

September 25, 2013

To whom it may concern

Company: Teijin Limited

Stock Code: 3401 (First Section, Tokyo Stock Exchange)

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## **Notice Regarding the Recognition of Extraordinary Income and Losses**

Teijin Limited (the “Company”) hereby announces that it expects to book the following consolidated extraordinary income and losses for the first two quarters (April 1, 2013 through September 30, 2013) of the fiscal year ending March 2014.

### **1. Extraordinary Income**

Following the sale of part of its holdings of investment securities, the Company will recognize a 8.0 billion yen extraordinary gain on the sale of investment securities.

(1) Reason for the sale of investment securities

In order to improve the financial position and the efficiency of assets

(2) Period in which the gain on the sale of investment securities was accrued

From August 6, 2013 to September 25, 2013

(3) Details of the gain on the sale of investment securities

- Equity securities sold: Shares in two listed companies

- Gain: 8.0 billion yen in total

### **2. Extraordinary Losses**

As part of business structure reform, the Company has been promoting the realignment of manufacturing operations for its materials business. In line with this effort, the Company has decided to partially suspend operations at Teijin Polycarbonate Singapore Pte Ltd. As a result of this, the Company expects to recognize

approximately 2.4 billion yen in an extraordinary loss.

(1) Purpose and outline of the realignment of manufacturing operations

The Company is manufacturing and selling polycarbonate resin in Japan, China, and Singapore. However, the Company's performance in this field of business has deteriorated lately against the backdrop of the slowdown of the Chinese economy in recent years, an unfavorable supply-demand balance following the launch of additional production capacity in China, the continuing high costs of raw materials, and the sluggish business performance of Japanese electric and electronics manufacturers. In a bid to enhance the profitability of its materials business, the Company will realign the manufacturing operations at its polycarbonate resin plant in Singapore, which has been declining in profitability. Specifically, operations at one of the plant's four production lines will be suspended to reduce fixed costs and improve the productivity.

At the same time, the Company has been implementing measures to enhance sales operations for its Resin and Plastics Processing business including the establishment of additional sales bases in Thailand and China, and the realignment of existing ones. The Company expects that these measures will have the combined impact of increasing annual earnings by approximately 1.5 billion yen once their intended effects are fully generated.

(2) Outline of the plant

Company Name: Teijin Polycarbonate Singapore Pte Ltd. (TPS)

Location: 111 Sakra Avenue #01-01 Singapore 627881

Main business: Manufacturing and sales of polycarbonate resin

Production capacity: 225,000 tons per year

Establishment: June 1997

Number of employees: 186 (as of June 30, 2013)

(3) Details of extraordinary losses

Following the above-discussed structural reform, an impairment loss of about 2.4 billion yen on the suspended production line will be recognized as part of extraordinary losses.

### **3. Earnings Forecasts**

The extraordinary income and losses listed above were not reflected in the earnings forecasts for the fiscal year ending in March 2014 announced on May 9, 2013. However, in addition to the measures explained above, some other structural reform measures are currently under consideration, and the Company is still in the process of examining the impact of such additional measures and other factors on its earnings in the first two quarters (April 1, 2013 through September 30, 2013) as well as on those of the full year ending March 2014. If the Company concludes that changes need to be made to the earnings forecast, relevant information will be disclosed immediately.