

December 22, 2009

Toyota Boshoku Corporation
Kawashima Selkon Textiles Co., Ltd.
Toyota Tsusho Corporation

Conclusion of Agreement on Business Merger for Transportation Interior Materials

Since the “Basic Agreement on Establishment of A New Merger Company for Transportation Interior Materials” (hereinafter referred to as “Basic Agreement”) reached on June 18, 2009, Toyota Boshoku Corporation (“Toyota Boshoku”), Kawashima Selkon Textiles Co., Ltd. (“Kawashima Selkon Textiles”) and Toyota Tsusho Corporation (“Toyota Tsusho”) have been discussing merger of such businesses (“This Business Merger”), and we are pleased to advise that we have agreed on the details of This Business Merger and concluded a merger agreement today.

1. Objective of This Business Merger

The circumstances surrounding present industry of transportation interior materials are structurally very difficult owing to worldwide decrease of car production volume, severe cost competition etc. To survive this intensifying competition, it has become an urgent issue to promote further rationalization and streamlining as well as globalization to cope with the global market demand and to strengthen product development capability aiming to enhance functionality and design.

Utilizing respective advantages of the three companies, we will enhance business competitiveness and strengthen global operation through This Business Merger by

- 1) strengthening the sales, development and production bases by cooperating to achieve synergic effects across areas of technological expertise, customer base, business field and geographical region, and achieving improved efficiency through integrated process of operation, and
- 2) establishing fabric development and production system capable of creating both cutting edge designs and highly functional fabrics that not only reflect the particular requirements of the whole car interior spaces but which also take into account environmental and health concerns.

2. Method of This Business Merger

- 1) Toyota Boshoku, Kawashima Selkon Textiles and Toyota Tsusho to establish a new company, TB Kawashima Co., Ltd. (“TB Kawashima” as released on June 18, 2009) as of December 22, 2009.
- 2) Kawashima Selkon Textiles to split out interior material business for automobiles, trains and aircrafts, which TB Kawashima to succeed. (hereinafter called “This Company Split <Kawashima Selkon Textiles>”

- 3) Toyota Boshoku to split out transportation interior material business, which TB Kawashima to succeed effective April 1, 2010 (hereinafter called “This Company Split <Toyota Boshoku>”), and together with This Company Split <Kawashima Selkon Textiles> collectively, “This Company Split”)
- 4) TB Kawashima and Tatsumura Textile AI Co., Ltd. (“Tatsumura Textile AI”) to merge by absorption with TB Kawashima as surviving corporation and Tatsumura Textile AI as expired corporation (“This Merger”).
- 5) Kawashima Selkon Textiles to transfer a part of its shares in TB Kawashima to Toyota Boshoku and Toyota Tsusho effective April 1, 2010.

3. Profile of the companies involved with This Merger

(1) Profile of the New Company

- 1) company name: TB Kawashima Co., Ltd.
- 2) registered address: 1-1, Toyoda-cho, Kariya, Aichi
- 3) head office address: 923 Toendo, Aisho-cho, Echi-gun, Shiga
- 4) shareholding:

| | |
|---------------------------|-----|
| Toyota Boshoku | 39% |
| Kawashima Selkon Textiles | 39% |
| Toyota Tsusho Group | 22% |
- 5) capital:

| | |
|-------------------|---------------------------|
| December 22, 2009 | 1 million yen |
| April 1, 2010 | 490 million yen (planned) |
- 6) fiscal year: ends March 31
- 7) representative: Tsuyoshi Kuriyamoto
- 8) business operations: manufacture and sale of transportation interior materials
- 9) products: fabrics for seat/door, headliners & other interior materials
- 10) company formation: December 22, 2009
- 11) number of employees: 1,350 (April 1, 2010 planned)
- 12) board members:

| | |
|--------------------------------------|--|
| President & Representative Director: | Tsuyoshi Kuriyamoto (Adviser of Toyota Boshoku) |
| Representative Director: | Suzuo Kato (Managing Director of Kawashima Selkon Textiles) |
| Director: | Naoya Enomoto (Representative Director of Tatsumura Textiles AI) |
| Director (non-executive): | Shuhei Toyoda (President of Toyota Boshoku) |
| Director (non-executive): | Koji Iida (Managing Director of Toyota Boshoku) |
| Director (non-executive): | Masao Nakanishi (President of Kawashima Selkon Textiles) |
| Director (non-executive): | Katsunori Takahashi (Vice Chairman of Toyota Tsusho) |
| Corporate Auditor (non-executive): | Kenichi Noda (Managing Officer of Toyota Boshoku) |

Note: The profile of the New Company has been partly changed from the contents released as per “Basic Agreement on Establishment of A New Merger Company for Transportation Interior Materials” dated June 18, 2009.

(2) Profile of Companies Involved

| | | | |
|------------------------------------|---|---|---|
| 1. company name | Toyota Boshoku Corporation (Split Company) as of March 31, 2009 | Kawashima Selkon Textiles Co., Ltd. (Split Company) as of March 31, 2009 | Tatsumura Textile AI Co., Ltd. (Expired Corporation by absorption merger) as of March 31, 2009 |
| 2. business | manufacture and sale of automotive parts and textile products | manufacture and sale of traditional clothing & artistic textiles, automotive interior materials and interior decoration products | development, manufacture, finishing and sale of transportation fabrics |
| 3. date of establishment | January 1918 | May 1938 | February 2001 |
| 4. registered address | 1-1, Toyoda-cho, Kariya, Aichi | 265 Ichihara-cho, Shizuichi, Kyoto | 1-11-1, Mikawaanjo-cho, Anjo, Aichi |
| 5. title/name of representative | Shuhei Toyoda, President & Representative Director | Masao Nakanishi, President & Representative Director | Naoya Enomoto, Representative Director |
| 6. capital | JPY 8,400 million | JPY 8,277 million | JPY 310 million |
| 7. outstanding shares | 187, 665, 738 shares | 93,903,222 shares | 6,200 shares |
| 8. stockholders' equity | JPY 122, 235 million | JPY 8,567 million | JPY 320 million |
| 9. total assets | JPY 338,768 million | JPY 42,139 million | JPY 1,368 million |
| 10. fiscal year end | March 31 | March 31 | March 31 |
| 11. number of employees | 7,579 | 1,323 | 59 |
| 12. major business partners | Customers: Toyota Motor Corporation Toyota Auto Body Co., Ltd. Denso Corporation Suppliers: Toyota Motor Corporation Aisin Seiki Co., Ltd. Inoac Corporation | Customers: Honda Motor Co., Ltd. Hayashi Telempu Co., Ltd. Johnson Controls K.K. Suppliers: Chori Co., Ltd. N. I. Teijin Shoji Co., Ltd. Tachikawa Corporation | Customers: Toyota Tsusho Corporation Suzuki Motor Corporation Fuji Heavy Industries Ltd. Namba Press Works Co., Ltd. Inoac Corporation Suppliers: Teijin Tecloth Ltd. Teijin Nestex Limited Yamaguchi Knit Co., Ltd. Inoac Corporation |

| | | | |
|---|---|--|---------------------------------------|
| 13. major shareholders and shareholding ratio | Toyota Motor Corporation 39.36% | Raison Investment Limited Partnership 8.51% | Toyota Tsusho Corporation 70.02% |
| | Towa Real Estate Co., Ltd. 9.78% | Kawashima Orimono Selkon Kyoei-kai, shareholding association organized by business partners 5.27% | Teijin Tecloth Ltd. * 19.98% |
| | Denso Corporation 5.43% | Kawashima Orimono Selkon Employees' Shareholding Association 4.69% | Tatsumura Textile Co., Ltd. 10.00% |
| | Japan Trustee Service Bank, Ltd. 4.95% | Sumitomo Mitsui Banking Corporation 4.15% | |
| | Toyota Industries Corporation 4.13% | Japan Trustee Service Bank, Ltd. 3.38% | |
| | NHK Spring Co., Ltd. 3.85% | Hayashi Telempu Co., Ltd. 3.19% | |
| 14. major financing banks | Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corporation | Sumitomo Mitsui Banking Corporation, Bank of Tokyo-Mitsubishi UFJ, Ltd., Bank of Kyoto, Ltd., Resona Bank, Limited | |

* changed to Teijin Fibers Limited as of December 1

15. Business performances in recent 3 fiscal years (consolidated)

(unit: millions of yen; for index per share, yen)

| | Toyota Boshoku Corporation (Split Company) | | | Kawashima Selkon Textiles Co., Ltd. (Split Company) | | | Tatsumura Textile AI Co., Ltd. (Expired Corporation by absorption merger) | | |
|----------------------|---|---------------|---------------|---|---------------|---------------|--|---------------|---------------|
| fiscal year | March 2007 | March 2008 | March 2009 | March 2007 | March 2008 | March 2009 | March 2007 | March 2008 | March 2009 |
| net sales | 1,082,755 | 1,233,789 | 979,775 | 80,649 | 85,833 | 73,186 | 6,101 | 7,023 | 5,515 |
| operating income | 48,381 | 65,596 | 14,054 | 409 | 513 | △610 | 126 | 132 | 3 |
| ordinary income | 52,143 | 65,696 | 13,292 | 221 | 192 | △808 | 134 | 132 | 7 |
| net income | 30,105 | 40,720 | △5,064 | 46 | 815 | △4,127 | 125 | 70 | △6 |
| net income per share | 160.76 | 217.76 | △27.15 | 0.50 | 8.71 | △44.10 | 20,296.33 | 11,345.03 | △976.74 |
| dividend per share | 24.09 | 35.00 | 20.00 | — | — | — | — | 2,630 | — |
| net assets per share | 858.86 | 997.43 | 848.01 | 142.32 | 149.35 | 91.12 | 43,928.93 | 55,273.97 | 51,667.22 |

4. Outline of business divisions to be split

(1) outline of businesses to be split

The business of Toyota Boshoku to be split concerning This Company Split <Toyota Boshoku> is business related to development, manufacture and sale of transportation interior materials of Toyota Boshoku.

The business of Kawashima Selkon Textiles to be split concerning This Company Split <Kawashima Selkon Textiles> is business related to development, manufacture and sale of interior materials for automobiles, trains, aircrafts etc.

(2) Operating results of the divisions to be split in fiscal year ending March 2009 (consolidated)

| | Toyota Boshoku (Split Company) | | | Kawashima Selkon Textiles (Split Company) | | |
|-----------|--------------------------------|--------------|----------------------|---|--------------|----------------------|
| | split business (A) | total (B) | ratio (A)/(B)×100 | split business (A) | total (B) | ratio (A)/(B)×100 |
| net sales | 1,962 | 979,775 | 0.2% | 23,793 | 73,186 | 32.51% |

5. Forecast and impact of This Merger on business results

Impact on consolidated and individual business results of Kawashima Selkon Textiles will be advised as soon as they are fixed.

Impact on consolidated and individual business results of Toyota Boshoku is expected to be insignificant.

Impact on consolidated and individual business results of Toyota Tsusho is expected to be insignificant.