

March 29, 2013

To whom it may concern

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Notice Regarding the Recognition of Additional Extraordinary Losses and the Revision of Consolidated Operating Results Forecasts for Fiscal 2012

Teijin Limited announced today that it expects to recognize additional extraordinary losses, as indicated below. Teijin has concurrently revised its consolidated operating results forecasts for fiscal 2012, ending March 31, 2013.

1. Recognition of additional extraordinary losses

Loss on impairment of goodwill in the Advanced Fibers and Composites segment (Carbon Fibers and Composites business)	¥(17.0 billion)
Loss on impairment of goodwill and other impairment losses in the Healthcare segment	(5.0 billion)
Losses on impairment of tangible fixed assets and other losses in the Advanced Fibers and Composites segment	(7.0 billion)
Total	¥(29.0 billion)

Factors behind additional extraordinary losses

Loss on impairment of goodwill in the Advanced Fibers and Composites segment (Carbon Fibers and Composites business)

The goodwill that has become impaired is principally from the 2007 transformation of consolidated subsidiary Toho Tenax Co., Ltd., into a wholly owned subsidiary via a stock swap. Since the subsequent financial crisis and the global economic slowdown, operating conditions have remained harsh, while competition—particularly in the market for products for use in sports and leisure equipment—has intensified. In light of these factors, and having concluded, using cash flow-based analysis, that goodwill is likely to remain at a lower value than initially expected, Teijin intends to apply impairment accounting to the remaining unamortized portion of this goodwill, resulting in a loss on impairment of approximately ¥17.0 billion.

Loss on impairment of goodwill and other impairment losses in the Healthcare segment

Teijin intends to apply impairment accounting to part of the remaining unamortized portion of goodwill in—and recognize other impairment losses related to—Braden Partners L.P., a U.S. provider of home healthcare services acquired in 2008, resulting in impairment losses in the Healthcare segment of around ¥5.0 billion. This move is attributable to a worsening of the operating environment in the United States, owing sharp decline in medical insurance costs brought about by healthcare system reforms, which has pushed the profitability of the company below the level expected at the time of acquisition.

Losses on impairment of tangible fixed assets and other losses in the Advanced Fibers and Composites segment

Teijin also expects to record other losses in the Advanced Fibers and Composites segment. These include losses on the impairment of certain tangible fixed assets of production facilities in its Carbon Fibers and Composites business—incurred in connection with the aforementioned loss on impairment of goodwill—and losses on the impairment of certain tangible fixed assets of production facilities belonging to local subsidiaries that were damaged by the severe flooding in Thailand in 2011.

As a consequence of these factors, Teijin currently expects extraordinary losses in fiscal 2012 to be ¥29.0 billion higher than previously forecast.

2. Revised consolidated operating results forecasts for fiscal 2012

(Millions of yen/%)

	Net sales	Operating income	Ordinary income	Net income (loss)	Net income (loss) per share (yen)
Previous forecast (A)	¥740,000	¥14,000	¥10,000	¥ 0.0	¥ 0.00
Revised forecast (B)	740,000	12,000	8,000	(30,000)	(30.50)
Change (B–A)	0	–2,000	–2,000	–30,000	–30.50
Percentage change (%)	—	–14.3%	–20.0%	—	—
(For reference) Results for the fiscal year ended March 31, 2012	854,370	34,044	34,283	11,979	12.17

Reasons for revision

As a consequence of persistently sluggish conditions in electronics markets worldwide, sales volumes and terms of trade in the Electronics Materials and Performance Polymer Products segment have fallen short of the expectations that were behind Teijin's previous consolidated results forecasts for fiscal 2012. Because of this, combined with the ongoing deterioration of the operating environment in certain other businesses, Teijin now estimates both operating income and ordinary income in fiscal 2012 will be below its previous forecasts.

Furthermore, owing to the recognition of additional extraordinary losses, as outlined above, Teijin now expects to report a net loss of approximately ¥30.0 billion, significantly down on its previous forecast for net income of ¥0.0 billion.

3. Year-end dividend forecast

Teijin has not revised its year-end dividend forecast from its previous forecast (¥2.0 per share), which was announced on November 2, 2012.

4. Strategic measures

Short- and medium-term measures aimed at restoring profitability

In addition to ongoing Groupwide efforts to reduce costs, Teijin will press forward with the realignment of global production configurations in its materials businesses, as well as with efforts to reduce costs for support functions through the reorganization of its head offices and other active measures aimed at situating it well to improve its performance without relying on a favorable turn in the general operating environment. While it expects such measures to reduce costs by approximately ¥10.0 billion in fiscal 2013, Teijin is nonetheless contemplating other far-reaching structural reforms. The Company also forecasts a decline in depreciation and amortization of around ¥5.0 billion in fiscal 2013, owing to the application of impairment accounting to goodwill, as described above, among others.

Positioning of the Carbon Fibers and Composites business and future initiatives

Despite incurring impairment losses in its Carbon Fibers and Composites business in fiscal 2012, Teijin will continue working to substantially expand sales for key high-growth applications. These include aircraft applications, a particularly promising area, and pressure vessels, demand for which continues to rise sharply thanks to the expansion of shale gas production. With the aim of achieving commercialization of thermoplastic carbon fiber-reinforced plastic (CFRP) composite products, primarily for use in mass-produced vehicles, by 2016, the Teijin Composites Application Center in the United States and the pilot plant at Teijin's factory in Matsuyama, Japan, continue to press forward with active development efforts to ensure the swift launch of this business.

Taking into account its projections for significant market growth in such cutting-edge fields, Teijin continues to see Carbon Fibers and Composites as a core strategic business. The Company is currently considering plans for a new, highly competitive production line in North America, a market with major growth potential, with a view to making a final decision by early fiscal 2014, and is also evaluating a proposal to construct a fiber composite molding facility in the United States. Through the forward-looking allocation of investment to initiatives such as these, Teijin will work to solidify its position as a leading global supplier of carbon fibers and composites.

Disclaimer Regarding Forward-Looking Statements

Any statements in this document, other than those of historical fact, are forward-looking statements about the future performance of Teijin and its Group companies, which are based on management's assumptions and beliefs in light of information currently available and involve risks and uncertainties. Actual results may differ materially from these forecasts.