

**Summary of Consolidated Financial and Business Results**  
**for the Second Quarter of the Year Ending March 2024**  
**(Japanese GAAP)**

Company Name: **Oji Holdings Corporation** (Code No. 3861 Tokyo Stock Exchange)  
 URL: <https://www.ojiholdings.co.jp/>  
 Representative: Hiroyuki Isono, President & Chief Executive Officer  
 Contact: Tadashi Oshima, Corporate 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, 2024 (April 1, 2023 - September 30, 2023)**

**(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 FY2023	847,093	1.1	38,821	(3.9)	50,825	(15.6)	31,641	(16.6)
First Half of FY2022	837,502	18.2	40,395	(36.6)	60,232	(12.5)	37,927	(16.8)
Note: Comprehensive income	First Half of FY2023		91,689 million yen		First Half of FY2022		109,971 million yen	

	Profit per share	Diluted profit per share
	Yen	Yen
First Half of FY2023	31.92	31.91
First Half of FY2022	38.28	38.26

(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 FY2023	2,413,814	1,049,746	42.3	1,030.04
FY2022	2,296,018	964,564	40.8	945.27
Note: Shareholders' equity	First Half of FY2023	1,021,038 million yen	FY2022	936,949 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
FY2022	—	8.00	—	8.00	16.00
FY2023	—	8.00			
FY2023 (Forecast)			—	8.00	16.00

Note : Change in forecast of dividend … None

**3. Consolidated Forecasts for the Year Ending March 2024 (April 1, 2023 - March 31, 2024)**

(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	1,760,000	3.1	82,000	(3.3)	90,000	(5.3)	57,000	0.9	57.51

Note : Change in consolidated forecasts … Yes

#### 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 : | None |
| (ii) Changes besides (i) :                       | None |
| (iii) Accounting estimate change :               | None |
| (iv) Restatement :                               | None |

(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 FY2023	1,014,381,817	FY2022	1,014,381,817
(ii) Outstanding balance of treasury shares at the end of fiscal year			
First Half of FY2023	23,124,669	FY2022	23,179,622
(iii) Weighted average number of shares during fiscal year			
First Half of FY2023	991,220,806	First Half of FY2022	990,795,483

#### 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 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

### Business Performance for the First Half of FY2023 (April 1, 2023 - September 30, 2023)

	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 FY2023	847.1	38.8	50.8	31.6	31.92
1st Half of FY2022	837.5	40.4	60.2	37.9	38.28
Increase (Decrease)	9.6	(1.6)	(9.4)	(6.3)	
Increase (Decrease)	1.1%	(3.9%)	(15.6%)	(16.6%)	

The Oji Group has set the basic policy of "Toward Further Growth and Evolution" as the Long-term Vision for 2030, and is promoting "Initiatives for Environmental Issues -Sustainability-", "Initiatives for Profitability Improvement -Profitability-" and "Initiatives for Product Development -Green Innovation-". As the milestones of the Long-term vision, we have set FY2022-2024 Medium-term Management Plan, which aims to achieve the consolidated operating profit of ¥150.0 billion or more by FY2024 and stably maintain consolidated profit attributable to owners of parent of ¥100.0 billion or more.

Specifically, we will continue our efforts on environmental issues by promoting greenhouse gas reduction and expanding net CO2 absorption by forests, as countermeasures against climate change. At the same time, we will enhance the value of our business by deepening the existing businesses through the establishment of an optimal production system, and expanding the highly-expected businesses including overseas packaging business and eco-friendly products. In October 2023, as part of "Initiatives for Profitability Improvement -Profitability-", we signed a share transfer agreement to acquire all shares of Walki (Head Office: Finland), a leading company with advanced technologies in material conversion especially for paper-based sustainable solutions. The purpose of the acquisition is to build and expand a platform for our packaging business in Europe as one of the leaders in the packaging sector. Furthermore, we will develop and quickly commercialize new wood-derived products and materials such as eco-friendly materials and products, based on a range of core technologies we have cultivated through paper manufacturing and forestation. We will contribute to society as a company that "grows and manages the sustainable forest, develops and delivers the products from renewable forest and brings this world a brighter future filled with hope".

Consolidated net sales for the first half of FY2023 increased by ¥9.6 billion to ¥847.1 billion (year-on-year increase of 1.1%) due to the price revision mainly in the domestic business.

Consolidated operating profit decreased by ¥1.6 billion to ¥38.8 billion (year-on-year decrease of 3.9%) due to sluggish demand, following the slow recovery of the global economy, and deteriorating pulp market conditions, though in Japan, the price revision and cost reduction made up for a decline in sales volumes as a result of consumption restraint caused by inflation, etc. Ordinary profit decreased by ¥9.4 billion to ¥50.8 billion (year-on-year decrease of 15.6%) due to a decrease in foreign exchange gains from revaluation of foreign currency-denominated receivables and payables. Profit before taxes decreased by ¥7.5 billion to ¥50.0 billion (year-on-year decrease of 13.0%), and profit attributable to owners of parent decreased by ¥6.3 billion to ¥31.6 billion (year-on-year decrease of 16.6%).

Overseas sales ratio decreased by 4.1 points from same periods in the previous year to 34.4%.

## Overview of Business Performance for the First Half of FY2023 by Segment

### (I) Business Performance by Segment

(Unit: Billions of yen)

		Net Sales			Operating Profit (Loss)		
		1st Half of FY2022	1st Half of FY2023	Increase (Decrease)	1st Half of FY2022	1st Half of FY2023	Increase (Decrease)
Reporting Segment	Household & Industrial Materials	389.8	399.1	2.4%	1.1	5.6	429.8%
	Functional Materials	107.6	113.8	5.8%	7.2	4.4	(39.1%)
	Forest Resources & Environment Marketing	204.0	180.5	(11.5%)	29.3	18.7	(36.1%)
	Printing & Communications Media	134.2	149.0	11.1%	(0.2)	7.1	-
	Total	835.5	842.5	0.8%	37.3	35.8	(4.0%)
Others		159.5	155.4	(2.6%)	4.3	3.4	(19.9%)
Total		995.1	997.8	0.3%	41.6	39.2	(5.6%)
Adjustment (*)		(157.6)	(150.8)		(1.2)	(0.4)	
Consolidated total		837.5	847.1	1.1%	40.4	38.8	(3.9%)

\*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 units 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:

Trading business, logistics, engineering, real estate, liquid packaging cartons, etc.

### ○Household and Industrial Materials

In the first half of FY2023, net sales amounted to ¥399.1 billion (year-on-year increase of 2.4%), and operating profit was ¥5.6 billion (year-on-year increase of 429.8%).

Regarding domestic business, although sales volumes of containerboard, corrugated container, packing paper, and household paper decreased from the previous year due to consumption restraint caused by inflation, net sales increased as a result of the price revision. As for disposable diapers, net sales of those for babies remained almost unchanged, while sales of those for adults increased from the previous year.

Regarding overseas business, in line with our strategy to further expand business in Southeast Asia and Oceania, sales volume of containerboard increased in Southeast Asia due to improved operating rate of the new containerboard machine started in October 2021. However, net sales decreased from the previous year due to deteriorating market conditions. Net sales of corrugated container also decreased due to sluggish demand despite the price revision in Oceania. As for disposable diapers, net sales increased due to sales expansion in Malaysia and Indonesia.

### ○Functional Materials

In the first half of FY2023, net sales amounted to ¥113.8 billion (year-on-year increase of 5.8%), and operating profit was ¥4.4 billion (year-on-year decrease of 39.1%).

Regarding domestic business, Net sales of specialty paper decreased from the previous year as sales volumes of release paper and its base paper decreased in response to sluggish demand for electronic devices, despite sales expansion of strategic products, such as interleaving paper for glass and heat-sealable paper for major online retailers, and the price revision. As for thermal paper, both sales volume and net sales decreased from the previous year as demand declined from the second half of FY2022 in reaction to customers' inventory buildup in the first half of FY2022 due to the global logistics turmoil.

Regarding overseas business, sales volume of thermal paper decreased from the previous year due to inventory reduction caused by rising interest rates and sluggish demand, but net sales increased due to the price revision, etc.

### ○Forest Resources and Environment Marketing

In the first half of FY2023, net sales amounted to ¥180.5 billion (year-on-year decrease of 11.5%), and operating profit was ¥18.7 billion (year-on-year decrease of 36.1%).

Regarding domestic business, net sales of pulp business increased from the previous year due to steady sales of dissolving pulp. Net sales of energy business increased compared to the previous year due to the start of operation of a new biomass power plant in Tokushima Prefecture from December 2022.

Regarding overseas business, net sales of pulp business and lumber business decreased from the previous year due to a decline in pulp market and sluggish demand, as well as the fact that Pan Pac Forest Products Ltd. in New Zealand was damaged by a cyclone in February 2023 and its manufacturing facilities are still under restoration.

### ○Printing and Communications Media

In the first half of FY2023, net sales amounted to ¥149.0 billion (year-on-year increase of 11.1%), and operating profit was ¥7.1 billion (year-on-year increase of ¥7.3 billion).

Regarding domestic business, net sales of newsprint, printing and communication paper increased from the previous year due to the price revision, although demand continued to decline.

Regarding overseas business, net sales at Jiangsu Oji Paper Co., Ltd., remained almost unchanged from the previous year due to the slow economic recovery following the end of the Zero-COVID policy.

### FY2023 Forecast and Future Outlook

The forecasts for FY2023 (April 1, 2023 – March 31, 2024) have been revised from that announced in the Summary of Consolidated Financial and Business Results on August 7, 2023 as follows.

	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
Previous Forecast [A]	1,800.0	100.0	100.0	65.0	65.58
Revised Forecast [B]	1,760.0	82.0	90.0	57.0	57.51
Difference [B-A]	(40.0)	(18.0)	(10.0)	(8.0)	
Percentage Change (%)	(2.2%)	(18.0%)	(10.0%)	(12.3%)	
(Reference) FY2022 (results, cumulative)	1,706.6	84.8	95.0	56.5	57.00

## 2. Outline of Business Performance and Financial Situation

Business Performance			Billions of yen	
	First Half of FY2023		Forecasts for FY2023	
		Increase(Decrease) from same periods in FY2022		Increase(Decrease) from FY2022
Net Sales	847.1	9.6	1,760.0	53.4
Domestic	555.6	40.7		
Overseas	291.5	(31.1)		
ratio	34.4%	(4.1%)		
Operating Profit	38.8	(1.6)	82.0	(2.8)
Ordinary Profit	50.8	(9.4)	90.0	(5.0)
Profit attributable to owners of parent	31.6	(6.3)	57.0	0.5

		Billions of yen		
Depreciation	39.1	3.9	75.6	2.6
Capital expenditure	47.9	4.1	99.4	9.6

### Average foreign exchange rate

	First Half of FY2023		Forecasts for FY2023	
		Increase(Decrease) from same periods in FY2022		Increase(Decrease) from FY2022
JPY / USD April to March	141.1	7.1	145.5	10.0
BRL / USD January to December	5.07	(0.01)	5.01	(0.16)
NZD / USD January to December	1.60	0.09	1.66	0.08
CNY / USD January to December	6.94	0.46	7.13	0.39

### Financial situation

		Billions of yen	
	Sep 30,2023		Increase(Decrease)from Mar 31,2023
Total assets	2,413.8		117.8
Net assets	1,049.7		85.2
Interest bearing debts	779.3		(9.0)
Net debts (Interest bearing debts - Cash and cash equivalents at end of period)	681.6		(49.7)

### Number of employees

		person	
	Sep 30,2023		Increase(Decrease)from Mar 31,2023
Number of employees	38,021		176
Domestic	16,294		102
Overseas	21,727		74

### 3. Consolidated Quarterly Financial Statements and Notes

#### (1) Consolidated quarterly balance sheets

(Unit : Millions of yen)

	FY2022 Mar 31,2023	First Half / FY2023 Sep 30,2023
Assets		
Current assets		
Cash and deposits	50,774	92,143
Notes and accounts receivable - trade, and contract assets	377,368	375,754
Securities	6,299	5,640
Merchandise and finished goods	117,473	126,638
Work in process	23,510	27,009
Raw materials and supplies	140,337	141,431
Other	74,696	51,433
Allowance for doubtful accounts	(1,791)	(2,335)
Total current assets	788,670	817,715
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	216,045	222,714
Machinery, equipment and vehicles, net	407,869	424,094
Land	242,287	244,290
Other, net	342,031	376,959
Total property, plant and equipment	1,208,234	1,268,059
Intangible assets		
Goodwill	11,868	19,508
Other	14,119	15,484
Total intangible assets	25,988	34,993
Investments and other assets		
Investment securities	180,067	195,083
Other	95,029	100,052
Allowance for doubtful accounts	(1,972)	(2,089)
Total investments and other assets	273,124	293,046
Total non-current assets	1,507,347	1,596,099
Total assets	2,296,018	2,413,814

(Unit : Millions of yen)

	<b>FY2022</b>	<b>First Half /</b>
	<b>Mar 31,2023</b>	<b>FY2023</b>
		<b>Sep 30,2023</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	251,176	275,233
Short-term borrowings	226,739	208,012
Commercial papers	86,000	54,000
Income taxes payable	16,643	18,142
Provisions	7,337	8,076
Other	99,174	103,756
<b>Total current liabilities</b>	<b>687,070</b>	<b>667,221</b>
<b>Non-current liabilities</b>		
Bonds payable	155,000	155,000
Long-term borrowings	320,599	362,304
Provisions	6,344	7,016
Retirement benefit liability	53,537	54,767
Other	108,900	117,758
<b>Total non-current liabilities</b>	<b>644,383</b>	<b>696,846</b>
<b>Total liabilities</b>	<b>1,331,453</b>	<b>1,364,067</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	103,880	103,880
Capital surplus	85,892	85,728
Retained earnings	607,593	634,024
Treasury shares	(12,949)	(12,918)
<b>Total shareholders' equity</b>	<b>784,418</b>	<b>810,716</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	41,573	53,737
Deferred gains or losses on hedges	474	156
Revaluation reserve for land	5,716	5,716
Foreign currency translation adjustment	85,253	132,147
Remeasurements of defined benefit plans	19,514	18,564
<b>Total accumulated other comprehensive income</b>	<b>152,531</b>	<b>210,322</b>
Share acquisition rights	134	117
Non-controlling interests	27,480	28,590
<b>Total net assets</b>	<b>964,564</b>	<b>1,049,746</b>
<b>Total liabilities and net assets</b>	<b>2,296,018</b>	<b>2,413,814</b>



**(2) Consolidated quarterly statements of income and comprehensive income**  
**Consolidated quarterly statements of income**

(Unit : Millions of yen)

	<b>First Half / FY2022</b>	<b>First Half / FY2023</b>
	<b>Apr '22 - Sep '22</b>	<b>Apr '23 - Sep '23</b>
Net sales	837,502	847,093
Cost of sales	670,618	679,877
Gross profit	<u>166,884</u>	<u>167,216</u>
Selling, general and administrative expenses		
Freight and incidental costs	67,611	62,295
Employees' salaries	27,926	30,051
Other	30,951	36,047
Total selling, general and administrative expenses	<u>126,489</u>	<u>128,394</u>
Operating profit	<u>40,395</u>	<u>38,821</u>
Non-operating income		
Interest income	595	1,101
Dividend income	1,827	1,961
Foreign exchange gains	19,205	12,792
Share of profit of entities accounted for using equity method	816	2,141
Other	4,971	3,834
Total non-operating income	<u>27,416</u>	<u>21,830</u>
Non-operating expenses		
Interest expenses	3,412	3,430
Other	4,167	6,397
Total non-operating expenses	<u>7,580</u>	<u>9,827</u>
Ordinary profit	<u>60,232</u>	<u>50,825</u>
Extraordinary income		
Insurance claim income	369	1,895
Gain on sale of investment securities	317	1,447
Gain on liquidation of subsidiaries	—	952
Other	87	334
Total extraordinary income	<u>774</u>	<u>4,629</u>
Extraordinary losses		
Loss on disaster	29	4,369
Provision for loss on litigation	1,955	—
Other	1,538	1,091
Total extraordinary losses	<u>3,524</u>	<u>5,460</u>
Profit before income taxes	<u>57,482</u>	<u>49,994</u>
Income taxes - current	14,214	18,170
Income taxes - deferred	4,309	(871)
Total income taxes	<u>18,524</u>	<u>17,298</u>
Profit	<u>38,958</u>	<u>32,695</u>
Profit attributable to non-controlling interests	<u>1,030</u>	<u>1,054</u>
Profit attributable to owners of parent	<u>37,927</u>	<u>31,641</u>

## Consolidated quarterly statements of comprehensive income

(Unit : Millions of yen)

	<b>First Half / FY2022</b>	<b>First Half / FY2023</b>
	<b>Apr '22 - Sep '22</b>	<b>Apr '23 - Sep '23</b>
Profit	38,958	32,695
Other comprehensive income		
Valuation difference on available-for-sale securities	4,631	11,190
Deferred gains or losses on hedges	(3,615)	(370)
Foreign currency translation adjustment	70,443	47,792
Remeasurements of defined benefit plans, net of tax	(1,315)	(822)
Share of other comprehensive income of entities accounted for using equity method	869	1,204
Total other comprehensive income	<u>71,013</u>	<u>58,993</u>
Comprehensive income	<u>109,971</u>	<u>91,689</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	107,913	89,575
Comprehensive income attributable to non-controlling interests	2,057	2,114

### (3)Notes to consolidated quarterly financial statements

(Notes related to going concern assumption)

No applicable items

(Notes on occurrence of significant changes to shareholders' equity)

No applicable items