

## Summary of Consolidated Financial and Business Results for the Second Quarter of the Year Ending March 2023

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

### 1. Results for the Second Quarter of the Year Ending March 31, 2023 (April 1, 2022 - September 30, 2022)

**(Unaudited)**

#### (1) Consolidated Business Results

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First Half of FY2022	837,502	18.2	40,395	(36.6)	60,232	(12.5)	37,927	(16.8)
First Half of FY2021	708,529	8.6	63,681	117.3	68,835	211.5	45,582	343.0

Note: Comprehensive income  
 First Half of FY2022 109,971 million yen  
 First Half of FY2021 72,934 million yen

	Profit per share	Diluted profit per share
	Yen	Yen
First Half of FY2022	38.28	38.26
First Half of FY2021	46.02	46.00

#### (2) Consolidated Financial Condition

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
First Half of FY2022	2,277,412	978,315	41.8	960.90
Year ended March 2022	2,053,752	875,470	41.4	859.29

Note: Shareholders' equity  
 First Half of FY2022 952,418 million yen  
 FY2021 851,232 million yen

### 2. Cash Dividends

	Dividend per share				
	End of 1Q	End of 2Q	End of 3Q	End of FY	Annual
	Yen	Yen	Yen	Yen	Yen
FY2021	—	7.00	—	7.00	14.00
FY2022	—	8.00			
FY2022 (Forecast)			—	8.00	16.00

Note : Change in forecast of dividend ... None

### 3. Consolidated Forecasts for the Year Ending March 2023 (April 1, 2022 - March 31, 2023)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	1,800,000	22.4	105,000	(12.6)	110,000	(18.6)	70,000	(20.0)	70.66

Note : Change in consolidated forecasts ... Yes

#### 4. Notes

(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

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

(4) Outstanding balance of issued shares (common stock)

- (i) Outstanding balance of issued shares at the end of fiscal year (including treasury shares)

First Half of FY2022	1,014,381,817	FY2021	1,014,381,817
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- (ii) Outstanding balance of treasury shares at the end of fiscal year

First Half of FY2022	23,203,508	FY2021	23,764,570
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- (iii) Weighted average number of shares during fiscal year

First Half of FY2022	990,795,483	First Half of FY2021	990,430,547
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#### NOTICE

- This document is exempt from audit procedures required by Financial Instruments and Exchange Act.
- The statements regarding future mentioned in this document are based on the information currently available and the premise deemed reasonable. The actual results may differ drastically from these forecasts due to various factors that may arise in the future.
- This document is an excerpt translation of the Japanese original and is only for reference purposes. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

## 1. Qualitative Information Concerning Business Performance

### Business Performance for the First Half of FY2022

	Net Sales	Operating Profit	Ordinary Profit	Profit Attributable to Owners of Parent	Profit Per Share
	Billions of yen	Billions of yen	Billions of yen	Billions of yen	Yen
<b>1st Half of FY2022</b>	837.5	40.4	60.2	37.9	38.28
<b>1st Half of FY2021</b>	708.5	63.7	68.8	45.6	46.02
Increase (Decrease)	129.0	(23.3)	(8.6)	(7.7)	
Increase (Decrease)	18.2%	(36.6%)	(12.5%)	(16.8%)	

In its FY2022-2024 Medium-term Management Plan, the Oji Group has set "Growth to Evolution", which is long-term vision for 2030, as the basic policy, and is promoting "Initiatives for Environmental Issues -Sustainability-", "Initiatives for Profitability Improvement -Profitability-" and "Initiatives for Product Development -Green Innovation-" to achieve the consolidated operating profit of ¥150.0 billion or more by FY2024 and stably maintain consolidated profit attributable to owners of parent of ¥100.0 billion or more.

Based on this basic policy, we will continue our efforts on environmental issues by promoting greenhouse gas reduction and expanding net CO2 absorption by forests, as countermeasures against climate change. At the same time, we will enhance the value of our business by deepening the existing businesses through the establishment of an optimal production system, and expanding the highly-expected businesses including overseas packaging business and eco-friendly products. Furthermore, we will develop and quickly commercialize new wood-derived products and materials such as eco-friendly materials and products, based on a range of core technologies we have cultivated through paper manufacturing and forestation. We will continue to contribute to society as a company that "grows and manages the sustainable forest, develops and delivers the products from renewable forest and brings this world a brighter future filled with hope".

Consolidated net sales for the first half of FY2022 increased by ¥129.0 billion to ¥837.5 billion (year-on-year increase of 18.2%) due to a recovery in demand, resulting from the resumption of economic activities that had been stagnant due to the spread of COVID-19, a rise in the pulp market, and the implementation of price revision in response to the impact of the recent sharp rise in raw material and fuel prices. Overseas sales ratio increased by 6.1 points from the previous year to 38.5%.

Consolidated operating profit decreased by ¥23.3 billion to ¥40.4 billion (year-on-year decrease of 36.6%) due to the significant impact of higher raw material and fuel prices in spite of the price revision mentioned above and an increase in sales volume. Ordinary profit decreased by ¥8.6 billion to ¥60.2 billion (year-on-year decrease of 12.5%) despite foreign exchange gains from revaluation of foreign currency-denominated receivables and payables. Profit before taxes decreased by ¥10.3 billion to ¥57.5 billion (year-on-year decrease of 15.2%), and profit attributable to owners of parent decreased by ¥7.7 billion to ¥37.9 billion (year-on-year decrease of 16.8%).

## Business Performance for the First Half of FY2022 by Segment

### (I) Business Performance by Segment

(Unit: Billions of yen)

		Net Sales			Operating Profit (Loss)		
		1st Half of FY2021	1st Half of FY2022	Increase (Decrease)	1st Half of FY2021	1st Half of FY2022	Increase (Decrease)
Reporting Segment	Household & Industrial Materials	342.6	389.8	13.8%	18.1	1.1	(94.1%)
	Functional Materials	91.4	107.6	17.7%	7.2	7.2	(0.6%)
	Forest Resources & Environment Marketing	144.3	204.0	41.4%	23.6	29.3	24.1%
	Printing & Communications Media	117.6	134.2	14.1%	10.8	(0.2)	-
	Total	695.8	835.5	20.1%	59.7	37.3	(37.5%)
Others		142.4	159.5	12.0%	4.3	4.3	-
Total		838.2	995.1	18.7%	64.0	41.6	(35.0%)
Adjustment (*)		(129.7)	(157.6)		(0.3)	(1.2)	
Consolidated total		708.5	837.5	18.2%	63.7	40.4	(36.6%)

\*Adjustment is mainly those concerning internal transactions.

### (II) Overview of Business Performance by Segment

The Oji Group's four reporting segments are: "Household and Industrial Materials", "Functional Materials", "Forest Resources and Environment Marketing", and "Printing and Communications Media". Each of the reporting segment consists of those that are recognized to be similar in terms of economic characteristics, manufacturing methods or processes of products, markets in which products are sold, and types of customers, among the constituent units of the Oji Group. Business segments that are not included in the reporting segments are classified as "Others".

From the first half of FY2022, some businesses that had been classified under "Household and Industrial Materials" and "Others" have been reclassified under "Forest Resources and Environment Marketing". Year-on-year comparisons are made with figures for the previous year after reclassification into the new segment classifications.

Major business lineup for the segments are as follows.

- Household and Industrial Materials:

Containerboard/corrugated containers, boxboard/folding cartons, packing paper/paper bags, household paper, disposable diapers, etc.

- Functional Materials:

Specialty paper, thermal paper, adhesive materials, film, etc.

- Forest Resources and Environment Marketing:

Pulp, energy, forest plantation/lumber processing, etc.

- Printing and Communications Media:

Newsprint, printing/publication/communication paper, etc.

- Others:

Real estate, engineering, trading business, logistics, etc.

### ○Household and Industrial Materials

In the first half of FY2022, net sales amounted to ¥389.8 billion (year-on-year increase of 13.8%), and operating profit was ¥1.1 billion (year-on-year decrease of 94.1%).

Regarding domestic business, sales amount increased from the previous year due to the implementation of price revision in addition to the overall recovery in demand for many products such as containerboard, corrugated containers and boxboard. As for disposable diapers, sales amount decreased from the previous year. As for household paper, sales amount remained stable from the previous year.

Regarding overseas business, sales amount increased from the previous year due to the strong sales and the penetration of price increases of containerboard and corrugated containers mainly in Southeast Asia and India, in addition to the start of operation of a new containerboard machine in Malaysia in October 2021.

### ○Functional Materials

In the first half of FY2022, net sales amounted to ¥107.6 billion (year-on-year increase of 17.7%), and operating profit was ¥7.2 billion (year-on-year decrease of 0.6%).

Regarding domestic business, sales amount increased from the previous year. A recovery trend in demand for thermal paper, which had declined due to the spread of COVID-19, and the implementation of price revision resulted in an increase in the overall sales, although sales amount of specialty papers decreased from the previous year.

Regarding overseas business, sales amount of thermal paper increased from the previous year due to the recovery trend in demand similarly in the domestic market, as well as the completion of enhancement and expansion work in Brazil, which started operation in January 2022.

### ○Forest Resources and Environment Marketing

In the first half of FY2022, net sales amounted to ¥204.0 billion (year-on-year increase of 41.4%), and operating profit was ¥29.3 billion (year-on-year increase of 24.1%).

Regarding domestic business, sales amount of pulp business increased from the previous year due to a rise in the pulp market. Energy business remained steady as in the previous year.

Regarding overseas business, sales amount of pulp business increased from the previous year due to a rise in the pulp market in addition to the strong sales.

### ○Printing and Communications Media

In the first half of FY2022, net sales amounted to ¥134.2 billion (year-on-year increase of 14.1%), and operating loss was ¥0.2 billion (year-on-year decrease of ¥11.0 billion).

Regarding domestic business, sales amount increased from the previous year. While demand for newsprint continued to decline, demand for printing paper increased for domestic products due to a decline in imported paper. In addition, the price revision has also been implemented.

Regarding overseas business, sales amount increased from the previous year at Jiangsu Oji Paper Co., Ltd..

## FY2022 Forecast and Future Outlook

The forecasts for FY2022 (April 1, 2022 – March 31, 2023) have been revised from that announced in the Summary of Consolidated Financial and Business Results on August 2, 2022 as follows.

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Profit per share
	Billions of yen	Billions of yen	Billions of yen	Billions of yen	Yen
<b>Previous Forecast [A]</b>	1,700.0	105.0	110.0	70.0	70.66
<b>Revised Forecast [B]</b>	1,800.0	105.0	110.0	70.0	70.66
Difference [B-A]	100.0	-	-	-	
Percentage Change (%)	5.9%	-	-	-	
(Reference) FY2021 (results, cumulative)	1,470.2	120.1	135.1	87.5	88.35

## 2. Outline of Business Performance and Financial Situation

Business Performance		First Half of FY2022		Forecasts for FY2022	
			Increase(Decrease) from FY2021		Increase(Decrease) from FY2021
Net Sales		837.5	129.0	1800.0	329.8
	Domestic	514.9	36.0		
	Overseas	322.6	93.0		
	ratio	38.5%	6.1%		
Operating Profit		40.4	(23.3)	105.0	(15.1)
Ordinary Profit		60.2	(8.6)	110.0	(25.1)
Profit attributable to owners of parent		37.9	(7.7)	70.0	(17.5)

Billions of yen

Depreciation	35.2	4.3	72.3	6.4
Capital expenditure	43.9	(8.2)	100.3	(6.2)

Average foreign exchange rate

	First Half of FY2022		Forecasts for FY2022	
		Increase(Decrease) from FY2021		Increase(Decrease) from FY2021
JPY / USD April to March	134.0	24.2	142.0	29.6
BRL / USD January to December	5.08	(0.3)	5.24	(0.2)
NZD / USD January to December	1.51	0.1	1.60	0.2
CNY / USD January to December	6.48	0.1	6.89	0.4

Financial situation

Billions of yen

	Sep 30,2022	
		Increase(Decrease)from Mar 31,2022
Total assets	2,277.4	223.7
Net assets	978.3	102.8
Interest bearing debts	746.6	96.1
Net debts(Interest bearing debts - Cash and cash equivalents at end of period )	688.1	93.4

Number of employees

person

	Sep 30,2022	
		Increase(Decrease)from Mar 31,2022
Number of employees	35,961	353
Domestic	16,253	(115)
Overseas	19,708	468

### 3. Consolidated Quarterly Financial Statements and Notes

#### (1) Consolidated quarterly balance sheets

(Unit : Millions of yen)

	FY2021 Mar 31,2022	First Half / FY2022 Sep 30,2022
Assets		
Current assets		
Cash and deposits	44,749	51,093
Notes and accounts receivable - trade, and contract assets	324,442	380,545
Securities	11,074	7,422
Merchandise and finished goods	98,616	114,746
Work in process	20,294	24,450
Raw materials and supplies	106,266	132,708
Other	42,140	49,241
Allowance for doubtful accounts	(1,790)	(1,918)
Total current assets	645,795	758,289
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	196,448	210,271
Machinery, equipment and vehicles, net	338,946	394,298
Land	240,765	242,301
Other, net	351,154	364,421
Total property, plant and equipment	1,127,315	1,211,292
Intangible assets		
Goodwill	3,472	18,900
Other	8,079	7,789
Total intangible assets	11,552	26,689
Investments and other assets		
Investment securities	168,545	176,729
Other	101,526	105,439
Allowance for doubtful accounts	(982)	(1,027)
Total investments and other assets	269,089	281,141
Total non-current assets	1,407,956	1,519,123
Total assets	2,053,752	2,277,412



(Unit : Millions of yen)

	<b>FY2021</b>	<b>First Half /</b>
	<b>Mar 31,2022</b>	<b>FY2022</b>
		<b>Sep 30,2022</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	234,650	255,088
Short-term borrowings	166,445	200,211
Commercial papers	—	74,000
Income taxes payable	23,993	13,340
Provisions	6,574	6,643
Other	101,355	102,154
<b>Total current liabilities</b>	<b>533,020</b>	<b>651,438</b>
<b>Non-current liabilities</b>		
Bonds payable	155,000	155,000
Long-term borrowings	329,062	317,381
Provisions	4,623	6,423
Retirement benefit liability	54,022	54,814
Other	102,553	114,038
<b>Total non-current liabilities</b>	<b>645,261</b>	<b>647,658</b>
<b>Total liabilities</b>	<b>1,178,282</b>	<b>1,299,096</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	103,880	103,880
Capital surplus	99,163	99,162
Retained earnings	567,150	598,022
Treasury shares	(13,277)	(12,996)
<b>Total shareholders' equity</b>	<b>756,918</b>	<b>788,069</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	30,500	35,031
Deferred gains or losses on hedges	2,076	(1,530)
Revaluation reserve for land	5,728	5,728
Foreign currency translation adjustment	29,593	100,108
Remeasurements of defined benefit plans	26,415	25,011
<b>Total accumulated other comprehensive income</b>	<b>94,314</b>	<b>164,348</b>
Share acquisition rights	157	144
Non-controlling interests	24,080	25,752
<b>Total net assets</b>	<b>875,470</b>	<b>978,315</b>
<b>Total liabilities and net assets</b>	<b>2,053,752</b>	<b>2,277,412</b>

**(2) Consolidated quarterly statements of income and comprehensive income**  
**Consolidated quarterly statements of income**

(Unit : Millions of yen)

	<b>First Half / FY2021</b>	<b>First Half / FY2022</b>
	<b>Apr '21 - Sep '21</b>	<b>Apr '22 - Sep '22</b>
Net sales	708,529	837,502
Cost of sales	535,957	670,618
Gross profit	<u>172,571</u>	<u>166,884</u>
Selling, general and administrative expenses		
Freight and incidental costs	53,108	67,611
Employees' salaries	26,128	27,926
Other	29,654	30,951
Total selling, general and administrative expenses	<u>108,890</u>	<u>126,489</u>
Operating profit	<u>63,681</u>	<u>40,395</u>
Non-operating income		
Interest income	388	595
Dividend income	1,591	1,827
Foreign exchange gains	5,505	19,205
Share of profit of entities accounted for using equity method	1,450	816
Other	4,204	4,971
Total non-operating income	<u>13,141</u>	<u>27,416</u>
Non-operating expenses		
Interest expenses	3,407	3,412
Other	4,580	4,167
Total non-operating expenses	<u>7,987</u>	<u>7,580</u>
Ordinary profit	<u>68,835</u>	<u>60,232</u>
Extraordinary income		
Insurance claim income	397	369
Gain on sale of non-current assets	2	317
Other	1,328	87
Total extraordinary income	<u>1,727</u>	<u>774</u>
Extraordinary losses		
Provision for loss on litigation	—	1,955
Loss on retirement of non-current assets	556	769
Other	2,181	798
Total extraordinary losses	<u>2,737</u>	<u>3,524</u>
Profit before income taxes	<u>67,824</u>	<u>57,482</u>
Income taxes - current	18,617	14,214
Income taxes - deferred	651	4,309
Total income taxes	<u>19,268</u>	<u>18,524</u>
Profit	<u>48,556</u>	<u>38,958</u>
Profit attributable to non-controlling interests	2,973	1,030
Profit attributable to owners of parent	<u>45,582</u>	<u>37,927</u>

## Consolidated quarterly statements of comprehensive income

(Unit : Millions of yen)

	<b>First Half / FY2021</b>	<b>First Half / FY2022</b>
	<b>Apr '21 - Sep '21</b>	<b>Apr '22 - Sep '22</b>
Profit	48,556	38,958
Other comprehensive income		
Valuation difference on available-for-sale securities	1,294	4,631
Deferred gains or losses on hedges	(1,690)	(3,615)
Foreign currency translation adjustment	25,044	70,443
Remeasurements of defined benefit plans, net of tax	(1,458)	(1,315)
Share of other comprehensive income of entities accounted for using equity method	1,188	869
Total other comprehensive income	<u>24,377</u>	<u>71,013</u>
Comprehensive income	<u>72,934</u>	<u>109,971</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	64,033	107,913
Comprehensive income attributable to non-controlling interests	8,900	2,057

### (3)Notes to consolidated quarterly financial statements

(Notes related to going concern assumption)

No applicable items

(Notes on occurrence of significant changes to shareholders' equity)

No applicable items