
Announcement of establishment of new wood chip processing company in South Hokkaido

Oji Forest & Products Co., Ltd., a wholly-owned subsidiary of Oji Holdings Corporation (Director of the Board/President: Susumu Yajima, Head Office: Chuo-ku, Tokyo) announces to establish a new wood chip processing company in South Hokkaido.

1. Scope of the Business

The new company aims at utilization of plentiful forest resources in South Hokkaido. A new chip mill will be built in Hokuto City, Hokkaido, to produce whole log chip. The company will also operate the new mobile chipper to fully use harvesting residues.

30,000 ADT (Air Dry Metric Ton)/year of chips for biofuel will be supplied to Hachinohe Biomass Power Plant of MPM Oji Eco-Energy Co., Ltd. (located in Hachinohe City, Aomori Prefecture) and 6,000 ADT/year of chips for pulp to Tomakomai Mill of Oji Paper Co., Ltd. (Tomakomai City, Hokkaido).

2. Overview of the New Company

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| (1) Company name | : | Hakodate-Hokuto Oji Forest & Products Co., Ltd. |
| (2) CEO | : | Mitsuru Taguchi |
| (3) Main business | : | Processing and Trading of wood chip for biofuel and for pulp |
| (4) Location | : | 165 Murayama, Hokuto City, Hokkaido, Japan |
| (5) Planned incorporation | : | November 13, 2018 |
| (6) Paid-in capital | : | JPY 50 Million |
| (7) Shareholder | : | Oji Forest & Products Co., Ltd. 100% |
| (8) Planned investment amount | : | JPY 367 Million |
| (9) Planned commencement
of operation | : | June 2019 |

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