

## Announcement Concerning the Acquisition of a Converting and Printing Company of Thermal Paper and Carbonless Paper in Malaysia

Oji Holdings Corporation executed a share sale and purchase agreement for the acquisition of 40% of the issued shares of Tele-Paper (M) Sdn. Bhd. (hereinafter "TP") and announced it previously in May 2016. After revaluation of the deal due to recent changes, OJI would like to announce today that a new share sale and purchase agreement for the acquisition of a total of 76% of the issued shares has been executed.

### 1. Background of the acquisition of shares

- (1) The OJI Group's integration of its upstream business and downstream business, will allow OJI to have a better assessment of the market needs and promptly capture the market demand through timely product development and introduction, resulting in an increase in sales of Thermal paper.
- (2) By acquiring a converting and printing company in the downstream business, OJI upstream sector business have secured a stable source of demand for OJI's products in the downstream sector.
- (3) OJI aims leverage on TP's talent pool, in-house technologies and market knowledge to further expand its Thermal paper converting and printing business to other regions.
- (4) By acquiring more than three quarters of the total issued shares of TP, prompt business decision can be made for the expansion of the business and development of new products.

OJI entered the downstream businesses in the Functional Materials Business through the 60% share acquisition of Hyper-Region Labels Sdn. Bhd. OJI continues to strengthen its position through the share acquisition of TP by streamlining the entire value chain from upstream to downstream. Through this acquisition, OJI would better position itself to timely address to customers' needs, expand the business and develop new products.

### 2. Overview of TP

Company Name	Tele-Paper (M) Sdn. Bhd.
Location	Shah Alam (37km from Kuala Lumpur, Malaysia)
Date of Establishment	21 <sup>st</sup> April 1994
Business Line	Manufacture (Convert and Print) and sales of Thermal paper, Carbonless paper etc. used for recording in a variety of office equipment, such as Thermal paper register roll, ATM, Baggage Tag, Boarding Pass, Lottery Tickets and Medical Recording Papers.
Number of Employees	703 (End of December 2016)

[Recent business performance of Tele-Paper]

(Units : RM in Million)

	December, 2015	* December, 2016
Sales Revenue	185 (JPY 4.8 billion)	209 (JPY 5.4 billion)
Total Assets	181 (JPY 4.7 billion)	231 (JPY 6.0 billion)

\*RM 1 = JPY 25.9

\* before audit

### 3. Impact on financial result

There will be minimal on OJI's financial results' forecast ending March 2018 due to this acquisition.

#### Contact

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