

October 22, 2015

To whom it may concern:

Company name: Hokuetsu Kishu Paper Co., Ltd.
Name of representative: Sekio Kishimoto, Representative Director,
President and CEO
(Code No. 3865, First Section of the TSE)
Contact: Makoto Yanagisawa, General Manager, Public Relations Department
Telephone: +81-3-3245-4500

Notice regarding Completion of Making Pulp Manufacturing Company and Pulp Sales Company Fully-Owned Subsidiaries (Share Acquisition)

On February 20, 2015, our company announced in the "Notice regarding Making Pulp Manufacturing Company and Pulp Sales Company Subsidiaries (Share Acquisition)," its intention to acquire from Mitsubishi Corporation 70% of the shares of Alpac Forest Products Inc. (hereinafter "AFPI"), which develops pulp manufacturing business in Canada, and 100% of shares of Alpac Pulp Sales Inc. (hereinafter "APSI"), which develops sales business of pulp manufactured by AFPI. In addition, on March 27, 2015, our company announced in the "Notice Regarding Making Pulp Manufacturing Company a Fully-owned Subsidiary (Stock Acquisition) and Developments in Matters to be Disclosed," its intention to acquire from Oji Holdings Corporation the remaining 30% of shares of AFPI. Our company announces that all procedures of approvals and licenses, etc. from the authorities of Canada and related countries have been completed and our company acquired all shares of both companies and made both companies fully-owned subsidiaries today.

1. Reasons for Share Acquisition

Our company group drew up a long-term corporate vision, "Vision 2020," and set a management goal of achieving consolidated sales of more than JPY 300 billion (oversea sales ratio: 25%) in 2020. Under a medium-term management plan "C-next," the second stage toward 2020, our company group is currently striving to achieve further growth as a paper-manufacturing company by promoting the creation of new business fields and transformation of business structure, based on strengthening the revenue base and deepening efforts to protect the environment.

AFPI is the largest market pulp manufacturing facility in a single location in North America, possessing 6.4 million hectares of forest resources granted by the provincial government of Alberta, Canada and engages in sustainable forest management with consideration for all aspects of environment, society and economy, such as obtaining "Forest Management Certification" from FSC (Forest Stewardship Council) in 2005.

Making AFPI and APSI subsidiaries through the acquisition of their shares will lead our company to make a full-scale entry into the growing international market pulp business, further strengthening our international competitiveness and revenue base, and enabling our company to achieve the management goals aimed in the long-term corporate vision several years ahead of schedule.

The acquisition also means that our company group will establish its business on every stage of the paper business value chain, ranging from the newly acquired market pulp business on the upstream to paper processing business on the downstream.

Our company group will keep investing intensively in business resources in the pulp and paper industry, and grow and develop as a global paper-manufacturing company based on the four main business segments (printing paper, white paperboard, specialty paper, and paper processing) by expanding its business, including

that of the upstream and the downstream of the paper supply chain.

2. Subsidiaries to be Changed

■ Overview of Alpac Forest Products Inc.

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|--------------------------------------|---|
| (1) Name | Alpac Forest Products Inc. |
| (2) Location | Boyle, Alberta, Canada |
| (3) Name and title of representative | Osamu Terao, Chairman, President, CEO&CFO |
| (4) Business description | Pulp manufacturing business |
| (5) Stated capital | 285 million Canadian dollars ("CAD") |
| (6) Date of incorporation | March 1998 |

■ Overview of Alpac Pulp Sales Inc.

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| (1) Name | Alpac Pulp Sales Inc. |
| (2) Location | Vancouver, British Columbia, Canada |
| (3) Name and title of representative | Nobuyuki Watanabe, President |
| (4) Business description | Pulp sales business |
| (5) Stated capital | CAD 3.5 million |
| (6) Date of incorporation | November 2002 |

3. Future Outlook

Regarding the impact of this share acquisition on future consolidated business results of our company, the company will verify the amount thereof and if matters related thereto arise that should be disclosed, the company will promptly disclose them.

[End]