

Summary of Consolidated Financial and Business Results
for the First Nine Months of the Year Ending March 2016

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, 2016 (April 1, 2015 - December 31, 2015)
(Unaudited)

(1) Consolidated Business Results

(Figures shown in percentage are ratios compared to the previous year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First Nine Months of FY2015	1,071,212	8.8	49,651	55.1	48,710	41.0	29,481	60.8
First Nine Months of FY2014	984,242	0.3	32,020	(29.8)	34,552	(33.2)	18,330	(27.1)

Note: Comprehensive income First Nine Months of FY2015 (12,465) million yen First Nine Months of FY2014 54,433 million yen -30.0%

	Net income per share	Diluted net income per share
	Yen	Yen
First Nine Months of FY2015	29.83	29.79
First Nine Months of FY2014	18.54	18.52

(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 FY2015	2,086,129	778,700	30.6	646.62
Year ended March 2015	2,164,091	801,372	30.4	666.40

Note: Shareholders' equity First Nine Months of FY2015 639,194 million yen FY2014 658,657 million yen

2. Dividend Conditions

(Basic Date)	Dividend per stock				
	End of 1Q	End of 2Q	End of 3Q	End of FY	Yearly
	Yen	Yen	Yen	Yen	Yen
FY2014	—	5.00	—	5.00	10.00
FY2015	—	5.00			
FY2015 (Forecast)			—	5.00	10.00

Note : Change in forecast of dividend ... None

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

(Figures shown in percentage are ratios compared to the previous year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	
Yearly	1,530,000	13.6	70,000	49.9	65,000	22.7	25,000	44.1	25.29

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 Nine Months of FY2015	1,064,381,817	FY2014	1,064,381,817
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② Outstanding balance of treasury stocks at the end of each period

First Nine Months of FY2015	75,869,270	FY2014	75,999,709
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③ Weighted average number of stocks during the nine months ended December 31 of each year

First Nine Months of FY2015	988,293,210	First Nine Months of FY2014	988,480,728
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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 FY2015

During the first nine months of FY 2015, the domestic economic condition surrounding the Oji Group has enabled corporate earnings to continue to moderately improve, with yen depreciation, low price of crude oil and inbound tourism consumptions as positive factors; though the economy was partly influenced by slowdown in China and other Asian emerging countries.

With regard to the global economy, the US has raised the interest rates and still keeps a moderate recovery trend. However, there is a growing cautiousness on slowdown in economies of emerging countries and resource-rich countries due to influences of drastic fall in resource prices and weak currencies. Also, the European debt crisis and geopolitical risks around the world are causing a sense of uncertainty for future economic prospects.

Factors above have led to the results shown below.

Results for the first nine months of FY2015 (April 1, 2015 - December 31, 2015) are as follows.

Consolidated net sales:	¥ 1,071,212 million (8.8% increase)
Consolidated operating income:	¥ 49,651 million (55.1% increase)
Consolidated ordinary income:	¥ 48,710 million (41.0% increase)
Consolidated net income:	¥ 29,481 million (60.8% increase)

Sales overview is as follows.

○Household and Industrial Materials

Total sales volume of containerboard decreased relative to the previous year as a result of sluggish domestic sales, despite an increase in export sales.

Total sales volume of corrugated sheet and container increased because sales of those for customers of green grocery and beverage industries steadily performed.

As for household paper, sales volume of both tissue paper and toilet rolls increased. Sales volume of baby disposable diaper drastically increased thanks to steadily performed sales of redesigned products. Sales volume of adult disposable diaper also increased.

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

In addition, Oji Fibre Solutions (NZ) Ltd., which was consolidated by acquisition in the third quarter of FY2014, has contributed to the sales increase.

○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 from the previous year, owing to new orders received. Domestic sales of thermal paper recorded healthy.

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

○Forest Resources and Environment Marketing

Domestically, sales of pulp for rayon manufacturing increased from the previous year, as a result of strong export sales. In addition, sales of electric power generated from biomass boiler in Nichinan City, Miyazaki Prefecture, started in the first quarter of FY2015. Electric power selling increased in Niseko Town, Hokkaido, owing to the completion of revamping of a hydroelectric power plant.

Regarding overseas businesses, sales of pulp substantially increased due to the start of commercial operation of pulp manufacturing facility at Jiangsu Oji Paper Co., Ltd. in January 2015 as well as the contribution of Oji Fibre Solutions (NZ) Ltd., which was consolidated by acquisition in the third quarter of FY2014.

○Printing and Communications Media

Sales of newsprint decreased from the previous year as a result of reduced circulation.

Although sales volume of printing and communication paper declined due to a decreased demand, sales amount remained at the same level as the previous year because of positive effects of price adjustments.

Consolidated quarterly balance sheets

(Unit : Millions of yen)

	FY2014 Mar 31,2015	First Nine Months / FY2015 Dec 31,2015
Assets		
Current assets		
Cash and deposits	45,567	59,573
Notes and accounts receivable - trade	298,826	315,043
Securities	16,717	8,908
Merchandise and finished goods	98,996	96,190
Work in process	19,689	19,303
Raw materials and supplies	82,051	81,037
Other	48,516	42,817
Allowance for doubtful accounts	(1,973)	(1,935)
Total current assets	608,392	620,937
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	230,297	219,972
Machinery, equipment and vehicles, net	501,020	461,178
Land	239,698	238,089
Other, net	299,452	286,765
Total property, plant and equipment	1,270,469	1,206,006
Intangible assets		
Goodwill	16,042	10,525
Other	16,085	13,616
Total intangible assets	32,127	24,141
Investments and other assets		
Investment securities	203,675	189,459
Other	50,659	47,221
Allowance for doubtful accounts	(1,232)	(1,636)
Total investments and other assets	253,102	235,044
Total non-current assets	1,555,699	1,465,192
Total assets	2,164,091	2,086,129

	(Unit : Millions of yen)	
	FY2014	First Nine
	Mar 31,2015	Months / FY2015
		Dec 31,2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	209,977	225,595
Short-term loans payable	319,720	174,894
Commercial papers	10,000	59,000
Current portion of bonds	20,055	20,020
Income taxes payable	6,262	8,697
Provision	16,185	3,057
Other	100,736	78,786
Total current liabilities	<u>682,938</u>	<u>570,052</u>
Non-current liabilities		
Bonds payable	140,020	120,000
Long-term loans payable	372,784	458,017
Provision	8,450	7,060
Net defined benefit liability	63,949	64,381
Other	94,576	87,917
Total non-current liabilities	<u>679,780</u>	<u>737,376</u>
Total liabilities	<u>1,362,719</u>	<u>1,307,428</u>
Net assets		
Shareholders' equity		
Capital stock	103,880	103,880
Capital surplus	112,951	112,880
Retained earnings	354,828	374,036
Treasury shares	(42,748)	(42,676)
Total shareholders' equity	<u>528,912</u>	<u>548,121</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	53,213	50,255
Deferred gains or losses on hedges	(346)	(543)
Revaluation reserve for land	5,059	5,076
Foreign currency translation adjustment	76,457	39,935
Remeasurements of defined benefit plans	(4,638)	(3,651)
Total accumulated other comprehensive income	<u>129,744</u>	<u>91,072</u>
Subscription rights to shares	<u>342</u>	<u>267</u>
Non-controlling interests	<u>142,372</u>	<u>139,239</u>
Total net assets	<u>801,372</u>	<u>778,700</u>
Total liabilities and net assets	<u>2,164,091</u>	<u>2,086,129</u>

Consolidated quarterly statements of income

	(Unit : Millions of yen)	
	First Nine Months / FY2014 Apr '14 - Dec '14	First Nine Months / FY2015 Apr '15 - Dec '15
Net sales	984,242	1,071,212
Cost of sales	777,073	828,648
Gross profit	<u>207,169</u>	<u>242,564</u>
Selling, general and administrative expenses		
Freightage related expenses	93,041	106,121
Other	82,107	86,790
Total selling, general and administrative expenses	<u>175,149</u>	<u>192,912</u>
Operating income	<u>32,020</u>	<u>49,651</u>
Non-operating income		
Interest income	915	1,101
Dividend income	2,552	2,897
Foreign exchange gains	7,462	—
Share of profit of entities accounted for using equity method	2,152	7,347
Other	2,858	4,890
Total non-operating income	<u>15,941</u>	<u>16,237</u>
Non-operating expenses		
Interest expenses	8,220	7,903
Foreign exchange losses	—	3,979
Other	5,189	5,296
Total non-operating expenses	<u>13,409</u>	<u>17,178</u>
Ordinary income	<u>34,552</u>	<u>48,710</u>
Extraordinary income		
Gain on sales of investment securities	202	8,406
Gain on sales of non-current assets	196	89
Gain on bargain purchase	13	—
Total extraordinary income	<u>412</u>	<u>8,495</u>
Extraordinary losses		
Impairment loss	20	4,515
Other	2,728	3,134
Total extraordinary losses	<u>2,749</u>	<u>7,649</u>
Income before income taxes and minority interests	<u>32,215</u>	<u>49,556</u>
Income taxes - current	9,796	15,215
Income taxes - deferred	2,277	187
Total income taxes	<u>12,074</u>	<u>15,403</u>
Profit	<u>20,141</u>	<u>34,153</u>
Profit attributable to non-controlling interests	1,811	4,671
Profit attributable to owners of parent	<u>18,330</u>	<u>29,481</u>

Consolidated quarterly statements of comprehensive income

	(Unit : Millions of yen)	
	First Nine Months / FY2014 Apr '14 - Dec '14	First Nine Months / FY2015 Apr '15 - Dec '15
Profit	20,141	34,153
Other comprehensive income		
Valuation difference on available-for-sale securities	23,017	(3,194)
Deferred gains or losses on hedges	(817)	(157)
Revaluation reserve for land	—	9
Foreign currency translation adjustment	10,263	(42,060)
Remeasurements of defined benefit plans, net of tax	1,099	1,004
Share of other comprehensive income of entities accounted for using equity method	728	(2,220)
Total other comprehensive income	34,291	(46,618)
Comprehensive income	<u>54,433</u>	<u>(12,465)</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	49,220	(9,198)
Comprehensive income attributable to non-controlling interests	5,213	(3,266)

Sales and Operating Profit by Segment

(Unit : Millions of yen)

1. First Nine Months of FY2014 (Apr 1, 2014–Dec 31, 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	384,957	150,418	111,020	209,397	855,794	128,448	984,242	—	984,242
(2) Intra-group sales between segments or transfers	32,734	14,369	36,876	20,938	104,920	71,584	176,504	(176,504)	—
Total	417,691	164,788	147,897	230,336	960,714	200,033	1,160,747	(176,504)	984,242
Segment profit (or loss)	10,843	6,919	8,990	(974)	25,777	5,824	31,602	418	32,020

2. First Nine Months of FY2015 (Apr 1, 2015–Dec 31, 2015)

	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	420,289	145,048	167,335	210,081	942,753	128,458	1,071,212	—	1,071,212
(2) Intra-group sales between segments or transfers	30,607	13,533	33,595	21,840	99,577	70,394	169,971	(169,971)	—
Total	450,897	158,582	200,930	231,921	1,042,331	198,853	1,241,184	(169,971)	1,071,212
Segment profit (or loss)	13,055	8,953	21,507	(322)	43,194	5,396	48,590	1,061	49,651

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, insurance agency, etc.