

February 27, 2009

**Notice Regarding Revision of Consolidated Business and
Dividend Forecasts and Halt of Paper Manufacturing Facilities**

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Oji Paper Co., Ltd. (“Oji Paper”) announced that the Oji Paper Group (the “Group”) has decided to halt operation of the paper manufacturing facilities mentioned below in an effort to build an appropriate production system that meets future demand and to significantly reduce fixed costs in the next fiscal year and beyond. Also, in light of the prospect of a provision for structure improvement expense and other charges recorded as extraordinary loss as a result of the above, Oji Paper revised its business and dividend forecasts for the year ending March 31, 2009 (from April 1, 2008 to March 31, 2009) released on February 3, 2009.

1. Revision of Consolidated Business Forecasts

Year ending March 31, 2009 (April 1, 2008 – March 31, 2009)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income
Previously announced forecasts (A)	1,300,000	42,000	35,000	12,000
Revised forecasts (B)	1,300,000	42,000	35,000	1,000
Change (B-A)	0	0	0	(11,000)
Percentage of change (%)	0.0	0.0	0.0	(91.7)
(Reference) Previous year's results (FY 2007)	1,318,380	42,122	38,064	11,768

2. Reasons for Revision

In the wake of the slump in demand following the present economic downturn, the Group has put in place a system to significantly reduce production capacity and made every effort to strike a balance between supply and demand. Because the economy is not expected to recover for some time in the distant future, the Group has decided to build an appropriate production system that meets demand and, in an effort to further strengthen its earnings base at a group-wide level, halt operations of the paper manufacturing facilities mentioned below including Machines #1 and #3 at its Kushiro Mill in addition to the previously announced halting of Machine #8 at the Fuji Mill. The permanent halt of operations of these facilities triggering a provision for structure improvement expense of approx. ¥12 billion and a decrease in valuation of noncurrent assets of approx. ¥4 billion resulted in a downward revision of the previous forecasts for net income. Please note that this halt of facilities will also greatly reduce fixed costs in the next fiscal year and beyond. The Group will build a competitive corporate structure capable of providing steady revenue increases even in a stringent business environment. Lastly, the Group is doing its utmost to prevent all valued customers and business partners from any inconvenience by this

halt of facilities.

The following is an overview of the halted facilities.

Name of halted facility	Oji Paper's Kushiro Mill				Oji Paper's Fuji Mill
	Machine #1	Machine #3	Kraft pulp manufacturing facility	Recovery boilers other ancillary facilities	Machine #8 off-coater
Main products	Medium and low grade paper Light-coated paper	Light-coated paper			Light-weight coated paper Light-coated paper
Capacity / day	280 tons	320 tons	L :280 tons, N:340 tons		250 tons
Capacity / year	92 thousand tons	110 thousand tons	150 thousand tons		85 thousand tons
Date of halt of operations	September 2009	March 2009	September 2009	September 2009	February 2009

* Operations will continue at the Kushiro Mill using Oji Paper's Machine #2 (paper for newsprint) and Oji Paperboard's L-1 Machine (container board).

In addition to the above, a decision has been made to halt operation of the OR laminator at Oji Paper's Nichinan Mill and Machine #3 at Oji Specialty Paper's Ebetsu Mill. Although there is a temporary excess of approx. 320 employees as a result of this halt of facilities, they will be eliminated by the fiscal year ending March 31, 2012, either by attrition or reallocation.

3. Revision of Dividend Forecasts (Dividend Per Share)

	End of 1st half (Dividend paid)	Fiscal year-end	Annual
Previous Forecasts (February 3, 2009)	¥6	¥6	¥12
Revised Forecasts	¥6	¥4	¥10
(Reference) Previous year's results (FY 2007)	¥6	¥6	¥12

Reasons for Revision

It is Oji Paper's basic policy to continue providing a stable dividend to shareholders to the extent possible generally taking into account the business results for each period as well as internal reserves provided in preparation for future management measures. However, the year-end dividend for the year under review has been revised down from ¥6 per share, as previously forecasted, to ¥4 per share generally taking into account the downward revision of the full-year consolidated business forecasts and the future business environment. Please note that Oji Paper will set next year's dividend taking into account the business environment and other factors.

4. Future Measures

In light of Oji Paper's current circumstances, the following measures will be carried out in an effort to realize an approx. ¥18.0 billion (full effect) annual improvement in revenue for the next fiscal year and

beyond.

(1) Reduction of fixed costs as a result of the aforementioned halt of facilities

Effect of approx. ¥6.0 billion annually (¥2.0 billion in personnel expenses and approx. ¥4.0 billion in other costs)

(2) Reduction of personnel expenses, administrative expenses and other fixed costs

Effect of approx. ¥12.0 billion annually

(i) Reduction of remuneration and salary of Oji Paper directors, corporate officers and managers and their bonuses to be paid in June of this year

(already announced with respect to directors and corporate officers)

Directors: Remuneration revised downward by 20% (from March); bonus eliminated

Corporate officers: Remuneration revised downward by 20% (from March); bonus reduced by 50%

Managers: Salary reduced by 5% (from April, for the time being); bonus reduced by 20% compared with the previous fiscal year

(ii) Other drastic reductions to all fixed costs

(3) Continuation of current capital investment restraint measures

(4) Maximization of effective utilization of assets

Please note that the Group will improve revenues not only by reducing the aforementioned fixed costs but also all future costs.

Note: The forward-looking statements for the business forecasts provided above are based on assumptions such as forecasts of future economic conditions determined as of this date. Actual results may significantly differ from these forecasts due to various factors that may arise in the future.