

Summary of Consolidated Financial and Business Results
for the First Nine Months of the Year Ending March 2009

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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, 2009 (April 1, 2008 - December 31, 2008)
(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 FY2008	1,003,975	—	29,154	—	24,041	—	7,366	—
First Nine Months of FY2007	992,069	4.1	32,022	(31.6)	30,092	(36.1)	9,996	(38.6)

	Net income per share	Diluted net income per share
	Yen	Yen
First Nine Months of FY2008	7.45	7.45
First Nine Months of FY2007	10.11	10.11

(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 FY2008	1,805,432	467,583	25.1	457.61
Year ended March 2008	1,781,512	510,490	27.8	500.39

Note: Shareholders' equity first nine months of FY2008 452,440 million yen FY2007 494,973 million yen

2. Dividend Conditions

(Basic Date)	Dividend per stock				
	End of 1Q	End of 2Q	End of 3Q	End of FY2008	Yearly
FY2007	—	6.00	—	6.00	12.00
FY2008	—	6.00	—	—	—
FY2008 (Forecast)	—	—	—	6.00	12.00

Note : Change in forecast of dividend ... None

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 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
Yearly	1,300,000	(1.4)	42,000	(0.3)	35,000	(8.1)	12,000	2.0	12.14

Note : Change in consolidated forecasts ... Yes

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.

4. In Addition

(1) Changes in scope of consolidation

Newly included: None

Excluded: None

(2) Application of simple accounting methods and quarterly peculiar accounting methods : Yes

(3) Changes in accounting methods compared with recent consolidated accounting periods

① Changes due to accounting standard changes: Yes

② Changes besides ①: Yes

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

① Outstanding balance of issued stocks at the end of each period (Including treasury stocks)

First nine months of FY2008	1,064,381,817	FY2007	1,064,381,817
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② Outstanding balance of treasury stocks at the end of each period

First nine months of FY2008	75,688,103	FY2007	75,195,696
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③ Weighted average number of stocks during the six months ended September 30 of each year

First nine months of FY2008	988,987,280	First nine months of FY2007	988,823,729
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Qualitative Information Concerning Business Performance

(1) Overview of the first nine months of FY2008

During the first nine months of FY2008, Japanese economy entered rapidly weakening phase affected by world-wide economic slowdown stemming from the financial crisis in the US, which led to inactive export, less capital investment and employment uncertainty. Pulp and paper industry was in severe business environment, such as wild ups and downs of raw material price and largely reduced production due to less demand of paper.

While drastically reducing cost by increasing production efficiency in each mill, Oji Paper Group worked on realizing fair price and maintaining appropriate production to meet the demand.

Factors above has lead to the results shown below.

Results for the first nine months (April 1, 2008 - December 31, 2008) were as follows

Consolidated net sales:	¥1,003,975 million (1.2% increase)
Consolidated operating income:	¥29,154 million (9.0% decrease)
Consolidated ordinary income:	¥24,041 million (20.1% decrease)
Consolidated net income:	¥7,366 million (26.3% decrease)

(2) Segment Overview

Pulp and Paper Products Division

•General Papers

Domestic sales of newsprint decreased mainly due to less advertisement, while export sales increased.

Price increased as the result of price reconstruction in the domestic market which was taken place in April of 2008.

In the printing paper category, sales was extremely sluggish at all grades (coated, light-coated and non-coated paper) because of less copies of catalogs and magazines and scale-down of advertisement and flyers.

Price increased by the reconstruction taken place in June of 2008.

•Packaging Papers

Sales of packaging papers decreased both in domestic and for export due to less demand.

Price increased by the reconstruction taken place in October of 2008.

•Sanitary Papers and Miscellaneous Papers

Sales of miscellaneous papers was sluggish both in domestic and for export, partly because of price reconstruction and economic slowdown since October of 2008. Price increased by the penetration of reconstructions mainly in the domestic market.

In sanitary paper products, sales of both tissue and toilet rolls decreased. Price increased by the reconstruction in June of 2008.

•Paperboards

Sales of containerboards remained static till September of 2008, but decreased since October due to nation-wide weak demand. Price reconstructions taken place in October of 2008 penetrated into the market.

Price of paperboards increased due to reconstructions both of high-grade paperboards taken place in June of 2008 and of paperboards in October of 2008 respectively. Domestic sales of paperboards were in good condition till September of 2008, but turned to be sluggish since October affected by rush demand prior to price reconstruction and by the economic slowdown.

The results for this segment were as follows.

Consolidated net sales:	¥549,691 million (1.6% increase)
Consolidated operating income:	¥11,023 million (25.2% decrease)

Converted Paper Products

•Corrugated Containers (Corrugated Sheets and Boxes)

Not only the price reconstructions which started to be announced since July of 2007 but additional price reconstruction to reflect the price increase of paperboard since October of 2008 penetrated almost fully. Sales of corrugated sheets and boxes decreased due to price reconstructions and nation-wide demand weakness.

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

Sales of thermal papers in the domestic market were sluggish affected by decreased demand since October of 2008, while export declined significantly due to the strong yen. Prices of thermal papers stayed at the reconstructed level.

Sales of disposable diapers for infants increased, but those for adults remained static. Price remained unchanged both for infants and for adults.

The results for this segment were as follows.

Consolidated net sales:	¥360,133 million (1.7% increase)
Consolidated operating income:	¥10,608 million (8.8% increase)

Wood and Tree Planting

The local currency of the lumbering overseas subsidiary declined sharply, which partly affected the results for this segment as follows.

Consolidated net sales:	¥29,437 million (15.5% decrease)
Consolidated operating income:	¥1,501 million (34.1% decrease)

Other Activities

The results for this segment were as follows.

Consolidated net sales:	¥64,712 million (4.3% increase)
Consolidated operating income:	¥6,021 million (14.3% increase)

Consolidated balance sheets

(Unit : Millions of yen)

	First nine months / FY2008 Dec 31,2008	FY2007 Mar 31,2008
Assets		
Current assets		
Cash and deposits	88,728	81,201
Notes and accounts receivable-trade	323,758	296,225
Short-term investment securities	0	0
Merchandise and finished goods	95,709	89,913
Work in process	20,171	18,946
Raw materials and supplies	54,268	50,225
Other	30,603	39,777
Allowance for doubtful accounts	(1,498)	(1,354)
Total current assets	611,742	574,936
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	206,404	204,249
Machinery, equipment and vehicles	344,504	372,862
Land	231,255	226,617
Other	153,573	111,611
Total property, plant and equipment	935,736	915,341
Intangible assets		
Goodwill	10,114	11,391
Other	12,147	23,394
Total intangible assets	22,261	34,785
Investments and other assets		
Investment securities	184,007	212,061
Other	56,405	47,828
Allowance for doubtful accounts	(4,720)	(3,441)
Total investments and other assets	235,691	256,448
Total noncurrent assets	1,193,690	1,206,575
Total assets	1,805,432	1,781,512

(Unit : Millions of yen)

	First nine months / FY2008 Dec 31,2008	FY2007 Mar 31,2008
Liabilities		
Current liabilities		
Notes and accounts payable-trade	249,725	223,634
Short-term loans payable	264,532	262,025
Commercial papers	133,000	165,000
Income taxes payable	5,446	9,646
Provision	1,344	1,653
Other	76,482	77,536
Total current liabilities	730,531	739,496
Noncurrent liabilities		
Bonds payable	100,000	100,000
Long-term loans payable	418,117	324,635
Provision		
Provision for retirement benefits	48,047	50,726
Provision for directors' retirement benefits	1,694	1,769
Provision for environmental measures	1,744	1,800
Provision for special repairs	111	111
Total provisions	51,598	54,408
Other	37,602	52,481
Total noncurrent liabilities	607,318	531,525
Total liabilities	1,337,849	1,271,021
Net assets		
Shareholders' equity		
Capital stock	103,880	103,880
Capital surplus	113,037	113,051
Retained earnings	274,696	281,470
Treasury stock	(42,892)	(42,646)
Total shareholders' equity	448,722	455,756
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	12,252	27,259
Deferred gains or losses on hedges	(1,175)	446
Revaluation reserve for land	3,874	3,882
Foreign currency translation adjustment	(11,232)	7,628
Total valuation and translation adjustments	3,717	39,217
Subscription rights to shares	169	115
Minority interests	14,972	15,401
Total net assets	467,583	510,490
Total liabilities and net assets	1,805,432	1,781,512

Consolidated statements of income

(Unit : Millions of yen)

**First nine months
/ FY2008
Apr '08 - Dec '08**

Net sales	1,003,975
Cost of sales	803,362
Gross profit	<u>200,612</u>
Selling, general and administrative expenses	
Freightage related expenses	93,394
Other	78,064
Total selling, general and administrative expenses	<u>171,458</u>
Operating income	<u>29,154</u>
Non-operating income	
Interest income	1,982
Dividends income	3,364
Equity in earnings of affiliates	4,819
Other	2,944
Total non-operating income	<u>13,111</u>
Non-operating expenses	
Interest expenses	8,034
Foreign exchange losses	6,574
Other	3,615
Total non-operating expenses	<u>18,224</u>
Ordinary income	<u>24,041</u>
Extraordinary income	
Gain on sales of noncurrent assets	771
Gain on sales of investment securities	624
Other	148
Total extraordinary income	<u>1,544</u>
Extraordinary loss	
Loss on retirement of noncurrent assets	2,983
Provision of allowance for doubtful accounts	2,875
Special retirement expenses	2,162
Loss on valuation of investment securities	1,211
Loss on valuation of inventories	1,172
Loss on litigation	602
Restructuring expenses	531
Other	337
Total extraordinary losses	<u>11,876</u>
Income before income taxes and minority interests	<u>13,708</u>
Income taxes-current	8,336
Income taxes-deferred	(1,962)
Total income taxes	<u>6,374</u>
Minority interests in loss	<u>(31)</u>
Net income	<u>7,366</u>

Consolidated statements of cash flows

(Unit : Millions of yen)

First nine months

/ FY2008

Apr '08 - Dec '08

Net cash provided by (used in) operating activities	
Income before income taxes and minority interests	13,708
Depreciation and amortization	65,677
Impairment loss	254
Amortization of goodwill	1,277
Increase (decrease) in allowance for doubtful accounts	1,373
Increase (decrease) in provision for retirement benefits	(4,152)
Interest and dividends income	(5,346)
Interest expenses	8,034
Foreign exchange losses (gains)	6,418
Equity in (earnings) losses of affiliates	(4,819)
Loss (gain) on sales of investment securities	(624)
Loss (gain) on valuation of investment securities	1,211
Loss on retirement of noncurrent assets	2,983
Loss (gain) on sales of noncurrent assets	(771)
Restructuring expenses	531
Decrease (increase) in notes and accounts receivable-trade	(30,152)
Decrease (increase) in inventories	(11,903)
Increase (decrease) in notes and accounts payable-trade	29,617
Other	(3,172)
Subtotal	<u>70,144</u>
Interest and dividends income received	5,776
Interest expenses paid	(8,115)
Income taxes paid	(12,671)
Net cash provided by (used in) operating activities	<u>55,133</u>
Net cash provided by (used in) investment activities	
Purchase of property, plant and equipment and intangible assets	(98,773)
Proceeds from sales of property, plant and equipment and intangible assets	2,305
Purchase of investment securities	(2,891)
Proceeds from sales of investment securities	3,932
Payments of loans receivable	(3,834)
Collection of loans receivable	4,751
Other	8,403
Net cash provided by (used in) investment activities	<u>(86,106)</u>
Net cash provided by (used in) financing activities	
Net increase (decrease) in short-term loans payable	24,167
Increase (decrease) in commercial papers	(32,000)
Proceeds from long-term loans payable	136,544
Repayment of long-term loans payable	(64,722)
Purchase of treasury stock	(319)
Cash dividends paid	(11,886)
Other	19
Net cash provided by (used in) financing activities	<u>51,804</u>
Effect of exchange rate change on cash and cash equivalents	<u>(3,965)</u>
Net increase (decrease) in cash and cash equivalents	<u>16,866</u>
Cash and cash equivalents at beginning of period	71,348
Increase in cash and cash equivalents resulting from merger	0
Increase in cash and cash equivalents from newly consolidated subsidiary	487
Decrease in cash and cash equivalents resulting from exclusion of	(633)
Cash and cash equivalents at end of period	<u>88,069</u>