



## **STOLLE MACHINERY**

September 30, 2011

Valued Stolle Customer,

We have an exciting announcement about the next step in Stolle Machinery's evolution. Today we entered into an agreement to sell Stolle to Toyo Seikan Kaisha, Ltd., an \$8.5B global packaging company with headquarters in Tokyo, Japan.

Toyo has been a Stolle customer for years, and we have always enjoyed a warm and highly productive business relationship. While we are in the process of a change in ownership, we expect business to continue as usual. Until the completion of this transaction, Stolle will continue to operate as usual, with no disruption to service or deliveries.

Post-closing, Toyo management has indicated that they expect to operate Stolle as a separate entity, continuing the levels of service and quality you have come to depend on from us. Toyo values our team and culture and we expect a smooth transition during the ownership change.

Should you have questions at any time, please feel free to reach out to your primary Stolle contact or anyone on our management team. Thank you for your continuing support, friendship and understanding as we move to the next chapter in our long and innovative history.

Warm Regards,

***Gus Reall***

President

Stolle Machinery Co, LLC

### **Stolle Machinery Company, LLC**

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September 30, 2011

To whom it may concern

Company Name: Toyo Seikan Kaisha, Ltd.  
Representative: Shunji Kaneko,  
President  
(Code Number: 5901; Listing: First Sections of Tokyo  
Stock Exchange and Osaka Securities Exchange)  
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### **Announcement regarding the Acquisition of Stolle Machinery Company, LLC**

On September 30, 2011 (Japan Time), Toyo Seikan Kaisha, Ltd. ("Toyo Seikan") entered into a definitive agreement with the parent company of Stolle Machinery Company, LLC (Headquarters: Colorado, United States of America, "Stolle") and GSO Capital Partners LP ("GSO"), as representative of Stolle shareholders, pursuant to which Toyo Seikan will acquire Stolle, a global industry leader in can and end making machinery (the "Transaction").

#### **1. Outline of the Transaction**

Toyo Seikan will acquire all shares of Stolle from certain funds managed by GSO, as well as Stolle's other shareholders. The Transaction will be conducted through a reverse cash merger whereby Can Machinery Holdings, Inc., which indirectly holds all shares of Stolle, will merge with TSK Merger Corporation, a special purpose vehicle established by Toyo Seikan in the United States of America, upon which Stolle will become a wholly owned subsidiary of Toyo Seikan. The enterprise value based purchase price is approximately \$775 million dollars (approximately 59.7 billion yen). Closing of the Transaction is subject to, among other conditions, receiving competition law approvals in relevant countries, upon which the merger and payment of consideration will take place.

(Note) The above amount in yen is based on an exchange rate of USD1=JPY77

#### **2. Background and Objectives of the Transaction**

Recent business conditions have become increasingly difficult for the Toyo Seikan Group as a result of a continuous decline in domestic container demand, intense competition with rival container manufacturers, customers' expansion of their in-house PET bottle production capacities, and increases in raw material and energy costs.

In such a business environment, Toyo Seikan has entered the second year of its "Second Mid-Term Business Plan", which runs from FY2010 through FY2012. The "Second Mid-Term Business Plan" aims to secure the profitability of the existing domestic business and strategically shift the axis of future growth to Overseas Operations and New Business in order to maximize its corporate value.

Stolle is the largest can and end making machinery manufacturer and has been involved in design, development,

manufacture and supply of can and end making equipment since its foundation 140 years ago. Furthermore, it has led the industry by developing technology and manufacturing processes. Stolle has a global footprint, with sales in North America and Europe as well as in emerging markets including the Middle East, Latin America, Asia and Africa where significant growth is expected. Stolle is an industry leader in the major can and end making machinery products. Toyo Seikan believes the Transaction will make it possible for Stolle to deliver products that incorporate Toyo Seikan’s proprietary development technology on a global scale, and, as a result, significantly contribute to the growth of the can making industry as a whole.

Toyo Seikan’s rationale for the Transaction is as follows:

- (1) Make a preparatory step for future development of Overseas Operations
- (2) Establish a robust vertically structured business model between the packaging and machinery businesses
- (3) Create synergies with Toyo Seikan’s existing machinery business

Toyo Seikan is committed to supporting the continued growth and enhancement of Stolle’s existing operations, products, and technology. Furthermore, post acquisition, Toyo Seikan will continue supporting Stolle’s business and management independence to respect Stolle’s current relationships with its key clients.

3. Outline of Stolle

(1) Name of the Company	Stolle Machinery Company, LLC	
(2) Business Description	Development, manufacture and supply of can and end making machinery, equipment, and related services	
(3) Representative	Robert Isaman, Chief Executive Officer	
(4) Headquarters	Centennial, Colorado, United States of America	
(5) Fiscal Year End	December 31	
(5) Capital	1.4 million US dollars (as of December 31, 2010)	
(6) Sales	246 million US dollars (FY2010)	
(7) Total Assets	600 million US dollars (as of December 31, 2010)	
(8) Foundation	1870 (as Stolle since 2004)	
(9) Major Shareholders	Funds managed by GSO Capital Partners LP and others	
(10) Number of Employees	421 (as of December 31, 2010)	
(11) Relationships between Toyo Seikan and Stolle	Capital relationships	None
	Personal relationships	None
	Business relationships	Toyo Seikan purchases can and end making machinery and spare parts from Stolle through distributors

#### 4. Outline of the Major Sellers

(1) Name of the Company	Funds managed by GSO Capital Partners LP	
(2) Headquarters	New York, NY, United States of America	
(3) Business Description	Investment Adviser	
(4) Relationships between Toyo Seikan and the Major Sellers	Capital relationships	None
	Personal relationships	None
	Business relationships	None

(Note) The above headquarters and business description are those of GSO Capital Partners LP

#### 5. Schedule

We anticipate that the Transaction will close prior to the end of December 2011 subject to receiving the competition law approvals in relevant countries.

#### 6. Future Outlook

The financial impact of the Transaction on Toyo Seikan's consolidated financial performance for the fiscal year ending March 31, 2012, if any, will be disclosed once it has been determined.

#### Forward-Looking Statements

This release contains forward-looking statements that are not historical facts and are subject to risks and uncertainties that could cause actual results to differ materially from those described. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. Forward-looking statements in this release include statements regarding the anticipated benefits of the Transaction; statements regarding the anticipated timing of filings and approvals relating to the Transaction; statements regarding the expected timing of the completion of the Transaction; and statements of assumptions underlying any of the foregoing. All forward-looking statements are based largely on current expectations and beliefs concerning future events, approvals and transactions that are subject to substantial risks and uncertainties. Factors that may cause or contribute to the actual results or outcomes being different from those contemplated by forward-looking statements include, but are not limited to: risks and uncertainties associated with this Transaction, including uncertainties as to the timing of the Transaction, the possibility that various closing conditions (including obtaining competition law approvals in the relevant countries) for the Transaction may not be satisfied, changes in general economic circumstances surrounding or affecting Toyo Seikan's business, amendments of applicable laws and regulations and changes in the exchange rate. The forward-looking statements made in this release are made only as of the date of this release, and Toyo Seikan undertakes no obligation to amend or update them to reflect subsequent events or circumstances. This is an English translation of Japanese Press Release. If there is any discrepancy between a statement in English and a statement in Japanese, the Japanese statement shall always control.