

Summary of Consolidated Financial and Business Results
for the First Quarter of the Year Ending March 2026
(Japanese GAAP)

Company Name: **Oji Holdings Corporation** (Code No. 3861 Tokyo Stock Exchange)
URL: <https://www.ojiholdings.co.jp/>
Representative: Hiroyuki Isono, President & Chief Executive Officer
Contact: Tadashi Oshima, Executive Officer
Telephone: 03-3563-1111 +81-3-3563-1111(overseas)
Scheduled date to commence dividend payments : -
Preparation of supplementary material on financial results : Yes
Holding of financial results briefing : Yes (for institutional investors and analysts)

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

1. Results for the First Quarter of the Year Ending March 31, 2026 (April 1, 2025 - June 30, 2025)**(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 Quarter of FY2025	457,442	4.4	3,703	(74.5)	(3,554)	-	(5,157)	-
First Quarter of FY2024	438,097	4.2	14,526	(33.3)	24,390	(15.7)	17,719	0.7
Note: Comprehensive income	First Quarter of FY2025		(44,326) million yen [- %]					
	First Quarter of FY2024		53,604 million yen [86.5%]					

	Profit per share	Diluted profit per share
	Yen	Yen
First Quarter of FY2025	(5.57)	-
First Quarter of FY2024	18.00	17.99

(2) Consolidated Financial Condition

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
First Quarter of FY2025	2,593,783	1,066,927	40.0	1,126.67
Year ended March 2025	2,635,030	1,132,791	41.8	1,177.99
Note: Shareholders' equity	First Quarter of FY2025		1,037,095 million yen	
	FY2024		1,101,755 million yen	

2. Cash Dividends

	Dividend per share				
	End of 1Q	End of 2Q	End of 3Q	End of FY	Total
	Yen	Yen	Yen	Yen	Yen
FY2024	-	12.00	-	12.00	24.00
FY2025	-				
FY2025 (Forecast)		18.00	-	18.00	36.00

Note : Change in forecast of dividend ... None

3. Consolidated Forecasts for the Year Ending March 2026 (April 1, 2025 - March 31, 2026)

(Figures shown in percentage for the full year are ratios compared to the previous year,

Figures shown in percentage for the first half are ratios compared to the same period of 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
First half	930,000	0.8	21,000	(43.6)	11,000	(72.1)	15,000	(38.1)	16.04
Full year	1,900,000	2.7	75,000	10.8	60,000	(12.5)	65,000	40.8	69.50

Note : Change in consolidated forecasts ... None

4. Notes

(1) Significant changes in the scope of consolidation during the period: 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 Quarter of FY2025	1,014,381,817	FY2024	1,014,381,817
(ii) Outstanding balance of treasury shares at the end of fiscal year			
First Quarter of FY2025	93,882,473	FY2024	79,098,942
(iii) Weighted average number of shares during fiscal year			
First Quarter of FY2025	926,447,293	First Quarter of FY2024	984,620,711

NOTICE

- Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None
- 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.
- Supplementary explanations on business results will be made available on TDnet and the Company's website on Monday, August 4, 2025.

1. Qualitative Information Concerning Business Performance

(1) Explanation of Business Performance

	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
1st Quarter of FY2025	457.4	3.7	(3.6)	(5.2)	(5.57)
1st Quarter of FY2024	438.1	14.5	24.4	17.7	18.00
Increase (Decrease)	19.3	(10.8)	(27.9)	(22.9)	
Increase (Decrease)	4.4%	(74.5%)	-	-	

The Oji Group has established the "Long-Term Vision 2035", which sets the basic policies: "Improving Capital Efficiency", "Portfolio Transformation" and "Promoting Sustainability". Through initiatives aimed at maximizing corporate value and solving social issues, we aim to become a group of companies that realizes our slogan, "Dedicated to Sustainability." "Medium-Term Business Plan 2027" covering FY2025 to FY2027 is positioned as a preparation period for strengthening foundation for the realization of the "Long-Term Vision 2035," and we will promote initiatives focused on capital efficiency improvement. Our business strategy is to strengthen the profitability of existing businesses by steady price pass-through of cost increases caused by changes in the external environment, stable operations at manufacturing sites and enhancing competitiveness, strengthening of group sales system, and shifting to more profitable varieties. In addition, we will implement restructuring of low profitability businesses including withdrawal, and concentrate growth investments on strategic businesses such as sustainable packaging and areas with high economic growth potential, such as India and Southeast Asia. Through these initiatives, we will achieve consolidated operating profit of ¥120 billion, consolidated net profit attributable to owners of parent of ¥80 billion, and ROE of 8% in FY2027.

Consolidated net sales for the first quarter of FY2025 increased by ¥19.3 billion to ¥457.4 billion (year-on-year increase of 4.4%) mainly due to acquisition and consolidation of Walki Holding Oy, and the resumption of all production lines from November 2024 at Pan Pac Forest Products Ltd. in New Zealand, which had been affected by cyclone damage, etc.

Consolidated operating profit decreased by ¥10.8 billion to ¥3.7 billion (year-on-year decrease of 74.5%) mainly due to a decline in overseas pulp market, and cost increase such as raw material and fuel prices, distribution and personnel, etc. Ordinary profit decreased to ¥-3.6 billion (same quarter of the previous year: ¥24.4 billion) due to a decrease in operating profit and foreign exchange losses from revaluation of foreign currency-denominated receivables and payables, etc. Profit attributable to owners of parent decreased to ¥-5.2 billion (same quarter of the previous year: ¥17.7 billion) mainly due to the record of business restructuring expenses under extraordinary losses related to the decision to withdraw from containerboard business in New Zealand, despite extraordinary gains on sale of investment securities following the sale of strategic shareholdings.

Overview of Business Performance for the First Quarter of FY2025 by Segment

(I) Business Performance by Segment

(Unit: Billions of yen)

		Net Sales			Operating Profit (Loss)		
		1st Quarter of FY2024	1st Quarter of FY2025	Increase (Decrease)	1st Quarter of FY2024	1st Quarter of FY2025	Increase (Decrease)
Reporting Segment	Household and Industrial Materials	209.3	229.8	9.8%	3.9	0.2	(94.2%)
	Functional Materials	60.0	57.8	(3.6%)	4.1	2.8	(30.9%)
	Forest Resources and Environment Marketing	95.7	95.6	(0.1%)	6.8	2.4	(65.4%)
	Printing and Communications Media	71.3	67.8	(4.9%)	1.8	(0.3)	-
	Total	436.3	451.0	3.4%	16.6	5.2	(69.0%)
Others		82.6	86.2	4.4%	(1.9)	(1.3)	-
Total		518.9	537.2	3.5%	14.7	3.9	(73.7%)
Adjustment (*)		(80.8)	(79.8)		(0.2)	(0.2)	
Consolidated total		438.1	457.4	4.4%	14.5	3.7	(74.5%)

*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 units that are recognized to be similar in terms of economic characteristics, manufacturing methods or processes of products, and markets in which products are sold or 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".

To more appropriately evaluate the performance of reporting segments, from the first quarter of FY2025, sustainable packaging and liquid packaging cartons, which were classified as "Others", have been reclassified as "Household and Industrial Materials". Net sales and operating profit from sustainable packaging are not reflected in the figures for the first quarter of the previous consolidated fiscal year since they have been included in the scope of consolidation starting from the end of the first quarter of the previous consolidated fiscal year. Group headquarters expenses, which were previously allocated to each reporting segment, are no longer be allocated and be included in "Others".

Segment information for the first quarter of FY2024 has been restated based on the revised segment classifications.

Major business lineup for the segments are as follows.

The category previously referred to as "Household Paper" under "Household and Industrial Materials" has been renamed to "Home Care", while "Disposable Diapers" has been renamed to "Wellness Care".

- Household and Industrial Materials:

Containerboard/corrugated containers, boxboard/folding cartons, packing paper/paper bags, sustainable packaging, liquid packaging cartons, home care, wellness care, etc.

- Functional Materials:

Specialty paper, thermal business, 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:

Trading business, logistics, engineering, real estate, etc.

○Household and Industrial Materials

In the first quarter of FY2025, net sales amounted to ¥229.8 billion (year-on-year increase of 9.8%), and operating profit was ¥0.2 billion (year-on-year decrease of 94.2%).

Regarding domestic business, net sales decreased from the previous year, due to the withdrawal of disposable diapers for babies from the domestic business at the end of September 2024, despite an increase in corrugated container and disposable adult diapers classified under wellness care due to the price revision. Operating profit decreased from the previous year due to cost increase such as distribution and personnel exceeding the price revision.

Regarding overseas business, net sales increased from the previous year due to acquisition and consolidation of Walki Holding Oy in sustainable packaging business and the launch of new plant in India in October 2024 in corrugated container business. However, operating profit decreased from the previous year due to cost increase of raw material and fuel prices, etc.

○Functional Materials

In the first quarter of FY2025, net sales amounted to ¥57.8 billion (year-on-year decrease of 3.6%), and operating profit was ¥2.8 billion (year-on-year decrease of 30.9%).

Regarding domestic business, net sales decreased from the previous year due to the sale of Chuetsu Co., Ltd. in August 2024 and a decrease in demand for some thermal films, despite an increase for specialty paper due to sales expansion of strategic products, such as heat-sealable paper for major online retailers and non-fluorine oil-resistant paper, and price revision, etc.

Regarding overseas business, net sales remained almost unchanged and operating profit decreased from the previous year due to price competition despite the gradual recovery in demand for thermal paper.

○Forest Resources and Environment Marketing

In the first quarter of FY2025, net sales amounted to ¥95.6 billion (year-on-year decrease of 0.1%), and operating profit was ¥2.4 billion (year-on-year decrease of 65.4%).

Regarding domestic business, net sales and operating profit decreased from the previous year due to a decline in dissolving pulp market and yen's appreciation.

Regarding overseas business, net sales increased from the previous year due to the resumption of all production lines from November 2024 at Pan Pac Forest Products Ltd. in New Zealand, which had been affected by cyclone damage. However, across the entire pulp business, operating profit decreased from the previous year due to a decline in pulp market.

○Printing and Communications Media

In the first quarter of FY2025, net sales amounted to ¥67.8 billion (year-on-year decrease of 4.9%), and operating loss was ¥0.3 billion (year-on-year decrease of ¥2.1 billion).

Regarding domestic business, net sales decreased from the previous year due to the continued demand decline of newsprint, printing and communication paper despite the price revision. Operating profit decreased from the previous year due to cost increase of raw material, such as recovered paper, etc.

Regarding overseas business, net sales and operating profit at Jiangsu Oji Paper Co., Ltd., increased from the previous year due to an increase in production volume as a result of improved production efficiency.

(2)Explanation of Financial Position

As part of the financial strategy in the “Medium-Term Business Plan 2027,” we will strictly manage assets by focusing management resources on core businesses through the sale of non-core assets and applying hurdle rates based on cost of capital to ensure selective investments. Additionally, we will raise dividend payout ratio to 50%, flexibly implement treasury shares buyback to control equity, and utilize debt to revise capital composition. Through these initiatives, we will achieve both continuous funds and strengthened shareholder returns, thereby building a strong financial foundation. Furthermore, the following numerical targets are planned for the three-year period of the “Medium-Term Business Plan 2027.”

- Sale of Strategic Shareholdings: ¥45 billion
- Reduction through Review of Shares Contributed to Retirement Benefit Trust: ¥21 billion
- Acquisition of Treasury Shares: ¥120 billion
- Net D/E ratio: 1.0 or less

At the end of the first quarter of the consolidated fiscal year, total assets decreased by ¥41.2 billion to ¥2,593.8 billion compared to the end of the previous consolidated fiscal year. This decrease was mainly due to foreign currency translation differences caused by the appreciation of the yen and to a decline in investment securities resulting from the sale of strategic shareholdings, despite an increase in trade receivables. Liabilities increased by ¥24.6 billion to ¥1,526.9 billion compared to the end of the previous consolidated fiscal year, mainly due to an increase in interest-bearing debt. Net debts (Interest bearing debts - Cash and cash equivalents at end of period) increased by ¥42 billion to ¥879.6 billion compared to the end of the previous consolidated fiscal year. As a result, the Net D/E ratio (Net interest-bearing debt / Net assets) was 0.8 times, maintaining the management target of 1.0. Net assets decreased by ¥65.9 billion to ¥1,066.9 billion compared to the end of the previous consolidated fiscal year. This decrease was mainly due to a reduction in the foreign currency translation adjustment account caused by the appreciation of the yen, a decrease in retained earnings from dividend payments and the recording of a net loss for the quarter, as well as the acquisition of treasury shares (¥9.4 billion in treasury shares acquisitions for FY2025).

(3)Explanation of Consolidated Forecasts and Future Outlook

There are no changes to the consolidated forecasts for the first half and the full fiscal year, as announced in the summary of consolidated financial and business results dated May 13, 2025. Should it become necessary to revise the consolidated forecasts, we will promptly disclose such information.

2. Consolidated Quarterly Financial Statements and Notes

(1) Consolidated quarterly balance sheets

(Unit : Millions of yen)

	FY2024 Mar 31,2025	First Quarter / FY2025 Jun 30,2025
Assets		
Current assets		
Cash and deposits	58,429	65,691
Notes and accounts receivable - trade, and contract assets	374,911	389,534
Securities	7,434	3,413
Merchandise and finished goods	136,769	135,584
Work in process	26,247	27,918
Raw materials and supplies	152,609	149,753
Other	52,995	51,655
Allowance for doubtful accounts	(2,892)	(2,882)
Total current assets	806,504	820,670
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	244,732	239,295
Machinery, equipment and vehicles, net	467,616	450,490
Land	242,886	242,372
Other, net	426,163	406,415
Total property, plant and equipment	1,381,399	1,338,573
Intangible assets		
Goodwill	58,303	55,224
Other	52,203	50,138
Total intangible assets	110,507	105,363
Investments and other assets		
Investment securities	197,835	188,300
Other	140,574	142,666
Allowance for doubtful accounts	(1,790)	(1,789)
Total investments and other assets	336,619	329,176
Total non-current assets	1,828,526	1,773,113
Total assets	2,635,030	2,593,783

(Unit : Millions of yen)

	FY2024	First Quarter /
	Mar 31,2025	FY2025
		Jun 30,2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	263,763	263,267
Short-term borrowings	236,227	235,248
Commercial papers	77,000	119,000
Current portion of bonds payable	30,000	30,000
Income taxes payable	20,610	5,802
Provisions	7,671	7,467
Other	103,545	104,745
Total current liabilities	738,818	765,531
Non-current liabilities		
Bonds payable	115,000	115,000
Long-term borrowings	445,161	449,418
Provisions	7,806	7,882
Retirement benefit liability	51,146	51,251
Other	144,306	137,771
Total non-current liabilities	763,420	761,323
Total liabilities	1,502,238	1,526,855
Net assets		
Shareholders' equity		
Share capital	103,880	103,880
Capital surplus	86,035	86,035
Retained earnings	671,980	655,329
Treasury shares	(45,836)	(55,272)
Total shareholders' equity	816,060	789,973
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	52,782	48,771
Deferred gains or losses on hedges	(638)	674
Revaluation reserve for land	5,326	5,393
Foreign currency translation adjustment	186,875	152,269
Remeasurements of defined benefit plans	41,350	40,013
Total accumulated other comprehensive income	285,695	247,122
Share acquisition rights	68	68
Non-controlling interests	30,967	29,763
Total net assets	1,132,791	1,066,927
Total liabilities and net assets	2,635,030	2,593,783

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

(Unit : Millions of yen)

	First Quarter / FY2024 Apr '24 - Jun '24	First Quarter / FY2025 Apr '25 - Jun '25
Net sales	438,097	457,442
Cost of sales	355,263	383,030
Gross profit	<u>82,833</u>	<u>74,411</u>
Selling, general and administrative expenses		
Freight and incidental costs	33,004	32,047
Employees' salaries	15,685	16,035
Other	19,617	22,624
Total selling, general and administrative expenses	<u>68,307</u>	<u>70,707</u>
Operating profit	<u>14,526</u>	<u>3,703</u>
Non-operating income		
Interest income	570	437
Dividend income	1,594	1,493
Foreign exchange gains	9,862	—
Share of profit of entities accounted for using equity method	796	509
Other	2,332	1,192
Total non-operating income	<u>15,157</u>	<u>3,632</u>
Non-operating expenses		
Interest expenses	1,793	2,433
Foreign exchange losses	—	5,092
Other	3,498	3,364
Total non-operating expenses	<u>5,292</u>	<u>10,890</u>
Ordinary profit (loss)	<u>24,390</u>	<u>(3,554)</u>
Extraordinary income		
Gain on sale of investment securities	6,077	7,437
Other	108	4
Total extraordinary income	<u>6,186</u>	<u>7,441</u>
Extraordinary losses		
Business restructuring expenses	317	6,365
Other	1,166	787
Total extraordinary losses	<u>1,484</u>	<u>7,152</u>
Profit (loss) before income taxes	<u>29,093</u>	<u>(3,265)</u>
Income taxes - current	8,096	3,518
Income taxes - deferred	2,970	(1,746)
Total income taxes	<u>11,066</u>	<u>1,772</u>
Profit (loss)	<u>18,026</u>	<u>(5,037)</u>
Profit attributable to non-controlling interests	307	120
Profit (loss) attributable to owners of parent	<u>17,719</u>	<u>(5,157)</u>

Consolidated quarterly statements of comprehensive income

(Unit : Millions of yen)

	First Quarter / FY2024 Apr '24 - Jun '24	First Quarter / FY2025 Apr '25 - Jun '25
Profit (Loss)	18,026	(5,037)
Other comprehensive income		
Valuation difference on available-for-sale securities	2,307	(4,184)
Deferred gains or losses on hedges	(955)	1,315
Foreign currency translation adjustment	34,648	(34,842)
Remeasurements of defined benefit plans, net of tax	(1,051)	(1,140)
Share of other comprehensive income of entities accounted for using equity method	629	(436)
Total other comprehensive income	35,578	(39,288)
Comprehensive income	53,604	(44,326)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	52,778	(43,708)
Comprehensive income attributable to non-controlling interests	826	(617)

(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

(Notes on Consolidated Statements of Cash Flows)

Quarterly Consolidated Statements of Cash Flows for the First Quarter of FY2025 (April 1, 2025 - June 30, 2025) are not prepared.

Depreciation(including amortization of intangible assets other than goodwill) and amortization of goodwill during the First Quarter of FY2025 (April 1, 2025 - June 30, 2025) as follows:

(Unit : Millions of yen)

	First Quarter / FY2024 Apr '24 - Jun '24	First Quarter / FY2025 Apr '25 - Jun '25
Depreciation	19,681	21,768
Amortization of goodwill	648	1,389

(Segment Information)

I.For the First Quarter of FY2024 (April 1,2024 - June 30, 2024)

1.Information on amounts of sales and profit or loss by reporting segment

(Unit : Millions of yen)

	Reporting segments					Others (Note 1)	Total	Adjustments (Note 2)	Consolidated amount (Note 3)
	Household and Industrial Materials	Functional Materials	Forest Resources and Environment Marketing	Printing and Communications Media	Total				
Net sales									
Sales to third parties	191,587	56,361	83,108	55,940	386,997	51,099	438,097	-	438,097
Inter-segment sales or transfers	17,695	3,648	12,622	15,359	49,326	31,485	80,812	(80,812)	-
Total sales	209,282	60,010	95,730	71,300	436,324	82,585	518,909	(80,812)	438,097
Segment profit (loss)	3,921	4,101	6,812	1,813	16,649	(1,941)	14,708	(182)	14,526

Notes

- "Others" is a business segment which is not included in the reporting segments, and included in this segment are trading business, logistics, engineering, real estate and other businesses.
- Adjustment for segment profit (loss) of ¥ (182) million primarily consists of adjustment relating to internal transactions.
- Adjustment is made between segment profit (loss) and operating profit of the consolidated statement of income.

II.For the First Quarter of FY2025 (April 1,2025 - June 30, 2025)

1.Information on amounts of sales and profit or loss by reporting segment

(Unit : Millions of yen)

	Reporting segments					Others (Note 1)	Total	Adjustments (Note 2)	Consolidated amount (Note 3)
	Household and Industrial Materials	Functional Materials	Forest Resources and Environment Marketing	Printing and Communications Media	Total				
Net sales									
Sales to third parties	212,042	54,097	84,554	53,703	404,398	53,044	457,442	-	457,442
Inter-segment sales or transfers	17,781	3,729	11,034	14,085	46,631	33,174	79,805	(79,805)	-
Total sales	229,823	57,827	95,588	67,789	451,029	86,218	537,247	(79,805)	457,442
Segment profit (loss)	228	2,835	2,360	(254)	5,169	(1,295)	3,874	(171)	3,703

Notes

- "Others" is a business segment which is not included in the reporting segments, and included in this segment are trading business, logistics, engineering, real estate and other businesses.
- Adjustment for segment profit (loss) of ¥ (171) million primarily consists of adjustment relating to internal transactions.
- Adjustment is made between segment profit (loss) and operating profit of the consolidated statement of income.

2.Matters relating to Changes in reporting segments

To more appropriately evaluate the performance of reporting segments, from the first quarter of FY2025, sustainable packaging and liquid packaging cartons, which were classified as "Others", have been reclassified as "Household and Industrial Materials". Sales and profit or loss from sustainable packaging are not reflected in the figures for the first quarter of the previous consolidated fiscal year since they have been included in the scope of consolidation starting from the end of the first quarter of the previous consolidated fiscal year. Group headquarters expenses, which were previously allocated to each reporting segment, are no longer be allocated and be included in "Others".

Segment information for the first quarter of FY2024 have been restated based on the revised segment classifications.