



February 8, 2023

To whom it may concern

Company: Teijin Limited  
 Representative: Akimoto Uchikawa, President and CEO  
 Stock code: 3401 (Prime Market, Tokyo Stock Exchange)  
 Contact: Tomoya Yoshitomi, General Manager,  
 Investor and Public Relations Department  
 TEL: +81-3-3506-4395

Notice Regarding the Revision of Financial Forecasts and the Recording of  
 Extraordinary Losses in Consolidated and Non-consolidated Accounts

Teijin Limited (hereinafter, the “Company”) hereby announces that, based on its recent performance, it has revised its consolidated financial forecasts for the fiscal year ending March 2023 (April 1, 2022, to March 31, 2023) downward from the values announced on November 7, 2022.

The Company also hereby announces that it has recorded extraordinary losses in its consolidated and non-consolidated financial results for the third quarter of the fiscal year ending March 2023. The details of both the abovementioned revision and losses are as follows.

1. Revision of consolidated financial forecasts for the fiscal year ending March 31, 2023

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Earnings per share
Previously announced forecast (A)	million yen 1,050,000	million yen 25,000	million yen 29,000	million yen 16,000	yen 83.23
Revised forecast (B)	1,030,000	10,000	12,000	-18,000	-93.63
Change (B – A)	-20,000	-15,000	-17,000	-34,000	-
Percent change (%)	-1.9%	-60.0%	-58.6%	-	-
(Reference) Results for the previous fiscal year (FY2021)	926,054	44,208	49,692	23,158	120.58

Reasons for the revision of the financial forecasts

We have decided to revise our forecasts of net sales downward from the previously announced forecast values as shown above. The main causal factors for the downward revisions include the sales volume down due to decreased production volume of a European

base caused by a plant fire, and a decline in demand in China due to lockdowns and the consequent slowing of the economy in the material segment. In addition to the factors for the net sales revision, we have also decided to revise our forecast of operating income and ordinary income downward from the previously announced forecast values as shown above by the impact of a delayed operation resumption after recovery from an equipment breakdown at a U.S. plant. In addition to the decline in operating income, the profit attributable to owners of parent was also revised downward from the previously announced value as shown above due to the recording of an impairment loss on the goodwill of Teijin Automotive Technologies (TAT-US).

There is no change to the year-end dividend forecast for the fiscal year ending March 31, 2023, announced on November 7, 2022: JPY 12.50 per share (an interim dividend of JPY 27.50 per share and a forecast annual dividend of JPY 40.00 per share).

## 2. Recording of extraordinary losses in the Company's consolidated and non-consolidated accounts

For the third quarter of the fiscal year ending March 2023, the Company recorded an impairment loss on the goodwill of the composites business in its consolidated accounts and a loss on valuation of shares of affiliates and subsidiaries in its non-consolidated accounts.

### (1) Recording of an impairment loss on the goodwill of the composites business in the Company's consolidated accounts

TAT-US, a consolidated subsidiary of the Company, has been predicted to fall behind in implementing its initial plan to become profitable, primarily due to decreased OEM production caused mainly by a shortage of raw materials and parts, including semiconductors, rising raw material prices, reduced productivity and additional costs caused by an equipment breakdown at a plant, and a continued low level of productivity caused by the labor shortage. Accordingly, since the Company detected signs of impairment of that subsidiary's goodwill as of its acquisition of the subsidiary, it assessed whether to recognize an impairment loss. As a result of the assessment, the Company decided to treat the total undepreciated balance of the goodwill as an impairment loss and recorded an impairment loss of 15.4 billion yen as an extraordinary loss in its consolidated financial results for the third quarter of the fiscal year ending March 2023.

### (2) Recording of a loss on valuation of shares of affiliates and subsidiaries in the Company's non-consolidated accounts

It has been predicted that the weak business performance of TAT-US and the impairment of its goodwill will worsen the financial condition of Teijin Holdings USA, Inc., the Company's consolidated subsidiary that holds the shares of TAT-US. Therefore, the Company recorded a loss on valuation of shares of affiliates and subsidiaries of 112.2 billion yen as an extraordinary loss in its non-consolidated financial results for the third quarter of the fiscal year ending March 2023.

Since the amount of the loss on valuation of shares of affiliates and subsidiaries will be offset in the consolidated accounts, the consolidated financial results will not be affected by this loss.

- End -