



May 13, 2016

Notice on Introduction of New Stock-Based Remuneration Plan for Directors of the Company

Oji Holdings Corporation (Code: 3861 Tokyo Stock Exchange at the First Section)
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Oji Holdings Corporation (the “Company”) hereby announces that a resolution was made at a meeting of the Board of Directors held on May 13, 2016, to introduce a new stock-based remuneration plan (hereinafter the “Plan”) for directors (excluding outside directors; hereinafter the same) of the Company, using a trust, and to submit the relevant proposal to the 92nd Ordinary General Meeting of Shareholders scheduled to be held on June 29, 2016 (hereinafter the “Shareholder Meeting”). The detail of this new plan is as follows:

1. Objectives of the Plan

While remuneration, etc. for directors of the Company currently comprises base remuneration, bonuses, and stock options as stock-based remuneration, under the new regime, new grant of the stock options as stock-based remuneration shall be discontinued, and replaced by a newly introduced performance-linked and stock-based remuneration plan for Directors.

The Plan is designed to motivate Directors to contribute more to enhancing the medium- to long-term business performance of the Company and its corporate value, through further clarifying linkage between remuneration for Directors and the Company’s business performance as well as shareholder value, whereby Directors share common interest with shareholders, including not only the merit derived from the rising share price, but also the risk associated with the decline in share price.

The Plan which applies to directors of the Company shall be introduced, subject to the approval of shareholders at the Shareholder Meeting.

2. Outline of the Plan

(1) Outline of the Plan

The Plan is a performance-linked and stock-based remuneration plan, in which a trust established and funded with money by the Company (hereinafter the “Trust”) shall acquire shares of the Company, and a number of such shares corresponding to the number of points granted to each Director by the Company according to certain criteria, including performance/financial index of the Company shall be delivered to the Director through the Trust. Such shares shall be delivered to each Director at the time of his/her retirement from office, in principle.

(2) Method for calculating the points to be granted to Directors

The Company shall, pursuant to the Share Delivery Regulations established by its Board of Directors, grant to each Director the number of points calculated by the following calculation formula in accordance with the rank of individual Directors, as well as criteria such as performance/financial index of the Company at the end of May each year during the trust period, as well as on the day of retirement from office of the Director.

<Calculation formula>

Rank-based basic points (*1) granted each month to Director in service × performance-linked payment rate (*2)

(*1) Rank-based basic points are determined for each rank of Directors separately by resolution of the Board of Directors, based on the amount of base remuneration as well as the book value per share of the Company held by the Trust.

(*2) Performance-linked payment rate shall be determined commensurate with criteria such as performance/financial index for the previous fiscal year (while the points to be granted on the day of retirement from office shall be determined commensurate with criteria such as performance/financial index announced immediately prior thereto); provided, however, that the aggregate number of points to be granted to Directors by the Company in a fiscal year shall not exceed 570,000.

(3) Maximum amount of money in trust contributed to the Trust by the Company that are used for acquiring shares of the Company

Initially the trust period of the Trust shall be three years, and the Company shall establish the Trust for the benefit of Directors who meet certain beneficiary requirements, by contributing, during the period of the Trust, an amount not exceeding 600 million yen, as funds necessary for the Trust to acquire shares of the Company to be delivered to Directors under the Plan, as part of the remuneration for Directors in service in a period of three years between the fiscal year ending March 31, 2017 and the fiscal year ending March 31, 2019. The Trust shall acquire shares of the Company using the money entrusted by the Company, either in the stock market or from the Company in the form of purchase of its treasury shares that are disposed of.

Note: The monetary amount to be actually entrusted to the Trust by the Company shall be the amount including the estimated necessary expenses such as trust fees and compensation for the Trust administrator, etc. on top of the aforementioned funds for acquiring shares of the Company.

The trust period may, at its expiry, be extended for another three years by resolution of the Board of Directors of the Company (including the case of effectively extending the trust period, by transferring the trust assets of the Trust to another trust established by the Company for the identical purpose; hereinafter the same) to effect renewal of the Plan. In such instance, the Company shall additionally contribute an amount not exceeding 600 million yen into the Trust for each extended trust period, as the additional funds for acquiring shares of the Company necessary for the purpose of delivery to Directors under the Plan (provided, however, that in such instance of additional contribution, if there remains shares of the Company (excluding the number of shares of the Company corresponding to the points already granted to Directors) or cash in the trust assets at the expiry of the trust period immediately before the extension, the aforementioned maximum amount of additional contribution shall be 600 million yen less the amount equivalent to such residual shares as well as residual cash). In this case, the grant of points as describe in (2) above, as well as the delivery of shares of the Company as described in (4) below shall continue during the extended trust period.

However, even in the case where the grant of points is not continued as described above, if there are Directors who already received the granted points at the expiry of the trust period, but have not yet retired from office, the Company may extend the trust period of the Trust until such Directors retire from office and the associated delivery of shares of the Company is completed.

(4) Delivery of shares of the Company to Directors

The number of shares of the Company to be delivered to each Director shall be calculated by multiplying the number of points granted to such Director by 1.0 (which may, in the event of circumstances that can reasonably justify adjustment to the number of shares of the Company to be delivered, such as share split or

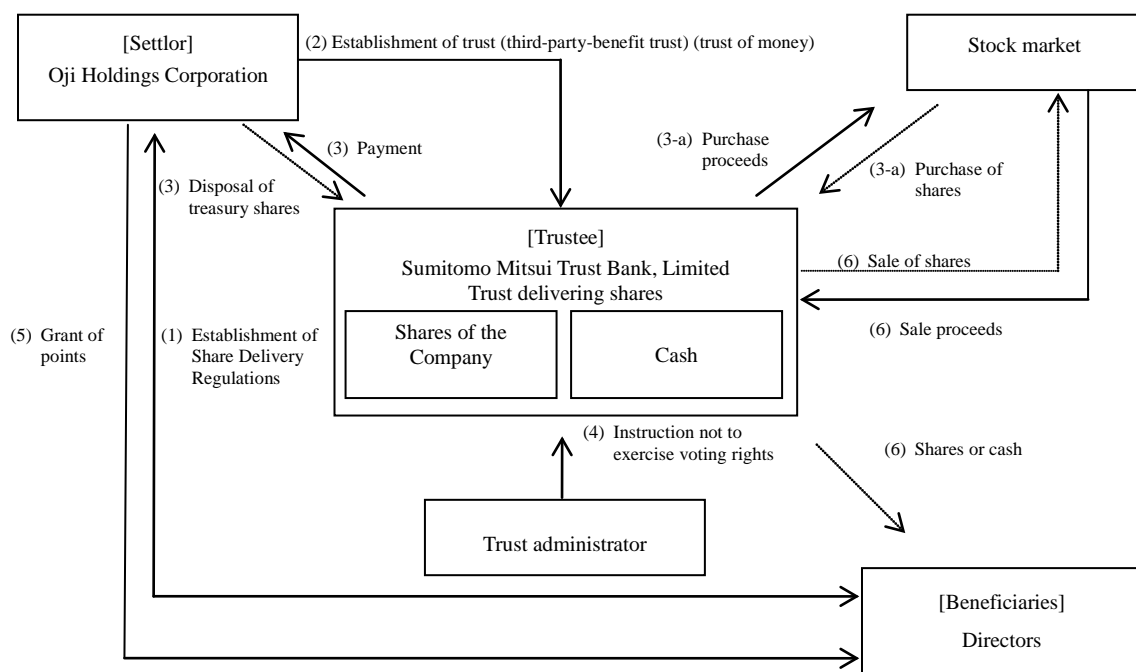
share consolidation of shares of the Company, be subject to such reasonable adjustment according to the ratio of such share split or share consolidation or other circumstances).

Delivery of shares of the Company to each Director shall be done by the Trust, subject to the completion of the predetermined beneficiary verification procedures by each Director at the time of his/her retirement from office; provided, however, that certain portion of the shares of the Company to be delivered shall be sold/realized in the Trust first, and delivered in the form of cash in lieu of shares of the Company, and that in the event of realization of shares of the Company held in the Trust due to the settlement following the circumstances such as subscription of a tender offer for shares of the Company held in the Trust, the Trust may also effect the delivery in the form of cash in lieu of shares of the Company.

(5) Overview of the Trust

- (1) Name: Trust Delivering Shares for Officers
- (2) Settlor: Oji Holdings Corporation
- (3) Trustee: Sumitomo Mitsui Trust Bank, Limited
- (4) Beneficiaries: Eligible Directors fulfilling requirements of the beneficiaries
- (5) Trust administrator: The Company will select a third party who does not have any interest in the Company or directors and audit & supervisory board members of the Company.
- (6) Trust type: Trust of money other than money trust (third-party-benefit trust)
- (7) Date of trust agreement: August 2016 (scheduled)
- (8) Date on which money will be entrusted: August 2016 (scheduled)
- (9) Trust period: From August 2016 (scheduled) to August 2019 (scheduled)

A. Structure of the Trust



Note: Broken lines indicate movement of shares.

- (1) The Board of Directors of the Company will establish Share Delivery Regulations intended for its directors (excluding outside directors).
- (2) The Company will establish a trust delivering shares (third-party-benefit trust) for Directors as beneficiaries. When doing so, the Company will entrust such amount of money as to be equivalent to that for funds to acquire shares (limited to an amount within the purview approved at a general meeting of shareholders) to the trustee.
- (3) The trustee will acquire, in one lump, a sufficient enough number of shares of the Company that are expected to be delivered in future (either through the stock market or disposal of treasury shares).
- (4) The Company will appoint a trust administrator (to be limited to be a party independent of the Company or any director and audit & supervisory board member of the Company) who is responsible throughout the trust period for protecting the interests of the beneficiaries who are covered by the Share Delivery Regulations and supervising the trustee. Throughout the trust period, the trust administrator will give instructions not to exercise any voting rights associated with the shares of the Company held within the Trust.
- (5) Pursuant to the Share Delivery Regulations, the Company will grant points to the eligible Directors.
- (6) The Directors fulfilling requirements prescribed in the Share Delivery Regulation and the trust agreement related to the Trust will receive, as beneficiaries of the Trust, a delivery of shares of the Company corresponding to the accumulated number of points from the trustee. In certain specific cases set forth in advance in the Share Delivery Regulations and the Trust Agreement, the trustee will sell part of the shares to be delivered in the stock market and deliver cash.

B. Establishment of the Trust

The Company shall establish the Trust by providing a fund necessary for the Trust to acquire, in certain period of time in advance, the number of shares of the Company reasonably estimated to be needed for the delivery in accordance with (4) above, subject to the approval on the introduction of the Plan at the Shareholder Meeting. The Trust shall, as described in D. below, acquire shares of the Company by using the funds contributed by the Company.

C. Trust period

Trust period of the Trust shall be approximately three years beginning in August 2016 (scheduled), and ending in August 2019 (scheduled); provided, however, that the trust period may be subject to extension as described in (3) above.

D. Procedure for the Trust to acquire shares of the Company

Initial acquisition of shares of the Company by the Trust is scheduled to be accomplished through either purchase in the stock market, or purchase from the Company in the form of purchase of its treasury shares that are disposed of, within the maximum amount of the share acquisition funds as described in (3) above, and the detail of the procedure for such acquisition shall be disclosed based on the resolution thereon of the Board of Directors of the Company following the approval thereon at the Shareholder Meeting.

If the number of shares of the Company held in the Trust may, in the trust period, fall short of the number of shares that matches the number of points to be granted to Directors during the trust period, due to the reasons including an increase in the number of Directors, the Company may entrust additional money to the Trust, within the maximum money in trust as approved at the Shareholder Meeting as described in (3) above, thereby additionally acquiring shares of the Company.

E. Exercise of voting rights

Voting rights associated with the shares of the Company held in the Trust shall, under the instruction of the trust administrator independent of the Company or any director and audit & supervisory board member of the Company, not be exercised at all, in an effort to ensure neutrality towards the management of the Company, in the exercise of voting rights associated with the shares of the Company held in the Trust.

F. Handling of dividends

Dividends of the shares of the Company held in the Trust shall be received by the Trust, and used for acquiring shares of the Company as well as for the trust fees to be paid to the trustee with respect to the Trust.

G. Procedure at the termination of the trust period

Of the residual assets held in the Trust at the termination of the trust period, shares of the Company shall wholly be acquired without consideration by the Company and then cancelled by resolution of the Board of Directors, while certain amount of cash shall be donated to specified public service promotion corporations with no interest in the Company or directors and audit & supervisory board members of the Company, subject to prior arrangement of relevant provisions in the Share Delivery Regulations as well as in the trust agreement.

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