Notice on the effect of "Tohoku region Pacific Ocean Earthquake" (II) (Regarding our production facility recovery and the our house power supply to the public for the nation wide electricity shortage in the summer)

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 of our production facilities recovery status in Hachinohe mill (Hachinohe City, Aomori Prefecture), Kitakami division (Kitakami HiTec Paper Co., Kitakami City, Iwate Prefecture) and Shirakawa Plant (Nishishirakawa County, Fukushima Prefecture), where we were forced to stop the production due to the earthquake and the Tsunami.

We are also pleased to inform you regarding our house power supply to the public for the nation wide electricity shortage in the summer as follows.

## Notes

1. Status of production sites Situation in the region are as follows.

Hachinohe mill (Coated and Non-coated printing paper, business communication paper, white card board)

- Production is still being stopped

- Power plant (mill's own power plant) Status

As planned, step by step start-up as of late April is foreseen.

Currently, two heavy oil boilers and three turbines are in the trial run. The full operation of whole power plant in the mill is expected as of late May with the kind support of Chubu Electric Power Corp.

With the support of relevant ministries and Aomori local goverment to start up our power plant, we have negotiated with Tohoku Electric Power Co. and agreed in principal to supply 50 thousands kilowatts of power as of May on for the high demand in summer time, which will contribute to the resolution of the electricity shortage in East Japan.

- Paper machine, coaters recovery mile stone

As of May 25, a part of Paper machines and coaters will resume operations.

Other paper machines and coaters will restart the production one by one. By the end of the first half of FY2011, Hachinohe mill will be ready for most of main products to produce

except for some grades of Hachinohe mill.

Hachinohe mill is expected to be ready for its full production in the second half of FY 2011 (start from October 2011).

Kitakami Division (photographic basepaper, Hygine paper, pulp)

- On April 3, the production was resumed once. Due to another earthquake off the coast of Miyagi Prefecture on April 7, all the machines stopped again.

On April 14, it resumed operations again but it will take some more time to be in full operation due to the unstable procurement of raw materials.

Shirakawa Plant (electric insulation board for transformer) It is fully restored on March 24 and is in full operation (Full capacity)

## 2. Impact on earnings

Damage caused by the earthquake on the company result is currently under estimation. We will disclose it separately when our forecasts need to be modified.