

Summary of Consolidated Financial and Business Results
for the Year Ended March 2015

Oji Holdings Corporation

(Code No. 3861 Tokyo Stock Exchange)

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General meeting of stockholders to be held:

June 26, 2015*

Statutory annual report to be presented:

June 26, 2015*

Start of dividend payout:

June 4, 2015*

*Expected dates

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

1. Results for the Year Ended March 31, 2015 (April 1, 2014 - March 31, 2015)**(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	%
FY2014	1,347,281	1.1	46,694	(24.7)	52,970	(24.7)	17,344	(48.7)
FY2013	1,332,510	7.3	62,023	18.4	70,358	28.9	33,801	32.0

Note: Comprehensive income

FY2014 107,790 million yen (4.3%)

FY2013 112,679 million yen 49.6%

	Net income per share	Diluted net income per share	Ratio of net income to shareholders' equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
FY2014	17.55	17.53	2.8	2.6	3.5
FY2013	34.22	34.19	6.3	3.8	4.7

Note: Equity in earning of affiliates

FY2014 2,057 million yen

FY2013 1,476 million yen

(2) Consolidated Financial Condition

	Total assets	Net assets	Net worth/total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2014	2,164,091	801,372	30.4	666.40
FY2013	1,915,676	670,356	30.0	581.69

Note: Shareholders' equity

FY2014 658,657 million yen

FY2013 575,034 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2014	90,925	(165,549)	77,380	57,129
FY2013	109,316	(67,242)	(52,019)	52,173

2. Dividend Conditions

(Basic date)	Dividend per stock					Total dividend (Yearly)	Dividend payout ratio (Consolidated)	Dividend on net assets (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of FY	Yearly			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY2013	-	5.00	-	5.00	10.00	9,962	29.2	1.8
FY2014	-	5.00	-	5.00	10.00	9,897	57.0	1.6
FY2015 (Forecast)	-	5.00	-	5.00	10.00		29.1	

3. Consolidated Forecasts for the Year Ending March 2016 (April 1, 2015-March 31, 2016)

	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
First Half	750,000	17.7	27,000	40.3	26,000	58.6	12,000	81.7	12.14
Yearly	1,530,000	13.6	70,000	49.9	65,000	22.7	34,000	96.0	34.40

4. In Addition

(1) Changes in important subsidiaries

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

Newly included: 3 companies Oji Oceania Management Co., Ltd.
 Oji Oceania Management (NZ) Limited
 Carter Holt Harvey Pulp & Paper Limited

Excluded: None

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

(i) Changes due to accounting standard changes : Yes
 (ii) Changes besides (i) : None
 (iii) Accounting estimate change : None
 (iv) Restatement : None

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

(i) Outstanding balance of issued stocks at the end of fiscal year (Including treasury stocks)
 FY2014 1,064,381,817 FY2013 1,064,381,817

(ii) Outstanding balance of treasury stocks at the end of fiscal year
 FY2014 75,999,709 FY2013 75,831,161

(iii) Weighted average number of stocks during fiscal year
 FY2014 988,462,147 FY2013 987,713,735

(Reference)

1. Results for the Year Ended March 31, 2015 (April 1, 2014 - March 31, 2015)

(1) Non-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	%
FY2014	31,498	(16.9)	13,388	(25.0)	13,349	(23.2)	9,758	(54.7)
FY2013	37,900	(83.8)	17,850	75.8	17,373	52.9	21,551	139.5

	Net income per share	Diluted net income per share
	Yen	Yen
FY2014	9.86	9.85
FY2013	21.62	21.60

(2) Non-consolidated Financial Condition

	Total assets	Net assets	Net worth/total assets	Net assets per share
	Millions of yen	Millions of yen	%	yen
FY2014	1,221,741	374,941	30.7	378.48
FY2013	1,146,200	368,289	32.1	371.75

Note: Shareholders' equity FY2014 374,598 million yen FY2013 367,999 million yen

- 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 year ended March 31, 2015

During FY 2014, the domestic economic condition surrounding the Oji Group showed a moderate recovery trend as represented in the firm stock prices despite the longer-than-expected rebound from rush demand and inventory adjustments after the implementation of consumption tax increase, owing to the additional monetary easing policy, yen depreciation and low price of crude oil. From a global view, there stayed a sense of uncertainty due to the recurrence of Greece's debt crisis, growth deceleration of developing economies, and insecurity feelings in some parts of the world caused by geopolitical risks, though the US had a generally strong economy.

Results for the year ended March 2015 (April 1, 2014 - March 31, 2015) were as follows.

Consolidated net sales:	¥1,347,281 million yen (1.1 % increase)
Consolidated operating income:	¥46,694 million yen (24.7 % decrease)
Consolidated ordinary income:	¥52,970 million yen (24.7 % decrease)
Consolidated net income:	¥17,344 million yen (48.7 % decrease)

Sales overview is as follows.

○Household and Industrial Materials

Total sales volume of containerboard slightly decreased relative to the previous year in spite of an increase in its export, because of a decline in domestic sales which resulted from a weak condition of green grocery caused by negative impacts of a rebound from rush demand ahead of consumption tax increase and unsettled weather of the summer.

Sales volume of corrugated sheet and container slightly decreased from influences of a rebound from rush demand ahead of consumption tax increase, though sales of those for food industry customers centering on beverage steadily performed.

As for household paper, sales volume of tissue paper decreased while that of toilet rolls slightly increased.

Regarding overseas businesses, sales of containerboard remained steady and that of corrugated sheet and container mainly for beverage and processed food customers recorded healthy in Southeast Asia, the main region of the Group's business operation.

○Functional Materials

Domestic sales of specialty paper decreased compared to the previous year as a result of withdrawals from some projects, despite efforts made for sales expansion through development of new products and customers. Export sales increased, thanks to expanded sales of films for electric uses. Domestic sales of thermal paper steadily performed.

As for overseas businesses, sales of thermal paper decreased in North America and Europe, but increased in Asia and South America.

○Forest Resources and Environmental Marketing

Domestically, sales of pulp increased from the previous year, owing to the start of sales of pulp for rayon manufacturing mainly to foreign customers in the first quarter of FY2014.

Regarding overseas businesses, sales volume of pulp for paper manufacturing was almost equivalent to that of the previous year. Foreign-currency-denominated sales decreased due to price drop whereas that of yen equivalent increased due to yen depreciation. Sales of lumber decreased because of a weak demand.

○Printing and Communications Media

Sales of newsprint decreased relative to the previous year due to a reduced circulation.

Sales of printing and communication paper declined due to a decreased demand.

Consolidated Balance Sheets

(Unit : Millions of yen)

	FY2013 Mar 31, 2014	FY2014 Mar 31, 2015
Assets		
Current assets		
Cash and deposits	45,575	45,567
Notes and accounts receivable-trade	278,897	298,826
Short-term investment securities	12,557	16,717
Merchandise and finished goods	87,096	98,996
Work in progress	19,330	19,689
Raw materials and supplies	65,798	82,051
Deferred tax assets	8,926	9,771
Short-term loans receivable	4,958	4,854
Accounts receivable-other	14,238	19,269
Other	12,090	14,620
Allowance for doubtful accounts	(2,264)	(1,973)
Total current assets	<u>547,205</u>	<u>608,392</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	210,393	230,297
Machinery, equipment and vehicles, net	382,696	501,020
Tools, furniture and fixtures, net	6,111	6,422
Land	235,063	239,698
Forests	106,029	119,108
Standing Timber	117,263	130,555
Lease assets, net	5,329	2,656
Construction in progress	92,091	40,709
Total property, plant and equipment	<u>1,154,978</u>	<u>1,270,469</u>
Intangible assets		
Goodwill	14,430	16,042
Other	10,947	16,085
Total intangible assets	<u>25,377</u>	<u>32,127</u>
Investments and other assets		
Investment securities	154,038	203,675
Long-term loans receivable	1,980	3,493
Long-term prepaid expenses	17,645	22,101
Net defined benefit asset	534	8,912
Deferred tax assets	6,008	6,055
Other	9,348	10,095
Allowance for doubtful accounts	(1,441)	(1,232)
Total investments and other assets	<u>188,114</u>	<u>253,102</u>
Total noncurrent assets	<u>1,368,471</u>	<u>1,555,699</u>
Total assets	<u>1,915,676</u>	<u>2,164,091</u>

(Unit : Millions of yen)

	FY2013 Mar 31, 2014	FY2014 Mar 31, 2015
Liabilities		
Current liabilities		
Notes and accounts payable-trade	204,052	209,977
Short-term loans payable	184,362	319,720
Commercial papers	—	10,000
Current portion of bonds	20,085	20,055
Accounts payable-other	13,558	17,501
Accrued expenses	43,950	49,077
Income taxes payable	7,948	6,262
Allowance for loss on transfer of shares of affiliated companies	—	12,362
Surcharge allowance	2,712	—
Other	19,258	37,981
Total current liabilities	<u>495,927</u>	<u>682,938</u>
Noncurrent liabilities		
Bonds payable	160,075	140,020
Long-term loans payable	434,007	372,784
Deferred tax liabilities	49,895	72,096
Deferred tax liabilities for land revaluation	9,161	8,333
Provision for loss on litigation	4,965	5,079
Net defined benefit liability	73,769	63,949
Long-term deposits received	9,294	8,061
Other	8,222	9,455
Total noncurrent liabilities	<u>749,392</u>	<u>679,780</u>
Total liabilities	<u>1,245,320</u>	<u>1,362,719</u>
Net assets		
Shareholders' equity		
Capital stock	103,880	103,880
Capital surplus	112,965	112,951
Retained earnings	344,846	354,828
Treasury stock	(42,681)	(42,748)
Total shareholders' equity	<u>519,010</u>	<u>528,912</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	20,897	53,213
Deferred gains or losses on hedges	44	(346)
Revaluation reserve for land	4,214	5,059
Foreign currency translation adjustment	43,403	76,457
Remeasurements of defined benefit plans	(12,536)	(4,638)
Total accumulated other comprehensive income	<u>56,023</u>	<u>129,744</u>
Subscription rights to shares	290	342
Minority interests	95,031	142,372
Total net assets	<u>670,356</u>	<u>801,372</u>
Total liabilities and net assets	<u>1,915,676</u>	<u>2,164,091</u>

Consolidated Statements of Income

(Unit : Millions of yen)

	FY2013 Apr '13 - Mar '14	FY2014 Apr '14 - Mar '15
Net sales	1,332,510	1,347,281
Cost of sales	1,037,837	1,062,506
Gross profit	<u>294,673</u>	<u>284,775</u>
Selling, general and administrative expenses		
Freightage related expenses	123,643	126,737
Warehousing expenses	6,790	7,128
Employees' salaries	45,562	46,828
Retirement benefit expenses	4,320	1,670
Depreciation	4,314	4,523
Other	48,018	51,192
Total selling, general and administrative expenses	<u>232,649</u>	<u>238,080</u>
Operating income	<u>62,023</u>	<u>46,694</u>
Non-operating income		
Interest income	1,139	1,278
Dividends income	2,872	3,126
Equity in earnings of affiliates	1,476	2,057
Foreign exchange gains	16,926	13,280
Other	4,394	4,706
Total non-operating income	<u>26,809</u>	<u>24,449</u>
Non-operating expenses		
Interest expenses	10,877	11,068
Other	7,596	7,105
Total non-operating expenses	<u>18,474</u>	<u>18,173</u>
Ordinary income	<u>70,358</u>	<u>52,970</u>
Extraordinary income		
Gain on sales of investment securities	370	1,306
Other	10,340	246
Total extraordinary income	<u>10,710</u>	<u>1,553</u>
Extraordinary loss		
Provision of allowance for transfer of shares of affiliated companies	—	12,366
Loss on retirement of non-current assets	2,759	1,588
Business structure improvement expenses	4,694	1,152
Provision for surcharge allowance	2,712	—
Other	7,002	1,713
Total extraordinary losses	<u>17,168</u>	<u>16,820</u>
Income before income taxes and minority interests	<u>63,900</u>	<u>37,703</u>
Income taxes-current	19,033	15,199
Income taxes-deferred	4,385	410
Total income taxes	<u>23,419</u>	<u>15,609</u>
Income before minority interests	<u>40,480</u>	<u>22,094</u>
Minority interests in income	6,679	4,749
Net income	<u>33,801</u>	<u>17,344</u>

Consolidated Statements of Comprehensive Income

(Unit : Millions of yen)

	FY2013	FY2014
	Apr '13 - Mar '14	Apr '14 - Mar '15
Income before minority interests	40,480	22,094
Other comprehensive income		
Valuation difference on available-for-sale securities	4,605	31,726
Deferred gains or losses on hedges	314	(331)
Revaluation reserve for land	—	827
Foreign currency translation adjustment	65,415	43,980
Remeasurements of defined benefit plans, net of tax	—	7,899
Share of other comprehensive income of associates	1,864	1,593
Total other comprehensive income	<u>72,198</u>	<u>85,696</u>
Comprehensive income	<u>112,679</u>	<u>107,790</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	91,296	91,048
Comprehensive income attributable to minority interests	21,382	16,741

Consolidated Statements of Cash Flows

(Unit : Millions of yen)

	FY2013 Apr '13 - Mar '14	FY2014 Apr '14 - Mar '15
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	63,900	37,703
Depreciation	73,260	70,825
Amortization of goodwill	2,822	2,987
Increase (decrease) in allowance for doubtful accounts	(1,351)	(445)
Decrease(increase) in net defined benefit asset	847	(5,812)
Increase (decrease) in net defined benefit liability	961	4,461
Interest and dividend income	(4,011)	(4,404)
Interest expenses	10,877	11,068
Foreign exchange losses (gains)	(14,190)	(9,624)
Share of (profit) loss of entities accounted for using equity	(1,476)	(2,057)
Loss (gain) on sales of investment securities	(370)	(1,306)
Provision of allowance for transfer of shares of affiliated companies	—	12,366
Loss on retirement of non-current assets	2,759	1,588
Business structure improvement expenses	4,694	1,152
Decrease (increase) in notes and accounts receivable - trade	(2,709)	(3,228)
Decrease (increase) in inventories	(3,783)	(5,213)
Increase (decrease) in notes and accounts payable - trade	(11,042)	(568)
Other, net	5,831	928
Subtotal	<u>127,018</u>	<u>110,419</u>
Interest and dividend income received	5,105	5,063
Interest expenses paid	(11,204)	(10,900)
Income taxes paid	(11,602)	(13,656)
Net cash provided by (used in) operating activities	<u>109,316</u>	<u>90,925</u>
Net cash provided by (used in) investing activities		
Purchase of securities	(5,235)	—
Proceeds from sales of securities	—	1,251
Purchase of property, plant and equipment and intangible assets	(80,539)	(69,890)
Proceeds from sales of property, plant and equipment and intangible assets	12,844	1,390
Purchase of investment securities	(2,945)	(937)
Proceeds from sales and redemption of investment securities	8,370	2,197
Additional purchase of investments in consolidated subsidiaries	(1)	(275)
Payments of loans receivable	(1,931)	(2,203)
Collection of loans receivable	3,046	1,334
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(97,455)
Other, net	(849)	(960)
Net cash provided by (used in) investing activities	<u>(67,242)</u>	<u>(165,549)</u>
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(34,467)	59,801
Net increase (decrease) in commercial papers	—	10,000
Proceeds from long-term loans payable	117,970	62,510
Repayments of long-term loans payable	(149,985)	(57,489)
Proceeds from issuance of bonds	39,790	—
Redemption of bonds	(20,160)	(20,085)
Proceeds from share issuance to minority shareholders	172	33,817
Purchase of treasury shares	(129)	(95)
Cash dividends paid	(9,886)	(9,897)
Other, net	4,675	(1,180)
Net cash provided by (used in) financing activities	<u>(52,019)</u>	<u>77,380</u>
Effect of exchange rate change on cash and cash equivalents	4,535	2,285
Net increase (decrease) in cash and cash equivalents	<u>(5,409)</u>	<u>5,042</u>
Cash and cash equivalents at beginning of period	57,048	52,173
Increase in cash and cash equivalents resulting from merger	7	73
Increase in cash and cash equivalents from newly consolidated subsidiary	527	—
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	—	(159)
Cash and cash equivalents at end of period	<u>52,173</u>	<u>57,129</u>

Sales and Operating Income by Segment

(Unit : Millions of yen)

1. FY2013 (April 1, 2013–March 31, 2014)

	Reporting Segment					Others	Total	Adjustment	Consolidated Total
	Household and Industrial Materials	Functional Materials	Forest Resources and Environmental Marketing	Printing and Communications Media	Total				
Sales									
(1) Sales to outside customers	511,586	206,212	155,795	289,404	1,162,998	169,512	1,332,510	-	1,332,510
(2) Intra-group sales between segments or transfers	39,169	19,921	49,882	28,266	137,240	97,812	235,052	(235,052)	-
Total	550,755	226,133	205,677	317,671	1,300,238	267,325	1,567,563	(235,052)	1,332,510
Operating profit	22,482	12,278	21,381	(2,264)	53,878	7,977	61,855	167	62,023
Assets	550,226	228,550	452,732	464,631	1,696,141	334,608	2,030,750	(115,073)	1,915,676
Others									
(1) Depreciation	24,736	11,585	8,861	23,372	68,556	4,703	73,260	-	73,260
(2) Capital expenditure	22,419	5,074	29,905	7,636	65,036	11,684	76,721	-	76,721

2. FY2014 (April 1, 2014–March 31, 2015)

	Reporting Segment					Others	Total	Adjustment	Consolidated Total
	Household and Industrial Materials	Functional Materials	Forest Resources and Environmental Marketing	Printing and Communications Media	Total				
Sales									
(1) Sales to outside customers	518,239	206,013	161,731	282,812	1,168,797	178,483	1,347,281	-	1,347,281
(2) Intra-group sales between segments or transfers	43,512	19,206	49,789	28,170	140,679	97,590	238,270	(238,270)	-
Total	561,752	225,220	211,521	310,983	1,309,477	276,074	1,585,552	(238,270)	1,347,281
Operating profit	14,528	9,367	14,925	(671)	38,150	7,997	46,147	547	46,694
Assets	624,751	222,846	567,675	505,851	1,921,124	356,668	2,277,793	(113,701)	2,164,091
Others									
(1) Depreciation	23,476	10,224	10,862	21,533	66,097	4,727	70,825	-	70,825
(2) Capital expenditure	23,521	6,769	25,179	20,355	75,826	4,252	80,079	-	80,079

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, business form paper, copy paper, stationery, etc.

Others : Real estate, machinery, trading business, logistics, plastic container, insurance agency, etc.