aim of achieving net-zero carbon by 2050, as well as our Environmental Action Program 2030 to serve as a milestone in realizing that vision. In the same year, we also endorsed the TCFD recommendations. As we also explained our decarbonization initiatives in detail elsewhere in this Integrated Report, we will steadily achieve decarbonization by taking a two-pronged approach, implementing measures to reduce GHG emissions at our manufacturing sites, and increasing absorption of CO₂ by expanding and conserving forests. In addition, as a corporate group which makes use of forest resources, the conservation of biodiversity is also a priority issue to us.

Approximately 140,000 ha of Oji's company-owned forests in Japan and overseas are "conservation forests." These forests are also habitats for rare plants and animals, and their conservation is just one of the measures we are implementing to preserve biodiversity.

In order to implement sustainable business management, it is necessary for raw materials procurement to also be sustainable. Based on the Oji Group Partnership Procurement Policy, the Oji Group engages in responsible raw materials procurement which takes into consideration the environment and society through local monitoring and risk assessments conducted in cooperation with our suppliers in Japan and overseas. Further, in 2020, we formulated the Oji Group Human Rights Policy. This policy ensures that our entire supply chain shares our beliefs regarding human rights, and we will implement initiatives to protect human rights in collaboration with our suppliers.

In implementing its management strategies and realizing healthy growth and evolution, it is essential for Oji Group to cultivate and invest in the human resources which are the wellspring of a company's strength. In order to expand our overseas businesses, we are placing particular importance on the cultivation of human resources capable of flourishing globally. Of the Group's approximately 36,000 employees (consolidated), the percentage of those who are of nationalities other than Japanese reaches 54%. Moving forward, our human resources will need to work and cooperate in a variety of countries with people of diverse nationalities, ideologies, cultures, and career histories. Inclusion and diversity are now a prerequisite in a healthy workplace environment, and we are promoting these concepts as such. I want our employees to not just accept but enjoy diversity and to grow into truly global, capable people.

The Commitments I Want to Convey to Our Stakeholders

- **Starting our new Medium-term Management Plan, checkpoints and key items for management observation going forward**
- **Board of Directors management which meets shareholders' expectations**

The Oji Group started a new Medium-term Management Plan in this fiscal year. We will be promoting initiatives aimed at environmental issues and sustainability challenges as top priority items necessary for business survival. Our paper business is itself sustainable, and we will be transforming our business structure by focusing on growth fields and markets. Further, we will be promoting the development of wood-derived, next-generation materials and cultivating them as replacements for petrochemical products to create businesses which will serve as a future pillar of the Oji Group. Through these initiatives, our aim is to evolve Oji into a globally active corporate group with strength in green innovation. The Board of Directors will support Oji's executive team through monitoring focusing on the following questions: Is Oji steadily resolving

sustainability-related challenges? Is Oji engaging in appropriate risk assessments in difficult business environments? And is Oji making resolute decisions with regard to its investments in order to not just maintain the status quo but achieve long-term growth?

Lastly, next year, in 2023, the Oji Group will be celebrating its 150th anniversary. Since *Shoshi Kaisha* (Paper Manufacturing Company) was founded on the proposal of Eiichi Shibusawa in 1873, we have continued to foster a spirit of "unity of economy and morality," and continued to reform our business and management structures in order to meet the changing expectations of the times and society. We will continue to co-exist with the world and society, and aim to be a corporate group which continues to grow. I would like to ask all of our stakeholders to continue to grant us their exceptional understanding and support.

Corporate Officers (Oji Holdings Corporation)



Masatoshi Kaku

Representative Director and Chairman of the Board
Chairman of the Board

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



Hiroyuki Isono

Representative Director of the Board
President and Group CEO

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



Michihiro Nara

Independent Outside Director of the Board

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



Sachiko Ai

Independent Outside Director of the Board

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



Fumio Shindo

Director of the Board
Senior Executive Officer
General Manager, Corporate Sustainability Division
President, Printing and Communications Media COMPANY
In charge of Innovation Promotion Division
President, Oji Engineering Co., Ltd.

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



Kazuhiko Kamada

Director of the Board
Senior Executive Officer
President, Celulose Nipo-Brasileira S.A.

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



Seiko Nagai

Independent Outside Director of the Board

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



Hiromichi Ogawa

Independent Outside Director of the Board

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



Shigeki Aoki

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

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



Akio Hasebe

Director of the Board
Executive Officer
General Manager, Corporate Governance Division
President, Oji Management Office Inc.
In charge of:
Oji Human Support Co., Ltd.
Oji Business Center Co., Ltd.
Oji Paper Management (Shanghai) Co., Ltd.
Oji Asia Management Sdn. Bhd.
Oji Logistics Co., Ltd.

April 1986 Joined the Company
April 2017 Director, Oji Industrial Materials Management Co., Ltd.
April 2019 Corporate Officer, the Company
April 2022 Executive Officer, the Company
June 2022 Director of the Board and Executive Officer, the Company (to the present)



Tomihiro Yamashita

Audit & Supervisory Board Member

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



Nobuko Otsuka

Audit & Supervisory Board Member

January 2016 Joined Oji Management Office Inc.
Group Manager, Internal Audit Department, Corporate Governance Division, the Company
April 2018 General Manager, Internal Audit Department and Corporate Compliance Department, Corporate Governance Division, the Company
April 2019 General Manager attached to General Manager of Corporate Governance Division, the Company
June 2019 Audit & Supervisory Board Member, the Company (to the present)



Takayuki Moridaira

Director of the Board
Executive Officer
President, Industrial Materials COMPANY
President, Household and Consumer Products COMPANY
President, Oji Industrial Materials Management Co., Ltd.
President, Oji Materia Co., Ltd.

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



Yuji Onuki

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

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



Hidero Chimori

Independent Outside Audit & Supervisory Board Member

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



Noriko Sekiguchi

Independent Outside Audit & Supervisory Board Member

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



Takashi Nonoue

Independent Outside Audit & Supervisory Board Member

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

Corporate Governance

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

Basic Concepts, Framework, and Operational Policies

Fundamental Policies on Corporate Governance

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

Corporate Governance Report

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

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

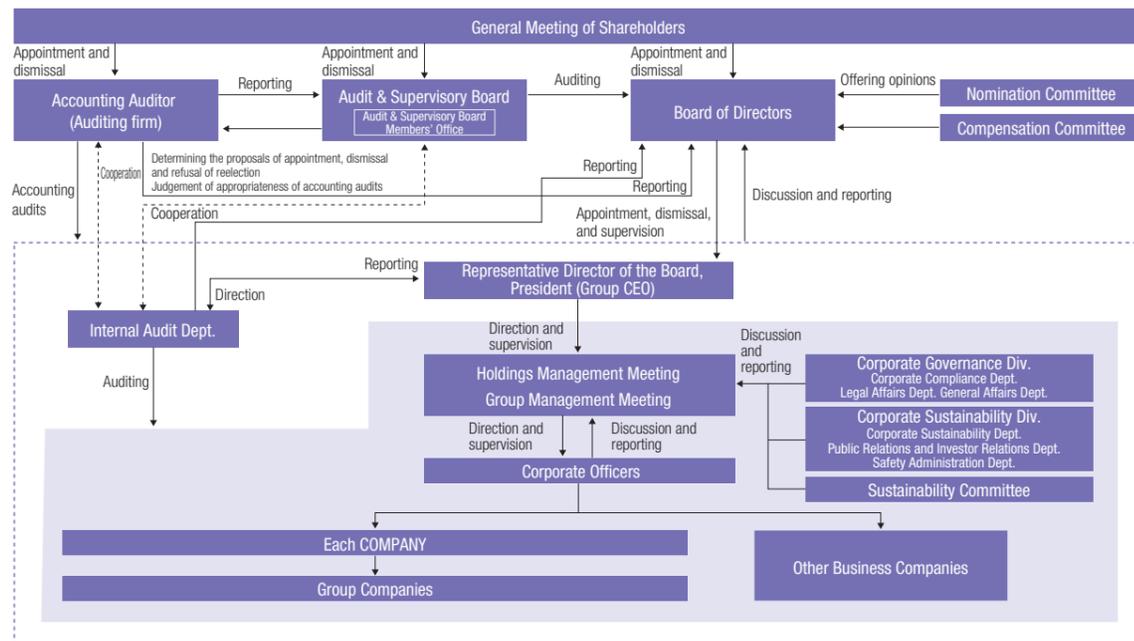
Corporate Governance Structures

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

In addition, as a company with Audit & Supervisory Board, Oji Holdings reinforces Group-wide governance through audits of the execution of duties by Directors carried out by the Audit & Supervisory Board Members and the Audit & Supervisory Board. The Board of Directors consists of twelve Directors (including four

Independent Outside Directors) and the Audit & Supervisory Board consists of five Audit & Supervisory Board Members (including three Independent Outside Audit & Supervisory Board Members), and Representative Director and Chairman of the Board chairs the Board of Directors. In FY2021, attendance of Independent Outside Directors and Independent Outside Audit & Supervisory Board Members at the Board of Directors meetings (14 meetings held) was 97.7% and attendance of Independent Outside Audit & Supervisory Board Members at the Audit & Supervisory Board meetings (13 meetings held) was 100%.

Corporate Governance Structural Diagram



Nomination Committee and Compensation Committee

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

Roles of Nomination Committee

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

Roles of Compensation Committee

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

Structures of the Nomination Committee and the Compensation Committee and their meetings held in FY2021

Position	Name	Nomination Committee	Attendance	Compensation Committee	Attendance
Representative Director and Chairman of the Board	Susumu Yajima		1/1		2/2
Representative Director of the Board, President	Masatoshi Kaku	Committee Chair	1/1	Committee Chair	2/2
Independent Outside Director	Michihiro Nara		1/1		2/2
Independent Outside Director	Toshihisa Takata		1/1		2/2
Independent Outside Director	Sachiko Ai		1/1		2/2
Independent Outside Director	Seiko Nagai		1/1		1/1

* Positions during FY2021.

* Concerning Independent Outside Director Seiko Nagai's attendance at meetings of each Committee, the scope of the total number of meetings includes only those meetings held after her appointment on June 29, 2021.

Policy on Determination of Director Compensation and Total Compensation Amount

Policy on Determination of Director Compensation

Oji Holdings has designed its compensation programs with an emphasis on the roles performed by the Director compensation program such that the Board of Directors promotes sustainable growth and increasing medium- to long-term corporate value of the company and pursues enhanced profitability and capital efficiency. The specifics of the Director compensation program and determination policies are set forth in the Fundamental Policies on Corporate Governance. Director compensation comprises base compensation that is fixed compensation, bonuses that reflect short-term performance, and stock-based compensation that reflects medium- to long-term improvement in corporate value. Determinations are made by the Board of Directors based on recommendations submitted by the Compensation Committee.

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

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

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

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

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

Total amount of compensation for each officer category, total amount of compensation, etc. by type, and number of eligible officers (FY2021)

Officer category	Total amount of compensation (million yen)	Total amount of compensation, etc. by type (million yen)			Number of eligible officers (persons)
		Fixed compensation	Performance-linked compensation		
			Bonuses	Stock-based compensation	
Directors (excluding Independent Outside Directors)	512	213	157	141	9
Audit & Supervisory Board Members (excluding Independent Outside Audit & Supervisory Board Members)	51	51	—	—	2
Independent Outside Directors and Independent Outside Audit & Supervisory Board Members	92	92	—	—	8

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

Policy

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

excellent character and insight as well as high level of specialization and extensive experience.

Process

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

Directors' Skill Map

Oji Holdings has identified the skills that members of the Board of Directors should possess to realize the Group's management strategies, as described below. We place value on capabilities in the fields of "manufacturing and technologies," "research and development," "purchase and procurement," and "ESG," etc. which help promote sustainability and innovation, in addition to general management skills. The capabilities of each Director are as follows:

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

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

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

Independent Outside Officers

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

We have appointed four Outside Directors and three Outside Audit & Supervisory Board Members, each of whom is designated as an Independent Officer. All of them attend Board of Directors meetings, and the briefings that are held twice each month in principle and are conducted by the officer responsible for the Corporate Governance Division regarding matters submitted to the Management Meeting and matters planned to be submitted to the Board of Directors. In addition, the four Independent

Outside Directors make up the Nomination Committee and the Compensation Committee.

Persons with highly specialized and wide-ranging knowledge who are able to express opinions that are independent from management and from the perspectives of various stakeholders are selected as Independent Outside Director candidates, and persons with excellent character and insight, a high level of specialization, and extensive experience are selected as Independent Outside Audit & Supervisory Board Member candidates.

Main Activities of Independent Outside Directors in FY2021

Name	Attendance at Board of Directors meetings	Summary of statements made and duties performed with respect to expected role
Michihiro Nara	Attended 14 of 14 meetings (100%)	Fulfilled the role expected of him by making comments concerning the Company's management from an independent standpoint, from a legal perspective as an attorney-at-law, and based on his extensive experience, high level of expertise, and wide-ranging insight
Toshihisa Takata	Attended 14 of 14 meetings (100%)	Fulfilled the role expected of him by making comments concerning the Company's management from an independent standpoint, from a multifaceted perspective, including an international viewpoint as a former diplomat, and based on his extensive experience, high level of expertise, and wide range of insight
Sachiko Ai	Attended 14 of 14 meetings (100%)	Fulfilled the role expected of her by making comments concerning the Company's management from an independent standpoint, from a multifaceted perspective from the business world, including the financial area, and based on her high level of expertise and wide range of insight
Seiko Nagai	Attended 10 of 10 meetings (100%)	Fulfilled the role expected of her by making comments concerning the Company's management from an independent standpoint, from a multifaceted perspective, including professional viewpoints developed through customer service and university teaching activities, and based on her extensive experience, high level of expertise, and wide range of insight

* Concerning Ms. Seiko Nagai's attendance at meetings of the Board of Directors, the scope of the total number of meetings includes only those meetings of the Board of Directors held after her appointment on June 29, 2021.

Main Activities of Independent Outside Audit & Supervisory Board Members in FY2021

Name	Attendance at Board of Directors meetings	Attendance at Audit & Supervisory Board meetings	Statements at meetings
Mikinao Kitada	Attended 13 of 14 meetings (92.9%)	Attended 13 of 13 meetings (100%)	Made statements based on his extensive experience, high-level expertise and wide-ranging knowledge as a public prosecutor and attorney-at-law
Hidero Chimori	Attended 10 of 10 meetings (100%)	Attended 9 of 9 meetings (100%)	Made statements based on his extensive experience, high-level expertise and wide-ranging knowledge, in particular, in the corporate legal affairs and corporate governance field, as an attorney-at-law
Noriko Sekiguchi	Attended 9 of 10 meetings (90%)	Attended 9 of 9 meetings (100%)	Made statements based on her abundant practical experience at companies in addition to her extensive experience, high-level expertise and wide-ranging knowledge on financial accounting as a certified public accountant

* Concerning Mr. Hidero Chimori and Ms. Noriko Sekiguchi's attendance at meetings of the Board of Directors and the Audit & Supervisory Board, the scope of the total number of meetings includes only those meetings of the Board of Directors and the Audit & Supervisory Board held after their appointments on June 29, 2021.

Effectiveness Evaluation of the Board of Directors

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

As a result of the analysis and evaluation of the Board of Directors of FY2021 conducted in and after April 2022,

it was confirmed our Board of Directors and its subordinate meetings have continued to function well. In particular, the view was shared that the provision of management information and explanations regarding agendas to Independent Outside Officers have been improved, and that the suggestions and proposals made by Independent Outside Officers have been appropriately reflected in deliberations and resolutions. On the other hand, we identified issues that still need to be addressed, such as formulating management strategies, providing directions, etc., and decided to continue implementing the improvement measures. We will consider and take required measures to continually work on functional improvements of the Board of Directors.

Policy for Strategic Shareholding

The Oji Group strategically holds shares that are expected to contribute to the sustainable growth of the Group and the improvement of corporate value over the medium to long term as part of its management strategies for the purpose of business alliances and strengthening and maintenance of long-term and stable relationships with business partners. The Board of Directors specifically examines for each individual stock every year whether the purpose of strategic shareholding is appropriate and whether the benefits and risks associated with strategic

shareholding are commensurate with the cost of capital to verify the appropriateness of the holding. We sell shares properly and appropriately if the rationality for holding them has diminished to reduce strategic shareholding.

Compliance

Corporate Code of Conduct and Behavior Standard

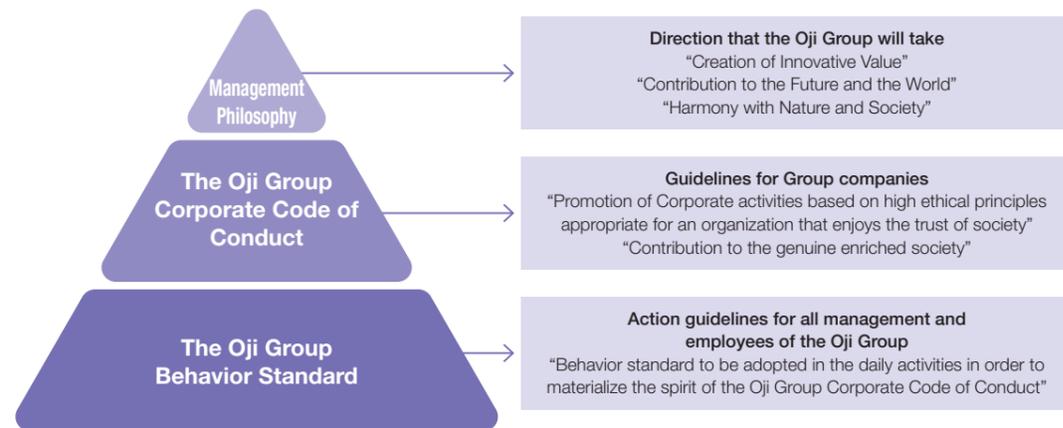
The Oji Group incorporated the principles on human rights, labor, the environment, and anticorruption of the United Nations Global Compact and established the Oji Group Corporate Code of Conduct and the Oji Group Behavior Standard, action guidelines for the Code, in 2004. They were revised in FY2020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

The alteration or abolition of the Corporate Code of Conduct and the Behavior Standard requires a resolution by the Board of Directors. With the involvement of the Board, this Code of Conduct and the Behavior Standard have been established as the standard of activities performed by all officers and employees of the Oji Group. The Code of Conduct and the Behavior Standard have been translated into the respective languages of each country in which the Group has its business sites and are made known to all officers and employees that belong to the Group. All officers and employees of the Oji Group strive to understand the Oji Group Corporate Code of Conduct and the Oji Group Behavior Standard correctly and to practice them. If an action against them is conducted or if a violation is suspected, it must be reported or consulted with a supervisor or the compliance office of the company or worksite, or the Corporate Ethics Helpline (Group internal whistleblowing) desks.

The Oji Group Corporate Code of Conduct

I. We, the management and employees of the Oji Group, hereby adopt the Oji Group Corporate Code of Conduct, as detailed below, as guiding principles for corporate activities based on awareness of our responsibilities as a corporate citizen in international society, and on high ethical principles appropriate for an organization that enjoys the trust of society.
 II. We, the management and employees of the Oji Group, will always strive to implement this Code and to contribute to realization of the genuine enriched society.

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| 1 Compliance with Laws and Regulations and Fair Business Activities | 5 Contribution to the Realization of a Sustainable Society |
| 2 Developing a Rewarding Work Environment with Consideration for Safety and Health | 6 Respect for Human Rights |
| 3 Supply of Safe, Useful Products and Services | 7 Communication with Society and Participation in Social Contribution Activities |
| 4 Addressing Environmental Issues | 8 Coexistence with International Society |
| | 9 Promotion of Crisis Management |



The Oji Group Behavior Standard

Toward the materialization of the spirit of the Oji Group Corporate Code of Conduct, the Oji Group Behavior Standard consisting of 29 items is adopted as a standard to be followed in the daily activities of all management and employees as a member of international society.

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

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

We have distributed the booklet to officers and employees to thoroughly disseminate the contents of the Oji Group Corporate Code of Conduct and the Oji Group Behavior Standard. In addition, with the revision in October 2020, we have separately prepared teaching and explanatory materials, and translated the education materials into 12 languages in order for and distributed them to, overseas employees, to utilize them at a compliance meeting held at each worksite of Group companies. Moreover, the Corporate Compliance Department includes the contents of the education materials in the Compliance News periodically published for Japan and overseas, in order to disseminate the Oji Group Corporate Code of Conduct and the Oji Group Behavior Standard and encourage them to practice the Standard.

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

Measures for Promoting Compliance

Activities for Raising Compliance Awareness

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

In addition, while we have conventionally provided training to newly appointed officers of the Oji Holdings to acquire compliance knowledge, etc. required to fulfill their respective roles and responsibilities pursuant to the Fundamental Policies on Corporate Governance, we decided



In April 2022, we provided senior management training to newly appointed officers (including corporate officers) of Oji Group companies in person or remotely. The training was made available for officers already in office to view for a certain period of time to confirm their knowledge.

to provide the same training to officers of each Group company starting from FY2021.

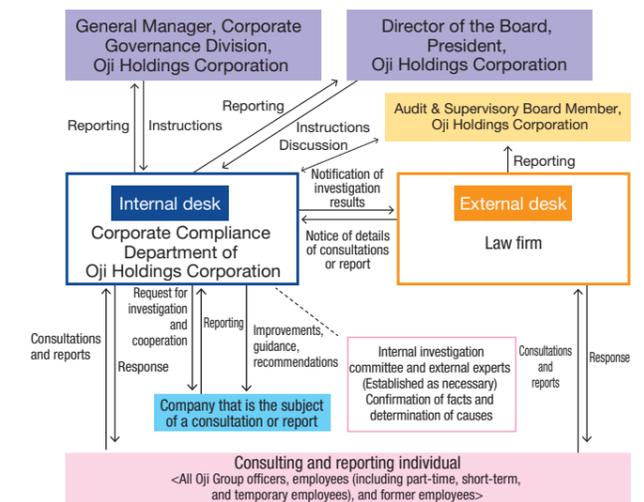
Anti-Corruption Initiatives

Pursuant to the Principle 10 of the United Nations Global Compact “the anti-corruption initiatives,” we have expressly provided for “wholesome relationship with politics and government” and “maintenance of an honest, wholesome relationship with business partners” in the Oji Group Behavior Standard, and further established Group Anti-Bribery and Anti-Corruption Regulations, to ensure transparency of political contributions, prohibit illegal contributions or donations, and prohibit bribery and other corrupt acts and practices.

Whistleblowing System

The Oji Group operates the Business Ethics Helpline (illustrated in the diagram on the right) based on the Group Whistleblowing Regulations to provide all officers and employees (including part-time and short-term employees) the opportunity to consult and make reports with the aim of prevention or remediation through early discovery of violations of laws and regulations and misconduct. Whistleblowing desks are established both internally (in the Oji Holdings Corporate Compliance Department) and externally (a law firm) to discover early and correct violations of laws and regulations, human rights abuses such as harassment and discrimination, corrupt practices including bribery, and other misconduct. We also work to solve employees’ daily concerns related to compliance.

Since the amended Whistle-Blower Protection Act took effect in June 2022, we adapted our Regulations to the amended Act, and held a briefing for compliance promotion leaders of Group companies to ensure they have thorough knowledge of the details of the Regulations (such as confidentiality and how to conduct an appropriate investigation).

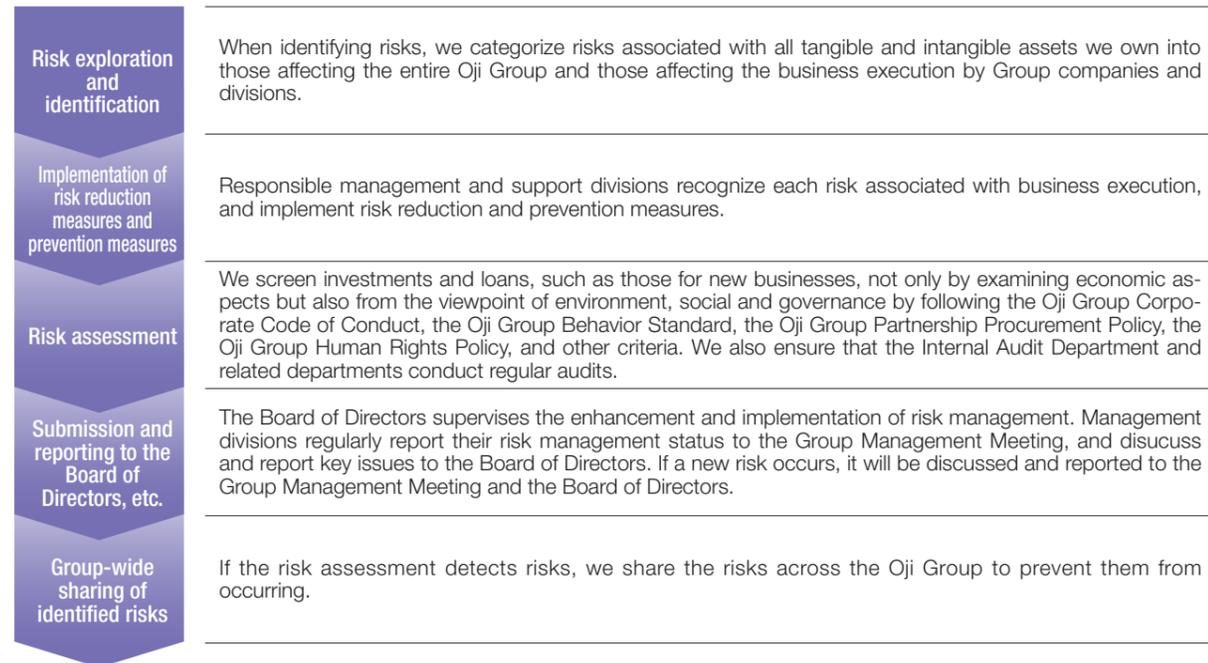


Risk Management

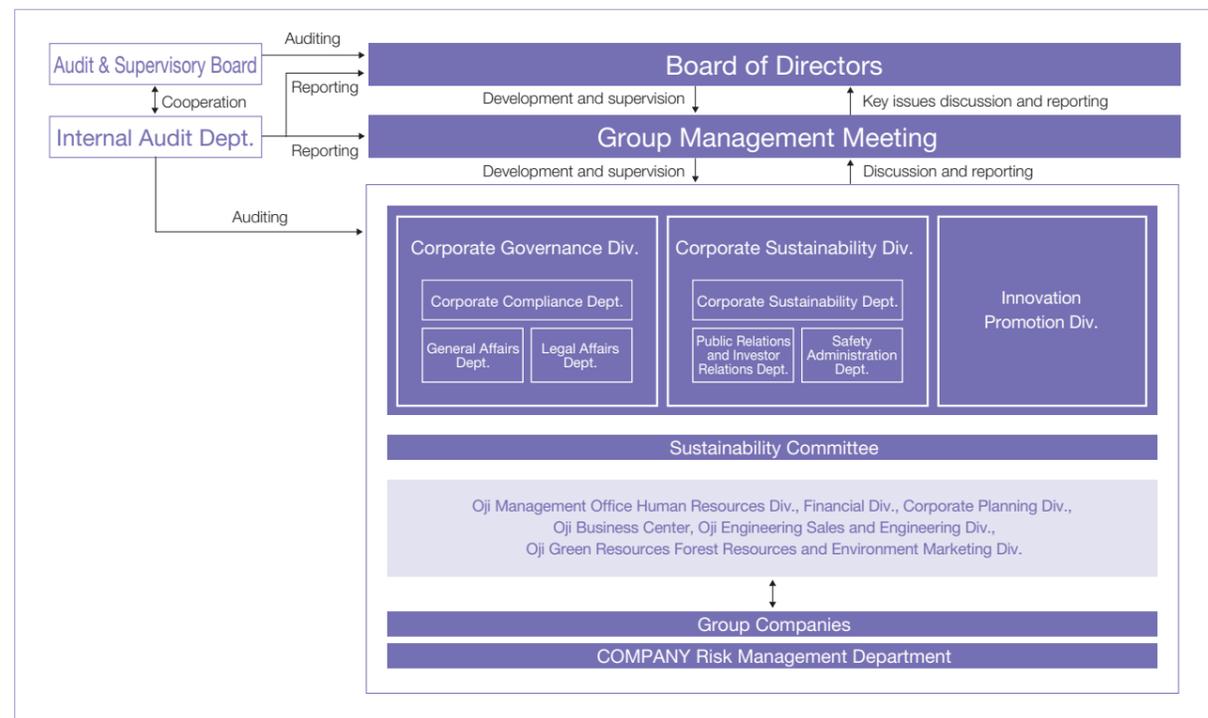
The Oji Group undertakes business activities with a strong sense of ethics set forth in the Oji Group Corporate Code of Conduct and implements appropriate risk management practices. In response to the rapid expansion of the areas where we operate businesses, we will reinforce our risk management structure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

Flow of Risk Management

Under the risk management structure developed and supervised by the Board of Directors, the Oji Group has established Group Risk Management Regulations. It works to manage risks in the flow described below.



Risk Management Structure



New Establishment of Sustainability Committee

On April 1, 2022, we established the “Sustainability Committee,” which is chaired by the Representative Director of the Board, President and consists of Directors of Oji Holdings Corporation and Presidents of all COMPANIES, to strengthen our efforts to fulfill its roles and responsibilities toward the realization of a sustainable society and to

discuss the Group’s risks associated with sustainability and measures against those risks.

We also established the Corporate Sustainability Division at Oji Holdings as a division which oversees and manages Group companies’ efforts for sustainability.

Purpose of Sustainability Committee

The purpose of the Sustainability Committee is to discuss the Oji Group’s risks associated with sustainability such as climate change risks, supply chain risks, and human rights risks, and countermeasures, and to promote the group-wide efforts for sustainability. The Committee holds its meetings twice a year, and develops a policy to work

against each risk and an implementation plan, monitor the progress status, and assess the achievement status. Details deliberated at the Committee are discussed and reported to the Group Management Meeting and the Board of Directors, depending on the importance.

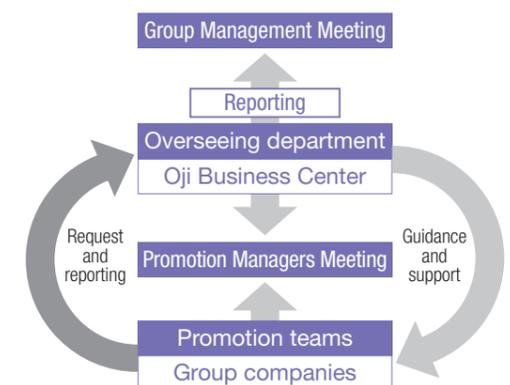


Measures for Information Security

The Oji Group positions information obtained through its business activities as important assets. We have enacted Information Systems Usage and Risk Management Regulations to respond promptly to changes in the ever-sophisticating IT environment, and have established all group system to prepare for cyber threats such as unauthorized access prevention and disasters. The Oji Business Center, as a department that oversees our information system risk management, inspects the information system risks across the Group, and maintains, manages and improves IT security. In addition, it regularly provides educational activities and information on the latest risk trends it has captured to employees using company newsletters, and conducts targeted email training for employees to deal with phishing e-mails that are becoming more sophisticated every day. In FY2021, we revised regulations to respond to changes in work styles, such as the spread of cloud computing and teleworking

in times of COVID-19. We will work to make sure that these measures will take hold and further strengthen our efforts to improve IT security from a global perspective.

Information Security Structural Diagram



Risk Management

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

Countermeasures against Major Risks

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

Icons to the right represent materiality (for details, see P84).



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

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

The Oji Group's BCP

At the Oji Group, we have formulated a BCP*1 for each COMPANY to respond to an emergency when a risk associated with business execution arises. Reviewing it as necessary, we also engage in BCM*2. In the event of a serious incident to be addressed by the overall Group, we establish the Group Emergency Headquarters to confirm the safety of employees, check the damage suffered, and take prompt measures to continue supplying products to our customers.

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

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

Building a Group Disaster Control System

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

BCP Initiatives — an Essential Products Supplier that Supports Daily Life

Locating production bases to diversify risks and flexible raw material procurement

Oji Group companies have production bases nationwide ranging from Hokkaido to Kyushu. While proceeding with consolidating production bases to enhance competitiveness, we consider risk diversification to continue business. In addition, to continue production, we procure raw materials from several companies in principle and ensure flexible procurements such as diversified sources.

Exploration of infrastructure risks and implementation of measures

Production bases of the Oji Group in Japan explore risks of earthquakes, heavy rain, typhoon and other natural disasters, and implement measures against them, using local hazard maps to simulate the occurrence of disasters such as floods and landslides. For example, we have strengthened waterproofing measures for electric rooms to avoid stoppage of plant/mill operation over a long period of time. We also actively roll out useful measures to other companies in the Group.

Local preparedness for natural disasters and support

In recent years, we strengthen not only measures within the Group but also collaboration with locals to prepare for increasing natural disasters. Currently we have concluded a total of 152 disaster prevention agreements with local governments across Japan. In the occurrence of a disaster, we provide corrugated beds and other various types of corrugated products, and also jointly conduct a drill of setting up an evacuation center. We provide a wide variety of support including infection prevention measures.

The Oji Group carries on production activities to maintain social life worldwide by supplying corrugated containers and folding carton products that support logistics services, hygiene materials such as tissue paper, toilet rolls and face masks as well as printing and communication paper that conveys information.



Corrugated bed



Drills for setting up evacuation centers with local governments

Independent Outside Directors' Roundtable Discussion

The Roles of Independent Outside Directors in Nomination Functions and Plan Formulation

Over the past year, the Board of Directors has continued to experience great changes, including launching a new management structure and formulating a Long-term Vision and new Medium-term Management Plan. In this section, our four Independent Outside Directors, including a newly appointed member, discuss the Oji Group's changes and prospects from an outside perspective.



Michihiro Nara

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

Sachiko Ai

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

Seiko Nagai

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

Hiromichi Ogawa

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

Assessing Qualitative Improvements to the Board of Directors

Nara In the past few years, the composition of our Board of Directors has changed dramatically. When I was appointed eight years ago, there were only two Independent Outside Directors. Today, that number has increased to four, resulting in one-third of the total of 12 Directors being Independent Outside Directors. We have always been free to express our opinions. However, from the perspective of an Independent Outside Director, the environment feels like it has become even easier to express ourselves.

In terms of diversity, as well, not only does our group of Independent Outside Directors include two women—Ms. Ai and Ms. Nagai—but it also consists of people of diverse backgrounds, in our areas of expertise, skills, and experiences. The result is an increased breadth of ideologies and views and deepened discussions during meetings of the Board of Directors. Being able to come in contact with multilateral and macroscopic ways of looking at things through these discussions has been highly educational. I also believe something which has contributed to the improvement of Oji's corporate value.

Ogawa I began serving as an Independent Outside Director this fiscal year. My most recent experience in corporate management involved serving as chairman at a food processing company, where I focused on strengthening corporate governance and BCP implementation amid the COVID-19 pandemic. At that company, as well, an increase in the number of women serving as outside

directors greatly changed the atmosphere of the board of directors.

Following the trend in recent years toward stakeholder capitalism, what is expected of boards of directors and the roles outside directors ought to fulfill are steadily changing. What I personally would like to particularly concentrate on is closely observing whether the Board of Directors is engaging in a healthy discussion based on due process. Corporations are like living things, requiring that their board of directors maintain an accurate awareness of the business environment both within and outside the company and make decisions from a practical point of view. I intend to leverage my management experience to provide advice as an Independent Outside Director which contributes to increasing Oji's corporate value.

Ai The addition of Mr. Ogawa has expanded the breadth of the Board of Directors' skills and further improved the balance of the composition of its members. We have different opinions on a single theme, reflecting our points of view and ways of thinking, and making discussions even deeper and higher in quality.

Nagai Having experienced my first year as an Independent Outside Director among this gathering of specialists in diverse fields, I have always felt free to express my opinions. Oji has a fully developed follow-up structure, for example, providing information through briefings for Outside Officers. Participating as an observer in company leader study sessions, accounting audit report briefings, and Group Management Meetings is also a beneficial opportunity. The Board of Directors has maintained the flexibility to steadily incorporate outside opinions into its

Independent Outside Directors' Roundtable Discussion

operations, which I believe has led to more active discussions.

Ai Hearing directly from COMPANY Presidents and leaders about their businesses and participating in meetings with outside auditors is also beneficial to Board of Directors discussions. In addition, although we will discuss this in a moment, in the formulation of the new Medium-term Management Plan, a separate, special session outside of the normal briefings for Outside Officers was established, which was extremely valuable and enabled us to discuss it from a medium- to long-term perspective.

Nara We have continued to face restrictions over the past two years due to the COVID-19 pandemic, but Oji has resumed visits to manufacturing sites in Japan such as the Tomakomai Mill and Kasugai Mill. As an Independent Outside Director, I'm looking forward to visits to overseas sites resuming in the future. Seeing a location with your own eyes really is a prerequisite to management discussions.

The Nomination Functions the Oji Group Needs

Nara Oji has established a Nomination Committee and a Compensation Committee to serve as advisory bodies to the Board of Directors. For both committees, the Chairman, President, and Independent Outside Directors are all members, with the President serving as Committee Chair. To ensure transparency in appointment processes, discussions regarding appointment are conducted by the Nomination Committee, with a majority of its members being Independent Outside Directors.

Ai In the most recent appointment process, our participation involved providing opinions from an outside



perspective on proposals from the executive side, and summarizing the findings as the final recommendations by the Nomination Committee. We approved of the recommended human resources, including new President Isono without dissension, thus playing our part in Oji's appointments.

Nara I believe it is actually very difficult to take the lead in selecting corporate managers from an outside perspective, as we Independent Outside Directors normally have less contact with candidates during our regular affairs. At the same time, when a new Director is nominated, they are naturally presented to us as a potential future candidate for President. From that point forward, we monitor this candidate from the perspective of whether they have the qualities and character required of a corporate manager and use this as a basis for our decision at the time of appointment, while keeping a close eye on the candidate's comments and actions.

To improve this process further, we have sought more opportunities for Independent Outside Directors to contact the Corporate Officers who are future Director candidates, as well as the management members who are candidates for becoming Corporate Officers. Regarding this point, in recent years, Oji has created opportunities for communication in a variety of forms. For example, we have engaged in discussions directly with Corporate Officers and management members at briefings for Outside Officers. It has also become possible for us to attend meetings of the Audit & Supervisory Board, and to connect with Group companies' the management and executive teams. It is impossible to select personnel without knowing and understanding their capabilities and character, which is why I think this kind of internal communication is also an important role of Nomination Committee members.

Ogawa Even in the best of circumstances, the amount of information available to an Independent Outside Director is limited. Against this backdrop, taking responsibility and making a fair decision is extremely difficult. I served as committee chair in my previous position on a nomination advisory committee. The majority of the committee was comprised of outside directors, and I went to great pains to share as much relevant information as possible with the members who were outside directors. In the Oji Group, I am now in the opposite position, so I would like to see a variety of measures taken to make it possible for us to obtain appropriate materials for decision-making in terms of quality and quantity.

Nagai In the company that I was involved in, director candidates were interviewed by outside directors and asked about management issues and how they would solve them. In this way, outside directors could understand each candidate's views and opinions as well as their management perspective. The feedback was provided to top management and served as a part of the materials used to make appointment decisions. In Oji's case, the Group's scale is large and it also possesses a vast amount of human resources, making doing the same kind of thing difficult. However, I think we should proactively engage in dialogue with the next generation of the executive team going forward.

Ai As an Independent Outside Director, I believe that one can effectively contribute to appointment selections even in large-scale companies if the axes of evaluation have been made clear and if one is aware of the accomplishments of the human resources who will rise to the executive level as well as the process through which they were cultivated.

Leveraging human capital is extremely important to increase corporate value and grow sustainably. Based on this, in addition to the nomination of the executive ranks, I also think it is necessary to engage in wide-ranging discussion regarding the composition of the entire company's human resources portfolio in the medium- to long term; the cultivation of human resources, including the transmission of skills; and the consequent human resources system, compensation structure, evaluation system, and training system.

The New Medium-term Management Plan from an Outside Perspective

Nara As Ms. Ai mentioned a moment ago, a special session outside the normal briefings for Outside Officers was held in the formulation of the new Medium-term Management Plan. At the session, we Independent Outside Directors also spoke extensively of our opinions from our own individual perspectives.

Ai Unlike in the past, in the new Medium-term Management Plan, in place of compiling a list of numerical targets provided by each COMPANY and department, Oji set long-term goals for 2030 in the form of its Long-term Vision, then backcast from there to formulate the plan. Accordingly, a good deal of time was necessary for investigation and consideration. The fact that Oji could engage in sufficient discussion right up until the plan's publication is praiseworthy.

Nagai Discussion of the new Medium-term Management Plan had to be predicated on evaluating of the previous three-year Medium-term Management Plan. I was only involved as an Independent Outside Director for the final fiscal year of the previous plan's three years. However, I believe that the Oji Group's achievement of record-high profits amid such unprecedented external changes as the COVID-19 pandemic, Russia's invasion of Ukraine, and soaring raw materials prices was nothing less than a result of the efforts of all of the Group's employees combining their strength to work toward the same goals.

Ai Although a portion of the numerical management targets for the previous Medium-term Management Plan were not achieved, the Oji Group recorded satisfactory results, with consolidated operating profit being a record-high 120.0 billion yen. Progress was seen in each of the "profitability improvement of domestic business," "expansion of overseas business," and "promotion of innovation" raised by our Basic Policies. There remain ongoing challenges, however, and these policies will be "evolved" in the new Medium-term Management Plan.

Nara In part due to the effects of the COVID-19 pandemic, it is difficult to say that sufficient progress was made



with regard to the "expansion of overseas business" and "promotion of innovation." We, Independent Outside Directors, recommended that we look back on the past three years of activities about each theme and reflect the insights thus gleaned in the next plan's new policies.

Accordingly, "green innovation" was clearly added to the new Medium-term Management Plan, and I feel an enthusiasm for a new Oji Group in this action.

Ai Definitely. The Group's Basic Policy in the new Medium-term Management Plan is "Growth and Evolution," and under this, "Initiatives for Environmental Issues" is a new and explicit addition. During discussions when formulating the plan, we indicated that, while continuing to expand initiatives to contribute to the environment, proactively sharing this information with stakeholders could potentially deepen their understanding of Oji.

Alongside the announcement of Oji's Long-term Vision and the new Medium-term Management Plan, "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" was explicitly stated as Oji's Purpose. I perceived this as a reflection of the opinions of us Independent Outside Directors.

Nagai At the company I worked at previously, I experienced rebuilding after a business failure. Through this process, I came to recognize the importance of changing employee awareness, and learned hands-on that making sure everyone has the same goal leads to business growth. What I would like to see with Oji's new Purpose is that it be made even easier to understand so that it reaches every employee and becomes something which unites the hearts of all of Oji's members.

The path forward will not be smooth in a business environment in which the future continues to be opaque. Against this backdrop, as a first step to achieving the



aggressive goal of consolidated net sales of 2.5 trillion yen or more by 2030 over the next three years, I intend to continue to seek to secure the safety that is a condition of stable business operation. At the same time, I will focus on the permeation of Oji's Purpose in real workplaces and be monitoring Oji's administration.

Ai In addition to net sales of 2.5 trillion yen or more by 2030, Oji has also set various goals and targets as part of its Environmental Action Program 2030. The next three years will be an important period in establishing a foundation for their achievement. As an Independent Outside Director, I intend to keep a firm awareness of their progress and, about recognized challenges, monitor for issues that are difficult to detect from within the company as well as for both excess and insufficient analysis of their execution, and provide effective recommendations.

A Company Advancing Together with Its Stakeholders

Ogawa The concept of stakeholder capitalism I mentioned at the beginning is starting to permeate the general consciousness, but I believe the Oji Group could be said to be part of the vanguard of this trend. Oji's Founding Spirit of "unity of economy and morality" is a sublime precept that aligns with the modern-day SDGs, and Oji has inherited a company attitude of aiming for harmony and mutual prosperity with all of its stakeholders.

I perceive the new Medium-term Management Plan, as well, to be a strategy of firmly focusing on the long-term goals of Oji's Long-term Vision while at the same time carefully balancing economic, environmental, and societal value under the Group's Basic Policy of "Growth and Evolution." I hope that all of Oji's stakeholders will appreciate the value of this Group's Basic Policy.

Nagai The Oji Group is one of the greatest holders of forest resources in Japan. Aiming for net-zero carbon in 2050, the Group established its Environmental Action Program 2030 to serve as a milestone toward that target. The entire strength of the Group will be marshaled to expand net sales to 2.5 trillion yen and, at the same time, contribute to the resolution of environmental issues. As a member of the Oji Group, I too, am going to do my part, and in turn I ask all of our stakeholders for their continued support.

Ai Under the slogan "Beyond the Boundaries," the next three years will be a period in which the Oji Group aims to continue the growth achieved in the previous Medium-term Management Plan while at the same time aiming for further evolution. The environmental challenges we are facing, such as climate change, are wide-ranging, and the need for a recycling-oriented society is growing ever stronger. Against this backdrop, the Oji Group will contribute even further to society while also expanding its own corporate value by leveraging and developing, in many directions, the expertise in forest resources it has cultivated throughout its business history.

Nara Oji possesses an abundance of forest and water resources and is equipped with the conditions necessary for it to survive as a company. It creates sustainable value for the future based on its Management Philosophy of "Harmony with Nature and Society." Oji recognizes that these forest and water resources are not just part of its own corporate value but also public resources which form the basis of society and nations. With "green innovation" as a Basic Policy of the new Medium-term Management Plan, I encourage you to watch Oji's developments going forward.



Message from an Independent Outside Audit & Supervisory Board Member

Evolving Governance Structure and Audit & Supervisory Board Members (from the Perspective of an Independent Outside Audit & Supervisory Board Member)

Independent Outside Audit & Supervisory Board Member
Hidero Chimori



More Diverse Board of Directors Members and More Vigorous Discussion

I was appointed as an Independent Outside Audit & Supervisory Board Member at the General Meeting of Shareholders in June last year. At the same time, one woman each was appointed as an Independent Outside Audit & Supervisory Board Member and as an Independent Outside Director. The result was that there were now 12 Directors who made up the membership of Oji Holdings Corporation's Board of Directors, four of whom are Independent Outside Directors. We now have four female officers including Audit & Supervisory Board Members, thus making the membership of the Board of Directors even more diverse.

The increase in the number of Outside Officers and female members was not simply a matter of filling out the numbers following the revision to the Corporate Governance Code. Rather, each member vigorously expresses his or her opinion, backed by their own individual career histories, specialties, and values, among other attributes. Without a doubt, discussions at meetings of the Board of Directors have become spaces for diverse opinions, meeting the expectations set forth in the Corporate Governance Code. These discussions can also be seen to have been outfitted with a structure which contributes to increased corporate value and the effectiveness of management supervision. To give an example, in the previous fiscal year, the Medium-term Management Plan starting in the current fiscal year was discussed as one of the most important themes at meetings of the Board of Directors, and the fact that opinions of Outside Officers were also reflected in the plan is praiseworthy.

The Oji Group's Audit Structure and Audits by Audit & Supervisory Board Members

Amid these changes to the management environment, as concerns Audit & Supervisory Board Members fulfilling their duties, it came into question whether the three-pronged auditing system of audits by accounting auditors, audits by internal audit divisions, and audits by Audit & Supervisory Board Members was functioning properly. There is a particular issue with the difference in the thoroughness of audits by the internal auditing divisions depending on the company, and its intra-group coordination is of utmost concern. The Oji Group, however, has been proactively working to fortify this area. Confirmation is being conducted with internal auditing divisions primarily through periodic exchanges of opinions regarding developing an internal control system for accounting, audits of operations, business audits of extensive Group companies, and compliance. Concerning audits by Audit & Supervisory Board Members, the system will now focus more on the important business and governance audits of Group companies, and emphasis will be placed on the supervision of the management of Oji Holdings Corporation, most important of all.

Challenges to Further Improving Corporate Value and the Initiatives as Independent Outside Audit & Supervisory Board Members

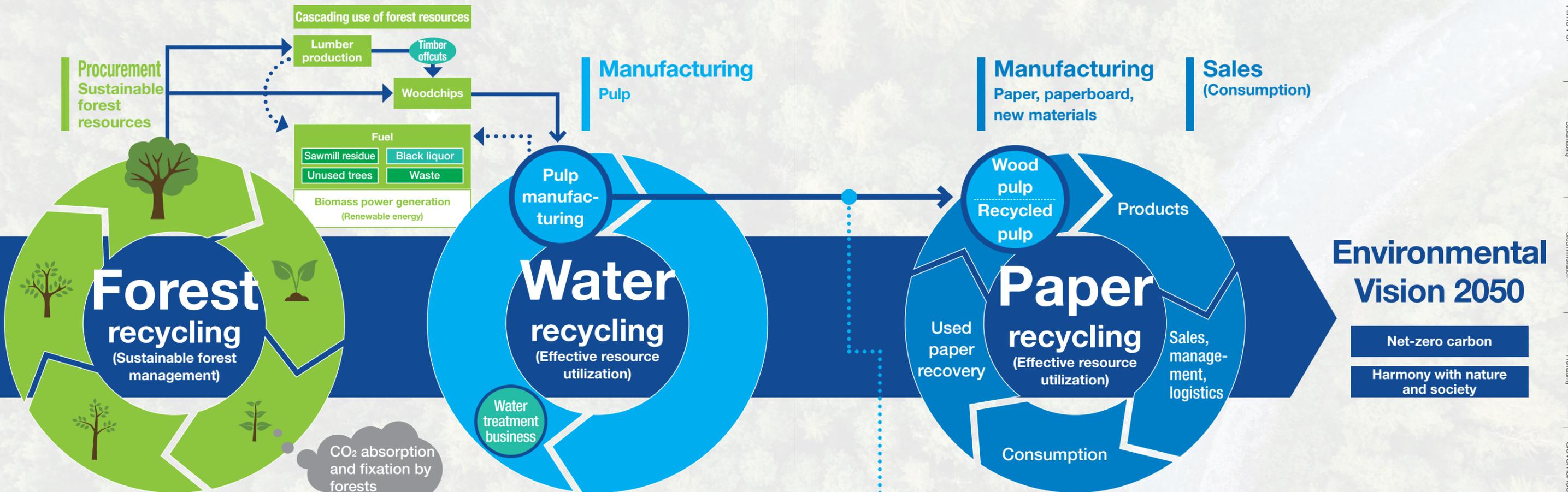
As I stated in the beginning, the Board of Directors of Oji Holdings Corporation has become much more diverse. It will still be some time before that diversity of opinion is reflected in Oji Holding's management and leads to improved corporate value. In that sense, this can be seen as there being even greater room for the Oji Group's corporate governance to evolve and for its corporate value to improve in the medium- to long term.

As an Independent Outside Audit & Supervisory Board Member, I will leverage my expertise as an attorney-at-law from an outside perspective, strive to monitor in particular governance functions and actively state my opinion at Board of Directors and other meetings whenever I have insights from viewpoints such as risk management and compliance. Speaking of governance, as I discussed above, the Medium-term Management Plan starting in this fiscal year was an important discussion point during meetings of the Board of Directors in the previous fiscal year. Moving forward, I intend to continue to focus on whether meetings of the Board of Directors are spaces for the appropriate discussion, from a medium- to long-term perspective, of such matters as structural reform, capital investment planning, and R&D; and whether these discussions are leading to appropriate action.

Sustainable Business Model

Sustainable Business Model “Resource Circulation throughout the Value Chain”

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



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

CO₂ absorption and fixation by forests

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

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

Development of new materials derived from wood fiber	
Cellulose	Hemicellulose
Various wood-derived materials	
<ul style="list-style-type: none"> • Wood-derived biomass plastics • Cellulose nanofiber (CNF) • Sulfated hemicellulose, etc. 	

Aiming for Further Development of the Sustainable Business Model

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

Core Competencies and Material Issues

Core Competencies

The Oji Group possesses Oji Forests spanning 573,000 ha domestically and overseas. As the Group engages in a cycle of cultivating forest resources, utilizing them, and cultivating them again, we are developing a wide range of businesses without regard for business domain. Rooted in our core competencies centered on forest resources, we will aim to develop business and contribute to realizing a sustainable society.

1 Global Expansion of Manufacturing that Supports Lives and Industry

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

2 Sustainable Forest Management

Giving due consideration to environmental conservation, the Group possesses production forests primarily for producing wood spanning a total of 432,000 ha, with 176,000 ha domestically and 256,000 ha overseas, as well as conservation forests spanning 141,000 ha, with 12,000 ha domestically and 129,000 ha overseas. Implementing sustainable forest management, which is environmentally, socially and economically conscious, forms the basis of our businesses.

3 Utilization of Renewable Resources

We promote recovered paper recycling. The recovered paper makes up about 60% the raw material of the paper. We also thoroughly circulate and reuse the water that is essential to paper manufacturing in our production processes, and create systems for reducing the amount of water used and purifying wastewater in a sophisticated manner.

4 Development of New Materials Derived from Wood Fiber

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

5 Application of Fundamental Paper Manufacturing Technologies

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

The Oji Group's Sustainable Forest Resources

Material Issues

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

We have also set qualitative targets and KPIs for each material issue (P85-86).

Process for Identifying Material Issues



Material Issues and Reason for Identification

Material Issues	Reason for Identification
Mitigation and adaptation to climate change	As responding to the progression of climate change becomes an urgent issue, it is essential to reduce GHG emissions in the production and logistics processes, and extensively ramp up CO ₂ absorption via the expansion of company-owned forests and development of fast-growing trees.
Sustainable forest management (forest recycling)	To secure a stable supply of raw materials and, at the same time, maintain forests' functions in areas such as conservation of biodiversity and CO ₂ absorption, it is necessary that we engage in the sustainable management of the vast forests we own in Japan and overseas.
Responsible raw materials procurement	The Oji Group's procurement of raw materials is supported by numerous suppliers in Japan and overseas. Working to improve human rights, labor, environmental, and other issues at all of our suppliers, and fulfilling our social responsibilities are essential to the continuation of our business activities.
Stable supply of safe and secure products	As a manufacturer, the core of our business involves strengthening relationships of trust while building a system which provides services and quality which customers in a variety of fields can use with peace of mind.
Reduction of environmental burdens	We have a responsibility to promote the prevention of environmental pollution, and to contribute to the conservation of local environments, we establish voluntary management standards which are even stricter than existing laws and regulations regarding wastewater and emissions.
Effective resource utilization (paper and water recycling)	It is important that we work to protect resources and reduce waste by maintaining our recovered paper recycling systems through the procurement of recovered paper at fair prices, promoting the use of recovered paper, and promoting the effective use of waste and water resources in our manufacturing processes.
Respect for human rights	To achieve an even greater level of globalization going forward, it is necessary that not only our employees but all of our suppliers share our beliefs regarding respect for human rights, and implement concrete initiatives which will help prevent human rights issues.
Ensuring workplace safety and health	Ensuring employee safety and building a work environment where people can work with a sense of security is the cornerstone of our continued existence as a corporation. Also, responding rapidly to disasters, infectious diseases, and other risks is essential to ensuring safety and health.
Inclusion & diversity	As a global enterprise, it is essential to have a diverse array of human resources that flourishes regardless of gender, age, disability, or nationality, and to be receptive to a variety of values and ideas to enhance corporate competitiveness and further development.

Material Issues and KPI

Material issues	Qualitative targets	Key performance indicators (KPIs) <small>(Unless otherwise specified, for FY2030)</small>	Current value*1	Major initiatives	Value provided to society	Corresponding SDGs	Reference
Mitigation and adaptation to climate change	<ul style="list-style-type: none"> Reduce GHG emissions Maintain and expand CO₂ absorption and fixation through forest conservation Increase the usage of renewable energy Improve energy efficiency 	<ul style="list-style-type: none"> Reduce GHG emissions by at least 70% compared to FY2018 <ul style="list-style-type: none"> GHG emissions reduction: 20% Net increment in carbon stocks by forests: 50% The actual carbon stocks in living biomass*2 expanded to at least 170,000 kt-CO₂ (calculated value) Renewable energy usage rate of at least 60% through reduction of coal consumption Energy consumption intensity at least 1% per year for the 5-year average 	<ul style="list-style-type: none"> 11.3% reduction <ul style="list-style-type: none"> 3.0% 8.3% 109,000 kt-CO₂ 54.7% 1.8% reduction (Five-year average from 2017 to 2021) 	<ul style="list-style-type: none"> Reduce GHG emissions through improving production efficiency, saving energy, and utilizing renewable fuel and waste fuel Absorb and fix CO₂ through sustainable forest management Expanded use of non-fossil fuels and biomass fuels as alternatives to coal Develop biomass power generation business Develop eco-friendly products 	<ul style="list-style-type: none"> Mitigation of climate change Increase in the usage of renewable energy Improve in energy efficiency Enhancement of eco-friendly technologies 	<p>7.2,7.3, 7.a 9.4,9.5 12.2 13.1,13.2, 13.3</p>	P25-30
Sustainable forest management (forest recycling)	<ul style="list-style-type: none"> Increase forest certification acquisition rate Maintain and expand overseas forest plantation 	<ul style="list-style-type: none"> Increase the rate of overseas forest certification acquisition*3 (maintain the domestic rate at 100%) 400,000 ha of overseas forest plantations 	<ul style="list-style-type: none"> Japan 100%, Overseas 92% 256,000 ha (Conservation forests 129,000 ha) 	<ul style="list-style-type: none"> Forest management based on the "Sustainable Forest Management Policy" Maintain and expand the multi-functions of forests Sustainable forest management such as promotion of forest plantation and conservation of company-owned forests 	<ul style="list-style-type: none"> Conservation of biodiversity and ecosystem Job creation Employment, education, and medical support 	<p>6.6 8.7 14.2 15.1,15.2, 15.3,15.4, 15.5,15.c</p>	P31-34
Responsible raw materials procurement	<ul style="list-style-type: none"> Manage the supply chain thoroughly 	<ul style="list-style-type: none"> Conduct sustainability surveys on all main suppliers*4 Achieve full traceability based on the Wood Raw Material Procurement Guidelines 	<ul style="list-style-type: none"> (Survey period: FY2020 - FY2022. Follow-up surveys to be conducted later.) 100% 	<ul style="list-style-type: none"> Promote CSR procurement, taking into consideration the environment and society following the Oji Group Partnership Procurement Policy and the Wood Raw Material Procurement Guidelines 	<ul style="list-style-type: none"> Forms of responsible production and consumption Protection of the rights of workers and reduction of environmental impact throughout the entire supply chain 	<p>8.7 12.1,12.4, 12.6 15.1,15.2</p>	P87-88
Reduction of environmental burdens (air, water and waste)	<ul style="list-style-type: none"> Promote purification of wastewater and exhaust gases Increase effective waste utilization ratios 	<ul style="list-style-type: none"> Reduce emission intensity for substances of environmental concern in wastewater by 15% from FY2018 Reduce SOx emissions intensity in exhaust gases by 15% from FY2018 Improve effective waste utilization ratios*5 Japan at least 99%, Overseas at least 95% 	<ul style="list-style-type: none"> BOD: 5.9% reduction, COD: +8.3%, SS: 12.9% reduction 10.5% reduction Japan 99.1%, Overseas 89.1% 	<ul style="list-style-type: none"> Set voluntary management values that are stricter than the environmental regulatory standards Purify wastewater and save emissions of chemical substances in exhaust gases Reduce and effectively use waste Develop eco-friendly products and biodegradable materials 	<ul style="list-style-type: none"> Safety and health Reduction of air and water pollution 	<p>3.9 6.1,6.3,6.4 11.6 14.1,14.2, 14.3 17.7,17.8</p>	Refer to the website
Effective resource utilization (paper and water recycling)	<ul style="list-style-type: none"> Improve the recovered paper utilization ratio Reduce water intake intensity 	<ul style="list-style-type: none"> Recovered paper utilization ratio*6 (Japan): At least 70% Water intake intensity Reduction of at least 6% compared to FY2018 	<ul style="list-style-type: none"> 67.1% +1.8% 	<ul style="list-style-type: none"> Paper recycling (improve the recovered paper utilization ratio) Reduce water intake and improve water recycling Expand the water treatment business overseas 	<ul style="list-style-type: none"> Mitigation of climate change Reduction of waste Contribution to the solution of the water shortage issue Safe water supply 	<p>6.4,6.5 12.4,12.5, 12.6 14.1 15.1,15.2, 15.3,15.4, 15.5,15.c</p>	P89-92
Stable supply of safe and secure products	<ul style="list-style-type: none"> Continue zero product liability accidents 	<ul style="list-style-type: none"> Zero product liability accidents (each fiscal year) 	<ul style="list-style-type: none"> Zero accidents (continued since 1998) 	<ul style="list-style-type: none"> Stably supply own products Ensure safe quality design and management in compliance with relevant laws and regulations and stricter voluntary management values Provide customers with information on safety of raw materials (chemicals, materials) Supply of FSC™ certified products (FSC™ C014119, etc.) 	<ul style="list-style-type: none"> Supply of safe and secure products Reduction of environmental burdens Dissemination of eco-friendly technologies to developing countries 	<p>9.4,9.b 12.4,12.6 17.7</p>	P88
Respect for human rights	<ul style="list-style-type: none"> Provide education and training in human rights 	<ul style="list-style-type: none"> Percentage of target people who get education and training in human rights: 100% 	<ul style="list-style-type: none"> Attendance for education and training in human rights as part of target training: 97.9% (2,640 participants) 	<ul style="list-style-type: none"> Formulate and implement the Oji Group Corporate Code of Conduct, the Oji Group Behavior Standard, and the Oji Group Human Rights Policy Perform internal audits and implement the whistle-blowing system Raise awareness of compliance and human rights through in-house training Assess risks associated with suppliers' respect for human rights Implement human rights due diligence 	<ul style="list-style-type: none"> Respect for human rights 	<p>5.1,5.4, 5.5,5.c 8.5,8.7, 8.8 10.2,10.3, 10.4</p>	P93
Ensuring workplace safety and health	<ul style="list-style-type: none"> Achieve zero fatal and serious work-related accidents Reduce lost time injury frequency rate Reinforce safety management systems, safety risk management systems, and safety education 	<ul style="list-style-type: none"> Achieve zero fatal and serious work-related accidents** (each fiscal year) Lost time injury frequency rate*8: 50% reduction compared to FY2018 (0.89) 	<ul style="list-style-type: none"> Zero accidents (from January 1 to December 31, 2021) 0.97 (from January 1 to December 31, 2021) 	<ul style="list-style-type: none"> Establish safety and health management structures and promote activities aimed for safety and health Thoroughly ensure safety in the handling of machines and equipment and in other operations Promote safety education (introduce VR risk experience education, etc.) Promote physical and mental well-being of employees Create comfortable work environments Respond to infectious diseases including COVID-19 	<ul style="list-style-type: none"> Safety and health 	<p>8.8</p>	P97-98
Inclusion & diversity	<ul style="list-style-type: none"> Raise the percentage of female managers Raise the employment rate of people with disabilities 	<ul style="list-style-type: none"> Percentage of female managers*9: 5.5% (Japan, end of March 2025) Employment rate of people with disabilities*9: 2.3% (Japan, June 2023) 	<ul style="list-style-type: none"> 3.7% (16 companies in Japan) Six applicable Group companies in Japan*9: 2.35% Group companies in Japan*9: 2.10% (June 2022) 	<ul style="list-style-type: none"> Implement human resource strategies and develop human resources Promote working style reforms Promote diversity 	<ul style="list-style-type: none"> Active participation of diverse human resources Realization of innovation Improvement in productivity 	<p>5.1,5.4, 5.5,5.c 8.2,8.5, 8.8 10.2,10.3</p>	P94-96

*1 Aggregation period: Unless otherwise specified, from April 2021 to March 2022 or as of March 31, 2022. Boundary of data aggregation: Unless otherwise specified, Japanese and overseas consolidated companies
 *2 The actual carbon stocks in living biomass (CO₂ tons)
 Production forest: Actual merchantable volume at the end of FY2021 x Biomass expansion coefficient x (1 + underground / above-ground ratio) x Wood density x Carbon ratio x CO₂ conversion coefficient.
 Conservation forest: Remaining area at the end of FY2021 x above-ground biomass of natural forest x (1 + underground / above-ground ratio) x carbon ratio x CO₂ conversion coefficient.
 *3 Forest certification acquisition rate: [Overseas] Area ratio in company-owned production forests, [Japan] Area ratio in company-owned forests excluding shared forests
 *4 Suppliers in top 75% of transaction amount

*5 Effective waste utilization ratio = (Amount of waste generated - Amount of landfill waste) ÷ Amount of waste generated × 100
 *6 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)
 *7 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.
 *8 For the calculation method, see P107.

History of the Oji Group's Value Creation
 What the Oji Group Aims For
 Environmental Issues
 Initiatives for Sustainability
 Initiatives for Product Development
 Initiatives for Profitability Improvement
 Governance Strategy
 Sustainability Strategy
 Financial and Non-financial Data

Responsible Raw Materials Procurement



The Oji Group is expanding and enhancing its CSR (Corporate Social Responsibility) procurement, which takes environmental and social factors into consideration when procuring raw materials. The Group shares the Oji Group Partnership Procurement Policy with all its divisions involved in procurement, and requests the understanding of new suppliers before starting transactions. The Group also informs all existing suppliers of revised content at the time of revision of the policy to fulfill its social responsibilities along the entire supply chain.

The Oji Group Partnership Procurement Policy (revised in 2018*)

➔ <https://ojiholdings.disclosure.site/en/themes/187/>

* We revised the Policy provisions relating to reducing GHG emissions, as well as climate change, management of water resources, protection of labor rights, etc., and requested our suppliers to adhere to the revised Policy.

The number of overseas suppliers has rapidly increased as we have expanded our businesses overseas. Under such circumstances, we have confirmed the status of operation of the Oji Group Partnership Procurement Policy and the Wood Raw Material Procurement Guidelines. We have also conducted sustainability surveys for main suppliers since FY2020.

Targets	(1) Conduct sustainability surveys for main suppliers (2) Achieve traceability based on the Wood Raw Material Procurement Guidelines
Results	(1) Conducted sustainability surveys of recovered paper, pulp, base paper, woodchips, chemicals and fuels (PKS, RPF and others) (2) Achieved traceability at wood raw material suppliers

Results of Supplier Sustainability Surveys (FY2020 and FY2021)

The results of surveys for 682 suppliers in Japan and overseas of recovered paper, pulp, base paper, woodchips, chemicals, PKS (palm kernel shells for use as fuel) and others in FY2020 and FY2021 are as follows. Number of suppliers that responded to the surveys: 428 (rate of response: approx. 63%).

The surveys were conducted for eight items listed from an ESG perspective in the form of questionnaire.

The average score of all suppliers calculated by adding the points of all eight items including corporate governance, human rights and labor was 479 (out of 800), which is about 60%. The item with a high average score was "Labor" at 67 while the one with a low average score was "Corporate governance" at 53. We also focused on human rights, which has drawn global attention as a material issue, and extracted issues (see P88).

We will provide feedback of the response results to suppliers (with radar charts) so that the suppliers can understand their strengths and weaknesses in ESG to reduce risks in the entire supply chain.

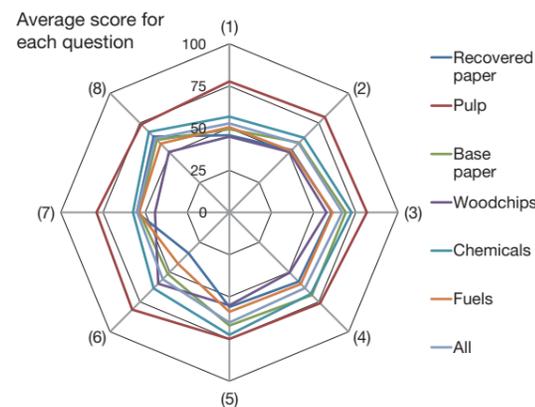
We will also continuously conduct monitoring surveys to suppliers with a score significantly lower than the average score.

Future initiatives

We will conduct surveys for the target main suppliers of fuels and subsidiary materials in FY2022 (to complete surveys of all the main suppliers). We will also conduct additional or follow-up surveys to suppliers who have not responded to the survey yet or who have a low score.

Eight items from an ESG perspective

- (1) Corporate governance related to CSR
- (2) Human rights
- (3) Labor
- (4) Environment
- (5) Quality and safety
- (6) Basic stance for the supply chain
- (7) Coexistence with local communities
- (8) Information security/protection and fair corporate activities



Human Rights-Related Issues

We extracted the following (1) to (3) for issues related to human rights.

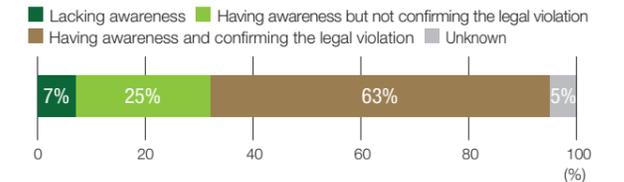
(1) Lack of awareness of basic stances and principles advocated globally, Japanese and foreign human rights-related laws and regulations, social and industrial norms, etc.

(2) Lack of human rights-related policies or guidelines.

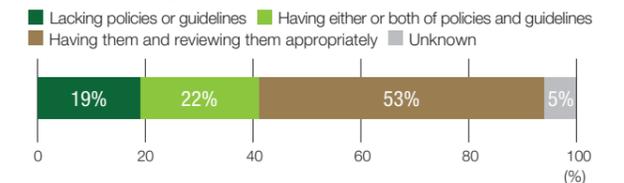
(3) Lack of human rights-related initiatives.

We will request suppliers that fall under (1) to (3) to take into active consideration (take actions for) the protection of human rights, the rights of laborers, etc. based on the Oji Group Partnership Procurement Policy through feedback of the survey results. We will also implement Human Rights Due Diligence step by step for main suppliers.

Awareness of laws



Policies and guidelines



Achieved Traceability at Wood Raw Material Suppliers (FY2021)

The Oji Group specifies items to confirm the origin of wood, forest management methods, illegally logged wood, mixture of wood with high conservation values and human rights violations based on the Wood Raw Material Procurement Guidelines, and procures only raw materials that are produced in properly managed forests. It is possible to trace the source of wood throughout the entire process from the forests of origin, woodchip mill to paper manufacturing and pulp mill.

In FY2021, the Group procured 4,429 kBDT (bone dry tons) of woodchips in Japan and overseas and 162 kADT (air dry tons) of market pulp, obtained traceability reports from all the suppliers and confirmed with a third-party organization that the procurement was in accordance with the Wood Raw Material Procurement Guidelines.



Wood Raw Material Procurement Guidelines (revised in 2015)

➔ <https://ojiholdings.disclosure.site/en/themes/188/>

Utilization of Forest Certification Programs

The Group also manufactures FSC™ certified products (FSC™ C014119, etc.), the use of which indirectly contributes to preserving forests.

These products use woodchips that meet FSC™ requirements. The Group has acquired FSC™-FM certification*1 for its overseas forest plantations and FSC™-CoC certification*2 for its manufacturing, processing, and distribution operations. Acquiring integrated certification from forests, converting plants to distribution enables the Group to offer a wide range of FSC™ certified products, from intermediate products to end products such as photocopying paper and paper for household use.

*1 FM certification: Confirmation of forest management

*2 CoC certification: Confirmation of management on processing and distribution of produced wood



Effective Resource Utilization (Water)

—Initiatives for Water Risks



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

Target Identify water risks in businesses

Results Of all 291 business sites, water intake and production at 13 sites with high water risks accounted for less than 1% and about 2%, respectively.

The analysis of water risk assessment of all 291 business sites (including those added in FY2021) based on the WRI's water risk assessment tool AQUEDUCT (3.0) showed that there were 13 sites that were located at areas with high water risk (High and Extremely high).

Water intake at the 13 sites accounted for less than 1% and their production accounted for about 2% of the total. This indicates that water risk in the entire business is deemed low. However, we will continue to take on initiatives to avoid water risks regardless of the assessment results.

Water Risk Assessment*

Water risk	FY2021				
	Number of business sites	Water intake (thousand m ³)		Production (kilo ton)	
Low (<10%)	75	281,765	39%	6,571	44%
Low to medium (10-20%)	110	309,945	43%	5,567	37%
Medium to high (20-40%)	93	121,160	17%	2,660	18%
High (40-80%)	7	1,246	0%	143	1%
Extremely high (>80%)	6	165	0%	102	1%
Total	291	714,281	100%	15,043	100%

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

River Basin Management by CENIBRA, Brazil

CENIBRA's eucalyptus plantations and pulp production use water from the Doce River basin in Minas Gerais, Brazil. In recent years, there has been less rainfall than usual, and the risk of a water shortage has been a concern for the whole region, so CENIBRA identified the subbasins of major influence based on regular waterflow monitoring at each waterpoint, to focus on the water conservation activities for these subbasins in cooperation with public authorities as follows:

Construction of water reservoirs in the forest: CENIBRA constructed 51 reservoirs in its own forest from 2018 to 2020, enabling a total of more than 1 million m³ of water to be stored, enabling excess water during the rainy season to slowly filter into the soil, later into the river, maintaining the level of the water table in the basins. The location of these reservoirs was determined in consideration of the water supply also for residential use, increasing harmony with the local communities regarding the use of water resources.

Subsoiling: In recent years CENIBRA has developed subsoiling activities before planting seedlings, enhancing regular rainwater infiltration into soil that has been compacted by the activity of heavy machinery in its own forests. Now CENIBRA is transferring this technique and expertise to aid the surrounding lands, especially lands for grazing, to contribute to the recovery of underground water retention in compacted pasture lands, as well as the prevention of erosion resulting in better water quality in the basin.

Provision of septic tanks to third parties: As an initiative to improve the water quality in the streams and the overall health of local communities in the regions where it operates, CENIBRA donated 100 septic tanks in 2020. They are used to treat household effluent on the rural properties in the regions, including the participants in the Forest Incentive Program promoted by CENIBRA.



Effective Resource Utilization (Water)

—Water Intake and Wastewater



Water intake in Household and Industrial Materials Businesses, Forest Resources and Environment Marketing Business and Printing and Communications Media Business, which are core businesses of the Oji Group, accounts for 93% of the entire Group with huge amount of water use. We reduce water intake by reusing water and using it in multiple stages in the mills as limited resources. In addition, used water is treated through multi-stage purification to return as much water as possible to water areas.

Target (1) Water intake intensity in FY2030: Reduction by 6% or more from FY2018 (0.48)
(2) Emission intensity for substances of environmental concern in wastewater: Reduction by 15% from FY2018

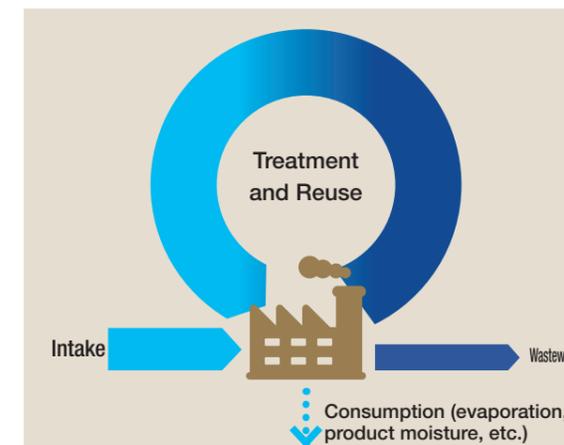
Results (1) Water intake intensity in FY2021: 0.49* (1.8% increase)
(2) BOD: 5.9% reduction, COD: 8.3% increase, SS: 12.9% reduction

* (thousand m³/¥ mil.)

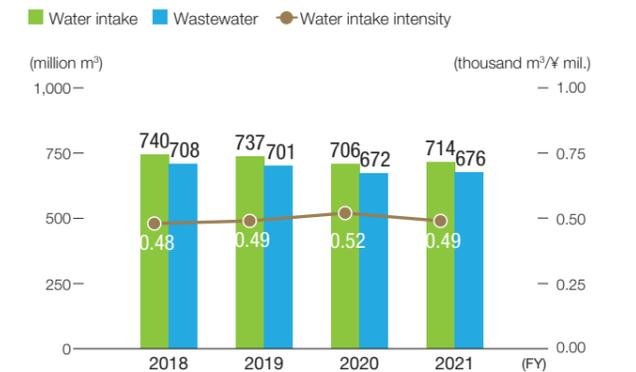
Water Intake Reduction

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

Conceptual Drawing of Water Reuse



Water Intake*, Wastewater*, and Water Intake Intensity



* A star mark indicates that FY2021 figures have been assured by KPMG AZSA Sustainability Co., Ltd.

Purification of Wastewater

At mills, we manage wastewater quality with voluntary management values that are stricter than the regulatory values.

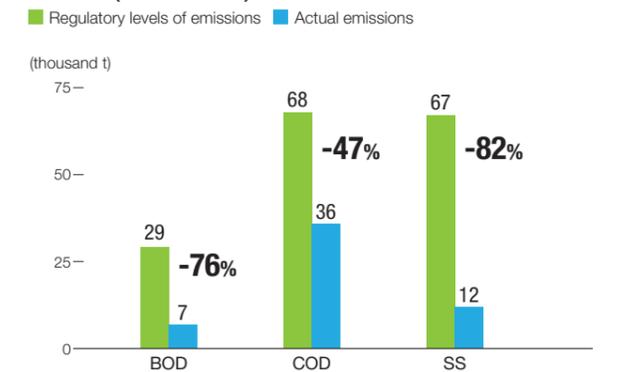
We are working to purify the wastewater. For example, COD emissions for substances of environmental concern* in wastewater have been reduced by at least approximately 47% compared to the emissions in keeping with the regulatory values to purify the wastewater.

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

COD (Chemical oxygen demand)
The amount of oxygen required as calculated from the amount of oxidant that is consumed when organic matter is oxidized.

SS (Suspended solids)
Particulates suspended in water.

Release of Substances of Environmental Concern in FY2021 (Wastewater)



Effective Resource Utilization (Recovered Paper)



Around 60% of the raw materials for paper production comes from recovered paper. The recovered paper from household is mainly collected through “community collection” and “administrative collection by local authorities” and used in the paper production at the paper mills. The idea of sustainable paper recycling is becoming even more important with the growing demand for paper as an alternative “Plastic -Free” material. Supported by the paper recycling, which has become a regular part of our daily lives, the Oji Group is actively involved in the use of recovered paper and strives to maintain a sound paper recycling system by setting stable recovered paper procurement prices. In order to further improve our recovered paper utilization ratio, we are promoting the use of various types of recovered paper and working to expand the paper recycling from a broader perspective by participating in cross-industry activities.

Target	To increase recovered paper utilization ratio: At least 70% in Japan	Results	67.1% in Japan
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Present State and Activities in Japan

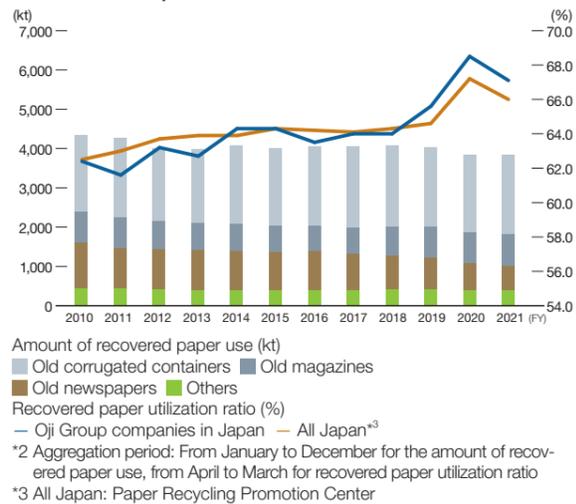
Current Recovered Paper Utilization Ratio

The Oji Group consumes 3.83 million tons of recovered paper for its production annually. This is equivalent to 24% of 16.03 million tons of the total recovered paper consumed in Japan. The breakdown of recovered paper use is as follows: 53% old corrugated containers, 21% old magazines, and 17% old newspaper. As the use of recovered paper expands, the recovered paper utilization ratio continues to increase slightly year on year. In recent years, the decline in printing paper production has been greater than the increase of paperboard, which has a higher recovered paper utilization ratio, and changes in the paper variety composition have pushed up the overall recovered paper utilization ratio^{*1}. In FY2020, the ratio became 68.5% because of significant decrease in the production of paper due to the spread of COVID-19 and other reasons. In FY2021, the ratio was 67.1% due to a recovery in paper production.

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

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

Changes in the Amount of Recovered Paper Use and Recovered Paper Utilization Ratio^{*2}



Types of Recovered Paper and Examples of Main Paper Products



Initiatives for the Expanded Use of Recovered Paper

The Oji Group produces a diverse range of products, including newsprint, printing paper and paperboard, and uses various types of recovered paper, including old newspapers, old magazines and old corrugated containers. The relationship between the main types of recovered paper and the products that use recovered paper is shown in the diagram on the right. The Oji Group is also involved in recycling confidential documents that were previously often incinerated, difficult-to-process recovered paper that were unsuitable for paper recycling, such as plastic-laminated products, and paper that contains gold and silver.



Confidential document processing facility (Oji Materia Edogawa Mill) | Kneading pulper, dissolving equipment for difficult-to-process paper (Oji Materia Fuji Mill)

Improvement in Quality of Recovered Paper

Foreign materials other than paper mixed in with recovered paper, or ink from specially printed or processed paper, can cause color spots and surface swelling of paper products, resulting in quality problems. These contaminants are collectively referred to as prohibited materials.

Prohibited materials

Paper products that cannot be used as raw materials of paper manufacturing	
Aromatic paper, perfumed paper	Wrapping paper and corrugated containers for detergents, soap and incense sticks, etc
Sublimation transfer printing paper, thermal expansion paper	Thermal paper, iron printing paper, 3D copying paper (such as the one for Braille)
Waxed corrugated containers	Corrugated containers that contained imported fruits and vegetables or processed marine products
Stained Paper	Food or oil stained paper
Materials other than paper	
Stone, glass, metal, earth and sand, woodchips, fabric, plastics, etc.	

^{*} Created based on the Paper Recycling Promotion Center's website

The Oji Group cooperates with recovered paper recyclers and the Paper Recycling Promotion Center to engage in awareness campaigns targeting local authorities, schools and businesses to prevent prohibited materials from commingling.



Lesson of paper recycling in collaboration with the Paper Recycling Promotion Center | Prohibited materials sample book

Initiatives in Overseas Group Companies

Use of Recovered Paper in New Zealand

Oji Fibre Solutions (Oji FS) is the only containerboard manufacturer in New Zealand and the largest consumer of recovered paper. It boasts a recovery volume that exceeds not only its own consumption, but also that of the country's domestic consumption. Oji FS collected about 240,000 tons in FY2021, and the surplus exceeding its own consumption was exported overseas, mostly to the Oji Group company GSPP (Malaysia).



Oji Fibre Solutions' recovered paper collection vehicle

Use of Recovered Paper in Malaysia

GSPP manufactures containerboard made of recovered paper, and significantly enhanced production capacity in 2021. In addition to approximately 240,000 tons of recovered paper collected primarily from partnering collecting and sorting sites in Malaysia, GSPP imports recovered paper from overseas including New Zealand and Japan. GSPP also examines the quality of recovered paper collected in Malaysia when receiving it to improve the quality of recovered paper.



Quality confirmation by GSPP when receiving recovered paper

Topics

Trend in Global Recovered Paper Recycling

In countries such as Southeast Asia and India, where economic growth is rapid, the spread of e-commerce has led to an increase in the production of corrugated board and a rise in demand for corrugated containers. Recovery rates are still low in these countries and recovered paper imports are increasing. The international supply and demand for recovered paper is changing dramatically as China, which was the main exporter until 2020, has banned the import of recovered paper.

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



^{*} Countries included in the 2021 data of imports/exports in Southeast Asia: Vietnam, Thailand, Malaysia, Indonesia
^{*} Created based on the trade statistics of each country

Future Initiatives

The Oji Group has worked to maintain a domestic paper recycling system by building an integrated system that stably procures recovered paper domestically and manufactures paper products such as newsprint, printing paper and paperboard at production sites across Japan. In recent years, the development of new paper products for use in plastic-free applications and new products with various processing methods that utilize the characteristics of paper has created new challenges for the recycling of recovered paper. We will continue to work on stable procurement of recovered paper and expanding the use of recovered paper in consultation and cooperation with recovered paper recyclers, the Paper Recycling Promotion Center and local authorities.

Respect for Human Rights



In the belief that the responsibility to respect human rights is an important element of the global code of conduct, in August 2020 we established the Oji Group Human Rights Policy in order to further strengthen and implement initiatives involving respect for human rights. From FY2022, we will implement Human Rights Due Diligence to conduct assessment surveys for consolidated companies in Japan and overseas. The details will be discussed twice a year at the Sustainability Committee chaired by the Group CEO with Directors as members to make use of the results in the policy for the following fiscal year.

Target	Percentage of target people who get education and training in human rights: 100%
Results	Attendance for education and training in human rights as part of target training: 97.9% (2,640 participants)

Oji Group Human Rights Policy

The Oji Group Human Rights Policy supports and respects international norms such as the International Bill of Human Rights based on the United Nations Guiding Principles on Business and Human Rights. The policy is applicable to all the officers and employees of the Oji Group and is reflected in all its business activities. All the stakeholders of the Oji Group are expected to understand and follow the policy. We will also create a system of Human Rights Due Diligence to identify, prevent, mitigate and remedy the negative effects on human rights related to business activities to take responsibility for respect for human rights.

Human Rights Due Diligence (based on the United Nations Guiding Principles on Business and Human Rights)

We will start the initiatives of Human Rights Due Diligence from FY2022. First, we will conduct the assessment of human rights risks and identify sustainability issues that we should focus on.

(1) Human rights risk assessment:

In FY2022, the surveys will be conducted for the consolidated and other companies in Japan and overseas to identify regions and sites whose human rights risk is considered to be high as top priorities.

(2) Integration with internal divisions and procedures and implementation of appropriate actions:

The responsible divisions will be clarified and a corrective plan will be made if there are matters that need improving.

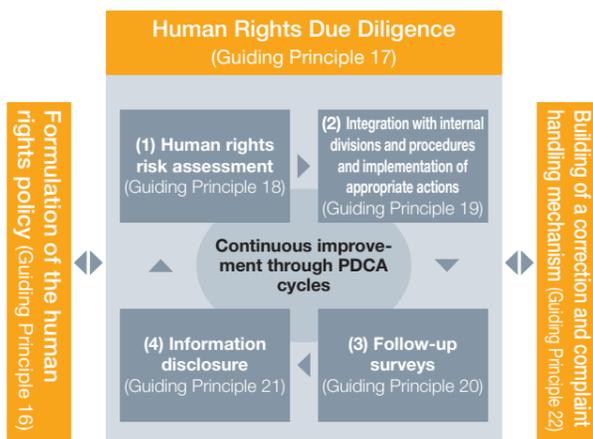
(3) Follow-up surveys:

Continuous follow-up surveys will be conducted based on appropriate indexes to determine whether effective responses are being made for the effects on human rights.

(4) Information disclosure:

Negative effects will be identified and activities conducted will be disclosed in the sustainability report, the company website, etc.

Flow for Human Rights-Related Initiatives



Significant expansion of target people who receive human rights education

The Oji Group provides human rights education to help people understand the policies and raise human rights awareness.

In FY2021, the Group significantly expanded the target people who receive human rights education by having the Group's managers receive Diversity Management Web Training, which covered "business and human rights" (with 2,479 participants), in addition to the new manager training and other conventional human rights education (with 161 participants).

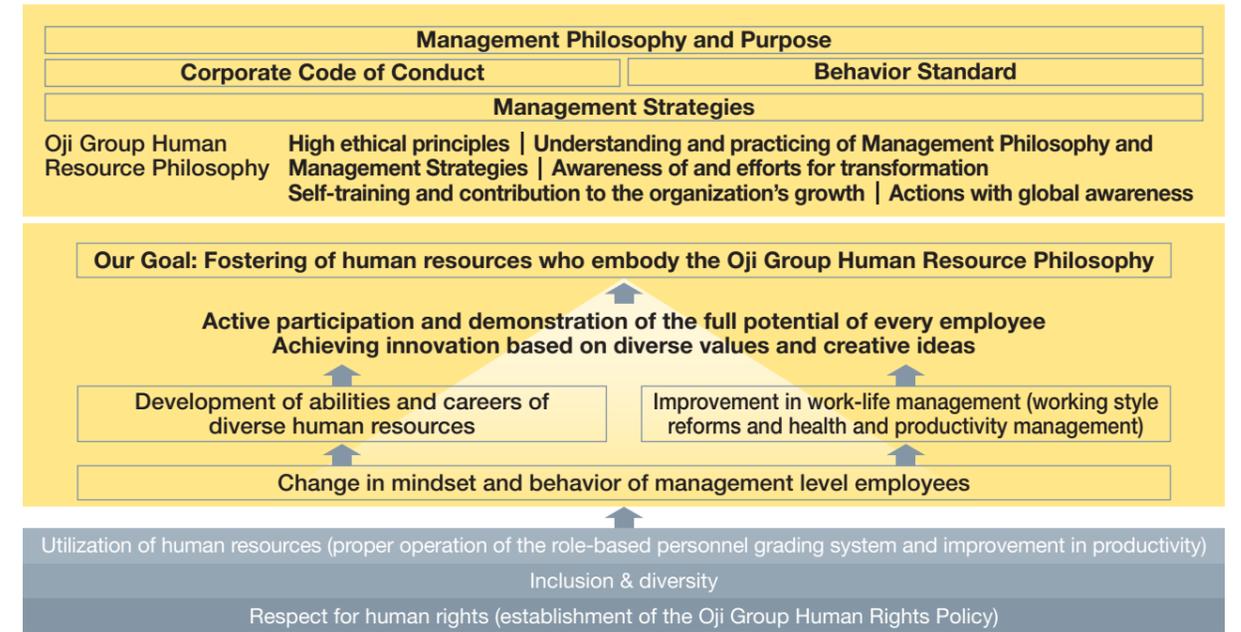
Besides, we also strived to raise awareness of human rights in the Group by translating the Oji Group Human Rights Policy into multiple languages (10 foreign languages) and posting a series of compliance news, among other initiatives.

Enhancing Human Capital



In order to continuously enhance corporate value, we believe it is important for every employee to embrace diversity of values and flexibility in thinking and to enhance his/her skills. For the Oji Group to grow as a global enterprise "beyond boundaries," we are fostering human resources based on the Oji Group Human Resource Philosophy, in accordance with our fundamental principle, "a company's strength originates from human resources."

Oji Group Human Resource Philosophy



Human Resources Education for the Practice of Management Strategies

We foster human resources who embody the Oji Group Human Resource Philosophy by providing various kinds of human resources education. In FY2021, we conducted web training for all management level employees for the purpose of acquiring feedback skills of assessment that are important to help their subordinates develop skills and grow so that we could not only actively foster global human resources but also change the mindset and behavior of management level employees.

Target	Training all eligible employees (excluding training provided to those selected or those who apply)
Results	Web training for all management level employees: 97.9% (2,640 participants)*1 Career design training: 97.6% (124 participants)*2

*1 The figure for management training refers to the one calculated by adding the figures for the new manager training, new general manager training and Diversity Management Web Training in the following table.

*2 The figure for career design training refers to the one calculated by adding the figures for the career building training for employees on the generalist track and career design training for young employees on the generalist track in the following table.

Main training content (Organized by Oji Management Office)

Goals	Name of training	Eligible employees	Outline
Global human resource development	New employee global challenge	Employees in their first year	Selected new employees are sent to an overseas site for one week
	Overseas training for young employees (as trainees)	Employees in their fifth to tenth year	Three months of language training, followed by two years of practical experience at an overseas site
	Oji Global School	Employees at the age of 31 to 45	Six months of language training in Japan, followed by overseas assignment
	Online English conversation classes	All employees who apply	Increases overall English ability and develops cross-cultural communication capacity
Management training	New manager training	New managers	Manager duties, HR programs, and evaluator training
	New general manager training	General manager level	Improve practical communication skills such as diversity management and being assertive
	Diversity Management Web Training	Managers (in Group companies in Japan with 301 or more employees)	The outline is considered in the Sustainability Committee (feedback skills in FY2021 and diversity management skills in FY2020).
Managerial personnel development	Career building training for employees on the generalist track	Pre-management employees on the generalist track	Understand the functions required of managers, and improve capabilities for setting and solving issues
Career design	Career design training for young employees on the generalist track	3rd year employees on the generalist track	Assess their own abilities and establish goals for career self-reliance
Support for employee ability development	Personal-empowerment system	Qualified individuals	Support for self-reliant career development

Enhancing Human Capital

In FY2022, we are constructing a training center in Fujinomiya City, Shizuoka Prefecture to foster human resources including those from overseas through the exchange and training of human resources, etc. We will aim to complete it within the fiscal year to provide better human resources education.



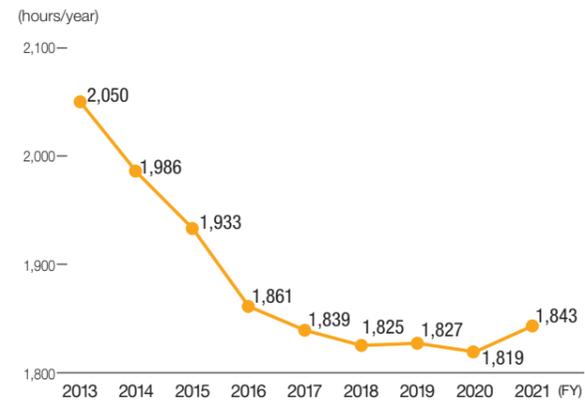
Rendering of the completed Oji Group Fuji Training Center (Fujinomiya City, Shizuoka Prefecture)

Working Style Reforms

Target	Total working hours: 1,850.0 hours (26 Oji Group companies in the Main Office region)
Results	Total working hours: 1,843.3 hours (26 Oji Group companies in the Main Office region)

In order to thoroughly pursue objectives in line with management strategies, we are taking steps to reduce total working hours and improve operational efficiency by utilizing the flex-time system and encouraging employees to take annual paid leave with a focus on properly operating the role-based personnel grading system and boosting productivity. Furthermore, with a view to the creation of innovative value, we have implemented the certified researcher system and creative personnel development system under which we grant researchers with particularly high levels of specialized knowledge discretion regarding their work styles and provide working environments that allow them to focus on research. We introduced the "retirement at age 65" system in FY2017 to enable employees to demonstrate their knowledge, skills, and abilities to the fullest and work with enthusiasm. (Introduced at 18 Group companies)

Reduction of total working hours (26 Oji Group companies in the Main Office region)



Health and Productivity Management

Target	Certification in Health and Productivity Management Organization Recognition Program
Results	Recognized under the 2022 Certified Health and Productivity Management Organization Recognition Program (Large Enterprise Category) (for two consecutive years from FY2021)

We established the Oji Group Health Declaration in October 2020. We are working on ensuring the good health of employees under the leadership of our Chief Health Officer (Group CEO). Our activities for health and productivity management are promoted through cooperation between companies, health insurance unions and labor unions of the Oji Group, and the industrial physicians of each business site. These measures aim to create working environments where employees can actively work with sound health.

Examples of health and productivity management activities

- Conduct health examinations and stress checks
- Installation of Health Consultation Office
- Workplace COVID-19 vaccinations
- Introduction of special leave for getting vaccinated
- Flu vaccinations (workplace vaccinations, cost subsidized)
- Hourly use of accumulated annual leave to go to the hospital

Inclusion & Diversity

Target	Percentage of female managers: 5.5% (16 companies in Japan, at the end of March 2025)	Results	3.7% (16 companies in Japan, at the end of March 2022)
Target	Employment rate of people with disabilities: 2.3% (Japan)	Results	Applied to 6 companies in the Group*: 2.35% (Japan) * See P107 Whole Group: 2.10% (Japan)

The Oji Group is promoting "inclusion & diversity" with a view to "vitalization of individuals and the organization," which enables every employee to play an active role regardless of attributes such as gender, age, disability, or nationality, ultimately strengthening the Group's competitiveness with their diverse values and ideas. We have set specific policies of the "development of abilities and careers of diverse human resources," "change in mindset and behavior of management level employees" and "improvement in work-life management (working style reforms and health and productivity management)," and conduct awareness surveys as indicators to assess activities.

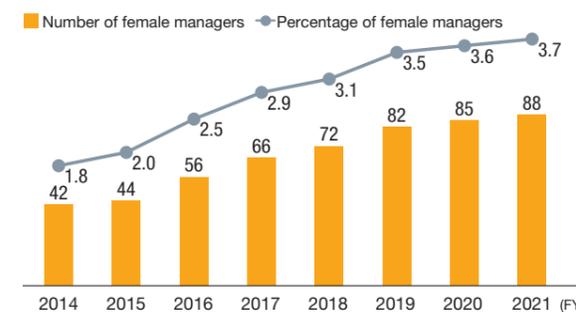
In April 2022, we integrated the Diversity Promotion Committee with the Sustainability Committee, which is chaired by the Group CEO with Directors as members due to its establishment to share diversity promotion policies and targets across the Group.

Development of abilities and careers of diverse human resources

Promoting the active participation of women

We are working on initiatives by setting a goal of raising the percentage of female managers to 5.5% by the end of March 2025. We provide training such as career building training for employees on the generalist track to pre-management male and female employees on the generalist track, aiming at fostering employees without gender gaps.

Percentage of female managers (16 Group companies in Japan)*



* A star mark indicates that FY2021 figure has been assured by KPMG AZSA Sustainability Co., Ltd. For the calculation method, see P107.

Recruitment of people with disabilities

We have proactively promoted the recruitment of people with disabilities, including the July 2007 establishment of Oji Clean Mate, a special-purpose subsidiary staffed primarily by people with mental disabilities. As of June 1, 2022, the employment rate of people with disabilities was 2.35% (2.31% a year earlier) for the six major companies in the Group (including Oji Holdings), satisfying the statutory employment rate. (The group-wide rate was 2.10% (2.04% a year earlier).)

Foreign technical interns

The Group recruits a large number of foreign technical interns (including employees hired by local companies outside Japan) from countries such as Vietnam and Thailand in its corrugated container and folding carton processing businesses, and has established a system so that they can work actively in the Group.

Change in mindset and behavior of management level employees

In FY2021, we provided Diversity Management Web Training with the themes of "feedback" and "human rights" to managers in the Group.

Improvement in work-life management Support for balancing work and childcare or nursing care

The Oji Group has introduced various systems that enable employees with childcare or nursing care responsibilities to continue to actively participate in their work, and has informed all employees of such systems.

Encouragement of male employees to engage in childcare

We encourage male employees to engage in childcare, and in FY2021, 84.7% of eligible male employees took paternity leave (83.5% a year earlier).

Main Initiatives

- Nursery subsidies for employees who return to work early from their childcare leave
- Paternity leave system for male employees (paid leave of five consecutive days)
- Hourly use of accumulated annual leave (for childcare/nursing care)
- Leave system for employees to accompany their spouses' overseas transfers

Occupational Safety

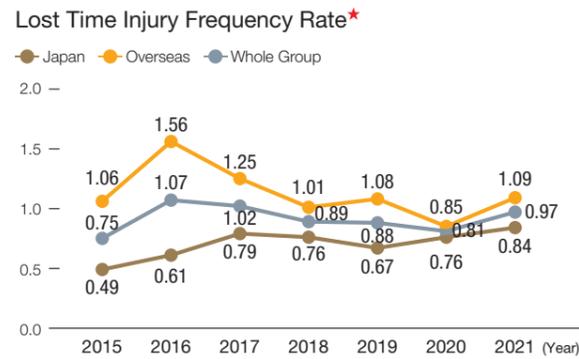


The Oji Group ensures the safety and health of workers under the policies of “observing all the rules of compliance, safety and environment is the core of business activities” and “basic principle with safety as its absolute top priority” by aiming to become a company in which every Group employee is aware of these rules and standards on occupational safety and health, practices them, and complies with them. At the same time, we promote the creation of comfortable workplace environments and strive to create a better workplace safety climate so that all workers in the Oji Group can work in a safe environment and with a sense of security.

Target	Achieve zero fatal and serious work-related accidents (each fiscal year)	Results	Zero fatal and serious work-related accidents
Target	Reduce lost time injury frequency rate Reduce by 50% compared to FY2018 (0.89) (in 2030)	Results	Lost time injury frequency rate: 0.97 (consolidated companies) (January 1 to December 31, 2021)

Lost Time Injury Frequency Rate (Safety Performance)

The lost time injury frequency rate* of the Oji Group (consolidated companies) has been on the decline since 2016, and was 0.81 in 2020. In 2021, the figure of the whole Group was up by 0.16 from the year earlier to 0.97 due to an increase in the number of accidents by 11 (2 in Japan and 9 in overseas). According to the Ministry of Health, Labour and Welfare’s Survey on Industrial Accidents (businesses with at least 100 employees), in 2021, the rate in manufacturing industries was 1.31 and the rate in the pulp, paper, and paper processing manufacturing industry was 1.85.



* A star mark indicates that 2021 figures have been assured by KPMG AZSA Sustainability Co., Ltd.

* For the calculation method, see P107.

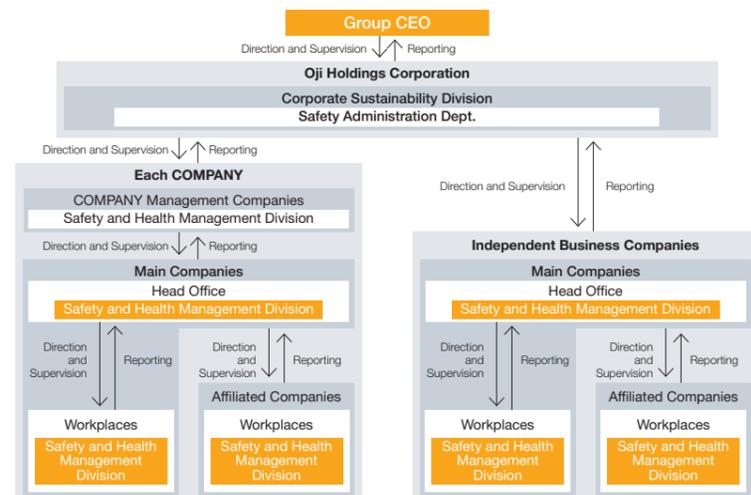
Oji Group’s 2022 Safety and Health Promotion Plan

One-third of accidents that occurred in 2021 involved workers being caught in machines. They occurred mainly because workers did not stop machinery/equipment. The main principles for safety of “make sure to stop the machinery/equipment” and other basic rules for safety were not observed. In 2022, the Oji Group employees will build a safety culture based on their own thinking as a key measure. We will work to prevent accidents at work by implementing education and training to ensure that rules are observed and improving the safety of machinery/equipment.

1. Basic policies: The Oji Group will promote activities with the target of zero work-related accidents across the entire Group under the basic principle of “safety as its absolute top priority”.
2. Slogan: Always Follow the Rules and Ensure that Others Follow the Rules to Prevent Fatal and Serious Accidents
3. Key Targets (Targets of the entire Oji Group): Zero fatal and serious work-related accidents
4. Key Measures: The Oji Group employees (including contractors/contractors who enter facilities temporarily) will build a safety culture based on their own thinking, that is, initiatives to ensure safety based on their own thinking and from their own perspectives, while enhancing their sensitivity to hazards in their own actions and operations.

Safety and Health Management Structures

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



Initiatives for Prevention of Occupational Accidents

Promotion of holding safety and health meetings joined by all employees

Oji Group workplaces in Japan hold safety and health meetings (occupational safety and health committees, workplace safety and health meetings, workplace discussions, etc.) to have opportunities to discuss the prevention of occupational accidents, health impairment, creation of comfortable working environments, and maintenance and promotion of good health every month, thereby promoting safety and health activities with a unified labor and management approach.

In addition, the Group workplaces in Japan work on safety and health activities with a unified approach of affiliates (contractors in the facilities) and all the employees. In order to create an open working environment, the employees and affiliates attend each other’s safety and health meetings or hold joint meetings, and hold safety and health meetings joined by non-regular employees and temporary employees. We also hold online meetings to prevent the spread of COVID-19.



Online workplace safety and health meeting

Hands-on Risk Training Using Virtual Reality (VR)

Installation of devices that simulate hazards and encouraging personnel to take external courses to simulate hazards give workers firsthand experience, contributing to improving employees’ sensitivity to risks and awareness of safety. Beginning in 2020, we are gradually conducting hands-on risk training sessions using VR at workplaces in Japan and overseas. Many participants remarked about the highly immersive VR video. One said, “In the scene where you experience an accident, I reflexively flinched or tried to run. The video let me experience accidents in a way not otherwise possible. I realized how scary accidents are and got a renewed sense of the importance of following rules.” We create original content which includes scenarios that have ever occurred in the Oji Group every year so that employees can learn in an environment that is similar to the operation sites where they work every day.



VR-based hands-on risk training

VR images (examples)

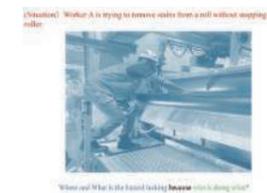
Initiatives for Prevention of Occupational Accident in Companies Overseas

Hazard prediction training (KYT)

The Oji Group conducts hazard prediction training (KYT)* using research on the example of accidents that occurred in the Group and the KY sheet so that every employee can improve sensitivity to risks and identify risk factors hidden in various states and situations for the purpose of considering measures to improve sensitivity to risks and prevent accidents. Participants said, “Risk factors are

hidden in daily operation,” “There are risk factors that I wasn’t aware of,” and “I would like to make use of the content in my future work.”

* The training was started in 2020 in Southeast Asia (headed by Industrial Materials COMPANY, Oji Asia Packaging) and in 2021 at Group companies in China (headed jointly by each COMPANY and Oji Paper Management (Shanghai)).



KY (hazard prediction) sheet (English)



KY (hazard prediction) sheet (Chinese)



Hazard prediction training (KYT)

Future Initiatives

The Oji Holdings Safety Administration Department and the safety divisions of COMPANIES and Lead Company will promote initiatives to prevent similar accidents by improving and revitalizing safety and health activities across the entire workplace. Such initiatives include actively going to operational sites and having discussions with management members at the sites and workplaces to confirm the structures for safety and health management, safety of machinery/equipment, and the status of education, as well as participation in workplace safety and health meetings to obtain the opinions of workers at the operational area.

Financial and Non-financial Highlights

Financial Highlights

Segment		FY2011	FY2012	FY2013	FY2014
Net sales	(¥billion)	1,212.9	1,241.5	1,332.5	1,347.3
Overseas sales ratio	(%)	10.6	16.7	20.3	22.8
Operating profit	(¥billion)	53.8	43.5	57.3	43.9
Profit attributable to owners of parent	(¥billion)	22.2	21.6	31.6	15.5
Free cash flows	(¥billion)	38.3	29.2	42.1	(74.6)
Net D/E ratio	(times)	1.6	1.4	1.1	1.0
Return on equity (ROE)	(%)	5.0	4.6	5.9	2.6
Capital investment, etc.	(¥billion)	54.7	70.1	76.7	80.1
Dividend per share	(¥)	10.0	10.0	10.0	10.0

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
	1,433.6	1,439.9	1,485.9	1,551.0	1,507.6	1,359.0	1,470.2
	27.8	28.2	31.0	32.0	29.9	29.3	33.5
	72.0	70.2	70.8	110.2	106.1	84.8	120.1
	12.7	40.3	36.2	52.0	58.2	49.6	87.5
	84.8	117.2	49.2	74.0	59.7	35.5	51.0
	1.0	0.8	0.7	0.7	0.6	0.6	0.7
	2.1	6.7	5.6	7.7	8.5	6.9	10.9
	57.4	57.9	69.3	62.1	97.5	98.4	114.0
	10.0	10.0	10.0	12.0	14.0	14.0	14.0

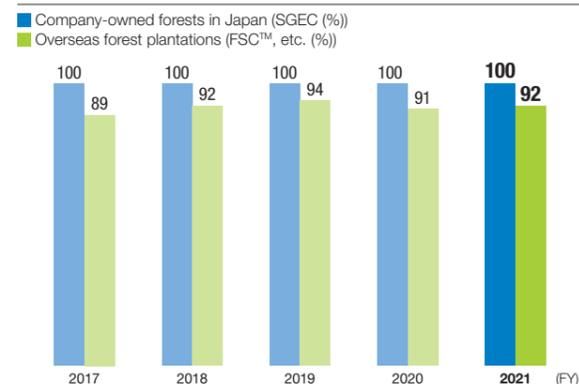
Non-financial Highlights

ESG data → <https://ojiholdings.disclosure.site/en/themes/116/>

Forest certification acquisition rate*1

Japan 100%, Overseas 92%

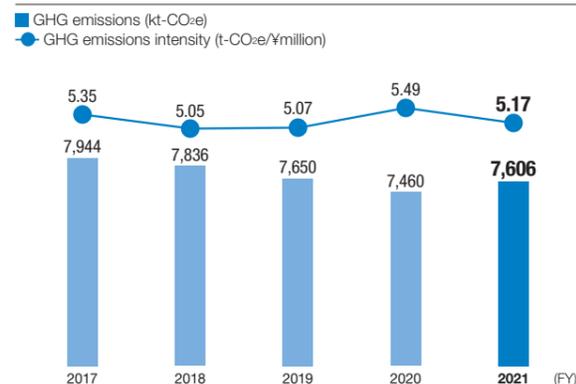
Change from FY2020 **+1%** (overseas)



Greenhouse gas (GHG) emissions*2

7,606 kt-CO₂e

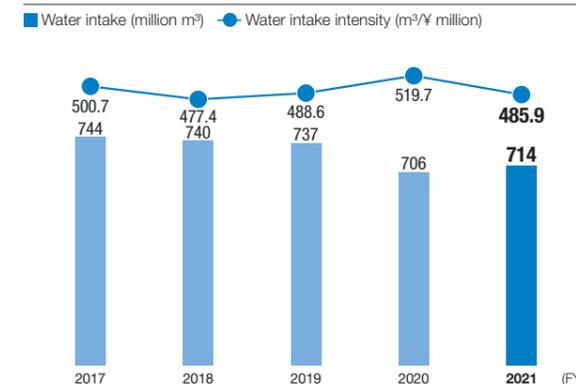
Change from FY2020 **+146 kt-CO₂e**



Water intake

714 million m³

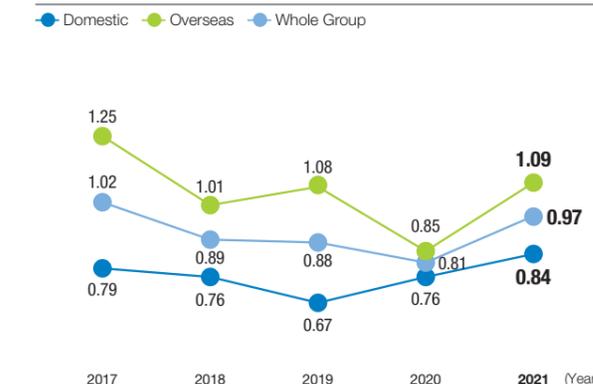
Change from FY2020 **+8 million m³**



Lost time injury frequency rate (LTIFR)*2

0.97

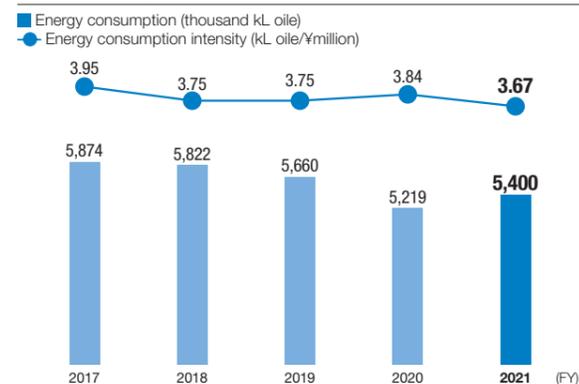
Change from FY2020 **+0.16**



Energy consumption*2

5,400 thousand kL oil

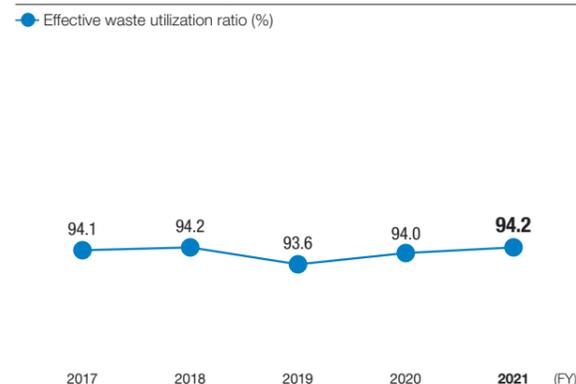
Change from FY2020 **+181 thousand kL oil**



Effective waste utilization ratio*1

94.2%

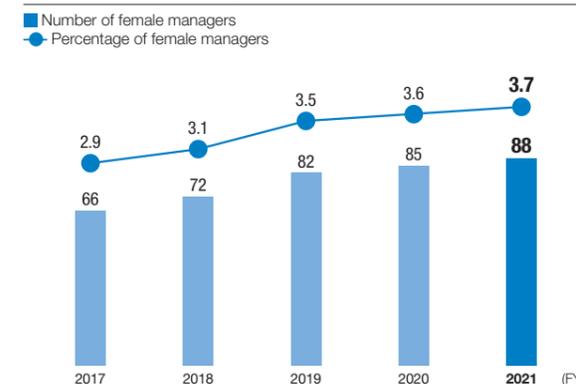
Change from FY2020 **+0.2%**



Percentage of female managers*2 (16 Group companies in Japan)

3.7%

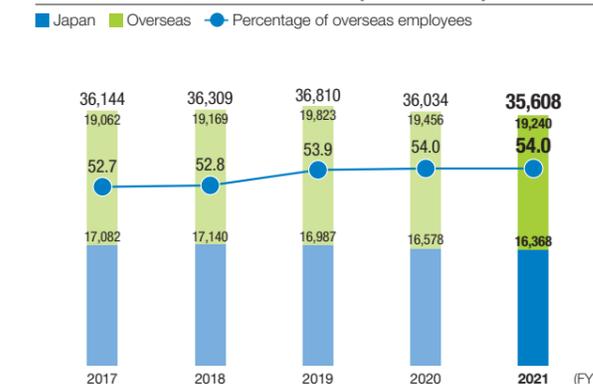
Change from FY2020 **+0.1%**



Number of employees (excluding temporary employees)

35,608

Change from FY2020 **-426 (overseas -216)**



*1 See P85-86 for calculation method / *2 See P107 for calculation method

Analysis and Evaluation of Management Performance

FY2021 Business Performance

In FY2021, there was a gradual recovery in demand due to the reopening of economic activities that were stagnated by the spread of COVID-19, and the pulp sales prices increased. For these reasons, net sales were 1,470.2 billion yen, an increase of 111.2 billion yen (8.2%) year on year. The Group's overseas sales ratio was 33.5%, an increase of 4.2 points year on year.

Operating profit was 120.1 billion yen, an increase of 35.3 billion yen (41.7%) year on year, mainly due to increases in sales volume and pulp sales prices as well as group-wide initiatives for cost reduction, despite soaring prices of raw materials and fuels. Ordinary profit was 135.1 billion yen, an increase of 52.0 billion yen (62.7%) year on year, mainly due to an increase in operating profit and exchange gain caused by the revaluation of foreign currency-denominated receivables and payables. Profit before income taxes was 129.3 billion yen, an increase of 48.4 billion yen (59.8%) year on year, and profit attributable to owners of parent was 87.5 billion yen, an increase of 37.9 billion yen (76.3%) year on year.

Financial Position

Cash flows provided by operating activities increased by 16.5 billion yen year on year to 143.6 billion yen (cash flows provided by operating activities for FY2020 were 127.1 billion yen). The main increases in cash were 195.1 billion yen calculated by adding depreciation and amortization to profit before income taxes (143.6 billion yen for FY2020) and an increase in trade payables of 33.9 billion yen (a decrease of 11.9 billion yen for FY2020). The main decreases in cash were an increase in trade receivables of 21.0 billion yen (a decrease of 1.9 billion yen for FY2020), an increase in inventories of 26.0 billion yen (a decrease of 20.2 billion yen for FY2020) and income taxes paid of 22.3 billion yen (payment of 39.2 billion for FY2020).

Cash flows used in investing activities were 92.6 billion yen (cash flows used in investing activities for FY2020 were 91.6 billion yen) due in part to payment for acquisition of property, plant, equipment and intangible assets. The payment for acquisition of property, plant, equipment and intangible assets included capital investments necessary for reinforcing and renewing capacities, improving quality, saving labor, increasing productivity, ensuring safety, and conserving the environment.

Cash flows used in financing activities were 136.0 billion yen (cash flows provided by financing activities for FY2020 were 19.9 billion yen) mainly due to the purchase of treasury shares of subsidiaries and payment from changes in ownership interests in subsidiaries that do not result in change of scope of consolidation.

Total assets at the end of FY2021 stood at 2,053.8 billion yen, an increase of 72.3 billion yen from the end of the previous fiscal year. The increase was primarily due to increases in accounts receivable-trade, inventories and property, plant and equipment, despite a decrease in cash and deposits. Liabilities totaled 1,178.3 billion yen, an increase of 62.5 billion yen from the end of the previous fiscal year, due in part to increases in notes and accounts payable-trade and income taxes payable. Net assets totaled 875.5 billion yen, an increase of 9.9 billion yen from the end of the previous fiscal year, mainly due to increases in retained earnings and foreign currency translation adjustment, etc., despite a decrease in non-controlling interests.

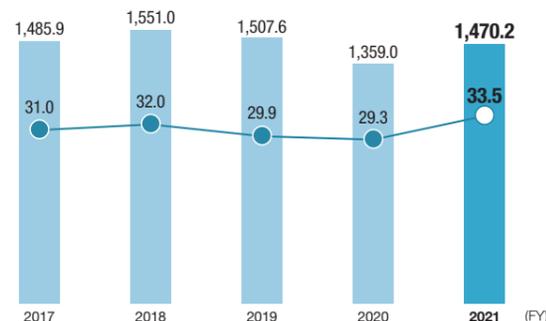
Consolidated Financial Forecasts for FY2022

For our consolidated financial forecasts for FY2022, the Oji Group anticipates net sales of 1,700.0 billion yen, operating profit of 105.0 billion yen, ordinary profit of 110.0 billion yen, and profit attributable to owners of parent of 70.0 billion yen.

In FY2022, we will launch the new Medium-term Management Plan ending in FY2024. Under the new Medium-term Management Plan, we will continue to enhance existing businesses, centering on the packaging business in Japan and overseas, and expand new businesses, aiming to increase the profitability and scale of our core businesses. At the same time, we will promote ESG management and address climate change issues through fuel conversion to zero use of coal, expansion of renewable energy, expansion of afforestation, sustainable forest management, and development of eco-friendly materials and products derived from wood fiber, to provide new sustainable value.

Net Sales and Overseas Sales Ratio

■ Net sales (¥billion)
● Overseas sales ratio (%)



Net Assets per Share, Profit per Share, and ROE

■ Net assets per share (¥)
■ Profit per share (¥)
● ROE (%)



Financial Data Highlights

Changes in Assets and Profit/Loss

Segment	FY2017	FY2018	FY2019	FY2020	FY2021
Net sales (¥ million)	1,485,895	1,550,991	1,507,607	1,358,985	1,470,161
Operating profit (¥ million)	70,781	110,212	106,125	84,793	120,119
Ordinary profit (¥ million)	65,958	118,370	101,289	83,061	135,100
Profit attributable to owners of parent (¥ million)	36,222	51,977	58,181	49,635	87,509
Total assets (¥ million)	1,960,753	1,951,369	1,885,280	1,981,438	2,053,752
Net assets (¥ million)	810,011	815,406	831,657	865,606	875,470
Profit per share (¥)	36.64	52.52	58.78	50.13	88.35
Net assets per share (¥)	681.52	684.50	699.12	758.28	859.29

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

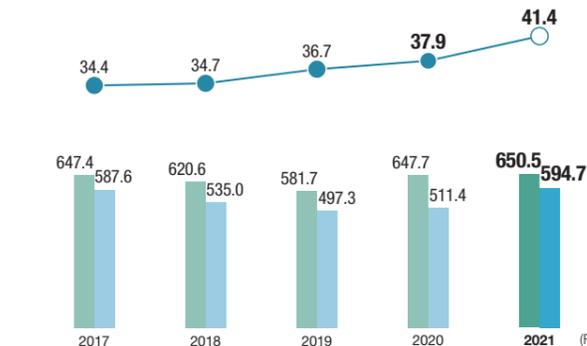
Operating Profit, Ordinary Profit, Profit Attributable to Owners of Parent, Operating Profit Margin

■ Operating profit (¥ billion)
■ Ordinary profit (¥ billion)
■ Profit attributable to owners of parent (¥ billion)
● Operating profit margin (%)



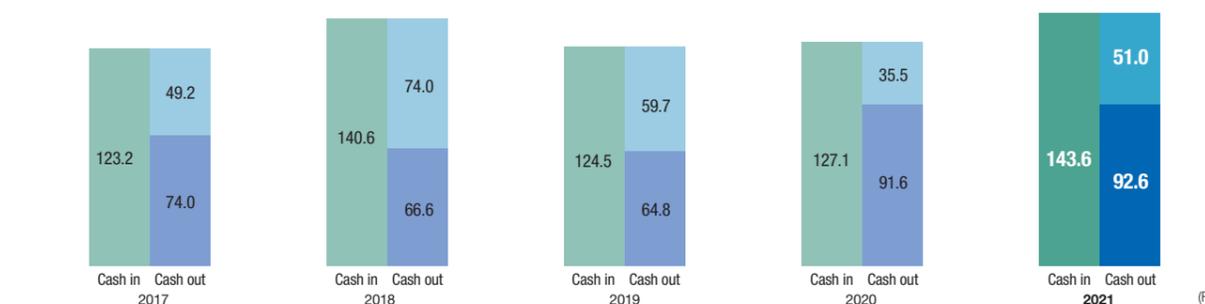
Interest-Bearing Debts, Net Interest-Bearing Debts, and Equity Ratio

■ Interest-bearing debt (¥ billion)
■ Net interest-bearing debt (¥ billion)
● Equity ratio (%)



Changes in Cash Flows

■ Cash flows from operating activities (¥ billion)
■ Cash flows from investing activities (¥ billion)
■ Free cash flows (¥ billion)



Financial Data Highlights

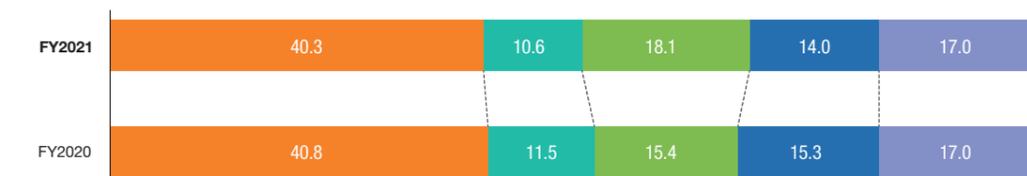
Status of Individual Segments (FY2021)

Segment		Net sales	Operating profit
Household and Industrial Materials	(¥ million)	700,742	26,127
Functional Materials	(¥ million)	184,722	15,264
Forest Resources and Environment Marketing Business	(¥ million)	314,489	55,473
Printing and Communications Media	(¥ million)	244,549	17,797
Other	(¥ million)	296,542	7,009
Subtotal	(¥ million)	1,741,046	121,672
Adjustments	(¥ million)	(270,885)	(1,552)
Total	(¥ million)	1,470,161	120,119

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

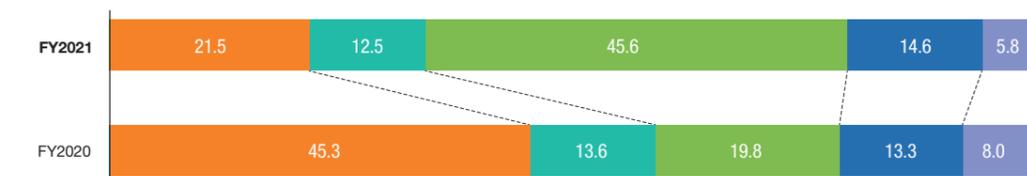
Net Sales Composition by Business Segment

Household and Industrial Materials Functional Materials Forest Resources and Environment Marketing Business Printing and Communications Media Other (%)



Operating Profit Composition by Business Segment

Household and Industrial Materials Functional Materials Forest Resources and Environment Marketing Business Printing and Communications Media Other (%)



*Net sales and operating profit composition by business segment were calculated excluding adjustments (adjustments for internal transactions, etc.)

Consolidated Financial Statements

Consolidated Balance Sheet

	Previous consolidated fiscal year (March 31, 2021)	Current consolidated fiscal year (March 31, 2022)	Previous consolidated fiscal year (March 31, 2021)	Current consolidated fiscal year (March 31, 2022)
(¥ million)				
ASSETS			LIABILITIES	
Current assets			Current liabilities	
Cash and deposits	130,529	44,749	Notes and accounts payable-trade	197,950
Notes and accounts receivable-trade	297,718	-	Short-term loans payable	129,963
Notes receivable-trade	-	60,227	Accounts payable-other	20,741
Accounts receivable-trade	-	260,231	Accrued expenses	48,874
Contract assets	-	3,983	Income taxes payable	11,526
Short-term investments	5,725	11,074	Other	32,657
Merchandise and finished goods	86,440	98,616	Total current liabilities	441,713
Work in process	19,273	20,294	Non-current liabilities	
Raw materials and supplies	89,090	106,266	Bonds	155,000
Short-term loans receivable	4,324	4,764	Long-term loans payable	362,718
Accounts receivable-other	19,608	18,575	Deferred tax liabilities	59,892
Other	17,734	18,800	Deferred tax liabilities for land revaluation	7,739
Allowance for doubtful accounts	(1,675)	(1,790)	Net defined benefit liability	54,010
Total current assets	668,770	645,795	Long-term deposits	7,305
Non-current assets			Other	27,450
Property, plant and equipment			Total non-current liabilities	674,117
Buildings and structures	685,779	709,982	Total liabilities	1,115,831
Accumulated depreciation	(494,548)	(513,533)	NET ASSETS	
Buildings and structures (Net)	191,231	196,448	Shareholders' equity	
Machinery, equipment and vehicles	2,389,121	2,495,207	Common stock	103,880
Accumulated depreciation	(2,090,184)	(2,156,261)	Capital surplus	109,100
Machinery, equipment and vehicles (Net)	298,937	338,946	Retained earnings	493,224
Tools, furniture and fixtures	60,791	61,622	Treasury stock	(13,400)
Accumulated depreciation	(55,099)	(56,037)	Total shareholders' equity	692,805
Tools, furniture and fixtures (Net)	5,691	5,585	Accumulated other comprehensive income	
Land	239,052	240,765	Valuation difference on available-for-sale securities	31,654
Forests	105,560	116,490	Deferred gains and losses on hedges	2,721
Plantations	85,584	92,343	Revaluation reserve for land	5,684
Leased assets	55,844	65,356	Foreign currency translation adjustment	(6,418)
Accumulated depreciation	(19,767)	(22,713)	Remeasurements of defined benefit plans	24,533
Leased assets (Net)	36,077	42,643	Total accumulated other comprehensive income	58,176
Construction in progress	79,279	94,091	Share acquisition rights	199
Total property, plant and equipment	1,041,413	1,127,315	Non-controlling interests	114,426
Intangible assets			Total net assets	865,606
Goodwill	3,122	3,472	Total liabilities and net assets	1,981,438
Other	9,049	8,079		
Total intangible assets	12,171	11,552		
Investments and other assets				
Investment securities	163,961	168,545		
Long-term loans receivable	6,933	5,571		
Long-term prepaid expenses	3,692	3,497		
Net defined benefit asset	60,993	61,542		
Deferred tax assets	7,074	8,819		
Other	17,379	22,095		
Allowance for doubtful accounts	(952)	(982)		
Total investments and other assets	259,083	269,089		
Total non-current assets	1,312,668	1,407,956		
Total assets	1,981,438	2,053,752		

History of the Oji Group's Value Creation
What the Oji Group Aims For
Initiatives for Environmental Issues - Sustainability -
Initiatives for Product Development - Green Innovation -
Initiatives for Profitability Improvement - Profitability -
Governance Strategy
Sustainability Strategy
Financial and Non-financial Data

Consolidated Financial Statements

Consolidated Statement of Income

(¥ million)

	Previous consolidated fiscal year (From April 1, 2020 To March 31, 2021)	Current consolidated fiscal year (From April 1, 2021 To March 31, 2022)
Net sales	1,358,985	1,470,161
Cost of sales	1,031,553	1,126,207
Gross profit	327,431	343,954
Selling, general and administrative expenses		
Freight expenses	131,590	112,417
Warehouse expenses	6,506	6,771
Salaries and wages	51,921	52,957
Retirement benefit expenses	853	(241)
Depreciation and amortization	6,343	5,624
Other	45,422	46,306
Total selling, general and administrative expenses	242,638	223,834
Operating income	84,793	120,119
Non-operating income		
Interest income	1,121	883
Dividends income	3,170	3,269
Exchange gain	4,616	15,404
Equity in earnings of affiliates	142	2,679
Other	5,524	8,145
Total non-operating income	14,576	30,381
Non-operating expenses		
Interest expenses	6,791	6,692
Other	9,516	8,708
Total non-operating expenses	16,308	15,401
Ordinary profit	83,061	135,100
Extraordinary income		
Gain on sale of non-current assets	398	1,955
Gain on return of assets from retirement benefits trust	–	1,049
Insurance claim income	2,866	904
Gain on sale of investment securities	292	651
Gain on sale of businesses	906	–
Profit on subsidiary status change from equity method affiliate to consolidated subsidiary	808	–
Other	473	345
Total extraordinary income	5,746	4,906
Extraordinary loss		
Impairment loss	497	2,968
Loss on disposal of non-current assets	1,459	2,283
Loss on disaster	2,065	2,007
Loss on business restructuring	1,977	1,869
Other	1,923	1,615
Total extraordinary losses	7,923	10,745
Profit before income taxes	80,883	129,262
Income taxes-current	28,830	37,476
Income taxes-deferred	354	(614)
Total income taxes	29,185	36,861
Profit	51,698	92,400
Profit attributable to non-controlling interests	2,062	4,890
Profit attributable to owners of parent	49,635	87,509

Consolidated Statement of Cash Flows

(¥ million)

	Previous consolidated fiscal year (From April 1, 2020 To March 31, 2021)	Current consolidated fiscal year (From April 1, 2021 To March 31, 2022)
Cash flows from operating activities		
Profit before income taxes	80,883	129,262
Depreciation and amortization	62,758	65,885
Impairment loss	497	2,968
Amortization of goodwill	1,099	804
Depletion of standing timber	6,958	6,995
Increase (decrease) in allowance for doubtful accounts	(52)	31
(Increase) decrease in net defined benefit asset	(2,913)	(3,498)
Increase (decrease) in net defined benefit liability	760	(60)
Interest and dividend income	(4,292)	(4,152)
Interest expenses	6,791	6,692
Exchange loss (gain)	(3,946)	(12,626)
Equity in (earnings) losses of affiliates	(142)	(2,679)
Loss (gain) on sale of investment securities	438	282
Loss (gain) on return of assets from retirement benefits trust	–	(1,049)
Loss on disposal of non-current assets	1,459	2,283
Loss (gain) on sale of non-current assets	(366)	(1,948)
Business structure improvement expenses	1,977	1,869
Loss (gain) on sale of businesses	(906)	–
Loss (gain) on subsidiary status change from equity method affiliate to consolidated subsidiary	(808)	–
(Increase) decrease in trade receivables	1,870	(20,960)
(Increase) decrease in inventories	20,163	(26,001)
Increase (decrease) in trade payables	(11,933)	33,937
Other	6,237	(11,262)
Subtotal	166,535	166,771
Interest and dividend income received	5,397	4,962
Interest paid	(5,623)	(5,805)
Income taxes paid	(39,202)	(22,341)
Net cash provided by operating activities	127,107	143,587
Cash flows from investing activities		
Payment for acquisition of property, plant, equipment and intangible assets	(94,674)	(98,659)
Proceeds from sales of property, plant, equipment and intangible assets	854	2,905
Payment for acquisition of investment securities	(1,916)	(1,308)
Proceeds from sales and redemption of investment securities	1,163	4,967
Payment for loans receivable	(1,066)	(546)
Proceeds from collection of loans receivable	1,396	1,640
Payment from changes in ownership interests in subsidiaries that result in change of scope of consolidation	–	(1,441)
Other	2,682	(125)
Net cash used in investing activities	(91,559)	(92,567)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(4,049)	(23,001)
Net increase (decrease) in commercial paper	(14,000)	–
Proceeds from long-term loans payable	71,279	26,003
Repayment of long-term loans payable	(43,250)	(5,218)
Proceeds from issuance of bonds	74,561	–
Payment for redemption of bonds	(20,000)	–
Purchase of treasury shares of subsidiaries	(24,162)	(77,000)
Repayments of lease obligations	(4,786)	(6,952)
Dividends paid	(13,888)	(13,889)
Payment from changes in ownership interests in subsidiaries that do not result in change of scope of consolidation	(584)	(35,059)
Other	(1,186)	(883)
Net cash provided by (used in) financing activities	19,932	(136,002)
Effect of exchange rate change on cash and cash equivalents	(2,169)	4,691
Net increase (decrease) in cash and cash equivalents	53,310	(80,291)
Cash and cash equivalents at the beginning of the year	82,390	135,669
Increase in cash and cash equivalents resulting from mergers of subsidiaries	7	115
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(39)	(20)
Cash and cash equivalents at the end of the year	135,669	55,474

History of the Oji Group's Value Creation

What the Oji Group Aims For

Initiatives for Environmental Issues Sustainability

Initiatives for Product Development Green Innovation

Initiatives for Profitability Improvement Profitability

Governance Strategy

Sustainability Strategy

Financial and Non-financial Data

Third-Party Independent Assurance Report

★ A star mark indicates that FY2021 figures have been assured by KPMG AZSA Sustainability Co., Ltd.

Environmental Data

Aggregation period: Japan: April 1 through March 31 of each fiscal year / overseas: January 1 through December 31 of each fiscal year (April 1 through March 31 for India and Myanmar)

Boundary of data aggregation: Consolidated subsidiaries in Japan and overseas, excluding nonproduction sites (see note for VOC emissions)

Greenhouse gas (GHG) / Energy consumption	FY2017	FY2018	FY2019	FY2020	FY2021
★ Greenhouse gas emissions (Scope 1+ Scope 2)*1 (kt-CO ₂ e)	7,944	7,836	7,650	7,460	7,606
★ Scope 1 (kt-CO ₂ e)	6,595	6,394	6,323	6,267	6,398
★ Scope 2 (kt-CO ₂ e)	1,349	1,442	1,327	1,193	1,208
★ Scope 3 Purchased goods and services*2 (kt-CO ₂ e)	3,836	3,923	3,766	3,430	3,663
★ Energy consumption (crude oil conversion)*3 (1,000 kL)	5,874	5,822	5,660	5,219	5,400

*1 Greenhouse gas (GHG)

Scope 1 calculation

Japan: Calculated in accordance with Act on Rationalizing Energy Use (Energy Conservation Act) and Act on Promotion of Global Warming Countermeasures (Global Warming Act)

Emissions relating to the electric power business (supply of electricity or heat to other companies) and transport by Group-owned vehicles are included.

CO₂ emissions from the use of purchased fuels made from waste are excluded.

Overseas: Calculated based on the Greenhouse Gas Protocol Initiative

Greenhouse gas (GHG) emissions from simply burning waste are excluded.

Greenhouse gas (GHG) emissions from waste disposal and wastewater treatment are excluded.

Non-energy greenhouse gas emissions (GHG) resulting from quicklime production (lime kiln) are excluded.

Scope 2 calculation

Japan: Basic emissions factors of individual electric power companies published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry

Overseas: IEA-published CO₂ emission factors by country in 2010

*2 Scope 3 Purchased goods and services: Emissions associated with activities up to the point when materials/components, materials related to purchased goods and sale, etc. are manufactured. For emission intensities, we have referred to the "Emission intensity database for calculation of GHG emissions by organizations throughout the supply chain (ver. 2.6)" and the "CO₂ equivalents common intensity database (ver. 4.0)."

*3 Energy consumption: Energy consumption in conjunction with the manufacture of products is calculated excluding the following energy use.

Consumption relating to the electric power business (supply of electricity or heat to other parties) and transport by Group-owned vehicles is excluded.

Energy relating to the supply of electric power or heat to other party is excluded from fossil fuel and non-fossil fuel derived energy.

Unit calorific values are calculated by using the following laws and international standards.

Japan: Act on Rationalizing Energy Use and Act on Promotion of Global Warming Countermeasures

Overseas: IPCC 2006 Guidelines for National Greenhouse Gas Inventories

Since unit calorific values for non-fossil fuels emphasize comparability to reduction targets, the factors set in the FY2018 report are used.

Environmental impacts	FY2017	FY2018	FY2019	FY2020	FY2021
★ Industrial waste generation*4 (kt)	2,782	2,875	2,757	2,733	2,772
★ VOC emissions*5 (t)	622	523	481	227	232

*4 Industrial waste generation

The volume of waste generated includes valuable materials (general waste is not included).

*5 VOC emissions

Domestic Group companies subject to Japanese pollutant release and transfer register (PRTR) law have been included.

Of the substances subject to PRTR law, those corresponding to the 100 types of VOC indicated by the Ministry of the Environment based on the Air Pollution Control Act have been included.

Water intake and wastewater	FY2017	FY2018	FY2019	FY2020	FY2021
★ Water intake (1,000 m ³)	744,056	740,398	736,684	706,298	714,281
★ Wastewater (1,000 m ³)	716,792	708,494	701,024	671,965	675,849

Social Data

Occupational safety / Diversity	FY2017	FY2018	FY2019	FY2020	FY2021	
★ Lost time injury frequency rate (LTIFR)*6	Whole Group	1.02	0.89	0.88	0.81	0.97
	Japan	0.79	0.76	0.67	0.76	0.84
	Overseas	1.25	1.01	1.08	0.85	1.09
★ Percentage of female managers*7	16 Group companies in Japan (%)	2.9	3.1	3.5	3.6	3.7
★ Employment rate of people with disabilities*8	Six applicable Group companies in Japan (%)	2.03	2.17	2.27	2.31	2.35
	Group companies in Japan (%)	1.83	1.91	2.01	2.04	2.10

*6 Aggregation period: From January 1 to December 31 / Boundary of data aggregation: Oji Holdings Corporation and its consolidated subsidiaries

LTIFR = (the number of lost time injuries ÷ total working hours) × 1,000,000

Total working hours are calculated based on the number of group company employees (regular employees and temporary/non-regular employees) as of the end of September every year, assuming the annual working hours per person is 2,000 hours.

FY2020 figures were updated as a 2020 incident in Japan was recognized as an industrial accident after the previous Integrated Report was published.

*7 Aggregation date: March 31 of each fiscal year / Boundary of data aggregation: 16 Group companies in Japan

Percentage of female managers = Number of female managers ÷ Number of all managers

*8 Aggregation date: June 1 after each fiscal year

Boundary of data aggregation:

• Six applicable Group companies in Japan: Oji Holdings, Oji Nepia, Oji Imaging Media, Oji Paper, Oji Management Office, and Oji Clean Mate

• Group companies in Japan: 82 Group companies in Japan, including the six applicable Group companies (at least 43.5 employees)

Employment rate of people with disabilities (actual employment rate) = Number of regular workers with physical or intellectual impairments or with mental illness ÷ Number of all regular workers

(Workers with short working hours are counted as 0.5 workers and persons with severe disabilities are counted as two persons)

ESG data → <https://ojiholdings.disclosure.site/en/themes/116/>

Independent Assurance Report

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

We were engaged by Oji Holdings Corporation (the "Company") to undertake a limited assurance engagement of the environmental and social performance indicators marked with ★ (the "Indicators") for the period from April 1, 2021 to March 31, 2022, except for the lost time injury frequency rate, which is for the period from January 1, 2021 to December 31, 2021, and for the employment rate of people with disabilities, which is as of June 1, 2022, included in its Oji Group Integrated Report 2022 (the "Report") for the fiscal year ended March 31, 2022.

The Company's Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the "Company's reporting criteria"), as described in the Report.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with the 'International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information' and the 'ISAE 3410, Assurance Engagements on Greenhouse Gas Statements' issued by the International Auditing and Assurance Standards Board. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing the Company's responsible personnel to obtain an understanding of its policy for preparing the Report and reviewing the Company's reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical procedures on the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company's reporting criteria, and recalculating the Indicators.
- Visiting the Kushiro Mill of Oji Materia Co., Ltd. selected on the basis of a risk analysis.
- Evaluating the overall presentation of the Indicators.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Report are not prepared, in all material respects, in accordance with the Company's reporting criteria as described in the Report.

Our Independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Control 1, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

/s/ Kazuhiko Saito

Kazuhiko Saito, Partner, Representative Director

KPMG AZSA Sustainability Co., Ltd.

Tokyo, Japan

December 9, 2022

Notes to the Reader of Independent Assurance Report:

This is a copy of the Independent Assurance Report and the original copies are kept separately by the Company and KPMG AZSA Sustainability Co., Ltd.

List of Affiliated Companies

<p>Industrial Materials COMPANY</p>	<p>Oji Industrial Materials Management Co., Ltd.</p> <p>Oji Materia Co., Ltd.</p> <ul style="list-style-type: none"> Hokuyo Shiko Co., Ltd. Shin Nihon Feather Core Co., Ltd. Saga Itagami Co., Ltd. <p>Oji Container Co., Ltd.</p> <ul style="list-style-type: none"> Musashi Oji Container Co., Ltd. Kanto Pack Co., Ltd. Honshu Rheem Co., Ltd. Wakayama Oji Container Co., Ltd. Kansai Pack Co., Ltd. Chiyoda Meiwa Danboru Co., Ltd. Nihon Seika Hoso Co., Ltd. Kyodoshiko Corporation Kyodo Hinode Sangyo Co., Ltd. Kunshan Oji Filter Co., Ltd. Nantong Oji Filter Co., Ltd. <p>Morishigyo Co., Ltd.</p> <ul style="list-style-type: none"> Morikamihanbai Co., Ltd. Hokkaido Morishigyo Co., Ltd. Tohoku Morishigyo Co., Ltd. Sendai Morishigyo Co., Ltd. Hitachi Morishigyo Co., Ltd. Gunma Morishigyo Co., Ltd. Nagano Morishigyo Co., Ltd. Niigata Morishigyo Co., Ltd. Shizuoka Morishigyo Co., Ltd. Tokai Morishigyo Co., Ltd. Hokuriku Morishigyo Co., Ltd. Tottori Morishigyo Co., Ltd. Shikoku Morishigyo Co., Ltd. Kyushu Morishigyo Co., Ltd. Aipacks Co., Ltd. Fuji Co., Ltd. 	<p>Oji Asia Packaging Sdn. Bhd.</p> <p>GSPP Group</p> <ul style="list-style-type: none"> GS Paperboard & Packaging Sdn. Bhd. GS Paperboard & Packaging(Selangor) Sdn. Bhd. Oji GS Packaging (Yangon) Co., Ltd. <p>Harta Packaging Group</p> <ul style="list-style-type: none"> Harta Packaging Industries Sdn. Bhd. Harta Packaging Industries (Perak) Sdn. Bhd. Harta Packaging Industries (Selangor) Sdn. Bhd. Trio Paper Mills Sdn. Bhd. Chiga Light Industries Sdn. Bhd. Harta Fleksipak Sdn. Bhd. Harta Packaging Industries (Cambodia) Ltd. Ojitex Harta Packaging (Sihanoukville) Ltd. Oji Packaging (Cambodia) Co., Ltd. United Kotak Bhd. <ul style="list-style-type: none"> Ojitex (Vietnam) Co., Ltd. Ojitex Haiphong Co., Ltd. United Packaging Co., Ltd. S.Pack & Print Public Co., Ltd. — Sahakij Packaging Co., Ltd. PT Oji Sinar Mas Packaging Oji India Packaging Pvt. Ltd. Empire Packages Pvt.Ltd. <ul style="list-style-type: none"> Oji Interpack Co., Ltd. Oji Interpack Korea Ltd. Suzhou Oji Packaging Co., Ltd. — Oji Packaging Technology (Chongqing) Co., Ltd. Oji Interpack Singapore Pte. Ltd. Oji Interpack India Pvt. Ltd. Oji Interpack Vietnam Co., Ltd. <ul style="list-style-type: none"> O&C Paper Bag Holdings Co., Ltd. * <i>Intermediate holding company</i> Oji Seitai Co., Ltd. — Kusumiseitaijo Inc. Oji Packaging (Shanghai) Co., Ltd. Chubushiko Co., Ltd. — Japan Paper Technology Dong Nai (VN) Co., Ltd. Japan Paper Technology (VN) Co., Ltd. Chuetsu Package Co., Ltd. — Chuo Shiko Co., Ltd. <ul style="list-style-type: none"> Oji Packaging Co., Ltd. Oji Adba Co., Ltd. Kyushu Package Co., Ltd.
<p>Household and Consumer Products COMPANY</p>	<p>Oji Nepia Co., Ltd.</p> <ul style="list-style-type: none"> Oji Paper Nepia (Suzhou) Co., Ltd. Oji Asia Household Product Sdn. Bhd. OAHP Marketing Sdn. Bhd. <ul style="list-style-type: none"> PT Indo Oji Sukses Pratama * <i>Equity-method affiliate</i> PT Oji Indo Makmur Perkasa * <i>Equity-method affiliate</i> 	
<p>Functional Materials COMPANY</p>	<p>Oji Functional Materials Progressing Center Inc.</p> <ul style="list-style-type: none"> Oji Tac Co., Ltd. New Tac Kasei Co., Ltd. Oji Kinocloth Co., Ltd. Oji Kinocloth (Shanghai) Co., Ltd. Chuetsu Co., Ltd. <p>Oji F-Tex Co., Ltd.</p> <ul style="list-style-type: none"> Ebetsu Oji Shigyo Co., Ltd. Sunshine Oji (Shouguang) Specialty Paper Co., Ltd. * <i>Equity-method affiliate</i> 	<p>Oji Imaging Media Co., Ltd.</p> <ul style="list-style-type: none"> Oji Scientific Instruments Co., Ltd. Kanzaki Specialty Papers, Inc. Kanzan Spezialpapiere GmbH Oji Paper (Thailand) Ltd. Oji Label (Thailand) Ltd. Oji Papéis Especiais Ltda. <ul style="list-style-type: none"> Hyper-Region Labels Sdn. Bhd. Tele-Paper (M) Sdn. Bhd. Sonofax Sdn. Bhd. Ge-Pap Sdn. Bhd. SRE-Marketing Sdn. Bhd. SPNL Print Sdn. Bhd.
<p>Forest Resources and Environment Marketing COMPANY</p>	<p>Oji Green Resources Co., Ltd.</p> <ul style="list-style-type: none"> Oji Paper International Trading (Shanghai) Co., Ltd. Japan Brazil Paper and Pulp Resources Development Co., Ltd. Celulose Nipo-Brasileira S.A. (CENIBRA) Cenibra Logística Ltda. Cenibra Internacional Serviços e Comércio (Sociedade Unipessoal) Lda Cenibra Trading Ltd. Cenibra, Inc. 	<p>Oji Imaging Media Co., Ltd.</p> <ul style="list-style-type: none"> Pan Pac Forest Products Ltd. (Pan Pac) — Pan Pac Forest Products (Otago) Ltd. Oji Forest & Products Co., Ltd. Oji Forestry Co., Ltd. Southland Plantation Forest Co. of New Zealand Ltd. (SPFL) Albany Plantation Forest Co. of Australia Pty. Ltd. (APFL) Green Triangle Plantation Forest Co. of Australia Pty. Ltd. (GPFL) Albany Plantation Export Co., Pty. Ltd. Panindo Investment Pte. Ltd. * <i>Intermediate holding company</i> PT Korintiga Hutani (KTH) * <i>Equity-method affiliate</i> Quy Nhon Plantation Company * <i>Intermediate holding company</i> Quy Nhon Plantation Forest Co. of Vietnam Ltd. (QPFL) BINH DINH CHIP CORPORATION Truong Thanh Oji Plantation Forest Co., Ltd. (TTO) * <i>Equity-method affiliate</i> <ul style="list-style-type: none"> Oji Green Energy Shiranuka Co., Ltd. Oji Green Energy Nichinan Co., Ltd. Oji Green Energy Ebetsu Co., Ltd. Oji Green Energy Tokushima Co., Ltd. MPM Oji Eco-Energy Co., Ltd. Oji-Itochu Enex power retailing Co., Ltd. * <i>Equity-method affiliate</i> <ul style="list-style-type: none"> Oji Ecomaterial Co., Ltd. Oji Cornstarch Co., Ltd. Kyokushin Recycling Resources Co., Ltd. Oji Saito Paper Recycle Co., Ltd. Oji Trading Co., Ltd.
<p>Printing and Communications Media COMPANY</p>	<p>Oji Paper Co., Ltd.</p> <ul style="list-style-type: none"> Tomakomai Oji Shigyo Co., Ltd. Tomakomai Kyowa Service Co., Ltd. Oji Shigyo Co., Ltd. Yonago Oji Shigyo Co., Ltd. Tomioka Oji Shigyo Co., Ltd. Nitinan Oji Shigyo Co., Ltd. <p>Jiangsu Oji Paper Co., Ltd.</p> <ul style="list-style-type: none"> O&C Ivory Board Co., Ltd. * <i>Equity-method affiliate</i> 	
<p>Corporate Management Group</p>	<p>Oji Management Office Inc.</p> <ul style="list-style-type: none"> Oji Real Estate Co., Ltd. Kyokuyo Co., Ltd. Fujikako Co., Ltd. Ginpo Pack Co., Ltd. Oji Hall Co., Ltd. Oji Paper Insurance Service Co., Ltd. Hotel New Oji Co., Ltd. Oji General Hospital <ul style="list-style-type: none"> Oji Pharma Co., Ltd. OCM Fiber Trading Co., Ltd. Oji Forest Products Vietnam Co., Ltd. Yupo Corporation * <i>Equity-method affiliate</i> Oji Asia Management Sdn. Bhd. Oji Myanmar Packaging Co., Ltd. Oji Paper Management (Shanghai) Co., Ltd. 	<p>Oji Oceania Management Co., Ltd.</p> <p>Oji Fibre Solutions Group (Oji FS)</p> <ul style="list-style-type: none"> Oji Fibre Solutions (NZ) Ltd. Oji Fibre Solutions (AUS) Pty. Ltd. Oji Foodservice Packaging Solutions (AUS) Pty. Ltd. Oji Fibre Solutions (QLD) Pty. Ltd. Oji Cardboard Carton Solutions Pty. Ltd. <p>Chuetsu Pulp & Paper Co., Ltd. * <i>Equity-method affiliate</i></p> <p>Mitsubishi Paper Mills Limited * <i>Equity-method affiliate</i></p> <p>Ishizuka-Oji Paper Packaging Co., Ltd. * <i>Equity-method affiliate</i></p>
<p>Shared Service Companies</p>	<ul style="list-style-type: none"> Oji Logistics Co., Ltd. — Oji Rikuun Co., Ltd., Hirata Warehouse Co., Ltd. Oji Engineering Co., Ltd. — Oji Machinery Hokkaido Co., Ltd., Oji Machinery Chubu Co., Ltd. Oji Business Center Co., Ltd. Oji Human Support Co., Ltd. 	

Excerpts from consolidated subsidiaries, non-consolidated subsidiaries, and equity-method affiliates (as of March 31, 2022)

History of the Oji Group's Value Creation

What the Oji Group Aims For

Initiatives for Environmental Issues Sustainability

Initiatives for Product Development Green Innovation

Initiatives for Profitability Improvement Profitability

Governance Strategy

Sustainability Strategy

Financial and Non-financial Data

Corporate Data / Stock Information / Evaluation from Society

Company Profile (as of March 31, 2022)

Company name	Oji Holdings Corporation
Director of the Board, President	Hiroyuki Isono (appointed April 1, 2022)
Headquarters address	7-5, Ginza 4-chome, Chuo-ku, Tokyo 104-0061 Japan
Start of business	February 12, 1873
Corporate establishment	August 1, 1949
Capital	¥103,880 million
Total number of authorized shares	2,400,000,000 shares
Total number of issued shares (treasury stocks included in the total)	1,014,381,817 shares (22,159,699 shares)
Number of shareholders	76,830
Number of employees of the consolidated Group	35,608

Stock Information (as of March 31, 2022)

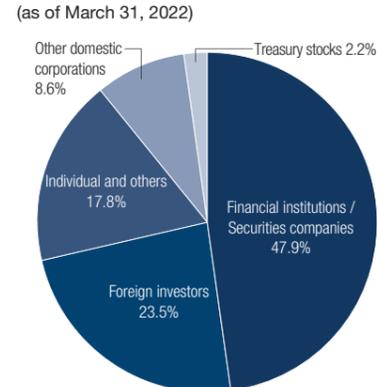
Listing stock exchange	Tokyo Stock Exchange
Securities Identification Code	3861
Share register manager and account administration authority for special accounts	Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo Japan
Mailing address	Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited 8-4, Izumi 2-chome, Suginami-ku, Tokyo 168-0063 Japan
Toll-free telephone number	+81-120-782-031

Principal Shareholders (as of March 31, 2022)

Name of shareholder	Shares held (Thousands)	Percentage of total shares issued
The Master Trust Bank of Japan, Ltd. (Trust account)	157,740	15.9
Custody Bank of Japan, Ltd. (Trust account)	66,684	6.7
Custody Bank of Japan, Ltd. (Trust account 4)	34,873	3.5
Sumitomo Mitsui Banking Corporation	31,668	3.2
Nippon Life Insurance Company	25,658	2.6
Mizuho Bank, Ltd.	21,636	2.2
Oji Group Employee Stock-holding Association	19,922	2.0
STATE STREET BANK AND TRUST COMPANY 505001	17,248	1.7
The Norinchukin Bank	16,654	1.7
STATE STREET BANK WEST CLIENT - TREATY 505234	15,299	1.5

1. The Company holds treasury stock of 22,159 thousand shares, which is excluded from the above list.
2. The percentage of total shares issued has been calculated after excluding the Company's treasury stock (22,159 thousand shares).
3. Numbers less than one thousand are rounded down to the nearest thousand.

Distribution of Shareholders (as of March 31, 2022)



Evaluation from Society



FTSE Blossom Japan Index

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

FTSE4Good Index Series

Oji has been selected for the FTSE4Good Index Series, an ESG index established by FTSE Russell, since September 2019. (Scope: Oji Holdings)

FTSE Blossom Japan Sector Relative Index

Oji has been selected for the FTSE Blossom Japan Sector Relative Index, an ESG index established by FTSE Russell, since April 2022. (Scope: Oji Holdings)

SOMPO Sustainability Index

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

S&P/JPX Carbon Efficient Index

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

Dow Jones Sustainability Asia Pacific Index

Oji has been selected since November 2020 as a constituent of the Dow Jones Sustainability Asia Pacific Index, one of the Dow Jones Sustainability Indices (DJSI) selecting companies based on their outstanding performance on sustainability issues.

MSCI Japan Empowering Women (WIN) Index

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

"Eruboshi" certification received under the Act on Promotion of Women's Participation and Advancement in the Workplace

On December 21, 2017, Oji was granted "Eruboshi" (Grade 3, the top grade) company certification by the Minister of Health, Labour and Welfare in recognition of its efforts to promote women's participation and career advancement. (Scope: Oji Holdings)

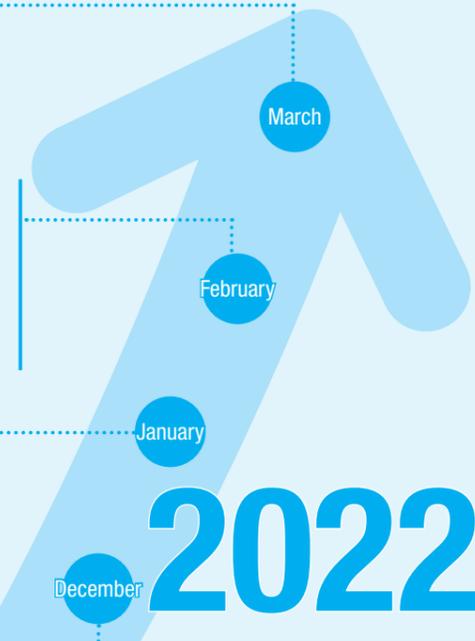
FY2021 "Nadeshiko Brand"

On March 22, 2022, Oji was selected for the third time and for the second consecutive year by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange as "Nadeshiko Brand" companies as enterprises that are outstanding in terms of encouraging the empowerment of women in the worksite. (Scope: Oji Holdings and Oji Management Office)

2022 Certified Health and Productivity Management Organization Recognition Program

On March 9, 2022, Oji was recognized under the 2022 Certified Health and Productivity Management Organization Recognition Program (Large Enterprise Category), administered jointly by the Ministry of Economy, Trade, and Industry (METI) and the Nippon Kenko Kaigi. (Scope: Oji Holdings and Oji Management Office)

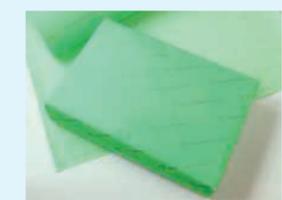
A Year at the Oji Group



Launched "nepia nepi-eco Biomass Mask 30 pcs" containing 80% plant-derived materials. (P48)



Developed "kinarito," a plant-derived nonwoven fabric material.



Developed "MEGURISH (cotton)," a recyclable resource mixed papermaking. (P52)



Oji Papéis Especiais (OPE) enhanced thermal paper production machines and started operation. (P51)



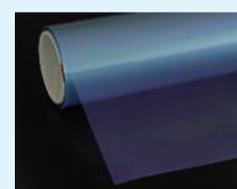
Oji Fibre Solutions established and relocated a corrugated container plant and started operation. (P45)



GSPP increased containerboard machines and started operation. (P45)



Succeeded in developing an eco-friendly biaxially stretched polypropylene film that contains polylactic acid. (P37)



Started experimental sales of an automotive windshield film with heat shielding properties.



Launched "nepia nepi-eco Toilet Paper Double-length 2-ply 4 Rolls."

Added three new products to the "SILBIO series," barrier paper materials. (P51)



Selected as a constituent of the FTSE4Good Index Series and FTSE Blossom Japan Index, which are ESG investment indexes.

Oji Asia Household Products increased disposable diaper processing machines, integrated sites and started operation.



"Optimized transport box by using automatic packing system 'Carton Wrap' awarded the FY2021 Logistics Grand Prize 'SDGs Social Contribution Award,' 45th Kinoshita Awards 'Improvement and Rationalization Category' and WorldStar Competition 2022 'WorldStar Award'." (P45)

2021



Beyond the Boundaries



Oji Holdings Corporation

Public Relations and Investor Relations Dept., Corporate Sustainability Div.
7-5, Ginza 4-chome, Chuo-ku, Tokyo 104-0061 Japan
<https://www.ojiholdings.co.jp/english/>

Issued in December 2022

