

NEWS RELEASE

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Toho Tenax Strengthening Strategic Initiatives in Aerospace Sector

Toho Tenax Co., Ltd, the core company of the Teijin Group's carbon fibers business, announced today that in an effort to expand its carbon fiber business, the company is significantly strengthening its strategic initiatives in the global aerospace market.

Toho Tenax began providing carbon fibers for aircraft in the mid 1980s and now supplies Airbus and other aerospace manufacturers with various advanced materials. It recently concluded long-term supply contracts with EADS, the parent company of Airbus, and Bombardier Aerospace of Canada.

Under the new initiatives, the company aims to supply advanced carbon fiber materials for a variety of aircraft, including regional and business jets. In addition to carbon fiber yarn sales, Toho Tenax plans to expand revenue through strengthened prepreg sales. Specific initiatives to be taken as follows:

- Significantly expand prepreg business, shifting aerospace business revenue from 80% from yarn sales at present to more than 50% from prepreg and composite sales within five to 10 years. As part of this expansion, the establishment of new production bases will be considered depending on the volume of demand.
- Strengthen direct contracts with aerospace manufacturers, particularly to meet a rising demand for solutions and to secure markets for the company's own yarn.
- Strengthen organizational structure through the newly formed Aerospace Sales Department, a dedicated sales organization established to provide aerospace-related products and services through a doubling of global sales personnel and strengthened partnerships with its subsidiaries in Europe and the U.S.A.
- Strengthen technological partnerships with other Teijin Group companies to develop high-performance carbon fibers and resins for next-generation aircraft by improving prepreg productivity, developing mass-production technology and adopting innovative materials and technologies from automotive applications.
- Launch a thermoplastic prepreg production facility to manufacture high performance materials with superior impact resistance and abrasion resistance for use as primary structural materials in aircraft. Following the signing of a contract to supply EADS with carbon fiber-reinforced thermoplastic resin laminate sheet for the A350 XWB aircraft, Toho Tenax has begun investing in a new thermoplastic prepreg line at the Oberbruch plant of Toho Tenax Europe GmbH in Germany. The line will be completed this October and production will start in March 2011.

Most recently, Toho Tenax has developed two promising materials that are moving towards practical application:

- Carbon fiber composite material using PEEK thermoplastic resins for the A350 XWB

- aircraft. The technology has been verified and qualification is under way.
- Carbon fiber composite material using benzoxazine thermosetting resins for the A380 aircraft. Technology verification has been completed and preparations for qualification are under way.

By 2025, Toho Tenax aims to provide the aerospace market with 6,000 tons of carbon fiber for a 30% market share worth over 100 billion yen. The demand for carbon fiber composite materials in the aerospace market is expected to grow from 5,000 tons/year at present to more than 10,000 tons in 2015 and some 20,000 tons by 2025.

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About Toho Tenax

Toho Tenax is the core company of the Teijin Group's carbon fibers business. The Toho Tenax Group is a leading carbon fiber manufacturer worldwide with an annual production capacity of 13,500 tons in Japan, Germany and USA. Toho Tenax Europe GmbH is an affiliate with production capacities for Tenax® carbon fibers being located in Germany and responsible for the European market.

About the Teijin Group

Based in Tokyo and Osaka, Japan, Teijin is a global technology-driven group operating in six main fields: synthetic fibers (aramid fibers and carbon fibers); polyester fibers, films and plastics; pharmaceuticals and home health care; trading and retail; and IT and new products. Teijin Limited, the holding company for the Teijin Group, is listed on the Tokyo and Osaka stock exchanges. The group had consolidated sales of USD 8.5 billion (JPY 765.8 billion, USD 1=JPY 90) in fiscal 2009 and employs 18,778 people worldwide, with 156 companies around the world. Please visit www.teijin.co.jp/english

For further information, please contact:

Public Relations & Investor Relations Office
Teijin Limited
Tel: +81-3-3506-4055 / Fax: +81-3-3506-4150
E-mail: pr@teijin.co.jp