

Summary of Consolidated Financial and Business Results
for the First Nine Months of the Year Ending March 2008

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

1. Results for the First Nine Months of the Year Ending March 31, 2008 (April 1, 2007 - December 31, 2007)
(Unaudited)

(1) Consolidated Business Results

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

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First Nine Months of FY2007	992,069	4.1	32,022	(31.6)	30,092	(36.1)	9,996	(38.6)
First Nine Months of FY2006	953,346	8.6	46,801	(11.6)	47,058	(5.5)	16,270	26.6
Reference: Year ended March 2007	1,265,735		63,186		64,110		17,150	

	Net income per share	Diluted net income per share
	Yen	Yen
First Nine Months of FY2007	10.11	10.11
First Nine Months of FY2006	16.45	16.45
Reference: Year ended March 2007	17.35	17.34

(2) Consolidated Financial Condition

	Total assets	Net assets	Net worth/total assets	Net assets per share
	Millions of yen	Millions of yen	%	yen
First Nine Months of FY2007	1,826,279	513,302	27.8	514.07
First Nine Months of FY2006	1,803,752	528,883	28.9	526.77
Reference: Year ended March 2007	1,790,515	523,631	29.0	526.36

(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
First Nine Months of FY2007	105,249	(85,294)	24,867	86,133
First Nine Months of FY2006	22,528	(58,501)	31,674	35,666
Reference: Year ended March 2007	59,285	(92,035)	31,042	38,550

2. Consolidated Forecasts for the Year Ending March 2008 (April 1, 2007-March 31, 2008)

Figures below are forecasts published on October 30, 2007 and those forecasts remain unchanged.

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	1,330,000	5.1	50,000	(20.9)	47,000	(26.7)	19,000	10.8	19.20

The above forecasts are based on forecasts of future economic conditions as of the date of publication.

The actual results may differ from these forecasts due to various factors that may arise in the future.

3. Qualitative Information Concerning Business Performance

(1) Overview of the first nine months of FY2007

During the first nine months of FY2007, Japanese economy continued gradual expansion, but in the pulp and paper industry, business environment remained harsh, because of massive high costs for raw materials such as fuel and used paper.

While working on price reconstructions to counterbalance the increasing price of fuel and raw materials, the Oji Group worked dynamically to raise its earnings and made significant progress with strategies that included powerful cost-cutting measures in all of its management activities, such as energy conservation. We were successful in reconstructing prices in various grades of papers such as printing paper and paperboard. Unfortunately, these efforts were outweighed by further massive high costs for fuel and raw materials, which led to the result of 36.1% decline in consolidated ordinary income compared with the same period in the previous accounting period.

Results for the first nine months (April 1, 2007-December 31, 2007) were as follows.

Consolidated net sales:	¥992,069 million (4.1% increase)
Consolidated operating income:	¥32,022 million (31.6% decline)
Consolidated ordinary income:	¥30,092 million (36.1% decline)
Consolidated net income:	¥9,996 million (38.6% decline)

(2) Segment Overview

Pulp and Paper Products Division

•General Papers

Domestic sales of newsprint were at the same level as the same period in the previous accounting period and export sales increased. In the printing paper category, coated and light coated paper recorded healthy on sales for commercial printing, such as flyers and catalogs, but sales of uncoated paper decreased, due to the fall of circulation and pages in magazines, etc. Price reconstructions that were taken place last spring penetrated into the market.

•Packaging Papers

Sales of export and import packaging papers were in good condition. Oji worked on price reconstructions in each class.

•Sanitary Papers and Miscellaneous Papers

Among sales of sanitary paper products, both tissue papers and toilet rolls declined, but prices increased.

•Paperboards

Sales of containerboards increased due to demands for beverages and greengrocery. Price reconstructions that were taken place last September penetrated into the market.

Domestic sales of paperboards and high-grade paperboards were sluggish, but export sales were in good condition. Price reconstructions that were taken place last July into the domestic market penetrated.

The results for this segment were as follows.

Consolidated net sales:	¥541,153 million (4.4% increase)
Consolidated operating income:	¥14,729 million (48.1% decline)

Converted Paper Products

•Corrugated Containers (Corrugated Sheets and Boxes)

Sales of corrugated boxes increased compared with the same period in the previous accounting period, due to demands for beverage related products, but sales of corrugated sheets declined. Concerning prices, price reconstructions that were taken place last July for both corrugated boxes and sheets almost settled in the market.

•Other Converted Paper Products (Paperware, Thermal Papers, Adhesive Papers, Paper Diapers, etc.)

Domestic sales of thermal papers were the same as the same period in the previous accounting period and export sales were in good condition. Prices mainly for exports increased.

Sales of disposable diapers for infants decreased and diapers for adults increased. Prices of those for infants increased.

The results for this segment were as follows

Consolidated net sales:	¥354,032 million (5.7% increase)
Consolidated operating income:	¥9,746 million (4.6% decline)

Wood and Tree Planting

The results for this segment were as follows.

Consolidated net sales:	¥34,828 million (3.5% decline)
Consolidated operating income:	¥2,277 million (55.7% increase)

Other Activities

The results for this segment were as follows.

Consolidated net sales:	¥62,053 million (2.7% decline)
Consolidated operating income:	¥5,268 million (22.0% decline)

4. Summary of Consolidated Balance Sheet (Unaudited)

Millions of yen

	Previous First Nine Months (December 31, 2006)	Current First Nine Months (December 31, 2007)	Previous Fiscal year (March 31, 2007)
ASSETS			
Current Assets:	587,917	617,123	576,436
Cash and bank deposits	36,254	86,749	38,729
Accounts receivables-trade	353,181	325,222	345,385
Inventories	153,242	161,507	152,682
Other	45,239	43,644	39,639
Fixed Assets:	1,215,834	1,209,156	1,214,079
Tangible fixed assets	902,804	916,567	910,095
Intangible fixed assets	24,843	23,895	24,117
Investments and other assets	288,187	268,692	279,866
Total assets	1,803,752	1,826,279	1,790,515
LIABILITIES			
Current Liabilities:	757,228	769,519	720,172
Accounts payables-trade	234,733	251,952	234,906
Short-term bank loans	238,375	261,451	208,594
Commercial paper	132,000	168,000	164,000
Current portion of debentures	60,000	—	20,000
Other	92,119	88,115	92,671
Non-Current Liabilities:	517,639	543,456	546,711
Debentures	100,000	100,000	100,000
Long-term bank loans	290,032	331,217	327,505
Other	127,607	112,239	119,205
Total liabilities	1,274,868	1,312,976	1,266,883
NET ASSETS			
Shareholders' equity:	454,403	454,070	454,532
Common stock	103,880	103,880	103,880
Capital surplus	112,963	113,056	112,964
Retained earnings	280,034	279,770	280,919
Treasury stock	(42,475)	(42,638)	(43,233)
Adjustments for valuation, foreign currency translation and others:	66,205	54,448	65,579
Other valuation of securities	58,169	38,835	55,703
Deferred gains or losses on hedges	—	248	73
Revaluation of land	3,823	3,810	3,818
Foreign currency translation adjustment	4,213	11,555	5,984
Subscription right	40	98	60
Minority interests in consolidated subsidiaries	8,233	4,685	3,459
Total net assets	528,883	513,302	523,631
Total liabilities and net assets	1,803,752	1,826,279	1,790,515

5. Summary of Consolidated Statement of Incomes (Unaudited)

Millions of yen

	Previous First Nine Months (April 1, 2006 to December 31, 2006)	Current First Nine Months (April 1, 2007 to December 31, 2007)	Previous Fiscal Year (April 1, 2006 to March 31, 2007)
Net sales	953,346	992,069	1,265,735
Cost of sales	732,129	784,811	973,060
Gross profit	221,217	207,257	292,675
Selling, general and administrative expenses	174,415	175,234	229,488
Operating income	46,801	32,022	63,186
Non-operating income	9,576	9,294	13,537
Interest and dividends income	2,765	3,809	3,576
Equity in earning of affiliates	1,433	2,265	3,107
Lease income	1,008	970	1,355
Miscellaneous gains	4,368	2,248	5,496
Non-operating expenses	9,318	11,224	12,613
Interest expense	7,364	8,485	9,527
Miscellaneous losses	1,953	2,739	3,085
Ordinary income	47,058	30,092	64,110
Extraordinary gains	9,472	432	11,953
Gain on sale of fixed assets	1,359	314	2,915
Gain on sale of investments in securities	8,112	104	8,677
Other	—	13	360
Extraordinary losses	25,177	11,565	39,572
Loss on disposal of fixed assets	5,264	4,054	7,086
Special retirement benefits	16,610	3,043	18,244
Other	3,302	4,467	14,241
Income before income taxes	31,353	18,960	36,491
Corporate tax, resident tax and enterprise tax	14,925	8,775	19,142
Minority interests in net income of consolidated subsidiaries	158	187	198
Net income	16,270	9,996	17,150

6. Summary of Consolidated Statement of Cash Flows (Unaudited)

Millions of yen

	Previous First Nine Months (April 1, 2006 to December 31, 2006)	Current First Nine Months (April 1, 2007 to December 31, 2007)	Previous Fiscal Year (April 1, 2006 to March 31, 2007)
Cash Flows from Operating Activities:			
Income before income taxes and minority interests	31,353	18,960	36,491
Depreciation and amortization	60,673	66,688	82,025
Decrease in accrued retirement benefits	(15,793)	(2,750)	(18,163)
Interest and dividend income	(2,765)	(3,809)	(3,576)
Interest expenses	7,364	8,485	9,527
Foreign exchange gain	(668)	(197)	(833)
Equity in gains of affiliates	(1,433)	(2,265)	(3,107)
Gain on sales of investments in securities	(8,112)	(100)	(8,677)
Loss on write-down of investments in securities	663	356	2,954
Loss on disposal of fixed assets	5,264	4,281	7,086
Gain on sales of fixed assets	(1,359)	(314)	(2,915)
Decrease (increase) in trade receivables	(56,738)	22,881	(48,799)
Increase in inventories	(10,114)	(6,402)	(8,704)
Increase in trade payables	30,088	17,924	27,764
Other	945	(99)	6,151
Total	39,368	123,636	77,223
Interest and dividends received	3,028	4,193	3,814
Interest paid	(7,108)	(8,147)	(9,503)
Income taxes paid	(12,760)	(14,433)	(12,249)
Net cash provided by operating activities	22,528	105,249	59,285
Cash Flows from Investing Activities:			
Proceeds from sale of marketable securities	—	—	0
Acquisition of tangible/intangible fixed assets	(72,360)	(79,449)	(106,810)
Proceeds from tangible/intangible assets	3,272	1,650	6,335
Purchase of investment securities	(2,199)	(6,446)	(2,580)
Proceeds from sales of investment securities	12,894	564	13,579
Additional acquisition of stocks of consolidated subsidiaries	—	(3)	(2,444)
Net decrease (increase) in loans	614	(174)	199
Other	(722)	(1,435)	(314)
Net cash used in investing activities	(58,501)	(85,294)	(92,035)
Cash Flows from Financing Activities:			
Net increase (decrease) in short-term bank loans	(896)	(2,521)	(387)
Net increase (decrease) in commercial paper	(2,000)	4,000	30,000
Net increase (decrease) in long-term bank loans	46,779	54,935	53,749
Redemption of debentures	—	(20,000)	(40,000)
Cash dividends paid by the parent company	(11,881)	(11,882)	(11,880)
Acquisition of treasury stock	(354)	(288)	(473)
Other	26	623	34
Net cash used in financing activities	31,674	24,867	31,042
Effect of foreign currency translation on cash and cash equivalents	330	40	623
Net decrease (increase) in cash and cash equivalents	(3,967)	44,862	(1,083)
Cash and cash equivalents at beginning of period	39,601	39,735	39,601
Increase in cash and cash equivalents due to merger of unconsolidated subsidiaries	33	370	33
Increase in cash and cash equivalents due to inclusions of subsidiaries in consolidation	—	1,166	—
Decrease in cash and cash equivalents due to changes of subsidiaries in consolidation	—	(1)	—
Cash and cash equivalents at end of period	35,666	86,133	38,550