

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

Oji Paper Co., Ltd.

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

1. Results for the First Nine Months of the Year Ending March 31, 2012 (April 1, 2011 - December 31, 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 Nine Months of FY2011	920,648	3.9	48,557	(4.7)	37,849	(16.7)	19,090	(19.0)
First Nine Months of FY2010	885,814	1.4	50,967	(4.7)	45,430	2.7	23,566	40.8

	Net income per share	Diluted net income per share
	Yen	Yen
First Nine Months of FY2011	19.33	19.31
First Nine Months of FY2010	23.85	23.83

(2) Consolidated Financial Condition

	Total assets	Net assets	Net worth/total assets
	Millions of yen	Millions of yen	%
First Nine Months of FY2011	1,671,113	453,060	26.2
Year ended March 2011	1,620,927	455,998	27.1

Note: Shareholders' equity first nine months of FY2011 437,649 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 period	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	1,240,000	5.1	63,000	(3.7)	51,000	(15.3)	24,000	(2.5)	24.31

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 nine months 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 nine months of FY2011	77,182,775	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 nine months of FY2011	987,613,786	First nine months of FY2010	988,162,254
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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

(1) Overview of the first nine months of FY2011

During the first nine months of FY2011, Japanese economy remained unclear situation due to the response to electricity shortage, prolonged strong yen, supply chain confusion caused by flood in Thailand and Cambodia and sovereign debt crisis in Europe, though reconstruction demand from Tohoku Region Pacific Coast Earthquake ("the Earthquake") was partly shown.

In pulp and paper industry, as to general papers business, demand recovery from the Earthquake was limited and market conditions remained sluggish, while demand for paperboards and packaging papers was steady around industrial papers. In terms of cost, wood chips, heavy oils and chemicals costs are on the rising trend. This has become a negative factor for our 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 absorb the impact, and therefore we revised prices of general papers, paperboards and packaging papers in this period.

Under these conditions, 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 halted 2 paper machines in Fuji area in April 2011, and transferred Fuji mill from Oji Paper Co., Ltd. to Oji Paperboard Co., Ltd. in October 2011, through these measures, we reorganized appropriate production system and promoted cost reduction.

Factors above have led to the results shown below.

Results for the first nine months (April 1, 2011 - December 31, 2011) were as follows.

Consolidated net sales:	¥920,648 million (3.9% increase)
Consolidated operating income:	¥48,557 million (4.7% decrease)
Consolidated ordinary income:	¥37,849 million (16.7% decrease)
Consolidated net income:	¥19,090 million (19.0% decrease)

Sales overview is as follows.

○Pulp and Paper business

•Paperboards

Containerboards sales exceeded the previous year thanks to steady demand for beverages and manufactured food and rush demand before price revisions on November 2011.

Domestic sales of all kinds of white boards also exceeded the previous year.

•Packaging Papers

Domestic sales were decreased due to the Earthquake, but export sales were steady.

•General Papers

Domestic sales of newsprint were less than that of the previous year due to less pages and downturn of newsprint circulation caused by the Earthquake. Export sales also decreased.

In the printing paper category, domestic sales were sluggish at mainly coated paper because of demand decrease caused by the Earthquake. Export sales also decreased.

•Miscellaneous Papers

Sales of miscellaneous papers were steady around industrial use in the first half of 2011, but they turned downward in fall due to slump in export industry arising from overseas economic recession, and as a result, the total sales decreased.

○Converted Paper business

•Corrugated Containers (Corrugated Sheets and Boxes)

Sales of corrugated sheets and boxes were at the same level as the previous year thanks to healthy demand of beverages and manufactured food.

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

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

Disposable diapers sales decreased in both baby diapers and adult diapers.

Consolidated balance sheets

(Unit : Millions of yen)

	FY2010 Mar 31,2011	First nine months / FY2011 Dec 31,2011
Assets		
Current assets		
Cash and deposits	32,393	49,387
Notes and accounts receivable-trade	255,237	287,084
Short-term investment securities	636	573
Merchandise and finished goods	76,645	81,379
Work in process	15,862	16,097
Raw materials and supplies	51,724	57,132
Other	47,125	45,701
Allowance for doubtful accounts	(3,042)	(3,117)
Total current assets	<u>476,584</u>	<u>534,238</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	192,035	199,495
Machinery, equipment and vehicles, net	305,743	334,666
Land	231,037	231,089
Other, net	162,443	102,091
Total property, plant and equipment	<u>891,258</u>	<u>867,342</u>
Intangible assets		
Goodwill	9,369	9,965
Other	10,234	9,242
Total intangible assets	<u>19,604</u>	<u>19,208</u>
Investments and other assets		
Investment securities	172,421	192,351
Other	68,470	61,344
Allowance for doubtful accounts	(7,412)	(3,372)
Total investments and other assets	<u>233,479</u>	<u>250,324</u>
Total noncurrent assets	<u>1,144,342</u>	<u>1,136,875</u>
Total assets	<u>1,620,927</u>	<u>1,671,113</u>

(Unit : Millions of yen)

	FY2010 Mar 31,2011	First nine months / FY2011 Dec 31,2011
Liabilities		
Current liabilities		
Notes and accounts payable-trade	197,419	217,531
Short-term loans payable	219,331	393,051
Current portion of bonds	20,120	160
Income taxes payable	10,489	5,569
Provision	2,349	1,480
Other	65,098	65,439
Total current liabilities	<u>514,808</u>	<u>683,232</u>
Noncurrent liabilities		
Bonds payable	80,300	120,350
Long-term loans payable	479,388	327,139
Provision		
Provision for retirement benefits	47,792	48,593
Provision for directors' retirement benefits	1,820	1,630
Provision for environmental measures	1,833	1,663
Provision for special repairs	126	126
Total provisions	<u>51,572</u>	<u>52,013</u>
Other	<u>38,858</u>	<u>35,317</u>
Total noncurrent liabilities	<u>650,119</u>	<u>534,820</u>
Total liabilities	<u>1,164,928</u>	<u>1,218,053</u>
Net assets		
Shareholders' equity		
Capital stock	103,880	103,880
Capital surplus	113,018	113,016
Retained earnings	292,090	301,302
Treasury stock	(43,040)	(43,297)
Total shareholders' equity	<u>465,948</u>	<u>474,901</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,839	1,798
Deferred gains or losses on hedges	355	(71)
Revaluation reserve for land	3,557	4,874
Foreign currency translation adjustment	(36,837)	(43,853)
Total accumulated other comprehensive income	<u>(27,084)</u>	<u>(37,252)</u>
Subscription rights to shares	<u>284</u>	<u>336</u>
Minority interests	<u>16,850</u>	<u>15,075</u>
Total net assets	<u>455,998</u>	<u>453,060</u>
Total liabilities and net assets	<u>1,620,927</u>	<u>1,671,113</u>

Consolidated statements of income

(Unit : Millions of yen)

	First nine months / FY2010 Apr '10 - Dec '10	First nine months / FY2011 Apr '11 - Dec '11
Net sales	885,814	920,648
Cost of sales	677,391	711,916
Gross profit	<u>208,423</u>	<u>208,732</u>
Selling, general and administrative expenses		
Freightage related expenses	85,737	86,110
Other	71,717	74,064
Total selling, general and administrative expenses	<u>157,455</u>	<u>160,174</u>
Operating income	<u>50,967</u>	<u>48,557</u>
Non-operating income		
Interest income	415	249
Dividends income	2,566	2,602
Equity in earnings of affiliates	4,401	2,324
Other	2,498	1,908
Total non-operating income	<u>9,882</u>	<u>7,084</u>
Non-operating expenses		
Interest expenses	8,141	8,179
Foreign exchange losses	2,833	4,506
Other	4,445	5,106
Total non-operating expenses	<u>15,420</u>	<u>17,792</u>
Ordinary income	<u>45,430</u>	<u>37,849</u>
Extraordinary income		
Total extraordinary income	822	1,275
Extraordinary loss		
Loss on valuation of investment securities	1,415	2,029
Special retirement expenses	1,091	1,695
Loss on retirement of noncurrent assets	2,448	1,237
Other	3,274	1,472
Total extraordinary losses	<u>8,230</u>	<u>6,434</u>
Income before income taxes and minority interests	<u>38,022</u>	<u>32,691</u>
Income taxes-current	12,496	11,122
Income taxes-deferred	1,618	2,217
Total income taxes	<u>14,115</u>	<u>13,339</u>
Income before minority interests	<u>23,906</u>	<u>19,351</u>
Minority interests in income	340	261
Net income	<u>23,566</u>	<u>19,090</u>

Consolidated quarterly statements of comprehensive income

(Unit : Millions of yen)

	First nine months / FY2010 Apr '10 - Dec '10	First nine months / FY2011 Apr '11 - Dec '11
Income before minority interests	23,906	19,351
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,787)	(4,024)
Deferred gains or losses on hedges	(441)	(406)
Revaluation reserve for land	—	1,331
Foreign currency translation adjustment	(11,358)	(5,311)
Share of other comprehensive income of associates accounted for using equity method	(2,528)	(2,181)
Total other comprehensive income	<u>(18,115)</u>	<u>(10,592)</u>
Comprehensive income	<u>5,791</u>	<u>8,758</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	6,580	8,937
Comprehensive income attributable to minority interests	(789)	(178)