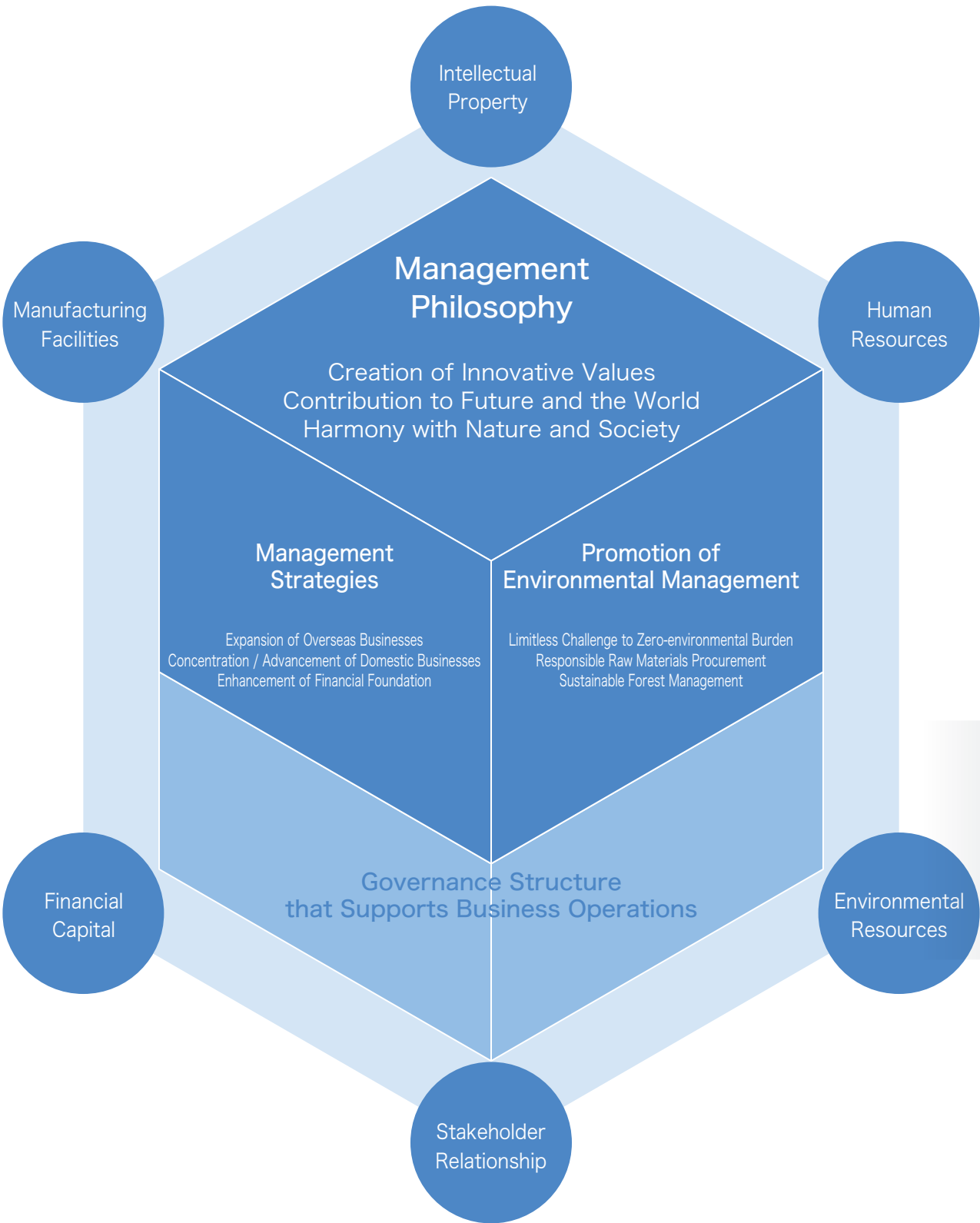


Oji Group aims to enhance its corporate value and fulfill corporate social responsibility through achieving its Management Philosophy.

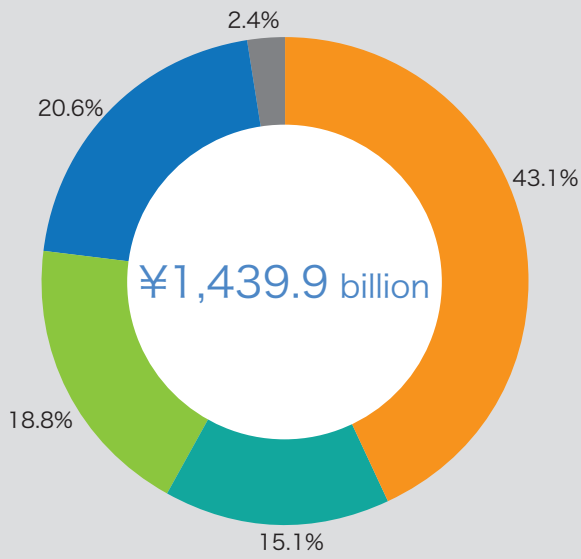


Output

	FY2016 Results	FY2017 Forecasts	FY2018 Targets	Future Targets
Net Sales	¥1,439.9 billion	¥1,500.0 billion	¥1,700.0 billion	
Overseas Sales Ratio	28.2%	29.4%	35%	50%
Operating Profit	¥70.5 billion	¥75.0 billion	¥100.0 billion	
Interest-bearing Debts	¥677.3 billion	¥680.0 billion	¥700.0 billion	
Environmental Management	Zero-environmental burden			

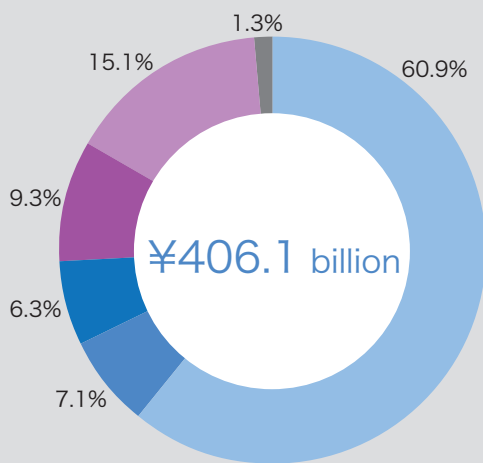
Activities by
4 Business SegmentsHousehold
and Industrial
MaterialsFunctional
MaterialsForest Resources
and Environment
MarketingPrinting
and Communications
Media

Net Sales by Business Segment (FY2016)



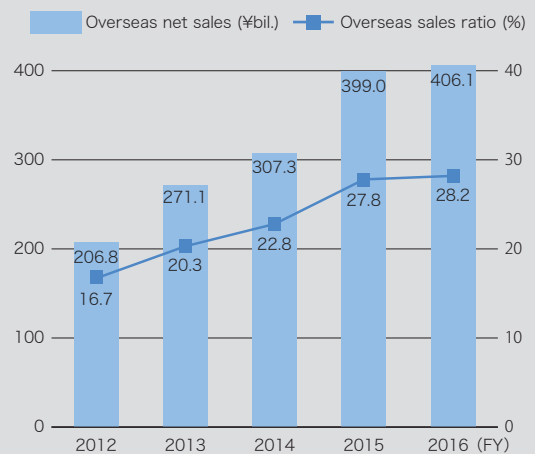
Business Segments	Net sales
Household and Industrial Materials	¥620.3 billion
Functional Materials	¥217.6 billion
Forest Resources and Environment Marketing	¥270.3 billion
Printing and Communications Media	¥296.1 billion
Others	¥35.6 billion

Overseas Net Sales by Sales Area (FY2016)



- Asia
- North America
- South America
- Europe
- Oceania
- Others

Overseas Net Sales / Overseas Sales Ratio



Household and Industrial Materials Businesses

Products include daily necessities such as tissue paper and disposable diapers, as well as packaging products such as corrugated containers and paper bags

Main Businesses

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

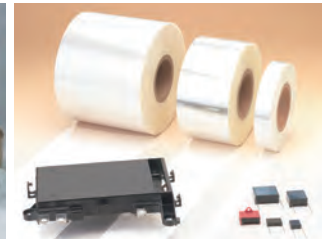


Functional Materials Business

Products include thermal paper for receipts etc., adhesive products including labels, a variety of film products, and specialty paper

Main Businesses

- Specialty paper
- Thermal paper
- Adhesive products
- Film



Forest Resources and Environment Marketing Business

Various businesses which utilize forest resources such as pulp for paper manufacturing, power generation, lumber processing etc.

Main Businesses

- Pulp
- Power generation
- Lumber processing



Printing and Communications Media

Products include paper for printing purposes such as newsprint, magazines and books, and paper for photocopying purposes (copying paper) etc.

Main Businesses

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



Other Businesses

Various services that support Oji Group's collective strength such as engineering, logistics and wholesale etc.

Main Businesses

- Real estate
- Engineering services
- Wholesale business
- Logistic services



Financial Highlights		FY2012	FY2013	FY2014	FY2015	FY2016
Net Sales	(¥bil.)	1,241.5	1,332.5	1,347.3	1,433.6	1,439.9
Operating Profit	(¥bil.)	52.4	62.0	46.7	73.7	70.5
Ordinary Profit	(¥bil.)	54.6	70.4	53.0	62.4	51.2
Profit Attributable to Owners of Parent	(¥bil.)	25.6	33.8	17.3	15.3	36.6
Profit per Share	(¥)	25.93	34.22	17.55	15.44	36.99
Net Assets per Share	(¥)	511.95	581.69	666.40	600.34	644.62
Dividend per Share	(¥)	10	10	10	10	10
Total Assets	(¥bil.)	1,831.3	1,915.7	2,164.1	1,934.9	1,918.1
Net Assets	(¥bil.)	579.1	670.4	801.4	730.9	774.7
Interest-bearing Debts	(¥bil.)	831.1	798.5	862.6	777.7	677.3
Equity Ratio	(%)	27.6	30.0	30.4	30.7	33.2
Return on Equity	(%)	5.4	6.3	2.8	2.4	5.9
Capital Investment	(¥bil.)	70.1	76.7	80.1	57.4	57.9
Depreciation and Amortization	(¥bil.)	72.1	73.3	70.8	78.6	74.8
Research and Development Expense	(¥bil.)	9.5	10.9	10.5	9.7	9.3
Cash Flows from Operating Activities	(¥bil.)	105.4	109.3	90.9	128.1	157.4
Cash Flows from Investing Activities	(¥bil.)	(76.2)	(67.2)	(165.5)	(43.3)	(40.2)
Cash Flows from Financing Activities	(¥bil.)	(20.7)	(52.0)	77.4	(89.8)	(114.5)

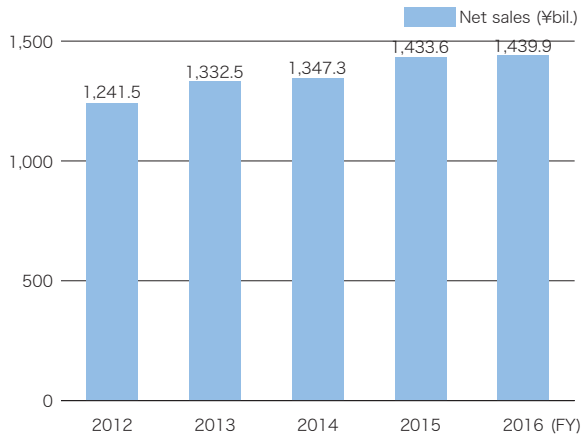
Non-financial Highlights		FY2012	FY2013	FY2014	FY2015	FY2016
Number of Employees	Domestic (person)	17,474	17,345	17,003	16,845	17,048
	Overseas (person)	9,886	13,727	16,665	16,760	18,344
	Total (person)	27,360	31,072	33,668	33,605	35,392
Frequency of Accidents Resulting in Lost Work Hours *1		0.75	0.80	0.66	0.77	0.65
Greenhouse Gas Emissions Intensity *2	(t*3/t)	0.520	0.523	0.517	0.493	0.485
Energy Intensity (Crude Oil Equivalent)	(kL/t)	0.339	0.345	0.374	0.366	0.366
Waste Generation Intensity	(t/t)	0.172	0.171	0.184	0.178	0.176

*1 Frequency of accidents resulting in lost work hours = (occupational accident casualties / total work hours) * 1,000,000
The total work time is assumed to be 2,000 hours / person

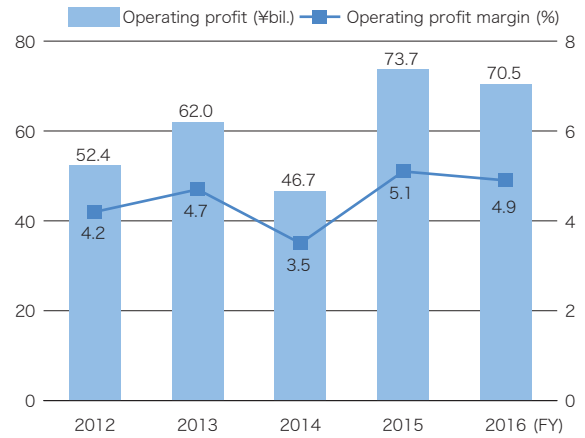
*2 Greenhouse gas emissions intensity = domestic and overseas greenhouse gas emissions / domestic and overseas production volume
Emissions from power generation business are not included

*3 In addition to CO₂, it is inclusive of its equivalents of CH₄ and N₂O

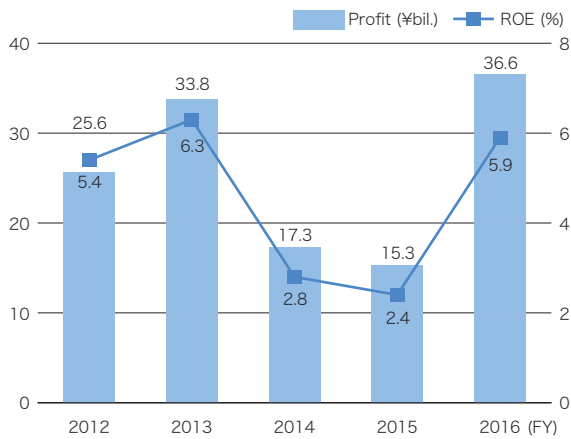
Net Sales



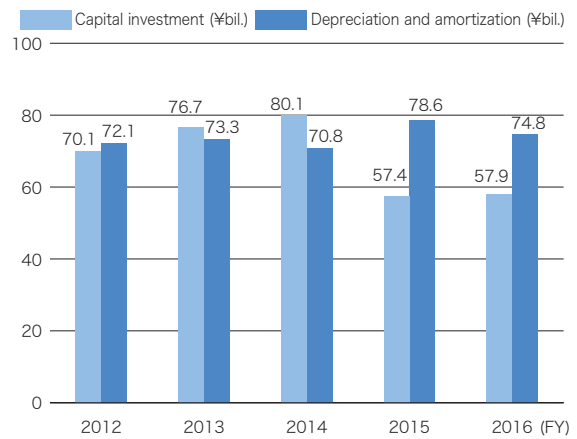
Operating Profit / Operating Profit Margin



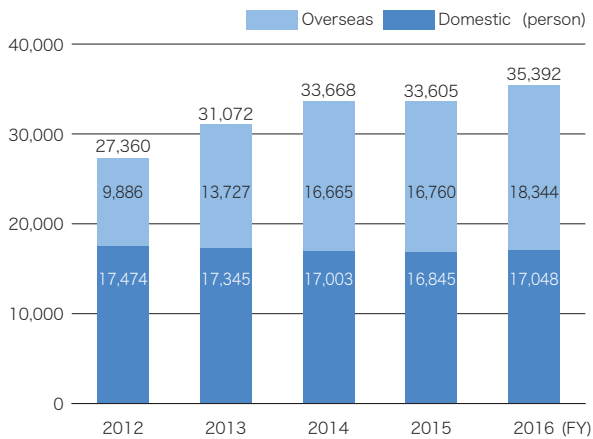
Profit Attributable to Owners of Parent / ROE



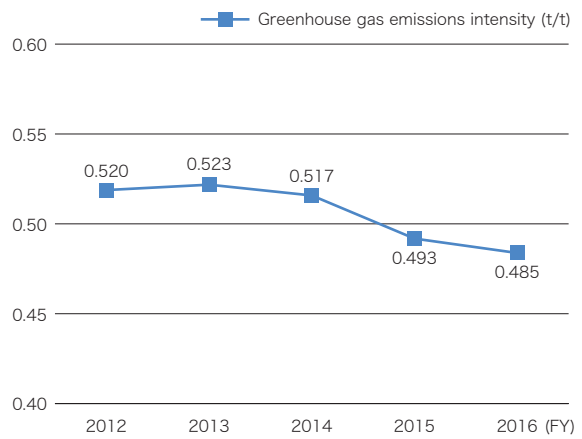
Capital Investment / Depreciation and Amortization



Number of Employees



Greenhouse Gas Emissions Intensity

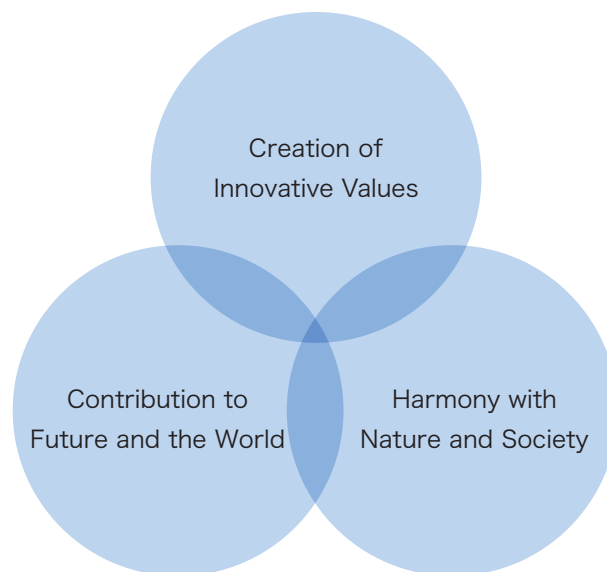




Director of the Board, President
Group CEO
Susumu Yajima

About Oji Group

Since its foundation in 1873, Oji Group has continued to achieve growth, both inorganic & organic, through business mergers and expansion of business fields. With the enhancement of our various businesses such as the packaging business, pulp business, or the power generation business that has been expanded recently, I could feel that our original core business, "Paper Manufacturing", is relatively growing smaller. Furthermore, our overseas expansion plans have sped up since 2010 and there are currently 102 overseas consolidated subsidiaries, out of 197 consolidated subsidiaries in total; making overseas subsidiaries the majority. Under such external changes in our business landscape coupled with changes internally, we endeavor to enhance our long-term corporate value with our Management Philosophy as our compass; "Creation of Innovative Values", "Contribution to Future and the World", and "Harmony with Nature and Society".



Business Review of FY2016 and Outlook for FY2017

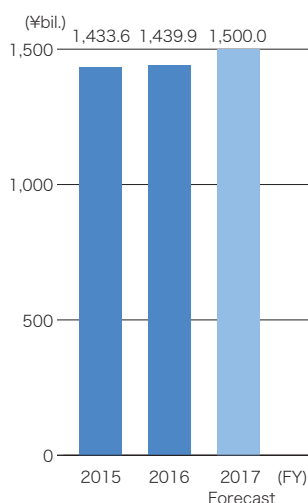
Due to falling pulp prices and other market factors, income has decreased in FY2016. We plan to catch up in FY2017.

Consolidated net sales for FY2016 amount to ¥1,439.9 billion which is around the same as the previous year. Overseas sales ratio grew from 27.8% to 28.2% as a result of overseas expansion leading to the increase in the number of consolidated subsidiaries. Operating profit decreased by ¥3.2 billion to ¥70.5 billion, due to market factors such as the fall in pulp prices since 2015 year end, which outweighed the savings brought about by continual cost reduction efforts. Ordinary profit decreased by ¥11.2 billion to ¥51.2 billion, but profit attributable to owners of parent increased by ¥21.3 billion to ¥36.6 billion, due to

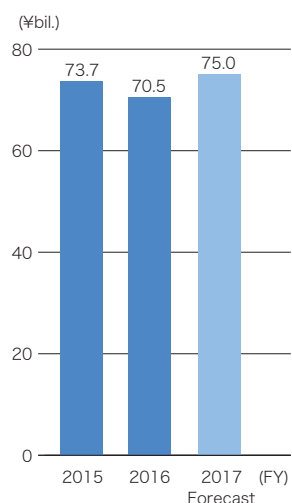
influences from a large impairment loss incurred in the previous year.

As for FY 2017, we will continue to strengthen our overseas expansion. Even though we expect a steep increase in prices of raw materials and fuels such as waste paper, appropriate price correction coupled with continual cost reduction efforts will lead us to our targeted operating profit of ¥75.0 billion. In addition, we expect to hit the following targets: net sales of ¥1,500.0 billion, overseas sales ratio of 29.4%, ordinary profit of ¥64.0 billion and profit attributable to owners of parent of ¥37.0 billion.

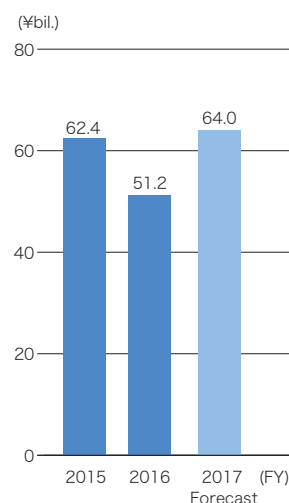
Net Sales



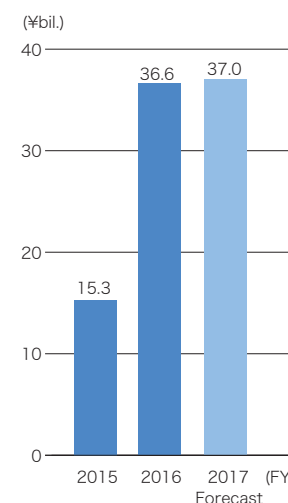
Operating Profit



Ordinary Profit



Profit Attributable to Owners of Parent



Medium-term Management Plan and Management Strategies

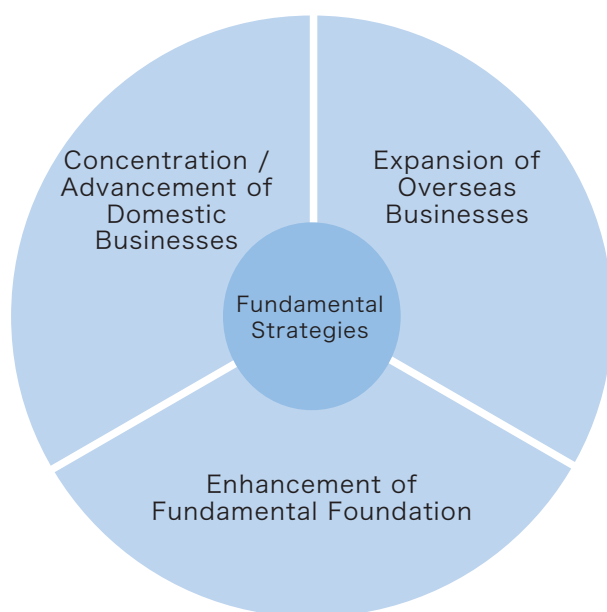
FY2017 is the second year in the medium-term management plan formulated in FY2015. We will continue to move forward to achieve our set targets.

In FY2015, Oji Group established a 3-year Group Management Plan which will last until FY2018. The numerical management targets set for FY2018 include: Consolidated Operating Profit of ¥100.0 billion, Overseas Sales Ratio of 35% and Interest-bearing Debts of ¥700.0 billion. In FY2016, the 1st of the 3 years, we are proud to announce that we have reached our set target for interest-

bearing debts ahead of schedule. Moving forward, in addition to the currently-running investment projects both domestic and international, we will continue to actively conduct investments in management-selected priority fields. I believe that with the combination of current and future investments coupled with cost reduction efforts, the numerical management targets are within reach.

We will continue to make steady progress in restructuring our business portfolio and enhancing our financials by sticking to our Management Strategies.

Oji Group's 3 Fundamental Strategies are: "Expansion of Overseas Businesses", "Concentration / Advancement of Domestic Businesses", and "Enhancement of Financial Foundation" that provides the basis of support for the first two pillars.



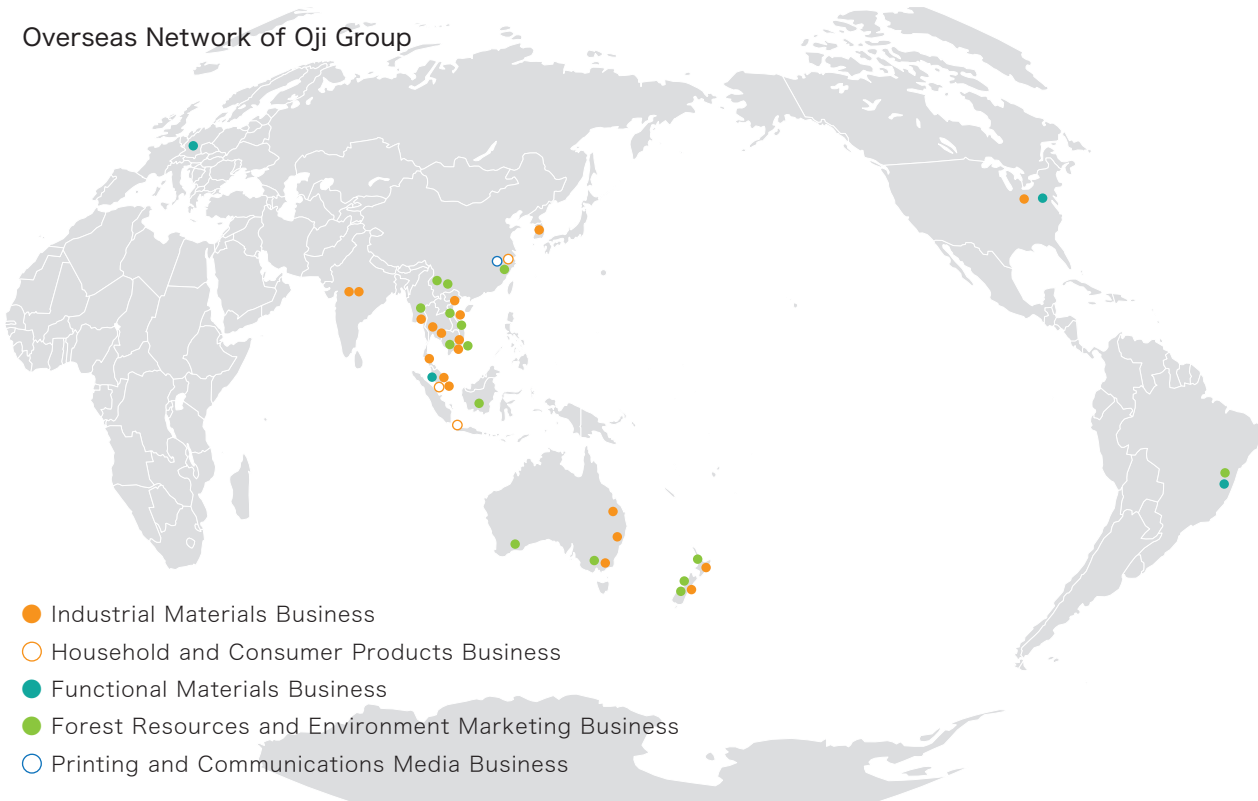
Firstly, for "Expansion of Overseas Businesses", even though the numbers of overseas subsidiaries and employees have surpassed these in Japan, we will continue to expand more profitable businesses abroad. During FY2016, Southeast Asia was the main region of focus. For Malaysia, we acquired a corrugated container manufacturing company, our 10th packaging-related site investment in the country, along with a label printing

company; whereas for Indonesia, we started the sales of disposable diapers via a local JV company. For FY2017, the following events are scheduled: share acquisition of a company engaged in printing/converting of thermal paper in Malaysia, start of commercial operation of a new corrugated container plant in Australia, production capacity enhancement of our thermal paper subsidiary in Brazil, and start of production of flexible packaging products in Myanmar. We will continue to actively commit further investment into enhancing profitability of our existing subsidiaries, as well as construction/acquisition of new sites.

Next, "Concentration / Advancement of Domestic Businesses" is an issue which we will always continue to tackle and improve on. Positive cash-flows obtained from paper manufacturing or packaging businesses are constantly channeled into 1) Growth Areas and 2) R&D for New Business Segments. To elaborate more on R&D, we are gradually gaining ground to commercialize Cellulose Nano-fiber, a highly anticipated new material with numerous possible applications. We are very excited to see more attractive products coming online.

Last but not least, for "Enhancement of Fundamental Foundation", we have managed to achieve a lower level of interest-bearing debts at the end of FY2016 than our set target at the end of FY2018 as a testament to our efforts in striking a balance between strategic investment and reduction of interest-bearing debts. Furthermore, to strengthen the Group's profitability and secure stable dividends for our shareholders, we will increase the percentage of our strategic investment in new and growing fields using additional capital obtained through sales of idle assets such as real estate and shares.

Overseas Network of Oji Group



Oji Group's transformation to adapt to the ever-changing business environment

Oji Group is often seen as a company in the "Japanese pulp and paper sector"; however reality is such that we have shifted away from being the conventional paper manufacturing company. Recognizing the decline in demand for paper products, especially newsprint and printing paper, our businesses have shifted away from reliance towards only domestic paper demand. Overseas sales ratio, which exceeded 10% in 2011 for the first time, is now about to reach a new historical high of 30%. This is the fruit of our efforts to speed up overseas expansion since 2010. We are proud to announce that Oji Group is now a "Global Company" with our ever-increasing overseas production along with our diversified business lineup in contrast to only paper manufacturing.

Generally, for "pure" Japanese paper manufacturing companies, "yen depreciation results in increased costs of imported raw materials", and "rising pulp prices (increasing raw material costs) impacts profit negatively"; however, we have diversified away from these statements. Today, with our overseas consolidated subsidiaries forming the majority of the entire Group, yen depreciation is instead advantageous when we bring

the overseas profits and revenue back into Japanese yen. For us, it is also important to monitor the movement of other currencies other than JPY/USD. For example, as our subsidiaries in Brazil and New Zealand have high export ratios, depreciation in their respective local currencies against USD would benefit their business performance. Therefore, by simply looking at the JPY/USD movement, one would not be able to assess our Group comprehensively.

Furthermore, rising pulp prices would impact us both positively and negatively since we engage in both purchase and sales of pulp. For us, we benefit far greater from increasing pulp prices due to the positive impact outweighing the negative by a wide margin. Oji Group's current supply capability of pulp to the external market amounts to 2,400,000t.

Hence, we aim to detect and pre-empt changes in our environment and adapt our business fields and regions as accordingly, in order to secure a sustainable profitability as well as growth resulting in enhanced corporate value in the medium-to-long-term perspective.



Creating Structure and Culture to Enhance Corporate Value

“Safety, Environment, and Compliance as top priorities” is the permanent foundation policy for Oji Group.

Since governance structure provides the groundwork to all the business activities, we prioritize improving corporate governance as the most important issue of management. Since adopting the Corporate Governance Code in 2015, we have made further advancements in corporate governance through various initiatives; we established the Nomination Committee and the Compensation Committee as voluntary advisory bodies as well as introduced a “performance-linked and stock-based compensation” for Director’s compensation. Using “Fundamental Policies on Corporate Governance” as a guide, we have been working on governance enhancement measures such as verification of purpose and reasonability of strategic shareholding at the Board of Directors, submitting reports evaluating effectiveness of the Board of Directors by the Compensation Committee to the Board of Directors; and most importantly, increasing opportunities to consult with

Outside Officers. Moving forward, we will continue to pursue governance enhancement.

Furthermore, we constantly carry out activities to instill the values of “Safety, Environment, and Compliance”, the top priority for management, to all company employees and officers globally. These activities include risk elimination of industrial accidents at each workplace, environmental conservation through compliance with regulations on greenhouse gas emissions and prevention of environmental accidents, compliance with laws/regulations to fulfill the Group’s social responsibilities etc. From the Top Management such as CEOs and Company Presidents all the way down to the departmental level, the entire Group has strived to raise awareness of these values through Top Management Messages, appropriate audits, instruction and training sessions etc.

For the environment, being the largest private owner of forests in Japan, we are also committed to maintaining and improving public values of forests. In Japan, Oji Group currently owns 190,000 ha of forest area privately, which is almost the size of the entire Osaka Prefecture. We actively tap on unused resources such as biomass fuels which have an increasing usage recently; engage in sustainable forest management in the cycle of "growing, harvesting and re-planting trees"; aim to create an environment that maximizes the forest functions such as soil erosion prevention, water circulation, and carbon dioxide absorption.

In addition to the Management Strategies for enhancement of corporate value and Governance Structure Improvement that supports them, Oji Group is also actively engaging in Human Resource Strategies which form the driving force for everything within the Group. With "working style reforms" which pursue work productivity, and "promotion of diversity" which enhances professional opportunities



for women as our two main pillars, we aim to develop a working environment where every single employee can maximize his/her potential. To that end, we raise awareness through various activities as well as promote the necessary system changes, so that all diverse talents of Oji Group, regardless of their gender, nationality or age, are able to engage in their work actively.



"Safety and the Environment" themed meeting held for plant managers



Training session held by the Compliance Department

Conclusion

Oji Group will strive to meet everyone's expectations by achieving corporate value enhancement and stable dividends through the fore-mentioned activities.

We sincerely appreciate your continued patronage and loyal support. Thank you.