

Notice Regarding Issuance of Stock Options (Subscription Rights to Shares)

Oji Holdings Corporation (Code No. 3861 Tokyo Stock Exchange and Osaka Securities Exchange
(each at the First Section))
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Oji Holdings Corporation (“Oji Holdings” or the “Company”) hereby announces that at a meeting of its Board of Directors held today, for the purposes of raising the motivation of the directors of Oji Holdings to increase the stock price and expanding the corporate value, the subscription requirements of subscription rights to shares for the directors of Oji Holdings were determined, and a resolution regarding the solicitation of subscribers of the relevant subscription rights to shares, etc. was again passed, continuing from last year, subject to the provisions of Article 238, Paragraphs 1 and 2 and Article 240, Paragraph 1 of the Companies Act.

This matter will be carried out in accordance with the details and scope of the number of subscription rights to shares approved as remunerations for directors at the 82nd Ordinary General Meeting of Shareholders of Oji Paper Co., Ltd. held on June 29, 2006.

1. Name of subscription rights to shares
9th Subscription Rights to Shares of Oji Holdings Corporation (for directors)
2. Total number of subscription rights to shares
176
If the total number of subscriptions for the expected number of allotment does not reach the total number stated above, the total number of subscription rights to shares to be allotted shall be the total number of subscriptions.
3. 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 subscription rights to shares shall be common stock, and the number of shares to be delivered upon exercise of each subscription right to shares (hereafter referred to as the “Number of Granted Shares”) shall be 1,000 shares.

However, if the Company performs a share split of common shares of the Company (including a gratis allotment of common shares of the Company. Hereafter, the same shall apply to each referral to a share split) or a share consolidation of the same, the Number of Granted Shares shall be adjusted according to the following formula. Any fraction less than one (1) share resulting from the adjustment shall be rounded down.

$$\text{Number of Granted Shares after adjustment} = \text{Number of Granted Shares before adjustment} \times \text{Ratio of share split or consolidation}$$

The Number of Granted Shares after adjustment shall be applied, in the case of a share split, on or after the day immediately following the record date of the relevant share split or, in the case of a share consolidation, on or after its effective date; provided, however, if a share split is conducted on the condition that a proposal to increase capital or reserves by reducing the amount of surpluses is approved

at a General Meeting of Shareholders of the Company, and the record date for the share split is prior to the date of conclusion of the relevant General Meeting of Shareholders, the Number of Granted Shares after adjustment shall be applied retroactively to the day immediately following the relevant record date, on or after the day immediately following the date of conclusion of the relevant General Meeting of Shareholders.

Other than the above, when unavoidable circumstances arise that necessitate an adjustment to the Number of Granted Shares, the Number of Granted Shares shall be adjusted within a reasonable scope.

When an adjustment is made to the Number of Granted Shares, the Company shall make an announcement or give notice of necessary matters to each holder of subscription rights to shares listed in the registry of subscription rights to shares (hereafter referred to as a "Holder") no later than the day immediately preceding the date from which the Number of Granted Shares after adjustment is to be applied; provided, however, that in the event the Company is unable to make such announcement or give such notice no later than the day immediately preceding the date of application, the Company shall thereafter promptly make such announcement or give such notice.

4. Amount of property to be contributed upon exercise of subscription rights to shares
The amount of property to be contributed upon exercise of each subscription right to shares shall be the amount derived by multiplying one (1) yen, the amount to be paid in per share to be delivered upon exercise of each subscription right to shares by the Number of Granted Shares.
5. Period during which subscription rights to shares may be exercised
From July 16, 2014 to June 30, 2034
6. Matters concerning capital and capital reserve to be increased when shares are issued upon exercise of subscription rights to shares
 - (1) The amount of capital to be increased when shares are issued upon exercise of subscription rights to shares shall be a half of the maximum amount of an increase in capital, etc. to be calculated in accordance with Article 17, Paragraph 1 of the Corporate Accounting Rules, and any fraction less than one (1) yen resulting from the said calculation shall be rounded up to the nearest one (1) yen.
 - (2) The amount of capital reserve to be increased when shares are issued upon exercise of subscription rights to shares shall be the maximum amount of an increase in capital, etc. as stated in (1) above less the amount of capital to be increased as provided for in (1) above.
7. Restrictions on acquisition of subscription rights to shares by transfer
The acquisition of subscription rights to shares by transfer shall require approval by a resolution of the Board of Directors of the Company.
8. Provisions for acquisition of subscription rights to shares
In the event the following proposal (1), (2), or (3) is approved at a General Meeting of Shareholders of the Company (or decided by a resolution of the Board of Directors of the Company if a resolution of a General Meeting of Shareholders is not required), the Company may acquire the subscription rights to shares without consideration on a date to be separately determined by the Board of Directors.
 - (1) A proposal for the approval of a merger agreement under which the Company shall be the dissolving company
 - (2) A proposal for the approval of a company split agreement or a company split plan under which the Company shall be the splitting company
 - (3) A proposal for the approval of a share exchange agreement or a share transfer plan under which the Company shall be the wholly owned subsidiary

9. Policy for deciding the details of lapse of subscription rights to shares upon reorganization and the delivery of subscription rights to shares of Reorganizing Company

In the event the Company conducts a merger (limited to cases where the Company dissolves due to the merger), absorption-type company split, incorporation-type company split, share exchange, or share transfer (hereafter collectively referred to as “Acts of Reorganization”), it shall deliver subscription rights to shares of the joint stock company indicated in Article 236, Paragraph 1, Item 8 (a) to (e) of the Companies Act (hereafter referred to as the “Reorganizing Company”) to those Holders of subscription rights to shares remaining immediately prior to the time when the Acts of Reorganization become effective (hereafter referred to as “Remaining Subscription Rights to Shares”) in each respective case under the conditions shown below. In such an event, the Remaining Subscription Rights to Shares shall lapse, and the Reorganizing Company shall issue new subscription rights to shares. However, the foregoing shall be limited to the case that the gist of delivery of subscription rights to shares of the Reorganizing Company in line with the following conditions is set forth in the merger agreement, absorption-type company split agreement, incorporation-type company split plan, share exchange agreement or share transfer plan:

(1) Number of subscription rights to shares of Reorganizing Company to be delivered

The same number of such subscription rights to shares as the number of subscription rights to shares held by the relevant Holder of Remaining Subscription Rights to Shares shall be delivered to respective Holders.

(2) Class of shares of Reorganizing Company to be delivered upon exercise of subscription rights to shares

Common stock of the Reorganizing Company

(3) Number of shares of Reorganizing Company to be delivered upon exercise of subscription rights to shares

The number of shares shall be determined in the same manner stipulated in 3. above, taking conditions for the Acts of Reorganization, etc. into consideration.

(4) Amount of property to be contributed upon exercise of subscription rights to shares

The amount of property to be contributed upon exercise of each subscription right to shares to be delivered shall be the amount derived by multiplying the amount to be paid in after reorganization as set forth below by the number of shares of the Reorganizing Company to be delivered upon exercise of each relevant subscription right to shares as determined in the manner of (3) above. The amount to be paid in after reorganization shall be one (1) yen per share of the Reorganizing Company to be delivered upon exercise of each delivered subscription right to shares.

(5) Period during which subscription rights to shares may be exercised

The period commencing on the later of (i) the first day of the period during which the subscription rights to shares may be exercised as set forth in 5. above or (ii) the date on which the relevant Acts of Reorganization become effective, and ending on the expiration date of the period during which the subscription rights to shares may be exercised as set forth in 5. above.

(6) Matters concerning capital and capital reserve to be increased when shares are issued upon exercise of subscription rights to shares

To be determined in the same manner stipulated in 6. above.

(7) Restrictions on acquisition of subscription rights to shares by transfer

The acquisition of subscription rights to shares by transfer shall require approval by a resolution of the Board of Directors of the Reorganizing Company.

(8) Provisions for acquisition of subscription rights to shares

To be determined in the same manner stipulated in 8. above.

(9) Other conditions for exercise of subscription rights to shares

To be determined in the same manner stipulated in 11. below.

10. Treatment of fractions less than one (1) share resulting from exercise of subscription rights to shares
 If there is any fraction less than one (1) share in the number of shares to be delivered to a Holder who has exercised subscription rights to shares, such fraction shall be rounded down.

11. Other conditions for exercise of subscription rights to shares

- (1) When a Holder has forfeited his or her position as a director of the Company within the period set forth in 5. above, the said Holder may exercise his or her subscription rights to shares within the period from the day immediately following the date on which the Holder forfeited the said position (hereafter referred to as the “Rights Exercise Commencement Date”) until the date when five (5) years have elapsed.
- (2) Regardless of the provisions of (1) above, in the cases provided for in a. and b. below (provided, however, that regarding b., excluding cases where subscription rights to shares of the Reorganizing Company shall be delivered to Holders in accordance with 9. above), a Holder may exercise his or her subscription rights to shares only within the periods respectively provided for.
 - a. If a Holder’s Rights Exercise Commencement Date has not arrived by June 30, 2033
 From July 1, 2033 to June 30, 2034
 - b. If a proposal for the approval of a merger agreement under which the Company shall be the dissolving company or a proposal for the approval of a share exchange agreement or a share transfer plan under which the Company shall be the wholly owned subsidiary has been approved at a General Meeting of Shareholders of the Company (or decided by a resolution of the Board of Directors of the Company if a resolution of a General Meeting of Shareholders is not required)
 Within fifteen (15) days from the day immediately following the date of the relevant approval
- (3) If a Holder abandons any subscription rights to shares, such subscription rights to shares may not be exercised.

12. Amount to be paid in for subscription rights to shares

Shall be the amount derived by multiplying the option price per share calculated based on the formula and the basic values below by the Number of Granted Shares.

$$C = Se^{-qT} N(d) - Xe^{-rT} N(d - \sigma\sqrt{T})$$

...where

$$d = \frac{\ln\left(\frac{S}{X}\right) + \left(r - q + \frac{\sigma^2}{2}\right)T}{\sigma\sqrt{T}}$$

- (1) Option price per share (C)
- (2) Stock price (S): Closing price of the common shares of the Company under normal trading on the Tokyo Stock Exchange on July 15, 2014 (if there is no closing price on the said date, the basic price for the following trading day)
- (3) Exercise price (X): 1 yen
- (4) Projected remaining period (T): 10.5 years
- (5) Volatility (σ): The stock price fluctuation rate calculated based on the closing price of the common shares of the Company under normal trading on each of the last trading days of all trading periods over 10.5 years (from January 15, 2004 to July 15, 2014)
- (6) Risk-free interest rate (r): Interest rate on Japanese government bonds, the remaining years to maturity of which correspond to the projected remaining period
- (7) Dividend yield (q): Dividend per share (dividend paid for the fiscal year ended March 31, 2014) ÷ the stock price provided for in (2) above

(8) Cumulative distribution function for standard normal distribution ($N(\cdot)$)

The amount calculated based on the above shall be the fair price of the subscription rights to shares. The Company shall pay monetary remuneration equivalent to the relevant amount to persons to whom the subscription rights to shares shall be allotted, and the rights of claim for remuneration toward the Company shall be offset by the obligation of payment of the amount to be paid in for subscription rights to shares to the Company.

13. Date of the allotment of subscription rights to shares
July 15, 2014

14. Date of the payment of monies in exchange for subscription rights to shares
July 15, 2014

15. Persons to whom subscription rights to shares shall be allotted and their number
Ten (10) directors of the Company, not including outside directors under Article 2, Item 15 of the Companies Act.

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