

**[Updated] Summary of Consolidated Financial and Business Results**  
**for the First Quarter of the Year Ending March 2017**

Company Name: **Oji Holdings Corporation** (Code No. 3861 Tokyo Stock Exchange)  
 URL: <http://www.ojiholdings.co.jp/>  
 Representative: Susumu Yajima, President & Chief Executive Officer  
 Contact: Yoshiaki Takeda, Executive Officer, Corporate Governance Division  
 Telephone: 03-3563-1111 +81-3-3563-1111(overseas)

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

**1. Results for the First Quarter of the Year Ending March 31, 2017 (April 1, 2016 - June 30, 2016)**  
**(Unaudited)**

(1) Consolidated Business Results

(Figures shown in percentage are ratios compared to the same period of 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 Quarter of FY2016    | 350,622                           | (2.3) | 18,475           | 20.3 | 7,658                          | (68.9) | 7,101                                   | (56.1) |
| First Quarter of FY2015    | 359,005                           | 12.5  | 15,355           | 59.6 | 24,621                         | 229.5  | 16,177                                  | 506.4  |
| Note: Comprehensive income | 1Q of FY2016 (13,720) million yen |       |                  |      | 1Q of FY2015 5,628 million yen |        |   |        |

|                         | Profit per share | Diluted profit per share |
|-------------------------|------------------|--------------------------|
|                         | Yen              | Yen                      |
| First Quarter of FY2016 | 7.18             | 7.18                     |
| First Quarter of FY2015 | 16.37            | 16.35                    |

(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 FY2016    | 1,884,036                        | 698,308         | 30.3                       | 576.90               |
| Year ended March 2016      | 1,909,483                        | 711,230         | 30.4                       | 587.62               |
| Note: Shareholders' equity | 1Q of FY2016 570,312 million yen |                 | FY2015                     | 580,903 million yen  |

**2. Dividend Conditions**

|                   | Dividend per share |           |           |           |        |
|-------------------|--------------------|-----------|-----------|-----------|--------|
|                   | End of 1Q          | End of 2Q | End of 3Q | End of FY | Annual |
| FY2015            | —                  | 5.00      | —         | 5.00      | 10.00  |
| FY2016            | —                  | 5.00      | —         | 5.00      | 10.00  |
| FY2016 (Forecast) | —                  | 5.00      | —         | 5.00      | 10.00  |

Note : Change in forecast of dividend … None

**3. Consolidated Forecasts for the Year Ending March 2017 (April 1, 2016-March 31, 2017)**

(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 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                         | %     | Yen                  |
| First half | 700,000         | (2.7) | 31,000           | 12.3 | 24,000          | (23.8) | 16,000                                  | (1.3) | 16.18                |
| Full year  | 1,430,000       | (0.3) | 72,000           | 0.0  | 62,000          | 2.4    | 38,000                                  | 199.1 | 38.44                |

Note : Change in consolidated forecasts … No

#### 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 shares (common stock)

① Outstanding balance of issued shares at the end of each period (Including treasury shares)

|              |               |        |               |
|--------------|---------------|--------|---------------|
| 1Q of FY2016 | 1,014,381,817 | FY2015 | 1,064,381,817 |
|--------------|---------------|--------|---------------|

② Outstanding balance of treasury shares at the end of each period

|              |            |        |            |
|--------------|------------|--------|------------|
| 1Q of FY2016 | 25,802,661 | FY2015 | 75,807,429 |
|--------------|------------|--------|------------|

③ Weighted average number of shares during the three months ended June 30 of each year

|              |             |              |             |
|--------------|-------------|--------------|-------------|
| 1Q of FY2016 | 988,583,376 | 1Q of FY2015 | 988,247,066 |
|--------------|-------------|--------------|-------------|

#### NOTICE

- 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.
- 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.

## Qualitative Information Concerning Business Performance

### Overview of the First Quarter of FY2016

During the first quarter of FY 2016, the domestic economic condition surrounding the Oji Group remained at a standstill in its recovery due to influences from yen appreciation and low stock prices since the beginning of the year 2016 and also from the Kumamoto Earthquake; despite continual improvements in employment and income situations.

With regard to the global economy, the US has steadily performed and Europe has gradually recovered. However, there are some factors that are causing a sense of uncertainty upon the future outlook, such as a cautiousness to economic slowdowns in emerging countries and resource-rich countries, geopolitical risks around the world, and influences from the UK votes to leave the EU.

Factors above have led to the results shown below.

Results for the first quarter of FY2016 (April 1, 2016 - June 30, 2016) are as follows.

|   |                   |                  |
|---|-------------------|------------------|
| Consolidated net sales:                               | ¥ 350,622 million | (2.3% decrease)  |
| Consolidated operating income:                        | ¥ 18,475 million  | (20.3% increase) |
| Consolidated ordinary income:                         | ¥ 7,658 million   | (68.9% decrease) |
| Consolidated profit attributable to owners of parent: | ¥ 7,101 million   | (56.1% decrease) |

Sales overview is as follows.

#### ○Household and Industrial Materials

Regarding domestic businesses, sales volume of containerboard was almost at the same level as the previous year.

Sales volume of corrugated sheet and container slightly increased relative to the previous year because sales of those for customers of beer, instant noodle and green grocery industries steadily performed.

As for household paper, sales volume of both tissue paper and toilet rolls increased. Sales volume of both baby and adult disposable diapers 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, also recorded healthy in Southeast Asia.

#### ○Functional Materials

Domestic sales of specialty paper increased compared to the previous year as a result of efforts made for sales expansion through development of new products and customers. Export sales increased in terms of volume from the previous year due to new orders received, but remained static in terms of amount due to yen appreciation. Domestic sales of thermal paper recorded healthy.

As for overseas businesses, sales volume of thermal paper decreased in North America but increased in South America. However, the yen-converted sales decreased relative to the previous year because of yen appreciation.

#### ○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 amount of electric selling business increased with a contribution of the start of operation of a biomass boiler in Ebetsu City, Hokkaido, in January 2016.

Regarding overseas businesses, sales volume of pulp increased compared to the previous year due to sales expansion of Jiangsu Oji Paper, but sales amount decreased as a result of influences from a fall in selling prices, etc.

#### ○Printing and Communications Media

Regarding domestic businesses, sales of newsprint decreased from the previous year as a result of reduced circulation.

Sales of printing and communication paper declined due to a decreased demand as well as decreased prices, etc.

Regarding overseas businesses, a steady increase in sales of Jiangsu Oji Paper resulted in an increase in sales volume of printing paper relative to the previous year.

## Consolidated quarterly balance sheets

(Unit : Millions of yen)

|  | FY2015<br>Mar 31,2016 | 1Q / FY2016<br>Jun 30,2016 |
|--|-----------------------|----------------------------|
| <b>Assets</b>                          |                       |                            |
| Current assets                         |                       |                            |
| Cash and deposits                      | 43,968                | 48,968                     |
| Notes and accounts receivable - trade  | 285,954               | 283,735                    |
| Securities                             | 7,486                 | 6,395                      |
| Merchandise and finished goods         | 98,145                | 100,306                    |
| Work in process                        | 18,921                | 22,411                     |
| Raw materials and supplies             | 80,109                | 80,330                     |
| Other                                  | 52,885                | 52,906                     |
| Allowance for doubtful accounts        | (3,438)               | (3,334)                    |
| Total current assets                   | <u>584,033</u>        | <u>591,720</u>             |
| Non-current assets                     |                       |                            |
| Property, plant and equipment          |                       |                            |
| Buildings and structures, net          | 210,014               | 210,478                    |
| Machinery, equipment and vehicles, net | 424,962               | 406,309                    |
| Land                                   | 237,433               | 240,799                    |
| Other, net                             | 240,612               | 230,799                    |
| Total property, plant and equipment    | <u>1,113,022</u>      | <u>1,088,387</u>           |
| Intangible assets                      |                       |                            |
| Goodwill                               | 9,836                 | 9,361                      |
| Other                                  | 13,167                | 13,032                     |
| Total intangible assets                | <u>23,004</u>         | <u>22,394</u>              |
| Investments and other assets           |                       |                            |
| Investment securities                  | 148,121               | 140,479                    |
| Other                                  | 42,922                | 42,626                     |
| Allowance for doubtful accounts        | (1,620)               | (1,571)                    |
| Total investments and other assets     | <u>189,423</u>        | <u>181,533</u>             |
| Total non-current assets               | <u>1,325,450</u>      | <u>1,292,315</u>           |
| Total assets                           | <u>1,909,483</u>      | <u>1,884,036</u>           |

(Unit : Millions of yen)

|   | FY2015<br>Mar 31,2016 | 1Q / FY2016<br>Jun 30,2016 |
|---|-----------------------|----------------------------|
| Liabilities   |                       |                            |
| Current liabilities                                   |                       |                            |
| Notes and accounts payable - trade                    | 198,167               | 198,733                    |
| Short-term loans payable                              | 178,157               | 178,619                    |
| Commercial papers                                     | 27,000                | 21,000                     |
| Current portion of bonds                              | 20,020                | 20,000                     |
| Income taxes payable                                  | 7,354                 | 4,609                      |
| Provision   | 3,553                 | 3,578                      |
| Other   | 81,825                | 78,554                     |
| Total current liabilities                             | <u>516,079</u>        | <u>505,094</u>             |
| Non-current liabilities                               |                       |                            |
| Bonds payable   | 120,000               | 120,000                    |
| Long-term loans payable                               | 432,556               | 427,991                    |
| Provision   | 7,412                 | 7,274                      |
| Net defined benefit liability                         | 52,207                | 53,106                     |
| Other   | 69,996                | 72,259                     |
| Total non-current liabilities                         | <u>682,173</u>        | <u>680,632</u>             |
| Total liabilities                                     | <u>1,198,252</u>      | <u>1,185,727</u>           |
| Net assets  |                       |                            |
| Shareholders' equity                                  |                       |                            |
| Capital stock   | 103,880               | 103,880                    |
| Capital surplus                                       | 112,857               | 112,762                    |
| Retained earnings                                     | 348,799               | 323,078                    |
| Treasury shares                                       | (42,638)              | (14,517)                   |
| Total shareholders' equity                            | <u>522,899</u>        | <u>525,203</u>             |
| Accumulated other comprehensive income                |                       |                            |
| Valuation difference on available-for-sale securities | 25,316                | 23,138                     |
| Deferred gains or losses on hedges                    | (771)                 | (699)                      |
| Revaluation reserve for land                          | 5,463                 | 5,463                      |
| Foreign currency translation adjustment               | 39,828                | 28,446                     |
| Remeasurements of defined benefit plans               | (11,833)              | (11,239)                   |
| Total accumulated other comprehensive income          | <u>58,003</u>         | <u>45,108</u>              |
| Subscription rights to shares                         | 260                   | 275                        |
| Non-controlling interests                             | 130,066               | 127,721                    |
| Total net assets                                      | <u>711,230</u>        | <u>698,308</u>             |
| Total liabilities and net assets                      | <u>1,909,483</u>      | <u>1,884,036</u>           |

## Consolidated quarterly statements of income

(Unit : Millions of yen)

|   | <b>1Q / FY2015</b><br>Apr '15 - Jun '15 | <b>1Q / FY2016</b><br>Apr '16 - Jun '16 |
|---|---|---|
| Net sales   | 359,005                                 | 350,622                                 |
| Cost of sales   | 277,412                                 | 266,894                                 |
| Gross profit  | <u>81,593</u>                           | <u>83,728</u>                           |
| Selling, general and administrative expenses                  |   |   |
| Freightage related expenses                                   | 35,634                                  | 35,377                                  |
| Other   | 30,602                                  | 29,875                                  |
| Total selling, general and administrative expenses            | <u>66,237</u>                           | <u>65,252</u>                           |
| Operating income  | <u>15,355</u>                           | <u>18,475</u>                           |
| Non-operating income  |   |   |
| Interest income   | 334                                     | 242                                     |
| Dividend income   | 1,678                                   | 1,282                                   |
| Foreign exchange gains  | 3,473                                   | —                                       |
| Share of profit of entities accounted for using equity method | 6,360                                   | 470                                     |
| Other   | 2,319                                   | 1,768                                   |
| Total non-operating income                                    | <u>14,166</u>                           | <u>3,764</u>                            |
| Non-operating expenses  |   |   |
| Interest expenses   | 2,957                                   | 1,887                                   |
| Foreign exchange losses                                       | —                                       | 10,985                                  |
| Other   | 1,943                                   | 1,708                                   |
| Total non-operating expenses                                  | <u>4,900</u>                            | <u>14,581</u>                           |
| Ordinary income   | <u>24,621</u>                           | <u>7,658</u>                            |
| Extraordinary income  |   |   |
| Gain on sales of non-current assets                           | 64                                      | 6,422                                   |
| Other   | 82                                      | 903                                     |
| Total extraordinary income                                    | <u>147</u>                              | <u>7,326</u>                            |
| Extraordinary losses  |   |   |
| Amortization of goodwill                                      | —                                       | 537                                     |
| Loss on retirement of non-current assets                      | 246                                     | 370                                     |
| Other   | 459                                     | 258                                     |
| Total extraordinary losses                                    | <u>706</u>                              | <u>1,166</u>                            |
| Profit before income taxes                                    | <u>24,063</u>                           | <u>13,817</u>                           |
| Income taxes - current  | 4,871                                   | 3,625                                   |
| Income taxes - deferred                                       | 117                                     | 2,401                                   |
| Total income taxes  | <u>4,988</u>                            | <u>6,027</u>                            |
| Profit  | <u>19,074</u>                           | <u>7,790</u>                            |
| Profit attributable to non-controlling interests              | <u>2,897</u>                            | <u>689</u>                              |
| Profit attributable to owners of parent                       | <u>16,177</u>                           | <u>7,101</u>                            |

## Consolidated quarterly statements of comprehensive income

|   | (Unit : Millions of yen) |                          |
|---|--------------------------|--------------------------|
|   | <b>1Q / FY2015</b>       | <b>1Q / FY2016</b>       |
|   | <b>Apr '15 - Jun '15</b> | <b>Apr '16 - Jun '16</b> |
| Profit  | 19,074                   | 7,790                    |
| Other comprehensive income  |                          |                          |
| Valuation difference on available-for-sale securities                             | 4,801                    | (2,248)                  |
| Deferred gains or losses on hedges  | (736)                    | 79                       |
| Foreign currency translation adjustment   | (16,989)                 | (19,722)                 |
| Remeasurements of defined benefit plans, net of tax                               | 419                      | 441                      |
| Share of other comprehensive income of entities accounted for using equity method | (941)                    | (61)                     |
| Total other comprehensive income  | <u>(13,446)</u>          | <u>(21,511)</u>          |
| Comprehensive income  | <u>5,628</u>             | <u>(13,720)</u>          |
| Comprehensive income attributable to  |                          |                          |
| Comprehensive income attributable to owners of parent                             | 4,874                    | (7,574)                  |
| Comprehensive income attributable to non-controlling interests                    | 753                      | (6,146)                  |

## Sales and Operating Profit by Segment

(Unit : Millions of yen)

### 1. 1Q of FY2015 (April 1, 2015–June 30, 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                      | 141,041                            | 49,944               | 56,972                                       | 68,962                            | 316,919 | 42,085 | 359,005 | —          | 359,005            |
| (2) Intra-group sales between segments or transfers | 10,472                             | 4,553                | 13,222                                       | 7,515                             | 35,764  | 23,286 | 59,051  | (59,051)   | —                  |
| Total   | 151,513                            | 54,498               | 70,194                                       | 76,478                            | 352,684 | 65,372 | 418,057 | (59,051)   | 359,005            |
| Segment profit (or loss)                            | 3,631                              | 2,793                | 5,636  | 1,222                             | 13,283  | 1,683  | 14,967  | 388        | 15,355             |

### 2. 1Q of FY2016 (April 1, 2016–June 30, 2016)

|   | 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                      | 141,445                            | 48,467               | 52,915                                       | 66,430                            | 309,258 | 41,364 | 350,622 | —          | 350,622            |
| (2) Intra-group sales between segments or transfers | 10,338                             | 4,175                | 9,563  | 6,716                             | 30,793  | 23,447 | 54,240  | (54,240)   | —                  |
| Total   | 151,783                            | 52,643               | 62,478                                       | 73,146                            | 340,051 | 64,811 | 404,863 | (54,240)   | 350,622            |
| Segment profit (or loss)                            | 4,279                              | 3,428                | 6,926  | 1,501                             | 16,136  | 2,102  | 18,238  | 237        | 18,475             |

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, etc.

Forest Resources and Environmental Marketing : Lumber, tree planting, pulp, renewable energy, etc.

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

Others : Real estate, machinery, trading business, etc.