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Recording of Extraordinary Loss (Impairment Loss) and Share of Profit of Entities Accounted for Using Equity Method

Oji Holdings Corporation (hereinafter “Oji Holdings”) hereby announces the recording of extraordinary loss (impairment loss) and share of profit of entities accounted for using equity method for the Year Ending March 2019 (April 1, 2018 to March 31, 2019).

1. Detail of Extraordinary Loss (Impairment Loss)

Based on the “Accounting Standard for Impairment of Fixed Assets”, as there was an indication of impairment in fixed assets of the printing and communication paper business of Oji Paper Co., Ltd., (a consolidated subsidiary of Oji Holdings), we conservatively estimated future earnings forecasts based on the current business environment and carefully examined the recoverability. As a result, we reduced the book value to the recoverable value and recorded 29.6 billion yen as an impairment loss.

2. Share of Profit of Entities Accounted for Using Equity Method

Announced on March 29, 2019, Oji Holdings completed the payment for the issuance of new shares of Mitsubishi Paper Mills Limited (hereinafter “Mitsubishi Paper”) through the third-party allocation of shares and also the acquisition of shares from shareholders of Mitsubishi Paper. As a result, Mitsubishi Paper became an equity-method affiliate of Oji Holdings, and 10.9 billion yen which was equivalent to a negative goodwill was recorded to a share of profit of entities accounted for using equity method.

3. Impact on the Consolidated Business Results

For the impact of the recording of extraordinary loss (impairment loss) and share of profit of entities accounted for using equity method as mentioned above on the consolidated business results, please refer to the “Summary of Consolidated Financial and Business Results for the Year Ended March 2019(Japanese GAAP)” released today.