

Summary of Consolidated Financial and Business Results
for the First Quarter of the Year Ending March 2014

Oji Holdings Corporation

(Code No. 3861 Tokyo Stock Exchange)

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

1. Results for the First Quarter of the Year Ending March 31, 2014 (April 1, 2013 - June 30, 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	%
First Quarter of FY2013	318,561	4.7	13,790	11.4	17,484	71.9	8,500	25.2
First Quarter of FY2012	304,129	(0.9)	12,384	(25.6)	10,171	(36.5)	6,789	(16.6)

Note: Comprehensive income 1Q of FY2013 38,697 million yen (88.4%) 1Q of FY2012 20,538 million yen(40.0%)

	Net income per share	Diluted net income per share
	Yen	Yen
First Quarter of FY2013	8.61	8.60
First Quarter of FY2012	6.88	6.87

(2) Consolidated Financial Condition

	Total assets	Net assets	Net worth/total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
First Quarter of FY2013	1,887,890	613,093	28.2	539.27
Year ended March 2013	1,831,251	579,128	27.6	511.95

Note: Shareholders' equity 1Q of FY2013 532,523 million yen FY2012 505,483 million yen

2. Dividend Conditions

(Basic Date)	Dividend per stock				
	End of 1Q	End of 2Q	End of 3Q	End of FY	Yearly
FY2012	—	5.00	—	5.00	10.00
FY2013	—				
FY2013 (Forecast)		5.00	—	5.00	10.00

Note : Change in forecast of dividend ... None

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
1Q - 2Q	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

Note : Change in consolidated forecasts ... No

4. In Addition

(1) Changes in important subsidiaries

(changes regarding specified subsidiaries accompanying changes in the scope of consolidation) : Non

(2) Application of simple accounting methods and quarterly peculiar accounting methods : No

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

① Changes due to accounting standard changes: None

② Changes besides ①: None

③ Accounting estimate change: None

④ Restatement: None

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

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

1Q of FY2013	1,064,381,817	FY2012	1,064,381,817
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② Outstanding balance of treasury stocks at the end of each period

1Q of FY2013	76,895,822	FY2012	77,022,463
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③ Weighted average number of stocks during the three months ended June 30 of each year

FY2013	987,367,803	FY2012	987,017,757
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- This document is exempt from audit procedures required by Financial Instruments and Exchange Act, and audit procedures for consolidated financial statement hasn'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 first quarter of FY2013

During the first quarter of FY2013, the economic condition surrounding Oji Group showed a good indication thanks to the recovery from high yen. However, it was still severe in total, because full recovery of domestic economy has not been achieved yet, and also because of the worldwide economic slowdown caused by the debt problems in Europe and recession of economic growth in newly emerging countries.

Under these circumstances, we have reorganized our production items in order to promote efficient production, and implemented a variety of measures in order to reform our business structure, such as extension of industrial film facilities and expansion of electric power business.

Factors above has lead to the results shown below.

Results for the first quarter (April 1, 2013 - June 30, 2013) were as follows.

Consolidated net sales:	¥ 318,561 million (4.7% increase)
Consolidated operating income:	¥ 13,790 million (11.4% increase)
Consolidated ordinary income:	¥ 17,484 million (71.9% increase)
Consolidated net income:	¥ 8,500 million (25.2% increase)

Sales overview is as follows.

○Household and Industrial Materials

Sales of containerboards have slightly increased, thanks to the firm movement towards green grocery and local industries.

Sales of corrugated sheets and boxes have exceeded that of the previous year, as sales to green grocery and processed food performed steady.

Domestic sales of high-grade paperboards and specialty paperboards have increased, while coated white lined boards decreased due to sluggish demand.

Although export sales of packaging papers increased due to steady demand in Asian market, domestic sales decreased due to sluggish demand. As a result, total sales have decreased.

As to sales of sanitary papers, both toilet rolls and tissue have decreased affected by the price correction.

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

In Southeast Asia, sales of containerboards have gone steady and sales of corrugated sheets and boxes have increased, thanks to the firm movement surrounding beverage and processed food.

○Printing and Communications Media

Sales of newsprint have decreased.

Domestic sales of printing and communication paper have increased, as the yen depreciation led to the decline of imported paper. Export sales remained static.

○Functional Materials

Sales of specialty papers have decreased affected by sluggish demand surrounding existing industries, despite the effort to expand sales by creating new products and developing new customers.

Sales of thermal paper has been keeping its market share domestically, and has significantly increased in overseas thanks to the high demand in Northern America, Europe, and South America.

○Forest Resources and Environmental Marketing

Domestic sales of lumber increased due to the recovering demand. Pan Pac Forest Products Ltd. in New Zealand also increased its sales of bulk and lumber.

Pulp sales increased thanks to the growth in both domestic and export sales from domestic pulp mills. Moreover, Celulose Nipo-Brasileira S. A., which was turned into our consolidated subsidiary in the first quarter of FY2012, has contributed significantly to our sales increase. Pan Pac Forest Products Ltd. started full-scale BCTMP production, and has increased its sales.

Consolidated quarterly balance sheets

(Unit : Millions of yen)

	FY2012 Mar 31,2013	1Q / FY2013 Jun 30,2013
Assets		
Current assets		
Cash and deposits	50,621	54,024
Notes and accounts receivable-trade	269,137	281,036
Short-term investment securities	7,144	8,018
Merchandise and finished goods	84,877	91,725
Work in process	17,655	19,212
Raw materials and supplies	60,554	60,950
Other	48,580	44,578
Allowance for doubtful accounts	(3,071)	(2,763)
Total current assets	<u>535,499</u>	<u>556,782</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	203,363	204,469
Machinery, equipment and vehicles, net	375,841	387,689
Land	236,091	236,612
Other, net	275,347	287,996
Total property, plant and equipment	<u>1,090,645</u>	<u>1,116,768</u>
Intangible assets		
Goodwill	14,806	16,530
Other	10,954	11,070
Total intangible assets	<u>25,760</u>	<u>27,600</u>
Investments and other assets		
Investment securities	150,294	156,648
Other	31,073	31,996
Allowance for doubtful accounts	(2,022)	(1,906)
Total investments and other assets	<u>179,345</u>	<u>186,738</u>
Total noncurrent assets	<u>1,295,751</u>	<u>1,331,107</u>
Total assets	<u>1,831,251</u>	<u>1,887,890</u>

(Unit : Millions of yen)

	FY2012 Mar 31,2013	1Q / FY2013 Jun 30,2013
Liabilities		
Current liabilities		
Notes and accounts payable-trade	210,921	213,759
Short-term loans payable	307,841	319,756
Commercial papers	20,160	20,130
Income taxes payable	5,371	4,019
Provision	857	1,146
Other	82,974	75,796
Total current liabilities	<u>628,127</u>	<u>634,609</u>
Noncurrent liabilities		
Bonds payable	140,160	140,140
Long-term loans payable	362,943	374,204
Provision		
Provision for retirement benefits	53,232	54,561
Provision for directors' retirement benefits	1,580	1,545
Provision for loss on litigation	4,361	4,847
Provision for environmental measures	1,723	1,732
Provision for special repairs	131	134
Total provisions	<u>61,028</u>	<u>62,821</u>
Other	59,863	63,022
Total noncurrent liabilities	<u>623,995</u>	<u>640,188</u>
Total liabilities	<u>1,252,122</u>	<u>1,274,797</u>
Net assets		
Shareholders' equity		
Capital stock	103,880	103,880
Capital surplus	112,930	112,894
Retained earnings	320,086	323,886
Treasury stock	(43,140)	(43,060)
Total shareholders' equity	<u>493,756</u>	<u>497,600</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	16,100	18,407
Deferred gains or losses on hedges	(252)	(842)
Revaluation reserve for land	4,875	4,872
Foreign currency translation adjustment	(8,997)	12,484
Total accumulated other comprehensive income	<u>11,726</u>	<u>34,922</u>
Subscription rights to shares	235	245
Minority interests	73,410	80,324
Total net assets	<u>579,128</u>	<u>613,093</u>
Total liabilities and net assets	<u>1,831,251</u>	<u>1,887,890</u>

Consolidated quarterly statements of income

(Unit : Millions of yen)

	1Q / FY2012 Apr '12 - Jun '12	1Q / FY2013 Apr '13 - Jun '13
Net sales	304,129	318,561
Cost of sales	237,284	247,688
Gross profit	<u>66,845</u>	<u>70,872</u>
Selling, general and administrative expenses		
Freightage related expenses	28,272	30,011
Other	26,188	27,071
Total selling, general and administrative expenses	<u>54,460</u>	<u>57,082</u>
Operating income	<u>12,384</u>	<u>13,790</u>
Non-operating income		
Interest income	177	197
Dividends income	1,391	1,305
Foreign exchange gains	—	5,550
Equity in earnings of affiliates	—	880
Other	978	1,139
Total non-operating income	<u>2,547</u>	<u>9,074</u>
Non-operating expenses		
Interest expenses	2,746	2,752
Foreign exchange losses	297	—
Equity in losses of affiliates	402	—
Other	1,314	2,627
Total non-operating expenses	<u>4,760</u>	<u>5,379</u>
Ordinary income	<u>10,171</u>	<u>17,484</u>
Extraordinary income		
Gain on sales of noncurrent assets	—	172
Other	4	13
Total extraordinary income	<u>4</u>	<u>185</u>
Extraordinary loss		
Impairment loss	21	813
Loss on retirement of noncurrent assets	413	587
Business structure improvement expenses	133	562
Loss on subsidiary status change from equity method	858	—
Other	1,135	424
Total extraordinary losses	<u>2,562</u>	<u>2,388</u>
Income before income taxes and minority interests	<u>7,612</u>	<u>15,282</u>
Income taxes-current	1,529	2,812
Income taxes-deferred	(840)	2,616
Total income taxes	<u>688</u>	<u>5,429</u>
Income before minority interests	<u>6,923</u>	<u>9,853</u>
Minority interests in income	134	1,352
Net income	<u>6,789</u>	<u>8,500</u>

Consolidated quarterly statements of comprehensive income

	1Q / FY2012 Apr '12 - Jun '12	(Unit : Millions of yen) 1Q / FY2013 Apr '13 - Jun '13
Income before minority interests	6,923	9,853
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,661)	2,192
Deferred gains or losses on hedges	(309)	(590)
Foreign currency translation adjustment	7,621	25,538
Share of other comprehensive income of associates accounted for using equity method	9,964	1,703
Total other comprehensive income	13,614	28,843
Comprehensive income	<u>20,538</u>	<u>38,697</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	20,298	31,699
Comprehensive income attributable to minority interests	240	6,997

Sales and Operating Profit by Segment

(Unit : Millions of yen)

1. 1Q of FY2012 (April 1, 2012–June 30, 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	129,051	72,683	45,624	9,899	257,259	46,870	304,129	-	304,129
(2) Intra-group sales between segments or transfers	9,561	9,192	4,512	10,470	33,736	23,926	57,663	(57,663)	-
Total	138,612	81,876	50,137	20,369	290,996	70,797	361,793	(57,663)	304,129
Segment profit	6,816	770	2,644	529	10,760	1,676	12,437	(52)	12,384

2. 1Q of FY2013 (April 1, 2013–June 30, 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	124,029	69,093	48,546	29,742	271,411	47,149	318,561	-	318,561
(2) Intra-group sales between segments or transfers	9,306	7,922	4,787	12,102	34,118	25,860	59,979	(59,979)	-
Total	133,335	77,015	53,333	41,844	305,529	73,010	378,540	(59,979)	318,561
Segment profit (or loss)	5,705	(854)	2,638	4,443	11,933	1,706	13,639	150	13,790

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.