

March 14, 2011

Impact of Tohoku-Pacific Ocean Earthquake on Rengo

We would like to extend our heartfelt sympathies to all those affected by the earthquake that struck the Tohoku region of Japan on March 11, 2011.

Rengo is currently endeavoring to assess the impact that the earthquake has had on the Group's personnel and facilities. Please find following a summary of the impact on the Rengo Group as it is understood at present.

1. Extent of Damage

1) Damage to Rengo facilities

Sendai Plant (Sendai-shi, Miyagi Prefecture)

- Operations are currently suspended. The first floor of the plant has been flooded as a result of the tsunami. The extent of damage to the buildings and equipment remains unclear.

Fukushima-Yabuki Plant (Yabuki-machi, Nishishirakawa-gun, Fukushima Prefecture)

- Although there has been some damage to the buildings and equipment, we are working to resume operations as soon as possible.

2) Damage to facilities of consolidated subsidiaries

Marusan Paper Mfg. Co., Ltd. (Minamisoma-shi, Fukushima Prefecture)

- Operations are currently suspended. The buildings and equipment have suffered damage, but details remain unclear.

Howa Sangyo Co., Ltd.

(1) Sendai Plant (Shibata-machi, Shibata-gun, Miyagi Prefecture)

- Operations are currently suspended. The buildings and equipment have suffered damage, but details remain unclear.

(2) Higata Plant (Asahi-shi, Chiba Prefecture)

- Operations are currently suspended. Although there has been some damage to the buildings and equipment, Howa Sangyo is working to resume operations as soon as possible.

2. Impact on Business Performance

The extent of financial loss and the impact on business performance as a result of the earthquake remain unclear. We will provide prompt notification in the event that we determine that there is likely to be a significant impact on the business results.