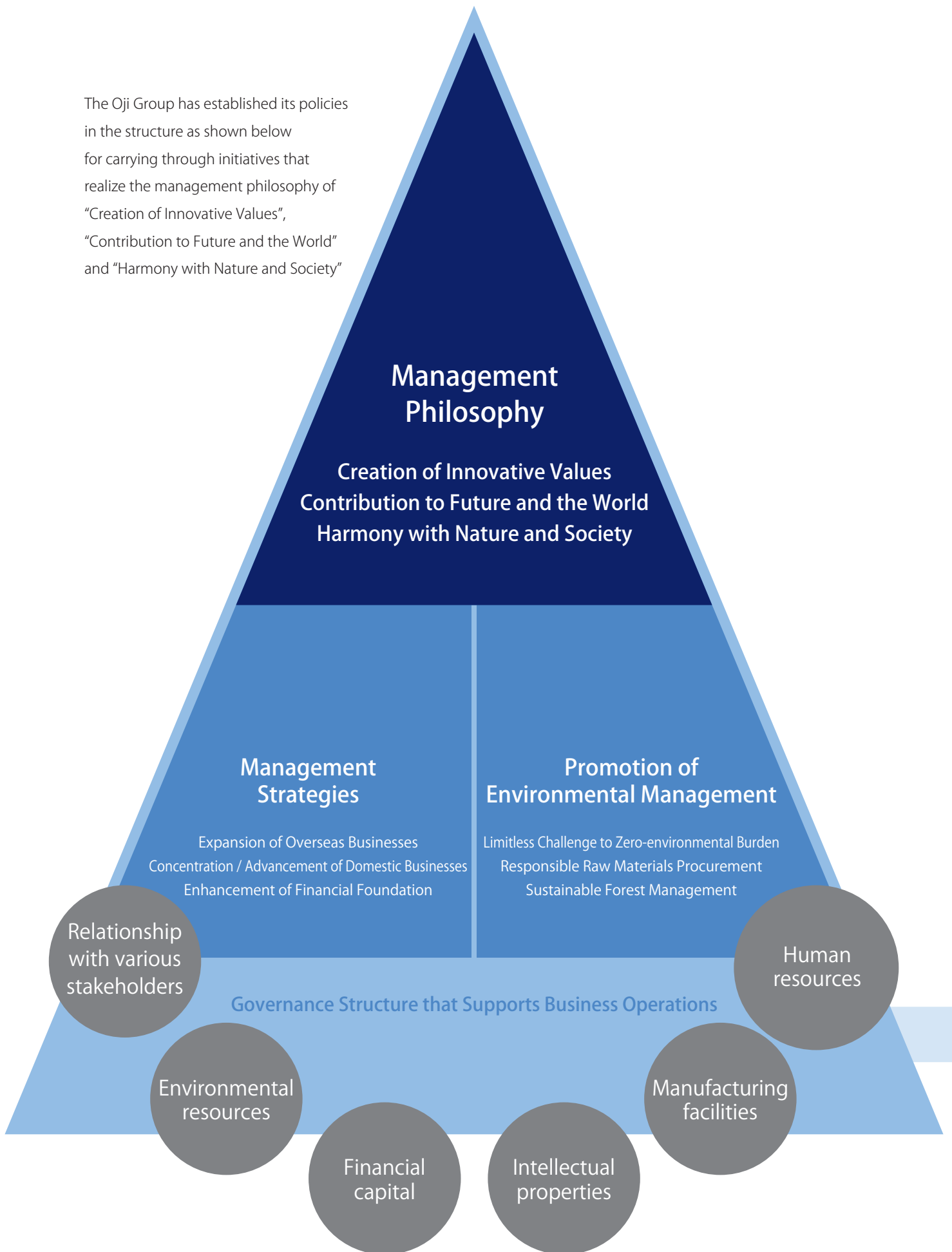
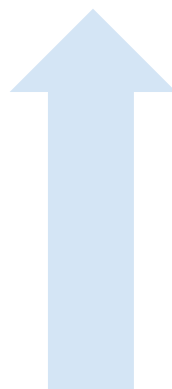


The Oji Group has established its policies in the structure as shown below for carrying through initiatives that realize the management philosophy of "Creation of Innovative Values", "Contribution to Future and the World" and "Harmony with Nature and Society"



Output

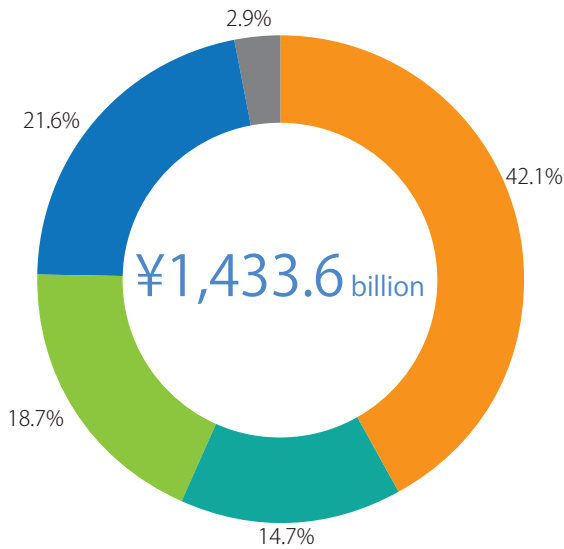
	FY2015 Results	FY2016 Forecasts	FY2018 Targets	Future Targets
Net Sales	¥1,433.6 billion	¥1,430.0 billion	¥1,700.0 billion	
Overseas Sales Ratio	27.8%	25.6%	35%	50%
Operating Income	¥73.7 billion	¥72.0 billion	¥100.0 billion	
Interest-bearing Debts	¥777.7 billion	¥750.0 billion	¥700.0 billion	
Environmental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



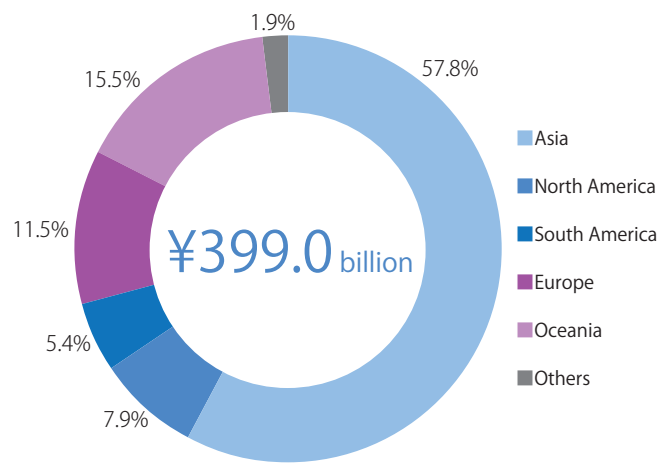
Activities in the 4 Business Segments



Sales Composition by Business Segment (FY2015)

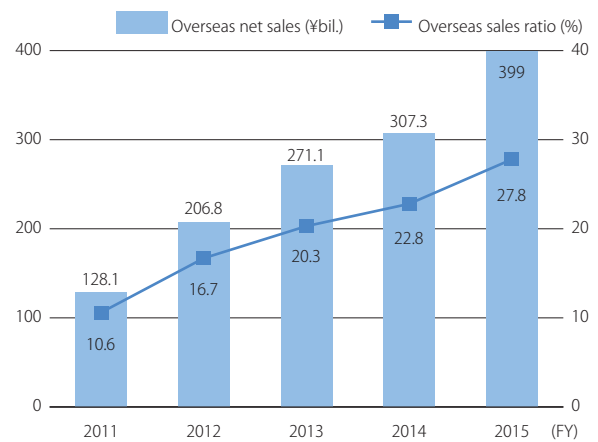


Overseas Net Sales by Sales Area (FY2015)



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)

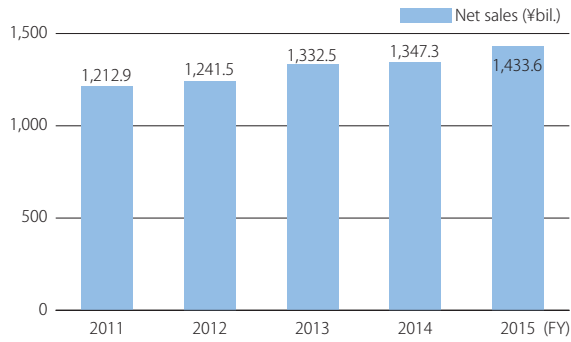
Non-financial Highlights		FY2011	FY2012	FY2013	FY2014	FY2015
Number of Employees	Total (person)	24,683	27,360	31,072	33,668	33,605
	Overseas (person)	7,070	9,886	13,727	16,665	16,760
Frequency Rate of Accidents Resulting in Lost Work Time*1		0.91	0.75	0.80	0.66	0.77
Greenhouse Gas Emissions*2 (CO ₂ Equivalent)	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

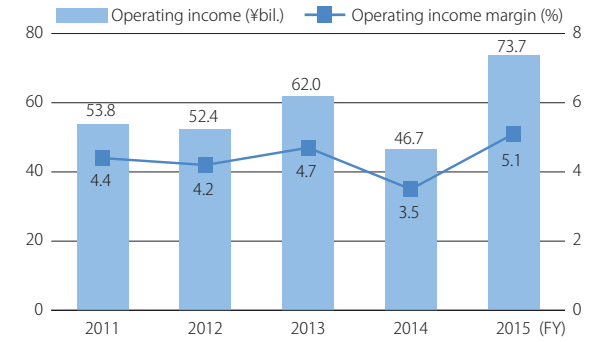
The total work time is assumed to be 2,000 hours/person

*2 Please refer to pg.39 for further details

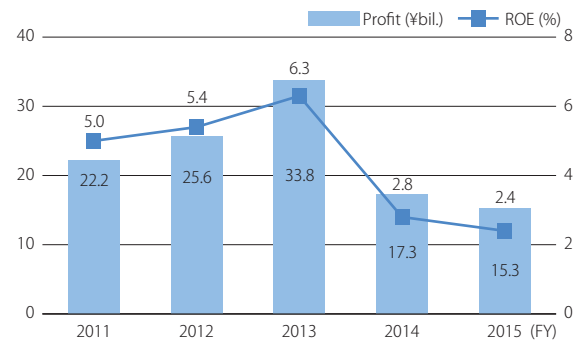
Net Sales



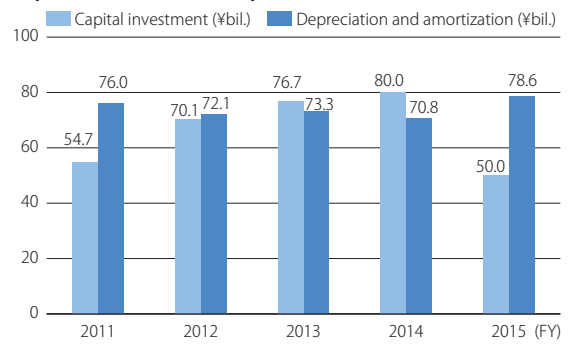
Operating Income / Operating Income Margin



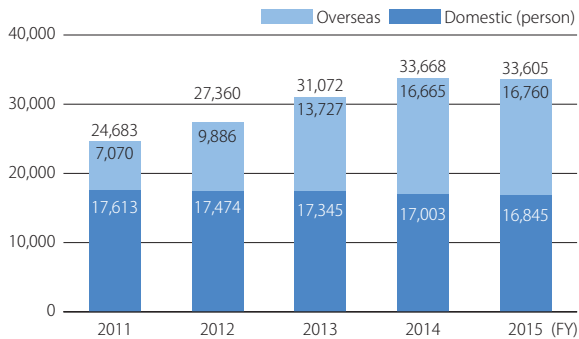
Profit Attributable to Owners of Parent / ROE



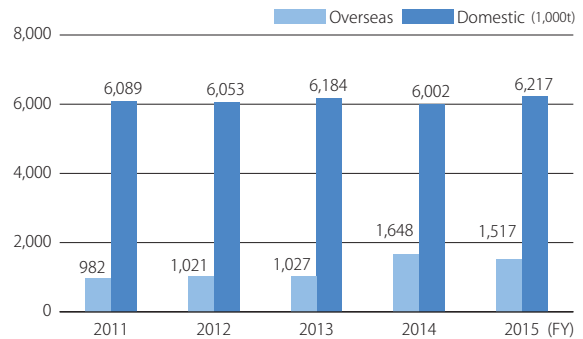
Capital Investment / Depreciation and Amortization



Number of Employees



Greenhouse Gas Emissions (CO₂ Equivalent)

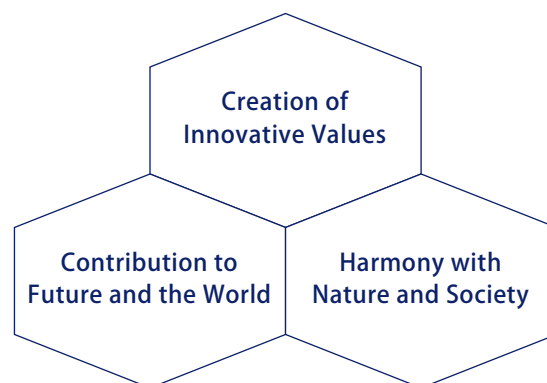




Director of the Board, President
Group Co-CEO
Susumu Yajima

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.



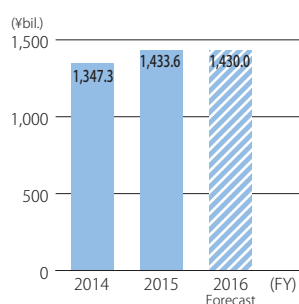
Business Review of Fiscal 2015 and Outlook for Fiscal 2016

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.

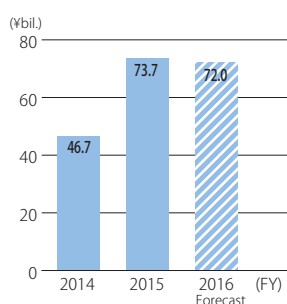
Consolidated net sales for fiscal 2015 increased by 6% from the previous year to reach ¥1,433.6 billion. Furthermore, overseas sales ratio grew considerably, from 22.8% in fiscal 2014 to 27.8% in fiscal 2015, due to positive influences such as the full-year consolidation of Oji Fibre Solutions' performance 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.

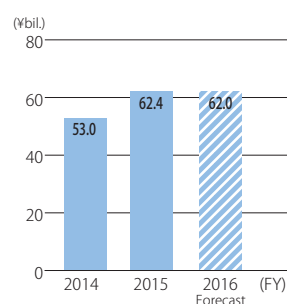
Net Sales



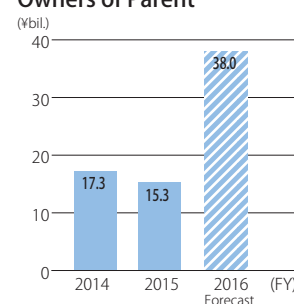
Operating Income



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.

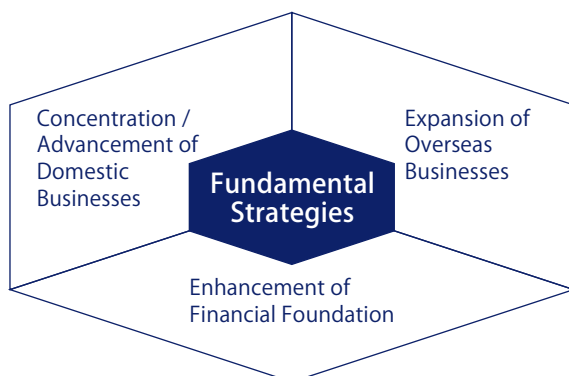
Regarding the current business environment surrounding the Oji Group, especially in the printing and communications media business which deals mainly with newsprint and printing/publication paper, it is difficult to expect future demand growth even in so-called emerging and growth-leading economies, 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.

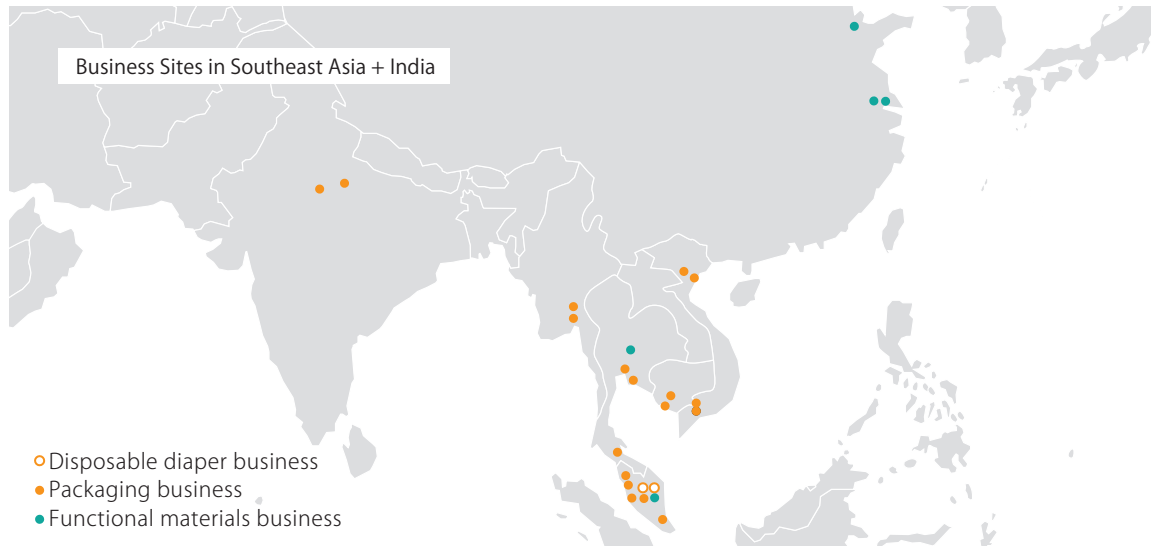
Last year, we established a three-year Group Management Plan which will last until fiscal 2018. The numerical management targets set for fiscal 2018 include: consolidated operating income of ¥100.0 billion, overseas sales ratio of 35%, interest-bearing debts of ¥700.0 billion, and ROE of 8%. The three 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.