

Summary of Consolidated Financial and Business Results
for the First Quarter of the Year Ending March 2012

Oji Paper Co., LTD.

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

URL: <http://www.ojipaper.co.jp/>

Representative:

Kazuhisa Shinoda, President & Chief Executive Officer

Contact:

Yoshiaki Takeda, Corporate Officer, Corporate Administration Division

Telephone:

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 Quarter of the Year Ending March 31, 2012 (April 1, 2011 - June 30, 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	%
First Quarter of FY2011	306,816	8.1	16,646	3.9	16,023	4.2	8,137	(2.7)
First Quarter of FY2010	283,697	1.1	16,027	24.8	15,373	39.0	8,361	44.1

Note: Comprehensive income 1Q of FY2011 14,667 million yen 1Q of FY2010 1,284 million yen

	Net income per share	Diluted net income per share
	Yen	Yen
First Quarter of FY2011	8.24	8.23
First Quarter of FY2010	8.46	8.46

(2) Consolidated Financial Condition

	Total assets	Net assets	Net worth/total assets
	Millions of yen	Millions of yen	%
First Quarter of FY2011	1,637,758	465,740	27.3
Year ended March 2011	1,620,927	455,998	27.1

Note: Shareholders' equity 1Q of FY2011 447,716 million yen FY2010 438,864 million yen

2. Dividend Conditions

(Basic Date)	Dividend per stock				
	End of 1Q	End of 2Q	End of 3Q	End of FY	Yearly
FY2010	—	5.00	—	5.00	10.00
FY2011	—				
FY2011 (Forecast)		5.00	—	5.00	10.00

Note : Change in forecast of dividend ... None

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 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
1Q - 2Q	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

Note : Change in consolidated forecasts ... No

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 : No

(3) Changes in accounting methods compared with recent consolidated accounting periods

① Changes due to accounting standard changes: None

② Changes besides ①: None

③ Accounting estimate change: None

④ Restatement: None

(4) Outstanding balance of issued stocks (common stock)

① Outstanding balance of issued stocks at the end of each period (Including treasury stocks)

1Q of FY2011	1,064,381,817	FY2010	1,064,381,817
--------------	---------------	--------	---------------

② Outstanding balance of treasury stocks at the end of each period

1Q of FY2011	76,501,692	FY2010	76,484,868
--------------	------------	--------	------------

③ Weighted average number of stocks during the three months ended June 30 of each year

1Q of FY2011	987,889,813	1Q of FY2010	988,251,532
--------------	-------------	--------------	-------------

- 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

Overview of the first quarter of FY2011

During the first quarter of FY2011, Japanese economy remained sluggish due to serious damage caused by Tohoku Region Pacific Coast Earthquake ("the Earthquake") and Tsunami in March 2011, and subsequent nuclear accident or electricity shortage. At this point, problems such as electricity shortage and radioactive contamination are not resolved yet and it is estimated that a lot of time are needed to resolve these.

In pulp and paper industry, demand for general papers was sluggish affected by voluntary restraint of big events and advertising, while demand for paperboards and packaging papers exceeded the previous year thanks to front-loaded demand by responding to electricity saving this summer.

Oji Paper Group ("we") are still tackling to take in Asian growing demand and moving ahead with a plan to expand Malaysian paperboards and corrugated boards business, and in June 2011, through our wholly-owned subsidiary Oji Paper Asia Sdn Bhd, we started TOB procedure for the stock of HPI Resources Bhd which is the holding company of Malaysian major corrugated board company Harta Packaging Group.

In existing business, we reorganized production system to fit the paper demand as well as promoted efficient production, 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 quarter (April 1, 2011 - June 30, 2011) were as follows.

Consolidated net sales:	¥306,816 million (8.1% increase)
Consolidated operating income:	¥16,646 million (3.9% increase)
Consolidated ordinary income:	¥16,023 million (4.2% increase)
Consolidated net income:	¥8,137 million (2.7% decrease)

Sales overview is as follows.

○Pulp and Paper business

•Paperboards

Containerboards sales temporarily decreased affected by the earthquake, but thanks to restocking, front-loaded production by responding to electricity saving this summer, and healthy sales movement of beverage and packaged food, the total sales increased.

Domestic sales of high-grade paperboards, white boards, and specialty paperboards exceeded the previous year due to support goods and front-loaded demand by responding to electricity saving this summer.

•Packaging Papers

Domestic sales of packaging papers decreased due to slow movement of goods and the earthquake. On the other hand, 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 caused by the earthquake, and export sales also decreased.

In the printing paper category, domestic sales was sluggish at mainly coated paper due to the earthquake and export sales also decreased.

•Miscellaneous Papers

While there are some differences by items, 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 decreased mainly in eastern Japan, but the total sales increased thanks to front-loaded demand by responding to electricity saving and our customer's production shift to western Japan.

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

As to sanitary papers, toilet rolls sales decreased affected by major disruption including bulk buying right after the earthquake and its rebound, while tissue sales increased thanks to the effect of product renewal.

Disposable diapers sales for infants remained the same level as previous year, while sales for adults decreased.

Consolidated quarterly balance sheets

(Unit : Millions of yen)

	FY2010 Mar 31,2011	1Q / FY2011 Jun 30,2011
Assets		
Current assets		
Cash and deposits	32,393	36,346
Notes and accounts receivable-trade	255,237	258,870
Short-term investment securities	636	679
Merchandise and finished goods	76,645	80,186
Work in process	15,862	15,710
Raw materials and supplies	51,724	55,242
Other	47,125	49,917
Allowance for doubtful accounts	(3,042)	(2,933)
Total current assets	<u>476,584</u>	<u>494,021</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	192,035	191,204
Machinery, equipment and vehicles, net	305,743	295,840
Land	231,037	231,105
Other, net	162,443	172,447
Total property, plant and equipment	<u>891,258</u>	<u>890,597</u>
Intangible assets		
Leasehold right		
Goodwill	9,369	9,089
Other	10,234	10,104
Total intangible assets	<u>19,604</u>	<u>19,193</u>
Investments and other assets		
Investment securities	172,421	172,478
Other	68,470	68,799
Allowance for doubtful accounts	(7,412)	(7,333)
Total investments and other assets	<u>233,479</u>	<u>233,945</u>
Total noncurrent assets	<u>1,144,342</u>	<u>1,143,736</u>
Total assets	<u>1,620,927</u>	<u>1,637,758</u>

(Unit : Millions of yen)

	FY2010 Mar 31,2011	1Q / FY2011 Jun 30,2011
Liabilities		
Current liabilities		
Notes and accounts payable-trade	197,419	196,729
Short-term loans payable	219,331	225,705
Commercial papers	—	10,000
Current portion of bonds	20,120	20,160
Income taxes payable	10,489	3,593
Provision	2,349	2,073
Other	65,098	65,748
Total current liabilities	<u>514,808</u>	<u>524,010</u>
Noncurrent liabilities		
Bonds payable	80,300	80,430
Long-term loans payable	479,388	476,543
Provision		
Provision for retirement benefits	47,792	48,231
Provision for directors' retirement benefits	1,820	1,712
Provision for environmental measures	1,833	1,829
Provision for special repairs	126	131
Total provisions	<u>51,572</u>	<u>51,904</u>
Other	<u>38,858</u>	<u>39,130</u>
Total noncurrent liabilities	<u>650,119</u>	<u>648,007</u>
Total liabilities	<u>1,164,928</u>	<u>1,172,017</u>
Net assets		
Shareholders' equity		
Capital stock	103,880	103,880
Capital surplus	113,018	113,017
Retained earnings	292,090	295,314
Treasury stock	(43,040)	(43,046)
Total shareholders' equity	<u>465,948</u>	<u>469,166</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,839	5,076
Deferred gains or losses on hedges	355	440
Revaluation reserve for land	3,557	3,548
Foreign currency translation adjustment	(36,837)	(30,515)
Total accumulated other comprehensive income	<u>(27,084)</u>	<u>(21,449)</u>
Subscription rights to shares	<u>284</u>	<u>302</u>
Minority interests	<u>16,850</u>	<u>17,721</u>
Total net assets	<u>455,998</u>	<u>465,740</u>
Total liabilities and net assets	<u>1,620,927</u>	<u>1,637,758</u>

Consolidated quarterly statements of income

(Unit : Millions of yen)

	1Q / FY2010 Apr '10 - Jun '10	1Q / FY2011 Apr '11 - Jun '11
Net sales	283,697	306,816
Cost of sales	215,671	236,681
Gross profit	<u>68,026</u>	<u>70,134</u>
Selling, general and administrative expenses		
Freightage related expenses	28,261	28,946
Other	23,736	24,541
Total selling, general and administrative expenses	<u>51,998</u>	<u>53,488</u>
Operating income	<u>16,027</u>	<u>16,646</u>
Non-operating income		
Interest income	168	67
Dividends income	1,458	1,419
Equity in earnings of affiliates	1,918	1,227
Other	703	730
Total non-operating income	<u>4,247</u>	<u>3,445</u>
Non-operating expenses		
Interest expenses	2,849	2,649
Foreign exchange losses	1,249	225
Other	802	1,192
Total non-operating expenses	<u>4,901</u>	<u>4,068</u>
Ordinary income	<u>15,373</u>	<u>16,023</u>
Extraordinary income		
Gain on sales of noncurrent assets	—	28
Other	440	3
Total extraordinary income	<u>440</u>	<u>31</u>
Extraordinary loss		
Loss on valuation of investment securities	1,287	1,506
Special retirement expenses	271	426
Loss on retirement of noncurrent assets	674	413
Other	152	795
Total extraordinary losses	<u>2,385</u>	<u>3,142</u>
Income before income taxes and minority interests	<u>13,428</u>	<u>12,912</u>
Income taxes-current	3,412	2,775
Income taxes-deferred	1,696	1,691
Total income taxes	<u>5,109</u>	<u>4,467</u>
Income before minority interests	<u>8,319</u>	<u>8,444</u>
Minority interests in income (loss)	<u>(41)</u>	<u>307</u>
Net income	<u>8,361</u>	<u>8,137</u>

Consolidated quarterly statements of comprehensive income

	(Unit : Millions of yen)	
	1Q / FY2010	1Q / FY2011
	Apr '10 - Jun '10	Apr '11 - Jun '11
Income before minority interests	8,319	8,444
Other comprehensive income		
Valuation difference on available-for-sale securities	(5,060)	(783)
Deferred gains or losses on hedges	(679)	84
Foreign currency translation adjustment	(1,819)	5,820
Share of other comprehensive income of associates accounted for using equity method	524	1,101
Total other comprehensive income	<u>(7,035)</u>	<u>6,222</u>
Comprehensive income	<u>1,284</u>	<u>14,667</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of the	1,320	13,781
Comprehensive income attributable to minority interests	(36)	885