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Oji Holdings Corporation

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(Corporate Administration Dept.,

Corporate Governance Div.)

Securities Code: 3861

<https://www.ojiholdings.co.jp/english/>

The corporate governance of Oji Holdings Corporation (the “Company”) is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

1. Basic Views

Drawing on the fundamental values and the behavior principles that the Oji Group (the “Group”) has carried down as a company since its founding, the Group has formulated the Oji Group Corporate Code of Conduct by which the Group as a whole engages in corporate activities with an awareness of its responsibility as a corporate citizen and a strong sense of ethics. The Group will continue to strive toward enhancing its corporate governance, regarding it as one of the highest priority issues, by ensuring efficiency, soundness and transparency of the management, while building relationships of trust with its diverse stakeholders. In doing so, the Group aims to increase its corporate value and become a company that is trusted by society.

[Reasons for Non-compliance with the Principles of the Corporate Governance Code]

The Company complies with all the principles of the Corporate Governance Code revised in June 2021, including all principles for companies listed on the Prime Market applicable after April 4, 2022.

[Disclosure Based on the Principles of the Corporate Governance Code]

The Company has formulated the “Fundamental Policies on Corporate Governance” and posted it on its website.

The Fundamental Policies on Corporate Governance:

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

[Principle 1.4] (Strategic Shareholdings)

The Group strategically holds shares that are expected to contribute to the sustainable growth of the Group and the improvement of corporate value over the medium- to long-term as part of its management strategy for the purpose of business alliances and strengthening and maintenance of long-term and stable relationships with business partners.

The Article 18 of the “Fundamental Policies on Corporate Governance” stipulates the following regarding strategic shareholdings.

Article 18. The Group, as part of its management strategies, shall strategically hold shares that are deemed to contribute to the sustainable growth of the Oji Group and the enhancement of its medium- to long-term corporate value, from the perspectives of business collaboration as well as strengthening and maintenance of long-term stable relationship with business partners.

2. The Group shall verify the appropriateness of strategic shareholdings at the Board of Directors every year, by concretely examining the purpose of holding the shares, as well as whether the benefits and risks associated with holding the shares are commensurate with the cost of capital. The Group, then, shall proceed

with reducing strategic shareholdings by selling the shares for which there is insufficient rationale in a timely and appropriate manner.

3. The Group, taking into account the management policies of issuing companies involved in strategic shareholdings, shall comprehensively assess the impact of each proposal on the Group which include whether the proposal would contribute to enhancing the medium- to long-term corporate value of the issuing companies, or whether it would lead to harm shareholder value. The Group, then, shall exercise its voting rights, and engage in dialogue with issuing companies and other parties regarding the content of the proposal.

At the Board of Directors meeting held in December 2023, the appropriateness of strategic shareholdings as of the end of March 2023 was examined through the specific examinations for each share which determined whether the purpose of holding was appropriate and whether the benefits and risks associated with holding were commensurate with the cost of capital. The Company proceeds with reducing the strategic shareholding by appropriately selling the shares for which there is insufficient rationale.

[Principle 1.7] (Related Party Transactions)

The Article 19 of the “Fundamental Policies on Corporate Governance” stipulates the following regarding related party transactions.

Article 19. The Company shall make efforts so that dealings between Officers, major shareholders and other parties do not harm the mutual interests of the Company and its shareholders, and shall engage in the following initiatives.

1. Directors and Corporate Officers, when engaging in dealings with the Company on behalf of themselves or third parties, shall follow the provisions of the Companies Act as well as the Group Regulations to obtain prior approval from and perform after-action reporting to the Board of Directors.

2. The Company shall confirm the presence of dealings between the Group and its Directors, Corporate Officers, or their relatives to the second degree every year, and shall strive to grasp the dealings by these parties that involve conflicts of interest.

3. Major dealings involving the Company and its major shareholders, subsidiaries, affiliates, and other related parties shall be reported to the Board of Directors.

[Supplementary Principle 2.4.1] (Ensuring Diversity)

Please refer to “III.3. Measures to Ensure Due Respect for Stakeholders - Others” of this Report.

[Principle 2.6] (Roles of Corporate Pension Funds as Asset Owners)

In order to enhance the expertise of operations and fulfill its role as an asset owner, the Company complements its expertise as well as knowledge by appointing individuals with expertise and knowledge in pension fund management as investment executors and employing operational consulting firms. In addition, the Company strives to improve qualifications of its personnel by participating in seminars held by the Pension Fund Association of Japan and other pension business managing financial institutions.

As for the operational aspect, the Asset Management Committee makes decisions on investment activities and monitors the investment status and financial condition as necessary, taking into account the interests of corporate pension beneficiaries.

[Principle 3.1] (Full Disclosure)

(i) Management philosophy, management strategies and business plans

The Group strived to work on the manufacturing which supports a new future and contributing to a sustainable society, by exploring “Beyond the Boundaries in the Future”, based on the three themes of its management philosophy namely “Creation of Innovative Value”, “Contribution to the Future and the World”, and “Harmony with Nature and Society”.

In addition, the Group recognizes that “compliance, safety, and environment,” which is the basis of corporate survival, is the highest priority and most important issue for management. The Group will continue its effort to ensure that all of its corporate officers and employees fully understand the ideas of complying with laws and regulations to fulfil its corporate social responsibility, eradicating occupational accident risks, and preventing environmental accidents.

In May 2022, based on its management philosophy, the Group formulated the Purpose of "Grow and manage the sustainable forest, develop and deliver the products from renewable forest and Oji will bring this world a brighter future filled with hope" as the Group's vision. The Group considers the core of its business to be forests, the Group's cherished asset. The appropriate cultivation and management of forests help to enhance the many functions of forests which are of public benefit, including absorbing and fixing carbon dioxide, conserving biodiversity, cultivating water resources, and preserving soil. A lineup of its products utilizing forest resources can be used to replace fossil resource-derived materials and products. The Group will strive to address environmental and social issues through business activities rooted in forest resources.

Toward the realization of the Group's vision, the Group formulated a Long-term Vision for 2030 based on the basic policy of "Toward Further Growth and Evolution," and is working to improve corporate value under three policies: "Initiatives for Environmental Issues," "Initiatives for Profitability Improvement," and "Initiatives for Product Development."

- Initiatives for Environmental Issues

The Group will implement initiatives on environmental issues through fuel conversion to zero use of coal, expansion of renewable energy to reduce greenhouse gas emissions, as well as acquisition, expansion, and effective use of forest plantations to increase the net amount of carbon dioxide absorbed and fixed by forests.

- Initiatives for Profitability Improvement

In addition to deepening existing business through means such as cost reductions and improving operations, the Group will expand the business with promising businesses and eco-friendly products through strategic investment and M&As.

- Initiatives for Product Development

The Group will offer new wood-derived products, by developing eco-friendly materials and products and commercializing plastic alternatives.

Through these initiatives, the Group will strive to achieve net sales of 2.5 trillion yen or more by FY2030 and the "Environmental Action Program 2030", which aims to reduce GHG emissions by at least 70% in FY2030 compared to FY2018 levels to improve corporate value and contribute to society.

The Group formulated its FY 2022-24 Medium-term Management Plan to serve as a milestone for its Long-term Vision for 2030. Under this Medium-term Management Plan, the Group endeavors to maintain stable consolidated operating profit of 150 billion yen or more and consolidated profit attributable to owners of parent of 100 billion yen or more.

By providing various values to society through its business, the Group aims to contribute to the realization of a genuine enriched society and to be a corporate group that constantly stays ahead of the needs of the times, challenges innovation, and grows sustainably.

Please refer to the Company's disclosures on its website and materials for management briefings.

Management philosophy, management strategies:

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

Financial Results & Presentation:

< <https://investor.ojiholdings.co.jp/en/ir/library/result.html> >

(ii) Basic views and guidelines on corporate governance

For basic views, please refer to "I.1. Basic Views" of this Report.

For guidelines, please refer to the "Fundamental Policies on Corporate Governance".

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

(iii) Board policies and procedures in determining remuneration of senior management and Directors

The Company has designed its compensation programs with an emphasis on the roles performed by the Director compensation program such that the Board of Directors promotes sustainable growth and increasing medium- to long-term corporate value of the company and pursues enhanced profitability and capital efficiency. The specifics of the Director compensation program and determination policies are set forth in the Fundamental Policies on Corporate Governance (Article 13). Director compensation comprises base 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.

The Article 13 of the “Fundamental Policies on Corporate Governance” stipulates the following regarding Director compensation program and determination policies.

Article 13. Compensation for Directors shall comprise base compensation, compensation reflecting short-term performance, and stock-based compensation reflecting medium- to long-term improvement in corporate value, and the total amount shall be within the limit amount resolved at general meetings of shareholders. Compensation for Outside Directors shall comprise base compensation only.

2. Compensation for Corporate Officers who do not concurrently serve as Directors shall comprise base compensation and compensation reflecting short-term performance.

3. Compensation for Directors and Corporate Officers shall be decided by the Board of Directors based upon reports from the Compensation Committee.

4. Compensation for Audit & Supervisory Board Members shall be decided through discussion among the Audit & Supervisory Board Members, within the limit amount resolved at general meetings of shareholders.

(iv) Board policies and procedures for appointment and dismissal of senior management as well as nomination of candidates of Directors and Audit & Supervisory Board Members

At the Company, the Fundamental Policies on Corporate Governance (Articles 5, 6, and 10) stipulate as a Director nomination policy that candidates be nominated for Director 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.

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

The Article 5, the Article 6, and the Article 10 of the “Fundamental Policies on Corporate Governance” stipulate the following regarding nomination policy of Directors and Audit & Supervisory Board Members and roles of the Nomination Committee and the Compensation Committee.

(Policies for Director Nomination)

Article 5. The Board of Directors shall nominate candidates 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. However, any nomination shall be conducted following consultation with the Nomination Committee.

2. Individuals with high level of expertise and broad insight, who are capable of expressing opinions from a standpoint independent of the management and from viewpoints of various stakeholders, shall be selected as candidates for independent Outside Directors.

(Roles of the Nomination Committee and Compensation Committee)

Article 6. The Nomination Committee and the Compensation Committee shall be established as advisory bodies to the Board of Directors.

2. The Nomination Committee shall deliberate the following issues/matters and report to the Board of Directors.

- 1 Nomination policies for candidates for Directors and Audit & Supervisory Board Members, and selection policies for Corporate Officers
- 2 Nomination of candidates for Directors and Audit & Supervisory Board Members, and selection of Corporate Officers
- 3 Dismissal of Directors, Audit & Supervisory Board Members and Corporate Officers who do not fulfill the nomination and selection policies
- 4 Succession planning for the President and Chief Executive Officer

5 Selection and dismissal of Advisors

3. The Compensation Committee shall deliberate the following issues/matters and report to the Board of Directors.

- 1 Evaluation of Directors and Corporate Officers
- 2 Compensation structure and standards of Directors and Corporate Officers
- 3 Analysis and evaluation of the effectiveness of the Board of Directors
- 4 Compensation structure and standards of Advisors

(Policies for Audit & Supervisory Board Member Nomination)

Article 10. The Board of Directors shall nominate candidates 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 expertise and rich experience. However, any nomination shall be conducted with the consent of the Audit and Supervisory Board, following consultation with the Nomination Committee.

2. Individuals with considerable knowledge of finance and accounting shall be nominated as at least one of the Audit & Supervisory Board Members.

(v) Explanations with respect to individual appointment, dismissal and nomination of Directors and Audit & Supervisory Board Members

The Company explains reasons for appointments of candidates of Directors and Audit & Supervisory Board Members in its referential material of a General Meeting of Shareholders. Please refer to the said material that is posted on the Company's website.

< <https://www.ojiholdings.co.jp/english/ir/stock/meeting.html> >

Please refer to descriptions in "II.1. Organizational Composition and Operation – Directors, Audit & Supervisory Board Members" of this Report for reasons for appointments of Independent Outside Directors and Independent Outside Audit & Supervisory Board Members.

[Supplementary Principle 3.1.3] (Sustainability Initiatives)

(Sustainability Initiatives)

Please refer to "III.3. Measures to Ensure Due Respect for Stakeholders - Implementation of Environmental Activities, CSR Activities etc." of this Report.

(Investment in Human Resources)

Please refer to "III.3. Measures to Ensure Due Respect for Stakeholders - Others" of this Report.

(Investment in Intellectual Property)

The Group creates innovations by refining a range of core technologies accumulated from paper manufacturing and forestation, which are the roots of its founding.

The Group is developing new materials derived from wood fiber towards a decarbonized society, such as bioethanol, biomass plastics, cellulose nanofibers, and cellulose composites, as well as pharmaceutical materials from sulfated hemicellulose.

Through these developments, the Group will continue to promote sustainable value creation.

Promotion of Innovation by the Group is explained in detail on the Company's website and Integrated Report. Please refer to the following website.

The Company's website < https://www.ojiholdings.co.jp/english/r_d/ >

The Oji Group Integrated Report < <https://investor.ojiholdings.co.jp/en/ir/library/integrated.html> >

The Group regards intellectual property as an important management resource and actively utilizes it as a source of business competitiveness and in forming collaborative relationships with other companies. The intellectual property rights of the Group are centrally managed by the Company, which obtain and exercises the rights in accordance with the Group policies and licenses the rights to Group companies for effective use within the Group. The Group will further promote IP activities for the strategic use of intellectual property, which is directly linked to business strategy.

The Group's research and development expenses: 9.3 billion yen (FY2022)

Patents, utility model rights, design rights: 2,498 in Japan, 747 overseas (as of the end of FY2022)

Trademarks: 937 in Japan, 1,015 overseas (as of the end of FY2022)

[Supplementary Principle 4.1.1] (Brief Summary of Scope and Content of Matters Delegated to Managements)

Please refer to the Article 3 of the “Fundamental Policies on Corporate Governance”.

[Principle 4.9] (Independence Standards and Qualification for Independent Outside Directors)

Please refer to the Article 12 of the “Fundamental Policies on Corporate Governance”.

Please refer to “II.1. Organizational Composition and Operation” of this Report for information concerning determination of independence of each Independent Outside Director.

[Supplementary Principle 4.10.1] (Nomination Committee and Compensation Committee)

The Company has established the Nomination Committee and Compensation Committee as advisory bodies to the Board of Directors. For details on the concept of independence, authority and role of each Committee, please refer to I.1. Basic Views - Principle 3.1 (Full Disclosure) and II.1. Organizational Composition and Operation - Committee’s Name, Composition, and Attributes of Chairperson.

[Supplementary Principle 4.11.1] (View on the Balance of Knowledge, etc. as well as Diversity and Size of the Board of Directors as a Whole)

The Board of Directors, in order to fulfill a role necessary for achieving sustainable growth of and improvement of corporate value of the Group over the medium to long term, has been organized while giving due consideration to the balance of diverse knowledge and expertise concerning the business of the Group. There are currently 12 Directors, 4 of whom are Independent Outside Directors (including 2 female Directors). Of the Independent Outside Directors, Ms. Ai and Mr. Ogawa have management experience at other companies.

As with the Directors, diversity, a high level of expertise, and a wealth of experience are required for Audit & Supervisory Board Members. Currently, there are 5 Audit & Supervisory Board Members, 3 of whom are Independent Outside Audit & Supervisory Board Members.

The skills that the Board of Directors should possess to realize the Company’s management strategies are identified as following: corporate management, finance and accounting, manufacturing and development, sales and marketing, personnel and labor management, purchase and procurement, internationality, and ESG. Please refer to the skill map indicating the skills possessed by the Company’s Directors, which is disclosed on the Company’s website, in the Integrated Report, and in the referential material of a General Meeting of Shareholders.

The Company’s website < <https://ojiholdings.disclosure.site/en/themes/83/> >

The Oji Group Integrated Report < <https://investor.ojiholdings.co.jp/en/ir/library/integrated.html> >

Referential material of a General Meeting of Shareholders

< <https://investor.ojiholdings.co.jp/en/ir/stock/meeting.html> >

The Nomination Committee, which is an advisory body to the Board of Directors, deliberates upon the selection of candidates for Directors and the appointment of Corporate Officers before submitting a report to the Board of Directors. Regarding candidates for Audit & Supervisory Board Members, a report is submitted to the Board of Directors after consulting the Nomination Committee and obtaining the consent of the Audit & Supervisory Board.

The Nomination Committee consists of 4 Independent Outside Directors, the Chairman, and the President, and the Board of Directors receives the report from the Nomination Committee, deliberates, and makes decisions.

[Supplementary Principle 4.11.2] (Status of Directors’ and Audit & Supervisory Board Members’ concurrent positions in other listed companies)

Please refer to a referential material of a General Meeting of Shareholders that is posted on the Company’s website.

< <https://investor.ojiholdings.co.jp/en/ir/stock/meeting.html> >

[Supplementary Principle 4.11.3] (Analysis and evaluation of effectiveness of the Board of Directors)

The Company stipulates in its “Fundamental Policies on Corporate Governance” that the Board of Directors conducts analysis and evaluation of its effectiveness every year and takes required measures to ensure the effectiveness as a whole as well as discloses an overview of the findings.

In order to evaluate the effectiveness of the Board of Directors in FY2022, we conducted a survey on the roles, organization and management of the Board of Directors for all of the Directors and Audit & Supervisory Board Members from April to May 2023. The evaluation results were analyzed by the Compensation Committee in which Independent Outside Directors participated, and deliberated by the Board of Directors based on the analysis results.

As a result, it was confirmed that the Board of Directors and its subordinate Meetings have continued to function well. With regard to the role of the Board of Directors, most respondents answered that the Board has been able to provide a clear direction for overall Group management through active discussion at Board, including Outside Directors, from the stage of formulating Medium-term Management Plan in FY2022. For the question whether effective supervision of the management team has been achieved, many respondents stated that the supervisory function has been enhanced by, for example, providing more information to Outside Directors and Outside Audit & Supervisory Board Members. On the other hand, it was also pointed out that the agenda setting needs to be improved so that more time can be devoted to discussions relating to overall Group management. In response to this point, the criteria for items to be put on the agenda for the Board of Directors were reviewed and improved so that the Board can concentrate on deliberating more important issues. With regards to the composition of the Board, while the current composition was assessed as well-balanced, it was also noted that in the future a majority of Outside Directors and the appointment of an Outside Director as Chairman of the Board should be discussed.

In keeping with the findings, the Company will consider and take required measures to continually work on functional improvements of the Board of Directors.

[Supplementary Principle 4.14.2] (Policy for Training for Directors and Audit & Supervisory Board Members)

The Article 14 of the “Fundamental Policies on Corporate Governance” stipulates the following regarding policy for training for Directors and Audit & Supervisory Board Members.

Article 14. The Company shall provide Directors and Audit & Supervisory Board Members with the following opportunities for training.

1. Training for Internal Directors and Standing Audit & Supervisory Board Members

Trainings shall be conducted upon assuming posts, with the aim of acquiring knowledge to fulfill roles and responsibilities of individuals, including knowledge concerning compliance and corporate governance. The Company shall support acquisition of required knowledge also while in their term, through the Board of Directors, Management Meetings, etc.

2. Training for Outside Directors and Outside Audit & Supervisory Board Members

Briefings shall be conducted upon assuming posts, with the aim of acquiring knowledge to fulfill roles and responsibilities of individuals, including knowledge concerning business overview and management strategies. The Company shall support acquisition of required knowledge also while in their term, through implementation of inspection visits to workplaces, etc.

[Principle 5.1] (Policy for Constructive Dialogue with Shareholders)

Please refer to the Article 17 of the “Fundamental Policies on Corporate Governance”.

[Actions to achieve cost of capital and share price conscious management]

The actions to achieve cost of capital and share price conscious management are disclosed on the Company’s website.

<<https://investor.ojiholdings.co.jp/en/ir/library/result/main/01/teaserItems2/07/linkList/0/link/enhancement.pdf>>

[Status of dialogue with shareholders]

The status of the dialogue with shareholders and investors conducted in FY2022 is disclosed on the Company’s website.

<<https://ojiholdings.disclosure.site/en/themes/141/>>

2. Capital Structure

Foreign Shareholding Ratio	From 20% to less than 30%
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[Status of Major Shareholders]

Name / Company Name	Shares Held (Shares)	Percentage (%)
The Master Trust Bank of Japan, Limited (Trust Account)	141,682,200	14.27
Custody Bank of Japan, Limited (Trust Account)	75,104,751	7.56
Custody Bank of Japan, Limited (Trust Account 4)	34,240,900	3.45
Sumitomo Mitsui Banking Corporation	31,668,430	3.19
Nippon Life Insurance Company	25,658,305	2.58
Oji Group Employee Stock-holding Association	20,714,509	2.09
Mizuho Bank, Limited	18,030,890	1.82
STATE STREET BANK WEST CLIENT – TREATY 505234	17,176,726	1.73
The Norinchukin Bank	16,654,660	1.68
STATE STREET BANK AND TRUST COMPANY 505001	15,691,804	1.58

Controlling Shareholder (excluding Parent Company)	-
Parent Company	None

Supplementary Explanation

The Company, owning 21,368 thousands of its treasury stocks as of September 30, 2023, is not included in the Status of Major Shareholders.

3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange Prime Section
Fiscal Year-End	March
Type of Business	Pulp & Paper
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1000
Sales (consolidated) as of the End of the Previous Fiscal Year	More than ¥ 1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 100 to less than 300

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

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5. Other Special Circumstances which may have Material Impact on Corporate Governance

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II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Supervision of Management

1. Organizational Composition and Operation

Organization Form	Company with Audit & Supervisory Board
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[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	Not determined
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	Company Chairperson (only if he/she does not concurrently serve as the President)
Number of Directors	12 persons
Status of Appointment of Outside Directors	Appointed
Number of Outside Directors	4 persons
Number of Independent Directors	4 persons

Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*											
		a	b	c	d	e	f	g	h	i	j	k	
Michihiro Nara	Lawyer												
Sachiko Ai	From another company												
Seiko Nagai	Scholar												
Hikomichi Ogawa	From another company												

* Categories for "Relationship with the Company"

* "○" when the Director presently falls or has recently fallen under the category;

"△" when the Director fell under the category in the past

* "●" when a close relative of the Director presently falls or has recently fallen under the category;

"▲" when a close relative of the Director fell under the category in the past

a. Executive of the Company or its subsidiaries

b. Non-executive Director or Executive of a parent company of the Company

c. Executive of a fellow subsidiary company of the Company

d. A party whose major client or supplier is the Company or an Executive thereof

e. Major client or supplier of the Company or an Executive thereof

f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides remuneration as a Director/Audit & Supervisory Board Member

g. Major shareholder of the Company (or an Executive of the said major shareholder if the shareholder is a legal entity)

h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the Director himself/herself only)

i. Executive of a company, between which the Company's Outside Directors/Audit & Supervisory Members are mutually appointed to (the Director himself/herself only)

j. Executive of a company or organization that receives a donation from the Company (the Director himself/herself only)

k. Others

Outside Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Michihiro Nara	○	-	<p>As a lawyer, Mr. Nara has a wealth of experience, a high level of expertise, and a wide range of insight, especially in the civil and commercial fields. Mr. Nara has been appointed as an Outside Director based on the Company's judgement that he will be able to express his opinions on the Company's management from various perspectives, including a legal perspective as a lawyer, independent of management</p> <p>Mr. Nara is designed as an Independent Officer as it is unlikely that he has any conflict of interest with the Company's general shareholders, for the facts that he does not go against any of the standards of independence for Independent Officers set by the Tokyo Stock Exchange.</p>
Sachiko Ai	○	-	<p>Through her business experience in corporate sales, corporate planning, and corporate consulting at a major trust bank, Ms. Ai has not only a high level of expertise in the financial sector but also a wealth of insight into a wide range of business trends in Japan and Overseas. Ms. Ai has been appointed as an Outside Director based on the Company's judgement that she will be able to express her opinions on the Company's management from various perspectives, including perspectives of business and finance, independent of management. Ms. Ai is a Director and Managing Executive Officer, Audit Division (CAO) at Mitsubishi UFJ Trust and Banking Corporation. However, the number of shares owned is less than 0.1% of the Company's issued shares. Ms. Ai is also a Managing Executive Officer Group Deputy CAO, at Mitsubishi UFJ Financial Group, Inc. The Company owns the number of shares less than 0.1% of Mitsubishi UFJ Financial Group, Inc's issued shares. There are no transactions between the Company and Mitsubishi UFJ Trust and Banking Corporation, or Mitsubishi UFJ Financial Group, Inc.</p> <p>Ms. Ai is designed as an Independent Officer as it is unlikely that she has any conflict of interest with the Company's general shareholders, for the facts that she does not go against any of the standards of independence for Independent Officers set by the Tokyo Stock Exchange.</p>

Seiko Nagai	○	-	<p>After working as a manager at a major airline company, Ms. Nagai is currently engaged in research and student education as a university professor, and has a wealth of experience, a high level of expertise, and a wide range of insight. Ms. Nagai has been appointed as an Outside Director based on the Company's judgement that she will be able to express her opinions on the Company's management from various perspectives, including professional perspectives cultivated through customer service and university education activities, independent of management.</p> <p>Ms. Nagai is designed as an Independent Officer as it is unlikely that she has any conflict of interest with the Company's general shareholders, for the facts that she does not go against any of the standards of independence for Independent Officers set by the Tokyo Stock Exchange.</p>
Hikomichi Ogawa	○	-	<p>In addition to his extensive high degree of expertise, and broad insight at a general trading company, Mr. Ogawa has long been involved in management at retailers and food manufacturers, has a proven track record in strengthening governance systems, and has a wealth of experience and high-level insight regarding management in general. Mr. Ogawa has been appointed as an Outside Director based on the Company's judgement that he will be able to provide his opinions to the management of the Company, from a multifaceted perspective, including perspectives cultivated through his wealth of experience, independent of management.</p> <p>Mr. Ogawa is designed as an Independent Officer as it is unlikely that he has any conflict of interest with the Company's general shareholders, for the facts that he does not go against any of the standards of independence for Independent Officers set by the Tokyo Stock Exchange.</p>

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee	Established
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Committee's Name, Composition, and Attributes of Chairperson

	Committee Corresponding to Nomination Committee	to	Committee Corresponding to Remuneration Committee
Committee's Name	Nomination Committee		Compensation Committee
All Committee Members	6 persons		6 persons
Full-time Members	None		None

Inside Directors	2 persons	2 persons
Outside Directors	4 persons	4 persons
Outside Experts	None	None
Other	None	None
Chairperson	Inside Director	Inside Director

Supplementary Explanation

The Nomination Committee and the Compensation Committee have been established as advisory bodies to the Board of Directors, deliberate on the following matters, and submit reports to the Board of Directors.

•Nomination Committee

1. Nomination policies for candidates for Directors and Audit & Supervisory Board Members, appointment policies for Corporate Officers
2. Nomination of Directors and Audit & Supervisory Board Members, appointment of Corporate Officers
3. Dismissal of Directors, Audit & Supervisory Board Members, and Corporate Officers in cases where they do not satisfy the nomination and appointment policies
4. Succession planning for the Director of the Board, President
5. Appointment and dismissal of Advisors

•Compensation Committee

1. Remuneration system and levels for Directors and Corporate Officers
2. Evaluation of Directors and Corporate Officers
3. Analysis and evaluation of the effectiveness of the Board of Directors
4. Remuneration system and levels for Advisors

The Nomination Committee and the Compensation Committee comprise the Chairperson, the President and all Independent Outside Directors, with the President serving as the Committee Chair. The independence of each committee is ensured by having all Independent Outside Directors participate in each committee and having a majority of the members as Independent Directors.

In FY2022 (the period from April 1, 2022 to March 31, 2023), the Nomination Committee was held once and all members attended. During the same period, the Compensation Committee was held twice and all members attended. Hiromichi Ogawa attended one Compensation Committee held after his new appointment in June 2022.

(Committee members are as of FY2022 for both the Nomination Committee and the Compensation Committee.)

With the addition of 1 Independent Director in June 2021, the Committees consist of 2 Inside Directors and 4 Independent Outside Directors. The Nomination Committee and the Compensation Committee will further utilize the external perspectives of Independent Outside Directors.

[Audit & Supervisory Board Members]

Establishment of Audit & Supervisory Board	Established
Maximum Number of Audit & Supervisory Board Members Stipulated in the Articles of Incorporation	Not determined
Number of Audit & Supervisory Board Members	5 persons

Cooperation among Audit & Supervisory Board Members, Accounting Auditors and Internal Audit Department

Audit & Supervisory Board Members regularly meet with the Accounting Auditor to receive explanations on plans and implementation status of audits as well as financial statement audit results, and exchange opinions.

Audit & Supervisory Board Members and the Company's Internal Audit Department meet once every month to exchange information on audit plans and results, and ensure cooperation between them. Independent Outside Directors and Independent Outside Audit & Supervisory Board Members attend the Company's Board of Directors meetings and receive reports on the contents of the Group Management Meeting twice a month, in principle. Through these opportunities, opinions are exchanged in order to form a collaborative relationship.

Appointment of Outside Audit & Supervisory Board Members	Appointed
Number of Outside Audit & Supervisory Board Members	3 persons
Number of Independent Outside Audit & Supervisory Board Members	3 persons

Outside Audit & Supervisory Board Members' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Hidero Chimori	Lawyer													
Noriko Sekiguchi	Certified accountant													
Takashi Nonoue	Lawyer													

* Categories for "Relationship with the Company"

* "○" when the Director presently falls or has recently fallen under the category;

"△" when the Director fell under the category in the past

* "●" when a close relative of the Director presently falls or has recently fallen under the category;

"▲" when a close relative of the Director fell under the category in the past

a. Executive of the Company or its subsidiaries

b. Non-executive Director or accounting advisor of the Company or its subsidiaries

c. Non-executive Director or Executive of a parent company of the Company

d. Audit & Supervisory Board Member of a parent company of the Company

e. Executive of a fellow subsidiary company of the Company

f. A party whose major client or supplier is the Company or an Executive thereof

g. Major client or supplier of the Company or an Executive thereof

h. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides remuneration as a Director/Audit & Supervisory Board Member

i. Major shareholder of the Company (or an Executive of the said major shareholder if the shareholder is a legal entity)

j. Executive of a client or supplier company of the Company (which does not correspond to any of f, g, or h) (the Director himself/herself only)

k. Executive of a company, between which the Company's Outside Directors/Audit & Supervisory Members are mutually appointed to (the Director himself/herself only)

l. Executive of a company or organization that receives a donation from the Company (the Director himself/herself only)

m. Others

Outside Audit & Supervisory Board Members' Relationship with the Company (2)

Name	Designation as Independent Audit & Supervisory Board Member	Supplementary Explanation of the Relationship	Reasons of Appointment
Hidero Chimori	○	-	As a lawyer, Mr. Chimori has a wealth of experience, a high level of expertise, and a wide range of insight, particularly in the fields

			<p>of corporate legal affairs and corporate governance. The Company has appointed Mr. Chimori as an Outside Audit & Supervisory Board Member based on its judgement that he will appropriately fulfill his duties as an Outside Audit & Supervisory Board Member.</p> <p>Mr. Chimori is designed as an Independent Officer as it is unlikely that he has any conflict of interest with the Company's general shareholders, for the facts that he does not go against any of the standard of independence for Independent Officers set by the Tokyo Stock Exchange.</p>
Noriko Sekiguchi	○	-	<p>As a certified accountant, Ms. Sekiguchi has a wealth of experience, a high level of expertise, and a wide range of insight in corporate accounting, and a wealth of practical experience at companies. The Company has appointed Ms. Sekiguchi as an Outside Audit & Supervisory Board Member based on its judgement that she will appropriately fulfill her duties as an Outside Audit & Supervisory Board Member.</p> <p>Ms. Sekiguchi is designed as an Independent Officer as it is unlikely that she has any conflict of interest with the Company's general shareholders, for the facts that she does not go against any of the standard of independence for Independent Officers set by the Tokyo Stock Exchange.</p>
Takashi Nonoue	○	-	<p>As a public prosecutor, Mr. Nonoue has a wealth of experience, a high level of expertise, and a wide range of insight, and is currently working extensively as an attorney at law. The Company has appointed Mr. Nonoue as an Outside Audit & Supervisory Board Member based on its judgement that he will be able to duly carry out the duties as an Outside Audit & Supervisory Board Member.</p> <p>Mr. Nonoue is designed as an Independent Officer as it is unlikely that he has any conflict of interest with the Company's general shareholders, for the facts that he does not go against any of the standard of independence for Independent Officers set by the Tokyo Stock Exchange.</p>

[Independent Directors/Audit & Supervisory Board Members]

Number of Independent Directors/ Audit & Supervisory Board Members	7 persons
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Matters relating to Independent Directors/Audit & Supervisory Board Members

The Company has determined that all of its Outside Directors and Outside Audit & Supervisory Board Members meet the qualifications for Independent Officers, and have designated all of them as Independent Officers.

[Incentives]

Incentive Policies for Directors	Performance-linked remuneration
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Supplementary Explanation

While the Company had adapted stock options as stock-based remuneration for Directors (excluding Outside Directors, the same applies hereinafter) since 2006, it decided to replace it with performance-linked and stock-based remuneration and passed a resolution at the 92nd Annual General Meeting of Shareholders on June 29, 2016, to motivate Directors to contribute more to improving the medium- to long-term business performances and enhancing corporate values.

Under the performance-linked and stock-based remuneration system, a trust, which is established by the Company's contribution of money, acquires the Company's shares and delivers to each Director the number of the Company's shares equivalent to the number of points granted by the Company to each Director in accordance with certain criteria such as business performance and financial indicators. The Company shares are delivered to each Director at the time of retiring from the Board of Directors, in principle. The initial trust period of the trust is three years, and it may be extended and continued for another three years at the expiration, based on the resolution of the Board of Directors. The Board of Directors held on June 21, 2019 and June 21, 2022 have approved the continuation of performance-linked and stock-based remuneration system. Please refer to the Company's Securities Reports and the Company's Business Report of the Notice of the General Meeting of Shareholders for the method of calculating the points.

Accordingly, new granting of stock options has been discontinued.

Securities Reports (Japanese only):

< <https://investor.ojiholdings.co.jp/ja/ir/library/securities.html> >

Referential Material of a General Meeting of Shareholders

< <https://investor.ojiholdings.co.jp/en/ir/stock/meeting.html> >

[Director Remuneration]

Disclosure of Individual Director's Remuneration	Individual Disclosure for only some of them
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Supplementary Explanation

Remuneration paid to Directors and Audit & Supervisory Board Members is disclosed in the Company's Business Report of the Notice of the General Meeting of Shareholders and the Securities Report, which provide a breakdown of total amount paid by type. In addition, the Securities Report discloses the total amount of consolidated remuneration etc. of those whose total amount of remuneration etc. is 100 million yen or more. In FY2022, the total amount of remuneration for 16 Directors was 519 million yen.

Policy on Determining Remuneration Amounts and Calculation Methods	Established
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Disclosure of Policy for Determining Remuneration Amounts and Calculation Methods

(a) Overview of remuneration, etc. for corporate officers

The Company designs the executive remuneration system by emphasizing its role in encouraging the Board of Directors to promote the sustainable growth of the Company and the enhancement of corporate value over the medium to long term and to improve profitability and capital efficiency.

Specific Director remuneration system and decision policies are defined in the Fundamental Policies on Corporate Governance. Remuneration for corporate officers comprises: (1) base remuneration, (2) bonus, which is remuneration reflecting short-term business performances, and (3) stock-based remuneration reflecting medium to long term improvements in corporate value. Decision on remuneration shall be made at the Board of Directors following the deliberation and reporting of the Compensation Committee.

The total remuneration amount shall be within the limit set by the resolution of a General Meeting of Shareholders. Based on the resolution of the 97th Annual General Meeting of Shareholders held on June 29,

2021, the total amount of (1) and (2) shall not exceed 800 million yen per annum and, separately from (1) and (2) above, and based on the resolution of the 92nd Annual General Meeting of Shareholders held on June 29, 2016, (3) shall not exceed 570,000 points per fiscal year, where 1 point is generally equivalent to 1 share in the Company. Note that new granting of stock options has been discontinued as a result of the introduction of the stock-based remuneration system. Remuneration for Independent Outside Directors comprises (1) only. The level of remuneration for individual Directors is determined in principle according to the position of each Director, taking into account trends in social standards and changes in the long-term business environment surrounding the Company.

The total amount of remuneration for Audit & Supervisory Board Members shall be determined through the discussions of Audit & Supervisory Board Members within the limit set by the resolution of a General Meeting of Shareholders. The total amount of remuneration for Audit & Supervisory Board Members shall be 97 million yen or less per annum based on a resolution of the 82nd Annual General Meeting of Shareholders held on June 29, 2006.

(b) Decision-making body for defining remuneration determining policy and its activities

Decision-making authority for determining amounts of remuneration for Directors of the Company or methods of calculation is vested in the Board of Directors and such decisions shall be made following the deliberation and reporting of the Compensation Committee.

The Compensation Committee consists of the Chairman, the President and all Independent Outside Directors and has the role of deliberating on performance appraisal of the Directors and Corporate Officers, remuneration system and levels for Directors and Corporate Officers, analysis and evaluation of the effectiveness of the Board of Directors, and remuneration system and levels for Advisors, and submitting reports to the Board of Directors. The Compensation Committee held meetings twice in the fiscal year under review, deliberated on remuneration system and levels, and performance appraisal, etc. for the Directors, and submitted reports to the Board of Directors. Based on the reports from the Compensation Committee, the Board of Directors made decisions on matters regarding remuneration.

(c) Percentages of payment of performance-linked remuneration and other remunerations

Remuneration for Directors is comprised of (1) base remuneration that is fixed remuneration, and (2) bonus and stock-based remuneration that is performance-linked remuneration. The basic payment percentages are: fixed remuneration of 50%, bonus of 25%, and stock-based remuneration of 25% for Inside Directors and fixed remuneration of 100% for Outside Directors. Percentages of payment vary according to changes in bonus and stock-based remunerations, which are performance-linked remunerations.

(d) Methods of calculating performance-linked remunerations

(Method of calculating bonus)

Because bonus is remuneration reflecting short-term business performances, 70% of the base amount of bonus for each Director (excluding Outside Directors) is based on consolidated operating profit as an evaluation indicator, while the remaining 30% is based on the business performance of each segment of which the Director is responsible, and the total amount fluctuates within a range of 0-150% based on comprehensive consideration, including the achievement of ESG evaluation items.

(Method of calculating stock-based remuneration)

The purpose of stock-based remuneration is to further clarify the link between the remuneration for the Directors and the Company's business performance and stock value, to make the Directors share not only the benefits of higher share prices but also the risks of lower share prices with shareholders, and to provide Directors greater motivation to contribute to improving the Company's business performance and increasing corporate value over the medium to long term. In addition, as the Company aims for an expansion of corporate scale while maintaining a high level of quality as a medium to long term target, the ratio of payment of performance-linked stock remuneration is linked with consolidated net sales and consolidated ordinary profit, and fluctuates in the range of 0-150%.

Please refer to the Company's Securities Reports for details on the performance-linked method of bonuses and stock remuneration.

Securities Reports (Japanese only):

< <https://investor.ojiholdings.co.jp/ja/ir/library/securities.html> >

[Supporting System for Outside Directors and/or Audit & Supervisory Board Members]

In view to strengthen the supervisory function of Outside Officers, issues discussed by Group Management Meetings as well as issues to be discussed by the Board of Directors are reported to them two times every month, in principle. In addition, on-site inspections are conducted as part of efforts to further improve Outside Officers' understanding of the Group. Since October 2020, as part of efforts aimed at "improving the effectiveness of the Board of Directors," the observer participation (voluntary) of Outside Officers in the Group Management Meetings has been started to encourage further sharing information.

The Audit and Supervisory Board Members' Office has been established as a system to assist duties of all Audit & Supervisory Board Members including Independent Outside Audit & Supervisory Board Members. With several employees including dedicated employees appointed in it, the Audit & Supervisory Board Members' Office conducts reports on important information to Independent Outside Audit & Supervisory Board Members.

[Status of Retired Representative Directors & Presidents]

Name	Position/Status	Description of Duties	Work Configuration/Conditions (Full-time or part-time, with or without remuneration, etc.)	Retirement Date of the President, etc.	Term of Office
Susumu Yajima	Advisor	The work requested from the President	Part-time, with remuneration	April 1st 2022	2 years (appointed on June 29 th 2022)

Total number of advisors/counselors who are former Representative Directors/Presidents, etc.
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1 person

Others	Only when the necessity for business is particularly recognized, the Company appoints a person who has retired from the Board of Directors to an Advisor after deliberation and reporting by the Nomination Committee, which is comprised by the Chairman, the President and all Independent Outside Directors. An Advisor engages in the work requested from the President and does not participate in management decisions. The term of office is 1-2 years based on internal regulations. An Advisor is paid a certain amount of remuneration which is determined by deliberation and reporting by the Compensation Committee, which is comprised by the Chairman, the President and all Independent Outside Directors.
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2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System)

The Company has adopted a COMPANY system under which the Company undertakes the formulation of Group management strategies as well as the supervision of the Group governance, while each COMPANY comprised of closely associated businesses forms the center of the Group's business operations. This structure accelerates decision making by each business unit and clarifies management responsibilities.

Decisions on execution of important matters concerning the Group's management are made by the Board of Directors, following deliberations by Group Management Meetings. Execution of businesses in accordance with the decisions made by the Board of Directors is promptly implemented by Corporate Officers and COMPANY Presidents. At the same time, the Company secures a check-and-balance function within the Group by clearly determining authority and responsibility of each organization in its Organization Regulations, Group Management Regulations and Authorities Regulations. In addition, the Company formulates in-house regulations on obtaining approvals, Group CEO's Decisions Regulations and COMPANY President's Approval Regulations, and appropriately operates business procedures based upon them.

The Company has established the Internal Audit Department to audit the Group's internal controls, in order to strengthen internal controls. In the area of finance, each division manager carries out independent and strict management in accordance with internal accounting regulations, and the Internal Audit Department regularly monitors transactions in each division to confirm the effectiveness of the control function and the reliability

of financial reporting. The Internal Audit Department reports the internal audit plan and audit results to the Board of Directors to ensure coordination with the Directors.

As a company with the Audit & Supervisory Board, the Company strives to strengthen the governance of the entire Group through audits of the execution of duties by Directors by Audit & Supervisory Board Members and the Audit & Supervisory Board.

In 2015, the Company established the Nomination Committee and the Compensation Committee as advisory bodies to the Board of Directors. In addition to improving the objectivity and transparency of decisions made by each Committee, the Compensation Committee analyses and evaluates the effectiveness of the Board of Directors.

In principle, the Board of Directors is held once every month and comprises 12 Directors including 4 Independent Outside Directors.

In principle, the Audit & Supervisory Board is held once every month and comprises 5 Audit & Supervisory Board Members, of which 3 are Independent Outside Audit & Supervisory Board Members.

Please refer to the Fundamental Policies on Corporate Governance for the policies and procedures concerning nomination of Officer candidates and remuneration of Officers.

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

The Company has concluded contracts for limitation of liability, by which the liability stipulated in the Article 423, paragraph (1) of the Japanese Companies Acts is limited by the provision of the Article 427, paragraph (1) of the said Acts, with all Independent Outside Directors and Independent Outside Audit & Supervisory Board Members, in accordance with the articles of incorporation. The amount of limit of liability for damages under the said contracts is to be the amount specified in laws and regulations.

The Company has entered into contracts for officer' liability insurance (D&O insurance) with insurance companies under the provisions of Article 430, 3, paragraph (1) of the Japanese Companies Act, with Directors, Audit & Supervisory Board Members, and Corporate Officers as insured persons. In the event that an insured person receives a claim for damages during the insurance period in connection with the execution of his/her duties, the insurance contract covers the legal liability and court costs, etc. However, in order not to impair the appropriateness of the execution of duties by the insured person, the insured persons shall not cause any damage arising from criminal acts, other illegal acts or intentional acts. The insurance premium is entirely borne by the Company.

3. Reasons for Adoption of Current Corporate Governance System

The Company's Audit & Supervisory Board appoints 5 Audit & Supervisory Board Members, including 3 Independent Outside Audit & Supervisory Members. There are 2 standing Audit & Supervisory Board Members, and 1 of them possesses considerable knowledge of finance and accounting. Audit & Supervisory Board Members conduct audits on Directors' business executions based upon audit plans set at the Audit & Supervisory Board, through actively making attendances in the Board of Directors and other important Meetings. All 3 Outside Audit & Supervisory Board Members have been designated as Independent Officers based on the provisions of the Tokyo Stock Exchange, and this has been notified to the Exchange.

In 2007, the Company has introduced Outside Directors to strengthen monitoring of management and to pursue a corporate management which has higher degrees of transparency and efficiency.

At the Ordinary General Meeting of Shareholders held in June 2021, the Company increased the number of Independent Outside Director by 1. As a result, 4 of 12 Directors are Independent Outside Directors, making up 1/3 of the Board of Directors. All 4 Outside Directors have been designated as Independent Officers based on the provisions of the Tokyo Stock Exchange, and this has been notified to the Exchange.

To be noted, the Company has introduced the Executive Officer system in 1999 ("Executive Officer" was renamed to "Corporate Officer" along with the transition to a pure holdings company system on October 1, 2012), in order to speed up decision-making, strengthen systems for business execution, and clarify executive responsibilities.

With such systems in mind, the Company recognizes that it is committed to enhancing its effective monitoring of management.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures for Vitalization of General Meeting of Shareholders and Smooth Exercise of Voting Rights

	Supplementary Explanations
Early Notification of General Shareholder Meeting	In principle, a convocation notice is sent 3 weeks prior to a General Meeting of Shareholders. A convocation notice is also posted on the Company's website before being sent.
Allowing Electronic Exercise of Voting Rights	Electronic exercise of voting rights is allowed.
Participation in Electronic Voting Platform	The Company participates in electric voting platform.
Providing Convocation Notice in English	An English translation of a convocation notice is posted on the Company's website.
Other	Regarding a business reporting at a General Meeting of Shareholders, the Company works to make it easy-to-understand through visualization using narration and monitors.

2. IR Activities

	Supplementary Explanations	Explanation by Representative(s)
Regular Investor Briefings for Individual Investors	Once a year, the online meeting is held for individual investors to help them understand the management strategy and activities of the Company.	No
Regular Investor Briefings for Analysts and Institutional Investors	Executives hold financial results briefings on the day of the announcement of financial results for the second quarter and the final financial results, and small meetings on the day of announcement of financial results for the first and the third quarters for analysts and institutional investors. The meetings continue to be held mainly online, which has become widespread with the spread of COVID-19.	Yes
Regular Investor Briefings for Overseas Investors	Top management has held one-on-one meetings with investors at overseas roadshows and participated in conferences hosted by brokerage firms. After COVID-19 was reclassified as Class 5 in May 2023, these meetings have been conducted through face to face and online.	Yes
Posting of IR Materials on Website	Following information are being posted on the Company's website: -Annual Securities Reports/Quarterly Reports (Japanese Only) -Summary of Consolidated Financial and Business Results -Information and explanatory materials on account settlement -Management briefing materials (on Medium-term Management Plan, etc.) -Timely disclosure materials other than financial results etc. The Company's website: < https://investor.ojiholdings.co.jp/en/ir.html >	
Establishment of Department and/or Manager in Charge of IR	Public Relations and Investor Relations Department is responsible for investor relations. In addition, relevant departments responsible for subject operations work together with the Public Relations and Investor Relations Department as necessary.	
Other	[Activities for domestic/overseas analysts and institutional investors] 1) Individual interviews on financial and business results, ESG engagements, etc. 2) R&D IR briefing sessions 3) Participation in conferences	

	4) Mill/plant tours (domestic/overseas) < https://ojiholdings.disclosure.site/en/themes/141/ >	
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3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Stipulation of Internal Rules for Respecting Positions of Stakeholders	<p>The Company respects the positions of and fosters the relationship of trust with its diverse stake holders by encouraging its officers and employees promote corporate activities with an awareness of their responsibility as corporate citizens and a high ethical principle worthy of the trust of society, pursuant to the provisions of the “Oji Group Corporate Code of Conduct”.</p>
Implementation of Environmental Activities, CSR Activities etc.	<p>(Sustainability Initiatives)</p> <p>Based on its management philosophy of “Harmony with Nature and Society,” the Group is promoting sustainability initiatives through utilization of the diverse functions (biodiversity conservation, water source recharge, etc.) of the vast forests owned and managed in Japan and overseas and pursuing measures to reduce environmental impact at each manufacturing site. In addition, the Group has been a member of the United Nations Global Compact since 2003, supporting the 10 principles related to human rights, labor, environment, and anti-corruption, and striving to put them into practice in its daily business activities.</p> <p>The sustainable business model that forms the foundation of the Group, “resource circulation throughout the value chain,” is supported by three ways of recycling: “forest recycling,” which implements sustainable forest management by planting, growing, harvesting, utilizing, and re-planting trees; “water recycling,” which reduces water consumption by recycling and reusing water in manufacturing processes; and “paper recycling,” which recovers and recycles paper products. The Group is working to help build a sustainable society by developing this model on a global scale.</p> <p>With regard to the Material Issues that have a significant impact on the Group’s sustainable business model, the Group has reviewed the following items in 2023, in order to clarify that they are issues that will ensure the continuity of our own business while fulfilling its environmental and social responsibilities. Based on the risks and opportunities identified in each Material Issues, the Group will create social and economic value through its business activities and contribute to a sustainable society.</p> <p>The Group’s Material Issues</p> <p><Environment></p> <ul style="list-style-type: none"> -Mitigation and adaption to climate change -Sustainable forest management and biodiversity conservation. -Effective resource utilization -Reduction of environmental burdens <p><Social></p> <ul style="list-style-type: none"> -Respect for human rights -Enhancing human capital -Ensuring worksite safety and health <p><Governance></p> <ul style="list-style-type: none"> -Responsible raw materials procurement -Supply of safe and secure products <p>In April 2022, the Company established Sustainability Promotion Division, as a division to clarify the Group’s policy on sustainability initiatives and to comprehensively manage each company. In addition, in order to strengthen the supervision and direction of sustainability by directors, the Sustainability Committee is established, which is chaired by the Group CEO and includes directors as members, to promote group-wide efforts toward sustainability.</p>

Please refer to the Group’s website and Integrated Report for details on the Group’s sustainability initiatives.

- Sustainability Report (Online)
< <https://ojiholdings.disclosure.site/en/> >
- The Oji Group Integrated Report
< <https://investor.ojiholdings.co.jp/en/ir/library/integrated.html> >

In addition, the Group has expressed its support for the TCFD (Task Force on Climate related Financial Disclosure) in December 2020. Disclosures in line with the proposal are also made on the Group’s website and the Integrated Report.

(Oji Group Environmental Charter, Environmental Vision, and Environmental Action Program)

The Group regards the environmental problems as one of priority issues in its management, and has formulated the “Oji Group Environmental Charter” along with the “Environmental Charter Action Guidelines” to reflect the philosophies of the Environmental Charter in its business activities.

The Group has established the “Environmental Vision 2050” as its long-term vision for the environment, and the “Environment Action Program 2030” with the target achievement year as FY2030.

The core of the “Environmental Vision 2050” is to maximize the CO2 absorption and fixation capacity of forests through forest conservation and planting, while thoroughly saving energy in the manufacturing and logistics sectors and expanding the use of renewable energy. By doing so, the Group will work toward the goal of net zero carbon (net zero greenhouse gas (GHG) emissions) in 2050.

As part of this process, the Group sets a target to reduce GHG emissions by 70% or more by FY2030 from the FY2018 level. At the same time, the Group will make concerted efforts to promote the effective use of resources, reduce various environmental impacts, and maintain and conserve biodiversity.

“Environmental Vision 2050”
< <https://ojiholdings.disclosure.site/en/themes/191/> >

“Environment Action Program 2030”
< <https://ojiholdings.disclosure.site/en/themes/150/> >

(Evaluation of Sustainability Initiatives)

As a result of the Group’s sustainability initiatives, the Company is included in the following stock indices and certified stocks for ESG investments, etc.

- CDP Forests A List
- Dow Jones Sustainability Asia Pacific Index
- S&P/JPX Carbon Efficient Index
- FTSE4Good Global Index
- FTSE Blossom Japan Index
- FTSE Blossom Japan Sector Relative Index
- MSCI Japan Empowering Women Select Index (WIN)
- Morningstar Japan ex-REIT Gender Diversity Tilt Index
- SOMPO Sustainability Index
- “Eruboshi” certification received pursuant to the Act on Promotion of Women’s Participation and Advancement in the Worksites
- JPX-Nikkei Index 400
- ESG Finans Award Japan, Environmentally sustainable company
- 2023 Certified Health and Productivity Management Organization Recognition Program

Other	<p><Oji Group Initiatives to Enhancing Human Capital></p> <p>As a global organization, the Group aims to go “Beyond the Boundaries”, while at the same time aiming to “Growth to Evolution” and putting into practice its management philosophy, Purpose, and management strategies (including long-term vision).</p> <p>In order to put these into practice and to continue to exist as a corporation that the world needs, we believe that the most important element is “people”. Based on the fundamental principle that “the source of a company’s strength is its people (human capital)”, we are working to secure and foster human resources in accordance with the Oji Group Human Resource Philosophy.</p> <p>The Oji Group Human Resource Philosophy requires, first of all, that each and every employee possess high ethical principles. On top of that, we expect them to understand and practice our management philosophy, Purpose, and management strategies, to have an awareness of and make efforts for transformation, to engage in self-training and contribution to the organization’s growth and progress, and take actions with global awareness. Our goal in enhancing human capital is to secure and foster human resources who embody the Oji Group Human Resource Philosophy, the basic premise of which is “ensuring compliance, safety and environment”, “respect for human rights, and inclusion and diversity”, and “utilization of human resources (fair treatment based on meritocracy and improvement of engagement)”. These three elements form the foundation of our human resource development and internal environment improvement policies.</p> <p>With these three foundations firmly in place, we will promote the development of abilities and careers of diverse human resources and improvement in work-life management through change in mindset (behavior) of every employee as well as management in which management-level employees encourage growth and evolution of their subordinates.</p> <p>These efforts will lead to the securing and fostering of human resources who embody the Oji Group Human Resource Philosophy by enabling the active participation and demonstration of the full potential of every employee, who is the source of value creation, as well as by achieving innovation based on diverse values and creative ideas. Accordingly, every one of our human resources will work to continuously enhance corporate value through practicing our management philosophy, Purpose, and management strategies (including long-term vision).</p> <p>1. Ensuring Compliance, Safety and Environment</p> <p>We recognize that observing compliance, placing safety as absolute top priority, complying with standards on the environment are the core of our business activities and are the highest priority and most important management issues.</p> <p>Through good communication, ease of work, and motivation in the workplace, all employees possess “sound common sense”, “sensitivity to improper things”, and “courage to act”, and strive to perform their daily duties with a sincere attitude, not only complying with laws and regulations, but also observing the rules of society in general.</p> <p>[Compliance]</p> <p>The Group established the “Oji Group Corporate Code of Conduct” in 2004, which incorporates the human rights, labor, environment, and anti-corruption principles of the “United Nations Global Compact”, and the “Oji Group Behavior Standard”, which serves as the guidelines of behavior for the Code of Conduct. In FY2020, we revised these to reflect the social environment, including the SDGs, as well as our management philosophy, and made the contents more in line with the demands of the times.</p> <p>The revision or abolition of the Corporate Code of Conduct or Behavior Standard is a matter for resolution by the Board of Directors, and with the involvement of the Board of Directors, they are translated into the language</p>
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of each country where the Group sites are located and disseminated to all officers and employees belonging to the Group as activity standards for all. All Group officers and employees will strive to correctly comprehend and practice the Corporate Code of Conduct and Behavior Standard, and if there is any violation or suspected violation, they will promptly report and consult with their superiors, the compliance contact at the company or workplace, or the corporate helpline (Group whistleblowing system).

In order to foster compliance awareness throughout the Group, compliance managers and compliance promotion leaders at domestic and overseas Group companies play a central role in promoting compliance activities such as holding semi-annual compliance meetings.

*Compliance meeting participation rate

Target: 100%,

Result: 97.4% (Domestic unit companies, 1st half of FY2023)

[Safety]

The Group ensures the safety and health of workers under the policy of “basic principle with safety as its absolute top priority” by aiming to become a company in which every employee practices and complies the basic principle, and ensure the safety and health of their colleagues. At the same time, we promote the creation of comfortable workplace environments and strive to create a better workplace safety climate so that all workers can work in a safe environment and with a sense of security.

The Group aims to achieve zero fatal and serious work related accidents and reduction of Lost Time Injury Frequency Rate (LTIFR), but unfortunately, in 2022, there were three fatal accidents (two in Japan and one overseas), and LTIFR for the Group was 1.11, an increase of 0.14 from the previous year due to an increase of 14 accidents.

We will work to thoroughly improve the safety of our facilities, ensure that safety rules are scrupulously observed and enforced, and prevent occupational accidents as we implement measures for achieving our critical target of “zero fatal and serious work related accidents.”

*Fatal and serious work related accidents

Target: 0, Result: 3 (2 in Japan and 1 overseas, 2022)

*Decrease in LTIFR

Target: 50% reduction in 2030 vs. 2018 (0.89)

Result: 1.11 (consolidated companies, 2022)

(c.f.) LTIFR for 2022

(The Ministry of Health, Labour and Welfare’s Survey on Industrial Accidents, businesses with at least 100 employees)

Manufacturing industry: 1.25

Pulp, paper, and processed paper products manufacturing industry 1.59

[Environment]

The Group recognizes the issue of climate change as a priority issue in management and is committed to proactively addressing this issue and contributing to building a sustainable society.

In order to clearly demonstrate this direction, we established in September 2020 the “Environmental Vision 2050” for the year 2050, with the Group’s goal “net zero carbon” at its core, and the “Environment Action Program 2030” as the milestone toward that goal.

Every month, the Group promote employee understanding of the Group’s environmental management and raise environmental awareness, by providing east-to-understand internal communication to all officers and employees about the Group’s action on climate change, efforts for abundant forests

creation and resource recycling, consideration for ecosystems, and efforts to foster relationships of trust with stakeholders.

2. Respect for Human Rights, Inclusion and Diversity

The Group will make further efforts to respect human rights and contribute to the realization of a society that respects the diverse values of each individual and enables people to fulfil their full potential.

[Respect for Human Rights]

The Group believes that the responsibility to respect human rights is an important element of the global code of conduct, and established the “Oji Group Human Rights Policy” in August 2020 in order to further strengthen and implement initiatives involving respect for human rights.

The “Oji Group Human Rights Policy” is based on the United Nations “Guiding Principles on Business and Human Rights”, and supports and respects international norms such as the “International Bill of Human Rights”. The Policy applies to all officers and employees of the Group and is reflected in all business activities, and we also expect all Group stakeholders to kindly understand and comply with this Policy. We have also established a “Human Rights Due Diligence” system to identify, prevent, alleviate, and remedy the negative effects on human rights related to business activities, and will fulfill our responsibility to respect human rights.

In FY2022, we conducted human rights assessments to check human rights and labor practices at consolidated companies and some suppliers. In addition, an interview was conducted at Oji Packaging, a group company, by an outside expert (Japan Committee of the Caux Round Table for Business Leaders) to confirm the labor conditions of foreign technical intern trainees, who are often considered to be in a vulnerable position.

In addition, to promote understanding of the human rights policy and raise awareness of human rights, human rights education was provided in various training programs, and managers of major Group companies in Japan took a web-based training course on the theme of "Human Rights from an International Perspective" (2,566 participants).

*Human rights training participation rate within the target training program
Target: 100%, Result: 95.6% (2,566 participants)

[Inclusion and Diversity]

The Group expects all employees to hold the core values such as of its management philosophy, Purpose, and human resources philosophy as shared principles. Furthermore, the Group promotes “inclusion and diversity” to “revitalize individuals and the organization”, thereby strengthening the competitiveness of the corporation by maximizing the diverse values, ideas, and abilities of each employee, regardless of race, nationality, ethnicity, birthplace, beliefs, values, religion, age, gender, sexual orientation, gender identity, disability, social status, position in the company, etc., and by enabling them to grow together.

The “Sustainability Committee”, which is chaired by the Group CEO and includes Directors as members, shares diversity promotion policies and targets across the Group on a semi-annual basis. Furthermore, the Group CEO is appointed as the Chief Health Officer to promote health and productivity management.

<Female managers and female new graduates in career-track positions>

With regard to the promotion of female participation, we are aiming at the goal of female managers ratio of 5.5% (as of the end of March 2025) at 16 domestic consolidated subsidiaries with 301 or more employees. The ratio has increased from 1.8% at the start of the initiative in 2014 to 4.0% by the end of September 2023.

In addition, Oji Management Office Inc. hires en masse new graduates in career-track positions for major Group companies to secure excellent human resources and improve operational efficiency. We are striving to secure future female candidates for management positions with a goal of having women account for 30% of new graduates hired for career-track positions. The ratio has ranged from 30% to 40% since we started to hire en masse in FY2018 through FY2023

At the same time, with the aim of developing employees equally regardless of gender, we support our employees in balancing childcare and work by providing training and development through such programs as “career development training for career-track positions” for male and female employees before becoming managers, the opening of the “Nepia SODATERASU” nursery school (opened in April 2018 in Edogawa Ward, Tokyo), and a subsidy system for the use of childcare centers, for those who return to work early from childcare leave.

In addition to the above-mentioned support for employees to balance childcare and work, the “Nepia SODATERASU” nursery school is also intended to contribute to measures to prevent children from being placed on waiting lists as a matter of corporate social responsibility, and is used not only by the Group employees, but also by local residents. (As of the end of October 2023, 4 children of employees and 13 children of local residents)

***Ratio of female managers**

(16 domestic consolidated subsidiaries with 301 or more employees)

Target: 5.5% or more (as of the end of March 2025)

Result: 4.0% (as of the end of September 2023)

Ratio of female managers in the Group as a whole
(as of the end of September 2023)

Result: Domestic consolidated subsidiaries 4.2%
(10.5% at the Company (non-consolidated))

Overseas consolidated subsidiaries 32.1%

Total of consolidated subsidiaries 13.4%

***Ratio of female new graduates in career-track positions**

(Hired by Oji Management Office Inc., excluding sports recruits)

Target: 30% or more, Results: 37.7% (hired on April 1, 2023)

<Ratio of male employees taking childcare leave>

The Group actively promotes the participation of men in housework and childcare, with a target of 100% male employees taking childcare leave at 16 domestic consolidated subsidiaries with 301 or more employees. In FY2022, 98.8% of our male employees, including those at manufacturing sites with three shifts, took childcare leave.

***Ratio of male employees taking childcare leave**

(16 domestic consolidated subsidiaries with 301 or more employees)

Target: 100%, Result: 98.8% (FY2022)

<Employment rate of persons with disabilities>

The Group has actively worked on the recruitment of persons with disabilities, such as establishing a special subsidiary under the Act on Employment Promotion of Persons with Disabilities, “Oji Clean Mate (cleaning business of the head office building)” mainly for people with intellectual disabilities in July 2007. The employment rate of persons with disabilities at six companies to which the “group application system (special exception for affiliated companies)” applies meets the statutory employment rate of 2.3%. The Group will continue to expand the recruitment of persons with disabilities.

*Employment rate of persons with disabilities

Target: To achieve the statutory employment rate (2.30% as of June 1, 2023)

Result: 2.51% (Six companies covered by a group, as of June 1, 2023)

2.20% (Domestic 81 companies, as of June 1, 2023)

<Foreign employees>

The Group considers the development of global human resources to be an important theme in achieving diversity. Oji Management Office Inc. hires en masse new graduates in career-track positions for major domestic Group companies to secure excellent human resources, and hired 3 foreign employees in FY2023 as candidates for future managerial positions at domestic Group companies. Going forward, we will continue to hire a certain number of foreign employees and promote them to management positions. As of March 2023, we had 23 foreign employees in career-track positions, and 8 of them are in management positions, managing local operations at overseas Group companies. In addition, we strive to create an environment in which each employee can easily demonstrate his or her abilities, such as by providing opportunities for communication among foreign employees and for discussion with staffs in HR division.

Out of the approximately 38,000 employees in the Group, 57% are working overseas (as of the end of March 2023), and most of the managers and supervisors of overseas Group companies are locally hired. In 2019, a foreign employee was promoted to serve as the Group's Corporate Officer.

<Mid-career recruitment>

The Group continuously implements mid-career recruitment with the aim of securing human resources for the rapid implementation of management strategies, and 18 employees were hired in FY2022 (hired by Oji Management Office Inc.), 6 of whom are in management positions. The Group will continue to employ a certain number of mid-career personnel and promote them to management positions.

We are also promoting the use of Alumni personnel (retirees other than retirees by age, who have rejoined the Group), who have gained valuable experience outside the Group.

<Total working hours>

As part of working style reforms, we are striving to reduce total working hours since FY2014, by improving operational efficiency, utilizing the flex-time system, having personnel work from home, and encouraging employees to take annual paid leave, with the aim of improving productivity and implementing working style that is not bound by working hours.

Currently, we are promoting initiatives with a target of 1,850 total working hours per year (26 companies in the Oji Group head office area).

In FY2022, the actual number of hours was 1,830 hours, a reduction of 220 hours, or 11%, compared to the 2,050 working hours in FY2013, before the initiative began.

*Total working hours (26 companies in the Group head office area)

Target: 1,850 hours or less, Result: 1,830.2 hours (FY2022)

<Health and productivity management>

In October 2020, the Group established the "Oji Group Health Declaration" and is working to ensure the health of its employees under the supervision of the Chief Health Officer (Group CEO). The Group promotes health promotion activities in cooperation with each health insurance union and labor union of the Group, and industrial physicians at each business site. The Group works to create a workplace where each employee is healthy, active and thriving.

In March 2023, the Company was recognized for the third time since FY2021 by the 2023 Certified Health and Productivity Management Organization Recognition Program (large enterprise category).

Examples of efforts to improve employee health

- Implementation of medical examinations and stress checks
- Establishment of health consultation desks
- Influenza vaccination (vaccination at workplaces, cost subsidies)
- Hourly use of saved leave for hospital visits

3. Utilization of Human Resources (Fair Treatment Based on Meritocracy and Improvement of Engagement)

In order to utilize human resources as a source of value creation, practice our management philosophy and Purpose, and ensure the execution of tasks in line with our management strategies (including long-term vision), we aim to provide fair treatment based on meritocracy and improve engagement.

[Personnel and wage systems (role-based personnel grading system, extended retirement age, discretionary labor system for researchers)]

As a merit-based personnel system based on “role expectations” and “results” instead of “substantially based on the number of years served”, we appropriately operate a “role-based personnel grading system” and treat each employee according to the size of the role he or she has demonstrated through his or her abilities.

In addition, with the aim of encouraging older employees to play an active role in the company, we introduced the “retirement at age 65” system at major domestic Group companies in FY2017 so that they can make the most of the knowledge, skills, and techniques they have cultivated during their careers and work with enthusiasm. In addition, we introduced a reemployment system for employees who meet certain conditions up to the age of 67 in FY2023.

The Group offers an environment in which researchers with particularly high levels of expertise can concentrate on their research by giving them the discretion in their work style through the “certified researcher system” and the “creative human resource development system”, thereby promoting innovation through creative results based on diverse values and ideas. From FY2022, we have more or less doubled the number of employees eligible for the “creative human resource development system” compared to previous years.

[Training]

In order to promote human resources development in line with the Group’s common philosophy, the Group is enhancing internal training programs tailored to each career stage. In particular, the Group is actively working on the development of global human resources to achieve its management strategy.

The human resource exchange and development base, named “Oji Group Fuji Training Center”, newly established in Fujinomiya City, Shizuoka Prefecture has been in operation since February 2023, providing not only training across the Group but also training organized by each operating company. At the training center, mandatory training is held for participants on compliance, safety, environment, as well as our long-term vision and Purpose in order to thoroughly instill them in employees.

In addition, the global human resource development training program, which was suspended due to the COVID-19 pandemic, will be resumed in FY2023 after reviewing its content. Moreover, in promoting the development of human resources capable of digital transformation (DX), we plan to first focus on raising the level of digital literacy.

<Open recruitment system within the Group>

We started a new open recruitment system in FY2022 for regular employees and expatriate employees of Group companies in Japan, for the purpose of strengthening our business, revitalizing the organization, and improving employee engagement through the promotion of self-reliant career development based on employees' intent, and appropriate allocation and effective utilization of highly motivated human resources.

The divisions eligible for open recruitment include the divisions of the "Corporate Business Development Division", which was newly established in October 2022 at Oji Management Office Inc. with the aim of developing businesses that contribute to building a sustainable society and developing them into future pillars of earnings, as well as employees stationed overseas in India with the aim of developing and securing global human resources. From a large number of applications, approximately 19 employees who passed the screening processes will be transferred.

Please refer to the following for more information on the Group's human rights policy, human resources initiatives.

* Securities Reports (Japanese only):

< <https://investor.ojiholdings.co.jp/ja/ir/library/securities.html> >

*The Oji Group Integrated Report

< <https://investor.ojiholdings.co.jp/en/ir/library/integrated.html> >

*Sustainability Report (Online)

< <https://ojiholdings.disclosure.site/en/themes/143/> >

IV. Matters Related to the Internal Control System

1. Basic Views on Internal Control System and the Progress of System Development

The Company sets the “Matters Concerning Development of Systems to Ensure Listed Company’s Appropriate Business Operations (i.e. Fundamental Policies on the Construction of an Internal Control System)” as the following, pursuant to the provisions of the Article 362, paragraph (4), item (vi) of the Japanese Companies Act and the Article 100, paragraph (1) and paragraph (3) of the Ordinance of the Japanese Companies Act.

1. A system for ensuring that the execution of duties by Directors and employees of Oji Holdings (the “Company”) and its subsidiaries shall comply with laws, regulations, and the Articles of Incorporation

- (1) The Company, having established the Oji Group Corporate Code of Conduct and the Oji Group Behavior Standard, reconfirms that Directors and employees of the Company and its subsidiaries shall promote corporate activities with an awareness of responsibility as a corporate citizen and by a strong sense of ethics that respond to the trust of society, and promises to continue such activities.
- (2) The Company shall strive to identify and remedy any problems by establishing a division for ensuring thorough compliance with laws and regulations through development of a Group-wide compliance system including training on legal compliance and an internal whistleblowing system.
- (3) The Company has established an internal system for preventing any form of relationship with anti-social forces by introducing an internal contact office. The Company shall maintain a firm stance against anti-social forces.
- (4) The Internal Audit Department shall conduct audits on compliance and report the results of the audits at the meeting stipulated in the Group Regulations.

2. A system related to the storage and management of information regarding the execution of duties by Directors

- (1) The Company shall store and manage documents (including documents issued by electromagnetic means) in accordance with laws and regulations and the Company’s regulations on the handling of documents. Documents shall be accessible by Directors and Audit & Supervisory Board Members at all times upon request.

3. A system including regulations on the management of risks on loss to the Company and its subsidiaries

- (1) Important matters related to the Group-wide risk management and internal control systems shall be deliberated and reported, and proposed amendments to the Fundamental Policies on the Construction of an Internal Control System shall be deliberated, at a meeting stipulated in the Group Regulations.
- (2) The Company shall clarify its risk management structure by establishing fundamental regulations on the management of the Group’s risks, and at the same time, manage Group-wide risks exhaustively and comprehensively and establish a system for handling each specific risk.
- (3) The Internal Audit Department shall conduct audits on the status of risk management and report the results to the meeting stipulated in the Group Regulations.

4. A system for ensuring efficient execution of duties by Directors of the Company and its subsidiaries

- (1) The Company shall establish a Group-wide management philosophy, fundamental management policies, medium-term management plans, and annual budget of the overall Group to clarify the goals and tasks to be shared by Directors and employees of the Company and its subsidiaries.
- (2) Each Director of the Company and its subsidiaries shall implement specific measures related to operations they are in charge of by following the above philosophy, fundamental policies, and plans, check the status of their progress accurately and promptly by making use of information technology systems and similar tools, and report the status to the Board of Directors of the Company and its subsidiaries. The Group shall establish a system for better achieving targets and completing tasks by encouraging improvements to eliminate or reduce factors that impair efficiency
- (3) The Company shall clarify the authorities and responsibilities of employees of the Company and its key subsidiaries in an attempt to ensure their duties are carried out organizationally and efficiently.

5. A system for ensuring appropriate business operations of the corporate group consisting of the Company and its subsidiaries, and a system related to reporting to the Company on matters concerning the execution of duties by Directors of the Company's subsidiaries
 - (1) The roles of the Company and its subsidiaries and the Group's governance structure shall be clearly stipulated in the Group Regulations.
 - (2) Unified procedures for internal approval and reporting in the Group shall be stipulated in the Group Regulations, thereby ensuring internal checks within the Group.
6. Matters related to employees who assist Audit & Supervisory Board Members in the execution of their duties, matters related to the independence of such employees from Directors, and matters related to securing the effectiveness of directions to such employees, which apply where the assignment of such employees is requested by Audit & Supervisory Board Members
 - (1) The Company shall establish a division that assists Audit & Supervisory Board Members in the execution of their duties and assign several dedicated employees who are capable of validating the Company's business operations
 - (2) The division that assists Audit & Supervisory Board Members in the execution of their duties shall be under the direct control of the Audit & Supervisory Board, and personnel reassignment and personnel evaluations of employees who belong to the division and disciplinary actions against them shall be subject to approval by Audit & Supervisory Board Members.
 - (3) Employees who belong to the division that assists Audit & Supervisory Board Members in the execution of their duties shall follow directions and orders from Audit & Supervisory Board Members.
7. A system for reporting to Audit & Supervisory Board Members by Directors and employees of the Company and its subsidiaries, Audit & Supervisory Board Members of the subsidiaries, and those who have received reports from these persons, and a system for ensuring that they shall not receive disadvantageous treatment as a result of the reporting
 - (1) It is stipulated in the Group Regulations that matters related to the execution of important duties and matters that may cause a substantial loss should be deliberated or reported at a meeting specified by the Group Regulations. The Company shall secure a system under which important matters are reported to Audit & Supervisory Board Members through their attendance at the meeting or the inspection of documents.
 - (2) Directors and employees of the Company and its subsidiaries and Audit & Supervisory Board Members of the subsidiaries shall report matters to the Audit & Supervisory Board, including those that are deemed necessary by Audit & Supervisory Board Members and those that Audit & Supervisory Board Members specially request them to report, in addition to matters designated by law, on an as-needed basis.
 - (3) The Company shall report the status of compliance, such as internal audits, risk management, and whistleblowing, to Audit & Supervisory Board Members on a regular basis.
 - (4) The Company shall secure a system that ensures that under the whistleblowing system, whistleblowers shall not receive any disadvantageous treatment as a result of their whistleblowing.
8. Matters related to policies on expenses generated concerning the execution of duties by Audit & Supervisory Board Members
 - (1) Where an Audit & Supervisory Board Member has requested a payment of expenses needed for the execution of their duties, such expenses shall be processed promptly.
 - (2) The Company shall set an annual budget for the expenses needed by Audit & Supervisory Board Members for fulfilling the audit plan.
9. Other systems for ensuring that audits by Audit & Supervisory Board Members shall be conducted effectively
 - (1) The Company shall provide opportunities for regular exchanges of opinions between Audit & Supervisory Board Members and the Representative Director and Accounting Auditors.

Based on the said Fundamental Policies, the Company constructs an internal control over financial reporting, conducts assessment on effectiveness of the internal control, and creates an internal control report subject to a resolution of the Board of Directors.

2. Basic Views on Eliminating Anti-Social Forces

As for measures to eliminate anti-social forces, the Company describes the improvement of the system in the “Fundamental Policies on the Construction of an Internal Control System” as mentioned above. It clearly states in the “Oji Group Corporate Code of Conduct “that it would discontinue the relationship with anti-social forces, and works to ensure that all officers and employees are fully informed.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not adopted
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Supplementary Explanation

At a meeting of the Board of Directors held on May 12, 2023, the Company decided to discontinue the “Policy to Address Large-Scale Purchase of Shares of the Company (Takeover Defense Measures)” (hereinafter the “Policy”), which is effective until the close of the 99th Ordinary General Meeting of Shareholders, and to abolish it upon the close of the Ordinary General Meeting. Even after the abolishment of the Policy, we will adhere the following Fundamental Policy, keep in mind the Group’s Purpose, and proceed with the protection and utilization of forest resources, with the mindset that these are the source of the Group’s value. We will work towards contributing to a sustainable society while striving to improve corporate value in accordance to our Long-term Vision and Medium-term Management Plan.

[Fundamental Policies on Control of Company]

Given that the Company’s shares have been listed on stock exchange and subject to free transactions by its shareholders and investors, the Company does not categorically reject even a large-scale purchase as long as it is based on a proposal that contributes to the corporate value and common interests of shareholders of the Company. With respect to such a proposal, the Company believes that the decision as to whether to respond to it should be left ultimately to a judgment of its shareholders.

The Group believes that it has an obligation to contribute to a sustainable society, and will develop wide-ranging business such as the pulp and paper manufacturing business, the plantation business and electric power generation business, as well as strive to achieve medium- to long-term enhancement of its corporate value by exploring “beyond the boundaries into the future,” based on the three themes of the Group’s management philosophies, namely, “Creation of Innovative Value,” “Contribution to the future and the world,” and “Harmony with Nature and Society.” As part of those efforts, the Group is committed to promoting environmental management as the largest owner of forests in Japan among private-sector companies and the one of the few private-sector forest management business operators and believes that, by practicing sustainable forest management, in particular, maintaining watershed protection functions of forests such as flood mitigation, as well as securing water sources, it plays an important role in preserving the land. The Group thus believes that it has an obligation to maintain and improve the public value of forests over the medium to long term by developing its business activities in harmony with the environment.

These social obligations cannot be achieved in a day, but they can be achieved by building a stable management foundation. The importance of our social obligations will remain unchanged. Even in recent times, the risk of large-scale purchases that may damage the Group’s corporate value still exists and it is necessary that the Board of Directors should be fully prepared for this risk. It is our responsibility to provide appropriate information required by all shareholders in the event where such large-scale purchases are made. In the event where there is a takeover proposal or large-scale purchase that may damage corporate value of the Group and the common interests of shareholders, we will request the parties carrying out such actions to give sufficient time and information necessary for shareholders to consider such a proposal. At the same time, to avoid damage to corporate value of the Group and the common interests of shareholders, we will also take various measures (including takeover defense measures) that are considered appropriate within the scope permitted by the Companies Act, the Financial Instruments and Exchange Act and other related laws and regulations, while respecting the opinions of independent outside directors.

2. Other Matters Concerning Corporate Governance System

<Overview of System for Timely Disclosure>

The Company’s systems for timely disclosure of company information are as follows.

(1) Disclosure of Decided Facts

Any matter that is decided at the Board of Directors or meetings stipulated in the Management Meetings Regulations is disclosed in accordance with the Securities Exchange’s rules.

(2) Disclosure of Occurrence of Facts

In a case where an important fact occurs, a Director and a department in charge that have recognized the occurrence of the fact will conduct a report to the Board of Directors or meetings stipulated in the Management Meetings Regulations, and will disclose in accordance with the Securities Exchange’s rules.

In addition, in a case of an occurrence of any fact that requires an urgent disclosure, the Representative Director will promptly make a decision on the disclosure.

(3) Disclosure of Account Settlement Information

With regards to account settlement information, financial figures are prepared by the Corporate Governance Division, approved by the Board of Directors, and then disclosed.

(4) Management of Inside Information

Inside information among officers and employees are thoroughly managed in accordance with the “Group Inside Information and Inside Trading Prevention Regulations”.

(Corporate Governance Structural Diagram of the Oji Group)

