

13 July 2022

Dear Shareholders,

Teijin Limited
General Administration Department

Preliminary Questions for the General Meeting of Shareholders

We have received preliminary questions for the General Meeting of Shareholders as follows.

Below are our answers to selected questions that would be of high interest to our shareholders.

1. Reception period: June 1st (Wednesday) - June 17th (Friday)
2. Method of reception: Questions were to be entered on the dedicated site accessible through our website.
3. Questions and answers
 - Q1 I'm afraid the low profitability of Materials segment might be a structural issue. Can we trust that continuing the current measures will definitely improve profitability?
 - A1 Materials segment experienced lower profitability due to the significant impact of such external factors as semiconductor shortages and soaring raw material and fuel prices and logistics costs. However, we expect recovery in profitability in the future due to increase our production capacity of highly in-demand aramid, recovery of aircraft applications of carbon fibers, and maintenance of the solid profit structure of our resin business. In addition, we seek to quickly improve the profitability of our composites business by, among other things, acquiring contracts for carefully selected new large-scale programs and automating molding processes, through taking advantage of our strong relationships with car manufacturers.
 - Q2 Can't we reduce the cost of carbon fibers so that they'll be adopted for car bodies to replace iron whose price remains high?
 - A2 Carbon fiber composites have already been adopted in such applications as loading platforms for pickup trucks of the U.S. company GM. In the meantime, TAT's current core products include glass fiber composites, which are not as strong but just as light as carbon fiber composites. TAT's glass fiber composites have been adopted in a considerably wider range of applications. The high cost of carbon fibers is an issue, but we intend to continue their development with an eye on the future need for their further lightening. We have also been developing and supplying multi-materials that combine glass fiber composites

or carbon fiber composites with iron, aluminum, magnesium, etc. to meet the needs of car manufacturers and consumers.

GM : General Motors, TAT: Teijin Automotive Technologies

Q3 Stock price of Teijin has fallen considerably. What's your prospects for future trends?

A3 We always closely monitor our stock price developments. We believe that the best way to be highly valued in the stock market is to improve our business performance by promoting such efforts as building a stronger sales and profit base. We intend to continue to take active measures for improving our business performance and to provide active explanations to our shareholders and investors.

Q4 What are your plans to improve the ROIC based on operating income of the Materials segment?

A4 In the Materials segment, the amount of capital invested has increased for the past few years due to active investments to develop the business base for Profitable Growth area and Strategic Focus area. On the other hand, profits have declined due to the impact of COVID-19, semiconductor shortages, and soaring raw material and fuel prices, among other things, resulting in the significant deterioration of the ROIC based on operating income. We have almost completed measures to increase the production capacity of the businesses in the Materials segment and we intend to improve the operating profit-based ROIC by increasing sales utilizing the increased production capacity and by revising selling prices to cover the soaring raw material prices, among other measures.

Q5 What's the size of the exchange transactions?

A5 When we calculate the net amount of income and expenditure in the same currency, the amount of business transactions affected by currency exchange fluctuations is approximately 160 billion yen. We strive to reduce foreign currency risk by establishing and implementing a policy that at least 50% of the net amount of receivables and payables must be hedged by such means as foreign exchange contracts, as a measure to manage exchange risks in our business transactions.

Q6 The sales and operating income for the last few years do not seem to have changed so much. You have set EBITDA growth as a target in the medium-term management plan, but did you set it as an achievable target? What is the growth rate like in a neutral condition that is neither a recession nor a boom?

A6 Since the establishment of the medium-term management plan, changes have occurred due to various factors including the spread of COVID-19, semiconductor shortages, and soaring raw material and fuel prices and logistics costs. In response to these circumstances, we forecasted, in our financial forecast for fiscal 2022 announced in May this year, our EBITDA at 125 billion yen, down from the fiscal 2022 EBITDA target of 150 billion yen set in the medium-term management plan. We plan to announce our growth rate in a neutral condition in our next medium-term plan to be announced next year.

Q7 Most profits came from the Healthcare segment this fiscal year, with the other sectors being in miserable condition and stock price of Teijin staying low. I think the management is largely to be blamed for this. How are you going to grow the company in the future?

A7 In the Materials segment, we intend to improve profitability by increasing sales through taking advantage of the increased production capacity of the businesses and by revising sales prices to cover soaring raw material and fuel prices, among other measures. In the Healthcare segment, our anti-hyperuricemia/gout drug *FEBURIC* will be affected by the entry of generic products. We intend to pursue an efficient operating structure for the pharmaceutical and home healthcare businesses and to maintain and increase the profitability of our antidiabetic drugs and other core products and new products.

Q8 Regarding Teijin's subsidiary Infocom, I'm afraid its Digital Entertainment business, which accounts for 60% of its sales, has low synergy with Teijin's main businesses. How does the Digital Entertainment business contribute to increasing Teijin's corporate value?

A8 Infocom's strength is that it owns both a Digital Entertainment business for general consumers and a Business solutions business for companies, hospitals, etc. The synergies between these two businesses lead to mutual improvement in technology of Teijin and Infocom. Therefore, we believe that the knowledge and other resources accumulated in the Digital Entertainment business of Infocom, which is in charge of the Teijin Group's underlying IT technology, do contribute to the promotion of digitization and businesses in the Teijin Group.

Q9 Have the Outside Directors understood the company and provided useful advice and other support?

A9 The Outside Directors have been appointed in light of the independence criteria and based on the skill matrix, which was developed by taking into consideration the roles expected of Outside Directors and our management policies, among other things. The Outside Directors have made useful statements not only at meetings of the Board of

Directors but also at those of the Advisory Board and the Nomination and Compensation Advisory Committee.

Disclaimers:

Any information disclosed other than past facts are forward-looking statements that we have made based on information available at the time. These statements may involve risks or uncertainties that may be affected by changes in economic conditions, market trends, or in the taxation or other systems, etc. Therefore, please be aware that actual results may differ from publicized and announced results due to such factors.