

January 20, 2014

To whom it may concern

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Notice Regarding Discontinuation of Paraxylene Production and Sales

Teijin Limited announced today that it has resolved to discontinue in-house production and sales of paraxylene (PX) on January 17, 2014, as part of its program of business restructuring initiatives.

1. Reason for discontinuation of production

Since 1973, Teijin has produced PX, a raw material used in the manufacture of polyester, at its Matsuyama Plant, located in Ehime, Japan. Recently, competitors worldwide have taken steps to expand their production capacity, a trend that has upset the supply–demand balance, hampering profitability. With an improvement in this situation unlikely, Teijin has resolved to discontinue in-house production and instead purchase what it requires from outside suppliers, with the aim of reducing costs, notably fixed costs.

2. Outline of operations to be discontinued

- (1) Operations: Production and sales of PX
- (2) Location: Matsuyama Plant (south zone), Teijin Limited
2345, Nishi-Habumachi, Matsuyama, Ehime, Japan
- (3) Annual production capacity: 290,000 tons
- (4) Sales of PX to customers (fiscal 2012):

Billions of yen

	Sales of PX to customers	Net sales of Teijin Limited (consolidated)	Net sales of Teijin Limited (nonconsolidated)
Sales	¥36.1	¥745.7	¥77.8

(5) Schedule: PX production lines will cease operating in March 2014

(6) Handling of affected employees and assets:

Teijin intends to reassign employees currently involved in the production of PX within the Teijin Group and is currently making necessary arrangements. Teijin is also currently examining options for the divestiture of pertinent assets, among others.

3. Impact on operating results

Owing to the discontinuation of production of PX, Teijin expects to report a loss on impairment on related production facilities of approximately ¥1.0 billion as an extraordinary loss in fiscal 2013. However, the Company also expects the resulting reduction in fixed costs to have a positive annual impact of approximately ¥1.3 billion beginning in fiscal 2014.

Teijin is currently examining the potential impact of this and other matters on its overall operating results for fiscal 2013. Should the need for a revision of its operating results forecasts for the period arise, the Company will promptly announce new forecasts.

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.