



April 28, 2021

To whom it may concern

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Notice Regarding the Revision of Financial Forecasts and the Recording of Extraordinary Losses in Consolidated and Non-consolidated Accounts

Teijin Limited (hereinafter, the “Company”) hereby announces that, based on the latest status of its business, it has revised its consolidated financial forecasts for the fiscal year ended March 2021 (April 1, 2020 to March 31, 2021) issued on February 8, 2021, as follows. The Company also announces that extraordinary losses will be recorded in its consolidated and non-consolidated financial results.

1. Revision of consolidated financial forecasts for the fiscal year ended March 31, 2021

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Earnings per share
Previously announced forecast (A)	million yen 810,000	million yen 55,000	million yen 53,000	million yen -10,000	Yen -52.10
Revised forecast (B)	837,000	54,900	53,700	-6,700	-34.90
Change (B – A)	27,000	-100	700	3,300	-
Percent change (%)	3.3%	-0.2%	1.3%	-	-
(Reference) Results for the previous fiscal year (FY2019)	853,746	56,205	54,337	25,252	131.63

2. Reason for the revision

The unexpectedly rapid recovery of automotive and other markets is predicted to result in our net sales exceeding the previously announced forecast. As for our profit attributable to owners of parent, we carefully assessed and reflected the recoverability of our deferred tax assets, while we decided to record impairment losses on our carbon fibers business’s fixed assets in our accounts, which have already been reflected into the previous forecasts. As a result, it is expected that the loss will decrease from the previously announced forecast.

3. Recording of extraordinary losses in consolidated and non-consolidated financial results

We plan to record impairment losses on the carbon fibers business’s fixed assets in the Company’s consolidated and non-consolidated financial results for the fourth quarter of the

fiscal year ended March 2021, and to record a provision for loss on guarantees in its non-consolidated financial results for the same quarter.

(Billions of Yen)

	Consolidated	Non-consolidated
(1) Impairment loss	39.2	12.2
(2) Provision for loss on guarantees	-	13.7

(1) Recording of impairment losses on the carbon fibers business's fixed assets in consolidated and non-consolidated financial results

Since the aircraft market under the severe impact of the COVID-19 pandemic is expected to remain sluggish for a long time, we checked for signs of impairment of our carbon fibers business's fixed assets. Consequently, we detected signs of impairment of some asset groups and estimated that the recoverable values and fair value prices of those asset groups would fall short of their book values. Therefore, we determined that the Company and its relevant subsidiaries would revalue those asset groups downward and record total impairment losses of 39.2 billion yen in its consolidated financial results and 12.2 billion yen in its non-consolidated financial results, respectively.

Details of impairment loss by company are as follows.

(Billions of Yen)

Company expected to record an impairment loss in its accounts	Amount of impairment loss
Teijin Carbon Fibers, Inc. (U.S.)	25.9
Teijin Limited (Japan)	12.2
Others	1.0
Total	39.2

(2) Recording of a provision for loss on guarantees in the Company's non-consolidated accounts

Because Teijin Carbon Fibers, Inc., a U.S.-based consolidated subsidiary of the Company, is expected to record an impairment loss in its accounts, we decided to record a provision for loss on guarantees of 13.7 billion yen in the Company's non-consolidated accounts mainly to prepare against loss on guarantees for the Company. Since the amount of the provision for loss on guarantees will be offset in the consolidated accounts, the consolidated financial results will not be affected by the provision.

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