

Long-term Vision & Medium-term Management Plan

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

Long-term Vision



Targets We Aim to Achieve in FY2030

● To Achieve Environmental Action Program 2030

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

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

Environmental Action Program 2030

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

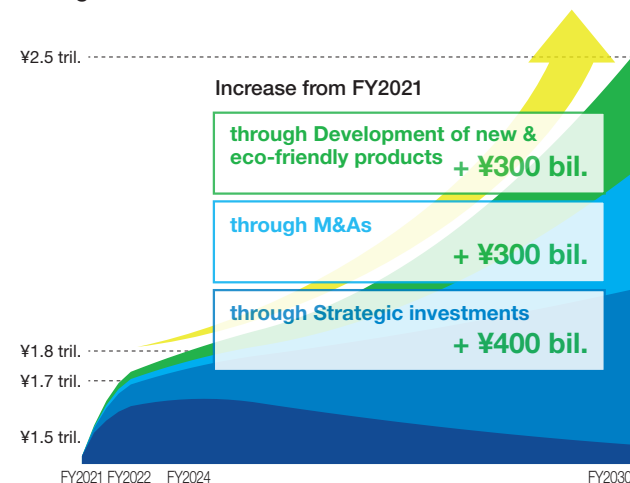
Environmental Action Program 2030 → <https://ojiholdings.disclosure.site/en/themes/150/>

● Consolidated Net Sales of 2.5 Trillion Yen or More

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

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

Changes in Consolidated Net Sales



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

① Initiatives for Environmental Issues—Sustainability—

→ P25–34, 83–102

② Initiatives for Profitability Improvement—Profitability—

→ P43–62

Household and Industrial Materials Businesses

Sales target for FY2030
¥1,250.0 billion

Business Strategy

Industrial Materials Business

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

Household and Consumer Products Business

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

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



Tochigi Plant, Oji Container



Autumn 2023 Revamped packaging to make environmental considerations more visible

Functional Materials Business

Sales target for FY2030
¥400.0 billion

Business Strategy

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

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



Aident Corporation in Malaysia, a subsidiary of Adampak Group

Forest Resources and Environment Marketing Business

Sales target for FY2030
¥600.0 billion

Business Strategy

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

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



Pan Pac Mill (New Zealand)

Printing and Communications Media Business

Sales forecast for FY2030
¥150.0 billion

Business Strategy

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

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



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

③ Initiatives for Product Development—Green Innovation—

→ P35–42

Long-term Vision & Medium-term Management Plan

Overview of FY2022–2024 Medium-term Management Plan

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

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

Key Initiatives

■ In response to the increasing importance of addressing environmental issues, implement our Environmental Vision 2050 and Environmental Action Program 2030 action plans.

■ Make effective use of own facilities, promote further production system restructuring.

■ Implement strategic investments and M&As, etc. in order to further expand promising businesses in Japan and overseas businesses.

■ In addition to developing new materials and products, accelerate rapid commercialization initiatives with regard to our green innovation themes: “Development of new materials derived from wood,” “challenge to the medical and healthcare field,” and “development of eco-friendly paper materials.”

FY2022 Results and FY2023 Priority Measures

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

Initiatives for Profitability Improvement—Profitability—

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

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

Pick Up

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



IPI Head Office in Italy



Tenth corrugated container plant in Malaysia



New film machine building at Oji F-Tex Shiga Mill

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

Initiatives for Environmental Issues—Sustainability—

Main FY2022 Results	
June	Acquired forest plantation (Roundhill, New Zealand) Acquired forest plantation (Shiranuka, Hokkaido)
August	Built new Edogawa Warehouse at Oji Nepia, with electricity supplied by solar power generation
September	Acquired forest plantation (Invercargill, New Zealand)
October	Acquired forest plantation (Kuromatsunai, Hokkaido)
November	Made PT Korintiga Hutani, a forestry company in Indonesia, a consolidated subsidiary

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

Main FY2023 Priority Measures ¹Timings of future measures are scheduled timings

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

Pick Up

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



Shiranuka, Hokkaido



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



Solar panels at Edogawa Warehouse, Oji Nepia

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

Initiatives for Product Development—Green Innovation—

Main FY2022 Results	
April	Developed laminated paper using plant-derived polylactic acid
May	Packaging material made with SILBIO BARRIER, a paper material with barrier properties, adopted for coffee packaging by Nakabayashi
July	Developed eco-friendly paper cup base
October	Started sales of cell culture substrate, “CellArray” Developed cellulose nanofiber and natural rubber composites
December	Developed eco-friendly anti-heat windshield film
February	Developed cellulose polymer pellets

Main FY2023 Priority Measures ¹Timings of future measures are scheduled timings

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

Pick Up

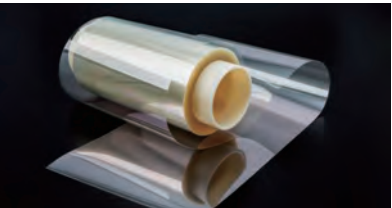
Development of Eco-Friendly Products
Making full use of the technologies we have built up over 150 years, we are developing a wide variety of products aimed at solutions to environmental issues.



Laminated paper using plant-derived polylactic acid



Recyclable aqueous coated paper cup base



Eco-friendly anti-heat windshield film

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



Wood-derived biomass plastic (polylactic acid)

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

Oji Holdings Corporation
Director of the Board,
Senior Executive Officer

Kazuhiko Kamada



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

Management Numbers

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

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

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

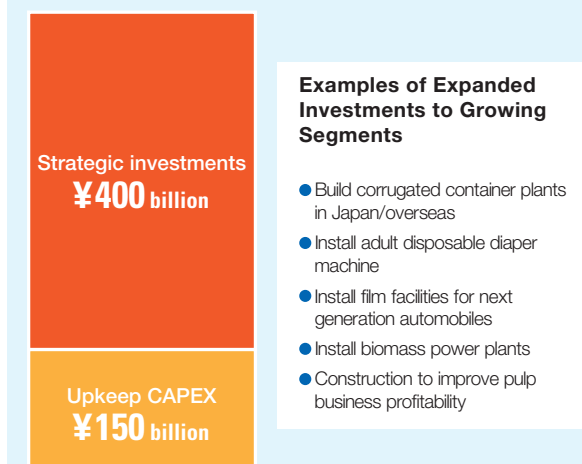
crease in profits with consolidated operating profit of 100.0 billion yen and profit attributable to owners of parent of 65.0 billion yen through continuous cost reduction and steady realization of the effects of price adjustments in the domestic business. In this second year of the Medium-term Management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

Capital Allocation

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

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

FY2022–2024 Investment Plan



Financial Strategies to Achieve Harmony with Nature and Society

Group Financial Strategy in FY2023 and Beyond

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

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

Formulation of Green Financing Framework

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

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

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

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

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

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

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

Involvement in Stakeholder Engagement

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

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

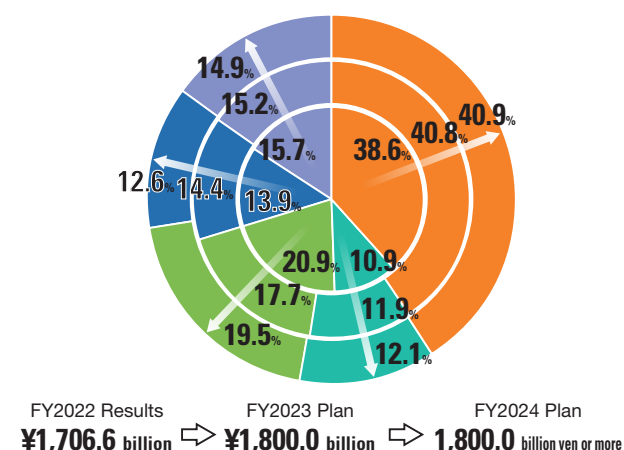
For example, in addition to proactively sharing and disclosing financial and non-financial information to shareholders and investors, we strive to achieve mutual understanding and build relationships of trust through engagement and interviews.

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

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

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

Consolidated Net Sales and Sales Composition by Business Segment



Operating Profit by Business Segment

