

September 13, 2016

To whom it may concern

Company: Teijin Limited
Stock code: 3401 (First Section, Tokyo Stock Exchange)
Representative: Jun Suzuki, President and CEO
Contact: Masahiro Ikeda, General Manager,
Finance and Investor Relations Department
Tel: +81-3-3506-4395

Notice Regarding Acquisition of US Company Continental Structural Plastics

Teijin Limited announced today that it has agreed to acquire Continental Structural Plastics Holdings Corporation (CSP), a leading automotive composite supplier in North America for USD 825 million. CSP will become a wholly owned subsidiary of Teijin.

The shares of CSP will be purchased by Teijin Holdings USA Inc., the Teijin Group's holding company in the US. The acquisition is scheduled to be completed in December 2016 after satisfaction of customary closing conditions, including regulatory approval.

1. Purpose of the acquisition

CSP is a leading manufacturer of thermoset composites in the automotive industry and is the world's largest sheet molding compound (SMC) manufacturer for automakers. Since its establishment in 1969, CSP has provided leading-edge technologies in lightweight materials and composite solutions such as glass fiber reinforced plastic (GFRP) for the automotive industry. Headquartered in Auburn Hills, Michigan, US, CSP provides full-service engineering support, and holds more than 50 patents covering materials development and manufacturing processes in composite materials formulation and design. Its Class A surfaces produced by its SMC technology have been adopted by various automakers in the US, Europe and Japan.

Teijin will benefit from CSP's established sales channels in the North American automotive market, which will enable the combined business to provide a broader range of solutions that meet automakers' demands for weight reduction and durability, utilizing the company's thermoplastic composite technologies.

The integration of CSP's technical expertise in thermoset composites and Teijin's leadership in complementary thermoplastics creates significant synergies for comprehensive multi-material applications to meet diversified demands from the automotive industry. Through this transaction, Teijin aims to become an automotive solution provider by expanding its offerings beyond carbon fiber and glass fiber materials, in collaboration with other materials manufacturers. Teijin intends to expand its product portfolio from materials to component design, implement a global supply chain and help achieve vehicle weight reductions in order to comply with tighter environmental regulations being introduced after 2020.

Utilizing such synergy effects, and as outlined in our 2014 Transformation and Growth

Strategies in Revised Medium-Term Management Plan, Teijin aims to provide consistent upstream-to-downstream solutions and realize one of the company's growth concepts, which is high-performance materials technologies that create new value. The Teijin Group will continue to evolve, aiming to become a company that supports future society leveraging our core strengths in integrated high-performance materials and healthcare.

The combination of CSP's thermoset capabilities, especially its GFRP technology, and Teijin's high-performance composites such as carbon fiber reinforced thermoplastic (CFRTP), will help reduce weight and component count in finished products. This will in turn improve recycling efficiency and offer automakers value-added solutions that meet their requirements for more environmentally friendly components at lower cost. Teijin will also utilize CSP's European Center for Advanced Technology in France and Teijin's own composite production facilities to enhance its global development capabilities, allowing the combined business to better address the requirements of European, Japanese and Asian automakers. The automotive composite products business of the Teijin Group is targeting annual sales of USD 2.0 billion by 2030.

Teijin is implementing a solutions-oriented business model as part of its long-term management vision, with development of composite applications for mass-produced automotive components one of its priorities in the field of high-performance fibers. Environmental concerns such as CO2 emission reductions and improvements in fuel efficiency are now global issues; accelerated development of tough and lightweight eco-friendly composite components is therefore a pressing task in the automotive industry. Teijin is now focused on establishing a platform for business development in automotive composite products, aiming to provide a wider range of solutions for automakers.

Teijin established its Teijin Composites Innovation Center in 2008 and has focused on developing leading-edge composite product technologies and applications. In 2011 the company developed the world's first mass-production technology for CFRTP, with a production interval time - or "takt-time" - of just one minute. Teijin subsequently established a technical facility in the US and a pilot plant for the fully integrated production of CFRTP in Japan. In 2012 it branded the world's first CFRTP product - Sereebo™ - and has been preparing this for commercial use via high-volume production methods in collaboration with domestic and international enterprises. Meanwhile, Toho Tenax Co., Ltd., the core company of the group's carbon fibers and composites business, has developed an integrated production system for carbon fiber-reinforced plastic (CFRP) using its Tenax® Part via Preform (PvP) technology that considerably reduces carbon-fiber waste compared to conventional preform production methods. Furthermore, Teijin obtained ISO/IEC 17025 accreditation for its evaluation capabilities in 2015 and ISO/TS 16949 accreditation for automotive production and relevant service part organizations in 2016.

2. Outline of the Company to be Acquired

(1) Corporate Name	Continental Structural Plastics Holdings Corporation		
(2) Location	Headquarters / Development Center: 255 Rex Boulevard, Auburn Hills, MI 48326, US Production facilities: USA (10), Mexico (2), France, China		
(3) Representative	Frank Macher (Chairman and CEO)		
(4) Business	Design, molding and processing of automotive composite materials and components		
(5) Capital ⁽¹⁾	-		
(6) Year Established	1969		
(7) Major Shareholder and Shareholding Ratio	RLSI-CSP Capital Partners, LLC (66.7%) ⁽²⁾		
(8) Relationship between Teijin Limited and CSP	There is no matter to report regarding capital, personnel or business relationship between Teijin Limited and CSP.		
(9) Historical Operating Results and Financial Position of CSP (in millions of USD)			
Accounting Period	Fiscal year ended December 2013	Fiscal year ended December 2014	Fiscal year ended December 2015
Consolidated Net Sales	405	510	634
Consolidated Operating Income ⁽¹⁾	-	-	-
Consolidated Net Income ⁽¹⁾	-	-	-
Consolidated Total Assets ⁽¹⁾	-	-	-
Consolidated Net Assets ⁽¹⁾	-	-	-

(1) Undisclosed for confidentiality reasons

(2) Shareholding ratio represents only common stock of CSP

3. Counterparties of the Stock Purchase

(1) Name	RLSI-CSP Capital Partners, LLC
(2) Location	140 Rowayton Avenue, Suite 2C Rowayton, CT 06853, US
(3) Representative	Gregory D. Scott (Manager)
(4) Business	Private equity fund
(5) Year Established	2005
(6) Relationship between Teijin Limited and RLSI-CSP Capital Partners, LLC	There is no matter to report regarding capital, personnel or business relationship between Teijin Limited and RLSI-CSP Capital Partners, LLC

In addition to the above, Teijin will also acquire shares from other shareholders including funds and individuals. There is no matter to report regarding capital, personnel or business relationship between such funds or individuals and Teijin.

4. Number of Shares to be Purchased, the Purchase Price and the Shareholding after the Acquisition

(1) Teijin's Shareholding before the Acquisition	0 share (% shareholding: 0%)
(2) Number of Shares to be acquired ⁽¹⁾	Common stock: 37,064.66 shares Series A Preferred Stock: 29,259.00 shares Series B Preferred Stock: 5,000.00 shares Series C Preferred Stock: 4,500.00 shares
(3) Acquisition Price ⁽²⁾	USD 825 million*
(4) Teijin's Shareholding after the Acquisition ⁽¹⁾	Common stock: 37,064.66 shares Series A Preferred Stock: 29,259.00 shares Series B Preferred Stock: 5,000.00 shares Series C Preferred Stock: 4,500.00 shares (Ratio of Ownership Voting Rights: 100%)

(1) All or part of the Series B Preferred Stock and Series C Preferred Stock may be converted to Common Stock prior to the closing.

(2) The price of CSP's shares at the time of purchase is planned to be the amount that will follow a price adjustment provided for in the share purchase agreement. The purchase price is expected to change as a result of the actual amount of the price adjustment.

5. Timeline

(1) Resolution by the Board of Directors ⁽¹⁾	August 1, 2016
(2) Execution of Agreement	September 13, 2016
(3) Date of Share Purchase ⁽²⁾	December 2016 (subject to change)

(1) Teijin resolved at its board of directors meeting held on August 1, 2016 to participate in a sale process to acquire CSP (which includes a purchase price cap and minimum transaction terms), and Teijin has been discussing the details of the terms and conditions with current shareholders. As we recently reached agreement with current shareholders on the final details of the share purchase agreement, we entered into a definitive agreement to purchase all of the shares of CSP on September 13, 2016.

(2) The closing of the transaction is subject to applicable legal and regulatory approval including the clearance required under the competition law in the US and Mexico.

6. Future Outlook

The impact of this share acquisition on Teijin's consolidated financial results for the fiscal year ending March 31, 2017 will be negligible.

(Reference)

Forecast of FY2016 ending March 31, 2017 (released on August 2, 2016) and Actual Consolidated Financial Results for FY2015

(in millions of JPY)

	Net Sales	Operating Income	Ordinary Income	Profit Attributable to Owners of Parent
FY2016 ending March 31, 2017 (Forecast)	740,000	53,000	53,000	35,000
FY2015 ended March 31, 2016 (Actual)	790,748	67,130	60,316	31,090