

OJI GROUP REPORT 2016



The Oji Group is taking part in conservation efforts for the endangered Fairy Pitta living in the Group's forest in Japan.

(©Ecosystem Trust Society)

To all our stakeholders,

The Oji Group will continue focusing strong efforts into pursuing growth under these drastically changing business environments.

With “Beyond the Boundaries” as our slogan, we will further accelerate the creation of new values as well as the expansion of our overseas businesses, going beyond the boundaries of traditional ideas and national borders.

We are committed to creating new values that contribute to the development of the future and the world, and to continue addressing issues in global environmental conservation. By doing so, we aim to contribute towards the realization of a sustainable society, as well as to seek sustainable growth and enhancement of our medium-to-long-term corporate value.

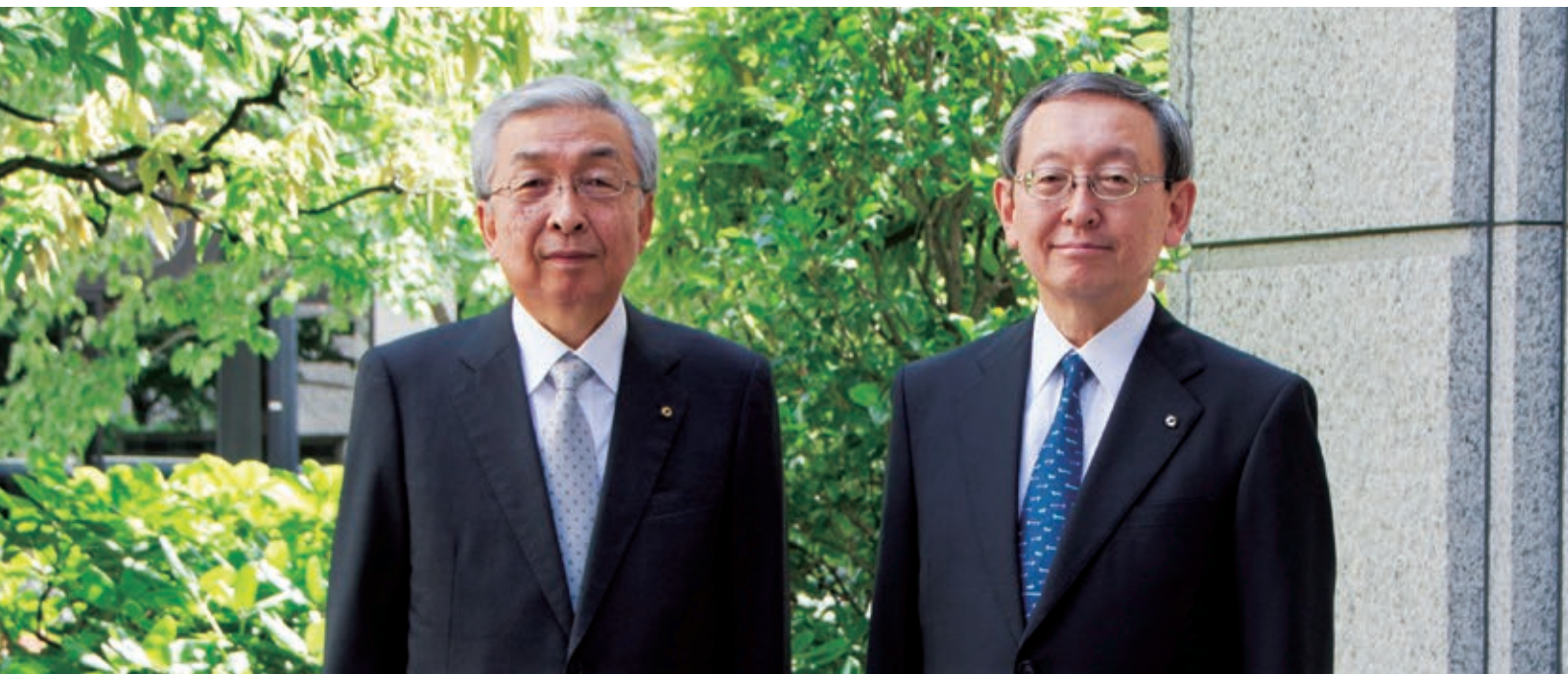
We sincerely appreciate and look forward to the continuing patronage and loyal support of all of our stakeholders and shareholders.

Oji Holdings Corporation

Director, Chairman of the Board
Kiyotaka Shindo



Director of the Board, President
Susumu Yajima



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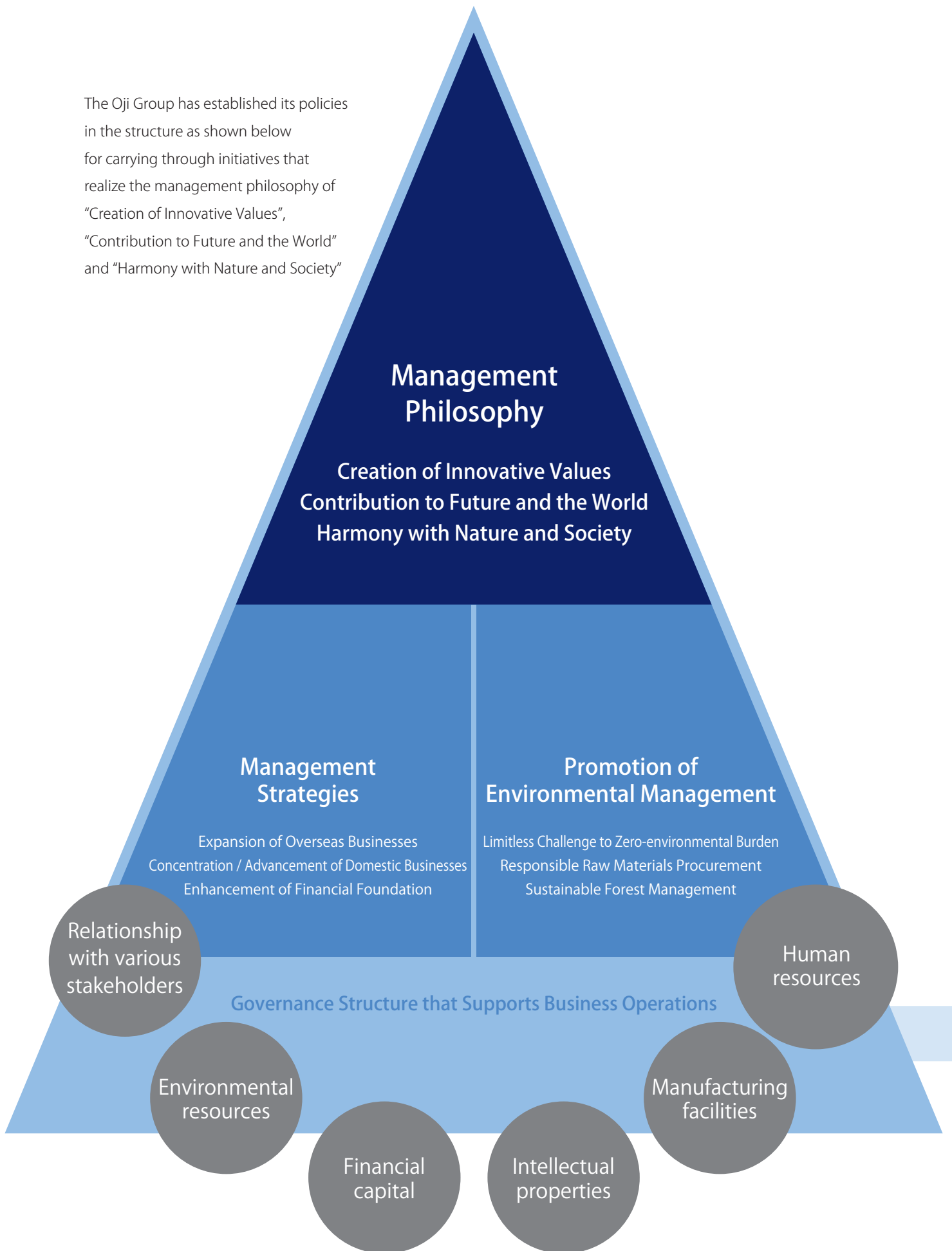
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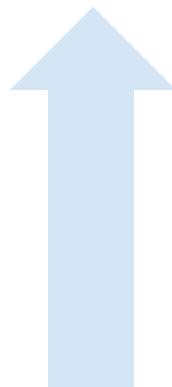


The Oji Group has established its policies in the structure as shown below for carrying through initiatives that realize the management philosophy of "Creation of Innovative Values", "Contribution to Future and the World" and "Harmony with Nature and Society"



Output

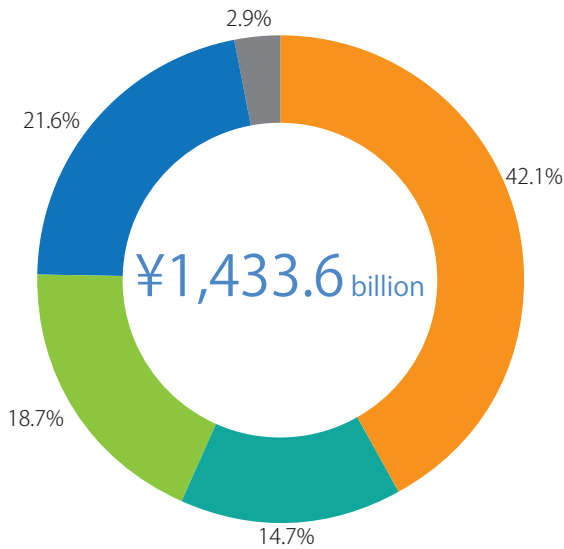
	FY2015 Results	FY2016 Forecasts	FY2018 Targets	Future Targets
Net Sales	¥1,433.6 billion	¥1,430.0 billion	¥1,700.0 billion	
Overseas Sales Ratio	27.8%	25.6%	35%	50%
Operating Income	¥73.7 billion	¥72.0 billion	¥100.0 billion	
Interest-bearing Debts	¥777.7 billion	¥750.0 billion	¥700.0 billion	
Environmental Management	Zero-environmental burden			



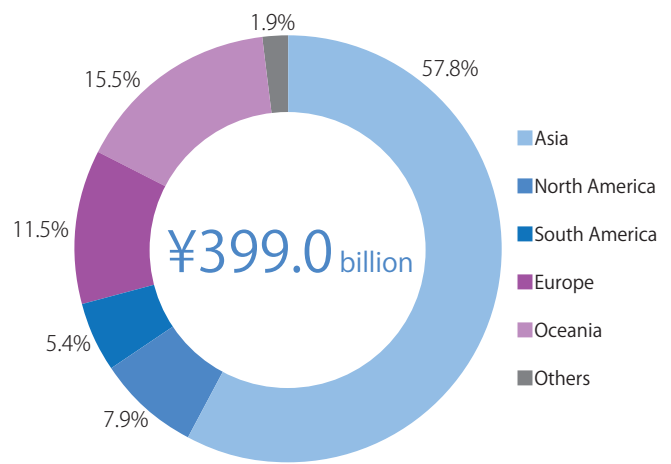
Activities in the 4 Business Segments



Sales Composition by Business Segment (FY2015)

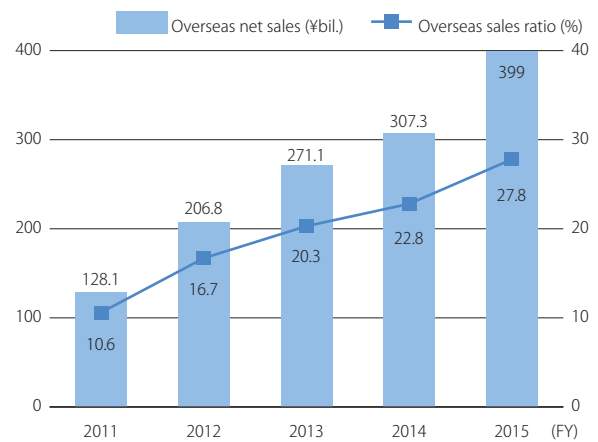


Overseas Net Sales by Sales Area (FY2015)



Business Segment	Net Sales
Household and Industrial Materials	¥ 603.8 billion
Functional Materials	¥ 211.0 billion
Forest Resources and Environment Marketing	¥ 267.7 billion
Printing and Communications Media	¥ 309.4 billion
Others	¥ 41.7 billion

Overseas Net Sales / Overseas Sales Ratio



Household and Industrial Materials Businesses

A group of products intricately related to our daily lives; from tissue paper to packaging materials including corrugated containers

Main Businesses

- Various packaging materials and products (base paper manufacturing and converting)
- Household paper
- Disposable diaper



Functional Materials Business

A group of mainly sheet-form products made from various materials; from specialty paper to adhesive paper

Main Businesses

- Specialty paper
- Thermal paper
- Adhesive products
- Film



Forest Resources and Environment Marketing Business

A group of products made from resources provided by forests; from lumber products to raw materials for paper manufacturing and wood-based biomass fuel, etc.

Main Businesses

- Lumber
- Forest plantation
- Pulp
- Energy



Printing and Communications Media Business

A group of "paper-based" products that supports print culture such as books, newspapers and magazines

Main Business

- Newsprint
- Printing/publication paper
- Communication paper (i.e. copying paper)



Other Businesses

Various services that support the Oji Group's collective strength; from maintenance of facilities to transportation and wholesale

Main Businesses

- Wholesale business
- Engineering services
- Transportation services
- Development and lease of residential housing
- Hotel business



Financial Highlights		FY2011	FY2012	FY2013	FY2014	FY2015
Net Sales	(¥bil.)	1,212.9	1,241.5	1,332.5	1,347.3	1,433.6
Operating Income	(¥bil.)	53.8	52.4	62.0	46.7	73.7
Ordinary Income	(¥bil.)	48.4	54.6	70.4	53.0	62.4
Profit Attributable to Owners of Parent	(¥bil.)	22.2	25.6	33.8	17.3	15.3
Profit Per Share	(¥)	22.46	25.93	34.22	17.55	15.44
Net Assets Per Share	(¥)	454.20	511.95	581.69	666.40	600.34
Dividend Per Share	(¥)	10	10	10	10	10
Total Assets	(¥bil.)	1,635.0	1,831.3	1,915.7	2,164.1	1,934.9
Net Assets	(¥bil.)	463.3	579.1	670.4	801.4	730.9
Interest-bearing Debts	(¥bil.)	784.7	831.1	798.5	862.6	777.7
Equity Ratio	(%)	27.4	27.6	30.0	30.4	30.7
Return on Equity	(%)	5.0	5.4	6.3	2.8	2.4
Capital Investment	(¥bil.)	54.7	70.1	76.7	80.0	50.0
Depreciation and Amortization	(¥bil.)	76.0	72.1	73.3	70.8	78.6
Research and Development Expense	(¥bil.)	9.1	9.5	10.9	10.5	9.7
Cash Flows from Operating Activities	(¥bil.)	119.5	105.4	109.3	90.9	128.1
Cash Flows from Investing Activities	(¥bil.)	(81.2)	(76.2)	(67.2)	(165.5)	(43.3)
Cash Flows from Financing Activities	(¥bil.)	(28.9)	(20.7)	(52.0)	77.4	(89.8)

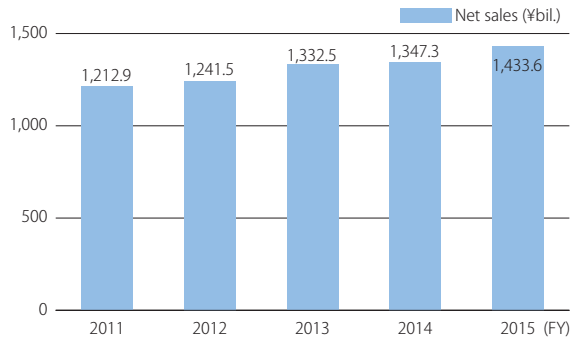
Non-financial Highlights		FY2011	FY2012	FY2013	FY2014	FY2015
Number of Employees	Total (person)	24,683	27,360	31,072	33,668	33,605
	Overseas (person)	7,070	9,886	13,727	16,665	16,760
Frequency Rate of Accidents Resulting in Lost Work Time*1		0.91	0.75	0.80	0.66	0.77
Greenhouse Gas Emissions*2 (CO ₂ Equivalent)	Domestic (1,000 t)	6,089	6,053	6,184	6,002	6,217
	Overseas (1,000 t)	982	1,021	1,027	1,648	1,517
Energy Consumption (Crude Oil Equivalent)	Domestic (1,000 kL)	3,527	3,382	3,443	3,364	3,385
	Overseas (1,000 kL)	646	1,225	1,310	2,176	2,221
Waste Generation*2	Domestic (1,000 t)	1,539	1,490	1,519	1,544	1,517
	Overseas (1,000 t)	230	856	835	1,176	1,202

*1 Frequency rate of accidents resulting in lost work time = (occupational accident casualties / total work time) * 1,000,000

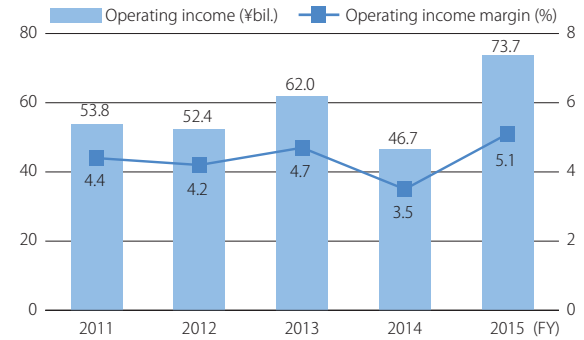
The total work time is assumed to be 2,000 hours/person

*2 Please refer to pg.39 for further details

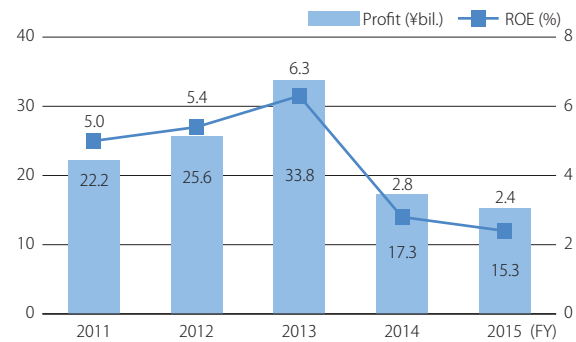
Net Sales



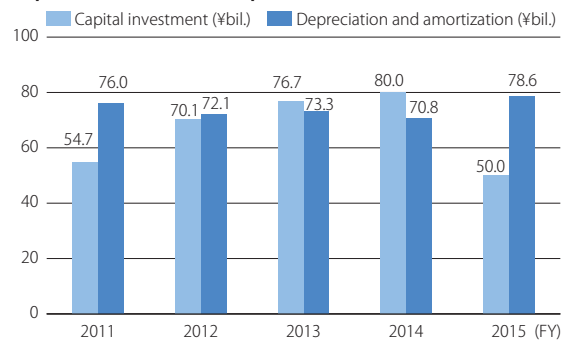
Operating Income / Operating Income Margin



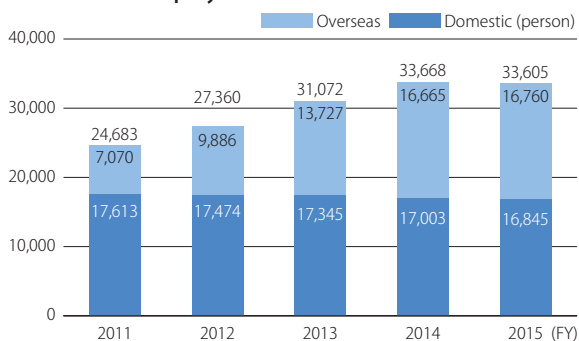
Profit Attributable to Owners of Parent / ROE



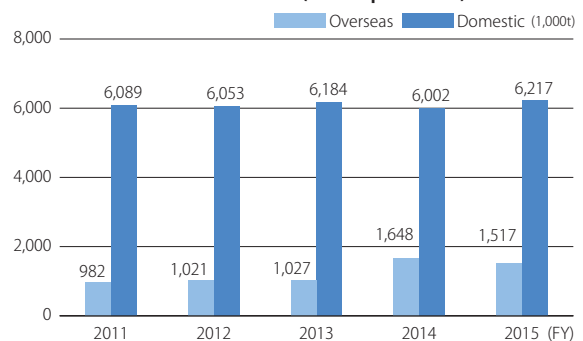
Capital Investment / Depreciation and Amortization



Number of Employees



Greenhouse Gas Emissions (CO₂ Equivalent)

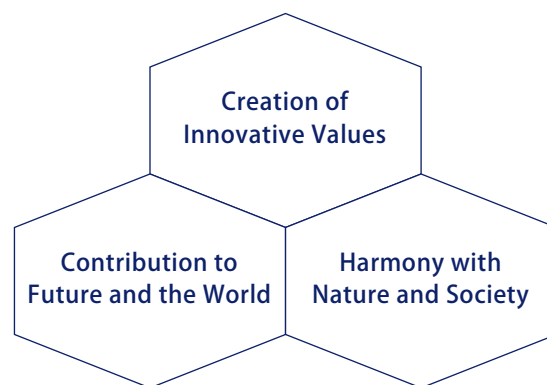




Director of the Board, President
Group Co-CEO
Susumu Yajima

About Oji Group (Management Philosophy and Others)

The Oji Group has grown into a global company group with diversified businesses and overseas sales ratio of over 25%, with the management philosophy of "Creation of Innovative Values", "Contribution to Future and the World", and "Harmony with Nature and Society". In the midst of the recent drastically and rapidly changing business environment, we reaffirm our commitment towards being a manufacturing company that meets the ever-changing needs of the times and supports our future. Oji Group will continue advancing forward, aiming towards the development of a sustainable society.



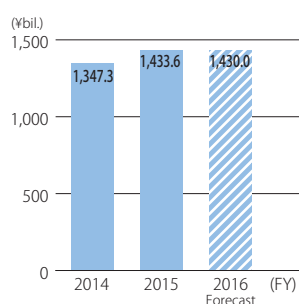
Business Review of Fiscal 2015 and Outlook for Fiscal 2016

In fiscal 2015, operating income increased due to contributions from overseas businesses and cost reduction measures. As for fiscal 2016, despite tough market conditions, business performance is expected to hold steady at the same level.

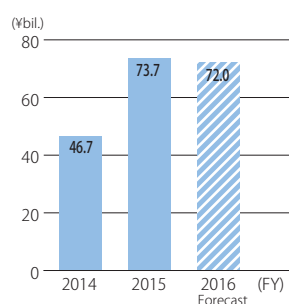
Consolidated net sales for fiscal 2015 increased by 6% from the previous year to reach ¥1,433.6 billion. Furthermore, overseas sales ratio grew considerably, from 22.8% in fiscal 2014 to 27.8% in fiscal 2015, due to positive influences such as the full-year consolidation of Oji Fibre Solutions' performance and stable prices for market pulp sold by a subsidiary in Brazil, among others. Operating income increased by 58% from the previous year to reach ¥73.7 billion owing to our active overseas business expansion efforts and cost reduction measures, in spite of negative factors including increased expenditure attributed to higher prices in some raw materials and fuel. Ordinary income also increased by 18% to reach ¥62.4 billion despite facing yen depreciation. Profit attributable to owners of parent decreased by 12% to ¥15.3 billion,

due to factors such as the impairment loss incurred at a subsidiary in China. As for fiscal 2016, we expect to see decline in sales and income from the forest resources and environment marketing business segment as prices of pulp, which have started falling since the end of 2015, are forecasted to hit record-low levels not seen since the global financial crisis. Taking into consideration factors such as continual cost reduction measures and differences in raw material and fuel prices due to exchange rate fluctuations, we plan for fiscal 2016's performance to be similar to fiscal 2015 levels, with consolidated net sales of ¥1,430.0 billion, operating income of ¥72.0 billion, ordinary income of ¥62.0 billion, and profit attributable to owners of parent of ¥38.0 billion which is approximately 50% higher than last year.

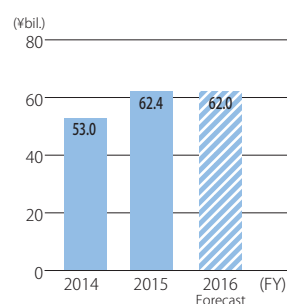
Net Sales



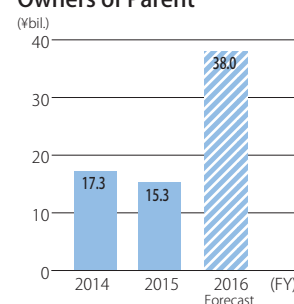
Operating Income



Ordinary Income



Profit Attributable to Owners of Parent



Business Environment Surrounding Oji Group

Demand in Japan has matured, while growing markets overseas present both opportunities and risks.

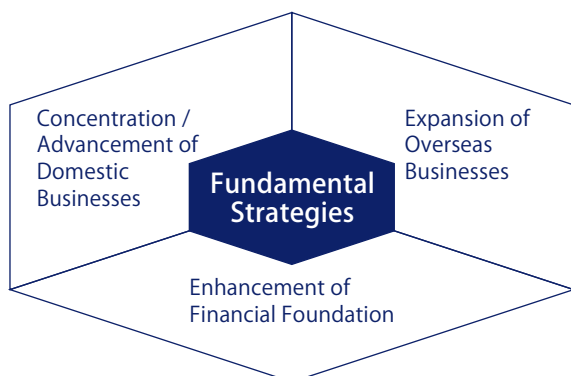
Regarding the current business environment surrounding the Oji Group, especially in the printing and communications media business which deals mainly with newsprint and printing/publication paper, it is difficult to expect future demand growth even in so-called emerging and growth-leading economies, on top of structural changes in demand such as population decline in Japan as well as the advancement of information and communication technology. On the other hand, there are still markets with growth potential to be found. For example, the consumer products market is expected to expand along with economic growth, and demand in the corrugated containers market is generated corre-

sponding to the flow of goods. With the increasing number of overseas companies and the overseas sales ratio coming close to 30%, movements in various currencies including Brazilian Real, New Zealand Dollar and Malaysian Ringgit are now capable of significantly impacting our business performance. Besides currency risks, there is also need to bear in mind the country risks that accompany overseas business expansion. Though regional headquarters are designated in each region for more efficient local information gathering, we believe it is important to carefully consider both political and economic stability as well as market potential when proceeding with our overseas expansion plans.

Management Strategies (Fiscal 2016-2018 Medium-term Management Plan)

We will advance with business expansion and also concentration, in accordance with the “Fiscal 2016-18 Medium-term Management Plan” which we formulated in fiscal 2015.

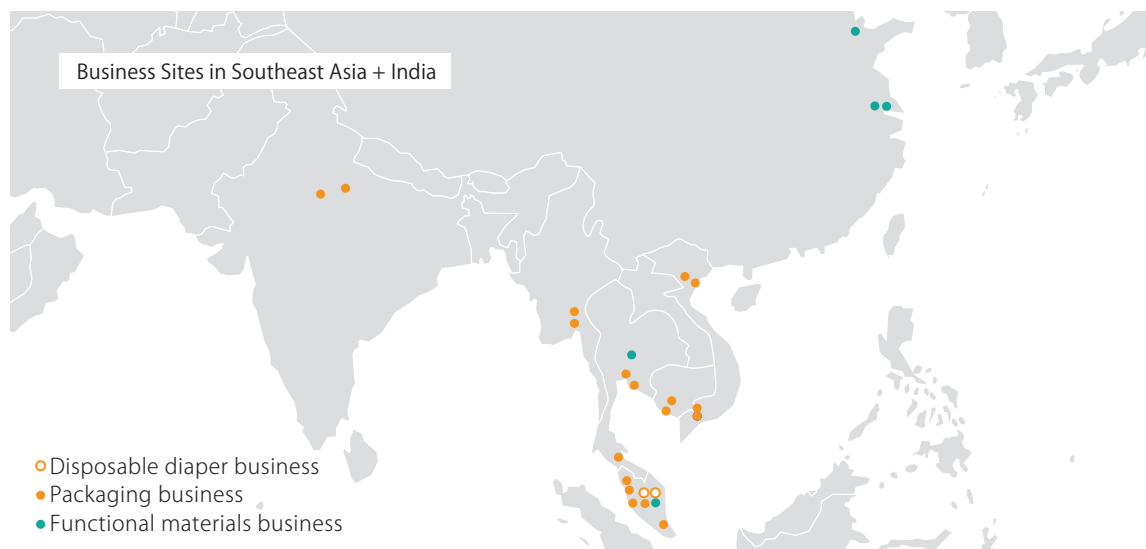
Last year, we established a three-year Group Management Plan which will last until fiscal 2018. The numerical management targets set for fiscal 2018 include: consolidated operating income of ¥100.0 billion, overseas sales ratio of 35%, interest-bearing debts of ¥700.0 billion, and ROE of 8%. The three Group Fundamental Strategies for achieving the targets are: “Expansion of Overseas Businesses”, “Concentration / Advancement of Domestic Businesses”, together with “Enhancement of Financial Foundation” that forms the basis for the former two.



The first Fundamental Strategy is “Expansion of Overseas Businesses”. Operating income from overseas companies now far exceeds 30% of that of the whole consolidated group. Careful considerations on the economic growth

potential in each region and the possibility for maximizing the Group’s strengths in each business field secured for us relatively high profit margins from overseas companies. Going forward, we will drive further overseas business expansion through the various means detailed in the three-year Plan, such as by carrying out facility enhancement at existing manufacturing sites keeping pace with rise in demand, acquisition of new sites through M&A; as well as by promoting overseas expansion to businesses that have little experience in expanding overseas.

The region we place the most priority is in Southeast Asia including India. As for the packaging business, through M&A we have drastically increased the number of business/manufacturing sites since our first acquisition in Malaysia in 2010. To list some examples, new corrugated container plants recently started operation in India (Oji Interpack India) and in Vietnam (Ojitex(Vietnam)), while another corrugated container company was acquired in Malaysia (Dazun Paper Industrial Company). Correspondingly, we have also secured sufficient local management and technically skilled personnel who are capable of supporting the startup of new manufacturing sites and carrying out new M&A cases. Entry into new countries such as Philippines is also under consideration. In Malaysia, where there are ten packaging-related manufacturing sites already in operation, we are in the midst of



leveraging on our local experiences to broaden our business fields. Since 2015, we have started expanding our disposable diaper business with two manufacturing sites currently in operation: People & Grit, a company which we acquired through M&A, and Oji Asia Household Product, a new factory which started commercial operation in April 2016. We aim to position Malaysia as an export base for the entire Southeast Asia region. Moreover, we have also been focusing on the converting and printing fields of our functional materials business, looking forward to the development of their synergy with the packaging business. In fiscal 2016, the acquisition of a label printing company (Hyper-Region Labels) has been completed, and the acquisition of another carbonless paper converting and printing company (Tele-Paper) has been scheduled. We will make the most of our existing companies to expand our businesses into new markets and fields. Aside from Southeast Asia, we are also performing enhancement investments in Oceania and Brazil to strengthen the business foundations there.

On the other hand, within Japan, we will continue with the “Concentration/Advancement of Domestic Businesses” with the purpose of building a business foundation for cash flow generation. We place much importance on the development and utilization of technologies and expertise which we have developed thus far, not to mention the integration and improvement of efficiency in existing businesses. To raise two examples, we are leveraging on our in-house electricity generating facilities and expertise on fuel procurement in our energy business; and we have succeeded in developing the world’s thinnest high-performance capacitor film, with plans to achieve even thinner specifications, in our film

business. Furthermore, we are also conducting long-term R&D centered on cellulose nano-fiber with a view towards early commercialization.

Last but not least is the third Fundamental Strategy, “Enhancement of Financial Foundation” that supports the operation and expansion of each of our businesses. In order to drive the expansion of growing businesses that contribute to revenue growth, we are engaging in investment portfolio restructuring through curbing investment into existing business fields and revising their capital structures, while pursuing efficient investment options. We will not only concentrate investments in business fields with high growth potential, but also seek to secure stable dividends for all of our shareholders, and cut interest-bearing debts from ¥777.7 billion at the end of fiscal 2015 to ¥700.0 billion in fiscal 2018. Furthermore, we will continue to promote the sales of real estate and cross-held shares with faded significance as well as idle assets for more efficient asset management.

Above all, it is our human resources that drive forward the said Group Management Strategies. A working environment which allows every single employee to display his/her potential to the fullest will result in higher competitiveness of the company. We will implement the necessary structural changes in addition to further raising the awareness of all Oji Group members, to create an environment for diverse human resources to thrive regardless of their genders, nationalities, age, etc. In particular, our “diversity promotion” concept which promotes the active participation of women, and the “working style reform” which seeks the improvement of work efficiency, are two pillars of especial importance.

Structure of Corporate Governance

We will strive to enhance our corporate governance structure which has been designated as the management's highest priority issue.

As can be inferred from the fact that enhancement of corporate governance has been incorporated as part of the growth strategies of the current regime, corporate governance does have a huge influence on a company's competitiveness and corporate value. In 2015, there were considerable changes implemented to the structure, namely the enforcement of the revised Companies Act and adoption of the "Corporate Governance Code".

The Oji Group has consistently been working upon enhancing its corporate governance structure, regarding it as the top priority issue for the management. The system for the appointment of Outside Directors was started in 2007 to improve the effectiveness of management supervision and transparency of decision-making, as well as to expand management's perspectives. Today, two out of thirteen Directors and three out of five Auditors are Outside Officers. In addition, together with the adoption of the Corporate Governance Code, we have established the voluntary advisory bodies, the

Nomination Committee and the Compensation Committee, to enhance objectivity and transparency in the nomination of Directors and the determination of their compensation. We have also newly formulated the "Fundamental Policies on Corporate Governance" which clearly stipulates the Group's policies and roles of the Board of Directors, among others.

Furthermore, in 2016, we have decided to introduce a "performance-linked and stock-based compensation" scheme as a replacement of the "stock option as stock-based compensation" that had constituted a part of the Directors' compensation. The decision was made in order to have Directors share the risks of fluctuating stock prices just as shareholders do, and thus better align Directors' motivation towards improving medium-to long-term business performance as well as corporate value. We will continue to strive towards an optimum and effective governance structure, and to continue aiming for the maximization of our corporate value.

Structure of Risk Management "Safety, Environment, Compliance"

We will instill the mindset of "safety, environment and compliance as top priorities" in every single employee across the world.

"Safety, environment, compliance" forms the basis for the continuation of our company. This is the motto that the Oji Group strongly keeps in mind. We have been repetitively spreading this motto and training our employees to carry out business activities while upholding a high ethical standard. This is especially so overseas, where the number of Group companies have rapidly increased in the recent years. It is necessary to establish a risk management structure which respects the laws and regulations, cultures and customs of each country. We are working to

improve the level of our management structure on a global scale by sharing the knowledge and experiences regarding safety and health management, environment management and such which we have accumulated in Japan to the overseas Group companies. Moreover, in the "Group Bribery Prevention Regulations" formulated in 2015, we have expended considerable efforts to adapt to actual conditions in countries where we operate so as to facilitate its smooth implementation.



Safety and health convention in Malaysia



Compliance training at an overseas company



Environment management / noise measurement



Conclusion

The Oji Holdings aims to be an attractive company for all of our shareholders while contributing to the development of a sustainable society. On May 31st this year, we implemented the cancellation of treasury shares that are not planned for immediate use and reduced the treasury share ratio from 7.0% to 2.4%. We believe

it has led us to offer a better investment environment to our shareholders.

We sincerely appreciate and look forward to the continuing patronage and loyal support of all of our stakeholders including shareholders.

A blue-tinted image of a globe with a map of the Pacific region, overlaid with a red rectangle containing the text 'Business Strategies'. The globe shows the Pacific Ocean, with labels for 'NORTH PACIFIC OCEAN', 'MELANESIA', 'AUSTRALIA', and 'JAPAN'. The red rectangle is positioned in the center of the globe, and the text 'Business Strategies' is written in white, sans-serif font within it.

Business
Strategies

■ Industrial Materials Business

■ Household and Consumer Products Business

We will further increase our earning capacity by consciously operating business with our “customer-first” motto. We will also aim to further improve our presence, aim to becoming the No. 1 manufacturer in Japan, and further expand businesses overseas.

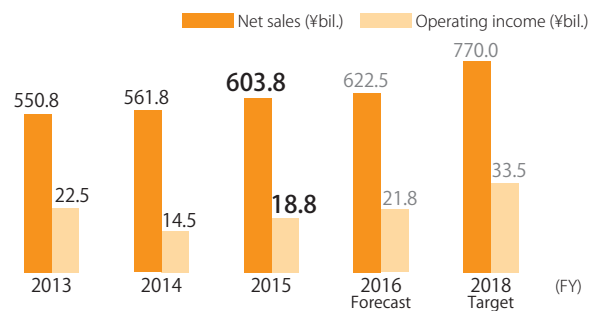
President, Industrial Materials COMPANY
President, Household and Consumer Products COMPANY
Ryoji Watari



■ Business Overview

In fiscal 2015, our industrial materials business performed healthily with the support of robust demand mainly from corrugated containers. Sales and profit of our overseas businesses also increased as a whole, with contributions from the consolidation of Oji Fibre Solutions in New Zealand and strong business operations in Southeast Asia. Sales and profit of our household and consumer products business also rose due to strong domestic sales. In particular, high customer appeal after the product relaunch of our disposable baby diaper contributed to a drastic rise in its sales. Looking to fiscal 2016, we plan to increase both sales and profit of our industrial materials business. Domestically, we plan to raise productivity to strengthen the manufacturing system as continuing steady demand is anticipated. Overseas, we will seek to maximize the benefits from business expansion via new plant construction and M&A deals conducted in Southeast Asia. Regarding the household and consumer products business, we will further boost

our profitability by enhancing the brand values of both household paper products as well as disposable diaper products. This is so especially for the disposable diaper business. In response to increased sales, we will prepare for the early startup of a new machine installed in Japan, and continue to steadily expand our overseas businesses for better business performance.



Industrial Materials Business

■ Business Environment

The Oji Group, having No.1 market shares in Japan for boxboard, containerboard and packaging paper, will continue to operate businesses paying close attention to our customers' needs to further promote and expand the total packaging business. Overseas, especially in Southeast Asia where our packaging businesses have captured high market shares in Malaysia and Cambodia, we will look out for business expansion opportunities also in other countries where we have a presence. We are also considering making our first forays into neighboring Philippines and Indonesia. Regarding the paper-bag and boxboard business alliance with Chuetsu

Pulp & Paper, we will seek to identify the early positive effects. While we are rapidly expanding our overseas businesses, there are also country risks that we need to be aware of, such as sudden drastic changes in government policies, laws and regulations, social environment and worsening living conditions. In order to minimize and avoid such risks, we conduct investigations on the local markets, institutions, law and order, environment, etc. In addition, we remain focused on constant information gathering from a multitude of sources with the aim of realizing stable business operation, with the major premise of ensuring employee safety.

Business Strategies

We will pursue the “material-and-converting-integrated business model”, and through thorough understanding of customers’ needs, establish ourselves as the No. 1 total packaging manufacturer. In addition, we will promote and

expand our total packaging business by reinforcing the foundations of existing businesses, and strengthen collaborations within the Group to establish a support system to better offer our wide range of products to our customers.

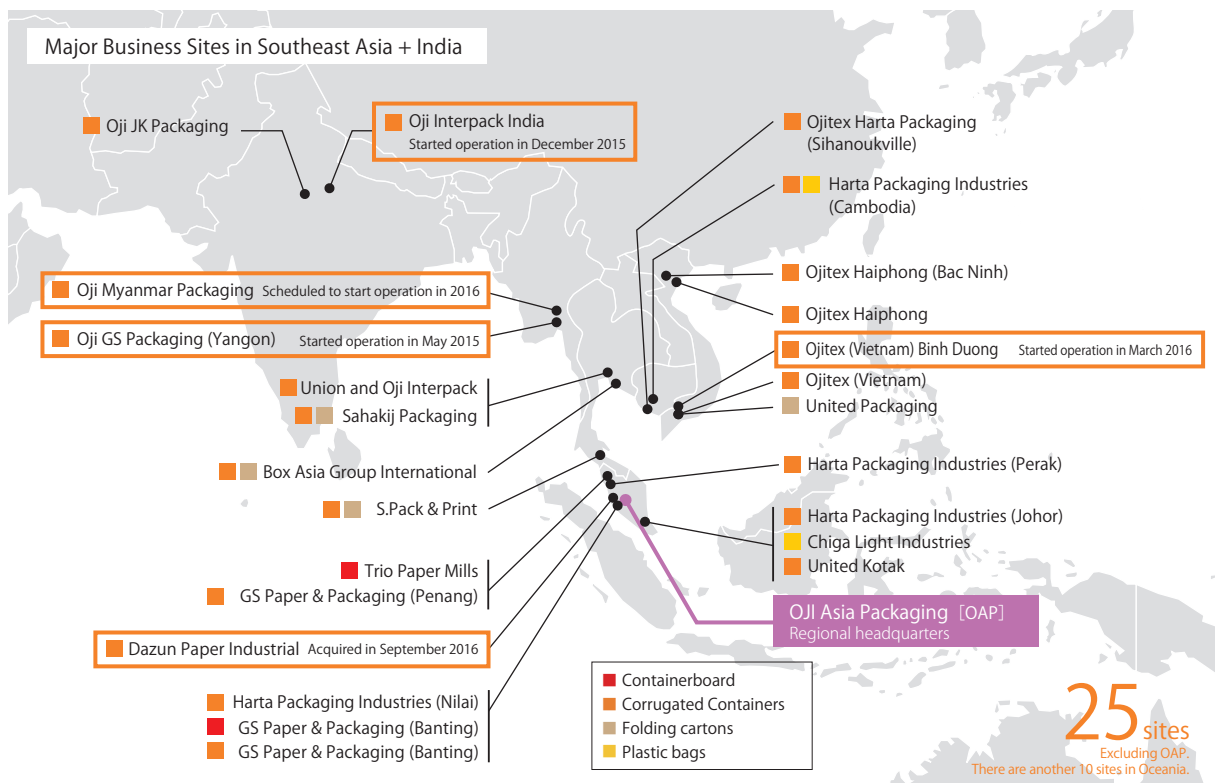
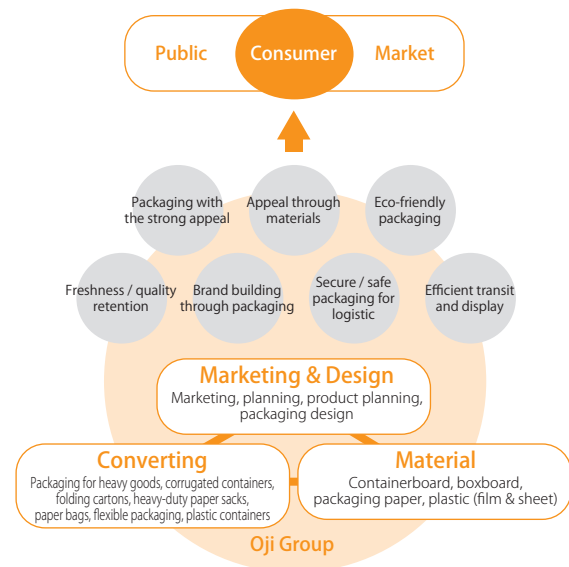
Expansion of Overseas Businesses

Since 2010, the Oji Group has actively carried out its overseas expansion plans centered around Southeast Asia. Moving forward, we will continue to seek out opportunities in new countries, and drive business expansion in countries where we have established our presence.

Number of Business Sites in Southeast Asia + India	
FY2009	3 sites (2 countries)
As of 2016	25 sites (6 countries)
*Including the one under construction and excluding OAP, the regional headquarters.	

Concentration / Advancement of Domestic Businesses

In October 2015, to further promote the material-and-converting-integrated business, the “Oji Ginza One-Stop Gallery” was opened to introduce our one-stop solution services which can better serve our customers’ various packaging needs.



■ Topics on Business Strategies

Development of New Packaging Products

While conventional shelf-ready packaging (SRP) only could be made with a special automatic machine, we have managed to develop a SRP known as the "Pull and Pop Carton" which does not require any such special machine. The main features are: (1) easy connection of

box for transportation (outer box) and box for display (inner box), and (2) both outer and inner boxes are firmly fixed in place. Without having to use a cutter, with only one simple action to separate the two boxes, it can be easily prepared for display.

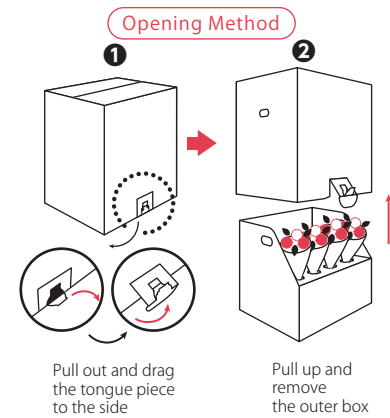
SRP Solution: "Pull and Pop Carton"



In transit



On display



■ Towards a Better Society

Aid Distribution Agreement under Disaster Cases (Oji Container & Morishigyo Group)

Corrugated container products such as corrugated sheets, portable beds, portable toilets and partitions that are in urgent demand at evacuation sites will be promptly delivered when disasters occur. Leveraging on the

Group's corrugated container plants located across Japan, each plant has formed a disaster-response framework with neighboring local governments and concluded an "Aid Distribution Agreement under Disaster Cases".

VOICE President Sia Boon Soon, GS Paper & Packaging

Corrugated Container Business in Myanmar

Oji GS Packaging Yangon (OGPY) started commercial operation in May 2015 and subsequently had its official opening in August 2015. Later, we were faced with the challenging situation of an unstable economy where the Kyat depreciated by 30% within 10 months. Then, we finally saw a "light at the end of the tunnel" with the inauguration of the new Myanmar President in the end of March 2016. The economy shows signs of recovery. We are confident that OGPY will continue to grow and we look set to achieve our objectives. Your trust and support will be much appreciated.



Household and Consumer Products Business

Business Environment

While a slight decline in total sales volume of household paper products is anticipated in the domestic market due to the shrinking population, we expect to see demand growth of high value-added products such as in moisturizing paper products. In the domestic market for disposable diaper, the structure of demand has been changing drastically due to an aging population and declining birth rate. As such, there is a need to respond towards meeting the increasing demand for

adult disposable diaper as well as higher value-added baby disposable diaper products. The sales result of our baby disposable diaper brand “nepia Genki!” has turned out strongly after product relaunches were implemented in 2014 and 2015 (sales in fiscal 2015 was 165% year-on-year). As for overseas markets, demand in developing countries such as in Southeast Asia has been rapidly rising, propelled by their fast population growth and rate of economic development.

Business Strategies

In Japan, we are committed to improving the brand values of “Nepia” (for household paper products), “nepia Genki!” (for baby disposable diaper) and “nepia Tender” (for adult disposable diaper) by rolling out the slogan of “nepia Quality” (living, environment and social qualities)

and integrating our sales, marketing and manufacturing structures to improve our market position. In overseas markets, we will seek to increase sales of our export products from Japan as well as stepping up production and sales of locally manufactured products.

Expansion of Overseas Businesses

In Malaysia, operation has started at a new disposable diaper factory under Oji Asia Household Product (OAHP), on top of the recent acquisition of diaper manufacturer People & Grit in 2015. Both will be looking towards meeting domestic and regional demand. In Indonesia, we will also be manufacturing and selling disposable diapers jointly with PT. Indofood CBP Sukses Makmur. Additionally, we are strengthening our overseas sales structure by increasing our production capacity in Japan in response to heightened demand for made-in-Japan disposable diapers overseas such as in China. With the start of operation of the new machine, we have decided to integrate our baby disposable diaper brands in Japan and abroad into one unified brand “Genki!”.

Concentration / Advancement of Domestic Businesses

Despite anticipating a slight decline in the household paper products market due to a shrinking population, we remain committed in improving the overall brand value of the “Nepia” brand, and in gaining competitive advantage through consumer-oriented product development. In particular, we will seek to raise consumers’ awareness and expand our market shares through promoting high-end products which include “hana-celeb”, environmentally-friendly products which have acquired forest certifications, and through organizing community projects such as the 1,000 Toilets Program. As for our baby disposable diaper “nepia Genki!”, we aim to raise our market position through our unique and high-quality products which will foster repeat consumers. Domestic sales will be further strengthened with the scheduled start of operation of a new pants-type disposable diaper machine in fiscal 2016. As for our adult disposable diaper, we will launch a product under the “nepia Tender” brand that addresses the difficulties of using the toilet for residents with reduced mobility at nursing facilities.

“Genki!”, the integrated baby disposable diaper brand for overseas markets



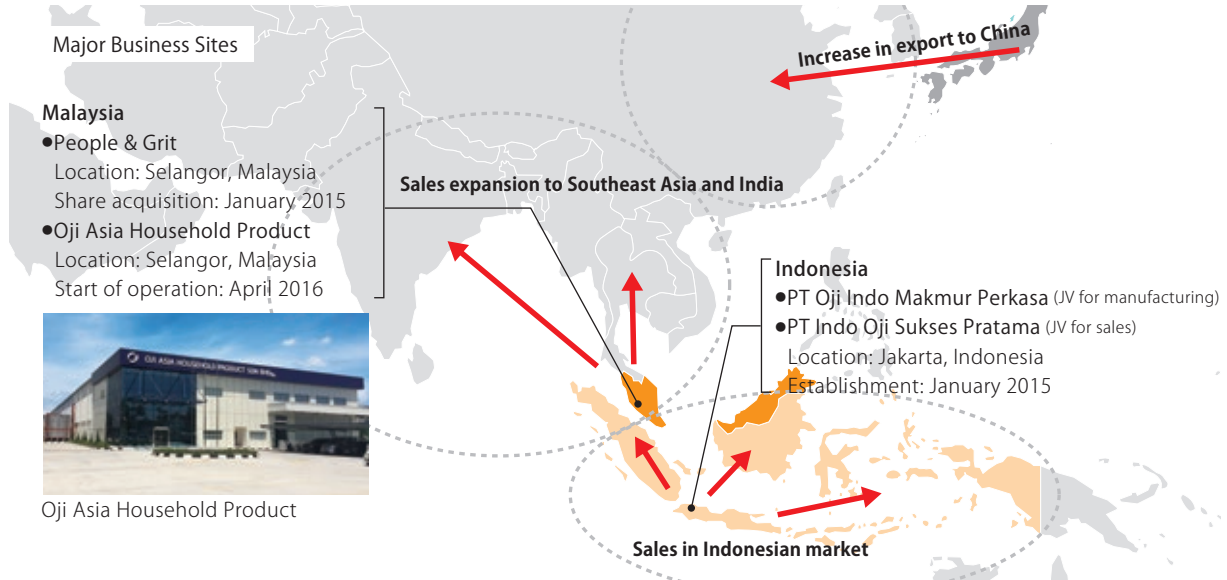
Made-in-Malaysia products for local sale and export



Made-in Japan products for export



Product launch event in Malaysia



■ Towards a Better Society

“YAWARAKA Heart” for Everyday Lives

To develop a product well-loved by consumers from various age groups, and to assist in bringing about comfortable living through all of our products. A “YAWARAKA Heart” is the slogan that expresses these feelings towards our consumers that we hold. As all of our products are to be used on consumers’ “skin”, we can never forget the need to provide the softest texture and the best comfort of use. Moreover, we are also constantly offering a variety of helpful tips and ideas for comfortable living and developing services which provide convenience. We place great importance on the user’s feelings and lifestyle while maintaining our high product quality standards. Our belief of fostering our products which are used daily with care and love is instilled in all our products and services.

やわらか♡ハート
nepia



High-quality tissue brand
“Hana-celeb”

VOICE Director, General Manager Uesugi, Personal Care Innovation Center, Oji Nepia

For the Development of the Disposable Diaper Business

I am in charge of both the marketing and product development of domestic disposable diapers as well as offering support to our overseas businesses. With the main focus being on consumer needs, our team will aim to develop products that are uniquely Oji, and to establish competitive advantages for our brand and product quality that spur customers to continually prefer our products. I will do my best to contribute to the development of the Oji Group’s disposable diaper business by speedily responding to changes in society and the industry and facilitating timely launches of in-demand products both domestically and overseas.



■ Functional Materials Business

We will lead the Oji Group's transition to an "Innovative Value-Creating Company" by enhancing our proposal-making capability through the integration of R&D, manufacturing and sales functions, and by further developing high-value added products.

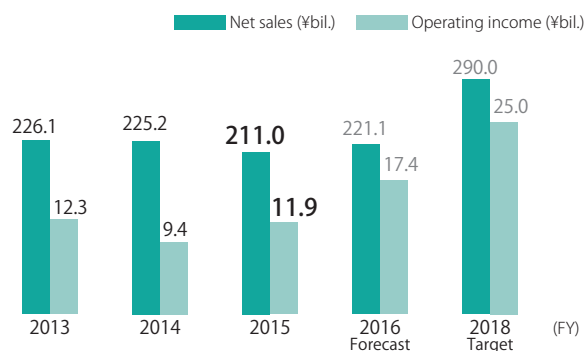
President, Functional Materials COMPANY
Kazuo Fuchigami



■ Business Overview

In fiscal 2015, we had net sales of ¥211.0 billion (down ¥14.2 billion from the previous year) and operating income of ¥11.9 billion (up ¥2.5 billion from the previous year). Operating income increased despite the weak sales, owing to increase in sales mainly from newly industrialized countries and fall in prices of raw materials and fuel. Looking to fiscal 2016, we expect to have net sales of ¥221.1 billion (up ¥10.1 billion from fiscal 2015) and operating income of ¥17.4 (up ¥5.5 billion from fiscal 2015). These anticipated huge increases in sales and income are due to further acceleration of development and sales expansion of new products as well as overseas expansion. Other than these, some positive effects of the

ongoing manufacturing system restructuring are also expected to materialize.



■ Business Environment

Our strengths lie in the fields of thermal paper, pressure-sensitive adhesive paper and specialty paper, which utilize papermaking as well as sheet-making technologies which we have accumulated throughout our history that spans over a century. While these markets are gradually maturing in Japan, they are rapidly growing in overseas markets, expanding alongside the fast pace of economic development in Southeast Asia, India, South America, etc. We will promptly launch highly functional and high value-added new products to both domestic and overseas functional materials markets which will become

increasingly sophisticated in the future. Though it seems that there are increasing impetus to develop high value-added products such as highly functional films, optical components, carbon fiber reinforced composites, decorative films and medical products which are predicted to have huge expansion potential amidst the gradually shrinking market of conventional printing media products, the speed and degree of diversification of changes in market needs are getting greater by the day. We will have to keep in mind the need to balance caution with boldness in the conduct of additional investments.

Business Strategies

For the domestic market, we will focus on initiatives such as promoting business transformation through restructuring the manufacturing system and developing high value-added products. For overseas markets, we aim to increase the number of manufacturing and converting

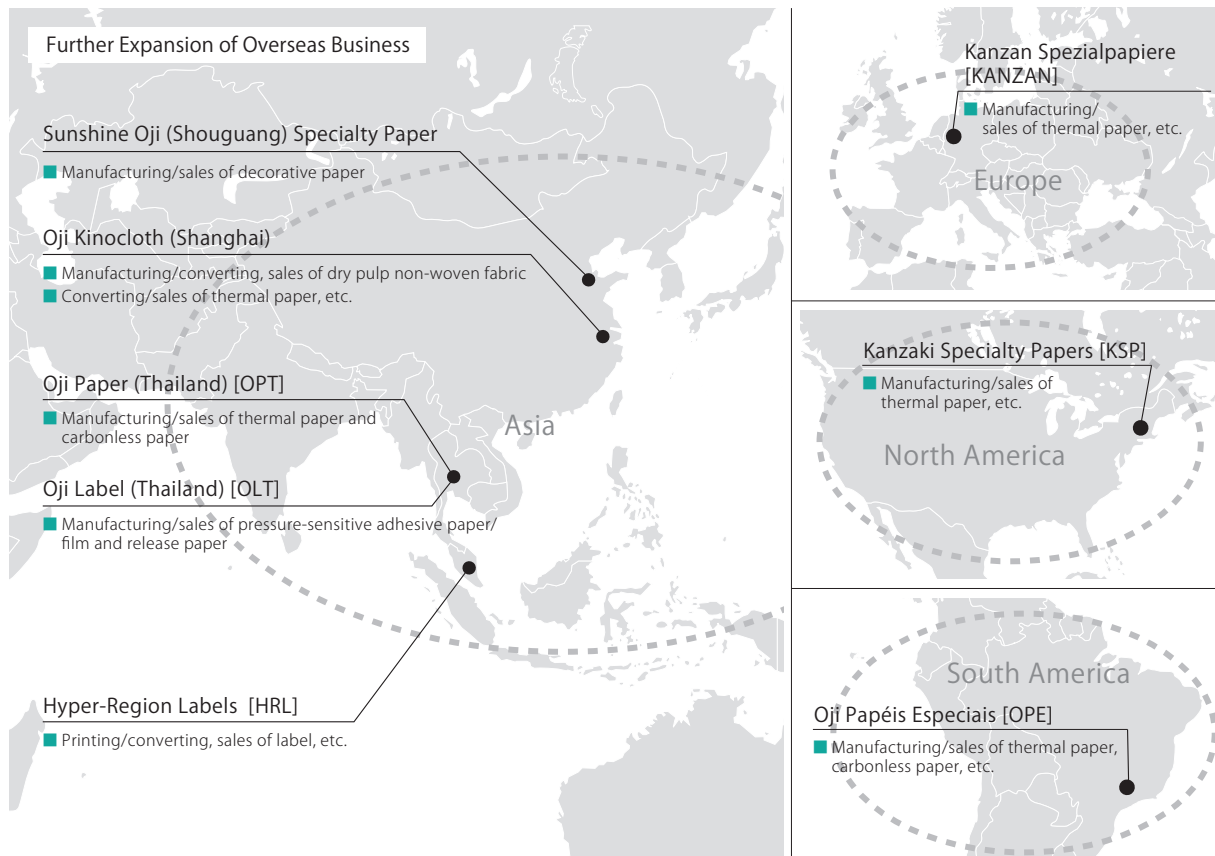
sites mainly in Southeast Asia through M&A deals, while augmenting our manufacturing facilities at existing sites. At the same time, we will actively promote and increase our export volume from Japan.

Expansion of Overseas Businesses

In Southeast Asia, the Oji Group has conventionally been developing our upstream and midstream businesses such as the base paper and label businesses. With the acquisitions of HRL (completed in fiscal 2016) and Tele-Paper (currently in process), we will expand our business field to include downstream businesses such as printing and converting businesses. Through this development, we are able to move closer to the end-users of our products. We will also collaborate with our packaging businesses to offer the “total packaging” services to our customers, collectively providing corrugated container, folding carton, label and other packaging services all at once. Regarding exports from Japan, we will increase sales of specialty paper, adhesives, medical products, non-woven fabrics and such mainly in Asia and Oceania. As for OPE in Brazil, we have made the decision to increase its production capability by 10% by 2017 through capacity investment. We are also considering a similar capacity investment at KANZAN in Germany. We are also considering a similar capacity investment at KANZAN in Germany.

Concentration / Advancement of Domestic Businesses

In Japan, where the conventional printing media market has been gradually shrinking, we are committed towards expanding our business field by promoting the development of non-“paper” products such as light diffusion materials and thermoplastic composites, and by increasing the added-values of existing products such as capacitor films for EV/HEV applications and optical films. We are also trying hard to strengthen our competitiveness through efforts to restructure the manufacturing system which include the elimination and/or consolidation of under-utilized offices and production facilities.



Introduction of Main Products

Adhesive Products (Oji Tac)

Oji Tac is a comprehensive converting manufacturer of a wide range of adhesive products such as seals, labels and tapes. It offers an extensive variety of products which come with various functions including water resistance and weather resistance, and caters to the requirements of various industries including food products, logistics and sundry goods. With a view to develop itself as an R&D-oriented business, the company actively seeks out potential opportunities for collaboration between its own technology and the innovative new technologies from other Oji Group companies to broaden the possibilities of adhesive converting technologies.



Pressure-sensitive adhesive transparent PP stickers



Hand-tearable pressure-sensitive adhesive stickers for overlaminating



Film pressure-sensitive adhesive stickers for tires



Hand-tearable pressure-sensitive adhesive stickers for overlaminating

Medical Products (New Tac Kasei)

New Tac Kasei is a comprehensive adhesive converting manufacturer that offers products ranging from everyday seal products and base paper for labels, to medical and functional products that require high levels of technologies and quality control to manufacture. Having confidence that our adhesive manufacturing technology can be applied to other fields such as the medical and cosmetics sectors, the company entered into the various new industries of medical equipment, quasi-drugs, cosmetic masks, etc. to offer products which include adhesive dressing, adhesive surgical film, adhesive bandage, cooling sheet, etc.



Cooling sheet



Hydrocolloid dressing

VOICE Director, General Manager Alvin Ho, Finance Department, Hyper-Region Labels

Growing Even Further Through Collaborations with Oji Group Companies

I am truly delighted that Hyper-Region Labels (HRL) has officially become a member of the Oji Group in May 2016. I see this collaboration as a merger of synergy between a company with a strong global franchise, which is Oji, and a company with niche as well as technical capabilities in a specialized label printing segment, which is us. I am very hopeful with respect to obtaining further support from all the colleagues across the Group in growing the businesses together. The combined acronym of Hyper ("H") and Oji ("O") or HO means "good" or "好" in both Japanese and Chinese words. God willing, I am confident that our future is surely "好"!



HRL's products



■ Forest Resources and Environment Marketing Business

We will contribute to the strengthening of the Oji Group's earning capability through further deepening and expansion of each of the pulp, lumber and energy businesses as well as through active implementation of new domestic and overseas businesses that go "beyond the boundaries".

President, Forest Resources and Environment Marketing COMPANY
Kazuhiko Kamada

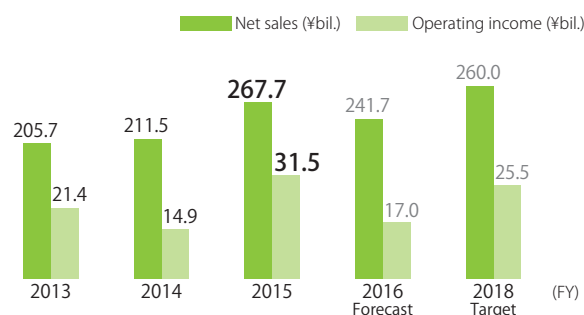


■ Business Overview

In fiscal 2015, we had net sales of ¥267.7 billion (up ¥56.1 billion from the previous year) and operating income of ¥31.5 billion (up ¥16.6 billion from the previous year). Of the increase in operating income, ¥10.8 billion are attributed to our overseas businesses (due to factors such as rise in selling price at CENIBRA, a subsidiary in Brazil) and ¥5.8 billion are attributed to our domestic businesses (due to: (1) income increase in the energy business as a result of the start of operation of a new biomass boiler, and the completion of revamping works on existing hydroelectric power plants, and (2) strong export sales of dissolving pulp).

Looking to fiscal 2016, we expect to have net sales of

¥241.7 billion (down ¥26.0 billion from fiscal 2015) and operating income of ¥17.0 billion (down ¥14.5 billion from fiscal 2015).



■ Business Environment

Pulp Business

For the pulp business, we will enhance sales in Asia and other growth regions, leveraging on the Group's sales channels and our rich lineup of pulp grades from our supply capability of 2.4 million tons/year of market pulp. In 2016, the price of hardwood pulp is expected to fall, owing to the starting up of other companies' large pulp facilities in Indonesia and Brazil. While labor cost is also expected to rise, we will promote cost reduction efforts to protect our international competitiveness.

Procurement of Biomass Fuels

We are benefitted by our strengths that are: our procurement network constructed through the accumulated

experience of woodchip procurement, and our PKS (palm kernel shell) procurement capability obtained through the overseas expansions. We anticipate future growth in our procurement network and biomass power generation business. In addition, we will enhance our competitiveness through investments targeting revenue growth as well as new product development.

Lumber Processing Business

There may be possible risks from the slowing economic growth in China and Southeast Asia. We will differentiate ourselves in the market by diversifying our product lineup and developing high value-added products.

Business Strategies

We will promote existing as well as new businesses by utilizing our domestic and overseas resources and infrastructure to the fullest. While speeding up our overseas business expansions, we will also focus on

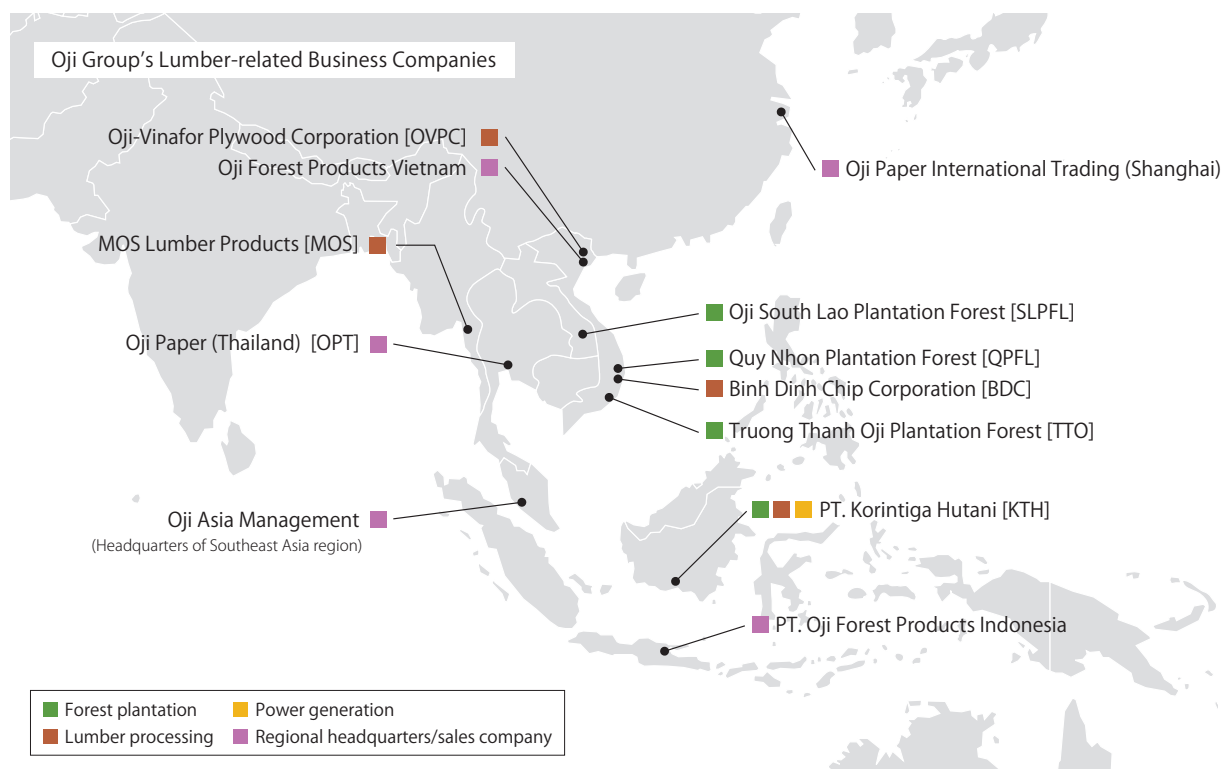
enhancing the trading company function in the context of business operations both within and outside Japan. Furthermore, we will proceed with the selective concentration of existing businesses.

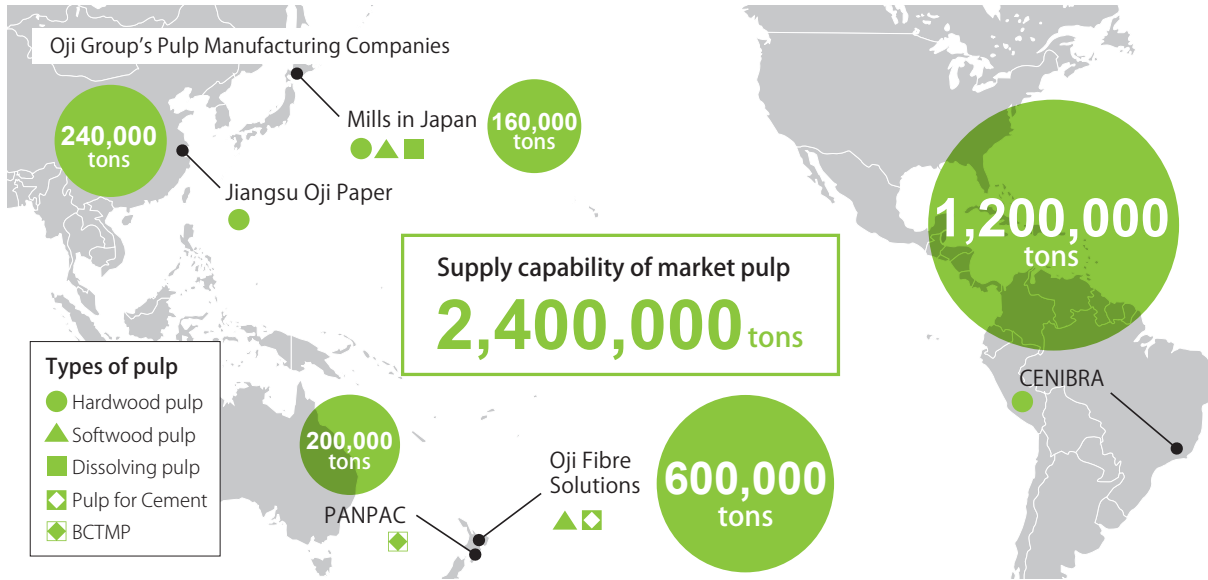
Expansion of Overseas Businesses

We are expanding lumber business and pulp business mainly in forest resource-rich countries. In the lumber business, we have a plywood mill in Vietnam and two lumber mills on the South Island of New Zealand and in Myanmar respectively which saw the start of operations in 2015. As for the pulp business, we implemented strategic revenue management measures at major companies in order to construct a business foundation that is resilient to market fluctuation of pulp prices. At Oji Fibre Solutions (formerly known as CHPP) which we acquired in 2014, we are actively working towards the early realization of acquisition synergies while also aiming for the stabilization of operations and the implementation of energy-saving measures through introducing and applying the Oji Group's technical expertise and operation management methods, etc. At CENIBRA, we are taking continual measures to upgrade the manufacturing facilities to the highest level. In addition, we have also been working towards increasing our product lineup. We will continue to promote business operation as well as sales enhancement of a variety of businesses including energy business, via our sales companies located in Asia.

Concentration / Advancement of Domestic Businesses

We are speeding up the development of our new businesses. As for dissolving pulp, development of conventional use in rayon manufacturing as well as specialized uses are in process. In the energy business, we are adding on to the existing capacity of our power generation facilities. In fiscal 2015, two new biomass boilers started operations and the revamping work on eight hydroelectric power plants were completed. Moreover, in April of the same year, we started a power retailing business via a joint venture company. In March 2016, we established a joint venture biomass power generation company together with Mitsubishi Paper Mill which is expected to start operation in 2019. We are also working on the establishment of a "cascading use of domestic lumber business model" (refer to pg. 26 for more details). Unused lumber is employed as the main fuel for the new biomass boilers in the power generation business mentioned above, under feed-in-tariff system for renewable energy.





■ Topics on Business Strategies

A team of expatriate employees and local employees work in cooperation on sales activities at various overseas sales sites to enhance the trading company functions.

Oji Paper International Trading (Shanghai)

It is working towards expanding sales of pulp manufactured at Oji Group's domestic and overseas pulp manufacturing companies e.g. Jiangsu Oji Paper. Comprehensive sales activities of lumber, plywood and log for the Chinese market will be further strengthened.

Oji Forest & Products

Sales company in Indonesia: maintains the stable procurement of PKS for use in the biomass boilers in Japan, as well as product and market development for the Oji Group's forest resources.

Sales company in Vietnam: engages in the sale of plywood and woodchip to Japan; considering new business opportunities in China and Southeast Asia.

Jiangsu Oji Paper (in Nantong City, Jiangsu, China), which started the manufacturing of paper in 2010 and the commercial production of pulp in 2015, has been realizing cost reductions through the integrated manufacturing of pulp and paper. The company plans to balance out its operating loss in fiscal 2017 and achieve stable positive operating income in fiscal 2018 through its two businesses; namely the pulp business that is welcoming the additional installation of a dry pulp machine (operation scheduled to start near the end of fiscal 2017) and the paper business that has strengthened its competitiveness.



PKS as a fuel for biomass boilers
(shell fractions left after oil has been extracted from the oil palm)



Nantong Mill, Jiangsu Oji Paper

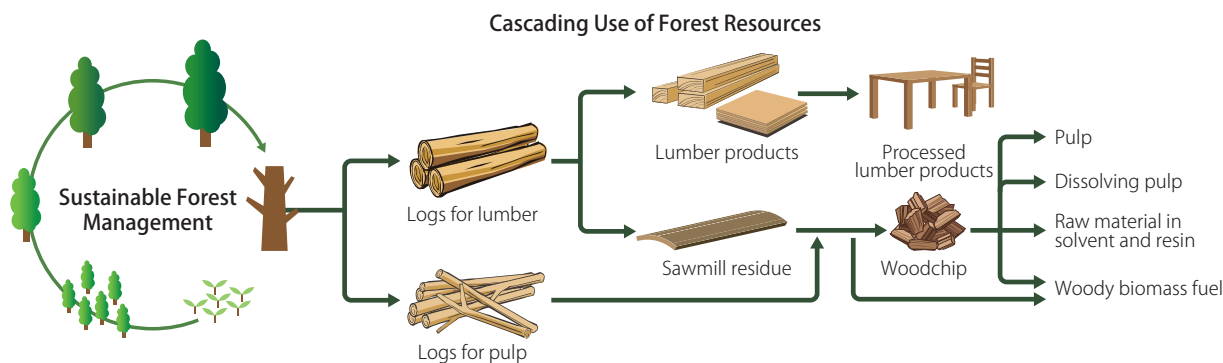
Towards a Better Society

Cascading Use of Domestic Lumber

The Oji Group actively works on the cascading use of its forest resources which are grown under a sustainable forest management system. Cascading use refers to the thorough and complete utilization of biomass resources, with priority for higher value-added purposes. For example, high-quality wood is processed into lumber while lower-quality wood is used as raw material in paper manufacturing and as fuel for biomass boilers. Making use of leftover forest thinnings as biomass fuel is a way to effectively utilize such hitherto unused forest resources. This contributes to the conservation of forests which serve multiple functions including national land conservation, watershed protection, CO₂ absorption, as well as being a way to revitalize local forestry industries. On top of the two new woodchip fuel mills in Abira, Hokkaido and in Mutsu, Aomori which started operations last year, we also have five other woodchip mills that utilize forest thinnings and scrap wood from demolished housing as part of our effort to increase our utilization efficiency of wood resources.



Biomass power plant (Oji Green Energy Ebetsu / Ebetsu, Hokkaido)



VOICE Employees, MOS Lumber Products

Shipment of Lumber Products from Myanmar

It has been a year and a half since the establishment of MOS Lumber Products Co., Ltd., a lumber business company, in December 2014. Our company is located in Mawlamyine, Mon State of Myanmar, and we started manufacturing in November last year. We are planning to produce lumber from old trees in a rubber forest plantation which can no longer provide latex, and to export them to Japan and other overseas markets. All the employees here at this company will give 100% to reach our targets of maintaining high quality, high revenue and an accident-free workplace.



■ Printing and Communications Media Business

In response to the rapidly changing domestic demand structure and integration of Asian markets, we will further advance with the business structure reforms while maximizing our cash flow.

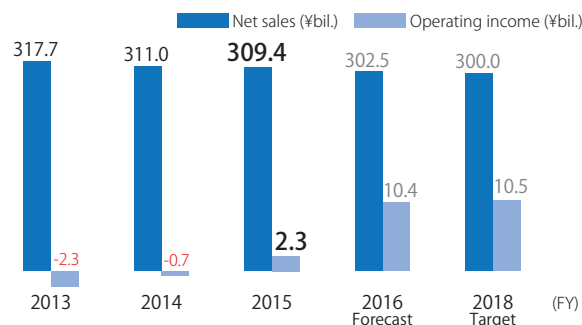
President, Printing and Communications Media COMPANY
Hidehiko Aoyama



■ Business Overview

In fiscal 2015, we had net sales of ¥309.4 billion (down ¥1.6 billion from the previous year) and operating income of ¥2.3 billion (up ¥3.0 billion from the previous year). Net sales fell owing to a slight decline in the demand for both newsprint and printing and communication paper. Operating income increased as a result of price adjustment in printing and communication paper, consolidation of cast-coated paper mills, and the positive effects from the integrated manufacturing of pulp and paper at Jiangsu Oji Paper Nantong Mill. Looking to fiscal 2016, we expect to have net sales of ¥302.5 billion (down ¥6.9 billion from fiscal 2015) and operating income of ¥10.4 billion (up ¥8.1 billion from fiscal 2015). Despite the lower sales due to anticipated decline in demand, operating income is expected to increase, owing to cost reduction measures

such as restructuring of the manufacturing system and the effects of asset impairment loss incurred in Jiangsu Oji Paper's printing and communications media business division.



■ Business Strategies

The Printing and Communications Media COMPANY continues to steadily roll out business structure reforms measures such as restructuring of optimal manufacturing system in order to adapt to changes in demand

structures. The manufacturing and sales departments will come together and scrutinize every operational cost to achieve "further cost reduction and improvement in international competitiveness".



Printing and Communications Media Products

Concentration / Advancement of Domestic Businesses

We have been creating cost savings through shutting down machine operations and consolidating manufacturing facilities as part of our push to optimize our manufacturing system.

- Shutdown of cast-coated machine at Tomioka Mill for transfer to Yonago Mill for consolidation (September 2015)
- Shutdown of Machine No.7 at Tomioka Mill (March 2016)
- Shutdown of Machine No.4 at Kasugai Mill (scheduled in March 2017)
- Establishment of new company O&C Ivory Board to efficiently and effectively utilize existing facilities

Other Businesses

■ Kyokuyo Pulp & Paper

Kyokuyo Pulp & Paper takes on the Oji Group's trading company function as a specialized trading company which engages in the purchase/sale and import/export of raw materials as well as products made from paper, pulp and synthetic resin as well as packaging materials, chemicals, machinery and equipment. Kyokuyo Pulp & Paper plays a central role in sharing sales information throughout the Oji Group, the latter which seeks to establish a system to reflect customer demands not only to the sales department but also to the manufacturing department. Ginpo Pack, one of the company's subsidiaries, manufactures a variety of plastic food containers.



Plastic container for food, manufactured by Ginpo Pack (a subsidiary)



PET cup with excellent transparency and cold resistance, commonly used at café chains, etc.

■ Oji Engineering

Oji Engineering provides overall engineering services, which spans from basic facility design to areas such as materials procurement, construction and trial operations. With its technologies and expertise accumulated from its experience in the construction and operations of facilities not limited to pulp and paper manufacturing, the company provides invaluable support to the Oji Group's new areas of focus, which are the renewable energy business (early start-up and stable operation of biomass boilers, etc.) and the water treatment business.



Biomass boiler, Oji Materia Fuji Mill

■ Oji Logistics

Oji Logistics offers total logistics support that leverages on its extensive privately-owned warehouses, logistic resources and transportation means. The company also incorporates eco-friendliness into its operations by reducing energy consumption through utilizing the most energy-efficient combination of land and sea routes together with the most appropriate harbors, as well as implementing a modal shift towards railroads and ships. It also has a base in Shanghai, and provides its logistic services domestically and overseas.



Marine transportation (roll-on roll-off ship)

■ Hotel New Oji

"Grand Hotel New Oji", a 16-story city hotel located in Tomakomai City which owns the Tomakomai Ferry Terminal and lies adjacent to the New Chitose Airport, heals customers of the fatigue from their trip with its Restaurant & Bar that offers quality time and fine services as well as its comfortable and relaxing guest rooms. Apart from the hotel business, it has also received praise for the inflight-meals it is in-charge of cooking and loading at the New Chitose Airport.

Website <http://www.newoji.co.jp/>



President Hori of Hotel New Oji



Grand Hotel New Oji

A misty forest landscape with a dark green rectangular overlay containing the word 'Pickup'. The forest is dense with tall, thin trees, and the mist is thick, obscuring the background. The overall color palette is dominated by various shades of green and blue, creating a serene and atmospheric scene.

Pickup

Hyuga Forest, Miyazaki

Research & Development

■ Initiatives for the Creation of Innovative Values

With the creation of new businesses and the strengthening of current businesses' competitiveness in mind, the Innovation Promotion Division propels the Oji Group's pace of innovation through carrying out

research ranging from those that seed the technologies of tomorrow to those that aid in the development of new markets and products which are closely attached to business enterprises.

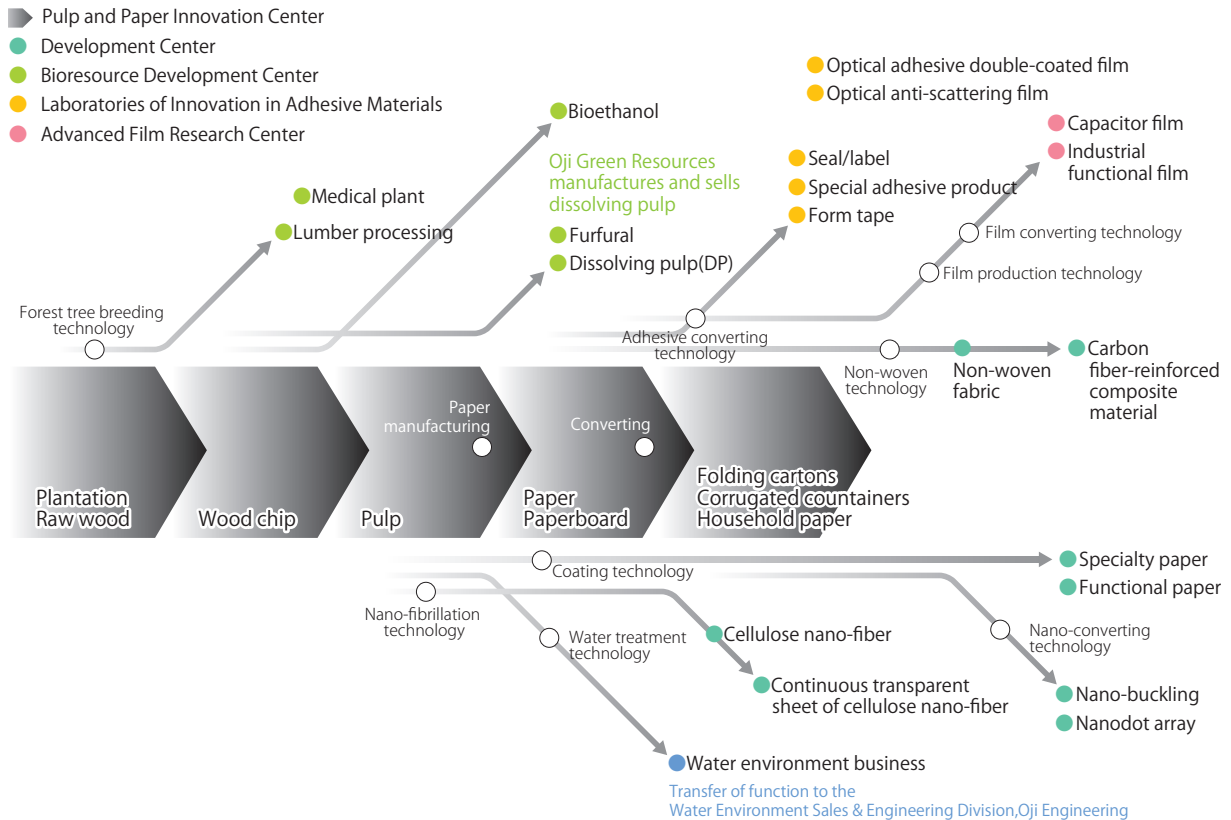
Priority Strategies of the Innovation Promotion Division

- 1) Proposition/implementation of new needs (business models) and seeds, and formation of value-chain
- 2) Contribution to sales/earnings through creation of new businesses
- 3) Strengthening of cost competitiveness through refinement of pulp and paper technologies

■ Value Creation by the Innovation Promotion Division

Innovation Promotion Division is committed to developing new products and technologies such as highly functional/high value-added products and wood/water resources usage or environmental conservation technologies, making advancements in base technolo-

gies fostered through our long experience in paper manufacturing and film converting. Strategic Planning Department takes the lead in creation of new businesses, cultivation of new seeds and formation of a value chain.



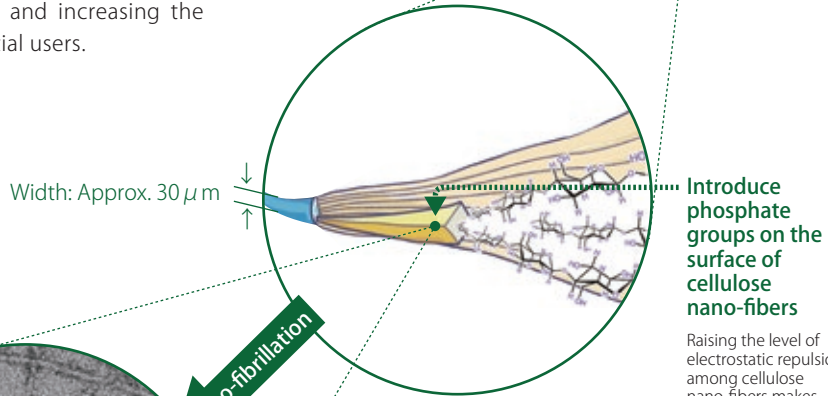
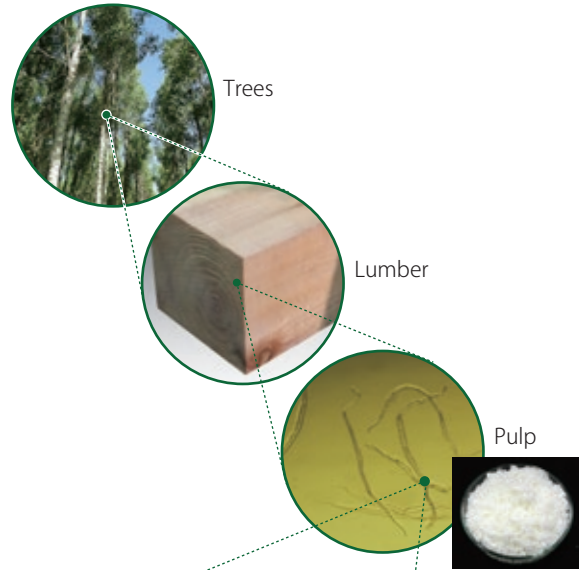
Value Creation 01: Application of Nano-fibrillation Technologies

Nano-fibrillation Technologies for Cellulose Nano-fiber

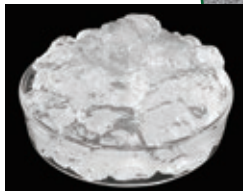
A highly functional next-generation material of plant origin

We have developed a ground-breaking production process which utilizes phosphate esterification chemical treatment to produce cellulose nano-fiber, a plant fiber (pulp) that is finely fibrillated to the nano-order level. Traditionally, one of the big challenges in the commercialization of cellulose nano-fiber was that its manufacture required an extremely large amount of energy to finely fibrillate the pulp. In order to overcome this, we considered various chemical treatment methods and reached the conclusion that the phosphate esterification production process is the most potentially feasible method for commercialization.

In the second half of 2016, we will install a verification facility in the Oji Paper Tomioka Mill (Anan City, Tokushima Prefecture) to speed up the commercialization process by investigating the effects of reducing the energy required for manufacturing, and increasing the volume of samples to offer to potential users.



Width: Approx. 3~4 μm
(complete nano-fibrillation)



Cellulose Nano-fiber

Completely nano-fibrillated CNF demonstrates greater transparency and viscosity which can be used for highly value-added applications.

Wide Variety of Applications for Cellulose Nano-fiber

Our application of nano-fibrillation technologies resulted in creation of the world's first, three new forms of cellulose nano-fiber.



Possibility for a Wide Range of Applications

The Oji Group is advancing the development of a range of applications that effectively utilize the various features of cellulose nano-fiber.

Expected Applications of Cellulose Nano-fiber



Value Creation 02: Application of Pulping Technologies

Transformation from Paper Manufacturing to Biochemical Manufacturing

From pulp for paper manufacturing to pulp for biochemical manufacturing (dissolving pulp & furfural)

As part of our business portfolio restructuring, we have introduced a cutting-edge continuous process technology to the pulping facility at the Oji Paper Yonago Mill and started the manufacturing and sales of dissolving pulp. Dissolving pulp is used as a raw material in rayon (cellulose fiber replacement for cotton), medicine, and various cellulose derivatives, and its demand is expected to increase alongside global population growth in the future. The Yonago Mill has also started the new trial demonstration experiment of the manufacture of furfural, a byproduct from hemicellulose in the dissolving pulp manufacturing process. The Mill has already accomplished the simultaneous manufacturing of dissolving pulp and furfural, and as of April 2016 started offering samples of furfural. Furfural too, is highly anticipated to be a replacement candidate of petroleum as the raw material for various chemical products and as next-generation plastics.



Dissolving Pulp (DP)

Dissolving pulp is pulp manufactured from high purity cellulose extracted from wood. Though commonly known as “dissolving pulp” as it is usually dissolved in chemicals before use, it can also be used in many ways as a cellulose material.

(Main Applications)

Clothing (rayon), cellophane, cigarette filter, liquid crystal display (protective film for polarizing plate), raw material for hygiene products, medicines (tablet excipient), cellulose derivatives (food additives, etc.)



Furfural

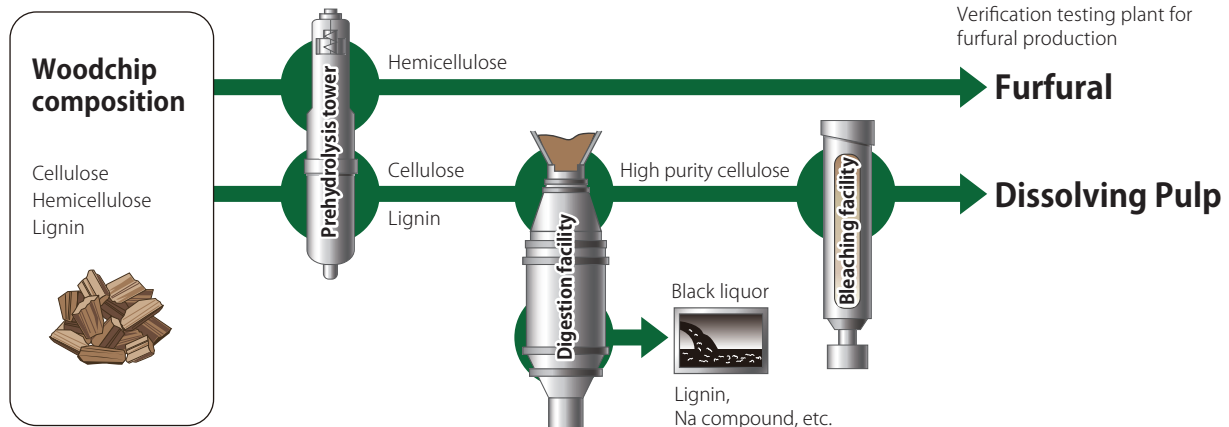
Furfural is manufactured through the dehydration reaction of xylose derived from hemicellulose.

(Main Applications)

Organic solvents (for oil refining), various chemical products (furan resin, nylon*, PET*, polyurethane*)

*Under research at universities and other organizations.

Simultaneous Manufacturing of DP and Furfural at Oji Paper Yonago Mill



Value Creation 03: Application of Water Treatment Technologies

Expansion of Water Infrastructure Business in Japan and Overseas

Transfer of the Water Environment Research Laboratory to the Water Environment Sales & Engineering Division under Oji Engineering for the Promotion of the Water Business

The Oji Group has developed thus far with the support of our water resources; accumulating technologies regarding watershed protection and efficient water resource utilization through our forest plantation business, and also technologies regarding waste water treatment and recycled water through our paper manufacturing business. In 2014, the Water Environment Research Laboratory was established in the Innovation Promotion Division as a core initiative in the promotion of our water

Thanks to the patronage of customers in Japan and overseas, we are starting to see the fruits of our efforts. In order to further develop the water business, in 2016 we have decided to transfer the function of Water Environment Research Laboratory from the Innovation Promotion Division to the Water Environment Sales & Engineering Division under Oji Engineering. There are still many countries in the world facing the issues of inadequate water infrastructure and worsening water environmental issues in the midst of their economic development. We will strive to contribute to the sustainable development

infrastructure business, and it has been conducting technology development since then.



Membrane treatment plant delivered to a seafood processing factory

Water quality analysis with ICP-MS

of the world by continuing our work in the sustainable water environment management and regeneration that are essential to human lives.

Business Lineup

Sewage, industrial wastewater (animal husbandry wastewater, fishery processing effluent, food processing effluent, industrial water, etc.)

Target Regions

Japan, Southeast Asia (Myanmar, Thailand, Vietnam), Brazil, etc.

Value Creation 04: Application of Non-woven Fabric Technologies

Development of the “Antibacterial Sheet NURASUTO!” which exhibits antibacterial properties when moistened with water.

**Easy and convenient, just moisten and wipe. No strange odor at all!
NURASUTO! for prevention against virus and food poisoning!!**

Observing the powerful antibacterial properties in a solution of calcined scallop shell powder mixed with water, the Oji Group has proceeded to develop the “Antibacterial Sheet NURASUTO!” by incorporating this powder into non-woven fabric sheets. Due to its antibacterial effect being activated after coming into contact with moisture, the sheet’s effectiveness could not last long if there is any moisture in the whole manufacturing process. With an application of the totally dry system process, a novel technology by Oji Kinocloth which does not make use of any water in the manufacture of non-woven fabrics, we have succeeded to transfer the powder’s valuable property into the sheets without sacrificing its effectiveness.

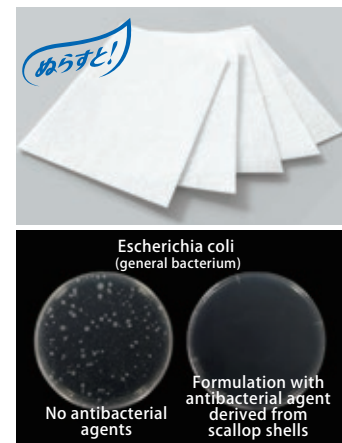
Diverse antibacterial effects

Effective against a wide range of organisms from commonplace bacteria to viruses

Bacteria that cause food poisoning

Virus

Fungus



Antibacterial test with evaluation by Kaken Test Center

JIS L1902 bacterial suspension absorption method (after 18 hours of cultivation)

Diversity Promotion

We will strive to create a working environment which encourages our diverse personnel, regardless of gender, nationality or age, to freely come up with and develop good ideas successively, to drive business development of the whole Oji Group.

■ Policies for Diversity Promotion

As a global company group that is pursuing a sustainable growth, the Oji Group performs business portfolio restructuring with one of its management strategies being the critical need to transform into an Innovative Value-Creating Company. In particular, with the recognition of the indispensability of diversity in values and flexibility in ideas, we have established the Diversity Promotion Office to spearhead this commitment. Other than the Diversity Promotion Committee which

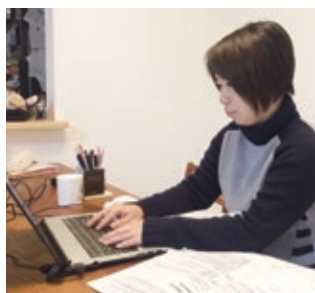
comprises of COMPANY Presidents amongst its members, the Diversity Management Session which is meant for Officers and General Managers across Japan is also held regularly.

The three diversity promotion policies are as follows:

1. "Promote Working Style Reforms"
2. "Encourage active participation of diverse talents"
3. "Improve work-life management"

■ Promotion of Working Style Reforms

Holding the view that "a better working style forms the basis of personnel management and talent activation", we strive to improve the "quality of work" by revising traditional styles of working. Under the scheme of "Working Style Reforms", we are making changes in the way work is performed by eliminating and reducing unnecessary work, so as to reduce total working hours



Working-at home

and improve employees' productivity. In addition, we are encouraging "Working Style Reforms" as well as improvement in all employees' work-life management such as by introducing flexible working hours and locations.

[Main Initiatives]

- Reduction of total working hours
- Setting the start/end time of work to match actual work situations
- Setting of the maximum limit for overtime work hours (at 60 hours per month)
- Prohibition of overtime work after 7 p.m.
- Full compensatory leave for working on holidays
- Active encouragement of paid leave usage
- Utilization of flexible hours
- Trial introduction of working-at-home system

Reduction of Total Working Hours and Utilization Ratio of Paid Leave*1

FY	2013	2014*2	2015
Total Working Hours [Targets]	—	1900h	1850h
Total Working Hours [Results]	2050h	1976h	1922h
Utilization Ratio of Paid Leave [Targets]	—	80%	80%
Utilization Ratio of Paid Leave [Results]	—	64.6%	70.2%

*1 Oji Group's Main Office region

*2 Working Style Reforms started from the second-half of fiscal 2014

■ Participation of Diverse Talents

We are actively encouraging the active participation of females in order to effectively respond to increasingly diverse and complex market needs. With an aim to raise the gender ratio of females in management positions, we are further considering female employees' assignment, training and opportunities for promotion. We will also work on improving the recruitment process as well as expanding the applicable job categories for females.

Targets and Current Ratios of Females in Management Positions

	March 31, 2016	2020 Targets
Oji Group (15 companies with more than 300 employees)	2.0%	10%
Oji Holdings (standalone)	9.5%	16%

A working environment where females are able to work with enthusiasm helps to lead to the creation of new values and energize an organization. We will consciously create a work environment that is comfortable for not just females but for all employees

[Main Initiatives]

- Organization of roundtable meetings for female employees in management positions
- Organization of "Diversity Management Session for Management Level Employees" targeting management level employees with pre-management level female subordinates
- Organization of "Empowerment Session for Pre-Manager Women" targeting female employees at pre-management levels
- Organization of "Career Design Session for Young Female Employees on the Generalist Track" targeting young female employees



General Manager Ikeda of the Diversity Promotion Office



Roundtable for female employees in management positions

to work in by promoting Working Style Reforms that improve operational efficiency and reduce total working hours, as well as by introducing an appraisal system that evaluates employees in terms of results rather than time spent on their work.

Improvements in Work-life Management

In the recent years, we have been encouraging our employees, especially male employees, to actively participate in housework and child-care. The target for male employees' taking of childcare leave or leave for child-care purpose of 5 consecutive days or more has been set at 100%. Moreover,

we are committed towards supporting our valued employees in striking a balance between work and their various life events, by introducing systems that make it easier for employees who have child-care or nursing-care responsibilities to continue playing active roles in their work.



Seminar for employees who return to work from their child-care leave

[Main Initiatives]

- Child-care leave (available up to the end of March in the year the child turns 1 year-old)
- Shorter working hours for providing child-care (available up to when the child finishes the 1st grade of an elementary school)
- Nursing-care leave (length of 1 year, which can be divided up into a maximum of 12 periods)
- Day-care center subsidies for employees who return to work early from their child-care leave
- Increased flexibility in the use of accumulated annual leave (for child-care or nursing-care purposes, leave can be utilized on an hourly basis)
- Unpaid leave system in the case of accompanying a spouse's overseas relocation
- Return-to-work system for employees obliged to leave work due to childbirth, child-care, nursing-care, etc.

Offering of Network and Information

The Oji Group actively provides information regarding its diversity promotion initiatives on its websites for interested parties both inside and outside of the Group. Besides, we have set up an SNS chat system known as the "OJI ☆ Child-care Net" for employees on child-care leave to prepare for their return to work with ease of mind. It functions as a community where employees on long term leave can freely discuss and exchange information with each other. On top of that, we organize seminars for employees on child-care leave and roundtable meetings for working mothers on work-life balance, in order to relieve their concerns on how to manage their work-life balance after returning to work, and also to support their career planning during their child-care period. We also support employees concerned about future nursing-care issues by arranging a "seminar on balancing work and providing nursing-care".



Home page of "OJI ☆ Child-care Net"

■ Recruitment and Employment of Personnel for Overseas and Domestic Businesses

The Oji Group aims to actualize its Fundamental Policies of “Expansion of Overseas Businesses” and “Concentration/Advancement of Domestic Businesses” by creating a system and reforming the company culture to encourage personnel from diverse backgrounds to play active roles in their work.

As of the end of March 2016, the Oji Group had 33,605 employees, of which 16,760 were overseas employees (increase of 95 from the previous year) and the ratio of overseas employees stood at 49.9% (increase 0.4percentage point from the previous year). This current increasing trend is expected to go on, keeping pace with the Oji Group’s thrust of the “Expansion of Overseas Businesses”. On the other hand, the number and the ratio of domestic employees were at 16,845 and 50.1% (decrease of 185 employees and 0.4percentage point from the previous year) respectively, as a result of the focus on “Concentration/Advancement of Domestic Businesses”. We will continue aiming for higher operational efficiency to attain a leaner employee structure. In addition, we will gradually extend the age of retirement to 65 years old, in order to proactively manage our elderly manpower and to prepare for

the projected future labor shortage caused by declining birth rate and an ageing population.

Number of Employees by Region	March 31, 2016
Japan	16,845
Asia	8,688
South America	5,491
Oceania	2,014
Europe	308
North America	259
Overseas (Total)	16,760
Both Domestic & Overseas	33,605

■ Promotion of the Employment of Persons with Disabilities

Since fiscal 2004, in cooperation with public agencies and NPOs, we have worked to promote the employment of persons with disabilities. In 2007, we established “Oji Clean Mate”, a special subsidiary for the employment of persons with disabilities. We will continue to make concerted efforts as a Group to increase work opportunities for persons with disabilities.

Employment Ratio of Persons with Disabilities	2013	2014	2015
	Oji Group*1	1.93	2.03
Average of Private Companies*2	1.98	2.05	2.09
Legally Mandated Ratio	2.00	2.00	2.00

*1 Coverage of calculation: Oji Holdings, Oji Nepia, Oji Imaging Media, Oji Paper, Oji Management Office, Oji Clean Mate (companies approved for Group treatment)

*2 Average of companies with more than 1,000 employees

Slogan and Logo for Diversity Promotion



We have come up with the slogan “Diversity & OJInclusion” together with its corresponding logo as part of our initiative in encouraging the Oji Group to make a concerted effort to drive diversity promotion within the company. The slogan was proposed and chosen by our employees, and the word “OJInclusion” combines OJI and Inclusion in a play on the words. Diversity is a word that brings to mind differences, whereas Inclusion is a word that contains the meaning of coming together as one. Our goal is to foster a corporate culture that enables our diverse personnel to feel a sense of belonging, and also for them to become aware of their indispensable contributions to the organization.

Environmental Management

Promotion of Environmental Management

The Oji Group is committed to conducting and developing our business activities in harmony with the environment, in accordance to the “Environmental Action Program 2020” formulated based on the “Oji Group Environmental Charter”.

Oji Group Environmental Charter Basic Policy

The Oji Group Environmental Charter requires the Oji Group to help create a truly enriched and sustainable society by developing business activities that harmonize with environment from a global perspective. The Charter calls for the Oji Group to make autonomous efforts to achieve a further environmental improvement, and aggressively drive its “Sustainable Forest Management”, “Paper Recycling”, and global warming countermeasures forward.

Environmental Action Program

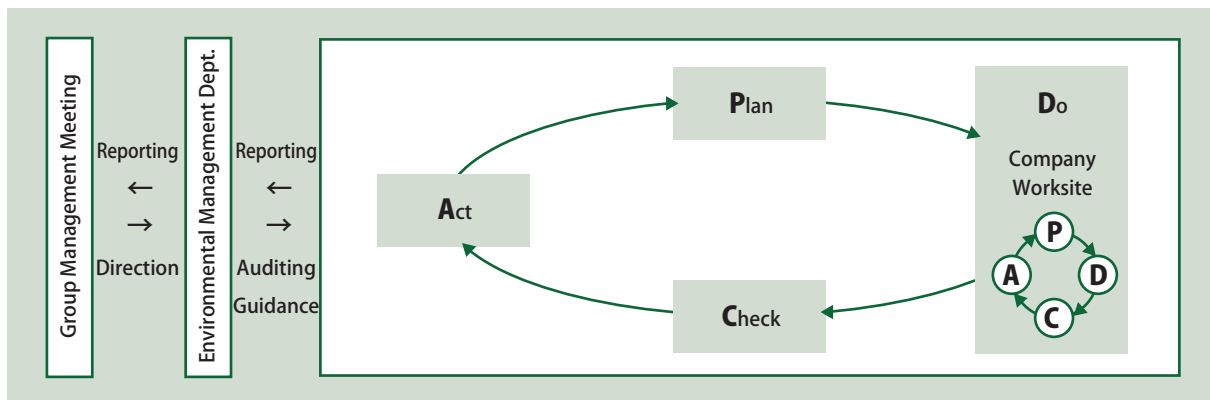
<p>Limitless Challenge to Zero-environmental Burden</p> <p>We will aim for zero-environmental burden in each and every operational procedure by further promoting environmental awareness-raising and bringing together capabilities of technology, operation and planning.</p> <p>→ pg.39</p>	<p>Sustainable Forest Management</p> <p>We will promote sustainable forest management to aim for protection of forest functions and lasting utilization of forest resources.</p> <p>→ pg.41</p>	<p>Responsible Raw Materials Procurement</p> <p>We will comply with safety and legal guidance based on the Oji Group Partnership Procurement Policy to manufacture our products.</p> <p>→ pg.43</p>
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(Established: 2015)

Structure of Environmental Management

The Oji Group has explicitly set out environmental management to be one of the most important aspects in our business activities. Following the directions of the top management, the Environmental Management

Department takes comprehensive charge of all environment-related activities of the whole Group, and tackles the issues that arise in our continuous pursuit of environmental improvement.



■ Limitless Challenge to Zero-environmental Burden ~Zero-emission~

Zero Environmental Accident, Zero Product Liability Accident

Oji Group aims to eliminate the occurrence of environmental accidents as well as continue with its track record of zero product liability accident by complying with relevant laws and regulations, working towards the prevention of such accidents, and by conducting inspections.

-We are committed to upholding legal compliance by seeking confirmation of the relevant laws and regulations, conducting regular employee training, implementing internal standards and rules that are stricter than legal requirements, and by managing facilities appropriately.

-We are working towards accident prevention by scrutinizing for and eliminating any potential risk that may lead to an environmental or product liability accident.

-We carry out checks on the state of legal compliance, potential risks that have been identified as well as the countermeasures taken via regular audits. With regards to our overseas worksites, we give especial attention and arrange for audits to be conducted by accredited third-party international audit organizations, in order to deal with the laws and regulations in each country appropriately.

Number of Environmental Accidents*1

	FY2020 Targets	FY2015 Results
Domestic	0	4
Overseas	0	1

*1 Environmental accident: Exceeding a regulated value set by environment-related laws and regulations.

Number of Product Liability Accidents

	FY2020 Targets	FY2015 Results
Domestic	0	0
Overseas	0	0

Reduction of Greenhouse Gas (GHG) Emission per Unit of Production

We are putting in much effort to reduce our GHG emissions per unit of production by implementing thorough energy-saving initiatives, promoting the increased use of renewable energy, and switching to more eco-friendly energy sources.

-We are working on energy-saving initiatives which include improving operational efficiency and upgrading of equipment and machinery with energy-saving features.

-We are promoting the expanded use of renewable energy including energy generated from biomass fuel.

-We are also reducing emissions through restructuring of the manufacturing systems.

GHG Emission per Unit of Production*2

	FY2020 Targets compared with FY2013	FY2015 Results compared with FY2013
Domestic	Reduction of 10% and more	+0.8% (0.61 t-CO ₂ e/t)
Overseas	Reduction of 10% and more	-2.4% (0.280 t-CO ₂ e/t)

*2 Emission per unit of production (t-CO₂e/t) = amount of GHG emission (t-CO₂e) ÷ amount of production (t)

Domestically, emissions per unit of production slightly increased because the increase in emissions from extra fuel used in the new boilers exceeded the reduction achieved through operational system restructuring and the switch to biofuel. Overseas, emissions per unit of production declined due to a shift from fossil fuel to biomass fuel at a new pulp facility which started operation recently.

Promotion of the Effective Utilization of Waste Matter

We are trying to reduce the amount of final disposal volume of waste (through landfill) by suppressing the generation as well as effective utilization of waste.

-Pulp dreg that is generated during the manufacturing process is reused as raw material for paper within the same mill to minimize waste generation.

-Incinerated ash generated from fuel combustion is utilized as a raw material for cement and road paving.

Effective Utilization Ratio*3

	FY2020 Targets	FY2015 Results
Domestic	99% and more	97.0%
Overseas	95% and more	90.8%

*3 Effective utilization ratio (%) = [generation amount (t) - landfill disposal amount(t)] / generation amount (t) × 100

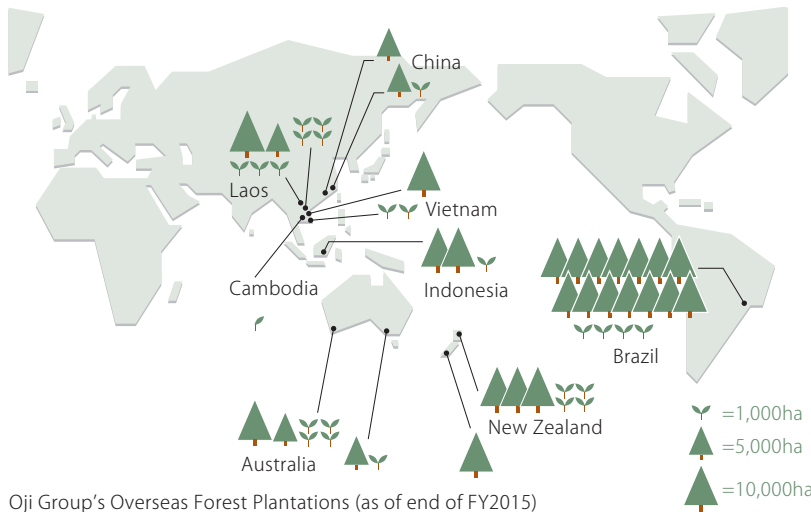
Management of Wastewater and Exhaust Gas with Consideration to Local Ecosystems

We are promoting the management of wastewater and exhaust gases while giving consideration to local ecosystems, as well as complying with environmental laws and regulations while reducing the amount of environmentally hazardous substances.

-We are investigating the adoption of a wastewater management system using aquatic organisms including fishes.

-We are conducting the management of mercury in exhaust gases generated by boilers and incinerators, as it will be newly subjected to a regulation in Japan.

■ Limitless Challenge to Zero-environmental Burden ~Promotion of Sustainable Forest Management, Paper Recycling~



Oji Group's Forests in Japan

Total Area:
Largest in the Private Sector **190,000 ha**

Forest Certification Acquisition:
Full **SEGC** certification acquired for all the forests (excluding profit-sharing forests)

Oji Group's Overseas Forest Plantations

Total Area:
Forest Plantations of **280,000 ha**

Forest Certification Acquisition
Acquisition Ratio (FSC™, PEFC) **69%**

*License Codes:
SPFL: FSC™C008418 PANPAC: FSC™C017103
APFL: FSC™C023801 CENIBRA: FSC™C008495
QPFL: FSC™C016623

Sustainable Forest Management

The Oji Group believes in the principle “those who use trees have the responsibility to plant trees” and has long been working hard to realize “sustainable forest management” in each stage of the cycle of planting, raising, harvesting trees and processing them into raw materials. We are currently focusing on acquiring “forest certifications” from third-party organizations; all 172,000 ha of our domestic forests, excluding profit-sharing forests, have acquired the SGEC*1 forest certification and 200,000 ha (69%) of our overseas

forest plantations have acquired the FSC™*2 forest certification. Moving forward, we will continue carrying out sustainable forest management activities, aiming for 100% certification acquisition for all of our overseas forest plantations.

*1 SGEC: Sustainable Green Ecosystem Council. An organization which administrates a Japanese unique forest certification that fits well to natural environment and society of Japan.

*2 FSC™: Forest Steward Council™. An international organization which uses an international forest certification system to promote forest management appropriate for the local environment, society, and economy.

Paper Recycling

The Oji Group has been promoting initiatives on “paper recycling” and achieved a waste paper utilization ratio of 64.3% in fiscal 2015, with the goal set by pulp and paper industry being at 64%. Despite the reduction in domestic waste paper generation due to consumers shifting towards digitalized communication means, we will continue to implement various initiatives such as the reuse of confidential documents or difficult-to-process waste paper as well as

appealing for improvement to waste paper quality to the industry, in the bid to further increase our waste paper utilization rate. Waste paper quality improvement is necessary for a better practice of recycling. We are carrying out measures to increase awareness of appropriate waste sorting that minimizes the amount of “prohibited materials” which are unsuitable for use as raw material in paper manufacturing, from being mixed into waste paper collection.

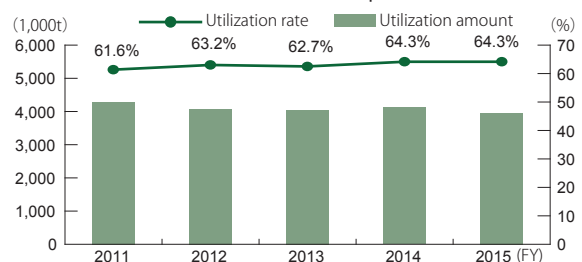
*Prohibited Material Group A:

Materials that cause significant damage when mixed in
Stone, glass, metal, dirt, wood piece, fabric, plastic, synthetic paper, non-woven fabric, disposable diaper, scented paper, soiled paper, buffer material (sublimation transfer paper), thermal foam paper, candle waxed corrugated sheet, etc.

*Prohibited Material Group B:

Materials that are preferably not mixed in
Carbon paper, carbonless paper, resin-coating paper, laminated paper, adhesive tape, thermal paper, fancy paper, samples attached to flyers or magazine, etc.

Utilization Amount/Rate of Waste Paper



■ Sustainable Forest Management

~Sustainable Forest Management Through the Use of Forest Certifications~

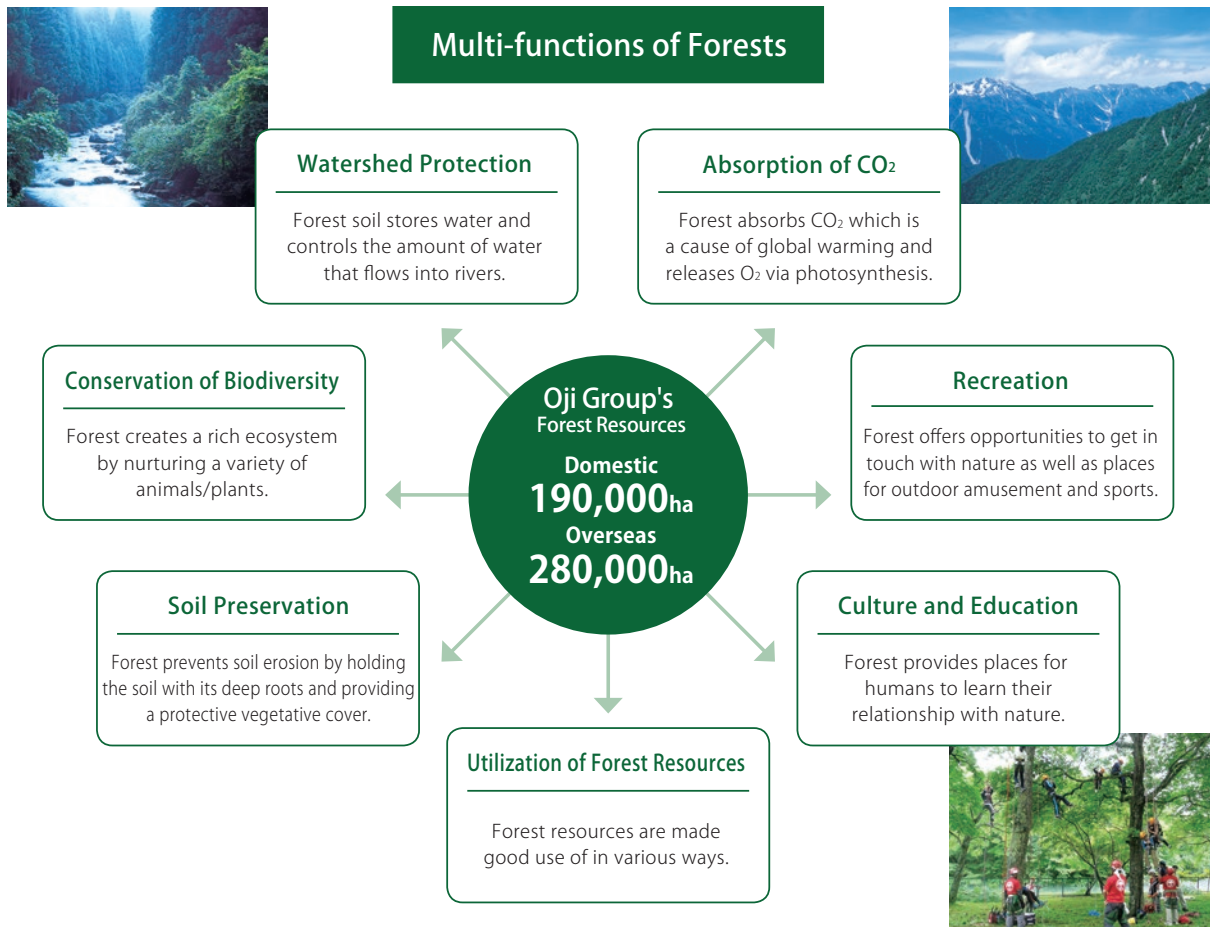
The Oji Group promotes an integrated forestry management system that maximizes the value of our forest resources by using them in diverse ways (cascading). Furthermore, we undergo annual audits by third-party

forest certification organizations to confirm whether our forests are appropriately managed in terms of the local “society”, “environment” and “economy”, in order to aspire for the “sustainable forest management”.

Multi-faceted Utilization and Conservation of Forest Resources

Other than being a source of wood resources, forests play multifaceted roles in society, such as conserving biodiversity, providing and protecting water sources and the soil, provision of a recreational venue, nurturing of cultures, and the creation of local employment. The Oji Group maximizes the use of

forest resources we derive from our forests, while conducting various activities inside and outside of Japan to showcase the other roles that forests play. These activities include: conservation of natural forests, monitoring of wild animals, and the hosting of the “Oji Forest Nature School”.



SGEC Forest Certification

The SGEC (Sustainable Green Ecosystem Council) is a unique Japanese forest certification system. We have already acquired the SGEC-FM certification for all 172,000 ha of the Oji Group's domestic forests excluding profit-sharing forests, which land ownerships are held by others. In addition, Oji Forest & Products, the company in charge of the Group's domestic forests and related activities, has acquired the SGEC-COC certification. In 2016, the SGEC signed a mutual

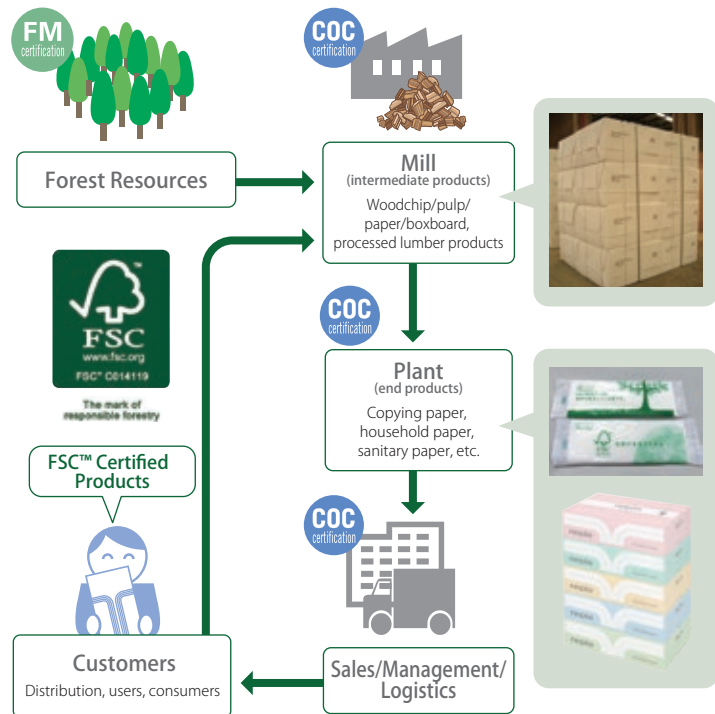
recognition agreement with the PEFC, an international organization which promotes mutual recognition of different forest certification standards in each country and region. As such, wood products certified by SGEC can enter into overseas markets as internationally certified products. It is anticipated that the Tokyo Olympic and Paralympic Games will play a major role in raising public awareness and popularity of forest certification in Japan.



View of Mt. Fuji from Kamiinako Forest, Shizuoka

FSC™ Certified Products: Providing Eco-friendly Products

The Oji Group has acquired the FSC™ FM certification for our overseas forest plantations and the COC certification for the Group's manufacturing and processing operations. The merit in acquiring these certifications for our forests and converting plants is that they enable the Oji Group to offer a wide range of FSC™ certified products, from primary-processed products such as log, woodchip and lumber products, to secondary products such as pulp, as well as end products such as printing paper and tissue paper. Also, end-products are recycled as waste paper.



Activities for Biodiversity Conservation

Conservation of Endangered Fish Species (Sarufutsu Forest, Hokkaido)

We are engaged in conservation of the largest freshwater fish in Japan, the Itou, which has been designated as an endangered species. In Sarufutsu Forest, a land area of 2,600 ha including a river zone has been designated as a protective zone.



Conservation of Fairy Pitta (Koyagauchi Forest, Kochi)

In order to protect the living environment of Fairy Pitta, a migratory bird that is designated as an endangered species, we have signed the "Agreement on the Conservation of Fairy Pitta" with the Ecosystem Trust Society in August 2016.



©Ecosystem Trust Society

Conservation of Alpine Plants (Samani Forest, Hokkaido)

Looking to restore the alpine plant population which has drastically fallen, since 2005 we have been providing part of our forestlands to assist a local NPO in its population restoration activities.



Responsible Raw Materials Procurement

The Oji Group is committed towards conducting responsible raw materials procurement that takes into account environmental and community considerations and ensuring the safety and legitimacy of our raw materials, in line with the “Oji Group Partnership Procurement Policy” and the “Wood Raw Material Procurement Guidelines” that follow the principles outlined in the United Nations Global Compact, the “Oji Group Corporate Code of Conduct” and “Oji Group Environmental Charter”.

Oji Group Partnership Procurement Policy

The Oji Group works together with business partners in its supply chain in carrying out the following actions. We also expect suppliers of our business partners to have similar measures in place.

Oji Group Partnership Procurement Policy

① Ensure stable supply

1. Offer competitive prices
2. Ensure quality and delivery

② Comply with laws and social standards, and engage in fair trade

1. Comply with relevant laws and international conventions
2. Maintain sincere and healthy relations with business partners

③ Consider the environment

1. Reinforce environmental management systems
2. Reduce waste and effectively use resources
3. Pursue global warming countermeasures
4. Protect biodiversity
5. Reduce environmental impact
6. Manage chemical substances

④ Demonstrate social concern

1. Protect human rights (prohibit child labor, forced labor, discrimination and harassment)
2. Protect labor rights (maintain good labor relations, avoid long working hours, and ensure minimum wage standards are met)
3. Ensure workplace safety and health
4. Contribute to society and the local community

⑤ Communicate with society

1. Build relationships of trust with stakeholders through communication
2. Respect the cultures and customs of other countries
3. Appropriately disclose and protect information

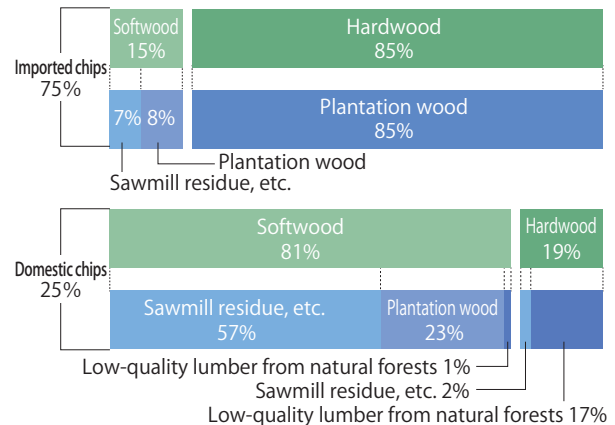
Procurement of Pulp and Wood Raw Materials

The “Wood Raw Material Procurement Guidelines” was established and is to be adhered to when conducting the procurement of wood raw material, including pulp.

Wood Raw Material Procurement Guidelines

- ① Expand procurement of wood from certified forests
 - ② Increase use of plantation trees
 - ③ Utilize unused wood effectively
 - ④ Verify that procurement is in compliance with laws and is environmentally friendly and socially responsible
 - ⑤ Disclose information (available online)
- <http://www.ojiholdings.co.jp/english/sustainability/procurement/index.html>

Composition of the Oji Group’s Procured Wood Chip



Traceability Verification

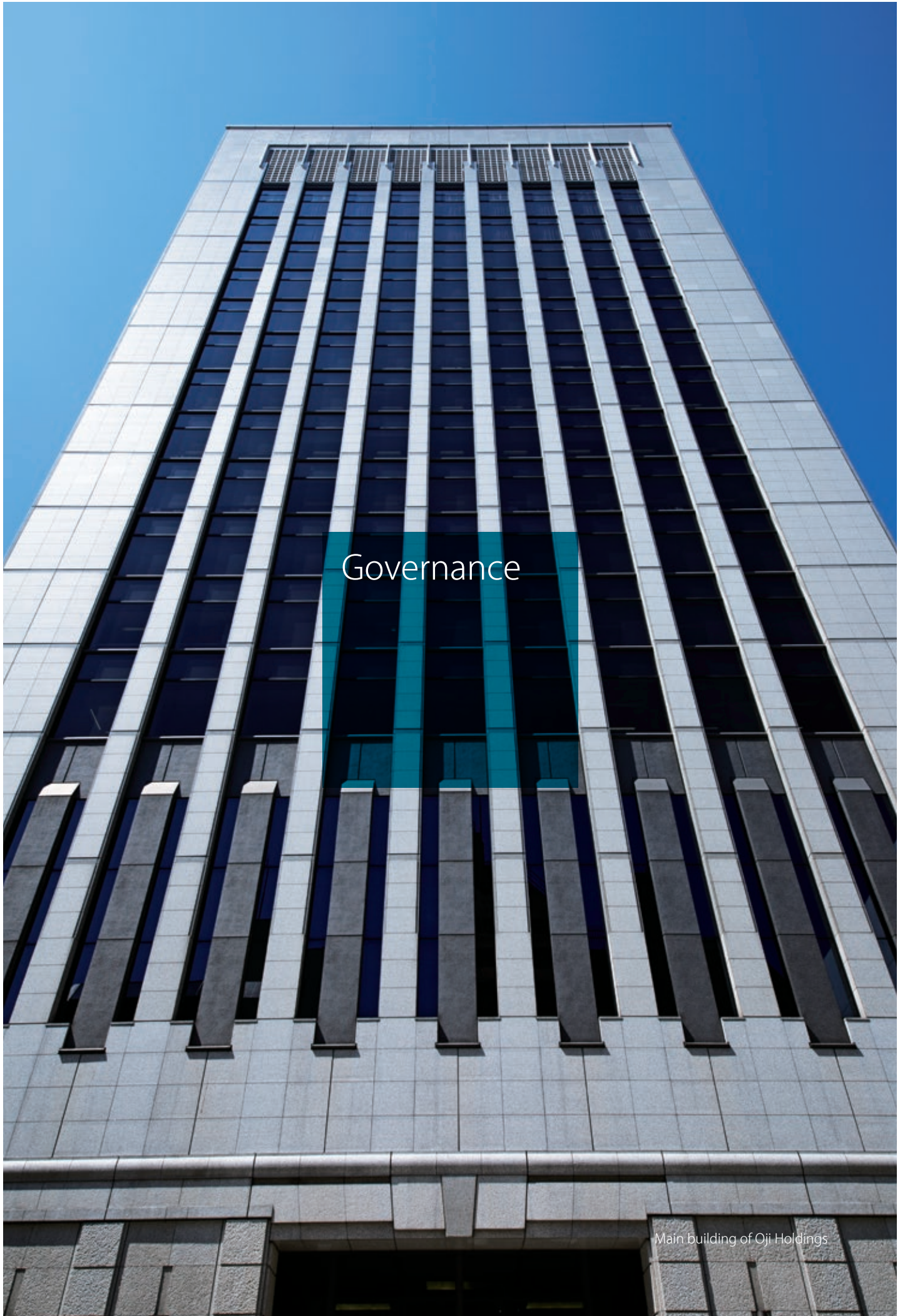
We verify that our wood raw materials are from properly managed forests via traceability reports that trace them back to their places of origin. In addition, we conduct regular on-site inspections at forests, chip mills, and shipping sites, as well as interview government and other related parties to discover problems such as illegal logging.



Audit for the FSC™ FM certification at QPFL
License code: FSC™C016623

Safety Checks on Raw Materials and Chemicals

Before using any chemical, whether or not a chemical is safe for use is determined by referring to the relevant laws, regulations and toxicity information as well as voluntary standards of major industry organizations, from Safety Data Sheets and questionnaire forms. In addition, we ensure the continued safe use of each chemical through periodical information updates even after the start of its use.



Governance

Main building of Oji Holdings

Corporate Governance

The Oji Group regards the enhancing of corporate governance as one of the top priorities of the management, and strives to continually take the appropriate measures towards it.

■ Initiatives for Enhancement of Corporate Governance

The Oji Group is constantly considering and carrying out measures to construct the optimum governance structure and, to this end, has appointed two Outside Directors since 2007 as well as made the shift to a pure holding company system since October 2012. In June 2015, further investigative studies after the adoption of the Corporate Governance Code resulted in the creation

of voluntary advisory committees mandated with the responsibilities of improving the objectivity and transparency in the nomination and determination of compensation for Directors. Furthermore, the “Fundamental Policies on Corporate Governance” was created to clearly set out the Group’s policies and other information such as the roles of the Board of Directors.

Main Initiatives

Jun. 1999	Adoption of the Executive Officer System	Enhancement of the decision-making and supervisory functions of the Board of Directors
Jun. 2002	Shortening of Directors’ term of office to 1 year	Clarification of Directors’ management responsibility
Jun. 2006	Introduction of stock option as stock-based compensation	Alignment of Directors’ motivations towards raising corporate value
Jun. 2007	Appointment of Outside Directors	Improvements in effectiveness of management supervision and transparency in decision-making Expansion of management perspectives
Oct. 2012	Transition to a pure holding company system Establishment of Corporate Governance Division	Speeding up of decision-making Clarification of management responsibility of each business segment Strengthening of the Group’s risk management structure
Jun. 2013	Increase in the number of Outside Auditors	Strengthening of the auditing structure
Nov. 2015	Establishment of Fundamental Policies on Corporate Governance Establishment of Nomination Committee and Compensation Committee	Clear setting out of the Group’s policies Improvements in the objectivity and transparency of nomination and compensation determination

Overview of Voluntary Advisory Committees

	Nomination Committee	Compensation Committee
Composition	Chairman, President (Committee Chair), all Outside Directors (total of 4 persons, as of March 2016)	Chairman, President (Committee Chair), all Outside Directors (total of 4 persons, as of March 2016)
Topics for Deliberation	Nomination policies for Directors and Auditors, appointment policies for Corporate Officers	Compensation structure and standards for Directors and Corporate Officers
	Nomination of Directors and Auditors, appointment of Corporate Officers	Evaluation of Directors and Corporate Officers
	Succession planning for Representative Director of the Board, President	Analysis and evaluation of effectiveness of the Board of Directors

“Fundamental Policies on Corporate Governance” and the “Corporate Governance Report” submitted to the Tokyo Stock Exchange are both available on our website.

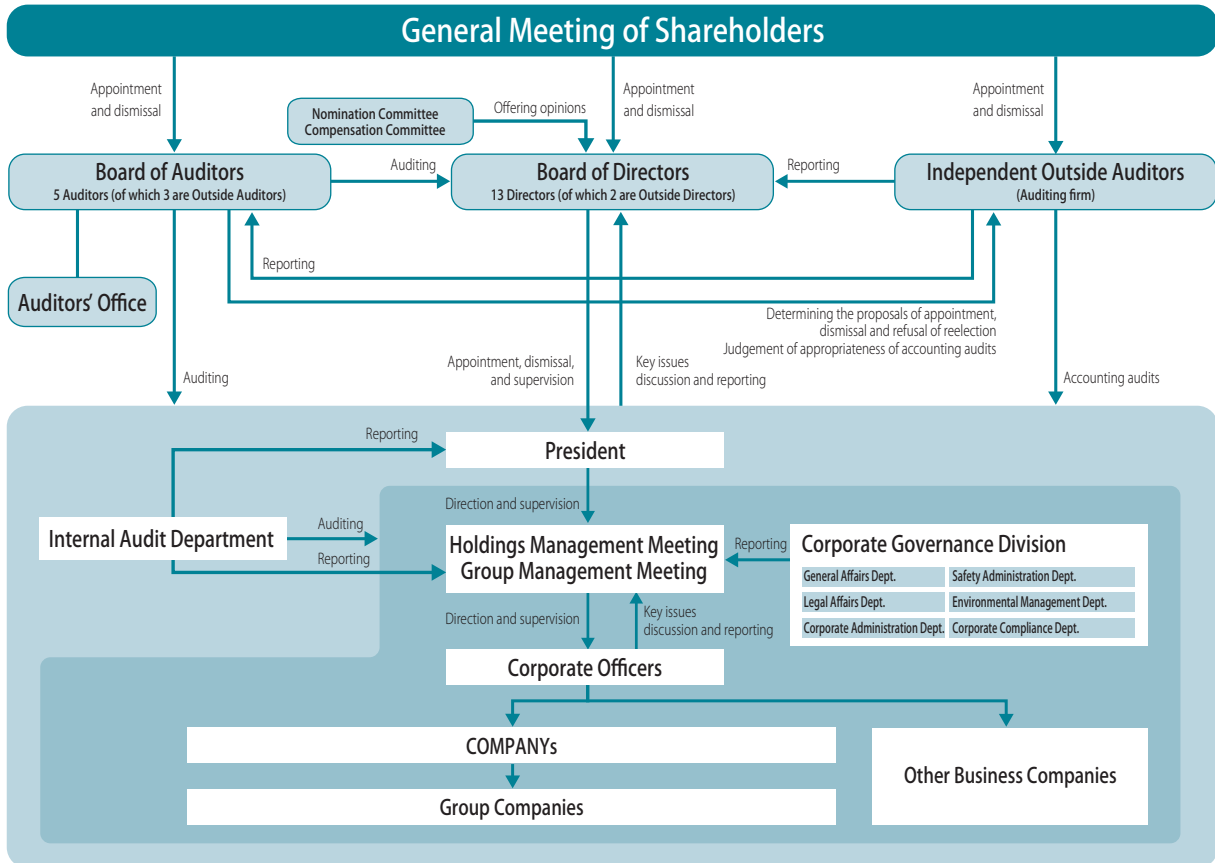
Fundamental Policies on Corporate Governance

<http://www.ojiholdings.co.jp/english/group/governance/index.html>

Corporate Governance Report

<http://www.ojiholdings.co.jp/english/ir/governance/index.html>

■ Structure of Corporate Governance



■ Role of the Board of Directors, Nomination Policy for Directors

Roles of the Board of Directors (Article 3 of the Fundamental Policies)

In order to promote the sustainable growth and the increase of medium-to-long-term corporate value of the Group, and to pursue the improvement of profitability and capital efficiency, the Board of Directors, based upon its fiduciary responsibility and accountability for shareholders, shall perform the following roles.

1. The Board of Directors shall make decisions on important items of business execution within the bounds stipulated in the Board of Directors Regulations. The important items of business execution include formulation of management philosophy and management strategies which lay out the direction for the Group as a whole, and execution of investments based on these philosophy and strategies.
2. The Board of Directors shall support prompt and decisive decisions for the issues/matters not pertaining to the Board of Directors' resolutions, by determining in the Group Regulations the issues/matters that pertain to deliberation by Management Meeting and authority for execution of Executive Directors.

3. The Board of Directors shall perform the effective supervision of Executive Directors and Corporate Officers from an independent and objective standpoint.

4. The Board of Directors shall engage in construction of internal control systems, development of risk management systems, and supervision of their operational status.

Policies for Director Nomination (Article 5 of the Fundamental Policies)

1. The Board of Directors shall nominate candidates for Directors who possesses excellent character and insight and who may contribute to the sustainable growth as well as the increase of medium-to-long-term corporate value of the Group. However, any nomination shall be conducted following consultation with the Nomination Committee.
2. Individuals with high level of expertise and broad insight, who are capable of expressing opinions from a standpoint independent of the management and from viewpoints of various stakeholders shall be selected as candidates for independent Outside Directors.

■ Determination Policy and Total Amount of Director Compensation

We have decided to discontinue the “stock options as stock-based compensation” system and introduce a new performance-linked and stock-based compensation system which utilizes a trust. At the same time, the rate of basic compensation was decreased to 50% while the performance-linked variable component was enlarged, in order to further motivate Directors to improve business performances as well as enhance corporate values.

Total Amount of Officer Compensation (FY2015 Results)

Directors	¥ 410 million / 16 persons
(Outside Directors)	(¥ 30 million / 3 persons)

Structure of Director Compensation (Article 13-1 of the Fundamental Policies)

Compensation for Directors shall comprise base compensation, compensation reflecting short-term performance, and stock-based compensation reflecting medium-to long-term improvement in corporate value, and the total amount shall be within the limit amount resolved at general meetings of shareholders. Compensation for Outside Directors shall comprise base compensation only.

Auditors	¥ 83 million / 6 persons
(Outside Auditors)	(¥ 31 million / 4 persons)

■ Outside Officers: Activities and Reasons for Appointment

We are implementing various initiatives for the sake of utilizing the highly specialized and wide scope of knowledge and experiences of Outside Officers in business management, and also to strengthen our supervisory function. We organize briefing sessions twice a month, in which the Director of the Corporate Governance Division conducts explanations to Outside Officers regarding the agenda of the Management Meetings and scheduled agenda of the Board of Directors, in addition to the Board of Directors and the Board of Auditors. These help the company to share relevant information as well as encourage Outside Officers to voice their honest opinions.

Standards of Independence for Outside Officers (Article 12 of the Fundamental Policies)

The Board of Directors shall comprehensively consider interests between Outside Officers and the Company and its major subsidiaries such as capital, personal, and business relationships, and assess the independence of Outside Directors, based on the standards set by the financial instruments exchanges.

When conducting assessment of the independence, we pay much cares to considering details of conflict of interest between each and every Outside Officer instead of setting quantitative standards; following our belief that it is important to see the actual situations as well as number facts for transaction relationships.

■ Outside Officers (as of July 2016)

Position	Name	Career Summary	Attendance	Reason for Appointment
Directors	Michihiro Nara	Apr. 1974 Registered Lawyer Jun. 2014 Director of Oji Group	Board of Directors (13/14)	Wealth of experience and high degree of specialization as a lawyer, extensive knowledge
	Nobuaki Terasaka	Apr. 1976 Ministry of International Trade and Industry Jul. 2009 Director of Nuclear and Industrial Safety Agency Aug. 2011 Resignation from public office Jun. 2015 Director of Oji Group	Board of Directors (10/10)	Wealth of experience and high degree of specialization mainly in the fields of commodities, energy and in trade as a public official, extensive knowledge
Auditors	Makoto Katsura	Apr. 1971 Ministry of Foreign Affairs Jul. 2004 Ambassador to Laos Aug. 2007 Ambassador to Philippines May. 2011 Resignation from public office Jun. 2013 Director of Oji Group	Board of Directors (14/14) Board of Auditors (17/17)	Wealth of experience as a diplomat, extensive knowledge
	Mikinao Kitada	Apr. 1976 Appointed as Public Prosecutor Jan. 2012 Superintending Prosecutor at the Osaka High Public Prosecutors' Office Jan. 2014 Resignation from public office Mar. 2014 Registered Lawyer Jun. 2014 Auditor of Oji Group	Board of Directors (13/14) Board of Auditors (17/17)	Wealth of experience as a long-serving prosecutor
	Yuko Miyazaki	Apr. 1979 Registered Lawyer Jun. 2015 Auditor of Oji Group	Board of Directors (9/10) Board of Auditors (13/13)	Lawyer's professional perspective, abundant experience, deep insight

Message from an Outside Officer

An Independent Director, Mr. Nara, gave us his remarks on the state of the Oji Group's corporate governance and challenges faced in improving its corporate value.



Outside Director Michihiro Nara
Lawyer

Outside Director of the Oji Group since June 2014

Q1 What is your impression of the Oji Group?

Oji Group is a mega-company full of history and tradition which has always been at the core of the key industries of Japan. Because of that, I had the impression before my appointment here that this company group was too big to be flexible and open-minded. However, serving two years as an Outside Officer of this company dispelled those incorrect preconceptions. Now, I strongly feel that the Oji Group has a

warm family-like atmosphere despite its huge size, and is always committed to management style that has its eyes on the future without being held back by its long history and tradition. There might be some debate accompanying this, but personally I like the company's bold catch phrase, "NO LONGER a Paper Manufacturing Company", which is symbolic of the Oji Group's future management policies.

Q2 How do you rate the level of corporate governance at the Oji Group?

I believe that there is a firm governance system in place at the Oji Group. It would have been difficult to manage such a huge organization without having properly built one. However, the company will only continue to get larger, and its overseas businesses will expand further. As public opinion of companies has been and will become increasingly strict, companies are now required to give more

careful and detailed consideration to stakeholders as well as to meet the increasing need for corporate governance systems. The Oji Group has been facing the challenges of having to become more flexible and enact more reforms to respond to everyday changes. Particularly, it needs to further strengthen compliance at overseas Group companies as its overseas businesses develop.

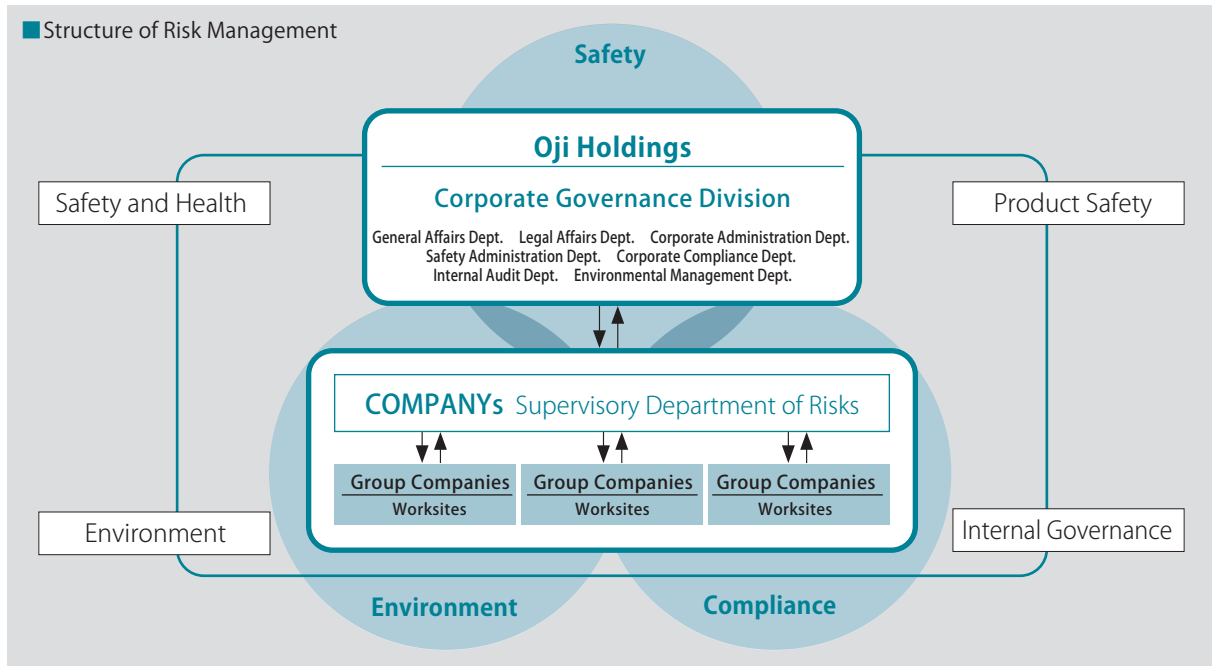
Q3 Please share with us your thoughts on the challenges the Oji Group faces in improving its corporate value.

While there may be several definitions to the term "corporate value", in a broad sense I believe a company needs to co-exist and co-prosper with society, contribute to society through its business operations, and thus gain trust from the society, in order to improve its corporate value. Then, what do we need to do to achieve that? Both the development and stabilization of businesses, and CSR play important parts. To be more specific, we need to deepen and expand our existing businesses and make forays into new business fields. Before we can do these, we need to strengthen our financial

foundation and human resources development framework. Of course, it is also essential to foster good relationships with stakeholders whom are the shareholders, employees, business partners as well as society, and to enhance corporate governance that enables all of these. I am very willing to give my further assistance to actualize the Oji Group's proactive business management that leverages on its huge organizational size, management policies that place values on both history and tradition while remaining innovative and flexible, and an ever-evolving governance structure.

Structure of Risk Management

Oji Group develops a structure in which the Corporate Governance Division of Oji Holdings comprehensively manages and reacts to common risks to the entire Group. Along with the rapid expansion of our overseas businesses, we will reinforce our global risk management structure and secure the continued stable development of the businesses.



Environment Management and Product Safety Management

We implement initiatives that promote the understanding and awareness of all employees via a monthly "Environment News" e-magazine, as well as various activities that reduce the chances of environment and product liability accidents occurring.

Safety and Health Management

Focusing mainly in manufacturing sites, we promote "safety as our absolute top priority" and ensure safety and health and encourage safe behaviors. Under the strong commitment of the top management, we will establish "zero-accident" workplaces for all employees.

Compliance

"Compliance takes priority over profits." We are making effort to instill this mindset to all officers and employees to prevent noncompliance and also to enhance the system for prevention. A monthly "Compliance News" e-newsletter is distributed.

Business Continuity Management

We strive to prepare a thorough risk management system for situations that include large-scale disasters and infectious disease epidemics such as a new-type pandemic influenza. We periodically conduct a variety of trainings, which include trainings for large-scale earthquake, establishment of a disaster countermeasure headquarter and transferring of headquarter functions, based upon the business continuity management plan which was formulated in 2012. We will further revise the system as and when necessary to adapt it to handle new risks.



Training session for a large-scale earthquake scenario



1 Kiyotaka Shindo

Director, Chairman of the Board
Group Co-CEO

2 Susumu Yajima

Director of the Board, President
Group Co-CEO

3 Ryoji Watari

Director of the Board, Vice President
President, Industrial Materials COMPANY
President, Household and Consumer Products COMPANY

4 Kazuo Fuchigami

Director of the Board, Vice President
President, Functional Materials COMPANY

5 Genmei Shimamura

Director of the Board, Senior Executive Officer
General Manager, Corporate Governance Division
President, Oji Management Office Inc.

6 Hidehiko Aoyama

Director of the Board, Senior Executive Officer
President, Printing and Communications Media COMPANY
President, Oji Paper Co., Ltd.

7 Yoshiki Koseki

Director of the Board, Executive Officer
In charge of: Innovation Promotion Division
President, Oji Engineering Co., Ltd.

8 Masatoshi Kaku

Director of the Board, Executive Officer
Vice President, Functional Materials COMPANY
President, Oji F-Tex Co., Ltd.

9 Ryuichi Kisaka

Director of the Board, Executive Officer
Vice President, Functional Materials COMPANY
President, Oji Imaging Media Co., Ltd.

10 Kazuhiko Kamada

Director of the Board, Executive Officer
President, Forest Resources and Environment Marketing COMPANY

11 Hiroyuki Isono

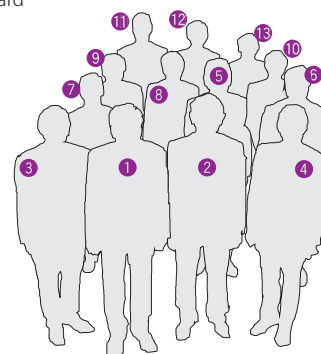
Director of the Board, Executive Officer
Deputy General Manager, Corporate Governance Division

12 Michihiro Nara

Outside Director of the Board

13 Nobuaki Terasaka

Outside Director of the Board



From the left:

Satoshi Fukui

Audit and Supervisory Board Member

Makoto Katsura

Outside Audit and Supervisory Board Member

Motokazu Ogata

Audit and Supervisory Board Member

Mikinao Kitada

Outside Audit and Supervisory Board Member

Yuko Miyazaki

Outside Audit and Supervisory Board Member

Oji Group carries out activities that contribute to the promotion and advancement of sports and culture. In addition to activities in Japan, we support various events at our business sites around the world, including being the sponsor of a golf tournament in New Zealand, giving assistance to sport classes or music outreach activities in Brazil, and so on.

Culture

Fujiwara Foundation of Science

The Fujiwara Foundation of Science was established in 1959 by Ginjiro Fujiwara, who served as the president of the former Oji Paper in the prewar era and was referred to as Japan's king of paper manufacturing, with the objective of contributing to development of science and technology in Japan. The Foundation presents the "Fujiwara Award" to scientists who have made major contributions to the advancement of science and technology in Japan, and it also provides support to the holding of the "Fujiwara Seminars" as well. The "Fujiwara Award" is highly recognized as Japan's oldest and most authoritative award for the promotion of science. It has previously been awarded to winners of the Nobel Prize; Dr. Satoshi Omura who won the Nobel Prize in Physiology or Medicine in 2015, and Dr. Isamu Akasaki who won Nobel Prize in Physics in 2014. We, as a company which has provided financial support to the Fujiwara Foundation of Science, are very pleased and also proud that our longstanding contribution to the advancement of science has finally borne fruits in the form of two Nobel Prize winners in two consecutive years.

Website of the Fujiwara Foundation of Science

http://www.fujizai.or.jp/e_gaiyo.htm

Oji Hall

The "Oji Hall", located on the third floor within the main building of Oji Holdings, is an authentic concert hall which has been acclaimed by famous Western musicians as well as music enthusiasts, despite its cozy and homelike atmosphere due to having only 315 seats. It hosts high-quality performances and functions as a rental location for about 60,000 audiences annually, leveraging on its central location in Ginza.



President Hoshino of
Oji Hall

Website of the Oji Hall

http://www.ojihall.jp/concert/lineup/lineup_eng.html



57th Fujiwara Award Ceremony (at Gakushikaikan, on June 17, 2016)



Dr. Kei Hirose
(Professor, Earth-Life Science Institute,
Tokyo Institute of Technology)



Dr. Yoshinori Fujiyoshi
(Specially-appointed Professor, Laboratory
of Structural Physiology, Nagoya University)



"Emmanuel Pahud with Friends of Berlin" Performance

Sports

Oji Baseball Team

The Oji Baseball Team, established in 1957, is based in the Oji Paper Kasugai Mill. Employees, officers, business partners and various other parties related to the Oji Group come together to give rousing cheers to the team, especially during the season for the Intercity Baseball Tournament. The team, which placed in the top 4 in the Tournament in 2015, continued its good performance to advance into the second round of the finals after winning the regional qualifier.

Website of the Oji Baseball Team

<http://www.ojiholdings.co.jp/baseball/index.html> (in Japanese)



Intercity Baseball Tournament

Oji Eagles

The Oji Eagles ice hockey team, which welcomes its 90th anniversary this year after its establishment in 1926, is based in Tomakomai City in Hokkaido. It competes in the Asia League Ice Hockey in which 9 teams from 4 countries compete. This year, the team has sent out its 12 members to 24-man team of the representative team of Japan for the Olympic final qualifier round, providing invaluable support to the Japanese ice hockey community. The team also engages in activities to promote the sport such as the holding of ice hockey classes.

Website of Oji Eagles

<http://www.ojiholdings.co.jp/baseball/index.html> (in Japanese)



Asia League Ice Hockey

Community Healthcare

Oji General Hospital

The 440-bed Oji General Hospital located in Tomakomai City of Hokkaido carries out its mission to efficiently provide highly functional and high-quality medical services to its community. Designated as a disaster base hospital, a regional cooperation cancer hospital and a regional perinatal medical center, it has progressively taken larger public roles. The Hospital is committed towards providing safer and more reliable medical services to local residents by improving collaborations between its facilities which include an affiliated nursing school, a geriatric care facility by the name of "Care Life Oji", an in-home long-term care support center, a central regional comprehensive support center commissioned by Tomakomai City, and of course the main Hospital itself.

Website of the Oji General Hospital

<http://www.ojihosp.or.jp/> (in Japanese)



Hemofiltration ward in a newly constructed wing of the hospital

Industrial Materials Business

Country	Company Name	Business	Voting Rights	Capital (¥ mil.)
Japan	◇ Oji Industrial Materials Management Co., Ltd.	Overall management of Industrial Materials COMPANY, various design services	100.00%	10
	◇ Oji Materia Co., Ltd.	Containerboard, boxboard, packing paper	100.00%	600
	◇ Shin Nippon Feather Core Co., Ltd.	Honeycomb core products	100.00%	100
	◇ Oji Container Co., Ltd.	Corrugated containers	100.00%	10,000
	◇ Morishigyo Co., Ltd.	Corrugated containers, folding cartons, packing paper	100.00%	310
	◇ Oji Interpack Co., Ltd.	Heavy-duty packaging materials	100.00%	214
	◇ Oji Packaging Co., Ltd.	Folding carton converting	100.00%	1,500
	◇ Kyushu Package Co., Ltd.	Folding cartons, packaging materials	61.54%	65
	◇ Oji Seitai Co., Ltd.	Heavy-duty paper sack	100.00%	377
	◇ Oji Adba Co., Ltd.	Packaging materials	100.00%	96
	E Okayama Paper Industries Co., Ltd.	Paperboard, corrugated containers	46.21%	821
China	◇ Suzhou Oji Packaging Co., Ltd	Heavy-duty packaging materials, corrugated containers	100.00%	420
Vietnam	◇ Ojitex (Vietnam) Co., Ltd.	Corrugated containers	100.00%	15,000,000 USD
	◇ Ojitex Haiphong Co., Ltd.	Corrugated containers	100.00%	20,000,000 USD
	◇ United Packaging Co., Ltd.	Folding cartons, high graphic corrugated containers	75.00%	50,928,392,000 VND
Thailand	◇ S.Pack & Print Public Co., Ltd.	Folding cartons, corrugated containers	75.72%	300,000,000 THB
Malaysia	◇ GS Paper&Packaging Sdn. Bhd.	Containerboard, corrugated containers	75.00%	255,000,000 MYR
	◇ Oji Asia Packaging Sdn. Bhd.	Regional headquarters	100.00%	348,067,804 MYR
	◇ United Kotak Bhd.	Corrugated containers	100.00%	48,000,000 MYR
	◇ Harta Packaging Industries Sdn. Bhd.	Corrugated containers	100.00%	18,000,000 MYR
Cambodia	◇ Ojitex Harta Packaging (Sihanoukville) Ltd.	Corrugated containers	100.00%	15,600 MYR
India	◇ Oji JK Packaging Pvt. Ltd.	Corrugated containers	60.00%	62,950,000 INR
	◇ Oji Interpack India Pvt Ltd.	Corrugated containers	100.00%	28,000,000 INR
Myanmar	◇ Oji GS Packaging (Yangon) Co., Ltd.	Corrugated containers	74.25%	50,070,672 MYR
	◇ Oji Myanmar Packaging Co., Ltd.	Corrugated containers	100.00%	8,000,000 USD
USA	◇ Oji Intertech, Inc.	Automotive headliners, air caps, extrusion coating	100.00%	845,000 USD

Household & Consumer Products Business

Country	Company Name	Business	Voting Rights	Capital (¥ mil.)
Japan	◇ Oji Nepia Co., Ltd.	Household paper, disposable diaper	100.00%	350
China	◇ Oji Paper Nepia (Suzhou) Co., Ltd.	Household paper	100.00%	45,300,000 USD
Malaysia	◇ People & Grit (M) Sdn. Bhd.	Disposable diaper	80.00%	2,500,000 MYR
	◇ Oji Asia Household Product Sdn. Bhd.	Disposable diaper	100.00%	24,000,000 MYR
Indonesia	◇ PT Oji Indo Makmur Perkasa	Disposable diaper	51.00%	85,000,000,000 IDR

Functional Materials Business

Country	Company Name	Business	Voting Rights	Capital (¥ mil.)
Japan	◇ Oji Functional Materials Progressing Center Inc.	Overall management of Functional Materials COMPANY	100.00%	10
	◇ Oji F-Tex Co., Ltd.	Specialty paper, functional paper, film	100.00%	350
	◇ Oji Imaging Media Co., Ltd.	Thermal paper	100.00%	350
	◇ Oji Kinocloth Co., Ltd.	Non-woven fabric	100.00%	353
	◇ Oji Tac Co., Ltd.	pressure-sensitive Adhesive products	100.00%	1,550
	◇ New Tac Kasei Co., Ltd.	pressure-sensitive Adhesive products	100.00%	310
	◇ Shinomura Chemical Industry Co., Ltd.	Release paper	60.00%	40
	◇ Chuetsu Co., Ltd.	Printing	100.00%	90
	Thailand	◇ Oji Paper (Thailand) Ltd.	Carbonless paper, thermal paper	100.00%
◇ Oji Label (Thailand) Ltd.		pressure-sensitive Adhesive products	85.00%	164,000,000 THB
USA	◇ Kanzaki Specialty Papers, Inc.	Thermal paper	100.00%	34,871,000 USD
Germany	◇ Kanzan Spezialpapiere GmbH	Thermal paper	94.74%	25,564,000 EUR
Brazil	◇ Oji Papéis Especiais Ltda.	Carbonless paper, thermal paper	100.00%	409,742,437 BRL

Forest Resources & Environment Marketing Business

Country	Company Name	Business	Voting Rights	Capital (¥ mil.)
Japan	◇ Oji Green Resources CO., Ltd.	"Overall management of Forest Resources and Environment Marketing Business COMPANY, lumber, forest plantation, pulp, energy"	100.00%	350
	◇ Oji Forest & Products Co., Ltd.	Lumber business	100.00%	288
	◇ O&C Fiber Trading Co., Ltd.	Woodchip procurement	80.00%	100
	◇ Oji Ecomaterial Co., Ltd.	Paper collecting/recycling	100.00%	10
	◇ Oji Trading Co., Ltd.	Sales/export of raw materials and chemicals for paper manufacturing	100.00%	361
	◇ Oji Cornstarch Co., Ltd.	Starch	60.00%	1,000
	◇ Japan Brazil Pulp and Paper Resources Development Co., Ltd.	Export/import, sales/purchase of pulp	55.51%	61,788
	◇ Oji Green Energy Shiranuka Co., Ltd.	Solar power generation	100.00%	10
	◇ Oji Green Energy Ebetsu Co., Ltd.	Biomass power generation	100.00%	10
	◇ Oji Green Energy Nichinan Co., Ltd.	Biomass power generation	100.00%	65
	E Oji-Itochu Enex power retailing Co., Ltd.	Power retailing	40.00%	100
Brazil	◇ Celulose Nipo-Brasileira S.A.	Forest plantation, pulp, lumber	55.51%	257,000,000 USD
China	◇ Oji Paper International Trading (Shanghai) Co., Ltd.	Sales of lumber and pulp	100.00%	1,000,000 USD
	◇ Guangxi Oji Plantation Forest Co., Ltd.	Forest plantation	90.00%	3,670,000 USD
	E Huizhou Nanyou Forest Development Co., Ltd.	Forest plantation	30.00%	170,000,000 CNY
Vietnam	◇ Quy Nhon Plantation Forest Co. of Vietnam Ltd.	Forest plantation	51.00%	4,150,000 USD
	◇ Binh Dinh Chip Corporation	Woodchip	28.05%	1,000,000 USD
	E Truong Thanh Oji Plantation Forest Co. Ltd.	Forest plantation	49.00%	8,875,000 USD
Laos	◇ Oji South Lao Plantation Forest Co., Ltd.	Forest plantation	100.00%	10,450,000 USD
Australia	◇ Albany Plantation Forest Co. of Australia Pty.Ltd.	Forest plantation	76.82%	37,804,000 AUD
	◇ Albany Plantation Export Co. Pty. Ltd.	Woodchip	51.00%	5,700,000 AUD
	◇ Green Triangle Plantation Forest Co. of Australia Pty. Ltd.	Forest plantation	61.00%	14,000,000 AUD
New Zealand	◇ Pan Pac Forest Products Ltd.	Forest plantation, pulp, lumber	100.00%	126,000,000 NZD
	◇ Southland Plantation Forest Co. of New Zealand Ltd.	Forest plantation	51.00%	22,200,000 NZD
Indonesia	E PT. Korintiga Hutani	Forest plantation, pulp, lumber	34.34%	610,326,000,000 IDR

Printing & Communications Media Business

Country	Company Name	Business	Voting Rights	Capital (¥ mil.)
Japan	◇ Oji Paper Co., Ltd.	Pulp manufacturing, newsprint, paper	100.00%	350
	◇ Apica Co., Ltd.	Workbook, notebook, paper	63.39%	200
	E O&C Ivory Board Co., Ltd.	Boxboard	50.00%	10
China	◇ Jiangsu Oji Paper Co., Ltd.	Pulp, coated paper, woodfree paper	90.00%	911,510,000 USD

Other Businesses / Shared Service Companies

Country	Company Name	Business	Voting Rights	Capital (¥ mil.)
Japan	◇ Oji Management Office Inc.	Group management support	100.00%	10
	◇ Kyokuyo Pulp & Paper Co., Ltd.	Wholesale	90.00%	1,300
	◇ Oji Real Estate Co., Ltd.	Real estate	100.00%	650
	◇ Oji Logistics Co., Ltd.	Logistics	100.00%	1,434
	◇ Oji Engineering Co., Ltd.	Engineering	100.00%	800
	◇ Oji Hall Co., Ltd.	Hall operation business	100.00%	10
	◇ Hotel New Oji Co., Ltd.	Hotel	100.00%	100
	◇ Oji Business Center Co., Ltd.	Information systems	60.00%	50
	E Chuetsu Pulp & Paper Co., Ltd.	Pulp and paper business, etc.	20.84%	18,864
	E Kokusai Pulp & Paper Co., Ltd.	Wholesale	20.70%	3,442
	E Ocean Trans Co., Ltd.	Shipping	33.46%	1,200
Malaysia	◇ Oji Asia Management Sdn. Bhd.	Regional headquarters	100.00%	27,727,600 MYR
New Zealand	◇ Oji Fibre Solutions (NZ) Limited	Pulp, paperboard, packaging	60.00%	728,234,603 NZD

◇ : Consolidated Subsidiary Company E : Equity Method Affiliated Company

Company Profile

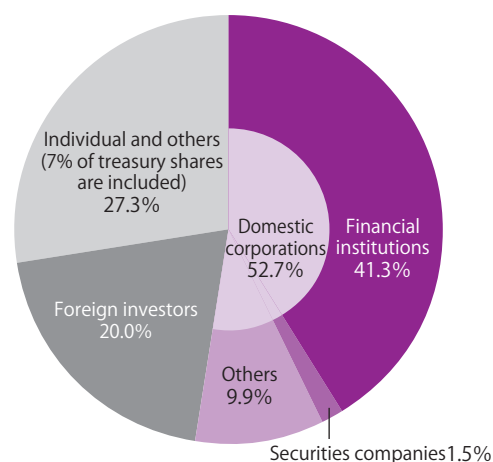
Company Name	Oji Holdings Corporation Co., Ltd.
Director of the Board, President	Susumu Yajima
Headquarters	7-5, Ginza 4-chome, Chuo-ku, Tokyo 104-0061 Japan
Start of Business	February 12, 1873
Establishment	August 1, 1949
Capital	¥ 103,880 million
Number of Authorized Shares	2,400,000,000 shares
Number of Issued Shares (of which are Treasury Shares)	1,064,381,817 shares (74,378,195 shares)*
Number of Shareholders	67,050 persons
Number of Consolidated Employees	33,605 persons

*24,365,350 shares, as of May 31 (after the cancellation of 50,000,000 shares on the same day)

Stock Information

Stock Exchange Listings	First Section of the Tokyo Stock Exchange
Securities Identification Code	3861
Share Register Manager and Account Administration Authority for Special Accounts	4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo Japan Sumitomo Mitsui Trust Bank, Limited
Address	8-4, Izumi 2-chome, Suginami-ku, Tokyo 168-0063 Japan Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited
Telephone	0120-782-031

Distribution of Shareholders



Principal Shareholders

Name	Number of Shares Held (Thousands)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Limited (Trust Account)	62,592	6.3%
Japan Trustee Services Bank, Limited (Trust Account)	52,522	5.3%
Japan Trustee Services Bank, Limited (Trust Account 4)	32,637	3.3%
Sumitomo Mitsui Banking Corporation	31,668	3.2%
Mizuho Bank, Limited	31,636	3.2%
Nippon Life Insurance Company	25,658	2.6%
Oji Group Employee Shareholding Association	22,716	2.3%
Japan Pulp and Paper Company Limited	17,464	1.8%
The Norinchukin Bank	16,654	1.7%
Ms. Chieko Fujisada	14,844	1.5%

*Shareholding ratios are calculated after making a deduction of 74,378,195 of treasury shares.

Editorial Policy

The Oji Group Report is edited with the purpose of delivering to all stakeholders including investors a quick summary of financial and non-financial information. Please refer to our corporate website for more detailed information. We have referred to the “International Integrated Reporting Framework” recommended by the International Integrated Reporting Council (IIRC) in the editing of the report.

Oji Holdings Corporate Website

Front page:

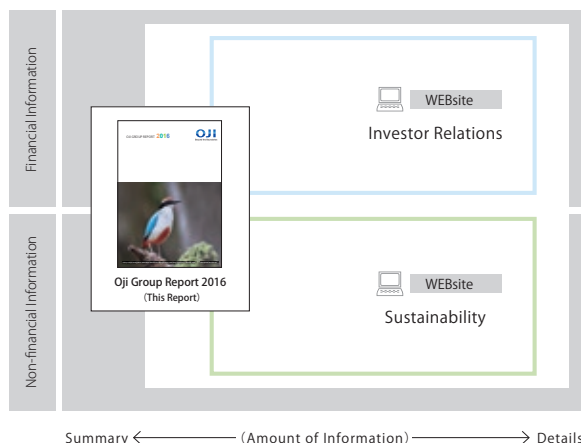
<http://www.ojiholdings.co.jp/english/index.html>

Investor Relations:

<http://www.ojiholdings.co.jp/english/ir/index.html>

Sustainability:

<http://www.ojiholdings.co.jp/english/sustainability/index.html>



Coverage of the Report

In general, this report covers the activities of Oji Holdings and its 176 consolidated subsidiaries as well as its 20 equity method affiliates. Articles with differing coverage are stated as such.

Coverage Period

From April 1, 2015 to March 31, 2016

Please take note that except for numerical data, some sections may refer to activities carried out after April 1, 2016.

Disclaimer Regarding Forecast and Other Forward-Looking Statements

Forecasts and other forward-looking statements present in this report represent projections by Oji Holdings based on information and reasonable premises available at the time of publication and thus contain uncertainties. Please be advised that actual results may differ from the stated outcomes due to various unforeseeable factors.

This report is printed on forest certified paper

The type of paper used for this publication is “OK TopKote Mat N Eco Forest (cover: 157.0g/m², body: 104.7g/m²)”, which is manufactured by Oji Paper, an Oji Group Company. Paper products of “Eco Forest” series are FSC™ forest certified papers made from resources harvested from responsibly managed forests. Please refer to pg 42 for more details on FSC™ forest certification.

*Oji Paper’s license code: FSC™C014119

