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To whom it may concern

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Announcement regarding Change of Status of an Equity Method Affiliate to Consolidated Subsidiary

Teijin Limited (the “Company”) hereby announces that it has decided to change the status of CSP Victall (Tangshan) Structural Composites Co., Ltd. (hereinafter, “CSP-Victall”), currently an equity method affiliate of Continental Structural Plastics Holding Corporation (hereinafter, “CSP”), to consolidated subsidiary. CSP is a subsidiary of the Company and has a 49% stake in CSP-Victall. To make this change, another subsidiary of the Company, Teijin (China) Investment Co., Ltd., will acquire the stake in CSP-Victall held by Qingdao Victall Railway Co., Ltd. (hereinafter, “Victall”), for which Teijin (China) Investment Co., Ltd. concluded an agreement with Victall on December 14, 2020.

1. Purpose of acquisition of additional stake

Recently, reducing the environmental impact of vehicles has increasingly required their electrification, and the “CASE” concept is proposed as the model for mobility in the near future. Under these circumstances, the automobile industry is required to make quick responses to a range of changes that are expected to occur in the future as well as to provide lighter and more functional vehicles as next-generation automobiles. Accordingly, the industry needs to reform its business model as an urgent challenge.

In order to help the automobile industry to meet this challenge, the Teijin Group positions the automotive composites business as “Strategic Focus” and aims to become a multi-material component supplier to automakers and support them as their partner. To this end, the Company acquired CSP in 2017 to enhance the light and robust composites business for automotive applications as a global Tier 1 supplier based in three regions: North America, Europe, and Asia.

In China, CSP-Victall has been conducting business as a joint venture between CSP and Victall, which is a manufacturer of components and modules for railroad equipment in China. The Company has decided to manage CSP-Victall efficiently as a Teijin Group company to expand its business and improve its productivity by the proactive introduction of the Group's technologies, thereby further enhancing the resilience of the Group's global business foundation. To this end, the Company will make CSP-Victall a wholly owned subsidiary. The Teijin Group has been fostering the expansion of the automotive composites business, and CSP-Victall will work to expand the supply of materials for EV battery boxes for further business enhancement, as demand is expected to increase for this usage.

2. Outline of CSP-Victall

(1) Name	CSP Victall (Tangshan) Structural Composites Co., Ltd.		
(2) Head office location	Tangshan, Hebei, People's Republic of China		
(3) Title and name of representative	Director Sun Han Ben		
(4) Line of business	R&D, manufacture and sale of glass fiber reinforced composite materials and finished products		
(5) Capital	595 million yuan (9,425 million yen)		
(6) Establishment	January 2015		
(7) Investors and ownership percentage	Victall 50.6% CSP 49.4%		
(8) Relationship between the Company and CSP-Victall	Capital relationship	The Company has a 49.4% stake in CSP-Victall through a subsidiary.	
	Personnel relationship	None	
	Business relationship	None	
(9) Operating results and financial status of CSP-Victall for the last three years			
Fiscal year	Ended December 2017	Ended December 2018	Ended December 2019
Net assets	209 million yuan (3,311 million yen)	306 million yuan (4,847 million yen)	401 million yuan (6,352 million yen)
Total assets	254 million yuan (4,023 million yen)	335 million yuan (5,306 million yen)	450 million yuan (7,128 million yen)
Net sales	6 million yuan (95 million yen)	21 million yuan (333 million yen)	59 million yuan (935 million yen)

Operating income	-39 million yuan (-618 million yen)	-37 million yuan (-586 million yen)	-30 million yuan (-475 million yen)
Ordinary income	-41 million yuan (-649 million yen)	-37 million yuan (-586 million yen)	-29 million yuan (-459 million yen)
Net income	-41 million yuan (-649 million yen)	-37 million yuan (-586 million yen)	-29 million yuan (-459 million yen)

3. Outline of Victall

(1) Name	Qingdao Victall Railway Co., Ltd.
(2) Location	Qingdao, Shandong, People's Republic of China
(3) Title and name of representative	Chairman Sun Han Ben
(4) Line of business	Mainly R&D, manufacture, sale, and service of railway vehicle accessories
(5) Capital (as of the end of September 2020)	302 million yuan (4,787 million yen)
(6) Establishment	October 2007
(7) Net assets (as of the end of September 2020)	2,729 million yuan (43,228 million yen)
(8) Total assets (as of the end of September 2020)	3,930 million yuan (62,256 million yen)
(9) Major shareholders and ownership percentage (as of the end of September 2020)	Su Qing Yan: 24.91%, Rui Ze Investment: 17.34%, Sun Han Ben: 9.73%
(10) Relationship with the Company	There are no capital, personnel or business relationships.

4. Acquired stake, acquisition price, and stake before and after acquisition

(1) Stake before acquisition	49.4%
(2) Acquired stake	50.6%
(3) Acquisition price	308.7 million yuan (4,890 million yen)
(4) Stake after acquisition	100.0%

5. Schedule

(1) Resolution at the management meeting	December 11, 2020
(2) Conclusion of the agreement	December 14, 2020
(3) Transfer of the shares	December 31, 2020 (planned)

6. Impact on operating results

The acquisition of the shares will have a minor impact on the consolidated operating results for the fiscal year ending March 31, 2021.

(Note) The value in yen was calculated by using the exchange rate of 1 yuan = 15.84 yen (as of November 30, 2020).

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