

April 8, 2011

## **Impact of the Great East Japan Earthquake (Second Report)**

Rengo would like to extend its heartfelt sympathies to all those affected by the earthquake that struck northeastern Japan on March 11, 2011. We are praying for those who lost their lives and for a rapid recovery in all affected regions.

Immediately following the earthquake, Rengo established the Great East Japan Earthquake Task Force with the president at its head, placing the highest priority on protecting human life and safety. The Headquarters worked to confirm the whereabouts and safety of all Rengo and Rengo Group personnel, assessed the damage to each Rengo Group facility, and began working on restoration operations.

Rengo released an initial report concerning the damage incurred by Rengo and Rengo Group companies on March 14, 2011. This report contains additional information subsequent to the initial report.

### 1. Personnel

The whereabouts and safety of all Rengo personnel has been confirmed. Unfortunately, one employee of Marusan Paper Mfg. Co., Ltd. (based in Minamisoma-shi, Fukushima Prefecture) has been confirmed dead while the safety of another employee has not yet been confirmed. We will continue to make every possible effort to confirm the safety of the missing employee.

### 2. Damage to Facilities Resulting from the Earthquake

#### (1) Rengo Facilities

##### (a) Sendai Plant (Sendai-shi, Miyagi Prefecture)

The plant sustained devastating damage from the tsunami. There is little prospect of its restoration and the plant has thus been shut down.

Accordingly, a new plant will be constructed at the site indicated below with the aim of restarting operations at the earliest possible time.

New plant construction site: Taiwa-cho, Kurokawa-gun, Miyagi Prefecture (approximately 2.5 km from the Ohira exit on the Tohoku Highway)

In conjunction with construction of the new plant, all personnel in the production divisions will be transferred to other nearby Rengo plants or to Group company work sites and their employment will be maintained until the new plant begins operations. When this occurs, all personnel from the old plant will begin work at the new plant.

Sales activities will be continued as in the past, and Rengo and Rengo Group companies will fulfill their responsibilities to supply products to customers.

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

The buildings and equipment sustained some damage, but thanks to the tireless efforts of personnel from headquarters and the plant itself as well as other involved parties, restoration work has been completed and the plant resumed normal operations on March 22.

In addition, the solar power facilities installed at the plant were undamaged by the earthquake, and a portion of the power generated continues to be supplied to the neighboring community through Tohoku Electric Power Company.

(2) Group Company Business Sites

Howa Sangyo Co., Ltd. (Minamisoma-shi, Fukushima Prefecture)

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

Buildings and equipment sustained extensive damage, but some operations were resumed on April 1. The recovery efforts are ongoing.

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

The buildings and equipment sustained some damage and operations were suspended. However some operations have been resumed and we anticipate a near-total restoration in mid-April.

(c) Narashino Plant (Funabashi-shi, Chiba Prefecture)

The buildings and equipment sustained some damage, and operations were suspended. However some operations have been resumed and we anticipate a near-total restoration in mid-April.

3. Effect of the Nuclear Power Plant Accident on Facilities

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

The buildings and equipment sustained damage as a result of the earthquake. Since the plant is located within 25 km of the Tokyo Electric Power Company Fukushima Daiichi Nuclear Power Plant, orders have been issued for individuals to remain indoors and voluntary evacuations have been conducted, making it impossible to enter the site and conduct a detailed investigation of the damage.

In light of these circumstances, operations will be suspended until the end of June. Every effort will be made to fulfill the company's responsibilities to supply paper to customers from Rengo's Yashio Mill in Yashio-shi in Saitama Prefecture and the Tonegawa Division Paper Mill in Bando-shi in Ibaraki Prefecture.