

Summary of Consolidated Financial and Business Results
for the Year Ended March 2009

Oji Paper Co., LTD.

(Code No. 3861 Tokyo Stock Exchange and Osaka Stock Exchange)

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General meeting of stockholders to be held: June 26, 2009

Securities, stocks and bonds report to presented: June 26, 2009

Start of dividend payout: June 4, 2009

※Expected dates

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

1. Results for the Year Ended March 31, 2009 (April 1, 2008 - March 31, 2009)**(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	%
FY2008	1,267,129	(3.9)	32,845	(22.0)	28,751	(24.5)	(6,324)	-
FY2007	1,318,380	4.2	42,122	(33.3)	38,064	(40.6)	11,768	(31.4)

	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	%	%	%
FY2008	(6.40)	-	(1.4)	1.6	2.6
FY2007	11.90	11.90	2.3	2.1	3.2

Note: Equity in earning of affiliates FY2008 5,807 million yen FY2007 3,949 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
FY2008	1,707,492	429,707	24.4	421.04
FY2007	1,781,512	510,490	27.8	500.39

Note: Shareholders' equity FY2008 416,248 million yen FY2007 494,973 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
FY2008	73,870	(108,990)	66,076	90,943
FY2007	138,886	(124,708)	17,134	71,348

2. Dividend Conditions

(Basic date)	Dividend per stock					Total dividend (Yearly)	Dividend payout ratio (Consolidated)	Dividend on net assets (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of FY2008	Yearly			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY2007	-	6.00	-	6.00	12.00	12,039	100.8	2.3
FY2008	-	6.00	-	4.00	10.00	10,028	-	2.2
FY2009 (Forecast)	-	5.00	-	5.00	10.00		49.4	

3. Consolidated Forecasts for the Year Ending March 2010 (April 1, 2009-March 31, 2010)

(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
1Q-2Q	580,000	(14.2)	22,000	19.2	16,000	3.4	6,500	48.5	6.57
Yearly	1,160,000	(8.5)	50,000	52.2	40,000	39.1	20,000	-	20.23

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: Yes

(3) Outstanding balance of issued stocks

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

FY2008 1,064,381,817 FY2007 1,064,381,817

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

FY2008 75,757,072 FY2007 75,195,696

(Reference)

1. Results for the Year Ended March 31, 2009 (April 1, 2008 - March 31, 2009)

(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	%
FY2008	569,581	(3.9)	286	(92.9)	11,366	(34.1)	(12,600)	-
FY2007	592,577	4.3	4,016	(77.3)	17,254	(24.5)	7,597	-

	Net income per share	Diluted net income per share
	Yen	Yen
FY2008	(12.56)	-
FY2007	7.57	7.57

(2) Non-consolidated Financial Condition

	Total assets	Net assets	Net worth/total assets	Net assets per share
	Millions of yen	Millions of yen	%	yen
FY2008	1,389,387	347,024	25.0	345.90
FY2007	1,395,644	390,831	28.0	389.45

Note: Shareholders' equity FY2008 346,835 million yen FY2007 390,716 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.

Qualitative Information Concerning Business Performance

(1) Overview of the year ended March 31, 2009

During FY2008, while the current economic crisis due to financial uncertainty and credit contraction spread across the world, Japanese economy suffered overall demand decline and corporate earnings grew worse each passing day. Pulp and paper industry also faced severe business conditions, such as wild fluctuation of prices for fuel and raw materials, and sharp downturn of paper and paperboard demand resulting in large scale of curtailment.

While drastically reducing fixed costs, Oji Paper Group worked on realizing fair price and maintaining appropriate production to meet the demand. Though the abnormal situation of raw material price is behind, the impact of decrease both in production and sales volume was extremely huge. In addition, Oji Paper Group decided permanent halt of the operation of several paper manufacturing facilities to build an appropriate production system that meets the demand, which resulted in recording structure improvement expense in the extraordinary loss.

Factors above has lead to the results shown below.

Results for the Year Ended March 2009 (April 1, 2008 - March 31, 2009) were as follows

Consolidated net sales:	¥1,267,129 million (3.9% decrease)
Consolidated operating income:	¥32,845 million (22.0% decrease)
Consolidated ordinary income:	¥28,751 million (24.5% decrease)
Consolidated net loss	¥6,324 million

(2) Segment Overview

Pulp and Paper Products Division

•General Papers

Price increased as the result of price revision in the domestic market which was taken place in April of 2008. Domestic sales of newsprint decreased mainly due to less advertisement, while export sales increased.

In the printing paper category, price increased by the revision taken place in June of 2008. Sales decreased significantly at all grades (coated, light-coated and non-coated paper) because of less copies of catalogs and magazines and decrease of advertisement and flyers.

•Packaging Papers

Price increased by the revision taken place in October of 2008. Sales of packaging papers was extremely sluggish both in domestic and for export due to economic downturn.

•Sanitary Papers and Miscellaneous Papers

Price increased by the penetration of revision mainly in the domestic market. Sales of miscellaneous papers was extremely sluggish both in domestic and for export due to economic downturn.

As for sanitary paper products, price increased by the revision in June of 2008, but turned weakened since December,2008. Sales of both tissue and toilet rolls decreased.

•Paperboards

Price revision taken place in October of 2008 penetrated into the market. Sales of containerboards decreased significantly due to nation-wide weak demand effected by economic downturn.

Price of paperboards increased due to revision both of high-grade paperboards taken place in June of 2008 and of paperboards in October of 2008 respectively. Sales of paperboards were sluggish both in domestic and for export due to economic downturn.

The results for this segment were as follows.

Consolidated net sales:	¥698,364 million (3.3% decrease)
Consolidated operating income:	¥15,369 million (12.0% decrease)

Converted Paper Products Division

•Corrugated Containers (Corrugated Sheets and Boxes)

The price revision including the revision of processing fee which started to be announced since July of 2007 penetrated to a certain amount, and the additional price revision to reflect the price increase of paperboard since October of 2008 penetrated, too. Sales of corrugated sheets and boxes decreased significantly due to economic downturn.

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

Prices of thermal papers stayed at the revised level. Sales of thermal papers in the domestic market decreased due to economic downturn, while export declined significantly partly due to the strong yen.

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

The results for this segment were as follows.

Consolidated net sales:	¥448,460 million (3.4% decrease)
Consolidated operating income:	¥9,489 million (28.5% decrease)

Wood and Tree Planting Division

In addition to less housing starts in Japan, the local currency of the lumbering overseas subsidiary declined sharply , which partly affected the results for this segment as follows.

Consolidated net sales:	¥ 37,462 million (15.1% decrease)
Consolidated operating income:	¥ 1,051 million (68.7% decrease)

Other Activities Division

The results for this segment were as follows.

Consolidated net sales:	¥ 82,841 million (6.1% decrease)
Consolidated operating income:	¥ 6,935 million (13.5% decrease)

Consolidated balance sheets

(Unit : Millions of yen)

	FY2007 Mar 31,2008	FY2008 Mar 31,2009
Assets		
Current assets		
Cash and deposits	81,201	91,781
Notes and accounts receivable-trade	296,225	271,404
Short-term investment securities	0	1
Inventories	159,085	—
Merchandise and finished goods	—	85,944
Work in process	—	16,983
Raw materials and supplies	—	51,778
Deferred tax assets	12,294	10,998
Short-term loans receivable	11,166	7,236
Accounts receivable-other	11,582	10,972
Other	4,734	3,575
Allowance for doubtful accounts	(1,354)	(1,665)
Total current assets	<u>574,936</u>	<u>549,010</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	204,249	203,148
Machinery, equipment and vehicles	372,862	391,464
Tools, furniture and fixtures	7,012	5,883
Land	226,617	230,462
Forests	16,649	16,502
Standing Timber	41,761	36,589
Lease assets	—	1,036
Construction in progress	46,187	26,860
Total property, plant and equipment	<u>915,341</u>	<u>911,946</u>
Intangible assets		
Leasehold right	2,410	1,960
Goodwill	11,391	9,275
Other	20,983	9,436
Total intangible assets	<u>34,785</u>	<u>20,672</u>
Investments and other assets		
Investment securities	212,061	170,211
Long-term loans receivable	13,782	11,085
Long-term prepaid expenses	4,725	13,104
Deferred tax assets	11,143	16,817
Other	18,176	19,040
Allowance for doubtful accounts	(3,441)	(4,396)
Total investments and other assets	<u>256,448</u>	<u>225,863</u>
Total noncurrent assets	<u>1,206,575</u>	<u>1,158,482</u>
Total assets	<u>1,781,512</u>	<u>1,707,492</u>

(Unit : Millions of yen)

	FY2007	FY2008
	Mar 31,2008	Mar 31,2009
Liabilities		
Current liabilities		
Notes and accounts payable-trade	223,634	178,708
Short-term loans payable	262,025	335,614
Commercial papers	165,000	54,000
Accounts payable-other	23,370	22,740
Accrued expenses	45,100	40,962
Income taxes payable	9,646	7,858
Other	10,719	10,545
Total current liabilities	<u>739,496</u>	<u>650,429</u>
Noncurrent liabilities		
Bonds payable	100,000	100,000
Long-term loans payable	324,635	440,228
Deferred tax liabilities	36,747	18,848
Deferred tax liabilities for land revaluation	11,441	11,222
Provision for retirement benefits	50,726	47,824
Provision for directors' retirement benefits	1,769	1,830
Provision for environmental measures	1,800	1,749
Provision for special repairs	111	104
Long-term deposits received	3,142	3,010
Other	1,150	2,535
Total noncurrent liabilities	<u>531,525</u>	<u>627,355</u>
Total liabilities	<u>1,271,021</u>	<u>1,277,785</u>
Net assets		
Shareholders' equity		
Capital stock	103,880	103,880
Capital surplus	113,051	113,031
Retained earnings	281,470	261,092
Treasury stock	(42,646)	(42,914)
Total shareholders' equity	<u>455,756</u>	<u>435,090</u>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	27,259	6,597
Deferred gains or losses on hedges	446	(557)
Revaluation reserve for land	3,882	3,787
Foreign currency translation adjustment	7,628	(28,669)
Total valuation and translation adjustments	<u>39,217</u>	<u>(18,841)</u>
Subscription rights to shares	115	188
Minority interests	15,401	13,270
Total net assets	<u>510,490</u>	<u>429,707</u>
Total liabilities and net assets	<u>1,781,512</u>	<u>1,707,492</u>

Consolidated statements of income

(Unit : Millions of yen)

	FY2007 Apr '07 - Mar '08	FY2008 Apr '08 - Mar '09
Net sales	1,318,380	1,267,129
Cost of sales	1,043,826	1,013,846
Gross profit	274,554	253,282
Selling, general and administrative expenses		
Freightage related expenses	126,769	119,351
Warehousing expenses	8,717	7,653
Employees' salaries	43,833	41,566
Retirement benefit expenses	3,777	4,434
Depreciation	5,316	5,132
Other	44,017	42,298
Total selling, general and administrative expenses	232,431	220,437
Operating income	42,122	32,845
Non-operating income		
Interest income	1,480	2,314
Dividends income	2,980	3,702
Equity in earnings of affiliates	3,949	5,807
Rent income	1,104	1,081
Other	3,795	4,875
Total non-operating income	13,309	17,781
Non-operating expenses		
Interest expenses	10,531	11,183
Foreign exchange losses	3,195	5,991
Other	3,640	4,700
Total non-operating expenses	17,368	21,875
Ordinary income	38,064	28,751
Extraordinary income		
Gain on sales of noncurrent assets	599	1,183
Gain on sales of investment securities	365	705
Reversal of provision for loss on business liquidation	—	414
Other	96	170
Total extraordinary income	1,061	2,473
Extraordinary loss		
Business structure improvement expenses	2,252	13,945
Loss on retirement of noncurrent assets	5,087	5,774
Impairment loss	775	5,261
Special retirement expenses	4,154	2,978
Provision of allowance for doubtful accounts	1,026	2,599
Loss on valuation of investment securities	602	1,475
Loss on valuation of inventories	—	1,147
Other	1,965	748
Total extraordinary losses	15,864	33,930
Income (loss) before income taxes and minority interests	23,260	(2,705)
Income taxes-current	13,273	10,738
Income taxes-deferred	(1,968)	(6,954)
Total income taxes	11,305	3,783
Minority interests in income (loss)	187	(164)
Net income (loss)	11,768	(6,324)

Consolidated statements of changes in net assets

(Unit : Millions of yen)

	FY2007 Apr '07 - Mar '08	FY2008 Apr '08 - Mar '09
Shareholders' equity		
Capital stock		
Balance at the end of previous period	103,880	103,880
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	103,880	103,880
Capital surplus		
Balance at the end of previous period	112,964	113,051
Changes of items during the period		
Disposal of treasury stock	87	(19)
Total changes of items during the period	87	(19)
Balance at the end of current period	113,051	113,031
Retained earnings		
Balance at the end of previous period	280,919	281,470
Effect of changes in accounting policies applied to foreign subsidiaries	—	(2,061)
Changes of items during the period		
Dividends from surplus	(11,882)	(11,886)
Net income (loss)	11,768	(6,324)
Change of scope of consolidation	728	(650)
Change of scope of equity method	—	450
Reversal of revaluation reserve for land	(64)	95
Total changes of items during the period	550	(18,316)
Balance at the end of current period	281,470	261,092
Treasury stock		
Balance at the end of previous period	(43,233)	(42,646)
Changes of items during the period		
Purchase of treasury stock	(322)	(357)
Disposal of treasury stock	927	108
Purchase of treasury stock by affiliates and others	(18)	—
Change in equity in affiliates accounted for by equity method-treasury stock	—	(19)
Total changes of items during the period	586	(268)
Balance at the end of current period	(42,646)	(42,914)
Total shareholders' equity		
Balance at the end of previous period	454,532	455,756
Effect of changes in accounting policies applied to foreign subsidiaries	—	(2,061)
Changes of items during the period		
Dividends from surplus	(11,882)	(11,886)
Net income (loss)	11,768	(6,324)
Purchase of treasury stock	(322)	(357)
Disposal of treasury stock	1,014	88
Purchase of treasury stock by affiliates and others	(18)	—
Change in equity in affiliates accounted for by equity method-treasury stock	—	(19)
Change of scope of consolidation	728	(650)
Change of scope of equity method	—	450
Reversal of revaluation reserve for land	(64)	95
Total changes of items during the period	1,224	(18,604)
Balance at the end of current period	455,756	435,090

(Unit : Millions of yen)

FY2007 **FY2008**
Apr '07 - Mar '08 **Apr '08 - Mar '09**

Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	55,703	27,259
Changes of items during the period		
Net changes of items other than shareholders' equity	<u>(28,443)</u>	<u>(20,662)</u>
Total changes of items during the period	<u>(28,443)</u>	<u>(20,662)</u>
Balance at the end of current period	<u>27,259</u>	<u>6,597</u>
Deferred gains or losses on hedges		
Balance at the end of previous period	73	446
Changes of items during the period		
Net changes of items other than shareholders' equity	<u>373</u>	<u>(1,004)</u>
Total changes of items during the period	<u>373</u>	<u>(1,004)</u>
Balance at the end of current period	<u>446</u>	<u>(557)</u>
Revaluation reserve for land		
Balance at the end of previous period	3,818	3,882
Changes of items during the period		
Net changes of items other than shareholders' equity	<u>64</u>	<u>(95)</u>
Total changes of items during the period	<u>64</u>	<u>(95)</u>
Balance at the end of current period	<u>3,882</u>	<u>3,787</u>
Foreign currency translation adjustment		
Balance at the end of previous period	5,984	7,628
Changes of items during the period		
Net changes of items other than shareholders' equity	<u>1,643</u>	<u>(36,297)</u>
Total changes of items during the period	<u>1,643</u>	<u>(36,297)</u>
Balance at the end of current period	<u>7,628</u>	<u>(28,669)</u>
Total valuation and translation adjustments		
Balance at the end of previous period	65,579	39,217
Changes of items during the period		
Net changes of items other than shareholders' equity	<u>(26,362)</u>	<u>(58,059)</u>
Total changes of items during the period	<u>(26,362)</u>	<u>(58,059)</u>
Balance at the end of current period	<u>39,217</u>	<u>(18,841)</u>
Subscription rights to shares		
Balance at the end of previous period	60	115
Changes of items during the period		
Net changes of items other than shareholders' equity	<u>54</u>	<u>73</u>
Total changes of items during the period	<u>54</u>	<u>73</u>
Balance at the end of current period	<u>115</u>	<u>188</u>
Minority interests		
Balance at the end of previous period	3,459	15,401
Changes of items during the period		
Net changes of items other than shareholders' equity	<u>11,942</u>	<u>(2,131)</u>
Total changes of items during the period	<u>11,942</u>	<u>(2,131)</u>
Balance at the end of current period	<u>15,401</u>	<u>13,270</u>

(Unit : Millions of yen)

FY2007 **FY2008**
Apr '07 - Mar '08 **Apr '08 - Mar '09**

Total net assets		
Balance at the end of previous period	523,631	510,490
Effect of changes in accounting policies applied to foreign subsidiaries	—	(2,061)
Changes of items during the period		
Dividends from surplus	(11,882)	(11,886)
Net income (loss)	11,768	(6,324)
Purchase of treasury stock	(322)	(357)
Disposal of treasury stock	1,014	88
Purchase of treasury stock by affiliates and others	(18)	—
Change in equity in affiliates accounted for by equity method-treasury stock	—	(19)
Change of scope of consolidation	728	(650)
Change of scope of equity method	—	450
Reversal of revaluation reserve for land	(64)	95
Net changes of items other than shareholders' equity	(14,365)	(60,117)
Total changes of items during the period	(13,140)	(78,721)
Balance at the end of current period	510,490	429,707

Consolidated statements of cash flows

(Unit : Millions of yen)

	FY2007 Apr '07 - Mar '08	FY2008 Apr '08 - Mar '09
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	23,260	(2,705)
Depreciation and amortization	88,800	89,037
Impairment loss	775	5,261
Amortization of goodwill	1,706	1,703
Increase (decrease) in allowance for doubtful accounts	762	1,314
Increase (decrease) in provision for retirement benefits	(2,501)	(5,551)
Interest and dividends income	(4,460)	(6,017)
Interest expenses	10,531	11,183
Foreign exchange losses (gains)	350	6,291
Equity in (earnings) losses of affiliates	(3,949)	(5,807)
Loss (gain) on sales of investment securities	(360)	(705)
Loss (gain) on valuation of investment securities	602	1,475
Loss on retirement of noncurrent assets	5,087	5,774
Loss (gain) on sales of noncurrent assets	(599)	(1,183)
Business structure improvement expenses	2,252	13,945
Decrease (increase) in notes and accounts receivable-trade	51,557	21,070
Decrease (increase) in inventories	(4,576)	1,270
Increase (decrease) in notes and accounts payable-trade	(11,520)	(40,335)
Other	1,367	(4,571)
Subtotal	<u>159,088</u>	<u>91,450</u>
Interest and dividends income received	4,822	6,448
Interest expenses paid	(10,031)	(11,618)
Income taxes paid	(14,992)	(12,411)
Net cash provided by (used in) operating activities	<u>138,886</u>	<u>73,870</u>
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment and intangible assets	(105,534)	(121,526)
Proceeds from sales of property, plant and equipment and intangible assets	3,597	3,095
Purchase of investment securities	(8,161)	(11,239)
Proceeds from sales of investment securities	785	12,370
Payments of loans receivable	(13,179)	(5,004)
Collection of loans receivable	7,173	6,279
Other	(9,388)	7,033
Net cash provided by (used in) investing activities	<u>(124,708)</u>	<u>(108,990)</u>
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(2,803)	94,383
Net increase (decrease) in commercial papers	1,000	(111,000)
Proceeds from long-term loans payable	71,190	168,721
Repayment of long-term loans payable	(20,993)	(73,776)
Redemption of bonds	(20,000)	—
Purchase of treasury stock	(322)	(357)
Cash dividends paid	(11,882)	(11,886)
Other	945	(7)
Net cash provided by (used in) financing activities	<u>17,134</u>	<u>66,076</u>
Effect of exchange rate change on cash and cash equivalents	(51)	(11,214)
Net increase (decrease) in cash and cash equivalents	<u>31,261</u>	<u>19,741</u>
Cash and cash equivalents at beginning of period	38,550	71,348
Increase in cash and cash equivalents resulting from merger	370	0
Increase in cash and cash equivalents from newly consolidated subsidiary	1,166	487
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(1)	(633)
Cash and cash equivalents at end of period	<u>71,348</u>	<u>90,943</u>