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New Development of Nonwoven Fabric Business in ASEAN Region

Daiwabo

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In order to respond to the rapid spread of hygienic goods in the ASEAN region, Daiwabo Polytec Co., Ltd. (Chuo-ku, Osaki City; Representative and President - Akihiro Mashita; hereinafter referred to as "the Company") has recently established a new company to carry out the manufacture of air-through nonwoven fabric in Indonesia (hereinafter referred to as "the New Company").

The Company began manufacturing and sales of polypro fibers in 1964 as the chemical synthetic fiber division of Daiwabo Co., Ltd. and has utilized its many years of knowledge and know-how to manufacture a variety of nonwoven fabrics using fibers such as heat-bondable composite fibers and split-type composite fibers.

Currently, the Company sells raw cotton manufactured at its Japanese plant to the ASEAN region, but this region has recently seen astonishing economic growth. In particular, there has been remarkable growth in Indonesia in hygienic goods, such as disposals diapers and sanitary napkins, as a result of the expansion in the new middle class, and growth in the hygienic goods market in the ASEAN region is expected to continue. Accordingly, the Company regards nonwoven fabric business as a strategically important market in the ASEAN region and plans to use the New Company as an export base to the ASEAN region and use this opportunity to expand facilities and develop the business.

Regarding sales, we plan to utilize the group sales network of Daiwabo Hong Kong Co., Limited, and regarding the business infrastructure, we plan to utilize the knowhow of local operating group companies including the Daiwabo Jakarta Office.

The Company intends to make full use of its strength in integrated production from fiber raw materials through to nonwoven fabrics, promote further development from hygienic goods into related markets, and work hard to expand nonwoven fabric business with a view to the creation of downstream business.

<Outline of New Company>

Company Name	PT. Daiwabo Nonwoven Indonesia (DNI) (provisional name)
Representative	Shinji Ikeda (Director and General Manager of the Production and Technology Division, Daiwabo Polytec Co., Ltd.) (planned)
Establishment	November 2012 (planned)
Registered Capital	US\$9,125,000- (Daiwabo Polytec Co., Ltd., 100% investment)
Location	Suryacipta City of Industry, Karawang, Indonesia
Business	Manufacture and sale of air-through nonwoven fabric (production capacity, 2,400 ton/year)

[Inquiries]

Daiwabo Polytec Co., Ltd.

Yamashita, Production and Technology Division TEL: 06-6281-2414