

October 8, 2004

Company name: Toho Tenax Co., Ltd.  
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(Code No. 3403, First Section of the Tokyo  
Stock Exchange)  
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Parent company of Toho Tenax: Teijin Limited  
President and CEO: Toru Nagashima  
(Code No. 3401, First Section of the Tokyo  
Stock Exchange)

### **Establishment of New Carbon Fiber Production Line in Germany**

Toho Tenax has announced that at the board meeting held on October 8, 2004, it decided to establish a new production line for carbon fiber which targets to launch the operation from October 2006 in Tenax Fibers GmbH (hereinafter referred to as "Tenax"), wholly owned subsidiary of Toho Tenax Co., Ltd.

#### **1. Profile of Tenax Fibers**

Company name: Tenax Fibers GmbH  
Location: Wuppertal, Germany  
Representative: Toshihiro Aoyama, Chairman (Managing Director of Toho Tenax Co., Ltd.)  
Current production capacity: 1,900 tons per year

#### **2. Purpose of the establishment**

Supply and demand balance in the carbon fiber market is fast becoming to improve from the mid-2003, furthermore, it is expected to continue growing at an annual rate of approximately 10%. Especially in Europe, the aerospace application for Airbus and industrial application including wind energy generator are expanding its demand, which has exceeded the current production capacity of Tenax at 1,900 tons a year. In order to meet this active demand, it decided to establish an additional production line in Germany.

#### **3. Profile of new line**

Line No.: Tenax Line III  
Location: Oberbruch Plant  
Outline of new line: Production line for carbon fiber and incidental facilities  
Annual production capacity: 1,500 tons  
Investment amount: 38 million Euro (approximately 5 billion yen)

#### 4. Schedule

October 2004      Start of the construction  
 October 2006      Commencement of commercial operation

#### 5. Production capacity after the establishment of new line in Tenax Fibers

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

	Existing	2005 after modification	2006 after new line installation
Japan	RT 3,700	RT 3,700	RT 3,700
Germany	RT 1,900	RT 1,900	RT 3,400
USA	LT 3,500	RT 700 LT 1,300	RT 700 LT 1,300
Total	9,100	7,600	9,100
	Breakdown RT 5,600 LT 3,500	Breakdown RT 6,300 LT 1,300	Breakdown RT 7,800 LT 1,300

RT = Regular Tow, LT = Large Tow

Reference : 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