

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

Securities Code: 3861  
June 6, 2022

## NOTICE OF THE 98TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholder:

We are pleased to announce the 98th Ordinary General Meeting of Shareholders of Oji Holdings Corporation (the “Company”), which will be held on Wednesday, June 29, 2022, at 10:00 a.m., Japan Standard Time (The reception desk is scheduled to open at 9:00 a.m.), at its Headquarters, 7-5, Ginza 4-chome, Chuo-ku, Tokyo, Japan.

In order to prevent the spread of COVID-19, **we request shareholders to refrain from attending on the day of the meeting in person.** Instead, please review the attached Reference Documents for the General Meeting of Shareholders, and **exercise your voting rights in advance by mailing the enclosed voting form or via the Internet, etc.**, following the “Instruction for Exercising Voting Rights” described on page 3.

**<Deadline>**

**By mailing the voting form: Tuesday, June 28, 2022 at 5:30 p.m.**

**Via the Internet, etc.: Tuesday, June 28, 2022 at 5:30 p.m.**

Sincerely yours,

Hiroyuki Isono,  
Representative Director of the Board  
President and Group CEO  
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 98th term (from April 1, 2021 to March 31, 2022); 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 98th term (from April 1, 2021 to March 31, 2022)

### **Items to Be Resolved:**

**Item 1: Partial Amendments to the Articles of Incorporation**

**Item 2: Election of Twelve (12) Directors**

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

## Instruction for Exercising Voting Rights

### How to Exercise Your Voting Rights

As the exercise of voting rights in the General Meeting of Shareholders is an important right for all shareholders to participate in the management of the Company, please review the attached Reference Documents for the General Meeting of Shareholders (on pages 7 to 26) and exercise your voting rights. You may exercise your voting rights by the following methods.

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

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

Please present the enclosed voting form at the reception desk.

Also, please bring Notice of Convocation of the 98th Ordinary General Meeting of Shareholders (this document) to the meeting.

Date and time of the meeting: **Wednesday, June 29, 2022, at 10:00 a.m. Japan Standard Time**  
(The reception desk is scheduled to open at 9:00 a.m.)

- **If you do not attend the General Meeting of Shareholders:**

1. To exercise your voting rights in writing:

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

Deadline: **Tuesday, June 28, 2022 at 5:30 p.m. Japan Standard Time**

2. To exercise your voting rights via the Internet, etc.:

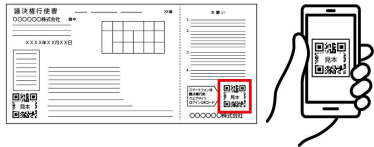

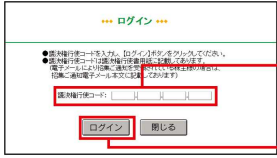
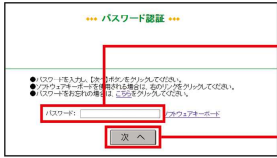
Please confirm the following items stated below, and use a personal computer or a smartphone to exercise your voting rights by the deadline. Please see the following page for details.

Deadline: **Tuesday, June 28, 2022 at 5:30 p.m. Japan Standard Time**

### Notes:

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

## How to exercise your voting rights via the Internet, etc.

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

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

- If you exercise your voting rights online, etc. more than once, the last exercise of your voting rights will prevail.
- 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.

- 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.
- 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.

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

Dedicated Phone Line of Stock Transfer Agency “Web Support,” Sumitomo Mitsui Trust Bank, Limited  
Telephone: 0120 (652) 031 (toll free, Japan only) (Calling hours: 9:00 a.m. to 9:00 p.m.)

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#### Information on the day of the General Meeting of Shareholders

1. When attending the meeting in person, please present the enclosed voting form at the reception desk.
2. 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.
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.
4. Please note that the Company's Officers and staff will be dressed in Cool Biz style on the day.
5. Courtesy gifts will not be provided. We appreciate your understanding.

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#### Measures to Prevent the Spread of COVID-19 at the General Meeting of Shareholders

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

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

1. The General Meeting of Shareholders will be live-streamed over the Internet so that shareholders will be able to watch the proceedings at your home or other locations. Please see the enclosed Instruction for Live Stream of the 98th Ordinary General Meeting of Shareholders for details.
2. Since watching live streaming is not recognized as participating in the General Meeting of Shareholders under the Companies Act, shareholders will not be able to participate in the resolution on the day. Concerning voting rights, please exercise the voting rights beforehand in accordance with the Instruction for Exercising Voting Rights on page 3. Furthermore, please note that shareholders watching the live streaming will not be able to make any comments, including questions.

[Note]

If future developments of the situation of infections, etc. necessitate a major change in the ways such as live-streaming the General Meeting of Shareholders will be run, shareholders will be informed via the Company's Internet website. The Company's website (<https://www.ojiholdings.co.jp/>)

## REFERENCE DOCUMENTS FOR THE GENERAL MEETING OF SHAREHOLDERS

### Agenda Items and References

#### Item 1: Partial Amendments to the Articles of Incorporation

##### 1. Reasons for the amendments

The amended provisions stipulated in the proviso to Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) will be enforced on September 1, 2022. Accordingly, in order to prepare for the introduction of the system for providing general shareholder meeting materials in electronic format, the Articles of Incorporation of the Company shall be amended as follows.

- (1) The proposed Article 15, Paragraph 1 provides that information contained in the reference documents for the general meeting of shareholders, etc. shall be provided electronically.
- (2) The purpose of the proposed Article 15, Paragraph 2 is to establish a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
- (3) The provisions related to the deemed provision of the reference documents for the general meeting of shareholders, etc. through Internet disclosure (Article 15 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.
- (4) In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. shall be established.

##### 2. Details of amendments

The details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed amendments
<p><u>(Deemed Provision of the Reference Documents for the General Meeting of Shareholders, etc. through Internet Disclosure)</u></p> <p><u>Article 15 The Company may, when convening a general meeting of shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference documents for the general meeting of shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the internet in accordance with the provisions provided in the Ordinance of the Ministry of Justice.</u></p> <p>&lt;Newly established&gt;</p>	<p>&lt;Deleted&gt;</p> <p><u>(Measures for Electronic Provision, etc.)</u></p> <p><u>Article 15 The Company shall, when convening a general meeting of shareholders, provide information contained in the reference documents for the general meeting of shareholders, etc. electronically.</u></p>

Current Articles of Incorporation	Proposed amendments
<p>&lt;Newly established&gt;</p>	<p style="text-align: center;"><u>2. Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p> <p><u>(Supplementary Provisions)</u></p> <p><u>1. The deletion of Article 15 (Deemed Provision of the Reference Documents for the General Meeting of Shareholders, etc. through Internet Disclosure) of the current Articles of Incorporation and the proposed Article 15 (Measures for Electronic Provision, etc.) shall come into effect on September 1, 2022, the date of enforcement of the amended provisions stipulated in the proviso to Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the “Effective Date”).</u></p> <p><u>2. Notwithstanding the provisions of the preceding paragraph, Article 15 of the current Articles of Incorporation shall remain in force with respect to a general meeting of shareholders to be held on a date within six months from the Effective Date.</u></p> <p><u>3. These supplementary provisions shall be deleted after the lapse of six months from the Effective Date or the lapse of three months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u></p>



## Item 2: Election of Twelve (12) Directors

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

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

The current areas of responsibility of the below candidates for Director within the Company are listed on page 53.

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

### Candidates for Director

No.	Name	Attributes of the Candidate	Positions in the Company	Number of attendance at meetings of the Board of Directors
1	Masatoshi Kaku	Reelection	Representative Director and Chairman of the Board	14/14 (100%)
2	Hiroyuki Isono	Reelection	Representative Director of the Board, President and Group CEO	14/14 (100%)
3	Fumio Shindo	Reelection	Director of the Board and Senior Executive Officer	14/14 (100%)
4	Kazuhiko Kamada	Reelection	Director of the Board and Senior Executive Officer	14/14 (100%)
5	Shigeki Aoki	Reelection	Director of the Board and Executive Officer	14/14 (100%)
6	Akio Hasebe	New election	Executive Officer	
7	Takayuki Moridaira	New election	Executive Officer	
8	Yuji Onuki	New election	Executive Officer	
9	Michihiro Nara	Reelection Outside director Independent director	Director of the Board	14/14 (100%)
10	Sachiko Ai	Reelection Outside director Independent director	Director of the Board	14/14 (100%)
11	Seiko Nagai	Reelection Outside director Independent director	Director of the Board	10/10 (100%)
12	Hikomichi Ogawa	New election Outside director Independent director		

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

<b>No. 1</b>  <b>Reelection</b>  <b>Masatoshi Kaku</b> (January 2, 1956)  	April 1978 April 2011 April 2012 October 2012 June 2013 April 2019 April 2022	Joined the former Nippon Pulp Industry Co., Ltd. Corporate Officer, the Company Executive Officer, the Company Executive Officer, the Company Director of the Board and Executive Officer, the Company Representative Director of the Board, President and CEO, the Company Representative Director and Chairman of the Board, the Company (to the present)
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Number of the Company shares owned:	58,220
Term of office as a director (as of the conclusion of this Meeting):	9 years
Number of attendance at meetings of the Board of Directors:	14/14 (100%)

- ▶ **Reasons for selecting as a candidate for director**  
 He has a wealth of experience and track record in the areas of engineering, functional materials business, and research and development in the Company as well as the Group companies. He strived to consolidate an earnings base with more than 100 billion yen in operating profit as Representative Director of the Board, President and CEO from 2019, and as Representative Director and Chairman of the Board since 2022, he has been responsible for the Company's management, including efforts to improve corporate governance and further strengthen the management foundation. In view of the aforementioned, he has been selected as candidate for Director on an ongoing basis, as he is expected to contribute to the Group's sustainable growth and medium- to long-term enhancement of its corporate value.
  
- ▶ **Other special notes**
  - ▶ There is no special interest between Mr. Masatoshi Kaku and the Company.

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

<b>No. 2</b>  <b>Hiroyuki Isono</b> (May 20, 1960)  	Reelection	April 1984	Joined the Company
		October 2012	Director of the Board, Oji Management Office Inc.
		April 2014	Corporate Officer, the Company
		June 2015	Director of the Board and Executive Officer, the Company
		April 2021	Director of the Board and Senior Executive Officer, the Company
		April 2022	Representative Director of the Board, President and Group CEO, the Company (to the present)

Number of the Company shares owned:	57,572
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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:	14/14 (100%)
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▶ Reasons for selecting as a candidate for director

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

He was involved in running the Company, as part of its management team, and also serving as General Manager, Corporate Governance Div. as well as President of Oji Management Office Inc., contributing, in such capacity, to the development of a corporate governance system that meets the needs of the times at the Company and Group companies and the planning and promoting of strategic business development to achieve the Medium-term Management Plan from 2021. As Representative Director of the Board, President and Group CEO starting in 2022, he is leading the development of a new Medium-term Management Plan to sustainably enhance the corporate value of the Group.

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

▶ Other special notes

▶ There is no special interest between Mr. Hiroyuki Isono and the Company.

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

<b>No. 3</b>  <b>Fumio Shindo</b> (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	
	June 2019	Director of the Board and Executive Officer, the Company	
	April 2021	Director of the Board and Senior Executive Officer, the Company (to the present)	

▶ Significant concurrent positions

- President, Oji Engineering Co., Ltd.

Number of the Company shares owned: 20,187

Term of office as a director (as of the conclusion of this Meeting): 3 years

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

▶ Reasons for selecting as a candidate for director

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

He is involved in running the Company, as part of its management team, and also currently serving as General Manager of Corporate Sustainability Division, contributing, in such capacity, to the promotion of sustainable business models, including climate change countermeasures and sustainable forest management, as well as serving as President of the Printing and Communications Media Company, contributing, in such capacity, to the promotion of business deepening and growth and rebuilding production systems to meet changing demand.

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

▶ Other special notes

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

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

<b>No. 4</b>  <b>Kazuhiko Kamada</b>  (February 7, 1960)	Reelection	May 2013	Joined Oji Management Office Inc.
		April 2014	President and Representative Director, Oji Forest & Products Co., Ltd.
		January 2015	Corporate Officer, the Company
		June 2015	Director of the Board and Executive Officer, the Company
		April 2022	Director of the Board and Senior Executive Officer, the Company (to the present)



- ▶ Significant concurrent positions
  - President, Celulose Nipo-Brasileira S.A.

Number of the Company shares owned:	47,300
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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:	14/14 (100%)
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- ▶ Reasons for selecting as a candidate for director
 

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

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

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

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

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

<b>No. 5</b>  <b>Shigeki Aoki</b> (August 1, 1961)	Reelection	April 1984	Joined the former Honshu Paper Co., Ltd.
		April 2016	Corporate Officer, General Manager, Sales Division, Oji F-Tex Co., Ltd.
		April 2017	Director and Corporate Officer, General Manager, Sales Division, Oji F-Tex Co., Ltd.
		April 2019	Corporate Officer, the Company
		June 2020	Director of the Board and Executive Officer, the Company (to the present)



▶ Significant concurrent positions

- President, Oji Functional Materials Progressing Center Inc.

Number of the Company shares owned:	47,369
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Term of office as a director (as of the conclusion of this Meeting):	2 years
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Number of attendance at meetings of the Board of Directors:	14/14 (100%)
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▶ Reasons for selecting as a candidate for director

He has a wealth of experience and track record in the area of specialty paper business in the Company as well as Group companies. He is involved in running the Company, as part of its management team, and also currently serving as President of the Functional Materials Company, contributing, in such capacity, to the reinforcement of existing overseas bases, the development of new products and new businesses, the reinforcement of production facilities in line with changes in demand, and the reorganization of domestic operations. In view of the aforementioned, he has been selected as candidate for Director on an ongoing basis, as he is expected to contribute to the Group's sustainable growth and medium- to long-term enhancement of its corporate value.

▶ Other special notes

- ▶ There is no special interest between Mr. Shigeki Aoki and the Company.

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

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No. 6      New election

**Akio Hasebe**

(April 7, 1963)



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Number of the  
Company shares owned:      58,511

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April 1986      Joined the Company  
April 2017      Director, Oji Industrial Materials Management Co., Ltd.  
April 2019      Corporate Officer, the Company  
April 2022      Executive Officer, the Company  
(to the present)

▶ Significant concurrent positions

- President, Oji Management Office Inc.

▶ Reasons for selecting as a candidate for director

He has a wealth of experience and track record in the areas of overseas business, industrial materials business, and business management in the Company as well as the Group companies.


He is involved in running the Company, as part of its management team, and also currently serving as General Manager of Corporate Governance Division, as well as President of Oji Management Office Inc., contributing, in this capacity, to the formulation of a new Medium-term Management Plan for the sustainable enhancement of the Group's corporate value, as well as planning and promoting strategic business development.

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. Akio Hasebe and the Company.

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

<p><b>No. 7</b>      New election</p> <p style="text-align: center;"><b>Takayuki Moridaira</b> (December 1, 1962)</p> 	<p>April 1985      Joined the Company</p> <p>June 2013      Corporate Officer, Oji Paper Co., Ltd.</p> <p>April 2016      Director, Oji Paper Co., Ltd.</p> <p>April 2020      Corporate Officer, the Company</p> <p>April 2022      Executive Officer, the Company (to the present)</p> <p>▶ Significant concurrent positions</p> <ul style="list-style-type: none"> <li>• President, Oji Industrial Materials Management Co., Ltd.</li> <li>• President and Representative Director, Oji Materia Co., Ltd.</li> </ul>
<p>Number of the Company shares owned:      11,738</p>	<p>▶ Reasons for selecting as a candidate for director</p> <p>He has a wealth of experience and track record in the areas of printing and communications media business and industrial materials business in the Company as well as the Group companies.</p> <p>He is involved in running the Company, as part of its management team, and also currently serving as President of the Industrial Materials Company and the Household and Consumer Products Company, contributing, in this capacity, to the integrated strategy for all containerboard processing, expansion of overseas business, and strengthening profitability.</p> <p>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.</p> <p>▶ Other special notes</p> <ul style="list-style-type: none"> <li>▶ There is no special interest between Mr. Takayuki Moridaira and the Company.</li> </ul>



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

No. 8      New election

**Yuji Onuki**

(October 3, 1958)



April 1982	Joined the former Honshu Paper Co., Ltd.
October 2012	Director, Oji Green Resources Co., Ltd.
April 2014	Managing Director, Oji Green Resources Co., Ltd.
April 2021	Corporate Officer, the Company
April 2022	Executive Officer, the Company (to the present)

▶ Significant concurrent positions

- President, Oji Green Resources Co., Ltd.
- President and Representative Director, Oji Forest & Products Co., Ltd.
- President, OCM Fiber Trading Co., Ltd.

Number of the Company shares owned:	9,400
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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 forest resources and environment business in the Company as well as the Group companies.


He is involved in running the Company, as part of its management team, and also currently serving as President of Forest Resources and Environment Marketing Business COMPANY, President, Oji Green Resources Co., Ltd., as well as President and Representative Director of Oji Forest & Products Co., Ltd., contributing, in this capacity, to the promotion of the forest and plantation business, expansion of the renewable energy business, and strengthening of the timber 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

- ▶ The Company has a business relationship with OCM Fiber Trading Co., Ltd., of which Mr. Yuji Onuki is serving as President, in the form of loans of funds.

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

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

Number of the Company shares owned: 5,200


Term of office as a director (as of the conclusion of this Meeting): 8 years

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

- ▶ Significant concurrent positions
  - Attorney-at-law, Hanzomon Sogo Law Office
  - Outside Director, Nihon Tokushu Toryo Co., Ltd.
- ▶ Reasons for selecting as a candidate for outside director and overview of expected roles
 

He has a wealth of experience, high-level expertise and wide-ranging knowledge gained through his career as an attorney-at-law, especially in the areas such as civil and commercial affairs. He has been selected as a candidate for outside director on an ongoing basis, as he is believed capable of providing his opinions to the management of the Company, from diversified viewpoints of laws and regulations, etc. as an attorney-at-law from a standpoint independent therefrom. It is expected that he will continue to play the role mentioned above after he is elected. Although he does not have experience being directly involved in corporate management other than being an outside director or outside audit & supervisory board member, the Company judged that he will be able to duly carry out the duties as an outside director owing to the reasons stated above.
- ▶ Other special notes
  - ▶ There is no special interest between Mr. Michihiro Nara and the Company.
  - ▶ Mr. Michihiro Nara is a candidate for outside director as prescribed in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
  - ▶ The Company has designated Mr. Michihiro Nara as an independent director and notified the Tokyo Stock Exchange of such designation in accordance with its regulation. In the event that Mr. Nara is elected, the Company intends that he remain as an independent director.

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

<b>No. 10</b> Reelection Outside director Independent director  <b>Sachiko Ai</b>  (November 30, 1965)  	April 1989	Joined The Mitsubishi Trust and Banking Corporation (currently Mitsubishi UFJ Trust and Banking Corporation)
	June 2016	Executive Officer, General Manager, Corporate Consulting Division, Mitsubishi UFJ Trust and Banking Corporation
	April 2019	Executive Officer, General Manager, Audit Division, Mitsubishi UFJ Trust and Banking Corporation Executive Officer, Acting General Manager, Audit Division, Mitsubishi UFJ Financial Group, Inc.
	June 2020	Outside Director, the Company (to the present)
	April 2021	Director and Managing Executive Officer, Audit Division (CAO), Mitsubishi UFJ Trust and Banking Corporation (to the present) Managing Executive Officer, Group Deputy CAO, Mitsubishi UFJ Financial Group, Inc. (to the present)
Number of the Company shares owned:	1,600	
Term of office as a director (as of the conclusion of this Meeting):	2 years	▶ Significant concurrent positions <ul style="list-style-type: none"> <li>• Director and Managing Executive Officer, Audit Division (CAO), Mitsubishi UFJ Trust and Banking Corporation</li> <li>• Managing Executive Officer, Group Deputy CAO, Mitsubishi UFJ Financial Group, Inc.</li> </ul>
Number of attendance at meetings of the Board of Directors:	14/14 (100%)	

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

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

▶ Other special notes

- ▶ Ms. Sachiko Ai is a Director and Managing Executive Officer, Audit Division (CAO), in Mitsubishi UFJ Trust and Banking Corporation. However, the number of shares owned is less than 0.1% of the Company's issued shares. The Company does not have any outstanding borrowings from Mitsubishi UFJ Trust and Banking Corporation. Ms. Ai is a Managing Executive Officer, Group Deputy CAO, in Mitsubishi UFJ Financial Group, Inc. The Company owns the number of shares less than 0.1% of Mitsubishi UFJ Trust and Banking Corporation's issued shares.
- ▶ Ms. Sachiko Ai is a candidate for outside director as prescribed in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
- ▶ The Company has designated Ms. Sachiko Ai as an independent director and notified the Tokyo Stock Exchange of such designation in accordance with its regulation. In the event that Ms. Ai is elected, the Company intends that she remain as an independent director.

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

<b>No. 11</b> Reelection Outside director Independent director  <b>Seiko Nagai</b> (June 22, 1960)  	April 1983	Joined Japan Airlines Co., Ltd.
	April 2008	Manager, In-flight Sales Group, Japan Airlines Co., Ltd.
	April 2012	Manager, Passenger Cabin Dept., JAL Express Co., Ltd.
	October 2014	Manager, Cabin Attendants Section 4, Haneda Airport, Japan Airlines Co., Ltd.
	April 2015	Professor, College of Foreign Studies, Kansai Gaidai University (to the present)
	June 2019	Outside Director, Member of the Board, ShinMaywa Industries, Ltd. (to the present)
June 2021	Outside Director, the Company (to the present)	

Number of the Company shares owned: 1,200

Term of office as a director (as of the conclusion of this Meeting): 1 year

Number of attendance at meetings of the Board of Directors: 10/10 (100%)

▶ Significant concurrent positions

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

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

After working as a manager at a major airline company, she is currently involved in research and student education as a college professor. Consequently, she has a wealth of experience, high-level expertise and wide-ranging knowledge gained through her career. She has been selected as a candidate for outside director on an ongoing basis, as she is believed capable of providing her opinions to the management of the Company from diversified viewpoints of experience of customer service, expertise fostered through education activities at a college, and others from a standpoint independent therefrom. It is expected that she will continue to play the role mentioned above after she is elected. Although she does not have experience being directly involved in corporate management other than being an outside director or outside audit & supervisory board member, the Company judged that she will be able to duly carry out the duties as an outside director owing to the reasons stated above.

▶ Other special notes

- ▶ There is no special interest between Ms. Seiko Nagai and the Company.
- ▶ Ms. Seiko Nagai is a candidate for outside director as prescribed in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
- ▶ In the event that Ms. Seiko Nagai is elected, the Company intends to designate Ms. Nagai as an independent director and notify the Tokyo Stock Exchange of such designation in accordance with its regulation.
- ▶ Concerning Ms. Seiko Nagai's attendance at meetings of the Board of Directors, the scope of the total number of meetings includes only those meetings of the Board of Directors held after her appointment on June 29, 2021.

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

<b>No. 12</b> New election Outside director Independent director  <b>Hiromichi Ogawa</b> (November 18, 1958)  	April 1981	Joined Mitsubishi Corporation
	June 1998	Director, Nichiryō Baking Co., LTD.
	April 2004	Senior Vice President, Lawson, Inc.
	September 2004	Executive Managing Officer, Lawson, Inc.
	November 2005	Unit Manager of Lawson Business, Mitsubishi Corporation
	April 2006	Unit Manager of Retail Business, Mitsubishi Corporation
	April 2014	Senior Vice President (“riji”) and General Manager of Life Industry Group CEO Office, Mitsubishi Corporation
	April 2017	Advisor, Itoham Yonekyu Holdings Inc.
	June 2017	Director Chairman of the Board, Itoham Yonekyu Holdings Inc.

Number of the Company shares owned:	0
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- ▶ Reasons for selecting as a candidate for outside director and overview of expected roles  
 In addition to his extensive experience, high degree of expertise, and broad insight at a general trading company, he has long been involved in management at retailers and food manufacturers, has a proven track record in strengthening governance systems, and has a wealth of experience and high-level insight regarding management in general. 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 multifaceted perspective, including perspectives cultivated through his wealth of experience, and from a standpoint independent therefrom. It is expected that he will continue to play the role mentioned above after he is elected.
- ▶ Other special notes
  - ▶ There is no special interest between Mr. Hiromichi Ogawa and the Company.
  - ▶ Mr. Hiromichi Ogawa 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. Hiromichi Ogawa as an independent director and notified the Tokyo Stock Exchange of such designation in accordance with its regulation. In the event that Mr. Ogawa is elected, the Company intends that he remain as an independent director.

Notes: 1. Conclusion of contracts for limitation of liability

The Company has concluded, in conformity with Article 427, Paragraph 1 of the Companies Act, a contract for limitation of liability with all of its outside directors, who are Mr. Michihiro Nara, Ms. Sachiko Ai, and Ms. Seiko Nagai on the limitation of liability for damages set forth in Article 423, Paragraph 1 of the Companies Act. However, the maximum amount of the liability for damage based on the said contract is the amount prescribed in laws and regulations. In the event that Mr. Hiromichi Ogawa is elected, it is anticipated that the said contract will continue to remain in force. Also, in the event that Ms. Seiko Nagai is elected, it is anticipated that the Company will conclude the same contract for limitation of liability with her.

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

The Company has concluded a directors' and officers' liability insurance (D&O insurance) policy with an insurance company, as stipulated in Article 430-3, paragraph 1 of the Companies Act, covering directors, audit & supervisory board members and corporate officers of the Company. The said insurance policy shall cover damages that the insured should legally bear compensation for damages, litigation expenses, and others when the insured receives claims for damages associated with the execution of their duties during the insurance period. However, damages arising from criminal acts, other acts that violate laws and regulations, or intentional acts by the insured shall not be covered as a measure to prevent the impairment of the appropriateness of execution of duties by the insured. In the event that each candidate is elected as Director or Audit & Supervisory Board Member, they will be the insured under the said contract. The insurance premiums are fully borne by the Company. Going forward, the Company intends to renew the said contract with the same contents in October 2022.

< Reference > Management structure following their election

Name	Attribute	Positions in the Company	Nomination /Compensation Committee	Capabilities of our Directors										
				Corporate management	Finance and accounting	Manufacturing and technologies	Research and development	Sales and marketing	Personnel and labor management	Purchase and procurement	Internationality	ESG		
Masatoshi Kaku	Internal	Representative Director and Chairman of the Board	○	●		●	●							●
Hiroyuki Isono	Internal	Representative Director of the Board, President and Group CEO	○ Committee Chair	●	●							●		●
Fumio Shindo	Internal	Director of the Board and Senior Executive Officer		●		●	●							●
Kazuhiko Kamada	Internal	Director of the Board and Senior Executive Officer		●					●		●	●		
Shigeaki Aoki	Internal	Director of the Board and Executive Officer		●					●	●				
Akio Hasebe	Internal	Director of the Board and Executive Officer		●	●					●				
Takayuki Moridaira	Internal	Director of the Board and Executive Officer		●					●	●				
Yuji Onuki	Internal	Director of the Board and Executive Officer		●							●			●
Michihiro Nara	Outside Independent	Director of the Board	○											●
Sachiko Ai	Outside Independent	Director of the Board	○	●										●
Seiko Nagai	Outside Independent	Director of the Board	○									●		●
Hiromichi Ogawa	Outside Independent	Director of the Board	○	●										●

(Notes) 1. ○ marks indicate members of the Nomination and Compensation Committee.

2. ● marks indicate the abilities that each director possesses, but the abilities in which each director can demonstrate greater strength and expertise are listed below according to his or her position in the Company. The following list is based on their positions in the Company, and does not represent all of the abilities possessed by each director.

Representative Director of the Board: Up to four (4)

Director of the Board and Senior Executive Officer: Up to four (4)

Director of the Board and Executive Officer: Up to three (3)

Director (Outside): Up to two (2)

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

The term of office for Audit & Supervisory Board Member, Mr. Mikinao Kitada will expire 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, and is as follows.

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

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



		Brief history and positions in the Company and significant concurrent positions	
New election Outside Audit & Supervisory Board Member Independent director <b>Takashi Nonoue</b> (May 17, 1955)		April 1982	Appointed as public prosecutor
		January 2015	Director-General of the Public Security Intelligence Agency
		September 2016	Superintendent Public Prosecutor of the Fukuoka High District Public Prosecutors Office
		February 2018	Retired from Superintendent Public Prosecutor
		April 2018	Inspector General of Legal Compliance of the Ministry of Defense
		March 2021	Retired from Inspector General of Legal Compliance of the Ministry of Defense
		June 2021	Registered as an attorney at law
		▶ Significant concurrent positions	<ul style="list-style-type: none"> <li>• Attorney at law of Ueda Koichi Law Office</li> </ul>
Number of the Company shares owned:	0	▶ Reasons for selecting as a candidate for outside audit & supervisory board member	<p>As a public prosecutor, he has a wealth of experience, a high level of expertise, and a wide range of insight, and is currently working extensively as an attorney at law. Although he does not have experience being directly involved in corporate management other than being an outside director or outside audit &amp; supervisory board member, he has been newly selected as candidate for outside audit &amp; supervisory board member, as the Company judged that he will be able to duly carry out the duties as an audit &amp; supervisory board member owing to the reasons above.</p>
		▶ Other special notes	<ul style="list-style-type: none"> <li>▶ There is no special interest between Mr. Takashi Nonoue and the Company.</li> <li>▶ Mr. Takashi Nonoue is a candidate for outside audit &amp; supervisory board member as prescribed in Article 2, Paragraph 3, Item 8 of the Ordinance for Enforcement of the Companies Act.</li> <li>▶ In the event that Mr. Takashi Nonoue is elected, the Company intends to designate Mr. Nonoue as an independent audit &amp; supervisory board member and notify the Tokyo Stock Exchange of such designation in accordance with its regulation.</li> </ul>



Notes: 1. Conclusion of contracts for limitation of liability

In the event that Mr. Takashi Nonoue is elected as Audit & Supervisory Board Member, pursuant to Article 427, Paragraph 1 of the Companies Act, the Company intends to conclude a contract for limitation of liability with Mr. Takashi Nonoue, 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.

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

The Company has concluded a directors' and officers' liability insurance (D&O insurance) policy with an insurance company, as stipulated in Article 430-3, paragraph 1 of the Companies Act, covering directors, audit & supervisory board members and corporate officers of the Company. The said insurance policy shall cover damages that the insured should legally bear compensation for damages, litigation expenses, and others when the insured receives claims for damages associated with the execution of their duties during the insurance period. However, damages arising from criminal acts, other acts that violate laws and regulations, or intentional acts by the insured shall not be covered as a measure to prevent the impairment of the appropriateness of execution of duties by the insured. In the event that each candidate is elected as Director or Audit & Supervisory Board Member, they will be the insured under the said contract. The insurance premiums are fully borne by the Company. Going forward, the Company intends to renew the said contract with the same contents in October 2022.

**(Attached Documents)**

**Business Report (from April 1, 2021 to March 31, 2022)**

**1. Review of Group Operations**

**(1) Review of Operations**

Net sales for the year under review were 1,470.2 billion yen, an increase of 111.2 billion yen (up 8.2%) year on year, due to a gradual recovery in demand as economic activities stalled due to the spread of COVID-19, as well as higher pulp sales prices. The Group's overseas sales ratio increased 4.3 percentage point year on year to 33.5%.

Operating profit was 120.1 billion yen, an increase of 35.3 billion yen (up 41.7%) year on year, due to increased sales volume and higher pulp sales prices, in addition to group-wide cost reduction efforts, despite a sharp rise in raw materials and fuel prices. Ordinary profit increased 52.0 billion yen (up 62.7%) year on year to 135.1 billion yen, mainly due to an increase in operating profit and foreign exchange gains. Profit before income taxes increased 48.4 billion yen (up 59.8%) year on year to 129.3 billion yen. Profit attributable to owners of parent increased 37.9 billion yen (up 76.3%) year on year to 87.5 billion yen.

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

The Group has been operating our business with "Consolidated operating profit more than ¥150.0 billion," "Percentage of overseas sales 40%," "ROE 10.0%," and "Net D/E ratio 0.7 times" as management targets for FY2021, however, due to the stagnation of economic activities and a delay in recovery caused by the spread of COVID-19, the Group failed to achieve our targets except for "ROE 10.0%" and "Net D/E ratio 0.7 times."

Meanwhile, the Group made steady progress in reforming its business structure in view of the diversifying consumption structure and lifestyles and work styles that are becoming increasingly diversified due to the spread of COVID-19, as well as measures to enhance corporate value based on the Medium-term Management Plan. Domestically, we strived to enhance profitability by concentrating management resources on promising businesses while improving capital efficiency by restructuring production systems in response to changes in demand and effectively utilizing owned facilities. Overseas, we promoted organic expansion from existing bases and the creation of synergies among businesses and bases, mainly in the packaging business in Southeast Asia. Furthermore, we promoted the development and early commercialization of new businesses and products that meet environmental and social needs. Through these various measures, we achieved a record-high operating income of 120.1 billion yen in FY2021.

Net sales:	1,470.2 billion yen (Up 8.2% year on year)
Operating profit:	120.1 billion yen (Up 41.7% year on year)
Ordinary profit:	135.1 billion yen (Up 62.7% year on year)
Profit attributable to owners of parent:	87.5 billion yen (Up 76.3% year on year)

The situation for each business segment was as follows.

Segment	Net sales		Operating profit	
Household and Industrial Materials	700,742 million yen	(Up 8.2% year on year)	26,127 million yen	(Down 31.4% year on year)
Functional Materials	184,722 million yen	(Up 1.3% year on year)	15,264 million yen	(Up 33.0% year on year)
Forest Resources and Environment Marketing Business	314,489 million yen	(Up 28.2% year on year)	55,473 million yen	(Up 233.1% year on year)
Printing and Communications Media	244,549 million yen	(Up 0.2% year on year)	17,797 million yen	(Up 59.5% year on year)
Others	296,542 million yen	(Up 9.8% year on year)	7,009 million yen	(Up 3.8% year on year)
Subtotal	1,741,046 million yen	(Up 9.5% year on year)	121,672 million yen	(Up 44.6% year on year)
Adjustments	(270,885) million yen	(-)	(1,552) million yen	(-)
Total	1,470,161 million yen	(Up 8.2% year on year)	120,119 million yen	(Up 41.7% year on year)

Notes: 1. Adjustments represent those mainly for inter-segment transactions.  
2. Numbers less than one million yen are rounded down to the nearest million.

[Household and Industrial Materials]

Net sales: 700,742 million yen (Up 8.2% year on year)  
Operating profit: 26,127 million yen (Down 31.4% year on year)  
Main businesses: Containerboard/corrugated containers, Boxboard/folding cartons, Packaging materials/paper bags, Household papers, Disposable diapers

In the domestic business, in addition to an overall recovery in demand for many types of paper, such as containerboard and corrugated containers, white paperboard, and packaging material, sales of containerboard and corrugated containers for mail order continued to be strong due to voluntary curfews to prevent the spread of COVID-19, and other factors. Sales of disposable diapers decreased from the previous year, but sales of household paper continued to be strong. In the overseas business, sales of disposable diapers were sluggish at major retailers due to the spread of COVID-19 in Malaysia, but sales of containerboard and corrugated containers were strong mainly in Southeast Asia, and the impact of the penetration of price increases for corrugated containers led to an increase in sales compared to the previous year.

[Functional Materials]

Net sales: 184,722 million yen (Up 1.3% year on year)  
Operating profit: 15,264 million yen (Up 33.0% year on year)  
Main businesses: Specialty paper, Thermal paper, Adhesive products, Film

In the domestic business, sales of capacitor films for electric vehicles, films for general industrial use, and packaging films for foodstuffs and sundries remained strong, but sales declined from the previous year, partly due to the impact of the application of accounting standard for revenue recognition.

In the overseas business, sales of thermal papers increased from the previous year due to a recovery trend in demand, despite the continued impact of the voluntary curfew to prevent the spread of COVID-19 and stagnation in economic activities.

[Forest Resources and Environment Marketing Business]

Net sales: 314,489 million yen (Up 28.2% year on year)  
Operating profit: 55,473 million yen (Up 233.1% year on year)  
Main businesses: Pulp, Energy, Plantation service, Lumber processing

In the domestic business, the energy business saw a decrease in electricity sales due to an increase in in-house electricity consumption as a result of higher capacity utilization at domestic plants, while the pulp business saw an increase in sales from the previous year, mainly due to a recovery in exports of dissolving pulp to China from the stagnation of economic activities caused by the expansion of the COVID-19.

In the overseas business, although sales volume in the pulp business decreased from the previous year, net sales increased from the previous year due to higher pulp sales prices.

[Printing and Communications Media]

Net sales: 244,549 million yen (Up 0.2% year on year)  
Operating profit: 17,797 million yen (Up 59.5% year on year)  
Main businesses: Newsprint, Printing/publication/communication paper

In the domestic business, although demand for newsprint and printing paper for publication use continued to decline, sales volume of printing paper for commercial printing use increased from the previous year due in part to the rebound from the stagnation of economic activity following the expansion of COVID-19 in the previous year, but net sales decreased from the previous year due to the application of the accounting standard for revenue recognition.

In the overseas business, Jiangsu Oji Paper Co., Ltd.'s sales increased from the previous year due to a recovery in China from the stagnation of economic activities caused by the spread of COVID-19.

[Others]

Net sales: 296,542 million yen (Up 9.8% year on year)  
Operating profit: 7,009 million yen (Up 3.8% year on year)  
Main businesses: Real estate, Engineering, Trading business, Logistics, etc.

In the Others segment, overall demand recovery was recognized, and revenues increased in the trading business, logistics business, and other businesses.

## (2) Capital investment of Oji Group

The Group's capital investment for the year under review amounted to 114.0 billion yen, an increase of 15.6 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 projects for safety and environment, improved product quality, higher energy efficiency, and greater productivity. The following summarizes the Group's principal capital investment programs.

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

Company name	Work description
GSPP Holdings Sdn. Bhd.	Works to install additional corrugated container production equipment (Malaysia)

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

Company name	Work description
Oji Container Co., Ltd.	Restructures the manufacturing system for corrugated containers (Oji Materia Nikko Mill)
Oji Nepia Co., Ltd.	Works to install additional disposable diapers production equipment (Fukushima Mill)
Oji Nepia Co., Ltd.	Works to construct a new sales warehouse (Oji Materia Edogawa Mill)
Oji F-Tex Co., Ltd.	Works to install additional production equipment for polypropylene film for capacitors (Shiga Mill)
Oji Green Energy Tokushima Co., Ltd.	Joint venture power generation business with Itochu Enex Co., Ltd.
Oji Paper Co., Ltd.	Restructures the manufacturing system for containerboard (Tomakomai Mill)
GSPP Holdings Sdn. Bhd.	Works to construct a new corrugated container mill (Malaysia)
United Kotak Bhd.	Works to construct a new corrugated container mill (Malaysia)
Oji Fibre Solutions (NZ) Ltd.	Works to construct a new corrugated container mill (New Zealand)
Oji Fibre Solutions (NZ) Ltd.	Wastewater treatment facility renewal works (New Zealand)
Ojitex (Vietnam) Co., Ltd.	Works to construct a new corrugated container mill (Vietnam)
Oji Papéis Especiais Ltda.	Works to increase in production of thermal recording paper (Brazil)
Celulose Nipo-Brasileira S.A.	#1 Pulp production facility renewal works (Brazil)

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

Position	94th FY2017	95th FY2018	96th FY2019	97th FY2020	98th FY2021
Net sales (millions of yen)	1,485,895	1,550,991	1,507,607	1,358,985	1,470,161
Operating profit (millions of yen)	70,781	110,212	106,125	84,793	120,119
Ordinary profit (millions of yen)	65,958	118,370	101,289	83,061	135,100
Profit attributable to owners of parent (millions of yen)	36,222	51,977	58,181	49,635	87,509
Profit per share (yen)	36.64	52.52	58.78	50.13	88.35
Total assets (millions of yen)	1,960,753	1,951,369	1,885,280	1,981,438	2,053,752
Net assets (millions of yen)	810,011	815,406	831,657	865,606	875,470
Net assets per share (yen)	681.52	684.50	699.12	758.28	859.29

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

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

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

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

In the “FY2019–2021 Medium-term Management Plan,” which ended in FY2021, the Oji Group has established “Profitability Improvement of Domestic Business,” “Expansion of Overseas Business,” and “Promotion of Innovation” as the fundamental policies for Group management strategies and, by “Contribution to a Sustainable Society,” will aim to be a global corporate group that can maintain stable consolidated operating profit of at least 100.0 billion yen.

The Group has been operating our business with “Consolidated operating profit more than ¥150.0 billion,” “Percentage of overseas sales 40%,” “ROE 10.0%,” and “Net D/E ratio 0.7 times” as management targets for FY2021, however due to the stagnation of economic activities and a delay in recovery caused by the spread of COVID-19, the Group failed to achieve our targets except for “ROE 10.0%” and “Net D/E ratio 0.7 times.”

Meanwhile, the Group made steady progress in reforming its business structure in view of the diversifying consumption structure and lifestyles and work styles that are becoming increasingly diversified due to the spread of COVID-19, as well as measures to enhance corporate value based on the Medium-term Management Plan. Domestically, we strived to enhance profitability by concentrating management resources on promising businesses while improving capital efficiency by restructuring production systems in response to changes in demand and effectively utilizing owned facilities. Overseas, we promoted organic expansion from existing bases and the creation of synergies among businesses and bases, mainly in the packaging business in Southeast Asia. Furthermore, we promoted the development and early commercialization of new businesses and products that meet environmental and social needs. Through these various measures, we achieved a record-high operating income of 120.1 billion yen in FY2021.

Under the new Medium-term Management Plan, from FY2022 ending in FY2024, we will continue to enhance existing businesses, centering on the packaging business in Japan and overseas, and expand new businesses, aiming to increase the profitability and scale of our core businesses. At the same time,

we will promote ESG management and address climate change issues through fuel conversion to zero use of coal, expansion of renewable energy, expansion of afforestation and sustainable forest management, and development of eco-friendly materials and products derived from plants, to provide new sustainable value. 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, we will continue to expand our packaging business, particularly in Southeast Asia, and with the start of operation of a new containerboard machine in Malaysia in October 2021, we will further promote business development in Southeast Asia with integrated all containerboard processing to strengthen our cost competitiveness. In the downstream corrugated containers business, we are aggressively expanding our business through the construction of new plants and M&A to meet strong demand. Our first corrugated container factory in Indonesia went into operation in March 2021, and we are also constructing new corrugated container factories in Vietnam and Malaysia, which are scheduled to start operation in the first half of FY2022 to the first half of FY2023. In India, in October 2021, we acquired 80% of the outstanding shares of Empire Packages Pvt. Ltd, a manufacturer and distributor of corrugated containers. This will further promote the corrugated containers business in India through Empire Packages Pvt. Ltd.'s customer base and its relationship of trust. In New Zealand, we are working to further strengthen our business base by relocating our corrugated container factory in Christchurch, which has begun operating sequentially from November 2021.

In Japan, we will further strengthen our integrated production system for all containerboard processing, and will establish a system to supply higher quality products in a sustainable and efficient manner. In October 2021, a new containerboard machine started operations at Tomakomai Mill of Oji Paper Co., Ltd. to improve profitability. In the Kanto region, a new corrugated container factory has started operations in Funabashi, and in Utsunomiya, a corrugated container factory will be relocated to the site of a containerboard production factory (scheduled for completion in January 2023). Furthermore, we are promoting total packaging solutions utilizing the Group's comprehensive strengths, including integrated manufacturing, sales, product development, and proposal of materials processing for all packaging materials such as corrugated containers, folding cartons, and paper bags. One specific initiative is the provision of the "OJI FLEX ACK'AGE," automatic packaging system, and sales of the "Rakudan," continuous corrugated container sheet, which is a packaging material for the system, to provide packaging solutions tailored to customer needs, such as reducing packaging materials, saving labor, and reducing freight costs. In addition, we will further develop and expand sales of plastic-free products in response to growing expectations for paper products as environmental awareness rises worldwide. In addition, we will further expand sales channels for liquid paper containers, an existing business, both in Japan and overseas.

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

In the household paper business, we aim to develop items such as eco-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. The new processing base in the Kanto region processes household paper manufactured in China, and we have also decided to set up our own distribution warehouse (scheduled to start operation in August 2022). By integrating the household paper processing and distribution bases, we intend to expand our household paper and disposable diapers business in the Kanto region. We are also actively working to develop eco-friendly products, and in January 2022, we launched "nepia krafcomini," a tissue product wrapped in kraft paper. In April 2022, we also launched kitchen towels and box tissues as new products in the "nepi eco" series, whose packaging was changed to paper material.

Since the outbreak of COVID-19, we have begun offering our own medical gown products and mask products, and in November 2021, we launched the "Nepia Long Lasting Best Fit Face Masks" series. Among them, "Nepia Long Lasting Best Fit Face Mask Block Filter Plus Surgical" has been examined as conforming to Class III, the highest class in medical mask standards, and we will deliver safety and security to our customers by releasing the highest class of medical



masks as commercial products. In March 2022, we also launched “Nepia nepi eco Biomass Mask” from the “nepi eco” series, which uses 80% plant-derived materials in the nonwoven fabric, and in April 2022, we also launched a new packaging form of masks, the “Nepia Hana Celeb Pocket Mask,” in collaboration with TITAN. This product is a creative product that solves the complaint that while wearing masks has become a daily routine and the number of users who carry a spare mask has increased, all the mask packages sold in general are large and bulky and cannot be carried in a small bag or pouch. We will continue to do whatever we can to help halt the spread of COVID-19 at an early stage.

In the disposable diaper business for babies, developing its products under a unified brand both Japan and overseas, we will strive to enhance the value of the Nepia brand through sales of the “Genki!,” which was renewed in April 2021. In Malaysia, we have increased production capacity by restructuring the production system, including the introduction of a new disposable diaper processing machine, and in Indonesia, we are working to secure cost competitiveness and strengthen our business base by manufacturing and selling disposable diapers at a local disposable diaper factory in a joint venture company, thereby further expanding our business, including in neighboring countries. In China, we are also expanding sales of “Whito Premium,” a product with even higher quality and performance. As for disposable diapers for adults in Japan, we are planning to start operation of a new processing machine in Fukushima Prefecture in September 2022 in response to the expected growth in the population requiring nursing care and support. In February 2022, in collaboration with Lady Drug Store Co., Ltd., we opened an e-commerce store for home care, “Nepia x Drag-no-Lady Heart Shop ready for nursing care; net shop for easy home care.” To make home care easier to understand for those new to home care, we offer a broad lineup of products for home care in addition to disposable diapers for adults that we sell to hospitals and nursing facilities. In March 2022, from the “NEPIA TENDER” series of products for medical and welfare facilities, we launched “Wet towel,” “Buttocks wiper,” “Buttocks cleaning liquid; Tsurunto-san,” and “Nursing care towel; oshibori-no-moto,” which are designed to reduce the burden of nursing care for both nursing care providers and nursing care receivers. We will continue to develop products that address the issues faced by Japan's aging population in the field of nursing care.

Based on the development of products that emphasize environmental friendliness and quality, we will restructure the “Nepia” brand to meet customer needs and the changing times, with the aim of further developing new products and creating value.

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

Overseas, we have completed to enhance and expand facilities to practically double production capacity and started operation in January 2022 in Brazil in order to meet strong demand for thermal paper in South America. In Europe, we have decided to expand thermal recording paper facilities (scheduled to start operation in January 2024). Going forward, we will leverage the Group’s core technologies which are strengths we have cultivated to date in “papermaking,” “paper processing” (coating and adhesives), and “film” to respond to growing demand that follows economic development in the emerging markets of Southeast Asia, South America, the Middle East, and Africa, and will aim to strengthen competitiveness at existing locations.

In Japan, we have continued to work on the rapid development of high-performance, high-value-added products, and in December 2021 we succeeded in developing an automotive window film that combines high heat shielding properties and light transmittance, both of which had been difficult to achieve in the past. In February 2022, we developed “MEGURISH (cotton),” a recyclable resource mixed papermaking that combines conventionally discarded fibers, scraps, and recovered clothing as paper raw materials. We have also developed “kinarito,” a biodegradable nonwoven fabric material made mainly from plant-derived cellulose and polylactic acid. “Kinarito” can be molded three-dimensionally and is expected to be used as a substitute for plastic containers and for items that emphasize design. In addition, it can be blended with biomass such as tea leaves and coffee grounds that would otherwise be disposed of, making it possible to propose new values such as waste reduction. Furthermore, we are strengthening the foundation of our existing business by continuously reviewing our production system in response to changes in the demand structure of the functional materials market, thereby enhancing competitiveness and

profitability. In response to the global shift to a decarbonized society and the rapid spread of electric vehicles, we have decided to add two production facilities in Shiga Prefecture for polypropylene film used in capacitors for motor drive controllers of electric vehicles (scheduled to start operation in 2023 and 2024, respectively). As a result, the production capacity is expected to double from the February 2022 level.

We will continue to develop eco-friendly materials and products, and will aggressively expand into new business areas to anticipate market needs and promptly provide products and services that exceed expectations.

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

In the pulp business, we have implemented a continuous flow of strategic countermeasures for profitability at key sites in order to strengthen the business foundation so it is capable of withstanding fluctuations in the pulp market. At Oji Fibre Solutions in New Zealand, operational stabilization and efficiency measures are being addressed. And at Celulose Nipo-Brasileira S.A in Brazil, we are moving forward with continuous profitability countermeasures by upgrades to cutting-edge manufacturing facilities. In the domestic dissolving pulp business, in addition to products aimed at rayon applications, we are producing high-value-added products such as materials for medical supplies and filtering applications in an attempt to boost the profitability of the business.

As for energy business, we are further expanding the business with the aim of expanding the use of renewable energy. A biomass power generation facility in Tokushima Prefecture being built as part of a joint venture with ITOCHU ENEX CO., LTD. is preparing for operations to begin in September 2022. We are also working to strengthen the biomass fuel business in line with the expansion of the energy business and are boosting procurement for fuel of woodchips, which utilize untapped domestic wood resources. Overseas, we are implementing initiatives in Indonesia and Malaysia to increase procurement of palm kernel shells for fuel applications while ensuring legality and sustainability.

In the plant/lumber processing business, we are taking steps to secure sustainable forest resources and increase production capacity, mainly in Asia, Oceania, and Brazil regions. In Japan, we will also seek to strengthen profitability through sales expansion in the building materials field and other measures.

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

People's lifestyles have changed as a result of the spread of COVID-19, while companies are stepping up the efforts to bring about digital transformation (DX) by, for example, introducing teleworking. We are ascertaining the impact on the graphic paper market of these changes in the business environment, continuously restructuring the production system and thoroughly reducing costs while increasing cash flow.

As specific initiatives, in Japan, a containerboard machine converted from a newsprint machine started operation at Tomakomai Mill of Oji Paper Co., Ltd. in October 2021, and a special liner and special paperboard machine relocated from Nayoro Mill of Oji Materia to the same mill in April 2022. In addition, we will continue to pursue a business alliance with Mitsubishi Paper Mills Limited to enhance profitability.

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

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

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

Cellulose nanofibers (CNF), which is expected to be applied to a wide range of industries as a next-generation material, is used as an additive in a ready-mixed concrete inducer, utilizing the viscosity of CNF, and as an additive for paints, in addition to being used by cosmetics manufacturers for the cosmetic ingredient “AUROVISCO CS.” In addition, CNF sheets are being used in a wide range of applications, including expanded use in table tennis rackets. Furthermore, we are developing composite materials with rubber and general-purpose resins and transparent resins composited with polycarbonate for use in automotive components, aiming to reduce the use of petroleum-derived resins and contribute to weight reduction and fuel efficiency improvement by replacing glass. We will continue to actively promote the use of CNF for various applications and contribute to the spread of CNF.

In response to global issues such as climate change and marine plastic waste, we are actively developing eco-friendly materials and products to meet the growing demand for pulp and paper products to replace plastics. The addition of three products to the existing “SILBIO BARRIER” lineup in the “SILBIO series” of paper-mark compliant multi-barrier papers has also made it possible to handle a wide range of applications requiring light shielding, transparency, and easy heat-sealing functions that were not covered by the conventional products. In Malaysia, it has been adopted as a packaging material for Nestlé Group products as a replacement for plastic. This is the third country, following Thailand and Japan, where Nestlé has adopted the material. In December 2021, it was adopted as a packaging material for the products of DELTA International Co., Ltd. and other diverse developments are underway. In addition, we have responded to inquiries from customers in various fields for “PaPiPress,” a pulp mold product characterized by its smooth surface and ability to be freely molded into three-dimensional shapes, and in June 2021, it was used for paper cup lids for in-flight use on international flights by All Nippon Airways Co. Ltd. (ANA) In July 2021, it was adopted as a container for cosmetics by ALBION Co., Ltd. Further development will continue in the future.

We are also in the midst of developing manufacturing processes for biomass plastics for which pulp is the raw material. Instead of conventional plastics made from petroleum resources, we are conducting demonstration tests to produce lactic acid and ethanol from a sugar solution (glucose) originating from plants, as well as polylactic acid and polyethylene. This will reduce CO<sub>2</sub> emissions from fossil fuels and contribute to the prevention of global warming. In addition, we have succeeded in developing an eco-friendly OPP that contains polylactic acid resin, a raw material derived from plants, by making full use of our raw material resin mixing technology and advanced film-forming technology cultivated in the manufacture of biaxially stretched polypropylene film (OPP). OPP is widely used as a plastic packaging material, but by blending plant-derived polylactic acid as a raw material, it has become possible to reduce the use of petroleum-derived polypropylene. This product has been certified as a biomass mark product by the Japan Organics Recycling Association and has been on the market since January 2022. In the future, we aim to expand our product lineup, including the development of brands with heat-sealing properties. In addition, we have begun offering samples of cellulose mats developed by applying our proprietary non-woven fabric manufacturing technology. This cellulose mat is made of uniformly dispersed cellulose and polyolefin fibers, and when thermally processed, it becomes a resin molded body that is more resistant to deformation and cracking than plastics. Since it can be molded into three-dimensional shapes with a tight fit, it is expected to be applied to automotive components. Compared to conventional molded polypropylene resin, the use of petroleum-based plastics can be reduced by up to 70%. We will continue to contribute to solving environmental problems by switching from petroleum-derived to resource-recycling materials for plastic products that are indispensable in our daily lives.

In the industrial use of hemicellulose, one of the major components of wood, Oji Pharma Co., Ltd. is working on the pharmaceutical use of chemically modified “sulfated hemicellulose,” and has begun testing for veterinary drug applications. In addition, we are concurrently developing a drug for human use, with the aim of moving to non-clinical trials in FY2023. Moreover, we are jointly developing wood-derived medicines with ReqMed Company, Ltd., which also develops such drugs. We will continue to promote collaboration with universities and pharmaceutical companies to develop pharmaceuticals derived from wood resources.

In the field of water treatment technology, we provide water treatment systems that meet a wide range of needs by leveraging the technologies and operational know-how that the Oji Group has

cultivated over many years, and facilities for producing water for industry and homes and wastewater treatment facilities have been adopted in Japan and overseas. Furthermore, by incorporating IoT-based remote monitoring functions into these facilities, it is possible to support the operation of more optimized wastewater treatment facilities. We will continue to strive to realize a sustainable society by providing stable technologies and making effective use of limited water resources.

By providing various values to society through our business, our group aims to contribute to the realization of a truly affluent society and to be a corporate group that constantly anticipates the needs of the day, strives to innovate, and grows in a sustainable manner.

**(5) Main businesses of Oji Group** (as of March 31, 2022)

Position	Main Businesses
Household and Industrial Materials	Containerboard and corrugated containers business, Boxboard and folding cartons business, Packaging papers and paper bags business, Household papers business, Disposable diapers business
Functional Materials	Specialty paper business, Thermal paper business, Adhesive products business, Film business
Forest Resources and Environment Marketing Business	Pulp business, Energy business, Plantation service and lumber processing business
Printing and Communications Media	Newsprint business, Printing and publication and communications paper business
Others	Real estate, Engineering, Trading business, Logistics, etc.

**(6) Main offices and mills of Oji Group** (as of March 31, 2022)

## (i) The Company

Main Sites	
Headquarters	Chuo-ku, Tokyo
Research Centers	Koto-ku, Tokyo, Konan, Shiga, other

## (ii) Domestic subsidiaries

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

**(7) Employees of Oji Group**

(as of March 31, 2022)

Position	Number of employees	Change from previous fiscal year-end
Household and Industrial Materials	18,272	A decrease of 83
Functional Materials	4,484	A decrease of 283
Forest Resources and Environment Marketing Business	7,145	An increase of 17
Printing and Communications Media	3,019	A decrease of 59
Others	2,688	A decrease of 18
Total	35,608	A decrease of 426

**(8) Significant subsidiaries**

(as of March 31, 2022)

Company name	Headquarter location	Category	Capital stock	Percentage of voting rights of the Company	Major business description
Oji Container Co., Ltd.	Chuo-ku, Tokyo	Household and Industrial Materials	millions of yen 10,000	% (100)	Production and distribution of corrugated container products (sheet and box)
Oji Materia Co., Ltd.	Chuo-ku, Tokyo	Household and Industrial Materials	600	100	Production and distribution of paperboard (containerboards, specialty paperboards, and boxboards), packaging materials, and pulps
Oji Nepia Co., Ltd.	Chuo-ku, Tokyo	Household and Industrial Materials	350	100	Production and distribution of household paper and disposable diaper
Mori Shigyo Co., Ltd.	Kyoto-shi, Kyoto	Household and Industrial Materials	310	(100)	Production and distribution of corrugated container products (sheet and box)
GSPP Holdings Sdn. Bhd.	Malaysia	Household and Industrial Materials	Millions of Malaysian ringgit 945	(100)	Control and management of GSPP Group (production and distribution of containerboards and corrugated container products (sheet and box))
Harta Packaging Industries Sdn. Bhd.	Malaysia	Household and Industrial Materials	20	(100)	Production and distribution of corrugated container products (sheet and box)
Ojitex (Vietnam) Co., Ltd.	Vietnam	Household and Industrial Materials	Millions of US dollars 42	100	Production and distribution of corrugated container products (sheet and box)
Ojitex Haiphong Co., Ltd.	Vietnam	Household and Industrial Materials	38	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	(100)	Production and distribution of thermal recording paper
Oji Paper (Thailand) Ltd.	Thailand	Functional Materials	Millions of Thai baht 1,340	(100)	Production and distribution of carbonless copy paper and thermal recording paper
Kanzaki Specialty Papers Inc.	USA	Functional Materials	Millions of US dollars 34	(100)	Production and distribution of thermal recording paper
Japan Brazil Paper and Pulp Development Ltd.	Chuo-ku, Tokyo	Forest Resources and Environment Marketing Business	millions of yen 21,088	(100)	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	(100)	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	(100)	Production and distribution of pulp, paperboard, corrugated container products, and paper bag products

- Notes:
1. A subsidiary of the Company acquired all shares of KANZAN Spezialpapiere GmbH, and the percentage of voting rights has become 100% as a result.
  2. For Japan Brazil Paper and Pulp Development Ltd., the Company acquired shares of said company from non-controlling shareholders of said company, and the percentage of voting rights, including those held by subsidiaries, has become 100% as a result. Additionally, this has caused the percentage of voting rights in said company's subsidiary, Celulose Nipo-Brasileira S.A., to become 100% as well.
  3. The Company acquired all shares in Oji Oceania Management Co., Ltd., of which Oji Fibre Solutions (NZ) Ltd. is a subsidiary, and the percentage of voting rights for both companies has become 100% as a result.
  4. 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.
  5. Capital stock value less than the minimum unit is truncated for presentation.
  6. The percentage of voting rights of the Company shown in parentheses denotes one that includes voting rights held by subsidiaries.
  7. The number of the Group's consolidated subsidiaries as of March 31, 2022 stood at 186, including significant subsidiaries whose names are listed above. The number of equity method affiliate companies totaled 24 as of March 31, 2022.
  8. There is no subsidiary that falls under the category of specified wholly-owned subsidiary as of March 31, 2022.



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

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

In addition, the balance of interest-bearing liabilities as of March 31, 2022 increased 2.8 billion yen from previous fiscal year-end to 650.5 billion yen.

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

(as of March 31, 2022)

Lender	Loan balance
	millions of yen
Sumitomo Mitsui Banking Corporation	50,617
Mizuho Bank, Ltd.	43,741
The Norinchukin Bank	43,326
Sumitomo Mitsui Trust Bank, Limited	26,120
Nippon Life Insurance Company	22,100

- 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 219,530 million yen in syndicate loans.  
3. Numbers less than one million yen are rounded down to the nearest million.

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

Not applicable.

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

(i) Basic policy for distribution of profit

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

(ii) Matters related to year-end dividend

The year-end dividend for the current fiscal year will be 7 yen per share with the record date of March 31, 2022 by comprehensively considering the business results for the current fiscal year and future business environment, etc.

Combined with the interim dividend of 7 yen per share, which was implemented for the interim period, this will bring total dividends for the current fiscal year to 14 yen per share, the same as for the previous fiscal year.

(a) Type of dividend property

Cash

(b) Matters related to allotment of dividend property to shareholders and total amount thereof 7 yen per common share of the Company; Total amount 6,945,554,826 yen

(c) Effective date of dividends of surplus

June 7, 2022

**(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, 2022)

- (1) Total number of shares authorized to be issued 2,400,000,000 shares  
(2) Total number of shares issued 1,014,381,817 shares  
(Treasury stock) (22,159,699 shares)  
(3) Total number of shareholders 76,830 shareholders  
(9,671 increase compared with March 31, 2021)

### (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)	157,740	15.9
Custody Bank of Japan, Ltd. (Trust Account)	66,684	6.7
Custody Bank of Japan, Ltd. (Trust Account 4)	34,873	3.5
Sumitomo Mitsui Banking Corporation	31,668	3.2
Nippon Life Insurance Company	25,658	2.6
Mizuho Bank, Ltd.	21,636	2.2
Oji Group Employee Stock-holding Association	19,922	2.0
STATE STREET BANK AND TRUST COMPANY 505001	17,248	1.7
The Norinchukin Bank	16,654	1.7
STATE STREET BANK WEST CLIENT - TREATY 505234	15,299	1.5

- Notes: 1. The Company holds treasury stock of 22,159 thousand shares, which is excluded from the above list.  
2. The percentage of total shares issued has been calculated after excluding the Company's treasury stock (22,159 thousand shares).  
3. Numbers less than one thousand are rounded down to the nearest thousand.

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

Position	No. of shares	No. of persons granted shares
Directors (excluding Outside Directors)	123,393 shares	1

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

### **3. Matters related to ESG**

#### **(1) Matters related to the Environment**

##### **(i) Action on Climate Change**

The Oji Group recognizes the issue of climate change as an important management issue and believes that it will be able to enhance the sustainability of its business activities through proactive measures to address this issue.

In order to clearly lay out our course of action, our Group formulated our “Environmental Vision 2050,” which declares our aims for 2050 and centers around our goal of net-zero carbon, and our “Environmental Action Program 2030,” which function as a milestone on the way to this Vision, in September 2020.

The core of “Environmental Vision 2050” is to implement “Sustainable Forest Management” through the promotion of forest plantation overseas and forest conservation to absorb and fix carbon dioxide (CO<sub>2</sub>), and to reduce GHG emissions from our production activities by improving the efficiency of energy consumption and increasing the use of renewable energy, aiming for net zero carbon (i.e., virtually zero greenhouse gas (GHG) emissions) in 2050.

As a milestone on the way to this vision, we set the target of reducing GHG emissions by 70% or more in FY2030 as compared to FY2018 emissions. In addition, we will make concerted efforts to promote the effective use of resources, reduce various environmental impacts, and maintain and preserve biodiversity, thereby contributing to the realization of a sustainable society.

Furthermore, the Oji Group endorses the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which was established by the Financial Stability Board (FSB), consisting of financial ministries and central banks, to consider how climate-related information should be disclosed and how financial institutions should respond. Based on the TCFD's recommendations, we are promoting the disclosure of information on the risks and opportunities posed by climate change to business, including viewpoints from governance, strategy, and risk management.

##### **(ii) Initiatives for Sustainable Forest Management**

Forests are a reproducible and sustainable resource that can be planted, grown, harvested, and re-planted.

The Oji Group grows trees based on the philosophy “those who use trees have the responsibility to plant trees,” and possesses extensive company-owned forests in Japan and overseas, amounting to approximately 580,000 ha. The portfolio comprises about 450,000 ha of production forests primarily for producing forest products in consideration of environment, and about 130,000 ha of conservation forests principally for preserving biodiversity and basins. Under the “Environmental Action Program 2030,” we aim to increase forest area by an additional 140,000 hectares by FY2030.

When we began our forest plantation business, our goal was to secure a steady supply of raw materials for manufacturing paper. However, changing times have led to a reevaluation of forests as a sustainable resource, and various sectors are taking an interest in the utilization of this resource. In addition, recent years have seen many hopes pinned to forest “functions,” including not only their role as a “resource,” but also in conserving national land and living environments, replenishing water sources, protecting biodiversity, and absorbing and fixing CO<sub>2</sub>.

Alongside practicing sustainable forest management with a direct connection to our business, the Oji Group will continue to take steps toward the realization of a carbon-free society, increasing the value of forest resources and aiming to further expand our company-owned forests.

In April 2022, we established the “Oji Group Sustainable Forest Management Policy”

(<https://ojiholdings.disclosure.site/ja/themes/203/>) for the forests owned and managed by the Oji Group, and also joined the “30 by 30 Alliance for Biodiversity,” which promotes efforts to effectively conserve at least 30% of land and sea as healthy ecosystems by 2030.

##### **(iii) Development of Eco-friendly Materials and Products**

In response to the global issues of climate change and marine plastic waste, the need for alternative plastic products is rapidly increasing. Accordingly, the Oji Group is actively engaged in the development of eco-friendly materials and products, and is focusing on “green innovations” for the future.

We have developed paper packaging materials that can replace plastic film, molded pulp products made of 100% pulp that can be freely three-dimensionally molded like plastic, and new plant-derived non-woven fabric materials to respond to various inquiries as an alternative to plastic.

We are also developing production technologies for biomass materials to replace plastics. Cellulose nanofiber (CNF) is expected to be applied to a wide range of industries as a next-generation material, and we are also working on its adoption for automotive components, aiming to reduce the use of petroleum-based resins and contribute to weight reduction and fuel efficiency improvement by replacing glass.

We will contribute to the realization of a sustainable society by switching plastic products, which are indispensable in our daily lives, from petroleum-derived to resource-recycling materials.

(iv) Resource circulation throughout the value chain

The sustainable business model which serves as the foundation of the Oji Group is supported by three forms of recycling:

- “Forest recycling,” in which we practice sustainable forest management through growing, harvesting and planting trees
- “Water recycling,” in which we reduce water consumption by circulating and reusing water in manufacturing processes and purify wastewater
- “Paper recycling,” in which we collect and recycle paper products

By deploying this model globally, we are working to enable our businesses to help build a sustainable society.

## (2) Matters related to Society

(i) Ensuring Workplace Safety and Health

Under a policy of making safety, the environment, and compliance top priorities, the Oji Group has established rules and standards on occupational safety and health in the Oji Group Corporate Code of Conduct and the Oji Group Behavior Standard. We secure the safety and health of workers by ensuring that every Group employee is aware of these rules and standards on occupational safety and health, practices them, and complies with them. At the same time, we promote the creation of comfortable workplace environments and strive to create better workplace safety climates so that all workers in the Oji Group can work in a safe environment and with a sense of security.

Each Group company creates a safety and health promotion plan and a specific safety and health action plan for each company and workplace based on the Oji Group’s annually formulated safety and health promotion plan. Measures for the elimination of occupational accidents are implemented together by Group employees, affiliates, and business operators who enter the Group’s premises on a temporary basis.

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

- Ensuring that everyone wears masks, disinfects their hands by washing them frequently, and takes their temperature before heading to work
- Having personnel work from home, arrive for work at staggered times, make use of the flextime system, etc.
- Installing partitions between seats, in conference rooms, etc.
- Regularly disinfecting communal areas within business premises
- Vaccine inoculation at workplaces in the head office area, etc.
- Introduction of special leave for vaccination and adverse reaction outbreaks

(ii) Respect for Human Rights

In the belief that “the responsibility to respect human rights is an important element of the global code of conduct,” in August 2020 we established the “Oji Group Human Rights Policy” in order to further strengthen and implement initiatives involving respect for human rights. Efforts to familiarize personnel with the policy include preparing the “Handbook on the Oji Group Human Rights Policy” and providing human rights education as part of new manager training, and we will continue familiarizing personnel with the fundamental policies, as well.

The Oji Group Human Rights Policy is posted on our website on the Internet.

(<https://ojiholdings.disclosure.site/en/themes/108/>)

(iii) Human Resource Measures

In seeking to enhance corporate value, we believe it is important for every employee to embrace diversity of values and flexibility in thinking and to enhance his/her skills. For the Oji Group to grow as a global enterprise “beyond boundaries,” we are implementing human resource strategies aimed at enhancing corporate value based on the Oji Group Human Resource Philosophy, in accordance with our fundamental principle, “a company’s strength originates from human resources.”



A summary of the initiatives is as follows.

- Human resources development

We are focusing on developing human resources who can accomplish management strategies, particularly global human resources.

- Working style reforms and health and productivity management

We are striving to reduce total working hours and improve operational efficiency, while also concentrating on health and productivity management in consideration of our employees’ health.

- Inclusion and diversity

We continue to take steps in line with the diversity promotion policies in seeking to build workplaces where all employees, regardless of their background, can fully demonstrate their potential with peace of mind.

(iv) Contribution to Local Communities and Society

At each of its bases around the world, the Oji Group undertakes a range of social contribution initiatives including the promotion of culture and sports under the Management Philosophy of the Oji Group including “Contribution to the Future and the World” and “Harmony with Nature and Society.”

### **(3) Matters relating to Corporate Governance**

#### **(i) Basic Views on Corporate Governance**

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

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

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

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

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

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

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

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

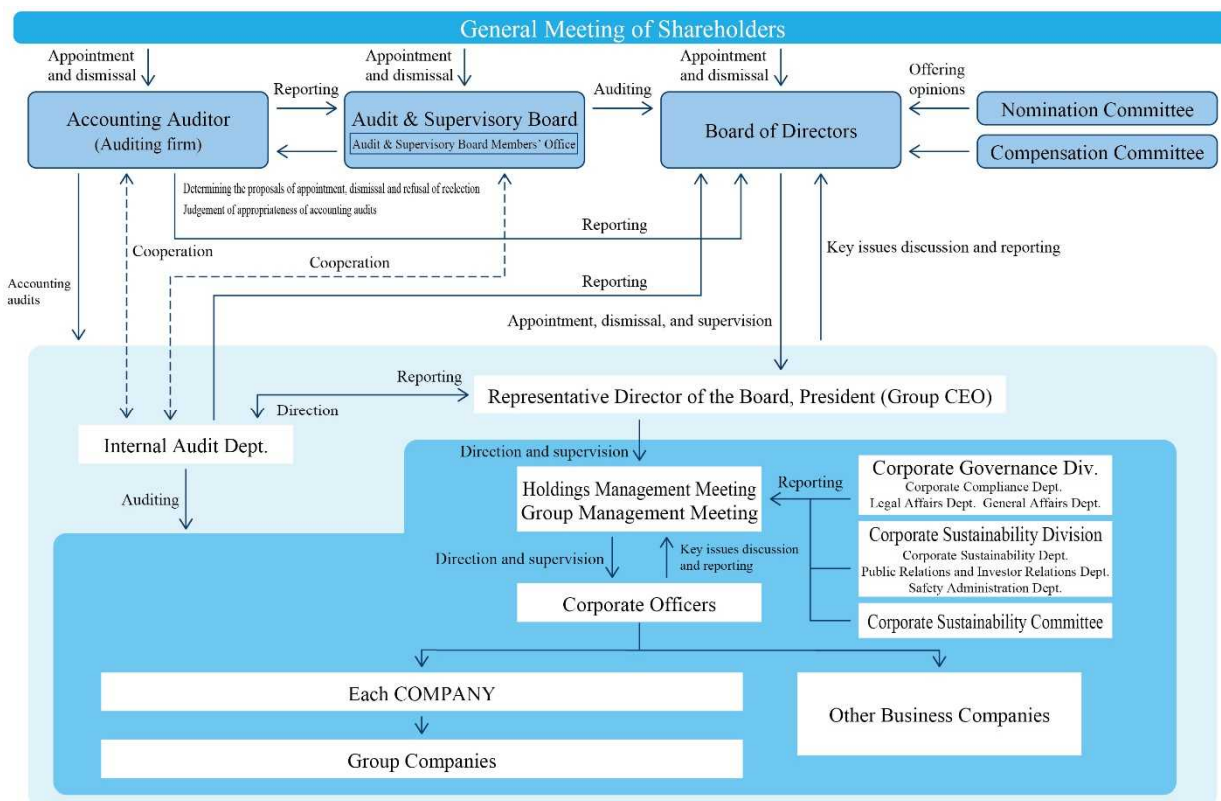
The Company has introduced the Executive Officer system in 1999 ("Executive Officer" was renamed to "Group Corporate Officer" along with the transition to a pure holdings company system on October 1, 2012), in order to speed up decision-making, strengthen systems for business execution, and clarify executive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

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

Please note that, pursuant to the provisions of applicable laws and regulations and Article 15 of the Articles of Incorporation, “System to ensure the properness of operations and an overview of the current status of its operation” and “Basic Policy on Corporate Control” are posted on “Internet Disclosure for Notice of the 98th Ordinary General Meeting of Shareholders” on the “Information for Stockholders” section of the Company’s website (<https://investor.ojiholdings.co.jp/en/ir/stock/meeting.html>).

(iii) Corporate Governance Structural Diagram

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



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

Name	Purpose/Authority	Composition
Board of Directors (Note 1)	<p>The Board of Directors, in view of its fiduciary responsibility and accountability toward shareholders, fulfills the following roles to enable the Company to achieve sustainable growth and enhance its corporate value over the medium to long term as well as to improve its profitability, capital efficiency, etc.</p> <ul style="list-style-type: none"> <li>• Make important decisions concerning business execution within the scope specified in the Board of Directors Rules, such as determining the corporate principles and strategies that set out the overall direction for the Group and making investments based on these principles and strategies.</li> <li>• With regard to matters that do not require a Board of Directors' resolution, assist with rapid decision-making by determining in Group rules matters requiring deliberation by the Management Meeting and the authority of Executive Directors to execute business.</li> <li>• Conduct highly-effective supervision of Corporate Officers and Executive Directors from an independent and objective standpoint.</li> <li>• Supervise the construction of internal control systems, the establishment of risk management systems, and the operation of these systems.</li> </ul>	<p>Directors: 12 persons (of whom four are Independent Outside Directors) Chairperson: Representative Director and Chairman of the Board Masatoshi Kaku (as of March 31, 2022)</p>
Audit & Supervisory Board (Note 2)	<p>Audit &amp; Supervisory Board Members and the Audit &amp; Supervisory Board, in view of their fiduciary responsibilities toward shareholders, conduct operational and accounting audits from an independent and objective standpoint.</p> <p>Audit &amp; Supervisory Board Members and the Audit &amp; Supervisory Board flexibly combine the high-level information gathering capabilities possessed by the Full-time Audit &amp; Supervisory Board Members with the robust independence of the Outside Audit &amp; Supervisory Board Members, and endeavor to exercise their authority voluntarily and proactively while maintaining cooperation with Outside Directors.</p>	<p>Audit &amp; Supervisory Board Members: 5 persons (of whom three are Outside Audit &amp; Supervisory Board Members) Chairperson: Full-time Audit &amp; Supervisory Board Member Tomihiro Yamashita (as of March 31, 2022)</p>
Nomination Committee (Note 3)	<p>By obtaining appropriate involvement and advice from Outside Directors, the Nomination Committee deliberates on the following matters and provides reports to the Board of Directors in order to strengthen the functional independence, objectivity, and accountability of Directors with respect to the nomination of officers and Corporate Officers.</p> <ol style="list-style-type: none"> <li>1. Policy for nomination of Directors and Audit &amp; Supervisory Board Member candidates</li> <li>2. Policy for selection of Corporate Officers</li> <li>3. Nomination of Directors and Audit &amp; Supervisory Board Member candidates and selection of Corporate Officers</li> <li>4. Dismissal of Directors, Audit &amp; Supervisory Board Members, or Corporate Officers when they do not satisfy the policies for nomination or selection</li> <li>5. Succession planning for the President and Chief Executive Officer</li> <li>6. Selection/dismissal of advisors</li> </ol>	<p>Members: 6 persons (of whom four are Independent Outside Directors) Chairperson: Representative Director, President and Chief Executive Officer Hiroyuki Isono (as of March 31, 2022)</p>



Compensation Committee (Note 4)	<p>By obtaining appropriate involvement and advice from Outside Directors, the Compensation Committee deliberates on the following matters and provides reports to the Board of Directors in order to strengthen the functional independence, objectivity, and accountability of Directors with respect to compensation for Directors and Corporate Officers.</p> <ol style="list-style-type: none"> <li>1. Compensation structure and levels for Directors and Corporate Officers</li> <li>2. Assessment of Directors and Corporate Officers</li> <li>3. Analysis/evaluation of the effectiveness of the Board of Directors</li> <li>4. Compensation structure and levels for advisors</li> </ol>	<p>Members: 6 persons (of whom four are Independent Outside Directors) Chairperson: Representative Director, President and Chief Executive Officer Hiroyuki Isono (as of March 31, 2022)</p>
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- Notes:
1. There shall generally be no more than 15 Directors, of whom at least two shall be independent Outside Directors. Furthermore, to speed up decision-making, strengthen business execution, and clarify executive responsibility, 17 Corporate Officers (as of April 1, 2022) have been selected, and four of them are also Directors.
  2. There shall be around five Audit & Supervisory Board Members, of whom at least half shall be Outside Audit & Supervisory Board Members.
  3. The Nomination Committee comprises the Chairman of the Board, the President, and all the Outside Directors. Its chairperson is the President.
  4. The Compensation Committee comprises the Chairman of the Board, the President, and all the Outside Directors. Its chairperson is the President.

#### 4. Officers of the Company

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

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

(as of March 31, 2022)

Positions	Name	Responsibilities and significant concurrent positions
Representative Director and Chairman of the Board	Susumu Yajima	Chairman of the Board
Representative Director of the Board, President and CEO*	Masatoshi Kaku	Group CEO
Director of the Board *	Yoshiki Koseki	President, Industrial Materials Company President, Household and Consumer Products Company President and Representative Director, Oji Industrial Materials Management Co., Ltd. Chairman and Director, Oji Nepia Co., Ltd.
Director of the Board *	Hiroyuki Isono	General Manager, Corporate Governance Div. President, Oji Management Office Inc. In charge of: Oji Human Support Co., Ltd. Oji Business Center Co., Ltd. Oji Paper Management (Shanghai) Co., Ltd. Oji Asia Management Sdn. Bhd. Oji Logistics Co., Ltd.
Director of the Board *	Fumio Shindo	President, Forest Resources and Environment Marketing Business COMPANY President, Printing and Communications Media Company President, Oji Green Resources Co., Ltd.
Director of the Board *	Kazuhiko Kamada	President, Celulose Nipo-Brasileira S.A.
Director of the Board *	Koichi Ishida	Deputy General Manager, Corporate Governance Div. In charge of Innovation Promotion Div. Representative Director, President and CEO, Oji Engineering Co., Ltd.
Director of the Board *	Shigeki Aoki	President, Functional Materials Company President and Representative Director, Oji Functional Materials Progressing Center Inc.
Director of the Board	Michihiro Nara	Attorney-at-law, HANZOMON SOGO LAW OFFICE Outside Director, Nihon Tokushu Toryo Co., Ltd.
Director of the Board	Toshihisa Takata	
Director of the Board	Sachiko Ai	Director and Managing Executive Officer, Audit Division (CAO), Mitsubishi UFJ Trust and Banking Corporation Managing Executive Officer, Group Deputy CAO, Mitsubishi UFJ Financial Group, Inc.
Director of the Board	Seiko Nagai	Professor, College of Foreign Studies, Kansai Gaidai University Outside Director, Member of the Board, ShinMaywa Industries, Ltd.
Audit & Supervisory Board Member	Tomihiko Yamashita	(Standing) Audit & Supervisory Board Member of Oji Container Co., Ltd., Oji Materia Co., Ltd., Mori Shigyo Co., Ltd., Oji Paper Co., Ltd. and Oji Engineering Co., Ltd.

Positions	Name	Responsibilities and significant concurrent positions
Audit & Supervisory Board Member	Nobuko Otsuka	(Standing) Audit & Supervisory Board Member of Oji F-Tex Co., Ltd., Oji Imaging Media Co., Ltd., Oji Green Resources Co., Ltd. and Oji Real Estate Co., Ltd.
Audit & Supervisory Board Member	Mikinao Kitada	Special Counsel, Mori Hamada & Matsumoto Outside Statutory Auditor, Askul Corporation Outside Member of the Board of Directors (Audit & Supervisory Committee Member), Mizuho Trust & Banking Co., Ltd.
Audit & Supervisory Board Member	Hidero Chimori	Representative Partner, Miyake & Partners Outside Director, Member of the Board, Audit and Supervisory Committee Member, ROHM Co., Ltd.
Audit & Supervisory Board Member	Noriko Sekiguchi	Representative, Sekiguchi Noriko CPA office Outside Director, TOKYO OHKA KOGYO CO., LTD.

- Notes:
- Directors, Mr. Michihiro Nara, Mr. Toshihisa Takata, Ms. Sachiko Ai and Ms. Seiko Nagai, are outside directors as prescribed in Article 2, Item 15 of the Companies Act.  
The Company has designated them as independent directors and notified the Tokyo Stock Exchange of such designation in accordance with its regulation.
  - Audit & Supervisory Board Members, Mr. Mikinao Kitada, Mr. Hidero Chimori and Ms. Noriko Sekiguchi are outside audit & supervisory board members as prescribed in Article 2, Item 16 of the Companies Act.  
The Company has designated them as independent directors and notified the Tokyo Stock Exchange of such designation in accordance with its regulation.
  - The following changes were made to Directors of the Board at the conclusion of the 97th Ordinary General Meeting of Shareholders held on June 29, 2021.
 

Assumption	Director	
	Seiko Nagai	
Retirement	Director	
	Ryuichi Kisaka	
Assumption	Audit & Supervisory Board Member	
	Hidero Chimori, Noriko Sekiguchi	
Retirement	Audit & Supervisory Board Member	
	Makoto Katsura	
  - Standing Audit & Supervisory Board Members were elected by a resolution of the Audit & Supervisory Board at a meeting held on June 29, 2021, as follows.
 

Audit & Supervisory Board Member (Standing)	Tomihiro Yamashita
Audit & Supervisory Board Member (Standing)	Nobuko Otsuka
  - On March 31, 2022, Representative Director and Chairman of the Board Susumu Yajima resigned as Representative Director and Chairman of the Board and became a Director.
  - On April 1, 2022, the following new Representative Director and Chairman of the Board and new Representative Director of the Board, President and CEO have been appointed.
 

Representative Director and Chairman of the Board	Masatoshi Kaku
Representative Director of the Board, President and CEO	Hiroyuki Isono
  - Ms. Nobuko Otsuka, Audit & Supervisory Board Member, has experience in the areas of taxation, accounting, and internal audits at the Regional Taxation Bureau, a tax accountant corporation, and the Company. Ms. Noriko Sekiguchi, Audit & Supervisory Board Member, as a certified public accountant, has a wealth of experience, a high degree of expertise, and a wide range of insights in corporate accounting. In addition, she has a wealth of practical experience in companies. Both possess considerable knowledge of finance and accounting.
  - The seven (7) Directors of the Board whose names are marked with an asterisk concurrently serve as Executive Officers.
  - The responsibilities of the Directors and Corporate Officers members from April 1, 2022 are shown in the following table, “(2) Directors and Corporate Officers (as of April 1, 2022).”

(ii) Summary of details of limited liability agreement

Pursuant to the provisions of the Articles of Incorporation, the Company has concluded, in conformity with Article 427, Paragraph 1 of the Companies Act, a contract for limitation of liability with all of its outside directors and audit & supervisory board members on the limitation of liability for damages set forth in Article 423, Paragraph 1 of the Companies Act. The maximum amount of the liability for damages under the above-mentioned contract is set at an amount provided for by applicable laws and regulations.

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

The Company has concluded a directors' and officers' liability insurance (D&O insurance) policy with an insurance company, as stipulated in Article 430-3, paragraph 1 of the Companies Act, covering directors, audit & supervisory board members and corporate officers of the Company. The said insurance policy shall cover damages that the insured should legally bear compensation for damages, litigation expenses, and others when the insured receives claims for damages associated with the execution of their duties during the insurance period. However, with a view to preventing impairment of the appropriateness of the insured parties' execution of duties, the policy does not cover damages resulting from criminal acts, other legal violations, or intentional acts. Note that the full amounts of the insurance premiums shall be borne by the Company.

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

(as of April 1, 2022)

**(i) Directors**

Positions	Name	Responsibilities
Representative Director and Chairman of the Board	Masatoshi Kaku	Chairman of the Board
Representative Director of the Board President and CEO	Hiroyuki Isono	Group CEO
Director of the Board	Susumu Yajima	In charge of special assignment
Director of the Board Senior Executive Officer	Fumio Shindo	General Manager of Corporate Sustainability Div. President, Printing and Communications Media Company In charge of Innovation Promotion Div. President, Oji Engineering Co., Ltd.
Director of the Board Senior Executive Officer	Kazuhiko Kamada	President, Celulose Nipo-Brasileira S.A.
Director of the Board Executive Officer	Shigeki Aoki	President, Functional Materials Company President and Representative Director, Oji Functional Materials Progressing Center Inc.
Director of the Board	Yoshiki Koseki	In charge of special assignment
Director of the Board	Koichi Ishida	In charge of special assignment
Director of the Board	Michihiro Nara	
Director of the Board	Toshihisa Takata	
Director of the Board	Sachiko Ai	
Director of the Board	Seiko Nagai	

**(ii) Status of Executive Officers**

Positions	Name	Responsibilities
Senior Executive Officer	Tan Dilun	President & CEO, Oji Asia Packaging Sdn. Bhd. President, Oji Asia Management Sdn. Bhd.
Executive Officer	Azumi Kawabe	Representative Director and Chairman of the Board, Oji Oceania Management Co., Ltd. Chairman of the Board, Oji Fibre Solutions (NZ) Ltd.
Executive Officer	Tadashi Kitamura	Senior Managing Director, Oji Industrial Materials Management Co., Ltd. President, Mori Shigyo Co., Ltd.
Executive Officer	Akio Hasebe	General Manager of Corporate Governance Division President of Oji Management Office Inc. In charge of: Oji Human Support Co., Ltd. Oji Business Center Co., Ltd. Oji Paper Management (Shanghai) Co., Ltd. Oji Asia Management Sdn.Bhd Oji Logistics Co., Ltd.
Executive Officer	Takayuki Moridaira	President of the Industrial Materials Company and the Household and Consumer Products Company President and Representative Director, Oji Industrial Materials Management Co., Ltd. President and Representative Director, Oji Materia Co., Ltd.

Positions	Name	Responsibilities
Executive Officer	Yuji Onuki	President, Forest Resources and Environment Marketing Business COMPANY President, Oji Green Resources Co., Ltd. President and Representative Director, Oji Forest & Products Co., Ltd. President, OCM Fiber Trading Co., Ltd.
Corporate Officer	Takao Funada	President, Printing and Communications Media Company Representative Director, President and CEO, Oji Paper Co., Ltd.
Corporate Officer	Muraji Nishi	General Manager, Innovation Promotion Div.
Corporate Officer	Hirokazu Yasui	President, Oji Paper Management (Shanghai) Co., Ltd. President, Jiangsu Oji Paper Co., Ltd.
Corporate Officer	Katsuhiko Shimazaki	Managing Director, Oji Functional Materials Progressing Center Inc. President and Representative Director, Oji F-Tex Co., Ltd.
Corporate Officer	Kohei Michikawa	Managing Director, Oji Functional Materials Progressing Center Inc. President and Representative Director, Oji Imaging Media Co., Ltd.
Corporate Officer	Tadashi Oshima	Managing Director, Oji Management Office Inc.
Corporate Officer	Atushi Sekiguchi	Vice President, Forest Resources and Environment Marketing Company President, Oji Eco Materials Co., Ltd.

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

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

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

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

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

Furthermore, basic remuneration, which is fixed remuneration, is the only remuneration for Outside Directors.

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

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

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

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

Table 1: Rank-based basic points

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

Table 2: Performance-linked payment rates

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

- Notes: 1. Consolidated sales as a percentage of previous year is sales in the consolidated fiscal year under review as a percentage of sales in the previous consolidated fiscal year.
2. The amount of change in ordinary profit from the previous year is ordinary profit in the consolidated fiscal year under review less ordinary profit in the previous consolidated fiscal year.

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

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

The maximum total remuneration, etc. for Directors is determined by resolution of a General Meeting of Shareholders, and the total amount of basic remuneration, which is fixed remuneration, and bonuses is 800 million yen a year (of which the maximum annual amount for Outside Directors is 100 million yen), pursuant to a resolution of the 97th Ordinary General Meeting of Shareholders held on June 29, 2021. As of the end of this Ordinary General Meeting of Shareholders, the number of Directors stood at 12 (of whom four were Outside Directors).

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

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

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

Position	No. of personnel	Fixed remuneration	Performance-linked remuneration		Total
			Bonuses	Stock-based remuneration	
Directors	13	270 million yen	157 million yen	141 million yen	569 million yen
(Outside Directors)	(4)	(56 million yen)	(-)	(-)	(56 million yen)
Audit & Supervisory Board Members	6	87 million yen	-	-	87 million yen
(Outside Audit & Supervisory Board Members)	(4)	(36 million yen)	(-)	(-)	(36 million yen)
Total	19	358 million yen	157 million yen	141 million yen	657 million yen

Notes: 1. The Company pays bonuses to Directors as part of their performance-linked remuneration. Because the Company positions bonuses as remuneration for short-term performance, the amount of a Director's bonus is calculated based on the amount of consolidated operating income and the performance of the domain under the purview of the Director in the fiscal year under review. While, in the "FY2019-2021 Medium-term Management Plan," the Company has declared that it aims to become a global corporate group that can maintain stable consolidated operating profit of at least 100,000 million yen, consolidated operating profit the fiscal year ended March 31, 2022 amounted to 120,119 million yen. The trend with consolidated operating profit, including in the fiscal year under review, is as shown in "1. (3) Changes in assets and results of operations."

2. The Company pays non-monetary remuneration in the form of stock-based remuneration to Directors as part of their performance-linked remuneration. Because the Company's stock-based remuneration plan is aimed at improving the Company's performance and enhancing its value over the medium to long term, the basis for calculating the number of points granted, which in turn is the basis for the number of shares awarded as stock-based compensation is consolidated sales as a percentage of previous year's and the amount of change in ordinary profit from the previous year for the fiscal year under review. For the fiscal year under review, the evaluation indicators, are 1,358,985 million yen in consolidated sales and 83,061 million yen in consolidated ordinary profit in the previous consolidated fiscal year, and with respect to them, actual performance was 1,470,161 million yen in consolidated sales and 135,100 million yen in consolidated ordinary profit. Details of stock-based remuneration are as shown in "(i) Matters concerning policy for determining details of remuneration, etc. for each Director," and



information about the status of awards of such remuneration are as shown in “2. (5) Shares granted to corporate officers as compensation for execution of duties during the year under review.”

3. As of March 31, 2022, the number of Directors stood at twelve (12) and that of Audit & Supervisory Board Members at five (5).
4. Numbers less than one million yen are rounded down to the nearest million.

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

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

(as of March 31, 2022)

Position	Name	Concurrent positions
Outside Director	Michihiro Nara	Attorney-at-law, HANZOMON SOGO LAW OFFICE Outside Director, Nihon Tokushu Toryo Co., Ltd.
Outside Director	Sachiko Ai	Director and Managing Executive Officer, Audit Division (CAO), Mitsubishi UFJ Trust and Banking Corporation Managing Executive Officer, Group Deputy CAO, Mitsubishi UFJ Financial Group, Inc.
Outside Director	Seiko Nagai	Professor, College of Foreign Studies, Kansai Gaidai University Outside Director, Member of the Board, ShinMaywa Industries, Ltd.
Outside Audit & Supervisory Board Member	Mikinao Kitada	Special Counsel, Mori Hamada & Matsumoto Outside Statutory Auditor, Askul Corporation Outside Member of the Board of Directors (Audit & Supervisory Committee Member), Mizuho Trust & Banking Co., Ltd.
Outside Audit & Supervisory Board Member	Hidero Chimori	Representative Partner, Miyake & Partners Outside Director, Member of the Board, Audit and Supervisory Committee Member, ROHM Co., Ltd.
Outside Audit & Supervisory Board Member	Noriko Sekiguchi	Representative, Sekiguchi Noriko CPA office Outside Director, TOKYO OHKA KOGYO CO., LTD.

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

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

Position	Name	Number of attendance at meetings of the Board of Directors	Summary of comments made and duties performed with respect to expected role
Outside Director	Michihiro Nara	14/14 (100%)	Fulfilled the role expected of him by making comments concerning the Company's management from an independent standpoint, from a legal perspective as an attorney, and based on his extensive experience, high level of expertise, and wide-ranging insight.
Outside Director	Toshihisa Takata	14/14 (100%)	Fulfilled the role expected of him by making comments concerning the Company's management from an independent standpoint, from a multifaceted perspective, including an international viewpoint as a former diplomat, and based on his extensive experience, high level of expertise, and wide range of insight.
Outside Director	Sachiko Ai	14/14 (100%)	Fulfilled the role expected of her by making comments concerning the Company's management from an independent standpoint, from a multifaceted perspective from the business world, including the financial area, and based on her high level of expertise and wide range of insight.
Outside Director	Seiko Nagai	10/10 (100%)	Fulfilled the role expected of her by making comments concerning the Company's management from an independent standpoint, from a multifaceted perspective, including professional viewpoints developed through customer service and university teaching activities, and based on her extensive experience, high level of expertise, and wide range of insight.

Note: Concerning Outside Director Ms. Seiko Nagai's attendance at meetings of the Board of Directors, the scope of the total number of meetings includes only those meetings of the Board of Directors held after her appointment on June 29, 2021.

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

Position	Name	Status of attendance at the Board of Directors' Meeting	Status of attendance at the Audit & Supervisory Board Meeting	Principal comments
Outside Audit & Supervisory Board Member	Mikinao Kitada	13/14 (92.9%)	13/13 (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	Hidero Chimori	10/10 (100%)	9/9 (100%)	Provided expert opinions based on his rich experience as an attorney-at-law, including corporate legal affairs and corporate governance area, and his wide-ranging knowledge
Outside Audit & Supervisory Board Member	Noriko Sekiguchi	9/10 (90%)	9/9 (100%)	Provided expert opinions based on her rich experience on financial accounting as a certified public accountant, and her wide-ranging knowledge

Note: Concerning Outside Audit & Supervisory Board Member Mr. Hidero Chimori and Ms. Noriko Sekiguchi's attendances at Board of Directors' Meetings and Audit & Supervisory Board Meetings, the scope of the total number of meetings includes only those meetings of the Board of Directors and the Audit & Supervisory Board held after their appointments on June 29, 2021.

## 5. Matters related to Accounting Auditors

### (1) Name of the Accounting Auditor

Deloitte Touche Tohmatsu LLC

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

Segment	Amount paid
Remuneration of the Company's Accounting Auditors	millions of yen 120
The amount required to be paid to Accounting Auditors by the Company and its consolidated subsidiaries	301
Total amount of other property benefits	

- Notes:
1. The above-mentioned payments include audit fee under the Financial Instruments and Exchange Act because the audit agreement between the Company and its Accounting Auditors does not distinguish between the audit fee under the Companies Act and the audit fee under the Financial Instruments and Exchange Act.
  2. The Audit & Supervisory Board of the Company has given the consent prescribed in Article 399, Paragraphs 1 and 2 of the Companies Act concerning the amount of remuneration, etc. for Accounting Auditors after examining and evaluating, among others, the negotiations that led to the selection of the new Accounting Auditors, the audit plan developed by the Accounting Auditors, and the actual results for the previous fiscal year.
  3. Numbers less than one million yen are rounded down to the nearest million.

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

Not applicable.

### (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]: Oji Papéis Especiais Ltda., Kanzaki Specialty Papers Inc., KANZAN Spezialpapiere GmbH, GSPP Holdings Sdn. Bhd., Harta Packaging Industries Sdn. Bhd., and Ojitex Haiphong Co., Ltd. and Ojitex (Vietnam) Co., Ltd.

### (5) Company's policy on Accounting Auditor dismissal or non-reappointment decision

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

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

## Consolidated Financial Statements

### Consolidated Balance Sheet

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

	As of March 31, 2022	As of March 31, 2021 (Ref.)
<b>Assets</b>		
Current assets		
Cash and deposits	44,749	130,529
Notes and accounts receivable–trade	–	297,718
Notes receivable–trade	60,227	–
Accounts receivable–trade	260,231	–
Contract assets	3,983	–
Short-term investments	11,074	5,725
Merchandise and finished goods	98,616	86,440
Work in process	20,294	19,273
Raw materials and supplies	106,266	89,090
Short-term loans receivable	4,764	4,324
Accounts receivable–other	18,575	19,608
Other	18,800	17,734
Allowance for doubtful accounts	(1,790)	(1,675)
<b>Total current assets</b>	<b>645,795</b>	<b>668,770</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	196,448	191,231
Machinery, equipment and vehicles	338,946	298,937
Tools, furniture and fixtures	5,585	5,691
Land	240,765	239,052
Forests	116,490	105,560
Plantations	92,343	85,584
Lease assets	42,643	36,077
Construction in progress	94,091	79,279
<b>Total property, plant and equipment</b>	<b>1,127,315</b>	<b>1,041,413</b>
Intangible assets		
Goodwill	3,472	3,122
Other	8,079	9,049
<b>Total intangible assets</b>	<b>11,552</b>	<b>12,171</b>
Investments and other assets		
Investment securities	168,545	163,961
Long-term loans receivable	5,571	6,933
Long-term prepaid expenses	3,497	3,692
Net defined benefit asset	61,542	60,993
Deferred tax assets	8,819	7,074
Other	22,095	17,379
Allowance for doubtful accounts	(982)	(952)
<b>Total investments and other assets</b>	<b>269,089</b>	<b>259,083</b>
<b>Total non-current assets</b>	<b>1,407,956</b>	<b>1,312,668</b>
<b>Total assets</b>	<b>2,053,752</b>	<b>1,981,438</b>

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

	As of March 31, 2022	As of March 31, 2021 (Ref.)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable–trade	234,650	197,950
Short-term loans payable	166,445	129,963
Accounts payable–other	24,653	20,741
Accrued expenses	51,457	48,874
Income taxes payable	23,993	11,526
Other	31,818	32,657
<b>Total current liabilities</b>	<b>533,020</b>	<b>441,713</b>
<b>Non-current liabilities</b>		
Bonds	155,000	155,000
Long-term loans payable	329,062	362,718
Deferred tax liabilities	64,013	59,892
Deferred tax liabilities for land revaluation	7,737	7,739
Net defined benefit liability	54,022	54,010
Long-term deposits	6,809	7,305
Other	28,616	27,450
<b>Total non-current liabilities</b>	<b>645,261</b>	<b>674,117</b>
<b>Total liabilities</b>	<b>1,178,282</b>	<b>1,115,831</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Common stock	103,880	103,880
Capital surplus	99,163	109,100
Retained earnings	567,150	493,224
Treasury stock	(13,277)	(13,400)
<b>Total shareholders' equity</b>	<b>756,918</b>	<b>692,805</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	30,500	31,654
Deferred gains (losses) on hedges	2,076	2,721
Revaluation reserve for land	5,728	5,684
Foreign currency translation adjustment	29,593	(6,418)
Remeasurements of defined benefit plans	26,415	24,533
<b>Total accumulated other comprehensive income</b>	<b>94,314</b>	<b>58,176</b>
Share acquisition rights	157	199
Non-controlling interests	24,080	114,426
<b>Total net assets</b>	<b>875,470</b>	<b>865,606</b>
<b>Total liabilities and net assets</b>	<b>2,053,752</b>	<b>1,981,438</b>

## Consolidated Statement of Income

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

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2021 (Ref.)
Net sales	1,470,161	1,358,985
Cost of sales	1,126,207	1,031,553
Gross profit	343,954	327,431
Selling, general and administrative expenses	223,834	242,638
Operating profit	120,119	84,793
Non-operating income		
Interest and dividends income	4,152	4,292
Exchange gain	15,404	4,616
Equity in earnings of affiliates	2,679	142
Other	8,145	5,524
Total non-operating income	30,381	14,576
Non-operating expenses		
Interest expenses	6,692	6,791
Other	8,708	9,516
Total non-operating expenses	15,401	16,308
Ordinary profit	135,100	83,061
Extraordinary income		
Gain on sale of non-current assets	1,955	398
Gain on return of assets from retirement benefits trust	1,049	–
Insurance claim income	904	2,866
Gain on sale of investment securities	651	292
Gain on sale of businesses	–	906
Profit on subsidiary status change from equity method affiliate to consolidated subsidiary	–	808
Other	345	473
Total extraordinary income	4,906	5,746
Extraordinary loss		
Impairment loss	2,968	497
Loss on disposal of non-current assets	2,283	1,459
Loss on disaster	2,007	2,065
Loss on business restructuring	1,869	1,977
Other	1,615	1,923
Total extraordinary losses	10,745	7,923
Profit before income taxes	129,262	80,883
Income taxes—current	37,476	28,830
Income taxes—deferred	(614)	354
Profit	92,400	51,698
Profit attributable to non-controlling interests	4,890	2,062
Profit attributable to owners of parent	87,509	49,635



## Non-consolidated Financial Statements

### Non-consolidated Balance Sheet

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

	As of March 31, 2022	As of March 31, 2021 (Ref.)
<b>Assets</b>		
Current assets		
Cash and deposits	6,700	72,926
Operating accounts receivable	452	142
Short-term loans receivable	186,849	229,405
Accounts receivable–other	14,625	17,356
Other	337	372
Allowance for doubtful accounts	(2,626)	(1,834)
<b>Total current assets</b>	<b>206,338</b>	<b>318,368</b>
Non-current assets		
Property, plant and equipment		
Buildings	15,345	16,020
Structures	184	221
Machinery and equipment	569	669
Vehicles	0	0
Tools, furniture and fixtures	872	1,003
Land	41,657	42,636
Forests	15,642	15,642
Plantations	21,884	21,943
Lease assets	88	150
Construction in progress	694	455
<b>Total property, plant and equipment</b>	<b>96,939</b>	<b>98,744</b>
Intangible assets		
Software	13	16
Other	52	54
<b>Total intangible assets</b>	<b>66</b>	<b>71</b>
Investments and other assets		
Investment securities	69,413	71,117
Stocks of subsidiaries and affiliates	612,751	568,227
Investments in capital	1	2
Investments in capital of subsidiaries and affiliates	11,745	9,448
Long-term loans receivable	100,460	24,901
Long-term prepaid expenses	462	616
Other	594	611
Allowance for doubtful accounts	(27)	(18)
<b>Total investments and other assets</b>	<b>795,401</b>	<b>674,907</b>
<b>Total non-current assets</b>	<b>892,407</b>	<b>773,723</b>
<b>Total assets</b>	<b>1,098,746</b>	<b>1,092,092</b>

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

	As of March 31, 2022	As of March 31, 2021 (Ref.)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Short-term loans payable	198,637	167,306
Accounts payable–other	3,266	11,304
Accrued expenses	2,103	2,398
Income taxes payable	5,931	797
Other	1,499	1,391
<b>Total current liabilities</b>	<b>211,438</b>	<b>183,198</b>
<b>Non-current liabilities</b>		
Bonds	155,000	155,000
Long-term loans payable	322,413	352,524
Deferred tax liabilities	1,537	1,441
Provision for retirement benefits	1,690	1,842
Long-term deposits	3,583	3,851
Other	1,808	2,102
<b>Total non-current liabilities</b>	<b>486,033</b>	<b>516,763</b>
<b>Total liabilities</b>	<b>697,471</b>	<b>699,962</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Common stock	103,880	103,880
Capital surplus		
Capital reserve	108,640	108,640
<b>Total capital surplus</b>	<b>108,640</b>	<b>108,640</b>
<b>Retained earnings</b>		
Retained earnings reserve	24,646	24,646
<b>Other retained earnings</b>		
Reserve for advanced depreciation of noncurrent assets	14,336	14,603
General reserve	101,729	101,729
Retained earnings brought forward	37,862	27,614
<b>Total retained earnings</b>	<b>178,575</b>	<b>168,594</b>
Treasury stock	(13,521)	(13,644)
<b>Total shareholders' equity</b>	<b>377,575</b>	<b>367,470</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	23,611	24,633
Deferred gains (losses) on hedges	(69)	(172)
<b>Total valuation and translation adjustments</b>	<b>23,542</b>	<b>24,460</b>
Share acquisition rights	157	199
<b>Total net assets</b>	<b>401,274</b>	<b>392,130</b>
<b>Total liabilities and net assets</b>	<b>1,098,746</b>	<b>1,092,092</b>

## Non-consolidated Statement of Income

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

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2021 (Ref.)
Operating revenue	40,335	53,055
Operating expenses	15,716	17,123
General and administrative expenses	12,940	14,749
Other	2,776	2,373
Operating profit	24,618	35,932
Non-operating income		
Interest and dividends income	4,769	4,360
Brand maintenance income	1,619	1,546
Exchange gains	478	–
Other	543	304
Total non-operating income	7,410	6,211
Non-operating expenses		
Interest expenses	3,545	3,438
Brand maintenance expenses	1,584	1,607
Provision of allowance for doubtful accounts	801	398
Exchange losses	–	1,033
Other	338	1,429
Total non-operating expenses	6,269	7,907
Ordinary profit	25,759	34,235
Extraordinary income		
Gain on sale of investment securities	607	197
Gain on sale of stocks of subsidiaries and affiliates	89	–
Other	0	14
Total extraordinary income	698	211
Extraordinary loss		
Impairment loss	1,086	–
Loss on disposal of non-current assets	159	93
Other	49	25
Total extraordinary losses	1,295	118
Profit before income taxes	25,161	34,328
Income taxes–current	794	6
Income taxes–deferred	467	(786)
Profit	23,899	35,108

## INDEPENDENT AUDITOR'S REPORT

May 12, 2022

To the Board of Directors of  
Oji Holdings Corporation:

Deloitte Touche Tohmatsu LLC  
Tokyo office

Designated Engagement Partner,  
Certified Public Accountant:

Tetsuya Ishii

Designated Engagement Partner,  
Certified Public Accountant:

Yutaka Hamaguchi

Designated Engagement Partner  
Certified Public Accountant:

Ayato Hirano

Designated Engagement Partner  
Certified Public Accountant:

Yohei Ono

### Opinion

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements of Oji Holdings Corporation and its consolidated subsidiaries (the "Group"), namely, the consolidated balance sheet as of March 31, 2022, and the consolidated statement of income and consolidated statement of changes in equity for the fiscal year from April 1, 2021 to March 31, 2022, and the related notes.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2022, and its consolidated financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Other Information**

Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

### Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader.

## INDEPENDENT AUDITOR'S REPORT

May 12, 2022

To the Board of Directors of  
Oji Holdings Corporation:

Deloitte Touche Tohmatsu LLC  
Tokyo office

Designated Engagement Partner,  
Certified Public Accountant:

Tetsuya Ishii

Designated Engagement Partner,  
Certified Public Accountant:

Yutaka Hamaguchi

Designated Engagement Partner  
Certified Public Accountant:

Ayato Hirano

Designated Engagement Partner  
Certified Public Accountant:

Yohei Ono

### Opinion

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the nonconsolidated financial statements of Oji Holdings Corporation (the "Company"), namely, the nonconsolidated balance sheet as of March 31, 2022, and the nonconsolidated statement of income and nonconsolidated statement of changes in equity for the 98th fiscal year from April 1, 2021 to March 31, 2022, and the related notes and the accompanying supplemental schedules.

In our opinion, the accompanying nonconsolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2022, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient

and appropriate to provide a basis for our opinion.

### **Other Information**

Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the nonconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the nonconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the nonconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Nonconsolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the nonconsolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of nonconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the nonconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the nonconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these nonconsolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the nonconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the



purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the nonconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the nonconsolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the nonconsolidated financial statements, including the disclosures, and whether the nonconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

#### Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader. "The accompanying supplemental schedules" referred to in this report are not included in the attached financial documents.

**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 98th business year from April 1, 2021 to March 31, 2022, prepared this Audit Report and hereby submits it as follows:

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

- (1) The Audit & Supervisory Board established auditing policies, allocation of duties, and other relevant matters, and received reports from each Audit & Supervisory Board Member regarding his or her audits and results thereof, as well as received reports from the Directors, other relevant personnel, and Accounting Auditors regarding execution of their duties, and requested explanations as necessary.
- (2) In accordance with the auditing policies, allocation of duties, and other relevant matters established by the Audit & Supervisory Board, each Audit & Supervisory Board Member endeavored to collect information, established auditing circumstances through communication with Directors, internal audit staff and other employees, and executed audits using the following method.
  - (i) Audit & Supervisory Board Members attended the Board of Directors' meetings and other important meetings to receive reports regarding execution of duties from Directors, employees, etc. and requested explanations as necessary. Audit & Supervisory Board Members also inspected significant approved documents and examined the status of operations and financial position at its headquarters, etc. Furthermore, Audit & Supervisory Board Members received from subsidiaries their business reports as necessary through communication and information sharing with their Directors and Audit & Supervisory Board Members, and examined the status of operations and financial position at its principal offices, etc. As a measure to prevent the spread of COVID-19, audits were carried out by utilizing web conferencing systems.
  - (ii) Audit & Supervisory Board Members monitored and verified the resolutions adopted by the Board of Directors regarding the establishment of the system for ensuring that the Directors' duties, which are a part of the business report and described in the Company's website in accordance with laws and regulations and the provisions of the Articles of Incorporation, are executed in conformity of laws and regulations, and the Articles of Incorporation of the Company, and the establishment of the system necessary to ensure proper business operations of a corporate group consisting of a stock company and its subsidiaries set forth in Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act, and the systems (Internal Control System) established in accordance with the resolution of the Board of Directors.
  - (iii) Audit & Supervisory Board Members reviewed the basic policy stipulated in Article 118, Item 3 (a) of the Ordinance for Enforcement of the Companies Act and the activities stipulated in (b) in the same Item, which are described in the Company's website, as stated in 2) above, based on the deliberations at the meetings of the Board of Directors and other meetings.
  - (iv) Audit & Supervisory Board Members also monitored and verified that Accounting Auditor maintains independence and conducts the audits appropriately. Audit & Supervisory Board Members also received reports of the status of the execution of duties from Accounting Auditor and requested explanations as necessary. In addition, Audit & Supervisory Board Members were informed of the arrangement of the "System for ensuring that the duties are executed appropriately" (matters stipulated in the items of Article 131 of the Corporate Accounting Rules) in accordance with "Standards for the Quality Control of Audits" (Business Accounting Council, October 28, 2005) from the Accounting Auditor and requested explanations as necessary.

In accordance with the procedures mentioned above, we reviewed the business report and its supplementary schedules, the financial statements (the balance sheet, statement of income, statement of changes in net assets and notes to the financial statements), and the supplementary schedules, as well as the consolidated financial statements (the consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets and notes to the consolidated financial statements), for the year ended March 31, 2022.

## 2. Results of Audit

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

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

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

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

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

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

May 12, 2021

Audit & Supervisory Board of Oji Holdings Corporation

Audit & Supervisory Board Member (Standing)	Tomihiro Yamashita	(Seal)
Audit & Supervisory Board Member (Standing)	Nobuko Otsuka	(Seal)
Audit & Supervisory Board Member	Mikinao Kitada	(Seal)
Audit & Supervisory Board Member	Hidero Chimori	(Seal)
Audit & Supervisory Board Member	Noriko Sekiguchi	(Seal)

Note : Mr. Mikinao Kitada, Mr. Hidero Chimori and Ms. Noriko Sekiguchi are outside audit & supervisory board members prescribed in Article 2, Item 16, and Article 335, Paragraph 3 of the Companies Act.

## Topics

### **Sustainability** On joining the “30by30 Alliance for Biodiversity”

We have joined the 30by30 Alliance for Biodiversity, which was voluntarily started by companies, local governments, and organizations to promote initiatives aimed at reaching the 30by30\* target across Japan.

\*30by30: goal of protecting 30% of land and sea by 2030. It is one of the targets of the Post-2020 Global Biodiversity Framework. Currently, international studies on this framework are progressing and it is expected to be adopted at the Biodiversity Conference COP 15 Part Two to be held this year. Ahead of this, at the G7 Summit held in June last year, all G7 countries promised to preserve at least 30% of land and sea areas in their respective countries by 2030 in response to the situation and approaches in each country.

To achieve the above with this Alliance, local, corporate, and individual strengths will be gathered and initiatives within Japan will be accelerated. In particular, the establishment and maintenance of OECM (Other Effective area-based Conservation Measures) will be promoted, 30by30 will be promoted in Japan and around the world, the loss of biodiversity will be curbed, and we will work towards a nature-positive attitude that reverses previous trends.

The Oji Group owns and manages vast forests covering 580,000 hectares in Japan and overseas. Under our management philosophy, Harmony with Nature and Society, we have set Environmental Vision 2050 and Environmental Action Program 2030, and are engaged in ecosystem-friendly forest management and the protection and cultivation of rare animals and plants.

Through this Alliance, we will accelerate various initiatives that consider the environment, society, and the economy, and work for the realization of a sustainable society.



Forest in Rubeshibe (Hokkaido Prefecture)

◆ On joining the “30by30 Alliance for Biodiversity”  
(News Release April 8, 2022)

<https://www.ojiholdings.co.jp/Portals/0/resources/content/files/news/2022/JP043008.pdf?TabModule958=0>

## **Sustainability** **Products** New products in the “nepi eco” series with sustainable paper packaging!

“nepi eco” is a series of sustainably designed products from raw materials and product standards to packaging, mainly by switching from petroleum-derived “plastic film” to the sustainable material “paper” and adopting FSC® certified paper and biomass materials.

As part of the product development of this series, “Nepia nepi eco toilet double-wrapped 4 roll double,” in which the toilet roll package was changed to paper material, was launched in May 2021 and has been very well received. And now, as new products in the “nepi eco” series, kitchen towels and box tissues are available.



Nepia  
nepi eco kitchen towel 2 roles 100 cuts

Nepia  
nepi eco tissue 5 packs of 400 sheets (200 pairs)

The package was designed with the key message “Protecting forests leads to protecting our future.” Trees absorb carbon dioxide (CO<sub>2</sub>) during their growth, contributing to the reduction of greenhouse gases that cause global warming. Trees from properly managed forests (plantations) are a sustainable resource that will continue to grow as seedlings are planted again after harvesting. Paper made from trees is an environmentally friendly material that is both sustainable and recyclable, as it is collected as used paper and recycled into paper. Preserving forests also leads to the preservation of biodiversity, including plants, animals, and ecosystems.

The Oji Group has always been committed to reducing its environmental impact by being an industry pioneer in the use of FSC® certified paper and the use of biomass ink and biomass film in product packaging. We will continue to contribute to the realization of the SDGs and a decarbonized society through the active adoption of paper packaging and the development of paper materials, and will continue to make proposals that are friendly to both people and the environment.

### ◆ New products in the “nepi eco” series with sustainable paper packaging!

(News Release March 31, 2022)

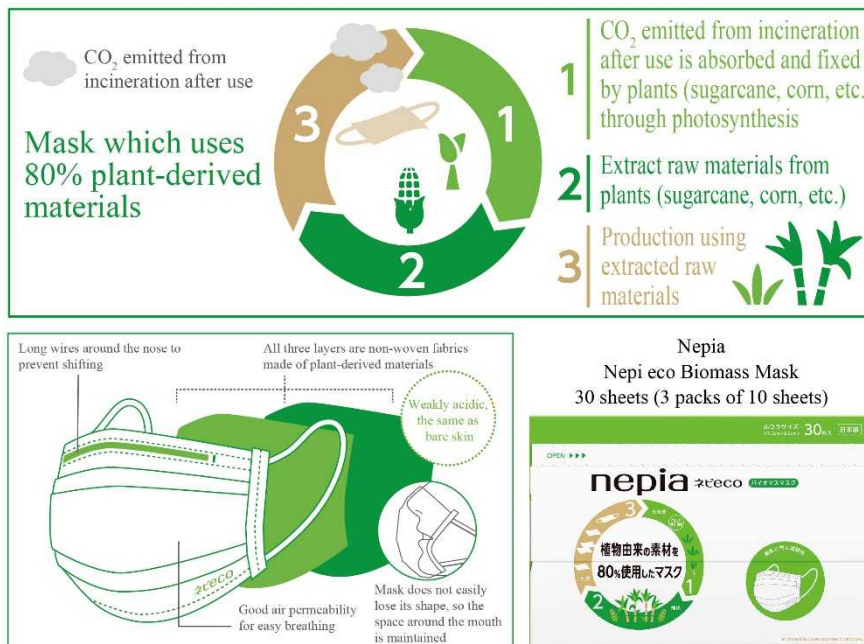
<https://www.ojiholdings.co.jp/Portals/0/resources/content/files/news/2022/JP03nE31.pdf?TabModule958=0>

**Sustainability Products Started sales of “Nepia nepi eco Biomass Mask 30 sheets” made of 80% plant-derived materials!”**

“Nepia nepi eco Biomass Mask,” which uses 80% plant-derived materials in the mask's non-woven fabric, is now available at the official online store “nepia Ginza Store.”

In recent years, environmental issues, such as large-scale disasters caused by climate change and its impact on agricultural crops, have become important issues that the international community must unite to address immediately.

To help solve this problem, Oji Nepia has launched the “Nepia nepi eco Biomass Mask,” which uses plant-derived materials such as sugarcane and corn. The carbon dioxide (CO<sub>2</sub>) emitted by incineration after mask use is absorbed and fixed by photosynthesis in plants such as sugarcane and corn, the raw materials of the mask. In addition, this product uses packaging materials that are partially made of paper and biomass resources. We have designed our products to be sustainable from the materials to the packaging.



◆ Started sales of “Nepia nepi eco Biomass Mask” made of 80% plant-derived materials!”  
 (News Release February 28, 2022)  
<https://www.ojiholdings.co.jp/Portals/0/resources/content/files/news/2022/JP02nE28.pdf>

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 98TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

**The 98th term  
(from April 1, 2021 to March 31, 2022)**

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 Equity  
Consolidated Statements of Cash Flows (Condensed)  
Notes to Consolidated Financial Statements  
Non-consolidated Statement of Changes in Equity  
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, 2022

(as of March 31, 2022)

Name of subscription right to shares	Allotment date	Number of holders of subscription right to shares	Number of subscription right to shares	Class and number of shares to be delivered upon exercise of subscription rights to shares outstanding	Exercise period of subscription right to shares
Oji Paper Co., Ltd. 4th Subscription Rights to Shares (For Directors)	July 13, 2009	Director (excluding the Outside Board Members) 1	12 (1,000 shares of common stock per unit)	Common stock 12,000 shares	July 14, 2009 to June 30, 2029
Oji Paper Co., Ltd. 5th Subscription Rights to Shares (For Directors)	July 16, 2010	Director (excluding the Outside Board Members) 1	15 (1,000 shares of common stock per unit)	Common stock 15,000 shares	July 17, 2010 to June 30, 2030
Oji Paper Co., Ltd. 6th Subscription Rights to Shares (For Directors)	July 15, 2011	Director (excluding the Outside Board Members) 1	15 (1,000 shares of common stock per unit)	Common stock 15,000 shares	July 16, 2011 to June 30, 2031
Oji Paper Co., Ltd. 7th Subscription Rights to Shares (For Directors)	July 17, 2012	Director (excluding the Outside Board Members) 2	33 (1,000 shares of common stock per unit)	Common stock 33,000 shares	July 18, 2012 to June 30, 2032
Oji Holdings Corporation 8th Subscription Rights to Shares (For Directors)	July 16, 2013	Director (excluding the Outside Board Members) 3	54 (1,000 shares of common stock per unit)	Common stock 54,000 shares	July 17, 2013 to June 30, 2033
Oji Holdings Corporation 9th Subscription Rights to Shares (For Directors)	July 15, 2014	Director (excluding the Outside Board Members) 3	43 (1,000 shares of common stock per unit)	Common stock 43,000 shares	July 16, 2014 to June 30, 2034
Oji Holdings Corporation 10th Subscription Rights to Shares (For Directors)	July 14, 2015	Director (excluding the Outside Board Members) 5	84 (1,000 shares of common stock per unit)	Common stock 84,000 shares	July 15, 2015 to June 30, 2035

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) Status of implementation of the initiatives for compliance

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

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

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

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

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

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

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

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

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

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

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

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

### (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 held 13 meetings in the year under review. Standing Audit & Supervisory Board Members attend the Holdings Management Meetings and the Group Management Meetings, etc. apart from the Board of Directors' Meetings, verifying the decision-making processes concerning business executions. Proceedings of the Holdings Management Meetings and the Group Management Meetings, etc. are reported to the Outside Audit & Supervisory Board Members, at the Briefing Meeting for Outside Officers (also attended by Outside Directors and Standing Audit & Supervisory Board Members) held twice a month in principle. Furthermore, Outside Audit & Supervisory Board Members work for further information sharing by participating (voluntarily) as observers together with Outside Directors at management meetings.

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

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

## Basic Policies on the Control of the Company

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

Based on the approval by shareholders at the 96th Ordinary General Meeting of Shareholders held on June 26, 2020, the Company has continued policy to address purchase of the Company’s share certificates, etc. (Note 1) (hereafter, this policy is referred to as the “Policy”), for the purpose of a specific shareholder group (Note 2) purchasing 20% or more of the voting rights (Note 3) or the purchase of the Company’s share certificates, etc. with the result that a specific shareholder group holds 20% or more of the voting rights (Note 4) prescribed below (3). The effective term of the Policy shall be up to the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year ending within three (3) years from the date of this Meeting.

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

Note 2: Specific shareholder group means (i) the holder of the Company’s share certificates, etc. (meaning share certificates, etc. prescribed in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act) (such holder is prescribed in Article 27-23, Paragraph 1 of the same Act and includes persons included in holders based on Paragraph 3 of the same Article) and joint holders of the same (meaning the joint holders prescribed in Article 27-23, Paragraph 5 of the same Act and including persons deemed to be joint holders based on Paragraph 6 of the same Article) or (ii) the person and persons in a special relationship (meaning persons in a special relationship prescribed in Article 27-2, Paragraph 7 of the same Act) who undertake the purchase, etc. of the share certificates, etc. of the Company (meaning share certificates, etc. prescribed in Article 27-2, Paragraph 1 of the same Act) (such purchase, etc. is prescribed in Article 27-2, Paragraph 1 of the same Act and including purchases undertaken on an exchange financial instruments market).

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

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

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

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

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

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

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

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

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

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

The Company implements measures outlined in "(4) Issue to address of Oji Group (management policy, business strategy)" on page 31 of the Business Report of the NOTICE OF THE 98TH ORDINARY GENERAL MEETING OF SHAREHOLDERS as initiatives to enhance corporate value and the common interests of the shareholders of the Company for the purpose of encouraging a large number of investors to continue investing in the Company for a long time.

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

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

[1] Purpose and necessity of introducing the Policy

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

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

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

(a) Responsibility to shareholders

1) Provision of appropriate information

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

2) Ensuring appropriate time for assessment

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

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

(b) Responsibility to society

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

The Group believes that it has an obligation to contribute to a sustainable society, and will develop wide-ranging businesses such as the pulp and paper manufacturing business, the plantation business and electric power generation business, as well as strive to achieve medium- to long-term enhancement of its corporate value, by exploring “beyond the boundaries into the future,” based on the three themes of the Group’s management philosophy, namely, “Creation of Innovative Value,” “Contribution to the Future and the World” and “Harmony with Nature and Society.”

2) Sustainable forest management over the medium to long term

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

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

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

[2] Establishing Large-Scale Purchase Rules

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

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

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

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

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

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

Next, in accordance with the degree of difficulty of the assessment, etc. of the large-scale purchase, a sixty (60)-day period (in the case of the purchase of all the shares of the Company through a public tender offer only for cash (yen) consideration) or a ninety (90)-day period (in the case of other large-scale purchases) after the completion of submission of the Large-Scale Purchase Information shall be set aside as a period for the assessment, investigation, negotiation, opinion formation, and the preparation of alternative proposals by the Board of Directors (hereafter referred to as the “Board of Directors’ Assessment Period”). The Board of Directors’ Assessment Period will not be extended. The Board of Directors of the Company shall promptly disclose the fact that the submission of the Large-Scale Purchase Information was completed and matters relating to the Board of Directors’ Assessment Period. The large-scale purchase shall be commenced only following the passage of the Board of Directors’ Assessment Period (or, if a general meeting of shareholders to confirm the shareholders’ intent is held, after the conclusion of such a meeting).

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



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

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

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

The Company speculates that the issuance of subscription rights to shares will be used as a specific countermeasure. An outline of the case where subscription rights to shares are issued based on a shareholder allotment as a concrete countermeasure shall, as a general principal, be as set forth in Appendix 2. In the event subscription rights to shares are issued, the exercise period, exercise terms and acquisition terms may be established having given consideration to their impact as a countermeasure, such as making the exercise terms and acquisition terms of the subscription rights to shares so as not to vest in a specific shareholder group that has a certain percentage or more of the voting rights.

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

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

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

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

Timely and appropriate disclosures shall be made in the event it is decided to take such countermeasures. Concretely, when acts are deemed to fall within the patterns below, the

Company shall consider, as a general principle, the large-scale purchase to fall within cases where it is clear that the purchase will cause damage from which it will be difficult for the Company to recover or cases where the interests of the Company's shareholders as a whole will suffer significant damage.

(i) When purchases clearly infringe on the interests of shareholders as a whole due to acts listed in the following [1] to [4], etc.

[1] Act of buying up shares and demanding that the Company buy those shares at a high price

[2] Act of taking temporary control of the Company and engaging in management to realize the profits of the purchaser to the detriment of the Company, such as acquiring important assets, etc. of the Company at a low price

[3] Act of appropriating the assets of the Company to secure the debts or to be a source for repayment of the debts of the purchaser or its group companies, etc.

[4] Act of taking temporary control of the Company management, disposing of high valued assets, etc. without immediate relation to the business of the Company, and paying out a temporarily high dividend with the profits from that disposal, or watching for an opportunity for a rapid increase in stock prices caused by the temporarily high dividend to sell off shares

(ii) When it is objectively probable that purchases will effectively force shareholders to sell shares, such as coercive two-tiered tender offers (meaning the purchase of shares such as in a public tender offer under which the second stage purchase terms are disadvantageously set compared to the initial purchase terms or the second stage purchase terms are left ill-defined)

(c) Suspension after implementation of countermeasure

Even after the decision to take countermeasures in accordance with the Policy, the Board of Directors of the Company may decide to suspend the implementation of the countermeasures, having given maximum respect to the recommendation of the special committee, (i) when the large-scale purchaser halts the large-scale purchase and (ii) when there is a change in the relevant facts, etc. upon which the determination to take countermeasures were premised, and it is judged that the large-scale purchase will not cause damage from which it will be difficult for the Company to recover, and furthermore, will not significantly damage the interests of the Company's shareholders as whole (provided, however, that if a general meeting of shareholders to confirm the shareholders' intent has been held and a resolution supporting the suspension of the implementation of countermeasures has been passed at the meeting, the Board of Directors of the Company shall make a decision in accordance with the resolution passed by the general meeting of shareholders to confirm the shareholders' intent). In the case of, for example, a gratis allotment of subscription rights to shares as a countermeasure, when circumstances have arisen, such as the large-scale purchaser withdrawing the large-scale purchase, after the determination of shareholders who should receive an allotment of rights and the Board of Directors judges, having considered the recommendation of the special committee, that the implementation of countermeasures is inappropriate, the gratis allotment of subscription rights to shares may be suspended during the period up to the effective date of the subscription rights to shares or, during the period after the gratis allotment of the subscription rights to shares up to the start of their exercise period, the Company may acquire the subscription rights to shares without consideration and suspend the implementation of the countermeasures.

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

(d) Establishment of special committee and investigation thereby

In the Policy, in order to ensure the objectivity, fairness and rationality of the judgment of the Board of Directors of the Company when judging whether the large-scale purchaser has complied with the large-scale purchase rules, whether the large-scale purchase falls within cases where it is clear that the purchase will cause damage from which it will be difficult for the Company to recover or cases where the interests of the Company's shareholders as a whole will suffer

significant damage, and then whether to take countermeasures against the large-scale purchase, whether to hold a general meeting of shareholders to confirm the shareholders' intent in determining whether to take such countermeasures and whether to suspend their implementation, the Company shall establish a special committee as an organization independent from the Board of Directors of the Company, and the Board of Directors of the Company shall give maximum respect to the committee's recommendation. The special committee shall consist of three (3) members who shall be selected from among Outside Directors, Outside Audit & Supervisory Board Members, company managers with a wealth of management experience, persons thoroughly familiar with investment banking, attorneys, certified public accountants, tax accountants, academics, or other persons with similar qualifications.

When a decision is made to or not to implement countermeasures, to or not to hold a general meeting of shareholders to confirm the shareholders' intent, or to suspend the implementation of countermeasures, the Board of Directors of the Company shall always consult with the special committee and receive its recommendation. The special committee may, at the expense of the Company, obtain the advice of third parties (including financial advisors, certified public accountants, attorneys, consultants and other experts) who are independent from the management team of the Company, or request the attendance of the Company's Directors, Audit & Supervisory Board Members, employees, etc. at meetings of the special committee and request explanations concerning necessary information. The special committee shall deliberate and form resolutions and, based on the contents of those resolutions, present their recommendation to the Board of Directors of the Company. When judging whether to implement countermeasures, whether to hold a general meeting of shareholders to confirm the shareholders' intent in determining whether to take such countermeasures and whether to suspend the implementation of countermeasures, the Board of Directors of the Company shall give maximum respect to the special committee's recommendation. A summary of the rules of the special committee and names and brief histories of the members of the special committee are provided in Appendix 3 and 4.

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

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

[4] Impact on shareholders and investors of the Company

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

In the event that a gratis allotment of subscription rights to shares is undertaken as one of the

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

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

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

As the approval of shareholders in attendance (including the shareholders who exercise voting rights in writing or online) was obtained at the 96th Ordinary General Meeting of Shareholders held on June 26, 2020, with respect to the continuation of the Policy, the effective term of the Policy shall be up to the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year ending within three (3) years from the date of this Ordinary General Meeting of Shareholders, and this shall apply in successive terms thereafter.

Even during the effective term, the Policy shall be abolished at the point in time when a resolution is passed to abolish the Policy in a general meeting of shareholders or when a resolution is passed to abolish the Policy at a meeting of the Board of Directors of the Company. Furthermore, even during the effective term of the Policy, the Board of Directors of the Company may revise the Policy within the extent deemed reasonable and necessary by laws and regulations, guideline amendments, etc. upon receiving approval from the special committee. In the event that the Board of Directors resolves to abolish or otherwise amend the Policy, matters deemed appropriate by the Board of Directors of the Company or the special committee shall be disclosed in an appropriate and timely manner in accordance with applicable laws and regulations.

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

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

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

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

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

[3] Reasonable and Objective Requirements for Implementation

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

[4] Emphasis on the Shareholder's Intentions

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

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

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

(Appendix 1)

Large-Scale Purchase Information

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

(Appendix 2)

## Summary of Subscription Rights to Shares

### 1. Shareholders subject to the allotment of subscription rights to shares and issuance terms

Shareholders who are recorded in the final shareholder registry on the record date prescribed by the Board of Directors shall be allotted subscription rights to shares at a rate of one (1) right per share possessed (however, excluding common shares held by the Company). There may be cases where shareholders shall be granted the right to receive an allotment of subscription rights to shares and are solicited to subscribe to subscription rights to shares for subscription and cases where a gratis allotment of subscription rights to shares shall be made.

### 2. Class and number of shares to be delivered upon exercise of subscription rights to shares

The class of shares to be delivered upon exercise of the subscription rights to shares shall be the common shares of the Company, and the upper limit of the total number of the shares to be delivered upon exercise of subscription rights to shares shall be determined by subtracting the total number of the common shares of the Company issued (excluding the number of common shares held by the Company) from the total number of shares authorized to be issued as of the record date prescribed by the Board of Directors of the Company. The number of shares to be delivered upon exercise of one (1) subscription right to shares shall be one (1) share; provided, however, if the Company makes a share split or a share consolidation, the required adjustments shall be made.

### 3. Total number of subscription rights to shares to be issued

The total number of subscription rights to shares to be allotted shall be the number prescribed by the Board of Directors of the Company, and its upper limit shall be determined by subtracting the total number of the common shares of the Company issued (excluding the number of common shares held by the Company) from the total number of shares authorized to be issued as of the record date prescribed by the Board of Directors of the Company. The Board of Directors may make an allotment of subscription rights to shares multiple times within a scope not to exceed the upper limit of the total allotment number.

### 4. Amount to be paid in for each subscription right to shares

Gratis (No payment of monies is required.)

### 5. Amount of property to be contributed upon exercise of subscription rights to shares

The amount of property to be contributed upon exercise of subscription rights to shares shall be an amount of one (1) yen or more prescribed by the Board of Directors.

### 6. Restrictions on transfer of subscription rights to shares

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

### 7. Exercise terms of subscription rights to shares

The Company may determine terms for the exercise of subscription rights to shares, such as not allowing the exercise of rights by persons belonging to a specific shareholder group holding 20% or more voting rights (excluding persons whose acquisition or possession of the Company's share certificates, etc. is deemed by the Board of Directors of the Company not to be contrary to the interests of the Company's shareholders as a whole). Details shall be separately determined at a meeting of the Board of Directors of the Company.

### 8. Exercise period, etc. of subscription rights to shares

The exercise period, acquisition terms, and other necessary matters of subscription rights to shares shall be separately determined by the Board of Directors. With respect to acquisition terms, the Company may determine terms that allow the Company to acquire subscription rights to shares held by persons other than those whose exercise of subscription rights to shares due to the exercise terms of 7. above is not allowed and may deliver one (1) share per subscription right to shares.

(Appendix 3)

Summary of the Rules of the Special Committee

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



(Appendix 4)

Names and Brief Histories of the Members of the Special Committee

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

Michihiro Nara

(Date of birth: May 17, 1946)

Brief history

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

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

Toshihisa Takata

(Date of birth: January 8, 1954)

Brief history

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

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

Noriko Sekiguchi  
(Date of birth: January 23, 1964)

Brief history

March 1994	Registered as Certified Public Accountant
January 2002	Re-registered as Certified Public Accountant
November 2010	Representative of Sekiguchi CPA Office (currently Sekiguchi Noriko CPA Office) (to the present)
July 2012	Registered as Certified Tax Accountant
June 2015	Outside Director, TOKYO OHKA KOGYO CO., LTD. (to the present)
January 2019	Executive Officer, Chifure Holdings Corporation
June 2021	Independent Outside Audit & Supervisory Board Member, the Company (to the present)

\* Ms. Noriko Sekiguchi is an Outside Audit & Supervisory Board Member as prescribed in Article 2, Item 16 of the Companies Act.

<p>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.</p>
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**Consolidated Statement of Changes in Equity**  
(Fiscal year ended March 31, 2022)

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

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2021	103,880	109,100	493,224	(13,400)	692,805
Cumulative effects of changes in accounting policies			110		110
Restated balance	103,880	109,100	493,334	(13,400)	692,915
Changes of items during the year					
Cash dividends			(13,889)		(13,889)
Profit attributable to owners of parent			87,509		87,509
Purchase of treasury stock				(5)	(5)
Disposal of treasury stock		(26)		128	102
Change in treasury stock arising from changes in equity in affiliates				(0)	(0)
Change in scope of consolidation			406		406
Change by merger of consolidated subsidiaries			(141)		(141)
Transfer to capital surplus from retained earnings		26	(26)		—
Change in ownership interest of parent arising from transactions with noncontrolling shareholders		(9,937)			(9,937)
Reversal of revaluation reserve for land			(43)		(43)
Net changes of items other than shareholders' equity					
Total changes of items during the year	—	(9,937)	73,815	123	64,002
Balance at March 31, 2022	103,880	99,163	567,150	(13,277)	756,918

	Accumulated other comprehensive income						Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains (losses) on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at April 1, 2021	31,654	2,721	5,684	(6,418)	24,533	58,176	199	114,426	865,606
Cumulative effects of changes in accounting policies								(0)	110
Restated balance	31,654	2,721	5,684	(6,418)	24,533	58,176	199	114,425	865,717
Changes of items during the year									
Cash dividends									(13,889)
Profit attributable to owners of parent									87,509
Purchase of treasury stock									(5)
Disposal of treasury stock									102
Change in treasury stock arising from changes in equity in affiliates									(0)
Change in scope of consolidation									406
Decrease by merger of consolidated subsidiaries									(141)
Transfer to capital surplus from retained earnings									—
Change in ownership interest of parent arising from transactions with noncontrolling shareholders									(9,937)
Reversal of revaluation reserve for land									(43)
Net changes of items other than shareholders' equity	(1,154)	(645)	43	36,012	1,882	36,137	(41)	(90,345)	(54,249)
Total changes of items during the year	(1,154)	(645)	43	36,012	1,882	36,137	(41)	(90,345)	9,752
Balance at March 31, 2022	30,500	2,076	5,728	29,593	26,415	94,314	157	24,080	875,470

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

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

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2021
Cash flows from operating activities	143,587	127,107
Cash flows from investing activities	(92,567)	(91,559)
Cash flows from financing activities	(136,002)	19,932
Effect of exchange rate changes on cash and cash equivalents	4,691	(2,169)
Net increase (decrease) in cash and cash equivalents	(80,291)	53,310
Cash and cash equivalents at the beginning of the year	135,669	82,390
Increase in cash and cash equivalents resulting from merger	115	7
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(20)	(39)
Cash and cash equivalents at the end of the year	55,474	135,669

Note: This statement is unaudited.

## 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: 186

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 Papéis Especiais Ltda., Celulose Nipo-Brasileira S.A., Pan Pac Forest Products Ltd., Jiangsu Oji Paper Co., Ltd., Oji Fibre Solutions (NZ) Ltd.

Oji Holdings Corporation (the “Company”) and its consolidated subsidiaries (the “Group”) have newly added one company into the scope of consolidation in the current fiscal year. The reason for this was stock acquisition. Three companies have been excluded from the scope of consolidation. Two companies were excluded as the companies were no longer material to the consolidated financial statements and one company was excluded due a stock sale.

##### (2) Main unconsolidated subsidiaries

Main unconsolidated subsidiaries include PT. Korintiga Hutani, Tomakomai Energy Agency Co., Ltd., and DHC Ginza Corporation.

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

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

##### (1) Unconsolidated subsidiaries and affiliates under the equity method

Number of unconsolidated subsidiaries under the equity method: 1

Name of unconsolidated subsidiaries under the equity method:

PT. Korintiga Hutani

Number of affiliates under the equity method: 23

Main affiliates under the equity method include Mitsubishi Paper Mills Limited, Chuetsu Pulp & Paper Co., Ltd., and Yupo Corporation.

##### (2) Unconsolidated subsidiaries and affiliates to which the equity method was not applied

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

These unconsolidated subsidiaries and affiliates are excluded from the scope of the equity method as their profit/loss (amount corresponding to the Group’s equity in such subsidiaries and affiliates), retained earnings (amount corresponding to the Group’s equity in such subsidiaries and affiliates), etc., do not have a 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 Papéis Especiais Ltda., Celulose Nipo-Brasileira S.A., Jiangsu Oji Paper Co., Ltd., Oji Fibre Solutions (NZ) Ltd. and other 77 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, the Group made the adjustments necessary for consolidation purposes if material transactions occur between their account closing dates and the consolidated account closing date. For certain consolidated subsidiaries, the Group 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) Securities

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

Available-for-sale securities

Those other than stocks

without market quotations:

Stated at fair value (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).

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

###### (ii) Derivatives

Stated at fair value

###### (iii) Inventories

Mainly stated at cost using the periodic average method

(The amount stated on the balance sheet is calculated by writing down amounts to the net realizable value based on any decline in 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 applied in certain consolidated subsidiaries)

###### (ii) Lease assets

Depreciation of lease assets is calculated by using the straight-line method over the period of the lease contract term with no residual value.

##### (3) Standards for significant provisions

###### 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 considering the collectability of individual receivables with respect to doubtful accounts and certain other receivables.

##### (4) Accounting treatment 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 gains and losses and unrecognized prior service cost are recorded as remeasurements of defined benefit plans in accumulated other comprehensive income in the net assets, after adjusting for tax effects.

Standards for net defined benefit liability are as follows:

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

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

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

Prior service cost is accounted for as an expense calculated by using the straight-line method based on the average remaining service period of the employees in service during the period in which it arises (11-19 years).

Actuarial gains and losses are accounted for as expenses 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 (11-18 years) from the subsequent fiscal year onwards.

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

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

(5) Standards for recognition of material revenues and expenses

The Group recognizes its revenues in accordance with the following five-step approach:

Step 1: Identify the contract with a customer

Step 2: Identify performance obligations under the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations under the contract

Step 5: Recognize revenue when the Group fulfills the performance obligations (or as it fulfills them)

(i) Sale of finished goods and merchandise

The Group's main business activities are manufacturing and selling pulp, paper, and other products, as well as purchasing and selling merchandise. In selling such finished goods and merchandise, the Group recognizes revenue at the time the finished goods and merchandise are delivered to the customer as the Group deems that the customer obtains control of its finished goods and merchandise. Thus, the performance obligation is fulfilled upon their delivery. However, revenue is recognized at the time of shipment for sale in Japan if the period between the shipment and the delivery to the customer falls within the normal range of period. In addition, when the Group acts as an agent in the sale of merchandise, revenue is recognized in the net amount. The Group determines if it carries out a transaction as a principal or an agent based on whether it controls the identified merchandise before it is transferred to the customer. The Group treats the activity of shipping or transporting finished goods and merchandise to the customer as an activity to perform the promise of transferring finished goods and merchandise and does not recognize it as a performance obligation.

(ii) Provision of services (including construction contracts)

The Group provides services mainly in the engineering and logistics businesses. For the provision of services, the Group estimates the degree of progress related to fulfillment of performance obligations and recognizes revenue over a certain period of time based on the said degree of progress. The degree of progress is calculated based on the ratio of actual costs against the estimated total costs (input method). However, if the period from the beginning of the transaction under a contract until the performance obligation is expected to be completely fulfilled is very short, the Group does not recognize revenue for a certain period of time and recognizes revenue when the performance obligation is completely fulfilled.

Judgement involved in revenue recognition

The transaction price is calculated by deducting the amount of variable consideration, including discounts and rebates, from the amount of the consideration promised under the contract with a customer. Such variable consideration includes elements of estimates. Estimates are based on the Group's past experience and reasonable forecasts negotiated with customers at the time of the estimates, and are included in the transaction price to the extent that it is highly probable that a significant reversal will not occur.

Most contracts involve a single performance obligation whose transaction price is indicated in the contract. For contracts that involve multiple performance obligations, the Group allocates the transaction price to each performance obligation based on the standalone selling price. The standalone selling price is the price at which the Group expects to sell promised goods or services

to individual customers.

A consideration under a contract is typically received within a year from the time at which the finished goods, merchandise or services are delivered to the customer. No significant financing component is included.

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

(7) Significant hedge accounting method

(i) Hedge accounting method

In principle, the Group adopts the deferred hedge accounting method for hedging instruments whereby any gains or losses arising from the instrument are deferred over the period of the hedging contract and are offset against the deferred losses or gains on the related hedged items. However, when an interest rate swap contract meets certain conditions, the net amount to be paid or received under the contract is added to or deducted from the interest on the hedged items (special treatment). Foreign currency transactions hedged by forward exchange contracts which meet certain conditions for hedge accounting are reported at the forward rate and the resulting differences between the spot rate and the forward rate amortized over the life of the contract (appropriate treatment). Transactions hedged by interest and currency swaps which meet certain conditions for integrated treatment (special treatment, appropriate treatment) are accounted for using the integrated treatment.

(ii) Hedging instruments and hedged items

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

(iii) Hedging policy

The Group has a risk management policy to hedge 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 critical terms such as principal, interest rate, and duration are identical between the assets/liabilities of hedging instruments and hedged items.

(8) 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.

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

Application of consolidated taxation system

Consolidated taxation system is applied.

(Application of Tax Effect Accounting for Transition from Consolidated Taxation System to the



#### Group Tax Sharing System)

The Company and certain consolidated domestic subsidiaries will transition to the Group Tax Sharing System in the next fiscal year. However, regarding the items for which the individual taxation system was reviewed in line with the transition to the Group Tax Sharing System and the transition to the Group Tax Sharing System that was established under the “Act for Partial Revision of the Income Tax Act, etc.” (Act No. 8 of 2020), in line with the treatment of Paragraph 3 of the “Treatment of Application of Tax Effect Accounting for Transition from Consolidated Taxation system to Group Tax Sharing System” (Practice Issues Task Force (“PITF”) No. 39, March 31, 2020), the Company and certain consolidated domestic subsidiaries will not apply Paragraph 44 of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, February 16, 2018). The amounts of deferred tax assets and deferred tax liabilities are based on the provisions of the tax law prior to the revision.

From the beginning of the next fiscal year, the Company and certain consolidated domestic subsidiaries will apply the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (Practical Issues Task Force (“PITF”) No.42, August 12, 2021), which stipulates the handling of accounting treatment and disclosure of corporate taxes, local corporate taxes and tax effect accounting in applying the Group Tax Sharing System.

#### 5. Changes in accounting policies

(Application of Accounting Standard for Revenue Recognition, etc.)

“Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020. Hereinafter “Revenue Recognition Standard”) and related guidelines have been adopted from the beginning of the current fiscal year. In line with this adoption, revenue is recognized at the time of the transfer of controls for promised goods or services to customers in the amount that reflects the consideration to which they expect to be entitled in exchange for those goods or services.

The main changes due to the adoption of the new accounting standard are the accounting treatment of consideration paid to customers, such as sales incentives, and the accounting treatment of transactions in which purchased goods are sold to customers. With respect to sales incentives and other consideration paid to customers, a portion of the expenses that were previously recorded in selling, general and administrative expenses are now reduced from sales. In addition, as for transactions in which purchased goods are sold to customers, revenue was previously recognized at the total amount of consideration received from the customer, but has partly changed to be recognized at the net amount received from the customer less the amount paid to the supplier.

In adopting the Revenue Recognition Standard, in accordance with the transitional treatment set forth in the proviso of Paragraph 84 of the Revenue Recognition Standard, the cumulative effect of retrospective application of the accounting policy to the beginning of the current fiscal year was charged to retained earnings at the beginning of the current fiscal year. The new accounting policy was applied from the beginning balance of the current fiscal year. However, the Group has applied the method prescribed in Paragraph 86 of the Revenue Recognition Standard and has not retrospectively applied the new accounting policy to contracts in which almost all the revenue amounts were recognized in accordance with the previous treatment prior to the beginning of the current fiscal year. In addition, the Group has applied the method prescribed in Paragraph 86, second sentence (1) of the Revenue Recognition Standard and accounted for contract changes made prior to the beginning of the current fiscal year based on the contract terms after reflecting all contract changes and added or subtracted the cumulative effect of such changes to retained earnings at the beginning of the current fiscal year.

As a result, for the current fiscal year, net sales decreased by ¥49,989 million, cost of sales decreased by ¥20,405 million, selling, general and administrative expenses decreased by ¥29,325 million, non-operating expenses decreased by ¥120 million, operating profit decreased by ¥259 million, and ordinary profit and profit before income taxes each decreased by ¥139 million. In addition, the balance of retained earnings at the beginning of the current fiscal year increased by ¥110 million. The impact on information per share is immaterial.

Due to the adoption of the Revenue Recognition Standard, “Trade notes and accounts receivable” which was presented in "Current assets" of the consolidated balance sheet for the previous fiscal year, is included in “Note receivable – trade”, “Accounts receivable – trade”, and “Contract assets” from the current fiscal year.

(Application of Accounting Standard for Fair Value Measurement, etc.)

“Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019. Hereinafter “Fair Value Measurement Standard”) and other standards have been adopted from the beginning of the current fiscal year, and in accordance with the transitional treatment set forth in Article 19 of Fair Value Measurement Standard and Article 44-2 of “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019), the Group has determined to continue to apply new accounting policies prescribed by Fair Value Measurement Standard and other standards prospectively. The effects of this adoption on the consolidated financial statements are immaterial.

## 6. Change in presentation

(Consolidated Statements of Income)

“Insurance claim income” (¥2,123 million in the current fiscal year), which was separately disclosed under “Non-operating income” in the previous fiscal year, is included in “Other” in the current fiscal year as its amount has become immaterial.

“Loss on sublet of facilities” (¥12 million in the current fiscal year), which was separately disclosed under “Non-operating expenses” in the previous fiscal year, is included in “Other” in the current fiscal year as its amount has become immaterial.

“Gain on sale of non-current assets” (¥398 million in the previous fiscal year) and “Gain on sale of investment securities” (¥292 million in the previous fiscal year), both of which were included in “Other” under “Extraordinary income,” are separately disclosed in the current fiscal year as their amounts have become material.

“Impairment loss” (¥497 million in the previous fiscal year), which was included in “Other” under “Extraordinary losses” in the previous fiscal year, is separately disclosed in the current fiscal year as its amount has become material.

“Extra retirement payments” (¥633 million in the current fiscal year), which was separately disclosed in the previous fiscal year, is included in “Other” in the current fiscal year as its amount has become immaterial.

## 7. Notes on accounting estimates

### (1) Impairment of noncurrent assets

The Group determines whether there is an indication of impairment of assets or asset groups with respect to property, plant and equipment, and intangible assets including goodwill, etc. If an indication of potential impairment of assets or asset groups exists and an impairment loss needs to be recognized, the Group estimates the recoverable amount of such assets or asset groups. The recoverable amount of assets or asset groups is the higher of the net realizable value and value in use and the book value is reduced to the recoverable amount for items whose recoverable amount falls below the book value. Such loss is recorded as an impairment loss. Value in use is calculated based on certain assumptions, such as remaining economic useful life, future cash flows, discount rates, and others of assets or asset groups.

Significant accounting estimates on the impairment of noncurrent assets recognized in the current fiscal year are as follows.

(Assessment of indications of impairment of non-current assets in the base paper of household paper business)

In the household and industrial materials segment, manufacturing facilities for the base paper of household paper began operation in China in July 2020. However, as the business has been behind the business plan due to, among others, a sluggish market of the base paper of household paper and price increase in raw materials and fuel, the Group assessed an indication of impairment of non-current assets (¥11,035 million) in relation to the business in accordance with the International Financial Reporting Standards.

In the assessment, the Group compared and analyzed the actual results with the business plan

prepared at the time of the capital investment and considered the future business plan. As a result, the Group concluded that there was no indication of impairment identified in light of International Accounting Standard No. 36 “Impairment of Assets.”

The future business plan includes certain assumptions such as pulp purchase prices based on pulp market forecasts by external organizations, product selling prices based on these purchase prices, future product demand, raw material and fuel prices, and other factors. These estimates and assumptions are determined based on the best estimate and judgement by management and the Group considered them appropriate, however, they may impact the future business plan depending on changes in selling prices, product demand, raw material and fuel prices and other factors. If they need to be revised, it may impact the amounts recognized in future consolidated financial statements.

(2) Collectability of deferred tax assets

With respect to deductible temporary differences, loss brought forward, and unused deferred tax credits, the Group records deferred tax assets after deducting the tax amount that is not expected to be collected in the future accounting periods from the tax amount thereof. The judgment of collectability in the future accounting periods is made on the assumption of the estimates for taxable income in the future fiscal years based on the business plan drawn up by the Group. The Company and certain consolidated domestic subsidiaries have adopted the consolidated taxation system, and conduct tax effect accounting treatment in the type of applying the consolidated taxation system.

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

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

Deferred tax assets	8,819 million yen
---------------------	-------------------

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

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

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

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

Net defined benefit asset	61,542 million yen
Net defined benefit liability	54,022 million yen

## Notes to Consolidated Balance Sheet

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

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

Cash and deposits	1,636
Accounts receivable–trade	4,045
Merchandise and finished goods	3,389
Work in process	41
Raw materials and supplies	486
Short-term loans receivable	10,238
Other current assets	4,304
Buildings and structures	9,097
Machinery, equipment and vehicles	10,377
Tools, furniture and fixtures	147
Land	9,457
Forests	3,123
Plantations	23,372
Construction in progress	1,283
Other intangible assets	604
Investment securities	825
Other investments and other assets	39
Total	<u>82,471</u>

Of the above, the following amounts have been eliminated in the consolidated balance sheet: within the accounts receivable–trade, 597 million yen of accounts receivable–trade from consolidated subsidiaries, within the short-term loans receivable, 10,238 million yen of short-term loans receivable from consolidated subsidiaries, and within the investment securities, 373 million yen of investments in consolidated subsidiaries.

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

Short-term loans payable	1,964
Long-term loans payable	3,239
Notes and accounts payable–trade	449
Total	<u>5,653</u>

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

2,748,545

(including the amount of accumulated impairment loss)

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

PT. Korintiga Hutani	6,675
Tokyo Branch of Forest Corporation	5,180
Other	403
Total	<u>12,258</u>

### 4. Notes discounted (millions of yen) 10,767

Notes receivable endorsed (millions of yen) 420

### 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.

- 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. Impairment loss

The Group carries out the asset grouping based on the smallest unit that generates largely independent cash flows by business segments for business assets and based on individual properties for lease real estate properties and idle assets.

In the current fiscal year, the Group wrote down the book values of asset groups that incurred consecutive operating losses and of idle assets whose market values have decreased significantly to their recoverable amounts if the recoverable amounts are lower than the book value. The Group booked the reduction amounts, totaling 3,418 million yen, as impairment loss in extraordinary losses.

The breakdown of the losses includes buildings and structures totaling 377 million yen, machinery, equipment and vehicles totaling 1,873 million yen, tools, furniture and fixtures totaling 38 million yen, land totaling 1,046 million yen, and other totaling 83 million yen. Of these, 450 million yen is included in loss on business restructuring under extraordinary losses.

If the net realizable value is used as the recoverable amount, an asset is appraised based on the real-estate appraisal standards, etc. If the value in use is used as the recoverable amount, it is calculated by discounting the future cash flow by 4.7%. If the value in use based on the future cash flow is negative, the recoverable value is deemed zero.

### 2. Loss on business restructuring

Loss on business restructuring includes mainly the amount of asset impairment and removal expenses associated with the decision to halt the production equipment at the Oji Materia Nayoro Mill and the Oji F-Text Ebetsu Mill.

## Notes to Consolidated Statement of Changes in Equity

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

2. Class and number of treasury stock as of the end of the current fiscal year  
     Common stock 23,764,570 shares

Note: Included within the number of common stock in treasury stock as of the end of the current fiscal year, are 1,398,752 shares of the Company held by the Board Benefit Trust.

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 13, 2021	Common stock	6,944	7.0	March 31, 2021	June 7, 2021
Board of Directors' Meeting held on November 2, 2021	Common stock	6,945	7.0	September 30, 2021	December 1, 2021

Notes: 1. Included within the total dividend amount for which a resolution was passed at a Board of Directors' Meeting held on May 13, 2021, is a dividend of 10 million yen for shares of the Company held by The Board Benefit Trust.

2. Included within the total dividend amount for which a resolution was passed at a Board of Directors' Meeting held on November 2, 2021, is a dividend of 9 million yen for shares of the Company held by The Board Benefit Trust.

(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, 2022	Common stock	6,945	Retained earnings	7	March 31, 2022	June 7, 2022

Note: Included within the total dividend amount is a dividend of 9 million yen for shares of the Company held by The Board Benefit Trust.

4. Class and number of shares to be delivered upon exercise of share acquisition rights at the end of the current fiscal year (excluding those for which the exercise period has not started).

    Common stock 456,000 shares

## 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 for each customer.
- 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 periodically checks their fair values and financial conditions of such issuing entities (the companies with which the Group has business relationships) and reviews its shareholding, considering its relationships with such companies.

With respect to loans payable, short-term loans payable is mainly for financing related to operating activities, while long-term loans payable is mainly for financing related to investment in property, plant and equipment. Long-term loans payable with floating interest rates is 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 the counterparty risk.

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

- Foreign exchange forward contracts, currency option, and currency swap to hedge the foreign exchange fluctuation risk on, among others, operating receivables and payables as well as loans payable denominated in foreign currencies,
- Interest rate swaps to hedge the interest rate fluctuation risk on loans payable, and
- Commodity swaps to hedge price the 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 amounts on the consolidated balance sheet, their fair values and the differences at March 31, 2022, the consolidated account closing date for the current fiscal year.

(Millions of yen)

	Consolidated balance sheet amount	Fair value	Difference
(1) Investment securities (*2)			
(i) Stocks of affiliates	37,362	9,303	(28,059)
(ii) Available-for-sale securities	85,553	85,553	—
Total assets	122,915	94,856	(28,059)
(1) Bonds	155,000	153,627	(1,372)
(2) Long-term loans payable	388,435	394,436	6,001
Total liabilities	543,435	548,063	4,628
Derivative transactions (*3)	5,790	5,790	—

- (\*1) Cash and items whose fair values approximate their book values because of short maturities are not indicated.
- (\*2) Items such as stocks without market quotations (45,629 million yen on the consolidated balance sheet) are not included in “Assets (1) Investment securities.”
- (\*3) Receivables and payables arising from derivative transactions are shown on the net basis. The items which are net debt in total are shown in parentheses.

(Change in presentation)

“Long-term loans receivable” has been omitted from this consolidated fiscal year because it has become immaterial in terms of amount.

Note 1: Hedging relationships that apply the “Revised Practical Solution on the Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR”

As of the end of the current fiscal year, all hedging relationships in the application scope of the “Revised Practical Solution on the Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR” (Practice Issues Task Force (“PITF”) No. 40, March 17, 2022) apply special treatments stipulated in this Practical Solution. Details of hedging relationships that apply this Practical Solution are as follows:

- |  |   |
|--|---|
| (i) Hedge accounting method  | Designated the special treatment of interest rate swaps, integrated treatment of interest rate and currency swaps |
| (ii) Types of financial instruments serving as hedging instruments | Interest rate swaps, interest rate and currency swaps   |
| (iii) Types of financial instruments serving as hedged items       | Long-term loans payable   |
| (iv) Types of hedging transactions                                 | Hedging transactions where cash flow is fixed   |

## 3. Matters regarding breakdown of financial instruments by fair value level

The Group classifies the fair values of financial instruments into the following three levels according to the observability and significance of inputs involved in the calculation of fair value:

Level 1 fair value: Fair value calculated from market prices related to assets or liabilities subject to the calculation of the fair value formed in an active market, from among inputs related to the calculation of observable fair value

Level 2 fair value: Fair value calculated using inputs related to the calculation of fair value other than the inputs of Level 1, from among inputs related to the calculation of observable fair value

Level 3 fair value: Fair value calculated using inputs related to the calculation of significant unobservable fair value



When using multiple inputs that have a significant impact on the calculation of fair value, the Group classifies the fair value into the level that has the lowest priority in the calculation of the fair value, from among the levels to which these inputs belong, respectively.

(1) Financial instruments booked at fair value on consolidated balance sheet

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Stocks	84,217	—	—	84,217
Other	1,335	—	—	1,335
Derivative transactions				
Currency-related	—	425	—	425
Interest rate-related	—	—	—	—
Commodities-related	—	4,744	952	5,697
Total assets	85,553	5,170	952	91,675
Derivative transactions				
Currency-related	—	232	—	232
Interest rate-related	—	99	—	99
Commodities-related	—	—	—	—
Total liabilities	—	332	—	332

(2) Financial instruments other than those booked at fair value on consolidated balance sheet

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Stocks of affiliates	9,303	—	—	9,303
Total assets	9,303	—	—	9,303
Bonds	—	153,627	—	153,627
Long-term loans payable	—	394,436	—	394,436
Total liabilities	—	548,063	—	548,063

Note1: Explanation of valuation method used in calculating fair value and inputs related to calculation of fair value

Investment securities

The fair value of listed stocks is classified into the Level 1 fair value based on the quoted price in the stock exchange since those stocks are traded in active markets and have the quoted price.

Derivatives

The fair value of the forward exchange contract, currency options, and interest rate swaps is classified into the Level 2 fair value based on, among others, the prices obtained from financial institutions with which the Group has transactions. As those that use the special treatment of interest rate swaps and the integrated treatment of interest rate and currency swaps are accounted for in an integrated manner with long-term loans payable of the hedged item, their fair values are included in the ones of the relevant long-term loans payable. The fair value of commodity derivatives is calculated based on the discounted present value method using observable inputs, such as prices obtained from relevant counterparties and is classified into the Level 2 fair value. It is classified into the Level 3 fair value if unobservable inputs are additionally used.

#### Bonds

The fair value of bonds issued by the Company is classified into the Level 2 fair value based on the market price (Reference: Statistical Prices for OTC Bond Transactions). Bonds that will reach maturity within a year (- million yen on the consolidated balance sheet) are also included.

#### Long-term loans payable

The fair value of long-term loans payable is calculated by discounting the total of the principal and interest with an interest rate, which is based on the assumed interest rate for new loans payable under the similar condition, and is classified into the Level 2 fair value.

Part of the long-term loans payable carrying variable interest rates are subject to the special treatment of interest rate swaps or to the integrated treatment of interest rate and currency swaps. (Refer to Derivatives above.) In those cases, the fair value is calculated by discounting the total amount of the principal and interest based on the exceptional or integration accounting with the reasonably estimated interest rate for new loans payable under the similar condition. Long-term loans payable that will be repaid within a year (59,372 million yen on the consolidated balance sheet) is also included.

Note2: Information on the Level 3 fair value of financial instruments that are booked at fair value on consolidated balance sheet

Information on the Level 3 fair value of financial instruments that are booked at fair value on consolidated balance sheet is omitted because the fair value is immaterial.

#### **Notes on Investment and Rental Property**

Disclosure is omitted as it is immaterial to the consolidated financial statements.

## Notes on Business Combination

Transactions, etc. under common control

Purchase of treasury stock by a consolidated subsidiary of the Company

### 1. Summary of the transaction

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

Name of the combining entities concerned:	Japan Brazil Paper and Pulp Development Ltd.
Business activities:	Management of pulp manufacturing company and import business of products

#### (2) Business combination date

May 13, 2021

#### (3) Legal form of business combination

Purchase of treasury stock by a consolidated subsidiary of the Company

#### (4) Name after the business combination

There is no change.

#### (5) Other matters related to the summary of transactions

For the purpose of further strengthening the management base of the Group, Japan Brazil Paper and Pulp Development Ltd. acquired the treasury stock held by non-controlling shareholders. As a result, the ratio of voting rights held by the Group for the company became 100.0%.

### 2. Summary of the conducted accounting treatments

In compliance with “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, January 16, 2019) and “Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, January 16, 2019), the Group accounted for the business combination as transactions with non-controlling shareholders under common control and others.

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

Consideration for acquisition	Cash	77,000 million yen
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### 4. Matters related to change in ownership interest of the Company due to transactions with non-controlling shareholders

#### (1) Major change factors of capital surplus

Purchase of treasury stock by a consolidated subsidiary of the Company

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

4,281 million yen

Acquisition of additional stocks of a subsidiary

### 1. Summary of the transaction

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

Name of the combining entities concerned:	Oji Oceania Management Co., Ltd.
Business activities:	Management of companies operating pulp, paperboard and packaging business

#### (2) Business combination date

March 2, 2022

#### (3) Legal form of business combination

Acquisition of stocks from non-controlling shareholders

(4) Name after the business combination

There is no change.

(5) Other matters related to the summary of transactions

For the purpose of further strengthening the management base of the Group, the Company acquired stocks of Oji Oceania Management Co., Ltd. held by non-controlling shareholders. As a result, the ratio of voting rights held by the Group for the company became 100.0%.

2. Summary of the conducted accounting treatments

In compliance with “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, January 16, 2019) and “Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, January 16, 2019), the Group accounted for the business combination as transactions with non-controlling interests under common control and others.

3. Acquisition cost for the acquired company and breakdown of the type of consideration

Consideration for acquisition	Cash	31,642 million yen
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4. Matters related to change in ownership interest of the Company due to transactions with non-controlling shareholders

(1) Major change factors of capital surplus

Purchase of additional stocks in a subsidiary of the Company

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

4,963 million yen

## Notes on revenue recognition

### 1. Information on disaggregation of revenue from contracts with customers

(Millions of yen)

	Household and Industrial Materials	Functional Materials	Forest Resources and Environment Marketing	Printing and Communications Media	Other	Total
Japan	463,614	93,661	95,134	158,942	165,943	977,297
Overseas	178,787	77,809	179,979	41,184	15,102	492,864
Net sales to external customers	642,402	171,471	275,113	200,126	181,046	1,470,161

Key business areas are as follows:

Household and Industrial Materials Business: Containerboard/corrugated containers business, boxboard/folding cartons business, packaging materials/paper bags business, household paper business, disposable diapers business

Functional Materials Business: Specialty paper business, thermal paper business, adhesive products business, film business

Forest Resources and Environment Marketing Business: Pulp business, energy business, plantation and lumber processing business

Printing and Communications Media Business: Newsprint business, printing, publication and communications paper business

Other: Real estate business, engineering, trading, logistics, etc.

### 2. The outstanding balances of contract assets and contract liabilities

The outstanding balances of contract assets and contract liabilities arising from contracts with customers of the Group are omitted as they are immaterial.

### 3. Transaction prices allocated to residual performance obligations

This information is omitted as the Group has no significant transactions with an individual expected contract duration of more than one year and applied the practical expedient. There is no material amount not included in transaction prices among the consideration arising from contracts with customers.

## Notes on Per Share Information

- |                         |           |
|-------------------------|-----------|
| 1. Net assets per share | 859.29yen |
| 2. Profit per share     | 88.35 yen |
- (Calculated from the weighted average number of shares during the year)

Note: Shares of the Company held by the Board Benefit Trust and recorded as treasury stocks under shareholders' equity are included in treasury stocks deducted from total number of shares outstanding at the end of the fiscal year when calculating "Net assets per share" (1,398,752 shares). Moreover, in calculating "Profit per share," they are included in the number of treasury stocks deducted from the average number of shares outstanding during the year (1,443,365 shares).

## Non-consolidated Statement of Changes in Equity

(Fiscal year ended March 31, 2022)

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

	Shareholders' equity										
	Common stock	Capital surplus			Retained earnings					Treasury stock	Total shareholders' equity
		Capital reserve	Other capital surplus	Total capital surplus	Retained earnings reserve	Other retained earnings			Total retained earnings		
						Reserve for advanced depreciation of noncurrent assets	General reserve	Retained earnings brought forward			
Balance at April 1, 2021	103,880	108,640	—	108,640	24,646	14,603	101,729	27,614	168,594	(13,644)	367,470
Changes of items during the year											
Reversal of reserve for advanced depreciation of noncurrent assets						(266)		266	—		—
Cash dividends								(13,889)	(13,889)		(13,889)
Profit								23,899	23,899		23,899
Purchase of treasury stock										(5)	(5)
Disposal of treasury stock			(27)	(27)						128	100
Transfer to capital surplus from retained earnings			27	27				(27)	(27)		—
Net changes of items other than shareholders' equity											
Total changes of items during the year	—	—	—	—	—	(266)	—	10,247	9,981	123	10,104
Balance at March 31, 2022	103,880	108,640	—	108,640	24,646	14,336	101,729	37,862	178,575	(13,521)	377,575

	Valuation and translation adjustments			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains (losses) on hedges	Total valuation and translation adjustments		
Balance at April 1, 2021	24,633	(172)	24,460	199	392,130
Changes of items during the year					
Reversal of reserve for advanced depreciation of noncurrent assets					—
Cash dividends					(13,889)
Profit					23,899
Purchase of treasury stock					(5)
Disposal of treasury stock					100
Transfer to capital surplus from retained earnings					—
Net changes of items other than shareholders' equity	(1,021)	103	(918)	(41)	(959)
Total changes of items during the year	(1,021)	103	(918)	(41)	9,144
Balance at March 31, 2022	23,611	(69)	23,542	157	401,274

## Notes to Non-consolidated Financial Statements

### Notes on Matters Concerning Important Accounting Policies

#### 1. Standard and method of valuation of 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	
Those other than stocks without market quotations, etc.:	Stated at fair value (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).
Stocks without market quotations, etc.:	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 significant provisions

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 considering the collectability of individual receivables with respect to doubtful accounts and certain other receivables.
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Provision for retirement benefits:	<p>In order to prepare for the provision of retirement benefits for employees, an amount that is determined to have accrued at the end of the current fiscal year is recorded based on the estimated amounts of the retirement benefit obligation as of the end of the current fiscal year.</p> <p>In the calculation of retirement benefit obligation, the projected benefit formula is used to attribute the estimated benefit to the period through the end of the current fiscal year.</p> <p>Prior service cost is accounted for as an expense calculated by using the straight-line method based on the average remaining service period of the employees in service during the period in which it arises.</p> <p>Actuarial gains and losses are accounted for as expenses 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 from the subsequent fiscal year onwards.</p>
4. Standards for revenues and expenses	<p>The Company is mainly engaged in the management of consolidated subsidiaries. Revenues from such service provision are recognized by measuring the degree of progress based on the period that has passed over the contract period. Information that forms the basis for understanding revenues is contained in “4. Matters concerning accounting policies,” “(5) Standards for recognition of material revenues and expenses” in the “Notes on Important Matters Forming the Basis of Preparation of Consolidated Financial Statements” for the consolidated financial statements.</p>
5. Other important matters forming the basis of preparation of financial statements	
Hedge accounting method	<p>Interest rate swaps qualifying for such exceptional accounting are accounted for using the special treatment. Interest rate and currency swaps qualifying for such integrated treatment are accounted for using the integration accounting.</p>
Accounting treatment for retirement benefits:	<p>The accounting treatment method for unrecognized actuarial gain or losses and the untreated amounts of unrecognized prior service cost related to retirement benefits is different from the treatment for these items in the consolidated financial statements.</p>
Application of consolidated taxation system:	<p>Consolidated taxation system is applied. (Application of Tax Effect Accounting for Transition From Consolidated Taxation System to Group Tax Sharing System)</p> <p>The Company will transition to the Group Tax Sharing System in the next fiscal year. However, regarding the items for which the individual taxation</p>

system was reviewed in line with the transition to the Group Tax Sharing System and the transition to the Group Tax Sharing System that was established under the “Act for Partial Revision of the Income Tax Act, etc.” (Act No. 8 of 2020), in line with the treatment of Paragraph 3 of the “Treatment of Application of Tax Effect Accounting for Transition From Consolidated Taxation system to Group Tax Sharing System” (Practical Issues Task Force No. 39, March 31, 2020), the Company will not apply Paragraph 44 of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, February 16, 2018). The amounts of deferred tax assets and deferred tax liabilities are based on the provisions of the tax law prior to the revision.

From the beginning of the next fiscal year, the Company will apply the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (Practice Issues Task Force (“PITF”) No.42, August 12, 2021), which stipulates the handling of accounting treatment and disclosure of corporate taxes, local corporate taxes and tax effect accounting in applying the Group Tax Sharing System.

#### 6. Changes in accounting policies

(Application of Accounting Standard for Revenue Recognition, etc.)

“Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020. Hereinafter “Revenue Recognition Standard”) and related guidelines have been adopted from the beginning of the current fiscal year. In line with this adoption, revenue is recognized at the time of the transfer of controls for promised goods or services to customers in the amount that reflects the consideration to which they expect to be entitled in exchange for those goods or services. There is no impact on the Non-consolidated financial statements from the application of the Revenue Recognition Standard, etc.

(Application of Accounting Standard for Fair Value Measurement, etc.)

“Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019. Hereinafter “Fair Value Measurement Standard”) and other standards have been adopted from the beginning of the current fiscal year, and in accordance with the transitional treatment set forth in Paragraph 19 of Fair Value Measurement Standard and Paragraph 44-2 of “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019), the Company has determined to continue to apply new accounting policies prescribed by Fair Value Measurement Standard and other standards prospectively. There is no effect of this adoption on the Non-consolidated financial statements.

#### 7. Change in presentation

(Non-consolidated Statement of Income)

“Provision of allowance for doubtful accounts” (398 million yen in the previous fiscal year), which was included in “Other” under “non-operating losses” in the previous fiscal year, is separately disclosed in the current fiscal year as the amounts became material.

“Loss on valuation of investment securities” (49 million yen in the current fiscal year), which was separately disclosed under “extraordinary losses” in the previous fiscal year, is included in “Other” in the current fiscal year as the amounts became immaterial.

#### 8. Notes on accounting estimates

(Valuation of stocks of subsidiaries and affiliates and of investments in capital of subsidiaries and

affiliates that do not have market quotations)

- (i) Amount recorded in the Non-consolidated financial statements as of the current fiscal year  
The followings are the amounts of stocks of subsidiaries and affiliates and of investments in capital of subsidiaries and affiliates that do not have market quotations as of the current fiscal year.

Stocks of subsidiaries and affiliates	600,833 million yen
Investments in capital of subsidiaries and affiliates	11,745 million yen

With respect to stocks of subsidiaries and affiliates and to investments in capital of subsidiaries and affiliates, valuation loss of 32 million yen was recorded in the Non-consolidated financial statements as of the current fiscal year.

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

With respect to stocks of subsidiaries and affiliates and to investments in capital of subsidiaries and affiliates that do not have market quotations, the Company records their acquisition costs as balance sheet values. However, if the actual value decreases significantly, except when its recoverability is justified by sufficient evidence, the actual value is recorded as a balance sheet value, and the difference from the acquisition cost is recorded as a loss in the current fiscal year.

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

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

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

## Notes to Non-consolidated Balance Sheet

1. Assets pledged as collateral and obligations related to collateral

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

Forests	159
Standing timber	324
Total	<u>483</u>

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

Long-term loans payable (including the amount scheduled to be paid within one year)	994
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2. Accumulated depreciation of property, plant and equipment (millions of yen)

	55,584
(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	200,861
Long-term monetary receivables from subsidiaries and affiliates	100,509
Short-term monetary payables to subsidiaries and affiliates	84,007
Long-term monetary payables to subsidiaries and affiliates	4

4. Guarantee obligations, etc. (millions of yen)

Jiangsu Oji Paper Co., Ltd.	29,102
PT. Korintiga Hutani	6,675

Other	740
Total	<u>36,518</u>

**Notes to Non-consolidated Statement of Income**

Volume of transactions with subsidiaries and affiliates (millions of yen)

Operating revenue	39,437
Of which business advisory fee income	15,007
Of which dividends income	21,097
Other	3,331
Operating expenses	8,903
Transaction volume–non-trading	5,172

## Notes to Non-consolidated Statement of Changes in Equity

Class and number of treasury stock as of the end of the current fiscal year

Common stock 23,558,451 shares

Note: Included within the number of common stock in treasury stock as of the end of the current fiscal year are 1,398,752 shares of the Company held by the Board Benefit Trust.

## Notes on Tax Effect Accounting

Breakdown of deferred tax assets and deferred tax liabilities by major cause

Deferred tax assets	(millions of yen)
Stocks of subsidiaries resulting from company split	15,095
Investment securities	9,893
Other	3,416
Subtotal	<u>28,405</u>
Valuation allowance	<u>(13,329)</u>
Total deferred tax assets	<u>15,076</u>
Deferred tax liabilities	(millions of yen)
Valuation difference on available-for-sale securities	(10,195)
Reserve for advanced depreciation of noncurrent assets	(6,327)
Other	(91)
Total deferred tax liabilities	<u>(16,614)</u>
Net amount of deferred tax liabilities	<u>(1,537)</u>

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

Apart from the noncurrent assets recorded on the Non-consolidated balance sheet, the Company uses certain 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	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 Financing relationship	Business advisory fee (Note 2)	4,576	–	–
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)	79	Short-term loans receivable	10,611
Consolidated subsidiary	Japan Brazil Paper and Pulp Development Ltd.	Direct: 97.7 Indirect: 2.3	–	Financing relationship	Lending of funds (increase in the balance) (Note 1)	52,250	Long-term loans receivable	52,250
Consolidated subsidiary	Oji Green Resources Co., Ltd.	Direct: 100.0	Concurrent appointment by directors of the Company	Financing relationship	Lending of funds (increase in the balance) (Note 1)	2,532	Short-term loans receivable	14,681
							Long-term loans receivable	18,300
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)	(20,000)	Short-term loans receivable	83,600
					Borrowing of funds (decrease in the balance) (Note 1)	(10,650)	Short-term loans payable	16,216
					Business advisory fee (Note 2)	3,533	–	–
					Interest income (Note 1)	794	–	–
Consolidated subsidiary	Oji Management Office Inc.	Direct: 100.0	Concurrent appointment by directors of the Company	Financing relationship	Personnel expenses (Note 3)	2,388	–	–
				Outsourcing indirect services	Outsourcing fees (Note 4)	2,007	–	–
Consolidated subsidiary	OCM Fiber Trading Co., Ltd.	Indirect: 70.0	–	Financing relationship	Lending of funds (increase in the balance) (Note 1)	381	Short-term loans receivable	12,735
Consolidated subsidiary	Oji Papéis Especiais Ltda.	Indirect: 100.0	–	Financing relationship	Lending of funds (increase in the balance) (Note 1)	7,357	Short-term loans receivable	2,213
							Long-term loans receivable	8,855
Consolidated subsidiary	Oji Oceania Management (NZ) Limited.	Indirect: 100.0	–	Financing relationship	Lending of funds (decrease in the balance) (Note 1)	(416)	Long-term loans receivable	20,869

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

Note 1: The interest rates for loans and borrowings 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 and decided through negotiations between the parties in a reasonable manner.

Note 3: Personnel expenses are paid for employees assigned to the Company in accordance with secondment agreements.

Note 4: Outsourcing fees are decided through negotiations, taking into account the appropriateness as consideration for business support.

### **Notes on Per Share Information**

1. Net assets per share	404.83 yen
2. Profit per share	24.12 yen

(Calculated from the weighted average number of shares during the year)

Note: Shares of the Company held by the Board Benefit Trust and recorded as treasury stocks under shareholders' equity are included in treasury stocks deducted from total number of shares outstanding at the end of the fiscal year when calculating "Net assets per share" (1,398,752 shares). Moreover, in calculating "Profit per share," they are included in the number of treasury stocks deducted from the average number of shares outstanding during the year (1,443,365 shares).

### **Notes on Company Applicable to Consolidated Dividends Regulations**

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