

Message from the Chairman

Managing the Board of Directors to Achieve Our Purpose

Representative Director and
Chairman of the Board,
Oji Holdings Corporation

Masatoshi Kaku



Review of FY2022 as Chairman of the Board

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

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

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

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

Strengthening of Governance and Promotion of Sustainability Strategy

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

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

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

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

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

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

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

Succession Plan Implementation and Human Capital Management

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

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

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

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

The Commitments We Want to Convey to Our Stakeholders

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

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

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

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

Corporate Officers (Oji Holdings Corporation)



Masatoshi Kaku

Representative Director and Chairman of the Board
Chairman of the Board

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



Hiroyuki Isono

Representative Director of the Board
President and Group CEO

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



Michihiro Nara

Independent Outside Director of the Board

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



Sachiko Ai

Independent Outside Director of the Board

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



Fumio Shindo

Representative Director of the Board
Executive Vice President

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

April 1984 Joined the Company
April 2014 Corporate Officer, Oji Paper Co., Ltd.
April 2016 Director, Oji Paper Co., Ltd.
April 2017 Corporate Officer, the Company
April 2018 Executive Officer, the Company
June 2019 Director of the Board and Executive Officer, the Company
April 2021 Director of the Board and Senior Executive Officer, the Company
April 2023 Representative Director of the Board and Executive Vice President, the Company (to the present)



Kazuhiko Kamada

Director of the Board
Senior Executive Officer

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

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



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, Nichiyo 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.
President, Oji Imaging Media Co., Ltd.

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



Akio Hasebe

Director of the Board
Executive Officer

President, Industrial Materials COMPANY
President, Oji Industrial Materials Management Co., Ltd.

April 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)



Teruo Yamazaki

Audit & Supervisory Board Member

April 1982 Joined the former Honshu Paper Co., Ltd.
February 2016 Deputy Mill Manager, Ebetsu Mill, Oji F-Tex Co., Ltd.
April 2019 General Manager, Internal Audit Department and Corporate Compliance Department, Corporate Governance Division, the Company
April 2023 General Manager, Internal Audit Department, Corporate Governance Division, the Company
June 2023 Audit & Supervisory Board Member, the Company (to the present)



Takayuki Moridaira

Director of the Board
Executive Officer

President, Household and Consumer Products COMPANY
President, Printing and Communications Media COMPANY
President, Oji Nepia Co., Ltd.

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



Yuji Onuki

Director of the Board
Executive Officer

President, Forest Resources and Environment Marketing COMPANY
President, Oji Green Resources Co., Ltd.
President, Oji Forest & Products Co., Ltd.

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



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.
Outside Director, Member of the Board, Audit and Supervisory Committee Member, ROHM Co., Ltd. (to the present)
June 2021 Independent Outside Audit & Supervisory Board Member, the Company (to the present)



Noriko Sekiguchi

Independent Outside Audit & Supervisory Board Member

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



Takashi Nonoue

Independent Outside Audit & Supervisory Board Member

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

Corporate Governance

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

Basic Concepts, Framework, and Operational Policies

Fundamental Policies on Corporate Governance

The Fundamental Policies on Corporate Governance set forth the basic concepts, framework, and operational policies regarding corporate governance.

→ <https://www.ojiholdings.co.jp/english/group/policy/governance.html>

Corporate Governance Report

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

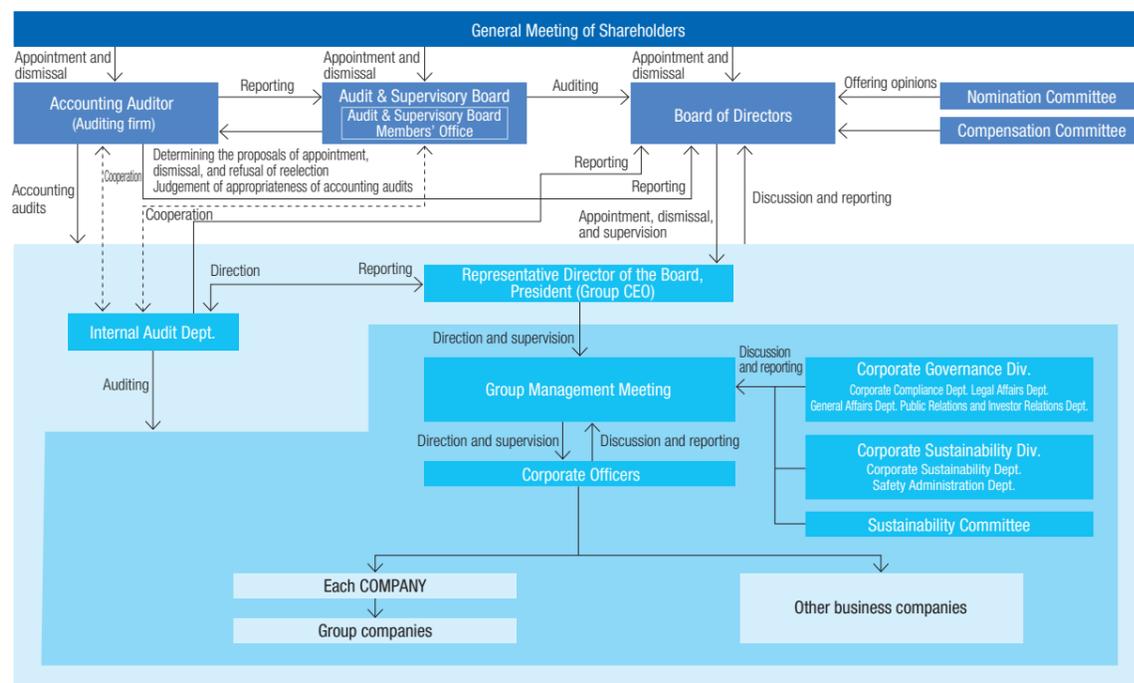
→ https://investor.ojiholdings.co.jp/en/ir/library/governance_report.html

Corporate Governance Structures

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

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

Corporate Governance Structural Diagram



Nomination Committee and Compensation Committee

The Nomination Committee and Compensation Committee were established as advisory bodies to the Board of Directors in 2015. These two committees ensure objectivity and transparency in decisions of the Board of Directors concerning nomination and compensation, and the Compensation Committee analyzes the effectiveness of and deliberates the evaluations of the Board of Directors. Each of the Committees consists of two internal Directors and four Independent Outside Directors.

Roles of Nomination Committee

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

Roles of Compensation Committee

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

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

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

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

Policy on Determination of Director Compensation and Total Compensation Amount

Policy on Determination of Director Compensation

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

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

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

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

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

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

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

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

Corporate Governance

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

Policy

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

Process

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

Directors' Skill Map

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

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

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

The capabilities of each Director are as follows:

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

* ●marks indicate the abilities that each Director possesses, but the abilities in which each Director can demonstrate greater strength and expertise are listed according to his or her position in the Company below. The above list is based on their positions, and does not represent all of the abilities possessed by each Director.
 Representative Director of the Board: Up to four (4) Director of the Board and Senior Executive Officer: Up to four (4)
 Director of the Board and Executive Officer: Up to three (3) Director of the Board (Independent Outside): Up to two (2)

Independent Outside Officers

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

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

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

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

Main Activities of Independent Outside Directors in FY2022

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

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

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

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

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

Effectiveness Evaluation of the Board of Directors

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

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

Procedure for the Effectiveness Evaluation of the Board of Directors

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

Survey Questions

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

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

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

Policy for Strategic Shareholding

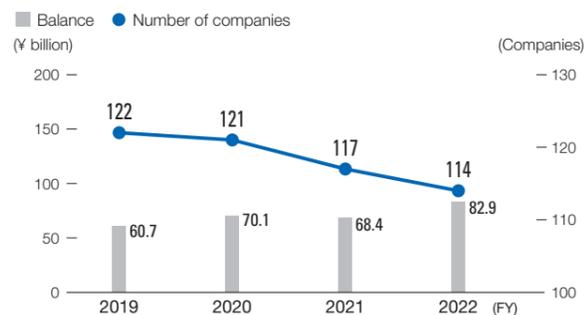
The Company strategically holds shares that are expected to contribute to the sustainable growth of its business and the improvement of corporate value over the medium to long term as part of its management strategies for the purpose of business alliances and strengthening and maintenance of long-term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

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

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

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

Strategic Shareholding



The Oji Group Corporate Code of Conduct and Behavior Standard

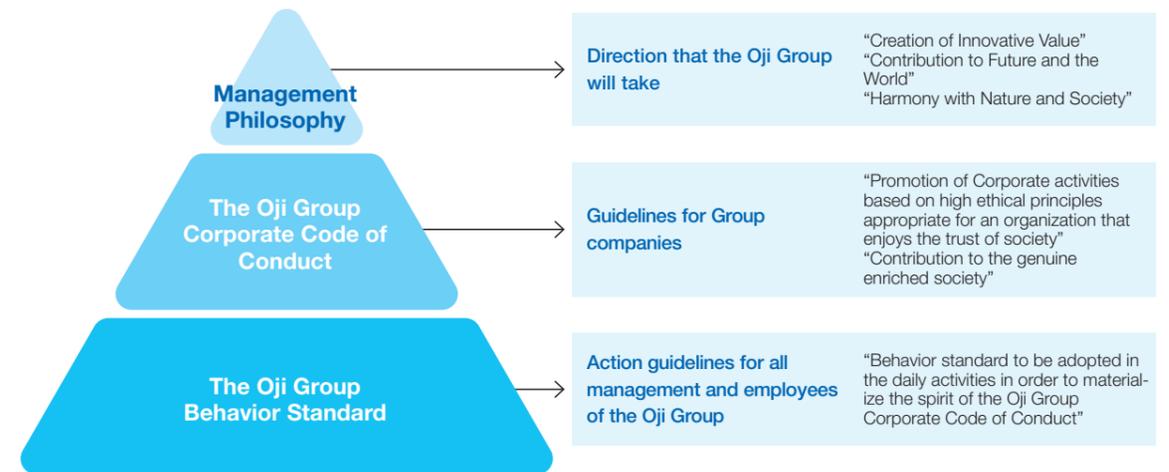
The Oji Group incorporated the principles on human rights, labor, the environment, and anticorruption of the United Nations Global Compact and established the Oji Group Corporate Code of Conduct and the Oji Group Behavior Standard, action guidelines for the Code, in 2004. They were revised in FY2020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

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

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

The Oji Group Corporate Code of Conduct ➔ <https://www.ojiholdings.co.jp/english/group/policy/conduct.html>

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



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

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

Compliance News in Languages Other Than Japanese

Chinese	Malay
English	Burmese
German	Nepali
Hindi	Portuguese
Indonesian	Thai
Korean	Vietnamese

Since May 2022

Gujarati	Tamil
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To be added in 2023

Italian	
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Compliance

Measures for Promoting Compliance

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

Activities for Raising Compliance Awareness

As part of daily compliance activities, compliance promotion leaders at respective workplaces and companies organize regular workplace compliance meetings to raise awareness among all employees. Many opportunities are provided by the Corporate Compliance Department for employees to acquire necessary knowledge including compliance training as part of rank-based training for newly-appointed managers and new employees as well as periodic internal training on themes that are common to all Group companies such as the Subcontract Act, the Antimonopoly Act, and the prevention of bribery. Also, the "Compliance News" is issued every month to introduce current internal and external compliance topics, provide teaching materials in quiz format, explain the Oji Group Corporate Code of Conduct and Oji Group Behavior Standard, and inform employees of the internal whistleblowing system.

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

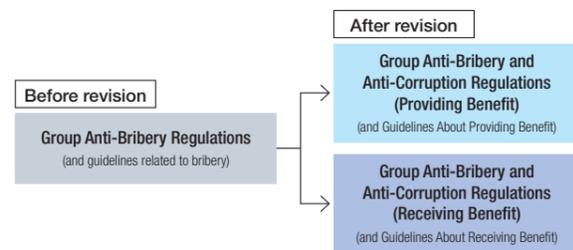
In April 2023, we provided senior management training to newly appointed officers (including corporate officers) of Oji Group companies. The video of the training program was made available on our portal site for officers already in office to view for a certain period of time to confirm their knowledge.



Senior management training

Anti-Corruption Initiatives

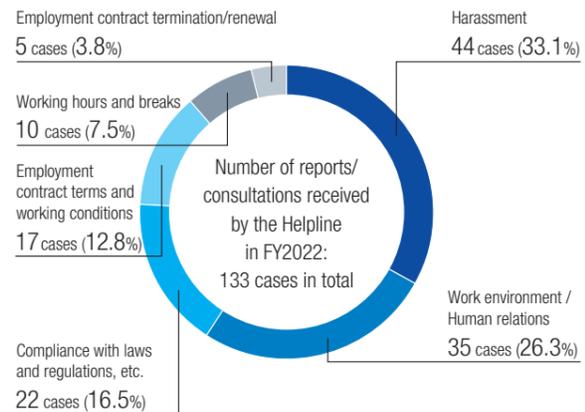
We established Group Anti-Bribery and Anti-Corruption Regulations and guidelines to ensure transparency of political contributions, prohibit illegal contributions or donations, and prohibit bribery and other corrupt acts and practices. In order to establish good, wholesome relationships with business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



Internal Whistleblowing System

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

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

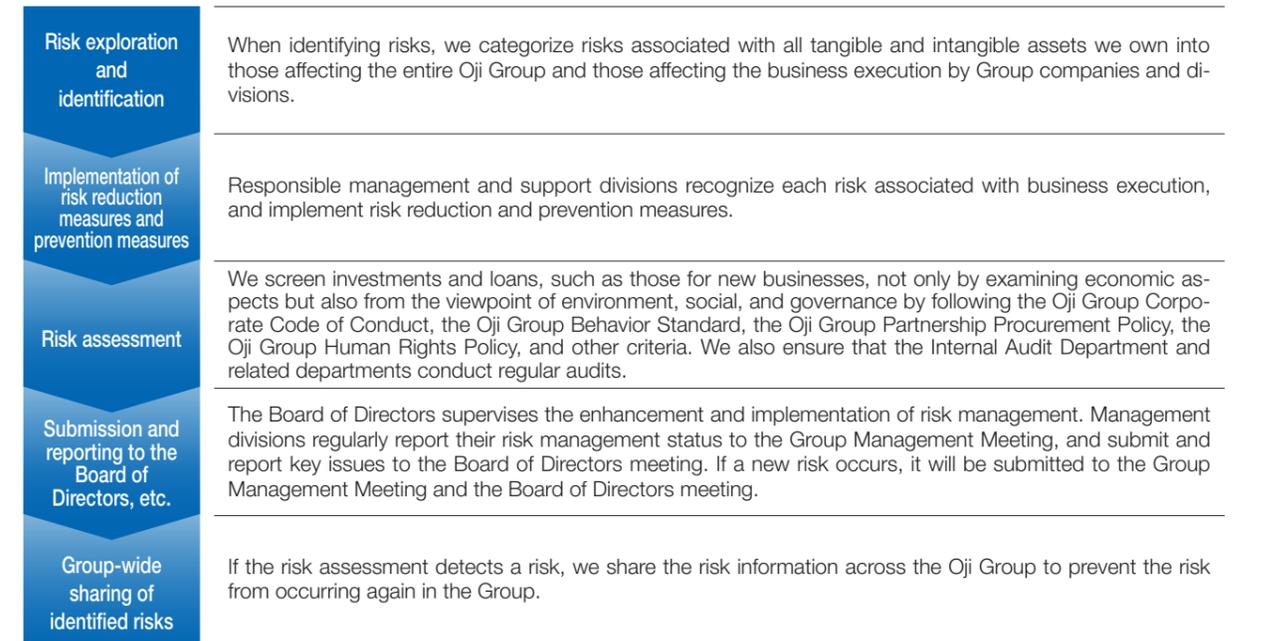


Risk Management

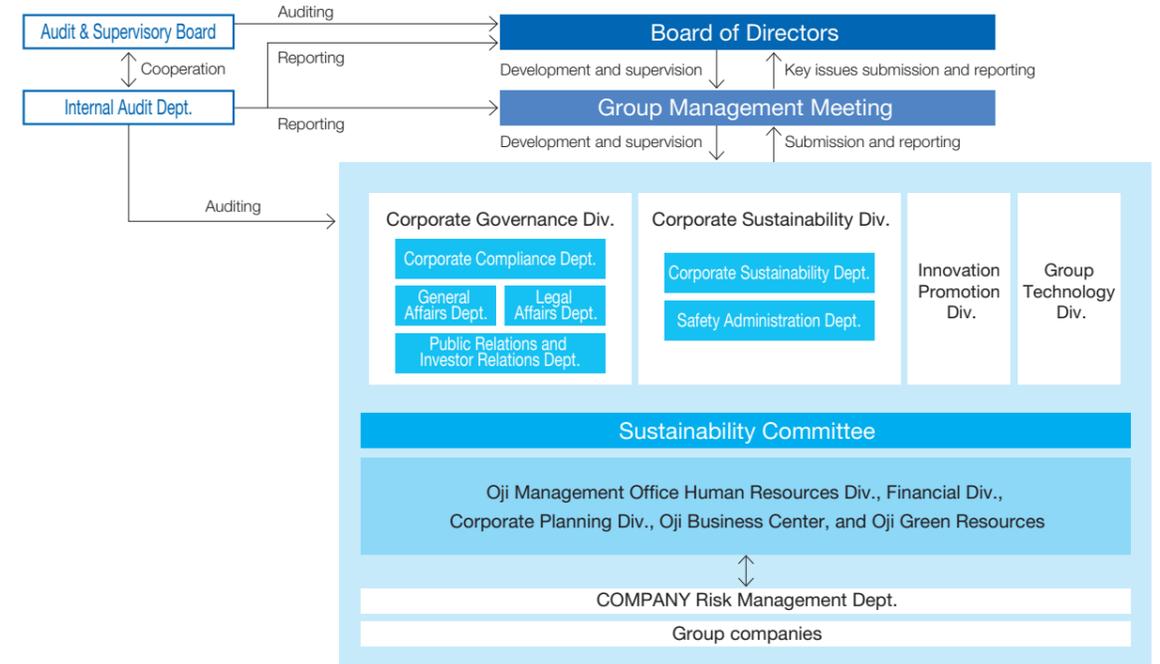
The Oji Group undertakes business activities with a strong sense of ethics set forth in the Oji Group Corporate Code of Conduct and implements appropriate risk management practices. In response to the rapid expansion of the areas where we operate businesses, we will reinforce our risk management structure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

Flow of Risk Management

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



Risk Management Structure



Risk Management

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

Countermeasures against Major Risks

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

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



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

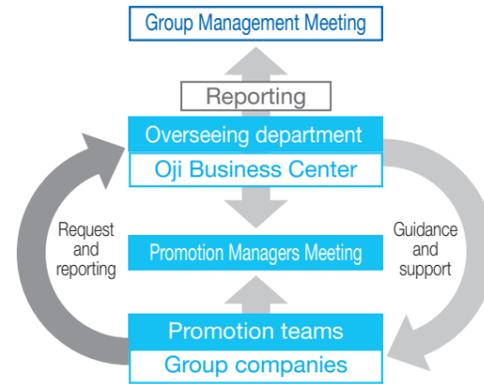
Risk Management

Measures for Information Security

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

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

Information Security Structural Diagram



The Oji Group's BCP

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

In the event of a serious incident to be addressed by the overall Group, we establish the Group Emergency Headquarters to confirm the safety of employees, check the damage suffered, and take prompt measures to continue supplying products to our customers.

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

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

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

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



Michihiro Nara

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

Sachiko Ai

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

Seiko Nagai

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

Hiromichi Ogawa

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

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

A year of decisive selection and concentration (Nara)

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

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

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

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

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

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

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

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

Independent Outside Directors' Roundtable Discussion

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

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

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



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

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

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

Effectiveness Evaluation of the Board of Directors and Issues

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

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

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

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

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



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

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

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

Human Capital Management

Shifting thinking from human costs to human capital (Nagai)

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

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

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

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

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

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



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

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

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

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

Messages for Stakeholders

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

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

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



Message from an Independent Outside Audit & Supervisory Board Member



Audit & Supervisory Board Members as Monitors and Preventers of Risks

Independent Outside Audit & Supervisory Board Member
Noriko Sekiguchi

Auditing Required for Global Business Expansion

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

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

Auditing of Safety, Environment, and Compliance

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

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

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

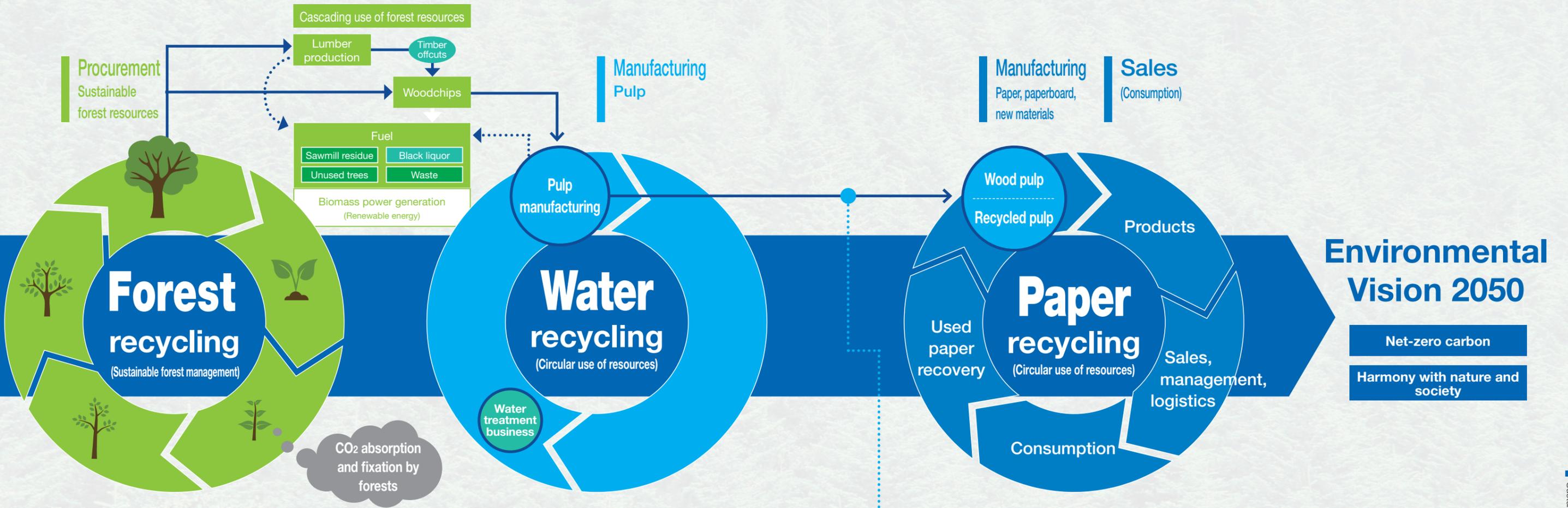
As Key Audit Matters (KAMs) in the FY2022 consolidated financial statements of Oji Holdings, the accounting auditor listed the reasonableness of the estimates related to impairment loss tests of non-current assets in the household base paper business of Jiangsu Oji Paper and the accounting impacts of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

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

Sustainable Business Model

Sustainable Business Model “Resource Circulation throughout the Value Chain”

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



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

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

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

Development of new materials derived from wood	
Cellulose	Hemicellulose
Various wood-derived materials	
<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 603,000 ha domestically and overseas. As the Group engages in a cycle of cultivating forest resources, utilizing them, and cultivating them again, we are developing a wide range of businesses without regard for business domain. With these forest resources as our core competencies, we will aim to develop business and contribute to realizing a sustainable society.

Sustainable Forest Management

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

Utilization of Renewable Resources

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

Development of New Materials Derived from Wood

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

Application of Fundamental Paper Manufacturing Technologies

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

Global Network and Sales

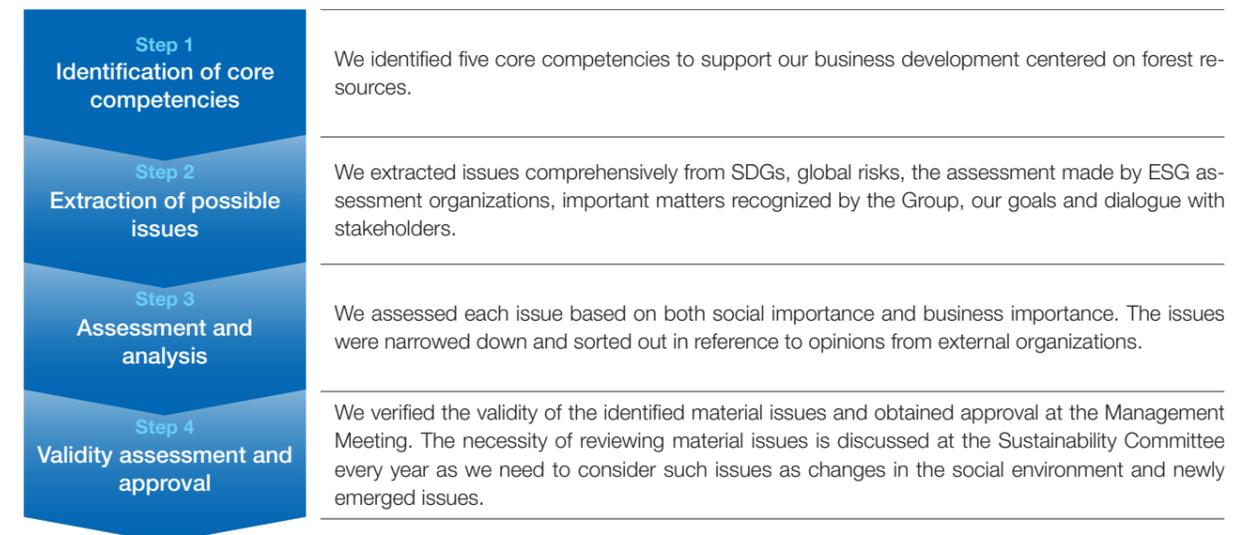
We are proactively developing our businesses on a global level, including our packaging business, which engages in the integrated manufacturing of folding cartons and corrugated containers from base paper; as well as our household paper, thermal paper, pulp, and other businesses. We are expanding our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

Material Issues

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

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

Process for Identifying Material Issues



Material Issues and Definitions

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

Material Issues and KPI

Category	Material issues	Components	Key performance indicators (KPIs) (Unless otherwise specified, for FY2030)	Current value*1		Major initiatives	Value provided to society	Corresponding SDGs	Reference	
E Environmental	Mitigation and adaptation to climate change	<ul style="list-style-type: none"> Reduce GHG emissions (Scope 1, Scope 2) Absorb and fix CO₂ by forests Reduce GHG emissions through collaboration with suppliers (Scope 3, etc.) Increase the usage of renewable energy Improve energy efficiency 	<ul style="list-style-type: none"> Reduce GHG emissions by at least 70% compared to FY2018 (Scope 1, Scope 2) GHG emissions reduction : 20% Net increment in carbon stocks by forests : 50% 	<ul style="list-style-type: none"> 16.5% reduction -4.7% -11.8% 		<ul style="list-style-type: none"> Reduce GHG emissions through improving production efficiency, saving energy, and utilizing renewable fuel and waste fuel Absorb and fix CO₂ through sustainable forest management Expanded use of non-fossil fuels and biomass fuels as alternatives to fossil fuel Develop biomass power generation business Develop eco-friendly products 	<ul style="list-style-type: none"> Mitigation of climate change Increase in the usage of renewable energy Improve in energy efficiency Enhancement of eco-friendly technologies 		P25-30	
			<ul style="list-style-type: none"> The actual carbon stocks in living biomass*2 expanded to at least 170,000 kt-CO₂ (calculated value) 	<ul style="list-style-type: none"> 122,450 kt-CO₂ 						
			<ul style="list-style-type: none"> Renewable energy usage rate of at least 60% through reduction of coal consumption 	<ul style="list-style-type: none"> 54.7% 						
			<ul style="list-style-type: none"> Improve energy consumption intensity by at least 1% per year for the 5-year average 	<ul style="list-style-type: none"> 3.8% reduction (from FY2018 to FY2022) 						
E Environmental	Sustainable forest management and biodiversity conservation	<ul style="list-style-type: none"> Properly manage and conserve forests Utilize forest resources Promote conservation of biodiversity and ecosystem Build relationships with local communities 	<ul style="list-style-type: none"> Increase the rate of overseas forest certification acquisition*3 (maintain the domestic rate at 100%) 	<ul style="list-style-type: none"> Japan 100%, Overseas 94% 		<ul style="list-style-type: none"> Forest management based on the "Sustainable Forest Management Policy" Maintain and expand the multi-functions of forests Sustainable forest management such as promotion of forest plantation and conservation of company-owned forests 	<ul style="list-style-type: none"> Conservation of biodiversity and ecosystem Job creation Employment, education, and medical support 		P31-34	
			<ul style="list-style-type: none"> Expand overseas forest plantations to 400,000 ha 	<ul style="list-style-type: none"> 279,000 ha (Conservation forests 136,000 ha) 						
E Environmental	Circular use of resources	<ul style="list-style-type: none"> Promote utilization of recovered paper Reduce water risks (promote water recycling, etc.) 	<ul style="list-style-type: none"> Recovered paper utilization ratio*4 (Japan) : At least 70% 	<ul style="list-style-type: none"> 68.0% 		<ul style="list-style-type: none"> Paper recycling (improve the recovered paper utilization ratio) Reduce water intake and improve water recycling Expand the water treatment business overseas 	<ul style="list-style-type: none"> Mitigation of climate change Reduction of waste Contribution to the solution of the water shortage issue Safe water supply 		P89-92	
			<ul style="list-style-type: none"> Reduction of water intake intensity by at least 6% compared to FY2018 	<ul style="list-style-type: none"> 12.9% reduction 						
E Environmental	Reduction of environmental burdens	<ul style="list-style-type: none"> Effective waste utilization Purify wastewater Purify exhaust gases 	<ul style="list-style-type: none"> Improve effective waste utilization ratios*5 Japan at least 99%, Overseas at least 95% 	<ul style="list-style-type: none"> Japan 99.4%, Overseas 83.4% 		<ul style="list-style-type: none"> Reduce and effectively use waste Develop eco-friendly products and biodegradable materials Set voluntary management values that are stricter than the environmental regulatory standards Purify wastewater and save emissions of chemical substances in exhaust gases 	<ul style="list-style-type: none"> Safety and health Reduction of air and water pollution 		P89	
			<ul style="list-style-type: none"> Reduce emission intensity for substances of environmental concern in wastewater by 15% from FY2018 	<ul style="list-style-type: none"> BOD: 35.1% reduction, COD : 10.0% reduction, SS: 24.0% reduction 						
			<ul style="list-style-type: none"> Reduce SOx emissions intensity in exhaust gases by 15% from FY2018 	<ul style="list-style-type: none"> 15.4% reduction 						
S Social	Respect for human rights	<ul style="list-style-type: none"> Consider human rights in all business activities Consider human rights in the workplace 	<ul style="list-style-type: none"> Percentage of target people who get education and training in human rights : 100% 	<ul style="list-style-type: none"> 95.6% (2,566 participants from January to July 2023) 		<ul style="list-style-type: none"> Formulate and implement the Oji Group Corporate Code of Conduct, the Oji Group Behavior Standard, and the Oji Group Human Rights Policy Perform internal audits and implement the whistleblowing system Raise awareness of compliance and human rights through in-house training Assess risks associated with suppliers' respect for human rights Implement human rights due diligence 	<ul style="list-style-type: none"> Respect for human rights 		P93-94	
			<ul style="list-style-type: none"> Improve work-life management Enhance employees' skills Inclusion & diversity Foster greater compliance awareness 	<ul style="list-style-type: none"> Total working hours: less than 1,850 hours (26 companies in the Main Office region in Japan) 	<ul style="list-style-type: none"> 1,830 hours 					
				<ul style="list-style-type: none"> Percentage of male employees taking childcare leave, etc.: 100% (16 companies in Japan*6) 	<ul style="list-style-type: none"> 98.8% 					
				<ul style="list-style-type: none"> Percentage of female managers: at least 5.5% (16 companies in Japan*6, at the end of March 2025) 	<ul style="list-style-type: none"> 3.6% 					
S Social	Enhancing human capital	<ul style="list-style-type: none"> Improve work-life management Enhance employees' skills Inclusion & diversity Foster greater compliance awareness 	<ul style="list-style-type: none"> Percentage of female new graduates hired for generalist-track positions*7: at least 30% 	<ul style="list-style-type: none"> 37.7% (Joined the company on April 1, 2023) 		<ul style="list-style-type: none"> Implement human resource strategies and develop human resources Promote working style reforms Promote diversity 	<ul style="list-style-type: none"> Active participation of diverse human resources Realization of innovation Improvement in productivity 		P95-98	
			<ul style="list-style-type: none"> Employment rate of people with disabilities : at least 2.3% (81 companies in Japan*6, June 2023) 	<ul style="list-style-type: none"> Six applicable Group companies in Japan*6: 2.51%, 81 companies in Japan*6: 2.20% (June 2023) 						
			<ul style="list-style-type: none"> Participation in compliance meetings : 100% (Oji Holdings and all subsidiaries in Japan) 	<ul style="list-style-type: none"> 97.2% (Second half of FY2022) 						
S Social	Ensuring workplace safety and health	<ul style="list-style-type: none"> Promote well-being of employees Prevent occupational accidents 	<ul style="list-style-type: none"> Achieve zero fatal and serious work-related accidents*8 (each fiscal year) 	<ul style="list-style-type: none"> Three accidents (from January 1 to December 31, 2022) 		<ul style="list-style-type: none"> Establish safety and health management structures and promote activities aimed for safety and health Thoroughly ensure safety in the handling of machines and equipment and in other operations Promote safety education (introduce VR risk experience education, etc.) Promote physical and mental well-being of employees Create comfortable work environments Respond to infectious diseases including COVID-19 	<ul style="list-style-type: none"> Safety and health 		P99-100	
			<ul style="list-style-type: none"> Lost time injury frequency rate*6: 50% reduction compared to FY2018 (0.89) 	<ul style="list-style-type: none"> 1.11 (from January 1 to December 31, 2022) 						
G Governance	Responsible raw materials procurement	<ul style="list-style-type: none"> Environmental consideration in the supply chain Human rights consideration in the supply chain Compliance with laws and social standards and fair trade 	<ul style="list-style-type: none"> Conduct sustainability surveys on all main suppliers*9 	<ul style="list-style-type: none"> 100% (Survey period : FY2020-FY2022. Follow-up surveys to be conducted later.) 		<ul style="list-style-type: none"> Promote CSR procurement, taking into consideration the environment and society following the Oji Group Partnership Procurement Policy and the Wood Raw Material Procurement Guidelines 	<ul style="list-style-type: none"> Forms of responsible production and consumption Protection of the rights of workers and reduction of environmental impact throughout the entire supply chain 		P101-102	
			<ul style="list-style-type: none"> Achieve full traceability based on the Wood Raw Material Procurement Guidelines 	<ul style="list-style-type: none"> 100% 						
G Governance	Supply of safe and secure products	<ul style="list-style-type: none"> Stably supply products Ensure product quality 	<ul style="list-style-type: none"> Zero product liability accidents (each fiscal year) 	<ul style="list-style-type: none"> Zero accidents 		<ul style="list-style-type: none"> Stably supply own products Ensure safe quality design and management in compliance with relevant laws and regulations and stricter voluntary management values Provide customers with information on safety of raw materials (chemicals, materials) Supply of FSC™ certified products (FSC™ C014119, etc.) 	<ul style="list-style-type: none"> Supply of safe and secure products Reduction of environmental burdens Dissemination of eco-friendly technologies to developing countries 		P102	

*1 Aggregation period : Unless otherwise specified, from April 2022 to March 2023 or as of March 31, 2023. Boundary of data aggregation: Unless otherwise specified, Japanese and overseas consolidated companies
*2 The actual carbon stocks in living biomass (CO₂ tons)
Production forest : Actual merchantable volume at the end of each fiscal year x Biomass expansion coefficient x (1 + underground / above-ground ratio) x Wood density x Carbon ratio x CO₂ conversion coefficient
Conservation forest : Remaining area at the end of each fiscal year x above-ground biomass of natural forest x (1 + underground / above-ground ratio) x carbon ratio x CO₂ conversion coefficient
*3 Forest certification acquisition rate : [Overseas] Area ratio in company-owned production forests, [Japan] Area ratio in company-owned forests excluding shared forests

*4 Recovered paper utilization ratio = Volume of recovered paper consumed ÷ Total volume of fiber raw materials consumed (total consumption of recovered paper, wood pulp, and other fiber raw materials)
*5 Effective waste utilization ratio = (Amount of waste generated - Amount of landfill waste) ÷ Amount of waste generated x 100
*6 For the calculation method, see P111.
*7 Percentage of female new graduates hired for generalist-track positions: Hired by Oji Management Office Inc. (excluding sports recruits)
*8 Serious accidents : The Oji Group considers accidents of Class 3 or higher as per the Appended Table of the Enforcement Regulation of the Workers' Accident Compensation Insurance Act to be serious accidents.
*9 Suppliers in top 75% of transaction amount

Circular Use of Resources (Water)



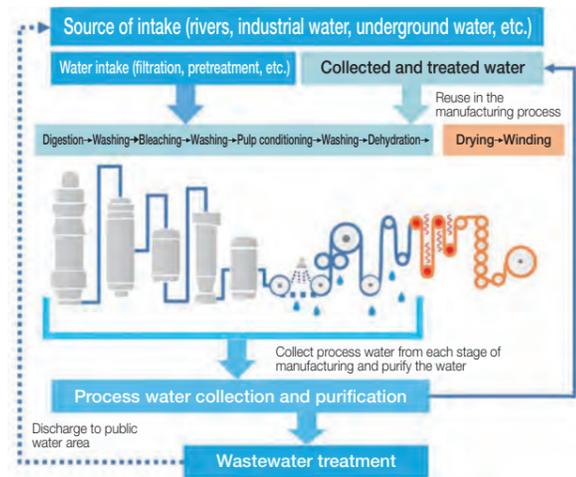
Basic Approach

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

Water Intake Reduction

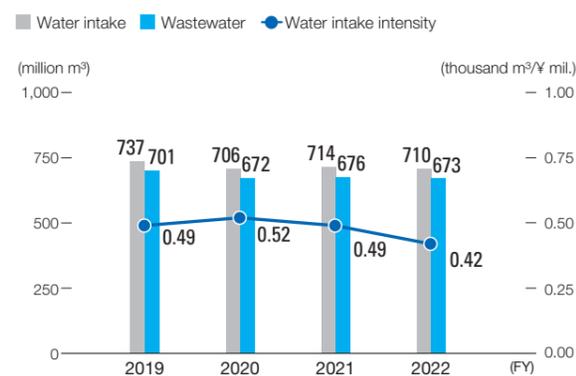
The paper mills take water from rivers, etc. while reusing water used in the processes by purifying water and returning it to previous processes to reduce water intake and use water resources effectively (see diagram below).

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



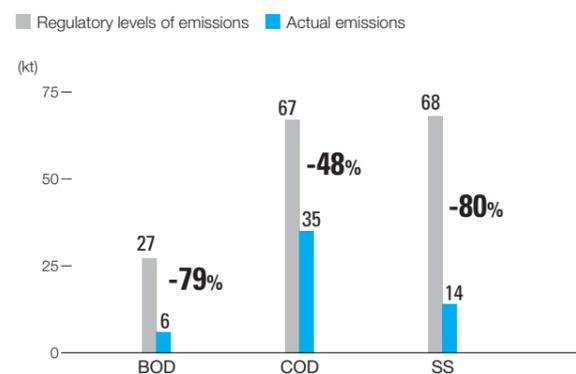
To achieve the target for the reduction of water intake intensity, Oji Paper, Oji Materia, Oji F-Text, and Oji Nepia, whose water intake accounts for approximately 80% of that of the entire Group, have formulated specific reduction plans for 2030 and are working on the reduction. The Sustainability Committee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

Water Intake*, Wastewater*, and Water Intake Intensity



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

Release of Substances of Environmental Concern in FY2022 (Wastewater)



Purification of Wastewater

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

*BOD (Biochemical oxygen demand)
The amount of oxygen consumed when organic matter is broken down by aerobic microorganisms. The most widely used indicator of pollution. When BOD is high, foul odors, etc. begin to be produced.
COD (Chemical oxygen demand)
The amount of oxygen required as calculated from the amount of oxidant that is consumed when organic matter is oxidized.
SS (Suspended solids)
Particulates suspended in water

Initiatives for Water Risks

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

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

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

Water Risk Assessment*

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

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

Topics River Basin Management by CENIBRA, Brazil

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

Installation of water reservoirs in forests

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



Water reservoir constructed in CENIBRA's own forest

Subsoiling

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



Subsoiling (shown magnified in the circle)

Installation of septic tanks on the land of watershed farmers

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



Septic tanks donated to third parties

Circular Use of Resources (Recovered Paper)



Basic Approach

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



Present State and Activities in Japan

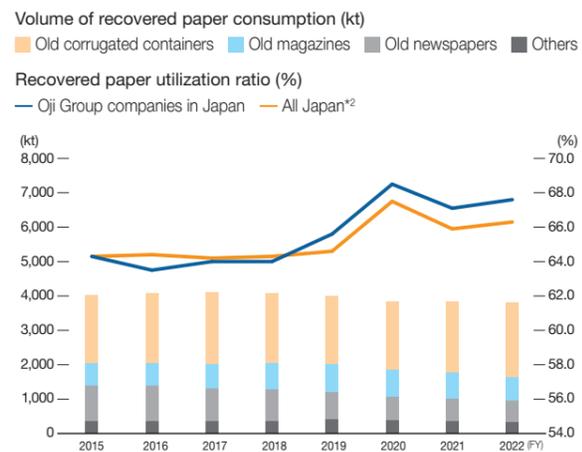
Current Recovered Paper Utilization Ratio

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

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

*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)

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



*2 Source for all Japan: Paper Recycling Promotion Center

Initiatives for the Expanded Use of Recovered Paper

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

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



Confidential document recycling facility (Oji Materia Edogawa Mill)

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

Recovered Paper Used at Kneading Pulper



Initiatives in Overseas Group Companies

New Zealand

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



Oji Fibre Solutions’ recovered paper collection vehicle

Malaysia

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



Quality check by GSPP when receiving recovered paper

Topics Trend in Global Recovered Paper Recycling

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

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



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

*2 Countries included in the data for Europe: EU, United Kingdom
*Created based on the trade statistics of each country

Respect for Human Rights



Basic Approach

Respect for human rights constitutes one of the material issues of the Oji Group. Not only our employees but all of our suppliers share our beliefs regarding respect for human rights, and implement concrete initiatives which will help prevent human rights issues.

In the belief that the responsibility to respect human rights is an important element of the global code of conduct, in August 2020 we established the Oji Group Human Rights Policy in order to further strengthen and implement initiatives involving respect for human rights. The policy is based on the United Nations Guiding Principles on Business and Human Rights, and clearly states that we support and respect the international norms listed below, conduct human rights due diligence and appropriate employee education, and operate the Business Ethics Helpline to remedy negative impacts on human rights.

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

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

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

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

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

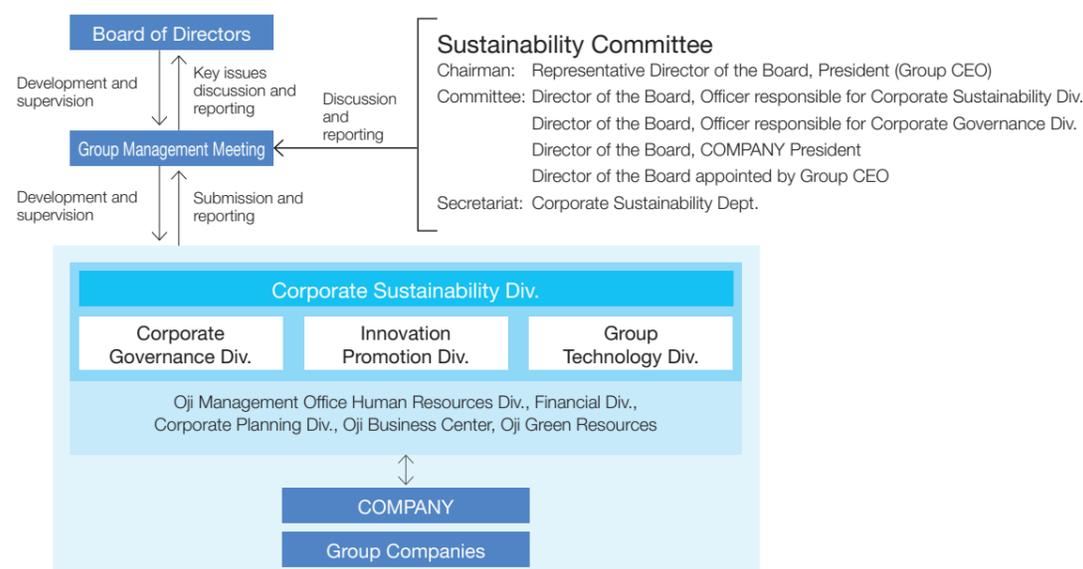
Human Rights Initiatives Promotion Structure

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

Discussions take place twice a year, where policies and

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

Sustainability Promotion Structure

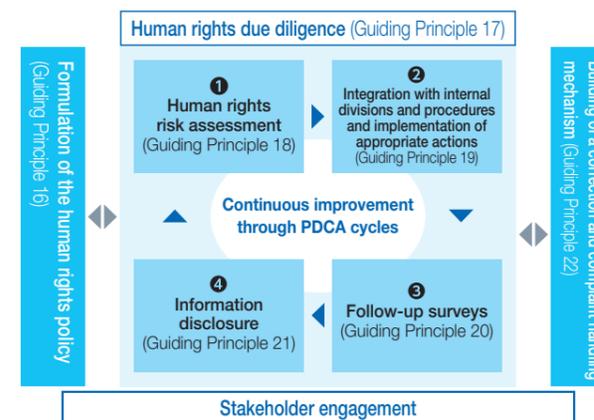


FY2022 Initiatives

1. Implementation of human rights due diligence

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

Cycle for Human Rights Due Diligence



Target

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

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

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

Results

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

Improvement examples

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

Human rights assessment results

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

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

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

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

Results

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

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

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

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

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

Target

8 technical interns at Oji Packaging

Results

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

Report on interviews with technical interns

[https://ojiholdings.disclosure.site/Portals/0/pdf/themes_217/results_of_interviews_with_foreign_workers.pdf\(in_Japanese\)](https://ojiholdings.disclosure.site/Portals/0/pdf/themes_217/results_of_interviews_with_foreign_workers.pdf(in_Japanese))



Interview with technical interns conducted by CRT Japan

Sharing as a case study

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

4. Education

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

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

5. Dialogue and discussion

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

Enhancing Human Capital



Message from General Manager, Human Resources Division

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

Director of the Board, General Manager, Human Resources Division
Oji Management Office Inc. Kazuya Asatani



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

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

Q What would be the ideal employee profile?

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

Q What are the foundational initiatives for developing ideal employees?

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

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

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

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

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

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

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

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

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

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

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

Oji Group Human Resource Philosophy



Inclusion & Diversity

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

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

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

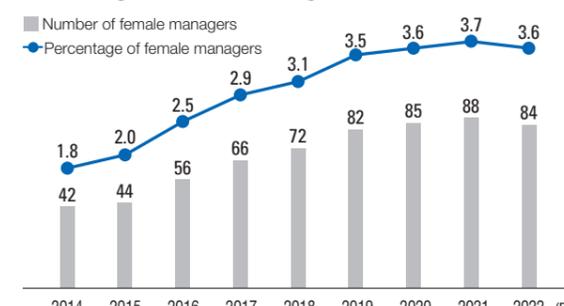
Women in Management Positions and Female New Graduates Hired for Generalist-Track Positions

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

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

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

Percentage of female managers*



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

Percentage of female new graduates in career-track positions



Enhancing Human Capital

Percentage of Male Employees Taking Childcare Leave

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

Employment Rate of People with Disabilities

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

Employees of Nationalities Other Than Japanese

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

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

Mid-Career Recruitment

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

Total Working Hours

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

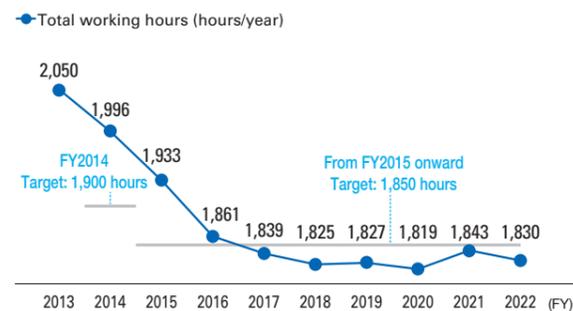
Our current target for the total annual working hours is 1,850 hours (for 26 Oji Group companies in the Main Office region), and the actual working hours for FY2022 totaled 1,830 hours.

Health and Productivity Management

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

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

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



Examples of health and productivity management activities

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

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

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

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

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

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

We have implemented the certified researcher system and creative personnel development system under which we grant researchers with particularly high levels of specialized knowledge discretion regarding their work styles and provide working environments that allow them to focus on research. We thus promote innovation through creative accomplishments based on diverse values and ideas. The number of employees eligible for the creative personnel development system roughly doubled in FY2022 from the previous years.

Training

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

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

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



Exterior of the Oji Group Fuji Training Center

Main training content (Organized by Oji Management Office)

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

Open Recruitment System With In The Group

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

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

Ensuring Workplace Safety and Health

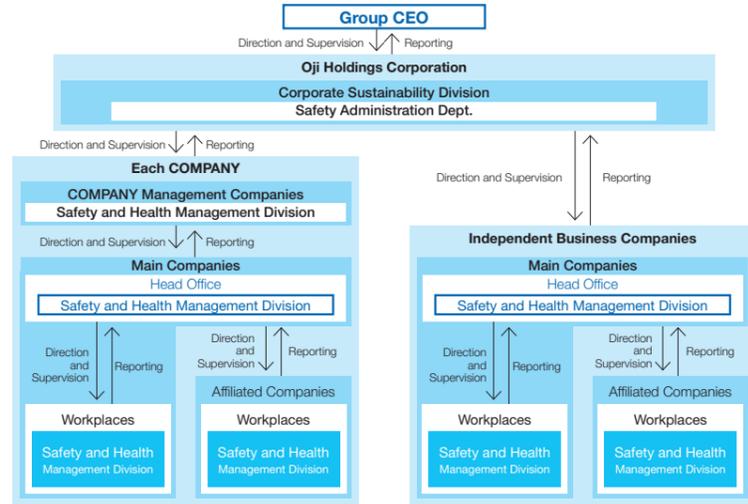


Basic Approach

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

Safety and Health Management Structures

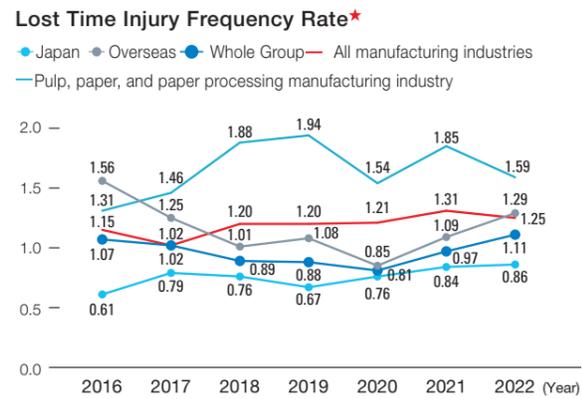
Oji Group Safety and Health Management Structures aim to prevent occupational accidents and maintain and promote the good health of Group employees (including affiliates and business operators who enter the Group’s premises on a temporary basis), and also clarify responsibilities relating to safety and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



Lost Time Injury Frequency Rate (Safety Performance)

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

* For the calculation method, see P111.



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

Oji Group’s 2023 Occupational Safety and Health Promotion Plan

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

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

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

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

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



Checking matters to be observed and matters that are prohibited



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

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

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

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



Safety inspection of new equipment



Enhanced safety patrol

Initiatives for Prevention of Occupational Accidents in Companies Overseas

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

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

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



VR-based hands-on risk training

Responsible Raw Materials Procurement



Basic Approach

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

In tandem with the expansion of Group overseas businesses, the number of overseas suppliers has been on the sharp rise. Since FY2020, therefore, we have conducted sustainability questionnaire surveys of main suppliers, on top of confirming the status of operation of the Oji Group Partnership Procurement Policy and the Wood Raw Material Procurement Guidelines.

Oji Group Partnership Procurement Policy (revised in 2018) → <https://ojiholdings.disclosure.site/en/themes/187/>

1	Ensure stable supply	1 Offer competitive prices	2 Ensure quality and delivery
2	Comply with laws and social standards, and engage in fair trade	1 Comply with relevant laws and international conventions	2 Maintain sincere and healthy relations with business partners
3	Consider the environment	1 Reinforce environmental management systems	4 Protect biodiversity
		2 Reduce waste and effectively use resources	5 Reduce environmental impact
		3 Address climate change (reduce greenhouse gas emissions mainly through energy conservation, and promote carbon dioxide absorption as well as carbon fixation mainly through sustainable forest management)	6 Manage chemical substances
			7 Manage water resources
4	Demonstrate social concern	1 Protect human rights (prohibit child labor, forced labor, discrimination, and harassment)	3 Ensure workplace safety and health
		2 Protect labor rights (maintain good labor relations, avoid long working hours, ensure payment of above-minimum wage, and respect freedom of association as well as right to collective bargaining)	4 Contribute to society and the local community
5	Communicate with society	1 Build relationships of trust with stakeholders through communication	2 Respect the cultures and customs of other countries
			3 Appropriately disclose and protect information

Results of Supplier Sustainability Surveys (FY2020–2022)

The FY2022 sustainability survey was conducted of 213 suppliers—comprising the suppliers of recovered paper, pulp, base paper, woodchips, chemicals, and fuels (PKS, RPF, etc.) that had been surveyed until FY2021, as well as those supplying fossil fuels and subsidiary materials (film substrates, inks, etc.)—of which 120 suppliers responded. Set out below are the results of the surveys that were conducted of a total of 895 suppliers from FY2020 to FY2022. Number of suppliers that responded to the surveys was 548 (rate of response: approx. 61.2%).

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

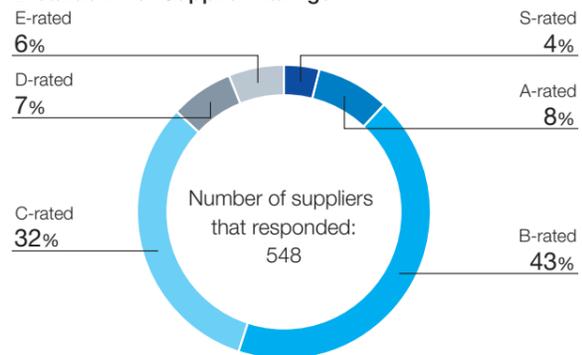
The average score of all suppliers calculated by adding the points of all eight items including corporate governance, human rights, and labor was 481 (out of 800), which was about 60%. The item with a high average score was “labor” at 68, while the one with a low average score was “corporate governance” at 53. In the FY2022 survey, 10 suppliers were rated D and three rated E. We also conducted a sustainability survey on wood pulp contained in the base paper purchased (procured by the base paper manufacturers).

Future initiatives

To achieve continuous improvement, we will provide feedback of the response results to suppliers so that they can understand their strengths and weaknesses in ESG.

Going forward, we will strive to improve the response rate, while conducting ongoing assessments of suppliers whose scores are significantly lower than the average. Moreover, we will progressively work on other initiatives, including the human rights and environmental due diligence of primary suppliers.

Breakdown of Supplier Ratings



Score rating	Criteria	Number of suppliers
S	750 or more	24
A	650 or more but less than 750	45
B	500 or more but less than 650	235
C	250 or more but less than 500	175
D	100 or more but less than 250	37
E	Less than 100	32
Total score	Perfect score: 800	548

Rated based on the total score of eight items

Eight items from an ESG perspective

- 1 Corporate governance related to CSR
- 2 Human rights
- 3 Labor
- 4 Environment
- 5 Quality and safety
- 6 Basic attitude toward supply chain
- 7 Harmonious coexistence with local communities
- 8 Information security/protection and fair corporate activities

FY2022 Sustainability Survey on Wood pulp Contained in the Base Paper Purchased (Procured by the Base Paper Manufacturers)

In FY2022, we conducted a survey on wood pulp contained in the base paper purchased (procured by the base paper manufacturers), which had not been covered in the previous surveys, to ensure the legality of the wood used. It turned out that, of the 570 brands of base paper purchased, 526 brands

(92.3%) used the wood for which forest certification, etc. were acquired and legality verified. In regard to the brands for which the origin of the wood used has not been identified, we will replace them with brands of base paper for which the legality of the wood used has been verified, by the end of FY2023.

	Number of brands	Ratio	Notes
Base paper purchased	570	100%	
Breakdown	Base paper for which the legality of the wood used has been verified	526	92.3%
	Base paper for which the origin of the wood used has not been identified	5	0.9%
	Other	39	6.8%

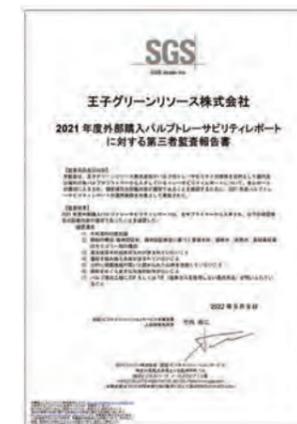
Achieved Traceability at Wood Raw Material Suppliers (FY2022)

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

In FY2021, the Group procured 4,429 kBDT (bone dry tons) of woodchips in Japan and overseas and 183 kADT (air dry tons) of market pulp, obtained traceability reports from all the suppliers, and confirmed with a third-party organization that the procurement was in accordance with the Wood Raw Material Procurement Guidelines.

Wood Raw Material Procurement Guidelines (revised in 2023)

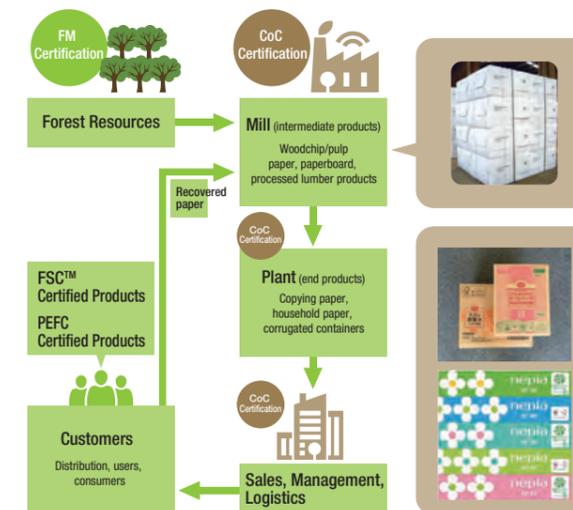
→ <https://ojiholdings.disclosure.site/en/themes/188/>



Third-party audit report on the traceability report

Making use of forest certification systems

The Oji Group manufactures products certified by FSC™ (FSC™C014119, etc.) and PEFC (JIA-PEFC-COC-0808, etc.) by making use of forest certification systems that support sustainable forest management.



*1 FM certification: Confirmation of forest management

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

Financial and Non-financial Highlights

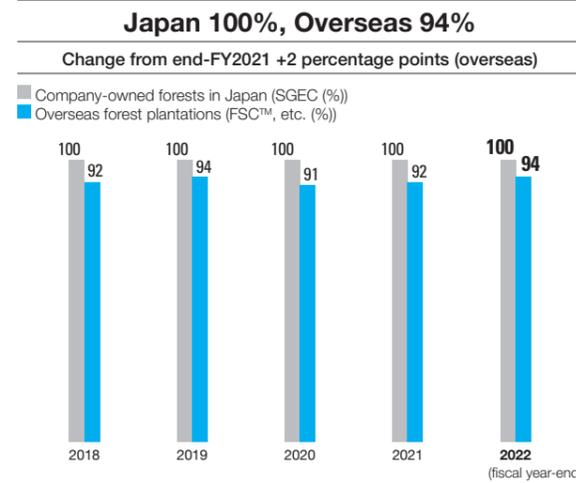
Financial Highlights

Segment		FY2012	FY2013	FY2014	FY2015
Net sales	(¥billion)	1,241.5	1,332.5	1,347.3	1,433.6
Overseas sales ratio	(%)	16.7	20.3	22.8	27.8
Operating profit	(¥billion)	43.5	57.3	43.9	72.0
Profit attributable to owners of parent	(¥billion)	21.6	31.6	15.5	12.7
Free cash flows	(¥billion)	29.2	42.1	(74.6)	84.8
Net D/E ratio	(times)	1.4	1.1	1.0	1.0
Return on equity (ROE)	(%)	4.6	5.9	2.6	2.1
Capital investment, etc.	(¥billion)	70.1	76.7	80.1	57.4
Dividend per share	(¥)	10.0	10.0	10.0	10.0

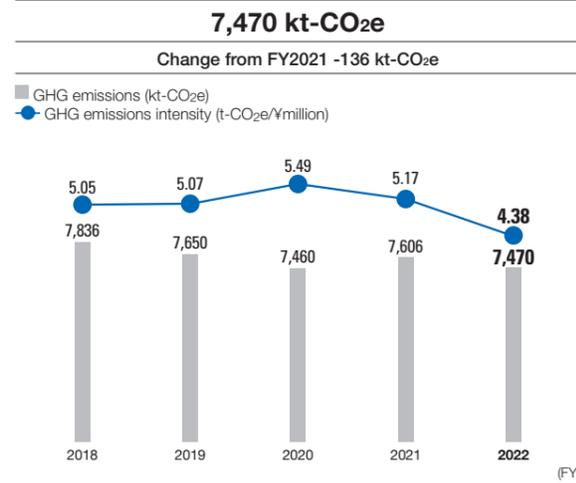
	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
	1,439.9	1,485.9	1,551.0	1,507.6	1,359.0	1,470.2	1,706.6
	28.2	31.0	32.0	29.9	29.3	33.5	37.6
	70.2	70.8	110.2	106.1	84.8	120.1	84.8
	40.3	36.2	52.0	58.2	49.6	87.5	56.5
	117.2	49.2	74.0	59.7	35.5	51.0	(105.0)
	0.8	0.7	0.7	0.6	0.6	0.7	0.8
	6.7	5.6	7.7	8.5	6.9	10.9	6.3
	57.9	69.3	62.1	97.5	98.4	114.0	100.1
	10.0	10.0	12.0	14.0	14.0	14.0	16.0

Non-financial Highlights ESG data → <https://ojiholdings.disclosure.site/en/themes/116/>

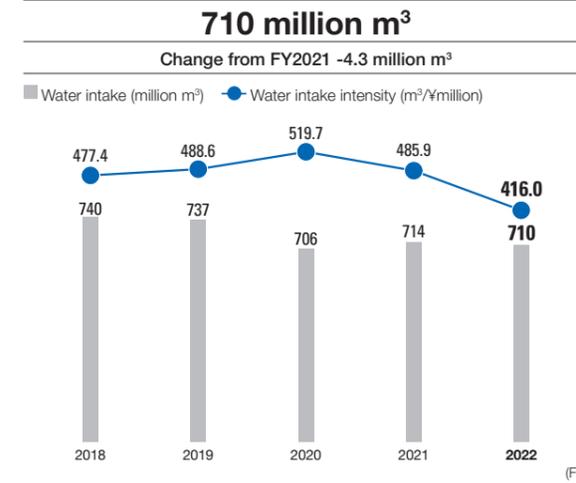
Forest certification acquisition rate*1



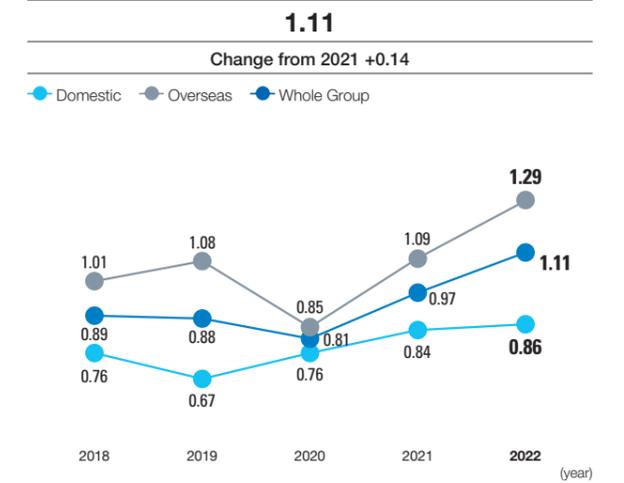
Greenhouse gas (GHG) emissions*2



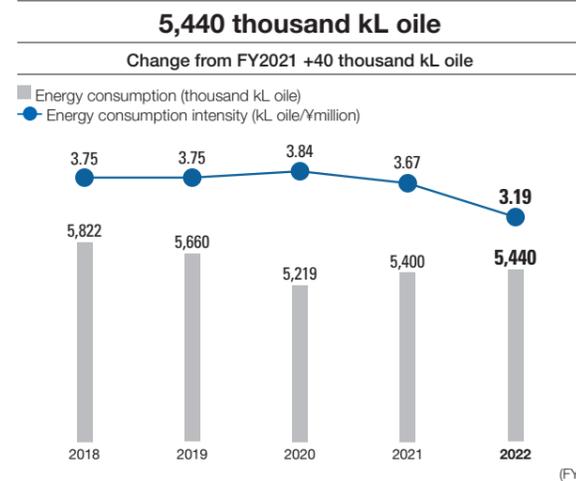
Water intake



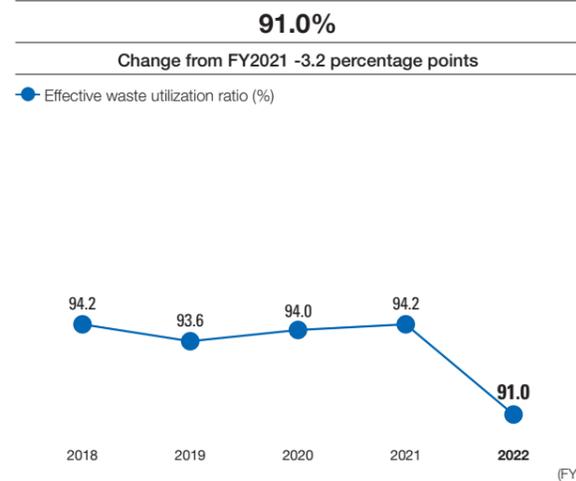
Lost time injury frequency rate (LTIFR)*2



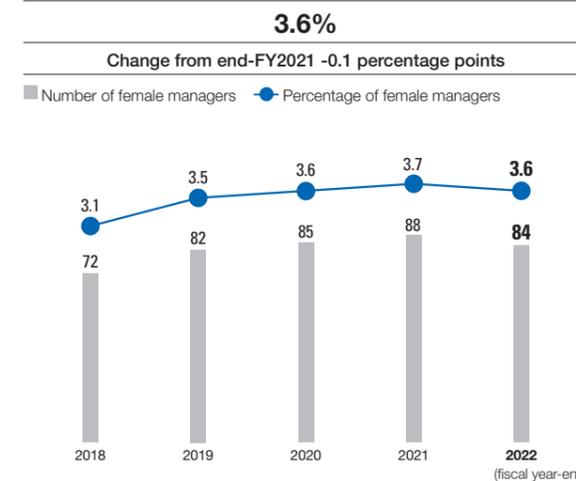
Energy consumption*2



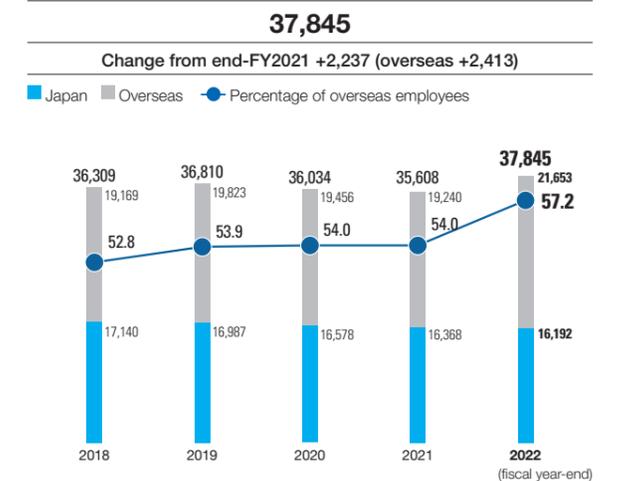
Effective waste utilization ratio*1



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



Number of employees (excluding temporary employees)



*1 See P87-88 for calculation method / *2 See P111 for calculation method

Analysis and Evaluation of Management Performance

FY2022 Business Performance

In FY2022, demand recovered following the reopening of economic activities that had stagnated due to the spread of COVID-19; the pulp market rose; and the Group revised its prices in response to the impact of the recent sharp rise in raw materials and fuel prices. For these reasons, net sales were 1,706.6 billion yen, an increase of 236.5 billion yen (16.1%) year on year. The overseas sales ratio was 37.6%, an increase of 4.1 points year on year.

Operating profit was 84.8 billion yen, a decrease of 35.3 billion yen (down 29.4%) year on year, due to the significant impact of higher raw materials and fuel prices despite the positive elements such as the price revisions mentioned above and an increase in sales volume. Ordinary profit was 95.0 billion yen, a decrease of 40.1 billion yen (down 29.7%) year on year, mainly due to a decrease in exchange gain caused by the revaluation of foreign currency-denominated receivables and payables. Profit before income taxes was 84.6 billion yen, a decrease of 44.6 billion yen (down 34.5%) year on year, and profit attributable to owners of parent was 56.5 billion yen, a decrease of 31.0 billion yen (down 35.5%) year on year.

Financial Position

Cash flows provided by operating activities decreased by 125.3 billion yen year on year to 18.3 billion yen (cash flows provided by operating activities for FY2021 were 143.6 billion yen). The main increase in cash was 157.7 billion yen calculated by adding depreciation and amortization to profit before income taxes (195.1 billion yen for FY2021). The main decreases in cash were an increase in trade receivables of 43.9 billion yen (an increase of 21.0 billion yen for FY2021), an increase in inventories of 42.6 billion yen (an increase of 26.0 billion yen for FY2021), and income taxes paid of 46.9 billion yen (payment of 22.3 billion yen for FY2021).

Cash flows used in investing activities were 123.3 billion yen (cash flows used in investing activities for FY2021 were 92.6 billion yen) due in part to payment for acquisition of property, plant, equipment, and intangible assets. The payment for acquisition of property, plant, equipment, and intangible assets

included capital investments necessary for reinforcing and renewing capacities, improving quality, saving labor, increasing productivity, ensuring safety, and conserving the environment.

Cash flows provided by financing activities were 101.8 billion yen (cash flows used in financing activities for FY2021 were 136.0 billion yen) due in part to proceeds from issuance of commercial papers.

Total assets at the end of FY2022 stood at 2,296.0 billion yen, an increase of 242.3 billion yen from the end of the previous fiscal year. The increase was primarily due to increases in property, plant and equipment, accounts receivable—trade, and inventories, along with foreign currency translation differences owing to the further depreciation of the yen. Liabilities totaled 1,331.5 billion yen, an increase of 153.2 billion yen from the end of the previous fiscal year, due in part to an increase in interest-bearing debts. Net interest-bearing debts (interest-bearing debts minus cash and cash equivalents, etc.) were 731.3 billion yen, an increase of 136.6 billion yen from the end of the previous fiscal year. Net assets totaled 964.6 billion yen, an increase of 89.1 billion yen from the end of the previous fiscal year, mainly due to increases in foreign currency translation adjustment and retained earnings.

Consolidated Financial Forecasts for FY2023

For our consolidated financial forecasts for FY2023, the Oji Group anticipates net sales of 1,800.0 billion yen, operating profit of 100.0 billion yen, ordinary profit of 100.0 billion yen, and profit attributable to owners of parent of 65.0 billion yen.

Our Medium-term Management Plan ending in FY2024 has entered its second year. We have been facing drastic changes in the business environment, including sharp rises in raw materials and fuel prices and significant fluctuations in foreign exchange rates. However, we will continue to steadily implement our “Initiatives for Environmental Issues—Sustainability—,” “Initiatives for Profitability Improvement—Profitability—,” and “Initiatives for Product Development—Green Innovation—” to achieve further growth and evolution, and to enhance our corporate value.

Financial Data Highlights

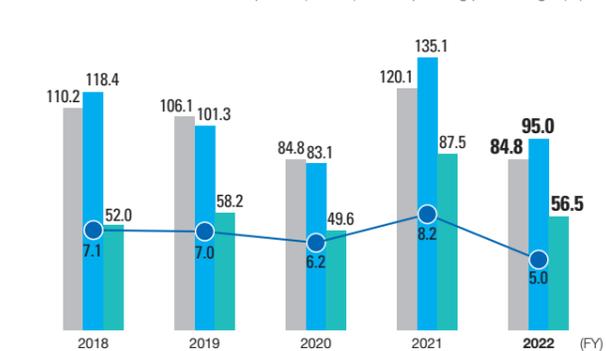
Changes in Assets and Profit/Loss

Segment	FY2018	FY2019	FY2020	FY2021	FY2022
Net sales (¥ million)	1,550,991	1,507,607	1,358,985	1,470,161	1,706,641
Operating profit (¥ million)	110,212	106,125	84,793	120,119	84,818
Ordinary profit (¥ million)	118,370	101,289	83,061	135,100	95,008
Profit attributable to owners of parent (¥ million)	51,977	58,181	49,635	87,509	56,483
Total assets (¥ million)	1,951,369	1,885,280	1,981,438	2,053,752	2,296,018
Net assets (¥ million)	815,406	831,657	865,606	875,470	964,564
Profit per share (¥)	52.52	58.78	50.13	88.35	57.00
Net assets per share (¥)	684.50	699.12	758.28	859.29	945.27

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

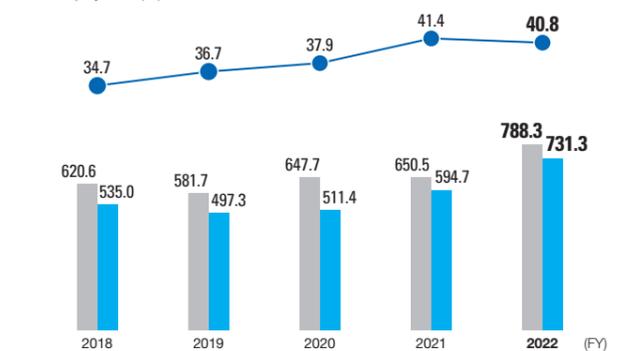
Operating Profit, Ordinary Profit, Profit Attributable to Owners of Parent, Operating Profit Margin

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



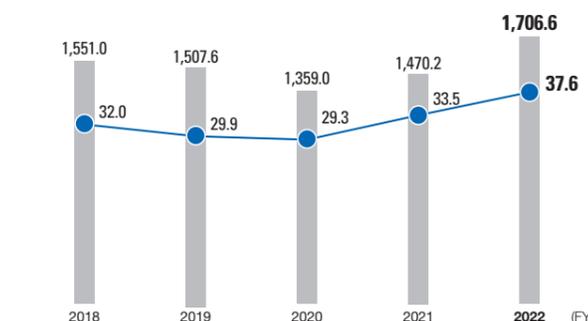
Interest-Bearing Debts, Net Interest-Bearing Debts, and Equity Ratio

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



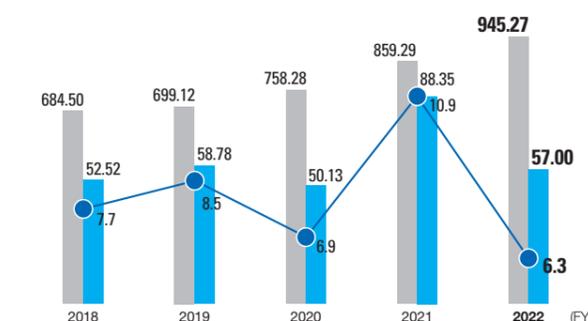
Net Sales and Overseas Sales Ratio

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



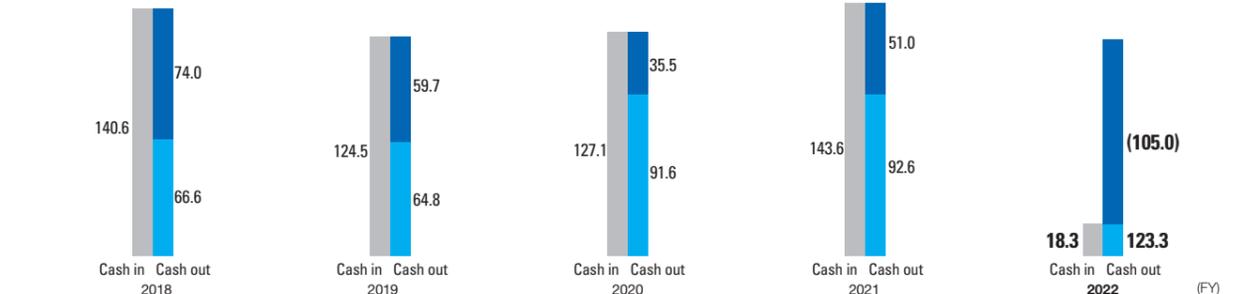
Net Assets per Share, Profit per Share, and ROE

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



Changes in Cash Flows

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



Financial Data Highlights

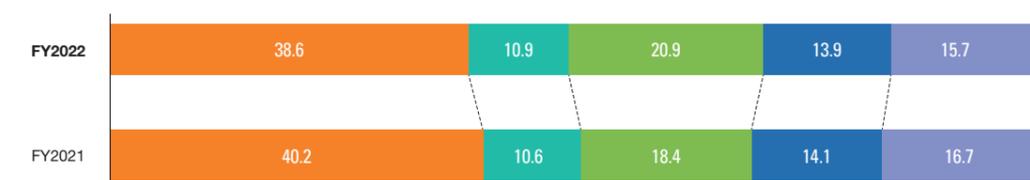
Status of Individual Segments (FY2022)

Segment	Net sales	Operating profit
Household and Industrial Materials (¥ million)	780,527	(1,234)
Functional Materials (¥ million)	219,902	15,487
Forest Resources and Environment Marketing Business (¥ million)	423,801	68,530
Printing and Communications Media (¥ million)	280,980	(4,779)
Other (¥ million)	318,130	8,448
Subtotal (¥ million)	2,023,342	86,451
Adjustments (¥ million)	(316,700)	(1,632)
Total (¥ million)	1,706,641	84,818

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

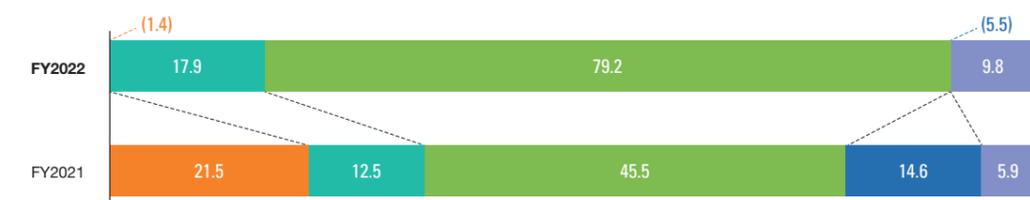
Net Sales Composition by Business Segment

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



Operating Profit Composition by Business Segment

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



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

Consolidated Financial Statement

Consolidated Balance Sheet

	Previous consolidated fiscal year (March 31, 2022)	Current consolidated fiscal year (March 31, 2023)	Previous consolidated fiscal year (March 31, 2022)	Current consolidated fiscal year (March 31, 2023)
(¥ million)				
ASSETS		LIABILITIES		
Current assets		Current liabilities		
Cash and deposits	44,749	50,774	Notes and accounts payable-trade	234,650
Notes receivable-trade	60,227	64,768	Short-term loans payable	166,445
Accounts receivable-trade	260,231	309,604	Commercial paper	-
Contract assets	3,983	2,995	Accounts payable-other	24,653
Short-term securities	11,074	6,299	Accrued expenses	51,457
Merchandise and finished goods	98,616	117,473	Income taxes payable	23,993
Work in process	20,294	23,510	Other	31,818
Raw materials and supplies	106,266	140,337	Total current liabilities	533,020
Short-term loans receivable	4,764	4,101	Non-current liabilities	
Accounts receivable-other	18,575	33,877	Bonds	155,000
Other	18,800	36,717	Long-term loans payable	329,062
Allowance for doubtful accounts	(1,790)	(1,791)	Deferred tax liabilities	64,013
Total current assets	645,795	788,670	Deferred tax liabilities for land revaluation	7,737
Non-current assets		Net defined benefit liability		
Property, plant and equipment		Long-term deposits received		
Buildings and structures	709,982	746,007	Other	28,616
Accumulated depreciation	(513,533)	(529,962)	Total non-current liabilities	645,261
Buildings and structures (Net)	196,448	216,045	Total liabilities	1,178,282
Machinery, equipment and vehicles	2,495,207	2,629,592	NET ASSETS	
Accumulated depreciation	(2,156,261)	(2,221,722)	Shareholders' equity	
Machinery, equipment and vehicles (Net)	338,946	407,869	Common stock	103,880
Tools, furniture and fixtures	61,622	63,934	Capital surplus	99,163
Accumulated depreciation	(56,037)	(57,380)	Retained earnings	567,150
Tools, furniture and fixtures (Net)	5,585	6,553	Treasury stock	(13,277)
Land	240,765	242,287	Total shareholders' equity	756,918
Forests	116,490	133,123	Accumulated other comprehensive income	
Plantations	92,343	111,352	Valuation difference on available-for-sale securities	30,500
Leased assets	65,356	76,573	Deferred gains(losses) on hedges	2,076
Accumulated depreciation	(22,713)	(29,209)	Revaluation reserve for land	5,728
Leased assets (Net)	42,643	47,363	Foreign currency translation adjustment	29,593
Construction in progress	94,091	43,639	Remeasurements of defined benefit plans	26,415
Total property, plant and equipment	1,127,315	1,208,234	Total accumulated other comprehensive income	94,314
Intangible assets		Share acquisition rights		
Goodwill	3,472	11,868		157
Other	8,079	14,119	Non-controlling interests	
Total intangible assets	11,552	25,988		24,080
Investments and other assets		Total net assets		
Investment securities	168,545	180,067		875,470
Long-term loans receivable	5,571	4,693	Total liabilities and net assets	
Long-term prepaid expenses	3,497	2,760		2,053,752
Net defined benefit asset	61,542	53,837		2,296,018
Deferred tax assets	8,819	6,816		
Other	22,095	26,921		
Allowance for doubtful accounts	(982)	(1,972)		
Total investments and other assets	269,089	273,124		
Total non-current assets	1,407,956	1,507,347		
Total assets	2,053,752	2,296,018		

Consolidated Financial Statements

Consolidated Statement of Income

(¥ million)

	Previous consolidated fiscal year (From April 1, 2021 To March 31, 2022)	Current consolidated fiscal year (From April 1, 2022 To March 31, 2023)
Net sales	1,470,161	1,706,641
Cost of sales	1,126,207	1,366,642
Gross profit	343,954	339,999
Selling, general and administrative expenses		
Freight expenses	112,417	135,135
Warehouse expenses	6,771	6,747
Salaries and wages	52,957	55,105
Retirement benefit expenses	(241)	695
Depreciation and amortization	5,624	6,080
Other	46,306	51,417
Total selling, general and administrative expenses	223,834	255,181
Operating profit	120,119	84,818
Non-operating income		
Interest income	883	1,367
Dividends income	3,269	3,632
Exchange gains	15,404	8,337
Equity in earnings of affiliates	2,679	2,924
Gain on valuation of derivatives	1,367	2,838
Other	6,777	6,325
Total non-operating income	30,381	25,427
Non-operating expenses		
Interest expenses	6,692	6,310
Other	8,708	8,925
Total non-operating expenses	15,401	15,236
Ordinary profit	135,100	95,008
Extraordinary income		
Insurance claim income	904	4,992
Gain on sale of investment securities	651	1,065
Gain on return of assets from retirement benefits trust	1,049	—
Other	2,300	270
Total extraordinary income	4,906	6,327
Extraordinary loss		
Loss on disaster	2,007	7,634
Loss on disposal of non-current assets	2,283	3,159
Business restructuring expenses	1,869	1,909
Provision for loss on litigation	—	1,839
Other	4,584	2,175
Total extraordinary losses	10,745	16,718
Profit before income taxes	129,262	84,617
Income taxes-current	37,476	26,434
Income taxes-deferred	(614)	41
Total income taxes	36,861	26,476
Profit	92,400	58,141
Profit attributable to non-controlling interests	4,890	1,657
Profit attributable to owners of parent	87,509	56,483

Consolidated Statement of Cash Flows

(¥ million)

	Previous consolidated fiscal year (From April 1, 2021 To March 31, 2022)	Current consolidated fiscal year (From April 1, 2022 To March 31, 2023)	Previous consolidated fiscal year (From April 1, 2021 To March 31, 2022)	Current consolidated fiscal year (From April 1, 2022 To March 31, 2023)
Cash flows from operating activities				
Profit before income taxes	129,262	84,617		
Depreciation and amortization	65,885	73,034		
Amortization of goodwill	804	1,058		
Depletion of standing timber	6,995	7,895		
Increase (decrease) in allowance for doubtful accounts	31	911		
(Increase) decrease in net defined benefit asset	(3,498)	(3,240)		
Increase (decrease) in net defined benefit liability	(60)	(1,415)		
Interest and dividend income	(4,152)	(5,000)		
Interest expenses	6,692	6,310		
Exchange loss (gain)	(12,626)	(6,911)		
Equity in (earnings) losses of affiliates	(2,679)	(2,924)		
Loss (gain) on sale of investment securities	282	(1,052)		
Loss (gain) on return of assets from retirement benefits trust	(1,049)	—		
Loss on disposal of non-current assets	2,283	3,159		
Business restructuring expenses	1,869	1,909		
(Increase) decrease in trade receivables	(20,960)	(43,889)		
(Increase) decrease in inventories	(26,001)	(42,615)		
Increase (decrease) in trade payables	33,937	9,533		
Other	(10,243)	(18,740)		
Subtotal	166,771	62,642		
Interest and dividend income received	4,962	7,731		
Interest paid	(5,805)	(5,169)		
Income taxes paid	(22,341)	(46,940)		
Net cash provided by operating activities	143,587	18,262		
Cash flows from investing activities				
Payment for acquisition of property, plant, equipment and intangible assets	(98,659)	(94,109)		
Proceeds from sales of property, plant, equipment and intangible assets	2,905	555		
Payment for acquisition of investment securities	(1,308)	(1,747)		
Proceeds from sales and redemption of investment securities	4,967	3,404		
Payment for loans receivable	(546)	(911)		
Proceeds from collection of loans receivable	1,640	2,484		
Payment from changes in ownership interests in subsidiaries that result in change of scope of consolidation	(1,441)	(32,864)		
Other	(125)	(85)		
Net cash used in investing activities	(92,567)	(123,274)		
Cash Flows from financing activities				
Net increase (decrease) in short-term loans payable	(23,001)	33,310		
Net increase (decrease) in commercial paper	—	86,000		
Proceeds from long-term loans payable	26,003	64,655		
Repayment of long-term loans payable	(5,218)	(59,881)		
Purchase of treasury shares of subsidiaries	(77,000)	—		
Repayments of lease obligations	(6,952)	(6,618)		
Dividends paid	(13,889)	(14,883)		
Payment from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(35,059)	(307)		
Other	(883)	(487)		
Net cash provided by (used in) financing activities	(136,002)	101,787		
Effect of exchange rate change on cash and cash equivalents	4,691	4,637		
Net increase (decrease) in cash and cash equivalents	(80,291)	1,413		
Cash and cash equivalents at the beginning of the year	135,669	55,474		
Increase in cash and cash equivalents resulting from mergers of subsidiaries	115	—		
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(20)	(50)		
Cash and cash equivalents at the end of the year	55,474	56,837		

Third-Party Independent Assurance Report

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

Environmental Data

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

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

Greenhouse gas (GHG) / Energy consumption		FY2018	FY2019	FY2020	FY2021	FY2022
★ Greenhouse gas emissions (Scope 1 + Scope 2)*1	(kt-CO ₂ e)	7,836	7,650	7,460	7,606	7,470 ⁵
★ Scope 1	(kt-CO ₂ e)	6,394	6,323	6,267	6,398	6,399 ⁵
★ Scope 2	(kt-CO ₂ e)	1,442	1,327	1,193	1,208	1,071 ^{5,6}
★ Scope 3 Purchased goods and services*2	(kt-CO ₂ e)	3,923	3,766	3,430	3,663	3,670 ⁵
★ Implied reduction in greenhouse gas emissions by FIT electric power sales*3	(kt-CO ₂ e)					480
★ Energy consumption (crude oil conversion)*4	(1,000 kL)	5,822	5,660	5,219	5,400	5,440 ⁵

*1 Greenhouse gas (GHG) Scope 1 calculation
Japan: Calculated in accordance with Act on Rationalizing Energy Use and Shifting to Non-fossil Energy (Energy Conservation Act) and Act on Promotion of Global Warming Countermeasures (Global Warming Act)
 - Emissions relating to the electric power business (supply of electricity or heat to other companies) and transport by Group-owned vehicles are included.
 - CO₂ emissions from the use of purchased fuels made from waste are excluded.
Overseas: Calculated based on the Greenhouse Gas Protocol Initiative
 - Greenhouse gas (GHG) emissions from simply burning waste are excluded.
 - Greenhouse gas (GHG) emissions from waste disposal and wastewater treatment are excluded.
 - Non-energy greenhouse gas (GHG) emissions resulting from quicklime production (lime kiln) are excluded.
Scope 2 calculation
Japan: Basic emissions factors of individual electric power companies published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry
Overseas: IEA-published CO₂ emission factors by country in 2010
 *2 Scope 3 Purchased goods and services: Emissions associated with activities up to the point when materials/components, materials related to purchased goods and sale, etc. are manufactured. For emission intensities, we have referred to the "Emission intensity database for calculation of GHG emissions by organizations throughout the supply chain (ver. 3.2)" and the "CO₂ equivalents common intensity database (ver. 4.0)."
 *3 Implied reduction in greenhouse gas emissions by FIT electric power sales
 The amount of reduction is estimated based on the premise that electric power sale under the Feed-in Tariff (FIT) scheme for renewable energy indirectly reduces the CO₂ emissions associated with electric power users.
 Implied reduction = amount of FIT electric power sales x national average emission factor
 FIT electric power sales: The amount of electricity from biomass, hydroelectric, and solar power generation sold under the FIT scheme by Group companies in Japan
 National average emission factor: An emission factor used in the calculation of the equivalent amount of CO₂ reduced by using non-fossil electric power under the greenhouse gas emissions calculation, reporting, and disclosure system
 *4 Energy consumption: Energy consumption in conjunction with the manufacture of products is calculated excluding the following energy use.
 Consumption relating to the electric power business (supply of electricity or heat to other parties) and transport by Group-owned vehicles is excluded.
 Energy relating to the supply of electric power or heat to other parties is excluded from fossil fuel and non-fossil fuel derived energy.
 The sources of unit calorific values are the following laws and international standards.
Japan: Act on Rationalizing Energy Use and Shifting to Non-fossil Energy and Act on Promotion of Global Warming Countermeasures
Overseas: IPCC 2006 Guidelines for National Greenhouse Gas Inventories
 For comparability with the reduction targets, the unit calorific values for non-fossil fuels are the same as those used for FY2018.
 *5 For sites that had trouble in collecting data due to natural disasters, FY2022 data are estimates calculated using production volumes and actual FY2019-2021 data.
 *6 For some overseas sites, calculated emissions decreased by 92 kt-CO₂e as the emissions factors of purchased steam were adjusted according to actual situations.

Environmental impacts		FY2018	FY2019	FY2020	FY2021	FY2022
★ Industrial waste generation*7	(kt)	2,875	2,757	2,733	2,772	2,989 ⁵
★ VOC emissions*8	(t)	523	481	227	232	182

*7 Industrial waste generation
 The volume of waste generated includes valuable materials (general waste is not included).
 *8 VOC emissions
 Domestic Group companies subject to Japanese Pollutant Release and Transfer Register (PRTR) law have been included.
 Of the substances subject to PRTR law, those corresponding to the 100 types of VOC indicated by the Ministry of the Environment based on the Air Pollution Control Act have been included.

Water intake and wastewater		FY2018	FY2019	FY2020	FY2021	FY2022
★ Water intake	(1,000 m ³)	740,398	736,684	706,298	714,281	709,966 ⁵
★ Wastewater	(1,000 m ³)	708,494	701,024	671,965	675,849	672,780 ⁵

Social Data

Occupational safety / Diversity		FY2018	FY2019	FY2020	FY2021	FY2022
★ Lost time injury frequency rate (LTIFR)*9	Whole Group	0.89	0.88	0.81	0.97	1.11
	Japan	0.76	0.67	0.76	0.84	0.86
	Overseas	1.01	1.08	0.85	1.09	1.29
★ Percentage of female managers*10	16 companies in Japan (%)	3.1	3.5	3.6	3.7	3.6
★ Employment rate of people with disabilities*11	Six applicable Group companies in Japan (%)	2.17	2.27	2.31	2.35	2.51
	81 companies in Japan (%)	1.91	2.01	2.04	2.10	2.20

*9 Aggregation period: From January 1 to December 31
 Boundary of data aggregation: Oji Holdings Corporation and its consolidated subsidiaries
 LTIFR = (the number of lost time injuries ÷ total working hours) × 1,000,000
 Until 2021, total working hours were calculated based on the number of Group company employees (regular employees and temporary/non-regular employees) as of the end of September, assuming the annual working hours per person is 2,000 hours. Beginning in 2022, actual total working hours until the end of December as reported by the companies have been used. Calculated using the method used up to 2021, LTIFR for FY2022 would be 1.25, 0.98, and 1.46 for whole Group, Japan, and overseas, respectively.
 *10 Aggregation date: March 31 of each fiscal year / Boundary of data aggregation: 16 Group companies in Japan (with 301 or more employees at the beginning of aggregation in September 2015)
 Percentage of female managers = Number of female managers ÷ Number of all managers
 *11 Aggregation date: June 1 after each fiscal year
 Boundary of data aggregation:
 - Six applicable Group companies in Japan: Oji Holdings, Oji Nepla, Oji Imaging Media, Oji Paper, Oji Management Office, and Oji Clean Mate
 - Eighty-one companies in Japan that have at least 43.5 employees and are required to hire at least one person with disabilities under the FY2023 statutory employment rate of 2.3% (including the six applicable Group companies)
 Employment rate of people with disabilities (actual employment rate) = Number of regular workers with physical or intellectual impairments or with mental illness ÷ Number of all regular workers
 (Workers with short working hours are counted as 0.5 workers and persons with severe disabilities are counted as two persons.)

Independent Assurance Report

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

We were engaged by Oji Holdings Corporation (the "Company") to undertake a limited assurance engagement of the environmental and social performance indicators marked with ★ (the "Indicators") for the period from April 1, 2022 to March 31, 2023, except for the lost time injury frequency rate, which is for the period from January 1, 2022 to December 31, 2022, and for the employment rate of people with disabilities, which is as of June 1, 2023 included in its Oji Group Integrated Report 2023 (the "Report") for the fiscal year ended March 31, 2023.

The Company's Responsibility

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

Our Responsibility

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

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

Conclusion

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

Our Independence and Quality Management

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

/s/ Kazuhiko Saito
 Kazuhiko Saito, Partner, Representative Director
 KPMG AZSA Sustainability Co., Ltd.
 Tokyo, Japan
 October 17, 2023

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

Corporate Data / Stock Information / Evaluation from Society

Company Profile (as of March 31, 2023)

Company name	Oji Holdings Corporation
Director of the Board, President	Hiroyuki Isono
Headquarters address	7-5, Ginza 4-chome, Chuo-ku, Tokyo 104-0061 Japan
Start of business	February 12, 1873
Corporate establishment	August 1, 1949
Capital	¥103,880 million
Total number of authorized shares	2,400,000,000 shares
Total number of issued shares (treasury stocks included in the total)	1,014,381,817 share (21,423,438 shares)
Number of shareholders	85,662
Number of employees of the consolidated Group	37,845

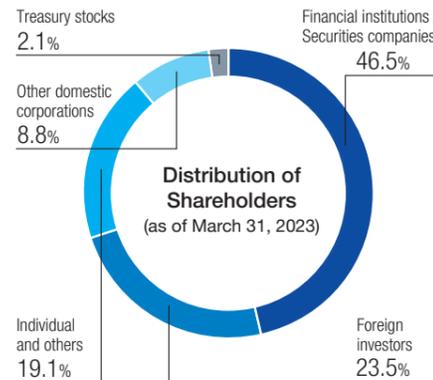
Stock Information (as of March 31, 2023)

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

Principal Shareholders (as of March 31, 2023)

Name of shareholder	Shares held (Thousands)	Percentage of total shares issued
The Master Trust Bank of Japan, Ltd. (Trust account)	147,974	14.9
Custody Bank of Japan, Ltd. (Trust account)	68,241	6.9
Custody Bank of Japan, Ltd. (Trust account 4)	34,228	3.4
Sumitomo Mitsui Banking Corporation	31,668	3.2
Nippon Life Insurance Company	25,658	2.6
Mizuho Bank, Ltd.	21,636	2.2
STATE STREET BANK AND TRUST COMPANY 505001	20,507	2.1
Oji Group Employee Stock-holding Association	20,422	2.1
The Norinchukin Bank	16,654	1.7
STATE STREET BANK WEST CLIENT - TREATY 505234	15,153	1.5

- The Company holds treasury stock of 21,423 thousand shares, which is excluded from the above list.
- The percentage of total shares issued has been calculated after excluding the Company's treasury stock (21,423 thousand shares).
- Numbers less than one thousand are rounded down to the nearest thousand.



Evaluation from Society



FTSE Blossom Japan Index*

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

FTSE4Good Index Series

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

FTSE Blossom Japan Sector Relative Index*

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

SOMPO Sustainability Index

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

S&P/JPX Carbon Efficient Index*

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

Dow Jones Sustainability Asia Pacific Index

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

MSCI Japan Empowering Women (WIN) Index*

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

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

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

2023 Certified Health and Productivity Management Organization Recognition Program

On March 8, 2023, Oji was recognized under the 2023 Certified Health and Productivity Management Organization Recognition Program (Large Enterprise Category), administered jointly by the Ministry of Economy, Trade and Industry (METI) and the Nippon Kenko Kaigi. (Scope: Oji Holdings and Oji Management Office)

CDP

In December 2022, Oji was recognized for its sustainable forest management by global environmental non-profit CDP, earning an "A" score in Forest (Timber). (Scope: Oji Holdings)

ESG Finance Awards Japan

In February 2023, Oji was selected as an Environmentally Sustainable Company in the Environmentally Sustainable Company Category at the fourth ESG Finance Awards Japan. (Scope: Oji Holdings)

*An ESG index selected by the Government Pension Investment Fund (GPIF).

A Year at the Oji Group



Launched "nepia Hana-Celeb facial towel." (P50)

Announced the renewal of "nepia Yasashii Genki!" (launched in April 2023)

©Yanase/F-T-N



Oji Container established and relocated a corrugated container plant and started operation. (P47)



Announced a plan to acquire IPI, a company that manufactures and sells liquid packaging cartons and filling machines.



Opened OJI GROUP FUJI TRAINING CENTER. (P98)



Ojitex (Vietnam) Co., Ltd. started operation of new corrugated container plant. (P46)

2023



Marked 150th anniversary of the Oji Group on February 12.



GSPP started operation of new corrugated container plant. (P47)



Oji Green Energy Tokushima started operation of biomass power plant in Tokushima Prefecture. (P58)



Acquired Adampak Pte. Ltd., a high performance label printing and converting company. (P53)



Development of Eco-friendly Cup Base Paper Ready for Material Recycling. (P40)

2022

Announced Medium-term Management Plan, Long-term Vision, and Purpose.



Beyond the Boundaries



Oji Holdings Corporation

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