

September 11, 2020

Company Name: TOYO INK SC HOLDINGS CO., LTD.

Representative: Satoru Takashima, President and Representative Director, Group COO

(Code: 4634, First Section of the Tokyo Stock Exchange)

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**Announcement of Merger of Consolidated Subsidiaries in Accordance with
the Reorganization of Polymers and Coatings Related Business**

Toyo Ink SC Holdings Co., Ltd. announces that its Board of Directors at their meeting today resolved to merge its wholly owned subsidiaries Toyochem Co., Ltd. and Toyo ADL Corporation to reorganize its polymers and coatings related business. Details are as follows.

1. Purpose of the merger

The purpose of this merger is to expand the business domains of the Group's adhesives and natural extracts by generating synergy through integrating Toyochem Co., Ltd., which develops a broad range of polymers and coatings products, including environmentally friendly adhesive products, for the packaging, industrial materials and electronics markets, and Toyo ADL Corporation, which provides value to environmental businesses with a specialized lineup of solvent free hot melt products and natural extract products.

While maintaining the brands cultivated by Toyo ADL Corporation, the Toyo Ink Group will strengthen our ability to propose solutions for the problems of our customers. By developing innovative products and services in the packaging and industrial materials, electronics, and medical and healthcare markets, the Group aims to contribute to the resolution of social issues.

2. Summary of the merger

(1) Schedule of the merger

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| • Board of Directors meeting to approve the merger: | October 2020 (Scheduled) |
| • Conclusion of the merger agreement: | October 2020 (Scheduled) |
| • General meeting of shareholders to approve the merger agreement: | October 2020 (Scheduled) |
| • Date of the merger (effective day): | January 1, 2021 (Scheduled) |

(2) Method of the merger

This will be an absorption-type merger with Toyochem Co., Ltd. as the surviving company.

(3) Contents, etc. of allotments pertaining to the merger

As this is a merger between wholly owned subsidiaries, there is no agreement on a merger ratio. There were no

changes in the issuance of new shares or capital stock as a result of the merger.

(4) Rights and obligations of the successor company in survival

Toyochem Co., Ltd. succeeds all assets and liabilities, employment contracts, contractual statuses, and other rights and obligations from Toyo ADL Corporation.

3. Outline of the companies subject to the merger (as of December 31, 2019)

	Surviving company	Absorbed companies
Company name	Toyochem Co., Ltd.	Toyo ADL Corporation.
Details of Business	Manufacture and sale relating to Polymers and Coatings product.	Manufacture and sale of chemicals such as industrial waxes, coatings, impregnating agents, adhesives, and cosmetics, food and food additives.
Date of incorporation	April 1, 2011	March 25, 1975
Location of the head office	2-1, Kyobashi 2-chome, Chuo-ku, Tokyo	2-1, Kyobashi 2-chome, Chuo-ku, Tokyo
Representative	Toshinori Machida	Kotaro Yoshida
Capital stock	500 million yen	480 million yen
Number of shares issued	10,000 shares	960,000 shares
Total Assets	27,766 million yen	3,907 million yen
Net assets	6,067 million yen	2,935 million yen
Fiscal year end	December 31	December 31
Number of employees	508 employees	76 employees

4. Circumstance after the merger

(1) Company name: Toyochem Co., Ltd.

(2) Details of Business: Manufacture and sale of polymers and coatings related products, and cosmetics, food and food additives

(3) Head Office: 2-1, Kyobashi 2-chome, Chuo-ku, Tokyo

(4) Representative: Toshinori Machida

(5) Capital stock: 500 million yen

(6) Fiscal year end: December 31

5. Impact on business

There will be no impact on the Toyo Ink Group's consolidated business results for this term as this is a merger between consolidated subsidiaries.

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