

November 26, 2014

Company Name: TEIJIN LIMITED

President and CEO: Jun Suzuki

Stock Listing: Tokyo Stock Exchange, First Section

(Code No.: 3401)

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## Announcement Regarding Determination of Terms of Issuance, etc. for Zero Coupon Convertible Bonds due 2018 and 2021

TEIJIN LIMITED (the "Company") hereby announces as follows, together with other already determined matters, the determination of the terms of issuance, etc. for the Zero Coupon Convertible Bonds due 2018 (bonds with stock acquisition rights, *tenkanshasaigata shinkabu yoyakuken-tsuki shasai*, the "2018 Bonds") and the Zero Coupon Convertible Bonds due 2021 (bonds with stock acquisition rights, *tenkanshasaigata shinkabu yoyakuken-tsuki shasai*, the "2021 Bonds"), the issuances of which were resolved at the meeting of the Board of Directors dated November 26, 2014.

- I. 2018 Bonds (in this Section I, the "Bonds with Stock Acquisition Rights;" the bonds alone, the "Bonds;" and the stock acquisition rights alone, the "Stock Acquisition Rights") (Capitalized terms used but not defined herein shall have the respective meanings ascribed thereto in the terms and conditions of the Bonds.)

### Matters related to the Stock Acquisition Rights

(1) The amount to be paid upon exercise of the Stock Acquisition Rights	Equal to the principal amount of the Bonds
(2) Conversion price	JPY 417
Reference:	
Share price, etc. on the pricing date (November 26, 2014)	
(i) Share price (closing price) on the Tokyo Stock Exchange	JPY 326
(ii) Premium	
$\{(conversion\ price)/(share\ price\ (closing\ price)) - 1\} \times 100$	27.91%

Note: This announcement is intended as general information regarding the issuance of convertible bonds by the Company. This announcement does not constitute an offer of, or the solicitation of an offer to buy or subscribe for the Bonds or the shares of common stock of the Company in any jurisdiction in which such offer or solicitation is unlawful. In particular, the Bonds and the shares of common stock of the Company issuable upon exercise of, or upon acquisition by the Company of, the Stock Acquisition Rights (together, the "Securities") have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S of the Securities Act ("Regulation S")). The Securities may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. No public offering of the Securities will be made in the United States.

Reference: Outline of the 2018 Bonds

- (1) Aggregate amount of the Bonds 20 billion yen plus the aggregate of the principal amount of the Bonds in respect of replacement certificates
- (2) Date of resolution for issuance November 26, 2014
- (3) Allotment date of the Stock Acquisition Rights and closing date of the Bonds December 12, 2014 (London time; the same applies below unless otherwise indicated)
- (4) Period during which the Stock Acquisition Rights are exercisable At any time during the period from, and including December 26, 2014 to, and including November 28, 2018 (at the local time of the place where the Stock Acquisition Right is to be exercised); provided, however, that (i) if the Bond shall have been called for early redemption, then no later than three business days in Tokyo before the redemption date (this does not apply to the Stock Acquisition Rights incorporated in the Bonds being called for redemption but elected by the relevant bondholder not to be redeemed); (ii) if the Bond shall have been acquired or purchased and cancelled by the Company, then up to the time when that Bond is cancelled; or (iii) if the Bond shall become due and repayable, then up to the time when that Bond becomes due and repayable.

However, in any of the foregoing events, the Stock Acquisition Rights shall not be exercised after November 28, 2018 (at the local time of the place where the Stock Acquisition Right is exercised).

In addition, if the Acquisition Notice is made by the Company, the Stock Acquisition Rights may not be exercised during the period from 14 days before the Acquisition Option Date to the Acquisition Option Date.

Furthermore, if the Company reasonably determines in compliance with the terms and conditions of the Bonds with Stock Acquisition Rights that it is necessary in order for the Company to consummate the Corporate Event, the Stock Acquisition Rights may not be exercised during a period designated by the Company, which period may not exceed 30 days and which period shall end on a date within 14 days from the effective date.

The Stock Acquisition Rights may not be exercised if the calendar day in Japan on which the exercise of the Stock Acquisition Rights becomes effective (or, if such a day is not a business day in Tokyo, the immediately following business day in Tokyo) falls within the period from, and including, two business days in Tokyo before the record date specified by the Company or any other date set for the purpose of determination of shareholders under Article 151, Paragraph 1 of the Book-Entry Act (collectively with the record date specified by the Company, the "Shareholder Determination Date") (or, if such Shareholder Determination Date is not a business day in Tokyo, three business days in Tokyo before the Shareholder Determination Date) to, and including, such Shareholder Determination Date (or, if the

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Shareholder Determination Date is not a business day in Tokyo, the immediately following business day in Tokyo). However, if there is a change to any provision of Japanese laws, regulations, or practice in relation to the delivery of shares upon exercise of stock acquisition rights through the book-entry transfer system established pursuant to the Book-Entry Act, then the Company may amend the limitation on the period during which the Stock Acquisition Rights may be exercised under this paragraph to adopt such change in law, regulation or practice.

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| (5) Maturity date                               | December 12, 2018  |
| (6) Information on dilution by potential shares | Due to the issuance of the Bonds with Stock Acquisition Rights, the ratio of the number of potentially dilutive shares to the current total number of issued shares (including treasury shares) as of September 30, 2014 would be 9.82%. |

Note: The ratio of potentially dilutive shares is calculated by dividing the number of the shares to be issued when all stock acquisition rights of the Bonds with Stock Acquisition Rights and the 2021 Bonds that are scheduled to be issued this time are exercised at the initial conversion price, by the current total number of issued shares (including treasury shares) as of September 30, 2014.

\* Please refer to the Company’s press release as of November 26, 2014 “Announcement Regarding Issuance of Zero Coupon Convertible Bonds due 2018 and 2021” for more details.

- II. 2021 Bonds (in this Section II, the “Bonds with Stock Acquisition Rights,” the bonds alone, the “Bonds;” and the stock acquisition rights alone, the “Stock Acquisition Rights”) (Capitalized terms used but not defined herein shall have the respective meanings ascribed thereto in the terms and conditions of the Bonds.)

Matters related to the Stock Acquisition Rights

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| (1) The amount to be paid upon exercise of the Stock Acquisition Rights | Equal to the principal amount of the Bonds |
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| (2) Conversion price  | JPY 410                                    |
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| Reference:  |  |
| Share price, etc. on the pricing date (November 26, 2014)               |  |
| (i) Share price (closing price) on the Tokyo Stock Exchange             | JPY 326                                    |
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| (ii) Premium  |  |

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Reference: Outline of the 2021 Bonds

- (1) Aggregate amount of the Bonds 20 billion yen plus the aggregate of the principal amount of the Bonds in respect of replacement certificates
- (2) Date of resolution for issuance November 26, 2014
- (3) Allotment date of the Stock Acquisition Rights and closing date of the Bonds December 12, 2014 (London time; the same applies below unless otherwise indicated)
- (4) Period during which the Stock Acquisition Rights are exercisable At any time during the period from, and including December 26, 2014 to, and including November 26, 2021 (at the local time of the place where the Stock Acquisition Right is to be exercised); provided, however, that (i) if the Bond shall have been called for early redemption, then no later than three business days in Tokyo before the redemption date (this does not apply to the Stock Acquisition Rights incorporated in the Bonds being called for redemption but elected by the relevant bondholder not to be redeemed); (ii) if the Bond shall have been acquired or purchased and cancelled by the Company, then up to the time when that Bond is cancelled; or (iii) if the Bond shall become due and repayable, then up to the time when that Bond becomes due and repayable.

However, in any of the foregoing events, the Stock Acquisition Rights shall not be exercised after November 26, 2021 (at the local time of the place where the Stock Acquisition Right is exercised).

In addition, the Stock Acquisition Rights may not be exercised during (i) if the Acquisition Notice of the Type-A Acquisition is made, the period from the date immediately following the date of the Acquisition Notice to the Acquisition Option Date, or (ii) if the Acquisition Notice of the Type-B Acquisition is made, a period from 14 days before the Acquisition Option Date to the Acquisition Option Date.

Furthermore, if the Company reasonably determines in compliance with the terms and conditions of the Bonds with Stock Acquisition Rights that it is necessary in order for the Company to consummate the Corporate Event, the Stock Acquisition Rights may not be exercised during a period designated by the Company, which period may not exceed 30 days and which period shall end on a date within 14 days from the effective date.

The Stock Acquisition Rights may not be exercised if the calendar day in Japan on which the exercise of the Stock Acquisition Rights becomes effective (or, if such a day is not a business day in Tokyo, the immediately following business day in Tokyo) falls within the period from, and including, two business days in Tokyo before the record date specified by the Company or any other date set for the purpose of determination of shareholders under Article 151, Paragraph 1 of the

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Book-Entry Act (collectively with the record date specified by the Company, the “Shareholder Determination Date”) (or, if such Shareholder Determination Date is not a business day in Tokyo, three business days in Tokyo before the Shareholder Determination Date) to, and including, such Shareholder Determination Date (or, if the Shareholder Determination Date is not a business day in Tokyo, the immediately following business day in Tokyo). However, if there is a change to any provision of Japanese laws, regulations, or practice in relation to the delivery of shares upon exercise of stock acquisition rights through the book-entry transfer system established pursuant to the Book-Entry Act, then the Company may amend the limitation on the period during which the Stock Acquisition Rights may be exercised under this paragraph to adopt such change in law, regulation or practice.

(5) Maturity date December 10, 2021

(6) Information on dilution by potential shares Due to the issuance of the Bonds with Stock Acquisition Rights, the ratio of the number of potentially dilutive shares to the current total number of issued shares (including treasury shares) as of September 30, 2014 would be 9.82%.

Note: The ratio of potentially dilutive shares is calculated by dividing the number of the shares to be issued when all stock acquisition rights of the Bonds with Stock Acquisition Rights and the 2018 Bonds that are scheduled to be issued this time are exercised at the initial conversion price, by the current total number of issued shares (including treasury shares) as of September 30, 2014.

\* Please refer to the Company’s press release as of November 26, 2014 “Announcement Regarding Issuance of Zero Coupon Convertible Bonds due 2018 and 2021” for more details.

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