



July 13, 2021

To Whom It May Concern:

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Representative: Jun Suzuki, President and CEO  
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### **Notice Concerning the Disposal of Treasury Shares as “Restricted Stock”**

Teijin Limited (the “Company”) hereby announces that it determined in the resolution of the Board of Directors meeting on July 13, 2021 to dispose of treasury shares (the “Disposal of Treasury Shares” or the “Disposal”). The details are as follows.

#### 1. Overview of the Disposal

(1) Payment date	August 4, 2021
(2) Class and number of shares for Disposal	95,921 ordinary shares of the Company
(3) Disposal price	¥1,649 per share
(4) Total value of Disposal	¥158,173,729
(5) Persons eligible for allotment of shares and number thereof, and number of shares for allotment	Directors (excluding the Chairman of the Board, Senior Advisor and Outside Directors; hereinafter “Eligible Directors”), 6 persons, 26,138 shares Teijin Group Corporate Officers not concurrently serving as Directors, 21 persons, 49,584 shares Executive Officers of overseas Group companies, 14 persons, 20,199 shares
(6) Other	The Disposal of Treasury Shares is conditional on the securities registration statement in accordance with the Financial Instruments and Exchange Act coming into effect.

#### 2. Purpose and Reasons for Disposal

Based on introduction of the “Restricted Share-based Remuneration Plan” (hereinafter “The Plan”) which was approved by resolution of the 155th Ordinary General Meeting of Shareholders held on June 23, 2021 and by resolution of the Board of Directors Meeting held on the same day, for the purpose of granting incentives to eligible Directors, Teijin Group Corporate Officers who do not concurrently serve as Directors of the Company, and Executive Officers of overseas Group companies (hereinafter “RS Allottees”) toward achievement of the Company’s Medium-Term Management Plan and increasing corporate value over the medium to long term, as well as further aligning shared values with stakeholders, this disposal is being implemented by resolution of the Board of Directors Meeting held on July 13, 2021.

Based on the Plan, the Company’s common stock subject to this disposal shall be treasury shares disposed of for contribution in kind as investment assets for acquisition of Restricted Shares for monetary claims paid to planned RS Allottees (hereinafter “Restricted Share-based Remuneration”) for the fiscal year from April 1, 2021 through March 31,

2022 (however, for Teijin Group Corporate Officers and Executive Officers of overseas Group company Officers who do not hold Japanese nationality, for the period from August 4, 2021 through August 3, 2022). In addition, the Company plans to conclude a Restricted Shares Allotment Agreement (hereinafter “Allotment Agreement”) with planned RS Allottees that includes the following details.

### 3. Outline of the Allotment Agreement with eligible Directors, Teijin Group Corporate Officers with Japanese nationality

#### (1) Transfer Restriction Period

From August 4, 2021 until the time immediately after retiring or resigning from the positions of Company Director, Teijin Group Corporate Officer, Teijin Group Counselor or Corporate Auditor (hereinafter “Transfer Restriction Period”), restricted shares shall not be transferred, used for creation of security interests, or otherwise disposed of (hereinafter “Transfer Restrictions”).

#### (2) Conditions for Lifting Transfer Restrictions

During the period from June 23, 2021 until immediately before conclusion of the first Ordinary General Meeting of Shareholders which comes after that (hereinafter “The Service Period”), provided that RS Allottees have continuously held the position of Company Director, Teijin Group Corporate Officer or Teijin Group Counselor or Corporate Auditor (however, for RS Allottees who as of today are Teijin Group Corporate Officers who do not concurrently serve as Directors of the Company, the period shall be April 1, 2021 through March 31, 2022, the same applies hereinafter), transfer restrictions on all of the allotted shares will be lifted upon expiration of the transfer restriction period.

#### (3) Treatment in the event an RS Allottee retires or resigns during the service period for a valid reason such as expiration of his or her term of office, reaching retirement age, death or other justifiable reason (this does not include an RS Allottee’s personal reason)

##### (i) Timing of Lifting Transfer Restrictions

Prior to the expiration of the service period, in the event an RS Allottee retires or resigns the position of Company Director (including Chairman of the Board, Director and Senior Advisor and Outside Director), Teijin Group Corporate Officer, Teijin Group Counselor or Corporate Auditor for a valid reason such as expiration of his or her term of office, reaching retirement age, death or other justifiable reason, transfer restrictions shall be lifted immediately after the retirement or resignation of the RS Allottee.

##### (ii) Number of Shares Subject to the Lifting of Transfer Restrictions

The number of shares subject to the lifting of transfer restrictions shall be equal to the number of allotted shares held at the time of retirement or resignation specified in (i) multiplied by the number of months from the month that includes the start date of the Service Provision Period to the month the RS Allottee retires or resigns (however, if the days in office do not make 1 full month, it shall not be considered 1 month) divided by 12 (in the event it exceeds 1, it shall be regarded as 1), rounding off in the event a fraction of less than 1 share is generated.

#### (4) Acquisition Without Contribution by the Company

The Company shall, as a matter of course, acquire the allotted shares for which transfer restrictions will not be lifted at the time when the transfer restriction period expires or when the transfer restrictions are lifted as specified in (3) above, without contribution. In addition, during the transfer restriction period, if the RS Allottee is sentenced to imprisonment or more, or if the RS Allottee starts proceedings to file for bankruptcy, or in the event the Company’s CEO determines that the RS Allottee has engaged in business that competes with the Group’s business without prior written consent, or determines that he or she has plans to do so after retirement or resignation (if the RS Allottee is the CEO, if it is determined by resolution of the Board of Directors, the same applies hereinafter), or in the event the CEO determines the RS Allottee has violated laws and regulations, or internal Company rules etc., in the event of such circumstances, all of the allotted shares can be acquired without contribution as a matter of course.

#### (5) Management of the Shares

The Allotted Shares shall be managed in dedicated accounts opened by the RS Allottee at a securities company in order to prevent transfers, creation of security interests, or other disposal of the shares during the transfer restriction period.

The Company has concluded agreements with the relevant securities company related to the management of the accounts for the Allotted Shares held by each RS Allottee to ensure the effectiveness of the transfer restrictions, etc. relating to the Allotted Shares. In addition, the RS Allottee shall consent to the management of the accounts.

#### (6) Handling of Organizational Restructuring, etc.

If during the transfer restriction period, a merger agreement in which the Company is the dissolved company, a share exchange agreement or share transfer plan in which the Company becomes a wholly-owned subsidiary, or any other organizational restructuring, etc., are approved at a General Meeting of Shareholders of the Company (however, if said organizational restructuring, etc. does not require approval at a General Meeting of Shareholders of the Company, the Board of Directors of the Company), the Board of Directors shall resolve to lift the transfer restrictions as of the time immediately prior to the business day prior to the effective date of the organizational restructuring, etc. for the following number of shares. The number of shares subject to the lifting of transfer restrictions shall be equal to the number of Allotted Shares held at the time of the resolution multiplied by the number obtained by dividing the number of months from the month that includes the start date of the Service Provision Period to the month that includes the date of the approval (however, if the days in office do not make 1 full month, it shall not be considered 1 month) by 12 (if the number obtained is larger than 1, it is taken as 1; However, as a result of the calculation, in the event a fraction of less than 1 share is generated, it shall be rounded off.). In addition, the Company shall automatically acquire without contribution all of the Allotted Shares whose transfer restrictions have not been lifted upon this lifting of transfer restrictions.

#### 4. Outline of the Allotment Agreement with Teijin Group Corporate Officers and Executive Officers of overseas Group companies who do not have Japanese nationality

Regarding the shares to be allotted to 3 Teijin Group Corporate Officers and 14 Executive Officers of overseas Group companies who do not have Japanese nationality among RS Allottees, details are based on the main items of the Allotment Agreement in 3. above, but the transfer restriction period shall be 1 year from August 4, 2021 to August 3, 2022, taking into consideration the situation of share-based remuneration plans in each country other than Japan. During the transfer restriction period, Teijin Group Corporate officers and Executive Officers of overseas group companies who do not have Japanese nationality will retire from any of the above positions due to expiration of term, retirement age, death or other justifiable reasons. In that case, it will be handled according to 3.(3). However, in consideration of the tax payment time in each country other than Japan, the transfer restriction may be lifted during the transfer restriction period for the portion of the allotted shares equivalent to the tax payment amount based on this allotment agreement.

During the transfer restriction period, the allotted shares will be placed in a dedicated account opened by the company in charge of custody and trading at a securities company and managed so that the allotted shares cannot be transferred, used for creation of security interests, or otherwise disposed of. The Company has concluded contracts with said company in charge of custody and trading and said securities company in connection with management of the relevant account in order to ensure the effectiveness of the transfer restrictions, etc. relating to the allotted shares. In addition, RS Allottees agree to details of management of said account.

#### 5. Basis of Calculation and Details of Paid-In Amount

The Disposal of Treasury Shares for the planned allottees shall be conducted with monetary claims, which were paid to RS Allottees based on the Plan as "Restricted Stock" for the 156th fiscal period of the Company (April 1, 2021 to March 31, 2022) (However, for Corporate officers of the Teijin group and Executive officers of overseas group companies who do not have Japanese nationality, the period is from August 4, 2021 to August 3, 2022.), to be treated as property contributed in

kind. To eliminate any arbitrariness in the Disposal price, the closing price of ordinary shares of the Company on the First Section of the Tokyo Stock Exchange on July 12, 2021 (the business day immediately preceding the date of the resolution of the Board of Directors) of ¥1,649 is used as the Disposal price. This is the market price of the shares immediately before the date of the Board of Directors resolution and is considered to be rational and not particularly favorable to the allottees.

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