

November 25, 2009

## Toyobo Served with Lawsuits in the U.S. on Bulletproof Vests Using Zylon® Fiber

Toyobo Co., Ltd. (Toyobo) has been served with the following two lawsuits in the U.S. through the procedures specified by the Hague Convention.

- (1) Lawsuit in the United States District Court for the District of Massachusetts dated August 18, 2009
- (2) Lawsuit in the United States District Court for the Southern District of Florida dated July 31, 2009

The details of the lawsuits are as follows.

### 1. Parties Instituting the Lawsuits (Plaintiffs)

- (1) Massachusetts: First Choice Armor & Equipment, Inc.
- (2) Florida: Point Blank Solutions, Inc.

### 2. Causes of Action and Developments Leading to the Filings

In both lawsuits, the plaintiffs are U.S. bulletproof vest manufacturers which produced and sold bulletproof vests using Zylon® fiber produced and sold by Toyobo. The plaintiffs assert that Zylon® fiber had defects and deterioration problems, and that they suffered large monetary losses from product recalls and the cessation of sales of bulletproof vests manufactured using Toyobo's Zylon® fiber as a result of Toyobo's sales of Zylon® fiber while knowing and hiding said defects, etc.

The plaintiffs have filed these lawsuits based on alleged unfair trade practices, fraud and fraudulent inducement (and also based on alleged negligent misrepresentation, breach of express warranty, breach of implied warranty and unjust enrichment in the Florida lawsuit).

The defendants in these lawsuits are Toyobo and Toyobo's U.S. subsidiary Toyobo America, Inc.

### 3. Contents of the Lawsuits and Amounts of Damages Sought

#### (1) Massachusetts Lawsuit

- (a) Contents: Lawsuit seeking payment of damages, etc.
- (b) Damages sought: Recall expenses of \$7,123,569.00 and other compensation for damages as determined by the court.

## (2) Florida Lawsuit

(a) Contents: Lawsuit seeking payment of damages, etc.

(b) Damages sought: Recall expenses of \$5,960,265.07, inventory expenses of \$10,358,766.21 and other compensation for damages as determined by the court.

## 4. Future Response and Impact on Toyobo's Business Performance

Toyobo does not believe that Toyobo's Zylon® fiber is a defective product. Zylon® fiber is a material comprising a portion of the finished products, bulletproof vests, and in both cases we believe the problems lie with the bulletproof vest manufacturers' design, manufacturing and sales. Thus, Toyobo believes that Toyobo should not bear legal responsibility, and Toyobo intends to implement appropriate defense against these lawsuits.

The effects of these lawsuits on Toyobo's business performance are unclear at the present time.

## 5. Other Lawsuits

Toyobo is presently the defendant in multiple suits in the U.S. regarding the above-stated bulletproof vests including suits with the U.S. bulletproof vest manufacturer Second Chance Body Armor Inc. and suits with the U.S. government regarding bulletproof vests manufactured by the company.

Second Chance Body Armor Inc. filed for bankruptcy under the U.S. Bankruptcy Code in October 2004.

For more information, contact:

Toyobo Public Relations Group

pr\_g@toyobo.jp