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## **Notice Regarding Halt of Paper and Paperboard Manufacturing Facilities**

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As previously notified, the Oji Paper Group (the “Group”) advanced its business base strengthening efforts by the sequential halt of operations at facilities low in competitiveness, taking into account changes in the medium-to-long-term demand structure, with the aim of formulating an appropriate production system that meets future demand.

Oji Paper Co., Ltd. (“Oji Paper”) hereby announces that, in order to further fortify its Group business base, a decision was made to halt the operation of the manufacturing facilities provided below.

The Group will continue to implement drastic measures for cost reduction in order to further strengthen its global competitiveness.

In addition, regarding its paperboard business, the Group will implement in sequence installation of coating facilities for corrugated medium in order to meet the needs of all valued customers for lighter-weighted paperboard.

### Overview of halted facilities

		Oji Paperboard’s Fuji Mill	Oji Paper’s Fuji Mill
Name of halted facility		Machine # 8	Machine # N-1
Main Products		Corrugating medium	Coated paper Light-coated paper
Production capacity	Daily	460 tons	350 tons
	Annual	135 thousand tons	120 thousand tons
Halting schedule		The end of April 2011	The end of April 2011

The above measures will result in annual cost reductions of approx. ¥5.0 billion mostly in fixed cost.

Oji Paper plans to record structure improvement expenses under extraordinary loss in the year under review as a result of the above halting of facilities.

The resulting amount is yet to be determined, however, the business forecasts for the year ending March 31, 2011 (from April 1, 2010 to March 31, 2011) announced on November 1, 2010 contain rough estimates that already factor in structuring improvement expenses, therefore, no revision of the business forecasts was effected as a result of the halting of the above facilities.

Lastly, although this halt of facilities will result in no change in the Group’s production volume and sales volume, the Group is doing its utmost to prevent all valued customers and related parties from any inconvenience by this halt of facilities.