

April 15, 2002

Consolidation –Information & Guideline

Executive Summary

Nippon Felt Co., Ltd., Ichikawa Co., Ltd., and Nippon Filcon Co., Ltd. have basically agreed to consolidate each other. Subject to approval from governmental bodies concerned and the shareholders, the three companies will jointly establish an incorporated holding company through the stock-for-stock exchange method (Kabushiki-Iten) with a target date of April 1, 2003.

Objectives

The paper-making clothing industry is undergoing major changes due to economic globalization. Mergers and acquisitions, technological innovations and a switch over to the basket-purchase system (forming fabric, press felt, dryer fabric) are the current trend within this industry.

Recognizing these present situations, the three companies have basically agreed to consolidate. The objectives will be to make more efficient use of management resources, to enhance responsiveness to user needs and ultimately to improve competitiveness in the global market.

Holding Company

(1) Basic Scheme and Schedule

The three companies will establish an incorporated holding company through the stock-for-stock exchange method (Kabushiki-Iten) with the target date of April 1, 2003. The three companies will then become 100% subsidiaries of this holding company.

(2) Share Exchange Ratio

The share exchange ratio will be determined by and among the three companies after reviewing evaluation reports provided by third parties.

(3) Outline of holding company

The outlines of the incorporated holding company (including company name,

head office location and representative directors) are to be decided later.

(4) Listing of the Newly Incorporated Holding Company

The newly incorporated holding company will be listed on the Tokyo Stock Exchange and the three companies will delist their own stock simultaneously.

Synergy Effect

(1) Production and Technology

- a. Effective utilization of production facilities and strategic investment
- b. Increase R&D efficiency
- c. Enhance bargaining power for materials purchased

(2) Sales and Distribution

- a. Strengthen customer service
- b. Rationalization of distribution system leading to cost reduction

(3) Improvement in Financial Condition

- a. More efficient fund raising and investing capabilities
- b. Higher asset turn-over ratio due to asset reduction

(4) Information System Sharing

Integration Committee

Three companies will establish the Integration Committee to accomplish the integration.

Company Profile (Non-consolidated)

(1) Name	Nippon Felt Co., Ltd. (As of Sep. 30, 2001)	Ichikawa Co., Ltd. (As of Sep. 30, 2001)	Nippon Filcon Co., Ltd. (As of Nov. 30, 2001)
(2) Activities	Producing, finishing and selling press felts for making paper and pulp	Producing, finishing and selling press felts for making paper and pulp	Producing, finishing and selling forming fabrics for making paper and pulp
(3) Foundation	July, 1917	November, 1949	March, 1936
(4) Head Office	7-1 Akabane Nishi 1-chome, Kita-ku, Tokyo, Japan	14-15 Hongo 2-chome, Bunkyo-ku, Tokyo, Japan	2220 Ohmaru, Inagi-shi, Tokyo, Japan
(5) Chief Executive Officer	Osamu Matsuura President	Shiro Kosaka President	Shinji Kambe President
(6) Paid-in Capital	¥1,210 million	¥3,594 million	¥2,685 million
(7) Shares Issued	21,118,174	30,985,758	22,167,211
(8) Shareholders' Equity	¥10,851 million	¥18,477 million	¥11,862 million
(9) Total Assets	¥20,697 million	¥30,472 million	¥23,961 million
(10) Fiscal Year End	March 31	March 31	November 30
(11) Employees	513	646	646
(12) Major Customers	Oji Paper Co., Ltd. Nippon Paper Industries Co., Ltd Daio Paper Corporation Mitsubishi Paper Mills Co., Ltd. Daishowa Paper MFG. Co., Ltd.	Oji Paper Co., Ltd. Nippon Paper Industries Co., Ltd Daishowa Paper MFG. Co., Ltd. Daio Paper Corporation Rengo Co., Ltd.	Oji Paper Co., Ltd. Nippon Paper Industries Co., Ltd Daio Paper Corporation Daishowa Paper MFG. Co., Ltd. Mitsubishi Paper Mills Co., Ltd.
(13) Major Shareholders	Oji Paper Co., Ltd. 9.34% Nippon Paper Industries Co., Ltd 6.14% The Dai-Ichi Kangyo Bank, Limited 4.90% Mitsubishi Paper Mills Co., Ltd. 4.76% Employee Shareholding 2.87% Nippon Trust Bank Limited (Trust a/c) 2.41% The Mitsubishi Trust and Banking Corporation 2.36%	Oji Paper Co., Ltd. 10.87% Nippon Paper Industries Co., Ltd 8.07% The Dai-Ichi Kangyo Bank, Limited 4.96% The Chiba Bank, Ltd. 4.89% Mitsubishi Paper Mills Co., Ltd. 4.57% The Chuo Mitsui Trust and Banking Company Limited 3.55% The Mitsubishi Trust and Banking Corporation 3.54%	Oji Paper Co., Ltd. 12.18% Daio Paper Corporation 6.62% Nippon Paper Industries Co., Ltd 5.77% The Mitsubishi Trust and Banking Corporation 4.61% Masahiro Takeda 3.22% Employee Shareholding 3.20% Mitsubishi Paper Mills Co., Ltd. 2.86%
(14) Main Banks	The Dai-Ichi Kangyo Bank, Limited The Mitsubishi Trust and Banking Corporation	The Dai-Ichi Kangyo Bank, Limited The Chiba Bank, Ltd.	The Mitsubishi Trust and Banking Corporation The Industrial Bank of Japan, Limited

(15) Financial Information

(¥million)

As of	Nippon Felt Co., Ltd.			Ichikawa Co., Ltd.		
	Mar, 1999	Mar, 2000	Mar, 2001	Mar, 1999	Mar, 2000	Mar, 2001
Sales	10,076	10,000	10,434	13,283	12,118	13,353
Operating income	665	690	1,088	420	626	1,462
Ordinary income	802	850	1,269	117	506	1,178
Net income	292	362	680	6,529	272	435
Net income per share (yen)	14.04	17.35	32.50	183.75	8.00	13.16
Cash dividends per share applicable to the year (yen)	6.00	6.00	7.00	5.00	6.00	6.00
Shareholders' equity per share (yen)	328.74	352.45	379.36	576.48	520.53	538.24

As of	Nippon Filcon Co., Ltd.		
	Nov, 1999	Nov, 2000	Nov, 2001
Sales	14,209	14,174	14,077
Operating income	666	1,194	1,307
Ordinary income	466	1,018	1,242
Net income	153	417	356
Net income per share (yen)	6.93	18.86	16.10
Cash dividends per share applicable to the year (yen)	5.00	5.00	6.00
Shareholders' equity per share (yen)	498.90	510.13	535.28

Inquiries;

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