

June 30, 2017
Toray Industries, Inc.

Toray to strategically invest into a leading textiles manufacturer in Hong Kong — Investment in Pacific Textiles Holdings Ltd. —

Toray Industries, Inc. (head office: Chuo-ku, Tokyo; President: Akihiro Nikkaku; hereinafter referred to as “Toray”) today announced that it has agreed to acquire shares in Pacific Textiles Holdings Ltd. (head office: Hong Kong, Chairman: Wan Wai Loi; hereinafter referred to as “Pacific Textiles”) to pursue its global strategic expansion and synergy effects through supply chain integration and collaboration.

Toray has signed a share purchase agreement today to acquire 28.03% stake in Pacific Textiles (comprising of 405,394,000 ordinary shares) from Far East Asia Limited, a company solely owned by Mr. Ip Ping Im, a director of Pacific Textiles, and from his wife, Mrs. Ip for a total consideration of HK\$4,053,940,000 (approx. 59 billion yen), representing a per share price of HK\$10.00. Closing is expected to occur mid-July 2017.

Engaged in the manufacturing and trading of textile products since 1997, Pacific Textiles is now a leading manufacturer of customized knitted fabrics with a focus on complex, value-added fabrics, and has a high profit yield thanks to its enhanced operational efficiency and effective cost control measures. Its principal manufacturing facility is located in Panyu, China and is well-equipped with advanced production facilities, including a scalable water treatment facility and cogeneration power plant. In addition, it also has a manufacturing plant in Vietnam.

Pacific Textiles and Toray have been developing new fabrics together, and Pacific Textiles has been indirectly supplying fabrics to Toray. As a long-time partner of Pacific Textiles, Toray is ideally placed to work closely with Pacific Textiles. Through this strategic investment, Toray expects to strengthen its business relationship with Pacific Textiles and further align the interests of the two groups. By leveraging Toray's strengths in raw materials and Pacific Textiles' value-added knitting services, both groups are positioned to innovate and improve products to their end clients, as well as penetrating into new geographies and adjacent segments.

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Profile of Pacific Textiles Holdings Ltd. (PTHL)

- (1) Business: Production and sales of knitted, dyed and printed fabrics
- (2) Head Office: Hong Kong (listed on the Hong Kong Stock Exchange in 2007 with stock code 1382)
- (3) Established: 1997
- (4) Corporate Representative: Wan Wai Loi (Chairman & CEO)
- (5) Consolidated Revenue: approx. 6.0 billion HKD (approx. 83.7 billion yen) (as of March 31, 2017)
- (6) Consolidated Operating Profit: approx. 1.1 billion HKD (approx. 14.8 billion yen) (as of March 31, 2017)
- (7) No. of Full-Time Employees: 5,267 (as of March 31, 2017)
- (8) Factory locations: China, Vietnam

For more information: [http:// http://www.pacific-textiles.com/](http://www.pacific-textiles.com/)