



National Settlement Concerning Body Armor Containing Zylon® Made by Second Chance Body Armor

Osaka, Japan, July 12, 2005 – Toyobo Co., Ltd. has reached a nationwide settlement with purchasers of bullet resistant vests designed, manufactured and sold by Second Chance Body Armor Inc. that contain Zylon® fiber manufactured by Toyobo. The settlement was filed in Mayes County District Court in Oklahoma late Tuesday and was granted preliminary approval by Judge James Goodpaster.

Under the agreement Toyobo will pay \$29 million dollars into a settlement fund so that police officers and other purchasers can buy replacement vests for their Second Chance vests containing Zylon. The settlement applies to purchasers of Second Chance's Ultima, Ultimax, and Triflex vests that contain Zylon.

Also under the agreement, Armor Holdings, the largest body armor manufacturer, offers a full range of Zylon and non-Zylon vests at deeply discounted prices with full five-year warranties to the settlement participants.

“By creating the settlement fund, Toyobo is putting officer safety first and providing the means for police officers to purchase the replacement vests they need today,” said Masakazu Saito, General Manager of Toyobo's Zylon Department. “We have always stood by Zylon. We continue to make Zylon and many leading armor manufacturers use it to make vests that meet federal standards.”

Toyobo is providing prompt and practical assistance to the law enforcement community for the problems Second Chance created when it sold vests that did not satisfy its own warranty. This was compounded when Second Chance refused to take responsibility for its vests and failed to provide any meaningful assistance to law enforcement customers.

The settlement will not cover any person who has suffered a personal injury, the federal government, or state governments' assertions regarding police powers of claims or of any other non-parties.

This agreement does not include co-defendant Second Chance, which is now in Chapter 11 bankruptcy proceedings in the U.S. District Court for the Western District of Michigan. Toyobo will pursue all legal remedies against Second Chance for its conduct, including false claims Second Chance has made against Toyobo and Zylon.

The agreement has been reached between Toyobo and Allan Kanner of Allan Kanner &

Associates, PLLC of New Orleans, who represents the plaintiffs.

Toyobo continues to provide its customers with information regarding the characteristics of Zylon fiber and instructs them to test their Zylon-containing vests to ensure that they are safe and appropriate for use for the warranted life of the product.

Toyobo Co., Ltd. is a versatile multi-national company based in Osaka, Japan active in chemicals, fibers, textiles, films, biochemicals, and pharmaceutical products. Toyobo was founded in 1882. Toyobo stock is traded on the Tokyo Stock Exchange.

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