

(Note) This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Securities Code: 3861  
June 6, 2017

**NOTICE OF THE 93RD ORDINARY GENERAL  
MEETING OF SHAREHOLDERS**

Dear Shareholder:

You are cordially invited to attend the 93rd Ordinary General Meeting of Shareholders of Oji Holdings Corporation (the “Company”), which will be held on Thursday, June 29, 2017, at 10:00 a.m., Japan Standard Time, at its Headquarters, 7-5, Ginza 4-chome, Chuo-ku, Tokyo, Japan.

**If you are unable to attend the meeting in person, you may exercise your voting rights in writing or online. In this case, please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights, following the “Instruction for Exercising Voting Rights” described on pages 34 and 35 by 5:30 p.m. Japan Standard Time, Wednesday, June 28, 2017.**

Sincerely yours,

Susumu Yajima,  
President and Chief Executive Officer  
Oji Holdings Corporation  
7-5, Ginza 4-chome, Chuo-ku, Tokyo, Japan

## MEETING AGENDA

### Items to Be Reported:

1. The business report and consolidated financial statements for the 93rd term (from April 1, 2016 to March 31, 2017); and report on auditing results of the consolidated financial statements by the Accounting Auditor and the Audit & Supervisory Board
2. The non-consolidated financial statements for the 93rd term (from April 1, 2016 to March 31, 2017)

### Items to Be Resolved:

**Item 1: Election of Fourteen (14) Directors**

**Item 2: Election of Three (3) Audit & Supervisory Board Members**

**Item 3: Continuation of Policy to Address Large-Scale Purchase of the Company's Shares (Takeover Defense Measures)**

### Matters related to the exercise of voting rights:

1. In the case that a voting form without indication of approval or disapproval for an agenda was submitted, it will be handled as an approval.
2. If you exercise your voting rights both in writing and online, the latter will prevail.  
In addition, if you exercise your voting rights online more than once, the last exercise of your voting rights will prevail.
3. In the case of attendance by proxy, please appoint another shareholder who has voting rights for the Company and submit to the Company a document (letter of proxy, etc.) which evidences the authority of proxy.

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1. Pursuant to the provisions of applicable laws and regulations and Article 15 of the Articles of Incorporation, of the documents to be provided with this notice, the documents listed below are not provided in this notice because they have been provided to shareholders on the website of Oji Holdings Corporation.

- “Subscription right to shares of the Company,” “System to ensure the properness of operations and an overview of the current status of its operation” and “Basic Policy on Corporate Control” in the business report
- “Consolidated Statement of Changes in Net Assets” and “Notes to Consolidated Financial Statements” in Consolidated Financial Statements
- “Non-consolidated Statement of Changes in Net Assets” and “Notes to Non-consolidated Financial Statements” in Non-consolidated Financial Statements

The above mentioned documents provided on the website comprise a portion of the documents audited by each Audit & Supervisory Board Member, the Audit & Supervisory Board and the Accounting Auditor in the course of the preparation of their audit reports.

2. When attending the meeting in person, please present the enclosed voting form at the reception desk.
  3. Please note that persons other than shareholders who are able to exercise voting rights, including proxies and their companions who are not shareholders, are not permitted to enter the venue.
  4. Please note that we may adjust the air conditioning and lighting in the venue of the Ordinary General Meeting of Shareholders on the day to save electricity. Please also note that the Company's Officers and staff will be dressed in light clothing (Cool Biz style).
  5. If circumstances arise whereby revisions should be made to the contents of the Reference Documents for the General Meeting of Shareholders and business report, consolidated financial statements and non-consolidated financial statements, the Company will notify the revised version on the Company's website (<https://www.ojiholdings.co.jp/>).
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## REFERENCE DOCUMENTS FOR THE GENERAL MEETING OF SHAREHOLDERS

### Agenda Items and References

#### Item 1: Election of Fourteen (14) Directors

The terms of office for all the current thirteen (13) Directors will expire at the conclusion of this General Meeting of Shareholders. At this juncture, the Company hereby requests the election of fourteen (14) Directors.


The candidates for Director are as follows:

<Reference> The Company's Policies for Director Nomination and Standards of Independence for Outside Officers are published in the "Fundamental Policies on Corporate Governance" disclosed on the website of the Company on the Internet (<https://www.ojiholdings.co.jp/group/policy/governance.html>).

#### Candidates for Director

No.	Name	Attributes of the Candidate	Positions in the Company
1	Kiyotaka Shindo	Reelection	Representative Director and Chairman of the Board
2	Susumu Yajima	Reelection	Representative Director of the Board, President and CEO
3	Ryoji Watari	Reelection	Representative Director of the Board and Executive Vice President
4	Kazuo Fuchigami	Reelection	Representative Director of the Board and Executive Vice President
5	Hidehiko Aoyama	Reelection	Director of the Board and Senior Executive Officer
6	Yoshiki Koseki	Reelection	Director of the Board and Executive Officer
7	Yoshiaki Takeda	New election	Executive Officer
8	Shoji Fujiwara	New election	Executive Officer
9	Masatoshi Kaku	Reelection	Director of the Board and Executive Officer
10	Ryuichi Kisaka	Reelection	Director of the Board and Executive Officer
11	Kazuhiko Kamada	Reelection	Director of the Board and Executive Officer
12	Hiroyuki Isono	Reelection	Director of the Board and Executive Officer
13	Michihiro Nara	Reelection Outside director Independent director	Director
14	Nobuaki Terasaka	Reelection Outside director Independent director	Director

Brief history, positions and responsibilities in the Company  
and significant concurrent positions

<b>No. 1</b>  <b>Kiyotaka Shindo</b>  (March 27, 1952)  	Reelection	April 1975	Joined the Company
		April 2007	Corporate Officer, the Company
		June 2009	Director and Executive Officer, the Company
		April 2012	Representative Director, President and CEO, the Company
		October 2012	Representative Director of the Board, President and CEO, the Company
		January 2015	Representative Director and Chairman of the Board, the Company (to the present)

- ▶ **Reasons for selecting as a candidate for director**  
 He has a wealth of experience and track record in the areas of engineering and overseas business in the Company as well as the Group companies.  
 He is in charge of running the Company as top executive, serving as Representative Director of the Board, President and Chief Executive Officer since 2012 and as Representative Director and Chairman of the Board since 2015, driving the restructuring of the Company's business portfolio towards its completion, the reinforcement of corporate governance, and the enhancement of management structure.  
 In view of the aforementioned, he has been selected as candidate for Director on an ongoing basis, as he is expected to further contribute to the Group's sustainable growth and medium- to long-term enhancement of its corporate value.

Number of the Company shares owned:	69,000
Term of office as a director (as of the conclusion of this Meeting):	8 years
Number of attendance at meetings of the Board of Directors:	14/14 (100%)

- ▶ **Other special notes**
  - ▶ There is no special interest between Mr. Kiyotaka Shindo and the Company.

Brief history, positions and responsibilities in the Company  
and significant concurrent positions

<b>No. 2</b>  <b>Susumu Yajima</b> (May 11, 1951)		April 1975	Joined the former Honshu Paper Co., Ltd.
	June 2006	Corporate Officer, the Company	
	June 2009	Director and Executive Officer, the Company	
	April 2012	Representative Director and Executive Vice President, the Company	
	October 2012	Representative Director of the Board and Executive Vice President, the Company	
	January 2015	Representative Director of the Board, President and CEO, the Company (to the present)	

Number of the Company shares owned:	112,200
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Term of office as a director (as of the conclusion of this Meeting):	8 years
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Number of attendance at meetings of the Board of Directors:	14/14 (100%)
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▶ Reasons for selecting as a candidate for director

He has a wealth of experience and track record in the areas of corporate planning and forest resources and environment marketing business in the Company as well as the Group companies.

He is in charge of running the Company as top executive, serving since 2015 as Representative Director of the Board, President and Chief Executive Officer, playing the leading role in formulating management policies that aim to achieve further globalization based on the Group's management philosophy.

In view of the aforementioned, he has been selected as candidate for Director on an ongoing basis, as he is expected to further contribute to the Group's sustainable growth and medium- to long-term enhancement of its corporate value.

▶ Other special notes

▶ There is no special interest between Mr. Susumu Yajima and the Company.

Brief history, positions and responsibilities in the Company and significant concurrent positions

<b>No. 3</b>  <b>Ryoji Watari</b> (February 2, 1953)	Reelection	April 1975	Joined the Company
		April 2007	Corporate Officer, the Company
		April 2011	Executive Officer, the Company
		June 2012	Director and Executive Officer, the Company
		October 2012	Director of the Board and Executive Officer, the Company
		June 2013	Director of the Board and Senior Executive Officer, the Company
		April 2015	Representative Director of the Board and Executive Vice President, the Company (to the present)



Number of the Company shares owned: 81,830

Term of office as a director (as of the conclusion of this Meeting): 5 years

Number of attendance at meetings of the Board of Directors: 14/14 (100%)

▶ Significant concurrent positions

- President and Representative Director, Oji Industrial Materials Management Co., Ltd.
- Chairman and Director, Oji Nepia Co., Ltd.
- Director, Oji Container Co., Ltd.
- Director, Oji Materia Co., Ltd.
- Director, Mori Shigyo Co., Ltd.

▶ Reasons for selecting as a candidate for director

He has a wealth of experience and track record in the areas of printing and communications media business and household and industrial materials businesses in the Company as well as the Group companies. He is in charge of running the Company, as part of its senior management team, currently serving as Representative Director of the Board and Executive Vice President, and President of Industrial Materials Company as well as Household and Consumer Products Company, contributing, in such capacity, to the strengthening of packaging business including corrugated containers capitalizing on the Group's overall strength, as well as strengthening of brands of household paper business and disposable diaper business. In view of the aforementioned, he has been selected as candidate for Director on an ongoing basis, as he is expected to further contribute to the Group's sustainable growth and medium- to long-term enhancement of its corporate value.

▶ Other special notes

- ▶ There is no special interest between Mr. Ryoji Watari and the Company.

Brief history, positions and responsibilities in the Company  
and significant concurrent positions

<b>No. 4</b>  <b>Kazuo Fuchigami</b> (July 22, 1951)	Reelection	April 1974	Joined the former Honshu Paper Co., Ltd.
		April 2008	Corporate Officer, the Company
		April 2011	Executive Officer, the Company
		June 2012	Director and Executive Officer, the Company
		October 2012	Director of the Board and Executive Officer, the Company
		June 2013	Director of the Board and Senior Executive Officer, the Company
		April 2015	Representative Director of the Board and Executive Vice President, the Company (to the present)



Number of the Company shares owned: 75,436

Term of office as a director (as of the conclusion of this Meeting): 5 years

Number of attendance at meetings of the Board of Directors: 14/14 (100%)

▶ Significant concurrent positions

- President and Representative Director, Oji Functional Materials Progressing Center Inc.
- Director, Oji F-Tex Co., Ltd.
- Director, Oji Imaging Media Co., Ltd.

▶ Reasons for selecting as a candidate for director

He has a wealth of experience and track record in the areas of printing and communications media business and functional materials business in the Company as well as the Group companies.

He is in charge of running the Company, as part of its senior management team, currently serving as Representative Director of the Board and Executive Vice President, as well as President of Functional Materials Company, contributing, in such capacity, to the strengthening of overseas functional materials business, which covers the entire supply chain from upstream to downstream, and the advancement of existing products to expand them into new business areas.

In view of the aforementioned, he has been selected as candidate for Director on an ongoing basis, as he is expected to further contribute to the Group's sustainable growth and medium- to long-term enhancement of its corporate value.

▶ Other special notes

- ▶ There is no special interest between Mr. Kazuo Fuchigami and the Company.

Brief history, positions and responsibilities in the Company  
and significant concurrent positions

<b>No. 5</b>  <b>Hidehiko Aoyama</b>  (January 23, 1954)  	Reelection	April 1976	Joined the former Kanzaki Paper Co., Ltd.
		April 2008	Corporate Officer, the Company
		April 2012	Executive Officer, the Company
		October 2012	Executive Officer, the Company
		June 2013	Director of the Board and Executive Officer, the Company
		April 2015	Director of the Board and Senior Executive Officer, the Company (to the present)

- ▶ Significant concurrent positions
  - Representative Director, President and CEO, Oji Paper Co., Ltd.

Number of the Company shares owned:	35,596
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Term of office as a director (as of the conclusion of this Meeting):	4 years
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Number of attendance at meetings of the Board of Directors:	14/14 (100%)
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- ▶ Reasons for selecting as a candidate for director  
He has a wealth of experience and track record in the areas of printing and communications media, and logistics in the Company as well as the Group companies.  
He is in charge of running the Company, as part of its management team, currently serving as President of Printing and Communications Media Company, as well as Representative Director, President and CEO of Oji Paper Co., Ltd., contributing, in such capacity, to the restructuring of the optimal production platform, further cost reduction, and the enhancement of cash flows.  
In view of the aforementioned, he has been selected as candidate for Director on an ongoing basis, as he is expected to further contribute to the Group's sustainable growth and medium- to long-term enhancement of its corporate value.

- ▶ Other special notes
  - ▶ There is no special interest between Mr. Hidehiko Aoyama and the Company.



Brief history, positions and responsibilities in the Company  
and significant concurrent positions

<b>No. 6</b>  <b>Yoshiki Koseki</b>  (August 8, 1954)	Reelection	April 1977	Joined the former Honshu Paper Co., Ltd.
		April 2010	Corporate Officer, the Company
		April 2012	Executive Officer, the Company
		June 2012	Director and Executive Officer, the Company
		October 2012	Director of the Board and Executive Officer, the Company (to the present)



- ▶ Significant concurrent positions
  - Director and Vice President, Oji Industrial Materials Management Co., Ltd.
  - President and Representative Director, Oji Materia Co., Ltd.
  - Director, Oji Container Co., Ltd.
  - Director, Mori Shigyo Co., Ltd.

Number of the Company shares owned:	30,000
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Term of office as a director (as of the conclusion of this Meeting):	5 years
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Number of attendance at meetings of the Board of Directors:	14/14 (100%)
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- ▶ Reasons for selecting as a candidate for director
 

He has a wealth of experience and track record in the areas of engineering, and household and industrial material business in the Company as well as the Group companies.

He is in charge of running the Company, as part of its management team, currently serving as Vice President of Industrial Materials Company, as well as President and Representative Director of Oji Materia Co., Ltd., contributing, in such capacity, to the pursuit of a material-processing-integrated business model and the promotion/expansion of integrated packaging business.

In view of the aforementioned, he has been selected as candidate for Director on an ongoing basis, as he is expected to further contribute to the Group's sustainable growth and medium- to long-term enhancement of its corporate value.

- ▶ Other special notes
  - ▶ There is no special interest between Mr. Yoshiki Koseki and the Company.

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Brief history, positions and responsibilities in the Company  
and significant concurrent positions

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No. 7      New election  
  
**Yoshiaki Takeda**  
 (March 29, 1954)




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Number of the  
Company shares owned:      9,181

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April 1977      Joined the Company  
 April 2011      Corporate Officer, the Company  
 October 2012    Corporate Officer, the Company  
 June 2013      Executive Officer, the Company  
                          (to the present)

- ▶ Significant concurrent positions
  - President and Representative Director, Oji Management Office Inc.
  - Director, Jiangsu Oji Paper Co., Ltd.

- ▶ Reasons for selecting as a candidate for director  
 He has a wealth of experience and track record in the areas of finance and accounting, and printing and communications media business in the Company as well as the Group companies.  
 He is in charge of running the Company, as part of its management team, currently serving as General Manager of Corporate Governance Division, as well as President and Representative Director of Oji Management Office Inc., contributing, in such capacity, to the strengthening of corporate governance and financial base of the Group as well as to the promotion of its diversity.  
 In view of the aforementioned, he has been newly selected as candidate for Director, as he is expected to further contribute to the Group's sustainable growth and medium- to long-term enhancement of its corporate value.

- ▶ Other special notes
  - ▶ There is no special interest between Mr. Yoshiaki Takeda and the Company.

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Brief history, positions and responsibilities in the Company  
and significant concurrent positions

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**No. 8**      New election

**Shoji Fujiwara**  
(March 24, 1954)



April 1976      Joined the Company  
April 2010      Corporate Officer, the Company  
October 2012    President, Oji Green Resources Co., Ltd.  
June 2013      Corporate Officer, the Company  
April 2016      Executive Officer, the Company  
                         (to the present)

- ▶ Significant concurrent positions
  - Senior Managing Director, Oji Functional Materials Progressing Center Inc.
  - President and Representative Director, Oji F-Tex Co., Ltd.

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Number of the Company shares owned:      13,272

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- ▶ Reasons for selecting as a candidate for director
 

He has a wealth of experience and track record in the areas of engineering, and forest resources and environment marketing business in the Company as well as the Group companies.

He is in charge of running the Company, as part of its management team, currently serving as Vice President of Functional Materials Company, as well as President and Representative Director of Oji F-Tex Co., Ltd., contributing, in such capacity, to the ongoing development and commercialization of highly functional and high value-added products including highly functional film.

In view of the aforementioned, he has been newly selected as candidate for Director, as he is expected to further contribute to the Group's sustainable growth and medium- to long-term enhancement of its corporate value.

- ▶ Other special notes
  - ▶ There is no special interest between Mr. Shoji Fujiwara and the Company.

Brief history, positions and responsibilities in the Company  
and significant concurrent positions

<b>No. 9</b>  <b>Reelection</b>  <b>Masatoshi Kaku</b>  (January 2, 1956)	April 1978	Joined the former Nippon Pulp Industry Co., Ltd.
	April 2011	Corporate Officer, the Company
	April 2012	Executive Officer, the Company
	October 2012	Executive Officer, the Company
	June 2013	Director of the Board and Executive Officer, the Company (to the present)




▶ Significant concurrent positions  
Representative Director, President and CEO, Oji Engineering Co., Ltd.

▶ Reasons for selecting as a candidate for outside director  
He has a wealth of experience and track record in the areas of engineering and functional materials business in the Company as well as the Group companies.  
He is in charge of running the Company, as part of its management team, currently serving as Director in charge of Innovation Promotion Division, as well as Representative Director, President and CEO of Oji Engineering Co., Ltd., contributing, in such capacity, to the promotion of development of new materials and products such as cellulose nanofiber materials, along with the enhancement of technological strength of the Group.  
In view of the aforementioned, he has been selected as candidate for Director on an ongoing basis, as he is expected to further contribute to the Group's sustainable growth and medium- to long-term enhancement of its corporate value.


Number of the Company shares owned:	23,620
Term of office as a director (as of the conclusion of this Meeting):	4 years
Number of attendance at meetings of the Board of Directors:	14/14 (100%)

▶ Other special notes  
▶ There is no special interest between Mr. Masatoshi Kaku and the Company.

Brief history, positions and responsibilities in the Company  
and significant concurrent positions

<p><b>No. 10</b>    Reelection</p> <p style="text-align: center;"><b>Ryuichi Kisaka</b></p> <p style="text-align: center;">(May 21, 1956)</p> 	<p>April 1982    Joined the former Kanzaki Paper Co., Ltd.</p> <p>April 2010    Deputy General Manager, Imaging Media Division and General Manager, Imaging Media Sales Department, the Company</p> <p>October 2012    President and Representative Director, Oji Imaging Media Co., Ltd.</p> <p>June 2013    Corporate Officer, the Company</p> <p>June 2015    Director of the Board and Executive Officer, the Company (to the present)</p>
	<p>▶ Significant concurrent positions</p> <ul style="list-style-type: none"> <li>• Senior Managing Director, Oji Management Office Inc.</li> </ul>
<p>Number of the Company shares owned:</p> <hr/> <p>Term of office as a director (as of the conclusion of this Meeting):</p> <hr/> <p>Number of attendance at meetings of the Board of Directors:</p> <hr/>	<p>17,980</p> <p>2 years</p> <p>14/14 (100%)</p>
	<p>▶ Reasons for selecting as a candidate for director</p> <p>He has a wealth of experience and track record in the areas of research and development, and functional materials business in the Company as well as the Group companies.</p> <p>He is in charge of running the Company, as part of its management team, currently serving as Deputy General Manager of Corporate Governance Division, as well as Senior Managing Director of Oji Management Office Inc., contributing, in such capacity, to the strengthening of corporate governance and overseas business of the Group.</p> <p>In view of the aforementioned, he has been selected as candidate for Director on an ongoing basis, as he is expected to further contribute to the Group's sustainable growth and medium- to long-term enhancement of its corporate value.</p> <p>▶ Other special notes</p> <ul style="list-style-type: none"> <li>▶ There is no special interest between Mr. Ryuichi Kisaka and the Company.</li> </ul>

Brief history, positions and responsibilities in the Company  
and significant concurrent positions

<p><b>No. 11</b>    Reelection</p> <p style="text-align: center;"><b>Kazuhiko Kamada</b></p> <p style="text-align: center;">(February 7, 1960)</p> 	<p>May 2013    Joined Oji Management Office Inc.</p> <p>June 2013    General Manager, Corporate Strategy Office and Head Senior Manager, International Affairs, Oji Forest &amp; Products Co., Ltd.</p> <p>April 2014    President and Representative Director, Oji Forest &amp; Products Co., Ltd</p> <p>January 2015    Corporate Officer, the Company</p> <p>June 2015    Director of the Board and Executive Officer, the Company (to the present)</p>
<p>Number of the Company shares owned:    12,000</p>	<p>▶ Significant concurrent positions</p> <ul style="list-style-type: none"> <li>• Director, Oji Green Resources Co., Ltd.</li> <li>• Director, Oji Forest &amp; Products Co., Ltd.</li> <li>• Chairman, Pan Pac Forest Products Ltd.</li> </ul>
<p>Term of office as a director (as of the conclusion of this Meeting):    2 years</p>	<p>▶ Reasons for selecting as a candidate for director</p> <p>He has a wealth of experience and track record in the areas of overseas business, and forest resources and environment marketing business at a general trading company and the Company as well as the Group companies.</p>
<p>Number of attendance at meetings of the Board of Directors:    14/14 (100%)</p>	<p>▶ He is in charge of running the Company, as part of its management team, currently serving as President of Forest Resources and Environment Marketing Business Company, contributing, in such capacity, to the development and sales of dissolving pulp, which is the Group's new business, as well as expansion of energy business such as biomass power generation.</p> <p>In view of the aforementioned, he has been selected as candidate for Director on an ongoing basis, as he is expected to further contribute to the Group's sustainable growth and medium- to long-term enhancement of its corporate value.</p>
	<p>▶ Other special notes</p> <ul style="list-style-type: none"> <li>▶ Mr. Kazuhiko Kamada is concurrently serving as President and Representative Director, O&amp;C Fiber Trading Co., Ltd., with which the Company has business relationship including the provision of loans.</li> </ul>

Brief history, positions and responsibilities in the Company  
and significant concurrent positions

No. 12 Reelection

**Hiroyuki Isono**

(May 20, 1960)



April 1984      Joined the Company  
September 2009      General Manager, Overseas Business Planning Section,  
Corporate Management Division, the Company  
October 2012      Director of the Board, Oji Management Office Inc.  
(to the present)  
April 2014      Corporate Officer, the Company  
June 2015      Director of the Board and Executive Officer, the Company  
(to the present)

▶ Significant concurrent positions

- Representative Director and Chairman of the Board, Oji Oceania Management Co., Ltd.
- Chairman of the Board, Oji Fibre Solutions (NZ) Ltd.

Number of the Company shares owned:      19,472

Term of office as a director (as of the conclusion of this Meeting):      2 years

Number of attendance at meetings of the Board of Directors:      14/14 (100%)

▶ Reasons for selecting as a candidate for director

He has a wealth of experience and track record in the areas of overseas business and corporate planning in the Company as well as the Group companies.

He is in charge of running the Company, as part of its management team, currently serving as Representative Director and Chairman of the Board of Oji Oceania Management Co., Ltd., as well as Chairman of the Board of Oji Fibre Solutions (NZ) Ltd., contributing, in such capacity, to the strengthening of overseas business particularly in Oceania.

In view of the aforementioned, he has been selected as candidate for Director on an ongoing basis, as he is expected to further contribute to the Group's sustainable growth and medium- to long-term enhancement of its corporate value.

▶ Other special notes

- ▶ Mr. Hiroyuki Isono is concurrently serving as Chairman of the Board of Oji Oceania Management (NZ) Ltd., with which the Company has business relationship including the provision of loans.

Brief history, positions and responsibilities in the Company  
and significant concurrent positions

<b>No. 13</b>	Reelection	April 1974	Registered as an attorney-at-law
	Outside director Independent director	June 2014	Director, the Company (to the present)

**Michihiro Nara**

(May 17, 1946)



▶ Significant concurrent positions

- Attorney-at-law
- Outside Director, SEIKO EPSON CORPORATION
- Outside Director, Chori Co., Ltd.
- Outside Director, Nihon Tokushu Toryo Co., Ltd.

▶ Reasons for selecting as a candidate for outside director

He has a wealth of experience, high-level expertise and wide-ranging knowledge gained through his career as an attorney. He has been selected as a candidate for outside director on an ongoing basis, as he is believed capable to provide his opinions to the management of the Company, from a standpoint independent therefrom.

Although he does not have experience being directly involved in corporate management other than being an outside director or outside audit & supervisory board member, the Company judged that he will be able to duly carry out the duties as an outside director owing to the reasons stated above.

Number of the Company shares owned:	0
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Term of office as a director (as of the conclusion of this Meeting):	3 years
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Number of attendance at meetings of the Board of Directors:	13/14 (92.9%)
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▶ Other special notes

- ▶ There is no special interest between Mr. Michihiro Nara and the Company.
- ▶ Mr. Michihiro Nara is a candidate for outside director as prescribed in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
- ▶ The Company has designated Mr. Michihiro Nara as an independent director and notified the Tokyo Stock Exchange of such designation in accordance with its regulation. In the event that Mr. Nara is elected, the Company intends that he remain as an independent director.
- ▶ Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has concluded a contract for limitation of liability with Mr. Michihiro Nara, limiting the liability for damage prescribed in Article 423, Paragraph 1 of the same Act. However, the maximum amount of the liability for damage based on the said contract is the amount prescribed in laws and regulations. In the event that Mr. Nara is elected, it is anticipated that the said contract will continue to remain in force.
- ▶ During Mr. Michihiro Nara's office as an Outside Director at Nihon Tokushu Toryo Co., Ltd., a case of embezzlement of the company's funds by an ex-employee occurred in August 2015. Mr. Nara was not aware of that fact, but had regularly been making recommendations aimed to strengthen internal controls. Following the unraveling of the case, he also made recommendations to ensure thorough legal compliance and to strengthen the management system in order to prevent recurrence.



Brief history, positions and responsibilities in the Company  
and significant concurrent positions

<b>No. 14</b>	Reelection	April 1976	Joined Ministry of International Trade and Industry
	Outside director	July 2009	Director-General, Nuclear and Industrial Safety Agency
	Independent director	August 2011	Retired from office
		June 2015	Director, the Company (to the present)

**Nobuaki Terasaka**

(April 9, 1953)



▶ **Reasons for selecting as a candidate for outside director**  
He has a wealth of experience, high-level expertise and wide-ranging knowledge gained through his career as an administrative official, especially in the areas such as natural resources/energy and international trade. He has been selected as a candidate for outside director on an ongoing basis, as he is believed capable to provide his opinions to the management of the Company, from a standpoint independent therefrom.

▶ **Other special notes**

- ▶ There is no special interest between Mr. Nobuaki Terasaka and the Company.
- ▶ Mr. Nobuaki Terasaka is a candidate for outside director as prescribed in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
- ▶ The Company has designated Mr. Nobuaki Terasaka as an independent director and notified the Tokyo Stock Exchange of such designation in accordance with its regulation. In the event that Mr. Terasaka is elected, the Company intends that he remain as an independent director.
- ▶ Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has concluded a contract for limitation of liability with Mr. Nobuaki Terasaka, limiting the liability for damage prescribed in Article 423, Paragraph 1 of the same Act. However, the maximum amount of the liability for damage based on the said contract is the amount prescribed in laws and regulations. In the event that Mr. Terasaka is elected, it is anticipated that the said contract will continue to remain in force.

Number of the Company shares owned:	0
Term of office as a director (as of the conclusion of this Meeting):	2 years
Number of attendance at meetings of the Board of Directors:	14/14 (100%)


## Item 2: Election of Three (3) Audit & Supervisory Board Members

he terms of office for Audit & Supervisory Board Members Motokazu Ogata, Satoshi Fukui and Makoto Katsura will expire at the conclusion of this General Meeting of Shareholders. Therefore, the Company hereby requests the election of three (3) Audit & Supervisory Board Members.

The Audit & Supervisory Board has given its consent regarding this item.

The candidates for Audit & Supervisory Board Member are as follows:

<Reference> The Company's Policies for Audit & Supervisory Board Member Nomination and Standards of Independence for Outside Officers are published in the "Fundamental Policies on Corporate Governance" disclosed on the website of the Company on the Internet (<https://www.ojiholdings.co.jp/group/policy/governance.html>).

		Brief history and positions in the Company and significant concurrent positions	
<b>No. 1</b>  <b>Reelection</b>  <b>Motokazu Ogata</b>  (November 3, 1950)	April 1975 April 2010 October 2012  June 2013	Joined the Company Advisor, the Company Managing Director and General Manager, Corporate Administration Division, New Tac Kasei Co., Ltd. Audit & Supervisory Board Member, the Company (to the present)	 <p>▶ Significant concurrent positions</p> <ul style="list-style-type: none"> <li>• Audit &amp; Supervisory Board Member, Oji Container Co., Ltd.</li> <li>• Audit &amp; Supervisory Board Member, Oji Packaging Co., Ltd.</li> <li>• Audit &amp; Supervisory Board Member, Oji Seitai, Co., Ltd.</li> <li>• Audit &amp; Supervisory Board Member, Oji Engineering Co., Ltd.</li> <li>• Audit &amp; Supervisory Board Member, Oji Real Estate Co., Ltd.</li> <li>• Audit &amp; Supervisory Board Member, Oji Materia Co., Ltd.</li> <li>• Audit &amp; Supervisory Board Member, Oji Paper Co., Ltd.</li> <li>• Audit &amp; Supervisory Board Member, Mori Shigyo Co., Ltd.</li> </ul> <p>▶ Reasons for selecting as a candidate for audit &amp; supervisory board member</p> <p>He has experience in the finance and accounting business unit and served as Director in charge of finance and accounting in the Company as well as the Group companies, and has sound knowledge of finance and accounting.</p> <p>Based on such knowledge, he is currently auditing the execution of duties of Directors appropriately from the independent and objective standpoint in the capacity of Audit &amp; Supervisory Board Member.</p> <p>In view of the aforementioned, he has been selected as candidate for Audit &amp; Supervisory Board Member on an ongoing basis, as the Company judged that he will be able to appropriately carry out the duties as an Audit &amp; Supervisory Board Member.</p> <p>▶ Other special notes</p> <ul style="list-style-type: none"> <li>▶ There is no special interest between Mr. Motokazu Ogata and the Company.</li> <li>▶ Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has concluded a contract for limitation of liability with Mr. Motokazu Ogata, limiting the liability for damage prescribed in Article 423, Paragraph 1 of the same Act. However, the maximum amount of the liability for damage based on the said contract is the amount prescribed in laws and regulations. In the event that Mr. Ogata is elected, it is anticipated that the said contract will continue to remain in force.</li> </ul>
Number of the Company shares owned:	9,198		
Term of office as an audit & supervisory board member (as of the conclusion of this Meeting):	4 years		
Number of attendance at meetings of the Board of Directors:	14/14 (100%)		
Number of attendance at meetings of the Audit & Supervisory Board:	14/14 (100%)		

		Brief history and positions in the Company and significant concurrent positions	
No. 2	New election	April 1982	Joined the Company
	Tomihiro Yamashita (November 19, 1956)	June 2010	General Manager, Internal Audit Office, the Company
October 2012		General Manager, Internal Audit Department, Corporate Governance Division, the Company	
April 2014		Audit & Supervisory Board Member, Oji Container Co., Ltd.	
April 2016		Corporate Officer and Deputy General Manager, Technology Division, Oji Container Co., Ltd.	
			<p>▶ (to the present)Reasons for selecting as a candidate for audit &amp; supervisory board member</p> <p>He has experience in departments in charge of research and technology, and internal audits and served as Audit &amp; Supervisory Board Member in the Company as well as the Group companies. Serving currently as a Corporate Officer of Oji Container Co., Ltd., he is appropriately performing his role, contributing to the enhancement of the technological strength of the company.</p> <p>In view of the aforementioned, he has been newly selected as candidate for Audit &amp; Supervisory Board Member, as the Company judged that he will be able to appropriately carry out the duties as an Audit &amp; Supervisory Board Member.</p>
			<p>▶ Other special notes</p> <p>▶ There is no special interest between Mr. Tomihiro Yamashita and the Company.</p> <p>▶ In the event that Mr. Tomihiro Yamashita is elected, it is anticipated that the Company concludes a contract for limitation of liability with Mr. Yamashita pursuant to Article 427, Paragraph 1 of the Companies Act, limiting the liability for damage prescribed in Article 423, Paragraph 1 of the same Act. However, the maximum amount of the liability for damage based on the said contract is the amount prescribed in laws and regulations.</p>
Number of the Company shares owned:		9,080	



		Brief history and positions in the Company and significant concurrent positions	
No. 3	Reelection	April 1971	Joined Ministry of Foreign Affairs
	Outside audit & supervisory board member	July 2004	Ambassador Extraordinary and Plenipotentiary of Japan to Laos
	Independent audit & supervisory board member	August 2007	Ambassador Extraordinary and Plenipotentiary of Japan to the Philippines
		May 2011	Retired from office
		June 2013	Audit & Supervisory Board Member, the Company (to the present)

### Makoto Katsura

(February 3, 1948)



Number of the Company shares owned:	0
Term of office as an audit & supervisory board member (as of the conclusion of this Meeting):	4 years
Number of attendance at meetings of the Board of Directors:	14/14 (100%)
Number of attendance at meetings of the Audit & Supervisory Board:	14/14 (100%)

▶ Reasons for selecting as a candidate for outside audit & supervisory board member  
 He has a wealth of experience, high-level expertise and wide-ranging knowledge gained through his career as a diplomat. Based on such knowledge, he is currently auditing the execution of duties of Directors appropriately from the independent and objective standpoint in the capacity of outside audit & supervisory board member. Although he does not have experience being directly involved in corporate management, the Company judged that he will be able to appropriately carry out the duties as an outside audit & supervisory board member owing to the reasons stated above.

▶ Other special notes

- ▶ There is no special interest between Mr. Makoto Katsura and the Company.
- ▶ Mr. Makoto Katsura is a candidate for outside audit & supervisory board member as prescribed in Article 2, Paragraph 3, Item 8 of the Ordinance for Enforcement of the Companies Act.
- ▶ The Company has designated Mr. Makoto Katsura as an independent audit & supervisory board member and notified the Tokyo Stock Exchange of such designation in accordance with its regulation. In the event that Mr. Katsura is elected, the Company intends that he remain as an independent audit & supervisory board member.
- ▶ Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has concluded a contract for limitation of liability with Mr. Makoto Katsura, limiting the liability for damage prescribed in Article 423, Paragraph 1 of the same Act. However, the maximum amount of the liability for damage based on the said contract is the amount prescribed in laws and regulations. In the event that Mr. Katsura is elected, it is anticipated that the said contract will continue to remain in force.

### **Item 3: Continuation of Policy to Address Large-Scale Purchase of the Company's Shares (Takeover Defense Measures)**

Having obtained the approval by resolution of the Ordinary General Meeting of Shareholders held on June 27, 2014, the Company has continued a policy to address the large-scale purchase of the Company's shares (hereafter, this policy is referred to as the "Policy").

As the effective period of the Policy expires at the conclusion of this General Meeting of Shareholders, the Company further reviewed it in view of, among others, the developments after the approval of the continuation of the Policy. As a result, the Company decided, at the Board of Directors' meeting held on May 12, 2017, to propose the continuation of the Policy with certain amendments to this General Meeting of Shareholders.

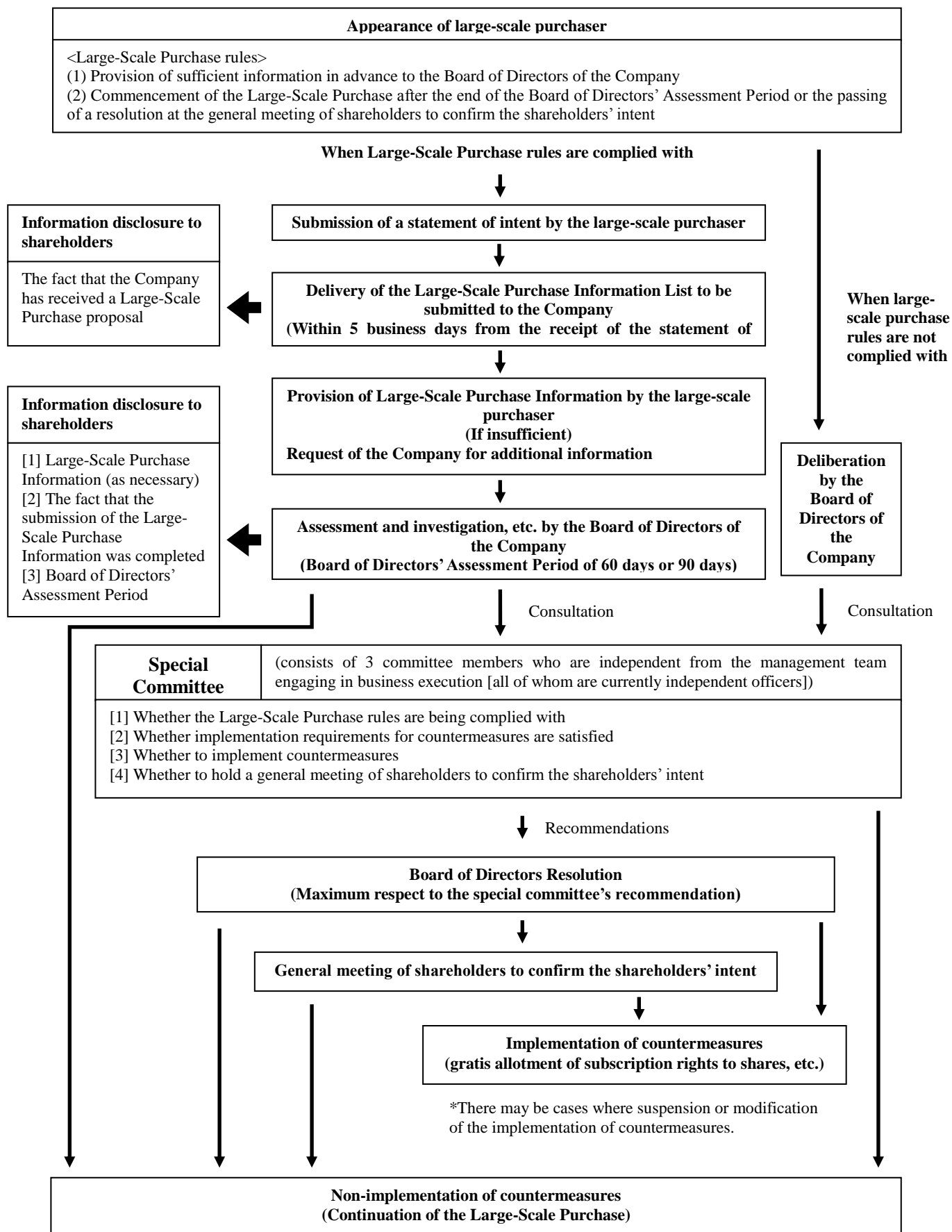
With respect to the continuation of the Policy, in the event that the approval of the majority of the voting rights of the shareholders in attendance (including the shareholders who have exercised their voting rights in writing or online) is obtained at this Meeting, the Company would like to continue the Policy up to the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year ending within three (3) years from the date of this Meeting and request the shareholders' approval to the continuation of the Policy.

The reasons for the proposal are stated in 1. and the details of the Policy as amended are stated in 2. below. The summary of main amendments and the conceptual diagram of the amended Policy are provided immediately below.

#### [Main amendments]

(1) Restrictions on the implementation requirements for countermeasures
<ul style="list-style-type: none"><li>The text of the Policy is revised so that the implementation requirements for countermeasures will be even more restrictive and so as to eliminate the possibility of arbitrary judgment even further (see 2.(3)(b)(i) through (iii)).</li></ul>
(2) Establishment of the general meeting of shareholders to confirm the shareholders' intent and its procedure
<ul style="list-style-type: none"><li>The Company has established a mechanism to confirm the intent of the shareholders of the Company regarding the implementation of countermeasures (general meeting of shareholders to confirm the shareholders' intent) (see 2.(3)(e)).</li><li>Whether to hold a general meeting of shareholders to confirm the shareholders' intent shall always be consulted with the special committee and the Board of Directors of the Company shall respect the recommendations of the special committee to the maximum extent (see 2.(3)(d)).</li><li>In cases where the large-scale purchaser complies with Large-Scale Purchase rules and the implementation of countermeasures is proposed solely on the grounds that the Large-Scale Purchase falls under the categories listed in (iii) of 2.(3)(b), a general meeting of shareholders to confirm the shareholders' intent shall always be held to confirm the intent of the shareholders regarding whether to implement countermeasures unless it is extremely difficult to hold such a meeting (see 2.(3)(e)).</li></ul>

[Conceptual diagram of the amended Policy]



## 1. Reasons for the proposal

The Group is striving to achieve the enhancement of its corporate value by exploring “beyond the boundaries into the future,” based on the three themes of the Group’s management philosophy, namely, “Creation of Innovative Values,” “Contribution to Future and the World,” and “Harmony with Nature and Society” through the steady implementation of three objectives of “Expansion of Overseas Businesses,” “Concentration and Advancement of Domestic Businesses,” and “Enhancement of Financial Foundation.”

As the largest owner of forests in the private sector, the Group is carrying on its corporate activities in harmony with the environment under its policy of the promotion of environmental management. The Group regards sustainable forest management and the medium- to long-term maintenance and enhancement of public value of forests as one of its social responsibilities.

Within this environment and against the backdrop of the development of Japanese legal system, changes in the business environment, etc., it can be anticipated that, in the future, a Large-Scale Purchase will be undertaken with the objective of acquiring control of the Company.

The Board of Directors of the Company does not reject even a Large-Scale Purchase as long as it is based on the takeover proposal, etc. that contribute to the corporate value and the common interests of the shareholders of the Company. Provided that appropriate information is provided by the purchaser and an assessment period is secured including the opportunity to evaluate alternatives to allow shareholders to make informed decisions, the Company believes that shareholders should ultimately make their own decision on such a proposal by accepting or not accepting the purchase offer.

However, in not a few cases, such a Large-Scale Purchase does not actually contribute to the corporate value of the target company and eventually the common interest of its shareholders. Example of such Large-Scale Purchases include the one whose purpose, etc. is clearly detrimental to the corporate value of the target company and the common interest of its shareholders, the one that effectively forces the shareholders to sell their shares, and the one that does not provide sufficient time or information for the Board of Directors or the shareholders of the target company to examine the terms and conditions of the Large-Scale Purchase or for the Board of Directors of the target company to make alternative proposals. Accordingly, with respect to Large-Scale Purchases that would impact the management of the Company, the Company believes the suitability of these purchases should be judged in accordance with certain rules. Continuing to uphold the basic approach outlined above, the Board of Directors of the Company decided to propose to this General Meeting of Shareholders the continuation, with certain amendments, of the Policy whose purpose is, among others, to ensure the collection of information about the proposed Large-Scale Purchase and to secure the assessment period and the opportunity to propose alternatives.

## 2. Details of the Policy

### (1) Establishing Large-Scale Purchase rules

For the interest of all shareholders of the Company, any Large-Scale Purchase shall be conducted in accordance with the Large-Scale Purchase rules prescribed below.

These Large-Scale Purchase rules require (i) the large-scale purchaser to provide the Board of Directors of the Company with sufficient information in advance and (ii) any Large-Scale Purchase to be commenced only following the passage of the Board of Directors’ Assessment Period (or, if a general meeting of shareholders to confirm the shareholders’ intent (defined in (3)(e) below; the same shall apply hereinafter) is held, after the conclusion of such a meeting).

A Large-Scale Purchase means the purchase of the Company’s share certificates, etc. (Note 1) for the purpose of a specific shareholder group (Note 2) purchasing 20% or more of the voting rights (Note 3) or the purchase of the Company’s share certificates, etc. with the result that a specific shareholder group holds 20% or more of the voting rights (in either case, a purchase to which the Board of Directors of the Company has given its consent beforehand is excluded) and a large-scale purchaser means a person who undertakes such a purchase.

Note 1: Share certificates, etc. means share certificates, etc. prescribed in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act and Article 27-2, Paragraph 1 of the same Act.

Note 2: Specific shareholder group means (i) the holder of the Company’s share certificates, etc. (meaning share certificates, etc. prescribed in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act) (such holder is prescribed in Article 27-23, Paragraph 1 of the same Act and includes persons included in holders based on Paragraph 3 of the same Article) and joint holders of the same

(meaning the joint holders prescribed in Article 27-23, Paragraph 5 of the same Act and including persons deemed to be joint holders based on Paragraph 6 of the same Article) or (ii) the person and persons in a special relationship (meaning persons in a special relationship prescribed in Article 27-2, Paragraph 7 of the same Act) who undertake the purchase, etc. of the share certificates, etc. of the Company (meaning share certificates, etc. prescribed in Article 27-2, Paragraph 1 of the same Act) (such purchase, etc. is prescribed in Article 27-2, Paragraph 1 of the same Act and including purchases undertaken on an exchange financial instruments market).

Note 3: Percentage of voting rights means (i) in the case of a specific shareholder group falling within the entry of (i) of Note 2, the percentage of share certificates, etc. held by the holder (meaning the holding ratio of share certificates, etc. prescribed in Article 27-23, Paragraph 4 of the Financial Instruments and Exchange Act; in this case, the number of share certificates, etc. held by the joint holder of the relevant holder (meaning the number of share certificates, etc. held prescribed in the same Paragraph) shall also be considered in calculation) or (ii) in the event that a specific shareholder group falls within the entry of (ii) of Note 2, the total percentage of ownership of share certificates, etc. of the relevant purchaser and persons in a special relationship with the purchaser (meaning the share certificates, etc. ownership rate prescribed in Article 27-2, Paragraph 8 of the same Act). When calculating the percentage of voting rights, reference may be made to the figures with respect to the total voting rights (meaning that prescribed in Article 27-2, Paragraph 8 of the same Act) and the total number of shares issued (meaning that prescribed in Article 27-23, Paragraph 4 of the same Act) provided in the Annual Securities Report, Quarterly Securities Report or Share Buyback Report, whichever is most recent.

## (2) Details of Large-Scale Purchase rules

First, the Company shall have the large-scale purchaser provide to the Board of Directors of the Company sufficient information required for the Company's shareholders to make a judgment and for the Board of Directors to form an opinion (hereafter, this information is referred to as the "Large-Scale Purchase Information"). Specifics are defined in Appendix 1.

As the concrete details of the Large-Scale Purchase Information may vary based on the details of the Large-Scale Purchase, when a large-scale purchaser intends to undertake a large-scale purchase, the Company will first have the large-scale purchaser submit to the Company a statement of intent to comply with the Large-Scale Purchase rules. In the statement of intent the Company asks that the name, address, governing law of incorporation of the large-scale purchaser, the name of its representative, and domestic contact information of the large-scale purchaser, and outline of the proposed Large-Scale Purchase be clearly indicated. Within five (5) business days following receipt of this statement of intent, the Company shall deliver to the large-scale purchaser a list of the Large-Scale Purchase Information which should be submitted to the Company by the large-scale purchaser.

In the event that it is considered that the information initially submitted alone is insufficient as Large-Scale Purchase Information, the Company may have additional information submitted until the Large-Scale Purchase Information is sufficiently complete.

The Board of Directors of the Company shall promptly disclose the fact that there has been a Large-Scale Purchase proposal. Additionally, the Large-Scale Purchase Information submitted to the Board of Directors of the Company shall be disclosed in full or in part in a timely manner if it is deemed necessary for the Company's shareholders to make a judgment.

Next, in accordance with the degree of difficulty of the assessment, etc. of the Large-Scale Purchase, a sixty (60)-day period (in the case of the purchase of all the shares of the Company through a public tender offer only for cash (yen) consideration) or a ninety (90)-day period (in the case of other Large-Scale Purchases) after the completion of submission of the Large-Scale Purchase Information shall be set aside as a period for the assessment, investigation, negotiation, opinion formation, and the preparation of alternative proposals by the Board of Directors (hereafter referred to as the "Board of Directors' Assessment Period"). The Board of Directors of the Company shall promptly disclose the fact that the submission of the Large-Scale Purchase Information was completed and matters relating to the Board of Directors' Assessment Period. The Large-Scale Purchase shall be commenced only following the passage of the Board of Directors' Assessment Period (or, if a general meeting of shareholders to confirm the shareholders' intent is held, after the conclusion of such a meeting).

During the Board of Directors' Assessment Period, the Board of Directors of the Company, while receiving the advice of outside experts, shall make a sufficient assessment and investigation of the submitted Large-Scale Purchase Information and shall disclose an opinion as the Board of Directors. As



necessary, the Board of Directors may negotiate with the large-scale purchaser concerning improvements in the terms of the Large-Scale Purchase and may also present, as the Board of Directors of the Company, alternative proposals to the shareholders. Additionally, the Board of Directors of the Company shall submit the Large-Scale Purchase Information to a special committee and request an assessment and investigation of the information. The special committee shall undertake its own assessment and investigation of the Large-Scale Purchase Information and shall make a recommendation concerning the measures of response which the Board of Directors of the Company should take in accordance with the Policy. The Board of Directors of the Company shall take the special committee's recommendation into consideration and shall determine a measure of response that complies with the Policy while giving maximum respect to that recommendation.

### (3) Policies in the event of a Large-Scale Purchase

#### (a) When a large-scale purchaser does not comply with the Large-Scale Purchase rules

When a large-scale purchaser does not submit a statement of intent, when a large-scale purchaser commences a Large-Scale Purchase prior to the passage of the Board of Directors' Assessment Period, when a large-scale purchaser does not provide sufficient information in accordance with the Large-Scale Purchase rules, or when a large-scale purchaser otherwise does not comply with the Large-Scale Purchase rules, the Board of Directors of the Company shall, for the purpose of protecting the interests of the Company's shareholders as a whole, take measures, such as the issuance of subscription rights to shares, deemed to be within the authority of the Board of Directors by the Companies Act, other laws and the Company's Articles of Incorporation and may oppose the Large-Scale Purchase. The Board of Directors of the Company shall, in advance of deciding to implement countermeasures, consult the special committee concerning the appropriateness of the implementation of the countermeasures and shall receive the special committee's recommendation. While giving maximum respect to the recommendation of the special committee, the Board of Directors of the Company shall make a decision on the implementation of the countermeasures having referenced the opinions of attorneys, financial advisors and other outside experts.

With respect to concrete countermeasures, measures deemed appropriate at that time shall be selected. An outline of the case where subscription rights to shares are issued based on a shareholder allotment as a concrete countermeasure shall, as a general principle, be as set forth in Appendix 2. In the event subscription rights to shares are issued, the exercise period, exercise terms and acquisition terms may be established having given consideration to their impact as a countermeasure, such as making the exercise terms and acquisition terms of the subscription rights to shares so as not to vest in a specific shareholder group that has a certain percentage or more of the voting rights.

#### (b) When a large-scale purchaser complies with the Large-Scale Purchase rules

With respect to the purchase of the Company's shares on a scale that may have an impact on the management of the Company, the purposes of the Large-Scale Purchase rules, from the perspective of protecting the interests of the Company's shareholders as a whole, are to provide information necessary for shareholders to make a judgment whether to accept such a purchase, to provide shareholders with the assessment and opinion of the Board of Directors of the Company who are actually responsible for the management of the Company and, furthermore, to ensure that there is an opportunity for shareholders to be presented with alternative proposals. When the Large-Scale Purchase rules are being complied with, these rules are not, as a general principle, in place to inhibit the Large-Scale Purchase simply on the judgment of the Board of Directors of the Company alone.

However, exceptionally, even though a large-scale purchaser complies with the Large-Scale Purchase rules, when the Board of Directors of the Company judges, having referred to the opinions of attorneys, financial advisors and other outside experts and having given maximum respect to the recommendation of the special committee, that it is clear that the Large-Scale Purchase will cause damage from which it will be difficult for the Company to recover or the interests of the Company's shareholders as a whole will suffer significant damage, measures set forth in (3) (a) above may be taken in order to deter the Large-Scale Purchase (provided, however, that if a general meeting of shareholders to confirm the shareholders' intent has been held, the Board of Directors of the Company shall make a decision in accordance with the resolution passed by the general meeting of shareholders to confirm the shareholders' intent). Timely and appropriate disclosures shall be made in the event it is decided to take

such countermeasures. Concretely, when acts are deemed to fall within the patterns below, the Company shall consider, as a general principle, the Large-Scale Purchase to fall within cases where it is clear that the purchase will cause damage from which it will be difficult for the Company to recover or cases where the interests of the Company's shareholders as a whole will suffer significant damage.

- (i) When purchases clearly infringe on the interests of shareholders as a whole due to acts listed in the following [1] to [4], etc.
  - [1] Act of buying up shares and demanding that the Company buy those shares at a high price
  - [2] Act of taking temporary control of the Company and engaging in management to realize the profits of the purchaser to the detriment of the Company, such as acquiring important assets, etc. of the Company at a low price
  - [3] Act of appropriating the assets of the Company to secure the debts or to be a source for repayment of the debts of the purchaser or its group companies, etc.
  - [4] Act of taking temporary control of the Company management, disposing of high valued assets, etc. without immediate relation to the business of the Company, and paying out a temporarily high dividend with the profits from that disposal, or watching for an opportunity for a rapid increase in stock prices caused by the temporarily high dividend to sell off shares
- (ii) When it is objectively probable that purchases will effectively force shareholders to sell shares, such as coercive two-tiered tender offers (meaning the purchase of shares such as in a public tender offer under which the second stage purchase terms are disadvantageously set compared to the initial purchase terms or the second stage purchase terms are left ill-defined)
- (iii) When the proposed Large-Scale Purchase falls under any the following [1] to [3], thereby involving the objective probability that it will significantly impair the corporate value of the Company including its social credibility or cause significant disadvantages to the shareholders of the Company:
  - [1] The management policy, business plan, etc., to be adopted after the large-scale purchaser acquires the control of the Company are extremely irrational or inappropriate;
  - [2] It is objectively probable that a significant problem will arise in relation to environmental preservation, compliance, or the transparency of governance with respect to the management policy, business plan, etc., to be adopted after the large-scale purchaser acquires the control of the Company; or
  - [3] It is objectively probable that the disclosure of information about the large-scale purchaser will be insufficient and inappropriate from the perspective of the protection of the shareholders of the Company.

(c) Suspension after implementation of countermeasure

Even after the decision to take countermeasures in accordance with the Policy, the Board of Directors of the Company may decide to suspend the implementation of the countermeasures, having given maximum respect to the recommendation of the special committee, (i) when the large-scale purchaser halts the Large-Scale Purchase and (ii) when there is a change in the relevant facts, etc. upon which the determination to take countermeasures were premised, and it is judged that the Large-Scale Purchase will not cause damage from which it will be difficult for the Company to recover, and furthermore, will not significantly damage the interests of the Company's shareholders as whole (provided, however, that if a general meeting of shareholders to confirm the shareholders' intent has been held and a resolution supporting the suspension of the implementation of countermeasures has been passed at the meeting, the Board of Directors of the Company shall make a decision in accordance with the resolution passed by the general meeting of shareholders to confirm the shareholders' intent). In the case of, for example, a gratis allotment of subscription rights to shares as a countermeasure, when circumstances have arisen, such as the large-scale purchaser withdrawing the Large-Scale Purchase, after the determination of shareholders who should receive an allotment of rights and the Board of Directors judges, having considered the recommendation of the special committee, that the implementation of countermeasures is inappropriate, the gratis allotment of subscription rights to shares may be suspended during the period up to the effective date of the subscription rights to shares or, during the period after the gratis allotment of the subscription rights to shares up to the start of their exercise period, the Company may acquire the

subscription rights to shares without consideration and suspend the implementation of the countermeasures.

In the event that the implementation of countermeasures is suspended as noted above, information concerning this will be promptly disclosed along with matters deemed necessary by the special committee.

(d) Establishment of special committee and investigation thereby

In the Policy, in order to ensure the objectivity, fairness and rationality of the judgment of the Board of Directors when judging whether the large-scale purchaser has complied with the Large-Scale Purchase rules, whether the Large-Scale Purchase falls within cases where it is clear that the purchase will cause damage from which it will be difficult for the Company to recover or cases where the interests of the Company's shareholders as a whole will suffer significant damage, and then whether to take countermeasures against the Large-Scale Purchase, whether to hold a general meeting of shareholders to confirm the shareholders' intent in determining whether to take such countermeasures and whether to suspend their implementation, the Company shall establish a special committee as an organization independent from the Board of Directors, and the Board of Directors of the Company shall give maximum respect to the committee's recommendation. The special committee shall consist of three (3) members who shall be selected from among outside directors, outside audit & supervisory board members, company managers with a wealth of management experience, persons thoroughly familiar with investment banking, attorneys, certified public accountants, tax accountants, academics, or other persons with similar qualifications.

When a decision is made to implement countermeasures, to or not to hold a general meeting of shareholders to confirm the shareholders' intent, or to suspend the implementation of countermeasures, the Board of Directors shall always consult with the special committee and receive its recommendation. The special committee may, at the expense of the Company, obtain the advice of third parties (including financial advisors, certified public accountants, attorneys, consultants and other experts) who are independent from the management team of the Company, or request the attendance of the Company's directors, audit & supervisory board members, employees, etc. at meetings of the special committee and request explanations concerning necessary information. The special committee shall deliberate and form resolutions and, based on the contents of those resolutions, present their recommendation to the Board of Directors of the Company. When judging whether to implement countermeasures, whether to hold a general meeting of shareholders to confirm the shareholders' intent in determining whether to take such countermeasures and whether to suspend the implementation of countermeasures, the Board of Directors shall give maximum respect to the special committee's recommendation. A summary of the rules of the special committee is found in Appendix 3.

(e) Procedure for the confirmation of the shareholders' intent

If the Board of Directors of the Company has determined, after giving maximum respect to the recommendations of the special committee, that whether to implement countermeasures should be determined through the procedure for the confirmation of the shareholders' intent, the Board of Directors of the Company may hold a general meeting of shareholders to confirm the shareholders' intent (hereinafter "general meeting of shareholders to confirm the shareholders' intent"). In cases where the large-scale purchaser complies with Large-Scale Purchase rules and the implementation of countermeasures is proposed solely on the grounds that the Large-Scale Purchase falls under the categories listed in (b)(iii) above, a general meeting of shareholders to confirm the shareholders' intent shall always be held to confirm the intent of the shareholders regarding whether to implement countermeasures unless it is extremely difficult to hold such a meeting. In conjunction with the holding of a general meeting of shareholders to confirm the shareholders' intent, the Board of Directors of the Company may also solicit the shareholders of the Company on the exercise of voting rights at the general meeting of shareholders to confirm the shareholders' intent in order to prevent damage to the corporate value and the common interest of shareholders of the Company. The convocation procedure and the voting methods of the general meeting of shareholders to confirm the shareholders' intent shall be the same as those of the ordinary or extraordinary general meeting of shareholders, which are based on laws and regulations and the Articles of Incorporation of the Company, and the Board of Directors of the Company shall obey the resolution of the general meeting of shareholders to confirm the shareholders' intent on whether to implement countermeasures.

#### (4) Effective term of the Large-Scale Purchase rules

In the event that the consent of a majority of the voting rights of the shareholders in attendance (including the shareholders who exercise voting rights in writing or online) is obtained at this Meeting with respect to the continuation of the Policy, the effective term of the Policy shall be up to the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year ending within three (3) years from the date of this Meeting, and this shall apply in successive terms thereafter.

Even during the effective term, the Policy shall be abolished at the point in time when a resolution is passed to abolish the Policy in a general meeting of shareholders or when a resolution is passed to abolish the Policy at a meeting of the Board of Directors of the Company. Additionally, even during the effective term of the Policy, there may be cases where the Board of Directors of the Company revises the Policy within the scope of the intent of the approval given at the general meeting of shareholders.

### 3. Supplemental explanations

#### (1) Members of the special committee

Mr. Michihiro Nara, Mr. Nobuaki Terasaka and Mr. Mikinao Kitada are nominated as members of the special committee and will work as members of the special committee in the event that the continuation of the Policy is approved in this Meeting. A profile of each of these individuals is set forth in Appendix 4.

#### (2) Impact on shareholders and investors of the Company

While it is not assumed that there will be circumstances where shareholders of the Company (except for any large-scale purchasers) may be caused economic damage or deprived of any right due to the implementation of countermeasures based on the Policy, the Board of Directors of the Company shall timely and appropriately disclose information in accordance with relevant laws and regulations and financial instruments exchange rules when it decides to take concrete countermeasures.

In the event that a gratis allotment of subscription rights to shares is undertaken as one of the possible countermeasures, an allotment of subscription rights to shares shall be made to shareholders recorded in the final shareholder registry on the record date separately determined at a meeting of the Board of Directors of the Company and publically announced, in accordance with the number of shares held. Thus, shareholders need to be recorded in the final shareholder registry on the said record date. Additionally, shareholders need to complete payment of a fixed sum within the prescribed period in order to exercise the subscription rights to shares and obtain those shares. However, in the event that the Company undertakes the acquisition of subscription rights to shares in accordance with acquisition terms that allow the Company to acquire subscription rights to shares in exchange for shares of the Company, shareholders who hold the subscription rights to shares subject to the said acquisition by the Board of Directors of the Company may receive the grant of the Company's shares as consideration for the acquisition of the subscription rights to shares by the Company without the need for the payment of monies. Separate notification of the details of these procedures shall be made in accordance with laws and regulations and financial instruments exchange rules when in fact subscription rights to shares are issued or acquired.

Even though a resolution has once been passed for the gratis allotment of subscription rights to shares, there may be cases where the Company, in accordance with 2. (3) (c) above, suspends the gratis allotment of subscription rights to shares during the period up to the effective date for the gratis allotment of subscription rights to shares or, acquires the subscription rights to shares without consideration up to the day immediately prior to the first date of the exercise period of the subscription rights to shares following the effective date for the gratis allotment of the subscription rights to shares. In these events, there is a possibility for corresponding fluctuation in the stock price of the Company's shares. For example, in the event that after the determination of shareholders who should receive a gratis allotment of subscription rights to shares (on or after the ex-rights date), the Company acquires the subscription rights to shares without consideration and does not issue new shares, no dilution of the per-share value of the shares shall arise and, therefore, investors who traded in the Company's shares on the premise that dilution of the value of the Company's shares would occur risk suffering a loss due to fluctuations in the stock price.

#### (3) Satisfaction of the requirements of the guidelines regarding takeover defense

The Policy satisfies the three principles (principle of protecting and enhancing corporate value and the common interests of shareholders, principle of prior disclosure and shareholders' opinion, and principle of ensuring the necessity and reasonableness) set out in the “Guidelines Regarding Takeover Defense Measures for the Purposes of Protection and Enhancement of Corporate Value and Common Interests of Shareholders” announced by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005.

(Appendix 1)

Large-Scale Purchase Information

1. Information on the large-scale purchaser and its group (in the case of a fund, including the partners and other constituent members)
  - (1) Names, capital relation, and financial details
  - (2) In the case where the large-scale purchaser is an individual: Nationality, professional experience, names of companies or other organizations (hereafter referred to as “juridical person”), their principal businesses and addresses which the relevant person proposing the takeover has managed, operated or has been employed at, and the beginning and ending dates of such management, operation or employment
  - (3) In the case where the large-scale purchaser is a juridical person: In respect to the relevant juridical person and its important subsidiaries, etc., principal businesses, country where incorporated, governance status, financial details of capital and long-term borrowing for the past three (3) years, major legal procedures pending in court relating to the relevant juridical person or its assets, outline of businesses undertaken up to the present, and names of directors, corporate officers, etc.
  - (4) If any: Criminal history for the past five (5) years (excluding traffic violations and similar petty crimes), violations relating to the Financial Instruments and Exchange Act and the Companies Act (including foreign laws comparable to these) for the past five (5) years, and whether there are other important issues relating to compliance
2. The objective, method and details of the large-scale purchase (including the value/type of consideration for the acquisition, timing of acquisition, structure of related transactions, lawfulness of the method of acquisition, and feasibility of acquisition)
3. Basis for the calculation of the consideration for the acquisition of the Company’s shares (including the facts/assumptions which are the premise of the calculation, calculation method, numerical information used in the calculation, and synergies which it is assumed will be created through the series of transactions relating to the acquisition and bases of the calculation for such synergies)
4. Financial resources for the large-scale purchase (including concrete name of the supplier (including the material supplier) of funds, procurement method, and details of related transactions)
5. Post-purchase management policy, business plan, and capital and dividend policies for the Company
6. Post-purchase policies dealing with the Company’s employees, trading partners, customers, regional society, and other interested parties (stakeholders) relating to the Company
7. Details and prospects of required procedures when executing the large-scale purchase, such as required approval of governmental authorities and agreement of third parties. The applicability of antitrust laws or other competition laws and of other important laws of the countries and regions where the large-scale purchaser or the Company engages in business or sells products and thoughts concerning whether these laws will be obstacles when executing the large-scale purchase and that basis
8. Other information reasonably judged necessary and requested by the Board of Directors or the special committee of the Company

(Appendix 2)

Summary of Subscription Rights to Shares

1. Shareholders subject to the allotment of subscription rights to shares and issuance terms  
Shareholders who are recorded in the final shareholder registry on the record date prescribed by the Board of Directors shall be allotted subscription rights to shares at a rate of one (1) right per share possessed (however, excluding common shares held by the Company). There may be cases where shareholders shall be granted the right to receive an allotment of subscription rights to shares and are solicited to subscribe to subscription rights to shares for subscription and cases where a gratis allotment of subscription rights to shares shall be made.
2. Class and number of shares to be delivered upon exercise of subscription rights to shares  
The class of shares to be delivered upon exercise of the subscription rights to shares shall be the common shares of the Company, and the upper limit of the total number of the shares to be delivered upon exercise of subscription rights to shares shall be determined by subtracting the total number of the common shares of the Company issued (excluding the number of common shares held by the Company) from the total number of shares authorized to be issued as of the record date prescribed by the Board of Directors of the Company. The number of shares to be delivered upon exercise of one (1) subscription right to shares shall be one (1) share; provided, however, if the Company makes a share split or a share consolidation, the required adjustments shall be made.
3. Total number of subscription rights to shares to be issued  
The total number of subscription rights to shares to be allotted shall be the number prescribed by the Board of Directors of the Company, and its upper limit shall be determined by subtracting the total number of the common shares of the Company issued (excluding the number of common shares held by the Company) from the total number of shares authorized to be issued as of the record date prescribed by the Board of Directors of the Company. The Board of Directors may make an allotment of subscription rights to shares multiple times within a scope not to exceed the upper limit of the total allotment number.
4. Amount to be paid in for each subscription right to shares  
Gratis (No payment of monies is required.)
5. Amount of property to be contributed upon exercise of subscription rights to shares  
The amount of property to be contributed upon exercise of subscription rights to shares shall be an amount of one (1) yen or more prescribed by the Board of Directors.
6. Restrictions on transfer of subscription rights to shares  
The acquisition of subscription rights to shares by transfer shall require approval by a resolution of the Board of Directors.
7. Exercise terms of subscription rights to shares  
The Company may determine terms for the exercise of subscription rights to shares, such as not allowing the exercise of rights by persons belonging to a specific shareholder group holding 20% or more voting rights (excluding persons whose acquisition or possession of the Company's share certificates, etc. is deemed by the Board of Directors of the Company not to be contrary to the interests of the Company's shareholders as a whole). Details shall be separately determined at a meeting of the Board of Directors of the Company.
8. Exercise period, etc. of subscription rights to shares  
The exercise period, acquisition terms, and other necessary matters of subscription rights to shares shall be separately determined by the Board of Directors. With respect to acquisition terms, the Company may determine terms that allow the Company to acquire subscription rights to shares held by persons other than those whose exercise of subscription rights to shares due to the exercise terms of 7. above is not allowed and may deliver one (1) share per subscription right to shares.

(Appendix 3)

Summary of the Rules of the Special Committee

1. The special committee shall be established for the purposes of defying arbitrary judgments of the Board of Directors regarding the implementation, etc. of countermeasures against large-scale purchases, and ensuring objectivity, fairness, and rationality of the judgment of the Board of Directors.
2. The special committee shall consist of three (3) members, independent from the management team that manages and executes the operations of the Company, and appointed by the Board of Directors of the Company from among any of the following relevant persons: (i) outside directors of the Company, (ii) outside audit & supervisory board members of the Company, (iii) outside experts. However, outside experts shall be company managers with a wealth of management experience, persons thoroughly familiar with investment banking, attorneys, certified public accountants, tax accountants, academics, or other persons with similar qualifications, and such persons must conclude with the Company contracts that include a duty of care of prudent manager provision, determined separately by the Board of Directors of the Company.
3. The terms of office of special committee members shall be until the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year ending within three (3) years after their appointment. However, this limit shall not apply in cases where the term of office is otherwise provided for by a resolution of the Board of Directors of the Company.
4. The special committee shall receive consultations from the Board of Directors, deliberate and form resolutions regarding the various matters listed in the items below, and present their recommendation to the Board of Directors of the Company based on the contents of those resolutions. In said deliberations and forming of resolutions, each member of the special committee shall consider the deliberated action from the perspective of whether said action will contribute or not contribute to the corporate value and the common interests of the shareholders of the Company, not with the purpose of pursuing the committee member's own personal benefit or that of the management team of the Company.
  - [1] The appropriateness of implementing countermeasures against large-scale purchases
  - [2] Suspending the implementation of countermeasures against large-scale purchases
  - [3] Whether it is necessary to hold a general meeting of shareholders to confirm the shareholders' intent
  - [4] From among the other matters that the Board of Directors of the Company should pass judgment on, matters for which the Board of Directors of the Company has consulted the special committee
5. The special committee may, at the expense of the Company, obtain the advice of third parties (including financial advisors, certified public accountants, attorneys, consultants and other experts) who are independent from the management team of the Company.
6. In order to gather necessary information, the special committee may request the attendance of the Company's directors, audit & supervisory board members, employees, or others that the special committee recognizes as necessary, and may demand explanations regarding matters that the special committee inquires about.
7. Resolutions by the special committee shall be made, as a general principle, with of all members of the special committee in attendance and by a majority of those in attendance. However, under unavoidable circumstances, resolutions may be made with a majority of the members of the special committee in attendance and by a majority of their voting rights.



(Appendix 4)

Names and Brief Histories of the Members of the Special Committee

Michihiro Nara

(Date of birth: May 17, 1946)

Brief history

April 1974 Registered as an attorney-at-law (to the present)

June 2014 Director, the Company (to the present)

\* In the event approval is given to the agenda Item 1, Mr. Michihiro Nara shall be appointed as an outside director.

Nobuaki Terasaka

(Date of birth: April 9, 1953)

Brief history

April 1976 Joined Ministry of International Trade and Industry

July 2009 Director-General, Nuclear and Industrial Safety Agency

August 2011 Retired from office

June 2015 Director, the Company (to the present)

\* In the event approval is given to the agenda Item 1, Mr. Nobuaki Terasaka shall be appointed as an outside director.

Mikinao Kitada

(Date of birth: January 29, 1952)

Brief history

April 1976 Appointed public prosecutor

January 2012 Superintendent Public Prosecutor of Osaka High Public Prosecutors Office

January 2014 Retired from office

March 2014 Registered as an attorney-at-law

June 2014 Audit & Supervisory Board Member, the Company (to the present)

\* Mr. Mikinao Kitada is an outside audit & supervisory board member as prescribed in Article 2, Item 16 of the Companies Act.

## Instruction for Exercising Voting Rights

### How to Exercise Your Voting Rights

- **If you are able to attend the General Meeting of Shareholders:**

Please bring the enclosed voting form with you and present it at the reception desk on the day of the meeting (name seals are not required).

Date and time of the meeting: **Thursday, June 29, 2017, at 10:00 a.m. Japan Standard Time**

- **If you are unable to attend the General Meeting of Shareholders:**

1. To exercise your voting rights in writing:

Please indicate whether you are for or against for each agenda item listed on the enclosed voting form, and return the form by post so that it reaches us by the deadline below.

\*In the case that a voting form without indication of approval or disapproval for an agenda was submitted, it will be handled as an approval.

Deadline: **Wednesday, June 28, 2017 at 5:30 p.m. Japan Standard Time**

2. To exercise your voting rights online:

Please make sure to read “Instruction for Exercising Voting Rights” (page 35) first and then access the designated Shareholder Voting Website (<http://www.web54.net>; Japanese) from your personal computer. Login by entering the voter code and password which are given on the enclosed voting form, and enter whether you are for or against for each agenda item by the below deadline, following the on-screen instructions.

Deadline: **Wednesday, June 28, 2017 at 5:30 p.m. Japan Standard Time**

- **“ICJ Platform,”** a platform for electronic exercise of voting rights operated by ICJ Inc., will be available for institutional investors.

## **Instruction for Exercising Voting Rights**

### **Please read the following if you plan to exercise your voting rights online.**

1. The only way to exercise your voting rights online is to use the Shareholder Voting Website (<http://www.web54.net>). In order to vote online, you will need the voter code and password mentioned on the right edge of the voting form.

Please note that a dedicated website for access via mobile phone is not available.

2. If you use the Shareholder Voting Website, your provider may charge for connection fees, and your telecommunications carrier may charge you for communication (telephone) fees, but these fees must be borne by the shareholder.

### **• Passwords**

1. Passwords are a means for confirming that the person casting the vote is the shareholder. Please store it with care until the close of this Meeting. Please note that we cannot give out passwords over the telephone.
2. If you enter your password incorrectly a certain number of times, the site will become locked and unusable. If this happens, please follow the on-screen instructions.
3. This password is only valid for this Meeting.

### **For computer operating instructions or other questions**

1. Please call the number below with any questions about how to vote on this site from a personal computer.

Dedicated Phone Line of Stock Transfer Agency “Web Support”

Sumitomo Mitsui Trust Bank, Limited.

Telephone: 0120 (652) 031 (toll free, Japan only)

(Calling hours: 9:00 a.m. to 9:00 p.m.)

2. Please call the number below to check your registered address, number of voting shares, etc.

Stock Transfer Agency Operation Center

Sumitomo Mitsui Trust Bank, Limited.

Telephone: 0120 (782) 031 (toll free, Japan only)

(Calling hours: 9:00 a.m. to 5:00 p.m., weekends and holidays excluded)

(Attached Documents)

**Business Report (from April 1, 2016 to March 31, 2017)**

**1. Review of Group Operations**

**(1) Review of Operations**

The global economy during fiscal 2016, the fiscal year ended March 31, 2017, was generally strong. In particular, the U.S. economy recovered steadily supported by, among others, healthy personal consumption on the back of the improving employment environment. The Chinese economy also started to pick up due to the effect of the Government policies, although its real GDP growth rate has slowed down. The Japanese economy recovered at a moderate pace owing to the firm personal consumption supported by the continued improvement of the employment environment in addition to the external demand contribution.

Amid such an environment, the results of the Oji Group's operations for fiscal 2016 were as follows. Consolidated net sales increased 0.4% year on year to ¥1,439,855 million. Operating profit, however, decreased 4.3% year on year to ¥70,508 million owing to the impact of the softer pulp market, among other factors. Also, Ordinary profit decreased 17.9% year on year to ¥51,190 million, reflecting higher foreign exchange losses. Profit attributable to owners of parent, on the other hand, increased 139.6% year on year to ¥36,562 million, reflecting a smaller impairment loss.

The situation for each business segment was as follows.

Segment	Net sales		Operating profit	
Household and Industrial Materials	620,281 million yen	(Up 2.7% year on year)	18,830 million yen	(Up 0.3% year on year)
Functional Materials	217,595 million yen	(Up 3.1% year on year)	17,548 million yen	(Up 47.3% year on year)
Forest Resources and Environment Marketing Business	270,335 million yen	(Up 1.0% year on year)	19,390 million yen	(Down 38.5% year on year)
Printing and Communications Media	296,135 million yen	(Down 4.3% year on year)	5,527 million yen	(Up 145.3% year on year)
Others	269,693 million yen	(Up 1.1% year on year)	8,900 million yen	(Up 0.5% year on year)
Subtotal	1,674,041 million yen	(Up 0.9% year on year)	70,196 million yen	(Down 4.2% year on year)
Adjustments	(234,186) million yen	(-)	311 million yen	(-)
Total	1,439,855 million yen	(Up 0.4% year on year)	70,508 million yen	(Down 4.3% year on year)

(Notes) 1. Adjustments represent those mainly for inter-segment transactions.

2. Numbers less than one million yen are rounded down to the nearest million.

[Household and Industrial Materials]

Net sales 620,281 million yen (Up 2.7% year on year)

Operating profit 18,830 million yen (Up 0.3% year on year)

Main Businesses: Containerboard/corrugated containers, Boxboard/packaging materials, Folding cartons/paper bags, Household papers, Disposable diapers

In the domestic business, containerboard sales performed strongly and sales volume increased from the previous year. The sales volume of corrugated containers remained nearly flat from the previous year. Sales of boxboard/packaging materials increased from the previous year in terms of volume as sales were firm particularly for exports. In household paper, sales volume of both tissue paper and toilet rolls increased. In disposable diapers, while sales volume of disposable diapers for babies remained nearly flat from the previous year, sales of those products for adults increased from the previous year.

In the overseas business, in Southeast Asia, containerboard sales performed strongly, while sales of corrugated containers were also buoyant, primarily for beverage and processed food uses. Sales volume of disposable diapers increased from the previous year mainly as the Group's local production

and sales in Southeast Asia gained momentum and its local market entry in China started in earnest through the start-up of a local sales organization.

[Functional Materials]

Net sales 217,595 million yen (Up 3.1% year on year)

Operating profit 17,548 million yen (Up 47.3% year on year)

Main Businesses: Specialty paper, Thermal paper, Adhesive products, Film

In the domestic business, specialty paper sales in Japan increased from the previous year in term of volume mainly owing to our sales expansion efforts focusing on the development of new products and new customers. Export sales volume increased from the previous year mainly driven by new orders received. Thermal paper sales in Japan grew steadily.

In the overseas business, sales volume of thermal paper declined in North America, but increased in South America and Asia, and total sales volume of thermal paper increased.

[Forest Resources and Environment Marketing Business]

Net sales 270,335 million yen (Up 1.0% year on year)

Operating profit 19,390 million yen (Down 38.5% year on year)

Main Businesses: Pulp, Energy, Lumber

In the domestic business, sales volume of the pulp business increased from the previous year due to strong sales of dissolving pulp particularly for exports. In the energy business, electricity sales volume increased due to the start of commercial operation in January 2016 of biomass boilers in Ebetsu City, Hokkaido.

In the overseas business, sales volume of the pulp business increased from the previous year mainly due to the sales expansion by Celulose Nipo-Brasileira S.A. and Jiangsu Oji Paper Co., Ltd. However, sales decreased as the market conditions softened and the yen-converted amount of sales in foreign currencies was smaller due to the strong yen. In the lumber business, sales volume increased from the previous year owing to the sales expansion by Pan Pac Forest Products Ltd.

[Printing and Communications Media]

Net sales 296,135 million yen (Down 4.3% year on year)

Operating profit 5,527 million yen (Up 145.3% year on year)

Main Businesses: Newsprint, Printing/publication/communication paper

In the domestic business, newsprint sales volume declined from the previous year reflecting the decline in newspaper circulation. Although sales volume of printing/communication paper remained nearly flat from the previous year, sales decreased from the previous year mainly reflecting the effect of the softening of the market conditions.

In the overseas business, Jiangsu Oji Paper Co., Ltd. achieved steady sales growth in printing paper and overall sales volume increased from the previous year.

[Others]

Net sales 269,693 million yen (Up 1.1% year on year)

Operating profit 8,900 million yen (Up 0.5% year on year)

Main businesses: Real estate, Engineering, Trading, Logistics, etc.

Sales in the others segment increased from the previous year due to an increase in sales for the engineering business.

## (2) Capital investment of Oji Group

The Group's capital investment for the year under review amounted to 57,858 million yen, an increase of 471 million yen compared to the previous year.

The Group has continued to make such investments in fields required for restructuring its business portfolio and to implement works aimed at achieving improved product quality, higher energy efficiency, and greater productivity, as well as projects for safety and the environment.

The following summarizes the Group's principal capital investment programs.

1. Principal works that were completed during the year under review

Company Name	Work description
Oji Nepia Co., Ltd.	Works to install disposable diaper production equipment (Nagoya Plant)
Oji F-Tex Co., Ltd.	Works to renovate hydroelectric power plant (Fujinomiya base, Tokai Mill)
Oji Fibre Solutions (NZ) Ltd.	Works to install additional paper bag production equipment (New Zealand)
Oji Asia Household Products Sdn. Bhd.	Works to set up a new mill for disposable diapers (Malaysia)

2. Principal works that were underway during the year under review

Company Name	Work description
Oji Fibre Solutions (QLD) Pty. Ltd.	Works to set up a new corrugated container mill (Australia)
Pan Pac Forest Products (Otago) Ltd	Works to install lumbering equipment (New Zealand)
Celulose Nipo-Brasileira S.A.	Works to consolidate log processing equipment (Brazil)
Celulose Nipo-Brasileira S.A.	Works to renovate pulp manufacturing facilities (Brazil)
Jiangsu Oji Paper Co., Ltd.	Works to install pulp machines (China)

**(3) Changes in assets and results of operation**

Segment	89th FY2012	90th FY2013	91st FY2014	92nd FY2015	93rd FY2016
Net sales (millions of yen)	1,241,471	1,332,510	1,347,281	1,433,595	1,439,855
Operating profit (millions of yen)	52,383	62,023	46,694	73,685	70,508
Ordinary profit (millions of yen)	54,565	70,358	52,970	62,362	51,190
Profit attributable to owners of parent (millions of yen)	25,600	33,801	17,344	15,257	36,562
Profit per share (yen)	25.93	34.22	17.55	15.44	36.99
Total assets (millions of yen)	1,831,251	1,915,676	2,164,091	1,934,921	1,918,128
Net assets (millions of yen)	579,128	670,356	801,372	730,915	774,747
Net assets per share (yen)	511.95	581.69	666.40	600.34	644.62

- (Notes) 1. Profit per share was calculated by dividing profit attributable to owners of parent by the average number of shares outstanding for the year under review upon subtracting from it the number of treasury stocks.
2. Net assets per share were calculated by dividing net assets by the number of shares outstanding at the end of the year under review upon subtracting from it the number of treasury stocks.
3. Numbers less than one million yen are rounded down to the nearest million.

**(4) Issue to address of Oji Group**

Business strategy of Oji Group

The Group will strive to achieve medium- to long-term enhancement of its corporate value, by exploring “beyond the boundaries into the future,” based on the three themes of the Group’s management philosophy, namely, “Creation of Innovative Values,” “Contribution to Future and the World” and “Harmony with Nature and Society.”

Under the aforementioned management philosophy, the Group has established as basic policy of its business strategies, three objectives of “Expansion of Overseas Businesses,” “Concentration and Advancement of Domestic Businesses” and “Enhancement of Financial Foundation,” whereby the following management target has been set out.

Management target for fiscal 2018	
Consolidated operating profit	Balance of interest-bearing liabilities
100 billion yen	700 billion yen

To achieve the aforementioned, the following specific initiatives are being taken.

(a) Household and Industrial Materials

- Industrial Materials (Containerboard business, Corrugated containers business, Boxboard and packaging papers business, Folding cartons and paper bag business)

Overseas, the Group has been expanding its business operations, mainly in Southeast Asia, India and Oceania. In September 2016, the Group completed the acquisition of Dazun Paper Industrial Company Sdn. Bhd., a company engaged in manufacturing and sales of corrugated containers in Malaysia. In Myanmar, the Group is preparing for the corrugated container, flexible packaging, and paper cup businesses at its second factory in the country, and plans to launch commercial operation during 2017. In Australia, a new corrugated container factory is being built, and is targeting a launch of commercial operations in October 2017. Going forward, the Group will continue to expand its sites, centered on Southeast Asia and other regions, while also deepening cooperation throughout Southeast Asia, India, and Oceania to rejuvenate the manufacturing and sales network, thereby bolstering profit-earning capability. In Japan's domestic market, the Group is set to further promote material-processing-integrated business. In the meantime, the Group promotes strengthening operational base of the all business fields, drawing on the measures for expanding business and enhancing productivity/competitiveness in its corrugated container processing business through M&As, thereby aiming to become the leading integrated packaging maker.

In May 2016, the Group established O&C Paper Bag Holdings Co., Ltd., an intermediary holding company for collaboration in the paper bag business that has been advanced as a measure under the capital and business alliance with Chuetsu Pulp & Paper Co., Ltd. Through this initiative, the Group will rationalize the production framework to strengthen the domestic business base, and grow the paper bag business by proactively expanding overseas business using both companies' existing sites as initial bases. Furthermore, the Group is diligently preparing to have O&C Ivory Board Co., Ltd., established as a production joint venture for high grade boxboard for which stable demand is expected, begin commercial production in August 2017.

- Household and Consumer Products (Household paper business, Disposable diaper business)

In the household paper business, the Group will aim to further increase the value of the "Nepia" brand by mainly introducing environmentally-friendly products which have acquired forest certifications and high-end products which include "hana-celeb." Also, in April 2017, the Group entered into an agreement with Mitsubishi Paper Mills Limited to establish MPM Oji Home Products Co., Ltd. as a joint venture to manufacture household paper products at Mitsubishi Paper Mill's Hachinohe Mill. With this initiative, the Group will boost the competitiveness of its household paper business through logistics cost reductions and other measures by acquiring the Group's first household paper business site in the Tohoku region, and the Group will continue to expand the household paper business, which is expected to enjoy stable demand going forward.

In the disposable diaper business for babies, in addition to introducing "Genki!," a unified brand both in Japan and overseas, the Group newly launched sales of "Whito." "Whito" is Oji's highest-quality brand ever, and features both tape-type disposable diapers and pants-type disposable diapers. The proprietary technology employed in the diapers involves a groove pressed into the front side of the absorption pad, which greatly improves absorbency, while also making the diapers more breathable along with providing a better fit. Using this technology, the Group has developed the industry's first diapers for 3-hour use (for use when changing diapers frequently) and 12-hour use (for use when going out, sleeping, etc.), and will offer consumers a new option of using the type that matches their need at the time. In February 2017, baby goods retailer Akachan Honpo began selling these diapers ahead of the official launch, and sales at the retailer have been steadily growing, with some customers coming back to buy the diapers repeatedly. This fall, sales will be launched nationwide simultaneously, and the Group will work to cultivate a high price point market targeting customers seeking quality. In addition, in 2016, the Group increased its supply capability by adding processing machines for both tape-type disposable diapers and pants-type disposable

diapers in Japan. Going forward, the Group will further enhance exports to China and other countries. Overseas, the Group is engaged in manufacturing and sales at two sites in Malaysia, in Indonesia the Group is engaged in sales through a joint venture, while the Group is planning to start manufacturing in Indonesia as well. Also, with respect to the “nepia Tender” brand of disposable diapers for adults, the Group will continue to develop products that resolve the problems that nursing care facilities face.

(b) Functional Materials (Specialty paper business, Thermal paper business, Adhesive products business, Film business)

Up until now, the Group’s development of the functional materials business in Southeast Asia has been primarily in upstream businesses such as thermal paper business and adhesive products business. However, in May 2016, the Group acquired 60% of the shares of the Malaysian company Hyper-Region Labels Sdn. Bhd., as well as its affiliates, which is engaged in manufacturing and sales of printing/processing products, thereby entering the midstream and downstream businesses. In addition, the Group is acquiring shares of Tele Paper (M) Sdn. Bhd., a company that manufactures and sells thermal paper, carbonless copy paper and other products in Malaysia. By expanding midstream and downstream businesses from these sites, the Group will learn end users’ needs accurately and in a timely manner, thereby integrating the upstream, midstream and downstream businesses, and enhance the cultivation of new businesses and bolster new product development. In Myanmar, the Group is preparing to start making whiskey labels, and is progressing with preparations to provide films and other products to food and beverage companies, as well as to household and consumer products manufacturers in the flexible packaging business, and is planning to start commercial operation during 2017. In Brazil, the Group is working to increase the production capacity of Oji Papéis Especiais Ltda. by approximately 10%, in order to meet the robust demand for thermal paper products in South America. Overseas business shall further be expanded into the future.

In Japan, in addition to rebuilding the production system and boosting competitiveness, the Group is committed towards expanding its business field by promoting the development of non-“paper” products such as light diffusion materials and thermoplastic composites, and by increasing the added-values of existing products such as capacitor films for EV/HEV applications and optical films.

(c) Forest Resources and Environment Marketing Business (Pulp business, Energy business, Lumber business)

In the pulp business, the Group is implementing strategic earnings countermeasures at key sites to establish a business foundation capable of withstanding fluctuations in pulp market conditions. Oji Fiber Solutions (NZ) Ltd. in New Zealand, acquired in 2014, is working on measures to stabilize and improve the efficiency of operations through introducing and applying the Group’s technical expertise and operation management methods, etc. In Brazil, Celulose Nipo-Brasileira S.A. has been working on an ongoing basis to improve revenue by modernizing manufacturing equipment among other efforts. Jiangsu Oji Paper Co., Ltd. is adding more dry pulp machines, which are scheduled to come online at the end of 2017. Also, dissolving pulp (DP) equipment, which launched operation in 2014, is being used to manufacture products for rayon applications, while the Group is also using this facility to earnestly develop high-value-added products, such as food additives and materials for medical supplies.

The Group is also accelerating the development of new businesses. Regarding the electric power business, three biomass power generators began operation by the end of FY2015, hydropower generators have been renovated, and the Group is also engaged in the power retailing business. Of the hydropower generator renovations which were planned at 15 sites, renovation work has been completed at 10 of these sites. Also, the Group is working with Mitsubishi Paper Mills Limited, to establish a facility within Mitsubishi Paper Mills’ Hachinohe Mill, and plans to start the biomass power generation business in 2019. Along with expanding the electric power business, the Group is working to expand the fuel business for the energy business, including reinforcing production facilities that make woodchips that fuel



biomass power generators utilizing untapped domestic wood resources, and proceeding with the expansion of procurement of palm kernel shells in Indonesia.

In the lumber business, in recent years the Group has been increasing its production capabilities, centered on Asia/Oceania. Initiatives have included bringing lumber mills online in Indonesia and Myanmar, and revamping a sawmill in New Zealand.

In addition, the Group is strengthening its trading company function in a wide range of fields, including the pulp, fuel, and lumber processing businesses, through sales companies in China, Indonesia, and Vietnam.

(d) Printing and Communications Media (Newsprint business, Printing/publication/communications paper business)

The Group is conducting restructuring of its production platform, as appropriate, but closely taking into account the current business environment, whereby Oji Paper Co., Ltd. shut down paper machine No.7 at its Tomioka Mill in 2016, and will shut down paper machine No.4 at its Kasugai Mill in 2017. The Group will aim to achieve an increase in cash flows, along with strengthening of its international competitiveness, through continuously reviewing/restructuring its cost structure by establishing a demand-based optimal production structure.

Meanwhile, Jiangsu Oji Paper Co., Ltd. reduced costs by fully utilizing the strength of the integrated manufacturing of pulp and paper, which is rare in China. As a result, the paper business achieved positive operating profit for FY2016. In addition, in the second half of FY2016, Jiangsu Oji Paper posted positive operating profit overall, combining the paper business and the pulp business. The company will further increase its competitiveness in the pulp business, in which additional dry pulp machines are expected to come online at the end of 2017, and aim to post stable, positive operating profit consistently in both the paper business and the pulp businesses.

(e) Improving research and development (R&D)

The Group is engaged in the innovative value creation, through flexible and streamlined research and development activities, mainly under the initiative of the Innovation Promotion Division, in close collaboration with the operations within the Group. Such initiatives include cellulose nano-fiber (CNF) materials, which are expected to have applications in a wide range of industries as next-generation materials, as well as water treatment technologies. With respect to CNF, in December 2016, the Group commenced operations of a manufacturing pilot plant for phosphate esterification CNF slurry, which is one of the Group's proprietary technologies. Furthermore, in the second half of FY2017, the Group will introduce the world's first facility for producing continuous transparent sheets, which only the Group has been able to produce. By introducing these facilities, in addition to verifying the manufacturing energy reduction benefits and establishing mass production techniques, the Group will expand the scale of samples provided to users able to put the samples to practical use, and create new possibilities, such as "AUROVISCO," the CNF thickener which the Group started offering in May 2017, CNF transparent sheet "AUROVEIL" and CNF transparent sheet "AUROVEIL 3D," which can be freely molded, and expand application to a wide range of uses, thereby helping to jump-start the CNF market.

Elsewhere, research to cultivate the medicinal plant licorice led to the Group developing the first fast cultivation technique in Japan that satisfies the amount of medicinal properties stipulated in the Japanese Pharmacopoeia, 17th edition. ALBION Co., Ltd. is expected to put the licorice cultivated by the Group into practical use as a raw material for cosmetics. Going forward, the Group will aim to sell the licorice as material for traditional Chinese medicines, and will also consider using the licorice as an ingredient for quasi-drugs, sweeteners, and other applications, as the Group focuses on this as a key new business.

(f) Environmental Management

The Group is the largest owner of forests in Japan among private-sector companies. As such, the Group is committed to promoting environmental management, and is dedicated to developing its business activities in harmony with the environment. In addition to sustainable

forest management, the Group is working towards having zero-environmental burden, and will continue to responsibly procure lumber and other raw materials.

By carrying out the measures above, the Group aims to become a global corporate group that continues to create innovative value.

<Reference> Basic Views on Corporate Governance

Drawing on the fundamental values and the behavior principles that the Oji Group has carried down as a company since its founding, the Oji Group has formulated the Oji Group Corporate Code of Conduct by which it as a whole engages in corporate activities with an awareness of its responsibility and a high ethical principle as a corporate citizen. The Oji Group will continuously strive towards enhancement of its corporate governance, regarding it as one of the highest priority issues in its management, by ensuring efficiency, soundness and transparency of the management, while building trust relationship with its diverse stakeholders. In doing so, the Oji Group will aim to increase its corporate value and become a company that is trusted by society.

The Fundamental Policies on Corporate Governance of the Company is posted on its website (<https://www.ojiholdings.co.jp/group/policy/governance.html>).

**(5) Main businesses of Oji Group**

(as of March 31, 2017)

Segment	Main Businesses
Household and Industrial Materials	Containerboard business, Corrugated containers business, Boxboard and packaging papers business, Folding cartons and paper bags business, Household papers business, Disposable diapers business
Functional Materials	Specialty paper business, Thermal paper business, Adhesive products business, Film business
Forest Resources and Environment Marketing Business	Pulp business, Energy business, Lumber business
Printing and Communications Media	Newsprint business, Printing and publication and communications paper business
Others	Real estate, Engineering, Trading business, Logistics, etc.

**(6) Main offices and mills of Oji Group** (as of March 31, 2017)

## (i) The Company

Main Sites	
Headquarters:	Chuo-ku, Tokyo
Research Centers:	Koto-ku, Tokyo, Amagasaki, Hyogo, other

## (ii) Domestic subsidiaries

Stated in the table titled “(8) Significant subsidiaries”

**(7) Employees of Oji Group**

(as of March 31, 2017)

Segment	Number of employees	Change from previous fiscal year-end
Household and Industrial Materials	17,308	An increase of 1,739
Functional Materials	4,615	An increase of 84
Forest Resources and Environment Marketing Business	7,259	An increase of 54
Printing and Communications Media	3,487	A decrease of 88
Others	2,723	A decrease of 2
Total	35,392	An increase of 1,787

**(8) Significant subsidiaries**

(as of March 31, 2017)

Company name	Headquarter location	Capital stock	Percentage of voting rights of the Company	Major business description
Japan Brazil Paper and Pulp Development Ltd.	Chuo-ku, Tokyo	millions of yen 61,788	% (55.5)	Management of pulp production company in Brazil. Pulp trading in the country
Oji Container Co., Ltd.	Chuo-ku, Tokyo	10,000	(100)	Production and distribution of corrugated container products (sheet and box)
OJI TAC Co., Ltd.	Chuo-ku, Tokyo	1,550	(100)	Production and distribution of paper- and resin-processed products, packaging materials, and adhesive paper
Oji Packaging Co., Ltd.	Edogawa-ku, Tokyo	1,500	(100)	Production and distribution of folding cartons and synthetic resin container
Oji Logistics Co., Ltd.	Chuo-ku, Tokyo	1,434	100	Warehousing, truck transportation, and domestic sea transportation services
Kyokuyo Pulp & Paper Co., Ltd	Chuo-ku, Tokyo	1,300	90.0	Trading of paper, synthetic resin, and packaging materials
Oji Seitai, Co., Ltd.	Chuo-ku, Tokyo	1,299	(55.0)	Production and distribution of heavy-duty paper sack
Oji Cornstarch Co., Ltd.	Chuo-ku, Tokyo	1,000	(60.0)	Production and distribution of corn starch and saccharified products
Oji Engineering Co., Ltd.	Chuo-ku, Tokyo	800	100	Design, manufacture, installation, overhaul, and distribution of various machinery products
Oji Real Estate Co., Ltd.	Chuo-ku, Tokyo	650	(100)	Real-estate trading, brokerage, leasing, and management services
Oji Materia Co., Ltd.	Chuo-ku, Tokyo	600	100	Production and distribution of paperboard (containerboards, specialty paperboards, and boxboards), packaging materials, and pulps
Oji Nepia Co., Ltd.	Chuo-ku, Tokyo	350	100	Production and distribution of sanitary paper and disposable diaper
Oji Paper Co., Ltd.	Chuo-ku, Tokyo	350	100	Production and distribution of newsprint, paper, and pulp
Oji F-Tex Co., Ltd.	Chuo-ku, Tokyo	350	100	Production and distribution of specialty printing paper, specialty function paper, film products, and specialty paperboard
Oji Imaging Media Co., Ltd.	Chuo-ku, Tokyo	350	100	Production and distribution of thermal recording paper (paper and film) and inkjet paper
Oji Green Resources Co., Ltd.	Chuo-ku, Tokyo	350	100	Trading in lumber, pulp, and raw fuel materials, plantation business management, and the energy business
Mori Shigyo Co., Ltd.	Kyoto-shi, Kyoto	310	(100)	Production and distribution of corrugated container products (sheet and box)
Oji Forest & Products Co., Ltd.	Chuo-ku, Tokyo	288	(100)	Trading in lumber and paper raw materials, gardening, and afforestation services
Oji Papéis Especiais Ltda.	Brazil	Millions of Brazilian Real 409	(100)	Production and distribution of thermal recording paper and carbonless copy paper
Celulose Nipo-Brasileira S.A.	Brazil	Millions of US dollars 257	(55.5)	Plantation service and production and distribution of pulp

Company name	Headquarter location	Capital stock	Percentage of voting rights of the Company	Major business description
Jiangsu Oji Paper Co., Ltd.	China	Millions of US dollars 911	% (90.0)	Production and distribution of paper and pulp
KANZAN Spezialpapiere GmbH	Germany	Millions of euros 25	(94.7)	Production and distribution of thermal recording paper
GS Paper & Packaging Sdn. Bhd.	Malaysia	Millions of Malaysian ringgit 255	(75.0)	Production and distribution of containerboards and corrugated container products (sheet and box)
Harta Packaging Industries Sdn. Bhd.	Malaysia	Millions of Malaysian ringgit 18	(100)	Production and distribution of corrugated container products (sheet and box)
Oji Fibre Solutions (NZ) Ltd.	New Zealand	Millions of New Zealand dollars 728	(60.0)	Production and distribution of pulp, paperboard, corrugated container products, and paper bag products
Pan Pac Forest Products Ltd.	New Zealand	Millions of New Zealand dollars 126	(100)	Forest management, plantation and logging services. Distribution of lumbers and production and distribution of pulp and lumber products
Oji Paper (Thailand) Ltd.	Thailand	Millions of Thai baht 1,340	(100)	Production and distribution of carbonless copy paper and thermal recording paper
Kanzaki Specialty Papers Inc.	USA	Millions of US dollars 34	(100)	Production and distribution of thermal recording paper

- (Notes)
1. Oji Seitai, Co., Ltd. was newly included in the list of significant subsidiaries above from this fiscal year in consideration of the size of its business and other factors.
  2. Capital stock value less than the minimum unit is truncated for presentation.
  3. The percentage of voting rights of the Company shown in parentheses denotes one that includes voting rights held by subsidiaries.
  4. The number of the Group's consolidated subsidiaries as of March 31, 2017 stood at 197, including significant subsidiaries whose names are listed above. The number of equity method affiliate companies totaled 21 as of March 31, 2017.
  5. There is no subsidiary that falls under the category of specified wholly-owned subsidiary as of March 31, 2017.

**(9) Financing activities of Oji Group**

The Group obtained necessary cash by securing loans from financial institutions and issuing commercial paper.

**(10) Main lenders and Borrowing amount of Oji Group**

(as of March 31, 2017)

Lender	Loan balance
	millions of yen
Sumitomo Mitsui Banking Corporation	49,565
Mizuho Bank, Ltd.	47,290
The Norinchukin Bank	43,531
Nippon Life Insurance Company	32,065
Sumitomo Mitsui Trust Bank, Limited	25,064

- (Notes) 1. In addition to the loans listed above, the Company obtained 211,827 million yen in syndicate loans.  
2. Numbers less than one million yen are rounded down to the nearest million.

**(11) The status of the Group's corporate reorganization activities and acquisition of shares in other companies**

As part of the strategy to actively develop packaging business in the Southeast Asia, India and Oceania regions where economies are growing significantly, the Company's subsidiaries GS Paper & Packaging Sdn. Bhd. (75% owned by the Company) and HPI Resources Bhd. (100% owned by the Company) acquired on a joint basis 100% of the issued shares in a Malaysian company engaged in manufacturing and sales of corrugated containers, Dazun Paper Industrial Company Sdn. Bhd. in September 2016.

**(12) Policy concerning exercise of authority in case that the Articles of Incorporation stipulates that the Board of Directors shall determine dividends of surplus, etc.**

(i) Basic policy for distribution of profit

The Company's basic policy is to maintain stable dividends to shareholders to the extent possible while comprehensively considering the business results for each business year and the internal reserves necessary in preparation for future management initiatives.

(ii) Matters related to year-end dividend

The year-end dividend for the current fiscal year will be 5 yen per share with the record date of March 31, 2017 by comprehensively considering the business results and future business environment, etc.

Combined with the interim dividend of 5 yen per share, which was implemented for the interim period, this will bring total dividends for the current fiscal year to 10 yen per share, the same as for the previous fiscal year.

(a) Type of dividend property

Cash

(b) Matters related to allotment of dividend property to shareholders and total amount thereof 5 yen per common share of the Company; Total amount 4,955,679,460 yen

(c) Effective date of dividends of surplus

June 7, 2017

**(13) Significant matters related to the current state of the corporate group other than those mentioned in the preceding items**

Not applicable.

## 2. Shares of the Company (as of March 31, 2017)

(1) Total number of shares authorized to be issued 2,400,000,000 shares

(2) Total number of shares issued 1,014,381,817 shares  
(Treasury stock) (23,245,925 shares)

- (Notes) 1. The Company resolved to cancel 50,000,000 shares of treasury stock at the Board of Directors' meeting held on May 13, 2016, and these shares were subsequently cancelled on May 31, 2016. As a result, the total number of shares issued decreased by 50,000,000 shares.
2. At the 92nd Ordinary General Meeting of Shareholders held on June 29, 2016, the introduction of a performance-linked and stock-based remuneration plan was approved. Consequently, the Company disposed of 1,215,000 shares of treasury stock for the plan on August 23, 2016 based on the resolution passed at the Board of Directors' meeting held on August 2, 2016.

(3) Total number of shareholders 63,837 shareholders  
(3,213 decrease compared with March 31, 2016)

### (4) Major shareholders (top 10)

Name of shareholder	Shares held	Percentage of total shares issued
	thousand shares	%
The Master Trust Bank of Japan, Ltd. (Trust account)	64,667	6.5
Japan Trustee Services Bank, Ltd. (Trust account)	49,616	5.0
Japan Trustee Services Bank, Ltd. (Trust account 4)	35,415	3.6
Sumitomo Mitsui Banking Corporation	31,668	3.2
Nippon Life Insurance Company	25,658	2.6
Oji Group Employee Stock-holding Association	22,315	2.3
Mizuho Bank, Ltd.	21,636	2.2
The Norinchukin Bank	16,654	1.7
Japan Trustee Services Bank, Ltd. (Trust account 9)	16,542	1.7
Japan Trustee Services Bank, Ltd. (Trust account 5)	15,040	1.5

- (Notes) 1. The Company holds treasury stock of 23,245 thousand shares, which is excluded from the above list.
2. The percentage of total shares issued has been calculated after excluding the Company's treasury stock (23,245 thousand shares).
3. Numbers less than one thousand are rounded down to the nearest thousand.

### 3. Officers of the Company

#### (1) Directors and Audit & Supervisory Board Members (Positions, name, responsibilities, and significant concurrent positions)

(as of March 31, 2017)

Positions	Name	Responsibilities and significant concurrent positions
Representative Director and Chairman of the Board*	Kiyotaka Shindo	Group Co-CEO
Representative Director of the Board, President and CEO*	Susumu Yajima	Group Co-CEO
Representative Director of the Board and Executive Vice President*	Ryoji Watari	President, Industrial Materials Company and President, Household and Consumer Products Company President and Representative Director, Oji Industrial Materials Management Co., Ltd. Chairman and Director, Oji Nepia Co., Ltd. Director, Oji Container Co., Ltd. Director, Oji Materia Co., Ltd. Director, Mori Shigyo Co., Ltd.
Representative Director of the Board and Executive Vice President*	Kazuo Fuchigami	President, Functional Materials Company President and Representative Director, Oji Functional Materials Progressing Center Inc. Director, Oji F-Tex Co., Ltd. Director, Oji Imaging Media Co., Ltd.
Director*	Gemmei Shimamura	General Manager, Corporate Governance Div. President, Oji Management Office Inc. In charge of: Oji Human Support Co., Ltd. Oji Business Center Co., Ltd. Oji Paper Management (Shanghai) Co., Ltd.
Director*	Hidehiko Aoyama	President, Printing and Communications Media Company Representative Director, President and CEO, Oji Paper Co., Ltd. In charge of Oji Logistics Co., Ltd.
Director*	Yoshiki Koseki	In charge of Innovation Promotion Div. Representative Director, President and CEO, Oji Engineering Co., Ltd.
Director*	Masatoshi Kaku	Vice President, Functional Materials Company Senior Managing Director, Oji Functional Materials Progressing Center Inc. President and Representative Director, Oji F-Tex Co., Ltd.
Director*	Ryuichi Kisaka	Vice President, Functional Materials Company Senior Managing Director, Oji Functional Materials Progressing Center Inc. President and Representative Director, Oji Imaging Media Co., Ltd. Director, Oji Paper (Thailand) Ltd.
Director*	Kazuhiko Kamada	President, Forest Resources and Environment Director, Oji Green Resources Co., Ltd. Director, Oji Forest & Products Co., Ltd. Chairman, Pan Pac Forest Products Ltd.



Positions	Name	Responsibilities and significant concurrent positions
Director*	Hiroyuki Isono	Deputy General Manager of Corporate Governance Division Senior Managing Director, Oji Management Office Inc. Director, Jiangsu Oji Paper Co., Ltd. Representative Director and Chairman of the Board, Oji Oceania Management Co., Ltd. Chairman of the Board of Oji Fibre Solutions (NZ) Ltd.
Director	Michihiro Nara	Attorney-at-law Outside Director, Seiko Epson Corp. Outside Director, Chori Co., Ltd. Outside Director, Nihon Tokushu Toryo Co., Ltd.
Director	Nobuaki Terasaka	
Audit & Supervisory Board Member	Motokazu Ogata	(Standing) Audit & Supervisory Board Member of Oji Container Co., Ltd., Oji Packaging Co., Ltd., Oji Seitai, Co., Ltd., Oji Engineering Co., Ltd., Oji Real Estate Co., Ltd., Oji Materia Co., Ltd., Oji Paper Co., Ltd. and Mori Shigyo Co., Ltd.
Audit & Supervisory Board Member	Satoshi Fukui	(Standing) Audit & Supervisory Board Member of Oji F-TEX Co., Ltd., Oji Imaging Media Co., Ltd. and Oji Green Resources Co., Ltd.
Audit & Supervisory Board Member	Makoto Katsura	
Audit & Supervisory Board Member	Mikinao Kitada	Attorney-at-law Outside Director, Askul Corporation Outside Audit & Supervisory Board Member, Yokogawa Bridge Holdings Corp. Outside Audit & Supervisory Board Member, Sojitz Corporation
Audit & Supervisory Board Member	Yuko Miyazaki	Attorney-at-law Outside Director, Seven Bank, Ltd.

- (Notes) 1. Mr. Michihiro Nara and Mr. Nobuaki Terasaka, Directors, are outside directors as prescribed in Article 2, Item 15 of the Companies Act.  
The Company has designated both Mr. Michihiro Nara and Mr. Nobuaki Terasaka, as independent directors and notified the Tokyo Stock Exchange of such designation in accordance with its regulation.
2. Mr. Makoto Katsura, Mr. Mikinao Kitada, and Ms. Yuko Miyazaki are outside audit & supervisory board members as prescribed in Article 2, Item 16 of the Companies Act. The Company has designated Mr. Makoto Katsura and Mr. Mikinao Kitada as independent directors and notified the Tokyo Stock Exchange of such designation in accordance with its regulation.
3. Standing Audit & Supervisory Board Members were elected by a resolution of the Audit & Supervisory Board at a meeting held on June 29, 2016, as follows.
- |   |                |
|---|----------------|
| Audit & Supervisory Board Member (Standing) | Motokazu Ogata |
| Audit & Supervisory Board Member (Standing) | Satoshi Fukui  |
4. Mr. Motokazu Ogata, Audit & Supervisory Board Member, has sound knowledge of finance and accounting due to his long experience serving in the Company's finance and accounting business unit after joining the Company, and to his experience serving as a Director of the Board in charge of the finance and accounting business unit of a subsidiary of the Company.
5. The eleven (11) Directors of the Board whose names are marked with an asterisk concurrently serve as Executive Officers.
6. Effective April 1, 2017, partial changes were made to the responsibilities of Directors of the Board concurrently serving as Executive Officers. Their post-change responsibilities are as shown in the table of the following section titled "(2) The Status of Executive Officers."
7. Pursuant to the provisions of the Articles of Incorporation, the Company has concluded, in conformity with Article 427, Paragraph 1 of the Companies Act, a contract for limitation of liability with all of its Outside Directors and Audit & Supervisory Board Members on the limitation of liability for damages set forth in Article 423, Paragraph 1 of the Companies Act. The maximum amount of the liability for damages under the above-mentioned contract is set at an amount provided for by applicable laws and regulations.

**(2) The Status of Executive Officers**

(as of April 1, 2017)

Positions	Name	Responsibilities
Chairman of the Board*	Kiyotaka Shindo	
President and Chief Executive Officer*	Susumu Yajima	Group CEO
Executive Vice President*	Ryoji Watari	President, Household and Industrial Materials Company Representative Director and President, Oji Industrial Materials Management Co., Ltd. Representative Director and Chairman of the Board, Oji Nepia Co., Ltd. (Concurrently)
Executive Vice President*	Kazuo Fuchigami	President, Functional Materials Company President, Oji Functional Materials Progressing Center Inc.
Senior Executive Officer*	Hidehiko Aoyama	President, Printing and Communications Media Company Representative Director, President and CEO, Oji Paper Co., Ltd. In charge of Oji Logistics Co., Ltd.
Executive Officer*	Yoshiki Koseki	Vice President, Industrial Materials Company Director and Vice President, Oji Industrial Materials Management Co., Ltd. President and Representative Director, Oji Materia Co., Ltd. In charge of Oji Container Co., Ltd.
Executive Officer*	Masatoshi Kaku	Deputy General Manager, Corporate Governance Div. In charge of Innovation Promotion Div. Representative Director, President and CEO, Oji Engineering Co., Ltd.
Executive Officer*	Ryuichi Kisaka	Deputy General Manager, Corporate Governance Div. Senior Managing Director, Oji Management Office Inc.
Executive Officer*	Kazuhiko Kamada	President, Forest Resources and Environment Marketing Business Company
Executive Officer*	Hiroyuki Isono	Representative Director and Chairman of the Board, Oji Oceania Management Co., Ltd. Chairman of the Board of Oji Fibre Solutions (NZ) Ltd.
Senior Executive Officer	Yasuo Nakanishi	President, Oji Asia Packaging Sdn. Bhd.
Senior Executive Officer	Jun Maruyama	Senior Executive Officer, Oji Industrial Materials Management Co., Ltd. President, Mori Shigyo Co., Ltd.
Executive Officer	Yoshiaki Takeda	General Manager, Corporate Governance Div. President, Oji Management Office Inc. In charge of: Oji Human Support Co., Ltd. Oji Business Center Co., Ltd. Oji Paper Management (Shanghai) Co., Ltd.
Executive Officer	Shoji Fujiwara	Vice President, Functional Materials Company Senior Managing Director, Oji Functional Materials Progressing Center Inc. President and Representative Director, Oji F-Tex Co., Ltd.
Executive Officer	Masaru Yokoyama	General Manager, Innovation Promotion Div.
Executive Officer	Yutaka Fushino	Managing Director, Oji Industrial Materials Management Co., Ltd. President, Oji Container Co., Ltd.

Positions	Name	Responsibilities
Corporate Officer	Masanori Oshiumi	Senior Managing Director, Oji Oceania Management Co., Ltd. Senior Managing Director, Oji Fibre Solutions (NZ) Ltd.
Corporate Officer	Noriaki Shimizu	Vice President, Household and Consumer Products Company President, Oji Nepia Co., Ltd.
Corporate Officer	Nobuyuki Fujisawa	President, Kyokuyo Pulp & Paper Co., Ltd.
Corporate Officer	Junnichi Tomita	President, Oji Asia Management Sdn. Bhd.
Corporate Officer	Koichi Ishida	Senior Managing Director, Oji Paper Co., Ltd.
Corporate Officer	Hisashi Ibayashi	Managing Director, Oji Functional Materials Progressing Center Inc. President, Oji Imaging Media Co., Ltd.
Corporate Officer	Fumio Shindo	Vice President, Forest Resources and Environment Marketing Company President, Oji Green Resources Co., Ltd.

(Note) The ten (10) Executive Officers whose names are marked with an asterisk concurrently serve as Directors of the Board.

### (3) Total Amount of Remuneration, etc. for Directors and Audit & Supervisory Board Members for the Year under Review

Position	No. of Personnel	Basic remuneration	Bonuses	Performance-linked and stock-based remuneration	Stock options	Total
Director (Outside Director)	13 (2)	316 million yen (30 million yen)	159 million yen (-)	122 million yen (-)	21 million yen (-)	619 million yen (30 million yen)
Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	5 (3)	91 million yen (31 million yen)	- (-)	- (-)	- (-)	91 million yen (31 million yen)
Total	18	407 million yen	159 million yen	122 million yen	21 million yen	711 million yen

- (Notes)
- The maximum remuneration, etc. for Directors determined by a resolution of the General Meeting of Shareholders is 700 million yen a year (resolution of the 92<sup>nd</sup> Ordinary General Meeting of Shareholders held on June 29, 2016).
  - The Company introduced a performance-linked and stock-based remuneration plan for Directors (excluding Outside Directors) separately from the maximum remuneration, etc. mentioned in Note 1. pursuant to the resolution passed at the 92<sup>nd</sup> Ordinary General Meeting of Shareholders held on June 29, 2016. The maximum number of points to be granted by the Company to its Directors (excluding Outside Directors) under this plan is 570,000 points per fiscal year. Upon the introduction of this plan, the Company discontinued the granting of new stock options. The stock options shown in the table above are those that had been granted before its introduction.
  - The maximum remuneration, etc. for Audit & Supervisory Board Members determined by a resolution of the General Meeting of Shareholders is 97 million yen a year (resolution of the 82<sup>nd</sup> Ordinary General Meeting of Shareholders held on June 29, 2006).
  - As of March 31, 2017, the number of Directors stood at thirteen (13) and that of Audit & Supervisory Board Members at five (5).
  - Numbers less than one million yen are rounded down to the nearest million.

**(4) Matters Relating to Outside Officers**

(i) Relationships between the Company and organizations where significant concurrent positions are held

(as of March 31, 2017)

Position	Name	Concurrent positions
Outside Director	Michihiro Nara	Attorney-at-law, Outside Director, Seiko Epson Corporation, Outside Director, Chori Co., Ltd., Outside Director, Nihon Tokushu Toryo Co., Ltd.
Outside Audit & Supervisory Board Member	Mikinao Kitada	Attorney-at-law, Outside Statutory Auditor, Askul Corporation, Outside Director, Yokogawa Bridge Holdings Corp., Outside Audit & Supervisory Board Member, Sojitz Corporation
Outside Audit & Supervisory Board Member	Yuko Miyazaki	Attorney-at-law, Outside Director, Seven Bank, Ltd.

(Note) The Company has no special interest with the organizations where Outside Officers hold significant concurrent positions above.

(ii) Major activities during the fiscal year ended March 31, 2017

Position	Name	Status of attendance at the Board of Directors' Meeting	Status of attendance at the Audit & Supervisory Board Meeting	Principal comments
Outside Director	Michihiro Nara	13/14 (92.9%)	–	Provided expert opinions based on his rich experience and his wide-ranging knowledge from attorney's professional perspective
Outside Director	Nobuaki Terasaka	14/14 (100%)	–	Provided expert opinions based on his rich experience in government and his wide-ranging knowledge
Outside Audit & Supervisory Board Member	Makoto Katsura	14/14 (100%)	14/14 (100%)	Provided expert opinions based on his rich experience as a diplomat and his wide-ranging knowledge
Outside Audit & Supervisory Board Member	Mikinao Kitada	13/14 (92.9%)	14/14 (100%)	Provided expert opinions based on his rich experience in the legal field and his wide-ranging knowledge
Outside Audit & Supervisory Board Member	Yuko Miyazaki	13/14 (92.9%)	14/14 (100%)	Provided expert opinions based on his rich experience and his wide-ranging knowledge from attorney's professional perspective

#### 4. Matters related to Accounting Auditors

##### (1) Name of the Accounting Auditor

PricewaterhouseCoopers Aarata LLC

- (Notes) 1. The Accounting Auditor was changed as follows at the conclusion of the 92nd Ordinary General Meeting of Shareholders held on June 29, 2016:
- |            |                               |
|------------|-------------------------------|
| Assumption | PricewaterhouseCoopers Aarata |
| Retirement | Ernst & Young ShinNihon LLC   |
2. PricewaterhouseCoopers Aarata was renamed on July 1, 2016, as PricewaterhouseCoopers Aarata LLC, in connection with its conversion to a limited liability audit corporation.

##### (2) Accounting Auditor Remunerations, etc. for the Year under Review

Segment	Amount paid
Remuneration of the Company's Accounting Auditors	millions of yen 76
The amount required to be paid to Accounting Auditors by the Company and its consolidated subsidiaries	242
Total amount of other property benefits	

- (Notes) 1. The above-mentioned payments include audit fee under the Financial Instruments and Exchange Act because the audit agreement between the Company and its Accounting Auditors does not distinguish between the audit fee under the Companies Act and the audit fee under the Financial Instruments and Exchange Act.
2. The Audit & Supervisory Board of the Company agreed to the amount of remunerations, etc. for Accounting Auditors after examining and evaluating, among others, the negotiations during the Accounting Auditor selection process, the audit plan developed by the Accounting Auditors, and the actual performance in the previous fiscal year.
3. Numbers less than one million yen are rounded down to the nearest million.

##### (3) Description of Non-audit Service

No applicable services

##### (4) Company's Subsidiaries Audited by Another Audit Firm among Significant Subsidiaries

Among the Company's significant subsidiaries, the following companies are audited by a certified public accountant or an audit firm other than the Company's Accounting Auditors (including without limitation such entity at a non-Japan location that has qualifications equivalent to those of the Company's Accounting Auditors) (limited to such entity as conforms to the Companies Act or the Financial Instruments and Exchange Act [or any non-Japan laws or regulations equivalent to the former acts]: Mori Shigyo Co., Ltd., Oji Papéis Especiais Ltda., Celulose Nipo-Brasileira S.A., Jiangsu Oji Paper Co., Ltd., KANZAN Spezialpapiere GmbH, GS Paper & Packaging Sdn. Bhd., Harta Packaging Industries Sdn. Bhd., Oji Fibre Solutions (NZ) Ltd., Pan Pac Forest Products Ltd., Oji Paper (Thailand) Ltd., and Kanzaki Specialty Papers Inc.

##### (5) Company's Policy on Accounting Auditor Dismissal or Non-reappointment Decision

If an Accounting Auditor is deemed to have significant difficulty in properly performing his/her duties, the Audit & Supervisory Board determines a proposal to be submitted to the General Meeting of Shareholders for dismissing or not reappointing the Accounting Auditor.

Or, if an Accounting Auditor is deemed to fall under any of provisions in Article 340, Paragraph 1 of the Companies Act, the Accounting Auditor shall be dismissed, based on the unanimous agreement of Audit & Supervisory Board members.

## Consolidated Financial Statements

### Consolidated Balance Sheets

(Millions of yen, with fractions less than one million yen discarded)

	As of March 31, 2017	As of March 31, 2016 (Ref.)
<b>Assets</b>		
Current assets		
Cash and deposits	43,833	43,968
Notes and accounts receivable—trade	292,780	285,954
Short-term investment securities	9,787	7,486
Merchandise and finished goods	93,973	98,145
Work in process	18,215	18,921
Raw materials and supplies	78,992	80,109
Deferred tax assets	10,926	14,439
Short-term loans receivable	4,716	4,834
Accounts receivable—other	17,417	22,302
Other	10,669	11,309
Allowance for doubtful accounts	(1,613)	(3,438)
<b>Total current assets</b>	<b>579,698</b>	<b>584,033</b>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	207,282	210,163
Machinery, equipment and vehicles	373,646	414,754
Tools, furniture and fixtures	5,368	5,591
Land	237,328	237,478
Forests	115,563	119,049
Standing timber	117,074	122,764
Lease assets	3,113	2,696
Construction in progress	28,280	24,977
<b>Total property, plant and equipment</b>	<b>1,087,657</b>	<b>1,137,477</b>
Intangible assets		
Goodwill	9,503	9,836
Other	12,169	13,167
<b>Total intangible assets</b>	<b>21,673</b>	<b>23,004</b>
Investments and other assets		
Investment securities	152,384	149,094
Long-term loans receivable	5,485	5,337
Long-term prepaid expenses	21,046	21,302
Net defined benefit asset	39,535	4,300
Deferred tax assets	1,060	880
Other	11,304	11,111
Allowance for doubtful accounts	(1,719)	(1,620)
<b>Total investments and other assets</b>	<b>229,098</b>	<b>190,405</b>
<b>Total noncurrent assets</b>	<b>1,338,429</b>	<b>1,350,887</b>
<b>Total assets</b>	<b>1,918,128</b>	<b>1,934,921</b>

(Millions of yen, with fractions less than one million yen discarded)

	As of March 31, 2017	As of March 31, 2016 (Ref.)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable–trade	205,147	198,167
Short-term loans payable	178,480	178,157
Commercial papers	2,000	27,000
Current portion of bonds	40,000	20,020
Accounts payable–other	17,528	16,260
Accrued expenses	43,722	43,096
Income taxes payable	9,385	7,354
Other	31,477	26,022
<b>Total current liabilities</b>	<b>527,742</b>	<b>516,079</b>
<b>Noncurrent liabilities</b>		
Bonds payable	80,000	120,000
Long-term loans payable	376,835	432,556
Deferred tax liabilities	72,158	54,447
Deferred tax liabilities for land revaluation	7,867	7,908
Provision for loss on litigation	3,357	2,942
Net defined benefit liability	54,123	52,207
Long-term deposits received	8,430	8,020
Other	12,866	9,843
<b>Total noncurrent liabilities</b>	<b>615,638</b>	<b>687,925</b>
<b>Total liabilities</b>	<b>1,143,381</b>	<b>1,204,005</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	103,880	103,880
Capital surplus	112,455	112,857
Retained earnings	357,999	359,830
Treasury stock	(14,394)	(42,638)
<b>Total shareholders' equity</b>	<b>559,942</b>	<b>533,930</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	34,075	25,316
Deferred gains or losses on hedges	(729)	(771)
Revaluation reserve for land	5,921	5,463
Foreign currency translation adjustment	33,164	41,369
Remeasurements of defined benefit plans	4,863	(11,833)
<b>Total accumulated other comprehensive income</b>	<b>77,294</b>	<b>59,545</b>
Subscription rights to shares	266	260
Non-controlling interests	137,244	137,179
<b>Total net assets</b>	<b>774,747</b>	<b>730,915</b>
<b>Total liabilities and net assets</b>	<b>1,918,128</b>	<b>1,934,921</b>

## Consolidated Statements of Income

(Millions of yen, with fractions less than one million yen discarded)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2016 (Ref.)
Net sales	1,439,855	1,433,595
Cost of sales	1,105,121	1,101,584
Gross profit	334,733	332,011
Selling, general and administrative expenses	264,224	258,325
Operating profit	70,508	73,685
Non-operating income		
Interest and dividends income	4,454	4,603
Equity in earnings of affiliates	416	3,970
Miscellaneous income	5,526	5,693
Total non-operating income	10,397	14,267
Non-operating expenses		
Interest expenses	7,470	9,885
Foreign exchange losses	12,558	8,591
Miscellaneous loss	9,685	7,112
Total non-operating expenses	29,715	25,590
Ordinary profit	51,190	62,362
Extraordinary income		
Gain on revision of retirement benefit plan	13,704	–
Gain on sales of noncurrent assets	8,083	3,273
Gain on sales of investment securities	3,255	16,154
Gain on contribution of securities to retirement benefit trust	–	14,722
Other	3,960	–
Total extraordinary income	29,004	34,150
Extraordinary loss		
Impairment loss	7,986	61,569
Special retirement expenses	3,153	833
Business structure improvement expenses	2,809	2,742
Loss on retirement of noncurrent assets	2,015	2,308
Other	1,581	2,041
Total extraordinary losses	17,546	69,496
Income before income taxes and minority interests	62,648	27,016
Income taxes—current	15,020	15,075
Income taxes—deferred	10,241	(4,031)
Profit	37,386	15,972
Profit attributable to non-controlling interests	824	714
Profit attributable to owners of parent	36,562	15,257



## Non-consolidated Financial Statements

### Non-consolidated Balance Sheets

(Millions of yen, with fractions less than one million yen discarded)

	As of March 31, 2017	As of March 31, 2016 (Ref.)
<b>Assets</b>		
Current assets		
Cash and deposits	4,442	3,654
Operating accounts receivable	173	144
Real estate for sale	14	14
Deferred tax assets	875	837
Short-term loans receivable	367,237	51,328
Accounts receivable–other	7,480	9,715
Other	199	258
Allowance for doubtful accounts	(340)	(338)
<b>Total current assets</b>	<b>380,082</b>	<b>65,614</b>
Noncurrent assets		
Property, plant and equipment		
Buildings	18,952	20,685
Structures	368	627
Machinery and equipment	596	327
Vehicles	0	0
Tools, furniture and fixtures	868	855
Land	42,885	45,872
Forests	15,642	15,642
Standing timber	22,328	22,577
Lease assets	2	3
Construction in progress	190	616
<b>Total property, plant and equipment</b>	<b>101,834</b>	<b>107,208</b>
Intangible assets		
Software	18	7
Other	63	55
<b>Total intangible assets</b>	<b>81</b>	<b>62</b>
Investments and other assets		
Investment securities	76,930	71,088
Stocks of subsidiaries and affiliates	518,212	519,979
Investments in capital	2	2
Investments in capital of subsidiaries and affiliates	5,804	6,360
Long-term loans receivable	74,385	407,608
Long-term prepaid expenses	1,128	1,584
Other	613	632
Allowance for doubtful accounts	(1,579)	(1,448)
<b>Total investments and other assets</b>	<b>675,497</b>	<b>1,005,808</b>
<b>Total noncurrent assets</b>	<b>777,413</b>	<b>1,113,079</b>
<b>Total assets</b>	<b>1,157,495</b>	<b>1,178,694</b>

(Millions of yen, with fractions less than one million yen discarded)

	As of March 31, 2017	As of March 31, 2016 (Ref.)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable–trade	23	21
Short-term loans payable	264,627	211,987
Commercial papers	2,000	27,000
Current portion of bonds	40,000	20,000
Lease obligations	0	0
Accounts payable–other	17,760	12,521
Accrued expenses	2,701	4,524
Income taxes payable	1,456	511
Allowance for transfer of shares of subsidiaries and affiliates	1,200	292
Provision for loss on guarantees	–	34
Other	5,432	1,677
<b>Total current liabilities</b>	<b>335,202</b>	<b>278,570</b>
<b>Noncurrent liabilities</b>		
Bonds payable	80,000	120,000
Long-term loans payable	360,776	407,767
Lease obligations	1	2
Deferred tax liabilities	3,459	345
Provision for retirement benefits	2,520	2,688
Long-term deposits received	4,875	5,116
Other	2,415	2,211
<b>Total noncurrent liabilities</b>	<b>454,048</b>	<b>538,132</b>
<b>Total liabilities</b>	<b>789,251</b>	<b>816,702</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	103,880	103,880
Capital surplus		
Capital reserve	108,640	108,640
Other capital surplus	–	1,240
<b>Total capital surplus</b>	<b>108,640</b>	<b>109,880</b>
<b>Retained earnings</b>		
Retained earnings reserve	24,646	24,646
Other retained earnings		
Reserve for advanced depreciation of noncurrent assets	15,833	17,791
Reserve for overseas investment loss	36	293
General reserve	101,729	101,729
Retained earnings brought forward	952	26,940
<b>Total retained earnings</b>	<b>143,198</b>	<b>171,401</b>
Treasury stock	(13,935)	(42,957)
<b>Total shareholders' equity</b>	<b>341,783</b>	<b>342,206</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	26,591	19,999
Deferred gains or losses on hedges	(397)	(474)
<b>Total valuation and translation adjustments</b>	<b>26,194</b>	<b>19,524</b>
Subscription rights to shares	266	260
<b>Total net assets</b>	<b>368,244</b>	<b>361,991</b>
<b>Total liabilities and net assets</b>	<b>1,157,495</b>	<b>1,178,694</b>

## Non-consolidated Statements of Income

(Millions of yen, with fractions less than one million yen discarded)

	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2016 (Ref.)
Operating revenue	27,741	30,436
Operating expenses		
General and administrative expenses	15,465	14,801
Other	2,670	2,838
Operating profit	9,605	12,796
Non-operating income		
Interest and dividends income	6,360	7,234
Brand maintenance income	1,425	1,190
Miscellaneous income	387	656
Total non-operating income	8,174	9,081
Non-operating expenses		
Interest expenses	5,007	5,901
Foreign exchange losses	2,177	192
Brand maintenance expenses	1,527	1,483
Miscellaneous loss	1,220	611
Total non-operating expenses	9,931	8,189
Ordinary profit	7,847	13,689
Extraordinary income		
Gain on sales of noncurrent assets	7,727	2,549
Gain on sales of investment securities	2,874	556
Total extraordinary income	10,602	3,106
Extraordinary loss		
Loss on valuation of shares of subsidiaries and affiliates	3,336	13,230
Provision of allowance for transfer of shares of subsidiaries and affiliates	1,243	292
Impairment loss	1,111	20
Other	739	126
Total extraordinary losses	6,431	13,669
Income before income taxes	12,018	3,126
Income taxes—current	2,318	785
Income taxes—deferred	166	169
Profit	9,532	2,170

**REPORT OF INDEPENDENT AUDITORS**

May 11, 2017

To the Board of Directors of Oji Holdings Corporation

**PricewaterhouseCoopers Aarata LLC**

Designated and Engagement Partner  
Certified Public Accountant  
Takashi Sasaki (Seal)

Designated and Engagement Partner  
Certified Public Accountant  
Sakae Toda (Seal)

Designated and Engagement Partner  
Certified Public Accountant  
Yuichiro Amano (Seal)

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the consolidated financial statements, that is, the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets, and the notes to consolidated financial statements of Oji Holdings Corporation (the "Company") applicable to the fiscal year from April 1, 2016 to March 31, 2017.

**Responsibility of the Company's management for consolidated financial statements**

The Company's management is responsible for preparing and properly presenting consolidated financial statements in accordance with accounting standards generally accepted in Japan. This includes establishing and operating internal control determined as necessary by the management for the preparation and proper presentation of consolidated financial statements that are free of material misstatement caused by fraud or error.

**Responsibility of independent auditors**

Our responsibility is to independently express an opinion on the consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those auditing standards require that we plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free of material misstatement.

An audit entails performing procedures to gain evidence of audit with regard to the amounts and presentation of the consolidated financial statements. Based on our judgment, we select and apply the auditing procedures in consideration of the assessment of risks associated with the material misstatement of consolidated financial statements caused by fraud or error. The purpose of the audit is not to express an opinion on the effectiveness of internal control; however, in conducting risk assessment, we will consider internal control relating to the preparation and proper presentation of consolidated financial statements to formulate relevant auditing procedures depending on the conditions. An audit also includes examining the assessment of the accounting policies, the methods of application thereof, and significant estimates made by the management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that we have obtained adequate and appropriate audit evidence as the basis for our opinion.

**Audit opinion**

As a result of our audit, it is our opinion that the above consolidated financial statements properly present in all material respects the Company's financial position and the results of operations of the corporate group comprising Oji Holdings Corporation and its consolidated subsidiaries applicable to the year ended March 31, 2017 in accordance with accounting standards generally accepted in Japan.

**Conflict of interest**

Our firm and engagement partners have no interest in the Company that must be disclosed pursuant to the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

**REPORT OF INDEPENDENT AUDITORS**

May 11, 2017

To the Board of Directors of Oji Holdings Corporation

**PricewaterhouseCoopers Aarata LLC**

Designated and Engagement Partner  
Certified Public Accountant  
Takashi Sasaki (Seal)

Designated and Engagement Partner  
Certified Public Accountant  
Sakae Toda (Seal)

Designated and Engagement Partner  
Certified Public Accountant  
Yuichiro Amano (Seal)

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the financial statements, that is, the balance sheet, the statement of income, the statement of changes in net assets, the notes to financial statements, and the supplementary schedules of Oji Holdings Corporation (the "Company") applicable to the 93rd business year from April 1, 2016 to March 31, 2017.

**Responsibility of the Company's management for financial statements**

The Company's management is responsible for preparing and properly presenting financial statements and the supplementary schedules in accordance with accounting standards generally accepted in Japan. This includes establishing and operating internal control determined as necessary by the management for the preparation and proper presentation of financial statements and the supplementary schedules that are free of material misstatement caused by fraud or error.

**Responsibility of independent auditors**

Our responsibility is to independently express an opinion on the financial statements and the supplementary schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those auditing standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements and the supplementary schedules are free of material misstatement.

An audit entails performing procedures to gain evidence of audit with regard to the amounts and presentation of the financial statements and the supplementary schedules. Based on our judgment, we select and apply the auditing procedures in consideration of the assessment of risks associated with the material misstatement of financial statements and the supplementary schedules caused by fraud or error. The purpose of the audit is not to express an opinion on the effectiveness of internal control; however, in conducting risk assessment, we will consider internal control relating to the preparation and proper presentation of financial statements and the supplementary schedules to formulate relevant auditing procedures depending on the conditions. An audit also includes examining the assessment of the accounting policies, the methods of application thereof, and significant estimates made by the management, as well as evaluating the overall presentation of the financial statements and the supplementary schedules.

We believe that we have obtained adequate and appropriate audit evidence as the basis for our opinion.

**Audit opinion**

As a result of our audit, it is our opinion that the above financial statements and the supplementary schedules properly present in all material respects the Company's financial position and the results of operations of the Company applicable to the year ended March 31, 2017 in accordance with accounting standards generally accepted in Japan.

**Conflict of interest**

Our firm and engagement partners have no interest in the Company that must be disclosed pursuant to the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

**AUDIT REPORT OF THE AUDIT & SUPERVISORY BOARD**

The Audit & Supervisory Board, having deliberated the issues based on the reports made by each Audit & Supervisory Board Member regarding the execution of duties by the Directors during the 93rd business year from April 1, 2016 to March 31, 2017, prepared this Audit Report and hereby submits it as follows:

1. Outline of auditing method applied by the Audit & Supervisory Board Members and the Audit & Supervisory Board and details thereof

- (1) The Audit & Supervisory Board established auditing policies, allocation of duties, and other relevant matters, and received reports from each Audit & Supervisory Board Member regarding his or her audits and results thereof, as well as received reports from the Directors, other relevant personnel, and Accounting Auditors regarding execution of their duties, and requested explanations as necessary.
- (2) In accordance with the auditing policies, allocation of duties, and other relevant matters established by the Audit & Supervisory Board, each Audit & Supervisory Board Member endeavored to collect information, established auditing circumstances through communication with Directors, internal audit staff and other employees, and executed audits using the following method.
  - 1) Audit & Supervisory Board Members attended the Board of Directors' meetings and other important meetings to receive reports regarding execution of duties from Directors, employees, etc. and requested explanations as necessary. Audit & Supervisory Board Members also inspected significant approved documents and examined the status of operations and financial position at its headquarters, etc. Furthermore, Audit & Supervisory Board Members received from subsidiaries their business reports as necessary through communication and information sharing with their Directors and Audit & Supervisory Board Members, and examined the status of operations and financial position at its principal offices, etc.
  - 2) Audit & Supervisory Board Members monitored and verified the resolutions adopted by the Board of Directors regarding the establishment of the system for ensuring that the Directors' duties, which are a part of the business report and described in the Company's website in accordance with laws and regulations and the provisions of the Articles of Incorporation, are executed in conformity of laws and regulations, and the Articles of Incorporation of the Company, and the establishment of the system necessary to ensure proper business operations of a corporate group consisting of a stock company and its subsidiaries set forth in Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act, and the systems (Internal Control System) established in accordance with the resolution of the Board of Directors.
  - 3) Audit & Supervisory Board Members reviewed the basic policy stipulated in Article 118, Item 3 (a) of the Ordinance for Enforcement of the Companies Act and the activities stipulated in (b) in the same Item, which are described in the Company's website, as stated in 2) above, based on the deliberations at the meetings of the Board of Directors and other meetings.
  - 4) Audit & Supervisory Board Members also monitored and verified that Accounting Auditor maintains independence and conducts the audits appropriately. Audit & Supervisory Board Members also received reports of the status of the execution of duties from Accounting Auditor and requested explanations as necessary. In addition, Audit & Supervisory Board Members were informed of the arrangement of the "System for ensuring that the duties are executed appropriately" (matters stipulated in the items of Article 131 of the Corporate Accounting Rules) in accordance with "Standards for the Quality Control of Audits" (Business Accounting Council, October 28, 2005) from the Accounting Auditor and requested explanations as necessary.

In accordance with the procedures mentioned above, we reviewed the business report and its supplementary schedules, the financial statements (the balance sheet, statement of income, statement of changes in net assets and notes to the financial statements), and the supplementary schedules, as well as the consolidated financial statements (the consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets and notes to the consolidated financial statements), for the year ended March 31, 2017.

## 2. Results of Audit

### (1) Results of audit of business report etc.

- 1) The business report and supplementary schedules present fairly the condition of the Company in conformity with related laws and regulations, and the Articles of Incorporation of the Company.
- 2) Regarding the execution of duties by Directors, there were no instances of misconduct or material matters in violation of laws and regulations, nor the Articles of Incorporation of the Company.
- 3) Resolution of the Board of Directors regarding the Internal Control System is fair and reasonable. There are no matters requiring additional mention regarding the description in the business report and the execution of duties by Directors concerning such Internal Control System.
- 4) There are no matters to be pointed out with respect to the basic policies on those who control the decision of the Company's financial and operational policies. Activities stipulated in Article 118, Item 3 (b) of the Ordinance for Enforcement of the Companies Act are in line with such basic policies, unharmed to common interest of shareholders, and not intended to maintain the positions of Directors or Audit & Supervisory Board Members of the Company.

### (2) Results of audit of financial statements and supplementary schedules

The auditing methods and results of the Accounting Auditor, PricewaterhouseCoopers Aarata LLC, are fair and reasonable.

### (3) Results of audit of consolidated financial statements

The auditing methods and results of the Accounting Auditor, PricewaterhouseCoopers Aarata LLC, are fair and reasonable.

May 11, 2017

Audit & Supervisory Board of Oji Holdings Corporation

Audit & Supervisory Board Member (Standing)	Motokazu Ogata	(Seal)
Audit & Supervisory Board Member (Standing)	Satoshi Fukui	(Seal)
Audit & Supervisory Board Member	Makoto Katsura	(Seal)
Audit & Supervisory Board Member	Mikinao Kitada	(Seal)
Audit & Supervisory Board Member	Yuko Miyazaki	(Seal)

Note: Mr. Makoto Katsura, Mr. Mikinao Kitada, and Ms. Yuko Miyazaki are outside audit & supervisory board members prescribed in Article 2, Item 16, and Article 335, Paragraph 3 of the Companies Act.