

**Summary of Consolidated Financial and Business Results**  
**for the Year Ended March 2012**

**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 28, 2012※

Securities, stocks and bonds report to presented: June 28, 2012※

Start of dividend payout:

June 6, 2012※

※Expected dates

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

**1. Results for the Year Ended March 31, 2012 (April 1, 2011 - March 31, 2012)****(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	%
FY2011	1,212,912	2.8	53,780	(17.8)	48,375	(19.7)	22,177	(9.9)
FY2010	1,180,131	2.9	65,441	(11.2)	60,245	(6.9)	24,619	(1.1)

Note: Comprehensive income FY2011 19,140 million yen (841.3%) FY2010 2,033 million yen( 94.8%)

	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	%	%	%
FY2011	22.46	22.44	5.0	3.0	4.4
FY2010	24.92	24.90	5.6	3.7	5.5

Note: Equity in earning of affiliates FY2011 3,974 million yen FY2010 5,354 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
FY2011	1,634,992	463,299	27.4	454.20
FY2010	1,620,927	455,998	27.1	444.24

Note: Shareholders' equity FY2011 448,308 million yen FY2010 438,864 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
FY2011	119,516	(81,198)	(28,875)	43,831
FY2010	115,369	(89,679)	(31,358)	31,933

**2. Dividend Conditions**

	Dividend per stock					Total dividend (Yearly)	Dividend payout ratio (Consolidated)	Dividend on net assets (Consolidated)
	(Basic date)	End of 1Q	End of 2Q	End of 3Q	End of FY			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY2010	-	5.00	-	5.00	10.00	10,023	40.1	2.2
FY2011	-	5.00	-	5.00	10.00	10,022	44.5	2.2
FY2012 (Forecast)	-	5.00	-	5.00	10.00		35.2	

**3. Consolidated Forecasts for the Year Ending March 2013 (April 1, 2012-March 31, 2013)**

(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	620,000	1.4	30,000	(9.4)	25,000	6.3	11,000	(8.4)	11.14
Yearly	1,270,000	4.7	68,000	26.4	60,000	24.0	28,000	26.3	28.37

#### 4. In Addition

(1) Changes in scope of consolidation

Newly included: 1 company Oji Papéis Especiais Ltda. Excluded: None

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

- ① Changes due to accounting standard changes: None
- ② Changes besides ①: None
- ③ Accounting estimate change: None
- ④ Restatement: None

(3) Outstanding balance of issued stocks

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

FY2011 1,064,381,817 FY2010 1,064,381,817

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

FY2011 77,353,510 FY2010 76,484,868

③ Average number of issued stocks outstanding

FY2011 987,504,809 FY2010 988,103,568

#### (Reference)

#### 1. Results for the Year Ended March 31, 2011 (April 1, 2011 - March 31, 2012)

(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	%
FY2011	458,400	(4.5)	8,794	(34.3)	22,612	(22.7)	15,362	34.1
FY2010	480,100	(3.6)	13,394	(9.3)	29,262	20.7	11,452	8.7

	Net income per share	Diluted net income per share
	Yen	Yen
FY2011	15.33	15.31
FY2010	11.42	11.42

(2) Non-consolidated Financial Condition

	Total assets	Net assets	Net worth/total assets	Net assets per share
	Millions of yen	Millions of yen	%	yen
FY2011	1,259,005	354,472	28.1	353.34
FY2010	1,257,984	348,552	27.7	347.46

Note: Shareholders' equity FY2011 354,126 million yen FY2010 348,268 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, 2012

During FY2011, Japanese economy partly showed a demand for reconstruction from Tohoku Region Pacific Coast Earthquake ("the Earthquake"), but it remained sluggish affected by economic turmoil overseas arising from the reveal of sovereign debt crisis in Europe, negative impact of high yen, and high oil prices in the latter half of FY2011.

In pulp and paper industry, demand for paperboards and packaging papers from beverage and grocery industries remained steady, while demand for general papers was sluggish due to the limited demand recovery from the Earthquake.

Under these circumstances, Oji Paper Group ("we") are working on quick change of business structure as our core corporate strategy, in order to respond quickly to rapid changes of business circumstances, and to achieve sustainable growth.

In FY2011, we acquired Harta Packaging Group, a major paperboard manufacturer in Malaysia, through TOB on August 2011, in order to take in Asian demand. On September 2011, we acquired thermal and carbonless paper production base, which was named "Oji Papēis Especiais Ltda.", from Fibria Celulose S.A. in Brazil.

In order to optimize production systems of domestic existing business, we halted 2 paper machines in Fuji area on April 2011, transferred Fuji mill from Oji Paper to Oji Paperboard on October 2011. Moreover, on March 2012, we have decided to halt 2 paper machines at Kushiro Mill (Oji paper Co.) and Kasugai Mill (Oji paper Co.) in September 2012, change production variety by remodeling production facilities at Ebetsu Mill (Oji Specialty Paper Co.) in March 2013, and halt 2 machines at Ebetsu Mill and Iwabuchi Mill (Oji Specialty Paper Co.) in the latter half of FY2013.

The rise in fuel prices have been one of the main factors pressuring our profits from the previous year, and it is difficult to set off even with the benefits of strong yen or the efforts to reduce costs. This is why we revised the price of some products among general paper, paperboards and packaging papers.

Factors above has lead to the results shown below.

Results for the Year Ended March 2012 (April 1, 2011 - March 31, 2012) were as follows.

Consolidated net sales:	¥1,212,912 million	(2.8% increase)
Consolidated operating income:	¥53,780 million	(17.8% decrease)
Consolidated ordinary income:	¥48,375 million	(19.7% decrease)
Consolidated net income:	¥22,177 million	(9.9% decrease)

Sales overview is as follows.

#### ○Pulp and Paper business

##### •Paperboards

Containerboards sales exceeded the previous year thanks to steady demand for beverages, manufactured food and greengrocery industries.

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

##### •Packaging Papers

Domestic sales of packaging papers sluggish due to Earthquake and reduced production of synthetic resin. Meanwhile, export sales increased due to steady demand in asian market.

##### •General Papers

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

In the printing paper category, domestic sales were sluggish at mainly coated paper affected by the Earthquake. Furthermore, export papers also decreased.

##### •Miscellaneous Papers

Sales of miscellaneous papers were steady mainly in industrial use in the first half of the year, but started to decrease by the beginning of autumn due to stagnation of export industries with the worsening economic conditions overseas, and fell slightly short of the previous year.

#### ○Converted Paper business

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

Sales of corrugated sheets and boxes decreased affected by the Earthquake, but were at the same level as the previous year thanks to healthy demand for beverages and grocery products.

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

Sanitary papers sales in both tissue and toilet rolls decreased.

Disposable diapers sales in both for infants and for adults decreased.

## Consolidated balance sheets

(Unit : Millions of yen)

	FY2010 Mar 31,2011	FY2011 Mar 31,2012
Consolidated balance sheets		
Assets		
Current assets		
Cash and deposits	32,393	43,881
Notes and accounts receivable-trade	255,237	261,384
Short-term investment securities	636	554
Merchandise and finished goods	76,645	81,394
Work in process	15,862	15,479
Raw materials and supplies	51,724	57,462
Deferred tax assets	13,021	14,417
Short-term loans receivable	8,215	8,925
Accounts receivable-other	19,788	14,937
Other	6,099	7,075
Allowance for doubtful accounts	(3,042)	(4,304)
Total current assets	<u>476,584</u>	<u>501,207</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	192,035	200,398
Machinery, equipment and vehicles, net	305,743	341,352
Tools, furniture and fixtures, net	5,263	4,952
Land	231,037	233,530
Forests	16,552	16,573
Standing Timber	38,348	39,090
Lease assets, net	5,356	5,259
Construction in progress	96,922	41,407
Total property, plant and equipment	<u>891,258</u>	<u>882,565</u>
Intangible assets		
Leasehold right	1,111	1,110
Goodwill	9,369	15,427
Other	9,122	9,874
Total intangible assets	<u>19,604</u>	<u>26,411</u>
Investments and other assets		
Investment securities	172,421	175,648
Long-term loans receivable	8,701	4,510
Long-term prepaid expenses	12,999	13,138
Deferred tax assets	23,471	16,161
Other	23,297	17,893
Allowance for doubtful accounts	(7,412)	(2,545)
Total investments and other assets	<u>233,479</u>	<u>224,807</u>
Total noncurrent assets	<u>1,144,342</u>	<u>1,133,785</u>
Total assets	<u>1,620,927</u>	<u>1,634,992</u>

## Consolidated balance sheets

(Unit : Millions of yen)

	FY2010 Mar 31,2011	FY2011 Mar 31,2012
Liabilities		
Current liabilities		
Notes and accounts payable-trade	197,419	216,781
Short-term loans payable	219,331	336,532
Current portion of bonds	20,120	160
Accounts payable-other	12,838	15,430
Accrued expenses	44,437	46,432
Income taxes payable	10,489	9,232
Other	10,172	9,625
Total current liabilities	<u>514,808</u>	<u>634,195</u>
Noncurrent liabilities		
Bonds payable	80,300	120,320
Long-term loans payable	479,388	327,707
Deferred tax liabilities	20,617	18,900
Deferred tax liabilities for land revaluation	11,059	9,713
Provision for retirement benefits	47,792	50,398
Provision for directors' retirement benefits	1,820	1,724
Provision for environmental measures	1,833	1,705
Provision for special repairs	126	130
Long-term deposits received	2,877	2,761
Other	4,304	4,133
Total noncurrent liabilities	<u>650,119</u>	<u>537,497</u>
Total liabilities	<u>1,164,928</u>	<u>1,171,692</u>
Net assets		
Shareholders' equity		
Capital stock	103,880	103,880
Capital surplus	113,018	113,012
Retained earnings	292,090	304,432
Treasury stock	(43,040)	(43,363)
Total shareholders' equity	<u>465,948</u>	<u>477,961</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,839	6,675
Deferred gains or losses on hedges	355	186
Revaluation reserve for land	3,557	5,063
Foreign currency translation adjustment	(36,837)	(41,579)
Total accumulated other comprehensive income	<u>(27,084)</u>	<u>(29,653)</u>
Subscription rights to shares	284	346
Minority interests	16,850	14,644
Total net assets	<u>455,998</u>	<u>463,299</u>
Total liabilities and net assets	<u>1,620,927</u>	<u>1,634,992</u>

## Consolidated statements of income

(Unit : Millions of yen)

	FY2010 Mar 31,2011	FY2011 Mar 31,2012
Consolidated statements of (comprehensive) income		
Net sales	1,180,131	1,212,912
Cost of sales	905,967	945,999
Gross profit	<u>274,163</u>	<u>266,912</u>
Selling, general and administrative expenses		
Freightage related expenses	112,663	113,980
Warehousing expenses	6,787	6,151
Employees' salaries	42,585	43,901
Retirement benefit expenses	6,112	6,494
Depreciation	4,918	5,038
Other	35,655	37,566
Total selling, general and administrative expenses	<u>208,722</u>	<u>213,132</u>
Operating income	<u>65,441</u>	<u>53,780</u>
Non-operating income		
Interest income	496	392
Dividends income	3,452	2,910
Equity in earnings of affiliates	5,354	3,974
Rent income	437	285
Foreign exchange gains	—	1,233
Other	2,957	3,414
Total non-operating income	<u>12,698</u>	<u>12,211</u>
Non-operating expenses		
Interest expenses	10,713	10,318
Foreign exchange losses	1,438	—
Other	5,743	7,297
Total non-operating expenses	<u>17,894</u>	<u>17,615</u>
Ordinary income	<u>60,245</u>	<u>48,375</u>
Extraordinary income		
Gain on sales of investment securities	69	1,009
Gain on negative goodwill	497	806
Gain on sales of noncurrent assets	139	768
Compensation for transfer	210	—
Other	77	70
Total extraordinary income	<u>994</u>	<u>2,655</u>
Extraordinary loss		
Business structure improvement expenses	8,726	2,971
Loss on retirement of noncurrent assets	3,372	2,368
Special retirement expenses	1,489	2,024
Loss on valuation of investment securities	1,773	1,787
Loss on disaster	4,945	1,494
Other	1,853	498
Total extraordinary losses	<u>22,162</u>	<u>11,145</u>
Income before income taxes and minority interests	<u>39,077</u>	<u>39,885</u>
Income taxes-current	16,728	14,194
Income taxes-deferred	(2,539)	3,453
Total income taxes	<u>14,188</u>	<u>17,648</u>
Income before minority interests	<u>24,888</u>	<u>22,237</u>
Minority interests in income	<u>268</u>	<u>59</u>
Net income	<u>24,619</u>	<u>22,177</u>

## Consolidated statements of comprehensive income

	(Unit : Millions of yen)	
	<b>FY2010</b>	<b>FY2011</b>
	<b>Apr '10 - Mar '11</b>	<b>Apr '11 - Mar '12</b>
Consolidated statements of comprehensive income		
Income before minority interests	24,888	22,237
Other comprehensive income		
Valuation difference on available-for-sale securities	(5,228)	887
Deferred gains or losses on hedges	(125)	(158)
Revaluation reserve for land	—	1,331
Foreign currency translation adjustment	(14,407)	(3,478)
Share of other comprehensive income of associates accounted for using equity method	(3,092)	(1,678)
Total other comprehensive income	(22,855)	(3,096)
Comprehensive income	2,033	19,140
Comprehensive income attributable to		
Comprehensive income attributable to owners of the	<u>3,085</u>	<u>19,434</u>
Comprehensive income attributable to minority interests	(1,051)	(293)

## Consolidated statements of cash flows

(Unit : Millions of yen)

	FY2010 Apr '10 - Mar '11	FY2011 Apr '11 - Mar '12
Consolidated statements of cash flows		
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	39,077	39,885
Depreciation and amortization	79,633	76,024
Amortization of goodwill	1,176	1,268
Increase (decrease) in allowance for doubtful accounts	405	60
Increase (decrease) in provision for retirement benefits	2,482	2,766
Interest and dividends income	(3,949)	(3,303)
Interest expenses	10,713	10,318
Foreign exchange losses (gains)	2,016	163
Equity in (earnings) losses of affiliates	(5,354)	(3,974)
Loss (gain) on valuation of investment securities	1,773	1,787
Loss on retirement of noncurrent assets	3,372	2,368
Business structure improvement expenses	8,726	2,971
Decrease (increase) in notes and accounts receivable-trade	8,975	(1,813)
Decrease (increase) in inventories	(3,900)	(5,183)
Increase (decrease) in notes and accounts payable-trade	3,051	17,482
Other, net	(7,657)	595
Subtotal	<u>140,542</u>	<u>141,418</u>
Interest and dividends income received	4,150	4,368
Interest expenses paid	(10,889)	(10,368)
Income taxes paid	<u>(18,434)</u>	<u>(15,902)</u>
Net cash provided by (used in) operating activities	<u>115,369</u>	<u>119,516</u>
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment and intangible	(75,800)	(50,899)
Proceeds from sales of property, plant and equipment and	1,879	1,985
intangible assets		
Purchase of investment securities	(1,949)	(2,364)
Proceeds from sales of investment securities	1,269	2,821
Payments of loans receivable	(8,021)	(3,027)
Collection of loans receivable	6,016	1,792
Purchase of investments in subsidiaries resulting in change in	(14,290)	(30,588)
scope of consolidation		
Proceeds from purchase of investments in subsidiaries	1,873	—
resulting in change in scope of consolidation		
Other, net	(655)	(918)
Net cash provided by (used in) investing activities	<u>(89,679)</u>	<u>(81,198)</u>
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	7,582	(13,047)
Net increase (decrease) in commercial papers	(11,000)	—
Proceeds from long-term loans payable	1,750	11,180
Repayment of long-term loans payable	(18,554)	(35,775)
Proceeds from issuance of bonds	39,791	39,990
Redemption of bonds	(40,100)	(20,140)
Purchase of treasury stock	(102)	(49)
Cash dividends paid	(9,891)	(9,883)
Other, net	(834)	(1,149)
Net cash provided by (used in) financing activities	<u>(31,358)</u>	<u>(28,875)</u>
Effect of exchange rate change on cash and cash equivalents	<u>(4,333)</u>	<u>2,152</u>
Net increase (decrease) in cash and cash equivalents	<u>(10,002)</u>	<u>11,593</u>
Cash and cash equivalents at beginning of period	41,936	31,933
Increase in cash and cash equivalents resulting from merger	—	124
Increase in cash and cash equivalents from newly consolidated	—	179
subsidiary		
Decrease in cash and cash equivalents resulting from exclusion	—	0
of subsidiaries from consolidation		
Cash and cash equivalents at end of period	<u>31,933</u>	<u>43,831</u>



## Consolidated statements of changes in net assets

(Unit : Millions of yen)

	FY2010 Mar 31,2011	FY2011 Mar 31,2012
Consolidated statements of changes in net assets		
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	103,880	103,880
Changes of items during the period		
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 beginning of current period	113,021	113,018
Changes of items during the period		
Disposal of treasury stock	(2)	(6)
Total changes of items during the period	<u>(2)</u>	<u>(6)</u>
Balance at the end of current period	<u>113,018</u>	<u>113,012</u>
Retained earnings		
Balance at the beginning of current period	277,347	292,090
Changes of items during the period		
Dividends from surplus	(9,891)	(9,883)
Net income	24,619	22,177
Change of scope of consolidation	—	223
Reversal of revaluation reserve for land	13	(175)
Total changes of items during the period	<u>14,742</u>	<u>12,342</u>
Balance at the end of current period	<u>292,090</u>	<u>304,432</u>
Treasury stock		
Balance at the beginning of current period	(42,968)	(43,040)
Changes of items during the period		
Purchase of treasury stock	(102)	(49)
Disposal of treasury stock	9	18
Purchase of treasury stock by equity method affiliates	—	(60)
Change in equity-treasury stock	20	(231)
Total changes of items during the period	<u>(72)</u>	<u>(322)</u>
Balance at the end of current period	<u>(43,040)</u>	<u>(43,363)</u>
Total shareholders' equity		
Balance at the beginning of current period	451,281	465,948
Changes of items during the period		
Dividends from surplus	(9,891)	(9,883)
Net income	24,619	22,177
Purchase of treasury stock	(102)	(49)
Disposal of treasury stock	7	12
Purchase of treasury stock by equity method affiliates	—	(60)
Change in equity-treasury stock	20	(231)
Change of scope of consolidation	—	223
Reversal of revaluation reserve for land	13	(175)
Total changes of items during the period	<u>14,667</u>	<u>12,013</u>
Balance at the end of current period	<u>465,948</u>	<u>477,961</u>

## Consolidated statements of changes in net assets

(Unit : Millions of yen)

	FY2010 Mar 31,2011	FY2011 Mar 31,2012
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	11,160	5,839
Changes of items during the period		
Net changes of items other than shareholders' equity	(5,320)	836
Total changes of items during the period	(5,320)	836
Balance at the end of current period	5,839	6,675
Deferred gains or losses on hedges		
Balance at the beginning of current period	471	355
Changes of items during the period		
Net changes of items other than shareholders' equity	(116)	(168)
Total changes of items during the period	(116)	(168)
Balance at the end of current period	355	186
Revaluation reserve for land		
Balance at the beginning of current period	3,571	3,557
Changes of items during the period		
Net changes of items other than shareholders' equity	(13)	1,506
Total changes of items during the period	(13)	1,506
Balance at the end of current period	3,557	5,063
Foreign currency translation adjustment		
Balance at the beginning of current period	(20,740)	(36,837)
Changes of items during the period		
Net changes of items other than shareholders' equity	(16,097)	(4,741)
Total changes of items during the period	(16,097)	(4,741)
Balance at the end of current period	(36,837)	(41,579)
Total accumulated other comprehensive income		
Balance at the beginning of current period	(5,535)	(27,084)
Changes of items during the period		
Net changes of items other than shareholders' equity	(21,548)	(2,568)
Total changes of items during the period	(21,548)	(2,568)
Balance at the end of current period	(27,084)	(29,653)
Subscription rights to shares		
Balance at the beginning of current period	216	284
Changes of items during the period		
Net changes of items other than shareholders' equity	67	62
Total changes of items during the period	67	62
Balance at the end of current period	284	346
Minority interests		
Balance at the beginning of current period	14,442	16,850
Changes of items during the period		
Net changes of items other than shareholders' equity	2,407	(2,205)
Total changes of items during the period	2,407	(2,205)
Balance at the end of current period	16,850	14,644

## Consolidated statements of changes in net assets

(Unit : Millions of yen)

	<b>FY2010</b>	<b>FY2011</b>
	<b>Mar 31,2011</b>	<b>Mar 31,2012</b>
Total net assets		
Balance at the beginning of current period	460,404	455,998
Changes of items during the period		
Dividends from surplus	(9,891)	(9,883)
Net income	24,619	22,177
Purchase of treasury stock	(102)	(49)
Disposal of treasury stock	7	12
Purchase of treasury stock by equity method affiliates	—	(60)
Change in equity-treasury stock	20	(231)
Change of scope of consolidation	—	223
Reversal of revaluation reserve for land	13	(175)
Net changes of items other than shareholders' equity	<u>(19,073)</u>	<u>(4,712)</u>
Total changes of items during the period	<u>(4,405)</u>	<u>7,300</u>
Balance at the end of current period	<u>455,998</u>	<u>463,299</u>