

INCJ sells holding in Oji Fibre Solutions

Tokyo, March 2, 2022 — INCJ, Ltd. ("INCJ") announced that it has sold its entire holding in Oji Fibre Solutions ("OjiFS"), operating three businesses in pulp, containerboard, and packaging, all of which are made from softwood based in New Zealand and Australia, to Oji Holdings Corporation ("OjiHD").

About Oji Fibre Solutions

Established: 2014 (The company to be transferred was founded in 1874.)
Headquarters: New Zealand
Representative: D. Jon Ryder, CEO
Business outline: Manufacture and sales of softwood pulp, containerboard, and cardboard
URL: <https://www.ojifs.com/>

About Oji Holdings Corporation

Established: 1949 (Founded: 1873)
Headquarters: Chuo-ku, Tokyo
Representative: Masatoshi Kaku, Representative Director of the Board, President and CEO
Business outline: Industrial materials, Household and consumer products, Functional materials, Forest resources and environment marketing, Printing and communications media
URL: <https://www.ojiholdings.co.jp/english/>

About INCJ, Ltd.

INCJ, Ltd. was established in September 2018 via company split from Innovation Network Corporation of Japan (INCJ). INCJ was established in July 2009 with the aim of overcoming boundaries between companies and industries, creating and nurturing key industries via open innovation for the prosperity of future generations. Following revisions to its governing law—the Industrial Competitiveness Enhancement Act—the continuing company changed its name to Japan Investment Corporation (JIC) and began new activities. INCJ, Ltd. is mandated until March 2025 to pursue the activities of the original Innovation Network Corporation of Japan, engaging in "Value Up" initiatives at portfolio companies, making additional and milestone investments, and developing exit strategies from investments in portfolio companies.

URL: <http://www.incj.co.jp/english/>

Appendix

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Overview of investment

Announcement date: April 25, 2014
Authorized investment: NZ\$363 million (maximum)
Amount invested: NZ\$363 million (approx. JPY31.64 billion)

- Press releases:

INCJ and Oji Holdings Corporation to Acquire Pulp, Paperboard
and Packaging Businesses in New Zealand and Australia

<https://www.incj.co.jp/english/newsroom/upload/docs/e99ac45f47dadf6efa9c2af549f8b8e602e79e22.pdf>

1. Background of investment

In 2014, Innovation Network Corporation of Japan (currently known as “INCJ”), together with Oji HD, agreed to acquire Carter Holt Harvey Pulp & Paper Group, operating three businesses in pulp, containerboard, and packaging, all of which are made from softwood based in New Zealand and Australia. Under this agreement, INCJ announced its decision to make an investment of up to NZ\$363 million. In 2015, the group changed its name to Oji Fibre Solutions. Softwood is the main raw material used in a wide range of products, such as high-intensity cardboard and tissues, for which high growth is anticipated especially in emerging countries. However, aside from New Zealand, it is known to be available only in limited areas such as Russia, Scandinavia, and North America, and it has been difficult for Japanese companies to procure the raw material. INCJ determined that supporting OjiHD in its global expansion strategy and business structure transformation would help Japanese companies become more competitive in the global market, anticipating that this investment would stimulate innovation of new businesses and further global expansion by Japanese companies.

2. Business progress

After INCJ's investment, OjiFS achieved steady sales growth by utilizing Japanese companies' technologies to strengthen its packaging business, meeting growth in demand for corrugated packaging for transportation in China and other areas of the Asian market due to the growth of

e-commerce accompanying higher living standards and the increase in demand for high-quality agricultural products, and the expansion of high-quality pulp.

In FY 2020, although New Zealand was impacted by the spread of the COVID19 pandemic, early countermeasures against COVID19 were effective, and OjiFS' business generally progressed as planned.

3. Reason for exit

Seven years have passed since INCJ's initial investment, and as a result of discussions with OjiHD regarding the future of OjiFS, the decision was made to make OjiFS a wholly owned subsidiary of OjiHD and further enhance its corporate value by promoting synergies under OjiHD, the world's fourth largest integrated paper company. INCJ has therefore determined that it ended its role as a co-investor in OjiFS, and has transferred all of its shares in OjiFS to OjiHD.

Press Contacts

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