

January 12, 2018

Toyobo Co., Ltd

Regarding cease and desist order and surcharge payment order issued by Japan Fair Trade Commission

Toyobo STC Co., Ltd., a Toyobo Co., Ltd. subsidiary, today received a cease and desist order and a surcharge payment order from the Japan Fair Trade Commission (JFTC) in accordance with the Antimonopoly Act.

Toyobo STC fully cooperated with the JFTC investigation after the commission conducted an inspection on September 13, 2016, over suspicions that Toyobo STC and other uniform companies violated the Antimonopoly Act when they provided uniforms to East Japan Railway Co. (JR East) and West Japan Railway Co. (JR West).

We sincerely apologize to our shareholders, clients and other parties concerned for the anxiety and trouble Toyobo STC's actions have caused. We deeply regret this has occurred and are examining what steps we can take to ensure it does not happen again.

Orders issued by JFTC

1. Outline of cease and desist order

(1) Uniforms for technical and inspection/repair positions for JR East

Toyobo STC has been ordered to confirm it has ceased practices that violated Article 3 of the Antimonopoly Act, which prohibits “unreasonable restraint of trade,” and to take measures ensuring similar practices are not conducted in the future.

(2) Uniforms for JR West

Same as (1).

2. Outline of surcharge payment order

(1) Uniforms for technical and inspection/repair positions for JR East

Surcharge to be paid: ¥1.56 million

(2) Uniforms for JR West

Surcharge to be paid: ¥2.33 million

Toyobo STC applied for a surcharge reduction under the JFTC system to that effect. As a result, the surcharges were reduced by 30 percent in the two cases mentioned above.

3. Toyobo's response

Toyobo takes the fact that the JFTC conducted an inspection on Toyobo STC in 2016 very seriously. Toyobo top management and the entire Toyobo Group has since worked hard to ensure every member of the group complies with all laws, including the Antimonopoly Act.

Toyobo solemnly and sincerely accepted these orders issued by the JFTC. Together with Toyobo STC, Toyobo will further strengthen measures to prevent any recurrence and work hard to regain the trust of our shareholders, clients and other parties.

For more information, contact:

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