

July 31st, 2006

To whom it may concern

Company Name: Oji Paper Co., Ltd.
Representative: Kazuhisa Shinoda
President & Chief Executive officer
Stock Exchange listing: First section of Tokyo, Osaka market
Contact: Tadashi Watanabe, Senior Corporate Officer,
Deputy General Manager, China Business Division
(Tel:03-5550-2801)

Re: Business permission on Nantong Project (“the Project”)

On 30th July 2006, Oji paper Co.,Ltd.(“Oji Paper”) obtained business permission from National Development and Reform Commission that approves plan to construct integrated pulp and paper mill of the Project in Nantong city, Jiangsu province.

This permission marks our first significant step to become “Asian corporate citizen domiciled in Japan”, which enable us to establish firm production base in the eastern region of China.

Oji paper will positively contribute not only to the development of Chinese pulp and paper industry also to the improvement of Chinese environment through the introduction of advanced pulp & paper manufacturing facility and the environmental technology as well as Japanese production management skill into China. In addition, Oji paper will contribute to the development of Chinese economy and culture through the stable supply of high quality printing paper in Chinese market.

● Applications to date:

Sep, 2004	Commenced application work for business permission of the Project to Chinese central government
Apr, 2005	Obtained permission for environmental assessment from State Environmental Protection Administration
June,2005	Submitted business permission application for the Project to National Development and Reform Commission through Jiangsu Province Development and Reform Commission
May, 2006	Applied for the permission to the State Council after the completion of project assessments by National Development and Reform Commission
July, 2006	Obtained business permission from the State Council.

● Contents of permission

-Authorized Facilities

- Paper manufacturing facility (2 lines) Capacity: 800,000t/year (400,000t/y×2)
- Kraft pulp manufacturing facility (1 line) Capacity: 700,000t/year
- Ancillary facilities

-Products: Printing Paper (Mainly, Coated paper)

- Investment Amount: 1.9 Billion US\$
 - Company Name: Jiangsu Oji Paper Co., Ltd (Provisional)
 - Operation: Joint venture with a Chinese company
(Oji Paper 90%, Local company 10%)
 - Schedule
 - End of 2006: Establishment of Jiangsu Oji Paper Co., Ltd
Order of main facilities
 - Beginning of 2007 Start of land development
 - End of 2009 Start-up of No.1 paper machine and No.1 coater (400,000t/year)
- ※ We will release more detailed information after the further study and the internal approval.
※ We will proceed with the Project according to the above approval instead of the Project plan approved by Jiangsu Province.

Oji Paper plans to produce 1,200,000t/year totally and seek permission from Chinese government for the remaining 400,000t/year.