

Re: Establishment of Joint Venture Company of the Nantong (China) Project

On October 26, 2007, Oji Paper established a joint venture company in Nantong City, Jiangsu Province, People's Republic of China with the Nantong Economic & Technological Development Zone Corporation (NETDZ Corp.) as the Oji's Nantong Project.

Oji will quickly move on to the phase of placing orders for the facilities and arrangements for the construction. The construction is planned to start in the beginning of 2008 and to have the first facility, the 400,000 tons/year High-quality Paper Machine to start-up in the latter half of 2010.

Oji had applied for approval to the Chinese Ministry of Commerce to establish the joint venture after executing a joint venture agreement on July 18, 2007 with the NETDZ Corp.

On October 10, 2007, Oji received approval from the Chinese Ministry of Commerce for establishing a joint venture company.

Incidentally, this project is insured by the Overseas Investment Insurance of the Nippon Export and Investment Insurance (NEXI).

Details of the joint venture company are as follows:

1. Name of the joint venture

Jiangsu Oji Paper Co., Ltd.

2. Headquarters

Nantong Economic & Technological Development Zone, Nantong City, Jiangsu Province, China

3. Date of Incorporation

October 26, 2007

4. Registered Capital

US\$ 911,510,000

5. Stock holders

Oji Paper Co., Ltd.: 90%,

Nantong Economic & Technological Development Zone Corporation: 10%

6. 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.

7. Chairman and CEO

Chairman: Shinichiro Kondo

Chief Executive Officer: Tadashi Watanabe