

Re: Joint venture agreement approved for the Nantong Project

In July 2006, Oji Paper received official permission for the “Jiangsu Oji Paper Co., Ltd.(Chinese-foreign joint venture) 800,000 tons per year coated paper project” from the Chinese National Development and Reform Commission for commencing the Nantong Project, scheduled for construction in Nantong City, Jiangsu Province, China.. Subsequently, Oji Paper had been continuously negotiating with Nantong Economic & Technological Development Zone Corporation (NETDZ Corp.) regarding the joint venture agreement.

On Tuesday, July 17 2007, the Oji Paper Board of Directors approved the joint venture agreement and its incidental agreements at the extraordinary meeting.

After executing the agreement, an application will be made to the Chinese Ministry of Commerce to establish the joint venture as the company charged with carrying out the project. The joint venture agreement will come into force once this approval is granted.

Details of the agreement are as follows:

1. Party to the agreement

NETDZ Corp. (a wholly-owned subsidiary of the Nantong Economic & Technological Development Area Administrative Committee)

2. Date of execution

Scheduled for July 18, 2007

3. Name of the joint venture

Jiangsu Oji Paper Co., Ltd.

4. Business activities

To produce and sell 800,000 tons of high-quality paper and 700,000 tons of kraft pulp per year, and other related activities

5. Capital upon incorporation

US\$911,510,000

6. Investment ratio

Oji Paper Co., Ltd.: 90% (US\$820,359,000)

NETDZ Corp.: 10% (US\$91,151,000)

7. Incorporation

Oji Paper (Nantong) Co., Ltd., established independently by Oji Paper in September 2003, is to receive a capital injection and be reorganized into a Chinese-foreign joint venture between NETDZ Corp. and Oji Paper.

8. Headquarters

Nantong City, Jiangsu Province, China