

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

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, 2015 (April 1, 2014 - September 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 Half of FY2014	637,284	(0.8)	19,244	(27.4)	16,393	(48.0)	6,602	(58.4)
First Half of FY2013	642,649	6.3	26,522	21.1	31,499	84.8	15,876	88.5

Note: Comprehensive income First Half of FY2014 (9,718) million yen First Half of FY2013 67,350 million yen +1,009.8%

	Net income per share	Diluted net income per share
	Yen	Yen
First Half of FY2014	6.68	6.67
First Half of FY2013	16.08	16.06

(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 FY2014	1,928,454	658,035	29.3	572.31
Year ended March 2014	1,915,676	670,356	30.0	581.69

Note: Shareholders' equity First Half of FY2014 565,698 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	—	5.00			
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
Yearly	1,340,000	0.6	58,000	(6.5)	50,000	(28.9)	22,000	(34.9)	22.26

Note : Change in consolidated forecasts ... Yes

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)

First Half 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

First Half of FY2014	75,930,781	FY2013	75,831,161
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③ Weighted average number of stocks during the six months ended September 30 of each year

First Half of FY2014	988,502,394	Firs half of FY2013	987,396,056
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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 FY2014

During the first half of FY2014, economic condition surrounding Oji Group showed a gradual recovery of domestic economy thanks to the improvement of company earnings. However, it ended with lack of dynamism owing to negative impact of rebound from rush demand ahead of consumption tax increase and influence of unsettled weather. From a global view, it remained uncertain in total, because of the economic slowdown in Europe, the deceleration of economic growth in emerging countries, and growing tension in Ukraine and Middle East, although economic condition remained steady in US.

Under these circumstances, We have implemented a variety of measures in order to achieve our goal; "Creation of Innovative Values", such as (1)deepening core business by development of high value added products and electric power business, (2)expansion into new business to discover the next core business, and (3)further expansion of overseas business such as pulp business in Oceania and packaging and disposable diaper project in Southeast Asia.

Factors above have led to the results shown below.

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

Consolidated net sales:	¥ 637,284 million (0.8% decrease)
Consolidated operating income:	¥ 19,244 million (27.4% decrease)
Consolidated ordinary income:	¥ 16,393 million (48.0% decrease)
Consolidated net income:	¥ 6,602 million (58.4% decrease)

Sales overview is as follows.

○Household and Industrial Materials

Domestic sales of containerboards decreased because rebound from rush demand ahead of consumption tax increase and unsettled weather in summertime depressed demand around greengrocery and beverage. However, total sales volume slightly exceeded 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 increase, although sales of those for foods and beverage performed steady.

As to sales of sanitary papers, toilet rolls remained static, tissue decreased.

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

○Functional Materials

Domestic sales of specialty papers decreased because of withdrawal of a part of operation, despite having good effect by developing new products and customers. On the other hand, export sales increased from previous year thanks to recovered demand for electrical films and expanding sales of specialty papers.

Domestic sales of thermal papers remained steady.

In overseas business, sales of thermal paper increased in Asia and South America, but decreased in North America and Europe.

○Forest Resources and Environmental Marketing

In domestic business, sales of pulp increased because we started selling it for rayon manufacturing mainly to foreign countries in the first quarter of FY2014.

In overseas business, sales volume of pulp for paper manufacturing increased, but sales amount decreased due to falling in price.

Sales of lumber decreased because of weak demand.

○Printing and Communications Media

Sales volume of newsprint decreased because circulation was reduced 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 decreased due to declining demand.

Consolidated quarterly balance sheets

	(Unit : Millions of yen)	
	FY2013 Mar 31,2014	First Half / FY2014 Sep 30,2014
Assets		
Current assets		
Cash and deposits	45,575	47,470
Notes and accounts receivable-trade	278,897	278,517
Short-term investment securities	12,557	40,874
Merchandise and finished goods	87,096	92,208
Work in process	19,330	24,443
Raw materials and supplies	65,798	69,850
Other	40,214	41,181
Allowance for doubtful accounts	(2,264)	(1,847)
Total current assets	<u>547,205</u>	<u>592,699</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	210,393	205,444
Machinery, equipment and vehicles, net	382,696	365,391
Land	235,063	235,263
Other, net	326,824	316,885
Total property, plant and equipment	<u>1,154,978</u>	<u>1,122,984</u>
Intangible assets		
Goodwill	14,430	13,126
Other	10,947	10,434
Total intangible assets	<u>25,377</u>	<u>23,560</u>
Investments and other assets		
Investment securities	154,038	156,527
Other	35,517	34,070
Allowance for doubtful accounts	(1,441)	(1,388)
Total investments and other assets	<u>188,114</u>	<u>189,209</u>
Total noncurrent assets	<u>1,368,471</u>	<u>1,335,755</u>
Total assets	<u>1,915,676</u>	<u>1,928,454</u>

	(Unit : Millions of yen)	
	FY2013	First Half / FY2014
	Mar 31,2014	Sep 30,2014
Liabilities		
Current liabilities		
Notes and accounts payable-trade	204,052	198,779
Short-term loans payable	184,362	254,919
Current portion of bonds	20,085	20,070
Income taxes payable	7,948	4,904
Provision	4,241	1,564
Other	75,237	72,241
Total current liabilities	<u>495,927</u>	<u>552,479</u>
Noncurrent liabilities		
Bonds payable	160,075	140,040
Long-term loans payable	434,007	429,494
Provision	8,462	8,294
Net defined benefit liability	73,769	67,658
Other	73,078	72,453
Total noncurrent liabilities	<u>749,392</u>	<u>717,940</u>
Total liabilities	<u>1,245,320</u>	<u>1,270,419</u>
Net assets		
Shareholders' equity		
Capital stock	103,880	103,880
Capital surplus	112,965	112,964
Retained earnings	344,846	349,052
Treasury stock	(42,681)	(42,722)
Total shareholders' equity	<u>519,010</u>	<u>523,175</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	20,897	22,568
Deferred gains or losses on hedges	44	(1,321)
Revaluation reserve for land	4,214	4,214
Foreign currency translation adjustment	43,403	28,879
Remeasurements of defined benefit plans	(12,536)	(11,817)
Total accumulated other comprehensive income	<u>56,023</u>	<u>42,523</u>
Subscription rights to shares	290	323
Minority interests	95,031	92,013
Total net assets	<u>670,356</u>	<u>658,035</u>
Total liabilities and net assets	<u>1,915,676</u>	<u>1,928,454</u>

Consolidated quarterly statements of income

	(Unit : Millions of yen)	
	First Half / FY2013 Apr '13 - Sep '13	First Half / FY2014 Apr '14 - Sep '14
Net sales	642,649	637,284
Cost of sales	501,956	503,317
Gross profit	140,693	133,966
Selling, general and administrative expenses		
Freightage related expenses	60,340	56,214
Other	53,830	58,506
Total selling, general and administrative expenses	114,170	114,721
Operating income	26,522	19,244
Non-operating income		
Interest income	504	588
Dividends income	1,695	1,781
Foreign exchange gains	10,020	—
Gain on valuation of derivatives	—	1,605
Equity in earnings of affiliates	1,334	1,371
Other	1,949	2,288
Total non-operating income	15,504	7,635
Non-operating expenses		
Interest expenses	5,565	5,423
Foreign exchange losses	—	2,087
Other	4,962	2,976
Total non-operating expenses	10,527	10,486
Ordinary income	31,499	16,393
Extraordinary income		
Gain on sales of noncurrent assets	331	162
Gain on sales of investment securities	33	204
Other	—	0
Total extraordinary income	364	367
Extraordinary loss		
Loss on retirement of noncurrent assets	1,053	595
Extra retirement payment	364	384
Business structure improvement expenses	576	439
Other	2,512	124
Total extraordinary losses	4,507	1,543
Income before income taxes and minority interests	27,356	15,216
Income taxes-current	7,161	6,348
Income taxes-deferred	596	1,429
Total income taxes	7,757	7,777
Income before minority interests	19,598	7,439
Minority interests in income	3,722	836
Net income	15,876	6,602

Consolidated quarterly statements of comprehensive income

	(Unit : Millions of yen)	
	First Half / FY2013 Apr '13 - Sep '13	First Half / FY2014 Apr '14 - Sep '14
Income before minority interests	19,598	7,439
Other comprehensive income		
Valuation difference on available-for-sale securities	5,565	1,359
Deferred gains or losses on hedges	(26)	(1,364)
Foreign currency translation adjustment	39,969	(17,549)
Remeasurements of defined benefit plans, net of tax	—	715
Share of other comprehensive income of associates accounted for using equity method	2,243	(318)
Total other comprehensive income	<u>47,751</u>	<u>(17,157)</u>
Comprehensive income	<u>67,350</u>	<u>(9,718)</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	54,405	(6,897)
Comprehensive income attributable to minority interests	12,944	(2,820)

Sales and Operating Profit by Segment

(Unit : Millions of yen)

1. First Half of FY2013 (April 1, 2013–September 30, 2013)

	Reporting Segment				Total	Others	Total	Adjustment	Consolidated Total
	Household and Industrial Materials	Functional Materials	Forest Resources and Environmental Marketing	Printing and Communications Media					
Sales									
(1) Sales to outside customers	249,044	100,748	71,456	141,503	562,753	79,895	642,649	—	642,649
(2) Intra-group sales between segments or transfers	18,645	9,760	26,071	14,060	68,538	48,792	117,330	(117,330)	—
Total	267,690	110,509	97,528	155,564	631,292	128,688	759,980	(117,330)	642,649
Segment profit (or loss)	9,833	5,743	9,678	(2,283)	22,972	3,454	26,427	95	26,522

2. First Half of FY2014 (April 1, 2014–September 30, 2014)

	Reporting Segment				Total	Others	Total	Adjustment	Consolidated Total
	Household and Industrial Materials	Functional Materials	Forest Resources and Environmental Marketing	Printing and Communications Media					
Sales									
(1) Sales to outside customers	246,204	99,512	69,467	137,920	553,104	84,179	637,284	—	637,284
(2) Intra-group sales between segments or transfers	21,016	9,352	24,715	13,599	68,684	47,517	116,201	(116,201)	—
Total	267,221	108,864	94,183	151,519	621,789	131,696	753,486	(116,201)	637,284
Segment profit (or loss)	4,850	4,732	6,341	(775)	15,148	4,038	19,186	58	19,244

Household and Industrial Materials : Containerboard, boxboard, packaging paper, corrugated container, paper container, paper bag product, sanitary paper, paper diaper, 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.

Printing and Communications Media : Newsprint, printing and writing papers, carbonless paper, business form paper, copy paper, stationery, etc.

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