

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 4, 2021

## NOTICE OF THE 97TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholder:

We are pleased to announce the 97th Ordinary General Meeting of Shareholders of Oji Holdings Corporation (the “Company”), which will be held on Tuesday, June 29, 2021, at 10:00 a.m., Japan Standard Time (The reception desk is scheduled to open at 9:00 a.m.), at its Headquarters, 7-5, Ginza 4-chome, Chuo-ku, Tokyo, Japan.

In order to prevent the spread of COVID-19, we request shareholders to refrain from attending the meeting in person on the day, and instead exercise your voting rights in advance by mailing the enclosed voting form or via the Internet, etc. **As for exercising your voting rights, 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 page 4 by 5:30 p.m. Japan Standard Time, Monday, June 28, 2021.**

Sincerely yours,

Masatoshi Kaku,  
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 97th term (from April 1, 2020 to March 31, 2021); 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 97th term (from April 1, 2020 to March 31, 2021)

### Items to Be Resolved:

**Item 1: Election of Twelve (12) Directors**

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

**Item 3: Revision of Amount of Remuneration for Directors**

### 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 StatementsThe 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 the Company’s Officers and staff will be dressed in Cool Biz style on the day.
  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/>).
  6. Courtesy gifts will not be provided. We appreciate your understanding.
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### **Measures to Prevent the Spread of COVID-19 at the General Meeting of Shareholders**

#### [Requests to Shareholders]

1. In order to prevent the spread of COVID-19, please refrain from attending the meeting in person on the day, of the meeting, and instead exercise your voting rights in advance.
2. We will ensure sufficient space between seats at the venue. Accordingly, we may refuse entry to the venue due to the limited number of seats provided by the Company even if shareholders attend the meeting in person on the day.
3. We request shareholders attending the meeting in person to cooperate with infection prevention measures such as wearing a mask and using alcohol disinfectant. Please note that we may refuse entry by attendees who are unwilling to cooperate with infection prevention measures such as wearing a mask.
4. We will measure the body temperature of shareholders at the entrance of the venue. Please note that we may refuse entry by attendees who have a fever or those who appear to be in poor health.
5. The Company's Officers and staff will also take necessary measures such as wearing a mask to prevent the spread of COVID-19.

#### [Instruction for Live Stream of the General Meeting of Shareholders]

1. The General Meeting of Shareholders will be live-streamed over the Internet so that shareholders will be able to watch the proceedings at your home or other locations. Please see the enclosed Instruction for Live Stream of the 97th Ordinary General Meeting of Shareholders for details.
2. Since watching live streaming is not recognized as participating in the General Meeting of Shareholders under the Companies Act, shareholders will not be able to participate in the resolution on the day. Concerning voting rights, please exercise the voting rights beforehand in accordance with the Instruction for Exercising Voting Rights on page 4. Furthermore, please note that shareholders watching the live streaming will not be able to make any comments, including questions.

#### [Note]

If future developments of the situation of infections, etc. necessitate a major change in the ways such as live-streaming the General Meeting of Shareholders will be run, shareholders will be informed via the Company's Internet website.

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## Instruction for Exercising Voting Rights

### How to Exercise Your Voting Rights

As the exercise of voting rights in the General Meeting of Shareholders is the important right of all shareholders with votes, please review the attached Reference Documents for the General Meeting of Shareholders (on pages 6 to 27) and exercise your voting rights.

You may exercise your voting rights by the following methods.

- **If you attend the General Meeting of Shareholders:**

To exercise your voting rights at the General Meeting of Shareholders:

Please present the enclosed voting form at the reception desk.

Also, please bring Notice of Convocation of the 97th Ordinary General Meeting of Shareholders (this document) to the meeting.

Date and time of the meeting: **Tuesday, June 29, 2021, at 10:00 a.m. Japan Standard Time**  
(The reception desk is scheduled to open at 9:00 a.m.)

- **If you do not 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: **Monday, June 28, 2021 at 5:30 p.m. Japan Standard Time**

2. To exercise your voting rights online:

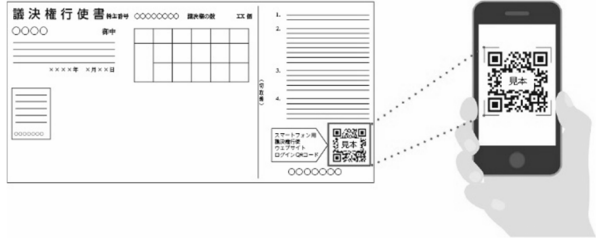

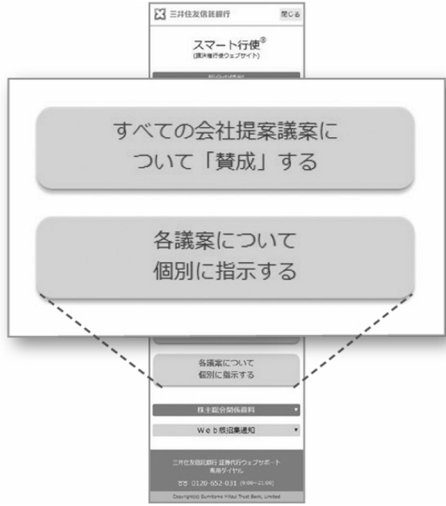
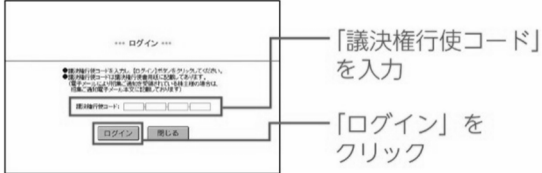
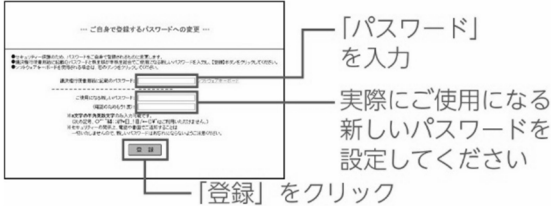
Please confirm the following items stated below, and use a personal computer or a smartphone to exercise your voting rights by the deadline. Please see the following page for details.

Deadline: **Monday, June 28, 2021 at 5:30 p.m. Japan Standard Time**

- Please read the following if you plan to exercise your voting rights online, etc.

1. If you exercise your voting rights both in writing and online, etc., the latter will prevail.
2. If you exercise your voting rights online, etc. more than once, the last exercise of your voting rights will prevail.
3. If you use the Shareholder Voting Website, your provider may charge for connection fees, and your telecommunications carrier may charge you for communication fees, but these fees must be borne by the shareholder.
4. Passwords are a means for confirming that the person exercising voting rights 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.
5. 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.

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

<p style="text-align: center;">Scanning the QR code “Smart vote”</p>	<p style="text-align: center;">Entering the voter code and password</p>
<p>You can login to the Shareholder Voting Website without entering the voter code and password.</p>	<p style="text-align: center;">The Shareholder Voting Website <a href="https://www.web54.net">https://www.web54.net</a></p>
<p>1. Please scan the QR code on the bottom right of the voting form.</p>  <p>* “QR code” is the registered trademark of Denso Wave Incorporated.</p>	<p>1. Please access the Shareholder Voting Website.</p> 
<p>2. After you login, please enter whether you are for or against each agenda item, following the on-screen instructions.</p> 	<p>2. Please enter the voter code given on the voting form.</p>  <p>3. Please enter the password given on the voting form.</p> 
<p>You may exercise your voting rights using “Smart vote” only once.</p> <p>To change any of your votes after exercising your voting rights, you are requested to access the website for personal computer and login by entering the voter code and password on the voting form to exercise your voting rights again.</p> <p>*You can go to the website for personal computer by scanning the QR code again.</p>	<p>4. After you login, please enter whether you are for or against each agenda item, following the on-screen instructions.</p> <p>*The operation screen is for illustrative purposes only.</p>

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

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.)

## REFERENCE DOCUMENTS FOR THE GENERAL MEETING OF SHAREHOLDERS

### Agenda Items and References

#### Item 1: Election of Twelve (12) Directors

The terms of office for all the current twelve (12) Directors will expire at the conclusion of this General Meeting of Shareholders. At this juncture, the Company hereby requests the election of twelve (12) Directors.

The candidates for Director were reached after deliberation by the Nomination Committee to be elected at the meeting of the Board of Directors in accordance with the “Fundamental Policies on Corporate Governance” of the Company, and are as follows.


The current areas of responsibility of the below candidates for Director within the Company are listed on pages 51.

<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/english/group/policy/governance.html>).

#### Candidates for Director

No.	Name	Attributes of the Candidate	Positions in the Company	Number of attendance at meetings of the Board of Directors
1	Susumu Yajima	Reelection	Representative Director and Chairman of the Board	14/14 (100%)
2	Masatoshi Kaku	Reelection	Representative Director of the Board, President and CEO	14/14 (100%)
3	Yoshiki Koseki	Reelection	Director of the Board and Senior Executive Officer	14/14 (100%)
4	Hiroyuki Isono	Reelection	Director of the Board and Senior Executive Officer	14/14 (100%)
5	Fumio Shindo	Reelection	Director of the Board and Senior Executive Officer	14/14 (100%)
6	Kazuhiko Kamada	Reelection	Director of the Board and Executive Officer	14/14 (100%)
7	Koichi Ishida	Reelection	Director of the Board and Executive Officer	14/14 (100%)
8	Shigeki Aoki	Reelection	Director of the Board and Executive Officer	11/11 (100%)
9	Michihiro Nara	Reelection Outside director Independent director	Director of the Board	13/14 (92.9%)
10	Toshihisa Takata	Reelection Outside director Independent director	Director of the Board	14/14 (100%)
11	Sachiko Ai	Reelection Outside director Independent director	Director of the Board	10/11 (90.9%)
12	Seiko Nagai	New election Outside director Independent director		

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

<p><b>No. 1</b></p> <p style="text-align: center;"><b>Reelection</b></p> <p style="text-align: center;"><b>Susumu Yajima</b></p> <p style="text-align: center;">(May 11, 1951)</p> 	<p>April 1975</p> <p>June 2006</p> <p>June 2009</p> <p>April 2012</p> <p>October 2012</p> <p>January 2015</p> <p>April 2019</p> <p>April 2021</p>	<p>Joined the former Honshu Paper Co., Ltd.</p> <p>Corporate Officer, the Company</p> <p>Director and Executive Officer, the Company</p> <p>Representative Director and Executive Vice President, the Company</p> <p>Representative Director of the Board and Executive Vice President, the Company</p> <p>Representative Director of the Board, President and CEO, the Company</p> <p>Representative Director and Chairman of the Board, the Company</p> <p>Representative Director and Chairman of the Board, the Company</p> <p>Representative Director and Chairman of the Board, the Company (to the present)</p>
<p>Number of the Company shares owned:</p>	<p>155,100</p>	
<p>Term of office as a director (as of the conclusion of this Meeting):</p>	<p>12 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 corporate planning and forest resources and environment marketing business in the Company as well as the Group companies.</p> <p>He was in charge of running the Company as Representative Director of the Board, President and CEO from 2015 to March 2019, making utmost efforts, in that capacity, to achieve 100.0 billion yen in operating profit, the target for the Medium-term Management Plan with its final year in fiscal 2018. Since 2019, he has been further contributing to enhancing corporate governance and strengthening the management base as Representative Director and Chairman of the Board.</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>Number of attendance at meetings of the Board of Directors:</p>	<p>14/14 (100%)</p>	<p>► Other special notes</p> <p>► There is no special interest between Mr. Susumu Yajima and the Company.</p>

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

<b>No. 2</b>  <b>Masatoshi Kaku</b>  (January 2, 1956)  	Reelection	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
		April 2019	Representative Director of the Board, President and CEO, the Company (to the present)

Number of the Company shares owned:	49,220
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%)

▶ Reasons for selecting as a candidate for director

He has a wealth of experience and track record in the areas of engineering, functional materials business, and research and development in the Company as well as the Group companies.

He has been in charge of running the Company as Representative Director of the Board, President and CEO since 2019 to lead the implementation of the Medium-term Management Plan with basic policies of enhancing the profitability of the domestic business, expanding the overseas business, promoting innovation, and contributing to a sustainable society in order to consolidate an earnings base with at least 100.0 billion yen in operating profit.


In view of the aforementioned, he has been selected as candidate for Director on an ongoing basis, as he is expected to 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. Masatoshi Kaku and the Company.



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

<p><b>No. 3</b>      Reelection</p> <p style="text-align: center;"><b>Yoshiki Koseki</b> (August 8, 1954)</p> 	<p>April 1977      Joined the former Honshu Paper Co., Ltd.</p> <p>April 2010      Corporate Officer, the Company</p> <p>April 2012      Executive Officer, the Company</p> <p>June 2012      Director and Executive Officer, the Company</p> <p>October 2012    Director of the Board and Executive Officer, the Company</p> <p>April 2019      Director of the Board and Senior Executive Officer, the Company (to the present)</p>
<p>Number of the Company shares owned:</p>	<p>52,000</p>
<p>Term of office as a director (as of the conclusion of this Meeting):</p>	<p>9 years</p>
<p>Number of attendance at meetings of the Board of Directors:</p>	<p>14/14 (100%)</p>
	<p>▶ Significant concurrent positions</p> <ul style="list-style-type: none"> <li>• President and Representative Director, Oji Industrial Materials Management Co., Ltd.</li> <li>• Chairman and Director, Oji Nepia Co., Ltd.</li> </ul> <p>▶ Reasons for selecting as a candidate for director</p> <p>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.</p> <p>He is involved in running the Company, as part of its management team, and also currently serving as President of both the Industrial Materials Company and the Household and Consumer Products Company, contributing, in such capacity to measures for bolstering profit-earning capability and expansion in the packaging business, such as containerboard and corrugated containers, and aggressive development in the Household and Consumer Product Business in Japan and overseas, respectively.</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. Yoshiki Koseki and the Company.</li> </ul>

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

<b>No. 4</b>  <b>Hiroyuki Isono</b> (May 20, 1960) 	Reelection	April 1984	Joined the Company
		October 2012	Director of the Board, Oji Management Office Inc.
		April 2014	Corporate Officer, the Company
		June 2015	Director of the Board and Executive Officer, the Company
		April 2021	Director of the Board and Senior Executive Officer, the Company (to the present)

- ▶ Significant concurrent positions
  - President and Representative Director, Oji Management Office Inc.

Number of the Company shares owned:	50,272
Term of office as a director (as of the conclusion of this Meeting):	6 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 involved in running the Company, as part of its management team, and also currently serving as General Manager, Corporate Governance Div. as well as President of Oji Management Office Inc., contributing, in such capacity, to the development of a corporate governance system that meets the needs of the times at the Company and Group companies and the planning and promoting of strategic business development to achieve the Medium-term Management Plan. In view of the aforementioned, he has been selected as candidate for Director on an ongoing basis, as he is expected to 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. Hiroyuki Isono and the Company.

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

<b>No. 5</b>  <b>Fumio Shindo</b> (March 30, 1958) 	Reelection	April 1984	Joined the Company
		April 2014	Corporate Officer, Oji Paper Co., Ltd.
		April 2016	Director, Oji Paper Co., Ltd.
		April 2017	Corporate Officer, the Company
		April 2018	Executive Officer, the Company
		June 2019	Director of the Board and Executive Officer, the Company
		April 2021	Director of the Board and Senior Executive Officer, the Company (to the present)

▶ Significant concurrent positions

- President, Oji Green Resources Co., Ltd.

Number of the Company shares owned:	16,487
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Term of office as a director (as of the conclusion of this Meeting):	2 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 forest resources and environment marketing business in the Company as well as Group companies.

He is involved in running the Company, as part of its management team, and also currently serving as President of the Forest Resources and Environment Marketing Business Company, and Oji Green Resources Co., Ltd., contributing, in such capacity, to the reinforcement of the overseas pulp business and the expansion of the energy business. He also serves as President of the Printing and Communications Media Company, contributing in such capacity, to boosting competitiveness through restructuring the manufacturing system to meet changes in demand and continually reducing costs.

In view of the aforementioned, he has been selected as candidate for Director on an ongoing basis, as he is expected to 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. Fumio Shindo and the Company.

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

No. 6 Reelection

**Kazuhiko Kamada**

(February 7, 1960)



May 2013	Joined Oji Management Office Inc.
April 2014	President and Representative Director, Oji Forest & Products Co., Ltd.
January 2015	Corporate Officer, the Company
June 2015	Director of the Board and Executive Officer, the Company (to the present)

▶ Significant concurrent positions

- President, Celulose Nipo-Brasileira S.A.

▶ Reasons for selecting as a candidate for director

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.

He is involved in running the Company, as part of its management team, and also currently serving as Director and President of Celulose Nipo-Brasileira S.A. (Brazil), one of the leading Group companies and a company that holds an important place in managing the Group, contributing, in such capacity, to the further strengthening of the base and development of the pulp business through an environmentally-friendly plantation service programs.

In view of the aforementioned, he has been selected as candidate for Director on an ongoing basis, as he is expected to 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. Kazuhiko Kamada and the Company.


Number of the Company shares owned:	40,500
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Term of office as a director (as of the conclusion of this Meeting):	6 years
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Number of attendance at meetings of the Board of Directors:	14/14 (100%)
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Brief history, positions and responsibilities in the Company  
and significant concurrent positions

<b>No. 8</b>  <b>Shigeki Aoki</b>  (August 1, 1961)  	Reelection	April 1984	Joined the former Honshu Paper Co., Ltd.
		April 2016	Corporate Officer, General Manager, Sales Division, Oji F-Tex Co., Ltd.
		April 2017	Director and Corporate Officer, General Manager, Sales Division, Oji F-Tex Co., Ltd.
		April 2019	Corporate Officer, the Company
		June 2020	Director of the Board and Executive Officer, the Company (to the present)

▶ Significant concurrent positions

- President, Oji Functional Materials Progressing Center Inc.

Number of the Company shares owned:	39,769
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Term of office as a director (as of the conclusion of this Meeting):	1 year
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Number of attendance at meetings of the Board of Directors:	11/11 (100%)
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▶ Reasons for selecting as a candidate for director

He has a wealth of experience and track record in the area of specialty paper business in the Company as well as Group companies. He is involved in running the Company, as part of its management team, and also currently serving as President of the Functional Materials Company, contributing, in such capacity, to the development of new products and new businesses, measures to enhance earnings, and the expansion and reinforcement of overseas business. In view of the aforementioned, he has been selected as candidate for Director on an ongoing basis, as he is expected to 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. Shigeki Aoki and the Company.
- ▶ Concerning Mr. Shigeki Aoki's attendance at meetings of the Board of Directors, the scope of the total number of meetings includes only those meetings of the Board of Directors held after his appointment on June 26, 2020.

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

<b>No. 9</b>  Reelection Outside director Independent director  <b>Michihiro Nara</b> (May 17, 1946)  	April 1974	Registered as an attorney-at-law
	June 2004	Outside Auditor, Nihon Tokushu Toryo Co., Ltd.
	June 2013	Outside Statutory Auditor, Seiko Epson Corporation
	June 2014	Outside Director, the Company (to the present)
	June 2015	Outside Director, Nihon Tokushu Toryo Co., Ltd. (to the present) Independent Auditor, Chori Co., Ltd.
	June 2016	Outside Director (Audit & Supervisory Committee Member), Seiko Epson Corporation Outside Director (Audit & Supervisory Committee Member), Chori Co., Ltd.

Number of the Company shares owned: 3,200

Term of office as a director (as of the conclusion of this Meeting): 7 years

Number of attendance at meetings of the Board of Directors: 13/14 (92.9%)

▶ Significant concurrent positions

- Attorney-at-law, Hanzomon Sogo Law Office
- Outside Director, Nihon Tokushu Toryo Co., Ltd.


▶ Reasons for selecting as a candidate for outside director and overview of expected roles

He has a wealth of experience, high-level expertise and wide-ranging knowledge gained through his career as an attorney-at-law, especially in the areas such as civil and commercial affairs. He has been selected as a candidate for outside director on an ongoing basis, as he is believed capable of providing his opinions to the management of the Company, from diversified viewpoints of laws and regulations, etc. as an attorney-at-law from a standpoint independent therefrom. It is expected that he will continue to play the role mentioned above after he is elected. 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.

▶ 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.

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

<b>No. 10</b> Reelection Outside director Independent director  <b>Toshihisa Takata</b> (January 8, 1954) 		April 1976	Joined Ministry of Foreign Affairs of Japan
		August 2010	Ambassador Extraordinary and Plenipotentiary of Japan to Kenya
		October 2010	Ambassador Extraordinary and Plenipotentiary of Japan to Kenya, Eritrea, Seychelles, and Brundi
		January 2013	Ambassador Extraordinary and Plenipotentiary of Japan to Kenya, Eritrea, Seychelles, Brundi and Somalia
		August 2013	Ambassador in charge of Okinawan Affairs
		May 2015	Ambassador Extraordinary and Plenipotentiary of Japan to New Zealand, the Cook Islands, and Samoa
		June 2016	Ambassador Extraordinary and Plenipotentiary of Japan to New Zealand, the Cook Islands, Samoa, and Niue
		March 2017	Ambassador Extraordinary and Plenipotentiary of Japan to New Zealand, the Cook Islands, and Niue
		October 2018	Retired from office
		June 2019	Outside Director, the Company (to the present)
Number of the Company shares owned:	1,700		
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%)		
			<p>► Reasons for selecting as a candidate for outside director and overview of expected roles</p> <p>As a diplomat, he has a wealth of experience, high-level expertise and wide-ranging knowledge gained through his career as ambassador to various countries, such as New Zealand, etc. He has been selected as a candidate for outside director on an ongoing basis, as he is believed capable of providing his opinions to the management of the Company, from diversified viewpoints of internationality, etc. as a former diplomat from a standpoint independent therefrom. It is expected that he will continue to play the role mentioned above after he is elected. Although he does not have experience being directly involved in corporate management, the Company judged that he will be able to duly carry out the duties as an outside director owing to the reasons stated above.</p> <p>► Other special notes</p> <ul style="list-style-type: none"> <li>► There is no special interest between Mr. Toshihisa Takata and the Company.</li> <li>► Mr. Toshihisa Takata is a candidate for outside director as prescribed in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.</li> <li>► The Company has designated Mr. Toshihisa Takata as an independent director and notified the Tokyo Stock Exchange of such designation in accordance with its regulation. In the event that Mr. Takata is elected, the Company intends that he remain as an independent director.</li> </ul>



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

<b>No. 11</b> Reelection Outside director Independent director  <b>Sachiko Ai</b> (November 30, 1965) 	April 1989	Joined The Mitsubishi Trust and Banking Corporation (currently Mitsubishi UFJ Trust and Banking Corporation)
	June 2016	Executive Officer, General Manager, Corporate Consulting Division, Mitsubishi UFJ Trust and Banking Corporation
	April 2019	Executive Officer, General Manager, Audit Division, Mitsubishi UFJ Trust and Banking Corporation Executive Officer, Acting General Manager, Audit Division, Mitsubishi UFJ Financial Group, Inc.
	June 2020	Outside Director, the Company (to the present)
	April 2021	Director and Managing Executive Officer, Audit Division (CAO), Mitsubishi UFJ Trust and Banking Corporation (to the present) Managing Executive Officer, Group Deputy CAO, Mitsubishi UFJ Financial Group, Inc. (to the present)
Number of the Company shares owned:	600	
Term of office as a director (as of the conclusion of this Meeting):	1 year	▶ Significant concurrent positions <ul style="list-style-type: none"> <li>• Director and Managing Executive Officer, Audit Division (CAO), Mitsubishi UFJ Trust and Banking Corporation</li> <li>• Managing Executive Officer, Group Deputy CAO, Mitsubishi UFJ Financial Group, Inc.</li> </ul>
Number of attendance at meetings of the Board of Directors:	10/11 (90.9%)	

▶ Reasons for selecting as a candidate for outside director and overview of expected roles

She has wide-ranging knowledge of business trends in Japan and overseas as well as a wealth of high-level expertise in the financial sector gained through her business experience in corporate sales, business planning, and corporate consulting at a major trust bank. She has been selected as a candidate for outside director on an ongoing basis, as she is believed capable of providing her opinions to the management of the Company from diversified viewpoints of business industries, including the finance industry, and others from a standpoint independent therefrom. It is expected that she will continue to play the role mentioned above after she is elected.

▶ Other special notes

▶ Ms. Sachiko Ai is a Director and Managing Executive Officer, Audit Division (CAO), in Mitsubishi UFJ Trust and Banking Corporation. However, the number of shares owned is less than 0.1% of the Company's issued shares. The Company does not have any outstanding borrowings from Mitsubishi UFJ Trust and Banking Corporation. Ms. Ai is a Managing Executive Officer, Group Deputy CAO, in Mitsubishi UFJ Financial Group, Inc. The Company owns the number of shares less than 0.1% of Mitsubishi UFJ Trust and Banking Corporation's issued shares.

▶ Ms. Sachiko Ai 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 Ms. Sachiko Ai as an independent director and notified the Tokyo Stock Exchange of such designation in accordance with its regulation. In the event that Ms. Ai is elected, the Company intends that she remain as an independent director.

▶ Concerning Ms. Sachiko Ai's attendance at meetings of the Board of Directors, the scope of the total number of meetings includes only those meetings of the Board of Directors held after her appointment on June 26, 2020.

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

<b>No. 12</b> New election Outside director Independent director  <b>Seiko Nagai</b> (June 22, 1960)  	April 1983	Joined Japan Airlines Co., Ltd.
	April 2008	Manager, In-flight Sales Group, Japan Airlines Co., Ltd.
	April 2012	Manager, Passenger Cabin Dept., JAL Express Co., Ltd.
	October 2014	Manager, Cabin Attendants Section 4, Haneda Airport, Japan Airlines Co., Ltd.
	April 2015	Professor, College of Foreign Studies, Kansai Gaidai University (to the present)
	June 2019	Outside Director, Member of the Board, ShinMaywa Industries, Ltd. (to the present)

Number of the  
Company shares owned:

0

▶ Significant concurrent positions

- Professor, College of Foreign Studies, Kansai Gaidai University
- Outside Director, Member of the Board, ShinMaywa Industries, Ltd.

▶ Reasons for selecting as a candidate for outside director and overview of expected roles

After working as a manager at a major airline company, she is currently involved in research and student education as a college professor. Consequently, she has a wealth of experience, high-level expertise and wide-ranging knowledge gained through her career. She has been newly selected as a candidate for outside director, as she is believed capable of providing her opinions to the management of the Company from diversified viewpoints of experience of customer service, expertise fostered through education activities at a college, and others from a standpoint independent therefrom. It is expected that she will continue to play the role mentioned above after she is elected. Although she 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 she will be able to duly carry out the duties as an outside director owing to the reasons stated above.

▶ Other special notes

- ▶ There is no special interest between Ms. Seiko Nagai and the Company.
- ▶ Ms. Seiko Nagai is a candidate for outside director as prescribed in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
- ▶ In the event that Ms. Seiko Nagai is elected, the Company intends to designate Ms. Nagai as an independent director and notify the Tokyo Stock Exchange of such designation in accordance with its regulation.

Notes: 1. Conclusion of contracts for limitation of liability

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, who are Mr. Michihiro Nara, Mr. Toshihisa Takata, and Ms. Sachiko Ai on the limitation of liability for damages set forth in Article 423, Paragraph 1 of the Companies 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, Mr. Takata and Ms. Ai are elected, it is anticipated that the said contract will continue to remain in force. Also, in the event that Ms. Seiko Nagai is elected, it is anticipated that the Company will conclude the same contract for limitation of liability with her.

2. Conclusion of directors' and officers' liability insurance policy

The Company has concluded a directors' and officers' liability insurance (D&O insurance) policy with an insurance company, as stipulated in Article 430-3, paragraph 1 of the Companies Act, covering directors, audit & supervisory board members and corporate officers of the Company. The said insurance policy shall cover damages that the insured should legally bear compensation for damages, litigation expenses, and others when the insured receives claims for damages associated with the execution of their duties during the insurance period. However, damages arising from criminal acts, other acts that violate laws and regulations, or intentional acts by the insured shall not be covered as a measure to prevent the impairment of the appropriateness of execution of duties by the insured. In the event that each candidate is elected as Director or Audit & Supervisory Board Member, they will be the insured under the said contract. The insurance premiums are fully borne by the Company. Going forward, the Company intends to renew the said contract with the same contents in October 2021.

< Reference > Management structure following their election

Name	Attribute	Positions in the Company	Nomination /Compensation Committee	Capabilities of our Directors								
				Corporate management	Finance and accounting	Manufacturing and technologies	Research and development	Sales and marketing	Personnel and labor management	Purchase and procurement	Internationality	ESG
Susumu Yajima	Internal	Representative Director and Chairman of the Board	•	•	•						•	•
Masatoshi Kaku	Internal	Representative Director of the Board, President and CEO	• Committee Chair	•		•	•					•
Yoshiki Koseki	Internal	Director of the Board and Senior Executive Officer		•		•						•
Hiroyuki Isono	Internal	Director of the Board and Senior Executive Officer		•	•						•	
Fumio Shindo	Internal	Director of the Board and Senior Executive Officer		•		•				•		
Kazuhiko Kamada	Internal	Director of the Board and Executive Officer		•				•			•	
Koichi Ishida	Internal	Director of the Board and Executive Officer		•		•						•
Shigeki Aoki	Internal	Director of the Board and Executive Officer		•				•	•			
Michihiro Nara	Outside Independent	Director of the Board	•									•
Toshihisa Takata	Outside Independent	Director of the Board	•								•	
Sachiko Ai	Outside Independent	Director of the Board	•	•								•
Seiko Nagai	Outside Independent	Director of the Board	•								•	•


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


The terms of office for Audit & Supervisory Board Member, Mr. Tomihiro Yamashita and Mr. Makoto Katsura will expire at the conclusion of this General Meeting of Shareholders. In addition, Audit & Supervisory Board Member Mr. Norio Henmi passed away on November 29, 2020. Therefore, the Company hereby requests the election of three (3) Audit & Supervisory Board Members.

The candidates for Audit & Supervisory Board Member were reached after deliberation by the Nomination Committee to be elected at the meeting of the Board of Directors in accordance with the “Fundamental Policies on Corporate Governance” of the Company, and are as follows.

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

<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/english/group/policy/governance.html>).

		Brief history and positions in the Company and significant concurrent positions	
<b>No. 1</b>  <b>Tomihiro Yamashita</b> (November 19, 1956) 	Reelection	April 1982	Joined 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, Deputy General Manager, Technology Division, Oji Container Co., Ltd.
		June 2017	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 Paper Co., Ltd.</li> <li>• Audit &amp; Supervisory Board Member, Oji Materia Co., Ltd.</li> <li>• Audit &amp; Supervisory Board Member, Oji Engineering Co., Ltd.</li> <li>• Audit &amp; Supervisory Board Member, Mori Shigyo Co., Ltd.</li> </ul>	
Number of the Company shares owned:	30,180		
Term of office as an audit & supervisory board member (as of the conclusion of this Meeting):	4 years	<p>▶ Reasons for selecting as a candidate for audit &amp; supervisory board member</p> <p>He has practical experience as a technology researcher, an internal auditor, and Audit &amp; Supervisory Board Member at the Company and its group companies. 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. In the view of 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 duly carry out the duties as an Audit &amp; Supervisory Board Member owing to the reasons above.</p>	
Number of attendance at meetings of the Board of Directors:	14/14 (100%)		
Status of attendance at the Audit & Supervisory Board Meeting:	14/14 (100%)		
		<p>▶ Other special notes</p> <p>▶ There is no special interest between Mr. Tomihiro Yamashita and the Company.</p>	

			Brief history and positions in the Company and significant concurrent positions
No. 2	New election	April 1983	Registered as an attorney-at-law
	Outside Audit & Supervisory Board Member	June 2002	Outside Audit & Supervisory Board Member, OMRON Corporation
	Independent director	June 2006	Outside Audit & Supervisory Board Member, DUSKIN CO., LTD.
	<b>Hidero Chimori</b> (May 24, 1954)	June 2016	Outside Director who is an Audit & Supervisory Committee Member, Kobe Steel, Ltd. Outside Company Auditor, ROHM Co., Ltd.
		June 2019	Outside Director, Member of the Board, Audit and Supervisory Committee Member, ROHM Co., Ltd. (to the present)
Number of the Company shares owned:	0	<p>▶ Significant concurrent positions</p> <ul style="list-style-type: none"> <li>• Representative Partner, Miyake &amp; Partners</li> <li>• Outside Director, Member of the Board, Audit and Supervisory Committee Member, ROHM Co., Ltd.</li> </ul>	

▶ 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 an attorney-at-law, especially in the areas such as corporate legal affairs and corporate governance. 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 appropriately carry out the duties as Outside Audit & Supervisory Board Member owing to the reasons stated above.

▶ Other special notes

- ▶ There is no special interest between Mr. Hidero Chimori and the Company.
- ▶ Mr. Hidero Chimori 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.
- ▶ In the event that Mr. Hidero Chimori is elected, the Company intends to designate Mr. Chimori as an independent Audit & Supervisory Board Member and notify the Tokyo Stock Exchange of such designation in accordance with its regulation.
- ▶ In October 2017, during Mr. Hidero Chimori's office as an Outside Director at Kobe Steel, Ltd., the company announced the fact that the company and its group companies had been shipping part of products falling short of public standards or customer specifications to customers as if they conformed to the public standards or customer specifications by falsifying or fabricating inspection data. In March 2019, the company was found guilty of violating the Unfair Competition Prevention Act concerning some of these actions. Mr. Chimori was not aware of these facts until problems were identified. However, immediately after assuming his position as an outside director at the company, he made advice and proposal for strengthening compliance activities for the entire group at meetings of the Board of Directors and other occasions. Since these facts were identified, he has expressed various views aimed at ensuring the appropriateness and validity of the method of investigation, in addition to uncovering the causes and verifying safety at meetings of the Board of Directors and other occasions. Furthermore, as a member of the Quality Governance Restructuring Deliberation

Committee, he fulfilled his responsibilities by summarizing the facts and proactively making advice on strengthening quality governance, reforming corporate governance, and doing others to prevent the reoccurrence.



		Brief history and positions in the Company and significant concurrent positions	
No. 3	New election	March 1994	Registered as Certified Public Accountant
	Outside Audit & Supervisory Board Member	January 2002	Reregistered as Certified Public Accountant
	Independent director	November 2010	Representative of Sekiguchi CPA Office (present Sekiguchi Noriko CPA Office) (to the present)
Noriko Sekiguchi		July 2012	Registered as Certified Tax Accountant
(January 23, 1964)		June 2015	Outside Director, TOKYO OHKA KOGYO CO., LTD. (to the present)
		January 2019	Executive Officer, Chifure Holdings Corporation
		<p>▶ Significant concurrent positions</p> <ul style="list-style-type: none"> <li>• Representative of Sekiguchi Noriko CPA Office</li> <li>• Outside Director, TOKYO OHKA KOGYO CO., LTD.</li> </ul>	
Number of the Company shares owned:		0	<p>▶ Reasons for selecting as a candidate for outside audit &amp; supervisory board member</p> <p>She has a wealth of experience, high-level expertise and wide-ranging knowledge related to corporate accounting as a certified public accountant as well as a wealth of practical experience in companies. Based on the above reasons, she has been newly selected as candidate for Outside Audit &amp; Supervisory Board Member, as the Company judged that she will be able to duly carry out the duties as an Outside Audit &amp; Supervisory Board Member.</p>
		<p>▶ Other special notes</p> <ul style="list-style-type: none"> <li>▶ There is no special interest between Ms. Noriko Sekiguchi and the Company.</li> <li>▶ Ms. Noriko Sekiguchi is a candidate for Outside Audit &amp; Supervisory Board Member as prescribed in Article 2, Paragraph 3, Item 8 of the Ordinance for Enforcement of the Companies Act.</li> <li>▶ In the event that Ms. Noriko Sekiguchi is elected, the Company intends to designate Ms. Sekiguchi as an independent Audit &amp; Supervisory Board Member and notify the Tokyo Stock Exchange of such designation in accordance with its regulation.</li> </ul>	

Notes: 1. Conclusion of contracts for limitation of liability

Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has concluded a contract for limitation of liability with Mr. Tomihiro Yamashita, 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. Yamashita is elected, it is anticipated that the said contract will continue to remain in force. Also, if Mr. Hidero Chimori and Ms. Noriko Sekiguchi are elected as Audit & Supervisory Board Member the Company intends to conclude the same contract for limitation of liability with them.

2. Conclusion of directors' and officers' liability insurance policy

The Company has concluded a directors' and officers' liability insurance (D&O insurance) policy with an insurance company, as stipulated in Article 430-3, paragraph 1 of the Companies Act, covering directors, audit & supervisory board members and corporate officers of the Company. The said insurance policy shall cover damages that the insured should legally bear compensation for damages, litigation expenses, and others when the insured receives claims for damages associated with the execution of their duties during the insurance period. However, damages arising from criminal acts, other acts that violate laws and regulations, or intentional acts by the insured shall not be covered as a measure to prevent the impairment of the appropriateness of execution of duties by the insured. In the event that each candidate is elected as Director or Audit & Supervisory Board Member, they will be the insured under the said contract. The insurance premiums are fully borne by the Company. Going forward, the Company intends to renew the said contract with the same contents in October 2021.

### **Item 3: Revision of Amount of Remuneration for Directors**

The maximum remuneration, etc. for Directors of the Company was approved at 700 million yen (including 50 million yen for the Outside Directors) a year at the 92nd General Meeting of Shareholders held on June 29, 2016, as base compensation and bonus, etc., which has remained unchanged to date.

Policy for determining the contents of individual compensations, etc. for directors stipulates that compensation levels for directors are determined by considering the trends of compensation levels for directors in the society, the long-term changes in the business environment surrounding the Company, and other factors. Going forward, the Company needs to flexibly establish the strategic structure of officers and compensation system with the aim of the growth in our business, preparing for the increase in the social standard of the compensation levels of officers under this policy. Also, the Company will increase the number of outside directors if the agenda Item 1 is approved and adopted as originally proposed. For these reasons, the Company hereby requests the revision of the maximum remuneration, etc. for directors to 800 million yen (including 100 million yen for Outside Directors of the Company) a year.

Remuneration, etc. for Directors shall, as before, not include the salary for employees for the Directors concurrently serving as employees.

Furthermore, the number of Directors is currently set to be twelve (12) (including three (3) Outside Directors), which shall be twelve (12) (including four (4) Outside Directors) after the resolution for approval of the agenda Item 1, as originally proposed.

(Attached Documents)

Business Report (from April 1, 2020 to March 31, 2021)

1. Review of Group Operations

(1) Review of Operations

In the “FY2019–2021 Medium-term Management Plan,” the Oji Group has established “Profitability Improvement of Domestic Business,” “Expansion of Overseas Business,” and “Promotion of Innovation” as the fundamental policies of the Group management strategies and, by “Contribution to a Sustainable Society,” aims to become a global corporate group that can maintain stable consolidated operating profit of at least 100.0 billion yen.

Based on this basic policy, in domestic business, we promoted capital efficiency by rebuilding the production system in order to respond to structural changes in demand, while concentrating management resources on promising businesses and worked to enhance the Group’s cash earning capacity. In the overseas business, in addition to expanding the number of overseas bases, we worked to organically expand from existing bases, by developing new businesses that utilize existing infrastructure, etc., and created synergies between businesses and between bases. In “Promotion of Innovation,” we promoted “Contribution to a Sustainable Society” and also worked to promote the development and early commercialization of new businesses and products that meet environmental and social needs.

Net sales for the year under review were 1,359.0 billion yen, a decrease of 148.6 billion yen (down 9.9%) year on year, due to a decrease in demand, primarily for printing/communication paper, as a result of the impact of the global spread of COVID-19 and the stagnation of economic activities, as well as the impact of a softening of the pulp market overseas. The Group’s overseas sales ratio fell by 0.6 percentage point year on year to 29.3%.

Operating profit was 84.8 billion yen, a decrease of 21.3 billion yen (down 20.1%) year on year, as operating profit decreased in both the domestic business and the overseas business, despite the effect of cost reductions and a decline in fuel prices. Although foreign exchange gains were recorded in non-operating profit or loss, ordinary profit saw a decrease of 18.2 billion yen (down 18.0%) year on year to 83.1 billion yen. Income before income taxes and minority interests decreased 17.3 billion yen (down 17.6%) to 80.9 billion yen, while profit attributable to owners of parent saw a decrease of 8.5 billion yen (down 14.7%) to 49.6 billion yen year on year.

The situation for each business segment was as follows.

Segment	Net sales		Operating profit	
Household and Industrial Materials	647,489 million yen	(Down 5.6% year on year)	38,090 million yen	(Down 7.0% year on year)
Functional Materials	182,338 million yen	(Down 15.1% year on year)	11,480 million yen	(Down 25.2% year on year)
Forest Resources and Environment Marketing Business	245,334 million yen	(Down 14.1% year on year)	16,651 million yen	(Down 42.3% year on year)
Printing and Communications Media	243,957 million yen	(Down 16.6% year on year)	11,156 million yen	(Down 1.5% year on year)
Others	270,188 million yen	(Down 6.6% year on year)	6,752 million yen	(Down 24.8% year on year)
Subtotal	1,589,308 million yen	(Down 10.1% year on year)	84,132 million yen	(Down 20.2% year on year)
Adjustments	(230,323) million yen	(–)	660 million yen	(–)
Total	1,358,985 million yen	(Down 9.9% year on year)	84,793 million yen	(Down 20.1% 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:	647,489 million yen (Down 5.6% year on year)
Operating profit:	38,090 million yen (Down 7.0% year on year)
Main businesses:	Containerboard/corrugated containers, Boxboard/folding cartons, Packaging materials/paper bags, Household papers, Disposable diapers

In the domestic business, the sales volume of containerboard and corrugated containers decreased from the previous year due to an overall drop in demand resulting from restrictions on economic activity, despite sales of those for uses such as food and mail order remaining firm as people stayed home to prevent the spread of COVID-19. Export sales of containerboard increased from the previous year. The sales volume of white paperboard decreased from the previous year due to a drop in gift/souvenir-related demand as events were called off and people refrained from getting out and about in an effort to stem the spread of COVID-19. As for packaging material, sales volume decreased from the previous year due to a drop in heavy packaging for purses, industrial goods, etc. as people stayed home and economic activity was restricted. For baby disposable diapers, export sales increased and overall sales volume was at the same level as the previous year despite of decreasing of domestic sales. Regarding household paper, heightened awareness of hygiene resulting from the pandemic led to a diversification in the situations in which disposable wipes are used, and the sales volume of kitchen towels increased. However, overall sales volume decreased from the previous year due to a decrease in sales volume of commercial-use products because of the impact of such factors as the stagnation of economic activity. As for manufactured goods such as wet tissues and masks, both sales volume and net sales increased substantially from the previous year.

In the overseas business, sales volume of containerboard decreased from the previous year due to restrictions on the production activities of our customer processing companies affected by lockdowns in Southeast Asia. In Oceania, sales volume decreased from the previous year as exports to Asia decreased, reflecting stagnant economic activity in connection with the pandemic. Sales volume of corrugated containers increased from the previous year in Southeast Asia, primarily for sanitary goods, such as rubber gloves, and mail order. In Oceania, sales volume increased from the previous year as sales for uses such as food and mail order in Japan remained firm. As for baby disposable diapers, in Malaysia sales volume decreased from the previous year due to sluggish sales in large retail stores resulting from restrictions on going out. In China, however, newly-launched products with the cartoon character Doraemon on the package sold well, and sales via online retailers were also strong. And in Indonesia, continued efforts to expand sales to convenience stores resulted in sales volume increasing substantially from the previous year.

[Functional Materials]

Net sales:	182,338 million yen (Down 15.1% year on year)
Operating profit:	11,480 million yen (Down 25.2% year on year)
Main businesses:	Specialty paper, Thermal paper, Adhesive products, Film

In the domestic business, regarding specialty paper, with the impact of COVID-19 ongoing, recoveries were seen with film for capacitors for electric vehicles (pure electric vehicles, hybrid vehicles, plug-in hybrid vehicles, and fuel-cell vehicles) and with paper for manufacturing processes for smartphone components. However, with fewer tourists visiting Japan and fewer events being held, the slump in demand for paper for train tickets and souvenirs continued, and overall sales volume decreased from the previous year. As for thermal paper, the effect of people refraining from going out caused demand for use for POS cash register receipts to decrease, and sales volume decreased from the previous year.

In the overseas business, the impact of lockdowns and stagnant economic activity in countries around the world led to a decrease in demand for use for POS cash register receipts, for tickets, etc. to decrease, and sales volume decreased in North America, South America, Europe, and Southeast Asia from the previous year.

[Forest Resources and Environment Marketing Business]

Net sales: 245,334 million yen (Down 14.1% year on year)  
Operating profit: 16,651 million yen (Down 42.3% year on year)  
Main businesses: Pulp, Energy, Plantation service, Lumber processing

In the domestic business, sales volume of the pulp business decreased from the previous year, mainly because exports of dissolving pulp decreased due to the impact of stagnant economic activity in connection with the spread of COVID-19. In the energy business, sales of electricity increased compared to the previous year due to the year-round contribution of a power generation facility that MPM Oji Eco Energy Co., Ltd. put into operation in September 2019.

In the overseas business, sales volume decreased from the previous year as demand decreased worldwide due to the impact of stagnant economic activity in connection with the spread of COVID-19.

[Printing and Communications Media]

Net sales: 243,957 million yen (Down 16.6% year on year)  
Operating profit: 11,156 million yen (Down 1.5% year on year)  
Main businesses: Newsprint, Printing/publication/communication paper

In the domestic business, newsprint sales volume decreased from the previous year as the number of pages and the number of newspapers published fell due to the impact of stagnant economic activity in connection with the spread of COVID-19. Sales volume of printing paper decreased from the previous year mainly reflecting stagnant economic activity in connection with the pandemic. By use of printing paper, in the case of use for publication, there was an increase in demand for comics as hits were published and demand related to people staying home rose. However, in the case of women's magazines, travel magazines, and sports magazines, the number of pages and the number of magazines published decreased substantially. As a result, sales volume decreased from the previous year. In commercial printing, sales volume decreased from the previous year as demand for catalogs, posters, and flyers dropped due to fewer campaigns and restraint in organizing events. As for communication paper, sales volume decreased as teleworking become more popular, reducing demand from offices.

In the overseas business, Jiangsu Oji Paper Co., Ltd.'s sales volume decreased as commercial printing demand, such as for advertisements, fell domestically and overseas due to economic stagnation in connection with the spread of COVID-19.

[Others]

Net sales: 270,188 million yen (Down 6.6% year on year)  
Operating profit: 6,752 million yen (Down 24.8% year on year)  
Main businesses: Real estate, Engineering, Trading business, Logistics, etc.

In the Others segment, the engineering, trading, logistics and hotel businesses saw lower revenue primarily due to the impact of the spread of COVID-19.

## (2) Capital investment of Oji Group

The Group's capital investment for the year under review amounted to 98.4 billion yen, an increase of 0.9 billion 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.

(i) Principal works that were completed during the year under review

Company name	Work description
Mori Shigyo Co., Ltd.	Works to construct a new corrugated container mill (Funabashi region, Chiba)
Oji Nepia Co., Ltd.	Works to construct a new household papers mill (Oji Materia Edogawa Mill)
Oji F-Tex Co., Ltd.	Works to renovate hydroelectric power plant (Kaore Power Plant, Nakatsu Mill)
PT. Oji Sinar Mas Packaging	Corrugated board joint venture with APP (Indonesia)
Jiangsu Oji Paper Co., Ltd.	Works to install manufacturing equipment for household papers (China)

(ii) Principal works that were underway during the year under review

Company name	Work description
Oji Green Energy Tokushima Co., Ltd.	Joint venture with Itochu Enex Co., Ltd.
Oji Paper Co., Ltd.	Restructures the manufacturing system for containerboard (Tomakomai Mill)
GSPP Holdings Sdn. Bhd.	Works to install additional corrugated container production equipment (Malaysia)
United Kotak Bhd.	Works to construct a new corrugated container mill (Malaysia)
Oji Fibre Solutions (NZ) Ltd.	Works to construct a new corrugated container mill (New Zealand)
Oji Fibre Solutions (NZ) Ltd.	Wastewater treatment facility renewal works (New Zealand)
Oji Papéis Especiais Ltda.	Works to increase in production of thermal recording paper (Brazil)

### (3) Changes in assets and results of operations

Position	93rd FY2016	94th FY2017	95th FY2018	96th FY2019	97th FY2020
Net sales (millions of yen)	1,439,855	1,485,895	1,550,991	1,507,607	1,358,985
Operating profit (millions of yen)	70,243	70,781	110,212	106,125	84,793
Ordinary profit (millions of yen)	52,949	65,958	118,370	101,289	83,061
Profit attributable to owners of parent (millions of yen)	40,270	36,222	51,977	58,181	49,635
Profit per share (yen)	40.74	36.64	52.52	58.78	50.13
Total assets (millions of yen)	1,901,029	1,960,753	1,951,369	1,885,280	1,981,438
Net assets (millions of yen)	759,198	810,011	815,406	831,657	865,606
Net assets per share (yen)	635.95	681.52	684.50	699.12	758.28

- 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) Issues to address of Oji Group (management policy, management strategy, etc.)

The Oji 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 Oji Group’s management philosophy, namely, “Creation of Innovative Value,” “Contribution to the Future and the World” and “Harmony with Nature and Society.”

Under the management philosophy, the Group will contribute to the realization of a truly enriched society by continuing to promote three ways of resource recycling, namely “forest recycling,” “water recycling” and “paper recycling,” through its value chain, and providing value to society through its business. In addition, the Group recognizes that “safety, environment, and compliance,” which is the basis of corporate survival, is the highest priority and most important issue for management. The Group will continue its effort to ensure that all of its corporate officers and employees fully understand the ideas of eradicating occupational accident risks, preventing environmental accidents, and complying with laws and regulations to fulfill its corporate social responsibility.

In the “FY2019–2021 Medium-term Management Plan,” which we are currently implementing, the Oji Group has established “Profitability Improvement of Domestic Business,” “Expansion of Overseas Business,” and “Promotion of Innovation” as the fundamental policies for Group management strategies and, by “Contribution to a Sustainable Society,” will aim to be a global corporate group that can maintain stable consolidated operating profit of at least 100.0 billion yen. As a result of the spread of COVID-19, our global operating environment is undergoing significant changes, and we expect to see numerous opportunities and risks stemming from such factors as diversification in consumption patterns, lifestyles, and modes of working. We will therefore continue to steadily implement measures to enhance our corporate value based on the basic policy for Group management strategies set out in the Medium-term Management Plan. Additionally, the Group will promptly and appropriately conduct the business restructuring to address changing environments arisen from COVID-19. The numerical management targets for fiscal 2021, the final year of this Medium-term Management Plan, are as follows.

Numerical Management Targets FY2021			
Consolidated operating profit	Percentage of Overseas Sales	ROE	Net D/E Ratio
More than ¥150.0 billion	40%	10.0%	0.7 times (maintain the level of FY2018)

\*Net D/E ratio = net interest-bearing debt/net assets



In “Profitability Improvement of Domestic Business,” we will pursue greater capital efficiency by restructuring the manufacturing system in accordance with changes in domestic demand and effectively utilizing existing facilities while concentrating management resources in promising businesses, strengthening cash earning capabilities. In “Expansion of Overseas Business,” we will promote organic expansion from existing business bases and the creation of synergies between businesses and business bases. Moreover, in “Promotion of Innovation,” we will promote the development and early commercialization of new businesses and products that meet environmental and social needs. Through these initiatives, we will promote “Contribution to a Sustainable Society.”

In order to achieve this, we will implement the following specific initiatives.

(a) Household and Industrial Materials

- Industrial Materials (Containerboard and corrugated containers business, Boxboard and folding cartons business, Packaging papers and paper bags business)

Overseas, in order to make the business foundations more robust, we will increase the number of containerboard machines in Malaysia (scheduled to begin operations in July 2021) and update the energy supply and drainage facilities. Furthermore, our first corrugated container factory in Indonesia went into operation in March 2021, and we have also decided to build new corrugated container factories in Vietnam (scheduled to begin operations in May 2022) and southern and central Malaysia (scheduled to begin operations in January and June 2022, respectively). We are also forging ahead with the establishment and relocation of a new corrugated container factory in Christchurch, New Zealand (scheduled to begin operations in the first half of FY2021). Going forward, we will be assessing prospective risks and returns in each region and market, and expanding our business through the establishment of new sites as well as through M&A.

In Japan, July 2020 saw us put one of the largest corrugated container factories in the country into commercial operation. The factory is located in Funabashi in the Kanto region, where growth in demand for corrugated containers is expected to be particularly significant. In Utsunomiya, meanwhile, we have decided to relocate and establish a new corrugated container factory within the premises of the containerboard factory there (scheduled to begin operations in October 2022). By making the factory a one-stop facility for all containerboard processing, we will be able to supply higher-quality products both continuously and efficiently. And to respond to structural changes in domestic demand, we are rebuilding our production structure by, for example, suspending/relocating containerboard manufacturing equipment. In addition, we are promoting total packaging solutions including integrated manufacturing, sale, product development, and proposals from container board, boxboard and packaging materials to corrugated containers, folding cartons and paper bags primarily at the Packaging Innovation Center, in which research and development related to packaging for the Oji Group as a whole is centralized. As one of our specific initiatives in this area, and as a next-generation packaging solution, we have commenced the provision of OJI FLEX PACK’AGE and sale of “Rakudan,” continuous corrugated container sheet, its packaging material, in order to reduce packaging materials, save on labor, and reduce freight costs.

Furthermore, since September 2020 we have been participating in a paper-container-related joint venture with Ishizuka Glass Co., Ltd. With this business, we have put together a domestic one-stop production system that goes from base paper to beverage packaging, and by taking mutual advantage of the corporate resources and knowhow possessed by the Oji Group and Ishizuka Glass Co., Ltd., a general container manufacturer, we will strengthen our business foundation and develop new products so as to move into new business domains and expand sales both domestically and overseas.

Going forward, we will be endeavoring to expand the entire industrial material business to cover everything from materials to processing, and thereby enhance our competitiveness and profitability.

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

In the household paper business, we aim to develop items such as environmentally friendly products that have obtained forest certifications, and high-quality products exemplified by “hana-celeb,” resulting in further improvements in value for the “Nepia” brand. Furthermore, household

paper manufacturing facilities in China went into operation in July 2020, and a new processing site in the Kanto region, where make full use of the paper products made in the aforementioned facilities in China, went into operation in September 2020. Through these moves, we are making efforts to further increase sales in the Tokyo metropolitan area and raise our market presence, and going forward we will work to expand the household paper business, for which stable demand is expected to continue.

In the disposable diaper business for babies, we offer the “Genki!” brand, renewed in April 2021 as a “stress-free diaper” (stress free for skin, stress free for movement, and stress free for changing) and which is unified for both Japan and overseas, and the highest-ever quality “Whito” brand, which uses new technology in search of improved comfort for babies. With these brands, we will be endeavoring to raise the value of the “Nepia” brand in the disposable diaper business, too, by breaking into the high-quality, high-price segment of the market. In China, in particular, the high-added-value, high-price segment of the diaper market is exhibiting dramatic growth, and October 2020 saw us launch and expand in sales of “Whito Premium,” which offers even better quality and performance. We have been endeavoring to expand sales of the product since its launch. Meanwhile, in Malaysia, we have boosted production capacity by revamping our production structure, including through the installation of new machines for manufacturing diapers. And over in Indonesia, we are working to secure cost competitiveness, shore up the foundation of our business, and further expand the business including in neighboring countries, by selling products through joint ventures and operating our own local diaper factories. We will continue to develop disposable diapers for adults that resolve the various problems that nursing facilities face in Japan, where society is continuing to age.

After the COVID-19 pandemic began, the Oji Group responded to shortages of materials on the healthcare frontline by starting to supply materials for medical gowns. We have now also begun to supply our own medical gowns that we ourselves developed in house. These gowns are “All Made in Japan,” as all the materials for them are Japan made and they are also manufactured domestically. In addition, with demand for masks high throughout the country, we have also started producing “Made in Japan masks.” Going forward, too, we will continue to do whatever we can to help halt the spread of COVID-19 at an early stage.

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

Overseas, we have decided to enhance and expand facilities to practically double production capacity in Brazil (scheduled to be completed in December 2021) in order to meet strong demand for thermal paper in South America. Going forward, we will leverage the Group’s core technologies which are strengths we have cultivated to date in “papermaking,” “paper processing” (coating and adhesives), and “film” to respond to growing demand that follows economic development in the emerging markets of Southeast Asia, South America, the Middle East, and Africa, and will work on the expansion of our new business fields.

In Japan, we are strengthening the foundations of existing businesses by continuously reviewing the production system, such as by suspending operation of pulp equipment, and improving competitiveness and profitability. Furthermore, with respect to our collaboration with Mitsubishi Paper Mills Limited (“MPM”), we have divested our carbonless copy paper business to MPM (transaction completed in September 2020) and have decided to acquire MPM’s pressboard business (transaction scheduled for October 2021). These transactions are aimed at allowing the Oji Group and the MPM Group to select and focus corporate resources in response to changes in the demand structure of the functional materials market, and to thereby improve the productivity and profitability as well as strengthen the competitiveness of both corporate groups. Furthermore, against the backdrop of the global shift to decarbonization and the rapid proliferation of electric vehicles (EVs: pure electric vehicles, plug-in hybrid vehicles, and fuel-cell vehicles), we have decided to expand our facilities for producing polypropylene film, which is used in capacitors in EV motor drive controllers (scheduled to begin operations in 2023).

Going forward, we will continue to quickly develop products with advanced functionality and high value added. In addition, through persistent pursuit of a research and development-based business, we will work on expanding into new business fields.

(c) Forest Resources and Environment Marketing Business (Pulp business, Energy business, Plantation and lumber processing businesses)

In the pulp business, we have implemented a continuous flow of strategic countermeasures for profitability at key sites in order to strengthen the business foundation so it is capable of withstanding fluctuations in the pulp market. At Oji Fibre Solutions in New Zealand, the Oji Group's know-how and operations management methods are being introduced and applied, and steps are being taken to stabilize operations and improve efficiency. And at Celulose Nipo-Brasileira S.A (CENIBRA) in Brazil, we are moving forward with continuous profitability countermeasures by upgrades to cutting-edge manufacturing facilities. In the domestic dissolving pulp business, in addition to products aimed at rayon applications, we are producing high-value-added products such as materials for medical supplies and filtering applications in an attempt to boost the profitability of the business. Note that in May 2021, Japan Brazil Paper and Pulp Development Ltd., the parent company of CENIBRA, will acquire, as treasury stock, shares held by noncontrolling shareholders. As a result of this transaction, the Oji Group will come to hold all the voting rights in the company, and by endeavoring to strengthen the Group's operational foundation and administer its businesses in a flexible manner so as to further reinforce production and sales in the pulp business.

As for energy business, we are further expanding the business, and have decided to build a biomass power generation facility in Tokushima Prefecture as part of a joint venture with ITOCHU ENEX CO., LTD., and are preparing for operations to begin in September 2022. We are also working to strengthen the biomass fuel business in line with the expansion of the energy business and are boosting procurement for fuel of woodchips, which utilize untapped domestic wood resources. Overseas, we are implementing initiatives in Indonesia and Malaysia to increase procurement of palm kernel shells for fuel applications. In the plant/lumber processing business, we are taking steps to secure sustainable forest resources and increase production capacity, mainly in Asian and Oceanian regions. The sales locations we set up in China and Southeast Asia are promoting the expansion of sales of pulp and wood products.

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

Domestically, people's lifestyles have changed as a result of the spread of COVID-19, while companies are stepping up the efforts to bring about digital transformation (DX) by, for example, introducing teleworking. In Japan, we are ascertaining the impact on the graphic paper market of these changes in the business environment, establishing an optimal production structure by shutting down paper machines and remodeling them into paperboard machines, and making effective use of our existing equipment to improve productivity and our capacity utilization ratio, and other aspects to achieve an increase in cash flow, along with strengthening our international competitiveness. Also, we will aim to improve our competitiveness and profitability through measures such as reducing costs by continuing to resolve complicated transportation arrangements, thereby deriving even greater benefit from the business alliance with Mitsubishi Paper Mills Limited.

In China, we are utilizing integrated paper and pulp production systems to the fullest extent, of which only a few exist, to reduce costs and strengthen competitiveness.

(e) Efforts to promote innovation and to realize a sustainable society

Under one of our management philosophies, "Harmony with Nature and Society," we are committed to promoting environmental management, and are dedicated to developing business activities in harmony with the environment. Our goal is to support the realization of true affluence and a sustainable society through the enhancement of flexible and efficient research and development activities, efforts to seek out new needs, and by creating products and businesses by means of promoting innovation.

Use of cellulose nanofibers (CNF), which are expected to have broad industrial applications as next-generation materials, is increasing in a variety of areas, such as in the development of products containing "AUROVISCO CS," a cosmetic ingredient, the use of "AUROVEIL" CNF sheets in table tennis rackets, and commercialization as an additive in a ready-mixed concrete inducer. Furthermore, because resin glass combining CNF and polycarbonate, which we have

been developing for use in automobile windows, is lighter than inorganic glass, it is attracting attention as a means of helping reduce CO<sub>2</sub> emissions while driving, and we are currently continuing with efforts to commercialize it as a product. Looking ahead, we are also actively working to develop technology for combining CNF with other general-purpose plastics besides polycarbonate, so as to expand the market for CNF.

In order to combat marine plastic waste, demand for paper products instead of plastic is rising around the world, and we are actively developing environmentally-friendly products and materials. We are also responding to many inquiries regarding “SILBIO BARRIER,” a paper material that has water vapor and oxygen barrier properties and are working to further enhance its functionality, such as by developing highly-transparent grades, as well as on its commercialization. In the realm of packaging materials, Oji Group paper products have now been adopted as a replacement for plastic in package materials for Nestlé Group products in Japan, following a similar move in Thailand. We have also achieved broader proliferation after the company expanded its lineup of paper-packaged products in the autumn of 2020. Furthermore, we have received numerous inquiries from customers in various fields about the use of “PaPiPress” (a pulp mold product characterized by its smooth surface and ability to freely molded into three-dimensional shapes) as a plastic alternative.

We are also in the midst of developing manufacturing processes for biomass plastics for which pulp is the raw material. By replacing conventional plastics, which have oil as the raw material, with biomass plastics, which have pulp from trees as the raw material and do not compete with food resources, we aim to curb CO<sub>2</sub> emissions derived from fossil fuels and contribute to the prevention of global warming.

Regarding hemicellulose derived from wood resources, Oji Pharma Co., Ltd. is moving forward with efforts to develop chemically-synthesized “sulfated hemicellulose” as a pharmaceutical product. Moreover, we have taken an equity stake in ReqMed Company, Ltd., which also develops wood-derived medicines, and are now developing such drugs jointly with this company. Going forward, we will continue to pursue collaborations with universities and pharmaceutical companies in the area of R&D for wood-derived pharmaceuticals.

In the water treatment technology field, utilizing technology that the Oji Group has cultivated over many years, we are commercializing competitive water treatment systems. Specifically, to ensure effective use of water resources, facilities for producing water for industry and homes that employ membrane filtration equipment as well as wastewater treatment facilities that reduce pollutants to levels way lower than what is permitted have been adopted even in Southeast Asia. Furthermore, by incorporating IoT-based remote monitoring functions into these facilities, it is possible to support the operation of more optimized wastewater treatment facilities.

The Oji Group has positioned the tackling of environmental issues as one of its most important tasks, and has formulated the Environmental Vision 2050 as a long-term roadmap for the environment as well as the Environmental Action Program 2030, which we will begin implementing in FY2021 and comprises milestones to be reached by FY2030, on the way to achieving the long-term vision. At the heart of Environmental Vision 2050 is the maximization of CO<sub>2</sub> absorption and fixation through forest preservation and tree planting, more efficient energy consumption in our manufacturing and logistics operations, expansion of our use of renewable energies, and so on. Through these initiatives, we will be aiming to achieve net-zero carbon (i.e. net-zero greenhouse gas (GHG) emissions by 2050. As part of that process, we have set a goal of cutting GHG emissions by at least 70% compared with FY2018 levels by FY2030. At the same time, we will be doing everything in our power to promoting more effective resource utilization, minimize various types of environmental impact, and maintain/preserve biodiversity, as well as supporting the realization of a sustainable society. Moreover, the Oji Group has articulated its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), a body set up by the Financial Stability Board, which comprises finance ministries/agencies and central banks from countries around the world, to study climate-related information disclosure and the responses of financial institutions. Going forward, we will be promoting information disclosure that encompasses governance, strategy, risk management, etc. with respect to the climate-related risks and opportunities involved in our businesses, based on the TCFD recommendations.

Also, to achieve medium- to long-term enhancement of corporate value and sustainable growth, we are making efforts to promote work style reforms and diversity so that diverse personnel can demonstrate their talents.

We position the enhancement of corporate governance as a priority issue for management and will make continuous efforts to strengthen governance in order to increase corporate value and bring about a company trusted by society, and ensure the efficiency, soundness, and transparency of management while building trusting relationships with diverse stakeholders.

Through the measures discussed above, the Oji Group aims to be a corporate group that provides value to society in different fields and contributes to the achievement of Sustainable Development Goals (SDGs), and that constantly anticipates the needs of the day, strives to innovate, and grows in a sustainable manner.

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

(as of March 31, 2021)

Position	Main Businesses
Household and Industrial Materials	Containerboard and corrugated containers business, Boxboard and folding cartons business, Packaging papers 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, Plantation service and lumber processing 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, 2021)**(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, 2021)

Position	Number of employees	Change from previous fiscal year-end
Household and Industrial Materials	18,355	An increase of 101
Functional Materials	4,767	A decrease of 366
Forest Resources and Environment Marketing Business	7,128	A decrease of 322
Printing and Communications Media	3,078	A decrease of 225
Others	2,706	An increase of 36
Total	36,034	A decrease of 776

**(8) Significant subsidiaries**

(as of March 31, 2021)

Company name	Headquarter location	Category	Capital stock	Percentage of voting rights of the Company	Major business description
Oji Container Co., Ltd.	Chuo-ku, Tokyo	Household and Industrial Materials	millions of yen 10,000	% (100)	Production and distribution of corrugated container products (sheet and box)
Oji Materia Co., Ltd.	Chuo-ku, Tokyo	Household and Industrial Materials	600	100	Production and distribution of paperboard (containerboards, specialty paperboards, and boxboards), packaging materials, and pulps
Oji Nepia Co., Ltd.	Chuo-ku, Tokyo	Household and Industrial Materials	350	100	Production and distribution of household paper and disposable diaper
Mori Shigyo Co., Ltd.	Kyoto-shi, Kyoto	Household and Industrial Materials	310	(100)	Production and distribution of corrugated container products (sheet and box)
GSPP Holdings Sdn. Bhd.	Malaysia	Household and Industrial Materials	Millions of Malaysian ringgit 735	(100)	Control and management of GSPP Group (production and distribution of containerboards and corrugated container products (sheet and box))
Harta Packaging Industries Sdn. Bhd.	Malaysia	Household and Industrial Materials	18	(100)	Production and distribution of corrugated container products (sheet and box)
Ojitex Haiphong Co., Ltd.	Vietnam	Household and Industrial Materials	Millions of US dollars 35	100	Production and distribution of corrugated container products (sheet and box)
Ojitex (Vietnam) Co., Ltd.	Vietnam	Household and Industrial Materials	25	100	Production and distribution of corrugated container products (sheet and box)
OJI TAC Co., Ltd.	Chuo-ku, Tokyo	Functional Materials	millions of yen 1,550	(100)	Production and distribution of paper- and resin-processed products, packaging materials, and adhesive paper
Oji F-Tex Co., Ltd.	Chuo-ku, Tokyo	Functional Materials	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	Functional Materials	350	100	Production and distribution of thermal recording paper (paper and film) and inkjet paper

Company name	Headquarter location	Category	Capital stock	Percentage of voting rights of the Company	Major business description
Oji Papéis Especiais Ltda.	Brazil	Functional Materials	Millions of Brazilian Real 409	% (100)	Production and distribution of thermal recording paper and carbonless copy paper
KANZAN Spezialpapiere GmbH	Germany	Functional Materials	Millions of euros 25	(94.7)	Production and distribution of thermal recording paper
Oji Paper (Thailand) Ltd.	Thailand	Functional Materials	Millions of Thai baht 1,340	(100)	Production and distribution of carbonless copy paper and thermal recording paper
Kanzaki Specialty Papers Inc.	USA	Functional Materials	Millions of US dollars 34	(100)	Production and distribution of thermal recording paper
Japan Brazil Paper and Pulp Development Ltd.	Chuo-ku, Tokyo	Forest Resources and Environment Marketing Business	millions of yen 21,088	(63.1)	Management of pulp production company in Brazil. Pulp trading in the country
Oji Cornstarch Co., Ltd.	Chuo-ku, Tokyo	Forest Resources and Environment Marketing Business	1,000	(60.0)	Production and distribution of corn starch and saccharified products
Oji Green Resources Co., Ltd.	Chuo-ku, Tokyo	Forest Resources and Environment Marketing Business	350	100	Trading in lumber, pulp, and raw fuel materials, plantation business management, and the energy business
Celulose Nipo-Brasileira S.A.	Brazil	Forest Resources and Environment Marketing Business	Millions of US dollars 257	(63.1)	Plantation service and production and distribution of pulp
Pan Pac Forest Products Ltd.	New Zealand	Forest Resources and Environment Marketing Business	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 Co., Ltd.	Chuo-ku, Tokyo	Printing and Communications Media	millions of yen 350	100	Production and distribution of newsprint, paper, and pulp
Oji Logistics Co., Ltd.	Chuo-ku, Tokyo	Others	1,434	100	Warehousing, truck transportation, and domestic sea transportation services



Company name	Headquarter location	Category	Capital stock	Percentage of voting rights of the Company	Major business description
Kyokuyo Co., Ltd.	Chuo-ku, Tokyo	Others	millions of yen 1,300	% 90.0	Trading of paper, synthetic resin, and packaging materials
Oji Engineering Co., Ltd.	Chuo-ku, Tokyo	Others	800	100	Design, manufacture, installation, overhaul, and distribution of various machinery products
Oji Real Estate Co., Ltd.	Chuo-ku, Tokyo	Others	650	(100)	Real-estate trading, brokerage, leasing, and management services
Jiangsu Oji Paper Co., Ltd.	China	Forest Resources and Environment Marketing Business / Printing and Communications Media	Millions of US dollars 911	(90.0)	Production and distribution of paper and pulp
Oji Fibre Solutions (NZ) Ltd.	New Zealand	Household and Industrial Materials / Forest Resources and Environment Marketing Business	Millions of New Zealand dollars 728	(60.0)	Production and distribution of pulp, paperboard, corrugated container products, and paper bag products

- Notes:
1. Jiangsu Oji Paper Co., Ltd. is categorized into both Forest Resources and Environment Marketing Business and Printing and Communications Media and Oji Fibre Solutions (NZ) Ltd. is categorized into both Household and Industrial Materials and Forest Resources and Environment Marketing Business. As such, they appear in the respective categories in the above table.
  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, 2021 stood at 188, including significant subsidiaries whose names are listed above. The number of equity method affiliate companies totaled 24 as of March 31, 2021.
  5. There is no subsidiary that falls under the category of specified wholly-owned subsidiary as of March 31, 2021.
  6. Japan Brazil Paper and Pulp Development Ltd. acquired its shares from its non-controlling shareholders in May 2021. As a result, the Company's percentage of voting rights, including holdings of subsidiaries, became 100%.

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

The Group obtained necessary cash by securing loans from financial institutions and issuing corporate bonds.

In addition, the balance of interest-bearing liabilities as of March 31, 2021 increased 66.0 billion yen from previous fiscal year-end to 647.7 billion yen.

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

(as of March 31, 2021)

Lender	Loan balance
	millions of yen
Sumitomo Mitsui Banking Corporation	61,043
Mizuho Bank, Ltd.	52,998
The Norinchukin Bank	43,070
Sumitomo Mitsui Trust Bank, Limited	26,285
Nippon Life Insurance Company	22,160

- Notes: 1. The loan balances listed above include loans provided by the lenders to overseas subsidiaries.  
2. In addition to the loans listed above, the Company obtained 209,530 million yen in syndicate loans.  
3. 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**

Not applicable.

**(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 7 yen per share with the record date of March 31, 2021 by comprehensively considering the business results for the current fiscal year and future business environment, etc.

Combined with the interim dividend of 7 yen per share, which was implemented for the interim period, this will bring total dividends for the current fiscal year to 14 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 7 yen per common share of the Company; Total amount 6,944,772,513 yen**

**(c) Effective date of dividends of surplus**

June 7, 2021

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

Not applicable.

## 2. Shares of the Company (as of March 31, 2021)

- (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) (22,271,458 shares)  
(3) Total number of shareholders 67,159 shareholders  
(1,469 increase compared with March 31, 2020)

### (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)	97,197	9.8
Custody Bank of Japan, Ltd. (Trust Account)	64,605	6.5
Custody Bank of Japan, Ltd. (Trust Account 4)	34,808	3.5
Sumitomo Mitsui Banking Corporation	31,668	3.2
Nippon Life Insurance Company	25,658	2.6
Mizuho Bank, Ltd.	21,636	2.2
Oji Group Employee Stock-holding Association	19,933	2.0
The Norinchukin Bank	16,654	1.7
STATE STREET BANK WEST CLIENT - TREATY 505234	15,425	1.6
Chieko Fujisada	14,844	1.5

- Notes: 1. The Company holds treasury stock of 22,271 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 (22,271 thousand shares).  
3. Numbers less than one thousand are rounded down to the nearest thousand.

### (5) Shares granted to corporate officers as compensation for execution of duties during the year under review

Position	No. of shares	No. of persons granted shares
Directors (excluding Outside Directors)	307,467 shares	3

- Note: The Company has adopted a stock-based remuneration plan to provide part of the remuneration for directors (excluding Outside Directors). Under this scheme, cumulative total points awarded to a director based on their position and performance in each of the years in which they served as a director is divided by one to determine the number of shares they will be granted after leaving their post.

### **3. Matters relating to Corporate Governance**

#### **(1) 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 the Group 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/english/group/policy/governance.html>)

#### **(2) Overview of Corporate Governance System and Reasons for Adopting the System**

The Company has adopted a COMPANY system under which the Company undertakes the formulation of Group management strategies as well as the supervision of the Group governance, while each COMPANY comprised of closely associated businesses forms the center of the Group's business operations. This structure accelerates decision making by each business unit and clarifies management responsibilities.

Decisions on execution of important matters concerning the Group's management are made by the Board of Directors, following deliberations by Holdings Management Meetings and (or) Group Management Meetings. Execution of businesses in accordance with the decisions made by the Board of Directors is promptly implemented by Group Corporate Officers and COMPANY Presidents. At the same time, the Company secures a check-and-balance function within the Group by clearly determining authority and responsibility of each organization in its Organization Regulations, Group Management Regulations and Authorities Regulations.

In addition, the Company formulates in-house regulations on obtaining approvals, Group CEO's Decisions Regulations and COMPANY President's Approval Regulations, and appropriately operates business procedures based upon them.

The Company has established the Internal Audit Department to audit the Group's internal controls, in order to strengthen internal controls. In the area of finance, each division manager carries out independent and strict management in accordance with internal accounting regulations, and the Internal Audit Department regularly monitors transactions in each division to confirm the effectiveness of the control function and the reliability of financial reporting.

As a company with the Audit & Supervisory Board, the Company strives to strengthen the governance of the entire Group through audits of the execution of duties by Directors by Audit & Supervisory Board Members and the Audit & Supervisory Board. The Audit & Supervisory Board has appointed four Audit & Supervisory Board Members, including two Outside Audit & Supervisory Board Members. There are two standing Audit & Supervisory Board Members, and one of them possesses considerable knowledge of finance and accounting. Audit & Supervisory Board Members conduct audits on Directors' business executions based upon audit plans set at the Audit & Supervisory Board, through actively making attendances in the Board of Directors and other important meetings.

The Company has introduced the Executive Officer system in 1999 ("Executive Officer" was renamed to "Group Corporate Officer" along with the transition to a pure holdings company system on October 1, 2012), in order to speed up decision-making, strengthen systems for business execution, and clarify executive responsibilities. In 2007, the Company has introduced Independent Directors to strengthen monitoring of management and to pursue a corporate management which has higher degrees of transparency and efficiency. In 2015, the Company established the Nomination Committee and the Compensation Committee as advisory bodies to the Board of Directors. In addition to improving the objectivity and transparency of decisions made by each Committee, the Compensation Committee analyses and evaluates the effectiveness of the Board of Directors.

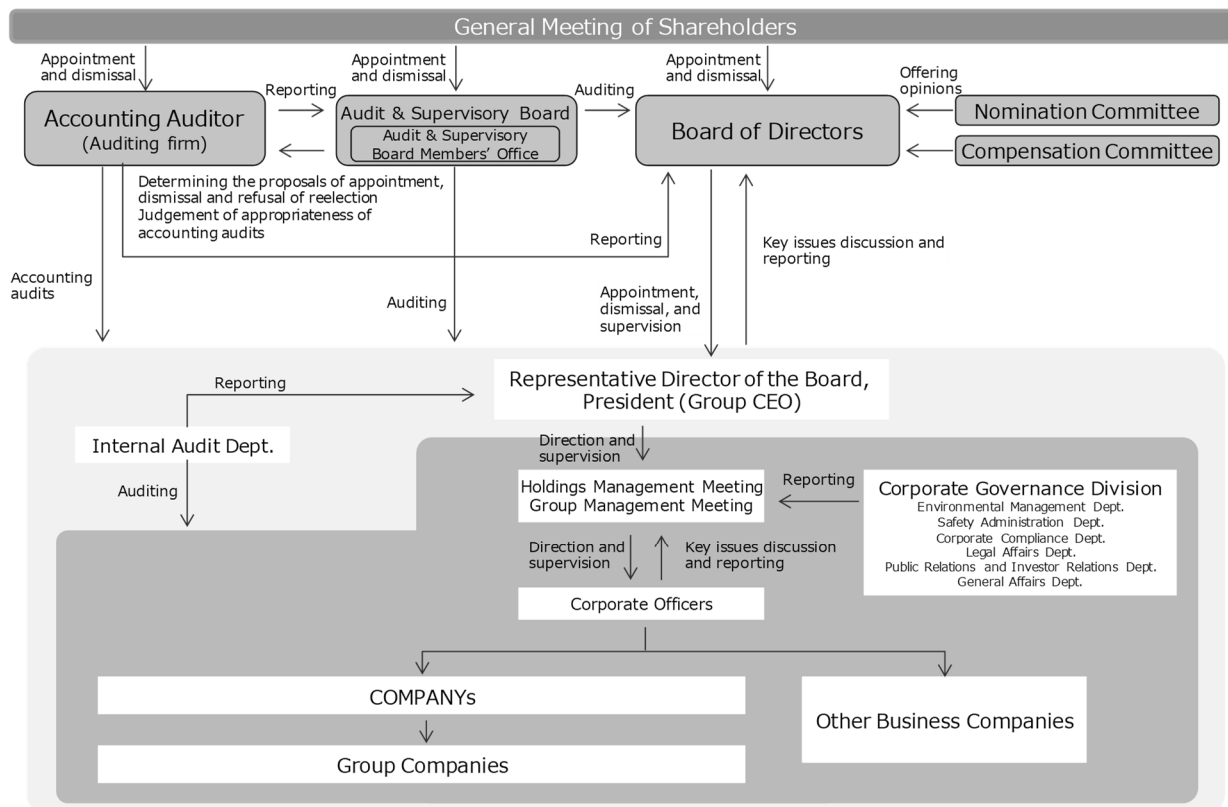
With such systems in mind, the Company recognizes that it is committed to enhancing its effective monitoring of management.

Please note that, pursuant to the provisions of applicable laws and regulations and Article 15 of the Articles of Incorporation, "System to ensure the properness of operations and an overview of the

current status of its operation” and “Basic Policy on Corporate Control” are posted on “Internet Disclosure for Notice of the 97th Ordinary General Meeting of Shareholders” on the “Information for Stockholders” section of the Company’s website (<https://investor.ojiholdings.co.jp/en/ir/stock/meeting.html>).

**(3) Corporate Governance Structural Diagram**

A diagram of the corporate governance system of the Company is as shown below.



The purpose, authority, and composition of each body is as shown below.

Name	Purpose/Authority	Composition
Board of Directors (Note 1)	<p>The Board of Directors, in view of its fiduciary responsibility and accountability toward shareholders, fulfills the following roles to enable the Company to achieve sustainable growth and enhance its corporate value over the medium to long term as well as to improve its profitability, capital efficiency, etc.</p> <ul style="list-style-type: none"> <li>• Make important decisions concerning business execution within the scope specified in the Board of Directors Rules, such as determining the corporate principles and strategies that set out the overall direction for the Group and making investments based on these principles and strategies.</li> <li>• With regard to matters that do not require a Board of Directors' resolution, assist with rapid decision-making by determining in Group rules matters requiring deliberation by the Management Meeting and the authority of Executive Directors to execute business.</li> <li>• Conduct highly-effective supervision of Corporate Officers and Executive Directors from an independent and objective standpoint.</li> <li>• Supervise the construction of internal control systems, the establishment of risk management systems, and the operation of these systems.</li> </ul>	<p>Directors: 12 persons (of whom three are Independent Outside Directors) Chairperson: Representative Director and Chairman of the Board Susumu Yajima (as of March 31, 2021)</p>
Audit & Supervisory Board (Note 2)	<p>Audit &amp; Supervisory Board Members and the Audit &amp; Supervisory Board, in view of their fiduciary responsibilities toward shareholders, conduct operational and accounting audits from an independent and objective standpoint.</p> <p>Audit &amp; Supervisory Board Members and the Audit &amp; Supervisory Board flexibly combine the high-level information gathering capabilities possessed by the Full-time Audit &amp; Supervisory Board Members with the robust independence of the Outside Audit &amp; Supervisory Board Members, and endeavor to exercise their authority voluntarily and proactively while maintaining cooperation with Outside Directors.</p>	<p>Audit &amp; Supervisory Board Members: 4 persons (of whom two are Outside Audit &amp; Supervisory Board Members) Chairperson: Full-time Audit &amp; Supervisory Board Member Tomihiro Yamashita (as of March 31, 2021)</p>
Nomination Committee (Note 3)	<p>By obtaining appropriate involvement and advice from Outside Directors, the Nomination Committee deliberates on the following matters and provides reports to the Board of Directors in order to strengthen the functional independence, objectivity, and accountability of Directors with respect to the nomination of officers and Corporate Officers.</p> <ol style="list-style-type: none"> <li>1. Policy for nomination of Directors and Audit &amp; Supervisory Board Member candidates</li> <li>2. Policy for selection of Corporate Officers</li> <li>3. Nomination of Directors and Audit &amp; Supervisory Board Member candidates and selection of Corporate Officers</li> <li>4. Dismissal of Directors, Audit &amp; Supervisory Board Members, or Corporate Officers when they do not satisfy the policies for nomination or selection</li> <li>5. Succession planning for the President and Chief Executive Officer</li> <li>6. Selection/dismissal of advisors</li> </ol>	<p>Members: 5 persons (of whom three are Independent Outside Directors) Chairperson: Representative Director, President and Chief Executive Officer Masatoshi Kaku (as of March 31, 2021)</p>

<p>Compensation Committee (Note 4)</p>	<p>By obtaining appropriate involvement and advice from Outside Directors, the Compensation Committee deliberates on the following matters and provides reports to the Board of Directors in order to strengthen the functional independence, objectivity, and accountability of Directors with respect to compensation for Directors and Corporate Officers.</p> <ol style="list-style-type: none"> <li>1. Compensation structure and levels for Directors and Corporate Officers</li> <li>2. Assessment of Directors and Corporate Officers</li> <li>3. Analysis/evaluation of the effectiveness of the Board of Directors</li> <li>4. Compensation structure and levels for advisors</li> </ol>	<p>Members: 5 persons (of whom three are Independent Outside Directors) Chairperson: Representative Director, President and Chief Executive Officer Masatoshi Kaku (as of March 31, 2021)</p>
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- Notes:
1. There shall generally be no more than 15 Directors, of whom at least two shall be independent Outside Directors. Furthermore, to speed up decision-making, strengthen business execution, and clarify executive responsibility, 20 Corporate Officers (as of March 31, 2021) have been selected, and nine of them are also Directors.
  2. There shall be around five Audit & Supervisory Board Members, of whom at least half shall be Outside Audit & Supervisory Board Members.
  3. The Nomination Committee comprises the Chairman of the Board, the President, and all the Outside Directors. Its chairperson is the President.
  4. The Compensation Committee comprises the Chairman of the Board, the President, and all the Outside Directors. Its chairperson is the President.

#### 4. Officers of the Company

##### (1) Directors and Audit & Supervisory Board Members

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

(as of March 31, 2021)

Positions	Name	Responsibilities and significant concurrent positions
Representative Director and Chairman of the Board*	Susumu Yajima	Chairman of the Board
Representative Director of the Board, President and CEO*	Masatoshi Kaku	Group CEO
Director of the Board *	Yoshiki Koseki	President, Industrial Materials Company President, Household and Consumer Products Company President and Representative Director, Oji Industrial Materials Management Co., Ltd. Chairman and Director, Oji Nepia Co., Ltd.
Director of the Board *	Ryuichi Kisaka	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. Oji Asia Management Sdn. Bhd.
Director of the Board *	Kazuhiko Kamada	President, Celulose Nipo-Brasileira S.A.
Director of the Board *	Hiroyuki Isono	Representative Director and Chairman of the Board, Oji Oceania Management Co., Ltd. Chairman of the Board, Oji Fibre Solutions (NZ) Ltd.
Director of the Board *	Koichi Ishida	Deputy General Manager, Corporate Governance Div. In charge of Innovation Promotion Div. Representative Director, President and CEO, Oji Engineering Co., Ltd.
Director of the Board *	Fumio Shindo	President, Forest Resources and Environment Marketing Business Company President, Printing and Communications Media Company President, Oji Green Resources Co., Ltd. In charge of Oji Logistics Co., Ltd.
Director of the Board *	Shigeki Aoki	President, Functional Materials Company President and Representative Director, Oji Functional Materials Progressing Center Inc.
Director of the Board	Michihiro Nara	Attorney-at-law, HANZOMON SOGO LAW OFFICE Outside Director, Nihon Tokushu Toryo Co., Ltd.
Director of the Board	Toshihisa Takata	
Director of the Board	Sachiko Ai	Executive Officer, General Manager, Audit Division, Mitsubishi UFJ Trust and Banking Corporation Executive Officer, Acting General Manager, Audit Division, Mitsubishi UFJ Financial Group, Inc.
Audit & Supervisory Board Member	Tomihiko Yamashita	(Standing) Audit & Supervisory Board Member of Oji Container Co., Ltd., Oji Materia Co., Ltd., Mori Shigyo Co., Ltd., Oji Paper Co., Ltd. and Oji Engineering Co., Ltd.
Audit & Supervisory Board Member	Nobuko Otsuka	(Standing) Audit & Supervisory Board Member of Oji F-Tex Co., Ltd., Oji Imaging Media Co., Ltd., Oji Green Resources Co., Ltd. and Oji Real Estate Co., Ltd.



Positions	Name	Responsibilities and significant concurrent positions
Audit & Supervisory Board Member	Makoto Katsura	
Audit & Supervisory Board Member	Mikinao Kitada	Special Counsel, Mori Hamada & Matsumoto Outside Statutory Auditor, Askul Corporation Outside Director, Yokogawa Bridge Holdings Corp. Outside Member of the Board of Directors (Audit & Supervisory Committee Member), Mizuho Trust & Banking Co., Ltd.

- Notes:
- Directors, Mr. Michihiro Nara, Mr. Toshihisa Takata and Ms. Sachiko Ai, are outside directors as prescribed in Article 2, Item 15 of the Companies Act.  
The Company has designated them as independent directors and notified the Tokyo Stock Exchange of such designation in accordance with its regulation.
  - Audit & Supervisory Board Members, Mr. Makoto Katsura and Mr. Mikinao Kitada are outside audit & supervisory board members as prescribed in Article 2, Item 16 of the Companies Act.  
The Company has designated them as independent directors and notified the Tokyo Stock Exchange of such designation in accordance with its regulation.
  - The following changes were made to Directors of the Board at the conclusion of the 96th Ordinary General Meeting of Shareholders held on June 26, 2020.

Assumption	Director		
	Shigeki Aoki	Sachiko Ai	
Retirement	Director		
	Ryoji Watari	Yoshiaki Takeda	Shoji Fujiwara
  - Standing Audit & Supervisory Board Members were elected by a resolution of the Audit & Supervisory Board at a meeting held on June 26, 2020, as follows.

Audit & Supervisory Board Member (Standing)	Tomihiko Yamashita
Audit & Supervisory Board Member (Standing)	Nobuko Otsuka
  - The table below shows the Audit & Supervisory Board Member who resigned from office during the period from the day immediately following the conclusion of the 96th Ordinary General Meeting of Shareholders held on June 26, 2020 to the last day of the current fiscal year.

Name	Position at the time of the retirement	Responsibilities in the Company and significant concurrent positions at the time of the retirement	Date of the retirement	Reasons of the retirement
Norio Henmi	Outside Audit & Supervisory Board Member	Attorney-at-law, Sunrise Law Office	November 29, 2020	Passed away

- The Company has no special interest with the organizations where Outside Officers hold significant concurrent positions above.
- Ms. Nobuko Otsuka, Audit & Supervisory Board Member, has experience in the areas of taxation, accounting, and internal audits at the Regional Taxation Bureau, a tax accountant corporation, and the Company, and possesses considerable knowledge of finance and accounting.
  - The nine (9) Directors of the Board whose names are marked with an asterisk concurrently serve as Executive Officers.
  - The responsibilities of the Directors and Corporate Officers members from April 1, 2021 are shown in the following table, “(2) Directors and Corporate Officers (as of April 1, 2021).”

(ii) Summary of details of limited liability agreement

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.

(iii) Overview of directors’ and officers’ liability insurance policy

The Company has concluded a directors’ and officers’ liability insurance (D&O insurance) policy with an insurance company, as stipulated in Article 430-3, paragraph 1 of the Companies Act, covering directors, audit & supervisory board members and corporate officers of the Company. The said insurance policy shall cover damages that the insured should legally bear compensation for

damages, litigation expenses, and others when the insured receives claims for damages associated with the execution of their duties during the insurance period. However, with a view to preventing impairment of the appropriateness of the insured parties' execution of duties, the policy does not cover damages resulting from criminal acts, other legal violations, or intentional acts. Note that the full amounts of the insurance premiums shall be borne by the Company.

**(2) Status of Directors and Executive Officers**

(as of April 1, 2021)

**(i) Directors**

Positions	Name	Responsibilities
Representative Director and Chairman of the Board	Susumu Yajima	Chairman of the Board
Representative Director of the Board President and CEO	Masatoshi Kaku	Group CEO
Director of the Board Senior Executive Officer	Yoshiki Koseki	President, Industrial Materials Company President, Household and Consumer Products Company President and Representative Director, Oji Industrial Materials Management Co., Ltd. Chairman and Director, Oji Nepia Co., Ltd.
Director of the Board Senior Executive Officer	Hiroyuki Isono	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. Oji Asia Management Sdn. Bhd. Oji Logistics Co., Ltd.
Director of the Board Senior Executive Officer	Fumio Shindo	President, Forest Resources and Environment Marketing Business Company President, Printing and Communications Media Company President, Oji Green Resources Co., Ltd.
Director of the Board Executive Officer	Kazuhiko Kamada	President, Celulose Nipo-Brasileira S.A.
Director of the Board Executive Officer	Koichi Ishida	Deputy General Manager, Corporate Governance Div. In charge of Innovation Promotion Div. Representative Director, President and CEO, Oji Engineering Co., Ltd.
Director of the Board Executive Officer	Shigeki Aoki	President, Functional Materials Company President and Representative Director, Oji Functional Materials Progressing Center Inc.
Director of the Board	Ryuichi Kisaka	In charge of special assignment
Director of the Board	Michihiro Nara	
Director of the Board	Toshihisa Takata	
Director of the Board	Sachiko Ai	

**(ii) Status of Executive Officers**

Positions	Name	Responsibilities
Senior Executive Officer	Yutaka Fushino	Senior Managing Director, Oji Industrial Materials Management Co., Ltd. President, Oji Container Co., Ltd.
Senior Executive Officer	Tan Dilun	President & CEO, Oji Asia Packaging Sdn. Bhd. President, Oji Asia Management Sdn. Bhd.
Executive Officer	Azumi Kawabe	Representative Director and Chairman of the Board, Oji Oceania Management Co., Ltd. Chairman of the Board, Oji Fibre Solutions (NZ) Ltd.

Positions	Name	Responsibilities
Corporate Officer	Tadashi Kitamura	Senior Managing Director, Oji Industrial Materials Management Co., Ltd. President, Mori Shigyo Co., Ltd.
Corporate Officer	Akio Hasebe	Managing Director, Oji Industrial Materials Management Co., Ltd.
Corporate Officer	Takao Funada	Vice President, Printing and Communications Media Company Representative Director, President and CEO, Oji Paper Co., Ltd.
Corporate Officer	Muraji Nishi	General Manager, Innovation Promotion Div.
Corporate Officer	Takayuki Moridaira	Managing Director, Oji Industrial Materials Management Co., Ltd. President and Representative Director, Oji Materia Co., Ltd.
Corporate Officer	Hirokazu Yasui	President, Oji Paper Management (Shanghai) Co., Ltd. President, Jiangsu Oji Paper Co., Ltd.
Corporate Officer	Katsuhiko Shimazaki	Managing Director, Oji Functional Materials Progressing Center Inc. President and Representative Director, Oji F-Tex Co., Ltd.
Corporate Officer	Yuji Onuki	Vice President, Forest Resources and Environment Marketing Business Company Managing Director, Oji Green Resources Co., Ltd. President and Representative Director, Oji Forest & Products Co., Ltd. President, Oji Eco Materials Co., Ltd.
Corporate Officer	Kohei Michikawa	Managing Director, Oji Functional Materials Progressing Center Inc. President and Representative Director, Oji Imaging Media Co., Ltd.
Corporate Officer	Tadashi Oshima	Managing Director, Oji Management Office Inc.

### (3) Remuneration, etc. for Directors and Audit & Supervisory Board Members for the year under review

#### (i) Matters concerning policy for determining details of remuneration, etc. for each Director

At the Company, the Board of Directors formulates a policy for determining details of remuneration, etc. for each Director (below, “determination policy”) after receiving a report from the Compensation Committee. The following is an outline of this policy.

The Company designs officer compensation plans such that the roles played by the plans enable the Company to achieve sustainable growth and enhance its corporate value over the medium to long term as well as to improve its profitability, capital efficiency, etc. Specifics of the Directors’ compensation structure and determination policy are stipulated in the Basic Policies on Corporate Governance (<https://www.ojiholdings.co.jp/english/group/policy/governance.html>). Officer compensation comprises basic remuneration, which is fixed remuneration, as well as bonuses (compensation based on short-term performance) and stock-based remuneration (compensation that reflects medium- to long-term increase in corporate value), which are forms of performance-linked remuneration. The amount of compensation for each officer, the payment ratios of each type of compensation, the performance-linked payment rates, and other matters concerning Directors’ compensation are determined by the Board of Directors after it has received a report from the Compensation Committee.

The payment ratios, which form the basis for each type of compensation for each Director, are as follows, and the level of compensation for each position is generally determined in accordance with the position of each Director, with the final amount being determined after taking into account factors such as external trends in compensation levels and changes in the long-term business environment surrounding the Company. Note that actual payment ratios will vary depending on the amounts of

bonuses and stock-based remuneration, which are forms of performance-linked remuneration. Furthermore, basic remuneration, which is fixed remuneration, is the only remuneration for Outside Directors.

Position	Fixed remuneration	Performance-linked remuneration			Subtotal
		Bonuses	Stock-based remuneration	Total	
Director (excluding outside director)	50%	25%	25%	50%	100%
Outside Director	100%	–	–	–	100%

Basic remuneration, which is fixed remuneration, is a fixed amount calculated by multiplying the ratio for the basic-remuneration component by the prescribed total amount of remuneration. It is paid monthly in cash.

Regarding bonuses, for 70% of the standard bonus amount for each Director (excluding Outside Directors), consolidated operating profit is used as the evaluation indicator, while for the remaining 30%, a payment rate is determined in combination with the Director's assessment result, which is based on the performance of the domain under their purview. The standard amount of each varies within the range of 0%-150%. Bonuses are generally paid once a year. The actual timing of payment is decided by the Board of Directors.

Stock-based remuneration is linked to consolidated sales and consolidated ordinary profit, and varies within the range of 0%-150%. Regarding stock-based remuneration, in accordance with the position of each Director (excluding Outside Directors) on the first day of each calendar month during the fiscal year, the total number of rank-based basic points specified in "Table 1: Rank-based basic points" multiplied by the performance-linked payment rate specified in "Table 2: Performance-linked payment rates" (rounded down to the nearest whole number) forms the number of points to be granted for the fiscal year, and the points are granted to those who held the position of Director on the last day of the fiscal year on the date of the Company's Ordinary General Meeting of Shareholders. A Director who leaves their post is granted points on that day for the period until that day based on method prescribed in advance that differs depending on the timing of their leaving their post. When the Director leaves their post, they are awarded shares in the Company, the number of which is computed as the cumulative total number of points granted during their time as a Director multiplied by 1.

Table 1: Rank-based basic points

Position (rank)	Rank-based basic points
Director and Chairman of the Board	3,604
Director of the Board, President and CEO	3,604
Director of the Board and Executive Vice President	2,658
Director of the Board and Senior Executive Officer	2,117
Director of the Board and Executive Officer	1,802

Table 2: Performance-linked payment rates

Consolidated sales as a percentage of previous year's (Note 1)	Performance-linked payment rates	
	If amount of change in ordinary profit from the previous year is positive (Note 2)	If amount of change in ordinary profit from the previous year is zero or lower (Note 2)
150% or more	150%	90%
120% or more but less than 150%	120%	
110% or more but less than 120%	110%	
105% or more but less than 110%	105%	
100% or more but less than 105%	100%	
95% or more but less than 100%	95%	85%
90% or more but less than 95%	90%	80%
80% or more but less than 90%	80%	70%
70% or more but less than 80%	50%	40%
Less than 70%	0%	0%

Notes: 1. Consolidated sales as a percentage of previous year is sales in the consolidated fiscal year under review as a percentage of sales in the previous consolidated fiscal year.

2. The amount of change in ordinary profit from the previous year is ordinary profit in the consolidated fiscal year under review less ordinary profit in the previous consolidated fiscal year.

Remuneration, etc. for each Director paid during the fiscal year under review is paid following a decision by the Board of Directors, after it has received a report from the Compensation Committee in accordance with the summary presented above, with the Board of Directors deeming that it is line with the relevant policy.

(ii) Matters related to resolutions at the General Meeting of Shareholders concerning remuneration, etc. for Directors and Audit & Supervisory Board Members

The maximum total remuneration, etc. for Directors is determined by resolution of a General Meeting of Shareholders, and the total amount of basic remuneration, which is fixed remuneration, and bonuses is 700 million yen a year (of which the maximum annual amount for Outside Directors is 50 million yen), pursuant to a resolution of the 92nd Ordinary General Meeting of Shareholders held on June 29, 2016. As of the end of this Ordinary General Meeting of Shareholders, the number of Directors stood at 13 (of whom two were Outside Directors).

Regarding stock-based compensation, pursuant to a resolution of the 92nd Ordinary General Meeting of Shareholders held on June 29, 2016, the maximum number of points to be granted is 570,000 points per fiscal year (normally one point = one Company share), and this is separate from the maximum amounts of basic remuneration, which is fixed remuneration, and bonuses. As of the end of this Ordinary General Meeting of Shareholders, the number of Directors stood at 13 (of whom two were Outside Directors).

The amount of remuneration, etc. for Audit & Supervisory Board Members is determined through consultation with the Audit & Supervisory Board Members, and the maximum remuneration, etc. for Audit & Supervisory Board Members is 97 million yen a year, pursuant to a resolution of the 82nd Ordinary General Meeting of Shareholders held on June 29, 2006. As of the end of this Ordinary General Meeting of Shareholders, the number of Audit & Supervisory Board Members stood at 4 (of whom two were Outside Audit & Supervisory Board Members).

(iii) Total amounts, etc. of remuneration, etc. for Directors and Audit & Supervisory Board Members

Position	No. of personnel	Fixed remuneration	Performance-linked remuneration		Total
			Bonuses	Stock-based remuneration	
Directors (Outside Directors)	15 (3)	280 million yen (41 million yen)	169 million yen (-)	116 million yen (-)	565 million yen (41 million yen)
Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members)	5 (3)	86 million yen (35 million yen)	- (-)	- (-)	86 million yen (35 million yen)
Total	20	367 million yen	169 million yen	116 million yen	652 million yen

Notes: 1. The Company pays bonuses to Directors as part of their performance-linked remuneration. Because the Company positions bonuses as remuneration for short-term performance, the amount of a Director's bonus is calculated based on the amount of consolidated operating income and the performance of the domain under the purview of the Director in the fiscal year under review. While, in the "FY2019-2021 Medium-term Management Plan," the Company has declared that it aims to become a global corporate group that can maintain stable consolidated operating profit of at least 100,000 million yen, consolidated operating profit the fiscal year ended March 31, 2021 amounted to 84,793 million yen. The trend with consolidated operating profit, including in the fiscal year under review, is as shown in "1. (3) Changes in assets and results of operations."

2. The Company pays non-monetary remuneration in the form of stock-based remuneration to Directors as part of their performance-linked remuneration. Because the Company's stock-based remuneration plan is aimed at improving the Company's performance and enhancing its value over the medium to long term, the basis for calculating the number of points granted, which in turn is the basis for the number of shares awarded as stock-based compensation is consolidated sales as a percentage of previous year's and the amount of change in ordinary profit from the previous year for the fiscal year under review. For the fiscal year under review, the evaluation

indicators, are 1,507,607 million yen in consolidated sales and 101,289 million yen in consolidated ordinary profit in the previous consolidated fiscal year, and with respect to them, actual performance was 1,358,985 million yen in consolidated sales and 83,061 million yen in consolidated ordinary profit. Details of stock-based remuneration are as shown in “(i) Matters concerning policy for determining details of remuneration, etc. for each Director,” and information about the status of awards of such remuneration are as shown in “2. (5) Shares granted to corporate officers as compensation for execution of duties during the year under review.”

3. As of March 31, 2021, the number of Directors stood at twelve (12) and that of Audit & Supervisory Board Members at four (4).
4. 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, 2021)

Position	Name	Concurrent positions
Outside Director	Michihiro Nara	Attorney-at-law, HANZOMON SOGO LAW OFFICE Outside Director, Nihon Tokushu Toryo Co., Ltd.
Outside Director	Sachiko Ai	Executive Officer, General Manager, Audit Division, Mitsubishi UFJ Trust and Banking Corporation Executive Officer, Acting General Manager, Audit Division, Mitsubishi UFJ Financial Group, Inc.
Outside Audit & Supervisory Board Member	Mikinao Kitada	Special Counsel, Mori Hamada & Matsumoto Outside Statutory Auditor, Askul Corporation Outside Director, Yokogawa Bridge Holdings Corp. Outside Member of the Board of Directors (Audit & Supervisory Committee Member), Mizuho Trust & Banking Co., Ltd.

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

- (ii) Major activities of Outside Directors during the year under review

Position	Name	Number of attendance at meetings of the Board of Directors	Summary of comments made and duties performed with respect to expected role
Outside Director	Michihiro Nara	13/14 (92.9%)	Fulfilled the role expected of him by making comments concerning the Company's management from an independent standpoint, from an attorney's professional perspective, and based on his rich experience
Outside Director	Toshihisa Takata	14/14 (100%)	Fulfilled the role expected of him by making comments concerning the Company's management from an independent standpoint and based on his rich experience and wide-ranging knowledge as a diplomat
Outside Director	Sachiko Ai	10/11 (90.9%)	Fulfilled the role expected of her by making comments concerning the Company's management from an independent standpoint and based not only on her high-level expertise in the financial field but also on her wealth of knowledge of a broad range of domestic and international business trends

Note: Concerning Outside Director Ms. Sachiko Ai's attendance at meetings of the Board of Directors, the scope of the total number of meetings includes only those meetings of the Board of Directors held after her appointment on June 26, 2020.



(iii) Major activities of Outside Audit & Supervisory Board Members during the year under review

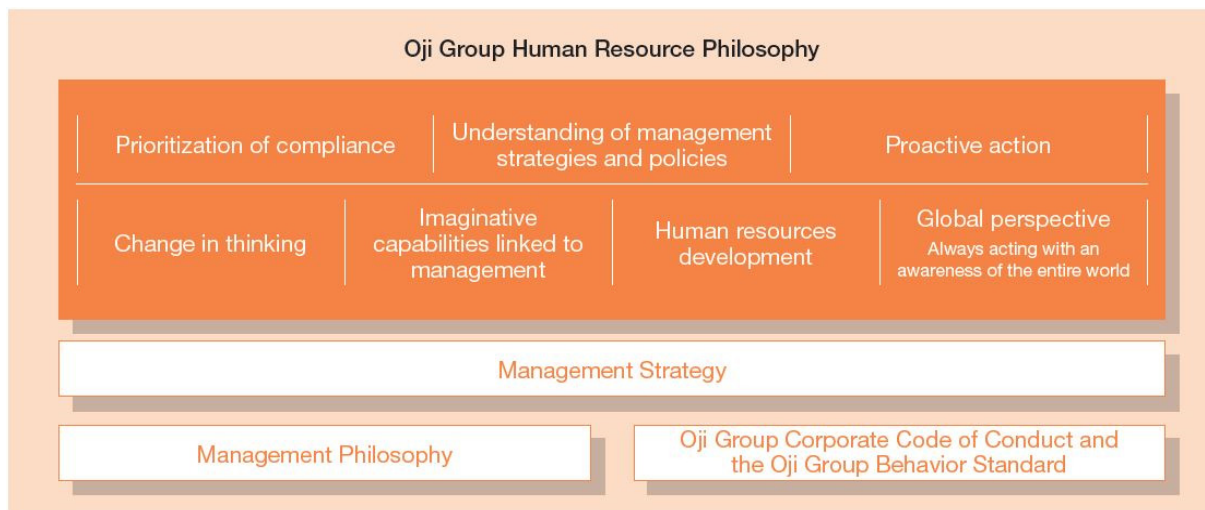
Position	Name	Status of attendance at the Board of Directors' Meeting	Status of attendance at the Audit & Supervisory Board Meeting	Principal comments
Outside Audit & Supervisory Board Member	Makoto Katsura	14/14 (100%)	14/14 (100%)	Provided expert opinions based on his rich experience as a diplomat and his wide-ranging knowledge
Outside Audit & Supervisory Board Member	Mikinao Kitada	14/14 (100%)	14/14 (100%)	Provided expert opinions based on his rich experience as a public prosecutor and an attorney-at-law and his wide-ranging knowledge
Outside Audit & Supervisory Board Member	Norio Henmi	10/10 (100%)	10/10 (100%)	Provided expert opinions based on his rich experience and his wide-ranging knowledge from attorney's professional perspective

Note: The status of Outside Audit & Supervisory Board Member Mr. Norio Henmi's attendance at Board of Directors' Meetings and Audit & Supervisory Board Meetings shown above is based on the number of such meetings held through the date he left office due to his passing away on November 29, 2020.

## 5. Matters related to human resources

### (1) Initiatives related to human resources

We regard diversity and flexibility with respect to values as vital for strengthening the competitiveness of a company and ensuring its continuous development. Based on the overarching principle that “the source of corporate strength is human resources,” and with an eye to growing “beyond the realm of the ordinary and into the future” as a global company, the Group is pursuing “human resource development,” “work-style reform,” and “diversity and inclusion (D&I) promotion” in order for each and every employee to acquire diversity in terms of values, adopt flexibility in their thinking, and enhance their abilities.



#### - Human resource development

To develop and identify global talent, we offer different training programs depending on how long the employees concerned have been with the Company. We are also active in recruiting high-caliber personnel from outside the Company. In addition, we are providing training aimed at transforming attitudes to develop core human resources to take charge of the management of Group companies, which will be crucial for the successful execution of our management strategy, and to clarify the types of human resources required in each business segment.

#### - Work-style reform

We are pursuing business transformation to reduce overtime and total working hours, and are encouraging the use of flextime systems, setting upper limits on overtime hours, increasing the proportion of paid holidays that employees actually take off, and promoting flexible work styles. We are also working to establish a personnel system that will enhance the effectiveness of work-style reforms. For example, to facilitate the reliable execution of tasks in line with management strategy, we have introduced a role-grading system that clarifies the roles required of each employee and evaluates them based on whether or not they have fulfilled those roles.

#### - D&I promotion

We are endeavoring to take action to enable diverse human resources to thrive regardless of gender, age, disability status, nationality, etc., and to allow diverse values to lead to enhanced corporate competitiveness. The Diversity Promotion Committee, chaired by the Group CEO, was established to share diversity promotion policies and objectives across the Group, provide support for implementation planning, and confirm implementation status. Under this system, we conduct training aimed at transforming attitudes and managerial behavior among middle managers by making them aware of top management’s views and diversity promotion policies. We are also promoting women’s advancement, boosting the hiring of persons with disabilities, and employing foreign technical interns to develop the skills and careers of diverse human resources. Furthermore, we have introduced a variety of schemes to improve work-life balance by enabling employees to work while also caring for children or elderly relatives.

In addition, in March 2021, the Group was selected for the 2020 fiscal year as a “Nadeshiko Brand,” a listed enterprise that is exceptional in encouraging women’s success in the workplace, jointly selected by Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE). The Company was also selected as a Nadeshiko Brand in 2018, so this marked the second time for us to be chosen.

**(2) Initiatives related to safety and health**

The Group has positioned “Safety, Environment, and Compliance” as top priorities for all our businesses. and with respect to occupational safety and health, has formulated the Oji Group Corporate Code of Conduct and the Oji Group Behavior Standard. We secure the safety and health of workers in workplaces by ensuring that every single employee recognizes these rules and standards on occupational safety and health, practices them, and complies with them. At the same time, we promote the creation of a comfortable workplace environment and create a better workplace safety climate so that all the workers in the Oji Group can work safely and with a sense of security.

We are also taking the following steps to tackle COVID-19:

- Ensuring that everyone wears masks, disinfects their hands by washing them frequently or applying hand sanitizer, and takes their temperature before heading to work
- Having personnel work from home, arrive for work at staggered times, make use of the flextime system, etc.
- Installing partitions between seats, in conference rooms, etc.
- Regularly disinfecting communal areas within business premises

And in October 2020, we issued the “Oji Group Health Declaration.” Under the leadership of the Group CEO, we are striving to ensure that our employees stay healthy. In accordance with our fundamental principle, “A company’s strength originates from human resources,” the Oji Group will continue our efforts to ensure good health of all employees of the Group and create a safe, comfortable working environment, aiming to be a corporate group that achieves sustainable growth and contributes to society.

Furthermore, in March 2021 the Company was recognized under the 2021 Certified Health and Productivity Management Organization Recognition Program (Large Enterprise Category), which is administered jointly by METI and Nippon Kenko Kaigi.

## 6. Matters related to Accounting Auditors

### (1) Name of the Accounting Auditor

Deloitte Touche Tohmatsu LLC

Note: The following change in Accounting Auditors was made at the conclusion of the 96th Ordinary General Meeting of Shareholders held on June 26, 2020.

New Accounting Auditor: Deloitte Touche Tohmatsu LLC

Former Accounting Auditor: PricewaterhouseCoopers Aarata LLC

### (2) Accounting Auditor remunerations, etc. for the year under review

Segment	Amount paid
	millions of yen
Remuneration of the Company's Accounting Auditors	120
The amount required to be paid to Accounting Auditors by the Company and its consolidated subsidiaries	315
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 has given the consent prescribed in Article 399, Paragraphs 1 and 2 of the Companies Act concerning the amount of remuneration, etc. for Accounting Auditors after examining and evaluating, among others, the negotiations that led to the selection of the new Accounting Auditors, the audit plan developed by the Accounting Auditors, and the actual results for the previous fiscal year.
  3. Numbers less than one million yen are rounded down to the nearest million.

### (3) Description of non-audit service

The Company has paid consideration to Deloitte Touche Tohmatsu LLC for the preparation of a comfort letter in connection with advisory services and the issuance of corporate bonds, which is among the services other than those prescribed in Article 2, Paragraph 1 of the Certified Public Accountants Act.

### (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]: Jiangsu Oji Paper Co., Ltd., Oji Fibre Solutions (NZ) Ltd., Oji Papéis Especiais Ltda., Pan Pac Forest Products Ltd., Celulose Nipo-Brasileira S.A., Kanzaki Specialty Papers Inc., KANZAN Spezialpapiere GmbH, Oji Paper (Thailand) Ltd., GSPP Holdings Sdn. Bhd., Harta Packaging Industries Sdn. Bhd., and Ojtex Haiphong Co., Ltd. and Ojtex (Vietnam) Co., Ltd.

### (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, 2021	As of March 31, 2020 (Ref.)
<b>Assets</b>		
Current assets		
Cash and deposits	130,529	73,943
Notes and accounts receivable—trade	297,718	301,682
Short-term investment securities	5,725	10,381
Merchandise and finished goods	86,440	98,483
Work in process	19,273	23,467
Raw materials and supplies	89,090	94,946
Short-term loans receivable	4,324	3,749
Accounts receivable—other	19,608	20,232
Other	17,734	15,407
Allowance for doubtful accounts	(1,675)	(1,811)
<b>Total current assets</b>	<b>668,770</b>	<b>640,484</b>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	191,231	188,286
Machinery, equipment and vehicles	298,937	297,632
Tools, furniture and fixtures	5,691	5,560
Land	239,052	235,700
Forests	105,560	109,664
Standing timber	85,584	85,858
Lease assets	36,077	34,849
Construction in progress	79,279	58,241
<b>Total property, plant and equipment</b>	<b>1,041,413</b>	<b>1,015,794</b>
Intangible assets		
Goodwill	3,122	4,672
Other	9,049	8,388
<b>Total intangible assets</b>	<b>12,171</b>	<b>13,060</b>
Investments and other assets		
Investment securities	163,961	150,831
Long-term loans receivable	6,933	7,558
Long-term prepaid expenses	3,692	3,998
Net defined benefit asset	60,993	32,019
Deferred tax assets	7,074	7,184
Other	17,379	15,258
Allowance for doubtful accounts	(952)	(910)
<b>Total investments and other assets</b>	<b>259,083</b>	<b>215,941</b>
<b>Total noncurrent assets</b>	<b>1,312,668</b>	<b>1,244,796</b>
<b>Total assets</b>	<b>1,981,438</b>	<b>1,885,280</b>

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

	As of March 31, 2021	As of March 31, 2020 (Ref.)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable–trade	197,950	209,669
Short-term loans payable	129,963	172,027
Commercial papers	–	14,000
Current portion of bonds	–	20,000
Accounts payable–other	20,741	16,330
Accrued expenses	48,874	48,485
Income taxes payable	11,526	22,984
Other	32,657	29,479
<b>Total current liabilities</b>	<b>441,713</b>	<b>532,976</b>
<b>Noncurrent liabilities</b>		
Bonds payable	155,000	80,000
Long-term loans payable	362,718	295,647
Deferred tax liabilities	59,892	48,412
Deferred tax liabilities for land revaluation	7,739	7,803
Net defined benefit liability	54,010	54,213
Long-term deposits received	7,305	7,492
Other	27,450	27,078
<b>Total noncurrent liabilities</b>	<b>674,117</b>	<b>520,647</b>
<b>Total liabilities</b>	<b>1,115,831</b>	<b>1,053,623</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	103,880	103,880
Capital surplus	109,100	110,750
Retained earnings	493,224	457,568
Treasury stock	(13,400)	(13,577)
<b>Total shareholders' equity</b>	<b>692,805</b>	<b>658,623</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	31,654	21,004
Deferred gains or losses on hedges	2,721	(957)
Revaluation reserve for land	5,684	5,813
Foreign currency translation adjustment	(6,418)	2,390
Remeasurements of defined benefit plans	24,533	5,261
<b>Total accumulated other comprehensive income</b>	<b>58,176</b>	<b>33,512</b>
Subscription rights to shares	199	216
Non-controlling interests	114,426	139,305
<b>Total net assets</b>	<b>865,606</b>	<b>831,657</b>
<b>Total liabilities and net assets</b>	<b>1,981,438</b>	<b>1,885,280</b>

## Consolidated Statements of Income

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

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2020 (Ref.)
Net sales	1,358,985	1,507,607
Cost of sales	1,031,553	1,143,665
Gross profit	327,431	363,942
Selling, general and administrative expenses	242,638	257,816
Operating profit	84,793	106,125
Non-operating income		
Interest and dividends income	4,292	5,319
Equity in earnings of affiliates	142	2,889
Foreign exchange gains	4,616	–
Insurance claim income	1,894	760
Other	3,630	5,335
Total non-operating income	14,576	14,305
Non-operating expenses		
Interest expenses	6,791	6,948
Loss on sublet of facilities	2,836	–
Foreign exchange losses	–	4,797
Other	6,680	7,396
Total non-operating expenses	16,308	19,142
Ordinary profit	83,061	101,289
Extraordinary income		
Insurance claim income	2,866	1,513
Gain on sale of businesses	906	–
Profit on subsidiary status change from equity method affiliate	808	–
Other	1,164	5,579
Total extraordinary income	5,746	7,092
Extraordinary loss		
Loss on disaster	2,065	2,583
Business restructuring expenses	1,977	2,758
Loss on retirement of noncurrent assets	1,459	1,910
Extra retirement payments	995	436
Other	1,425	2,554
Total extraordinary losses	7,923	10,242
Income before income taxes and minority interests	80,883	98,138
Income taxes—current	28,830	35,018
Income taxes—deferred	354	(1,380)
Profit	51,698	64,500
Profit attributable to non-controlling interests	2,062	6,319
Profit attributable to owners of parent	49,635	58,181

## Non-consolidated Financial Statements

### Non-consolidated Balance Sheets

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

	As of March 31, 2021	As of March 31, 2020 (Ref.)
<b>Assets</b>		
Current assets		
Cash and deposits	72,926	5,830
Operating accounts receivable	142	128
Short-term loans receivable	229,405	215,522
Accounts receivable–other	17,356	18,817
Other	372	195
Allowance for doubtful accounts	(1,834)	(1,434)
<b>Total current assets</b>	<b>318,368</b>	<b>239,060</b>
Noncurrent assets		
Property, plant and equipment		
Buildings	16,020	16,649
Structures	221	238
Machinery and equipment	669	680
Vehicles	0	0
Tools, furniture and fixtures	1,003	943
Land	42,636	42,640
Forests	15,642	15,642
Standing timber	21,943	22,131
Lease assets	150	187
Construction in progress	455	309
<b>Total property, plant and equipment</b>	<b>98,744</b>	<b>99,422</b>
Intangible assets		
Software	16	16
Other	54	56
<b>Total intangible assets</b>	<b>71</b>	<b>73</b>
Investments and other assets		
Investment securities	71,117	61,718
Stocks of subsidiaries and affiliates	568,227	559,609
Investments in capital	2	2
Investments in capital of subsidiaries and affiliates	9,448	8,386
Long-term loans receivable	24,901	42,426
Long-term prepaid expenses	616	761
Deferred tax assets	–	668
Other	611	611
Allowance for doubtful accounts	(18)	(20)
<b>Total investments and other assets</b>	<b>674,907</b>	<b>674,163</b>
<b>Total noncurrent assets</b>	<b>773,723</b>	<b>773,659</b>
<b>Total assets</b>	<b>1,092,092</b>	<b>1,012,719</b>



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

	As of March 31, 2021	As of March 31, 2020 (Ref.)
<b>Liabilities</b>		
Current liabilities		
Short-term loans payable	167,306	213,908
Commercial papers	–	14,000
Current portion of bonds	–	20,000
Accounts payable–other	11,304	12,876
Accrued expenses	2,398	2,197
Income taxes payable	797	11,585
Other	1,391	1,249
Total current liabilities	183,198	275,816
Noncurrent liabilities		
Bonds payable	155,000	80,000
Long-term loans payable	352,524	284,645
Deferred tax liabilities	1,441	–
Provision for retirement benefits	1,842	1,908
Long-term deposits received	3,851	4,115
Other	2,102	2,314
Total noncurrent liabilities	516,763	372,984
Total liabilities	699,962	648,800
<b>Net assets</b>		
Shareholders' equity		
Capital stock	103,880	103,880
Capital surplus		
Capital reserve	108,640	108,640
Total capital surplus	108,640	108,640
Retained earnings		
Retained earnings reserve	24,646	24,646
Other retained earnings		
Reserve for advanced depreciation of noncurrent assets	14,603	14,884
General reserve	101,729	101,729
Retained earnings brought forward	27,614	6,133
Total retained earnings	168,594	147,394
Treasury stock	(13,644)	(13,821)
Total shareholders' equity	367,470	346,094
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	24,633	17,842
Deferred gains or losses on hedges	(172)	(233)
Total valuation and translation adjustments	24,460	17,608
Subscription rights to shares	199	216
Total net assets	392,130	363,918
Total liabilities and net assets	1,092,092	1,012,719

## Non-consolidated Statements of Income

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

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2020 (Ref.)
Operating revenue	53,055	37,665
Operating expenses		
General and administrative expenses	14,749	14,239
Other	2,373	2,409
Operating profit	35,932	21,017
Non-operating income		
Interest and dividends income	4,360	4,684
Brand maintenance income	1,546	1,550
Foreign exchange gains	–	843
Other	304	987
Total non-operating income	6,211	8,065
Non-operating expenses		
Interest expenses	3,438	3,858
Brand maintenance expenses	1,607	1,726
Foreign exchange losses	1,033	–
Other	1,827	759
Total non-operating expenses	7,907	6,344
Ordinary profit	34,235	22,738
Extraordinary income		
Gain on sales of investment securities	197	109
Other	14	8
Total extraordinary income	211	118
Extraordinary loss		
Loss on retirement of noncurrent assets	93	–
Loss on valuation of investment securities	22	–
Loss on valuation of shares of subsidiaries and affiliates	–	6,740
Other	2	556
Total extraordinary losses	118	7,297
Income before income taxes	34,328	15,558
Income taxes—current	6	488
Income taxes—deferred	(786)	388
Profit	35,108	14,682

## Report on Audits

### Certified Copy of the Accounting Auditor's Report

#### REPORT OF INDEPENDENT AUDITORS

May 11, 2021

To the Board of Directors of Oji Holdings Corporation

**Deloitte Touche Tohmatsu LLC**  
**Tokyo Office**

Designated and Engagement Partner  
Certified Public Accountant  
Tetsuya Ishii (Seal)

Designated and Engagement Partner  
Certified Public Accountant  
Yutaka Hamaguchi (Seal)

Designated and Engagement Partner  
Certified Public Accountant  
Ayato Hirano (Seal)

Designated and Engagement Partner  
Certified Public Accountant  
Yohei Ono (Seal)

#### Audit Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the consolidated financial statements of Oji Holdings Corporation (the "Company"), which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the notes to the consolidated financial statements applicable to the fiscal year from April 1, 2020 through March 31, 2021.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Group, which consisted of the Company and its consolidated subsidiaries, applicable to the fiscal year ended March 31, 2021 in accordance with accounting principles generally accepted in Japan.

#### Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan; this includes the maintenance and operation of internal control deemed necessary by management for the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to going concern.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

#### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole

are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When auditing the consolidated financial statements, obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and the appropriateness of related notes thereto.
- Conclude on the appropriateness of preparing the consolidated financial statements with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the consolidated financial statements or, if the notes to the consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the consolidated financial statements and notes to the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, as well as evaluate the presentation, structure, and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements fairly present the underlying transactions and accounting events.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We report to the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

#### Conflicts of Interest

We or engagement partners have no interests in the Company and its consolidated subsidiaries, which should be stated in compliance with 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, 2021

To the Board of Directors of Oji Holdings Corporation

**Deloitte Touche Tohmatsu LLC  
Tokyo Office**

Designated and Engagement Partner  
Certified Public Accountant  
Tetsuya Ishii (Seal)

Designated and Engagement Partner  
Certified Public Accountant  
Yutaka Hamaguchi (Seal)

Designated and Engagement Partner  
Certified Public Accountant  
Ayato Hirano (Seal)

Designated and Engagement Partner  
Certified Public Accountant  
Yohei Ono (Seal)

**Audit Opinion**

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the non-consolidated financial statements of Oji Holdings Corporation (the "Company"), which comprise the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in net assets, the notes to the non-consolidated financial statements, and the supplementary schedules (hereinafter collectively referred to as the "Non-consolidated Financial Statements, Etc.") applicable to the 97th business year from April 1, 2020 through March 31, 2021.

In our opinion, the Non-consolidated Financial Statements, Etc. referred to above present fairly, in all material respects, the financial position and results of operations applicable to the fiscal year ended March 31, 2021 in accordance with accounting principles generally accepted in Japan.

**Basis for Audit Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements, Etc. section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Non-consolidated Financial Statements, Etc. in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management, Audit & Supervisory Board Members and the Audit & Supervisory Board for the Non-consolidated Financial Statements, Etc.

Management is responsible for the preparation and fair presentation of the Non-consolidated Financial Statements, Etc. in accordance with accounting principles generally accepted in Japan; this includes the maintenance and operation of internal control deemed necessary by management for the preparation and fair presentation of the Non-consolidated Financial Statements, Etc. that are free from material misstatement, whether due to fraud or error.

In preparing the Non-consolidated Financial Statements, Etc., management is responsible for assessing whether it is appropriate to prepare the Non-consolidated Financial Statements, Etc. with the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to going concern.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements, Etc.

Our responsibilities are to obtain reasonable assurance about whether the Non-consolidated Financial Statements, Etc. as

a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the Non-consolidated Financial Statements, Etc. based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these Non-consolidated Financial Statements, Etc.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When auditing the Non-consolidated Financial Statements, Etc., obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and the appropriateness of related notes thereto.
- Conclude on the appropriateness of preparing the Non-consolidated Financial Statements, Etc. with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the non-consolidated financial statements or, if the notes to the non-consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the Non-consolidated Financial Statements, Etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation of the Non-consolidated Financial Statements, Etc. and notes to the non-consolidated financial statements are in accordance with accounting standards generally accepted in Japan, as well as evaluate the presentation, structure, and content of the Non-consolidated Financial Statements, Etc., including the related notes thereto, and whether the Non-consolidated Financial Statements, Etc. fairly present the underlying transactions and accounting events.

We report to the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

#### Conflicts of Interest

We or engagement partners have no interests in the Company, which should be stated in compliance with 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 97th business year from April 1, 2020 to March 31, 2021, 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.
  - (i) 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. As a measure to prevent the spread of COVID-19, audits were carried out by utilizing web conferencing systems.
  - (ii) 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.
  - (iii) 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.
  - (iv) 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, 2021.

## 2. Results of Audit

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

- (i) 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.
- (ii) 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.
- (iii) 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.
- (iv) 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, Deloitte Touche Tohmatsu LLC, are fair and reasonable.

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

The auditing methods and results of the Accounting Auditor, Deloitte Touche Tohmatsu LLC, are fair and reasonable.

May 11, 2021

Audit & Supervisory Board of Oji Holdings Corporation

Audit & Supervisory Board Member (Standing) Tomihiro Yamashita (Seal)

Audit & Supervisory Board Member (Standing) Nobuko Otsuka (Seal)

Audit & Supervisory Board Member Makoto Katsura (Seal)

Audit & Supervisory Board Member Mikinao Kitada (Seal)

Note 1: Mr. Makoto Katsura and Mr. Mikinao Kitada are outside audit & supervisory board members prescribed in Article 2, Item 16, and Article 335, Paragraph 3 of the Companies Act.

Note 2: As Audit & Supervisory Board Member Mr. Norio Henmi retired due to passing away on November 29, 2020, his name and seal are not on the Audit Report.



## Topics

### **Sustainability** Action to tackle climate change

With the aim of “creating a sustainable society,” the Oji Group has formulated its “Environmental Vision 2050,” the core of which is achieving net-zero carbon (GHG) emissions, and “Environmental Action Targets 2030,” which are designed to be met by FY2030.

Through a variety of initiatives, we are endeavoring to contribute to addressing the issue of climate change. For example, in the 570,000 hectare (approx. 2.5 times the land area of Tokyo) “Oji Forests,” we are promoting absorption and volume fixing of CO<sub>2</sub> through forest recycling, and we are also expanding the use of renewable energies such as hydroelectric power and biomass power generation.



View from the Oji Forests  
(Kamiinako, Shizuoka Prefecture)

Note that the Company has announced its support for the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures).

**Environment Management Strategy Exhibited at the Tokyo Pack 2021**

The Oji Group exhibited at Tokyo Pack, Japan’s biggest international expo for packaging of all kinds, where we focused on showcasing the following three of the Group’s technologies and products:

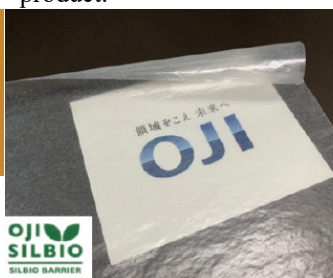
**- Domestic one-stop production system for beverage packaging - Eco-friendly products**

We described the new liquid container business from Ishizuka-Oji Paper Packaging Co., Ltd., which has put together an integrated domestic production system encompassing everything from pulping to printing and processing, and was launched in September 2020.

We explained how we have been adopting products focused on efforts to lower environmental impact in order to provide alternatives to and reduce the use of plastics. These products include SILBIO BARRIER, a paper that is recyclable and provides a barrier function, and PaPiPress, a pulp-molding product.



Beverage packs made from Oji paper



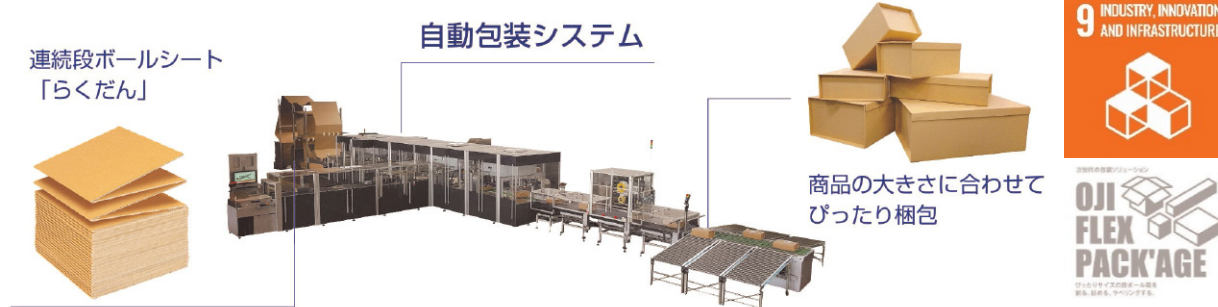
SILBIO BARRIER



PaPiPress

**- Next-generation packaging solution: OJI FLEX PACK'AGE**

We installed an actual OJI FLEX PACK'AGE machine in the booth. The machine employs our Rakudan fanfold corrugated sheets, allowing packaging that is just the right size for the product to be provided. This innovative approach cuts both energy use and costs.



**Products** Oji Nepia’s Hana Celeb tissues take top prize in Japan Naming Awards 2020

Oji Nepia’s Hana Celeb thick, highly-moisturized, and long-lasting tissues received the Grand Prize in the 2020 edition of the Japan Naming Awards, which are conferred by the Japan Naming Association.

“Hana” means “nose” in Japanese, so the name suggests the product is perfect for use on the noses of famous celebrities. The Association admired the originality and creativity of the name, which emphasizes the high quality of the product, and thus decided to award it the top prize.

Going forward, the brand will continue to be loved by customers for its kindness to the skin the pleasure that comes from using it.



Scene at the award ceremony



Boxes of Nepia Hana Celeb tissues



**JAPAN  
NAMING  
AWARD  
Grand  
Prize**

## **Sports** Oji Eagles ice hockey team win title and Red Eagles Hokkaido comes into being

In the Asia League Ice Hockey Japan Cup 2020, a tournament that took place on Saturday, October 10, 2020, the Oji Eagles took the title with a record of 20 wins and four defeats out of 24 games. The players were always thinking about the challenge of the next game in front of them, and they fought hard. These efforts paid off with their victory.

Thank you very much for all your support



From the 2021-2022 season, the Oji Eagles will be reborn as the Red Eagles Hokkaido, a locally-rooted club team centered on their home in the city of Tokamomai in Hokkaido. The team will inherit Oji's 95 years of tradition, and be aiming to boost the number of people who play ice hockey and to restore the sport to popularity. With the goal of becoming a team that is loved by all, the Red Eagles Hokkaido will be active going forward, so we hope we can count on your continued support in the future.



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.

## **INTERNET DISCLOSURE FOR NOTICE OF THE 97TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

**The 97th term  
(from April 1, 2020 to March 31, 2021)**

Subscription Right to Shares of the Company  
System to Ensure the Properness of Operations and  
an Overview of the Current Status of its Operation  
Basic Policies on the Control of the Company  
Consolidated Statement of Changes in Net Assets  
Consolidated Statements of Cash Flows (Condensed)  
Notes to Consolidated Financial Statements  
Non-consolidated Statement of Changes in Net Assets  
Notes to Non-consolidated Financial Statements

### **Oji Holdings Corporation**

Pursuant to the provisions of applicable laws and regulations and Article 15 of the Articles of Incorporation, the items listed above are provided to shareholders on the website of Oji Holdings Corporation (<https://www.ojiholdings.co.jp/>).

## Subscription right to shares of the Company

### Summary of subscription right to shares held by the Company's Officers as of March 31, 2021

(as of March 31, 2021)

Name of subscription right to shares	Allotment date	Number of holders of subscription right to shares	Number of subscription right to shares	Class and number of shares to be delivered upon exercise of subscription rights to shares outstanding	Exercise period of subscription right to shares
Oji Paper Co., Ltd. 4th Subscription Rights to Shares (For Directors)	July 13, 2009	Director (excluding the Outside Board Members) 1	12 (1,000 shares of common stock per unit)	Common stock 12,000 shares	July 14, 2009 to June 30, 2029
Oji Paper Co., Ltd. 5th Subscription Rights to Shares (For Directors)	July 16, 2010	Director (excluding the Outside Board Members) 1	15 (1,000 shares of common stock per unit)	Common stock 15,000 shares	July 17, 2010 to June 30, 2030
Oji Paper Co., Ltd. 6th Subscription Rights to Shares (For Directors)	July 15, 2011	Director (excluding the Outside Board Members) 1	15 (1,000 shares of common stock per unit)	Common stock 15,000 shares	July 16, 2011 to June 30, 2031
Oji Paper Co., Ltd. 7th Subscription Rights to Shares (For Directors)	July 17, 2012	Director (excluding the Outside Board Members) 2	33 (1,000 shares of common stock per unit)	Common stock 33,000 shares	July 18, 2012 to June 30, 2032
Oji Holdings Corporation 8th Subscription Rights to Shares (For Directors)	July 16, 2013	Director (excluding the Outside Board Members) 3	54 (1,000 shares of common stock per unit)	Common stock 54,000 shares	July 17, 2013 to June 30, 2033
Oji Holdings Corporation 9th Subscription Rights to Shares (For Directors)	July 15, 2014	Director (excluding the Outside Board Members) 3	43 (1,000 shares of common stock per unit)	Common stock 43,000 shares	July 16, 2014 to June 30, 2034
Oji Holdings Corporation 10th Subscription Rights to Shares (For Directors)	July 14, 2015	Director (excluding the Outside Board Members) 6	97 (1,000 shares of common stock per unit)	Common stock 97,000 shares	July 15, 2015 to June 30, 2035

- Notes:
1. The acquisition of subscription rights to shares by transfer shall require approval by a resolution of the Board of Directors.
  2. The 4th Subscription Rights to Shares through the 7th Subscription Rights to Shares were allocated prior to the Company's trade name change dated October 1, 2012 (former trade name: Oji Paper Co., Ltd.).
  3. The payment amount for the exercise of Subscription Rights to Shares is one (1) yen per share for each instance of exercise.

## **System to ensure the properness of operations and an overview of the current status of its operation**

The Company has established the following policies for the development of the system to ensure the properness of operations.

### **(1) System to ensure that execution of duties by Directors and employees of the Company and its subsidiaries complies with laws and regulations, and the Articles of Incorporation**

- (i) The Company, having established the Oji Group Corporate Code of Conduct and the Oji Group Behavior Standard, shall reaffirm that Directors and employees of the Company and its subsidiaries engage in corporate activities with awareness of themselves as corporate citizens and with high sense of ethical principles worthy of the trust of society, and shall give its commitment for the continuity of it.
- (ii) The Company shall strive to identify and remedy any problems by establishing a department that works on thorough compliance with laws and regulations through enhancement of Group-wide compliance systems including education for legal compliance and business ethics helpline systems.
- (iii) The Company has established an in-house contact point department and enhanced its internal systems, in order to ensure complete severance of relationships with antisocial groups and organizations. The Company shall stand firmly against antisocial groups and organizations.
- (iv) The department in charge of internal audits shall perform audits on compliance and report results to the meetings stipulated in the Group Regulations.

### **(2) System for preservation and management of information concerning execution of duties by Directors**

Documents, including electromagnetic documentation, shall be preserved and managed in accordance with laws and regulations as well as the Company Regulations concerning handling of documents. Documents shall be made accessible at any time upon a request from Directors or Audit & Supervisory Board Members.

### **(3) Regulations and other systems for management of risk of loss of the Company and its subsidiaries**

- (i) The meetings stipulated in the Group Regulations shall be responsible for deliberation and reporting of important matters concerning risk management and internal control system of the entire Group, and also for deliberation of draft revisions of the Basic Policy on the Construction of Internal Control System.
- (ii) The Company shall clarify its risk management system by formulating a series of Regulations that forms a basis for the Group's risk management. The Company, at the same time, shall manage risks of the entire Group in a comprehensive and inclusive manner to develop systems appropriate to each risk type.
- (iii) The department in charge of internal audits shall perform audits on risk management and report results to the meetings stipulated in the Group Regulations.

### **(4) System to ensure efficient execution of duties by Directors of the Company and its subsidiaries**

- (i) The Company shall clarify the goals and challenges that should be shared among Directors and employees of the Company and its subsidiaries, by establishing the Group-wide management philosophy, basic management policy, medium-term management plan and annual master plan.
- (ii) Each Director of the Company and its subsidiaries shall implement concrete measures in relation to his/her businesses in charge, based upon the above-written philosophy, basic policy and plans, grasp progress appropriately and promptly through utilization of systems that make full use of IT, and make reports on them to the Board of Directors of the Company and its subsidiaries. The Company shall develop systems that more certainly achieve goals and overcome challenges, by facilitating improvements through elimination or reduction of factors that impede efficiency, if any identified.
- (iii) The Company shall clarify authority and responsibility of employees of the Company and its significant subsidiaries, in order to encourage systematic and efficient operations of their duties.

**(5) System to ensure the properness of operations by the corporate group comprised of the Company and its subsidiaries; and system for reporting to the Company on matters concerning execution of duties by Directors of the Company's subsidiaries**

- (i) The Company shall clearly stipulate in the Group Regulations roles of the Company and its subsidiaries as well as systems of Group governance.
- (ii) The Company shall stipulate in the Group Regulations consistent approval and reporting procedures within the Group to ensure a check-and-balance within the Group.

**(6) Matters related to employees posted as assistants to Audit & Supervisory Board Members when Audit and Supervisory Board Members so require; matters related to independency of such employees from Directors; and matters related to ensuring effectiveness of Audit & Supervisory Board Members' instruction to such employees**

- (i) The Company shall establish a department that assists the duties of the Audit & Supervisory Board Members and appoint several dedicated employees who are capable of sufficiently verifying the Company's business operations.
- (ii) The department that assists the duties of the Audit & Supervisory Board Members shall be under the direct control of the Audit & Supervisory Board; and any change in personnel affairs, evaluation and disciplinary action in relation to employees of the department shall be subject to consent of the Audit & Supervisory Board Members.
- (iii) Employees at the department that assists the duties of the Audit & Supervisory Board Members shall follow the instructions and orders of the Audit & Supervisory Board Members.

**(7) System for reporting to the Audit & Supervisory Board Members by Directors and employees of the Company and its subsidiaries, Audit & Supervisory Board Members of the Company's subsidiaries, or by recipients of reports from them; and system to ensure individuals making a report are not treated unfavorably on the grounds of making a report**

- (i) Regarding matters concerning execution of important business and matters that may cause a substantial loss, their deliberation and reporting in the meetings specified in the Group Regulations are stipulated in the Group Regulations. The Company shall ensure a system in which important matters are reported to Audit & Supervisory Board Members through their attendance in relevant meetings, inspection of materials, etc.
- (ii) Directors and employees of the Company and its subsidiaries as well as Audit & Supervisory Board Members of the Company's subsidiaries shall make reports as needed to the Audit & Supervisory Board on matters the Audit & Supervisory Board Members deem necessary and specifically request for reporting in addition to matters legally designated.
- (iii) The Company shall regularly make reports to the Audit & Supervisory Board Members on compliance including internal audits, risk management, business ethics helpline system, etc.
- (iv) With regard to the business ethics helpline system, the Company shall ensure systems that prevent unfavorable treatment on the grounds of making a report.

**(8) Matters concerning policies for handling expenses arising in relation to execution of duties by Audit & Supervisory Board Members**

- (i) The Company shall promptly respond to any request made by Audit & Supervisory Board Members for expenses that arise when executing their duties.
- (ii) Every year, there shall be a budget provided to respond to expenses which Audit & Supervisory Board Members require based on audit plans.

**(9) Other systems to ensure that audits by Audit & Supervisory Board Members are performed effectively**

The Company shall provide opportunities for Audit & Supervisory Board Members to regularly exchange opinions with the Representative Director and Accounting Auditors.



An overview of the current status of operation of the system to ensure the properness of operations is as follows.

(1) Status of implementation of the initiatives for compliance

The Group formulated the Oji Group Corporate Code of Conduct and the Oji Group Behavior Standard, which specify the rules all officers and employees of the Oji Group are expected to follow. However, in FY2020, the Company revised them to reflect changes in the management environment, such as the management philosophy and the United Nations's SDGs, changing the details to further conform with the demands of the times. The Oji Group Corporate Code of Conduct and Behavior Standard are translated into the languages of various companies that make up the foundation of the Group, and are common knowledge for all officers and employees belonging to the Group. Furthermore, the Group formulated the "Oji Group Human Rights Policy," and the entire Group works as one to carry out initiatives that respect human rights.

- The Corporate Compliance Department drafts policies and carries out the planning of measures for the Group-wide promotion of compliance. In an effort to promote compliance awareness, they publish and regularly distribute Compliance News, mainly to the domestic Group companies, as well as Global Compliance News to the overseas Group companies, and carries out internal training sessions on the subjects of compliance as well as various laws and regulations. Furthermore, the Corporate Compliance Department, from time to time, conducts compliance awareness survey of the Group's employees, and prepares action plans based on the results thereof in an effort to improve such awareness.

- Compliance officer and compliance promotion leader are assigned to each entity and department under the Oji Group, while each worksite holds compliance meetings at least semi-annually, requiring participation by all staff, as part of an effort to enhance the extent and level of compliance awareness.

- As initiatives to prevent bribery and corruption, the Group formulated the "Group Regulations for Preventing Acts of Giving Bribes and Corruption" and the "Group Regulations for Preventing Acts of Receiving Bribes and Corruption," established various types of guidelines and further clarified and specified the response within the Group. The Group carries out regular checks from the viewpoint of preventing corruption, to further enhance the prevention against bribery and corruption at an early stage.

- The business ethics helpline system has two contact points, one inside the Company and the other outside the Company (an attorney's office), and is in operation based on "Group Business Ethics Helpline Regulations" to prevent legal violations or improprieties at an early stage and promptly detect/correct them. This system is open to consultation and reporting by all officers and employees of the Group including those retired and related trading partners.

(2) Status of implementation of the initiatives for risk management

- Under the Group Risk Management Regulations, the scope of risks to be managed are defined as risks affecting all the tangible and intangible property owned by Oji Group. The risks to be managed are divided into Group-shared risks and risks affecting specific operational lines, and these risks are further categorized into the following risk types: environmental risks, compliance risks, information security risks, product liability risks, natural disaster risks, etc.

- Risk management structures are clarified to expedite response by defining the departments responsible for risk management and the departments to support such management for each risk type.

- In preparation for situations of emergency, structures are in place to provide reporting and information collection on a 24-hour/day system to ensure expeditious initial response. In addition, inspection and maintenance, etc. of the equipment and other hardware required during emergencies is

continuously carried out and steps are taken to enhance the crisis management structure.

- In particular, if a serious situation arises that requires a Group-wide response, there is a system in place whereby an Group emergency headquarters is set up to confirm the safety of employees, check the damage suffered, and take prompt measures to continue supplying products to our customers. The Group is working to identify the procedure to quickly establish the Group Emergency Countermeasure Division

- The Internal Audit Department shall perform audits on the status of compliance, risk management and internal control at the Group companies, to verify the effectiveness of the internal control functions and credibility of financial reporting, and report on the results thereof to the Group Management Meeting and Audit & Supervisory Board Members.

### (3) Status of implementation of the initiatives to ensure efficient system to execute duties

- Fourteen meetings of the Board of Directors were held, in which deliberation and reporting were made on the matters related to the important business execution as defined under the medium-term management plan which sets the direction of the entire Group, the laws and regulations as well as the Group Regulations.

- Important matters are deliberated and reported at the Board of Directors, after deliberation and reporting at Holdings Management Meetings and (or) Group Management Meetings, etc. Execution of businesses in accordance with the decisions made by the Board of Directors is promptly implemented by Group Corporate Officers and COMPANY Presidents.

- Authority and responsibility of each organization are clearly determined in Organization Regulations, Group Management Regulations and Authority Regulations, while regulations for approval procedures such as the Group CEO's Decisions Regulations and the COMPANY President's Approval Regulations are set out, whereby appropriate operation of business procedures is ensured.

### (4) Status of implementation of the initiatives to ensure effectiveness of the audits by the Audit & Supervisory Board Members

- The Audit & Supervisory Board comprising four (4) members composed of two (2) Standing Audit & Supervisory Board Members and two (2) Outside Audit & Supervisory Board Members held 14 meetings in the year under review. Standing Audit & Supervisory Board Members attend the Holdings Management Meetings and the Group Management Meetings, etc. apart from the Board of Directors' Meetings, verifying the decision-making processes concerning business executions. Proceedings of the Holdings Management Meetings and the Group Management Meetings, etc. are reported to the Outside Audit & Supervisory Board Members, at the Briefing Meeting for Outside Officers (also attended by Outside Directors and Standing Audit & Supervisory Board Members) held twice a month in principle. Furthermore, Outside Audit & Supervisory Board Members work for further information sharing by participating (voluntarily) as observers together with Outside Directors at management meetings.

- The Audit & Supervisory Board Members have meetings with the Internal Audit Department as well as Accounting Auditor, etc. on a regular basis, to exchange information about the audit plans and audit results, etc. in an effort to promote mutual collaboration, while having meetings with the Representative Directors and COMPANY Presidents, etc., to exchange opinions on the important audit matters.

- The Company has established Auditor's Office as an organizational unit independent from other departments, as staffed by dedicated employees to assist the Audit & Supervisory Board Members in the execution of their duties. Budget for this office is established based on the audit plan prepared by the Audit & Supervisory Board, to fund the expenses necessary for carrying out audits.

## Basic Policies on the Control of the Company

The Company stipulates “the basic policies on those who control the decision of the Company’s financial and operational policies” (hereafter, the basic policies are referred to as the “basic policies on the control of the Company”) as described below (1).

Based on the approval by shareholders at the 96th Ordinary General Meeting of Shareholders held on June 26, 2020, the Company has continued policy to address purchase of the Company’s share certificates, etc. (Note 1) (hereafter, this policy is referred to as the “Policy”), 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 (Note 4) prescribed below (3). 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.

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.

Note 4: In either case of purchase above, a purchase to which the Board of Directors of the Company has given its consent beforehand is excluded. Hereafter, such a purchase is referred to as a “large-scale purchase,” and one who engages in a large-scale purchase is referred to as a “large-scale purchaser”

### (1) Details of the basic policies on the control of the Company

Given that the Company’s shares have been listed on the stock exchange and shareholders and investors can freely trade shares of the Company, the Company does not categorically reject even a large-scale purchase as long as it is based on the purchase proposal, etc. that contribute to the corporate value and the common interests of the shareholders of the Company. With respect to such proposals, etc., the Company believes that the decision as to whether to respond to such an offer should ultimately be left to the judgment of the shareholders.

On the other hand, the Group has set the three themes of Group’s management policy, namely, “Creation of Innovative Value,” “Contribution to the Future and the World” and “Harmony with Nature and Society,” and works to enhance medium- to long-term corporate value by exploring “beyond the boundaries into the future.” Under this management policy, the Group has established “Profitability Improvement of Domestic Business,” “Expansion of Overseas Business” and “Promotion of Innovation” as basic policies in the Group’s management strategy, and aims to be a global corporate group through its “Contribution to a Sustainable Society.” Moreover, the Group is aware that as the largest owner of forests in the private sector in Japan, one of its social responsibilities is to practice sustainable forest

management and strive to maintain and improve the public value of forests over the medium and long term.

Thus, the Company believes that providing appropriate information concerning the purchaser and ensuring a period for consideration, including an opportunity to consider alternative proposals, are indispensable in order for shareholders to make an appropriate judgment when there is a large-scale purchase.

However, there may be some cases where the Company and the shareholders are not provided with sufficient time and information to study details of such proposals for purchase, etc. of the Company's shares or alternative proposals, etc. In addition, taking into consideration, for example the purpose for such acquisition and the management policies after such acquisition, there could be any number of factors disadvantageous for the Company's corporate value or its shareholders' common interests, for example: facts clearly detrimental to Company's corporate value or its shareholders' common interests; the existence of schemes to coerce shareholders into accepting the proposal for purchase; objective probability that it will significantly damage the corporate value of the Company including its social credibility or cause significant disadvantages to the shareholders of the Company, and so forth.

The Company considers any person that conducts a large-scale purchase or makes such a purchase proposal of such potential to be not appropriate as a person to control the decision of the Company's financial and operational policies.

(2) Initiatives to contribute to realizing the basic policies on the control of the Company

The Company implements measures outlined in "(4) Issue to address of Oji Group (management policy, business strategy)" on page 26 of the Business Report of the NOTICE OF THE 97TH ORDINARY GENERAL MEETING OF SHAREHOLDERS as initiatives to enhance corporate value and the common interests of the shareholders of the Company for the purpose of encouraging a large number of investors to continue investing in the Company for a long time.

Because these initiatives are intended to enhance the corporate value and the common interests of the shareholders of the Company, we deem that they are in accord with the basic policies on the control of the Company described in (1) above, that they correspond with the common interests of shareholders of the Company, and that they are not intended to maintain the positions of Directors or Audit & Supervisory Board Members of the Company.

(3) Initiatives to prevent persons considered inappropriate, in light of the basic policies on the control of the Company, from controlling the Company's decisions on financial and operational policies

[1] Purpose and necessity of introducing the Policy

The Board of Directors of the Company sets rules regarding large-scale purchases of the Company's shares (hereafter referred to as the "Large-Scale Purchase Rules") as follows, based on the basic policies described in (1) above, and requests compliance with the Large-Scale Purchase Rules from large-scale purchasers.

If a large-scale purchase of the Company's shares occurs, the Policy is the procedure in which the Board of Directors implements countermeasures in certain cases upon evaluating and investigating the large-scale purchase, while giving maximum respect to the recommendation of the special committee, consisting of members independent from the management team that manages and executes the operations of the Company, after requesting the provision of information related to the large-scale purchaser and the large-scale purchase from the large-scale purchaser. The Board of Directors of the Company has a policy of taking certain measures in the event that a large-scale purchaser does not comply with the Large-Scale Purchase Rules.

The Company has deemed the Policy as necessary based on the following reasons.

(a) Responsibility to shareholders

1) Provision of appropriate information

The Board of Directors of the Company believes that it has an obligation to provide information to shareholders so that they may appropriately evaluate a large-scale purchase.

2) Ensuring appropriate time for assessment

The Board of Directors of the Company believes that it has an obligation to ensure time so that shareholders may appropriately assess a large-scale purchase.

\* The Company recognizes that the provision of necessary information and time for assessment so that shareholders may appropriately evaluate a large-scale purchase were not sufficiently ensured under the current legal system related to large-scale purchases. As a result, the Company has judged that it will place significance on providing necessary information and ensuring time for assessment based on the Policy as its responsibility to shareholders.

(b) Responsibility to society

1) Contribute to a sustainable society over the medium to long term

The Group believes that it has an obligation to contribute to a sustainable society, and will develop wide-ranging businesses such as the pulp and paper manufacturing business, the plantation business and electric power generation business, as well as 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 Value,” “Contribution to the Future and the World” and “Harmony with Nature and Society.”

2) Sustainable forest management over the medium to long term

The Group is committed to promoting environmental management as the largest owner of forests in Japan among private-sector companies and the one of the few private-sector forest management business operators and believes that, by practicing sustainable forest management, in particular, maintaining watershed protection functions of forests such as flood mitigation, as well as securing water sources, it plays an important role in preserving the land, which is a special position of the Company to be in. The Group thus believes that it has an obligation to maintain and improve the public value of forests over the medium to long term by developing its business activities in harmony with the environment.

(Area of forests held by the Company domestically: approximately 190,000 hectares, approximately 0.5% of Japan’s territory)

\* The Company believes that these social obligations that are also important to Japan are not able to be achieved in a day, but can be achieved with a stable management foundation. However, the Company recognizes that the establishment of legal regulations related to the owning of land in Japan is currently insufficient. Therefore, the Company judges that it will place significance on ensuring a management foundation over the medium- to long term- based on the Policy as its obligation to society.

[2] 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).

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 through the establishment of a reasonable submission deadline (not more than sixty (60) days counted from the day on which the Company delivers the list of Large-Scale Purchase Information) by the Board of Directors of the Company on the condition that a similar judgment is reached by the special committee, and the specific deadline established and the reasons that the reasonable period is necessary shall be disclosed to shareholders.

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 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’ Assessment Period will not be extended. 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.

The Company speculates that the issuance of subscription rights to shares will be used as a specific countermeasure. 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 principal, 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.

The establishment of these Large-Scale Purchase Rules and countermeasures in the event that a large-scale purchaser does not comply with said rules are deemed to be a fair and appropriate response for the purpose of protecting the rightful interests of the Company's shareholders as a whole. Contrarily, it is possible that, through the countermeasures, a large-scale purchaser that does not comply with the Large-Purchase Rules may ultimately experience detrimental effects including economic losses. May this serve as advanced warning against commencing a large-scale purchase in disregard of the Large-Scale Purchase Rules.

(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)

(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 of the Company 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 of the Company, 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 or not 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 of the Company 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 of the Company shall give maximum respect to the special committee's recommendation. A summary of the rules of the special committee and names and brief histories of the members of the special committee are provided in Appendix 3 and 4.

(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, 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. 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] Impact on shareholders and investors of the Company

While it is not assumed that there will be circumstances where shareholders (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 [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.

[5] Effective term of the Large-Scale Purchase Rules

As the approval of shareholders in attendance (including the shareholders who exercise voting rights in writing or online) was obtained at the 96th Ordinary General Meeting of Shareholders held on June 26, 2020, 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 Ordinary General Meeting of Shareholders, 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. Furthermore, even during the effective term of the Policy, the Board of Directors of the Company may revise the Policy within the extent deemed reasonable and necessary by laws and regulations, guideline amendments, etc. upon receiving approval from the special committee. In the event that the Board of Directors resolves to abolish or otherwise amend the Policy, matters deemed appropriate by the Board of Directors of the Company or the special committee shall be disclosed in an appropriate and timely manner in accordance with applicable laws and regulations.

(4) Decisions by the Company's Board of Directors that the Policy is in line with the basic policies on the control of the Company, in accord with the corporate value of the Company and ultimately, the common interests of the shareholders, and not intended to maintain the positions of Directors or Audit & Supervisory Board Members of the Company, and reasons hereof

For the following reasons, we believe that the Policy is in line with the basic policies on the control of the Company described in (1) above, in accord with the common interests of the shareholders of the Company, and not intended to maintain the positions of Directors or Audit & Supervisory Board Members of the Company:

[1] Satisfaction of the requirements of the guidelines regarding takeover defense

The Policy satisfies the three principles (the principle of ensuring and increasing corporate value and the common interests of the shareholders; the principle of practicing prior disclosure and

confirming shareholder's intentions; and the principle of ensuring necessity and suitability) set out in the "Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interests" jointly released by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005.

[2] The Policy has been introduced to Protect and Enhance the Common Interests of the Shareholders

The Policy is to be intended to be introduced for our shareholders to decide, when the purchase, etc. of the Company's shares, etc. is offered, whether or not to accept such purchase offer, etc., or, for the Board of Directors of the Company to gain information and time necessary to present an alternative proposal, and thereby can negotiate with the purchaser, etc. on behalf of our shareholders, and to protect and enhance the corporate value of the Company and ultimately the common interests of the shareholders.

[3] Reasonable and Objective Requirements for Implementation

The countermeasures under the Policy are designed not to be implemented unless certain predetermined reasonable and detailed, objective requirements are satisfied, so as to disqualify such cases of the large-scale purchase not in compliance with the Large-Scale Purchase Rules, or takeover that, even when in compliance with the Large-Scale Purchase Rules, apparently infringes on the common interests of the shareholders or could effectively pressuring our shareholders into selling shares, and therefore we believe we have secured a mechanism to prevent any arbitrary implementation by the Board of Directors of the Company.

[4] Emphasis on the Shareholder's Intentions

The Company proposes the continuation of the Policy as an agenda item at the general meetings of shareholders of the Company to confirm intentions of the shareholders. If the continuation of the Policy is not resolved at any given general meeting of shareholders, the Policy will be promptly abolished and in that context, survival or otherwise of the Policy, and its contents are dependent on reasonable intentions of the shareholders of the Company.

[5] Not a Dead-Hand Takeover Defense Measure or Slow-Hand Takeover Defense Measure

The Policy is one that may be abolished by the Board of Directors consisting of Directors that were elected at a general meeting of shareholders of the Company. It is possible for a person who has purchased the Company's share certificates, etc. in bulk to nominate Directors at a general meeting of shareholders of the Company and abolish the Policy through the Board of Directors consisting of such Directors. Accordingly, the Policy is not a dead-hand takeover defense measure (a takeover defense measure in which its implementation cannot be stopped even by replacing a majority of the members of the Board of Directors). Furthermore, the term of office of Directors of the Company is one (1) year, meaning the Policy is not a slow-hand takeover defense measure (a takeover defense measure in which the replacement of the members of the Board of Directors cannot occur all at once and therefore it takes time to stop its implementation).

(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

## 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

Members of the special committee are following three (3) members.

Michihiro Nara

(Date of birth: May 17, 1946)

Brief history

April 1974	Registered as an attorney-at-law
June 2004	Outside Auditor, Nihon Tokushu Toryo Co., Ltd.
June 2013	Outside Statutory Auditor, Seiko Epson Corporation
June 2014	Outside Director, the Company (to the present)
June 2015	Outside Director, Nihon Tokushu Toryo Co., Ltd. (to the present)
June 2016	Independent Auditor, Chori Co., Ltd. Outside Director (Audit & Supervisory Committee Member), Seiko Epson Corporation Outside Director (Audit & Supervisory Committee Member), Chori Co., Ltd.

\* Mr. Michihiro Nara is an Outside Director as prescribed in Article 2, Item 15 of the Companies Act.

Toshihisa Takata

(Date of birth: January 8, 1954)

Brief history

April 1976	Joined Ministry of Foreign Affairs of Japan
August 2010	Ambassador Extraordinary and Plenipotentiary of Japan to Kenya
October 2010	Ambassador Extraordinary and Plenipotentiary of Japan to Kenya, Eritrea, Seychelles, and Brundi
January 2013	Ambassador Extraordinary and Plenipotentiary of Japan to Kenya, Eritrea, Seychelles, Brundi and Somalia
August 2013	Ambassador in charge of Okinawan Affairs
May 2015	Ambassador Extraordinary and Plenipotentiary of Japan to New Zealand, the Cook Islands, and Samoa
June 2016	Ambassador Extraordinary and Plenipotentiary of Japan to New Zealand, the Cook Islands, Samoa, and Niue
March 2017	Ambassador Extraordinary and Plenipotentiary of Japan to New Zealand, the Cook Islands, and Niue
October 2018	Retired from office
June 2019	Outside Director, the Company (to the present)

\* Mr. Toshihisa Takata is an Outside Director as prescribed in Article 2, Item 15 of the Companies Act.

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	Outside Director, Sharp Corporation Outside Audit & Supervisory Board Member, the Company (to the present)
August 2014	Outside Statutory Auditor, Askul Corporation (to the present)
June 2015	Outside Director, Yokogawa Bridge Holdings Corp. (to the present)
June 2016	Outside Audit & Supervisory Board Member, Sojitz Corporation
June 2020	Member of the Board of Directors (Audit & Supervisory Committee Member), Mizuho Trust & Banking Co., Ltd. (to the present)

\* Mr. Mikinao Kitada is an Outside Audit & Supervisory Board Member as prescribed in Article 2, Item 16 of the Companies Act.



**Consolidated Statement of Changes in Net Assets**  
(Fiscal year ended March 31, 2021)

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

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	103,880	110,750	457,568	(13,577)	658,623
Changes of items during the period					
Dividends from surplus			(13,888)		(13,888)
Profit attributable to owners of parent			49,635		49,635
Purchase of treasury stock				(4)	(4)
Disposal of treasury stock		(19)		181	162
Change in equity-treasury stock				(0)	(0)
Change of scope of consolidation			(200)		(200)
Transfer from retained earnings to capital surplus		19	(19)		–
Change in ownership interest of parent due to transactions with non-controlling shareholders		(1,650)			(1,650)
Reversal of revaluation reserve for land			128		128
Net changes of items other than shareholders' equity					
Total changes of items during the period	–	(1,650)	35,655	176	34,182
Balance at the end of current period	103,880	109,100	493,224	(13,400)	692,805

	Accumulated other comprehensive income						Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of current period	21,004	(957)	5,813	2,390	5,261	33,512	216	139,305	831,657
Changes of items during the period									
Dividends from surplus									(13,888)
Profit attributable to owners of parent									49,635
Purchase of treasury stock									(4)
Disposal of treasury stock									162
Change in equity-treasury stock									(0)
Change of scope of consolidation									(200)
Transfer from retained earnings to capital surplus									–
Change in ownership interest of parent due to transactions with non-controlling shareholders									(1,650)
Reversal of revaluation reserve for land									(128)
Net changes of items other than shareholders' equity	10,650	3,679	(128)	(8,809)	19,271	24,664	(16)	(24,879)	(232)
Total changes of items during the period	10,650	3,679	(128)	(8,809)	19,271	24,664	(16)	(24,879)	33,949
Balance at the end of current period	31,654	2,721	5,684	(6,418)	24,533	58,176	199	114,426	865,606

**<Reference> Consolidated Statements of Cash Flows (Condensed)**

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

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2020
Cash flows from operating activities	127,107	124,491
Cash flows from investing activities	(91,559)	(64,801)
Cash flows from financing activities	19,932	(58,148)
Effect of exchange rate changes on cash and cash equivalents	(2,169)	(1,737)
Net increase (decrease) in cash and cash equivalents	53,310	(196)
Cash and cash equivalents at the beginning of the year	82,390	82,794
Increase in cash and cash equivalents resulting from merger	7	9
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(39)	(216)
Cash and cash equivalents at the end of the year	135,669	82,390

## Notes to Consolidated Financial Statements

### Notes on Important Matters Forming the Basis of Preparation of Consolidated Financial Statements

#### 1. Matters concerning the scope of consolidation

##### (1) Number of consolidated subsidiaries: 188

Main consolidated subsidiaries include:

Oji Container Co., Ltd., Oji Materia Co., Ltd., Mori Shigyo Co., Ltd., Oji Nepia Co., Ltd., Oji F-Tex Co., Ltd., Oji Imaging Media Co., Ltd., Oji Green Resources Co., Ltd., Oji Paper Co., Ltd., Oji Papés Especiais Ltda., Celulose Nipo-Brasileira S.A., Pan Pac Forest Products Ltd., Jiangsu Oji Paper Co., Ltd., Oji Fibre Solutions (NZ) Ltd.

Please note that the Company has newly added two (2) companies into the scope of consolidation as of the current fiscal year. The primary reasons for this were as follows: New establishment (one (1) company) and additional stock acquisition of an equity method affiliate (one (1) company). Three (3) companies have also been excluded from the scope of consolidation due to a decrease in materiality of two (2) companies and a stock sale of one (1) company.

##### (2) Main non-consolidated subsidiaries

Main non-consolidated subsidiaries include:

PT. Korintiga Hutani, Tomakomai Energy Agency Co., Ltd., DHC Ginza Corporation

These companies are excluded from the scope of consolidation, as all of these non-consolidated subsidiaries are small-sized companies and their total assets, net sales, profit/loss (amount corresponding to the Company's equity in such subsidiaries), retained earnings (amount corresponding to the Company's equity in such subsidiaries), etc., do not have significant impact on the consolidated financial statements.

#### 2. Matters concerning the application of the equity method

##### (1) Non-consolidated subsidiaries and affiliates under the equity method

Number of non-consolidated subsidiaries under the equity method: 1

Name of non-consolidated subsidiaries under the equity method:

PT. Korintiga Hutani

Number of affiliates under the equity method: 23

Main affiliates under the equity method include:

Mitsubishi Paper Mills Limited, Chuetsu Pulp & Paper Co., Ltd., Ltd., and Yupo Corporation

Please note that one (1) company has been newly added to the scope of accounting for using the equity method and one (1) company has been excluded from this scope resulting from conversion into a consolidated subsidiary as of the current fiscal year.

##### (2) Non-consolidated subsidiaries and affiliates to which the equity method was not applied

Main non-consolidated subsidiaries and affiliates to which the equity method was not applied include: Tomakomai Energy Agency Co., Ltd., DHC Ginza Corporation

These non-consolidated subsidiaries and affiliates to which the equity method was not applied are excluded from the scope of the equity method, as their profit/loss (amount corresponding to the Company's equity in such subsidiaries and affiliates), retained earnings (amount corresponding to the Company's equity in such subsidiaries and affiliates), etc., do not have significant impact on the consolidated financial statements.

#### 3. Matters concerning the fiscal year of consolidated subsidiaries

Of the Company's consolidated subsidiaries, the fiscal year of Oji Papés Especiais Ltda., Celulose Nipo-Brasileira S.A., Jiangsu Oji Paper Co., Ltd., Oji Fibre Solutions (NZ) Ltd. and other 80 companies ends on December 31. In preparing the consolidated financial statements, the financial

statements as of the account closing date of each company are used. However, we made the adjustments necessary for consolidation purposes if major transactions were executed between their account closing dates and the consolidated account closing date. For certain consolidated subsidiaries, we prepared the financial statements based on a provisional closing of accounts as of the consolidated account closing date that were prepared in the same way as the settlement of full-year accounts.

#### 4. Matters concerning accounting policies

##### (1) Standard and method of valuation of significant assets

###### (i) Marketable securities

Held-to-maturity debt securities: Stated at cost using the amortized cost method.

Available-for-sale securities

Securities with market quotations: Stated at market based on the market price as of the end of the fiscal year (the valuation difference is accounted for as a separate component of net assets and the cost of sales is calculated by using the moving-average method).

Securities without market quotations: Stated at cost using the moving-average method.

###### (ii) Derivatives

Stated at market

###### (iii) Inventories

Mainly stated at cost using the periodic average method

(The amount stated on the balance sheets is calculated by using the method of write-downs based on the decreased profitability.)

##### (2) Depreciation method of significant depreciable assets

###### (i) Property, plant and equipment (excluding lease assets)

Declining balance method (provided, however, that the straight-line method is applied to buildings acquired on or after April 1, 1998 (excluding accompanying facilities), accompanying facilities of buildings and structures acquired on or after April 1, 2016 and certain consolidated subsidiaries)

###### (ii) Lease assets

Straight-line method based on the assumption that the useful life equals the lease term and the residual value equals zero.

##### (3) Standards for significant reserves

###### Allowance for doubtful accounts

In order to prepare for potential credit losses on receivables outstanding at the end of the current fiscal year, an estimated uncollectible amount is recorded at the amount calculated based on the historical rate of credit loss with respect to normal receivables and at the amount determined in consideration of collectability of individual receivables with respect to doubtful accounts and certain other receivables.

##### (4) Accounting treatment method for retirement benefits

In order to prepare for the provision of retirement benefits for employees, the difference between retirement benefit obligations and pension assets is recorded as net defined benefit liability based on the estimated amounts as of the end of the current fiscal year. In addition, unrecognized actuarial losses and unrecognized prior service cost are recognized as remeasurements of defined benefit plans in accumulated other comprehensive income in the net assets section, after adjusting for tax effects.

Standards for net defined benefit liability are as follows:

###### (i) Method to attribute the estimated amounts of retirement benefits to the period

In the calculation of retirement benefit obligation, the projected benefit formula is used to attribute the estimated benefit to the period through the end of the current fiscal year.

###### (ii) Method to recognize actuarial losses and prior service cost as expenses

Prior service cost is accounted for as an expense calculated by using the straight-line method based on the average remaining service period of the employees in service during the period in which it

arises (11-19 years).

Actuarial losses are accounted for as expenses for the subsequent fiscal years calculated by using the straight-line method based on the average remaining service period of the employees in service during the period in which they arise (11-20 years).

- (iii) Adoption of the simplified method for small-sized companies, etc.

In certain consolidated subsidiaries, the simplified method, in which the Company's benefit obligation is assumed to be equal to an amount required for voluntary resignations at the end of the current fiscal year, is applied for the calculation of net defined benefit liability and retirement benefit cost.

- (5) Translation of important assets or liabilities denominated in foreign currencies into Japanese yen  
Monetary assets/liabilities and payables denominated in foreign currencies are translated into yen at the spot exchange rates as of the consolidated balance sheet date and the translation differences are treated as profit or loss. Assets and liabilities as well as revenues and expenses of overseas subsidiaries and the like are translated into yen at the spot exchange rates as of the account closing date of each company. The translation differences are recorded within foreign currency translation adjustment and non-controlling interests under net assets.

- (6) Significant hedge accounting method

- (i) Hedge accounting method

Hedging activities are principally accounted for under the deferral hedge method.

Designation (*furiate-shori*) is applied to monetary assets/liabilities denominated in foreign currencies with foreign exchange forward contracts qualifying for such designation and designated exceptional accounting (*tokurei-shori*) is applied to interest rate swaps qualifying for such exceptional accounting, and integration accounting (*ittai-shori*) is applied to interest rate and currency swaps qualifying for such integration accounting (*tokurei-shori* and *furiate-shori*).

- (ii) Hedging instruments and hedged items

<u>Hedging instruments</u>	<u>Hedged items</u>
Foreign exchange forward contracts	Monetary assets/liabilities denominated in foreign currencies
Currency options	Monetary assets/liabilities denominated in foreign currencies
Interest rate and currency swaps	Loans payable denominated in foreign currencies
Interest rate swaps	Borrowings
Commodity swaps	Electricity

- (iii) Hedging policy

The risk management policy of the Group requires hedging against the foreign exchange fluctuation risk, interest rate fluctuation risk and price fluctuation risk on raw materials arising in the normal course of the business of the Group.

- (iv) Method for assessing the hedge effectiveness

At the end of each fiscal year, hedge effectiveness with respect to the hedging instruments and hedged items is assessed for each hedging transaction. This annual assessment excludes any transaction where important terms and conditions such as principal, interest rate, and duration are identical between the assets/liabilities of hedging instruments and hedged items.

- (7) Method and period of amortization of goodwill

Amortization period on goodwill is determined on a case by case basis and using straight-line method over a period considered reasonable that does not exceed 20 years. Goodwill considered immaterial is expensed in the fiscal year incurred.

- (8) Other important matters forming the basis of preparation of consolidated financial statements

- (i) Accounting treatment for consumption taxes

Consumption and local consumption taxes are accounted for under the tax exclusion method.

(ii) Application of consolidated taxation system

Consolidated taxation system is applied.

(Application of Tax Effect Accounting for Transition from Consolidated Taxation System to Group Total System)

Regarding the items for which the tax exemption system was reviewed in line with the transition to the group total system and the transition to the group total system that was established under the “Act for Partial Revision of the Income Tax Act, etc.” (Act No. 8 of 2020), in line with the treatment of Paragraph 3 of the “Treatment of Application of Tax Effect Accounting for Transition From Consolidated Taxation system to Group Total System” (Business Response Report No. 39, March 31, 2020), the Company and a part of its domestic consolidated subsidiaries will not apply Paragraph 44 of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, February 16, 2018). The amounts of deferred tax assets and deferred tax liabilities are based on the provisions of the tax law prior to the revision.

5. Change in presentation

(Consolidated Statements of Income)

“Insurance claim income” which was included in “Other” in “Non-operating income” last fiscal year, is separately disclosed due to the increased materiality in the current fiscal year. “Insurance claim income” was 760 million yen last fiscal year.

“Extra retirement payments” included in “Other” in “Extraordinary loss” last fiscal year is separately disclosed due to the increased materiality in the current fiscal year. “Extra retirement payments” was 436 million yen last fiscal year.

“Gain on sales of investment securities” in “Extraordinary income” separately disclosed last fiscal year is included in “Other (292 million yen)” due to the immateriality in the current fiscal year.

“Impairment loss” in “Extraordinary loss” separately disclosed last fiscal year is included in “Other (497 million yen)” due to the immateriality in the current fiscal year.

(Application of “Accounting Standard for Disclosure of Accounting Estimates”)

“Accounting Standard for Disclosure of Accounting Estimates” (ASBJ Statement No. 31, March 31, 2020) is applied from the consolidated financial statements as of the end of the current fiscal year, and notes on significant accounting estimates are stated in the consolidated financial statements.

6. Notes on accounting estimates

(1) Impairment of noncurrent assets

The Group determines whether there is any indication of impairment of assets or asset groups with respect to property, plant and equipment, and intangible assets including goodwill, etc. If an indication of potential impairment of assets or asset groups exists and needs to be recognized, we estimate the recoverable amount of such assets or asset groups. The net realizable value or usage value, whichever is higher, is recognized as recoverable amount of assets or asset groups, and the book value is reduced to the recoverable amount for items whose recoverable value falls below the book value. Such loss is recorded as an impairment loss. Usage value is calculated based on certain assumptions on remaining economic useful life, future cash flows, discount rates, and others of assets or asset groups. With respect to the estimates of future cash flows in consideration of the impact of the novel coronavirus (COVID-19), moving forward, demand is supposed to gradually recover with economic activities advancing while preventing the spread of COVID-19 by vaccination, etc.

Significant accounting estimates on the impairment of property, plant and equipment recognized in the current fiscal year are as follows.

(Judgment of impairment recognition of property, plant and equipment in the paper bags business)

With respect to the domestic paper bags business in the household and industrial materials segment, we made a judgment of impairment loss recognition because an indication of impairment of the noncurrent assets (13,198 million yen (including land)) related to this business is recognized under a deteriorating operating profit or expenses mainly due to a decrease in demand for shopping bags

as well as heavy-duty paper sacks for industrial products, etc. in recent years.

With respect to a judgment of recognition, we estimated future cash flows based on the business plan in the expected use period of asset groups related to such business and on the net realizable value of the land after the expected use period passes. This business plan includes a certain set of assumptions such as demand forecast for domestic packing papers by an external agency, selling price, price fluctuation trend of a main raw material of wood chips, and cost reduction plans.

As a result of this judgment of recognition, the total amount of future cash flows arising from the asset groups of the domestic paper bags business exceeds the carrying amount, and thus the Group has judged that an impairment loss recognition is not necessary.

These estimates and assumptions are determined by the best estimate and judgment of the management, and we consider them as appropriate. However, a change in product demand and price fluctuation trend of wood chips, etc. may affect the estimates of future cash flows. If they need to be reviewed, it may affect the amount recognized in the future consolidated financial statements.

(2) Collectability of deferred tax assets

With respect to deductible temporary differences, loss brought forward, and unused deferred tax credits, the Group records deferred tax assets after deducting the tax amount that is not expected to be collected in the future accounting periods from the tax amount thereof. The judgment of collectability in the future accounting periods is made on the assumption of the estimates for taxable income in the future fiscal years based on the business plan drawn up by the Group. With respect to the estimates of taxable income in the future fiscal years in consideration of the impact of COVID-19, moving forward, demand is supposed to gradually recover with economic activities advancing while preventing the spread of COVID-19 by vaccination, etc. The Company and its certain domestic consolidated subsidiaries apply consolidated taxation system and conduct tax effect accounting treatments in the type of applying consolidated taxation system.

The Group determines the estimates of taxable income by the best estimate and judgment of the management and considers them as appropriate. However, a change in future business plans, economic conditions, and other factors, as well as revision and promulgation of relevant laws and regulations may affect the estimates. If they need to be reviewed, it may affect the amount recognized in the future consolidated financial statements.

The deferred tax assets recorded in the consolidated financial statements as of the current fiscal year are as follows.

Deferred tax assets	7,074 million yen
---------------------	-------------------

(3) Net defined benefit liability and net defined benefit asset

In order to prepare for the provision of retirement benefits for employees, the Group records net defined benefit liability or net defined benefit asset after deducting the amount of pension assets from retirement benefit obligations based on the estimated amounts as of the end of a fiscal year. Retirement benefit obligations are calculated based on actuarial assumptions. These assumptions include long-term expected return on pension assets, turnover rate, and mortality rate.

The Group determines these assumptions by the best estimate and judgment of the management and considers them as appropriate. However, a change in discount rates, mortality rates, and others due to a change in economic conditions may affect the assumptions. If they need to be reviewed, it may affect the amount recognized in the future consolidated financial statements.

The amounts related to the retirement benefit accounting recorded in the consolidated financial statements as of the current fiscal year are as follows.

Net defined benefit asset	60,993 million yen
Net defined benefit liability	54,010 million yen

## Notes to Consolidated Balance Sheets

### 1. Assets pledged as collateral and obligations related to collateral

#### (1) Assets pledged as collateral (millions of yen)

Cash and deposits	1,760
Notes and accounts receivable–trade	3,675
Merchandise and finished goods	2,416
Work in process	51
Raw materials and supplies	550
Short-term loans receivable	5,292
Other current assets	3,707
Buildings and structures	8,173
Machinery, equipment and vehicles	9,677
Tools, furniture and fixtures	151
Land	9,443
Forests	1,943
Standing timber	21,458
Construction in progress	771
Other intangible assets	1,867
Investment securities	832
Other investments and other assets	39
Total	<u>71,814</u>

Of the above, the following amounts have been eliminated in the consolidated balance sheets: within the notes and accounts receivable–trade, 281 million yen of notes and accounts receivable–trade from consolidated subsidiaries, within the short-term loans receivable, 5,292 million yen of short-term loans receivable from consolidated subsidiaries, and within the investment securities, 373 million yen of investments in consolidated subsidiaries.

#### (2) Obligations related to collateral (millions of yen)

Short-term loans payable	3,234
Long-term loans payable	2,590
Notes and accounts payable–trade	397
Accounts payable–other	2
Total	<u>6,225</u>

### 2. Accumulated depreciation of property, plant and equipment (millions of yen)

2,659,599

(including the amount of accumulated impairment loss)

### 3. Guarantee obligations (millions of yen)

Tokyo Branch of Forest Corporation	5,488
PT. Korintiga Hutani	6,742
Other	747
Total	<u>12,978</u>

### 4. Notes discounted (millions of yen)

9,300

Notes receivable endorsed

321

### 5. Revaluation of land

Pursuant to the “Act on Revaluation of Land” (Act No. 34 of March 31, 1998) and the “Act on Partial Amendment to the Act on Revaluation of Land” (Act No. 19 of March 31, 2001), the Group performed



revaluation of land for business use held by certain consolidated subsidiaries and recorded revaluation reserve for land in the net assets section.

- Revaluation method: The value is calculated based on the property tax valuation prescribed in Article 2, Item 3 of the “Enforcement Order on Act on Revaluation of Land” (Cabinet Order No. 119 of March 31, 1998) and the land value designated as the tax basis for land value tax as prescribed in Article 2, Item 4 thereof.
- Revaluation date: March 31, 2002

## **Notes to Consolidated Statements of Income**

### **1. Profit on subsidiary status change from equity method affiliate**

A gain on negative goodwill of 1,576 million yen and a loss on step acquisitions of 767 million yen arising from additional acquisition of stocks of an equity method affiliate and converting into a consolidated subsidiary.

### **2. Loss on disaster**

Fixed costs and other costs occurred during the plant outage periods under the requests from the governments of various nations of the world, etc. in the context of preventing the spread of COVID-19, and these costs are recorded as extraordinary losses.

### **3. Business restructuring expenses**

Business restructuring expenses are mainly the amount of impairment losses and removal costs on the assets in question due to the decision to stop production facilities at Oji F-Tex Co., Ltd. Ebetsu Mill, Oji Paper Co., Ltd. Tomakomai Mill and others.

## Notes to Consolidated Statement of Changes in Net Assets

1. Class and number of shares issued as of the end of the current fiscal year  
Common stock 1,014,381,817

2. Class and number of treasury stock as of the end of the current fiscal year  
Common stock 24,002,558

Note: Included within the number of common stock in treasury stock as of the end of the current fiscal year, are 1,522,145 shares of the Company held by Trust Delivering Shares for Officers.

### 3. Matters related to dividends

#### (1) Amount of dividends from surplus distributed during the current fiscal year

Resolution	Class of shares	Total dividend amount (millions of yen)	Dividend per share (yen)	Record date	Effective date
Board of Directors' Meeting held on May 25, 2020	Common stock	6,944	7.0	March 31, 2020	June 11, 2020
Board of Directors' Meeting held on November 5, 2020	Common stock	6,944	7.0	September 30, 2020	December 1, 2020

Notes: 1. Included within the total dividend amount for which a resolution was passed at a Board of Directors' Meeting held on May 25, 2020, is a dividend amount of 12 million yen for shares of the Company held by Trust Delivering Shares for Officers.

2. Included within the total dividend amount for which a resolution was passed at a Board of Directors' Meeting held on November 5, 2020, is a dividend amount of 10 million yen for shares of the Company held by Trust Delivering Shares for Officers.

#### (2) Dividends with the record date falling within the current fiscal year and with the effective date falling within the following fiscal year

Resolution	Class of shares	Total dividend amount (millions of yen)	Source of dividend	Dividend per share (yen)	Record date	Effective date
Board of Directors' Meeting held on May 13, 2021	Common stock	6,944	Retained earnings	7.0	March 31, 2021	June 7, 2021

Note: Included within the total dividend amount is a dividend amount of 10 million yen for shares of the Company held by Trust Delivering Shares for Officers.

4. Class and number of shares to be delivered upon exercise of subscription rights to shares outstanding at the end of the current fiscal year (excluding those for which the exercise period has not started).  
Common stock 576,000

## Notes on Financial Instruments

### 1. Matters related to financial instruments

The Group invests temporary surplus cash in low-risk financial instruments such as bank deposits only and does not make any investment for speculative purposes.

The Group reduces customer credit risk from notes and accounts receivables–trade by the following methods:

- The Group checks and manages due dates and balances of receivables on a customer by customer basis.
- Each sales department of the Group periodically monitors, and investigates, as necessary, the credit position of key customers.

With respect to stocks, which are the Group's main investment securities, the Group checks periodically their fair values and financial conditions of such issuing entities (the companies with which the Group has business relationships) and reviews the benefits of continuing to hold such stocks, considering its relationships with such companies.

With respect to loans, short-term loans payable are mainly for financing related to operating activities, while long-term loans payable are mainly for financing related to investment in property, plant and equipment. Long-term loans payable with floating interest rates are partly hedged by using derivative transactions (interest rate swaps) by which interest rates are fixed. In utilizing derivative transactions, the Group limits the counterparties to highly rated financial institutions to reduce counterparty risk.

Derivative transactions entered into and managed by the Group are as follows:

- Each sales department of the Group periodically monitors, and investigates, as necessary, the credit position of key customers.
- Interest rate swaps to hedge interest rate fluctuation risk on loans, and
- Commodity swaps to hedge price fluctuation risk related to energy purchases.

The Group enters into and manages derivative transactions in accordance with its derivative transaction standards.

## 2. Matters related to fair values etc. of financial instruments

The following table presents the Company's financial instruments on the consolidated balance sheets, their fair values and the differences at March 31, 2021 (the consolidated account closing date for the current fiscal year).

(Millions of yen)

	Consolidated balance sheet amount	Fair value	Difference
(1) Cash and deposits	130,529	130,529	–
(2) Notes and accounts receivable–trade	297,718		
(3) Short-term loans receivable	4,324		
Allowance for doubtful accounts (*1)	(1,614)		
	300,428	300,428	–
(4) Long-term loans receivable	6,933		
Allowance for doubtful accounts (*2)	(362)		
	6,571	6,383	(188)
(5) Short-term investment securities and investment securities			
(i) Held-to-maturity debt securities	5,725	5,725	–
(ii) Stocks of affiliates	34,364	11,266	(23,098)
(iii) Available-for-sale securities	88,150	88,150	–
Total assets	565,770	542,483	(23,286)
(1) Notes and accounts payable–trade	197,950	197,950	–
(2) Short-term loans payable	125,779	125,779	–
(3) Bonds payable	155,000	155,402	402
(4) Long-term loans payable	366,902	370,331	3,429
Total liabilities	845,632	849,464	3,831
Derivative transactions (*3)	5,297	5,297	–

- (\*1) The amount of allowance for doubtful accounts that is recorded individually for notes and accounts receivable–trade and short-term loans receivable is excluded.
- (\*2) The amount of allowance for doubtful accounts that is recorded individually for long-term loans receivable is excluded.
- (\*3) Receivables and payables arising out from derivative transactions are shown on the net basis. The items which are net debt in total are shown in parentheses.

Note 1: Method for measuring fair values of financial instruments and matters relating to securities and derivative transactions

### Assets

- (1) Cash and deposits, (2) Notes and accounts receivable–trade, and (3) Short-term loans receivable

The relevant book values are used because the carrying amounts approximate fair value due to the short maturities of these instruments.

- (4) Long-term loans receivable

The fair value of long-term loans receivable is calculated by applying a discount rate to the total of the principal and interest. The discount interest rate is based on the assumed interest rate if similar new borrowings.

- (5) Short-term investment securities and investment securities

The fair value of equity securities equals quoted market price. The fair value of debt securities equals quoted market price or has been provided by financial institutions, etc. with which the Company has business relationships.

### Liabilities

- (1) Notes and accounts payable–trade, and (2) Short-term loans payable

The relevant book values are used because the carrying amounts approximate fair value due to the short maturities of these instruments. The current portion of long-term loans payable (the consolidated balance sheet amount: 4,184 million yen) is included in “(4) Long-term

loans payable.”

(3) Bonds payable

The fair value of bonds payable issued by the Company is measured based on the market price (Reference: Statistical Prices for OTC Bond Transactions).

(4) Long-term loans payable

The fair value of long-term loans payable is calculated by applying a discount rate to the total of the principal and interest. The discount interest rate is based on the assumed interest rate for similar new borrowings. Part of the long-term loans payable carrying variable interest rates are subject to exceptional accounting (*tokurei-shori*) of interest rate swaps and to integration accounting (*ittai-shori*) of interest rate and currency swaps (exceptional accounting; appropriation). (Refer to Derivative transactions below.) The aforementioned interest rate swap or sum of principal and interest accounted for in combination with interest rate swap is discounted by the reasonably estimable interest rate for the similar borrowings. The long-term loans payable includes the current portion (the consolidated balance sheet amount: 4,184 million yen).

Derivative transactions

The fair value of derivative transactions is based on the price provided by financial institutions with which the Company has business relationships. The designated exceptional accounting (*tokurei-shori*) of interest rate swaps and the integration accounting (*ittai-shori*) of interest rate and currency swaps are included in the fair value of the underlying long-term loans payable, as they are accounted for as part of the long-term loans payable. (described in (4) Long-term loans payable above).

Note 2: Regarding non-listed stocks and investments in capital (the consolidated balance sheet amount: 41,446 million yen), as quoted prices are not available and also the future cash flows cannot be estimated reliably, the fair value of the items is deemed to be extremely difficult to measure and are not included in “Assets (5) Short-term investment securities and investment securities.”

Note 3: Hedging relationships that apply the “Practical Solution on the Treatment of Hedge Accounting for Financial Instruments That Reference LIBOR”

As of the end of the current fiscal year, all hedging relationships in the application scope of the “Practical Solution on the Treatment of Hedge Accounting for Financial Instruments That Reference LIBOR” (Practical Issues Task Force (PITF) No. 40, September 29, 2020) apply special treatments stipulated in this PITF. Details of hedging relationships that apply this PITF is as follows:

(i) Hedge accounting method	Designated exceptional accounting ( <i>tokurei-shori</i> ) of interest rate swaps, integration accounting ( <i>ittai-shori</i> ) of interest rate and currency swaps ( <i>tokurei-shori</i> and <i>furiate-shori</i> )
(ii) Types of financial instruments serving as hedging instruments	Interest rate swaps, interest rate and currency swaps
(iii) Types of financial instruments serving as hedged items	Long-term loans payable
(iv) Types of hedging transactions	Hedging transactions where cash flow is fixed

**Notes on Investment and Rental Property**

Disclosure is omitted due to immateriality in the consolidated financial statements.

## Notes on Business Combination

Transactions, etc. under common control

Purchase of treasury stock by a consolidated subsidiary of the Company

1. Summary of the transaction

(1) Name and business activities of the combining entities concerned

Name of the combining entities concerned: Japan Brazil Paper and Pulp Development Ltd.

Business activities: Management of pulp manufacturing company and import business of products

(2) Business combination date

December 25, 2020

(3) Legal form of business combination

Purchase of treasury stock by a consolidated subsidiary of the Company

(4) Name after the business combination

There is no change.

(5) Other matters related to the summary of transactions

For the purpose of further strengthening the management base of the Group, Japan Brazil Paper and Pulp Development Ltd. acquired the treasury stock held by non-controlling shareholders. As a result, the ratio of voting rights held by the Group for the company has become 62.8%.

2. Summary of the conducted accounting treatments

In compliance with “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, January 16, 2019) and “Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, January 16, 2019), this accounting treatment is conducted as transactions with non-controlling shareholders under the recognition as transactions under common control, etc.

3. Acquisition cost related to purchase of treasury stock by a consolidated subsidiary of the Company and its breakdown

Consideration for acquisition	Cash	24,162 million yen
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4. Matters related to change in ownership interest of the Company due to transactions with non-controlling shareholders

(1) Major change factors of capital surplus

Purchase of treasury stock by a consolidated subsidiary of the Company

(2) The decreased amount of capital surplus through transactions with non-controlling shareholders

1,668 million yen

## Notes on Per Share Information

- |                         |            |
|-------------------------|------------|
| 1. Net assets per share | 758.28 yen |
| 2. Profit per share     | 50.13 yen  |
- (Calculated from the weighted average number of common shares during the period)

Note: Shares of the Company held by Trust Delivering Shares for Officers and recorded as treasury stocks under shareholders' equity are included in treasury stocks deducted from total number of shares outstanding at the end of the fiscal year when calculating “Net assets per share” (1,522,1452 shares). Moreover, in calculating “Profit per share,” they are included in the number of treasury stocks deducted from the average number of shares outstanding during the period (1,640,402 shares).

## Non-consolidated Statement of Changes in Net Assets

(Fiscal year ended March 31, 2021)

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

	Shareholders' equity										
	Capital stock	Capital surplus			Retained earnings reserve	Retained earnings				Treasury stock	Total shareholders' equity
		Capital reserve	Other capital surplus	Total capital surplus		Other retained earnings			Total retained earnings		
						Reserve for advanced depreciation of noncurrent assets	General reserve	Retained earnings brought forward			
Balance at the beginning of current period	103,880	108,640	–	108,640	24,646	14,884	101,729	6,133	147,394	(13,821)	346,094
Changes of items during the period											
Reversal of reserve for advanced depreciation of noncurrent assets						(280)		280	–		–
Dividends from surplus								(13,888)	(13,888)		(13,888)
Profit								35,108	35,108		35,108
Purchase of treasury stock										(4)	(4)
Disposal of treasury stock			(19)	(19)						180	161
Transfer from retained earnings to capital surplus			19	19				(19)	(19)		–
Net changes of items other than shareholders' equity											
Total changes of items during the period	–	–	–	–	–	(280)	–	21,480	21,199	176	21,376
Balance at the end of current period	103,880	108,640	–	108,640	24,646	14,603	101,729	27,614	168,594	(13,644)	367,470

	Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at the beginning of current period	17,842	(233)	17,608	216	363,918
Changes of items during the period					
Reversal of reserve for advanced depreciation of noncurrent assets					–
Dividends from surplus					(13,888)
Profit					35,108
Purchase of treasury stock					(4)
Disposal of treasury stock					161
Transfer from retained earnings to capital surplus					–
Net changes of items other than shareholders' equity	6,790	61	6,852	(16)	6,835
Total changes of items during the period	6,790	61	6,852	(16)	28,211
Balance at the end of current period	24,633	(172)	24,460	199	392,130

## Notes to Non-consolidated Financial Statements

### Notes on Matters Concerning Important Accounting Policies

#### 1. Standard and method of valuation of marketable securities

Held-to-maturity debt securities: Stated at cost using the amortized cost method.  
Stocks of subsidiaries and affiliates: Stated at cost using the moving-average method.

#### Available-for-sale securities

Securities with market quotations: Stated at market based on the market price as of the end of the fiscal year (the valuation difference is accounted for as a separate component of net assets and the cost of sales is calculated by using the moving-average method).

Securities without market quotations: Stated at cost using the moving-average method.

#### 2. Depreciation method of noncurrent assets

Property, plant and equipment:  
(excluding lease assets) Declining balance method  
However, the straight-line method is applied to buildings acquired on or after April 1, 1998 (excluding accompanying facilities), and accompanying facilities of buildings and structures acquired on or after April 1, 2016.

Intangible assets: Straight-line method

Lease assets: Depreciation expenses arising from lease assets in a finance lease transaction that does not transfer ownership are calculated by using the straight-line method based on the assumption that the useful life equals the lease term and the residual value equals zero. There are no lease assets pertaining to finance lease transactions that transfer ownership.

#### 3. Standards for reserves

Allowance for doubtful accounts: In order to prepare for potential credit losses on receivables outstanding at the end of the current fiscal year, an estimated uncollectible amount is recorded at the amount calculated based on the historical rate of credit loss with respect to normal receivables and at the amount determined in consideration of collectability of individual receivables with respect to doubtful accounts and certain other receivables.



Provision for retirement benefits:	<p>In order to prepare for the provision of retirement benefits for employees, an amount that is determined to have accrued at the end of the current fiscal year is recorded based on the estimated amounts of the retirement benefit obligation as of the end of the current fiscal year.</p> <p>In the calculation of retirement benefit obligation, the benefit formula basis is used to attribute the estimated benefit to the period through the end of the current fiscal year.</p> <p>Prior service cost is accounted for as an expense calculated by using the straight-line method based on the average remaining service period of the employees in service during the period in which it arises.</p> <p>Actuarial losses are accounted for as expenses for the subsequent fiscal years calculated by using the straight-line method based on the average remaining service period of the employees in service during the period in which they arise.</p>
4. Hedge accounting method	<p>Designated exceptional accounting (<i>tokurei-shori</i>) is applied to interest rate swaps qualifying for such exceptional accounting. Integration accounting (<i>ittai-shori</i>) is applied to interest rate and currency swaps qualifying for such integration accounting (<i>tokurei-shori</i> and <i>furiate-shori</i>).</p>
5. Other important matters forming the basis of preparation of financial statements	
Accounting treatment for retirement benefits:	<p>The accounting treatment method for unrecognized actuarial gain or losses and the untreated amounts of unrecognized prior service cost related to retirement benefits is different from the treatment for these items in the consolidated financial statements.</p>
Accounting treatment for consumption taxes:	<p>Consumption and local consumption taxes are accounted for under the tax exclusion method.</p>
Application of consolidated taxation system:	<p>Consolidated taxation system is applied.</p> <p>(Application of Tax Effect Accounting for Transition From Consolidated Taxation System to Group Total System)</p> <p>Regarding the items for which the tax exemption system was reviewed in line with the transition to the group total system and the transition to the group total system that was established under the “Act for Partial Revision of the Income Tax Act, etc.” (Act No. 8 of 2020), in line with the treatment of Paragraph 3 of the “Treatment of Application of Tax Effect Accounting for Transition From Consolidated Taxation system to Group Total System” (Business Response Report No. 39, March 31, 2020), the Company will not apply Paragraph 44 of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, February 16, 2018). The amounts</p>

of deferred tax assets and deferred tax liabilities are based on the provisions of the tax law prior to the revision.

6. Change in presentation

(Non-consolidated Statements of Income)

Due to its increased materiality, “Loss on valuation of investment securities” included in “Other” last fiscal year is separately disclosed in the current fiscal year. “Loss on valuation of investment securities” was 240 million yen last fiscal year.

Due to its increased materiality, “Loss on retirement of noncurrent assets” included in “Other” last fiscal year is separately disclosed in the current fiscal year. “Loss on retirement of noncurrent assets” was 9 million yen last fiscal year.

(Application of “Accounting Standard for Disclosure of Accounting Estimates”)

“Accounting Standard for Disclosure of Accounting Estimates” (ASBJ Statement No. 31, March 31, 2020) is applied from the non-consolidated financial statements as of the end of the current fiscal year, and notes on accounting estimates are stated in the non-consolidated financial statements.

7. Notes on accounting estimates

(Valuation of stocks of subsidiaries and affiliates and of investments in capital of subsidiaries and affiliates, for which the measurement of the fair value is deemed to be extremely difficult)

(i) Amount recorded in the non-consolidated financial statements as of the current fiscal year

The followings are the amount of stocks of subsidiaries and affiliates and of investments in capital of subsidiaries and affiliates, for which the measurement of the fair value is deemed to be extremely difficult, as of the current fiscal year.

Stocks of subsidiaries and affiliates 556,309 million yen

Investments in capital of subsidiaries and affiliates 9,448 million yen

With respect to stocks of subsidiaries and affiliates and to investments in capital of subsidiaries and affiliates, no valuation loss is recorded in the non-consolidated financial statements as of the current fiscal year.

(ii) Information on significant accounting estimates related to recognized items

With respect to stocks of subsidiaries and affiliates and to investments in capital of subsidiaries and affiliates of the Company, for which the measurement of the fair value is deemed to be extremely difficult, we record their acquisition costs as balance sheet values. However, if the actual value decreases significantly, except when its recoverability is backed by sufficient evidence, the actual value is recorded as a balance sheet value, and the difference from the acquisition cost is recorded as a loss in the current fiscal year.

The event when actual value decreases significantly is defined as when actual value decreases more than 50% of the acquisition cost due to a deterioration of the financial conditions of the issuer.

The event when recoverability is backed by sufficient evidence is defined as when it is anticipated with reasonable evidence that actual value is expected to recover nearly to the level of the acquisition cost. This recoverability is considered based on certain assumptions such as future cash flows.

The Company determines these assumptions by the best estimate and judgment of the management and considers them as appropriate. However, a change in future business plans, economic conditions, and other factors may affect the assumptions. If they need to be reviewed, it may affect the amount recognized in the future non-consolidated financial statements.

## Notes to Non-consolidated Balance Sheets

1. Assets pledged as collateral and obligations related to collateral	
(1) Assets pledged as collateral (millions of yen)	
Forests	159
Standing timber	320
Total	<u>480</u>
(2) Obligations related to collateral (millions of yen)	
Long-term loans payable (including the amount scheduled to be paid within one year)	1,115
2. Accumulated depreciation of property, plant and equipment (millions of yen)	54,763
(including the amount of accumulated impairment loss)	
3. Receivables from and payables to subsidiaries and affiliates (millions of yen)	
Short-term monetary receivables from subsidiaries and affiliates	240,877
Long-term monetary receivables from subsidiaries and affiliates	24,967
Short-term monetary payables to subsidiaries and affiliates	101,754
Long-term monetary payables to subsidiaries and affiliates	4
4. Guarantee obligations, etc. (millions of yen)	
Jiangsu Oji Paper Co., Ltd.	27,259
PT. Korintiga Hutani	6,742
Other	1,823
Total	<u>35,825</u>

## Notes to Non-consolidated Statements of Income

1. Volume of transactions with subsidiaries and affiliates (millions of yen)	
Operating revenue	52,154
Of which business advisory fee income	14,272
Of which dividends income	34,963
Other	2,918
Operating expenses	9,978
Transaction volume–non-trading	4,757

## Notes to Non-consolidated Statement of Changes in Net Assets

Class and number of treasury stock as of the end of the current fiscal year  
Common stock 23,793,603

Note: Included within the number of common stock in treasury stock as of the end of the current fiscal year are 1,522,145 shares of the Company held by Trust Delivering Shares for Officers.

## Notes on Tax Effect Accounting

Deferred tax assets and deferred tax liabilities by major category of cause

Deferred tax assets	(millions of yen)
Stocks of subsidiaries resulting from company split	15,095
Investment securities	10,473
Other	3,043
Subtotal	<u>28,612</u>
Valuation allowance	(12,901)
Total deferred tax assets	<u>15,710</u>
Deferred tax liabilities	(millions of yen)
Valuation difference on available-for-sale securities	(10,612)
Reserve for advanced depreciation of noncurrent assets	(6,445)
Other	(94)
Total deferred tax liabilities	<u>(17,152)</u>
Net amount of deferred tax liabilities	<u>(1,441)</u>

## Notes on Noncurrent Assets Used by the Company under Lease Arrangements

Apart from the noncurrent assets recorded on the non-consolidated balance sheets, the Company uses certain additional research equipment and office equipment under finance lease transactions that do not transfer ownership.

## Notes on Transactions with Related Parties

### Subsidiaries and affiliates

(Millions of yen)

Attribute	Company name	Ownership ratio of voting rights (%)	Nature of relationship		Details of the transaction	Transaction amount (Note 5)	Account	Balance at the end of the fiscal year
			Concurrent appointment as the director of the related party	Business relationship				
Consolidated subsidiary	Oji Materia Co., Ltd.	Direct: 100.0	Concurrent appointment by directors of the Company	Business advisory services	Lending of funds (decrease in the balance) (Note 1)	(8,854)	Short-term loans receivable	9,963
				Financing relationship	Business advisory fee (Note 2)	4,576	–	–
Consolidated subsidiary	Oji F-Text Co., Ltd.	Direct: 100.0	Concurrent appointment by directors of the Company	Business advisory services Financing relationship	Lending of funds (decrease in the balance) (Note 1)	(2,749)	Short-term loans receivable	10,531
Consolidated subsidiary	Oji Green Resources Co., Ltd.	Direct: 100.0	Concurrent appointment by directors of the Company	Financing relationship	Lending of funds (decrease in the balance) (Note 1)	(1,079)	Short-term loans receivable	15,798
							Long-term loans receivable	14,650
Consolidated subsidiary	OCM Fiber Trading Co., Ltd.	Indirect: 70.0	–	Financing relationship	Lending of funds (decrease in the balance) (Note 1)	(1,941)	Short-term loans receivable	12,353
Consolidated subsidiary	Oji Paper Co., Ltd.	Direct: 100.0	Concurrent appointment by directors of the Company	Business advisory services Financing relationship	Lending of funds (increase in the balance) (Note 1)	9,600	Short-term loans receivable	103,600
					Borrowing of funds (increase in the balance) (Note 1)	7,005	Short-term loans payable	26,867
					Business advisory fee (Note 2)	3,533	–	–
					Interest income (Note 1)	892	–	–
Consolidated subsidiary	Oji Management Office Inc.	Direct: 100.0	Concurrent appointment by directors of the Company	Financing relationship	Personnel expenses (Note 3)	2,493	–	–
				Outsourcing indirect services	Outsourcing fees (Note 4)	2,172	–	–
Consolidated subsidiary	Oji Oceania Management (NZ) Limited	Indirect: 100.0	Concurrent appointment by directors of the Company	Financing relationship	–	–	Short-term loans receivable	21,285

Terms and conditions of the transaction and the policy for determining them;

Note 1: The interest rates for loans and borrowings of money are determined in a rational manner by considering market rates. These loans and borrowings are not secured by collateral.

Note 2: Business advisory fees are charged for management and operational support.

Note 3: Personnel expenses consist of the amount paid for employees assigned to the Company from Oji Management Office Inc.

Note 4: Outsourcing fees are paid for operational support.

Note 5: The transaction amount is presented exclusive of consumption and local consumption taxes. The balance at the end of the fiscal year is presented inclusive of consumption and local consumption taxes.

## Notes on Per Share Information

- |                         |            |
|-------------------------|------------|
| 1. Net assets per share | 395.65 yen |
| 2. Profit per share     | 35.45 yen  |
- (Calculated from the weighted average number of common shares during the period)

Note: Shares of the Company held by Trust Delivering Shares for Officers and recorded as treasury stocks under shareholders' equity are included in treasury stocks deducted from total number of shares outstanding at the end of the fiscal year when calculating "Net assets per share" (1,522,145 shares). Moreover, in calculating "Profit per share," they are included in the number of treasury stocks deducted from the average number of shares outstanding during the period (1,640,402 shares).

## Notes on Company Applicable to Consolidated Dividends Regulations

### Company Applicable to Consolidated Dividends Regulations

The Company will be subject to the application of regulations on consolidated dividends when and after the final date of the current fiscal year is the final date of the most recent fiscal year.