Notice Regarding the Recognition of Extraordinary Loss

Teijin Limited announced today that it has recognized an extraordinary loss for the nine months ended December 31, 2015, as follows.

1. Recognition of extraordinary loss on the application of impairment accounting to fixed assets

   (1) Reasons for applying impairment accounting
   Teijin has been advancing various restructuring initiatives since announcing its revised medium-term management plan in November 2014. Among these initiatives, in the polyester film business Teijin continues to successively transfer production to integrate its domestic production facilities at the Utsunomiya Factory and thereby narrow its focus on high-value-added applications. However, the operating environment surrounding the polyester film business is becoming increasingly severe mainly because of the emergence of manufacturers from the People’s Republic of China (PRC) and weak demand in connection with the decelerating PRC economy and other factors. Therefore, Teijin believes it will take some more time for profitability to improve. In light of these factors, Teijin has decided to apply impairment accounting to fixed assets in the polyester film business.

   (2) Amount of impairment loss recognized
   In line with this measure, Teijin has recognized an impairment loss of ¥4.8 billion as an extraordinary loss for the nine months ended December 31, 2015. This loss will have an impact of ¥3.1 billion on profit attributable to owners of parent, a measure of profit adjusted for non-controlling interests and other related items.