



Continuing to Provide Paper

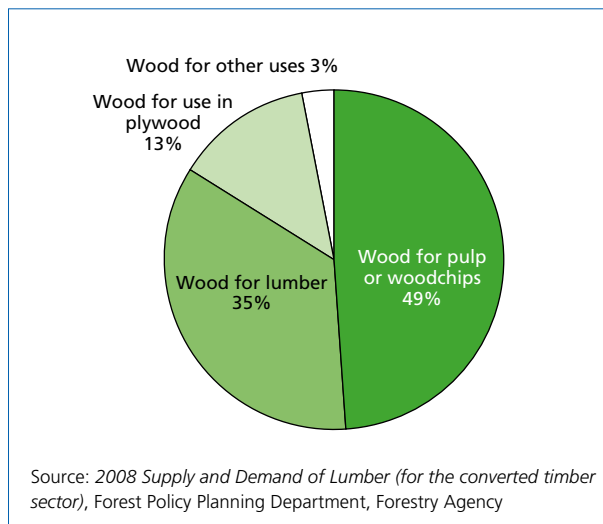
Promotion of Forest Recycling

We will promote green procurement of resources derived through sustainable forest management. In particular, we will utilize our long record of cultivating and managing company-owned forests in Japan and the results of our wide-ranging forest resource research as we implement tree plantation operations outside Japan to secure wood raw material resources and continually strive to preserve the environment.

Wood, which possesses attributes not found in other materials, is an indispensable resource for papermaking.

Wood is the material from which paper is made. Pulp and woodchips account for nearly half the total amount of wood consumed in Japan (see Figure 1). The amount of this wood that is consumed by the Oji Paper Group is 9,000,000 m³, or 10% of all wood consumed in Japan. In addition, although 60% of the paper produced in Japan is from recovered paper, it too is simply reused wood fiber.

Figure 1 Amount of Wood Consumed by Japan (Fiscal 2008)



■ Three main types of wood material used in papermaking

Sawmill residue, scrap wood

Cuttings produced when logs are milled, or scrap wood produced from the dismantling of houses, pallets, etc.

Plantation wood

Wood produced quickly and efficiently by planting fast-growing trees such as acacia and eucalyptus.

Low-quality timber

Wood which is too thin, bent or otherwise unusable for high-value uses such as lumber.

We grind these into chips, manufacture pulp, and create paper. Wood is an indispensable resource that allows the production of paper with excellent flexibility, whiteness, printing compatibility and cost-effectiveness, in a way no other material can provide. That is why the Oji Paper Group will continue to use wood for its products.

We obligate all suppliers to ensure traceability in all our wood procurement, and we are making our best efforts toward proper forest management and to prevent the inclusion of illegally logged timber.

Among the many natural resources, wood is a particularly precious one because it has the rare characteristic of being renewable. However, it is still only a natural resource, and one that quickly begins to disappear when more timber is logged than is planted, or when forests are poorly managed. The Oji Paper Group is keenly aware that it uses a great deal of this natural resource, and has established the following Wood Raw Material Procurement Guidelines to ensure that the Group gives attention to sustainability as we undertake raw materials procurement.

Wood Raw Material Procurement Guidelines (Overview)

1. Expand procurement of wood from certified forests

Promote the use of wood from forests which are certified by a third party to be grown through sustainable management.

2. Increase use of plantation trees

In addition to expanding company-owned plantations (see next page), proactively purchase plantation wood in external purchasing.

3. Utilize unused wood effectively

Produce paper using wood that is difficult to utilize in other industries, such as sawmill residue and low-quality timber.

4. Verify that procurement is in compliance with laws and is environmentally friendly and socially responsible

Ensure traceability by continuously requesting suppliers to verify where procured wood is produced and preventing the inclusion of illegally logged timber.

5. Disclose information

The area of the world's forests is decreasing every year, and illegal logging and poor forest management have become serious global problems. In this situation, the Oji Paper Group has made the strong commitment to "never purchase raw materials which do not comply with the rules," procuring wood according to guidelines 1 through 3. Responding flexibly to changing conditions, we do our best to maintain balance between many types of wood raw material.

Guideline 4—"Verify that procurement is in compliance with laws and is environmentally friendly and socially responsible"—

Figure 2 Oji Paper Group Procured Wood Chips (Fiscal 2008)

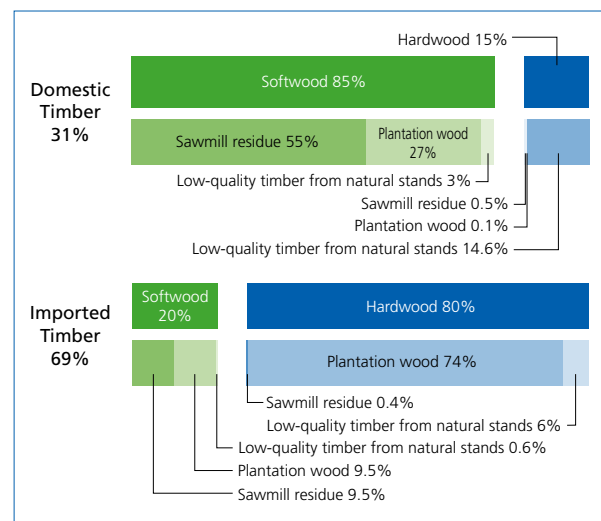
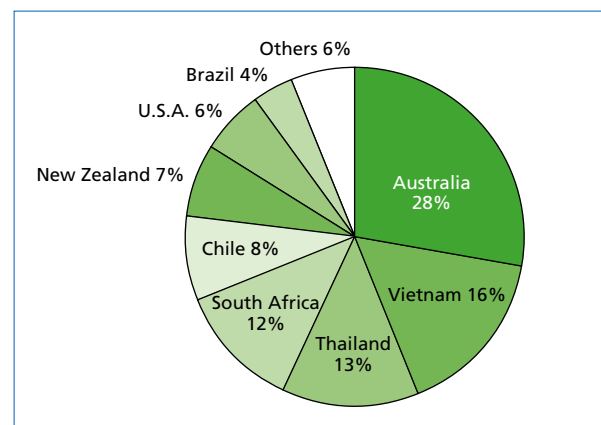


Figure 3 Oji Paper Group Sources of Imported Wood Chips (Fiscal 2008)



provides support to each of the first three guidelines. In addition to monitoring the suppliers from whom we procure wood, we also obligate each supplier to submit to us traceability reports that contain even the origin of the raw materials. Under this highly stringent checking system, we carefully prevent the inclusion of illegally logged timber in our supplies. Through these efforts we are able to ascertain detailed information as shown above (in figures 2 and 3) about the wood we use, which we disclose in accordance with Guideline 5.

We are proactively increasing tree plantations overseas in order to ensure stable supplies and increase our cost-competitiveness.

Our tree plantation operations outside Japan, which began in earnest in New Zealand and Australia during the 1990s, have now expanded into Asian countries such as China and Laos, and we have now begun to harvest the trees in each of those locations. Because plantation sizes are limited, it

is imperative that we raise their productivity as much as possible. To achieve this, we have adopted eucalyptus and acacia trees—species that can be harvested in short cycles of ten or so years—as we gradually increase plantation sizes.

Figure 4 Oji Paper Group Tree Plantations Outside Japan

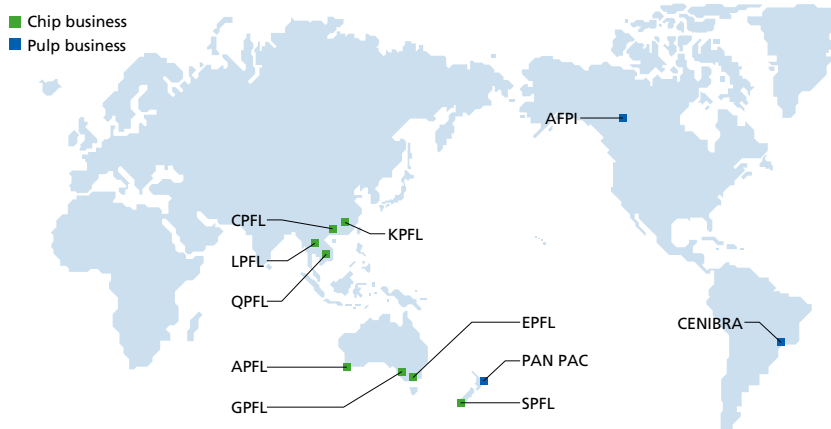
Note 1: CPFL, KPFL, CENIBRA and AFPI plantation areas are as of the end of December 2008. All others are as of the end of March 2009. OPFL includes 1,807ha of plantations loaned to other companies.

Note 2: The total target area and planted area for CENIBRA are calculated based on our investment percentage (39.84%) in the entire area including 24,459ha of leased plantation.

Note 3: The total target and planted area for AFPI are calculated based on our investment percentage (30%) in the entire area.

	Country, region	Company	Est. (year)	Cooperating companies	Plantation area (ha)		Tree species	Harvest cycle (years)	Harvest year	Forest certification
					Target	2008 result				
Chip export	New Zealand South Island	SPFL	1992	Oji Paper, ITOCHU, Fuji Xerox	10,000	10,083	Eucalyptus	12	2004	FSC
	Australia Western Australia	APFL	1993	Oji Paper, ITOCHU, Senshukai, Tohoku Electric Power, Nippon Yusen	24,000	23,696	Eucalyptus	10	2003	FSC
	Vietnam Binh Dinh Province	QPFL	1995	QPFL (Oji Paper, Sojitz, Dai Nippon Printing)	13,000	11,056	Acacia	7	2002	FSC
	Australia Victoria	GPFL	1997	Oji Paper, Sojitz, Toppan Printing	6,500	6,548	Eucalyptus	10	2010 (scheduled)	—
	Australia Victoria	EPFL	1999	Oji Paper, Sojitz, Shogakukan, Japan Pulp and Paper	2,800	2,864	Eucalyptus	10	2008	—
	China Guangxi Zhuang Autonomous Region	CPFL	2002	Oji Paper, Marubeni	6,500	6,361	Eucalyptus	6	2007	—
	Laos Central Laos	LPFL	2005	Holding companies (Oji Paper, Kokusai Pulp & Paper, Shueisha, Mitsui S.K. Lines, Senshukai, Recruit, Daiichi Paper, Honda Trading, Maruman, U-CAN, A-One, Sato, Nishizaki Paper Sales, Fellissimo, Belluna), Government of Laos	50,000	18,600	Eucalyptus, acacia	7	2012 (scheduled)	—
	China Huizhou, Guangdong	KPFL	2005	Guangdong Petro-trade Development, Oji Paper, Marubeni	25,000	23,424	Eucalyptus	5	2008	—
Pulp production	Brazil State of Minas Gerais	CENIBRA	1973	Japan Brazil Paper and Pulp Development (Oji Paper, Japan Bank for International Cooperation, others)	43,450	57,155	Eucalyptus	7	1984	FSC, PEFC
	New Zealand North Island	PAN PAC	1991	Oji Paper	30,000	32,765	Radiata pine	30	1991	FSC
	Canada Alberta	AFPI	1998	Mitsubishi Corporation, Oji Paper	7,500	1,971	Poplar	18-25	TBD	FSC
Total					218,750	194,523				

Figure 5 Distribution Map of Oji Paper Group Tree Plantations Outside Japan



● Issues involving tree plantations outside Japan

In the case of tree plantations outside Japan, our main business partner is nature itself. Droughts and natural disasters can affect tree growth. Fierce competition can prevent us from obtaining more plantation land. And more than anything else, numerous unforeseeable problems can occur in the initial stages of overseas projects undertaken amid different cultures, throwing even the best plans off course. We will continue working with local staff and other stakeholders to steadily solve these issues and expand plantation area as we strive toward a more stable supply of raw materials.

Oji Philosophy

Promoting effective use of Japan's largest amount of company-owned forests, we have taken the lead in energizing Japan's forest industry.

Wood raw material is not only for papermaking, but is also an indispensable resource for everyday life that is used in homes, furniture, fuel and more. The ideal method of procuring this renewable natural resource is to maintain a situation in which the trees and animals of a forest can remain as diverse and abundant as possible, while avoiding the harvest of more than is being grown. However, the number of forests where such management can be achieved is globally limited, making it impossible to respond to the demand for wood raw material. That is why it is necessary to secure resources while planting fast-growing tree species on limited land areas to efficiently produce wood raw material, and that is the reason we have proactively developed our plantations outside Japan, as shown in Figure 4 on the previous page. Our policy of expanding company-owned plantation operations remains unchanged.

In Japan as well, the Oji Paper Group owns, administers and manages 190,000ha of company-owned forests—the most of any private enterprise in the country. However, as a user of wood raw materials, using low-quality timber mainly from our company-owned forests to create paper is not our only pursuit. We are also actively engaged in creating lumber and other goods, creating fuel from the portions of wood that cannot be used for papermaking, and other efforts in order to be a general forestry company that uses forests appropriately and utilizes all of the precious wood resources it harvests without waste.

Revitalization of Japan's forest industry requires a system that can provide a stable wood supply, effective utilization of forest resources through that system, and maintenance of planted forests such as thinning of trees. The Japanese forest industry faces a plethora of issues—efficient maintenance of forest roads by coordination between forest owners, cost-reduction through mechanization, and securing young laborers, to name a few—but the efforts of the forest industry at large are what will ultimately raise its competitiveness. The Oji Paper Group will actively maintain close relations with all involved as it continues to powerfully lead the revitalization of Japan's forest industry—starting with company-owned forests.



Company-owned forest in Miho, Kanagawa Prefecture, Japan