

(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, 2019

**NOTICE OF THE 95TH ORDINARY GENERAL
MEETING OF SHAREHOLDERS**

Dear Shareholder:

You are cordially invited to attend the 95th Ordinary General Meeting of Shareholders of Oji Holdings Corporation (the “Company”), which will be held on Thursday, June 27, 2019, 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. * Please note that the venue is changed from the last year’s meeting.

If you are unable to attend the meeting in person, you may exercise your voting rights in writing or online. In this case, please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights, following the “Instruction for Exercising Voting Rights” described on page 3 by 5:30 p.m. Japan Standard Time, Wednesday, June 26, 2019.

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 95th term (from April 1, 2018 to March 31, 2019); 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 95th term (from April 1, 2018 to March 31, 2019)

Items to Be Resolved:

Item 1: Partial Amendments to the Articles of Incorporation

Item 2: Election of Thirteen (13) Directors

Item 3: Election of One (1) Audit & Supervisory Board Member

Matters related to the exercise of voting rights:

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

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

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

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

2. When attending the meeting in person, please present the enclosed voting form at the reception desk.
 3. Please note that persons other than shareholders who are able to exercise voting rights, including proxies and their companions who are not shareholders, are not permitted to enter the venue.
 4. Please note that 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.
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Instruction for Exercising Voting Rights

How to Exercise Your Voting Rights

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

Please bring the enclosed voting form with you and present it at the reception desk on the day of the meeting.

Date and time of the meeting: **Thursday, June 27, 2019, at 10:00 a.m. Japan Standard Time**
(The reception desk is scheduled to open at 9:00 a.m.)

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

1. To exercise your voting rights in writing:

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

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

Deadline: **Wednesday, June 26, 2019 at 5:30 p.m. Japan Standard Time**

2. To exercise your voting rights online:

Please access the designated Shareholder Voting Website (<https://www.web54.net>; Japanese), login by entering the voter code and password which are given on the right side enclosed voting form, and enter whether you are for or against for each agenda item by the below deadline, following the on-screen instructions.

Deadline: **Wednesday, June 26, 2019 at 5:30 p.m. Japan Standard Time**

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

1. If you exercise your voting rights both in writing and online, the latter will prevail.
2. If you exercise your voting rights online 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. Please note that a dedicated website for access via mobile phone is not available.
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.
6. Please call the number below with any questions about how to vote on this site from a personal computer.
Dedicated Phone Line of Stock Transfer Agency "Web Support," Sumitomo Mitsui Trust Bank, Limited
Telephone: 0120 (652) 031 (toll free, Japan only) (Calling hours: 9:00 a.m. to 9:00 p.m.)

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

REFERENCE DOCUMENTS FOR THE GENERAL MEETING OF SHAREHOLDERS

Agenda Items and References

Item 1: Partial Amendments to the Articles of Incorporation

1. Reason for the Amendments

The Company will add business purposes to Article 2 (Purpose) of the current Articles of Incorporation in order to clarify its business activities. The additions include creation of new products and businesses through the pursuit of innovation, etc. in which the Company united with its Group companies, and to arrange the business purpose statement.

2. Details of the Amendments to the Articles of Incorporation

The details of the amendments are defined in Appendix.

(Changes are denoted by underlines.)

Current Articles of Incorporation	Proposed Amendments
<p>Article 2. (Purpose)</p> <p>1. The purpose of the Company shall be to own the shares or equity of a company or companies engaged in the following businesses, as well as those of a foreign company or foreign companies engaged in equivalent businesses, thereby having control over and managing such companies.</p> <p>(1) (Omitted)</p> <p>(2) Production, conversion, and sale and purchase of logs and lumber, synthetic resin products, packaging materials, chemicals, pharmaceuticals, quasi drugs, medical devices and non-woven fabrics;</p> <p>(3) <u>Production, conversion, and sale and purchase of starch, saccharogenic products, marine products, agricultural products, liquor and beverages;</u></p> <p>(4) Operation of business related to supply of <u>heat energy</u> such as chilled water and steam;</p> <p>(5) Design, installation, and sale and purchase of plants and provision of technical assistance thereof;</p> <p>(6) Operation of forestry, agriculture, mining, printing, warehousing, <u>electric power generation, transportation, real estate and civil engineering and construction work businesses;</u></p> <p>(7) (Omitted)</p> <p>(8) Treatment and recycling of general waste and industrial waste;</p> <p>(9) Operation of landscape gardening and tree planting business, installation of water supply systems, and provision of interior finishing</p>	<p>Article 2. (Purpose)</p> <p>1. (Unchanged)</p> <p>(1) (Unchanged)</p> <p>(2) Production, conversion, and sale and purchase of logs and lumber, <u>cellulose nano-fiber materials, paper-making raw materials,</u> synthetic resin products, packaging materials, chemicals, pharmaceuticals, quasi drugs, <u>pharmaceuticals for animals, cosmetic products, medicinal herbs, food ingredients,</u> medical devices and non-woven fabrics;</p> <p>(3) Production, conversion, and sale and purchase of <u>disposable diapers, sanitary goods, clothing, foodstuffs,</u> liquor, beverages and <u>other daily necessities.</u></p> <p>(4) Operation of business related to supply of <u>energy</u> such as <u>electric power generation,</u> chilled water and steam, <u>as well as the sale and purchase of greenhouse gas emission rights.</u></p> <p>(5) Design, installation, <u>maintenance,</u> and sale and purchase of plants and provision of technical assistance thereof;</p> <p>(6) Operation of forestry, agriculture, mining, printing, warehousing, transportation, <u>and real estate work businesses;</u> (Sections moved to Proposed Amendment 4 and Proposed Amendment 9)</p> <p>(7) (Unchanged)</p> <p>(8) <u>Collection, transport,</u> treatment and recycling of general waste and industrial waste;</p> <p>(9) Operation of <u>civil engineering and construction,</u> landscape gardening and tree planting business, installation of water supply</p>

Current Articles of Incorporation	Proposed Amendments
<p>for buildings;</p> <p>(10) – (11) (Omitted)</p> <p>(12) <u>Operation of facilities</u> relating to education, medical treatment, sports, lodging, leisure and tourism;</p> <p>(13) <u>Sale and purchase of clothing, groceries and other daily necessities;</u></p> <p>(14) Operation of agency work for non-life insurance and solicitation of life insurance;</p> <p>(15) Operation of general leasing business;</p> <p>(16) <u>Sale and purchase of greenhouse gas emission rights; and</u></p> <p>(17) Any and all businesses incidental or relating to each of the foregoing items.</p> <p>2. (Omitted)</p>	<p>systems, and provision of interior finishing for buildings;</p> <p>(10) – (11) (Unchanged)</p> <p>(12) <u>Business</u> relating to education, <u>childcare</u>, medical treatment, sports, lodging, leisure and tourism;</p> <p>(Moved to Proposed Amendment 3)</p> <p>(13) Operation of agency work for non-life insurance and solicitation of life insurance;</p> <p>(14) Operation of general leasing business;</p> <p>(Moved to Proposed Amendment 4)</p> <p>(15) Any and all businesses incidental or relating to each of the foregoing items.</p> <p>2. (Unchanged)</p>

Item 2: Election of Thirteen (13) Directors

The terms of office for all the current fifteen (15) Directors will expire at the conclusion of this General Meeting of Shareholders. At this juncture, the Company hereby requests the election of thirteen (13) 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 39 to 40

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

Candidates for Director

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

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

No. 1 Susumu Yajima (May 11, 1951) 	Reelection	April 1975	Joined the former Honshu Paper Co., Ltd.
		June 2006	Corporate Officer, the Company
		June 2009	Director and Executive Officer, the Company
		April 2012	Representative Director and Executive Vice President, the Company
		October 2012	Representative Director of the Board and Executive Vice President, the Company
		January 2015	Representative Director of the Board, President and CEO, the Company
		April 2019	Representative Director and Chairman of the Board, the Company (to the present)

Number of the Company shares owned:	130,500
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Term of office as a director (as of the conclusion of this Meeting):	10 years
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Number of attendance at meetings of the Board of Directors:	15/15 (100%)
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► Reasons for selecting as a candidate for director

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

He was in charge of running the Company as Representative Director of the Board, President and CEO from 2015 to March 2019, making the utmost efforts, in that capacity, to enhance corporate governance and achieve ¥100.0 billion in operating profit, the target for the Medium-Term Management Plan with its final year in fiscal 2018. From 2019, He is further contributing to strengthening the management base as Representative Director and Chairman of the Board.

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

► Other special notes

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

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

No. 2 Masatoshi Kaku (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:	31,120
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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:	15/15 (100%)
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- ▶ **Reasons for selecting as a candidate for outside 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 is in charge of running the Company as Representative Director of the Board, President and CEO from 2019 to lead the formulation of the new Medium-Term Management Plan with basic policies of enhancing the profitability of the domestic business, expanding the overseas business, and promoting innovation. In view of the aforementioned, he has been selected as candidate for Director on an ongoing basis, as he is expected to further contribute to the Group's sustainable growth and medium- to long-term enhancement of its corporate value.

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

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

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

Number of the Company shares owned:	100,930
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Term of office as a director (as of the conclusion of this Meeting):	7 years
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Number of attendance at meetings of the Board of Directors:	15/15 (100%)
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- ▶ Significant concurrent positions
 - President and Representative Director, Oji Industrial Materials Management Co., Ltd.
 - Chairman and Director, Oji Nepia Co., Ltd.
 - Director, Oji Container Co., Ltd.
 - Director, Oji Materia Co., Ltd.
 - Director, Mori Shigyo Co., Ltd.

- ▶ Reasons for selecting as a candidate for director

He has a wealth of experience and track record in the areas of printing and communications media business and household and industrial materials businesses in the Company as well as the Group companies. He is in charge of running the Company, as part of its senior management team, currently serving as Representative Director of the Board and Executive Vice President, and President of Industrial Materials Company as well as Household and Consumer Products Company, contributing, in such capacity, to the management of material-processing-integrated business and the expansion of overseas business, as well as bolstering profit-earning capability.

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

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

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

No. 4 Reelection Yoshiaki Takeda (March 29, 1954) 	April 1977	Joined the Company
	April 2011	Corporate Officer, the Company
	October 2012	Corporate Officer, the Company
	June 2013	Executive Officer, the Company
	June 2017	Director of the Board and Executive Officer, the Company
	April 2018	Director of the Board and Senior Executive Officer, the Company (to the present)

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

Number of the Company shares owned: 16,201

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: 15/15 (100%)

- ▶ Reasons for selecting as a candidate for director

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

He is in charge of running the Company, as part of its management team, currently serving as General Manager of Corporate Governance Division, as well as President and Representative Director of Oji Management Office Inc., contributing, in such capacity, to the strengthening of the Group's growth and business in Asia as well as to the promotion of work-style reforms.

In view of the aforementioned, he has been selected as candidate for Director on an ongoing basis, as he is expected to further contribute to the Group's sustainable growth and medium- to long-term enhancement of its corporate value.
- ▶ Other special notes
 - ▶ There is no special interest between Mr. Yoshiaki Takeda and the Company.

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

No. 5 Shoji Fujiwara (March 24, 1954) 	Reelection	April 1976	Joined the Company
		April 2010	Corporate Officer, the Company
		October 2012	President, Oji Green Resources Co., Ltd.
		June 2013	Corporate Officer, the Company
		April 2016	Executive Officer, the Company
		June 2017	Director of the Board and Executive Officer, the Company
		April 2018	Director of the Board and Senior Executive Officer, the Company (to the present)

Number of the Company shares owned:	14,272
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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:	15/15 (100.0%)
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▶ Significant concurrent positions

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

▶ Reasons for selecting as a candidate for director

He has a wealth of experience and track record in the areas of engineering and specialty paper business in the Company as well as the Group companies.

He is in charge of running the Company, as part of its management team, currently serving as President of the Functional Materials Company, contributing, in such capacity, to the development of new products and business, measures to enhance profits, and expansion of the overseas business.

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

▶ Other special notes

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

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

No. 6 Yoshiki Koseki (August 8, 1954) 	Reelection	April 1977	Joined the former Honshu Paper Co., Ltd.
		April 2010	Corporate Officer, the Company
		April 2012	Executive Officer, the Company
		June 2012	Director and Executive Officer, the Company
		October 2012	Director of the Board and Executive Officer, the Company
		April 2019	Director of the Board and Senior Executive Officer, the Company (to the present)

▶ Significant concurrent positions

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

Number of the Company shares owned:	40,400
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Term of office as a director (as of the conclusion of this Meeting):	7 years
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Number of attendance at meetings of the Board of Directors:	15/15 (100%)
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▶ Reasons for selecting as a candidate for director

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

He is in charge of running the Company, as part of its management team, currently serving as Vice President of the Industrial Materials Company as well as President and Representative Director of Oji Materia Co., Ltd., contributing, in such capacity, to measures for consistent enhancement of profit in the packaging business, such as containerboard and corrugated containers, and the expansion of the earnings base in the processing field. In view of the aforementioned, he has been selected as candidate for Director on an ongoing basis, as he is expected to further contribute to the Group's sustainable growth and medium- to long-term enhancement of its corporate value.

▶ Other special notes

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

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

No. 7 Ryuichi Kisaka (May 21, 1956) 	Reelection	April 1982	Joined the former Kanzaki Paper Co., Ltd.
		October 2012	President and Representative Director, Oji Imaging Media Co., Ltd.
		June 2013	Corporate Officer, the Company
		June 2015	Director of the Board and Executive Officer, the Company
		April 2019	Director of the Board and Senior Executive Officer, the Company (to the present)

- ▶ Significant concurrent positions
 - President, Oji Paper Co., Ltd.

Number of the Company shares owned:	29,280
Term of office as a director (as of the conclusion of this Meeting):	4 years
Number of attendance at meetings of the Board of Directors:	15/15 (100%)

- ▶ Reasons for selecting as a candidate for director

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

He is in charge of running the Company, as part of its management team, currently serving as President of the Printing and Communications Media Company as well as President of Oji Paper Co., Ltd., contributing, in such capacity, to the restructuring of the production platform in response to changing demand and strengthening of competitiveness through continued cost reduction.

In view of the aforementioned, he has been selected as candidate for Director on an ongoing basis, as he is expected to further contribute to the Group's sustainable growth and medium- to long-term enhancement of its corporate value.
- ▶ Other special notes
 - ▶ There is no special interest between Mr. Ryuichi Kisaka and the Company.

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

No. 8 Kazuhiko Kamada (February 7, 1960) 	Reelection	May 2013	Joined Oji Management Office Inc.
		June 2013	General Manager, Corporate Strategy Office and Head Senior Manager, International Affairs, Oji Forest & Products Co., Ltd.
		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.

Number of the Company shares owned:	25,400
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Term of office as a director (as of the conclusion of this Meeting):	4 years
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Number of attendance at meetings of the Board of Directors:	15/15 (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 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 in charge of running the Company, as part of its management team, currently serving as President of Celulose Nipo-Brasileira S.A. (Brazil), one of the leading Group companies, contributing, in such capacity, to the further development of the pulp business based on 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 further contribute to the Group's sustainable growth and medium- to long-term enhancement of its corporate value.

▶ Other special notes

- ▶ There is no special interest between Mr. Kazuhiko Kamada and the Company.

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

No. 9 Hiroyuki Isono (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 (to the present)



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

Number of the Company shares owned:	34,072
Term of office as a director (as of the conclusion of this Meeting):	4 years
Number of attendance at meetings of the Board of Directors:	15/15 (100%)

- ▶ Reasons for selecting as a candidate for director
 He has a wealth of experience and track record in the areas of overseas business and corporate planning in the Company as well as the Group companies.
 He is in charge of running the Company, as part of its management team, currently serving as Representative Director and Chairman of the Board of Oji Oceania Management Co., Ltd., as well as Chairman of the Board of Oji Fibre Solutions (NZ) Ltd., contributing, in such capacity, to the strengthening of competitiveness, the earnings base, and the expansion of the corrugated container business in Oceania.
 In view of the aforementioned, he has been selected as candidate for Director on an ongoing basis, as he is expected to further contribute to the Group's sustainable growth and medium- to long-term enhancement of its corporate value.

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

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

No. 10 Reelection

Koichi Ishida

(November 5, 1955)



April 1978	Joined the Company
October 2012	Corporate Officer, Oji Paper Co., Ltd.
April 2014	Director, Oji Paper Co., Ltd.
April 2016	Corporate Officer, the Company
June 2018	Director of the Board and Executive Officer, the Company (to the present)

- ▶ Significant concurrent positions
 - President, Oji Engineering Co., Ltd.

- ▶ Reasons for selecting as a candidate for director

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

He is in charge of running the Company, as part of the management team, currently serving as Director in charge of the Innovation Promotion Division, as well as President of Oji Engineering Co., Ltd., contributing, in this capacity, to the development of new businesses and products through the promotion of innovation and the enhancement of the technological strength of the Group as a whole.

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

- ▶ Other special notes

- ▶ There is no special interest between Mr. Koichi Ishida and the Company.
- ▶ Concerning Mr. Koichi Ishida'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 28, 2018.

Number of the Company shares owned:	15,496
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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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Brief history, positions and responsibilities in the Company
and significant concurrent positions

No. 11 New election

Fumio Shindo

(March 30, 1958)



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 (to the present)

▶ Significant concurrent positions

- President, Oji Green Resources Co., Ltd.
- Director, Oji Engineering Co., Ltd.
- Chairman, Pan Pac Forest Products Ltd.

Number of the
Company shares owned: 12,087

▶ 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 in charge of running the Company, as part of the management team, currently serving as President of the Forest Resources and Environment Marketing Business Company, as well as President of Oji Green Resources Co., Ltd., contributing, in this capacity, to the reinforcement of infrastructure of overseas pulp sites, the supervision of the Oji Group's forest management and plantation service activities, and the expansion and strengthening of the energy business.

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

▶ Other special notes

- ▶ There is no special interest between Mr. Fumio Shindo and the Company.

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

No. 12	Reelection	April 1974	Registered as an attorney-at-law
	Outside director Independent director	June 2014	Director, the Company (to the present)

Michihiro Nara

(May 17, 1946)



Number of the Company shares owned:	500
Term of office as a director (as of the conclusion of this Meeting):	5 years
Number of attendance at meetings of the Board of Directors:	14/15 (93.3%)

▶ Significant concurrent positions

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

▶ Reasons for selecting as a candidate for outside director

He has a wealth of experience, high-level expertise and wide-ranging knowledge gained through his career as an attorney-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 to provide his opinions to the management of the Company, from a standpoint independent therefrom.

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

▶ Other special notes

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

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

No. 13 Toshihisa Takata (January 8, 1954) 	New election Outside director Independent director	April 1976 August 2010 October 2010 January 2013 August 2013 May 2015 June 2016 March 2017 October 2018	Joined Ministry of Foreign Affairs of Japan Ambassador Extraordinary and Plenipotentiary of Japan to Kenya Ambassador Extraordinary and Plenipotentiary of Japan to Kenya, Eritrea, Seychelles, and Brundi Ambassador Extraordinary and Plenipotentiary of Japan to Kenya, Eritrea, Seychelles, and Brundi and Somalia Ambassador in charge of Okinawan Affairs Ambassador Extraordinary and Plenipotentiary of Japan to New Zealand, Samoa, the Cook Islands, and Samoa Ambassador Extraordinary and Plenipotentiary of Japan to New Zealand, the Cook Islands, Samoa, and Niue Ambassador Extraordinary and Plenipotentiary of Japan to New Zealand, the Cook Islands, and Niue Retired from office (to the present)
	Number of the Company shares owned:	0	

- ▶ **Reasons for selecting as a candidate for director**
 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 newly selected as a candidate for outside director, as he is believed capable of providing his opinions to the management of the Company, from a standpoint independent therefrom.
 Although he does not have experience being directly involved in corporate management, 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. Toshihisa Takata and the Company.
 - ▶ 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.
 - ▶ In the event that Mr. Toshihisa Takata is elected, the Company intends to designate Mr. Takata as an independent director and notify the Tokyo Stock Exchange of such designation in accordance with its regulation.
 - ▶ In the event that Mr. Toshihisa Takata is elected, it is anticipated that the Company concludes a contract for limitation of liability with Mr. Takata pursuant to Article 427, Paragraph 1 of the Companies Act, limiting the liability for damage prescribed in Article 423, Paragraph 1 of the same Act. However, the maximum amount of the liability for damage based on the said contract is the amount prescribed in laws and regulations.

Item 3: Election of One (1) Audit & Supervisory Board Member

Audit & Supervisory Board Member Motokazu Ogata will resign at the conclusion of this General Meeting of Shareholders. Therefore, the Company hereby requests the election of one (1) Audit & Supervisory Board Member.

The candidate for Audit & Supervisory Board Member was 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.

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

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

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

		Brief history and positions in the Company and significant concurrent positions
New election	January 2016	Joined Oji Management Office Inc. Group Manager, Internal Audit Department, Corporate Governance Division, the Company
Nobuko Otsuka (September 15, 1961) 	April 2018	General Manager, Internal Audit Department, Corporate Governance Division and General Manager, Corporate Compliance Department, the Company
	April 2019	General Manager, Corporate Governance Division, the Company (to the present)
		<p>▶ Reasons for selecting as a candidate for director</p> <p>She has experience in the areas of taxation, accounting, and internal audits at the National Tax Agency, a tax accountant corporation, and the Company and possesses considerable knowledge of finance and accounting.</p> <p>She has duly fulfilled her role, serving as General Manager of the Internal Audit Department and the Corporate Compliance Department of the Corporate Governance Division of the Company since 2018, and currently serving as General Manager of the Corporate Governance Division, contributing, in this capacity, to the strengthening of the Group's corporate governance.</p> <p>In the view of aforementioned, she has been newly selected as candidate for Audit & Supervisory Board Member, as the Company judged that she will be able to duly carry out the duties as an Audit & Supervisory Board Member owing to the reasons above.</p>
Number of the Company shares owned:	941	<p>▶ Other special notes</p> <p>▶ There is no special interest between Ms. Nobuko Otsuka and the Company.</p> <p>▶ In the event that Ms. Nobuko Otsuka is elected, it is anticipated that the Company concludes a contract for limitation of liability with Ms. Otsuka pursuant to Article 427, Paragraph 1 of the Companies Act, limiting the liability for damage prescribed in Article 423, Paragraph 1 of the same Act. However, the maximum amount of the liability for damage based on the said contract is the amount prescribed in laws and regulations.</p>

(Attached Documents)

Business Report (from April 1, 2018 to March 31, 2019)

1. Review of Group Operations

(1) Review of Operations

The Group established the objectives of “Expansion of Overseas Businesses,” “Concentration and Advancement of Domestic Businesses” and “Enhancement of Financial Foundation” as basic policy of its business strategies in the fiscal 2016-2018 medium-term management plan. In domestic businesses, the Group is consolidating and optimizing existing businesses while accelerating development of new promising businesses, utilizing accumulated technologies and know-how. In overseas businesses, the Group is enhancing facilities in existing business bases and continuing to acquire new business bases through M&A in order to expand areas of business operations and business fields further more.

Under these initiatives, net sales for fiscal 2018 saw an increase of 65.1 billion yen (up 4.4%) year on year to 1,551.0 billion yen due to influence from the expansion of business scale in overseas businesses and an increase in the selling price of pulp, as well as an increase in profit from domestic businesses due to factors such as price adjustments. “Expansion of Overseas Businesses” is making steady progress and the Group’s overseas sales ratio rose by 1.0 percentage point year on year to 32.0%.

Operating profit increased for both domestic and overseas businesses, leading to an increase of 39.4 billion yen (up 55.7%) year on year to 110.2 billion yen, reaching the fiscal 2016-2018 medium-term management plan’s target of 100.0 billion yen in consolidated operating profit. In domestic businesses, although a surge in fuel prices caused a decrease in profits, factors such as products’ price adjustments and cost reductions contributed to the profit increase. Furthermore, profits saw an increase due to factors such as the influence of the expansion of business scale and a rise in the sales price of pulp, leading to companies located overseas seeing an overall operating profit of 76.5 billion yen, a year on year increase of 30.0 billion yen (up 64.4%).

With Mitsubishi Paper Mills Limited becoming an equity-method affiliate of the Company, non-operating income saw a 13.0 billion yen increase year on year due to influence from negative goodwill equivalent to 10.9 billion yen in the equity in earnings of affiliates, and ordinary profit saw an increase of 52.4 billion yen (up 79.5 %) year on year to 118.4 billion yen.

As for extraordinary losses, the Company’s consolidated subsidiary, Oji Paper Co., Ltd., recorded 29.6 billion yen in impairment loss pertaining to the Paper Business Division’s fixed assets. The demand in Japan for printing paper is structurally decreasing due to the shift towards increased use of ICT. Under these conditions, Oji Paper Co. Ltd. strived to lower costs daily in every field and revised printing paper prices in January 2019 in order to secure reproducible earnings, but based on the current business environment, after conservative estimation of future profit, etc. and careful review of collectability, we decided that it is appropriate to implement impairment this fiscal year. Regarding other extraordinary losses, loss on disaster of 3.7 billion yen was seen due to events such as the torrential downpour and typhoon in July 2018 and the Hokkaido Eastern Iburi Earthquake in 2018. Regarding extraordinary income, a 11.2 billion yen gain on return of assets from retirement benefits trust was recorded, but extraordinary losses decreased by 26.6 billion yen year on year.

As a result, income before income taxes and minority interests increased 25.8 billion yen (up 39.7%) to 90.8 billion yen and profit attributable to owners of parent saw an increase of 15.8 billion yen (up 43.5%) to 52.0 billion yen.

The situation for each business segment was as follows.

Segment	Net sales		Operating profit	
Household and Industrial Materials	681,190 million yen	(Up 4.6% year on year)	22,408 million yen	(Up 312.2% year on year)
Functional Materials	224,123 million yen	(Up 1.5% year on year)	18,357 million yen	(Down 1.1% year on year)
Forest Resources and Environment Marketing Business	326,467 million yen	(Up 9.4% year on year)	64,644 million yen	(Up 65.9% year on year)

Printing and Communications Media	302,887 million yen	(Down 0.8% year on year)	(4,819) million yen	(-)
Others	294,177 million yen	(Up 6.2% year on year)	9,846 million yen	(Up 12.4% year on year)
Subtotal	1,828,846 million yen	(Up 4.3% year on year)	110,437 million yen	(Up 56.5% year on year)
Adjustments	(277,854) million yen	(-)	(224) million yen	(-)
Total	1,550,991 million yen	(Up 4.4% year on year)	110,212 million yen	(Up 55.7% year on year)

- (Notes) 1. Internal managerial categories were revised starting from this fiscal year, and we have made changes to some business segments.
2. Adjustments represent those mainly for inter-segment transactions.
3. Numbers less than one million yen are rounded down to the nearest million.

[Household and Industrial Materials]

Net sales 681,190 million yen (Up 4.6% year on year)

Operating profit 22,408 million yen (Up 312.2% 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 increased from the previous year as sales of those for uses such as food and mail order remained firm although sales for fruit and vegetables were sluggish due to the impact of typhoons and other factors. Domestic sales volume of white paperboard was largely in line with the previous year, and export sales volume increased from the previous year, particularly to Southeast Asia. As for packaging materials, domestic sales volume decreased from the previous year, due in part to the impact from suspension of mill operations due to the torrential rain in July 2018, but export sales volume increased from the previous year due to increased sales to Southeast Asia. Sales volume for both baby and adult disposable diapers increased from the previous year. Household paper sales were firm and sales volume increased from the previous year.

In the overseas business, sales of containerboard increased from the previous year due to higher sales prices in Southeast Asia and Oceania. Sales of corrugated containers remained firm in Southeast Asia, mainly for beverages and processed food. Sales volume increased in Oceania due to the operation of a new mill in Australia and increased demand for use with agricultural products in New Zealand. Sales volume of disposable diapers increased significantly from the previous year on the back of growth in demand in emerging economies, due to the penetration of Oji-brand products in Malaysia, the expansion of distributors in Indonesia, and the expansion of sales of exports from Japan leveraging Nepia brand recognition in China.

[Functional Materials]

Net sales 224,123 million yen (Up 1.5% year on year)

Operating profit 18,357 million yen (Down 1.1% year on year)

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

In the domestic business, despite development of new products and cultivation of new customers, sales volume of specialty paper in Japan decreased from the previous year due to the impact from the suspension of mill operations due to the 2018 Hokkaido Eastern Iburi Earthquake. Sales volume of thermal paper remained firm and was largely the same as the previous year. Sales volume of adhesive products increased from the previous year, mainly for direct-thermal stickers. As for export sales, sales volume of specialty paper increased from the previous year, mainly due to the effect of price revisions.

In the overseas business, Tele-Paper (M) Sdn. Bhd. of Malaysia, which newly joined the Group, contributed to boosting business results while sales of thermal paper were strong in all regions. In particular, sales volume increased significantly from the previous year in emerging countries in Southeast Asia and South America.

[Forest Resources and Environment Marketing Business]

Net sales 326,467 million yen (Up 9.4% year on year)

Operating profit 64,644 million yen (Up 65.9% year on year)

Main Businesses: Pulp, Energy, Plantation service, Lumber processing

In the domestic business, the pulp business remained firm, and sales volume was around the same as the previous year. The lumber business was strong with sales volume increasing from the previous year. The energy business remained firm, and sales volume was nearly flat from the previous year.

In the overseas pulp business, sales volume remained firm, and sales volume was nearly flat from the previous year. In the lumber business, sales volume increased from the previous year owing to strong sales, mainly to China.

[Printing and Communications Media]

Net sales 302,887 million yen (Down 0.8% year on year)

Operating profit (4,819) million yen (-)

Main Businesses: Newsprint, Printing/publication/communication paper

In the domestic business, newsprint sales volume declined from the previous year reflecting the decline in newspaper circulation and decline in number of pages. Sales volume of printing/communication paper remained nearly flat from the previous year. Despite the impact of weaker market conditions up until the third quarter, sales were nearly flat from the previous year due to the effect of price revisions implemented in the fourth quarter.

In the overseas business, sales in China increased from the previous year due to the effect of higher sales prices for printing paper.

[Others]

Net sales 294,177 million yen (Up 6.2% year on year)

Operating profit 9,846 million yen (Up 12.4% year on year)

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

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

(2) Capital investment of Oji Group

The Group's capital investment for the year under review amounted to 62.1 billion yen, a decrease of 7.2 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.

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

Company name	Work description
Oji F-Tex Co., Ltd.	Works to renovate hydroelectric power plant (1st base, Tokai Mill)
Oji Paper Co., Ltd.	Works to renovate hydroelectric power plant (Isarigawa Power Plant, Tomakomai Plant)
Oji Interpack India Pvt. Ltd.	Works to construct a new corrugated container mill (Southern India)
Oji Fibre Solutions (NZ) Ltd.	Works to renovate heat exchange equipment (New Zealand)
Celulose Nipo-Brasileira S.A.	Works to consolidate log processing equipment (Brazil)
Celulose Nipo-Brasileira S.A.	Works to renovate #1 pulp manufacturing facilities (Brazil)

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

Company name	Work description
MPM Oji Eco-Energy Co., Ltd.	Joint electric power generation business with Mitsubishi Paper Mills Limited
Oji India Packaging Pvt. Ltd.	Works to construct a new corrugated container mill (Western India)
Harta Packaging Industries Sdn. Bhd.	Works to install additional corrugated container production equipment (Malaysia)
Dazun Paper Industrial Co. Sdn. Bhd.	Works to install additional corrugated container production equipment (Malaysia)
United Packaging Co., Ltd.	Works to install additional folding carton production facilities (Vietnam)
Ojitex Haiphong Co., Ltd.	Works to construct a new corrugated container mill (Vietnam)
PT. Oji Indo Makmur Perkasa	Works to construct a new mill for disposable diapers (Indonesia)
Celulose Nipo-Brasileira S.A.	Works to renovate #2 pulp manufacturing facilities (Brazil)
Jiangsu Oji Paper Co., Ltd.	Works to install manufacturing equipment for household papers, etc. (China)

(3) Changes in assets and results of operation

Segment	91st FY2014	92nd FY2015	93rd FY2016	94th FY2017	95th FY2018
Net sales (millions of yen)	1,347,281	1,433,595	1,439,855	1,485,895	1,550,991
Operating profit (millions of yen)	43,867	71,987	70,243	70,781	110,212
Ordinary profit (millions of yen)	49,360	60,517	52,949	65,958	118,370
Profit attributable to owners of parent (millions of yen)	15,526	12,706	40,270	36,222	51,977
Profit per share (yen)	15.71	12.86	40.74	36.64	52.52
Total assets (millions of yen)	2,140,641	1,909,483	1,901,029	1,960,753	1,951,369
Net assets (millions of yen)	784,420	711,230	759,198	810,011	815,406
Net assets per share (yen)	656.03	587.62	635.95	681.52	684.50

- (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. The Company applied “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018) from the beginning of the year. Total assets for the previous year states the figure after the said accounting standard, etc. was applied retrospectively.
4. Numbers less than one million yen are rounded down to the nearest million.

(4) Issue to address of Oji Group

Business strategy of Oji Group

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

Based on this management philosophy, management targets for FY2018, the final year of the medium-term management plan, were consolidated operating profit of ¥100.0 billion, and a balance of interest-bearing liabilities of less than ¥700.0 billion, with “Expansion of Overseas Businesses,” “Concentration and Advancement of Domestic Businesses,” and “Enhancement of Financial Foundation” providing the basic policies of the Group’s management strategy as we worked to achieve management targets.

“Expansion of Overseas Businesses” referred to expanding manufacturing sites as well as increasing production capacity and efficiency, mainly in the packaging business, and focusing on entering new fields in Southeast Asia. “Concentration and Advancement of Domestic Businesses” was concerned with reducing costs and rebuilding the production system to improve earnings, in addition to developing high-performance, high added-value products that make use of the Group’s core technologies, expanding the energy business, including biomass power generation, and concluding a capital and business alliance with Mitsubishi Paper Mills Limited. With regard to “Enhancement of Financial Foundation,” in addition to improving operating cash flow through the above-mentioned measures, we worked to dispose of cross-shareholdings and idle assets so as to reduce interest-bearing liabilities. Through these various measures, consolidated operating profit came to 110.2 billion, and the balance of interest-bearing liabilities was ¥620.6 billion (balance of interest bearing liabilities of ¥535.0 billion), resulting in both management targets being achieved.

For the medium-term management plan beginning in FY2019 and ending in FY2021, the basic policies of the Group’s management strategy have been designated as “Improving Profitability of Domestic Businesses,” “Broadening of Overseas Businesses,” “Promoting Innovation,” and “Contributing to a Sustainable Society,” with the goal being to become a global corporate group that can maintain stable consolidated operating profit of at least ¥100.0 billion. 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 April 2021), update the energy supply and drainage facilities, and increase production capacity at the two existing corrugated container factories. Furthermore, we are moving forward with the construction of corrugated container factories, including the fourth site in India (scheduled to begin operation in March 2020), the fifth in Vietnam (scheduled to begin operation in July 2019), and the third site in Cambodia (scheduled to begin operation in January 2020). In addition, we have finalized the decision to build our first corrugated container factory in Indonesia, in a joint venture with a local corporate group (scheduled to begin operation in 2020). In Oceania we will work to expand the packaging businesses, such as by building new factories. Going forward, in order to further continue expansion into Southeast Asia and Oceania, we are pursuing organic expansion at existing local sites.

In Japan, we made the decision to construct one of the largest corrugated container factories in the country in the Kanto region, where growth in demand for corrugated containers is expected to be particularly significant (scheduled to begin operation in stages from April 2020). In addition, by focusing on the Packaging Innovation Center, in which research and development related to packaging for the Group as a whole is centralized, we will develop and sell new products, and promote total packaging solutions from paperboard and packaging paper to the sale and maintenance of packaging machinery, in addition to corrugated containers, folding cartons and paper bags. Based on our ability to generate proposals supported by sales channels that extend to all parts of the country, and by our integrated materials and processing, we will work to expand the business across a wide range, improving 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. Also, with regard to the household paper business on which we are working as part of a joint venture with Mitsubishi Paper Mills Limited, production began in April 2019. We will make full use of the extensive infrastructure at their Hachinohe factory, and work on expanding sales and streamlining logistics by securing our first site for the household paper business in the Tohoku region. In China, household paper manufacturing facilities will start operation in July 2020.

While these initiatives will strengthen competitiveness, we will also work to expand the household paper business, for which stable demand is expected to continue going forward. In the disposable diaper business for babies, we will make efforts to further increase the sales of the “Genki!” unified brand for both Japan and overseas, and due to the highest-ever quality “Whito” brand, which uses new technology in search of improved comfort for babies, has pioneered this high-quality, high-price segment and raised the value of the “Nepia” brand as a whole. In China, we will launch a local sales team and reinforce the structure for expanding sales, while in Malaysia we are engaged in manufacturing and sales at our two business sites. Moreover, in addition to sales from our joint venture company in Indonesia, in March 2020 a local factory for our own disposable diapers will begin operation. We aim for further expansion in businesses, including expansion to surrounding countries. 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.

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

The expansion of the functional materials business in Southeast Asia has been centered on upstream businesses such as thermal paper and adhesive products, but by fully utilizing our Malaysian printing, processing and sales company for adhesive products, and our processing and sales company for carbonless paper as a starting point to gain an accurate and timely understanding of user needs we are enabling further expansion, mostly in downstream businesses. In Myanmar, the Company expanded sales of labels for consumer products, such as food, as well as developing a flexible packaging business for films and other products used in consumer goods. In Brazil, we expanded production capacity for thermal paper to respond to healthy demand for thermal paper in South America. Going forward, we will continue to respond to growing demand that follows economic development in emerging markets such as Southeast Asia, South America, the Middle East and Africa, and work to expand new business areas.

In Japan, in addition to making efforts to strengthen the foundations of existing businesses by continuously reviewing the production system to improve competitiveness and profitability, we will speedily develop and offer highly functional products with high added-value, due to the fusion of the Group’s core technologies of “papermaking,” “paper processing” (coating, adhesives) and “film” together with new materials. In addition, through cooperation with the Innovation Promotion Division, we will work on expanding into new business fields such as film capacitors for electric vehicles due to our persistent research and development.

(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 able of withstanding fluctuations in the pulp market. In New Zealand, the Group’s know-how and operations management methods are being introduced and applied, and steps are being taken to stabilize operations and improve efficiency. In Brazil, we are moving forward with continuous profitability countermeasures by upgrades to cutting-edge manufacturing facilities. In Japan, in addition to products aimed at rayon applications, we have begun production of high-value-added products such as materials for medical supplies and filtering applications in an attempt to grow the business.

In the energy business, biomass power generation facilities, operated with Mitsubishi Paper Mills Limited with the aim of further expansion of the business, begin operation in July 2019. Moreover, we have taken the decision to newly 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 2022. We are also working to strengthen the biomass fuel business in line with the expansion of the energy business and established a new woodchip production company in Hokkaido in November 2018 for further expanding production of woodchips for fuel by utilizing 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 lumber business, we are taking steps to increase purchases, sales, and the production capacity for timber products and processed wood products, 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)

In Japan, we will ascertain the changes in the business environment due to increased use of ICT and so forth, establishing an optimal production structure in line with demand and making effective use of our existing equipment in order to improve our productivity, capacity utilization ratio, and other aspects in order 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 resolving complicated transportation arrangements, thereby realizing the effects of the business alliance with Mitsubishi Paper Mills Limited as early as possible.

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 is dedicated to developing business activities in harmony with the environment. Our goal is to support the realization of a truly affluent and sustainable society through flexible and efficient research and development activities, efforts to seek out new needs, and new products and businesses by means of promoting innovation.

Regarding cellulose nanofiber (CNF), a next-generation material anticipated to be applicable in various industries, the CNF thickener “AUROVISCO” was adopted as a thickener for car chemical products as well as a compound for ensuring smooth pumping of concrete.

Furthermore, “AUROVISCO CS,” which received the silver medal at the world’s largest exhibition for raw materials for cosmetics that took place in the Netherlands in 2018, garnered high praise from the cosmetics world and was commercialized in April 2019. Through the Group’s proprietary technology and development, we were the first company to develop a composite material made from polycarbonate resin and CNF, in addition to realizing the CNF continuous transparent sheets and CNF powder which is able to dissolve in organic solvents, and going forward, we are continuing to develop applications in a broader range of fields.

We are actively developing environmentally friendly materials and products to respond to the issue of plastic in the ocean. We are accelerating development of water resistant paper products such as a composite material made from biodegradable plastic and pulp, paper cup lids, and a replacement for plastic straws. We have already started providing samples for “SILBIO BARRIER,” a paper material that has vapor and oxygen barrier properties.

Furthermore, through the use of the Group’s proprietary technologies, productive use of hemicellulose, a component of wood, is progressing.

In addition to cosmetics already being adopted, we are also progressing with development to commercialize pharmaceutical ingredients. Furthermore, we established a life science research unit at Hokkaido University in order to strengthen efforts to commercialize medicine, etc.

In the water treatment technology field, utilizing the technology in water preparation and waste water processing cultivated through the paper manufacturing technology we have developed over many years, we are commercializing competitive water treatment systems.

Furthermore, the water treatment system adopted for use in an industrial park in Thailand is making use of remote monitoring IoT technology that was introduced, and we are providing support for optimal operation. While advancing innovation in water treatment system technology, we will aim to expand penetration, contributing to the improvement of water environments in Japan and overseas.

The Company's main new technologies and materials are published on our website, but we also held a research and development IR briefing meeting in April 2019 in order to promote a higher level of understanding regarding our research and development status.

Going forward, we are continuing efforts to care for the environment, which involves aspects such as, countermeasures against climate change, conservation of biodiversity and providing environmentally-friendly products, while promoting sustainable forest management and responsibly procuring lumber and other raw materials.

We also are making efforts to promote work style reforms and diversity so that diverse personnel can demonstrate their talents.

(f) Business alliance with Mitsubishi Paper Mills Limited

With regard to the business alliance with Mitsubishi Paper Mills Limited, the process of obtaining approval from competition authorities both in Japan and overseas has ended, and on March 29, 2019, payment from our partner in relation to new shares issued in a third-party placement, as well as the purchasing of Mitsubishi Paper Mills Limited shares by shareholders of that company, was completed. In this way, the Group now controls 33.00% of voting rights, and the company has become an equity-method affiliate of the Company. Thus far, starting with their business alliance in the communication paper field, the two companies have established joint ventures in the biomass power generation business and the household paper business, thus expanding the scope of their business alliance. This capital alliance will allow the two companies to go beyond one-off cooperative relationships in specific businesses and further strengthen their cooperative relationships in a wide range of fields.

The Group is always working to anticipate the needs of the times, facing up to the challenge of innovation, with the goal of becoming a corporate group capable of sustainable growth.

<Reference> Basic Views on Corporate Governance

Drawing on the fundamental values and the behavior principles that the Oji Group has carried down as a company since its founding, the Oji Group has formulated the Oji Group Corporate Code of Conduct by which 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/group/policy/governance.html>).

(5) Main businesses of Oji Group

(as of March 31, 2019)

Segment	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, 2019)**(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, 2019)

Segment	Number of employees	Change from previous fiscal year-end
Household and Industrial Materials	17,770	An increase of 262
Functional Materials	5,214	A decrease of 120
Forest Resources and Environment Marketing Business	7,298	An increase of 84
Printing and Communications Media	3,372	A decrease of 39
Others	2,655	A decrease of 22
Total	36,309	An increase of 165

(8) Significant subsidiaries

(as of March 31, 2019)

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 Seitai, Co., Ltd.	Chuo-ku, Tokyo	Household and Industrial Materials	429	(55.0)	Production and distribution of heavy-duty paper sack
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)
GSPH Holdings Sdn. Bhd.	Malaysia	Household and Industrial Materials	Millions of Malaysian ringgit 255	(100)	Control and management of GSPH 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)
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 61,788	(56.3)	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	(56.3)	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. The Company acquired all the shares of Paperbox Holdings Ltd. (the holding company that controls the GSPP Group, which is engaged in the containerboard business, etc.), in which the Company had a 75% stake. As a result, the percentage of voting rights in GSPP Holdings Sdn. Bhd. increased to 100%, including those held by the Company's subsidiaries.
 2. The Company acquired some of the shares of Japan Brazil Paper and Pulp Development Ltd., and the percentage of voting rights, including those held by the Company's subsidiaries, increased to 56.3%. As a result, the percentage of voting rights in Celulose Nipo-Brasileira S.A., a subsidiary of Japan Brazil Paper and Pulp Development, also increased to 56.3%.
 3. 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.
 4. Capital stock value less than the minimum unit is truncated for presentation.
 5. The percentage of voting rights of the Company shown in parentheses denotes one that includes voting rights held by subsidiaries.
 6. The number of the Group's consolidated subsidiaries as of March 31, 2019 stood at 190, including significant subsidiaries whose names are listed above. The number of equity method affiliate companies totaled 23 as of March 31, 2019.
 7. There is no subsidiary that falls under the category of specified wholly-owned subsidiary as of March 31, 2019.

(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, 2019 decreased 26.8 billion yen from previous fiscal year-end to 620.6 billion yen.

(10) Main lenders and borrowing amount of Oji Group

(as of March 31, 2019)

Lender	Loan balance
	millions of yen
Sumitomo Mitsui Banking Corporation	57,944
Mizuho Bank, Ltd.	54,405
The Norinchukin Bank	43,228
Sumitomo Mitsui Trust Bank, Limited	24,838
Nippon Life Insurance Company	22,180

- (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 231,827 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

With regard to the Company and Mitsubishi Paper Mills Limited, a business alliance was entered into with the aim of strengthening the collaborative relationship. The process of obtaining approval from competition authorities both in Japan and overseas ended, and on March 29, 2019, payment from our partner in relation to new shares issued in a third-party placement, as well as the purchasing of Mitsubishi Paper Mills Limited shares by shareholders of that company, was completed. As a result, the Company now controls 33.00% of voting rights, and Mitsubishi Paper Mills Limited has become an equity-method affiliate of the Company.

(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 6 yen per share with the record date of March 31, 2019 by comprehensively considering the business results for the current fiscal year and future business environment, etc.

Combined with the interim dividend of 6 yen per share, which was implemented for the interim period, this will bring total dividends for the current fiscal year to 12 yen per share, an increase of 2 yen from the previous fiscal year.

(a) Type of dividend property

Cash

(b) Matters related to allotment of dividend property to shareholders and total amount thereof 6 yen per common share of the Company; Total amount 5,946,072,756 yen

(c) Effective date of dividends of surplus

June 5, 2019

(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, 2019)

- (1) Total number of shares authorized to be issued 2,400,000,000 shares
(2) Total number of shares issued 1,014,381,817 shares
(Treasury stock) (23,369,691 shares)
(3) Total number of shareholders 59,813 shareholders
(2,694 increase compared with March 31, 2018)

(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)	81,771	8.3
Japan Trustee Services Bank, Ltd. (Trust account)	64,734	6.5
Japan Trustee Services Bank, Ltd. (Trust account 4)	35,452	3.6
Sumitomo Mitsui Banking Corporation	31,668	3.2
Nippon Life Insurance Company	25,658	2.6
Japan Trustee Services Bank, Ltd. (Trust account 9)	23,063	2.3
Mizuho Bank, Ltd.	21,636	2.2
Oji Group Employee Stock-holding Association	19,419	2.0
Japan Trustee Services Bank, Ltd. (Trust account 5)	17,303	1.7
The Norinchukin Bank	16,654	1.7

- (Notes) 1. The Company holds treasury stock of 23,369 thousand shares, which is excluded from the above list.
2. The percentage of total shares issued has been calculated after excluding the Company's treasury stock (23,369 thousand shares).
3. Numbers less than one thousand are rounded down to the nearest thousand.

(5) Other significant matters related to shares

In accordance with the resolution of the meeting of the Board of Directors held on May 11, 2018, the Company changed the number of shares that constitute one unit from 1,000 shares to 100 shares, effective October 1, 2018, in order to improve the liquidity of the Company's shares and expand opportunities for investment to a wider range of investors.

3. Officers of the Company

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

(as of March 31, 2019)

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

Positions	Name	Responsibilities and significant concurrent positions
Director*	Hiroyuki Isono	Representative Director and Chairman of the Board, Oji Oceania Management Co., Ltd. and Chairman of the Board, Oji Fibre Solutions (NZ) Ltd.
Director*	Koichi Ishida	Vice President, Printing and Communications Media Company Vice President, Oji Paper Co., Ltd. Director, Oji Engineering Co., Ltd.
Director	Michihiro Nara	Attorney-at-law Outside Director, Seiko Epson Corp. Outside Director, Nihon Tokushu Toryo Co., Ltd.
Director	Nobuaki Terasaka	Representative Director and President, Mutual Service Aid Guarantee Corporation
Audit & Supervisory Board Member	Motokazu Ogata	(Standing) Audit & Supervisory Board Member of Oji Container Co., Ltd., Oji Seitai, Co., Ltd., Oji Materia Co., Ltd., Mori Shigyo Co., Ltd., Oji Paper Co., Ltd. and Oji Engineering Co., Ltd.
Audit & Supervisory Board Member	Tomihiro Yamashita	(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.
Audit & Supervisory Board Member	Makoto Katsura	
Audit & Supervisory Board Member	Mikinao Kitada	Attorney-at-law Outside Statutory Auditor, Askul Corporation Outside Director, Yokogawa Bridge Holdings Corp. Outside Audit & Supervisory Board Member, Sojitz Corporation
Audit & Supervisory Board Member	Norio Henmi	Attorney-at-law

- (Notes) 1. Mr. Michihiro Nara and Mr. Nobuaki Terasaka, Directors, are outside directors as prescribed in Article 2, Item 15 of the Companies Act.
The Company has designated them as independent directors and notified the Tokyo Stock Exchange of such designation in accordance with its regulation.
2. Mr. Makoto Katsura, Mr. Mikinao Kitada and Mr. Norio Henmi 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.
3. The following changes were made to Directors of the Board and Audit & Supervisory Board Members at the conclusion of the 94th Ordinary General Meeting of Shareholders held on June 28, 2018.
- | | |
|------------|----------------------------------|
| Assumption | Director |
| | Koichi Ishida |
| Assumption | Audit & Supervisory Board Member |
| | Norio Henmi |
4. Standing Audit & Supervisory Board Members were elected by a resolution of the Audit & Supervisory Board at a meeting held on June 28, 2018, as follows.
- | | |
|---|--------------------|
| Audit & Supervisory Board Member (Standing) | Motokazu Ogata |
| Audit & Supervisory Board Member (Standing) | Tomihiro Yamashita |
5. Mr. Kiyotaka Shindo, Representative Director and Chairman of the Board, and Mr. Kazuo Fuchigami, Representative Director of the Board and Executive Vice President resigned and retired from their respective offices, becoming regular Directors, effective March 31, 2019.
6. The new Representative Director and Chairman of the Board, and President and Chief Executive Officer assumed office effective April 1, 2019, as follows.
- | | |
|--|----------------|
| Representative Director and Chairman of the Board | Susumu Yajima |
| Representative Director, President and Chief Executive Officer | Masatoshi Kaku |
7. Mr. Motokazu Ogata, Audit & Supervisory Board Member, has sound knowledge of finance and accounting due to his long experience serving in the Company's finance and accounting business unit after joining the Company, and to his experience serving as a Director of the Board in charge of the finance and accounting business unit of a subsidiary of the Company.

8. The thirteen (13) Directors of the Board whose names are marked with an asterisk concurrently serve as Executive Officers.
9. Effective April 1, 2019, partial changes were made to the responsibilities of Directors of the Board concurrently serving as Executive Officers. Their post-change responsibilities are as shown in the table of the following section titled “(2) The Status of Executive Officers.”
10. Pursuant to the provisions of the Articles of Incorporation, the Company has concluded, in conformity with Article 427, Paragraph 1 of the Companies Act, a contract for limitation of liability with all of its outside directors and audit & supervisory board members on the limitation of liability for damages set forth in Article 423, Paragraph 1 of the Companies Act. The maximum amount of the liability for damages under the above-mentioned contract is set at an amount provided for by applicable laws and regulations.

(2) Status of Executive Officers

(as of April 1, 2019)

Positions	Name	Responsibilities
Chairman of the Board*	Susumu Yajima	
President and Chief Executive Officer*	Masatoshi Kaku	Group CEO
Executive Vice President*	Ryoji Watari	President, Industrial Materials Company and President, Household and Consumer Products Company President and Representative Director, Oji Industrial Materials Management Co., Ltd. Chairman and Director, Oji Nepia Co., Ltd.
Senior Executive Officer*	Yoshiaki Takeda	General Manager, Corporate Governance Div. President, Oji Management Office Inc. In charge of: Oji Human Support Co., Ltd. Oji Business Center Co., Ltd. Oji Paper Management (Shanghai) Co., Ltd. Oji Asia Management Sdn. Bhd.
Senior Executive Officer*	Shoji Fujiwara	President, Functional Materials Company President and Representative Director, Oji Functional Materials Progressing Center Inc.
Senior Executive Officer*	Yoshiki Koseki	Vice President, Industrial Materials Company Director and Vice President, Oji Industrial Materials Management Co., Ltd. President and Representative Director, Oji Materia Co., Ltd. In charge of Oji Container Co., Ltd.
Senior Executive Officer*	Ryuichi Kisaka	President, Printing and Communications Media Company Representative Director, President and CEO, Oji Paper Co., Ltd. In charge of Oji Logistics Co., Ltd.
Executive Officer*	Kazuhiko Kamada	President, Celulose Nipo-Brasileira S.A.
Executive Officer*	Hiroyuki Isono	Representative Director and Chairman of the Board, Oji Oceania Management Co., Ltd. and Chairman of the Board, Oji Fibre Solutions (NZ) Ltd.
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.
Senior Executive Officer	Masaru Yokoyama	General Manager, Innovation Promotion Div.
Senior Executive Officer	Yutaka Fushino	Senior Managing Director, Oji Industrial Materials Management Co., Ltd. and President, Oji Container Co., Ltd.
Senior Executive Officer	Tan Dilun	President & CEO, Oji Asia Packaging Sdn. Bhd. and President, Oji Asia Management Sdn. Bhd.

Positions	Name	Responsibilities
Executive Officer	Fumio Shindo	President, Forest Resources and Environment Marketing Business Company President, Oji Green Resources Co., Ltd.
Executive Officer	Junnichi Tomita	Deputy General Manager, Corporate Governance Div. Senior Managing Director, Oji Management Office Inc.
Corporate Officer	Masanori Oshiumi	Senior Managing Director, Oji Oceania Management Co., Ltd. Senior Managing Director, Oji Fibre Solutions (NZ) Ltd.
Corporate Officer	Hisashi Ibayashi	Managing Director, Oji Functional Materials Progressing Center Inc. and President, Oji Imaging Media Co., Ltd.
Corporate Officer	Tadashi Kitamura	Managing Director, Oji Industrial Materials Management Co., Ltd. and President, Mori Shigyo Co., Ltd.
Corporate Officer	Azumi Kawabe	Vice President, Forest Resources and Environment Marketing Business Company President, Oji Eco Materials Co., Ltd.
Corporate Officer	Shigeki Aoki	Managing Director, Oji Functional Materials Progressing Center Inc. and President and Representative Director, Oji F-Text Co., Ltd.
Corporate Officer	Akio Hasebe	Managing Director, Oji Industrial Materials Management Co., Ltd.

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

(3) Total amount of remuneration, etc. for Directors and Audit & Supervisory Board Members for the year under review

Position	No. of Personnel	Fixed remuneration	Performance-linked remuneration		Total
			Bonuses	Stock-based remuneration	
Director (Outside Director)	15	337 million yen	251 million yen	194 million yen	782 million yen
	(2)	(30 million yen)	(-)	(-)	(30 million yen)
Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	5	90 million yen	-	-	90 million yen
	(3)	(36 million yen)	(-)	(-)	(36 million yen)
Total	20	427 million yen	251 million yen	194 million yen	873 million yen

- (Notes)
1. Remuneration, etc. for Directors is composed of (1) basic remuneration, which is a fixed remuneration, (2) bonuses (remuneration based on short-term performance), and (3) stock-based remuneration (remuneration that reflects medium- to long-term increase in corporate value). Basic remuneration is the only remuneration for Outside Directors.
 2. The maximum remuneration, etc. for Directors concerning (1) and (2) above is 700 million yen a year. (resolution of the 92nd Ordinary General Meeting of Shareholders held on June 29, 2016).
 3. For the remuneration, etc. for Directors (excluding Outside Directors) mentioned in (3) in Note 1, the Company introduced a performance-linked and stock-based remuneration plan for Directors (excluding Outside Directors) separately from the maximum remuneration mentioned in Note 2. (resolution of the 92nd Ordinary General Meeting of Shareholders held on June 29, 2016).
Under the plan, the total number of rank-based basic points for each Director (excluding Outside Directors) multiplied by the performance-linked payment rate forms the number of points to be granted for the fiscal year, and the points are granted to those who were Directors (excluding

Outside Directors) on the last day of the fiscal year on the date of the Company's Ordinary General Meeting of Shareholders. The maximum number of points to be granted by the Company to its Directors (excluding Outside Directors) under this plan is 570,000 points per fiscal year (normally one point = one Company share).

4. The maximum remuneration, etc. for Audit & Supervisory Board Members is 97 million yen a year (resolution of the 82nd Ordinary General Meeting of Shareholders held on June 29, 2006).
5. The amount of remuneration, etc. for each Director is determined by the Board of Directors in light of the report of the Compensation Committee. In addition, the amount of remuneration, etc. for each Audit & Supervisory Board Member is determined through consultation with the Audit & Supervisory Board Members.
6. As of March 31, 2019, the number of Directors stood at fifteen (15) and that of Audit & Supervisory Board Members at five (5).
7. 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, 2019)

Position	Name	Concurrent positions
Outside Director	Michihiro Nara	Attorney-at-law, Outside Director, Seiko Epson Corporation, Outside Director, Nihon Tokushu Toryo Co., Ltd.
Outside Director	Nobuaki Terasaka	Representative Director and President, Mutual Service Aid Guarantee Corporation
Outside Audit & Supervisory Board Member	Mikinao Kitada	Attorney-at-law, Outside Statutory Auditor, Askul Corporation, Outside Director, Yokogawa Bridge Holdings Corp., Outside Audit & Supervisory Board Member, Sojitz Corporation
Outside Audit & Supervisory Board Member	Norio Henmi	Attorney-at-law

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

(ii) Major activities during the fiscal year ended March 31, 2019

Position	Name	Status of attendance at the Board of Directors' Meeting	Status of attendance at the Audit & Supervisory Board Meeting	Principal comments
Outside Director	Michihiro Nara	14/15 (93.3%)	—	Provided expert opinions based on his rich experience and his wide-ranging knowledge from attorney's professional perspective
Outside Director	Nobuaki Terasaka	15/15 (100%)	—	Provided expert opinions based on his rich experience and wide-ranging knowledge as an administrative official
Outside Audit & Supervisory Board Member	Makoto Katsura	15/15 (100%)	15/16 (93.8%)	Provided expert opinions based on his rich experience as a diplomat and his wide-ranging knowledge
Outside Audit & Supervisory Board Member	Mikinao Kitada	15/15 (100%)	16/16 (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 (assumed office on June 28, 2018)	10/11 (90.9%)	11/11 (100%)	Provided expert opinions based on his rich experience and his wide-ranging knowledge from attorney's professional perspective

(Note) In respect of status of attendance, Mr. Norio Henmi, Audit & Supervisory Board Member, only attended meetings of the Board of Directors and meetings of the Audit & Supervisory Board held after he assumed office on June 28, 2018.

4. Matters related to Accounting Auditors

(1) Name of the Accounting Auditor

PricewaterhouseCoopers Aarata LLC

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

Segment	Amount paid
Remuneration of the Company's Accounting Auditors	millions of yen 89
The amount required to be paid to Accounting Auditors by the Company and its consolidated subsidiaries	253
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 audit plan developed by the Accounting Auditors, the comparison between the audit plan and the actual results for the previous fiscal year, audit hours, and changes in the amount of remuneration.
 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 PricewaterhouseCoopers Aarata LLC for the preparation of a comfort letter in connection with 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]: Mori Shigyo Co., Ltd., 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., and Harta Packaging Industries Sdn. Bhd.

(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, 2019	As of March 31, 2018 (Ref.)
Assets		
Current assets		
Cash and deposits	78,756	50,357
Notes and accounts receivable–trade	334,852	325,373
Short-term investment securities	9,471	12,406
Merchandise and finished goods	101,940	96,658
Work in process	20,094	19,502
Raw materials and supplies	94,758	86,994
Short-term loans receivable	6,294	3,504
Accounts receivable–other	14,531	19,877
Other	14,603	11,894
Allowance for doubtful accounts	(1,838)	(1,511)
Total current assets	673,465	625,056
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	188,861	204,777
Machinery, equipment and vehicles	318,702	366,700
Tools, furniture and fixtures	4,914	5,313
Land	235,975	235,846
Forests	110,882	112,590
Standing timber	89,719	93,238
Lease assets	2,296	2,788
Construction in progress	33,404	35,389
Total property, plant and equipment	984,759	1,056,644
Intangible assets		
Goodwill	6,682	9,664
Other	9,903	11,626
Total intangible assets	16,586	21,290
Investments and other assets		
Investment securities	186,287	162,336
Long-term loans receivable	7,398	7,855
Long-term prepaid expenses	21,336	21,333
Net defined benefit asset	37,115	51,614
Deferred tax assets	10,732	2,820
Other	14,806	13,261
Allowance for doubtful accounts	(1,119)	(1,460)
Total investments and other assets	276,558	257,762
Total noncurrent assets	1,277,904	1,335,696
Total assets	1,951,369	1,960,753

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

	As of March 31, 2019	As of March 31, 2018 (Ref.)
Liabilities		
Current liabilities		
Notes and accounts payable–trade	253,929	248,490
Short-term loans payable	193,175	153,911
Commercial papers	3,000	1,000
Current portion of bonds	20,000	40,000
Accounts payable–other	16,705	16,062
Accrued expenses	48,912	49,560
Income taxes payable	17,941	9,320
Other	22,705	18,887
Total current liabilities	576,369	537,231
Noncurrent liabilities		
Bonds payable	70,000	60,000
Long-term loans payable	334,402	392,511
Deferred tax liabilities	62,486	67,182
Deferred tax liabilities for land revaluation	7,806	7,828
Net defined benefit liability	52,874	51,422
Long-term deposits received	7,728	7,929
Other	24,295	26,635
Total noncurrent liabilities	559,593	613,509
Total liabilities	1,135,963	1,150,741
Net assets		
Shareholders' equity		
Capital stock	103,880	103,880
Capital surplus	110,474	112,086
Retained earnings	413,023	377,801
Treasury stock	(13,753)	(14,465)
Total shareholders' equity	613,625	579,303
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	32,981	39,287
Deferred gains or losses on hedges	317	(170)
Revaluation reserve for land	5,816	5,835
Foreign currency translation adjustment	13,223	31,973
Remeasurements of defined benefit plans	11,428	17,412
Total accumulated other comprehensive income	63,767	94,338
Subscription rights to shares	222	246
Non-controlling interests	137,790	136,122
Total net assets	815,406	810,011
Total liabilities and net assets	1,951,369	1,960,753

Consolidated Statements of Income

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

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2018 (Ref.)
Net sales	1,550,991	1,485,895
Cost of sales	1,175,093	1,144,157
Gross profit	375,897	341,737
Selling, general and administrative expenses	265,685	270,955
Operating profit	110,212	70,781
Non-operating income		
Interest and dividends income	5,468	4,251
Equity in earnings of affiliates	12,593	521
Miscellaneous income	9,535	6,123
Total non-operating income	27,596	10,896
Non-operating expenses		
Interest expenses	6,419	6,924
Foreign exchange losses	4,046	607
Miscellaneous loss	8,973	8,187
Total non-operating expenses	19,439	15,719
Ordinary profit	118,370	65,958
Extraordinary income		
Gain on redemption of securities to retirement benefit trust	11,224	–
Gain on sales of investment securities	2,091	912
Gain on revision of retirement benefit plan	–	1,305
Other	2,175	5,439
Total extraordinary income	15,492	7,657
Extraordinary loss		
Impairment loss	34,141	2,364
Other	8,923	6,251
Total extraordinary losses	43,065	8,616
Income before income taxes and minority interests	90,797	64,999
Income taxes—current	31,227	17,794
Income taxes—deferred	(6,560)	3,836
Profit	66,130	43,368
Profit attributable to non-controlling interests	14,152	7,145
Profit attributable to owners of parent	51,977	36,222

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

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

	As of March 31, 2019	As of March 31, 2018 (Ref.)
Assets		
Current assets		
Cash and deposits	4,161	2,965
Operating accounts receivable	183	188
Real estate for sale Deferred tax assets	—	14
Short-term loans receivable	293,870	373,193
Accounts receivable—other	9,648	7,758
Other	129	147
Allowance for doubtful accounts	(1,943)	(1,340)
Total current assets	306,049	382,927
Noncurrent assets		
Property, plant and equipment		
Buildings	17,338	17,938
Structures	266	298
Machinery and equipment	329	151
Vehicles	0	0
Tools, furniture and fixtures	911	928
Land	42,640	42,766
Forests	15,642	15,642
Standing timber	22,288	22,299
Lease assets	10	1
Construction in progress	334	283
Total property, plant and equipment	99,761	100,309
Intangible assets		
Software	10	10
Other	58	61
Total intangible assets	69	71
Investments and other assets		
Investment securities	73,246	80,699
Stocks of subsidiaries and affiliates	557,249	531,617
Investments in capital	2	2
Investments in capital of subsidiaries and affiliates	8,717	7,156
Long-term loans receivable	6,516	34,409
Long-term prepaid expenses	906	1,111
Other	607	608
Allowance for doubtful accounts	(16)	(19)
Total investments and other assets	647,229	655,586
Total noncurrent assets	747,059	755,967
Total assets	1,053,109	1,138,895

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

	As of March 31, 2019	As of March 31, 2018 (Ref.)
Liabilities		
Current liabilities		
Short-term loans payable	240,560	243,014
Commercial papers	3,000	1,000
Current portion of bonds	20,000	40,000
Accounts payable–other	13,027	22,824
Accrued expenses	2,809	2,444
Income taxes payable	1,276	555
Other	1,328	1,305
Total current liabilities	282,002	311,144
Noncurrent liabilities		
Bonds payable	70,000	60,000
Long-term loans payable	320,070	380,373
Deferred tax liabilities	2,342	4,100
Provision for retirement benefits	2,092	2,497
Long-term deposits received	4,373	4,626
Other	2,509	2,421
Total noncurrent liabilities	401,388	454,019
Total liabilities	683,390	765,163
Net assets		
Shareholders' equity		
Capital stock	103,880	103,880
Capital surplus		
Capital reserve	108,640	108,640
Other capital surplus		
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	15,172	15,468
Reserve for overseas investment loss	–	17
General reserve	101,729	101,729
Retained earnings brought forward	4,069	3,995
Total retained earnings	145,618	145,857
Treasury stock	(14,013)	(14,005)
Total shareholders' equity	344,126	344,373
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	25,682	29,449
Deferred gains or losses on hedges	(312)	(338)
Total valuation and translation adjustments	25,369	29,111
Subscription rights to shares	222	246
Total net assets	369,718	373,731
Total liabilities and net assets	1,053,109	1,138,895

Non-consolidated Statements of Income

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

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2018 (Ref.)
Operating revenue	30,991	27,961
Operating expenses		
General and administrative expenses	13,741	15,764
Other	2,351	2,254
Operating profit	14,898	9,943
Non-operating income		
Interest and dividends income	4,898	6,021
Brand maintenance income	1,403	1,432
Miscellaneous income	222	800
Total non-operating income	6,524	8,254
Non-operating expenses		
Interest expenses	3,940	4,427
Foreign exchange losses	43	196
Brand maintenance expenses	1,683	1,417
Miscellaneous loss	1,600	882
Total non-operating expenses	7,268	6,924
Ordinary profit	14,154	11,272
Extraordinary income		
Gain on sales of investment securities	1,231	185
Other	22	3,811
Total extraordinary income	1,253	3,996
Extraordinary loss		
Loss on valuation of shares of subsidiaries and affiliates	2,493	97
Loss on sales of shares of subsidiaries and associates	748	1
Loss on sales of investment securities	505	0
Loss on valuation of investment securities	–	496
Other	347	28
Total extraordinary losses	4,095	623
Income before income taxes	11,312	14,645
Income taxes—current	742	1,835
Income taxes—deferred	(108)	226
Profit	10,678	12,584

Report on Audits

Certified Copy of the Accounting Auditor's Report

REPORT OF INDEPENDENT AUDITORS

May 10, 2019

To the Board of Directors of Oji Holdings Corporation

PricewaterhouseCoopers Aarata LLC

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

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

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

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the consolidated financial statements, that is, the consolidated balance sheets, the consolidated statements of income, the consolidated statement of changes in net assets, and the notes to consolidated financial statements of Oji Holdings Corporation (the "Company") applicable to the fiscal year from April 1, 2018 to March 31, 2019.

Responsibility of the Company's management for consolidated financial statements

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

Responsibility of independent auditors

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

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

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

Audit opinion

As a result of our audit, it is our opinion that the above consolidated financial statements properly present in all material respects the Company's financial position and the results of operations of the corporate group comprising Oji Holdings Corporation and its consolidated subsidiaries applicable to the year ended March 31, 2018 in accordance with accounting standards generally accepted in Japan.

Conflict of interest

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

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

REPORT OF INDEPENDENT AUDITORS

May 10, 2019

To the Board of Directors of Oji Holdings Corporation

PricewaterhouseCoopers Aarata LLC

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

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

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

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the financial statements, that is, the non-consolidated balance sheets, the statements of income, the non-consolidated statement of changes in net assets, the notes to non-consolidated financial statements, and the supplementary schedules of Oji Holdings Corporation (the "Company") applicable to the 95th business year from April 1, 2018 to March 31, 2019.

Responsibility of the Company's management for financial statements

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

Responsibility of independent auditors

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

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

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

Audit opinion

As a result of our audit, it is our opinion that the above financial statements and the supplementary schedules properly present in all material respects the Company's financial position and the results of operations of the Company applicable to the year ended March 31, 2018 in accordance with accounting standards generally accepted in Japan.

Conflict of interest

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

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

AUDIT REPORT OF THE AUDIT & SUPERVISORY BOARD

The Audit & Supervisory Board, having deliberated the issues based on the reports made by each Audit & Supervisory Board Member regarding the execution of duties by the Directors during the 95th business year from April 1, 2018 to March 31, 2019, prepared this Audit Report and hereby submits it as follows:

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

(1) The Audit & Supervisory Board established auditing policies, allocation of duties, and other relevant matters, and received reports from each Audit & Supervisory Board Member regarding his or her audits and results thereof, as well as received reports from the Directors, other relevant personnel, and Accounting Auditors regarding execution of their duties, and requested explanations as necessary.

(2) In accordance with the auditing policies, allocation of duties, and other relevant matters established by the Audit & Supervisory Board, each Audit & Supervisory Board Member endeavored to collect information, established auditing circumstances through communication with Directors, internal audit staff and other employees, and executed audits using the following method.

1) Audit & Supervisory Board Members attended the Board of Directors' meetings and other important meetings to receive reports regarding execution of duties from Directors, employees, etc. and requested explanations as necessary. Audit & Supervisory Board Members also inspected significant approved documents and examined the status of operations and financial position at its headquarters, etc. Furthermore, Audit & Supervisory Board Members received from subsidiaries their business reports as necessary through communication and information sharing with their Directors and Audit & Supervisory Board Members, and examined the status of operations and financial position at its principal offices, etc.

2) Audit & Supervisory Board Members monitored and verified the resolutions adopted by the Board of Directors regarding the establishment of the system for ensuring that the Directors' duties, which are a part of the business report and described in the Company's website in accordance with laws and regulations and the provisions of the Articles of Incorporation, are executed in conformity of laws and regulations, and the Articles of Incorporation of the Company, and the establishment of the system necessary to ensure proper business operations of a corporate group consisting of a stock company and its subsidiaries set forth in Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act, and the systems (Internal Control System) established in accordance with the resolution of the Board of Directors.

3) Audit & Supervisory Board Members reviewed the basic policy stipulated in Article 118, Item 3 (a) of the Ordinance for Enforcement of the Companies Act and the activities stipulated in (b) in the same Item, which are described in the Company's website, as stated in 2) above, based on the deliberations at the meetings of the Board of Directors and other meetings.

4) Audit & Supervisory Board Members also monitored and verified that Accounting Auditor maintains independence and conducts the audits appropriately. Audit & Supervisory Board Members also received reports of the status of the execution of duties from Accounting Auditor and requested explanations as necessary. In addition, Audit & Supervisory Board Members were informed of the arrangement of the "System for ensuring that the duties are executed appropriately" (matters stipulated in the items of Article 131 of the Corporate Accounting Rules) in accordance with "Standards for the Quality Control of Audits" (Business Accounting Council, October 28, 2005) from the Accounting Auditor and requested explanations as necessary.

In accordance with the procedures mentioned above, we reviewed the business report and its supplementary schedules, the financial statements (the balance sheet, statement of income, statement of changes in net assets and notes to the financial statements), and the supplementary schedules, as well as the consolidated financial statements (the consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets and notes to the consolidated financial statements), for the year ended March 31, 2018.

2. Results of Audit

(1) Results of audit of business report etc.

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

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

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

(3) Results of audit of consolidated financial statements

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

May 10, 2019

Audit & Supervisory Board of Oji Holdings Corporation

Audit & Supervisory Board Member (Standing)	Motokazu Ogata	(Seal)
Audit & Supervisory Board Member (Standing)	Tomihiko Yamashita	(Seal)
Audit & Supervisory Board Member	Makoto Katsura	(Seal)
Audit & Supervisory Board Member	Mikinao Kitada	(Seal)
Audit & Supervisory Board Member	Norio Henmi	(Seal)

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

(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 95TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

**The 95th term
(from April 1, 2018 to March 31, 2019)**

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, 2019

(as of March 31, 2019)

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) 2	24 (1,000 shares of common stock per unit)	Common stock 24,000 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) 2	30 (1,000 shares of common stock per unit)	Common stock 30,000 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) 2	30 (1,000 shares of common stock per unit)	Common stock 30,000 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) 5	90 (1,000 shares of common stock per unit)	Common stock 90,000 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) 7	143 (1,000 shares of common stock per unit)	Common stock 143,000 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) 7	114 (1,000 shares of common stock per unit)	Common stock 114,000 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) 10	184 (1,000 shares of common stock per unit)	Common stock 184,000 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

- All officers and employees of the Oji Group have been issued pocket-sized Oji Group Corporate Code of Conduct and Oji Group Behavior Standard, which specify the rules they are expected to follow, to ensure that these rules are fully known across the Group.
- In an effort to promote compliance awareness, the Corporate Compliance Department publishes and regularly distributes Compliance News mainly to the domestic Group companies, while Global Compliance News to the overseas Group companies, apart from the implementation of internal training sessions as appropriate, on the subject of compliance and 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.
- The Group Bribery Prevention Regulations have been established, under which a preventative structure and measures against bribery is being further enhanced by encouraging awareness-raising through education and training within the Group.
- Business ethics helpline system is in place for preventing legal violations or improprieties, and promptly detecting/correcting them, where two contact points, one inside the Company and the other outside the Company (an attorney's office) have been established, which are open to consultation and reporting by all officers and employees of the Group.

(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 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 five (5) members composed of two (2) Standing Audit & Supervisory Board Members and three (3) Outside Audit & Supervisory Board Members (until Mr. Norio Henmi was appointed as an Outside Audit & Supervisory Board Member on June 28, 2018, it comprised four [4] members composed of two [2] Standing Audit & Supervisory Board Members and two [2] Outside Audit & Supervisory Board Members), held 16 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.

- 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 93rd Ordinary General Meeting of Shareholders held on June 29, 2017, 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. 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, in order for the Group to enhance both corporate value and the shareholders’ common interests, it is necessary to carry out the Group’s management strategy basic policies “Expansion of Overseas Businesses,” “Concentration and Advancement of Domestic Businesses” and “Enhancement of Financial Foundation” from a medium- and long-term perspective. 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" on page 25 of the Business Report of the NOTICE OF THE 95TH 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 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. 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 Board of Directors of the Company also has a policy of taking certain measures when it is clear that the large-scale purchase will cause damage from which it will be difficult for the Company to recover or in cases where the interests of the Company's shareholders as a whole will suffer significant damage.

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

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

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

[3] Policies in the event of a large-scale purchase

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

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

With respect to concrete countermeasures, measures deemed appropriate at that time shall be selected. An outline of the case where subscription rights to shares are issued based on a shareholder allotment as a concrete countermeasure shall, as a general 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)

(iii) When the proposed large-scale purchase falls under any the following [1] to [3], thereby involving the 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:

[1] The management policy, business plan, etc., to be adopted after the large-scale purchaser acquires the control of the Company are extremely irrational or inappropriate;

[2] It is objectively probable that a significant problem will arise in relation to environmental preservation, compliance, or the transparency of governance with respect to the management policy, business plan, etc., to be adopted after the large-scale purchaser acquires the control of the Company; or

[3] It is objectively probable that the disclosure of information about the large-scale purchaser will be insufficient and inappropriate from the perspective of the protection of the shareholders of the Company.

(c) Suspension after implementation of countermeasure

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

Directors judges, having considered the recommendation of the special committee, that the implementation of countermeasures is inappropriate, the gratis allotment of subscription rights to shares may be suspended during the period up to the effective date of the subscription rights to shares or, during the period after the gratis allotment of the subscription rights to shares up to the start of their exercise period, the Company may acquire the subscription rights to shares without consideration and suspend the implementation of the countermeasures.

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

(d) Establishment of special committee and investigation thereby

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

When a decision is made to implement countermeasures, to or not to hold a general meeting of shareholders to confirm the shareholders' intent, or to suspend the implementation of countermeasures, the Board of Directors shall always consult with the special committee and receive its recommendation. The special committee may, at the expense of the Company, obtain the advice of third parties (including financial advisors, certified public accountants, attorneys, consultants and other experts) who are independent from the management team of the Company, or request the attendance of the Company's Directors, Audit & Supervisory Board Members, employees, etc. at meetings of the special committee and request explanations concerning necessary information. The special committee shall deliberate and form resolutions and, based on the contents of those resolutions, present their recommendation to the Board of Directors of the Company. When judging whether to implement countermeasures, whether to hold a general meeting of shareholders to confirm the shareholders' intent in determining whether to take such countermeasures and whether to suspend the implementation of countermeasures, the Board of Directors shall give maximum respect to the special committee's recommendation. A summary of the rules of the special committee 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 solely on the grounds that the large-scale purchase falls under the categories listed in [3] (b) (iii) above, a general meeting of shareholders to confirm the shareholders' intent shall always be held to confirm the intent of the shareholders regarding whether to implement countermeasures unless it is extremely difficult to hold such a meeting. In conjunction with the holding of a general meeting of shareholders to confirm the shareholders' intent, the Board of Directors of the Company may also solicit the

shareholders of the Company on the exercise of voting rights at the general meeting of shareholders to confirm the shareholders' intent in order to prevent damage to the corporate value and the common interests of shareholders of the Company. The convocation procedure and the voting methods of the general meeting of shareholders to confirm the shareholders' intent shall be the same as those of the ordinary or extraordinary general meeting of shareholders, which are based on laws and regulations and the Articles of Incorporation of the Company, and the Board of Directors of the Company shall obey the resolution of the general meeting of shareholders to confirm the shareholders' intent on whether to implement countermeasures.

[4] Impacts on shareholders and investors of the Company

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

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

Even though a resolution has once been passed for the gratis allotment of subscription rights to shares, there may be cases where the Company, in accordance with [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

Since the approval of the shareholders was obtained at the 93rd Ordinary General Meeting of Shareholders held on June 29, 2017, 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. In the event that the Board of Directors of the Company determines to continue the Policy, an announcement to that effect will be promptly made. The Board of Directors of the Company also intends, from the perspective of protecting the interests of shareholders as a whole, to occasionally reassess the Policy as needed in consideration of development and revisions to relevant laws and regulations including the

Companies Act and the Financial Instruments and Exchange Act.

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

- (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] The Policy satisfies 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

As stated in the "Purpose of Introducing the Policy" in (3) [1] above, 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

As stated in the "Policies in the event of a large-scale purchase" described in (3) [3] above, 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

As described in (3) [5] "Effective term of the Large-Scale Purchase Rules" above, 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 2014	Director, the Company (to the present)

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

Nobuaki Terasaka

(Date of birth: April 9, 1953)

Brief history

April 1976	Joined Ministry of International Trade and Industry
July 2009	Director-General, Nuclear and Industrial Safety Agency
August 2011	Retired from office
June 2015	Director, the Company (to the present)

* Mr. Nobuaki Terasaka 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	Audit & Supervisory Board Member of the Company (to the present)

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

Consolidated Statement of Changes in Net Assets
(Fiscal year ended March 31, 2019)

(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	112,086	377,801	(14,465)	579,303
Changes of items during the period					
Dividends from surplus			(10,900)		(10,900)
Profit attributable to owners of parent			51,977		51,977
Purchase of treasury stock				(50)	(50)
Disposal of treasury stock		(15)		41	25
Change in equity-treasury stock				68	68
Change of scope of consolidation			273		273
Transfer from retained earnings to capital surplus		15	(15)		—
Change in ownership interest of parent due to transactions with non-controlling shareholders		(1,611)			(1,611)
Change of scope of equity method			(6,130)	651	(5,479)
Reversal of revaluation reserve for land			18		18
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	(1,611)	35,222	711	34,321
Balance at the end of current period	103,880	110,474	413,023	(13,753)	613,625

	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	39,287	(170)	5,835	31,973	17,412	94,338	246	136,122	810,011
Changes of items during the period									
Dividends from surplus									(10,900)
Profit attributable to owners of parent									51,977
Purchase of treasury stock									(50)
Disposal of treasury stock									25
Change in equity-treasury stock									68
Change of scope of consolidation									273
Transfer from retained earnings to capital surplus									—
Change in ownership interest of parent due to transactions with non-controlling shareholders									(1,611)
Change of scope of equity method									(5,479)
Reversal of revaluation reserve for land									18
Net changes of items other than shareholders' equity	(6,306)	487	(18)	(18,749)	(5,983)	(30,570)	(24)	1,668	(28,926)
Total changes of items during the period	(6,306)	487	(18)	(18,749)	(5,983)	(30,570)	(24)	1,668	5,395
Balance at the end of current period	32,981	317	5,816	13,223	11,428	63,767	222	137,790	815,406

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: 190

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 6 companies into the scope of consolidation as of the current fiscal year. The primary reasons for this were as follows: New establishments (6 companies). 5 companies have also been excluded from the scope of consolidation due to the reorganization of subsidiaries, etc.

(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

Main non-consolidated subsidiaries under the equity method include:

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 two companies have been newly added to the scope of accounting for using the equity method and one company has been excluded from this scope 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 Oceania Management (NZ) Ltd., Oji Fibre Solutions (NZ) Ltd. and other 81 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

(i) 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) 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 consolidated balance sheet date. The translation differences are recorded within foreign currency translation adjustment and non-controlling interests under net assets.

(5) 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 denominated in foreign currencies
Interest rate and currency swaps	Loans payable denominated in foreign currencies
Interest rate swaps	Borrowings and loans
Commodity swaps	Electricity and heavy oil

(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.

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

(i) 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:

- a) 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.
- b) 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 (12-19 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).
- c) 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.

(ii) Accounting treatment for consumption taxes

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

(iii) Application of consolidated taxation system

Consolidated taxation system is applied.

(iv) 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.

5. Change in accounting policy

(IFRS 15 Revenue from contracts with customers)

Subsidiaries in the Group adopting IFRS have applied IFRS 15 “Revenue from contracts with customers from the beginning of current fiscal year. Financial impact from this accounting standard on the consolidated financial statements is considered immaterial.

6. Change in presentation

(Consolidated Balance Sheets)

The Group has applied the “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018) and relevant Guidances effective from the beginning of the fiscal year ended March 31, 2019. Accordingly, deferred tax assets (if any) were presented under “Investments and other assets” and deferred tax liabilities (if any) were presented under “Noncurrent liabilities.”

“Provision for loss on litigation” in Noncurrent liabilities separately disclosed last fiscal year is included in “Other (591 million yen)” due to the immateriality in the current fiscal year.

(Consolidated Statements of Income)

“Insurance income” in Non-operating income separately disclosed last fiscal year is included in “Miscellaneous income (1,431 million yen)” due to the immateriality in the current fiscal year.

“Gain on sale of noncurrent assets” in Extraordinary income separately disclosed last fiscal year is included in “Other (185 million yen)” due to the immateriality in the current fiscal year.

“Loss on retirement of noncurrent assets” and “Loss on disaster” in Extraordinary losses separately disclosed last fiscal year is included in “Other (1,933 million yen and 3,716 million yen, respectively)” due to the immateriality in the current fiscal year.

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	3,537
Notes and accounts receivable–trade	3,267
Merchandise and finished goods	2,209
Short-term loans receivable	4,630
Buildings and structures	10,133
Machinery, equipment and vehicles	9,593
Land	13,223
Standing timber	18,859
Investment securities	926
Long-term loans receivable	120
(including the amount scheduled to be collected within one year)	
Other	6,855
Total	<u>73,357</u>

Of the above, the following amounts have been eliminated in the consolidated balance sheets: within the short-term loans receivable, 4,630 million yen of loans receivable from consolidated subsidiaries, within the investment securities, 319 million yen of investments in consolidated subsidiaries, and within the long-term loans receivable, 120 million yen of loans receivable from consolidated subsidiaries.

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

Short-term loans payable	3,795
Long-term loans payable	2,205
Notes and accounts payable–trade	400
Total	<u>6,400</u>
2. Accumulated depreciation of property, plant and equipment (millions of yen)	2,586,000
	(including the amount of accumulated impairment loss)
3. Guarantee obligations (millions of yen)	
Tokyo Branch of Forest Corporation	7,918
PT. Korintiga Hutani	7,103
Other	1,496
Total	<u>16,518</u>
4. Notes discounted (millions of yen)	13,631
Notes receivable endorsed	849
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. Equity in earnings of affiliates

In conjunction with the application of the equity method to Mitsubishi Paper Industries, Ltd., due to the issuance of new shares by third-party allotment from Mitsubishi Paper Industries Co., Ltd. (hereinafter “Mitsubishi Paper Industries”) and the acquisition of Mitsubishi Paper Industries’ shares from existing shareholders, negative goodwill amounting to 10,884 million yen is included

2. Gain from refunded retirement benefit trust assets

Certain consolidated subsidiaries received partial refunds from retirement benefit trust assets due to retirement benefit trust assets far exceeding retirement benefit obligations and the funding situation is expected to be remaining the same for the foreseeable future. Thus, entire amount of unrecognized actuarial gain corresponding to the refunded amount of retirement benefit trust assets is recognized immediately.

3. Impairment loss

Impairment loss is recognized for mainly the following asset groups.

Use	Location	Impairment loss (millions of yen)	Type
Paper Business assets for Oji Paper Co., Ltd.	Tokushima, Tottori, and Aichi Prefectures etc.	29,603	Buildings, Machinery and equipment etc.

In the case of business assets, the Group classifies assets by rental property units and individual property units in leased real estate and idle assets, based on the smallest unit that generates almost independent cash flows based on business categories.

In the current fiscal year, asset groups whose operating income continues to be negative and idle assets where the market value declines significantly are subject to the impairment test, and the book value is reduced to the recoverable amount for items whose recoverable value falls below the book value. The reduced amount of 35,269 million yen is recorded as impairment loss in Extraordinary loss.

The breakdown of the losses are buildings and structures of 7,657 million yen, machinery, equipment and vehicles of 26,877 million yen, and other of 735 million yen, of which 1,127 million yen is recorded in Extraordinary loss as other.

As a result of careful review of recoverability of Paper Business assets in the group based on future conservative revenue estimate taking current business environment into account, it is expected that the recoverable amount of the asset is considered to be lower than that of book value, the usage value is recognized as recoverable amount and the impairment loss is recorded accordingly.

If the recoverable amount of the asset is based on the net realizable value, the asset is valued by the real estate appraisal method and the like. If the recoverable amount of the asset is based on usage value, it is calculated based on discounted future cash flow using 4.8% to 8.2% rate.

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 24,762,066

(Note) Included within the number of common stock in treasury stock as of the end of the current fiscal year, are 1,181,416 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 11, 2018	Common stock	4,955	5.0	March 31, 2018	June 6, 2018
Board of Directors' Meeting held on November 1, 2018	Common stock	5,945	6.0	September 30, 2018	December 3, 2018

(Notes) 1. Included within the total dividend amount for which a resolution was passed at a Board of Directors' Meeting held on May 11, 2018, is a dividend amount of 5 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 1, 2018, is a dividend amount of 7 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, 2019	Common stock	5,946	Retained earnings	6.0	March 31, 2019	June 5, 2019

(Note) Included within the total dividend amount is a dividend amount of 7 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 655,000

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:

- Foreign exchange forward contracts, currency options and currency swaps to hedge foreign exchange fluctuation risk related to operating debts/credits, loans payable, etc. denominated in foreign currencies,
- 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, 2019 (the consolidated account closing date for the current fiscal year).

(Millions of yen)

	Consolidated balance sheet amount	Fair value	Difference
(1) Cash and deposits	78,756	78,756	–
(2) Notes and accounts receivable–trade	334,852		
(3) Short-term loans receivable	6,294		
Allowance for doubtful accounts (*1)	(1,836)		
	339,310	339,310	–
(4) Long-term loans receivable	7,398		
Allowance for doubtful accounts (*2)	(1,112)		
	6,286	6,474	188
(5) Short-term investment securities and investment securities			
(i) Held-to-maturity debt securities	6,828	6,828	–
(ii) Stocks of affiliates	35,648	13,911	(21,737)
(iii) Available-for-sale securities	114,222	114,222	–
Total assets	581,052	559,502	(21,549)
(1) Notes and accounts payable–trade	253,929	253,929	–
(2) Short-term loans payable	112,673	112,673	–
(3) Commercial papers	3,000	3,000	–
(4) Bonds payable	90,000	91,201	1,201
(5) Long-term loans payable	414,904	422,965	8,060
Total liabilities	874,507	883,769	9,261
Derivative transactions (*3)	808	808	–

- (*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, (2) Short-term loans payable and (3) Commercial papers

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: 80,502 million yen) is included in “(5) Long-term loans payable.”

(4) 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). The bonds payable includes the current portion (the consolidated balance sheet amount: 20,000 million yen).

(5) 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: 80,502 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 (5) Long-term loans payable above).

Note 2: Regarding non-listed stocks and investments in capital (the consolidated balance sheet amount: 39,060 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 “(5) Short-term investment securities and investment securities.”

Notes on Investment and Rental Property

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

Notes on Per Share Information

1. Net assets per share	684.50 yen
2. Profit per share	52.52 yen

(Calculated from the weighted average number of common shares during the period)

Non-consolidated Statement of Changes in Net Assets

(Fiscal year ended March 31, 2019)

(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	Reserve for overseas investment loss	General reserve	Retained earnings brought forward			
Balance at the beginning of current period	103,880	108,640	–	108,640	24,646	15,468	17	101,729	3,995	145,857	(14,005)	344,373
Changes of items during the period												
Reversal of reserve for advanced depreciation of noncurrent assets						(295)			295	–		–
Reversal of reserve for overseas investment loss							(17)		17	–		–
Dividends from surplus									(10,900)	(10,900)		(10,900)
Profit									10,678	10,678		10,678
Purchase of treasury stock											(50)	(50)
Disposal of treasury stock			(16)	(16)							42	25
Transfer from retained earnings to capital surplus			16	16					(16)	(16)		–
Net changes of items other than shareholders' equity												
Total changes of items during the period	–	–	–	–	–	(295)	(17)	–	73	(239)	(7)	(247)
Balance at the end of current period	103,880	108,640	–	108,640	24,646	15,172	–	101,729	4,069	145,618	(14,013)	344,126

	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	29,449	(338)	29,111	246	373,731
Changes of items during the period					
Reversal of reserve for advanced depreciation of noncurrent assets					–
Reversal of reserve for overseas investment loss					–
Dividends from surplus					(10,900)
Profit					10,678
Purchase of treasury stock					(50)
Disposal of treasury stock					25
Transfer from retained earnings to capital surplus					–
Net changes of items other than shareholders' equity	(3,766)	25	(3,741)	(24)	(3,765)
Total changes of items during the period	(3,766)	25	(3,741)	(24)	(4,012)
Balance at the end of current period	25,682	(312)	25,369	222	369,718

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:

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.

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.

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.

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.

4. Hedge accounting method

Designated exceptional accounting (*tokurei-shori*) is applied to interest rate swaps qualifying for such exceptional accounting. Integration accounting (*ittai-shori*) is applied to interest rate and currency swaps qualifying for such integration accounting (*tokurei-shori* and *furiate-shori*).

5. Other important matters forming the basis of preparation of financial statements

Accounting treatment for retirement benefits:

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.

Accounting treatment for consumption taxes:

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

Application of consolidated taxation system:

Consolidated taxation system is applied.

6. Change in presentation

(Changes due to Application of “Partial Amendments to Accounting Standard for Tax Effect Accounting” and relevant Guidances)

The Group has applied the “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018) and relevant Guidances effective from the beginning of the fiscal year ended March 31, 2019. Accordingly, deferred tax assets (if any) were presented under “Investments and other assets” and deferred tax liabilities (if any) were presented under “Noncurrent liabilities.”

(Non-consolidated Financial Statements)

“Accounts payable –trade” (31 million yen) and “Lease obligations” (3 million yen as of current fiscal year end) in Current liabilities and “Lease obligations” (7 million yen as of current fiscal year end) in Noncurrent liabilities separately disclosed last fiscal year are included in “Other” due to the immateriality in the current fiscal year.

(Non-consolidated Statements of Income)

“Gain on sale of noncurrent assets” in Extraordinary income separately disclosed last fiscal year is included in “Other (1 million yen)” due to the immateriality in the current fiscal year.

Due to the increased materiality, “Loss on sales of shares of subsidiaries and associates” included in “Other” under Extraordinary loss in the prior fiscal year is separately reported in the current fiscal year.

The amount of “Loss on sales of shares of subsidiaries and associates” last fiscal year was 1 million yen.

Due to its increased materiality, “Loss on sales of investment securities” included in “Other” last fiscal year is separately disclosed in the current fiscal year. “Loss on sale of Investment securities” was 0 million yen last fiscal year.

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	309
Long-term loans receivable	120
(including the amount scheduled to be collected within one year)	
Total	<u>589</u>
(2) Obligations related to collateral (millions of yen)	
Long-term loans payable	1,449
(including the amount scheduled to be paid within one year)	
2. Accumulated depreciation of property, plant and equipment (millions of yen)	53,437
(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	302,523
Long-term monetary receivables from subsidiaries and affiliates	6,582
Short-term monetary payables to subsidiaries and affiliates	118,610
Long-term monetary payables to subsidiaries and affiliates	4
4. Guarantee obligations, etc. (millions of yen)	
Jiangsu Oji Paper Co., Ltd.	26,365
PT. Korintiga Hutani	7,103
GS Paperboard & Packaging	4,538
Other	4,250
Total	<u>42,259</u>

Notes to Non-consolidated Statements of Income

1. Volume of transactions with subsidiaries and affiliates (millions of yen)	
Operating revenue	30,088
Of which business advisory fee income	14,620
Of which dividends income	12,357
Other	3,110
Operating expenses	10,351
Transaction volume–non-trading	5,627

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 24,551,107

(Note) Included within the number of common stock in treasury stock as of the end of the current fiscal year are 1,181,416 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	8,703
Other	3,466
Subtotal	<u>27,265</u>
Valuation allowance	<u>(11,602)</u>
Total deferred tax assets	<u>15,662</u>

Deferred tax liabilities	(millions of yen)
Valuation difference on available-for-sale securities	(11,176)
Reserve for advanced depreciation of noncurrent assets	(6,696)
Other	(132)
Total deferred tax liabilities	<u>(18,005)</u>

Net amount of deferred tax liabilities (2,342)

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)	(12,500)	Short-term loans receivable	41,818
				Financing relationship	Business advisory fee (Note 2)	4,551	—	—
Consolidated subsidiary	Mori Shigyo Co., Ltd.	Indirect: 100.0	Concurrent appointment by directors of the Company	Business advisory services Financing relationship	Borrowing of funds (increase in the balance) (Note 1)	1,900	Short-term loans payable	17,300
Consolidated subsidiary	Oji F-Tex 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)	469	Short-term loans receivable	15,114
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)	(2,147)	Short-term loans receivable	20,185
Consolidated subsidiary	Oji Paper 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)	(79,453)	Short-term loans receivable	119,771
					Borrowing of funds (decrease in the balance) (Note 1)	(54,057)	Short-term loans payable	16,445
					Business advisory fee (Note 2)	3,908	—	—
					Interest income (Note 1)	1,223	—	—

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 Nepia 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)	3,858	Short-term loans receivable	16,089
Consolidated subsidiary	Oji Management Office Inc.	Direct: 100.0	Concurrent appointment by directors of the Company	Financing relationship Outsourcing indirect services	Personnel expenses (Note 3)	3,546	—	—
					Outsourcing fees (Note 4)	2,610	—	—
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
Consolidated subsidiary	Japan Brazil Paper and Pulp Development Ltd.	Direct: 56.0 Indirect: 0.3	—	Financing relationship	Borrowing of funds (increase in the balance) (Note 1)	2,580	Short-term loans receivable	11,860

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 373.29 yen
 2. Profit per share 10.79 yen
- (Calculated from the weighted average number of common shares during the period)

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.