

16 December 2011

To Whom It May Concern:**YC announces new Production Capability Reinforcement Plan.**

Yupo Corporation (herein 'YC'), has announced a "5-year Mid- to Long-Term Management Plan" (hereinafter 'the Plan'), that includes enhancement of the production capability for synthetic paper YUPO® at its Kashima Factory.

According to the Plan, the constructions will take place in two phases and coincide with the bi-annual planned maintenance (PMD) of the Kashima factory, starting from the fiscal 2012, and will aim to boost the production capability by approximately 4000 metric tons by the end of year 2015.

Synthetic Paper YUPO® have been used in the a great variety of usages, including the election campaign posters, mountain hiking navigation charts, thermal recording sheet, face stock of self-adhesives, etc., but in the recent years, demand in markets, such as China, India and other South Eastern Asia are growing rapidly with further growth anticipated in the near future.

By the Plan, YC will seek to promote further global expansion, while maintaining the current sale base in Japan.

Part of the latest capability enhancement plan, is aimed to establish a stable supply system to the both home and international markets, and we intend at the same time to reinforce the product development that are closer to home, and enhances the full line of products that utilized the original technique and manufacturing process.

<Summary of Capability Reinforcement Plan>

1 st Phase (~ End of 2013)	Yearly App. 2 thousand MT
2 nd Phase (~ End of 2015)	Yearly App. 2 thousand MT
Total	Yearly App. 4 thousand MT

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