

February 20, 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)
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Notice regarding Making Pulp Manufacturing Company and Pulp Sales Company Subsidiaries (Share Acquisition)

Our company has resolved at its board of directors meeting held on February 20, 2015 that it will acquire shares of Alpac Forest Products Inc. (hereinafter, "AFPI"), which develops pulp manufacturing business in Canada, and shares of Alpac Pulp Sales Inc. (hereinafter, "APSI"), which develops sales business of pulp manufactured by AFPI, respectively from Mitsubishi Corporation, and make both companies subsidiaries and therefore, announces as follows. Please note that the transfer of shares is subject to obtaining all approvals and licenses etc. from the authorities of Canada and related countries.

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 and under a medium-term management plan "C-next," which is a second stage toward 2020, our company group is currently making efforts to achieve further growth as a paper-manufacturing company by promoting creation of new business fields and transformation of business structure based on strengthening of revenue base and deepening of effort to protect the environment.

AFPI is the largest market pulp manufacturing facility in one location in North America which possesses 6.4 million hectares of forest resources granted by the provincial government of Alberta, Canada and engaging 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 and further strengthen our international competitiveness and revenue base, and enable 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 the business resources in the pulp and paper business intensively, and grow and develop as a global paper-manufacturing company based on the four main businesses 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. Subsidiary to be Changed

■ Overview of Alpac Forest Products Inc.

(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		
(7)	Major shareholders and ownership ratios	Mitsubishi Corporation (70%); Oji Holdings Corporation (30%)		
(8)	Relation between the listed company and the said company	Capital relationship	There is no capital relationship that should be stated.	
		Personnel relationship	There is no personnel relationship that should be stated.	
		Trade relationship	There is no trade relationship that should be stated.	
Consolidated business results and consolidated financial position for the recent three fiscal years of the said company (International Financial Reporting Standards) Unit: thousand CAD (9) (Reference: CAD 1=JPY 95.9 as of February 18, 2015) * Since International Financial Reporting Standards are adopted, consolidated ordinary profit is not described.				
	Fiscal year	Ended Dec. 2011	Ended Dec. 2012	Ended Dec. 2013
	Consolidated net assets	520,388	537,263	518,936
	Consolidated total assets	894,102	888,516	866,279
	Consolidated net assets per share (CAD)	27.39	28.28	27.31
	Consolidated sales	368,053	368,317	367,520
	Consolidated operating profit	34,171	26,749	32,774
	Consolidated net income	22,034	17,620	20,779
	Consolidated net income per share (CAD)	1.16	0.93	1.09
	Dividends per share (CAD)	1.43	0	2.09

Remark) Operating profit as recorded in the company's financial statements (IFRS).

■ Overview of Alpac Pulp Sales Inc.

(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		
(7)	Major shareholders and ownership ratios	Mitsubishi Corporation (100%)		
(8)	Relation between the listed company and the	Capital relationship	There is no capital relationship that should be stated.	

said company	Personnel relationship	There is no personnel relationship that should be stated.		
	Trade relationship	Our company is purchasing the pulp manufactured by the said company.		
Business results and financial position for the recent three fiscal years of the said company (International Financial Reporting Standards) Unit: thousand CAD (9) (Reference: CAD 1=JPY 95.9 as of February 18, 2015) * Since International Financial Reporting Standards are adopted, consolidated ordinary profit is not described.				
Fiscal year		Ended Dec. 2011	Ended Dec. 2012	Ended Dec. 2013
Net assets		43,453	33,196	34,725
Total assets		71,833	68,101	73,523
Net assets per share (CAD)		24.83	18.97	19.84
Sales		405,112	393,728	420,192
Net income		2,590	2,332	3,861
Net income per share (CAD)		1.48	1.33	2.21
Dividends per share (CAD)		7. 32	7. 19	1. 33

3. Overview of Transferor of Shares (as of March 31, 2014)

(1)	Name	Mitsubishi Corporation		
(2)	Location	3-1, Marunouchi 2-Chome, Chiyoda-ku, Tokyo		
(3)	Name and title of representative	Ken Kobayashi, Representative Director and President		
(4)	Business description	Global environmental and infrastructure business; new industrial finance business; energy business; metals; machinery; chemicals; living essentials; and other business		
(5)	Stated capital	JPY 204,447 million		
(6)	Date of incorporation	April 1, 1950		
(7)	Consolidated net assets	JPY 5,067,666 million		
(8)	Consolidated total assets	JPY 15,901,125 million		
(9)	Major shareholders and ownership ratios	Japan Trustee Services Bank, Ltd. (Trust Account): 5.68%; Tokio Marine & Nichido Fire Insurance Co., Ltd.: 4.58%, Meiji Yasuda Life Insurance Company: 3.99%, The Master Trust Bank of Japan, Ltd. (Trust Account): 3.83%; and the others (as of September 30, 2014)		
(10)	Relation between the listed company and the said company	Capital relationship	The said company owns 19.39% of voting rights of our company (as of September 30, 2014).	
		Personnel relationship	Our company is accepting two secondees from the said company.	
		Trade relationship	Our company is purchasing raw materials from the said company and is selling the products etc. to the said company.	
		Status of applicability to the related party	The said company is a major shareholder of our company and it applies to the related party.	

4. Number of Shares to be Acquired, Acquisition Price, and Status of Ownership of Shares before and after

Acquisition

■ Alpac Forest Products Inc.

(1)	Number of shares held before acquisition	0 shares (number of voting rights: 0) (voting rights holding ratio: 0.0%)
(2)	Number of shares to be acquired	13,300,000 shares (number of voting rights: 13,300,000)
(3)	Acquisition price	Acquisition price is currently being negotiated and has not been determined. We will promptly announce as soon as it is determined.
(4)	Number of shares held after acquisition	13,300,000 shares (number of voting rights: 13,300,000) (voting rights holding ratio: 70.0%)

■ Alpac Pulp Sales Inc.

(1)	Number of shares held before acquisition	0 shares (number of voting rights: 0) (voting rights holding ratio: 0.0%)
(2)	Number of shares to be acquired	1,750,001 shares (number of voting rights: 1,750,001)
(3)	Acquisition price	Acquisition price is currently being negotiated and has not been determined. We will promptly announce as soon as it is determined.
(4)	Number of shares held after acquisition	1,750,001 shares (number of voting rights: 1,750,001) (voting rights holding ratio: 100.0%)

5. Schedule

(1)	Resolution by the board of directors	February 20, 2015
(2)	Date of execution of agreement	We will promptly announce as soon as it is decided.
(3)	Closing date of share acquisition	We will promptly announce as soon as it is decided.

6. Future Outlook

The impact of this share acquisition on future consolidated business results of our company is currently being verified.

If matters related to this share acquisition that should be disclosed shall have occurred, we will promptly disclose them.

[End]