

Notice of Merger with Wholly-Owned Subsidiary Toyo Kasei Kogyo Co., Ltd.

Toyobo Co., Ltd. ("Toyobo") decided at a meeting of its Board of Directors held on December 25, 2009, to merge with its wholly owned subsidiary Toyo Kasei Kogyo Co., Ltd. (hereafter "Toyo Kasei") and to take over those businesses concerned effective March 1, 2010, as detailed below. The merger agreement with Toyo Kasei was concluded today.

As this is a merger with a wholly-owned subsidiary, certain disclosure items have been omitted in accordance with the guidelines of the Tokyo Securities and Exchange Commission.

1. Objectives of this Merger

In response to the recent abrupt changes in the business environment, the Toyobo Group, in line with its management policy of "reinforcing our foundations, laying the cornerstones for future growth," is taking steps to secure short term earnings and operating cash flow, and to generate and nurture new products and businesses for future growth.

This merger is one measure to expand the scope Toyobo's Specialty businesses for the future. The integration of businesses will align and fuse together Toyo Kasei products, such as modified polyolefin and pharmaceutical intermediates, with Toyobo's specialty products, including films & functional polymers, and life sciences.

Toyobo is seeking further growth by utilizing the management resources of both companies, including their core technologies, R&D, and human resources, under a more agile management structure.

2. Overview of the Merger

(1) Merger Schedule

Merger resolution Board of Directors meeting	December 25, 2009
Conclusion of Merger agreement	December 25, 2009
Merger date (effective date)	March 1, 2010 (tentative)

Because this Merger is based on the provisions of Article 796 Clause 3 of the Companies Act for Toyobo, and the provisions of Article 784 Clause 1 for Toyo Kasei, it is being executed without ratification at the general shareholders meetings of each company.

(2) Method of Merger

Toyobo will be the surviving company, with Toyo Kasei the absorbed company.

(3) Merger Ratio

There shall be no issuance of new shares or cash payment upon this merger.

(4) Toyo Kasei's Share Option and Corporate Bond with Share Option

No share option or corporate bonds with share options have been issued by Toyo Kasei.

3. Outline of the Parties to Merge (as of March 31, 2009)

		Surviving Company	Absorbed Company
(1)	Company name	Toyobo Co., Ltd.	Toyo Kasei Kogyo Co., Ltd.
(2)	Head office location	2-8, Dojima Hama 2-chome, Kita-ku, Osaka	1-16, Dojima 2-chome, Kita-ku, Osaka
(3)	Representative	Ryuzo Sakamoto, President	Kanji Aono, President
(4)	Businesses	Films & functional polymers, industrial materials, life sciences, textiles	Modified polyolefin, carbon disulfide, pharmaceutical intermediates, agricultural intermediates, gas generant
(5)	Capital	¥43,341 million	¥310 million
(6)	Date of establishment	June 26, 1914	December 5, 1929
(7)	Number of shares outstanding (as of September 30, 2009)	Common stock 750,487,922 shares	Common stock 6,000,000 shares
(8)	Net assets	¥133,967 million (Consolidated)	¥3,559 million (Non-consolidated)
(9)	Total assets	¥443,816 million (Consolidated)	¥12,329 million (Non-consolidated)
(10)	Fiscal year-end	March 31	March 31
(11)	Major Shareholders and Ratio of Voting Rights (as of September 30, 2009)	Japan Trustee Services Bank Limited (trust account): 4.01% Nippon Life Insurance Company: 2.92% The Master Trust Bank of Japan, Ltd. (trust account): 2.89% Mizuho Corporate Bank, Ltd.: 1.78% Toyukai: 1.78%	Toyobo Co., Ltd.: 100%

4. Conditions at Toyobo After this Merger

This merger will not result in any changes to Toyobo's trade names, business content, head office location, company representative's position or name, capital, or fiscal period.

5. Future Outlook

The impact of this merger on Toyobo's consolidated performance is expected to be minimal.

For more information, contact:

Toyobo Public Relations Group

pr_g@toyobo.jp