

Business Results for the First Nine Months of the Year Ending March 31, 2004(Consolidated)

January 30, 2004

Listed name: Oji Paper Co., Ltd.
 Code No. 3861
 Stock Exchange Listings: First section of Tokyo, Osaka and Nagoya Stock Exchanges, and Fukuoka and Sapporo Stock Exchanges.
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1. Note related to the preparation of the Consolidated Business Results for the first nine months of FY 2004

- (1) Accounting procedure differences compared those used in the latest consolidated fiscal year
- Treatment of corporate income taxes, etc: A simplified method based on the statutory effective tax rate has been used.
 - Simplified procedures have been used in some areas, where the effect would be negligible.
- (2) Changes in number of the consolidated subsidiaries and therefore in the scope of application of the equity method: none

**2. Consolidated Business Results for the first nine months of the year ending March 31, 2004
(April 1, 2003–December 31, 2003)**(1) Consolidated Business Results
million yen

All yen figures are rounded down to the nearest one

	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
First nine months of FY2004	889,693	(—)	53,500	(—)	47,829	(—)	25,943	(—)
First nine months of FY2003	—		—		—		—	
Reference: Year ended March 2003	1,213,173		56,490		47,971		12,170	

	Net income per share	Diluted net income per share
	Yen	
First nine months of FY2004	25.01	—
First nine months of FY2003	—	—
Reference: Year ended March 2003	11.23	—

Note: Since disclosure of quarterly results began in the first quarter of the current year, the results for the same quarter in the previous year are not shown, and there are no comparisons with the same quarter in the previous year.

(2) Consolidated Financial Condition

	Total assets	Shareholders' equity	Shareholders' equity per total assets	Shareholders' equity per share
	Millions of Yen	Millions of Yen	%	Yen
First nine months of FY2004	1,651,213	460,374	27.9	444.20
First nine months of FY2003	—	—	—	—
Reference: Year ended March 2003	1,621,095	425,861	26.3	407.30

Note: Since disclosure of quarterly results began in the first quarter of the current year, the results for the same quarter in the previous year are not shown, and there are no comparisons with the same quarter in the previous year.

3. Forecasts for the year ending March 2004 (April 1, 2003–March 31, 2004)

The forecasts published with the interim results for the year to March 2004 on November 19, 2003 remain unchanged.

(Reference)

	Net sales	Ordinary profit	Net income
	Millions of Yen	Millions of Yen	Millions of Yen
Year ending March 2004	1,195,000	70,000	36,000

Reference: The full-year consolidated net income per share forecast is: ¥34.74

The above forecasts are based on forecasts of future economic conditions as of the date of publication. The actual results may differ from these forecasts due to various factors that may arise in the future.

Consolidated Performance

Consolidated results for the first nine months of the current year were generally in line with planned levels, with net sales reaching ¥889,693 million and ordinary profit ¥47,829 million. The situation in the period from October to December 2003 is summarized below.

Pulp and Paper Products Business

In the area of general papers, sales of newsprint tended to weaken, while sales of printing paper declined because the maintenance of selling prices in a weak market environment was given first priority in marketing activities. Sales trends remained firm in the packaging paper category, but prices weakened. Prices were also softer in the area of household paper products, although sales remained strong in volume terms. Corrugated boxboard liner prices were restored to normal levels. Sales of white paperboard declined because of the impact of inventory adjustments on the market. Sales of high-grade white paperboard were strong.

Converted Paper Products Business

Corrugated boxboard sales remained static in volume terms, but restored price levels permeated through the market. Sales of thermal papers remained flat in both value and volume terms. Disposable diapers increased in volume terms, but prices were eroded by escalating competition.

Segment Information

The first nine months of FY 2004 (April 1, 2003- December 31, 2003)

Millions of Yen

	Pulp and paper products	Converted paper products	Wood and tree-planting	Others	Total	Elimination or corporate	Consolidated total
I. Sales							
(1) Sales to customers	533,277	255,105	35,638	65,672	889,693	—	889,693
(2) In-group sales between segments or transfers	34,255	3,955	21,109	83,434	142,755	(142,755)	—
Total	567,533	259,060	56,748	149,107	1,032,449	(142,755)	889,693

Reference: Year Ended March 31, 2003 (April 1, 2002- March 31, 2003)

Millions of Yen

	Pulp and paper products	Converted paper products	Wood and tree-planting	Others	Total	Elimination or corporate	Consolidated total
I. Sales							
(1) Sales to customers	734,312	332,105	47,977	98,778	1,213,173	—	1,213,173
(2) In-group sales between segments or transfers	37,535	2,234	33,056	114,033	186,860	(186,860)	—
Total	771,848	334,340	81,033	212,811	1,400,034	(186,860)	1,213,173

<Reference>

(1) Summary of Consolidated Balance Sheet

Millions of Yen

	First nine months, FY 2004 (April 1, 2003 to December 31, 2003)	Full FY 2003 (April 1, 2002 to March 31, 2003)
ASSETS		
Current Assets	526,364	497,422
Cash and bank deposits	32,461	35,036
Accounts receivables-trade	293,673	271,132
Inventories	147,060	142,142
Other	53,168	49,110
Fixed Assets:	1,124,848	1,123,673
Tangible fixed assets	899,105	926,101
Intangible fixed assets	10,982	11,409
Investments and other assets	214,760	186,161
Total assets	1,651,213	1,621,095
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:	670,619	741,917
Accounts payable-trade	204,345	189,738
Short-term bank loans	291,679	368,793
Commercial paper	96,000	69,000
Current portion of debentures	—	40,000
Other	78,594	74,385
Non-Current Liabilities:	514,092	447,521
Debentures	140,000	100,000
Long-term bank loans	255,998	221,648
Other	118,094	125,873
Total liabilities	1,184,711	1,189,438
Minority interests	6,126	5,795
SHAREHOLDERS' EQUITY		
Common stock	103,880	103,880
Additional paid-in capital	110,164	110,159
Retained earnings	233,904	216,669
Revaluation of land	4,443	4,428
Other valuation of securities	24,529	4,821
Foreign currency translation adjustment	(4,715)	(6,130)
Treasury stock	(11,833)	(7,968)
Total shareholders' equity	460,374	425,861
Total liabilities, minority interests consolidated subsidiaries and shareholders' equity	1,651,213	1,621,095

<Reference>

(2) Summary of Consolidated Statements of Income

Millions of Yen

	First nine months, FY 2004 (April 1, 2003 to December 31, 2003)	Full FY 2003 (April 1, 2002 to March 31, 2003)
Net sales	889,693	1,213,173
Cost of sales	665,942	927,918
Gross Profit	223,751	285,255
Selling, general and administrative expenses	170,250	228,764
Operating profit	53,500	56,490
Non-operating profit	6,325	10,004
Non-operating expenses	11,996	18,553
Ordinary profit	47,829	47,941
Extraordinary gains	8,043	23,880
Extraordinary losses	16,012	48,643
Income (loss) before income taxes.	39,860	23,178
Corporate tax, resident tax and enterprise tax	13,643	10,688
Minority interests in net profit (loss) of consolidated subsidiaries	(272)	(319)
Net income (loss)	25,943	12,170