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### **Substantial Expansion Planned for Manufacturing Plant in Vietnam**

As a result of robust growth in its Aerospace Division, Nikkiso Co., Ltd. will expand its plant located near Hanoi, Vietnam, operated by its wholly-owned subsidiary, Nikkiso Vietnam, Inc. This plant is already a state-of-the-art facility that leverages reduced labor costs in this low-cost country's dollar-based economy, and the expansion allows NIKKISO, the number one composite supplier in Vietnam, to significantly increase its capacity to manufacture aircraft engine components.

The plans for expansion are a response to a long-term agreement Nikkiso recently entered to supply new carbon fiber reinforced plastic products for use in next-generation commercial aircraft for the Boeing 787 and Airbus A350. Also, Nikkiso Vietnam commenced shipping new blocker doors developed as one of the engine nacelle components for the Boeing 777. Our expanding relationship with major US customers is evidence of Nikkiso Vietnam's success in building a cost-competitive production system by leveraging the local quality labor force, managed by Nikkiso leadership.