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## Announcement Regarding Establishment of Lumber Business in Myanmar

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Oji Forest & Products Co., Ltd. (hereafter "Oji Forest & Products") would like to announce that we established a corporate joint venture in Mon State in southern Myanmar, with Sumitomo Forestry (Singapore) Ltd. (hereafter "SF Singapore"), a subsidiary of Sumitomo Forestry Co., Ltd., and Moe Mya Chai Co., Ltd. (hereafter "MMC"), a local furniture manufacturing company, to manufacture and sell of timber and wood products using plantation rubber trees as a main source of raw material.

### 1. Background and objective of establishing the joint venture

The three companies have conducted a feasibility study and confirmed that there are abundant plantation resources of rubber trees for this project and that the logs after collecting latex are suitable for lumber processing. From financial aspect, it was confirmed that there is a cost advantage in log procurement as well as labor cost. Accordingly we concluded to enter a joint venture agreement to establish a lumber processing business in Myanmar. Additionally this joint venture is the first project for Oji group and Sumitomo Forestry Group in overseas.

This will be the first joint venture as a Japanese investment in Myanmar to utilize plantation rubber tree to manufacture wooden laminae (raw materials for finger-joint lamination) which will be ultimately used for making counter boards, chairs and other furniture. In addition, advantage of this joint venture is utilizing production control and marketing expertise of by Oji Forest & Products and SF Singapore, as well as advanced raw material procurement and factory management know-how of MMC as a local company. Also it is expected that this joint venture will contribute to create employment in non-urban areas in Myanmar.

Oji Group is actively promoting its overseas business projects and the establishment of this joint venture is a part of that effort. For Oji Forest & Products, as a core lumber and processing company in the Oji Group, the joint venture will be one of the most important factories to develop Oji group's overseas business operation.

### 2. Outline of the joint venture

- (1) Company Name: MOS LUMBER PRODUCTS CO., LTD.
- (2) Location: Mawlamyaing, Mon State, Republic of the Union of Myanmar
- (3) Capital: USD 2,250,000
- (4) Share of capital: Oji Forest & Products: 54%  
SF Singapore: 26%  
MMC: 20%
- (5) Business: Manufacture and sales of timber and wood products using plantation Rubber tree as raw material
- (6) Production capacity: Approximately 8,000 m<sup>3</sup>/year
- (7) Products: Rubber tree laminae (raw materials for finger-joint lamination)

### 3. Future plans

- December 2014: Establishment of joint venture
- October 2015: Start of commercial production

December 25th, 2014

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