



OJI PAPER GROUP

A large, stylized graphic of a paper roll, composed of many thin, parallel lines in shades of blue and green, curving around the central text.

Oji Paper Group
**Environmental and
Sustainability Report**
2011

The Oji Paper Group wishes to extend its heartfelt condolences to the victims of the Great East Japan Earthquake on March 11, 2011 and the series of typhoons that hit Japan in the summer of 2011.

After the Great East Japan Earthquake struck the Oji Paper Group immediately began providing relief supplies to areas affected by the disaster. In order to conserve energy in line with the rise in power demand over the summer months, we also took measures to increase our in-house generation of electricity and streamline our production structure, which helped us reduce company-wide power usage by more than 25%.

In addition, at the request of the Tokyo Electric Power Company (TEPCO), we restarted in-house power generation facilities that had been shut off in order to provide electricity to TEPCO.

We sincerely hope that the many areas affected by these disasters will be able to recover quickly and we stand committed to continuing with our Group-wide provision of assistance to the reconstruction effort going forward.

Editorial Policy

The Oji Paper Group publishes this Environmental and Sustainability Report to deepen stakeholders' understanding of its environmental management initiatives.

We have designed our 2011 version to include two special features: *Expanding Our Business Presence in Southeast Asia* and, continuing from our 2010 edition, the *Coexistence with Forests* special feature. The 2011 version also consists of content that details *Environmental Action Program 2015*, our main environmental policy for fiscal 2015. We have also expanded content covering the initiatives of each of our companies.

The information in this report is also available on our corporate website.

 http://www.ojipaper.co.jp/english/sustainability/e_report/index.html

Coverage of report

This report covers the Oji Paper Group.

Period of coverage

April 1, 2010 – March 31, 2011

Except for numerical data, some sections may contain information from April 2011 and later.

Published

November 2011

Definitions of terms in this report

Oji Paper Co., Ltd.: Non-consolidated company

Oji Paper Group: Oji Paper Co., Ltd. and its Group companies

Oji Paper Group's four papermaking companies:
 Oji Paper Co., Ltd.
 Oji Paperboard Co., Ltd.
 Oji Specialty Paper Co., Ltd.
 Oji Nepia Co., Ltd.

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Contents

- Message from the President 04
- Overview of the Oji Paper Group 06
- Oji Paper Group Products 08
- Pulp and Paper Products 10

Special Feature and Series

- Expanding Our Business Presence in Southeast Asia 12
- Coexistence with Forests 18

Management

- Corporate Philosophy and Code of Conduct 24
 - Environmental Management System 25

Environmental Action Program 2015

- Environmental Action Program 2015 26
 - Promotion of Forest Recycling 29
 - Promotion of Paper Recycling 30
 - Promotion of Global Warming Countermeasures 32
 - Development of Production Technologies and Products that Minimize Environmental Impact 33
 - Product Safety Management 33
 - Products Receiving FSC® 36
 - Reinforcement of Environmental Improvement Measures and Environmental Management Systems 38
 - Reduction and Effective Utilization of Waste 40
 - Transfer of Environmental Protection Technologies to Other Countries 41
 - Building Relationships of Trust with Stakeholders 42

Company Initiatives

- Company Initiatives 43
 - Household and Industrial Materials Company 44
 - Printing and Communications Media Company 50
 - Functional Materials Company 51
- Oji Paper Group Environmental Data 54

Message from the President



First, on behalf of the Oji Paper Group, I would like to extend our heartfelt condolences to those affected by the Great East Japan Earthquake of March 11, 2011 as well as extend our hope that the many areas affected by this disaster will be able to rebuild and recover as soon as possible.

The Oji Paper Group has provided relief supplies as well as charitable donations to those affected by the Great East Japan Earthquake and has become involved in a variety of assistance programs to help those in need in these local communities. In addition, we took standalone measures to help Japan conserve electricity in the midst of peak summer demand, including reducing our power usage by 25% and supplying electricity to the Tokyo Electric Power Company using our in-house power generation facilities.

At the same time, we also encouraged our employees to help conserve energy in their homes as part of our broader Group-wide effort to conserve electricity. Going forward, we plan to continue to implement similar energy saving measures to curb our company-wide use of electricity and to accommodate the needs of our society.

Leveraging forest resources in Japan and overseas aimed at a total forestry business

As a corporate group that makes use of timber as raw materials, the Oji Paper Group practices sustainable forest management and implements measures to maximize its utilization of forest resources without waste.

Specifically, we not only use timber to produce lumber and paper, we also promote the effective utilization of sawmill residue, thinned timber and low-grade lumber as part of our commitment to strengthening our initiatives toward the pursuit of a total forestry business model. In addition, we carefully manage and develop company-owned forests in Japan, and by expanding our forest plantations outside of Japan, we are making contributions to the global environment through the greater absorption of carbon dioxide from the atmosphere.

Furthermore, we promote the acquisition of forest certification and deliver products that are considerate of the environment to our customers, including forest certified paper. We are committed to expanding our supply structure further for forest certified products as well as making further contributions to forest conservation.

Accelerating our business growth in China and Southeast Asia

Demand for paper is growing in China, Southeast Asia and other emerging countries. Therefore, the further growth of our overseas businesses is gaining in importance.

Full-scale production at our paper mill in Nantong, China commenced at the end of 2010. Going forward we plan to use this mill to build a structure to provide a broad range of paper products, including printing paper, industrial packaging paper and specialty paper, to neighboring markets with an eye on the growing demand from Southeast Asia and primarily China.

We have businesses engaged in paper processing and papermaking in four Southeast Asian countries. Looking ahead, we hope to expand our business activities in this region further. At the same time, we have engaged in tree-planting activities in locations around the world, including Southeast Asia. This is meant to both secure future timber resources for raw materials and to help protect the global environment. Moving forward, we will make environmental contributions by means of the absorption of carbon dioxide through these overseas tree-planting activities. We will also be considerate of biodiversity, and through communication with local communities, we will work to generate employment opportunities and industry locally as well as spread tree-planting technologies at our overseas locations.

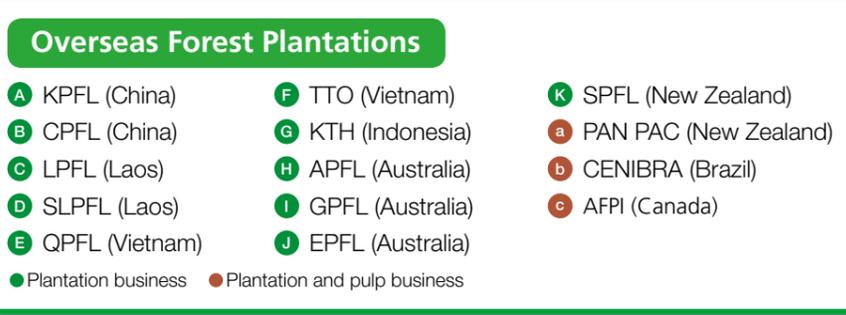
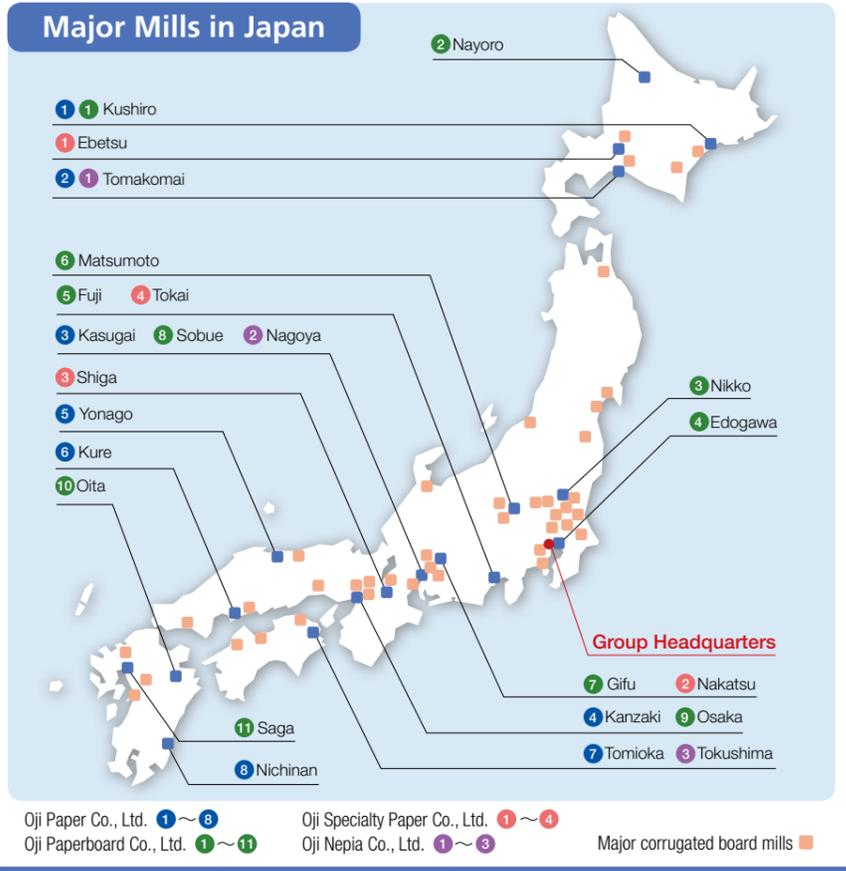
Undertaking R&D and redeveloping technologies to accommodate the needs of a new era

With fears persisting about the hallowing out of technologies in Japan, we stand committed to our R&D and technological competencies, which have been carefully developed over the previous 150 years since our founding, to developing engineers and to passing on technologies to future generations. I also believe that rebuilding and developing these technologies to accommodate the needs of a new era represents one of our most important missions for the future. We are ready to tackle the challenges of this new era.

Kazuhisa Shinoda
President and Chief Executive Officer
Oji Paper Group

Overview of the Oji Paper Group

Operations in Japan, Asia, North America, Europe and Oceania



Major Mills in Asia

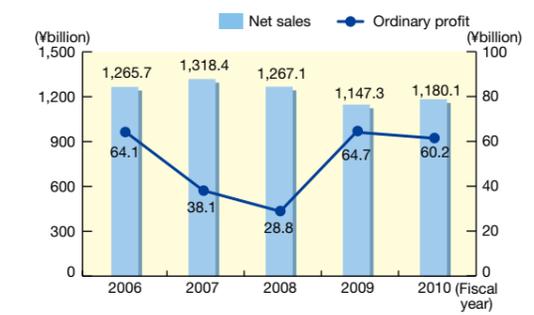


Company Data

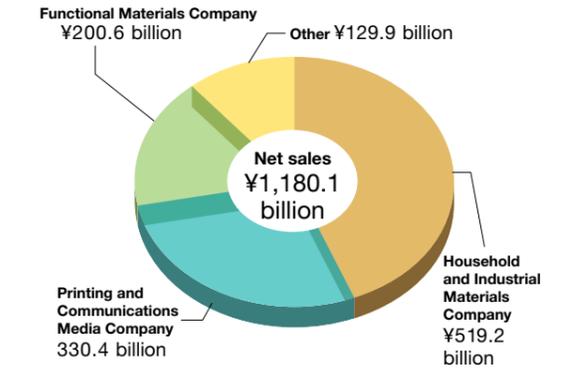
Name: Oji Paper Co., Ltd.
Headquarters: 4-7-5 Ginza, Chuo-ku, Tokyo, Japan 104-0061
Established: August 1, 1949
Representative Director: Kazuhisa Shinoda, President and Chief Executive Officer

Main business: Manufacturing and marketing of pulp, paper, and converted paper products
Net sales: ¥1,180.1 billion (fiscal 2010, consolidated)
Number of employees: 21,987 (as of March 31, 2011, consolidated) (Japan: 17,737, overseas: 4,250)

Net sales and ordinary profit (consolidated)



Net sales by business (fiscal 2010, consolidated)



Oji Paper Group Products

From products that are close and indispensable to people's lifestyles to functional materials, we provide products that better our lives.

Oji Paper Group products are used extensively in our everyday life

Household and Industrial Materials Company

→ p44



Household products, disposable diapers



Carrier bags



Corrugated boxes



Cartons

- Containerboard Materials Business
- Corrugated Board Business
- Boxboard and Packaging Papers Business
- Carton Business
- Bag Processing Business
- Household Products, Disposable Diapers Business

- Oji Paperboard Co., Ltd.
- Oji Chiyoda Container Co., Ltd.
- Mori Shigyo Group
- Oji Interpack Co., Ltd., etc.
- Oji Paper Co., Ltd.
- Oji Packaging Co., Ltd., etc.
- Oji Seitai Kaisha, Ltd.
- Oji Adba Co., Ltd., etc.
- Oji Nepia Co., Ltd., etc.

Printing and Communications Media Company

→ p50



Newsprint



Printing paper

- Newsprint Business Oji Paper Co., Ltd.
- Paper Business Oji Paper Co., Ltd.



Functional Materials Company

→ p51



Film material for capacitors



Wound dressings

- Imaging Media Business Oji Paper Co., Ltd.
- Specialty Papers Business Oji Specialty Paper Co., Ltd.
- Adhesive Products Business Oji Tac Co., Ltd.
- New Tac Kasei Co., Ltd.
- Shinomura Chemical Industry Co., Ltd.
- Non-woven Fabric Business Oji Kinocloth Co., Ltd.

Oji Paper is also engaged in these businesses



Oji Forest & Products Co., Ltd.
- Forest management



Oji Salmon Co., Ltd.
- Shikotsu-no-Hisui and Hokkaido brand mineral water
- Smoked salmon



APICA Co., Ltd.
- Student notepads



Oji Real Estate Co., Ltd.
- Oji Homes Aoyama

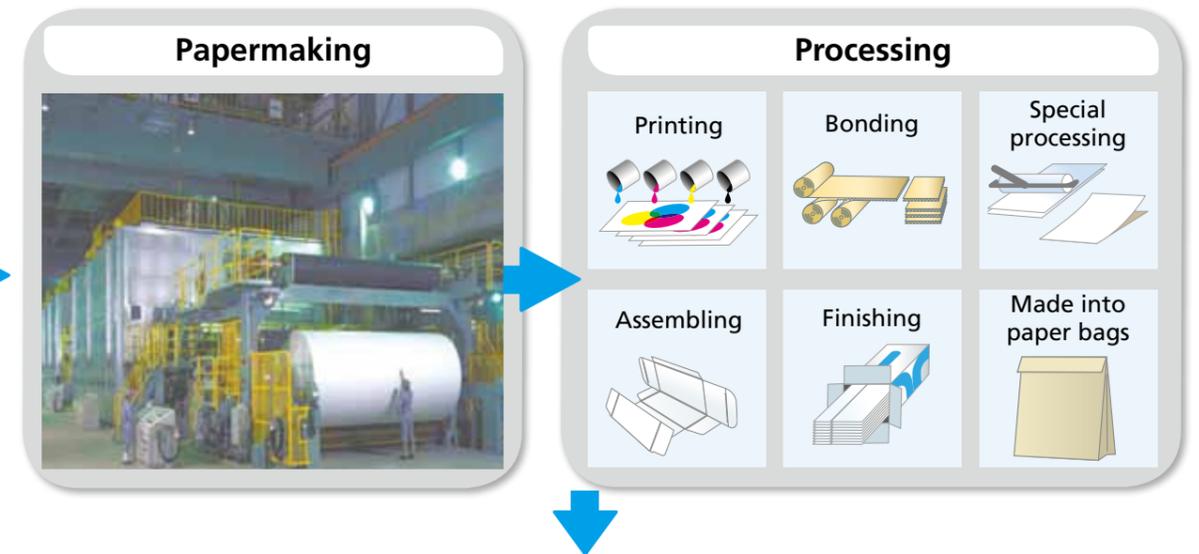
Pulp and Paper Products

Paper products are made from a variety of pulp.

Pulp



Manufacturing Process

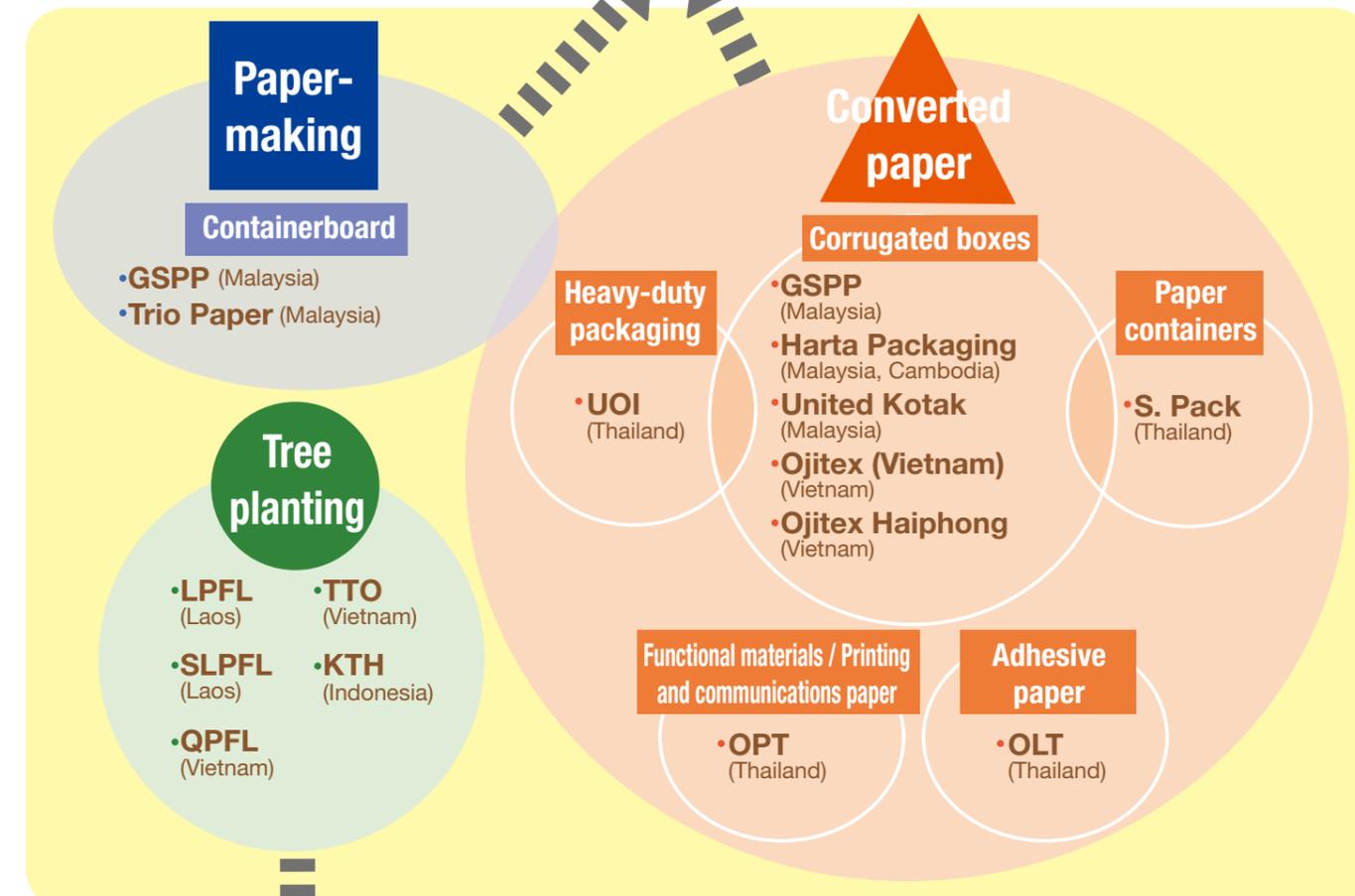


Paper Products



Special Feature

Expanding Our Business Presence in Southeast Asia



Toward a total forestry business (Lumber, plywood, chips, etc.)



Expanding our presence in Southeast Asia



Shigeto Sano
 President
 Oji Paper Asia (Regional Headquarters)

In October 2010, Oji Paper established a regional headquarters company onsite at GS Paper & Packaging (GSPP) located in Kuala Langat on the outskirts of Kuala Lumpur in Malaysia to manage and oversee our existing businesses in Asia and to seek out new business opportunities. It will be essential to build our business presence in Southeast Asia in order to capitalize on new market growth taking place in the region. First, we plan to firmly establish the Oji brand within Malaysia before moving on to the next region of Asia.

Expanding Our Business Presence in Southeast Asia

Papermaking Business—Containerboard

GS Paper & Packaging Sdn Bhd (GSPP) (Malaysia)

In April 2010, GSPP became a member of the Oji Paper Group. GSPP is Malaysia's largest paperboard and corrugated board manufacturer and operates a papermaking mill and two box plants. GSPP's papermaking mill manufactures containerboard using two papermaking machines. The company has also received strong recognition from the market for its high quality liners used on the outer and inner surfaces of corrugated board.

Some 90% of GSPP's raw materials are sourced from recovered paper. 70% of this is procured from contract recovered paper collection providers located in 32 locations across Malaysia.



Papermaking machine



It's important to separate recovered paper



Staff sorting by hand

A resource sorting system is not yet fully functional in Malaysia today, so workers at recovered paper collection stations need to sort recovered paper by hand.

Utilizing energy from incinerators

Incinerators are used to burn contaminants found in recovered paper and sludge that is created during the wastewater treatment process. Energy produced from the heat of the incinerator is used as steam in the mill. While the Oji Paper Group uses incinerators at most of its mills in Japan, the use of incinerators in Malaysia is a relatively new initiative that was undertaken in a New Energy and Industrial Technology Development Organization (NEDO)-led project.



Energy from the incinerator in the form of steam is being used to power the manufacturing process

Converted Paper Business—Functional Materials, Communication Paper and Adhesive Paper

Oji Paper (Thailand) Ltd. (OPT) Oji Label (Thailand) Ltd. (OLT)

OPT and OLT manufacture thermal paper, carbonless paper and adhesive paper for labels on the outskirts of Thailand's capital of Bangkok. OPT is focusing more energy on thermal paper, in particular, because of anticipated market growth in the future.

On the manufacturing floor staff from Oji Paper in Japan are working to transfer technologies to the local staff. OPT and OLT also sell their products not only to Asian countries, but also to the Middle East as well as Africa, and both companies have received recognition from the market for their superior quality.



Coater

Converted Paper Business—Packaging Materials

The Oji Paper Group manufactures packaging materials such as corrugated boxes, cartons and plastic bags at 14 mills located across Malaysia, Vietnam, Thailand and Cambodia, and is fast becoming an integrated packaging provider in the region. We are quickly moving to establish the Oji brand in Southeast Asia as well as enhance our credibility with multinational companies, Japanese companies and local companies alike.

Corrugated boxes



Ojitex (Vietnam) Co., Ltd. Ojitex Haiphong Co., Ltd. (Vietnam)

The Oji Paper Group manufactures corrugated boxes at two plants, one located in Northern Vietnam and the other in Southern Vietnam. Ojitex (Vietnam) in the south sells its products to many of the Japanese companies that have set up operations in Vietnam and has earned a high level of credibility in the market for its transfer of technologies from Japan.



30% market share in Malaysia

In August 2011, Malaysian corrugated board manufacturer the Harta Packaging Group joined the Oji Paper Group, increasing our corrugated board market share in the country to some 30%.

In addition, we also established a business location in Cambodia and added a plastic bag business to the Group.



Plastic bag manufacturing facilities



Corrugating machine

Heavy-duty packaging

UNION AND OJI INTERPACK CO., LTD. (UOI) (Thailand)

The Oji Paper Group established a plant in Bangkok, Thailand in 1997. This plant primarily manufactures high strength corrugated boxes used in the packaging of automotive parts. It has also made automotive part boxes lighter and easier to handle by changing the material from wood to corrugated boxes. In most instances, these boxes are also exported overseas together with the part, so the lighter weight also serves to reduce CO₂ emissions during transport.



Assembly work

Cartons

S. Pack & Print Public Co., Ltd. (Thailand)

In March 2011, the Oji Paper Group became involved in the management of cartons and corrugated board manufacturer S. Pack & Print Public based in Thailand. The company excels at decorative offset printing and features an integrated production line from corrugated board sheets through to final box assembly. We are currently working to transfer our long-standing expertise in quality as well as environmental management from Japan to the company.

Communication

The Oji Paper Group uses dialogue with local communities to foster understanding about its plantation business and seek cooperation during the selection of its land for tree planting. Discussions are also held on how we can help local villages prosper.



Local Oji Paper staff talking face-to-face with villagers

Time well spent

In Southeast Asia, certain land is used for traditional purposes by the local villagers, so the cooperation and understanding of the local community is required when determining a location for tree planting.

Job creation

We provide a wide range of job opportunities for local communities, including seedling growing, planting and fertilization. The assistance of local communities, including fire prevention, is also essential to the daily management of our forest plantations.



Members of the local community growing seedlings

Roads leading to our forest plantations are also used by the local community



Industry creation

Logging generally takes place between five and eight years after tree planting. Logged trees become raw materials for papermaking, furniture and plywood, which pave the way for new industries in the local community.



Plantation trees are now being used to make furniture



Contributions to local communities

In fiscal 2010, the Oji Paper Group helped to construct bridges and roads for local communities.



Road construction in Thong Noy Village, Laos



Bridge construction in Nakha Village, Laos

Voice

Being a part of the farm village plantation program

Kengsadok Village, Laos
Assistant Village Chief

We are now able to utilize grasslands that until now were not used effectively. LPFL provided us with seedlings and instructed us on how to manage them after planting. We are excited that these same seedlings will be bought back in the future after they have grown and become a source of income for the village.



Briefing about the farm village plantation

Newcomers to the Oji Paper Group in fiscal 2010

PT. Korintiga Hutani (KTH) aims to pursue a total forestry business model

In fiscal 2010 we became involved in the management of a tree planting company in Indonesia. With the beginning of logging approaching, KTH is planning to launch operations at a chip mill with an annual capacity of 1 million tons by the year 2013.



Eucalyptus forest plantation

Oji South Lao Plantation Forest Co., Ltd. (SLPFL) commences tree planting

We established a new tree planting company in Laos and planted a total of 700 hectares of trees in fiscal 2010.



Carefully planting a seedling

Conducting research

Selecting premium quality tree species

We select trees that mature quickly or that are highly resistant to disease as the parent tree for breeding.



Growing premium quality trees (Indonesia)

Improving tree growing methods

We examine fertilizer types and weeding techniques that are best suited for each plantation.



Fertilizer experiment (Laos)

Researching genetic information

We conduct research for the benefit of future generations that includes mapping the genetic information of trees to identify genes that help trees mature quickly or are resistant to dry climates.



Tissue culturing (Forestry Research Institute, Japan)

Developing breeding technologies

In order to promptly identify premium quality trees, we conduct research into breeding technologies using indicators for specific substances unique to these trees.



Analysis equipment (Forestry Research Institute, Japan)

Series

Coexistence with Forests

Forest Owned by the Oji Paper Group
(Japan and Overseas)

Total Land Area

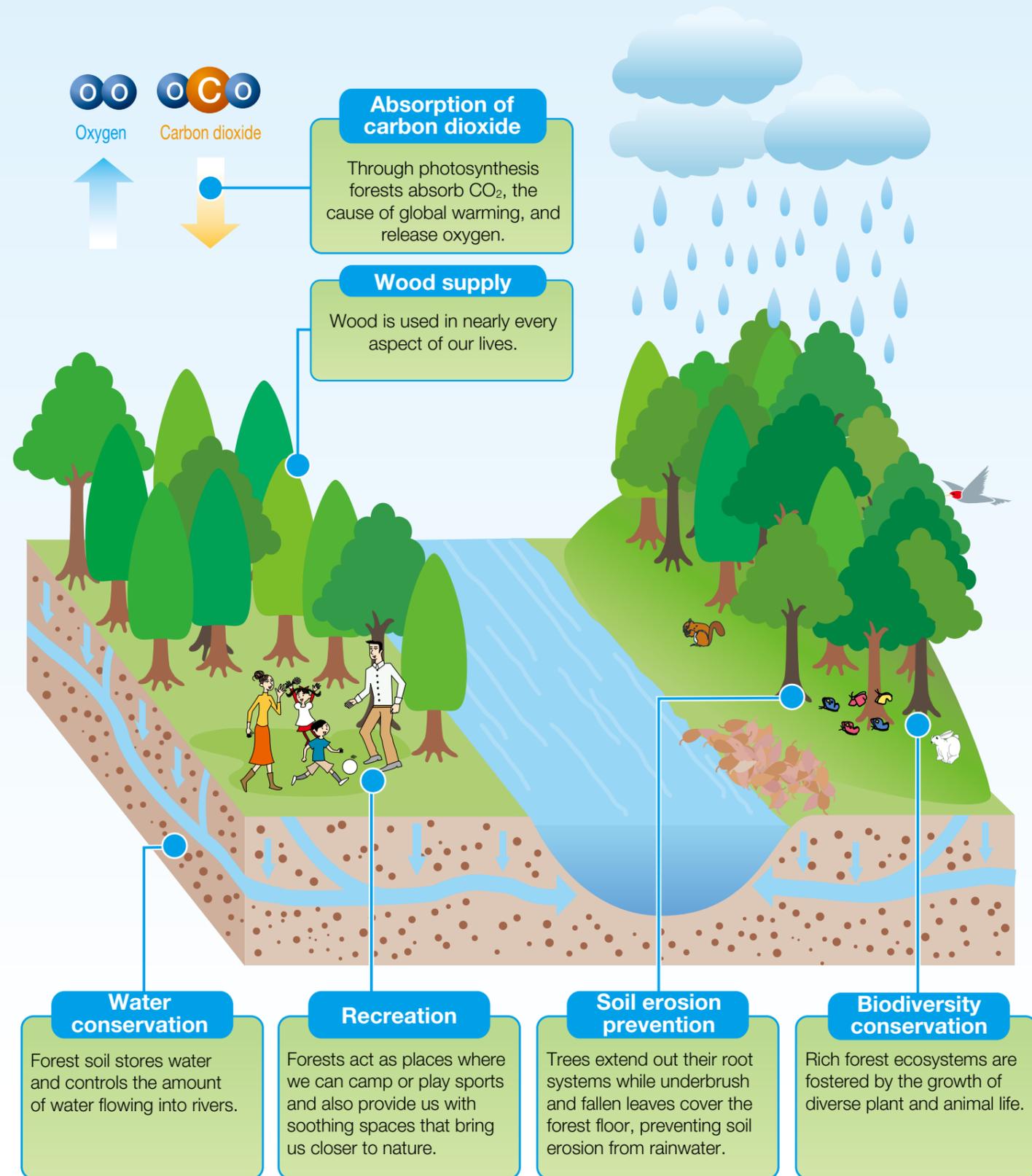
430,000 hectares

Amount of CO₂ Absorbed

10 million tons

The Role of Forests

Forests supply us with wood as well as retain water, absorb CO₂, prevent soil erosion, support other plant and animal life, and act as places of recreation.



Safeguarding Company-Owned Forests

Tree Thinning

Thirty years after they are planted, we thin about 30% of the trees in our forests once every 10 years. Tree thinning helps let sunlight penetrate to the forest floor and create sound, healthy forests. Moreover, the remaining trees actually absorb even more CO₂ than before.

In fiscal 2010, the Oji Paper Group thinned 3,380 hectares of company-owned forest.



Before tree thinning

Dark forest with closely-crowded trees

After tree thinning

Bright forest with sparse trees allowing sunlight in



After being downed by a chainsaw, trees are cut into predetermined lengths using heavy machinery.



Uses for thinned timber

Branches are trimmed from round, straight logs that are then transported to the mill. About 60% is used in lumber and plywood, while the remaining 40% is used as a raw material for making paper or a biomass fuel.



Working to revitalize alpine flora

The Oji Paper Group actively supports the Mount Apoi Restoration Committee, which aims to revitalize alpine flora on Mount Apoi in Hokkaido.



Hypochaeris—feared to be on the brink of extinction

Work Road Improvements

The development of forest roads is essential to tree thinning work and the transport of thinned timber. We constantly repair forest roads that have been damaged by rainwater or have become overgrown with weeds and underbrush.

In fiscal 2010, we built 12 km of new forest roads and made improvements to 370 km of existing forest roads.



Newly built forest road

Utilizing Company-Owned Forests

Pure Spring Water from Our Company-Owned Forests

A river fed by all natural spring water flows through our company-owned Tomakomai Forest that extends to the southeast of Lake Shikotsu in Hokkaido. Water from this spring water that bubbles up to the surface in a nurtured natural environment is bottled without pasteurizing. In this regard, forest management is a key to safeguarding natural spring waters.



Flowing spring water found in one of our company-owned forests



Oji Salmon's Shikotsu-no-Hisui and Hokkaido brand mineral water



Oji Salmon's Shikotsu-no-Hisui brand mineral water was included in the shipments of relief supplies that the Oji Paper Group sent to the areas hit by the Great East Japan Earthquake. We are addressing rising demand for water using our own operational structure.



We published the brochure *Creating Forests that Generate Resources*

This informative brochure highlights the efforts of the Oji Paper Group to better utilize eco-friendly forest resources. The accompanying Q&A booklet also serves as a tool to broaden reader understanding of forests. The brochure is handed out to our customers, who have remarked that it is very easy to understand.



Houses Made with SGEC Forest Certified Lumber

Thinned Japanese cedar logged by Oji Forest & Products at our company-owned Kamiinako Forest in Shizuoka Prefecture is now being used in construction material for homes, including columns and joists, as a SGEC forest certified material. We are making efforts to ensure that builders help us utilize this material as well as safeguard the forests of Japan. Our goal is to also have builders feel a greater sense of closeness to Oji brand forestry products.



Home made with certified lumber

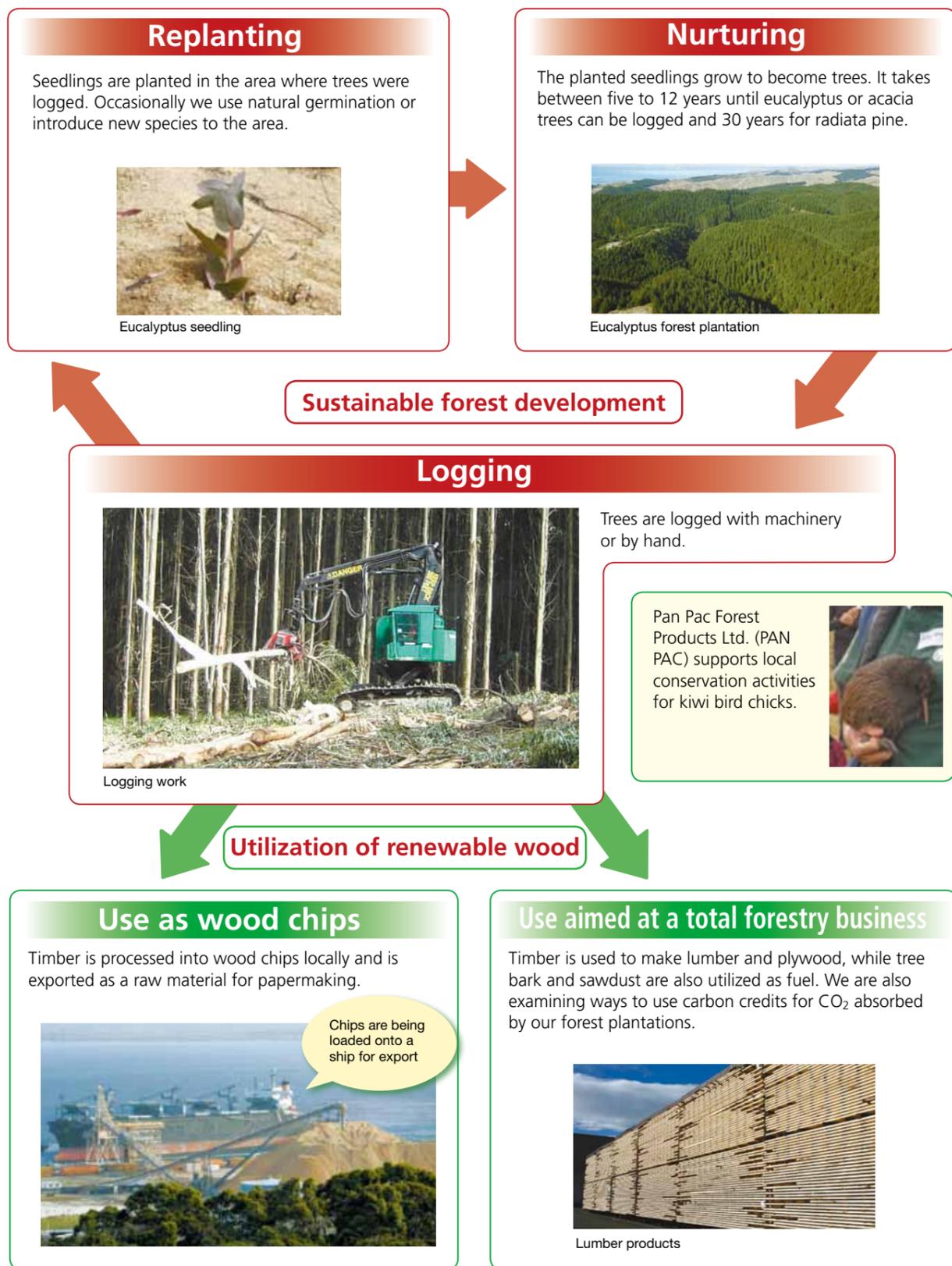


What is SGEC?

SGEC is Japan's own forest certification program that verifies a forest is managed sustainably.

Utilizing Our Overseas Forest Plantations

We are committed to the sustainable development of forests as we replant trees after they reach maturity and have been harvested. These logged trees are utilized to make lumber, plywood and wood chips.



Our Overseas Plantations Help Absorb CO₂

The Oji Paper Group plants trees on unused or degraded lands and by sustainably managing these forests it is helping to absorb CO₂.

Our commitment to sharing forestry technologies as well as creating jobs and industries locally helps to prevent the logging of natural forest.

We are also making efforts under the REDD+ mechanism which acts as a platform for developing countries and developed countries to discuss international forest issues.



Eucalyptus forest plantation in Laos developed with consideration for the surrounding natural forest (background)



What is REDD+?

Reducing Emissions from Deforestation and Forest Degradation (REDD) is an international mechanism involving developing countries and developed countries that forms part of the world's global warming measures for 2013 and beyond.

Discussions are now underway via the REDD+ mechanism which adds forest conservation, sustainable forest management and the creation of financial value for the carbon stored in forests to the conventional REDD mechanism.



Utilizing J-VER

The Japan Verified Emission Reduction scheme, or J-VER, works to certify as emission credits the amount of carbon dioxide absorbed through proper forest management and the promotion of tree thinning.

The Oji Paper Group has plans to thin 5,000 hectares of its company-owned forests in order to acquire J-VER emission credits. As of the end of July 2011, we had acquired some 8,589 tons of CO₂ emissions credits, representing the largest amount of any private-sector company in Japan. We have also begun to sell our emissions credits, and we are working to raise awareness of global warming prevention measures and environmental issues.

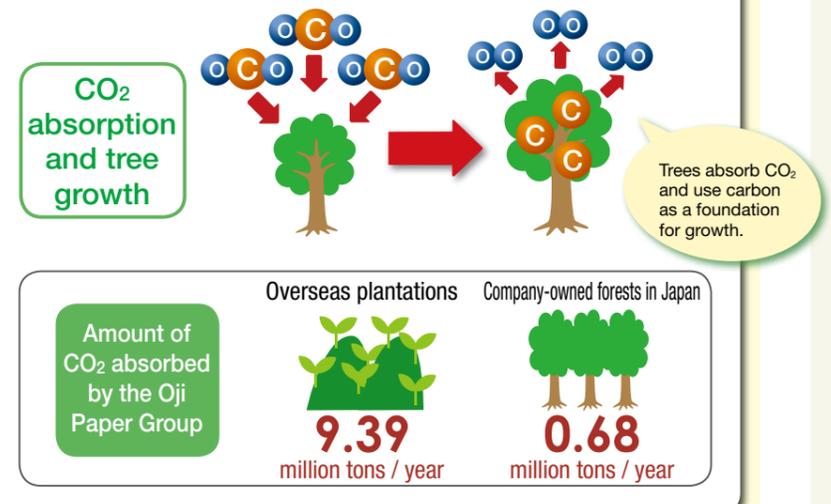


Our overseas forest plantations help absorb large amounts of CO₂

Trees absorb carbon dioxide in the air using photosynthesis and release oxygen. They also store carbon in their trunks, branches and roots. A young forest that more actively uses photosynthesis can absorb larger amounts of carbon dioxide, while mature old-growth forests absorb less.

Company-owned forests in Japan consist of older and lower growth natural forests and planted forests, but our overseas forest plantations are being logged and replanted according to a shorter cycle than those in Japan.

This is why our overseas forest plantations absorb a larger amount of CO₂ than our company-owned forests in Japan.



Corporate Philosophy and Code of Conduct

Making contributions to society as a leader in the papermaking industry

Corporate Philosophy

Contribution to the Environment and Culture, Innovation and Speed, Global Reputation for Dependability

With pride in and recognition of its responsibilities as a leading paper company, Oji Paper will work to continuously improve itself and win greater trust worldwide.

Corporate Code of Conduct

I. We, the management and employees of the Oji Paper Group, hereby adopt the Oji Paper Group Corporate Code of Conduct, as detailed below, as guiding principles for corporate activities based on an awareness of our responsibilities as a good corporate citizen and on high ethical principles appropriate for an organization that enjoys the trust of society.

II. We, the management and employees of the Oji Paper Group, will strive at all times to implement this Code, and to contribute to the genuine enrichment of society.

1. Compliance with the law
2. Harmony with the environment
3. Supply of safe, useful products and services
4. Communication with society
5. Participation in social contribution activities
6. Coexistence with the international community
7. Contribution through manufacturing
8. Achievement of employee satisfaction

Product Safety Charter

The Oji Paper Group delivers safe products, fully recognizing that its corporate social responsibility entails providing quality and services that enable customers to use its products with peace of mind.

Corporate Philosophy

Environmental Charter

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.

Environmental Management System

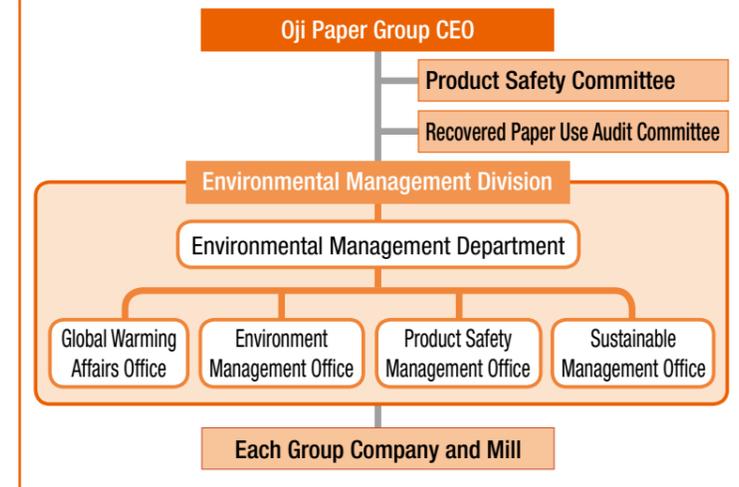
Recognizing the importance of environmental management in our corporate activities and striving for environmental compliance.

As the importance of environmental management in corporate activities increases, Oji Paper Group's Environmental Management Division oversees environmental conservation and product safety for the entire Group.

We believe that environmental compliance is a prerequisite for a company's continued existence, motivating us to prevent trouble before it happens by significantly reducing environmental risk and manufacturing liability risk through a Group-wide approach to management and oversight.

At each of our sites, we appoint managers to administer environmental compliance and also monitor the status of our environmental compliance through environmental committees and regular meetings.

Oji Paper Group Environmental Management Organization



The Oji Paper Group's recycling-based business



Main responsibilities of the Environmental Management Department

Global Warming Affairs Office

Promotion of measures to combat climate change through further improvements in energy efficiency and conservation of the Oji Paper Group's wealth of forest resources.

Environment Management Office

Support for improvement of environmental management structures through environmental problem prevention measures at mills and verification/guidance with respect to legal compliance.

Product Safety Management Office

Ensure product safety through the management of chemicals and respond to customer requests for information.

Sustainable Management Office

Communication of information about environmental initiatives, through means such as public reports and participation in exhibits.

Environmental Action Program 2015

The Oji Paper Group established Environmental Action Program 2015 covering the period up to fiscal 2015.

See page 29

Promotion of forest recycling

- Increase the land area of overseas forest plantations to 300,000 hectares and move toward acquiring forest certification for all company-owned forests and forest plantations.
- Manage company-owned forests in Japan through tree thinning and other activities.
- Effectively utilize forests owned in Japan and overseas in promoting the total forestry business approach.

Grow

Plant

Use

See page 30

Promotion of paper recycling

- Encourage the use of recovered paper as a resource. (Target to achieve a 64% recovered paper utilization rate)

Use

Collect

Sort

See page 32

Promotion of global warming countermeasures

- Reduce greenhouse gas emissions by 15% relative to 1990 and carbon dioxide emissions from energy sources by 35%.
- Increase the amount of CO₂ absorbed (offset credits, etc.) through forest management.

Boiler

Black liquor

See page 33

Development of production technologies and products that minimize environmental impact

- Properly manage compliance with voluntary standards as well as laws and regulations in product safety.
- Develop a larger supply structure for forest certified products.
- Encourage the development of new products that help conserve resources and reduce CO₂ emissions.

Product safety

See page 38

Reinforcement of environmental improvement measures and environmental management systems

- Develop a voluntary environmental management structure through the acquisition of certification for our environmental management system as well as regular upkeep and operations. (Target to acquire EMS certification for 150 mills)

Environmental audits

Workshops

O-E-MS

See page 40

Reduction and effective utilization of waste

- Reduce the total amount of waste for final disposal to under 50,000 tons (AD) per year. (Oji Paper, Oji Paperboard, Oji Specialty Paper, Oji Nepia)

Make into fuel

Effective use of ash

Energy

See page 41

Transfer of environmental protection technology to other countries

- Comply with relevant environmental standards in each country and share environmental management technologies developed in Japan.

See page 42

Building relationships of trust with stakeholders

- Encourage greater communication with our stakeholders through exhibitions and publications.
- Promote social contribution activities rooted in the local community.

The Oji Paper Group Environmental Charter—Action Guidelines

<p>Promotion of forest recycling</p> <p>We will promote green procurement of resources grown in sustainably managed forests. We will use the results of the broad research activities of our forest research, and achievements made to date in the silviculture and management of our company-owned forests in Japan, for the planned development of overseas tree plantation projects. We will work to secure wood raw materials, which will result in global environmental conservation.</p>	<p>Promotion of global warming countermeasures</p> <p>In the area of global warming countermeasures, we will strive to reduce carbon dioxide emissions. As high-priority issues toward that end, we will promote energy conservation and conversion to non-fossil fuels. We will also contribute to the sequestration of carbon dioxide by proactively pursuing the development and maintenance of forests.</p>	<p>Development of production technologies and products that minimize environmental impact</p> <p>By using the accumulated results of the paper-related basic research area, we are working on the research and development of environment-friendly production technologies and new products with the aim of helping to create a recycling-oriented society. Also, we work to use environment-friendly materials, as well as ensure production safety based on our company's "Product Safety Charter" when we purchase materials.</p>	<p>Transfer of environmental protection technologies to other countries</p> <p>In our international operations we are actively promoting international transfers of environmental technology, as well as observing environmental standards of the relevant countries.</p>
<p>Promotion of paper recycling</p> <p>We will seek to advance the utilization of recovered paper, making the most of the benefits of our comprehensive manufacturing of paper and paperboard. We will blend recovered paper in ratios that are economical and suitable for intended uses, giving due consideration to the environment. In particular, as well as working on increasing the recovered paper usage in the paper area, we will work on the development of technologies for recycling types of used paper that are hard to recycle.</p>	<p>Reinforcement of environmental improvement measures and environmental management systems</p> <p>We will comply with environmental laws and regulations in our business activities and work to further reduce the environmental impact of our businesses. We will also continue to improve the quality of our group-wide environmental management system.</p>	<p>Reduction and effective utilization of waste</p> <p>We will reduce the amount of waste for final disposal by enhancing measures such as the reduction of waste generation from the production process and the effective utilization of waste.</p>	<p>Building relationships of trust with stakeholders</p> <p>We will carry out active PR and educational activities inside and outside the company and engage in dialogue with stakeholders concerning our environmental management initiatives. All of our offices, both in and outside Japan, will work to protect the environment of local communities and contribute to their development.</p>

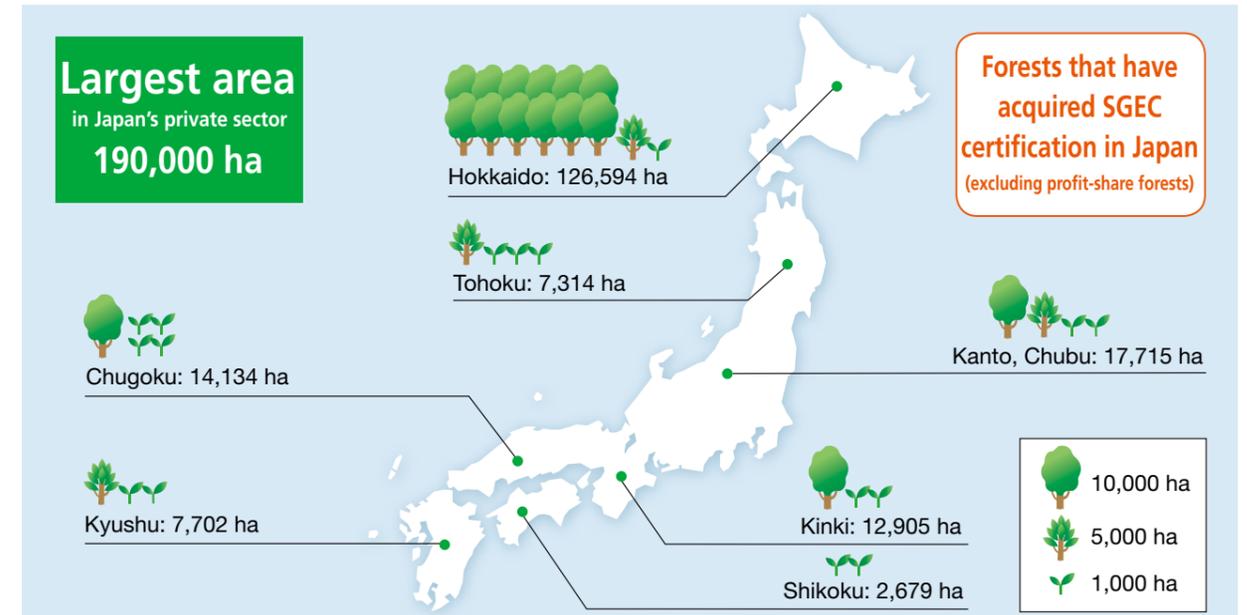
Fiscal 2010 Achievements

Action Guidelines	Achievements (Fiscal 2010)
Promotion of forest recycling	Overseas forest plantations: 240,000 ha
Promotion of paper recycling	Recovered paper utilization rate: 62.4%
Promotion of global warming countermeasures	Greenhouse gas (GHG) emissions: 20.5% reduction (relative to FY1990 levels) CO ₂ emissions from energy sources: 38.4% reduction (relative to FY1990 levels)
Reinforcement of environmental improvement measures and environmental management systems	EMS certified mills (subject to environmental oversight) ISO14001: 105 mills Certification in Japan: 6 mills (KES, Eco Action 21, etc.) O-EMS: 13 mills
Development of production technologies and products that minimize environmental impact	Comply with voluntary standards for food container packaging (product safety)
Reduction and effective utilization of waste	Final disposal amount: 74,000 tons (4 papermaking companies)
Transfer of environmental protection technologies to other countries	Expansion of business into China
Building relationships of trust with stakeholders	- Oji Paper Group Environmental and Sustainability Report 2010 - Oji Forest Nature Schools - "Groundwork" programs - Exhibition at Eco-Products 2010 - Community environmental monitor meetings

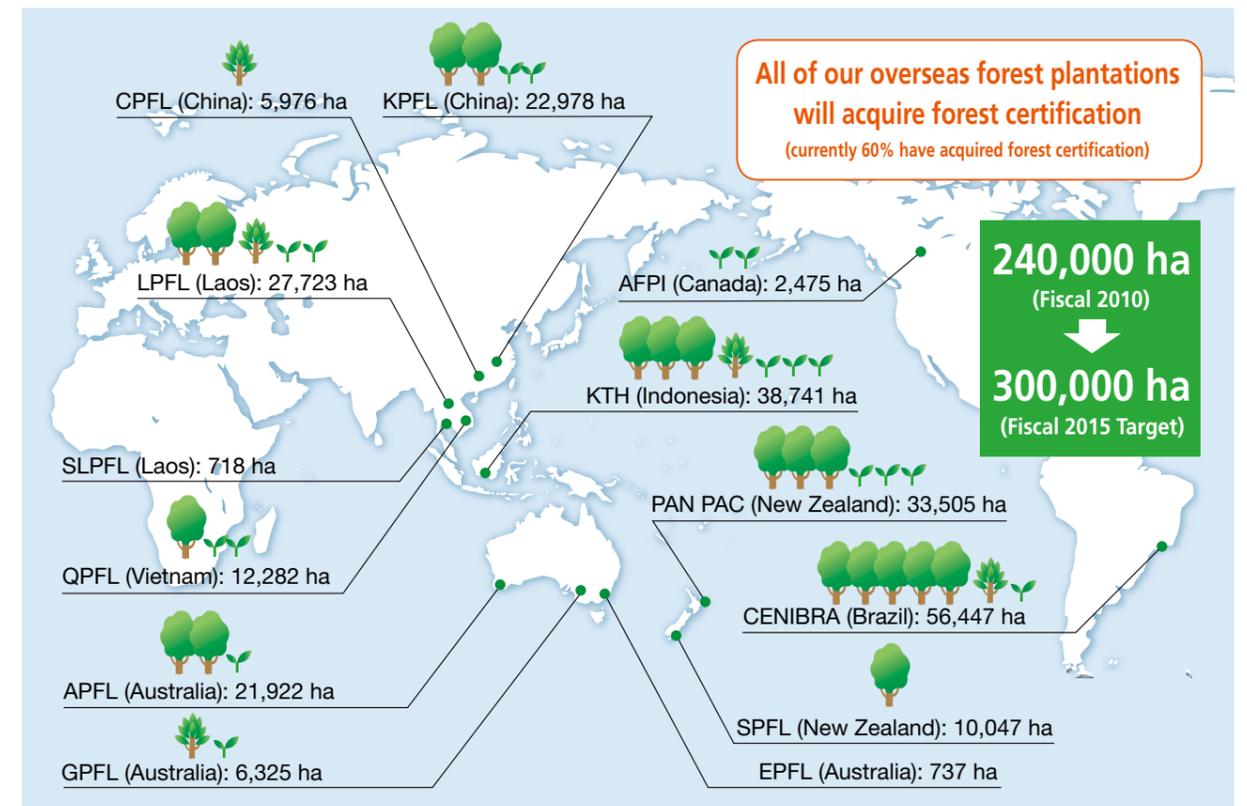
Promotion of Forest Recycling

As a forestry company we are committed to protecting company-owned forests, expanding the area of plantations and utilizing forests.

Distribution of the Oji Paper Group Domestic Company-Owned Forests



Distribution of the Oji Paper Group Overseas Forest Plantations



Promotion of Paper Recycling

Maximizing the use of the world's limited resources through the continued use of recovered paper.

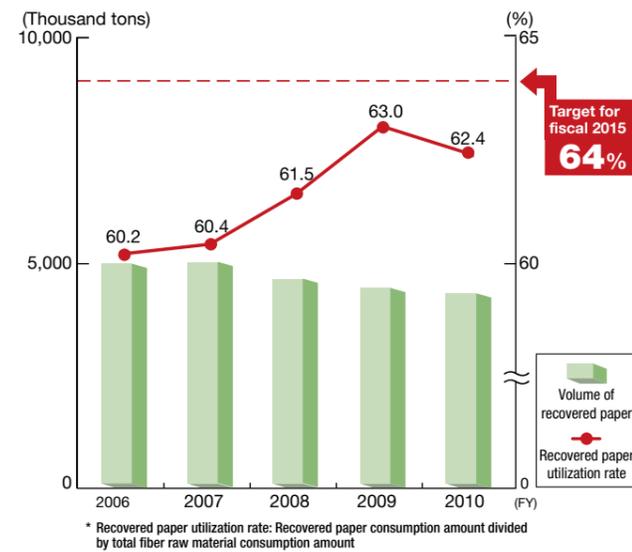
Recently, the volume of recovered paper exports has been increasing. In 2010, some 20% of Japan's recovered paper was exported, with nearly 80% of this bound for China.

Japan's recovered paper is known for its high quality as it has fewer contaminants when compared to recovered paper from the US or Europe, and because of the country's geographic proximity exports of recovered paper bound for China and Southeast Asia are on the rise.

The Oji Paper Group believes in the importance of collecting and using recovered paper in Japan as well as exporting recovered paper in a well-balanced manner. With exports on the rise, we are now making efforts to use difficult-to-process recovered paper, which had once been considered unusable as a raw material for papermaking, in order to continue to make use of recovered paper procured from domestic sources.

Recovered paper utilization rate* **62.4%**

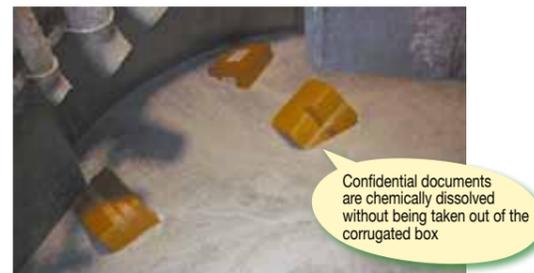
● Oji Paper Group's Volume of Recovered Paper and Utilization Rate



Utilizing Difficult-to-Process Recovered Paper

Difficult-to-process recovered paper refers to paper that once was either disposed of or solely used as fuel because technologically it could not be used as a raw material for papermaking.

Demand has risen for the use of difficult-to-process recovered paper on the back of efforts to reduce waste and heightened awareness of corporate social responsibility. This paper includes highly confidential documents, released paper from plasterboard and container packaging, all of which are used as a raw material for mainly paperboard. As difficult-to-process recovered paper only accounts for several percent of all recovered paper usage, we are making efforts to increase this amount going forward.



We separate and collect recovered paper at our papermaking mills

Oji Paperboard engages in the manufacturing of paperboard products that use recovered paper as a primary raw material. Recovered paper recycling dumpsters are placed at the front gate of each of its mills so that the company can work together with members of the local community to help utilize resources effectively.



Recycling dumpster for recovered paper



We promote the use of difficult-to-process recovered paper

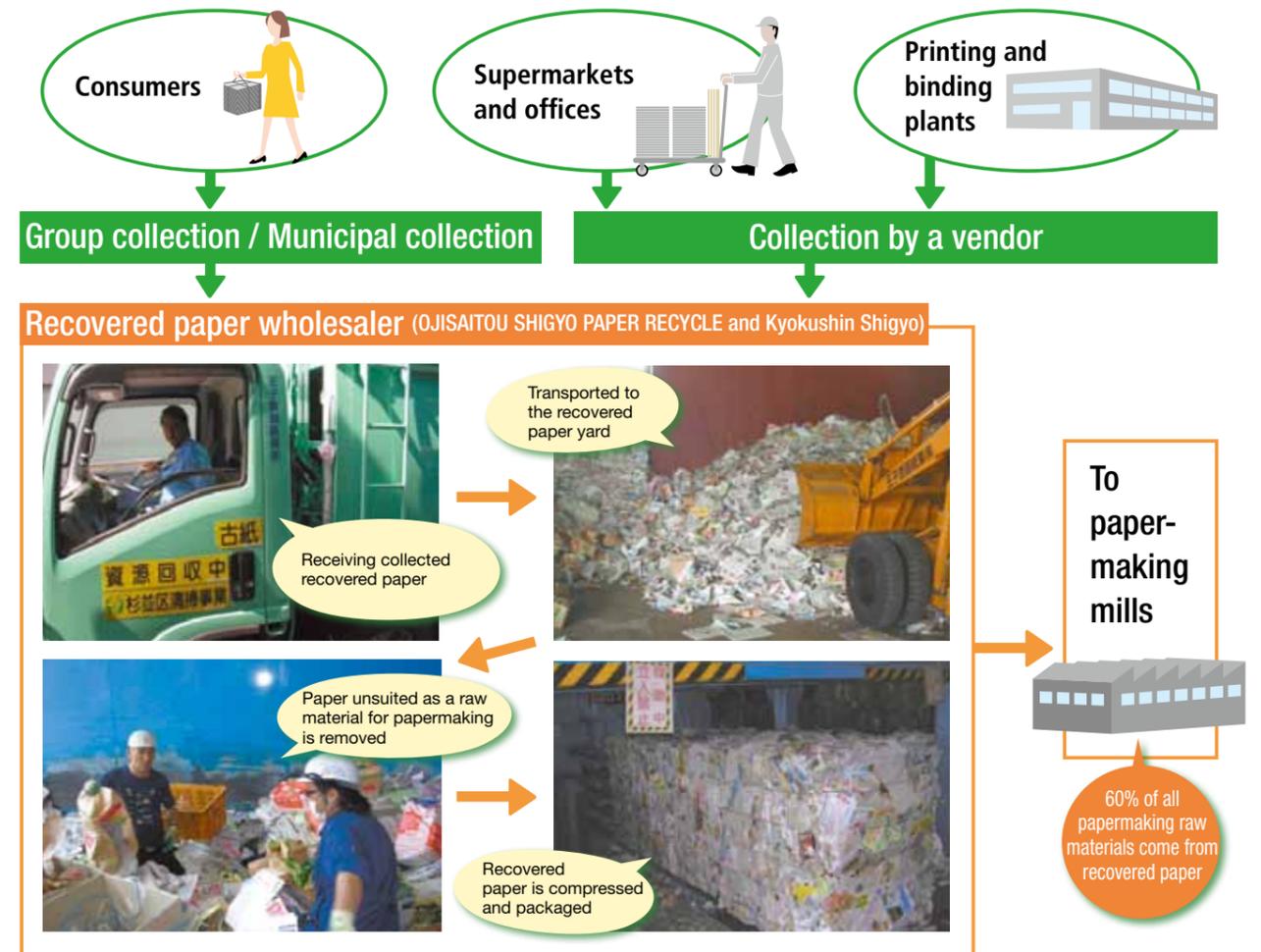
Oji Paperboard's Fuji Mill has installed specialized equipment for difficult-to-process recovered paper. The company has actively received samples of recovered paper that was once difficult to recycle and is also conducting tests repeatedly. In fiscal 2010, it was able to increase the usage amount of released paper from plasterboard and vinyl laminated paper.



Specialized equipment for difficult-to-process recovered paper (kneading pulper)

The Process for Making Recovered Paper into a Raw Material

Recovered paper produced by consumers, supermarkets, offices or printing and binding plants is collected at schools or by municipal collection providers. This recovered paper is then sorted, compressed, and packed according to type by a recovered paper wholesaler. The processed recovered paper is then shipped off to a papermaking mill where it is then sorted by type, such as newspaper, magazine and corrugated box, depending on the usage.



Sorting and separating are critical work processes

Ota, General Manager

Suginami Branch
OJISAITOU SHIGYO PAPER RECYCLE CO., LTD.



One of the most important jobs of a recovered paper wholesaler is quality control. Employees work hard during hot summer days or freezing cold winter days, to find contaminants from among mountains of recovered paper as well as sort through newspaper and magazine paper. We ask that consumers help to never mix in contaminants in their recyclables as well as properly sort newspapers and magazines.

Don't mix in contaminants!

Paper that is not suitable for papermaking raw material is referred to as contaminant. Quality troubles occur when sublimation transfer paper (dyed printing and iron printing paper) and thermosensitive paper foam board find their way into raw materials.



Sublimation transfer paper

Promotion of Global Warming Countermeasures

We are promoting the reduction of greenhouse gases (GHG) through energy conservation initiatives and the use of waste as fuel.

Development of Production Technologies and Products that Minimize Environmental Impact

—Product Safety Management—

We carefully screen the chemicals we use from the selection process for compliance with applicable laws, regulations and voluntary standards.

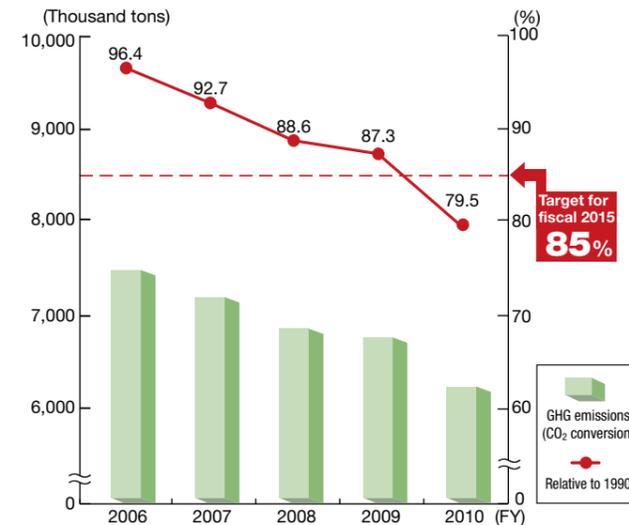
Initiatives to Reduce GHG Emissions

We have made our production system more energy efficient, implemented 600 energy conservation measures, and reduced our use of heavy oil by controlling operations at our papermaking mills. In fiscal 2010, we were able to reduce our GHG emissions by 7.8% compared to fiscal 2009.



*GHG: CO₂ emitted from energy sources in the manufacturing process and landfills, CO₂ not emitted from energy sources, CH₄ and N₂O

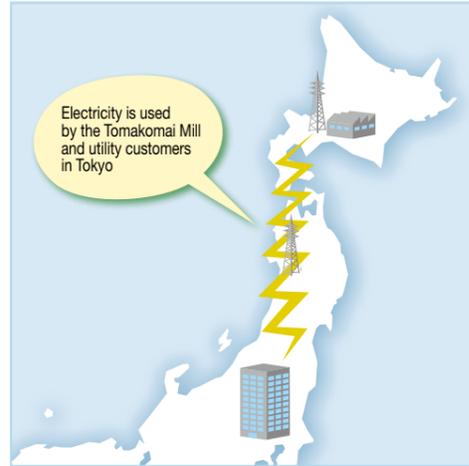
● Oji Paper Group's GHG Emissions



Utilizing hydroelectric power since the early 1900s

Oji Paper's Tomakomai Mill owns nine and Oji Specialty Paper's Tokai Mill and Nakatsu Mill own 10 hydroelectric power plants that combined can produce up to 70,000 kW of electricity with zero GHG emissions. Chitose No. 1 Power Plant, which is the oldest and largest hydroelectric power plant owned by the Tomakomai Mill, was first constructed as a power source for the mill when it began operations in 1910. A century later the power plant continues to generate power for the mill. Electricity generated by seven hydroelectric power plants, including Chitose No. 1 Power Plant, is delivered to the mill using independently owned transmission lines.

The 10,000 kW of electricity generated by Tomakomai Mill's Shiribetsu No. 1 and No. 2 power plants are supplied all the way to Tokyo via a power company's transmission network where it is utilized by commercial-scale utility customers that are required to reduce their CO₂ emissions under the Tokyo Metropolitan Government's emissions trading scheme.



Water is diverted to flow through these huge pipes

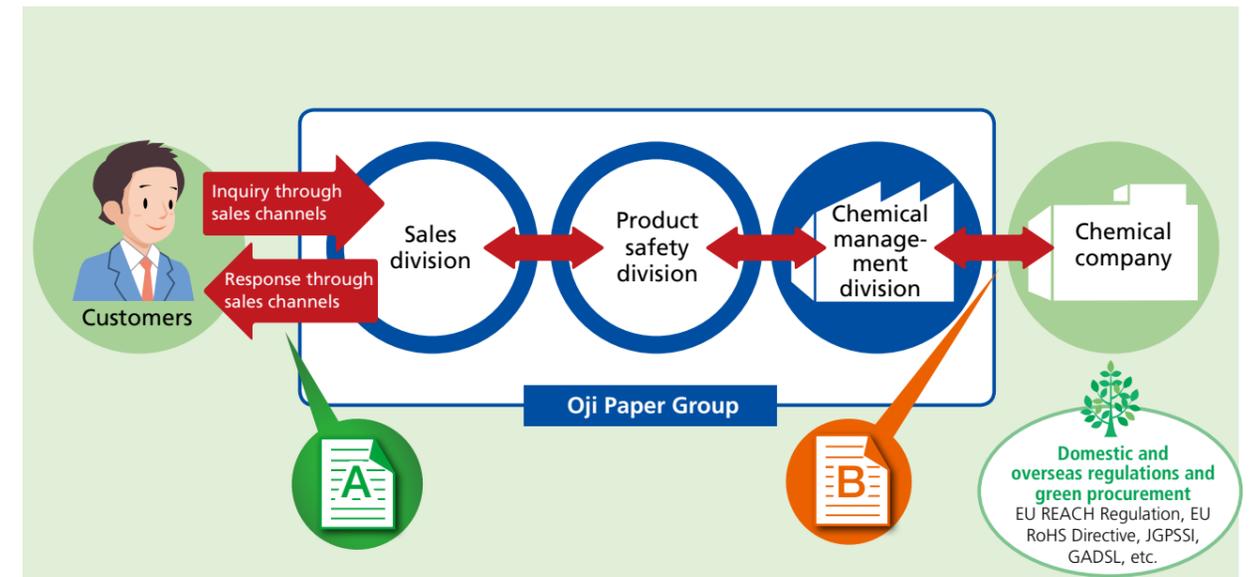
Informing Customers

A Information provision

We respond to inquiries from customers based on a variety of chemical safety information verified through our pre-use evaluation system and information updating system.

A Responding to customer inquiries

Oji Paper, Oji Paperboard and Oji Specialty Paper respond to a variety of inquiries from customers using Article Information Sheets (AIS), Investigation Reports, and Material Safety Data Sheets (MSDS). In fiscal 2010, we responded to some 7,000 customer inquiries. Other Group companies also respond to customer inquiries individually.



Verification of Chemical Safety

B Pre-use evaluation system

When beginning the use of a new chemical, 11 Group companies employ the Oji Paper Group's proprietary New Raw Material Safety Sheets to verify relevant regulations, customers' green procurement practices, and chemical toxicity with more detail than MSDS. The items on this sheet are revised when needed to maintain compliance with the latest laws and regulations.

This system was launched by Oji Paper in 1994, the year before the enactment of Japan's Product Liability Law, and afterward was extended to other companies within the Group.

B Information updating system

Chemical substance management requirements are being tightened in laws and regulations both in Japan and overseas as well as in the green procurement practices of our customers. In order to provide accurate information, we need to promptly obtain the latest information on the chemicals we use.

As a complement to our pre-use evaluation system, we employ the Oji Paper Group's proprietary Regulatory and Hazard Information Study Sheets to periodically collect the latest information from chemical companies that manufacture the chemicals in use by the Group.

Implementing a Wide Range of Initiatives

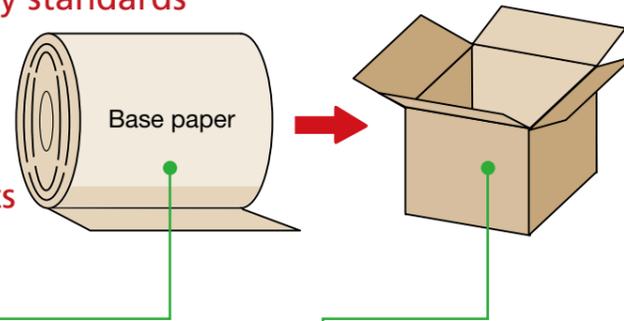
Corrugated cardboard

Making use of voluntary industry standards

Various industry organizations have developed voluntary standards to ensure a higher level of security and safety for paper products that come into contact with foods.

Performing product safety audits

We verify voluntary standards, product quality, and product safety management.



Oji Paperboard manufactures and sells containerboard. The company follows the voluntary guidelines developed by the Japan Paper Association and confirms the implementation of these standards using product safety audits.

Oji Chiyoda Container and **the Mori Shigyo Group** manufacture and sell corrugated cardboard boxes used for fresh fruit and vegetables. They follow the voluntary guidelines developed by the Japan Containerboard Industry Association and confirm the implementation of these standards using product safety audits.

Paper containers

Confirming the compliance of 10,000 products and parts

Oji Packaging processes paper and paperboard as well as manufactures and sells paper packaging, containers, and decorative cardboard and film. The company uses many complex processes and, including unit companies, handles up to 10,000 products and parts. Through the cooperation of a raw materials manufacturer that it consigns work to, the company verifies the presence of environmental load substances as well as compliance with the voluntary standards for food container packaging developed by industry organizations.



Oji Packaging's product line up

Product Safety Committee Established

The Committee consists of 13 Group companies management of It also verifies Group companies future

of members from that oversee the product safety. initiatives of and develops policies.

Food trays

ISO certification obtained for food applications

Ginpo Pack manufactures and sells trays and containers for foodstuff, including frozen foods and boxed lunches sold at convenience stores. With growing social concern over packaging materials, the company has acquired ISO22000 certification for food safety as well as fully complies with Japan's Food Sanitation Act and voluntary standards developed by the industry.



Final inspection of a food packaging container

Personal hygiene products

Performing quality control audits

Oji Nepia manufactures and sells personal hygiene products used in the home. As its products come into direct contact with consumers, the company maintains a steadfast commitment to product quality control. As part of this commitment, Oji Nepia performs quality control audits annually at each of its plants and its consigned manufacturing partners to verify their quality control structure and implementation status on the manufacturing floor.

The company also implements sure-fire preventative measures when and if product defects are found by its customers.



Quality control audit

Medical device products

Obtained ISO certification for medical devices

New Tac Kasei manufactures and sells medical device products, which demand an advanced quality control structure be in place. As a result, the company has obtained ISO13485 certification in medical devices as well as ISO9001 certification in quality, and also conducts product safety audits under Japan's Pharmaceutical Affairs Act to ensure the safety of its medical device products



Manufacturing wound dressings

Foodstuff

Obtained Hokkaido HACCP certification

Oji Salmon, which has acquired Hokkaido HACCP* certification, manufactures and sells processed salmon products and mineral water. With the aim to further enhance its food hygiene controls, the company acquired Hokkaido HACCP certification for its mineral water plant in June 2010, following its acquisition of the same certification for its salmon processing plant.

The company regularly holds meetings in order to heighten its awareness toward making tastier and safer food products.

* HACCP: Hazard Analysis and Critical Control Point



Salmon processing work



Product safety initiatives overseas

GSPP, located in Malaysia, manufactures and sells paperboard and corrugated boxes. Many of GSPP's clients are multinational corporations from the electronic and electrical device industry, and GSPP has received certification as a green partner from multiple customers. The company also receives many inquiries concerning its compliance with the EU's various chemical substance regulations, such as REACH and RoHS, and is firmly committed to fulfilling a global standard.



Workers check chemical substances in raw materials

Development of Production Technologies and Products that Minimize Environmental Impact—Products Receiving FSC®—

We are helping conserve forests through our supply structure to provide forest-certified products.

The promise of the FSC certified logo

Forests are properly maintained, properly utilized and properly managed.

We are helping local communities who nurture forests as well as their social and economic activities.



The logo for responsibly managed forests

A system to guarantee that certified lumber is used in the distribution process stages.

A third party institution oversees the implementation of this certification system.

The FSC certified logo represents a guarantee that forests are being properly maintained by all parties in the value chain, from the people actually managing the forest to people making, selling and using lumber and products made from lumber.



Requirements to display the FSC certified logo

- Forest resources or the forest environment is properly managed (FM* certification)
- Non-FM certified lumber is not mixed in with FM certified lumber during production, processing and distribution (CoC* certification)

The FSC certified logo can be displayed after both of these certifications have been obtained.



FM: Forest Management
CoC: Chain of Custody

On the rise in Europe and North America

The FSC certified logo is still not widely recognized by general consumers in Japan. However, in Europe and North America, especially in the United States, the FSC certified logo is one of the most widely recognized certification logos used in the construction industry.

In Europe, reports indicate that lumber and lumber products that have received FSC certification account for between a 6% and 7% share of the market, and interest in the certification process and logo is increasing.

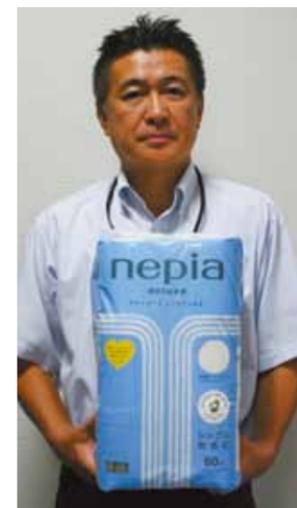
In Brazil, consumer recognition of the FSC certified logo increased from 1% to 22% in the span of three years. Going forward, this same increase in recognition is expected in Japan.

Oji Nepia Delivers FSC®-Certified Products

Household paper products, including tissue paper and toilet paper, are some of the paper products most closely intertwined in our daily lives but are also difficult to recycle once used. Oji Nepia manufactures products that use certified pulp and chips from responsibly managed forests. The company has begun to produce products for consumers that are more considerate of the environment.



Delivering FSC certified products



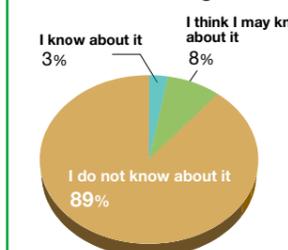
Kamematsu
Director and Sales Division
General Manager
Oji Nepia Co., Ltd.

Oji Nepia sells FSC certified tissue paper and toilet paper products that use pulp and chips from responsibly managed forests. Moving forward, we will continue our marketing activities so that customers are able to recognize that our company provides safe products that are considerate of the environment.

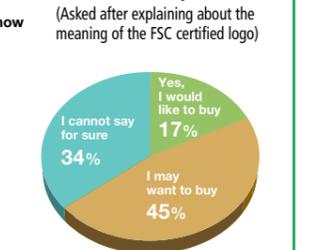
Consumer survey conducted

The FSC certified logo is still not widely known by general consumers in Japan, but after they were given an explanation about its meaning of the FSC certified logo many consumers responded that they would like to buy FSC certified products.

Q Do you know about the FSC certified logo?



Q Would you like to buy FSC certified products?
(Asked after explaining about the meaning of the FSC certified logo)



2011 Nepia survey
Participants: 800 females between the ages of 20 and 69 from throughout Japan

Reinforcement of Environmental Improvement Measures and Environmental Management Systems

We are lessening our impact on the environment and strengthening our voluntary environmental management structure

Use of environmental management systems

We are moving forward with the implementation of environmental management systems customized to mill conditions so that each mill can systematically practice its own environmental management activities. We have focused particular energy on instituting a proprietary EMS developed by the Oji Paper Group known as the O-EMS.

O-EMS is a streamlined version of ISO14001 that we have developed for small-scale mills. O-EMS is more in tune with the actual conditions of small mills, helping these facilities to comply with laws and regulations as well as reduce environmental risks.

Voice



Performing mutual audits Fujita
Foreman, Fukushima Office Hokuyo Shiko Co., Ltd.
In December 2010, a mutual audit was performed at the Sendai Mill of Oji Seitai Kaisha. As an inspector, I had the opportunity to perform audits on other mills and was able to review their systems objectively and make use of their methods and initiatives in our own mill. In this regard, I feel keenly aware of the need for these mutual audits.

Environmental Management Systems (EMS)

As of July 1, 2011

	No. of mills certified (Mills subject to audits)	Main mills certified
ISO14001	105	All papermaking mills
Certification in Japan (KES or Eco Action 21, etc.)	7	Nihon Seika Hoso, Chuetsu / Shiga, Mori Kamihanbai / Kyoto and Nagoya
O-EMS	15	Fuchigami Danbo-ru, Matsuda Aoi Danboru, Shiota Danbo-ru, Yamachu Sangyo

The Oji Paper Group's Environmental Management

The Environmental assesses the situation mills and shares at environmental

Management Division surrounding all Group this information conservation meetings.

Holding environmental workshops

We hold environmental workshops throughout Japan for our environmental managers as a means to increase their knowledge and understanding of their environmental practices. These workshops are used to identify challenges found in environmental audits and broaden understanding of relevant laws, ordinances and environmental management practices. After the workshop, check lists are used to verify each mill's compliance with applicable laws and ordinances, which is then followed up with remedial measures.

In fiscal 2010, 16 workshops with a total of 274 participants were held targeting 186 of our manufacturing mills. In fiscal 2011, we plan to invite environmental managers from our mills to act as lecturers in order to make the workshops more organic.

Managers from each Group company participated in workshops.



Voice



Looking back on my participation in an environmental workshop



Matsumoto

Assistant General Manager, Komatsu Plant Shin Nippon Feather Core Co., Ltd.

The information provided on wastes at the workshop proved to be particularly useful from a working level standpoint. I plan to use what I learned to verify our environmental management practices and educate our employees on the importance of environmental compliance.

Resolving problems and rolling out measures

Whenever a problem or complaint regarding the environment occurs, we not only identify the reason and take remedial measures, but also roll out measures at our other mills that may be subject to similar risks. This helps us prevent the same accident from occurring twice. Beginning in fiscal 2011, members of the Environmental Management Division are visiting each of our mills to raise awareness and discuss matters in order to eliminate problems that could occur before and after long-term operational shutdowns.

Examples of measures rolled out for environmental problems

Problem	Measure rolled out
Soot and dust	Installation of soot and dust concentration meters
Leakage of oils and chemicals	<ul style="list-style-type: none"> Installation of surface oil detectors Instituted redundancy system for detecting the level of chemicals in service tanks Built and improved dikes
Exceeded legal limit	Instituted redundant monitoring system (installed rotating warning lights)

Environmental audits

On-site audits led by the Environmental Management Division have been performed since fiscal 1994, but starting in fiscal 2010 we enhanced our auditing system by adding paper audits. In fiscal 2010, we performed on-site or paper audits for 205 mills within the Group. Although the number of remedial measures that need to be taken have decreased as a result of our ongoing environmental audits, we still face challenges with regards to waste disposal matters. Factors surrounding this include the lack of understanding regarding laws and regulations on the part of environmental managers or the lack of a handover when managers change. As a result, we are implementing measures to further raise awareness and understanding of environmental practices.

Voice



Looking back on our environmental audit

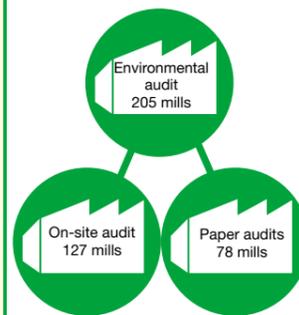


Inspection of wastewater neutralizing equipment

Hosokawa

Manager, Yamamoto Plant New Tac Kasei Co., Ltd.

After our first environmental audit by the Environmental Management Division I felt keenly aware of our shortcomings toward the environment. In particular, we found that are labelling of wastes was inadequate. As we are planning to acquire ISO14001 in fiscal 2011, we will use what we have learned from this audit to reduce and effectively utilize wastes and operate the plant in a more eco-friendly manner.



Zoom



We are taking measures to prevent leaks in small equipment

We have installed dikes for our chemical tanks, and have also instituted leak prevention measures for small tanks used to store waste oil and alkali that have the potential to cause harm to the environment if a leak were to occur.



Setting up safety fences around containers for disposal forms part of our leak preparedness measures

Aspiring for zero environmental problems

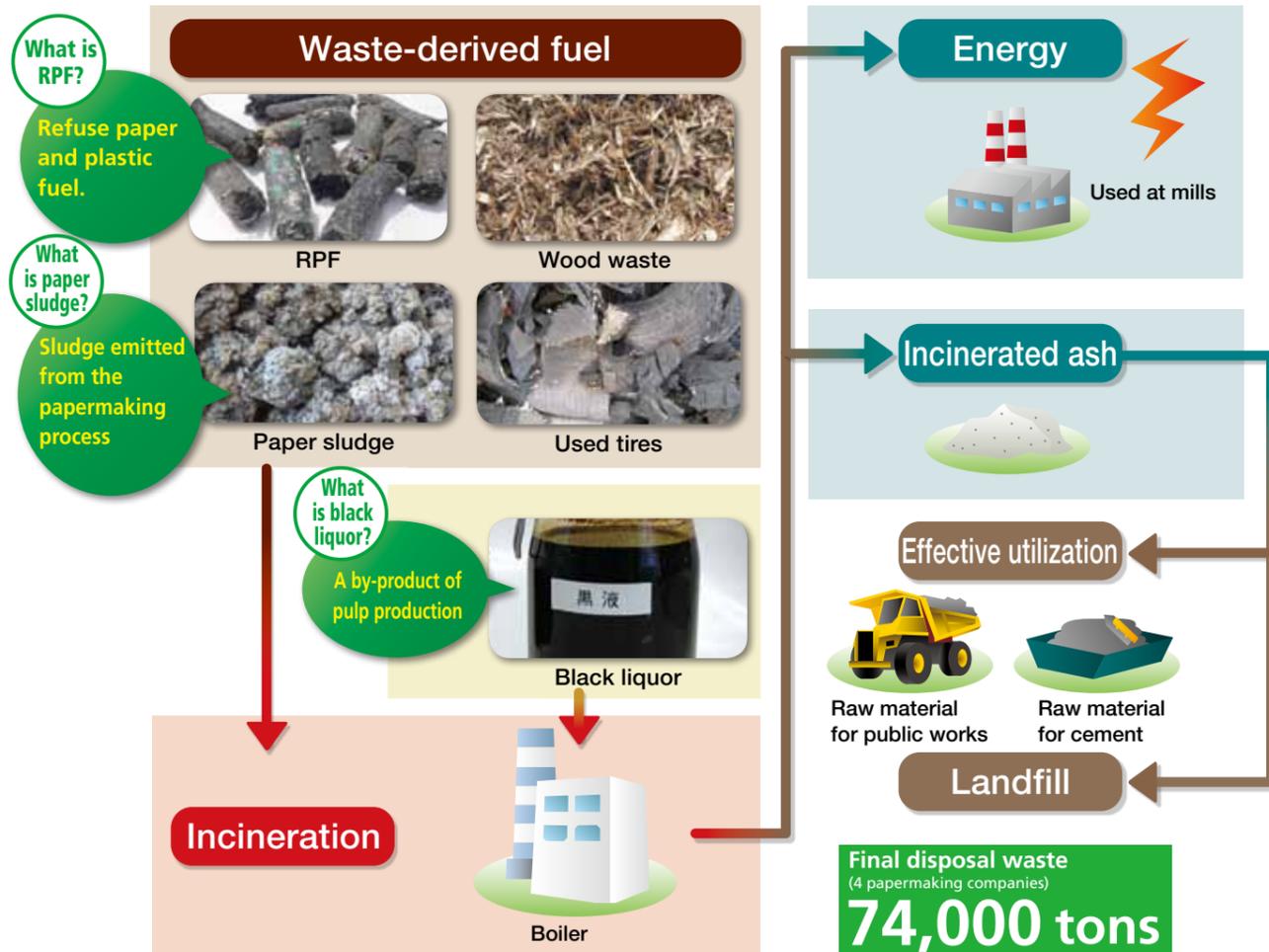
—Recent examples of environmental problems—

Environmental Management Division, Oji Paper Co., Ltd.

Lectures are held at each mill

Reduction and Effective Utilization of Waste

We are working to reduce final disposal waste by curbing the volume of wastes and effectively utilizing waste as a raw material



Using Waste as Fuel

As part of our commitment to combating global warming, we use refuse paper and waste plastic, or RPF, as well as paper sludge and black liquor derived from chips from the paper manufacturing process as fuel at our papermaking mills.

In fiscal 2010, our CO₂ emissions from energy sources were reduced by 38.4% relative to fiscal 1990. However, a large amount of ash was generated as a by-product. This ash is mainly used as a raw material either in cement or public works projects, but parts of this same ash contain chlorine and lead, meaning that it cannot be used without first being treated. We are currently working to develop detoxifying technologies so that we can effectively utilize the entire amount of this ash.

Zoom Using black liquor from chips as biomass energy

Pulp, which is a raw material used to make paper, is made from wood. Pulp is made by adding a chemical to wood chips that are then heated. Black liquor emitted from the wood chips during this process is used as biomass energy, which does not generate CO₂ from fossil fuels. In this regard, we are also effectively utilizing black liquor emitted during the pulp manufacturing process.

Transfer of Environmental Protection Technologies to Other Countries

We are actively rolling out advanced environmental management practices and product safety expertise amassed in Japan at our production sites overseas.

In May 2010, the new Nantong Mill, which forms the heart of the Oji Paper Group's operations in China, commenced trial operations. In order to meet China's strict environmental regulations, the mill operates using the latest, most cutting edge facilities as well as our long-standing environmental management and product safety expertise developed in Japan.



The new Nantong Mill



Monitoring papermaking machine operations

Voice Nantong Mill commences operations



The mill manager talking about an emergency drill

Cheung
Vice President and Mill Manager
Jiangsu Oji Paper Co., Ltd.

For most of our employees this marked the first time that they have ever operated a brand new mill. In this regard, we are making great efforts aimed at the growth of both the company and our employees. We are operating the mill based on the guidelines laid out in the Environmental Charter and are providing ongoing training to our employees on the importance of the environment and safety.

Currently engineers from Japan are providing us with a wide range of guidance, and going forward we will work hard so that our local Chinese staff can take on more of a leadership role within the company.

Zoom Sponsored a booth at Japan-China Green Expo 2011

Japan-China Green Expo 2011 was held from June 1 to June 3 in Beijing under the theme of "Aspiring to integrate the environment and economy." A total of 92 exhibitors attended, including leading companies from both Japan and China, local governments and research institutions. The Oji Paper Group booth showcased the Group's environmentally-conscious recycling-based business.

President and CEO Kazuhisa Shinoda also gave a presentation at the event's forum on the Oji Paper Group's recycling-based business model.



Shinoda during his presentation



The Oji Paper Group booth

Building Relationships of Trust with Stakeholders

We are committed to being a fixture in the local community going forward.

Since its inception, the Oji Paper Group has listened closely to feedback it has received through dialogue with its customers, the local community and employees. We stand committed to further enhancing our social action programs while strengthening our relationship with the local community through our environmental monitor system, groundwork program, disposable chopstick recycling initiative, mill tours and the Oji Forest Nature School.

Tomakomai Mill celebrates its 100th anniversary Oji Paper Tomakomai Mill

As part of a project to commemorate its 100th anniversary as a fixture in the local community, the Tomakomai Mill helped develop the Hokkocho Future Forest Park. The 7.9 hectare park features a civic garden and dog park as well as offers great views of Somei-yoshino and Sergeant's cherry tree blossoms during the middle of May each year.



Construction of the Tomakomai Mill, which began in 1907, would later be suspended due to a shortage of gravel to mix in with the concrete. At the time, the people of Tomakomai Village lent a hand to collect gravel from the seashore, which proved instrumental in the completion of the mill.

Hokkocho Future Forest Park: 2.6 ha park, 4.3 ha civic garden and 0.5 ha dog park



● Park

In June 2010 we planted 4,000 memorial trees together with members of the local community. The park is widely used as a place of recreation by visitors of all ages.

● Dog park

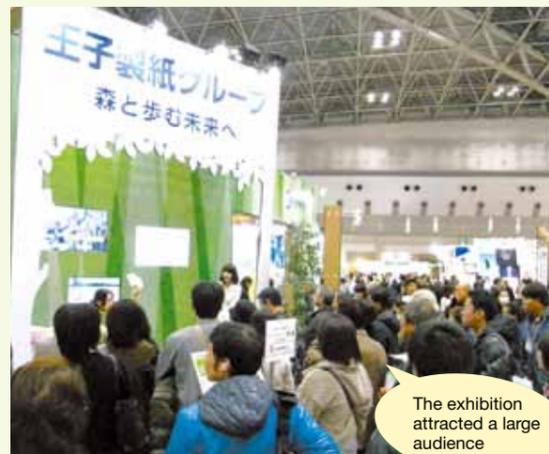


● Civic garden



Sponsored booth at Eco-Products 2010

The Oji Paper Group sponsored a booth at Eco-Products 2010 focused on the theme of future coexistence with forests that showcased forest recycling and the creation of new value from forest resources.



The exhibition attracted a large audience

Groundwork program recognized

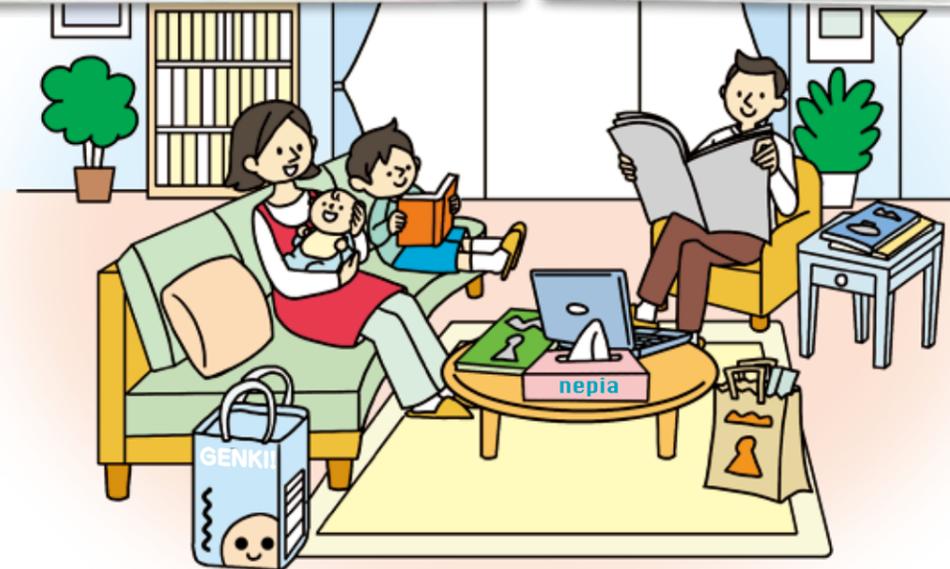
Oji Paper, Oji Nepia, Oji Paperboard's Nikko Mill

15 years have passed since the Oji Paper Group became the first company to join the Japan Groundwork Association. Today, each of our business locations continues to actively take part in groundwork activities, with a total of 30,000 employees participating in fiscal 2010. Our many years of activities and contributions were recently recognized by the Association, which presented Oji Paper, Oji Nepia and Oji Paperboard's Nikko Mill with a certificate of appreciation.



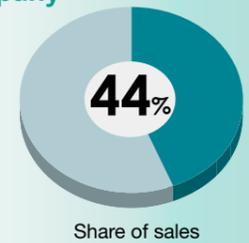
Company Initiatives

Implementing a variety of initiatives to meet the needs of our customers.



Household and Industrial Materials Company Takashi Ishida President

The Household and Industrial Materials Company manufactures paper products closely linked with our daily lives that are used to both wrap or wipe. We focus on creating value sought after by our customers and standby our customer-first motto in developing our business to meet eco friendly demands.



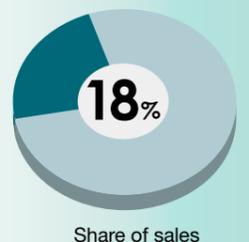
Printing and Communications Media Company Tadashi Watanabe President

The Printing and Communications Media Company manufactures a line up of paper products used as information media, including newspaper as well as printing and communications paper. We strive to meet increasingly strict quality demands and operate our mills with a lessened impact on the environment. We are also working to integrate our operations in the East Asia market centered on our Nantong Mill in China.



Functional Materials Company Shinichiro Kondo President

The Functional Materials Company manufactures a wide range of value-added specialty and functional papers. Together with cultivating new businesses that leverage our core sheeting and coating technologies, we are also advancing the development of new products and technologies that help create new value and reduce both CO₂ emissions as well as the use of natural resources.

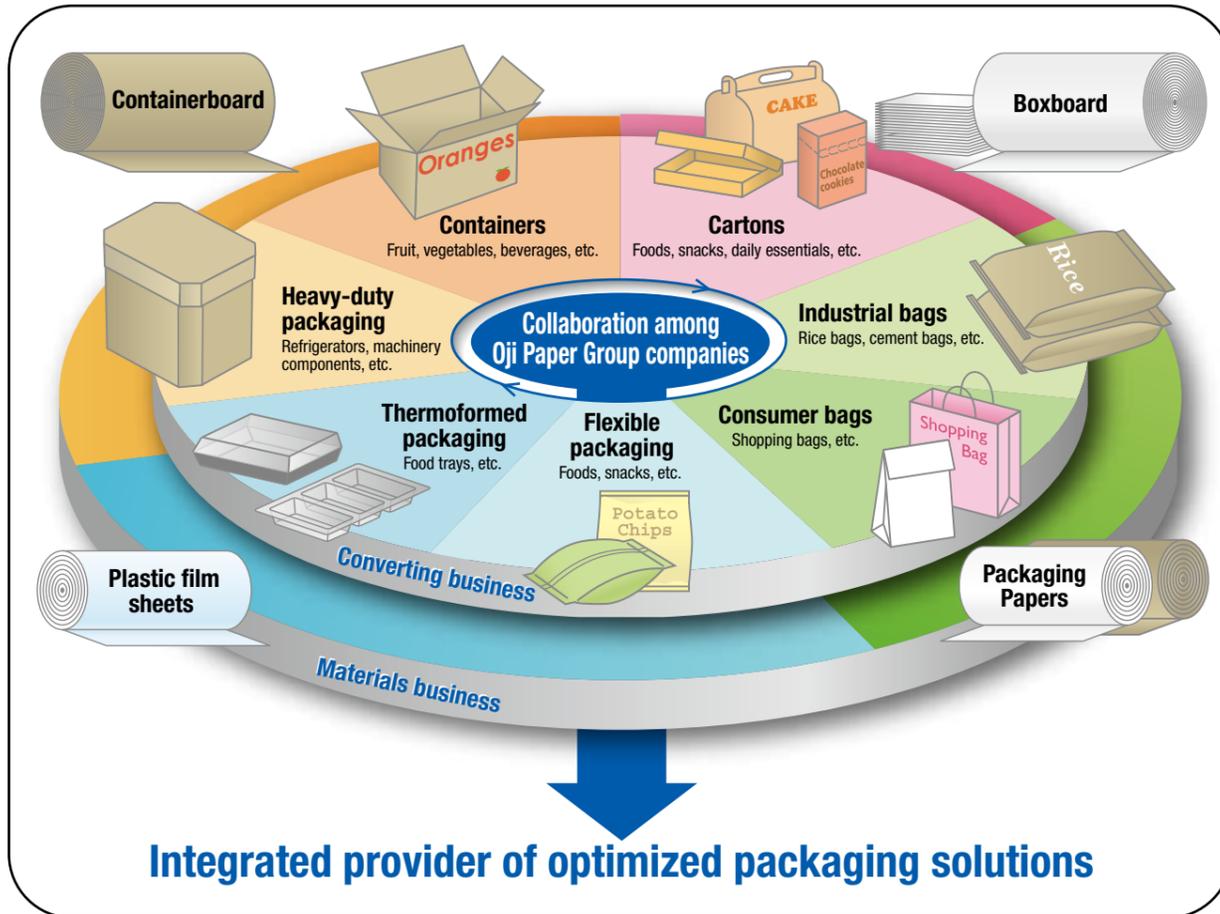


Household and Industrial Materials Company

We provide optimized and integrated packaging solutions—from materials to processing—that meet changing product sizes, weights, and proportions.

Packaging

We are pursuing the development of new packaging materials and processing technologies with the ultimate goal of becoming an integrated provider of optimized packaging solutions that meet the form and functionality requirements throughout the entire supply chain.



Integrated provider of optimized packaging solutions

Integrated Materials and Converting Business

Aiming to realize an efficient, synergistic effect from both vertical (materials to processing) and horizontal (various packaging forms and materials) operations, the Packaging Innovation Center fulfills the role of creator, collaborator and communicator.

	Corrugated Containers / Heavy-duty Packaging	Folding Cartons / Industrial Bags / Consumer Bags	Plastic
Materials	Containerboard Oji Paperboard Co., Ltd.	Boxboard and Packaging Papers Oji Paper Co., Ltd.	Plastic Films and Sheets Kyokuyo Pulp & Paper Group Oji Specialty Paper Co., Ltd.
Converting	Corrugated Container Business Oji Chiyoda Container Co., Ltd. Mori Shigyō Group Oji Interpack Co., Ltd., etc.	Boxboard Products Business Oji Packaging Co., Ltd., etc. Bag Processing Business Oji Seitai Kaisha, Ltd., Oji Adba Co., Ltd., etc.	Plastic Films and Sheet Converting-related Business Kyokuyo Pulp & Paper Group Chuetsu Co., Ltd.
Packaging Innovation Center Integrated solutions combining materials and processing			

Customer Relations

Hosting booths at exhibitions

14 Oji Paper Group companies host booth at Tokyo Pack 2010

Theme: "Materials x Processing Innovation = The Future" — Proprietary Oji Innovation

In October 2010, 14 Oji Paper Group companies joined forces to host a booth at Tokyo Pack 2010 (Tokyo International Packaging Exhibition 2010) organized by the Japan Packaging Institute. The booth marketed the products of each Group company under the key words of cost, the environment, decorative design, functionality and global.



Websites showcasing products

Oji Group solutions

We run a website that showcases products made by Oji Paper Group companies, providing an opportunity for customers to view information on our recommended packaging materials.

<http://www.ojigroup.net/index.html> (Japanese)



Hosting an educational class on paper and corrugated containers in our daily lives

Wakayama Oji Container Co., Ltd.

Wakayama Oji Container, which engages in the corrugated container business, hosted an educational class for families who visited Mekkemon Plaza, which is run by JA Kinosato as part of its sales promotion activities.



Initiatives with Our Customers

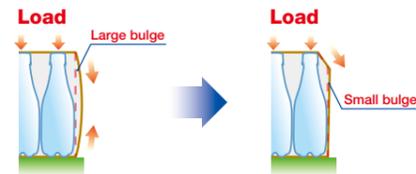
The Oji Paper Group leverages its competencies in technologies and development to deliver value to its customers through integrated solutions that combine initiatives in materials, engineering, design, processing and the environment.

Japan Tobacco Inc. / Kanagawa Kankitsu Kako Inc. / JT Beverage Inc.

DIET BOX —Bulge prevention packaging

We developed a corrugated container more closely shaped to the products it carries that helps prevent the packaging from bulging. This new design is not only more aesthetically pleasing, but is also easier to carry and helps reduce the use of resources.

*This design won an award at Japan Packaging Contest 2010.



Oji Chiyoda Container Co., Ltd.
Oji Paperboard Co., Ltd.

Nippon Flour Mills Co., Ltd.

New concept carrier bag

We designed the new concept carrier-bag using an industrial bag for the transport of rice, flour or other raw food ingredients. The sewn bottom and extra long string handle were well received at an exhibition where Nippon Flour Mills displayed the carrier bag.



Oji Adba Co., Ltd., Packaging Innovation Center of Oji Paper Co., Ltd., Oji Seitai Kaisha, Ltd., Boxboard and Packaging Paper Business Division of Oji Paper Co., Ltd.

Lion Corporation

Refillable paper container boxes

We jointly developed a refillable design where the folding carton for non-woven cooking paper can be reused after the original roll is used up.



Packaging Innovation Center of Oji Paper Co., Ltd., Oji Packaging Co., Ltd., Oji Kinocloth Co., Ltd., Boxboard and Packaging Papers Business Division of Oji Paper Co., Ltd.

Mitsubishi Electric Corporation

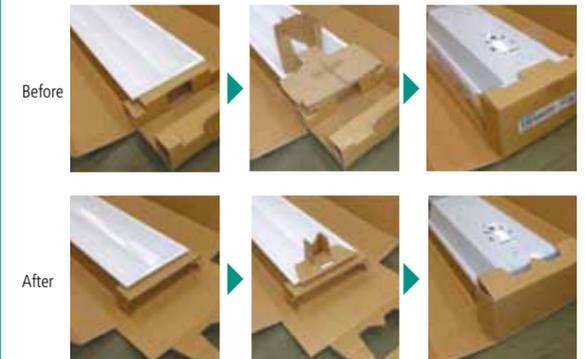
Made improvements to light fixture packaging

A thorough revamping of our packaging designs helped to significantly reduce the amount of materials used in light fixture packaging. Some of the packaging materials are also used as buffer parts.

Improvements

- Materials cost: 20.4% reduction
- Materials weight: 27.7% reduction
- CO₂ emissions: 23.7% reduction

*This design won an award at Japan Packaging Contest 2011.



Shizuoka Oji Container Co., Ltd., Oji Paperboard Co., Ltd.

Rinrei Wax Co., Ltd.

Corrugated container solution

We helped improve Rirei Wax's shipping efficiency by changing the material used for wax packaging from metal cans to corrugated container (with an inner pouch). After use, the packaging solution can easily be disassembled. Enhanced shipping efficiency also means a reduction in CO₂ emissions.

Improvements

- Enhanced shipping efficiency (1,500 metal cans ⇒ 2,800 boxes per 4 ton truck)
- Enhanced disposal efficiency (volume reduction)



Oji Chiyoda Container Co., Ltd.
Oji Paperboard Co., Ltd.
Packaging Innovation Center, Oji Paper Co., Ltd.

Kikkoman Food Products Company

Pursuing greater usability

We participated in the joint development of an air-tight soy sauce package that developed a new plastic cover and packaging solution. This ensured the usability of the package until its very last use.

*This design won an award at Japan Packaging Contest 2011.



Packaging Innovation Center of Oji Paper Co., Ltd., Oji Packaging Co., Ltd., Ginpo Pack Co., Ltd. (Kyokuyo Pulp & Paper Group), Oji Chiyoda Container Co., Ltd., Oji Paperboard Co., Ltd.

Asahi Breweries, Ltd.

FSC-certified paper bag



Oji Adba Co., Ltd.
Boxboard and Packaging Papers Business Division of Oji Paper Co., Ltd.

Panasonic Welding Systems Co., Ltd.

Made improvements to export packaging for robots

We are able to reduce packaging weights and shorten work time by changing the conventional steel or wood packaging used for exporting robots to a heavy weight paperboard product called HiPLE-ACE. The reduced weight of the packaging also helps to reduce CO₂ emissions during shipment.

Improvements

- Materials cost: 23% reduction
- Weight: 57% reduction; 109 kg ⇒ 47 kg
- Packaging time: 33% reduction
30 min. / unit ⇒ 20 min. / unit
- Air freight cost: 49% reduction
- Shipping container capacity: 66% increase; 12 units ⇒ 20 units



Oji Interpack Co., Ltd.

Packaging Innovation

Oji Nepia's Social Contribution Programs

Oji Nepia manufactures and sells household paper products most often used in our daily lives, including a variety of tissue paper and toilet paper as well as children's diaper *nepia Genki* and adult diaper *nepia Tender*. Given its close connection with our lives, Oji Nepia is taking part in a wide range of social action programs as well as assistance activities for those in need following the Great East Japan Earthquake, under the slogan *action with a kind heart*.

Assistance activities in the wake of the Great East Japan Earthquake

Oji Nepia is currently donating a portion of its sales to help support the activities of NPOs and other organizations that are providing relief assistance to those in need.

Details of campaign

- **Period:** May 2011 to March 2012
- **Target products:** All Nepia national brand products



Further details about the company's assistance activities can be found on the Oji Nepia corporate website.

<http://www.nepia-sasaeru.com/> (Japanese)

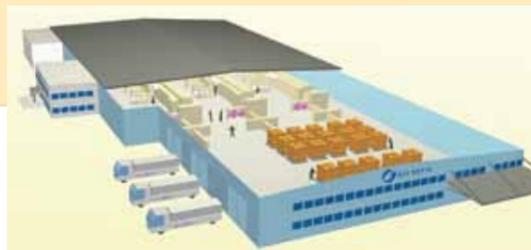
Groups receiving support

- NPO One Family Sendai (Sendai City, Miyagi Pref.)
- NPO Terakoya Hojoshu (Aizuwakamatsu City, Fukushima Pref.)
- ARTS for HOPE (Shinagawa, Tokyo)
- NPO Kohaku no Izumi (Kuji City, Iwate Pref.)
- Hanamaki Civic Network Council (Hanamaki City, Iwate Pref.)
- NPO Network Orange (Kesenuma City, Miyagi Pref.)



New adult diaper plant set to be constructed in Fukushima City during fiscal 2012

The new plant will support Japan's aging population by manufacturing a wide, re-sealable tape-type adult diaper developed using Oji Nepia's proprietary technologies. Oji Nepia is also excited to have the chance to help revitalize local employment in Fukushima Prefecture.



Conceptual image of the completed plant



Support scheme



Activity reports from groups receiving support

Distributing supplies and preparing meals

NPO One Family Sendai



We distributed relief supplies received from throughout Japan to facilities and homes of victims in Miyagi Prefecture. We also prepared meals upon request.

We provided safety and support services in Sendai City as part of a joint project with the local government in which we offered consultations to senior citizens living in temporary housing as well as victims experiencing post-quake troubles or unease. Employees from Oji Nepia also took part in this project as volunteers.

Providing mental care for children

ARTS for HOPE



We are leveraging our experience and expertise in helping create more hospitable environments at medical facilities around Japan to provide mental care to children from areas impacted by the quake.

Our program features an art workshop held for children suffering from a serious mental burden in evacuation centers, schools and children's hall. We aim to support their quick mental recovery through spending quiet and relaxing time building things or doing artwork. Employees from Oji Nepia also volunteered their time to help out with the program.

Ongoing activities

"nepia 1,000 Toilets Program"

Launched in fiscal 2008, the nepia 1,000 Toilets Program seeks to save lives that would otherwise be lost due to sanitation and water problems by donating a portion of sales from specific Nepia products to UNICEF.

Over a two-year period from 2008, the program completed some 2,400 toilets for local homes and 25 water supply facilities and school toilets in Asia's youngest country Timor-Leste. Financial aid in fiscal 2010 is currently being used to construct more than 1,500 additional toilets. We have also received more than 55,000 messages of support for the initiative.

*Only company donations will be provided to the program in fiscal 2011 because of the Great East Japan Earthquake.



Poo Class

In order to convey the fact that "excretion is part of life and good health," in fiscal 2007 we joined forces with Japan Toilet Labo to launch "Poo Class" to teach Japan's elementary school children about the importance of healthy bowel movements. In fiscal 2010, the class also included a talk on toilet conditions in Timor-Leste.

As of fiscal 2010, a total of 7,934 elementary school children have participated in the class. In fiscal 2011, we plan to hold the class for elementary school children from disaster-affected areas in the Tohoku region.



"nepia GENKI" supporting the Japan CliniClowns Association

In fiscal 2010 we donated a portion of sales from *nepia GENKI* products to the Japan CliniClowns Association, which helps invigorate hospitalized children with fun and humor.

In addition to assisting the Association's 18-appearance schedule for 12 hospitals, we also introduced their activities on our website and product packaging. We are also providing support for their special program being held in areas impacted by the Great East Japan Earthquake.



Printing and Communications Media Company

We continue to provide paper essential to information media even today where the digitization of information is progressing.

Newsprint Production

For many generations the newspaper has played an essential role in society by delivering daily news and other pertinent information. The Oji Paper Group fulfills its mission to provide stable supplies of newsprint to ensure that people throughout Japan can have access to their daily newspaper.

Today, the content ratio of recovered paper in our newsprint is about 60%. Our mills are pushing forward with the use of waste-derived energy and in fiscal 2010 we significantly reduced our use of heavy oil boilers by thoroughly managing our operations. This also helped reduce our use of fossil fuels.



Activities that lessen our impact on the environment

Shibata

Production Coordination Manager
Tomakomai Mill, Oji Paper Co., Ltd.



The Tomakomai Mill is a key manufacturer of newsprint within the Group. We run many of our facilities in an on-and-off pattern based on the inflow of pulp raw materials and the energy supply balance. In this regard, we actively create the most optimized production plan that can also help us lessen our environmental impact.

Launch of Printing Paper Production in China

Our newly constructed Nantong Mill in China commenced full-scale operations in fiscal 2010. The production line ranges from A2 gloss/matte coated paper used in heatset web offset (HSWO) printing to A2 gloss/matte coated paper and uncoated wood-free paper.

Already renowned by the market for its high quality, the paper manufactured at the mill is used in a wide range of applications from magazines and advertisements to art catalogues.

In order to meet increasing demand in China and Southeast Asia, the Nantong Mill is aiming to establish a comprehensive supply system that will provide not only printing paper, but also a wider range of paper products, from packaging paper to specialty paper, in the future.

"Safety, the Environment and Compliance" is always positioned as a top priority in the management of the Nantong Mill. Product safety is managed in accordance with Oji Paper Group standards. In addition, raw materials are strictly selected and managed from the quality design stage, in compliance with China's laws as well as related international regulations.



Nantong Mill's product line up (A2 gloss paper "Zun Ma You Guang," A2 matte coated paper "Zun Ma Ya Guang" and wood-free paper "Wen Shi")

Involvement with our customers

Hu

General Manager
Shanghai Lin Ye Paper Co., Ltd.

"We started our paper business in China's domestic market in 1999. Since then, we have established a cooperative relationship with the Oji Paper Group. Our company aims to supply top-quality, reliable paper products to our customers. We hope to develop a closer relationship with the Oji through the Nantong project to provide our customers better and more considerate services."



Quality control at the Nantong Mill

Zhang Shu-Ying, Gong Shu-Ying, Ji Hui, Cai Jin-Juan
Production Technology Department, Environmental Management Office
Jiangsu Oji Paper Co., Ltd.



The new Nantong Mill finally commenced operation. We stand firmly committed to managing product safety and quality so that our customers are always impressed by the paper they purchase.

Functional Materials Company

We utilize our core proprietary technologies to develop value-added functional materials.

In new non-paper sectors

Globally

Considerate of the environment

The Functional Materials Company utilizes its long-standing proprietary technologies to produce and deliver products in a wide range of sectors, from consumer staples to the extraordinary, to the world. The Company also works hand-in-hand with the research and development division to develop products that minimize the impact on the environment which our customers demand.



We are developing products for the automotive sector, which demands long-lasting, high quality, that capitalize on the latest in film-processing technologies. These products are also being used as components in hybrid vehicles



We are developing a wide range of products for the industrial sector. These technologies make products thinner, which helps reduce the use of resources and energy.



We are developing products closely tied to consumers and new eco solutions.



We are developing products compliant with the safety demands required in health care settings. We are lessening our impact on the environment by reducing the use of VOCs*1 in our manufacturing processes.

*1 VOCs: Volatile Organic Compounds

Core Technologies

Papermaking

We feature proprietary technologies that evenly disperse fibers to create sheets. We are able to make sheets from various fibers, such as wood pulp, synthetic fibers and mineral fibers.

Coating

We possess proprietary technologies for evenly coating base materials as well as controlling the thickness of coating layer and degree of penetration of coatings into base materials.

Stretching

We have proprietary technologies for manufacturing uniform, thin films by stretching plastics biaxially while applying heat.

Adhesives Processing

We feature proprietary technologies that coat release paper with adhesives and layer it with paper or films.

Dry Web Formation

We have proprietary technologies for dispersing fibers into the air to form sheets, which makes it possible to form bulky web without the use of water.

Active in These Sectors as Well

Automotive sector



Films for capacitors

We have utilized our **stretching technologies** to transform polypropylene film, once used as packaging material, into capacitor components used in hybrid vehicles. We are also helping the environment by supporting hybrid vehicles that use less fuel and operate more efficiently than gas-powered automobiles.



Oji Specialty Paper Co., Ltd.

Anti-corrosive paper

We have utilized our **coating technologies** to create layers that absorb hydrogen sulfide, which is a major cause for silver corrosion by paper and paperboard. This prevents electronic components that use silver from corroding, such as automotive fuses. No anti-corrosion chemicals are needed as the desired effect can be achieved simply by wrapping the component in anti-corrosive paper.



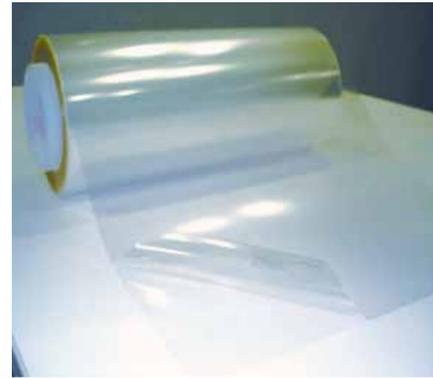
Oji Specialty Paper Co., Ltd.

Industrial sector



Adhesive films for optical devices

We have utilized our **adhesive processing technologies** to develop films that enable more advanced optical qualities, are easier to process, and retain greater durability. These films are manufactured in a plant fully equipped with VOC treatment facilities.



New Tac Kasei Co., Ltd.

Glass paper

We have developed non-woven fabrics from glass fibers that utilize our wet-laid **papermaking technologies**. With superior qualities, including being difficult to burn, corrode and damage, non-woven fabrics are also used as a component in photovoltaic cells.



Oji Specialty Paper Co., Ltd.

In the Home



Adhesive labels

We have utilized our **adhesive processing technologies** to eliminate the need for release paper by treating the back of the label with an adhesive. This helps to reduce waste as release paper is no longer discarded.



New Tac Kasei Co., Ltd.

Cold compression pack

We have utilized our **dry web formation technologies** to develop a bandana type cold compression pack. The cool sensation is sustained by slowly gasifying the water content in superabsorbent polymers. This product helps to reduce energy usage during the hot summer.



Oji Kinocloth Co., Ltd.

Healthcare Sector



Skin-friendly wound dressings



We have utilized our **adhesive processing technologies** to develop a skin-friendly hypoallergenic wound dressings, which features a water-based adhesive—selected after a series of tests—that ensures a secure fit.

New Tac Kasei Co., Ltd.

Diagnostic imaging film

We have utilized our **coating technologies** to develop a direct thermal film for x-ray applications, which eliminates silver staining that occurs when developing images using the conventional halide method.



Imaging Media Business Division, Oji Paper Co., Ltd.



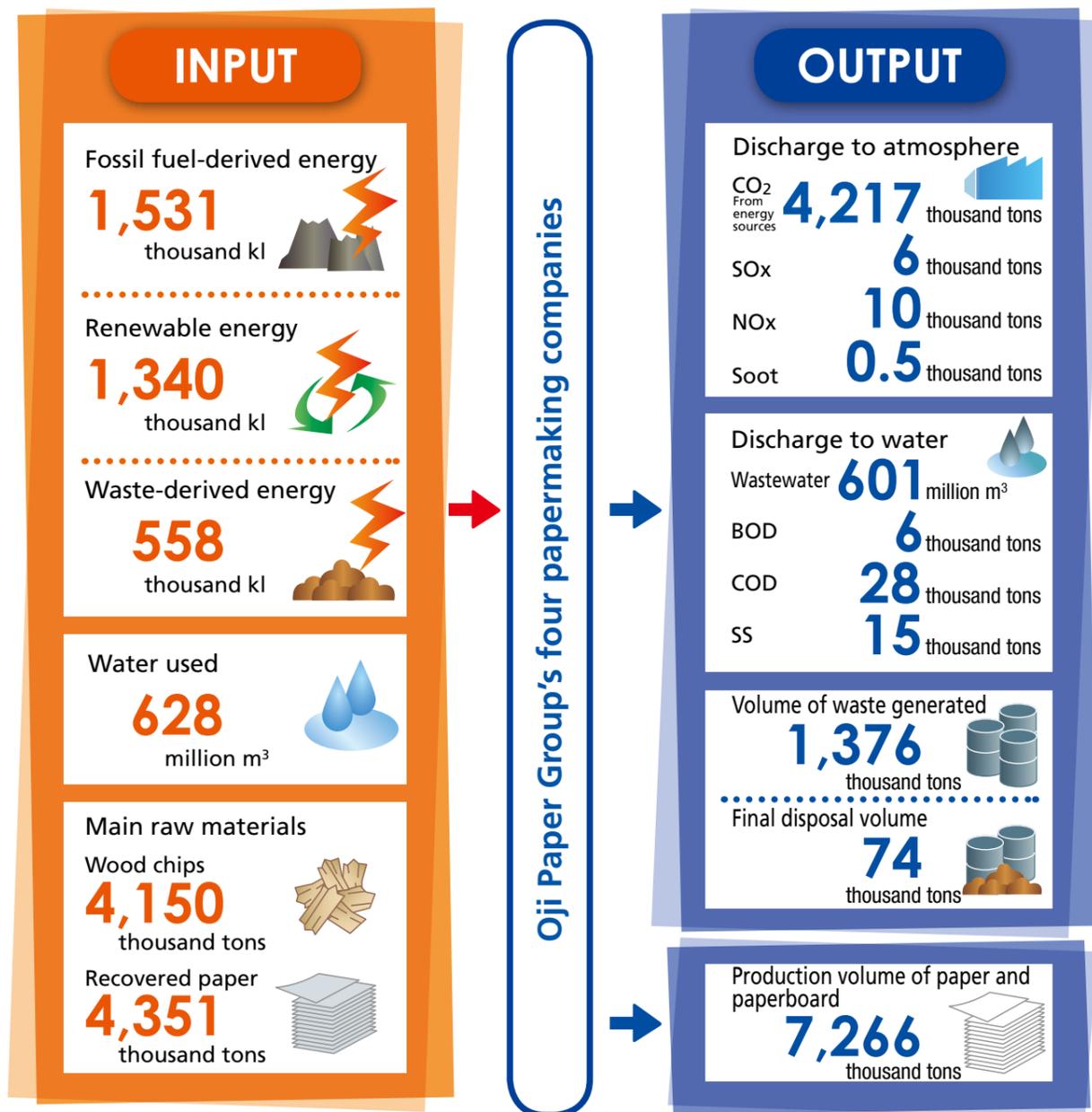
Global presence of our Imaging Media Business

In September 2011, Oji Paper acquired the thermal and carbonless paper business of Fibria Celulose S.A. of Brazil with which the company had an existing strategic and business agreement. The new company was named OPE. OPE will become one of our most important manufacturing and marketing platforms for the Imaging Media Business in South America, following our existing locations in Japan, Asia, North America and Europe. The company will also play a key role in expanding our presence globally.



Oji Paper Group Environmental Data

Understanding the environmental impact of our production activities to effect further improvement.



Oji Paper Group CO₂ absorption amount

Company-owned Forests in Japan
680 thousand tons/year

Overseas forest plantations
9,390 thousand tons/year

● Definition of terms:

CO₂ from energy sources: CO ₂ originating from fossil fuels and purchased electricity that are consumed in the manufacturing process.	BOD (biochemical oxygen demand): The amount of oxygen consumed when microorganisms decompose organic compounds in water. BOD is an indicator of the amount of biodegradable organic compounds in wastewater.
SO_x (sulfur oxides): Oxides of sulfur included in the exhaust gas from boilers, incinerators, and other combustion equipment, with sulfur dioxide as the principal component.	COD (chemical oxygen demand): The amount of oxygen consumed to decompose organic compounds in water through oxidation.
NO_x (nitrogen oxides): Oxides of nitrogen included in the exhaust gas from boilers, incinerators, and other combustion equipment.	SS (suspended solids): Insoluble material in wastewater.
Soot: Particulate matter included in exhaust gas from boilers, incinerators, and other combustion equipment.	

Environmental Impact

	No. of mills	Production Thousand tons	CO ₂ from energy sources Thousand tons	Environmental impact on water				Environmental impact on atmosphere			Industrial waste	
				Wastewater Thousand m ³	COD Tons	BOD Tons	SS Tons	Sulfur oxides SO _x Tons-SO ₂	Nitrogen oxides NO _x Tons-NO ₂	Soot Tons	Volume generated AD tons	Final disposal rate AD tons
Oji Paper Co., Ltd.	9	4,280	2,483	440,107	24,514	2,457	12,075	4,127	7,364	315	1,043,668	59,390
Oji Paperboard Co., Ltd.	11	2,327	1,180	94,037	2,296	1,152	1,708	749	1,634	72	236,680	12,867
Oji Specialty Paper Co., Ltd.	8	441	448	60,501	378	1,925	1,203	1,137	777	146	81,762	1,046
Oji Nepia Co., Ltd.	3	218	106	6,148	385	—	87	230	33	11	14,380	257
Total: 4 Papermaking companies	31	7,266	4,217	600,793	27,573	5,534	15,073	6,243	9,808	544	1,376,490	73,560
Oji Paperboard Unit Company	8	34	2	10	—	0	0	0	0	0	1,604	19
Oji Chiyoda Container Co., Ltd.*	58	1,243	93	249	2	38	85	66	33	59	109,937	1,092
Mori Shigyo Group* (excluding Oji Paper Co., Ltd.)	37	966	78	197	1	11	3	111	46	7	76,863	593
Oi Paper Co., Ltd.	1	41	19	1,736	126	—	9	81	12	4	1,178	12
Oji Forest & Products Co., Ltd.*	10	507	7	3	—	0	0	1	4	2	5,957	120
Oji Cornstarch Co., Ltd.	3	300	83	9,628	56	86	55	5	42	2	2,963	303
Oji Packaging Co., Ltd.*	5	86	10	77	0	0	0	—	0	—	11,844	81
Oji Interpack Co., Ltd.*	6	40	3	10	0	0	0	—	0	0	2,629	9
Oji Kinocloth Co., Ltd.*	3	31	16	7	9	—	6	—	7	—	2,755	51
Oji Setai Kaisha, Ltd.*	7	24	2	5	—	—	—	—	—	—	1,204	27
Oji Tac Co., Ltd.	4	67	14	251	—	0	0	0	3	0	7,070	25
Total for 22 other affiliates*	76	135	57	756	—	9	1	32	17	1	15,205	608
Total	249		4,601	613,723	27,768	5,680	15,233	6,548	9,978	618	1,615,700	76,500

Notes:
 - Asterisks indicate that data includes member companies of the unit company.
 - Starting from fiscal 2010, 30 mills of Chiyoda Container and 16 mills of Mori Shigyo are included in data aggregation.
 - 22 other affiliates: Shinomura Chemical Industry Co., Ltd., New Tac Kasei Co., Ltd., Chuetsu Co., Ltd., Shin Nippon Feather Core Co., Ltd., KS-PRINTEC, Medical Corporation Oji General Hospital, DHC Ginza Co., Ltd., Tomakomai Energy Kosha Co., Ltd., HOTEL NEW OJI CO., LTD., Oji Real Estate Co., Ltd., OJISAITOU SHIGYO PAPER RECYCLE CO., LTD., Oji Logistics Co., Ltd., Hirata Warehouse Co., Ltd., Kikkou Tsuun Co., Ltd., OJI PIER TERMINAL Co., Ltd., Research Institute, APICA Co., Ltd., Shirogane Press Co., Ltd., Kyushu Packaging Co., Ltd., Oji Salmon Co., Ltd., Oji Adba Co., Ltd., Tomakomai Oji Shigyo Co., Ltd.
 - "Production" includes inter-company transactions.
 - Hyphen indicates no data.
 - Data for emission of environmental load substances and PRTR chemical substances are available on our website (<http://www.ojipaper.co.jp/envi/report/>)

Environmental Accounting

(Unit: ¥ million)

Environmental conservation cost				
Category		Main initiatives	Investment	Costs
(1)	Environmental conservation costs for curbing environmental impact generated by production and service activities within business sites		8,214	20,395
	Break-down	a. Environmental conservation management costs	1,880	12,818
		b. Global environmental conservation costs	5,051	627
	c. Resource circulation costs	1,282	6,950	
(2)	Costs for curbing environmental impact generated upstream or downstream by production and service activities	Costs for purchasing low-sulfur fuel (balance amount)	0	547
(3)	Environmental conservation costs related to administrative activities	Employee education, ISO14001 costs, costs for air and water analysis, costs for operating committees and other organizations, etc.	0	940
(4)	Environmental conservation costs related to R&D activities	Product development that contributes to environmental conservation by promoting utilization of recovered paper, curbing environmental impact that occurs during production, etc.	218	2,060
(5)	Environmental conservation costs related to social activities	Philanthropic programs, support for various environmental groups, environmental and sustainability reporting, environmental exhibitions, etc.	0	124
(6)	Costs related to environmental damage	Pollution impact levy (SO _x)	0	820
Total			8,432	24,886

(Unit: ¥ million)

Economic benefit associated with environmental conservation activities	
Effect	Value
Income from company-owned forests in Japan	340
Cost reductions through energy conservation	2,242
Income from recycling	838
Total	3,419

■ Method and scope of data aggregation
 • Data aggregation was performed in accordance with the *Environmental Accounting Guidelines* published by Japan's Ministry of the Environment.
 • Companies covered: Oji Paper and its main affiliates (Oji Paperboard, Oji Specialty Paper, Oji Nepia, Oji Chiyoda Container, Mori Shigyo Group's main mills, Oji Cornstarch, and Oji Tac)
 • Period covered: April 1, 2010 – March 31, 2011



OJI PAPER GROUP

