

Financial Data Highlights

Changes in Assets and Profit/Loss

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

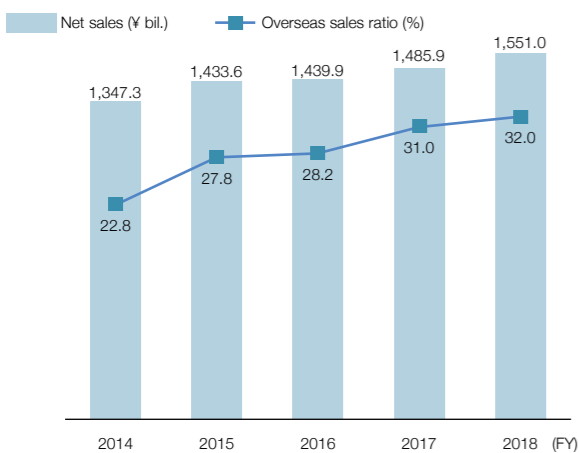
*1 Profit per share was calculated by dividing profit attributable to owners of parent by the average number of shares outstanding for the year under review upon subtracting from it the number of treasury stocks.

*2 Net assets per share were calculated by dividing net assets by the number of shares outstanding at the end of the year under review upon subtracting from it the number of treasury stocks.

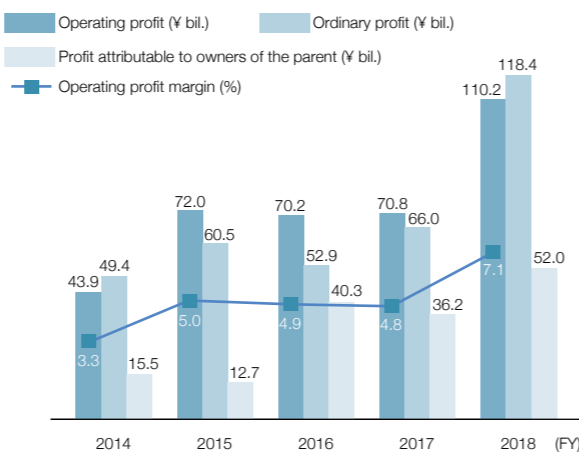
*3 The Company applied "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) from the beginning of FY2018. Total assets for FY2017 states the figure after the said accounting standard, etc. was applied retrospectively.

*4 Numbers less than one million yen are rounded down to the nearest million.

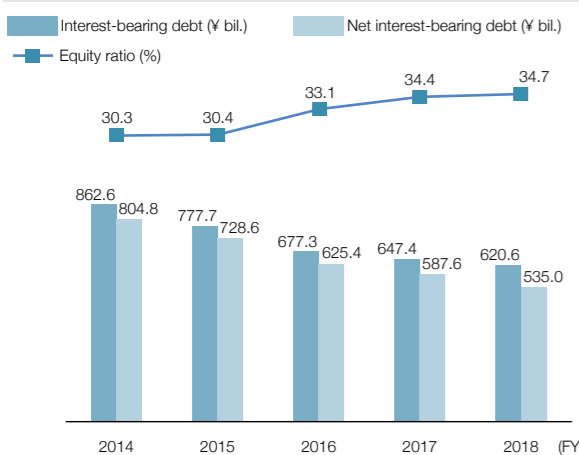
Net Sales and Overseas Sales Ratio



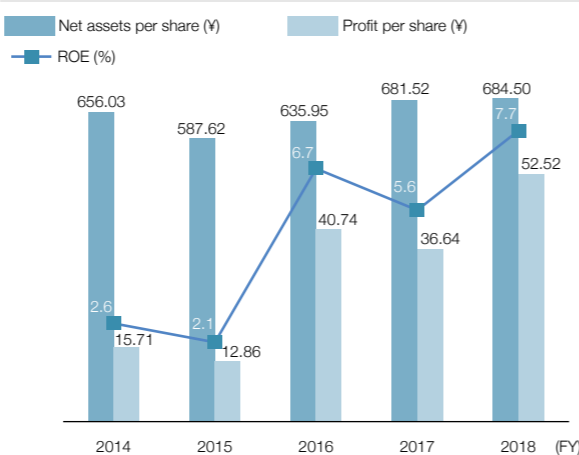
Operating Profit, Ordinary Profit, Profit Attributable to Owners of the Parent, and Operating Profit Margin



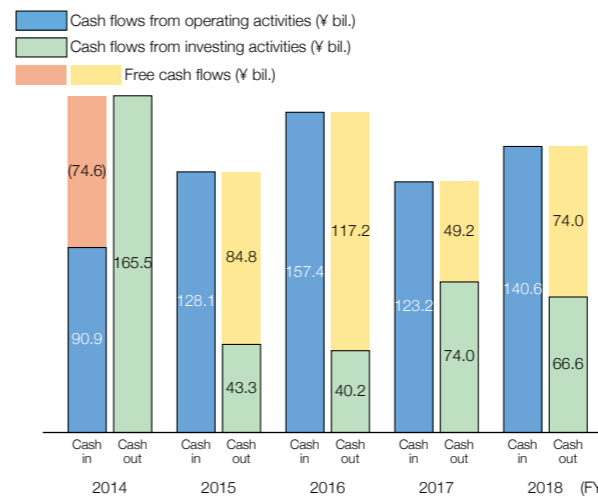
Interest-Bearing Debt, Net Interest-Bearing Debt, and Equity Ratio



Net Assets Per Share, Profit Per Share, and ROE



Changes in Cash Flows



Status of Individual Segments

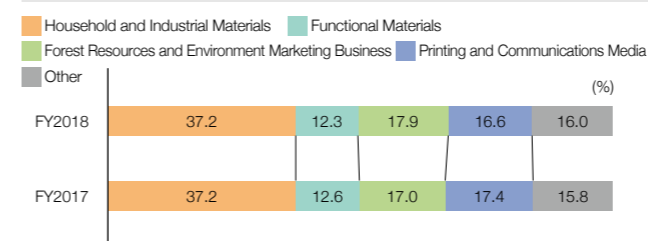
Segment	Net Sales	Operating Profit
Household and Industrial Materials	¥681,190 million (increase 4.6% year-on-year)	¥22,408 million (increase 312.2% year-on-year)
Functional Materials	¥224,123 million (increase 1.5% year-on-year)	¥18,357 million (decrease 1.1% year-on-year)
Forest Resources and Environment Marketing Business	¥326,467 million (increase 9.4% year-on-year)	¥64,644 million (increase 65.9% year-on-year)
Printing and Communications Media	¥302,887 million (decrease 0.8% year-on-year)	(¥4,819 million) (—)
Other	¥294,177 million (increase 6.2% year-on-year)	¥9,846 million (increase 12.4% year-on-year)
Subtotal	¥1,828,846 million (increase 4.3% year-on-year)	¥110,437 million (increase 56.5% year-on-year)
Adjustments	(¥277,854 million) (—)	(¥224 million) (—)
Total	¥1,550,991 million (increase 4.4% year-on-year)	¥110,212 million (increase 55.7% year-on-year)

*1 Internal managerial categories were revised starting from this fiscal year, and we have made changes to some business segments.

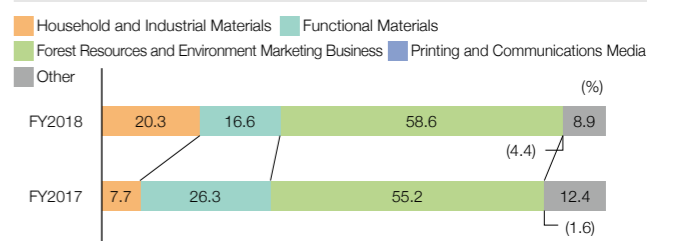
*2 Adjustment amount is mainly the adjustment concerning internal transaction.

*3 Numbers less than one million yen are rounded down to the nearest million.

Net Sales Composition Ratios by Segment



Operating Profit Composition Ratios by Segment



* Net sales and operating profit composition ratios by segment (%) were calculated excluding adjustments (adjustments for internal transactions, etc.)

Consolidated Financial Statements

Consolidated Balance Sheets

	Previous consolidated fiscal year (March 31, 2018)	Current consolidated fiscal year (March 31, 2019)		Previous consolidated fiscal year (March 31, 2018)	Current consolidated fiscal year (March 31, 2019)
Assets			Liabilities		
Current assets			Current liabilities		
Cash and deposits	50,357	78,756	Notes and accounts payable - trade	248,490	253,929
Notes and accounts receivable - trade	325,373	334,852	Short-term loans payable	153,911	193,175
Marketable securities	12,406	9,471	Commercial paper	1,000	3,000
Merchandise and finished goods	96,658	101,940	Current portion of bonds	40,000	20,000
Work in process	19,502	20,094	Accounts payable-other	16,062	16,705
Raw materials and supplies	86,994	94,758	Accrued expenses	49,560	48,912
Short-term loans receivable	3,504	6,294	Income taxes payable	9,320	17,941
Accounts receivable-other	19,877	14,531	Other	18,887	22,705
Other	11,894	14,603	Total current liabilities	537,231	576,369
Allowance for doubtful accounts	(1,511)	(1,838)	Non-current liabilities		
Total current assets	625,056	673,465	Bonds	60,000	70,000
Non-current assets			Long-term loans payable	392,511	334,402
Property, plant and equipment			Deferred tax liabilities	67,182	62,486
Buildings and structures	661,640	662,001	Deferred tax liabilities for land revaluation	7,828	7,806
Accumulated depreciation	(456,863)	(473,139)	Net defined benefit liability	51,422	52,874
Buildings and structures (Net)	204,777	188,861	Long-term deposits	7,929	7,728
Machinery, equipment and vehicles	2,369,615	2,369,868	Other	26,635	24,295
Accumulated depreciation	(2,002,914)	(2,051,165)	Total non-current liabilities	613,509	559,593
Machinery, equipment and vehicles (Net)	366,700	318,702	Total liabilities	1,150,741	1,135,963
Tools, furniture and fixtures	60,141	59,894	Net assets		
Accumulated depreciation	(54,827)	(54,979)	Shareholders' equity		
Tools, furniture and fixtures (Net)	5,313	4,914	Common stock	103,880	103,880
Land	235,846	235,975	Capital surplus	112,086	110,474
Forests	112,590	110,882	Retained earnings	377,801	413,023
Plantations	93,238	89,719	Treasury stock	(14,465)	(13,753)
Leased assets	9,077	9,012	Total shareholders' equity	579,303	613,625
Accumulated depreciation	(6,288)	(6,715)	Accumulated other comprehensive income		
Leased assets (Net)	2,788	2,296	Valuation difference on available-for-sale securities	39,287	32,981
Construction in progress	35,389	33,404	Deferred gains (losses) on hedges	(170)	317
Total property, plant and equipment	1,056,644	984,759	Revaluation reserve for land	5,835	5,816
Intangible assets			Foreign currency translation adjustment	31,973	13,223
Goodwill	9,664	6,682	Remeasurements of defined benefit plans	17,412	11,428
Other	11,626	9,903	Total accumulated other comprehensive income	94,338	63,767
Total intangible assets	21,290	16,586	Share acquisition rights	246	222
Investments and other assets			Non-controlling interests	136,122	137,790
Investment securities	162,336	186,287	Total net assets	810,011	815,406
Long-term loans receivable	7,855	7,398	Total liabilities and net assets	1,960,753	1,951,369
Long-term prepaid expenses	21,333	21,336			
Net defined benefit asset	51,614	37,115			
Deferred tax assets	2,820	10,732			
Other	13,261	14,806			
Allowance for doubtful accounts	(1,460)	(1,119)			
Total investments and other assets	257,762	276,558			
Total non-current assets	1,335,696	1,277,904			
Total assets	1,960,753	1,951,369			

Consolidated Statements of Income

	Previous consolidated fiscal year (From April 1, 2017 To March 31, 2018)	Previous consolidated fiscal year (From April 1, 2018 To March 31, 2019)
Net sales	1,485,895	1,550,991
Cost of sales	1,144,157	1,175,093
Gross profit	341,737	375,897
Selling, general and administrative expenses		
Freight expenses	147,357	149,421
Warehouse expenses	7,281	6,652
Salaries and wages	54,060	52,886
Retirement benefit expenses	4,927	883
Depreciation and amortization	5,932	5,151
Other	51,396	50,689
Total selling, general and administrative expenses	270,955	265,685
Operating income	70,781	110,212
Non-operating income		
Interest income	1,516	2,081
Dividends income	2,735	3,386
Equity in earnings of affiliates	521	12,593 ^{*1}
Other	6,123	9,535
Total non-operating income	10,896	27,596
Non-operating expenses		
Interest expenses	6,924	6,419
Exchange loss	607	4,046
Other	8,187	8,973
Total non-operating expenses	15,719	19,439
Ordinary profit	65,958	118,370
Extraordinary income		
Gain on return of assets from retirement benefits trust	—	11,224 ^{*2}
Gain on sales of investment securities	912	2,091
Gain on revision of retirement benefit plan	1,305	—
Other	5,439	2,175
Total extraordinary income	7,657	15,492
Extraordinary losses		
Impairment loss	2,364	34,141 ^{*3}
Other	6,251	8,923
Total extraordinary losses	8,616	43,065
Profit before income taxes	64,999	90,797
Income taxes-current	17,794	31,227
Income taxes-deferred	3,836	(6,560)
Total income taxes	21,631	24,667
Profit	43,368	66,130
Profit attributable to non-controlling interests	7,145	14,152
Profit attributable to owners of parent	36,222	51,977

*1 In conjunction with Mitsubishi Paper Mills becoming an affiliate subject to the equity-method, 10,884 million yen is included as the amount equivalent to negative goodwill that arose.
*2 In conjunction with the return of a portion of retirement benefits trust assets, unrecognized actuarial differences corresponding to the retirement benefits trust assets were processed as a lump sum.

*3 Impairment losses of 29,603 million yen were reported in relation to Oji Paper Co., Ltd.'s paper business assets.

Consolidated Statements of Cash Flows

(¥ mil.)

	Previous consolidated fiscal year (From April 1, 2017 To March 31, 2018)	Current consolidated fiscal year (From April 1, 2018 To March 31, 2019)		Previous consolidated fiscal year (From April 1, 2017 To March 31, 2018)	Current consolidated fiscal year (From April 1, 2018 To March 31, 2019)
Cash flows from operating activities			Cash flows from financing activities		
Profit before income taxes	64,999	90,797	Net (decrease) increase in short-term loans payable	14,046	(21,047)
Depreciation and amortization	71,880	69,527	Net increase (decrease) in commercial paper	(1,000)	2,000
Impairment loss	2,364	34,141	Proceeds from long-term loans payable	34,202	26,897
Amortization of goodwill	2,119	1,685	Repayment of long-term loans payable	(57,036)	(21,004)
Depletion of standing timber	7,999	8,457	Proceeds from issuance of bonds	19,963	29,795
Increase (decrease) in allowance for doubtful accounts	(338)	74	Payment for redemption of bonds	(40,000)	(40,000)
(Increase) decrease in net defined benefit asset	3,579	(3,490)	Payments from changes in ownership interests in subsidiaries that do not result in change of scope of consolidation	(440)	(10,424)
Increase in net defined benefit liability	328	2,192	Payment for purchase of treasury stock	(119)	(50)
Interest and dividend income	(4,251)	(5,468)	Dividend payments	(9,910)	(10,900)
Interest expenses	6,924	6,419	Other	(1,498)	(805)
Exchange loss (gain)	(1,584)	3,825	Net cash (used in) financing activities	(41,793)	(45,539)
Equity in (earnings) losses of affiliates	(521)	(12,593)	Effect of exchange rate change on cash and cash equivalents	(310)	(2,241)
Loss (gain) on sales of investment securities	(903)	(1,521)	Net increase in cash and cash equivalents	7,049	26,152
Loss (gain) on return of assets from retirement benefits trust	—	(11,224)	Cash and cash equivalents at the beginning of the year	51,352	58,343
Loss on disposal of non-current assets	2,329	1,933	Increase in cash and cash equivalents resulting from mergers of subsidiaries	25	20
Loss (gain) on sales of non-current assets	(5,252)	(132)	Increase in cash and cash equivalents from newly consolidated subsidiary	51	—
Business structure improvement expenses	283	1,348	Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(134)	(1,722)
(Increase) decrease in trade receivables	(32,142)	(14,005)	Cash and cash equivalents at the end of the year	58,343	82,794
(Increase) decrease in inventories	(12,837)	(16,365)			
Increase (decrease) in trade payables	40,379	6,381			
Other	(5,288)	(6,078)			
Subtotal	140,067	155,905			
Interest and dividend income received	5,002	6,372			
Interest paid	(6,812)	(6,366)			
Income taxes paid	(15,079)	(15,339)			
Net cash provided by operating activities	123,178	140,571			
Cash flows from investing activities					
Purchase of securities	(1,130)	—			
Proceeds from sales and redemption of marketable securities	—	70			
Payment for acquisition of property, plant, equipment and intangible assets	(64,739)	(59,197)			
Proceeds from sales of property, plant, equipment and intangible assets	3,133	530			
Payment for acquisition of investment securities	(4,949)	(11,246)			
Proceeds from sales and redemption of investment securities	1,724	5,131			
Payment for acquisition of shares of subsidiaries resulting in change in scope of consolidation	(4,340)	—			
Payment for loans receivable	(4,123)	(1,858)			
Proceeds from collection of loans receivable	2,384	1,038			
Other	(1,984)	(1,104)			
Net cash used in investing activities	(74,025)	(66,636)			