

**Summary of Consolidated Financial and Business Results**  
**for the First Half of the Year Ending March 2013**

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(All yen figures are rounded down to the nearest one million yen)

**1. Results for the First Half of the Year Ending March 31, 2013 (April 1, 2012 - September 30, 2012)**  
**(Unaudited)**

(1) Consolidated Business Results

(Figures shown in percentage are ratios compared to the previous year)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First Half of FY2012	604,662	(1.1)	21,893	(33.9)	17,045	(27.5)	8,421	(29.8)
First Half of FY2011	611,411	6.9	33,101	7.5	23,525	(14.5)	12,005	(9.9)

Note: Comprehensive income First Half of FY2012 6,068 million yen (-52.3%) First Half of FY2011 12,732 million yen (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
First Half of FY2012	8.53	8.53
First Half of FY2011	12.15	12.14

(2) Consolidated Financial Condition

	Total assets	Net assets	Net worth/total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
First Half of FY2012	1,806,571	515,301	24.9	455.58
Year ended March 2012	1,634,992	463,299	27.4	454.20

Note: Shareholders' equity First Half of FY2012 449,803 million yen FY2011 448,308 million yen

**2. Dividend Conditions**

(Basic Date)	Dividend per stock				
	End of 1Q	End of 2Q	End of 3Q	End of FY	Yearly
FY2011	—	5.00	—	5.00	10.00
FY2012	—	5.00			
FY2012 (Forecast)			—	5.00	10.00

Note : Change in forecast of dividend ... None

**3. Consolidated Forecasts for the Year Ending March 2013 (April 1, 2012 - March 31, 2013)**

(Figures shown in percentage are ratios compared to the previous year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Yearly	1,260,000	3.9	58,000	7.8	50,000	3.4	22,000	(0.8)	22.28

Note : Change in consolidated forecasts ... No



## Qualitative Information Concerning Business Performance

### Overview of the first half of FY2012

During the first half of FY2012, Japanese economy showed a recovery trend thanks to reconstruction demand from Tohoku Region Pacific Coast Earthquake ("the Earthquake"), but it still remained uncertain affected by financial crisis in Europe, negative impact of high yen and slowdown of world economy.

In pulp and paper industry, demand for general papers was sluggish affected by negative impact of high yen and increase of import papers due to weakened demand and supply in Chinese market, and demand for paperboards and packaging papers were also sluggish around industrial paper.

Oji Group is still making an overseas investment, and as part of this process, established a subsidiary in India and turned a pulp production company in Brazil into our consolidated company.

In existing business, we reorganized production system to promote efficient production, drove forward the cost reduction drastically around the fixed cost.

Factors above has lead to the results shown below.

Results for the first half (April 1, 2012 - September 30, 2012) were as follows

Consolidated net sales:	¥604,662 million (1.1% decrease)
Consolidated operating income:	¥21,893 million (33.9% decrease)
Consolidated ordinary income:	¥17,045 million (27.5% decrease)
Consolidated net income:	¥8,421 million (29.8% decrease)

On October 1, for the enhancement of management efficiency, clarification of management responsibility in each business and acceleration of decision-making, Oji Paper Co., Ltd. ("Oji Paper") made the transition to a pure holding company structure. On the same day, Oji Paper transferred its businesses including the boxboard and packaging papers business, the newsprint business, the printing and writing paper business, the imaging media business, the pulp business and the forest resources and environment marketing business and businesses relating to procurement of raw fuel and materials, and its indirect divisions through a company split to its wholly owned subsidiaries Oji Paperboard Co., Ltd., Oji Paper Company Split Preparation Co., Ltd., Oji Imaging Media Co., Ltd., Oji Green Resources Co., Ltd., Oji Management Office Inc., Oji Packs Partners Co., Ltd., and Oji Functional Materials Progressing Center Inc (hereinafter, this company split will be referred to as "the Company Split").

In line with the Company Split, Oji Paper's trade name was changed to Oji Holdings Corporation, and among the successor companies, the trade names of Oji Paperboard Co., Ltd. and Oji Paper Company Split Preparation Co., Ltd. were changed to Oji Materia Co., Ltd. and Oji Paper Co., Ltd., respectively.

Sales overview is as follows.

#### ○Pulp and Paper business

##### •Paperboards

Containerboards sales decreased affected by sluggish movement of demand for green grocery and other general demand, in spite of healthy sales movement of beverage.

Domestic sales of high-grade paperboards, specialty paperboards, and coated white lined boards were less than that of the previous year due to decrease of demand.

##### •Packaging Papers

Export sales of packaging papers increased due to steady demand in Asian market, however, domestic sales decreased due to sluggish demand and total sales was less than that of the previous year as a result.

##### •General Papers

Domestic sales of newsprint was the same level as the previous year and export sales decreased.

Domestic sales of printing paper decreased due to sluggish movement of demand and increase of import papers. Export sales remained static.

##### •Miscellaneous Papers

Sales of miscellaneous papers decreased affected by slump in export industry due to slowdown of world economy and reconstruction demand from the Earthquake.

#### ○Converted Paper business

##### •Corrugated Containers (Corrugated Sheets and Boxes)

Although sales of packaged food was steady around beverage, sales of corrugated sheets and boxes decreased affected by sluggish demand for green grocery and influences of production base relocation in electric appliance industries.

##### •Others ( Sanitary Papers, Paperware, Adhesive Papers, etc.)

As to sanitary papers, sales of toilet rolls increased in some areas but total sales decreased. Sales of tissue also decreased. Disposable diapers sales for infants decreased and sales for adults slightly decreased.

## Consolidated balance sheets

(Unit : Millions of yen)

	FY2011 Mar 31,2012	1st half / FY2012 Sep 30,2012
Assets		
Current assets		
Cash and deposits	43,881	89,176
Notes and accounts receivable-trade	261,384	268,337
Short-term investment securities	554	4,131
Merchandise and finished goods	81,394	87,202
Work in process	15,479	16,881
Raw materials and supplies	57,462	62,086
Other	45,355	45,269
Allowance for doubtful accounts	(4,304)	(2,993)
Total current assets	<u>501,207</u>	<u>570,092</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	200,398	200,183
Machinery, equipment and vehicles, net	341,352	368,998
Land	233,530	235,704
Other, net	107,283	245,365
Total property, plant and equipment	<u>882,565</u>	<u>1,050,252</u>
Intangible assets		
Goodwill	15,427	13,994
Other	10,984	10,812
Total intangible assets	<u>26,411</u>	<u>24,806</u>
Investments and other assets		
Investment securities	175,648	122,258
Other	51,704	41,413
Allowance for doubtful accounts	(2,545)	(2,252)
Total investments and other assets	<u>224,807</u>	<u>161,420</u>
Total non-current assets	<u>1,133,785</u>	<u>1,236,479</u>
Total assets	<u>1,634,992</u>	<u>1,806,571</u>

(Unit : Millions of yen)

	FY2011 Mar 31,2012	1st half / FY2012 Sep 30,2012
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	216,781	217,276
Short-term loans payable	336,532	397,586
Current portion of bonds	160	20,160
Income taxes payable	9,232	5,173
Provision	2,349	1,564
Other	69,138	75,374
Total current liabilities	<u>634,195</u>	<u>717,134</u>
Non-current liabilities		
Bonds payable	120,320	140,240
Long-term loans payable	327,707	321,532
Provision		
Provision for retirement benefits	50,398	50,351
Provision for directors' retirement benefits	1,724	1,351
Provision for loss on litigation	—	3,847
Provision for environmental measures	1,705	1,717
Provision for special repairs	130	132
Total provisions	<u>53,959</u>	<u>57,400</u>
Other	35,509	54,962
Total non-current liabilities	<u>537,497</u>	<u>574,136</u>
Total liabilities	<u>1,171,692</u>	<u>1,291,270</u>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	103,880	103,880
Capital surplus	113,012	112,944
Retained earnings	304,432	307,683
Treasury stock	(43,363)	(43,182)
Total shareholders' equity	<u>477,961</u>	<u>481,326</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,675	777
Deferred gains or losses on hedges	186	(198)
Revaluation reserve for land	5,063	5,061
Foreign currency translation adjustment	(41,579)	(37,162)
Total accumulated other comprehensive income	<u>(29,653)</u>	<u>(31,522)</u>
Subscription rights to shares	346	246
Minority interests	14,644	65,250
Total net assets	<u>463,299</u>	<u>515,301</u>
Total liabilities and net assets	<u>1,634,992</u>	<u>1,806,571</u>

## Consolidated statements of income

(Unit : Millions of yen)

	1st half / FY2011 Apr '11 - Sep '11	1st half / FY2012 Apr '12 - Sep '12
Net sales	611,411	604,662
Cost of sales	472,328	472,724
Gross profit	<u>139,082</u>	<u>131,937</u>
Selling, general and administrative expenses		
Freightage related expenses	56,638	57,924
Other	49,343	52,120
Total selling, general and administrative expenses	<u>105,981</u>	<u>110,044</u>
Operating income	<u>33,101</u>	<u>21,893</u>
Non-operating income		
Interest income	167	360
Dividends income	1,774	1,762
Foreign exchange gains	—	291
Equity in earnings of affiliates	748	—
Other	1,357	2,265
Total non-operating income	<u>4,047</u>	<u>4,679</u>
Non-operating expenses		
Interest expenses	5,235	5,701
Equity in losses of affiliates	—	245
Foreign exchange losses	4,475	—
Other	3,912	3,580
Total non-operating expenses	<u>13,623</u>	<u>9,527</u>
Ordinary income	<u>23,525</u>	<u>17,045</u>
Extraordinary income		
Gain on negative goodwill	564	466
Other	440	35
Total extraordinary income	1,005	501
Extraordinary loss		
Loss on valuation of investment securities	2,353	1,692
Loss on retirement of non-current assets	882	1,316
Special retirement expenses	1,058	1,207
Loss on subsidiary status change from equity method affiliate to consolidated subsidiary	—	858
Other	1,379	1,359
Total extraordinary losses	<u>5,673</u>	<u>6,433</u>
Income before income taxes and minority interests	<u>18,856</u>	<u>11,114</u>
Income taxes-current	7,749	4,427
Income taxes-deferred	(1,431)	(3,452)
Total income taxes	<u>6,317</u>	<u>975</u>
Income before minority interests	<u>12,538</u>	<u>10,139</u>
Minority interests in income	533	1,717
Net income	<u>12,005</u>	<u>8,421</u>

## Consolidated statements of comprehensive income

	(Unit : Millions of yen)	
	<b>1st half / FY2011</b>	<b>1st half / FY2012</b>
	<b>Apr '11 - Sep '11</b>	<b>Apr '12 - Sep '12</b>
Income before minority interests	12,538	10,139
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,194)	(5,940)
Deferred gains or losses on hedges	(542)	(384)
Foreign currency translation adjustment	2,540	(5,533)
Share of other comprehensive income of associates accounted for using equity method	390	7,787
Total other comprehensive income	193	(4,070)
Comprehensive income	<u>12,732</u>	<u>6,068</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	11,697	6,555
Comprehensive income attributable to minority interests	1,034	(486)

## Consolidated statements of cash flows

(Unit : Millions of yen)

	1st half / FY2011 Apr '11 - Sep '11	1st half / FY2012 Apr '12 - Sep '12
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	18,856	11,114
Depreciation and amortization	36,780	34,615
Amortization of goodwill	346	705
Increase (decrease) in allowance for doubtful accounts	250	(648)
Increase (decrease) in provision for retirement benefits	1,089	430
Interest and dividends income	(1,941)	(2,122)
Interest expenses	5,235	5,701
Foreign exchange losses (gains)	3,070	(285)
Equity in (earnings) losses of affiliates	(748)	245
Loss (gain) on valuation of investment securities	2,353	1,692
Loss on retirement of non-current assets	882	1,316
Loss on subsidiary status change from equity method affiliate to consolidated subsidiary	—	858
Decrease (increase) in notes and accounts receivable-trade	(5,603)	1,468
Decrease (increase) in inventories	(6,753)	(2,080)
Increase (decrease) in notes and accounts payable-trade	(1,936)	(4,306)
Other, net	(905)	4,580
Subtotal	<u>50,976</u>	<u>53,284</u>
Interest and dividends income received	2,895	2,267
Interest expenses paid	(5,213)	(5,576)
Income taxes paid	(9,515)	(10,079)
Net cash provided by (used in) operating activities	<u>39,142</u>	<u>39,896</u>
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment and intangible assets	(26,031)	(28,137)
Proceeds from sales of property, plant and equipment and intangible assets	968	151
Purchase of investment securities	(487)	(190)
Proceeds from sales of investment securities	210	42
Purchase of investments in consolidated subsidiaries	(326)	(4,967)
Payments of loans receivable	(1,000)	(795)
Collection of loans receivable	754	799
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(29,837)	(4,647)
Other, net	(263)	(27)
Net cash provided by (used in) investing activities	<u>(56,014)</u>	<u>(37,772)</u>
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	3,324	10,652
Proceeds from long-term loans payable	1,578	4,441
Repayment of long-term loans payable	(4,421)	(9,098)
Proceeds from issuance of bonds	39,990	39,790
Redemption of bonds	(20,060)	(80)
Purchase of treasury stock	(18)	(16)
Cash dividends paid	(4,941)	(4,941)
Other, net	(631)	(803)
Net cash provided by (used in) financing activities	<u>14,821</u>	<u>39,944</u>
Effect of exchange rate change on cash and cash equivalents	119	3,767
Net increase (decrease) in cash and cash equivalents	<u>(1,930)</u>	<u>45,835</u>
Cash and cash equivalents at beginning of period	31,933	43,831
Increase in cash and cash equivalents resulting from merger	1	114
Increase in cash and cash equivalents from newly consolidated subsidiary	—	2,598
Cash and cash equivalents at end of period	<u>30,004</u>	<u>92,379</u>