Dec.24, 2013

Announcement concerning Promotion of Business Portfolio Restructuring

The Oji Group is now promoting Business Portfolio Restructuring as a center of management strategy and enhancing group management power in order to achieve sustainable growth while reacting nimbly to rapidly changing business environment.

As a part of this effort, we would like to announce that we made a decision about measures for enhancement of competitiveness in Household and Industrial materials business and Functional materials business.

We will continue pushing forward Business Portfolio Restructuring sooner than others and improve and maximize our corporate value.

1. Oji Materia Fuji Mill / Resuming and termination of paper machine

In order to construct efficient production system and reduce environmental load in Oji Materia Fuji Mill, we are going to convert and resume #N-1 paper machine of Fuji No.1 Mill (Stopped in 2011) and produce corrugating medium, and terminate #10 paper machine of Fuji No.2 Mill

Resuming production facility

	Oji Materia Fuji No.1 Mill #N-1 paper machine
Main product after conversion	Corrugating medium
Production capacity （corrugating medium）	167,000 t/year
Resuming date（scheduled）	July 2014

Terminating production facility

	Oji Materia Fuji No.2 Mill #10 paper machine
Main product	Corrugating medium
Production capacity	173,000 t/year
Terminating date（scheduled）	July 2014

2. Oji F-Tex Tokai Mill Fujinomiya Factory / Termination of paper machine

In order to restructure proper production facility that meets demand, we are going to terminate 2 paper machines producing white board and other paperboard in Oji F-Tex Tokai Mill Fujinomiya Factory, and relegate production and sale of white board products to Oji Materia. Also we will keep considering power generation business utilizing existing hydro generation facility of this factory.

Terminating production facilities

	Oji F-Tex Tokai Mill Fujinomiya Factory	
	#B-1 paper machine	#B-2 paper machine
Main products	White board	White board and other paperboard
Production capacity	41,000 t/year	29,000 t/year
Terminating date(scheduled)	September 2014	

3. Consolidating production of thermal paper

In order to increase profitability, we are going to relegate production of thermal paper in Oji Paper Nichinan Mill to Oji Imaging Media Kanzaki Mill and Oji Paper (Thailand) and terminate #3 and #4 coating machines in Nichinan Mill

Terminating production facilities

	Oji Paper Nichinan Mill	
	#3 coating machine	#4 coating machine
Main product	Thermal paper	Thermal paper
Production capacity	154 million m2/year	425 million m2/year
Terminating date(scheduled)	October 2014	

Cost reduction of these measures mainly in fixed cost will be about 5 billion yen/ year.

With terminating facilities, in this fiscal year we are going to post an extraordinary loss for business portfolio restructuring cost and there will be no change of financial results' forecast for this fiscal year (April 1, 2013 to March 31, 2014).

We would like to make assurance doubly sure to avoid any trouble with our customers and other related parties in implementing these measures.

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