

To whom it may concern

Company: Teijin Limited  
Stock code: 3401 (First Section, Tokyo Stock Exchange)  
Representative: Jun Suzuki, President and CEO  
Contact: Hiroki Sorate, General Manager, IR Section,  
Finance and Investor Relations Department  
Tel: +81-3-3506-4395

## **Notice Regarding Absorption-type Merger (Simplified/Short-Form Merger) of a Consolidated Subsidiary**

Teijin Limited (“the Company”) has announced that at a meeting of the Board of Directors held today, it passed a resolution to conduct an absorption-type merger (“the Merger”) of Toho Tenax Co., Ltd. (“Toho Tenax”), a consolidated subsidiary, on April 1, 2018. Certain disclosure items and details have been omitted because the Merger is scheduled to be carried out as a simplified absorption-type merger of a consolidated subsidiary.

### **I. Purpose of the Merger**

Teijin’s current growth and transformation strategies are focusing on core strengths in materials and healthcare business fields as the pillars of its operations, as expressed in its medium-term management plan for 2017-2019 “ALWAYS EVOLVING”. The company is increasingly emphasizing its development of strong, lightweight high-performance materials that offer environmental value solutions to meet demands for higher fuel efficiency in line with intensifying environmental regulations, and businesses focused on the aircraft and automotive fields. Integrating Toho Tenax within Teijin Limited will help maximize corporate value, specifically by expanding comprehensive capabilities through greater sharing of information and technologies and the optimized deployment of human resources throughout the Teijin Group.

### **II. Summary of the Merger**

#### **1. Schedule**

Date of approval of merger agreement : November 30, 2017

Date of conclusion of merger agreement : November 30, 2017

Date of merger (effective date) : April 1, 2018 (planned)

Note: The Company and Toho Tenax will not hold general meetings of shareholders to obtain approval of the merger agreement, as the Merger is a simplified merger at the Company pursuant to Article 796, Paragraph 2 of the Companies Act of Japan and a short-form merger at Toho Tenax pursuant to Article 784, Paragraph 1 of the Companies Act of Japan.

#### **2. Method**

This is an absorption-type merger in which the Company is the surviving company, and Toho Tenax will be dissolved.

#### **3. Allotment of Shares**

The Company plans to hold all of the issued shares of Toho Tenax through the date of the merger. Accordingly, there will be no allotment of shares or other provision of monetary compensation in connection with the Merger.

#### **4. Treatment of share subscription rights and bonds with share subscription rights of the company to be extinguished**

Not applicable.

### III. Overview of the Companies Involved in the Merger

	Surviving company in the absorption-type merger as of September 30, 2017	Company to be extinguished in the absorption-type merger as of September 30, 2017
Trade name	Teijin limited	Toho Tenax Co., Ltd.
Location of head office	2-4, Nakanoshima 3-chome, Kita-ku, Osaka, Japan	2-1, Kasumigaseki 3-chome, Chiyoda-ku, Tokyo, Japan
Representative	Jun Suzuki, President and CEO	Shukei Inui, President
Main business lines	Research, manufacturing, sales and other activities pertaining to synthetic fibers, films and plastics and other materials.	Manufacture and sale of carbon fibers, oxidized PAN fiber and other materials.
Capital	¥70,816 million	¥500 million
Date of establishment	June 17, 1918	July 1, 1950
Number of shares issued	196,951,733	155,671,585
Settlement term	March 31	March 31
Major shareholders and shareholding ratios as of March 31, 2017	The Master Trust Bank of Japan, Ltd. (Trust account) 9.37% Japan Trustee Service Bank, Ltd. (Trust account) 6.35% Nippon Life Insurance Company 3.58%	Teijin limited 99.75%
Financial position and operating results for fiscal 2016, the year ended March 31, 2017		
	(Consolidated)	(Non-consolidated)
Net assets	¥351,829 million	- ¥15,891 million
Total assets	¥964,053 million	¥27,131 million
Shareholders' equity per share	¥1,720.13	- ¥102.08
Net sales	¥741,291 million	¥18,849 million
Operating income	¥56,512 million	¥2,547 million
Ordinary income	¥55,933 million	¥2,295 million
Profit attributable to owners of parent	¥50,133 million	Net profit ¥3,942 million
Earnings per share	¥254.91	¥25.32

### IV. Status After the Merger

There will be no change in the Company's corporate name, address, the names and titles of representatives, business activities, capital and fiscal year-end as a result of the Merger.

### V. Future Outlook

The Merger will have a negligible impact on consolidated financial results as Toho Tenax is a consolidated subsidiary of the Company.