

Press Release

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Announcement of the Nittobo Policy to Boost Production Facilities of Special Glass

Nitto Boseki Co., Ltd. (“Nittobo”) hereby announces that the Board of Directors has decided at the meeting held today to implement a policy to boost the yarn production facilities for special glass (NE-glass<sup>\*1</sup>, T-glass<sup>\*2</sup>).

1 Overview

Nittobo’s glass cloth for printed circuit boards has been contributing to reducing the thickness of electronic devices and achieving faster communication speeds. In recent years, there has been a significant transformation toward cloud-based business systems, digital content is growing ever more sophisticated, and smartphones are becoming increasingly popular and being made with more and more advanced features. Against this backdrop, the volume of information traffic is rapidly exploding on a global level. The level of sophistication of the functions and performance required of base stations and servers, etc. to support this high-speed and large-volume data processing is constantly increasing. This environment is placing ever greater demands on Nittobo’s special glass in order for it to support the arrival of new technologies such as the next-generation telecommunication standard 5G, AI and IoT. Accordingly, the Company has decided on a policy to boost the production facilities for special glass in Taiwan and Fukushima Prefecture.

Nittobo is still reviewing the specifics of the planned new investment, but at this stage it can announce plans to newly construct a glass melting furnace at the Fukushima No. 1 Factory, and also plans for Nittobo Asia Glass Fiber Co., Ltd., the yarn production subsidiary in Taiwan, to build a glass melting furnace plant for special glass. The total amount of investment is expected to be about 10 billion yen. The planned production start dates for the aforementioned projects are autumn 2020 in the case of Fukushima Prefecture and autumn 2021 in the case of Taiwan.

[\*1 NE-glass]

NE-glass has low dielectric constants and low dielectric dissipation factors. It is used as a material promoting higher frequency bandwidth of servers and base stations for use in data centers where low transmission loss and high-capacity high-speed transmission are required.

[\*2 T-glass]

T-glass has low CTE (low coefficient of thermal expansion) characteristics and high tensile elasticity properties. It is used for semiconductor package substrates in devices such as servers and smartphones that require not only compact and highly functional characteristics but also high precision and excellent dimensional stability.

2 Subsequent Plans

Nittobo will promptly announce investment details regarding this matter, the schedule going forward and the impact of the operating results, and so forth as soon as any matters to be disclosed arise.