

Summary of Consolidated Financial and Business Results
for the Year Ended March 2008

Oji Paper Co., LTD.

(Code No. 3861 Tokyo and Osaka Stock Exchange)

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General meeting of stockholders to be held: June 27, 2008

Securities, stocks and bonds report to presented: June 27, 2008

Start of dividend payout: June 5, 2008

※Expected dates

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

1. Results for the Year Ended March 31, 2008 (April 1, 2007 - March 31, 2008)

(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	%
FY 2007	1,318,380	4.2	42,122	(33.3)	38,064	(40.6)	11,768	(31.4)
FY 2006	1,265,735	4.3	63,186	(14.5)	64,110	(9.3)	17,150	(18.4)

	Net income per share	Diluted net income per share	Ratio of net income to shareholders' equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
FY 2007	11.90	11.90	2.3	2.1	3.2
FY 2006	17.35	17.34	3.3	3.6	5.0

Note: Equity in earning of affiliates FY 2007 3,949 million yen FY 2006 3,107 million yen

(2) Consolidated Financial Condition

	Total assets	Net assets	Net worth/total assets	Net assets per share
	Millions of yen	Millions of yen	%	yen
FY 2007	1,781,512	510,490	27.8	500.39
FY 2006	1,790,515	523,631	29.0	526.36

Note: Shareholders' equity FY 2007 494,973 million yen FY 2006 520,111 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
FY 2007	138,886	(124,708)	17,134	71,348
FY 2006	59,285	(92,035)	31,042	38,550

2. Dividend Conditions

(Basic date)	Dividend per stock			Total dividend (Full year)	Dividend payout ratio (Consolidated)	Dividend on net assets (Consolidated)
	End of midterm	End of FY	Full year			
	yen	yen	yen	Millions of yen	%	%
FY 2006	6.00	6.00	12.00	12,028	69.2	2.3
FY 2007	6.00	6.00	12.00	12,039	100.8	2.3
FY 2008 (Forecast)	6.00	6.00	12.00	-	48.4	-

3. Consolidated Forecasts for the Year Ending March 2009 (April 1, 2008-March 31, 2009)

(Figures shown in percentage are ratios compared to the previous same period.)

	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
Interim	680,000	5.9	16,500	4.8	16,000	12.5	7,500	656.0	7.58
Full year	1,390,000	5.4	47,000	11.6	45,000	18.2	24,500	108.2	24.77

4. In Addition

(1) Changes in scope of consolidation

Newly included: None Excluded: None

(2) Changes in accounting methods compared with recent consolidated accounting period

① Changes due to accounting standard reforms: Yes

② Changes besides ①: None

(3) Outstanding balance of issued stocks

① Outstanding balance of issued stocks at the end of fiscal year (Including treasury stocks)

FY 2007 1,064,381,817 FY 2006 1,064,381,817

② Outstanding balance of treasury stocks at the end of fiscal year

FY 2007 75,195,696 FY 2006 76,246,000

(Reference)

1. Results for the Year Ended March 31, 2008 (April 1, 2007 - March 31, 2008)

(1) Non-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	%
FY 2007	592,577	4.3	4,016	(77.3)	17,254	(24.5)	7,597	-
FY 2006	568,389	2.4	17,674	(19.7)	22,859	(10.3)	(10,026)	-

	Net income per share	Diluted net income per share
	Yen	Yen
FY 2007	7.57	7.57
FY 2006	(10.00)	(10.00)

(2) Non-consolidated Financial Condition

	Total assets	Net assets	Net worth/total assets	Net assets per share
	Millions of yen	Millions of yen	%	yen
FY 2007	1,395,644	390,831	28.0	389.45
FY 2006	1,417,026	420,271	29.7	419.31

Note: Shareholders' equity FY 2007 390,716 million yen FY 2006 420,210 million yen

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.

1. Qualitative Information Concerning Business Performance

(1) Overview of the year ended March 31, 2008

During FY 2007, Japanese economy expanded gradually in the first half, but turned opaque in the second because of the pessimistic forecast of the US economy and the negative impact to both corporate and household sector effected by surging raw material price, such as crude oil.

The price surge of both fuel and raw material kept business environment so harsh in the pulp and paper industry. The expanding demand of used paper in china led to its price surge, while the price of wood chip kept rising due to tighter balance in the global market.

Under these conditions, Oji Paper Group worked drastically to raise earnings by price reconstructions to make up for rising cost of both fuel and raw material, while strongly reducing cost in all aspects, especially by laborsaving and energy conservation such as installation of new-energy boilers.

Factors above has lead to the results shown below.

Results for the Year Ended March 2008 (April 1, 2007-March 31, 2008) were as follows.

Consolidated net sales:	¥ 1,318,380 million (4.2% increase)
Consolidated operating income:	¥ 42,122 million (33.3% decline)
Consolidated ordinary income:	¥ 38,064 million (40.6% decline)
Consolidated net income:	¥ 11,768 million (31.4 % decline)

(2) Segment Overview

Pulp and Paper Products Division

•General Papers

Domestic sales of newsprint were nearly the same as last year and export sales increased. We worked on price reconstructions, which did not penetrate into the market during the year. It will be carried over to the next FY.

In the printing paper category, coated and light coated paper recorded healthy on sales for commercial printing, such as flyers and catalogs. Sales of uncoated paper declined due to reduced pages and circulations of magazines. Price reconstructions that were taken place last spring, penetrated into the market on all grades.

•Packaging Papers

Domestic and export sales of packaging papers were in good condition. Price reconstructions that were taken place last fall penetrated into the market.

•Sanitary Papers and Miscellaneous Papers

Sales of miscellaneous papers remained static. Price reconstructions penetrated into the domestic market.

Sales of sanitary paper products such as tissue papers and toilet rolls declined, but prices increased.

•Paperboards

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

Domestic sales of paperboards and high-grade paperboards were sluggish, but switchover demands from other companies which withdrew from the category lead to an increase in sales. Price reconstructions that were taken place in the domestic market last July penetrated.

The results for this segment were as follows.

Consolidated net sales:	¥ 721,911 million (4.7% increase)
Consolidated operating income:	¥ 17,471 million (50.8% decline)

Converted Paper Products

•Corrugated Containers (Corrugated Sheets and Boxes)

Sales of corrugated case increased due to demands for beverage usage, but sales of corrugated sheets declined effected by price reconstructions that were taken place. Oji was not able to achieve the original goal of price reconstructions that were taken place last July, but it contributed to a certain amount and helped our earning power.

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

Sales of thermal papers recorded healthy mainly due to sales of export papers. Prices for both domestic and export thermal papers increased.

Sales of disposable diapers for infants declined, but those for adults increased. Price of those for infants increased.

The results for this segment were as follows.

Consolidated net sales:	¥ 464,099 million (5.8% increase)
Consolidated operating income:	¥ 13,272 million (6.6% decline)

Wood and Tree Planting

Domestic sales of timber declined drastically due to the amendment of the building standard law of Japan.

On the other hand, sales price of timber for foreign consolidated companies rose and contributed to the results for this segment as shown below.

Consolidated net sales:	¥44,144 million (10.0% decline)
Consolidated operating income:	¥3,361 million (45.6% increase)

Other Activities

Decrease in sales of real estates effected in the following results shown below.

Consolidated net sales:	¥88,224 million (0.4% decline)
Consolidated operating income:	¥8,018 million (27.9% decline)

2. Summary of Consolidated Balance Sheet

Millions of yen

	Fiscal Year 2006 (March 31, 2007)	Fiscal Year 2007 (March 31, 2008)	Year on Year Net Increase (Decrease)
ASSETS			
Current Assets:	576,436	574,936	(1,499)
Cash and bank deposits	38,729	81,201	42,472
Accounts receivables-trade	345,385	296,225	(49,159)
Marketable securities	0	0	0
Inventories	152,682	159,085	6,402
Deferred tax assets	12,359	12,294	(65)
Short-term loans	11,805	11,166	(638)
Accounts receivables-other	9,992	11,582	1,589
Other	7,724	4,734	(2,990)
Allowance for doubtful accounts	(2,244)	(1,354)	889
Fixed Assets:	1,214,079	1,206,575	(7,503)
Tangible fixed assets	910,095	915,341	5,246
Intangible fixed assets	24,117	34,785	10,667
Investments and other assets	279,866	256,448	(23,418)
Allowance for doubtful accounts	(1,730)	(3,441)	(1,711)
Total assets	1,790,515	1,781,512	(9,002)
LIABILITIES			
Current Liabilities:	720,172	739,496	19,323
Accounts payables-trade	234,906	223,634	(11,272)
Short-term bank loans	208,594	262,025	53,431
Commercial paper	164,000	165,000	1,000
Current portion of debentures	20,000	-	(20,000)
Accounts payable	28,541	23,370	(5,170)
Accrued expenses	46,215	45,100	(1,114)
Income taxes payable	11,748	9,646	(2,101)
Other	6,166	10,719	4,552
Non-Current Liabilities:	546,711	531,525	(15,185)
Debentures	100,000	100,000	-
Long-term bank loans	327,505	324,635	(2,870)
Other	119,205	106,890	(12,315)
Total liabilities	1,266,883	1,271,021	4,138
NET ASSETS			
Shareholders' equity	454,532	455,756	1,224
Common stock	103,880	103,880	-
Capital surplus	112,964	113,051	87
Retained earnings	280,919	281,470	550
Treasury stock	(43,233)	(42,646)	586
Adjustments for valuation, foreign currency translation and others	65,579	39,217	(26,362)
Other valuation of securities	55,703	27,259	(28,443)
Deferred gains and losses on hedge	73	446	373
Revaluation of land	3,818	3,882	64
Foreign currency translation adjustment	5,984	7,628	1,643
Subscription right	60	115	54
Minority interests in consolidated subsidiaries	3,459	15,401	11,942
Total net assets	523,631	510,490	(13,140)
Total liabilities and net assets	1,790,515	1,781,512	(9,002)

3. Summary of Consolidated Statements of Income

Millions of yen

	Fiscal Year 2006 (April 1, 2006 to March 31, 2007)	Fiscal Year 2007 (April 1, 2007 to March 31, 2008)	Year on Year Net Increase (Decrease)
Net sales	1,265,735	1,318,380	52,645
Cost of Sales	973,060	1,043,826	70,766
Gross Profit	292,675	274,554	(18,120)
Selling, general and administrative expenses	229,488	232,431	2,942
Operating income	63,186	42,122	(21,063)
Non-operating income	13,537	13,309	(227)
Interest and dividends income	3,576	4,460	883
Equity in earning of affiliates	3,107	3,949	842
Lease income	1,355	1,104	(251)
Foreign currency transaction gain	1,784	-	(1,784)
Other	3,712	3,795	83
Non-operating expenses	12,613	17,368	4,754
Interest expense	9,527	10,531	1,004
Foreign currency transaction loss	-	3,195	3,195
Miscellaneous losses	3,085	3,640	554
Ordinary income	64,110	38,064	(26,045)
Extraordinary gains	11,953	1,061	(10,891)
Gain on sale of fixed assets	2,915	599	(2,316)
Gain on sale of investments in securities	8,677	365	(8,311)
Other	360	96	(263)
Extraordinary losses	39,572	15,864	(23,707)
Loss on disposal of fixed assets	7,086	5,087	(1,999)
Special retirement benefits	18,244	4,154	(14,089)
Loss on business reorganization	28	1,869	1,841
Impairment losses	1,849	775	(1,073)
Provision for environmental safety measures	931	671	(259)
Loss on evaluation of investments in securities	2,954	602	(2,351)
Loss on sales of fixed assets	120	444	324
Restructuring expenses	6,205	383	(5,821)
Other	2,153	1,875	(277)
Income before income taxes	36,491	23,260	(13,230)
Corporate tax, resident tax and enterprise tax	15,071	13,273	(1,797)
Deferred taxes	4,071	(1,968)	(6,039)
Minority interests in net income of consolidated subsidiaries	198	187	(11)
Net income	17,150	11,768	(5,382)

4. Summary of Consolidated Statements of Cash Flows

Millions of yen

	Fiscal Year 2006 (April 1, 2006 to March 31, 2007)	Fiscal Year 2007 (April 1, 2007 to March 31, 2008)	Increase (Decrease)
Cash Flows from Operating Activities:			
Income before income taxes and minority interests	36,491	23,260	(13,230)
Depreciation and amortization	80,430	88,800	8,370
Impairment losses	1,849	775	(1,073)
Amortization of goodwill	1,595	1,706	110
Decrease (increase) in doubtful accounts	(502)	762	1,264
Decrease in accrued retirement benefits	(18,163)	(2,501)	15,661
Interest and dividend income	(3,576)	(4,460)	(883)
Interest expenses	9,527	10,531	1,004
Foreign exchange (gains) and losses	(833)	350	1,183
Equity in gain of affiliates	(3,107)	(3,949)	(842)
Gain on sale of investments in securities	(8,677)	(360)	8,317
Loss on write-down of investments in securities	2,954	602	(2,351)
Loss on disposal of fixed assets	7,086	5,087	(1,999)
Gain on sale of fixed assets	(2,915)	(599)	2,316
Restructuring expenses	5,142	383	(4,759)
Loss on business reorganization	-	1,869	1,869
Decrease (increase) in trade receivables	(48,799)	51,557	100,357
Increase in inventories	(8,704)	(4,576)	4,127
(Decrease) Increase in trade payables	27,764	(11,520)	(39,284)
Other	(337)	1,367	1,705
Total	77,223	159,088	81,864
Interest and dividends received	3,814	4,822	1,007
Interest paid	(9,503)	(10,031)	(527)
Income taxes paid	(12,249)	(14,992)	(2,743)
Net cash provided by operating activities	59,285	138,886	79,601
Cash Flows from Investing Activities:			
Proceeds from sales of marketable securities	0	-	0
Acquisition of tangible and intangible fixed assets	(106,810)	(105,534)	1,276
Proceeds from sales of tangible and intangible fixed assets	6,335	3,597	(2,737)
Purchase of investment securities	(2,580)	(8,161)	(5,581)
Proceeds from sales of investment securities	13,579	785	(12,793)
Additional acquisition of stocks of consolidated subsidiaries	(2,444)	(3)	2,440
Provision of loans	(3,676)	(13,179)	(9,502)
Collection of loans	3,876	7,173	3,296
Other	(314)	(9,384)	(9,070)
Net cash used in investing activities	(92,035)	(124,708)	(32,673)
Cash Flows from Financing Activities:			
Net decrease in short-term bank loans	(387)	(2,803)	(2,416)
Net increase in commercial paper	30,000	1,000	(29,000)
Borrowing of long-term bank loans	114,720	71,190	(43,529)
Repayments of long-term bank loans	(60,970)	(20,993)	39,977
Redemption of debentures	(40,000)	(20,000)	20,000
Cash dividends paid by the company	(11,880)	(11,882)	(1)
Acquisition of treasury stock	(473)	(322)	151
Other	34	945	910
Net cash used in financing activities	31,042	17,134	(13,908)

Effect of foreign currency translation on cash and cash equivalents	623	(51)	(674)
Net (decrease) increase in cash and cash equivalents	(1,083)	31,261	32,345
Cash and cash equivalents at beginning of period	39,601	38,550	(1,050)
Increase in cash and cash equivalents due to merger of unconsolidated subsidiaries	33	370	337
Increase in cash and cash equivalents due to inclusions of subsidiaries in consolidation	-	1,166	1,166
Decrease of cash and cash equivalents due to exclusions of subsidiaries from consolidation	-	(1)	(1)
Cash and cash equivalents at end of period	38,550	71,348	32,797