

**Summary of Consolidated Financial and Business Results**  
**for the First Quarter of the Year Ending March 2011**

**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, 2011 (April 1, 2010 - June 30, 2010)**  
**(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 FY2010	283,697	1.1	16,027	24.8	15,373	39.0	8,361	44.1
First Quarter of FY2009	280,498	(16.5)	12,846	35.3	11,056	10.6	5,800	61.2

	Net income per share	Diluted net income per share
	Yen	Yen
First Quarter of FY2010	8.46	8.46
First Quarter of FY2009	5.87	5.86

## (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 FY2010	1,644,724	456,616	26.9	447.26
Year ended March 2010	1,614,047	460,404	27.6	450.97

Note: Shareholders' equity 1Q of FY2010 441,998 million yen FY2009 445,745 million yen

**2. Dividend Conditions**

(Basic Date)	Dividend per stock				
	End of 1Q	End of 2Q	End of 3Q	End of FY	Yearly
FY2009	—	5.00	—	5.00	10.00
FY2010	—				
FY2010 (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, 2010 - March 31, 2011)**

(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	590,000	3.3	30,000	(4.9)	25,000	0.6	12,000	34.0	12.14
Yearly	1,200,000	4.6	70,000	(5.0)	60,000	(7.3)	28,000	12.4	28.33

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 FY2010   | 1,064,381,817 | FY2009       |  | 1,064,381,817 |
| ② Outstanding balance of treasury stocks at the end of each period                           |               |              |  |               |
| 1Q of FY2010   | 76,148,741    | FY2009       |  | 75,969,613    |
| ③ Weighted average number of stocks during the three months ended June 30 of each year       |               |              |  |               |
| 1Q of FY2010   | 988,251,532   | 1Q of FY2009 |  | 988,531,026   |

## Qualitative Information Concerning Business Performance

### Overview of the first quarter of FY2010

During the first quarter of FY2010, Japanese economy showed signs of bottoming out thanks to recovery of overseas demand, but it was sluggish influenced by financial uneasiness in Europe, the negative impact of the high yen, and ongoing deflation.

In pulp and paper industry, sales volume was at the same level as the same period the previous year. Although the situation of the weak demand is expected to be close to bottoming out, a significant recovery isn't anticipated for some time in the future because of the change of demand structure from paper to other media.

Under these circumstances, Oji Paper Group worked on quick change of business structure by expanding material-converted products integrated business model or R&D oriented business and tackled to take in Asian demand. In existing business, Oji Paper Group reorganized production system to fit the paper demand as well as promoted efficient production, and drove forward the cost reduction drastically around the fixed cost.

Factors above has lead to the results shown below.

Results for the first quarter (April 1, 2010 - June 30, 2010) were as follows.

Consolidated net sales:	¥283,697 million (1.1% increase)
Consolidated operating income:	¥16,027 million (24.8% increase)
Consolidated ordinary income:	¥15,373 million (39.0% increase)
Consolidated net income:	¥8,361 million (44.1% increase)

Sales overview is as follows.

#### •General Papers

Domestic sales of newsprint slightly decreased due to less pages, Export sales also decreased.

In the printing paper category, domestic sales was sluggish at mainly coated paper because of less copies of catalogs and magazines. Export sales increased by presale in China in ahead of starting operation in Nantong mill.

#### •Packaging Papers

Sales of packaging papers was increased both in domestic and for export due to demand increase with economic recovery.

#### •Paperboards

As to containerboards, although the demand for greengrocery decreased arising from broken weather, the sales was at the same level as the same period the previous year due to demand recovery of industry product.

Domestic sales of white boards decreased in both high-grade paperboards and coated white lined boards, while specialty paperboards sales was higher than that of the same period the last year.

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

Sales of corrugated sheets and boxes slightly increased due to demand recovery for electrical appliance in spite of having been effected by broken weather.

#### •Others (Miscellaneous Papers, Paperware, Adhesive Papers, Sanitary Papers, etc.)

Sales of miscellaneous papers slightly increased both in domestic and for export.

As for sanitary paper products, sales of both tissue and toilet rolls decreased due to decrease in personal consumption.

Sales of disposable diapers decreased in the category of tape type diapers for infants and urine pads for adults.

## Consolidated quarterly balance sheets

(Unit : Millions of yen)

	1Q / FY2010 Jun 30,2010	FY2009 Mar 31,2010
Assets		
Current assets		
Cash and deposits	30,249	42,758
Notes and accounts receivable-trade	259,857	251,349
Short-term investment securities	438	265
Merchandise and finished goods	81,945	75,680
Work in process	17,091	15,881
Raw materials and supplies	43,829	42,259
Other	43,371	39,427
Allowance for doubtful accounts	(1,917)	(1,472)
Total current assets	<u>474,866</u>	<u>466,148</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	197,532	196,501
Machinery, equipment and vehicles	340,553	339,737
Land	228,428	227,249
Other	144,649	128,307
Total property, plant and equipment	<u>911,163</u>	<u>891,796</u>
Intangible assets		
Goodwill	11,935	7,473
Other	10,190	10,310
Total intangible assets	<u>22,125</u>	<u>17,784</u>
Investments and other assets		
Investment securities	173,767	181,558
Other	70,102	64,394
Allowance for doubtful accounts	(7,301)	(7,634)
Total investments and other assets	<u>236,568</u>	<u>238,318</u>
Total noncurrent assets	<u>1,169,857</u>	<u>1,147,898</u>
Total assets	<u>1,644,724</u>	<u>1,614,047</u>

(Unit : Millions of yen)

	<b>1Q / FY2010</b>	<b>FY2009</b>
	<b>Jun 30,2010</b>	<b>Mar 31,2010</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	181,758	178,195
Short-term loans payable	198,519	179,294
Commercial papers	37,000	11,000
Current portion of bonds	40,000	40,000
Income taxes payable	3,882	12,110
Provision	1,300	764
Other	69,586	75,890
<b>Total current liabilities</b>	<u>532,047</u>	<u>497,255</u>
<b>Noncurrent liabilities</b>		
Bonds payable	60,000	60,000
Long-term loans payable	507,339	508,141
<b>Provision</b>		
Provision for retirement benefits	46,322	46,469
Provision for directors' retirement benefits	1,567	1,683
Provision for environmental measures	1,921	1,919
Provision for special repairs	121	122
<b>Total provisions</b>	<u>49,934</u>	<u>50,195</u>
Other	38,787	38,050
<b>Total noncurrent liabilities</b>	<u>656,060</u>	<u>656,387</u>
<b>Total liabilities</b>	<u>1,188,107</u>	<u>1,153,643</u>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	103,880	103,880
Capital surplus	113,020	113,021
Retained earnings	280,759	277,347
Treasury stock	(43,086)	(42,968)
<b>Total shareholders' equity</b>	<u>454,574</u>	<u>451,281</u>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	5,969	11,160
Deferred gains or losses on hedges	(200)	471
Revaluation reserve for land	3,571	3,571
Foreign currency translation adjustment	(21,917)	(20,740)
<b>Total valuation and translation adjustments</b>	<u>(12,576)</u>	<u>(5,535)</u>
Subscription rights to shares	228	216
Minority interests	14,389	14,442
<b>Total net assets</b>	<u>456,616</u>	<u>460,404</u>
<b>Total liabilities and net assets</b>	<u>1,644,724</u>	<u>1,614,047</u>

## Consolidated quarterly statements of income

(Unit : Millions of yen)

	<b>1Q / FY2009</b>	<b>1Q / FY2010</b>
	<b>Apr '09 - Jun '09</b>	<b>Apr '10 - Jun '10</b>
Net sales	280,498	283,697
Cost of sales	217,087	215,671
Gross profit	<u>63,411</u>	<u>68,026</u>
Selling, general and administrative expenses		
Freightage related expenses	27,188	28,261
Other	23,375	23,736
Total selling, general and administrative expenses	<u>50,564</u>	<u>51,998</u>
Operating income	<u>12,846</u>	<u>16,027</u>
Non-operating income		
Dividends income	1,418	1,458
Equity in earnings of affiliates	—	1,918
Foreign exchange gains	573	—
Other	1,768	871
Total non-operating income	<u>3,761</u>	<u>4,247</u>
Non-operating expenses		
Interest expenses	3,366	2,849
Foreign exchange losses	—	1,249
Equity in losses of affiliates	1,019	—
Other	1,165	802
Total non-operating expenses	<u>5,551</u>	<u>4,901</u>
Ordinary income	<u>11,056</u>	<u>15,373</u>
Extraordinary income		
Total extraordinary income	<u>543</u>	<u>440</u>
Extraordinary loss		
Loss on valuation of investment securities	251	1,287
Loss on retirement of noncurrent assets	177	674
Other	1,630	423
Total extraordinary losses	<u>2,059</u>	<u>2,385</u>
Income before income taxes and minority interests	<u>9,540</u>	<u>13,428</u>
Income taxes-current	2,437	3,412
Income taxes-deferred	1,246	1,696
Total income taxes	<u>3,684</u>	<u>5,109</u>
Income before minority interests	—	8,319
Minority interests in income (loss)	55	(41)
Net income	<u>5,800</u>	<u>8,361</u>

## Consolidated quarterly statements of cash flows

(Unit : Millions of yen)

	1Q / FY2009 Apr '09 - Jun '09	1Q / FY2010 Apr '10 - Jun '10
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	9,540	13,428
Depreciation and amortization	21,099	19,338
Amortization of goodwill	342	336
Increase (decrease) in allowance for doubtful accounts	1,234	(369)
Increase (decrease) in provision for retirement benefits	(101)	(38)
Interest and dividends income	(1,807)	(1,626)
Interest expenses	3,366	2,849
Foreign exchange losses (gains)	(740)	523
Equity in (earnings) losses of affiliates	1,019	(1,918)
Loss (gain) on valuation of investment securities	251	1,287
Loss on retirement of noncurrent assets	177	674
Decrease (increase) in notes and accounts receivable-trade	13,985	(4,958)
Decrease (increase) in inventories	5,625	(5,321)
Increase (decrease) in notes and accounts payable-trade	(8,884)	2,118
Other	2,174	(9,103)
Subtotal	<u>47,284</u>	<u>17,220</u>
Interest and dividends income received	2,000	1,905
Interest expenses paid	(2,916)	(3,456)
Income taxes paid	(7,055)	(12,282)
Net cash provided by (used in) operating activities	<u>39,313</u>	<u>3,386</u>
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment and intangible	(23,010)	(22,044)
Proceeds from sales of property, plant and equipment and	3,020	139
Purchase of investment securities	(860)	(192)
Proceeds from sales of investment securities	880	1
Payments of loans receivable	(645)	(6,107)
Collection of loans receivable	823	2,081
Purchase of investments in subsidiaries resulting in change in scope	—	(17,657)
Proceeds from purchase of investments in subsidiaries resulting in	1,075	—
Other	(892)	406
Net cash provided by (used in) investing activities	<u>(19,607)</u>	<u>(43,372)</u>
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(987)	10,106
Net increase (decrease) in commercial papers	(42,000)	26,000
Proceeds from long-term loans payable	35	—
Repayment of long-term loans payable	(17,339)	(2,996)
Purchase of treasury stock	(39)	(18)
Cash dividends paid	(3,960)	(4,949)
Other	(87)	(191)
Net cash provided by (used in) financing activities	<u>(64,378)</u>	<u>27,951</u>
Effect of exchange rate change on cash and cash equivalents	3,705	(108)
Net increase (decrease) in cash and cash equivalents	<u>(40,966)</u>	<u>(12,142)</u>
Cash and cash equivalents at beginning of period	90,943	41,936
Increase in cash and cash equivalents from newly consolidated	94	—
Cash and cash equivalents at end of period	<u>50,071</u>	<u>29,793</u>