

Quick Report on the Business Results for the Year Ended March 31, 2002 (Consolidated)

Oji Paper Co., Ltd.

Code No. 3861

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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 2002 (April 1, 2001 - March 31, 2002)

(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 2002	1,203,797	(- 3.9)	36,336	(- 49.9)	20,091 (- 65.5)
March 2001	1,252,941	(3.9)	72,517	(152.3)	58,187 (257.8)

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 2002	- 17,698 ()	- 17.13 Yen	- Yen	- 4.1%	1.2%	1.7%
March 2001	12,781 (127.0)	12.37 Yen	- Yen	2.9%	3.4%	4.6%

(Notes)

Equity in earnings (loss) of affiliates: - 585 million yen (previous term: 4,124 million yen)

Average number of outstanding shares during term: Year ended March 2002: 1,033,307,609 shares

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

Accounting method has been revised.

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 2002	1,632,084	424,256	26.0%	410.65 Yen
March 2001	1,704,266	436,614	25.6%	422.51 Yen

(Note)

Number of outstanding shares issued at fiscal year end: Year ended March 2002: 1,033,137,661 shares

Year ended March 2001: 1,033,371,849 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 2002	134,930	- 100,152	- 44,331	35,073
March 2001	157,839	- 77,085	- 80,577	44,998

(4) Scope of Consolidation and Equity Methods Application

Number of consolidated subsidiaries: 74

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) : 2

(excluded) : 12

Equity method (newly) : -

(excluded) : -

2. Result Forecast for Year Ending March 2003 (April 1, 2002 - March 31, 2003)

	Millions of Yen		
	Net sales	Ordinary profit	Net profit
Mid-term	600,000	16,000	9,000
Full Year	1,210,000	42,000	22,000

(Ref.) (Consolidated) Net profit per share for the full year is expected to be 20.80 yen.

(Note: The factors in the new shares issued due to the share exchange agreement of April 2002.)

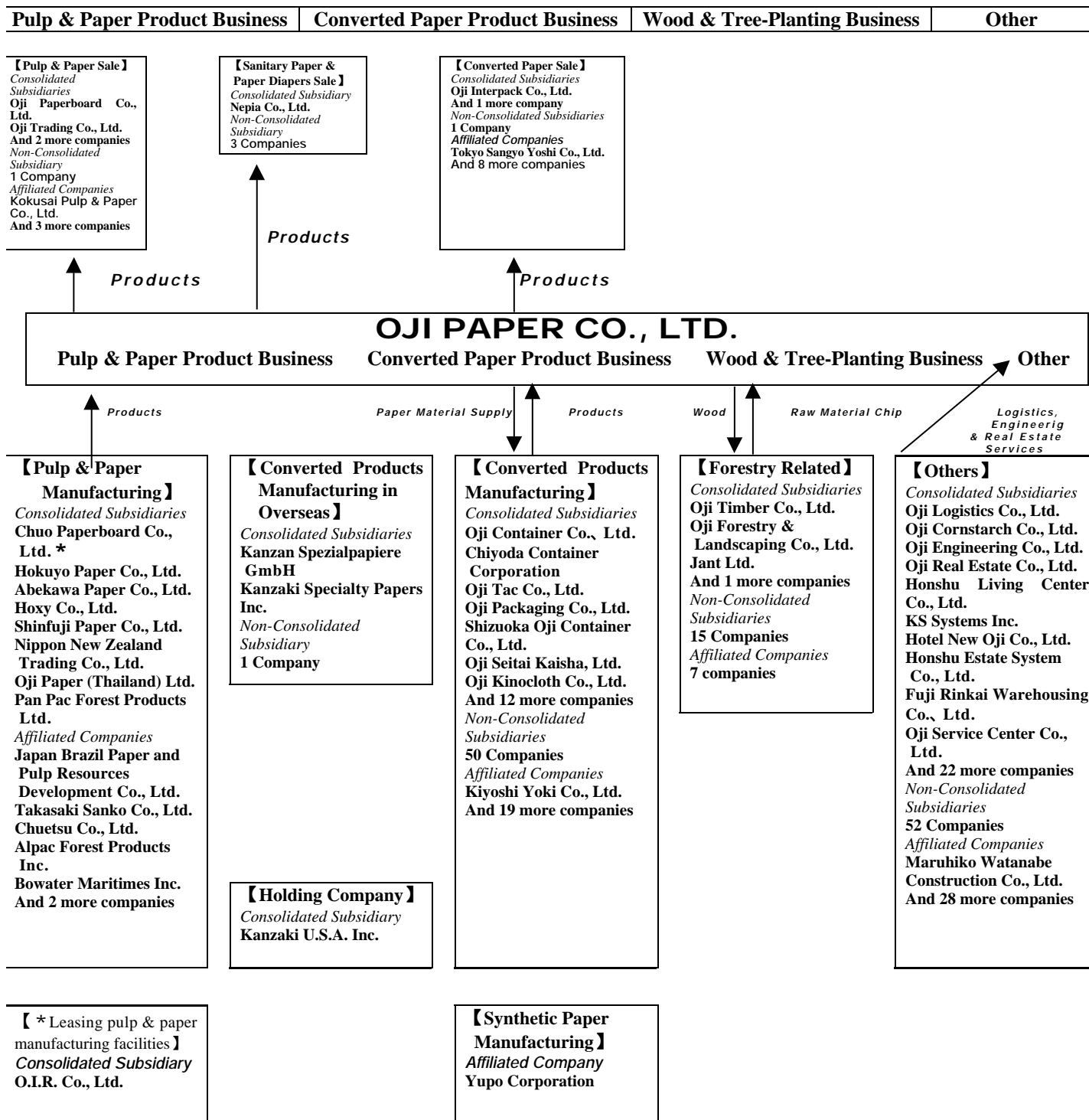
The above forecasts have been prepared on the basis of assumptions about future economic conditions at the time of announcement of this data, and actual results may differ from forecasts for a variety of reasons.

Additional Information

1. Profile of the Corporate Group

The Oji Paper Group consists of Oji Paper Co., Ltd. along with a total of 197 subsidiaries and 77 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) Basic Management Policy

The Oji Paper Group's corporate philosophy is "to contribute to protection of the environment and advancement of culture," "to strive for continuous innovation in a proactive, responsive and determined manner" and "to build and maintain trust throughout the world." Based on these goals, the Group pursues the full potential of paper while earning the trust of all its customers through a comprehensive product supply system that includes paper, paperboard and converted paper products. The Group is striving to establish a corporate structure that competes successfully in the domestic and overseas marketplaces and is aiming to make even greater advances as an integrated paper manufacturing corporate group.

The Oji Paper Group is also facing up squarely to the mature domestic market and the potential of the Asian market. It aims to develop business in China and Southeast Asia and to overcome international competition with manufacturers in Europe, America and Southeast Asia, where globalization is marked. The Oji Paper Group is advancing into the 21st century as a strong, growing company.

Moreover, based on the Oji Paper Environment Charter, the group is promoting forest recycling that actively develops the tree-planting projects and paper recycling that promotes the increased use of used-paper resources. In addition to enhancing its range of products that address environmental concerns such as 100% Oji tree plantation paper and the Green 100 Series composed of 100% used-paper, the Oji Paper Group will maintain and develop its corporate activities in harmony with the environment from a broad global perspective, such as working to prevent global warming through the promotion of energy-saving measures and working to strengthen global scale environmental measures.

(2) Tasks for the Future

The Oji Paper Group is pursuing the establishment of an optimally efficient and flexible production system as its top challenge in the area of production, and the maintenance and restoration of prices as well as the expansion of sales as its top challenges in sales.

The Group is striving to create a high profit structure, focusing on: [1] reinforcing the Group's corporate prowess; [2] strengthening marketing and sales capabilities; [3] strengthening cost competitiveness; [4] improving quality competitiveness; [5] promoting new employee utilization plans; [6] strengthening the financial constitution; [7] achieving zero accidents; [8] promoting environmental protection measures; [9] thorough compliance system.

In particular, the entire Group will proactively promote various strategies including integration and reorganization; strengthen cost competitiveness, marketing capabilities and its financial constitution; and establish a business base that matches the demands of the consolidated management era.

Specifically, in the Paperboard Division, the Group will merge its corrugated containerboard mills with Oji Paperboard Co., Ltd., one of its subsidiaries, through a company spin-off on October 1, 2002. On the same date, five of the company's subsidiaries will merge with Oji Paperboard Co., Ltd., as the successor company, and the plan is to integrate the corrugated containerboard production and sales systems.

The Oji Paper Group also formulated and commenced a new Medium/Long-Term Management Plan in FY2001. "Improvement in Earning Power," "Strengthening of Financial Constitution" and "Establishment of New Directions for Growth" are the foundations of its Management Plan.

In particular, "Improvement in Earning Power" will address items such as: [1] reducing fixed costs through improving personnel efficiency throughout the Oji Paper Group; [2] reducing energy costs by installing boilers that use used-paper and waste plastic as primary fuels; [3] reconstructing the production and sales system in the corrugated containerboard business; [4] reducing distribution costs, focusing on Oji Logistics Co., Ltd., which was inaugurated by the October 2001 merger of logistics companies; [5] reducing raw material costs by increasing manufacturing facilities for used-paper pulp; [6] reconstructing the engineering system based on Oji Engineering Co., Ltd.; [7] reinforcing the production and sales system for corrugated containerboard, focusing on Oji Paperboard Co., Ltd.; [8] improving efficiency in the production system for white paperboard by suspending the old type machines and operating new Fuji Mill machines, including at subsidiaries.

(3) Basic Policy with Respect to Profit Distribution

The Group's basic policy for profit distribution is to maintain stable dividends for shareholders to the greatest extent possible. In order to strengthen its financial constitution, the Group hopes to pay dividends in consideration of overall results and taking into account the adequacy of in-house reserves.

In-house reserves are used for allocations to investments in increasing and renovating production facilities; improving quality; energy conservation, labor saving, and environmental measures; and productivity improvement measures.

(4) Policy on Reductions in the Minimum Share Lot

The Oji Paper Group is aware that a reduction in the minimum share lot is effective in activating the liquidity of shares and increasing the number of investors. However, on the other hand, a reduction in the minimum share lot involves considerable expenses, and we will consider it cautiously while taking into account business results and trends in the share market.

3. Business Results and Financial Position

(1) Business Results

(Overview of FY2001 Results)

The US economy, which had been performing strongly, slowed significantly as a result of the September 11 terrorist attacks, and that rapidly spread to Asian countries. In this context, the Japanese economy witnessed a slump in both consumer spending and private facilities investment. As a result, Japanese corporate earnings deteriorated significantly, with the development of a vicious cycle in which deterioration in the employment environment was added to declining incomes.

In the pulp and paper industry, demand for paper fell because of the decline in IT-related demand and advertising, while demand for paperboard slumped due to the fall in the demand of consumer electronics and processed food. In terms of market conditions, while paper was bearish, it was relatively steady, but paperboard suffered a decline tempered by a restoration of price in the second half of the year.

In these circumstances, an overview of the Oji Paper Group's business operations is as below.

On the sales front, the Group maintained a flexible production and sales system while closely monitoring demand and supply, and set maintaining prices as its basic policy.

In production, along with the advance of technological skills and active efforts in environmental protection, the Group proactively promoted the development of new products suited to current needs, including the development and marketing of high quality recycled paper made from 100% used-paper, which featured improved whiteness compared to previous products. In addition, the previous recycled paper Green 100 Series came into the spotlight for meeting the criteria of the Green Purchasing Law, which came into force in April this year.

Turning to facilities, during the year under review, the Group completed rebuilding the white paperboard production system at the Fuji Mill, expansion of the used-paper pulp manufacturing facilities at the Tomakomai Mill, installation of a size press, and work to improve quality and reduce costs at the Tomioka Mill.

With respect to costs, we are implementing a variety of strategies to reduce prime costs across the whole business including energy-saving and labor-saving measures, and there have been significant results during the year under review.

During the term under review, the consolidated sales were ¥1,203,797 million, down 4% year on year, ¥20,091 million in consolidated ordinary profit, down significantly year on year despite the implementation of various measures to cut prime costs. In addition, the company conducted a write-off of appraisal losses on shareholdings and the consolidated net loss was ¥17,698 million, down significantly in comparison with the previous year.

Results in each business segment were as below.

[1] Pulp and Paper Products

In the pulp and paper products field, demand was weak and sales of paper and paperboard declined year on year. The market conditions for paper were bearish. The slump in prices for paperboard staged a recovery from December 2001, and this has been sustained. Sales were ¥699,431 million, down 5% year on year.

[2] Converted Paper Products

Demand for corrugated boxboard products declined amidst the economic recession and prices were bearish. The demand for thermal paper in the domestic market remained steady while exports underwent a decline in sales with the strong offensive by European and South Korean manufacturers on the Chinese and South East Asian markets. Sales were ¥343,923 million, down 4% year on year.

[3] Wood and Tree-Planting

Due to a slump in market conditions for wood sales were down 6% year on year to ¥48,503 million.

[4] Other

In the other division, sales of real estate rose 1% year on year to ¥111,939 million.

Also, given the decline in sales volume due to the slump in demand and the fall in paperboard prices as described previously, non-consolidated sales were ¥743,968 million down 9% year on year and ordinary profit of ¥16,512

company conducted a write-off of appraisal losses on shareholdings and the non-consolidated net loss was ¥16,452 million down significantly in comparison with the previous year.

Although the company marked a net loss, it plans to pay an ordinary dividend of ¥4 per share for the year under review by breaking down a separate reserve. As a result of this, the total dividend including the interim dividend will be ¥8 per share, the same as in the previous year.

(Outlook for FY2002)

Signs are emerging that the recession in the Japanese economy has bottomed out, and it will move out of the current difficult situation in the second half of this fiscal year although the pace will be slow.

However, a consecutive year of negative growth is forecast in the pulp and paper industry due to the decline in demand accompanying the economic recession, and we cannot look forward to a full-scale recovery for the time being.

Under these circumstances, the Oji Paper Group is pursuing the establishment of an optimally efficient and flexible production system as its top challenge in the area of production, and the maintenance and restoration of prices as well as the expansion of sales as its top challenges in sales.

Furthermore, Group companies will demonstrate their integrated management capabilities, promote structural cost reductions and strive to establish a high earnings structure.

Business results forecasts for FY2002 expect a consolidated net sales of ¥1,210,000 million, consolidated ordinary profit of ¥42,000 million and consolidated net profit of ¥22,000 million.

Moreover forecasts for non-consolidated business results project net sales of ¥690,000 million, ordinary profit of ¥28,000 million and net profit of ¥18,000 million.

(2) Financial Position

Cash flows from operating activities during FY2002 marked an income of ¥134,930 million, down over the previous year due to the inclusion of current term net losses before taxes and minority interests.

Cash flows from investing activities marked expenditure of ¥100,152 million up on the previous year due to the acquisition of investment securities, including a capital increase for Japan Brazil Paper and Pulp Resources Development Co., Ltd., which is an equity method subsidiary of the Oji Paper Group.

In addition, cash flows from financing activities marked expenditure of ¥44,331 million due to ongoing efforts to reduce overall interest bearing liabilities, despite a reduction in expenditure over the previous year due to increased short-term borrowings.

As a result, the term end balance of cash and cash equivalents was ¥35,073 million, down by ¥9,925 million over the end of the previous term.

4 .CONSOLIDATED FINANCIAL STATEMENT

(1) CONSOLIDATED BALANCE SHEET

	Millions of Yen		
	Current term March 31, 2002	Previous term March 31, 2001	Comparison
ASSETS			
Current Assets:	510,391	569,030	- 58,638
Cash and deposit	35,459	42,000	- 6,541
Trade receivables	289,003	324,138	- 35,135
Marketable securities	135	4,010	- 3,874
Inventories	144,952	164,061	- 19,109
Prepayments	648	1,420	- 771
Short-term loans	3,625	3,240	385
Other accounts receivable	9,468	8,624	844
Deferred tax assets	25,556	18,901	6,655
Other	2,785	4,346	- 1,561
Allowance for doubtful accounts	- 1,244	- 1,714	470
Fixed Assets:	1,121,692	1,135,235	- 13,542
(Total property and equipment)	(895,014)	(906,682)	(- 11,668)
Buildings and structures	231,870	235,742	- 3,871
Machinery and automobiles	393,644	396,717	- 3,073
Tools and fixtures	9,693	10,317	- 623
Land	190,287	183,304	6,982
Forests	17,139	16,899	239
Afforestation	39,724	37,995	1,728
Construction in progress	12,653	25,704	- 13,050
(Intangible assets)	(8,770)	(8,812)	(- 41)
Leasehold	1,864	1,849	14
Difference between investment costs and equity in net assets	347	454	- 106
Other intangibles	6,559	6,508	50
(Investments and other assets)	(217,907)	(219,740)	(- 1,833)
Investments in securities	173,046	176,335	- 3,289
Long-term loans	6,981	7,116	- 135
Long-term prepaid expenses	2,166	2,257	- 91
Deferred tax assets	25,736	23,014	2,722
Other	11,784	12,511	- 727
Allowance for doubtful accounts	- 1,808	- 1,495	- 313
Total assets	1,632,084	1,704,266	- 72,181

	Millions of Yen		
	Current term March 31, 2002	Previous term March 31, 2001	Comparison
Current Liabilities:	708,604	748,273	- 39,669
Trade payables	206,584	235,363	- 28,779
Short-term bank loans	356,555	353,003	3,552
Commercial paper	43,000	68,000	- 25,000
Convertible debentures (redeemable within one year)	20,000	-	20,000
Accrued accounts	17,162	18,292	- 1,130
Income taxes payable, etc.	2,494	5,282	- 2,787
Accrued expenses	49,891	52,652	- 2,761
Deferred tax liabilities	137	189	- 51
Other	12,778	15,489	- 2,711
Non-Current Liabilities:	489,584	509,844	- 20,260
Debentures	140,000	160,000	- 20,000
Long-term bank loans	212,448	229,677	- 17,229
Deferred tax liabilities	17,384	17,148	236
Evaluation difference of deferred tax liabilities	3,077	-	3,077
Accrued pension and severance costs	100,127	85,952	14,175
Accrued retirement bonuses to directors	3,349	3,446	- 97
Long-term deposits	12,525	12,967	- 441
Other	671	651	19
Total liabilities	1,198,188	1,258,117	- 59,929
Minority Interests in net profit of Consolidated Subsidiaries	9,639	9,534	104
Common stock	103,880	103,880	-
Additional paid-in capital	98,715	98,715	-
Revaluation of land	5,956	1,716	4,240
Retained earnings	214,990	241,723	- 26,732
Other valuation of securities	6,821	-	6,821
Foreign currency translation adjustment	- 5,966	- 9,416	3,449
Treasury stock	- 141	- 5	- 136
Total shareholders' equity	424,256	436,614	- 12,357
Total liabilities and minority interests in net profit of consolidated subsidiaries and shareholders' equity	1,632,084	1,704,266	- 72,181

(Notes)

	Millions of Yen	
	Current term	Previous term
1. Accumulated depreciation of total property and equipment	1,502,189	1,476,763
2. Trade notes receivable discount amount	3,415	7,169
3. Trade notes receivable transfer endorsement amount	1,056	858
4. Contingent liabilities and guarantee obligations	56,548	20,855
5. Number of treasury stocks	244,459 shares	10,271 shares

(2) CONSOLIDATED STATEMENT OF INCOME

(Millions of Yen)

	Current term (April 1, 2001 - March 31, 2002)	Previous term (April 1, 2000 - March 31, 2001)	Comparison
Net sales	1,203,797	1,252,941	- 49,143
Initial cost of sales	923,748	943,577	- 19,829
<u>Gross Profit</u>	<u>280,049</u>	<u>309,363</u>	<u>- 29,314</u>
Selling, general and administrative expenses	243,713	236,846	6,866
<u>Operating profit</u>	<u>36,336</u>	<u>72,517</u>	<u>- 36,180</u>
<u>Non-operating profit</u>	<u>7,896</u>	<u>10,986</u>	<u>- 3,089</u>
Interest and dividends income	2,242	2,740	- 498
Equity in earnings of Affiliates	-	4,124	- 4,124
Miscellaneous income	5,654	4,120	1,533
<u>Non-operating expenses</u>	<u>24,141</u>	<u>25,316</u>	<u>- 1,174</u>
Interest expense & discount charges	12,308	14,325	- 2,017
Equity in exclusion of affiliates	585	-	585
Miscellaneous losses	11,247	10,990	256
<u>Ordinary profit</u>	<u>20,091</u>	<u>58,187</u>	<u>- 38,095</u>
<u>Extraordinary gain</u>	<u>2,650</u>	<u>33,277</u>	<u>- 30,626</u>
Profit on sale of fixed assets	1,338	3,476	- 2,138
Profit on sale of investments in securities	1,311	-	1,311
Gain on securities contribution to employee retirement benefit trust	-	25,291	- 25,291
Profit on sale of business divisions	-	4,508	- 4,508
<u>Extraordinary losses</u>	<u>50,507</u>	<u>69,603</u>	<u>- 19,096</u>
Loss on retirement of fixed assets due to reorganization of production operation	3,184	3,784	- 599
Loss on sale of investments in securities	-	16,147	- 16,147
Loss on write-down of investments in securities	30,280	2,467	27,812
Amortization of accrued pension and severance costs due to effect of an accounting change	16,697	45,825	- 29,127
Loss on natural disaster	-	774	- 774
Extraordinary retirement benefits	-	596	- 596
Loss on reduction of fixed asset's cost	344	7	337
<u>Profit (loss) before taxes and minority interests</u>	<u>- 27,765</u>	<u>21,861</u>	<u>- 49,626</u>
Income tax, resident tax and enterprise tax	4,355	6,720	- 2,365
<u>Deferred taxes</u>	<u>- 14,293</u>	<u>2,722</u>	<u>- 17,016</u>
Total	- 9,938	9,443	- 19,381
<u>Minority interests in net profit of consolidated subsidiaries</u>	<u>127</u>	<u>363</u>	<u>- 235</u>
<u>Net Profit (loss)</u>	<u>- 17,698</u>	<u>12,781</u>	<u>- 30,480</u>

(3) CONSOLIDATED STATEMENT OF RETAINED EARNINGS

(Millions of Yen)

	Current term (April 1, 2001 - March 31, 2002)	Previous term (April 1, 2000 - March 31, 2001)	Comparison
<u>Balance at beginning of year (Retained earnings)</u>	<u>241,723</u>	<u>237,761</u>	<u>3,961</u>
Balance at beginning of year	241,723	237,761	3,961
<u>Increase (Retained earnings)</u>	<u>1</u>	<u>138</u>	<u>- 136</u>
Increase due to merger	1	111	- 110
Increase retained earnings due to equities ratio increase	-	9	- 9
Increase retained earnings due to increase in affiliates to which equity method applies	-	17	- 17
<u>Decrease (Retained earnings)</u>	<u>9,034</u>	<u>8,957</u>	<u>77</u>
Cash dividends	8,266	8,266	0
Bonuses to directors and statutory auditors	533	503	29
Decrease due to exclusion of consolidation of subsidiaries	-	180	- 180
Decrease due to mergers of consolidated subsidiaries	234	-	234
Decrease due to equities ratio increase in affiliates to which equity method applies	-	6	- 6
<u>Net profit (loss)</u>	<u>- 17,698</u>	<u>12,781</u>	<u>- 30,480</u>
<u>Balance at year end (Retained earnings)</u>	<u>214,990</u>	<u>241,723</u>	<u>- 26,732</u>

(4) CONSOLIDATED STATEMENT OF CASH FLOWS

	Millions of Yen Current Term (April 1, 2001-March 31, 2002)	Millions of Yen Previous Term (April 1, 2000-March 31, 2001)
<i>I. Cash Flows from Operating Activities:</i>		
Net profit (loss) before taxes and minority interests	- 27,765	21,861
Depreciation and amortization	91,971	91,738
Increase/decrease of provision for accrued retirement benefits	-	- 76,266
Increase of provision for accrued pension and severance costs	14,065	89,399
Interest and dividends income	- 2,242	- 2,717
Interest expenses	12,308	14,325
Exchange loss (profit)	- 652	214
Equity in earnings (exclusion) of affiliates	585	- 4,124
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	- 1	- 365
Profit on sale of investments in securities	- 1,311	16,147
Loss on write-down of investments in securities	30,280	2,467
Profit on disposal of fixed assets	7,622	8,638
Loss on sale of fixed assets	- 1,338	- 3,566
Increase/decrease in trade receivables	35,163	- 9,389
Increase/decrease in inventories	20,051	- 16,706
Decrease/increase in trade payables	- 27,029	28,180
Other	<u>- 57</u>	<u>9,473</u>
Total	151,650	173,147
Interest and dividends received	2,913	3,132
Interest paid	- 12,437	- 14,067
Income taxes paid	<u>- 7,195</u>	<u>- 4,373</u>
Net cash provided by operating activities	134,930	157,839
<i>II. Cash Flows from Investing Activities:</i>		
Purchase of marketable securities	- 161	- 176
Proceeds from sale of marketable securities	169	261
Acquisition of property and equipment/ intangibles	- 79,616	- 72,132
Proceeds from sale of property and equipment/intangibles	2,666	4,739
Investments in securities	- 25,133	- 6,832
Proceeds from sale of investments in securities	5,523	472
Acquisition of consolidated subsidiaries due to change in the scope of consolidation	-	- 3,358
Loans to subsidiaries, affiliates, employees, etc.	- 5,767	- 3,697
Collection of loans	2,093	3,348
Other	<u>74</u>	<u>289</u>
Net cash used in investing activities	- 100,152	- 77,085
<i>III. Cash Flows from Financing Activities:</i>		
Net decrease in short-term bank loans	5,157	- 81,286
Net increase/decrease of commercial paper	- 25,000	60,000
Borrowing of long-term bank loans	18,276	13,420
Repayment of long-term bank loans	- 34,496	- 35,102
Gain on issuing of debentures	-	40,000
Loss due to maturity of debentures	-	- 69,211
Cash dividends paid by the holding company	- 8,266	- 8,266
Other	<u>- 2</u>	<u>- 132</u>
Net cash used in financing activities	- 44,331	- 80,577
<i>IV. Exchange translation effects on cash and cash equivalents</i>	<u>647</u>	<u>455</u>
<i>V. Net increase/decrease in cash and cash equivalents</i>	- 8,906	631
<i>VI. Cash and cash equivalents at beginning of year</i>	44,998	44,353
<i>VII. Increase in cash and cash equivalents from mergers of subsidiaries</i>	12	140
<i>VIII. Decrease in cash and cash equivalents from exclusion of consolidation of subsidiaries</i>	<u>- 1,030</u>	<u>- 126</u>
<i>IX. Cash and cash equivalents at end of year</i>	<u>35,073</u>	<u>44,998</u>

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

	Current term (March 31, 2002)	Previous term (March 31, 2001)
Cash and deposits	35,459	42,000
Time deposits (more than 3-months)	- 391	- 879
Marketable securities (short-term investments with low-risk and a maturity date of less than 3-months)	<u>5</u>	<u>3,877</u>
Cash and cash equivalents	<u>35,073</u>	<u>44,998</u>

(5) SEGMENT INFORMATION

(1) Segment information by business domain

Current term (April 1, 2001 - March 31, 2002)

(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	699,431	343,923	48,503	111,939	1,203,797	-	1,203,797
(2)In-group sales between segments or transfers	34,345	2,278	33,591	98,614	168,829	(168,829)	-
Total	733,776	346,202	82,094	210,554	1,372,627	(168,829)	1,203,797
Operating expenses	707,282	343,099	81,213	204,696	1,336,291	(168,829)	1,167,461
Operating profit	26,494	3,103	881	5,858	36,336	(-)	36,336
(II) Assets, Depreciation and Capital Expenditure							
Assets	1,035,387	332,265	105,823	216,861	1,690,338	(58,254)	1,632,084
Depreciation	68,045	16,826	1,057	6,055	91,984	-	91,984
Capital expenditure	56,553	15,710	1,807	2,852	76,924	-	76,924

Previous 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

(Notes)

1. In principle, segmentation is determined in consideration of differences in production method.

2. 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

3. Long-term prepaid expenses and depreciation on them are included in "depreciation expenses and capital expenditure".

4. Changes in accounting methods:

As stated in "4.Accounting principals employed by the company" in "Basis of representing consolidated financial statements," the method of depreciation for some fixed assets has changed stating this year.

Accompanying this, operating expenses for pulp and paper products increased ¥2,139 million, and ¥234 million for converted paper products in comparison to the previous method of depreciation.

(2) Location Specific Segment Information

Japan accounts for over 90% of the total sales for all segments and the total amount of assets for all segments, so others have been omitted.

(3) Overseas Sales

Total sales in countries or regions outside of Japan account for less than 10% of consolidated sales, and so have been omitted.

(6) Market Value of Securities

Current Term Balance (March 31, 2002)

1. Market value of debentures: None

2. Other securities with market value

(Millions of Yen)

		Cost price	Book value (Consolidated B/S)	Balance
Securities with book value exceeding the cost price	Shares	23,270	48,241	24,970
	Bonds	10	10	0
	Other	-	-	-
	Subtotal	23,280	48,251	24,970
Securities other than the above	Shares	54,312	40,736	- 13,575
	Bonds	800	800	-
	Other	1	1	- 0
	Subtotal	55,114	41,537	- 13,576
Grand total		78,394	89,789	11,394

3. Sale of other marketable securities during the term

(Millions of Yen)

Total sale amount	Total profit on sale	Total loss on sale
4,962	1,324	- 15

4. Securities without market value evaluation.

	Millions of Yen
	Current term (March 31, 2002) (Consolidated Balance Sheet)
(1) Debentures	
Interest - bearing bank debentures	112
(2) Securities	
Unlisted shares (except over - the - counter shares)	14,224
Preferred investment securities	999

5. Redemption date of other securities and debentures

	With in 1 year	More than 1 year, less than 5 years	More than 5 years, less than 10 years	More than 10 years
Bonds				
Government bonds/regional bonds	0	4	19	8
Convertible bonds	-	-	-	-
Others	120	17	-	-

Previous Term Balance (March 31, 2001)

1. Market value of debentures: None

2. Other securities with market value that are calculated in accordance with Ordinance No.9, Additional Rule No.3 of the Ministry of Finance in year 2000.

3. Securities without market value evaluation.

		Millions of Yen
		Book value
(1) Debentures	Commercial papers	3,776
(2) Securities	Unlisted shares (except over-the-counter shares)	15,802
	Preferred investment securities	999

(7) Derivatives

The Company adopts hedge accounting to all of derivatives.

5 . PRODUCTION, ORDERS AND SALES SITUATION

(1) Production Results

Business Segment	Product	Current term (April 1, 2001 – March 31, 2002)	Previous term (April 1, 2000 – March 31, 2001)
Pulp and Paper Product Division	Paper	4,234,859 (tons)	4,484,026 (tons)
	Paperboard	2,459,750	2,627,081
	Total	6,694,609	7,111,107
	Pulp	4,081,154	4,246,996
Converted Paper Product Division	Corrugated container	113,678 (Millions of Yen)	116,237 (Millions of Yen)
	Other	193,263	203,893
	Total	306,942	320,130

- (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.
4. Since this term, high-grade white paperboard is taking into account in paperboard products segment and due to this change, the previous term figures has been corrected.

(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, 2001-March 31, 2002)	Previous term (April 1, 2000-March 31, 2001)
Pulp and Paper Product Division	699,431	733,165
Converted Paper Product Division	343,923	357,007
Wood and Tree-Planting Division	48,503	51,645
Other Division	111,939	111,123
Total	1,203,797	1,252,941

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