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Summary of the Medium-Term Management Plan 2027

Prior to the announcement of our next medium-term management plan, which will commence in fiscal year 2025, we are today announcing the ‘Summary of Medium-Term Management Plan 2027’ as attached. Details of the next medium-term management plan will be announced on 30 May 2025.

END

OJI HOLDINGS

21st April 2025

Summary of Medium-Term Management Plan 2027



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|---|---|
| 1 | Summary of Medium-Term Management Plan 2027 |
| 2 | Roadmap to Achieve ROE Target |
| 3 | Business Strategy: Mid-to-Long Term |
| 4 | Business Strategy: FY2025 - FY2027 |
| 5 | Financial Strategy: Cash Allocation |
| 6 | Financial Strategy: Shareholder Returns |

1. Summary of Medium-Term Management Plan 2027

Take decisive actions to achieve ROE of 8% in FY2027

Management KPI

ROE **8.0%** (FY2027)

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

Profit

Operating profit

¥120.0bn

Net profit

¥80.0bn

(Consolidated, FY2027)

Shareholder Returns

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

Treasury stock buyback

¥120.0bn*

(Total of FY2025-2027)

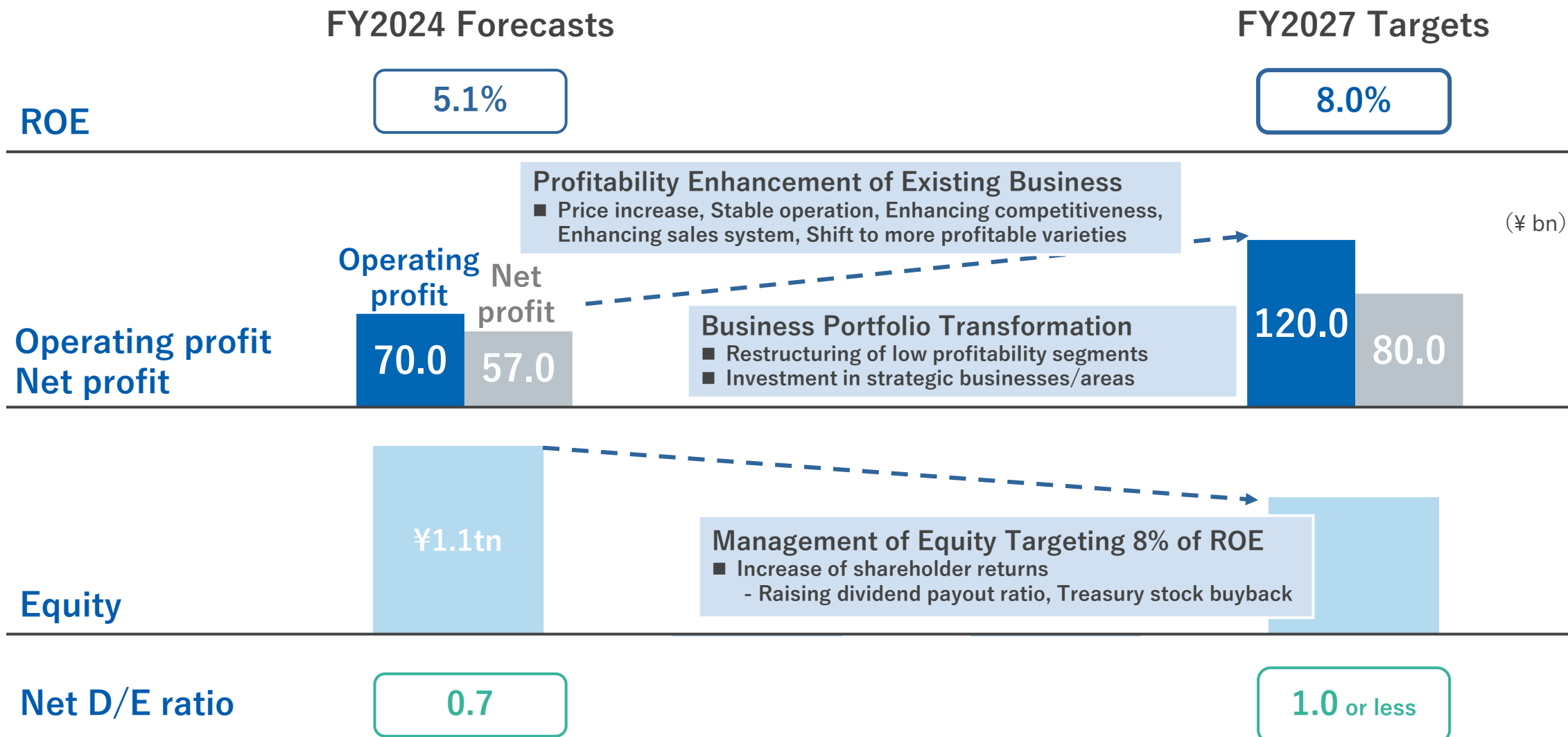
Financial Soundness

Net D/E ratio

1.0 or less

*Accumulated amount since FY2024 : ¥150.0 bn (¥100.0 bn announced, ¥50.0bn additional) 3

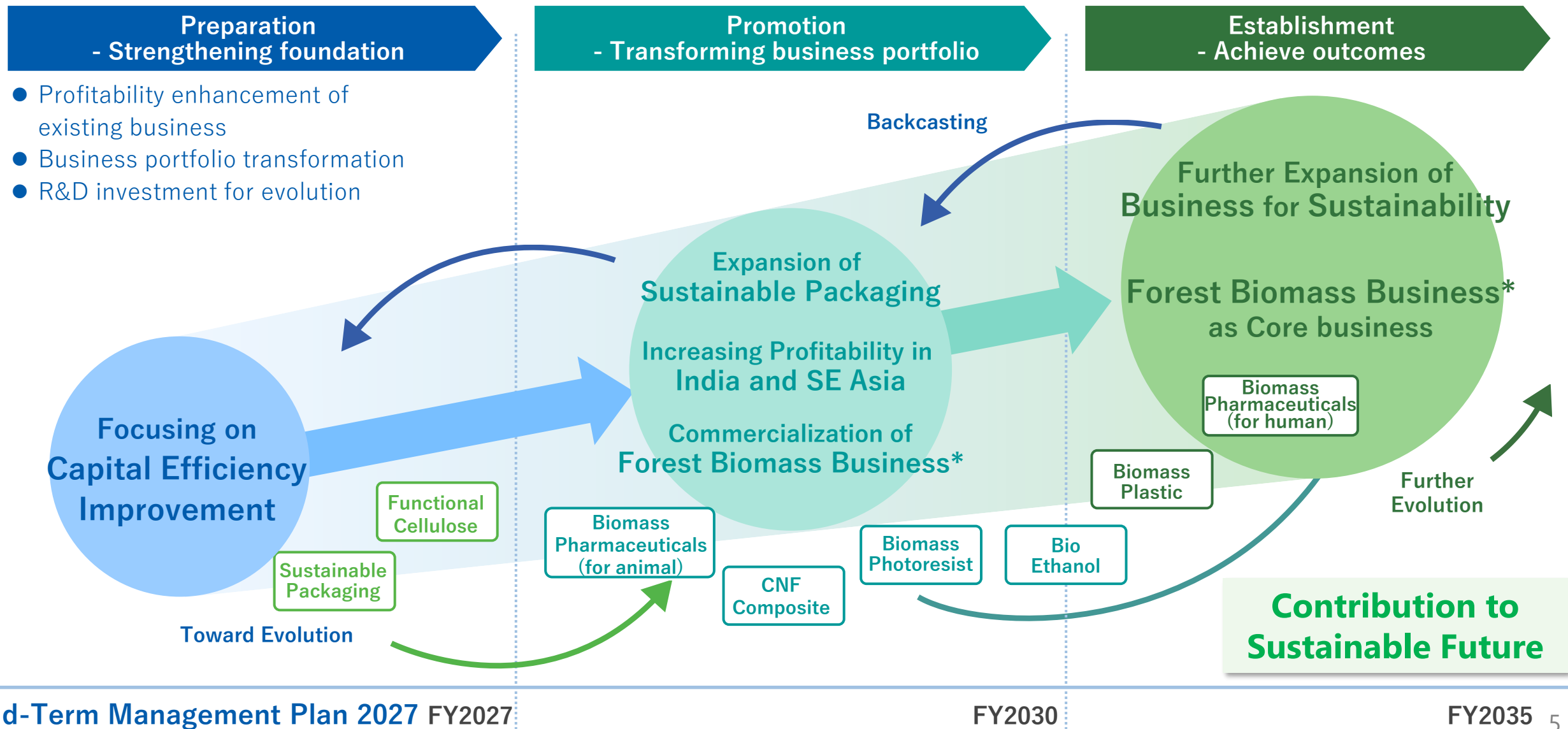
2. Roadmap to Achieve ROE Target



3. Business Strategy: Mid-to-Long Term

*Forest Biomass Business

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



4. Business Strategy: FY2025 - FY2027

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

Profitability Enhancement of Existing Business

- ◆ Rebuilding the profit margin, which fell in FY2024 (including the impact of external problems such as the disaster at PanPac, etc.)
- ◆ Low-growth business: Thoroughly implementing cash flow management
- Specific initiatives

Price increase

**Enhancing competitiveness/
Stable operation**

Enhancing group sales system

Shift to more profitable varieties



Business Portfolio Transformation

- ◆ Low profitability business: Restructuring (withdrawal from containerboard business in Oceania)
- ◆ Promising business: Concentrated investment of management capital as growth investment
 - Strategically focused business/Area

Sustainable packaging:
Barrier paper, etc.

Integration of downstream business:
Pulp → functional cellulose, etc.

High economic growth potential:
India/SE Asia

FY2027 Targets

ROE : 8.0%
Operating profit : ¥ 120bn
Net profit : ¥ 80bn

: Flow of funds

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

R&D Investment for evolution

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

**Sugar solution,
Bioethanol**

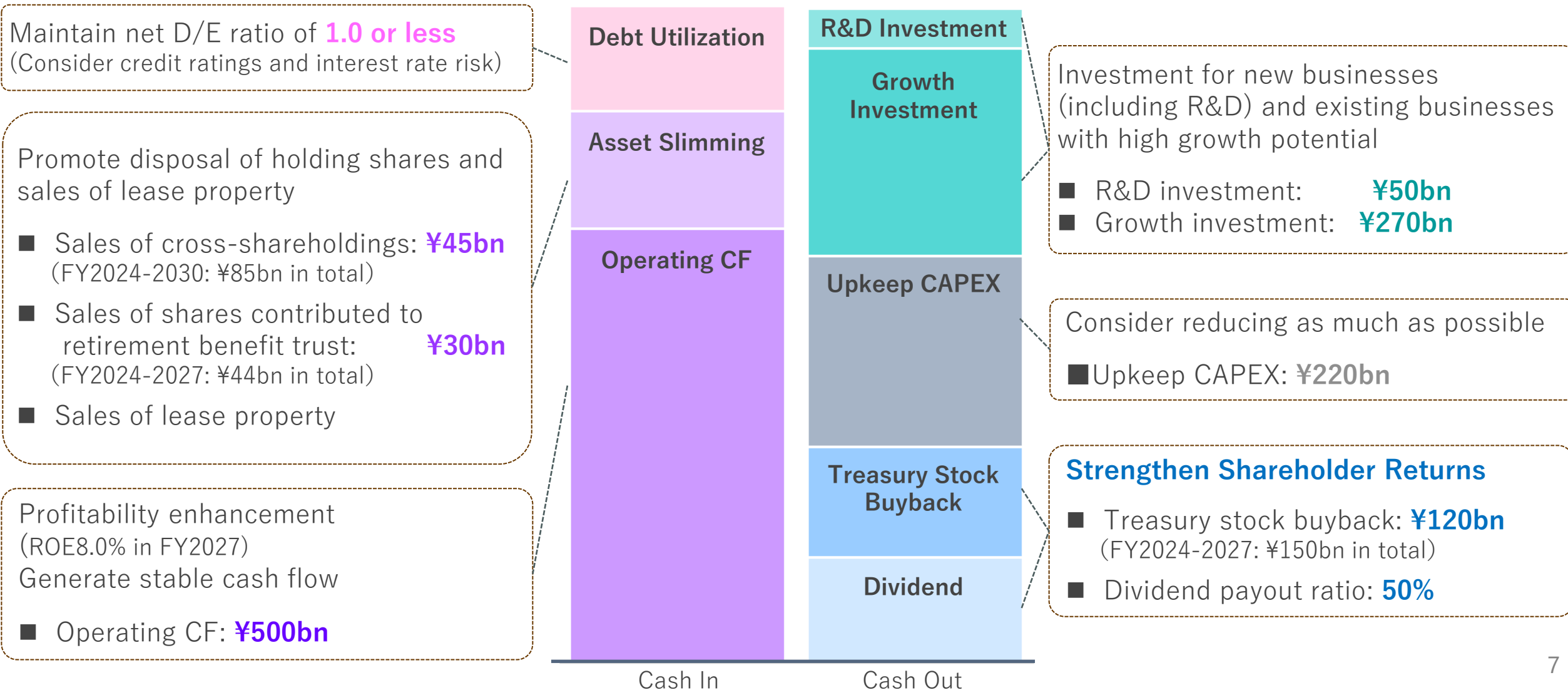
Biomass photoresist
for semiconductors

**Biomass
Pharmaceuticals**

**CNF
composite material**

5. Financial Strategy: Cash Allocation

Cash Allocation for FY2025-2027



6. Financial Strategy: Shareholder Returns

Dividend

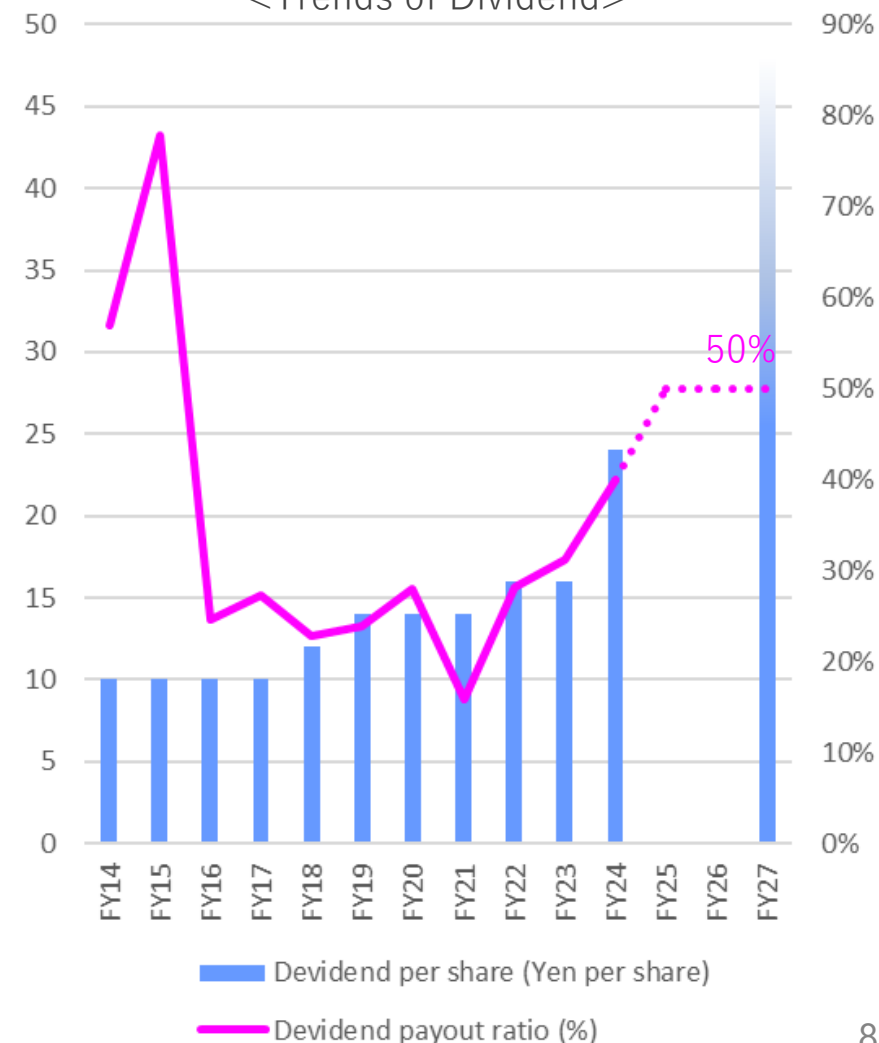
- Raise **dividend payout ratio** to **50%*** from FY2025
*Currently 30%

Treasury Stock Buyback

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

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

<Trends of Dividend>



This document does not constitute a disclosure document under the provisions of the Financial Instruments and Exchange Law, and no guarantees are provided concerning the accuracy of completeness of the information contained therein. Forecasts and other forward-looking statements in this document represent judgments by Oji Holdings Corporation based on information available at the time of data preparation, and they may be affected by unforeseeable events. You are therefore urged not to make investment decisions solely on the basis of this document. Oji Holdings Corporation will not accept any liability whatsoever for losses incurred as a result of use of this document