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To whom it may concern

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

**Notice Regarding Commencement of Tender Offer for Shares in,  
and Execution of Capital and Business Alliance Agreement with,  
Japan Tissue Engineering Co., Ltd. (Stock Code: 7774)**

Teijin Limited (the “**Tender Offeror**”) hereby announces that it resolved at a meeting of its Board of Directors on January 29, 2021 to acquire shares of common stock in Japan Tissue Engineering Co., Ltd. (stock code 7774 on the JASDAQ Growth Market of Tokyo Stock Exchange, Inc. (the “**TSE**”); that company, the “**Target Company**”; those shares, “**Target Shares**”) through a tender offer under the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the “**FIEA**”; that tender offer, the “**Tender Offer**”). The Tender Offeror also hereby announces that it resolved at its meeting of the Board of Directors held on the same day to execute a capital and business alliance agreement with the Target Company (the “**Capital and Business Alliance Agreement**”).

I The Tender Offer

1. Purpose of the Tender Offer, etc.

The Tender Offeror was established as Teikoku Jinzo-Kenshi Kaisha, Ltd. in June 1918 and commenced business in Yonezawa, Yamagata. The Tender Offeror listed its shares on the TSE, Osaka Securities Exchange, Co., Ltd. (the “**OSE**”), and Nagoya Stock Exchange, Inc. (the “**NSE**”) in May 1949 and changed its name to Teijin Limited in November 1962, which it retains to date. The Tender Offeror was delisted from the NSE in January 2006, and with the integration of the OSE’s cash equity market into the TSE, the Tender Offeror is currently listed solely on the First Section of the TSE.

The Tender Offeror, its 145 subsidiaries, and its 29 affiliates (as of March 31, 2020; collectively, the “**Tender Offeror Group**”) conducts business primarily in the materials domain, manufacturing and distributing high-performance materials and composites, and the healthcare domain, manufacturing and distributing pharmaceuticals, home healthcare products, and the like, based on a corporate philosophy that incorporates the themes “Enhancing Quality of Life,” “In Harmony with Society,” and “Empowering Our People.” In particular, the Tender Offeror asserts becoming “a company that supports the society

of the future” as its long-term vision and aims to create value for society in the three fields “environmental value solutions,” “safety, security, and disaster mitigation solutions,” and “demographic change and increased health consciousness solutions” to contribute to the development of a sustainable society. Throughout its over century-long history, the Tender Offeror Group has achieved growth by transforming its business portfolio with a focus on the changing times. Drawing on its technological foundation, which was built through internal research and the introduction of external technologies, the Tender Offeror Group has made development and swift commercialization of high-value-added products as its strength. In the materials domain, the Tender Offeror Group has led its generation as a pioneer in the rayon business, and has expanded business into high-value-added fields that are always at the cutting edge, including everything from polyester to aramid fibers and carbon fibers, from raw materials to composites, as well as the provision of highly processed parts and solutions. In the healthcare domain, the Tender Offeror Group entered the pharmaceutical and home healthcare businesses in the 1970s, and it established a business model for these businesses by discovering potential medical treatment needs and creating new business areas. At a time when the level of recognition for osteoporosis and sleep apnea syndrome was low, the Tender Offeror Group contributed to the dissemination of medical treatment for these diseases by providing support for the development of diagnosis methods and the establishment of testing environments; furthermore, the Tender Offeror Group created the new drug “FEBURIC” (generic name: febuxostat) to treat hyperuricemia and gout, which was the first time in 40 years that a new drug had been developed for those conditions. FEBURIC has played a key role in disseminating medical treatment evidence for hyperuricemia. In terms of the home healthcare business, the Tender Offeror Group has been a pioneer in Japan in getting home healthcare services listed under the national health insurance. In addition to rental devices, the Tender Offeror Group established a community-based care system that is able to respond to patients on a 24-hour basis, as well as a system for consistent follow-up care provided by dedicated medical specialists. Through these systems, the Tender Offeror Group provides services that directly meet the needs of medical institutions and patients. The Tender Offeror Group’s proportion of overseas sales is approximately 44%, its percentage of overseas employees is approximately 53%, and it operates businesses in over 20 countries around the globe.

In February 2017, the Tender Offeror formulated its “Medium-term Management Plan 2017-2019: ALWAYS EVOLVING” (the “**Previous Medium-Term Management Plan**”) and announced being “a company that supports the society of the future” as its long-term vision with a view to 10 years in the future. During the period of the Previous Medium-Term Management Plan, the Tender Offeror promoted “establishing new core businesses and transforming business models” as its transformation strategy and “strengthening core earnings power by accelerating growth in existing businesses” as its growth strategy, and as a result of pursuing these strategies, it was able to clearly distinguish between businesses that will provide a source for profits in the future and businesses where it can further expand profits, enabling it to determine prioritized business areas. Following this, the Tender Offeror announced its “Medium-Term Business Plan 2020-2022: ALWAYS EVOLVING” (the “**Current Medium-Term Business Plan**”) in February 2020 and positioned the period of the Current Medium-Term Business Plan as a period for “creating growth platforms.” Under the Current Medium-Term Management Plan, the Tender Offeror positions businesses that need to be

developed in order to secure future profits as “Strategic Focus” and businesses that are already generating profits but need to be grown further as “Profitable Growth”. In addition, as a “Strategic Focus” of the Current Medium-Term Business Plan, the Tender Offeror has positioned enhancing innovative products and services, which are difficult to create by itself, through collaboration between the Tender Offeror Group’s businesses and with entities outside the Tender Offeror Group as an important strategy for integrating domains. The Current Medium-Term Management Plan has set the investment level at 350 billion yen, which is more than 100 billion yen higher than the total investments for infrastructure and M&A carried out during the Previous Medium-Term Management Plan, and with this amount, the Tender Offeror aims to create growth platforms while engaging in proactive resource investment.

Against this background, in late August 2020 the Tender Offeror received from the Target Company’s parent company FUJIFILM Corporation (the “**Prospective Tendering Shareholder**”) an approach regarding participation in the initial bidding process related to assignment of Target Shares owned by the Prospective Tendering Shareholder because the Prospective Tendering Shareholder planned, in the process of optimizing its business portfolio in the biomedical domain, to concentrate its managerial resources on development and contract development and manufacturing of iPS cell products and culture mediums that support drug development and cell therapy drugs in the field of regenerative medicine, so the Tender Offeror examined the merits of acquiring those Target Shares. As a result of that examination, the Tender Offeror was able to confirm that the Target Company had already acquired marketing and manufacturing approvals for multiple regenerative medical products, had established each structure for research and development, production and quality control, and distribution based on extensive knowledge and experience in that domain, and achieved a robust position as a platform provider for regenerative medical products. The Tender Offeror believes that by combining the Tender Offeror Group’s core technologies, including chemosynthesis, polymer chemistry, processing, and engineering, and its healthcare business platform together with technologies possessed by the Target Company, it will be possible to promote production technology innovations and development of related new products with the aim of supporting the further dissemination of regenerative medical products, and in doing so enable dramatic progress in the business of both companies.

Subsequently, the Tender Offeror examined the prospect of submitting an initial letter of intent upon participating in the aforementioned initial bidding process by the Prospective Tendering Shareholder, and in early October 2020 the Tender Offeror submitted an initial letter of intent. Following this, the Tender Offeror received notice from the Prospective Tendering Shareholder in mid-October 2020 that the Tender Offeror’s participation in the second bidding process had been approved, and the Tender Offeror participated in the second bidding process. During the second bidding process, the Tender Offeror conducted due diligence related to the Target Company’s businesses, finances, taxation status, legal affairs, and the like and conducted interviews with the Target Company’s management from mid-October 2020 to mid-November 2020, and it proceeded with further analysis and examination of specific measures, acquisition structures, management policies after the Tender Offer, and the like designed to generate business synergies between the Tender Offeror Group and the Target Company, taking into account the information the Tender Offeror gathered through the aforementioned processes.

As a result of this examination, the Tender Offeror believes that the businesses conducted by the Target Company, which the Tender Offeror believes is a pioneer in regenerative medicine in Japan, and the cell product CDMO (Note) business promoted jointly by the Tender Offeror and the Target Company constitute areas of “Strategic Focus” that ought to receive active investment of managerial resources and that acquiring Target Shares owned by the Prospective Tendering Shareholder presents an excellent opportunity for the Tender Offeror to enter the regenerative medical products area and cell product CDMO business, and in addition the Tender Offeror came to recognize that sharing the technology and expertise that belongs to the Tender Offeror Group and collaborating on future global expansion will enable the Tender Offeror to contribute to the expansion of the Target Company’s regenerative medicine business and custom development and manufacturing business. Specifically, the Tender Offeror anticipates generation of the synergies set forth below.

Note: “CDMO” is an abbreviation for “Contract Development and Manufacturing Organization” and refers to a pharmaceutical contract manufacturing and development organization that accepts delegation of pharmaceutical development and manufacture of pharmaceuticals.

- (i) Sharing of technology for research and development
- (ii) Sharing of expertise in the field of marketing
- (iii) Utilization of overseas support capabilities
- (iv) Expansion of the custom development and manufacturing business

In light of the results of the aforementioned analysis and examination, on December 3, 2020 the Tender Offeror submitted to the Prospective Tendering Shareholder a letter of intent to conduct the following, among other actions: (a) conduct a tender offer for all Target Shares at the tender offer price of 820 yen per share (the “**Tender Offer Price**”); (b) based on the assumption that the Target Shares will remain listed, execute measures, consulted about, examined, and agreed to between the Tender Offeror and the Target Company as measures for avoiding delisting if, as a result of that tender offer, the Target Shares are likely to fall under criteria for delisting; and (c) execute a capital and business alliance agreement with the Target Company. The Tender Offeror currently believes that making the Target Company a member, not a wholly owned subsidiary, of the Tender Offeror Group will allow both parties to share the technologies and expertise they each possess and to mutually complement and effectively use each other’s managerial resources, enabling the generation of synergies between the companies through strong collaboration in the same boat. Further, the brand power of the Target Company, whom the Tender Offeror believes is a pioneer in regenerative medicine in Japan, together with the brand power of the Tender Offeror, whose continued business activities through a 100 years of unflagging portfolio transformation have earned the trust of its customers, will contribute to the strengthening of the group’s brand. At the same time, the Tender Offeror currently believes that it is vital to maintain the Target Company’s present corporate culture and managerial independence for the purpose of improving the corporate value of the Target Company, and to that end maintaining the listing of Target Shares even after the Tender Offer and making the Target Company a listed subsidiary would also be reasonable, so the Tender Offeror decided that making the Target Company a consolidated subsidiary, rather than a wholly owned subsidiary, would be desirable.

Subsequently, the Target Company determined it could not deny that, with respect to the scheme pertaining to the proposal from the Tender Offeror (specifically, forgoing the establishment of an upper limit for the number of shares to be purchased in the Tender Offer based on the assumption that the listing of Target Shares would be retained), the so-called issue of coercion, meaning pressure to tender shares in response to the Tender Offer, would exist, so the Target Company requested the Prospective Tendering Shareholder to make a proposal setting a number of shares corresponding to less than two-thirds of the total number of voting rights as the maximum number of shares to be purchased as a means of eliminating this issue of coercion, and consequently the Tender Offeror received that proposal from the Prospective Tendering Shareholder. The Tender Offeror determined it possible to accept the request for setting an upper limit for the number of shares to be purchased because it intends to make the Target Company a consolidated subsidiary, so on December 25, 2020 the Tender Offeror resubmitted its proposal to the effect that the maximum number of shares to be purchased would be 26,389,900 shares (ownership percentage: 64.98%).

Following this, despite receiving a request from the Target Company on December 28, 2020 to raise the Tender Offer Price, the Tender Offeror communicated to the Target Company on January 8, 2021 that it would be difficult to raise the Tender Offer Price because it had been decided based on deliberation by the Board of Directors, and as a result of the Tender Offeror, the Target Company, and the Prospective Tendering Shareholder conducting further consultations and negotiations regarding the purport and purposes of the Tender Offer, management policy after the Tender Offer and other related measures, and the terms and conditions, and the like of the Tender Offer, an agreement regarding the terms and conditions, and the like of the Tender Offer was reached in late January 2021, so the Tender Offeror resolved at a meeting of its Board of Directors on January 29, 2021 to conduct the Tender Offer and to execute a tender offer application agreement with the Prospective Tendering Shareholder. The Tender Offeror also executed the Capital and Business Alliance Agreement with the Target Company on the same day. In addition, on January 25, 2021, the Tender Offeror held discussions with the Target Company's second largest shareholder NIDEK Co., Ltd. ("NIDEK") prior to the execution of the Tender Offer in light of the impact that any tendering of shares by NIDEK in response to the Tender Offer would have on the Tender Offer, and NIDEK expressed its intention to forgo tendering the Target Shares it currently owns to date (4,227,200 shares; ownership percentage: 10.41%) in response to the Tender Offer.

## 2. Schedule and other matters

### (i) Schedule

Date of resolution by the Board of Directors	January 29, 2021 (Friday)
Date of public notice regarding commencement of tender offer	February 1, 2021 (Monday)

Name of newspaper in which public notice is to appear	An electronic public notice will be made and a statement to that effect will be published in the Nihon Keizai Shimbun (URL of electronic public notice <a href="http://disclosure.edinet-fsa.go.jp/">http://disclosure.edinet-fsa.go.jp/</a> )
Filing date of tender offer statement	February 1, 2021 (Monday)

(ii) Purchase, etc. period at time of filing of statement

From February 1, 2021 (Monday) to March 2, 2021 (Tuesday) (20 business days)

(iii) Possibility of extension based on the Target Company's request

If a request for an extension of the purchase, etc. period (the "**Tender Offer Period**") is included in accordance with Article 27-10(3) of the FIEA in the Target Company's position statement, the Tender Offer Period will end on March 16, 2021 (Tuesday) (a period of 30 business days).

3. Purchase, etc. price

Common stock 820 yen per share

4. Number of share certificates, etc. to be purchased

No. of shares to be purchased	Min. no. of shares to be purchased	Max. no. of shares to be purchased
26,389,900 shares	20,358,400 shares	26,389,900 shares

5. Other matters

The Tender Offer will not, either directly or indirectly, be conducted within the United States or targeted to the United States, use the United States post or any other such means or method of interstate or international commerce (including, without limitation, telephone, telex, facsimile, email, and internet communications), or be conducted via the facilities of a securities exchange of the United States. No tendering is permitted in response to the Tender Offer through any of the aforementioned means or methods, or via any of the aforementioned facilities, or from within the United States.

Further, neither the tender offer statement nor any of the purchase documents associated with it is for delivery or distribution via post or any other method within or to the United States or from within the United States, and no such delivery or distribution is permitted.

The Tender Offeror will not accept any tender in response to the Tender Offer that violates, directly or indirectly, any of the above restrictions.

Each person who wishes to tender shares in response to the Tender Offer (in the case of non-Japanese shareholders and the like, through their respective standing proxies) will be requested to make representations and warranties to the following effect:

- the person wishing to tender shares does not reside in the United States either when that person tenders shares or sends the application to tender shares in response to the Tender Offer;
- the person wishing to tender shares has not received or sent any information related to the Tender Offer or documents related to purchasing whatsoever within, to, or from within the United States;
- with respect to purchasing or either the signing or the delivery of an application to tender shares in response to the Tender Offer, the person wishing to tender shares has not used, either directly or indirectly, the United States post or any other such means or method of interstate or international commerce (including, without limitation, telephone, telex, facsimile, email, and internet communications) or any facility of a securities exchange within the United States; and
- the person wishing to tender shares is not an agent without discretionary power, a trustee, or a person acting as a mandatary for another person (except for where that other person gives all instructions relating to purchasing from outside the United States).

## II The Capital and Business Alliance

### 1. Outline of the Capital and Business Alliance Agreement

- (i) Matters related to the Tender Offeror making the Target Company a consolidated subsidiary (the capital alliance)

If the Tender Offeror resolves to execute the Tender Offer and announces that resolution, then the Target Company will agree to the Tender Offer and bear (a) an obligation to withhold any opinion regarding the appropriateness of the Tender Offer Price, resolve at a meeting of its Board of Directors to the effect that it entrusts to its shareholders' decisions regarding whether they will tender shares in the Tender Offer, make an announcement to that effect, and then submit a Target Company's position statement regarding that resolution after the commencement of the Tender Offer, and (b) preserve that resolution without change or withdrawal unless any of the terms or conditions of the Tender Offer are amended.

On and after the execution date of the Capital and Business Alliance Agreement, (a) the Target Company must not execute a tender offer for Target Shares with any third party, or otherwise make any proposal, solicitation or provision of information to, or consultation, negotiation, agreement, or the like with, any third party regarding any act that competes with, contradicts, or conflicts with, or is likely to compete with, contradict, or conflict with, the Tender Offeror making the Target Company a

consolidated subsidiary (the “**Capital Alliance**”) or with the Tender Offer and (b) if the Target Company receives from a third party any proposal or solicitation regarding such an act (a “**Third-Party Proposal**”), the Target Company must immediately notify the Tender Offeror of that fact and the details of the solicitation or proposal and consult with the Tender Offeror in good faith in relation to a response to that solicitation or proposal.

However, in the case that a Third-Party Proposal is made to the Target Company from a person other than the Tender Offeror or that a third party commences a tender offer for Target Shares (a “**Third-Party Tender Offer**”), if the Target Company objectively and reasonably determines that it is highly likely its performance of the aforementioned obligations would constitute a breach of the fiduciary duty or duty of care of its board of directors (however, the Target Company must not make that determination based solely on the superiority or inferiority of the purchase, etc. price or other consideration for exchange in the Third-Party Proposal or Third-Party Tender Offer, but rather must make a sincere determination taking into account the details of the business alliance with the Tender Offeror, the possibility for expansion of that business alliance, and other perspectives related to improving the Target Company’s corporate value), then promptly after making that determination (but no later than five days before the end date of the purchase, etc. period of the Tender Offer), the Target Company must provide the Tender Offeror with written notice to that effect and of the specific grounds for that determination (including a written legal opinion from an independent attorney-at-law) and the specific contents of the Third-Party Proposal. Within three business days after receiving that notice, the Tender Offeror may make to the Target Company a written proposal regarding changes to the terms and conditions of the Capital Alliance and the business alliance with the Target Company or the Tender Offer, and during that period, the Target Company must consult in good faith with the Tender Offeror toward the possibility of achieving the Capital Alliance and the business alliance. If despite faithfully deliberating the outcomes of that consultation the Target Company still objectively and reasonably determines that it is highly likely its performance of the aforementioned obligations would constitute a breach of the fiduciary duty or duty of care of its board of directors, then the Target Company will not be obligated to perform those obligations.

- (ii) Matters related to the business alliance between the Tender Offeror and the Target Company

After the completion of the Tender Offer, the Tender Offeror must, in terms of a business alliance, provide or cause a subsidiary to provide (a) knowledge, expertise, and resources that contribute to the Target Company’s business and (b) infrastructure required for the Target Company’s business operations, and after the completion of the Tender Offer the Target Company must, in terms of the business alliance, provide knowledge and expertise that contributes to the launch of the Tender Offeror’s CDMO business and collaborate in that CDMO business after taking necessary precautions regarding conflicts of interests between the Tender Offeror and minor shareholders of the Target Company. The Tender Offeror and



the Target Company must consult in good faith regarding details of these elements of the business alliance in the future.

Further, the Tender Offeror and the Target Company must exchange opinions regarding matters related to the Capital Alliance and the business alliance (including practical and technical matters) and convene a steering committee approximately once a month as a meeting for sharing and consulting on the Target Company's operational status and the status of progress with the business alliance.

(iii) Matters related to Target Shares

If the Target Company issues, disposes of, or allots any shares, stock acquisition rights, or bonds with stock acquisition rights or takes any other action that will, or is likely to, dilute the Tender Offeror's proportion of the voting rights pertaining to Target Shares or proportion of Target Shares held, the Target Company must obtain prior written approval from the Tender Offeror.

(iv) Matters related the Target Company's operations

After the completion of the Tender Offer, if the Target Company takes any of the following actions or decides to take any such action, then it must provide the Tender Offeror with at least two weeks' written notice before the date it will take the action or make a decision regarding taking that action and obtain the Tender Offeror's prior written consent: (a) any change to any of its subsidiaries or affiliates; (b) any action that falls, or is likely to fall, under criteria for delisting, or any application for delisting; (c) any business alliance similar to the business alliance with the Tender Offeror (including the establishment of a joint venture company or licensing); or (d) any organizational change, merger, share exchange, company split, or assignment or receipt of any part or all of a business or actions similar to any of aforementioned. Further, if after the completion of the Tender Offer the Target Company conducts, or makes a decision regarding, certain specified matters (Note), then it must provide the Tender Offeror with at least two weeks' written notice regarding that matter before the date it will conduct the matter or make a decision regarding that matter and, after providing that notice, consult in good faith with the Tender Offeror in relation to that matter. In addition, if after the completion of the Tender Offer the Target Company is requested by the Tender Offeror to report on or provide information regarding matters required in order for the Tender Offeror Group to comply with laws and regulations or to execute appropriate group governance, the Target Company must promptly make the report or provide the information.

(Note) Matters requiring prior consultation under the Capital and Business Alliance Agreement are as follows: formulation of medium-term and short-term management plans; decisions on material matters regarding corporate operations, including commencement and withdrawal from businesses; decisions regarding new establishment of, and changes to, important organizational units; matters related to core personnel; acquisition, assignment, disposal, and lending of, and other similar

activities in relation to, material assets; material investment and financing matters; material fund procurement and management related matters; new establishment of, changes to, and abolition of, personnel-related structures; material donations; decisions on approaches toward material litigations and the like; amendments to, new establishment of, revisions to, and abolition of important in-house rules, including amendments to the articles of incorporation; and decisions on matters deliberated by the board of directors as stipulated by laws and regulations, the articles of incorporation, or the Target Company's rules for the board of directors.

(v) Matters related to the Target Company's officers

After the completion of the Tender Offer, the Tender Offeror will be entitled to nominate a majority of the Target Company's directors, and if the Tender Offeror exercises that right to nominate, the Target Company must take all procedures necessary in order to submit to the shareholders meeting a proposal for election of directors in which the nominated persons are candidates for director. The Tender Offeror may cause each person it nominates to participate in meetings of the Target Company's board of directors and other important meeting bodies from the perspective of the Target Company's management that are reasonably designated by the Tender Offeror until that the person nominated is elected director of the Target Company. Further, in the case that the Tender Offeror's percentage of voting rights pertaining to Target Shares becomes 50% or less, the Tender Offeror and the Target Company must, if requested by the Target Company, conduct separate consultation with each other in good faith in relation to revising the number of the Target Company's directors the Tender Offeror is entitled to nominate to a number that is in line with that percentage of voting rights.

(vi) Other matters

- For a period of two years from the settlement commencement date for the Tender Offer, the Tender Offeror must not, in principle, (a) express any objection to the Target Company retaining the employment of its employees and not making disadvantageous changes to the employment conditions of the employees overall in practice or (b) request the Target Company to dismiss any of the Target Company's employees or make disadvantageous changes to working conditions.
- For the time being from the settlement commencement date for the Tender Offer, the Tender Offeror must respect the Target Company's establishment of head office functions in Gamagori and must not request the Target Company to relocate head office functions away from Gamagori.
- If the Target Company wishes to issue or the like shares, etc. for the purpose of granting incentives to officers or employees of the Target Company's group, the Tender Offeror must cooperate to a reasonable extent in that endeavor, on the condition that necessary actions will be taken to ensure that the Tender

Offeror's proportion of the voting rights pertaining to Target Shares or proportion of Target Shares held will be maintained.

- The Tender Offeror or the Target Company may cancel the Capital and Business Alliance Agreement if the Tender Offeror's proportion of voting rights pertaining to Target Shares or proportion of Target Shares held falls below one-third as a result of the Tender Offeror selling off Target Shares or if other specified circumstances arise.

## 2. Schedule

Date of resolution by the Board of Directors	January 29, 2021 (Friday)
Execution of the Capital and Business Alliance Agreement	January 29, 2021 (Friday)
Commencement date of the Tender Offer	February 1, 2021 (Monday) (scheduled)
End date of the Tender Offer	March 2, 2021 (Tuesday) (scheduled)
Commencement date of settlement	March 9, 2021 (Tuesday) (scheduled)

Please refer to the Japanese-language press release issued on January 29, 2021 for more details.

- End -