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February 12th, 2018

Dear Valued Customers,

As you are already informed, due to the exceptional situation on the thermal paper market, we've been forced to apply several price increases.

By this letter, we would like to share the market situation in details and request for your support once again.

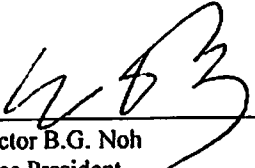
1. Globally, 80% of thermal dye manufactures are located in China and they account for 90% of the worldwide capacity.
2. As the Chinese government strengthened its environmental regulations, the largest manufacturer in China was shut down in Sep, 2017. Despite reports that this manufacturer restarted to run its facilities, they are not meeting the demand.
3. Another large supplier was also shut down in Dec, 2017 due to an industrial park explosion and they are not expected to renew until the end of February.
4. Although small companies are supplying the chemicals, they are not nearly enough for the global demand. So, we still remain uncertain when the supply would get back to normal.
5. Eventually, the price of thermal dye has skyrocketed by 7 to 8 times in stages since last year forcing us to raise our price as well accordingly.
6. Furthermore, the increasing pulp cost is also affecting our production cost.

Under this unfavorable condition, we have reached a phase to adjust our prices in order to keep supporting our customers.

Effective from March 1st 2018, Hansol will implement a surcharge of 9% worldwide for all thermal paper grades. Details will be delivered through our sales team.

We are regretful over the inconveniences caused by these issues and sincerely appreciate your understanding and cooperation. We promise that Hansol would keep a close eye on the market status and would take the best step for our valuable customers.

Sincerely,



Victor B.G. Noh
Vice President
International Sales