

Summary of Consolidated Financial and Business Results
for the First Nine Months of the Year Ending March 2010

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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, 2010 (April 1, 2009 - December 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	%
First Nine Months of FY2009	873,727	(13.0)	53,499	83.5	44,222	83.9	16,734	127.2
First Nine Months of FY2008	1,003,975	—	29,154	—	24,041	—	7,366	—

	Net income per share	Diluted net income per share
	Yen	Yen
First Nine Months of FY2009	16.93	16.92
First Nine Months of FY2008	7.45	7.45

(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 FY2009	1,675,873	445,695	25.7	436.29
Year ended March 2009	1,707,492	429,707	24.4	421.04

Note: Shareholders' equity first nine months of FY2009 431,240 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 FY2008	Yearly
FY2008	—	6.00	—	4.00	10.00
FY2009	—	5.00	—		
FY2009 (Forecast)				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
Yearly	1,150,000	(9.2)	63,000	91.8	50,000	73.6	20,000	—	20.23

Note : Change in consolidated forecasts ... None

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:

None

(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 FY2009	1,064,381,817	FY2008	1,064,381,817
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② Outstanding balance of treasury stocks at the end of each period

First nine months of FY2009	75,955,886	FY2008	75,757,072
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③ Weighted average number of stocks during the nine months ended December 31 of each year

First nine months of FY2009	988,484,875	First nine months of FY2008	988,987,280
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Qualitative Information Concerning Business Performance

(1) Overview of the first nine months of FY2009

During the first nine months of FY2009, Japanese economy were partially viewed a being in a modest recovery phase but remained sluggish and short of full recovery as difficult circumstances continued such as moderate capital investment and worsening employment environment due to stagnant corporate revenues. In the second half of the year, the economy has remained uncertain due to progress of strong yen and deflationary trend which have spread fear of the second bottom.

In pulp and paper industry, the situation of the weak demand for advertising and others was still unchanged and, in addition, imports of paper products increased. Thus, sales volume decreased significantly comparing to the same period a year earlier.

Under these circumstances, Oji Paper Group ("the Group") maintained an appropriate production level focusing on the balanced supply and demand, and proceeded with building up an appropriate cost structure for such production level. The Group, also, proceeded with restructuring of production and thorough review of repair expenses, labor cost and others, in order to implement drastic reduction of fixed costs.

Factors above has lead to the results shown below.

Results for the first nine months (April 1, 2009 - December 31, 2009) were as follows

Consolidated net sales:	¥873,727 million (13.0% decrease)
Consolidated operating income:	¥53,499 million (83.5% increase)
Consolidated ordinary income:	¥44,222 million (83.9% increase)
Consolidated net income:	¥16,734 million (127.2% increase)

(2) Segment Overview

Pulp and Paper Products Division

•General Papers

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

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

Domestic sales of packaging papers decreased significantly due to economic downturn, while export sales increased.

•Sanitary Papers and Miscellaneous Papers

Sales of miscellaneous papers was sluggish due to economic downturn.

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

•Paperboards

Sales of containerboards decreased significantly due to economic downturn and unseasonable weather.

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

Sales decreased at each grade, but the effect of the cost reduction including fixed cost reexamination resulted for this segment as follows.

Consolidated net sales:	¥466,800 million (15.1% decrease)
Consolidated operating income:	¥33,754 million (206.2% increase)

Converted Paper Products

•Corrugated Containers (Corrugated Sheets and Boxes)

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

•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 slightly decreased.

The results for this segment were as follows.

Consolidated net sales:	¥328,965 million (8.7% decrease)
Consolidated operating income:	¥13,064 million (23.2% increase)

Wood and Tree Planting

Less sales of lumber by the the low-toned house construction resulted for this segment as follows.

Consolidated net sales:	¥24,181 million (17.9% decrease)
Consolidated operating loss:	¥185 million (87.7% decrease)

Other Activities

Cornstarch and machinery business were sluggish due to economic downturn, while sales of large-scale property contributed to real estate business. The results for this segment were as follows.

Consolidated net sales:	¥53,779 million (16.9% decrease)
Consolidated operating income:	¥6,495 million (7.9% increase)

Consolidated balance sheets

(Unit : Millions of yen)

	First nine months / FY2009	FY2008
	Dec 31,2009	Mar 31,2009
Assets		
Current assets		
Cash and deposits	50,530	91,781
Notes and accounts receivable-trade	299,147	271,404
Short-term investment securities	1	1
Merchandise and finished goods	76,229	85,944
Work in process	17,492	16,983
Raw materials and supplies	42,824	51,778
Other	38,774	32,782
Allowance for doubtful accounts	(1,960)	(1,665)
Total current assets	523,039	549,010
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	200,801	203,148
Machinery, equipment and vehicles	357,632	391,464
Land	229,712	230,462
Other	126,647	86,872
Total property, plant and equipment	914,793	911,946
Intangible assets		
Goodwill	7,809	9,275
Other	10,623	11,397
Total intangible assets	18,433	20,672
Investments and other assets		
Investment securities	170,791	170,211
Other	55,287	60,048
Allowance for doubtful accounts	(6,473)	(4,396)
Total investments and other assets	219,606	225,863
Total noncurrent assets	1,152,833	1,158,482
Total assets	1,675,873	1,707,492

(Unit : Millions of yen)

	First nine months / FY2009 Dec 31,2009	FY2008 Mar 31,2009
Liabilities		
Current liabilities		
Notes and accounts payable-trade	201,320	178,708
Short-term loans payable	206,261	335,614
Commercial papers	33,000	54,000
Current portion of bonds	40,000	—
Income taxes payable	7,866	7,858
Provision	3,026	1,345
Other	73,601	72,903
Total current liabilities	565,076	650,429
Noncurrent liabilities		
Bonds payable	60,000	100,000
Long-term loans payable	517,301	440,228
Provision		
Provision for retirement benefits	47,369	47,824
Provision for directors' retirement benefits	1,613	1,830
Provision for environmental measures	1,713	1,749
Provision for special repairs	117	104
Total provisions	50,814	51,509
Other	36,984	35,617
Total noncurrent liabilities	665,101	627,355
Total liabilities	1,230,177	1,277,785
Net assets		
Shareholders' equity		
Capital stock	103,880	103,880
Capital surplus	113,027	113,031
Retained earnings	269,176	261,092
Treasury stock	(42,972)	(42,914)
Total shareholders' equity	443,112	435,090
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	8,951	6,597
Deferred gains or losses on hedges	119	(557)
Revaluation reserve for land	3,590	3,787
Foreign currency translation adjustment	(24,534)	(28,669)
Total valuation and translation adjustments	(11,872)	(18,841)
Subscription rights to shares	226	188
Minority interests	14,229	13,270
Total net assets	445,695	429,707
Total liabilities and net assets	1,675,873	1,707,492

Consolidated statements of income

(Unit : Millions of yen)

	First nine months / FY2008 Apr '08 - Dec '08	First nine months / FY2009 Apr '09 - Dec '09
Net sales	1,003,975	873,727
Cost of sales	803,362	666,724
Gross profit	200,612	207,003
Selling, general and administrative expenses		
Freightage related expenses	93,394	83,604
Other	78,064	69,899
Total selling, general and administrative expenses	171,458	153,504
Operating income	29,154	53,499
Non-operating income		
Interest income	1,982	903
Dividends income	3,364	2,203
Equity in earnings of affiliates	4,819	—
Foreign exchange gains	—	1,658
Other	2,944	2,785
Total non-operating income	13,111	7,550
Non-operating expenses		
Interest expenses	8,034	9,474
Equity in losses of affiliates	—	3,861
Foreign exchange losses	6,574	—
Other	3,615	3,490
Total non-operating expenses	18,224	16,826
Ordinary income	24,041	44,222
Extraordinary income		
Gain on sales of noncurrent assets	771	572
Gain on sales of investment securities	624	76
Other	148	32
Total extraordinary income	1,544	680
Extraordinary loss		
Business structure improvement expenses	549	3,307
Loss on retirement of noncurrent assets	2,983	2,802
Special retirement expenses	2,162	2,405
Provision of allowance for doubtful accounts	2,875	1,439
Loss on valuation of investment securities	1,211	1,264
Loss on valuation of inventories	1,172	—
Loss on litigation	602	—
Other	318	1,672
Total extraordinary losses	11,876	12,890
Income before income taxes and minority interests	13,708	32,012
Income taxes-current	8,336	11,324
Income taxes-deferred	(1,962)	3,553
Total income taxes	6,374	14,878
Minority interests in income (loss)	(31)	399
Net income	7,366	16,734

Consolidated statements of cash flows

(Unit : Millions of yen)

	First nine months / FY2008 Apr '08 - Dec '08	First nine months / FY2009 Apr '09 - Dec '09
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	13,708	32,012
Depreciation and amortization	65,677	63,978
Impairment loss	254	393
Amortization of goodwill	1,277	1,017
Increase (decrease) in allowance for doubtful accounts	1,373	2,301
Increase (decrease) in provision for retirement benefits	(4,152)	(740)
Interest and dividends income	(5,346)	(3,106)
Interest expenses	8,034	9,474
Foreign exchange losses (gains)	6,418	(853)
Equity in (earnings) losses of affiliates	(4,819)	3,861
Loss (gain) on sales of investment securities	(624)	(76)
Loss (gain) on valuation of investment securities	1,211	1,264
Loss on retirement of noncurrent assets	2,983	2,802
Loss (gain) on sales of noncurrent assets	(771)	653
Business structure improvement expenses	549	3,307
Decrease (increase) in notes and accounts receivable-trade	(30,152)	(24,918)
Decrease (increase) in inventories	(11,903)	18,300
Increase (decrease) in notes and accounts payable-trade	29,617	19,155
Other	(3,190)	2,317
Subtotal	<u>70,144</u>	<u>131,146</u>
Interest and dividends income received	5,776	3,373
Interest expenses paid	(8,115)	(8,985)
Income taxes paid	(12,671)	(10,560)
Net cash provided by (used in) operating activities	<u>55,133</u>	<u>114,973</u>
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment and intangible assets	(98,773)	(77,592)
Proceeds from sales of property, plant and equipment and intangible assets	2,305	5,000
Purchase of investment securities	(2,891)	(2,897)
Proceeds from sales of investment securities	3,932	1,195
Payments of loans receivable	(3,834)	(3,542)
Collection of loans receivable	4,751	3,141
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	—	1,075
Other	8,403	842
Net cash provided by (used in) investing activities	<u>(86,106)</u>	<u>(72,777)</u>
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	24,167	(96,457)
Increase (decrease) in commercial papers	(32,000)	(21,000)
Proceeds from long-term loans payable	136,544	84,065
Repayment of long-term loans payable	(64,722)	(40,960)
Purchase of treasury stock	(319)	(76)
Cash dividends paid	(11,886)	(8,909)
Other	19	(295)
Net cash provided by (used in) financing activities	<u>51,804</u>	<u>(83,633)</u>
Effect of exchange rate change on cash and cash equivalents	<u>(3,965)</u>	<u>176</u>
Net increase (decrease) in cash and cash equivalents	<u>16,866</u>	<u>(41,261)</u>
Cash and cash equivalents at beginning of period	71,348	90,943
Increase in cash and cash equivalents resulting from merger	0	3
Increase in cash and cash equivalents from newly consolidated subsidiary	487	—
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(633)	—
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	—	94
Cash and cash equivalents at end of period	<u>88,069</u>	<u>49,781</u>