

December 25, 2020
Toyobo Co., Ltd.

To whom it may concern,

Notice regarding the absorption-type merger (simple merger/short-form merger) of a consolidated subsidiary

Toyobo Co., Ltd. (“Toyobo,” hereafter) announces today (December 25, 2020) that it decided at a meeting of the Board of Directors earlier the same day to acquire Toyobo Film Solutions Limited (TFS), one of its wholly owned subsidiaries, through an absorption-type merger effective April 1, 2021. The details of the merger can be found below.

Since the merger took a form of a simple absorption merger of a consolidated subsidiary, we omitted certain disclosure items and content. With this merger, TFS will be disbanded and will no longer be a specified subsidiary of Toyobo.

1. Purpose of the merger

Toyobo decided to acquire TFS through an absorption-type merger with the aim of building an integral and effective system to provide highly functional film products to clients by merging outstanding technologies and product lineups of TFS and Toyobo.

2. Outline of the merger

(1) Merger schedule

A meeting of the Board of Directors that approved the merger contract	December 25, 2020
Signing of the merger contract	December 25, 2020
Date of merger (effective date)	April 1, 2021 (scheduled)

The merger will be carried out without seeking approval on the merger contract at the respective shareholders’ meetings, in accordance with Clause 2, Article 796 of the Companies Act for Toyobo and Clause 1, Article 784 of the Companies Act for TFS.

(2) Merger method

It will be conducted through an absorption merger with Toyobo as the surviving company. With this merger, TFS will be disbanded.

(3) Allocation in merger

There will be no issuance of new shares or payment to TFS involving this merger.

(4) Regarding stock acquisition rights and bonds with stock acquisition rights

TFS, which will cease to exist, has not issued any stock acquisition rights or bonds with stock acquisition rights.

3. Outlines of companies involved in the merger as of September 30, 2020

	Surviving company	Extinct company
(1) Name	Toyobo Co., Ltd.	Toyobo Film Solutions Limited
(2) Address	2-2-8, Dojima Hama, Kita-ku, Osaka, Japan	1-17-10, Kyobashi, Chuo-ku, Tokyo, Japan

(3) Name and title of representative	President Seiji Narahara	President Yoshihiro Nomi
(4) Business operations	Businesses related to films/ functional materials, mobility, lifestyle/environment and life science	Production and sales of films
(5) Capital stock	¥51,730 million	¥10,510 million
(6) Date founded	June 1914	January 2000
(7) Total shares issued	89,048,792 common shares	1,025 common shares
(8) Accounting period	March 31	December 31
(9) The largest shareholders and their shareholding ratios	The Master Trust Bank of Japan, Ltd. (Trust Account): 9.48% Custody Bank of Japan, Ltd. (Trust Account): 6.79% National Mutual Insurance Federation of Agricultural Cooperatives: 4.00% Custody Bank of Japan, Ltd. (Trust Account 9): 3.34% Japan Post Insurance Co., Ltd.: 2.55%	Toyobo Co., Ltd.: 100%
Fiscal conditions and business performances in the last business year		
	Business year ended March 2020 (Consolidated)	Business year ended December 2019 (Non-consolidated)
(10) Net assets	¥182,636 million	¥8,237 million
(11) Total assets	¥488,874 million	¥16,723 million
(12) Net assets per share	¥2,003.01	¥8,036,119.80
(13) Net sales	¥339,607 million	¥24,143 million
(14) Operating profit	¥22,794 million	¥37 million
(15) Ordinary profit or loss	¥18,035 million in profit	¥106 million in loss
(16) Profit or loss attributable to owners of parent	¥13,774 million in profit	¥629 million in loss
(17) Net profit or loss per share	¥155.12 in profit	¥626,765.02 in loss

4. Toyobo's situation after the merger

There will be no change in Toyobo's trade name, the address of the head office, the title and name of representative, business operations, capital stock or the accounting period after the merger.

5. Future prospect

The merger will have only minor effects on Toyobo's consolidated business performance.

For more information, contact:

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