



November 5, 2019

Company Name: Oji Holdings Corporation  
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## **Notice Concerning Disposition of Treasury Stock through Third-Party Allotment due to Implementation of Stock-Based Remuneration Plan**

Oji Holdings Corporation (hereinafter the “Company”) hereby announces that a resolution was made at a meeting of the Board of Directors held on November 5, 2019 to dispose of treasury stock through a third-party allotment as stock-based remuneration. The details are as follows.

### 1. Outline of Disposition

(1) Date of disposition	November 21, 2019 (scheduled)
(2) Class and number of shares to be disposed	1,035,700 common shares of the Company
(3) Price of disposition	557 yen per share
(4) Total disposal amount	576,884,900 yen
(5) Subscriber	Sumitomo Mitsui Trust Bank, Limited (Trust Account) (Re-trusted to Japan Trustee Services Bank, Ltd. (Trust Account))
(6) Other	The disposition of treasury stock is subject to the coming into effect of the notification under the Financial Instruments and Exchange Act.

### 2. Purpose of and Reason for Disposition

The Company resolved at a meeting of the Board of Directors held on May 13, 2016 to introduce a stock-based remuneration plan (hereinafter the “Plan”) to motivate directors of the Company (excluding outside directors; the same shall apply hereinafter) to contribute more to enhancing the medium- to long-term business performance of the Company and its corporate value, through further clarifying the link between remuneration for directors and the Company’s business performance as well as stock value, whereby directors share common interest with shareholders, including the benefits and risks of changes in share price. The introduction of the Plan for the Company’s directors was approved at the 92nd Ordinary General Meeting of Shareholders held on June 29, 2016. Furthermore, the Company passed a resolution approving the continuation of the Plan at a meeting of the Board of Directors held on June 21, 2019, and the Plan has continued to date.

See the press release “Notice Concerning Determination of Details for Performance-Linked, Stock-Based Remuneration Plan” dated August 2, 2016 for an overview of the Plan.

The disposition of treasury stock will be conducted through the Trust Account of Sumitomo Mitsui Trust Bank, Limited (Re-trusted to Japan Trustee Services Bank, Ltd. (Trust Account)) which is the trustee for the trust (hereinafter the “Trust”) established for the Plan.

The total number of shares of treasury stock to be disposed of is equal to the number of shares expected to be delivered to the Company’s directors considering the changes in the ranks, composition, etc. of the directors during the period of the Trust based on the Share Delivery Regulations that the Company established for the introduction of the Plan. The level of share dilution as against the total number of shares issued and

outstanding as of September 30, 2019 of 1,014,381,817 will be a ratio of 0.10% (the ratio as against the total number of voting rights as of September 30, 2019 of 9,895,524 will be 0.10%, all ratios are rounded to the second decimal place).

The Company considers that the Plan will clarify the link between the remuneration of the Company's directors and the Company's stock value, translating into an enhancement of the Company's corporate value in the medium to long term. Thus, the Company believes that the number of shares to be disposed of and the level of share dilution due to the disposition of treasury stock are reasonable and the impact on the secondary market will be small.

(Reference) Overview of the Trust Agreement Related to the Trust

Entrustor	The Company
Trustee	Sumitomo Mitsui Trust Bank, Limited (Re-trusted to Japan Trustee Services Bank, Ltd.)
Beneficiaries	The Company's directors who meet the beneficiary requirements
Trust administrator	Third parties that are independent of the Company and the Company's directors
Exercise of voting rights	The Trust shall not exercise voting rights for shares of the Company held in the Trust during the period of the Trust.
Type of trust	Money trust other than cash trusts (third party benefit trust)
Date of execution of the trust agreement	August 23, 2016
Trust period	From August 23, 2016 to August 30, 2022
Purpose of trust	To deliver the Company's shares to the beneficiaries based on the Share Delivery Regulations

3. Basis of Calculation of the Price of Disposition and the Specific Details

The price of disposition has been fixed at 557 yen, which is the closing price on the Tokyo Stock Exchange on November 1, 2019, the business day immediately prior to the date when the meeting of the Board of Directors which passed the resolution for the disposition of treasury stock was held, in order to set a price that eliminates any arbitrary elements in view of the recent trends in the price of the Company's shares.

For the price, there is a variance of 2.58% from the average closing price of 543 yen (rounded down to the nearest whole yen) in the month prior to the meeting of the Board of Directors which passed the resolution for the disposition of treasury stock (October 2, 2019 to November 1, 2019), a variance of 8.16% from the average closing price of 515 yen (rounded down to the nearest whole yen) for the three months prior to the meeting (August 2, 2019 to November 1, 2019), and a variance of 0.18% from the average closing price of 556 yen (rounded down to the nearest whole yen) for the six months prior to the meeting (May 7, 2019 to November 1, 2019). Therefore, the Company believes that the price is reasonable even considering the variances from the recent average prices of the Company's shares (all variances are rounded to the second decimal place).

Considering the above-stated reasons, the Company believes that the price of disposition for disposing of the treasury stock is not especially favorable to the subscriber and is reasonable.

In addition, the Audit & Supervisory Board members (five members, three of which are outside Audit & Supervisory Board members) who attended the meeting of the Board of Directors, have expressed the opinion that the above-stated price of disposition is not especially favorable to the subscriber.

4. Matters Related to Procedures under the Code of Corporate Conduct

The disposition of treasury stock does not require the acquisition of an opinion from an independent third party or require procedures for confirming the intent of shareholders, which are provided for under Article 432

of the Securities Listing Regulations of the Tokyo Stock Exchange because (i) the dilution ratio is less than 25% and (ii) the disposition does not involve a change in controlling shareholders.