

Summary of Consolidated Financial and Business Results
for the Year Ended March 2011

Oji Paper Co., LTD.

(Code No. 3861 Tokyo Stock Exchange and Osaka Stock Exchange)

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General meeting of stockholders to be held: June 29, 2011※

Securities, stocks and bonds report to presented: June 29, 2011※

Start of dividend payout: June 7, 2011※

※Expected dates

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

1. Results for the Year Ended March 31, 2011 (April 1, 2010 - March 31, 2011)**(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	%
FY2010	1,180,131	2.9	65,441	(11.2)	60,245	(6.9)	24,619	(1.1)
FY2009	1,147,322	(9.5)	73,681	124.3	64,714	125.1	24,886	-

Note: Comprehensive income FY2010 2,033 million yen ((94.8)%) FY2009 39,385 million yen(- %)

	Net income per share	Diluted net income per share	Ratio of net income to shareholders' equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
FY2010	24.92	24.90	5.6	3.7	5.5
FY2009	25.18	25.16	5.8	3.9	6.4

Note: Equity in earning of affiliates FY2010 5,354 million yen FY2009 (1,852) million yen

(2) Consolidated Financial Condition

	Total assets	Net assets	Net worth/total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2010	1,620,927	455,998	27.1	444.24
FY2009	1,614,047	460,404	27.6	450.97

Note: Shareholders' equity FY2010 438,864 million yen FY2009 445,745 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2010	115,369	(89,679)	(31,358)	31,933
FY2009	179,347	(89,934)	(138,942)	41,936

2. Dividend Conditions

	Dividend per stock					Total dividend (Yearly)	Dividend payout ratio (Consolidated)	Dividend on net assets (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of FY	Yearly			
(Basic date)	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY2009	-	5.00	-	5.00	10.00	10,025	39.7	2.3
FY2010	-	5.00	-	5.00	10.00	10,023	40.1	2.2
FY2011 (Forecast)	-	5.00	-	5.00	10.00		35.3	

3. Consolidated Forecasts for the Year Ending March 2012 (April 1, 2011-March 31, 2012)

(Figures shown in percentage are ratios compared to the previous same period.)

	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
1st Half	610,000	6.7	27,000	(12.3)	25,000	(9.2)	12,000	(9.9)	12.15
Yearly	1,250,000	5.9	62,000	(5.3)	57,000	(5.4)	28,000	13.7	28.34

4. In Addition

(1) Changes in scope of consolidation

Newly included: None

Excluded: None

(2) Changes in accounting methods compared with recent consolidated accounting period

① Changes due to accounting standard reforms: Yes

② Changes besides ①: None

(3) Outstanding balance of issued stocks

① Outstanding balance of issued stocks at the end of fiscal year (Including treasury stocks)

FY2010 1,064,381,817 FY2009 1,064,381,817

② Outstanding balance of treasury stocks at the end of fiscal year

FY2010 76,484,868 FY2009 75,969,613

③ Average number of issued stocks outstanding

FY2010 988,103,568 FY2009 988,469,029

(Reference)

1. Results for the Year Ended March 31, 2011 (April 1, 2010 - March 31, 2011)

(1) Non-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	%
FY2010	480,100	(3.6)	13,394	(9.3)	29,262	20.7	11,452	8.7
FY2009	498,065	(12.6)	14,772	-	24,234	113.2	10,540	-

	Net income per share	Diluted net income per share
	Yen	Yen
FY2010	11.42	11.42
FY2009	10.51	10.51

(2) Non-consolidated Financial Condition

	Total assets	Net assets	Net worth/total assets	Net assets per share
	Millions of yen	Millions of yen	%	yen
FY2010	1,257,984	348,552	27.7	347.46
FY2009	1,281,287	352,550	27.5	351.44

Note: Shareholders' equity FY2010 348,268 million yen FY2009 352,334 million yen

- This document is exempt from audit procedures required by Financial Instruments and Exchange Act, and audit procedures for consolidated financial statement haven't been finished as of the date of publication.
- Forecasts released are based on expectations of future economic conditions as of the date of publication. The actual results may differ drastically from these forecasts due to various factors that may arise in the future.

Qualitative Information Concerning Business Performance

(1) Overview of the year ended March 31, 2011

During 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. Moreover, Tohoku Region Pacific Coast Earthquake("the Earthquake"), which struck eastern Japan at the end of a fiscal year, caused crucial economic damage in Japan and the impact on production activities and consumption behavior affected by electricity shortage are concerned in the future.

In pulp and paper industry, demand for paperboards, packaging papers and specialty 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. The Earthquake produces indirect damages of demand decrease or supply shortage other than direct damages of a part of facilities or inventories, and it is estimated that recovery from these damages takes long-term.

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. In FY2010, we added GS Paper & Packaging Sdn. Bhd., Southeast Asian paperboard company, to our group, started running operation in Nantong mill, and improved our trading ability with consolidation of Kyokuyo Pulp & Paper Co., Ltd..

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 Year Ended March 2011 (April 1, 2010 - March 31, 2011) were as follows.

Consolidated net sales:	¥1,180,131 million	(2.9% increase)
Consolidated operating income:	¥65,441 million	(11.2% decrease)
Consolidated ordinary income:	¥60,245 million	(6.9% decrease)
Consolidated net income:	¥24,619 million	(1.1% decrease)

Sales overview is as follows.

○Pulp and Paper business

•Paperboards

Containerboards sales for greengrocery decreased arising from the broken weather, 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

Domestic sales of packaging papers exceeded the previous year due to demand increase with economic recovery trend in the first half, although demand was sluggish in the second half. Meanwhile, export sales increase due to steady demand in asian market.

•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. On the other hand, export sales increased due to increase for Asian market.

•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 slightly increased due to demand increase for beverages and electrical appliances affected by the extreme heat in summer this year, while sales for greengrocery decreased by the broken weather.

•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	FY2010 Mar 31,2011
Assets		
Current assets		
Cash and deposits	42,758	32,393
Notes and accounts receivable-trade	251,349	255,237
Short-term investment securities	265	636
Merchandise and finished goods	75,680	76,645
Work in process	15,881	15,862
Raw materials and supplies	42,259	51,724
Deferred tax assets	12,213	13,021
Short-term loans receivable	7,102	8,215
Accounts receivable-other	16,135	19,788
Other	3,976	6,099
Allowance for doubtful accounts	(1,472)	(3,042)
Total current assets	<u>466,148</u>	<u>476,584</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	196,501	192,035
Machinery, equipment and vehicles, net	339,737	305,743
Tools, furniture and fixtures, net	5,139	5,263
Land	227,249	231,037
Forests	16,568	16,552
Standing Timber	38,734	38,348
Lease assets, net	1,911	5,356
Construction in progress	65,953	96,922
Total property, plant and equipment	<u>891,796</u>	<u>891,258</u>
Intangible assets		
Leasehold right	1,113	1,111
Goodwill	7,473	9,369
Other	9,196	9,122
Total intangible assets	<u>17,784</u>	<u>19,604</u>
Investments and other assets		
Investment securities	181,558	172,421
Long-term loans receivable	12,156	8,701
Long-term prepaid expenses	12,840	12,999
Deferred tax assets	16,480	23,471
Other	22,918	23,297
Allowance for doubtful accounts	(7,634)	(7,412)
Total investments and other assets	<u>238,318</u>	<u>233,479</u>
Total noncurrent assets	<u>1,147,898</u>	<u>1,144,342</u>
Total assets	<u>1,614,047</u>	<u>1,620,927</u>

Consolidated balance sheets

(Unit : Millions of yen)

	FY2009 Mar 31,2010	FY2010 Mar 31,2011
Liabilities		
Current liabilities		
Notes and accounts payable-trade	178,195	197,419
Short-term loans payable	179,294	219,331
Commercial papers	11,000	—
Current portion of bonds	40,000	20,120
Accounts payable-other	17,466	12,838
Accrued expenses	45,193	44,437
Income taxes payable	12,110	10,489
Other	13,994	10,172
Total current liabilities	<u>497,255</u>	<u>514,808</u>
Noncurrent liabilities		
Bonds payable	60,000	80,300
Long-term loans payable	508,141	479,388
Deferred tax liabilities	20,237	20,617
Deferred tax liabilities for land revaluation	11,070	11,059
Provision for retirement benefits	46,469	47,792
Provision for directors' retirement benefits	1,683	1,820
Provision for environmental measures	1,919	1,833
Provision for special repairs	122	126
Long-term deposits received	2,778	2,877
Other	3,964	4,304
Total noncurrent liabilities	<u>656,387</u>	<u>650,119</u>
Total liabilities	<u>1,153,643</u>	<u>1,164,928</u>
Net assets		
Shareholders' equity		
Capital stock	103,880	103,880
Capital surplus	113,021	113,018
Retained earnings	277,347	292,090
Treasury stock	(42,968)	(43,040)
Total shareholders' equity	<u>451,281</u>	<u>465,948</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,160	5,839
Deferred gains or losses on hedges	471	355
Revaluation reserve for land	3,571	3,557
Foreign currency translation adjustment	(20,740)	(36,837)
Total accumulated other comprehensive income	<u>(5,535)</u>	<u>(27,084)</u>
Subscription rights to shares	216	284
Minority interests	14,442	16,850
Total net assets	<u>460,404</u>	<u>455,998</u>
Total liabilities and net assets	<u>1,614,047</u>	<u>1,620,927</u>

Consolidated statements of income

(Unit : Millions of yen)

	FY2009 Mar 31,2010	FY2010 Mar 31,2011
Consolidated statements of (comprehensive) income		
Net sales	1,147,322	1,180,131
Cost of sales	870,786	905,967
Gross profit	<u>276,536</u>	<u>274,163</u>
Selling, general and administrative expenses		
Freightage related expenses	109,835	112,663
Warehousing expenses	7,636	6,787
Employees' salaries	41,099	42,585
Retirement benefit expenses	4,774	6,112
Depreciation	5,300	4,918
Other	34,208	35,655
Total selling, general and administrative expenses	<u>202,855</u>	<u>208,722</u>
Operating income	<u>73,681</u>	<u>65,441</u>
Non-operating income		
Interest income	716	496
Dividends income	2,769	3,452
Equity in earnings of affiliates	—	5,354
Rent income	420	437
Foreign exchange gains	2,344	—
Other	3,904	2,957
Total non-operating income	<u>10,155</u>	<u>12,698</u>
Non-operating expenses		
Interest expenses	12,238	10,713
Foreign exchange losses	—	1,438
Equity in losses of affiliates	1,852	—
Other	5,032	5,743
Total non-operating expenses	<u>19,122</u>	<u>17,894</u>
Ordinary income	<u>64,714</u>	<u>60,245</u>
Extraordinary income		
Gain on negative goodwill	—	497
Compensation for transfer	—	210
Gain on sales of noncurrent assets	2,958	139
Other	1,051	146
Total extraordinary income	<u>4,010</u>	<u>994</u>
Extraordinary loss		
Business structure improvement expenses	16,280	8,726
Loss on disaster	—	4,945
Loss on retirement of noncurrent assets	4,876	3,372
Loss on valuation of investment securities	1,391	1,773
Special retirement expenses	3,717	1,489
Impairment loss	1,118	566
Other	4,215	1,287
Total extraordinary losses	<u>31,599</u>	<u>22,162</u>
Income before income taxes and minority interests	<u>37,124</u>	<u>39,077</u>
Income taxes-current	15,570	16,728
Income taxes-deferred	(3,707)	(2,539)
Total income taxes	<u>11,862</u>	<u>14,188</u>
Income before minority interests	—	24,888
Minority interests in income	375	268
Net income	<u>24,886</u>	<u>24,619</u>

Consolidated statements of cash flows

(Unit : Millions of yen)

	FY2009 Apr '09 - Mar '10	FY2010 Apr '10 - Mar '11
Consolidated statements of cash flows		
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	37,124	39,077
Depreciation and amortization	85,842	79,633
Amortization of goodwill	1,354	1,176
Increase (decrease) in allowance for doubtful accounts	2,905	405
Increase (decrease) in provision for retirement benefits	(789)	2,482
Interest and dividends income	(3,486)	(3,949)
Interest expenses	12,238	10,713
Foreign exchange losses (gains)	(1,206)	2,016
Equity in (earnings) losses of affiliates	1,852	(5,354)
Loss (gain) on valuation of investment securities	1,391	1,773
Loss on retirement of noncurrent assets	4,876	3,372
Business structure improvement expenses	16,280	8,726
Decrease (increase) in notes and accounts receivable-trade	21,733	8,975
Decrease (increase) in inventories	19,475	(3,900)
Increase (decrease) in notes and accounts payable-trade	(3,785)	3,051
Other, net	3,756	(7,657)
Subtotal	<u>199,564</u>	<u>140,542</u>
Interest and dividends income received	3,776	4,150
Interest expenses paid	(12,073)	(10,889)
Income taxes paid	(11,919)	(18,434)
Net cash provided by (used in) operating activities	<u>179,347</u>	<u>115,369</u>
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment and intangible assets	(89,895)	(75,800)
Proceeds from sales of property, plant and equipment and intangible	8,423	1,879
Purchase of investment securities	(8,108)	(1,949)
Proceeds from sales of investment securities	2,119	1,269
Payments of loans receivable	(5,146)	(8,021)
Collection of loans receivable	4,991	6,016
Purchase of investments in subsidiaries resulting in change in scope of consolidation	—	(14,290)
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	1,075	1,873
Other, net	(3,393)	(655)
Net cash provided by (used in) investing activities	<u>(89,934)</u>	<u>(89,679)</u>
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(121,498)	7,582
Net increase (decrease) in commercial papers	(43,000)	(11,000)
Proceeds from long-term loans payable	87,603	1,750
Repayment of long-term loans payable	(52,628)	(18,554)
Proceeds from issuance of bonds	—	39,791
Redemption of bonds	—	(40,100)
Purchase of treasury stock	(103)	(102)
Cash dividends paid	(8,909)	(9,891)
Other, net	(405)	(834)
Net cash provided by (used in) financing activities	<u>(138,942)</u>	<u>(31,358)</u>
Effect of exchange rate change on cash and cash equivalents	558	(4,333)
Net increase (decrease) in cash and cash equivalents	<u>(48,970)</u>	<u>(10,002)</u>
Cash and cash equivalents at beginning of period	<u>90,943</u>	<u>41,936</u>
Increase in cash and cash equivalents resulting from merger	3	—
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(135)	—
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	94	—
Cash and cash equivalents at end of period	<u>41,936</u>	<u>31,933</u>

Consolidated statements of changes in net assets

(Unit : Millions of yen)

	FY2009 Mar 31,2010	FY2010 Mar 31,2011
Consolidated statements of changes in net assets		
Shareholders' equity		
Capital stock		
Balance at the end of previous period	103,880	103,880
Total changes of items during the period	—	—
Balance at the end of current period	<u>103,880</u>	<u>103,880</u>
Capital surplus		
Balance at the end of previous period	113,031	113,021
Changes of items during the period		
Disposal of treasury stock	(10)	(2)
Total changes of items during the period	<u>(10)</u>	<u>(2)</u>
Balance at the end of current period	<u>113,021</u>	<u>113,018</u>
Retained earnings		
Balance at the end of previous period	261,092	277,347
Effect of changes in accounting policies applied to foreign subsidiaries		
Changes of items during the period		
Dividends from surplus	(8,909)	(9,891)
Net income	24,886	24,619
Change of scope of consolidation	62	—
Change of scope of equity method		
Reversal of revaluation reserve for land	215	13
Total changes of items during the period	<u>16,255</u>	<u>14,742</u>
Balance at the end of current period	<u>277,347</u>	<u>292,090</u>
Treasury stock		
Balance at the end of previous period	(42,914)	(42,968)
Changes of items during the period		
Purchase of treasury stock	(103)	(102)
Disposal of treasury stock	53	9
Change in equity in affiliates accounted for by equity method-treasury stock	(3)	20
Total changes of items during the period	<u>(53)</u>	<u>(72)</u>
Balance at the end of current period	<u>(42,968)</u>	<u>(43,040)</u>
Total shareholders' equity		
Balance at the end of previous period	435,090	451,281
Changes of items during the period		
Dividends from surplus	(8,909)	(9,891)
Net income	24,886	24,619
Purchase of treasury stock	(103)	(102)
Disposal of treasury stock	42	7
Change in equity in affiliates accounted for by equity method-treasury stock	(3)	20
Change of scope of consolidation	62	—
Reversal of revaluation reserve for land	215	13
Total changes of items during the period	<u>16,190</u>	<u>14,667</u>
Balance at the end of current period	<u>451,281</u>	<u>465,948</u>

Consolidated statements of changes in net assets

(Unit : Millions of yen)

	FY2009 Mar 31,2010	FY2010 Mar 31,2011
Valuation difference on available-for-sale securities		
Balance at the end of previous period	6,597	11,160
Changes of items during the period		
Net changes of items other than shareholders' equity	4,563	(5,320)
Total changes of items during the period	<u>4,563</u>	<u>(5,320)</u>
Balance at the end of current period	<u>11,160</u>	<u>5,839</u>
Deferred gains or losses on hedges		
Balance at the end of previous period	(557)	471
Changes of items during the period		
Net changes of items other than shareholders' equity	1,029	(116)
Total changes of items during the period	<u>1,029</u>	<u>(116)</u>
Balance at the end of current period	<u>471</u>	<u>355</u>
Revaluation reserve for land		
Balance at the end of previous period	3,787	3,571
Changes of items during the period		
Net changes of items other than shareholders' equity	(215)	(13)
Total changes of items during the period	<u>(215)</u>	<u>(13)</u>
Balance at the end of current period	<u>3,571</u>	<u>3,557</u>
Foreign currency translation adjustment		
Balance at the end of previous period	(28,669)	(20,740)
Changes of items during the period		
Net changes of items other than shareholders' equity	7,929	(16,097)
Total changes of items during the period	<u>7,929</u>	<u>(16,097)</u>
Balance at the end of current period	<u>(20,740)</u>	<u>(36,837)</u>
Total accumulated other comprehensive income		
Balance at the end of previous period	(18,841)	(5,535)
Changes of items during the period		
Net changes of items other than shareholders' equity	13,306	(21,548)
Total changes of items during the period	<u>13,306</u>	<u>(21,548)</u>
Balance at the end of current period	<u>(5,535)</u>	<u>(27,084)</u>
Subscription rights to shares		
Balance at the end of previous period	188	216
Changes of items during the period		
Net changes of items other than shareholders' equity	27	67
Total changes of items during the period	<u>27</u>	<u>67</u>
Balance at the end of current period	<u>216</u>	<u>284</u>
Minority interests		
Balance at the end of previous period	13,270	14,442
Changes of items during the period		
Net changes of items other than shareholders' equity	1,172	2,407
Total changes of items during the period	<u>1,172</u>	<u>2,407</u>
Balance at the end of current period	<u>14,442</u>	<u>16,850</u>

Consolidated statements of changes in net assets

(Unit : Millions of yen)

	FY2009 Mar 31,2010	FY2010 Mar 31,2011
Total net assets		
Balance at the end of previous period	429,707	460,404
Changes of items during the period		
Dividends from surplus	(8,909)	(9,891)
Net income	24,886	24,619
Purchase of treasury stock	(103)	(102)
Disposal of treasury stock	42	7
Change in equity in affiliates accounted for by equity method- treasury stock	(3)	20
Change of scope of consolidation	62	—
Reversal of revaluation reserve for land	215	13
Net changes of items other than shareholders' equity	14,506	(19,073)
Total changes of items during the period	<u>30,697</u>	<u>(4,405)</u>
Balance at the end of current period	<u>460,404</u>	<u>455,998</u>

Consolidated statements of comprehensive income

(Unit : Millions of yen)

	FY2009	FY2010
	Apr '09 - Mar '10	Apr '10 - Mar '11
Consolidated statements of comprehensive income		
Income before minority interests	—	24,888
Other comprehensive income		
Valuation difference on available-for-sale securities	—	(5,228)
Deferred gains or losses on hedges	—	(125)
Revaluation reserve for land		
Foreign currency translation adjustment	—	(14,407)
Share of other comprehensive income of associates accounted for using equity method	—	(3,092)
Total other comprehensive income	—	<u>(22,855)</u>
Comprehensive income	<u>—</u>	<u>2,033</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	—	3,085
Comprehensive income attributable to minority interests	—	(1,051)