

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

Oji Paper Co., LTD.URL: <http://www.ojipaper.co.jp/>

Representative:

Contact:

Telephone:

(Code No. 3861 Tokyo and Osaka Stock Exchange)

Kazuhisa Shinoda, President & Chief Executive Officer

Susumu Yajima, Director, Executive Officer, Corporate Administration Division

03-3563-1111 +81-3-3563-1111(overseas)

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

1. Results for the First Half of the Year Ending March 31, 2011 (April 1, 2010 - September 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 Half of FY2010	571,735	0.1	30,804	(2.3)	27,525	10.8	13,325	48.8
First Half of FY2009	570,940	(15.6)	31,537	70.9	24,838	60.5	8,954	104.5

	Net income per share	Diluted net income per share
	Yen	Yen
First Half of FY2010	13.48	13.48
First Half of FY2009	9.06	9.05

(2) Consolidated Financial Condition

	Total assets	Net assets	Net worth/total assets	Net assets per share
	Millions of yen	Millions of yen	%	yen
First Half of FY2010	1,630,058	455,228	26.9	443.06
Year ended March 2010	1,614,047	460,404	27.6	450.97

Note: Shareholders' equity First Half of FY2010 437,830 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	—	5.00			
FY2010 (Forecast)			—	5.00	10.00

Note: Change in forecast of dividend ... None

3. Consolidated Forecasts for the Year Ending March 2011 (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
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 ... 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 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)

First Half of FY2010	1,064,381,817	FY2009	1,064,381,817
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② Outstanding balance of treasury stocks at the end of each period

First Half of FY2010	76,190,325	FY2009	75,969,613
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③ Weighted average number of stocks during the six months ended September 30 of each year

First Half of FY2010	988,231,862	First Half of FY2009	988,506,171
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Qualitative Information Concerning Business Performance

Overview of the first half of FY2010

During the first half of FY2010, Japanese economy partly showed signs of bottoming out thanks to recovery of overseas demand with overseas economic recovery, but it remained sluggish affected by slowdown in the effect of economic measures, the negative impact of the high yen, and ongoing deflation.

In pulp and paper industry, demand for paperboards and packaging papers was on the recovery trend around industry papers, but demand for general papers was sluggish at mainly advertising products, and demand recovery in this category can't be foreseen in the foreseeable future.

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 half (April 1, 2010 - September 30, 2010) were as follows.

Consolidated net sales:	¥571,735 million (0.1% increase)
Consolidated operating income:	¥30,804 million (2.3% decrease)
Consolidated ordinary income:	¥27,525 million (10.8% increase)
Consolidated net income:	¥13,325 million (48.8% increase)

Sales overview is as follows.

○Pulp and Paper business

•Paperboards

Although the demand for greengrocery decreased arising from the broken weather continuing from spring this year, containerboards sales was at the same level as the same period the previous year thanks to healthy demand for beverages and industry products.

Domestic sales of white boards slightly increased in both high-grade paperboards and specialty paperboards, while coated white lined boards sales slightly decreased.

•Packaging Papers

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

•General Papers

Domestic sales of newsprint slightly decreased due to less pages and downturn of newsprint circulation, and export sales also decreased.

In the printing paper category, domestic sales was sluggish at mainly coated paper because of deminished commercial printings and publications. Export sales increased by presale in China in ahead of starting operation in Nantong mill.

•Miscellaneous Papers

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

○Converted Paper business

•Corrugated Containers (Corrugated Sheets and Boxes)

Sales of corrugated sheets and boxes for beverages and electrical appliances slightly increased due to the effect of extreme heat in summer this year and demand recovery of electrical appliance, while sales for greengrocery decreased by the broken weather continuing from spring this year.

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

Sanitary papers sales in both tissue and toilet rolls decreased.

Disposable diapers sales in the category of pants type for infants increased but tape type for infants decreased. Sales of urine pads for adults decreased.

Consolidated balance sheets

(Unit : Millions of yen)

	1st half / FY2010 Sep 30,2010	FY2009 Mar 31,2010
Assets		
Current assets		
Cash and deposits	33,606	42,758
Notes and accounts receivable-trade	257,345	251,349
Short-term investment securities	486	265
Merchandise and finished goods	77,885	75,680
Work in process	16,269	15,881
Raw materials and supplies	49,561	42,259
Other	43,262	39,427
Allowance for doubtful accounts	(1,889)	(1,472)
Total current assets	<u>476,528</u>	<u>466,148</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	194,652	196,501
Machinery, equipment and vehicles, net	330,169	339,737
Land	227,866	227,249
Other, net	148,869	128,307
Total property, plant and equipment	<u>901,558</u>	<u>891,796</u>
Intangible assets		
Goodwill	10,316	7,473
Other	10,500	10,310
Total intangible assets	<u>20,817</u>	<u>17,784</u>
Investments and other assets		
Investment securities	166,319	181,558
Other	69,904	64,394
Allowance for doubtful accounts	(5,069)	(7,634)
Total investments and other assets	<u>231,154</u>	<u>238,318</u>
Total noncurrent assets	<u>1,153,530</u>	<u>1,147,898</u>
Total assets	<u>1,630,058</u>	<u>1,614,047</u>

Consolidated balance sheets

(Unit : Millions of yen)

	1st half / FY2010 Sep 30,2010	FY2009 Mar 31,2010
Liabilities		
Current liabilities		
Notes and accounts payable-trade	185,457	178,195
Short-term loans payable	200,060	179,294
Commercial papers	—	11,000
Current portion of bonds	40,000	40,000
Income taxes payable	8,617	12,110
Provision	714	764
Other	65,882	75,890
Total current liabilities	<u>500,733</u>	<u>497,255</u>
Noncurrent liabilities		
Bonds payable	80,000	60,000
Long-term loans payable	505,744	508,141
Provision		
Provision for retirement benefits	46,511	46,469
Provision for directors' retirement benefits	1,524	1,683
Provision for environmental measures	1,937	1,919
Provision for special repairs	125	122
Total provisions	<u>50,099</u>	<u>50,195</u>
Other	38,252	38,050
Total noncurrent liabilities	<u>674,096</u>	<u>656,387</u>
Total liabilities	<u>1,174,830</u>	<u>1,153,643</u>
Net assets		
Shareholders' equity		
Capital stock	103,880	103,880
Capital surplus	113,019	113,021
Retained earnings	285,736	277,347
Treasury stock	(43,102)	(42,968)
Total shareholders' equity	<u>459,534</u>	<u>451,281</u>
Valuation and translation adjustments		
Valuation difference on available-for-sale	4,074	11,160
Deferred gains or losses on hedges	11	471
Revaluation reserve for land	3,559	3,571
Foreign currency translation adjustment	(29,350)	(20,740)
Total valuation and translation adjustments	<u>(21,703)</u>	<u>(5,535)</u>
Subscription rights to shares	247	216
Minority interests	17,150	14,442
Total net assets	<u>455,228</u>	<u>460,404</u>
Total liabilities and net assets	<u>1,630,058</u>	<u>1,614,047</u>

Consolidated statements of income

(Unit : Millions of yen)

	1st half / FY2009 Apr '09 - Sep '09	1st half / FY2010 Apr '10 - Sep '10
Consolidated quarterly statements of income		
Net sales	570,940	571,735
Cost of sales	438,136	436,798
Gross profit	132,803	134,937
Selling, general and administrative expenses		
Freightage related expenses	54,828	56,158
Other	46,436	47,974
Total selling, general and administrative expenses	101,265	104,133
Operating income	31,537	30,804
Non-operating income		
Interest income	548	282
Dividends income	1,753	1,787
Equity in earnings of affiliates	—	2,860
Other	2,584	1,991
Total non-operating income	4,887	6,921
Non-operating expenses		
Interest expenses	6,437	5,392
Foreign exchange losses	—	2,671
Equity in losses of affiliates	3,084	—
Other	2,064	2,134
Total non-operating expenses	11,586	10,199
Ordinary income	24,838	27,525
Extraordinary income		
Total extraordinary income	598	185
Extraordinary loss		
Business structure improvement expenses	2,181	2,771
Loss on retirement of noncurrent assets	2,208	1,445
Loss on valuation of investment securities	276	1,425
Special retirement expenses	1,645	720
Other	1,559	184
Total extraordinary losses	7,872	6,546
Income before income taxes and minority interests	17,564	21,165
Income taxes-current	8,184	8,320
Income taxes-deferred	258	(525)
Total income taxes	8,442	7,794
Income before minority interests	—	13,370
Minority interests in income	168	44
Net income	8,954	13,325

Consolidated statements of cash flows

(Unit : Millions of yen)

	1st half / FY2009 Apr '09 - Sep '09	1st half / FY2010 Apr '10 - Sep '10
Consolidated quarterly statements of cash flows		
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	17,564	21,165
Depreciation and amortization	42,414	39,127
Amortization of goodwill	670	763
Increase (decrease) in allowance for doubtful accounts	1,403	(521)
Increase (decrease) in provision for retirement benefits	(1,006)	506
Interest and dividends income	(2,302)	(2,069)
Interest expenses	6,437	5,392
Foreign exchange losses (gains)	(504)	1,957
Equity in (earnings) losses of affiliates	3,084	(2,860)
Loss (gain) on valuation of investment securities	276	1,425
Loss on retirement of noncurrent assets	2,208	1,445
Business structure improvement expenses	2,181	2,771
Decrease (increase) in notes and accounts receivable-	14,771	(3,305)
Decrease (increase) in inventories	12,404	(6,429)
Increase (decrease) in notes and accounts payable-trade	(3,763)	6,073
Other, net	7,150	(11,589)
Subtotal	<u>102,993</u>	<u>53,853</u>
Interest and dividends income received	2,498	2,212
Interest expenses paid	(6,390)	(5,406)
Income taxes paid	(7,084)	(10,585)
Net cash provided by (used in) operating activities	<u>92,016</u>	<u>40,074</u>
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment and intangible	(59,802)	(41,255)
Proceeds from sales of property, plant and equipment and	3,965	218
intangible assets		
Purchase of investment securities	(1,217)	(245)
Proceeds from sales of investment securities	1,063	95
Payments of loans receivable	(2,302)	(6,909)
Collection of loans receivable	2,218	2,441
Purchase of investments in subsidiaries resulting in	—	(12,851)
change in scope of consolidation		
Proceeds from purchase of investments in subsidiaries	1,075	—
resulting in change in scope of consolidation		
Other, net	935	363
Net cash provided by (used in) investing activities	<u>(54,062)</u>	<u>(58,143)</u>
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(4,529)	12,005
Net increase (decrease) in commercial papers	(48,000)	(11,000)
Proceeds from long-term loans payable	35	—
Repayment of long-term loans payable	(20,107)	(3,625)
Proceeds from issuance of bonds	—	39,791
Redemption of bonds	—	(20,000)
Purchase of treasury stock	(59)	(39)
Cash dividends paid	(3,960)	(4,949)
Other, net	(194)	(385)
Net cash provided by (used in) financing activities	<u>(76,814)</u>	<u>11,797</u>
Effect of exchange rate change on cash and cash	1,836	(2,273)
Net increase (decrease) in cash and cash equivalents	<u>(37,024)</u>	<u>(8,546)</u>
Cash and cash equivalents at beginning of period	90,943	41,936
Increase in cash and cash equivalents resulting from merger	3	—
Increase (decrease) in cash and cash equivalents resulting	94	—
from change of scope of consolidation		
Cash and cash equivalents at end of period	<u>54,018</u>	<u>33,389</u>