

**Notice Regarding Conclusion of Company Split Agreement Concerning Fuji Mill**

**Oji Paper Co., Ltd.** (Code No. 3861 Tokyo Stock Exchange and Osaka Securities Exchange  
(each at the First Section))  
Representative: Kazuhisa Shinoda, President & Chief Executive Officer  
Contact: Toshihiko Tanaka, General Manager,  
Planning Department, Corporate Planning Division  
Telephone: 03-3563-4385 +81-3-3563-4385 (from overseas)

Oji Paper Co., Ltd. (“Oji Paper”) hereby announces that, at a meeting of its Board of Directors held today, the conclusion of a company split agreement by which the business of Oji Paper’s Fuji Mill (hereafter referred to as the “relevant Business”) would be assumed by Oji Paperboard Co., Ltd. (“Oji Paperboard”), a wholly owned subsidiary of Oji Paper, (this company split, hereafter referred to as the “Absorption-type Company Split”) was approved, and the said agreement was concluded with Oji Paperboard.

Please note that, because the Absorption-type Company Split is a simple absorption-type company split by which a business division will be assumed by a wholly owned subsidiary of Oji Paper, some items have been omitted from disclosure in this notice.

1. Purpose of Company Split

As a concrete measure for the continuous restructuring of the production system, in March of this year, Oji Paper’s Fuji Mill stopped the paper machines that produced printing paper and became a mill that solely produces boxboard (1 paper machine). Oji Paper is taking this opportunity to transfer Oji Paper’s Fuji Mill by company split to Oji Paperboard for the purpose of integrating the operation of the mill with the nearby Oji Paperboard Fuji Mill (1 paper machine), thus improving efficiency.

2. Summary of Company Split (Planned)

(1) Schedule

June 29, 2011	Board of Directors’ approval of company split agreement
	Conclusion of company split agreement
October 1, 2011 (planned)	Effective date of company split
Early October 2011 (planned)	Registration of company split

(2) Format of company split (planned)

Spin-off (*bunsha-gata*) absorption-type company split (simple company split) with Oji Paper as the splitting company and Oji Paperboard as the successor company.

Note:

Because the Absorption-type Company Split falls under the category of a simple absorption-type company split as stipulated in Article 784, Paragraph 3 of the Companies Act for the splitting company, Oji Paper, it is planned to be carried out without obtaining approval of the absorption-type company split agreement via a general meeting of shareholders.

(3) Allotment of stock

As consideration for all the rights and obligations to be assumed through the company split, Oji Paperboard will issue one share of common stock and allot and deliver it to Oji Paper.

(4) Handling of subscription rights to shares and bonds with subscription rights to shares as a result of the company split

There are no changes in the handling of subscription rights to shares issued by Oji Paper as a result of the Absorption-type Company Split. There are also no relevant items regarding bonds with subscription rights to shares.

(5) Increase or reduction of capital

There is no increase or reduction in the capital of Oji Paper as a result of the Absorption-type Company Split.

(6) Rights and obligations to be assumed by successor company

The rights and obligations to be assumed by the successor company as a result of the Absorption-type Company Split shall be all of the rights and obligations regarding the following property, liabilities, and contractual relationships.

Property

- Machinery, equipment and other noncurrent assets belonging to the relevant Business (excluding land and buildings)
- Investment securities and other investments belonging to the relevant Business
- Finished goods, merchandise and other inventories belonging to the relevant Business

Liabilities

- 7,100 million yen in loans payable to Sumitomo Mitsui Banking Corporation belonging to the relevant Business

Contractual relationships

- Contracts involving the relevant Business (excluding consignment contracts, deposition contracts, and work contract agreements. The employment contracts of the employees that are engaged in the relevant Business will not be assumed, but the employees will be seconded.)

(7) Expectation of performance of obligations

After an examination of post-company-split conditions based on the amounts of assets, liabilities and assets and liabilities subject to company split held by Oji Paper and Oji Paperboard as of March 31, 2011, it was determined that no issues exist with respect to the expectation of the performance of obligations because both companies are expected to hold assets in excess of liabilities and no events in the business activities of the companies that may hinder the performance of obligations are presently recognized.

3. Summary of the Companies Involved in Company Split (as of March 31, 2011)

(1) Trade name	Oji Paper Co., Ltd. (splitting company)	Oji Paperboard Co., Ltd. (successor company)																						
(2) Major business lines	Manufacture and conversion and sale of paper and pulp	Manufacture and conversion and sale of paper and pulp																						
(3) Established	August 1949	May 2001																						
(4) Location of head office	7-5, Ginza 4-chome, Chuo-ku, Tokyo	12-8, Ginza 5-chome, Chuo-ku, Tokyo																						
(5) Representative	Kazuhisa Shinoda, President & Chief Executive Officer	Tazunu Ando, President & Chief Executive Officer																						
(6) Capital	103,880 million yen	600 million yen																						
(7) Total number of shares issued	1,064,381,817 shares	900,000 shares																						
(8) Net assets	348,552 million yen	74,249 million yen																						
(9) Total assets	1,257,984 million yen	187,782 million yen																						
(10) Fiscal year end	March 31	March 31																						
(11) Major shareholders and ratio of shareholding  (Percentage of number of shares held to total number of shares issued)	<table border="0"> <tr> <td>The Master Trust Bank of Japan, Ltd. (Trust account)</td> <td>5.0%</td> </tr> <tr> <td>Japan Trustee Services Bank, Ltd. (Trust account)</td> <td>3.9%</td> </tr> <tr> <td>Japan Trustee Services Bank, Ltd. (Trust account 4)</td> <td>3.1%</td> </tr> <tr> <td>Sumitomo Mitsui Banking Corporation</td> <td>3.0%</td> </tr> <tr> <td>Nippon Life Insurance Company</td> <td>2.7%</td> </tr> <tr> <td>Mizuho Corporate Bank, Ltd.</td> <td>2.7%</td> </tr> <tr> <td>SSBT OD05 OMNIBUS ACCOUNT - TREATY CLIENTS</td> <td>2.4%</td> </tr> <tr> <td>Oji Paper Group Employee Stock-holding Association</td> <td>2.2%</td> </tr> <tr> <td>Japan Pulp and Paper Company Limited</td> <td>1.6%</td> </tr> <tr> <td>The Norinchukin Bank</td> <td>1.6%</td> </tr> </table>	The Master Trust Bank of Japan, Ltd. (Trust account)	5.0%	Japan Trustee Services Bank, Ltd. (Trust account)	3.9%	Japan Trustee Services Bank, Ltd. (Trust account 4)	3.1%	Sumitomo Mitsui Banking Corporation	3.0%	Nippon Life Insurance Company	2.7%	Mizuho Corporate Bank, Ltd.	2.7%	SSBT OD05 OMNIBUS ACCOUNT - TREATY CLIENTS	2.4%	Oji Paper Group Employee Stock-holding Association	2.2%	Japan Pulp and Paper Company Limited	1.6%	The Norinchukin Bank	1.6%	<table border="0"> <tr> <td>Oji Paper Co., Ltd.</td> <td>100%</td> </tr> </table>	Oji Paper Co., Ltd.	100%
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## (12) Business results of the immediately prior fiscal year

Non-consolidated

(Millions of yen)

	Oji Paper Co., Ltd. (splitting company)	Oji Paperboard Co., Ltd. (successor company)
Fiscal year end	March 31, 2011	March 31, 2011
Net sales	480,100	160,068
Operating income	13,394	14,993
Ordinary income	29,262	14,664
Net income	11,452	6,927
Net income per share (yen)	11.42	7,697.43
Net assets per share (yen)	347.46	82,499.98

Consolidated

(Millions of yen)

	Oji Paper Co., Ltd.
Fiscal year end	March 31, 2011
Net sales	1,180,131
Operating income	65,441
Ordinary income	60,245
Net income	24,619
Net income per share (yen)	24.92
Net assets per share (yen)	444.24

## 4. Description of Business Division Subject to Company Split (Planned)

## (1) Description of Fuji Mill

Spun-off division	Number of paper machines	Remarks
Fuji Mill	1	Includes facilities for processing waste paper, etc.

## (2) Operating results of Fuji Mill during the year ended March 31, 2011

	Boxboard etc. (a)	Business results for the year ended March 31, 2011 (b)	Ratio (a/b)
Net sales	21,012 million yen	480,100 million yen	4.4%

There will be no impact on the net sales of Oji Paper as a result of the company split because the boxboard produced at the mill after the company split will be supplied on an OEM basis to Oji Paper.

## (3) Assets and liabilities to be transferred and amounts (approximate calculations)

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	2,300 million yen	Loans payable	7,100 million yen
Noncurrent assets	10,200 million yen		
Total	12,500 million yen	Total	7,100 million yen

## 5. Conditions (Planned) of Oji Paper (Splitting Company) and Oji Paperboard (Successor Company) after Company Split

- |                             |   |
|-----------------------------|---|
| (1) Trade name              | No changes to Oji Paper or Oji Paperboard |
| (2) Major business lines    | No changes to Oji Paper or Oji Paperboard |
| (3) Location of head office | No changes to Oji Paper or Oji Paperboard |
| (4) Representative          | No changes to Oji Paper or Oji Paperboard |
| (5) Capital                 | No changes to Oji Paper or Oji Paperboard |
| (6) Fiscal year end         | No changes to Oji Paper or Oji Paperboard |

## 6. Outlook

The impact of the Absorption-type Company Split on the business results of Oji Paper will be minimal. There will be no impact on the consolidated business results of Oji Paper because the company split involves a wholly owned subsidiary of Oji Paper.

(Reference) Consolidated business forecasts for the year ending March 31, 2012 (announced on May 12, 2011) and consolidated business results for the year ended March 31, 2011

(Millions of yen)

	Consolidated net sales	Consolidated operating income	Consolidated ordinary income	Consolidated net income
Forecasts for the year ending March 31, 2012	1,250,000	62,000	57,000	28,000
Business results for the year ended March 31, 2011	1,180,131	65,441	60,245	24,619

END