

NEWS RELEASE

Nakashima and Teijin to Establish Joint Venture for Global Expansion of Japanese-made Medical Device Business

Tokyo, Japan, February 23, 2015 --- [Nakashima Holdings Co., Ltd.](#) and [Teijin Limited](#) announced today that Teijin will acquire, through a third-party allotment, new shares of [Nakashima Medical Co., Ltd.](#), Nakashima Holdings' wholly owned subsidiary specializing in joint prostheses, to establish a 50-50 joint venture named Teijin Nakashima Medical Co., Ltd. as of April 1.

This tie-up will develop global business in the medical device field by integrating Nakashima's core competencies in high-level metalworking and joint prostheses with Teijin's expertise in materials technology, primarily polymeric chemistry, and healthcare-related development and sales capabilities.

The joint venture will strategically restructure its existing sales force in line with business targets that will be identified in cooperation with Teijin Pharma, a Teijin group company specialized in healthcare business. The new company aims to develop revolutionary products based on synergies between its two parent companies and incorporate a range of technologies, both internal and external, through Teijin's global network.

Teijin Nakashima Medical will aim to become a major manufacturer of Japanese-made joint prostheses while laying the groundwork for global expansion. Sales of JPY 10 billion will be targeted by 2020.

Teijin Nakashima Medical

- Location: Higashi-ku, Okayama City, Okayama Prefecture, Japan
- President: Masayuki Tsubokura
- Employees: 186 (January 1, 2015)
- Main businesses: Development, manufacturing and sales of medical devices, including joint prostheses and trauma implants
- Facilities: Headquarters and plant in Okayama City, Okayama Prefecture; R&D center in Okayama City, Okayama Prefecture; and sales offices in Sapporo, Sendai, Tokyo, Osaka, Okayama and Fukuoka

Stock equity ratio

- Pre-agreement: Nakashima Holdings 100%
- Post-agreement: Nakashima Holdings 50% and Teijin 50%

Third-party allocation of new stock

- About JPY 1.5 billion

Timeline

- Feb 23, 2015: Conclusion of stock underwriting agreement
- April 1, 2015: Third-party allocation takes effect (planned)
- April 1, 2015: Nakashima Medical changes name (planned)

The precursor of the Nakashima Group was established in 1926 to manufacture general marine propulsion systems. Through proprietary manufacturing techniques and product development expertise, it has established a 70% share of the Japanese marine propulsion systems market and a 30% share of the global market.

Nakashima Medical, originally established as an internal unit in 1987, was spun off as a wholly owned subsidiary of the Nakashima Group in 2008. Leveraging its expertise in metalworking and product development, such as vitamin E polyethylene, the company has grown its annual sales to approximately JPY 3 billion. With just a 3% share of the Japanese joint prostheses market, however, the company has decided to partner with the Teijin Group to further grow its business in an increasingly competitive healthcare environment.

The Teijin Group's global businesses include high-performance materials focused on polymeric chemistry, as well as drugs and home healthcare. Going forward, Teijin aims to develop new businesses, including by integrating high-performance materials and healthcare, in line with growth strategies contained in the Teijin medium-term business plan announced in November 2014.

About Nakashima Group

Nakashima Holdings, named Nakashima Foundry, established in 1926 in Okayama Prefecture. The company expands a business through the use of the technical strength, knowledge and skilled craftsmanship, such as hands of expert craftsman, that can identify differences as small as a hundredth of a millimeter. Nakashima Group reorganized the group companies as the core of Nakashima Holdings in 2008. The group has 11 companies and around 1,300 employees spread out over 4 countries worldwide at the moment. It posted consolidated sales of JPY 34 billion (USD 3.1 billion) in the fiscal year ending November 30, 2014.

Please visit http://www.nakashima.jp/index_en.html

About the Teijin Group

Teijin (TSE: 3401) is a technology-driven global group offering advanced solutions in the areas of sustainable transportation, information and electronics, safety and protection, environment and energy, and healthcare. Its main fields of operation are high-performance fibers such as aramid, carbon fibers & composites, healthcare, films, resin & plastic processing, polyester fibers, products converting and IT. The group has some 150 companies and around 16,000 employees spread out over 20 countries worldwide. It posted consolidated sales of JPY 784.4 billion (USD 7.7 billion) and total assets of JPY 768.4 billion (USD 7.5 billion) in the fiscal year ending March 31, 2014. Please visit www.teijin.com.

Press Contact

Corporate Planning Dept.
Nakashima Medical Co., Ltd.
+81 86 279 6278
medical-kaigai@nakashima.co.jp

Corporate Communications
Teijin Limited
+81 3 3506 4055
pr@teijin.co.jp