

August 31, 2004

Company name: Toho Tenax Co., Ltd.
President and CEO: Yoshikuni Utsunomiya
(Code No. 3403, First Section of the Tokyo
Stock Exchange)
Inquiries: Kazuhiko Ogino, Director
(TEL: 81-3-5842-3700)
Parent company of Toho Tenax: Teijin Limited
President and CEO: Toru Nagashima
(Code No. 3401, First Section of the Tokyo
Stock Exchange)

Acquisition of Carbon Fiber Business in the United States

Toho Tenax has announced that it agreed with Acordis, a leading fiber manufacturer based in the Netherlands, to acquire the PAN-based carbon fiber business in the United States.

1. Purpose of the acquisition

Toho Tenax Group has been supplying carbon fibers and carbon fiber related products worldwide from its manufacturing bases in Japan and Europe (Germany). However, the absence of a manufacturing base in North America, the largest market for carbon fibers, has limited the company's sales share in North America relatively small. Therefore, the company identified the establishment of a supply system in the United States, Europe and Japan as a high priority in its Mid-term Management Plan launched in 2003, and determined that this acquisition is an appropriate step toward expanding its share in North America from the supply and demand balance point of view in the carbon fiber market.

In the meantime, the demand for carbon fibers is expected to continue growing at an annual rate of approximately 10%. In order to meet this active demand, Toho Tenax Group will utilize the manufacturing base obtained through this acquisition to supply to both the North American domestic market and global markets as well.

2. Method of the acquisition

Toho Carbon Fibers (hereinafter referred to as "TCF"), a wholly owned subsidiary of Toho Tenax, will acquire the carbon fiber business operated by Fortafil Fibers, Inc. (hereinafter referred to as "FF"), a wholly owned subsidiary of Acordis. After the acquisition, the facilities, other assets and personnel of FF will be integrated into TCF.

3. Outline of the acquisition

(1) Profile of TCF

Company name: Toho Carbon Fibers, Inc. (wholly owned subsidiary of Toho Tenax Co., Ltd.)

Location: Menlo Park, California, USA

Representative: Toshihiro Aoyama, Chairman (Managing Director of Toho Tenax Co., Ltd.)

Business line: Sales and marketing of regular tow carbon fibers and its related products

(2) Profile of FF

Company name: Fortafil Fibers, Inc. (wholly owned subsidiary of Acordis)

Location: Rockwood, Tennessee, USA

Representative: Roger Prescott, President & General Manager

Business line: Manufacturing, sales and marketing of large-tow carbon fibers

Annual production capacity: 3,500 tons

4. Production capacity after the acquisition

A part of the current 3,500-ton capacity, large-tow (LT) capacity will be converted into a 700-ton regular-tow (RT) capacity and a 1,400-ton oxidized PAN fiber capacity within one year of the acquisition. A 1,300-ton large-tow capacity will remain as it is.

Production capacity of the Toho Group (Unit: tons/year)

Type	Carbon fiber		Oxidized PAN fiber	
	After acquisition	After conversion	After acquisition	After conversion
Japan	RT 3,700	RT 3,700	600	600
Germany	RT 1,900	RT 1,900	0	0
USA	LT 3,500	RT 700 LT 1,300	0	1,400
Total	9,100	7,600	600	2,000
	Breakdown	Breakdown		
	RT 5,600 LT 3,500	RT 6,300 LT 1,300		

5. Schedule

August 31, 2004 Makes an agreement and Closing

September 2004 Starts its business under the new organization.

Reference 1: Difference between Regular Tow (RT) and Large Tow (LT) carbon fibers
 RT and LT are used in accordance with each specific characteristic.

	RT	LT
Number of filaments	Up to 24K (24,000)	40K (40,000) or more
Main applications	Aerospace and aircraft Sports and leisure goods Industrial use	Industrial use (chopped fibers)
Characteristics	High mechanical performance Excellent processability	Lower cost

Reference 2:

Oxidized PAN fibers are produced by oxidizing raw precursor material at temperatures of 200-300°C. The oxidized PAN fibers perform excellent flame resistance, heat resistance, electrical insulation, chemical resistance and textile processability.

Main applications: Electrode materials for fuel cells, welding blankets, heat insulators, airplane brakes, etc.