

Summary of Consolidated Financial and Business Results
for the First Nine Months 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 Nine Months of the Year Ending March 31, 2014 (April 1, 2013 - December 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	%
First Nine Months of FY2013	981,606	6.0	45,633	13.5	51,694	44.0	25,151	29.3
First Nine Months of FY2012	925,763	0.6	40,213	(17.2)	35,905	(5.1)	19,447	1.9

Note: Comprehensive income First Nine Months of FY2013 77,804 million yen (288.3%)

First Nine Months of FY2012 20,035 million yen (128.7%)

	Net income per share	Diluted net income per share
	Yen	Yen
First Nine Months of FY2013	25.47	25.45
First Nine Months of FY2012	19.70	19.68

(2) Consolidated Financial Condition

	Total assets	Net assets	Net worth/total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
First Nine Months of FY2013	1,927,761	647,746	29.1	567.26
Year ended March 2013	1,831,251	579,128	27.6	511.95

Note: Shareholders' equity First Nine Months of FY2013 560,438 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 Nine Months 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 Nine Months of FY2013	76,412,532	FY2012	77,022,463
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③ Weighted average number of stocks during the nine months ended December 31 of each year

First Nine Months of FY2013	987,517,434	First Nine Months of FY2012	987,185,016
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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 nine months of FY2013

During the first nine months of FY2013, the economic condition surrounding Oji Group has showed a recovery of domestic economy thanks to a weak yen and an upswing in stock prices. However, it remained uncertain in total because of the downside risk factors in worldwide economy, including the slumping economy in Europe and the economic slowdown 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 film, development of efficient production system, and enhancement of electric power business.

Factors above have lead to the results shown below.

Results for the first nine months (April 1, 2013 - December 31, 2013) were as follows.

Consolidated net sales:	¥ 981,606 million (6.0% increase)
Consolidated operating income:	¥ 45,633 million (13.5% increase)
Consolidated ordinary income:	¥ 51,694 million (44.0% increase)
Consolidated net income:	¥ 25,151 million (29.3% increase)

Sales overview is as follows.

○Household and Industrial Materials

Net sales for the first nine months of FY2013 was 411,023 million yen (0.2% decrease).

In domestic business, sales volume of containerboard and corrugated sheet and box has increased thanks to the firm movement of those for greengrocery. Sales volume of duplex board and packaging paper has stayed almost the same as before. As to household product, sales volume has decreased as affected by price revision.

In overseas business, sales of containerboard has increased in Southeast Asia which is the main area of our business development. Sales of corrugated sheet and box has also increased mainly in those for beverage and processed food.

○Printing and Communications Media

Net sales for the first nine months of FY2013 was 234,306 million yen (4.2% decrease).

Sales of newsprint has 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 preceding fiscal year. As to printing and communication paper, although sales volume has increased as the yen depreciation led to the decline of imported paper, sales amount has remained static.

○Functional Materials

Net sales for the first nine months of FY2013 was 161,317 million yen (12.1% increase).

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

In overseas business, sales of thermal paper has gone up steadily in various regions of North and South America, Europe, and Asia.

○Forest Resources and Environmental Marketing

Net sales for the first nine months of FY2013 was 135,376 million yen (54.4% increase).

In domestic business, sales of pulp has increased. Sales of lumber has also increased thanks to recovery of demand. In addition, we started solar power business at Shiranuka-cho (Hokkaido) in the second quarter of FY2013.

In overseas business, sales of pulp has increased because the subsidiary in New Zealand started full-scale BCTMP production. Moreover, the subsidiary in Brazil, 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 subsidiaries in New Zealand, China, and Southeast Asia has increased.

Quarterly Consolidated Balance Sheets

(Unit : Millions of yen)

	FY2012 Mar 31, 2013	First nine months / FY2013 Dec 31, 2013
Assets		
Current assets		
Cash and deposits	50,621	67,648
Notes and accounts receivable-trade	269,137	299,663
Short-term investment securities	7,144	7,255
Merchandise and finished goods	84,877	85,029
Work in process	17,655	23,117
Raw materials and supplies	60,554	65,790
Other	48,580	38,535
Allowance for doubtful accounts	(3,071)	(2,130)
Total current assets	535,499	584,908
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	203,363	201,347
Machinery, equipment and vehicles, net	375,841	378,152
Land	236,091	235,772
Other, net	275,347	304,803
Total property, plant and equipment	1,090,645	1,120,075
Intangible assets		
Goodwill	14,806	14,624
Other	10,954	10,621
Total intangible assets	25,760	25,246
Investments and other assets		
Investment securities	150,294	168,411
Other	31,073	30,594
Allowance for doubtful accounts	(2,022)	(1,474)
Total investments and other assets	179,345	197,530
Total noncurrent assets	1,295,751	1,342,853
Total assets	1,831,251	1,927,761

	(Unit : Millions of yen)	
	FY2012	First nine
	Mar 31, 2013	months / FY2013 Dec 31, 2013
Liabilities		
Current liabilities		
Notes and accounts payable-trade	210,921	227,585
Short-term loans payable	307,841	220,527
Commercial papers	—	10,000
Current portion of bonds	20,160	20,100
Income taxes payable	5,371	7,812
Provision	857	1,326
Other	82,974	71,349
Total current liabilities	<u>628,127</u>	<u>558,701</u>
Noncurrent liabilities		
Bonds payable	140,160	160,090
Long-term loans payable	362,943	433,206
Provision		
Provision for retirement benefits	53,232	54,788
Provision for directors' retirement benefits	1,580	1,485
Provision for loss on litigation	4,361	4,655
Provision for environmental measures	1,723	1,729
Provision for special repairs	131	129
Total provisions	<u>61,028</u>	<u>62,788</u>
Other	59,863	65,228
Total noncurrent liabilities	<u>623,995</u>	<u>721,313</u>
Total liabilities	<u>1,252,122</u>	<u>1,280,014</u>
Net assets		
Shareholders' equity		
Capital stock	103,880	103,880
Capital surplus	112,930	112,957
Retained earnings	320,086	336,196
Treasury stock	(43,140)	(42,896)
Total shareholders' equity	<u>493,756</u>	<u>510,138</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	16,100	25,931
Deferred gains or losses on hedges	(252)	(376)
Revaluation reserve for land	4,875	4,213
Foreign currency translation adjustment	(8,997)	20,530
Total accumulated other comprehensive income	<u>11,726</u>	<u>50,299</u>
Subscription rights to shares	235	284
Minority interests	73,410	87,023
Total net assets	<u>579,128</u>	<u>647,746</u>
Total liabilities and net assets	<u>1,831,251</u>	<u>1,927,761</u>

Quarterly Consolidated Statements of Income

(Unit : Millions of yen)

	First nine months / FY2012 Apr '12 - Dec '12	First nine months / FY2013 Apr '13 - Dec '13
Net sales	925,763	981,606
Cost of sales	717,767	763,834
Gross profit	207,995	217,772
Selling, general and administrative expenses		
Freightage related expenses	88,898	91,804
Other	78,883	80,333
Total selling, general and administrative expenses	167,781	172,138
Operating income	40,213	45,633
Non-operating income		
Interest income	606	894
Dividends income	2,577	2,528
Foreign exchange gains	3,024	12,897
Equity in earnings of affiliates	473	1,394
Other	3,118	2,885
Total non-operating income	9,800	20,600
Non-operating expenses		
Interest expenses	8,860	8,239
Other	5,248	6,300
Total non-operating expenses	14,108	14,540
Ordinary income	35,905	51,694
Extraordinary income		
Gain on sales of noncurrent assets	61	1,781
Gain on negative goodwill	535	—
Other	41	238
Total extraordinary income	638	2,020
Extraordinary loss		
Business structure improvement expenses	911	4,248
Impairment loss	138	2,043
Loss on retirement of noncurrent assets	1,783	1,463
Loss on subsidiary status change from equity method affiliate to consolidated subsidiary	858	—
Other	3,666	1,134
Total extraordinary losses	7,358	8,890
Income before income taxes and minority interests	29,185	44,823
Income taxes-current	7,769	12,447
Income taxes-deferred	(346)	2,344
Total income taxes	7,422	14,792
Income before minority interests	21,763	30,031
Minority interests in income	2,315	4,880
Net income	19,447	25,151

Quarterly Consolidated Statements of Comprehensive Income

	(Unit : Millions of yen)	
	First nine months / FY2012 Apr '12 - Dec '12	First nine months / FY2013 Apr '13 - Dec '13
Income before minority interests	21,763	30,031
Other comprehensive income		
Valuation difference on available-for-sale securities	(573)	9,543
Deferred gains or losses on hedges	(639)	(115)
Foreign currency translation adjustment	(8,522)	37,068
Share of other comprehensive income of associates accounted for using equity method	8,008	1,275
Total other comprehensive income	(1,728)	47,772
Comprehensive income	20,035	77,804
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	20,834	64,386
Comprehensive income attributable to minority interests	(798)	13,417

Sales and Operating Income by Segment

(Unit : Millions of yen)

1. First nine months of FY2012 (April 1, 2012–Dec 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	384,233	215,863	131,779	54,922	786,798	138,964	925,763	—	925,763
(2) Intra-group sales between segments or transfers	27,779	28,589	12,108	32,773	101,250	73,581	174,831	(174,831)	—
Total	412,012	244,452	143,887	87,696	888,048	212,546	1,100,595	(174,831)	925,763
Segment income (or loss)	21,635	(1,229)	7,881	6,558	34,846	5,026	39,873	340	40,213

2. First nine months of FY2013 (April 1, 2013–Dec 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	381,571	210,351	146,762	97,308	835,994	145,612	981,606	—	981,606
(2) Intra-group sales between segments or transfers	29,452	23,955	14,554	38,067	106,030	77,210	183,240	(183,240)	—
Total	411,023	234,306	161,317	135,376	942,024	222,823	1,164,847	(183,240)	981,606
Segment income (or loss)	16,838	(2,517)	9,018	16,048	39,387	5,682	45,070	562	45,633

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.