

Summary of Consolidated Financial and Business Results
for the First Half 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 Half of the Year Ending March 31, 2014 (April 1, 2013 - September 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 Half of FY2013	642,649	6.3	26,522	21.1	31,499	84.8	15,876	88.5
First Half of FY2012	604,662	(1.1)	21,893	(33.9)	17,045	(27.5)	8,421	(29.8)

Note: Comprehensive income First Half of FY2013 67,350 million yen (1,009.8%) First Half of FY2012 6,068 million yen (-52.3%)

	Net income per share	Diluted net income per share
	Yen	Yen
First Half of FY2013	16.08	16.06
First Half of FY2012	8.53	8.53

(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 FY2013	1,910,990	641,799	29.1	562.25
Year ended March 2013	1,831,251	579,128	27.6	511.95

Note: Shareholders' equity First Half of FY2013 555,179 million yen FY2012 505,483 million yen

2. Dividend Conditions

	Dividend per stock				
	End of 1Q	End of 2Q	End of 3Q	End of FY	Yearly
	Yen	Yen	Yen	Yen	Yen
FY2012	—	5.00	—	5.00	10.00
FY2013	—	5.00			
FY2013 (Forecast)			—	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
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 ... None

4. In Addition

(1) Changes in important subsidiaries
(changes regarding specified subsidiaries accompanying changes in the scope of consolidation) : None

(2) Application of simple accounting methods and quarterly peculiar accounting methods : None

(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)

First Half 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

First Half of FY2013	76,965,022	FY2012	77,022,463
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③ Weighted average number of stocks during the six months ended September 30 of each year

First Half of FY2013	987,396,056	First Half of FY2012	987,133,820
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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 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 first half of FY2013

During the first half of FY2013, the economic condition surrounding Oji Group has showed a gradual recovery of domestic economy thanks to the recovery from high yen. However, it remained uncertain in total, because of the worldwide economic slowdown caused by the slumping economy in Europe and the deceleration of economic growth in emerging countries. Under these circumstances, we have implemented a variety of measures in order to reform our business structure, such as further expansion of overseas business, increase of capacity for producing functional materials like industrial films, development of efficient production system, and enhancement of electric power business. Factors above have lead to the results shown below.

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

Consolidated net sales:	¥ 642,649 million (6.3% increase)
Consolidated operating income:	¥ 26,522 million (21.1% increase)
Consolidated ordinary income:	¥ 31,499 million (84.8% increase)
Consolidated net income:	¥ 15,876 million (88.5% increase)

Sales overview is as follows.

○Household and Industrial Materials

Net sales for the first half of FY2013 was 268,052 million yen (1.0% decrease).

In domestic business, although sales volume of containerboards and corrugated sheets and boxes has increased thanks to the firm movement towards beverage and greengrocery, sales amount has decreased from the previous year because of decline in market price. The other sales have decreased in total due to the effects of sluggish demand.

In overseas business, sales of containerboards have increased in Southeast Asia which is the main area of our business development. Sales of corrugated sheets and boxes have also increased mainly in those for beverage and processed food.

○Printing and Communications Media

Net sales for the first half of FY2013 was 154,421 million yen (4.1% decrease).

In domestic business, sales of newsprint have decreased from the previous year because newspaper circulation has been declining slightly. It was also because the number of pages in a newspaper has fallen off as a rebound from the impact of the Olympic Games held in London in the year before. As to printing and communication paper, sales volume has increased as the yen depreciation led to the decline of imported paper, sales amount has decreased from the previous year because the market had been weak.

○Functional Materials

Net sales for the first half of FY2013 was 107,014 million yen (12.9% increase).

In domestic business, export sales of specialty paper have increased because of new customer development and sales of electrical materials in good shape, while domestic sales of it have gone down due to sluggish demand surrounding existing industries, despite the effort to promote sales expansion by creating new products. As for thermal paper, although domestic sales have remained static, export sales have increased.

In overseas business, sales of thermal paper have increased significantly thanks to active demand in North and South America. In Europe and Asia, it has also gone up steadily.

○Forest Resources and Environmental Marketing

Net sales for the first half of FY2013 was 88,424 million yen (70.6% increase).

In domestic business, sales of pulp have increased. Sales of lumber have also increased thanks to recovery of demand.

In overseas business, sales of pulp have increased because the subsidiary in New Zealand started full-scale BCTMP production. Moreover, the subsidiary in Brasil, which was turned into the consolidated subsidiary in the end of the first quarter of FY2012, has contributed greatly to the sales increase. As to lumber, sales of the subsidiary in New Zealand have increased.

Quarterly Consolidated Balance Sheets

(Unit : Millions of yen)

	FY2012 Mar 31, 2013	1st half / FY2013 Sep 30, 2013
Assets		
Current assets		
Cash and deposits	50,621	71,446
Notes and accounts receivable-trade	269,137	269,476
Short-term investment securities	7,144	7,358
Merchandise and finished goods	84,877	89,133
Work in process	17,655	21,071
Raw materials and supplies	60,554	63,608
Other	48,580	42,495
Allowance for doubtful accounts	(3,071)	(2,594)
Total current assets	<u>535,499</u>	<u>561,995</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	203,363	204,792
Machinery, equipment and vehicles, net	375,841	389,444
Land	236,091	235,919
Other, net	275,347	298,607
Total property, plant and equipment	<u>1,090,645</u>	<u>1,128,764</u>
Intangible assets		
Goodwill	14,806	15,599
Other	10,954	11,046
Total intangible assets	<u>25,760</u>	<u>26,646</u>
Investments and other assets		
Investment securities	150,294	164,267
Other	31,073	31,228
Allowance for doubtful accounts	(2,022)	(1,910)
Total investments and other assets	<u>179,345</u>	<u>193,584</u>
Total noncurrent assets	<u>1,295,751</u>	<u>1,348,995</u>
Total assets	<u>1,831,251</u>	<u>1,910,990</u>

(Unit : Millions of yen)

	FY2012 Mar 31, 2013	1st half / FY2013 Sep 30, 2013
Liabilities		
Current liabilities		
Notes and accounts payable-trade	210,921	193,872
Short-term loans payable	307,841	306,627
Commercial papers	20,160	20,130
Income taxes payable	5,371	6,629
Provision	857	857
Other	82,974	71,794
Total current liabilities	<u>628,127</u>	<u>599,912</u>
Noncurrent liabilities		
Bonds payable	140,160	160,110
Long-term loans payable	362,943	382,215
Provision		
Provision for retirement benefits	53,232	53,919
Provision for directors' retirement benefits	1,580	1,404
Provision for loss on litigation	4,361	4,688
Provision for environmental measures	1,723	1,738
Provision for special repairs	131	126
Total provisions	<u>61,028</u>	<u>61,877</u>
Other	59,863	65,075
Total noncurrent liabilities	<u>623,995</u>	<u>669,278</u>
Total liabilities	<u>1,252,122</u>	<u>1,269,190</u>
Net assets		
Shareholders' equity		
Capital stock	103,880	103,880
Capital surplus	112,930	112,893
Retained earnings	320,086	331,908
Treasury stock	(43,140)	(43,089)
Total shareholders' equity	<u>493,756</u>	<u>505,594</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	16,100	21,867
Deferred gains or losses on hedges	(252)	(283)
Revaluation reserve for land	4,875	4,205
Foreign currency translation adjustment	(8,997)	23,795
Total accumulated other comprehensive income	<u>11,726</u>	<u>49,585</u>
Subscription rights to shares	235	265
Minority interests	73,410	86,355
Total net assets	<u>579,128</u>	<u>641,799</u>
Total liabilities and net assets	<u>1,831,251</u>	<u>1,910,990</u>

Quarterly Consolidated Statements of Income

(Unit : Millions of yen)

	1st half / FY2012 Apr '12 - Sep '12	1st half / FY2013 Apr '13 - Sep '13
Net sales	604,662	642,649
Cost of sales	472,724	501,956
Gross profit	131,937	140,693
Selling, general and administrative expenses		
Freightage related expenses	57,924	60,340
Other	52,120	53,830
Total selling, general and administrative expenses	110,044	114,170
Operating income	21,893	26,522
Non-operating income		
Interest income	360	504
Dividends income	1,762	1,695
Foreign exchange gains	291	10,020
Equity in earnings of affiliates	—	1,334
Other	2,265	1,949
Total non-operating income	4,679	15,504
Non-operating expenses		
Interest expenses	5,701	5,565
Equity in losses of affiliates	245	—
Other	3,580	4,962
Total non-operating expenses	9,527	10,527
Ordinary income	17,045	31,499
Extraordinary income		
Gain on sales of noncurrent assets	34	331
Gain on negative goodwill	466	—
Other	1	33
Total extraordinary income	501	364
Extraordinary loss		
Impairment loss	132	2,025
Loss on retirement of noncurrent assets	1,316	1,053
Loss on subsidiary status change from equity method affiliate to consolidated subsidiary	858	—
Other	4,126	1,428
Total extraordinary losses	6,433	4,507
Income before income taxes and minority interests	11,114	27,356
Income taxes-current	4,427	7,161
Income taxes-deferred	(3,452)	596
Total income taxes	975	7,757
Income before minority interests	10,139	19,598
Minority interests in income	1,717	3,722
Net income	8,421	15,876

Quarterly Consolidated Statements of Comprehensive Income

	(Unit : Millions of yen)	
	1st half / FY2012	1st half / FY2013
	Apr '12 - Sep '12	Apr '13 - Sep '13
Income before minority interests	10,139	19,598
Other comprehensive income		
Valuation difference on available-for-sale securities	(5,940)	5,565
Deferred gains or losses on hedges	(384)	(26)
Foreign currency translation adjustment	(5,533)	39,969
Share of other comprehensive income of associates accounted for using equity method	7,787	2,243
Total other comprehensive income	(4,070)	47,751
Comprehensive income	<u>6,068</u>	<u>67,350</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	6,555	54,405
Comprehensive income attributable to minority interests	(486)	12,944

Quarterly Consolidated Statements of Cash Flows

(Unit : Millions of yen)

	1st half / FY2012 Apr '12 - Sep '12	1st half / FY2013 Apr '13 - Sep '13
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	11,114	27,356
Depreciation and amortization	34,615	35,920
Impairment loss	132	2,025
Amortization of goodwill	705	1,396
Increase (decrease) in allowance for doubtful accounts	(648)	(1,183)
Increase (decrease) in provision for retirement benefits	430	351
Interest and dividends income	(2,122)	(2,199)
Interest expenses	5,701	5,565
Foreign exchange losses (gains)	(285)	(8,072)
Equity in (earnings) losses of affiliates	245	(1,334)
Loss on retirement of non-current assets	1,316	1,053
Loss (gain) on sales of noncurrent assets	(34)	(331)
Loss on subsidiary status change from equity method affiliate to consolidated subsidiary	858	—
Decrease (increase) in notes and accounts receivable-trade	1,468	4,566
Decrease (increase) in inventories	(2,080)	(7,496)
Increase (decrease) in notes and accounts payable-trade	(4,306)	(19,722)
Other, net	6,173	2,488
Subtotal	<u>53,284</u>	<u>40,383</u>
Interest and dividends income received	2,267	2,647
Interest expenses paid	(5,576)	(5,477)
Income taxes paid	(10,079)	(3,038)
Net cash provided by (used in) operating activities	<u>39,896</u>	<u>34,516</u>
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment and intangible assets	(28,137)	(35,533)
Proceeds from sales of property, plant and equipment and intangible assets	151	815
Purchase of investment securities	(190)	(2,655)
Proceeds from sales of investment securities	42	385
Purchase of investments in consolidated subsidiaries	(4,967)	—
Payments of loans receivable	(795)	(941)
Collection of loans receivable	799	999
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(4,647)	—
Other, net	(27)	(1,530)
Net cash provided by (used in) investing activities	<u>(37,772)</u>	<u>(38,461)</u>
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	10,652	28,733
Proceeds from long-term loans payable	4,441	29,896
Repayment of long-term loans payable	(9,098)	(50,142)
Proceeds from issuance of bonds	39,790	39,790
Redemption of bonds	(80)	(20,080)
Purchase of treasury stock	(16)	(49)
Cash dividends paid	(4,941)	(4,943)
Other, net	(803)	(1,485)
Net cash provided by (used in) financing activities	<u>39,944</u>	<u>21,721</u>
Effect of exchange rate change on cash and cash equivalents	<u>3,767</u>	<u>2,681</u>
Net increase (decrease) in cash and cash equivalents	<u>45,835</u>	<u>20,457</u>
Cash and cash equivalents at beginning of period	43,831	57,048
Increase in cash and cash equivalents resulting from merger	114	—
Increase in cash and cash equivalents from newly consolidated subsidiary	2,598	527
Cash and cash equivalents at end of period	<u>92,379</u>	<u>78,033</u>

Sales and Operating Profit by Segment

(Unit : Millions of yen)

1. 1st half of FY2012 (April 1, 2012–Sep 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	252,559	143,859	87,618	30,461	514,498	90,164	604,662	—	604,662
(2) Intra-group sales between segments or transfers	18,292	17,171	7,146	21,354	63,965	49,337	113,302	(113,302)	—
Total	270,852	161,030	94,764	51,816	578,463	139,501	717,965	(113,302)	604,662
Segment profit	12,083	(1,107)	4,907	2,933	18,818	3,055	21,873	20	21,893

2. 1st half of FY2013 (April 1, 2013–Sep 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	249,044	138,594	97,496	62,615	547,751	94,898	642,649	—	642,649
(2) Intra-group sales between segments or transfers	19,007	15,826	9,517	25,809	70,161	51,757	121,918	(121,918)	—
Total	268,052	154,421	107,014	88,424	617,912	146,655	764,568	(121,918)	642,649
Segment profit (or loss)	9,456	(2,638)	5,691	9,928	22,439	3,656	26,095	426	26,522

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.