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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 2022, the appropriateness of strategic shareholdings as of the end of March 2022 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 works to improve its corporate value over the medium- to long-term by actively going “Beyond the Boundaries”, based on its management philosophy of “Creation of Innovative Value”, “Contribution to the Future and the World”, and “Harmony with Nature and Society”.

Under the management philosophy, the Group will contribute to the realization of a truly enriched society by continuing to promote three ways of resource recycling, namely “forest recycling”, “paper recycling”, and “water recycling”, throughout its value chain, and providing value to society through its business.

In addition, the Group recognizes that “safety, environment, and compliance,” 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 its management and employees all over the world fully understand the ideas of eradicating

occupational accident risks, preventing environmental accidents, and complying with laws and regulations to fulfill its corporate social responsibility.

In May 2022, in order to achieve further growth, based on its management philosophy, the Group has defined the Purpose, or the ideal to which it aspires: "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". The forest grown and managed sustainably not only absorbs and fixes carbon dioxide, but also mitigates floods, cultivates water sources such as water purification and prevents natural disaster in addition to its contribution to biodiversity, healing and health enhancement of people. The products derived from wood utilizing forest resources are made of renewable materials and able to substitute for plastic, films and fuel derived from fossil resources. The Group will confront global warming and environmental issues, and bring this world a brighter future filled with hope by growing and managing the sustainable forest and by developing and delivering the products utilizing renewable forest resources.

Aiming to realize the Purpose, the Group has set long-term vision for FY2030: "Growth to Evolution" as the Group's basic policy, and "Initiatives for Environmental Issues -Sustainability-" "Initiatives for Profitability Improvement -Profitability-" and "Initiatives for Product Development -Green Innovation-" as specific efforts to achieve the basic policy. As for "Initiatives for Environmental Issues -Sustainability-", the Group will enhance the value of its business by continually execute countermeasures against environmental issues, such as fuel conversion aiming to zero coal consumption, promotion of greenhouse gas reduction through increasing renewable energy use, and expansion of net CO2 absorption by forests through acquisition, expansion, and effective utilization of forest plantations. As for "Initiatives for Profitability Improvement -Profitability-", the Group will enhance the value by deepening the existing businesses through the further establishment of the optimal production system, and at the same time, expanding the businesses into highly-expected and new markets, which includes enhancement of overseas packaging business and sales expansion of eco-friendly products. As for "Initiatives for Product Development -Green Innovation-", the Group will enhance the value by encouraging and developing eco-friendly materials and products, commercializing plastic alternatives, and introducing new wood-derived products to the market. Through these initiatives, the Group will achieve net sales of no less than 2.5 trillion yen and the "Environmental Action Program 2030" formulated in September 2020, which includes reducing GHG emissions by 70% or more compared to FY2018, by FY2030, and contribute to society as a company that "grows and manages the sustainable forest, develops and delivers the products from renewable forest and will bring this world a brighter future filled with hope".

Based on this long-term vision for FY2030, the Group has compiled the strategies and targets for the next three years to realize the Purpose into a medium-term management plan. Under this new medium-term management plan which covers FY2022 to FY2024, 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> >

Management Plan:

<<https://investor.ojiholdings.co.jp/en/ir/library/plan.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 cutting-edge technologies based on a range of core technologies accumulated from paper manufacturing and forestation, which are the roots of its founding.

We are promoting development of eco-friendly products, such as plastic-free solutions utilizing paper materials and laminated paper which can be recycled. We are also developing new materials derived from wood fiber, such as wood-derived biomass plastics utilizing enzyme reaction and fermentation technologies, with the aim of moving away from fossil-derived materials. Furthermore, we are promoting development of new materials such as cellulose nanofibers, cellulose mats, and cellulose composites, as well as pharmaceutical materials such as 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> >

We secure inventions, etc. obtained from the Group's business activities and research and development as

intellectual property rights, such as patent rights, and protect the rights while promoting their effective use to enhance corporate value. 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's research and development expenses: 9.2 billion yen (FY2021)

Patents, utility model rights, design rights: 2,332 in Japan, 648 overseas (as of the end of FY2021)

Trademarks: 895 in Japan, 1,011 overseas (as of the end of FY2021)

[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 FY2021, 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 2022. 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. In particular, the view was shared that the provision of management information and explanations regarding agendas to Outside Officers have been improved, and that the suggestions and proposals made by Outside Officers have been appropriately reflected in deliberations and resolutions. On the other hand, the Company identified issues that still need to be addressed, such as formulating management strategies and providing direction etc., and decided to continue implementing the improvement measures it has been working on and make steady improvements.

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”.

2. Capital Structure

| | |
|----------------------------|---------------------------|
| Foreign Shareholding Ratio | From 20% to less than 30% |
|----------------------------|---------------------------|

[Status of Major Shareholders]

| Name / Company Name | Shares Held (Shares) | Percentage (%) |
|---|----------------------|----------------|
| The Master Trust Bank of Japan, Limited (Trust Account) | 152,254,300 | 15.34 |
| Custody Bank of Japan, Limited (Trust Account) | 65,856,251 | 6.64 |
| Custody Bank of Japan, Limited (Trust Account 4) | 35,013,300 | 3.53 |
| Sumitomo Mitsui Banking Corporation | 31,668,430 | 3.19 |

| | | |
|---|------------|------|
| Nippon Life Insurance Company | 25,658,305 | 2.59 |
| Mizuho Bank, Limited | 21,636,990 | 2.18 |
| Oji Group Employee Stock-holding Association | 20,060,395 | 2.02 |
| STATE STREET BANK WEST CLIENT – TREATY 505001 | 18,683,225 | 1.88 |
| The Norinchukin Bank | 16,654,660 | 1.68 |
| STATE STREET BANK WEST CLIENT – TREATY 505234 | 15,456,326 | 1.56 |

| | |
|--|------|
| Controlling Shareholder (excluding Parent Company) | - |
| Parent Company | None |

Supplementary Explanation

The Company, owning 22,121,000 of its treasury stocks as of September 30, 2022, 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

-

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

-

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 |
|-------------------|--|

[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 | | | | | | | | | | | | |
| Hiromichi 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 (CAO) of Mitsubishi UFJ Trust and Banking Corporation (the "Trust Bank"). Although the Trust Bank holds shares of the Company, the number of shares is less than 0.1% of the total number of shares issued by the Company, and the Company has no outstanding loans from the Trust Bank. Ms. Ai is also a Managing Executive Officer Group Deputy CAO of Mitsubishi UFJ Financial Group, Inc. (the "Financial Group"). Although the Company holds shares of the Financial Group, the number of shares is less than 0.1% of the total number of shares issued by the Financial Group.</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> |
| Hiromichi 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 |
|---|-------------|

Committee's Name, Composition, and Attributes of Chairperson

| | Committee Corresponding to Nomination Committee | 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
2. Appointment policies for Corporate Officers
3. Nomination of Directors and Audit & Supervisory Board Members, appointment of Corporate Officers
4. Dismissal of Directors, Audit & Supervisory Board Members, and Corporate Officers in cases where they do not satisfy the nomination and appointment policies
5. Succession planning for the Director of the Board, President
6. 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 FY2021 (the period from April 1, 2021 to March 31, 2022), the Nomination Committee was held once with the attendance rates of its members were as follows: Susumu Yajima 100%, Masatoshi Kaku 100%, Michihiro Nara 100%, Toshihisa Takata 100%, Sachiko Ai 100%, and Seiko Nagai 100%. During the same period, the Compensation Committee was held twice with the attendance rates of its members were as follows: Susumu Yajima 100%, Masatoshi Kaku 100%, Michihiro Nara 100%, Toshihisa Takata 100%, Sachiko Ai 100%, and Seiko Nagai 100%.

* Director Seiko Nagai was newly appointed in June 2021. The attendance rate at the Compensation Committee held during her term of office was 100%.

(Committee members are as of FY2021 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]

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|---|----------------|
| 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 Holdings Management Meeting and the Group Management Meeting twice a month, in principle. Through these opportunities, opinions are exchanged in order to form a collaborative relationship.

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|---|-----------|
| 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 | Supplementary Explanation of the Relationship | Reasons of Appointment |
|------|--|---|------------------------|
| | | | |

| | Board Member | | |
|------------------|--------------|---|--|
| Hidero Chimori | ○ | - | <p>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 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]

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|---|-----------|
| Number of Independent Directors/ Audit & Supervisory Board Members | 7 persons |
|---|-----------|

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| Matters relating to Independent Directors/Audit & Supervisory Board Members |
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| 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. |
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[Incentives]

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| Incentive Policies for Directors | Performance-linked remuneration, stock options |
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| Supplementary Explanation |
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| 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. |
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| 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 its referential material of a General Meeting of Shareholders for the method of calculating the points. |
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| Accordingly, new granting of stock options has been discontinued. |
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| Securities Reports (Japanese only): |
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| < https://investor.ojiholdings.co.jp/ja/ir/library/securities.html > |
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| Referential Material of a General Meeting of Shareholders |
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| < https://investor.ojiholdings.co.jp/en/ir/stock/meeting.html > |
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| Recipients of Stock Options | Inside Directors |
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| Supplementary Explanation |
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| New grant of stock options has been discontinued, as stated in the above. |
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[Director Remuneration]

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| Disclosure of Individual Director's Remuneration | Individual Disclosure for only some of them |
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| Supplementary Explanation |
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| Remuneration paid to Directors and Audit & Supervisory Board Members is disclosed in the Company's Business Report 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 FY2021, the total amount of remuneration for 13 Directors was 569 million yen. |
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| Policy on Determining Remuneration Amounts and Calculation Methods | Established |
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(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, consolidated operating profit shall be used as an evaluation indicator for 70% of the base amount of bonus for each Director (excluding Outside Directors). For the remaining 30%, appraisal based on the business performance of each segment of which the Director is in charge is reflected. Each of the 70% and 30% portions fluctuates in the range of 0 to 150%.

(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 to 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 Holdings Management Meetings and 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. | 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. |
|--------|--|

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 Holdings Management Meetings and (or) 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's 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 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. | 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. Since the spread of COVID-19 coronavirus, all of these meetings have been conducted 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 | <p>[Activities for domestic/overseas analysts and institutional investors]</p> <p>1) Individual interviews on financial and business results, ESG engagements, etc.</p> <p>2) R&D IR briefing sessions</p> <p>3) Participation in conferences</p> <p>4) Mill/plant tours (domestic/overseas)</p> <p>< https://ojiholdings.disclosure.site/en/themes/141/ ></p> | |
|-------|---|--|

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 by making use of its vast company-owned forests in Japan and overseas in various ways 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>The following items have been specified as materiality which has a significant impact on the Group’s sustainable business model. Based on the risks and opportunities identified in each materiality, the Group will create social and economic value through its business activities and contribute to a sustainable society.</p> <p>The Group’s Materiality</p> <ul style="list-style-type: none"> -Mitigation and adaption to climate change -Sustainable forest management (forest recycling) -Responsible raw materials procurement -Stable supply of safe and secure products -Reduction of environmental burdens -Effective resource utilization (paper recycling, water recycling) -Respect for human rights -Ensuring worksite safety and health -Inclusion and diversity <p>In April 2022, we established Sustainability Promotion Division in the Company, as a division to clarify the Group’s policy on sustainability initiatives and to comprehensively manage the initiatives of each company. In addition, in order to strengthen the supervision and direction of sustainability by directors, we established the Sustainability Committee, which is chaired by the Group CEO and includes directors as members, to discuss risks and measures related to materiality in the sustainability</p> |

business model and to promote group-wide efforts toward sustainability.

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.

In September 2020, the Group newly established the "Environmental Vision 2050" as its long-term vision for the environment, and the "Environment Action Program 2030" which will be started in FY2021 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.

-FTSE Blossom Japan Index

-FTSE4Good Global Index

-FTSE Blossom Japan Sector Relative Index

-SOMPO Sustainability Index

-S&P/JPX Carbon Efficient Index

-Dow Jones Sustainability Asia Pacific Index

-MSCI Japan Empowering Women Select Index (WIN)

-"Eruboshi" certification received pursuant to the Act on Promotion of Women's Participation and Advancement in the Worksite

-FY2021 "Nadeshiko Brand"

-JPX-Nikkei Index 400

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| | <p>-2022 Certified Health and Productivity Management Organization Recognition Program</p> |
| <p>Other</p> | <p>< Respect for Human Rights in Oji Group > The Group believes that the responsibility to respect human rights is an important element of the global code of conduct. In August 2020, the Group established the “Oji Group Human Rights Policy” based on the United Nations Guiding Principles on Business and Human Rights to further strengthen and implement its initiatives on respect for human rights. Under the policy, the Group will continue its effort to uniformly introduce measures related to human rights and ensure that all domestic and overseas Group companies are made thoroughly aware of the basic policies. In addition, the policy was made multilingual 10 additional translated versions with existing Japanese, English and Chinese version) in December 2021. In FY2021, human rights education was provided through trainings for newly appointed managers at each COMPANY, etc. (a total of 7 training meetings were held with 161 participants), and 2,479 managers of the Group participated in diversity management web training on “Business and Human Rights.” In FY2022, we will initiate “Human Rights Due Diligence” and fulfill our corporate responsibility regarding respect for human rights.</p> <p><Efforts for Enhancing Human Capital > In order to increase corporate value, it is important for each and every employee to acquire diversity of values and flexibility of ideas, and to enhance his/her abilities. As a global company group, the Group aims to grow “beyond the boundaries.” Based on the fundamental principle that “the source of a company’s strength is its people,” the Group works on initiatives from the perspectives of “human resources development”, “working style reforms”, “health management”, and “inclusion and diversity.”</p> <p>[Promotion of Inclusion and Diversity] The Group promotes “inclusion and diversity” under the following diversity promotion policies with the aim that each and every employee can play an active role regardless of gender, age, disability, nationality, etc., and that diverse values and ideas will lead to enhanced corporate competitiveness.</p> <ol style="list-style-type: none"> 1. Development of abilities and careers of diverse human resources 2. Change of mindset and behavior of management level employees 3. Improvement in work-life management. <p>Inclusion & Diversity initiative policies, plans, and progress will be directed and supervised by the Sustainability Committee, which is chaired by the Group CEO. The Oji Group will continue to promote group-wide initiatives for inclusion and diversity.</p> <p>[Recruitment, training, and activities for diverse human resources] The Company actively and continuously recruits and promotes diverse human resources, including women, persons with disabilities, foreign nationals, and mid-career employees</p> <p>With regard to the promotion of female participation, the Group works on supporting career development of women in career-track positions and practical training in each workplace, aiming at the goal of “female managers ratio 5.5% (as of the end of March 2025 in the Group’s 16 companies)”. The number of female managers has steadily increased as shown below and has been expanding the scope of their activities. The Group is also striving to create an environment that is easy to work in, such as subsidy system for childcare center, for those who return to work early from childcare leave.</p> |

*The number of female managers and percentage,
in the Group's 16 companies;
42 (1.8%) as of the end of March 2015
88 (3.7%) as of the end of September 2022

*The percentage of female managers as of the end of September 2022,
in the Group;
4.0% at 92 domestic consolidated companies
(10.3% at the Company (non-consolidated))
32.0% at 94 overseas consolidated companies
13.0% at consolidated companies in total

*The number of female officers in the Company as of the end of June 2022
2 female Directors out of 12 Directors
2 female Audit & Supervisory Board Members out of 5 Members

The Group has actively worked on the recruitment of persons with disabilities, such as establishing a special subsidiary "Oji Clean Mate (cleaning business of the head office building)" mainly for people with intellectual disabilities in July 2007. As shown below, the employment rate of persons with disabilities at 6 companies covered by the Group is meeting the statutory employment rate of 2.3%. The Group will continue to expand the recruitment of persons with disabilities.

*The employment rate of persons with disabilities as of June 1, 2022
6 companies covered by the Group (including the Company);
2.35% (previous year: 2.31%)
The entire Group: 2.10% (previous year: 2.04%)

With regard to foreign employees, the Group considers the development of global human resources to be an important theme in achieving diversity. The Group continues to hire a certain number of career-track employees, who are candidates for future management positions at domestic Group companies, 1 person being employed in FY2021. We will continue to hire a certain number of employees and promote them to management positions (25 foreign career-track employees as of October 2022, and 10 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 36,000 employees in the Group, including overseas Group companies, 55% are working overseas (as of the end of September 2022), 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.

As for mid-career employees, the Group is continuously implemented with the aim of securing human resources for the rapid implementation of management strategies, and 7 employees were hired in FY2021, 3 of whom are in managerial positions. The Group will continue to employ a certain number of them and promote them to management positions.

We are also promoting the use of Alumni personnel (*), who have gained effective experience outside the Group.

* Retirees other than retirees by age, who have rejoined the Group

[Human Resources Development]

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” under construction in Fujinomiya City, Shizuoka Prefecture is scheduled for completion by the end of FY2022, and will provide training across the Group. In addition, we plan to review the education system on the premise of selective human resource development centered on global trainings (including those for foreign employees from overseas Group companies).

(Major training programs)

- Global human resource development (for each career stage after the first year of employment)
- Management training (for newly appointed managers, general managers)
- Career development training (for career-track positions before becoming managers)
- Career design training (for young career-track employees)
- Support for employee skill development (for those who have acquired eligible qualifications)

[Promotion of Working Style Reforms]

In order to ensure that issues are addressed in line with the management strategy, the Group is working to further improve the operation and productivity of the “role-based personnel grading system”, and to reduce total working hours or improve operational efficiency. In addition, in order to create innovative value, 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.” In FY2021, we further more than doubled the number of employees eligible for the “creative human resource development system” compared to the previous year. Moreover, the Group introduced a mandatory “retirement at age 65” in FY2017 to enable employees to make the most of the knowledge, technology, and skills they have cultivated during their careers and work with enthusiasm (18 Group companies in Japan have adopted this system).

In April 2018, the Group opened a nursery school "Nepia SODATERASU" on the land adjacent to the Group's company housing in Edogawa Ward, Tokyo, with the aim of supporting employees in balancing work and childcare and contributing to measures to prevent children from being placed on waiting lists as a matter of corporate social responsibility. It is used by 4 local residents as well as the 8 Group's employees (as of the end of October 2022).

<Efforts to Improve Employee Health>

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. In order to reduce the risk of diseases such as lifestyle-related diseases and mental health, the Group works to create a workplace where each employee is physically and mentally healthy and can demonstrate his/her abilities, such as by enhancing various medical examinations and health consultation desks.

In FY2021, as the measure to prevent the spread of the COVID-19, the Group introduced a special leave system for employees to receive vaccinations in order to create an environment where they can actively receive vaccinations, and implemented vaccine inoculations at head office,

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| | <p>Tomakomai area etc. in accordance with governmental policy.</p> <p>Please refer to the following for more information on the Group's human rights policy, human resources initiatives.</p> <p>*The Oji Group Integrated Report < https://investor.ojiholdings.co.jp/en/ir/library/integrated.html ></p> <p>*Sustainability Report (Online) < https://ojiholdings.disclosure.site/en/themes/143/ ></p> |
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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

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| Adoption of Anti-Takeover Measures | Adopted |
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Supplementary Explanation

(1) 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.

Under the management philosophies of "Creation of Innovative Value", "Contribution to the future and the world", and "Harmony with Nature and Society, the Group works to contribute to a sustainable society and to increase its corporate value over the medium to long-term. Also, the Group has defined the Purpose, or the ideal to which it aspires: "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". Aiming to realize the Purpose, the Group has set long-term vision for FY2030: "Growth to Evolution" as the Group's basic policy, and the Group is addressing environmental and social issues through these initiatives: "Initiatives for Environmental Issues -Sustainability-" "Initiatives for Profitability Improvement -Profitability-" and "Initiatives for Product Development -Green Innovation-". With this in mind, the Company believes that providing appropriate information concerning a purchaser and securing an adequate period for consideration, including an opportunity to consider alternative proposals, are indispensable in order for shareholders to make an appropriate judgment when there was a proposal on a large-scale purchase. However, there may be some cases where the Company and its shareholders are not provided with sufficient time and information to study details of such proposals or alternative proposals, etc. In addition, there may be some proposals which do not contribute to the corporate value and common interests of shareholders of the Company, considering an aim of purchases as well as management policies after purchases. The proposals, for example, include those clearly infringe the corporate value and common interests of shareholders of the Company; those which have a sort of structure that could pressure shareholders into agreeing to purchases; or those with an objective probability to extremely harm the Company's corporate value including its social credibility or to create extreme disadvantages to the Company's shareholders.

The Company considers that any individual that conducts or makes a proposal on such large-scale purchases is not appropriate as an individual to manage decision-making of the Company's financial and operational policies.

(2) Overview of the Policy to Address Large-Scale Purchase of the Company's Shares (Takeover Defense Measures)

The Company has introduced the "Policy to Address Large-Scale Purchase of the Company's Shares (Takeover Defense Measures)", with an aim to prevent any individual that is judged inappropriate to manage decision-making of the Company's financial and operational policies, according to the above-written "Fundamental Policies on Control of Company", from actually doing it.

In concrete terms, the Company requests a large-scale purchaser who is about to purchase the Company's shares that are equivalent to 20% or more of its voting rights, to comply with the Large-Scale Purchase Rules which aim to secure a period for gathering and studying information as well as an opportunity for offering alternative proposals. The Board of Directors of the Company evaluates and considers a proposal, taking into account whether a large-scale purchaser complies with the Rules, and whether a large-scale purchase causes a difficult-to-recover damage to the Company or a substantial loss to the interests of the Company's shareholders as a whole. Then, the Board of Directors may voice an opinion as the Board of Directors, offer an alternative proposal to the Company's shareholders, and, in some cases, take a countermeasure. In ensuring objectivity, fairness and rationality regarding this decision, the Company establishes the Special Committee which is independent from the Board of Directors and comprises 3 persons that include 2 Independent Directors and 1 Independent Outside Audit & Supervisory Board Member. Although the final decision as to whether to take a countermeasure against a large-scale purchase or to hold a general meeting of shareholders to confirm the shareholders' intent on the decision is to be made by the Board of Directors, the Board of Directors is asked to maximally respect recommendations from the Special Committee. Having said, the Company shall unexceptionally hold the general meeting of shareholders to confirm the shareholders' intent, unless it is extremely difficult to do so, and follow the resolution passed on whether to take a countermeasure;

when the Company has an intention to take a countermeasure even though a large-scale purchaser complies with the Large-Scale Purchase rules and only for a reason that a large-scale purchase act falls into a specific pattern.

For more details, please refer to “Continuation of Policy to Address Large-Scale Purchase of the Company’s Shares (Takeover Defense Measures)”, the document which was disclosed on May 25, 2020. The said document is available at the Company’s website, <<https://www.ojiholdings.co.jp/english/ir/>>.

For your additional information, the continuation of the Policy until the conclusion of the last ordinary general meeting of shareholders within 3 years from the ordinary general meeting of shareholders held on June 26, 2020 was approved by shareholders at the ordinary general meeting of shareholders held on June 26, 2020.

For details of the current Special Committee, please refer to the disclosure document dated June 29, 2022, “Notice Regarding Partial Changes to Special Committee Members Based on the Policy to Address Large-Sale Purchase of the Company’s Shares (Takeover Defense Measures).”

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)

