

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

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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, 2011 (April 1, 2010 - December 31, 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 Nine Months of FY2010	885,814	1.4	50,967	(4.7)	45,430	2.7	23,566	40.8
First Nine Months of FY2009	873,727	(13.0)	53,499	83.5	44,222	83.9	16,734	127.2

	Net income per share	Diluted net income per share
	Yen	Yen
First Nine Months of FY2010	23.85	23.83
First Nine Months of FY2009	16.93	16.92

(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 FY2010	1,675,086	460,085	26.4	447.78
Year ended March 2010	1,614,047	460,404	27.6	450.97

Note: Shareholders' equity first nine months of FY2010 442,375 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 FY2009	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	28.34

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 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 nine months of FY2010	76,442,878	FY2009	75,969,613
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③ Weighted average number of stocks during the nine months ended December 31 of each year

First nine months of FY2010	988,162,254	First nine months of FY2009	988,484,875
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Qualitative Information Concerning Business Performance

(1) Overview of the first nine months of FY2010

During the first nine months of FY2010, Japanese economy partly showed signs of bottoming out thanks to increase in export 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. On the other hand, 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("we") are working on quick change of business structure by expanding material-converted products integrated business model or R&D oriented business and tackling to take in Asian demand. As part of reform, we added Kyokuyo Pulp & Paper Co., Ltd.("Kyokuyo") which was our equity method affiliate until sept. 2010 and its 3 consolidated subsidiaries to our group in the third quarter of FY2010. Kyokuyo is pulp and paper trading company and has strength in the category of packaging, functional materials and paperboards, and its subsidiaries are operating chemical products and specialty papers business. With this consolidation, we are trying to improve our trading ability required for the change of business structure and to expand functional materials business.

In existing business, we 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, and with these measures, we could deal with the negative impact of price increase in raw materials.

Factors above has lead to the results shown below.

Results for the first half (April 1, 2010 - December 31, 2010) were as follows.

Consolidated net sales:	¥885,814 million (1.4% increase)
Consolidated operating income:	¥50,967 million (4.7% decrease)
Consolidated ordinary income:	¥45,430 million (2.7% increase)
Consolidated net income:	¥23,566 million (40.8% increase)

Sales overview is as follows.

○Pulp and Paper business

•Paperboards

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

Domestic sales of white boards slightly increased in specialty paperboards, while high-grade paperboards and 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. Meanwhile, 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, while sales for greengrocery decreased by the broken weather continuing from spring this year, and as a result, it remained the same level as the previous 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)
FY2009
Mar 31,2010

First nine months / FY2010
Dec 31,2010

Consolidated quarterly balance sheets

Assets

Current assets

Cash and deposits	36,741	42,758
Notes and accounts receivable-trade	290,272	251,349
Short-term investment securities	515	265
Merchandise and finished goods	79,717	75,680
Work in process	17,848	15,881
Raw materials and supplies	49,284	42,259
Other	44,046	39,427
Allowance for doubtful accounts	(2,374)	(1,472)
Total current assets	<u>516,051</u>	<u>466,148</u>

Noncurrent assets

Property, plant and equipment

Buildings and structures, net	194,489	196,501
Machinery, equipment and vehicles, net	320,884	339,737
Land	232,067	227,249
Other, net	155,055	128,307
Total property, plant and equipment	<u>902,496</u>	<u>891,796</u>

Intangible assets

Leasehold right		
Goodwill	9,896	7,473
Other	10,232	10,310
Total intangible assets	<u>20,129</u>	<u>17,784</u>

Investments and other assets

Investment securities	174,923	181,558
Other	68,599	64,394
Allowance for doubtful accounts	(7,114)	(7,634)
Total investments and other assets	<u>236,408</u>	<u>238,318</u>

Total noncurrent assets

Total noncurrent assets	<u>1,159,034</u>	<u>1,147,898</u>
Total assets	<u>1,675,086</u>	<u>1,614,047</u>

Consolidated balance sheets

(Unit : Millions of yen)

	First nine months / FY2010 Dec 31,2010	FY2009 Mar 31,2010
Liabilities		
Current liabilities		
Notes and accounts payable-trade	218,051	178,195
Short-term loans payable	200,725	179,294
Commercial papers	22,000	11,000
Current portion of bonds	20,160	40,000
Income taxes payable	6,718	12,110
Provision	667	764
Other	67,650	75,890
Total current liabilities	<u>535,974</u>	<u>497,255</u>
Noncurrent liabilities		
Bonds payable	80,330	60,000
Long-term loans payable	508,478	508,141
Provision		
Provision for retirement benefits	47,417	46,469
Provision for directors' retirement benefits	1,733	1,683
Provision for environmental measures	1,905	1,919
Provision for special repairs	122	122
Total provisions	<u>51,178</u>	<u>50,195</u>
Other	39,039	38,050
Total noncurrent liabilities	<u>679,026</u>	<u>656,387</u>
Total liabilities	<u>1,215,001</u>	<u>1,153,643</u>
Net assets		
Shareholders' equity		
Capital stock	103,880	103,880
Capital surplus	113,018	113,021
Retained earnings	291,034	277,347
Treasury stock	(43,024)	(42,968)
Total shareholders' equity	<u>464,909</u>	<u>451,281</u>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	7,606	11,160
Deferred gains or losses on hedges	35	471
Revaluation reserve for land	3,559	3,571
Foreign currency translation adjustment	(33,734)	(20,740)
Total valuation and translation adjustments	<u>(22,533)</u>	<u>(5,535)</u>
Subscription rights to shares	265	216
Minority interests	17,443	14,442
Total net assets	<u>460,085</u>	<u>460,404</u>
Total liabilities and net assets	<u>1,675,086</u>	<u>1,614,047</u>

Consolidated statements of income

	(Unit : Millions of yen)	
	First nine months / FY2009 Apr '09 - Dec '09	First nine months / FY2010 Apr '10 - Dec '10
Consolidated quarterly statements of income		
Net sales	873,727	885,814
Cost of sales	666,724	677,391
Gross profit	<u>207,003</u>	<u>208,423</u>
Selling, general and administrative expenses		
Freightage related expenses	83,604	85,737
Other	69,899	71,717
Total selling, general and administrative	<u>153,504</u>	<u>157,455</u>
Operating income	<u>53,499</u>	<u>50,967</u>
Non-operating income		
Interest income	903	415
Dividends income	2,203	2,566
Equity in earnings of affiliates	—	4,401
Foreign exchange gains	1,658	—
Other	2,785	2,498
Total non-operating income	<u>7,550</u>	<u>9,882</u>
Non-operating expenses		
Interest expenses	9,474	8,141
Equity in losses of affiliates	3,861	—
Other	3,490	7,279
Total non-operating expenses	<u>16,826</u>	<u>15,420</u>
Ordinary income	<u>44,222</u>	<u>45,430</u>
Extraordinary income		
Total extraordinary income	<u>680</u>	<u>822</u>
Extraordinary loss		
Business structure improvement expenses	3,307	2,945
Loss on retirement of noncurrent assets	2,802	2,448
Loss on valuation of investment securities	1,264	1,415
Special retirement expenses	2,405	1,091
Provision of allowance for doubtful accounts	1,439	—
Other	1,672	328
Total extraordinary losses	<u>12,890</u>	<u>8,230</u>
Income before income taxes and minority	32,012	38,022
Income taxes-current	11,324	12,496
Income taxes-deferred	3,553	1,618
Total income taxes	<u>14,878</u>	<u>14,115</u>
Income before minority interests	—	23,906
Minority interests in income	399	340
Net income	<u>16,734</u>	<u>23,566</u>

Consolidated statements of cash flows

(Unit : Millions of yen)

	First nine months / Apr '09 - Dec '09	First nine months / Apr '10 - Dec '10
Consolidated quarterly statements of cash flows		
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	32,012	38,022
Depreciation and amortization	63,978	59,312
Amortization of goodwill	1,017	700
Increase (decrease) in allowance for doubtful accounts	2,301	(378)
Increase (decrease) in provision for retirement benefits	(740)	1,495
Interest and dividends income	(3,106)	(2,982)
Interest expenses	9,474	8,141
Foreign exchange losses (gains)	(853)	3,119
Equity in (earnings) losses of affiliates	3,861	(4,401)
Loss (gain) on valuation of investment securities	1,264	1,415
Loss on retirement of noncurrent assets	2,802	2,448
Business structure improvement expenses	3,307	2,945
Decrease (increase) in notes and accounts receivable-trade	(24,918)	(14,380)
Decrease (increase) in inventories	18,300	(6,205)
Increase (decrease) in notes and accounts payable-trade	19,155	12,425
Other, net	3,288	(10,042)
Subtotal	<u>131,146</u>	<u>91,635</u>
Interest and dividends income received	3,373	3,297
Interest expenses paid	(8,985)	(8,688)
Income taxes paid	(10,560)	(17,639)
Net cash provided by (used in) operating activities	<u>114,973</u>	<u>68,604</u>
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment and intangible	(77,592)	(55,098)
Proceeds from sales of property, plant and equipment and intangible assets	5,000	694
Purchase of investment securities	(2,897)	(530)
Proceeds from sales of investment securities	1,195	190
Payments of loans receivable	(3,542)	(7,302)
Collection of loans receivable	3,141	4,196
Purchase of investments in subsidiaries resulting in change in scope of consolidation	—	(14,165)
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	1,075	1,873
Other, net	842	340
Net cash provided by (used in) investing activities	<u>(72,777)</u>	<u>(69,800)</u>
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(96,457)	7,706
Increase (decrease) in commercial papers	(21,000)	11,000
Proceeds from long-term loans payable	84,065	242
Repayment of long-term loans payable	(40,960)	(8,073)
Proceeds from issuance of bonds	—	39,791
Redemption of bonds	—	(40,030)
Purchase of treasury stock	(76)	(85)
Cash dividends paid	(8,909)	(9,891)
Other, net	(295)	(595)
Net cash provided by (used in) financing activities	<u>(83,633)</u>	<u>64</u>
Effect of exchange rate change on cash and cash	176	(4,249)
Net increase (decrease) in cash and cash equivalents	<u>(41,261)</u>	<u>(5,380)</u>
Cash and cash equivalents at beginning of period	90,943	41,936
Increase in cash and cash equivalents resulting from	3	—
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	94	—
Cash and cash equivalents at end of period	<u>49,781</u>	<u>36,556</u>