

News Release

 **Nippon Electric Glass Co.,Ltd.**
Administrative Division (Public Relations)

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Glass Fiber Production Capacity to Increase in Malaysia

Nippon Electric Glass Co., Ltd. (Head Office: Otsu, Shiga, President: Masayuki Arioka) will increase production capacity at its Malaysian subsidiary, Nippon Electric Glass (Malaysia) Sdn. Bhd. (*1) for the production of glass fiber, which is used to reinforce high-performance resin such as engineering plastics used in automotive parts and other products. The additional equipment installed at the subsidiary will start production from April of 2015.

In addition to recent growth in the automobile market, the automobile industry is also advancing in its development of vehicles with better environmental performance, which means lighter weight and better fuel consumption, as well as the rising use of hybrid vehicles. This, in turn, means that automotive parts normally made from metal are increasingly being made from glass fiber reinforced resin materials, which create less of an energy burden in their manufacture and are lighter in weight than metal. As the global demand for glass fiber grows, NEG is striving to ensure that the company is ready on the supply side with increased production capacity.

The outline of this project is shown below.

<Project Plan Outline>

- Major equipment: Glass melting furnace together with forming and processing equipment
- Product: Chopped strand (*2) glass fiber for high performance resin reinforcement
- Equipment investment: approximately 20 billion yen
- Start of production: April 2015 (scheduled)
- Production capacity: Chopped strand production will increase by about 30% compared to normal capacity with current equipment.

The Notogawa Plant (Higashi-ohmi City, Shiga Prefecture) and the subsidiary in Malaysia produce chopped strand used to reinforce high performance resin material for automotive parts, and these plants supply this product to major resin manufacturers. With regard to chopped strand for high performance thermoplastic resins (*3), NEG holds approximately 30% of the global market share, which is the top share in the business field. Demand for glass fiber is expected to show stable growth in the future in concert with growth in the automobile market and efforts to improve the environmental performance of automobiles. With this increase in capacity, NEG will use this opportunity to further grow its glass fiber business.

(*1) Profile of Nippon Electric Glass (Malaysia) Sdn. Bhd. (as of March 2014)

- Location: Selangor, Malaysia
- Founded: 1991
- Capitalization: 1.303 billion Malaysian dollars (Malaysian Ringgit)
- Equity share: 100% owned by NEG
- Representative: Shigeru Goto (Managing Director)
- Main products: Glass fiber, glass tubing for medical use, CRT glass, etc.

(*2) Chopped Strand

Chopped strand is glass fiber cut into fixed units of several millimeters in length as required by the application for the glass fiber. It is mainly used as a material to reinforce thermoplastic resin. The resin manufacturer will mix it with resin and process it into a compound material in the form of powder or pellets. This material is heated and softened, after which it is formed, usually with an injection molding process, into products with complex shapes for automotive parts (like intake manifolds) and other applications.

(*3) Thermoplastic resin

This is a resin which can be heated, softened and then formed into various shapes. It is much easier to process than metal or other materials and is widely used in component parts for automobiles, as well as electronic and electrical goods.

(Chopped Strand)



(Intake Manifold)

