



OJI HOLDINGS



Summary of Financial and Business Results

November 18, 2016



Beyond the Boundaries



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)

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I . 1st-half of FY2016 Result Overview

1. Financial Highlights of the 1st-half of FY2016 (consolidated)

(¥ billion)

	1st-half of FY2015	1st-half of FY2016	Increase (Decrease)
Net Sales	719.2	692.9	(26.3)
Operating Income	28.5	33.7	5.2
Ordinary Income	33.8	12.8	(21.0)
Profit Attributable to Owners of Parent	17.3	8.3	(9.0)
Depreciation	39.5	35.9	(3.6)
Overseas Sales Ratio	29.4%	26.4%	(3.0%)
Operating Income of Overseas Companies	12.6	12.0	(0.6)
Average Exchange Rate (¥/US\$)	121.8	105.3	(16.5)
Number of Consolidated Companies			
Domestic	87	95	+8
Overseas	88	103	+15
Total	175	198	+23

Domestic +8 : +7 [Paperbag manufacturing companies], +1 [Energy business company]

Overseas +15 : +5 [Paperbag manufacturing companies], +3 [Functional materials business companies in China],
+5 [Lumber processing companies], +2 [Thermal materials business companies in Malaysia]

Equity Method Affiliates ±0 (overseas +1, (1))

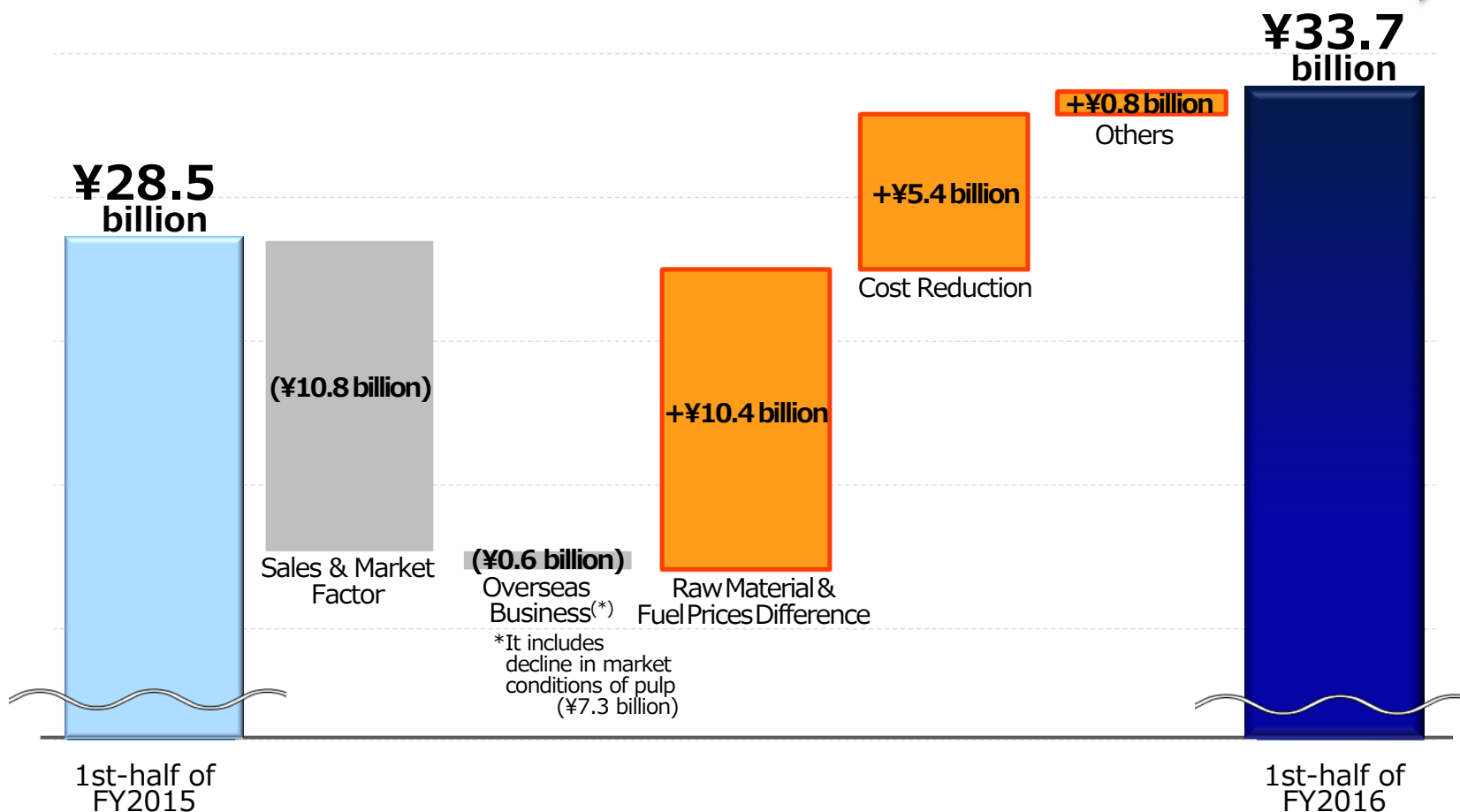
2. Breakdown of Increase/Decrease of Operating Income

[1st-half of FY2015 to 1st-half of FY2016] (consolidated)



Increase of ¥5.2 billion generated by:

- Decline in raw material & fuel prices caused by yen appreciation, etc.
- Continual cost reduction measures



3. Sales and Operating Income by Segment [1st-half of FY2016]

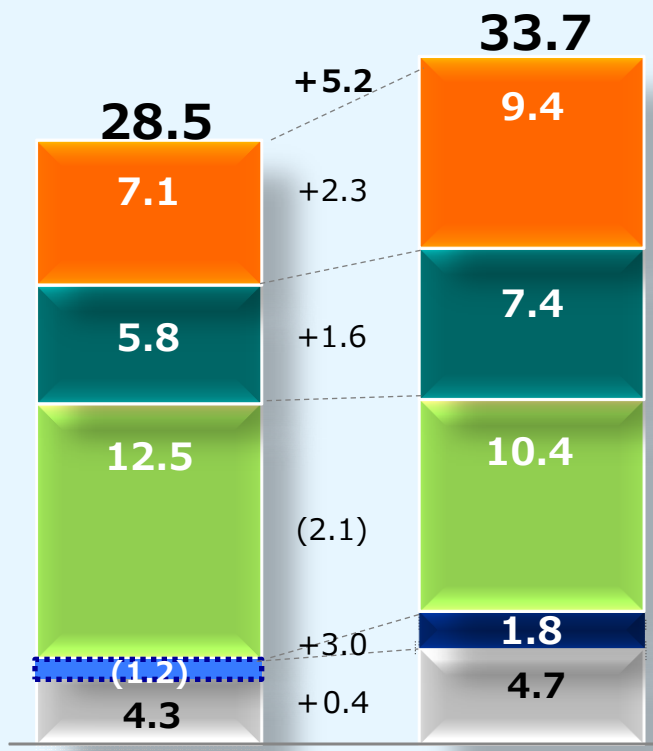
Sales



1st-half of FY2015

1st-half of FY2016

Operating Income



1st-half of FY2015

1st-half of FY2016

(¥billion)

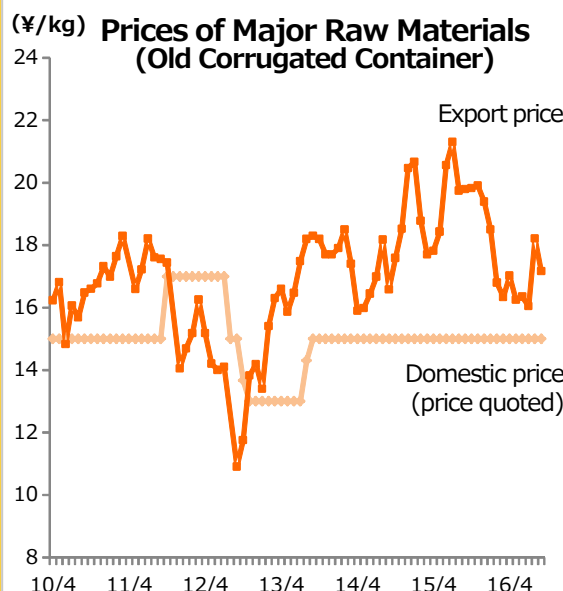
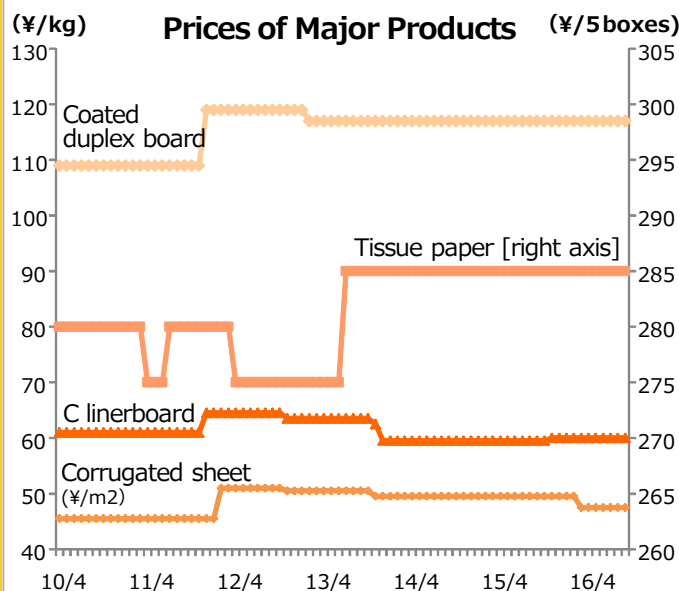
- : Household & Industrial Materials
- : Functional Materials
- : Forest Resources & Environment Marketing
- : Printing & Communications Media
- : Others + Adjustment

4. Analysis of Increase/Decrease of Income by Segment

(1) Household and Industrial Materials

Segment's Results

1st-half of FY2015		➔	1st-half of FY2016		Increase (Decrease)
Sales	Operating Income		Sales	Operating Income	Operating Income
¥300.9 billion	¥7.1 billion		¥301.8 billion	¥9.4 billion	+¥2.3 billion
Domestic	¥2.5 billion		Domestic	¥6.6 billion	Domestic +¥4.1 billion
Overseas	¥4.6 billion		Overseas	¥2.8 billion	Overseas (¥1.8 billion)



Factors behind the income increase (decrease) [+¥2.3 bil.]

- ◆ Domestic Business +¥4.1 bil.
 - Sales/market factor (¥4.1 bil.)
 - Raw material & fuel prices difference +¥4.2 bil.
 - Cost reduction +¥2.8 bil.
 - etc.
- ◆ Overseas Business (¥1.8 bil.)
 - Decrease in yen-converted income due to yen appreciation, etc.; despite stable performance of corrugated containers in Southeast Asia

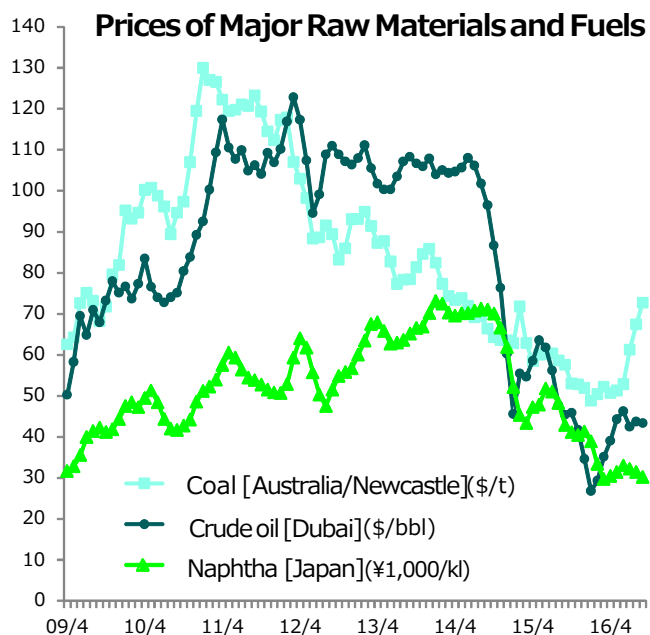
Sales of Major Products (*)			1st-half of FY2015			1st-half of FY2016			Increase (Decrease)			
			Sales Volume 1,000 t (or) million m2 (or) million diapers	Unit Price ¥/kg (or) m2 (or) diapers	Sales Amount ¥ billion	Sales Volume 1,000 t (or) million m2 (or) million diapers	Unit Price ¥/kg (or) m2 (or) diapers	Sales Amount ¥ billion	Sales Volume 1,000 t (or) million m2 (or) million diapers	Year-on Year %	Unit Price ¥/kg (or) m2 (or) diapers	Sales Amount ¥ billion
Paper	Household paper	Domestic	91	228.81	20.8	93	227.32	21.2	2	102.3%	(1.49)	0.3
	Packaging paper	Domestic	125	110.39	13.8	130	100.30	13.0	4	103.5%	(10.09)	(0.8)
Paperboard		Domestic	1,432	64.96	93.1	1,493	63.70	95.1	60	104.2%	(1.26)	2.0
Corrugated sheet & container (million m2)		Domestic & Overseas	1,904	65.01	123.8	1,938	62.02	120.2	33	101.7%	(2.99)	(3.7)
Disposable Diaper (million diapers)		Domestic & Overseas	434	19.45	8.4	436	20.08	8.8	2	100.5%	0.63	0.3

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

4. Analysis of Increase/Decrease of Income by Segment

(2) Functional Materials

Segment's Results	1st-half of FY2015		➔	1st-half of FY2016		Increase (Decrease)	
	Sales	Operating Income		Sales	Operating Income	Operating Income	
	¥109.0 billion	¥5.8 billion		¥103.1 billion	¥7.4 billion	+¥1.6 billion	
	Domestic ¥3.9 billion			Domestic ¥5.1 billion	Domestic +¥1.2 billion		
	Overseas ¥1.9 billion			Overseas ¥2.3 billion	Overseas +¥0.4 billion		



Factors behind the income increase (decrease) [+¥1.6 billion]

- ◆ Domestic Business +¥1.2 bil.
 - ◆ Overseas Business +¥0.4 bil.
 - Sales/market factor (¥2.2 bil.)
 - Raw material & fuel prices difference +¥1.9 bil.
 - Cost reduction +¥1.2 bil.
 - etc.
- Sales of thermal paper:
-increased in South America and Asia
-decreased in North America

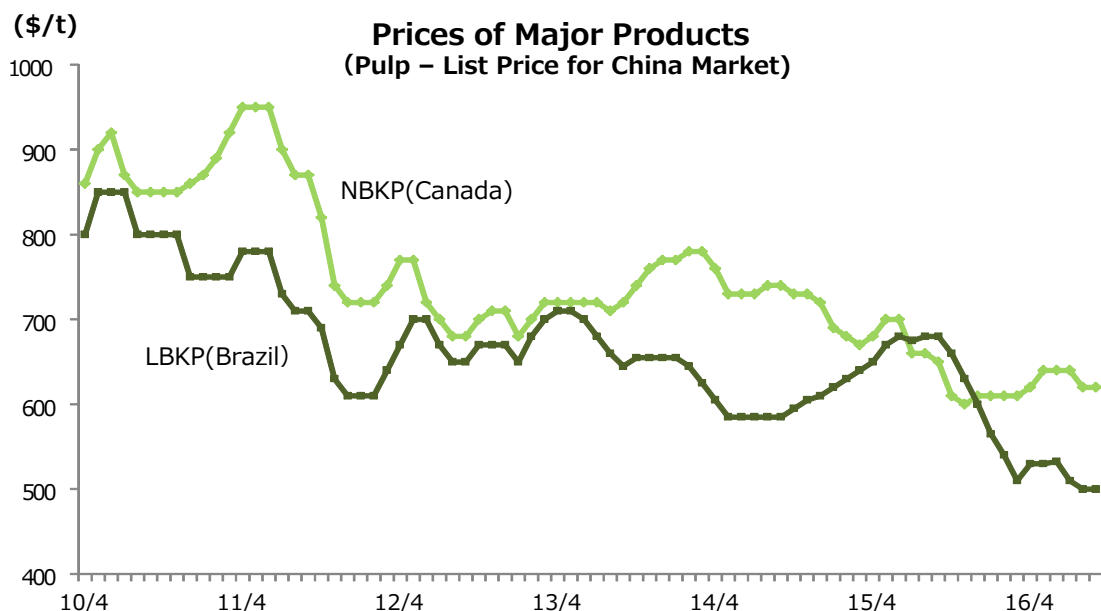
Sales of Major Products (*)		1st-half of FY2015			1st-half of FY2016			Increase (Decrease)			
		Sales Volume 1,000t (or) million m2	Unit Price ¥/kg (or) m2	Sales Amount ¥ billion	Sales Volume 1,000t (or) million m2	Unit Price ¥/kg (or) m2	Sales Amount ¥ billion	Sales Volume 1,000t (or) million m2	Year-on Year %	Unit Price ¥/kg (or) m2	Sales Amount ¥ billion
Thermal paper (million m2)	Domestic & Overseas	1,610	20.82	33.5	1,587	18.64	29.6	(23)	98.6%	(2.18)	(3.9)
Specialty paper	Domestic	86	252.24	21.6	93	234.47	21.7	7	108.5%	(17.78)	0.2

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

4. Analysis of Increase/Decrease of Income by Segment

(3) Forest Resources and Environment Marketing

Segment's Results	1st-half of FY2015		➔	1st-half of FY2016		Increase (Decrease)	
	Sales	Operating Income		Sales	Operating Income	Operating Income	
	¥135.8 billion	¥12.5 billion		¥127.7 billion	¥10.4 billion	(¥2.1 billion)	
	Domestic ¥3.3 billion			Domestic ¥3.9 billion	Domestic +¥0.6 billion		
	Overseas ¥9.2 billion			Overseas ¥6.5 billion	Overseas (¥2.7 billion)		



Factors behind the income increase (decrease) [(¥2.1 billion)]

- ◆ Domestic business +¥0.6 bil.
 - Increase in income of energy business due to start of commercial operation of a new biomass electric power boiler in January 2016
 - Strong export sales of dissolving pulp
- ◆ Overseas business (¥2.7 bil.)
 - Decrease in income of pulp business despite increased sales in China; influenced by declined market conditions

Sales of Major Products (*)		1st-half of FY2015			1st-half of FY2016			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	1,092	67.62	73.8	1,148	53.53	61.5	56	105.2%	(14.09)	(12.4)
(Dissolving pulp)	Domestic	34	100.00	3.4	43	90.21	3.9	9	126.7%	(9.79)	0.5
Electric power	Domestic	410	19.24	7.9	514	20.39	10.5	104	125.3%	1.15	2.6

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

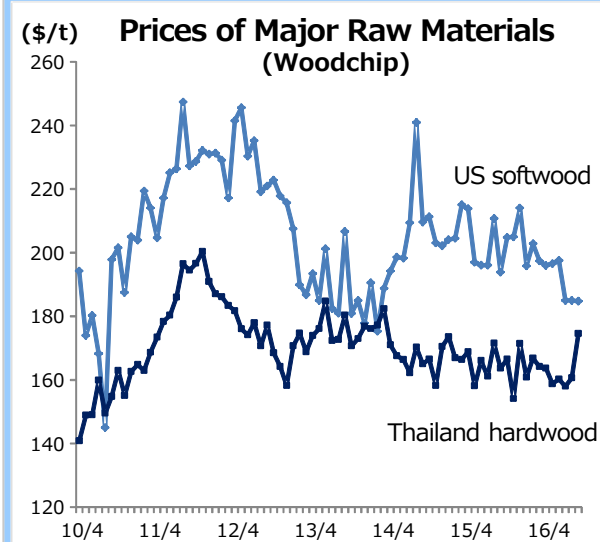
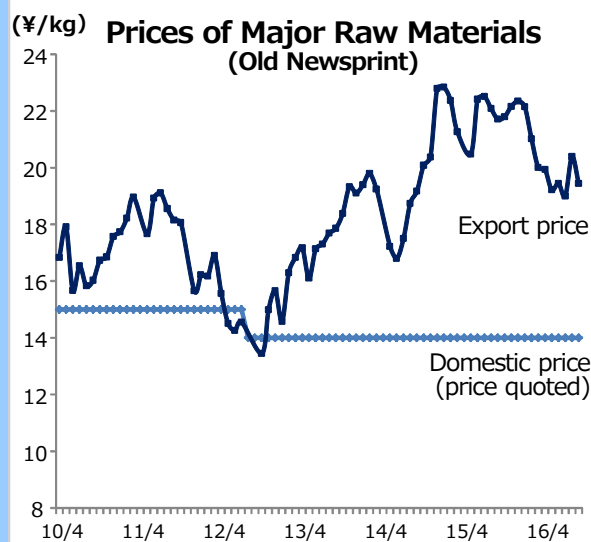
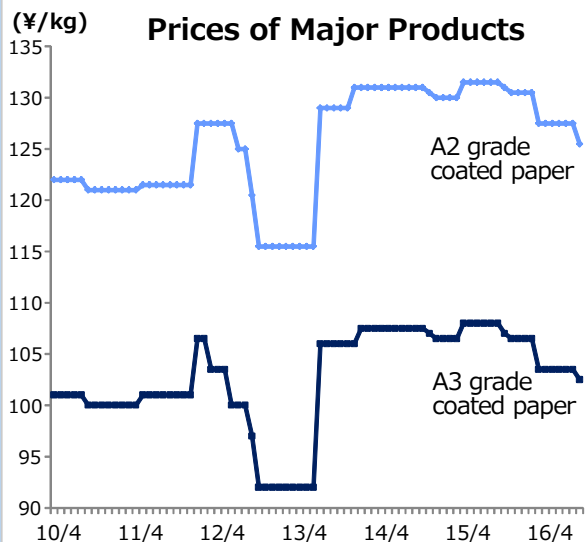
4. Analysis of Increase/Decrease of Income by Segment

(4) Printing and Communications Media

Segment's Results	1st-half of FY2015		➔	1st-half of FY2016		Increase (Decrease)	
	Sales	Operating Income		Sales	Operating Income	Operating Income	
	¥153.5 billion	¥(1.2) billion		¥145.5 billion	¥1.8 billion	+¥3.0 billion	
	Domestic ¥1.8 billion		Domestic ¥1.4 billion	Domestic (¥0.4 billion)			
	Overseas ¥(3.0) billion		Overseas ¥0.4 billion	Overseas +¥3.4 billion			

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

- ◆ Domestic Business (¥0.4 bil.) Sales/market factor (¥4.5 bil.) Raw material & fuel prices difference +¥4.3 bil. etc.
- ◆ Overseas Business +¥3.4 bil. Cost reduction +¥1.1 bil.
- ◆ Overseas Business +¥3.4 bil. Improved sales/income due to continual cost reduction and increased sales of printing paper



Sales of Major Products (*)		1st-half of FY2015			1st-half of FY2016			Increase (Decrease)			
		Sales Volume 1,000 t	Unit Price ¥/kg	Sales Amount ¥ billion	Sales Volume 1,000 t	Unit Price ¥/kg	Sales Amount ¥ billion	Sales Volume 1,000 t	Year-on Year %	Unit Price ¥/kg	Sales Amount ¥ billion
Newsprint, printing & communication paper	Domestic	1,207	110.60	133.5	1,190	107.71	128.2	(17)	98.6%	(2.88)	(5.3)

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



II. FY2016 Financial Forecast

1. Financial Forecast for FY2016

(¥ billion)

	FY2015	FY2016E	Increase (Decrease)
Net Sales	1,433.6	1,410.0	(23.6)
Operating Income	73.7	72.0	(1.7)
Ordinary Income	62.4	50.0	(12.4)
Profit Attributable to Owners of Parent	15.3	33.0	17.7
Depreciation	78.6	72.9	(5.7)
Overseas Sales Ratio	27.8%	26.3%	(1.5%)
Operating Income of Overseas Companies	29.4	19.3	(10.1)
Average Exchange Rate (¥/US\$)	120.1	105.2	(14.9)

*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 circumstances.

Assumptions for FY2016 Financial Forecast

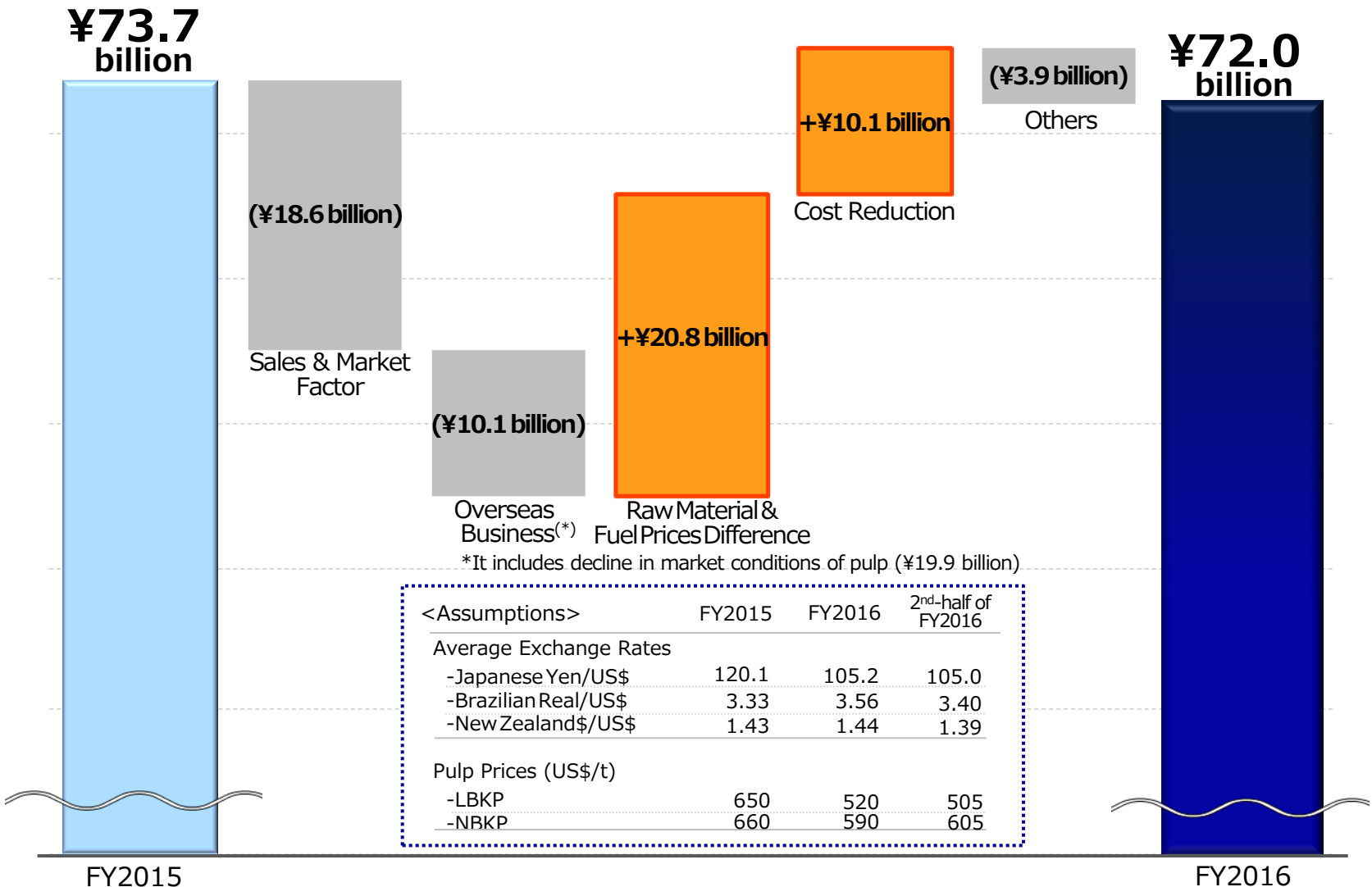
- ◆ Raw Material & Fuel Prices
 - Woodchip : based on current contract
 - Recovered paper : price to remain static at current level
 - Coal : based on current contract
- ◆ Effects of Fluctuation (per annum)
 - Exchange rate Japanese Yen : approx. ¥0.32 billion with a fluctuation of US\$ by 1% (strong US\$ -)
 - Brazilian Real : approx. ¥0.29 billion with a fluctuation of US\$ by 1% (strong US\$ +)
 - New Zealand Dollar : approx. ¥0.56 billion with a fluctuation of US\$ by 1% (strong US\$ +)
 - Price of recovered paper : approx. ±¥4.06 billion with a fluctuation of ¥1/kg
 - Price of Dubai crude oil : approx. ±¥0.26 billion with a fluctuation of US\$1/bbl (heavy oil, bunker, naphtha and others)
 - Price of pulp : approx. ±¥2.2 billion with a fluctuation of US\$10/t (high price +)

2. Breakdown of Increase/Decrease of Operating Income

[FY2015 to FY2016 Forecast] (consolidated)



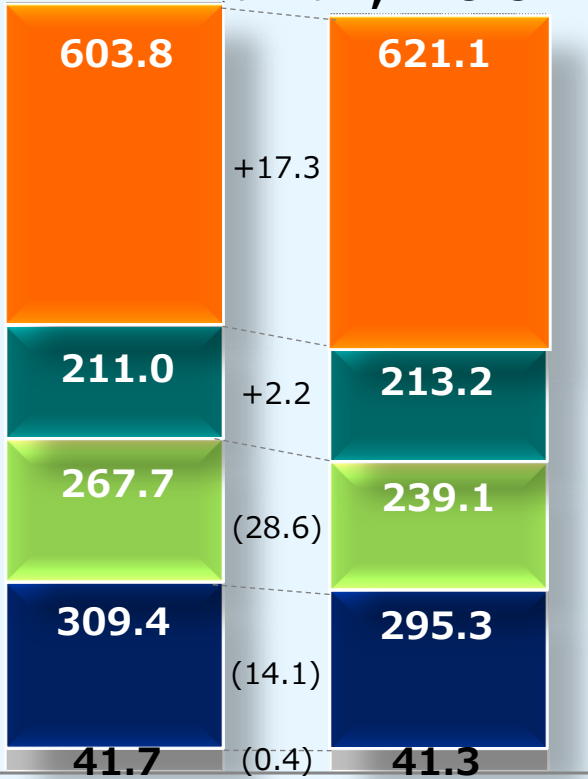
Securing operating income at the same level as FY2015



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

Sales

1,433.6 (23.6) **1,410.0**

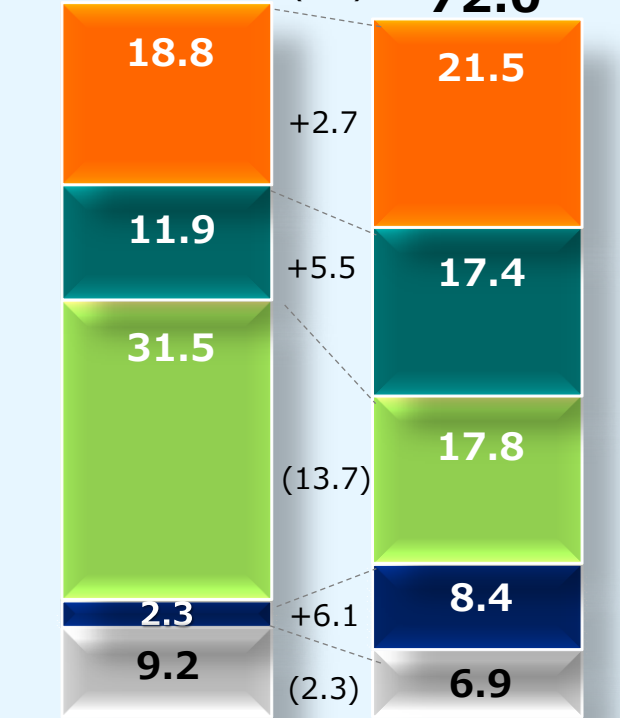


FY2015

FY2016E

Operating Income

73.7 (1.7) **72.0**



FY2015

FY2016E

(¥billion)

- : Household & Industrial Materials
- : Functional Materials
- : Forest Resources & Environment Marketing
- : Printing & Communications Media
- : Others + Adjustment

4. Analysis of Increase/Decrease of Income by Segment

(1) Household and Industrial Materials

Segment's Results	FY2015		FY2016		Increase (Decrease)
	Sales	Operating Income	Sales	Operating Income	Operating Income
	¥603.8 billion	¥18.8 billion	¥621.1 billion	¥21.5 billion	+¥2.7 billion
	Domestic ¥12.5 billion Overseas ¥6.3 billion	Domestic ¥17.5 billion Overseas ¥4.0 billion		Domestic +¥5.0 billion Overseas (¥2.3 billion)	

FY2016 : Factors behind the income increase / decrease

Domestic +¥5.0 billion

◆ Household & Consumer Products Business +¥1.9 billion

Raw material & fuel prices difference	+¥2.2 billion
Increased sales volume of disposable diaper	+¥0.6 billion etc.

Additional Establishment of Disposable Diaper Machines

For babies [tape-type] : 2 machines

- April 2016 Start of commercial operation (Production capability: 135 mil. diapers/yr)
- September 2017 Start of commercial operation (scheduled) (Production capability: 130 mil. diapers/yr)

Total production capability after the start of operation
265 mil. diapers/yr (2 machines)

For babies [pants-type] : 1 machine

- November 2016 Start of commercial operation (Production capability: 180 mil. diapers/yr)

Total production capability after the start of operation
660 mil. diapers/yr (4 machines)

◆ Industrial Materials Business +¥3.1 billion

Raw material & fuel prices difference	+¥6.7 billion
Cost reduction	+¥4.5 billion
Sales & market factor	(¥8.7 billion) etc.

Overseas (¥2.3 billion)

◆ Influences of Exchange Rate Conversion etc.

Expansion of Overseas Packaging Business

- Dazun Paper Industrial Company (Selangor, Malaysia)
→September 2016 Share acquisition

- Oji Myanmar Packaging (Thilawa SEZ, Myanmar)
→November 2016 Start of commercial operation of corrugated container business (scheduled)

- March 2017 Start of commercial operation of flexible packaging & paper cup businesses (scheduled)

- Oji Fibre Solutions
Construction of new corrugated container plant (Queensland, Australia)
→October 2017 Start of commercial operation (scheduled)



Printer



Appearance of the plant



Appearance of the new plant (image)

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	¥213.2 billion	¥17.4 billion	+¥5.5 billion
	Domestic	¥9.3 billion	Domestic	¥12.4 billion	Domestic +¥3.1 billion
	Overseas	¥2.6 billion	Overseas	¥5.0 billion	Overseas +¥2.4 billion

FY2016 : Factors behind the income increase / decrease

Domestic +¥3.1 billion

- ◆ Raw Material & Fuel Prices Difference +¥3.6 billion
- ◆ Cost Reduction +¥2.0 billion
- ◆ Sales & Market Factor (¥2.3 billion) etc.

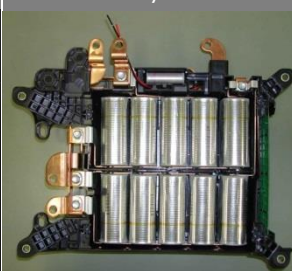
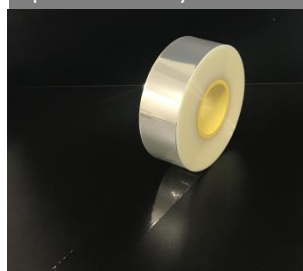
Overseas +¥2.4 billion

- ◆ Overseas Thermal Materials Business +¥2.4 billion
 - Sales & Market Factor +¥3.9 billion
 - Raw Material & Fuel Prices Difference (¥1.7 billion) etc.

Introduction of a Film Product

<Product>
One of the world's thinnest capacitor film for hybrid vehicles

<Application>
Capacitor unit equipped in inverters of hybrid vehicles



Integration of Overseas Thermal Material Manufacturing

Integrated Manufacturing of Adhesive Label Business

Functional Materials' Upstream Business (OPT/OLT)

Functional Materials' Midstream/Downstream Businesses (HRL/TP/OMPC)

<Strengthen Converting Business through Aggressive M&A> (2 cases in Malaysia)

Hyper-Region Labels (HRL)

Printing/converting of labels, etc.
→ May 2016 Share Acquisition (60% of issued stocks)



Tele-Paper (TP)

Printing/converting of thermal/carbonless paper
→ Share Acquisition (scheduled) (40% of issued stocks)



4. Analysis of Increase/Decrease of Income by Segment

(3) Forest Resources and Environment Marketing

Segment's Results	FY2015		→	FY2016		Increase (Decrease)
	Sales	Operating Income		Sales	Operating Income	Operating Income
	¥267.7 billion	¥31.5 billion		¥239.1 billion	¥17.8 billion	(¥13.7 billion)
	Domestic ¥7.3 billion		Domestic ¥8.3 billion	Domestic +¥1.0 billion		
	Overseas ¥24.2 billion		Overseas ¥9.5 billion	Overseas (¥14.7 billion)		

FY2016 : Factors behind the income increase / decrease

Overseas (¥14.7 billion)

- ◆ **Market Condition of Pulp (¥19.9 billion)**
 - Cenibra (¥15.1 bil.)
 - Jiangsu Oji Paper (¥2.6 bil.)
 - Oji Fibre Solutions (¥3.3 bil.) etc.

-Pulp prices are assumed to remain at rock-bottom (at post-Lehman Brothers Shock's levels)

- ◆ **Influences of Exchange Rate Conversion (¥1.8 billion)**
 - Cenibra (¥1.9 bil.) etc.

List Price for China Market

	2015 (Average of Jan.-Dec.)	2016 (Forecast)	FY2016 (Assumption for 2nd-half)	Reference (Current price)
LBKP (Hardwood pulp)	650 US\$/t <i>Decline of 130US\$/t</i>	520 US\$/t	505 US\$/t	520 US\$/t
NBKP (Softwood pulp)	660 US\$/t <i>Decline of 70US\$/t</i>	590 US\$/t	605 US\$/t	590 US\$/t

- ◆ **Sales Volume Difference ¥+5.5 billion**
 - Cenibra ¥+4.6 bil.
 - Jiangsu Oji Paper ¥+1.0 bil. etc.

- ◆ **Cost Reduction ¥+1.6 billion**
 - Cenibra ¥+0.6 bil.
 - Jiangsu Oji Paper ¥+0.8 bil. etc.

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		¥295.3 billion	¥8.4 billion	+¥6.1 billion
	Domestic ¥5.9 billion		Domestic ¥7.5 billion	Domestic +¥1.6 billion		
	Overseas ¥(3.6) billion		Overseas ¥0.9 billion	Overseas +¥4.5 billion		

FY2016 : Factors behind the income increase / decrease

Domestic +¥1.6 billion

- ◆ **Raw Material & Fuel Prices Difference** +¥8.3bil.
- ◆ **Cost Reduction** +¥3.1bil.
- ◆ **Sales & Market Factor** (¥8.1bil.) etc.

Overseas +¥4.5 billion

◆ Jiangsu Oji Paper Nantong Mill (China)

	FY2015 (Result)	FY2016 (Forecast)	Increase/Decrease
Paper	¥(3.6)bil.	¥0.9 bil.	+¥4.5 bil.
Pulp	¥(0.7)bil.	¥(1.3)bil.	(¥0.6bil.)
	¥(4.3)bil.	¥(0.4)bil.	+¥3.9 bil.

- Cost reduction +¥4.2 bil.(*) etc.
- *Incurring of impairment loss in assets for printing & communications media business in 4Q of FY2015 results in decrease of depreciation by ¥2.0 bil.
- Decline in market condition of pulp (¥2.6 bil.)
- Sales volume difference +¥1.0 bil.
- Cost reduction +¥0.8 bil. etc.

Introduction of New Products

- “OK Pixeed Sophia” (Sept. 2016~)
(Printing paper with soft and beautiful reproducibility)
- “OKH-J Off W” (Oct. 2016~)
(Communication paper for full-color IJ digital printing with offset printability)
- “OK Spream” (Nov. 2016~)
(Printing paper suitable both for books and magazines)

Introduction of Facilities of Nantong Mill



➔ Effectively utilize existing facilities to start new businesses (i.e. port transport business)

5. Influences of Changes in External Environment

(¥billion/year)

			Household & Industrial Materials	Functional Materials	Forest Resources & Environment Marketing	Printing & Communications Media	Total
Influence from:							
Changes in exchange rates		Assumed exchange rates for 2nd-half of FY2016					
US\$-based transactions <i>(US\$ stronger by 10%)</i>	Japanese Yen (JPY)	105 JPY/USD	↓	→	→	↓	(4.4)
	Brazilian Real (BRL)	3.4 BRL/USD	→	→	↑	→	+2.9
	New Zealand Dollar (NZD)	1.39 NZD/USD	↑	→	↑	→	+5.6
Conversion of income in foreign currency to ¥ <i>(¥ weaker by 10%)</i>	US Dollar (USD)	105 JPY/USD	↑	↑	↑	→	+1.2
	Brazilian Real (BRL)	30.9 JPY/BRL	→	↑	→	→	+0.2
	New Zealand Dollar (NZD)	75.5 JPY/NZD	↑	→	↑	→	+0.6
Changes in pulp prices (US\$10/t stronger)			↓	↓	↑	↓	+2.2

+ : Improve
(-) : Worsen

Cope with changes in exchange rates and pulp prices by leveraging on the Group's globalized and diversified collective strengths



Ⅲ. Topics

1. Expansion of Overseas Disposable Diaper Business

In Southeast Asia

From Japan to China

Manufacture products that suit local consumption standards, and strategically strengthen sales by leveraging on our rich business experiences, knowledge of local area, and synergies with local partners

Improve product quality using cutting-edge technologies as well as increase exports of high-quality products

Malaysia

- Jan. 2015 Share acquisition of People & Grit
- Apr. 2016 Start of commercial operation of Oji Asia Household Product (OAHP)
- Sales within Malaysian market
- Export and sales expansion from Malaysia to Southeast Asia and India (sales already started in Vietnam, Cambodia and Myanmar)



Appearance of OAHP's factory



Strengthening of sales using advertisement (Left: largest department store in Myanmar, Right: retail store in Cambodia)



Tape-type disposable diaper for export

People & Grit
OAHP

Oji Indofood
JV Company



Made-in-Malaysia pants-type disposable diaper (OAHP)

Expansion of Exports to China

Seeing a strong preference for "made-in-Japan" products in China, expand sales nationwide by increasing the number of distributors

Speed up expansion via establishing a dedicated sales marketing team

Consider local manufacturing of high-quality products



Display at a store

Indonesia

Nov. 2016
Oji Indofood JV Company (JV business company with Salim Group)

→ Sales within Indonesian market

Sales in the form of individual packaging for the local average consumers



3. Cellulose Nano-fiber(CNF)



Development of Manufacturing Technologies

- Oji's unique technology "**phosphate esterification**" has enabled development of a production process that requires a lower amount of energy to refine pulp
- Oji has succeeded in developing **the world's first 3 forms of CNF** and will utilize different features of each to develop various applications

<Continuous Transparent Sheet>
 The world's first & Oji's unique technology

[Features]
 -Transparency and flexibility (≈glass)
 -Strength and dimensional stability (≥ plastic)

<Slurry>

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

<Wet Powder>

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

Verification & Application Development for Commercialization

November 2016

Start of operation of Manufacturing Demonstration Facility of CNF (Slurry)

- Location: Oji Paper Tomioka Mill
- Production Capability: 40t/yr

2nd-half of FY2017

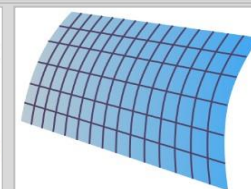
Start of operation of **the World's First Manufacturing Demonstration Facility of CNF (Continuous Transparent Sheet)**

- Production capability: 250,000 m²/yr (at first)
 (will be expanded to 1,000,000 m² in the future)

Expand the scope of sample offering to users all over the world, to actively promote application development and to establish mass production technologies



Reinforcing materials for plastic



Flexible organic EL/solar electric power generation panels



Strong and flexible display panels



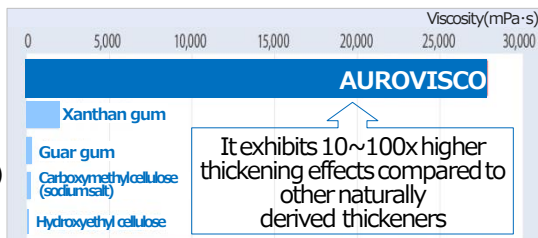
Highly functional minute Nano-filters

Decided to launch the CNF Thickener "AUROVISCO"

◆ Time of launch : April 2017 (scheduled)

◆ Features :

- High viscosity (highly effective with small amount)
- Thixotropic nature (becomes smooth once applied with force)
- High transparency
- Natural materials (additionally, only safe chemicals are used)



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



IV. Group Management Targets

1. Business Plan (1) Numerical 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

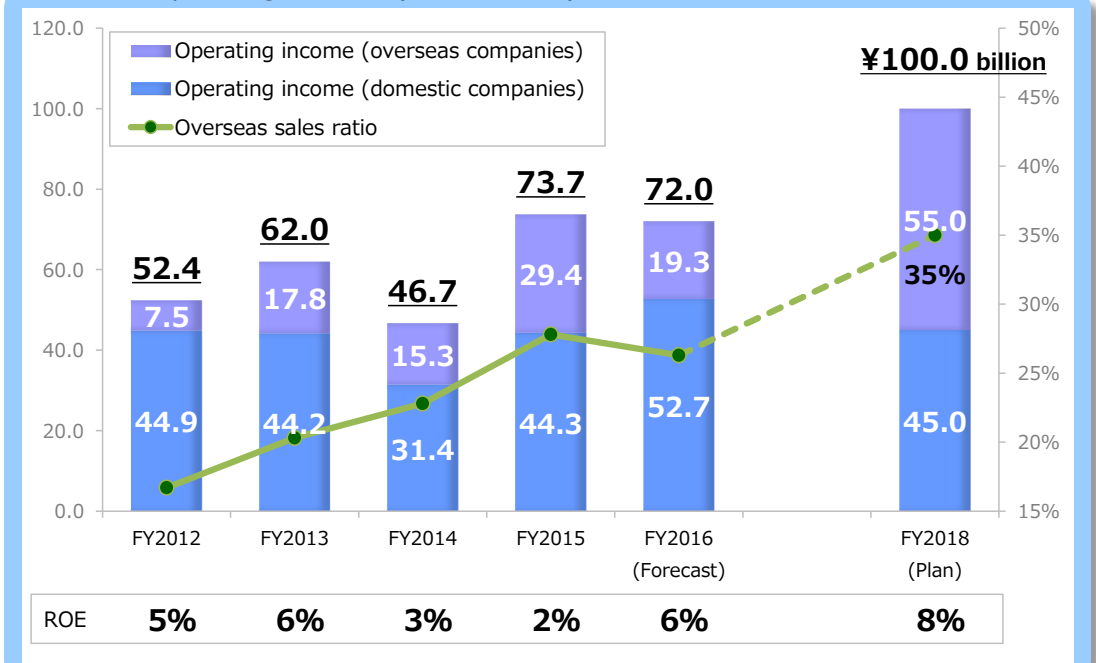
Concentration / Advancement of Domestic Businesses

Enhancement of Financial Foundation

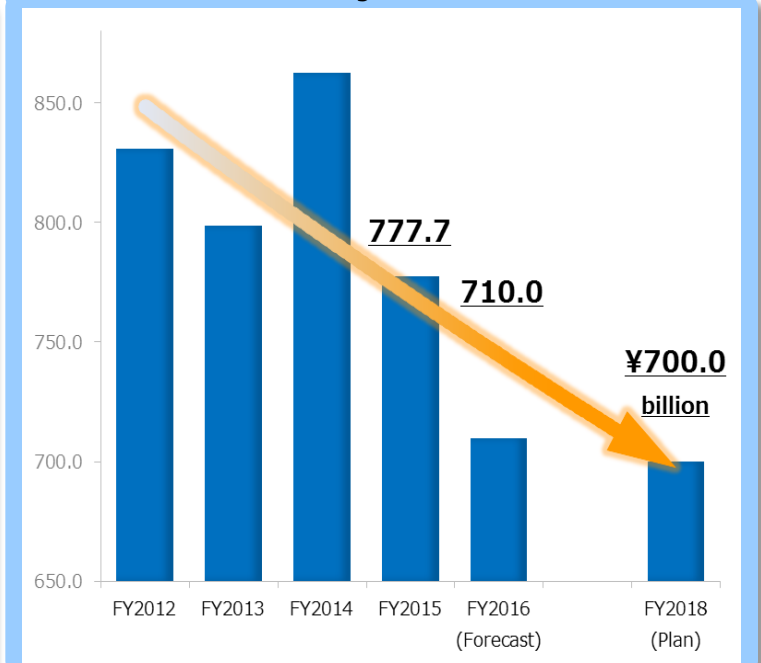
Numerical Management Targets FY2018

Operating Income (consolidated)	¥100.0 billion
Overseas Sales Ratio	35% (Future target 50%)
Interest-bearing Debt	¥700.0 billion (At the end of FY2016 ¥710.0 billion)
ROE	8%

Trends of Operating Income (consolidated)



Trends of Interest-bearing Debt

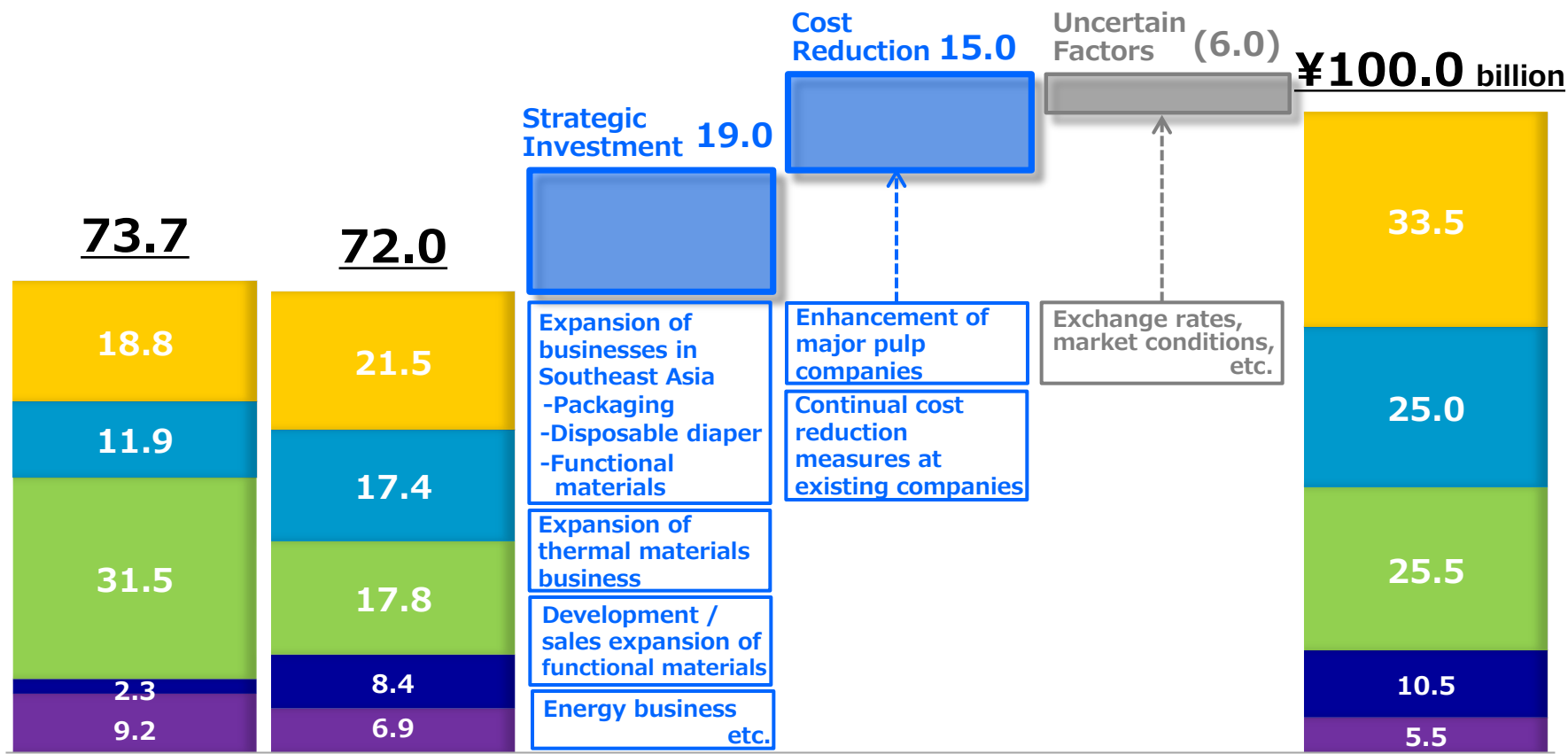


1. Business Plans

(2) Targets for Operating Income by Business Segment



Achieve ¥100.0 billion operating income with strategic investments and cost reductions, even though it is assumed that pulp prices will remain at rock-bottom



FY2015
(Result)

FY2016
(Forecast)

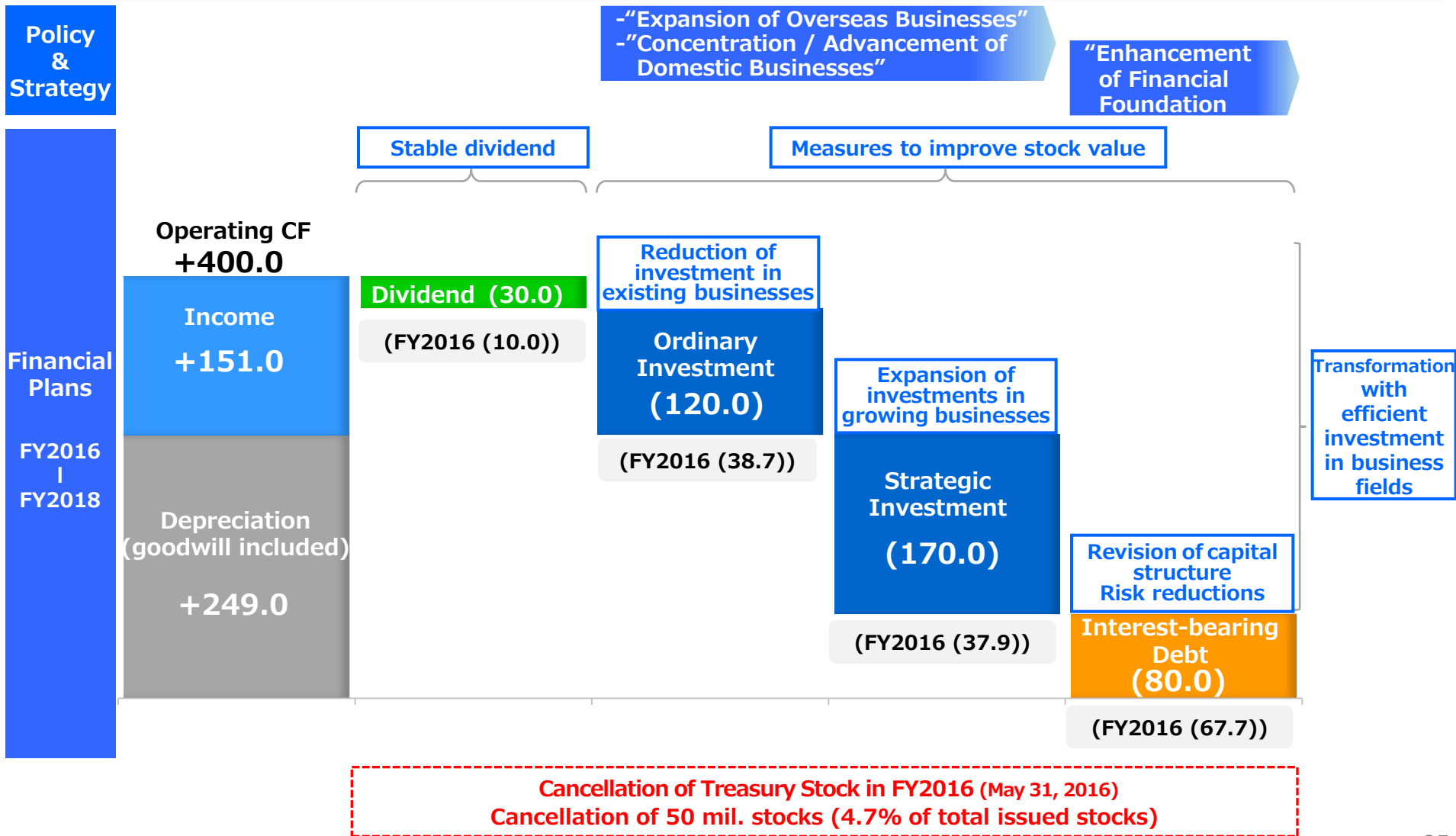
Breakdown of Difference

FY2018
(Plan)

*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

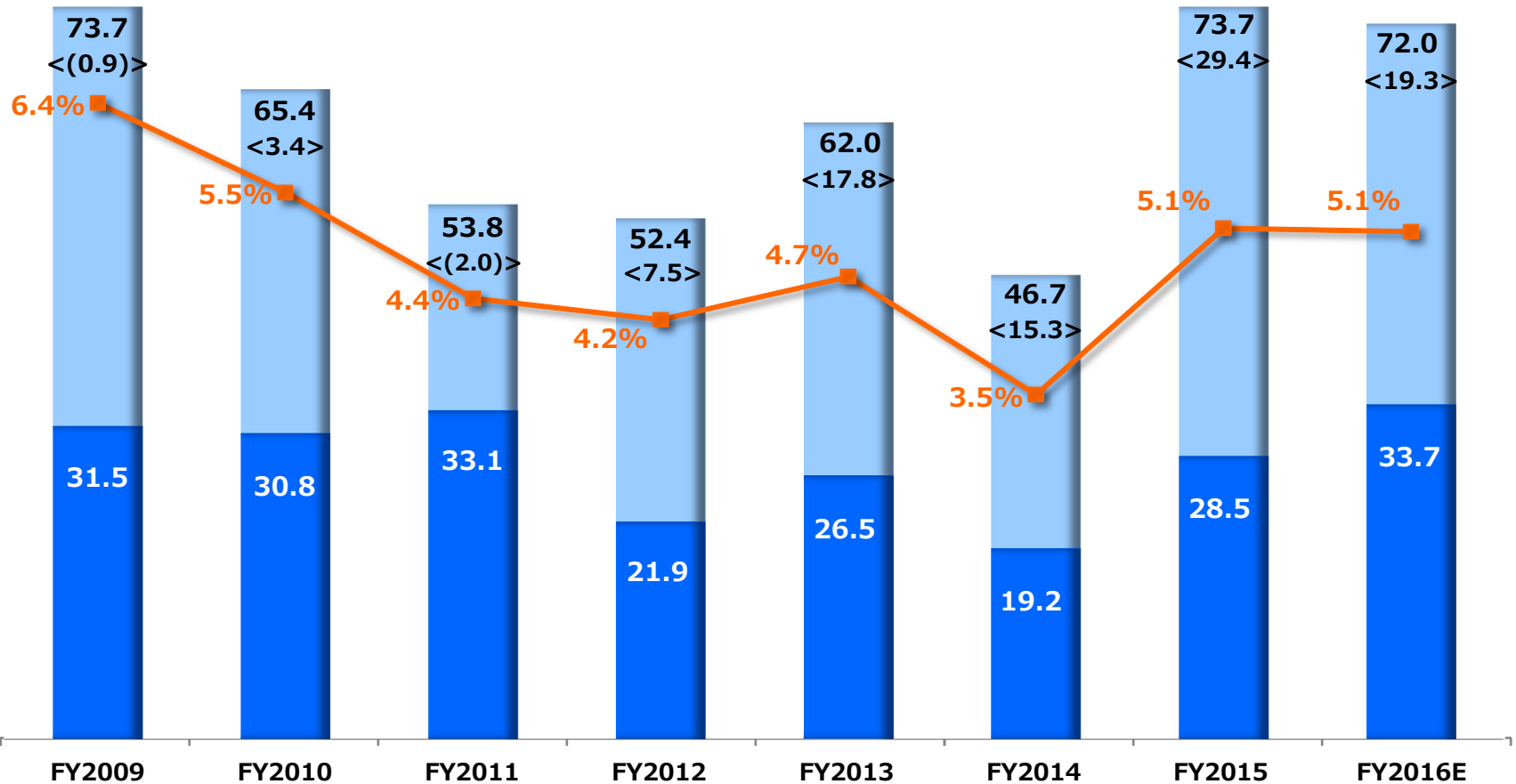




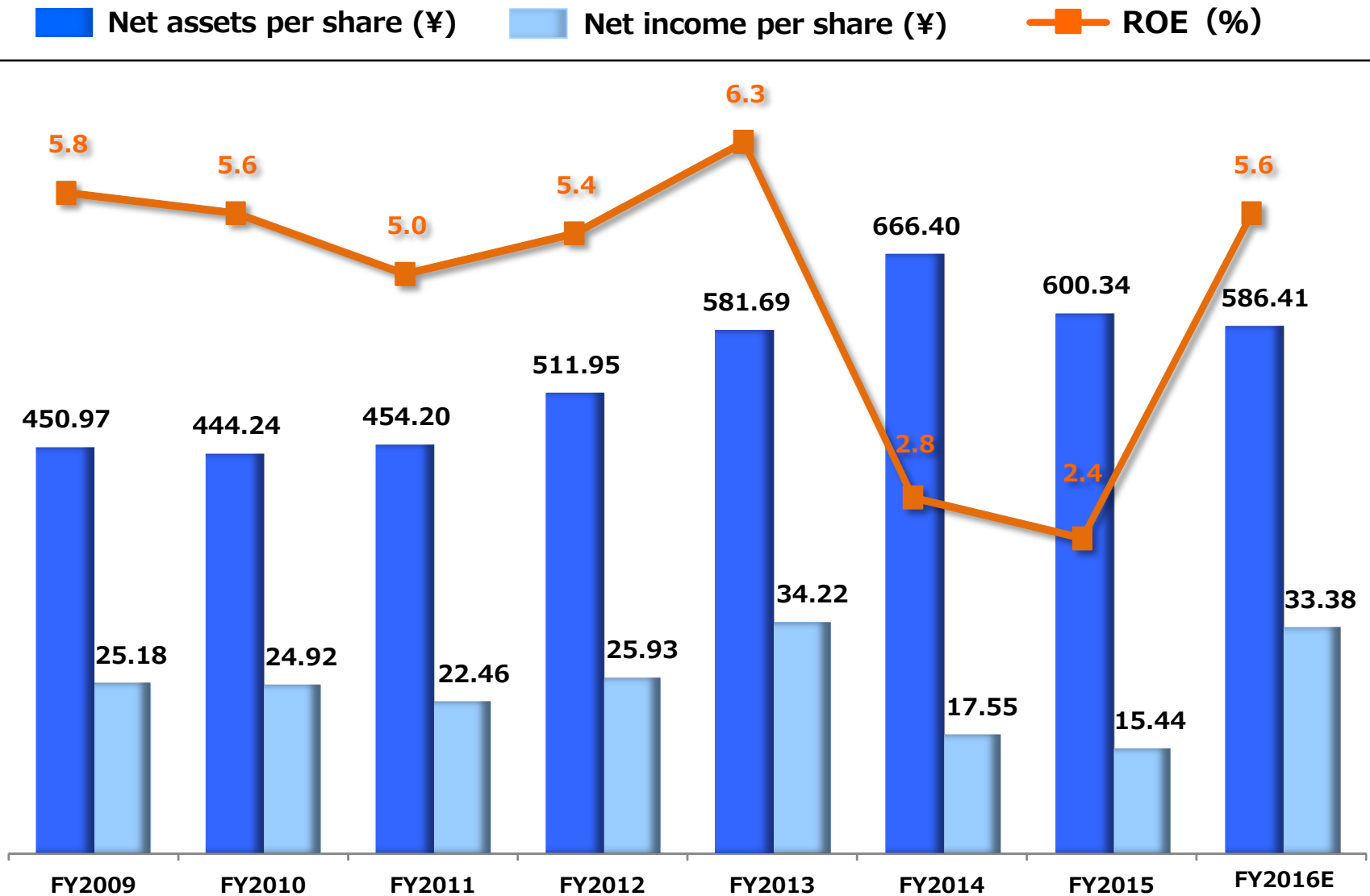
<Reference Materials>

Trends of Operating Income (consolidated)

■ Operating income <Overseas companies>
 ■ Operating income of 1st-half of FY
 —■— Operating income margin (¥ billion)



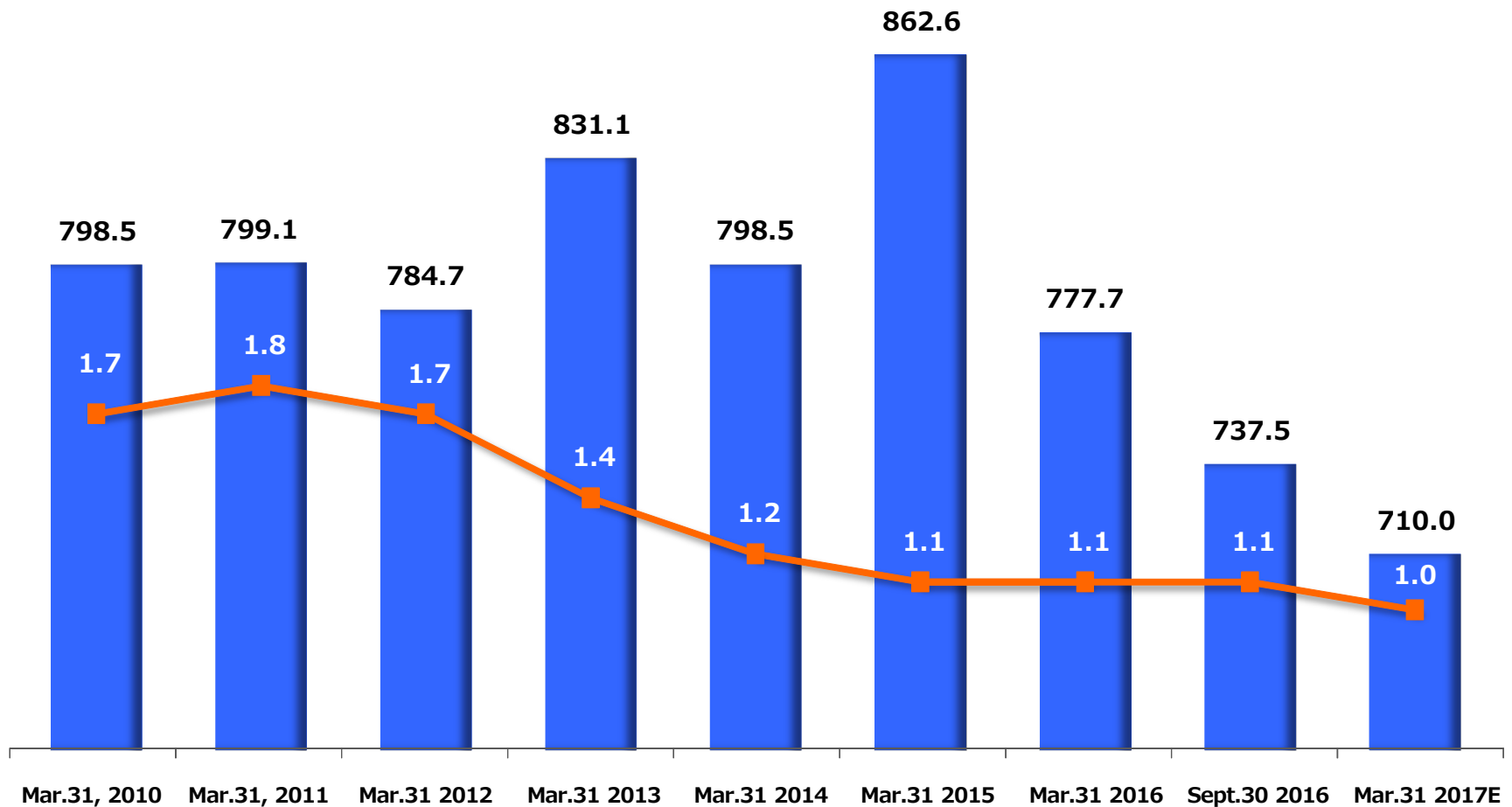
Trends of Return on Equity (ROE)



Trends of Interest-bearing Debt (consolidated)

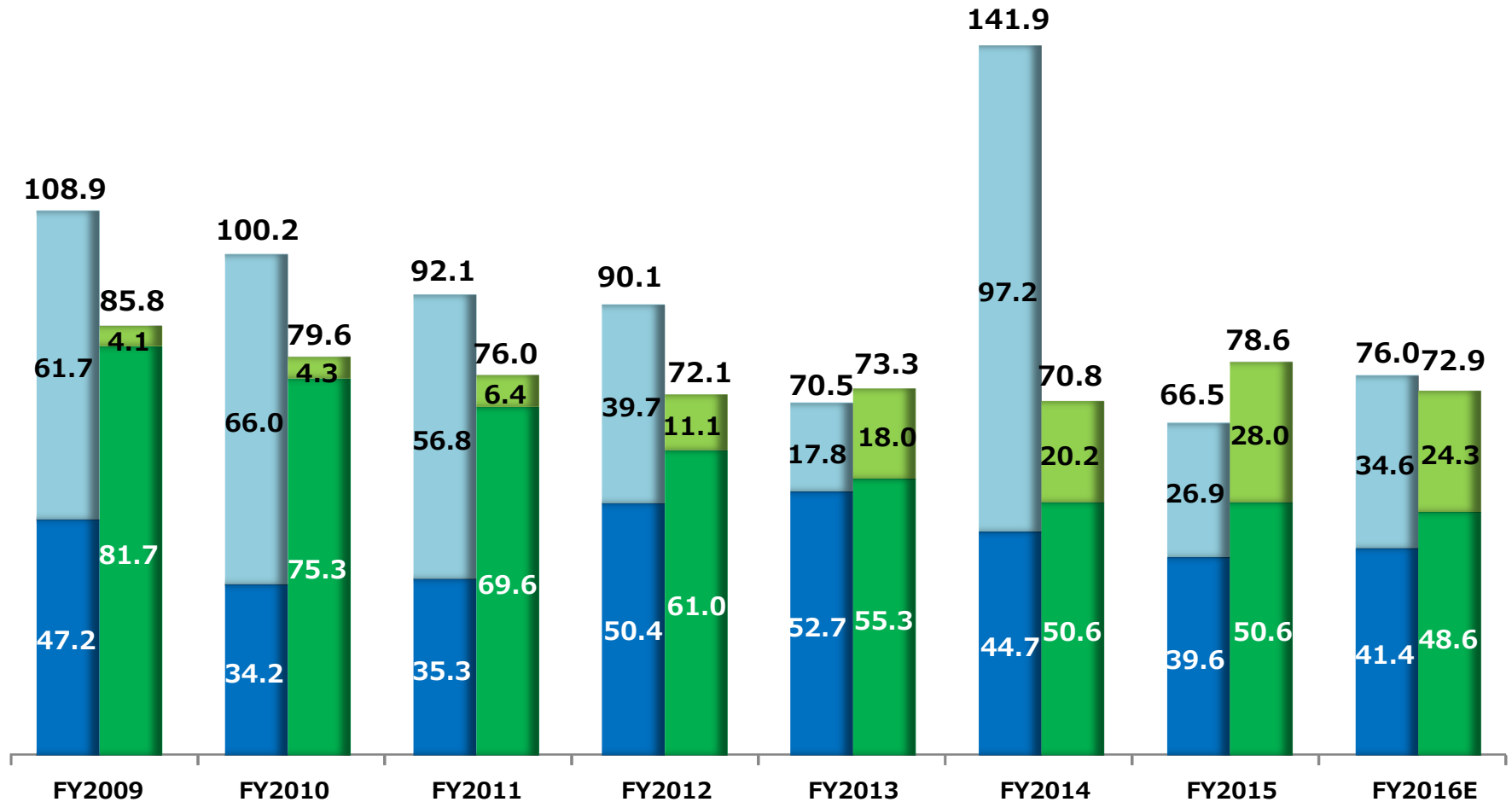
Consolidated interest-bearing debts (¥billion)

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)

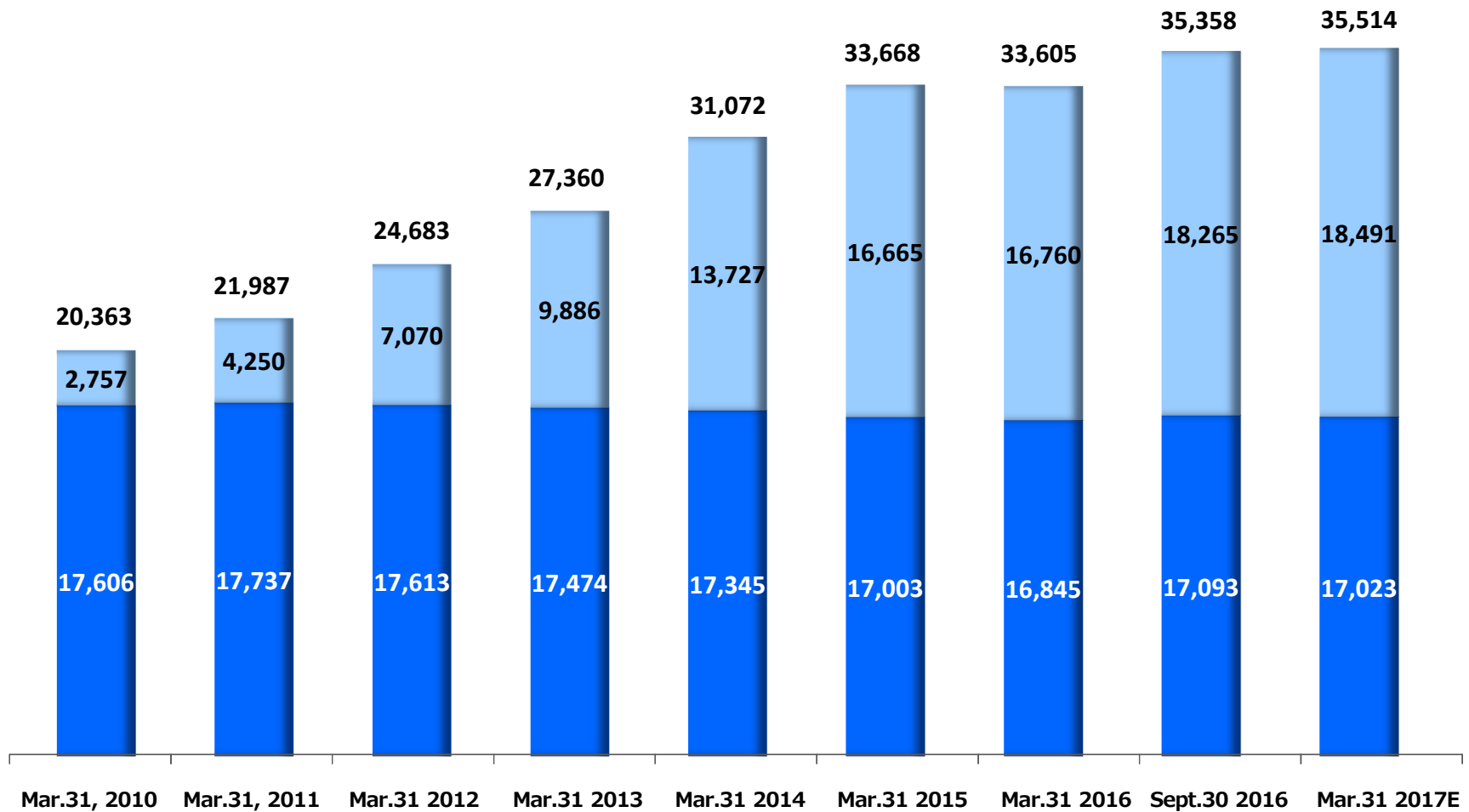


Employees [Domestic] (consolidated)

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	4,498	102.0%	22	78.5%	4,520	101.8%
Boxboard	762	101.3%	126	99.2%	888	101.0%
Other Paperboard	312	99.8%	12	79.0%	324	98.9%
Paperboard Total	5,572	101.8%	160	94.1%	5,732	101.5%
Sanitary Paper	889	104.0%	94	104.4%*2	984	104.1%
Packaging Paper	350	99.1%	3	73.5%	354	98.8%
Newsprint	1,435	97.0%	7	39.8%	1,442	96.3%
Printing/Communications Paper	3,698	99.5%	498	83.3%	4,196	97.3%
Miscellaneous Paper	348	97.1%	10	105.3%	358	97.3%
Paper Total	6,721	99.4%	612	85.1%	7,333	98.0%
Paperboard and Paper Total	12,293	100.5%	771	86.8%	13,065	99.5%

(million m2)

Corrugated Containers *3	7,031	101.7%			7,031	101.7%
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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 2016 - September 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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