

May 22, 2019

To whom it may concern

Company: Teijin Limited
Stock code: 3401 (First Section, Tokyo Stock Exchange)
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Notice of Share Transfer Agreement Regarding Sale of our Consolidated Subsidiaries of Film Business (the Transfer of our Consolidated Subsidiaries)

Teijin Limited (“the Company”) has announced that we have decided to sell our entire stake in consolidated subsidiaries of Teijin Film Solutions Limited (“TFS”) and P.T. Indonesia Teijin Film Solutions (“ITFS”), that operate polyester film businesses in Japan and Indonesia respectively, to Toyobo Co., Ltd. (“Toyobo”) and signed a share transfer agreement today.

1. About contents of transfer

The Teijin Group has taken various measures such as consolidating Japanese production bases in the Utsunomiya plant in 2016 in order to strengthen the competitiveness of the polyester film business. In addition, the Company had acquired the interests owned by E.I. du Pont de Nemours and Company (“DuPont”) in the joint ventures in Japan and Indonesia and converted those joint ventures into wholly owned subsidiaries, in order to improve flexibility in the business operations and speed up the decision-making processes. As a result, the polyester film profitability was improved to a certain level. However, this decision was made considering further growth of TFS and ITFS and the optimal allocation of the Teijin Group's management resources.

Toyobo positions the film business as a growth area and is promoting the expansion of the business. By implementing this share acquisition, Toyobo thinks that the film business would grow significantly through TFS's high development capabilities, the integration of a broad customer network and the strengthening of production systems including ITFS. The Teijin Group will enhance the corporate value, strengthening the basic earning power in our Growth Strategies and promoting the establishment of new core business in our Transforming Strategies, in order to achieve our long-term vision of being “a company that supports the society of the future”, according to the medium-term management plan for 2017-2019 “ALWAYS EVOLVING”.

2. Summary of the transferred subsidiaries

(1) TFS (Teijin Film Solutions Limited)

(1) Name	Teijin Film Solutions Limited		
(2) Head office location	3-2-1 Kasumigaseki, Chiyoda-ku, Tokyo		
(3) Name and title of representative	Yoshihiro Nomi President and CEO		
(4) Description of business	Film production and sales		
(5) Share capital	10,010 million yen		
(6) Month of incorporation	January, 2000		
(7) Shareholdings ratio	Teijin Limited 100.0%		
(8) Relationship between the Company and this company	Capital relationship	The Company holds 100% of the shares.	
	Human relationship	The Company dispatch four directors.	
	Business relationship	The Company sells raw materials to TFS.	
(9) Management performance and financial situation of this company in the last three years			
Fiscal year	FY ended 12/31/2016	FY ended 12/31/2017	FY ended 12/31/2018
Net assets (million yen)	7,697	7,272	8,363
Total assets (million yen)	19,468	17,802	17,196
Net asset per share (thousand yen)	7,697	7,272	8,363
Sales (million yen)	28,963	27,010	26,095
Operating income (million yen)	120	190	1,377
Ordinary income (million yen)	(271)	(38)	1,195
Net income (million yen)	45	(340)	1,093
Net income per share (thousand yen)	45	(340)	1,093

(2) ITFS (P.T. Indonesia Teijin Film Solutions)

(1) Name	P.T. Indonesia Teijin Film Solutions
(2) Head office location	Jl. M.H. Thamrin, Kel. Panunggangan Kec. Pinang, Tangerang 15143 Banten, Indonesia
(3) Name and title of representative	Yuichi Hanawa President Director
(4) Description of business	Film production and sales
(5) Share capital	77.4 million US \$
(6) Month of incorporation	March, 1996

(7) Shareholdings ratio	Teijin Limited 377, 990 shares (99.998%) Teijin Film Solutions Limited 10 shares (0.002%)		
(8) Relationship between the Company and this company	Capital relationship	The Company and TFS hold 100% of the shares.	
	Human relationship	The Company dispatch four directors.	
	Business relationship	There is no business relationship to be stated.	
(9) Management performance and financial situation of this company in the last three years			
Fiscal year	FY ended 12/31/2016	FY ended 12/31/2017	FY ended 12/31/2018
Net assets (million US \$)	17	15	15
Total assets (million US \$)	22	22	23
Net asset per share (US \$)	46	40	40
Sales (million US \$)	20	20	25
Operating income (million US \$)	(2)	(2)	0
Ordinary income (million US \$)	(3)	(2)	0
Net income (million US \$)	(3)	(2)	0
Net income per share (US \$)	(9)	(6)	0

3. Summary of the counterparty to the share transfer

(1) Name	Toyobo Co., Ltd.
(2) Location	2-2-8 Dojima Hama, Kita-ku, Osaka
(3) Name and title of the representative	Seiji Narahara President and COO
(4) Description of business	Film and functional polymers business, industrial materials business, healthcare business, textiles and trading business
(5) Share capital(as of March, 2019)	51,730 million yen
(6) Year of incorporation	1914
(7) Consolidated net assets (as of March, 2019)	181,226 million yen
(8) Consolidated total assets (as of March, 2019)	461,047 million yen
(9) Major shareholders and shareholding ratio (as of September 2018)	The Master Trust Bank of Japan, Ltd. (Trust account) 7.73% Japan Trustee Services Bank, Ltd.(Trust account) 6.00%
(10) Relationship between the Company and this company	There are no capital, personal or business relationships to be stated.

4. Number of transferred shares and ownership of the share before and after the transfer

(1) Number of shares held before the transfer	TFS: 1,000 shares (100.0%) ITFS: 378,000 shares (100.0%) (including 10 shares of TFS)
(2) Number of shares transferred	TFS: 1,000 shares (100.0%) ITFS: 378,000 shares (100.0%) (including 10 shares of TFS)
(3) Transfer price	The transfer price is planned to be approximately 10,000 million yen, but it will be determined after the required adjustment on the transfer date.
(4) Number of shares held after the transfer	TFS: 0 shares (0.0%) ITFS: 0 shares (0.0%)

5. Schedule

(1) Date of determination in the board of directors(*)	April 26, 2019
(2) Date of contract conclusion	May 22, 2019
(3) Date of equity transfer execution	October 1, 2019 (tentative)

(*) At the Board of Directors meeting held on April 26, 2019, the Company determined proceeding with negotiation on the transfer, delegating the authority to sign the share transfer agreement to president and CEO. And proceeded with negotiations with Toyobo. As a result of the confirmation and agreement with Toyobo on the final terms and conditions of a transaction, the Company signed the share transfer agreement on May 22, 2019 with the decision of president and CEO based on the authorization of the above board of directors.

6. Impact on Financial Results

This matter will have a negligible impact on the consolidated full-term operating results forecasts for the fiscal year ending March 31, 2020.