

June 10, 2003

Oji Paper Co., Ltd.

Press Release

Re: Pulp and Paper Mill Investment Plan in China

Oji Paper has reached a basic agreement with the Nantong Economic & Technological Development Area (NETDA) Administrative Committee of Nantong City, in the Jiangsu Province of the People's Republic of China, concerning land acquisition in order to expand its pulp and paper business in China at large scale.

The company's master plan is to construct an integrated pulp and paper mill with annual production capacity of approximately 1,200,000 tons of high-quality coated and uncoated printing paper on this land in future. The first step of the investment will be a coated paper mill with capacity of 600,000 tons per year by the end of 2006. The total investment amount is estimated to be around 200 billion JPY, in which approximately 60 billion JPY will be spent to complete the first step.

Acting as "an Asian corporate citizen domiciled in Japan", Oji Paper set the goal in its 2001 medium- and long-term management plan to build a foundation in Asian region to produce one million tons paper products within five years.

Since the Olympic Games will be held in Beijing in 2008, followed by the World Expo in Shanghai in 2010, as well as continuously expected annual economic growth of 7% in China, Oji Paper expects increased demand for high-quality coated and uncoated paper for use in commercial printing in China market. After having studied various options to establish one million tons production base, the company has decided to move forward with our high-quality coated and uncoated printing paper business.

Oji-brand printing paper is a well-known brand worldwide. Oji Paper sincerely hopes to contribute to the economic and cultural development of China through manufacturing and marketing its printing paper in China.

1. Outline of planned land acquisition:

- Location: In the NEDTA in Nantong City, Jiangsu Province
- Area: 2,000,000 m² (land located along the Yangzi River)
- Party to agreement: NETDA Administration Committee, Nantong City, Jiangsu Province, People's Republic of China
- Nature of agreement: Basic Agreement (Executed “Memorandum of Understanding” today under the witness of the Nantong Municipal People’s Government, Jiangsu, People's Republic of China)
- Terms for executing the acquisition: Full agreement as a result of future detailed negotiations on the terms of acquisition.

2. Outline of planned business:

- Master plan: Construction of an integrated pulp and mill with annual production capacity of 1,200,000 tons of printing paper. Total investment approximately 200 billion JPY.
- The first step: Implementation plan under detailed study for coated paper production facilities of 600,000 tons per year. Start-up targeted by the end of 2006. Estimated investment amount of approximately 60 billion JPY to be wholly financed by the company.
- Licenses and approvals: Upon completion of the implementation plan, scheduled to submit applications for business permits to the related authorities within the next few months.

3. Organization to implement the plan:

- Head office organization: Establish “China Business Division” effective June 27, 2003.
Streamline the responsibilities and authorities relating to the implementation of the plan to secure timely decision-making.
- China office organization: Planning to establish a holding company, “Oji Paper (China)”.
[Outline of holding company] • Capital Assets: 30 million USD (to be increased upon necessity)
 - Ownership structure: Wholly owned by Oji Paper
 - Place of establishment: Shanghai

This holding company will function as “Oji Paper China Headquarters” which also supervise existing business entities that Oji Paper group has established in China.