

Summary of Consolidated Financial and Business Results
for the First Quarter of the Year Ending March 2015

Oji Holdings Corporation

(Code No. 3861 Tokyo Stock Exchange)

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

Representative:

Kiyotaka Shindo, President & Chief Executive Officer

Contact:

Yoshiaki Takeda, Executive Officer, Corporate Governance Division

Telephone:

03-3563-1111 +81-3-3563-1111(overseas)

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

1. Results for the First Quarter of the Year Ending March 31, 2015 (April 1, 2014 - June 30, 2014)
(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 FY2014	319,075	0.2	10,240	(25.7)	8,316	(52.4)	3,118	(63.3)
First Quarter of FY2013	318,561	4.7	13,790	11.4	17,484	71.9	8,500	25.2

Note: Comprehensive income 1Q of FY2014 (6,538) million yen 1Q of FY2013 38,697 million yen +88.4%

	Net income per share	Diluted net income per share
	Yen	Yen
First Quarter of FY2014	3.16	3.15
First Quarter of FY2013	8.61	8.60

(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 FY2014	1,960,444	661,407	29.0	574.59
Year ended March 2014	1,915,676	670,356	30.0	581.69

Note: Shareholders' equity 1Q of FY2014 567,987 million yen FY2013 575,034 million yen

2. Dividend Conditions

(Basic Date)	Dividend per stock				
	End of 1Q	End of 2Q	End of 3Q	End of FY	Yearly
FY2013	—	5.00	—	5.00	10.00
FY2014	—				
FY2014 (Forecast)		5.00	—	5.00	10.00

Note : Change in forecast of dividend ... None

3. Consolidated Forecasts for the Year Ending March 2015 (April 1, 2014-March 31, 2015)

(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	2.7	27,000	1.8	21,000	(33.3)	8,000	(49.6)	8.09
Yearly	1,360,000	2.1	70,000	12.9	60,000	(14.7)	28,000	(17.2)	28.33

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) : 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 : Yes
- 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 FY2014	1,064,381,817	FY2013	1,064,381,817
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② Outstanding balance of treasury stocks at the end of each period

1Q of FY2014	75,873,361	FY2013	75,831,161
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③ Weighted average number of stocks during the three months ended June 30 of each year

FY2014	988,530,227	FY2013	987,367,803
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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 quarter of FY2014

During the first quarter of FY2014, economic condition surrounding Oji Group showed a good indication of domestic recovery thanks to the improvement of company earnings and employment and income situation, although there was negative impact of rebound from rush demand ahead of consumption tax increase. From a global view, it recovered gradually around developed countries despite the sluggish economic growth of emerging countries and growing tension in Ukraine.

Under these circumstances, We have implemented a variety of measures in order to achieve our goal; "Creation of Inovative Values", such as expansion of functional materials including industrial film and adhesive paper, enhancement of pulp and electric power business, deepning core business by cost down, development of new business and new products by improvement of system for research and development, and further expansion of overseas business such as packaging project in south east Asia and India (overseas sales ratio: 20.3 %, 0.5 % increase from 1Q of FY2014).

Factors above has lead to the results shown below.

Results for the first quarter (April 1, 2014 - June 30, 2014) were as follows.

Consolidated net sales:	¥ 319,075 million (0.2% increase)
Consolidated operating income:	¥ 10,240 million (25.7% decrease)
Consolidated ordinary income:	¥ 8,316 million (52.4% decrease)
Consolidated net income:	¥ 3,118 million (63.3% decrease)

Sales overview is as follows.

○Household and Industrial Materials

Domestic sales of containerboards decreased because of rebound from rush demand ahead of consumption tax increse around those for green grocery. Howevr, total sales volume slightly exceeded that of previous year thanks to the increase of export sales.

Sales volume of corrugated sheets and boxes decreased slightly because of rebound from rush demand ahead of consumption tax increse, although sales of those for foods performed steady.

Sales volume of white paperboards and packaging papers decreased slightly.

As to sales of sanitary papers, both toilet rolls and tissue decreased.

Disposable diapers sales decreased both for infants and for adults.

In overseas business, sales of containerboards remained steady in Southeast Asia which is the main area of our business development and sales of corrugated sheets and boxes recorded healthy, thanks to the firm movement surrounding beverage and processed food.

○Printing and Communications Media

Sales volume of newsprint decreased because reduction of circulation was expanded affected by consumption tax increase, although the number of pages was increased thanks to the football world cup.

Sales volume of printing and communication paper declined due to decreased demand, but sales amount was declined only slightly because of price correction during FY 2013.

○Functional Materials

Domestic sales of specialty papers remained unchanged from the previous year affected by effort to expand sales by creating new products and developing new customers despite the retreat from some project accompanied with business structure improvement.

Exporting sales of specialty papers increased thanks to expanded sales amount.

Domestic sales of thermal papers increased.

In overseas business, sales of thermal paper was sluggish in North America and Europe, but recorded healthy in South America and Asia.

○Forest Resources and Environmental Marketing

In domestic business, sales volume of pulp for paper manufacturing decreased, but sales amount increased thanks to a weak yen.

In addition, we started selling pulp for rayon manufacturing mainly to foreign countries in the first quarter of FY2014 .

Sales of lumber declined due to the decreaed demand.

In foreign business, sales volume of pulp for paper manufacturing increased. Sales of lumber remained steady.

Consolidated quarterly balance sheets

(Unit : Millions of yen)

	FY2013 Mar 31,2013	1Q / FY2014 Jun 30,2014
Assets		
Current assets		
Cash and deposits	45,575	46,601
Notes and accounts receivable-trade	278,897	288,859
Short-term investment securities	12,557	55,262
Merchandise and finished goods	87,096	92,933
Work in process	19,330	20,968
Raw materials and supplies	65,798	69,523
Other	40,214	39,179
Allowance for doubtful accounts	(2,264)	(1,849)
Total current assets	<u>547,205</u>	<u>611,478</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	210,393	206,609
Machinery, equipment and vehicles, net	382,696	374,751
Land	235,063	234,927
Other, net	326,824	320,973
Total property, plant and equipment	<u>1,154,978</u>	<u>1,137,261</u>
Intangible assets		
Goodwill	14,430	13,822
Other	10,947	10,746
Total intangible assets	<u>25,377</u>	<u>24,568</u>
Investments and other assets		
Investment securities	154,038	156,400
Other	35,517	32,186
Allowance for doubtful accounts	(1,441)	(1,451)
Total investments and other assets	<u>188,114</u>	<u>187,135</u>
Total noncurrent assets	<u>1,368,471</u>	<u>1,348,965</u>
Total assets	<u>1,915,676</u>	<u>1,960,444</u>

(Unit : Millions of yen)

	FY2013 Mar 31,2013	1Q / FY2014 Jun 30,2014
Liabilities		
Current liabilities		
Notes and accounts payable-trade	204,052	200,902
Short-term loans payable	184,362	244,272
Current portion of bonds	20,085	20,085
Income taxes payable	7,948	3,174
Provision	4,241	4,206
Other	75,237	68,932
Total current liabilities	<u>495,927</u>	<u>541,572</u>
Noncurrent liabilities		
Bonds payable	160,075	160,055
Long-term loans payable	434,007	447,926
Provision	8,462	8,328
Net defined benefit liability	73,769	68,440
Other	73,078	72,713
Total noncurrent liabilities	<u>749,392</u>	<u>757,463</u>
Total liabilities	<u>1,245,320</u>	<u>1,299,036</u>
Net assets		
Shareholders' equity		
Capital stock	103,880	103,880
Capital surplus	112,965	112,965
Retained earnings	344,846	345,651
Treasury stock	(42,681)	(42,699)
Total shareholders' equity	<u>519,010</u>	<u>519,797</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	20,897	21,754
Deferred gains or losses on hedges	44	(378)
Revaluation reserve for land	4,214	4,214
Foreign currency translation adjustment	43,403	34,757
Remeasurements of defined benefit plans	(12,536)	(12,158)
Total accumulated other comprehensive income	<u>56,023</u>	<u>48,189</u>
Subscription rights to shares	290	309
Minority interests	95,031	93,110
Total net assets	<u>670,356</u>	<u>661,407</u>
Total liabilities and net assets	<u>1,915,676</u>	<u>1,960,444</u>

Consolidated quarterly statements of income

(Unit : Millions of yen)

	1Q / FY2013 Apr '13 - Jun '13	1Q / FY2014 Apr '14 - Jun '14
Net sales	318,561	319,075
Cost of sales	247,688	251,106
Gross profit	<u>70,872</u>	<u>67,968</u>
Selling, general and administrative expenses		
Freightage related expenses	30,011	30,363
Other	27,071	27,364
Total selling, general and administrative expenses	<u>57,082</u>	<u>57,727</u>
Operating income	<u>13,790</u>	<u>10,240</u>
Non-operating income		
Interest income	197	261
Dividends income	1,305	1,431
Foreign exchange gains	5,550	—
Equity in earnings of affiliates	880	1,280
Other	1,139	2,374
Total non-operating income	<u>9,074</u>	<u>5,347</u>
Non-operating expenses		
Interest expenses	2,752	2,991
Foreign exchange losses	—	2,668
Other	2,627	1,610
Total non-operating expenses	<u>5,379</u>	<u>7,271</u>
Ordinary income	<u>17,484</u>	<u>8,316</u>
Extraordinary income		
Gain on sales of noncurrent assets	172	—
Gain on sales of investment securities	13	20
Total extraordinary income	<u>185</u>	<u>20</u>
Extraordinary loss		
Loss on retirement of noncurrent assets	587	272
Extra retirement payment	202	155
Business structure improvement expenses	562	—
Other	1,035	85
Total extraordinary losses	<u>2,388</u>	<u>512</u>
Income before income taxes and minority interests	<u>15,282</u>	<u>7,823</u>
Income taxes-current	2,812	2,529
Income taxes-deferred	2,616	1,754
Total income taxes	<u>5,429</u>	<u>4,283</u>
Income before minority interests	<u>9,853</u>	<u>3,540</u>
Minority interests in income	<u>1,352</u>	<u>421</u>
Net income	<u>8,500</u>	<u>3,118</u>

Consolidated quarterly statements of comprehensive income

	(Unit : Millions of yen)	
	1Q / FY2013	1Q / FY2014
	Apr '13 - Jun '13	Apr '14 - Jun '14
Income before minority interests	9,853	3,540
Other comprehensive income		
Valuation difference on available-for-sale securities	2,192	812
Deferred gains or losses on hedges	(590)	(423)
Foreign currency translation adjustment	25,538	(10,365)
Remeasurements of defined benefit plans, net of tax	—	375
Share of other comprehensive income of associates accounted for using equity method	1,703	(478)
Total other comprehensive income	28,843	(10,079)
Comprehensive income	<u>38,697</u>	<u>(6,538)</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	31,699	(4,715)
Comprehensive income attributable to minority interests	6,997	(1,823)

Sales and Operating Profit by Segment

(Unit : Millions of yen)

1. 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	123,871	69,546	50,198	35,397	279,013	39,547	318,561	—	318,561
(2) Intra-group sales between segments or transfers	9,306	7,859	4,936	12,224	34,327	24,366	58,693	(58,693)	—
Total	133,177	77,406	55,135	47,621	313,341	63,913	377,254	(58,693)	318,561
Segment profit (or loss)	5,910	(701)	2,667	4,337	12,254	1,551	13,805	(15)	13,790

2. 1Q of FY2014 (April 1, 2014–June 30, 2014)

	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	120,387	68,540	50,775	36,772	276,474	42,600	319,075	—	319,075
(2) Intra-group sales between segments or transfers	10,355	8,087	4,813	12,772	36,029	23,561	59,590	(59,590)	—
Total	130,743	76,627	55,588	49,544	312,504	66,162	378,666	(59,590)	319,075
Segment profit (or loss)	2,273	287	2,620	3,622	8,804	1,851	10,655	(415)	10,240

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, stationery, 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, cornstarch, etc.

Others : Real estate, machinery, trading business, logistics, plastic container, commercial printing, etc.