

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

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

1. Results for the First Half of the Year Ending March 31, 2012 (April 1, 2011 - September 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 Half of FY2011 | 611,411 | 6.9 | 33,101 | 7.5 | 23,525 | (14.5) | 12,005 | (9.9) |
| First Half of FY2010 | 571,735 | 0.1 | 30,804 | (2.3) | 27,525 | 10.8 | 13,325 | 48.8 |

Note: Comprehensive income First Half of FY2011 12,732 million yen First Half of FY2010 (3,480) million yen

| | Net income per share | Diluted net income per share |
|----------------------|----------------------|------------------------------|
| | Yen | Yen |
| First Half of FY2011 | 12.15 | 12.14 |
| First Half of FY2010 | 13.48 | 13.48 |

(2) Consolidated Financial Condition

| | Total assets | Net assets | Net worth/total assets |
|-----------------------|-----------------|-----------------|------------------------|
| | Millions of yen | Millions of yen | % |
| First Half of FY2011 | 1,649,473 | 462,886 | 27.0 |
| Year ended March 2011 | 1,620,927 | 455,998 | 27.1 |

Note: Shareholders' equity First Half of FY2011 445,362 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 | — | 5.00 | | | |
| FY2011 (Forecast) | | | — | 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 |
| Yearly | 1,250,000 | 5.9 | 68,000 | 3.9 | 57,000 | (5.4) | 28,000 | 13.7 | 28.36 |

Note : Change in consolidated forecasts ... Yes

4. In Addition

(1) Changes in important subsidiaries

(changes regarding specified subsidiaries accompanying changes in the scope of consolidation

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

(2) Application of simple accounting methods and quarterly peculiar accounting methods : None

(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)

| | | | |
|----------------------|---------------|--------|---------------|
| First Half of FY2011 | 1,064,381,817 | FY2010 | 1,064,381,817 |
|----------------------|---------------|--------|---------------|

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

| | | | |
|----------------------|------------|--------|------------|
| First Half of FY2011 | 77,153,689 | FY2010 | 76,484,868 |
|----------------------|------------|--------|------------|

③ Weighted average number of stocks during the six months ended September 30 of each year

| | | | |
|----------------------|-------------|----------------------|-------------|
| First Half of FY2011 | 987,787,324 | First Half of FY2010 | 988,231,862 |
|----------------------|-------------|----------------------|-------------|

- 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 half of FY2011

During the first half of FY2011, Japanese economy remained sluggish due to serious damage caused by Tohoku Region Pacific Coast Earthquake ("the Earthquake") in March 2011, but production activities recovered with restoration of supply chain and recovery tendency of demand was partly shown. Meanwhile, sharp hike in the yen associated with overseas economic decline lead to lower the competitiveness of export industries.

In pulp and paper industry, demand for general papers was sluggish due to the Earthquake, while demand for paperboards and packaging papers was steady around industrial paper. In terms of cost, wood chips, heavy oils and chemicals costs are on the rising trend. This has become a negative factor for profit since last year, and although Oji Paper Group ("we") had merit from strong yen by using imported materials and continued reducing cost, we couldn't absorbed the impact, and therefore we started the negotiation for higher the price of our products.

Under these condition, 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 August 2011, we acquired Malaysian major corrugated board company Harta Packaging Group by TOB. Moreover, in September 2011, we acquired thermal paper and carbonless paper production base, which was named "Oji Papéis Especiais", from Fibria Celulose S.A. in Brazil. In existing business, we reorganized appropriate production system, drove forward the cost reduction drastically around the fixed cost, and, as additional measures, we halted 2 paper machines in Fuji area in April 2011.

In response to rapid change of business environment, we are forwarding structure change for sustainable growth, and we started preparation for the shift to pure holding company to speed up decision making and clarify accountability .

Factors above has lead to the results shown below.

Results for the first half (April 1, 2011 - September 30, 2011) were as follows.

| | |
|--------------------------------|----------------------------------|
| Consolidated net sales: | ¥611,411 million (6.9% increase) |
| Consolidated operating income: | ¥33,101 million (7.5% increase) |
| Consolidated ordinary income: | ¥23,525 million (14.5% decrease) |
| Consolidated net income: | ¥12,005 million (9.9% decrease) |

Sales overview is as follows.

○Pulp and Paper business

•Paperboards

Containerboards sales increased thanks to healthy demand and restocking in beverage and packaged food after the Earthquake.

Domestic sales of high-grade paperboards, white boards, and specialty paperboards exceeded the previous year due to support goods demand after the Earthquake.

•Packaging Papers

Domestic sales of packaging papers decreased due to the demand decrease affected by the Earthquake, but export sales increased due to steady demand in Asian market, total sales exceeded the previous year.

•General Papers

Domestic sales of newsprint was less than that of the previous year 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 demand decrease caused by 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)

Though there was downturn in demand around eastern Japan, total sales of corrugated sheets and boxes was the same level as the previous year thanks to our customer's production shift to western Japan.

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

As to sanitary papers, tissue sales increased and toilet rolls sales decreased.

Disposable diapers sales for infants decreased and sales for adults also decreased in all kinds of products.

Consolidated balance sheets

(Unit : Millions of yen)

| | 1st half / FY2011 Sep 30,2011 | FY2010 Mar 31,2011 |
|--|----------------------------------|-----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 32,393 | 30,039 |
| Notes and accounts receivable-trade | 255,237 | 262,522 |
| Short-term investment securities | 636 | 693 |
| Merchandise and finished goods | 76,645 | 78,641 |
| Work in process | 15,862 | 16,881 |
| Raw materials and supplies | 51,724 | 57,054 |
| Other | 47,125 | 48,233 |
| Allowance for doubtful accounts | (3,042) | (2,957) |
| Total current assets | <u>476,584</u> | <u>491,109</u> |
| Noncurrent assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 192,035 | 190,869 |
| Buildings and structures Accumulated depreciation | | |
| Machinery, equipment and vehicles, net | 305,743 | 288,146 |
| Land | 231,037 | 231,279 |
| Other, net | 162,443 | 171,886 |
| Total property, plant and equipment | <u>891,258</u> | <u>882,181</u> |
| Intangible assets | | |
| Leasehold right | | |
| Goodwill | 9,369 | 10,741 |
| Other | 10,234 | 9,830 |
| Total intangible assets | <u>19,604</u> | <u>20,572</u> |
| Investments and other assets | | |
| Investment securities | 172,421 | 195,335 |
| Other | 68,470 | 63,810 |
| Allowance for doubtful accounts | (7,412) | (3,536) |
| Total investments and other assets | <u>233,479</u> | <u>255,609</u> |
| Total noncurrent assets | <u>1,144,342</u> | <u>1,158,363</u> |
| Total assets | <u>1,620,927</u> | <u>1,649,473</u> |

(Unit : Millions of yen)

| | 1st half / FY2011 Sep 30,2011 | FY2010 Mar 31,2011 |
|--|--|-------------------------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable-trade | 197,419 | 195,412 |
| Short-term loans payable | 219,331 | 229,784 |
| Current portion of bonds | 20,120 | 160 |
| Income taxes payable | 10,489 | 8,670 |
| Provision | 2,349 | 1,602 |
| Other | 65,098 | 66,208 |
| Total current liabilities | <u>514,808</u> | <u>501,837</u> |
| Noncurrent liabilities | | |
| Bonds payable | 80,300 | 120,400 |
| Long-term loans payable | 479,388 | 474,012 |
| Provision | | |
| Provision for retirement benefits | 47,792 | 48,478 |
| Provision for directors' retirement benefits | 1,820 | 1,565 |
| Provision for environmental measures | 1,833 | 1,810 |
| Provision for special repairs | 126 | 123 |
| Total provisions | <u>51,572</u> | <u>51,977</u> |
| Other | <u>38,858</u> | <u>38,359</u> |
| Total noncurrent liabilities | <u>650,119</u> | <u>684,748</u> |
| Total liabilities | <u>1,164,928</u> | <u>1,186,586</u> |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 103,880 | 103,880 |
| Capital surplus | 113,018 | 113,017 |
| Retained earnings | 292,090 | 299,152 |
| Treasury stock | (43,040) | (43,287) |
| Total shareholders' equity | <u>465,948</u> | <u>472,763</u> |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale | 5,839 | 3,537 |
| Deferred gains or losses on hedges | 355 | (203) |
| Revaluation reserve for land | 3,557 | 3,548 |
| Foreign currency translation adjustment | (36,837) | (34,283) |
| Total accumulated other comprehensive | <u>(27,084)</u> | <u>(27,400)</u> |
| Subscription rights to shares | <u>284</u> | <u>319</u> |
| Minority interests | <u>16,850</u> | <u>17,205</u> |
| Total net assets | <u>455,998</u> | <u>462,886</u> |
| Total liabilities and net assets | <u>1,620,927</u> | <u>1,649,473</u> |

Consolidated statements of income

(Unit : Millions of yen)

| | 1st half / FY2010 Apr '10 - Sep '10 | 1st half / FY2011 Apr '11 - Sep '11 |
|--|--|--|
| Net sales | 571,735 | 611,411 |
| Cost of sales | 436,798 | 472,328 |
| Gross profit | <u>134,937</u> | <u>139,082</u> |
| Selling, general and administrative expenses | | |
| Freightage related expenses | 56,158 | 56,638 |
| Other | 47,974 | 49,343 |
| Total selling, general and administrative expenses | <u>104,133</u> | <u>105,981</u> |
| Operating income | <u>30,804</u> | <u>33,101</u> |
| Non-operating income | | |
| Interest income | 282 | 167 |
| Dividends income | 1,787 | 1,774 |
| Equity in earnings of affiliates | 2,860 | 748 |
| Other | 1,991 | 1,357 |
| Total non-operating income | <u>6,921</u> | <u>4,047</u> |
| Non-operating expenses | | |
| Interest expenses | 5,392 | 5,235 |
| Foreign exchange losses | 2,671 | 4,475 |
| Other | 2,134 | 3,912 |
| Total non-operating expenses | <u>10,199</u> | <u>13,623</u> |
| Ordinary income | <u>27,525</u> | <u>23,525</u> |
| Extraordinary income | | |
| Total extraordinary income | <u>185</u> | <u>1,005</u> |
| Extraordinary loss | | |
| Loss on valuation of investment securities | 1,425 | 2,353 |
| Special retirement expenses | 720 | 1,058 |
| Loss on retirement of noncurrent assets | 1,445 | 882 |
| Other | 2,955 | 1,379 |
| Total extraordinary losses | <u>6,546</u> | <u>5,673</u> |
| Income before income taxes and minority interests | <u>21,165</u> | <u>18,856</u> |
| Income taxes-current | 8,320 | 7,749 |
| Income taxes-deferred | (525) | (1,431) |
| Total income taxes | <u>7,794</u> | <u>6,317</u> |
| Income before minority interests | <u>13,370</u> | <u>12,538</u> |
| Minority interests in income | 44 | 533 |
| Net income | <u>13,325</u> | <u>12,005</u> |

Consolidated quarterly statements of comprehensive income

| | (Unit : Millions of yen) | |
|--|--------------------------|--------------------------|
| | 1st half / FY2010 | 1st half / FY2011 |
| | Apr '10 - Sep '10 | Apr '11 - Sep '11 |
| Income before minority interests | 13,370 | 12,538 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (6,893) | (2,194) |
| Deferred gains or losses on hedges | (464) | (542) |
| Foreign currency translation adjustment | (7,972) | 2,540 |
| Share of other comprehensive income of associates accounted for using equity method | (1,520) | 390 |
| Total other comprehensive income | (16,850) | 193 |
| Comprehensive income | <u>(3,480)</u> | <u>12,732</u> |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of the parent | (2,830) | 11,697 |
| Comprehensive income attributable to minority interests | (650) | 1,034 |

Consolidated statements of cash flows

(Unit : Millions of yen)

| | 1st half / FY2010 Apr '10 - Sep '10 | 1st half / FY2011 Apr '11 - Sep '11 |
|---|--|--|
| Net cash provided by (used in) operating activities | | |
| Income before income taxes and minority interests | 21,165 | 18,856 |
| Depreciation and amortization | 39,127 | 36,780 |
| Amortization of goodwill | 763 | 346 |
| Increase (decrease) in allowance for doubtful accounts | (521) | 250 |
| Increase (decrease) in provision for retirement benefits | 506 | 1,089 |
| Interest and dividends income | (2,069) | (1,941) |
| Interest expenses | 5,392 | 5,235 |
| Foreign exchange losses (gains) | 1,957 | 3,070 |
| Equity in (earnings) losses of affiliates | (2,860) | (748) |
| Loss (gain) on valuation of investment securities | 1,425 | 2,353 |
| Loss on retirement of noncurrent assets | 1,445 | 882 |
| Decrease (increase) in notes and accounts receivable-trade | (3,305) | (5,603) |
| Decrease (increase) in inventories | (6,429) | (6,753) |
| Increase (decrease) in notes and accounts payable-trade | 6,073 | (1,936) |
| Other, net | (8,818) | (905) |
| Subtotal | 53,853 | 50,976 |
| Interest and dividends income received | 2,212 | 2,895 |
| Interest expenses paid | (5,406) | (5,213) |
| Income taxes paid | (10,585) | (9,515) |
| Net cash provided by (used in) operating activities | 40,074 | 39,142 |
| Net cash provided by (used in) investing activities | | |
| Purchase of property, plant and equipment and intangible assets | (41,255) | (26,031) |
| Proceeds from sales of property, plant and equipment and intangible assets | 218 | 968 |
| Purchase of investment securities | (245) | (487) |
| Proceeds from sales of investment securities | 95 | 210 |
| Payments of loans receivable | (6,909) | (1,000) |
| Collection of loans receivable | 2,441 | 754 |
| Purchase of investments in subsidiaries resulting in change in scope of consolidation | (12,851) | (29,837) |
| Other, net | 363 | (589) |
| Net cash provided by (used in) investing activities | (58,143) | (56,014) |
| Net cash provided by (used in) financing activities | | |
| Net increase (decrease) in short-term loans payable | 12,005 | 3,324 |
| Net increase (decrease) in commercial papers | (11,000) | — |
| Proceeds from long-term loans payable | — | 1,578 |
| Repayment of long-term loans payable | (3,625) | (4,421) |
| Proceeds from issuance of bonds | 39,791 | 39,990 |
| Redemption of bonds | (20,000) | (20,060) |
| Purchase of treasury stock | (39) | (18) |
| Cash dividends paid | (4,949) | (4,941) |
| Other, net | (385) | (631) |
| Net cash provided by (used in) financing activities | 11,797 | 14,821 |
| Effect of exchange rate change on cash and cash equivalents | (2,273) | 119 |
| Net increase (decrease) in cash and cash equivalents | (8,546) | (1,930) |
| Cash and cash equivalents at beginning of period | 41,936 | 31,933 |
| Increase in cash and cash equivalents resulting from merger | — | 1 |
| Cash and cash equivalents at end of period | 33,389 | 30,004 |