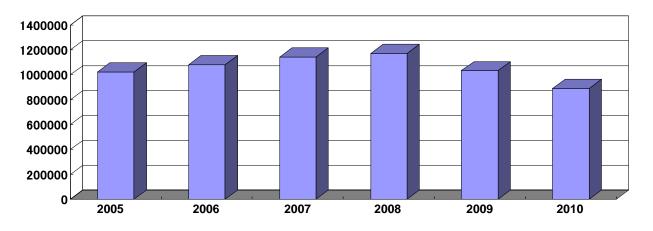
Water-based Adhesion Technology "CYGNUS" and Derived Products





Company Profile of Koyo Sangyo Co., Ltd.

Head Office	: Ishikawa LK-Building 1-9-9, Kaji-cho, Chiyoda-ku, Tokyo, Japan
Foundation	: April 2, 1958
Representatives	: Representative Director Tsugane Tanaka Representative Director and President Soichi Funayama
Capital	: JPY 180 million
Number of employees	: 159
Fiscal year-end Sales	: February (once a year)

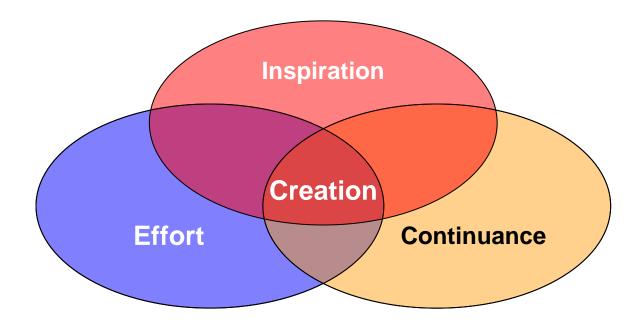




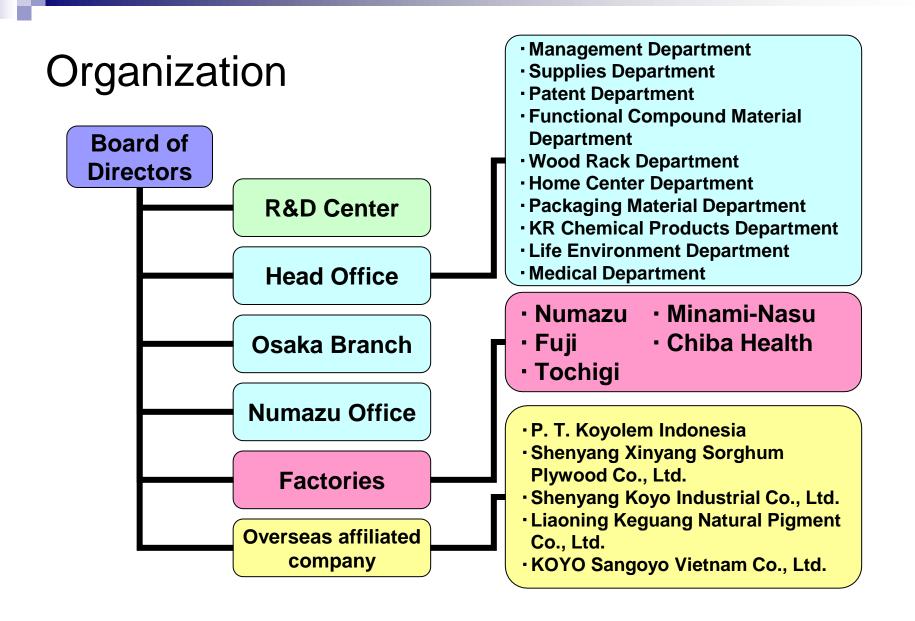
Corporate Philosophy

"Effort + Inspiration + Continuance = Creation"

"Inspiration" organically combined with "Constant effort" and "Continuous accumulation of technology" aimed at creating products that contribute to society









Factories



Numazu Factory (Numazu-shi) Adhesion processing



Fuji Factory (Fuji-shi) KR bonding



Chiba Health Factory (Yamatake-shi) Medical and health-care products



Tochigi Complex Factory (Shimotsuga-gun) Polystyrene panel processing



Tochigi Molding Product Factory (Shimotsuga-gun) Food containers and packaging products



Minami-Nasu Factory (Nasukarasuyama-shi) Tatami mats and panels Distribution center



Features of "CYGNUS" Water-based Adhesion Technology

Non-use of organic solvent

No organic solvents such as toluene and xylene are used.





Dramatic improvement of the weakness of water-based adhesives

Water resistance and heat resistance—two weaknesses of conventional products—are greatly improved.

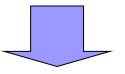


Background of Water-based Adhesion Technology "CYGNUS"

Market trends leading to development

1990s Recognition of "sick building syndrome" as a social problem.

* Relationship with organic substances suggested.



Architecture industry : Industry-wide countermeasures are now in place. Automobile industry : The industry is searching for guideline countermeasures.

- 2002 Development of our own water-based adhesives
- 2003- <u>Start of mass-production</u> at our Numazu Factory
- 2010 Establishment of technology for mesh-containing, doublesided adhesive tape







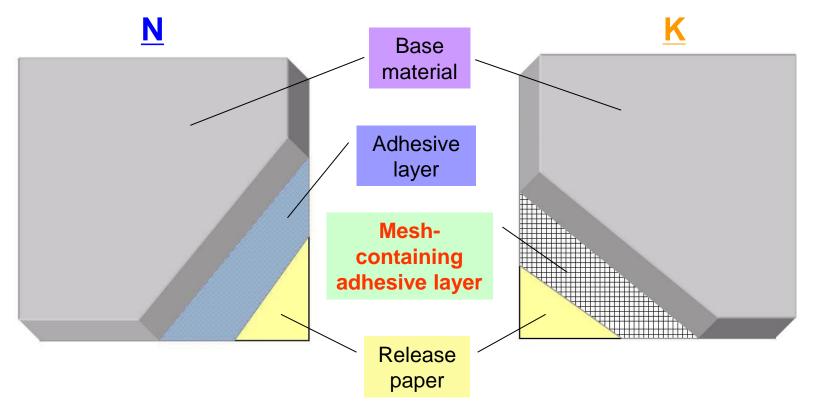
Expansion into various products

	Direct coating	Double-sided tape
With core material	K	KW, PW
Without core material	Ν	NW

*W: Tape N: No core K: With mesh core P: With core









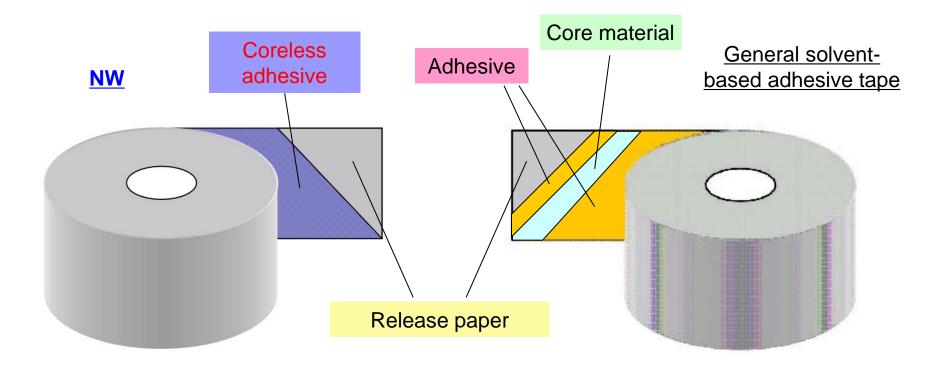
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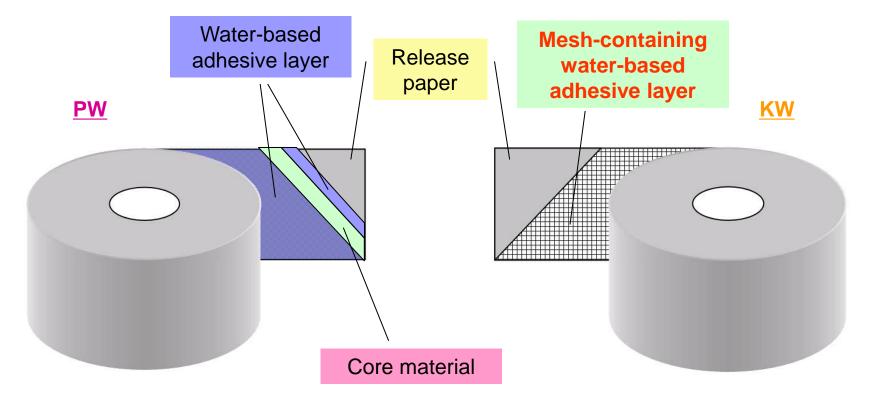


Difference between general tapes and our NW tape





Tapes with core materials





State of acquisition of intellectual property rights

Patent

Under application: Japanese Unexamined Patent Application Publication No. 2009-280796 Date of publication: December 3, 2009

Registered trademark No. 5397038

First category: Adhesive and paste

40th category: Application of adhesive to plastic, rubber, paper, wood, metal, and cloth



Difference between Similar Products—Part 1 Superiority to conventional products

Cost-effectiveness (compared to double-sided tapes) Less expensive than existing double-sided tapes.

No volatile organic solvents

No harmful chemical substances are emitted from organic solvents.

Useful for controlling chemical emissions, for improving the workplace (foul odors, etc.), and for the business office-based management of chemical substance emissions.

Product quality improvement

Core-containing products (K, KW, and PW) can contribute to the dimensional stability of products.



Difference between Similar Products—Part 2

Comparison with competitors' products

	Water resistance	Heat resistance	Volatile chemical substances	Dimensional stability	Light permeability
CYGNUS N	0	0	0	×	×
CYGNUS K	0	0	0	0	×
Solvent-based adhesive	0	\bigcirc or \triangle	×	×	0
Water-based general adhesive	imes or $ riangle$	imes or $ riangle$	0	×	×
CYGNUS NW	0	0	0	×	×
CYGNUS KW and PW	0	0	0	0	×
Double-sided tape	0	\bigcirc or \triangle	imes or $ riangle$	0	Δ

Difference between Similar Products—Part 3

Superiority to conventional products

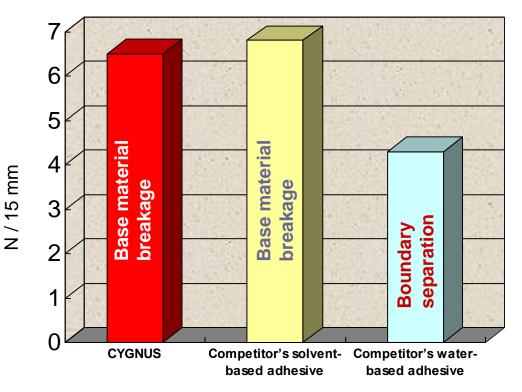


Fig: Test results of resistance to warm water (90°peeling, 300 mm/min)

○Testing conditions:
90°C warm water and 72 hr→
Immersion in water at room
temperature → Tension test
of wet specimen
Substrate: SUS
Base material: Urethane foam
(asphalt dip)

→ <u>Comparable</u> to solvent-based adhesives and superior to competitors' water-based adhesives!



Electrical home appliances

Room air conditioner: Used as heat-insulating material in the interior unit of an air-conditioner (Toshiba Carrier, Hitachi, SANYO Electric, Mitsubishi Electric, and Daikin Industries).



Housing equipment: Used as air-tight and water-tight packing and heatinsulating material.

Ventilation unit, bath dryer (MAX), ceiling light (Odelic), etc.







Machinery

Farm equipment: Used as noise-absorbing and vibration-damping materials (Kubota).

Instrument panel (backside)

Under floor



Elevator: Used as heat-insulating materials for gondolas (Toshiba Elevator and Building Systems).

Inside wall and backside









Thank you for your attention.



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