



Continuing to Provide Paper

Reinforcement of Environmental Improvement Measures and Environmental Management Systems

In all our business activities, we strictly adhere to environmental laws and regulations, striving to reduce our environmental impact as we try to raise environmental management levels throughout our entire Group.

We have established the Environmental Management Division, positioning environmental management as a top priority.

Paper production results in wastewater, smoke and other wastes, which are emitted from mills. The paper industry is not alone—all manufacturing industries alike have significant environmental impacts. The world today shares a common awareness of environmental problems; each company is responsible for managing and reducing its environmental impact, and no enterprise can ignore that responsibility. The Oji Paper Group has clearly placed environmental management as one of its most important corporate activities, and is strengthening its

environmental management system. In particular, it is striving to deepen awareness throughout the Group to ensure that compliance with laws and regulations remains its highest priority. Also, in response to rapidly changing social conditions, the Group undertook an organizational revision in June 2009. That revision included establishment of the Environmental Management Division, which presides over all environmental work and will enable speedy, complete management of environmental matters.

Figure 1 Oji Paper Group New Environmental Management Organization

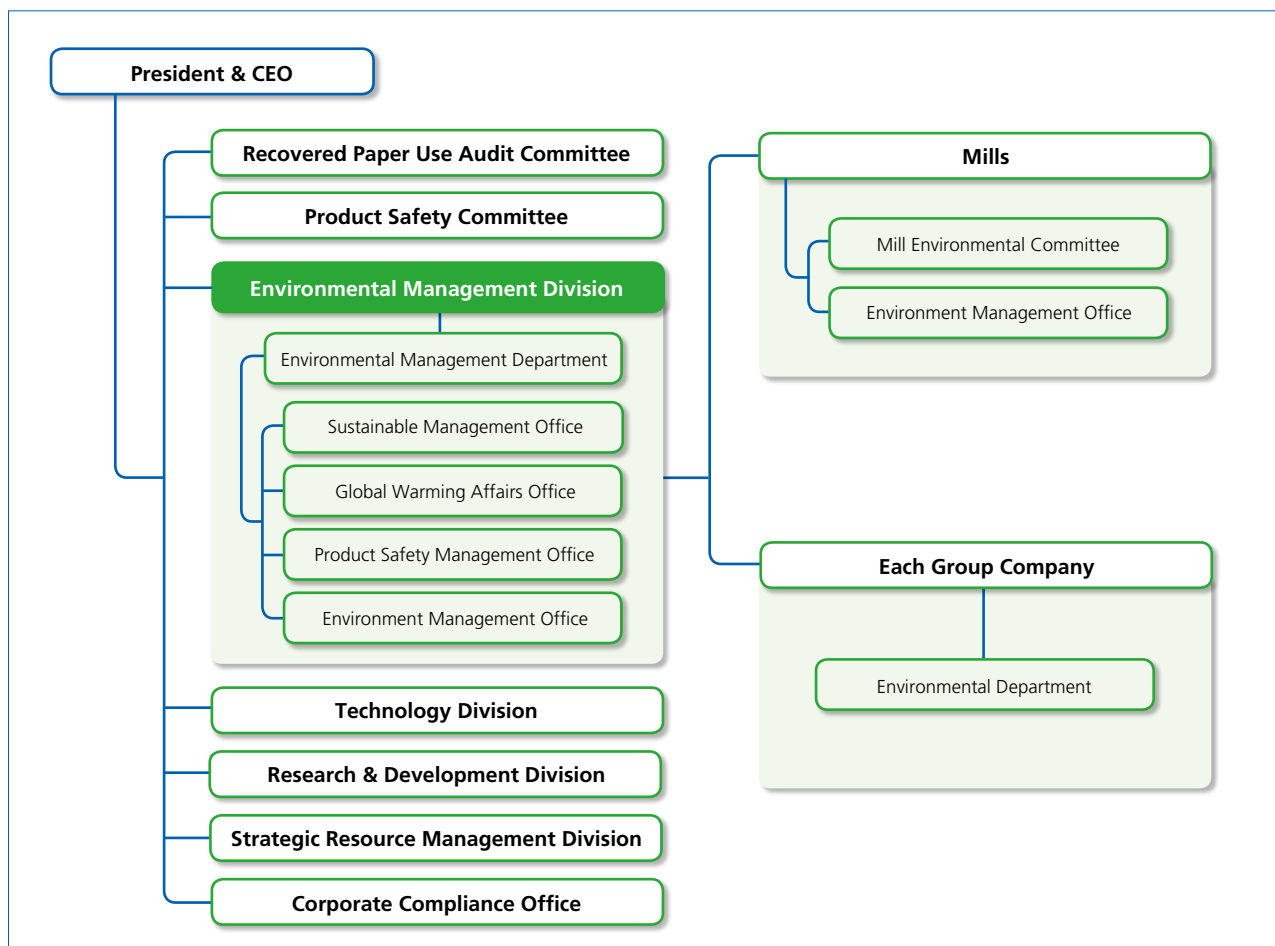


Figure 1 Focus Points: Consolidation of all environmental operations to the Environmental Management Division

- We have consolidated all environment-related operations to the Environmental Management Division.
- As the department overseeing environmental matters, the Environmental Management Division directly consults with related departments and raises effectiveness.

We promote adoption of an environmental management system tailored to the situation of each facility.

In order to facilitate the assured performance of environmental management, the Oji Paper Group's Environmental Action Plan 21 calls for an environmental management system (EMS) that suits the circumstances of each

facility. The Group uses the following three types of systems to give facilities options that fit their situations, encouraging them to adopt the right one.

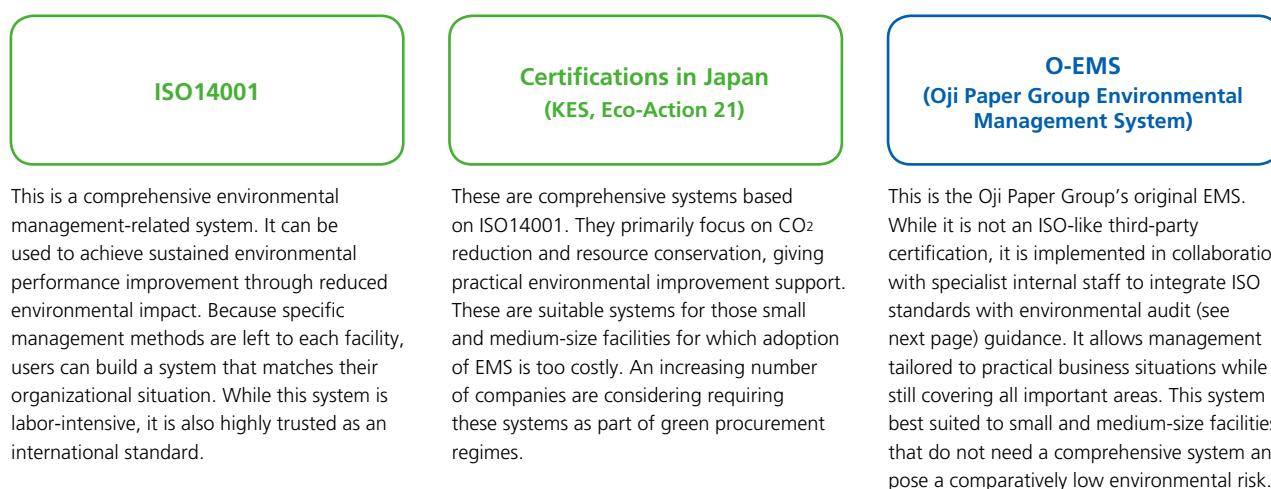


Figure 2 Oji Paper Group Status of EMS Certification (As of Sep. 1, 2009)

	Number of facilities (of 209 facilities audited)	Mills (selected)
ISO14001	98	All mills of Oji Paper, Oji Paperboard, Oji Nepia, Oji Specialty Paper; Oji Cornstarch, Kyushu Packaging, Oji Chiyoda Container, Oji Interpack, Hokkaido Mori Shigyō
Certifications in Japan	6	Chuetsu (Shiga), Kiyoshiyouki (Shiga, Suzuka), NIHON SEIKAHOUSO, Mori Kamihanbai (Kyoto, Nagoya)
O-EMS	2 (10 are preparing to acquire)	Fuchigami Danbo-ru, Matsuda Aoi Danboru

■ EMS certification policy

The Oji Paper Group plans to promote O-EMS certification among those facilities that have not yet obtained EMS certification. O-EMS is a system on which the Group began working in September 2007, and is increasingly being adopted by containerboard mills in particular. In order to facilitate O-EMS adoption by more work areas, the Group plans to work with facilities to improve the system, using it to raise the level of environmental management Group-wide. However, regardless of what systems are adopted, those involved must be truly invested for those systems to have meaning. By raising awareness at each facility and adding on-site environmental audits, the Group plans to build a more assured management system.



The first O-EMS certified facility, Fuchigami Danbo-ru Co., Ltd., is presented with its certificate.

We have implemented environmental audits within a robust system—in terms of both quality and quantity—to ensure that we never again violate environmental laws.

The environmental management systems (EMS) we introduced on the previous page are simply systems which establish environmental management procedures. It is therefore also necessary to confirm on our own what has resulted from the application of these systems. This confirmation is performed with certainty by on-site environmental audits.

In order to check the implementation status of environmental work—beginning with legal compliance—the Oji Paper Group has been performing environmental audits since 1994. The initial audits covered the Group’s nine mills and expanded to the entire Group in 2002. However, emission of smoke in excess of standards and the improper handling of data were discovered in July 2007 at five Oji Paper mills and four Oji Paperboard mills. To prevent this type of inexcusable incident

from recurring, the Group thoroughly reviewed not only the number, but also the content of audits as it strengthened the system (see Figure 3).

Specifically, audits are now more searching in the information they obtain about what is actually happening at worksites. For example, we verify not only the daily reports, but also the operational notes, and interview workers about how they handle abnormalities and other issues. Auditors also make unannounced checks of data, taking the time to verify accuracy. Through these reviews of procedure, we have drastically increased the number of items on our audit checklist, from 170 to 470. We have also increased the amount of time spent auditing a single facility as much as six-fold, and now perform audits at all 209 Group facilities over two-year cycles.

Figure 3 Oji Paper Group Environmental Audit Review Content (Selected)

	Before changes	After changes
Number of checklist items	170	470 (These are now constantly reviewed)
Interviews	None	Performed with mill managers, site operators, etc.
Follow-up	Confirm completed reports from mills	Confirm completion of fixed problems and fulfilled requests by documents, photographs, etc.

■ Environmental audit results

Commencing with the first of the above new audits in July 2007, the Oji Paper Group completed the first audit cycle covering all facilities in September 2009. In order to comply with the regulatory limits established by laws and community ordinances, the Group has created even stricter voluntary standards for each mill.

Audits confirm in great detail whether these voluntary standards are being observed, how facilities are being managed day-to-day, and whether procedures are being followed in the unlikely event that a standard is breached. This has resulted in mills being admonished even when they have not violated laws or regulations. The Group never compromises, proactively consulting with authorities and expeditiously making improvements in all necessary items that come to light. In order to implement more certain environmental management, the

Group has added improvement to its 470 audit checklist items. Also, beginning in fiscal 2010, documentation audits will be further enhanced while the frequency of on-site audits is raised as part of the Oji Paper Group’s firm commitment to prevent any recurrence of legal violations or environmental incidents.



An environmental patrol at Kure Mill. Mills perform voluntary checks separately from audits.

Oji Philosophy

Taking firm steps toward on-site awareness and environmental management, the Oji Paper Group will continue united in its powerful environmental efforts.

Papermaking is a so-called “process industry.” Operating our massive machines 24 hours a day, 365 days a year, stably and without stopping, we have operated our business with a mentality of efficiency. That is why stopping equipment is a great loss for a site, and a decision which requires courage. The smoke emissions incidents that occurred in July 2007 were the result of just such a mentality—that continuous operation was a higher priority than the law. The smoke emissions incidents constituted a betrayal of the trust of many community residents and users of our products. We must never allow such incidents to occur again.

Beginning this year, under the direction of the newly established Environmental Management Division, we are committed first to firmly creating a Group-wide awareness that legal compliance is our first priority, ensuring that manufacturing staff are educated to stop equipment when problems occur and follow the established procedures. Additionally, we will strive to prevent environmental problems and reduce our impact on the community environment.

At mills, the Environmental Management Division is a behind-the-scenes hero. It constantly monitors how well the inevitable environmental impacts of the papermaking process—smoke and wastewater emissions—are being minimized. Without the Environmental Management Division, the Group would be unable to continue providing paper. Only because of solid on-site environmental management can the Group say that it will continue doing

business. With that mentality, the Division will support each section of each facility with even greater care going forward. The entire Oji Paper Group is committed to implementing a powerful environmental management program.

Environmental Charter

Basic Policy

The Oji Paper Group Environmental Charter requires the Oji Paper Group to help create a truly enriched and sustainable society by developing business activities that harmonize with the environment from a global perspective. The Charter calls for the Oji Paper Group to make autonomous efforts to achieve further environmental improvement, and aggressively drive its forest recycling, paper recycling, and global warming countermeasures forward.

Action Guidelines

1. Promotion of forest recycling
2. Promotion of paper recycling
3. Promotion of global warming countermeasures
4. Reinforcement of environmental improvement measures and environmental management systems
5. Development of production technologies and products that minimize environmental impact
6. Reduction and effective utilization of waste
7. Transfer of environmental protection technology to other countries
8. Building relationships of trust with stakeholders

The Oji Paper Group has posted the Environmental Charter at each facility in order to unite the entire Group behind its commitment.