

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

First Half of FY2011	77,153,689	FY2010	76,484,868
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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
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- 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	<u>53,853</u>	<u>50,976</u>
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	<u>40,074</u>	<u>39,142</u>
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	<u>(58,143)</u>	<u>(56,014)</u>
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	<u>11,797</u>	<u>14,821</u>
Effect of exchange rate change on cash and cash equivalents	<u>(2,273)</u>	<u>119</u>
Net increase (decrease) in cash and cash equivalents	<u>(8,546)</u>	<u>(1,930)</u>
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	<u>33,389</u>	<u>30,004</u>