Resumption Hachinohe mill

Notice on the effect of "Tohoku region Pacific Ocean earthquake" (III)

We sincerely express our sympathy to everyone affected by the Tohoku region Pacific Ocean earthquake occurred on March 11, 2011.

We are pleased to inform you that we have resumed the production at Hachinohe mill (Hachinohe City, Aomori Prefecture) partly as of May 24, 2011, which we have been stopped the production since the earthquake and the tsunami.

Notes

Hachinohe mill is a large scale coastal paper mill integrated to produce from pulp to the paper, where we are producing coated and non-coated printing paper, business communication paper and white card board.

Hachinohe mill hit by the tsunami on March 11, was flooded the ground floor of the plant, suffered significant damage to the electrical system.

We steadily recover the power plant (mill's own power plant) and we started the supply of power to the Tohoku Electric Power Co., as of May 10. We are supplying 50,000 kilowatts of power as of May 21.

We resumed the operation on May 24, with one paper machine producing white card board. As of May 25 we resume a paper machine for printing paper and as of May 26 we resume a coater.

During the first half of this fiscal year (until the end of September), we plan to resume five paper machines and three coaters including the above. Consequently within the first half of this fiscal year, major product lines of Hachinohe mill except some grades will be ready to produce.

Hachinohe mill is expected to be ready for its full production in December 2011.