



OJI PAPER

Summary of Financial and Business Results for the First Half of the Year Ending March 2011



Plantation of PANPAC in New Zealand

Oji Paper Co., Ltd.
November 9, 2010

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Industry Demand in First Half of FY2010

	Domestic shipments		Customs Cleared Imports *1		Total	
	Year on Year(%)		Year on Year(%)		Year on Year(%)	
Containerboard	4,339	104.1%	64	96.1%	4,403	104.0%
Boxboard	814	101.8%	114	103.8%	928	102.1%
Other paperboard	322	107.6%	22	180.1%	344	110.4%
Total (paperboard)	5,475	104.0%	199	106.0%	5,675	104.0%
Sanitary paper	881	100.1%	31	99.2% *2	913	100.0%
Packaging paper	423	111.1%	7	115.3%	430	111.2%
Newsprint	1,636	97.9%	62	90.1%	1,698	97.6%
Printing /communication paper	4,254	98.7%	616	92.5%	4,869	97.9%
Miscellaneous paper	391	111.5%	11	82.6%	402	110.4%
Total (paper)	7,585	99.9%	726	92.6%	8,311	99.2%
Total (paper and paperboard)	13,060	101.6%	925	95.2%	13,986	101.1%
						(m ³ mil.)
Corrugated containers *3	6,589	102.6%				

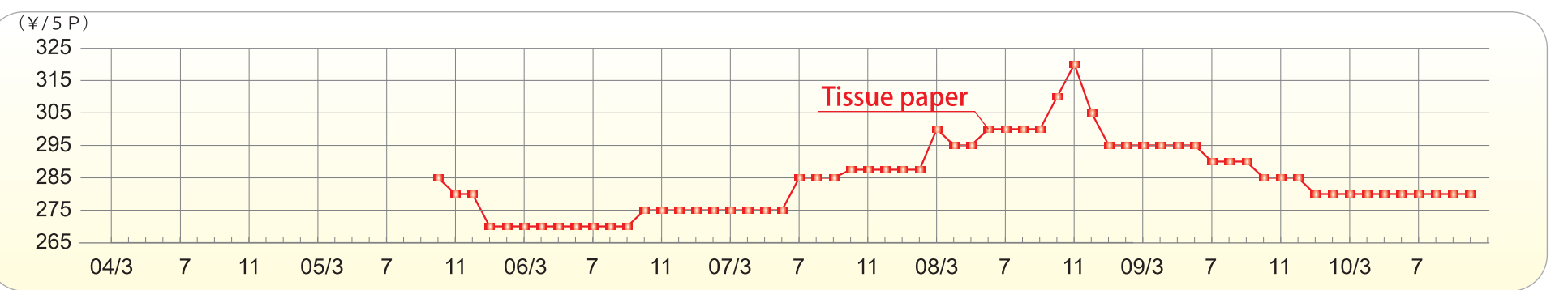
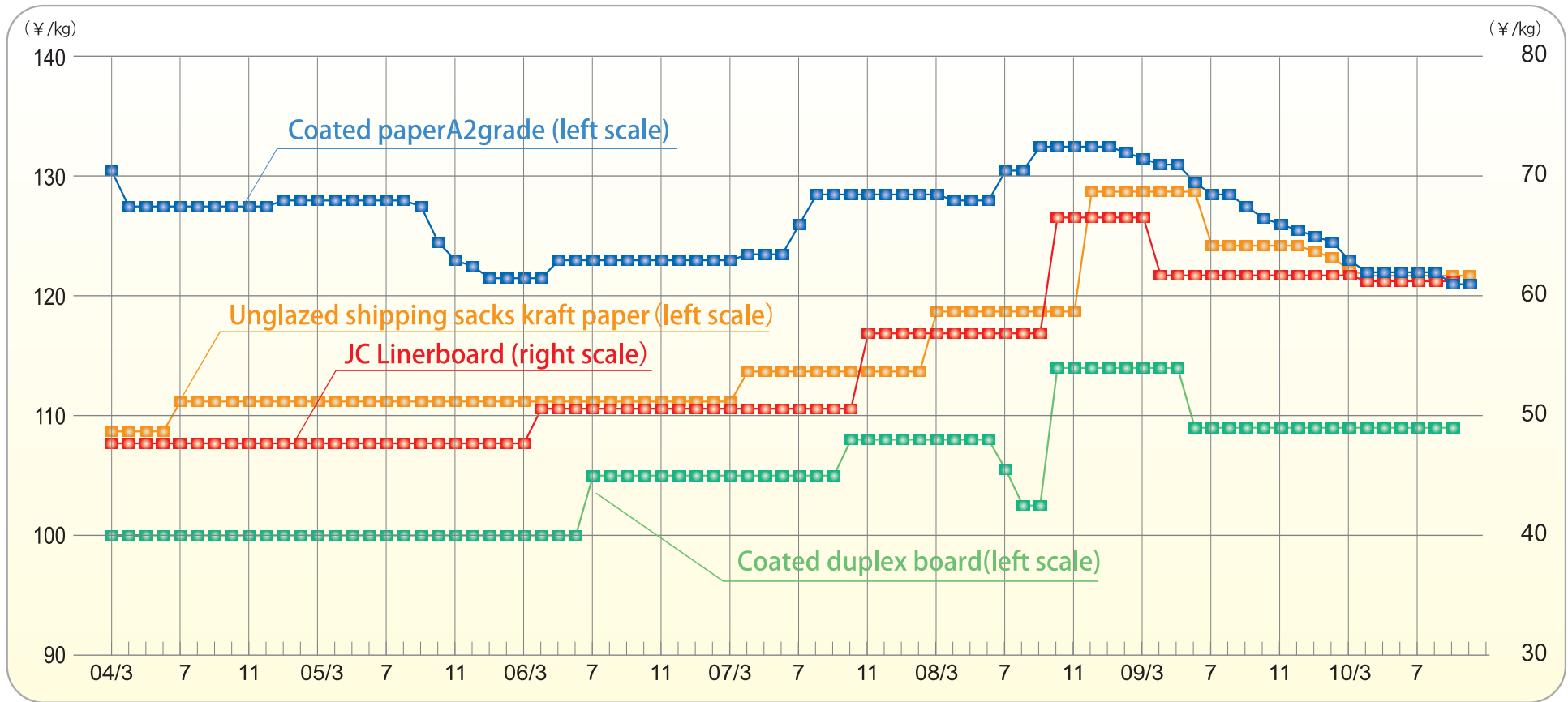
Source : Japan Paper Association-Statistics on Paper and Paperboard, Trade Statistics of Ministry of Finance Japan.

*1 : Statistics for customs cleared imports of paper refer to April 2010~September 2010.

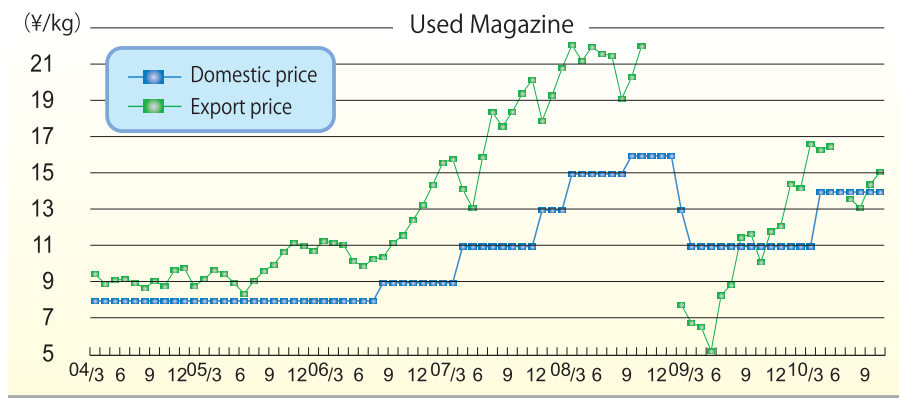
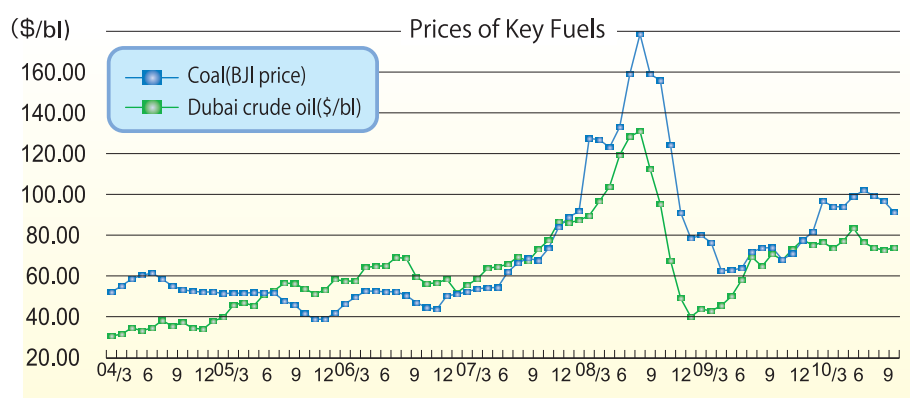
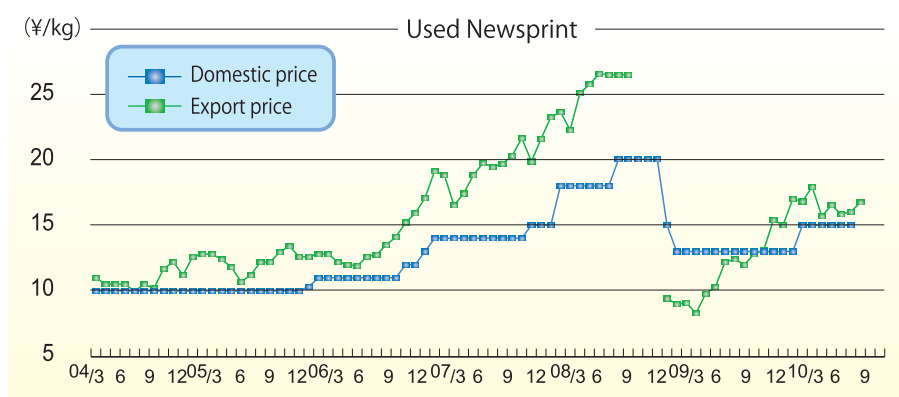
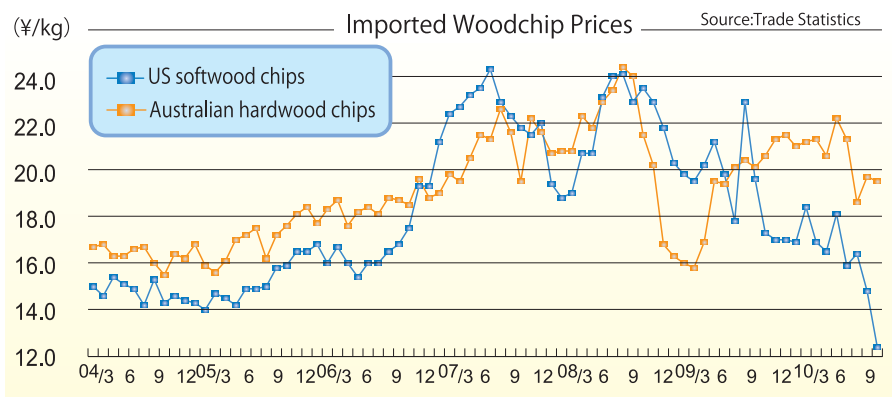
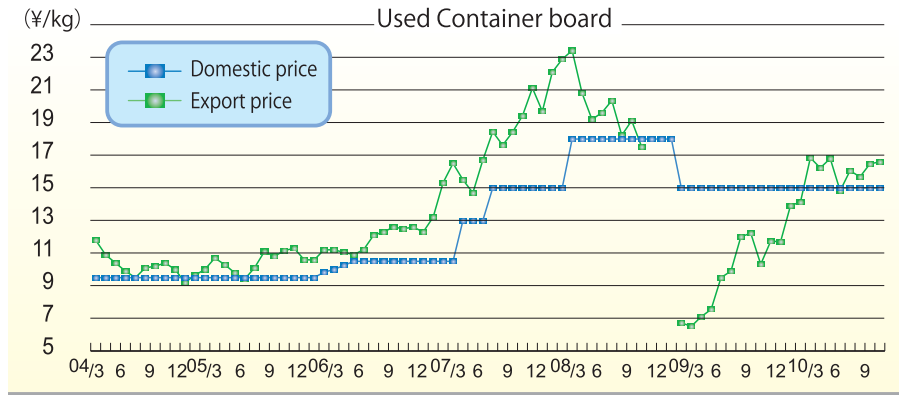
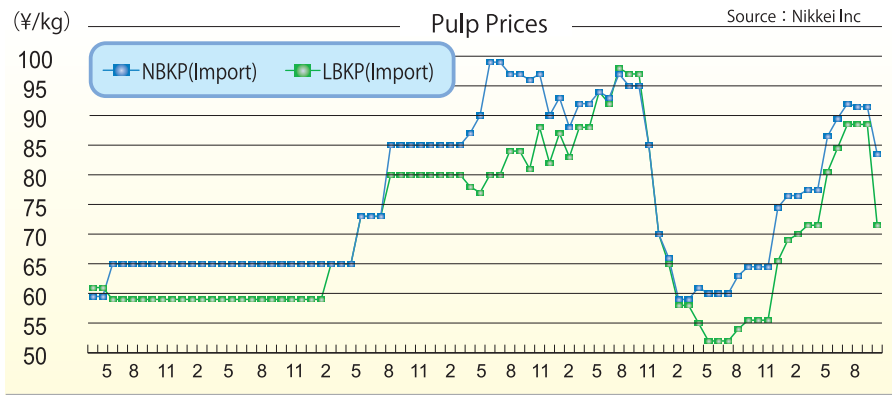
*2 : The figure shown in customs cleared imports of sanitary paper includes secondary products (processed goods).

*3 : The figure shown in Corrugated containers is volume of sheet production.

Trends in Sales Prices



Trends in Main Raw Materials and Fuel Prices



Financial Highlight of First Half of FY2010 (Consolidated)

(¥/bil.)

	First Half of FY2009	First Half of FY2010	Increase (Dcrease)
Net Sales	570.9	571.7	0.8
Operating Income	31.5	30.8	(0.7)
Ordinary Income	24.8	27.5	2.7
Net Income	9.0	13.3	4.3
Depreciation	42.4	39.1	(3.3)

Exchange rate (¥/US\$)	95.5	89.0	(6.5)	<div style="border: 1px solid black; padding: 2px;"> 【Increase】 8 companies 【Decrease】 3 companies </div>
Scope of consolidation (Number of consolidated companies) (Number of affiliated companies which the equity method applies)	94 companies 13 companies	99 companies 14 companies	+5 companies +1 company	

【Increase】 1 company

Consolidated companies +5 companies

[Newly added] 8 companies

8 companies of GSPP Group

[(Acquisition of stock in April 2010) Head office : Selangor, Malaysia, Business type : Manufacturing and sales of container board and corrugated container]

[Excluded] 3 companies

Ilford Imaging Switzerland GmbH

Other 2 companies

Company which the equity method applies +1 company

Okayama Paper Industries Co.,Ltd.

[Head office : Okayama-shi Okayama, Business type : Manufacturing and sales of container board and corrugated container]

Sales by Major Types of Products (Consolidated)

	First Half of FY2009			First Half of FY2010			Increase (decrease)			
	Sales volume Thousands of tons	Unit price ¥ / k g	Sales ¥ bil.	Sales volume Thousands of tons	Unit price ¥ / k g	Sales ¥ bil.	Sales volume Thousands of tons	Year on year %	Unit price ¥ / k g	Sales ¥ bil.
Total (paperboard)	1,517	68.24	103.5	1,520	66.62	101.3	3	100.2%	(1.62)	(2.2)
Sanitary paper	113	220.97	24.9	106	203.83	21.7	(7)	94.1%	(17.14)	(3.2)
Packaging paper	119	106.92	12.8	143	103.00	14.7	24	120.1%	(3.92)	1.9
General paper	1,562	112.38	175.5	1,520	110.28	167.7	(42)	97.3%	(2.10)	(7.8)
Specialty paper etc.	106	234.90	25.0	120	234.63	28.2	14	113.4%	(0.27)	3.2
Total (paper)	1,900	125.32	238.2	1,890	122.90	232.3	(10)	99.5%	(2.42)	(5.9)
Total (paper and paperboard)	3,418	99.98	341.7	3,410	97.81	333.5	(8)	99.8%	(2.17)	(8.2)

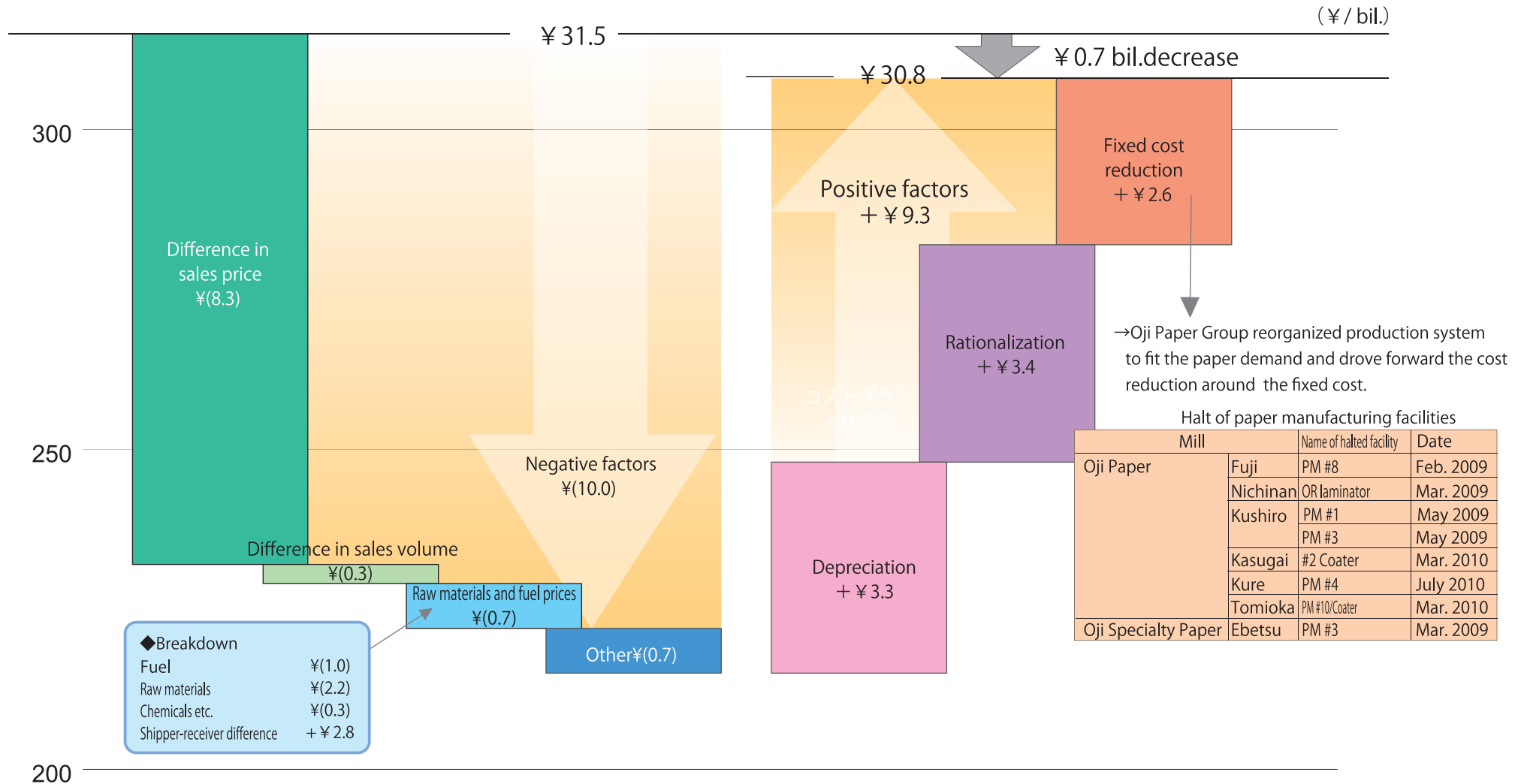
Note : Figures above are aggregations of production subsidiaries under consolidation which include inter-segment consumption

Corrugated containers		106.7		107.3		0.6
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Note : Sales to outside customers

Breakdown of Increase / Decrease of Consolidated Operating Income (First Half of FY2009 to First Half of FY2010)

First Half of FY2009 ¥ 31.5 → First Half of FY2010 ¥ 30.8 ¥ (0.7)



Financial Forecasts for the Year Ending March 2011 (Consolidated)

	FY2009	FY2010E	(¥/bil.) Increase(Decrease)
Net Sales	1147.3	1200.0	52.7
Operating Income	73.7	70.0	(3.7)
Ordinary Income	64.7	60.0	(4.7)
Net Income	24.9	28.0	3.1
Depreciation	85.8	79.8	(6.0)
Exchange rate (¥/US\$)	92.9	87.0	5.9

(2nd half of FY2010
¥85.0/US\$)

Preconditions for forecast of FY2010

•Raw materials and fuel prices

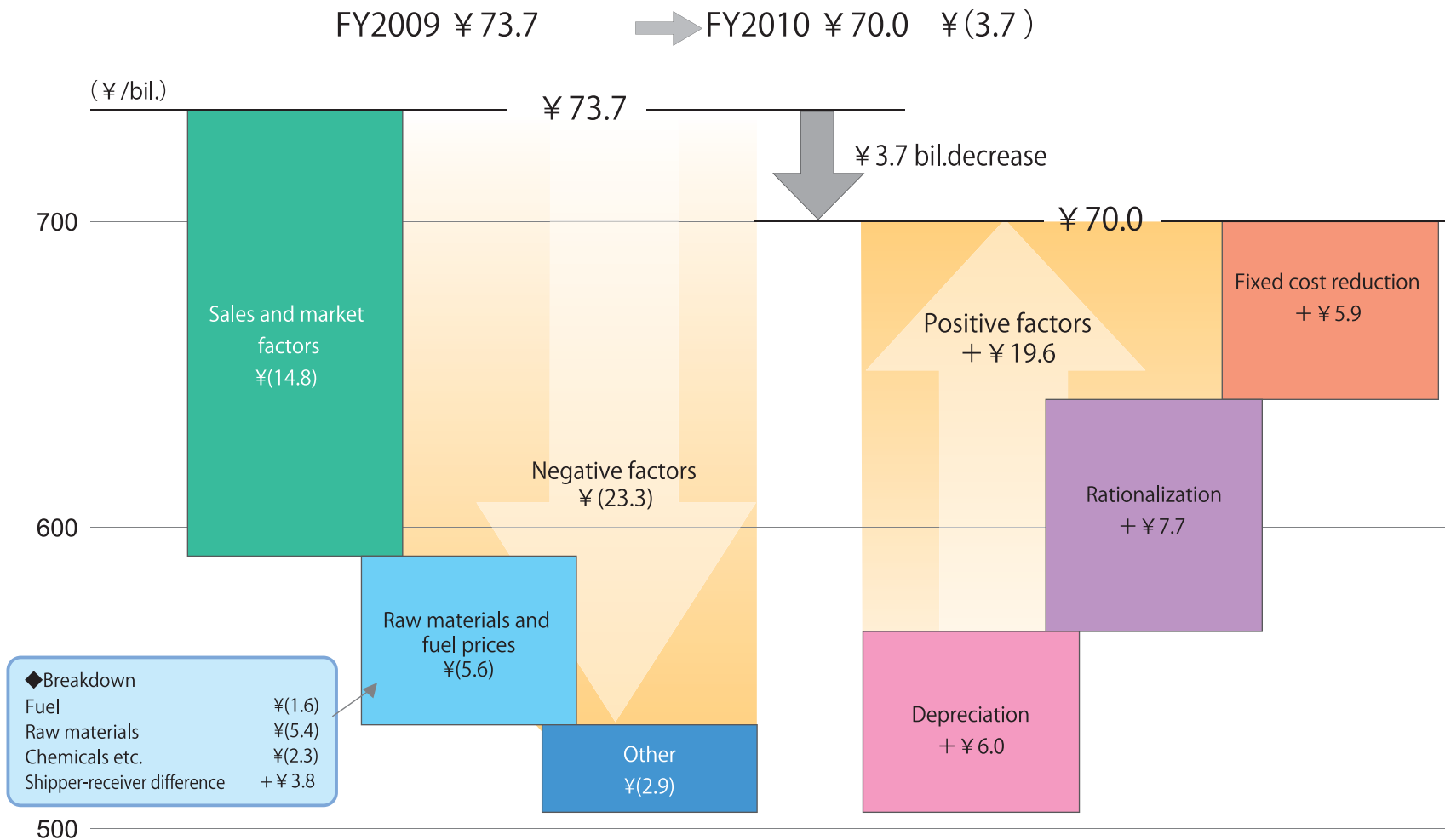
- Wood chip : Based on current contract
- Recovered paper : Prices to remain static at current level
- Coal : Based on current contract

•Fluctuation effect

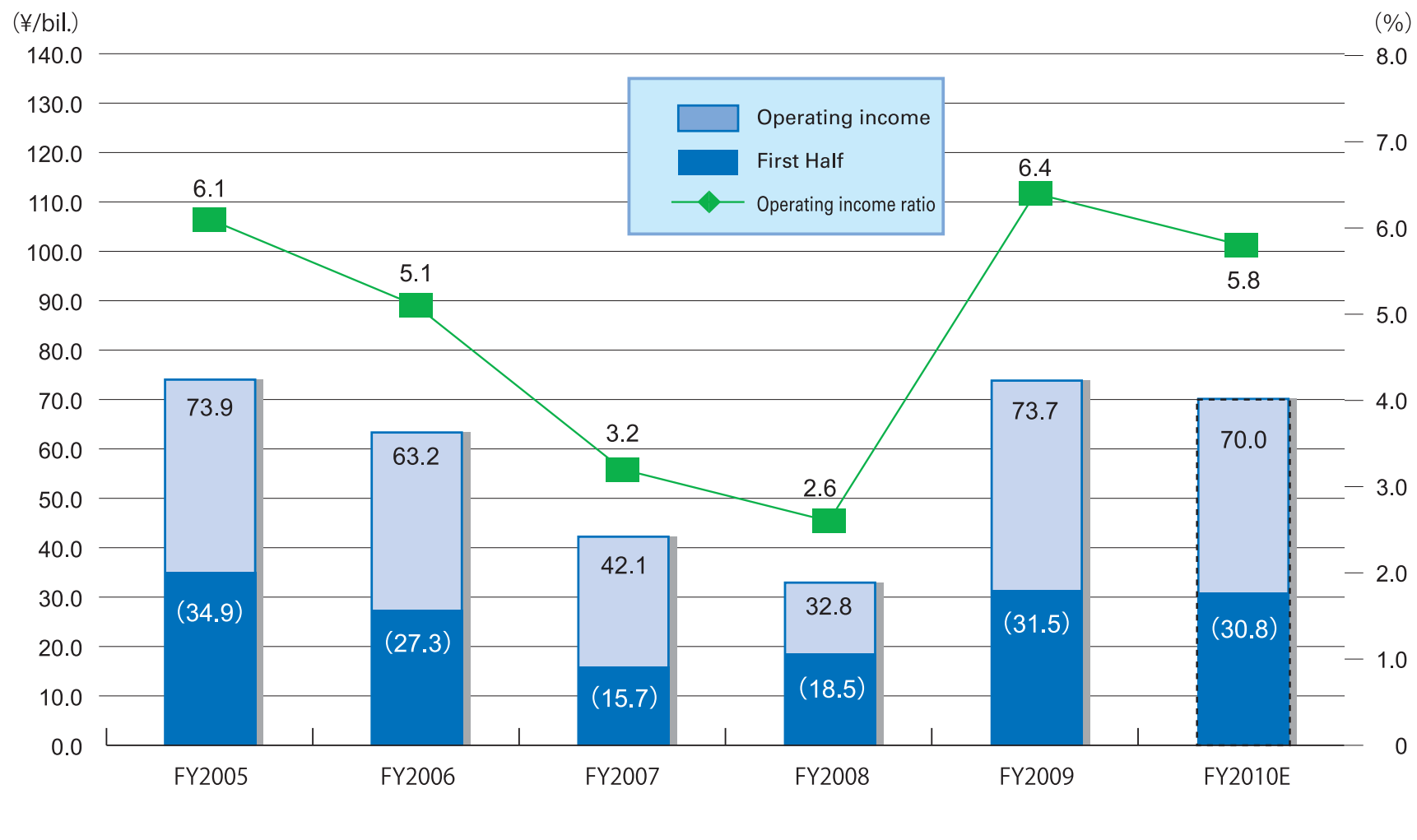
- Exchange rate : Fluctuation of ¥1/US\$. . . approximately ± ¥0.5 bil.
- Recovered paper : Fluctuation of ¥1/kg . . . approximately ± ¥4.4 bil.

Note : The above forecasts are based on forecasts made at the time of publication concerning future economic conditions and other factors. It is possible that actual results will differ from these forecasts for various reasons.

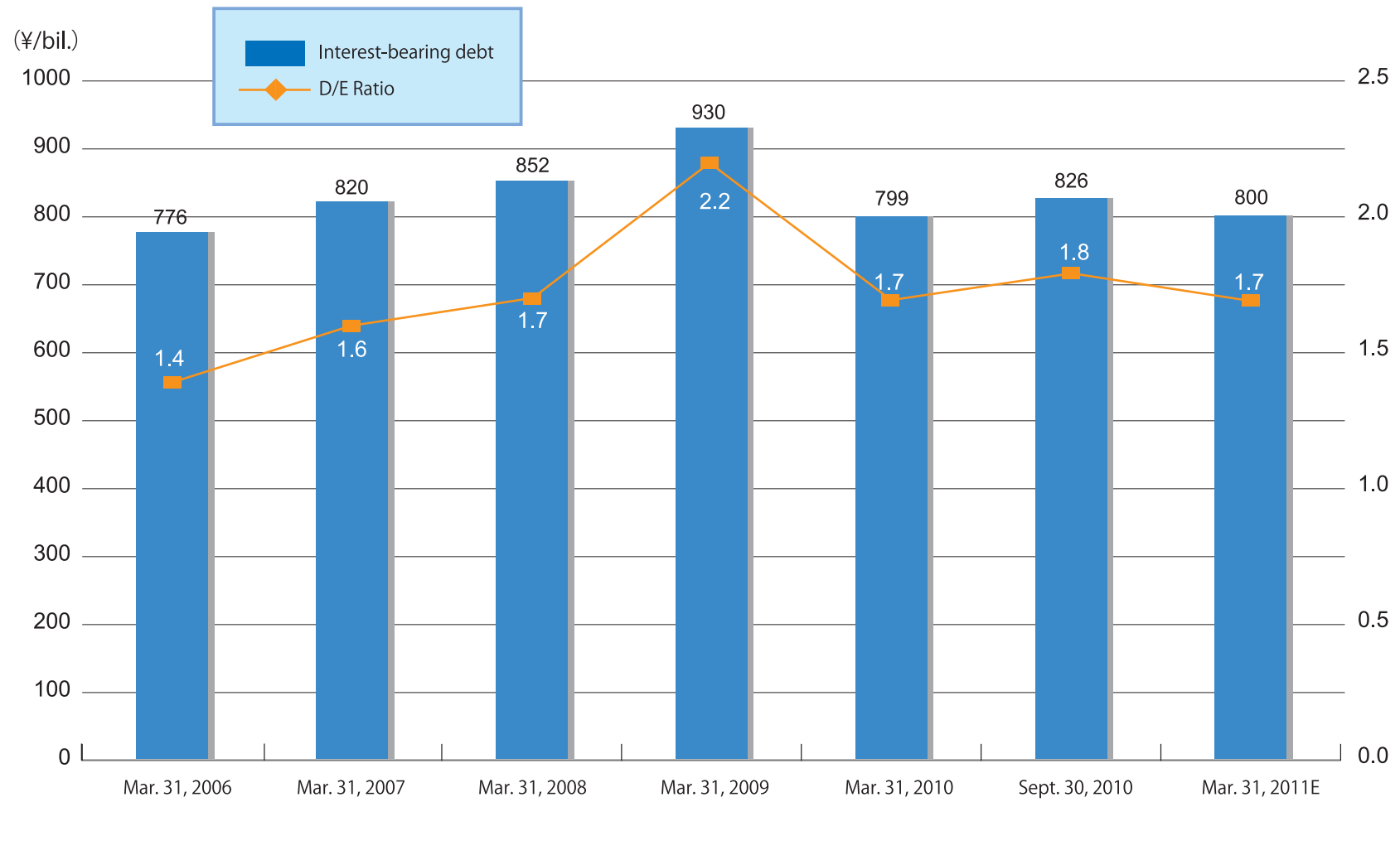
Breakdown of Increase/Decrease of Consolidated Operating Income (FY2009 to FY2010E)



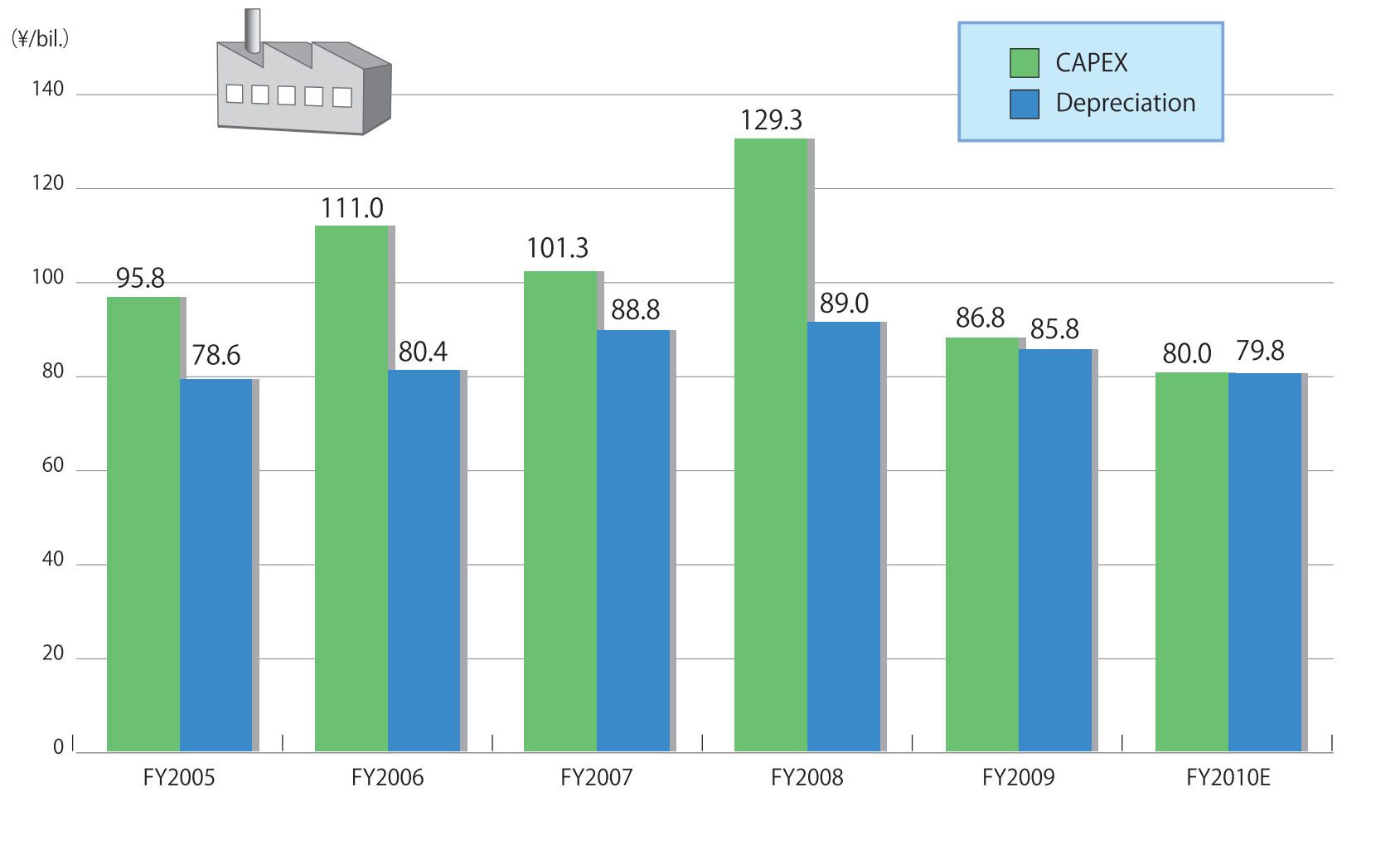
Trends in Operating Income (Consolidated)



Trends in Interest-bearing Debt (Consolidated)

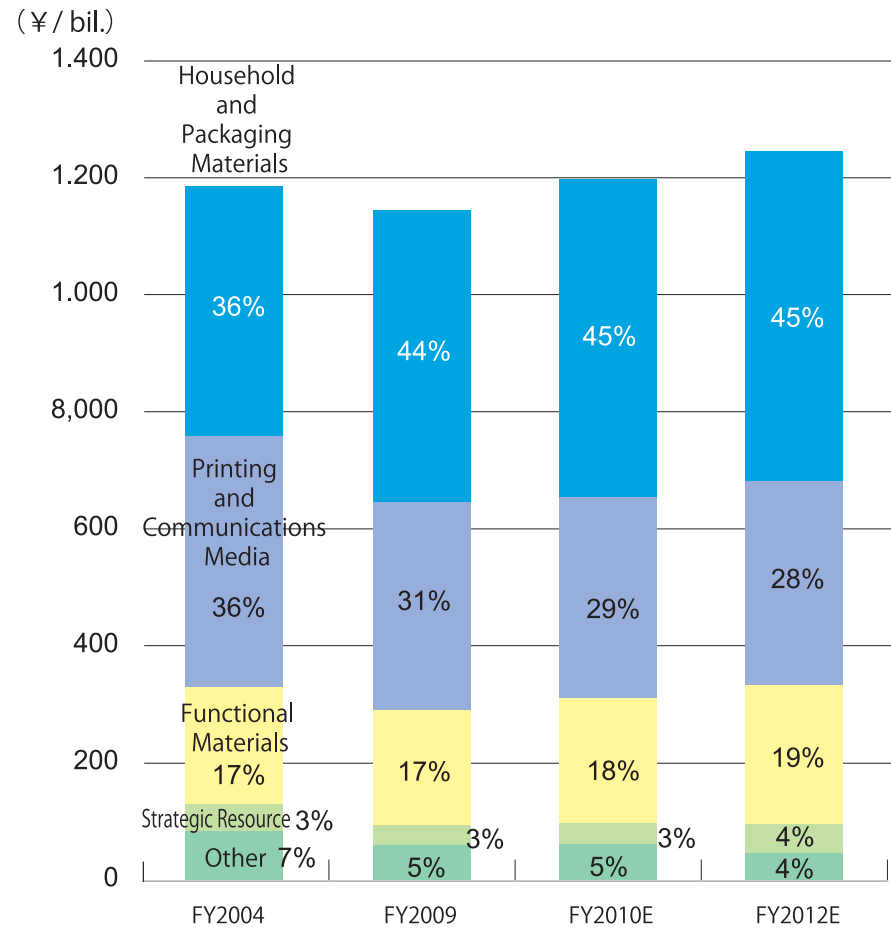


CAPEX and Depreciation (Consolidated)

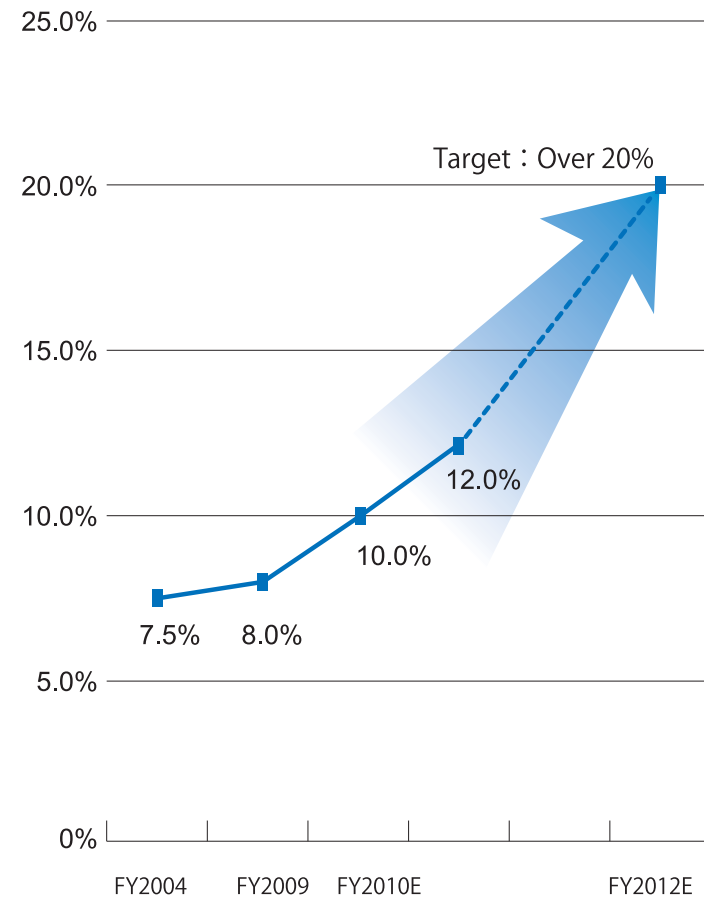


Transformation of the Business Structure

Promotion of business structure conversion ~ Segment sales



Overseas sales ratio



Expansion of Overseas Business ①

Nantong Project in China



<Overview of No,1 Paper machine and Coater>

Product grade	Coated paper, Woodfree printing paper
Yearly output	400,000 tons/year
Wire widths	8.2 m
Design speed	1,600 m/min

<Progress>

July	2006	Obtain of business permission from the State Council
October	2007	Establishment of Jiangsu Oji Paper Co., Ltd.
November		Construction started after the ground-breaking ceremony
June	2008	Establishment of Oji Paper Trading (China) Co., Ltd. Start of presale
May	2010	Start of trial operation of No,1 paper machine
year-end		Start of operation of No,1 paper machine (Planned)
beginning	2013	Start of operation of Kraft Pulp facilities (Planned)

*Installation of No,2 paper machine is under consideration in view of paper demand in China.

<Sales office>

Oji Paper Trading (China) Co., Ltd. has established branch offices in Nantong, Shanghai, Beijing, Guangzhou and Shenzhen as sales office.

As to new offices in Wuhan, Shenyang and Chengdu, it is planning to be established since 2011.

<Number of employees>

Number of employees in Jiangsu Oji Paper Co., Ltd. (as of the end of october, 2010)

Direct department : 453 employees

Indirect department : 136 employees

Total : 589 employees

→Planning to increase the number of employees for start-up of Kraft Pulp facility in 2013

Expansion of Overseas Business ②

Southeast Asia

- April 2010 Acquisition of GS Paper & Packaging
- October 2010 Establishment of Oji Paper Asia
- November 2010 Oji Paper Asia is now conducting takeover bid for shares of United Kotak.(Malaysian corrugated board company)
 - * Oji group will expand the business in China and Southeast Asia through around M&A in the future.

Overview of Oji Paper Asia

Company name	OJI PAPER ASIA SDN. BHD.
Head office	Daerah Kuala Langat, 42700 Banting, Selangor, Malaysia
Capital	MYR 500,000 (Approx. ¥ 14 mil.)
President and Representative director	Shigeto Sano (President, Oji Chiyoda Container Co., Ltd.)
Purpose of establishment	• Improve intercompany combination in southeast Asia • Find out new business opportunities

Acquisition of United Kotak

1) United Kotak

United Kotak is corrugated cartons and board manufacturer and has production base in south Malaysia.(Listed on second section of Bursa Malaysia)

<Financial highlight of FY2009>

Sales	MYR 84.3 mil.(Approx. ¥ 2,400 mil.)
Income before taxes	MYR 8.1 mil.(Approx. ¥ 230 mil.)
Net income	MYR 6.9 mil. (Approx. ¥ 190 mil.)

2) Meaning of acquiring United Kotak

Oji Group ensure the corrugating business base in south Malaysian market through acquisition of United Kotak, and, in cooperation with GSPP, strengthen the business foundation in Malaysian market to deal with the demand increase in the future.



(GS Paper & Packaging)

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