

**[Updated] Summary of Consolidated Financial and Business Results
for the Year Ended March 2017 (Japanese GAAP)**

Company Name: **Oji Holdings Corporation** (Code No. 3861 Tokyo Stock Exchange)
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 General meeting of stockholders to be held: June 29, 2017 Start of dividend payout: June 7, 2017
 Statutory annual report to be presented: June 29, 2017

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

1. Results for the Year Ended March 31, 2017 (April 1, 2016 - March 31, 2017)

(Unaudited)

(1) Consolidated Business Results

(Figures shown in percentage are ratios compared to the same period of 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 | % |
| FY2016 | 1,439,855 | 0.4 | 70,243 | (2.4) | 52,949 | (12.5) | 40,270 | 216.9 |
| FY2015 | 1,433,595 | 6.4 | 71,987 | 64.1 | 60,517 | 22.6 | 12,706 | (18.2) |

Note: Comprehensive income FY2016 52,709 million yen FY2015 (62,698) million yen

| | 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 | % | % | % |
| FY2016 | 40.74 | 40.70 | 6.7 | 2.8 | 4.9 |
| FY2015 | 12.86 | 12.84 | 2.1 | 3.0 | 5.0 |

Note: Equity in earning of affiliates FY2016 1,377 million yen FY2015 4,380 million yen

(2) Consolidated Financial Condition

| | Total assets | Net assets | Shareholders' equity ratio | Net assets per share |
|--------|-----------------|-----------------|----------------------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| FY2016 | 1,901,029 | 759,198 | 33.1 | 635.95 |
| FY2015 | 1,909,483 | 711,230 | 30.4 | 587.62 |

Note: Shareholders' equity FY2016 628,658 million yen FY2015 580,903 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 |
| FY2016 | 157,406 | (40,247) | (114,468) | 51,352 |
| FY2015 | 128,051 | (43,328) | (89,762) | 47,643 |

2. Dividend Conditions

| | Dividend per share | | | | | Total dividend (Annual) | Dividend payout ratio (Consolidated) | Dividend on net assets (Consolidated) |
|-------------------|--------------------|-----------|-----------|-----------|--------|----------------------------|---|--|
| | End of 1Q | End of 2Q | End of 3Q | End of FY | Annual | | | |
| | Yen | Yen | Yen | Yen | Yen | Millions of yen | % | % |
| FY2015 | - | 5.00 | - | 5.00 | 10.00 | 9,898 | 77.8 | 1.6 |
| FY2016 | - | 5.00 | - | 5.00 | 10.00 | 9,911 | 24.6 | 1.6 |
| FY2017 (Forecast) | - | 5.00 | - | 5.00 | 10.00 | | 26.7 | |

3. Consolidated Forecasts for the Year Ending March 2018 (April 1, 2017-March 31, 2018)

(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 | | Net income per share |
|------------|-----------------|-----|------------------|--------|-----------------|------|---|-------|----------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| First half | 730,000 | 5.3 | 30,000 | (10.8) | 23,000 | 82.7 | 12,000 | 42.9 | 12.14 |
| Full year | 1,500,000 | 4.2 | 75,000 | 6.8 | 64,000 | 20.9 | 37,000 | (8.1) | 37.43 |

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)

| | | | |
|--------|---------------|--------|---------------|
| FY2016 | 1,014,381,817 | FY2015 | 1,064,381,817 |
|--------|---------------|--------|---------------|
 - (ii) Outstanding balance of treasury shares at the end of fiscal year

| | | | |
|--------|------------|--------|------------|
| FY2016 | 25,843,510 | FY2015 | 75,807,429 |
|--------|------------|--------|------------|
 - (iii) Weighted average number of shares during fiscal year

| | | | |
|--------|-------------|--------|-------------|
| FY2016 | 988,551,861 | FY2015 | 988,356,349 |
|--------|-------------|--------|-------------|

(Reference)

1. Results for the Year Ended March 31, 2017 (April 1, 2016 - March 31, 2017)

(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 | % |
| FY2016 | 27,741 | (8.9) | 9,605 | (24.9) | 7,847 | (42.7) | 9,532 | 339.1 |
| FY2015 | 30,436 | (3.4) | 12,796 | (4.4) | 13,689 | 2.5 | 2,170 | (77.8) |

| | Profit per share | Diluted profit per share |
|--------|------------------|--------------------------|
| | Yen | Yen |
| FY2016 | 9.63 | 9.62 |
| FY2015 | 2.19 | 2.19 |

(2) Non-consolidated Financial Condition

| | Net sales | Operating income | Ordinary income | Profit |
|--------|-----------------|------------------|-----------------|-----------------|
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| FY2016 | 1,157,495 | 368,244 | 31.8 | 371.73 |
| FY2015 | 1,178,694 | 361,991 | 30.7 | 365.38 |

Note: Shareholders' equity FY2016 367,978 million yen FY2015 361,730 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'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.
- 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 Year Ended March 31, 2017 (April 1, 2016 - March 31, 2017, "FY2016")

| | Net sales | Operating income | Ordinary income | Profit attributable to owners of parent | Profit per share |
|---------------------|-----------------|------------------|-----------------|---|------------------|
| | Billions of yen | Billions of yen | Billions of yen | Billions of yen | Yen |
| FY2016 | 1,439.9 | 70.2 | 52.9 | 40.3 | 40.74 |
| FY2015 | 1,433.6 | 72.0 | 60.5 | 12.7 | 12.86 |
| Increase (Decrease) | 6.3 | (1.7) | (7.6) | 27.6 | |
| Increase (Decrease) | 0.4% | (2.4%) | (12.5%) | 216.9% | |

Overview of FY2016 Business Performance

During FY2016, the global economic condition was generally firm, as the US steadily recovered with a contribution of its strong consumer spending resulted from an improved employment; and as represented in China where its policy effects picked up the economy despite its slowing real GDP growth rate. Japanese economic condition showed a gradual recovery trend under its strong consumer spending on the back of an improved employment, as well as the stimulated foreign demand.

Under such circumstances, Oji Group had the following business performances in FY2016.

- Consolidated net sales increased by 0.4% to be ¥1,439.9 billion.

- Consolidated operating income decreased by 2.4% to be ¥70.2 billion.

The decrease was partially due to influences from fall in pulp market.

- Consolidated ordinary income decreased by 12.5% to be ¥52.9 billion.

The decrease was partially due to an occurrence of exchange losses after the re-evaluation of exchange rates of the Group's foreign-currency assets and liabilities.

- Consolidated profit attributable to owners of parent increased by 216.9% to be ¥40.3 billion.

The increase was partially due to a decrease in the impairment loss which the Group recorded in the previous year.

Overview of FY2016 Business Performance by Segment

Business Performance by Segment

(Unit: Billions of yen)

| | | Net sales | | | Operating income | | |
|--------------------|--|-----------|---------|---------------------|------------------|--------|---------------------|
| | | FY2015 | FY2016 | Increase (Decrease) | FY2015 | FY2016 | Increase (Decrease) |
| Reporting segment | Household & Industrial Materials | 603.8 | 620.3 | 2.7% | 18.8 | 18.8 | 0.3% |
| | Functional Materials | 211.0 | 217.6 | 3.1% | 11.9 | 17.5 | 47.3% |
| | Forest Resources & Environment Marketing | 267.7 | 270.3 | 1.0% | 29.8 | 19.1 | (35.8%) |
| | Printing & Communications Media | 309.4 | 296.1 | (4.3%) | 2.3 | 5.5 | 145.3% |
| | Total | 1,391.8 | 1,404.3 | 0.9% | 62.7 | 61.0 | (2.7%) |
| Others | | 266.7 | 269.7 | 1.1% | 8.9 | 8.9 | 0.5% |
| Total | | 1,658.5 | 1,674.0 | 0.9% | 71.6 | 69.9 | (2.3%) |
| Adjustment (*) | | (224.9) | (234.2) | — | 0.4 | 0.3 | (18.3%) |
| Consolidated total | | 1,433.6 | 1,439.9 | 0.4% | 72.0 | 70.2 | (2.4%) |

*Adjustment amount for operating income, ¥0.3 billion, is mainly the adjustment concerning internal transactions.

Overview of Business Performance by Segment

Oji Group has four reporting segments which are: "Household and Industrial Materials", "Functional Materials", "Forest Resources and Environment Marketing" and "Printing and Communications Media".

Business segments that are not included in the reporting segments are put together as "Others".

Major business lineup for the segments are as follows.

- Household and Industrial Materials:
Containerboard, corrugated containers, boxboard/packing paper, folding cartons/paper bags, household paper, disposable diapers, etc.
- Functional Materials:
Specialty paper, thermal paper, adhesive materials, film, etc.
- Forest Resources and Environment Marketing:
Pulp, energy, lumber, etc.
- Printing and Communications Media:
Newsprint, printing/publication/communication paper, etc.
- Others:
Real estate, engineering, trading business, logistics, etc.

○Household and Industrial Materials

In FY2016, net sales was ¥620.3 billion (year-on-year increase of 2.7%); and operating income was ¥18.8 billion (year-on-year increase of 0.3%).

Regarding domestic businesses, sales volume of containerboard increased relative to the previous year.

Sales volume of corrugated sheet and container was almost at the same level as the previous year.

Sales volume of boxboard/packing paper increased from the previous year owing to a steady performance mainly in export.

As for household paper, sales volume of both tissue paper and toilet rolls increased. As for disposable diapers, sales volume of baby disposable diapers was almost at the same level as the previous year and that of adult disposable diapers 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. Sales volume of disposable diapers increased from the previous year with the start of full-scale local production/sales in Southeast Asia and the earnest market entry into China through an establishment of a local sales organization.

○Functional Materials

In FY2016, net sales was ¥217.6 billion (year-on-year increase of 3.1%); and operating income was ¥17.5 billion (year-on-year increase of 47.3%) due to cost reduction measures in Japan, strong overseas performances and other factors.

Regarding domestic businesses, sales volume of specialty paper in Japan increased compared to the previous year as a result of efforts made for sales expansion through development of new products and customers. Export sales volume increased from the previous year due to new orders received. Domestic sales of thermal paper recorded healthy.

Regarding overseas businesses, sales volume of thermal paper increased as a whole with some decreases in North America and increases in South America and Asia.

○Forest Resources and Environment Marketing

In FY2016, net sales was ¥270.3 billion (year-on-year increase of 1.0%); and operating income was ¥19.1 billion (year-on-year decrease of 35.8%) due to influences from fall in pulp market and other factors.

Regarding domestic businesses, sales volume of dissolving pulp increased from the previous year, as a result of strong sales mainly for export. In addition, sales volume of energy business increased, with a contribution of the start of commercial operation of a biomass boiler in Ebetsu City, Hokkaido in January 2016.

Regarding overseas businesses, as for pulp business, sales volume increased relative to the previous year due to sales expansion at Celulose Nipo-Brasileira S.A. and Jiangsu Oji Paper, but sales amount decreased because of the fall in market. Sales volume of lumber business increased from the previous year due to sales expansion at Pan Pac Forest Products Ltd.

○Printing and Communications Media

In FY2016, net sales was ¥296.1 billion (year-on-year decrease of 4.3%); and operating income was ¥5.5 billion (year on-year increase of 145.3%) due to cost reduction measures and other factors.

Regarding domestic businesses, sales volume of newsprint decreased from the previous year as a result of reduced circulation.

As for printing and communication paper, sales volume was almost at the same level as the previous year, but sales amount decreased because of the fall in market and other factors.

Regarding overseas businesses, a steady increase in Jiangsu Oji Paper's sales of printing paper resulted in an increase in sales volume relative to the previous year.

Forecast for the Year Ending March 31, 2018 (April 1, 2017 - March 31, 2018, "FY2017")

| | Net sales | Operating income | Ordinary income | Profit attributable to owners of parent | Profit per share |
|-----------------------------|-----------------|------------------|-----------------|---|------------------|
| | Billions of yen | Billions of yen | Billions of yen | Billions of yen | Yen |
| First Half of FY2017 | 730.0 | 30.0 | 23.0 | 12.0 | 12.14 |
| First Half of FY2016 | 692.9 | 33.6 | 12.6 | 8.4 | 8.50 |
| Increase (Decrease) | 37.1 | (3.6) | 10.4 | 3.6 | |
| Increase (Decrease) | 5.3% | (10.8%) | 82.7% | 42.9% | |
| FY2017 | 1,500.0 | 75.0 | 64.0 | 37.0 | 37.43 |
| FY2016 | 1,439.9 | 70.2 | 52.9 | 40.3 | 40.74 |
| Increase (Decrease) | 60.1 | 4.8 | 11.1 | (3.3) | |
| Increase (Decrease) | 4.2% | 6.8% | 20.9% | (8.1%) | |

<Future Outlook Including Forecast for FY2017>

Looking to FY2017, Oji Group expects consolidated net sales of ¥1,500.0 billion, consolidated operating income of ¥75.0 billion, consolidated ordinary income of ¥64.0 billion, and consolidated profit attributable to owners of parent of ¥37.0 billion.

In FY2017, at the half-way point of the 2016-2018 Mid-term Management Plan, Oji Group will continue to strive for "Expansion of Overseas Businesses", "Concentration and Advancement of Domestic Businesses", and "Enhancement of Financial Foundation". As for domestic businesses, we will promote integration and improvement of efficiency in existing businesses as well as accelerate development of next profitable businesses that leverage our accumulated technologies/expertise. As for overseas businesses, we will drive further expansion in terms of both regions and business fields, by carrying out facility enhancement at existing manufacturing sites and acquisition of new companies through M&A and other means.

The assumed exchange rates for FY2017 forecasts are as follows:

| | Exchange rates | (Reference) Sensitivity for operating income |
|---------|----------------|--|
| JPY/USD | 115.00 | Approx. ¥370 million with a fluctuation of USD by 1% (strong USD: -) |
| JPY/EUR | 120.00 | Approx. ¥10 million with a fluctuation of EUR by 1% (strong EUR: +) |
| BRL/USD | 3.10 | Approx. ¥350 million with a fluctuation of USD by 1% (strong USD: +) |
| NZD/USD | 1.41 | Approx. ¥750 million with a fluctuation of USD by 1% (strong USD: +) |

Consolidated balance sheets

(Unit : Millions of yen)

| | FY2015 Mar 31,2016 | FY2016 Mar 31,2017 |
|--|-------------------------------------|-------------------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 43,968 | 43,833 |
| Notes and accounts receivable - trade | 285,954 | 292,780 |
| Securities | 7,486 | 9,787 |
| Merchandise and finished goods | 98,145 | 93,973 |
| Work in process | 18,921 | 18,215 |
| Raw materials and supplies | 80,109 | 78,992 |
| Deferred tax assets | 14,439 | 10,926 |
| Short-term loans receivable | 4,834 | 4,716 |
| Accounts receivable - other | 22,302 | 17,417 |
| Other | 11,309 | 10,669 |
| Allowance for doubtful accounts | (3,438) | (1,613) |
| Total current assets | <u>584,033</u> | <u>579,698</u> |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 649,218 | 654,730 |
| Accumulated depreciation | (439,204) | (447,459) |
| Buildings and structures, net | <u>210,014</u> | <u>207,271</u> |
| Machinery, equipment and vehicles | 2,346,367 | 2,348,852 |
| Accumulated depreciation | (1,921,404) | (1,965,381) |
| Machinery, equipment and vehicles, net | <u>424,962</u> | <u>383,471</u> |
| Tools, furniture and fixtures | 61,367 | 59,432 |
| Accumulated depreciation | (55,778) | (54,061) |
| Tools, furniture and fixtures, net | <u>5,588</u> | <u>5,371</u> |
| Land | 237,433 | 237,328 |
| Forests | 119,049 | 115,563 |
| Standing Timber | 99,313 | 94,112 |
| Leased assets | 8,053 | 8,868 |
| Accumulated depreciation | (5,356) | (5,754) |
| Leased assets, net | <u>2,696</u> | <u>3,113</u> |
| Construction in progress | <u>13,963</u> | <u>23,892</u> |
| Total property, plant and equipment | <u>1,113,022</u> | <u>1,070,124</u> |
| Intangible assets | | |
| Goodwill | 9,836 | 9,503 |
| Other | 13,167 | 12,169 |
| Total intangible assets | <u>23,004</u> | <u>21,673</u> |
| Investments and other assets | | |
| Investment securities | 148,121 | 152,384 |
| Long-term loans receivable | 5,337 | 5,485 |
| Long-term prepaid expenses | 21,292 | 21,046 |
| Net defined benefit asset | 4,300 | 39,535 |
| Deferred tax assets | 880 | 1,060 |
| Other | 11,111 | 11,738 |
| Allowance for doubtful accounts | (1,620) | (1,719) |
| Total investments and other assets | <u>189,423</u> | <u>229,532</u> |
| Total non-current assets | <u>1,325,450</u> | <u>1,321,330</u> |
| Total assets | <u>1,909,483</u> | <u>1,901,029</u> |

(Unit : Millions of yen)

| | FY2015 Mar 31,2016 | FY2016 Mar 31,2017 |
|---|-------------------------------------|-------------------------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 198,167 | 205,147 |
| Short-term loans payable | 178,157 | 178,480 |
| Commercial papers | 27,000 | 2,000 |
| Current portion of bonds | 20,020 | 40,000 |
| Accounts payable - other | 16,260 | 17,528 |
| Accrued expenses | 43,096 | 43,722 |
| Income taxes payable | 7,354 | 9,385 |
| Other | 26,022 | 31,477 |
| Total current liabilities | <u>516,079</u> | <u>527,742</u> |
| Non-current liabilities | | |
| Bonds payable | 120,000 | 80,000 |
| Long-term loans payable | 432,556 | 376,835 |
| Deferred tax liabilities | 47,632 | 64,744 |
| Deferred tax liabilities for land revaluation | 7,908 | 7,867 |
| Provision for loss on litigation | 2,942 | 3,357 |
| Net defined benefit liability | 52,207 | 54,123 |
| Long-term deposits received | 8,020 | 8,430 |
| Other | 10,905 | 18,730 |
| Total non-current liabilities | <u>682,173</u> | <u>614,089</u> |
| Total liabilities | <u>1,198,252</u> | <u>1,141,831</u> |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 103,880 | 103,880 |
| Capital surplus | 112,857 | 112,455 |
| Retained earnings | 348,799 | 350,676 |
| Treasury shares | (42,638) | (14,394) |
| Total shareholders' equity | <u>522,899</u> | <u>552,618</u> |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 25,316 | 34,075 |
| Deferred gains or losses on hedges | (771) | (729) |
| Revaluation reserve for land | 5,463 | 5,921 |
| Foreign currency translation adjustment | 39,828 | 31,908 |
| Remeasurements of defined benefit plans | (11,833) | 4,863 |
| Total accumulated other comprehensive income | <u>58,003</u> | <u>76,039</u> |
| Subscription rights to shares | 260 | 266 |
| Non-controlling interests | 130,066 | 130,273 |
| Total net assets | <u>711,230</u> | <u>759,198</u> |
| Total liabilities and net assets | <u>1,909,483</u> | <u>1,901,029</u> |

Consolidated statements of income

(Unit : Millions of yen)

| | FY2015 Apr '15 - Mar '16 | FY2016 Apr '16 - Mar '17 |
|--|---|---|
| Net sales | 1,433,595 | 1,439,855 |
| Cost of sales | 1,103,282 | 1,105,387 |
| Gross profit | 330,313 | 334,468 |
| Selling, general and administrative expenses | | |
| Freightage related expenses | 143,249 | 144,082 |
| Warehousing expenses | 6,864 | 7,941 |
| Employees' salaries | 50,916 | 53,731 |
| Retirement benefit expenses | 1,574 | 3,197 |
| Depreciation | 5,269 | 4,962 |
| Other | 50,451 | 50,308 |
| Total selling, general and administrative expenses | 258,325 | 264,224 |
| Operating profit | 71,987 | 70,243 |
| Non-operating income | | |
| Interest income | 1,415 | 1,384 |
| Dividend income | 3,187 | 3,070 |
| Share of profit of entities accounted for using equity method | 4,380 | 1,377 |
| Other | 5,693 | 5,526 |
| Total non-operating income | 14,677 | 11,359 |
| Non-operating expenses | | |
| Interest expenses | 9,885 | 7,470 |
| Foreign exchange losses | 8,591 | 12,558 |
| Other | 7,670 | 8,624 |
| Total non-operating expenses | 26,148 | 28,653 |
| Ordinary profit | 60,517 | 52,949 |
| Extraordinary income | | |
| Gain on revision of retirement benefit plan | — | 13,704 |
| Gain on sales of non-current assets | 3,273 | 8,083 |
| Gain on sales of investment securities | 16,154 | 3,255 |
| Gain on contribution of securities to retirement benefit trust | 14,722 | — |
| Other | — | 3,960 |
| Total extraordinary income | 34,150 | 29,004 |
| Extraordinary losses | | |
| Impairment loss | 62,583 | 6,972 |
| Special retirement expenses | 833 | 3,153 |
| Business structure improvement expenses | 2,742 | 2,809 |
| Loss on retirement of non-current assets | 2,308 | 2,015 |
| Other | 2,041 | 1,581 |
| Total extraordinary losses | 70,510 | 16,532 |
| Profit before income taxes | 24,156 | 65,421 |
| Income taxes - current | 15,075 | 15,020 |
| Income taxes - deferred | (3,840) | 9,383 |
| Total income taxes | 11,234 | 24,403 |
| Profit | 12,922 | 41,017 |
| Profit attributable to non-controlling interests | 215 | 746 |
| Profit attributable to owners of parent | 12,706 | 40,270 |

Consolidated statements of comprehensive income

(Unit : Millions of yen)

| | FY2015 | FY2016 |
|---|--------------------------|--------------------------|
| | Apr '15 - Mar '16 | Apr '16 - Mar '17 |
| Profit | 12,922 | 41,017 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (27,684) | 8,395 |
| Deferred gains or losses on hedges | (299) | (16) |
| Revaluation reserve for land | 415 | — |
| Foreign currency translation adjustment | (38,333) | (13,796) |
| Remeasurements of defined benefit plans, net of tax | (7,173) | 16,581 |
| Share of other comprehensive income of entities accounted for using equity method | (2,544) | 529 |
| Total other comprehensive income | <u>(75,620)</u> | <u>11,692</u> |
| Comprehensive income | <u>(62,698)</u> | <u>52,709</u> |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | (57,251) | 56,061 |
| Comprehensive income attributable to non-controlling interests | (5,446) | (3,352) |

Consolidated Statements of Cash Flows

(Unit : Millions of yen)

| | FY2015 Apr '15 - Mar '16 | FY2016 Apr '16 - Mar '17 |
|---|-----------------------------|-----------------------------|
| Cash flows from operating activities | | |
| Profit before income taxes | 24,156 | 65,421 |
| Depreciation | 78,579 | 74,858 |
| Impairment loss | 62,583 | 6,972 |
| Amortization of goodwill | 3,299 | 1,812 |
| Gain on bargain purchase | — | (821) |
| Depletion of standing timber | 9,139 | 8,512 |
| Increase (decrease) in allowance for doubtful accounts | 399 | (344) |
| Decrease (increase) in net defined benefit asset | (5,157) | (23,791) |
| Increase (decrease) in net defined benefit liability | 3,397 | 16,253 |
| Interest and dividend income | (4,603) | (4,454) |
| Interest expenses | 9,885 | 7,470 |
| Foreign exchange losses (gains) | 7,629 | 9,587 |
| Share of (profit) loss of entities accounted for using equity method | (4,380) | (1,377) |
| Loss (gain) on sales of investment securities | (16,154) | (3,250) |
| Loss (gain) on securities contribution to employees' retirement benefits trust | (14,722) | — |
| Loss on retirement of non-current assets | 2,308 | 2,015 |
| Loss (gain) on sales of non-current assets | (3,273) | (7,856) |
| Business structure improvement expenses | 2,742 | 2,809 |
| Decrease (increase) in notes and accounts receivable - trade | 7,141 | (2,740) |
| Decrease (increase) in inventories | (2,868) | 7,331 |
| Increase (decrease) in notes and accounts payable - trade | (8,600) | 3,109 |
| Other, net | (4,866) | 8,060 |
| Subtotal | 146,637 | 169,577 |
| Interest and dividend income received | 5,594 | 5,225 |
| Interest expenses paid | (10,162) | (7,336) |
| Income taxes paid | (14,018) | (10,061) |
| Net cash provided by (used in) operating activities | 128,051 | 157,406 |
| Cash flows from investing activities | | |
| Proceeds from sales and redemption of securities | 1,401 | 423 |
| Purchase of property, plant and equipment and intangible assets | (60,955) | (54,919) |
| Proceeds from sales of property, plant and equipment and intangible assets | 4,622 | 13,769 |
| Purchase of investment securities | (4,490) | (1,388) |
| Proceeds from sales and redemption of investment securities | 19,524 | 7,389 |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | — | (2,381) |
| Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation | — | 891 |
| Payments of loans receivable | (2,790) | (4,450) |
| Collection of loans receivable | 1,429 | 2,280 |
| Other, net | (2,068) | (1,861) |
| Net cash provided by (used in) investing activities | (43,328) | (40,247) |

(Unit : Millions of yen)

| | FY2015 | FY2016 |
|---|--------------------------|--------------------------|
| | Apr '15 - Mar '16 | Apr '16 - Mar '17 |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term loans payable | (60,738) | (8,824) |
| Net increase (decrease) in commercial papers | 17,000 | (25,000) |
| Proceeds from long-term loans payable | 115,563 | 2,312 |
| Repayments of long-term loans payable | (130,316) | (51,546) |
| Redemption of bonds | (20,055) | (20,020) |
| Proceeds from share issuance to non-controlling shareholders | 72 | 355 |
| Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation | (15) | (222) |
| Purchase of treasury shares | (119) | (591) |
| Proceeds from disposal of treasury shares | — | 549 |
| Cash dividends paid | (9,896) | (9,905) |
| Other, net | (1,257) | (1,576) |
| Net cash provided by (used in) financing activities | (89,762) | (114,468) |
| Effect of exchange rate change on cash and cash equivalents | (4,513) | (1,010) |
| Net increase (decrease) in cash and cash equivalents | (9,553) | 1,679 |
| Cash and cash equivalents at beginning of period | 57,129 | 47,643 |
| Increase in cash and cash equivalents resulting from merger | 68 | 60 |
| Increase in cash and cash equivalents resulting from share transfers | — | 522 |
| Increase in cash and cash equivalents from newly consolidated subsidiary | — | 1,445 |
| Cash and cash equivalents at end of period | 47,643 | 51,352 |