



August 2, 2016

Company Name: Oji Holdings Corporation

Representative: Susumu Yajima

President & Chief Executive Officer

(Code: 3861, Tokyo Stock Exchange, First Section)

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Notice Concerning Disposition of Treasury Stock through Third-party Allotment

Oji Holdings Corporation (the “Company”) hereby announces that a resolution was made at a meeting of the Board of Directors held on August 2, 2016 to conduct a disposition of treasury stock through third-party allotment. The details are as follows.

1. Outline of Disposition

(1) Date of Disposition	August 23, 2016 (scheduled)
(2) Number of Shares to be Disposed	1,215,000 common shares of the Company
(3) Price of Disposition	432 yen per share
(4) Amount of Proceeds	524,880,000 yen
(5) Method of Disposition	Disposition by way of third-party allotment
(6) Subscriber	Sumitomo Mitsui Trust Bank, Limited (Trust E Account) (Trust Account of Japan Trustee Services Bank, Ltd., the re-trustee)
(7) Other	The disposition of treasury stock is subject to the coming into effect of the notification under the Financial Instruments and Exchange Act.

2. Purpose of and Reason for Disposition

While remuneration, etc. for directors of the Company formerly comprised base remunerations, bonuses, and stock options as stock-based remuneration, it was recently decided to discontinue the new grant of stock options as stock-based remuneration and to introduce a new performance-linked, stock-based remuneration plan for directors, and this plan was approved at the 92nd Ordinary General Meeting of Shareholders held on June 29, 2016.

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

See the press release Notice Concerning Determination of Details for Performance-Linked, Stock-Based

Remuneration Plan dated August 2, 2016 for an overview of the plan.

The disposition of treasury stock will be conducted to the Trust E Account of Sumitomo Mitsui Trust Bank, Limited, (Trust Account of Japan Trustee Services Bank, Ltd., the re-trustee) which is the trustee for the trust established for the introduction of the plan.

3. Amount of Proceeds, their Use, and Expected Timing of Spending

(1) Amount of Proceeds

(i) Total amount to be paid in	524,880,000 yen
(ii) Estimated amount of expenses related to the offering	—
(iii) Estimated net proceeds	524,880,000 yen

(2) Specific Use of Proceeds

The full amount of the above-stated 524,880,000 yen estimated net proceeds is to be applied as working funds for, among other things, the payment of various expenses arising on or after the date of payment. The funds will be managed in the Company's bank account until execution of any expenditures.

4. Perspective on Reasonableness of Use of Proceeds

The proceeds from the disposition of treasury stock will contribute to the Company's management of its operations and the further soundness of its financial condition. Therefore, the Company believes that the use of such proceeds is reasonable.

5. Reasonableness of Terms of Disposition, etc.

(1) Basis of calculation of the price of disposition and the specific details

The price of disposition has been fixed at 432 yen per share, which is the closing price of the Company's shares on the Tokyo Stock Exchange, Inc. on August 1, 2016, the business day immediately prior to the date when the meeting of the Board of Directors which passed the resolution for the disposition of treasury stock was held on August 2, 2016, in order to set a price that eliminates any arbitrary elements in view of the recent trends in the price of the Company's shares. There is a variance of 3.35% between the price of 432 yen per share and 418 yen per share (rounded down to the nearest whole yen), which is the average closing price in the month prior to the meeting of the Board of Directors which passed the resolution for the disposition of treasury stock (July 4, 2016 – August 1, 2016). Likewise, there is a variance of 2.86% between the price of 432 yen per share and 420 yen per share (rounded down to the nearest whole yen), which is the average closing price for the three months prior to the meeting (May 2, 2016 – August 1, 2016). In addition, there is a variance of -0.69% between the price of 432 yen per share and 435 yen per share (rounded down to the nearest whole yen), which is the average closing price for the six months prior to the meeting (February 2, 2016 – August 1, 2016). Therefore, the Company believes that the calculation of the price of disposition conforms to Rules Concerning Handling of Allotment of New Shares to Third Party, etc. of the Japan Securities Dealers Association and is not especially favorable to the subscriber.

In addition, the five Audit & Supervisory Board members (three out of the total of five are outside Audit & Supervisory Board members) who attended the meeting of the Board of Directors, have expressed the opinion that

the price of disposition is not especially favorable to the subscriber and is legitimate for the above-stated reasons.

(2) Basis for believing that the number of shares to be disposed of, and the level of share dilution, is reasonable

The total number of shares of treasury stock to be disposed of is equal to the number of shares expected to be delivered to the Company's directors, etc. during the period of the Trust based on the Share Delivery Regulations that the Company will establish on the introduction of the plan. The level of share dilution as against the total number of shares issued and outstanding as of March 31, 2016 of 1,064,381,817 will be a ratio 0.11% (rounded to the second decimal place, the ratio as against the total number of voting rights as of March 31, 2016 of 979,243 will be 0.12%).

The Company considers that the plan will clarify the link between the remuneration of the Company's directors and the Company's stock price, translating into an enhancement of the Company's corporate value in the medium- to long-term. Thus, the Company believes that the number of shares to be disposed of and the level of share dilution due to the disposition of treasury stock is reasonable.

6. Reason for Selecting Subscriber, and Other Related Matters

(1) Overview of the subscriber

(i) Company name	Sumitomo Mitsui Trust Bank, Limited (Trust E Account) (Trust Account of Japan Trustee Services Bank, Ltd., the re-trustee)
(ii) Details of the trust agreement	
Entrustor	The Company
Trustee	Sumitomo Mitsui Trust Bank, Limited Sumitomo Mitsui Trust Bank, Limited will execute a specified comprehensive trust agreement with Japan Trustee Services Bank, Ltd. on Tuesday, August 23, 2016 (scheduled) under which Japan Trustee Services Bank, Ltd. will become a re-trustee.
Beneficiaries	The Company's directors who meet the beneficiary requirements
Type of trust	Money trust other than cash trusts (third party benefit trust)
Date of the Trust Agreement	August 23, 2016 (Tuesday) (scheduled)
Period of the Trust	August 23, 2016 (Tuesday) (scheduled) to August 30, 2019 (Friday) (scheduled)
Purpose of the Trust	To deliver the Company's shares to the beneficiaries based on the Share Delivery Regulations

(Reference) Overview of the Subscriber (as of March 31, 2016)

(1) Company name	Sumitomo Mitsui Trust Bank, Limited
(2) Address	1-4-1, Marunouchi, Chiyoda-ku, Tokyo
(3) Name and title of representative	President : Hitoshi Tsunekage
(4) Outline of businesses	Trust and banking services
(5) Capital	342,037,174,046 yen
(6) Date of establishment	July 28, 1925

(7)	Number of shares issued and outstanding	Common shares	1,674,537,008 shares
(8)	Fiscal year-end	March 31	
(9)	Number of employees	(Consolidated) 20,639 people	
(10)	Main business partners	Services operated across all sectors with a large number of business partners	
(11)	Main banks	—	
(12)	Major shareholders and shareholding ratios	Sumitomo Mitsui Trust Holdings, Inc. 100%	
(13)	Relationship between the parties		
	Capital relationship	Sumitomo Mitsui Trust Bank, Limited owns 14,083,000 common shares (1.32% of the issued and outstanding shares) of the Company. The Company owns 12,439,378 common shares (0.74% of the issued and outstanding shares) of Sumitomo Mitsui Trust Holdings, Inc., which is the parent company of Sumitomo Mitsui Trust Bank, Limited.	
	Personnel relationship	Not applicable.	
	Business relationship	Trust banking transactions	
	Applicability as related party	Not applicable.	
(14)	Results of operations and financial conditions for the last three (3) years (millions of yen, except as noted otherwise)		
		Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
			Fiscal year ended March 31, 2016
	Consolidated net assets	2,278,489	2,568,141
	Consolidated total assets	40,178,429	44,070,299
	Net assets per share (yen)	1,181.15	1,419.86
	Consolidated operating revenues	1,176,118	1,184,096
	Consolidated ordinary income	244,759	275,040
	Net Income Attributable to Owners of the Parent *	134,427	153,203
	Net income per share (yen)	77.52	90.11
	Dividends per share (yen) (Common shares)	16.88	34.14
			32.52

* Presentation was changed from the start of fiscal years beginning on and after April 1, 2015 in line with revisions such as the Accounting Standard for Business Combinations, etc. released in September 2013.

The Company has confirmed through information on the internet and websites that the subscriber, its officers, and its major shareholders (major investors) do not have any relationships with anti-social forces, including a declaration of taking “a resolute stance against anti-social forces” by the subscriber in the Group Code of Conduct, and the Company has submitted a written confirmation to the Tokyo Stock Exchange, Inc.

(2) Reason for selecting the subscriber

Upon the introduction of the plan, the Company will conduct the disposition, pursuant to the above-stated trust agreement, to the trust account established by Sumitomo Mitsui Trust Bank, Limited with Japan Trustee Services Bank, Ltd. as the re-trustee.

(3) Subscriber's shareholding policy

As the subscriber, Sumitomo Mitsui Trust Bank, Limited (Trust E Account) (Trust Account of Japan Trustee Services Bank, Ltd., the re-trustee) will, pursuant to the above-stated trust agreement, hold the trust assets, including the Company's shares, in order to deliver such assets to the beneficiaries during the trust period pursuant to the Share Delivery Regulations.

The Company intends to obtain written confirmation of agreement from the subscriber that if all or part of the common shares issued in the third party allotment are transferred within two (2) years after the date of payment, the details will be reported in writing to the Company, the Company will report the details of such report to the Tokyo Stock Exchange, Inc., and the details of such report will be made publicly available.

(4) Confirmed facts regarding existence of assets necessary for payment by the subscriber

With respect to the money equivalent to the funds required for the payment by the subscriber, the Company has confirmed through the Board Benefit Trust Agreement that the amount of money to be entrusted as funds for the acquisition of shares from the Company is expected to be a part of the trust assets on date of allotment as stated in Notice Concerning Determination of Details for Performance-Linked, Stock-Based Remuneration Plan dated August 2, 2016.

For details, please refer to the Notice Concerning Determination of Details for Performance-Linked, Stock-Based Remuneration Plan dated August 2, 2016.

7. Major Shareholders and Shareholding Ratio after Disposition

Before Disposition (As of March 31, 2016)		After Disposition	
The Master Trust Bank of Japan ,Ltd. (Trust Account)	5.88%	The Master Trust Bank of Japan ,Ltd. (Trust Account)	6.17%
Japan Trustee Services Bank, Ltd. (Trust Account)	4.93%	Japan Trustee Services Bank, Ltd. (Trust Account)	5.29%
Japan Trustee Services Bank, Ltd. (Trust 4 Account)	3.06%	Japan Trustee Services Bank, Ltd. (Trust 4 Account)	3.21%
Sumitomo Mitsui Banking Corporation	2.97%	Sumitomo Mitsui Banking Corporation	3.12%
Mizuho Bank, Ltd. (MHBK)	2.97%	Mizuho Bank, Ltd. (MHBK)	3.11%
Nippon Life Insurance Company	2.41%	Nippon Life Insurance Company	2.52%
Oji Group Employee Shareholding Association	2.13%	Oji Group Employee Shareholding Association	2.23%

Japan Pulp and Paper Company Limited	1.64%	Japan Pulp and Paper Company Limited	1.72%
The Norinchukin Bank	1.56%	The Norinchukin Bank	1.64%
Ms. Chieko Fujisada	1.39%	Ms. Chieko Fujisada	1.46%

Notes 1. The above table does not include treasury stock held by the Company. In addition, 74,384,418 shares of the treasury stock held by the Company (number of shares recorded in the register of shareholders as of March 31, 2016) will be 23,169,418 shares following the retirement of 50,000,000 shares of treasury stock conducted on May 31, 2016 and the disposition of treasury stock.

2. Major shareholders and shareholding ratio after the disposition are based on the register of shareholders as of March 31, 2016, taking into account changes in the number of shares due to the retirement of 50,000,000 shares of treasury stock on May 31, 2016 and the disposition of treasury stock.
3. The shareholding ratio states the ratio of shares owned to the total number of shares issued and outstanding.
4. The shareholding ratio is rounded to the second decimal place.

8. Future Outlook

There will be no impact on performance forecasts for the current fiscal year.

9. Procedures under the Code of Corporate Conduct

The third party allotment does not require the acquisition of an opinion from an independent third party or require procedures for confirming the intent of shareholders, which are provided for under Article 432 of the Securities Listing Regulations of the Tokyo Stock Exchange, Inc. because (i) the dilution ratio is less than 25% and (ii) the disposition does not involve a change in controlling shareholders.

10. Results of Operations and Status of Equity Finance for the Last Three (3) Years

(1) Results of operations for the last three (3) years (consolidated basis) (millions of yen, except as noted otherwise)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net sales	1,332,510	1,347,281	1,433,595
Operating income	62,023	46,694	73,685
Ordinary income	70,358	52,970	62,362
Profit attributable to owners of parent	33,801	17,344	15,257
Profit per share (yen)	34.22	17.55	15.44
Dividends per share (yen)	10.00	10.00	10.00
Net assets per share (yen)	581.69	666.40	600.34

* Presentation was changed from the start of fiscal years beginning on and after April 1, 2015 in line with revisions such as the Accounting Standard for Business Combinations, etc. released in September 2013.

(2) Current status of the number of shares issued and outstanding and the number of potential shares

(as of May 31, 2016)

	Number of shares	Ratio to shares issued and outstanding
Number of shares issued and outstanding	1,014,381,817 shares	100%
Number of potential shares at the current conversion price (exercise price)	819,000 shares	0.08%
Number of potential shares at the lowest conversion price (exercise price)	- shares	—%
Number of potential shares at the highest conversion price (exercise price)	- shares	—%

(3) Status of recent share prices

(i) Status over the last three (3) years

(yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Opening price	345	458	491
High price	546	519	630
Low price	306	356	403
Closing price	462	492	452

(ii) Status over the last six (6) months

(yen)

	February	March	April	May	June	July
Opening price	488	425	444	437	458	397
High price	490	482	485	457	459	444
Low price	403	417	412	410	378	384
Closing price	427	452	453	456	392	430

(iii) Share price on the trade date immediately prior to the date of resolution for the disposition

(yen)

	August 1, 2016
Opening price	423
High price	432
Low price	418
Closing price	432

(iv) Status of equity finance for the last three (3) years

Not applicable.

11. Summary of Disposition

(1) Number of Shares to be Disposed	1,215,000 shares
(2) Price of Disposition	432 yen per share
(3) Total Disposition Price	524,880,000 yen
(4) Method of Disposition	Transfer to Sumitomo Mitsui Trust Bank, Limited (Trust E Account) (Trust Account of Japan Trustee Services Bank, Ltd., the re-trustee)
(5) Date of Payment	August 23, 2016
(6) Number of Shares of Treasury Stock after Disposition	23,169,418 shares