



March 28, 2011

Impact of the 2011 Tohoku Earthquake (UPDATED)

We would like to inform you about the effect of, and our respond to, the earthquake as of March 28, 2011. We sincerely apologize to our customers, our business partners, those located near and around our factories and other stakeholders for any inconvenience stemming from the shutdown of our facilities.

1. Status of our production sites

Portions of our Iwaki Factory (located in Iwaki City, Fukushima Prefecture) and Plastics Processing Factory (located in Omitama City, Ibaraki Prefecture) have been damaged by the earthquake. We have been dedicated to assessing the damaged facilities and repairing the same in order to restart production.

We have restarted some of the operations of the Plastics Processing Factory (located in Omitama City, Ibaraki Prefecture) which produces food packaging materials. Please note that our Krewrap Production Department II of the Plastics Processing Factory (located in Tanba City, Hyogo Prefecture) has not been affected by the earthquake and has been in full operation. We have given top priority to delivering products from the above factories to disaster areas.

As for the production of items at the Iwaki Factory, due to still working on assessing and repairing the damaged facilities, and the impact of external factors such as difficulties in procuring raw materials caused by the damage our suppliers sustained from the earthquake, difficulties in receiving raw materials and fuel and shipping containers as a result of damage to the Onahama seaport and the circumstances surrounding the nuclear power plant (Fukushima Daiichi Nuclear Power Station), we are unable to make a clear statement regarding when we will be able to restart our deliveries.

2. Status of our employees

We have confirmed that all of the employees of Kureha Group are safe.