May 13, 2016

[Updated] Summary of Consolidated Financial and Business Results for the Year Ended March 2016 (Japanese GAAP)

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)

General meeting of shareholders to be held: June 29, 2016*
Annual securities report to be submitted: June 29, 2016*
Start of dividend payout: June 7, 2016*
*Expected dates

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

1. Results for the Year Ended March 31, 2016 (April 1, 2015 - March 31, 2016)

(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	%
FY2015	1,433,595	6.4	71,987	64.1	60,517	22.6	12,706	(18.2)
FY2014	1,347,281	1.1	43,867	(23.4)	49,360	(24.3)	15,526	(50.9)

Note: Comprehensive income FY2015 (62,698) million yen -% FY2014 103,567 million yen (3.8%)

	Profit per share	Diluted profit per share	Ratio of profit to shareholders' equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
FY2015	12.86	12.84	2.1	3.0	5.0
FY2014	15.71	15.69	2.6	2.4	3.3

Note: Equity in earning of affiliates FY2015 4,380 million yen FY2014 1,274 million yen

(2) Consolidated Financial Condition

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2015	1,909,483	711,230	30.4	587.62
FY2014	2,140,641	784,420	30.3	656.03

Note: Shareholders' equity FY2015 580,903 million yen FY2014 648,405 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2015	128,051	(43,328)	(89,762)	47,643
FY2014	90,925	(165,549)	77,380	57,129

2. Dividend Conditions

	Dividend per share					Total dividend	Dividend payout ratio	Dividend on net assets
	End of 1Q	End of 2Q	End of 3Q	End of FY	Annual	(Annual)	(Consolidated)	(Consolidated)
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY2014	-	5.00	-	5.00	10.00	9,897	63.7	1.6
FY2015	-	5.00	-	5.00	10.00	9,898	77.8	1.6
FY2016 (Forecast)	-	5.00	-	5.00	10.00		26.0	

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		Profit 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

4. In Addition

(1) Changes in important subsidiaries
(changes regarding specified subsidiaries accompanying changes in the scope of consolidation) : None

(2) Changes in accounting methods compared with recent consolidated accounting periods
(i) Changes due to accounting standard changes : Yes
(ii) Changes besides (i) : None
(iii) Accounting estimate change : None
(iv) Restatement : None

(3) Outstanding balance of issued shares (common stock)
(i) Outstanding balance of issued shares at the end of fiscal year (Including treasury shares)
FY2015 1,064,381,817 FY2014 1,064,381,817
(ii) Outstanding balance of treasury shares at the end of fiscal year
FY2015 75,807,429 FY2014 75,999,709
(iii) Weighted average number of shares during fiscal year
FY2015 988,356,349 FY2014 988,462,147

(Reference)

1. Results for the Year Ended March 31, 2015 (April 1, 2014 - March 31, 2015)

(1) Non-consolidated Business Results

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

	Net sales		Operating income		Ordinary income		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2015	30,436	(3.4)	12,796	(4.4)	13,689	2.5	2,170	(77.8)
FY2014	31,498	(16.9)	13,388	(25.0)	13,349	(23.2)	9,758	(54.7)

	Profit per share	Diluted profit per share
	Yen	Yen
FY2015	2.19	2.19
FY2014	9.86	9.85

(2) Non-consolidated Financial Condition

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
FY2015	1,178,694	361,991	30.7	365.38
FY2014	1,221,741	374,941	30.7	378.48

Note: Shareholders' equity FY2015 361,730 million yen FY2014 374,598 million yen

NOTICE

- This document is exempt from audit procedures required by Financial Instruments and Exchange Act, and audit procedures for consolidated financial statement haven not 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 Year Ended March 31, 2016

During FY 2015, the domestic economic condition surrounding the Oji Group has showed a moderate recovery trend, in general, owning to yen depreciation, low price of crude oil and inbound tourism consumptions. However, a sense of uncertainty has been growing in the recent days as a result of drastic yen appreciation as well as fall in stock prices since the beginning of the year 2016.

With regard to the global economy, the US has kept a moderate expansionary trend with its healthy consumer spending. On the other hand, there remains a cautiousness to economic slowdowns in emerging countries and resource-rich countries due to influences of steep fall in resource prices and weak currencies. Moreover, the European debt problem and geopolitical risks around the world are recognized as destabilizing factors.

Factors above have led to the results shown below.

Results for the year ended March 31, 2016 (April 1, 2015 - March 31, 2016) are as follows.

Consolidated net sales:	¥ 1,433,595 million (6.4% increase)
Consolidated operating income:	¥ 71,987 million (64.1% increase)
Consolidated ordinary income:	¥ 60,517 million (22.6% increase)
Consolidated profit attributable to owners of parent:	¥ 12,706 million (18.2% decrease)

*Please note Oji Holdings Corporation's booking of impairment loss of Jiangsu Oji Paper Co., Ltd., the company's subsidiary, in its extraordinary losses, as a factor to influence the consolidated net income.

Sales overview is as follows.

○Household and Industrial Materials

Total sales volume of containerboard decreased relative to the previous year as a result of sluggish domestic sales, despite an increase in export sales.

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 baby disposable diaper drastically increased thanks to steadily performed sales of redesigned products. Sales volume of adult disposable diaper 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., which was consolidated by acquisition in December 2014, has 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 increased from the previous year, owning to new orders received. 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, we have started sales of electric power generated from biomass boilers at Nichinan City, Miyazaki Prefecture and Ebetsu City, Hokkaido, respectively since April 2015 and January 2016. Electric power selling increased in Niseko Town, Hokkaido, owning to the completion of revamping of a hydroelectric power plant .

Regarding overseas businesses, sales of pulp 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., which was consolidated by acquisition in December 2014.

○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 Balance Sheets

(Unit : Millions of yen)

	FY2014 Mar 31, 2015	FY2015 Mar 31, 2016
Assets		
Current assets		
Cash and deposits	45,567	43,968
Notes and accounts receivable - trade	298,826	285,954
Securities	16,717	7,486
Merchandise and finished goods	98,996	98,145
Work in process	19,689	18,921
Raw materials and supplies	82,051	80,109
Deferred tax assets	9,771	14,439
Short-term loans receivable	4,854	4,834
Accounts receivable - other	19,269	22,302
Other	14,620	11,309
Allowance for doubtful accounts	(1,973)	(3,438)
Total current assets	608,392	584,033
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	230,297	210,014
Machinery, equipment and vehicles, net	501,020	424,962
Tools, furniture and fixtures, net	6,422	5,588
Land	239,698	237,433
Forests	119,108	119,049
Standing Timber	108,630	99,313
Leased assets, net	2,656	2,696
Construction in progress	40,709	13,963
Total property, plant and equipment	1,248,543	1,113,022
Intangible assets		
Goodwill	16,042	9,836
Other	16,085	13,167
Total intangible assets	32,127	23,004
Investments and other assets		
Investment securities	202,151	148,121
Long-term loans receivable	3,493	5,337
Long-term prepaid expenses	22,101	21,292
Net defined benefit asset	8,912	4,300
Deferred tax assets	6,055	880
Other	10,095	11,111
Allowance for doubtful accounts	(1,232)	(1,620)
Total investments and other assets	251,578	189,423
Total non-current assets	1,532,249	1,325,450
Total assets	2,140,641	1,909,483

(Unit : Millions of yen)

	FY2014 Mar 31, 2015	FY2015 Mar 31, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	209,977	198,167
Short-term loans payable	319,720	178,157
Commercial papers	10,000	27,000
Current portion of bonds	20,055	20,020
Accounts payable - other	17,501	16,260
Accrued expenses	49,077	43,096
Income taxes payable	6,262	7,354
Allowance for loss on transfer of shares of affiliated companies	12,362	―
Other	37,981	26,022
Total current liabilities	682,938	516,079
Non-current liabilities		
Bonds payable	140,020	120,000
Long-term loans payable	372,784	432,556
Deferred tax liabilities	65,094	47,632
Deferred tax liabilities for land revaluation	8,333	7,908
Provision for loss on litigation	5,079	2,942
Net defined benefit liability	63,949	52,207
Long-term deposits received	8,061	8,020
Other	9,959	10,905
Total non-current liabilities	673,283	682,173
Total liabilities	1,356,221	1,198,252
Net assets		
Shareholders' equity		
Capital stock	103,880	103,880
Capital surplus	112,951	112,857
Retained earnings	346,348	348,799
Treasury shares	(42,748)	(42,638)
Total shareholders' equity	520,432	522,899
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	53,213	25,316
Deferred gains or losses on hedges	(346)	(771)
Revaluation reserve for land	5,059	5,463
Foreign currency translation adjustment	74,685	39,828
Remeasurements of defined benefit plans	(4,638)	(11,833)
Total accumulated other comprehensive income	127,972	58,003
Subscription rights to shares	342	260
Non-controlling interests	135,671	130,066
Total net assets	784,420	711,230
Total liabilities and net assets	2,140,641	1,909,483

Consolidated Statements of Income

(Unit : Millions of yen)

	FY2014 Apr '14 - Mar '15	FY2015 Apr '15 - Mar '16
Net sales	1,347,281	1,433,595
Cost of sales	1,065,333	1,103,282
Gross profit	281,948	330,313
Selling, general and administrative expenses		
Freightage related expenses	126,737	143,249
Warehousing expenses	7,128	6,864
Employees' salaries	46,828	50,916
Retirement benefit expenses	1,670	1,574
Depreciation	4,523	5,269
Other	51,192	50,451
Total selling, general and administrative expenses	238,080	258,325
Operating income	43,867	71,987
Non-operating income		
Interest income	1,278	1,415
Dividend income	3,126	3,187
Share of profit of entities accounted for using equity method	1,274	4,380
Foreign exchange gains	13,280	—
Other	4,706	5,693
Total non-operating income	23,666	14,677
Non-operating expenses		
Interest expenses	11,068	9,885
Foreign exchange losses	—	8,591
Other	7,105	7,670
Total non-operating expenses	18,173	26,148
Ordinary income	49,360	60,517
Extraordinary income		
Gain on sales of investment securities	1,306	16,154
Gain on contribution of securities to retirement benefit trust	—	14,722
Gain on sales of non-current assets	84	3,273
Other	161	—
Total extraordinary income	1,553	34,150
Extraordinary losses		
Impairment loss	191	62,583
Business structure improvement expenses	1,152	2,742
Provision of allowance for transfer of shares of affiliated companies	12,366	—
Other	3,110	5,184
Total extraordinary losses	16,820	70,510
Profit before income taxes	34,093	24,156
Income taxes - current	15,199	15,075
Income taxes - deferred	(551)	(3,840)
Total income taxes	14,647	11,234
Profit	19,445	12,922
Profit attributable to non-controlling interests	3,919	215
Profit attributable to owners of parent	15,526	12,706

Consolidated Statements of Comprehensive Income

(Unit : Millions of yen)

	FY2014 Apr '14 - Mar '15	FY2015 Apr '15 - Mar '16
Profit	19,445	12,922
Other comprehensive income		
Valuation difference on available-for-sale securities	31,726	(27,684)
Deferred gains or losses on hedges	(331)	(299)
Revaluation reserve for land	827	415
Foreign currency translation adjustment	42,490	(38,333)
Remeasurements of defined benefit plans, net of tax	7,899	(7,173)
Share of other comprehensive income of entities accounted for using equity	1,508	(2,544)
Total other comprehensive income	84,122	(75,620)
Comprehensive income	103,567	(62,698)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	88,319	(57,251)
Comprehensive income attributable to non-controlling interests	15,248	(5,446)

Consolidated Statements of Cash Flows

(Unit : Millions of yen)

	FY2014 Apr '14 - Mar '15	FY2015 Apr '15 - Mar '16
Cash flows from operating activities		
Profit before income taxes	34,093	24,156
Depreciation	70,825	78,579
Impairment loss	191	62,583
Amortization of goodwill	2,987	3,299
Depletion of standing timber	10,082	9,139
Increase (decrease) in allowance for doubtful accounts	(445)	399
Increase (decrease) in net defined benefit asset	(5,812)	(5,157)
Increase (decrease) in net defined benefit liability	4,461	3,397
Interest and dividend income	(4,404)	(4,603)
Interest expenses	11,068	9,885
Foreign exchange losses (gains)	(9,624)	7,629
Share of (profit) loss of entities accounted for using equity method	(1,274)	(4,380)
Loss (gain) on sales of investment securities	(1,306)	(16,154)
Provision of allowance for transfer of shares of affiliated companies	12,366	—
Loss (gain) on securities contribution to employees' retirement benefits trust	—	(14,722)
Loss (gain) on sales of non-current assets	(84)	(3,273)
Business structure improvement expenses	1,152	2,742
Decrease (increase) in notes and accounts receivable - trade	(3,228)	7,141
Decrease (increase) in inventories	(5,213)	(2,868)
Increase (decrease) in notes and accounts payable - trade	(568)	(8,600)
Other, net	(4,845)	(2,557)
Subtotal	110,419	146,637
Interest and dividend income received	5,063	5,594
Interest expenses paid	(10,900)	(10,162)
Income taxes paid	(13,656)	(14,018)
Net cash provided by (used in) operating activities	90,925	128,051
Cash flows from investing activities		
Proceeds from sales of securities	1,251	1,401
Purchase of property, plant and equipment and intangible assets	(69,890)	(60,955)
Proceeds from sales of property, plant and equipment and intangible assets	1,390	4,622
Purchase of investment securities	(937)	(4,490)
Proceeds from sales and redemption of investment securities	2,197	19,524
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(97,455)	—
Additional purchase of investments in consolidated subsidiaries	(275)	—
Payments of loans receivable	(2,203)	(2,790)
Collection of loans receivable	1,334	1,429
Other, net	(960)	(2,068)
Net cash provided by (used in) investing activities	(165,549)	(43,328)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	59,801	(60,738)
Net increase (decrease) in commercial papers	10,000	17,000
Proceeds from long-term loans payable	62,510	115,563
Repayments of long-term loans payable	(57,489)	(130,316)
Redemption of bonds	(20,085)	(20,055)
Proceeds from share issuance to non-controlling shareholders	33,817	72
Purchase of treasury shares	(95)	(119)
Cash dividends paid	(9,897)	(9,896)
Other, net	(1,180)	(1,272)
Net cash provided by (used in) financing activities	77,380	(89,762)
Effect of exchange rate change on cash and cash equivalents	2,285	(4,513)
Net increase (decrease) in cash and cash equivalents	5,042	(9,553)
Cash and cash equivalents at beginning of period	52,173	57,129
Increase in cash and cash equivalents resulting from merger	73	68
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(159)	—
Cash and cash equivalents at end of period	57,129	47,643

Sales and Operating Profit by Segment

(Unit : Millions of yen)

1. FY2014 (Apr 1, 2014–Mar 31, 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	518,239	206,013	161,731	282,812	1,168,797	178,483	1,347,281	-	1,347,281
(2) Intra-group sales between segments or transfers	43,512	19,206	49,789	28,170	140,679	97,590	238,270	(238,270)	-
Total	561,752	225,220	211,521	310,983	1,309,477	276,074	1,585,552	(238,270)	1,347,281
Segment profit (or loss)	14,528	9,367	12,098	(671)	35,322	7,997	43,320	547	43,867
Assets	624,751	222,846	544,225	505,851	1,897,674	356,668	2,254,343	(113,701)	2,140,641
Others									
(1) Depreciation	23,476	10,224	10,862	21,533	66,097	4,727	70,825	-	70,825
(2) Capital	23,521	6,769	25,179	20,355	75,826	4,252	80,079	-	80,079

2. FY2015 (Apr 1, 2015–Mar 31, 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	561,981	193,084	224,305	279,825	1,259,197	174,398	1,433,595	-	1,433,595
(2) Intra-group sales between segments or transfers	41,777	17,872	43,356	29,593	132,599	92,319	224,918	(224,918)	-
Total	603,759	210,957	267,661	309,418	1,391,797	266,717	1,658,514	(224,918)	1,433,595
Segment profit (or loss)	18,774	11,913	29,808	2,253	62,749	8,855	71,605	381	71,987
Assets	594,420	196,953	483,809	396,238	1,671,423	356,111	2,027,534	(118,051)	1,909,483
Others									
(1) Depreciation	26,756	8,490	15,510	22,560	73,317	5,261	78,579	-	78,579
(2) Capital	24,185	3,750	17,486	5,779	51,203	6,184	57,387	-	57,387

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.