
Announcement Concerning the Acquisition of a Label Printing Company in Malaysia

Oji Holdings Corporation would like to announce that a share sale and purchase agreement for the acquisition of 60% of all the issued shares of Malaysia-based Hyper-Region Labels Sdn Bhd (hereinafter “HRL”) and its related company, has been executed today. HRL manufactures and sells printed/converted label products, folding cartons, pamphlets, etc.

1. Expansion of functional materials business (adhesive label) in Southeast Asia

The Oji Group has been driving forward its business restructuring with the aim to become an innovative value-creating company. Additionally, the management strategy of “Further Expansion of Overseas Business” has been an important part of this business restructuring.

In particular, in the Southeast Asia region where there is significant economic growth, other than the packaging business which we first developed, we have also been expanding the wood processing business with the utilization of our forest resources, and we are starting the disposable diaper business. Additionally, with regards to the functional materials business, we have plans to further strengthen the adhesive label business field through development/sales expansion of new products. Furthermore, we plan to further our business expansion in the whole region, by actively carrying on with business development in the upstream, downstream and also midstream business, which acts as a bridge between the former both.

In the adhesive label business, the Oji Group is already conducting the business of production of base materials for self-adhesive labels through “Oji Label Thailand (OLT) Ltd” (upstream business). With the acquisition of the shares of label printing company HRL (downstream business) this time, a structure enabling us to expand our business scope into the printing field that we have limited operations until now, would be put in place. (Please refer to the appendix for the details of the business strategies for our functional materials business.)

2. Effects of the acquisition (including merits, reasons, etc.)

- (1) HRL owns various printing and converting machines which are necessary for label printing and its superior printing technical capabilities found in special labels such as security labels (tamper evident labels) have been widely-used in Japanese and multinational companies’ label products. Such high reliability of each product group and services such as speedy provision of products, built upon the years of close relationship between HRL and its customers, are judged to contribute to the expansion of the downstream business that Oji pursues.
- (2) The Oji Group has been actively expanding its packaging business in Malaysia. Therefore, by starting to engage in the label printing and converting business in Malaysia, synergistic effects would be reaped and a business environment where we could implement total packaging service ranging from base paper to packaging/label products, would be set up.
- (3) Integrated manufacturing of adhesive label business (upstream to downstream) could be achieved and timely production would be made possible by reducing the distance between the end-users and the Oji Group.

Going forward, we would continue to push forward aggressively with the overseas expansion of functional materials business.

3. Overview of HRL

Company Name	Hyper-Region Labels Sdn Bhd
Location	Johor Bahru (Southern Malaysia)
Year of Establishment	Jun. 23, 2003
Business Line	Printing, converting and sales of label, folding cartons, pamphlets, etc.
Number of Employees	141 (as of end of Sep. 2014)

Recent business performance of HRL (Units : MYR in million)

	FYE Sep. 30, 2013	FYE Sep. 30, 2014
Sales Revenue	24 (JPY 0.68 billion)	29 (JPY 0.82 billion)
Total Assets	32 (JPY 0.91 billion)	38 (JPY 1.06 billion)

*MYR 1 million = JPY 28.0 million (as of Sep, 2015)

4. Impact on financial result

There will be no impact on our financial results' forecast ending March 2016 due to this acquisition.

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