

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 Teclath 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 Teclath 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)

fiscal year	Toyota Boshoku Corporation (Split Company)			Kawashima Selkon Textiles Co., Ltd. (Split Company)			Tatsumura Textile AI Co., Ltd. (Expired Corporation by absorption merger)		
	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.