



May 12, 2025

To Whom It May Concern

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### **Notice of Impairment Losses (consolidated) and Extraordinary Income and Loss (individual)**

Teijin Limited (hereinafter, the “Company”) hereby announces that it has recorded impairment losses in the financial statements (consolidated) and extraordinary income and loss in the financial statement (individual) for the fourth quarter (January 1 to March 31, 2025) of the consolidated fiscal year ended March 2025, as follows.

#### **Details**

#### **1. Recording of impairment losses (consolidated) and extraordinary income and loss (individual)**

##### **(1) Impairment losses on non-financial assets (consolidated)**

The Company determined that the right to sell four diabetes treatments in Japan, which Teijin Pharma, a consolidated subsidiary of the Company, had obtained from Takeda Pharmaceutical Co., Ltd. in April 2021, would not produce expected profits in consideration of the fact that the shares of other pharmaceutical products from the competition were growing more rapidly than expected, as well as the likely impact of subsequent drug price revisions. The Company therefore revised its profit forecast, and as a result, it found that the recoverable value would fall short of the book price and reduced the book value to the recoverable value, which was estimated based on the use value calculated by subtracting a 4.5% portion from future cash flow (after tax). The Company has therefore recorded an impairment loss of 28.0 billion yen under the “SG&A expenses” account in the consolidated financial results for the fiscal year ended March 2025.

##### **(2) Extraordinary income and loss related to resolution on transfer of affiliate company shares (individual)**

The Company has resolved to transfer the shares of Teijin Automotive Technologies NA Holdings Corporation (hereinafter, “TAT”) owned by Teijin Holdings USA, Inc. (hereinafter, “THUS”), a consolidated subsidiary of the Company, to Stork BidCo Inc, a special purpose company of AURELIUS Private Equity Mid-Market Buyout. In accordance with this resolution, the financial position of THUS as owner of these TAT shares is expected to deteriorate, with the consequences being that the Company has recorded a loss on valuation of shares of subsidiaries and affiliates of 65.8 billion yen vis-a-vis THUS, a provision for allowance for

doubtful accounts of 85.4 billion yen, and a provision for loss on guarantees of 6.5 billion yen in its individual financial statements as extraordinary losses for the fiscal year ended March 31, 2025. Since the likelihood of incurring losses from the fulfillment of guaranteed obligations to TAT has significantly decreased, the Company has reversed its provision for loss on guarantees to TAT and recorded a reversal of provision for loss on guarantees of 12.4 billion yen as an extraordinary income.

## 2. Impact on the financial results

Since the abovementioned impairment losses have been reflected in the annual financial forecast for the fiscal year ended March 2025 (announced on February 6, 2025), there is no change to the forecast. In addition, a decrease in depreciation/amortization due to these losses have also been reflected in the annual financial forecast for the fiscal year ending March 2026, which has been announced today.

Since said reversal of provision for loss on guarantees, loss on valuation of shares of subsidiaries and affiliates, provision for allowance for doubtful accounts, and provision for loss on guarantees were eliminated in the consolidated financial statements, there was no effect on consolidated profit/loss for the fiscal year ended March 31, 2025.

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