

**Summary of Consolidated Financial and Business Results**  
**for the First Quarter of the Year Ending March 2010**

**Oji Paper Co., LTD.**

(Code No. 3861 Tokyo and Osaka Stock Exchange)

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

**1. Results for the First Quarter of the Year Ending March 31, 2010 (April 1, 2009 - June 30, 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	%
First Quarter of FY2009	280,498	(16.5)	12,846	35.3	11,056	10.6	5,800	61.2
First Quarter of FY2008	336,106	—	9,494	—	9,997	—	3,598	—

	Net income per share	Diluted net income per share
	Yen	Yen
First Quarter of FY2009	5.87	5.86
First Quarter of FY2008	3.64	3.64

## (2) Consolidated Financial Condition

	Total assets	Net assets	Net worth/total assets	Net assets per share
	Millions of yen	Millions of yen	%	yen
First Quarter of FY2009	1,659,202	451,174	26.3	441.27
Year ended March 2009	1,707,492	429,707	24.4	421.04

Note: Shareholders' equity 1Q of FY2009 436,189 million yen FY2008 416,248 million yen

**2. Dividend Conditions**

(Basic Date)	Dividend per stock				
	End of 1Q	End of 2Q	End of 3Q	End of FY	Yearly
FY2008	—	6.00	—	4.00	10.00
FY2009	—				
FY2009 (Forecast)		5.00	—	5.00	10.00

Note : Change in forecast of dividend ... None

**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 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
1Q - 2Q	580,000	(14.2)	22,000	19.2	16,000	3.4	6,500	48.5	6.58
Yearly	1,160,000	(8.5)	50,000	52.2	40,000	39.1	20,000	—	20.23

Note : Change in consolidated forecasts ... Yes (Net income per share of 1Q-2Q only)

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 important subsidiaries  
(changes regarding specified subsidiaries accompanying changes in the 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: None
- (4) Outstanding balance of issued stocks (common stock)
- |  |               |              |  |               |
|--|---------------|--------------|--|---------------|
| ① Outstanding balance of issued stocks at the end of each period (Including treasury stocks) |               |              |  |               |
| 1Q of FY2009   | 1,064,381,817 | FY2008       |  | 1,064,381,817 |
| ② Outstanding balance of treasury stocks at the end of each period                           |               |              |  |               |
| 1Q of FY2009   | 75,884,381    | FY2008       |  | 75,757,072    |
| ③ Weighted average number of stocks during the three months ended June 30 of each year       |               |              |  |               |
| 1Q of FY2009   | 988,531,026   | 1Q of FY2008 |  | 989,152,109   |

## Qualitative Information Concerning Business Performance

### (1) Overview of the first quarter of FY2009

During the first quarter of FY2009, Japanese economy remained sluggish effected by global economic crisis that arose last autumn. Although inventory adjustment and production recovery were seen in some industries, overall demand remained seriously stagnant, and situations of capital investment, employment and others were not really improved due to worsened corporate earnings. In pulp and paper industry, the situation of the weak demand for advertising and others was still unchanged and sales volume decreased significantly comparing to the same period a year earlier.

Under these circumstances, Oji Paper Group worked on quick change of cost structure appropriate to the production level, focusing on maintaining production level to keep the balanced supply and demand. In addition, Oji Paper Group reorganized production system including the permanent halt of the operation of several paper manufacturing facilities and reexamined the fixed cost such as repair expenses and labor cost drastically.

Factors above has lead to the results shown below.

Results for the first quarter (April 1, 2009 - June 30, 2009) were as follows.

Consolidated net sales:	¥280,498 million (16.5% decrease)
Consolidated operating income:	¥12,846 million (35.3% increase)
Consolidated ordinary income:	¥11,056 million (10.6% increase)
Consolidated net income:	¥5,800 million (61.2% increase)

### (2) Segment Overview

#### Pulp and Paper Products Division

##### •General Papers

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

In the printing paper category, domestic sales was extremely sluggish 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

Sales of packaging papers was sluggish both in domestic and for export due to economic downturn.

##### •Sanitary Papers and Miscellaneous Papers

Sales of miscellaneous papers was sluggish both in domestic and for export due to economic downturn.

As for sanitary paper products, sales of both tissue and toilet rolls decreased.

##### •Paperboards

Sales of containerboards decreased due to economic downturn except for the steady demand for greengrocery and processed food.

Domestic sales of paperboards decreased significantly due to economic downturn. Domestic sales of high-grade paperboards also decreased significantly due to demand decline since last autumn.

The results for this segment were as follows.

Consolidated net sales:	¥152,736 million (17.9% decrease)
Consolidated operating income:	¥9,588 million (166.4% increase)

#### Converted Paper Products

##### •Corrugated Containers (Corrugated Sheets and Boxes)

Sales of corrugated sheets and boxes decreased due to economic downturn.

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

Sales of thermal papers decreased significantly both in domestic and for export due to economic downturn.

Sales of disposable diapers for infants increased, but those for adults remained static.

The results for this segment were as follows.

Consolidated net sales:	¥104,461 million (12.3% decrease)
Consolidated operating income:	¥2,392 million (33.2% decrease)

#### Wood and Tree Planting

The results for this segment were as follows.

Consolidated net sales:	¥7,543 million (27.3% decrease)
Consolidated operating loss:	¥231 million ( — )

#### Other Activities

The results for this segment were as follows.

Consolidated net sales:	¥15,757 million (23.5% decrease)
Consolidated operating income:	¥1,096 million (39.7% decrease)

## Consolidated quarterly balance sheets

(Unit : Millions of yen)

	1Q / FY2009 Jun 30,2009	FY2008 Mar 31,2009
Assets		
Current assets		
Cash and deposits	51,189	91,781
Notes and accounts receivable-trade	260,574	271,404
Short-term investment securities	1	1
Merchandise and finished goods	87,050	85,944
Work in process	19,037	16,983
Raw materials and supplies	43,771	51,778
Other	34,766	32,782
Allowance for doubtful accounts	(1,764)	(1,665)
Total current assets	494,626	549,010
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	202,374	203,148
Machinery, equipment and vehicles	380,699	391,464
Land	229,013	230,462
Other	98,881	86,872
Total property, plant and equipment	910,968	911,946
Intangible assets		
Goodwill	8,286	9,275
Other	11,402	11,397
Total intangible assets	19,688	20,672
Investments and other assets		
Investment securities	183,121	170,211
Other	56,352	60,048
Allowance for doubtful accounts	(5,555)	(4,396)
Total investments and other assets	233,918	225,863
Total noncurrent assets	1,164,575	1,158,482
Total assets	1,659,202	1,707,492

(Unit : Millions of yen)

	<b>1Q / FY2009</b>	<b>FY2008</b>
	<b>Jun 30,2009</b>	<b>Mar 31,2009</b>
Liabilities		
Current liabilities		
Notes and accounts payable-trade	173,270	178,708
Short-term loans payable	321,505	335,614
Commercial papers	12,000	54,000
Income taxes payable	3,292	7,858
Provision	1,383	1,345
Other	67,265	72,903
Total current liabilities	<u>578,716</u>	<u>650,429</u>
Noncurrent liabilities		
Bonds payable	100,000	100,000
Long-term loans payable	437,634	440,228
Provision		
Provision for retirement benefits	47,849	47,824
Provision for directors' retirement benefits	1,905	1,830
Provision for environmental measures	1,753	1,749
Provision for special repairs	112	104
Total provisions	<u>51,622</u>	<u>51,509</u>
Other	<u>40,053</u>	<u>35,617</u>
Total noncurrent liabilities	<u>629,310</u>	<u>627,355</u>
Total liabilities	<u>1,208,027</u>	<u>1,277,785</u>
Net assets		
Shareholders' equity		
Capital stock	103,880	103,880
Capital surplus	113,030	113,031
Retained earnings	262,935	261,092
Treasury stock	(42,945)	(42,914)
Total shareholders' equity	<u>436,901</u>	<u>435,090</u>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	14,379	6,597
Deferred gains or losses on hedges	(339)	(557)
Revaluation reserve for land	3,785	3,787
Foreign currency translation adjustment	(18,537)	(28,669)
Total valuation and translation adjustments	<u>(711)</u>	<u>(18,841)</u>
Subscription rights to shares	201	188
Minority interests	<u>14,783</u>	<u>13,270</u>
Total net assets	<u>451,174</u>	<u>429,707</u>
Total liabilities and net assets	<u>1,659,202</u>	<u>1,707,492</u>

## Consolidated quarterly statements of income

(Unit : Millions of yen)

	1Q / FY2008 Apr '08 - Jun '08	1Q / FY2009 Apr '09 - Jun '09
Net sales	336,106	280,498
Cost of sales	268,832	217,087
Gross profit	<u>67,274</u>	<u>63,411</u>
Selling, general and administrative expenses		
Freightage related expenses	31,152	27,188
Other	26,627	23,375
Total selling, general and administrative expenses	<u>57,779</u>	<u>50,564</u>
Operating income	<u>9,494</u>	<u>12,846</u>
Non-operating income		
Interest income	741	389
Dividends income	2,103	1,418
Equity in earnings of affiliates	1,534	—
Other	1,058	1,953
Total non-operating income	<u>5,438</u>	<u>3,761</u>
Non-operating expenses		
Interest expenses	2,812	3,366
Equity in losses of affiliates	—	1,019
Other	2,122	1,165
Total non-operating expenses	<u>4,934</u>	<u>5,551</u>
Ordinary income	<u>9,997</u>	<u>11,056</u>
Extraordinary income		
Gain on sales of noncurrent assets	—	512
Gain on sales of investment securities	440	30
Total extraordinary income	<u>440</u>	<u>543</u>
Extraordinary loss		
Special retirement expenses	678	831
Provision of allowance for doubtful accounts	—	637
Loss on valuation of inventories	1,172	—
Loss on retirement of noncurrent assets	719	—
Loss on litigation	600	—
Other	494	590
Total extraordinary losses	<u>3,665</u>	<u>2,059</u>
Income before income taxes and minority interests	<u>6,772</u>	<u>9,540</u>
Income taxes-current	1,998	2,437
Income taxes-deferred	1,227	1,246
Total income taxes	<u>3,225</u>	<u>3,684</u>
Minority interests in income (loss)	<u>(50)</u>	<u>55</u>
Net income	<u>3,598</u>	<u>5,800</u>

## Consolidated quarterly statements of cash flows

(Unit : Millions of yen)

	1Q / FY2008 Apr '08 - Jun '08	1Q / FY2009 Apr '09 - Jun '09
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	6,772	9,540
Depreciation and amortization	21,659	21,099
Amortization of goodwill	425	342
Increase (decrease) in allowance for doubtful accounts	222	1,234
Increase (decrease) in provision for retirement benefits	118	(101)
Interest and dividends income	(2,845)	(1,807)
Interest expenses	2,812	3,366
Foreign exchange losses (gains)	1,239	(740)
Equity in (earnings) losses of affiliates	(1,534)	1,019
Loss (gain) on sales of investment securities	(440)	(30)
Loss (gain) on valuation of investment securities	272	—
Loss on retirement of noncurrent assets	719	—
Loss (gain) on sales of noncurrent assets	—	(512)
Decrease (increase) in notes and accounts receivable-trade	(7,662)	13,985
Decrease (increase) in inventories	(9,066)	5,625
Increase (decrease) in notes and accounts payable-trade	2,795	(8,884)
Other	(5,446)	3,146
Subtotal	<u>10,041</u>	<u>47,284</u>
Interest and dividends income received	3,088	2,000
Interest expenses paid	(2,818)	(2,916)
Income taxes paid	(9,316)	(7,055)
Net cash provided by (used in) operating activities	<u>995</u>	<u>39,313</u>
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment and intangible assets	(24,713)	(23,010)
Proceeds from sales of property, plant and equipment and	1,633	3,020
Purchase of investment securities	(796)	(860)
Proceeds from sales of investment securities	3,618	880
Payments of loans receivable	(1,330)	(645)
Collection of loans receivable	1,683	823
Other	(8,837)	183
Net cash provided by (used in) investing activities	<u>(28,742)</u>	<u>(19,607)</u>
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(502)	(987)
Net increase (decrease) in commercial papers	27,000	(42,000)
Proceeds from long-term loans payable	2,628	35
Repayment of long-term loans payable	(2,079)	(17,339)
Purchase of treasury stock	(57)	(39)
Cash dividends paid	(5,943)	(3,960)
Other	(17)	(87)
Net cash provided by (used in) financing activities	<u>21,028</u>	<u>(64,378)</u>
Effect of exchange rate change on cash and cash equivalents	<u>(5,875)</u>	<u>2,448</u>
Net increase (decrease) in cash and cash equivalents	<u>(12,593)</u>	<u>(42,224)</u>
Cash and cash equivalents at beginning of period	71,348	90,943
Increase in cash and cash equivalents from newly consolidated	487	1,352
Cash and cash equivalents at end of period	<u>59,241</u>	<u>50,071</u>