

Summary of Consolidated Financial and Business Results
for the Year Ended March 2010

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, 2010※

Securities, stocks and bonds report to presented: June 29, 2010※

Start of dividend payout: June 8, 2010※

※Expected dates

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

1. Results for the Year Ended March 31, 2010 (April 1, 2009 - March 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	%
FY2009	1,147,322	(9.5)	73,681	124.3	64,714	125.1	24,886	-
FY2008	1,267,129	(3.9)	32,845	(22.0)	28,751	(24.5)	(6,324)	-

	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	%	%	%
FY2009	25.18	25.16	5.8	3.9	6.4
FY2008	(6.40)	-	(1.4)	1.6	2.6

Note: Equity in earning of affiliates FY2009 (1,852) million yen FY2008 5,807 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
FY2009	1,614,047	460,404	27.6	450.97
FY2008	1,707,492	429,707	24.4	421.04

Note: Shareholders' equity FY2009 445,745 million yen FY2008 416,248 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
FY2009	179,347	(89,934)	(138,942)	41,936
FY2008	73,870	(108,990)	66,076	90,943

2. Dividend Conditions

(Basic date)	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			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY2008	-	6.00	-	4.00	10.00	10,028	-	2.2
FY2009	-	5.00	-	5.00	10.00	10,025	39.7	2.3
FY2010 (Forecast)	-	5.00	-	5.00	10.00		35.3	

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 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	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

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)

FY2009 1,064,381,817 FY2008 1,064,381,817

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

FY2009 75,969,613 FY2008 75,757,072

(Reference)

1. Results for the Year Ended March 31, 2010 (April 1, 2009 - March 31, 2010)

(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	%
FY2009	498,065	(12.6)	14,772	-	24,234	113.2	10,540	-
FY2008	569,581	(3.9)	286	(92.9)	11,366	(34.1)	(12,600)	-

	Net income per share	Diluted net income per share
	Yen	Yen
FY2009	10.51	10.51
FY2008	(12.56)	-

(2) Non-consolidated Financial Condition

	Total assets	Net assets	Net worth/total assets	Net assets per share
	Millions of yen	Millions of yen	%	yen
FY2009	1,281,287	352,550	27.5	351.44
FY2008	1,389,387	347,024	25.0	345.90

Note: Shareholders' equity FY2009 352,334 million yen FY2008 346,835 million yen

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, 2010

During FY2009, while recovery of overseas demand and effect of stimulative measures contributed to the recovery of economic condition partly, Japanese economy remained sluggish and short of full-fledged recovery as difficult circumstance continued such as moderate capital expenditure, bad employment situation and sluggish consumer spendings. In the second half of the year, deflationary trend and appreciation of the yen, as well as anticipation of higher price of fuel and raw materials, made the financial uncertainty greater.

In the pulp and paper industry, sales volume of paper products of Japanese companies in FY2009 decreased significantly compared with the previous year because of lower demand of advertisement and flyers and increasing imports. Sales of paperboards were sluggish due to economic downturn and lower demand arising from broken weather.

While maintaining appropriate production level focusing on the balanced supply and demand, Oji Paper Group("the Group") worked on moving to the redressed cost structure commensurate with the production scale. The Group, also, drove forward the restructuring of production system in order to reduce the fixed cost, and implemented drastic overhaul of repair and maintenance cost and personnel cost.

Factors above has lead to the results shown below.

Results for the Year Ended March 2010 (April 1, 2009 - March 31, 2010) were as follows.

Consolidated net sales:	¥1,147,322 million	(9.5% decrease)
Consolidated operating income:	¥73,681 million	(124.3% increase)
Consolidated ordinary income:	¥64,714 million	(125.1% increase)
Consolidated net income:	¥24,886 million	

(2) Segment Overview

Pulp and Paper Products Segment

•Printing and Communications Media section (General Papers)

Domestic sales of newsprint decreased due to less advertisement, while export sales increased.

Domestic sales of printing papers significantly decreased among mainly coated papers because of less copies of catalogs and magazines and decrease of advertisement and flyers. Export sales increased by presale in China in ahead of starting operation in Nantong mill.

•Functional materials section (Miscellaneous Papers, etc.)

Sales of miscellaneous papers remained flat.

•Household and Packaging materials section (Packaging Papers, Sanitary Papers, Containerboards and Paperboards, etc.)

Domestic sales of packaging papers decreased due to economic downturn, while export sales increased thanks to the recovery of overseas demand.

As for sanitary papers, sales of both tissue and toilet rolls decreased. Price declined due to lower retail price caused by weaker consumption.

Sales of containerboards decreased due to economic downturn and lower demand arising from broken weather.

Sales of paperboards were sluggish due to economic downturn.

Sales in this segment was sluggish, but price decline of fuel and raw materials and the effect of cost reduction affected the results for this segment as follows.

Consolidated net sales:	¥612,722 million	(12.3% decrease)
Consolidated operating income:	¥46,675 million	(203.7% increase)

Converted Paper Products Segment

•Functional materials section (Thermal Papers, Adhesive Papers, etc.)

Sales of thermal papers both in domestic and for export decreased but are recently in the recovery trend.

•Household and Packaging materials section(Corrugated Sheets and Boxes, Paperware, Paper Diapers, etc.)

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

Sales of disposable diapers for infants increased, but those for adults decreased.

In addition to the sales situation above, the cost reduction affected the results for this segment as follows.

Consolidated net sales:	¥431,951 million	(3.7% decrease)
Consolidated operating income:	¥18,808 million	(98.2% increase)

Wood and Tree Planting Segment

Less sales of lumber by less housing starts in Japan resulted for this segment as follows.

Consolidated net sales:	¥32,364 million	(13.6% decrease)
Consolidated operating income:	¥778 million	(26.0% decrease)

Other Business Segment

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:	¥70,283 million	(15.2% decrease)
Consolidated operating income:	¥7,418 million	(7.0% increase)

Consolidated balance sheets

(Unit : Millions of yen)

	FY2008 Mar 31,2009	FY2009 Mar 31,2010
Assets		
Current assets		
Cash and deposits	91,781	42,758
Notes and accounts receivable-trade	271,404	251,349
Short-term investment securities	1	265
Merchandise and finished goods	85,944	75,680
Work in process	16,983	15,881
Raw materials and supplies	51,778	42,259
Deferred tax assets	10,998	12,213
Short-term loans receivable	7,236	7,102
Accounts receivable-other	10,972	16,135
Other	3,575	3,976
Allowance for doubtful accounts	(1,665)	(1,472)
Total current assets	<u>549,010</u>	<u>466,148</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	203,148	196,501
Machinery, equipment and vehicles, net	391,464	339,737
Tools, furniture and fixtures, net	5,883	5,139
Land	230,462	227,249
Forests	16,502	16,568
Standing Timber	36,589	38,734
Lease assets, net	1,036	1,911
Construction in progress	26,860	65,953
Total property, plant and equipment	<u>911,946</u>	<u>891,796</u>
Intangible assets		
Leasehold right	1,960	1,113
Goodwill	9,275	7,473
Other	9,436	9,196
Total intangible assets	<u>20,672</u>	<u>17,784</u>
Investments and other assets		
Investment securities	170,211	181,558
Long-term loans receivable	11,085	12,156
Long-term prepaid expenses	13,104	12,840
Deferred tax assets	16,817	16,480
Other	19,040	22,918
Allowance for doubtful accounts	(4,396)	(7,634)
Total investments and other assets	<u>225,863</u>	<u>238,318</u>
Total noncurrent assets	<u>1,158,482</u>	<u>1,147,898</u>
Total assets	<u>1,707,492</u>	<u>1,614,047</u>

(Unit : Millions of yen)

	FY2008	FY2009
	Mar 31,2009	Mar 31,2010
Liabilities		
Current liabilities		
Notes and accounts payable-trade	178,708	178,195
Short-term loans payable	335,614	179,294
Commercial papers	54,000	11,000
Current portion of bonds	—	40,000
Accounts payable-other	22,740	17,466
Accrued expenses	40,962	45,193
Income taxes payable	7,858	12,110
Other	10,545	13,994
Total current liabilities	<u>650,429</u>	<u>497,255</u>
Noncurrent liabilities		
Bonds payable	100,000	60,000
Long-term loans payable	440,228	508,141
Deferred tax liabilities	18,848	20,237
Deferred tax liabilities for land revaluation	11,222	11,070
Provision for retirement benefits	47,824	46,469
Provision for directors' retirement benefits	1,830	1,683
Provision for environmental measures	1,749	1,919
Provision for special repairs	104	122
Long-term deposits received	3,010	2,778
Other	2,535	3,964
Total noncurrent liabilities	<u>627,355</u>	<u>656,387</u>
Total liabilities	<u>1,277,785</u>	<u>1,153,643</u>
Net assets		
Shareholders' equity		
Capital stock	103,880	103,880
Capital surplus	113,031	113,021
Retained earnings	261,092	277,347
Treasury stock	(42,914)	(42,968)
Total shareholders' equity	435,090	451,281
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	6,597	11,160
Deferred gains or losses on hedges	(557)	471
Revaluation reserve for land	3,787	3,571
Foreign currency translation adjustment	(28,669)	(20,740)
Total valuation and translation adjustments	<u>(18,841)</u>	<u>(5,535)</u>
Subscription rights to shares	188	216
Minority interests	13,270	14,442
Total net assets	<u>429,707</u>	<u>460,404</u>
Total liabilities and net assets	<u>1,707,492</u>	<u>1,614,047</u>

Consolidated statements of income

(Unit : Millions of yen)

	FY2008 Mar 31,2009	FY2009 Mar 31,2010
Consolidated statements of income		
Net sales	1,267,129	1,147,322
Cost of sales	1,013,846	870,786
Gross profit	<u>253,282</u>	<u>276,536</u>
Selling, general and administrative expenses		
Freightage related expenses	119,351	109,835
Warehousing expenses	7,653	7,636
Employees' salaries	41,566	41,099
Retirement benefit expenses	4,434	4,774
Depreciation	5,132	5,300
Other	42,298	34,208
Total selling, general and administrative expenses	<u>220,437</u>	<u>202,855</u>
Operating income	<u>32,845</u>	<u>73,681</u>
Non-operating income		
Interest income	2,314	716
Dividends income	3,702	2,769
Equity in earnings of affiliates	5,807	—
Rent income	1,081	420
Foreign exchange gains	—	2,344
Other	4,875	3,904
Total non-operating income	<u>17,781</u>	<u>10,155</u>
Non-operating expenses		
Interest expenses	11,183	12,238
Foreign exchange losses	5,991	—
Equity in losses of affiliates	—	1,852
Other	4,700	5,032
Total non-operating expenses	<u>21,875</u>	<u>19,122</u>
Ordinary income	<u>28,751</u>	<u>64,714</u>
Extraordinary income		
Gain on prior period adjustment		
Gain on sales of noncurrent assets	1,183	2,958
Gain on sales of investment securities	705	810
Reversal of provision for loss on business liquidation	414	—
Other	170	240
Total extraordinary income	<u>2,473</u>	<u>4,010</u>
Extraordinary loss		
Business structure improvement expenses	13,945	16,280
Loss on retirement of noncurrent assets	5,774	4,876
Special retirement expenses	2,978	3,717
Provision of allowance for doubtful accounts	2,599	2,396
Loss on valuation of investment securities	1,475	1,391
Loss on sales of noncurrent assets	—	1,226
Impairment loss	5,261	1,118
Loss on valuation of inventories	1,147	—
Other	748	592
Total extraordinary losses	<u>33,930</u>	<u>31,599</u>
Income (loss) before income taxes and minority interests	<u>(2,705)</u>	<u>37,124</u>
Income taxes-current	10,738	15,570
Income taxes-deferred	(6,954)	(3,707)
Total income taxes	<u>3,783</u>	<u>11,862</u>
Minority interests in income (loss)	<u>(164)</u>	<u>375</u>
Net income (loss)	<u>(6,324)</u>	<u>24,886</u>

Consolidated statements of cash flows

(Unit : Millions of yen)

	FY2008	FY2009
	Apr '08 - Mar '09	Apr '09 - Mar '10
Consolidated statements of cash flows		
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	(2,705)	37,124
Depreciation and amortization	89,037	85,842
Impairment loss	5,261	1,118
Amortization of goodwill	1,703	1,354
Increase (decrease) in allowance for doubtful accounts	1,314	2,905
Increase (decrease) in provision for retirement benefits	(5,551)	(789)
Interest and dividends income	(6,017)	(3,486)
Interest expenses	11,183	12,238
Foreign exchange losses (gains)	6,291	(1,206)
Equity in (earnings) losses of affiliates	(5,807)	1,852
Loss (gain) on sales of investment securities	(705)	(810)
Loss (gain) on valuation of investment securities	1,475	1,391
Loss on retirement of noncurrent assets	5,774	4,876
Loss (gain) on sales of noncurrent assets	(1,183)	(1,731)
Business structure improvement expenses	13,945	16,280
Decrease (increase) in notes and accounts receivable-trade	21,070	21,733
Decrease (increase) in inventories	1,270	19,475
Increase (decrease) in notes and accounts payable-trade	(40,335)	(3,785)
Other, net	(4,571)	5,181
Subtotal	<u>91,450</u>	<u>199,564</u>
Interest and dividends income received	6,448	3,776
Interest expenses paid	(11,618)	(12,073)
Income taxes paid	(12,411)	(11,919)
Net cash provided by (used in) operating activities	<u>73,870</u>	<u>179,347</u>
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment and intangible assets	(121,526)	(89,895)
Proceeds from sales of property, plant and equipment and intangible assets	3,095	8,423
Purchase of investment securities	(11,239)	(8,108)
Proceeds from sales of investment securities	12,370	2,119
Payments of loans receivable	(5,004)	(5,146)
Collection of loans receivable	6,279	4,991
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	—	1,075
Other, net	7,033	(3,393)
Net cash provided by (used in) investing activities	<u>(108,990)</u>	<u>(89,934)</u>
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	94,383	(121,498)
Net increase (decrease) in commercial papers	(111,000)	(43,000)
Proceeds from long-term loans payable	168,721	87,603
Repayment of long-term loans payable	(73,776)	(52,628)
Purchase of treasury stock	(357)	(103)
Cash dividends paid	(11,886)	(8,909)
Other, net	(7)	(405)
Net cash provided by (used in) financing activities	<u>66,076</u>	<u>(138,942)</u>
Effect of exchange rate change on cash and cash equivalents	<u>(11,214)</u>	<u>558</u>
Net increase (decrease) in cash and cash equivalents	<u>19,741</u>	<u>(48,970)</u>
Cash and cash equivalents at beginning of period	<u>71,348</u>	<u>90,943</u>
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)	(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>90,943</u>	<u>41,936</u>

Consolidated statements of changes in net assets

(Unit : Millions of yen)

	FY2008 Mar 31,2009	FY2009 Mar 31,2010
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	113,051	113,031
Changes of items during the period		
Disposal of treasury stock	(19)	(10)
Total changes of items during the period	(19)	(10)
Balance at the end of current period	<u>113,031</u>	<u>113,021</u>
Retained earnings		
Balance at the end of previous period	281,470	261,092
Effect of changes in accounting policies applied to foreign subsidiaries	(2,061)	—
Changes of items during the period		
Dividends from surplus	(11,886)	(8,909)
Net income (loss)	(6,324)	24,886
Change of scope of consolidation	(650)	62
Change of scope of equity method	450	—
Reversal of revaluation reserve for land	95	215
Total changes of items during the period	(18,316)	16,255
Balance at the end of current period	<u>261,092</u>	<u>277,347</u>
Treasury stock		
Balance at the end of previous period	(42,646)	(42,914)
Changes of items during the period		
Purchase of treasury stock	(357)	(103)
Disposal of treasury stock	108	53
Change in equity in affiliates accounted for by equity method-treasury stock	(19)	(3)
Total changes of items during the period	(268)	(53)
Balance at the end of current period	<u>(42,914)</u>	<u>(42,968)</u>
Total shareholders' equity		
Balance at the end of previous period	455,756	435,090
Effect of changes in accounting policies applied to foreign subsidiaries	(2,061)	—
Changes of items during the period		
Dividends from surplus	(11,886)	(8,909)
Net income (loss)	(6,324)	24,886
Purchase of treasury stock	(357)	(103)
Disposal of treasury stock	88	42
Change in equity in affiliates accounted for by equity method-treasury stock	(19)	(3)
Change of scope of consolidation	(650)	62
Change of scope of equity method	450	—
Reversal of revaluation reserve for land	95	215
Total changes of items during the period	(18,604)	16,190
Balance at the end of current period	<u>435,090</u>	<u>451,281</u>

(Unit : Millions of yen)

	FY2008 Mar 31,2009	FY2009 Mar 31,2010
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	27,259	6,597
Changes of items during the period		
Net changes of items other than shareholders' equity	(20,662)	4,563
Total changes of items during the period	(20,662)	4,563
Balance at the end of current period	6,597	11,160
Deferred gains or losses on hedges		
Balance at the end of previous period	446	(557)
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,004)	1,029
Total changes of items during the period	(1,004)	1,029
Balance at the end of current period	(557)	471
Revaluation reserve for land		
Balance at the end of previous period	3,882	3,787
Changes of items during the period		
Net changes of items other than shareholders' equity	(95)	(215)
Total changes of items during the period	(95)	(215)
Balance at the end of current period	3,787	3,571
Foreign currency translation adjustment		
Balance at the end of previous period	7,628	(28,669)
Changes of items during the period		
Net changes of items other than shareholders' equity	(36,297)	7,929
Total changes of items during the period	(36,297)	7,929
Balance at the end of current period	(28,669)	(20,740)
Total valuation and translation adjustments		
Balance at the end of previous period	39,217	(18,841)
Changes of items during the period		
Net changes of items other than shareholders' equity	(58,059)	13,306
Total changes of items during the period	(58,059)	13,306
Balance at the end of current period	(18,841)	(5,535)
Subscription rights to shares		
Balance at the end of previous period	115	188
Changes of items during the period		
Net changes of items other than shareholders' equity	73	27
Total changes of items during the period	73	27
Balance at the end of current period	188	216
Minority interests		
Balance at the end of previous period	15,401	13,270
Changes of items during the period		
Net changes of items other than shareholders' equity	(2,131)	1,172
Total changes of items during the period	(2,131)	1,172
Balance at the end of current period	13,270	14,442

(Unit : Millions of yen)

	FY2008	FY2009
	Mar 31,2009	Mar 31,2010
Total net assets		
Balance at the end of previous period	510,490	429,707
Effect of changes in accounting policies applied to foreign subsidiaries	(2,061)	—
Changes of items during the period		
Dividends from surplus	(11,886)	(8,909)
Net income (loss)	(6,324)	24,886
Purchase of treasury stock	(357)	(103)
Disposal of treasury stock	88	42
Change in equity in affiliates accounted for by equity method-treasury stock	(19)	(3)
Change of scope of consolidation	(650)	62
Change of scope of equity method	450	—
Reversal of revaluation reserve for land	95	215
Net changes of items other than shareholders' equity	<u>(60,117)</u>	<u>14,506</u>
Total changes of items during the period	<u>(78,721)</u>	<u>30,697</u>
Balance at the end of current period	<u>429,707</u>	<u>460,404</u>