

Quick Report on the Business Results for the Year Ended March 31, 2001
(Consolidated)

Oji Paper Co., Ltd.

Code No. 3861

Headquarters Address: 4-7-5 Ginza, Chuo-ku, Tokyo, Japan 104-0061

Contact: Katsutoshi Miyata, Corporate Officer,
Corporate Administration Division

Telephone: 03-3563-1111

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The consolidated financial statements are not intended to present the consolidated financial position, results of operation and cash flows in accordance with the American Accounting Standards.

Stock Exchange Listings: First Sections of the Tokyo, Osaka and Nagoya Markets, plus Fukuoka and Sapporo Markets

1. Results for the Year Ended March 2001 (April 1, 2000 - March 31, 2001)

(1) Consolidated Business Results All yen figures are rounded down to the nearest one million yen.

Millions of Yen					
Year ended	Net sales		Operating profit		Ordinary profit
(Figures shown in parentheses are increase/decrease ratios compared with previous year, %)					
March 2001	1,252,941	(3.9)	72,517	(152.3)	58,187 (257.8)
March 2000	1,205,473	(- 0.1)	28,739	(94.4)	16,260 (2,530.9)

Millions of Yen						
Year ended	Net profit	Net profit per share	Diluted net profit per share	Return on equity	Return on total assets	Ordinary profit margin
(Figures shown in parentheses are increase/decrease ratios compared with previous year, %)						
March 2001	12,781 (127.0)	12.37 Yen	- Yen	2.9%	3.4%	4.6%
March 2000	5,630 (-)	5.45 Yen	- Yen	1.3%	0.9%	1.3%

(Notes)

Equity in earnings (loss) of affiliates: 4,124 million yen (previous term: 1,118 million yen)

Average number of outstanding shares during term:

Year ended March 2001: 1,033,367,532 shares

Year ended March 2000: 1,033,362,863 shares

No changes in accounting method.

Net sales, Operating profit, Ordinary profit and Net profit figures shown in parentheses are increase/decrease ratios compared with previous year.

(2) Consolidated Financial Condition

Millions of Yen				
Year ended	Total assets	Shareholders' equity	Shareholders' equity ratio to total assets ratio	Shareholders' equity per share
March 2001	1,704,266	436,614	25.6%	422.51 Yen
March 2000	1,723,430	442,051	25.6%	427.78 Yen

(Note)

Number of outstanding shares issued at fiscal year end:

Year ended March 2001: 1,033,371,849 shares

Year ended March 2000: 1,033,350,718 shares

(3) Consolidated Cash Flows

Millions of Yen				
Year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of year
March 2001	157,839	- 77,085	- 80,577	44,998
March 2000	113,537	- 58,259	- 61,784	44,353

(4) Scope of Consolidation and Equity Methods Application

Number of consolidated subsidiaries: 84

Number of non-consolidated subsidiaries to which the equity method applies: None

Number of affiliated companies to which the equity method applies: 19

(5) Changes in scope of consolidation and the equity methods application

Consolidated companies (newly) : 3

Equity method (newly) : 1

(excluded) : 3

(excluded) : 4

2. Result Forecast for Year Ending March 2002 (April 1, 2001 - March 31, 2002)

		Millions of Yen	
	Net sales	Ordinary profit	Net profit
Mid-term	640,000	25,000	7,000
Full Year	1,300,000	65,000	25,000

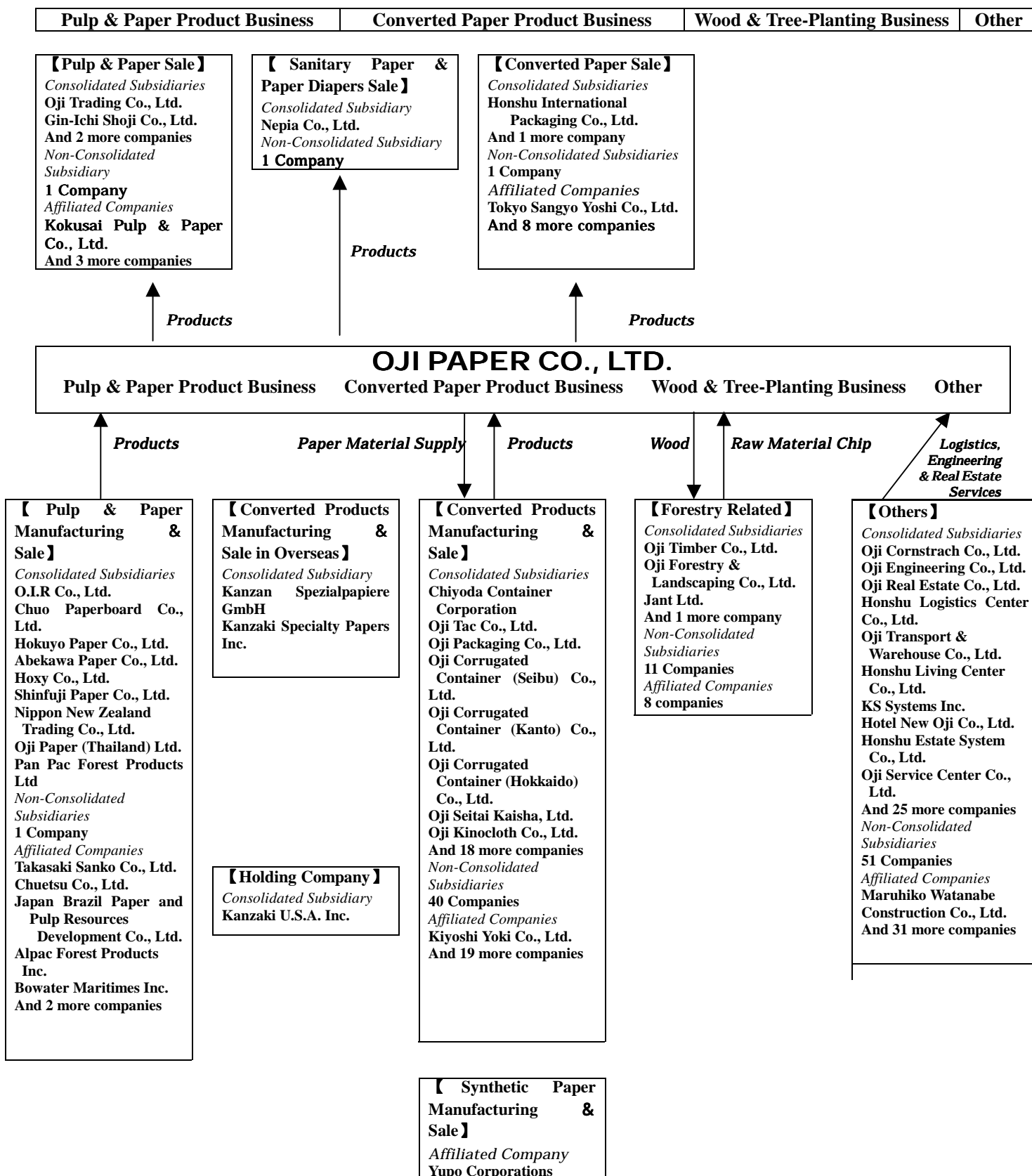
(Ref.) (Consolidated) Net profit per share for the full year is expected to be 24.19 yen.

Additional Information

1. Profile of the Corporate Group

The Oji Paper Group consists of Oji Paper Co., Ltd. along with a total of 190 subsidiaries and 81 affiliates, which are active in a variety of business fields including pulp and paper products, converted paper products, wood and tree-planting, real estate and transportation.

The positions of these companies within the overall structure of the Oji Paper Group and their interaction among business segment categories are shown in the chart below.



2. Management Policy

(1) Management Policy

The Oji Paper Group is pursuing a medium- and long-term management plan based squarely on its corporate philosophy of several strands, including contribute to protection of the environment and advancement of culture, strive for continuous innovation in a proactive, responsive and determined manner, build and maintain trust throughout the world. While satisfying diverse customer needs by ensuring the stable supply of all its products, the Oji Paper Group is striving to pursue the full potentiality of paper for a wide range of applications, with the aims of becoming a truly global enterprise that competes successfully in the Japanese and international marketplaces, and of excelling as a total pulp and paper manufacturer that leads the world. In particular, the Group is making a strong effort to develop its business in the Asian region, where substantial and sustained growth in the demand for paper products is expected to occur in the recent years.

Moreover, based on the principles laid out in the Oji Paper Environment Charter, the Group is maintaining and developing a variety of corporate activities aimed at achieving sustainable development in harmony with the environment from a broad standpoint and implementing stronger global environmental protection measures. These activities are focused on forest recycling, including the development of tree-planting projects and paper recycling in the interests of further increasing the utilization of used-paper resources, as well as the promotion of energy-saving measures designed to counteract the trend toward global warming.

(2) Tasks for the Future

In the pulp and paper market as a whole, demand is expected to continue to recover slowly. However, several issues of concern, including recent rises in the prices of raw materials, are operating to ensure the persistence of an opaque business situation that provides little scope for optimism in the current management environment. In addition, international competition in the pulp and paper field is becoming even more severe. And in order for the Oji Paper Group to succeed in this extremely tough environment, continuing improvements in productivity are essential and achieving increased profitability and a stronger financial constitution in all of the Group's operating remain issues of great urgency.

Under the above circumstances, the Oji Paper Group will attempt to establish a production system that minimizes costs by carrying out the following measures: (1) promoting a flexible sales strategy responsive to the demand and supply environment while working towards a further recovery of prices, (2) reinforcing and reinvigorating the Group's corporate prowess by working energetically to achieve effective cost reductions, and (3) pursuing production system restructuring both by making optimum use of currently existing facilities and by installing new state-of-the-art facilities.

In order to realize these goals, the Oji Paper Group will operate as a profit-oriented type organization centered on Oji Paper Co., Ltd., which will consist of three business divisions and three in-house companies. The "Head Office" Company will be surrounded by specialized independent type associated companies functioning as "profit centers", and its paper mills will operate as "cost centers".

The various divisions with responsibility for strategic functions such as corporate planning, human resource planning, technology, and R&D, will be united in the Head Office. Accordingly, we will promote our business under a system in which each division is responsible for its own activities.

In addition, in the paperboard section, we will establish Oji Paperboard Co., Ltd. in July 2001 as a corrugated containerboard-use paper sales company that unites the corrugated containerboard-related sales functions of four Oji Paper Group member companies. The new company will bring together Oji Paper's corrugated containerboard-related activities with those of Group members Hokuyo Paper Co., Ltd., Chuo Paperboard Co., Ltd., and Takasaki Sanko Co., Ltd. In the logistics section, five Oji Paper Group companies—Oji Transport & Warehouse Co., Ltd., Honshu Logistics Center Co., Ltd., Kanzaki Logistics Center Co., Ltd., KS Wing Corporation, and Hokkaido Oji Logistics Co., Ltd.—will merge in October 2001 with Oji Transport & Warehouse Co., Ltd., which will continue as the surviving company. With this merger, Oji Transport and Warehouse Co., Ltd. will change its trade name to Oji Logistics Co., Ltd. Meanwhile, the Oji Paper Group's distribution functions are to be reorganized and united together within Oji Paper's corporate logistics division. Moreover, in the trading division, Oji Trading Co., Ltd. and Gin-Ichi Shoji Co., Ltd., both of which are consolidated subsidiaries of Oji Paper, will merge in October 2001 with Oji Trading continuing as the surviving company. With this merger, Oji Trading will change its trade name to Oji Tsusho Co., Ltd.

By placing a stronger emphasis on profitability and future capabilities, we will reinforce the Oji Paper Group's cost competitiveness, sales power and financial constitution by promoting a diversity of measures such as integration and reorganization on the scale of the Group as a whole. And through this, we intend to establish a business base that matches the demands of the consolidated management era.

(3) Basic Policy with Respect to Profit Distribution

With respect to the distribution of profits to shareholders, while Oji Paper remains committed to continuing to pay stable dividends as its basic policy, in order to reinforce the Company's constitution we intend to pay dividends taking into consideration our overall business results and the need to maintain an appropriate in-house reserve.

Moving on to the utilization of the in-house reserve, we intend to invest the funds in question in measures to increase, reinforce and renovate the Oji Paper Group's production facilities with a particular emphasis on enhancing quality, reducing energy consumption, labor saving, environment protection measures and productivity improvement measures.

3. Management Results

[Overview of Current Term's Results]

During the term under review, the Japanese economy was characterized by a mild recovery under conditions in which private consumption wavered between rising and falling, private facilities investment recovered slightly and corporate profits edged higher. However, during the second half of the term, the economic growth rate again showed a tendency toward decline under the influence of the worldwide economic slowdown centered on the U.S., with the result that the future prospects for the Japanese economy remained opaque.

In the pulp and paper industry, the demand for paper products recovered significantly amid increasing demand from the advertisement printing and IT-related equipment operating manual fields. In the paperboard field, however, while demand was steady during the first half, there was a fall in the demand for packaging-use corrugated containerboard products in the second half of the term. Meanwhile, market prices for both paper and paperboard exhibited modest increases during the term.

The overview of Oji Paper's business for the year in question is as follows.

On the sales front, the Company set out its basic policy as the maintenance of the price levels reached during the first half of the term under review by closely monitoring the demand and supply environment.

With respect to production, the company positively promoted the development of new products that match the demands of the current era. For example, harnessing the Oji Paper Group's advanced technological prowess and its commitment to environmental protection, we developed and sold several new 21st century-style products such as paper designed to preserve its contents for a thousand years into the future and paper made from wood 100% derived from the Company's own plantation forests. Also, in response to changes in the demand structure, and specifically to a diversification of requests in respect of quality, the Company took steps to further raise the level of its production technology and to ensure more effective operation of its facilities.

The Company also completed a number of major facilities projects during the term under review including the construction of a used-paper pulp production facility at Oji Paper's Tomioka Mill, the reconstruction of the thin paper production system at the Specialty Paper Company's Iwabuchi Mill, the renovation of the tissue paper processing facility at the Household Products Company's Nagoya Mill, and the construction of Oji Paper's new Nagano corrugated containerboard mill.

With respect to costs, in keeping with its past achievements, the Company carried out further cost cutting measures involving all areas of management, beginning with energy saving and expense reduction measures, and as a result achieved significant savings during this term.

During the term under review, the Group's consolidated sales were 1,252,941 million yen, an increase of about 4% in comparison with the previous term. Meanwhile, operating profit was 72,517 million yen, while ordinary profit was 58,187 million yen, with both figures representing significant year-on-year increases. Despite losses on sale of overseas affiliates and repayments of the shortfall in the reserve for retirement allowances following the introduction of the retirement payment account, the Company's net profit for the term was 12,781 million yen, a considerable increase on the previous year's figure.

The situations in the Company's major fields of business during the term under review are as follows.

The pulp and paper product field witnessed a favorable recovery in demand, with paper and paperboard sales increasing compared with the previous term amid partial recoveries in the market prices of high-class paper, coated paper, etc. Accordingly, sales increased by 3% over the figure for the previous term to stand at 733,165 million yen.

In the converted paper product field, the demand for corrugated containerboard products remained at about the same level as in the previous term, while prices recovered in parallel with the rising price of paper material. The demand for thermal recording paper also remained steady in the domestic market, but exports to the Chinese and Southeast Asian markets were reduced. Taking into account changes in the consolidation range, sales of converted paper totaled 357,007 million yen, an increase of 8% compared with the previous term.

In the wood and tree-planting field, sales totaled 51,645 million yen, an increase of about 3% compared with the previous term.

In the "other" division, sales of real estate declined, resulting in total sales in this division of 111,123 million yen, a 4% reduction from the previous term.

Moving onto the non-consolidated business results, as mentioned above, in addition to the unit sales increase driven by the recovery of demand, the term under review also witnessed price recoveries in some product categories. The combined effect of these trends was an increase in sales of 2% in comparison with the previous term to 816,702 million yen, while ordinary profit for the term showed a remarkable increase to 47,373 million yen. Despite the above mentioned losses on sale of overseas affiliates and the repayments of the shortfall in the reserve for retirement allowances following the introduction of the retirement payment account, the Company's net profit for the term was 7,084 million yen, representing a 63% increase in comparison with the previous year.

[Prospects for the Coming Term]

Although private facilities investment in the Japanese economy is increasing steadily, private consumption remains sluggish, and no significant increase in private demand is discernible. With the anticipated economic slowdown in the United States, we are unable to make any precise predictions about the future course of the Japanese economy.

Under these circumstances, the Oji Paper Group will attempt to establish a production system that minimizes costs by promoting a flexible sales strategy that is responsive to the demand and supply environment while working towards a further recovery of prices. In addition, the Group will reinforce and reinvigorate the its corporate prowess by working energetically to achieve effective cost reductions, and pursue production system restructuring by making optimum use of currently existing facilities and installing new state-of-the-art facilities.

Based on analysis of current economic trends, the Company's estimate of its business prospects during the term ending March 31, 2002, are as follows. On a consolidated basis, we project our net sales for the coming term to total 1,300,000 million yen, yielding an ordinary profit of 65,000 million yen and a net profit of 25,000 million yen. Moreover, we project that our non-consolidated net sales will 850,000 million yen, yielding an ordinary profit of 50,000 million yen and a net profit of 20,000 million yen.

4. CONSOLIDATED FINANCIAL STATEMENT

(1) CONSOLIDATED BALANCE SHEET

	Millions of Yen		
	Current term March 31, 2001	Previous term March 31, 2000	Comparison
ASSETS			
Current Assets:	569,030	548,717	20,313
Cash and deposit	42,000	42,893	- 893
Trade receivables	324,138	312,604	11,534
Marketable securities	4,010	13,783	- 9,773
Inventories	164,061	145,390	18,671
Prepayments	1,420	206	1,213
Short-term loans	3,240	3,661	- 421
Other accounts receivable	8,624	10,229	- 1,605
Deferred tax assets	18,901	19,084	- 183
Other	4,346	3,638	708
Allowance for doubtful accounts	- 1,714	- 2,776	1,061
Fixed Assets:	1,135,235	1,161,127	- 25,891
(Total property and equipment)	(906,682)	(928,901)	(- 22,218)
Buildings and structures	235,742	236,857	- 1,114
Machinery and automobiles	396,717	428,538	- 31,820
Tools and fixtures	10,317	10,602	- 284
Land	183,304	182,000	1,304
Forests	16,899	16,897	2
Afforestation	37,995	38,749	- 753
Construction in progress	25,704	15,256	10,447
(Intangible assets)	(8,812)	(8,336)	(476)
Leasehold	1,849	1,843	5
Difference between investment costs and equity in net assets	454	-	454
Other intangibles	6,508	6,493	15
(Investments and other assets)	(219,740)	(223,889)	(- 4,149)
Investments in securities	176,335	177,596	- 1,260
Long-term loans	7,116	6,119	997
Long-term prepaid expenses	2,257	1,914	343
Deferred tax assets	23,014	24,348	- 1,334
Other	12,511	15,348	- 2,837
Allowance for doubtful accounts	- 1,495	- 1,437	- 57
Foreign currency translation adjustment	-	13,585	- 13,585
Total assets	1,704,266	1,723,430	- 19,163

	Millions of Yen		
	Current term March 31, 2001	Previous term March 31, 2000	Comparison
Current Liabilities:	748,273	795,061	- 46,787
Trade payables	235,363	209,936	25,427
Short-term bank loans	353,003	432,265	- 79,262
Commercial paper	68,000	8,000	60,000
Current portion of debentures (redeemable within one year)	-	20,000	- 20,000
Convertible debentures (redeemable within one year)	-	49,211	- 49,211
Accrued accounts	18,292	13,128	5,164
Income taxes payable, etc.	5,282	3,290	1,991
Accrued expenses	52,652	44,984	7,667
Deferred tax liabilities	189	218	- 29
Other	15,489	14,025	1,464
Non-Current Liabilities:	509,844	475,675	34,169
Debentures	160,000	120,000	40,000
Long-term bank loans	229,677	249,439	- 19,761
Deferred tax liabilities	17,148	15,655	1,492
Accrued pension and severance costs	89,399	-	89,399
Accrued retirement benefits	-	76,136	- 76,136
Long-term deposits	12,967	12,596	370
Long-term notes payable (plant and equipment)	-	897	- 897
Differences between investment costs and equity in net assets	-	246	- 246
Other	651	701	- 50
Total liabilities	1,258,117	1,270,736	- 12,618
Minority Interests in net profit of Consolidated Subsidiaries	9,534	10,641	- 1,107
Common stock	103,880	103,880	-
Additional paid-in capital	98,715	98,715	-
Revaluation of land	1,716	1,714	2
Retained earnings	241,723	237,761	3,961
Foreign currency translation adjustment	- 9,416	-	- 9,416
Treasury stock	- 5	- 20	14
Total shareholders' equity	436,614	442,051	- 5,437
Total liabilities and minority interests in net profit of consolidated subsidiaries and shareholders' equity	1,704,266	1,723,430	- 19,163

(Notes)

	<u>Millions of Yen</u>	
	Current term	Previous term
1. Accumulated depreciation of total property and equipment	1,476,763	1,403,375
2. Trade notes receivable discount amount	7,169	6,476
3. Trade notes receivable transfer endorsement amount	858	500
4. Contingent liabilities and guarantee obligations	20,855	19,946
5. Number of treasury stocks	10,271 shares	31,402 shares

(2) CONSOLIDATED STATEMENT OF INCOME

(Millions of Yen)

	Current term (April 1, 2000 - March 31, 2001)	Previous term (April 1, 1999 - March 31, 2000)	Comparison
Net sales	1,252,941	1,205,473	47,467
Initial cost of sales	943,577	944,839	- 1,262
<u>Gross Profit</u>	<u>309,363</u>	<u>260,633</u>	<u>48,729</u>
Selling, general and administrative expenses	236,846	231,894	4,951
<u>Operating profit</u>	<u>72,517</u>	<u>28,739</u>	<u>43,778</u>
<u>Non-operating profit</u>	<u>10,986</u>	<u>15,165</u>	<u>- 4,179</u>
Interest and dividends income	2,740	3,067	- 327
Equity in earnings of Affiliates	4,124	1,118	3,006
Miscellaneous income	4,120	10,979	- 6,858
<u>Non-operating expenses</u>	<u>25,316</u>	<u>27,644</u>	<u>- 2,328</u>
Interest expense & discount charges	14,325	15,295	- 970
Miscellaneous losses	10,990	12,348	- 1,358
<u>Ordinary profit</u>	<u>58,187</u>	<u>16,260</u>	<u>41,926</u>
<u>Extraordinary gain</u>	<u>33,277</u>	<u>5,185</u>	<u>28,091</u>
Profit on sale of investments in securities	-	1,182	- 1,182
Gain on securities contribution to employee retirement benefit trust	25,291	-	25,291
Profit on sale of business divisions	4,508	-	4,508
Profit on sale of fixed assets	3,476	4,003	- 526
<u>Extraordinary losses</u>	<u>69,603</u>	<u>8,606</u>	<u>60,996</u>
Loss on retirement of fixed assets due to reorganization of production operation	3,784	-	3,784
Loss on sale of investments in securities	16,147	-	16,147
Loss on write-down of investments in securities	2,467	3,119	- 651
Amortization of accrued pension and severance costs due to effect of an accounting change	45,825	-	45,825
Provision for retirement benefits	-	2,891	- 2,891
Loss on natural disaster	774	-	774
Extraordinary retirement benefits	596	2,539	- 1,942
Loss on reduction of fixed asset's cost	7	56	- 49
<u>Profit before taxes and minority interests</u>	<u>21,861</u>	<u>12,838</u>	<u>9,022</u>
Income tax, resident tax and enterprise tax	6,720	4,628	2,091
Deferred taxes	2,722	3,286	- 563
<u>Total</u>	<u>9,443</u>	<u>7,915</u>	<u>1,527</u>
<u>Minority interests in net profit of consolidated subsidiaries</u>	<u>363</u>	<u>706</u>	<u>- 343</u>
<u>Net Profit</u>	<u>12,781</u>	<u>5,630</u>	<u>7,151</u>

(3) CONSOLIDATED STATEMENT OF RETAINED EARNINGS

(Millions of Yen)

	Current term (April 1, 2000 - March 31, 2001)	Previous term (April 1, 1999 - March 31, 2000)	Comparison
<u>Balance at beginning of year (Retained earnings)</u>	<u>237,761</u>	<u>242,666</u>	<u>- 4,905</u>
Balance at beginning of year	237,761	244,048	- 6,287
Deferred taxes due to book value adjustment of assets held by consolidated subsidiaries to market value	-	- 1,381	1,381
<u>Increase (Retained earnings)</u>	<u>138</u>	<u>1,645</u>	<u>- 1,507</u>
Increase due to merger	111	38	73
Increase due to equities ratio increase in consolidated subsidiaries	9	-	9
Increase due to increase in affiliates to which equity method applies	17	-	17
Increase due to changeovers of consolidated subsidiaries to affiliates to which equity method applies	-	1,607	- 1,607
<u>Decrease (Retained earnings)</u>	<u>8,957</u>	<u>12,181</u>	<u>- 3,224</u>
Cash dividends	8,266	8,266	- 0
Bonuses to directors and statutory auditors	503	355	148
Decrease due to exclusion of consolidation of subsidiaries	180	475	- 295
Decrease due to mergers of consolidated subsidiaries	-	3,064	- 3,064
Decrease due to equities ratio increase in affiliates to which equity method applies	6	-	6
Decrease due to equities ratio decrease in affiliates to which equity method applies	-	19	- 19
<u>Net profit</u>	<u>12,781</u>	<u>5,630</u>	<u>7,151</u>
<u>Balance at year end (Retained earnings)</u>	<u>241,723</u>	<u>237,761</u>	<u>3,961</u>

(4) CONSOLIDATED STATEMENT OF CASH FLOWS

	Millions of Yen Current Term (April 1, 2000-March 31, 2001)	Millions of Yen Previous Term (April 1, 1999-March 31, 2000)
<i>I. Cash Flows from Operating Activities:</i>		
Income before income taxes and minority interests	21,861	12,838
Depreciation and amortization	91,738	94,526
Increase/decrease of provision for accrued retirement benefits	-76,266	640
Increase of provision for accrued pension and severance costs	89,399	—
Interest and dividends income	-2,717	-3,067
Interest expenses	14,325	15,295
Exchange loss	214	1,596
Equity in earnings of affiliates	-4,124	-1,118
Securities contribution to employee retirement benefit trust	29,127	—
Gain on securities contribution to employee retirement benefit trust	-25,291	—
Profit on sale of marketable securities	-365	-5,300
Profit on sale of investments in securities	16,147	-1,182
Loss on write-down of investments in securities	2,467	3,119
Loss on retirement of fixed assets	8,638	6,110
Profit on sale of fixed assets	-3,566	-4,003
Increase in trade receivables	-9,389	-15,793
Increase/decrease in inventories	-16,706	21,860
Increase in trade payables	28,180	9,244
Other	9,473	-6,034
Total	173,147	128,732
Interest and dividends received	3,132	3,581
Interest paid	-14,067	-15,415
Income taxes paid	-4,373	-3,361
Net cash provided by operating activities	157,839	113,537
<i>II. Cash Flows from Investing Activities:</i>		
Acquisition of marketable securities	-176	-152
Proceeds from sale of marketable securities	261	8,707
Acquisition of property and equipment/ intangibles	-72,132	-70,678
Proceeds from sale of property and equipment/intangibles	4,739	6,371
Acquisition of investments in securities	-6,832	-5,896
Proceeds from sale of investments in securities	472	3,765
Acquisition of shares of consolidated subsidiaries with change in the scope of consolidation	-3,358	-6,118
Payments for advances	-3,697	-5,440
Proceeds from collection of advances	3,348	10,414
Other	289	769
Net cash used in investing activities	-77,085	-58,259
<i>III. Cash Flows from Financing Activities:</i>		
Net decrease in short-term borrowings	-81,286	-44,115
Net increase/decrease of commercial paper	60,000	-20,000
Borrowing of long-term debt	13,420	44,173
Repayments of long-term debt	-35,102	-33,948
Proceeds from issuing of debentures	40,000	—
Redemption of debentures	-69,211	—
Cash dividends paid by the parent company	-8,266	-8,266
Other	-132	373
Net cash used in financing activities	-80,577	-61,784
<i>IV. Exchange translation effects on cash and cash equivalents</i>	455	-938
<i>V. Net increase/decrease in cash and cash equivalents</i>	631	-7,444
<i>VI. Cash and cash equivalents at beginning of year</i>	44,353	52,514
<i>VII. Increase in cash and cash equivalents due to mergers of subsidiaries</i>	140	122
<i>VIII. Decrease in cash and cash equivalents due to exclusion of consolidated subsidiaries</i>	-126	-839
<i>IX. Cash and cash equivalents at end of year</i>	44,998	44,353

(NOTES) Reconciliation of account balances under the consolidated balance sheet to cash and cash equivalents

	<u>Current term</u> (March 31, 2001)	<u>Previous term</u> (March 31, 2000)
Cash and deposits	42,000	42,893
Time deposits (more than 3-months)	— 879	— 597
Marketable securities (short-term investments with low-risk and a maturity date of less than 3-months)	<u>3,877</u>	<u>2,056</u>
Cash and cash equivalents	<u>44,998</u>	<u>44,353</u>

(5) SEGMENT INFORMATION

(1) Segment information by business domain

Current term (April 1, 2000 - March 31, 2001)

(Millions of Yen)

	Pulp and paper product	Converted paper product	Wood and tree-planting	Other	Total	Uncorrectable /headquarters	Consolidated total
(I) Sales and Operating Profit/Loss							
Net sales							
(1)Sales to customers	733,165	357,007	51,645	111,123	1,252,941	—	1,252,941
(2)In-group sales between segments or transfers	36,640	4,560	35,700	80,212	157,112	(157,112)	—
Total	769,805	361,567	87,345	191,335	1,410,054	(157,112)	1,252,941
Operating expenses	713,101	354,527	85,788	184,118	1,337,536	(157,112)	1,180,424
Operating profit	56,704	7,039	1,556	7,217	72,517	(—)	72,517
(II) Assets, Depreciation and Capital Expenditure							
Assets	1,089,927	339,359	103,552	218,385	1,751,224	(46,958)	1,704,266
Depreciation	67,636	16,767	1,048	6,719	92,171	—	92,171
Capital expenditure	52,757	15,197	1,227	4,684	73,866	—	73,866

Previous term (April 1, 1999 - March 31, 2000)

(Millions of Yen)

	Pulp and paper product	Converted paper product	Wood and tree-planting	Other	Total	Uncorrectable /headquarters	Consolidated total
(I) Sales and Operating Profit/Loss							
Net sales							
(1)Sales to customers	708,510	330,359	50,351	116,251	1,205,473	—	1,205,473
(2)In-group sales between segments or transfers	24,713	6,232	35,521	76,093	142,561	(142,561)	—
Total	733,224	336,592	85,873	192,345	1,348,034	(142,561)	1,205,473
Operating expenses	716,127	331,244	83,575	188,349	1,319,295	(142,561)	1,176,734
Operating profit	17,096	5,347	2,298	3,996	28,739	(—)	28,739
(II) Assets, Depreciation and Capital Expenditure							
Assets	1,108,337	335,289	106,709	238,412	1,788,748	(65,318)	1,723,430
Depreciation	71,328	16,304	1,102	6,228	94,963	—	94,963
Capital expenditure	36,656	18,855	1,202	10,718	67,433	—	67,433

(Notes)

- In principle, segmentation is determined in consideration of differences in production method.
- The main products of the four business segments are as follows.
 "Pulp and paper product" Division: newspaper, printing paper, packaging paper, miscellaneous paper, carbonless paper, corrugated base board, white board paper, pulp and others
 "Converted paper product" Division: corrugated cardboard, paper container, thermal paper, self-adhesive paper, diapers, paper bag products and others
 "Wood and tree-planting" Division: wood, afforestation and tree-planting
 "Other" Division; real estate, cornstarch, machinery and others
- Long-term prepaid expenses and their amortization amounts are included under "Depreciation and capital expenditure".

(2) Segment Information by geographic area

Since the ratio accounted for by Japan within the total sales of all segments and within the total assets of all segments is more than 90% in both cases, segment information by geographic area has been omitted.

(3) Overseas Sales

Since the ratio accounted for by overseas sales is less than 10% of total sales, overseas sales information has been omitted.

(6) Marketable Securities and Investments Securities

Current Term Balance (March 31, 2001)

1. Debentures with market value : None

2. Statement of other securities with market value that is omitted in accordance with Ordinance No. 9, Additional Rule No. 3 of the Ministry of Finance.

3. Securities without market value evaluation.

	Millions of Yen	
	Current term (March 31, 2001) (Consolidated Balance Sheet)	
(1) Debentures		
Commercial paper		3,776
(2) Securities		
Unlisted shares (except over-the-counter shares)		15,802
Preferred investment securities		999
(3) Shares of subsidiaries and affiliates		46,109

Previous term Balance (March 31, 2000)

(Millions of Yen)

	Previous term (March 31, 2000)		
	Book value	Market value	Unrealized gain/loss
(1) Current portfolio			
Shares	11,564	21,999	10,434
Bonds	41	40	- 1
Other	-	-	-
Subtotal	11,605	22,039	10,433
(2) Non-current portfolio			
Shares	99,491	156,537	57,045
Bonds	1,017	1,009	- 7
Other	-	-	-
Subtotal	100,509	157,547	57,037
Grand total	112,115	179,586	67,471

(Notes)

1. Market value estimation methods

Listed securities are evaluated mainly according to Tokyo Stock Exchange closing prices.

Trading prices of over-the-counter traded securities are as announced by Japan Securities Dealers Association.

Unlisted securities of investment trusts are evaluated according to beneficiary certificate standards.

Securities apart from those mentioned above;

Prices are determined taking into consideration the yields of standard public bond issues on the over-the-counter market as announced by the Japan Securities Dealers Association and the time remaining until redemption.

2. Treasury stocks are included in shares. Incidentally, unrealized loss for the Company's treasury stocks are as follows.

Current portfolio 2 million yen

3. Book value of securities undisclosed (consolidated balance sheet)

		Millions of Yen
		Previous term (March 31, 2000)
Current portfolio	Commercial papers	1,999
	Discount bank debentures	177
Non-current portfolio	Unlisted shares	69,568
	Preferred investment securities	999

5. PRODUCTION, ORDERS AND SALES SITUATION

(1) Production Results

Business Segment	Product	Current term (April 1, 2000 – March 31, 2001)	Previous term (April 1, 1999 – March 31, 2000)
Pulp and Paper Product Division	Paper	4,551,690 (tons)	4,310,771 (tons)
	Paperboard	2,559,417	2,621,016
	Total	7,111,107	6,931,787
	Pulp	4,246,996	3,787,783
Converted Paper Product Division	Corrugated container	116,237 (Millions of Yen)	100,240 (Millions of Yen)
	Other	203,893	170,943
	Total	320,130	271,183

- (Note) 1. The production volume includes internal-use production businesses.
 2. Figures mentioned above are results of sales activities and are not including consumption tax and local consumption taxes.
 3. 「Wood and Tree-Planting」 and 「Other」 divisions' production amounts have been omitted since the amounts were small and would have no significant effect on the total amount.

(2) Situation of Orders Received

Oji Paper Group (referring to Oji Paper Co., Ltd. and consolidated subsidiaries) has consigned some small-scale production orders to its real estate business that has been omitted since it would have no significant effects on the balance.

(3) Sales by Products Type

(Millions of Yen)

Business Segment	Current term (April 1, 2000-March 31, 2001)	Previous term (April 1, 1999-March 31, 2000)
Pulp and Paper Product Division	733,165	708,510
Converted Paper Product Division	357,007	330,359
Wood and Tree-Planting Division	51,645	50,351
Other Division	111,123	116,251
Total	1,252,941	1,205,473

(Note) Figures mentioned above are not including consumption tax and local consumption taxes.