

Summary of Consolidated Financial and Business Results for the Second Quarter of the Year Ending March 2022

Company Name: **Oji Holdings Corporation** (Code No. 3861 Tokyo Stock Exchange)
 URL: <https://www.ojiholdings.co.jp/>
 Representative: Masatoshi Kaku, President & Chief Executive Officer
 Contact: Hiroyuki Isono, Director of the Board, Senior Executive Officer
 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 Second Quarter of the Year Ending March 31, 2022 (April 1, 2021 - September 30, 2021) (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 Half of FY2021	708,529	8.6	63,681	117.3	68,835	211.5	45,582	343.0
First Half of FY2020	652,423	(14.2)	29,306	(47.3)	22,097	(57.0)	10,289	(64.3)

Note: Comprehensive income First Half of FY2021 72,934 million yen
 First Half of FY2020 138 million yen

	Profit per share	Diluted profit per share
	Yen	Yen
First Half of FY2021	46.02	46.00
First Half of FY2020	10.39	10.39

Note: Oji Holdings has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc. effective from the beginning of the first quarter of the current consolidated fiscal year.

The figures for the first half of the fiscal year ending March 31, 2022 are the figures after the application of the accounting standards.

(2) Consolidated Financial Condition

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
First Half of FY2021	2,030,733	852,218	39.6	811.26
Year ended March 2021	1,981,438	865,606	37.9	758.28

Note: Shareholders' equity First Half of FY2021 803,601 million yen
 FY2020 750,981 million yen

2. Cash Dividends

	Dividend per share				
	End of 1Q	End of 2Q	End of 3Q	End of FY	Annual
	Yen	Yen	Yen	Yen	Yen
FY2020	—	7.00	—	7.00	14.00
FY2021	—	7.00			
FY2021 (Forecast)			—	7.00	14.00

Note : Change in forecast of dividend ... None

3. Consolidated Forecasts for the Year Ending March 2022 (April 1, 2021-March 31, 2022)

(Figures shown in percentage are ratios compared to 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
Full year	1,450,000	6.7	120,000	41.5	120,000	44.5	70,000	41.0	70.68

Note : Change in consolidated forecasts ... No

4. Notes

- (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
- | | |
|--|------|
| (i) Changes due to accounting standard changes : | Yes |
| (ii) Changes besides (i) : | None |
| (iii) Accounting estimate change : | None |
| (iv) Restatement : | None |

(Note) Please refer to “Consolidated Quarterly Financial Statements and Notes (Changes in accounting policies)” on page 12 of the attached document for more details.

(4) Outstanding balance of issued shares (common stock)

(i) Outstanding balance of issued shares at the end of fiscal year (Including treasury shares)			
First Half of FY2021	1,014,381,817	FY2020	1,014,381,817
(ii) Outstanding balance of treasury shares at the end of fiscal year			
First Half of FY2021	23,820,587	FY2020	24,002,558
(iii) Weighted average number of shares during fiscal year			
First Half of FY2021	990,430,547	First Half of FY2020	990,099,521

NOTICE

- This document is exempt from audit procedures required by Financial Instruments and Exchange Act.
- 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.

1. Qualitative Information Concerning Business Performance and Financial Situation

(1) Qualitative Information Concerning Business Performance

Business Performance for the First Half of FY2021

	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 Half of FY2021	708.5	63.7	68.8	45.6	46.02
1st Half of FY2020	652.4	29.3	22.1	10.3	10.39
Increase (Decrease)	56.1	34.4	46.7	35.3	
Increase (Decrease)	8.6%	117.3%	211.5%	343.0%	

The Oji Group has set "Profitability Improvement of Domestic Business", "Expansion of Overseas Business" and "Promotion of Innovation" as the fundamental policies of its FY2019-2021 Medium-term Management Plan. Through "Contribution to a Sustainable Society", we aim to become a global corporate group which stably maintains consolidated operating profit of more than ¥100.0 billion.

Based on the fundamental policies, in the domestic business, we have focused on restructuring our production system to respond to the structural changes in demand, and worked to improve capital efficiency while concentrating management resources on promising businesses to strengthen our ability to generate cash flow. In regard to overseas business, we have organically expanded the existing operations by expanding the number of overseas operations as well as developing new businesses utilizing existing infrastructure. We have also worked to create synergies among our businesses as well as operations. In regard to promoting innovation, we have promoted the development and the early commercialization of new businesses and products that meet the needs of the environment and society, in order to actualize "Contribution to a Sustainable Society".

As the business environment has changed drastically due to the spread of COVID-19, consumption structure, lifestyles, and working styles have diversified, and many opportunities and risks are expected to expand. Meanwhile, we will continue to steadily implement strategic measures to improve our corporate value in line with our fundamental policies of management strategies in Medium-term Management Plan. We will also promptly and appropriately implement business structure reforms in light of environmental changes caused by COVID-19.

Consolidated net sales for the first half of FY2021 increased by ¥56.1 billion to ¥708.5 billion (year-on-year increase of 8.6%) due to a gradual recovery in demand resulting from the resumption of economic activities that had been stagnant due to the spread of COVID-19 and higher pulp sales prices. Overseas sales ratio increased by 3.8 points from the previous year to 32.4%.

Consolidated operating profit increased by ¥34.4 billion to ¥63.7 billion (year-on-year increase of 117.3%) due to increased sales volume, higher pulp sales prices, and cost reduction efforts throughout the Group. Ordinary profit increased by ¥46.7 billion to ¥68.8 billion (year-on-year increase of 211.5%) due in part to an increase in operating profit and foreign exchange gains from revaluation of foreign currency-denominated receivables and payables. Profit before taxes increased by ¥45.6 billion to ¥67.8 billion (year-on-year increase of 205.1%), and profit attributable to owners of parent increased by ¥35.3 billion to ¥45.6 billion (year-on-year increase of 343.0%).

Effective from the beginning of the first quarter of FY2021, Oji Holdings has applied "Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020)" and has changed the accounting method for revenue recognition. Please refer to "Consolidated Quarterly Financial Statements and Notes (Changes in accounting policies)" on page 12 of the attached document for more details.

Overview of Business Performance for the First Half of FY2021 by Segment

(I) Business Performance by Segment

(Unit: Billions of yen)

		Net Sales			Operating Profit		
		1st Half of FY2020	1st Half of FY2021	Increase (Decrease)	1st Half of FY2020	1st Half of FY2021	Increase (Decrease)
Reporting Segment	Household & Industrial Materials	309.6	343.6	11.0%	13.0	18.1	39.4%
	Functional Materials	90.9	91.4	0.5%	5.1	7.2	40.5%
	Forest Resources & Environment Marketing	119.3	141.6	18.7%	6.7	23.7	256.6%
	Printing & Communications Media	114.1	117.6	3.0%	0.7	10.8	1,463.0%
	Total	634.0	694.1	9.5%	25.4	59.8	135.2%
Others		128.1	144.3	12.6%	2.8	4.1	48.1%
Total		762.1	838.4	10.0%	28.2	64.0	126.6%
Adjustment (*)		(109.7)	(129.8)		1.1	(0.3)	
Consolidated total		652.4	708.5	8.6%	29.3	63.7	117.3%

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

Major business lineup for the segments are as follows.

- Household and Industrial Materials:
Containerboard/corrugated containers, boxboard/folding cartons, packing paper/paper bags, household paper, disposable diapers, etc.
- Functional Materials:
Specialty paper, thermal paper, 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:
Real estate, engineering, trading business, logistics, etc.

As stated in "Changes in accounting policies", "Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020)" has been adopted from the beginning of the first quarter of FY2021 and the accounting method for revenue recognition and the method used to calculate profit and loss for business segments have been changed.

As a result of this change, compared to the previous method, net sales in the first quarter of FY2021 decreased by ¥1.2 billion for Household and Industrial Materials segment, ¥6.6 billion for Functional Materials segment, ¥0.3 billion for Forest Resources and Environment Marketing segment, ¥13.3 billion for Printing and Communications Media segment, and ¥2.6 billion for Others. The effects on each segment's profit is immaterial.

○Household and Industrial Materials

In the first half of FY2021, net sales amounted to ¥343.6 billion (year-on-year increase of 11.0%), and operating profit was ¥18.1 billion (year-on-year increase of 39.4%).

Regarding domestic business, domestic sales volume of containerboard and corrugated containers increased from the previous year, due to continued steady sales for e-commerce industry as a result of a trend of staying home to prevent the spread of COVID-19, in addition to the overall recovery in demand. As for containerboard, export sales volume decreased from the previous year. As for boxboard, domestic sales volume increased from the previous year due to a recovery in demand for goods for events, souvenirs and gifts, which had declined in the previous year on account of the trends of staying home and refraining from holding events. Export sales volume increased from the previous year. As for packing paper, domestic sales volume increased from the previous year due to the overall recovery in demand. Export sales volume increased from the previous year mainly in Southeast Asia. As for disposable diapers for babies, both domestic and export sales volume decreased from the previous year. As for disposable diapers for adults, sales volume decreased from the previous year. As for household paper, sales volume increased from the previous year due to an increase in sales promotional campaigns and events, which had been refrained from due to the spread of COVID-19. As for processed goods including masks and wet wipes, sales volume decreased from the previous year as the temporary increase in demand accompanying the spread of COVID-19 in the previous year has subsided.

Regarding overseas business, in Southeast Asia, in containerboard business, both sales volume and sales amount increased from the previous year due to strong demand from converting companies. As for corrugated containers, sales volume and sales amount increased from the previous year due to strong sales since the end of last year and the penetration of price increases. As for disposable diapers, in Indonesia, sales volume increased significantly from the previous year due to our continual efforts for sales expansion at convenience stores. In Malaysia, sales volume decreased from the previous year due to sluggish sales at retail stores on account of the impact of COVID-19. In Oceania, as for containerboard, export sales volume decreased from the previous year due in part to a disruption of marine transport schedules accompanying the worldwide shortage of containers. As for corrugated containers, sales volume increased from the previous year both in New Zealand and Australia.

○Functional Materials

In the first half of FY2021, net sales amounted to ¥91.4 billion (year-on-year increase of 0.5%), and operating profit was ¥7.2 billion (year-on-year increase of 40.5%).

Regarding domestic business, overall sales volume and sales amount increased from the previous year due to an increase in demands for films for condensers used in electric vehicles (electric vehicles, hybrid vehicles, plug-in hybrid vehicles and fuel cell vehicles), film separate for manufacturing electronic components for smartphones, and paper for manufacturing electronic components, although demands for tickets and luxury packages have continued to decrease accompanying the spread of COVID-19. As for thermal paper, sales volume increased from the previous year due to a recovery in demand.

Regarding overseas business, as for thermal paper, sales volume increased from the previous year in North America, Southeast Asia and South America. However, sales volume decreased in Europe from the previous year in reaction to customers' trends to secure inventories in the previous year.

○Forest Resources and Environment Marketing

In the first half of FY2021, net sales amounted to ¥141.6 billion (year-on-year increase of 18.7%), and operating profit was ¥23.7 billion (year-on-year increase of 256.6%).

Regarding domestic business, sales volume of pulp business increased from the previous year mainly because of an increase in the export volume of dissolving pulp to China due to a recovery from the economic stagnation caused by the spread of COVID-19. Sales volume of energy business decreased from the previous year due to regular inspections for facilities at MPM Oji Eco-Energy Co., Ltd. As for lumber business, sales volume increased from the previous year.

Regarding overseas business, sales volume of pulp business decreased from the previous year, while sales amount increased due to higher pulp sales prices. As for lumber business, sales volume increased from the previous year.

○Printing and Communications Media

In the first half of FY2021, net sales amounted to ¥117.6 billion (year-on-year increase of 3.0%), and operating profit was ¥10.8 billion (year-on-year increase of 1,463.0%).

Regarding domestic business, sales volume of newsprint decreased from the previous year due to the continual downward trend in demand. As for printing paper, sales volume increased from the previous year rebounding from the economic stagnation caused by the spread of COVID-19 in the previous year. In regard to those for publication use, sales volume decreased due in part to reduced circulation of women's magazines, travel magazines, sports magazines, etc. In regard to those for commercial printing use, sales volume increased from the previous year due in part to a recovery from a significant decline in demand for catalogs, posters, flyers, etc. as a result of the trend of refraining from holding events in the previous year. As for communication paper, sales volume increased from the previous year due to a recovery from a significant decline in demand in offices as a result of the spread of working from home in the previous year.

Regarding overseas business, at Jiangsu Oji Paper Co., Ltd., sales volume of printing paper increased from the previous year as the economic activity began to recover after the outbreak of COVID-19 in China began to come under control.

2. Outline of Business Performance and Financial Situation

Business Performance

Billions of yen

	First Half of FY2021		Forecasts for FY2021	
		Increase(Decrease)		Increase(Decrease)
Net Sales	708.5	56.1	1,450.0	91.0
Domestic	478.9	12.9		
Overseas	229.6	43.2		
ratio	32.4%	3.8%		
Operating Profit	63.7	34.4	120.0	35.2
Ordinary Profit	68.8	46.7	120.0	36.9
Profit attributable to owners of parent	45.6	35.3	70.0	20.4

Billions of yen

Depreciation	30.9	0.7	62.3	(0.4)
Capital expenditure	52.0	8.5	109.5	16.0

Average foreign exchange rate

	First Half of FY2021		Forecasts for FY2021	
		Increase(Decrease)		Increase(Decrease)
JPY / USD April to March	109.8	2.9	112.4	6.3
BRL / USD January to December	5.38	0.46	5.44	0.28
NZD / USD January to December	1.39	(0.21)	1.40	(0.14)
CNY / USD January to December	6.47	(0.57)	6.43	(0.47)

Financial situation

Billions of yen

	Sep 30,2021	
		Increase(Decrease)from Mar 31,2021
Total assets	2,030.7	49.3
Net assets	852.2	(13.4)
Interest bearing debts	692.2	44.6
Net debts	586.0	74.5

Number of employees

person

	Sep 30,2021	
		Increase(Decrease)from Mar 31,2021
Number of employees	35,834	(200)
Domestic	16,523	(55)
Overseas	19,311	(145)

3.Consolidated Quarterly Financial Statements and Notes

Consolidated quarterly balance sheets

(Unit : Millions of yen)

	FY2020 Mar 31,2021	First Half / FY2021 Sep 30,2021
Assets		
Current assets		
Cash and deposits	130,529	93,079
Notes and accounts receivable - trade	297,718	—
Notes and accounts receivable - trade, and contract assets	—	306,303
Securities	5,725	13,192
Merchandise and finished goods	86,440	95,751
Work in process	19,273	21,437
Raw materials and supplies	89,090	97,524
Other	41,667	40,038
Allowance for doubtful accounts	(1,675)	(1,645)
Total current assets	668,770	665,682
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	191,231	190,537
Machinery, equipment and vehicles, net	298,937	310,745
Land	239,052	239,188
Other, net	312,192	347,220
Total property, plant and equipment	1,041,413	1,087,691
Intangible assets		
Goodwill	3,122	2,902
Other	9,049	7,638
Total intangible assets	12,171	10,540
Investments and other assets		
Investment securities	163,961	170,140
Other	96,073	97,647
Allowance for doubtful accounts	(952)	(968)
Total investments and other assets	259,083	266,819
Total non-current assets	1,312,668	1,365,050
Total assets	1,981,438	2,030,733

(Unit : Millions of yen)

	FY2020 Mar 31,2021	First Half / FY2021 Sep 30,2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	197,950	212,722
Short-term borrowings	129,963	135,155
Commercial papers	—	20,000
Income taxes payable	11,526	18,613
Provisions	4,874	4,582
Other	97,399	91,713
Total current liabilities	441,713	482,787
Non-current liabilities		
Bonds payable	155,000	155,000
Long-term borrowings	362,718	382,086
Provisions	4,991	4,606
Retirement benefit liability	54,010	54,724
Other	97,397	99,310
Total non-current liabilities	674,117	695,727
Total liabilities	1,115,831	1,178,514
Net assets		
Shareholders' equity		
Share capital	103,880	103,880
Capital surplus	109,100	104,287
Retained earnings	493,224	532,224
Treasury shares	(13,400)	(13,308)
Total shareholders' equity	692,805	727,083
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	31,654	33,620
Deferred gains or losses on hedges	2,721	1,049
Revaluation reserve for land	5,684	5,684
Foreign currency translation adjustment	(6,418)	13,087
Remeasurements of defined benefit plans	24,533	23,075
Total accumulated other comprehensive income	58,176	76,517
Share acquisition rights	199	179
Non-controlling interests	114,426	48,437
Total net assets	865,606	852,218
Total liabilities and net assets	1,981,438	2,030,733

Consolidated quarterly statements of income

(Unit : Millions of yen)

	First Half / FY2020 Apr '20 - Sep '20	First Half / FY2021 Apr '21 - Sep '21
Net sales	652,423	708,529
Cost of sales	503,998	535,957
Gross profit	<u>148,425</u>	<u>172,571</u>
Selling, general and administrative expenses		
Freight and incidental costs	63,751	53,108
Employees' salaries	25,779	26,128
Other	29,588	29,654
Total selling, general and administrative expenses	<u>119,119</u>	<u>108,890</u>
Operating profit	<u>29,306</u>	<u>63,681</u>
Non-operating income		
Interest income	678	388
Dividend income	1,650	1,591
Foreign exchange gains	—	5,505
Share of profit of entities accounted for using equity method	—	1,450
Other	2,748	4,204
Total non-operating income	<u>5,076</u>	<u>13,141</u>
Non-operating expenses		
Interest expenses	3,053	3,407
Foreign exchange losses	3,722	—
Share of loss of entities accounted for using equity method	1,122	—
Other	4,386	4,580
Total non-operating expenses	<u>12,285</u>	<u>7,987</u>
Ordinary profit	<u>22,097</u>	<u>68,835</u>
Extraordinary income		
Gain on sale of non-current assets	134	1,316
Insurance claim income	1,857	397
Gain on sale of businesses	906	—
Other	1,206	13
Total extraordinary income	<u>4,104</u>	<u>1,727</u>
Extraordinary losses		
Loss on sale of investment securities	725	847
Loss on retirement of non-current assets	624	556
Other	2,623	1,333
Total extraordinary losses	<u>3,973</u>	<u>2,737</u>
Profit before income taxes	<u>22,228</u>	<u>67,824</u>
Income taxes - current	10,948	18,617
Income taxes - deferred	707	651
Total income taxes	<u>11,655</u>	<u>19,268</u>
Profit	<u>10,573</u>	<u>48,556</u>
Profit attributable to non-controlling interests	<u>283</u>	<u>2,973</u>
Profit attributable to owners of parent	<u>10,289</u>	<u>45,582</u>

Consolidated quarterly statements of comprehensive income

(Unit : Millions of yen)

	First Half / FY2020 Apr '20 - Sep '20	First Half / FY2021 Apr '21 - Sep '21
Profit	10,573	48,556
Other comprehensive income		
Valuation difference on available-for-sale securities	2,039	1,294
Deferred gains or losses on hedges	1,144	(1,690)
Foreign currency translation adjustment	(13,102)	25,044
Remeasurements of defined benefit plans, net of tax	(666)	(1,458)
Share of other comprehensive income of entities accounted for using equity method	150	1,188
Total other comprehensive income	<u>(10,434)</u>	<u>24,377</u>
Comprehensive income	<u>138</u>	<u>72,934</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,803	64,033
Comprehensive income attributable to non-controlling interests	(2,664)	8,900

(Changes in accounting policies)

(Application of Accounting Standard for Revenue Recognition, etc.)

“Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020. Hereinafter “Revenue Recognition Standard”) and related guidelines have been adopted from the beginning of the first quarter. In line with this adoption, revenue is recognized at the time of the transfer of controls for promised goods or services to customers in the amount that reflects the consideration to which they expect to be entitled in exchange for those goods or services. The main changes due to the adoption of the new accounting standard are in the accounting treatment of consideration paid to customers, such as sales incentives, and in the accounting treatment of transactions in which purchased goods are sold to customers. With respect to sales incentives and other consideration paid to customers, a portion of the expenses that were previously recorded in selling, general and administrative expenses are now reduced from sales. In addition, as for transactions in which purchased goods are sold to customers, revenue was previously recognized at the total amount of consideration received from the customer, but has partly changed to be recognized at the net amount received from the customer less the amount paid to the supplier.

In adopting the Revenue Recognition Standard, in accordance with the transitional treatment set forth in the proviso of Article 84 of the Revenue Recognition Standard, the cumulative effect of retrospective application of the standards prior to the beginning of the first quarter was added to or subtracted from retained earnings at the beginning of the first quarter. The new accounting policy was applied from the beginning balance of the first quarter.

However, Oji Holdings has applied the method prescribed in Article 86 of the Revenue Recognition Standard and has not retrospectively applied the new accounting policy to contracts in which almost all the revenue amounts were recognized in accordance with the previous treatment prior to the beginning of the first quarter. In addition, Oji Holdings has applied the method prescribed in Article 86, Paragraph (1) of the Revenue Recognition Standard, and accounted for contract changes made prior to the beginning of the first quarter based on the contract terms after reflecting all contract changes, and added or subtracted the cumulative effect of such changes to retained earnings at the beginning of the first quarter.

As a result, for the period of current first half, net sales decreased by ¥23,922 million, cost of sales decreased by ¥9,382 million, selling, general and administrative expenses decreased by ¥14,485 million, non-operating expenses decreased by ¥57 million, operating profit decreased by ¥54 million, and ordinary profit and profit before income taxes increased by ¥3 million. In addition, the balance of retained earnings at the beginning of the current fiscal year increased by ¥110 million. The impact on information per share is immaterial.

Due to the adoption of the Revenue Recognition Standard, "Notes and accounts receivable - trade" which was presented in "Current assets" of the consolidated balance sheet for the previous fiscal year, is included in "Notes and accounts receivable - trade, and contract assets" from the first quarter of the current fiscal year. In accordance with the transitional treatment set forth in Article 89-2 of the Revenue Recognition Standard, consolidated financial statements for past periods have not been reclassified using the new presentation method.

(Application of Accounting Standard for Fair Value Measurement, etc.)

“Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019. Hereinafter “Fair Value Measurement Standard”) and other standards have been adopted from the beginning of the first quarter, and in accordance with the transitional treatment set forth in Article 19 of Fair Value Measurement Standard and Article 44-2 of “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019), Oji Holdings will continue to apply new accounting policies prescribed by Fair Value Measurement Standard and other standards into the future. The effects of this adoption on the quarterly consolidated financial statements are immaterial.