

**[Updated] Summary of Consolidated Financial and Business Results
for the First Half of the Year Ending March 2016**

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 Half of the Year Ending March 31, 2016 (April 1, 2015 - September 30, 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 Half of FY2015	719,197	12.9	27,595	53.1	31,477	113.4	16,215	182.6
First Half of FY2014	637,284	(0.8)	18,022	(24.8)	14,752	(48.7)	5,737	(61.0)

Note: Comprehensive income First Half of FY2015 (1,463) million yen First Half of FY2014 (10,479) million yen

	Net income per share	Diluted net income per share
	Yen	Yen
First Half of FY2015	16.41	16.39
First Half of FY2014	5.80	5.80

(2) Consolidated Financial Condition

	Total assets	Net assets	Net worth/total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
First Half of FY2015	2,103,300	777,597	30.5	649.49
Year ended March 2015	2,140,641	784,420	30.3	656.03

Note: Shareholders' equity First Half of FY2015 641,863 million yen FY2014 648,405 million yen

2. Dividend Conditions

(Basic Date)	Dividend per stock				
	End of 1Q	End of 2Q	End of 3Q	End of FY	Yearly
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	%	Yen
Yearly	1,530,000	13.6	70,000	59.6	65,000	31.7	34,000	119.0	34.40

Note : Change in consolidated forecasts ... None

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 Half 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 Half of FY2015	76,127,835	FY2014	75,999,709
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③ Weighted average number of stocks during the six months ended September 30 of each year

First Half of FY2015	988,266,420	Firs half of FY2014	988,502,394
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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 Half of FY2015

During the first half of FY2015, the domestic economic condition surrounding the Oji Group has grown stagnant due to the slowdown in the emerging economies in Asia including China, although corporate earnings have been in an overall improving trend with the positive influences of yen depreciation and low price of crude oil.

With regard to the global economy, there remains a sense of uncertainty about the future economic climate. In the US, where the economy has continued to moderately expand, the government still hesitates to raise the interest rates as there are some weak economic indicators. Also, the European economy has concerns about rekindling Greek debt crisis and accepting refugees.

Factors above have led to the results shown below.

Results for the first half of FY2015 (April 1, 2015 - September 30, 2015) are as follows.

Consolidated net sales:	¥ 719,197 million (12.9% increase)
Consolidated operating income:	¥ 27,595 million (53.1% increase)
Consolidated ordinary income:	¥ 31,477 million (113.4% increase)
Consolidated net income:	¥ 16,215 million (182.6% increase)

Note that Carter Holt Harvey Pulp & Paper Ltd., which is an Oji Group's specified subsidiary company, changed its trade name to Oji Fibre Solutions (NZ) Ltd. on October 31, 2015.

Sales overview is as follows.

○Household and Industrial Materials

Total sales volume of containerboard decreased relative to the previous year in spite of an increase in export sales, because domestic sales for customers of processed food industry were sluggish.

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 disposable diaper for baby drastically increased thanks to steadily performed sales of redesigned products. Sales volume of disposable diaper for adult 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. (former Carter Holt Harvey Pulp & Paper Ltd.), which was consolidated by acquisition in the third quarter of FY2014, 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 was almost at the same level as the previous year. 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. In Niseko Town, Hokkaido, electric power selling increased owing to the completion of revamping of a hydroelectric power plant.

Regarding overseas businesses, sales of pulp dramatically 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. (former Carter Holt Harvey Pulp & Paper 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 Half / FY2015 Sep 30,2015
Assets		
Current assets		
Cash and deposits	45,567	48,103
Notes and accounts receivable - trade	298,826	298,429
Securities	16,717	13,466
Merchandise and finished goods	98,996	99,682
Work in process	19,689	20,436
Raw materials and supplies	82,051	83,060
Other	48,516	45,560
Allowance for doubtful accounts	(1,973)	(1,988)
Total current assets	<u>608,392</u>	<u>606,752</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	230,297	226,091
Machinery, equipment and vehicles, net	501,020	493,749
Land	239,698	237,485
Other, net	277,527	254,587
Total property, plant and equipment	<u>1,248,543</u>	<u>1,211,913</u>
Intangible assets		
Goodwill	16,042	13,104
Other	16,085	14,802
Total intangible assets	<u>32,127</u>	<u>27,907</u>
Investments and other assets		
Investment securities	202,151	206,324
Other	50,659	51,976
Allowance for doubtful accounts	(1,232)	(1,574)
Total investments and other assets	<u>251,578</u>	<u>256,726</u>
Total non-current assets	<u>1,532,249</u>	<u>1,496,547</u>
Total assets	<u>2,140,641</u>	<u>2,103,300</u>

	FY2014 Mar 31,2015	(Unit : Millions of yen) First Half / FY2015 Sep 30,2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	209,977	199,735
Short-term loans payable	319,720	253,523
Commercial papers	10,000	5,000
Current portion of bonds	20,055	20,040
Income taxes payable	6,262	7,534
Provision	16,185	16,649
Other	100,736	84,482
Total current liabilities	<u>682,938</u>	<u>586,965</u>
Non-current liabilities		
Bonds payable	140,020	120,000
Long-term loans payable	372,784	464,305
Provision	8,450	7,933
Net defined benefit liability	63,949	64,165
Other	88,078	82,332
Total non-current liabilities	<u>673,283</u>	<u>738,737</u>
Total liabilities	<u>1,356,221</u>	<u>1,325,702</u>
Net assets		
Shareholders' equity		
Capital stock	103,880	103,880
Capital surplus	112,951	112,951
Retained earnings	346,348	357,234
Treasury shares	(42,748)	(42,823)
Total shareholders' equity	<u>520,432</u>	<u>531,244</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	53,213	50,506
Deferred gains or losses on hedges	(346)	(1,265)
Revaluation reserve for land	5,059	5,078
Foreign currency translation adjustment	74,685	60,371
Remeasurements of defined benefit plans	(4,638)	(4,072)
Total accumulated other comprehensive income	<u>127,972</u>	<u>110,618</u>
Subscription rights to shares	342	356
Non-controlling interests	135,671	135,377
Total net assets	<u>784,420</u>	<u>777,597</u>
Total liabilities and net assets	<u>2,140,641</u>	<u>2,103,300</u>

Consolidated quarterly statements of income

	(Unit : Millions of yen)	
	First Half / FY2014 Apr '14 - Sep '14	First Half / FY2015 Apr '15 - Sep '15
Net sales	637,284	719,197
Cost of sales	504,540	561,397
Gross profit	<u>132,743</u>	<u>157,800</u>
Selling, general and administrative expenses		
Freightage related expenses	60,964	71,314
Other	53,756	58,890
Total selling, general and administrative expenses	<u>114,721</u>	<u>130,205</u>
Operating income	<u>18,022</u>	<u>27,595</u>
Non-operating income		
Interest income	588	800
Dividend income	1,781	1,968
Foreign exchange gains	—	836
Share of profit of entities accounted for using equity method	954	6,737
Other	3,893	2,720
Total non-operating income	<u>7,217</u>	<u>13,063</u>
Non-operating expenses		
Interest expenses	5,423	5,595
Foreign exchange losses	2,087	—
Other	2,976	3,585
Total non-operating expenses	<u>10,486</u>	<u>9,181</u>
Ordinary income	<u>14,752</u>	<u>31,477</u>
Extraordinary income		
Gain on sales of non-current assets	162	102
Gain on sales of investment securities	204	80
Gain on bargain purchase	0	—
Total extraordinary income	<u>367</u>	<u>183</u>
Extraordinary losses		
Impairment loss	18	4,599
Other	1,525	1,945
Total extraordinary losses	<u>1,543</u>	<u>6,545</u>
Income before income taxes and minority interests	<u>13,576</u>	<u>25,115</u>
Income taxes - current	6,348	9,913
Income taxes - deferred	1,013	(3,048)
Total income taxes	<u>7,362</u>	<u>6,864</u>
Profit	<u>6,214</u>	<u>18,250</u>
Profit attributable to non-controlling interests	477	2,035
Profit attributable to owners of parent	<u>5,737</u>	<u>16,215</u>

Consolidated quarterly statements of comprehensive income

	(Unit : Millions of yen)	
	First Half / FY2014	First Half / FY2015
	Apr '14 - Sep '14	Apr '15 - Sep '15
Profit	6,214	18,250
Other comprehensive income		
Valuation difference on available-for-sale securities	1,359	(2,780)
Deferred gains or losses on hedges	(1,364)	(878)
Revaluation reserve for land	—	9
Foreign currency translation adjustment	(17,093)	(15,818)
Remeasurements of defined benefit plans, net of tax	715	597
Share of other comprehensive income of entities accounted for using equity method	(310)	(843)
Total other comprehensive income	<u>(16,693)</u>	<u>(19,714)</u>
Comprehensive income	<u>(10,479)</u>	<u>(1,463)</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(7,505)	(1,148)
Comprehensive income attributable to non-controlling	(2,973)	(315)

Sales and Operating Profit by Segment

(Unit : Millions of yen)

1. First Half of FY2014 (April 1, 2014–September 30, 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	246,204	99,512	69,467	137,920	553,104	84,179	637,284	—	637,284
(2) Intra-group sales between segments or transfers	21,016	9,352	24,715	13,599	68,684	47,517	116,201	(116,201)	—
Total	267,221	108,864	94,183	151,519	621,789	131,696	753,486	(116,201)	637,284
Segment profit (or loss)	4,850	4,732	5,118	(775)	13,925	4,038	17,963	58	18,022

2. First Half of FY2015 (April 1, 2015–September 30, 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	280,837	100,218	112,125	139,222	632,404	86,793	719,197	—	719,197
(2) Intra-group sales between segments or transfers	20,095	8,815	23,717	14,256	66,884	46,780	113,664	(113,664)	—
Total	300,932	109,034	135,842	153,478	699,288	133,573	832,862	(113,664)	719,197
Segment profit (or loss)	7,099	5,810	11,623	(1,162)	23,371	3,513	26,884	710	27,595

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.