



Opening ceremony of OjiteX(Vietnam) Binh Duong Plant (May 2016)
*The plant started operation in March 2016



Event on launch of products of Oji Asia Household Product (May 2016 in Malaysia)



Summary of Financial and Business Results

May 23, 2016



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I . Result Overview of FY2015

1. Financial Highlights of FY2015 (consolidated)

		FY2014	FY2015	Increase (Decrease)
				(¥ billion)
Net Sales		1,347.3	1,433.6	86.3
Operating Income		46.7	73.7	27.0
Ordinary Income		53.0	62.4	9.4
Profit Attributable to Owners of Parent		17.3	15.3	(2.0)
Depreciation		70.8	78.6	7.8
Average Exchange Rate (¥/US\$)		110.0	120.1	10.1
Overseas Sales Ratio		22.8%	27.8%	5.0%
Operating Income of Overseas Companies		15.3	29.4	14.1
Number of Consolidated Companies	Domestic	86	88	+2
	Overseas	87	88	+1
	Total	173	176	+3

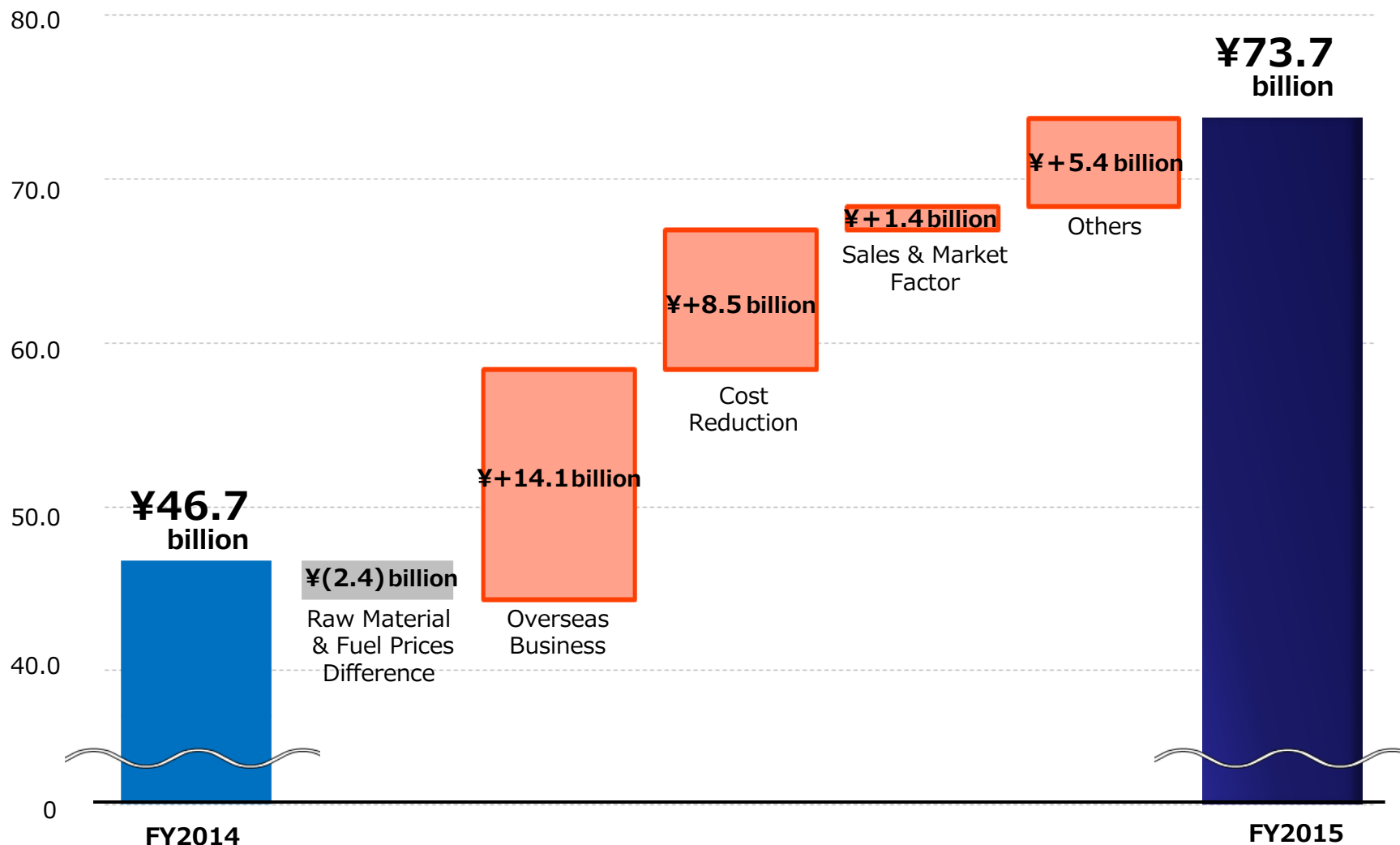
Domestic +2 [Establishment of a procurement company and a energy business company]

Overseas +1 [Establishment of corrugated container business company in India]

Equity Method Affiliates +1 (domestic +2, Overseas -1)

2. Breakdown of Increase/Decrease of Operating Income [FY2014 to FY 2015] (consolidated)

**Increase of ¥27.0 billion generated by:
active overseas expansion, cost reduction measures, etc.**



3. Sales and Operating Income by Segment [FY2015 Result]

(¥ billion)

	FY2014		FY2015		Increase (Decrease)	
	Sales	Operating Income	Sales	Operating Income	Sales	Operating Income
Household & Industrial Materials	561.8	14.5	603.8	18.8	42.0	4.3
Functional Materials	225.2	9.4	211.0	11.9	(14.3)	2.5
Forest Resources & Environment Marketing	211.5	14.9	267.7	31.5	56.1	16.6
Printing & Communications Media	311.0	(0.7)	309.4	2.3	(1.6)	3.0
Others	276.1	8.0	266.7	8.9	(9.4)	0.9
Adjustment	(238.3)	0.5	(224.9)	0.4	13.4	(0.2)
Total (consolidated)	1,347.3	46.7	1,433.6	73.7	86.3	27.0

*Sales include inter-segment sales

4. Analysis of Increase/Decrease of Income by Segment

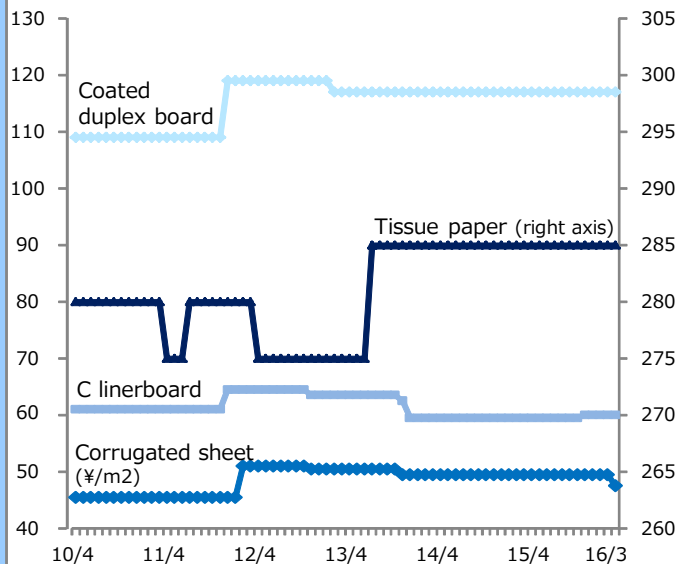
(1) Household and Industrial Materials

Segment's Results	FY2014		FY2015		Increase (Decrease)
	Sales	Operating Income	Sales	Operating Income	Operating Income
	¥561.8 billion	¥14.5 billion	¥603.8 billion	¥18.8 billion	¥+4.3 billion

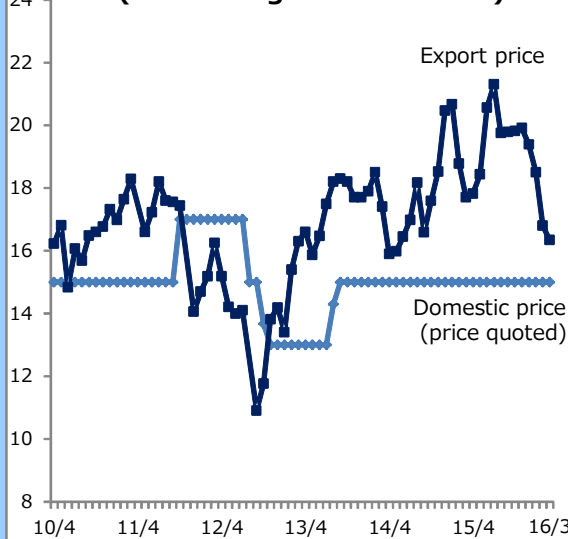
Sales of Major Products(*)			FY2014			FY2015			Increase (Decrease)			
			Sales Volume 1,000 t (or) million m2	Unit Price ¥/kg (or) m2	Sales Amount ¥ billion	Sales Volume 1,000 t (or) million m2	Unit Price ¥/kg (or) m2	Sales Amount ¥ billion	Sales Volume 1,000 t (or) million m2	Year-on Year %	Unit Price ¥/kg (or) m2	Sales Amount ¥ billion
Paper	Household paper	Domestic	179	230.18	41.2	193	230.71	44.5	14	107.7%	0.53	3.3
	Packaging paper	Domestic	280	105.50	29.5	256	108.39	27.7	(24)	91.3%	2.89	(1.8)
Paperboard		Domestic	2,957	65.10	192.5	2,943	64.82	190.7	(14)	99.5%	(0.29)	(1.8)
Corrugated sheet & container (million m2)		Domestic & Overseas	3,462	63.03	218.2	3,803	63.48	241.4	341	109.9%	0.45	23.2

*Total of Group's consolidated manufacturing companies, with intra-Group consumption included

(¥/kg) Prices of Major Products



(¥/kg) Prices of Major Raw Materials (Old Corrugated Container)



Factors behind the income increase(decrease)[¥+4.3 bil.]

- ◆ Sales/market factor ¥+1.3 bil.
- ◆ Raw material & fuel prices difference ¥(1.4) bil.
- ◆ Cost reduction ¥+3.2 bil.
- ◆ Overseas business ¥+1.2 bil.

- Domestic**
 - Increase in sales volume of disposable diaper after product relaunch, etc.
- Overseas**
 - Steady performance of corrugated container business in SE Asia
 - Full year contribution of Oji Fibre Solutions (Acquisition in Dec. 2014)

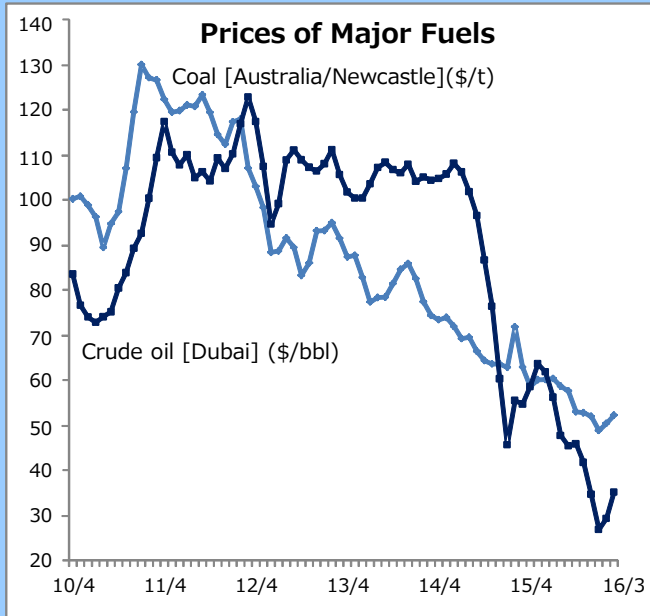
4. Analysis of Increase/Decrease of Income by Segment

(2) Functional Materials

Segment's Results	FY2014		FY2015		Increase (Decrease)
	Sales	Operating Income	Sales	Operating Income	Operating Income
	¥225.2 billion	¥9.4 billion	¥211.0 billion	¥11.9 billion	¥+2.5 billion

Sales of Major Products(*)	FY2014			FY2015			Increase (Decrease)			
	Sales Volume 1,000t (or) million m2	Unit Price ¥/kg (or) m2	Sales Amount ¥ billion	Sales Volume 1,000t (or) million m2	Unit Price ¥/kg (or) m2	Sales Amount ¥ billion	Sales Volume 1,000t (or) million m2	Year-on Year %	Unit Price ¥/kg (or) m2	Sales Amount ¥ billion
Thermal paper (million m2) Domestic & Overseas	3,353	21.04	70.6	3,127	19.92	62.3	(226)	93.3%	(1.12)	(8.3)
Specialty paper Domestic	173	250.77	43.5	177	245.17	43.3	3	101.9%	(5.61)	(0.1)

*Total of Group's consolidated manufacturing companies, with intra-Group consumption included



Factors behind the income increase(decrease) [¥+2.5 billion]

- ◆ Sales/market factor ¥(1.3) bil.
- ◆ Cost reduction ¥+2.5 bil.
- ◆ Raw material & fuel prices difference ¥+1.3 bil.
- ◆ Overseas Business ¥(0.1) bil.
- ◆ Others ¥+0.1 bil.

Domestic

Increase in operating income, owing to continual efforts for cost reduction, fall in raw material and fuel prices, etc.

Overseas

Sales of thermal paper:
-increased in Europe and South America
-decreased in North America

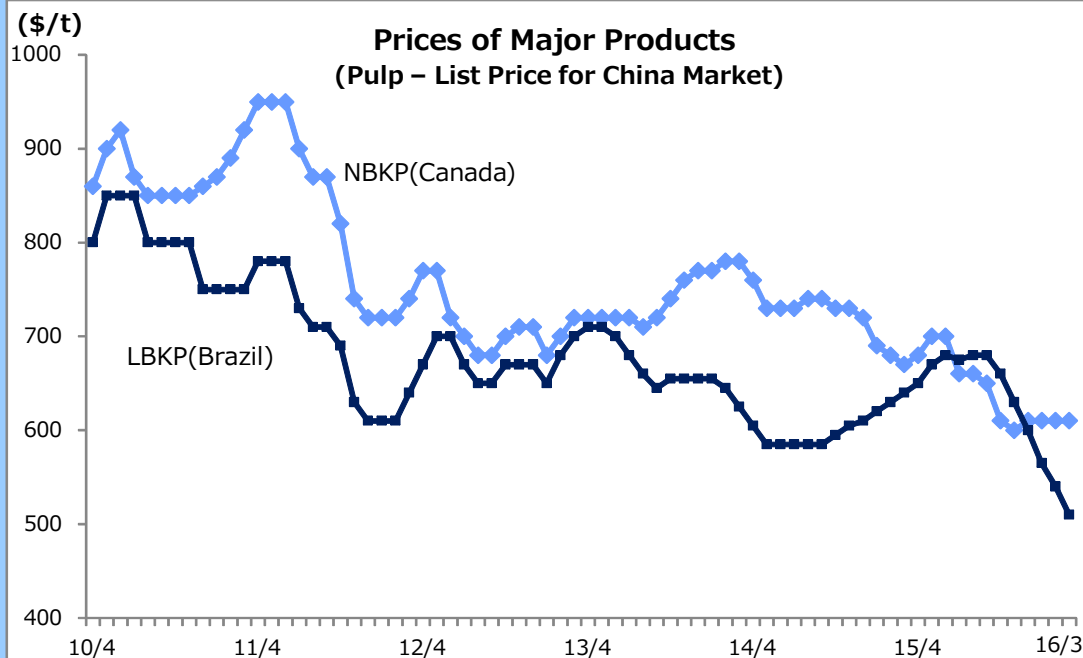
4. Analysis of Increase/Decrease of Income by Segment

(3) Forest Resources & Environment Marketing

Segment's Results	FY2014		➔	FY2015		Increase (Decrease)
	Sales	Operating Income		Sales	Operating Income	Operating Income
	¥211.5 billion	¥14.9 billion		¥267.7 billion	¥31.5 billion	¥+16.6 billion

Sales of Major Products (*)	FY2014			FY2015			Increase (Decrease)			
	Sales Volume 1,000t (or) GWh	Unit Price ¥/kg (or) ¥/kWh	Sales Amount ¥ billion	Sales Volume 1,000t (or) GWh	Unit Price ¥/kg (or) ¥/kWh	Sales Amount ¥ billion	Sales Volume 1,000t (or) GWh	Year-on Year %	Unit Price ¥/kg (or) ¥/kWh	Sales Amount ¥ billion
Market pulp Domestic & Overseas	1,548	63.79	98.8	2,168	68.33	148.2	620	140.0%	4.54	49.4
(Dissolving pulp) Domestic	47	87.92	4.1	75	101.99	7.7	28	159.4%	14.08	3.5
Electric power Domestic	409	16.55	6.8	877	20.25	17.8	468	214.2%	3.70	11.0

*Total of Group's consolidated manufacturing companies, with intra-Group consumption included



Factors behind the income increase (decrease) [¥+16.6 billion]

- ◆ Domestic business ¥ + 5.8 bil.
 - Increase in income of energy business due to:
 - Start of operation of a new biomass electric power boiler
 - Completion of revamp at hydroelectric power plants
 - Strong export sales of dissolving pulp
- ◆ Overseas business ¥ + 10.8 bil.
 - Increase in sales/income due to rise of selling prices of products of a subsidiary in Brazil (Cenibra), etc.

4. Analysis of Increase/Decrease of Income by Segment

(4) Printing & Communications Media

Segment's Results	FY2014		FY2015		Increase (Decrease)
	Sales	Operating Income	Sales	Operating Income	Operating Income
	¥311.0 billion	¥(0.7) billion	¥309.4 billion	¥2.3 billion	¥+3.0 billion

Sales of Major Products (*)	FY2014			FY2015			Increase (Decrease)			
	Sales Volume	Unit Price	Sales Amount	Sales Volume	Unit Price	Sales Amount	Sales Volume	Year-on Year	Unit Price	Sales Amount
	1,000 t	¥/kg	¥ billion	1,000 t	¥/kg	¥ billion	1,000 t	%	¥/kg	¥ billion
Newsprint, printing & communications paper Domestic	2,517	108.95	274.3	2,452	110.02	269.8	(65)	97.4%	1.07	(4.5)

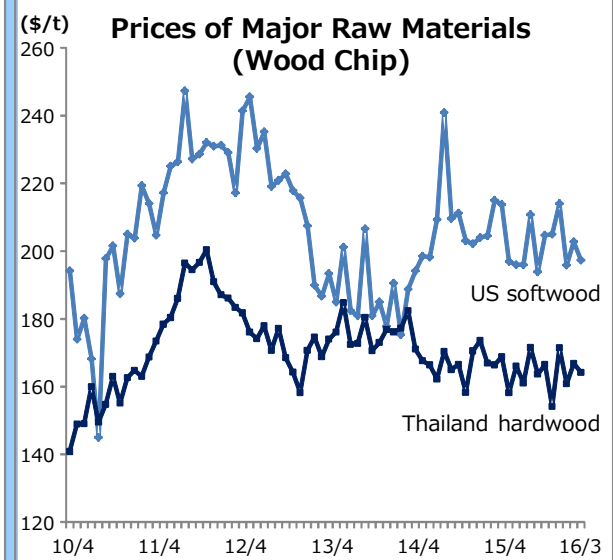
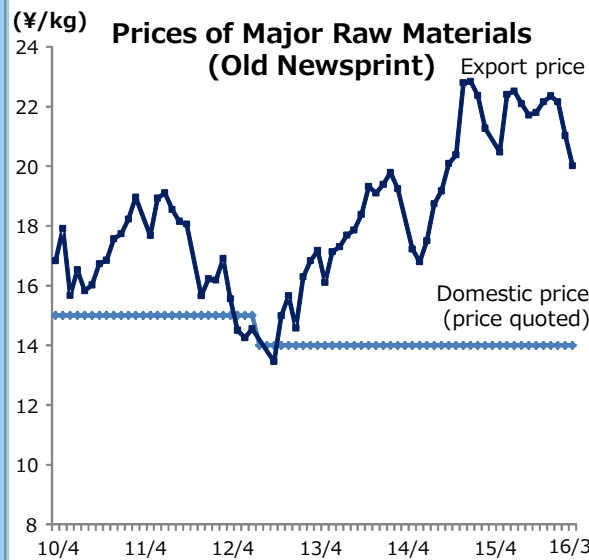
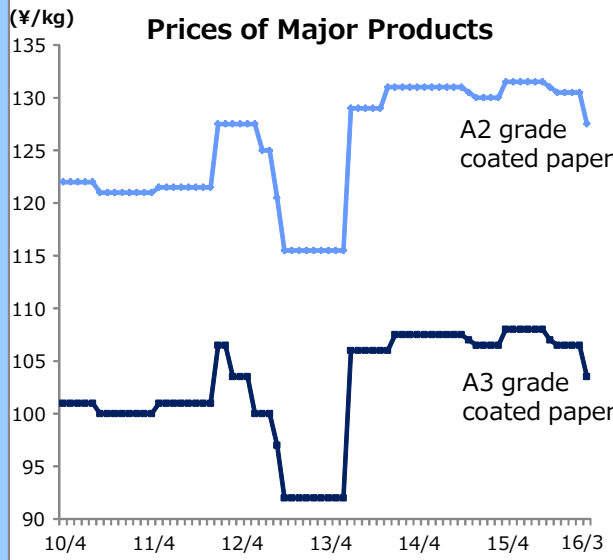
*Total of Group's consolidated manufacturing companies, with intra-Group consumption included

Factors behind the income increase(decrease) [¥+3.0 billion]

- ◆ Sales/market factors ¥+1.2 bil.
- ◆ Raw material & fuel prices difference ¥(2.4)bil.
- ◆ Cost reduction ¥+2.2 bil.
- ◆ Overseas business ¥+2.0 bil.

In Japan: Despite lower sales caused by weak demand, price adjustment and cost reduction resulted in increase in income

Overseas: Improved sales/income due to continual cost reduction efforts





II. FY2016 Financial Forecast

1. Financial Forecast for FY2016

(¥ billion)

	FY2015	FY2016E	Increase (Decrease)
Net Sales	1,433.6	1,430.0	(3.6)
Operating Income	73.7	72.0	(1.7)
Ordinary Income	62.4	62.0	(0.4)
Profit Attributable to Owners of Parent	15.3	38.0	22.7
Depreciation	78.6	76.0	(2.6)
Average Exchange Rate (¥/US\$)	120.1	110.0	(10.1)
Overseas Sales Ratio	27.8%	25.6%	(2.2%)
Operating Income of Overseas Companies	29.4	21.5	(7.9)

Assumptions for FY2016 Financial Forecast

•Raw Material / Fuel Prices		•Effects of Fluctuation (per annum)	
Wood chip based on current contract	Exchange rate	Japanese Yen	: approx. ¥0.49 billion with a fluctuation of US\$ by 1% (strong US\$ -)
Recovered paper price to remain static at current level		Brazilian Real	: approx. ¥0.32 billion with a fluctuation of US\$ by 1% (strong US\$+)
Coal based on current contract		New Zealand Dollar	: approx. ¥0.69 billion with a fluctuation of US\$ by 1% (strong US\$+)
	Price of recovered paper		: approx. ¥3.8 billion with a fluctuation of ¥1/kg
	Price of Dubai crude oil		: approx. ¥0.25 billion with a fluctuation of US\$1/bbl (heavy oil, bunker, naphtha and others)
	Price of pulp		: approx. ¥2.4 billion with a fluctuation of US\$10/t (high price+)

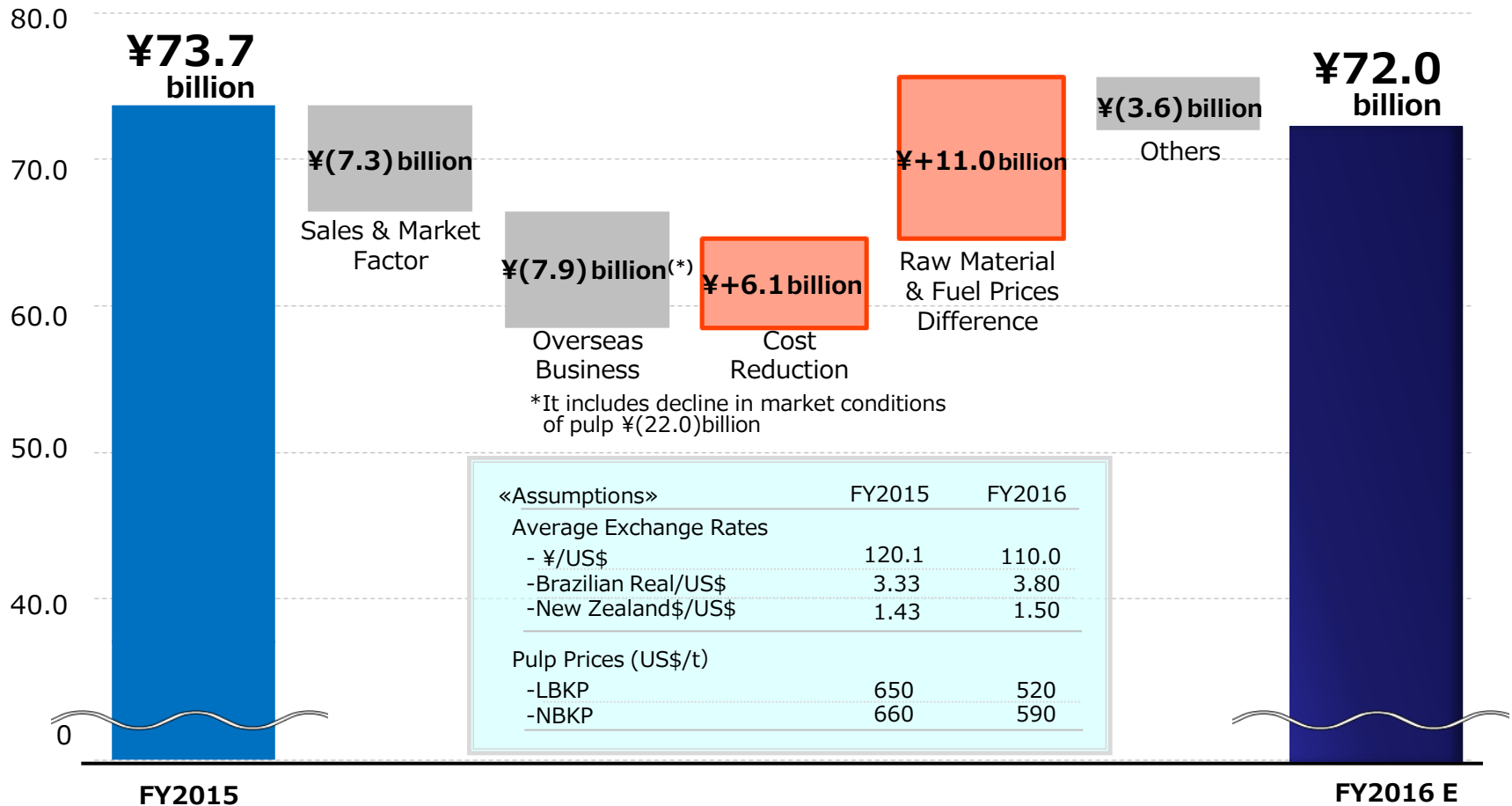
*The above forecasts are based on the forecasts of economic conditions made at the time of publication.
As such, actual results may differ from these forecasts due to various unforeseen causes.

2. Breakdown of Increase/Decrease of Operating Income

[FY2015 to FY 2016 Forecast]



Securing operating income at almost the same level as the previous year, despite pulp prices assumed to hit bottom



3. Sales and Operating Income by Segment [FY2016 Forecast]

(¥ billion)

	FY2015		FY2016E		Increase (Decrease)	
	Sales	Operating Income	Sales	Operating Income	Sales	Operating Income
Household & Industrial Materials	603.8	18.8	622.5	21.8	18.7	3.0
Functional Materials	211.0	11.9	221.1	17.4	10.1	5.5
Forest Resources & Environment Marketing	267.7	31.5	241.7	17.0	(26.0)	(14.5)
Printing & Communications Media	309.4	2.3	302.5	10.4	(6.9)	8.1
Others	266.7	8.9	263.3	6.6	(3.4)	(2.3)
Adjustment	(224.9)	0.4	(221.1)	(1.2)	3.8	(1.6)
Total (consolidated)	1,433.6	73.7	1,430.0	72.0	(3.6)	(1.7)

*Sales include inter-segment sales

4. Analysis of Increase/Decrease of Income by Segment

(1) Household and Industrial Materials - 1

Segment's Results	FY2015		FY2016		Increase (Decrease)
	Sales	Operating Income	Sales	Operating Income	Operating Income
	¥603.8 billion	¥18.8 billion	¥622.5 billion	¥21.8 billion	¥+3.0 billion
	Domestic ¥12.5 billion		Domestic ¥16.5 billion	Domestic ¥+4.0 billion	
	Overseas ¥6.3 billion		Overseas ¥5.3 billion	Overseas ¥(1.0) billion	

FY2016: Factors behind the income increase/decrease

Domestic +¥4.0 billion

◆ Household & Consumer Products Business **¥+1.8 billion**

- Raw material & fuel prices difference **¥+0.8 bil.**
- Increased sales volume of disposable paper **¥+0.8 bil.** etc.

FY2016: Additional establishment of disposable diaper machines

For baby [tape-type] : started operation in Apr.2016

Production Capability **135 mil.** diapers/yr

For baby [pants-type]: scheduled to start operation in Dec. 2016

Production Capability **180 mil.** diapers/yr(*)

*Total production capability after the start of operation: **660 mil.** diapers/yr



Disposable diaper product [tape-type] for export

◆ Industrial Materials Business **¥+2.2 billion**

- Raw material & fuel prices difference **¥+2.1 bil.**
- Sales/market factors **¥(2.6) bil.**
- Cost reductions **¥+2.3 bil.** etc.

Overseas ¥(1.0) billion

◆ Influences of Exchange Rate Conversion **¥(0.5) billion**

etc.

◆ Progress of Disposable Diaper Business in Southeast Asia

-Oji Asia Household Product (Selangor, Malaysia) → started operation in Apr. 2016

Production Capability: **160 mil.** diapers/yr (disposable diaper for baby [pants-type])

-People & Grit (Selangor, Malaysia) → share acquired in Jan. 2015 (started consolidation at the beginning of FY2015)

Production Capability: **290 mil.** diapers/yr (disposable diaper for baby [tape-type])

4. Analysis of Increase/Decrease of Income by Segment

(1) Household and Industrial Materials - 2

FY2017-18 Topics: Contributory factors for income increase

◆ Expansion of Overseas Disposable Diaper Business

■ Expansion of sales by securing product distribution & Further expansion of manufacturing sites

Export products of suitable grades to neighboring countries (2017~)

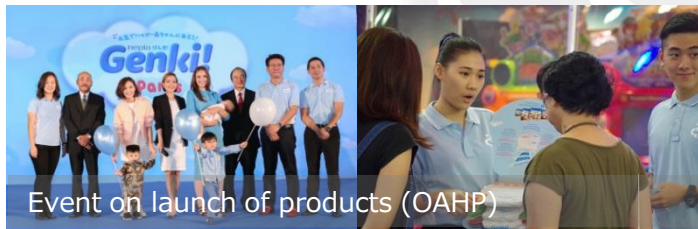
→ Then, consider active expansion of manufacturing sites in the neighboring countries

1 Enhancement of business in Southeast Asia

- Expand/strengthen the business mainly in Malaysia and Indonesia
- Prepare an entry into women's napkin market (scheduled in 2017)
- Consider an entry into adult disposable diaper market

Malaysia

- **People & Grit (PnG):**
Further sales expansion of tape-type disposable diaper for baby
- **Oji Asia Household Product (OAHP):**
Start preparing additional machine installation for pants-type disposable diaper for baby



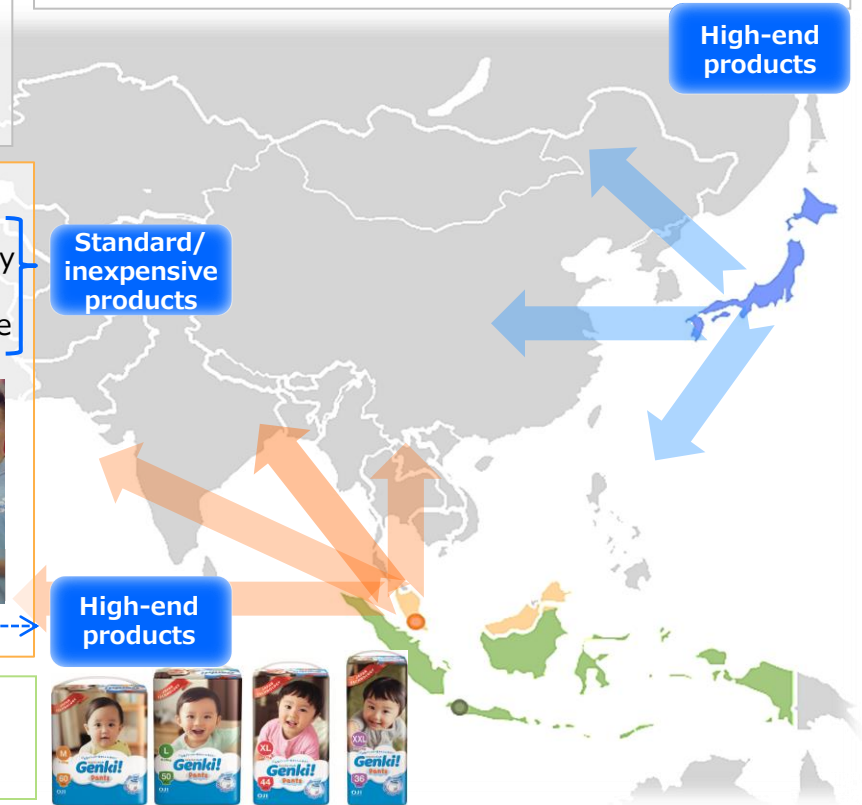
- Export products from Japan

Indonesia: Towards early start of manufacturing/sale

- **Oji Indo Makmur Perkasa** (JV manufacturing company)
- **Indo Oji Sukses Pratama** (JV sales company)

2 Increase of export from Japan to China, etc.

- Expand sales of high-grade, made-in-Japan products



OAH's "Genki!" products

4. Analysis of Increase/Decrease of Income by Segment

(2) Functional Materials

Segment's Results	FY2015		FY2016		Increase (Decrease)
	Sales	Operating Income	Sales	Operating Income	Operating Income
	¥211.0 billion	¥11.9 billion	¥221.1 billion	¥17.4 billion	¥+5.5 billion
	Domestic ¥9.3 billion	Overseas ¥2.6 billion	Domestic ¥11.8 billion	Overseas ¥5.6 billion	Domestic ¥+2.5 billion Overseas ¥+3.0 billion

FY2016: Factors behind the income increase/decrease

Domestic ¥+2.5 billion

- ◆ Raw Material & Fuel Prices Difference ¥+2.8 billion etc.

Overseas ¥+3.0 billion

- ◆ Overseas Thermal Materials Business **¥+3.0 billion**
- (-Sales/market factors ¥+4.9 bil.)
- (-Raw material & fuel prices difference ¥(2.4) bil. etc.)

FY2017-18 Topics: Contributory factors for income increase

◆ Enhancement of Thermal Materials Business in South America

Oji Papéis Especiais (Piracicaba, Brazil)

2nd Phase of capability enhancement:

Installation of a multi-layer curtain coater on PC3

→ 10% increase in production capability

(scheduled to complete in Jul. 2017)

◆ Expansion of Functional Materials Business in Southeast Asia

- Completion of share acquisition of Hyper-Region Labels (May 2016)
- Integrated manufacturing of adhesive label business
- Synergy between label printing and packaging

➡ **Expand converting business through more active M&As**

4. Analysis of Increase/Decrease of Income by Segment

(3) Forest Resources & Environment Marketing - 1

Segment's Results	FY2015		FY2016		Increase (Decrease)
	Sales	Operating Income	Sales	Operating Income	Operating Income
	¥267.7 billion	¥31.5 billion	¥241.7 billion	¥17.0 billion	¥(14.5) billion
	Domestic ¥7.3 billion		Domestic ¥6.8 billion	Domestic ¥(0.5) billion	
	Overseas ¥24.2 billion		Overseas ¥10.2 billion	Overseas ¥(14.0) billion	

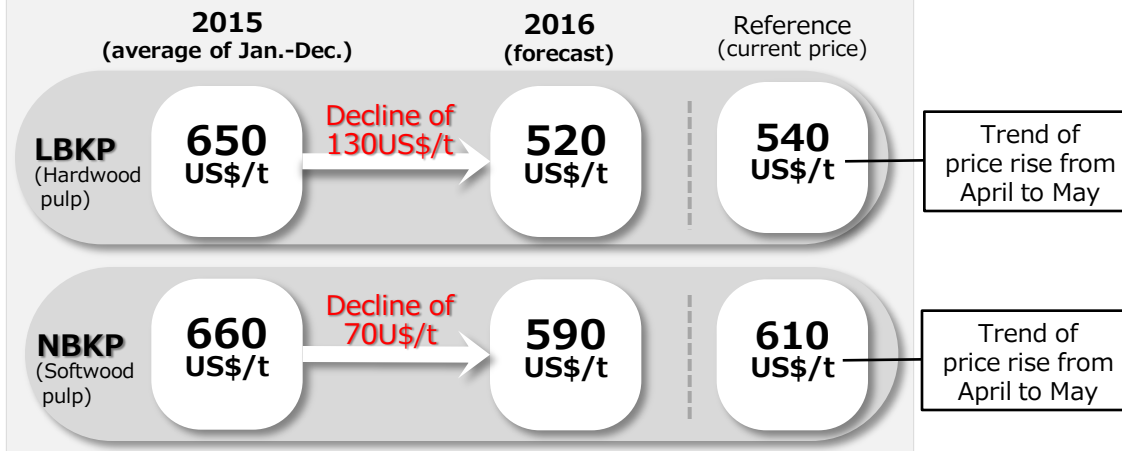
FY2016: Factors behind the income increase/decrease

Overseas ¥(14.0) billion

- ◆ **Weak Market Condition of Pulp** ¥(22.0) billion
 - Cenibra ¥(17.9) bil.
 - Jiangsu Oji Paper ¥(3.7) bil.
 - Oji Fibre Solutions ¥(0.7) bil.

-Pulp prices are assumed to hit bottom, reaching post-Lehman Brothers Shock's levels

List Price for China Market



- ◆ **Sales Volume Difference** ¥+3.6 billion

Cenibra ¥+2.1 bil.
Jiangsu Oji Paper ¥+1.5 bil.

- ◆ **Cost Reduction** ¥+5.0 billion

Cenibra ¥+3.1 bil.
Jiangsu Oji Paper ¥+1.3 bil.
Oji Fibre Solutions ¥+0.9 bil.

4. Analysis of Increase/Decrease of Income by Segment

(3) Forest Resources & Environment Marketing - 2

FY2017-18 Topics: Contributory factors for income increase

◆ Strategic Measures to Increase Sales/Income at Major Companies

Oji Fibre Solutions

~towards early realization of acquisition benefits~

- Introduce / utilize Oji Group's know-how, operation management approaches, etc.
- Stabilize operation of pulp production, improve acceptance ratio
- Implement energy saving initiatives etc.



KP Facility, Kinleith Mill



KP Facility, Tasman Mill

Cenibra

~continual implementation of earnings improvement measures~

- Upgrade manufacturing facilities for further advancement
- Secure alternative water source for emergency uses etc.



Pulp Mill, Cenibra

Build competitive business foundations that can withstand pulp's weak market conditions

◆ Energy Business

[Biomass Electric Power Generation]

- 3 biomass boilers have already started operation [Ebetsu, Fuji and Nichinan]
 - Established a new biomass electric power generation company jointly with Mitsubishi Paper Mills →
- (Established in Mar. 2016,
Scheduled to start business in Jun. 2019)

MPM Oji Eco-Energy Co., Ltd.

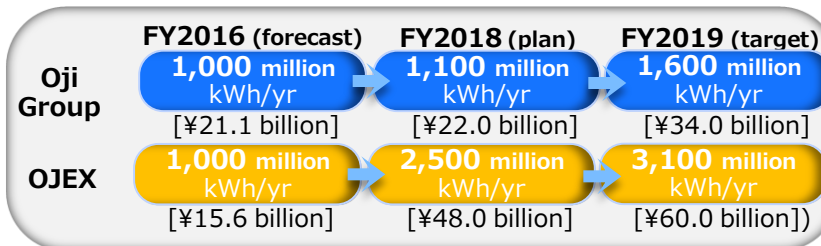
Sales Capability
500 million kWh/yr
[¥11.0 billion/yr]

[Hydroelectric Power Generation]

- Revamp are in process at 4 sites in Hokkaido and Shizuoka, in addition to 8 completed sites

[Electric Power Retailing]

Oji-Itochu Enex power retailing
(Established in Feb. 2015)



◆ Biomass Fuel Business

- Cascading Use of Domestic Lumber

Target: **650,000 t/yr**
(pickup amount)

- *Develop fuel business by fully utilizing unused resources
- *Promote capability enhancement / newly establishment of facilities

- Increasing Procurement of Palm Kernel Shell (PKS)

Target: **100,000 t/yr**
(pickup amount)

- *Established a new pickup yard in Indonesia (Nov. 2015)
- *Increase PKS procurement via companies in Southeast Asia

4. Analysis of Increase/Decrease of Income by Segment

(4) Printing and Communications Media

Segment's Results	FY2015		FY2016		Increase (Decrease)
	Sales	Operating Income	Sales	Operating Income	Operating Income
	¥309.4 billion	¥2.3 billion	¥302.5 billion	¥10.4 billion	¥+8.1 billion
	Domestic ¥5.9 billion		Domestic ¥9.9 billion	Domestic ¥+4.0 billion	
	Overseas ¥(3.6) billion		Overseas ¥0.5 billion	Overseas ¥+4.1 billion	

FY2016: Factors behind the income increase/decrease

Domestic ¥+4.0 billion

- Raw Material & Fuel Prices Difference ¥+5.2 bil.
- Cost Reduction ¥+4.4 bil.
- Sales/Market Factor ¥(5.1) bil.
- etc.

Overseas ¥+4.1 billion

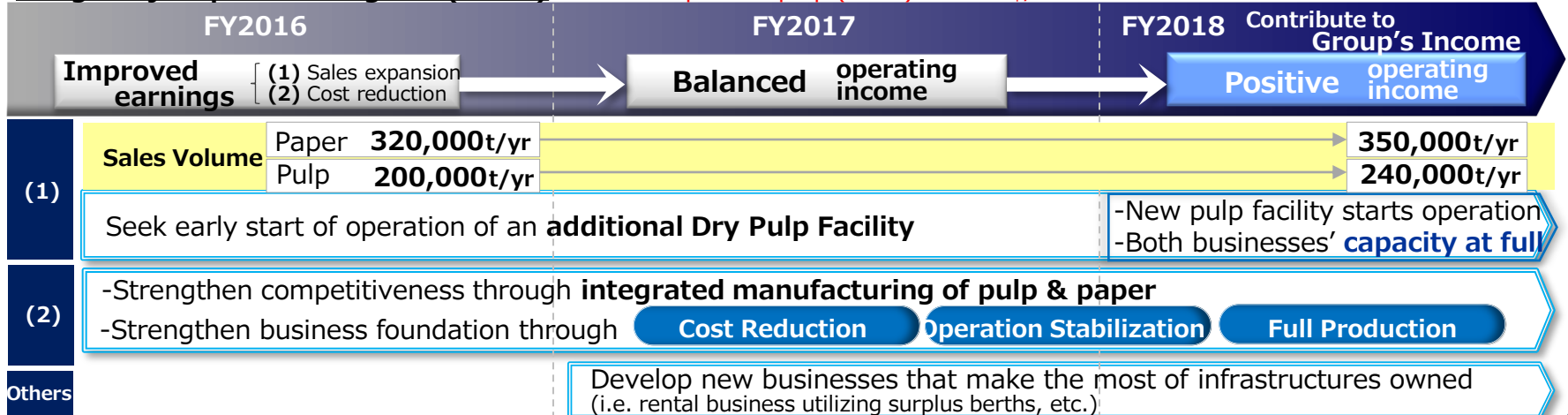
◆ Jiangsu Oji Paper Nantong Mill (China)

	FY2015 (result)	FY2016 (forecast)	Increase/Decrease
Paper	¥(3.6)bil.	¥0.5 bil.	¥+4.1 bil.
Pulp	¥(0.7)bil.	¥(1.8)bil.	¥(1.1)bil.
	¥(4.3)bil.	¥(1.3)bil.	¥+3.0 bil.

- Raw material & fuel prices difference ¥+1.5 bil.
- Cost reduction ¥+3.2 bil. (*) etc.
- *Incurring of impairment loss in assets for printing & communications media business in FY2015 4Q results in decrease of depreciation by ¥2.3 bil.
- Weakening pulp prices ¥(3.7) bil.
- Sales volume difference ¥+1.5 bil.
- Cost reduction ¥+1.3 bil. etc.

FY2017-18 Topics: Contributory factors for income increase

◆ Jiangsu Oji Paper Nantong Mill (China) «Assumed price of pulp (LBKP): 520US\$/t»



5. Influences of Changes in External Environment

(¥ billion)

			Household & Industrial Materials	Functional Materials	Forest Resources & Environment Marketing	Printing & Communications Media	Total	
Influence from: Changes in exchange rates			Assumed exchange rates for FY2016					
US\$-based transactions <i>(US\$ stronger by 10%)</i>	Japanese Yen (JPY)	110 JPY/USD	↓	↘	↑	↓	(7.2)	
	Brazilian Real (BRL)	3.8 BRL/USD	→	↘	↑	→	+3.3	
	New Zealand Dollar (NZD)	1.5 NZD/USD	↑	→	↑	→	+6.9	
Conversion of income in foreign currency to ¥ <i>(¥ weaker by 10%)</i>	US Dollar (USD)	110 JPY/US	↑	↑	↑	→	+2.2	
	Brazilian Real (BRL)	29 JPY/BRL	→	↑	→	→	+0.2	
	New Zealand Dollar (NZD)	73 JPY/NZD	↑	→	↑	→	+0.6	
Changes in pulp prices (US\$10/t higher)			↘	↘	↑	→	+2.4	

+ : Improve
() : Worsen

Deal with the changes in exchange rates and pulp prices with the Group's globalized and diversified collective strengths



Ⅲ. Topics

1. Cellulose Nano-Fiber

~Highly Functional Material of Plant Origin for Next Generation~



Cellulose Nano-Fiber(CNF) - Oji's Original Full-Nano-Technology

- Oji Holdings has developed a ground-breaking "phosphate esterification" production process that can reduce energy required to refine pulp
- Oji Holdings will install a manufacturing demonstration facility of CNF in Oji Paper Tomioka Mill in the 2nd-half of FY2016, and speed up its initiatives towards commercialization

The World's First ! 3 Forms of CNF

Slurry

- [Features]
- High transparency
 - Ultra-high viscosity/dispersibility

- [Applications]
- Thickening/dispersing agents etc.



Wet Powder

- [Features]
- Drastic reduction of water content
 - Easy handling

- [Applications]
- Thickening/dispersing agents
 - Reinforcing fibers etc.



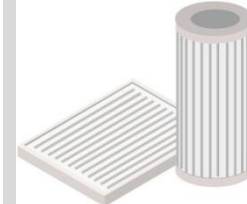
Continuous Transparent Sheet

- [Features]
- Transparency and flexibility similar to glass
 - Strength and dimensional stability better than plastic

- [Applications]
- Filters, panels, etc.



Promotion of Development of Various Applications that Effectively Utilize Features of CNF



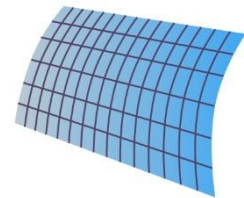
Highly functional/minute nano-filters



Reinforcing materials for plastic



Thickening/dispersing agents for high-end cosmetics, etc.



Flexible organic EL solar electric power generation panels



Strong and flexible display panels

Active expansion of Water Treatment Business within and outside Japan, based on accumulated knowledge/technology, experiences and equipment

W ATER Resource as a Driving Force behind Oji's Growth

Forest growing → Knowledge/technology on watershed protection, water resources
 Paper making → Knowledge/technology on treatment/reuse of water

Contribute to sustainable development of the world including Japan, by working on sustainment/regeneration of water environment that is essential to life of people

Target Regions

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

Business lineup

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



	FY2016	FY2017	FY2018	FY2019
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Sales

¥200 million

Increase sales through:

- Sales expansion
- Entry into service businesses

Business Expansion

(1) Technical assistance

* Mingaladon Industrial Park [Myanmar], etc.

(2) Expansion of equipment sales

- * Water treatment system for commercial facility (hotels) [Myanmar]
- * Wastewater treatment equipment for fishery processing factory [Japan]
- * Wastewater treatment equipment for paper manufacturing mill [Japan] etc.

(3) Service businesses (management/maintenance)



IV. Group Management Targets



Management Philosophy

~Desired Future Image of Oji Group~

Creation of Innovative Values

Contribution to Future and the World

Harmony with Nature and Society

Management Strategies

FY2016-18 Group Fundamental Policies

Expansion of Overseas Businesses

Concentration / Advancement of Domestic Businesses

Enhancement of Financial Foundation

Numerical Management Targets

FY2018

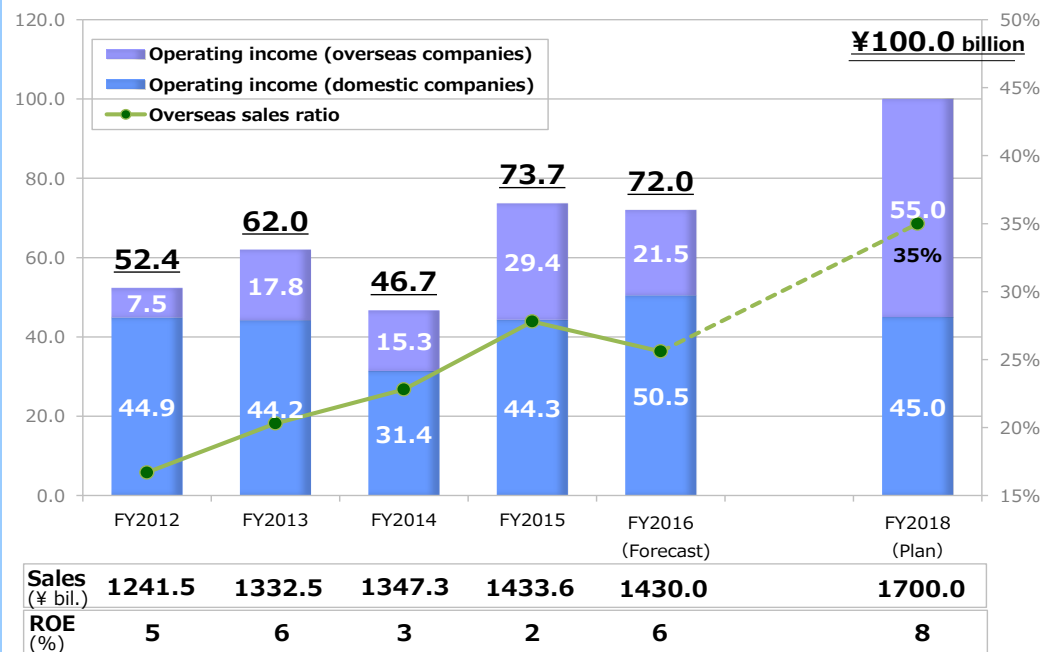
Operating Income (consolidated) **¥100.0 billion**

Overseas Sales Ratio **35%**
(Future target 50%)

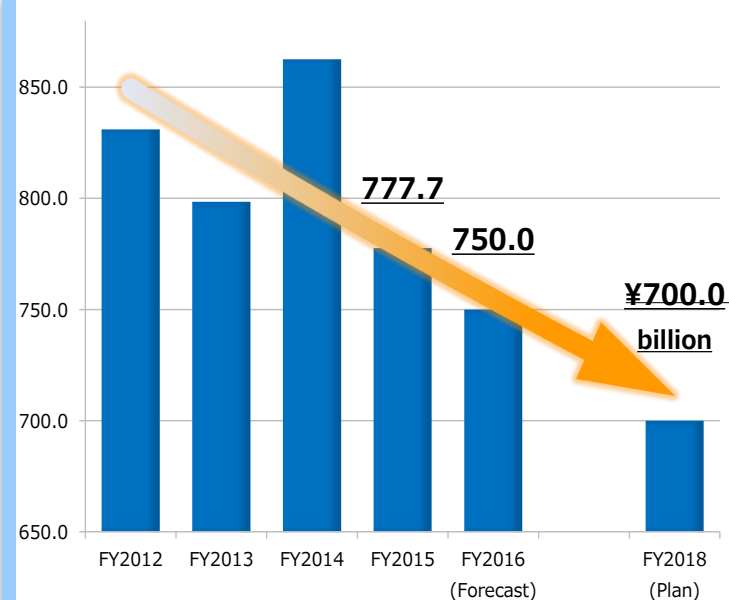
Interest-bearing Debt **¥700.0 billion**

ROE **8%**

Trends of Operating Income (consolidated)



Trends of Interest-bearing Debt

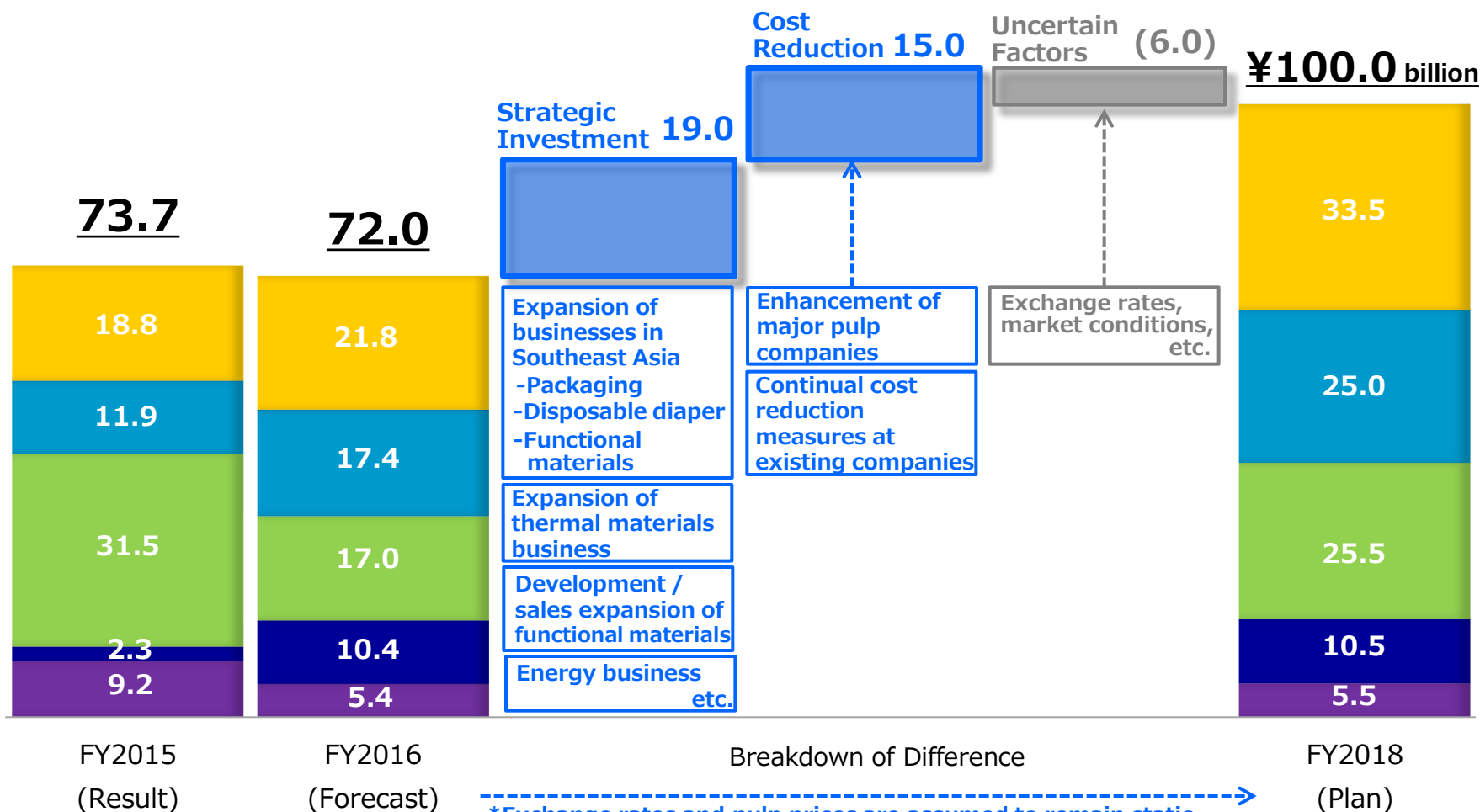


1. Business Plans

(2) Targets for Operating Income by Business Segment



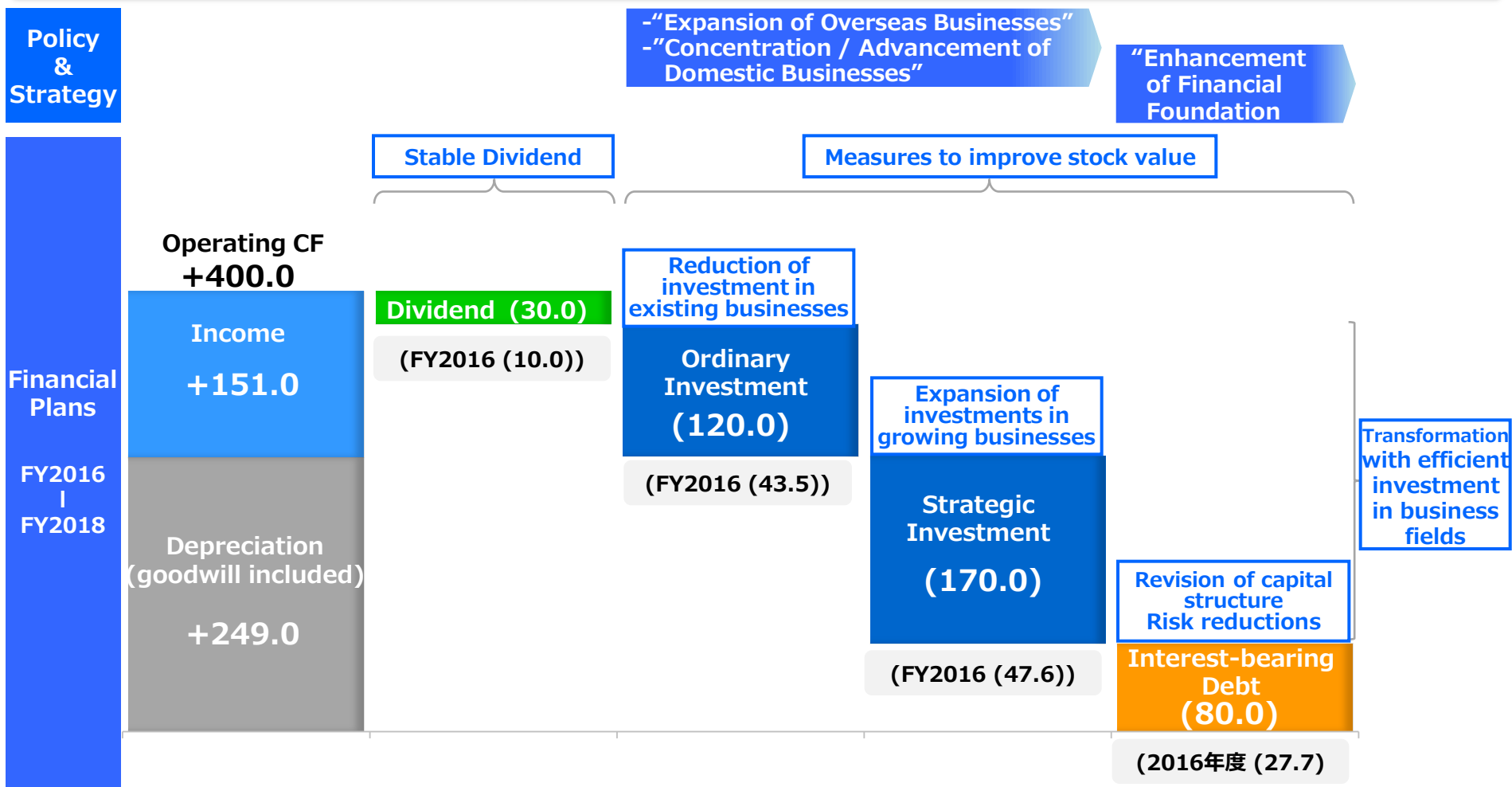
Achieve ¥100.0 billion operating income with strategic investments and cost reductions, though pulp prices are assumed to hit bottom



*Exchange rates and pulp prices are assumed to remain static at FY2016 levels

2. Financial Strategies

Keep in mind "Selection and Concentration" to actively invest in high-potential businesses and cut interest-bearing debt by ¥80.0 billion



FY2016 Cancellation of Treasury Stock

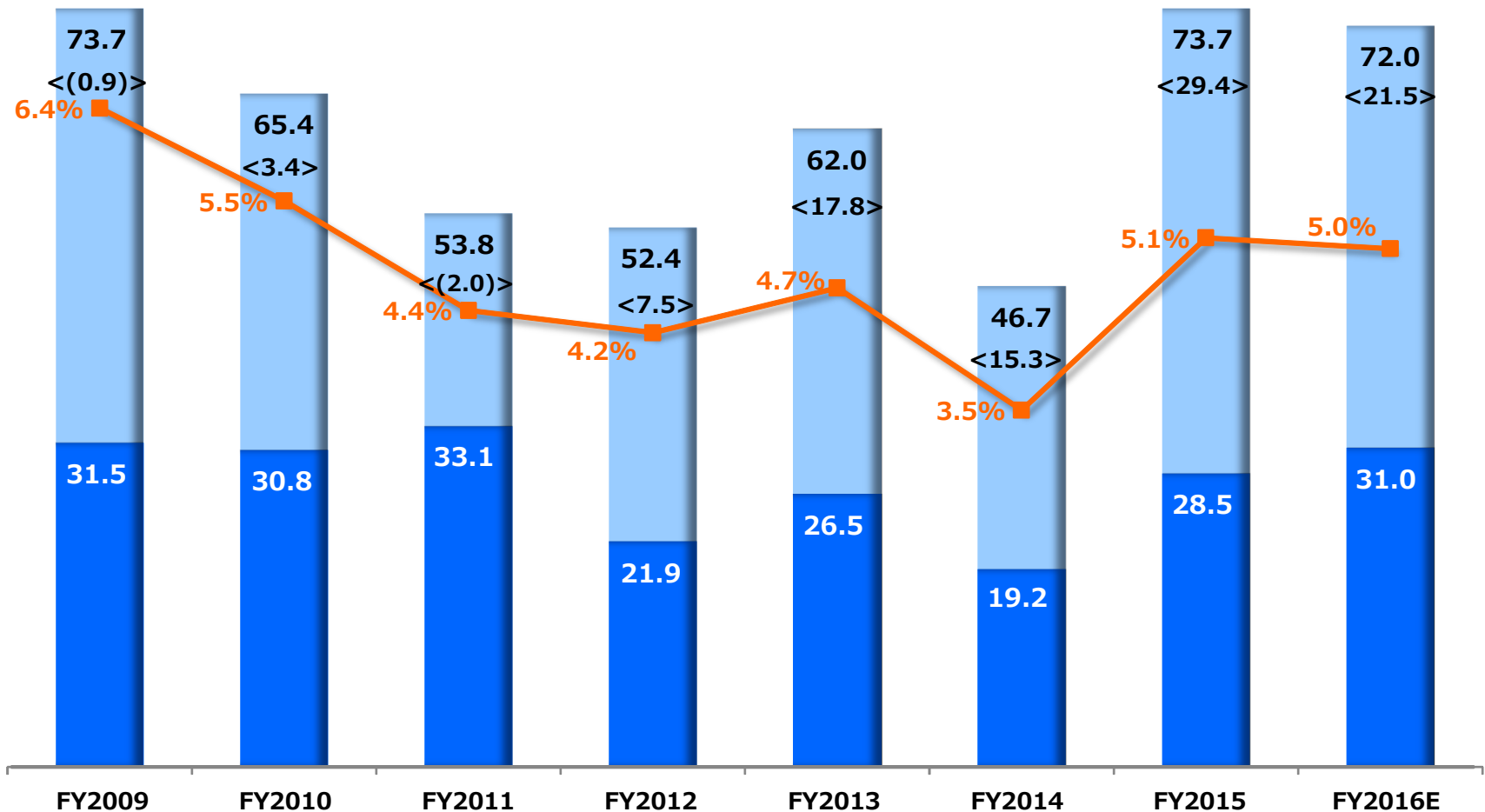
-Number of treasury stock : 74 → 24 mil. (cancellation of 50 mil. stocks)
 -% of treasury stock in total issued stock : 7.0 → 2.4%



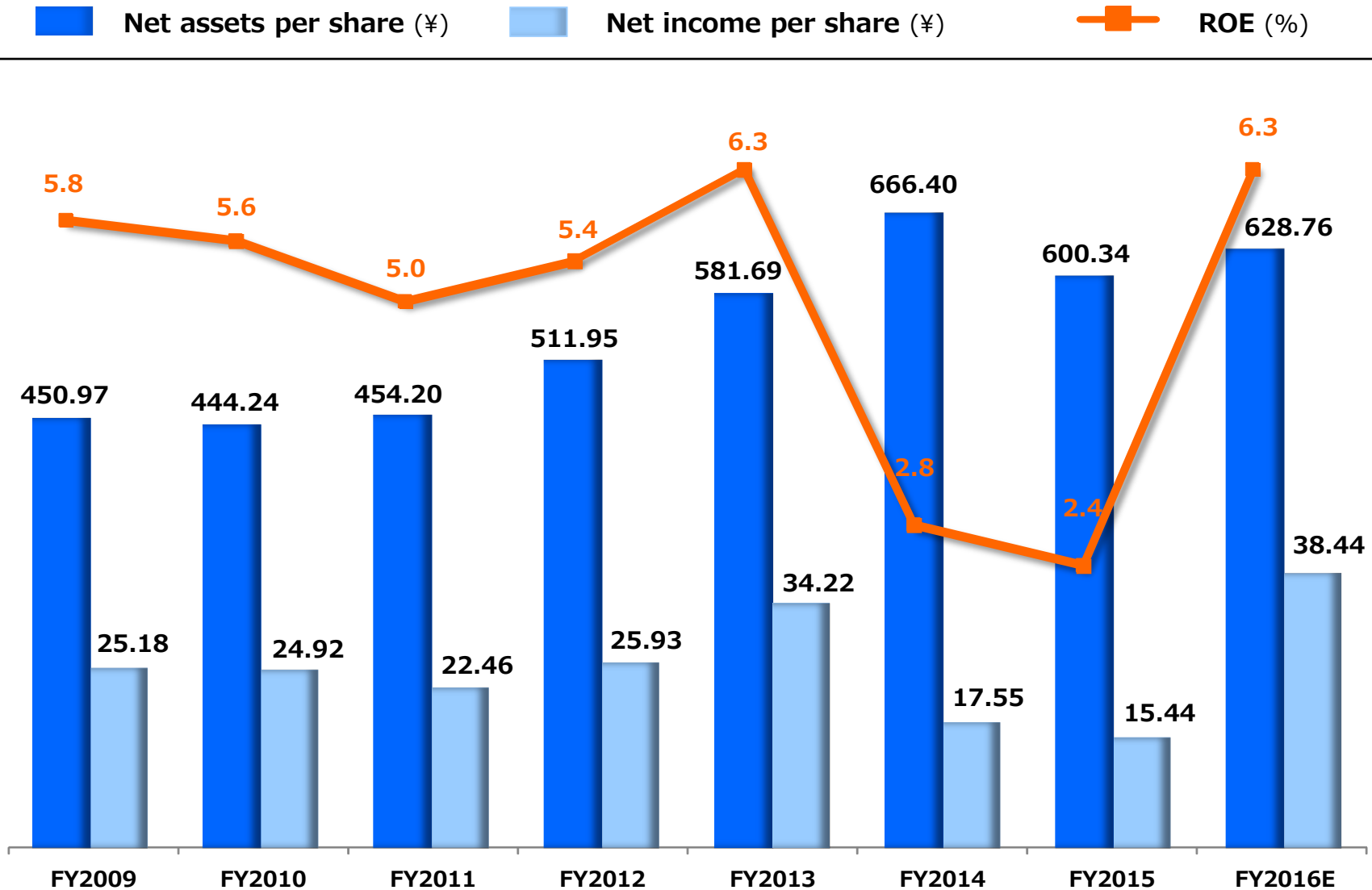
«Reference Materials»

Trends of Operating Income (consolidated)

■ Operating income <Overseas companies>
 ■ Mid-term operating income
 —■— Operating income ratio (¥ billion)

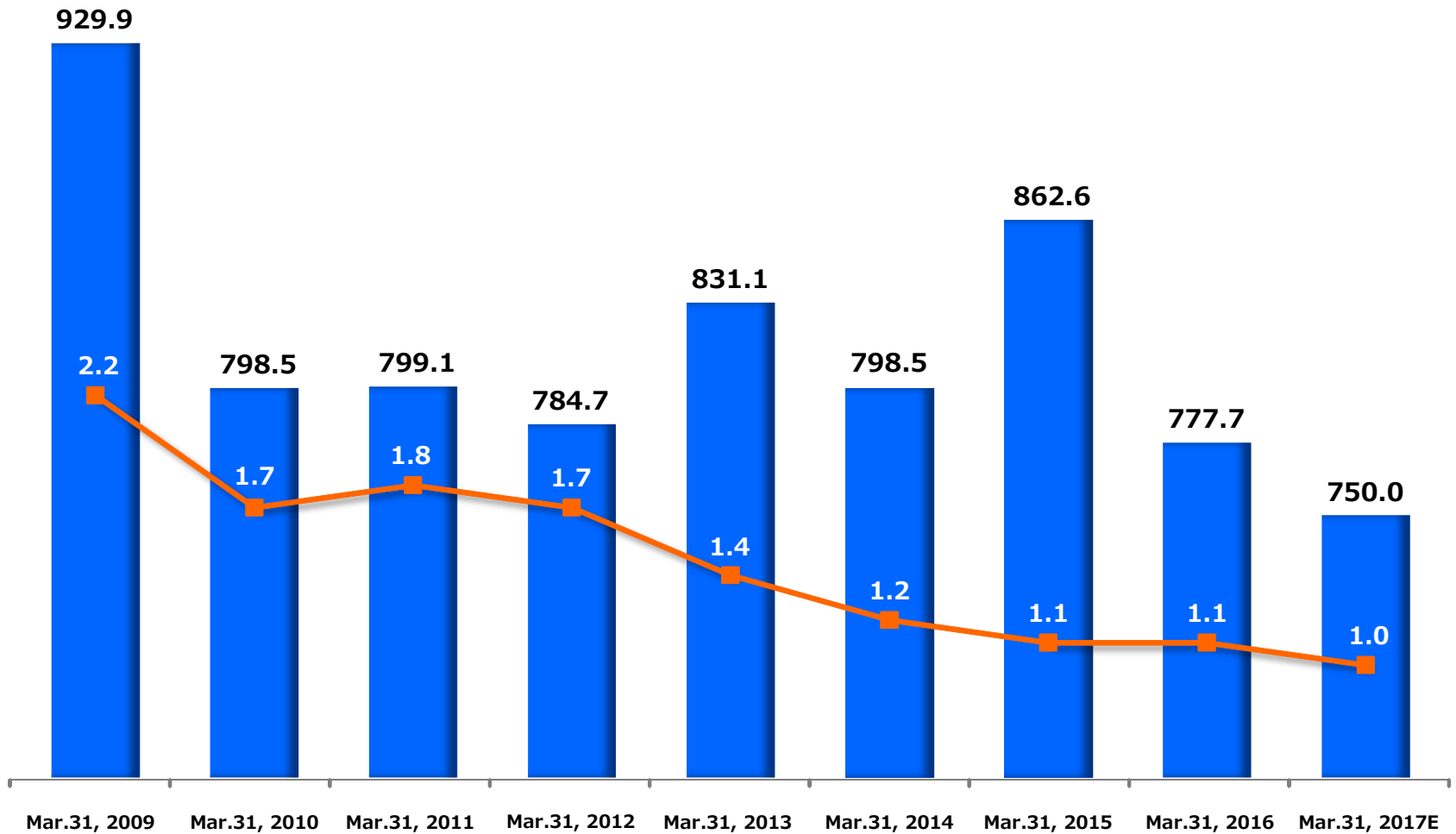


Trends of Return on Equity (ROE)



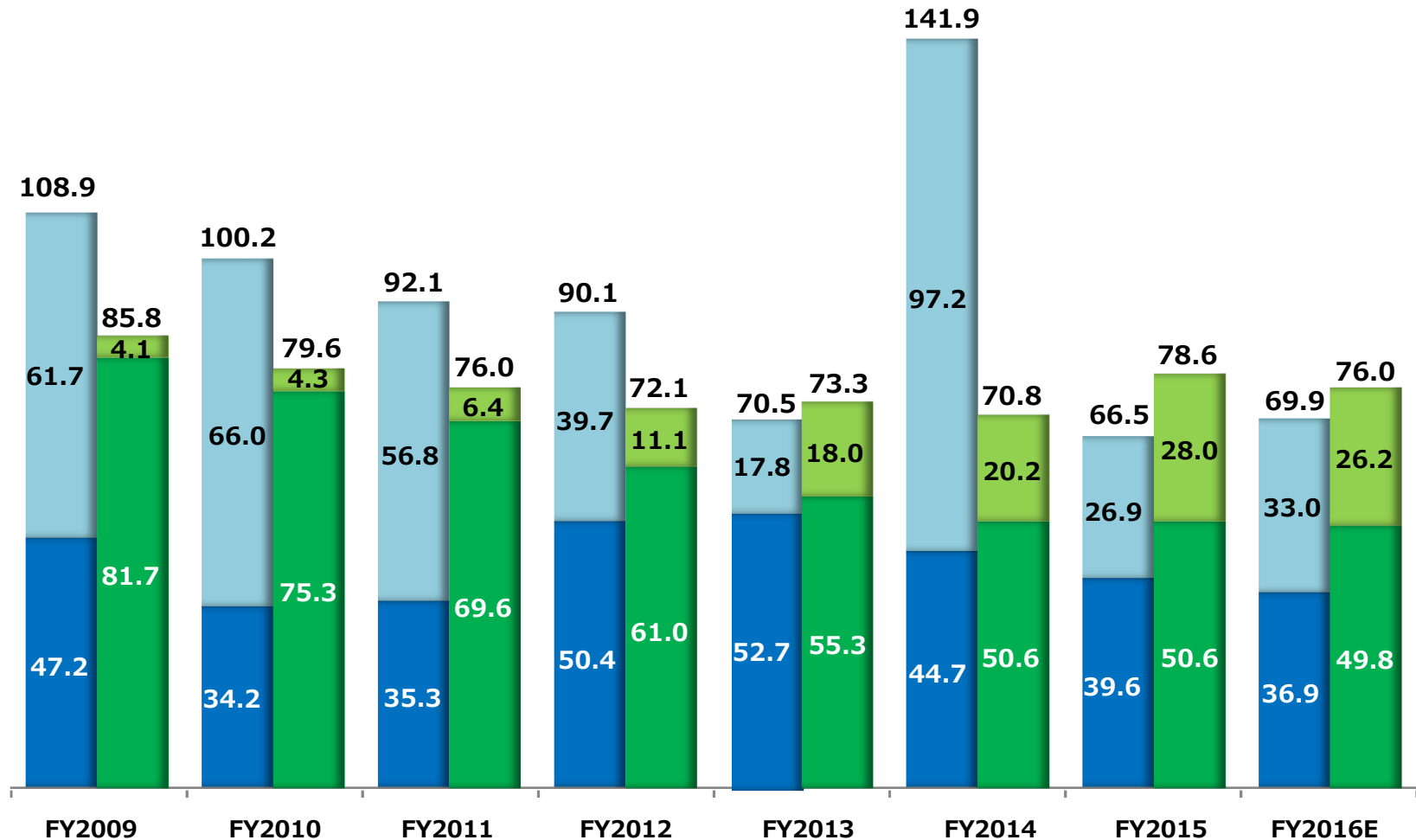
Trends of Interest-bearing Debt (consolidated)

■ Consolidated interest-bearing debts (¥billion) —■— D/E (x)



Trends of CAPEX / Depreciation (consolidated)

■ CAPEX, investment & loan [Domestic]
 ■ CAPEX, investment & loan [Overseas]
 ■ Depreciation [Domestic]
 ■ Depreciation [Overseas]
 (¥ billion)

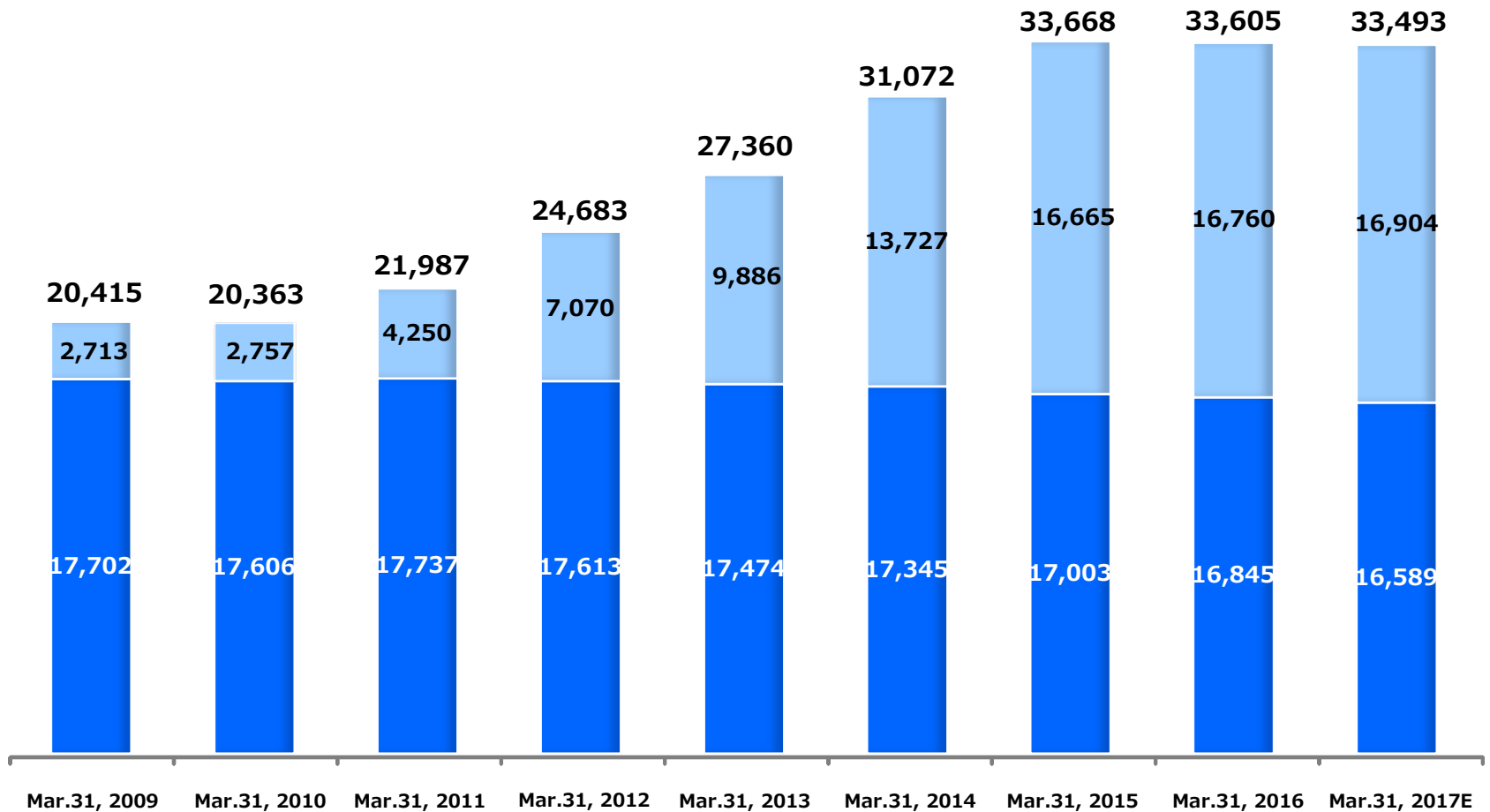


Trends of Employees (consolidated)



■ **Employees [Domestic] (consolidated)**
■ **Employees [Overseas] (consolidated)**
(person)

*The figures do not include number of temporary employees



(1,000t)

	Domestic Shipments		Custom Cleared Imports ^{*1}		Total	
	Year-on-Year		Year-on-Year		Year-on-Year	
Containerboard	8,862	101.6%	46	56.5%	8,908	101.2%
Boxboard	1,540	98.6%	254	108.3%	1,794	99.9%
Other Paperboard	636	97.4%	28	104.6%	664	97.7%
Paperboard Total	11,038	100.9%	328	95.6%	11,366	100.8%
Sanitary Paper	1,780	102.9%	180	103.3% ^{*2}	1,960	103.0%
Packaging Paper	717	95.5%	7	85.0%	724	95.4%
Newsprint	2,984	96.8%	51	102.7%	3,035	96.9%
Printing/Communications Paper	7,627	97.6%	1,116	92.8%	8,743	97.0%
Miscellaneous Paper	730	98.4%	18	94.3%	749	98.3%
Paper Total	13,839	98.0%	1,373	94.4%	15,211	97.7%
Paperboard and Paper Total	24,877	99.3%	1,701	94.6%	26,577	99.0%

(million m²)

Corrugated Containers^{*3}	13,814	102.1%			13,814	102.1%
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Source: Japan Paper Association - Statistics on Paper and Paperboard; Trade Statistics of Ministry of Finance, Japan; Japan Corrugated Case Association - Production Volume of Corrugated Case

*1: Statistics for customs cleared imports of paper: April 2015 - March 2016

*2: The figure includes secondary products (processed goods)

*3: The figure represents the production volume of corrugated board



Beyond the Boundaries

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