

Company Name: Takiron Co., Ltd.  
 Representative: Katsumori Hyodo, the Representative Director  
 & President  
 Stock Code: 4215; First Section of Tokyo Stock Exchange

Company Name: C.I. Kasei Company, Limited  
 Representative: Tetsushi Ishizuka, the Representative Director  
 & President

## Notice of Conclusion of Definitive Agreement Regarding a Business Integration between Takiron Co., Ltd. and C.I. Kasei Company, Limited.

Takiron Co., Ltd. (“TAKIRON”) and C.I. Kasei Company, Limited (“CIK”) announced in the “Notice of Conclusion of Basic Agreement on Business Integration between TAKIRON and CI K.” dated August 5, 2016 that they were proceeding with detailed examinations and discussions with the aim of executing a business integration between both companies based on a spirit of equality. Further to that notice, TAKIRON and CIK announced the following today as they have reached to a conclusion to carry out a merger (“the Merger”) and have concluded a merger agreement (the “Merger Agreement”), and also have concluded a business integration agreement between three parties including ITOCHU Corporation (“ITOCHU”), who is the largest shareholder of TAKIRON and the parent company of CIK as well, on this day.

The Merger will take effect on April 1, 2017 on the condition that the Merger Agreement is approved at TAKIRON’s extraordinary general meeting of shareholders to be held on February 24, 2017 and by the competent authorities.

The companies will carry out an absorption-type merger. The Merger will be carried out based on a spirit of equality, but once the Merger procedures are completed, TAKIRON will be the company that survives the absorption-type merger (the “Surviving Company”), and CIK will be the absorbed company (the “Absorbed Company”).

### 1. Outline of the Companies Subject to the Merger

	TAKIRON	CIK
(1) Company Name	Takiron Co., Ltd. (Surviving Company)	C.I. Kasei Company Limited (Absorbed Company)
(2) Location of Head Office	1-3 Umeda 3-chome, Kita-ku, Osaka	18-1 Kyobashi 1-chome, Chuo-ku, Tokyo
(3) Representative	Katsumori Hyodo, the Representative Director & President	Tetsushi Ishizuka, the Representative Director & President

(4) Business Description	Manufacturing and sale of plastics and plastic products	Manufacturing and sale of plastics and plastic products																										
(5) Capital	15,189 million yen (as of September 30, 2016)	5,500 million yen (as of September 30, 2016)																										
(6) Date Founded	December 20, 1935	January 24, 1963																										
(7) Number of Outstanding Shares	78,698,816 shares (as of September 30, 2016)	36,022,000 shares (as of September 30, 2016)																										
(8) Fiscal Year	March 31	March 31																										
(9) Number of Employees	(Nonconsolidated) 612 (Consolidated) 1,898 (as of September 30, 2016)	(Nonconsolidated ) 650 (Consolidated) 1,664 (as of September 30, 2016)																										
(10) Main Business Partners	(Sales) Takiron Matex Co., Ltd. YAMASO Co., Ltd. Watanabe Pipe Co., Ltd. (Procurement) ITOCHU	(Sales) C.I. Matex Corporation BONLEX EUROPE S.r.l. ITOCHU (Procurement) ITOCHU																										
(11) Main Banks	The Bank of Tokyo-Mitsubishi UFJ Sumitomo Mitsui Trust Bank Sumitomo Mitsui Banking Corporation	Mizuho Bank Sumitomo Mitsui Trust Bank The Bank of Tokyo-Mitsubishi UFJ Sumitomo Mitsui Banking Corporation																										
(12) Major Shareholders and Share Ratio	<table border="0"> <tr> <td>ITOCHU</td> <td>30.11%</td> </tr> <tr> <td>TAKIRON Kyowakai</td> <td>6.11%</td> </tr> <tr> <td>The Master Trust Bank of Japan, Ltd. (trust account)</td> <td>2.24%</td> </tr> <tr> <td>Sekisui Jushi Corporation</td> <td>1.83%</td> </tr> <tr> <td>Japan Trustee Service Bank, Ltd. (trust account)</td> <td>1.77%</td> </tr> <tr> <td>Nippon Life Insurance Company</td> <td>1.76%</td> </tr> <tr> <td>Kaneka Corporation</td> <td>1.67%</td> </tr> <tr> <td>CBNY DFA INTL SMALL CAP VALUE PORTFOLIO</td> <td>1.52%</td> </tr> <tr> <td>Tosoh Corporation</td> <td>1.36%</td> </tr> <tr> <td>Sompo Japan Nipponkoa Insurance Inc.</td> <td>1.25%</td> </tr> </table> (as of September 30, 2016)	ITOCHU	30.11%	TAKIRON Kyowakai	6.11%	The Master Trust Bank of Japan, Ltd. (trust account)	2.24%	Sekisui Jushi Corporation	1.83%	Japan Trustee Service Bank, Ltd. (trust account)	1.77%	Nippon Life Insurance Company	1.76%	Kaneka Corporation	1.67%	CBNY DFA INTL SMALL CAP VALUE PORTFOLIO	1.52%	Tosoh Corporation	1.36%	Sompo Japan Nipponkoa Insurance Inc.	1.25%	<table border="0"> <tr> <td>ITOCHU</td> <td>98.33%</td> </tr> <tr> <td>Sumitomo Chemical Co., Ltd.</td> <td>1.60%</td> </tr> <tr> <td>Denka Co., Ltd.</td> <td>0.07%</td> </tr> </table> (as of September 30, 2016)	ITOCHU	98.33%	Sumitomo Chemical Co., Ltd.	1.60%	Denka Co., Ltd.	0.07%
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(13) Business Performance and Financial Conditions for the Past 3 Years (Consolidated)						
Fiscal Year	TAKIRON			CIK		
	Ended March 31, 2014	Ended March 31, 2015	Ended March 31, 2016	Ended March 31, 2014	Ended March 31, 2015	Ended March 31, 2016
Net Assets (million yen)	45,460	47,501	46,461	19,242	21,239	22,094
Total Assets (million yen)	85,643	84,018	88,087	76,808	78,971	72,856
Net Assets per Share (yen)	626.80	659.46	644.22	683.63	753.93	785.34
Sales (million yen)	72,856	70,352	72,958	80,844	74,793	75,799
Operating Profit (million yen)	6,269	3,638	3,793	2,557	1,939	2,430
Ordinary Profit (million yen)	6,351	3,804	3,946	2,530	2,216	2,598
Net Profit (million yen)	3,788	2,168	2,746	1,314	1,679	1,646
Net Profit per Share (yen)	52.88	30.50	38.66	37.20	61.86	60.64
Dividends per Share (yen)	14.00	14.00	14.00	12.10	15.40	30.30

## 2. Post-Merger

	Surviving Company	
(1) Company Name	C.I. TAKIRON Corporation	
(2) Location of Head Office	1-3 Umeda 3-chome, Kita-ku, Osaka	
(3) Representative	Yosuke Minamitani, the Representative Director & President (Currently the Representative Director & Vice President of TAKIRON)	
(4) Business Description	Manufacturing and sale of plastics and plastic products	
(5) Capital	15,189 million yen	
(6) Fiscal Year	March 31	
(7) Major Shareholders and Share Ratio	ITOCHU	51.00%
	TAKIRON Kyowakai	4.93%
	The Master Trust Bank of Japan, Ltd. (trust account)	1.81%
	Sekisui Jushi Corporation	1.48%
	Japan Trustee Service Bank, Ltd. (trust account)	1.43%
	Nippon Life Insurance Company	1.42%
	Kaneka Corporation	1.35%
	CBNY DFA INTL SMALL CAP VALUE PORTFOLIO	1.23%
	Tosoh Corporation	1.10%
	Sompo Japan Nipponkoa Insurance Inc.	1.01%

End