

Notice Regarding Impairment Loss Incurred by Chinese Subsidiary, Recording of Extraordinary Income, and Revision of Consolidated Forecasts

Oji Holdings Corporation (“the Company”) would like to announce that Jiangsu Oji Paper Co., Ltd. (“Jiangsu Oji”), a subsidiary of the Company, is expected to incur an impairment loss and that the Company and subsidiaries of the Company are expected to record some extraordinary incomes by gain on sale of investments securities and gain on securities contributed to a retirement benefit trust.

As a consequence of the above, The Company would also like to announce that the Company has revised its consolidated forecasts for the fiscal year ending March 2016 which was released on November 10, 2015.

1. Impairment loss in Jiangsu Oji

Printing paper in China market is, same as other material businesses, sluggish because of an excessive supply as a result of a series of capacity investment expected rapid growth, and a downturn in consumption with a stagnant economy and a change in demand structure. Printing and Communication Media business in Jiangsu Oji is in harsh conditions. Under these circumstances, in accordance with accounting standards, Jiangsu Oji revaluated its assets and is expected to incur an impairment loss about 3 billion yuan (55.1 billion yen at 18.36 yen / yuan) in assets for Printing and Communication Media business.

The amount above is based on currently available information and assumptions. Actual amount of loss may differ by accounting closing procedures from now. The Company will promptly disclose such information when determined.

The Company will record this impairment loss in extraordinary losses on its consolidated financial statements in the fourth quarter of the fiscal year ending March 2016.

2. Sale of investments securities

To improve the efficiency of the assets and strengthen financial structure, the Company and subsidiaries of the Company sold a part of investments securities. And a consolidated extraordinary income by gain on sale was recorded as below.

(1) Details of sales of investment securities

Four listed securities owned by the Company and subsidiaries of the Company

(2) Date of sales of investment securities

From November 30, 2015 to February 2, 2016

(3) Gain on sales

15.6 billion yen

(8.2 billion yen of these was recorded as an extraordinary income in the third period of the fiscal year ending March 2016.)

3. Establishment of a retirement benefit trust

The Company's Board of Directors, on February 4, 2016, passed a resolution that Oji Paper Co., Ltd., a subsidiary of the Company, will contribute some listed issues to a retirement benefit trust for the purpose of improving finances of accrued retirement benefits and the usage of securities held.

(1) Period of establishment of a retirement benefit trust

Until March 31, 2016

(2) Amount of establishment of a retirement benefit trust

About 16 billion yen at market value (The amount will differ because of the stock prices on the establishment day(s))

(3) Impact to its consolidated results

About 15 billion yen will be recorded as a gain on establishment of a retirement benefit trust in the fourth quarter of the fiscal year ending March 2016.

4. Future prospects

(1) Consolidated Forecasts for the fiscal year ending March 2016 (April 1, 2015 to March 31, 2016)

(millions of yen)

	Net Sales	Operating Income	Ordinary Income	Profit attributable to owners of parent	Net Income per share
Forecast previously announced (A)	1,530,000	70,000	65,000	34,000	yen 34.40
Revised forecast (B)	1,530,000	70,000	65,000	25,000	25.29
Change (B-A)	-	-	-	(9,000)	-
Rate of change (%)	-	-	-	(26.5)	-
(Ref.) Results for the year ending March 31, 2015	1,347,281	46,694	52,970	17,344	17.55

(2) Reasons for revision

The Company has revised its consolidated forecasts released on November 10, 2015 reflecting the impairment loss, the extraordinary incomes, and recent financial and business trends.

(Note) Above mentioned forecast is based on currently available information and assumptions that Oji Holdings Corporation deems to be reasonable. Actual results may differ from the forecast as a result of various factors.

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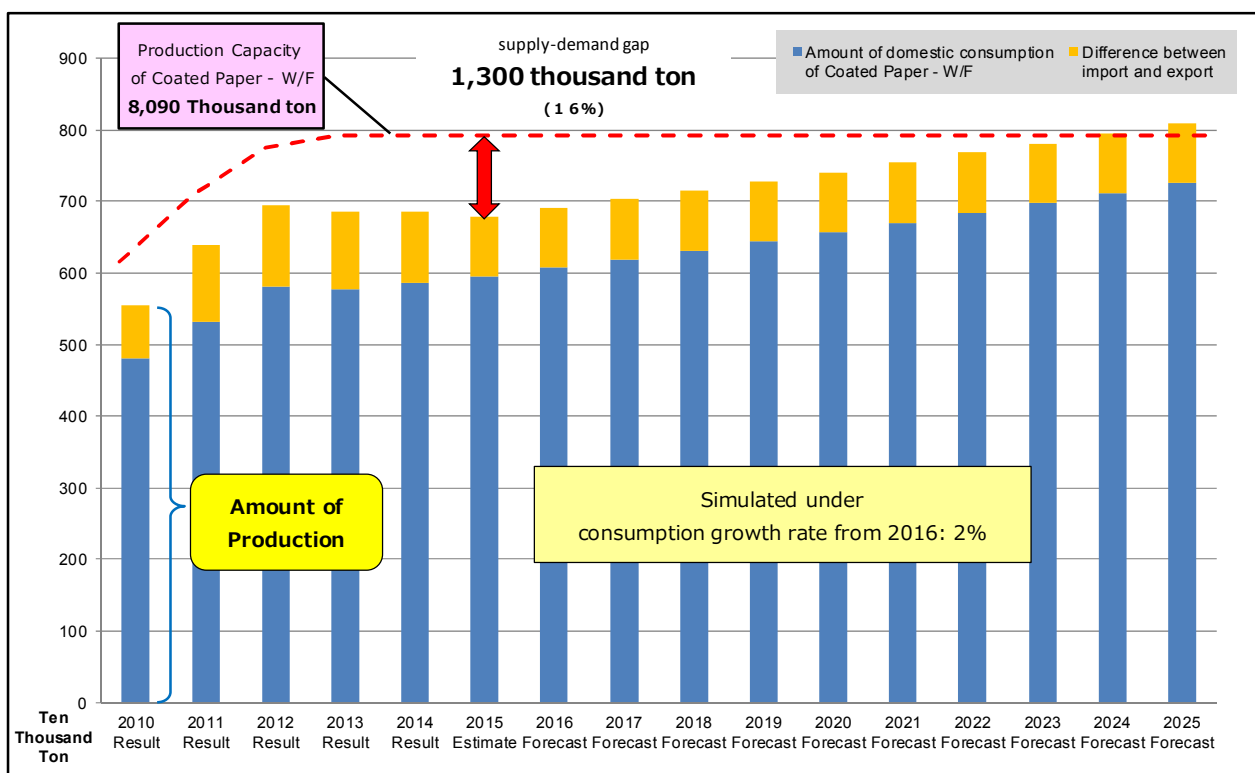
(Ref.)

1. Trend of Consumption of Paper and Paperboard in China
(by CHINA PAPER ASSOCIATION)

(Unit: ten thousand ton, %: year-on-year)

	2010		2011		2012		2013		2014	
Newsprint	423	-8.2%	389	-8.0%	393	1.0%	362	-7.9%	321	-11.3%
Uncoated Printing & Writing Paper	1,590	6.2%	1,687	6.1%	1,684	-0.2%	1,627	-3.4%	1,629	0.1%
Coated Paper	549	18.6%	599	9.1%	638	6.5%	623	-2.4%	625	0.3%
(Coated Paper - Woodfree)	480	20.3%	532	10.8%	581	9.2%	577	-0.7%	587	1.7%
Household Paper	567	7.2%	674	18.9%	731	8.5%	734	0.4%	759	3.4%
Wrapping Paper	612	4.3%	632	3.3%	655	3.6%	650	-0.8%	665	2.3%
White Board/Box Board	1,254	8.1%	1,322	5.4%	1,379	4.3%	1,310	-5.0%	1,301	-0.7%
Linerboard	1,946	7.6%	2,073	6.5%	2,157	4.1%	2,106	-2.4%	2,240	6.4%
Corrugating Medium Board	1,889	7.5%	1,991	5.4%	2,027	1.8%	2,013	-0.7%	2,152	6.9%
Specialty Paper & Paperboard	164	13.9%	179	9.1%	183	2.2%	188	2.7%	205	9.0%
Other Paper & Paperboard	179	11.2%	206	15.1%	201	-2.4%	169	-15.9%	174	3.0%
Total	9,173	7.0%	9,752	6.3%	10,048	3.0%	9,782	-2.6%	10,071	3.0%

2. Forecast of Supply-demand Balance of Coated Paper - Woodfree in China



*The results from 2010 to 2015 : by CHINA PAPER ASSOCIATION

*The Forecast from 2016 to 2025: Simulated under consumption growth rate = 2%,
difference between import and export is same level as 2015

*Production capacity was calculated by Oji

(Unit: Ten Thousand Ton)

	2010 Result	2011 Result	2012 Result	2013 Result	2014 Result	2015 Forecast	2016 Forecast	2017 Forecast
a Domestic Consumption	480	532	581	577	587	595	607	619
b Export	113	138	141	132	124	110	110	110
c Import	38	30	27	24	26	26	26	26
d Difference between import and export(b-c)	75	108	114	108	98	84	84	84
e Production (a+d)	555	640	695	685	685	679	691	703
f Production Capacity	620	720	790	809	809	809	809	809
g Demand-supply Gap (f-e)	65	80	95	124	124	130	118	106

3. Trend of Market Conditions of Paper in China

Index : Market price index investigated by Oji (2010 Q1=100)

