

Toyobo Co., Ltd.

President & Representative Director Seiji Narahara

(Stock code: 3101, First Section of the Tokyo Stock Exchange)

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May 22, 2019

To whom it may concern

Notice of stock acquisitions making two firms subsidiaries

Toyobo Co., Ltd. (“the Company”, hereafter) decided at a board of directors meeting today to make Teijin Film Solutions Limited (TFS) and P.T. Indonesia Teijin Film Solutions (ITFS) its subsidiaries through stock purchases. The Company also signed a stock purchase agreement with the firms’ shareholder, Teijin Limited, on the same day. As the capital stocks of TFS and ITFS are each valued at more than 10 percent of that of the Company, each firm will have the status of a “special subsidiary company.” The details of the stock acquisitions are as follows.

1. Reasons for stock acquisitions

The Company, which regards films and coating products as important growth areas, manufactures and sells film products for a wide range of uses, from industrial to packaging. Among its industrial films, recent sales growth has been seen for COSMOSHINE SRFTM (super retarder film), a low moisture-permeable, durable polyester film for eliminating polarization on liquid crystal displays, and for an extremely smooth mold releasing film for MLCC. The Company also produces numerous environmentally friendly, high-performance packaging films, including high oxygen and moisture barrier films capable of extending the shelf life of foods and films used to create thinner packaging to reduce the amount of waste generated.

TFS and ITFS are also engaged in the production and marketing of polyester films. They make various types of release films for industrial use, such as those used in MLCC, which are seeing increased demand for use of electronics in automobiles; high-quality packaging films for can lamination. In addition, they provide signature high-performance polyethylene naphthalate (PEN) films, including insulating films for automobiles and films used in flexible printed circuits.

Through the share acquisitions, the Company will strengthen its ability to develop and manufacture high-performance films. Incorporating TFS's advanced development and production technologies and its broad lineup of products will solidify the foundation of the Company's film business. Placing ITFS under its umbrella will strengthen the Company's overseas production capabilities, helping to develop its film business into a global operation.

2. Outlines of the firms being acquired by the Company

(1) TFS

(1) Name	Teijin Film Solutions Limited		
(2) Address	3-2-1 Kasumigaseki, Chiyoda-ku, Tokyo		
(3) Name and title of representative	President Yoshihiro Noumi		
(4) Business operations	Production and sales of polyester film		
(5) Capital stock	¥10,010 million		
(6) Date founded	January 2000		
(7) Major shareholder and its shareholding ratio	Teijin Limited, 100%		
(8) Relationship between the Company and TFS	Capital relationship	None	
	Personnel relationship	None	
	Business relationship	None	
(9) TFS's business performance and financial position for the last three years			
Accounting period	Fiscal year ended in December 2016	Fiscal year ended in December 2017	Fiscal year ended in December 2018
Net assets (in million yen)	7,697	7,272	8,363
Total assets (in million yen)	19,468	17,802	17,196
Net assets per share (in thousand yen)	7,697	7,272	8,363
Net sales (in million yen)	28,963	27,010	26,095
Operating profit (in million yen)	120	190	1,377
Ordinary profit (loss) (in million yen)	(271)	(38)	1,195
Profit (loss) (in million yen)	45	(340)	1,093
Profit (loss) per share (in thousand yen)	45	(340)	1,093
Dividend per share (in yen)	—	—	—

(2) ITFS

(1) Name of company	P.T. Indonesia Teijin Film Solutions	
(2) Address	JI. M. H. Thamrin, Kel. Panunggan Kec. Pinang, Tangerang 15143 Banten, Indonesia	
(3) Name and title of representative	President and Director Yuichi Hanawa	
(4) Business operations	Production and sales of polyester film	
(5) Capital stock	77.4 million U.S. dollars	
(6) Date founded	March 1996	
(7) Major shareholders and their holding ratios	Teijin Limited 377,990 shares (99.998%) Teijin Film Solution Limited 10 shares (0.002%)	
(8) Relationship between the Company and ITFS	Capital relationship	None
	Personnel relationship	None
	Business relationship	None

(9) ITFS's business performance and financial position for the last three years (USD denotes U.S. dollars)

Accounting period	Fiscal year ended in December 2016	Fiscal year ended in December 2017	Fiscal year ended in December 2018
Net assets (in million USD)	17	15	15
Total assets (in million USD)	22	22	23
Net assets per share (in USD)	46	40	40
Net sales (in million USD)	20	20	25
Operating profit (loss) (in million USD)	(2)	(2)	0
Ordinary profit (loss) (in million USD)	(3)	(2)	0
Profit (loss) (in million USD)	(3)	(2)	0
Profit (loss) per share (in USD)	(9)	(6)	0
Dividend per share (in USD)	—	—	—

3. Outline of company from which shares will be acquired

(1) Name	Teijin Limited	
(2) Address	3-2-4 Nakanoshima, Kita-ku, Osaka City, Osaka Prefecture	
(3) Name and title of representative	President and CEO Jun Suzuki	
(4) Business operations	Research and development, manufacturing and sales of synthetic fibers and chemical products	
(5) Capital stock	¥71,833 million (As of March 31, 2019)	
(6) Date founded	June 1918	
(7) Consolidated net assets	¥427,212 million (As of March 31, 2019)	
(8) Consolidated total assets	¥1,020,654 million (As of March 31, 2019)	
(9) Major shareholders and their shareholding ratios (as of September 30, 2018)	Japan Trustee Services Bank, Ltd.	15.41 %
	The Master Trust Bank of Japan, Ltd.	8.41 %
	Nippon Life Insurance Company	3.77%
(10) Relationship between the Company and Teijin	Capital relationship	None
	Personnel relationship	None
	Business relationship	None

4. Number of shares acquired, monetary value of the acquired shares, shareholdings before and after the acquisition

(1) Numbers of shares owned by the Company before the stock transfer	TFS	0 (–%)
	ITFS	0 (–%)
(2) Number of shares to be acquired	TFS	1,000 shares (100%)
	ITFS	378,000 shares (100%)*
(3) Value of acquired shares	The monetary value of the acquired shares is expected to be about ¥10 billion, though this is subject to change from adjustments made at the time of the share transfer.	
(4) Numbers of shares owned by the Company after the stock transfer	TFS	1,000 shares (100%)
	ITFS	378,000 shares (100%)*

*The number of shares in ITFS the Company will obtain includes 10 shares held by TFS.

5. Schedule

(1) Date of Board of Directors decision	May 22, 2019
(2) Date of agreement signing	May 22, 2019
(3) Date of stock transfer	Scheduled for October 1, 2019

6. Future prospects

We will reveal any effects the stock acquisition will have on the consolidated business performance for the current fiscal year ending March 2020 in a timely manner and appropriately whenever any such announcement is deemed necessary in light of the rules of the Stock Exchange.

(Reference) Projection of consolidated business performance for the current fiscal year (announced in May 9, 2019) and consolidated business performance for the previous fiscal year

	Net sales	Operating profit	Ordinary profit	Profit (loss) attributable to owners of parent	Profit (loss) per share
Projection of consolidated business performance for current fiscal year	350,000 million yen	22,000 million yen	18,000 million yen	17,000 million yen	191 yen 51 sen
Consolidated business performance of previous fiscal year (ended in March 2019)	336,698 million yen	21,727 million yen	17,788 million yen	(603 million yen)	(6 yen 80 sen)