May 28,2012

Notice of Convocation

The 146th Ordinary General Meeting of Shareholders

Teijin Limited

Disclaimer: ***Please note that the following is a translation of the original Japanese documents prepared for the convenience of our non-Japanese shareholders with voting rights. Although this translation is intended to be complete and accurate, the Japanese original shall take precedence in the case of any discrepancies between this translation and the original. Certain information regarding voting procedures that is not applicable for shareholders resident outside Japan has been omitted or modified as applicable. In addition, these materials will not facilitate your status as a registered shareholder authorized to attend the Ordinary General Meeting of Shareholders. Every shareholder attending the Ordinary General Meeting of Shareholders is required to present the Voting Card, which is sent to the registered shareholder together with the original Notice of Convocation in Japanese, to the receptionist at the meeting.***

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(Securities code: 3401)
May 28, 2012

Dear Shareholder,

Notice of Convocation of
the 146th Ordinary General Meeting of Shareholders

You are cordially invited to attend the 146th Ordinary General Meeting of Shareholders of Teijin Limited ("the Company") to be held as set forth below.

If you do not expect to attend the meeting, you may vote on the proposals for voting using the following method. Please refer to the following "Reference Documents for the General Meeting of Shareholders," and exercise your voting rights by 5 p.m., Tuesday, June 21, 2012.(Japan Time)

[In case of voting by Mail]
Please indicate your approval or disapproval of the proposals on the enclosed Document for the Exercise of Voting Rights, and mail the document so that it arrives by the above deadline.

[In case of voting by Internet etc.]
Please access to the web-site to exercising voting rights (http:www.evote.jp/) through personal Computer, Smartphone or cellar phone with the log-in ID and temporary password indicated in the **enclosed Document for the Exercise of Voting Rights,** and input your approval or disapproval of the proposals according to the instructions on the window. You are kindly requested to read **the Guidance to exercise the voting rights by Internet etc.** before commencing the process of voting. In case of personal computer or smartphone, you may access to the **web-site to exercise voting rights** from the Company's web-site.

Sincerely,

Shigeo Ohyagi
President and Representative Director
Teijin Limited
6-7, Minami-Hommachi 1-chome,
Chuo-ku, Osaka 541-8587,
Japan

Details

1. Date and Time of the Meeting:

Friday, June 22, 2012, at 10 a.m.(Japan Time)
(The door opens at 9 a.m.)

2. Place:

The Westin Osaka, 2nd Floor, Rose Room, 1-20, Oyodonaka 1-chome, Kita-ku, Osaka , Japan

3. Purposes

Reports:

The Business Report, Consolidated Financial Statements, Non-Consolidated Financial Statements and the Report by the Accounting Auditor and the Board of Corporate Auditors of the results of audit on the Consolidated Financial Statements, for the 146th Fiscal Year (April 1, 2011 to March 31, 2012)

Proposals for voting:

Proposal 1: Approval of the Absorption-Type Company Split Agreement Entered into by and Between the Company and TEIJIN FIBERS LIMITED
Proposal 2: Election of Ten (10) Directors
Proposal 3: Election of Two (2) Corporate Auditors
Proposal 4: Revision to Remuneration for Directors
Proposal 5: Renewal of the Countermeasure to Large-Scale Acquisitions of Teijin Shares (Takeover Defense Measures)

4. Decision on Convocation

(1) If you do not indicate either approval or disapproval on the Document for the Exercise of Voting Rights, we shall treat such "no answer" as your "approval" on the proposal concerned.
(2) In the event of an overlap in the exercise of voting rights via the Document for the Exercise of Voting Rights and the Internet voting system, the exercise of voting rights via the Internet voting system shall prevail.
(3) If you vote more than once using the same method, your last vote shall prevail.

5. Attachments to Notice of Convocation and Reference Documents for the General Meeting of Shareholders

If any revision should be required to the Business Report, Consolidated Financial Statements, Non-Consolidated Financial Statements, or Reference Documents for the General Meeting of Shareholders, such revision will be posted on the Company's website. (http://www.teijin.co.jp/english/)

- **If you attend the General Meeting of Shareholders, please submit the attached Document for the Exercise of Voting Rights to the reception of the meeting.**
- **If you attend the General Meeting of Shareholders by proxy, you may exercise your voting rights by authorizing one(1) other shareholder with voting rights to act as its proxy as stipulated in the Company's Article of Incorporation.**

Reference Documents for the General Meeting of Shareholders

Proposals and Reference

Proposal 1: Approval of the Absorption-Type Company Split Agreement Entered into by and Between the Company and TEIJIN FIBERS LIMITED

1. Reason for Making the Absorption-Type Company Split

The Company formulated the "CHANGE for 2016 Innovation and execution (Medium- to Long-Term Management Vision)" during the previous fiscal year, which consists of the long-term management vision outlining the targets to be achieved by FY2020 and the medium-term management plan covering the period until FY2016 to "Be recognized as a leading player that has attained global excellence." Toward the realization of the aforementioned vision, the Company intends to focus its efforts on providing markets and customers with the solutions they need in the green chemistry, health care and overlapping domains based on its proprietary technologies and services.

To establish the execution structure to this end, the Company conducted organizational reforms in April 2012, of which the pillar measures were the reorganization and integration of business groups for which markets and/or basic technologies are common or associated, from the viewpoint of "Focus on what's best for the Group as a whole, rather than on what's best for individual businesses," "Hone an emphasis on markets and customers and create an organization that is capable of delivering needed solutions" and "Strengthen our foundation for technology-driven sustainable growth."

In addition, the Company plans to select and integrate certain core subsidiaries from among the subsidiaries that play central roles in our businesses and the subsidiaries engaged in the administrative operations of the Teijin Group to capitalize on comprehensive Group capabilities and facilitate the execution of growth strategies. The targeted subsidiaries for such future integration include those for which the concentration of management resources such as human resources, technologies and information; the radical distribution of resources into growth domains; and/or the creation of synergies can be anticipated through integration with the Company.

To this end, the Company and TEIJIN FIBERS LIMITED reached an agreement that the Company will succeed some of the rights and obligations held by TEIJIN FIBERS through an absorption-type company split (the "Absorption-Type Company Split"), and both parties entered into an absorption-type company split agreement as of May 25, 2012.

As a loss from the company split is expected to be produced at the Company through the Absorption-Type Company Split, the Company requests that the shareholders approve the absorption-type company split agreement in accordance with the provisions of Article 795, Paragraph 1; the proviso of the introductory clause of Article 796, Paragraph 3; and Article 795, Paragraph 2, Item 1, of the Companies Act.

Note: For the CHANGE for 2016, refer to pages 35-37 of the Reports on Operations for the 146th Ordinary General Meeting of Shareholders.

2. Description of Features of the Absorption-Type Company Split Agreement

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Absorption-Type Company Split Agreement (Copy)

TEIJIN FIBERS LIMITED (hereinafter referred to as "TEIJIN FIBERS") and Teijin Limited (hereinafter referred to as "Teijin") hereby enter into an absorption-type company split agreement (the "Agreement"), which causes Teijin to succeed some of the rights and obligations held by TEIJIN FIBERS in connection with its business (the "Absorption-Type Company Split") in the following manner.

Article 1 (Absorption-Type Company Split)

TEIJIN FIBERS shall cause Teijin to succeed and Teijin shall succeed the rights and obligations held by TEIJIN FIBERS in connection with its businesses other than the apparel business (the "Succeeded Business") through an absorption-type company split in accordance with the Agreement.

Article 2 (Trade Name and Domicile)
The trade names and domiciles of TEIJIN FIBERS and Teijin are as described below.

TEIJIN FIBERS (Splitting company)

Trade name: TEIJIN FIBERS LIMITED
Domicile: 6-7, Minamihonmachi 1-chome, Chuo-ku, Osaka City

Teijin (Succeeding company in absorption-type company split)

Trade name: Teijin Limited
Domicile: 6-7, Minamihonmachi 1-chome, Chuo-ku, Osaka City

Article 3 (Effective Day)
The day on which the Absorption-Type Company Split becomes effective (the "Effective Day") shall be October 1, 2012. Provided, however, that TEIJIN FIBERS and Teijin may change the Effective Day through mutual consultations in accordance with Article 790, Paragraph 1, of the Companies Act if such a change is required depending on the progress of a company split procedure.

Article 4 (Rights and Obligations to Be Assumed)
1. TEIJIN FIBERS shall transfer and Teijin shall assume as of the Effective Day the assets, obligations, agreements, employment agreements, and any other rights and obligations (details of which are set forth in the "Detailed Statement of Assumed Rights and Obligations Relating to the Assumed Business"), based upon the balance sheet as of March 31, 2012 and calculations as of such date, and reflecting any increases and decreases up to the day preceding the Effective Day. Provided, however, that any assets, obligations, agreements, employment agreements and any other rights and obligations that cannot be assumed for legal reasons shall not be assumed.
2. TEIJIN FIBERS shall be discharged from all debts, liabilities and other obligations which Teijin assumes in accordance with the Absorption-Type Company Split. Provided, however, that if TEIJIN FIBERS has performed or assumed any other burden with regard to the assumed obligations in accordance with Article 759, Paragraph 2, of the Companies Act, TEIJIN FIBERS may claim compensation from Teijin for the full amount of such burdens assumed by TEIJIN FIBERS.

Article 5 (Monies, etc., Delivered upon the Company Split)
Teijin does not deliver, upon the Absorption-Type Company Split, monies, etc., to TEIJIN FIBERS in lieu of the rights and obligations to be succeeded by Teijin through the Absorption-Type Company Split.

Article 6 (Amount of the Stated Capital and Capital Reserves)
The amount of the stated capital and capital reserves of Teijin does not vary due to the Absorption-Type Company Split.

Article 7 (Shareholders' Meeting to Obtain Approval of the Absorption-Type Company Split)
1. TEIJIN FIBERS shall conduct the Absorption-Type Company Split by way of a summary company split in accordance with the main clause of Article 784, Paragraph 1, of the Companies Act without obtaining approval of the Agreement at a shareholders' meeting.
2. Teijin must obtain the approval of the Agreement by a resolution of a shareholders' meeting no later than the day immediately preceding the Effective Day.

Article 8 (Management of Company Property, etc.)
1. TEIJIN FIBERS shall execute duties and manage property, which are related to the Succeeded Business, with the due care and diligence of a good manager until the Effective Day and must consult with Teijin in advance in case it intends to carry out any matter that could have a significant effect on the Absorption-Type Company Split.
2. Notwithstanding the provision of the preceding paragraph, TEIJIN FIBERS plans to effect an absorption-type merger, according to which N.I. TEIJIN SHOJI CO., LTD., is the company surviving absorption-type merger and TEIJIN FIBERS is the company absorbed in absorption-type merger, with October 1, 2012, as the Effective Day on the condition that the Absorption-Type Company Split is effected.

Article 9 (Change and Cancellation of the Absorption-Type Company Split Agreement)
TEIJIN FIBERS and Teijin may change all or part of the Agreement or cancel the Agreement through mutual consultations in case any significant change has occurred to the assets or managing conditions of either TEIJIN FIBERS or Teijin during the period from the date of signing the Agreement to the Effective Day due to an act of providence or on any other grounds, or if either TEIJIN FIBERS or Teijin determines it necessary to do so.

Article 10 (Effect of the Agreement)
In case the approval of the Agreement by the shareholders' meeting, which is provided for in Article 7, Paragraph 2, hereof, cannot be obtained or the approval of the government agency, etc., which is required by the applicable laws and regulations, cannot be acquired, by September 28, 2012, either TEIJIN FIBERS or Teijin may cancel the Agreement by informing the other party.

IN WITNESS WHEREOF, the parties hereto have executed and caused their representatives to affix their names and seals to two copies of the Agreement, each party retaining a copy thereof.
May 25, 2012

TEIJIN FIBERS:
(By) Toshihide Fukushima, President
TEIJIN FIBERS LIMITED
6-7, Minamihonmachi 1-chome, Chuo-ku, Osaka City

Teijin:
(By) Shigeo Ohyagi, President and CEO
Teijin Limited
6-7, Minamihonmachi 1-chome, Chuo-ku, Osaka City

(Exhibit of the Absorption-Type Company Split Agreement) (Copy)

【Detailed Statement of the Rights and Obligations to Be Succeeded】

The assets, obligations, employment agreements, and any other rights and obligations that Teijin will succeed from TEIJIN FIBERS through the Absorption-Type Company Split shall be the following.

Section 1: Assets to be succeeded

1. Current assets
   Accounts receivable—trade, finished goods, work in process, raw materials, supplies, accounts receivable, prepaid expenses and other current assets, which belong to the Succeeded Business.

2. Noncurrent assets
   Property, plant and equipment, intangible assets, and investments and other assets, which belong to the Succeeded Business.

Section 2: Obligations to be succeeded

1. Current liabilities
   Accounts payable—trade, accounts payable—other, accrued expenses, short-term loans payable and other current liabilities, which belong to the Succeeded Business.

2. Noncurrent liabilities
   Provision for retirement benefits, long-term deposits received and other liabilities, which belong to the Succeeded Business.

Section 3: Contracts to be Assumed

All rights, obligations and interests in any sales and purchase agreements, manufacturing consignment agreements and all other agreement that belong to the Assumed Business and all the rights and obligations, that arise pursuant to these agreements.

Section 4: Employment Agreements, etc., to be Assumed

1. Employment agreements
   All rights, obligations and interests in any employment contracts pertaining to the employees primarily engaged in the Assumued Business (including those seconded to any subsidiaries or other companies or organizations of TEIJIN FIBERS, temporary employees, contract employees and part-time employees) and all the rights and obligations that arise pursuant to, these contracts.

2. Others

All the labor agreements having been entered into by and between TEIJIN FIBERS and Teijin's labor unions.

Section 5: Other rights and obligations to be succeeded

1. Intellectual property rights

Patent rights, trademark rights and other intellectual property rights, as well as know-how, all of which belong to the Succeeded Business.

2. Approvals and licenses, etc.

All of the permits, licenses, approvals, registrations, notifications, etc., which have been obtained with regard to the Succeeded Business, for which succession from TEIJIN FIBERS to Teijin is legally possible.

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3. Outline of the Description of the Features Concerning Matters Listed in Items of Article 192 of the Enforcement Regulations of the Companies Act

(1) Matters concerning the appropriateness of the provisions on matters listed in Article 758, Item 4, of the Companies Act (appropriateness of the consideration for the company split)

As the Company holds all the issued shares of TEIJIN FIBERS, the splitting company, the Company will not deliver, upon the Absorption-Type Company Split, monies, etc., to TEIJIN FIBERS as the consideration for the company split. Meanwhile, the amount of the stated capital and capital reserves of the Company will not increase through the Absorption-Type Company Split.

(2) Matters concerning the appropriateness of the provisions on matters listed in Article 758, Items 5 and 6, of the Companies Act (delivery and allotment of Stock Options)

None applicable

(3) Content of the financial statements for the most recent business year of TEIJIN FIBERS (from April 1, 2011, to March 31, 2012)（These are mentioned in the original Japanese documents only.）

(4) Description of the features of any event at TEIJIN FIBERS that could have a significant effect on the status of company property occurring after the close of its most recent business year (from April 1, 2011, to March 31, 2012)

TEIJIN FIBERS plans to enter into an absorption-type merger with a subsidiary of the Company, N.I. TEIJIN SHOJI CO., LTD., to effect an absorption-type merger, according to which N.I. TEIJIN SHOJI is the company surviving absorption-type merger and TEIJIN FIBERS is the company absorbed in absorption-type merger, with October 1, 2012, as the Effective Day on the condition that the Absorption-Type Company Split is effected. N.I. TEIJIN SHOJI does not plan to deliver, upon the Absorption-Type Merger, shares and other monies, etc., as the consideration for the merger.

(5) Description of the features of any event at the Company that could have a significant effect on the status of company property occurring after the close of its most recent business year (from April 1, 2011, to March 31, 2012).

The events that could have a significant effect on the status of company property after the close of the most recent business year of the Company are as follows:

① On May 25, 2012, the Company entered into absorption-type merger agreements with subsidiaries TEIJIN TECHNO PRODUCTS LIMITED, Teijin Intellectual Property Center Limited, Teijin Creative Staff Co., Ltd., and Teijin Films Limited, according to which the Company is the company surviving absorption-type merger and each of TEIJIN TECHNO PRODUCTS, Teijin Intellectual Property Center, Teijin Creative Staff and Teijin Films is the company absorbed in absorption-type mergers. The Company plans to conduct the absorption-type merger with these respective companies on October 1, 2012, in accordance with the respective agreements above.

The Company does not plan to deliver, upon the respective absorption-type mergers above, shares and other monies, etc., as the consideration for the mergers. Meanwhile, the amount of the stated capital and capital reserves of the Company will not increase through the respective absorption-type mergers.

② On May 25, 2012, the Company entered into an absorption-type merger agreement with a subsidiary, TEIJIN CHEMICALS LTD., according to which the Company is the company surviving absorption-type merger and TEIJIN CHEMICALS is the company absorbed in absorption-type merger. The Company plans to conduct the absorption-type merger with TEIJIN CHEMICALS on April 1, 2013, in accordance with the agreement above.

The Company will not deliver, upon the absorption-type merger, shares and other monies, etc., as the consideration for the merger. Meanwhile, the amount of the stated capital and capital reserves of the Company will not increase through the absorption-type merger.

Proposal 2: Election of Ten (10) Directors

The terms of office of ten (10) Directors—Toru Nagashima, Shigeo Ohyagi, Junji Morita, Norio Kamei, Osamu Nishikawa,Toshiaki Yatabe, Yoshio Fukuda, Kunio Suzuki , Hajime Sawabe and Yutaka Iimura—will expire at the conclusion of this General Meeting of Shareholders.

Shareholders are therefore requested to elect the following ten (10) Directors (of whom seven(7) are up for reelection). The candidates for Director are as follows.

No.	Candidate's Name (Date of Birth)	Personal History, Positions and Significant Concurrent Positions	Number of Company's Shares Owned
1	Toru Nagashima (January 2, 1943)	Apr. 1965 Joined Teijin Limited Jun. 1999 Corporate Officer; General Manager, Functional Fibers Business Group Apr.2000 CESHO (Chief Environment, Safety & Health Officer) Jun. 2000 Director Apr.2001 CMO (Chief Marketing Officer); General Manager, Corporate Strategy & Planning Office Jun. 2001 Managing Director Nov. 2001 President & Representative Director; COO (Chief Operating Officer) Jun. 2002 CEO (Chief Executive Officer) Jun. 2008 Chairman of the Board (Incumbent) <Significant Concurrent Positions> Outside Director, Sojitz Corp Outside Director,Sekisui Chemical Co.,Ltd Chairman, The Japan Overseas Enterprises Association Vice-Chairman, Japan Association of Corporate Executives (Keizai Doyukai)	136,000 Shares
2	Shigeo Ohyagi (May 17, 1947)	Mar. 1971 Joined Teijin Limited Jun. 1999 Corporate Officer; Manager of Tokyo Branch, Medical & Pharmaceutical Business Division Jun. 2001 Executive Officer; Deputy General Manager ,Pharmaceuticals Marketing Division Apr. 2002 General Manager, Medical & Pharmaceutical Business Division Jun. 2002 Senior Executive Officer Apr. 2003 General Manager, Medical & Pharmaceutical Business Group Oct. 2003 President & Representative Director, Teijin Pharma Limited Apr. 2005 CIO (Chief Information Officer), Teijin Limited Jun. 2005 Managing Director Jun. 2006 Senior Managing Director Apr. 2007 CSO (Chief Strategy Officer) Jun. 2008 President Representative Director (Incumbent), CEO (Chief Executive Officer) (Incumbent) Jun. 2010 President , Teijin Limited (Incumbent), President, Japan Chemical Fibers Association Chairman, Japan BioPlastics Association Permanent Officer, Keidanren(Japan Business Federation)	136,000 Shares

No.	Candidate's Name (Date of Birth)	Personal History, Positions and Significant Concurrent Positions	Number of Company's Shares Owned
3	Norio Kamei (June 13, 1948)	Apr.1972 Joined Teijin Limited Jul .2001 Corporate Officer, Teijin Limited; Executive Vice-President, Teijin Akra S.A. de C.V. Jun.2005 Executive Officer, Teijin Limited; General Manager, Industrial Fibers Business Group; President & Representative Director, Teijin Techno Products Limited Jun.2007 Senior Executive Officer, Teijin Limited Apr.2009 General Manager, Polyester Fibers Business Group, Teijin Limited President & Representative Director, Teijin Fibers Limited Jun.2009 Managing Director, Teijin Limited Nov.2009 President CEO & Representative Director , Teijin Fibers Limited Jun.2010 Senior Executive Officer , Director, Teijin Limited Apr.2011 General Manager, Carbon Fibers and Composites Business Group President & Representative Director, Toho Tenax Co., Ltd. (Incumbent) Jun.2011 Representative Director (Incumbent) Apr.2012 Vice-President (Incumbent) General Manager Advanced Fibers & Composites Business Group (Incumbent) General Manager Carbon Fibers and Composites Business Unit (Incumbent)	42,030 Shares
4	Osamu Nishikawa (April 14, 1950)	Apr. 1975 Joined Teijin Limited Jun. 2004 Corporate Officer, Teijin Limited Director, Teijin Pharma Limited Jun. 2006 Executive Officer, Teijin Limited Jun. 2007 Senior Managing Director & Representative Director, Teijin Pharma Limited General Manager,Medical & Apr. 2008 Pharmaceutical Business Group, Teijin Limited President & Representative Director, Teijin Pharma Limited Jun. 2008 Senior Executive Officer, Teijin Limited (Incumbent) Apr. 2010 CIO (Chief Information Officer), Teijin Limited Apr. 2011 CSRO (Chief Social Responsibility Officer), Teijin Limited Supervisor of Legal Office and Corporate Audit Office Jun.2011 Director (Incumbent) July 2011 Director, Effective Utilization of Factories Project (Incumbent) Apr.2012 Chief Social Responsibility Officer(Incumbent) Supervisor of Corporate Audit Office (Incumbent)	15,000 Shares

No.	Candidate's Name (Date of Birth)	Personal History, Positions and Significant Concurrent Positions	Number of Company's Shares Owned
5 *	Takashi Takahashi (March 30,1951)	Apr 1976 Joined Teijin Limited Jun.2007 Corporate Officer, Teijin Limited Director, Teijin Film Limited General Manager, Technical Products Division Teijin DuPont Films Japan Limited Apr.2010 General Manager, Film Business Group Teijin Limited President & Representative Director, Teijin Film Limited Jun.2010 Executive Officer, Teijin Limited Jun.2011 Senior Executive Officer (Incumbent) Apr.2012 Chief Technical Officer (Incumbent) Supervisor of Iwakuni, Matsuyama and Mihara Factory (Incumbent)	13,000 Shares
6	Yoshio Fukuda (March 1, 1953)	Apr. 1976 Joined Teijin Limited Jun. 2006 Corporate Officer, Teijin Limited Director & General Manager, Raw Materials & Polymers Business Division, Teijin Fibers Limited May. 2007 President & Director, P.T.Teijin Indonesia Fiber Corporation Tbk Apr. 2010 General Manager , Corporate Strategy Division, Teijin Limited Jun. 2010 Director, Teijin Limited (Incumbent) Jun.2011 Executive Officer (Incumbent) Chairman, Teijin DuPont Films(Incumbent) Apr.2012 General Manager, Electric Materials & Performance Polymer Products Business Group (Incumbent) General Manager, Resin & Plastic Processing Business Unit (Incumbent) President & Representative Director, Teijin Chemicals Ltd. (Incumbent)	37,000 Shares
7	Hajime Sawabe (January 9, 1942)	Apr.1964 Joined Tokyo Denki Kagaku Kogyo K.K. (currently TDK Corporation) Jun.1996 Director Jun.1998 President & Representative Director Jun.2006 Chairman & Representative Director Jun.2008 Director, Teijin Limited (Incumbent); Member of the Advisory Board, Teijin Limited (Incumbent) Jun.2011 Chairman of the Board & Director, TDK Corporation (Incumbent) <Significant Concurrent Positions > Chairman of the Board & Director, TDK Corporation Outside Director, Asahi Glass Co.,Ltd. Outside Corporate Auditor, Nikkei Inc. Trustee & Councilor , Waseda University	17,000 Shares

No.	Candidate's Name (Date of Birth)	Personal History, Positions and Significant Concurrent Positions	Number of Company's Shares Owned
8	Yutaka Iimura (October 16,1946)	Apr.1969 Joined Ministry of Foreign Affairs, Japan (MFA) Aug.1999 Director, General, Economic Cooperation Bureau, MFA Feb. 2001 Deputy Vice-Minister, MFA Sep. 2001 Assistant Vice-Minister, MFA Jul. 2002 Ambassador of Japan in Indonesia Nov.2002 Ambassador of Japan in Indonesia and the Democratic Republic of Timor-Leste (East Timor) Apr. 2006 Ambassador of Japan in France and The Principality of Andorra (Andorra) May.2007 Ambassador of Japan in France, Andorra and the Principality of Monaco Jul. 2009 Retired from MFA Jul. 2009 Special Envoy of the Government of Japan for the Middle East and Europe (Incumbent) Jun.2011 Director, Teijin Limited (Incumbent) Member of the Advisory Board, Teijin Limited (Incumbent) <Significant Concurrent Positions> Special Envoy of the Government of Japan for the Middle East and Europe Vice-Chairman, Japan Indonesia Association	1,000 Shares
9 *	Nobuo Seki (September 21,1944)	Apr.1970 Joined Chiyoda Corporation Apr.1992 Vice-President, Chiyoda International Corporation Jun.1997 Director, Chiyoda Corporation Jun.1998 Managing Director Aug.2000 Senior Managing Director, Project Operations Apr.2001 President & CEO Apr.2007 Chairman of the Board Apr.2009 General Corporate Advisor (Incumbent) <Significant Concurrent Positions> Counselor , Chiyoda Corporation Chairman of the Board, Chiyoda Advanced Solutions Corporation Professor , Graduate School of Shibaura Institute of Technology	0 Share

No.	Candidate's Name (Date of Birth)	Personal History, Positions and Significant Concurrent Positions	Number of Company's Shares Owned
10 *	Kenichiro Senoh (January 1,1954)	Apr.1976 Joined Fuji Photo Film Co., Ltd.(currently FUJIFILM Corporation) Dec.1999 Representative Vice-President Keio Academic Enterprise Co., Ltd. Apr.2001 Professor, Graduate school of Keio University Media and Government Apr.2004 President & Chairperson, The Industry-Academic Collaboration Initiative (NPO) (Incumbent) <Significant Concurrent Positions> President & Chairperson, The Industry-Academia Collaboration Initiative(NPO) Chairman, Intellectual Property Strategy Headquarters By Intellectual Property, Enhancement of Competitiveness and Global standardization Special Investigation Committees President, CIEC(Community for Innovation of Education and learning through Computers and communication networks) Committee Member, Ministry of Education, Culture, Sports, Science & Technology Service Innovation Human Resources Training Promotion Committee Committee Member, Ministry of Economic, Trade & Industry, The Industrial Competitiveness Committee under the Industrial Structure Council	0 Share

Notes: 1.The candidates marked with * are candidates for new Directors.

2. Hajime Sawabe, Yutaka Iimura, Nobuo Seki and Kenichiro Senoh are candidates for Outside Directors. The Company requires the candidates for Outside Director to satisfy all the requirements of Independent Director stipulated by the Company. These four (4) candidates satisfy all such requirements. Since they also satisfy the requirements of independency as stipulated by Tokyo Stock Exchange Group, Inc. and Osaka Securities Exchange Co., Ltd., they were registered by the Company as "Independent Director / Auditor".
The requirements of "Independent Director" stipulated by the Company are disclosed on the Company's Web site (http://www.teijin.co.jp/english/about/governance/requirements.html).

3. The reasons why Hajime Sawabe and Nobuo Seki are nominated as the candidates for Outside Director are that they are expected to provide advice on the Company's business operations based on the their abundant business experience and high level insight, as director of a public company for Hajime Sawabe and as counselor of a public company for Nobuo Seki. And the reason Kenichiro Senoh is nominated as a candidate for outside director is that he serves many officers and committee members with focusing the intellectual property field. The reason Yutaka Iimura is nominated as a candidate for outside director and judged appropriate to fulfill the duties of Outside Director is that, with his ample wisdom and expertise at the Ministry of Foreign Affairs, his insight and advice is expected beneficial to the business of the Company in terms of a global viewpoint.

4. The Company has entered into liability limitation agreements with Hajime Sawabe and Yutaka Iimura, being incumbent Outside Directors, which limit the liabilities of each Outside Director to ¥20 million or the minimum amount stipulated in Article 425, Paragraph 1, of the Companies Act, whichever is higher, in accordance with the provisions of Article 427 of the Companies Act and the Company's Articles of Incorporation. The Company has intention that the Company continues such agreements if
the reelection of these candidates is approved.
In case the election of Nobuo Seki and Kenichiro Senoh is approved, the Company intends to enter into the same liability limitation agreement with them.

5. The chart below indicates the dates of the first appointment of the Outside Director for each candidate and the tenures in position as Outside Director before the closing of this General Meeting of Shareholders.

Name	Date of First Appointment	Tenure in Position
Hajime Sawabe	June 20, 2008	4 years
Yutaka Iimura	June 22,2011	1 year

Proposal 3: Election of Two (2) Corporate Auditors

The terms of office of two (2) Corporate Auditors— Kihachiro Sano , Ryozo Hayashi , —will expire at the conclusion of this General Meeting of Shareholders.
Shareholders are therefore requested to elect the following two (2) Corporate Auditors
The Board of Corporate Auditors has already approved this proposal.
The candidates for Corporate Auditor are as follows.

No.	Candidate's Name (Date of Birth)	Personal History, Positions and Significant Concurrent Positions		Number of Company's Shares Owned
1 *	Toshiaki Yatabe (March 20, 1950)	Apr.1974	Joined Teijin Limited	30,000 Shares
		June.2005	Corporate Officer, Teijin Limited, General Manager, Electronics Materials Development Department	
		Apr.2006	General Manager, New Business Development Group	
		Jun.2006	Corporate Officer, Teijin Limited	
		Jun.2007	Executive Officer, Teijin Limited	
		Apr.2008	Deputy General Manager (Research), New Business Development Group Deputy CTO (R&D)	
		Apr.2010	CTO (Chief Technology Officer)	
		Jun.2010	Director, Teijin Limited (Incumbent) Supervisor of Iwakuni and Matsuyama Factory Supervisor of Safety Control (Incumbent)	
		Jul.2011	Supervisor of Mihara Factory	
		Apr.2012	Counselor (Incumbent)	
2 *	Nobuo Tanaka (March 3, 1950)	Apr.1973	Joined Ministry of International Trade and Industry (MITI, Actually Ministry of Economic, Trade and Industry METI)	0 Share
		Oct. 1991	Director, Organization of Economic Co-operation and Development (OECD) Science, Technology and Industry	
		Jun.1995	Manager, Industrial Policy Bureau Industrial Finance Division MITI	
		Jun.1997	Manager, International Trade Policy Bureau General Affairs Division MITI	
		Jun.1998	Ministry of Foreign Affairs, Japan (MFA) Minister, Japan Embassy in the USA	
		Jun. 2000	Vice-Director, The Research Institute of Economy, Trade and Industry	
		Jan. 2002	General Manager, International Trade Policy Bureau Trade and Industry Organization Division METI	
		Jul. 2004	Deputy Director and Director, for Science, Technology and Industry of OECD	
		Sep. 2007	Executive Director, International Energy Agency (IEA)	
		Sep. 2011	Global Associate, The Institute of Energy Economics Japan (Incumbent)	

Notes: 1. The candidate marked with * is a candidate for a new Corporate Auditor.

2. Nobuo Tanaka is a candidate for Outside Corporate Auditor. The Company requires the candidate for Outside Corporate Auditor to satisfy all the requirements of Independent Corporate Auditor stipulated by the Company. This candidate satisfies all such requirements. Since he also satisfies the requirements of independency as stipulated by Tokyo Stock Exchange Group, Inc. and Osaka Securities Exchange Co., Ltd., he was registered by the Company as "Independent Director / Auditor".
The requirements of "Independent Auditor" stipulated by the Company are disclosed on the Company's Web site (http://www.teijin.co.jp/english/about/governance/requirements.html).

3. The reasons why Nobuo Tanaka is nominated as a candidate for Outside Corporate Auditor and judged appropriate to fulfill the duties of Outside Corporate Auditor is that , with his ample wisdom and expertise at the Ministry of Economic ,Trade and Industry and international agency such as OECD, his advice is expected the contributions to maintain and improve the Company's corporate governance.

4. In case the election of Nobuo Tanaka is approved, the Company intends to enter into a liability limitation agreements with him, which will limit his liabilities to ¥20 million or the minimum amount stipulated in Article 425, Paragraph 1, of the Companies Act, whichever is higher, in accordance with the provisions of Article 427 of the Companies Act and the Company's Articles of Incorporation.

Proposal 4: Revision to Remuneration for Directors

The maximum annual remuneration for directors of the Company has been ¥700 million, as resolved by the 140th Annual General Meeting of Shareholders, held on June 23, 2006. The amount of the above remuneration includes (1) ¥630 million of annual salary, of which ¥40 million is for outside directors, and (2) ¥70 million for the fair value of compensation-type stock options. The remuneration for outside directors is only annual salary.
To further reinforce corporate governance, we intend to increase the number of outside directors. For this purpose, as part of the remuneration for directors, we propose a revision to make the remuneration for outside directors within ¥60 million a year.
Note that there will be no change to the current maximum annual remuneration for directors (including outside directors) of the Company of ¥700 million and its breakdown of (1) ¥630 million of annual salary and (2) ¥70 million for the fair value of compensation-type stock options. The amount of remuneration for directors does not include salary for their service as employees of the Company, as before.
The current number of directors is 10, including three outside directors. If Proposal 2 is approved as proposed, the number of directors will be 10, including four outside directors, as before.

Proposal 5: Renewal of the Countermeasure to Large-Scale Acquisitions of Teijin Shares (Takeover Defense Measures)

The Company implemented the “Large-Scale Acquisitions of Teijin Shares (Takeover Defense Measures)” (hereinafter the “Former Plan”) with the aim of securing and improving the corporate value of the Company and the common interests of the shareholders. The effective period of the Former Plan will expire at the conclusion of this Ordinary General Meeting of Shareholders.
In view of the approaching expiry of the effective period of the Former Plan, the Company’s Board of Directors has reviewed the possibility of renewing the Former Plan on various respects such as the trends in practice after having implemented the Former Plan. As a result, the Board of Directors has decided to renew the Former Plan with several revisions thereto (hereinafter the revised plan shall be “This Plan”).

The major revisions are as follows:
Concerning the assessment period of 30 days for the Board of Directors to prepare to present its opinions and the assessment period of the Independent Committee (the initially set period of 60 days and a maximum extension of 30 days), to avoid the arbitrary application of such provisions, we eliminated the phrase “in principle” and clearly indicated the limit of assessment periods. (There has been no change to each assessment period.)

The Company hereby proposes that the shareholders at this Ordinary General Meeting of Shareholders approve the renewal of This Plan, in accordance with Article19 of the article of incorporation, as described below.

1. Basic Policy Regarding Teijin’s Shareholders

The Company believes its shareholders exist through free transactions in the market and therefore the Company’s shareholders should make the final decisions as to whether to accept a proposal of a large-scale acquisition that would result in a transfer of the Company’s ownership.

However, it is envisioned that some large-scale purchases of the Company’s shares or such proposals might entail the following:

(1) Acquisitions that are likely to cause obvious harm to the corporate value of the Company and the common interests of the shareholders, in view of the presumed purposes of such acquisition proposals and management policies thereafter.
(2) Acquisitions that threaten to have the effect of compelling the shareholders to sell their shares.
(3) Acquisitions that do not provide the Company a reasonably necessary period to present alternative plans.
(4) Acquisitions conducted without providing sufficient information reasonably necessary for the Company’s shareholders to assess and examine the proposal.
(5) Acquisitions whose conditions (including the value and type of compensation, acquisition timing, the legality of the acquisition method, the probability of the acquisition being executed, post-acquisition management policy (including the way to handle the stakeholders of the Company), business plans, capital policies, dividend policies, etc.) are insufficient or inappropriate with a view to the Company’s intrinsic value.

The Company believes such a large-scale acquirer of the Company’s shares or a person who proposes such an action is exceptionally inappropriate to control the decision of the Company’s financial and business policies.

2. Details of This Plan

(1) Purpose of Renewal This Plan
The Company is renewing This Plan to prevent the Company's decisions on financial and business policies from being controlled by persons deemed inappropriate according to the basic policy described in "1. Basic Policy Regarding Teijin's Shareholders" above.

This Plan is designed to secure and improve the corporate value of the Company and the common interests of its shareholders by enabling the Company to collect information, ensuring sufficient time for shareholders to make appropriate decisions and by negotiating with the Acquirer (defined in item (a) of (4) "Procedure for Triggering and Abolition of This Plan" below; hereinafter the same shall apply), in case of an Acquisition (defined in item (a) of (4) "Procedure for Triggering and Abolition of This Plan" below; hereinafter the same shall apply) of the Company's shares and other securities.

(2) Overview of This Plan

(a) Procedures an Acquirer is Required to Take
The purpose of This Plan is to secure and improve the corporate value of the Company and the common interests of the shareholders, and This Plan requires the Acquirer to present information about the Acquisition in advance. This Plan stipulates procedures to ensure a sufficient period for the Company to collect information about and examine the Acquisition, present the Company's opinion and alternative plans to shareholders, and negotiate with the Acquirer.

(b) In Case an Acquirer Does Not Comply with the Prescribed Procedures
If an Acquirer does not comply with the procedures prescribed in This Plan, the Company intends to allot stock option with call, which carry acquisition conditions that the Acquirer shall not be allowed to exercise the rights and that the Stock Option can be acquired by the Company in exchange for the Company's shares from anybody other than the Acquirer (hereinafter the "Stock Option"), to all the shareholders of the Company (excluding the Company) registered or recorded as of the allotment date without contribution.

Decisions on the implementation or non-implementation of an allotment of the Stock Option without contribution made by the Company's Board of Directors must be by way of deliberation by the Independent Committee, which consists of members elected by the Company's Board of Directors from among those persons who are either an Outside Director of the Company or an Outside Corporate Auditor of the Company. In case that an allotment of the Stock Option without contribution is implemented according to This Plan, the ratio of the Acquirer's voting rights may be diluted to a maximum of 50% if the Company's shares are delivered to shareholders other than the Acquirer as a result of the exercise of the Stock Option or acquisition thereof by the Company.

(3) Establishment of the Independent Committee
To prevent the Company's Board of Directors from making an arbitrary decision on the implementation or non-implementation of an allotment of the Stock Option without contribution, the judgment must be by way of deliberation by the Independent Committee, which consists of members elected and appointed by the Company's Board of Directors from among those persons who are either an Outside Director of the Company or an Outside Corporate Auditor of the Company, in accordance with the Independent Committee Rules ("Attachment 1: Independent Committee Rules").

The number of members of the Independent Committee shall be five (5), as a general rule. The term of office of the Independent Committee members shall be until the conclusion of the Ordinary General Meeting of Shareholders pertaining to the last business year that ends within one (1) year after their appointment.
The name and career profile of each member of the Independent Committee when This Plan is renewed are shown in Attachment 2 hereof.

(4) Procedure for Triggering and Abolition of This Plan

(a) Applicable Acquisitions
Whether to implement the allotment of the Stock Option without contribution pursuant to the procedures prescribed in This Plan will be considered if an Acquisition or any similar act or proposal[1] that falls under either (i) or (ii) (hereinafter, collectively, the "Acquisition" and the person who makes the Acquisition the "Acquirer") of the following takes place.

(i) An Acquisition or any other action that would result in the holding ratio of share certificates, etc. (kabuken tou hoyuu wariai)4 of a holder (hoyuusha)3 amounting to 20% or of the share certificates, etc. (kabuken tou)2 issued by the Company.

(ii) A tender offer (koukai kaitsuke)6 that would result in the owning ratio of share certificates, etc. (*kabuken tou shoyuu wariai*)[7] of share certificates, etc. (*kabuken tou*)[5] held by the person who has proposed the tender offer and the owning ratio of share certificates, etc, of a person having a special relationship *(tokubetsu kankei-sha*)[8] with the Acquirer totaling at least 20% of the share certificates, etc., issued by the Company.

(b) Request to the Acquirer for the Provision of Information
The Acquirer conducting Acquisitions as defined in (a) shall submit to the Company's Board of Directors the information

necessary for consideration of the terms of the proposed Acquisition as shown in the following items (hereinafter, the "Required Information") and a statement that, in conducting the Acquisition, the Acquirer pledges to comply with This Plan regarding the Acquisition (hereinafter, collectively, the "Acquisition Statement") in the form prepared by the Company in Japanese before execution of the Acquisition unless the Company's Board of Directors determines that the Acquisition Statement is unnecessary. Receiving the Acquisition Statement, the Board of Directors will promptly disclose the fact of such reception of the Acquisition Statement from the Acquirer and immediately send the Acquisition Statement to the Independent Committee.

(i) Detailed information[11] (including names, businesses engaged in, personal or corporate history, corporate governance system, measures taken for corporate social responsibility (CSR), capital structure, financial position, status of legal compliance and details about previous transactions similar to the Acquisition by the Acquirer) of the Acquirer and its group (including a joint holder (*kyodo hoyusha*)[9], a person having a special relationship and persons having a special relationship with the person that controls the Acquirer as its controlled corporation, etc. (*hishihai-hojin tou*)[10])

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1. Including acts to solicit a third party for such acquisition.
2. Defined in Article 27-23, Paragraph 1, of the Financial Instruments and Exchange Law; hereinafter this definition shall apply throughout this document unless otherwise specified.
3. Including a person described as a holder under Article 27-23, Paragraph 3, of the Financial Instruments and Exchange Law (including persons that the Company's Board of Directors recognizes as falling under the above); hereinafter this definition shall apply throughout this document.
4. Defined in Article 27-23, Paragraph 4, of the Financial Instruments and Exchange Law; hereinafter this definition shall apply throughout this document.
5. Defined in Article 27-2, Paragraph 1, of the Financial Instruments and Exchange Law.
6. Defined in Article 27-2, Paragraph 6, of the Financial Instruments and Exchange Law; hereinafter this definition shall apply throughout this document.
7. Defined in Article 27-2, Paragraph 8, of the Financial Instruments and Exchange Law; hereinafter this definition shall apply throughout this document.
8. Defined in Article 27-2, Paragraph 7, of the Financial Instruments and Exchange Law (including persons that the Company's Board of Directors recognizes as falling under the above); Provided, however, that persons provided for in Article 3, Paragraph 2, of the Cabinet Office Ordinances concerning Disclosure of a Tender Offer by an Acquirer other than the Issuing Company are excluded from the persons set forth in Article 27-2, Paragraph 7(1), of the Financial Instruments and Exchange Law; hereinafter this definition shall apply throughout this document unless otherwise specified.
9. Defined in Article 27-23, Paragraph 5, of the Financial Instruments and Exchange Law, including persons regarded as a joint holder as per Paragraph 6 of said Article (including persons that the Company's Board of Directors recognizes as falling under the above); hereinafter this definition shall apply throughout this document.
10. Defined in Article 9, Paragraph 5, of the Enforcement Regulations of the Financial Instruments and Exchange Law.
11. Including information corresponding to that required under item (i), with regard to partners and other constituent members in case the Acquirer is a fund.

(ii) The purposes, method and terms of the Acquisition (including the value and type of compensation, Acquisition timing, related transaction systems, the legality of the Acquisition method and the probability of the Acquisition being executed)
(iii) The basis for determination of the Acquisition price (including facts and assumptions, method and figures used for determination of the Acquisition price, synergies expected as a result of the series of transactions related to the proposed Acquisition, the value and the basis for computation)
(iv) Information on previous acquisitions of the Company's share certificates, etc., by the Acquirer
(v) Information on funds for the proposed Acquisition (including the specific name of the person or group offering the funds for the Acquisition (including the persons or group who will actually provide the funding) and the method of raising the funds and related transactions)
(vi) Post-Acquisition management policy (including the way to handle the stakeholders of the Company), business plans, capital policies, dividend policies
(vii) Other information regarded as reasonably necessary by the Independent Committee.

(c) Consideration of the Terms of the Acquisition, Negotiation with the Acquirer and Presentation of Alternative Plans
When the Acquirer submits the Acquisition Statement and the Required Information additionally requested by the Independent Committee (if any), the Independent Committee may also require the Company's Board of Directors to present its opinion about the Acquisition terms and supporting documents therefor as well as alternative plans (if any) and other information and documents recognized to be necessary by the Independent Committee within the period determined to be reasonably necessary by the Independent Committee (a maximum of 30 days).
After the Independent Committee receives the information and documents from the Acquirer and the Company's Board of Directors (if so requested), the Independent Committee considers the terms of the Acquisition and the alternative plans presented by the Company's Board of Directors and collects, compares and examines the information on the business plans of the Acquirer and the Company's Board of Directors in order to make more objective judgments through the comparison and examination during a maximum of 60 days (however, the Independent Committee can extend the period according to the provision in (d)(iii) below. The period is hereinafter the "Independent Committee Assessment Period.")
The Independent Committee may discuss and negotiate with the Acquirer, directly or entrusting the Company's Board of Directors, as deemed necessary to improve the terms of the Acquisition from the perspective of securing and improving the corporate value of the Company and the common interests of the shareholders.
To ensure that the decision made by the Independent Committee benefits the corporate value of the Company and the common interests of the shareholders, the Independent Committee may receive advice from independent third parties such as financial advisors, certified public accountants, lawyers, consultants and other professionals at the Company's expense.
The Independent Committee will disclose to shareholders the fact that the Independent Committee Assessment Period has started as well as any part of the Required Information and other information that the Independent Committee considers appropriate to be disclosed at the time when the Independent Committee deems appropriate.

(d) The Independent Committee's Decision-Making Process
The Independent Committee will undertake the following procedures when an Acquirer emerges.
The Independent Committee will disclose information regarding the content of any recommendation and decision promptly after the decision in any of the following cases.

(i) In case the Independent Committee determines that the Acquisition by the Acquirer does not fall under any of the requirements stipulated in the following (5) "Requirements for the Allotment of the Stock Option Without Contribution," or if an allotment of the Stock Option without contribution is not appropriate even though the Acquisition by the Acquirer is satisfied as a result of its consideration of the terms of the Acquisition and negotiation with the Acquirer, or in case the Company's Board of Directors does not submit its opinion and information and documents stipulated in (c) above despite the Independent Committee's demand within the prescribed period, the Independent Committee will recommend the Company's Board of Directors not to implement an allotment of the Stock Option without contribution regardless of whether the Independent Committee Assessment Period is over.
Regardless of the preceding paragraph, even after the Independent Committee has once recommended the non-implementation of an allotment of the Stock Option without contribution, it may provide a new recommendation that the allotment of the Stock Option without contribution should be made in case any change occurs in the facts that were the basis of the decision, thereby satisfying the requirements as prescribed in the following item (ii).
(ii) If the Acquisition by the Acquirer falls under any of the "Requirements for the Allotment of the Stock Option Without Contribution" in (5) below and an allotment of the Stock Option without contribution is determined to be appropriate, the Independent Committee will recommend the Company's Board of Directors to implement an allotment of the Stock Option without contribution regardless of the beginning or ending of the Independent Committee Assessment Period. If the Independent Committee must determine whether an Acquisition falls under

any of the cases for triggering This Plan, which are described in items (b) through (d) of "(5) Requirements for the Allotment of the Stock Option Without Contribution," the Independent Committee may attach a reserve that prior approval of a shareholders' meeting should be obtained for the recommendation with regard to the implementation of an allotment of the Stock Option without contribution.

Regardless of the above paragraph, even after the Independent Committee has already recommended an implementation of the allotment of Stock Option without contribution, if the Independent Committee determines that the Acquisition falls under either of the following cases, it may provide a new recommendation that the Company should cancel the allotment of Stock Option without contribution during the period up until the business day immediately before the previous day of the ex-rights date relating to the allotment of Stock Option without contribution or that the Company should acquire the Stock Option without contribution during the period from the effective date up until the day immediately preceding the exercise-period start date for the allotment of Stock Option without contribution.

— The Acquirer withdraws the Acquisition or otherwise the Acquisition ceases to exist after the recommendation.
— There is an important change in the facts or circumstances on which the recommendation decision was made, thereby eliminating the reason for triggering This Plan, which is set forth in (5) "Requirements for the Allotment of the Stock Option Without Contribution."

(iii) In case the Independent Committee does not reach a recommendation for either the implementation or non-implementation of an allotment of the Stock Option without contribution by the end of the Independent Committee Assessment Period, the Independent Committee may extend the Independent Committee Assessment Period (a maximum of 30 days) within a period deemed to be reasonably necessary to consider the terms of the Acquisition, negotiate with the Acquirer and make alternative plans.

(e) Resolutions by the Board of Directors and the Convocation of a Shareholders' Meeting

The Company's Board of Directors shall respect and adhere to the aforementioned recommendation from the Independent Committee and finally pass a resolution on the implementation or non-implementation of an allotment of the Stock Option without contribution in accordance with the said recommendation as soon as practicable after having received such a recommendation.

However, unless holding a shareholder's meeting is extremely difficult the Board of Directors shall convene a shareholders' meeting as soon as practicable and raise a proposal on the implementation of the allotment of Stock Option without contribution as a matter to be resolved thereat, in case the Independent Committee has placed a reserve that prior approval of a shareholders' meeting should be obtained for the recommendation when it provided the Board of Directors with a recommendation that an allotment of the Stock Option without contribution should be implemented. If the matter to be resolved on the implementation of the allotment of Stock Option without contribution is passed by the shareholders' meeting, the Company's Board of Directors shall pass a resolution that the allotment of Stock Option without contribution be implemented. Whereas, if the matter to be resolved on the implementation of the allotment of Stock Option without contribution is rejected, the Board of Directors shall pass a resolution that the allotment of Stock Option without contribution not be implemented.

The Acquirer and its group (including a joint holder, a person having a special relationship and persons having a special relationship with the person or company that controls the Acquirer as its controlled corporation) shall not be able to execute the Acquisition by and before a resolution on the non-implementation of the allotment of Stock Option without contribution is passed by the Company's Board of Directors.

The Company's Board of Directors will disclose the information on the content of such resolutions and other matters promptly after such resolution.

(5) Requirements for the Allotment of the Stock Option Without Contribution

The Company intends to implement an allotment of the Stock Option without contribution upon resolution of the Company's Board of Directors, which is stipulated in item (e) of (4) "Procedure for Triggering and Abolition of This Plan" above, in case the Acquisition by the Acquirer falls under any of the following cases and it is deemed reasonable to implement an allotment of the Stock Option without contribution. As described in item (d) of (4) "Procedure for Triggering and Abolition of This Plan," the determination on whether the Acquisition falls under any of the following cases and it is deemed reasonable to implement an allotment of the Stock Option without contribution must be by way of deliberation by the Independent Committee (and additionally by way of the judgment of a shareholders' meeting in case the Independent Committee has placed a reserve that prior approval of a shareholders' meeting should be obtained for the recommendation when it provided the Board of Directors with a recommendation that an allotment of the Stock Option without contribution should be implemented).

(a) In case the Acquisition does not comply with the procedure set forth in This Plan;
(b) In case the Acquisition is likely to cause obvious harm to the corporate value of the Company and the common interests of the shareholders (e.g., the below-mentioned actions), in view of the purpose of the Acquisition and the post-acquisition management policy;

(i) Buy out of the Company's shares to demand that the Company purchase said shares at an inflated price;
(ii) Management that achieves an interest for the Acquirer to the detriment of the Company, such as temporary control of the Company's management for the low-cost acquisition of the Company's material assets;
(iii) Diversion of the Company's assets to secure or repay debts of the Acquirer or its group company; and
(iv) Temporary control of the Company's management to bring about a disposal of high-value assets that have no current relevance to the Company's business and declaring temporarily high dividends from the profits of the disposal, or selling the shares at a high price taking advantage of the opportunity afforded by the sudden rise in share prices created by the temporarily high dividends.

(c) In case the Acquisition threatens to have the effect of compelling shareholders to sell their shares, such as a coercive two-tier tender offer (meaning acquisition of shares including a tender offer that does not offer to acquire all shares in the initial acquisition, and sets unfavorable acquisition terms for the second stage or does not set clear terms for the second stage);
(d) In case the Acquisition conditions (including the value and type of compensation, Acquisition timing, the legality of the Acquisition method, the probability of the Acquisition being executed, post-Acquisition management policy (including the way to handle the stakeholders of the Company), business plans, capital policies, dividend policies, etc.) are insufficient or inappropriate with a view to the Company's intrinsic value

(6) Summary of the Stock Option
The Stock Option which are allotted, by means of an allotment without contribution, based on This Plan are as summarized below.
(a) Number of the Stock Option
The number of the Stock Option shall be the same as the last total number of issued shares of the Company on a certain date (hereinafter the "Allotment Date") separately determined by the Board of Directors in a resolution on the allotment of the Stock Option without contribution (hereinafter the "Allotment Resolution") (excluding the number of shares in the Company held by the Company at that time).
(b) Shareholders Eligible for Allotment
The Company will implement an allotment of the Stock Option without contribution to those shareholders other than the Company, who appear or are recorded in the Company's final shareholders registry on the Allotment Date at a ratio of one (1) Stock Acquisition Right for every one (1) share held.
(c) Effective Date of the Allotment of the Stock Option Without Contribution
The effective date of an allotment of the Stock Option without contribution shall be a date separately determined in the Allotment Resolution.
(d) Number of Shares to be Acquired upon Exercise of the Stock Option
The number of shares to be acquired upon exercise of the Stock Option (hereinafter the "Applicable Number of Shares") shall be one (1) share.
(e) Value of the property to be Invested upon Exercise of the Stock Option
Contributions upon the exercise of the Stock Option are to be in cash, and the value of the property to be invested upon the exercise of the Stock Option for each Company share shall be an amount to be separately determined in the Allotment Resolution, which shall be within the range between the lower limit of one (1) yen and the upper limit of half the market value of one (1) Company share in the equity market. Such market value shall be the amount that corresponds to the average of the closing prices (including nominal prices) for ordinary transactions of the Company's common share at the Tokyo Stock Exchange during the period of 90 days preceding the Allotment Resolution (excluding days on which no transactions were established), and the resulting fractions of less than one (1) yen shall be rounded up.
(f) Exercise Period of the Stock Option
The exercise period of the Stock Option shall start from the date separately determined in the Allotment Resolution (this first date of the exercise period shall be hereinafter the "Exercise Period Start Date"), and such period shall be, in principle, a duration from one (1) month to six (6) months long as separately determined in the Allotment Resolution.
(g) Conditions for the Exercise of the Stock Option
The following parties may not exercise the Stock Option (the parties falling under (I) through (VI) below shall collectively be referred to as "Non-Qualified Parties"):
(I) Specified large-scale holders (*tokutei tairyo hoyusha*)[12];
(II) Joint holders of specified large-scale holders;
(III) Specified large-scale acquirers (*tokutei tairyo kaitsukesha*)[13];
(IV) Persons having a special relationship with specified large-scale acquirers;
(V) Any transferee of or successor to the Stock Option of any person falling under (I) through (IV) without the approval of the Company's Board of Directors; or
(VI) Any related person (*kanrensha*)[14] of any person falling under (I) through (V).
Furthermore, nonresidents of Japan who are required to follow certain procedures under foreign applicable laws and ordinances to exercise the Stock Option may not, as a general rule, exercise the Stock Option (provided, however, that

the Stock Option held by nonresidents will be subject to acquisition by the Company in exchange for shares of the Company as set out in item (i) (2) below on the condition that they do not infringe any applicable laws or ordinances.). Furthermore, those who have not submitted a written oath in the format specified by the Company, which includes a representation and warranty clause on satisfaction of the exercise conditions of the Stock Option, etc., an indemnity clause and other covenants, may not exercise the Stock Option.

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12. "Specified large-scale holder" means, in principle, a person who is a holder of share certificates, etc., issued by the Company and whose holding ratio of share certificates, etc., in respect of such share certificates, etc., is at least 20% (including persons that the Company's Board of Directors recognizes as falling under the above). Provided, however, that a person that the Company's Board of Directors recognizes as a person who came to fall under the above on an involuntary basis as a result of the Company's purchase of treasury stock or any other understandable reason (though excluding the case of subsequent acquisition of the Company's share certificates, etc., on its own will), a person that the Company's Board of Directors recognizes as a person whose acquisition or holding of share certificates, etc., of the Company is not contrary to the Company's corporate value or the common interests of shareholders or certain other person that the Company's Board of Directors separately determines in the Allotment Resolution is not a specified large-scale holder. This definition shall apply throughout this document.
13. "Specified large-scale acquirer" means, in principle, a person who makes a public notice of purchase, etc. (as defined in Article 27-2, Paragraph 1, of the Financial Instruments and Exchange Law; the same shall apply throughout this Note), of share certificates, etc. (as defined in Article 27-2, Paragraph 1, of the Financial Instruments and Exchange Law; the same shall apply throughout this Note), issued by the Company through a tender offer and whose ratio of ownership of share certificates, etc., in respect of such share certificates, etc., owned by such person after such purchase, etc. (including similar ownership as prescribed in Article 7, Paragraph 1, of the Enforcement Regulations of the Financial Instruments and Exchange Law), is at least 20% when combined with the ratio of ownership of share certificates, etc., of a person having a special relationship (including persons that the Company's Board of Directors recognizes as falling under the above). Provided, however, that a person that the Company's Board of Directors recognizes as a person whose acquisition or holding of share certificates, etc., of the Company is not contrary to the Company's corporate value or the common interests of shareholders or certain other person that the Company's Board of Directors determines in the Allotment Resolution is not a specified large-scale acquirer. This definition shall apply throughout this document.
14. A "related person" of a given person means a person who substantially Controls, is Controlled by or is under common Control of such given person (including persons that the Company's Board of Directors recognizes as falling under the above), or a person deemed by the Company's Board of Directors to act in concert with such given person. "Control" means to "control the decisions on the company's financial matters and business policies" (as defined in Article 3, Paragraph 3, of the Enforcement Regulations of the Companies Act) of other corporations or entities.

(h) Restriction on Transfer of the Stock Option

Any acquisition of the Stock Option via transfer thereof shall require the approval of the Company's Board of Directors.

(i) Acquisition of the Stock Option by the Company

(1) The Company may acquire, upon arrival of the date determined by the Company's Board of Directors, all the Stock Option without contribution at any time on or before the date prior to the Exercise-Period Starting Date in case the Company's Board of Directors recognizes that it is appropriate for the Company to acquire such Stock Option.

(2) Upon the arrival of the date determined by the Company's Board of Directors, the Company may, pursuant to a decision made by the Company's Board of Directors, acquire all the Stock Option held by persons other than the Non-Qualified Parties, which have not been exercised before or on the day immediately before the date determined by the Company's Board of Directors. Then, the Company may, in exchange, deliver the Company's shares in a number equivalent to the number of the Applicable Number of Shares for every one (1) Stock Acquisition Right. Furthermore, if, on or after the date on which such acquisition takes place, the Company's Board of Directors recognizes the existence of any person holding Stock Option other than the Non-Qualified Parties (e.g., if there is a person who has been transferred or has inherited the Stock Option from any Non-Qualified Person with an approval of the Board of Directors on or after the acquisition date above), the Company may, upon the arrival of the date determined by the Company's Board of Directors after the date on which the acquisition described above takes place, acquire all of the Stock Option held by that person that have not been exercised by or on the day immediately before such date determined by the Company's Board of Directors and, in exchange, deliver the Company's shares in a number equivalent to the number of the Applicable Number of Shares for every one (1) Stock Acquisition Right. The same shall apply hereinafter.

(j) Delivery of Stock Option in Cases of Merger, Absorption-Type Demerger (kyushu-bunkatsu), Incorporation-Type Company Split (shinsetsu-bunkatsu), Stock Exchange (kabushiki-kokan) and Equity Transfer (kabushiki-iten)

The delivery of Stock Option in cases of merger, absorption-type demerger, incorporation-type company split, stock exchange and equity transfer shall be separately determined in the Allotment Resolution.

(k) Issuance of Certificates for the Stock Option

Certificates for Stock Option will not be issued.

(l) Other

In addition to the aforementioned matters, details of the Stock Option shall be separately determined in the Allotment Resolution.

(7) Effective Period of This Plan

This Plan shall be effective from the conclusion of the Ordinary General Meeting of Shareholders pertaining to the business year ended March 2012 (fiscal 2011) to the conclusion of the Ordinary General Meeting of Shareholders pertaining to the business year ended March 2015 (fiscal 2014).

(8) Abolition or Modification of This Plan

Even before the expiry of the effective period of this Plan after This Plan is introduced, This Plan shall be abolished immediately (i) in case a proposal that This Plan be abolished is approved at a shareholders' meeting of the Company, or (ii) in case a resolution that This Plan be abolished is adopted by the Company's Board of Directors in accordance with the Independent Committee's recommendation. As a consequence, This Plan can be abolished according to the intent of the overall shareholders. Moreover, even during the effective period of this Plan, the Company's Board of Directors may modify This Plan, upon approval of the Independent Committee's recommendation, in case any applicable law, ordinance or the regulations of any Japanese financial instruments exchange has been newly established or revised and it is appropriate to incorporate such new establishment or revision on This Plan, in case it is appropriate to amend the wording due to typographical errors and/or omissions or in case the intended amendment/revision does not put any shareholders of the Company at a disadvantage. Moreover, the Company's Board of Directors may review and modify This Plan in accordance with the Independent Committee's recommendation or consider other measures to prevent the Company's decisions on financial and business policies from being controlled by such persons regarded as inappropriate according to the basic policy.

The Company will promptly disclose the fact of such abolishment or modification and the content of modification or other related matters (if any modification is made), in case of the abolishment or modification of This Plan.

(9) Amendments due to the Revision to the Relevant Laws and/or Ordinances

The provisions of the laws and ordinances referenced in This Plan suppose that the relevant laws and ordinances are in effect as of May 9, 2012. If any revision or amendment to the clause or the term set out in each of these provisions becomes necessary due to the new establishment, abolition or amendment of any relevant law or ordinance on or after this date, the subjected clause or term in each of these provisions shall be differently read to a reasonable extent in view of the intent of such establishment, abolition or amendment.

3. This Plan Complies with the Basic Policy, Agrees with the Corporate Value of the Company and the Common Interests of the Shareholders and Shall Not Aim to Protect the Positions of Any of the Company's Directors and Corporate Auditors

In designing This Plan, the Company believes that it shall comply with "1. Basic Policy Regarding Teijin's Shareholders," agree with the corporate value of the Company and the common interests of the shareholders and shall not aim to protect the positions of any of the Company's Directors and Corporate Auditors.

(1) Respect of the Shareholders' Intent

This Plan will become effective subject to the approval of the overall shareholders at this Ordinary General Meeting of Shareholders, and the effective period of This Plan shall be three (3) years from the conclusion of this Ordinary General Meeting of Shareholders until the conclusion of the ordinary General Meeting of Shareholders pertaining to the business year ending March 2015, including fiscal 2014 during which the effects of growth strategy targets set out in the "Change for 2016" are expected to emerge throughout the year. Moreover, as the term of office of the Company's directors is one (1) year, the shareholders' intent may be well reflected by way of the election of directors. Furthermore, as described in "2. (8) Abolition or Modification of This Plan" above, even before the expiry of the effective period after This Plan is introduced, This Plan shall be abolished immediately in case a proposal that This Plan be abolished is approved at a shareholders' meeting of the Company. In this way, the shareholders' intent may be well reflected.

(2) Emphasis on Judgment of Independent Outsiders

In implementing This Plan, the Company established the Independent Committee as a highly independent organ that makes substantial judgments objectively for the sake of the shareholders to prevent the Company's Board of Directors from making an arbitrary decision on the actual operation of This Plan including the cases for triggering This Plan. The Independent Committee consists of members elected by the Company's Board of Directors from among those persons who are either an Outside Director of the Company or an Outside Auditor of the Company. By introducing autonomous independence requirements equivalent to those adopted by U.S. stock exchanges, the independence of the Outside Directors and the Outside Corporate Auditors is sufficiently guaranteed. Furthermore, This Plan is operable with high transparency as the summary of any judgment of the Independent Committee is disclosed to the shareholders.

(3) Setting of Rational and Objective Requirements for Triggering This Plan

As described in 2. (5) "Requirements for the Allotment of the Stock Option Without Contribution" above, This Plan is structured not to be easily triggered unless rational, detailed and objective requirements are satisfied. In addition, such objective requirements correspond to the cases set out in "1. Basic Policy Regarding Teijin's Shareholders" as a person who is deemed inappropriate to control the decisions of the Company's financial and business policies. This idea serves to prevent arbitrary triggering This Plan by the Board of Directors.

(4) Consistent Reinforcement of Corporate Governance of the Company

(i) The Company intends to separate and reinforce three managerial functions (decision-making, execution of business and monitoring/auditing) by electing three outside directors on its Board of Directors, which comprises a maximum of 10 directors, and three Outside Corporate Auditors comprising a majority of the five Corporate Auditors.

(ii) The Company has also established an Advisory Board that serves in a consultative capacity and is tasked with advising on management issues and evaluating the performance of top executives.

The Advisory Board comprises five or six outside Advidsers—of whom three are Japanese and two or three non-Japanese—as well as the Chairman of the Board and the President & CEO. The Advisory Board is also charged with deliberating the alternation of Presidents & CEO and the nomination of successors, as well as compensation systems and level of compensation for Directors and the Corporate Auditorsof the Teijin Group and evaluating the performance of the President & CEO, Representative Director.

(iii) Guidelines on corporate governance of the Company including these measures above are disclosed in the form of the Corporate Governance Guide.

The above measures are viewed as groundbreaking initiatives to create a mechanism for disciplining the conduct of the management team, in other words, corporate governance among the listed companies that have introduced the Board of Auditors system in Japan. This mechanism should have the effect of strongly braking the self-protective conduct of the Company's Directors and Corporate Auditors and is expected to play an important role in preventing the arbitrary application of This Plan.

As a consequence, the Company intends to maintain its corporate governance above during the effective period of This Plan.

(5) No Dead-Hand or Slow-Hand Takeover Defense Measures

This Plan is designed so that it may be abolished by a Board of Directors that includes several directors who have been elected at a shareholders' meeting of the Company through nomination by a person who has acquired a large number of share certificates, etc., in the Company. Therefore, This Plan is not a Dead-Hand Takeover Defense Measure (a Takeover Defense Measure in which even if a majority of the members of the Board of Directors are replaced, the triggering of This Plan cannot be stopped). Also, as the Company has not adopted a staggered board, This Plan is not a Slow-Hand Takeover Defense Measure either (a Takeover Defense Measure in which triggering takes more time to stop due to the fact that the directors cannot be replaced all at once).

4. Impact on Shareholders

(1) Impact on Shareholders at the Time of Renewing This Plan

As an allotment of the Stock Option without contribution would not be implemented at the time This Plan is renewed, it would not have any direct impact on the rights or interests of shareholders and investors.

(2) Impact on Shareholders at the Time of Allotment of the Stock Option without Contribution

If the Company's Board of Directors passes a Allotment Resolution , the Allotment Date is decided in the resolution and publicly announced. In this case, the Company will allocate the Company's shares without contribution to shareholders who appear or are recorded in the Company's final register of shareholders on the Allotment Date (hereinafter the "Shareholders Eligible for Allotment") at a ratio of one (1) Stock Option for every one (1) share held. The Shareholders Eligible for Allotment will not need to take any application procedures because they will become Stock Option holders as a matter of course on the effective date of the allotment of the Stock Option without contribution.

Even after the Allotment Resolution has been made, the Company may cancel the allotment of Stock Option without contribution during the period up until the business day immediately before the previous day of the ex-rights date relating to the allotment of Stock Option without contribution or acquire the Stock Option without contribution during the period from the effective date for the allotment of Stock Option without contribution up until the day immediately preceding the Exercise Period Start Date , in accordance with the recommendation of the Independent Committee described in (d) (ii) of 2. (4) "Procedure for Triggering and Abolition of This Plan." In these cases, any dilution of stock value for the Company's shares is not incurred, and shareholders and investors who made selling transactions on the assumption of dilution may suffer corresponding effect of stock price fluctuation.

(3) Procedures Required for Shareholders upon an Allotment of the Stock Option Without Contribution

(a) Procedures for Exercising the Stock Option

The Company will deliver documents to be submitted by shareholders upon the exercise of the Stock Option (in a form prescribed by the Company and containing necessary matters such as the content and number of the Stock Option for exercise and the exercise date for the Stock Option, as well as representations and warranties regarding matters such as whether the shareholders themselves satisfy the requirements for the exercise of the Stock Option, indemnity clauses and other covenants) and other documents to the Shareholders Eligible for Allotment. After the allotment of Stock Option without contribution is made, the shareholders will be delivered the Company's shares at a ratio of one (1) Company share for one (1) Stock Option. Such delivery of shares will occur on the submission of the necessary documents above and payment of an amount that corresponds to the exercise price, which shall be within the range between the lower limit of one (1) yen and the upper limit of half the market value of one (1) Company share in the equity market, determined in the Allotment Resolution through a predetermined payment method. The exercise of Stock Option by any Non-Qualified Parties shall comply with the procedure separately determined by the Company in adherence with the intent of item (g) of 2. (6) "Summary of the Stock Option."

In case a shareholder neither exercises the Stock Option nor pays the money corresponding to the exercise price, the Company's shares held by the shareholder would be diluted, probably affected by the exercise of the Stock Option by other shareholders.

However, the Company may, in some cases, acquire Stock Option from the shareholders other than the Non-Qualified Parties in accordance with the procedure described in (b) below and, in exchange, deliver the Company's shares to the holders of the Stock Option. If the Company follows this acquisition procedure, then the shareholders need to neither exercise the Stock Option nor pay the money that corresponds to the exercise price and would receive the corresponding Company's shares . Accordingly, the shares held by the shareholders would not be diluted.

(b) Procedure for Acquisition of the Stock Option by the Company

If the Company's Board of Directors determines to acquire the Stock Option, the Company may, upon the arrival of the date determined by the Company's Board of Directors, acquire all of the Stock Option from all the shareholders other than the Non-Qualified Parties in accordance with the legal procedures and deliver shares in the Company to the Stock Option holders in exchange for the acquisition of the Stock Option. In this case, shareholders holding the Stock Option to be acquired will receive the Company's shares at a ratio of one (1) Company share for one (1) Stock Option, as consideration for the acquisition of the Stock Option by the Company, without paying money equivalent to the exercise price. (Provided, however, that said shareholders may be separately requested to submit, in a form prescribed by the Company, representations and warranties regarding matters such as the fact that they are not Non-Qualified Parties, indemnity clauses and other covenants.)

In addition to the above, the Company will disclose information or notify all of its shareholders with respect to the particulars of the allotment method of Stock Option, the exercise method of Stock Option and the procedure for acquisition of the Stock Option by the Company after they are determined in the Allotment Resolution, so we request that shareholders check these details at that time.

Attachment 1

Outline of the Independent Committee Rules

1) The Independent Committee shall be established by a resolution of the Company's Board of Directors.
2) As a general rule, members of the Independent Committee shall be elected and appointed by the Company's Board of Directors from either outside directors of the Company or outside auditors of the Company, who satisfy the independence requirements set by the company and are independent from the management which conducts the execution of the business of the company.
3) The number of Independent Committee members shall be five (5), in principle.
4) Unless otherwise determined by a resolution of the Company's Board of Directors, the term of office of members of the Independent Committee shall be until the close of an ordinary general meeting of shareholders pertaining to the last fiscal year that ends within one (1) year after their election.
5) The Independent Committee shall make decisions on the matters listed below and submit recommendations to the Company's Board of Directors containing the details of and reasons for the recommendation.
   The Company's Board of Directors shall make final decisions respecting and in accordance with such recommendation of the Independent Committee. Each member of the Independent Committee and each director of the Company must make such decisions with a view to whether the corporate value of the Company and the common interests of its shareholders will be enhanced, and they must not serve solely for the purpose of their own personal interests or those of the Company's officers.
   (i) The implementation or non-implementation of the gratis allotment of Stock Acquisition Rights (including the case in which a reserve that prior approval of a general meeting shareholders should be obtained is attached).
   (ii) The cancellation of the gratis allotment of Stock Acquisition Rights or the acquisition of the Stock Acquisition Rights without consideration.
   (iii) The abolition or modification of This Plan.
   (iv) The implementation of any measures other than This Plan to prevent the Company's decisions on financial and business policies from being controlled by persons or companies regarded as inappropriate according to the basic policy.
   (v) Any other matters that are for determination by the Company's Board of Directors in respect to which it has consulted with the Independent Committee.
6) In addition to the matters prescribed above, the Independent Committee shall conduct the matters listed below.
   (i) Determining an Acquisition addressed by This Plan;
   (ii) Determining the information that the Acquirer and the Company's Board of Directors should provide to the Independent Committee;
   (iii) Examination and consideration of the terms of the Acquirer's Acquisitions;
   (iv) Negotiation and discussions with the Acquirer;
   (v) Request to the Company's Board of Directors for consideration and submission of the alternative proposal with regard to the Acquirer's Acquisitions;
   (vi) Determining the extension of the Independent Committee Assessment Period;
   (vii) Any other matters that This Plan prescribes that the Independent Committee may conduct; and
   (viii) Any matters that the Company's Board of Directors separately determines that the Independent Committee may conduct.
7) If the Independent Committee decides that the Acquisition Statement is inadequate as the Required Information, it may request that the Acquirer submit additional necessary information. Furthermore, if the Independent Committee receives from the Acquirer the Acquisition Statement and other information requested by the Independent Committee, it may request that the Company's Board of Directors provide within a certain period an opinion regarding the terms of the Acquisition by the Acquirer and materials supporting that opinion, an alternative proposal and any other information and the like that the Independent Committee may consider necessary from time to time.
8) If it is necessary to have the terms of the Acquirer's Acquisition from the standpoint of ensuring and enhancing the corporate value of the Company and the common interests of its shareholders, the Independent Committee shall, either directly or entrusting the Board of Directors, discuss and negotiate with the Acquirer.
9) To collect the necessary information, the Independent Committee may request the attendance of a director, a corporate auditor or an employee of the Company, or any other person that the Independent Committee considers necessary, and may require explanation of any matter it requests.
10) The Independent Committee may receive advice from independent third parties such as financial advisors, certified public accountants, lawyers, consultants and other professionals at the Company's expense.
11) Any member of the Independent Committee may convene a meeting of the Independent Committee when an Acquisition arises, or at any other time.
12) Resolutions of a meeting of the Independent Committee shall, as a general rule, pass with the majority votes cast when all of the members of the Independent Committee are in attendance. However, in case of unavoidable reason, the Independent Committee may pass a resolution with a majority of the votes cast when a majority of the members are in attendance.

Attachment 2

Names and Career Profiles of the Members of the Independent Committee (planned)

Hajime Sawabe

Apr. 1964	Joined Tokyo Denki Kagaku Kogyo K.K. (currently TDK Corporation)
Jun. 1996	Director
Jun. 1998	President & Representative Director
Jun. 2006	Chairman & Representative Director
Mar.2008	Outside Director, Asahi Glass Co.,Ltd(Incumbent)
Jun. 2008	Outside Director, Teijin Limited (Incumbent)
	Member of the Advisory Board, Teijin Limited (Incumbent)
Nov.2010	Trustee, Waseda University (Incumbent)
Mar.2011	Outside Corporate Auditor, Nikkei Inc. (Incumbent)
Jun.2011	Chairman of the Board & Director, TDK Corporation (Incumbent)
Oct.2011	Councilor, Waseda University (Incumbent)

Yutaka Iimura

Apr.1969	Joined Ministry of Foreign Affairs, Japan (MFA)
Aug.1999	Director, General, Economic Cooperation Bureau, MFA
Feb. 2001	Deputy Vice-Minister, MFA
Sep. 2001	Assistant Vice-Minister, MFA
Jul. 2002	Ambassador of Japan in Indonesia
Nov.2002	Ambassador of Japan in Indonesia and the Democratic Republic of Timor-Leste(East Timor)
Apr. 2006	Ambassador of Japan in France and The Principality of Andorra (Andorra)
May.2007	Ambassador of Japan in France, Andorra and the Principality of Monaco
Jul. 2009	Retired from MFA
Jul. 2009	Special Envoy of the Government of Japan for the Middle East and Europe (Incumbent)
Jun.2011	Director, Teijin Limited (Incumbent)
	Member of the Advisory Board, Teijin Limited (Incumbent)

Nobuo Seki

Apr. 1970	Joined Chiyoda Corporation
Apr.1992	Vice-President, Chiyoda International Corporation
Jun.1997	Director, Chiyoda Corporation
Jun.1998	Managing Director
Aug.2000	Senior Managing Director, Project Operations
Apr.2001	President & CEO
Apr.2007	Chairman of the Board
Apr.2009	General Corporate Advisor (Incumbent)
Apr.2012	Professor, Graduate school of Shibaura Institute of Technology

Kenichiro Senoh

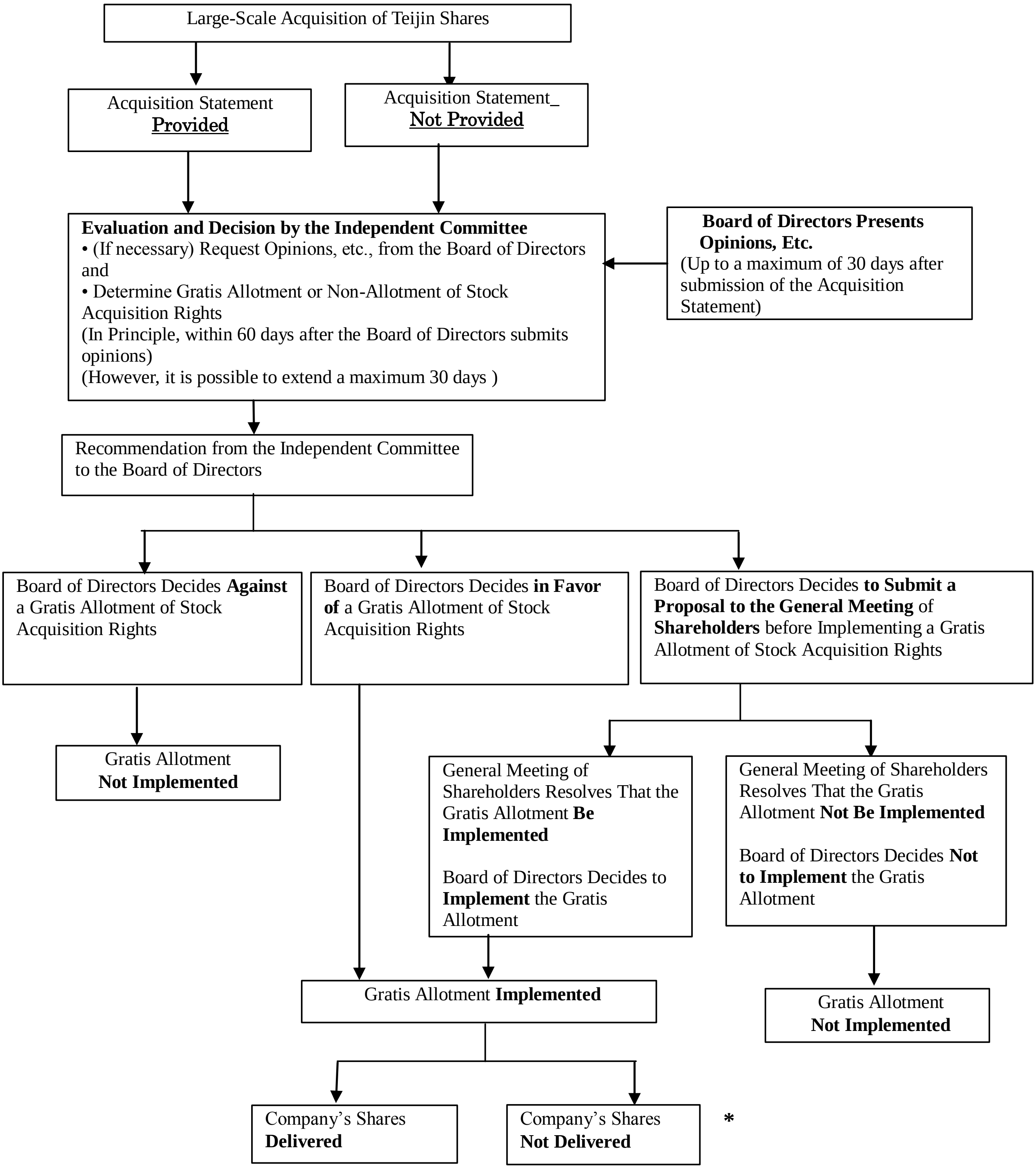
Apr.1976	Joined Fuji Photo Film Co., Ltd.(currently FUJIFILM Corporation)
Dec.1999	Representative Vice-President Keio Academic Enterprise Co., Ltd.
Apr.2001	Professor, Graduate school of Keio University Media and Government
Apr.2004	President & Chairperson, The Industry-Academic Collaboration Initiative (NPO) (Incumbent)

Toshiharu Moriya

Feb. 1970	Joined Ozawa Hiroshi Certified Public Accountant Office
Oct. 1972	Registered as Certified Public Accountant
Nov. 1975	Joined Dai-ichi Audit Corporation (currently Ernst & Young ShinNihon LLC)
May 1984	Representative Partner, Century Audit Corporation
Sept. 1995	Deputy Chairman, Public Accounting Committee and Chairman, Specialty Division, The Japanese Institute of Certified Public Accountants (JICPA)
Apr. 2000	Lecturer, Asia University and Graduate School of Asia University
Apr. 2005	Auditor, Tokyo Metropolitan University
Jun.2006	Professor, Graduate School of Accounting, Hosei University (Incumbent)
	Outside Corporate Auditor, NIFTY Corporation (Incumbent)
	Outside Corporate Auditor, Fujitsu Frontech Limited (Incumbent)
Jun. 2007	Outside Corporate Auditor, Teijin Limited (Incumbent)
Apr.2010	Auditor, Kanagawa Dental College(Incumbent)

The Flow Chart of Measures

The outline of flow chart with regard to the measures against Large-Scale acquisitions is as follows:



Note:
* For example, if after a gratis allotment a potential acquirer withdraws the proposed acquisition of the Company's shares, the Company may choose not to deliver the Company's shares after acquiring the stock acquisition rights for no consideration.

Attached Reports

Reports on Operations for the 146th Fiscal Year (April 1, 2011 to March 31, 2012)

1. Current State of the Teijin Group

(1)Progress and Results of Operations

1)Progress and Results of Operating Activities

①Sales and Income

Global economic conditions were generally soft in fiscal 2011, ended March 31, 2012. With the world still reeling from the destruction wrought by the Great East Japan Earthquake of March 11, 2011, only seven months later, in October 2011, Thailand was hit by massive floods, resulting in supply chain disruptions that affected the economy not just of Japan and the rest of Asia, but of the entire world. The impact of the European sovereign debt crisis, which came to a head in second half of the period, began to spill over into the real economy, slowing growth in Europe as well as overseas. In Japan, economic conditions were also impeded by such factors as electric power shortages and the unprecedented strength of the yen and remained harsh throughout the period.

In this environment, Teijin reported consolidated net sales of ¥854.4 billion, an increase of 4.7% from fiscal 2010. Factors behind this increase included the standardization of accounting periods for all Teijin Group companies.∗ Operating income declined 29.9%, to ¥34.0 billion, mainly attributable to supply chain disruptions caused by the aforementioned natural disasters and to flagging conditions in electronics markets worldwide, which caused a deterioration of results in the Films and Plastics segment. Ordinary income was down 31.9%, to ¥34.3 billion, owing to the drop in operating income and to a decline in equity in earnings of affiliates. Net income, hampered further by an extraordinary loss resulting from amendments to the employee retirement benefit plans of certain European subsidiaries, fell 52.4%, to ¥12.0 billion. Net income per share was ¥12.17, down ¥13.42 from fiscal 2010.

②Analysis of Assets, Liabilities and Net Assets

Total assets as of March 31, 2012, amounted to ¥762.1 billion, an increase of ¥600 million from the end of fiscal 2010. This increase occurred despite constraints on major capital investments and the progress of depreciation and amortization and was primarily a consequence of increases in trade notes and accounts receivable and other components of working capital.

Total liabilities, at ¥449.9 billion, were down ¥3.9 billion from the fiscal 2010 year-end. Interest-bearing debt, which includes commercial paper, short-term loans payable and long-term loans payable, declined ¥6.4 billion, to ¥261.0 billion, thanks to the use of cash generated by operating activities and as a result of constraints on major capital investment to pay down such debt.

Total net assets were ¥312.2 billion, an increase of ¥4.5 billion. Shareholders' equity and total valuation and translation adjustments together represented ¥292.0 billion of the total, up ¥7.8 billion. This result was attributable to net income of ¥12.0 billion for the period under review and a decrease in the deduction for foreign currency translation adjustments, among others.

∗ With the aim of guaranteeing timely disclosure and the efficiency of business performance management, effective from fiscal 2011, all consolidated subsidiaries of Teijin now close their books on March 31. As a consequence, for this fiscal year only, certain consolidated subsidiaries and equity method affiliates reported operating results for a 15-month period (January 1, 2011–March 31, 2012).

Segment operating results (sales and operating income) of the Teijin Group are as follows.

(Billions of yen / %)

		Fiscal 2010	**Fiscal 2011**	Change	Percentage change
Net sales	High-Performance Fibers	**¥103.4**	**¥120.7**	¥17.4	16.8%
	Polyester Fibers	**103.5**	**109.9**	6.4	6.2
	Films and Plastics	**217.1**	**215.4**	-1.7	-0.8
	Pharmaceuticals and Home Health Care	**136.4**	**143.0**	6.6	4.8
	Trading and Retail	**216.9**	**224.6**	7.7	3.5
	Sub-Total	**¥777.3**	**¥813.6**	36.3	4.7
	Others	**38.3**	**40.8**	2.4	6.3
	Total	**¥815.7**	**¥854.4**	¥38.7	4.7
Operating income	High-Performance Fibers	**¥4.4**	**¥6.3**	¥1.9	42.6
	Polyester Fibers	**3.0**	**1.9**	-1.1	-37.2
	Films and Plastics	**23.4**	**3.7**	-19.7	-84.1
	Pharmaceuticals and Home Health Care	**22.9**	**25.9**	3.0	13.1
	Trading and Retail	**4.7**	**6.0**	1.3	26.7
	Sub-Total	**¥58.5**	**¥43.9**	-¥14.7	-25.1
	Others	**3.1**	**3.3**	0.2	7.1
	Elimination and corporate	**(13.1)**	**(13.1)**	-0.1	-
	Total	**¥ 48.6**	**¥ 34.0**	- ¥14.5	-29.9

Business Segment Results for fiscal 2011 were as follows:

■High-Performance Fibers

Sales in the High-Performance Fibers segment amounted to ¥120.7 billion. Operating income was ¥6.3 billion.

Aramid Fibers

Results were firm in most product categories.

The market for *Twaron* para-aramid fibers was solid, particularly for use in automotive-related materials, ballistic-protection products and fiber optic cables. Although the Great East Japan Earthquake hindered domestic demand for *Technora* para-aramid fibers from some quarters for use in composite materials and civil engineering applications, overall demand remained steady, supported by overseas demand for automotive-related applications. Despite firm domestic demand for use in protective clothing, *Teijinconex* meta-aramid fibers entered an adjustment phase as demand slowed in Japan for use in filters, a consequence of the strong yen, and in Europe for use in industrial materials, reflecting the economic slowdown. In this environment, we continued to push ahead with active efforts to enhance profitability by reducing costs and cultivating new applications for all products.

Carbon Fibers and Composites

We proceeded with assertive efforts to promote the use of thermoplastic carbon fiber–reinforced plastic (CFRP).

Demand for *Tenax* carbon fibers was favorable for use in aircraft and comparatively firm for use in compounds, particularly in Japan. Despite increasing in the first half, demand for general industrial applications and for use in sports and leisure equipment softened overall, owing to such factors as production adjustments by customers in Asia. We responded by working actively to cultivate new markets and customers worldwide, including in emerging economies. To capitalize on new growth opportunities, we will promote the development of technologies designed to improve productivity and product quality, as well as the development of advanced prepreg for aircraft applications and high-performance carbon fibers for use in pressure vessels.

We also persevered with preparations for the commercialization of revolutionary technologies that reduce the time required for molding thermoplastic CFRP (CFRP made with thermoplastic resin) components to less than one minute. In December 2011, we signed an agreement with General Motors Company of the United States to collaborate in the development of thermoplastic CFRP components for use in mass-produced GM vehicles, a move that bodes well for the expanded use of such components. We are also currently building a pilot plant for the fully integrated production of thermoplastic CFRP components at our factory in Matsuyama, Ehime, which is slated to begin operations in mid-2012. In March 2012 we announced the establishment of the Teijin Composites Application Center in the northeastern United States, which will focus on cultivating new applications and markets with the aim of accelerating the development of commercially viable thermoplastic CRFP components. To facilitate the broad adoption of CFRP in vehicles, we will continue to collaborate with automakers in Japan and overseas in the development of lighter vehicle bodies and components, thereby contributing to the reduction of CO_2 emissions and the improvement of fuel efficiency.

These technologies received the Global Automotive Carbon Composites Technology Innovation Award from world-renowned market research firm Frost & Sullivan for 2011. In addition, the technologies were honored with the Overall Innovation Award, as well as winning the Best Product Innovation category, at the 2011 ICIS Innovation Awards, an event run by International Chemical Information Service (ICIS), a leading United Kingdom–based provider of information for the chemicals industry.

■Polyester Fibers

The Polyester Fibers segment, which also includes the polyester raw materials and polymerization businesses, generated sales of ¥109.9 billion and operating income of ¥1.9 billion.

Efforts to resume operations at three flood-damaged production facilities in Thailand proceeded apace.

Despite flagging demand in the immediate aftermath of the Great East Japan Earthquake, as well as damage from the severe flooding to production facilities belonging to three Thai subsidiaries—all of which were forced to suspend operations—the Polyester Fibers segment remained profitable, bolstered by the positive impact of structural reforms and a sharp recovery in automobile production that began in the summer, as well as by demand associated with post-quake reconstruction efforts and measures to promote energy savings. The bulk of production from the flood-damaged facilities in Thailand was temporarily transferred to domestic subsidiary Teijin Fibers Limited, among others, to fulfill our responsibilities as a supplier. Efforts to repair the facilities proceeded apace and in February 2012 production resumed on several lines, with the first shipments since the floods going out before the close of the fiscal year.

In the area of product development, ultrafine polyester nanofiber *Nanofront*, which delivers superb slip resistance and fit, was adopted for use in a line of golf gloves designed for professional golfers. On another front, to strengthen our presence in the PRC, which boasts a rapidly expanding consumer market, in January 2012 we launched that country's first closed-loop system for recycling polyester uniforms. In March we signed an agreement with the China Chemical Fibers Association (CCFA) to establish a comprehensive alliance that will enhance growth opportunities for both parties through close collaboration and participation in joint development projects. Additionally, in April 2012 we announced plans for the August establishment of Teijin Product Development China Co., Ltd., a fiber and textile product R&D base, a move aimed at helping foster the local chemical fibers industry.

■Films and Plastics

Sales in the Films and Plastics segment totaled ¥215.4 billion. Operating income was ¥3.7 billion.

Plastics

The plastics business struggled, owing to sluggish market conditions.

Our mainstay polycarbonate resin business was hampered by a harsh operating environment for electrical and electronics equipment manufacturers, its principal customers, stemming from factors such as slack demand for liquid crystal display (LCD) televisions, the European financial crisis, the impact of the Great East Japan Earthquake and the severe flooding in Thailand. October 2011 saw the beginning of a market slump that drew comparisons with conditions in the wake of the Lehman Brothers collapse, although demand in certain sectors began to pick up in early 2012, particularly in the PRC. Prices for key raw materials continued to climb as ongoing geopolitical tensions drove up crude oil prices. Accordingly, despite unclear market prospects for end products, we pressed ahead with efforts to revise sales prices, as well as to lower costs and trim inventories.

In the area of processed polycarbonate resin products, operating conditions waned, reflecting stagnant demand for *PURE-ACE* polycarbonate retardation film, used primarily in 3D glasses for movie theaters, and a sharp decline in sales of transparent electroconductive film for resistive touch screens. One bright spot was the adoption of a newly developed transparent electroconductive film for capacitive touch screens for use in smartphones and tablet computers, which bodes well for the future of this product.

Films

Demand for polyethylene terephthalate (PET) film declined worldwide for principal applications, despite being firm in the first half.

We have a number of polyester films joint ventures with E.I. du Pont de Nemours and Company (DuPont) of the United States around the world. Demand for PET film, robust in fiscal 2010, remained firm in the first half of fiscal 2011, notably for use as LCD reflective film—one of the principal applications for this product—and in solar cell back sheets. However, in the third quarter demand declined worldwide, owing primarily to deteriorating conditions in the electronics market.

In Japan, we were forced to temporarily suspend production at our Utsunomiya Factory, in Tochigi Prefecture, and our Ibaraki Factory, in Ibaraki Prefecture, in the wake of the Great East Japan Earthquake, which hampered our supply capabilities from April until late June, by which time both facilities had resumed production on all lines. Sales of PET film for use as LCD reflective film began to soften toward the end of the second quarter and remained sluggish in the third quarter, owing to production cuts by LCD manufacturers. Demand for use in solar cell back sheets dropped sharply, primarily as a result of worsening fiscal problems across Europe, which prompted the reduction of subsidies to solar cell manufacturers.

Demand in Indonesia remained comparatively solid. In the PRC, demand flourished, but a rush by local manufacturers to expand production capacity upset the supply–demand balance, a situation that negatively affected our local joint venture’s sales prices. In the United States and Europe, demand for use in solar cell back sheets—brisk in fiscal 2010—weakened in the second quarter, forcing us to take steps—including temporarily suspending production of certain product lines to make necessary inventory adjustments—that hampered profitability.

■Pharmaceuticals and Home Health Care

Sales in the Pharmaceuticals and Home Health Care segment amounted to ¥143.0 billion, while operating income was ¥25.9 billion.

Pharmaceuticals

Sales of our novel treatment for hyperuricemia and gout expanded.

In the domestic market, sales continued to expand favorably for *Synvisc Dispo*, an intra-articular injection-form drug for treating pain associated with osteoarthritis of the knee launched in December 2010, and *Feburic*, a novel treatment for hyperuricemia and gout launched in May 2011. In January 2012, we obtained approval to manufacture and market

Bonalon®* *Bag for I.V. Infusion* 900 µg, Japan's first intravenous drip-form treatment for osteoporosis, which is administered once every four weeks, and announced plans to launch the drug in spring 2012.

Overseas, in July 2011 we commenced sales of our innovative hyperuricemia treatment, already sold in North America and Europe, in the Republic of Korea (ROK) under the name *Feburic*, bringing the number of countries where the drug is sold to 19, including Japan. We also secured regulatory approval to market the drug in Taiwan and Hong Kong. Additionally, we signed exclusive distributorship agreements with Takeda Pharmaceuticals North America, Inc., for marketing in Mexico and the Caribbean; Algorithm SAL, for marketing in the Middle East and North Africa; Astellas Pharma Inc., for marketing in Southeast Asia and India; and the Menarini Group for marketing in Central and South America, the Commonwealth of Independent States (CIS) and Oceania. Thanks to these agreements, our distributorships currently cover 117 countries.

On another note, our novel treatment for hyperuricemia and gout was recognized with the Prize for Science and Technology (Development Category) for fiscal 2012, part of the Commendation for Science and Technology by Japan's Ministry of Education, Culture, Sports, Science and Technology. The drug also received the Pharmaceutical Society of Japan Award for Drug Research and Development 2012.

In R&D, we commenced clinical testing of GGS-MPA (human immunoglobulin preparation *Venilon*) for the treatment of microscopic polyangiitis, a new indication, and NA872ET, a small sustained-release tablet-form version of expectorant *Mucosolvan*. We also filed for approval to manufacture and market GTH-42J, a new oral jelly form of osteoporosis treatment *Bonalon*®, and ITM-014, a cutting-edge treatment for acromegaly.

Home Health Care

Rental volume for home oxygen therapy (HOT) equipment and continuous positive airway pressure (CPAP) ventilators remained favorable.

In Japan, rental volume for mainstay HOT equipment rose. Rentals of CPAP ventilators, used to treat sleep apnea syndrome, also increased favorably, bolstered by *SLEEPMATE* S9, a high-performance positive pressure ventilator launched in April 2011 that is both small and light, which has emerged as a major pillar of our home health care business. The markets for other offerings, including noninvasive positive pressure ventilators (the *NIP NASAL* series and *AutoSet* CS) and *SAFHS* (Sonic Accelerated Fracture Healing System), expanded encouragingly.

Overseas, we currently provide home health care services in the United States, Spain and the ROK, bringing the total number of patients using these services worldwide to approximately 400,000. In all three overseas markets, we took steps to ensure the expansion of rental volume and sought to reinforce our earnings base by improving the efficiency of operations.

■Trading and Retail

The Trading and Retail segment yielded sales of ¥224.6 billion, while operating income was ¥6.0 billion. During the period, we continued to actively promote alliances both in Japan and overseas.

Textiles and Apparel

Active efforts to foster both production and sales alliances in Japan and overseas, including capital investment in production bases in the Association of Southeast Asian Nations (ASEAN) region and equity participation in a leading Japanese apparel manufacturer, supported brisk sales, particularly of sportswear, everyday apparel and apparel targeted specifically at the Tokyo metropolitan area market.

Industrial Textiles and Materials

Shipments of industrial textiles for automotive-related applications recovered rapidly. Sales of general-purpose products were brisk, owing to demand associated with post-quake reconstruction efforts, while sales of tents, *REFTEL* heat reflecting and insulating film and other products rose on the strength of demand related to measures to promote energy savings.

■Others

This segment generated sales of ¥40.8 billion and operating income of ¥3.3 billion. Sales in the IT business were hampered by restraints on corporate IT spending, while sales in the e-commerce site management and healthcare solutions businesses were firm.

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* *Bonalon*® is the registered trademark of Merck Sharp & Dohme Corp., Whitehouse Station, NJ, U.S.A.

2) Progress and Results of Non-Operating Activities

The progress and results of non-operating activities conducted by Teijin Group ("the Group") during the fiscal year under review were as follows.

The Group is actively engaged in efforts to reduce its environmental burden, energy and resources saying and make effective use of waste as part of the Group's important effort relating to all business operations. Specifically, as an effort to reduce the environmental burden which contribute to climate change issues, the Group has endeavored to cut CO_2 emissions within the country for production, logistics and office operations toward the reduction target of 10% or more by fiscal 2010 compared with the fiscal 1990 level by raising awareness of its employees about reducing greenhouse gases. As a result, the Group achieved a 40% reduction, which far exceed the target. Also in overseas, the Group is striving to attain 1% or more reduction in CO_2 emissions per unit of production every year.

The Group's active efforts to reduce its environmental burden also include the Design for Environment initiative: All of our products, manufacturing processes and IT services are designed to minimize their environmental burden in accordance with Teijin Group Design for Environment Guidelines for assessing the environmental burden throughout a product's life cycles. In addition, the efforts to reduce environmental burden are done by promoting the Group's "environmental businesses," including the development of cutting-edge materials, resources and water recycle systems that contribute to reducing CO_2 emissions.

Subject to the common contribution policy shared by all Group companies, the Group is actively engaged in social contribution activities making the most of the distinctive characteristics of each business group and each region.

In fiscal 2011, we established the Volunteer Support Program, a new initiative aimed of cultivating volunteer personnel. This program financially supports volunteer activities by the employees of the Group companies, in addition to the institutional supports, including a volunteer leave system, a leave system for bone marrow transplant donors and registered firefighters.

For the areas affected by the Great East Japan Earthquake, the Group has provided support totaling more than ¥500 million, including monetary donations, relief supplies and the donation of medical appliances. Since January 2012, the Company has been involved in the Kesennuma Kizuna ("strong bond") Project, a project led by National Institute of Advanced Industrial Science and Technology to provide continual support for self-help of people in the affected areas. As part of its participation in the project, the Group donated wastewater treatment systems to be used at temporary housing units, curtains made with Teijin Fibers' heat-retentive polyester fiber and other items.

As international exchange activities, the Group donated ¥20 million to support the people affected by the Thai floods in October 2011. The Group also participates in TABLE FOR TWO,* an initiative that helps to solve social issues, such as starvation in developing countries. As its first step of involvement, the Group is engaged in a project for donating school lunches to children in developing countries.

The Group will continue to promote social contribution activities with a focus on three themes—environment, social education and international exchange—to fulfill its responsibilities as a good corporate citizen.

*TABLE FOR TWO is a social contribution initiative originated in Japan and led by the nonprofit organization TABLE FOR TWO International. Part of the sales of the beverage vending machines and company cafeterias participating in the initiative is donated to provide school lunches to children in developing countries.

(2)Changes in Assets and Profit and Loss

Items \ Fiscal Period	143rd Fiscal Period FY2009	144th Fiscal Period FY2010	145th Fiscal Period FY2011	146th Fiscal Period FY2012 (Current period)
Net sales (Millions of yen)	943,409	765,840	815,655	854,370
Operating income (Millions of yen)	17,966	13,435	48,560	34,044
Ordinary income (Millions of yen)	△2,680	2,085	50,345	34,283
Net income (Millions of yen)	△42,963	△35,683	25,182	11,979
Net earnings per share (Yen)	△43.65	△36.26	25.59	12.17
Total assets (Millions of yen)	874,157	823,071	761,534	762,118
Net assets (Millions of yen)	329,985	295,282	307,698	312,217

(3) Capital Investments

Capital investments by the Group in fiscal 2011 totaled ¥32.3 billion, mainly for maintenance and renewal..

(4) Financing

While raising long term debts partially to secure finance, for short-term financing, we made efforts to reduce financing costs through direct financing markets. We also strove to reduce interest-bearing debt, resulting in a decrease in interest-bearing debt in long- and short-term loans by ¥6.4 billion from the end of the previous year and amounted to ¥261.0billion.

(5)Tasks Ahead

Medium- to Long-Term Management Vision

In February 2012, we announced our new medium- to long-term management vision, CHANGE for 2016, the watchword of which is "Innovation and execution for sustainable growth." CHANGE for 2016 consists of a long-term vision, which looks ahead to fiscal 2020, and a medium-term management plan, which outlines specific strategies and measures to be implemented through fiscal 2016.

Long-Term Vision

Our long-term vision comprises three key points:

- Secure profitable, sustainable growth by providing customers with the solutions they need
- Build value that also benefits society and contribute to the advancement of humanity by focusing on businesses that leverage our cutting-edge technologies
- Be recognized as a leading player that has attained global excellence

Guided by this vision, we will focus on transforming our four fundamental portfolios—business, geographic, technology and human resources—with the aim of evolving as an organization that creates value for customers through technology-driven innovation.

Core Teijin Group Business Areas

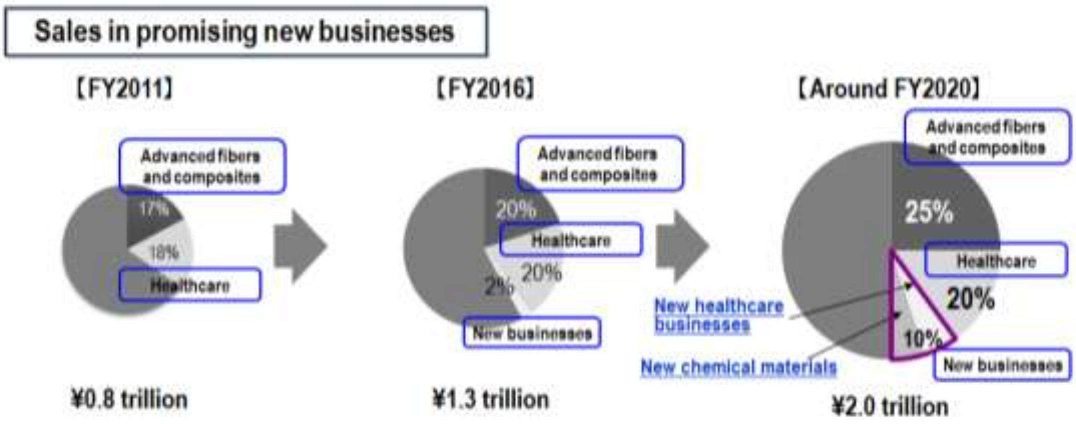
Rapid population growth, particularly in Asia and Africa, is expected to continue depleting food and water resources, while the aging of society in Japan and elsewhere will further shrink the labor force and drive up the cost of medical care and social security. At the same time, the growth of emerging economies is projected to further spur demand for fossil fuel resources, pushing up CO_2 emissions.

In view of these influential global trends, the Teijin Group will focus on five core business areas: sustainable transportation; safety and protection; environment and energy; information and electronics; and healthcare. In these areas, we will strive to contribute to the quality of life of people everywhere by focusing on providing solutions that facilitate greater energy and resource efficiency, help deliver increased material and spiritual affluence, improve safety and security, promote clean energy and enhance health and comfort.

Transform Four Fundamental Portfolios

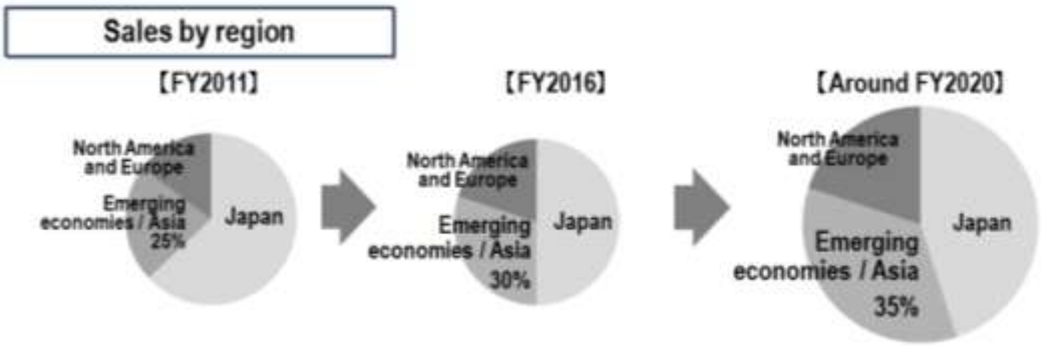
Business Portfolio

We have reclassified the Teijin Group's businesses into three categories. Promising growth businesses have been tagged as either "core strategic businesses," i.e., profitable businesses in which the Teijin Group is already a leading player, or "new businesses for incubation," while existing businesses that are expected to continue generating stable profits have been termed "stable-profit businesses." Looking ahead, we will focus and prioritize investment in the first two categories, with combined investment in these businesses, including for M&A activities, expected to average approximately ¥100 billion annually from fiscal 2012 through fiscal 2020. Through these efforts, we aim to increase sales in promising growth businesses to more than 50% of consolidated net sales by fiscal 2020, from 30% in fiscal 2011.



Geographic Portfolio

We will expand our overseas business by focusing on growth drivers in each region, with a special emphasis on emerging economies and Asia, which are expected to continue seeing high growth and robust demand and which are also attractive from a cost competitiveness perspective.



Technology Portfolio

Our objectives in restructuring our technology portfolio are to broaden the scope of, and add depth to, existing technologies; enhance in-house technological development capabilities and promote open innovation to reinforce or acquire new technologies; and expand existing businesses beyond materials to include supplying components and devices, thereby enabling us to create new value for customers. By integrating materials and healthcare technologies, we are furthering our involvement in innovative medical materials and other new healthcare businesses.

Human Resources Portfolio

We will strive to achieve a diverse global labor force to facilitate the effective implementation of growth strategies. To this end, we will work to secure and foster talented individuals irrespective of nationality, ethnicity, age or gender; accelerate diversity in hiring and in maximizing capabilities; enhance early-career efforts to cultivate human resources; and ensure effective global placement.

Evolve toward a Solutions-Based Business Model

To ensure our ability to provide the solutions our customers seek, we will construct a “solutions platform,” that is, a framework for strengthening sales and development capabilities. We will also advance efforts to develop high-performance materials and product lines, as well as amass a solid base of expertise regarding finished products, thereby positioning us to provide solutions that respond effectively to the needs of end users.

Strategies for Strengthening Sales Capabilities

- Realign business groups to reinforce responsiveness in diverse markets
- Create a specialized team to oversee core projects

Strategies for Strengthening Development Capabilities

- Invest purposefully in R&D personnel
- Strengthen downstream technologies
- Expand facilities for product evaluation
- Capitalize on alliances

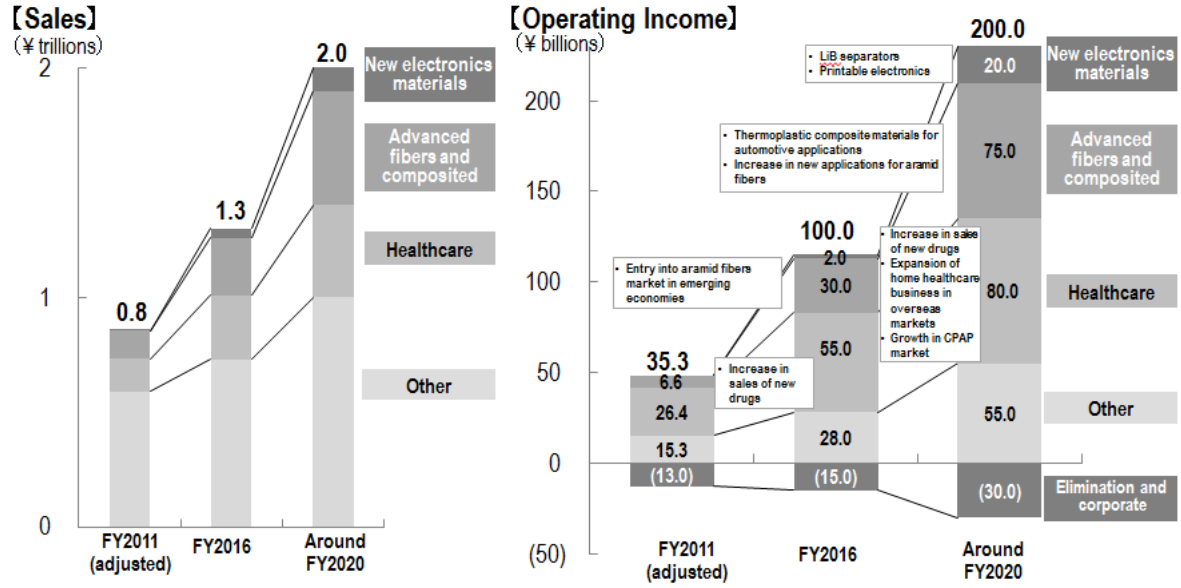
Cut Costs

We will press ahead with the cost-cutting measures outlined in the basic management policies formulated in fiscal 2008. Efforts will focus on reducing total costs and will include promoting technological innovation to modify processes and improve production efficiency; expanding the use of imported materials to reduce procurement costs; and capitalizing on IT to enhance employee productivity. We are targeting a reduction in excess of ¥40 billion over the next five years from the fiscal 2011 level.

Performance Targets

Through the transformation of key portfolios and the implementation of stringent cost-cutting measures, we expect our operating performance to improve notably. Our Group performance targets are consolidated net sales of ¥1,300 billion and operating income of ¥100 billion in fiscal 2016. We are also targeting consolidated net sales of ¥2,000 billion and operating income of ¥200 billion by or around fiscal 2020.

Group Performance Targets



(Billions of yen/%)

	Fiscal 2011 (adjusted)	Fiscal 2016 (Target)	Fiscal 2020 (Target)
Net sales	¥791.0	¥1,300.0	¥2,000.0
Operating income	¥35.3	¥100.0	¥200.0
Operating margin	4.5%	8%	10%
Net income	¥13.8	¥60.0	¥120.0
ROA	4.6%	8%	10%
ROE	4.8%	12%	15%

⑹ Primary Businesses

The Teijin Group conducts various businesses including the manufacture and sale of the products below, operating in the High-Performance Fibers, Polyester Fibers, Films and Plastics, Pharmaceuticals and Home Health Care, Trading and Retail, and Others segments.

(As of March 31, 2012)

Business Segments	Business Fields	Principal Products and Businesses
High-Performance Fibers	Aramid Fibers	Para-aramid fibers, Meta-aramid fibers, High-performance polyethylene, Artificial leather
	Carbon Fibers	Carbon fibers, Oxidized PAN fibers
Polyester Fibers		PET・PEN fibers, Polyester raw materials
Films and Plastics	Plastics	Polycarbonate resin・sheet・film, Transparent conductive film, PET・PEN ・PBN resin, Frame-retardant agents
	Films	PET・PEN film
Pharmaceuticals and Home Health Care	Pharmaceuticals	Agent for Osteoporosis, Agent for Infection, Expectorant, Inhaled Corticosteroid Agent for Adult Asthma, Agent for Hyperlipidemia Treatment for Hyperuricemia, Agent for treating pain associated with osteoarthritis of the knee
	Home Health Care	Oxygen Concentrator for home oxygen Therapy(HOT), Continuous Positive Airway Pressure Unit (CPAP), Ultrasound Bone Fracture Treatment Devices
Trading and Retail	Textiles and Apparel	Fiber materials, Apparel products, General merchandise
	Industrial Textiles and Materials	Industrial and vehicle materials, Living and interior goods, Resin・films, Packing and construction materials,
Others	IT Solutions	The planning, development and consultation of information systems for cell-phone operators, general-companies, medical-related organizations government and municipal offices-,and educational research institutions
	IT Services	The supply of contents and e-commerce, etc. for cell phones, and other site operator and the supply of a variety of services of the planning, management of information system

Notes: 1. The Polyester Fibers segment includes the polyester fibers and the polyester raw materials and polymerization businesses.

2.PET (Polyethylene terephthalate), PEN (Polyethylene naphthalate), PBN (Polybutylene naphthalate)

3.In April 2012, the above business segments were reorganized into five segments as follows.

- High-Performance Fibers, Polyester Fibers (for industrial applications)
  ⇒ Advanced Fibers & Composites
- Films and Plastics
  ⇒ Electric Materials & Performance Polymer Products
- Trading and Retail, Polyester Fibers (for apparel)
  ⇒ Trading and Retail
- Pharmaceuticals and Home Health Care
  ⇒ Healthcare
- Others, Polyester Fibers (raw materials and polymerization)
  ⇒ Others

(7) Primary Business Places

(As of March 31, 2012)

Business	Function	Location
The Company	Headquarters	Osaka, Tokyo
	Manufacturing bases	Ehime,
	Operation bases	Tokyo
	Research bases	Tokyo, Ehime, Yamaguchi,
High-Performance Fibers	Manufacturing bases	Ehime, Yamaguchi, Shizuoka, Gifu
		U.S.A., Germany, the Netherlands
	Operation bases	Tokyo, Osaka
		U.S.A., Germany, the Netherlands, China
	Research bases	Osaka, Shizuoka
		U.S.A., Germany , the Netherlands
Polyester Fibers	Manufacturing bases	Ehime, Yamaguchi
		Thailand, China
	Operation bases	Tokyo, Osaka
		Thailand, China
	Research bases	Ehime, Osaka
		Thailand
Films and Plastics	Manufacturing bases	Gifu, Tochigi, Ibaraki, Ehime, Hiroshima
		China, Singapore, Indonesia
	Operation bases	Tokyo, Osaka, Aichi
		U.S.A., the Netherlands, China, Korea, Taiwan, Singapore, Malaysia, Indonesia
	Research bases	Gifu, Ehime, Chiba
		China
Pharmaceuticals and Home Health Care	Manufacturing bases	Yamaguchi
	Operation bases	12 branches throughout Japan
		U.S.A
	Research bases	Tokyo, Yamaguchi
		U.S.A., U.K.
Trading and Retail	Manufacturing bases	China, Thailand, Vietnam, Indonesia, Bangladesh
	Operation bases	Tokyo, Osaka, Aichi
		U.S.A., Germany, China, Thailand
Others	Manufacturing bases	Tokyo
	Operation bases	Tokyo, Osaka, Kanagawa, Fukuoka, Ehime, Yamaguchi
	Research bases	Tokyo, Osaka

Note: The Company is a holding company that serves as the headquarters and the research and is also holding the polyester raw materials and polymerization businesses which is categorized in the Polyester Fibers segment from the viewpoint of segment.
The manufacture, sales and research and development of each business are conducted at the Company's subsidiaries and so on.

(8) Employees

Business segments	145th Fiscal Period FY2010 (As of March 31, 2011)	146th Fiscal Period FY2011 (As of March 31, 2012) (Current period)	Change in the number of employees
High-Performance Fibers	3,180	3,083	△ 97
Polyester Fibers	4,458	3,846	△ 612
Films and Plastics	2,443	2,434	△9
Pharmaceuticals and Home Health Care	4,206	4,165	△ 41
Trading and Retail	1,098	1,088	△ 10
Others	2,157	2,203	46
Total	17,542	16,819	△ 723

Notes: 1.The number of employees stated above represents the numbers of employees in each segment.

2. The number of employees stated above does not include temporary employees (2,372 employees for the 145th fiscal period and 2,489 employees for the 146th fiscal period).

⑼ Significant Subsidiaries

(As of March 31, 2012)

Business segments	Subsidiary (Location of The Head Office)	Capital	Investment ratio (%)	Principal business
High-Performance Fibers	Teijin Techno Products Limited (Osaka)	¥5,000 million	100.00	Production and sales of aramid fibers
	Toho Tenax Co., Ltd. (Tokyo)	¥500 million	99.75	Production and sales of carbon Fibers and Oxidized PAN fibers
	Toho Tenax Europe GmbH (Germany)	0.025 million euro	※100.00	Production and sales of carbon fibers
	Toho Tenax America, Inc. (U.S.A.)	US$12.5 million	※100.00	Production and sales of carbon fibers and Oxidized PAN fibers
	Teijin Aramid B.V. (the Netherlands)	0.02 million euro	※100.00	Production and sales of para-aramid fibers
Polyester Fibers	Teijin Fibers Limited (Osaka)	¥12,025 million	100.00	Production and sales of polyester fibers
	TS Aromatics Limited (Tokyo)	¥100 Million	※ 50.10	Sales of PET raw materials and by-product materials
	Teijin (Thailand) Limited (Thailand)	800 million bath	※100.00	Production and sales of polyester fibers
	Teijin Polyester (Thailand) Limited (Thailand)	548 million bath	66.87	Production and sales of polyester fibers
	Nantong Teijin Co., Ltd. (China)	¥4,000 million	100.00	Production and sales of polyester textile goods
Films and Plastics	Teijin DuPont Films Japan Limited (Tokyo)	¥10,010 million	※ 60.00	Production and sales of polyester films
	Teijin Chemicals Limited (Tokyo)	¥2,149 million	100.00	Production and sales of synthetic resins, etc.
	Teijin Polycarbonate Singapore Pte Ltd. (Singapore)	US$75 million	※100.00	Production and sales of polycarbonate resins
	Teijin Polycarbonate China Ltd.(China)	720 million RMB	※100.00	Production and sales of polycarbonate resin
	Teijin Chemicals Plastic Compounds Shanghai Ltd. (China)	143 million RMB	※100.00	Coloration, processing and sales of polycarbonate resins
Pharmaceutical and Home Health Care	Teijin Pharma Limited (Tokyo)	¥10,000 million	100.00	Production and sales of medicinal drugs and medical equipments
	Teijin Home Health Care Ltd (Tokyo)	¥100 million	※100.00	Home health care services provider
	Braden Partners L.P. (U.S.A.)	US$134 million	※100.00	Home health care services provider
Trading and Retail	N.I. Teijin Shoji Co., Ltd. (Osaka)	¥2,000 million	100.00	Sales of textiles and others
Others	Infocom Corporation (Tokyo)	¥1,590 million	56.31	Development and sales of computer software,etc.
	Teijin Engineering Ltd. (Osaka)	¥475 million	100.00	Engineering services, design and sales of plants and equipments
	Teijin Logistics Co., Ltd. (Osaka)	¥80 million	100.00	Transportation and custody of goods

Notes: 1. The Teijin Group has 76 consolidated companies including the aforementioned 22 significant subsidiaries; 68 companies are accounted for via the equity method.

2.※ indicates the investment ratio including investment by subsidiaries.

3. The Company's ratio of investment in Teijin DuPont Films Japan Limited increased to 60.00% at the end of the year under review from 50.10% at the previous year-end due to the purchase of shares in July 2011.

4. The Company's ratio of investment in Infocom Corporation increased to 56.31% at the end of the year under review from 55.14% at the previous year-end because Infocom Corporation acquired its treasury shares in November and December 2011.

(10) Primary Lenders and Amount of Borrowings

(as of March 31,2012)

Primary Lenders	Balance of borrowings
	Millions of yen
The Bank of Tokyo-Mitsubishi UFJ, Ltd. *	51,946
Japan Finance Corporation(Japan Bank for International Cooperation)	23,785
Development Bank of Japan Inc.	20,103
Mizuho Corporate Bank, Ltd. *	19,586
Meiji Yasuda Life Insurance Company	4,000

Notes: 1. * indicates that the balance of borrowings includes loans from overseas affiliate banks.
2. As of April 1 2012, Japan Bank for International Cooperation was separated from Japan Finance Corporation.
3. In addition to loans indicated in the balance of borrowings above, the Company borrows ¥78,134million under syndicated loans.

2. Matters Regarding the Shares of the Company (as of March 31, 2012)

(1) Issuable shares 3,000,000,000 shares
(2) Issued shares 984,758,665 shares
(3) Number of shareholders 123,487
(4) Top 10 shareholders of the Company

Shareholders		Investment in the Company	
		Number of shares held	Shareholding ratio (%)
1	The Master Trust Bank of Japan, Ltd. (Trust account)	79,138,000	8.03
2	Japan Trustee Service Bank, Ltd.(Trust account)	60,390,000	6.13
3	Nippon Life Insurance Company	44,033,509	4.47
4	National Mutual Insurance Federation of Agricultural Cooperatives	29,575,000	3.00
5	Japan Trustee Service Bank, Ltd.(Trust account 9)	28,777,000	2.92
6	SSBT OD05 Omnibus Account -Treaty Clients	21,108,200	2.14
7	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	20,694,935	2.10
8	The Employee Stock Ownership Association of Teijin	19,929,473	2.02
9	State Street Bank and Trust Company 505104	14,114,025	1.43
10	Trust & Custody Services Bank Ltd.(Pension trust account)	12,417,000	1.26

Note: The shareholding ratio has been calculated after excluding Treasury stocks (380,468 shares) from the Issued shares.

3. Stock Option

(1) Status of Stock Option as of the last day of the subject Fiscal Year

Time of Issue (Issue date)	5th (July 10, 2006)	6th (July 5, 2007)	7th (July 7, 2008)	8th (July 9, 2009)	9th (July 9, 2010)	10th (Mar 12, 2012)
Number of Issued Stock Option (unit)	146	207	328	420	349	737
Class and Number of Shares (Common Stock) to be acquired by the Stock Option	146,000	207,000	328,000	420,000	349,000	737,000
Issue Price of Stock Option (per share)	¥663	¥610	¥307	¥253	¥261	¥245
Exercise Price of Stock Option (per share)	¥1	¥1	¥1	¥1	¥1	¥1
Period during which the Stock Option may be exercised	July 10, 2006 ～July 9,2026	July 5, 2007 ～July 4,2027	July 7, 2008 ～July 6,2028	July 9, 2009 ～July 8,2029	July 9, 2010 ～July 8,2030	Mar 12, 2012 ～Mar 11,2032

Of the above, total number of unexercised Stock Option held by directors of the Company (breakdown by each issue of the Stock Option)

(As of March 31, 2012)

Issue	Number of Units	Number of Directors Holding Rights
The 5th Issue of the Stock Option	26	7
The 6th Issue of the Stock Option	37	7
The 7th Issue of the Stock Option	67	7
The 8th Issue of the Stock Option	88	7
The 9th Issue of the Stock Option	77	7
The 10th Issue of the Stock Option	175	7

Note: No Stock Option is granted to any Outside Directors and Corporate Auditors.

(2) Stock Option distributed during the subject Fiscal Year

Stock Option distributed during the subject Fiscal Year is 10th Issue of the Stock Option noted in aforementioned (1).

Stock Option distributed to employees of the Company in the 10th Issue of Stock Option noted in aforementioned(1).

No. of Unites	No. of Recipients
562	40

4. Directors and Corporate Auditors

(1) Directors and Corporate Auditors

(As of March 31, 2012)

Post	Name	Duty, State of significant positions concurrently Held at other companies
Chairman, of the Board	Toru Nagashima	Outside Director, Sojitz Corp. Outside Director, Sekisui Chemical Co,.Ltd. Chairman, The Japan Overseas Enterprises Association Vice Chairman, Japan Association of Corporate Executives (Keizai Doyukai)
President, Representative Director	Shigeo Ohyagi	CEO (Chief Executive Officer) President, Japan Chemical Fibers Association Chairman, Japan Bio Plastics Association Permanent Officer, Keidanren(Japan Business Federation)
Executive Vice-President, Representative Director	Junji Morita	CMO (Chief Marketing Officer) Supervisor of BRICs business Supervisor of Mobility Business Project Supervisor of Electronics & Energy Business Project
Senior Executive Officer, Representative Director	Norio Kamei	General Manager, Carbon Fibers & Composites Business Group President & Representative Director, Toho Tenax Co.,Ltd.
*Senior Executive Officer	Osamu Nishikawa	CSRO (Chief Social Responsibility Officer) CIO (Chief Information Officer) Supervisor of Legal Office & Corporate audit Office Director, Effective Utilization of Factories Project
Executive, Officer, Director	Toshiaki Yatabe	CTO (Chief Technology Officer) Supervisor of Iwakuni ,Matsuyama and Mihara factory Supervisor of Safety Control
Executive Officer, Director	Yoshio Fukuda	General Manager, Corporate Strategy Division Chairman, Teijin DuPont Films
Director	Kunio Suzuki	Counselor, Mitsui O.S.K.Lines, Ltd
Director	Hajime Sawabe	Chairman of the Board, Director of TDK Corporation Outside Director, Asahi Glass Co.,Ltd. Outside Corporate Auditor, Nikkei Inc. Trustee & Councilor, Waseda University
*Director	Yutaka Iimura	Special Envoy of the Government of Japan for Mid-East & Europe Vice-Chairman, Japan-Indnesia Association,Inc
Full-time Corporate Auditor	Kihachiro Sano	
*Full-time Corporate Auditor	Atsuo Amano	
Corporate Auditor	Ryozo Hayashi	Professor, Graduate School of Public Policy, University of Tokyo Outside Corporate Auditor, ITOCHU Corp. Director, Meiji University International General Investigation
Corporate Auditor	Toshiharu Moriya	Professor, Graduate School of Accounting, Hosei University Outside Corporate Auditor, NIFTY Corp. Outside Corporate Auditor, Fujitsu Frontech Limited. Auditor, Kanagawa Dental College
Corporate Auditor	Noriko Hayashi	Representative, Hayashi Legal Office, Lawyer

Notes:

1. The directors and the corporate auditor marked with * were newly elected at the 145th Ordinary General Meeting of Shareholders held on June 22, 2011.
2. Three (3) Directors—Kunio Suzuki, Hajime Sawabe and Yutaka Iimura—are outside directors. The Company requires the candidates for outside director to satisfy the requirements of “Independent Director” stipulated by the Company. Kunio Suzuki and Hajime Sawabe satisfied all such requirements and maintained their independence throughout the relevant fiscal year, and Yutaka Iimura did so throughout the relevant fiscal year following his appointment at the 145th Ordinary General Meeting of Shareholders held on June 22, 2011. Because the three outside directors also satisfy the requirements of independence as stipulated by Tokyo Stock Exchange Group, Inc., and Osaka Securities Exchange Co., Ltd., they were registered by the Company as “Independent Director/Auditor” at the two stock exchanges. The

requirements of “Independent Director” stipulated by the Company are disclosed on the Company’s Web site (http://www.teijin.co.jp/english/ir/governance/requirements.html).

3. There are no important interests between the Company and any of the entities at which the abovementioned outside directors hold positions as director/corporate auditor etc.
4. Three (3) Corporate Auditors—Ryozo Hayashi, Toshiharu Moriya and Noriko Hayashi—are outside corporate auditors. The Company requires the candidates for outside corporate auditor to satisfy the requirements of “Independent Corporate Auditor.” stipulated by the Company.
   These three outside corporate auditors satisfied the all said requirements and maintained their independence throughout the relevant fiscal year. Because they also satisfy the requirements of independence as stipulated by Tokyo Stock Exchange Group, Inc., and Osaka Securities Exchange Co., Ltd., they were registered by the Company as “Independent Director/Auditor” at the two stock exchanges. The requirements of “Independent Corporate Auditor” stipulated by the Company are disclosed on the Company’s Web site (http://www.teijin.co.jp/english/ir/governance/requirements.html).
5. There are no important interests between the Company and any of the companies at which the abovementioned outside corporate auditors hold positions as director/corporate auditor etc.
6. Corporate Auditor Toshiharu Moriya is a Certified Public Accountant and has ample knowledge of finance and accounting.
7. The following Directors and Corporate Auditor retired as of June 22, 2011.

Director	Takayuki Katayama
Director	Katsunari Suzuki
Corporate Auditor	Hiroshi Furukawa

8.Changes in posts and duties of Directors during the subject fiscal year are as follows.

Name	New Post	Former Post	Date of Change
Junji Morita	Executive Vice-President, Representative Director CMO(Chief Marketing Officer) Supervisor of BRICs Business Supervisor of Mobility Business Project Supervisor of Electronics & Energy Business Project	Senior Executive Officer, Representative Director CMO(Chief Marketing Officer) Supervisor of BRICs Business Supervisor of Mobility Business Project Supervisor of Electronics & Energy Business Project	June 22, 2011
Norio Kamei	Senior Executive Officer, Representative Director General Manager, Carbon Fibers & Composites Business Group President & Representative Director, Toho Tenax Co.,Ltd.	Senior Executive Officer, Director General Manager, Carbon Fibers & Composites Business Group President & Representative Director, Toho Tenax Co.,Ltd.	June 22, 2011
Osamu Nishikawa	Senior Executive Officer, Director CSRO (Chief Social Responsibility Officer) CIO(Chief Information Officer) Supervisor of Legal Office & Corporate Audit Office	Senior Executive Officer, CSRO (Chief Social Responsibility Officer) CIO(Chief Information Officer) Supervisor of Legal Office & Corporate Audit Office	June 22,2011
	Senior Executive Officer, Director CSRO (Chief Social Responsibility Officer) CIO (Chief Information Officer) Supervisor of Legal Office & Corporate Audit Office Director, Effective Utilization of Factories Project	Senior Executive Officer Director CSRO (Chief Social Responsibility Officer) CIO (Chief Information Officer) Supervisor of Legal Office & Corporate Audit Office	July 1,2011
Toshiaki Yatabe	Executive Officer, Director, CTO (Chief Technology Officer) Supervisor of Iwakuni , Matsuyama and Mihara factory Supervisor of Safety Control	Executive Officer, Director, CTO (Chief Technology Officer) Supervisor of Iwakuni and Matsuyama factory Supervisor of Safety Control	July 1, 2011
Yoshio Fukuda	Executive Officer, Director, General Manager, Corporate Strategy Division Chairman, Teijin DuPont Films	Corporate Officer, Director, General Manager, Corporate Strategy Division	June 22, 2011

9. Changes in posts and duties of Directors following the subject fiscal year are as follows.

Name	New Post	Former Post	Date of Change
Junji Morita	Director	Executive Vice-President, Representative Director CMO(Chief Marketing Officer) Supervisor of BRICs Business Supervisor of Mobility Business Project Supervisor of Electronics & Energy Business Project	April 1, 2012
Norio Kamei	Executive Vice-President, Representative Director General Manager, Advanced Fibers & Composites Business Group General Manager, Carbon Fibers & Composites Business Unit President & Representative Director, Toho Tenax Co., Ltd.	Senior Executive Officer, Representative Director General Manager, Carbon Fibers & Composites Business Group President &Representative Director, Toho Tenax Co.,Ltd.	April 1, 2012
Osamu Nishikawa	Senior Executive Officer, Director Chief Social Responsibility Officer Supervisor of Corporate Audit Office Director, Effective Utilization of Factories Project	Senior Executive Officer, Director CSRO (Chief Social Responsibility Officer) CIO (Chief Information Officer) Supervisor of Legal Office & Corporate Audit Office Director, Effective Utilization of Factories Project	April 1,2012
Toshiaki Yatabe	Director Supervisor of Safety Control	Executive Officer, Director CTO (Chief Technology Officer) Supervisor of Iwakuni , Matsuyama and Mihara factory Supervisor of Safety Control	April 1,2012
Yoshio Fukuda	Executive Officer, Director General Manager, Electric Materials & Performance Polymer Products Business Group General Manager, Resin & Plastic Processing Business Unit President & Representative Director, Teijin Chemicals Ltd. Chairman, Teijin DuPont films	Executive Officer, Director General Manager, Corporate Strategy Division Chairman, Teijin DuPont Films	April 1,2012

⑵ Remuneration for Directors and Corporate Auditors

1) Remuneration for Directors during the subject fiscal year

(millions of yen)

Inside Directors		Outside Directors		Total	
Number of Directors	Amount of Remuneration	Number of Directors	Amount of Remuneration	Number of Directors	Amount of Remuneration
8	334	4	39	12	373

Notes:

1. Inside directors mean to the directors other than outside directors.
2. The Company has no director who is also an employee of the Company.
3. The maximum annual remuneration for directors is ¥700 million, of which ¥630 million is for annual salary and ¥70 million is for the fair value of compensation-type stock options (as resolved by the 140th Ordinary General Meeting of Shareholders, held on June 23, 2006).
4. The performance-based remuneration system is applied for Directors other than outside directors. The amount of remuneration is basically determined according to the consolidated Return on Assets (ROA) and additionally based on the consolidated Return on Equity (ROE), the improvement of operating income, achievements relative to budgets, and an evaluation of the director's performance. Outside directors receive a fixed amount of remuneration.
5. The amounts of above remuneration include ¥45 million, an expected amount of performance-based remuneration to be paid to the seven(7) inside directors appointed at the 145th Ordinary General Meeting of Shareholders held on June 22, 2011. Performance-based remuneration was not paid to outside directors. The amounts of above remuneration include ¥47 million as compensation-type stock options granted to inside directors for their duties performed during the subject fiscal year. Stock options were not granted to outside directors.
6. The total remuneration paid to the inside directors, including the remuneration paid by the group companies to the inside directors who concurrently serve as directors of any of the group companies for the relevant fiscal year, amounted to ¥386 million. No outside directors concurrently served as directors or corporate auditors of any of the group companies.
7. Apart from the amounts of above remuneration, retirement benefits of ¥146 million were paid to one(1) inside director who retired during the fiscal 2011. A provision for directors' retirement benefits of ¥21 million for service as an inside director for the relevant fiscal year until June 2011 is accounted for. The Company abolished the retirement benefits payment system for retiring inside directors at the close of the 145th Ordinary General Meeting of Shareholders held on June 22, 2011. Retirement benefits are not paid to outside directors.

2) Remuneration for Corporate Auditors during the subject fiscal year

(millions of yen)

Inside Corporate Auditors		Outside Corporate Auditors		Total	
Number of Corporate Auditors	Amount of Remuneration	Number of Corporate Auditors	Amount of Remuneration	Number of Corporate Auditors	Amount of Remuneration
3	55	3	28	6	84

Notes:

1. Inside corporate auditors refer to the corporate auditors other than outside corporate auditors.
2. The maximum monthly remuneration for corporate auditors is ¥12 million (as resolved by the 133rd Ordinary General Meeting of Shareholders held on June 25, 1999).
3. The total remuneration paid to the inside corporate auditors, including the remuneration paid by the group companies to the inside corporate auditors who concurrently serve as corporate auditors of any of the group companies for the fiscal 2011, amounted to ¥70 million. Retirement benefits are not paid by any of the group companies. No outside corporate auditors concurrently served as corporate auditors of any of the group companies.
4. Apart from the amounts of above remuneration, retirement benefits of ¥47 million were paid to one (1) inside corporate auditor who retired during the fiscal 2011. A provision for corporate auditors retirement benefits of ¥2 million for service as an inside corporate auditor for the relevant fiscal year until June 2011 is accounted for. The Company abolished the retirement benefits payment system for retiring inside corporate auditor at the close of the 145th Ordinary General Meeting of Shareholders held on June 22, 2011. Retirement benefits are not paid to outside corporate auditors.

⑶ Outside Directors and Outside Corporate Auditors

1) Significant Concurrent Positions and the relation between the Company and the entities at which Outside Directors and Outside Corporate Auditors hold such positions.

They are as shown in the above-mentioned「(1) Directors and Corporate Auditors」.

2) Main Activities of Outside Directors and Corporate Auditors

Category	Name	Main Activities
Outside Directors	Kunio Suzuki	Attended 11 of the 12 meetings of the Board of Directors held during the relevant fiscal year and offered valuable comments from his extensive management experience and knowledge.
	Hajime Sawabe	Attended 12 of the 12 meetings of the Board of Directors held during the relevant fiscal year and offered valuable comments from his extensive management experience and knowledge.
	Yutaka Iimura	Attended 10 of the 10 meetings of the Board of Directors held since his assuming the position on June 22,2011 and offered valuable comments from his expertise and knowledge cultivated over many years as a diplomat
Outside Corporate Auditors	Ryozo Hayashi	Attended 10 of 12 meetings of the Board of Directors and 7 of 9 meetings of the Board of Corporate Auditors held during the relevant fiscal year, and offered valuable comments from his experience at the Ministry of Economy, Trade and Industry, as well as from a professional viewpoint as a university professor.
	Toshiharu Moriya	Attended 12 of 12 meetings of the Board of Directors and 9 of 9 meetings of the Board of Corporate Auditors held during the relevant fiscal year and offered valuable comments from his professional knowledge as a Certified Public Accountant.
	Noriko Hayashi	Attended 12 of 12 meetings of the Board of Directors and 9 of 9 meetings of the Board of Corporate Auditors held during the relevant fiscal year and offered valuable comments from her professional knowledge as lawyer, and offered, in particular, advice and suggestions Concerning compliance

3) Liabilities Limitation Agreements

① Liabilities Limitation Agreement with Outside Directors

The Company has executed a Liabilities Limitation Agreement with each of three (3) outside directors, Kunio Suzuki, Hajime Sawabe and Yutaka Iimura which limits the respective liabilities of each outside director to the higher amount of ¥20 million or the minimum liability amount stipulated in Article 425, Paragraph 1, of the Companies Act.

② Liabilities Limitation Agreement with Outside Corporate Auditors

The Company has executed a Liabilities Limitation Agreement with each of three (3) outside corporate auditors, Ryozo Hayashi, Toshiharu Moriya, and Noriko Hayashi which limits the respective liabilities of each corporate auditor to the higher amount of ¥20 million or the minimum liability amount stipulated in Article 425, Paragraph 1, of the Companies Act.

5. Accounting Auditor

(1) Name of Accounting Auditor

KPMG AZSA LLC.

(2) Amount of Remuneration

(Millions of yen)

Details	Amount
1) The amount of remuneration, etc., to be paid by the Company to the accounting auditor	149
2) The total amount of cash or other proprietary interest to be paid by the Company and its subsidiaries to the accounting auditor	383

Notes:1. The amount described in Item1) of the above table is the total sum of the remunerations for audits under the Companies Act and the remuneration for the audits under Financial Products & Exchange Act in Japan because these are not clearly distinguished from each other in the contract between the Company and the accounting auditor.

2. Of the major subsidiaries of the Company, 10 companies, including Teijin Aramid B.V. ,undergo auditing by accounting firm other than the accounting auditor.

3. The Company pays remuneration to the accounting auditor for ”Support of IFRS introduction ” and so on not specified in Article 2, Paragraph 1,of the Certified Public Accountant Act.

(3) Policy for Dismissal or Non-Reappointment of Accounting Auditor

The Company has a policy to dismiss its accounting auditor by the Board of Corporate Auditors based on an unanimous approval of corporate auditors in the event that it is judged that any item of Article 340, Paragraph 1, of the Companies Act is applicable.

Furthermore, the Company has a policy of submitting a proposal regarding dismissal or non-reappointment of the accounting auditor to a shareholder’s meeting in the event that it is deemed that a grave obstacle to the Company’s audit operation involving the accounting auditor has occurred.

6. Corporate Governance System

(1) Reasons for Choosing the Current Corporate Governance System

The Company adopts mechanisms for corporate governance which is most appropriate for achieving the purposes of the Company at that time. Accordingly, the Company will timely review the mechanisms and changes may be made in accordance with changes in the social and legal environments.

The current Companies Act requires the Board of Directors to carry out two functions: execution of business and management oversight and supervision. In order to have such two functions operate property, the Company believes that the appropriate governance system should implement, as the two core functions, the function of execution of business led by the Company's inside directors on the one hand, and the function of management oversight and supervision focused on by outside directors and carried out by corporate auditors and the Board of Auditors on the other hand. Furthermore, in light of the recent legislative attempt to reinforce functions of corporate auditors, the Company intends to continue to be a company with Board of Corporate Auditors for the time being. At the Company, the strengthening of the management oversight and supervisory functions that are the aim of a "company with committees" are effectively achieved via systems such as an "Advisory Board", a "Board of Directors that includes independent outside directors and executive officer system," and a "Board of Auditors system that includes independent outside corporate auditors."

(2) Overview of Current Corporate Governance

1) Advisory Board (Management Consultative Committee)

The Advisory Board, comprising both Japanese and non-Japanese experts, has been established to provide advice to management in general and to evaluate the top managements, and operates as a consultative body to the Board of Directors. The Advisory Board is made up of five or six outside advisors consisting of three Japanese and two or three non-Japanese advisors as well as Company's the Chairman of the Board and the President & CEO, and the Chairman of the Board chairs the Advisory Board. The Advisory Board also functions as a nominations and remuneration committee, making recommendations regarding the alternation of the CEO and nomination of a successor, deliberating the selection of Chairman, deliberating the system and levels of compensation for Teijin Group directors, and evaluating the performance of the CEO and representative directors.

2) Board of Directors that Includes Independent Outside Directors and Corporate Officer System

To expedite decision making and clarify responsibility of execution of business, the Company's Articles of Incorporation set the maximum members of the Board of Directors to 10 directors, and the Company has introduced a corporate officer system that delegates broad authority to corporate officers. Three members of the Board of Directors are independent outside directors, who maintains their independent status. In addition, the Articles of Incorporation sets the term of office for directors at one year. The Board of Directors is chaired by the Chairman of the Board, as a means of separating oversight and supervision from execution of business.

The outside directors also contribute to enhancement of the transparency and accountability of the Board of Directors, by their oversight function with respect to internal directors and management advice function based on their expertise.

3) Board of Auditors System that Includes Independent Outside Corporate Auditors

① Corporate Audits

The Company's Board of Auditors consists of five members, of whom a majority of three are independent outside auditors who maintains their independent status. This maintains transparency, and enhances the management oversight and audit function including audit of total risk management. In addition, the Committee of Teijin Group Corporate Auditors, comprising corporate auditors of Group companies, enhances the effectiveness of groupwide oversight and audit of the entire Group, which enable group consolidated management and ensure impartial auditing.

The Company and its Group companies have a three-pronged audit system, which includes internal audits in addition to the corporate audits by corporate auditors and the accounting audits by the accounting auditors stipulated by the Companies Act and the Financial Instruments and Exchange Act. These three components coordinate closely and enhances corporate governance.

② Internal Audit System

The Corporate Audit Office, reporting directly to CEO, has been established as an internal audit organization, and carries out Groupwide and global audits to evaluate efficiency and validity of internal control system.

7. Summary of Resolution to Establish Systems to Ensure Appropriate Business Operations

Resolutions on Basic Policies for establishment of Internal Control Systems

At a board meeting held on September 29, 2011, the Board of Directors made resolution on basic policies for establishment of internal control systems. This resolution should be regularly reviewed and confirmed at a board meeting once every year. Below is a summary of this resolutions, the details of which can be viewed at the Company's Web site: (http://www.teijin.co.jp/english/about/governance/resolution.html).

(1) Systems for Ensuring the Compliance with Laws, Regulations and the Articles of Incorporation in the Performance of Duties by Directors and Employees

The Company has declared the basic principles of compliance in its Teijin Group "Corporate Governance Guide" (available on the Company's Web site at http://www.teijin.co.jp/english/about/governance/guide.html).

To practice these basic principles, the Company shall establish systems and organizational structures that ensure practical operation and thorough observation of the Company's Corporate Philosophy, Corporate Code of Conduct, Corporate Standards of Conduct, Group Ethics Regulations and other related internal regulations.

The Company's representative directors and other executives shall take the initiative and set good examples in observing laws, regulations and the Articles of Incorporation, social rules and ethics, and shall promote compliance education and awareness among the Teijin Group's employees. In order to establish a compliance system across the entire Teijin Group, the Company appoints Chief Social Responsibility Officer (CSRO) *1 as the officer in charge of compliance and to supervise CSR Planning Office*2.

All directors, officers and employees of the Teijin Group are required to report to the Teijin entity to which they belong or to Teijin Limited which is the holding company of the Teijin Group, whether they detect any violations of laws and regulations or other serious information concerning compliance, in accordance with Group Ethics Regulations and other internal regulations. CSRO shall direct and supervise investigations to confirm such reported facts and, upon consultation with CEO (President), determine appropriate measures.

The Company shall provide necessary means for directors, officers, employees and business partners to directly report any violation or doubtful activities of non-compliance. Such measures shall ensure that anonymity of the caller is protected and that the caller does not get any disadvantageous treatment. Important reports as well as measures taken by the relevant Teijin entity and their results shall be announced as appropriate to, and shall be recognized by, all directors, officers and employees of the Teijin Group.

The Company places Corporate Audit Office directly supervised by CEO, which performs internal auditing of the Teijin Group's execution of business and conducts the evaluation of the internal control system and proposes its improvement.

The Company shall maintain a resolute attitude toward pressure from antisocial forces, including demands for payoffs from specific shareholders or interference by crime syndicates, and shall not allow such interference. CSRO shall be appointed as the person in charge of actions against antisocial forces. CSR Planning Office shall establish action policies and other rules and shall ensure observance of such policies and rules by directors, officers and employees within the Teijin Group.

Notes.

1. CSRO was renamed Chief Social Responsibility Officer in April 2012.
2. The Risk Management Office was newly established in April 2012, and task regarding compliance will be handled by Risk Mangement Office and CSR Planning Office.

(2) Systems for the Preservation and Management of Information in Relation with the Directors' Performance of Their Duties

Directors shall appropriately preserve and manage minutes of shareholders' general meetings, minutes of Board of Directors' meetings, and other documents and important information concerning the performance of their duties in accordance with relevant company regulations. Chairman of the Board, who chairs the Board of Directors, is responsible for the supervision and oversight of the preservation and management of such documents and important information. Documents concerning directors' performance of their duties shall be preserved for at least ten (10) years and shall be accessible whenever necessary.

(3) Rules and Systems for Risk Management

The Board of Directors shall operate a total risk management system to deal with any kind of risks that might threaten sustainable business development. Total Risk Management (TRM) Committee, shall mainly deal with the business operational risks and strategic riskus, and shall propose basic policies and annual plans related to TRM to the Board of Directors.

CSRO is in charge of astablishing a system across the Teijin Group to manage business operation risk, and shall identify problems and deal with such risks upon occurrence thereof. CEO shall assess strategic risks and present his/her assessment to the Board of Directors as an important element upon which managerial decisions are made.

The Company shall implement necessary measures to ensure the continuation of businesses when faced with risk events including disasters, the inappropriate performance of duties by directors, officers or employees, and damage to critical IT systems.

(4) Systems for Ensuring that Directors' Duties Are Performed Efficiently

More than one Independent Outside Director who satisfy the requirements for independence stipulated by the Company shall be appointed as members of the Board of Directors in order to enhance the validity of the decisions to be made by the Board of Directors.

The Board of Directors shall have the representative directors and other executives conduct the operation of the Company and decisions for the items on which the representative directors and other executives have been delegated decision-making powers shall be made by the organization and procedures in accordance with the internal regulations. These regulations shall be revised as may be necessary to reflect any revision and/or abolition of laws and regulations and/or to increase the efficiency of the representative directors and other executives in executing their duties.

The Board of Directors shall organize the basic structure of Teijin Group, and shall establish efficient management, oversight and supervision system.

(5) Systems for Ensuring that Proper Business Operations Are Conducted within the Group of Companies, Including Subsidiaries and Parent Companies

The Company shall prepare group regulations that apply to all entities in the Teijin Group, in addition to measures to ensure that business activities are conducted in compliance with the relevant laws and regulations and the Articles of Incorporation.

Transactions within the Teijin Group must be conducted in an appropriate manner according to the social norms.

The representative directors and other executives shall provide necessary instructions to ensure that the Teijin Group entities have appropriate internal control systems.

Corporate Audit Office shall operate or supervise internal audits of the Teijin Group' s business operations and ensure the efficiency and validity of internal control functions over the entire business of the Teijin Group.

Corporate Auditors shall establish appropriate systems, such as those for close coordination with the accounting auditors and Corporate Audit Office, to ensure effective and appropriate supervision and auditing of the Group's entire business operations.

To ensure the reliability of its financial reporting, the Company shall establish a groupwide internal control system for the financial reporting and the operation of the Teijin Group individual operational processes, and shall be properly and efficiently operate and assessed such systems.

(6) Assignment of Employees when the Corporate Auditors Reqests to have Employees Assist in Performing Their Duties

The Company shall appoint two or more employees, in principle, to assist Corporate Auditors in performing their duties.

(7) Independence from Directors of the employees Assisting the Corporate Auditors in Performing Their Duties

To secure the independence of auditor assistants above, all decisions concerning personnel measures regarding the auditor assistants require the prior consent of the full-time Corporate Auditors. The full-time Corporate Auditors shall assess the performance of the auditor assistants.

No auditor assistants can assume any post or function in any Teijin Group entity other than the auditor assistant.

(8) System regarding Reports to Corporate Auditors by Directors, Employees and Others

Representative directors and other executives shall report at the meetings of the Board of Directors and other important meetings the status of the business operations they are in charge.

Representative directors and other executives shall immediately report to Corporate Auditors when they discover incidents that causes or may cause significant erosion of public trust of the Company, adverse effects on the performance of the Company, significant damage to the internal or external environment, safety and health (ESH); or related to product liability, significant violations of internal regulations, or other incidents similar thereof.

Directors, corporate officers and employees shall promptly and appropriately respond to requests made by the Corporate Auditors to report on the business operations or on the conditions of the assets and business of the Teijin Group.

(9) Other System for Ensuring that the Audits of Corporate Auditors Are ConductedEffectively

To ensure transparency, the majority of Corporate Auditors consists of Independent Outside Auditors that satisfy the requirements for independence that the Company specifies.

The corporate auditors shall enter into advisory agreements with outside law firms in order for themselves and Teijin Group entities' corporate auditors to form independent opinions. When they consider it necessary in the course of conducting audits, the corporate auditors can, at their own discretion, retain outside advisers, including Certified Public Accountants and other consultants.

8. Basic Policy Regarding the Control of the Company

(1) Basic Policy Regarding the Company's Shareholders

(Basic policy regarding those who control the decision of the company's financial and business policy)

The Company believes the existence of its shareholders is based on free transactions in the market and therefore the Company's shareholders should make the final decisions as to whether to accept a proposal of a large-scale acquisition that would result in a transfer of the Company's ownership.

However, it is envisioned that some large-scale acquisition of the Company's shares or such proposals might entail, among others, the following:

① The likelihood of causing obvious harm to the corporate value of the Company and the common interests of the shareholders.
② The threat of compelling the shareholders to sell their shares.
③ Acquisition conditions that are inappropriate or insufficient with a view to the Company's intrinsic value.

The Company believes such a large-scale acquirer of the Company's shares or a person or company who proposes such an action is exceptionally inappropriate to control the decision of the Company's financial and business policies.

(2) Measures to Realize the Basic Policy

The Company has already launched the following measures to improve the corporate value of the Company and the common interests of the shareholders to ensure that investors can continue to invest in the Company over the long term. The Company believes such measures will contribute to the realization of the basic policy described in (1) above.

1) Efforts to Improve Corporate Value through Our Medium- to Long-Term Management Vision "CHANGE for 2016"

To attain global excellence with presence in the world, Teijin established the Medium- to Long-Term Management Vision "CHANGE for 2016" and announced it in February 2012, which consists of a long-term management vision through fiscal 2020 and a medium-term management vision through fiscal 2016. Under the "CHANGE for 2016", we clarify our management goals and growth strategies based on the long-term vision and execute them under our implementation plan, thereby realizing sustainable growth.

*For details of the "CHANGE for 2016" medium- to long-term management vision, please refer to page 35-37 in this Notice of Convocation - The 146th Ordinary General Meeting of Shareholders.

2) Measures to Improve Corporate Value through Strengthening Corporate Governance

As an essential system to achieve steady growth in the corporate value of the Company and the common interests of the shareholders, the Company has strived to strengthen corporate governance. Concretely, it is executed as shown below;

Separated and strengthened the decision-making and business operations and the monitoring/auditing 3 functions.

① Established an Advisory Board as the Board of Directors' consultative body that includes experts from Japan and overseas to receive advice and recommendations on management of the entire Group, thereby enhancing the effectiveness and transparency of management. The Advisory Board also evaluates the performance of top executives.
② Established and disclosed the Corporate Governance Guide as a concrete guideline for corporate governance.

(3) Measures to Prevent Decisions on the Financial and Business Policies of the Company from Being Controlled by Those Deemed Inappropriate in Light of the Basic Policy (Takeover Defense Measures)

The Company established the Countermeasures to Large-Scale Acquisitions of the Company's Shares (Takeover Defense Measures) (hereinafter, "the Plan"), which were approved by shareholders at the 143rd Annual General Meeting of Shareholders held on June 24, 2009.

The summary of the Plan is as follows:

1) Applicable Acquisitions

Applicable acquisitions are those that lead to holdings of 20% or more of the Company's shares.

2) Procedures for Negotiations with Acquirer

Acquirers are required to submit in advance an acquisition statement and provide a period that allows the Company to collect information and examine the acquisition proposal, present the Company management's plans and alternative proposals to shareholders and negotiate with the acquirer.

3) Allotment of Stock Option with call in the Event That an Acquirer Does Not Comply with Procedures

If an acquirer does not comply with the aforementioned procedures, in accordance with the recommendation of the Independent Committee, the Board of Directors will decide to allot all shareholders registered at that time Stock Option with call, without contribution, at the rate of one Stock Option per one share of stock held.

4) Calling the Stock Option with a Call and Distribution of the Company's Stock

According to the Call Option attached to the stock option, the Company will call the stock option in exchange for the

Company’s shares from all shareholders other than the acquirer and other non-qualified parties at a rate of one (1) share of the Company’s stock per one (1) stock option.

5) Impact on Shareholders Other than the Acquirer and Other Non-qualified Parties

As the Company’s shares are evenly delivered to all the shareholders other than the acquirer and other non-qualified parties, the shares held by the shareholders would not be diluted. As the Company’s shares are not granted to the acquirer and other non-qualified parties, this would result in dilution of the acquirer’s voting rights to a maximum of 50%.

6) Requirements for the Allotment of the Stock Option Without Contribution

The allotment of the stock option without contribution will be implemented in case any acquisition falls under any of the following cases and it is deemed reasonable to implement an allotment of the stock option without contribution:

① In case the acquisition does not comply with the procedure set forth in the Plan;

② In case the acquisition is likely to cause obvious harm to the corporate value of the Company and/or the common interests of the shareholders in view of the purpose of the acquisition and the post-acquisition management policy in such cases as, for example, the buyout of the Company’s shares to demand that the Company purchase said shares at an inflated price;

③ In case the acquisition threatens to have the effect of compelling the shareholders to sell their shares;

④ In case the acquisition conditions are insufficient or inappropriate with a view to the Company’s intrinsic value.

7) Overview of Process Prior to Triggering The Plan

When the acquirer submits the Acquisition Statement, the Independent Committee consisting of five members appointed from among the outside directors and outside corporate auditors may require the Company’s Board of Directors to present its opinion regarding the details of the acquisition by the acquirer within a specified period of time (a maximum of 30 days as a general rule). Following this, the Independent Committee will collect and examine information for a maximum period of 60 days as a general rule. The Independent Committee may extend this assessment period for up to 30 days.

Based on its collection and examination of this information, the Independent Committee will make a recommendation to the Board of Directors for either the implementation or non-implementation of an allotment of the stock option without contribution. The Company’s Board of Directors shall respect and adhere to the aforementioned recommendation from the Independent Committee and finally resolve whether implement or non-implement an allotment of the stock option without contribution. However, the Board of Directors shall convene a shareholders’ meeting as soon as practicable and raise a proposal on the implementation of the allotment of stock option without contribution as a matter to be resolved thereat, in case the Independent Committee has placed a reserve that prior approval of a shareholders’ meeting should be obtained for the recommendation that an allotment of the stock option without contribution should be implemented.

Note: Details of the “Countermeasures to Large-Scale Acquisitions of Teijin Shares (Takeover Defense Measures)” are available on the Company’s Internet site
(http://www.teijin.co.jp/english/about/governance/defense.html).

(4) Explanation as to How the Above Measures Comply with the Basic Policy, Do Not Harm the Common Interests of the Shareholders of the Company and Do Not Pursue the Personal Interests of the Company’s Directors and Corporate Auditors

The Plan was designed to incorporate the following perspectives and therefore the Company believes that it should comply with the Basic Policy, be consistent with the corporate value of the Company and the common interests of the shareholders and not pursue the personal interests of the Company’s Directors and Corporate Auditors.

1) Respect of Shareholders’ Intent

The Plan became effective upon its approval at the 143rd Ordinary General Meeting of Shareholders, held on June 24, 2009, and will remain in effect for three years, until the conclusion of the Ordinary General Meeting of Shareholders pertaining to the business year ending March 2012. Moreover, as the term of office of the Company’s directors is one (1) year, the shareholders’ intent may be well reflected by way of the election of directors. Furthermore, even before the expiry of the effective period after The Plan is introduced, The Plan shall be abolished immediately in case a proposal that The Plan be abolished is approved at a shareholders’ meeting of the Company.

2) Emphasis on the Judgment by Highly Independent Outside Directors and Independent Outside Corporate Auditors

Upon the introduction of the Plan, the Company established the Independent Committee, an organ with the role of substantial and objective decision making for the benefit of shareholders while eliminating the possibility of arbitrary decisions by the Company’s Board of Directors with regard to the actual operation of the Plan. The Independent Committee consists of members elected and appointed by the Company’s Board of Directors from among those persons of outside director or outside corporate auditor.

3) Reinforcement and Continuity of Corporate Governance

The Company intends to separate and reinforce three managerial functions (decision making, execution of business and monitoring/auditing) by electing three independent outside directors on its Board of Directors, which comprises a maximum of 10 directors, and having three independent outside corporate auditors comprising a majority of the number of corporate auditors. The Company has also established an Advisory Board – comprising five or six outside advisers, the Chairman of the Board, and the President & CEO – as a consultative body to the Board of Directors that is charged with deliberating the alternation of President & CEO and nomination of successors, as well as compensation systems for directors and corporate auditors of the Teijin Group. Guidelines on corporate governance of the Company including these measures above are disclosed in the form of the Corporate Governance Guide.

The above measures are viewed as groundbreaking initiatives for corporate governance among Japanese listed companies. This mechanism should have the effect of strongly breaking the self-protective conduct of the Company's directors and corporate auditors and are expected to prevent the arbitrary application of The Plan.

4) Setting of Rational and Objective Requirements for Triggering The Plan

The Plan is structured not to be easily triggered unless rational, detailed and objective requirements are satisfied, and moreover, these objective requirements are consistent with the cases set out for determining a person who is deemed inappropriate to control the decisions of the Company's financial and business policies. This idea serves to prevent the Board of Directors from arbitrarily triggering the Plan.

As the Plan's validity was determined to expire at the close of the 146th Ordinary General Meeting of Shareholders ("This Ordinary General Meeting") to be held on June 22, 2012, we reviewed the possibility of renewing the Plan. As a result, taking into account practical trends after the Plan was implemented, the Company decided, as the resolution of the Board of Directors held on May 9, 2012, to renew the Plan with certain revisions thereto on the condition that it be approved by This Ordinary General Meeting.

See Proposal 5 (pages 15 to 28) described in the Reference Documents for the General Meeting of Shareholders of the Notice of Convocation for This Ordinary General Meeting for more information on the takeover defense measures after renewal.

9. Policy Regarding the Determination of Dividends from Retained Earnings

Our basic policy for profit sharing is to ensure dividends in line with consolidated operating results. We also give consideration to the need to ensure financial soundness, to our ability to maintain stable dividend payments over the medium to long term and to securing sufficient internal reserves to fund strategic investments aimed at ensuring future growth.

Notes 1: In this business report, figures of less than one million yen are truncated, and for figures stated in the unit of one hundred million yen, figures are rounded to the nearest unit.

2: Italicized product names and service names in this report are trademarks or registered trademarks of the Teijin Group in Japan and/or other countries. Other product names and service names used in this document may be protected as the trademarks and/or trade names of other companies.

Consolidated Balance Sheets

(As March 31,2012) (Million yen)

	FY2010 (As of Mar. 31, 2011)	FY2011 (As of Mar. 31, 2012)
< Assets >		
Current assets		
Cash and time deposits	28,612	33,440
Trade notes and accounts receivable	156,132	172,087
Finished goods	71,448	69,315
Work in process	9,163	10,141
Raw materials and supplies	24,895	29,540
Short-term loans	8,962	11,939
Deferred tax assets	13,229	12,215
Other current assets	26,564	26,049
Allowance for doubtful receivables	(2,113)	(2,940)
Total	**336,894**	**361,789**
Fixed assets		
Tangible assets		
Buildings, net	72,046	70,377
Machinery and equipment, net	121,340	106,074
Land	44,531	43,629
Construction in progress	6,629	7,370
Other, net	15,111	16,849
Total	**259,659**	**244,301**
Intangible assets		
Goodwill	51,773	46,319
Other	15,842	16,371
Total	**67,615**	**62,690**
Investments and other assets		
Investments in securities	57,020	55,621
Long-term loans receivable	3,900	3,436
Prepaid pension cost	15,993	15,598
Deferred tax assets	4,215	1,397
Other	18,204	19,604
Allowance for doubtful receivables	(1,969)	(2,321)
Total	**97,365**	**93,336**
Total fixed assets	**424,640**	**400,328**
Total assets	**761,534**	**762,118**

Consolidated Balance Sheets

(As March 31,2012) (Million yen)

	FY2010 (As of Mar. 31, 2011)	FY2011 (As of Mar. 31, 2012)
< Liabilities >		
Current liabilities		
Trade notes and accounts payable	87,283	90,225
Bank loans	44,568	61,554
Long-term loans due within one year	12,983	46,858
Commercial paper	33,000	18,000
Bonds due within one year	5,958	501
Income taxes payable	7,459	5,604
Deferred tax liabilities	162	10
Accrued expanses	19,270	19,017
Other current liabilities	34,083	36,179
Total	**244,770**	**277,951**
Noncurrent liabilities		
Bonds	30,000	30,000
Long-term loans	138,870	102,191
Employees' retirement benefits	18,153	18,783
Deferred tax liabilities	9,285	8,836
Other noncurrent liabilities	12,756	12,137
Total	**209,065**	**171,949**
Total liabilities	**453,836**	**449,901**
<Net assets>		
Shareholders' equity		
Common stock	70,816	70,816
Capital surplus	101,373	101,389
Retained earnings	135,385	141,441
Treasury stock	(151)	(127)
Total	**307,423**	**313,519**
Valuation and translation adjustments		
Net unrealized holding gains on securities	10,823	9,913
Deferred gains on hedges	(198)	306
Foreign currency translation adjustment	(33,812)	(31,708)
Total	**(23,186)**	**(21,488)**
Stock acquisition rights	**439**	**566**
Minority interests in consolidated subsidiaries	**23,023**	**19,619**
Total net assets	**307,698**	**312,217**
Total liabilities and net assets	**761,534**	**762,118**

Consolidated Statements of Income

(April 1,2011 to March 31,2012) (Million yen)

	FY2010 (Apr. 2010-Mar. 2011)	FY2011 (Apr. 2011-Mar. 2012)
Net sales	**815,655**	**854,370**
Cost of sales	586,261	629,152
Gross profit	**229,394**	**225,218**
Selling, general and administrative expenses	180,834	191,174
Operating income	**48,560**	**34,044**
Nonoperating revenues		
Interest income	458	612
Dividend income	923	712
Equity in earnings of affiliates	6,300	5,299
Foreign exchange gains	105	232
Other income	896	1,111
Total	8,684	7,968
Nonoperating expenses		
Interest expense	4,416	4,885
Contribution	697	1,101
Other expenses	1,785	1,743
Total	6,899	7,729
Ordinary income	**50,345**	**34,283**
Extraordinary income		
Gain on sales of property, plant and equipment	1,354	281
Gain on sales of investment securities	2,228	1,268
Gain on sales of subsidiaries and affiliates' stocks	—	712
Reversal of allowance for doubtful accounts	31	—
Net gain related to flooding	—	347
Other income	508	332
Total	4,121	2,942
Extraordinary losses		
Loss on sales and retirement of noncurrent assets	584	952
Loss on valuation of investment securities	116	191
Provision for allowance for doubtful receivables	913	791
Loss on impairment	1,791	2,614
Restructuring costs	1,049	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	529	—
Earthquake-related expenses	2,861	327
Loss on revision of retirement benefit plan	—	3,299
Other losses	2,124	1,216
Total	9,972	9,392
Income before income taxes	**44,494**	**27,832**
Income taxes - current	11,975	9,942
Income taxes - deferred	4,195	4,779
Total	16,171	14,722
Income before minority interests	**28,322**	**13,109**
Minority interests in income	3,140	1,130
Net income	**25,182**	**11,979**

Consolidated Statement of Changes in Net Assets

(April 1,2011 to March 31,2012) (Million yen)

	FY2010 (Apr. 2010-Mar. 2011)	FY2011 (Apr. 2011-Mar. 2012)
Shareholders' Equity		
Common stock		
Balance at end of previous fiscal year	70,816	70,816
Changes of items during the period		
Total	–	–
Balance at end of current fiscal year	70,816	70,816
Capital surplus		
Balance at end of previous fiscal year	101,327	101,373
Changes of items during the period		
Disposal of treasury stock	45	16
Total	45	16
Balance at end of current fiscal year	101,373	101,389
Retained earnings		
Balance at end of previous fiscal year	112,983	135,385
Change owing to application of accounting policies for overseas consolidated subsidiaries	1,153	–
Changes of items during the period		
Cash dividends paid	(3,933)	(5,905)
Net income	25,182	11,979
Others	(1)	(17)
Total	21,247	6,056
Balance at end of current fiscal year	135,385	141,441
Treasury stock at cost		
Balance at end of previous fiscal year	(772)	(151)
Changes of items during the period		
Treasury stock purchased	(41)	(14)
Disposal of treasury stock	661	39
Total	620	24
Balance at end of current fiscal year	(151)	(127)
Shareholders' Equity Total		
Balance at end of previous fiscal year	284,354	307,423
Change owing to application of accounting policies for overseas consolidated subsidiaries	1,153	–
Changes of items during the period		
Cash dividends paid	(3,933)	(5,905)
Net income	25,182	11,979
Others	(1)	(17)
Treasury stock purchased	(41)	(14)
Disposal of treasury stock	707	55
Total	21,914	6,096
Balance at end of current fiscal year	307,423	313,519

Consolidated Statement of Changes in Net Assets
(April 1,2011 to March 31,2012)

(Million yen)

	FY2010 (Apr. 2010-Mar. 2011)	FY2011 (Apr. 2011-Mar. 2012)
Valuation and translation adjustments		
Net unrealized holding gains on securities		
Balance at end of previous fiscal year	13,025	10,823
Changes of items during the period		
Net changes of items other than shareholders' equity	(2,201)	(910)
Total	(2,201)	(910)
Balance at end of current fiscal year	10,823	9,913
Deferred gains or losses on hedges		
Balance at end of previous fiscal year	298	(198)
Changes of items during the period		
Net changes of items other than shareholders' equity	(497)	504
Total	(497)	504
Balance at end of current fiscal year	(198)	306
Foreign currency translation adjustments		
Balance at end of previous fiscal year	(26,373)	(33,812)
Changes of items during the period		
Net changes of items other than shareholders' equity	(7,438)	2,103
Total	(7,438)	2,103
Balance at end of current fiscal year	(33,812)	(31,708)
Valuation and translation adjustments Total		
Balance at end of previous fiscal year	(13,049)	(23,186)
Changes of items during the period		
Net changes of items other than shareholders' equity	(10,137)	1,697
Total	(10,137)	1,697
Balance at end of current fiscal year	(23,186)	(21,488)
Stock acquisition rights		
Balance at end of previous fiscal year	401	439
Changes of items during the period		
Net changes of items other than shareholders' equity	37	127
Total	37	127
Balance at end of current fiscal year	439	566
Minority interest in consolidated subsidiaries		
Balance at end of previous fiscal year	23,575	23,023
Changes of items during the period		
Net changes of items other than shareholders' equity	(552)	(3,403)
Total	(552)	(3,403)
Balance at end of current fiscal year	23,023	19,619
Net assets Total		
Balance at end of previous fiscal year	295,282	307,698
Change owing to application of accounting policies for overseas consolidated subsidiaries	1,153	–
Changes of items during the period		
Cash dividends paid	(3,933)	(5,905)
Net income	25,182	11,979
Others	(1)	(17)
Treasury stock purchased	(41)	(14)
Disposal of treasury stock	707	55
Net changes of items other than shareholders' equity	(10,652)	(1,577)
Total	11,261	4,518
Balance at end of current fiscal year	307,698	312,217

(For Reference)

Consolidated Statements of Comprehensive Income

(April 1,2011 to March 31,2012)

(Million yen)

	FY2010 (Apr. 2010-Mar. 2011)	FY2011 (Apr. 2011-Mar. 2012)
Income before minority interests	**28,322**	**13,109**
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,208)	(900)
Deferred gains or losses on hedges	(486)	504
Foreign currency translation adjustment	(8,294)	2,099
Share of other comprehensive income of associates accounted for using equity method	770	(21)
Total	**(10,219)**	**1,680**
Comprehensive income	**18,103**	**14,790**
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	15,044	13,677
Comprehensive income attributable to minority interests	3,058	1,113

(For Reference)

Consolidated Statements of Cash Flows

(April 1,2011 to March 31,2012)

(Million yen)

	FY2010 (Apr. 2010-Mar. 2011)	FY2011 (Apr. 2011-Mar. 2012)
Cash flows from operating activities		
Income before income taxes	44,494	27,832
Depreciation and amortization of others	56,410	52,303
Loss on impairment	1,791	2,614
Increase in provision for retirement benefits	629	678
Increase in allowance for doubtful receivables	1,082	1,157
Interest and dividend income	(1,381)	(1,325)
Interest expense	4,416	4,885
Equity in losses (earnings) of affiliates	(6,300)	(5,299)
Loss (gain) on sales and disposal of property, plant and equipment	(769)	670
Loss (gain) on sales of investment securities	(2,219)	(1,946)
Loss on valuation of investment securities	116	191
Decrease (increase) in receivables	(10,937)	(14,410)
Decrease (increase) in inventories	(6,282)	(3,358)
Increase in payables	8,476	1,278
Other, net	(261)	(913)
Subtotal	89,265	64,360
Interest and dividends received	4,053	3,672
Interest paid	(4,481)	(4,902)
Income taxes paid	(11,705)	(9,460)
Net cash and cash equivalents provided by operating activities	**77,132**	**53,668**
Cash flows from investing activities		
Purchase of property, plant and equipment	(25,455)	(27,641)
Proceeds from sales of property, plant and equipment	1,124	487
Purchase of investment securities	(4,438)	(1,601)
Proceeds from sales and redemption of investment securities	3,719	2,354
Purchase of investments in subsidiaries	–	(4,950)
Decrease (increase) in short-term loans receivable	(810)	(687)
Payments of long-term loans receivable	(662)	(56)
Collections on long-term loans receivable	933	136
Other, net	(2,155)	(3,207)
Net cash and cash equivalents used in investing activities	**(27,745)**	**(35,164)**
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(3,647)	16,781
Increase (decrease) in commercial paper	(18,000)	(15,000)
Proceeds from issuance of bonds	13,021	6,106
Redemption of bonds	(22,584)	(10,957)
Proceeds from long-term loans payable	6,788	22,159
Repayment of long-term loans payable	(10,516)	(25,286)
Cash dividends paid	(3,933)	(5,905)
Cash dividends paid to minority shareholders	(2,996)	(1,676)
Other, net	(194)	(343)
Net cash and cash equivalents provided by financing activities	**(42,062)**	**(14,122)**
Effect of exchange rate changes on cash and cash equivalents	**(1,946)**	**447**
Net increase in cash and cash equivalents	5,377	4,828
Cash and cash equivalents at beginning of period	**22,964**	**28,454**
Increase in cash and cash equivalents resulting from change of scope of consolidation	112	–
Cash and cash equivalents at end of period	**28,454**	**33,283**