

**Notice Regarding Oji Forest & Products Co., Ltd. Becoming a Wholly Owned Subsidiary  
Through Simplified Share Exchange**

**Oji Paper Co., Ltd.** (Code No. 3861 Tokyo Stock Exchange and Osaka Securities Exchange)  
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Oji Paper Co., Ltd. (“Oji Paper”) hereby announces that, at meetings of the Boards of Directors of Oji Paper and Oji Forest & Products Co., Ltd. (“Oji Forest & Products”) held today, it was resolved that a share exchange in which Oji Paper will become a wholly owning parent company and Oji Forest & Products will become a wholly owned subsidiary as detailed below (hereafter referred to as the “Share Exchange”) will be carried out with December 20, 2011, as its effective date (hereafter referred to as the “Effective Date”), and a share exchange agreement was concluded today between the two companies.

Please note that, because the Share Exchange is a simplified share exchange in which a consolidated subsidiary will become a wholly owned subsidiary, some items have been omitted from disclosure in this notice.

1. Purpose of Making Oji Forest & Products a Wholly Owned Subsidiary Through Share Exchange  
Oji Paper decided to make Oji Forest & Products, its consolidated subsidiary, into a wholly owned subsidiary through the Share Exchange for the purpose of greater management efficiency for the Oji Paper Group.

2. Summary of the Share Exchange

(1) Schedule

Board of Directors’ resolution to conclude share exchange agreement (both companies)	November 4, 2011 (Fri)
Conclusion of share exchange agreement (both companies)	November 4, 2011 (Fri)
Effective Date of the Share Exchange	December 20, 2011 (Tue) (planned)

(Note 1) Oji Paper plans to carry out the Share Exchange without obtaining approval by resolution of a general meeting of shareholders, using the simplified share exchange procedure pursuant to the provisions of Article 796, Paragraph 3 of the Companies Act.

(Note 2) Oji Forest & Products plans to carry out the Share Exchange without obtaining approval by resolution of a general meeting of shareholders, using the summary share exchange (*ryakushiki kabushiki kokan*) procedure pursuant to the provisions of Article 784, Paragraph 1 of the Companies Act.

(Note 3) The Effective Date of the Share Exchange may be changed with the agreement of both companies.

(2) Format of the Share Exchange

A share exchange with Oji Paper as the wholly owning parent company in share exchange and Oji Forest & Products as the wholly owned subsidiary in share exchange

(3) Allotment of shares pertaining to the Share Exchange

Company name	Oji Paper Co., Ltd. (wholly owning parent company in share exchange)	Oji Forest & Products Co., Ltd. (wholly owned subsidiary in share exchange)
Share exchange ratio	1	0.43

(Note 1) Share allotment ratio

0.43 shares of common stock of Oji Paper will be allotted and delivered for 1 share of common stock of Oji Forest & Products; provided, however, that no share allotment will be made for 49,130,000 shares of common stock of Oji Forest & Products held by Oji Paper for the purpose of the Share Exchange.

(Note 2) Number of shares to be delivered upon the Share Exchange

Oji Paper plans to deliver 4,816 shares of its common stock upon the Share Exchange. Instead of issuing new shares, Oji Paper will deliver shares of its treasury stock.

(4) Handling of subscription rights to shares and bonds with subscription rights to shares in association with the Share Exchange

There are no relevant items.

3. Basis for Calculation of Shares to Be Allotted Pertaining to the Share Exchange

The share value of Oji Paper, which is a listed company, was calculated using the average market share price method. The share value of Oji Forest & Products, which is an unlisted company, was calculated using the net assets value method. After a comprehensive consideration of the results of these calculations, the abovementioned share allotment ratio was decided through discussion between Oji Paper and Oji Forest & Products. If there should be a material change in the various conditions forming the premise of the calculations, a change may be made on the basis of discussions between Oji Paper and Oji Forest & Products.

#### 4. Overview of the Companies Involved in the Share Exchange

	Wholly owning parent company in share exchange	Wholly owned subsidiary in share exchange																
(1) Trade name	Oji Paper Co., Ltd.	Oji Forest & Products Co., Ltd.																
(2) Location of head office	7-5, Ginza 4-chome, Chuo-ku, Tokyo	7-5, Ginza 4-chome, Chuo-ku, Tokyo																
(3) Position and name of representative	Kazuhisa Shinoda, President & Chief Executive Officer	Haruo Miyazaki President & Chief Executive Officer																
(4) Major business lines	Manufacture, conversion and sale of paper and pulp	Manufacture, conversion, import and export, and sale and purchase of logs and lumbers, and other forestry products																
(5) Capital	103,880 million yen	288 million yen																
(6) Established	August 1949	August 1937																
(7) Total number of shares issued	1,064,381,817 shares	49,141,200 shares																
(8) Fiscal year end	March 31	March 31																
(9) 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> </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%	<table border="0"> <tr> <td>Oji Paper Co., Ltd.</td> <td>99.98%</td> </tr> <tr> <td>3 individual shareholders</td> <td>0.02%</td> </tr> </table>	Oji Paper Co., Ltd.	99.98%	3 individual shareholders	0.02%
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(10) Financial position and business results of the immediately prior fiscal year (fiscal year ended March 31, 2011)																		
Net assets	455,998 million yen (Consolidated)	7,544 million yen (Non-consolidated)																
Total assets	1,620,927 million yen (Consolidated)	22,538 million yen (Non-consolidated)																
Net assets per share	444.24 yen (Consolidated)	153.52 yen (Non-consolidated)																
Net sales	1,180,131 million yen (Consolidated)	50,968 million yen (Non-consolidated)																
Operating income	65,441 million yen (Consolidated)	793 million yen (Non-consolidated)																
Ordinary income	60,245 million yen (Consolidated)	974 million yen (Non-consolidated)																
Net income	24,619 million yen (Consolidated)	492 million yen (Non-consolidated)																
Net income per share	24.92 yen (Consolidated)	10.03 yen (Non-consolidated)																

5. Conditions Following the Share Exchange

Following the Share Exchange, there will be no changes in Oji Paper's trade name, location of head office, position and name of representative, business lines, capital and fiscal year end as shown above in "4. Overview of the Companies Involved in the Share Exchange."

6. Outlook

The impact of the Share Exchange on the consolidated business results of Oji Paper will be minimal because Oji Forest & Products is already a consolidated subsidiary of Oji Paper.

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