

Summary of Consolidated Financial and Business Results
for the Year Ended March 2013

Oji Holdings Corporation

(Code No. 3861 Tokyo Stock Exchange and Osaka Stock Exchange)

URL: <http://www.ojiholdings.co.jp/>

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General meeting of stockholders to be held:

June 27, 2013※

Statutory annual report to be presented:

June 27, 2013※

Start of dividend payout:

June 5, 2013※

※Expected dates

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

1. Results for the Year Ended March 31, 2013 (April 1, 2012 - March 31, 2013)**(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	%
FY2012	1,241,471	2.4	52,383	(2.6)	54,565	12.8	25,600	15.4
FY2011	1,212,912	2.8	53,780	(17.8)	48,375	(19.7)	22,177	(9.9)

Note: Comprehensive income FY2012 75,317 million yen (393.5%) FY2011 19,140 million yen(841.3%)

	Net income per share	Diluted net income per share	Ratio of net income to shareholders' equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
FY2012	25.93	25.91	5.4	3.1	4.2
FY2011	22.46	22.44	5.0	3.0	4.4

Note: Equity in earning of affiliates FY2012 1,447 million yen FY2011 3,974 million yen

(2) Consolidated Financial Condition

	Total assets	Net assets	Net worth/total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2012	1,831,251	579,128	27.6	511.95
FY2011	1,634,992	463,299	27.4	454.20

Note: Shareholders' equity FY2012 505,483 million yen FY2011 448,308 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2012	105,437	(76,211)	(20,724)	57,048
FY2011	119,516	(81,198)	(28,875)	43,831

2. Dividend Conditions

(Basic date)	Dividend per stock					Total dividend (Yearly)	Dividend payout ratio (Consolidated)	Dividend on net assets (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of FY	Yearly			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY2011	-	5.00	-	5.00	10.00	10,022	44.5	2.2
FY2012	-	5.00	-	5.00	10.00	10,025	38.6	2.1
FY2013 (Forecast)	-	5.00	-	5.00	10.00		30.4	

3. Consolidated Forecasts for the Year Ending March 2014 (April 1, 2013-March 31, 2014)

(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
1st Half	660,000	9.2	26,000	18.8	24,000	40.8	12,000	42.5	12.15
Yearly	1,340,000	7.9	63,000	20.3	58,000	6.3	30,000	17.2	30.38

4. In Addition

(1) Changes in important subsidiaries

(changes regarding specified subsidiaries accompanying changes in the scope of consolidation)
 Newly included: 2 companies Japan Brazil Pulp and Paper Resources Development Ltd.
 Celulose Nipo-Brasileira S. A.

Excluded: None

(2) Changes in accounting methods compared with recent consolidated accounting periods

- ① Changes due to accounting standard changes: Yes
- ② Changes besides ①: None
- ③ Accounting estimate change: Yes
- ④ Restatement: None

(3) Outstanding balance of issued stocks (common stock)

- ① Outstanding balance of issued stocks at the end of each period (Including treasury stocks)

FY2012	1,064,381,817	FY2011	1,064,381,817
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- ② Outstanding balance of treasury stocks at the end of each period

FY2012	77,022,463	FY2011	77,353,510
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- ③ Weighted average number of stocks during the nine months ended June 30 of each year

FY2012	987,220,053	FY2011	987,504,809
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(Reference)

1. Results for the Year Ended March 31, 2013 (April 1, 2012 - March 31, 2013)

(1) Non-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	%
FY2012	233,491	(49.1)	10,156	15.5	11,366	(49.7)	8,999	(41.4)
FY2011	458,400	(4.5)	8,794	(34.3)	22,612	(22.7)	15,362	34.1

	Net income per share	Diluted net income per share
	Yen	Yen
FY2012	8.98	8.97
FY2011	15.33	15.31

(2) Non-consolidated Financial Condition

	Total assets	Net assets	Net worth/total assets	Net assets per share
	Millions of yen	Millions of yen	%	yen
FY2012	1,181,911	359,974	30.4	358.83
FY2011	1,259,005	354,472	28.1	353.34

Note: Shareholders' equity FY2012 359,739 million yen FY2011 354,126 million yen

- This document is exempt from audit procedures required by Financial Instruments and Exchange Act, and audit procedures for consolidated financial statement haven't been finished as of the date of publication.
- Forecasts released are based on expectations of future economic conditions as of the date of publication. The actual results may differ drastically from these forecasts due to various factors that may arise in the future.

Qualitative Information Concerning Business Performance

Overview of the year ended March 31, 2013

During FY2012, economic condition around Oji Group showed a good indication at the end of the year thanks to recovery from high yen since the end of last year, but it was generally sluggish affected by slowdown of foreign economy such as debt problem in Europe and slowdown of economic growth in new viable countries like China.

Household and industrial materials business was sluggish affected by domestic economy. Printing and communications media business was also sluggish affected by decrease of domestic demand, long negative impact of high yen and increase of import papers due to weakened demand in Chinese market.

Under these circumstances, in domestic business, we permanently stopped 2 paper machines and shifted production item from printing paper to specialty paper. Through these measures, we are reorganizing production system to promote efficient production and improving profitability by cost reduction.

In overseas business, we are making a business expansion around new viable countries and turned Celulose Nipo-Brasileira S. A., a pulp manufacturer in Brazil and S. Pack & Print Public Co., Ltd., a holding box and decorated paperboard manufacturer in Thailand into our consolidated subsidiaries. We also acquired Box Asia Group International Co., Ltd. in Thailand. We will continuously promote the change of business structure and achieve sustainable growth.

Factors above has lead to the results shown below.

Results for the Year Ended March 2013 (April 1, 2012 - March 31, 2013) were as follows.

Consolidated net sales:	¥ 1,241,471 million (2.4% increase)
Consolidated operating income:	¥ 52,383 million (2.6% decrease)
Consolidated ordinary income:	¥ 54,565 million (12.8% increase)
Consolidated net income:	¥ 25,600 million (15.4% increase)

On October 1, for the enhancement of management efficiency and clarification of management responsibility in each business unit, 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.

According to reorganization with this transition to a pure holding company structure, we changed our reporting segments.

Sales overview is as follows.

○Household and Industrial Materials

Containerboards sales decreased affected by sluggish movement of green grocery and other general demand.

Although sales of packaged food was steady around beverage, sales of corrugated sheets and boxes decreased affected by the influences of production base relocation to foreign countries in electric appliance industries.

Domestic sales of high-grade paperboards, specialty paperboards, and coated white lined boards decreased.

Export sales of packaging papers increased due to steady demand in Asian market, however, domestic sales decreased due to sluggish demand, as a result, total sales also decreased.

As to sanitary papers, sales of toilet rolls decreased but sales of tissue increased.

Disposable diapers sales for infants decreased in both tape type and pants type. Sales for adults slightly decreased.

In Southeast Asia, containerboards sales slightly increased and sales of corrugated sheets and boxes increased thanks to our newly consolidated subsidiary S. Pack & Print Public Co., Ltd. and steady movement around beverage and processed food.

○Printing and Communications Media

Both domestic and export sales of newsprint decreased.

Sales of printing and communication paper decreased due to sluggish movement of domestic demand.

○Functional Materials

Sales of specialty papers decreased affected by sluggish demand around electric appliance industries.

Sales of thermal paper significantly increased thanks to export expansion and the contribution of Oji Papêis Especiais Ltda.

○Forest Resources and Environmental Marketing

Lumber sales decreased due to sluggish demand of plywood and decline of the market.

Pulp sales increased thanks to increase of export from domestic pulp mills and the contribution of Celulose Nipo-Brasileira S. A. which was turned into our consolidated subsidiary in the first quarter of this year.

Pan Pac Forest Products Ltd. in New Zealand started full-scale BCTMP production.

Consolidated balance sheets

(Unit : Millions of yen)

	FY2011 Mar 31,2012	FY2012 Mar 31,2013
Assets		
Current assets		
Cash and deposits	43,881	50,621
Notes and accounts receivable-trade	261,384	269,137
Short-term investment securities	554	7,144
Merchandise and finished goods	81,394	84,877
Work in process	15,479	17,655
Raw materials and supplies	57,462	60,554
Deferred tax assets	14,417	12,035
Short-term loans receivable	8,925	7,862
Accounts receivable-other	14,937	19,386
Other	7,075	9,294
Allowance for doubtful accounts	(4,304)	(3,071)
Total current assets	501,207	535,499
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	200,398	203,363
Machinery, equipment and vehicles, net	341,352	375,841
Tools, furniture and fixtures, net	4,952	6,258
Land	233,530	236,091
Forests	16,573	90,367
Standing Timber	39,090	103,488
Lease assets, net	5,259	5,314
Construction in progress	41,407	69,918
Total property, plant and equipment	882,565	1,090,645
Intangible assets		
Leasehold right	1,110	1,620
Goodwill	15,427	14,806
Other	9,874	9,333
Total intangible assets	26,411	25,760
Investments and other assets		
Investment securities	175,648	150,294
Long-term loans receivable	4,510	2,029
Long-term prepaid expenses	13,138	14,937
Deferred tax assets	16,161	3,171
Other	17,893	10,934
Allowance for doubtful accounts	(2,545)	(2,022)
Total investments and other assets	224,807	179,345
Total non-current assets	1,133,785	1,295,751
Total assets	1,634,992	1,831,251

(Unit : Millions of yen)

	FY2011 Mar 31,2012	FY2012 Mar 31,2013
Liabilities		
Current liabilities		
Notes and accounts payable-trade	216,781	210,921
Short-term loans payable	336,532	307,841
Current portion of bonds	160	20,160
Accounts payable-other	15,430	20,107
Accrued expenses	46,432	46,032
Income taxes payable	9,232	5,371
Other	9,625	17,692
Total current liabilities	<u>634,195</u>	<u>628,127</u>
Non-current liabilities		
Bonds payable	120,320	140,160
Long-term loans payable	327,707	362,943
Deferred tax liabilities	18,900	43,583
Deferred tax liabilities for land revaluation	9,713	9,554
Provision		
Provision for retirement benefits	50,398	53,232
Provision for directors' retirement benefits	1,724	1,580
Provision for environmental measures	1,705	1,723
Provision for special repairs	130	131
Provision for loss on litigation	—	4,361
Long-term deposits received	2,761	2,646
Other	4,133	4,078
Total non-current liabilities	<u>537,497</u>	<u>623,995</u>
Total liabilities	<u>1,171,692</u>	<u>1,252,122</u>
Net assets		
Shareholders' equity		
Capital stock	103,880	103,880
Capital surplus	113,012	112,930
Retained earnings	304,432	320,086
Treasury stock	(43,363)	(43,140)
Total shareholders' equity	<u>477,961</u>	<u>493,756</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,675	16,100
Deferred gains or losses on hedges	186	(252)
Revaluation reserve for land	5,063	4,875
Foreign currency translation adjustment	(41,579)	(8,997)
Total accumulated other comprehensive income	<u>(29,653)</u>	<u>11,726</u>
Subscription rights to shares	346	235
Minority interests	14,644	73,410
Total net assets	<u>463,299</u>	<u>579,128</u>
Total liabilities and net assets	<u>1,634,992</u>	<u>1,831,251</u>

Consolidated statements of income

(Unit : Millions of yen)

	FY2011 Mar 31,2012	FY2012 Mar 31,2013
Net sales	1,212,912	1,241,471
Cost of sales	945,999	963,900
Gross profit	<u>266,912</u>	<u>277,571</u>
Selling, general and administrative expenses		
Freightage related expenses	113,980	119,730
Warehousing expenses	6,151	6,405
Employees' salaries	43,901	45,859
Retirement benefit expenses	6,494	5,908
Depreciation	5,038	4,252
Other	37,566	43,031
Total selling, general and administrative expenses	<u>213,132</u>	<u>225,188</u>
Operating income	<u>53,780</u>	<u>52,383</u>
Non-operating income		
Interest income	392	972
Dividends income	2,910	2,947
Equity in earnings of affiliates	3,974	1,447
Rent income	285	583
Foreign exchange gains	1,233	10,681
Other	3,414	4,307
Total non-operating income	<u>12,211</u>	<u>20,938</u>
Non-operating expenses		
Interest expenses	10,318	11,783
Loss on sublet of facilities	1,239	1,922
Other	6,057	5,049
Total non-operating expenses	<u>17,615</u>	<u>18,756</u>
Ordinary income	<u>48,375</u>	<u>54,565</u>
Extraordinary income		
Gain on sales of investment securities	1,009	1,117
Gain on sales of noncurrent assets	768	1,028
Gain on negative goodwill	806	535
Other	70	41
Total extraordinary income	<u>2,655</u>	<u>2,723</u>
Extraordinary loss		
Loss on partly abolishment of retirement benefit plan	—	8,820
Loss on retirement of non-current assets	2,368	3,104
Special retirement expenses	2,024	1,815
Impairment loss	427	1,467
Business structure improvement	2,971	1,253
Loss on subsidiary status change from equity method affiliate to consolidated subsidiary	—	858
Other	3,353	2,036
Total extraordinary losses	<u>11,145</u>	<u>19,356</u>
Income before income taxes and minority interests	<u>39,885</u>	<u>37,932</u>
Income taxes-current	14,194	12,133
Income taxes-deferred	3,453	(3,729)
Total income taxes	<u>17,648</u>	<u>8,404</u>
Income before minority interests	<u>22,237</u>	<u>29,528</u>
Minority interests in income	59	3,928
Net income	<u>22,177</u>	<u>25,600</u>

Consolidated statements of comprehensive income

	(Unit : Millions of yen)	
	FY2011	FY2012
	Apr '11 - Mar '12	Apr '12 - Mar '13
Income before minority interests	22,237	29,528
Other comprehensive income		
Valuation difference on available-for-sale securities	887	9,214
Deferred gains or losses on hedges	(158)	(475)
Revaluation reserve for land	1,331	—
Foreign currency translation adjustment	(3,478)	26,700
Share of other comprehensive income of associates accounted for using equity method	(1,678)	10,348
Total other comprehensive income	(3,096)	45,788
Comprehensive income	<u>19,140</u>	<u>75,317</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	19,434	67,168
Comprehensive income attributable to minority interests	(293)	8,148

Consolidated statements of cash flows

(Unit : Millions of yen)

	FY2011 Apr '11 - Mar '12	FY2012 Apr '12 - Mar '13
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	39,885	37,932
Depreciation and amortization	76,024	72,057
Impairment loss	427	1,467
Amortization of goodwill	1,268	1,948
Increase (decrease) in allowance for doubtful accounts	60	(991)
Increase (decrease) in provision for retirement benefits	2,766	9,790
Interest and dividends income	(3,303)	(3,920)
Interest expenses	10,318	11,783
Foreign exchange losses (gains)	163	(10,496)
Equity in (earnings) losses of affiliates	(3,974)	(1,447)
Loss (gain) on valuation of investment securities	(1,009)	(1,117)
Loss on retirement of non-current assets	2,368	3,104
Loss (gain) on sales of noncurrent assets	(729)	(696)
Business structure improvement expenses	2,971	1,253
Loss on subsidiary status change from equity method affiliate to consolidated subsidiary	—	858
Decrease (increase) in notes and accounts receivable-trade	(1,813)	4,901
Decrease (increase) in inventories	(5,183)	5,336
Increase (decrease) in notes and accounts payable-trade	17,482	(12,313)
Other, net	3,695	10,255
Subtotal	<u>141,418</u>	<u>129,705</u>
Interest and dividends income received	4,368	4,838
Interest expenses paid	(10,368)	(12,287)
Income taxes paid	<u>(15,902)</u>	<u>(16,819)</u>
Net cash provided by (used in) operating activities	<u>119,516</u>	<u>105,437</u>
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment and intangible assets	(50,899)	(65,781)
Proceeds from sales of property, plant and equipment and intangible assets	1,985	1,898
Purchase of investment securities	(2,364)	(1,935)
Proceeds from sales of investment securities	2,821	2,829
Purchase of investments in consolidated subsidiaries	(1,330)	(5,730)
Payments of loans receivable	(3,027)	(2,537)
Collection of loans receivable	1,792	2,221
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(30,588)	(6,329)
Other, net	412	(847)
Net cash provided by (used in) investing activities	<u>(81,198)</u>	<u>(76,211)</u>
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(13,047)	(41,761)
Proceeds from long-term loans payable	11,180	161,674
Repayment of long-term loans payable	(35,775)	(168,793)
Proceeds from issuance of bonds	39,990	39,790
Redemption of bonds	(20,140)	(160)
Purchase of treasury stock	(49)	(36)
Cash dividends paid	(9,883)	(9,884)
Other, net	(1,149)	(1,553)
Net cash provided by (used in) financing activities	<u>(28,875)</u>	<u>(20,724)</u>
Effect of exchange rate change on cash and cash equivalents	<u>2,152</u>	<u>1,752</u>
Net increase (decrease) in cash and cash equivalents	<u>11,593</u>	<u>10,253</u>
Cash and cash equivalents at beginning of period	31,933	43,831
Increase in cash and cash equivalents resulting from merger	124	365
Increase in cash and cash equivalents from newly consolidated	179	2,598
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(0)	—
Cash and cash equivalents at end of period	<u>43,831</u>	<u>57,048</u>

Sales and Operating Profit by Segment

(Unit : Millions of yen)

1. FY2011 (April 1, 2011–March 31, 2012)

	Reporting Segment				Total	Others	Total	Adjustment	Consolidated Total
	Household and Industrial Materials	Printing and Communications Media	Functional Materials	Forest Resources and Environmental Marketing					
Sales									
(1) Sales to outside customers	500,589	304,111	165,623	38,806	1,009,131	203,780	1,212,912	-	1,212,912
(2) Intra-group sales between segments or transfers	40,522	35,516	17,848	41,925	135,813	99,959	235,772	(235,772)	-
Total	541,112	339,627	183,472	80,731	1,144,944	303,740	1,448,685	(235,772)	1,212,912
Operating profit	27,158	3,832	8,865	3,090	42,947	8,120	51,068	2,712	53,780
Assets	574,970	428,839	201,009	148,029	1,352,848	338,526	1,691,374	(56,382)	1,634,992
Others									
(1) Depreciation	27,127	29,276	11,295	1,616	69,315	6,708	76,024	-	76,024
(2) Capital expenditure	18,906	21,136	5,892	4,313	50,249	4,490	54,740	-	54,740

2. FY2012 (April 1, 2012–March 31, 2013)

	Reporting Segment				Total	Others	Total	Adjustment	Consolidated Total
	Household and Industrial Materials	Printing and Communications Media	Functional Materials	Forest Resources and Environmental Marketing					
Sales									
(1) Sales to outside customers	504,302	286,176	180,537	87,657	1,058,673	182,798	1,241,471	-	1,241,471
(2) Intra-group sales between segments or transfers	36,625	39,965	16,725	43,159	136,476	100,910	237,387	(237,387)	-
Total	540,928	326,142	197,262	130,817	1,195,150	283,708	1,478,859	(237,387)	1,241,471
Operating profit	27,285	(2,402)	10,212	10,163	45,259	6,353	51,613	769	52,383
Assets	586,357	442,183	215,731	373,269	1,617,542	357,444	1,974,987	(143,735)	1,831,251
Others									
(1) Depreciation	25,535	24,525	10,657	5,249	65,968	6,088	72,057	-	72,057
(2) Capital expenditure	29,683	12,035	12,071	11,366	65,155	4,956	70,112	-	70,112

Household and Industrial Materials :

Containerboard, boxboard, packaging paper, corrugated container, paper container, paper bag product, sanitary paper, paper diaper, etc.

Printing and Communications Media :

Newsprint, printing and writing papers, carbonless paper, business form paper, copy paper, etc.

Functional Materials :

Specialty paper, thermal paper, adhesive paper, functional film, unwoven cloth, etc

Forest Resources and Environmental Marketing :

Lumber, tree planting, pulp, renewable energy, procurement of raw material and fuel, etc.

Others :

Real estate, machinery, trading business, logistics, cornstarch, stationery, plastic container, commercial printing, etc.